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中国建设银行
China Construction Bank

中國建設銀行股份有限公司

CHINA CONSTRUCTION BANK CORPORATION

(A joint stock company incorporated in the People's Republic of China with limited liability)

Stock Code: 939 (Ordinary H-share)

4606 (Offshore Preference Share)

REPORT FOR THE THIRD QUARTER OF 2020

The board of directors (the “**Board**”) of China Construction Bank Corporation (the “**Bank**”) is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (collectively the “**Group**”) for the period ended 30 September 2020, prepared under the International Financial Reporting Standards (IFRS). This announcement is made in accordance with Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

1 IMPORTANT NOTICE

1.1 The Board, the board of supervisors, directors, supervisors and senior management of the Bank warrant that the information contained in this quarterly report is truthful, accurate and complete and there are no false records or misleading statements contained in, or material omissions from, this report, and that they assume legal liability for such contents severally and jointly.

1.2 This quarterly report has been reviewed and approved at the Board meeting of the Bank held on 29 October 2020. All 14 directors of the Bank attended the meeting.

1.3 The financial statements in this quarterly report have not been audited.

1.4 Mr. Tian Guoli, legal representative of the Bank, Mr. Liu Guiping, person in charge of finance and accounting of the Bank, and Mr. Zhang Yi, general manager of finance & accounting department of the Bank, hereby warrant the truthfulness, accuracy and completeness of the financial statements in this quarterly report.

2 CORPORATE PROFILE

2.1 Corporate information

Listing stock exchange, stock abbreviation and stock code	A-share:	Shanghai Stock Exchange Stock abbreviation: 建设银行 Stock code: 601939
	H-share:	The Stock Exchange of Hong Kong Limited Stock abbreviation: CCB Stock code: 939
	Domestic preference share:	Shanghai Stock Exchange Stock abbreviation: 建行優 1 Stock code: 360030
	Offshore preference share:	The Stock Exchange of Hong Kong Limited Stock abbreviation: CCB 15USDPREF Stock code: 4606
Secretary to the Board	Hu Changmiao	
Company secretary	Ma Chan Chi	
Customer service and complaints hotline	95533	
Contact information for investors	Telephone: 86-10-66215533	
	Facsimile: 86-10-66218888	
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2.2 Major financial information prepared under IFRS

The financial information set forth in this quarterly report is the consolidated results of the Group prepared under IFRS and expressed in RMB unless otherwise stated.

(In millions of RMB unless otherwise stated)	30 September 2020	31 December 2019	Change (%)
Total assets	28,298,121	25,436,261	11.25
Total equity attributable to equity shareholders of the Bank	2,322,319	2,216,257	4.79
Net assets per share attributable to ordinary shareholders of the Bank (in RMB)	8.81	8.39	5.01

(In millions of RMB unless otherwise stated)	Three months ended 30 September 2020	Change over the same period last year (%)	Nine months ended 30 September 2020	Change over the same period last year (%)
Operating income	176,030	5.32	535,954	4.77
Net profit	68,670	(4.19)	207,609	(8.70)
Net profit attributable to equity shareholders of the Bank	68,206	(4.14)	205,832	(8.66)
Net cash from operating activities	N/A	N/A	610,678	243.20
Basic and diluted earnings per share (in RMB)	0.27	(3.57)	0.82	(8.89)
Annualised return on average equity (%)	12.28	down 1.85 percentage points	12.53	down 2.60 percentage points

2.3 Differences between the financial statements prepared under PRC GAAP and those prepared under IFRS

There is no difference in the net profit for the nine months ended 30 September 2020 or total equity as at 30 September 2020 between the Group's consolidated financial statements prepared under PRC GAAP and those prepared under IFRS.

2.4 Number of ordinary shareholders and particulars of shareholding as at 30 September 2020

2.4.1 As at 30 September 2020, the Bank had 385,176 ordinary shareholders, including 41,346 H-share holders and 343,830 A-share holders.

2.4.2 Particulars of shareholding of top ten ordinary shareholders

Unit: share

Particulars of shareholding of top ten ordinary shareholders (based on the register of members as at 30 September 2020 and confirmation of shareholders)

