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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 2009

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 2009, 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 there are no false presentations or misleading statements contained in, or material omissions from, this report, and are severally and jointly responsible for the truthfulness, accuracy and completeness of the information contained in this report.
- 1.2 This quarterly report has been reviewed and approved at the 25th meeting of the second board of directors of the Bank. Fourteen directors attended the meeting in person. Mr. Wang Yonggang delegated Ms. Li Xiaoling to attend the meeting and vote on his behalf, Mr. Gregory L. Curl and Lord Peter Levene delegated Ms. Elaine La Roche to attend the meeting and vote on their behalf.
- 1.3 The financial statements contained in this quarterly report have not been audited.

2 CORPORATE PROFILE

2.1 Corporate information

Stock abbreviation	建設銀行
Stock code	601939 (A-share)
Listing stock exchange	Shanghai Stock Exchange
Stock abbreviation	CCB
Stock code	939 (H-share)
Listing stock exchange	The Stock Exchange of Hong Kong Limited
Secretary to the Board	Chen Caihong
Contact address	No.25, Finance Street, Xicheng District, Beijing
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2.2 Major consolidated accounting information and financial indicators prepared under IFRS

The financial information set forth in this quarterly report is prepared on a consolidated basis under IFRS and expressed in RMB unless otherwise stated.

<i>(Expressed in millions of RMB unless otherwise stated)</i>	At the end of the reporting period	At the end of last year	Change (%)
Total assets	9,353,972	7,555,452	23.80
Total equity attributable to equity shareholders of the Bank	533,592	465,966	14.51
Net assets per share (in RMB)	2.30	2.00	15.00
		Nine months ended 30 September 2009	Change over the same period last year (%)
Net cash from operating activities		154,938	395.90
Net cash from operating activities per share (in RMB)		0.66	407.69

	Reporting period	Nine months ended 30 September 2009	Change of the reporting period over the same period last year (%)
Net profit	30,321	86,162	18.56
Net profit attributable to equity shareholders of the Bank	30,313	86,119	18.56
Basic and diluted earnings per share (in RMB)	0.13	0.37	18.18
Annualised return on equity (period-end equity, %)	22.72	21.52	An increase of 1.33 percentage points
Annualised return on average equity (weighted average equity, %)	23.35	22.78	An increase of 1.41 percentage points

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

There is no difference in the net profit for the nine months ended 30 September 2009 or total equity as at 30 September 2009 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 2009

2.4.1 As at 30 September 2009, the Bank had a total of 1,231,592 shareholders, of which 54,671 were holders of H-shares and 1,176,921 were holders of A-shares.

2.4.2 Particulars of shareholdings of top ten shareholders

Particulars of shareholdings of top ten shareholders (based on the register of members as at 30 September 2009)				
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Type of share
Central Huijin Investment Ltd. ("Huijin")	State-owned	57.03	133,262,144,534	H-share
		0.06	144,647,455	A-share
HKSCC Nominees Limited ¹	Foreign legal person	26.35	61,579,578,302	H-share
Bank of America Corporation	Foreign legal person	10.95	25,580,153,370	H-share
Baosteel Group Corporation	State-owned legal person	1.28	3,000,000,000	H-share
		0.13	298,000,465	A-share
Reca Investment Limited	Foreign legal person	0.34	800,000,000	H-share
Ping An Life Insurance Company of China — Traditional — Ordinary insurance products	Domestic non-state-owned legal person	0.09	218,194,522	A-share
Lion Stock Fund	Domestic non-state-owned legal person	0.09	202,764,300	A-share
Bosera Growth Stock Fund	Domestic non-state-owned legal person	0.06	139,999,880	A-share
Bosera Selected Stock Fund	Domestic non-state-owned legal person	0.06	129,999,824	A-share
China Life Insurance Company Limited — Participating — Individual participating — 005L — FH002 SH	Domestic non-state-owned legal person	0.05	113,804,134	A-share

- As at 30 September 2009, Fullerton Financial Holdings Pte Ltd, State Grid Corporation of China and China Yangtze Power Co., Limited held 13,207,316,750 H-shares, 2,706,339,000 H-shares and 1,000,000,000 H-shares of the Bank respectively, all of which were held under the name of HKSCC Nominees Limited.
- Some of the shareholders mentioned above were managed by the same entity. Apart from this, the Bank is not aware of any connections among the shareholders or whether they are parties acting in concert.

