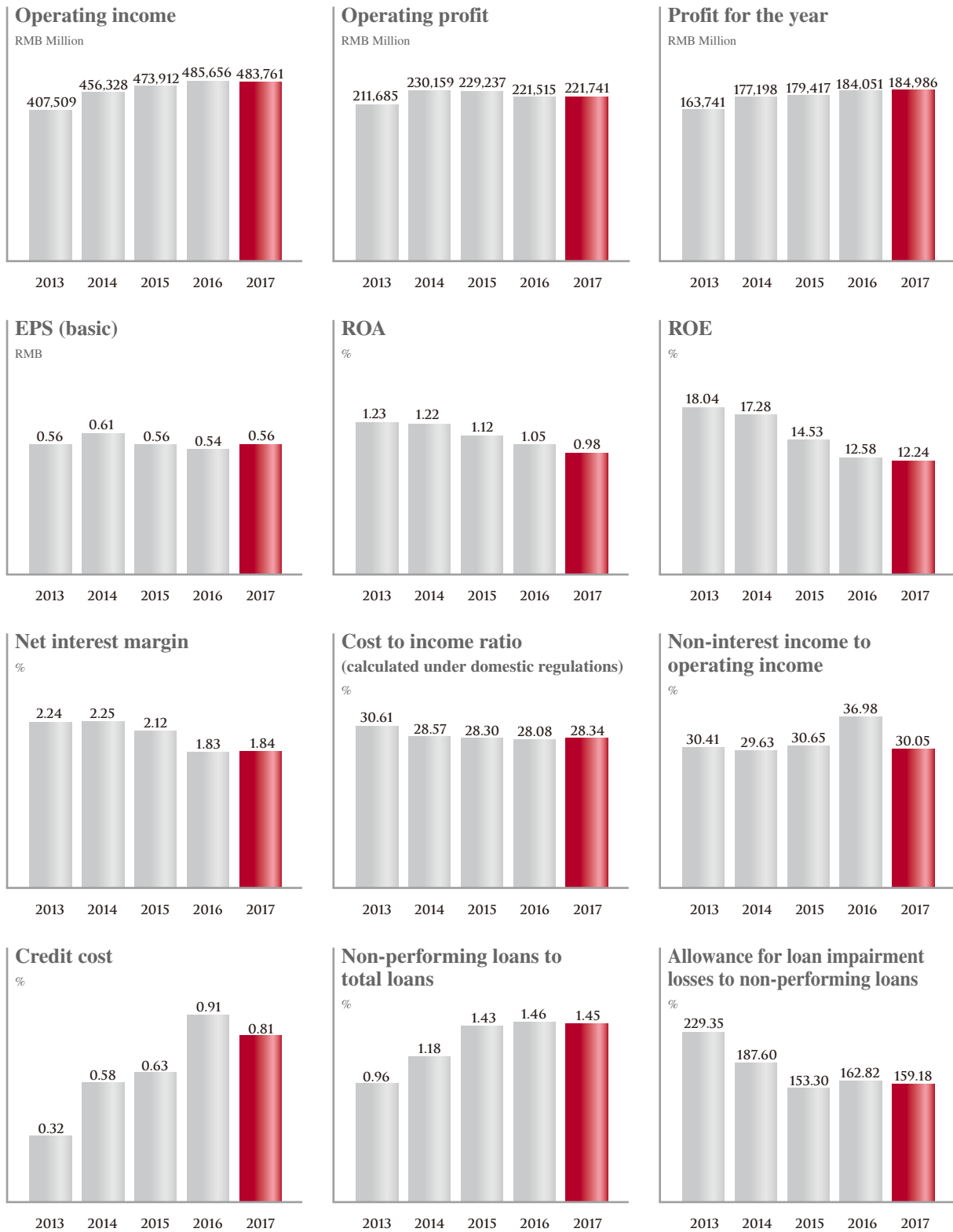


Financial Highlights



Financial Highlights

Note: The financial information in this report has been prepared in accordance with IFRS. The data are presented in RMB and reflect amounts related to the Group, unless otherwise noted.

