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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 limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 939)

REPORT FOR THE THIRD QUARTER OF 2010

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 2010, 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 Board meeting of the Bank held on 29 October 2010. Fifteen directors attended the meeting in person. Mr. Zhang Jianguo delegated Mr. Guo Shuqing to attend the meeting and vote on his behalf, Lord Peter Levene delegated Ms. Elaine La Roche 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

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, Financial 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.

(Expressed in millions of RMB unless otherwise stated)	At the end of the reporting period	At the end of last year	Change (%)
Total assets	10,579,050	9,623,355	9.93
Total equity attributable to equity shareholders of the Bank	620,509	555,475	11.71
Net assets per share (in RMB)	2.67	2.39	11.72
	Nine months ended 30 September 2010		Change over the same period last year (%)
Net cash flows from operating activities		245,733	58.60
Net cash flows from operating activities per share (in RMB)		1.05	59.09
	Reporting period	Nine months ended 30 September 2010	Change of the reporting period over the same period last year (%)
Net profit	39,862	110,641	31.47
Net profit attributable to equity shareholders of the Bank	39,758	110,499	31.16
Basic and diluted earnings per share (in RMB)	0.17	0.47	30.77
Annualised return on average equity (%)	26.36	24.87	An increase of 3.01 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 2010 or total equity as at 30 September 2010 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 2010

2.4.1 As at 30 September 2010, the Bank had a total of 1,116,527 shareholders, of which 60,096 were holders of H-shares and 1,056,431 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 2010)				
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Type of share
Central Huijin Investment Ltd. (“Huijin”) ¹	State-owned	57.03	133,262,144,534	H-share
	State-owned	0.06	144,747,455	A-share
HKSCC Nominees Limited ²	Foreign legal person	19.06	44,540,374,977	H-share
Bank of America Corporation	Foreign legal person	10.95	25,580,153,370	H-share
Fullerton Financial Holdings Pte Ltd (“Fullerton Financial”) ²	Foreign legal person	5.65	13,207,316,750	H-share
Baosteel Group Corporation	State-owned legal person	1.28	3,000,000,000	H-share
	State-owned legal person	0.13	298,000,465	A-share
State Grid Corporation of China (“State Grid”) ^{2, 3}	State-owned legal person	1.16	2,706,339,000	H-share
China Yangtze Power Co., Limited (“Yangtze Power”) ²	State-owned legal person	0.43	1,000,000,000	H-share
Reca Investment Limited	Foreign legal person	0.34	800,000,000	H-share
China Life Insurance Company Limited – Participating – Individual participating – 005L – FH002 SH	Domestic non-state-owned legal person	0.11	259,911,971	A-share
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 SH	Domestic non-state-owned legal person	0.07	171,980,763	A-share

1. The lock-up period of 133,262,144,534 H-shares of the Bank held by Huijin expired on 27 October 2010.

2. As at 30 September 2010, Fullerton Financial, State Grid and Yangtze Power 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. Except for the H-shares of the Bank held by Fullerton Financial, State Grid and Yangtze Power, the remaining H-shares of the Bank held by HKSCC Nominees Limited were 44,540,374,977.

3. As at 30 September 2010, State Grid indirectly held 2,706,339,000 H-shares of the Bank via its wholly-owned subsidiaries, including 800,000,000 H-shares via State Grid Asset Management Co., Ltd., 1,206,339,000 H-shares via State Grid International Development Limited, 350,000,000 H-shares via Shandong Luneng Group Co., Ltd. and 350,000,000 H-shares via State Grid International Technical Equipment Co., Ltd.

4. 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 2010)		
Name of shareholder	Number of shares not subject to selling restrictions	Type of shares
HKSCC Nominees Limited	44,540,374,977	H-share
Fullerton Financial	13,207,316,750	H-share
Baosteel Group Corporation	3,000,000,000	H-share
	298,000,465	A-share
State Grid	2,706,339,000	H-share
Yangtze Power	1,000,000,000	H-share
Reca Investment Limited	800,000,000	H-share
China Life Insurance Company Limited – Participating – Individual participating – 005L – FH002 SH	259,911,971	A-share
China Life Insurance Company Limited – Traditional – Ordinary insurance products – 005L – CT001 SH	171,980,763	A-share
Huijin	144,747,455	A-share
China 50 ETF	128,959,758	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 2010, total assets of the Group reached RMB10,579,050 million, an increase of RMB955,695 million or 9.93% over the end of last year. Net loans and advances to customers reached RMB5,368,023 million, an increase of RMB675,076 million or 14.38% over the end of last year.

