

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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 FIRST 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 31 March 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 and the board of supervisors of the Bank and its directors, supervisors and senior management 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 severally and jointly legal liability.

1.2 This quarterly report has been reviewed and approved at the Board meeting of the Bank held on 28 April 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, president 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

A-share stock abbreviation	建設銀行	Stock code	601939
A-share listing stock exchange	Shanghai Stock Exchange		
H-share stock abbreviation	CCB	Stock code	939
H-share listing stock exchange	The Stock Exchange of Hong Kong Limited		
Domestic preference shares abbreviation	建行優 1	Stock code	360030
Domestic preference shares listing stock exchange	Shanghai Stock Exchange		
Offshore preference shares abbreviation	CCB 15USDPREF	Stock code	4606
Offshore preference shares listing stock exchange	The Stock Exchange of Hong Kong Limited		
Contact person	Secretary to the Board	Company secretary	
Name	Hu Changmiao	Ma Chan Chi	
Customer service and complaints hotline	95533		
Investor contact information	Telephone: 86-10-66215533 Facsimile: 86-10-66218888 E-mail address: ir@ccb.com		

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)	31 March 2020	31 December 2019	Change (%)
Total assets	27,110,165	25,436,261	6.58
Total equity attributable to equity shareholders of the Bank	2,316,047	2,216,257	4.50
Net assets per share attributable to ordinary shareholders of the Bank (in RMB)	8.79	8.39	4.77
	Three months ended 31 March 2020		Change over the same period last year (%)
Operating income		186,405	4.24
Net profit		80,981	3.92
Net profit attributable to equity shareholders of the Bank		80,855	5.12
Net cash from operating activities		495,018	75.75
Basic and diluted earnings per share (in RMB)		0.32	3.23
Annualised return on average equity (%)		15.09	A decrease of 0.81 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 three months ended 31 March 2020 or total equity as at 31 March 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 ordinary shareholding as at 31 March 2020

2.4.1 As at 31 March 2020, the Bank had 370,033 ordinary shareholders, of whom 42,290 were holders of H-shares and 327,743 were holders of A-shares.

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 31 March 2020 and confirmation of shareholders)					
Name of ordinary shareholder	Nature of shareholder	Shareholding percentage (%)	Changes in shareholding during the reporting period	Total number of shares held	Number of shares pledged or frozen
Central Huijin Investment Ltd. ¹	State	57.03	-	142,590,494,651(H-shares)	None
		0.08	-	195,941,976 (A-shares)	None
HKSCC Nominees Limited ^{1,2}	Foreign legal person	36.87	+6,067,035	92,185,140,070(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 ²	State-owned legal person	0.80	-	1,999,556,250(H-shares)	None
State Grid Corporation of China ^{2,3}	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 ²	State-owned legal person	0.26	-	648,993,000(H-shares)	None
Hong Kong Securities Clearing Company Ltd. ¹	Foreign legal person	0.24	+17,780,398	597,629,833 (A-shares)	None
Central Huijin Asset Management Ltd. ¹	State-owned legal person	0.20	-	496,639,800 (A-shares)	None
Taiping Life Insurance Co., Ltd.—Traditional— Ordinary insurance product —022L-CT001SH	Others	0.07	+35,464,787	168,783,482 (A-shares)	None

1. 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.
2. As at 31 March 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, 92,185,140,070 H-shares were held under the name of HKSCC Nominees Limited, which also included the H-shares held by Temasek Holdings (Private) Limited.
3. As at 31 March 2020, the holding of H-shares of the Bank by State Grid Corporation of China through its wholly-owned subsidiaries was as follows: State Grid International Development Co., Ltd. held 242,000,000 shares, State Grid International Development Limited held 1,315,282,730 shares and State Grid Yingda International Holdings Group Co., Ltd. held 54,131,000 shares.
4. None of the shares held by the aforesaid shareholders were subject to selling restrictions.

