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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

THIRD QUARTER REPORT OF 2021

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 2021, 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.

Important Notice:

- The Board, the board of supervisors, directors, supervisors and senior management of the Bank warrant that the information in this quarterly report is truthful, accurate and complete and there are no false records, misleading statements or material omissions, and that they assume legal liability for such contents severally and jointly.
- Mr. Wang Jiang, vice chairman, executive director and president of the Bank, Mr. Kenneth Patrick Chung, independent non-executive director, and Ms. Liu Fang, non-executive director of the Bank, hereby warrant the truthfulness, accuracy and completeness of the financial information in this quarterly report.
- The third quarter financial statements have not been audited.

1 Major Financial Information

1.1 Major accounting data and financial indicators

The financial information 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)	Three months ended 30 September 2021	Change over the same period last year (%)	Nine months ended 30 September 2021	Change over the same period last year (%)
Operating income	191,632	8.86	572,539	6.83
Net profit	79,067	15.14	233,173	12.31
Net profit attributable to equity shareholders of the Bank	78,853	15.61	232,153	12.79
Net cash from operating activities	N/A	N/A	473,225	(22.51)
Basic and diluted earnings per share (in RMB Yuan)	0.32	18.52	0.93	13.41
Annualised return on average equity (%)	13.26	up 0.98 percentage points	13.15	up 0.62 percentage points
	30 September 2021		31 December 2020	Change (%)
Total assets	30,135,551		28,132,254	7.12
Total equity attributable to equity shareholders of the Bank	2,522,495		2,364,808	6.67

1.2 Changes in major accounting data and financial indicators and the causes thereof

None of the major accounting data and financial indicators above changed by over 30%.

2 Particulars of Shareholders

2.1 Number of ordinary shareholders and particulars of shareholding

As at 30 September 2021, the Bank had 403,744 ordinary shareholders, including 363,702 A-share holders and 40,042 H-share holders. Particulars of shareholding of top ten ordinary shareholders of the Bank are as follows:

Unit: share

Name of ordinary shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
Central Huijin Investment Ltd. ²	State	142,590,494,651 (H-shares)	57.03
		195,941,976 (A-shares)	0.08
HKSCC Nominees Limited ^{2,3}	Foreign legal person	93,850,825,438 (H-shares)	37.54
China Securities Finance Corporation Limited	State-owned legal person	2,189,259,672 (A-shares)	0.88
State Grid Corporation of China ^{3,4}	State-owned legal person	1,611,413,730 (H-shares)	0.64
Reca Investment Limited	Foreign legal person	856,000,000 (H-shares)	0.34
China Yangtze Power Co., Limited ^{3,5}	State-owned legal person	657,296,730 (H-shares)	0.26
Hong Kong Securities Clearing Company Ltd. ²	Foreign legal person	540,301,112 (A-shares)	0.22
Central Huijin Asset Management Ltd. ²	State-owned legal person	496,639,800 (A-shares)	0.20
China Baowu Steel Group Corporation Limited	State-owned legal person	335,000,000 (H-shares)	0.13
Taiping Life Insurance Co., Ltd. — Traditional — Ordinary insurance product — 022L — CT001SH	Others	168,783,482 (A-shares)	0.07

- Particulars of shareholding of ordinary shareholders were based on the register of members as at 30 September 2021 and confirmation of shareholders. None of the shares held by the aforesaid shareholders were subject to selling restrictions. None of the aforesaid shares were pledged, labelled or frozen except that the status of the shares held under the name of HKSCC Nominees Limited was unknown.
- 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 2021, State Grid Corporation of China and China Yangtze Power Co., Limited held 1,611,413,730 and 657,296,730 H-shares of the Bank respectively, all of which 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, 93,850,825,438 H-shares were held under the name of HKSCC Nominees Limited, which included the H-shares held by Temasek Holdings (Private) Limited.
- As at 30 September 2021, 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.
- As at 30 September 2021, China Yangtze Power Co., Limited directly held 648,993,000 H-shares of the Bank, and held 8,303,730 H-shares of the Bank through its subsidiary China Yangtze Power International (Hong Kong) Co., Limited.

