

BOC HONG KONG (HOLDINGS) LIMITED

Data Pack

1H2024

1. Financial Highlights
2. Consolidated Income Statement
3. Consolidated Balance Sheet
4. Segmental Reporting
5. Net Interest Income and NIM
6. Net Fee and Commission Income
7. Operating Expenses
8. Deposits from Customers
9. Gross Advances to Customers
10. Loan Quality
11. Capital Ratio

The financial information is extracted from the *2024 Interim Report* of BOC Hong Kong (Holdings) Limited (the Company), which is not complete and should be read in conjunction with the 2024 Interim Report and other reports and financial information published by the Company.

Financial Highlights

	30 June 2024	30 June 2023
For the period	HK\$m	HK\$m
Net operating income before impairment allowances	35,336	30,838
Operating profit	25,134	21,817
Profit before taxation	24,716	21,523
Profit for the period	20,463	18,082
Profit attributable to equity holders of the Company and other equity instrument holders	20,040	17,694
Per share	HK\$	HK\$
Basic earnings per share	1.8954	1.6077
Dividend per share	0.570	0.527
	30 June 2024	31 December 2023
At period/year end	HK\$m	HK\$m
Total assets	3,998,248	3,868,783
Issued and fully paid up share capital	52,864	52,864
Capital and reserves attributable to equity holders of the Company	326,573	320,145
	30 June 2024	30 June 2023
Financial ratios for the period	%	%
Return on average total assets ¹	1.00	0.97
Return on average shareholders' equity ²	12.39	10.81
Cost to income ratio	22.98	25.46
Average value of liquidity coverage ratio ³		
First quarter	223.79	189.68
Second quarter	250.58	188.89
	30 June 2024	31 December 2023
Financial ratios at period/year end	%	%
Loan to deposit ratio ⁴	64.21	67.99
Quarter-end value of net stable funding ratio ³		
First quarter	140.36	134.51
Second quarter	140.96	131.56
Total capital ratio ⁵	22.17	21.18

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. Deposits from customers include 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.

Condensed Consolidated Income Statement

	(Unaudited) Half-year ended 30 June 2024	(Unaudited) Half-year ended 30 June 2023
	HK\$m	HK\$m
Interest income	70,888	57,249
<i>Interest income calculated using the effective interest method</i>	64,250	55,269
<i>Others</i>	6,638	1,980
Interest expense	(44,906)	(34,041)
Net interest income	25,982	23,208
Fee and commission income	6,577	6,348
Fee and commission expense	(1,577)	(1,434)
Net fee and commission income	5,000	4,914
Insurance revenue	1,186	885
Insurance service expense	(609)	(395)
Net income from reinsurance contracts held	94	57
Insurance service result	671	547
Net trading gain	5,275	4,043
Net (loss)/gain on other financial instruments at fair value through profit or loss	(868)	1,511
Net loss on other financial instruments	(213)	(800)
Insurance finance expenses	(842)	(2,871)
Other operating income	331	286
Net operating income before impairment allowances	35,336	30,838
Net charge of impairment allowances	(2,081)	(1,169)
Net operating income	33,255	29,669
Operating expenses	(8,121)	(7,852)
Operating profit	25,134	21,817
Net loss from disposal of/fair value adjustments on investment properties	(296)	(166)
Net loss from disposal/revaluation of properties, plant and equipment	(31)	(3)
Share of results after tax of associates and joint ventures	(91)	(125)
Profit before taxation	24,716	21,523
Taxation	(4,253)	(3,441)
Profit for the period	20,463	18,082
Profit attributable to:		
Equity holders of the Company and other equity instrument holders	20,040	17,694
Equity holders of the Company	20,040	16,998
Other equity instrument holders	-	696
Non-controlling interests	423	388
	20,463	18,082
Earnings per share	HK\$	HK\$
Basic and diluted	1.8954	1.6077

