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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

FIRST QUARTER REPORT OF 2023

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 2023, prepared under the International Financial Reporting Standards (IFRS). This announcement is made in accordance with Part XIVA of the *Securities and Futures Ordinance* (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Important Notice:

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

1 Major Financial Information

1.1 Major accounting data and financial indicators

The financial information in this quarterly report is the consolidated results of the Group prepared under IFRS and expressed in RMB unless otherwise stated.

(In millions of RMB unless otherwise stated)	Three months ended 31 March 2023	Three months ended 31 March 2022 (Restated)	Change (%)	Three months ended 31 March 2022 (Before restatement)
Operating income	200,948	199,163	0.90	200,229
Net profit	89,147	87,370	2.03	87,818
Net profit attributable to equity shareholders of the Bank	88,743	88,513	0.26	88,741
Net cash from operating activities	370,787	479,940	(22.74)	479,940
Basic and diluted earnings per share (in RMB Yuan)	0.35	0.35	-	0.35
Annualised return on average equity (%)	12.86	13.99	down 1.13 percentage points	14.02
	31 March 2023	31 December 2022 (Restated)	Change (%)	31 December 2022 (Before restatement)
Total assets	36,941,947	34,600,711	6.77	34,601,917
Total equity attributable to equity shareholders of the Bank	2,942,274	2,855,450	3.04	2,856,733

1. Since 1 January 2023, the Group has applied *IFRS 17 Insurance Contracts*. According to the standard, the Group has retroactively adjusted relevant data and indicators of the comparative period.
2. According to the People's Bank of China's *Interim Measures for the Administration of the Gold Leasing Business*, the Group has adjusted the presentation of interbank gold leasing business and relevant data of the comparative period accordingly since 2023.

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

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

2 Particulars of Shareholders

2.1 Number of ordinary shareholders and particulars of shareholding

As at 31 March 2023, the Bank had 351,054 ordinary shareholders, including 311,927 A-share holders and 39,127 H-share holders. Particulars of shareholding of top ten ordinary shareholders of the Bank are as follows:

Unit: share

Name of ordinary shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
Central Huijin Investment Ltd.	State	142,590,494,651 (H-shares)	57.03
		195,941,976 (A-shares)	0.08
HKSCC Nominees Limited ¹	Foreign legal person	93,838,548,549 (H-shares)	37.53
China Securities Finance Corporation Limited	State-owned legal person	2,189,259,672 (A-shares)	0.88
State Grid Corporation of China ²	State-owned legal person	1,611,413,730 (H-shares)	0.64
Reca Investment Limited	Foreign legal person	856,000,000 (H-shares)	0.34
China Yangtze Power Co., Limited	State-owned legal person	648,993,000 (H-shares)	0.26
Central Huijin Asset Management Ltd.	State-owned legal person	496,639,800 (A-shares)	0.20
Hong Kong Securities Clearing Company Ltd.	Foreign legal person	396,290,835 (A-shares)	0.16
China Baowu Steel Group Corporation Limited	State-owned legal person	335,000,000 (H-shares)	0.13
China Life Insurance Company Limited— Traditional— Ordinary insurance product —005L— CT001SH	Others	286,955,567 (A-shares)	0.11

1. It includes H-shares of the Bank held by Temasek Holdings (Private) Limited. As at 31 March 2023, State Grid Corporation of China, China Yangtze Power Co., Limited and China Baowu Steel Group Corporation Limited held 1,611,413,730 H-shares, 648,993,000 H-shares and 335,000,000 H-shares of the Bank respectively, all of which were held under the name of HKSCC Nominees Limited. Save the aforesaid H-shares of the Bank held by State Grid Corporation of China, China Yangtze Power Co., Limited and China Baowu Steel Group Corporation Limited, 93,838,548,549 H-shares of the Bank were held under the name of HKSCC Nominees Limited.
2. As at 31 March 2023, the holding of H-shares of the Bank by State Grid Corporation of China through its subsidiaries was as follows: State Grid International Development Co., Ltd. held 296,131,000 shares, State Grid International Development Limited held 1,315,282,730 shares.
3. Central Huijin Asset Management Ltd. is a wholly-owned subsidiary of Central Huijin Investment Ltd. HKSCC Nominees Limited is a wholly-owned subsidiary of Hong Kong Securities Clearing Company Ltd. Apart from these, the Bank is not aware of any connected relation or concerted action among the aforesaid shareholders.
4. None of the shares held by the aforesaid shareholders were subject to selling restrictions. None of the aforesaid shares were pledged, labelled or frozen except that the status of the shares held under the name of HKSCC Nominees Limited was unknown.

