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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 2016**

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 2016, 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 report is truthful, accurate and complete and there are no false presentations 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 27 October 2016. Thirteen directors of the Bank attended the meeting in person. Mr. Wang Hongzhang delegated Mr. Wang Zuji to attend the meeting and vote on his behalf.

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

1.4 Mr. Wang Hongzhang, legal representative of the Bank, Mr. Xu Yiming, chief financial officer of the Bank, and Mr. Fang Qiuyue, 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	A-share stock code	601939
A-share listing stock exchange	Shanghai Stock Exchange		
H-share stock abbreviation	CCB	H-share stock code	939
H-share listing stock exchange	The Stock Exchange of Hong Kong Limited		
Offshore preference shares abbreviation	CCB 15USDPREF	Offshore preference shares stock code	4606
Offshore preference shares listing stock exchange	The Stock Exchange of Hong Kong Limited		
Contact persons and contact information	Secretary to the Board	Company secretary	Representative of securities affairs
Names	Chen Caihong	Ma Chan Chi	Xu Manxia
Telephone	86-10-66215533		
Facsimile	86-10-66218888		
E-mail address	ir@ccb.com		

## 2.2 Major consolidated accounting information and financial indicators 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)	At the end of the reporting period	At the end of last year	Change (%)
Total assets	20,500,683	18,349,489	11.72
Total equity attributable to equity shareholders of the Bank	1,559,403	1,434,020	8.74
Net assets per share (in RMB)	6.21	5.78	7.44
	Nine months ended 30 September 2016		Change over the same period last year (%)
Net cash from operating activities	1,019,291		81.24
	Nine months ended 30 September 2016		Change over the same period last year (%)
Operating income	428,482		(3.12)
Net profit	194,670		1.35
Net profit attributable to equity shareholders of the Bank	193,835		1.19
Basic and diluted earnings per share (in RMB)	0.78		1.30
Annualised return on average equity (%)	17.16		A decrease of 2.29 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 2016 or total equity as at 30 September 2016 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 30 September 2016

2.4.1 As at 30 September 2016, the Bank had a total of 440,217 ordinary shareholders, of whom 48,172 were holders of H-shares and 392,045 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 30 September 2016)					
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares subject to selling restrictions	Number of shares pledged or frozen
Central Huijin Investment Ltd. ("Huijin")	State	57.03	142,590,494,651 (H-Share)	None	None
		0.08	195,941,976 (A-Share)	None	None
HKSCC Nominees Limited <sup>1</sup>	Foreign legal person	36.70	91,752,626,092 (H-Share)	None	Unknown
China Securities Finance Corporation Limited	State-owned legal person	1.01	2,515,487,534 (A-share)	None	None
Baosteel Group Corporation ("Baosteel Group") <sup>1</sup>	State-owned legal person	0.80	2,000,000,000 (H-Share)	None	None
		0.02	50,000,000 (A-Share)	None	None
State Grid Corporation of China ("State Grid") <sup>1,2</sup>	State-owned legal person	0.64	1,611,413,730 (H-share)	None	None
China Yangtze Power Co., Limited ("Yangtze Power") <sup>1</sup>	State-owned legal person	0.41	1,015,613,000 (H-share)	None	None
Reca Investment Limited	Foreign legal person	0.34	856,000,000 (H-share)	None	None
Central Huijin Asset Management Ltd. <sup>3</sup>	State-owned legal person	0.20	496,639,800 (A-share)	None	None
HKSCC Limited	Foreign legal person	0.10	239,797,751 (A-share)	None	None
Hexie Health Insurance Co. Ltd.– universal insurance	Domestic non-state-owned legal person	0.05	131,275,570 (A-share)	None	None

1. As at 30 September 2016, State Grid and Yangtze Power held 1,611,413,730 H-shares and 1,015,613,000 H-shares of the Bank respectively, all of which were held under the name of HKSCC Nominees Limited; Baosteel Group held 2,000,000,000 H-shares of the Bank, in which 550,000,000 H-shares were held under the name of HKSCC Nominees Limited. Save for the aforesaid H-shares of the Bank held by State Grid and Yangtze Power, as well as 550,000,000 H-shares held by Baosteel Group, 91,752,626,092 H-shares of the Bank were held under the name of HKSCC Nominees Limited. These shares also included the H-shares held by the Temasek Holdings (Private) Limited.

