

FINANCIAL HIGHLIGHTS

	2011	2010	Change
For the year	HK\$'m	HK\$'m	+/(-)%
Net operating income before impairment allowances	30,846	27,508	12.13
Operating profit	22,478	18,239	23.24
Profit before taxation	24,680	19,742	25.01
Profit for the year	20,813	16,690	24.70
Profit attributable to the equity holders of the Company	20,430	16,196	26.14
Per share	HK\$	HK\$	+/(-)%
Basic earnings per share	1.9323	1.5319	26.14
Dividend per share	1.1880	0.9720	22.22
At year-end	HK\$'m	HK\$'m	+/(-)%
Capital and reserves attributable to the equity holders of the Company	129,765	115,181	12.66
Issued and fully paid share capital	52,864	52,864	–
Total assets	1,738,510	1,661,040	4.66
Financial ratios	%	%	
Return on average total assets ¹	1.14	1.21	
Return on average shareholders' equity ²	16.68	14.77	
Cost to income ratio ³	25.49	34.84	
Loan to deposit ratio ⁴	61.00	59.69	
Average liquidity ratio ⁵	36.17	38.77	
Capital adequacy ratio ⁶	16.90	16.14	

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

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

3. In calculating cost to income ratio, cost includes the impact of Lehman Brothers minibonds.

4. Loan to deposit ratio is calculated as at year end. Loan represents gross advances to customers. Deposit represents deposits from customers including structured deposits reported as "Financial liabilities at fair value through profit or loss".

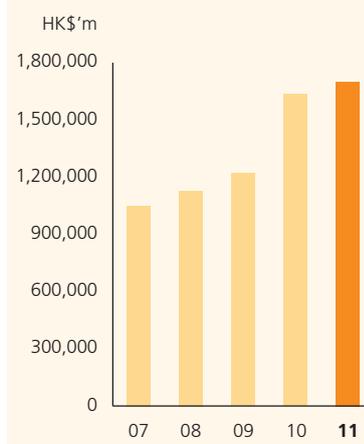
5. Average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the year.

6. 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. The bases of regulatory capital calculation for credit risk, market risk and operational risk are described in Note 4.5 to the Financial Statements in this Annual Report. As a result of the change in the bases used, the capital ratios shown above are not directly comparable.

Profit attributable to the equity holders of the Company



Total assets



Capital and reserves attributable to the equity holders of the Company

