

## Consolidated Statement of Profit or Loss

Year ended 31 December 2018  
(In RMB millions, unless otherwise stated)

	Notes	2018	2017
Interest income	6	948,094	861,594
Interest expense	6	(375,576)	(339,516)
<b>NET INTEREST INCOME</b>	6	572,518	522,078
Fee and commission income	7	162,347	158,666
Fee and commission expense	7	(17,046)	(19,041)
<b>NET FEE AND COMMISSION INCOME</b>	7	145,301	139,625
Net trading income	8	2,846	5,753
Net gain on financial investments	9	1,345	2,165
Other operating income, net	10	3,111	6,033
<b>OPERATING INCOME</b>		725,121	675,654
Operating expenses	11	(194,203)	(186,194)
Impairment losses on assets	14	(161,594)	(127,769)
<b>OPERATING PROFIT</b>		369,324	361,691
Share of profits of associates and joint ventures		3,089	2,950
<b>PROFIT BEFORE TAXATION</b>		372,413	364,641
Income tax expense	15	(73,690)	(77,190)
<b>PROFIT FOR THE YEAR</b>		298,723	287,451
Attributable to:			
Equity holders of the parent company		297,676	286,049
Non-controlling interests		1,047	1,402
<b>PROFIT FOR THE YEAR</b>		298,723	287,451
<b>EARNINGS PER SHARE</b>			
— Basic (RMB yuan)	18	0.82	0.79
— Diluted (RMB yuan)	18	0.82	0.79

Details of the dividends declared and paid or proposed are disclosed in Note 17 to the financial statements.

The notes on pages 142 to 298 form part of these financial statements.

## Consolidated Statement of Financial Position

31 December 2018

(In RMB millions, unless otherwise stated)

	Notes	31 December 2018	31 December 2017
<b>ASSETS</b>			
Cash and balances with central banks	19	3,372,576	3,613,872
Due from banks and other financial institutions	20	962,449	847,611
Derivative financial assets	21	71,335	89,013
Reverse repurchase agreements	22	734,049	986,631
Loans and advances to customers	23	15,046,132	13,892,966
Financial investments	24	6,754,692	5,756,704
— Financial investments measured at fair value through profit or loss		805,347	440,938
— Financial investments measured at fair value through other comprehensive income		1,430,163	
— Financial investments measured at amortised cost		4,519,182	
— Available-for-sale financial assets			1,496,453
— Held-to-maturity investments			3,542,184
— Receivables			277,129
Investments in associates and joint ventures	26	29,124	32,441
Property and equipment	27	290,404	247,744
Deferred income tax assets	28	58,375	48,392
Other assets	29	380,404	571,669
<b>TOTAL ASSETS</b>		<b>27,699,540</b>	<b>26,087,043</b>

The notes on pages 142 to 298 form part of these financial statements.

# Consolidated Statement of Financial Position

31 December 2018

(In RMB millions, unless otherwise stated)

	Notes	31 December 2018	31 December 2017
<b>LIABILITIES</b>			
Due to central banks		481	456
Financial liabilities designated as at fair value through profit or loss	30	87,400	89,361
Derivative financial liabilities	21	73,573	78,556
Due to banks and other financial institutions	31	1,814,495	1,706,549
Repurchase agreements	32	514,801	1,046,338
Certificates of deposit	33	341,354	260,274
Due to customers	34	21,408,934	19,562,936
Income tax payable		84,741	70,644
Deferred income tax liabilities	28	1,217	433
Debt securities issued	35	617,842	526,940
Other liabilities	36	409,819	603,500
<b>TOTAL LIABILITIES</b>		<b>25,354,657</b>	<b>23,945,987</b>
<b>EQUITY</b>			
Equity attributable to equity holders of the parent company			
Share capital	37	356,407	356,407
Other equity instruments	38	86,051	86,051
Reserves	39	680,877	587,489
Retained profits		1,206,666	1,097,544
		2,330,001	2,127,491
Non-controlling interests		14,882	13,565
<b>TOTAL EQUITY</b>		<b>2,344,883</b>	<b>2,141,056</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>27,699,540</b>	<b>26,087,043</b>

**Gu Shu**

Vice Chairman and President

**Zhang Wenwu**

General Manager of Finance  
and Accounting Department

The notes on pages 142 to 298 form part of these financial statements.

## Consolidated Cash Flow Statement

Year ended 31 December 2018  
(In RMB millions, unless otherwise stated)

	Notes	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		372,413	364,641
Adjustments for:			
Share of profits of associates and joint ventures		(3,089)	(2,950)
Depreciation		20,315	17,958
Amortisation	11	2,339	2,114
Amortisation of financial investments		283	5,194
Impairment losses on assets	14	161,594	127,769
Unrealised loss on foreign exchange		20,009	10,288
Interest expense on debt securities issued		23,175	16,219
Accreted interest on impaired loans		(2,659)	(3,189)
Net gain on disposal of financial investments		(1,116)	(2,313)
Net trading loss/(gain) on equity investments	8	151	(757)
Net loss on changes at fair value		6,920	476
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(1,787)	(1,377)
Dividend income	9	(229)	(328)
		598,319	533,745
Net decrease/(increase) in operating assets:			
Due from central banks		297,030	(208,191)
Due from banks and other financial institutions		(88,016)	102,201
Financial investments measured at fair value through profit or loss		(201,848)	39,668
Reverse repurchase agreements		158,257	(106,555)
Loans and advances to customers		(1,258,665)	(1,333,103)
Other assets		150,444	4,150
		(942,798)	(1,501,830)
Net (decrease)/increase in operating liabilities:			
Financial liabilities designated as at fair value through profit or loss		(12,329)	10,923
Due to central banks		32	(89)
Due to banks and other financial institutions		70,966	(268,057)
Repurchase agreements		(531,619)	457,032
Certificates of deposit		66,036	55,903
Due to customers		1,780,568	1,525,280
Other liabilities		(237,261)	26,456
		1,136,393	1,807,448
Net cash flows from operating activities before tax		791,914	839,363
Income tax paid		(67,781)	(68,499)
Net cash flows from operating activities		724,133	770,864

The notes on pages 142 to 298 form part of these financial statements.

# Consolidated Cash Flow Statement

Year ended 31 December 2018

(In RMB millions, unless otherwise stated)

	Notes	2018	2017
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of property and equipment and other assets		(60,496)	(13,096)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		2,855	3,195
Purchases of financial investments		(2,171,838)	(2,633,240)
Proceeds from sale and redemption of financial investments		1,495,633	2,153,124
Investments in associates and joint ventures		(799)	(1,605)
Proceeds from disposal of associates and joint ventures		1,168	633
Dividends received		1,732	1,731
Net cash flows from investing activities		(731,745)	(489,258)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital injection by non-controlling shareholders		125	792
Proceeds from issuance of debt securities		1,045,746	943,954
Interest paid on debt securities		(22,917)	(15,370)
Repayment of debt securities		(968,222)	(759,095)
Acquisition of non-controlling interests		–	(194)
Dividends paid on ordinary shares		(85,823)	(83,506)
Dividends paid on preference shares		(4,506)	(4,437)
Dividends paid to non-controlling shareholders		(327)	(309)
Net cash flows from financing activities		(35,924)	81,835
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>		(43,536)	363,441
Cash and cash equivalents at beginning of the year		1,520,330	1,189,368
Effect of exchange rate changes on cash and cash equivalents		32,729	(32,479)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	42	1,509,523	1,520,330
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>			
Interest received		973,512	891,366
Interest paid		(351,828)	(324,813)

The notes on pages 142 to 298 form part of these financial statements.