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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)

(USD Preference Shares Stock Code: 4606)

REPORT FOR THE FIRST 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 31 March 2016, prepared under the International Financial Reporting Standards (IFRS). This announcement is made in accordance with 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 29 April 2016. Thirteen directors of the Bank attended the meeting in person. Ms. Hao Aiqun delegated Mr. Dong Shi to attend the meeting and vote on her behalf. Ms. Margaret Leung Ko May Yee delegated Mr. Chung Shui Ming Timpson to attend the meeting and vote on her behalf.

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

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	19,143,791	18,349,489	4.33
Total equity attributable to equity shareholders of the Bank	1,499,405	1,434,020	4.56
Net assets per share (in RMB)	6.04	5.78	4.50
	Three months ended 31 March 2016		Change over the same period last year (%)
Net cash from operating activities		360,031	33.30
	Three months ended 31 March 2016		Change over the same period last year (%)
Operating income		155,780	4.37
Net profit		67,911	1.16
Net profit attributable to equity shareholders of the Bank		67,952	1.41
Basic and diluted earnings per share (in RMB)		0.27	-
Annualised return on average equity (%)		18.53	A decrease of 2.50 percentage points

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

There is no difference in the net profit for the three months ended 31 March 2016 and total equity as at 31 March 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 31 March 2016

2.4.1 As at 31 March 2016, the Bank had a total of 470,482 ordinary shareholders, of whom 48,507 were holders of H-shares and 421,975 were holders of A-shares.

2.4.2 Particulars of shareholding of top ten ordinary shareholders

Unit: share

Particulars of shareholding of top ten ordinary shareholders (based on the register of members as at 31 March 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 ¹	Foreign legal person	30.93	77,331,722,435 (H-Share)	None	Unknown
Temasek Holdings (Private) Limited ("Temasek") ¹	Foreign legal person	5.77	14,419,443,216 (H-Share)	None	None
China Securities Finance Corporation Limited	State-owned legal person	1.00	2,512,160,161 (A-share)	None	None
Baosteel Group Corporation ("Baosteel Group") ¹	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") ^{1,2}	State-owned legal person	0.64	1,611,413,730 (H-share)	None	None
China Yangtze Power Co., Limited ("Yangtze Power") ¹	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
Ping An Life Insurance Company of China, Ltd. – Traditional– Ordinary insurance products	Domestic non-state-owned legal person	0.30	740,905,582 (A-share)	None	None
Central Huijin Asset Management Co., Ltd. ³	State-owned legal person	0.20	496,639,800 (A-share)	None	None

1. On 16 January 2015, Temasek declared its interests to The Stock Exchange of Hong Kong Limited, which disclosed that it held a total of 14,419,443,216 H-shares of the Bank under the name of HKSCC Nominees Limited. As at 31 March 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 Temasek, State Grid and Yangtze Power, as well as 550,000,000 H-shares held by Baosteel Group, 77,331,722,435 H-shares of the Bank were held under the name of HKSCC Nominees Limited.

2. As at 31 March 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 Co., 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 Number of preference shareholders and particulars of preference shareholding as at 31 March 2016

2.5.1 As at 31 March 2016, the Bank had one preference shareholder (or proxy).

2.5.2 Particulars of shareholding of the top ten preference shareholders (or proxies) of the Bank (based on the registered preference shareholders as at 31 March 2016):

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	152,500,000	-	Unknown

1. Particulars of shareholding of the preference shareholders were based on the information in the Bank's registered members of preference shareholders.
2. As the issuance was offshore non-public offering, the registered members of the preference shareholders presented the information of shareholdings that The Bank of New York Depository (Nominees) Limited as proxies of placees in liquidation system of Euroclear Bank S.A./N.V. and Clearstream Banking S.A. as at the end of the reporting period.

3 HIGHLIGHTS OF QUARTERLY RESULTS

As at 31 March 2016, total assets of the Group were RMB19,143,791 million, an increase of RMB794,302 million or 4.33% over the end of last year. Total liabilities of the Group were RMB17,633,567 million, an increase of RMB729,161 million or 4.31% over the end of last year.

Gross loans and advances to customers were RMB10,827,847 million, an increase of RMB342,707 million or 3.27% over the end of last year. In this amount, domestic corporate loans, personal loans and discounted bills of the Bank were RMB5,929,570 million, RMB3,638,174 million and RMB411,826 million respectively; overseas entities and subsidiaries loans were RMB848,277 million.