2. As at 30 September 2016, the holding of H-shares of the Bank by State Grid through its wholly-owned subsidiaries was as follows: State Grid Yingda International Holdings Group Co., Ltd. held 54,131,000 shares, State Grid International Development Limited held 1,315,282,730 shares, Luneng Group Co., Ltd. held 230,000,000 shares and Shenzhen Guoneng International Trading Co., Ltd. held 12,000,000 shares.

3. Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Huijin. Apart from this, the Bank is not aware of any connected relation or concerted action among the shareholders.

## 2.5 Information of preference shareholders as at 30 September 2016

2.5.1 On 16 December 2015, the Bank made a non-public issuance of offshore preference shares in the offshore market and listed on The Stock Exchange of Hong Kong Limited on 17 December 2015. After the deduction of issuance fees, all proceeds raised from the issued offshore preference shares were used to replenish additional tier 1 capital (Please refer to 2015 Annual Report for details).

2.5.2 At the end of reporting period, the Bank had one preference shareholder (or proxy). Particulars of its shareholding were as follows:

							Unit: share
Name of preference shareholder	Nature of shareholder	Type of shares	Increase/decrease during the reporting period	Shareholding percentage (%)	Total number of shares held	Number of shares subject to selling restrictions	Number of shares pledged or frozen
The Bank of New York Depository (Nominees) Limited	Foreign legal person	Offshore preference shares	-	100.00	152,500,000	-	Unknown

1. Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders.

2. As the issuance was an non-public offshore offering, the register of the preference shareholders showed the shareholding information of The Bank of New York Depository (Nominees) Limited as proxy in the clearing systems of Euroclear Bank SA/NV and Clearstream Banking S.A. at the end of the reporting period.

2.5.3 During the reporting period, the Bank did not pay dividends to preference shareholders. A proposal on distribution of the offshore preference share dividend was reviewed and approved at the Board meeting of the Bank held on 27 October 2016. The dividends will be paid on 16 December 2016, with a dividend rate of 4.65% (after tax dividend rate, i.e. the dividend rate actually received by the offshore preference shareholders). The total dividend distribution amount is US\$157,583,333.33, in which US\$141,825,000 would be paid to the offshore preference shareholders, and US\$15,758,333.33 represents withholding income tax. The aforesaid distribution amount is equivalent to RMB1,067 million approximately.

## 3 HIGHLIGHTS OF QUARTERLY RESULTS

### 3.1 Analysis of items in the statement of financial position

As at 30 September 2016, total assets of the Group were RMB20,500,683 million, an increase of RMB2,151,194 million or 11.72% over the end of last year. Total liabilities of the Group were RMB18,929,235 million, an increase of RMB2,024,829 million or 11.98% over the end of last year.

Gross loans and advances to customers were RMB11,515,397 million, an increase of RMB1,030,257 million or 9.83% over the end of last year. In this amount, domestic corporate loans, personal loans and discounted bills of the Bank were RMB5,837,615 million, RMB4,137,468 million and RMB585,126

million respectively; loans made by overseas entities and subsidiaries were RMB955,188 million.

Deposits from customers were RMB15,277,178 million, an increase of RMB1,608,645 million or 11.77% over the end of last year. In this amount, domestic time deposits and demand deposits of the Bank were RMB7,029,634 million and RMB7,781,370 million respectively; deposits at overseas entities and subsidiaries were RMB466,174 million.

Compared to the end of last year, the non-performing loans increased by RMB13,747 million to RMB179,727 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.56%, down by 0.02 percentage points from the end of last year. The ratio of allowances to non-performing loans was 148.78%, down by 2.21 percentage points from the end of last year.

Total equity was RMB1,571,448 million, an increase of RMB126,365 million or 8.74% over the end of last year.

As at 30 September 2016, the Group's total capital ratio, tier 1 ratio and common equity tier 1 ratio were 15.36%, 13.54% and 13.37%, respectively, which were in compliance with the regulatory requirements.

### 3.2 Analysis of items in the statement of comprehensive income

For the nine months ended 30 September 2016, the Group made a net profit of RMB194,670 million, of which net profit attributable to equity shareholders of the Bank was RMB193,835 million, up by 1.35% and 1.19% respectively over the same period last year. Annualised return on average assets was 1.34%, and annualised return on average equity was 17.16%.