2.4.3 Particulars of shareholdings of top ten shareholders not subject to selling restrictions

Particulars of shareholdings of top ten shareholders not subject to selling restrictions (based on the register of members as at 30 September 2009)		
Name of shareholder	Number of shares not subject to selling restrictions	Type of shares
HKSCC Nominees Limited	61,579,578,302	H-share
	3,000,000,000	H-share
Baosteel Group Corporation	298,000,465	A-share
Reca Investment Limited	800,000,000	H-share
Ping An Life Insurance Company of China — Traditional — Ordinary insurance products	218,194,522	A-share
Lion Stock Fund	202,764,300	A-share
Huijin	144,647,455	A-share
Bosera Growth Stock Fund	139,999,880	A-share
Bosera Selected Stock Fund	129,999,824	A-share
China Life Insurance Company Limited — Participating — Individual participating — 005L — FH002 SH	113,804,134	A-share
China Life Insurance Company Limited — Traditional — Ordinary insurance products — 005L — CT001 SH	110,501,400	A-share

1. Some of the shareholders mentioned above were managed by the same entity. Apart from this, the Bank is not aware of any connections among the shareholders or whether they are parties acting in concert.

3 HIGHLIGHTS OF QUARTERLY RESULTS

As at 30 September 2009, total assets of the Group reached RMB9,353,972 million, an increase of RMB1,798,520 million or 23.80% over the end of last year. Total liabilities reached RMB8,816,947 million, an increase of RMB1,729,057 million or 24.39% over the end of last year.

Net loans and advances to customers reached RMB4,563,208 million, an increase of RMB879,633 million or 23.88% over the end of last year. Loans granted to infrastructure sectors increased by 27.47% to RMB1,514,915 million over the end of last year. Deposits from customers reached RMB7,791,445 million, an increase of RMB1,415,530 million or 22.20% over the end of last year.

Total equity was RMB537,025 million, an increase of RMB69,463 million or 14.86% over the end of last year. Capital adequacy ratio decreased by 0.05 percentage points to 12.11%; core capital adequacy ratio decreased by 0.60 percentage points to 9.57% compared to the end of last year.

Compared to the end of last year, the non-performing loans decreased by RMB10,200 million to RMB73,682 million in accordance with the five-category classification standard; the non-performing loan ratio was 1.57%, down by 0.64 percentage points; the ratio of allowances to non-performing loans was 161.08%, up by 29.50 percentage points.

The carrying amount of the US sub-prime mortgage loan backed securities held by the Group was US\$109 million, after allowances for impairment losses of US\$726 million. The carrying amount of the Alt-A bonds held by the Group was US\$182 million, and the allowances for impairment losses on such securities were US\$264 million.

For the nine months ended 30 September 2009, net profit of the Group was RMB86,162 million, of which the net profit attributable to equity shareholders of the Bank was RMB86,119 million, up 2.25% and 2.24% respectively over the same period last year. Annualised return on average assets was 1.36%, and annualised return on average equity was 22.78%.

The net interest income was RMB155,580 million, down by 7.49% over the same period last year. Net interest spread was 2.30% and the net interest margin was 2.41%, down by 0.87 percentage points and 0.89 percentage points respectively over the same period last year.

Net fee and commission income reached RMB35,763 million, an increase of 20.94% over the same period last year. Cost-to-income ratio was 35.55%, which remained at a low level.

The income tax was RMB25,442 million, up by 4.09% over the same period last year, and the effective income tax rate was 22.80%.

