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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 FIRST QUARTER OF 2013**

The board of directors (the “Board”) of China Construction Bank Corporation (the “Bank”) is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (collectively the “Group”) for the period ended 31 March 2013, prepared under the International Financial Reporting Standards (IFRS). This announcement is made in accordance with Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

## 1 IMPORTANT NOTICE

1.1 The Board and the board of supervisors of the Bank and its directors, supervisors and senior management warrant that the information contained in this report is truthful, accurate and complete and there are no false presentations or misleading statements contained in, or material omissions from, this report, and severally and jointly bear legal liability.

1.2 This quarterly report has been reviewed and approved at the Board meeting of the Bank held on 26 April 2013. Eleven directors attended the meeting in person. 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 set forth in this quarterly report is the consolidated results of the Group prepared under IFRS and expressed in RMB unless otherwise stated.

(Expressed in millions of RMB unless otherwise stated)	At the end of the reporting period	At the end of last year	Change (%)
Total assets	14,676,634	13,972,828	5.04
Total equity attributable to equity shareholders of the Bank	1,002,812	941,668	6.49
Net assets per share (in RMB)	4.04	3.80	6.32
	Three months ended 31 March 2013		Change over the same period last year (%)
Net cash flows from operating activities	(135,857)		(155.06)
Net cash flows from operating activities per share (in RMB)	(0.54)		(154.55)
	Reporting period	Three months ended 31 March 2013	Change of the reporting period over the same period last year (%)
Net profit	59,713	59,713	15.70
Net profit attributable to equity shareholders of the Bank	59,580	59,580	15.66
Basic and diluted earnings per share (in RMB)	0.24	0.24	15.66
Annualised return on average equity (%)	24.52	24.52	A decrease of 0.09 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 three months ended 31 March 2013 or total equity as at 31 March 2013 between the Group's consolidated financial statements prepared under PRC GAAP and those prepared under IFRS.

## 2.4 Number of shareholders and particulars of shareholdings

2.4.1 As at 31 March 2013, the Bank had a total of 822,665 shareholders, of which 52,713 were holders of H-shares and 769,952 were holders of A-shares.

### 2.4.2 Particulars of shareholdings of top ten shareholders

Unit: share

Particulars of shareholdings of top ten shareholders (based on the register of members as at 31 March 2013)					
Name of shareholder	Nature of shareholder	Shareholding percentage (%)	Number of shares held	Number of shares subject to selling restrictions	Number of shares pledged or frozen
Central Huijin Investment Limited (“Huijin”)	State-owned	57.03	142,590,494,651 (H-share)	None	None
		0.19	468,140,589 (A-share)	None	None
HKSCC Nominees Limited <sup>1</sup>	Foreign legal person	28.24	70,602,858,569 (H-share)	None	Unknown
Temasek Holdings (Private) Limited (“Temasek”) <sup>1</sup>	Foreign legal person	7.15	17,878,670,050 (H-share)	None	None
State Grid Corporation of China (“State Grid”) <sup>1,2</sup>	State-owned legal person	1.14	2,851,817,730 (H-share)	None	None
Baosteel Group Corporation	State-owned legal person	0.80	2,000,000,000 (H-share)	None	None
		0.13	318,860,498 (A-share)	None	None
Bank of America Corporation	Foreign legal person	0.80	2,000,000,000 (H-share)	None	None
China Ping An Life Insurance Company Limited –Traditional – Ordinary insurance products	Domestic non-state-owned legal person	0.76	1,907,904,725 (A-share)	None	None
China Yangtze Power Co., Limited (“Yangtze Power”) <sup>1</sup>	State-owned legal person	0.41	1,015,613,000 (H-share)	None	None
Reca Investment Limited	Foreign legal person	0.34	856,000,000 (H-share)	None	None
China Ping An Life Insurance Company Limited –Traditional – High interest rate insurance products	Domestic non-state-owned legal person	0.24	591,906,825 (A-shares)	None	None