2.5 Number of preference shareholders and particulars of preference shareholding as at 31 March 2020

2.5.1 As at 31 March 2020, the Bank had 20 preference shareholders (or proxies), including one offshore preference shareholder (or proxy) and 19 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 in shareholding 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 in shareholding 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	+41,000,000	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, nor distribution of dividend for preference shares.

3 HIGHLIGHTS OF QUARTERLY RESULTS

3.1 Analysis of items in the statement of financial position

As at 31 March 2020, the Group's assets were RMB27,110,165 million, an increase of RMB1,673,904 million or 6.58% over the end of last year. The Group's liabilities were RMB24,775,110 million, an increase of RMB1,573,976 million or 6.78% over the end of last year.

Gross loans and advances to customers were RMB15,983,311 million, an increase of RMB960,486 million or 6.39% over the end of last year. In this amount, corporate loans, personal loans, discounted bills and accrued interest of the Group were RMB8,731,748 million, RMB6,711,398 million, RMB499,073 million and RMB41,092 million respectively.

Financial investments were RMB6,360,566 million, an increase of RMB147,325 million or 2.37% over the end of last year.

Deposits from customers were RMB19,706,793 million, an increase of RMB1,340,500 million or 7.30% over the end of last year. In this amount, time deposits and demand deposits of the Group were RMB8,715,327 million and RMB10,772,582 million respectively; corporate deposits and personal deposits of the Group were RMB9,704,782 million and RMB9,783,127 million respectively; accrued interest was RMB218,884 million.

The non-performing loans increased by RMB13,537 million to RMB226,010 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.42%, staying flat compared to the end of last year. The ratio of allowances to non-performing loans was 230.27%, up 2.58 percentage points from the end of last year.

Total equity was RMB2,335,055 million, an increase of RMB99,928 million or 4.47% over the end of last year. In this amount, total equity attributable to equity shareholders of the Bank was RMB2,316,047 million, an increase of RMB99,790 million or 4.50% over the end of last year.

As at 31 March 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 17.22%, 14.50% and 13.75%, respectively, all in compliance with the regulatory requirements.

During the reporting period, the basis of assumptions and estimation techniques, as well as definition of default and credit impaired assets are consistent with those for the year ended 2019 as stated in note 4 to the financial statements of the 2019 annual report. The expected credit losses measurement results have reflected the Group's credit risk profile, and the management's estimation for economic development which incorporates the impacts of COVID-19, related government

policies and regulatory measures adopted, and the information available at the end of March 2020 recognising the heightened uncertainty and limited availability of forwarding-looking information on the global impact of COVID-19.

3.2 Analysis of items in the statement of comprehensive income

For the three months ended 31 March 2020, the Group reaped net profit of RMB80,981 million, of which net profit attributable to equity shareholders of the Bank was RMB80,855 million, up 3.92% and 5.12% respectively over the same period last year. Annualised return on average assets was 1.23%, and annualised return on average equity was 15.09%.

Net interest income was RMB133,499 million, up 6.74% over the same period last year. Net interest spread was 2.04% and net interest margin was 2.19%, down 0.11 and 0.10 percentage points respectively from the same period last year.

Net fee and commission income was RMB45,376 million, up 5.45% over the same period last year. Commission on trust and fiduciary activities reaped rapid growth, and settlement and clearing business and bank card business grew steadily.

Operating expenses were RMB38,887 million, a decrease of RMB505 million from the same period last year. Cost-to-income ratio decreased by 1.02 percentage points to 20.16% over the same period last year.

Income tax expense was RMB17,389 million, a decrease of RMB527 million from the same period last year, and the effective income tax rate was 17.68%.

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

During the first quarter of 2020, the rapid worldwide spread of COVID-19 significantly impacted global economy and financial markets, and brought increased downward pressures on China's economy, which posed more uncertainties to banking operations.

