

Financial Highlights

(This report is prepared in accordance with International Accounting Standard No. 34 *Interim Financial Reporting*.)

Unit: RMB million

	At 30 June 2006	At 31 December 2005	At 31 December 2004	Increase/Decrease from 1 January 2006 to 30 June 2006(%)
Total assets	5,231,635	4,740,048	4,265,221	10.37
Loans and advances to customers, net	2,317,625	2,152,112	2,072,919	7.69
Total liabilities	4,846,553	4,484,529	4,037,314	8.07
Due to customers	4,048,438	3,699,464	3,338,448	9.43
Capital and reserves attributable to equity holders of the Bank	355,747	226,419	200,755	57.12
Net asset per share	1.40	1.08	1.08	29.63
	Half year ended 30 June 2006	Half year ended 30 June 2005	Year ended 31 December 2005	Increase/Decrease from first half of 2005 to first half of 2006(%)
Operating profit	34,338	28,683	53,636	19.72
Profit before income tax	34,709	28,731	53,811	20.81
Profit for the period attributable to the equity holders of the Bank	19,477	15,181	25,921	28.30
Earnings per share for profit attributable to the equity holders of the Bank during the period (RMB)	0.09	0.08	0.14	12.50
Net cash inflow (outflow) from operating activities	(117, 589)	20,497	13,731	(673.69)

	At 30 June 2006(%)	At 31 December 2005(%)	At 31 December 2004(%)	Increase/Decrease from first half of 2005 to first half of 2006 (%)
Return on average total assets (annualized) ¹	0.89	0.70	0.66	0.19
Return on average equity (annualized) ²	13.38	12.14	11.22	1.24
Credit cost	0.47	0.52	1.11	(0.05)
Identified impaired loans to gross loans ³	4.40	4.90	5.51	(0.5)
Total allowance for impairment losses to identified impaired loans	83.18	75.92	63.16	7.26
Capital Adequacy Ratio ⁴	12.40	10.42	10.04	1.98
	Half year ended 30 June 2006(%)	Half year ended 30 June 2005(%)	Year ended 31 December 2005(%)	Increase/Decrease from first half of 2005 to first half of 2006 (%)
Non-interest income to operating income ⁵	21.12	20.47	19.26	0.65
Operating expenses to operating income (excluding business and other taxes)	38.41	40.82	43.41	(2.41)
Net interest margin ⁶	2.27	2.31	2.33	(0.04)

1. Represents the profit of the year (including profit attributable to minority interests) as a percentage of the average balance of total assets as of the beginning and end of period.
2. Represents the profit attributable to equity holders of the Bank as a percentage of the average balance of total equity (excluding minority interests) as of the beginning and end of period.
3. Gross loans represent the total amount of loans and advances to customers before allowance for impairment losses.
4. Represents the consolidated ratios as of period end calculated in accordance with the China Banking Regulatory Commission (CBRC) guidelines and based on PRC GAAP financial data.
5. Operating income consists of net interest income, net fees and commission income, net trading income, net gains (losses) on investment securities, other operating income and net gains on sale of shares in a subsidiary.
6. Calculated by dividing net interest income by average interest-earning assets.