- On 4 May 2012, Temasek declared interests on the website of the Stock Exchange of Hong Kong Limited. It disclosed that it held the interests of 17,878,670,050 H-shares of the Bank. As at 31 March 2013, State Grid and Yangtze Power held 2,851,817,730 H-shares and 1,015,613,000 H-shares of the Bank respectively, all of which were held under the name of HKSCC Nominees Limited. Besides the H-shares of the Bank held by Temasek, State Grid and Yangtze Power, another 70,602,858,569 H-shares of the Bank were held under the name of HKSCC Nominees Limited.
- As at 31 March 2013, the holding of H-shares of the Bank by State Grid through its wholly-owned subsidiaries was as follows: Yingda International Holdings Group Co. Ltd. held 812,035,000 shares, State Grid International Development Limited held 1,315,282,730 shares, Shandong Luneng Group Co., Ltd. held 374,500,000 shares and State Grid International Development Co., Ltd. held 350,000,000 shares.
- Some of the shareholders mentioned above are subject to management by the same entity. Apart from this, the Bank has not been aware of any connected relation or acting in concert among the shareholders.

### **3 HIGHLIGHTS OF QUARTERLY RESULTS**

As at 31 March 2013, total assets of the Group reached RMB14,676,634 million, an increase of RMB703,806 million or 5.04% over the end of last year.

Gross loans and advances to customers reached RMB7,859,923 million, an increase of RMB347,611 million or 4.63% over the end of last year. In this amount, domestic corporate loans, personal loans and discounted bills of the Bank were RMB5,077,272 million, RMB2,106,756 million, and RMB132,395 million respectively; overseas entities and subsidiaries loans were RMB543,500 million.

The Group further stepped up credit structure adjustments and mainly supported the development of real economy since this year. Traditional advantageous businesses were consolidated, emerging business sectors were fast explored, and loans to industries with excess capacity continuously decreased. The Group proactively responded to changes in macro-economic situation, enhanced risk warning and precaution, strengthened risk prevention and control over key areas, and accelerated risk disposal and mitigation. The credit asset quality remained stable.

Compared to the end of last year, the non-performing loans increased by RMB3,158 million to RMB77,776 million in accordance with the five-category loan classification standard. The non-performing loan ratio was 0.99%, the same as that at the end of last year. The ratio of allowances to non-performing loans was 270.76%, down by 0.53 percentage points over the end of last year.

Total liabilities of the Group stood at RMB13,665,809 million, an increase of RMB642,526 million or 4.93% over the end of last year.

Deposits from customers reached RMB12,004,634 million, an increase of RMB661,555 million or 5.83% over the end of last year. In this amount, domestic time deposits and demand deposits of the Bank were RMB5,706,604 million and RMB6,091,418 million respectively; deposits from overseas entities and subsidiaries were RMB206,612 million.

Total equity was RMB1,010,825 million, an increase of RMB61,280 million or 6.45% over the end of last year.

Loan-to-deposit ratio was 65.47%, staying at a reasonable level.

For the three months ended 31 March 2013, the Group made a net profit of RMB59,713 million, of which net profit attributable to equity shareholders of the Bank was RMB59,580 million, up by 15.70% and 15.66% respectively over the same period last year. Annualised return on average assets was 1.67%, and annualised return on average equity was 24.52%.

Net interest income was RMB92,311 million, up by 12.44% over the same period last year. Net interest spread was 2.54% and net interest margin was 2.71%, both up by 0.06 percentage points over the same period last year.

Net fee and commission income was RMB28,894 million, up by 18.90% over the same period last year. In this amount, traditional advantageous products such as cost advisory services and entrusted housing finance business continuously maintained fast growth, and emerging products such as credit card, precious metals, and new financial advisory services also achieved good performance.

Operating expenses increased by 10.10% to RMB40,028 million over the same period last year. Cost-to-income ratio decreased by 1.51 percentage points to 24.01% over the same period last year.

Income tax expense was RMB17,647 million, up by 16.10% over the same period last year, and the effective income tax rate was 22.81%.

