

Consolidated Income Statement

Year ended 31 December 2013
(In RMB millions, unless otherwise stated)

	Notes	2013	2012
Interest income	6	767,111	721,439
Interest expense	6	(323,776)	(303,611)
NET INTEREST INCOME	6	443,335	417,828
Fee and commission income	7	134,550	115,881
Fee and commission expense	7	(12,224)	(9,817)
NET FEE AND COMMISSION INCOME	7	122,326	106,064
Net trading income	8	154	510
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	(2,413)	(5,114)
Net gain on financial investments	10	625	608
Other operating income, net	11	14,874	9,824
OPERATING INCOME		578,901	529,720
Operating expenses	12	(204,140)	(189,940)
Impairment losses on:			
Loans and advances to customers	26	(38,098)	(32,572)
Others	15	(223)	(1,173)
OPERATING PROFIT		336,440	306,035
Share of profits of associates and joint ventures		2,097	2,652
PROFIT BEFORE TAXATION		338,537	308,687
Income tax expense	16	(75,572)	(69,996)
PROFIT FOR THE YEAR		262,965	238,691
Attributable to:			
Equity holders of the parent company		262,649	238,532
Non-controlling interests		316	159
		262,965	238,691
EARNINGS PER SHARE			
— Basic (RMB yuan)	19	0.75	0.68
— Diluted (RMB yuan)	19	0.74	0.67

Details of the dividends declared and paid or proposed are disclosed in note 18 to the financial statements.

The notes on pages 158 to 280 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2013

(In RMB millions, unless otherwise stated)

	Notes	31 December 2013	31 December 2012
ASSETS			
Cash and balances with central banks	20	3,294,007	3,174,943
Due from banks and other financial institutions	21	717,984	636,450
Financial assets held for trading	22	28,143	20,463
Financial assets designated at fair value through profit or loss	23	344,413	201,208
Derivative financial assets	24	25,020	14,756
Reverse repurchase agreements	25	331,903	544,579
Loans and advances to customers	26	9,681,415	8,583,289
Financial investments	27	3,949,688	3,862,216
Investments in associates and joint ventures	29	28,515	33,284
Property and equipment	30	164,347	135,889
Deferred income tax assets	31	28,860	22,789
Other assets	32	323,457	312,351
TOTAL ASSETS		18,917,752	17,542,217
LIABILITIES			
Due to central banks		724	1,133
Financial liabilities designated at fair value through profit or loss	33	553,607	319,742
Derivative financial liabilities	24	19,168	13,261
Due to banks and other financial institutions	34	1,269,255	1,486,805
Repurchase agreements	35	299,304	237,764
Certificates of deposit	36	130,558	38,009
Due to customers	37	14,620,825	13,642,910
Income tax payable		55,674	56,922
Deferred income tax liabilities	31	420	552
Debt securities issued	38	253,018	232,186
Other liabilities	39	436,736	384,474
TOTAL LIABILITIES		17,639,289	16,413,758
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	40	351,390	349,620
Equity component of convertible bonds	38	1,960	2,708
Reserves		408,835	400,128
Retained profits		511,949	372,541
		1,274,134	1,124,997
Non-controlling interests		4,329	3,462
TOTAL EQUITY		1,278,463	1,128,459
TOTAL EQUITY AND LIABILITIES		18,917,752	17,542,217

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
General Manager of Finance
and Accounting Department

The notes on pages 158 to 280 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2013
(In RMB millions, unless otherwise stated)

	Notes	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		338,537	308,687
Adjustments for:			
Share of profits of associates and joint ventures		(2,097)	(2,652)
Depreciation	12	14,420	13,215
Amortisation	12	2,018	1,781
Amortisation of financial investments		(163)	(2,857)
Impairment losses on loans and advances to customers	26	38,098	32,572
Impairment losses on assets other than loans and advances to customers	15	223	1,173
Unrealised foreign exchange loss		6,206	6,853
Interest expense on debt securities issued		10,785	9,876
Accreted interest on impaired loans	6	(2,019)	(944)
Gain on disposal of available-for-sale financial assets, net	10	(524)	(559)
Net trading gain on equity investments	8	(40)	(42)
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	2,413	5,114
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(848)	(961)
Dividend income	10	(101)	(49)
		406,908	371,207
Net (increase)/decrease in operating assets:			
Due from central banks		(319,010)	(179,741)
Due from banks and other financial institutions		81,342	(191,882)
Financial assets held for trading		(7,804)	10,636
Financial assets designated at fair value through profit or loss		(142,720)	(80,025)
Reverse repurchase agreements		5,443	(35,653)
Loans and advances to customers		(1,159,539)	(1,010,592)
Other assets		(10,432)	(31,126)
		(1,552,720)	(1,518,383)
Net increase/(decrease) in operating liabilities:			
Financial liabilities designated at fair value through profit or loss		234,583	147,651
Due to central banks		(409)	1,025
Due to banks and other financial institutions		(207,685)	148,697
Repurchase agreements		61,540	31,325
Certificates of deposit		94,351	(3,880)
Due to customers		994,119	1,365,818
Other liabilities		42,214	55,401
		1,218,713	1,746,037
Net cash flows from operating activities before tax		72,901	598,861
Income tax paid		(74,848)	(65,353)
Net cash flows from operating activities		(1,947)	533,508

The notes on pages 158 to 280 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2013

(In RMB millions, unless otherwise stated)

	Notes	2013	2012
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(44,427)	(31,852)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		1,088	1,271
Purchases of financial investments		(1,239,747)	(1,058,490)
Proceeds from sale and redemption of financial investments		1,117,779	965,229
Investments in associates and joint ventures		–	(19)
Proceeds from disposal of investments in associates and joint ventures		493	–
Acquisition of subsidiaries		–	(3,723)
Dividends received		653	914
Net cash flows from investing activities		(164,161)	(126,670)
CASH FLOWS FROM FINANCING ACTIVITIES			
Capital injection by non-controlling shareholders		955	600
Proceeds from issuance of subordinated bonds		3,031	20,000
Proceeds from issuance of other debt securities		41,336	9,640
Interest paid on debt securities		(10,074)	(8,566)
Repayment of other debt securities		(17,084)	–
Acquisition of non-controlling interests		(17)	–
Dividends paid on ordinary shares		(83,565)	(70,912)
Dividends paid to non-controlling shareholders		(47)	(41)
Net cash flows from financing activities		(65,465)	(49,279)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		1,201,647	848,308
Effect of exchange rate changes on cash and cash equivalents		(12,672)	(4,220)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	44	957,402	1,201,647
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		756,529	704,500
Interest paid		(265,008)	(243,400)

The notes on pages 158 to 280 form part of these financial statements.