

BOC HONG KONG (HOLDINGS) LIMITED

Data Pack

FY2022

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The financial information is extracted from the *2022 Annual Report* of BOC Hong Kong (Holdings) Limited (the Company), which is not complete and should be read in conjunction with the 2022 Annual Report and other reports and financial information published by the Company.

Financial Highlights

	2022	2021
For the year	HK\$m	HK\$m
Net operating income before impairment allowances	56,932	48,982
Operating profit	36,743	30,430
Profit before taxation	34,988	29,968
Profit for the year	29,038	24,999
Profit attributable to equity holders of the Company and other equity instrument holders	28,444	24,348
	2022	2021
Per share	HK\$	HK\$
Basic earnings per share	2.5588	2.1726
Dividend per share	1.357	1.130
	2022	2021
At year-end	HK\$m	HK\$m
Total assets	3,685,057	3,639,430
Issued and fully paid up share capital	52,864	52,864
Capital and reserves attributable to equity holders of the Company	303,045	297,999
	2022	2021
Financial ratios	%	%
Return on average total assets ¹	0.80	0.70
Return on average shareholders' equity ²	8.78	7.67
Cost to income ratio	31.34	33.50
Loan to deposit ratio ³	69.39	68.60
Average value of liquidity coverage ratio ⁴		
First quarter	159.16	130.80
Second quarter	149.49	130.81
Third quarter	149.00	131.01
Fourth quarter	178.49	142.96
Quarter-end value of net stable funding ratio ⁴		
First quarter	123.86	123.61
Second quarter	126.87	117.22
Third quarter	127.98	124.63
Fourth quarter	131.56	125.48
Total capital ratio ⁵	21.56	21.44

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

	2022	2021
	HK\$m	HK\$m
Interest income	63,834	40,298
<i>Interest income calculated using the effective interest method</i>	62,583	39,482
<i>Others</i>	1,251	816
Interest expense	(25,020)	(8,357)
Net interest income	38,814	31,941
Fee and commission income	12,705	14,803
Fee and commission expense	(3,193)	(2,931)
Net fee and commission income	9,512	11,872
Gross earned premiums	24,112	26,531
Gross earned premiums ceded to reinsurers	(7,957)	(10,827)
Net insurance premium income	16,155	15,704
Net trading gain	13,282	5,091
Net loss on other financial instruments at fair value through profit or loss	(3,243)	(1,136)
Net (loss)/gain on other financial instruments	(3,887)	1,120
Other operating income	911	983
Total operating income	71,544	65,575
Gross insurance benefits and claims and movement in liabilities	(23,004)	(28,642)
Reinsurers' share of benefits and claims and movement in liabilities	8,392	12,049
Net insurance benefits and claims and movement in liabilities	(14,612)	(16,593)
Net operating income before impairment allowances	56,932	48,982
Net charge of impairment allowances	(2,345)	(2,145)
Net operating income	54,587	46,837
Operating expenses	(17,844)	(16,407)
Operating profit	36,743	30,430
Net loss from disposal of/fair value adjustments on investment properties	(1,305)	(229)
Net loss from disposal/revaluation of properties, plant and equipment	(111)	(20)
Share of results after tax of associates and joint ventures	(339)	(213)
Profit before taxation	34,988	29,968
Taxation	(5,950)	(4,969)
Profit for the year	29,038	24,999
Profit attributable to:		
Equity holders of the Company and other equity instrument holders	28,444	24,348
Equity holders of the Company	27,054	22,970
Other equity instrument holders	1,390	1,378
Non-controlling interests	594	651
	29,038	24,999
Dividends	14,347	11,947
	HK\$	HK\$
Earnings per share		
Basic and diluted	2.5588	2.1726

