

# BOC HONG KONG (HOLDINGS) LIMITED

## Data Pack

1H2019

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The financial information is extracted from the *2019 Interim Report* of BOC Hong Kong (Holdings) Limited (the Company), which is not complete and should be read in conjunction with the 2019 Interim Report and other reports and financial information published by the Company.

## Financial Highlights

|  | 30 June 2019        | 30 June 2018            |
|--|---------------------|-------------------------|
| <b>For the period</b>  | <b>HK\$m</b>        | <b>HK\$m</b>            |
| Net operating income before impairment allowances  | 29,169              | 27,614                  |
| Operating profit   | 20,848              | 20,258                  |
| Profit before taxation   | 21,552              | 21,228                  |
| Profit for the period  | 18,276              | 17,911                  |
| Profit attributable to equity holders of the Company and other equity instrument holders | 17,949              | 17,561                  |
|  | <b>30 June 2019</b> | <b>30 June 2018</b>     |
| <b>Per share</b>   | <b>HK\$</b>         | <b>HK\$</b>             |
| Basic earnings per share   | 1.6319              | 1.6610                  |
| Dividend per share   | 0.545               | 0.545                   |
|  | <b>30 June 2019</b> | <b>31 December 2018</b> |
| <b>At period/year end</b>  | <b>HK\$m</b>        | <b>HK\$m</b>            |
| Total assets   | 2,988,440           | 2,956,004               |
| Issued and fully paid up share capital   | 52,864              | 52,864                  |
| Capital and reserves attributable to equity holders of the Company                       | 268,334             | 257,536                 |
|  | <b>30 June 2019</b> | <b>30 June 2018</b>     |
| <b>Financial ratios for the period</b>   | <b>%</b>            | <b>%</b>                |
| Return on average total assets <sup>1</sup>  | 1.25                | 1.28                    |
| Return on average shareholders' equity <sup>2</sup>                                      | 12.53               | 14.32                   |
| Cost to income ratio   | 25.81               | 25.39                   |
| Average value of liquidity coverage ratio <sup>3</sup>                                   |                     |                         |
| First quarter  | 183.00              | 134.33                  |
| Second quarter   | 156.57              | 146.39                  |
|  | <b>30 June 2019</b> | <b>31 December 2018</b> |
| <b>Financial ratios at period/year end</b>   | <b>%</b>            | <b>%</b>                |
| Loan to deposit ratio <sup>4</sup>   | 67.02               | 66.77                   |
| Quarter-end value of net stable funding ratio <sup>3</sup>                               |                     |                         |
| First quarter  | 121.36              | 118.98                  |
| Second quarter   | 119.15              | 118.82                  |
| Total capital ratio <sup>5</sup>   | 23.00               | 23.10                   |

1. Return on average total assets = Profit for the period / Daily average balance of total assets

2. Return on average shareholders' equity = Profit attributable to equity holders of the Company and other equity instrument holders / Average of the beginning and ending balance of capital and reserves attributable to equity holders of the Company and other equity instruments

3. Liquidity coverage ratio and net stable funding ratio are computed on the consolidated basis which comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Liquidity) Rules.

4. Loan to deposit ratio is calculated as at period/year end. Loan represents gross advances to customers. Deposit represents deposits from customers including structured deposits reported as "Financial liabilities at fair value through profit or loss".

5. Total capital ratio is computed on the consolidated basis for regulatory purposes that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA in accordance with the Banking (Capital) Rules.

6. The Group has applied the merger accounting method in the preparation of financial information for the combination with entity under common control in 2019. The comparative information has been restated accordingly.

