

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



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 2012

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 2012, 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 26 October 2012. Twelve directors attended the meeting. Mr. Yam Chi Kwong, Joseph delegated Mr. Wong Kai-Man 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
Telephone	86-10-66215533
Facsimile	86-10-66218888
E-mail	ir@ccb.com

2.2 Major consolidated accounting information and financial indicators prepared under IFRS

The financial information contained 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	13,296,482	12,281,834	8.26
Total equity attributable to equity shareholders of the Bank	908,760	811,141	12.03
Net assets per share (in RMB)	3.67	3.27	12.23
	Nine months ended 30 September 2012		Change over the same period last year (%)
Net cash flows from operating activities		224,686	(413.09)
Net cash flows from operating activities per share (in RMB)		0.90	(410.34)
	Reporting period	Nine months ended 30 September 2012	Change of the reporting period over the same period last year (%)
Net profit	52,025	158,519	12.48
Net profit attributable to equity shareholders of the Bank	51,908	158,191	12.39
Basic and diluted earnings per share (in RMB)	0.21	0.63	16.67
Annualised return on average equity (%)	23.40	24.18	A decrease of 1.08 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 2012 or total equity as at 30 September 2012 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 2012

2.4.1 As at 30 September 2012, the Bank had a total of 865,356 shareholders, of which 53,586 were holders of H-shares and 811,770 were holders of A-shares.

2.4.2 Particulars of shareholdings of top ten shareholders

Unit: share

Total number of shareholders		865,356 (Total number of registered holders of A-shares and H-shares as at 30 September 2012)			
Particulars of shareholdings of the top ten shareholders					
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Total number of shares held	Number of shares subject to selling restrictions	Number of shares pledged or frozen
Central Huijin Investment Limited	State-owned	57.03	142,590,494,651 (H-shares)	None	None
		0.11	273,491,710 (A-shares)	None	None
HKSCC Nominees Limited ¹	Foreign legal person	28.22	70,549,750,817 (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	1.16	2,895,782,730 (H-shares)	None	None
Baosteel Group Corporation	State-owned	0.80	2,000,000,000 (H-shares)	None	None
		0.13	318,860,498 (A-shares)	None	None
Bank of America Corporation	Foreign legal person	0.80	2,000,000,000 (H-shares)	None	None
China Ping An Life Insurance Company Limited –Traditional – Ordinary insurance products	Domestic non-state-owned legal person	0.76	1,907,104,725 (A-shares)	None	None
China Yangtze Power Co., Limited (“Yangtze Power”) ¹	State-owned	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 policy products	Domestic non-state-owned legal person	0.24	591,906,825 (A-shares)	None	None

1. On 4 May 2012, Temasek disclosed interests on the website of Hong Kong Stock Exchange. It disclosed that it held the interests of 17,878,670,050 H-shares of the Bank. As at 30 September 2012, State Grid and Yangtze Power held 2,895,782,730 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 70,549,750,817 H-shares of the Bank were held under the name of HKSCC Nominees Limited.

2. As at 30 September 2012, 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 856,000,000 shares, State Grid International Development Limited held 1,315,282,730 shares, Shandong Luneng Group Co., Ltd. held 374,500,000 shares and State Grid International Development Co., Ltd. held 350,000,000 shares.

3. 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 2012, total assets of the Group reached RMB13,296,482 million, an increase of RMB1,014,648 million or 8.26% over the end of last year. Gross loans and advances to customers reached RMB7,265,975 million, an increase of RMB769,564 million or 11.85% over the end of last year. In this amount, domestic corporate loans were RMB4,843,095 million, personal loans were RMB1,930,830 million, discounted bills were RMB117,957 million, and loans to customers with overseas operations and subsidiaries were RMB374,093 million.

In face of the complicated macroeconomic situation, the Group carried forward its credit structure adjustments with a focus on serving the real economy. It adhered to a unified risk appetite, and strictly abided by its risk limits. Infrastructure loans and residential mortgage loans grew steadily with consolidated market position in its traditional advantageous businesses. Small and micro businesses and credit card business developed fast, and strategic transformation progressed in an orderly manner. The Group kept tight control over credit granted to industries and areas which did not go with the national industrial policies and the Bank's risk preferences, and proactively pushed forward loan examination and rectification for local government financing vehicles. It strengthened credit risk control over and curtailed credit to steel trade, photovoltaic industry and industries with excess capacity, and effectively controlled property development loan growth.