Net interest income was RMB315,802 million, down by 7.34% over the same period last year. Net interest spread was 2.09% and net interest margin was 2.26%, both down by 0.38 percentage points from the same period last year.

Net fee and commission income was RMB92,314 million, up by 4.09% over the same period last year. Agency insurance service, wealth management products and custodial business grew rapidly, and products such as credit cards and electronic banking achieved sound growth.

Operating expenses were RMB117,844 million, down by RMB15,818 million from the same period last year. Cost-to-income ratio increased by 0.04 percentage points to 24.12% over the same period last year.

Income tax expense was RMB52,206 million, a decrease of RMB302 million from the same period last year, and the effective income tax rate was 21.15%.

## 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)	As at 30 September 2016	As at 31 December 2015	Change (%)	Causes of the change
Precious metals	227,631	86,549	163.01	The precious metal business developed relatively fast, and its position increased under the influence of price fluctuations.
Financial assets at fair value through profit or loss	369,906	271,173	36.41	Other debt instruments invested by principal-guaranteed wealth management products and debt securities held for trading purposes increased.
Financial assets held under resale agreements	80,678	310,727	(74.04)	Bills held under resale agreements decreased due to the market situation, and the Group also reduced the securities held under resale agreements.
Available-for-sale financial assets	1,734,867	1,066,752	62.63	Available-for-sale debt securities and equity instruments increased.
Investment classified as receivables	569,982	369,501	54.26	The volume of investments in banks and non-bank financial institutions with single trust investment plans and asset management plans increased, and debt securities investment classified as receivables also increased.
Other assets	86,752	43,514	99.37	Temporary funds such as other receivables increased.

Borrowings from central banks	295,925	42,048	603.78	The Bank flexibly used monetary policy instruments of the central bank and increased borrowings from central banks accordingly.
Negative fair value of derivatives	44,973	27,942	60.95	Due to factors such as the price fluctuations of precious metals and the increase of transaction volume, the negative fair value of derivatives increased.
Financial assets sold under repurchase agreements	133,256	268,012	(50.28)	Securities sold under repurchase agreements decreased.
Other liabilities	169,299	122,554	38.14	Insurance reserves etc. of CCB Life Insurance Company Limited increased.
Exchange reserve	(2,247)	(5,565)	(59.62)	It was mainly due to the changes in foreign exchange rates in the first three quarters of 2016.



(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2016	Nine months ended 30 September 2015	Change (%)	Causes of the change
Fee and commission expense	(5,901)	(4,411)	33.78	Transaction-related SMS charges and credit card-related expense increased.
Net trading gain	1,995	3,525	(43.40)	Fair value of the derivatives decreased with market changes.
Dividend income	1,994	503	296.42	Stock and funds dividends received by certain subsidiaries significantly increased.
Net gain arising from investment securities	9,625	3,480	176.58	Investment gains arising from sales of available-for-sale financial assets increased.
Other operating income	53,626	22,843	134.76	The insurance business of CCB Life Insurance Company Limited increased.
Other operating expense	(46,874)	(17,546)	167.15	
Other impairment losses	(1,443)	(616)	134.25	Impairment losses on assets such as available-for-sale debt securities and held-to-maturity investments increased.
Net profit attributable to non-controlling interests	835	519	60.89	Net profit arising from some non-wholly owned subsidiaries increased.

#### 4.2 Progress of major issues, related impacts and solutions

Applicable Not applicable

#### 4.3 Fulfilment of undertakings by the Company and shareholders holding 5% or more of the shares

Applicable Not-applicable

In September 2004, Huijin made a commitment of “non-competition within the industry”, i.e., as long as Huijin continued to hold any shares of the Bank, or was defined as a controlling shareholder or a related party of a controlling shareholder of the Bank in accordance with related laws of the People’s Republic of China or listing rules of the Bank’s listing venues, Huijin would not engage or participate in any competing commercial banking businesses, including but not limited to extending loans, taking deposits and providing settlement, and providing fund custody, bank card and currency exchange services. However, Huijin may still engage or participate in competing businesses through investing in other commercial banks. Accordingly, Huijin agreed to: (1) fairly weigh its investments in commercial banks, and not abuse its shareholder position in the Bank or the information it obtained through its shareholder position in the Bank to make decisions detrimental to the Bank but beneficial to others; (2) exercise its shareholder’s rights in the best interests of the Bank.