Name of ordinary shareholder	Nature of shareholder	Shareholding percentage (%)	Change during the reporting period	Total number of shares held	Number of shares pledged or frozen
Central Huijin Investment Ltd. ²	State	57.03	-	142,590,494,651(H-shares)	None
		0.08	-	195,941,976(A-shares)	None
HKSCC Nominees Limited ^{2,3}	Foreign legal person	36.88	+10,510,366	92,195,445,058(H-shares)	Unknown
China Securities Finance Corporation Limited	State-owned legal person	0.88	-	2,189,259,768 (A-shares)	None
China Baowu Steel Group Corporation Limited ³	State-owned legal person	0.80	-	1,999,556,250(H-shares)	None
State Grid Corporation of China ^{3,4}	State-owned legal person	0.64	-	1,611,413,730(H-shares)	None
Reca Investment Limited	Foreign legal person	0.34	-	856,000,000(H-shares)	None
China Yangtze Power Co., Limited ³	State-owned legal person	0.26	-	648,993,000(H-shares)	None
Central Huijin Asset Management Ltd. ²	State-owned legal person	0.20	-	496,639,800 (A-shares)	None
Hong Kong Securities Clearing Company Ltd. ²	Foreign legal person	0.17	-84,157,262	432,762,961(A-shares)	None
Taiping Life Insurance Co., Ltd.—Traditional—Ordinary insurance product—022L—CT001SH	Others	0.07	-	168,783,482 (A-shares)	None

- None of the shares held by the aforesaid shareholders were subject to selling restrictions.
- Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Ltd. Apart from these, the Bank is not aware of any connected relation or concerted action among the aforesaid shareholders.
- As at 30 September 2020, State Grid Corporation of China and China Yangtze Power Co., Limited held 1,611,413,730 and 648,993,000 H-shares of the Bank respectively, all of which were held under the name of HKSCC Nominees Limited; China Baowu Steel Group Corporation Limited held 1,999,556,250 H-shares of the Bank, in which 599,556,250 were held under the name of HKSCC Nominees Limited. Save the aforesaid H-shares held by State Grid Corporation of China and China Yangtze Power Co., Limited, as well as 599,556,250 H-shares held by China Baowu Steel Group Corporation Limited, 92,195,445,058 H-shares were held under the name of HKSCC Nominees Limited, which also included the H-shares held by Temasek Holdings (Private) Limited.
- As at 30 September 2020, the holding of H-shares of the Bank by State Grid Corporation of China through its subsidiaries was as follows: State Grid International Development Co., Ltd. held 296,131,000 shares, and State Grid International Development Limited held 1,315,282,730 shares.

2.5 Number of preference shareholders and particulars of shareholding as at 30 September 2020

2.5.1 As at 30 September 2020, the Bank had 21 preference shareholders (or proxies), including one offshore preference shareholder (or proxy) and 20 domestic preference shareholders.

2.5.2 Particulars of shareholding of top ten offshore preference shareholders (or proxies)

Unit: share

Name of preference shareholder	Nature of shareholder	Shareholding percentage (%)	Changes during the reporting period	Total number of shares held	Number of shares pledged or frozen
The Bank of New York Depository (Nominees) Limited	Foreign legal person	100.00	-	152,500,000	Unknown

1. Particulars of shareholding of the preference shareholder were based on the information in the Bank's register of preference shareholders.
2. The register of non-public offshore preference shareholders presented the shareholding information of The Bank of New York Depository (Nominees) Limited as proxy of the preference shareholders in the clearing systems of Euroclear Bank S.A./N.V. and Clearstream Banking S.A. at the end of the reporting period.
3. The Bank is not aware of any connected relation or concerted action between the aforesaid preference shareholder and the top ten ordinary shareholders.
4. "Shareholding percentage" refers to the percentage of offshore preference shares held by the preference shareholder in the total number of offshore preference shares.

2.5.3 Particulars of shareholding of top ten (including ties) domestic preference shareholders

Unit: share

Name of preference shareholder	Nature of shareholder	Shareholding percentage (%)	Changes during the reporting period	Total number of shares held	Number of shares pledged or frozen
Bosera Asset Management Co., Limited	Others	26.83	-	161,000,000	None
Shanghai Branch of Bank of China Limited	Others	15.00	-	90,000,000	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	8.33	-	50,000,000	None
China Life Insurance Company Limited	Others	8.33	-	50,000,000	None
Truvalue Asset Management Co., Limited	Others	6.67	-	40,000,000	None
China CITIC Bank Corporation Limited	Others	5.00	-	30,000,000	None
GF Securities Asset Management (Guangdong) Co., Ltd.	Others	4.50	-	27,000,000	None
Postal Savings Bank of China Co., Ltd.	Others	4.50	-	27,000,000	None
PICC Asset Management Company Limited	Others	3.33	-	20,000,000	None
AXA SPDB Investment Managers Co., Ltd.	Others	3.33	-	20,000,000	None
E Fund Management Co., Ltd.	Others	3.33	-	20,000,000	None

1. Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders.
2. The Bank is not aware of any connected relation or concerted action among the aforesaid preference shareholders, or between the aforesaid preference shareholders and the top ten ordinary shareholders.
3. "Shareholding percentage" refers to the percentage of domestic preference shares held by the preference shareholder in the total number of domestic preference shares.