Compared to the end of last year, the non-performing loans increased by RMB2,030 million to RMB72,945 million in accordance with the five-category classification standard; the non-performing loan ratio was 1.00%, down by 0.09 percentage points over the end of last year; the ratio of allowances to non-performing loans was 262.92%, up by 21.48 percentage points over the end of last year.

Total liabilities of the Group stood at RMB12,378,798 million, an increase of RMB913,625 million or 7.97% over the end of last year. Deposits from customers reached RMB11,058,503 million, an increase of RMB1,071,053 million or 10.72% over the end of last year. In this amount, domestic time deposits were RMB5,490,385 million, demand deposits were RMB5,407,740 million; deposits from overseas operations and subsidiaries were RMB160,378 million.

Total equity was RMB917,684 million, an increase of RMB101,023 million or 12.37% over the end of last year.

Loan-to-deposit ratio was 65.70%, staying at a reasonable level.

Capital adequacy ratio was 13.87%, representing an increase of 0.19 percentage points over the end of last year; core capital adequacy ratio was 11.35%, an increase of 0.38 percentage points over the end of last year.

For the nine months ended 30 September 2012, the Group made a net profit of RMB158,519 million, of which the net profit attributable to equity shareholders of the Bank was RMB158,191 million, up by 13.87% and 13.80% respectively over the same period last year. Annualised return on average assets was 1.65%, and annualised return on average equity was 24.18%.

Net interest income was RMB261,024 million, up by 17.05% over the same period last year. Net interest spread was 2.57% and net interest margin was 2.74%, up by 0.01 percentage points and 0.06 percentage points respectively over the same period last year.

Net fee and commission income reached RMB69,921 million, up by 1.64% over the same period last year. The growth rate of net fee and commission income decreased mainly due to the following reasons: with the slow down of economic growth, most domestic commercial banks' fee-based income suffered; growth rates of financial market-related products fell; income from certain products declined as affected by regulatory policies.

Operating expenses increased by RMB17,198 million to RMB113,828 million over the same period last year. Cost-to-income ratio rose by 0.79 percentage points to 33.24% over the same period last year.

Income tax expense was RMB46,987 million, up by RMB5,778 million over the same period last year, and the effective income tax rate was 22.86%.

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 2012	As at 31 December 2011	Change (%)	Causes of the change
Deposits with banks and non-bank financial institutions	540,512	276,752	95.31	Deposits with banks and non-bank financial institutions increased as a result of the increase in funds raised from principal-guaranteed wealth management products.
Precious metals	31,945	22,718	40.62	The Group increased its holdings of precious metals as a result of the customers' robust investment demand, and the rise of precious metals price also contributed to the increase in the balance of precious metals.
Financial assets at fair value through profit or loss	38,234	23,096	65.54	Trading debt securities investment increased for principal-guaranteed wealth management products.
Financial assets held under resale agreements	70,938	200,045	(64.54)	The Group reduced its reverse repo business in line with its liquidity management measures.
Other assets	27,433	18,143	51.20	Assets such as other receivables increased.
Borrowings from central banks	383	2,220	(82.75)	Borrowings from central banks by overseas branches decreased.
Financial assets sold under repurchase agreements	31,492	10,461	201.04	The Group increased its repo business in line with its liquidity management measures.
Interest payable	115,064	80,554	42.84	Interest payable increased as a result of the increase in time deposits.
Debt securities issued	219,381	168,312	30.34	Certificates of deposit issued by overseas branches and China Construction Bank (Asia) Corporation Limited increased.
Other liabilities	50,672	35,598	42.35	Liabilities such as funds pending for clearing increased.
Non-controlling interests	8,924	5,520	61.67	Non-controlling interests increased as a result of the increase in the number of consolidated non-wholly-owned subsidiaries and the capital increase for CCB Life Insurance Company Limited.

(In millions of RMB unless otherwise stated)	Nine months ended 30 September 2012	Nine months ended 30 September 2011	Change (%)	Causes of the change
Interest expense	(187,142)	(125,343)	49.30	Both the average balance and the average cost of interest-bearing liabilities increased.
Net trading gain	971	1,557	(37.64)	Valuation losses from proprietary cross-currency swap deals increased as a result of market fluctuations.
Dividend income	159	88	80.68	Dividend income from listed investments held through debt equity swap increased.
Net gain arising from investment securities	2,300	1,227	87.45	Investment gain arising from available-for-sale equity instruments increased.
Other net operating income	8,063	3,143	156.54	Exchange gain and the premium income from CCB Life Insurance Company Limited increased.
Impairment losses on others	(131)	(807)	(83.77)	Provisions for impairment losses on debt securities investment decreased and impairment losses on certain off-balance sheet businesses were reversed.
Share of profits less losses of associates and jointly controlled entities	16	59	(72.88)	Share of profits less losses of associates and jointly controlled entities for subsidiaries decreased.
Net profit attributable to non-controlling interests	328	195	68.21	Net profit from the domestic non-wholly-owned subsidiaries increased.
Other comprehensive income, net of tax	(1,454)	(9,274)	(84.32)	Loss from fair value changes of the available-for-sale financial assets decreased.