Unit: RMB million

	Note	2017	2016	2015	2014	2013
Results of operations						
Net interest income		338,389	306,048	328,650	321,102	283,585
Non-interest income	1	145,372	179,608	145,262	135,226	123,924
Operating income		483,761	485,656	473,912	456,328	407,509
Operating expenses		(173,859)	(175,069)	(185,401)	(177,788)	(172,314)
Impairment losses on assets		(88,161)	(89,072)	(59,274)	(48,381)	(23,510)
Operating profit		221,741	221,515	229,237	230,159	211,685
Profit before income tax		222,903	222,412	231,571	231,478	212,777
Profit for the year		184,986	184,051	179,417	177,198	163,741
Profit attributable to equity holders of the Bank		172,407	164,578	170,845	169,595	156,911
Total dividend of ordinary shares		N.A.	49,457	51,518	55,934	54,755
Financial position						
Total assets		19,467,424	18,148,889	16,815,597	15,251,382	13,874,299
Loans, gross		10,896,558	9,973,362	9,135,860	8,483,275	7,607,791
Allowance for loan impairment losses		(252,254)	(237,716)	(200,665)	(188,531)	(168,049)
Investments	2	4,554,722	3,972,884	3,595,095	2,710,375	2,403,631
Total liabilities		17,890,745	16,661,797	15,457,992	14,067,954	12,912,822
Due to customers		13,657,924	12,939,748	11,729,171	10,885,223	10,097,786
Capital and reserves attributable to equity holders of the Bank		1,496,016	1,411,682	1,304,946	1,140,859	923,916
Share capital		294,388	294,388	294,388	288,731	279,365
Per share						
Basic earnings per share (RMB)		0.56	0.54	0.56	0.61	0.56
Dividend per share (before tax, RMB)	3	0.176	0.168	0.175	0.19	0.196
Net assets per share (RMB)	4	4.74	4.46	4.09	3.70	3.31
Key financial ratios						
Return on average total assets (%)	5	0.98	1.05	1.12	1.22	1.23
Return on average equity (%)	6	12.24	12.58	14.53	17.28	18.04
Net interest margin (%)	7	1.84	1.83	2.12	2.25	2.24
Non-interest income to operating income (%)	8	30.05	36.98	30.65	29.63	30.41
Cost to income ratio (calculated under domestic regulations, %)	9	28.34	28.08	28.30	28.57	30.61
Capital ratios						
Common equity tier 1 capital	10	1,377,408	1,297,421	1,197,868	1,068,706	925,037
Additional tier 1 capital		105,002	103,523	103,159	72,923	698
Tier 2 capital		264,652	225,173	212,937	250,714	262,768
Common equity tier 1 capital adequacy ratio (%)		11.15	11.37	11.10	10.61	9.69
Tier 1 capital adequacy ratio (%)		12.02	12.28	12.07	11.35	9.70
Capital adequacy ratio (%)		14.19	14.28	14.06	13.87	12.46
Asset quality						
Identified impaired loans to total loans (%)	11	1.45	1.46	1.43	1.18	0.96
Non-performing loans to total loans (%)	12	1.45	1.46	1.43	1.18	0.96
Allowance for loan impairment losses to non-performing loans (%)	13	159.18	162.82	153.30	187.60	229.35
Credit cost (%)	14	0.81	0.91	0.63	0.58	0.32
Allowance for loan impairment losses to total loans (%)	15	2.77	2.87	2.62	2.68	2.62
Exchange rate						
USD/RMB year-end middle rate		6.5342	6.9370	6.4936	6.1190	6.0969
EUR/RMB year-end middle rate		7.8023	7.3068	7.0952	7.4556	8.4189
HKD/RMB year-end middle rate		0.8359	0.8945	0.8378	0.7889	0.7862

Financial Highlights

Notes:

- 1 Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on financial investments + other operating income.
- 2 Investments include financial investments available for sale, debt securities held to maturity, financial investments classified as loans and receivables, and financial assets at fair value through profit or loss.
- 3 Dividend per share is the dividend per ordinary share distributed to ordinary shareholders.
- 4 Net assets per share = (capital and reserves attributable to equity holders of the Bank at year-end – other equity instruments) ÷ number of ordinary shares in issue at year-end.
- 5 Return on average total assets = profit for the year ÷ average total assets × 100%. Average total assets = (total assets at the beginning of the year + total assets at year-end) ÷ 2.
- 6 Return on average equity = profit attributable to ordinary shareholders of the Bank ÷ weighted average capital and reserves attributable to ordinary shareholders of the Bank × 100%. Calculation is based on *No. 9 Preparation and Reporting Rules of Information Disclosure of Public Offering Companies — Calculation and Disclosure of Return on Average Equity and Earnings per Share (Revised in 2010)* (CSRC Announcement [2010] No. 2) issued by the CSRC.
- 7 Net interest margin = net interest income ÷ average balance of interest-earning assets × 100%. Average balance is average daily balance derived from the Bank's management accounts (unaudited).
- 8 Non-interest income to operating income = non-interest income ÷ operating income × 100%.
- 9 Cost to income ratio is calculated in accordance with the *Measures of the Performance Evaluation of Financial Enterprises* (Cai Jin [2016] No. 35) formulated by the MOF.
- 10 In accordance with *Capital Rules for Commercial Banks (Provisional)* (Y.J.H.L. [2012] No. 1) and related regulations, the capital ratios of 2017, 2016, 2015 and 2014 are calculated under the advanced approaches, and the capital ratios of 2013 are calculated under the non-advanced approaches. The capital ratios of 2017, 2016, 2015 and 2014 should not be compared directly with those of 2013.
- 11 Identified impaired loans to total loans = identified impaired loans at year-end ÷ total loans at year-end × 100%.
- 12 Non-performing loans to total loans = non-performing loans at year-end ÷ total loans at year-end × 100%.
- 13 Allowance for loan impairment losses to non-performing loans = allowance for loan impairment losses at year-end ÷ non-performing loans at year-end × 100%.
- 14 Credit cost = impairment losses on loans ÷ average balance of loans × 100%. Average balance of loans = (balance of loans at the beginning of the year + balance of loans at year-end) ÷ 2.
- 15 Allowance for loan impairment losses to total loans = allowance for loan impairment losses at year-end ÷ total loans at year-end × 100%. Calculation is based on the data of the Bank's domestic institutions.