

# FINANCIAL HIGHLIGHTS

	<b>30 June 2012 HK\$'m</b>	30 June 2011 HK\$'m	31 December 2011 HK\$'m
<b>For the period/year</b>			
Net operating income before impairment allowances	<b>18,165</b>	15,126	30,846
Operating profit	<b>12,666</b>	13,103	22,478
Profit before taxation	<b>13,825</b>	14,587	24,680
Profit for the period/year	<b>11,649</b>	12,354	20,813
Profit attributable to the equity holders of the Company	<b>11,243</b>	11,993	20,430
<b>Per share</b>	<b>HK\$</b>	HK\$	HK\$
Basic earnings per share	<b>1.0634</b>	1.1343	1.9323
Dividend per share	<b>0.5450</b>	0.6300	1.1880
<b>At period/year end</b>	<b>HK\$'m</b>	HK\$'m	HK\$'m
Capital and reserves attributable to the equity holders of the Company	<b>140,714</b>	126,163	129,765
Issued and fully paid share capital	<b>52,864</b>	52,864	52,864
Total assets	<b>1,684,722</b>	1,830,379	1,738,510
<b>Financial ratios</b>	<b>%</b>	%	%
Return on average total assets <sup>1</sup>	<b>1.35</b>	1.33	1.14
Return on average shareholders' equity <sup>2</sup>	<b>16.63</b>	19.88	16.68
Cost to income ratio <sup>3</sup>	<b>29.68</b>	13.18	25.49
Loan to deposit ratio <sup>4</sup>	<b>63.00</b>	60.95	61.00
Average liquidity ratio <sup>5</sup>	<b>39.87</b>	36.38	36.17
Capital adequacy ratio <sup>6</sup>	<b>17.43</b>	17.62	16.90

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

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 ratios in 2011, cost includes the impact of Lehman Brothers minibonds.

4. Loan to deposit ratio is calculated as at 30 June 2012, 30 June 2011 and 31 December 2011. 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 period/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 3.5 to the Interim Financial Information in this Interim Report. As a result of the change in the bases used, the capital ratios shown above are not directly comparable.