

# Consolidated Statement of Cash Flows

For the year ended 31 December 2021 (Amount in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2021	2020
<b>Cash flows from operating activities</b>			
Profit before income tax		<b>276,620</b>	246,378
Adjustments:			
Impairment losses on assets		<b>104,220</b>	119,016
Depreciation of property and equipment and right-of-use assets		<b>22,428</b>	22,441
Amortisation of intangible assets and other assets		<b>6,364</b>	5,065
Net gains on disposals of property and equipment, intangible assets and other long-term assets		<b>(781)</b>	(1,246)
Net gains on disposals of investments in subsidiaries, associates and joint ventures		<b>(992)</b>	(202)
Share of results of associates and joint ventures		<b>(1,478)</b>	(158)
Interest income arising from financial investments		<b>(153,859)</b>	(150,553)
Dividends arising from investment securities		<b>(616)</b>	(507)
Net gains on financial investments		<b>(1,755)</b>	(8,486)
Interest expense arising from bonds issued		<b>41,836</b>	35,719
Accreted interest on impaired loans		<b>(728)</b>	(1,236)
Interest expense arising from lease liabilities		<b>742</b>	829
Net changes in operating assets and liabilities:			
Net (increase)/decrease in balances with central banks		<b>(2,710)</b>	47,092
Net decrease/(increase) in due from and placements with and loans to banks and other financial institutions		<b>111,715</b>	(206,736)
Net increase in precious metals		<b>(52,983)</b>	(17,061)
Net increase in loans and advances to customers		<b>(1,564,704)</b>	(1,204,492)
Net decrease/(increase) in other assets		<b>126,476</b>	(4,050)
Net increase in due to banks and other financial institutions		<b>762,120</b>	250,181
Net increase in due to central banks		<b>67,240</b>	43,963
Net decrease in placements from banks and other financial institutions		<b>(4,006)</b>	(226,873)
Net increase in due to customers		<b>1,226,797</b>	1,043,998
Net increase/(decrease) in other borrowings		<b>320</b>	(1,977)
Net (decrease)/increase in other liabilities		<b>(62,752)</b>	140,613
Cash inflow from operating activities		<b>899,514</b>	131,718
Income tax paid		<b>(56,256)</b>	(58,690)
Net cash inflow from operating activities		<b>843,258</b>	73,028

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

# Consolidated Statement of Cash Flows (Continued)

For the year ended 31 December 2021 (Amount in millions of Renminbi, unless otherwise stated)

	Note	Year ended 31 December	
		2021	2020
<b>Cash flows from investing activities</b>			
Proceeds from disposals of property and equipment, intangible assets and other long-term assets		7,781	4,087
Proceeds from disposals of investments in subsidiaries, associates and joint ventures		1,620	1,085
Dividends received		1,288	909
Interest income received from financial investments		151,183	152,114
Proceeds from disposals/maturities of financial investments		3,105,057	3,302,506
Increase in investments in subsidiaries, associates and joint ventures		(2,240)	(12,655)
Purchase of property and equipment, intangible assets and other long-term assets		(30,173)	(39,622)
Purchase of financial investments		(3,630,077)	(3,425,490)
Net cash outflow from investing activities		(395,561)	(17,066)
<b>Cash flows from financing activities</b>			
Proceeds from issuance of bonds		1,005,299	1,135,331
Proceeds from issuance of other equity instruments		69,984	109,560
Proceeds from capital contribution by non-controlling shareholders		41	1,358
Repayments of debts issued		(869,059)	(984,337)
Cash payments for interest on bonds issued		(22,879)	(23,756)
Repayments of other equity instruments issued		(28,000)	(32,000)
Dividend payments to ordinary shareholders		(57,994)	(56,228)
Dividend and interest payments to other equity instrument holders		(12,230)	(9,720)
Dividend payments to non-controlling shareholders		(6,558)	(6,982)
Other net cash flows from financing activities		(4,260)	(6,609)
Net cash inflow from financing activities		74,344	126,617
Effect of exchange rate changes on cash and cash equivalents		(41,278)	(33,603)
<b>Net increase in cash and cash equivalents</b>		<b>480,763</b>	<b>148,976</b>
Cash and cash equivalents at beginning of year		1,494,868	1,345,892
Cash and cash equivalents at end of year	V.41	1,975,631	1,494,868

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