The Group proactively responded to challenges arising from COVID-19, conscientiously discharged its responsibilities as a large bank, and strived to promote pandemic prevention and control and serve the coordinated development of Chinese economy and society based on digitalised operating models. On the one hand, the Group increased efforts in granting loans and effectively used the PBC's special re-loans to support pandemic prevention and control. During the first quarter of 2020, loans granted to domestic enterprises engaged in pandemic prevention and control totalled RMB96.9 billion. The Group optimised pricing policies for loans, reduced financing costs for enterprises, and waived service charges to support manufacturers, small and micro enterprises and private businesses to overcome difficulties. The Group adopted differentiated policies, such as principal repayment deferral, interest payment deferral and priority claims for personal loans, deposits and insurance of individuals affected by pandemic prevention and control. At the same time, the Group strengthened the pandemic prevention and control and staff health protection measures at its domestic and overseas entities and outlets, and secured the supply of protective equipment to its outlets on a prioritised basis. The Group effectively managed the health of its staff, and ensured smooth operation of various businesses during the COVID-19 outbreak by taking a range of measures such as working from home, rotating shifts and staggered shifts. On the other hand, the Group assessed the impact of COVID-19 on its business operations and asset quality, and strengthened refined management by expanding market shares, exploiting internal potentials, increasing revenue, cutting expenditures, and improving quality and efficiency. This, together with the heightened proactive risk prevention and control, led to its enhanced capabilities for sustainable development and risk resilience. During the first quarter of 2020, the Group saw steady development of various businesses, and achieved relatively rapid growth in deposits and loans and a moderate increase in profits.

Next, the Group will closely follow up with the evolvement of COVID-19 pandemic and changes in macro-policies, continue to promote refined management, enhance digitalised operation, effectively satisfy customer demand, promote the orderly development of business, and firmly hold the bottom line of risk prevention and control, while supporting COVID-19 pandemic prevention and control as well as resumption of work and production, and making due contributions to the high-quality development of economy.

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)	31 March 2020	31 December 2019	Change (%)	Causes of the change
Deposits with banks and non-bank financial institutions	714,687	419,661	70.30	With relatively ample liquidity in the first quarter, the Group increased time deposits with domestic banks.
Precious metals	94,320	46,169	104.29	Precious metals leasing business increased as a result of the rising customer demand.
Financial assets held under resale agreements	762,440	557,809	36.68	Considering the relatively ample liquidity in the first quarter, the Group expanded its reverse repo business.
Negative fair value of derivatives	44,371	33,782	31.35	The negative fair value of derivatives rose as a result of fluctuations of interest rates, exchange rates and commodity prices.
Financial assets sold under repurchase agreements	25,897	114,658	(77.41)	Considering the relatively ample liquidity in the first quarter, the Group reduced its repo business.
Other comprehensive income	50,921	31,986	59.20	Mainly affected by the increase of bond investment scale and its fair value balance.
(In millions of RMB unless otherwise stated)	Three months ended 31 March 2020	Three months ended 31 March 2019	Change (%)	Causes of the change
Net gain arising from investment securities	1,716	3,829	(55.18)	The valuation loss on funds and equity investments increased as a result of stock market fluctuations.
Other operating income	25,784	11,782	118.84	It was mainly because the premium income and insurance cost both increased as CCB Life adjusted its product mix.
Other operating expense	(23,231)	(8,494)	173.50	
Net profit attributable to non-controlling interests	126	1,009	(87.51)	It was mainly due to the decrease in net profit of certain non-wholly-owned subsidiaries over the same period last year.

4.2 Progress of major issues, related impacts and solutions

Applicable Not applicable

In March 2020, the Beijing Bureau of China Banking and Insurance Regulatory Commission issued an approval for the Bank's capital injection of RMB3 billion to CCB Financial Leasing Co., Ltd. The Bank completed the payment of capital increase on 20 April 2020. For details, please refer to the announcement published by the Bank on 22 April 2020.

In March 2020, the China Banking and Insurance Regulatory Commission issued the *Letter of Opinion on the Redemption of the Tier 2 Overseas Dated Capital Bonds*, which presented no objections in respect of the redemption of the US\$2 billion Tier 2 Dated Capital Bonds at an initial interest rate of 3.875% due 2025. The Bank will redeem all the Tier 2 Dated Capital Bonds outstanding on 13 May 2020. For details, please refer to the announcement published by the Bank on 9 April 2020.

