Transcript of Analyst Briefing for
2021 Interim Results

Part 1: 2021 Interim results presentation

Chief Executive Sun Yu

Good afternoon, ladies and gentlemen.

Now I would like to provide you with our strategic review for the first half of the year.

During the period, the bank's operating environment remained challenging owing to the volatile Covid-19 pandemic situation globally and near record low levels of market interest rate. Banking industry are still under tremendous earnings pressure. On the bright side, the Mainland economy witnessed a solid growth while the Hong Kong economy also recovered from its trough.

We strengthened our strategic execution to seize new business opportunities, while adhering to stringent risk management. We outperformed the market in the core business areas such as customer loans and deposits, and maintained our capital ratios as well as other financial indicators at solid levels. Stripping out the high base effect of disposal gain from debt securities investments in the same period of last year, our operating profit before impairment allowances dropped by 8.4% year-on-year but rebounded by 13.7% half-on-half, which indicates early signs of stabilisation and solid core profitability.

In face of a challenging external environment, we endeavour to provide a relatively stable return for our shareholders. The Board has proposed an interim dividend per share of 44.7 cents, which is unchanged from the same period of last year.

Hong Kong is always our core market. We captured market opportunities to consolidate our traditional advantages and create new growth drivers by optimising our customer and business mix.

We refined our wealth management customer brand segmentation. In first half, the AUM and wealth management income from mid to high-end customers increased 18% and 33% year on year. We stepped up efforts to develop home purchase business ecosystem and improved our Home Expert mobile app. Our leading position in new residential mortgage loans was well maintained with online mortgage applications more than doubled.

Our corporate banking business continued to lead the market. We sustained our competitive advantage as a mandated arranger in the Hong Kong and Macao syndicated loan market as well as in the IPO receiving bank and cash management businesses. At the same time, we were dedicated to expanding our fee income businesses with a 36% growth in bond underwriting volume and 6.2% growth in assets under custody.

Our competitiveness in financial markets was further enhanced. We grasped the market opportunities and achieved a 34% growth in RMB-related client trading volume. We also upgraded our online trading platform to improve the service capabilities, with online client trading income rising by 14% during the period.

We made further progress improving our integrated service capabilities. BOC Life ranked first in bancassurance sales for the first quarter. BOCI-Prudential Trustee maintained its forefront position in Hong Kong's MPF market, while BOCHK Asset Management steadily grew its AUM.

In our key market of the Greater Bay Area, we enhanced collaboration with our parent bank BOC to solidify our cross-border integrated service capabilities.

We further optimised the customer experience of our GBA Account Opening Service, and the total cross-border remittance amount and transactions volumes under GBA account surged 1.4 times and 1.2 times in first half. We jointly launched the "GBA Youth Card", which aims to provide young people with integrated services. In our cross-border mortgage service, we resolved customer pain points by continuously optimising our service flow, and launched a series of loan products. We have also made full preparation for the launch of cross-border wealth management service to take advantage of favourable opportunities in the GBA market.

Capturing policy and market opportunities, we provided our corporate customers with financial facilities to meet their cross-border business needs. This led to an 8% rise in our GBA loans. At the same time, we cooperated with universities and technology research institutes to support the technology and innovation-driven firms, achieving an 11% increase in related customer numbers and 7% growth in loans.

We see Southeast Asia as a potential growth market for us. During the period, we continued to pursue regional integration and strengthened our unified management and guidance, to promote differentiated development and ensure solid business growth in this market.

Following the opening of our Myanmar Branch in the first quarter, we opened a representative office in Hanoi, Vietnam in June, which further improved our regional footprint.

In addition, we fully leveraged our role as BOC Group’s syndication loan centre in Asia Pacific and increased our regional business collaboration. We successfully completed a number of syndicated loan deals with large Southeast Asian corporates, which elevated our position in the market. Meanwhile, we also enriched the financial products and services of our Southeast Asian entities by exporting more than 40 corporate financial products from the Hong Kong market. Furthermore, we promoted the local mobile banking and wealth management services, and strengthened customer referrals to gain mutual recognition for our wealth management brands across the region.

As of the end of June, our Southeast Asian entities grew their deposits and loans by 9.4% and 2.6% respectively, maintaining a solid and healthy growth. Asset quality was stable with the NPL ratio at 1.75%, standing at a better level compared with the local market average.