## Condensed Consolidated Income Statement

|   | (Unaudited)<br>Half-year ended<br>30 June 2019<br>HK\$m | (Restated)<br>(Unaudited)<br>Half-year ended<br>30 June 2018<br>HK\$m |
|---|---|---|
| Interest income   | 33,605  | 28,601  |
| Interest expense  | (13,702)  | (10,062)  |
| <b>Net interest income</b>  | <b>19,903</b>   | <b>18,539</b>   |
| Fee and commission income   | 8,120   | 8,666   |
| Fee and commission expense  | (2,074)   | (2,190)   |
| <b>Net fee and commission income</b>  | <b>6,046</b>  | <b>6,476</b>  |
| Gross earned premiums   | 14,724  | 11,951  |
| Gross earned premiums ceded to reinsurers   | (5,328)   | (4,570)   |
| <b>Net insurance premium income</b>   | <b>9,396</b>  | <b>7,381</b>  |
| Net trading gain  | 1,829   | 2,050   |
| Net gain/(loss) on other financial instruments at fair value through profit or loss | 2,215   | (1,182)   |
| Net gain on other financial assets  | 716   | 86  |
| Other operating income  | 501   | 498   |
| <b>Total operating income</b>   | <b>40,606</b>   | <b>33,848</b>   |
| Gross insurance benefits and claims and movement in liabilities                     | (17,705)  | (11,384)  |
| Reinsurers' share of benefits and claims and movement in liabilities                | 6,268   | 5,150   |
| Net insurance benefits and claims and movement in liabilities                       | (11,437)  | (6,234)   |
| <b>Net operating income before impairment allowances</b>                            | <b>29,169</b>   | <b>27,614</b>   |
| Net charge of impairment allowances   | (793)   | (344)   |
| <b>Net operating income</b>   | <b>28,376</b>   | <b>27,270</b>   |
| Operating expenses  | (7,528)   | (7,012)   |
| <b>Operating profit</b>   | <b>20,848</b>   | <b>20,258</b>   |
| Net gain from disposal of/fair value adjustments on investment properties           | 657   | 918   |
| Net gain from disposal/revaluation of properties, plant and equipment               | 1   | 10  |
| Share of profits less losses after tax of associates and joint ventures             | 46  | 42  |
| <b>Profit before taxation</b>   | <b>21,552</b>   | <b>21,228</b>   |
| Taxation  | (3,276)   | (3,317)   |
| <b>Profit for the period</b>  | <b>18,276</b>   | <b>17,911</b>   |
| <b>Profit attributable to:</b>  |   |   |
| Equity holders of the Company and other equity instrument holders                   | 17,949  | 17,561  |
| Equity holders of the Company   | 17,254  | 17,561  |
| Other equity instrument holders   | 695   | 0   |
| Non-controlling interests   | 327   | 350   |
|   | <b>18,276</b>   | <b>17,911</b>   |
| <b>Dividends</b>  | <b>5,762</b>  | <b>5,762</b>  |
|   | HK\$  | HK\$  |
| <b>Earnings per share</b>   |   |   |
| Basic and diluted   | <b>1.6319</b>   | <b>1.6610</b>   |

## Condensed Consolidated Balance Sheet

|  | (Unaudited)<br>At 30 June<br>2019<br>HK\$m | (Restated)<br>(Audited)<br>At 31 December<br>2018<br>HK\$m |
|--|--|--|
| <b>ASSETS</b>  |  |  |
| Cash and balances and placements with banks and other financial institutions | 385,357                                    | 433,299  |
| Financial assets at fair value through profit or loss                        | 78,277                                     | 300,929  |
| Derivative financial instruments   | 28,887                                     | 34,912   |
| Hong Kong SAR Government certificates of indebtedness                        | 163,860                                    | 156,300  |
| Advances and other accounts  | 1,370,281                                  | 1,282,994  |
| Investment in securities   | 795,141                                    | 599,038  |
| Interests in associates and joint ventures                                   | 1,627                                      | 483  |
| Investment properties  | 20,625                                     | 19,684   |
| Properties, plant and equipment  | 51,779                                     | 49,435   |
| Current tax assets   | 80   | 65   |
| Deferred tax assets  | 63   | 270  |
| Other assets   | 92,463                                     | 78,595   |
| Total assets   | <b>2,988,440</b>                           | <b>2,956,004</b>   |
| <b>LIABILITIES</b>   |  |  |
| Hong Kong SAR currency notes in circulation                                  | 163,860                                    | 156,300  |
| Deposits and balances from banks and other financial institutions            | 243,338                                    | 376,980  |
| Financial liabilities at fair value through profit or loss                   | 19,075                                     | 15,535   |
| Derivative financial instruments   | 33,304                                     | 30,880   |
| Deposits from customers  | 2,018,223                                  | 1,895,796  |
| Debt securities and certificates of deposit in issue                         | 792  | 9,453  |
| Other accounts and provisions  | 75,075                                     | 59,437   |
| Current tax liabilities  | 5,436                                      | 2,516  |
| Deferred tax liabilities   | 6,302                                      | 5,765  |
| Insurance contract liabilities   | 113,000                                    | 104,723  |
| Subordinated liabilities   | 13,168                                     | 13,246   |
| Total liabilities  | <b>2,691,573</b>                           | <b>2,670,631</b>   |
| <b>EQUITY</b>  |  |  |
| Share capital  | 52,864                                     | 52,864   |
| Reserves   | 215,470                                    | 204,672  |
| Capital and reserves attributable to equity holders of the Company           | 268,334                                    | 257,536  |
| Other equity instruments   | 23,476                                     | 23,476   |
| Non-controlling interests  | 5,057                                      | 4,361  |
| Total equity   | <b>296,867</b>                             | <b>285,373</b>   |
| Total liabilities and equity   | <b>2,988,440</b>                           | <b>2,956,004</b>   |