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

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

28 April 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 Ms. Feng Bing, Mr. Zhu Hailin, 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 IFRS

China Construction Bank Corporation
 Consolidated statement of comprehensive income
 For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Interest income	233,245	215,918
Interest expense	(99,746)	(90,843)
Net interest income	133,499	125,075
Fee and commission income	49,150	46,394
Fee and commission expense	(3,774)	(3,365)
Net fee and commission income	45,376	43,029
Net trading gain	2,762	3,085
Dividend income	137	131
Net gain arising from investment securities	1,716	3,829
Net gain on derecognition of financial assets measured at amortised cost	362	388
Other operating income, net:		
- Other operating income	25,784	11,782
- Other operating expense	(23,231)	(8,494)
Other operating income, net	2,553	3,288
Operating income	186,405	178,825
Operating expenses	(38,887)	(39,392)
	147,518	139,433
Credit impairment losses	(49,120)	(43,518)
Other impairment losses	(47)	(77)
Share of profits of associates and joint ventures	19	3
Profit before tax	98,370	95,841
Income tax expense	(17,389)	(17,916)
Net profit	80,981	77,925

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Other comprehensive income:		
(1) Other comprehensive income that will not be reclassified to profit or loss		
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	(392)	(189)
Subtotal	(392)	(189)
(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	20,293	3,042
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	285	(93)
Reclassification adjustments included in profit or loss due to disposals	(183)	(79)
Net loss on cash flow hedges	(264)	(22)
Exchange difference on translating foreign operations	(855)	(3,127)
Subtotal	19,276	(279)
Other comprehensive income for the period, net of tax	18,884	(468)

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Total comprehensive income for the period	99,865	77,457
Net profit attributable to:		
Equity shareholders of the Bank	80,855	76,916
Non-controlling interests	126	1,009
	80,981	77,925
Total comprehensive income attributable to:		
Equity shareholders of the Bank	99,790	76,630
Non-controlling interests	75	827
	99,865	77,457
Basic and diluted earnings per share (in RMB Yuan)	0.32	0.31

China Construction Bank Corporation
Consolidated statement of financial position
As at 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2020	31 December 2019
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	2,617,276	2,621,010
Deposits with banks and non-bank financial institutions	714,687	419,661
Precious metals	94,320	46,169
Placements with banks and non-bank financial institutions	540,876	531,146
Positive fair value of derivatives	37,534	34,641
Financial assets held under resale agreements	762,440	557,809
Loans and advances to customers	15,465,343	14,540,667
Financial investments		
Financial assets measured at fair value through profit or loss	687,140	675,361
Financial assets measured at amortised cost	3,832,462	3,740,296
Financial assets measured at fair value through other comprehensive income	1,840,964	1,797,584
Long-term equity investments	11,466	11,353
Fixed assets	169,051	170,740
Land use rights	14,571	14,738
Intangible assets	4,291	4,502
Goodwill	2,683	2,809
Deferred tax assets	71,219	72,314
Other assets	243,842	195,461
	27,110,165	25,436,261
Total assets	27,110,165	25,436,261

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2020	31 December 2019
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	638,854	549,433
Deposits from banks and non-bank financial institutions	1,979,455	1,672,698
Placements from banks and non-bank financial institutions	505,726	521,553
Financial liabilities measured at fair value through profit or loss	337,901	281,597
Negative fair value of derivatives	44,371	33,782
Financial assets sold under repurchase agreements	25,897	114,658
Deposits from customers	19,706,793	18,366,293
Accrued staff costs	36,448	39,075
Taxes payable	102,977	86,635
Provisions	44,420	42,943
Debt securities issued	947,316	1,076,575
Deferred tax liabilities	457	457
Other liabilities	404,495	415,435
	24,775,110	23,201,134
Total liabilities	24,775,110	23,201,134

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2020	31 December 2019
	(Unaudited)	(Audited)
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	50,921	31,986
Surplus reserve	249,178	249,178
General reserve	314,454	314,389
Retained earnings	1,197,319	1,116,529
Total equity attributable to equity shareholders of the Bank	2,316,047	2,216,257
Non-controlling interests	19,008	18,870
Total equity	2,335,055	2,235,127
Total liabilities and equity	27,110,165	25,436,261

Approved and authorised for issue by the Board of Directors on 28 April 2020.

