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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)

REPORT FOR THE THIRD QUARTER OF 2013

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 2013, 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 severally and jointly bear legal liability.

1.2 This quarterly report has been reviewed and approved at the Board meeting of the Bank held on 25 October 2013. Twelve directors attended the meeting in person. Mr. Qi Shouyin delegated Mr. Dong Shi to attend the meeting and vote on his behalf.

1.3 The financial statements contained 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		
Contact persons and contact information	Secretary to the Board	Representative of securities affairs	
Names	Chen Caihong	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.

(Expressed in millions of RMB unless otherwise stated)	At the end of the reporting period	At the end of last year	Change (%)
Total assets	14,995,769	13,972,828	7.32
Total equity attributable to equity shareholders of the Bank ¹	1,041,367	941,668	10.59
Net assets per share (in RMB)	4.20	3.80	10.53
	Nine months ended 30 September 2013		Change over the same period last year (%)
Net cash flows from operating activities		17,920	(92.02)
	Nine months ended 30 September 2013		Change over the same period last year (%)
Operating income		378,881	10.64
Net profit		176,867	11.57
Net profit attributable to equity shareholders of the Bank		176,482	11.56
Basic and diluted earnings per share (in RMB)		0.71	12.70
Annualised return on average equity (%)		23.38	A decrease of 0.80 percentage points

1. The comparative figure has been restated, and “total equity attributable to equity shareholders of the Bank” before restatement was RMB941,732 million.

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 2013 or total equity as at 30 September 2013 between the Group’s consolidated financial statements prepared under PRC GAAP and those prepared under IFRS.

2.4 Number of shareholders and particulars of shareholdings as at 30 September 2013

2.4.1 As at 30 September 2013, the Bank had a total of 783,101 shareholders, of which 52,370 were holders of H-shares and 730,731 were holders of A-shares.

2.4.2 Particulars of shareholdings of top ten shareholders

Unit: share

Particulars of shareholdings of top ten shareholders (based on the register of members as at 30 September 2013)					
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 Limited ("Huijin")	State-owned	57.03	142,590,494,651 (H-shares)	None	None
		0.23	570,941,976 (A-shares)	None	None
HKSCC Nominees Limited ¹	Foreign legal person	29.04	72,594,170,720 (H-shares)	None	Unknown
Temasek Holdings (Private) Limited ("Temasek") ¹	Foreign legal person	7.15	17,878,670,050 (H-shares)	None	None
State Grid Corporation of China ("State Grid") ^{1,2}	State-owned legal person	1.14	2,851,817,730 (H-shares)	None	None
Baosteel Group Corporation	State-owned legal person	0.80	2,000,000,000 (H-shares)	None	None
		0.13	318,860,498 (A-shares)	None	None
China Ping An Life Insurance Company Limited – Traditional – Ordinary insurance products	Domestic non-state-owned legal person	0.86	2,143,438,329 (A-shares)	None	None
China Yangtze Power Co., Limited ("Yangtze Power") ¹	State-owned legal person	0.41	1,015,613,000 (H-shares)	None	None
Reca Investment Limited	Foreign legal person	0.34	856,000,000 (H-shares)	None	None
China Ping An Life Insurance Company Limited – Traditional – High interest rate insurance products	Domestic non-state-owned legal person	0.24	591,906,825 (A-shares)	None	None
China Securities Finance Corporation Limited	State-owned legal person	0.09	214,398,976 (A-shares)	None	None

- On 4 May 2012, Temasek declared interests on the website of The Stock Exchange of Hong Kong Limited. It disclosed that it held the interests of 17,878,670,050 H-shares of the Bank. As at 30 September 2013, State Grid and Yangtze Power held 2,851,817,730 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. Besides the H-shares of the Bank held by Temasek, State Grid and Yangtze Power, another 72,594,170,720 H-shares of the Bank were held under the name of HKSCC Nominees Limited.
- As at 30 September 2013, the holding of H-shares of the Bank by State Grid through its wholly-owned subsidiaries was as follows: Yingda International Holdings Group Co. Ltd. held 812,035,000 shares, State Grid International Development Limited held 1,315,282,730 shares, Luneng Group Co., Ltd. held 374,500,000 shares and State Grid International Development Co., Ltd. held 350,000,000 shares.
- Some of the shareholders mentioned above are subject to management by the same entity. Apart from this, the Bank has not been aware of any connected relation or acting in concert among the shareholders.

