

Consolidated Statement of Profit or Loss

Year ended 31 December 2015
(In RMB millions, unless otherwise stated)

	Notes	2015	2014
Interest income	6	871,779	849,879
Interest expense	6	(363,912)	(356,357)
NET INTEREST INCOME	6	507,867	493,522
Fee and commission income	7	161,670	146,678
Fee and commission expense	7	(18,279)	(14,181)
NET FEE AND COMMISSION INCOME	7	143,391	132,497
Net trading income	8	4,227	1,745
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	(5,953)	(10,024)
Net gain on financial investments	10	4,920	1,803
Other operating income, net	11	14,281	15,315
OPERATING INCOME		668,733	634,858
Operating expenses	12	(220,835)	(218,674)
Impairment losses on:			
Loans and advances to customers	26	(86,022)	(56,267)
Others	15	(971)	(462)
OPERATING PROFIT		360,905	359,455
Share of profits of associates and joint ventures		2,330	2,157
PROFIT BEFORE TAXATION		363,235	361,612
Income tax expense	16	(85,515)	(85,326)
PROFIT FOR THE YEAR		277,720	276,286
Attributable to:			
Equity holders of the parent company		277,131	275,811
Non-controlling interests		589	475
		277,720	276,286
EARNINGS PER SHARE			
— Basic (RMB yuan)	19	0.77	0.78
— Diluted (RMB yuan)	19	0.77	0.78

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

The notes on pages 137 to 267 form part of these financial statements.

Consolidated Statement of Financial Position

31 December 2015

(In RMB millions, unless otherwise stated)

	Notes	31 December 2015	31 December 2014
ASSETS			
Cash and balances with central banks	20	3,059,633	3,523,622
Due from banks and other financial institutions	21	683,793	782,776
Financial assets held for trading	22	132,838	34,373
Financial assets designated at fair value through profit or loss	23	210,434	312,455
Derivative financial assets	24	78,870	24,048
Reverse repurchase agreements	25	996,333	468,462
Loans and advances to customers	26	11,652,812	10,768,750
Financial investments	27	4,666,691	4,086,409
Investments in associates and joint ventures	29	24,185	28,919
Property and equipment	30	224,426	199,280
Deferred income tax assets	31	21,066	24,758
Other assets	32	458,699	356,101
TOTAL ASSETS		22,209,780	20,609,953
LIABILITIES			
Due to central banks		210	631
Financial liabilities designated at fair value through profit or loss	33	303,927	589,385
Derivative financial liabilities	24	76,826	24,191
Due to banks and other financial institutions	34	2,265,860	1,539,239
Repurchase agreements	35	337,191	380,957
Certificates of deposit	36	183,352	176,248
Due to customers	37	16,281,939	15,556,601
Income tax payable		63,266	60,666
Deferred income tax liabilities	31	995	451
Debt securities issued	38	306,622	279,590
Other liabilities	39	589,073	464,690
TOTAL LIABILITIES		20,409,261	19,072,649
EQUITY			
Equity attributable to equity holders of the parent company			
Share capital	40	356,407	353,495
Other equity instrument		79,375	34,428
Including: Preference shares	41	79,375	34,428
Equity component of convertible bonds	38	–	388
Reserves	42	571,704	492,312
Retained profits		781,988	650,236
		1,789,474	1,530,859
Non-controlling interests		11,045	6,445
TOTAL EQUITY		1,800,519	1,537,304
TOTAL EQUITY AND LIABILITIES		22,209,780	20,609,953

Jiang Jianqing
Chairman

Yi Huiman
Vice Chairman and President

Liu Yagan
General Manager of Finance
and Accounting Department

The notes on pages 137 to 267 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2015
(In RMB millions, unless otherwise stated)

	Notes	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		363,235	361,612
Adjustments for:			
Share of profits of associates and joint ventures		(2,330)	(2,157)
Depreciation		18,049	16,094
Amortisation	12	2,295	2,211
Amortisation of financial investments		(1,422)	(102)
Impairment losses on loans and advances to customers	26	86,022	56,267
Impairment losses on assets other than loans and advances to customers	15	971	462
Unrealised foreign exchange gains		(7,494)	(476)
Interest expense on debt securities issued		13,349	11,705
Accreted interest on impaired loans	6	(4,156)	(2,779)
Gain on disposal of available-for-sale financial assets, net	10	(4,765)	(1,626)
Net trading gain on equity investments	8	(33)	(24)
Net loss on financial assets and liabilities designated at fair value through profit or loss	9	5,953	10,024
Net gain on disposal and overage of property and equipment and other assets (other than repossessed assets)		(848)	(944)
Dividend income	10	(155)	(177)
		468,671	450,090
Net decrease/(increase) in operating assets:			
Due from central banks		442,973	(223,291)
Due from banks and other financial institutions		(91,173)	3,069
Financial assets held for trading		(98,020)	(6,047)
Financial assets designated at fair value through profit or loss		103,856	35,022
Reverse repurchase agreements		130,224	(173,890)
Loans and advances to customers		(924,231)	(1,121,840)
Other assets		(774,096)	(143,088)
		(1,210,467)	(1,630,065)
Net (decrease)/increase in operating liabilities:			
Financial liabilities designated at fair value through profit or loss		(284,962)	33,136
Due to central banks		(421)	(93)
Due to banks and other financial institutions		703,298	260,411
Repurchase agreements		(43,766)	81,653
Certificates of deposit		1,136	43,147
Due to customers		688,632	920,197
Other liabilities		896,426	130,182
		1,960,343	1,468,633
Net cash flows from operating activities before tax		1,218,547	288,658
Income tax paid		(86,783)	(87,201)
Net cash flows from operating activities		1,131,764	201,457

The notes on pages 137 to 267 form part of these financial statements.

Consolidated Cash Flow Statement

Year ended 31 December 2015
(In RMB millions, unless otherwise stated)

	Notes	2015	2014
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of property and equipment and other assets		(42,297)	(53,957)
Proceeds from disposal of property and equipment and other assets (other than repossessed assets)		3,481	3,802
Purchases of financial investments		(2,007,160)	(1,109,178)
Proceeds from sale and redemption of financial investments		1,378,079	1,011,771
Investments in associates and joint ventures		(158)	(324)
Dividends received		1,094	1,145
Net cash flows from investing activities		(666,961)	(146,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of preference shares		45,000	34,549
Capital injection by non-controlling shareholders		323	1,393
Proceeds from issuance of debt securities		116,214	95,554
Interest paid on debt securities		(10,325)	(11,278)
Repayment of other debt securities		(94,205)	(54,594)
Acquisition of non-controlling interests		(374)	–
Dividends paid on ordinary shares		(91,026)	(91,960)
Dividends paid on preference shares		(2,331)	–
Dividends paid to non-controlling shareholders		(8)	(8)
Net cash flows from financing activities		(36,732)	(26,344)
NET INCREASE IN CASH AND CASH EQUIVALENTS		428,071	28,372
Cash and cash equivalents at beginning of the year		994,264	957,402
Effect of exchange rate changes on cash and cash equivalents		18,963	8,490
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	46	1,441,298	994,264
NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:			
Interest received		864,899	836,797
Interest paid		(338,014)	(315,230)

The notes on pages 137 to 267 form part of these financial statements.