Condensed Consolidated Balance Sheet

	(Unaudited) At 30 June 2024 HK\$m	(Audited) At 31 December 2023 HK\$m
ASSETS		
Cash and balances and placements with banks and other financial institutions	697,785	406,571
Financial assets at fair value through profit or loss	201,801	373,290
Derivative financial instruments	58,533	54,211
Hong Kong SAR Government certificates of indebtedness	210,370	213,000
Advances and other accounts	1,689,389	1,693,144
Investment in securities	973,894	978,440
Interests in associates and joint ventures	1,184	1,275
Investment properties	14,627	14,875
Properties, plant and equipment	41,728	41,738
Current tax assets	17	75
Deferred tax assets	1,644	1,480
Other assets	107,276	90,684
Total assets	3,998,248	3,868,783
LIABILITIES		
Hong Kong SAR currency notes in circulation	210,370	213,000
Deposits and balances from banks and other financial institutions	322,117	373,673
Financial liabilities at fair value through profit or loss	71,249	66,203
Derivative financial instruments	44,044	41,553
Deposits from customers	2,638,288	2,501,682
Debt securities and certificates of deposit in issue	-	1,999
Other accounts and provisions	110,151	84,694
Current tax liabilities	7,278	4,612
Deferred tax liabilities	4,408	4,742
Insurance contract liabilities	185,113	177,873
Subordinated liabilities	75,296	75,323
Total liabilities	3,668,314	3,545,354
EQUITY		
Share capital	52,864	52,864
Reserves	273,709	267,281
Capital and reserves attributable to equity holders of the Company	326,573	320,145
Non-controlling interests	3,361	3,284
Total equity	329,934	323,429
Total liabilities and equity	3,998,248	3,868,783

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
Half-year ended 30 June 2024								
Net interest (expense)/income								
- External	(7,177)	7,507	21,222	2,504	1,926	25,982	-	25,982
- Inter-segment	16,090	1,809	(17,835)	(57)	(7)	-	-	-
	8,913	9,316	3,387	2,447	1,919	25,982	-	25,982
Net fee and commission income/(expense)								
- External	3,703	2,144	162	(1,401)	392	5,000	-	5,000
- Inter-segment	(1,374)	6	56	1,396	307	391	(391)	-
	2,329	2,150	218	(5)	699	5,391	(391)	5,000
Insurance service result	-	-	-	615	-	615	56	671
Net trading gain/(loss)	218	813	4,512	(648)	375	5,270	5	5,275
Net (loss)/gain on other financial instruments at fair value through profit or loss	(28)	-	(133)	(709)	1	(869)	1	(868)
Net gain/(loss) on other financial instruments	-	2	(246)	28	3	(213)	-	(213)
Insurance finance expenses	-	-	-	(842)	-	(842)	-	(842)
Other operating income	13	-	7	7	912	939	(608)	331
Net operating income before impairment allowances	11,445	12,281	7,745	893	3,909	36,273	(937)	35,336
Net (charge)/reversal of impairment allowances	(84)	(1,868)	(37)	4	(96)	(2,081)	-	(2,081)
Net operating income	11,361	10,413	7,708	897	3,813	34,192	(937)	33,255
Operating expenses	(4,639)	(1,856)	(790)	(44)	(1,729)	(9,058)	937	(8,121)
Operating profit	6,722	8,557	6,918	853	2,084	25,134	-	25,134
Net loss from disposal of/fair value adjustments on investment properties	-	-	-	-	(296)	(296)	-	(296)
Net loss from disposal/revaluation of properties, plant and equipment	-	-	-	-	(31)	(31)	-	(31)
Share of results after tax of associates and joint ventures	(23)	-	2	(4)	(66)	(91)	-	(91)
Profit before taxation	6,699	8,557	6,920	849	1,691	24,716	-	24,716
At 30 June 2024								
ASSETS								
Segment assets	632,925	1,032,445	1,993,445	193,299	189,602	4,041,716	(44,652)	3,997,064
Interests in associates and joint ventures	90	-	5	305	784	1,184	-	1,184
	633,015	1,032,445	1,993,450	193,604	190,386	4,042,900	(44,652)	3,998,248
LIABILITIES								
Segment liabilities	1,359,428	1,263,119	766,795	189,719	133,905	3,712,966	(44,652)	3,668,314
Half-year ended 30 June 2024								
Other information								
Capital expenditure	31	2	-	75	1,640	1,748	-	1,748
Depreciation and amortisation	529	166	67	41	654	1,457	(21)	1,436
Half-year ended 30 June 2023								
	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 (expense)/income								
- External	(4,460)	9,411	14,349	2,177	1,731	23,208	-	23,208
- Inter-segment	14,246	380	(14,410)	(41)	(175)	-	-	-
	9,786	9,791	(61)	2,136	1,556	23,208	-	23,208
Net fee and commission income/(expense)								
- External	3,378	2,148	94	(1,110)	404	4,914	-	4,914
- Inter-segment	(1,082)	-	34	1,104	189	245	(245)	-
	2,296	2,148	128	(6)	593	5,159	(245)	4,914
Insurance service result	-	-	-	506	-	506	41	547
Net trading gain/(loss)	271	828	3,056	(399)	283	4,039	4	4,043
Net gain on other financial instruments at fair value through profit or loss	-	-	63	1,447	-	1,510	1	1,511
Net gain/(loss) on other financial instruments	-	2	(677)	(125)	-	(800)	-	(800)
Insurance finance expenses	-	-	-	(2,871)	-	(2,871)	-	(2,871)
Other operating income	8	-	5	10	869	892	(606)	286
Net operating income before impairment allowances	12,361	12,769	2,514	698	3,301	31,643	(805)	30,838
Net (charge)/reversal of impairment allowances	(73)	(1,138)	(3)	(1)	46	(1,169)	-	(1,169)
Net operating income	12,288	11,631	2,511	697	3,347	30,474	(805)	29,669
Operating expenses	(4,504)	(1,788)	(728)	(31)	(1,606)	(8,657)	805	(7,852)
Operating profit	7,784	9,843	1,783	666	1,741	21,817	-	21,817
Net loss from disposal of/fair value adjustments on investment properties	-	-	-	-	(166)	(166)	-	(166)
Net loss from disposal/revaluation of properties, plant and equipment	(1)	-	-	-	(2)	(3)	-	(3)
Share of results after tax of associates and joint ventures	(13)	-	2	-	(114)	(125)	-	(125)
Profit before taxation	7,770	9,843	1,785	666	1,459	21,523	-	21,523
At 31 December 2023								
ASSETS								
Segment assets	629,699	1,041,554	1,884,129	187,152	189,328	3,931,862	(64,354)	3,867,508
Interests in associates and joint ventures	113	-	3	309	850	1,275	-	1,275
	629,812	1,041,554	1,884,132	187,461	190,178	3,933,137	(64,354)	3,868,783
LIABILITIES								
Segment liabilities	1,366,745	1,120,307	819,223	182,912	120,521	3,609,708	(64,354)	3,545,354
Half-year ended 30 June 2023								
Other information								
Capital expenditure	17	-	-	29	786	832	-	832
Depreciation and amortisation	557	166	64	40	670	1,497	(21)	1,476