Consolidated Balance Sheet

As at 31 December	2022	2021
	HK\$m	HK\$m
ASSETS		
Cash and balances and placements with banks and other financial institutions	535,194	465,535
Financial assets at fair value through profit or loss	85,154	73,537
Derivative financial instruments	61,832	33,186
Hong Kong SAR Government certificates of indebtedness	208,770	203,810
Advances and other accounts	1,645,354	1,597,194
Investment in securities	994,828	1,094,233
Interests in associates and joint ventures	843	1,215
Investment properties	16,069	17,722
Properties, plant and equipment	44,261	46,441
Current tax assets	115	93
Deferred tax assets	564	192
Other assets	92,073	106,272
Total assets	3,685,057	3,639,430
LIABILITIES		
Hong Kong SAR currency notes in circulation	208,770	203,810
Deposits and balances from banks and other financial institutions	316,626	486,062
Financial liabilities at fair value through profit or loss	59,453	12,520
Derivative financial instruments	50,266	29,757
Deposits from customers	2,377,207	2,331,155
Debt securities and certificates of deposit in issue	3,636	2,423
Other accounts and provisions	99,370	83,041
Current tax liabilities	5,039	3,491
Deferred tax liabilities	4,346	5,799
Insurance contract liabilities	152,105	153,911
Subordinated liabilities	76,393	-
Total liabilities	3,353,211	3,311,969
EQUITY		
Share capital	52,864	52,864
Reserves	250,181	245,135
Capital and reserves attributable to equity holders of the Company	303,045	297,999
Other equity instruments	23,476	23,476
Non-controlling interests	5,325	5,986
Total equity	331,846	327,461
Total liabilities and equity	3,685,057	3,639,430

