

Consolidated Statement of Profit or Loss

For the year ended 31 December 2021
(In RMB millions, unless otherwise stated)

	Notes	2021	2020
Interest income	6	1,162,218	1,092,521
Interest expense	6	(471,538)	(445,756)
NET INTEREST INCOME	6	690,680	646,765
Fee and commission income	7	148,727	146,668
Fee and commission expense	7	(15,703)	(15,453)
NET FEE AND COMMISSION INCOME	7	133,024	131,215
Net trading income	8	8,955	2,222
Net gains on financial investments	9	16,440	11,829
Other operating income, net	10	11,781	8,044
OPERATING INCOME		860,880	800,075
Operating expenses	11	(236,227)	(206,585)
Impairment losses on assets	14	(202,623)	(202,668)
OPERATING PROFIT		422,030	390,822
Share of results of associates and joint ventures		2,869	1,304
PROFIT BEFORE TAXATION		424,899	392,126
Income tax expense	15	(74,683)	(74,441)
PROFIT FOR THE YEAR		350,216	317,685
Profit for the year attributable to:			
Equity holders of the parent company		348,338	315,906
Non-controlling interests		1,878	1,779
PROFIT FOR THE YEAR		350,216	317,685
EARNINGS PER SHARE			
— Basic (RMB yuan)	18	0.95	0.86
— Diluted (RMB yuan)	18	0.95	0.86

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

(In RMB millions, unless otherwise stated)

	Notes	31 December 2021	31 December 2020
ASSETS			
Cash and balances with central banks	19	3,098,438	3,537,795
Due from banks and other financial institutions	20	827,150	1,081,897
Derivative financial assets	21	76,140	134,155
Reverse repurchase agreements	22	663,496	739,288
Loans and advances to customers	23	20,109,200	18,136,328
Financial investments	24	9,257,760	8,591,139
— Financial investments measured at fair value through profit or loss		623,223	784,483
— Financial investments measured at fair value through other comprehensive income		1,803,604	1,540,988
— Financial investments measured at amortised cost		6,830,933	6,265,668
Investments in associates and joint ventures	26	61,782	41,206
Property and equipment	27	290,296	286,279
Deferred tax assets	28	79,259	67,713
Other assets	29	707,862	729,258
TOTAL ASSETS		35,171,383	33,345,058

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2021

(In RMB millions, unless otherwise stated)

	Notes	31 December 2021	31 December 2020
LIABILITIES			
Due to central banks		39,723	54,974
Financial liabilities designated as at fair value through profit or loss	30	87,180	87,938
Derivative financial liabilities	21	71,337	140,973
Due to banks and other financial institutions	31	2,921,029	2,784,259
Repurchase agreements	32	365,943	293,434
Certificates of deposit	33	290,342	335,676
Due to customers	34	26,441,774	25,134,726
Income tax payable		92,443	89,785
Deferred tax liabilities	28	5,624	2,881
Debt securities issued	35	791,375	798,127
Other liabilities	36	789,355	712,770
TOTAL LIABILITIES		31,896,125	30,435,543
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	37	356,407	356,407
Other equity instruments	38	354,331	225,819
Reserves	39	926,375	800,718
Retained earnings		1,620,642	1,510,558
		3,257,755	2,893,502
Non-controlling interests		17,503	16,013
TOTAL EQUITY		3,275,258	2,909,515
TOTAL EQUITY AND LIABILITIES		35,171,383	33,345,058

Chen Siqing

Chairman

Liao Lin

Vice Chairman
and President

Liu Yagan

General Manager of
Finance and Accounting Department

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021
(In RMB millions, unless otherwise stated)

	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		424,899	392,126
Adjustments for:			
Share of results of associates and joint ventures		(2,869)	(1,304)
Depreciation		28,194	27,046
Amortisation	11	3,125	2,607
Impairment losses on assets	14	202,623	202,668
Unrealised gains on foreign exchange		(22,300)	(12,642)
Interest expense on debt securities issued		27,673	25,549
Accreted interest on impaired loans		(1,964)	(1,710)
Net gains on financial investments		(18,349)	(9,814)
Interest income on financial investments		(262,827)	(245,294)
Net gains on changes in fair value		(14,473)	(12,797)
Net gains on disposal and stocktake of property and equipment and other assets (other than repossessed assets)		(2,077)	(1,238)
Dividend income	9	(3,388)	(2,355)
		358,267	362,842
Net decrease/(increase) in operating assets:			
Due from central banks		155,880	75,762
Due from banks and other financial institutions		157,890	(16,064)
Financial assets measured at fair value through profit or loss		143,496	284,342
Reverse repurchase agreements		99,863	123,955
Loans and advances to customers		(2,184,611)	(2,079,400)
Other assets		(43,570)	(51,517)
		(1,671,052)	(1,662,922)
Net (decrease)/increase in operating liabilities:			
Financial liabilities designated as at fair value through profit or loss		(853)	(7,530)
Due to central banks		(15,161)	53,959
Due to banks and other financial institutions		158,557	563,361
Repurchase agreements		77,427	30,155
Certificates of deposit		(37,420)	269
Due to customers		1,261,998	2,219,487
Other liabilities		311,773	82,547
		1,756,321	2,942,248
Net cash flows from operating activities before tax		443,536	1,642,168
Income tax paid		(82,654)	(84,552)
Net cash flows from operating activities		360,882	1,557,616

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2021
(In RMB millions, unless otherwise stated)

	Note	2021	2020
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(27,584)	(38,005)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		13,008	8,539
Purchases of financial investments		(3,344,684)	(3,191,273)
Proceeds from sale and redemption of financial investments		2,423,298	1,845,743
Investments in associates and joint ventures		(21,207)	(11,690)
Proceeds from disposal of associates and joint ventures		206	627
Investment returns received		282,407	250,962
Net cash flows from investing activities		(674,556)	(1,135,097)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of other equity instruments		139,793	19,716
Proceeds from issuance of debt securities		835,441	927,759
Interest paid on debt securities		(26,320)	(25,137)
Repayment of debt securities		(836,623)	(858,858)
Cash payment for redemption of other equity instruments		(11,155)	—
Acquisition of non-controlling interests		—	(1,279)
Dividends paid on ordinary shares		(94,804)	(93,664)
Dividends or interest paid to other equity instrument holders		(9,607)	(8,839)
Dividends paid to non-controlling shareholders		(465)	(337)
Cash payment for other financing activities		(7,813)	(6,310)
Net cash flows from financing activities		(11,553)	(46,949)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents at beginning of the year		1,791,122	1,450,413
Effect of exchange rate changes on cash and cash equivalents		(29,138)	(34,861)
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	41	1,436,757	1,791,122
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		939,737	902,804
Interest paid		(351,322)	(393,080)

The accompanying notes form part of these consolidated financial statements.