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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 FIRST QUARTER OF 2011**

The board of directors (the “Board”) of China Construction Bank Corporation (the “Bank”) is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (collectively the “Group”) for the period ended 31 March 2011, 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 28 April 2011. Thirteen directors attended the meeting in person. Ms. Wang Shumin and Mr. Lu Xiaoma delegated Mr. Zhu Zhenmin to attend the meeting and vote on their behalf, Lord Peter Levene delegated Rt Hon Dame Jenny Shipley to attend the meeting and vote on his behalf, and 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
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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 the consolidated results of the Bank and its subsidiaries (collectively the “Group”) 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	11,312,516	10,810,317	4.65
Total equity attributable to equity shareholders of the Bank	744,886	696,792	6.90
Net assets per share (in RMB)	3.00	2.80	7.14
	Three months ended 31 March 2011		Change over the same period last year (%)
Net cash flows from operating activities		(185,601)	(223.47)
Net cash flows from operating activities per share (in RMB)		(0.74)	(215.63)
	Reporting period	Three months ended 31 March 2011	Change of the reporting period over the same period last year (%)
Net profit	47,233	47,233	34.23
Net profit attributable to equity shareholders of the Bank	47,185	47,185	34.19
Basic and diluted earnings per share (in RMB) <sup>1</sup>	0.19	0.19	26.67
Annualised return on average equity (%)	26.19	26.19	An increase of 1.68 percentage points

1. The number for the three months ended 31 March 2010 is adjusted and the growth rate is calculated on the assumption that the bonus shares without consideration included in the rights issue of 2010 had existed from the beginning of the comparative period.

## 2.3 The difference between the financial statements prepared under PRC GAAP and those prepared under IFRS

There is no difference in the net profit for the three months ended 31 March 2011 or total equity as at 31 March 2011 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 31 March 2011

2.4.1 As at 31 March 2011, the Bank had a total of 979,515 shareholders, of which 59,651 were holders of H-shares and 919,864 were holders of A-shares.

### 2.4.2 Particulars of shareholdings of top ten shareholders

Particulars of shareholdings of top ten shareholders				
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Type of share
Central Huijin Investment Limited (“Huijin”)	State-owned	57.03	142,590,494,651	H-share
		0.06	154,879,777	A-share
HKSCC Nominees Limited <sup>1</sup>	Foreign legal person	19.79	49,465,600,060	H-share
Bank of America Corporation	Foreign legal person	10.23	25,580,153,370	H-share
Fullerton Financial Holdings Pte Ltd (“Fullerton Financial”) <sup>1</sup>	Foreign legal person	5.65	14,131,828,922	H-share
Baosteel Group Corporation	State-owned legal person	1.28	3,210,000,000	H-share
		0.13	318,860,498	A-share
State Grid Corporation of China (“State Grid”) <sup>1,2</sup>	State-owned legal person	1.16	2,895,782,730	H-share
China Ping An Life Insurance Company Limited –Traditional – Ordinary insurance products	Domestic non-state-owned legal person	0.53	1,325,071,229	A-share
China Yangtze Power Co., Limited (“Yangtze Power”) <sup>1</sup>	State-owned legal person	0.43	1,070,000,000	H-share
Reca Investment Limited	Foreign legal person	0.34	856,000,000	H-share
China Life Insurance Company Limited –Traditional – Ordinary insurance products –005L –CT001SH	Domestic non-state-owned legal person	0.08	204,563,395	A-share

1. As at 31 March 2011, Fullerton Financial, State Grid and Yangtze Power held 14,131,828,922 H-shares, 2,895,782,730 H-shares and 1,070,000,000 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 Fullerton Financial, State Grid and Yangtze Power, another 49,465,600,060 H-shares of the Bank were held under the name of HKSCC Nominees Limited.

2. As at 31 March 2011, 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 Technical Equipment Co., Ltd. held 350,000,000.