### **Capital adequacy ratio**

From the current reporting period, the Group commenced to calculate capital adequacy ratios, in accordance with *the Rules for Capital Management of Commercial Banks (Provisional)*(the “Rules”), promulgated by China Banking Regulatory Commission in June 2012. According to the Rules, credit risk-weighted assets were measured with the regulatory weight approach, market risk-weighted assets were measured with the standardised approach, and operational risk-weighted assets were measured with the basic indicator approach for the current reporting period.

As at 31 March 2013, the Group’s capital adequacy ratio was 13.63%, Tier 1 capital adequacy ratio was 10.92%, and core Tier 1 capital adequacy ratio was 10.92%.

Since the Group’s capital adequacy ratios were calculated from this quarter on according to the latest Rules, which included operational risk into the measurement scope, with modifications of rules on capital definition, risk weights for on and off-balance sheet assets, and credit conversion factors for off-balance sheet assets. Changes of rules had an impact on the Group’s capital adequacy ratios.

## 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 2013	As at 31 December 2012	Change (%)	Causes of the change
Financial assets held under resale agreements	476,879	316,685	50.58	The Bank increased investments in financial assets held under resale agreements because of ample liquidity.
Other assets	45,696	23,335	95.83	Temporary funds such as short-term funds pending for disposal increased.
Borrowings from central banks	21,020	6,281	234.66	Placements from overseas central banks by overseas branches increased.
Financial assets sold under repurchase agreements	1,384	2,360	(41.36)	CCB life Insurance Company Limited, which was included in the consolidated financial statements, decreased its investments in financial assets sold under repurchase agreements.
Other liabilities	64,731	47,389	36.59	Liabilities such as funds pending for clearing increased.
Investment revaluation reserve	4,877	3,023	61.33	Affected by the impact of downward market interest rates, the fair value of available-for-sale bond investments increased.

(In millions of RMB unless otherwise stated)	Three months ended 31 March 2013	Three months ended 31 March 2012	Change (%)	Causes of the change
Net trading gain/(loss)	715	(263)	(371.86)	The valuation loss of derivative financial instruments decreased.
Net gain arising from investment securities	344	641	(46.33)	The reduction amount of investment held through debt equity swap decreased, and relative gains decreased accordingly.
Net profit attributable to non-controlling interests	133	97	37.11	Net profit from the non-wholly-owned subsidiaries increased.
Other comprehensive income for the period, net of tax	1,563	803	94.65	Affected by the impact of downward market interest rates, the fair value of available-for-sale bond investments increased.

#### 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

On 12 October 2012, the Bank published *the Announcement on Increase in Shareholding by Controlling Shareholder of China Construction Bank Corporation*, the main contents of which are that on 10 October 2012 the Bank received a notice from Huijin, its controlling shareholder, stated that Huijin increased its shareholding of the Bank through the trading system of the Shanghai Stock Exchange and it intended to continue to increase, in its own capacity, its shareholding in the Bank from the secondary market within six months commencing from 10 October 2012.

By 9 April 2013, Huijin has completed this round of share acquisition and increased its shareholding of the Bank by 169,082,550 A-shares in total through the trading system of the Shanghai Stock Exchange, representing approximately 0.068% of the total issued share capital of the Bank. Immediately following this round of share acquisition, Huijin held 143,058,635,240 shares of the Bank (comprising 468,140,589 A-shares and 142,590,494,651 H-shares), representing approximately 57.22% of the total issued share capital of the Bank.

Apart from this, the Bank's shareholders did not give new undertakings during the reporting period. All undertakings given by the shareholders had been fulfilled by the end of the reporting period.

#### 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](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*

26 April 2013

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, 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, Mr. Zhu Zhenmin, Ms. Li Xiaoling, Ms. Chen Yuanling and Mr. Dong Shi.

