

Consolidated Statement of Cash Flows

For the year ended 31 December 2019 (Amount in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2019	2018
Cash flows from operating activities			
Profit before income tax		250,645	229,643
Adjustments:			
Impairment losses on assets		102,153	99,294
Depreciation of property and equipment and right-of-use assets		21,136	13,403
Amortisation of intangible assets and other assets		4,219	3,640
Net gains on disposal of property and equipment, intangible assets and other long-term assets		(1,089)	(820)
Net gains on disposal of investments in subsidiaries, associates and joint ventures		(91)	(148)
Share of results of associates and joint ventures		(1,057)	(2,110)
Interest income arising from financial investments		(155,126)	(144,326)
Dividends arising from investment securities		(388)	(264)
Net gains on financial investments		(1,981)	(2,817)
Interest expense arising from bonds issued		30,942	21,718
Accreted interest on impaired loans		(1,497)	(1,652)
Interest expense arising from lease liabilities		876	N/A
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		64,656	188,996
Net (increase)/decrease in due from and placements with and loans to banks and other financial institutions		(144,184)	107,814
Net increase in precious metals		(25,019)	(8,447)
Net increase in loans and advances to customers		(1,322,755)	(964,105)
Net increase in other assets		(184,386)	(173,682)
Net (decrease)/increase in due to banks and other financial institutions		(60,531)	298,113
Net decrease in due to central banks		(59,590)	(138,637)
Net increase in placements from banks and other financial institutions		27,391	110,368
Net increase in due to customers		932,931	1,048,755
Net (decrease)/increase in other borrowings		(4,750)	2,133
Net increase in other liabilities		70,573	4,004
Cash (outflow)/inflow from operating activities		(456,922)	690,873
Income tax paid		(27,344)	(28,515)
Net cash (outflow)/inflow from operating activities		(484,266)	662,358

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

	Note	Year ended 31 December	
		2019	2018
Cash flows from investing activities			
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		10,554	10,273
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		1,459	5,300
Dividends received		1,693	499
Interest income received from financial investments		153,950	140,366
Proceeds from disposal/maturity of financial investments		2,800,591	2,425,239
Increase in investments in subsidiaries, associates and joint ventures		(1,249)	(3,246)
Purchase of property and equipment, intangible assets and other long-term assets		(39,019)	(42,149)
Purchase of financial investments		(3,093,657)	(2,722,573)
Other net cash flows from investing activities		–	3,798
Net cash outflow from investing activities		(165,678)	(182,493)
Cash flows from financing activities			
Proceeds from issuance of bonds		985,472	664,202
Proceeds from issuance of other equity instruments		139,961	–
Proceeds from non-controlling shareholders investment		1,380	20,583
Repayments of debts issued		(684,069)	(377,446)
Cash payments for interest on bonds issued		(28,770)	(14,332)
Repayments of other equity instruments issued		(45,987)	–
Dividend payments to equity holders of the Bank		(60,993)	(58,603)
Dividend and coupon payments to non-controlling shareholders		(6,794)	(5,101)
Other net cash flows from financing activities		(7,089)	34
Net cash inflow from financing activities		293,111	229,337
Effect of exchange rate changes on cash and cash equivalents		14,125	20,646
Net (decrease)/increase in cash and cash equivalents		(342,708)	729,848
Cash and cash equivalents at beginning of year		1,688,600	958,752
Cash and cash equivalents at end of year	V.42	1,345,892	1,688,600

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