Net Interest Income and Net Interest Margin

HK\$m, except percentages	Half-year ended	Half-year ended	Half-year ended
	30 June 2024	31 December 2023	30 June 2023
Interest income	70,888	71,240	57,249
Interest expense	(44,906)	(43,370)	(34,041)
Net interest income	25,982	27,870	23,208
Average interest-earning assets	3,580,673	3,441,740	3,226,086
Net interest spread	1.06%	1.21%	1.05%
Net interest margin	1.46%	1.61%	1.45%
Net interest margin (adjusted)*	1.61%	1.70%	1.56%

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

Average Balance and Average Interest Rates

	Half-year ended		Half-year ended		Half-year ended	
	30 June 2024		31 December 2023		30 June 2023	
	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %	Average balance HK\$m	Average yield %
ASSETS						
Balances and placements with banks and other financial institutions	627,359	1.81	483,488	1.99	376,321	2.07
Debt securities investments and other debt instruments	1,280,523	3.92	1,262,849	3.72	1,154,081	2.97
Advances to customers and other accounts	1,662,295	4.81	1,682,582	4.99	1,683,288	4.31
Other interest-earning assets	10,496	5.95	12,821	6.69	12,396	6.93
Total interest-earning assets	3,580,673	3.97	3,441,740	4.11	3,226,086	3.58
Non interest-earning assets	522,206	-	551,116	-	505,454	-
Total assets	4,102,879	3.47	3,992,856	3.54	3,731,540	3.09
LIABILITIES						
Deposits and balances from banks and other financial institutions	294,307	2.44	286,843	2.28	248,758	1.42
Current, savings and time deposits	2,620,519	2.92	2,505,714	2.94	2,299,194	2.61
Subordinated liabilities	75,167	3.41	75,623	3.29	77,534	3.26
Other interest-bearing liabilities	101,241	3.62	95,678	3.55	86,938	2.90
Total interest-bearing liabilities	3,091,234	2.91	2,963,858	2.90	2,712,424	2.53
Shareholders' funds* and other non interest-bearing deposits and liabilities	1,011,645	-	1,028,998	-	1,019,116	-
Total liabilities	4,102,879	2.20	3,992,856	2.15	3,731,540	1.84