Capturing the opportunities from the latest RMB policy developments, we expanded RMB usage scenarios to advance the RMB business development. As at the end of June, our RMB customer deposits and loans grew by 14% and 24% respectively.

We further optimised the RMB business management mechanism. We appointed a Managing Director of RMB Business and established a flexible organisation to steer RMB business development.

We consolidated our leading position in the offshore RMB clearing business and officially launched the RMB clearing bank business at our Manila branch. Total RMB clearing transaction volume handled by BOC Hong Kong grew 28% year-on-year to RMB178.4 trillion, accounting for 75% of the global total.

In order to boost customer demand for RMB business, we increased intra-group collaboration and expanded RMB service in our financing, settlement, commodities trading and cash pooling businesses. We innovated the personal cross-border RMB settlement business, and launched RMB salary direct remittance service. Our Jakarta Branch achieved an 82% year-on-year growth in business volume. At the same time, we built up a digital platform to provide fast, convenient quotation and transaction services between RMB and domestic currencies. With all of these efforts, we strive to embed RMB in full service and business process to activate the offshore RMB market with incentives for major market participants.

In line with our customer-centric principle, we deepened our digital transformation strategy.

Our business operations and risk management were further enhanced by strengthening our digital infrastructure. The transaction volume increased by 60% year-on-year on our mobile banking platform. We extended our intelligent Global Transaction Banking Platform to our Southeast Asian entities. Over 90% of local corporate clients have already moved on line. By automating our middle and back office operations, the processing efficiency of relevant business was enhanced by 50%. Moreover, we further upgraded our smart risk management capabilities and introduced a cybersecurity surveillance service that helps to identify potential weaknesses.

We also expanded digital application. A series of online wealth management services were newly launched such as RM Chat, online investment, and online insurance. Additionally, we launched a one-stop wealth planning service PlanAhead to meet the needs of young, wealthy customers for quick and convenient investment services. In the first half, the online transaction volume of our investment products was doubled, while BOC Life continued to rank at the top in the e-sales channel measured by standard new premiums.

We continued to develop our ecosystem in charity, education and transportation sectors to deliver financial services to a wider spectrum of customers. Our BoC Bill service now supports 12,000 public parking meters in Hong Kong. As of the end of June, the network coverage of BoC Bill increased by 7.9%, while our FPS customers increased by 20%. During the period, our BoC Pay transaction volume increased by 69% year-on-year.

Our promotion of green and sustainable development has been part of our ongoing efforts to put ESG into practice.

In collaboration with the Hong Kong Quality Assurance Agency, we became the first partner bank on its brand-new Green Loan e-Assessment platform, and launched the SME Green Financing Incentive Scheme. In the first half, our green or sustainable loan expanded by 1.6 times from the end of last year. We also launched three green deposit schemes which took up HK$1.9 billion. In addition, we launched the first ESG multi-asset retail fund with RMB share class in Hong Kong market, and successfully issued our Sustainable and Smart Living themed green bond at a total size of RMB1.5 billion to provide financial support to customers for meeting their carbon reduction targets. In the near future, we will introduce the first green mortgage product in Hong Kong to support the sustainable property and push forward the green and low carbon transition together with our customers.

We also provided full support to various financial relief schemes and economic incentive measures of the Hong Kong SAR Government. Our market share in the 100% Personal Loan Guarantee Scheme reached 30% in terms of number of approved applications. The subscription of both iBonds and Silver Bonds through our network ranked first in terms of customer numbers.

In this May, we officially enrolled as supporter of the TCFD. We will continue to improve our climate risk management and steadily enhance our relevant information disclosures.

This concludes our strategy review for the first half of 2021. Next, our CFO, Madam Sui, will walk you through our financial and business performance.

Chief Financial Officer Sui Yang

Thank you, Chief Executive Sun.

In the first half of the year, our profit after tax was HK$13.6 billion, down 15.9% year-on-year, mainly because the net interest income decreased due to the lower market interest rate. In face of the challenging environment, we capitalised on market opportunities to achieve favourable fee income growth, and maintained stable operating expenses, partly offsetting the adverse impact from the lower interest rate environment. On a half-on-half basis, our profit after tax rebounded by 10.4%.

We continued to expand our mid to high-end customer base, and deepened business engagement with large corporates, governments and central banks on a diverse range of services, including e-payment and collection, IPO receiving bank business, cash management, cash pooling and payroll service. We leveraged the market trend of customer fund flowing into wealth, insurance, stock and structural products, and further grew our CASA deposits to optimise our deposit mix.