2.2 Number of preference shareholders and particulars of shareholding

As at 31 March 2023, the Bank had 25 preference shareholders, all domestic preference shareholders. Particulars of shareholding of top ten domestic preference shareholders of the Bank are as follows:

Unit: share

Name of preference shareholder	Nature of shareholder	Total number of shares held	Shareholding percentage (%)
Shanghai Branch of Bank of China Limited	Others	90,000,000	15.00
Hwabao Trust Co., Ltd.	Others	86,140,000	14.36
Bosera Asset Management Co., Limited	Others	61,000,000	10.17
China Life Insurance Company Limited	Others	50,000,000	8.33
China Mobile Communications Group Co., Ltd.	State-owned legal person	50,000,000	8.33
Ping An Life Insurance Company of China, Ltd.	Others	49,660,000	8.28
GF Securities Asset Management (Guangdong) Co., Ltd.	Others	27,000,000	4.50
Postal Savings Bank of China Co., Ltd.	Others	27,000,000	4.50
PICC Property and Casualty Company Limited	Others	20,000,000	3.33
AVIC Trust Co., Ltd.	Others	19,000,000	3.17

1. Particulars of shareholding of the preference shareholders were based on the information in the Bank's register of preference shareholders. None of the aforesaid preference shares had restoration of voting rights, or were pledged, labelled or frozen.
2. The Bank is not aware of any connected relation or concerted action among the aforesaid preference shareholders, or between the aforesaid preference shareholders and the top ten ordinary shareholders.

3 Other Important Information

3.1 Highlights of operating results

In the first quarter of 2023, the growth of the global economy slowed down with sustained high inflation and continuing geopolitical conflicts. China's economic fundamentals were stable and improving, with overall stable employment and consumer prices. The policies to stabilise the economy took effect gradually, and consumption and investment grew steadily. The Group pressed ahead with New Finance initiatives to fully support the real economy, achieved stable asset growth and operating results with sound capital and liquidity position, and maintained solid and effective risk controls with limited influence from the recent bank failures in Europe and the United States.

Unless otherwise specified, the followings are the data at the end of the reporting period.

Housing Rental

Fully leveraging the joint efforts of the Group to explore a new model of real estate development that covered both housing rentals and purchases.

- The “CCB Home” platform had more than 45 million personal registered users and 16 thousand enterprise users.
- The loans for corporate housing rental business were RMB289,856 million, up RMB47,664 million over the end of 2022.
- CCB Housing Rental Fund (Limited Partnership) had acquired assets of over RMB8.5 billion and established sub funds with enterprises such as Vanke and government-related entities in Beijing, Tianjin and Chongqing.

Inclusive Finance

The size of inclusive finance loans led the industry as the Group continued to improve its digitalised inclusive finance business model and expand its customer coverage.

- The balance of inclusive finance loans was RMB2.67 trillion, an increase of RMB322,048 million over the end of 2022; the number of inclusive finance loan borrowers increased to 2.79 million, an increase of 260.9 thousand over the end of 2022.
- Innovative products such as “Quick Loan for Small and Micro Businesses” cumulatively provided credit support of RMB9.82 trillion to 3.84 million inclusive finance customers.

Rural Revitalisation

Building a comprehensive service system for rural revitalisation based on platform advantages to develop a complete ecosystem of financial services for rural areas.

- The agriculture-related loans were RMB3.42 trillion, an increase of RMB416,167 million over the end of 2022.
- The “Yunongtong” app had 7.61 million registered users, an increase of 2.50 million over the end of 2022, with loans of RMB30.7 billion cumulatively issued to farmers.
- The balance of “Yunong Quick Loan” (including “Yunong Loan”) portfolios was RMB149,123 million, an increase of RMB39,538 million or 36.08% over the end of 2022.