APPENDIX 1 FINANCIAL STATEMENTS PREPARED UNDER IFRS

China Construction Bank Corporation  
 Consolidated statement of comprehensive income  
 For the three months ended 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
Interest income	154,938	145,266
Interest expense	(62,627)	(63,165)
<b>Net interest income</b>	<b>92,311</b>	<b>82,101</b>
Fee and commission income	29,599	24,934
Fee and commission expense	(705)	(632)
<b>Net fee and commission income</b>	<b>28,894</b>	<b>24,302</b>
Net trading gain/(loss)	715	(263)
Dividend income	5	2
Net gain arising from investment securities	344	641
Other operating income, net	3,656	3,057
<b>Operating income</b>	<b>125,925</b>	<b>109,840</b>
<b>Operating expenses</b>	<b>(40,028)</b>	<b>(36,356)</b>
	<b>85,897</b>	<b>73,484</b>
Impairment losses on:		
- Loans and advances to customers	(8,440)	(6,633)
- Others	(103)	(53)
<b>Impairment losses</b>	<b>(8,543)</b>	<b>(6,686)</b>
<b>Share of profits less losses of associates and jointly controlled entities</b>	<b>6</b>	<b>11</b>
<b>Profit before tax</b>	<b>77,360</b>	<b>66,809</b>
Income tax expense	(17,647)	(15,200)
<b>Net profit</b>	<b>59,713</b>	<b>51,609</b>

China Construction Bank Corporation  
Consolidated statement of comprehensive income (continued)  
For the three months ended 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
<b>Other comprehensive income:</b>		
Gain of available-for-sale financial assets	2,812	1,085
Less: Income tax relating to available-for-sale financial assets	(690)	(272)
Reclassification adjustments for gain included in profit or loss	(270)	(136)
	1,852	677
Exchange difference on translating foreign operations	(289)	126
<b>Other comprehensive income for the period, net of tax</b>	1,563	803
<b>Total comprehensive income for the period</b>	61,276	52,412
Net profit attributable to:		
Equity shareholders of the Bank	59,580	51,512
Non-controlling interests	133	97
	59,713	51,609
Total comprehensive income attributable to:		
Equity shareholders of the Bank	61,144	52,313
Non-controlling interests	132	99
	61,276	52,412
<b>Basic and diluted earnings per share (in RMB Yuan)</b>	0.24	0.21

China Construction Bank Corporation  
Consolidated statement of financial position  
As at 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Assets:</b>		
Cash and deposits with central banks	2,511,276	2,458,069
Deposits with banks and non-bank financial institutions	644,547	585,898
Precious metals	39,775	38,419
Placements with banks and non-bank financial institutions	164,816	129,653
Financial assets at fair value through profit or loss	31,017	27,572
Positive fair value of derivatives	12,823	12,671
Financial assets held under resale agreements	476,879	316,685
Interest receivable	75,554	68,264
Loans and advances to customers	7,649,339	7,309,879
Available-for-sale financial assets	717,592	701,041
Held-to-maturity investments	1,927,236	1,918,322
Debt securities classified as receivables	218,232	219,713
Interests in associates and jointly controlled entities	2,374	2,366
Fixed assets	113,787	113,946
Land use rights	16,031	16,232
Intangible assets	1,969	2,061
Goodwill	1,644	1,651
Deferred tax assets	26,047	27,051
Other assets	45,696	23,335
<b>Total assets</b>	<b>14,676,634</b>	<b>13,972,828</b>

China Construction Bank Corporation  
Consolidated statement of financial position (continued)  
As at 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Liabilities:</b>		
Borrowings from central banks	21,020	6,281
Deposits from banks and non-bank financial institutions	852,644	977,487
Placements from banks and non-bank financial institutions	142,872	120,256
Financial liabilities at fair value through profit or loss	41,575	37,251
Negative fair value of derivatives	12,471	11,541
Financial assets sold under repurchase agreements	1,384	2,360
Deposits from customers	12,004,634	11,343,079
Accrued staff costs	31,704	32,772
Taxes payable	64,652	53,271
Interest payable	131,523	123,215
Provisions	5,540	5,058
Debt securities issued	290,732	262,991
Deferred tax liabilities	327	332
Other liabilities	64,731	47,389
<b>Total liabilities</b>	<b>13,665,809</b>	<b>13,023,283</b>