4.2 Progress of major issues, related impacts and solutions

Applicable Not-applicable

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

Applicable Not-applicable

The Bank's shareholders did not give any new undertakings during the reporting period, and the undertakings that continued to be valid during the reporting period were the same as those disclosed in the prospectus of the Bank. As of the end of the reporting period, all undertakings given by the shareholders of the Bank had been fulfilled.

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 PRC GAAP and that prepared under IFRS 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

26 October 2012

As of the date of this announcement, the Bank's executive directors are Mr. Wang Hongzhang and Mr. Zhang Jianguo; independent non-executive directors are 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, Mr. Zhu Zhenmin, Ms. Li Xiaoling, Mr. Lu Xiaoma, Ms. Chen Yuanling and Mr. Dong Shi.

APPENDIX FINANCIAL STATEMENTS PREPARED UNDER IFRS

China Construction Bank Corporation
Consolidated statement of comprehensive income
For the nine months ended 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2012	2011	2012	2011
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interest income	448,166	348,353	152,733	124,895
Interest expense	(187,142)	(125,343)	(61,401)	(47,591)
Net interest income	<u>261,024</u>	<u>223,010</u>	<u>91,332</u>	<u>77,304</u>
Fee and commission income	71,923	70,808	21,398	21,917
Fee and commission expense	(2,002)	(2,016)	(720)	(796)
Net fee and commission income	<u>69,921</u>	<u>68,792</u>	<u>20,678</u>	<u>21,121</u>
Net trading gain	971	1,557	621	888
Dividend income	159	88	70	27
Net gain arising from investment securities	2,300	1,227	486	297
Other operating income, net	<u>8,063</u>	<u>3,143</u>	<u>1,439</u>	<u>934</u>
Operating income	342,438	297,817	114,626	100,571
Operating expenses	<u>(113,828)</u>	<u>(96,630)</u>	<u>(39,258)</u>	<u>(34,073)</u>
	<u>228,610</u>	<u>201,187</u>	<u>75,368</u>	<u>66,498</u>
Impairment losses on:				
- Loans and advances to customers	(22,989)	(20,023)	(8,263)	(6,128)
- Others	(131)	(807)	(119)	(777)
Impairment losses	<u>(23,120)</u>	<u>(20,830)</u>	<u>(8,382)</u>	<u>(6,905)</u>
Share of profit of associates and jointly controlled entities	<u>16</u>	<u>59</u>	<u>8</u>	<u>34</u>
Profit before tax	205,506	180,416	66,994	59,627
Income tax expense	<u>(46,987)</u>	<u>(41,209)</u>	<u>(14,969)</u>	<u>(13,373)</u>
Net profit	<u>158,519</u>	<u>139,207</u>	<u>52,025</u>	<u>46,254</u>

China Construction Bank Corporation
Consolidated statement of comprehensive income (continued)
For the nine months ended 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September		Three months from 1 July to 30 September	
	2012 (Unaudited)	2011 (Unaudited)	2012 (Unaudited)	2011 (Unaudited)
Other comprehensive income:				
Losses of available-for-sale financial assets	(1,548)	(10,675)	(9,105)	(8,023)
Less: Income tax relating to available-for-sale financial assets	378	2,739	2,264	2,055
Reclassification adjustments	(389)	(118)	346	392
	(1,559)	(8,054)	(6,495)	(5,576)
Exchange difference on translating foreign operations	73	(1,243)	(230)	(680)
Others	32	23	27	1
Other comprehensive income for the period, net of tax	<u>(1,454)</u>	<u>(9,274)</u>	<u>(6,698)</u>	<u>(6,255)</u>
Total comprehensive income for the period	<u>157,065</u>	<u>129,933</u>	<u>45,327</u>	<u>39,999</u>
Net profit attributable to:				
Equity shareholders of the Bank	158,191	139,012	51,908	46,187
Non-controlling interests	328	195	117	67
	<u>158,519</u>	<u>139,207</u>	<u>52,025</u>	<u>46,254</u>
Total comprehensive income attributable to:				
Equity shareholders of the Bank	156,747	129,805	45,234	39,947
Non-controlling interests	318	128	93	52
	<u>157,065</u>	<u>129,933</u>	<u>45,327</u>	<u>39,999</u>
Basic and diluted earnings per share (in RMB Yuan)	<u>0.63</u>	<u>0.56</u>	<u>0.21</u>	<u>0.18</u>

