

Financial Highlights

	2018	2017
For the year	HK\$'m	HK\$'m
Net operating income before impairment allowances ¹	54,411	49,006
Operating profit ¹	37,994	34,103
Profit before taxation ¹	38,988	35,375
Profit for the year ¹	32,584	29,307
Profit attributable to equity holders of the Company ¹	32,000	28,574
Per share	HK\$	HK\$
Basic earnings per share ¹	3.0266	2.7026
Dividend per share	1.468	1.398
At year-end	HK\$'m	HK\$'m
Total assets	2,952,903	2,651,086
Issued and fully paid up share capital	52,864	52,864
Capital and reserves attributable to equity holders of the Company	257,070	244,018
Financial ratios	%	%
Return on average total assets ²	1.16	1.24
Return on average shareholders' equity ³	12.83	13.15
Cost to income ratio ¹	27.90	28.26
Loan to deposit ratio ⁴	66.82	64.48
Average value of liquidity coverage ratio ⁵		
First quarter	134.33	121.41
Second quarter	146.39	123.88
Third quarter	141.44	121.12
Fourth quarter	160.23	135.64
Quarter-end value of net stable funding ratio ⁵		
First quarter	118.98	–
Second quarter	118.82	–
Third quarter	122.24	–
Fourth quarter	124.41	–
Total capital ratio ⁶	23.10	20.39

1. The financial information is from continuing operations.

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

3. Return on average shareholders' equity

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

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. Liquidity coverage ratio and net stable funding ratio are computed on the consolidated basis which comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Liquidity) Rules.

6. Total capital ratio is computed on the consolidated basis for regulatory purposes that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules.

7. The Group has applied the merger accounting method in the preparation of financial statements for the combination with entities under common control in 2018. The comparative information for the year 2017 has been restated accordingly.