3. Rounding errors may arise in the “Shareholding percentage (%)” of the table above.

### 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		
Name of shareholder	Number of shares not subject to selling restrictions	Type of shares
Central Huijin Investment Limited	142,590,494,651	H-share
	154,879,777	A-share
HKSCC Nominees Limited	49,465,600,060	H-share
Fullerton Financial Holdings Pte Ltd	14,131,828,922	H-share
	3,210,000,000	H-share
Baosteel Group Corporation	318,860,498	A-share
State Grid Corporation of China	2,895,782,730	H-share
China Ping An Life Insurance Company Limited –Traditional – Ordinary insurance products	1,325,071,229	A-share
China Yangtze Power Co., Limited	1,070,000,000	H-share
Reca Investment Limited	856,000,000	H-share
China Life Insurance Company Limited –Traditional – Ordinary insurance products –005L –CT001SH	204,563,395	A-share
ChinaAMC Return Fund	165,946,565	A-share

## 3 HIGHLIGHTS OF QUARTERLY RESULTS

As at 31 March 2011, total assets of the Group reached RMB11,312,516 million, an increase of RMB502,199 million or 4.65% over the end of last year. Gross loans and advances to customers reached RMB5,910,098 million, an increase of RMB240,970 million or 4.25% over the end of last year. In this amount, corporate loans, personal loans, discounted bills and overseas operations respectively reached RMB4,150,516 million, RMB1,461,804 million, RMB99,088 million and RMB198,690 million.

The Group further carried out credit structure adjustments. Loans granted to infrastructure sectors and residential mortgage loans grew steadily. Emerging strategic businesses such as small enterprises business developed fast. The Group took rigid controls over new credits granted to local government financing vehicles, steadily pushed forward loan examination and rectification, and dealt with and resolved loan risks in this regard in a timely manner. The Bank took proactive measures in controlling the loan growth in real estate by

paying great attention to the development of real estate control policy and the trend in the real estate market. In addition, the Bank strengthened the closed management of project funds, continued to upgrade its customer structure, and new loans were mainly granted to target prime customers with strong financial strength and high development qualification in regions where housing prices moved at a reasonable level.

Compared to the end of last year, the non-performing loans decreased by RMB157 million to RMB64,555 million in accordance with the five-category classification standard; the non-performing loan ratio was 1.09%, down by 0.05 percentage points over the end of last year; the ratio of allowances to non-performing loans was 228.80%, up by 7.66 percentage points over the end of last year .

Total liabilities of the Group stood at RMB10,563,439, million, an increase of RMB454,027 million or 4.49% over the end of last year. Deposits from customers reached RMB9,459,058 million, an increase of RMB383,689 million or 4.23% over the end of last year. In this amount, time deposits reached RMB4,215,112 million, demand deposits reached RMB5,129,368 million, and overseas operations reached RMB114,578 million.

Total equity was RMB749,077 million, an increase of RMB48,172 million or 6.87% over the end of last year.

Loan-to-deposit ratio was 62.48%, staying at a reasonable level.

Capital adequacy ratio was 12.45% and core capital adequacy ratio was 10.33%, representing decreases of 0.23 percentage points and 0.07 percentage points respectively over the end of last year.

For the three months ended 31 March 2011, the Group made a net profit of RMB47,233 million, of which the net profit attributable to equity shareholders of the Bank was RMB47,185 million, up by 34.23% and 34.19% respectively over the same period last year. This was mainly attributable to the combined effects of factors such as the increase of interest income as a result of the recovery of net interest margin, the rapid growth of net fee and commission income as well as the decline of impairment losses over the same period last year. Annualised return on average assets was 1.71%, and annualised return on average equity was 26.19%.

Net interest income was RMB71,630 million, up by 25.27% over the same period last year. Net interest spread was 2.58% and net interest margin was 2.69%, up by 0.28 percentage points and 0.30 percentage points respectively over the same period last year. Net interest margin rose steadily, due to the combined effects of factors including the interest rate rises by the People's Bank of China, strengthening loan pricing capability, the repricing of residential mortgage loans, as well as the rise of market interest rates.

Net fee and commission income reached RMB23,154 million, up by 37.29% over the same period last year. In this amount, income from key products such as settlement, wealth management, electronic banking, credit card and factoring grew rapidly, with an improved income structure.

Operating expenses increased by RMB5,762 million to RMB30,597 million over the same period last year. Cost-to-income ratio fell by 1.25 percentage points to 31.66% over the same period last year.

Income tax expense was RMB14,017 million, up by RMB3,533 million over the same period last year, and the effective income tax rate was 22.88%.

#### 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 31 March 2011	As at 31 December 2010	Change (%)	Causes of the change
Financial assets held under resale agreements	475,337	181,075	162.51	The Group increased its holdings of bonds and bills under resale agreements.
Other assets	29,810	15,301	94.82	Other receivables and advances increased.
Financial assets sold under repurchase agreements	2,788	4,922	(43.36)	The Group reduced the business under repurchase agreements.

