

Financial Highlights



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Note: The financial information in this report has been prepared in accordance with IFRS¹. The data are presented in RMB and reflect amounts related to the Group, unless otherwise noted.

Unit: RMB million

| | Note | 2020 | 2019 | 2018 | 2017 | 2016 |
|--|------|-------------------|------------|------------|------------|------------|
| Results of operations | | | | | | |
| Net interest income | | 415,918 | 390,050 | 372,930 | 349,535 | 316,011 |
| Non-interest income | 2 | 151,729 | 159,960 | 130,876 | 134,226 | 169,645 |
| Operating income | | 567,647 | 550,010 | 503,806 | 483,761 | 485,656 |
| Operating expenses | | (202,411) | (198,269) | (176,979) | (173,859) | (175,069) |
| Impairment losses on assets | | (119,016) | (102,153) | (99,294) | (88,161) | (89,072) |
| Operating profit | | 246,220 | 249,588 | 227,533 | 221,741 | 221,515 |
| Profit before income tax | | 246,378 | 250,645 | 229,643 | 222,903 | 222,412 |
| Profit for the year | | 205,096 | 201,891 | 192,435 | 184,986 | 184,051 |
| Profit attributable to equity holders of the Bank | | 192,870 | 187,405 | 180,086 | 172,407 | 164,578 |
| Total dividend of ordinary shares | | N.A. | 56,228 | 54,167 | 51,812 | 49,457 |
| Financial position | | | | | | |
| Total assets | | 24,402,659 | 22,769,744 | 21,267,275 | 19,467,424 | 18,148,889 |
| Loans, gross | | 14,216,477 | 13,068,785 | 11,819,272 | 10,896,558 | 9,973,362 |
| Allowance for loan impairment losses | 3 | (368,619) | (325,923) | (303,781) | (252,254) | (237,716) |
| Investments | 4 | 5,591,117 | 5,514,062 | 5,054,551 | 4,554,722 | 3,972,884 |
| Total liabilities | | 22,239,822 | 20,793,048 | 19,541,878 | 17,890,745 | 16,661,797 |
| Due to customers | | 16,879,171 | 15,817,548 | 14,883,596 | 13,657,924 | 12,939,748 |
| Capital and reserves attributable to equity holders of the Bank | | 2,038,419 | 1,851,701 | 1,612,980 | 1,496,016 | 1,411,682 |
| Share capital | | 294,388 | 294,388 | 294,388 | 294,388 | 294,388 |
| Per share | | | | | | |
| Basic earnings per share (RMB) | | 0.61 | 0.61 | 0.59 | 0.56 | 0.54 |
| Dividend per share (before tax, RMB) | 5 | 0.197 | 0.191 | 0.184 | 0.176 | 0.168 |
| Net assets per share (RMB) | 6 | 5.98 | 5.61 | 5.14 | 4.74 | 4.46 |
| Key financial ratios | | | | | | |
| Return on average total assets (%) | 7 | 0.87 | 0.92 | 0.94 | 0.98 | 1.05 |
| Return on average equity (%) | 8 | 10.61 | 11.45 | 12.06 | 12.24 | 12.58 |
| Net interest margin (%) | 9 | 1.85 | 1.89 | 1.95 | 1.90 | 1.88 |
| Non-interest income to operating income (%) | 10 | 26.73 | 29.08 | 25.98 | 27.75 | 34.93 |
| Cost to income ratio (calculated under regulations in the Chinese mainland, %) | 11 | 26.73 | 28.00 | 28.09 | 28.34 | 28.08 |
| Capital ratios | | | | | | |
| Common equity tier 1 capital | 12 | 1,730,401 | 1,620,563 | 1,488,010 | 1,377,408 | 1,297,421 |
| Additional tier 1 capital | | 287,843 | 210,057 | 109,524 | 105,002 | 103,523 |
| Tier 2 capital | | 458,434 | 394,843 | 347,473 | 264,652 | 225,173 |
| Common equity tier 1 capital adequacy ratio (%) | | 11.28 | 11.30 | 11.41 | 11.15 | 11.37 |
| Tier 1 capital adequacy ratio (%) | | 13.19 | 12.79 | 12.27 | 12.02 | 12.28 |
| Capital adequacy ratio (%) | | 16.22 | 15.59 | 14.97 | 14.19 | 14.28 |
| Asset quality | | | | | | |
| Credit-impaired loans to total loans (%) | 13 | 1.46 | 1.37 | 1.42 | 1.45 | 1.46 |
| Non-performing loans to total loans (%) | 14 | 1.46 | 1.37 | 1.42 | 1.45 | 1.46 |
| Allowance for loan impairment losses to non-performing loans (%) | 15 | 177.84 | 182.86 | 181.97 | 159.18 | 162.82 |
| Credit cost (%) | 16 | 0.76 | 0.80 | 0.95 | 0.81 | 0.91 |
| Allowance for loan impairment losses to total loans (%) | 17 | 2.96 | 2.97 | 3.07 | 2.77 | 2.87 |
| Exchange rate | | | | | | |
| USD/RMB year-end central parity rate | | 6.5249 | 6.9762 | 6.8632 | 6.5342 | 6.9370 |
| EUR/RMB year-end central parity rate | | 8.0250 | 7.8155 | 7.8473 | 7.8023 | 7.3068 |
| HKD/RMB year-end central parity rate | | 0.8416 | 0.8958 | 0.8762 | 0.8359 | 0.8945 |

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Notes:

- 1 Starting on 1 January 2018, the Bank has applied the *International Financial Reporting Standard No. 9 — Financial Instruments* (IFRS 9) published by the International Accounting Standards Board. Since 2020, the bank has reclassified the financing charges from the installment business of credit card holders, from net fee and commission income to interest income. The comparative figures for the same period in 2019, 2018, 2017 and 2016 were restated.
- 2 Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on transfers of financial asset + other operating income.
- 3 Allowance for loan impairment losses = allowance for loans at amortised cost + allowance for loans at fair value through other comprehensive income.
- 4 The investments of 2020, 2019 and 2018 are presented under IFRS 9, which include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial assets at amortised cost. The comparative data of the previous reporting period was not restated accordingly.
- 5 Dividend per share is the dividend per ordinary share distributed to ordinary shareholders.
- 6 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.
- 7 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.
- 8 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.
- 9 Net interest margin = net interest income ÷ average balance of interest-earning assets × 100%. Average balance is average daily balance derived from the Group's management accounts (unaudited).
- 10 Non-interest income to operating income = non-interest income ÷ operating income × 100%.
- 11 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.
- 12 The capital ratios are calculated under the advanced approaches and in accordance with *Capital Rules for Commercial Banks (Provisional)* (Y.J.H.L. [2012] No. 1).
- 13 Credit-impaired loans to total loans = credit-impaired loans at year-end ÷ total loans at year-end × 100%. Total loans are exclusive of accrued interest when being used to calculate credit-impaired loans to total loans.
- 14 Non-performing loans to total loans = non-performing loans at year-end ÷ total loans at year-end × 100%. Total loans are exclusive of accrued interest when being used to calculate non-performing loans to total loans.
- 15 Allowance for loan impairment losses to non-performing loans = allowance for loan impairment losses at year-end ÷ non-performing loans at year-end × 100%. Total loans are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to non-performing loans.
- 16 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. Total loans are exclusive of accrued interest when being used to calculate credit cost.
- 17 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 institutions in the Chinese mainland. Total loans are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to total loans.