

# 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	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020	For the six-month period ended 30 June 2019
<b>Results of operations</b>				
Net interest income	1	208,773	205,413	189,704
Non-interest income	2	94,082	81,570	86,984
Operating income		302,855	286,983	276,688
Operating expenses		(102,357)	(90,946)	(91,130)
Impairment losses on assets		(52,945)	(66,484)	(33,670)
Operating profit		147,553	129,553	151,888
Profit before income tax		148,302	129,616	152,558
Profit for the period		118,547	107,812	121,442
Profit attributable to equity holders of the Bank		112,813	100,917	114,048
Basic earnings per share (RMB)		0.36	0.32	0.38
<b>Key financial ratios</b>				
Return on average total assets (%)	3	0.93	0.92	1.12
Return on average equity (%)	4	11.97	11.10	14.56
Net interest margin (%)	5	1.76	1.87	1.89
Non-interest income to operating income (%)	6	31.07	28.42	31.44
Cost to income ratio (calculated under regulations in the Chinese mainland, %)	7	24.06	23.41	24.63
Credit cost (%)	8	0.65	0.90	0.59
		As at 30 June 2021	As at 31 December 2020	As at 31 December 2019
<b>Statement of financial position</b>				
Total assets		26,317,327	24,402,659	22,769,744
Loans, gross		15,416,400	14,216,477	13,068,785
Allowance for loan impairment losses	9	(369,168)	(368,619)	(325,923)
Investments	10	5,821,520	5,591,117	5,514,062
Total liabilities		24,086,979	22,239,822	20,793,048
Due to customers		18,227,771	16,879,171	15,817,548
Capital and reserves attributable to equity holders of the Bank		2,105,347	2,038,419	1,851,701
Share capital		294,388	294,388	294,388
Net assets per share (RMB)	11	6.13	5.98	5.61
<b>Capital ratios</b>				
Net common equity tier 1 capital	12	1,748,114	1,704,778	1,596,378
Net additional tier 1 capital		310,106	287,843	210,057
Net tier 2 capital		467,979	458,434	394,843
Common equity tier 1 capital adequacy ratio (%)		10.80	11.28	11.30
Tier 1 capital adequacy ratio (%)		12.72	13.19	12.79
Capital adequacy ratio (%)		15.61	16.22	15.59
<b>Asset quality</b>				
Credit-impaired loans to total loans (%)	13	1.30	1.46	1.37
Non-performing loans to total loans (%)	14	1.30	1.46	1.37
Allowance for loan impairment losses to non-performing loans (%)	15	184.26	177.84	182.86
Allowance for loan impairment losses to total loans (%)	16	2.74	2.96	2.97

Notes:

- 1 The Group has recognised income and expenses arising from credit card instalment business as interest income in the current period, instead of fees and commission income, hence the comparative figures were adjusted accordingly.
- 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 Return on average total assets = profit for the period  $\div$  average total assets  $\times$  100%, annualised. Average total assets = (total assets at the beginning of reporting period + total assets at the end of reporting period)  $\div$  2.
- 4 Return on average equity = profit attributable to ordinary shareholders of the Bank  $\div$  weighted average capital and reserves attributable to ordinary shareholders of the Bank  $\times$  100%, annualised. 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.
- 5 Net interest margin = net interest income  $\div$  average balance of interest-earning assets  $\times$  100%, annualised. Average balance is average daily balance derived from the Group's management accounts (unreviewed).
- 6 Non-interest income to operating income = non-interest income  $\div$  operating income  $\times$  100%.
- 7 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.
- 8 Credit cost = impairment losses on loans  $\div$  average balance of loans  $\times$  100%, annualised. Average balance of loans = (balance of loans at the beginning of reporting period + balance of loans at the end of reporting period)  $\div$  2. Total loans are exclusive of accrued interest when being used to calculate credit cost.
- 9 Allowance for loan impairment losses = allowance for loans at amortised cost + allowance for loans at fair value through other comprehensive income.
- 10 The data on investments 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.
- 11 Net assets per share = (capital and reserves attributable to equity holders of the Bank at the end of reporting period – other equity instruments)  $\div$  number of ordinary shares in issue at the end of reporting period.
- 12 The capital ratios are calculated in accordance with the *Capital Rules for Commercial Banks (Provisional)* (Y.J.H.L. [2012] No. 1) and related regulations, under the advanced approaches.
- 13 Credit-impaired loans to total loans = credit-impaired loans at the end of reporting period  $\div$  total loans at the end of reporting period  $\times$  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 the end of reporting period  $\div$  total loans at the end of reporting period  $\times$  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 the end of reporting period  $\div$  non-performing loans at the end of reporting period  $\times$  100%. Total loans are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to non-performing loans.
- 16 Allowance for loan impairment losses to total loans = allowance for loan impairment losses at the end of reporting period  $\div$  total loans at the end of reporting period  $\times$  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.