2.5.4 During the reporting period, there was no restoration of voting rights of the Bank's preference shares. As reviewed and approved at the Board meeting on 28 August 2020, the Bank would distribute dividend for offshore preference shares on 16 December 2020, and the gross amount for dividend distribution is US\$157,583,333.33 (equivalent to RMB1,086 million approximately). After withholding income tax, US\$141,825,000 would be actually paid to the offshore preference shareholders, with an after-tax dividend rate of 4.65%. The dividend for domestic preference shares will be paid on 28 December 2020, and the gross amount for dividend distribution is RMB2,850 million (including tax), with a nominal dividend rate of 4.75%.

3 HIGHLIGHTS OF OPERATING RESULTS

3.1 Analysis of items in the statement of financial position

As at 30 September 2020, the Group's assets were RMB28,298,121 million, an increase of RMB2,861,860 million or 11.25% over the end of last year. The Group's liabilities were RMB25,952,251 million, an increase of RMB2,751,117 million or 11.86% over the end of last year.

Gross loans and advances to customers were RMB16,711,368 million, an increase of RMB1,688,543 million or 11.24% over the end of last year. In this amount, corporate loans, personal loans, discounted bills and accrued interest were RMB9,228,790 million, RMB7,171,245 million, RMB260,900 million and RMB50,433 million, respectively.

Financial investments were RMB7,056,740 million, an increase of RMB843,499 million or 13.58% over the end of last year.

Deposits from customers were RMB20,941,183 million, an increase of RMB2,574,890 million or 14.02% over the end of last year. In this amount, time deposits and demand deposits of the Group were RMB9,525,339 million and RMB11,162,057 million respectively; corporate deposits and personal deposits of the Group were RMB10,306,055 million and RMB10,381,341 million respectively; accrued interest was RMB253,787 million.

The non-performing loans increased by RMB43,055 million to RMB255,528 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.53%, an increase of 0.11 percentage points over the end of last year. The ratio of allowances to non-performing loans was 217.51%, down 10.18 percentage points from the end of last year.

Total equity was RMB2,345,870 million, an increase of RMB110,743 million or 4.95% over the end of last year. In this amount, total equity attributable to equity shareholders of the Bank was RMB2,322,319 million, an increase of RMB106,062 million or 4.79% over the end of last year.

As at 30 September 2020, considering relevant rules for the transitional period, the Group's total capital ratio, Tier 1 ratio and Common Equity Tier 1 ratio, which were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)*, were 16.88%, 13.86% and 13.15%, respectively, all in compliance with the regulatory requirements.

In July 2020, the regulators announced the extension of the transition period to the end of 2021 for the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions*. The banks were encouraged to orderly dispose of legacy assets of wealth management business by various approaches, such as issuance of new products, market-based transfers, contract modifications and

undertaking of the liabilities. The Bank will press ahead with tasks such as the issuance of net-asset-value type wealth management products, asset standardisation, and legacy assets disposals in a pragmatic, efficient, active and orderly manner in accordance with regulatory requirements, and strive to achieve the smooth transition and steady development of wealth management business.

3.2 Analysis of items in the statement of comprehensive income

For the nine months ended 30 September 2020, the Group reaped net profit of RMB207,609 million, of which net profit attributable to equity shareholders of the Bank was RMB205,832 million, down 8.70% and 8.66% respectively over the same period last year, mainly due to the substantial increase in impairment losses. Annualised return on average assets was 1.03%, and annualised return on average equity was 12.53%.

Net interest income was RMB404,787 million, up 6.66% over the same period last year. Net interest spread was 1.99% and net interest margin was 2.13%, down 0.13 and 0.14 percentage points respectively from the same period last year, mainly due to the steady progress of interest rate liberalisation, the lower market rates compared to the same period last year, fierce competition for deposits, etc.

Net fee and commission income was RMB113,507 million, up 4.17% over the same period last year. This was mainly due to the rapid growth of fee income from products including credit card, electronic banking service, trust and fiduciary activities, etc.

Operating expenses were RMB124,734 million, an increase of RMB1,356 million from the same period last year. Cost-to-income ratio decreased to 22.33% by 0.91 percentage points from the same period last year.

Impairment losses were RMB161,763 million, an increase of RMB51,567 million or 46.80% from the same period last year. Specifically, credit impairment losses were RMB161,315 million, up 46.73% over the same period last year, due to the impact of COVID-19 pandemic, the increase of loans, etc.

Income tax expense was RMB42,284 million, a decrease of RMB8,458 million from the same period last year. The effective income tax rate was 16.92%.