The Group stepped up adjustments to the credit structure and boosted the development of emerging strategic businesses. Traditional advantage businesses such as infrastructure loans and residential mortgage loans continued to consolidate with improved quality and profitability. The growth rate of loans to real estate sector was much lower than that of corporate loans; the loans were mainly granted to prime customers with strong financial strength and high development qualifications in regions where property prices were stable, and the non-performing loans continued to fall in both amount and ratio. Small business loans and loans to livelihood sectors grew rapidly, in which loans to agricultural sector increased by 28% and loans to priority livelihood areas such as education and medical care grew by 16%, much higher than the average growth rate of corporate loans. For industries with excess capacity the Group took stringent credit access and risk inspection measures and adopted a list management system, with the loans decreasing by RMB19.4 billion over the end of last year.

Compared to the end of last year, the non-performing loans decreased by RMB9,549 million to RMB62,607 million in accordance with the five-category classification standard; the non-performing loan ratio was 1.14%, down by 0.36 percentage points; the ratio of allowances to non-performing loans was 213.48%, up by 37.71 percentage points.

Total liabilities of the Group reached RMB9,954,556 million, an increase of RMB890,221 million or 9.82% over the end of last year. Deposits from customers reached RMB8,969,226 million, an increase of RMB967,903 million or 12.10% over the end of last year.

Loan-to-deposit ratio increased by 1.10 percentage points to 61.34% over the end of last year, remaining at a reasonable level.

Total equity was RMB624,494 million, an increase of RMB65,474 million or 11.71% over the end of last year. Capital adequacy ratio decreased by 0.06 percentage points to 11.64% compared to the end of last year; core capital adequacy ratio rose by 0.02 percentage points to 9.33%, mainly because the core capital grew faster than the risk-weighted assets as a result of retained earnings.

For the nine months ended 30 September 2010, net profit of the Group was RMB110,641 million, of which the net profit attributable to equity shareholders of the Bank was RMB110,499 million, up 28.41% and 28.31% respectively over the same period last year. This was mainly because net interest income and net fee and commission income grew significantly while impairment losses decreased over the same period last year. Annualised return on average assets was 1.46%, and annualised return on average equity was 24.87%.

Net interest income was RMB182,181 million, up by 17.10% over the same period last year. Net interest spread was 2.35% and the net interest margin was 2.45%, up by 0.05 percentage points and 0.04 percentage points respectively over the same period last year.

Net fee and commission income reached RMB48,681 million, an increase of 36.12% over the same period last year. This was largely due to the rapid growth of fees from settlement, bank cards, agency services, and factoring businesses.

The operating expenses were RMB79,633 million, up by RMB9,085 million over the same period last year. Cost-to-income ratio was 33.73%, which remained at a low level.

Provisions for impairment losses were RMB12,633 million, down by RMB3,656 million over the same period last year. In this amount, provisions for impairment losses on loans and advances to customers were RMB12,988 million, down by RMB925 million over the same period last year. This was mainly due to the decrease in loan growth and improved loan quality. An amount of RMB355 million was released from allowances for impairment losses on other assets, mainly as a result of price rally of foreign currency debt securities with the improving market.

The income tax expense was RMB33,193 million, up by RMB7,751 million over the same period last year, and the effective income tax rate was 23.08%.