2.2 Number of preference shareholders and particulars of shareholding

As at 30 September 2021, the Bank had 21 preference shareholders, all domestic preference shareholders. Particulars of shareholding of top ten domestic preference shareholders of the Bank are as follows:

Unit: share

Name of preference shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
China International Capital Corporation Limited	Others	103,860,000	17.31
Shanghai Branch of Bank of China Limited	Others	90,000,000	15.00
Bosera Asset Management Co., Limited	Others	61,000,000	10.17
China Life Insurance Company Limited	Others	50,000,000	8.33
China Mobile Communications Group Co., Ltd.	State-owned legal person	50,000,000	8.33
Truvalue Asset Management Co., Limited	Others	40,000,000	6.67
Hwabao Trust Co., Ltd.	Others	28,140,000	4.69
GF Securities Asset Management (Guangdong) Co., Ltd.	Others	27,000,000	4.50
Postal Savings Bank of China Co., Ltd.	Others	27,000,000	4.50
CITIC Securities Co., Ltd.	Others	22,620,000	3.77

1. Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders. The aforesaid preference shares had no voting rights, and were not pledged, labelled or frozen.
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.

As reviewed and approved at the Board meeting on 29 October 2021, the Bank would distribute dividend for domestic preference shares on 27 December 2021, and the total amount for dividend distribution is RMB2,850 million (including tax), with a nominal dividend rate of 4.75%.

3 Other Important Information

3.1 Highlights of operating results

3.1.1 Analysis of items in the statement of financial position

As at 30 September 2021, the Group's assets were RMB30,135,551 million, an increase of RMB2,003,297 million or 7.12% over the end of last year. The Group's liabilities were RMB27,587,342 million, an increase of RMB1,844,441 million or 7.16% over the end of last year.

The Group steadily advanced the “Three Major Strategies” for house rental, inclusive finance, and FinTech. It activated the housing factor market and improved the building of a house rental ecosystem. By the end of September, the Group's comprehensive house rental service platform had covered 96% of the administrative regions at prefecture-level and above across the country, providing a transparent trading platform for 15 thousand enterprises and 38 million individual landlords and tenants. The corporate loans for house rental business of the Bank totalled RMB116,276 million. It steadily promoted its “Big and New Inclusive Finance”. The Bank's inclusive finance loans totalled RMB1.79 trillion, an increase of RMB369,391 million over the end of 2020, and the number of inclusive finance loan borrowers increased by 153,500 over the end of 2020 to 1,849,100. Agriculture-related loans amounted to RMB2.39 trillion, an increase of RMB311,659 million, or 14.99%, over the end of 2020. It continued to improve the supporting capabilities of FinTech in business development, and safeguarded the secure and stable system operation. It strengthened the building and operation of fundamental technical capabilities such as distributed technology, big data and artificial intelligence, built an enterprise-wide technology middle office with multiplexing, agile delivery and collaboration, and launched a total of 81 public technological services to fully empower digitalised operation.

Gross loans and advances to customers were RMB18,466,685 million, an increase of RMB1,679,253 million or 10.00% over the end of last year. Specifically, corporate loans, personal loans, discounted bills and accrued interest were RMB10,348,156 million, RMB7,774,787 million, RMB296,686 million and RMB47,056 million, respectively. In accordance with the statistical definition of green financing made by China Banking and Insurance Regulatory Commission (“CBIRC”) in 2020, the Bank's green loans amounted to RMB1.82 trillion, up RMB373,208 million or 25.78% over the end of last year.

Financial investments were RMB7,382,105 million, an increase of RMB431,452 million or 6.21% over the end of last year.

Deposits from customers were RMB22,536,436 million, an increase of RMB1,921,460 million or 9.32% over the end of last year. Specifically, time deposits and demand deposits of the Group were RMB10,575,583 million and

RMB11,631,311 million respectively; corporate deposits and personal deposits of the Group were RMB10,705,244 million and RMB11,501,650 million respectively; accrued interest was RMB329,542 million.

The non-performing loans increased by RMB18,126 million to RMB278,855 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.51%, a decrease of 0.05 percentage points over the end of last year. The ratio of allowances to non-performing loans was 228.55%, up 14.96 percentage points from the end of last year.

Total equity was RMB2,548,209 million, an increase of RMB158,856 million or 6.65% over the end of last year. Specifically, total equity attributable to equity shareholders of the Bank was RMB2,522,495 million, an increase of RMB157,687 million or 6.67% over the end of last year.