**Segmental Reporting**

| Half-year ended 30 June 2019  | Personal Banking | Corporate Banking | Treasury     | Insurance     | Others       | Subtotal      | Eliminations | Consolidated  |
|---|------------------|-------------------|--------------|---------------|--------------|---------------|--------------|---------------|
|   | HK\$'m           | HK\$'m            | HK\$'m       | HK\$'m        | HK\$'m       | HK\$'m        | HK\$'m       | HK\$'m        |
| Net interest income/(expense)   |                  |                   |              |               |              |               |              |               |
| - External  | 4                | 7,564             | 9,547        | 1,580         | 1,208        | 19,903        | -            | 19,903        |
| - Inter-segment   | 6,881            | (226)             | (5,943)      | (8)           | (704)        | -             | -            | -             |
|   | 6,885            | 7,338             | 3,604        | 1,572         | 504          | 19,903        | -            | 19,903        |
| Net fee and commission income/(expense)   | 3,620            | 2,247             | 228          | (440)         | 583          | 6,238         | (192)        | 6,046         |
| Net insurance premium income  | -                | -                 | -            | 9,406         | -            | 9,406         | (10)         | 9,396         |
| Net trading gain/(loss)   | 386              | 713               | 979          | (438)         | 162          | 1,802         | 27           | 1,829         |
| Net (loss)/gain on other financial instruments at fair value through profit or loss | (1)              | -                 | 136          | 2,075         | 1            | 2,211         | 4            | 2,215         |
| Net (loss)/gain on other financial assets   | -                | (2)               | 729          | (11)          | -            | 716           | -            | 716           |
| Other operating income  | 28               | -                 | 11           | 65            | 1,068        | 1,172         | (671)        | 501           |
| <b>Total operating income</b>   | <b>10,918</b>    | <b>10,296</b>     | <b>5,687</b> | <b>12,229</b> | <b>2,318</b> | <b>41,448</b> | <b>(842)</b> | <b>40,606</b> |
| Net insurance benefits and claims and movement in liabilities                       | -                | -                 | -            | (11,437)      | -            | (11,437)      | -            | (11,437)      |
| <b>Net operating income before impairment allowances</b>                            | <b>10,918</b>    | <b>10,296</b>     | <b>5,687</b> | <b>792</b>    | <b>2,318</b> | <b>30,011</b> | <b>(842)</b> | <b>29,169</b> |
| Net (charge)/reversal of impairment allowances                                      | (88)             | (675)             | (44)         | (2)           | 16           | (793)         | -            | (793)         |
| <b>Net operating income</b>   | <b>10,830</b>    | <b>9,621</b>      | <b>5,643</b> | <b>790</b>    | <b>2,334</b> | <b>29,218</b> | <b>(842)</b> | <b>28,376</b> |
| Operating expenses  | (4,430)          | (1,556)           | (570)        | (239)         | (1,575)      | (8,370)       | 842          | (7,528)       |
| <b>Operating profit</b>   | <b>6,400</b>     | <b>8,065</b>      | <b>5,073</b> | <b>551</b>    | <b>759</b>   | <b>20,848</b> | <b>-</b>     | <b>20,848</b> |
| Net gain from disposal of/fair value adjustments on investment properties           | -                | -                 | -            | -             | 657          | 657           | -            | 657           |
| Net gain from disposal/revaluation of properties, plant and equipment               | -                | -                 | -            | -             | 1            | 1             | -            | 1             |
| Share of profits less losses after tax of associates and joint ventures             | 54               | -                 | 1            | -             | (9)          | 46            | -            | 46            |
| <b>Profit before taxation</b>   | <b>6,454</b>     | <b>8,065</b>      | <b>5,074</b> | <b>551</b>    | <b>1,408</b> | <b>21,552</b> | <b>-</b>     | <b>21,552</b> |
| <b>At 30 June 2019</b>  |                  |                   |              |               |              |               |              |               |
| <b>ASSETS</b>   |                  |                   |              |               |              |               |              |               |
| Segment assets  | 403,026          | 948,779           | 1,367,764    | 146,273       | 151,699      | 3,017,541     | (30,728)     | 2,986,813     |
| Interests in associates and joint ventures  | 475              | -                 | -            | -             | 1,152        | 1,627         | -            | 1,627         |
|   | 403,501          | 948,779           | 1,367,764    | 146,273       | 152,851      | 3,019,168     | (30,728)     | 2,988,440     |
| <b>LIABILITIES</b>  |                  |                   |              |               |              |               |              |               |
| Segment liabilities   | 1,070,509        | 930,364           | 496,999      | 136,477       | 87,952       | 2,722,301     | (30,728)     | 2,691,573     |
