

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in millions of Renminbi unless otherwise stated)

The information set out below does not form part of the audited financial statements, and is included herein for information purposes only.

(a) DIFFERENCES BETWEEN THE FINANCIAL STATEMENTS PREPARED UNDER IFRS AND THOSE PREPARED IN ACCORDANCE WITH PRC GAAP

China Construction Bank Corporation (the “Bank”) prepares consolidated financial statements, which include the financial statements of the Bank and its subsidiaries (collectively the “Group”), in accordance with International Financial Reporting Standards (“IFRS”) and its interpretations promulgated by the International Accounting Standards Board and the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

As a financial institution incorporated in the People’s Republic of China (the “PRC”), the Bank also prepares its statutory financial statements for the year ended 31

December 2006 in accordance with 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”).

There is no difference in the net profit attributable to shareholders of the Bank for the year ended 31 December 2006 or total equity attributable to shareholders of the Bank as at 31 December 2006 between the Group’s consolidated financial statements prepared under IFRS and the Bank’s statutory financial statements prepared under PRC GAAP.

(b) LIQUIDITY RATIOS

| | Group | |
|---|---------|---------|
| | 2006 | 2005 |
| Renminbi current assets to Renminbi current liabilities | 39.05% | 47.50% |
| Foreign currency current assets to foreign currency current liabilities | 200.36% | 144.18% |

The above liquidity ratios are calculated in accordance with the formula promulgated by the China Banking Regulatory Commission. Prior to 2006, the Bank disclosed its liquidity ratios calculated in accordance with the formula

promulgated by the People’s Bank of China. Comparative figures have been revised to conform with current year’s presentation.

(c) CAPITAL ADEQUACY RATIO

The capital adequacy ratio is prepared in accordance with the guideline *Regulation Governing Capital Adequacy of Commercial Banks* [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 PRC or other countries.

The capital adequacy ratios and the related components of the Group at balance sheet date were as follows:

| | Group | |
|--|------------------|-----------|
| | 2006 | 2005 |
| Core capital adequacy ratio (note (i)) | 9.92% | 11.08% |
| Capital adequacy ratio (note (ii)) | 12.11% | 13.59% |
| Components of capital base | | |
| Core capital: | | |
| — Paid up ordinary share capital | 224,689 | 224,689 |
| — Share premium | 42,091 | 42,091 |
| — Other reserves (note (iii)) | 42,658 | 17,429 |
| — Minority interests | 95 | 98 |
| | 309,533 | 284,307 |
| Supplementary capital: | | |
| — General provision for doubtful debts | 28,736 | 24,584 |
| — Term subordinated bonds | 40,000 | 40,000 |
| | 68,736 | 64,584 |
| Total capital base before deductions | 378,269 | 348,891 |
| Deduction: | | |
| — Goodwill | (1,743) | — |
| — Unconsolidated equity investments | (2,131) | (787) |
| Total capital base after deductions | 374,395 | 348,104 |
| Risk weighted assets (note (iv)) | 3,091,089 | 2,562,153 |

Notes:

- (i) Core capital adequacy ratio is calculated by dividing the net amount of core capital after deductions of 100% of goodwill and 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.
- (iii) Other reserves have been deducted by the dividend declared by the Bank after balance sheet date.
- (iv) The balances of risk weighted assets include 12.5 times of the market risk capital.

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in millions of Renminbi unless otherwise stated)

(d) CURRENCY CONCENTRATIONS

| | Group | | | |
|-------------------------|------------|------------|----------|-----------|
| | 2006 | | | |
| | US Dollars | HK Dollars | Others | Total |
| Spot assets | 427,605 | 58,808 | 37,250 | 523,663 |
| Spot liabilities | (173,449) | (53,402) | (24,991) | (251,842) |
| Forward purchases | 153,315 | 11,839 | 14,607 | 179,761 |
| Forward sales | (206,302) | (3,481) | (22,733) | (232,516) |
| Net option position | (175,615) | — | — | (175,615) |
| Net long position | 25,554 | 13,764 | 4,133 | 43,451 |
| Net structural position | — | 301 | 11 | 312 |

| | Group | | | |
|-------------------------|------------|------------|----------|-----------|
| | 2005 | | | |
| | US Dollars | HK Dollars | Others | Total |
| 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 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 property and equipment and premises, net of accumulated depreciation;
- capital and statutory reserves of overseas branches; and
- investments in overseas subsidiaries and related companies.

(e) 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.

| | Group | | | |
|---------------------------------------|---|------------------------|---------------|----------------|
| | 2006 | | | |
| | Banks and non-bank financial institutions | Public sector entities | Others | Total |
| Asia Pacific excluding Mainland China | 26,317 | 4,914 | 23,330 | 54,561 |
| — of which attributed to Hong Kong | 8,550 | 1,747 | 7,083 | 17,380 |
| Europe | 61,064 | 4,030 | 5,175 | 70,269 |
| North and South America | 127,769 | 121,122 | 10,951 | 259,842 |
| | <u>215,150</u> | <u>130,066</u> | <u>39,456</u> | <u>384,672</u> |

| | Group | | | |
|---------------------------------------|---|------------------------|---------------|----------------|
| | 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> |

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in millions of Renminbi unless otherwise stated)

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

| | Group | |
|---------------------|--------|--------|
| | 2006 | 2005 |
| Yangtze River Delta | 9,599 | 8,395 |
| Pearl River Delta | 12,498 | 13,965 |
| Bohai Rim | 21,468 | 18,178 |
| Central | 12,142 | 11,443 |
| Western | 12,954 | 14,019 |
| Northeastern | 6,374 | 6,181 |
| Head office | 2,439 | 2,234 |
| Overseas | 155 | 77 |
| Total | 77,629 | 74,492 |

The above analysis includes 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.

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.

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

| | Group | |
|--|---------------|--------|
| | 2006 | 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 | 9,798 | 11,475 |
| — between 6 and 12 months | 14,295 | 15,567 |
| — over 12 months | 53,536 | 47,450 |
| Total | 77,629 | 74,492 |
| As a percentage of total gross loans and advances to customers: | | |
| — between 3 and 6 months | 0.34% | 0.47% |
| — between 6 and 12 months | 0.50% | 0.63% |
| — over 12 months | 1.86% | 1.93% |
| Total | 2.70% | 3.03% |

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

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

(h) RESCHEDULED LOANS AND ADVANCES TO CUSTOMERS

| | Group | | | |
|---|--|----------------|--|---------|
| | 2006 % of total loans and advances | | 2005 % of total loans and advances | |
| Rescheduled loans and advances to customers | 3,384 | 0.12% | 5,012 | 0.20% |
| Less: | | | | |
| — rescheduled loans and advances to customers but overdue more than 90 days | (1,929) | (0.07%) | (1,319) | (0.05%) |
| Rescheduled loans and advances to customers overdue less than 90 days | 1,455 | 0.05% | 3,693 | 0.15% |