

Consolidated Income Statement

For the year ended 31 December 2019

(in RMB million)	Notes	2019	2018
Gross written premiums	6	795,064	719,556
Less: Premiums ceded to reinsurers		(21,370)	(19,417)
Net written premiums	6	773,694	700,139
Change in unearned premium reserves		(24,915)	(22,436)
Net earned premiums		748,779	677,703
Reinsurance commission revenue		7,572	7,966
Interest revenue from banking operations	7	176,621	161,714
Interest revenue from non-banking operations	8	99,991	88,546
Fees and commission revenue from non-insurance operations	9	54,800	46,277
Investment income	10	101,747	31,974
Share of profits and losses of associates and jointly controlled entities		23,224	18,074
Other revenues and other gains	11	60,357	49,892
Total revenue		1,273,091	1,082,146
Gross claims and policyholders' benefits	12	(589,683)	(449,704)
Less: Reinsurers' share and policyholders' benefits	12	11,370	10,108
Claims and policyholders' benefits		(578,313)	(439,596)
Commission expenses on insurance operations		(114,766)	(130,394)
Interest expenses on banking operations	7	(86,434)	(86,931)
Fees and commission expenses on non-insurance operations	9	(10,570)	(9,086)
Net impairment losses on financial assets	13	(65,270)	(52,105)
Net impairment losses on other assets		(1,996)	(1,709)
Foreign exchange gains/(losses)		779	(946)
General and administrative expenses		(177,164)	(151,581)
Interest expenses on non-banking operations		(20,098)	(18,227)
Other expenses		(34,520)	(28,420)
Total expenses		(1,088,352)	(918,995)
Profit before tax	14	184,739	163,151
Income tax	15	(20,374)	(42,699)
Profit for the year		164,365	120,452
Attributable to:			
- Owners of the parent		149,407	107,404
- Non-controlling interests		14,958	13,048
		164,365	120,452
Earnings per share attributable to ordinary equity holders of the parent:		RMB	RMB
- Basic	17	8.41	6.02
- Diluted	17	8.38	6.01

Consolidated Statement of Financial Position

As at 31 December 2019

(in RMB million)	Notes	31 December 2019	31 December 2018
Assets			
Cash and amounts due from banks and other financial institutions	18	508,706	457,524
Balances with the Central Bank	19	246,771	273,513
Financial assets purchased under reverse repurchase agreements	20	96,457	92,951
Premium receivables	21	82,416	67,150
Accounts receivable		28,579	22,011
Derivative financial assets	22	18,957	21,911
Reinsurers' share of insurance liabilities	23	17,703	16,671
Policy loans		139,326	111,219
Finance lease receivable	24	183,957	165,214
Loans and advances to customers	25	2,240,396	1,929,842
Financial assets at fair value through profit or loss	26	961,073	824,939
Financial assets at amortized cost	27	2,281,225	2,075,151
Debt financial assets at fair value through other comprehensive income	28	458,165	310,901
Equity financial assets at fair value through other comprehensive income	29	282,185	222,639
Investments in associates and jointly controlled entities	30	204,135	154,895
Statutory deposits for insurance operations	31	12,501	12,446
Investment properties	32	39,848	38,242
Property and equipment	33	46,971	49,323
Intangible assets	34	63,333	58,450
Right-of-use assets	35	16,553	–
Deferred tax assets	49	50,301	45,187
Other assets	36	197,240	156,473
Policyholder account assets in respect of insurance contracts	37	41,763	32,344
Policyholder account assets in respect of investment contracts	37	4,368	3,964
Total assets		8,222,929	7,142,960
Equity and liabilities			
Equity			
Share capital	38	18,280	18,280
Reserves	39	225,911	203,719
Treasury shares	42	(5,001)	–
Retained profits	39	433,971	334,509
Equity attributable to owners of the parent		673,161	556,508
Non-controlling interests	39	179,209	127,135
Total equity		852,370	683,643

(in RMB million)	Notes	31 December 2019	31 December 2018
Liabilities			
Due to banks and other financial institutions	43	824,025	803,154
Financial liabilities at fair value through profit or loss		39,458	16,975
Derivative financial liabilities	22	24,527	22,247
Assets sold under agreements to repurchase	44	176,523	189,028
Accounts payable		4,821	4,713
Income tax payable		12,445	31,416
Insurance payables		126,255	120,688
Policyholder dividend payable		59,082	52,591
Customer deposits and payables to brokerage customers	45	2,431,713	2,114,344
Bonds payable	46	699,631	556,875
Insurance contract liabilities	47	2,612,184	2,211,887
Investment contract liabilities for policyholders	48	57,489	52,747
Lease liabilities	35	15,986	–
Deferred tax liabilities	49	22,282	18,476
Other liabilities	50	264,138	264,176
Total liabilities		7,370,559	6,459,317
Total equity and liabilities		8,222,929	7,142,960

The financial statements on pages 162 to 314 were approved and authorized for issue by the Board of Directors on 20 February 2020 and were signed on its behalf.

MA Mingzhe
Director

REN Huichuan
Director

YAO Jason Bo
Director

Consolidated Statement of Cash Flows

For the year ended 31 December 2019

(in RMB million)	Notes	2019	2018
Net cash flows from operating activities	56	249,445	206,260
Cash flows from investing activities			
Purchases of investment properties, property and equipment, and intangible assets		(12,210)	(10,663)
Proceeds from disposal of investment properties, property and equipment, and intangible assets, net		2,506	3,573
Proceeds from disposal of investments		1,537,886	1,349,977
Purchases of investments		(2,066,841)	(1,711,291)
Acquisition of non-controlling interests in subsidiaries, net		(152)	(42)
Acquisition of subsidiaries, net		(396)	(142)
Disposal of subsidiaries, net		2,916	1,206
Interest received		131,388	102,604
Dividends received		48,864	46,890
Rentals received		3,383	3,743
Increase in policy loans, net		(27,501)	(26,281)
Net cash flows used in investing activities		(380,157)	(240,426)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		28,945	3,220
Proceeds from bonds issued		677,834	860,782
(Decrease)/Increase in assets sold under agreements to repurchase of insurance operations, net		(37,778)	47,382
Proceeds from borrowings		210,907	166,538
Repayment of borrowings		(664,271)	(986,646)
Interest paid		(33,994)	(25,308)
Dividends paid		(35,932)	(35,693)
Payment of acquisition of treasury shares		(5,001)	-
Payment of share purchased for Long-term Service Plan		(4,296)	-
Repayment of lease liabilities		(7,311)	-
Others		(4,026)	989
Net cash flows from financing activities		125,077	31,264
Net decrease in cash and cash equivalents		(5,635)	(2,902)
Net foreign exchange differences		1,077	2,262
Cash and cash equivalents at beginning of the year		308,024	308,664
Cash and cash equivalents at end of the year	55	303,466	308,024