| <b>Half-year ended 30 June 2018</b>   |                  |                   |              |               |              |               |              |               |
|   | Personal Banking | Corporate Banking | Treasury     | Insurance     | Others       | Subtotal      | Eliminations | Consolidated  |
|   | HK\$'m           | HK\$'m            | HK\$'m       | HK\$'m        | HK\$'m       | HK\$'m        | HK\$'m       | HK\$'m        |
| Net interest income/(expense)   |                  |                   |              |               |              |               |              |               |
| - External  | 1,087            | 7,360             | 7,311        | 1,494         | 1,287        | 18,539        | -            | 18,539        |
| - Inter-segment   | 4,554            | (831)             | (3,209)      | (22)          | (492)        | -             | -            | -             |
|   | 5,641            | 6,529             | 4,102        | 1,472         | 795          | 18,539        | -            | 18,539        |
| Net fee and commission income/(expense)   | 3,871            | 2,329             | 195          | (306)         | 570          | 6,659         | (183)        | 6,476         |
| Net insurance premium income  | -                | -                 | -            | 7,390         | -            | 7,390         | (9)          | 7,381         |
| Net trading gain/(loss)   | 464              | 843               | 687          | (123)         | 147          | 2,018         | 32           | 2,050         |
| Net gain/(loss) on other financial instruments at fair value through profit or loss | 4                | -                 | 312          | (1,502)       | -            | (1,186)       | 4            | (1,182)       |
| Net (loss)/gain on other financial assets   | -                | (2)               | 43           | 45            | -            | 86            | -            | 86            |
| Other operating income  | 12               | 1                 | 6            | 84            | 1,044        | 1,147         | (649)        | 498           |
| <b>Total operating income</b>   | <b>9,992</b>     | <b>9,700</b>      | <b>5,345</b> | <b>7,060</b>  | <b>2,556</b> | <b>34,653</b> | <b>(805)</b> | <b>33,848</b> |
| Net insurance benefits and claims and movement in liabilities                       | -                | -                 | -            | (6,234)       | -            | (6,234)       | -            | (6,234)       |
| <b>Net operating income before impairment allowances</b>                            | <b>9,992</b>     | <b>9,700</b>      | <b>5,345</b> | <b>826</b>    | <b>2,556</b> | <b>28,419</b> | <b>(805)</b> | <b>27,614</b> |
| Net charge of impairment allowances   | (30)             | (49)              | (1)          | (4)           | (260)        | (344)         | -            | (344)         |
| <b>Net operating income</b>   | <b>9,962</b>     | <b>9,651</b>      | <b>5,344</b> | <b>822</b>    | <b>2,296</b> | <b>28,075</b> | <b>(805)</b> | <b>27,270</b> |
| Operating expenses  | (4,095)          | (1,497)           | (537)        | (225)         | (1,463)      | (7,817)       | 805          | (7,012)       |
| <b>Operating profit</b>   | <b>5,867</b>     | <b>8,154</b>      | <b>4,807</b> | <b>597</b>    | <b>833</b>   | <b>20,258</b> | <b>-</b>     | <b>20,258</b> |
| Net gain from disposal of/fair value adjustments on investment properties           | -                | -                 | -            | -             | 918          | 918           | -            | 918           |
| Net (loss)/gain from disposal/revaluation of properties, plant and equipment        | (1)              | -                 | -            | -             | 11           | 10            | -            | 10            |
| Share of profits less losses after tax of associates and joint ventures             | 45               | -                 | -            | -             | (3)          | 42            | -            | 42            |
| <b>Profit before taxation</b>   | <b>5,911</b>     | <b>8,154</b>      | <b>4,807</b> | <b>597</b>    | <b>1,759</b> | <b>21,228</b> | <b>-</b>     | <b>21,228</b> |
| <b>At 31 December 2018</b>  |                  |                   |              |               |              |               |              |               |
| <b>ASSETS</b>   |                  |                   |              |               |              |               |              |               |
| Segment assets  | 379,233          | 887,900           | 1,438,436    | 132,417       | 140,682      | 2,978,668     | (23,147)     | 2,955,521     |
| Interests in associates and joint ventures  | 422              | -                 | 1            | -             | 60           | 483           | -            | 483           |
|   | 379,655          | 887,900           | 1,438,437    | 132,417       | 140,742      | 2,979,151     | (23,147)     | 2,956,004     |
| <b>LIABILITIES</b>  |                  |                   |              |               |              |               |              |               |
| Segment liabilities   | 1,038,805        | 839,505           | 616,437      | 124,085       | 74,946       | 2,693,778     | (23,147)     | 2,670,631     |