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 2010	As at 31 December 2009	Change (%)	Causes of the change
Placements with banks and non-bank financial institutions	74,513	22,217	235.39	As a result of ample liquidity, the Group's placements with banks and non-bank financial institutions grew.
Financial assets at fair value through profit or loss	39,467	18,871	109.14	Tradings in RMB debt securities increased.
Positive fair value of derivatives	13,339	9,456	41.06	Changes in the fair value of interest rate contracts and exchange rate contracts resulted in the corresponding increase of positive fair value.
Financial assets held under resale agreements	357,158	589,606	(39.42)	Certain transactions under resale agreements expired.
Held-to-maturity investments	1,838,721	1,408,873	30.51	Held-to-maturity investments in RMB debt securities increased.
Debt securities classified as receivables	320,468	499,575	(35.85)	Certain designated central bank bills expired, and part of principal of Cinda bonds was repaid.
Other assets	20,612	13,689	50.57	Mainly because other receivables and prepayments increased.
Borrowings from central banks	1,804	6	29,966.67	Borrowings by overseas branches increased.
Placements from banks and non-bank financial institutions	61,663	38,120	61.76	Certain subsidiaries increased placements from banks and non-bank financial institutions driven by needs of business development.
Negative fair value of derivatives	11,477	8,575	33.84	Changes in the fair value of interest rate contracts and exchange rate contracts resulted in the corresponding increase of negative fair value.
Financial assets sold under repurchase agreements	2,045	—	NA	Certain assets were transferred to other banks under repurchase agreement.
General reserve	61,276	46,806	30.91	According to regulatory requirements in Mainland China and overseas, certain amount of net profit was set aside as general reserve.
Retained earnings	184,936	136,112	35.87	Retained earnings increased as a result of net profit carried forward.
Exchange reserve	(2,579)	(1,982)	30.12	Exchange reserve increased as a result of the continuous RMB appreciation.

(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2010	Nine months ended 30 September 2009	Change (%)	Causes of the change
Net fee and commission income	48,681	35,763	36.12	Mainly because fees from settlement, bank cards, agency services, and factoring businesses grew rapidly.
Net trading gain	3,118	1,652	88.74	Gains from currency swap revaluation increased, and losses on valuation of bonds held for principal protected debt securities wealth management products lowered.
Dividend income	151	91	65.93	Dividends from trading equity investments and available-for-sale equity investments increased.
Net gain arising from investment securities	750	4,161	(81.98)	Net gain arising from investment securities decreased because disposals of foreign currency debt securities dropped.
Other impairment losses	355	(2,376)	(114.94)	Allowances for impairment losses on debt securities were released due to the price rally of foreign currency debt securities in the improving market.
Income tax expense	(33,193)	(25,442)	30.47	Profit before tax increased over the same period last year.
Net profit attributable to non-controlling interests	142	43	230.23	The performance of non-wholly-owned subsidiaries improved.
Other comprehensive income	1,782	1,067	67.01	The fair value of available-for-sale financial assets increased.

4.2 Progress of major issues, related impacts and solutions

Applicable Not applicable

The Bank announced on 9 August 2010 that the Ministry of Finance (“MOF”) and China Cinda Asset Management Co., Ltd (formerly known as China Cinda Asset Management Corporation) (“Cinda”) have established a jointly managed fund to secure the payment of the principal of a bond issued by Cinda to the Bank with a book value of RMB247 billion. The MOF continues to provide support for the repayment of the interest under the bond. The term of the jointly managed fund is from 1 July 2009 to 21 September 2019.

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

Applicable Not-applicable

(1) In July 2005, Huijin undertook that it would not sell shares of the Bank within five years since the Bank’s H-shares commenced trading on Hong Kong Stock Exchange without consents of the Bank and relevant underwriters. Please refer to the H-share prospectus of the Bank released on the website of Hong Kong Stock Exchange.

The lock-up period of 133,262,144,534 H-shares of the Bank held by Huijin expired on 27 October 2010.

(2) On 9 October 2009, the Bank was informed by its controlling shareholder Huijin that Huijin increased the shares of the Bank through the trading system of the Shanghai Stock Exchange and planned to continue to increase its shareholding of the Bank in the secondary market in the following twelve months.