Deposits from customers were RMB14,582,213 million, an increase of RMB913,680 million or 6.68% over the end of last year. In this amount, domestic time deposits and demand deposits of the Bank were RMB6,945,914 million and RMB7,247,998 million respectively; overseas entities and subsidiaries deposits were RMB388,301 million.

The Group proactively responded to changes in macro-economic situation by adapting to national industrial policy adjustments, proactively seizing opportunities and adjusting structure to better serve economic transformation and upgrading, vigorously promoting green credit development, keeping loans to industries with excess capacity at bay, and continuously optimising credit structure of small enterprise business. Meanwhile, the Group intensified management of risks at an earlier stage and enhanced the efficiency of

non-performing loans disposal. As a result, the overall credit assets quality remained stable.

Compared to the end of last year, the non-performing loans increased by RMB10,444 million to RMB176,424 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.63%, up by 0.05 percentage points over the end of last year. The ratio of allowances to non-performing loans was 151.71%, up by 0.72 percentage points over the end of last year.

Total equity was RMB1,510,224 million, an increase of RMB65,141 million or 4.51% over the end of last year.

For the three months ended 31 March 2016, the Group made a net profit of RMB67,911 million, of which net profit attributable to equity shareholders of the Bank was RMB67,952 million, up by 1.16% and 1.41% respectively over the same period last year. Annualised return on average assets was 1.45%, and annualised return on average equity was 18.53%.

Net interest income was RMB107,886 million, down by 3.07% over the same period last year. Net interest spread was 2.25% and net interest margin was 2.40%, down by 0.29 and 0.32 percentage points respectively over the same period last year.

Net fee and commission income was RMB38,376 million, up by 13.11% over the same period last year. In this amount, bancassurance, wealth management products and custodial business grew rapidly, and products such as credit card and electronic banking gained sound growth as well.

Operating expenses were RMB40,955 million, down by RMB1,179 million over the same period last year. Cost-to-income ratio decreased by 1.45 percentage points to 20.56% over the same period last year.

Income tax expense was RMB20,233 million, an increase of RMB210 million over the same period last year, and the effective income tax rate was 22.95%.

Capital adequacy ratio

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 approaches for capital management from 2 April 2014. The capital requirements of corporate credit risk exposure that meet regulatory requirements are calculated with the foundation internal rating-based approach, the capital requirements of retail credit risk exposure are calculated with the internal rating-based approach, the capital requirements of market risk are calculated with the internal models approach, and the capital requirements of operational risk are calculated with the standardised approach. Pursuant to the

regulatory requirements, the Group calculates capital adequacy ratios simultaneously with advanced capital measurement approaches and other methods, and complies with the relevant requirements for capital floors.

As at 31 March 2016, considering relevant rules in the transition period, the Group's total capital ratio, tier 1 ratio and common equity tier 1 ratio, which were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)*, were 15.55%, 13.65% and 13.46% respectively, and were in compliance with the regulatory requirements. The total capital ratio, tier 1 ratio and common equity tier 1 ratio increased by 0.16, 0.33 and 0.33 percentage points respectively compared with those as at 31 December 2015. The increases in the Group's capital adequacy ratios were mainly because the growth rate of the total capital after deductions accumulated from profit outpaced that of risk-weighted assets.

Leverage ratio

As at 31 March 2016, the Group's leverage ratio calculated in accordance with the *Measures for the Administration of the Leverage Ratio of Commercial Banks (Revised)* was 7.27%, which was in compliance with the regulatory requirements.

Liquidity coverage ratio

In accordance with the requirements of the *Administrative Measures for Liquidity Risk Management of Commercial Banks (Provisional)*, the liquidity coverage ratio of commercial banks shall reach 100% by the end of 2018. During the transition period, such ratio shall reach 80% and 90% by the end of 2016 and 2017 respectively.

In the first quarter of 2016, the Group's average monthly liquidity coverage ratio was 133.09%, up by 0.18 percentage points over last quarter. The increase in the Group's average monthly liquidity coverage ratio was mainly because the qualified and high-quality liquid assets increased while the non-business relations deposits of unsecured (unpledged) wholesale financing decreased. The qualified and high-quality liquid assets of the Group mainly include securities guaranteed and issued by sovereign states and central banks with the risk of zero or 20%, and the available deposit reserve in the central bank under stress circumstances.