On 8 July 2015, Huijin issued an announcement indicating that it would firmly maintain the stability of the security market, pursuant to which, Huijin has undertaken not to cut any shareholdings in listed companies during the period of unusual price fluctuations in the stock market.

On 6 April 2016, in accordance with relevant regulations of the China Securities Regulatory Commission, in order to ensure the effective implementation of the measures to make up for the dilution of immediate return caused by the Bank’s issuance of preference shares, Huijin has undertaken not to interfere with the Bank’s operation and management activities or encroach the Bank’s interests.

As at 30 September 2016, Huijin had not breached any of the above undertakings.

Apart from the above, the Bank and shareholders holding 5% or more of the shares did not give new undertakings.

#### 4.4 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

4.5 Warnings 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

## **5 RELEASE OF QUARTERLY REPORT**

This quarterly report will be published simultaneously on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Bank ([www.ccb.com](http://www.ccb.com)). The quarterly report prepared under PRC GAAP will also be published simultaneously on the website of the Shanghai Stock Exchange ([www.sse.com.cn](http://www.sse.com.cn)) and the website of the Bank ([www.ccb.com](http://www.ccb.com)).

By order of the Board  
**China Construction Bank Corporation**  
**Wang Zuji**

*Vice chairman, executive director and president*

27 October 2016

As at the date of this announcement, the executive directors of the Bank are Mr. Wang Hongzhang, Mr. Wang Zuji, Mr. Pang Xiusheng and Mr. Zhang Gengsheng; the non-executive directors of the Bank are Mr. Li Jun, Ms. Hao Aiqun, Mr. Guo Yanpeng and Mr. Dong Shi; and the independent non-executive directors of the Bank are Ms. Anita Fung Yuen Mei, Mr. Carl Walter, Mr. Zhang Long, Mr. Chung Shui Ming Timpson, Mr. Wim Kok and Mr. Murray Horn.

APPENDIX 1 FINANCIAL STATEMENTS PREPARED UNDER IFRS

China Construction Bank Corporation  
Consolidated statement of comprehensive income  
For the nine months ended 30 September 2016  
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
Interest income	523,246	580,671	176,835	196,477
Interest expense	(207,444)	(239,863)	(72,023)	(80,288)
<b>Net interest income</b>	<u>315,802</u>	<u>340,808</u>	<u>104,812</u>	<u>116,189</u>
Fee and commission income	98,215	93,097	27,308	26,577
Fee and commission expense	(5,901)	(4,411)	(2,184)	(1,536)
<b>Net fee and commission income</b>	<u>92,314</u>	<u>88,686</u>	<u>25,124</u>	<u>25,041</u>
Net trading gain	1,995	3,525	299	1,775
Dividend income	1,994	503	589	32
Net gain arising from investment securities	9,625	3,480	2,288	48
Other operating income, net:				
– Other operating income	53,626	22,843	7,440	4,076
– Other operating expense	(46,874)	(17,546)	(7,749)	(2,679)
<b>Other operating income, net</b>	<u>6,752</u>	<u>5,297</u>	<u>(309)</u>	<u>1,397</u>
<b>Operating income</b>	428,482	442,299	132,803	144,482
<b>Operating expenses</b>	<u>(117,844)</u>	<u>(133,662)</u>	<u>(38,728)</u>	<u>(46,233)</u>
	310,638	308,637	94,075	98,249
Impairment losses on:				
– Loans and advances to customers	(62,261)	(63,507)	(15,463)	(23,066)
– Others	(1,443)	(616)	(1,631)	192
<b>Impairment losses</b>	<u>(63,704)</u>	<u>(64,123)</u>	<u>(17,094)</u>	<u>(22,874)</u>
<b>Share of (loss)/profit of associates and joint ventures</b>	<u>(58)</u>	<u>70</u>	<u>17</u>	<u>2</u>
<b>Profit before tax</b>	246,876	244,584	76,998	75,377
Income tax expense	(52,206)	(52,508)	(16,231)	(15,545)
<b>Net profit</b>	<u>194,670</u>	<u>192,076</u>	<u>60,767</u>	<u>59,832</u>