On 8 October 2010, Huijin completed its shareholding increase plan. During this period, Huijin cumulatively increased 16,139,217 A-shares of the Bank through the trading system of the Shanghai Stock Exchange, accounting for 0.01% of the total shares issued by the Bank. Upon completion of this increase plan, Huijin held 133,406,891,989 shares of the Bank (of which 144,747,455 were A-shares and 133,262,144,534 were H-shares), accounting for 57.09% of the total shares issued by the Bank.

(3) In June 2010, Huijin undertook that it would subscribe in cash all the offered rights shares, which would be allotted to Huijin in proportion to its shareholding according to the rights issue plan approved by the third meeting of the board of directors of the Bank in 2010. As of the release date of this report, the rights issue plan of the Bank has not been implemented.

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.

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 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

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.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

29 October 2010

As of the date of this announcement, the Bank's executive directors are Mr. Guo Shuqing, Mr. Zhang Jianguo, Mr. Chen Zuofu and Mr. Zhu Xiaohuang; independent non-executive directors are Lord Peter Levene, Mr. Yam Chi Kwong, Joseph, Dame Jenny Shipley, Ms. Elaine La Roche, Mr. Zhao Xijun and Mr. Wong Kai-Man; and non-executive directors are Mr. Wang Yong, Ms. Wang Shumin, Mr. Zhu Zhenmin, Ms. Li Xiaoling, Ms. Sue Yang, Mr. Lu Xiaoma and Ms. Chen Yuanling.

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

China Construction Bank Corporation
 Consolidated statement of comprehensive income
 For the nine months ended 30 September 2010
 (Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
Interest income	276,114	253,394	96,464	84,959
Interest expense	(93,933)	(97,814)	(32,082)	(31,847)
Net interest income	<u>182,181</u>	<u>155,580</u>	<u>64,382</u>	<u>53,112</u>
Fee and commission income	50,195	37,217	15,521	12,826
Fee and commission expense	(1,514)	(1,454)	(482)	(485)
Net fee and commission income	<u>48,681</u>	<u>35,763</u>	<u>15,039</u>	<u>12,341</u>
Net trading gain	3,118	1,652	2,224	359
Dividend income	151	91	76	37
Net gain arising from investment securities	750	4,161	295	703
Other operating income, net	<u>1,203</u>	<u>1,181</u>	<u>343</u>	<u>411</u>
Operating income	236,084	198,428	82,359	66,963
Operating expenses	<u>(79,633)</u>	<u>(70,548)</u>	<u>(27,916)</u>	<u>(24,363)</u>
	<u>156,451</u>	<u>127,880</u>	<u>54,443</u>	<u>42,600</u>
Impairment losses on:				
- Loans and advances to customers	(12,988)	(13,913)	(2,869)	(3,639)
- Others	355	(2,376)	60	169
Impairment losses	<u>(12,633)</u>	<u>(16,289)</u>	<u>(2,809)</u>	<u>(3,470)</u>
Share of profit of associates and jointly controlled entities	<u>16</u>	<u>13</u>	<u>6</u>	<u>5</u>
Profit before tax	143,834	111,604	51,640	39,135
Income tax expense	<u>(33,193)</u>	<u>(25,442)</u>	<u>(11,778)</u>	<u>(8,814)</u>
Net profit	<u>110,641</u>	<u>86,162</u>	<u>39,862</u>	<u>30,321</u>

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the nine months ended 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2010 (Unaudited)	2009 (Unaudited)	2010 (Unaudited)	2009 (Unaudited)
Other comprehensive income:				
Gains/(losses) of available-for-sale financial assets	2,319	(100)	4,728	(2,136)
Less: Income tax relating to available-for-sale financial assets	(577)	26	(1,153)	534
Reclassification adjustments	631	885	997	(33)
	<u>2,373</u>	<u>811</u>	<u>4,572</u>	<u>(1,635)</u>
Exchange difference on translating foreign operations	(597)	256	(160)	136
Others	6	-	-	-
Other comprehensive income for the period, net of tax	<u>1,782</u>	<u>1,067</u>	<u>4,412</u>	<u>(1,499)</u>
Total comprehensive income for the period	<u>112,423</u>	<u>87,229</u>	<u>44,274</u>	<u>28,822</u>
Net profit attributable to:				
Equity shareholders of the Bank	110,499	86,119	39,758	30,313
Non-controlling interests	142	43	104	8
	<u>110,641</u>	<u>86,162</u>	<u>39,862</u>	<u>30,321</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	112,239	87,186	44,183	28,816
Non-controlling interests	184	43	91	6
	<u>112,423</u>	<u>87,229</u>	<u>44,274</u>	<u>28,822</u>
Basic and diluted earnings per share (in RMB)	<u>0.47</u>	<u>0.37</u>	<u>0.17</u>	<u>0.13</u>

