

# BOC HONG KONG (HOLDINGS) LIMITED

## Data Pack

### FY2020

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The financial information is extracted from the *2020 Annual Report* of BOC Hong Kong (Holdings) Limited (the Company), which is not complete and should be read in conjunction with the 2020 Annual Report and other reports and financial information published by the Company.

## Financial Highlights

	2020	2019
<b>For the year</b>	<b>HK\$m</b>	<b>HK\$m</b>
Net operating income before impairment allowances	54,474	58,444
Operating profit	35,420	39,755
Profit before taxation	33,583	40,088
Profit for the year	28,468	34,074
Profit attributable to equity holders of the Company and other equity instrument holders	27,863	33,574
	2020	2019
<b>Per share</b>	<b>HK\$</b>	<b>HK\$</b>
Basic earnings per share	2.5052	3.0440
Dividend per share	1.242	1.537
	2020	2019
<b>At year-end</b>	<b>HK\$m</b>	<b>HK\$m</b>
Total assets	3,320,981	3,026,056
Issued and fully paid up share capital	52,864	52,864
Capital and reserves attributable to equity holders of the Company	290,302	278,783
	2020	2019
<b>Financial ratios</b>	<b>%</b>	<b>%</b>
Return on average total assets <sup>1</sup>	0.86	1.15
Return on average shareholders' equity <sup>2</sup>	9.05	11.51
Cost to income ratio	30.01	28.52
Average value of liquidity coverage ratio <sup>4</sup>		
First quarter	150.45	183.00
Second quarter	131.38	156.57
Third quarter	130.98	142.85
Fourth quarter	132.76	146.53
	2020	2019
<b>Financial ratios at year-end</b>	<b>%</b>	<b>%</b>
Loan to deposit ratio <sup>3</sup>	68.59	69.47
Quarter-end value of net stable funding ratio <sup>4</sup>		
First quarter	116.60	121.36
Second quarter	117.49	119.15
Third quarter	115.30	116.47
Fourth quarter	125.31	118.00
Total capital ratio <sup>5</sup>	22.10	22.89

1. Return on average total assets = Profit for the year / 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. Loan to deposit ratio is calculated as at year end. Loan represents gross advances to customers.

4. 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.

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.

## Consolidated Income Statement

For the year ended 31 December

	2020	2019
	HK\$m	HK\$m
Interest income	49,928	67,784
Interest expense	(15,190)	(27,261)
<b>Net interest income</b>	<b>34,738</b>	<b>40,523</b>
Fee and commission income	13,515	15,002
Fee and commission expense	(2,673)	(4,083)
<b>Net fee and commission income</b>	<b>10,842</b>	<b>10,919</b>
Gross earned premiums	27,990	25,345
Gross earned premiums ceded to reinsurers	(9,530)	(6,933)
<b>Net insurance premium income</b>	<b>18,460</b>	<b>18,412</b>
Net trading gain	5,174	4,800
Net gain on other financial instruments at fair value through profit or loss	1,959	3,243
Net gain on other financial assets	4,572	824
Other operating income	896	1,015
<b>Total operating income</b>	<b>76,641</b>	<b>79,736</b>
Gross insurance benefits and claims and movement in liabilities	(34,113)	(29,927)
Reinsurers' share of benefits and claims and movement in liabilities	11,946	8,635
<b>Net insurance benefits and claims and movement in liabilities</b>	<b>(22,167)</b>	<b>(21,292)</b>
<b>Net operating income before impairment allowances</b>	<b>54,474</b>	<b>58,444</b>
Net charge of impairment allowances	(2,707)	(2,022)
<b>Net operating income</b>	<b>51,767</b>	<b>56,422</b>
Operating expenses	(16,347)	(16,667)
<b>Operating profit</b>	<b>35,420</b>	<b>39,755</b>
Net (loss)/ gain from disposal of/fair value adjustments on investment properties	(1,622)	282
Net loss from disposal/revaluation of properties, plant and equipment	(63)	(1)
Share of results after tax of associates and joint ventures	(152)	52
<b>Profit before taxation</b>	<b>33,583</b>	<b>40,088</b>
Taxation	(5,115)	(6,014)
<b>Profit for the year</b>	<b>28,468</b>	<b>34,074</b>
<b>Profit attributable to:</b>		
Equity holders of the Company and other equity instrument holders	27,863	33,574
Equity holders of the Company	26,487	32,184
Other equity instrument holders	1,376	1,390
Non-controlling interests	605	500
	<b>28,468</b>	<b>34,074</b>
<b>Dividends</b>	<b>13,131</b>	<b>16,250</b>
	HK\$	HK\$
<b>Earnings per share</b>		
Basic and diluted	<b>2.5052</b>	<b>3.0440</b>