Segmental reporting

	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
Year ended 31 December 2022								
Net interest income/(expense)								
- External	2,533	15,528	14,238	4,075	2,440	38,814	-	38,814
- Inter-segment	8,032	(4,027)	(2,806)	(54)	(1,145)	-	-	-
	10,565	11,501	11,432	4,021	1,295	38,814	-	38,814
Net fee and commission income/(expense)	6,156	3,847	7	(1,176)	1,232	10,066	(554)	9,512
Net insurance premium income	-	-	-	16,175	-	16,175	(20)	16,155
Net trading gain/(loss)	1,011	1,603	10,196	(199)	585	13,196	86	13,282
Net loss on other financial instruments at fair value through profit or loss	-	-	(604)	(2,652)	-	(3,256)	13	(3,243)
Net gain/(loss) on other financial instruments	-	12	(3,709)	(196)	6	(3,887)	-	(3,887)
Other operating income	30	5	80	166	1,831	2,112	(1,201)	911
Total operating income	17,762	16,968	17,402	16,139	4,949	73,220	(1,676)	71,544
Net insurance benefits and claims and movement in liabilities	-	-	-	(14,612)	-	(14,612)	-	(14,612)
Net operating income before impairment allowances	17,762	16,968	17,402	1,527	4,949	58,608	(1,676)	56,932
Net (charge)/reversal of impairment allowances	(344)	(2,008)	71	17	(81)	(2,345)	-	(2,345)
Net operating income	17,418	14,960	17,473	1,544	4,868	56,263	(1,676)	54,587
Operating expenses	(9,429)	(3,553)	(2,544)	(633)	(3,361)	(19,520)	1,676	(17,844)
Operating profit	7,989	11,407	14,929	911	1,507	36,743	-	36,743
Net loss from disposal of/fair value adjustments on investment properties	-	-	-	-	(1,305)	(1,305)	-	(1,305)
Net loss from disposal/revaluation of properties, plant and equipment	(1)	-	-	-	(110)	(111)	-	(111)
Share of results after tax of associates and joint ventures	(48)	-	4	-	(295)	(339)	-	(339)
Profit/(loss) before taxation	7,940	11,407	14,933	911	(203)	34,988	-	34,988
At 31 December 2022								
ASSETS								
Segment assets	580,155	1,040,621	1,734,391	196,057	173,197	3,724,421	(40,207)	3,684,214
Interests in associates and joint ventures	563	-	1	-	279	843	-	843
	580,718	1,040,621	1,734,392	196,057	173,476	3,725,264	(40,207)	3,685,057
LIABILITIES								
Segment liabilities	1,280,379	1,075,631	746,103	185,759	105,546	3,393,418	(40,207)	3,353,211
Year ended 31 December 2022								
Other information								
Capital expenditure	46	26	10	85	1,745	1,912	-	1,912
Depreciation and amortisation	1,175	307	122	73	1,365	3,042	(41)	3,001
Year ended 31 December 2021								
	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	4,063	12,411	9,859	3,808	1,800	31,941	-	31,941
- Inter-segment	2,790	(1,301)	(1,264)	(11)	(214)	-	-	-
	6,853	11,110	8,595	3,797	1,586	31,941	-	31,941
Net fee and commission income/(expense)	7,663	4,033	150	(677)	1,240	12,409	(537)	11,872
Net insurance premium income	-	-	-	15,726	-	15,726	(22)	15,704
Net trading gain	1,066	1,452	1,876	69	545	5,008	83	5,091
Net loss on other financial instruments at fair value through profit or loss	-	-	(75)	(1,073)	-	(1,148)	12	(1,136)
Net gain on other financial instruments	-	16	940	153	11	1,120	-	1,120
Other operating income	62	1	97	182	1,926	2,268	(1,285)	983
Total operating income	15,644	16,612	11,583	18,177	5,308	67,324	(1,749)	65,575
Net insurance benefits and claims and movement in liabilities	-	-	-	(16,593)	-	(16,593)	-	(16,593)
Net operating income before impairment allowances	15,644	16,612	11,583	1,584	5,308	50,731	(1,749)	48,982
Net reversal/(charge) of impairment allowances	128	(295)	(55)	(12)	(1,911)	(2,145)	-	(2,145)
Net operating income	15,772	16,317	11,528	1,572	3,397	48,586	(1,749)	46,837
Operating expenses	(9,518)	(3,393)	(1,295)	(549)	(3,401)	(18,156)	1,749	(16,407)
Operating profit/(loss)	6,254	12,924	10,233	1,023	(4)	30,430	-	30,430
Net loss from disposal of/fair value adjustments on investment properties	-	-	-	-	(229)	(229)	-	(229)
Net loss from disposal/revaluation of properties, plant and equipment	(4)	-	-	-	(16)	(20)	-	(20)
Share of results after tax of associates and joint ventures	81	-	5	-	(299)	(213)	-	(213)
Profit/(loss) before taxation	6,331	12,924	10,238	1,023	(548)	29,968	-	29,968
At 31 December 2021								
ASSETS								
Segment assets	533,841	1,031,942	1,733,682	197,906	176,059	3,673,430	(35,215)	3,638,215
Interests in associates and joint ventures	633	-	8	-	574	1,215	-	1,215
	534,474	1,031,942	1,733,690	197,906	176,633	3,674,645	(35,215)	3,639,430
LIABILITIES								
Segment liabilities	1,203,126	1,100,321	753,782	186,277	103,678	3,347,184	(35,215)	3,311,969
Year ended 31 December 2021								
Other information								
Capital expenditure	35	24	1	97	1,582	1,739	-	1,739
Depreciation and amortisation	1,266	295	107	67	1,339	3,074	(35)	3,039

Net Interest Income and Net Interest Margin

HK\$m, except percentages	2022	2021
Interest income	63,834	40,298
Interest expense	(25,020)	(8,357)
Net interest income	38,814	31,941
Average interest-earning assets	3,106,367	3,015,219
Net interest spread	1.08%	1.00%
Net interest margin	1.25%	1.06%
Net interest margin (adjusted)*	1.36%	1.09%