China Construction Bank Corporation
 Consolidated statement of financial position
 As at 30 September 2010
 (Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	1,652,506	1,458,648
Deposits with banks and non-bank financial institutions	81,692	101,163
Precious metals	9,856	9,229
Placements with banks and non-bank financial institutions	74,513	22,217
Financial assets at fair value through profit or loss	39,467	18,871
Positive fair value of derivatives	13,339	9,456
Financial assets held under resale agreements	357,158	589,606
Interest receivable	44,230	40,345
Loans and advances to customers	5,368,023	4,692,947
Available-for-sale financial assets	654,591	651,480
Held-to-maturity investments	1,838,721	1,408,873
Debt securities classified as receivables	320,468	499,575
Interests in associates and jointly controlled entities	1,790	1,791
Fixed assets	73,458	74,693
Land use rights	16,642	17,122
Intangible assets	1,125	1,270
Goodwill	1,559	1,590
Deferred tax assets	9,300	10,790
Other assets	20,612	13,689
Total assets	10,579,050	9,623,355

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	1,804	6
Deposits from banks and non-bank financial institutions	658,740	774,785
Placements from banks and non-bank financial institutions	61,663	38,120
Financial liabilities at fair value through profit or loss	9,642	7,992
Negative fair value of derivatives	11,477	8,575
Financial assets sold under repurchase agreements	2,045	-
Deposits from customers	8,969,226	8,001,323
Accrued staff costs	28,114	27,425
Taxes payable	24,627	25,840
Interest payable	67,273	59,487
Provisions	1,100	1,344
Debt securities issued	95,350	98,644
Deferred tax liabilities	304	216
Other liabilities	23,191	20,578
Total liabilities	9,954,556	9,064,335

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2010
 (Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Equity:		
Share capital	233,689	233,689
Capital reserve	90,272	90,266
Investment revaluation reserve	15,494	13,163
Surplus reserve	37,421	37,421
General reserve	61,276	46,806
Retained earnings	184,936	136,112
Exchange reserve	(2,579)	(1,982)
Total equity attributable to equity shareholders of the Bank	620,509	555,475
Non-controlling interests	3,985	3,545
Total equity	624,494	559,020
Total liabilities and equity	10,579,050	9,623,355

Approved and authorised for issue by the board of directors on 29 October 2010.

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 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	1,647,993	1,455,370
Deposits with banks and non-bank financial institutions	87,808	100,679
Precious metals	9,856	9,229
Placements with banks and non-bank financial institutions	73,083	23,143
Financial assets at fair value through profit or loss	26,033	10,251
Positive fair value of derivatives	12,078	7,730
Financial assets held under resale agreements	357,158	588,706
Interest receivable	43,970	40,129
Loans and advances to customers	5,273,648	4,626,024
Available-for-sale financial assets	650,902	649,979
Held-to-maturity investments	1,838,506	1,408,465
Debt securities classified as receivables	320,468	499,575
Investments in subsidiaries	9,677	8,816
Fixed assets	72,806	74,098
Long-term lease prepayment	16,584	17,062
Intangible assets	1,092	1,242
Deferred tax assets	10,236	11,323
Other assets	37,691	33,310
Total assets	<u>10,489,589</u>	<u>9,565,131</u>