Liu Guiping
*Vice Chairman, executive
director and president*

Kenneth Patrick Chung
*Independent non-executive
director*

Zhu Hailin
Non-executive director

China Construction Bank Corporation
 Consolidated statement of cash flows
 For the three months ended 31 March 2020
 (Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	98,370	95,841
<i>Adjustments for:</i>		
– Credit impairment losses	49,120	43,518
– Other impairment losses	47	77
– Depreciation and amortisation	6,129	4,354
– Interest income from impaired financial assets	(729)	(713)
– Revaluation gain on financial instruments at fair value through profit or loss	(543)	(2,550)
– Share of profits of associates and joint ventures	(19)	(3)
– Dividend income	(137)	(131)
– Unrealised foreign exchange loss/(gain)	3,061	(384)
– Interest expense on bonds issued	1,998	5,801
– Interest income from investment securities and net income from disposal	(49,943)	(46,739)
– Net gain on disposal of fixed assets and other long-term assets	(12)	(22)
	107,342	99,049

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from operating activities (continued)		
<i>Changes in operating assets:</i>		
Net decrease in deposits with central banks and with banks and non-bank financial institutions	47,847	58,816
Net decrease/(increase) in placements with banks and non-bank financial institutions	45,607	(26,398)
Net increase in loans and advances to customers	(940,635)	(482,712)
Net increase in financial assets held under resale agreements	(204,761)	(227,717)
Net decrease/(increase) in financial assets held for trading purposes	26,643	(29,008)
Net increase in other operating assets	(96,509)	(51,671)
	(1,121,808)	(758,690)
<i>Changes in operating liabilities:</i>		
Net increase/(decrease) in borrowings from central banks	86,355	(110,259)
Net (decrease)/increase in placements from banks and non-bank financial institutions	(22,907)	153,321
Net increase in deposits from customers and from banks and non-bank financial institutions	1,612,978	840,214
Net increase/(decrease) in financial liabilities measured at fair value through profit or loss	55,951	(64,980)
Net (decrease)/increase in financial assets sold under repurchase agreements	(88,885)	3,531
Net (decrease)/increase in certificates of deposit issued	(127,069)	29,711
Income tax paid	(8,755)	(15,840)
Net increase in other operating liabilities	1,816	105,603
	1,509,484	941,301
Net cash from operating activities	495,018	281,660

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Proceeds from sales and redemption of financial investments	387,011	297,892
Interest and dividends received	38,621	36,877
Proceeds from disposal of subsidiaries	6	-
Proceeds from disposal of fixed assets and other long-term assets	562	1,106
Purchase of investment securities	(520,447)	(528,713)
Acquisition of subsidiaries, associates and joint ventures	(238)	(13)
Purchase of fixed assets and other long-term assets	(2,715)	(4,198)
Net cash used in investing activities	(97,200)	(197,049)
Cash flows from financing activities		
Issue of bonds	1,000	12,358
Repayments of borrowings	(12,771)	(28,000)
Interest paid on bonds issued	(1,998)	(2,747)
Dividends paid	-	(28)
Cash payment for other financing activities	(1,867)	-
Net cash used in financing activities	(15,636)	(18,417)

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the three months ended 31 March 2020
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2020	2019
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	7,109	(8,886)
Net increase in cash and cash equivalents	389,291	57,308
Cash and cash equivalents as at 1 January	1,052,340	860,702
Cash and cash equivalents as at 31 March	1,441,631	918,010
Cash flows from operating activities include:		
Interest received, excluding interest income from investment securities	175,521	168,669
Interest paid, excluding interest expense on bonds issued	(81,000)	(84,434)