China Construction Bank Corporation
Consolidated statement of financial position
As at 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2012	31 December 2011
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	2,347,707	2,379,809
Deposits with banks and non-bank financial institutions	540,512	276,752
Precious metals	31,945	22,718
Placements with banks and non-bank financial institutions	121,765	109,040
Financial assets at fair value through profit or loss	38,234	23,096
Positive fair value of derivatives	14,937	14,127
Financial assets held under resale agreements	70,938	200,045
Interest receivable	68,725	56,776
Loans and advances to customers	7,074,190	6,325,194
Available-for-sale financial assets	672,864	675,058
Held-to-maturity investments	1,841,225	1,743,569
Debt securities classified as receivables	295,535	300,027
Interests in associates and jointly controlled entities	2,351	2,069
Fixed assets	102,416	94,222
Land use rights	15,998	16,457
Intangible assets	1,357	1,660
Goodwill	1,662	1,662
Deferred tax assets	26,688	21,410
Other assets	27,433	18,143
Total assets	13,296,482	12,281,834

China Construction Bank Corporation
Consolidated statement of financial position (continued)
As at 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2012	31 December 2011
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	383	2,220
Deposits from banks and non-bank financial institutions	690,322	966,229
Placements from banks and non-bank financial institutions	90,186	78,725
Financial liabilities at fair value through profit or loss	27,980	33,656
Negative fair value of derivatives	12,680	13,310
Financial assets sold under repurchase agreements	31,492	10,461
Deposits from customers	11,058,503	9,987,450
Accrued staff costs	34,739	35,931
Taxes payable	41,657	47,189
Interest payable	115,064	80,554
Provisions	5,373	5,180
Debt securities issued	219,381	168,312
Deferred tax liabilities	366	358
Other liabilities	50,672	35,598
Total liabilities	12,378,798	11,465,173

China Construction Bank Corporation
 Consolidated statement of financial position (continued)
 As at 30 September 2012
 (Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2012 (Unaudited)	31 December 2011 (Audited)
Equity:		
Share capital	250,011	250,011
Capital reserve	135,210	135,178
Investment revaluation reserve	4,834	6,383
Surplus reserve	67,576	67,576
General reserve	80,236	67,342
Retained earnings	375,435	289,266
Exchange reserve	(4,542)	(4,615)
Total equity attributable to equity shareholders of the Bank	908,760	811,141
Non-controlling interests	8,924	5,520
Total equity	917,684	816,661
Total liabilities and equity	13,296,482	12,281,834

Approved and authorised for issue by the Board of Directors on 26 October 2012.

Zhang Jianguo
*Vice chairman, executive
 director and president*

Wong Kai-Man
*Independent non-executive
 director*

Jenny Shipley
*Independent non-executive
 director*

China Construction Bank Corporation
Statement of financial position
As at 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2012	31 December 2011
	(Unaudited)	(Audited)
Assets:		
Cash and deposits with central banks	2,337,556	2,373,493
Deposits with banks and non-bank financial institutions	542,631	279,861
Precious metals	31,945	22,718
Placements with banks and non-bank financial institutions	127,964	110,533
Financial assets at fair value through profit or loss	26,671	8,715
Positive fair value of derivatives	14,203	13,073
Financial assets held under resale agreements	70,833	200,045
Interest receivable	67,938	56,420
Loans and advances to customers	6,910,515	6,189,363
Available-for-sale financial assets	657,682	663,583
Held-to-maturity investments	1,839,247	1,742,342
Debt securities classified as receivables	294,497	299,765
Investments in subsidiaries	15,188	11,950
Fixed assets	98,870	93,369
Land use rights	15,945	16,404
Intangible assets	879	1,176
Deferred tax assets	27,231	22,003
Other assets	44,728	34,077
Total assets	13,124,523	12,138,890