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 31 March 2016	As at 31 December 2015	Change (%)	Causes of the change
Precious metals	135,224	86,549	56.24	The precious metal business developed comparatively fast, and its position increased under the influence of price fluctuations.
Financial assets at fair value through profit or loss	355,932	271,173	31.26	Other debt instruments invested by principal-guaranteed wealth management products and debt securities held for trading purposes increased.
Other assets	68,567	43,514	57.57	Temporary accounts such as other receivables increased.
Borrowings from central banks	107,624	42,048	155.96	The Bank actively expanded financing channels and increased borrowings from central banks accordingly.
Negative fair value of derivatives	37,799	27,942	35.28	Due to factors such as the volatility in foreign exchange rates and precious metals price, the negative revaluation of derivatives increased.
Financial assets sold under repurchase agreements	10,907	268,012	(95.93)	Some transactions of securities sold under repurchase agreements matured.
Other liabilities	175,006	122,554	42.80	Insurance reserves etc. of CCB Life Insurance Company Limited increased.

(In millions of RMB unless otherwise stated)	Three months ended 31 March 2016	Three months ended 31 March 2015	Change (%)	Causes of the change
Fee and commission expense	(1,858)	(1,127)	64.86	Expenses such as trading linked SMS charges and credit card service fees increased.
Dividend income	343	73	369.86	Cash dividends received by some subsidiaries increased.
Net gain arising from investment securities	5,016	1,345	272.94	Investment gains arising from sales of available-for-sale financial assets increased.
Other operating income, net	3,690	1,990	85.43	The insurance business of CCB Life Insurance Company Limited increased.
Impairment losses	(26,701)	(20,005)	33.47	More provision for impairment losses of loans were made considering the impact of the overall economic situation on credit assets quality.
Share of profits less losses of associates and joint ventures	20	32	(37.50)	Profits from associates and joint ventures invested by subsidiaries decreased.
Net profit attributable to non-controlling interests	(41)	124	(133.06)	Net profit arising from some non-wholly owned subsidiaries decreased.

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.

As at 31 March 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 The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of the Bank (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) and the website of the Bank (www.ccb.com).

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

29 April 2016

As of the date of this announcement, the Bank’s executive directors are Mr. Wang Hongzhang, Mr. Wang Zuji, Mr. Pang Xiusheng and Mr. Zhang Gengsheng; non-executive directors are Mr. Li Jun, Ms. Chen Yuanling, Ms. Hao Aiqun, Mr. Xu Tie, Mr. Guo Yanpeng and Mr. Dong Shi; and independent non-executive directors are Mr. Zhang Long, Mr. Chung Shui Ming Timpson, Mr. Wim Kok, Mr. Murray Horn and Ms. Margaret Leung Ko May Yee.

China Construction Bank Corporation
Consolidated statement of comprehensive income
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
Interest income	177,272	190,156
Interest expense	(69,386)	(78,856)
Net interest income	107,886	111,300
Fee and commission income	40,234	35,055
Fee and commission expense	(1,858)	(1,127)
Net fee and commission income	38,376	33,928
Net trading gain	469	623
Dividend income	343	73
Net gain arising from investment securities	5,016	1,345
Other operating income, net:		
- Other operating income	36,611	15,861
- Other operating expense	(32,921)	(13,871)
Other operating income, net	3,690	1,990
Operating income	155,780	149,259
Operating expenses	(40,955)	(42,134)
	114,825	107,125
Impairment losses on:		
- Loans and advances to customers	(27,025)	(19,316)
- Others	324	(689)
Impairment losses	(26,701)	(20,005)
Share of profits less losses of associates and joint ventures	20	32
Profit before tax	88,144	87,152
Income tax expense	(20,233)	(20,023)
Net profit	67,911	67,129