## Net Interest Income and Net Interest Margin

| HK\$m, except percentages       | Half-year ended | (Restated)<br>Half-year ended | (Restated)<br>Half-year ended |
|---------------------------------|-----------------|-------------------------------|-------------------------------|
|                                 | 30 June 2019    | 31 December 2018              | 30 June 2018                  |
| Interest income                 | 33,605          | 33,264                        | 28,601                        |
| Interest expense                | (13,702)        | (12,302)                      | (10,062)                      |
| Net interest income             | 19,903          | 20,962                        | 18,539                        |
| Average interest-earning assets | 2,521,282       | 2,440,558                     | 2,434,698                     |
| Net interest spread             | 1.37%           | 1.49%                         | 1.37%                         |
| Net interest margin             | 1.59%           | 1.70%                         | 1.54%                         |
| Net interest margin (adjusted)* | 1.69%           | 1.70%                         | 1.56%                         |

\* Including the funding income or cost of foreign currency swap contracts.

## Average Balance and Average Interest Rates

|  | Half-year ended             |                       | (Restated)<br>Half-year ended |                       | (Restated)<br>Half-year ended |                       |
|--|-----------------------------|-----------------------|-------------------------------|-----------------------|-------------------------------|-----------------------|
|  | 30 June 2019                |                       | 31 December 2018              |                       | 30 June 2018                  |                       |
|  | Average<br>balance<br>HK\$m | Average<br>yield<br>% | Average<br>balance<br>HK\$m   | Average<br>yield<br>% | Average<br>balance<br>HK\$m   | Average<br>yield<br>% |
| <b>ASSETS</b>  |                             |                       |                               |                       |                               |                       |
| Balances and placements with banks and other financial institutions          | 353,996                     | 1.87                  | 376,997                       | 1.84                  | 456,406                       | 1.95                  |
| Debt securities investments and other debt instruments                       | 869,063                     | 2.42                  | 813,226                       | 2.61                  | 754,110                       | 2.16                  |
| Advances to customers  | 1,279,546                   | 3.10                  | 1,232,959                     | 3.03                  | 1,206,431                     | 2.67                  |
| Other interest-earning assets  | 18,677                      | 2.80                  | 17,376                        | 2.60                  | 17,751                        | 1.66                  |
| Total interest-earning assets  | 2,521,282                   | 2.69                  | 2,440,558                     | 2.70                  | 2,434,698                     | 2.37                  |
| Non interest-earning assets  | 407,778                     | -                     | 386,325                       | -                     | 372,560                       | -                     |
| Total assets   | 2,929,060                   | 2.31                  | 2,826,883                     | 2.33                  | 2,807,258                     | 2.05                  |
| <b>LIABILITIES</b>   |                             |                       |                               |                       |                               |                       |
| Deposits and balances from banks and other financial institutions            | 198,894                     | 1.22                  | 224,398                       | 1.15                  | 228,106                       | 1.05                  |