3 HIGHLIGHTS OF QUARTERLY RESULTS

As at 30 September 2013, total assets of the Group reached RMB14,995,769 million, an increase of RMB1,022,941 million or 7.32% over the end of last year.

As at 30 September 2013, gross loans and advances to customers reached RMB8,377,210 million, an increase of RMB864,898 million or 11.51% over the end of last year. In this amount, domestic corporate loans, personal loans and discounted bills of the Bank were RMB5,279,473 million, RMB2,367,110 million, and RMB126,489 million respectively; overseas entities and subsidiaries loans were RMB604,138 million.

The Group maintained the total amount of credit supply at a reasonable level, further stepped up credit structure adjustments and supported the sustainable development of real economy since the beginning of this year. Traditional advantageous businesses were consolidated, incremental loan supply was optimised, and increasing support was given to small enterprises and personal loans. Customer structure was further optimised, and the balance of loans to industries with excess capacity continuously decreased. Facing the complex economic situation at home and abroad, the Group will continue to strengthen risk management of credit assets, accelerate risk disposal and mitigation, strengthen risk prevention and control over key regions and key areas to ensure stable credit asset quality.

Compared to the end of last year, the non-performing loans increased by RMB7,469 million to RMB82,087 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 0.98%, 0.01 percentage points lower than that at the end of last year. The ratio of allowances to non-performing loans was 267.88%, down by 3.41 percentage points over the end of last year.

Total liabilities of the Group stood at RMB13,946,157 million, an increase of RMB922,874 million or 7.09% over the end of last year.

Deposits from customers reached RMB12,116,073 million, an increase of RMB772,994 million or 6.81% over the end of last year. In this amount, domestic time deposits and demand deposits of the Bank were RMB5,861,688 million and RMB6,027,221 million respectively; deposits from overseas entities and subsidiaries were RMB227,164 million.

Total equity was RMB1,049,612 million, an increase of RMB100,067 million or 10.54% over the end of last year.

Loan-to-deposit ratio was 69.14%, staying at a reasonable level.

For the nine months ended 30 September 2013, the Group made a net profit of RMB176,867 million, of which net profit attributable to equity shareholders of the Bank was RMB176,482 million, up by 11.57% and 11.56% respectively over the same period last year. Annualised return on average assets was 1.63%, and annualised return on average equity was 23.38%.

Net interest income was RMB286,510 million, up by 9.76% over the same period last year. Net interest spread was 2.54% and net interest margin was 2.71%, both down by 0.03 percentage points over the same period last year.

Net fee and commission income was RMB80,088 million, up by 14.54% over the same period last year. In this amount, traditional advantageous products such as cost advisory services and entrusted housing finance business continuously maintained fast growth, and emerging products such as electronic banking, credit card and underwriting of debt securities also achieved good performance.

Operating expenses increased by RMB10,846 million to RMB124,674 million over the same period last year. Cost-to-income ratio decreased by 0.22 percentage points to 25.55% over the same period last year.

Income tax expense was RMB51,732 million, an increase of RMB4,745 million over the same period last year, and the effective income tax rate was 22.63%.

Capital adequacy ratio

From the first quarter of 2013, the Group commenced to calculate capital adequacy ratios in accordance with *the Measures for Capital Management of Commercial Banks (Trial)*(the “Measures”), promulgated by China Banking Regulatory Commission in June 2012. According to the Measures, credit risk-weighted assets are calculated with the regulatory weight approach, market risk-weighted assets are calculated with the standardised approach, and operational risk-weighted assets are calculated with the basic indicator approach.

As at 30 September 2013, the Group’s total capital ratio was 13.52%, Tier 1 ratio was 10.87%, and Common Equity Tier 1 ratio was 10.87%. The Group’s total capital ratio and Common Equity Tier 1 ratio rose by 0.18 and 0.21 percentage points respectively compared with those of the end of June 2013.

