

Condensed Consolidated Statement of Cash Flows

For the six month period ended 30 June 2019 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	For the six month period ended 30 June	
		2019 Unaudited	2018 Unaudited
Cash flows from operating activities			
Profit before income tax		152,558	141,961
Adjustments:			
Impairment losses on assets		33,670	28,270
Depreciation of property and equipment and right-of-use assets		9,900	6,526
Amortisation of intangible assets and other assets		1,943	1,704
Net gains on disposal of property and equipment, intangible assets and other long-term assets		(246)	(360)
Net gains on disposal of investments in subsidiaries, associates and joint ventures		–	(28)
Share of results of associates and joint ventures		(670)	(881)
Interest income arising from financial investments		(76,251)	(69,379)
Dividends arising from investment securities		(120)	(119)
Net gains on financial investments		(2,422)	(1,160)
Interest expense arising from bonds issued		14,396	9,465
Accreted interest on impaired loans		(790)	(881)
Interest expense arising from lease liabilities		408	N/A
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		22,243	55,215
Net (increase)/decrease in due from and placements with and loans to banks and other financial institutions		(77,963)	136,281
Net (increase)/decrease in precious metals		(21,182)	11,581
Net increase in loans and advances to customers		(774,079)	(550,425)
Net increase in other assets		(101,113)	(42,520)
Net increase in due to banks and other financial institutions		56,441	230,872
Net increase/(decrease) in due to central banks		5,471	(106,832)
Net decrease in placements from banks and other financial institutions		(82,672)	(135,405)
Net increase in due to customers		762,854	694,929
Net decrease in other borrowings		(3,057)	(3,687)
Net increase/(decrease) in other liabilities		13,101	(24,316)
Cash (outflow)/inflow from operating activities		(67,580)	380,811
Income tax paid		(23,314)	(21,742)
Net cash (outflow)/inflow from operating activities		(90,894)	359,069

The accompanying notes form an integral part of this interim financial information.

Condensed Consolidated Statement of Cash Flows (Continued)

For the six month period ended 30 June 2019 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	For the six month period ended 30 June	
		2019 Unaudited	2018 Unaudited
Cash flows from investing activities			
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		3,108	5,284
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		823	938
Dividends received		166	124
Interest income received from financial investments		76,908	71,495
Proceeds from disposal/maturity of financial investments		1,328,628	1,110,639
Increase in investments in subsidiaries, associates and joint ventures		(1,145)	(988)
Purchase of property and equipment, intangible assets and other long-term assets		(10,812)	(16,172)
Purchase of financial investments		(1,553,900)	(1,300,193)
Net cash outflow from investing activities		(156,224)	(128,873)
Cash flows from financing activities			
Proceeds from issuance of bonds		320,351	243,981
Proceeds from issuance of other equity instruments		112,971	–
Repayments of debts issued		(290,135)	(206,016)
Cash payments for interest on bonds issued		(5,213)	(4,080)
Dividend payments to equity holders of the Bank		(55,707)	(1,540)
Dividend and coupon payments to non-controlling shareholders		(3,968)	(593)
Other net cash flows from financing activities		(3,241)	51
Net cash inflow from financing activities		75,058	31,803
Effect of exchange rate changes on cash and cash equivalents		3,326	3,751
Net (decrease)/increase in cash and cash equivalents		(168,734)	265,750
Cash and cash equivalents at beginning of the period		1,688,600	958,752
Cash and cash equivalents at end of the period	III.28	1,519,866	1,224,502

The accompanying notes form an integral part of this interim financial information.