(In millions of RMB unless otherwise stated)	Three months ended 31 March 2011	Three months ended 31 March 2010	Change (%)	Causes of the change
Net fee and commission income	23,154	16,865	37.29	Fees from settlement, wealth management, electronic banking, credit card and factoring grew rapidly.
Other operating income, net	932	472	97.46	The foreign exchange gain increased.
Impairment losses on others	319	199	60.30	Unwinding of impairment losses on repossessed assets and foreign currency debt securities increased.
Profit before tax	61,250	45,673	34.11	This was attributable to the combined effects of factors such as the increases of net interest income, net fee and commission income, and the decline of impairment losses over the same period last year.
Income tax expense	(14,017)	(10,484)	33.70	Profit before tax grew steadily over the same period last year.
Net profit	47,233	35,189	34.23	

Net profit attributable to equity shareholders of the Bank	47,185	35,164	34.19	
Net profit attributable to non-controlling interests	48	25	92.00	Net profit from the domestic non-wholly-owned subsidiaries grew steadily.
Other comprehensive income for the period, net of tax	897	1,461	(38.60)	Increase in the fair value of available-for-sale financial assets was less than that over the same period last year.

#### 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 implemented the rights issue plan of A-shares and H-shares in 2010 and allotted the rights shares to A shareholders and H shareholders on the basis of 0.7 rights shares for every 10 existing shares. The Bank issued 593,657,606 A rights shares and 15,728,235,880 H rights shares at a price of RMB3.77 per share and HK\$4.38 per share respectively, the dealings of which commenced on 19 November 2010 and 16 December 2010 respectively.

In September 2010, Huijin undertook not to reduce its shareholding in the Bank by selling the rights shares allotted to it within six months after the listing date of the rights shares, otherwise, the proceeds obtained through the selling of such shares shall be received by the Bank. As of 31 March 2011, the above undertaking had been fulfilled.

Other than the above, the Bank's shareholders 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. All undertakings given by the shareholders had been fulfilled by 31 March 2011.

#### 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.hkex.com.hk](http://www.hkex.com.hk) and our website [www.ccb.com](http://www.ccb.com).

By order of the Board  
China Construction Bank Corporation  
Zhang Jianguo

*Vice chairman, executive director and president*

28 April 2011

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, Rt Hon 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 three months ended 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
Interest income	107,495	87,588
Interest expense	(35,865)	(30,408)
<b>Net interest income</b>	<b>71,630</b>	<b>57,180</b>
Fee and commission income	23,809	17,363
Fee and commission expense	(655)	(498)
<b>Net fee and commission income</b>	<b>23,154</b>	<b>16,865</b>
Net trading gain	736	787
Dividend income	-	16
Net gain arising from investment securities	178	149
Other operating income, net	932	472
<b>Operating income</b>	<b>96,630</b>	<b>75,469</b>
<b>Operating expenses</b>	<b>(30,597)</b>	<b>(24,835)</b>
	<b>66,033</b>	<b>50,634</b>
Impairment losses on:		
- Loans and advances to customers	(5,113)	(5,167)
- Others	319	199
<b>Impairment losses</b>	<b>(4,794)</b>	<b>(4,968)</b>
<b>Share of profits less losses of associates and jointly controlled entities</b>	<b>11</b>	<b>7</b>
<b>Profit before tax</b>	<b>61,250</b>	<b>45,673</b>
Income tax expense	(14,017)	(10,484)
<b>Net profit</b>	<b>47,233</b>	<b>35,189</b>

China Construction Bank Corporation  
Consolidated statement of comprehensive income (continued)  
For the three months ended 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
<b>Other comprehensive income:</b>		
Gain of available-for-sale financial assets	1,402	2,141
Less: Income tax relating to available-for-sale financial assets	(349)	(554)
Reclassification adjustments for gain included in profit or loss	(29)	(86)
	1,024	1,501
Exchange difference on translating foreign operations	(127)	(46)
Others	-	6
<b>Other comprehensive income for the period, net of tax</b>	897	1,461
<b>Total comprehensive income for the period</b>	48,130	36,650
Net profit attributable to:		
Equity shareholders of the Bank	47,185	35,164
Non-controlling interests	48	25
	47,233	35,189
Total comprehensive income attributable to:		
Equity shareholders of the Bank	48,094	36,624
Non-controlling interests	36	26
	48,130	36,650
<b>Basic and diluted earnings per share (in RMB)</b>	0.19	0.15

