

Unaudited Supplementary Financial Information

(Expressed in millions of Renminbi unless otherwise stated)

(a) LIQUIDITY RATIOS

	As at 30 June 2006	As at 30 June 2005
Renminbi current assets to Renminbi current liabilities	64.43%	55.77%
Foreign currency current assets to foreign currency current liabilities	133.38%	80.62%

The above liquidity ratios are calculated in accordance with the formula promulgated by the People's Bank of China and China Banking Regulatory Commission ("CBRC"), and based on the financial report of China Construction Bank Corporation (the "Bank") prepared under the Accounting Standards for Business Enterprises, the Accounting Regulations for Financial Enterprises (2001) and other relevant regulations issued by the Ministry of Finance of the PRC (collectively "PRC GAAP").

(b) CAPITAL ADEQUACY RATIO

The capital adequacy ratio is prepared on a solo basis in accordance with the guideline Regulation Governing Capital Adequacy of Commercial Banks [CBRC Order (2004) No. 2] effective on 1 March 2004, which may have significant differences with the relevant requirements in the Hong Kong Special Administrative Region ("Hong Kong") of the People's Republic of China (the "PRC") or other countries.

(b) CAPITAL ADEQUACY RATIO (Cont'd)

The capital adequacy ratios and the related components of the Bank at balance sheet date, calculated based on PRC GAAP, were as follows:

	As at 30 June 2006	As at 31 December 2005
Core capital adequacy ratio (note (i))	10.77%	11.08%
Capital adequacy ratio (note (ii))	13.15%	13.57%
Components of capital base		
Core capital:		
— paid-up ordinary share capital	224,689	224,689
— share premium	42,091	42,091
— other reserves	38,359	17,429
	305,139	284,209
Supplementary capital:		
— general provision for doubtful debts	28,128	24,563
— term subordinated bonds	40,000	40,000
	68,128	64,563
Total capital base before deductions	373,267	348,772
Deductions:		
— unconsolidated equity investments	(1,844)	(1,528)
Total capital base after deductions	371,423	347,244
Risk weighted assets	2,824,226	2,558,956

Notes:

- (i) Core capital adequacy ratio is calculated by dividing the net amount of core capital after deductions of 50% of unconsolidated equity investments by risk weighted assets.
- (ii) Capital adequacy ratio is calculated by dividing the total capital base after deductions by risk weighted assets.

(c) CURRENCY CONCENTRATIONS

	As at 30 June 2006			Total
	US Dollars	HK Dollars	Others	
Spot assets	456,965	33,802	40,847	531,614
Spot liabilities	(173,516)	(38,224)	(28,996)	(240,736)
Forward purchases	104,220	5,248	9,390	118,858
Forward sales	(169,211)	(778)	(15,088)	(185,077)
Net option position	(179,831)	—	—	(179,831)
Net long position	38,627	48	6,153	44,828
Net structural position	—	204	17	221

	As at 31 December 2005			Total
	US Dollars	HK Dollars	Others	
Spot assets	433,717	48,014	36,011	517,742
Spot liabilities	(151,271)	(30,922)	(23,360)	(205,553)
Forward purchases	100,048	6,513	7,368	113,929
Forward sales	(135,922)	(22,627)	(14,389)	(172,938)
Net option position	(181,580)	—	—	(181,580)
Net long position	64,992	978	5,630	71,600
Net structural position	—	203	12	215

The net option position is calculated using the delta equivalent approach required by the Hong Kong Monetary Authority (the “HKMA”). The net structural position of the Bank and its subsidiaries (collectively the “Group”) includes the structural positions of the Bank’s overseas branches, banking subsidiaries and other subsidiaries substantially involved in foreign exchange. Structural assets and liabilities include:

- Investments in fixed assets and premises, net of depreciation charges;
- Capital and statutory reserves of overseas branches; and
- Investments in overseas subsidiaries and related companies.

(d) CROSS-BORDER CLAIMS

The Group is principally engaged in business operations within Mainland China, and regards all claims on third parties outside Mainland China as cross-border claims.

For the purpose of these unaudited supplementary financial information, Mainland China excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan.

Cross-border claims include loans and advances, balances and placements with banks and non-bank financial institutions, holdings of trade bills and certificates of deposit and investment securities.

Cross-border claims have been disclosed by country or geographical area. A country or geographical area is reported where it constitutes 10% or more of the aggregate amount of cross-border claims, after taking into account any risk transfers. Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

	As at 30 June 2006			
	Banks and non-bank financial institutions	Public sector entities	Others	Total
Asia Pacific excluding Mainland China	32,755	2,960	16,224	51,939
— of which attributed to Hong Kong	7,791	2,068	5,522	15,381
Europe	80,673	4,624	3,668	88,965
North and South America	119,253	120,743	6,924	246,920
	232,681	128,327	26,816	387,824

(d) CROSS-BORDER CLAIMS (Cont'd)

	As at 31 December 2005			
	Banks and non-bank financial institutions	Public sector entities	Others	Total
Asia Pacific excluding Mainland China	123,597	1,479	17,183	142,259
— of which attributed to Hong Kong	83,578	903	6,165	90,646
Europe	74,108	3,805	5,897	83,810
North and South America	85,507	81,085	6,818	173,410
	<u>283,212</u>	<u>86,369</u>	<u>29,898</u>	<u>399,479</u>

(e) OVERDUE LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHIC SECTOR

	As at <u>30 June 2006</u>	As at <u>31 December 2005</u>
Yangtze River Delta	9,183	8,395
Pearl River Delta	13,542	13,965
Bohai Rim	19,304	18,178
Central	12,471	11,443
Western	13,326	14,019
Northeastern	6,265	6,181
Head office	2,316	2,234
Overseas	55	77
Total	<u>76,462</u>	<u>74,492</u>

The above analysis represents loans and advances overdue for more than 90 days as required by the HKMA.

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue.

For loans and advances repayable by regular instalments, if part of the instalments is overdue, the whole amount of these loans would be classified as overdue.

(e) OVERDUE LOANS AND ADVANCES TO CUSTOMERS BY GEOGRAPHIC SECTOR

(Cont'd)

Loans and advances repayable on demand are classified as overdue when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instructions. If the loans and advances repayable on demand are outside the approved limit that was advised to the borrower, they are also considered as overdue.

(f) GROSS AMOUNT OF OVERDUE LOANS AND ADVANCES TO CUSTOMERS

	As at 30 June 2006	As at 31 December 2005
Gross loans and advances to customers which have been overdue with respect to either principal or interest for periods of:		
— between 3 and 6 months	10,098	11,475
— between 6 and 12 months	13,951	15,567
— over 12 months	52,413	47,450
Total	76,462	74,492
As a percentage of total gross loans and advances to customers:		
— between 3 and 6 months	0.36%	0.47%
— between 6 and 12 months	0.50%	0.63%
— over 12 months	1.86%	1.93%
Total	2.72%	3.03%

The definition of overdue loans and advances to customers is set out in the unaudited supplementary financial information (e).

There were no overdue loans and advances to financial institutions as at 30 June 2006 and 31 December 2005.

(g) RESCHEDULED LOANS AND ADVANCES TO CUSTOMERS

	As at 30 June 2006		As at 31 December 2005	
		% of total loans and advances		% of total loans and advances
Rescheduled loans and advances to customers	7,597	0.27%	5,012	0.20%
Less:				
— rescheduled loans and advances to customers but overdue more than 90 days	(1,510)	(0.05%)	(1,319)	(0.05%)
Rescheduled loans and advances to customers overdue less than 90 days	6,087	0.22%	3,693	0.15%