

# Financial Highlights

	2022 HK\$'000	2021 HK\$'000	2020 HK\$'000
<b>FOR THE YEAR</b>			
Net interest income	<b>355,891</b>	454,888	487,726
(Loss)/profit for the year <sup>1</sup>	<b>(319,408)</b>	831,098	(362,124)
Loan purchases <sup>2</sup>	<b>37,710,170</b>	46,023,469	38,924,070
Debts issuance <sup>3</sup>	<b>71,765,425</b>	84,165,144	29,356,467
Net premiums written			
— General insurance businesses	<b>2,211,270</b>	2,839,155	1,841,392
— Annuity business	<b>2,528,733</b>	3,003,443	2,537,928
<b>AT YEAR END</b>			
Loan portfolio, net	<b>101,617,693</b>	79,633,967	43,141,592
Debt securities issued	<b>131,075,272</b>	115,652,967	61,909,148
Risk-in-force			
— Mortgage insurance <sup>4</sup>	<b>99,117,659</b>	80,571,512	47,602,099
— Reverse mortgage insurance <sup>5</sup>	<b>16,276,063</b>	14,037,405	12,335,756
<b>OTHER STATISTICS</b>			
Net interest margin <sup>6</sup>	<b>0.2%</b>	0.4%	0.8%
Capital adequacy ratio	<b>27.9%</b>	23.4%	37.3%
Cost-to-income ratio <sup>1</sup>	<b>350.0%</b>	35.3%	640.8%
Return on equity <sup>1</sup>	<b>(1.6%)</b>	5.1%	(2.4%)

<sup>1</sup> For comparison purposes, after (i) adjusting for amortisation impact of upfront commissions to banks arising from the new mortgage insurance underwritten to match with premium income being recognised over the loan life; and (ii) excluding the financial results of annuity business, the adjusted profit for the year, return on equity and cost-to-income ratio for 2022 would be HK\$680 million, 5.3% and 30.8% respectively (2021: HK\$868 million, 7.3% and 25.2% respectively; and 2020: HK\$376 million, 3.5% and 44.8% respectively).

<sup>2</sup> Including the purchase of loans with the Special 100% Guarantee under the SME Financial Guarantee Scheme amounted to HK\$33.4 billion fully guaranteed by the Government for 2022 (2021: HK\$42.9 billion and 2020: HK\$37.6 billion).

<sup>3</sup> For debts with tenor of one year or above.

<sup>4</sup> The risk-in-force excludes exposure that has been covered by quota-share reinsurance arrangement.

<sup>5</sup> The risk-in-force includes the outstanding balance and undrawn commitment of a reverse mortgage loan, excluding exposure that has been covered by quota-share reinsurance arrangement. Undrawn commitment refers to the amount of expected future payout to the borrower based on the payment term.

<sup>6</sup> For comparison purposes, after excluding the impact of the purchase of loans with the Special 100% Guarantee under the SME Financial Guarantee Scheme under which the Group only recovered the funding costs without any net interest margin earned, the adjusted net interest margin would be 0.5% (2021: 0.8% and 2020: 1.0%).