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

Average Balance and Average Interest Rates

	2022		2021	
	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %
ASSETS				
Balances and placements with banks and other financial institutions	403,002	1.07%	383,631	0.82%
Debt securities investments and other debt instruments	1,043,987	1.75%	1,015,239	1.26%
Advances to customers and other accounts	1,649,018	2.48%	1,600,436	1.52%
Other interest-earning assets	10,360	3.77%	15,913	0.75%
Total interest-earning assets	3,106,367	2.05%	3,015,219	1.34%
Non interest-earning assets	531,548	-	574,040	-
Total assets	3,637,915	1.75%	3,589,259	1.12%
LIABILITIES				
Deposits and balances from banks and other financial institutions	284,175	0.84%	250,428	0.65%
Current, savings and time deposits	2,234,610	0.95%	2,188,701	0.30%
Subordinated liabilities	9,607	3.45%	-	-
Other interest-bearing liabilities	54,444	1.83%	19,820	0.60%
Total interest-bearing liabilities	2,582,836	0.97%	2,458,949	0.34%
Shareholders' funds* and other non interest-bearing deposits and liabilities	1,055,079	-	1,130,310	-
Total liabilities	3,637,915	0.69%	3,589,259	0.23%

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

Net Fee and Commission Income

	2022	2021
	HK\$m	HK\$m
Loan commissions	2,547	2,746
Securities brokerage	2,491	3,743
Credit card business	1,991	2,141
Insurance	1,257	1,529
Payment services	724	751
Trust and custody services	723	764
Funds distribution	541	724
Bills commissions	514	623
Safe deposit box	299	306
Currency exchange	210	119
Funds management	49	161
Others	1,359	1,196
Fee and commission income	12,705	14,803
Fee and commission expense	(3,193)	(2,931)
Net fee and commission income	9,512	11,872

Operating Expenses

HK\$m	2022	2021
Staff costs	9,946	9,542
Premises and equipment expenses (excluding depreciation and amortisation)	1,273	1,232
Depreciation and amortisation	3,001	3,039
Other operating expenses	3,624	2,594
Total operating expenses	17,844	16,407

Deposits from Customers

As at 31 December	2022	2021
	HK\$m	HK\$m
Demand deposits and current accounts		
- Corporate	165,006	229,326
- Personal	71,109	97,908
	236,115	327,234
Savings deposits		
- Corporate	472,248	513,556
- Personal	521,441	680,538
	993,689	1,194,094
Time, call and notice deposits		
- Corporate	616,829	544,036
- Personal	530,574	265,791
	1,147,403	809,827
	2,377,207	2,331,155

Gross Advances to Customers

As at 31 December	2022	2021
	HK\$m	HK\$m
Loans for use in Hong Kong		
Industrial, commercial and financial		
- Property development	171,614	166,208
- Property investment	91,525	78,125
- Financial concerns	25,197	23,392
- Stockbrokers	1,110	3,070
- Wholesale and retail trade	31,704	27,281
- Manufacturing	48,891	44,492
- Transport and transport equipment	62,411	62,000
- Recreational activities	154	176
- Information technology	34,274	31,753
- Others	174,326	145,302
Individuals		
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	35,879	34,776
- Loans for purchase of other residential properties	367,502	349,645
- Credit card advances	11,962	12,079
- Others	117,158	104,906
Total loans for use in Hong Kong	1,173,707	1,083,205
Trade financing	51,879	73,611
Loans for use outside Hong Kong	423,924	442,268
Gross advances to customers	1,649,510	1,599,084

Loan Quality

HK\$m, except percentages	At 31 December 2022	At 31 December 2021
Advances to customers	1,649,510	1,599,084
Classified or impaired loan ratio	0.53%	0.27%
Total impairment allowances	11,575	9,877
Total impairment allowances as a percentage of advances to customers	0.70%	0.62%
Residential mortgage loans ¹ - delinquency and rescheduled loan ratio ²	0.02%	0.01%
Card advances - delinquency ratio ²	0.28%	0.23%
	2022	2021
Card advances - charge-off ratio ³	1.38%	1.49%

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 2022	At 31 December 2021
Consolidated capital after deductions		
Common Equity Tier 1 capital	229,798	224,189
Additional Tier 1 capital	23,476	23,476
Tier 1 capital	253,274	247,665
Tier 2 capital	29,036	30,174
Total capital	282,310	277,839
Total risk-weighted assets	1,309,536	1,296,153
Common Equity Tier 1 capital ratio	17.55%	17.30%
Tier 1 capital ratio	19.34%	19.11%
Total capital ratio	21.56%	21.44%