## Consolidated Balance Sheet

As at 31 December	2020	2019
	HK\$m	HK\$m
<b>ASSETS</b>		
Cash and balances and placements with banks and other financial institutions	463,711	366,829
Financial assets at fair value through profit or loss	60,214	85,193
Derivative financial instruments	52,856	31,027
Hong Kong SAR Government certificates of indebtedness	189,550	163,840
Advances and other accounts	1,500,416	1,412,961
Investment in securities	880,485	801,653
Interests in associates and joint ventures	1,485	1,632
Investment properties	18,441	20,110
Properties, plant and equipment	46,855	51,602
Current tax assets	138	116
Deferred tax assets	95	63
Other assets	106,735	91,030
<b>Total assets</b>	<b>3,320,981</b>	<b>3,026,056</b>
<b>LIABILITIES</b>		
Hong Kong SAR currency notes in circulation	189,550	163,840
Deposits and balances from banks and other financial institutions	326,495	267,889
Financial liabilities at fair value through profit or loss	20,336	19,206
Derivative financial instruments	60,313	32,921
Deposits from customers	2,183,709	2,009,273
Debt securities and certificates of deposit in issue	426	116
Other accounts and provisions	71,050	80,624
Current tax liabilities	3,979	7,992
Deferred tax liabilities	5,964	6,480
Insurance contract liabilities	139,504	117,269
Subordinated liabilities	-	12,954
<b>Total liabilities</b>	<b>3,001,326</b>	<b>2,718,564</b>
<b>EQUITY</b>		
Share capital	52,864	52,864
Reserves	237,438	225,919
<b>Capital and reserves attributable to equity holders of the Company</b>	<b>290,302</b>	<b>278,783</b>
Other equity instruments	23,476	23,476
Non-controlling interests	5,877	5,233
<b>Total equity</b>	<b>319,655</b>	<b>307,492</b>
<b>Total liabilities and equity</b>	<b>3,320,981</b>	<b>3,026,056</b>