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 2013	As at 31 December 2012	Change (%)	Causes of the change
Financial assets at fair value through profit or loss	170,244	27,572	517.45	Assets arising from newly issued principal-guaranteed wealth management products were designated as financial assets at fair value through profit or loss.
Financial assets held under resale agreements	193,914	316,685	(38.77)	Some of reverse repo business matured.
Other assets	40,814	23,335	74.90	Assets such as other receivables increased.
Borrowings from central banks	222,430	6,281	3,441.32	As a financial institution that complied with macro-prudential requirements, CCB received liquidity support from the People's Bank of China, and borrowings from central banks increased accordingly.
Deposits from banks and non-bank financial institutions	627,043	977,487	(35.85)	Deposits from banks and non-bank financial institutions were appropriately managed in accordance with the trend of market interest rates.
Placements from banks and non-bank financial institutions	160,222	120,256	33.23	Overseas entities increased the foreign currency placements from banks and non-bank financial institutions to support their growing business.
Financial liabilities at fair value through profit or loss	181,362	37,251	386.86	Newly issued principal-guaranteed wealth management products were designated as financial liabilities at fair value through profit or loss.
Financial assets sold under repurchase agreements	1,550	2,360	(34.32)	Transactions under repurchase agreements decreased.
Investment revaluation reserve	(5,818)	3,023	(292.46)	The fair value of some available-for-sale debt securities decreased due to the recent rise of market interest rates.
General reserve	153,295	80,483	90.47	The appropriated general reserve was recorded upon the approval of the 2012 shareholders' general meeting.

(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2013	Nine months ended 30 September 2012	Change (%)	Causes of the change
Net trading gain	2,540	971	161.59	Precious metal trading gain and revaluation gain on proprietary currency swap transactions increased.
Net gain arising from investment securities	329	2,300	(85.70)	CCB reduced the disposal of investment held through debt equity swap, and investment gain decreased accordingly.
Share of profit of associates and jointly controlled entities	25	16	56.25	Gain arising from CCB International (Holdings) Limited increased.

4.2 Progress of major issues, related impacts and solutions

Applicable Not applicable

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

Applicable Not-applicable

On 17 June 2013, the Bank published *the Announcement on Increase in Shareholding by Controlling Shareholder of China Construction Bank Corporation*, the main contents of which were that on 14 June 2013 the Bank received a notice from Huijin, its controlling shareholder, stating that Huijin increased its shareholding of the Bank through the trading system of the Shanghai Stock Exchange and intended to continue to increase, in its own capacity, its shareholding in the Bank from the secondary market within six months commencing from 14 June 2013.

By 30 September 2013, Huijin held 143,161,436,627 shares of the Bank (comprising 570,941,976 A-shares and 142,590,494,651 H-shares), representing approximately 57.26% of the total issued share capital of the Bank.

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

The quarterly report prepared under PRC GAAP and that prepared under IFRS are both available on the “HKExnews” website of The Stock Exchange of Hong Kong Limited www.hkexnews.hk and our website www.ccb.com.

By order of the Board
China Construction Bank Corporation
Zhang Jianguo

Vice chairman, executive director and president

25 October 2013

As of the date of this announcement, the Bank’s executive directors are Mr. Wang Hongzhang, Mr. Zhang Jianguo, Mr. Zhu Hongbo and Mr. Hu Zheyi; non-executive directors are Mr. Zhu Zhenmin, Mr. Qi Shouyin, Ms. Chen Yuanling, Mr. Xu Tie and Mr. Dong Shi; and independent non-executive directors are Dame Jenny Shipley, Ms. Elaine La Roche, Mr. Zhao Xijun and Mr. Wong Kai-Man.

