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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 2018

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 2018, 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 23 October 2018. A total of 13 directors of the Bank attended the meeting in person.

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

1.4 Mr. Tian Guoli, 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		
Domestic preference shares abbreviation	建行優 1	Domestic preference shares stock code	360030
Domestic preference shares listing stock exchange	Shanghai Stock Exchange		
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	Huang Zhiling	Ma Chan Chi	Xu Manxia
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)	30 September 2018	31 December 2017		Change (%)
Total assets	23,354,078	22,124,383		5.56
Total equity attributable to equity shareholders of the Bank	1,922,123	1,779,760		8.00
Net assets per share (in RMB)	7.44	6.86		8.45
	Three months ended 30 September 2018	Change over the same period last year (%)	Nine months ended 30 September 2018	Change over the same period last year (%)
Operating income	156,336	7.68	479,065	6.86
Net profit	67,391	6.52	214,856	6.22
Net profit attributable to equity shareholders of the Bank	67,081	6.64	214,108	6.39
Net cash from operating activities	N/A	N/A	744,866	450.03
Basic and diluted earnings per share (in RMB)	0.27	8.00	0.86	7.50
Annualised return on average equity (%)	14.87	A decrease of 0.47 percentage points	16.08	A decrease of 0.44 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 2018 or total equity as at 30 September 2018 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 2018

2.4.1 As at 30 September 2018, the Bank had a total of 359,213 ordinary shareholders, of whom 43,280 were holders of H-shares and 315,933 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 2018 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. ²	State	57.03	-	142,590,494,651(H-shares)	None
		0.08	-	195,941,976(A-shares)	None
HKSCC Nominees Limited ^{2,3}	Foreign legal person	36.79	-3,308,215	91,975,337,583(H-shares)	Unknown
China Securities Finance Corporation Limited	State-owned legal person	0.87	+7,191,700	2,187,579,768(A-shares)	None
China Baowu Steel Group Corporation Limited ³	State-owned legal person	0.80	-	1,999,556,250(H-shares)	None
State Grid Corporation of China ^{3,4}	State-owned legal person	0.64	-	1,611,413,730(H-shares)	None
China Yangtze Power Co., Limited ³	State-owned legal person	0.35	-	865,613,000(H-shares)	None
Reca Investment Limited	Foreign legal person	0.34	-	856,000,000(H-shares)	None
Central Huijin Asset Management Co., Ltd. ²	State-owned legal person	0.20	-	496,639,800(A-shares)	None
Hong Kong Securities Clearing Company Limited ²	Foreign legal person	0.15	+16,138,727	375,580,783(A-shares)	None
China Life Insurance Company Limited -Dividend - Individual dividend - 005L - FH002 SH	Others	0.12	+178,271,721	295,808,211(A-shares)	None

- All of the shares held by the aforesaid shareholders were not subject to selling restrictions.
- Central Huijin Asset Management Co., 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 Limited. Apart from these, the Bank is not aware of any connected relation or concerted action among the aforesaid shareholders.
- As of 30 September 2018, State Grid Corporation of China and China Yangtze Power Co., Limited held 1,611,413,730 H-shares and 865,613,000 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 H-shares 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, 91,975,337,583 H-shares were held under the name of HKSCC Nominees Limited, which also included the H-shares held by Temasek Holdings (Private) Limited.
- As of 30 September 2018, the holding of H-shares of the Bank by State Grid Corporation of China 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.

2.5 Number of preference shareholders and particulars of preference shareholding as at 30 September 2018

2.5.1 As at 30 September 2018, the Bank had 19 preference shareholders (or proxies), including one offshore preference shareholder (or proxy) and 18 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

- Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders.
- As the issuance was an offshore non-public offering, the register of 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.
- The Bank is not aware of any connected relation or concerted action between the aforesaid preference shareholder and the top ten ordinary shareholders.
- "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
Manulife Teda Fund Management Co., Ltd.	Others	15.00	-	90,000,000	None
China Mobile Communications Group Co., Ltd.	State-owned legal person	8.33	-	50,000,000	None
China Life Insurance Company Limited	Others	8.33	-	50,000,000	None
Truvalue Asset Management Co., Ltd.	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 Property and Casualty 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

- Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders.
- 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.
- "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 preference shares issued by the Bank, nor the dividend distribution of preference shares. Proposals on dividend distribution for both offshore and domestic preference shares were reviewed and approved at the Board meeting of the Bank held on 23 October 2018. The dividend for offshore preference shares would be paid on 17 December 2018, and the gross amount for dividend distribution is US\$157,583,333.33 (equivalent to RMB1,093 million approximately). After withholding income tax, US\$141,825,000 would be actually paid to the offshore preference shareholders, with an after-tax dividend rate of 4.65%. The dividend for domestic preference shares would be paid on 26 December 2018, and the gross amount for dividend distribution is RMB2,850 million (including tax), with a nominal dividend rate of 4.75%.