Green Finance

Building a diversified green finance service system and nourishing the “green ecology” with “New Finance”.

- The green loans were RMB3.23 trillion, an increase of RMB479,785 million over the end of 2022.
- Green bonds denominated in RMB and foreign currencies held by the Bank increased by 8% and 23% respectively over the end of 2022.
- Underwriting 13 batches of domestic and overseas green bonds and sustainable development bonds, with an underwriting volume of RMB11.9 billion.
- Issuing domestic green financial bonds of RMB10 billion.

FinTech

Deepening the development of FinTech and improving the quality and efficiency of technological research and development.

- Continuously promoting the transformation of distributed architecture and information technology innovation work, steadily pressing ahead with the building of the middle platform of technology, and focusing on strengthening research on fundamental technologies such as artificial intelligence.
- Continuously promoting the construction of key projects such as mobile banking, “CCB Lifestyle”, “CCB Huidongni”, mega wealth management, and treasury of mega state-owned enterprises, and continuously pressing ahead with the key tasks related to the integration of IT within the Group.
- Continuously carrying out technology risk management to ensure the safe and stable operation of the group-wide information system.

Digitalised Operation

The “binary star” achieved the integrated development, and the effectiveness of the “three major middle platforms” for business, data, and technology gradually materialised.

- The number of personal mobile banking users rose to 446 million, and the number of monthly active users was 133 million.
- The number of “CCB Lifestyle” registered users reached 106 million. The Bank undertook the distribution of government consumption coupons in 136 cities and stimulated consumption of nearly RMB2.6 billion in the first quarter of 2023.
- The business middle platform had accumulatively standardised and released 738 capabilities, supporting the Group’s platform business operations in 140 scenarios.

3.1.1 Analysis of items in the statement of financial position

As at 31 March 2023, the Group's total assets were RMB36.94 trillion, an increase of RMB2.34 trillion or 6.77% over the end of last year, strongly supporting the stable recovery of the real economy. Gross loans and advances to customers were RMB22.53 trillion, an increase of RMB1.33 trillion or 6.28% over the end of last year. Financial investments were RMB8.88 trillion, an increase of RMB334,801 million or 3.92% over the end of last year.

(In millions of RMB unless otherwise stated)	As at 31 March 2023	As at 31 December 2022 (Restated)	Change (%)	As at 31 December 2022 (Before restatement)
Corporate loans and advances	13,326,588	11,772,172	13.20	11,772,172
Personal loans and advances	8,449,090	8,327,312	1.46	8,329,344
Discounted bills	699,222	1,048,651	(33.32)	1,048,651
Accrued interest	53,401	48,995	8.99	49,038
Gross loans and advances to customers	22,528,301	21,197,130	6.28	21,199,205

The Group's total liabilities were RMB33.98 trillion, an increase of RMB2.25 trillion or 7.10% over the end of last year. Core liabilities grew steadily at a relatively fast rate with a consolidated funding base. Deposits from customers were RMB27.48 trillion, an increase of RMB2.46 trillion or 9.82% over the end of last year.

(In millions of RMB unless otherwise stated)	As at 31 March 2023	As at 31 December 2022	Change (%)
By product			
Time deposits	14,364,921	12,438,178	15.49
Demand deposits	12,718,362	12,183,065	4.39
By customer			
Corporate deposits	12,483,561	11,374,316	9.75
Personal deposits	14,599,722	13,246,927	10.21
Accrued interest	393,503	399,564	(1.52)
Total deposits from customers	27,476,786	25,020,807	9.82

The non-performing loans increased by RMB16,802 million to RMB309,627 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 1.38%, staying flat with that at the end of last year. The ratio of allowances to non-performing loans was 241.68%, up 0.15 percentage points over the end of last year. The ratio of allowances to total loans was 3.33%, down 0.01 percentage points from the end of last year.

Total equity was RMB2.96 trillion, an increase of RMB87,436 million or 3.04% over the end of last year. Specifically, total equity attributable to equity shareholders of the Bank was RMB2.94 trillion, an increase of RMB86,824 million or 3.04% over the end of last year. As at 31 March 2023, the Group's total capital ratio, Tier 1 ratio and Common Equity Tier 1 ratio, which were calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* in consideration of relevant rules for the transitional period, were 17.88%, 13.86% and 13.19%, respectively, all in compliance with regulatory requirements.