3.3 The impact of COVID-19 pandemic and the Group's related counter measures

In the third quarter of 2020, the outbreak of COVID-19 across the globe, yet to be brought under full control, severely impacted the world economy. China pushed forward both the pandemic containment as well as economic and social development, and achieved steady economic recovery. However, the external economic landscape remained complex and fast changing with increasing uncertainties and instabilities. The spread of COVID-19 was still the key barrier to economic recovery.

The Group actively shouldered responsibilities as a large bank, fully supported the prevention and control of COVID-19 and the resumption of work and production, vigorously promoted digitalised operations and services, and strove to achieve high-quality development.

Implementing regular COVID-19 prevention and control measures and stepping up efforts to serve the real economy. The Group optimised its contingency response mechanism, improved contingency plans, strengthened business continuity management, and did utmost to protect the health of its employees and ensure the safety of business operations. It adjusted risk limits and credit policies, and optimised processes of client ratings and credit approval. It also increased credit supply, mainly to address the credit demands of sectors and industries related to the prevention and control of COVID-19 and the resumption of work and production, as well as inclusive finance and manufacturing sectors. The Group adopted measures such as deferred principal and interest payments, loan extension and renewal, to help ease customers' difficulties in the wake of COVID-19. The Group also increased efforts to lower its service fees, and continued to reduce financing costs for the real economy.

Empowering business development with FinTech and improving digitalised operating capability. The Group provided highly efficient premium online financial services via "Cloud Workshop" for personal and corporate customers. With "Quick Loans" and other consumer credit products entirely processed online, it provided more convenient consumer financing services for personal customers. The Group leveraged its edge of "CCB Match Plus" online platform, and enabled the whole-process digital online exhibition operation and cross-border connection. It helped build a nationwide COVID-19 information release network based on its smart government platform, which could not only issue, collect and report information on COVID-19 containment, but also facilitate medical resource allocation. It also launched "CCB Smart Community Management Platform" to assist urban and rural communities in building an "on- and offline" multi-dimensional pandemic prevention and control system.

Proactively absorbing risks and consolidating the foundation of future asset quality. The Group adhered to its principle that business development should be bounded by its risk management and control capabilities, and refined its comprehensive, proactive and intelligent risk control system. It accelerated the construction of its unified view of risks for the group and improved its coordinated risk control ability. It also actively carried out multiple rounds of special stress testing to assess the impact of the outbreak of COVID-19 on the asset quality and business performance of the Bank. The Group prudently made provisions, strengthened its efforts in risk asset disposals and improved its ability to offset risks by taking full account of the uncertainties faced by the macro economy. The assumptions underlying the calculation of expected credit losses, such as how the maturity profile of the probability of defaults and how the collateral values change, are monitored and reviewed on a quarterly basis. There have been no significant changes in estimation techniques and assumptions made during the reporting period.

4 MAJOR ISSUES

4.1 Significant changes in major financial statements items, financial indicators and the causes thereof

√Applicable □Not applicable

(In millions of RMB unless otherwise stated)	30 September 2020	31 December 2019	Change (%)	Causes of the change
Precious metals	108,475	46,169	134.95	Due to the increase of precious metal leasing and the rise of precious metal prices.
Positive fair value of derivatives	50,168	34,641	44.82	The positive fair value of derivatives at the end of the period rose as a result of the fluctuations of interest rates and exchange rates.
Deferred tax assets	95,213	72,314	31.67	Mainly due to the increase in temporary difference caused by provisioning for impairment losses on loan assets, etc.

Other assets	267,932	195,461	37.08	Mainly due to the increase in unsettled and uncleared accounts.
Borrowings from central banks	751,272	549,433	36.74	Mainly because the medium-term lending facilities from the PBC increased in the third quarter.
Financial liabilities measured at fair value through profit or loss	378,626	281,597	34.46	Mainly because the structured deposits increased.
Negative fair value of derivatives	63,870	33,782	89.07	The negative fair value of derivatives at the end of the period rose as a result of fluctuations of interest rates, exchange rates and precious metal prices.
Financial assets sold under repurchase agreements	34,923	114,658	(69.54)	Considering the relatively ample liquidity in the third quarter, the Group reduced its repo business.
Provisions	68,170	42,943	58.75	Mainly because of the increase in the provisions for off-balance sheet assets.
Other comprehensive income	13,306	31,986	(58.40)	Mainly because the fair values of debt securities investments dropped.

(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2020	Nine months ended 30 September 2019	Change (%)	Causes of the change
Net trading gain	3,125	7,230	(56.78)	The trading gain from debt securities dropped mainly due to bond market fluctuations and the decrease of trading debt securities.
Dividend income	2,488	655	279.85	Mainly due to increase in dividend income of subsidiaries from their equity investments.
Net gain arising from investment securities	4,796	7,685	(37.59)	The gain from revaluation of debt securities investments decreased as a result of bond market fluctuations.
Credit impairment losses	(161,315)	(109,943)	46.73	Mainly because of increased provisions as affected by the COVID-19 pandemic, the increase of loans, etc.
Other impairment losses	(448)	(253)	77.08	Mainly due to the increase in impairment losses on certain long-term assets of a subsidiary.
Share of profits of associates and joint ventures	436	165	164.24	Mainly due to the increase in income from investments in associate and joint venture by a subsidiary.