China Construction Bank Corporation  
Consolidated statement of financial position  
As at 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Assets:</b>		
Cash and deposits with central banks	2,002,347	1,848,029
Deposits with banks and non-bank financial institutions	68,049	78,318
Precious metals	12,366	14,495
Placements with banks and non-bank financial institutions	72,015	63,962
Financial assets at fair value through profit or loss	19,691	17,344
Positive fair value of derivatives	11,680	11,224
Financial assets held under resale agreements	475,337	181,075
Interest receivable	51,976	44,088
Loans and advances to customers	5,762,394	5,526,026
Available-for-sale financial assets	619,665	696,848
Held-to-maturity investments	1,762,618	1,884,057
Debt securities classified as receivables	305,257	306,748
Interests in associates and jointly controlled entities	1,892	1,777
Fixed assets	81,273	83,434
Land use rights	16,718	16,922
Intangible assets	1,187	1,310
Goodwill	1,523	1,534
Deferred tax assets	16,718	17,825
Other assets	29,810	15,301
Total assets	<u>11,312,516</u>	<u>10,810,317</u>

China Construction Bank Corporation  
Consolidated statement of financial position (continued)  
As at 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Liabilities:</b>		
Borrowings from central banks	1,383	1,781
Deposits from banks and non-bank financial institutions	734,572	683,537
Placements from banks and non-bank financial institutions	72,937	66,272
Financial liabilities at fair value through profit or loss	13,956	15,287
Negative fair value of derivatives	9,451	9,358
Financial assets sold under repurchase agreements	2,788	4,922
Deposits from customers	9,459,058	9,075,369
Accrued staff costs	32,213	31,369
Taxes payable	42,666	34,241
Interest payable	66,531	65,659
Provisions	3,310	3,399
Debt securities issued	97,211	93,315
Deferred tax liabilities	245	243
Other liabilities	27,118	24,660
Total liabilities	<u>10,563,439</u>	<u>10,109,412</u>

China Construction Bank Corporation  
 Consolidated statement of financial position (continued)  
 As at 31 March 2011  
 (Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Equity:</b>		
Share capital	250,011	250,011
Capital reserve	135,136	135,136
Investment revaluation reserve	7,739	6,706
Surplus reserve	50,681	50,681
General reserve	61,407	61,347
Retained earnings	243,075	195,950
Exchange reserve	(3,163)	(3,039)
Total equity attributable to equity shareholders of the Bank	744,886	696,792
Non-controlling interests	4,191	4,113
Total equity	749,077	700,905
Total liabilities and equity	11,312,516	10,810,317

Approved and authorised for issue by the board of directors on 28 April 2011.

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Zhang Jianguo  
*Vice chairman, executive  
 director and president*

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Wong Kai-Man  
*Independent non-executive  
 director*

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Zhao Xijun  
*Independent non-executive  
 director*

China Construction Bank Corporation  
Statement of financial position  
As at 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Assets:</b>		
Cash and deposits with central banks	1,997,487	1,841,867
Deposits with banks and non-bank financial institutions	72,501	78,198
Precious metals	12,366	14,495
Placements with banks and non-bank financial institutions	74,142	68,528
Financial assets at fair value through profit or loss	5,126	3,044
Positive fair value of derivatives	10,567	10,153
Financial assets held under resale agreements	475,337	181,075
Interest receivable	51,634	43,861
Loans and advances to customers	5,651,123	5,428,279
Available-for-sale financial assets	614,949	693,031
Held-to-maturity investments	1,761,944	1,883,927
Debt securities classified as receivables	305,257	306,748
Investments in subsidiaries	9,971	9,869
Fixed assets	80,585	82,696
Land use rights	16,662	16,865
Intangible assets	1,152	1,273
Deferred tax assets	17,760	18,774
Other assets	46,056	32,122
Total assets	<u>11,204,619</u>	<u>10,714,805</u>

China Construction Bank Corporation  
Statement of financial position (continued)  
As at 31 March 2011  
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Liabilities:</b>		
Borrowings from central banks	1,383	1,781
Deposits from banks and non-bank financial institutions	733,881	685,238
Placements from banks and non-bank financial institutions	45,679	41,664
Financial liabilities at fair value through profit or loss	11,433	12,940
Negative fair value of derivatives	9,089	8,734
Financial assets sold under repurchase agreements	9,494	11,089
Deposits from customers	9,393,615	9,014,646
Accrued staff costs	31,627	30,522
Taxes payable	42,360	33,945
Interest payable	66,300	65,592
Provisions	3,304	3,399
Debt securities issued	93,123	91,431
Deferred tax liabilities	15	4
Other liabilities	24,185	22,455
Total liabilities	<u>10,465,488</u>	<u>10,023,440</u>