3.1.2 Analysis of items in the statement of comprehensive income

For the three months ended 31 March 2023, the Group reaped net profit of RMB89,147 million, of which net profit attributable to equity shareholders of the Bank was RMB88,743 million, up 2.03% and 0.26% respectively over the same period last year. Annualised return on average assets was 1.00%, and annualised return on average equity was 12.86%.

Net interest income was RMB153,082 million, down 4.10% from the same period last year. Net interest margin was 1.83% and net interest spread was 1.64%, both down eight basis points from the fourth quarter of 2022, mainly due to the cut in LPR and the overall decline of market interest rates.

Net fee and commission income was RMB43,017 million, up 2.62% over the same period last year. This was mainly because the Group enhanced efforts in business expansion by capturing market needs, and achieved relatively fast growth of income from custody and fiduciary activities and other fee-based businesses.

Operating expenses were RMB45,077 million, an increase of RMB1,429 million over the same period last year. Cost-to-income ratio was 21.66%, up 0.49 percentage points over the same period last year.

Impairment losses were RMB51,529 million, a decrease of RMB283 million from the same period last year. Specifically, credit impairment losses were RMB51,577 million, and other impairment losses of RMB48 million were reversed.

Income tax expense was RMB15,558 million, a decrease of RMB563 million from the same period last year. The effective income tax rate was 14.86%.

3.2 Implementation of cash dividend policy during the reporting period

During the reporting period, the Bank did not distribute any dividends for its ordinary shares or preference shares.

3.3 Other major issues

The International Accounting Standards Board issued *IFRS 17 Insurance Contracts* in 2017 and required implementation from 1 January 2023. The Group has implemented the new standard since 1 January 2023. For related details, please refer to the announcement published by the Bank on 28 April 2023.

In February 2023, the general partner and fund manager of CCB Housing Rental Fund (Limited Partnership) established by the Bank was changed to CCB Housing Rental Private Fund Management Co., Ltd. In March 2023, the Bank made a paid-in capital contribution of RMB5 billion to CCB Housing Rental Fund (Limited Partnership), with a cumulative paid-in capital contribution of RMB10 billion.

In March 2023, the Bank issued RMB20 billion Tier 2 capital bonds and RMB10 billion green financial bonds.

4 QUARTERLY FINANCIAL STATEMENTS

FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS

China Construction Bank Corporation
Consolidated statement of comprehensive income
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
Interest income	300,569	278,821
Interest expense	(147,487)	(119,192)
Net interest income	153,082	159,629
Fee and commission income	46,880	45,578
Fee and commission expense	(3,863)	(3,658)
Net fee and commission income	43,017	41,920
Net trading gain	1,841	1,213
Dividend income	490	410
Net gain/(loss) arising from investment securities	2,011	(5,665)
Net gain on derecognition of financial assets measured at amortised cost	83	15
Other operating income, net:		
- Other operating income	6,497	7,990
- Other operating expense	(6,073)	(6,349)
Other operating income, net	424	1,641
Operating income	200,948	199,163
Operating expenses	(45,077)	(43,648)
	155,871	155,515
Credit impairment losses	(51,577)	(51,514)
Other impairment losses	48	(298)
Share of profits/(losses) of associates and joint ventures	363	(212)
Profit before tax	104,705	103,491
Income tax expense	(15,558)	(16,121)
Net profit	89,147	87,370

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited) (Restated)
Other comprehensive income:		
(1) Other comprehensive income that will not be reclassified to profit or loss		
Fair value changes of equity instruments designated as measured at fair value through other comprehensive income	117	(211)
Others	17	-
Subtotal	134	(211)
(2) Other comprehensive income that may be reclassified subsequently to profit or loss		
Fair value changes of debt instruments measured at fair value through other comprehensive income	(1,472)	(3,795)
Allowances for credit losses of debt instruments measured at fair value through other comprehensive income	(413)	677
Reclassification adjustments included in profit or loss due to disposals	773	(67)
Net gain on cash flow hedges	43	30
Exchange difference on translating foreign operations	(881)	(399)
Others	165	(1,016)
Subtotal	(1,785)	(4,570)
Other comprehensive income for the period, net of tax	(1,651)	(4,781)

