

Financial Highlights

	2018 HK\$'000	2017 HK\$'000	2016 HK\$'000
FOR THE YEAR			
Net interest income	536,209	507,578	490,642
Profit attributable to shareholders	126,558⁴	806,395	603,984
Loan purchases	287,705	315,793	205,771
Debts issuance ¹	12,424,465	17,856,470	16,175,123
Net premiums written			
– General insurance businesses	565,739	417,076	367,562
– Annuity business	2,780,240	n.a.	n.a.
AT YEAR END			
Loan portfolio, net	6,442,064	7,829,441	9,533,961
Debt securities issued	37,292,877	34,840,706	34,233,467
Risk-in-force			
– Mortgage insurance ²	19,723,956	17,588,701	14,104,839
– Reverse mortgage insurance ³	9,644,152	6,875,721	4,315,944
OTHER STATISTICS			
Net interest margin	1.1%	1.1%	1.0%
Capital adequacy ratio	26.8%	21.0%	21.3%
Cost-to-income ratio	86.0%⁴	26.8%	30.8%
Return on shareholders' equity	0.9%⁴	8.6%	6.8%

¹ For debts with tenor of one year or above.

² The risk-in-force excludes exposure that has been covered by quota-share reinsurance arrangement.

³ The risk-in-force includes the outstanding balance and undrawn commitment of a reverse mortgage loan. Undrawn commitment refers to the amount of expected future payout to the borrower based on the payment term.

⁴ For comparison purposes, the adjusted attributable profit to shareholders, return on shareholders' equity and cost-to-income ratio for 2018 would be HK\$515 million, 5.1% and 36.7% respectively after excluding an accounting loss made by the HKMC Annuity Limited, a wholly-owned subsidiary of the HKMC, for maintaining prudent statutory reserves based on actuarial assumptions for the annuity business.