

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 2020	For the six-month period ended 30 June 2019	For the six-month period ended 30 June 2018
Results of operations				
Net interest income		196,895	181,684	172,451
Non-interest income	1	90,088	95,004	79,031
Operating income		286,983	276,688	251,482
Operating expenses		(90,946)	(91,130)	(82,132)
Impairment losses on assets		(66,484)	(33,670)	(28,270)
Operating profit		129,553	151,888	141,080
Profit before income tax		129,616	152,558	141,961
Profit for the period		107,812	121,442	115,575
Profit attributable to equity holders of the Bank		100,917	114,048	109,088
Basic earnings per share (RMB)		0.32	0.38	0.37
Key financial ratios				
Return on average total assets (%)	2	0.92	1.12	1.16
Return on average equity (%)	3	11.10	14.56	15.29
Net interest margin (%)	4	1.82	1.83	1.88
Non-interest income to operating income (%)	5	31.39	34.34	31.43
Cost to income ratio (calculated under regulations in the Chinese mainland, %)	6	23.41	24.63	25.78
Credit cost (%)	7	0.90	0.59	0.57
		As at 30 June 2020	As at 31 December 2019	As at 31 December 2018
Statement of financial position				
Total assets		24,152,855	22,769,744	21,267,275
Loans, gross		14,040,165	13,068,785	11,819,272
Allowance for loan impairment losses	8	(369,912)	(325,923)	(303,781)
Investments	9	5,374,301	5,514,062	5,054,551
Total liabilities		22,064,242	20,793,048	19,541,878
Due to customers		17,090,217	15,817,548	14,883,596
Capital and reserves attributable to equity holders of the Bank		1,958,442	1,851,701	1,612,980
Share capital		294,388	294,388	294,388
Net assets per share (RMB)	10	5.77	5.61	5.14
Capital ratios				
Common equity tier 1 capital	11	1,664,681	1,620,563	1,488,010
Additional tier 1 capital		270,095	210,057	109,524
Tier 2 capital		388,182	394,843	347,473
Common equity tier 1 capital adequacy ratio (%)		11.01	11.30	11.41
Tier 1 capital adequacy ratio (%)		12.82	12.79	12.27
Capital adequacy ratio (%)		15.42	15.59	14.97
Asset quality				
Credit-impaired loans to total loans (%)	12	1.42	1.37	1.42
Non-performing loans to total loans (%)	13	1.42	1.37	1.42
Allowance for loan impairment losses to non-performing loans (%)	14	186.46	182.86	181.97
Allowance for loan impairment losses to total loans (%)	15	3.13	2.97	3.07

Notes:

- 1 Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on transfers of financial asset + other operating income.
- 2 Return on average total assets = profit for the period ÷ average total assets × 100%, annualised. Average total assets = (total assets at the beginning of reporting period + total assets at the end of reporting period) ÷ 2.
- 3 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%, 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.
- 4 Net interest margin = net interest income ÷ average balance of interest-earning assets × 100%, annualised. Average balance is average daily balance derived from the Bank's management accounts (unreviewed).
- 5 Non-interest income to operating income = non-interest income ÷ operating income × 100%.
- 6 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.
- 7 Credit cost = impairment losses on loans ÷ average balance of loans × 100%, annualised. Average balance of loans = (balance of loans at the beginning of reporting period + balance of loans at the end of reporting period) ÷ 2. Total loans are exclusive of accrued interest when being used to calculate credit cost.
- 8 Allowance for loan impairment losses = allowance for loans at amortised cost + allowance for loans at fair value through other comprehensive income.
- 9 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.
- 10 Net assets per share = (capital and reserves attributable to equity holders of the Bank at the end of reporting period – other equity instruments) ÷ number of ordinary shares in issue at the end of reporting period.
- 11 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.
- 12 Credit-impaired loans to total loans = credit-impaired loans at the end of reporting period ÷ total loans at the end of reporting period × 100%. Total loans are exclusive of accrued interest when being used to calculate credit-impaired loans to total loans.
- 13 Non-performing loans to total loans = non-performing loans at the end of reporting period ÷ total loans at the end of reporting period × 100%. Total loans are exclusive of accrued interest when being used to calculate non-performing loans to total loans.
- 14 Allowance for loan impairment losses to non-performing loans = allowance for loan impairment losses at the end of reporting period ÷ non-performing loans at the end of reporting period × 100%. Total loans are exclusive of accrued interest when being used to calculate allowance for loan impairment losses to non-performing loans.
- 15 Allowance for loan impairment losses to total loans = allowance for loan impairment losses at the end of reporting period ÷ total loans at the end of reporting period × 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.