| Current, savings and time deposits   | 1,838,239                   | 1.29                  | 1,726,379                     | 1.16                  | 1,726,102                     | 0.90                  |
| Subordinated liabilities   | 13,160                      | 5.51                  | 16,053                        | 5.42                  | 20,458                        | 5.46                  |
| Other interest-bearing liabilities   | 41,671                      | 1.78                  | 49,309                        | 1.99                  | 60,946                        | 1.91                  |
| Total interest-bearing liabilities   | 2,091,964                   | 1.32                  | 2,016,139                     | 1.21                  | 2,035,612                     | 1.00                  |
| Shareholders' funds* and other non interest-bearing deposits and liabilities | 837,096                     | -                     | 810,744                       | -                     | 771,646                       | -                     |
| Total liabilities  | 2,929,060                   | 0.94                  | 2,826,883                     | 0.86                  | 2,807,258                     | 0.72                  |

\*Shareholders' funds represent capital and reserves attributable to the equity holders of the Company.

## Net Fee and Commission Income

|                                  | Half-year ended<br>30 June 2019 | (Restated)<br>Half-year ended<br>31 December 2018 | (Restated)<br>Half-year ended<br>30 June 2018 |
|----------------------------------|---------------------------------|---|---|
|                                  | HK\$m                           | HK\$m   | HK\$m   |
| <b>Fee and commission income</b> |                                 |   |   |
| Credit card business             | 1,635                           | 1,707   | 1,734   |
| Loan commissions                 | 1,623                           | 901   | 1,712   |
| Insurance                        | 1,160                           | 681   | 865   |
| Securities brokerage             | 1,093                           | 1,064   | 1,705   |
| Funds distribution               | 464                             | 377   | 552   |
| Bills commissions                | 352                             | 338   | 401   |
| Payment services                 | 339                             | 355   | 326   |
| Currency exchange                | 323                             | 322   | 268   |
| Trust and custody services       | 309                             | 320   | 313   |
| Safe deposit box                 | 144                             | 131   | 154   |
| Others                           | 678                             | 656   | 636   |
| Fee and commission income        | <b>8,120</b>                    | 6,852   | 8,666   |
| Fee and commission expense       | <b>(2,074)</b>                  | (2,016)   | (2,190)                                       |
| Net fee and commission income    | <b>6,046</b>                    | 4,836   | 6,476   |

## Operating Expenses

| HK\$m  | Half-year ended | (Restated)<br>Half-year ended | (Restated)<br>Half-year ended |
|--|-----------------|-------------------------------|-------------------------------|
|  | 30 June 2019    | 31 December 2018              | 30 June 2018                  |
| Staff costs  | <b>4,264</b>    | 4,581                         | 4,061                         |
| Premises and equipment expenses (excluding depreciation) | <b>652</b>      | 1,005                         | 857                           |
| Depreciation   | <b>1,402</b>    | 1,068                         | 998                           |
| Other operating expenses                                 | <b>1,210</b>    | 1,540                         | 1,096                         |
| Total operating expenses                                 | <b>7,528</b>    | 8,194                         | 7,012                         |



