

Consolidated Statement of Cash Flows

For the year ended 31 December 2018 (Amount in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2018	2017
Cash flows from operating activities			
Profit before income tax		229,643	222,903
Adjustments:			
Impairment losses on assets		99,294	88,161
Depreciation of property and equipment		13,403	13,611
Amortisation of intangible assets and other assets		3,640	3,158
Net gains on disposal of property and equipment, intangible assets and other long-term assets		(820)	(606)
Net gains on disposal of investments in subsidiaries, associates and joint ventures		(148)	(4,333)
Share of results of associates and joint ventures		(2,110)	(1,162)
Interest income arising from financial investments		(144,326)	(127,360)
Dividends arising from investment securities		(264)	(1,353)
Net gains on financial investments		(2,817)	(2,406)
Interest expense arising from bonds issued		21,718	15,799
Accrued interest on impaired loans		(1,652)	(1,989)
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		188,996	27,192
Net decrease in due from and placements with and loans to banks and other financial institutions		107,814	48,496
Net increase in precious metals		(8,447)	(11,459)
Net increase in financial assets held for trading		(63,515)	(45,203)
Net increase in loans and advances to customers		(964,105)	(985,177)
Net (increase)/decrease in other assets		(110,167)	121,362
Net increase in due to banks and other financial institutions		298,113	4,735
Net (decrease)/increase in due to central banks		(138,637)	168,638
Net increase in placements from banks and other financial institutions		110,368	198,560
Net increase in due to customers		1,048,755	712,389
Net increase in other borrowings		2,133	3,476
Net increase/(decrease) in other liabilities		4,004	(2,833)
Cash inflow from operating activities		690,873	444,599
Income tax paid		(28,515)	(38,463)
Net cash inflow from operating activities		662,358	406,136

The accompanying notes form an integral part of these consolidated financial statements.

	Note	Year ended 31 December	
		2018	2017
Cash flows from investing activities			
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		10,273	8,736
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		5,300	5,176
Dividends received		499	1,750
Interest income received from financial investments		140,366	117,396
Proceeds from disposal/maturity of financial investments		2,425,239	2,065,668
Increase in investments in subsidiaries, associates and joint ventures		(3,246)	(3,949)
Purchase of property and equipment, intangible assets and other long-term assets		(42,149)	(46,011)
Purchase of financial investments		(2,722,573)	(2,657,496)
Other net cash flows from investing activities		3,798	3,640
Net cash outflow from investing activities		(182,493)	(505,090)
Cash flows from financing activities			
Proceeds from issuance of bonds		664,202	586,789
Proceeds from non-controlling shareholders investment		20,583	2,152
Repayments of debts issued		(377,446)	(446,896)
Cash payments for interest on bonds issued		(14,332)	(15,693)
Dividend payments to equity holders of the Bank		(58,603)	(56,211)
Dividend payments to non-controlling shareholders		(5,101)	(4,508)
Other net cash flows from financing activities		34	(49)
Net cash inflow from financing activities		229,337	65,584
Effect of exchange rate changes on cash and cash equivalents		20,646	(27,125)
Net increase/(decrease) in cash and cash equivalents		729,848	(60,495)
Cash and cash equivalents at beginning of year		958,752	1,019,247
Cash and cash equivalents at end of year	V.42	1,688,600	958,752

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