3 HIGHLIGHTS OF QUARTERLY RESULTS

3.1 Analysis of items in the statement of financial position

As at 30 September 2018, the Group's total assets were RMB23,354,078 million, an increase of RMB1,229,695 million or 5.56% over the end of last year. The Group's total liabilities were RMB21,415,229 million, an increase of RMB1,086,673 million or 5.35% over the end of last year.

Gross loans and advances to customers were RMB13,765,782 million, an increase of RMB862,341 million or 6.68% over the end of last year. In this amount, domestic corporate loans, personal loans and discounted bills of the Bank were RMB6,724,897 million, RMB5,757,368 million and RMB163,196 million respectively; loans made by overseas entities and subsidiaries were RMB1,120,321 million.

Deposits from customers were RMB17,228,192 million, an increase of RMB864,438 million or 5.28% over the end of last year. In this amount, domestic time deposits and demand deposits of the Bank were RMB7,687,965 million and RMB9,087,272 million respectively; domestic corporate deposits and personal deposits of the Bank were RMB8,992,031 million and RMB7,783,206 million respectively; deposits at overseas operations and subsidiaries were RMB452,955 million.

Compared to the end of last year, the non-performing loans increased by RMB9,530 million to RMB201,821 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.47%, down by 0.02 percentage points from the end of last year. The ratio of allowances to non-performing loans was 195.16%, up by 24.08 percentage points from the end of last year.

Total equity was RMB1,938,849 million, an increase of RMB143,022 million or 7.96% over the end of last year. In this amount, total equity attributable to equity

shareholders of the Bank was RMB1,922,123 million, an increase of RMB142,363 million or 8.00% over the end of last year.

As at 30 September 2018, 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)* and relevant rules for the transition period, were 16.23%, 13.92% and 13.34%, respectively, all of 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 2018, the Group reaped net profit of RMB214,856 million, of which net profit attributable to equity shareholders of the Bank was RMB214,108 million, up by 6.22% and 6.39% respectively over the same period last year. Annualised return on average assets was 1.26%, and annualised return on average equity was 16.08%.

Net interest income was RMB365,725 million, up by 9.72% over the same period last year. Net interest spread was 2.21% and net interest margin was 2.34%, both up by 0.18 percentage points from the same period last year.

Net fee and commission income was RMB96,528 million, up by 3.07% over the same period last year. In this amount, fees from bank card, electronic banking service and commissions on trust and fiduciary activities maintained relatively rapid growth as businesses in these areas kept sound development; meanwhile, with the implementation of the new rules for asset management, wealth management service fees dropped compared to the same period last year; affected by regulatory policies, market conditions and increased fee reductions and concessions to customers, income from certain settlement service, agency service and consultancy and advisory services declined at varying degrees compared to the same period last year.

Operating expenses were RMB115,629 million, an increase of RMB4,611 million from the same period last year. Cost-to-income ratio decreased by 0.62 percentage points to 23.20% over the same period last year.

Income tax expense was RMB48,978 million, an increase of RMB716 million from the same period last year, and the effective income tax rate was 18.56%.

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 2018	As at 31 December 2017	Change (%)	Causes of the change
Deposits with banks and non-bank financial institutions	528,468	175,005	201.97	With relatively ample liquidity in the third quarter, the Group increased deposits with banks and non-bank financial institutions.
Precious metals	35,966	157,036	(77.10)	The Group proactively adjusted business strategies by downsizing the precious metals leasing business.
Financial assets held under resale agreements	316,613	208,360	51.95	With relatively ample liquidity in the third quarter, the Group increased its reverse repo business.
Other assets	131,713	71,416	84.43	This was mainly due to increases of continuing involvement in assets related to assets backed securities, and outstanding amounts to be settled and cleared, etc.
Financial assets sold under repurchase agreements	34,729	74,279	(53.25)	With relatively ample liquidity in the third quarter, the Group decreased its repo business.
Provisions	36,671	10,581	246.57	Under the new financial instruments standard, the scope of provision for off-balance sheet credit businesses expanded, and provisions were made in accordance with expected credit losses.
Debt securities issued	778,110	596,526	30.44	This was mainly due to the increase of newly issued certificates of deposit and tier 2 capital bonds.