As at the end of June, excluding the impact of IPO activities, our customer deposits grew by 5.2% to HK$2.3 trillion, taking our local market share to 15.21%, up 0.22 percentage point. Our low or no-cost CASA deposits grew by more than HK$120 billion or 8.3% with the CASA ratio rising to 68.8%.

We captured market opportunities in Hong Kong, Greater Bay Area, Southeast Asian and overseas markets and strengthened the collaboration with our parent bank BOC to explore new customers and new industries.

As at the end of June, excluding the IPO impact, our customer loans increased 6.1% to HK$1.6 trillion, with market share increasing by 0.23 percentage point to about 14%. Solid growth was seen across different loan types.

Since the start of this year, market interest rates stayed at about 10 basis points level for a long period of time. The average one-month HIBOR and LIBOR fell by 129 and 78 basis points, respectively. In addition, competition for loans and deposits was intense. As a result, banks' loan-to-deposit spreads further narrowed while the asset yields of debt securities investment and inter-bank placement reduced significantly.

In response to these challenges, we steadily increased our average interest earnings assets, which grew by 12.3% year-on-year. We optimised our asset and liability management by expanding loan book, increasing debt securities investment and improving deposit mix, therefore striving to reduce margin pressure. In the first half, excluding the swap impact, our net interest margin was 1.10%, down 40 basis points year-on-year and down 6 basis points half-on-half.

Capturing the opportunities from a strong capital market, mutual market access and cash management businesses, we realised a strong growth of 26.4% in our investment and insurance related fee income. Loan commissions also increased by 29.1%. At the same time, with the recovery of cyclical industries such as retail and import & export trade, our income from traditional fee businesses broadly rebounded.

During the first half, our net fee income reached HK$6.66 billion, up 22.5% year-on-year and 23.1% half-on-half, which indicates a gradual pick-up in growth momentum.

While ensuring enough resources available for staff expenses and key strategic projects of digital transformation, we adopted low-carbon, refined and intensive business operations. Our total operating expenses fell by 0.1% year-on-year and the cost-to-income ratio was 30.3%, which continued to outperform the local market.

We adhered to our prudent risk management principles, and continued to strengthen risk management. Our asset quality remained solid with sufficient provisions.

Excluding the IPO impact, our NPL ratio was 0.32%, up 5 basis points from the end of last year. Our annualised credit cost was 0.16%, dropping 2 basis points year-on-year. Overall provision remained adequate and NPL coverage ratio stood at 201%, staying at a relatively high level in the market.

Our capital and liquidity positions remained sufficient. Our CET1 ratio was 15.95% and total capital ratio was 19.79%. Both suffered a temporary drop due to the impact of IPO financing. Our average LCR and NSFR continued to stand at solid levels.

This concludes our interim results review. CE Sun will now share with you our outlook and priorities for the second half of this year.

Chief Executive Sun Yu

Thank you, CFO Sui.

In second half of 2021, the external operating environment will be more complicated. The global pandemic situation will continue to evolve and the economic recovery process will become more unbalanced. Major economies are contemplating a potential shift in their monetary policy, which might lead to more volatile financial market. With the ongoing low interest rate environment, and acceleration in digitalisation and low-carbon development, there is a need for banks to speed up their transformation.

On a more positive note, the Mainland economy has recorded stable recovery and solid growth with new achievements made in high-quality development. As Hong Kong's pandemic situation gradually comes under control and the labour market continues to improve, the local economy will sustain its recovery. Guided by the nation's 14th Five-Year Plan and the dual circulation economic development strategy, the interconnection between the Mainland and Hong Kong will continue to expand. This will add new impetus into Hong Kong's economy and create new opportunities for the banking industry.

In the second half, we will remain committed to our strategic goal of building a first-class regional banking group, and develop our three key markets of Hong Kong, the Greater Bay Area and Southeast Asia. Sticking to our customer-centric approach, we will deepen the transformation of our personal banking business and enhance our traditional advantages in the

RMB business, while strengthening our integrated services, regional management and digital capabilities. We will also stick to our prudent risk management principles, and push forward our low-carbon transformation, striving for sustainable, high quality development.

