

Consolidated Statement of Cash Flows

For the year ended 31 December 2020 (Amount in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2020	2019
Cash flows from operating activities			
Profit before income tax		246,378	250,645
Adjustments:			
Impairment losses on assets		119,016	102,153
Depreciation of property and equipment and right-of-use assets		22,441	21,136
Amortisation of intangible assets and other assets		5,065	4,219
Net gains on disposal of property and equipment, intangible assets and other long-term assets		(1,246)	(1,089)
Net gains on disposal of investments in subsidiaries, associates and joint ventures		(202)	(91)
Share of results of associates and joint ventures		(158)	(1,057)
Interest income arising from financial investments		(150,553)	(155,126)
Dividends arising from investment securities		(507)	(388)
Net gains on financial investments		(8,486)	(1,981)
Interest expense arising from bonds issued		35,719	30,942
Accreted interest on impaired loans		(1,236)	(1,497)
Interest expense arising from lease liabilities		829	876
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		47,092	64,656
Net increase in due from and placements with and loans to banks and other financial institutions		(206,736)	(144,184)
Net increase in precious metals		(17,061)	(25,019)
Net increase in loans and advances to customers		(1,204,492)	(1,322,755)
Net increase in other assets		(4,050)	(184,386)
Net increase/(decrease) in due to banks and other financial institutions		250,181	(60,531)
Net increase/(decrease) in due to central banks		43,963	(59,590)
Net (decrease)/increase in placements from banks and other financial institutions		(226,873)	27,391
Net increase in due to customers		1,043,998	932,931
Net decrease in other borrowings		(1,977)	(4,750)
Net increase in other liabilities		140,613	70,573
Cash inflow/(outflow) from operating activities		131,718	(456,922)
Income tax paid		(58,690)	(27,344)
Net cash inflow/(outflow) from operating activities		73,028	(484,266)

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

	Note	Year ended 31 December	
		2020	2019
Cash flows from investing activities			
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		4,087	10,554
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		1,085	1,459
Dividends received		909	1,693
Interest income received from financial investments		152,114	153,950
Proceeds from disposal/maturity of financial investments		3,302,506	2,800,591
Increase in investments in subsidiaries, associates and joint ventures		(12,655)	(1,249)
Purchase of property and equipment, intangible assets and other long-term assets		(39,622)	(39,019)
Purchase of financial investments		(3,425,490)	(3,093,657)
Net cash outflow from investing activities		(17,066)	(165,678)
Cash flows from financing activities			
Proceeds from issuance of bonds		1,135,331	985,472
Proceeds from issuance of other equity instruments		109,560	139,961
Proceeds from capital contribution by non-controlling shareholders		1,358	1,380
Repayments of debts issued		(984,337)	(684,069)
Cash payments for interest on bonds issued		(23,756)	(28,770)
Repayments of other equity instruments issued		(32,000)	(45,987)
Dividend payments to equity holders of the Bank		(65,948)	(60,993)
Dividend and coupon payments to non-controlling shareholders		(6,982)	(6,794)
Other net cash flows from financing activities		(6,609)	(7,089)
Net cash inflow from financing activities		126,617	293,111
Effect of exchange rate changes on cash and cash equivalents		(33,603)	14,125
Net increase/(decrease) in cash and cash equivalents		148,976	(342,708)
Cash and cash equivalents at beginning of year		1,345,892	1,688,600
Cash and cash equivalents at end of year	V.42	1,494,868	1,345,892

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