

RESULTS IN BRIEF

	2011	2010	Change
For the year	HK\$m	HK\$m	%
Operating profit excluding loan impairment charges	14,621	14,475	1
Operating profit	14,181	14,085	1
Profit before tax	19,213	17,345	11
Profit attributable to shareholders	16,680	14,917	12
	HK\$	HK\$	%
Earnings per share	8.72	7.80	11.8
Dividends per share	5.20	5.20	–
At year-end	HK\$m	HK\$m	%
Shareholders' funds	78,755	70,012	12
Total assets	975,445	916,911	6
Ratios	%	%	
<i>For the year</i>			
Return on average shareholders' funds	22.6	22.8	
Cost efficiency ratio	35.0	33.7	
Average liquidity ratio	33.6	38.1	
<i>At year-end</i>			
Capital adequacy ratio*	14.3	13.6	
Core capital ratio*	11.6	10.8	

* Capital ratios at 31 December 2011 were compiled in accordance with the Banking (Capital) Rules (the "Capital Rules") under section 98A of the Hong Kong Banking Ordinance for the implementation of Basel II. Having obtained approval from the Hong Kong Monetary Authority 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.