As at 30 September 2021, 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)* in consideration of relevant rules for the transitional period, were 17.25%, 13.96% and 13.40%, respectively, all in compliance with the regulatory requirements.

In accordance with the *Guiding Opinions on Regulating the Asset Management Business of Financial Institutions* jointly issued by the People's Bank of China ("PBC") and three other ministries as well as the PBC's announcement to extend the transition period to 2021, financial institutions are encouraged to dispose of legacy assets in an orderly manner using a range of methods such as replacing them with new products, market-based transfers, contract changes, and asset undertaking. The Group is pressing ahead with the rectification of legacy wealth management business and has assessed and recognised the impact of rectification on provisions and credit impairment losses in the financial statements. The Group will continue to duly implement regulatory requirements, actively press ahead with related work, and strive to achieve a smooth transition and steady development of its wealth management business.

3.1.2 Analysis of items in the statement of comprehensive income

For the nine months ended 30 September 2021, the Group reaped net profit of RMB233,173 million, of which net profit attributable to equity shareholders of the Bank was RMB232,153 million, up 12.31% and 12.79% respectively over the same period last year. Annualised return on average assets was 1.07%, and annualised return on average equity was 13.15%.

Net interest income was RMB448,145 million, up 4.87% over the same period last year. Net interest spread was 1.94% and net interest margin was 2.12%, down 0.10 and 0.07 percentage points respectively from the same period last year, mainly due to the steady progress of interest rate liberalisation, changes in product structure,

and intense competition for deposits.

Net fee and commission income was RMB96,613 million, up 6.21% over the same period last year. This was mainly due to the rapid growth of fee income from products including trust and fiduciary activities, wealth management service and agency service.

Operating expenses were RMB137,484 million, an increase of RMB12,750 million from the same period last year. Cost-to-income ratio rose to 23.09%, up 0.76 percentage points from the same period last year.

Impairment losses were RMB143,256 million, a decrease of RMB18,507 million from the same period last year. Specifically, credit impairment losses were RMB142,043 million, down 11.95% over the same period last year.

Income tax expense was RMB59,624 million, an increase of RMB17,340 million from the same period last year. The effective income tax rate was 20.36%.

3.2 Implementation of cash dividend policy during the reporting period

The Bank distributed the 2020 cash dividend of RMB0.326 per share (including tax), totalling RMB3,128 million approximately, on 15 July 2021 to its A-share holders; it distributed the 2020 cash dividend of RMB0.326 per share (including tax), totalling RMB78,376 million approximately, on 5 August 2021 to its H-share holders.

3.3 Other major issues

In August 2021, the Bank issued Tier 2 capital bonds of RMB80 billion in the national interbank bond market.

4 QUARTERLY FINANCIAL STATEMENTS
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 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Interest income	783,336	734,085	267,387	248,548
Interest expense	(335,191)	(306,759)	(115,327)	(102,730)
Net interest income	<u>448,145</u>	<u>427,326</u>	<u>152,060</u>	<u>145,818</u>
Fee and commission income	108,888	103,088	31,318	30,382
Fee and commission expense	(12,275)	(12,120)	(4,143)	(4,420)
Net fee and commission income	<u>96,613</u>	<u>90,968</u>	<u>27,175</u>	<u>25,962</u>
Net trading gain/(loss)	4,289	3,125	1,419	(188)
Dividend income	5,023	2,488	1,366	992
Net gain arising from investment securities	7,996	4,796	6,143	812
Net gain on derecognition of financial assets measured at amortised cost	4,255	2,395	1,728	1,014
Other operating income, net:				
- Other operating income	57,888	40,814	17,599	8,035
- Other operating expense	(51,670)	(35,958)	(15,858)	(6,415)
Other operating income, net	<u>6,218</u>	<u>4,856</u>	<u>1,741</u>	<u>1,620</u>
Operating income	<u>572,539</u>	<u>535,954</u>	<u>191,632</u>	<u>176,030</u>
Operating expenses	<u>(137,484)</u>	<u>(124,734)</u>	<u>(49,324)</u>	<u>(44,929)</u>
	<u>435,055</u>	<u>411,220</u>	<u>142,308</u>	<u>131,101</u>
Credit impairment losses	(142,043)	(161,315)	(33,723)	(49,937)
Other impairment losses	(1,213)	(448)	(1,021)	(260)
Share of profits of associates and joint ventures	<u>998</u>	<u>436</u>	<u>770</u>	<u>216</u>
Profit before tax	<u>292,797</u>	<u>249,893</u>	<u>108,334</u>	<u>81,120</u>
Income tax expense	(59,624)	(42,284)	(29,267)	(12,450)
Net profit	<u><u>233,173</u></u>	<u><u>207,609</u></u>	<u><u>79,067</u></u>	<u><u>68,670</u></u>