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited) (Restated)
Total comprehensive income for the period	87,496	82,589
Net profit attributable to:		
Equity shareholders of the Bank	88,743	88,513
Non-controlling interests	404	(1,143)
	89,147	87,370
Total comprehensive income attributable to:		
Equity shareholders of the Bank	86,824	84,266
Non-controlling interests	672	(1,677)
	87,496	82,589
Basic and diluted earnings per share (in RMB Yuan)	0.35	0.35

China Construction Bank Corporation
Consolidated statement of financial position
As at 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2023 <u>(Unaudited)</u>	31 December 2022 <u>(Audited)</u> (Restated)
Assets:		
Cash and deposits with central banks	3,302,956	3,159,296
Deposits with banks and non-bank financial institutions	239,100	185,423
Precious metals	54,803	39,119
Placements with banks and non-bank financial institutions	557,101	509,786
Positive fair value of derivatives	38,683	49,308
Financial assets held under resale agreements	1,359,148	1,040,847
Loans and advances to customers	21,782,344	20,493,042
Financial investments		
Financial assets measured at fair value through profit or loss	577,541	568,097
Financial assets measured at amortised cost	6,175,368	5,958,397
Financial assets measured at fair value through other comprehensive income	2,124,204	2,015,818
Long-term equity investments	23,008	22,700
Fixed assets	153,899	157,014
Construction in progress	9,502	9,971
Land use rights	13,025	13,225
Intangible assets	6,218	6,496
Goodwill	2,258	2,256
Deferred tax assets	119,497	113,081
Other assets	<u>403,292</u>	<u>256,835</u>
Total assets	<u><u>36,941,947</u></u>	<u><u>34,600,711</u></u>

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2023 <u>(Unaudited)</u>	31 December 2022 <u>(Audited)</u> (Restated)
Liabilities:		
Borrowings from central banks	817,694	774,779
Deposits from banks and non-bank financial institutions	2,467,751	2,584,271
Placements from banks and non-bank financial institutions	432,471	365,760
Financial liabilities measured at fair value through profit or loss	232,491	289,100
Negative fair value of derivatives	41,661	46,747
Financial assets sold under repurchase agreements	127,383	242,676
Deposits from customers	27,476,786	25,020,807
Accrued staff costs	43,693	49,355
Taxes payable	55,714	84,169
Provisions	49,536	50,726
Debt securities issued	1,685,882	1,646,870
Deferred tax liabilities	1,435	881
Other liabilities	<u>545,770</u>	<u>568,326</u>
Total liabilities	<u>33,978,267</u>	<u>31,724,467</u>

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	31 March 2023 <u>(Unaudited)</u>	31 December 2022 <u>(Audited)</u> (Restated)
Equity:		
Share capital	250,011	250,011
Other equity instruments		
Preference shares	59,977	59,977
Perpetual bonds	79,991	79,991
Capital reserve	135,653	135,653
Other comprehensive income	15,484	17,403
Surplus reserve	337,527	337,527
General reserve	444,971	444,786
Retained earnings	<u>1,618,660</u>	<u>1,530,102</u>
 Total equity attributable to equity shareholders of the Bank	 2,942,274	 2,855,450
Non-controlling interests	<u>21,406</u>	<u>20,794</u>
Total equity	<u><u>2,963,680</u></u>	<u><u>2,876,244</u></u>
 Total liabilities and equity	 <u><u>36,941,947</u></u>	 <u><u>34,600,711</u></u>

Approved and authorised for issue by the Board of Directors on 28 April 2023.