(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2018	Nine months ended 30 September 2017	Change (%)	Causes of the change
Net trading gain	8,660	2,638	228.28	In line with the new financial instruments standard, the Group reclassified interest income from financial assets at fair value through profit or loss as net trading gain and net gain/(loss) arising from investment securities.
Net gain/(loss) arising from investment securities	4,217	(1,065)	(495.96)	
Other operating income	28,395	44,722	(36.51)	It was mainly due to the increase in foreign exchange business volume and valuation gains on foreign exchange derivative transactions during the same period last year.
Impairment losses on others	(3,940)	(1,635)	140.98	Under the new financial instruments standard, the scope of provision for off-balance sheet credit businesses expanded, and provisions were made in accordance with expected credit losses.

4.2 Progress of major issues, related impacts and solutions

√Applicable □Not applicable

In September 2018, the Bank received approvals from the China Banking and Insurance Regulatory Commission and the People's Bank of China to issue tier 2 capital bonds up to RMB83 billion in domestic inter-bank bond market. On 25 September 2018, the Bank issued the first batch of 2018 domestic tier 2 capital bonds with an issuance size of RMB43 billion. Please refer to the relevant announcements published on the website of the Shanghai Stock Exchange, the "HKEXnews" website of Hong Kong Exchanges and Clearing Limited and the website of the Bank on 26 September 2018 for more details.

4.3 Unfulfilled undertakings overdue in the reporting period

□Applicable √Not-applicable

4.4 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

As approved by the 2017 annual general meeting, the Bank distributed the 2017 cash dividend of RMB0.291 per share (including tax), totalling RMB2,792 million, on 17 July 2018 to its A-share holders whose names appeared on the register of members after the close of market on 16 July 2018. It distributed the 2017 cash dividend of RMB0.291 per share (including tax), totalling RMB69,961 million, on 6 August 2018 to its H-share holders whose names appeared on the register of members after the close of market on 16 July 2018.

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

From 1 January 2018, the Group has adopted *International Financial Reporting Standard No. 9 – Financial Instruments* issued by International Accounting Standards Board in July 2014. This constitutes changes in accounting policies. Relevant information has been disclosed in the 2018 half-year report of the Group.

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

Wang Zuji

Vice chairman, executive director and president

23 October 2018

As at the date of this announcement, the executive directors of the Bank are Mr. Tian Guoli, Mr. Wang Zuji and Mr. Zhang Gengsheng; the non-executive directors of the Bank are Ms. Feng Bing, Mr. Zhu Hailin, Mr. Li Jun, Mr. Wu Min and Mr. Zhang Qi; the independent non-executive directors of the Bank are Ms. Anita Fung Yuen Mei, Sir Malcolm Christopher McCarthy, Mr. Carl Walter, Mr. Chung Shui Ming Timpson 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 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	604,759	555,566	209,439	192,077
Interest expense	(239,034)	(222,242)	(83,200)	(76,607)
Net interest income	365,725	333,324	126,239	115,470
Fee and commission income	106,204	103,074	30,833	28,908
Fee and commission expense	(9,676)	(9,425)	(3,309)	(3,339)
Net fee and commission income	96,528	93,649	27,524	25,569
Net trading gain/(loss)	8,660	2,638	748	(204)
Dividend income	671	1,524	259	544
Net gain/(loss) arising from investment securities	4,217	(1,065)	1,098	567
Net losses on derecognition of financial assets measured at amortised cost	(2,497)	N/A	(132)	N/A
Other operating income, net:				
- Other operating income	28,395	44,722	4,892	10,579
- Other operating expense	(22,634)	(26,470)	(4,292)	(7,336)
Other operating income, net	5,761	18,252	600	3,243
Operating income	479,065	448,322	156,336	145,189
Operating expenses	(115,629)	(111,018)	(40,948)	(40,471)
	363,436	337,304	115,388	104,718
Impairment losses on:				
- Loans and advances to customers	(95,831)	(85,329)	(32,667)	(25,600)
- Others	(3,940)	(1,635)	(324)	(854)
Impairment losses	(99,771)	(86,964)	(32,991)	(26,454)
Share of profit of associates and joint ventures	169	195	17	178
Profit before tax	263,834	250,535	82,414	78,442
Income tax expense	(48,978)	(48,262)	(15,023)	(15,178)
Net profit	214,856	202,273	67,391	63,264