China Construction Bank Corporation
 Consolidated statement of comprehensive income (continued)
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Other comprehensive income:				
(1) Other comprehensive income that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligation	121	160	-	-
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	(193)	(438)	(54)	(161)
Others	84	2	80	2
Subtotal	12	(276)	26	(159)
(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	10,421	(14,307)	7,794	(21,132)
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	398	(87)	445	(692)
Reclassification adjustments included in profit or loss due to disposals	(429)	(268)	(181)	109
Net gain/(loss) on cash flow hedges	228	45	(17)	(70)
Exchange difference on translating foreign operations	(4,035)	(3,807)	(1,216)	(3,987)
Subtotal	6,583	(18,424)	6,825	(25,772)
Other comprehensive income for the period, net of tax	6,595	(18,700)	6,851	(25,931)

China Construction Bank Corporation
 Consolidated statement of comprehensive income (continued)
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Total comprehensive income for the period	<u>239,768</u>	<u>188,909</u>	<u>85,918</u>	<u>42,739</u>
Net profit attributable to:				
Equity shareholders of the Bank	232,153	205,832	78,853	68,206
Non-controlling interests	<u>1,020</u>	<u>1,777</u>	<u>214</u>	<u>464</u>
	<u>233,173</u>	<u>207,609</u>	<u>79,067</u>	<u>68,670</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	238,530	187,152	85,523	42,339
Non-controlling interests	<u>1,238</u>	<u>1,757</u>	<u>395</u>	<u>400</u>
	<u>239,768</u>	<u>188,909</u>	<u>85,918</u>	<u>42,739</u>
Basic and diluted earnings per share (in RMB Yuan)	<u>0.93</u>	<u>0.82</u>	<u>0.32</u>	<u>0.27</u>

China Construction Bank Corporation
 Consolidated statement of financial position
 As at 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Assets:		
Cash and deposits with central banks	2,754,917	2,816,164
Deposits with banks and non-bank financial institutions	450,675	453,233
Precious metals	119,705	101,671
Placements with banks and non-bank financial institutions	263,923	368,404
Positive fair value of derivatives	31,221	69,029
Financial assets held under resale agreements	638,625	602,239
Loans and advances to customers	17,830,481	16,231,369
Financial investments		
Financial assets measured at fair value through profit or loss	533,180	577,952
Financial assets measured at amortised cost	4,907,775	4,505,243
Financial assets measured at fair value through other comprehensive income	1,941,150	1,867,458
Long-term equity investments	16,441	13,702
Fixed assets	164,158	172,505
Land use rights	13,758	14,118
Intangible assets	5,173	5,279
Goodwill	2,171	2,210
Deferred tax assets	91,754	92,950
Other assets	370,444	238,728
Total assets	30,135,551	28,132,254

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Liabilities:		
Borrowings from central banks	690,434	781,170
Deposits from banks and non-bank financial institutions	1,875,344	1,943,634
Placements from banks and non-bank financial institutions	364,107	349,638
Financial liabilities measured at fair value through profit or loss	247,507	254,079
Negative fair value of derivatives	26,635	81,956
Financial assets sold under repurchase agreements	34,363	56,725
Deposits from customers	22,536,436	20,614,976
Accrued staff costs	34,009	35,460
Taxes payable	71,423	84,161
Provisions	57,220	54,114
Debt securities issued	1,137,551	940,197
Deferred tax liabilities	1,207	1,551
Other liabilities	511,106	545,240
Total liabilities	27,587,342	25,742,901

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2021 (Unaudited)	31 December 2020 (Audited)
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	59,977	59,977
Perpetual bonds	39,991	39,991
Capital reserve	134,924	134,263
Other comprehensive income	21,425	15,048
Surplus reserve	275,995	275,995
General reserve	350,037	350,228
Retained earnings	1,390,135	1,239,295
Total equity attributable to equity shareholders of the Bank	2,522,495	2,364,808
Non-controlling interests	25,714	24,545
Total equity	2,548,209	2,389,353
Total liabilities and equity	30,135,551	28,132,254

Approved and authorised for issue by the Board of Directors on 29 October 2021.

