

# FINANCIAL HIGHLIGHTS

	<b>Half-year ended 30 June 2007 HK\$'m</b>	Half-year ended 30 June 2006 HK\$'m	Year ended 31 December 2006 HK\$'m
Net operating income before loan impairment allowances	<b>12,060</b>	10,517	21,309
Operating profit	<b>8,808</b>	8,188	16,541
Profit before taxation	<b>9,227</b>	8,673	17,139
Profit for the period/year	<b>7,628</b>	7,229	14,284
Profit attributable to the equity holders of the Company	<b>7,466</b>	7,093	14,007
	<b>HK\$</b>	HK\$	HK\$
Earnings per share	<b>0.7062</b>	0.6709	1.3248
Dividend per share	<b>0.4280</b>	0.4010	0.8480
	<b>HK\$'m</b>	HK\$'m	HK\$'m
Capital and reserves attributable to the equity holders of the Company	<b>87,749</b>	81,034	84,655
Issued and fully paid share capital	<b>52,864</b>	52,864	52,864
Total assets	<b>1,047,095</b>	860,335	928,953
<b>Financial ratios</b>	<b>%</b>	%	%
Return on average total assets <sup>1</sup>	<b>1.57</b>	1.59	1.56
Return on average capital and reserves attributable to the equity holders of the Company <sup>2</sup>	<b>17.32</b>	17.63	17.02
Cost to income ratio	<b>28.34</b>	28.25	30.78
Loan to deposit ratio <sup>3</sup>	<b>48.17</b>	51.18	49.32
Average liquidity ratio <sup>4</sup>	<b>50.08</b>	50.30	50.46
Capital adequacy ratio <sup>5</sup>	<b>14.29</b>	14.61	15.72

1. Return on average total assets =  $\frac{\text{Profit for the period/year}}{\text{Daily average balance of total assets}}$

2. Return on average capital and reserves attributable to the equity holders of the Company  
=  $\frac{\text{Profit attributable to the equity holders of the Company}}{\text{Average of the beginning and ending balance of capital and reserves attributable to the equity holders of the Company}}$

3. Loan to deposit ratio is calculated as at 30 June 2007, 30 June 2006 and 31 December 2006. Loan represents gross advances to customers. Deposit also includes structured deposits reported as "Financial liabilities at fair value through profit or loss".

4. Average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the corresponding period.

5. 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 Banking (Capital) Rules effective from 1 January 2007. Comparative ratio at 31 December 2006 is restated accordingly, while that at 30 June 2006 is calculated in accordance with the Third Schedule (repealed on 1 January 2007) of the Banking Ordinance under the Basel I capital accord.