

# FINANCIAL HIGHLIGHTS

	2013	2012 <sup>6</sup>	Change
For the year	HK\$'m	HK\$'m	+/(-)%
Net operating income before impairment allowances	<b>40,313</b>	35,617	13.18
Operating profit	<b>27,493</b>	23,499	17.00
Profit before taxation	<b>27,793</b>	25,521	8.90
Profit for the year	<b>23,075</b>	21,547	7.09
Profit attributable to the equity holders of the Company	<b>22,252</b>	20,930	6.32
<b>Per share</b>	<b>HK\$</b>	HK\$	+/(-)%
Basic earnings per share	<b>2.1046</b>	1.9796	6.32
Dividend per share	<b>1.0100</b>	1.2380	(18.42)
<b>At year-end</b>	<b>HK\$'m</b>	HK\$'m	+/(-)%
Capital and reserves attributable to the equity holders of the Company	<b>158,813</b>	150,969	5.20
Issued and fully paid share capital	<b>52,864</b>	52,864	–
Total assets	<b>2,046,936</b>	1,830,763	11.81
<b>Financial ratios</b>	<b>%</b>	%	
Return on average total assets <sup>1</sup>	<b>1.22</b>	1.24	
Return on average shareholders' equity <sup>2</sup>	<b>14.37</b>	14.91	
Cost to income ratio	<b>29.97</b>	31.61	
Loan to deposit ratio <sup>3</sup>	<b>64.63</b>	63.32	
Average liquidity ratio <sup>4</sup>	<b>37.93</b>	41.20	
Total capital ratio/capital adequacy ratio <sup>5</sup>	<b>15.80</b>	16.80	

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. 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".

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

5. Total capital ratio/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 adoption of Banking (Capital) (Amendment) Rules 2012 and Banking (Capital) (Amendment) Rules 2013 since 1 January 2013 and 30 June 2013 respectively, the ratio for 2013 is not directly comparable to that of 2012.

6. Certain comparative amounts have been reclassified to conform with the current year's presentation.