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss		
Others	7	-
Subtotal	7	-
Items that may be reclassified subsequently to profit or loss		
Loss of available-for-sale financial assets	(852)	(2,080)
Less: income tax relating to available-for-sale financial assets	195	593
Reclassification adjustments included in profit or loss	(2,467)	(688)
Net gain on cash flow hedges	3	86
Exchange difference on translating foreign operations	363	(1,094)
Subtotal	(2,758)	(3,183)
Other comprehensive income for the period, net of tax	(2,751)	(3,183)
Total comprehensive income for the period	65,160	63,946
Net profit attributable to:		
Equity shareholders of the Bank	67,952	67,005
Non-controlling interests	(41)	124
	<u>67,911</u>	<u>67,129</u>
Total comprehensive income attributable to:		
Equity shareholders of the Bank	65,385	63,680
Non-controlling interests	(225)	266
	<u>65,160</u>	<u>63,946</u>
Basic and diluted earnings per share (in RMB Yuan)	0.27	0.27

China Construction Bank Corporation
Consolidated statement of financial position
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Assets:		
Cash and deposits with central banks	2,701,506	2,401,544
Deposits with banks and non-bank financial institutions	425,331	352,966
Precious metals	135,224	86,549
Placements with banks and non-bank financial institutions	266,010	310,779
Financial assets at fair value through profit or loss	355,932	271,173
Positive fair value of derivatives	36,446	31,499
Financial assets held under resale agreements	272,877	310,727
Interest receivable	103,328	96,612
Loans and advances to customers	10,560,189	10,234,523
Available-for-sale financial assets	1,123,260	1,066,752
Held-to-maturity investments	2,527,692	2,563,980
Receivables	357,356	369,501
Interests in associates and joint ventures	5,662	4,986
Fixed assets	158,107	159,531
Land use rights	14,913	15,231
Intangible assets	2,017	2,103
Goodwill	2,174	2,140
Deferred tax assets	27,200	25,379
Other assets	<u>68,567</u>	<u>43,514</u>
Total assets	<u>19,143,791</u>	<u>18,349,489</u>

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Liabilities:		
Borrowings from central banks	107,624	42,048
Deposits from banks and non-bank financial institutions	1,371,592	1,439,395
Placements from banks and non-bank financial institutions	332,267	321,712
Financial liabilities at fair value through profit or loss	329,664	302,649
Negative fair value of derivatives	37,799	27,942
Financial assets sold under repurchase agreements	10,907	268,012
Deposits from customers	14,582,213	13,668,533
Accrued staff costs	29,953	33,190
Taxes payable	62,194	49,411
Interest payable	204,289	205,684
Provisions	7,618	7,108
Debt securities issued	381,975	415,544
Deferred tax liabilities	466	624
Other liabilities	<u>175,006</u>	<u>122,554</u>
 Total liabilities	 <u>17,633,567</u>	 <u>16,904,406</u>

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016 (Unaudited)	31 December 2015 (Audited)
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	19,659	19,659
Capital reserve	135,259	135,249
Investment revaluation reserve	20,101	23,058
Surplus reserve	153,032	153,032
General reserve	186,494	186,422
Retained earnings	740,034	672,154
Exchange reserve	<u>(5,185)</u>	<u>(5,565)</u>
 Total equity attributable to equity shareholders of the Bank	 1,499,405	 1,434,020
Non-controlling interests	<u>10,819</u>	<u>11,063</u>
 Total equity	 <u>1,510,224</u>	 <u>1,445,083</u>
 Total liabilities and equity	 <u>19,143,791</u>	 <u>18,349,489</u>

Approved and authorised for issue by the Board of Directors on 29 April 2016.

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
Statement of financial position
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016	31 December 2015
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	2,691,823	2,383,573
Deposits with banks and non-bank financial institutions	421,204	361,141
Precious metals	135,224	86,549
Placements with banks and non-bank financial institutions	295,952	333,398
Financial assets at fair value through profit or loss	344,282	260,207
Positive fair value of derivatives	28,306	24,396
Financial assets held under resale agreements	271,807	309,539
Interest receivable	100,672	93,988
Loans and advances to customers	10,214,592	9,899,993
Available-for-sale financial assets	997,093	945,797
Held-to-maturity investments	2,515,707	2,554,049
Receivables	338,065	350,966
Investments in subsidiaries	32,265	32,885
Fixed assets	141,605	144,363
Land use rights	14,480	14,795
Intangible assets	1,277	1,359
Deferred tax assets	25,803	24,298
Other assets	85,678	69,437
Total assets	18,655,835	17,890,733