Wang Jiang
*Vice Chairman, executive
 director and president*

Kenneth Patrick Chung
*Independent non-executive
 director*

Liu Fang
Non-executive director

China Construction Bank Corporation
 Consolidated statement of cash flows
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities		
Profit before tax	292,797	249,893
<i>Adjustments for:</i>		
– Credit impairment losses	142,043	161,315
– Other impairment losses	1,213	448
– Depreciation and amortisation	20,164	19,572
– Interest income from impaired financial assets	(3,621)	(2,781)
– Revaluation (gain)/loss on financial instruments measured at fair value through profit or loss	(3,865)	2,584
– Share of profits of associates and joint ventures	(998)	(436)
– Dividend income	(5,023)	(2,488)
– Unrealised foreign exchange (gain)/loss	(6,075)	3,914
– Interest expense on bonds issued	14,182	12,281
– Interest income from investment securities and net income from disposal	(173,491)	(155,242)
– Net (gain)/loss on disposal of fixed assets and other long-term assets	(263)	173
	277,063	289,233

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from operating activities (continued)		
<i>Changes in operating assets:</i>		
Net decrease/(increase) in deposits with central banks and with banks and non-bank financial institutions	221,972	(384,227)
Net decrease in placements with banks and non-bank financial institutions	130,232	85,154
Net increase in financial assets held under resale agreements	(36,679)	(140,138)
Net increase in loans and advances to customers	(1,733,399)	(1,743,394)
Net decrease in financial assets held for trading purposes	42,356	39,892
Net increase in other operating assets	(140,976)	(146,905)
	(1,516,494)	(2,289,618)
<i>Changes in operating liabilities:</i>		
Net (decrease)/increase in borrowings from central banks	(91,922)	197,775
Net increase in deposits from customers and from banks and non-bank financial institutions	1,811,275	2,616,386
Net increase/(decrease) in placements from banks and non-bank financial institutions	16,061	(108,761)
Net (decrease)/increase in financial liabilities measured at fair value through profit or loss	(6,381)	97,431
Net decrease in financial assets sold under repurchase agreements	(22,186)	(79,296)
Net increase/(decrease) in certificates of deposit issued	96,643	(101,753)
Income tax paid	(75,316)	(82,039)
Net (decrease)/increase in other operating liabilities	(15,518)	71,320
	1,712,656	2,611,063
Net cash from operating activities	473,225	610,678

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Cash flows from investing activities		
Proceeds from sales and redemption of financial investments	1,446,109	1,404,160
Interest and dividends received	185,737	161,197
Proceeds from disposal of fixed assets and other long-term assets	4,224	3,650
Purchase of investment securities	(1,918,275)	(2,323,097)
Purchase of fixed assets and other long-term assets	(9,111)	(12,003)
Acquisition of subsidiaries, associates and joint ventures	(2,522)	(3,051)
Cash payment for other investing activities	-	(21)
Net cash used in investing activities	(293,838)	(769,165)
Cash flows from financing activities		
Issue of bonds	138,626	99,556
Cash received from subsidiaries' capital injection by non-controlling interests holders	770	84
Dividends paid	(81,604)	(80,127)
Repayment of borrowings	(34,866)	(42,399)
Cash paid by subsidiaries for purchase of non-controlling interests holders' equity	-	(44)
Interest paid on bonds issued	(9,779)	(8,027)
Cash payment for other financing activities	(4,108)	(5,426)
Net cash from/(used in) financing activities	9,039	(36,383)

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2021
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)
Effect of exchange rate changes on cash and cash equivalents	(4,459)	(6,913)
Net increase/(decrease) in cash and cash equivalents	183,967	(201,783)
Cash and cash equivalents as at 1 January	878,931	1,052,340
Cash and cash equivalents as at 30 September	1,062,898	850,557
Cash flows from operating activities include:		
Interest received, excluding interest income from investment securities	605,932	564,341
Interest paid, excluding interest expense on bonds issued	(265,960)	(241,652)

