

## Financial Highlights

	Half-year ended 30 June 2004 HK\$m	Half-year ended 30 June 2003 HK\$m	Year ended 31 December 2003 HK\$m
Operating profit before provisions	5,356	6,139	11,595
Operating profit after provisions	6,596	4,470	9,924
Profit before taxation	6,776	3,245	8,691
Profit after taxation	5,657	3,069	8,102
Profit attributable to shareholders	5,581	3,012	7,963
	HK\$	HK\$	HK\$
Earnings per share	0.5279	0.2849	0.7532
Dividend per share	0.3200	0.1950	0.5150
	At 30 June 2004 HK\$m	At 30 June 2003 HK\$m	At 31 December 2003 HK\$m
Shareholders' funds	62,456	57,367	60,261
Issued and fully paid share capital	52,864	52,864	52,864
Total assets	752,017	735,494	762,587
<b>Financial ratios</b>	%	%	%
Return on average total assets (annualised) <sup>1</sup>	1.48	0.82	1.08
Return on average shareholders' funds (annualised) <sup>2</sup>	18.19	10.56	13.62
Cost to income ratio	33.24	30.52	32.79
Non-performing loan ratio	4.11	7.80	5.78
Loan to deposit ratio <sup>3</sup>	54.69	54.89	51.38
Average liquidity ratio <sup>4</sup>	34.64	37.93	37.76
Capital adequacy ratio <sup>5</sup>	16.52	14.66	15.11

- Return on average total assets = 
$$\frac{\text{Profit after taxation}}{\text{Daily average balance of total assets}}$$
- Return on average shareholders' funds = 
$$\frac{\text{Profit attributable to shareholders}}{\text{Average of the beginning and ending balance of shareholders' funds}}$$
- Loan to deposit ratio is calculated as at 30 June 2004, 30 June 2003 and 31 December 2003.
- Average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the corresponding period.
- Capital adequacy ratio is computed on the consolidated basis, which comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Third Schedule of the Banking Ordinance.