China Construction Bank Corporation
Statement of financial position (continued)
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016	31 December 2015
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	106,944	41,154
Deposits from banks and non-bank financial institutions	1,381,551	1,442,259
Placements from banks and non-bank financial institutions	293,225	304,195
Financial liabilities at fair value through profit or loss	329,333	301,778
Negative fair value of derivatives	32,038	23,320
Financial assets sold under repurchase agreements	7,593	264,569
Deposits from customers	14,317,838	13,393,246
Accrued staff costs	28,535	31,593
Taxes payable	61,313	48,515
Interest payable	202,242	204,336
Provisions	6,164	5,813
Debt securities issued	329,074	356,711
Deferred tax liabilities	33	81
Other liabilities	75,397	53,067
	<u>17,171,280</u>	<u>16,470,637</u>
Total liabilities	<u>17,171,280</u>	<u>16,470,637</u>

China Construction Bank Corporation
Statement of financial position (continued)
As at 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2016 <u>(Unaudited)</u>	31 December 2015 <u>(Audited)</u>
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	19,659	19,659
Capital reserve	135,451	135,441
Investment revaluation reserve	19,967	22,549
Surplus reserve	153,032	153,032
General reserve	182,363	182,319
Retained earnings	725,214	658,545
Exchange reserve	<u>(1,142)</u>	<u>(1,460)</u>
Total equity	<u>1,484,555</u>	<u>1,420,096</u>
Total liabilities and equity	<u><u>18,655,835</u></u>	<u><u>17,890,733</u></u>

Approved and authorised for issue by the Board of Directors on 29 April 2016.

Wang Zuji <i>Vice chairman, executive director and president</i>	Chung Shui Ming Timpson <i>Independent non-executive director</i>	Li Jun <i>Non-executive director</i>
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China Construction Bank Corporation
Consolidated statement of cash flows
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
<i>Cash flows from operating activities</i>		
Profit before tax	88,144	87,152
<i>Adjustments for:</i>		
– Impairment losses	26,701	20,005
– Depreciation and amortisation	3,703	4,703
– Interest income from impaired financial assets	(944)	(611)
– Revaluation loss/(gain) on financial instruments at fair value through profit or loss	124	(1,657)
– Share of profit less losses of associates and joint ventures	(20)	(32)
– Dividend income	(343)	(73)
– Unrealised foreign exchange loss/(gain)	3,675	(1,483)
– Interest expense on bonds issued	2,811	2,236
– Net gain on disposal of investment securities	(5,016)	(1,345)
– Net (gain)/loss on disposal of fixed assets and other long-term assets	(31)	3
	<u>118,804</u>	<u>108,898</u>

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
<i>Cash flows from operating activities (continued)</i>		
<i>Changes in operating assets:</i>		
Net increase in deposits with central banks and with banks and non-bank financial institutions	(58,645)	(36,120)
Net decrease/(increase) in placements with banks and non-bank financial institutions	73,199	(52,497)
Net increase in loans and advances to customers	(357,188)	(345,143)
Net decrease/(increase) in financial assets held under resale agreements	37,850	(52,790)
Net (increase)/decrease in other operating assets	(162,037)	2,285
	<u>(466,821)</u>	<u>(484,265)</u>
<i>Changes in operating liabilities:</i>		
Net increase in borrowings from central banks	65,685	58,947
Net increase/(decrease) in placements from banks and non-bank financial institutions	11,672	(6,281)
Net increase in deposits from customers and from banks and non-bank financial institutions	850,463	793,552
Net decrease in financial assets sold under repurchase agreements	(257,094)	(178,137)
Net (decrease)/increase in certificates of deposit issued	(27,235)	5,086
Income tax paid	(7,720)	(8,924)
Net increase/(decrease) in other operating liabilities	72,277	(18,783)
	<u>708,048</u>	<u>645,460</u>
Net cash from operating activities	<u>360,031</u>	<u>270,093</u>

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
<i>Cash flows from investing activities</i>		
Proceeds from sale and redemption of investments	264,611	171,291
Dividends received	343	73
Proceeds from disposal of fixed assets and other long-term assets	1,245	650
Proceeds from disposal of subsidiaries and other business units	-	245
Purchase of investment securities	(271,874)	(254,456)
Purchase of fixed assets and other long-term assets	(2,823)	(2,074)
Acquisition of subsidiaries, associates and joint ventures	(823)	(254)
Net cash used in investing activities	(9,321)	(84,525)
<i>Cash flows from financing activities</i>		
Consideration paid for acquisition of non-controlling interests	-	(46)
Dividends paid	(21)	-
Repayments of borrowings	(5,395)	(289)
Interest paid on bonds issued	(1,650)	(2,478)
Net cash used in financing activities	(7,066)	(2,813)