China Construction Bank Corporation  
Consolidated statement of comprehensive income (continued)  
For the nine months ended 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2016 (Unaudited)	2015 (Unaudited)	2016 (Unaudited)	2015 (Unaudited)
<b>Other comprehensive income:</b>				
Items that will not be reclassified to profit or loss				
Remeasurements of post-employment benefit obligations	49	444	-	-
Others	(3)	1	(10)	(1)
<b>Subtotal</b>	<u>46</u>	<u>445</u>	<u>(10)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss				
Gains of available-for-sale financial assets	507	9,309	5,197	3,446
Income tax impact relating to available-for-sale financial assets	(127)	(2,349)	(1,381)	(942)
Reclassification adjustments included in profit or loss	(3,703)	(1,446)	109	(318)
Net gains on cash flow hedges	9	34	9	36
Exchange difference on translating foreign operations	<u>3,286</u>	<u>(408)</u>	<u>310</u>	<u>494</u>
<b>Subtotal</b>	<u>(28)</u>	<u>5,140</u>	<u>4,244</u>	<u>2,716</u>
<b>Other comprehensive income for the period, net of tax</b>	<u>18</u>	<u>5,585</u>	<u>4,234</u>	<u>2,715</u>
<b>Total comprehensive income for the period</b>	<u>194,688</u>	<u>197,661</u>	<u>65,001</u>	<u>62,547</u>
Net profit attributable to:				
Equity shareholders of the Bank	193,835	191,557	60,425	59,662
Non-controlling interests	835	519	342	170
	<u>194,670</u>	<u>192,076</u>	<u>60,767</u>	<u>59,832</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	194,254	197,118	64,609	62,614
Non-controlling interests	434	543	392	(67)
	<u>194,688</u>	<u>197,661</u>	<u>65,001</u>	<u>62,547</u>
<b>Basic and diluted earnings per share (in RMB Yuan)</b>	<u>0.78</u>	<u>0.77</u>	<u>0.24</u>	<u>0.24</u>

China Construction Bank Corporation  
Consolidated statement of financial position  
As at 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	<u>30 September</u> 2016	<u>31 December</u> 2015
	(Unaudited)	(Audited)
<b>Assets:</b>		
Cash and deposits with central banks	2,725,492	2,401,544
Deposits with banks and non-bank financial institutions	393,787	352,966
Precious metals	227,631	86,549
Placements with banks and non-bank financial institutions	275,606	310,779
Financial assets at fair value through profit or loss	369,906	271,173
Positive fair value of derivatives	34,242	31,499
Financial assets held under resale agreements	80,678	310,727
Interest receivable	105,512	96,612
Loans and advances to customers	11,248,007	10,234,523
Available-for-sale financial assets	1,734,867	1,066,752
Held-to-maturity investments	2,434,381	2,563,980
Investment classified as receivables	569,982	369,501
Interests in associates and joint ventures	6,262	4,986
Fixed assets	162,007	159,531
Land use rights	14,719	15,231
Intangible assets	1,954	2,103
Goodwill	2,767	2,140
Deferred tax assets	26,131	25,379
Other assets	<u>86,752</u>	<u>43,514</u>
<b>Total assets</b>	<u><u>20,500,683</u></u>	<u><u>18,349,489</u></u>

China Construction Bank Corporation  
Consolidated statement of financial position (continued)  
As at 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	30 September 2016	31 December 2015
	(Unaudited)	(Audited)
<b>Liabilities:</b>		
Borrowings from central banks	295,925	42,048
Deposits from banks and non-bank financial institutions	1,545,954	1,439,395
Placements from banks and non-bank financial institutions	383,606	321,712
Financial liabilities at fair value through profit or loss	343,606	302,649
Negative fair value of derivatives	44,973	27,942
Financial assets sold under repurchase agreements	133,256	268,012
Deposits from customers	15,277,178	13,668,533
Accrued staff costs	29,223	33,190
Taxes payable	39,871	49,411
Interest payable	211,800	205,684
Provisions	8,492	7,108
Debt securities issued	445,601	415,544
Deferred tax liabilities	451	624
Other liabilities	169,299	122,554
<b>Total liabilities</b>	<b>18,929,235</b>	<b>16,904,406</b>