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the nine months ended 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive income:				
Items 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	(53)	N/A	(20)	N/A
Remeasurements of post-employment benefit obligations	(178)	374	-	-
Others	(5)	-	-	-
Subtotal	(236)	374	(20)	-
Items that may be reclassified subsequently to profit or loss				
Gains of debt instruments measured at fair value through other comprehensive income	25,758	N/A	5,935	N/A
Income tax impact relating to debt instruments measured at fair value through other comprehensive income	(6,671)	N/A	(1,822)	N/A
(Losses)/gains of available-for-sale financial assets arising during the period	N/A	(22,283)	N/A	1,761
Income tax impact relating to available-for-sale financial assets	N/A	5,570	N/A	(379)
Reclassification adjustments included in profit or loss	(830)	3,269	(567)	813
Net (loss) /gain on cash flow hedges	(239)	129	103	(44)
Exchange difference on translating foreign operations	2,775	(3,149)	3,325	(1,416)
Subtotal	20,793	(16,464)	6,974	735

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the nine months ended 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Other comprehensive income for the period, net of tax	<u>20,557</u>	<u>(16,090)</u>	<u>6,954</u>	<u>735</u>
Total comprehensive income for the period	<u>235,413</u>	<u>186,183</u>	<u>74,345</u>	<u>63,999</u>
Net profit attributable to:				
Equity shareholders of the Bank	214,108	201,242	67,081	62,903
Non-controlling interests	<u>748</u>	<u>1,031</u>	<u>310</u>	<u>361</u>
	<u>214,856</u>	<u>202,273</u>	<u>67,391</u>	<u>63,264</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	234,429	185,141	73,857	63,693
Non-controlling interests	<u>984</u>	<u>1,042</u>	<u>488</u>	<u>306</u>
	<u>235,413</u>	<u>186,183</u>	<u>74,345</u>	<u>63,999</u>
Basic and diluted earnings per share (in RMB Yuan)	<u>0.86</u>	<u>0.80</u>	<u>0.27</u>	<u>0.25</u>

China Construction Bank Corporation
Consolidated statement of financial position
As at 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2018	31 December 2017
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	2,650,415	2,988,256
Deposits with banks and non-bank financial institutions	528,468	175,005
Precious metals	35,966	157,036
Placements with banks and non-bank financial institutions	310,856	325,233
Positive fair value of derivatives	66,517	82,980
Financial assets held under resale agreements	316,613	208,360
Interest receivable	121,023	116,993
Loans and advances to customers	13,371,737	12,574,473
Financial investments		
Financial assets measured at fair value through profit or loss	740,055	578,436
Financial assets measured at amortised cost	3,244,739	N/A
Financial assets measured at fair value through other comprehensive income	1,588,041	N/A
Available-for-sale financial assets	N/A	1,550,680
Held-to-maturity investments	N/A	2,586,722
Investment classified as receivables	N/A	465,810
Interests in associates and joint ventures	6,529	7,067
Fixed assets	166,453	169,679
Land use rights	14,085	14,545
Intangible assets	2,697	2,752
Goodwill	2,736	2,751
Deferred tax assets	55,435	46,189
Other assets	131,713	71,416
Total assets	23,354,078	22,124,383

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2018	31 December 2017
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	540,352	547,287
Deposits from banks and non-bank financial institutions	1,350,582	1,336,995
Placements from banks and non-bank financial institutions	399,025	383,639
Financial liabilities measured at fair value through profit or loss	424,686	414,148
Negative fair value of derivatives	59,933	79,867
Financial assets sold under repurchase agreements	34,729	74,279
Deposits from customers	17,228,192	16,363,754
Accrued staff costs	29,534	32,632
Taxes payable	68,057	54,106
Interest payable	198,242	199,588
Provisions	36,671	10,581
Debt securities issued	778,110	596,526
Deferred tax liabilities	421	389
Other liabilities	266,695	234,765
Total liabilities	21,415,229	20,328,556