4.2 Progress of major issues, related impacts and solutions

Applicable Not applicable

In September 2020, the Bank issued tier-2 capital bonds of RMB65 billion in the domestic inter-bank bond market. Please refer to the announcement published by the Bank on 15 September 2020 for details.

In September 2020, CCB Trust Co., Ltd. (“CCB Trust”) completed procedures related to capital injection. The registered capital of CCB Trust increased from RMB2,467 million to RMB10,500 million. The proportion of shareholding of the Bank in CCB Trust remains unchanged. Please refer to the announcement published by the Bank on 17 July 2020 for details.

In July 2020, the registered capital of CCB Life Insurance Co., Ltd. (“CCB Life”) increased from RMB4,496 million to RMB7,120 million, as approved by the China Banking and Insurance Regulatory Commission (“CBIRC”). The proportion of shareholding of the Bank in CCB Life remains unchanged. Currently, CCB Life is going through procedures for the change in business registration. Please refer to the announcement published by the Bank on 29 April 2019 for details.

In July 2020, the Bank signed an agreement as a sponsor, undertaking to invest RMB8 billion in the National Green Development Fund Co., Ltd. within five years. Please refer to the announcement published by the Bank on 16 July 2020 for details.

In July 2020, CCB Financial Leasing Co., Ltd. completed procedures related to capital injection, and the registered capital increased from RMB8 billion to RMB11 billion. Please refer to the announcement published by the Bank on 22 April 2020 for details.

In July 2020, China Construction Bank (Europe) S.A. completed procedures related to capital injection, and the registered capital increased from EUR200 million to EUR550 million. Please refer to the announcement published by the Bank on 30 October 2019 for details.

4.3 Unfulfilled undertakings overdue in the reporting period

Applicable Not applicable

4.4 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

The Bank distributed the 2019 cash dividend of RMB0.320 per share (including tax), totalling RMB3,070 million approximately, on 10 July 2020 to its A-share holders; it distributed the 2019 cash dividend of RMB0.320 per share (including tax), totalling RMB76,934 million approximately, on 30 July 2020 to its H-share holders.

4.5 Alerts and explanations of any forecasted loss or significant changes compared to the same period last year in accumulated net profit for the period from the beginning of the year to the end of the next reporting period

Applicable Not applicable

4.6 Changes in accounting policies

Applicable Not applicable

5 RELEASE OF QUARTERLY REPORT

This quarterly report will be published on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.ccb.com) at the same time. The quarterly report prepared under PRC GAAP will also be published on the websites of the Shanghai Stock Exchange (www.sse.com.cn) and the Bank (www.ccb.com) at the same time.

By order of the Board
China Construction Bank Corporation
Liu Guiping
Vice chairman, executive director and president

29 October 2020

As of the date of this announcement, the executive directors of the Bank are Mr. Tian Guoli, Mr. Liu Guiping and Mr. Zhang Gengsheng; the non-executive directors of the Bank are Mr. Xu Jiandong, Ms. Feng Bing, Mr. Zhang Qi, Mr. Tian Bo and Mr. Xia Yang; and the independent non-executive directors of the Bank are Ms. Anita Fung Yuen Mei, Sir Malcolm Christopher McCarthy, Mr. Carl Walter, Mr. Kenneth Patrick Chung, Mr. Graeme Wheeler and Mr. Michel Madelain.