4 MAJOR ISSUES

4.1 Significant changes in major financial statements items, financial indicators and the causes thereof

✓ Applicable □ Not applicable

<i>(In millions of RMB unless otherwise stated)</i>	As at 30 September 2009	As at 31 December 2008	Change (%)	Causes of the change
Deposits with banks and non-bank financial institutions	44,008	33,096	32.97	Deposits with domestic banks and non-bank financial institutions increased as a result of ample liquidity.
Precious metals	7,168	5,160	38.91	The transaction volume of physical gold and account gold increased.
Placements with banks and non-bank financial institutions	9,246	16,836	(45.08)	Placements with banks and non-bank financial institutions decreased as a result of the ample liquidity of domestic banks.
Trading financial assets	25,782	50,309	(48.75)	The balance of customer-driven wealth management debt securities investments decreased significantly.
Positive fair value of derivatives	9,705	21,299	(54.43)	The trading position of derivative financial instruments decreased, with a corresponding reduction in the positive fair value.
Financial assets held under resale agreements	766,207	208,548	267.40	The Group increased its holdings of debt securities and bills held under resale agreements.
Deferred tax assets	12,246	7,855	55.90	According to the latest tax policies, deferred tax assets related to allowances for impairment losses on non-credit assets and to salaries were recognised.
Other assets	19,236	12,808	50.19	Assets such as other receivables increased.
Deposits from banks and non-bank financial institutions	747,028	447,464	66.95	The deposits from non-bank financial institutions such as securities brokerages and fund companies increased as a result of the rebound of domestic capital market.
Negative fair value of derivatives	9,359	18,565	(49.59)	The trading position of derivative financial instruments decreased, with a corresponding reduction in the negative fair value.

<i>(In millions of RMB unless otherwise stated)</i>	As at 30 September 2009	As at 31 December 2008	Change (%)	Causes of the change
Taxes payable	19,138	35,538	(46.15)	The Group paid off the income tax for the previous year.
Debt securities issued	94,766	53,810	76.11	The Bank issued subordinated bonds of RMB60 billion and redeemed subordinated bonds with a principal amount of RMB23.3 billion.
Retained earnings	126,115	59,593	111.63	The net profit attributable to equity shareholders of the Bank was carried over, leading to the increase in retained earnings.
Minority interests	3,433	1,596	115.10	Minority interests increased as a result of the capital injection to Jianxin Trust Co. Ltd.
<i>(In millions of RMB unless otherwise stated)</i>	Nine months ended 30 September 2009	Nine months ended 30 September 2008	Change (%)	Causes of the change
Net gain/(loss) arising from investment securities	4,161	(3,466)	(220.05)	Reduction in the holdings of certain available-for-sale financial assets and held-to-maturity investments led to the gains.
Other operating income, net	1,181	3,321	(64.44)	As a decrease in the balance of currency interest rate swaps and market changes resulted in revaluation losses, the foreign exchange gain decreased sharply over the same period last year.
Other impairment losses	(2,376)	(6,657)	(64.31)	Impairment losses on foreign currency debt securities investments decreased with the slowdown of US economic recession and the sharp decline in the balance of debt securities.

4.2 Progress of major issues, related impacts and solutions

✓ Applicable □ Not applicable

A 10-year bond with a face value of RMB247 billion issued by China Cinda Asset Management Corporation to the Bank expired on 21 September 2009 and was extended for another 10 years with the interest rate unchanged at 2.25% per annum. The Ministry of Finance will continue to provide support for the payment of the principal and interest of the bond.

4.3 Fulfillment of undertakings by the company, shareholders and de-facto controllers

Applicable Not applicable

Huijin began to increase its holdings of A-shares of the Bank through the trading system of the Shanghai Stock Exchange on 23 September 2008 and continued to increase the Bank's shares in the secondary market in the following twelve months. As at 22 September 2009, Huijin completed its shareholding increase plan.

On 9 October 2009 the Bank was informed by Huijin that Huijin recently increased 16,139,217 A-shares of the Bank through the trading system of the Shanghai Stock Exchange. After that, Huijin held 144,747,455 A-shares of the Bank and planned to continue to increase its shareholding of the Bank in the secondary market in the following twelve months.