## Segmental reporting

Year ended 31 December 2020	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	2,014	14,846	12,623	3,437	1,818	34,738	-	34,738
- Inter-segment	10,955	(1,352)	(8,840)	(13)	(750)	0	-	-
	12,969	13,494	3,783	3,424	1,068	34,738	-	34,738
Net fee and commission income/(expense)	7,092	3,522	253	(626)	1,262	11,503	(661)	10,842
Net insurance premium income	-	-	-	18,482	-	18,482	(22)	18,460
Net trading gain	1,004	1,311	2,012	259	435	5,021	153	5,174
Net gain/(loss) on other financial instruments at fair value through profit or loss	-	-	208	1,743	(3)	1,948	11	1,959
Net gain on other financial assets	-	7	4,376	189	-	4,572	-	4,572
Other operating income	18	5	80	123	2,055	2,281	(1,385)	896
<b>Total operating income</b>	<b>21,083</b>	<b>18,339</b>	<b>10,712</b>	<b>23,594</b>	<b>4,817</b>	<b>78,545</b>	<b>(1,904)</b>	<b>76,641</b>
Net insurance benefits and claims and movement in liabilities	-	-	-	(22,167)	-	(22,167)	-	(22,167)
<b>Net operating income before impairment allowances</b>	<b>21,083</b>	<b>18,339</b>	<b>10,712</b>	<b>1,427</b>	<b>4,817</b>	<b>56,378</b>	<b>(1,904)</b>	<b>54,474</b>
Net charge of impairment allowances	(421)	(1,877)	(87)	(36)	(286)	(2,707)	-	(2,707)
<b>Net operating income</b>	<b>20,662</b>	<b>16,462</b>	<b>10,625</b>	<b>1,391</b>	<b>4,531</b>	<b>53,671</b>	<b>(1,904)</b>	<b>51,767</b>
Operating expenses	(9,684)	(3,427)	(1,269)	(537)	(3,334)	(18,251)	1,904	(16,347)
<b>Operating profit</b>	<b>10,978</b>	<b>13,035</b>	<b>9,356</b>	<b>854</b>	<b>1,197</b>	<b>35,420</b>	-	<b>35,420</b>
Net loss from disposal of/fair value adjustments on investment properties	-	-	-	-	(1,622)	(1,622)	-	(1,622)
Net loss from disposal/revaluation of properties, plant and equipment	(3)	-	-	-	(60)	(63)	-	(63)
Share of results after tax of associates and joint ventures	42	-	5	-	(199)	(152)	-	(152)
<b>Profit/(loss) before taxation</b>	<b>11,017</b>	<b>13,035</b>	<b>9,361</b>	<b>854</b>	<b>(684)</b>	<b>33,583</b>	-	<b>33,583</b>
<b>At 31 December 2020</b>								
<b>ASSETS</b>								
Segment assets	491,213	985,638	1,538,239	179,865	159,589	3,354,544	(35,048)	3,319,496
Interests in associates and joint ventures	603	-	9	-	873	1,485	-	1,485
	491,816	985,638	1,538,248	179,865	160,462	3,356,029	(35,048)	3,320,981
<b>LIABILITIES</b>								
Segment liabilities	1,159,255	1,013,145	601,497	168,463	94,014	3,036,374	(35,048)	3,001,326
<b>Year ended 31 December 2019</b>								
<b>ASSETS</b>								
Segment assets	442,694	947,164	1,354,356	153,116	155,953	3,053,283	(28,859)	3,024,424
Interests in associates and joint ventures	559	-	1	-	1,072	1,632	-	1,632
	443,253	947,164	1,354,357	153,116	157,025	3,054,915	(28,859)	3,026,056
<b>LIABILITIES</b>								
Segment liabilities	1,079,821	907,381	521,210	143,011	96,000	2,747,423	(28,859)	2,718,564

## Net Interest Income and Net Interest Margin

HK\$m, except percentages	2020	2019
Interest income	<b>49,928</b>	67,784
Interest expense	<b>(15,190)</b>	(27,261)
Net interest income	<b>34,738</b>	40,523
Average interest-earning assets	<b>2,737,726</b>	2,551,288
Net interest spread	<b>1.16%</b>	1.37%
Net interest margin	<b>1.27%</b>	1.59%
Net interest margin (adjusted)*	<b>1.33%</b>	1.69%

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

## Average Balance and Average Interest Rates

	2020		2019	
	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %
<b>ASSETS</b>				
Balances and placements with banks and other financial institutions	<b>351,515</b>	<b>0.88%</b>	319,492	1.76%
Debt securities investments and other debt instruments	<b>849,401</b>	<b>1.76%</b>	864,637	2.36%
Advances to customers and other accounts	<b>1,518,246</b>	<b>2.08%</b>	1,345,060	3.06%
Other interest-earning assets	<b>18,564</b>	<b>1.20%</b>	22,099	2.58%
Total interest-earning assets	<b>2,737,726</b>	<b>1.82%</b>	2,551,288	2.66%
Non interest-earning assets	<b>557,334</b>	-	419,912	-
Total assets	<b>3,295,060</b>	<b>1.51%</b>	2,971,200	2.28%
<b>LIABILITIES</b>				
	Average balance HK\$m	Average rate %	Average balance HK\$m	Average rate %
Deposits and balances from banks and other financial institutions	<b>198,804</b>	<b>0.56%</b>	191,461	1.18%
Current, savings and time deposits	<b>2,082,314</b>	<b>0.65%</b>	1,865,178	1.26%
Subordinated liabilities	<b>1,452</b>	<b>5.51%</b>	13,093	5.49%
Other interest-bearing liabilities	<b>28,917</b>	<b>1.27%</b>	39,505	1.74%
Total interest-bearing liabilities	<b>2,311,487</b>	<b>0.66%</b>	2,109,237	1.29%
Shareholders' funds <sup>1</sup> and other non interest-bearing deposits and liabilities	<b>983,573</b>	-	861,963	-
Total liabilities	<b>3,295,060</b>	<b>0.46%</b>	2,971,200	0.92%

