

FINANCIAL HIGHLIGHTS

	Half-year ended 30 June 2005 HK\$'m	Half-year ended 30 June 2004 HK\$'m	Year ended 31 December 2004 HK\$'m
Operating profit before impairment/provisions on advances	5,549	5,356	10,352
Operating profit	6,984	6,596	11,980
Profit before taxation	7,923	6,776	14,252
Profit for the period/year	6,595	5,657	12,121
Profit attributable to the equity holders of the Company	6,522	5,581	11,963
	HK\$	HK\$	HK\$
Earnings per share	0.6169	0.5279	1.1315
Dividend per share	0.3280	0.3200	0.7150
	At 30 June 2005 HK\$'m	At 30 June 2004 HK\$'m	At 31 December 2004 HK\$'m
Shareholders' funds	73,371	62,456	68,521
Issued and fully paid share capital	52,864	52,864	52,864
Total assets	813,335	752,017	796,776
	%	%	%
Financial ratios			
Return on average total assets (annualised) ¹	1.61	1.48	1.56
Return on average shareholders' funds (annualised) ²	18.39	18.19	18.58
Cost to income ratio	32.53	33.24	34.72
Gross impaired advances to customers as a percentage of gross advances to customers	1.89	4.12	2.95
Loan to deposit ratio ³	53.38	54.69	49.61
Average liquidity ratio ⁴	39.15	34.64	36.03
Capital adequacy ratio ⁵	15.74	16.52	16.14

- Return on average total assets = $\frac{\text{Profit for the period/year}}{\text{Daily average balance of total assets}}$
- Return on average shareholders' funds = $\frac{\text{Profit attributable to the equity holders of the Company}}{\text{Average of the beginning and ending balance of shareholders' funds}}$
- Loan to deposit ratio is calculated as at 30 June 2005, 30 June 2004 and 31 December 2004. Loan represents gross advances to customers. As at 30 June 2005, deposit also includes structured deposits reported as "trading liabilities and other financial instruments at fair value through profit or loss".
- Average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the corresponding period.
- Capital adequacy ratio is computed on the consolidated basis that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Third Schedule of the Banking Ordinance.