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	<u>30 September</u> 2012	<u>31 December</u> 2011
	(Unaudited)	(Audited)
Liabilities:		
Borrowings from central banks	321	2,210
Deposits from banks and non-bank financial institutions	693,919	970,033
Placements from banks and non-bank financial institutions	58,846	45,654
Financial liabilities at fair value through profit or loss	24,879	30,966
Negative fair value of derivatives	12,215	12,354
Financial assets sold under repurchase agreements	30,547	11,594
Deposits from customers	10,964,766	9,906,093
Accrued staff costs	34,076	35,182
Taxes payable	41,244	46,950
Interest payable	114,368	80,312
Provisions	5,373	5,180
Debt securities issued	203,853	158,050
Deferred tax liabilities	25	23
Other liabilities	<u>37,314</u>	<u>27,712</u>
Total liabilities	<u>12,221,746</u>	<u>11,332,313</u>

China Construction Bank Corporation
Statement of financial position (continued)
As at 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	30 September 2012	31 December 2011
	(Unaudited)	(Audited)
Equity:		
Share capital	250,011	250,011
Capital reserve	135,183	135,178
Investment revaluation reserve	4,920	6,472
Surplus reserve	67,576	67,576
General reserve	79,390	66,645
Retained earnings	366,413	281,491
Exchange reserve	(716)	(796)
Total equity	902,777	806,577
Total liabilities and equity	13,124,523	12,138,890

Approved and authorised for issue by the Board of Directors on 26 October 2012.

Zhang Jianguo
*Vice chairman, executive
director and president*

Wong Kai-Man
*Independent non-executive
director*

Jenny Shipley
*Independent non-executive
director*

China Construction Bank Corporation
 Consolidated statement of cash flows
 For the nine months ended 30 September 2012
 (Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
<i>Cash flows from operating activities</i>		
Profit before tax	205,506	180,416
<i>Adjustments for:</i>		
– Impairment losses	23,120	20,830
– Depreciation and amortisation	10,066	9,378
– Unwinding of discount	(1,233)	(1,017)
– Revaluation loss on financial instruments at fair value through profit or loss	284	171
– Share of profit of associates and jointly controlled entities	(16)	(59)
– Dividend income	(159)	(88)
– Unrealised foreign exchange loss	17	2,125
– Interest expense on bonds issued	4,133	2,415
– Net gain on disposal of investment securities	(2,300)	(1,227)
– Net gain on disposal of fixed assets and other long-term assets	(33)	(407)
	239,385	212,537

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012	2011
	(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	(192,723)	(333,457)
Net decrease /(increase) in placements with banks and non-bank financial institutions	8,263	(21,866)
Net increase in loans and advances to customers	(772,736)	(687,366)
Net decrease in financial assets held under resale agreements	129,107	114,336
Increase in other operating assets	(45,979)	(204,151)
	(874,068)	(1,132,504)
<i>Changes in operating liabilities:</i>		
Net (decrease) /increase in borrowings from central banks	(1,835)	151
Net increase in placements from banks and non-bank financial institutions	11,559	77,218
Net increase in deposits from customers and from banks and non-bank financial institutions	796,467	726,525
Net increase in financial assets sold under repurchase agreements	21,031	30,679
Net increase in certificates of deposit issued	50,189	30,972
Income tax paid	(56,601)	(42,002)
Increase in other operating liabilities	38,559	24,661
	859,369	848,204
Net cash from /(used in) operating activities	224,686	(71,763)

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
<i>Cash flows from investing activities</i>		
Proceeds from sale and redemption of investments	429,235	902,051
Dividend received	153	88
Proceeds from disposal of fixed assets and other long-term assets	582	795
Purchase of investment securities	(519,282)	(806,788)
Purchase of fixed assets and other long-term assets	(17,704)	(9,494)
Acquisition of associates and jointly controlled entities	(265)	(997)
Net cash (used in) /from investing activities	(107,281)	85,655
<i>Cash flows from financing activities</i>		
Issue of bonds	993	-
Capital contribution by non-controlling interests	3,136	686
Dividend paid	(58,981)	(53,078)
Interest paid on bonds issued	(2,241)	(2,241)
Cash paid for other financing activities	(5)	(51)
Net cash used in financing activities	(57,098)	(54,684)

China Construction Bank Corporation
Consolidated statement of cash flows (continued)
For the nine months ended 30 September 2012
(Expressed in millions of Renminbi, unless otherwise stated)

	Nine months ended 30 September	
	2012	2011
	(Unaudited)	(Unaudited)
Effect of exchange rate changes on cash and cash equivalents	(289)	(1,591)
Net increase /(decrease) in cash and cash equivalents	60,018	(42,383)
Cash and cash equivalents as at 1 January	558,463	301,299
Cash and cash equivalents as at 30 September	618,481	258,916
Cash flows from operating activities include:		
Interest received	433,854	331,093
Interest paid, excluding interest expense on bonds issued	(150,377)	(110,153)