**APPENDIX 1 FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH
 INTERNATIONAL FINANCIAL REPORTING STANDARDS**

China Construction Bank Corporation
 Consolidated statement of comprehensive income
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended		Three months from	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	711,546	657,416	241,024	224,970
Interest expense	(306,759)	(277,894)	(102,730)	(95,884)
Net interest income	<u>404,787</u>	<u>379,522</u>	<u>138,294</u>	<u>129,086</u>
Fee and commission income	127,651	120,127	38,896	35,960
Fee and commission expense	(14,144)	(11,159)	(5,410)	(3,687)
Net fee and commission income	<u>113,507</u>	<u>108,968</u>	<u>33,486</u>	<u>32,273</u>
Net trading gain/(loss)	3,125	7,230	(188)	2,372
Dividend income	2,488	655	992	241
Net gain arising from investment securities	4,796	7,685	812	1,144
Net gain on derecognition of financial assets measured at amortised cost	2,395	2,216	1,014	781
Other operating income, net:				
- Other operating income	40,814	33,977	8,035	12,472
- Other operating expense	(35,958)	(28,720)	(6,415)	(11,223)
Other operating income, net	<u>4,856</u>	<u>5,257</u>	<u>1,620</u>	<u>1,249</u>
Operating income	535,954	511,533	176,030	167,146
Operating expenses	<u>(124,734)</u>	<u>(123,378)</u>	<u>(44,929)</u>	<u>(44,829)</u>
	411,220	388,155	131,101	122,317
Credit impairment losses	(161,315)	(109,943)	(49,937)	(35,305)
Other impairment losses	(448)	(253)	(260)	(105)
Share of profits of associates and joint ventures	<u>436</u>	<u>165</u>	<u>216</u>	<u>37</u>
Profit before tax	249,893	278,124	81,120	86,944
Income tax expense	(42,284)	(50,742)	(12,450)	(15,270)
Net profit	<u>207,609</u>	<u>227,382</u>	<u>68,670</u>	<u>71,674</u>

China Construction Bank Corporation
 Consolidated statement of comprehensive income (continued)
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
Other comprehensive income:				
(1) Other comprehensive income that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	160	110	-	-
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	(438)	580	(161)	262
Others	2	(3)	2	-
Subtotal	(276)	687	(159)	262
(2) Other comprehensive income that may be reclassified subsequently to profit or loss				
Fair value changes of debt instruments measured at fair value through other comprehensive income	(14,307)	5,363	(21,132)	5,531
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	(87)	1,835	(692)	476
Reclassification adjustments included in profit or loss due to disposals	(268)	(167)	109	(74)
Net loss on cash flow hedges	45	(189)	(70)	(15)
Exchange difference on translating foreign operations	(3,807)	2,992	(3,987)	3,068
Subtotal	(18,424)	9,834	(25,772)	8,986
Other comprehensive income for the period, net of tax	(18,700)	10,521	(25,931)	9,248

China Construction Bank Corporation
 Consolidated statement of comprehensive income (continued)
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended		Three months from	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Total comprehensive income for the period	<u>188,909</u>	<u>237,903</u>	<u>42,739</u>	<u>80,922</u>
Net profit attributable to:				
Equity shareholders of the Bank	205,832	225,344	68,206	71,154
Non-controlling interests	<u>1,777</u>	<u>2,038</u>	<u>464</u>	<u>520</u>
	<u>207,609</u>	<u>227,382</u>	<u>68,670</u>	<u>71,674</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	187,152	236,074	42,339	80,278
Non-controlling interests	<u>1,757</u>	<u>1,829</u>	<u>400</u>	<u>644</u>
	<u>188,909</u>	<u>237,903</u>	<u>42,739</u>	<u>80,922</u>
Basic and diluted earnings per share (in RMB Yuan)	<u>0.82</u>	<u>0.90</u>	<u>0.27</u>	<u>0.28</u>

China Construction Bank Corporation
 Consolidated statement of financial position
 As at 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2020 <u>(Unaudited)</u>	31 December 2019 <u>(Audited)</u>
Assets:		
Cash and deposits with central banks	2,789,688	2,621,010
Deposits with banks and non-bank financial institutions	463,921	419,661
Precious metals	108,475	46,169
Placements with banks and non-bank financial institutions	411,860	531,146
Positive fair value of derivatives	50,168	34,641
Financial assets held under resale agreements	697,930	557,809
Loans and advances to customers	16,157,174	14,540,667
Financial investments		
Financial assets measured at fair value through profit or loss	650,800	675,361
Financial assets measured at amortised cost	4,505,160	3,740,296
Financial assets measured at fair value through other comprehensive income	1,900,780	1,797,584
Long-term equity investments	12,156	11,353
Fixed assets	165,807	170,740
Land use rights	14,256	14,738
Intangible assets	4,507	4,502
Goodwill	2,294	2,809
Deferred tax assets	95,213	72,314
Other assets	<u>267,932</u>	<u>195,461</u>
Total assets	<u>28,298,121</u>	<u>25,436,261</u>

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2020 <u>(Unaudited)</u>	31 December 2019 <u>(Audited)</u>
Liabilities:		
Borrowings from central banks	751,272	549,433
Deposits from banks and non-bank financial institutions	1,737,098	1,672,698
Placements from banks and non-bank financial institutions	404,723	521,553
Financial liabilities measured at fair value through profit or loss	378,626	281,597
Negative fair value of derivatives	63,870	33,782
Financial assets sold under repurchase agreements	34,923	114,658
Deposits from customers	20,941,183	18,366,293
Accrued staff costs	31,994	39,075
Taxes payable	65,769	86,635
Provisions	68,170	42,943
Debt securities issued	1,030,313	1,076,575
Deferred tax liabilities	835	457
Other liabilities	<u>443,475</u>	<u>415,435</u>
Total liabilities	<u><u>25,952,251</u></u>	<u><u>23,201,134</u></u>

