

Condensed Consolidated Statement of Cash Flows

For the six month period ended 30 June 2020 (Amounts in millions of Renminbi, unless otherwise stated)

	Note	For the six month period ended 30 June	
		2020 Unaudited	2019 Unaudited
Cash flows from operating activities			
Profit before income tax		129,616	152,558
Adjustments:			
Impairment losses on assets		66,484	33,670
Depreciation of property and equipment and right-of-use assets		11,158	9,900
Amortisation of intangible assets and other assets		2,440	1,943
Net gains on disposal of property and equipment, intangible assets and other long-term assets		(957)	(246)
Net gains on disposal of investments in subsidiaries, associates and joint ventures		(114)	–
Share of results of associates and joint ventures		(63)	(670)
Interest income arising from financial investments		(76,475)	(76,251)
Dividends arising from investment securities		(126)	(120)
Net gains on financial investments		(6,767)	(2,422)
Interest expense arising from bonds issued		17,119	14,396
Accreted interest on impaired loans		(642)	(790)
Interest expense arising from lease liabilities		395	408
Net changes in operating assets and liabilities:			
Net decrease in balances with central banks		18,444	22,243
Net increase in due from and placements with and loans to banks and other financial institutions		(186,545)	(77,963)
Net decrease/(increase) in precious metals		34,717	(21,182)
Net increase in loans and advances to customers		(983,153)	(774,079)
Net increase in other assets		(64,450)	(101,113)
Net (decrease)/increase in due to banks and other financial institutions		(53,899)	56,441
Net increase in due to central banks		42,047	5,471
Net decrease in placements from banks and other financial institutions		(102,083)	(82,672)
Net increase in due to customers		1,270,004	762,854
Net increase/(decrease) in other borrowings		2,311	(3,057)
Net increase in other liabilities		70,022	13,101
Cash inflow/(outflow) from operating activities		189,483	(67,580)
Income tax paid		(52,126)	(23,314)
Net cash inflow/(outflow) from operating activities		137,357	(90,894)

The accompanying notes form an integral part of this interim financial information.

	Note	For the six month period ended 30 June	
		2020 Unaudited	2019 Unaudited
Cash flows from investing activities			
Proceeds from disposal of property and equipment, intangible assets and other long-term assets		2,224	3,108
Proceeds from disposal of investments in subsidiaries, associates and joint ventures		544	823
Dividends received		429	166
Interest income received from financial investments		77,643	76,908
Proceeds from disposal/maturity of financial investments		1,775,154	1,328,628
Increase in investments in subsidiaries, associates and joint ventures		(479)	(1,145)
Purchase of property and equipment, intangible assets and other long-term assets		(18,378)	(10,812)
Purchase of financial investments		(1,628,949)	(1,553,900)
Net cash inflow/(outflow) from investing activities		208,188	(156,224)
Cash flows from financing activities			
Proceeds from issuance of bonds		345,628	320,351
Proceeds from issuance of other equity instruments		59,571	112,971
Proceeds from capital contribution by non-controlling shareholders		930	–
Repayments of debts issued		(368,592)	(290,135)
Cash payments for interest on bonds issued		(7,259)	(5,213)
Dividend and interest payments to equity and other equity instrument holders of the Bank		(6,625)	(55,707)
Dividend and coupon payments to non-controlling shareholders		(1,192)	(3,968)
Other net cash flows from financing activities		(3,362)	(3,241)
Net cash inflow from financing activities		19,099	75,058
Effect of exchange rate changes on cash and cash equivalents		9,233	3,326
Net increase/(decrease) in cash and cash equivalents		373,877	(168,734)
Cash and cash equivalents at beginning of the period		1,345,892	1,688,600
Cash and cash equivalents at end of the period	III.29	1,719,769	1,519,866

The accompanying notes form an integral part of this interim financial information.