APPENDIX 1 FINANCIAL STATEMENTS PREPARED UNDER IFRS

China Construction Bank Corporation
 Consolidated statement of comprehensive income
 For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2013	2012	2013	2012
	(Unaudited)	(Unaudited) (Restated)	(Unaudited)	(Unaudited)
Interest income	479,181	448,166	165,834	152,733
Interest expense	(192,671)	(187,142)	(66,984)	(61,401)
Net interest income	<u>286,510</u>	<u>261,024</u>	<u>98,850</u>	<u>91,332</u>
Fee and commission income	82,355	71,923	25,360	21,398
Fee and commission expense	(2,267)	(2,002)	(796)	(720)
Net fee and commission income	<u>80,088</u>	<u>69,921</u>	<u>24,564</u>	<u>20,678</u>
Net trading gain	2,540	971	1,270	621
Dividend income	201	159	8	70
Net gain arising from investment securities	329	2,300	27	486
Other operating income, net	<u>9,213</u>	<u>8,063</u>	<u>1,855</u>	<u>1,439</u>
Operating income	378,881	342,438	126,574	114,626
Operating expenses	<u>(124,674)</u>	<u>(113,828)</u>	<u>(43,607)</u>	<u>(39,258)</u>
	<u>254,207</u>	<u>228,610</u>	<u>82,967</u>	<u>75,368</u>
Impairment losses on:				
- Loans and advances to customers	(25,353)	(22,989)	(9,286)	(8,263)
- Others	(280)	(131)	(293)	(119)
Impairment losses	<u>(25,633)</u>	<u>(23,120)</u>	<u>(9,579)</u>	<u>(8,382)</u>
Share of profit of associates and jointly controlled entities	<u>25</u>	<u>16</u>	<u>22</u>	<u>8</u>
Profit before tax	228,599	205,506	73,410	66,994
Income tax expense	(51,732)	(46,987)	(16,507)	(14,969)
Net profit	<u>176,867</u>	<u>158,519</u>	<u>56,903</u>	<u>52,025</u>

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2013 (Unaudited)	2012 (Unaudited) (Restated)	2013 (Unaudited)	2012 (Unaudited)
Other comprehensive income:				
Items that will not be reclassified to profit or loss				
Remeasurements of post employment benefit obligations	(57)	31	-	-
Others	-	32	-	27
Total items that will not be reclassified to profit or loss	<u>(57)</u>	<u>63</u>	<u>-</u>	<u>27</u>
Items that may be reclassified subsequently to profit or loss				
Losses of available-for-sale financial assets	(10,539)	(1,548)	(9,767)	(9,105)
Less: Income tax relating to available-for-sale financial assets	2,672	378	2,399	2,264
Reclassification adjustments	(1,039)	(389)	(200)	346
Net losses on cash flow hedges	(117)	-	(310)	-
Exchange difference on translating foreign operations	(763)	73	73	(230)
Total items that may be reclassified subsequently to profit or loss	<u>(9,786)</u>	<u>(1,486)</u>	<u>(7,805)</u>	<u>(6,725)</u>
Other comprehensive income for the period, net of tax	<u>(9,843)</u>	<u>(1,423)</u>	<u>(7,805)</u>	<u>(6,698)</u>
Total comprehensive income for the period	<u>167,024</u>	<u>157,096</u>	<u>49,098</u>	<u>45,327</u>
Net profit attributable to:				
Equity shareholders of the Bank	176,482	158,191	56,771	51,908
Non-controlling interests	385	328	132	117
	<u>176,867</u>	<u>158,519</u>	<u>56,903</u>	<u>52,025</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	166,702	156,778	48,993	45,234
Non-controlling interests	322	318	105	93
	<u>167,024</u>	<u>157,096</u>	<u>49,098</u>	<u>45,327</u>
Basic and diluted earnings per share (in RMB Yuan)	<u>0.71</u>	<u>0.63</u>	<u>0.23</u>	<u>0.21</u>

China Construction Bank Corporation
Consolidated statement of financial position
As at 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>30 September</u> 2013	<u>31 December</u> 2012
	(Unaudited)	(Audited) (Restated)
Assets:		
Cash and deposits with central banks	2,554,626	2,458,069
Deposits with banks and non-bank financial institutions	446,576	585,898
Precious metals	33,741	38,419
Placements with banks and non-bank financial institutions	153,735	129,653
Financial assets at fair value through profit or loss	170,244	27,572
Positive fair value of derivatives	14,115	12,671
Financial assets held under resale agreements	193,914	316,685
Interest receivable	78,749	68,264
Loans and advances to customers	8,157,319	7,309,879
Available-for-sale financial assets	753,203	701,041
Held-to-maturity investments	2,003,538	1,918,322
Debt securities classified as receivables	219,940	219,713
Interests in associates and jointly controlled entities	2,563	2,366
Fixed assets	123,584	113,946
Land use rights	15,801	16,232
Intangible assets	1,800	2,061
Goodwill	1,626	1,651
Deferred tax assets	29,881	27,051
Other assets	<u>40,814</u>	<u>23,335</u>
Total assets	<u>14,995,769</u>	<u>13,972,828</u>