China Construction Bank Corporation  
Statement of financial position (continued)  
As at 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2011	31 December 2010
	(Unaudited)	(Audited)
<b>Equity:</b>		
Share capital	250,011	250,011
Capital reserve	135,136	135,136
Investment revaluation reserve	7,796	6,743
Surplus reserve	50,681	50,681
General reserve	60,659	60,608
Retained earnings	235,112	188,525
Exchange reserve	(264)	(339)
Total equity	739,131	691,365
Total liabilities and equity	11,204,619	10,714,805

Approved and authorised for issue by the board of directors on 28 April 2011.

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Zhang Jianguo  
*Vice chairman, executive  
director and president*

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Wong Kai-Man  
*Independent non-executive  
director*

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Zhao Xijun  
*Independent non-executive  
director*

China Construction Bank Corporation  
 Consolidated statement of cash flows  
 For the three months ended 31 March 2011  
 (Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities</i></b>		
Profit before tax	61,250	45,673
<i>Adjustments for:</i>		
– Impairment losses	4,794	4,968
– Depreciation and amortisation	3,181	2,889
– Unwinding of discount	(334)	(196)
– Revaluation gain on financial instruments at fair value through profit or loss	(129)	(326)
– Share of profit less losses of associates and jointly controlled entities	(11)	(7)
– Dividend income	-	(16)
– Unrealised foreign exchange loss/(gain)	564	(694)
– Interest expense on bonds issued	808	823
– Net gain on disposal of investment securities	(178)	(149)
– Net gain on disposal of fixed assets and other long-term assets	(13)	(4)
	69,932	52,961

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities (continued)</i></b>		
<i>Changes in operating assets:</i>		
Net increase in deposits with central banks and with banks and non-bank financial institutions	(127,018)	(155,474)
Net (increase)/decrease in placements with banks and non-bank financial institutions	(9,454)	1,204
Net increase in loans and advances to customers	(243,711)	(245,292)
Net (increase)/decrease in financial assets held under resale agreements	(294,266)	53,095
Increase in other operating assets	(24,064)	(14,074)
	(698,513)	(360,541)
<i>Changes in operating liabilities:</i>		
Net decrease in borrowings from central banks	(389)	-
Net increase in placements from banks and non- bank financial institutions	6,964	9,922
Net increase in deposits from customers and from banks and non-bank financial institutions	436,122	439,708
Net decrease in financial assets sold under repurchase agreements	(2,157)	-
Net increase/(decrease) in certificates of deposit issued	3,992	(2,633)
Income tax paid	(4,660)	(3,693)
Increase in other operating liabilities	3,108	14,602
	442,980	457,906
<b>Net cash (used in)/from operating activities</b>	(185,601)	150,326

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
<b><i>Cash flows from investing activities</i></b>		
Proceeds from sale and redemption of investments	483,768	226,098
Dividends received	-	17
Proceeds from disposal of fixed assets and other long-term assets	98	178
Purchase of investment securities	(280,161)	(467,000)
Purchase of fixed assets and other long-term assets	(560)	(682)
Acquisition of associates and jointly controlled entities	(3)	-
<b>Net cash from/(used in) investing activities</b>	<b>203,142</b>	<b>(241,389)</b>
<b><i>Cash flows from financing activities</i></b>		
Capital contribution by non-controlling interests	106	47
Dividends paid	-	(5)
Interest paid on bonds issued	(1,505)	(1,554)
Cash paid related to other financing activities	(51)	-
<b>Net cash used in financing activities</b>	<b>(1,450)</b>	<b>(1,512)</b>

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2011  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2011	2010
	(Unaudited)	(Unaudited)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(232)	(7)
<b>Net increase/(decrease) in cash and cash equivalents</b>	15,859	(92,582)
<b>Cash and cash equivalents as at 1 January</b>	301,299	380,249
<b>Cash and cash equivalents as at 31 March</b>	317,158	287,667
<b>Cash flows from operating activities include:</b>		
Interest received	97,004	80,525
Interest paid, excluding interest expense on bonds issued	(33,485)	(27,562)