

Consolidated Statement of Profit or Loss

Year ended 31 December 2020
(In RMB millions, unless otherwise stated)

	Notes	2020	2019
Interest income	6	1,092,521	1,063,445
Interest expense	6	(445,756)	(431,228)
NET INTEREST INCOME	6	646,765	632,217
Fee and commission income	7	146,668	146,350
Fee and commission expense	7	(15,453)	(15,777)
NET FEE AND COMMISSION INCOME	7	131,215	130,573
Net trading income	8	2,222	8,447
Net gain/(loss) on financial investments	9	11,829	(3,682)
Other operating income, net	10	8,044	8,447
OPERATING INCOME		800,075	776,002
Operating expenses	11	(206,585)	(207,776)
Impairment losses on assets	14	(202,668)	(178,957)
OPERATING PROFIT		390,822	389,269
Share of profits of associates and joint ventures		1,304	2,520
PROFIT BEFORE TAXATION		392,126	391,789
Income tax expense	15	(74,441)	(78,428)
PROFIT FOR THE YEAR		317,685	313,361
Attributable to:			
Equity holders of the parent company		315,906	312,224
Non-controlling interests		1,779	1,137
Profit for the year		317,685	313,361
EARNINGS PER SHARE			
— Basic (RMB yuan)	18	0.86	0.86
— Diluted (RMB yuan)	18	0.86	0.86

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

The notes on pages 160 to 281 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2020

(In RMB millions, unless otherwise stated)

	Notes	31 December 2020	31 December 2019
ASSETS			
Cash and balances with central banks	19	3,537,795	3,317,916
Due from banks and other financial institutions	20	1,081,897	1,042,368
Derivative financial assets	21	134,155	68,311
Reverse repurchase agreements	22	739,288	845,186
Loans and advances to customers	23	18,136,328	16,326,552
Financial investments	24	8,591,139	7,647,117
— Financial investments measured at fair value through profit or loss		784,483	962,078
— Financial investments measured at fair value through other comprehensive income		1,540,988	1,476,872
— Financial investments measured at amortised cost		6,265,668	5,208,167
Investments in associates and joint ventures	26	41,206	32,490
Property and equipment	27	286,279	286,561
Deferred income tax assets	28	67,713	62,536
Other assets	29	729,258	480,399
TOTAL ASSETS		33,345,058	30,109,436

The notes on pages 160 to 281 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2020
(In RMB millions, unless otherwise stated)

	Notes	31 December 2020	31 December 2019
LIABILITIES			
Due to central banks		54,974	1,017
Financial liabilities designated as at fair value through profit or loss	30	87,938	102,242
Derivative financial liabilities	21	140,973	85,180
Due to banks and other financial institutions	31	2,784,259	2,266,573
Repurchase agreements	32	293,434	263,273
Certificates of deposit	33	335,676	355,428
Due to customers	34	25,134,726	22,977,655
Income tax payable		89,785	96,192
Deferred income tax liabilities	28	2,881	1,873
Debt securities issued	35	798,127	742,875
Other liabilities	36	712,770	525,125
TOTAL LIABILITIES		30,435,543	27,417,433
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	37	356,407	356,407
Other equity instruments	38	225,819	206,132
Reserves	39	800,718	745,111
Retained profits		1,510,558	1,368,536
		2,893,502	2,676,186
Non-controlling interests		16,013	15,817
TOTAL EQUITY		2,909,515	2,692,003
TOTAL EQUITY AND LIABILITIES		33,345,058	30,109,436

Chen Siqing
Chairman

Liao Lin
Vice Chairman
and President

Liu Yagan
General Manager of Finance
and Accounting Department

The notes on pages 160 to 281 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2020
(In RMB millions, unless otherwise stated)

	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		392,126	391,789
Adjustments for:			
Share of profits of associates and joint ventures		(1,304)	(2,520)
Depreciation		27,046	26,229
Amortisation	11	2,607	2,315
Amortisation of financial investments		(1,675)	(1,360)
Impairment losses on assets	14	202,668	178,957
Unrealised (gain)/loss on foreign exchange		(12,642)	8,574
Interest expense on debt securities issued		25,549	28,116
Accreted interest on impaired loans		(1,710)	(2,356)
Net (gain)/loss on financial investments		(9,814)	2,344
Interest income on financial investments		(243,619)	(213,281)
Net gain on changes at fair value		(12,797)	(11,312)
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(1,238)	(1,215)
Dividend income	9	(2,355)	(978)
		362,842	405,302
Net decrease/(increase) in operating assets:			
Due from central banks		75,762	135,320
Due from banks and other financial institutions		(16,064)	(139,844)
Financial assets measured at fair value through profit or loss		284,342	(41,058)
Reverse repurchase agreements		123,955	(190,149)
Loans and advances to customers		(2,079,400)	(1,416,849)
Other assets		(51,517)	(124,746)
		(1,662,922)	(1,777,326)
Net (decrease)/increase in operating liabilities:			
Financial liabilities designated as at fair value through profit or loss		(7,530)	12,103
Due to central banks		53,959	534
Due to banks and other financial institutions		563,361	447,878
Repurchase agreements		30,155	(251,349)
Certificates of deposit		269	9,762
Due to customers		2,219,487	1,533,642
Other liabilities		82,547	173,533
		2,942,248	1,926,103
Net cash flows from operating activities before tax		1,642,168	554,079
Income tax paid		(84,552)	(72,839)
Net cash flows from operating activities		1,557,616	481,240

The notes on pages 160 to 281 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2020
(In RMB millions, unless otherwise stated)

	Notes	2020	2019
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(38,005)	(34,159)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		8,539	9,587
Purchases of financial investments		(3,191,273)	(2,466,939)
Proceeds from sale and redemption of financial investments		1,845,743	1,613,475
Investments in associates and joint ventures		(11,690)	(2,522)
Proceeds from disposal of associates and joint ventures		627	752
Investment returns received		250,962	217,120
Net cash flows from investing activities		(1,135,097)	(662,686)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of other equity instruments		19,716	150,000
Capital injection by non-controlling shareholders		–	57
Proceeds from issuance of debt securities		927,759	1,140,674
Interest paid on debt securities		(25,137)	(24,989)
Repayment of debt securities		(858,858)	(1,020,942)
Cash payment for redemption of other equity instruments		–	(32,787)
Acquisition of non-controlling interests		(1,279)	(11)
Dividends paid on ordinary shares		(93,664)	(89,315)
Dividends or interest paid to other equity instrument holders		(8,839)	(4,525)
Dividends paid to non-controlling shareholders		(337)	(338)
Cash payment for other financing activities		(6,310)	(4,950)
Net cash flows from financing activities		(46,949)	112,874
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		1,450,413	1,509,523
Effect of exchange rate changes on cash and cash equivalents		(34,861)	9,462
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	42	1,791,122	1,450,413
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		902,804	861,270
Interest paid		(393,080)	(393,469)

The notes on pages 160 to 281 form part of these financial statements.