Zhang Jinliang
*Vice Chairman, executive
director and president*

Kenneth Patrick Chung
*Independent non-executive
director*

Liu Fang
Non-executive director

China Construction Bank Corporation
Consolidated statement of cash flows
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023 (Unaudited)	2022 (Unaudited) (Restated)
Cash flows from operating activities:		
Profit before tax	104,705	103,491
<i>Adjustments for:</i>		
– Credit impairment losses	51,577	51,514
– Other impairment losses	(48)	298
– Depreciation and amortisation	6,017	6,592
– Interest income from impaired financial assets	(1,225)	(1,140)
– Revaluation (gain)/loss on financial instruments at fair value through profit or loss	(2,352)	5,927
– Share of (profits)/losses of associates and joint ventures	(363)	212
– Dividend income	(490)	(410)
– Unrealised foreign exchange loss	362	1,064
– Interest expense on bonds issued	6,447	5,285
– Interest income from investment securities and net income from disposal	(68,919)	(53,964)
– Net (gain)/loss on disposal of fixed assets and other long-term assets	(19)	9
	95,692	118,878

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited)
		(Restated)
Cash flows from operating activities (continued):		
<i>Changes in operating assets:</i>		
Net increase in deposits with central banks and with banks and non-bank financial institutions	(110,994)	(111,577)
Net increase in placements with banks and non-bank financial institutions	(12,938)	(23,754)
Net increase in financial assets held under resale agreements	(318,898)	(86,282)
Net increase in loans and advances to customers	(1,340,907)	(944,118)
Net increase in financial assets held for trading purposes	(1,122)	(15,898)
Net increase in other operating assets	(162,078)	(67,075)
	(1,946,937)	(1,248,704)
<i>Changes in operating liabilities:</i>		
Net increase in borrowings from central banks	42,710	39,688
Net increase in deposits from customers and from banks and non-bank financial institutions	2,351,388	1,473,271
Net increase in placements from banks and non-bank financial institutions	67,744	83,549
Net (decrease)/increase in financial liabilities measured at fair value through profit or loss	(56,604)	35,923
Net (decrease)/increase in financial assets sold under repurchase agreements	(115,173)	6,697
Net increase in certificates of deposit issued	15,460	7,930
Income tax paid	(50,903)	(2,252)
Net decrease in other operating liabilities	(32,590)	(35,040)
	2,222,032	1,609,766
Net cash from operating activities	370,787	479,940

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited)
Cash flows from investing activities:		
Proceeds from sales and redemption of financial investments	280,397	442,361
Interest and dividends received	55,436	47,953
Proceeds from disposal of fixed assets and other long-term assets	515	415
Purchase of investment securities	(603,333)	(720,333)
Purchase of fixed assets and other long-term assets	(1,343)	(6,170)
Acquisition of subsidiaries, associates and joint ventures	(54)	(1,758)
	(268,382)	(237,532)
Cash flows from financing activities:		
Issue of bonds	30,968	14,687
Repayment of borrowings	(7,000)	(802)
Interest paid on bonds issued	(2,967)	(2,173)
Cash payment for other financing activities	(1,679)	(1,945)
	19,322	9,767

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the three months ended 31 March 2023
(Expressed in millions of RMB, unless otherwise stated)

	Three months ended 31 March	
	2023	2022
	(Unaudited)	(Unaudited) (Restated)
Effect of exchange rate changes on cash and cash equivalents	(1,151)	(659)
Net increase in cash and cash equivalents	120,576	251,516
Cash and cash equivalents as at 1 January	1,143,652	805,600
Cash and cash equivalents as at 31 March	1,264,228	1,057,116
Cash flows from operating activities include:		
Interest received, excluding interest income from investment securities	227,091	212,583
Interest paid, excluding interest expense on bonds issued	(149,899)	(92,100)

5 Release of Quarterly Report

This report will be published on the “HKEXnews” website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the website of the Bank (www.ccb.cn, 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.cn, www.ccb.com) at the same time.

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

28 April 2023

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

Appendix Capital and Liquidity Information

1. Capital adequacy ratios

According to the regulatory requirements, commercial banks shall calculate and disclose capital adequacy ratios in accordance with the *Capital Rules for Commercial Banks (Provisional)*. Based on the approval for the Group to implement the advanced capital management method in 2014, China Banking and Insurance Regulatory Commission granted approval for the Group to expand the implementation scope of the advanced capital management method in April 2020. The Group calculated the capital requirements for financial institution credit exposures and corporate credit exposures that meet regulatory requirements with the foundation internal ratings-based approach, the capital requirements for retail credit exposures with the internal ratings-based approach, the capital requirements for market risk with the internal models approach, and the capital requirements for operational risk with the standardised approach. Pursuant to the regulatory requirements, the Group calculates capital adequacy ratios with both the advanced approach and other approaches for capital measurement, and complies with the relevant requirements for capital floors.