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2020 <u>(Unaudited)</u>	31 December 2019 <u>(Audited)</u>
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	79,636	79,636
Perpetual bonds	39,991	39,991
Capital reserve	134,537	134,537
Other comprehensive income	13,306	31,986
Surplus reserve	249,178	249,178
General reserve	314,573	314,389
Retained earnings	<u>1,241,087</u>	<u>1,116,529</u>
Total equity attributable to equity shareholders of the Bank	2,322,319	2,216,257
Non-controlling interests	<u>23,551</u>	<u>18,870</u>
Total equity	<u><u>2,345,870</u></u>	<u><u>2,235,127</u></u>
Total liabilities and equity	<u><u>28,298,121</u></u>	<u><u>25,436,261</u></u>

Approved and authorised for issue by the Board of Directors on 29 October 2020.

Liu Guiping
*Vice Chairman, executive
 director and president*

Kenneth Patrick Chung
*Independent non-executive
 director*

Tian Bo
Non-executive director

China Construction Bank Corporation
 Consolidated statement of cash flows
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	249,893	278,124
<i>Adjustments for:</i>		
– Credit impairment losses	161,315	109,943
– Other impairment losses	448	253
– Depreciation and amortisation	19,572	17,140
– Interest income from impaired financial assets	(2,781)	(2,183)
– Revaluation loss/(gain) on financial instruments at fair value through profit or loss	2,584	(2,944)
– Share of profits of associates and joint ventures	(436)	(165)
– Dividend income	(2,488)	(655)
– Unrealised foreign exchange loss/(gain)	3,914	(5,165)
– Interest expense on bonds issued	12,281	13,075
– Interest income from investment securities and net income from disposal	(155,242)	(143,815)
– Net loss/(gain) on disposal of fixed assets and other long-term assets	173	(82)
	289,233	263,526

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities (continued)		
<i>Changes in operating assets:</i>		
Net (increase)/decrease in deposits with central banks and with banks and non-bank financial institutions	(384,227)	214,406
Net decrease/(increase) in placements with banks and non-bank financial institutions	85,154	(69,463)
Net increase in loans and advances to customers	(1,743,394)	(1,090,161)
Net (increase)/decrease in financial assets held under resale agreements	(140,138)	4,070
Net decrease/(increase) in financial assets held for trading purposes	39,892	(20,206)
Net increase in other operating assets	(146,905)	(135,826)
	(2,289,618)	(1,097,180)
<i>Changes in operating liabilities:</i>		
Net increase/(decrease) in borrowings from central banks	197,775	(115,211)
Net (decrease)/increase in placements from banks and non-bank financial institutions	(108,761)	19,776
Net increase in deposits from customers and from banks and non-bank financial institutions	2,616,386	1,057,091
Net (decrease)/increase in financial assets sold under repurchase agreements	(79,296)	2,785
Net (decrease)/increase in certificates of deposit issued	(101,753)	108,716
Income tax paid	(82,039)	(66,957)
Net increase/(decrease) in financial liabilities measured at fair value through profit or loss	97,431	(128,982)
Net increase in other operating liabilities	71,320	134,375
	2,611,063	1,011,593
Net cash from operating activities	610,678	177,939

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Proceeds from sales and redemption of financial investments	1,404,160	1,227,547
Interest and dividends received	161,197	125,850
Proceeds from disposal of fixed assets and other long-term assets	3,650	2,720
Purchase of investment securities	(2,323,097)	(1,648,441)
Purchase of fixed assets and other long-term assets	(12,003)	(11,906)
Acquisition of subsidiaries, associates and joint ventures	(3,051)	(2,609)
Cash payment for other investing activities	(21)	-
Net cash used in investing activities	(769,165)	(306,839)
Cash flows from financing activities		
Issue of bonds	99,556	48,301
Cash received from subsidiaries' capital injection by non-controlling interests holders	84	-
Dividends paid	(80,127)	(76,523)
Repayment of borrowings	(42,399)	(53,065)
Interest paid on bonds issued	(8,027)	(7,938)
Cash paid by subsidiaries for purchase of non-controlling interests holders' equity	(44)	-
Cash payment for other financing activities	(5,426)	(5,143)
Net cash used in financing activities	(36,383)	(94,368)