China Construction Bank Corporation  
Consolidated statement of financial position (continued)  
As at 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	<u>30 September 2016</u>	<u>31 December 2015</u>
	(Unaudited)	(Audited)
<b>Equity:</b>		
Share capital	250,011	250,011
Other equity instruments		
Preference Shares	19,659	19,659
Capital reserve	134,936	135,249
Investment revaluation reserve	20,104	23,058
Surplus reserve	153,032	153,032
General reserve	210,850	186,422
Retained earnings	773,058	672,154
Exchange reserve	<u>(2,247)</u>	<u>(5,565)</u>
Total equity attributable to equity shareholders of the Bank	1,559,403	1,434,020
Non-controlling interests	<u>12,045</u>	<u>11,063</u>
<b>Total equity</b>	<u>1,571,448</u>	<u>1,445,083</u>
<b>Total liabilities and equity</b>	<u>20,500,683</u>	<u>18,349,489</u>

Approved and authorised for issue by the Board of Directors on 27 October 2016.

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China Construction Bank Corporation  
Consolidated statement of cash flows  
For the nine months ended 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities</i></b>		
Profit before tax	246,876	244,584
<i>Adjustments for:</i>		
– Impairment losses	63,704	64,123
– Depreciation and amortisation	11,222	14,215
– Interest income from impaired financial assets	(2,846)	(2,257)
– Revaluation loss/(gain) on financial instruments at fair value through profit or loss	356	(2,866)
– Share of loss/(profit) of associates and joint ventures	58	(70)
– Dividend income	(1,994)	(503)
– Unrealised foreign exchange (gain)/loss	(2,796)	6,937
– Interest expense on bonds issued	8,484	7,466
– Net gain on disposal of investment securities	(9,625)	(3,480)
– Net gain on disposal of fixed assets and other long-term assets	(150)	(43)
	313,289	328,106

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the nine months ended 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities (continued)</i></b>		
<i>Changes in operating assets:</i>		
Net increase in deposits with central banks and with banks and non-bank financial institutions	(134,383)	(128,639)
Net decrease/(increase) in placements with banks and non-bank financial institutions	26,087	(135,498)
Net increase in loans and advances to customers	(1,065,577)	(907,083)
Net decrease in financial assets held under resale agreements	230,088	9,017
Net (increase)/decrease in financial assets at fair value through profit or loss	(96,024)	173,786
Net increase in other operating assets	(201,941)	(96,953)
	(1,241,750)	(1,085,370)
<i>Changes in operating liabilities:</i>		
Net increase/(decrease) in borrowings from central banks	253,184	(55,582)
Net increase in placements from banks and non-bank financial institutions	54,094	115,605
Net increase in deposits from customers and from banks and non-bank financial institutions	1,683,170	1,511,227
Net decrease in financial assets sold under repurchase agreements	(134,961)	(29,116)
Net increase/(decrease) in certificates of deposit issued	27,882	(67,956)
Income tax paid	(62,067)	(63,305)
Net increase/(decrease) in financial liabilities at fair value through profit or loss	40,569	(116,601)
Net increase in other operating liabilities	85,881	25,389
	1,947,752	1,319,661
<b>Net cash from operating activities</b>	<b>1,019,291</b>	<b>562,397</b>

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the nine months ended 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
<b><i>Cash flows from investing activities</i></b>		
Proceeds from sale and redemption of investments	646,729	667,690
Dividend received	2,001	514
Proceeds from disposal of fixed assets and other long-term assets	2,641	1,363
Purchase of investment securities	(1,373,633)	(1,037,228)
Purchase of fixed assets and other long-term assets	(13,473)	(10,836)
Acquisition of subsidiaries, associates and joint ventures	(1,783)	(875)
<b>Net cash used in investing activities</b>	<b>(737,518)</b>	<b>(379,372)</b>
<b><i>Cash flows from financing activities</i></b>		
Issue of bonds	9,549	21,086
Capital contribution by non-controlling interests	106	238
Consideration paid for acquisition of non-controlling interests	(19)	-
Dividend paid	(68,532)	(75,265)
Repayment of borrowings	(8,894)	(1,192)
Interest paid on bonds issued	(3,128)	(5,095)
<b>Net cash used in financing activities</b>	<b>(70,918)</b>	<b>(60,228)</b>

