

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 2022	For the six-month period ended 30 June 2021	For the six-month period ended 30 June 2020
Results of operations				
Net interest income		223,993	208,773	205,413
Non-interest income	1	89,618	94,082	81,570
Operating income		313,611	302,855	286,983
Operating expenses		(108,912)	(102,357)	(90,946)
Impairment losses on assets		(52,810)	(52,945)	(66,484)
Operating profit		151,889	147,553	129,553
Profit before income tax		152,069	148,302	129,616
Profit for the period		124,303	118,547	107,812
Profit attributable to equity holders of the Bank		119,924	112,813	100,917
Basic earnings per share (RMB)		0.37	0.36	0.32
Key financial ratios				
Return on average total assets (%)	2	0.91	0.93	0.92
Return on average equity (%)	3	11.62	11.97	11.10
Net interest margin (%)	4	1.76	1.76	1.87
Non-interest income to operating income (%)	5	28.58	31.07	28.42
Cost to income ratio (calculated under regulations in the Chinese mainland, %)	6	25.08	24.06	23.41
Credit cost (%)	7	0.56	0.65	0.90
		As at 30 June 2022	As at 31 December 2021	As at 31 December 2020
Statement of financial position				
Total assets		28,052,758	26,722,408	24,402,659
Loans, gross		16,953,221	15,712,574	14,216,477
Allowance for loan impairment losses	8	(416,425)	(390,541)	(368,619)
Investments	9	6,248,071	6,164,671	5,591,117
Total liabilities		25,608,006	24,371,855	22,239,822
Due to customers		19,548,227	18,142,887	16,879,171
Capital and reserves attributable to equity holders of the Bank		2,315,234	2,225,153	2,038,419
Share capital		294,388	294,388	294,388
Net assets per share (RMB)	10	6.61	6.47	5.98
Capital ratios				
Net common equity tier 1 capital	11	1,882,487	1,843,886	1,704,778
Net additional tier 1 capital		380,461	329,845	287,843
Net tier 2 capital		558,952	525,108	458,434
Common equity tier 1 capital adequacy ratio (%)		11.33	11.30	11.28
Tier 1 capital adequacy ratio (%)		13.63	13.32	13.19
Capital adequacy ratio (%)		16.99	16.53	16.22
Asset quality				
Credit-impaired loans to total loans (%)	12	1.34	1.33	1.46
Non-performing loans to total loans (%)	13	1.34	1.33	1.46
Allowance for loan impairment losses to non-performing loans (%)	14	183.26	187.05	177.84
Allowance for loan impairment losses to total loans (%)	15	2.77	2.83	2.96

Notes:

- 1 Non-interest income = net fee and commission income + net trading gains/(losses) + net gains/(losses) on transfers of financial assets + 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 Group'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.