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

## Net Fee and Commission Income

	2020	2019
	HK\$m	HK\$m
Securities brokerage	3,567	2,113
Loan commissions	2,310	2,675
Credit card business	1,859	2,975
Insurance	1,272	2,111
Funds distribution	897	901
Payment services	740	716
Trust and custody services	689	651
Bills commissions	591	700
Safe deposit box	306	294
Currency exchange	226	599
Others	1,058	1,267
Fee and commission income	<b>13,515</b>	15,002
Fee and commission expense	<b>(2,673)</b>	(4,083)
Net fee and commission income	<b>10,842</b>	10,919

## Operating Expenses

HK\$m	2020	2019
Staff costs	<b>9,461</b>	9,364
Premises and equipment expenses (excluding depreciation)	<b>1,235</b>	1,542
Depreciation	<b>3,040</b>	2,881
Other operating expenses	<b>2,611</b>	2,880
Total operating expenses	<b>16,347</b>	16,667



## Deposits from Customers

As at 31 December	2020	2019
	HK\$m	HK\$m
Demand deposits and current accounts		
- Corporate	222,286	138,646
- Personal	87,940	68,367
	<b>310,226</b>	<b>207,013</b>
Savings deposits		
- Corporate	499,740	400,903
- Personal	649,295	499,106
	<b>1,149,035</b>	<b>900,009</b>
Time, call and notice deposits		
- Corporate	454,852	517,080
- Personal	269,596	385,171
	<b>724,448</b>	<b>902,251</b>
	<b>2,183,709</b>	<b>2,009,273</b>

## Gross Advances to Customers

As at 31 December	2020	2019
	HK\$m	HK\$m
Loans for use in Hong Kong		
Industrial, commercial and financial		
- Property development	132,966	137,663
- Property investment	64,768	49,073
- Financial concerns	24,110	28,353
- Stockbrokers	1,656	815
- Wholesale and retail trade	30,523	39,880
- Manufacturing	53,629	42,719
- Transport and transport equipment	74,633	66,511
- Recreational activities	198	2,161
- Information technology	25,579	22,464
- Others	131,571	125,909
Individuals		
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	27,809	19,855
- Loans for purchase of other residential properties	311,070	277,288
- Credit card advances	10,959	14,663
- Others	101,986	97,380
Total loans for use in Hong Kong	991,457	924,734
Trade financing	66,497	75,764
Loans for use outside Hong Kong	439,910	395,385
Gross advances to customers	1,497,864	1,395,883

## Loan Quality

HK\$m, except percentages	At 31 December 2020	At 31 December 2019
Advances to customers	<b>1,497,864</b>	1,395,883
Classified or impaired loan ratio	<b>0.27%</b>	0.23%
Total impairment allowances	<b>9,172</b>	7,035
Total impairment allowances as a percentage of advances to customers	<b>0.61%</b>	0.50%
Residential mortgage loans <sup>1</sup> - delinquency and rescheduled loan ratio <sup>2</sup>	<b>0.01%</b>	0.01%
Card advances - delinquency ratio <sup>2</sup>	<b>0.23%</b>	0.27%
	<b>2020</b>	2019
Card advances - charge-off ratio <sup>3</sup>	<b>1.91%</b>	1.40%

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 year to average card receivables during the year.

## Capital Ratio

HK\$m, except percentages	At 31 December 2020	At 31 December 2019
Consolidated capital after deductions		
Common Equity Tier 1 capital	216,542	195,039
Additional Tier 1 capital	23,476	23,476
Tier 1 capital	240,018	218,515
Tier 2 capital	29,558	32,855
Total capital	269,576	251,370
Total risk-weighted assets	1,220,000	1,098,018
Common Equity Tier 1 capital ratio	17.75%	17.76%
Tier 1 capital ratio	19.67%	19.90%
Total capital ratio	22.10%	22.89%