Despite the challenging environment, we are confident to maintain our market outperformance in loan and deposit growth, while keeping the asset quality and other risk indicators stable. We will endeavor to expand our income sources and improve our cost efficiency thus to continuously create value for our stakeholders and make a positive contribution to the local economy and social prosperity and stability.

That is the end of our presentation, thank you. We will now open the floor for the Q&A session.

Part 2: Question and answer session of analyst briefing

Tian Yafei from Citigroup: BOCHK saw a drop in its CET1 ratio due to the IPO-related impact in the first half. Under this condition, its interim dividend remained unchanged from the same period of last year, which was different from the trend of peers. From the management's perspective, when will the dividends return to the pre-pandemic levels? In addition, regarding asset quality, there were more non-performing loans in the second quarter, was it related to the Southeast Asian business and trade finance customers?

Chief Financial Officer Sui Yang: As of end of June, our IPO-related loans were HK$150 billion, which increased our risk-weighted assets and led to a temporary drop in our capital ratios. Stripping out such impact, our total capital ratio would have dropped by about 0.9 percentage point, which was a normal level. Overall, we remained well-capitalised. After taking into consideration a range of factors including shareholder expectations, change in external environment, our profitability and the regulatory advice, the Board has decided to pay an interim dividend of HK$0.447, unchanged from the same period of last year. Despite the earning pressure on us, we have sustained a relative steady dividend return.

Currently our dividend payout guidance is maintained between 40% and 60%. As to future dividend policy, we will strive to balance between the bank's long-term development needs and shareholder return. In regard to the dividend outlook for 2021, we will balance among the factors of operational pressure in the second half, risk conditions, implementation of new regulatory requirements and the regulatory expectation, while taking full consideration of our solid capital ratios, so as to make an appropriate decision on dividend payment and strive to enhance shareholder return.

Chief Risk Officer Jiang Xin: In the first half, our asset quality remained relatively stable. As of the end of June, our NPL ratio was 0.32%, up 5 basis points from the end of last year, which was mainly due to the downgrading of credit ratings of certain customers to non-performing as a result of the deterioration of their financial position. We have not seen any regional, systemic or industry specific risks in those NPLs and the risk is manageable. Overall our NPL ratio was far better than the local market average of 0.89%. During the period, our net charge of loan impairment allowances was HK$1.197 billion, down HK$0.114 billion or 8.7% year-on-year, attributable to the positive impact of improved ECL model parameters. At the same time, our total impairment allowances rose by HK$1.028 billion or 11.2% from the end of last year and it was mainly for two reasons. First, as some customers under the moratorium programme had extended their loan repayment date for multiple times, we preemptively made provisions against the potential risks. Second, some customers were downgraded to non-performing. Looking ahead, as vaccination programmes continue to make progress, local and global economies will gradually recover. We will adjust our ECL model parameters and provision charges based on the relevant accounting standards in accordance with the latest development. Meanwhile the pandemic situation is still evolving. This, together with the geopolitical risks and the political instability in certain countries, will cause unstable recovery in the regions and industries concerned. We will pay high attention to the operating conditions of customers in those regions and industries, and will take appropriate risk management measures including making provisions, to safeguard against the repayment risk of customers on their principal and interest after the expiry of various financial relief measures. Overall we are confident in maintaining NPL ratio at a better level compared with the market while making sufficient provisions based on our prudent principle

Gary Lam from HSBC: Your net interest margin showed a sequential drop in the second quarter, was it because of IPO-related business? Will it rebound in the third quarter? In addition, historically BOCHK grew its loans faster in the first half than the second half. Given the market demand was undermined by the pandemic in the first half of this year, what is the management's expectation on the loan demand from Mainland or local market in the second half? Will the loan growth pattern this year be different from the past, and what should be expected for the full-year loan growth?

Chief Financial Officer Sui Yang: You are right that IPO-related business would really reduce our net interest margin. Stripping out its impact, our net interest margin would be slightly higher. However as a matter of fact, the sequential margin decrease was largely due to the lower market interest rates. Based on market data, the average levels of 1-month HIBOR were 0.34% and 0.26% for the third quarter and the fourth quarter of last year, respectively, and it fell to 0.14% and 0.09% in the first quarter and second quarter of this year, respectively. In July and August, it continued to drift lower to 0.08% and 0.07%, respectively. The same was seen in the LIBOR market with the average 1-month LIBOR level falling to 0.12% and 0.10% in the first quarter and second quarter of this year, respectively, while it dropped further to 0.09% in July and August. The rapid decrease in market interest rates has had relatively large impact on margins.