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

(In millions of RMB, except percentages)	As at 31 March 2023		As at 31 December 2022	
	Group	Bank	Group	Bank
Common Equity Tier 1 capital after regulatory adjustments	2,792,338	2,613,467	2,706,459	2,529,274
Tier 1 capital after regulatory adjustments	2,932,410	2,739,890	2,846,533	2,655,737
Total capital after regulatory adjustments	3,783,720	3,575,432	3,640,438	3,434,205
Risk-weighted assets	21,162,903	19,909,882	19,767,834	18,504,939
Common Equity Tier 1 ratio (%)	13.19	13.13	13.69	13.67
Tier 1 ratio (%)	13.86	13.76	14.40	14.35
Total capital ratio (%)	17.88	17.96	18.42	18.56

2. Leverage ratio

From the first quarter of 2015, the Group measures leverage ratio in accordance with the *Measures for the Management of the Leverage Ratio of Commercial Banks (Revised)*. The leverage ratio refers to the ratio of the Tier 1 capital after regulatory adjustments to the adjusted balance of on and off-balance sheet assets. The leverage ratio of commercial banks should be no less than 4%. As at 31 March 2023, the Group's leverage ratio was 7.57%, meeting regulatory requirements.

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

(In millions of RMB, except percentages)	As at 31 March 2023	As at 31 December 2022	As at 30 September 2022	As at 30 June 2022
Leverage ratio (%)	7.57	7.85	7.76	7.53
Tier 1 capital after regulatory adjustments	2,932,410	2,846,533	2,781,776	2,647,822
On and off-balance sheet assets after adjustments	38,738,624	36,270,300	35,864,326	35,181,687

3. Liquidity coverage ratio

According to the requirements of the *Measures on Information Disclosure of Liquidity Coverage Ratio of Commercial Banks*, commercial banks shall disclose the daily average liquidity coverage ratio for the quarter. The liquidity coverage ratio of the Group for the first quarter of 2023 was 142.09%, meeting the regulatory requirements. The liquidity coverage ratio went down 6.87 percentage points compared to the fourth quarter of 2022, mainly due to the increase in total net cash outflows as a result of the growth of retail deposits, deposits from small business customers and unsecured wholesale funding.

No.	(In millions of RMB, except percentages)	Total Unweighted Value	Total Weighted Value
High-Quality Liquid Assets (HQLA)			
1	Total HQLA		5,159,838
Cash Outflows			
2	Retail deposits and deposits from small business customers, of which:	13,399,332	1,190,096
3	Stable deposits	2,995,552	149,718
4	Less stable deposits	10,403,780	1,040,378
5	Unsecured wholesale funding, of which:	11,883,223	3,918,258
6	Operational deposits (excluding those generated from correspondent banking activities)	7,548,754	1,874,569
7	Non-operational deposits (all counterparties)	4,248,177	1,957,397
8	Unsecured debts	86,292	86,292
9	Secured funding		1,562
10	Additional requirements, of which:	1,972,834	230,137
11	Outflows related to derivative exposures and other collateral requirements	38,474	38,474
12	Outflows related to loss of funding on secured debt products	4,234	4,234
13	Credit and liquidity facilities	1,930,126	187,429
14	Other contractual funding obligations	140	-
15	Other contingent funding obligations	4,550,596	596,390
16	Total Cash Outflows		5,936,443
Cash Inflows			
17	Secured lending (including reverse repos and securities borrowing)	929,085	926,686
18	Inflow from fully performing exposures	2,112,452	1,331,392
19	Other cash inflows	51,723	44,627
20	Total Cash Inflows	3,093,260	2,302,705
Total Adjusted Value			
21	Total HQLA		5,159,838
22	Total Net Cash Outflows		3,633,738
23	Liquidity Coverage Ratio (%)		142.09

1. All the data above represent simple arithmetic means of the values for 90 calendar days in the latest quarter, calculated in accordance with the current applicable regulatory requirements, definitions and accounting standards.