China Construction Bank Corporation  
 Consolidated statement of cash flows (continued)  
 For the nine months ended 30 September 2016  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Nine months ended 30 September	
	2016	2015
	(Unaudited)	(Unaudited)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	6,026	2,674
<b>Net increase in cash and cash equivalents</b>	216,881	125,471
<b>Cash and cash equivalents as at 1 January</b>	387,921	353,718
<b>Cash and cash equivalents as at 30 September</b>	604,802	479,189
<b>Cash flows from operating activities include:</b>		
Interest received	510,917	659,064
Interest paid, excluding interest expense on bonds issued	(196,959)	(400,967)

## **APPENDIX 2 CAPITAL ADEQUACY RATIO, LEVERAGE RATIO AND LIQUIDITY COVERAGE RATIO**

### **1. Capital adequacy ratios**

The Group calculated capital adequacy ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)*, promulgated by China Banking Regulatory Commission in June 2012, and 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 rating based (“IRB”) approach for corporate risk exposure which is compliant with regulatory

Capital adequacy ratios calculated in accordance with the *Measures for the Management of Capital Adequacy Ratios of Commercial Banks*

	As at 30 September 2016		As at 31 December 2015	
	Group	Bank	Group	Bank
Core capital adequacy ratio	12.74%	12.75%	12.35%	12.32%
Capital adequacy ratio	15.67%	15.50%	15.43%	15.19%

## 2. Leverage ratio

As at 30 September 2016, in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)*, the Group's leverage ratio was 7.12%, in compliance with 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 2016	As at 30 June 2016	As at 31 March 2016	As at 31 December 2015
<b>Leverage ratio<sup>1</sup></b>	7.12%	7.05%	7.27%	7.28%
Tier 1 capital after deductions	1,552,524	1,488,636	1,493,236	1,427,847
On and off-balance sheet assets after adjustments <sup>2</sup>	21,796,235	21,109,915	20,533,512	19,616,647

1. Leverage ratio is calculated in accordance with relevant regulatory requirements. The tier 1 capital after deductions is consistent with that used in the calculation of capital adequacy ratios by the Group.

2. On and off-balance sheet assets after adjustments = On-balance sheet assets after adjustments + Off-balance sheet items after adjustments – Deductions from tier 1 capital.

### 3. Liquidity Coverage Ratio

In accordance with the current applicable regulatory requirements, definitions and accounting standards, the average liquidity coverage ratio of the Group at the end of each month in the third quarter of 2016 was 117.08%, meeting the regulatory requirements. The average liquidity coverage ratio in the third quarter decreased by 5.31 percentage points compared to the second quarter, mainly due to an increase of RMB157,401 million in the net cash outflows.

No.	(In millions of RMB, except percentages)	Value before translation	Value after translation
<b>Qualified and high-quality liquid assets</b>			
1	Qualified and high-quality liquid assets		3,738,496
<b>Cash outflows</b>			
2	Deposits from retail and deposits from small enterprise customers, including:	7,608,815	739,773
3	Stable deposits	418,393	20,731
4	Deposits with a low degree of stability	7,190,422	719,042
5	Unsecured wholesale financing, including:	8,474,601	2,814,477
6	Business relations deposits (excluding agent bank business)	5,465,606	1,355,335
7	Non-business relations deposits (all counterparties)	2,961,000	1,411,147
8	Unsecured debts	47,995	47,995
9	Secured financing		-
10	Other items, including:	1,541,722	182,095
11	Cash outflows in relation to the requirements of derivatives and other collateral	44,495	44,495
12	Cash outflows in relation to loss of financing on secured debt instruments	1,846	1,846
13	Credit facilities and liquidity facilities	1,495,381	135,754
14	Other contractual financing obligations	-	-
15	Contingent financing obligations	1,934,939	310,091
16	<b>Total amount of expected cash outflows</b>		4,046,435
<b>Cash inflows</b>			
17	Secured lending (including reverse repurchase and borrowed securities)	92,792	92,792
18	Cash inflows from normal settlement	1,157,975	725,646
19	Other cash inflows	35,358	33,698
20	<b>Total amount of expected cash inflows</b>	1,286,125	852,136
			Value after adjustment
21	<b>Qualified and high-quality liquid assets</b>		3,738,496
22	<b>Net cash outflows</b>		3,194,299
23	<b>Liquidity coverage ratio (%)</b>		117.08