Apart from these, other shareholders of the Bank did not give new undertakings in the reporting period, and the undertakings that continue to be valid during the reporting period were the same as those disclosed in the prospectus. As of 30 September 2009, all undertakings given by the shareholders were fulfilled.

4.4 Implementation of cash dividend policy during the reporting period

Applicable Not applicable

In accordance with the profit distribution plan for the second half of 2008 approved at the 2008 annual general meeting, the Bank paid a cash dividend of RMB0.0837 per share (including tax) for the second half of 2008 on 8 July 2009.

The Bank did not declare interim dividend for the first half of 2009, and did not transfer capital reserve to share capital.

4.5 Warnings and explanations of any forecasted loss or significant change in accumulated net profit for the period from the beginning of the year to the end of the next reporting period compared to the same period last year

Applicable Not applicable

4.6 Details of securities investments

Applicable

Not applicable

No.	Stock code	Abbreviation	Number of shares held at the end of the period	Initial investment amount (in RMB)	Carrying amount at the end of the period (in RMB)	Carrying amount at the beginning of the period (in RMB)	Accounting item
1	601600	CHALCO	709,773,136	883,586,630	9,056,705,215	8,637,939,065	Available-for-sale financial assets
2	000578	QINGHAI SALT LAKE	181,960,736	137,273,000	4,092,680,972	4,516,504,047	Available-for-sale financial assets
3	600068	G.C.L	133,445,624	232,566,694	1,340,594,739	1,362,079,484	Available-for-sale financial assets
4	998HK	CITIC BANK	168,599,268	414,952,104	738,341,008	747,585,323	Available-for-sale financial assets
5	1618HK	MCC ¹	61,031,000	341,382,461	282,245,342		Trading investments
6	1968HK	PEAK SPORT ¹	68,818,979	176,814,737	214,599,389		Trading investments
7	1099HK	SINOPHARM ¹	12,390,000	175,624,932	214,139,758		Trading investments
8	600462	Y.S.B.P	42,600,000	41,248,000	195,952,488	216,321,300	Available-for-sale financial assets
9	600984	SCMC	24,347,042	44,160,528	187,715,694	192,956,638	Available-for-sale financial assets
10	000001	SDB	8,571,414	31,300,157	171,513,994	187,028,253	Available-for-sale financial assets
Total				2,478,909,243	16,494,488,599		

1. The Group held no such investments at the beginning of the period.
2. This table sets out the Group's top ten securities investments classified as available-for-sale financial assets and trading financial assets in the consolidated statement of financial position as at 30 September 2009, and the securities are listed by the carrying amount at the end of the period.

5 RELEASE OF QUARTERLY REPORT

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

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

23 October 2009

As at the date of this announcement, the Bank's executive directors are Mr. Guo Shuqing, Mr. Zhang Jianguo, Ms. Xin Shusen and Mr. Chen Zuofu; non-executive directors are Mr. Wang Yonggang, Mr. Wang Yong, Ms. Wang Shumin, Mr. Liu Xianghui, Mr. Zhang Xiangdong, Ms. Li Xiaoling and Mr. Gregory L. Curl; and independent non-executive directors are Lord Peter Levene, Mr. Song Fengming, Ms. Jenny Shipley, Ms. Elaine La Roche, Mr. Wong Kai-Man and Mr. Tse Hau Yin, Aloysius.

