

Consolidated Statement of Income

For the year ended 31 December 2018

(in RMB million)	Notes	2018	2017
Gross written premiums	6	719,556	605,035
Less: Premiums ceded to reinsurers		(19,417)	(17,420)
Net written premiums	6	700,139	587,615
Change in unearned premium reserves		(22,436)	(14,625)
Net earned premiums		677,703	572,990
Reinsurance commission revenue		7,966	6,728
Interest revenue from banking operations	7	161,714	147,386
Interest revenue from non-banking operations	8	88,546	88,376
Fees and commission revenue from non-insurance operations	9	46,277	44,407
Investment income	10	31,974	63,725
Share of profits and losses of associates and jointly controlled entities		18,074	7,145
Other revenues and other gains	11	49,892	43,813
Total revenue		1,082,146	974,570
Gross claims and policyholders' benefits	12	(449,704)	(436,658)
Less: Reinsurers' share and policyholders' benefits	12	10,108	9,415
Claims and policyholders' benefits		(439,596)	(427,243)
Commission expenses on insurance operations		(130,394)	(114,587)
Interest expenses on banking operations	7	(86,931)	(72,501)
Fees and commission expenses on non-insurance operations	9	(9,086)	(6,599)
Net impairment losses on financial assets	13	(52,105)	-
Loan loss provisions, net of reversals	14, 25	-	(40,814)
Net impairment losses on other assets		(1,709)	-
Foreign exchange losses		(946)	(128)
General and administrative expenses		(151,581)	(145,126)
Interest expenses on non-banking operations		(18,227)	(11,167)
Other expenses		(28,420)	(21,665)
Total expenses		(918,995)	(839,830)
Profit before tax	14	163,151	134,740
Income tax	15	(42,699)	(34,762)
Profit for the year		120,452	99,978
Attributable to:			
- Owners of the parent		107,404	89,088
- Non-controlling interests		13,048	10,890
		120,452	99,978
Earnings per share attributable to ordinary equity holders of the parent:		RMB	RMB
- Basic	17	6.02	4.99
- Diluted	17	6.01	4.99

Consolidated Statement of Financial Position

As at 31 December 2018

(in RMB million)	Notes	31 December 2018	31 December 2017
Assets			
Cash and amounts due from banks and other financial institutions	18	457,524	483,891
Balances with the Central Bank	19	273,513	305,986
Financial assets held under resold agreements	20	92,951	99,296
Premium receivables	21	67,150	45,694
Accounts receivable		22,798	72,061
Derivative financial assets	22	21,911	16,192
Reinsurers' share of insurance liabilities	23	16,671	15,633
Policy loans		111,219	83,203
Finance lease receivable	24	165,214	112,028
Loans and advances to customers	25	1,929,842	1,660,864
Financial assets at fair value through profit or loss	26	824,939	-
Financial assets at amortized cost	27	2,075,151	-
Debt financial assets at fair value through other comprehensive income	28	310,901	-
Equity financial assets at fair value through other comprehensive income	29	222,639	-
Fixed maturity investments	30	-	2,376,638
Equity investments	31	-	630,676
Investments in associates and jointly controlled entities	32	154,895	86,207
Statutory deposits for insurance operations	33	12,446	12,250
Investment properties	34	38,242	40,108
Property and equipment	35	49,323	47,067
Intangible assets	36	58,450	60,981
Deferred tax assets	48	45,187	40,141
Other assets	37	155,686	261,275
Policyholder account assets in respect of insurance contracts	38	32,344	38,775
Policyholder account assets in respect of investment contracts	38	3,964	4,109
Total assets		7,142,960	6,493,075
Equity and liabilities			
Equity			
Share capital	39	18,280	18,280
Reserves	40	203,719	217,881
Retained profits	40	334,509	237,190
Equity attributable to owners of the parent		556,508	473,351
Non-controlling interests	40	127,135	114,566
Total equity		683,643	587,917

Consolidated Statement of Financial Position

As at 31 December 2018

(in RMB million)	Notes	31 December 2018	31 December 2017
Liabilities			
Due to banks and other financial institutions	42	803,154	780,530
Financial liabilities at fair value through profit or loss		16,975	14,060
Derivative financial liabilities	22	22,247	17,950
Assets sold under agreements to repurchase	43	189,028	133,981
Accounts payable		9,779	8,522
Income tax payable		31,416	28,775
Insurance payables		120,688	114,108
Policyholder dividend payable		52,591	45,622
Customer deposits and payables to brokerage customers	44	2,114,344	1,952,695
Bonds payable	47	556,875	451,283
Insurance contract liabilities	45	2,211,887	1,932,969
Investment contract liabilities for policyholders	46	52,747	50,309
Deferred tax liabilities	48	18,476	25,891
Other liabilities	49	259,110	348,463
Total liabilities		6,459,317	5,905,158
Total equity and liabilities		7,142,960	6,493,075

The financial statements on pages 153 to 315 were approved and authorized for issue by the Board of Directors on 12 March 2019 and were signed on its behalf.

MA Mingzhe
Director

SUN Jianyi
Director

YAO Jason Bo
Director

Consolidated Statement of Cash Flows

For the year ended 31 December 2018

(in RMB million)	Notes	2018	2017
Net cash flows from operating activities	55	206,260	121,283
Cash flows from investing activities			
Purchases of investment properties, property and equipment, and intangible assets		(10,663)	(19,257)
Proceeds from disposal of investment properties, property and equipment, and intangible assets		3,573	571
Proceeds from disposal of investments		1,349,977	1,960,127
Purchases of investments		(1,711,291)	(2,435,128)
Acquisition of non-controlling interests in subsidiaries		(42)	(6,675)
Acquisition of subsidiaries		(142)	(104)
Disposal of subsidiaries		1,206	(976)
Interest received		102,604	124,094
Dividends received		46,890	37,980
Rentals received		3,743	2,757
Increase in policy loans		(26,281)	(18,156)
Net cash flows used in investing activities		(240,426)	(354,767)
Cash flows from financing activities			
Capital injected into subsidiaries by non-controlling interests		3,220	5,595
Proceeds from bonds issued		860,782	953,639
Increase in assets sold under agreements to repurchase of insurance operations, net		47,382	51,615
Proceeds from borrowings		166,538	348,046
Repayment of borrowings		(986,646)	(1,147,255)
Interest paid		(25,308)	(16,109)
Dividends paid		(35,693)	(21,278)
Others		989	4,335
Net cash flows from financing activities		31,264	178,588
Decrease in cash and cash equivalents		(2,902)	(54,896)
Net foreign exchange differences		2,262	(3,992)
Cash and cash equivalents at beginning of the year		308,664	367,552
Cash and cash equivalents at end of the year	54	308,024	308,664