

FINANCIAL HIGHLIGHTS

	2004	2003	Change
For the year	HK\$'m	HK\$'m	+/(-)%
Operating profit before provisions	10,352	11,595	(10.72)
Operating profit after provisions	11,980	9,924	20.72
Profit before taxation	14,252	8,691	63.99
Profit after taxation	12,121	8,102	49.61
Profit attributable to shareholders	11,963	7,963	50.23
Per share	HK\$	HK\$	+/(-)%
Earnings per share	1.1315	0.7532	50.23
Dividends per share	0.7150	0.5150	38.83
At year-end	HK\$'m	HK\$'m	+/(-)%
Shareholders' funds	68,521	60,261	13.71
Issued and fully paid share capital	52,864	52,864	–
Total assets	796,776	762,587	4.48
Financial ratios	%	%	
Return on average total assets ¹	1.56	1.08	
Return on average shareholders' funds ²	18.58	13.62	
Cost to income ratio	34.72	32.79	
Non-performing loan ratio	2.95	5.78	
Loan to deposit ratio ³	49.61	51.38	
Average liquidity ratio ⁴	36.03	37.76	
Capital adequacy ratio ⁵	16.14	15.11	

1. Return on average total assets = $\frac{\text{Profit after taxation}}{\text{Daily average balance of total assets}}$

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

3. Loan to deposit ratio is calculated as at year end.

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

5. 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 Third Schedule of the Banking Ordinance.