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

Consolidated statement of comprehensive income

For the nine months ended 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2009 (Unaudited)	2008 (Audited)	2009 (Unaudited)	2008 (Unaudited)
Interest income	253,394	264,497	84,959	92,304
Interest expense	(97,814)	(96,327)	(31,847)	(35,214)
Net interest income	155,580	168,170	53,112	57,090
Fee and commission income	37,217	30,752	12,826	9,826
Fee and commission expense	(1,454)	(1,180)	(485)	(422)
Net fee and commission income	35,763	29,572	12,341	9,404
Net trading gain	1,652	1,853	359	561
Dividend income	91	128	37	53
Net gain/(loss) arising from investment securities	4,161	(3,466)	703	(5,112)
Other operating income, net	1,181	3,321	411	1,846
Operating income	198,428	199,578	66,963	63,842
Operating expenses	(70,548)	(69,058)	(24,363)	(22,865)
	127,880	130,520	42,600	40,977
Impairment losses on:				
— Loans and advances to customers	(13,913)	(15,170)	(3,639)	(3,712)
— Others	(2,376)	(6,657)	169	(4,209)
Impairment losses	(16,289)	(21,827)	(3,470)	(7,921)
Share of profits less losses of associates and jointly controlled entities	13	16	5	(2)

Consolidated statement of comprehensive income (continued)

For the nine months ended 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2009 <i>(Unaudited)</i>	2008 <i>(Audited)</i>	2009 <i>(Unaudited)</i>	2008 <i>(Unaudited)</i>
Profit before tax	111,604	108,709	39,135	33,054
Income tax	<u>(25,442)</u>	<u>(24,442)</u>	<u>(8,814)</u>	<u>(7,479)</u>
Net profit	<u>86,162</u>	<u>84,267</u>	<u>30,321</u>	<u>25,575</u>
Other comprehensive income:				
Available-for-sale financial assets				
Losses arising during the period	(100)	(21,513)	(2,136)	(6,890)
Reclassification adjustments for net losses/(gains) included in profit or loss	<u>1,181</u>	<u>7,383</u>	<u>(44)</u>	<u>5,187</u>
	1,081	(14,130)	(2,180)	(1,703)
Exchange difference on translating foreign operations	<u>256</u>	<u>(1,264)</u>	<u>136</u>	<u>(175)</u>
Total other comprehensive income	1,337	(15,394)	(2,044)	(1,878)
Income tax relating to components of other comprehensive income	<u>(270)</u>	<u>3,531</u>	<u>545</u>	<u>439</u>
Other comprehensive income for the period, net of tax	<u>1,067</u>	<u>(11,863)</u>	<u>(1,499)</u>	<u>(1,439)</u>
Total comprehensive income for the period	<u>87,229</u>	<u>72,404</u>	<u>28,822</u>	<u>24,136</u>

Consolidated statement of comprehensive income (continued)

For the nine months ended 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended		Three months from	
	30 September		1 July to 30 September	
	2009	2008	2009	2008
	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)
Net profit attributable to:				
Equity shareholders of the Bank	86,119	84,234	30,313	25,567
Minority interests	43	33	8	8
	<u>86,162</u>	<u>84,267</u>	<u>30,321</u>	<u>25,575</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	87,186	72,371	28,816	24,128
Minority interests	43	33	6	8
	<u>87,229</u>	<u>72,404</u>	<u>28,822</u>	<u>24,136</u>
Basic and diluted earnings per share (in RMB)	<u>0.37</u>	<u>0.36</u>	<u>0.13</u>	<u>0.11</u>

Consolidated statement of financial position

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009 (Unaudited)	31 December 2008 (Audited)
Assets:		
Cash and deposits with central banks	1,321,934	1,247,450
Deposits with banks and non-bank financial institutions	44,008	33,096
Precious metals	7,168	5,160
Placements with banks and non-bank financial institutions	9,246	16,836
Trading financial assets	25,782	50,309
Positive fair value of derivatives	9,705	21,299
Financial assets held under resale agreements	766,207	208,548
Interest receivable	42,380	38,317
Loans and advances to customers	4,563,208	3,683,575
Available-for-sale financial assets	642,438	550,838
Held-to-maturity investments	1,300,002	1,041,783
Debt securities classified as receivables	504,939	551,818
Interests in associates and jointly controlled entities	1,749	1,728
Fixed assets	64,243	63,957
Long-term lease prepayment	16,804	17,295
Intangible assets	1,070	1,253
Goodwill	1,607	1,527
Deferred tax assets	12,246	7,855
Other assets	19,236	12,808
Total assets	9,353,972	7,555,452

