

Consolidated Statement of Profit or Loss

Year ended 31 December 2017
(In RMB millions, unless otherwise stated)

	Notes	2017	2016
Interest income	6	861,594	791,480
Interest expense	6	(339,516)	(319,634)
NET INTEREST INCOME	6	522,078	471,846
Fee and commission income	7	158,666	164,714
Fee and commission expense	7	(19,041)	(19,741)
NET FEE AND COMMISSION INCOME	7	139,625	144,973
Net trading income	8	5,753	6,457
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	(476)	(104)
Net gain on financial investments	10	2,641	4,545
Other operating income, net	11	6,033	13,964
OPERATING INCOME		675,654	641,681
Operating expenses	12	(186,194)	(193,112)
Impairment losses on:			
Loans and advances to customers	26	(124,096)	(86,138)
Others	15	(3,673)	(1,756)
OPERATING PROFIT		361,691	360,675
Share of profits of associates and joint ventures		2,950	2,604
PROFIT BEFORE TAXATION		364,641	363,279
Income tax expense	16	(77,190)	(84,173)
PROFIT FOR THE YEAR		287,451	279,106
Attributable to:			
Equity holders of the parent company		286,049	278,249
Non-controlling interests		1,402	857
PROFIT FOR THE YEAR		287,451	279,106
EARNINGS PER SHARE			
— Basic (RMB yuan)	19	0.79	0.77
— Diluted (RMB yuan)	19	0.79	0.77

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

The notes on pages 138 to 272 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2017

(In RMB millions, unless otherwise stated)

	Notes	31 December 2017	31 December 2016
ASSETS			
Cash and balances with central banks	20	3,613,872	3,350,788
Due from banks and other financial institutions	21	847,611	797,473
Financial assets held for trading	22	87,337	189,331
Financial assets designated at fair value through profit or loss	23	353,601	285,144
Derivative financial assets	24	89,013	94,452
Reverse repurchase agreements	25	986,631	755,627
Loans and advances to customers	26	13,892,966	12,767,334
Financial investments	27	5,315,766	5,006,699
Investments in associates and joint ventures	29	32,441	30,077
Property and equipment	30	247,744	246,209
Deferred income tax assets	31	48,392	28,398
Other assets	32	571,669	585,733
TOTAL ASSETS		26,087,043	24,137,265
LIABILITIES			
Due to central banks		456	545
Financial liabilities designated at fair value through profit or loss	33	425,948	366,752
Derivative financial liabilities	24	78,556	89,960
Due to banks and other financial institutions	34	1,706,549	2,016,799
Repurchase agreements	35	1,046,338	589,306
Certificates of deposit	36	260,274	218,427
Due to customers	37	19,226,349	17,825,302
Income tax payable		70,644	52,640
Deferred income tax liabilities	31	433	604
Debt securities issued	38	526,940	357,937
Other liabilities	39	603,500	637,830
TOTAL LIABILITIES		23,945,987	22,156,102
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	40	356,407	356,407
Other equity instruments	41	86,051	86,051
Reserves	42	587,489	586,630
Retained profits		1,097,544	940,663
		2,127,491	1,969,751
Non-controlling interests		13,565	11,412
TOTAL EQUITY		2,141,056	1,981,163
TOTAL EQUITY AND LIABILITIES		26,087,043	24,137,265

Yi Huiman
Chairman

Gu Shu
Vice Chairman and President

Zhang Wenwu
General Manager of Finance
and Accounting Department

The notes on pages 138 to 272 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2017
(In RMB millions, unless otherwise stated)

	Notes	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		364,641	363,279
Adjustments for:			
Share of profits of associates and joint ventures		(2,950)	(2,604)
Depreciation		17,958	19,761
Amortisation	12	2,114	2,059
Amortisation of financial investments		5,194	(2,155)
Impairment losses on loans and advances to customers	26	124,096	86,138
Impairment losses on assets other than loans and advances to customers	15	3,673	1,756
Unrealised loss/(gain) on foreign exchange		10,288	(9,282)
Interest expense on debt securities issued		16,219	14,237
Accreted interest on impaired loans	6	(3,189)	(5,135)
Gain on disposal of available-for-sale financial assets, net	10	(2,313)	(4,202)
Net trading gain on equity investments	8	(757)	(345)
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	476	104
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(1,377)	(181)
Dividend income	10	(328)	(343)
		533,745	463,087
Net (increase)/decrease in operating assets:			
Due from central banks		(208,191)	(273,546)
Due from banks and other financial institutions		102,201	(136,134)
Financial assets held for trading		109,053	(54,153)
Financial assets designated at fair value through profit or loss		(69,385)	(72,653)
Reverse repurchase agreements		(106,555)	(6,395)
Loans and advances to customers		(1,333,103)	(1,119,674)
Other assets		4,150	(132,697)
		(1,501,830)	(1,795,252)
Net increase/(decrease) in operating liabilities:			
Financial liabilities designated at fair value through profit or loss		58,881	63,898
Due to central banks		(89)	335
Due to banks and other financial institutions		(268,057)	(290,032)
Repurchase agreements		457,032	252,115
Certificates of deposit		55,903	23,938
Due to customers		1,477,322	1,477,846
Other liabilities		26,456	136,604
		1,807,448	1,664,704
Net cash flows from operating activities before tax		839,363	332,539
Income tax paid		(68,499)	(93,318)
Net cash flows from operating activities		770,864	239,221

The notes on pages 138 to 272 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2017

(In RMB millions, unless otherwise stated)

	Notes	2017	2016
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(13,096)	(39,281)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		3,195	2,850
Purchases of financial investments		(2,633,240)	(2,492,693)
Proceeds from sale and redemption of financial investments		2,153,124	2,059,722
Investments in associates and joint ventures		(1,605)	(1,373)
Proceeds from disposal of associates and joint ventures		633	487
Dividends received		1,731	1,356
Net cash flows from investing activities		(489,258)	(468,932)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issuance of other equity instruments		–	6,691
Capital injection by non-controlling shareholders		792	1,520
Proceeds from issuance of debt securities		943,954	896,665
Interest paid on debt securities		(15,370)	(13,979)
Repayment of debt securities		(759,095)	(854,012)
Acquisition of non-controlling interests		(194)	–
Dividends paid on ordinary shares		(83,506)	(83,150)
Dividends paid on preference shares		(4,437)	(4,450)
Dividends paid to non-controlling shareholders		(309)	(71)
Net cash flows from financing activities		81,835	(50,786)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		363,441	(280,497)
Cash and cash equivalents at beginning of the year		1,189,368	1,441,298
Effect of exchange rate changes on cash and cash equivalents		(32,479)	28,567
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	45	1,520,330	1,189,368
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		891,366	810,718
Interest paid		(324,813)	(317,533)

The notes on pages 138 to 272 form part of these financial statements.