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

Net Fee and Commission Income

HK\$m	Half-year ended	Half-year ended	Half-year ended
	30 June 2024	30 December 2023	30 June 2023
Loan commissions	1,352	947	1,466
Credit card business	1,229	1,245	1,185
Securities brokerage	962	874	952
Trust and custody services	431	410	380
Payment services	364	369	345
Insurance	360	324	327
Funds distribution	323	177	254
Currency exchange	267	212	186
Bills commissions	216	244	237
Safe deposit box	143	145	145
Funds management	17	11	17
Others	913	881	854
Fee and commission income	6,577	5,839	6,348
Fee and commission expense	(1,577)	(1,586)	(1,434)
Net fee and commission income	5,000	4,253	4,914

Operating Expenses

HK\$m	Half-year ended 30 June 2024	Half-year ended 31 December 2023	Half-year ended 30 June 2023
Staff costs	5,351	5,647	5,078
Premises and equipment expenses (excluding depreciation and amortisation)	733	731	663
Depreciation and amortisation	1,436	1,443	1,476
Other operating expenses	1,193	1,551	1,170
Less: Costs directly attributable to insurance contracts	(592)	(617)	(535)
Operating expenses	8,121	8,755	7,852

Deposits from Customers

	At 30 June 2024	At 31 December 2023
	HK\$m	HK\$m
Current, savings and other deposit accounts (per balance sheet)	2,638,288	2,501,682
Structured deposits reported as financial liabilities at fair value through profit or loss	11,409	2,159
	2,649,697	2,503,841
Analysed by:		
Demand deposits and current accounts		
- Corporate	160,704	153,646
- Personal	69,893	62,720
	230,597	216,366
Savings deposits		
- Corporate	510,894	519,868
- Personal	465,296	451,245
	976,190	971,113
Time, call and notice deposits		
- Corporate	763,240	620,576
- Personal	679,670	695,786
	1,442,910	1,316,362
	2,649,697	2,503,841

Gross Advances to Customers

	At 30 June 2024	At 31 December 2023
	HK\$m	HK\$m
Loans for use in Hong Kong		
Industrial, commercial and financial		
- Property development	169,324	188,115
- Property investment	94,174	95,384
- Financial concerns	19,034	16,506
- Stockbrokers	2,294	1,196
- Wholesale and retail trade	33,223	33,992
- Manufacturing	59,799	58,991
- Transport and transport equipment	53,542	51,971
- Recreational activities	234	63
- Information technology	32,453	38,989
- Others	209,739	198,397
Individuals		
- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	48,340	45,079
- Loans for purchase of other residential properties	397,185	388,178
- Credit card advances	11,597	12,668
- Others	124,713	123,634
Total loans for use in Hong Kong	1,255,651	1,253,163
Trade financing	51,663	47,691
Loans for use outside Hong Kong	394,024	401,448
Gross advances to customers	1,701,338	1,702,302

Loan Quality

HK\$m, except percentages	At 30 June 2024	At 31 December 2023
Advances to customers	1,701,338	1,702,302
Impaired loan ratio	1.06%	1.05%
Total impairment allowances ¹	16,352	14,750
Total impairment allowances as a percentage of advances to customers	0.96%	0.87%
Residential mortgage loans ² - delinquency and rescheduled loan ratio ³	0.03%	0.02%
Card advances - delinquency ratio ³	0.33%	0.32%
	Half-year ended 30 June 2024	Half-year ended 30 June 2023
Card advances - charge-off ratio ⁴	2.00%	1.43%

1. Total impairment allowances include those for advances at fair value through other comprehensive income.

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

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

4. 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	At 31 December
	2024	2023
Consolidated capital after deductions		
Common Equity Tier 1 capital	261,872	247,109
Tier 1 capital	261,872	247,109
Total capital	289,609	275,145
Total risk-weighted assets	1,306,227	1,298,956
Common Equity Tier 1 capital ratio	20.05%	19.02%
Tier 1 capital ratio	20.05%	19.02%
Total capital ratio	22.17%	21.18%