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	1,804	6
Deposits from banks and non-bank financial institutions	658,789	776,582
Placements from banks and non-bank financial institutions	40,120	31,968
Financial liabilities at fair value through profit or loss	7,274	7,992
Negative fair value of derivatives	11,094	7,894
Financial assets sold under repurchase agreements	6,071	2,625
Deposits from customers	8,914,084	7,955,240
Accrued staff costs	27,414	26,708
Taxes payable	24,126	25,549
Interest payable	67,124	59,442
Provisions	1,097	1,344
Debt securities issued	94,243	98,383
Deferred tax liabilities	22	22
Other liabilities	21,008	20,057
Total liabilities	<u>9,874,270</u>	<u>9,013,812</u>

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2010	31 December 2009
	(Unaudited)	(Audited)
Equity:		
Share capital	233,689	233,689
Capital reserve	90,272	90,266
Investment revaluation reserve	15,515	13,213
Surplus reserve	37,421	37,421
General reserve	60,608	46,209
Retained earnings	178,161	130,785
Exchange reserve	(347)	(264)
Total equity	615,319	551,319
Total liabilities and equity	10,489,589	9,565,131

Approved and authorised for issue by the board of directors on 29 October 2010.

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 2010
 (Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
<i>Cash flows from operating activities</i>		
Profit before tax	143,834	111,604
<i>Adjustments for:</i>		
– Impairment losses	12,633	16,289
– Depreciation and amortisation	8,755	8,008
– Unwinding of discount	(552)	(1,016)
– Revaluation gain on financial instruments at fair value through profit or loss	(1,996)	(410)
– Share of profit of associates and jointly controlled entities	(16)	(13)
– Dividend income	(151)	(91)
– Unrealised foreign exchange loss/(gain)	1,178	(3,278)
– Interest expense on bonds issued	2,478	2,335
– Net gain on disposal of investment securities	(750)	(4,161)
– Net gain on disposal of fixed assets and other long-term assets	(151)	(49)
	165,262	129,218

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2010	2009
	(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	(286,308)	(209,406)
Net decrease in placements with banks and non-bank financial institutions	3,666	2,995
Net increase in loans and advances to customers	(691,999)	(893,705)
Net decrease/(increase) in financial assets held under resale agreements	232,429	(557,659)
(Increase)/decrease in other operating assets	(37,388)	6,456
	(779,600)	(1,651,319)
<i>Changes in operating liabilities:</i>		
Net increase in borrowings from central banks	1,798	-
Net increase/(decrease) in placements from banks and non-bank financial institutions	24,197	(1,896)
Net increase in deposits from customers and from banks and non-bank financial institutions	857,962	1,714,895
Net increase/(decrease) in financial assets sold under repurchase agreements	2,045	(413)
Net (decrease)/increase in certificates of deposit issued	(128)	4,288
Income tax paid	(34,383)	(43,935)
Increase in other operating liabilities	8,580	4,100
	860,071	1,677,039
Net cash from operating activities	245,733	154,938

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
<i>Cash flows from investing activities</i>		
Proceeds from sale and redemption of investments	1,139,351	955,023
Dividend received	150	91
Proceeds from disposal of fixed assets and other long-term assets	522	477
Acquisition of subsidiaries	-	57
Cash received from other investing activities	-	172
Purchase of investment securities	(1,381,184)	(1,247,344)
Purchase of fixed assets and other long-term assets	(6,791)	(7,764)
Acquisition of associates and jointly controlled entities	(18)	(12)
Net cash used in investing activities	(247,970)	(299,300)
<i>Cash flows from financing activities</i>		
Issue of subordinated bonds	-	59,903
Capital contribution by non-controlling interests	278	-
Dividend paid	(47,227)	(19,578)
Repayment of debt securities issued	(2,870)	(23,300)
Interest paid on bonds issued	(2,338)	(1,292)
Net cash (used in)/from financing activities	(52,157)	15,733

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2010
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2010	2009
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	(891)	19
Net decrease in cash and cash equivalents	(55,285)	(128,610)
Cash and cash equivalents as at 1 January	380,249	355,811
Cash and cash equivalents as at 30 September	324,964	227,201
Cash flows from operating activities include:		
Interest received	263,521	241,800
Interest paid, excluding interest expense on bonds issued	(83,793)	(94,657)