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>30 September</u> 2013	<u>31 December</u> 2012
	(Unaudited)	(Audited) (Restated)
Liabilities:		
Borrowings from central banks	222,430	6,281
Deposits from banks and non-bank financial institutions	627,043	977,487
Placements from banks and non-bank financial institutions	160,222	120,256
Financial liabilities at fair value through profit or loss	181,362	37,251
Negative fair value of derivatives	13,516	11,541
Financial assets sold under repurchase agreements	1,550	2,360
Deposits from customers	12,116,073	11,343,079
Accrued staff costs	29,893	32,772
Taxes payable	45,517	53,271
Interest payable	154,764	123,215
Provisions	5,662	5,058
Debt securities issued	331,034	262,991
Deferred tax liabilities	337	332
Other liabilities	<u>56,754</u>	<u>47,389</u>
Total liabilities	<u>13,946,157</u>	<u>13,023,283</u>

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2013
 (Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2013 (Unaudited)	31 December 2012 (Audited) (Restated)
Equity:		
Share capital	250,011	250,011
Capital reserve	135,043	135,217
Investment revaluation reserve	(5,818)	3,023
Surplus reserve	86,718	86,718
General reserve	153,295	80,483
Retained earnings	427,701	391,034
Exchange reserve	(5,583)	(4,818)
Total equity attributable to equity shareholders of the Bank	1,041,367	941,668
Non-controlling interests	8,245	7,877
Total equity	1,049,612	949,545
Total liabilities and equity	14,995,769	13,972,828

Approved and authorised for issue by the Board of Directors on 25 October 2013.

Zhang Jianguo
*Vice chairman, executive
 director and president*

Wong Kai-Man
*Independent non-executive
 director*

Elaine La Roche
*Independent non-executive
 director*

China Construction Bank Corporation
Statement of financial position
As at 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
Assets:		
Cash and deposits with central banks	2,548,553	2,443,276
Deposits with banks and non-bank financial institutions	453,998	584,538
Precious metals	33,741	38,419
Placements with banks and non-bank financial institutions	253,574	138,015
Financial assets at fair value through profit or loss	160,518	16,206
Positive fair value of derivatives	12,502	11,667
Financial assets held under resale agreements	193,323	316,624
Interest receivable	76,434	67,581
Loans and advances to customers	7,849,731	7,142,317
Available-for-sale financial assets	725,865	681,416
Held-to-maturity investments	1,999,864	1,915,811
Debt securities classified as receivables	214,449	217,741
Investments in subsidiaries	20,504	16,676
Fixed assets	116,033	110,343
Land use rights	15,751	16,181
Intangible assets	1,308	1,564
Deferred tax assets	30,574	27,517
Other assets	73,610	40,858
Total assets	<u>14,780,332</u>	<u>13,786,750</u>

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
Liabilities:		
Borrowings from central banks	222,065	6,169
Deposits from banks and non-bank financial institutions	630,943	980,497
Placements from banks and non-bank financial institutions	136,696	77,640
Financial liabilities at fair value through profit or loss	178,067	34,533
Negative fair value of derivatives	12,015	10,045
Financial assets sold under repurchase agreements	397	891
Deposits from customers	11,998,198	11,250,000
Accrued staff costs	29,094	31,886
Taxes payable	45,018	52,862
Interest payable	153,292	122,804
Provisions	5,662	5,058
Debt securities issued	303,367	245,024
Deferred tax liabilities	-	-
Other liabilities	31,769	33,884
Total liabilities	13,746,583	12,851,293

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
Equity:		
Share capital	250,011	250,011
Capital reserve	135,028	135,140
Investment revaluation reserve	(5,984)	3,078
Surplus reserve	86,718	86,718
General reserve	150,665	79,444
Retained earnings	418,345	381,844
Exchange reserve	(1,034)	(778)
Total equity	1,033,749	935,457
Total liabilities and equity	14,780,332	13,786,750

Approved and authorised for issue by the Board of Directors on 25 October 2013.