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2020
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2020	2019
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	(6,913)	11,082
Net decrease in cash and cash equivalents	(201,783)	(212,186)
Cash and cash equivalents as at 1 January	1,052,340	860,702
Cash and cash equivalents as at 30 September	850,557	648,516
Cash flows from operating activities include:		
Interest received, excluding interest income from investment securities	542,086	514,397
Interest paid, excluding interest expense on bonds issued	(241,652)	(256,102)

APPENDIX 2 CAPITAL AND LIQUIDITY INFORMATION

1. Capital adequacy ratios

According to the regulatory requirements, commercial banks shall calculate and disclose capital adequacy ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)*. Based on the approval for the Group to implement the advanced capital management method in 2014, the CBIRC approved the Group to expand the implementation scope of the advanced capital management method in April 2020. The Group calculated the capital requirements for financial institution credit exposures and corporate credit risk exposures that meet regulatory requirements with the foundation internal ratings-based approach, the capital requirements for retail credit risk exposures with the internal ratings-based approach, the capital requirements for market risk with the internal models approach, and the capital requirements for operational risk with the standardised approach. Pursuant to the regulatory requirements, the Group calculates capital adequacy ratios with both the advanced approach and other approaches for capital measurement, and complies with the relevant requirements for capital floors.

Capital adequacy ratios calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)*

(In millions of RMB, except percentages)	As at 30 September 2020		As at 31 December 2019	
	Group	Bank	Group	Bank
Common Equity Tier 1 capital after regulatory adjustments	2,192,652	2,038,702	2,089,976	1,938,236
Tier 1 capital after regulatory adjustments	2,312,381	2,143,068	2,209,692	2,046,546
Total capital after regulatory adjustments	2,815,356	2,640,368	2,637,588	2,468,041
Risk-weighted assets	16,680,358	15,543,416	15,053,291	13,969,129
Common Equity Tier 1 ratio (%)	13.15	13.12	13.88	13.88
Tier 1 ratio (%)	13.86	13.79	14.68	14.65
Total capital ratio (%)	16.88	16.99	17.52	17.67

2. Leverage ratio

As at 30 September 2020, in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)*, the Group's leverage ratio was 7.78%, meeting the regulatory requirements.

The Group's leverage ratio calculated in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)*

(In millions of RMB, except percentages)	As at 30 September 2020	As at 30 June 2020	As at 31 March 2020	As at 31 December 2019
Leverage ratio (%)	7.78	7.84	8.14	8.28
Tier 1 capital after regulatory adjustments	2,312,381	2,274,724	2,311,145	2,209,692
On and off-balance sheet assets after adjustments	29,722,025	29,023,947	28,404,807	26,694,733

3. Liquidity coverage ratio

According to the requirements of the *Measures on Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, commercial banks shall disclose the daily average liquidity coverage ratio for the quarter. In accordance with the current applicable regulatory requirements, definitions and accounting standards, the average daily liquidity coverage ratio of the Group for the 92 days in the third quarter of 2020 was 147.33%, meeting the regulatory requirements. The liquidity coverage ratio rose by 4.67 percentage points from the second quarter of 2020, mainly due to the increase in high-quality liquid assets, and the decrease in net cash outflows as a result of less unsecured wholesale funding.

No.	(In millions of RMB, except percentages)	Total Unweighted Value	Total Weighted Value
High-Quality Liquid Assets			
1	Total High-Quality Liquid Assets (HQLA)		4,642,831
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	9,385,228	805,665
3	Stable deposits	2,656,407	132,783
4	Less stable deposits	6,728,821	672,882
5	Unsecured wholesale funding, of which:	10,417,959	3,352,670
6	Operational deposits (excluding those generated from correspondent banking activates)	6,944,731	1,725,214
7	Non-operational deposits (all counterparties)	3,369,164	1,523,392
8	Unsecured debt	104,064	104,064
9	Secured funding		490
10	Additional requirements, of which:	1,837,979	215,743
11	Outflows related to derivative exposures and other collateral requirements	53,266	53,266
12	Outflows related to loss of funding on secured debt products	7,747	7,747
13	Credit and liquidity facilities	1,776,966	154,730
14	Other contractual funding obligations	13	-
15	Other contingent funding obligations	3,745,524	437,612
16	Total Cash Outflows		4,812,180
Cash Inflows			
17	Secured lending (including reverse repos and securities borrowing)	419,903	418,656
18	Inflow from fully performing exposures	1,758,481	1,193,960
19	Other cash inflows	45,456	38,861
20	Total Cash Inflows	2,223,840	1,651,477
Total Adjusted Value			
21	Total HQLA		4,642,831
22	Total Net Cash Outflows		3,160,703
23	Liquidity Coverage Ratio (%) ¹		147.33

1. The daily averages for the quarter above represent simple arithmetic means of the values for 92 calendar days in the latest quarter, calculated in accordance with the current applicable regulatory requirements, definitions and accounting standards.