APPENDIX 2 CAPITAL AND LIQUIDITY INFORMATION

1. Capital ratios

According to the regulatory requirements, commercial banks shall calculate and disclose capital ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)*. The Group commenced to implement the advanced measurement approach for capital management from 2 April 2014. In this approach, the Group has elected to use foundation internal ratings-based approach for corporate credit risk exposures that meet regulatory requirements, internal ratings-based approach for retail credit risk exposures, internal models approach for market risk, and standardised approach for operational risk in the calculation of the relevant capital charges. Pursuant to the regulatory requirements, the Group calculates capital ratios with both the advanced approach and other approaches for capital measurement, and complies with the relevant requirements for capital floors.

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

(In millions of RMB, except percentages)	As at 31 March 2020		As at 31 December 2019	
	Group	Bank	Group	Bank
Common Equity Tier 1 capital	2,191,430	2,039,767	2,089,976	1,938,236
Tier 1 capital	2,311,145	2,144,578	2,209,692	2,046,546
Total capital	2,743,457	2,569,244	2,637,588	2,468,041
Risk-weighted assets	15,935,135	14,829,787	15,053,291	13,969,129
Common Equity Tier 1 ratio	13.75%	13.75%	13.88%	13.88%
Tier 1 ratio	14.50%	14.46%	14.68%	14.65%
Total capital ratio	17.22%	17.32%	17.52%	17.67%

2. Leverage ratio

As at 31 March 2020, in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)*, the Group's leverage ratio was 8.14%, 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 31 March 2020	As at 31 December 2019	As at 30 September 2019	As at 30 June 2019
Leverage ratio	8.14%	8.28%	8.27%	7.98%
Tier 1 capital after regulatory adjustments	2,311,145	2,209,692	2,126,153	2,045,186
On and off-balance sheet assets after adjustments	28,404,807	26,694,733	25,720,002	25,616,737

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 91 days in the first quarter of 2020 was 159.62%, meeting the regulatory requirements. The liquidity coverage ratio increased by 4.79 percentage points from the fourth quarter of 2019, mainly due to the increase in total high-quality liquid assets.

No.	(In millions of RMB, except percentages)	Total Unweighted Value	Total Weighted Value
High-Quality Liquid Assets			
1	Total High-Quality Liquid Assets (HQLA)		4,556,824
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	9,070,494	768,767
3	Stable deposits	2,765,608	138,278
4	Less stable deposits	6,304,886	630,489
5	Unsecured wholesale funding, of which:	9,480,053	3,235,775
6	Operational deposits (excluding those generated from correspondent banking activates)	6,292,411	1,562,956
7	Non-operational deposits (all counterparties)	3,013,075	1,498,253
8	Unsecured debt	174,566	174,566
9	Secured funding		1,315
10	Additional requirements, of which:	1,718,621	185,292
11	Outflows related to derivative exposures and other collateral requirements	34,397	34,397
12	Outflows related to loss of funding on secured debt products	9,404	9,404
13	Credit and liquidity facilities	1,674,820	141,491
14	Other contractual funding obligations	832	-
15	Other contingent funding obligations	3,407,389	388,894
16	Total Cash Outflows		4,580,043
Cash Inflows			
17	Secured lending (including reverse repos and securities borrowing)	631,307	623,571
18	Inflow from fully performing exposures	1,599,167	1,049,924
19	Other cash inflows	46,907	40,375
20	Total Cash Inflows	2,277,381	1,713,870
			Total Adjusted Value
21	Total HQLA		4,556,824
22	Total Net Cash Outflows		2,866,173
23	Liquidity coverage ratio (%)¹		159.62

1. Daily average for the quarter represents simple arithmetic means of the values for 91 calendar days in the latest quarter, calculated in accordance with the current applicable regulatory requirements, definitions and accounting standards.