

# Financial Highlights

	2005 HK\$'000	2004 HK\$'000	2003 HK\$'000
<b>For the Year</b>			
Net interest income	620,633	811,709	621,419
Profit after taxation	600,631	664,015	379,136
Mortgage purchases	2,862,409	11,395,207	14,961,822
Mortgage-backed securities issued	1,000,000	2,400,000	3,568,860
Debt securities issued	5,101,063	11,398,500	10,885,540
Mortgage insurance – net premiums written	178,188	124,715	67,114
<b>At Year End</b>			
Mortgage portfolio, net	29,475,662	34,938,580	34,581,747
Total assets	39,406,051	45,266,481 <sup>1</sup>	40,900,302
Debt securities	27,995,867	35,494,740	36,630,290
Mortgage insurance – risk in force <sup>2</sup>	2,642,317	1,773,663	1,090,191
<b>Other Statistics</b>			
Net interest margin	1.6%	1.6%	1.7%
Capital-to-assets ratio <sup>3</sup>	12.0%	9.3% <sup>4</sup>	7.7%
Cost-to-income ratio	14.6%	12.2%	17.4%
Return on assets	1.5%	1.3%	1.0%
Return on shareholders' equity	13.6%	17.1%	11.5%

<sup>1</sup> Total assets have been restated according to HKFRS 4 (Insurance Contracts), previously reported as HK\$44,940,682,000.

<sup>2</sup> The risk in force excludes exposure that has been covered by reinsurance arrangements.

<sup>3</sup> Computed in accordance with the provisions of the Banking Ordinance, the capital-to-assets ratio of the Corporation was 16.6%, 20.5% and 24.0% for 2003, 2004 and 2005 respectively.

<sup>4</sup> Capital-to-assets ratio has been restated as a result of restatement of total assets in accordance with HKFRS 4, previously reported as 9.4%.