

Consolidated Statement of Profit or Loss

Year ended 31 December 2014
(In RMB millions, unless otherwise stated)

	Notes	2014	2013
Interest income	6	849,879	767,111
Interest expense	6	(356,357)	(323,776)
NET INTEREST INCOME	6	493,522	443,335
Fee and commission income	7	146,678	134,550
Fee and commission expense	7	(14,181)	(12,224)
NET FEE AND COMMISSION INCOME	7	132,497	122,326
Net trading income	8	1,745	154
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	(10,024)	(2,413)
Net gain on financial investments	10	1,803	625
Other operating income, net	11	15,315	14,874
OPERATING INCOME		634,858	578,901
Operating expenses	12	(218,674)	(204,140)
Impairment losses on:			
Loans and advances to customers	26	(56,267)	(38,098)
Others	15	(462)	(223)
OPERATING PROFIT		359,455	336,440
Share of profits of associates and joint ventures		2,157	2,097
PROFIT BEFORE TAXATION		361,612	338,537
Income tax expense	16	(85,326)	(75,572)
PROFIT FOR THE YEAR		276,286	262,965
Attributable to:			
Equity holders of the parent company		275,811	262,649
Non-controlling interests		475	316
		276,286	262,965
EARNINGS PER SHARE			
— Basic (RMB yuan)	19	0.78	0.75
— Diluted (RMB yuan)	19	0.78	0.74

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

The notes on pages 137 to 261 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2014

(In RMB millions, unless otherwise stated)

	Notes	31 December 2014	31 December 2013
ASSETS			
Cash and balances with central banks	20	3,523,622	3,294,007
Due from banks and other financial institutions	21	782,776	717,984
Financial assets held for trading	22	34,373	28,143
Financial assets designated at fair value through profit or loss	23	312,455	344,413
Derivative financial assets	24	24,048	25,020
Reverse repurchase agreements	25	468,462	331,903
Loans and advances to customers	26	10,768,750	9,681,415
Financial investments	27	4,086,409	3,949,688
Investments in associates and joint ventures	29	28,919	28,515
Property and equipment	30	199,280	164,347
Deferred income tax assets	31	24,758	28,860
Other assets	32	356,101	323,457
TOTAL ASSETS		20,609,953	18,917,752
LIABILITIES			
Due to central banks		631	724
Financial liabilities designated at fair value through profit or loss	33	589,385	553,607
Derivative financial liabilities	24	24,191	19,168
Due to banks and other financial institutions	34	1,539,239	1,269,255
Repurchase agreements	35	380,957	299,304
Certificates of deposit	36	176,248	130,558
Due to customers	37	15,556,601	14,620,825
Income tax payable		60,666	55,674
Deferred income tax liabilities	31	451	420
Debt securities issued	38	279,590	253,018
Other liabilities	39	464,690	436,736
TOTAL LIABILITIES		19,072,649	17,639,289
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	40	353,495	351,390
Other equity instrument		34,428	–
Equity component of convertible bonds	38	388	1,960
Reserves	42	492,312	408,835
Retained profits		650,236	511,949
		1,530,859	1,274,134
Non-controlling interests		6,445	4,329
TOTAL EQUITY		1,537,304	1,278,463
TOTAL EQUITY AND LIABILITIES		20,609,953	18,917,752

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
General Manager of Finance
and Accounting Department

The notes on pages 137 to 161 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2014

(In RMB millions, unless otherwise stated)

	Notes	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		361,612	338,537
Adjustments for:			
Share of profits of associates and joint ventures		(2,157)	(2,097)
Depreciation	12	16,094	14,420
Amortisation	12	2,211	2,018
Amortisation of financial investments		(102)	(163)
Impairment losses on loans and advances to customers	26	56,267	38,098
Impairment losses on assets other than loans and advances to customers	15	462	223
Unrealised foreign exchange gain/(loss)		(476)	6,206
Interest expense on debt securities issued		11,705	10,785
Accreted interest on impaired loans	6	(2,779)	(2,019)
Gain on disposal of available-for-sale financial assets, net	10	(1,626)	(524)
Net trading gain on equity investments	8	(24)	(40)
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	10,024	2,413
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(944)	(848)
Dividend income	10	(177)	(101)
		450,090	406,908
Net (increase)/decrease in operating assets:			
Due from central banks		(223,291)	(319,010)
Due from banks and other financial institutions		3,069	81,342
Financial assets held for trading		(6,047)	(7,804)
Financial assets designated at fair value through profit or loss		35,022	(142,720)
Reverse repurchase agreements		(173,890)	5,443
Loans and advances to customers		(1,121,840)	(1,159,539)
Other assets		(143,088)	(10,432)
		(1,630,065)	(1,552,720)
Net increase/(decrease) in operating liabilities:			
Financial liabilities designated at fair value through profit or loss		33,136	234,583
Due to central banks		(93)	(409)
Due to banks and other financial institutions		260,411	(207,685)
Repurchase agreements		81,653	61,540
Certificates of deposit		43,147	94,351
Due to customers		920,197	994,119
Other liabilities		130,182	42,214
		1,468,633	1,218,713
Net cash flows from operating activities before tax		288,658	72,901
Income tax paid		(87,201)	(74,848)
Net cash flows from operating activities		201,457	(1,947)

The notes on pages 137 to 261 form part of these financial statements.

Consolidated Statement of Cash Flows

Year ended 31 December 2014
(In RMB millions, unless otherwise stated)

	Notes	2014	2013
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(53,957)	(44,427)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		3,802	1,088
Purchases of financial investments		(1,109,178)	(1,239,747)
Proceeds from sale and redemption of financial investments		1,011,771	1,117,779
Investments in associates and joint ventures		(324)	–
Proceeds from disposal of investments in associates and joint ventures		–	493
Dividends received		1,145	653
Net cash flows from investing activities		(146,741)	(164,161)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of preference shares		34,549	–
Capital injection by non-controlling shareholders		1,393	955
Proceeds from issuance of debt securities		95,554	44,367
Interest paid on debt securities		(11,278)	(10,074)
Repayment of other debt securities		(54,594)	(17,084)
Acquisition of non-controlling interests		–	(17)
Dividends paid on ordinary shares		(91,960)	(83,565)
Dividends paid to non-controlling shareholders		(8)	(47)
Net cash flows from financing activities		(26,344)	(65,465)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		957,402	1,201,647
Effect of exchange rate changes on cash and cash equivalents		8,490	(12,672)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	45	994,264	957,402
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		836,797	756,529
Interest paid		(315,230)	(265,008)

The notes on pages 137 to 261 form part of these financial statements.