Consolidated statement of financial position (continued)

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009 (Unaudited)	31 December 2008 (Audited)
Liabilities:		
Borrowings from central banks	6	6
Deposits from banks and non-bank financial institutions	747,028	447,464
Placements from banks and non-bank financial institutions	41,235	43,108
Trading financial liabilities	124	3,975
Negative fair value of derivatives	9,359	18,565
Financial assets sold under repurchase agreements	451	864
Deposits from customers	7,791,445	6,375,915
Accrued staff costs	24,552	25,153
Taxes payable	19,138	35,538
Interest payable	61,508	59,695
Provisions	1,352	1,806
Debt securities issued	94,766	53,810
Deferred tax liabilities	236	5
Other liabilities	25,747	21,986
	<hr/>	<hr/>
Total liabilities	8,816,947	7,087,890
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Consolidated statement of financial position (continued)

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009 (Unaudited)	31 December 2008 (Audited)
Equity:		
Share capital	233,689	233,689
Capital reserve	90,241	90,241
Investment revaluation reserve	11,967	11,156
Surplus reserve	26,922	26,922
General reserve	46,665	46,628
Retained earnings	126,115	59,593
Exchange reserve	(2,007)	(2,263)
	<hr/>	<hr/>
Total equity attributable to equity shareholders of the Bank	533,592	465,966
Minority interests	3,433	1,596
	<hr/>	<hr/>
Total equity	537,025	467,562
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Total liabilities and equity	9,353,972	7,555,452
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Approved and authorised for issue by the board of directors on 23 October 2009.

Zhang Jianguo
*Vice chairman, executive
director and president*

Tse Hau Yin, Aloysius
*Independent non-executive
director*

Song Fengming
*Independent non-executive
director*

Statement of financial position

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009	31 December 2008
	<i>(Unaudited)</i>	<i>(Audited)</i>
Assets:		
Cash and deposits with central banks	1,321,592	1,247,053
Deposits with banks and non-bank financial institutions	41,658	28,425
Precious metals	7,168	5,160
Placements with banks and non-bank financial institutions	6,134	28,426
Trading financial assets	17,142	44,491
Positive fair value of derivatives	8,548	20,335
Financial assets held under resale agreements	766,207	208,548
Interest receivable	42,276	38,297
Loans and advances to customers	4,511,002	3,639,940
Available-for-sale financial assets	640,611	551,156
Held-to-maturity investments	1,299,832	1,041,783
Debt securities classified as receivables	504,939	551,818
Investments in subsidiaries	8,816	4,670
Fixed assets	63,764	63,723
Long-term lease prepayment	16,743	17,229
Intangible assets	1,044	1,233
Deferred tax assets	12,685	8,059
Other assets	35,390	26,222
	<hr/>	<hr/>
Total assets	9,305,551	7,526,568
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Statement of financial position (continued)

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009	31 December 2008
	<i>(Unaudited)</i>	<i>(Audited)</i>
Liabilities:		
Borrowings from central banks	6	6
Deposits from banks and non-bank financial institutions	750,681	448,461
Placements from banks and non-bank financial institutions	38,673	53,191
Trading financial liabilities	124	3,975
Negative fair value of derivatives	8,919	18,103
Financial assets sold under repurchase agreements	451	864
Deposits from customers	7,750,950	6,342,985
Accrued staff costs	24,042	24,807
Taxes payable	18,757	35,310
Interest payable	61,451	59,652
Provisions	1,350	1,806
Debt securities issued	95,358	52,531
Other liabilities	24,470	21,321
	<hr/>	<hr/>
Total liabilities	8,775,232	7,063,012
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Statement of financial position (continued)

As at 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2009 <i>(Unaudited)</i>	31 December 2008 <i>(Audited)</i>
Equity:		
Share capital	233,689	233,689
Capital reserve	90,241	90,241
Investment revaluation reserve	12,027	11,138
Surplus reserve	26,922	26,922
General reserve	46,209	46,200
Retained earnings	121,521	55,867
Exchange reserve	(290)	(501)
	<hr/>	<hr/>
Total equity	530,319	463,556
	<hr/>	<hr/>
Total liabilities and equity	9,305,551	7,526,568
	<hr/> <hr/>	<hr/> <hr/>

Approved and authorised for issue by the board of directors on 23 October 2009.