Zhang Jianguo
*Vice chairman, executive
director and president*

Wong Kai-Man
*Independent non-executive
director*

Elaine La Roche
*Independent non-executive
director*

China Construction Bank Corporation
Consolidated statement of cash flows
For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
<i>Cash flows from operating activities</i>		
Profit before tax	228,599	205,506
<i>Adjustments for:</i>		
– Impairment losses	25,633	23,120
– Depreciation and amortisation	11,351	10,066
– Unwinding of discount	(1,077)	(1,233)
– Revaluation loss on financial instruments at fair value through profit or loss	854	284
– Share of profit of associates and jointly controlled entities	(25)	(16)
– Dividend income	(201)	(159)
– Unrealised foreign exchange loss	1,721	17
– Interest expense on bonds issued	5,674	4,133
– Net gain on disposal of investment securities	(329)	(2,300)
– Net gain on disposal of fixed assets and other long-term assets	(80)	(33)
	272,120	239,385

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013	2012
	(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	(165,075)	(192,723)
Net (increase) /decrease in placements with banks and non-bank financial institutions	(40,094)	8,263
Net increase in loans and advances to customers	(881,165)	(772,736)
Net decrease in financial assets held under resale agreements	122,771	129,107
Increase in other operating assets	(165,290)	(45,979)
	(1,128,853)	(874,068)
<i>Changes in operating liabilities:</i>		
Net increase /(decrease) in borrowings from central banks	216,358	(1,835)
Net increase in placements from banks and non-bank financial institutions	41,856	11,559
Net increase in deposits from customers and from banks and non-bank financial institutions	433,225	796,467
Net (decrease) /increase in financial assets sold under repurchase agreements	(810)	21,031
Net increase in certificates of deposit issued	70,447	50,189
Income tax paid	(58,075)	(56,601)
Increase in other operating liabilities	171,652	38,559
	874,653	859,369
Net cash from operating activities	17,920	224,686

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
<i>Cash flows from investing activities</i>		
Proceeds from sale and redemption of investments	625,521	429,235
Dividend received	209	153
Proceeds from disposal of fixed assets and other long-term assets	619	582
Purchase of investment securities	(774,887)	(519,282)
Purchase of fixed assets and other long-term assets	(20,323)	(17,704)
Acquisition of associates and jointly controlled entities	(221)	(265)
Net cash used in investing activities	(169,082)	(107,281)
<i>Cash flows from financing activities</i>		
Issue of bonds	-	993
Capital contribution by non-controlling interests	49	3,136
Dividend paid	(67,044)	(58,981)
Interest paid on bonds issued	(2,272)	(2,241)
Cash paid for other financing activities	-	(5)
Net cash used in financing activities	(69,267)	(57,098)

China Construction Bank Corporation
 Consolidated statement of cash flows (continued)
 For the nine months ended 30 September 2013
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2013	2012
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	(2,079)	(289)
Net (decrease) /increase in cash and cash equivalents	(222,508)	60,018
Cash and cash equivalents as at 1 January	748,920	558,463
Cash and cash equivalents as at 30 September	526,412	618,481
Cash flows from operating activities include:		
Interest received	469,860	433,854
Interest paid, excluding interest expense on bonds issued	(157,841)	(150,377)

APPENDIX 2 CAPITAL ADEQUACY RATIO

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

Capital adequacy ratios calculated in accordance with *the Measures for Capital Management of Commercial Banks (Trial)*

(In millions of RMB, except percentages)	As at 30 September 2013	
	Group	Bank
Capital after deductions:		
Common Equity Tier 1 capital	1,038,640	975,238
Tier 1 capital	1,038,655	975,238
Total capital	1,291,290	1,224,293
Capital adequacy ratios:		
Common Equity Tier 1 ratio	10.87%	10.55%
Tier 1 ratio	10.87%	10.55%
Total capital ratio	13.52%	13.24%

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

	As at 30 September 2013	
	Group	Bank
Core capital adequacy ratio	11.38%	11.25%
Capital adequacy ratio	14.15%	13.77%