

FINANCIAL HIGHLIGHTS

	2005	2004	Variance
	(In millions of RMB)		+/(-) %
For the year ended 31 December			
Operating income	128,714	113,976	12.9
Profit before tax	55,364	51,199	8.1
Net profit	47,096	49,040	(4.0)
Adjusted net profit ¹	39,248	33,567	16.9
Net profit attributable to shareholders	47,103	49,042	(4.0)
Adjusted net profit attributable to shareholders ²	39,255	33,569	16.9
Per share	(In RMB)		+/(-) %
Net asset value per share	1.28	1.01	26.7
Earnings per share	0.24	0.26	(7.7)
Final cash dividend per share proposed after balance sheet date	0.015	—	N/A
Final cash dividend per share declared before balance sheet date	—	0.015	N/A
As at 31 December	(In millions of RMB)		+/(-) %
Total equity attributable to shareholders of the Bank	287,579	195,516	47.1
Issued and paid-up capital	224,689	194,230	15.7
Total assets	4,585,742	3,909,920	17.3
Financial ratios	(%)	(%)	+/(-) %
Profitability indicators			
Return on average assets ³	1.11	1.31	(0.20)
Adjusted return on average assets ⁴	0.92	0.90	0.02
Return on average equity ⁵	21.59	25.86	(4.27)
Adjusted return on average equity ⁶	17.99	17.70	0.29
Net interest spread ⁷	2.70	2.77	(0.07)
Net interest margin ⁸	2.78	2.82	(0.04)
Net fee and commission income to operating income	6.57	5.68	0.89
Cost-to-income ratio ⁹	45.13	46.87	(1.74)
Capital adequacy indicators			
Core capital adequacy ratio ¹⁰	11.08	8.57	2.51
Capital adequacy ratio	13.57	11.29	2.28
Total equity to total assets	6.27	5.00	1.27
Assets quality indicators			
Non-performing loan ratio ¹¹	3.84	3.92	(0.08)
Allowances to non-performing loans ¹²	66.78	61.64	5.14
Allowances to total loans ¹³	2.57	2.42	0.15

1. Calculated by excluding the impact of the tax exemption granted by the People's Republic of China ("PRC") government in relation to the Bank's restructuring from the net profit.
2. Calculated by excluding the impact of the tax exemption granted by the PRC government in relation to the Bank's restructuring from the net profit attributable to shareholders.
3. Calculated by dividing net profit by the average of total assets as at the beginning and end of the year.
4. Calculated by dividing adjusted net profit by the average of total assets as at the beginning and end of the year.
5. Calculated by dividing net profit attributable to shareholders by the weighted average of total equity attributable to the shareholders of the Bank for the year.
6. Calculated by dividing adjusted net profit attributable to shareholders by the weighted average of total equity attributable to the shareholders of the Bank for the year.
7. Calculated as the difference between the average yield on the average interest-earning assets and the average cost on the average interest-bearing liabilities.
8. Calculated by dividing net interest income by average interest-earning assets.
9. Calculated by dividing general and administrative expenses by total operating income.
10. Core capital adequacy ratio and capital adequacy ratio are calculated on a solo basis in accordance with the guideline Regulation Governing Capital Adequacy of Commercial Banks issued by China Banking Regulatory Commission.
11. Calculated by dividing non-performing loans and advances to customers by total loans and advances to customers.
12. Calculated by dividing the allowances for impairment losses on total loans and advances to customers by total non-performing loans and advances to customers.
13. Calculated by dividing the allowances for impairment losses on total loans and advances to customers by total loans and advances to customers.
14. In addition to the allowances for impairment losses, a general reserve included as part of the shareholders' equity was set aside with a balance of RMB 10,332 million as at 31 December 2005. Please refer to note 27 (e) of "Financial Statements" for details.