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	30 September 2018	31 December 2017
	(Unaudited)	(Audited)
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	79,636	79,636
Capital reserve	134,537	135,225
Investment revaluation reserve	-	(26,004)
Other comprehensive income	722	-
Surplus reserve	198,613	198,613
General reserve	261,129	259,680
Retained earnings	997,475	886,921
Exchange reserve	-	(4,322)
Total equity attributable to equity shareholders of the Bank	1,922,123	1,779,760
Non-controlling interests	16,726	16,067
Total equity	1,938,849	1,795,827
Total liabilities and equity	23,354,078	22,124,383

Approved and authorised for issue by the Board of Directors on 23 October 2018.

Wang Zuji
*Vice chairman, executive
director and president*

Chung Shui Ming Timpson
*Independent non-executive
director*

Li Jun
*Non-executive
director*

China Construction Bank Corporation
 Consolidated statement of cash flows
 For the nine months ended 30 September 2018
 (Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Profit before tax	263,834	250,535
<i>Adjustments for:</i>		
– Impairment losses	99,771	86,964
– Depreciation and amortisation	12,502	12,071
– Interest income from impaired financial assets	(2,271)	(2,382)
– Revaluation gain on financial instruments measured at fair value through profit or loss	(905)	(699)
– Share of profit of associates and joint ventures	(169)	(195)
– Dividend income	(671)	(1,524)
– Unrealised foreign exchange gain	(7,376)	(13,076)
– Interest expense on bonds issued	8,890	8,748
– Net (gain)/ loss on disposal of investment securities	(4,217)	1,065
– Net gain on disposal of fixed assets and other long-term assets	(57)	(146)
	369,331	341,361

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(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	390,342	28,766
Net decrease in placements with banks and non-bank financial institutions	32,265	72,660
Net increase in loans and advances to customers	(835,434)	(1,105,899)
Net increase in financial assets held under resale agreements	(108,112)	(104,688)
Net decrease/(increase) in financial assets measured at fair value through profit or loss	6,446	(126,288)
Net increase in other operating assets	77,949	45,953
	(436,544)	(1,189,496)
<i>Changes in operating liabilities:</i>		
Net (decrease)/increase in borrowings from central banks	(8,785)	105,908
Net (decrease)/increase in deposits from customers and from banks and non-bank financial institutions	(2,146)	117,865
Net increase in placements from banks and non- bank financial institutions	816,525	721,917
Net decrease in financial assets sold under repurchase agreements	(40,621)	(125,211)
Net increase in certificates of deposit issued	95,787	164,554
Income tax paid	(47,923)	(53,883)
Net increase in financial liabilities measured at fair value through profit or loss	9,426	29,545
Net (decrease)/increase in other operating liabilities	(10,184)	22,864
	812,079	983,559
Net cash from operating activities	744,866	135,424

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Cash flows from investing activities		
Proceeds from sale and redemption of financial investments	1,589,865	921,569
Dividends received	606	1,577
Proceeds from disposal of fixed assets and other long-term assets	5,280	6,481
Purchase of financial investments	(1,918,727)	(942,563)
Purchase of fixed assets and other long-term assets	(10,758)	(13,112)
Acquisition of associates and joint ventures	(886)	(1,829)
Net cash used in investing activities	(334,620)	(27,877)
Cash flows from financing activities		
Issue of bonds	75,592	16,949
Issue of other equity instruments	-	3,421
Capital contribution by non-controlling interests	-	150
Consideration paid for acquisition of non-controlling interests	(104)	(1,243)
Dividends paid	(72,833)	(69,564)
Repayments of borrowings	(6,306)	(4,135)
Interest paid on bonds issued	(4,364)	(4,249)
Net cash used in financing activities	(8,015)	(58,671)

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2018
(Expressed in millions of RMB, unless otherwise stated)

	Nine months ended 30 September	
	2018	2017
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	16,850	(14,762)
Net increase in cash and cash equivalents	419,081	34,114
Cash and cash equivalents as at 1 January	571,339	599,124
Cash and cash equivalents as at 30 September	990,420	633,238
Cash flows from operating activities include:		
Interest received	598,327	542,840
Interest paid, excluding interest expense on bonds issued	(238,530)	(224,040)

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 that meets regulatory requirements, IRB approach for retail risk exposure, internal models approach for market risk, and standardised approach for operational risk exposure in the calculation of the relevant capital charges. Pursuant to the regulatory requirements, the Group calculates capital adequacy ratios with both advanced capital measurement approaches and other methods, and complies with the relevant requirements for capital floors.