China Construction Bank Corporation  
 Consolidated statement of financial position (continued)  
 As at 31 March 2013  
 (Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Equity:</b>		
Share capital	250,011	250,011
Capital reserve	135,217	135,217
Investment revaluation reserve	4,877	3,023
Surplus reserve	86,718	86,718
General reserve	80,844	80,483
Retained earnings	450,253	391,034
Exchange reserve	(5,108)	(4,818)
Total equity attributable to equity shareholders of the Bank	1,002,812	941,668
Non-controlling interests	8,013	7,877
Total equity	1,010,825	949,545
Total liabilities and equity	14,676,634	13,972,828

Approved and authorised for issue by the Board of Directors on 26 April 2013.

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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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Li Xiaoling  
*Non-executive  
 director*

China Construction Bank Corporation  
Statement of financial position  
As at 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Assets:</b>		
Cash and deposits with central banks	2,503,503	2,443,276
Deposits with banks and non-bank financial institutions	651,399	584,538
Precious metals	39,775	38,419
Placements with banks and non-bank financial institutions	187,631	138,015
Financial assets at fair value through profit or loss	20,413	16,206
Positive fair value of derivatives	11,782	11,667
Financial assets held under resale agreements	476,825	316,624
Interest receivable	74,596	67,581
Loans and advances to customers	7,437,658	7,142,317
Available-for-sale financial assets	694,161	681,416
Held-to-maturity investments	1,923,891	1,915,811
Debt securities classified as receivables	216,258	217,741
Investments in subsidiaries	17,527	16,676
Fixed assets	110,258	110,343
Land use rights	15,980	16,181
Intangible assets	1,478	1,564
Deferred tax assets	26,574	27,517
Other assets	62,599	40,858
<b>Total assets</b>	<b>14,472,308</b>	<b>13,786,750</b>

China Construction Bank Corporation  
Statement of financial position (continued)  
As at 31 March 2013  
(Expressed in millions of Renminbi, unless otherwise stated)

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Liabilities:</b>		
Borrowings from central banks	20,918	6,169
Deposits from banks and non-bank financial institutions	854,164	980,497
Placements from banks and non-bank financial institutions	98,964	77,640
Financial liabilities at fair value through profit or loss	38,126	34,533
Negative fair value of derivatives	11,722	10,045
Financial assets sold under repurchase agreements	829	891
Deposits from customers	11,905,610	11,250,000
Accrued staff costs	30,940	31,886
Taxes payable	64,157	52,862
Interest payable	130,777	122,804
Provisions	5,540	5,058
Debt securities issued	265,726	245,024
Deferred tax liabilities	-	-
Other liabilities	48,960	33,884
<b>Total liabilities</b>	<b>13,476,433</b>	<b>12,851,293</b>



China Construction Bank Corporation  
Statement of financial position (continued)  
As at 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	31 March 2013	31 December 2012
	(Unaudited)	(Audited) (Restated)
<b>Equity:</b>		
Share capital	250,011	250,011
Capital reserve	135,140	135,140
Investment revaluation reserve	4,893	3,078
Surplus reserve	86,718	86,718
General reserve	79,461	79,444
Retained earnings	440,593	381,844
Exchange reserve	(941)	(778)
Total equity	995,875	935,457
Total liabilities and equity	14,472,308	13,786,750

Approved and authorised for issue by the Board of Directors on 26 April 2013.