To cope with this, we endeavored to enhance our margin performance through the following measures. First, we increased the average size of the interest earnings assets to close to HK$3 trillion, up 12.3% year-on-year in the first half. At the same time, we also boosted the proportion of loans with average loan balances growing by 8.5% year-on-year, exceeding the growth of the ending balances. Second, we captured business opportunities and market demand to increase RMB assets by leveraging our advantages in branch network, products and services. Both RMB asset proportion and RMB net interest margin increased in the period. Third, we proactively suppressed our time deposit base, and enhanced the CASA ratio to an all-time high of 68.8%. In the first half, our composite interest rate was 0.16%, at a lower level compared with the market average of 0.21%. Overall speaking, in response to decreasing market interest rates, we strive to reduce the negative impact on our margins by managing asset mix, deposit cost, currency mix and maturity structure.

Looking ahead, market interest rates are still slowly drifting downward from a low level. Although the market is expecting Federal Reserve to increase interest rate, the exact timing remains unknown. Nonetheless we believe that interest rate hikes will benefit our net interest margin and net interest income. We will continue to effectively manage our asset and liability mix. However given our high CASA mix, room for interest expense savings through CASA ratio enhancement is rather limited, therefore we will step up efforts in controlling time deposit pricing and maturities as well as loan pricing. Under an appropriate market interest rate condition, we will strive to maintain a stable net interest margin in the second half compared with the first half.

Deputy Chief Executive Wang Bing: In the first half of this year, as global economies recovered while the local pandemic situation gradually came under control, Hong Kong business environment also improved. Hong Kong's banking sector loan growth restored to 4.4%. Against this backdrop, our customer loans increased by 6.1%, which was faster than the market average by 1.7 percentage points, with market share gains of 0.23 percentage point. At the same time, our average loan balances increased by 8.5%, exceeding the growth of the ending loan balance.

Overall speaking, we saw balanced growth across different loan categories with loans for use in Hong Kong and loans for use outside Hong Kong outperforming the market. Guided by a stable development strategy, our Southeast Asian entities overcame the impact of the pandemic and local politics, and grew their loan book by 2.6%.

Meanwhile the Group's loan growth structure was also satisfactory with new loans underwritten mainly for quality Hong Kong, Mainland and Southeast Asian customers who have strong resilience against risks and long-standing relationship with us. In addition, our personal residential mortgage loan business continued to lead the market while the Group's asset quality remained stable.

Currently, although the globe is affected by the spread of the Delta variant to some extent, with the normalisation of pandemic prevention and control, and further progress made in the vaccination programmes around the world, it is hopeful for the global economic recovery to continue. In particular, IMF takes an optimistic view with a global GDP growth forecast of 6%. As Mainland is expected to further consolidate its steady recovery momentum, the market generally predicts its GDP growth to exceed 8% for this year. In Hong Kong, the local economic growth is projected to reach between 5.5% and 6.6% as vaccination ratio and labour market improve, and various economic support measures such as e-consumption voucher scheme, produce a positive impact. In conclusion, we believe the external operating environment for banks will continue to improve in the second half.

Leveraging our solid customer base, diversified products and service capabilities and well-recognised professional service teams, we are well positioned to capture future business opportunities in Hong Kong, Greater Bay Area, Southeast Asian and Asia Pacific markets. We will base on our principle of balanced development of asset quality, loan growth and customer needs, and extend our solid performance into the second half. We are confident to outperform the market again and reach our full-year target of mid- to high-single digit loan growth. In the next four months, we will set our business focus on the following four areas:

First, we will further leverage our advantage in cross-border financing. We will strengthen collaboration with our parent bank and its Mainland branches, and expand our relationships with key customers of large SOEs, industry leading corporates, and innovation tech companies. In addition, we will closely follow the development of strategic and emerging industries under the nation's 14^{th} Five-Year Plan, and enhance our capabilities of industry research and analysis, as well as our professional service ability to meet the needs of new sectors, new industry dynamics and new models. We will focus on key sectors such as new generation information technologies, medical service and medicine, advanced equipment manufacturing, new energy, energy conservation and environmental protection, etc.. In the first half, we achieved solid growth in cross-border loans, and are confident to sustain its growth with our vigorous efforts in the second half.

