

Condensed Consolidated Interim Statement of Cash Flows

For the six month period ended 30 June 2021 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	Six month period ended 30 June	
		2021 Unaudited	2020 Unaudited
Cash flows from operating activities			
Profit before income tax		148,302	129,616
Adjustments:			
Impairment losses on assets		52,945	66,484
Depreciation of property and equipment and right-of-use assets		11,263	11,158
Amortisation of intangible assets and other assets		3,041	2,440
Net gains on disposals of property and equipment, intangible assets and other long-term assets		(252)	(957)
Net gains on disposals of investments in subsidiaries, associates and joint ventures		(839)	(114)
Share of results of associates and joint ventures		(749)	(63)
Interest income arising from financial investments		(75,417)	(76,475)
Dividends arising from investment securities		(189)	(126)
Net gains on financial investments		(888)	(6,767)
Interest expense arising from bonds issued		20,321	17,119
Accreted interest on impaired loans		(360)	(642)
Interest expense arising from lease liabilities		379	395
Net changes in operating assets and liabilities:			
Net (increase)/decrease in balances with central banks		(165,697)	18,444
Net decrease/(increase) in due from and placements with and loans to banks and other financial institutions		94,265	(186,545)
Net decrease in precious metals		15,407	34,717
Net increase in loans and advances to customers		(1,243,419)	(983,153)
Net decrease/(increase) in other assets		57,185	(64,450)
Net increase/(decrease) in due to banks and other financial institutions		441,343	(53,899)
Net increase in due to central banks		5,322	42,047
Net increase/(decrease) in placements from banks and other financial institutions		88,313	(102,083)
Net increase in due to customers		1,329,144	1,270,004
Net (decrease)/increase in other borrowings		(1,770)	2,311
Net (decrease)/increase in other liabilities		(42,091)	70,022
Cash inflow from operating activities		735,559	189,483
Income tax paid		(46,983)	(52,126)
Net cash inflow from operating activities		688,576	137,357

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

	Note	Six month period ended 30 June	
		2021 Unaudited	2020 Unaudited
Cash flows from investing activities			
Proceeds from disposals of property and equipment, intangible assets and other long-term assets		3,198	2,224
Proceeds from disposals of investments in subsidiaries, associates and joint ventures		1,410	544
Dividends received		287	429
Interest income received from financial investments		74,995	77,643
Proceeds from disposals/maturities of financial investments		1,414,209	1,775,154
Increase in investments in subsidiaries, associates and joint ventures		(1,609)	(479)
Purchase of property and equipment, intangible assets and other long-term assets		(11,541)	(18,378)
Purchase of financial investments		(1,658,334)	(1,628,949)
Net cash (outflow)/inflow from investing activities		(177,385)	208,188
Cash flows from financing activities			
Proceeds from issuance of bonds		559,997	345,628
Proceeds from issuance of other equity instruments		49,989	59,571
Proceeds from capital contribution by non-controlling shareholders		40	930
Repayments of debts issued		(513,344)	(368,592)
Cash payments for interest on bonds issued		(5,172)	(7,259)
Repayments of other equity instruments issued		(28,000)	–
Dividend payments to ordinary shareholders		(57,911)	–
Dividend and interest payments to other equity instrument holders		(8,755)	(6,625)
Dividend payments to non-controlling shareholders		(3,743)	(1,192)
Other net cash flows from financing activities		(1,707)	(3,362)
Net cash (outflow)/inflow from financing activities		(8,606)	19,099
Effect of exchange rate changes on cash and cash equivalents		(17,896)	9,233
Net increase in cash and cash equivalents		484,689	373,877
Cash and cash equivalents at beginning of the period		1,494,868	1,345,892
Cash and cash equivalents at end of the period	III.29	1,979,557	1,719,769

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