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2016
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2016	2015
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	<u>(981)</u>	<u>(161)</u>
Net increase in cash and cash equivalents	342,663	182,594
Cash and cash equivalents as at 1 January	<u>387,921</u>	<u>353,718</u>
Cash and cash equivalents as at 31 March	<u><u>730,584</u></u>	<u><u>536,312</u></u>
Cash flows from operating activities include:		
Interest received	<u>169,665</u>	<u>182,807</u>
Interest paid, excluding interest expense on bonds issued	<u>(69,099)</u>	<u>(70,844)</u>

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

According to the regulatory requirements, commercial banks have to simultaneously calculate and disclose capital adequacy ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)* and the *Measures for the Management of Capital Adequacy Ratios of Commercial Banks*.

Capital adequacy ratios calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)*¹

(In millions of RMB, except percentages)	As at 31 March 2016		As at 31 December 2015	
	Group	Bank	Group	Bank
Capital after deductions:				
Common Equity Tier 1 capital	1,473,498	1,394,152	1,408,127	1,328,994
Tier 1 capital	1,493,236	1,413,811	1,427,847	1,348,654
Total capital	1,701,468	1,618,216	1,650,173	1,567,187
Capital adequacy ratios:				
Common Equity Tier 1 ratio	13.46%	13.33%	13.13%	12.94%
Tier 1 ratio	13.65%	13.52%	13.32%	13.13%
Total capital ratio	15.55%	15.47%	15.39%	15.26%

1. From the 2014 half-year reporting period onwards, the Group calculated capital adequacy ratios based on the advanced capital measurement approach and applied the rules in the transition period.

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

	As at 31 March 2016		As at 31 December 2015	
	Group	Bank	Group	Bank
Core capital adequacy ratio	12.53%	12.54%	12.35%	12.32%
Capital adequacy ratio	15.55%	15.36%	15.43%	15.19%

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

(In millions of RMB, except percentages)	As at 31 March 2016	As at 31 December 2015	As at 30 September 2015	As at 30 June 2015
Leverage ratio ¹	7.27%	7.28%	6.95%	6.69%
Tier 1 capital after deductions	1,493,236	1,427,847	1,357,843	1,295,762
On and off-balance sheet assets after adjustments ²	20,533,512	19,616,647	19,523,861	19,372,182

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 ratio 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.

The following table sets forth the liquidity coverage ratio of the Group in the first quarter of 2016 in compliance with the current applicable regulatory requirements, definitions and accounting standards.

No.		Value before translation	Value after translation
Qualified and high-quality liquid assets			
1	Qualified and high-quality liquid assets		3,775,671
Cash outflow			
2	Deposits from retail trade and deposits from small enterprise customers, including:	7,427,354	724,749
3	Stable deposits	358,051	17,819
4	Deposits with a low degree of stability	7,069,303	706,930
5	Unsecured (unpledged) wholesale financing, including:	7,799,645	2,524,206
6	Business relations deposits (excluding agent bank business)	5,085,874	1,261,927
7	Non-business relations deposits (all counterparties)	2,669,468	1,217,976
8	Unsecured (unpledged) debts	44,302	44,302
9	Secured (pledged) financing		-
10	Other projects, including:	1,405,832	158,028
11	Cash outflows related with the requirement of derivatives and other collateral (pledged goods)	31,530	31,530
12	Cash outflows related with financing loss of mortgage (pledged goods) debt instrument	2,745	2,745
13	Credit facilities and liquidity facilities	1,371,557	123,753
14	Other contractual financing obligations	-	-
15	Contingent financing obligations	1,616,959	284,373
16	Total amount of expected cash outflows		3,691,356
Cash inflow			
17	Mortgage (pledge) lending (including reverse repurchase and borrowed securities)	192,864	192,864
18	Cash inflow from normal full settlement	1,044,565	630,788
19	Other cash inflows	32,385	30,630
20	Total amount of expected cash inflows		854,281
			Value after adjustment
21	Qualified and high-quality liquid assets		3,775,671
22	Net cash outflows		2,837,075
23	Liquidity coverage ratio (%)		133.09