Zhang Jianguo
*Vice chairman, executive
director and president*

Tse Hau Yin, Aloysius
*Independent non-executive
director*

Song Fengming
*Independent non-executive
director*

Consolidated statement of cash flows
For the nine months ended 30 September 2009
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2009	2008
	<i>(Unaudited)</i>	<i>(Audited)</i>
Cash flows from operating activities		
Profit before tax	111,604	108,709
<i>Adjustments for:</i>		
— Dividend income	(91)	(128)
— Revaluation gain on trading and derivatives financial instruments	(410)	(572)
— Net (gain)/loss on disposal of investment securities	(4,161)	3,466
— Net gain on disposal of fixed assets and other long-term assets	(49)	(88)
— Unwinding of discount	(1,016)	(1,184)
— Share of profit less losses of associates and jointly controlled entities	(13)	(16)
— Unrealised foreign exchange (gain)/loss	(3,278)	3,587
— Depreciation and amortisation	8,008	6,839
— Impairment losses	16,289	21,827
— Interest expense on bonds issued	2,335	1,516
	129,218	143,956

Consolidated statement of cash flows (continued)

For the nine months ended 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended	
	30 September	
	2009	2008
	(Unaudited)	(Audited)
<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	(209,406)	(246,720)
Net decrease in placements with banks and non-bank financial institutions	2,995	718
Net increase in loans and advances to customers	(893,705)	(380,656)
Net increase in financial assets held under resale agreements	(557,659)	(47,267)
Decrease/(increase) in other operating assets	6,456	(98,468)
	<u>(1,651,319)</u>	<u>(772,393)</u>
<i>Changes in operating liabilities:</i>		
Net (decrease)/increase in placements from banks and non-bank financial institutions	(1,896)	3,518
Net increase in deposits from customers and from banks and non-bank financial institutions	1,714,895	757,583
Net decrease in financial assets sold under repurchase agreements	(413)	(102,422)
Net increase in certificates of deposit issued	4,288	1,539
Income tax paid	(43,935)	(31,054)
Increase in other operating liabilities	4,100	30,517
	<u>1,677,039</u>	<u>659,681</u>
Net cash from operating activities	<u>154,938</u>	<u>31,244</u>

Consolidated statement of cash flows (continued)

For the nine months ended 30 September 2009

(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2009 (Unaudited)	2008 (Audited)
Cash flows from investing activities		
Proceeds from disposal and redemption of investments	955,023	785,008
Dividend received	91	128
Proceeds from disposal of shares of subsidiaries	52	—
Proceeds from acquisition of subsidiaries	177	—
Proceeds from capital contribution by minority interests	—	62
Proceeds from disposal of fixed assets and other long-term assets	477	581
Payments on acquisition of investments	(1,247,344)	(722,303)
Payments on acquisition of associates and jointly controlled entities	(12)	(415)
Payments on acquisition of fixed assets and other long-term assets	(7,764)	(8,545)
Net cash (used in)/from investing activities	(299,300)	54,516
Cash flows from financing activities		
Proceeds from bonds issued	59,903	2,789
Dividend paid	(19,578)	(15,213)
Repayment of debt securities issued	(23,300)	—
Interest paid on bonds issued	(1,292)	(1,317)
Net cash from/(used in) financing activities	15,733	(13,741)
Effect of exchange rate changes on cash and cash equivalents	19	(2,672)
Net (decrease)/increase in cash and cash equivalents	(128,610)	69,347
Cash and cash equivalents as at 1 January	355,811	180,508
Cash and cash equivalents as at 30 September	227,201	249,855
Cash flows from operating activities include:		
Interest received	241,800	245,616
Interest paid, excluding interest expense on bonds issued	(94,657)	(77,494)