

## RESULTS IN BRIEF

	2010	2009	Change
<b>For the year</b>	<b>HK\$m</b>	HK\$m	%
Operating profit excluding loan impairment charges and other credit risk provisions	<b>14,475</b>	14,026	3
Operating profit	<b>14,085</b>	13,214	7
Profit before tax	<b>17,345</b>	15,400	13
Profit attributable to shareholders	<b>14,917</b>	13,138	14
	<b>HK\$</b>	HK\$	%
Earnings per share	<b>7.80</b>	6.87	13.5
Dividends per share	<b>5.20</b>	5.20	–
<b>At year-end</b>	<b>HK\$m</b>	HK\$m	%
Shareholders' funds	<b>70,012</b>	62,148	13
Total assets	<b>916,911</b>	830,668	10
<b>Ratios</b>	<b>%</b>	%	
<i>For the year</i>			
Return on average shareholders' funds	<b>22.8</b>	22.9	
Cost efficiency ratio	<b>33.7</b>	32.6	
Average liquidity ratio	<b>38.1</b>	48.1	
<i>At year-end</i>			
Capital adequacy ratio*	<b>13.6</b>	15.8	
Core capital ratio*	<b>10.8</b>	12.8	

\* Capital ratios at 31 December 2010 were compiled in accordance with the Banking (Capital) Rules (the "Capital Rules") issued by the Hong Kong Monetary Authority ("HKMA") under section 98A of the Hong Kong Banking Ordinance for the implementation of Basel II. Having obtained approval from the HKMA to adopt the advanced internal ratings-based approach ("AIRB") to calculate the risk-weighted assets for credit risk from 1 January 2009, the Bank used the AIRB approach to calculate its credit risk exposure. The standardised (operational risk) approach and internal models approach were used to calculate its operational risk and market risk respectively.

The basis of consolidation for calculation of capital ratios under the Capital Rules follows the basis of consolidation for financial reporting with the exclusion of subsidiaries which are "regulated financial entities" (e.g. insurance and securities companies) as defined by the Capital Rules. Accordingly, the investment costs of these unconsolidated regulated financial entities are deducted from the capital base.