

## Financial Highlights

(Financial data and indicators recorded in this Annual Report are prepared in accordance with the International Financial Reporting Standards and, unless otherwise specified, are consolidated amounts of the Bank and its subsidiaries and denominated in Renminbi.)

### Financial Data

(Unit: in RMB million)

	2006	2005	2004	2003
<b>Annual Operating Results</b>				
Net Interest Income	163,118	153,603	134,728	122,708
Net Fee and Commission Income	16,344	10,546	8,208	5,624
Operating Income	181,638	171,620	147,959	132,784
Provision for Impairment Losses	32,189	27,014	30,859	36,293
Operating Expenses	77,397	81,585	62,639	62,575
Operating Profit	72,052	63,021	54,461	33,916
Profit Before Tax	72,065	63,026	54,411	33,884
Profit After Tax	49,880	38,019	31,218	22,592
Profit Attributable to Equity Holders of the Bank	49,263	37,555	30,863	22,472
<b>Balance Sheet Items</b>				
Total Assets	7,508,751	6,456,131	5,069,324	4,556,951
Loans and Advances to customers	3,533,978	3,205,861	3,109,191	2,766,055
Investment Securities	2,860,798	2,305,689	1,230,416	1,044,730
Total Liabilities	7,037,750	6,196,255	5,577,369	5,096,085
Customer Deposits	6,351,423	5,736,866	5,176,282	4,706,861
Equity Attributable to Equity Holders of the Bank	466,464	255,839	(511,713)	(540,749)
(RMB)				
<b>Per Share Data</b>				
Net Assets Per Share <sup>(1)</sup>	1.40	1.03	N/A	N/A
Earnings Per Share Attributable to Equity Holders of the Bank <sup>(2)</sup>				
— Basic and diluted	0.18	0.15	0.12	0.09

Note: (1) It is calculated by dividing equity attributable to equity holders of the Bank at the end of the year by number of shares issued at the end of the year.

(2) Please refer to note 15 to the Financial Statements: Earnings Per Share Attributable to Equity Holders of the Bank.

## Major Financial Indicators

	2006	2005	2004	2003
<b>Profitability Indicator (%)</b>				
Return on Average Total Assets <sup>(1)</sup>	0.71	0.66	0.65	N/A
Return on Weighted Average Equity <sup>(2)</sup>	15.37	N/A	N/A	N/A
Net Interest Spread <sup>(3)</sup>	2.29	2.58	2.54	2.59
Net Interest Margin <sup>(4)</sup>	2.39	2.61	2.55	2.59
Ratio of Net Fee and Commission Income to Operating Income	9.00	6.14	5.55	4.24
Cost-to-income Ratio <sup>(5)</sup>	36.3	40.1	34.0	38.8
<b>Assets Quality Indicator (%)</b>				
Non-Performing Loans ("NPL") Ratio <sup>(6)</sup>	3.79	4.69	21.16	24.24
Allowance to NPL <sup>(7)</sup>	70.56	54.20	76.28	77.15
Total Loan Reserve Ratio <sup>(8)</sup>	2.68	2.54	16.14	18.70
<b>Capital Adequacy Ratio (%)</b>				
Core Capital Adequacy Ratio	12.23	8.11	N/A	N/A
Capital Adequacy Ratio	14.05	9.89	N/A	N/A
Total Equity to Total Assets Ratio	6.27	4.03	N/A	N/A

Note: (1) Percentage of profit after tax as a percentage of the average balance of total assets at the beginning and end of the period.

(2) It is calculated based on dividing profit attributable to the equity holders of the Bank by the weighted average balance of equity attributable to equity holders of the Bank which is calculated in accordance with the "Rules for the Compilation and Submission of Information Disclosure by Companies that Offer Securities to the Public No. 9" issued by China Securities Regulatory Commission.

(3) It is calculated by the spread between average yield on daily average interest-generating assets and average cost on daily average balance of interest-bearing liabilities.

(4) It is calculated by net interest income divided by daily average balance of interest-generating assets.

(5) It is calculated by dividing total operating expenses (less business tax and surcharges, and expense in relation to special government bond for the years ended 31 December 2003, 2004 and for the eleven months ended 30 November 2005) by operating income (net of interest income of special government bond for the years ended 2003, 2004 and for the eleven months ended 30 November 2005.)

(6) It is calculated by dividing the balance of NPL (balance of substandard, doubtful and loss loans) by total balance of loans and advances to customers.

(7) It is calculated by dividing provision for impairment losses on loans and advances by total balance of NPL.

(8) It is calculated by dividing provision for impairment losses on loans and advances by total balance of loans and advances to customers.