## Deposits from Customers

|  | At 30 June<br>2019 | At 31 December<br>2018 |
|--|--------------------|------------------------|
|  | HK\$m              | HK\$m                  |
| Current, savings and other deposit accounts  | 2,018,223          | 1,895,796              |
| Structured deposits reported as financial liabilities at fair value through profit or loss | 13                 | 2,199                  |
|  | <b>2,018,236</b>   | <b>1,897,995</b>       |
| Analysed by:   |                    |                        |
| Demand deposits and current accounts   |                    |                        |
| - Corporate  | 149,350            | 144,985                |
| - Personal   | 67,967             | 62,827                 |
|  | <b>217,317</b>     | <b>207,812</b>         |
| Savings deposits   |                    |                        |
| - Corporate  | 376,649            | 337,932                |
| - Personal   | 523,931            | 516,185                |
|  | <b>900,580</b>     | <b>854,117</b>         |
| Time, call and notice deposits   |                    |                        |
| - Corporate  | 538,017            | 487,934                |
| - Personal   | 362,322            | 348,132                |
|  | <b>900,339</b>     | <b>836,066</b>         |
|  | <b>2,018,236</b>   | <b>1,897,995</b>       |

## Gross Advances to Customers

|   | At 30 June<br>2019 | At 31 December<br>2018 |
|---|--------------------|------------------------|
|   | HK\$m              | HK\$m                  |
| Loans for use in Hong Kong  |                    |                        |
| Industrial, commercial and financial  |                    |                        |
| - Property development  | 134,293            | 126,328                |
| - Property investment   | 50,528             | 50,223                 |
| - Financial concerns  | 26,710             | 21,239                 |
| - Stockbrokers  | 2,407              | 1,171                  |
| - Wholesale and retail trade  | 41,497             | 38,147                 |
| - Manufacturing   | 48,743             | 51,093                 |
| - Transport and transport equipment   | 67,935             | 66,256                 |
| - Recreational activities   | 1,750              | 1,675                  |
| - Information technology  | 20,760             | 18,006                 |
| - Others  | 128,244            | 118,574                |
| Individuals   |                    |                        |
| - Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | 14,453             | 11,150                 |
| - Loans for purchase of other residential properties  | 255,698            | 243,963                |
| - Credit card advances  | 14,362             | 15,613                 |
| - Others  | 84,522             | 78,282                 |
| Total loans for use in Hong Kong  | 891,902            | 841,720                |
| Trade financing   | 80,517             | 65,437                 |
| Loans for use outside Hong Kong   | 380,119            | 360,078                |
| Gross advances to customers   | 1,352,538          | 1,267,235              |

## Loan Quality

|   | (Restated)      |
|---|-----------------|
| HK\$m, except percentages   | At 30 June      |
|   | At 31 December  |
|   | 2019            |
|   | 2018            |
| Advances to customers   | 1,352,538       |
| Classified or impaired loan ratio   | 0.20%           |
|   | 0.19%           |
| Total impairment allowances   | 6,032           |
| Total impairment allowances as a percentage of advances to customers                          | 0.45%           |
|   | 0.43%           |
| Residential mortgage loans <sup>1</sup> - delinquency and rescheduled loan ratio <sup>2</sup> | 0.01%           |
| Card advances - delinquency ratio <sup>2</sup>  | 0.20%           |
|   | 0.19%           |
|   | Half-year ended |
|   | Half-year ended |
|   | 30-Jun-19       |
|   | 30-Jun-18       |
| Card advances - charge-off ratio <sup>3</sup>   | 1.35%           |
|   | 1.47%           |

1. Residential mortgage loans exclude those under the Home Ownership Scheme and other government-sponsored home purchasing schemes.

2. The delinquency ratio is the ratio of the total amount of overdue advances (more than three months) to total outstanding advances.

3. The charge-off ratio is the ratio of total write-offs made during the period to average card receivables during the period.

## Capital Ratio

| HK\$m, except percentages             | At 30 June<br>2019 | At 31 December<br>2018 |
|---------------------------------------|--------------------|------------------------|
| Consolidated capital after deductions |                    |                        |
| Common Equity Tier 1 capital          | 193,987            | 180,202                |
| Additional Tier 1 capital             | 23,463             | 23,476                 |
| Tier 1 capital                        | 217,450            | 203,678                |
| Tier 2 capital                        | 32,565             | 34,393                 |
| Total capital                         | 250,015            | 238,071                |
| <br>                                  |                    |                        |
| Total risk-weighted assets            | 1,086,888          | 1,030,815              |
| <br>                                  |                    |                        |
| Common Equity Tier 1 capital ratio    | 17.85%             | 17.48%                 |
| Tier 1 capital ratio                  | 20.01%             | 19.76%                 |
| Total capital ratio                   | 23.00%             | 23.10%                 |