Second, we will continue to seize the opportunities from the economic development in Asia Pacific. As the regional headquarters, BOCHK will continue to drive growth based on an integrated business model. Adhering to a stable development strategy, we will collaborate with our Southeast Asian entities to pursue steady loan growth by centering on China elements and making solid advancement, while ensuring both quality and quantity. We will continue to deepen the diversified cooperation with BOC's branches in Singapore, Sydney, Tokyo and

Seoul under BOC Group's Regional Synergy and Coordination Mechanism in APAC, and fully tap the opportunities in syndication loans, mergers & acquisitions, and structural financing businesses, with a view to driving regional loan growth.

Third, we will further consolidate our RMB business advantages. Capitalising on the new opportunities from RMB internationalisation, we will focus on large scale SOEs and trade customers, and continue to drive RMB usage in offshore markets. We will also leverage our RMB clearing bank position, innovate new RMB products, and expand business partner circles, so as to drive a rapid growth in RMB loans.

Fourth, we will grasp green financing opportunities arising from the carbon reduction and carbon neutrality targets of the country and Hong Kong. On one hand, we will help traditional industries to transition towards a low carbon model, and on the other hand, we will deepen cooperation with green industry customers in energy conservation and environmental protection, as well as clean energy, to meet the comprehensive customer needs in green financing and expand our green loans.

Jemmy Huang from JP Morgan: BOCHK achieved strong net fee income growth in the first half, in which loan commissions grew faster than the loan book on a year-on-year basis. Was it driven by IPO-related business or syndicated loans? Besides, your loan exposure to industries affected by Covid-19 increased fairly fast in the first half of this year, was it driven by the loans under moratorium measures or the bank's own strategic goals?

Chief Financial Officer Sui Yang: In the first half of this year, our loan growth amount was similar to that in the same period of last year. The fast growth in loan commissions was mainly driven by the implementation of projects in the pipeline and our good performance in large-scale projects, and was irrelevant to IPO-related business.

Deputy Chief Executive Wang Bing: Our clientele of corporate lending business is mainly consisted of large corporates. Although currently certain industries are still affected by the pandemic, large corporates in those industries generally are of high quality with solid financial position. Also our new loans were mainly underwritten with customers who have long-standing relationship with us, of which the proportion of SMEs is limited. For those customers affected by the pandemic, we have an internal control mechanism and tracking lists, which grade them in red, yellow and green tiers, to keep a close watch on their asset quality changes.

Gurpreet Singh Sahi from Goldman Sachs: Although your NPL ratio was relatively stable in the second quarter, credit cost doubled on a quarter-on-quarter basis. Which industry or region was the main driver? Separately, the Group's ROE currently stands at 8% level. With the existing development strategy and if the low interest rate environment remains unchanged, what initiatives would be taken to enhance ROE to over 10% level?

Chief Risk Officer Jiang Xin: In the second quarter, while our NPL ratio remained stable, we increased provision charges for two reasons. First, as relief measures remained effective, some customers still faced financial pressure. In order to mitigate their potential default risk as a result of rising repayment pressure on principal and interest after the end of the relief measures, we preemptively increased provisions for those customers who have extended their loans for a lengthy period or for multiple times. Second, certain customers were downgraded to non-performing during the period. These two factors combined led to a relatively fast increase in credit cost in the second quarter. For the full-year, we believe that our overall asset quality risk remains controllable and provisions will be properly managed.

Chief Financial Officer Sui Yang: Currently our ROE is 8.42%, down nearly two percentage points year-on-year. In which, profit after tax contributed to a 3.3% growth in shareholders' equity, while our profits notably decreased due to low market interest rates. Looking ahead, under the premise of stable shareholders' equity, we will endeavor to increase profits. As mentioned earlier by Chief Executive Sun, we will remain committed to our strategic goal, capture opportunities in the three key markets, increase and enhance our customer base, and strengthen our strategic execution, striving to effectively improve our profitability.

Question from webcast system: What was the impact of IPO-related business to your loan book? Were the funds from IPO subscriptions included in customer deposits?

Chief Financial Officer Sui Yang: At the end of June, we recorded an amount of HK$150 billion in IPO-related loans, and about HK$380 billion in IPO-related deposits. Both were included in our reported loans and deposits. In order to eliminate the impact of large-scale IPO-related business on our balance sheet disclosure, we report our loan and deposit figures by stripping out the IPO-related impact in our presentation today.