5 Release of Quarterly Report

This 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
Wang Jiang
Vice chairman, executive director and president

29 October 2021

As of the date of this announcement, the executive directors of the Bank are Mr. Tian Guoli and Mr. Wang Jiang; the non-executive directors of the Bank are Mr. Xu Jiandong, Mr. Zhang Qi, Mr. Tian Bo, Mr. Xia Yang, Ms. Shao Min and Ms. Liu Fang; the independent non-executive directors of the Bank are Sir Malcolm Christopher McCarthy, Mr. Kenneth Patrick Chung, Mr. Graeme Wheeler, Mr. Michel Madelain, Mr. William Coen and Mr. Leung Kam Chung, Antony.

Appendix 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 granted approval for 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 exposures that meet regulatory requirements with the foundation internal ratings-based approach, the capital requirements for retail credit 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 2021		As at 31 December 2020	
	Group	Bank	Group	Bank
Common Equity Tier 1 capital after regulatory adjustments	2,409,897	2,245,373	2,261,449	2,105,934
Tier 1 capital after regulatory adjustments	2,509,963	2,325,240	2,361,517	2,191,258
Total capital after regulatory adjustments	3,102,051	2,910,773	2,832,681	2,649,639
Risk-weighted assets	17,983,350	16,684,763	16,604,591	15,451,991
Common Equity Tier 1 ratio (%)	13.40	13.46	13.62	13.63
Tier 1 ratio (%)	13.96	13.94	14.22	14.18
Total capital ratio (%)	17.25	17.45	17.06	17.15

2. Leverage ratio

From the first quarter of 2015, the Group measures leverage ratio in accordance with the *Measures for the Management of the Leverage Ratio of Commercial Banks (Revised)*. The leverage ratio refers to the ratio of the Tier 1 capital after regulatory adjustments to the adjusted balance of on and off-balance sheet assets. The leverage ratio of commercial banks should be no less than 4%. As at 30 September 2021, the Group's leverage ratio was 7.96%, meeting regulatory requirements.

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

(In millions of RMB, except percentages)	As at 30 September 2021	As at 30 June 2021	As at 31 March 2021	As at 31 December 2020
Leverage ratio (%)	7.96	7.79	7.92	7.99
Tier 1 capital after regulatory adjustments	2,509,963	2,434,940	2,442,723	2,361,517
On and off-balance sheet assets after adjustments	31,514,718	31,263,173	30,826,197	29,548,554

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. The liquidity coverage ratio of the Group for the third quarter of 2021 was 134.87%, meeting the regulatory requirements. The liquidity coverage ratio went up 0.67 percentage points compared to the second quarter of 2021, mainly due to the decrease in net cash outflows as a result of an increase in secured lending (e.g. reverse repos).

No.	(In millions of RMB, except percentages)	Total Unweighted Value	Total Weighted Value
High-Quality Liquid Assets			
1	Total HQLA		4,669,236
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	10,621,028	940,897
3	Stable deposits	2,422,420	121,036
4	Less stable deposits	8,198,608	819,861
5	Unsecured wholesale funding, of which:	10,673,425	3,546,933
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	6,895,412	1,712,267
7	Non-operational deposits (all counterparties)	3,646,616	1,703,269
8	Unsecured debts	131,397	131,397
9	Secured wholesale funding		1,387
10	Additional requirements, of which:	1,795,755	199,527
11	Outflows related to derivative exposures and other collateral requirements	32,000	32,000
12	Outflows related to loss of funding on debt products	2,672	2,672
13	Credit and liquidity facilities	1,761,083	164,855
14	Other contractual funding obligations	53	-
15	Other contingent funding obligations	3,532,390	490,674
16	Total Cash Outflows		5,179,418
Cash Inflows			
17	Secured lending (e.g. reverse repos)	572,378	569,390
18	Inflows from fully performing exposures	1,751,869	1,111,814
19	Other cash inflows	35,844	34,213
20	Total Cash Inflows	2,360,091	1,715,417
			Total Adjusted Value
21	Total HQLA		4,669,236
22	Total Net Cash Outflows		3,464,001
23	Liquidity Coverage Ratio (%)		134.87

1. All the data 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.