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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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Li Xiaoling  
*Non-executive  
director*

China Construction Bank Corporation  
 Consolidated statement of cash flows  
 For the three months ended 31 March 2013  
 (Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities</i></b>		
Profit before tax	77,360	66,809
<i>Adjustments for:</i>		
– Impairment losses	8,543	6,686
– Depreciation and amortisation	3,683	3,312
– Unwinding of discount	(361)	(429)
– Revaluation loss on financial instruments at fair value through profit or loss	722	1,109
– Share of profit less losses of associates and jointly controlled entities	(6)	(11)
– Dividend income	(5)	(2)
– Unrealised foreign exchange (gain)/loss	(866)	30
– Interest expense on bonds issued	1,891	1,375
– Net gain on disposal of investment securities	(344)	(641)
– Net gain on disposal of fixed assets and other long-term assets	(30)	-
	90,587	78,238

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2013  
(Expressed in millions of Renminbi, unless otherwise stated)

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
<b><i>Cash flows from operating activities</i></b>		
<b><i>(continued)</i></b>		
 <i>Changes in operating assets:</i>		
Net increase in deposits with central banks and with banks and non-bank financial institutions	(290,868)	(168,195)
Net (increase)/decrease in placements with banks and non-bank financial institutions	(17,949)	1,978
Net increase in loans and advances to customers	(350,540)	(332,093)
Net increase in financial assets held under resale agreements	(160,194)	(236,970)
Increase in other operating assets	(34,057)	(27,199)
	(853,608)	(762,479)
 <i>Changes in operating liabilities:</i>		
Net increase in borrowings from central banks	14,775	1,226
Net increase in placements from banks and non-bank financial institutions	22,954	27,220
Net increase in deposits from customers and from banks and non-bank financial institutions	538,761	869,893
Net decrease in financial assets sold under repurchase agreements	(976)	(7,896)
Net increase in certificates of deposit issued	28,104	28,920
Income tax paid	(4,547)	(4,418)
Increase in other operating liabilities	28,093	16,018
	627,164	930,963
<b>Net cash (used in)/from operating activities</b>	<b>(135,857)</b>	<b>246,722</b>

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
<b><i>Cash flows from investing activities</i></b>		
Proceeds from sale and redemption of investments	141,858	125,541
Dividends received	6	2
Proceeds from disposal of fixed assets and other long-term assets	388	186
Purchase of investment securities	(162,930)	(170,180)
Purchase of fixed assets and other long-term assets	(3,165)	(4,615)
Acquisition of associates and jointly controlled entities	(6)	-
<b>Net cash used in investing activities</b>	<b>(23,849)</b>	<b>(49,066)</b>
<b><i>Cash flows from financing activities</i></b>		
Capital contribution by non-controlling interests	-	88
Dividends paid	(18)	(7)
Interest paid on bonds issued	(1,505)	(1,505)
<b>Net cash used in financing activities</b>	<b>(1,523)</b>	<b>(1,424)</b>

China Construction Bank Corporation  
Consolidated statement of cash flows (continued)  
For the three months ended 31 March 2013  
*(Expressed in millions of Renminbi, unless otherwise stated)*

	Three months ended 31 March	
	2013	2012
	(Unaudited)	(Unaudited)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	(326)	11
<b>Net (decrease)/increase in cash and cash equivalents</b>	(161,555)	196,243
<b>Cash and cash equivalents as at 1 January</b>	748,920	558,463
<b>Cash and cash equivalents as at 31 March</b>	587,365	754,706
<b>Cash flows from operating activities include:</b>		
Interest received	147,321	133,753
Interest paid, excluding interest expense on bonds issued	(52,809)	(50,823)

## APPENDIX 2 CAPITAL ADEQUACY RATIO

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

(In millions of RMB, except percentages)	As at 31 March 2013	
	Group	Bank
<b>Capital after deductions:</b>		
Core Tier 1 capital	999,130	957,655
Tier 1 capital	999,144	957,655
Total capital	1,246,790	1,202,335
<b>Capital adequacy ratios:</b>		
Core Tier 1 capital adequacy ratio	10.92%	10.77%
Tier 1 capital adequacy ratio	10.92%	10.77%
Capital adequacy ratio	13.63%	13.52%

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

	As at 31 March 2013	
	Group	Bank
Core capital adequacy ratio	11.10%	11.03%
Capital adequacy ratio	13.98%	13.77%