According to the regulatory requirements, commercial banks have to calculate and disclose capital adequacy ratios in accordance with both the *Capital Rules for Commercial Banks (Provisional)* (CBRC Order [2012] No.1) and the *Measures for the Management of Capital Adequacy Ratios of Commercial Banks* (CBRC Order [2004] No. 2).

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

(In millions of RMB, except percentages)	As at 30 September 2018		As at 31 December 2017	
	Group	Bank	Group	Bank
Capital after deductions:				
Common equity tier 1 capital	1,834,696	1,711,483	1,691,332	1,579,469
Tier 1 capital	1,914,471	1,783,437	1,771,120	1,652,142
Total capital	2,233,272	2,097,731	2,003,072	1,881,181
Capital adequacy ratios:				
Common equity tier 1 ratio	13.34%	13.17%	13.09%	12.87%
Tier 1 ratio	13.92%	13.72%	13.71%	13.47%
Total capital ratio	16.23%	16.14%	15.50%	15.33%

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

	As at 30 September 2018		As at 31 December 2017	
	Group	Bank	Group	Bank
Core capital adequacy ratio	12.61%	12.53%	12.38%	12.31%
Capital adequacy ratio	15.74%	15.49%	15.40%	15.11%

2. Leverage ratio

As at 30 September 2018, in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)*, the Group's leverage ratio was 7.78%, 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 2018	As at 30 June 2018	As at 31 March 2018	As at 31 December 2017
Leverage ratio¹	7.78%	7.61%	7.53%	7.52%
Tier 1 capital after deduction	1,914,471	1,840,291	1,826,713	1,771,120
On and off-balance sheet assets after adjustments ²	24,610,588	24,176,438	24,252,119	23,555,968

1. Leverage ratio is calculated in accordance with relevant regulatory requirements. The tier 1 capital after deduction 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

According to the requirements of the *Measures on Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, commercial banks shall disclose the average daily liquidity coverage ratio by quarter from 2017 onwards. In accordance with the current applicable regulatory requirements, definitions and accounting standards, the average daily liquidity coverage ratio of the Group for the 92 days in the third quarter of 2018 was 132.11%, a decrease of 5.57 percentage points compared to that in the second quarter of 2018, mainly due to the decrease of total amount of expected cash inflows.

No.	(In millions of RMB, except percentages)	Value before translation	Value after translation
Qualified and high-quality liquid assets			
1	Qualified and high-quality liquid assets		4,140,210
Cash outflow			
2	Deposits from retail and small enterprise customers, including:	7,824,231	674,674
3	Stable deposits	2,152,738	107,525
4	Deposits with a low degree of stability	5,671,493	567,149
5	Unsecured (unpledged) wholesale financing, including:	9,092,467	3,094,082
6	Business relations deposits (excluding agent bank business)	6,012,377	1,493,284
7	Non-business relations deposits (all counterparties)	2,958,440	1,479,148
8	Unsecured (unpledged) debts	121,650	121,650
9	Secured (pledged) financing		362
10	Other items, including:	1,698,931	226,136
11	Cash outflows related to the requirement of derivatives and other collateral (pledges)	59,650	59,650
12	Cash outflows related to financing loss of mortgage (pledges) debt instruments	11,356	11,356
13	Credit facilities and liquidity facilities	1,627,925	155,130
14	Other contractual financing obligations	20	-
15	Contingent financing obligations	2,306,543	312,578
16	Total amount of expected cash outflows		4,307,832
Cash inflow			
17	Mortgage (pledged) lending (including reverse repurchase and borrowed securities)	263,453	262,560
18	Cash inflow from normal full settlement	1,329,599	847,887
19	Other cash inflows	61,850	61,413
20	Total amount of expected cash inflows	1,654,902	1,171,860
			Value after adjustment
21	Qualified and high-quality liquid assets		4,140,210
22	Net cash outflows		3,135,972
23	Liquidity coverage ratio (%)		132.11%