

# Financial Highlights

	2024	2023	2022 (restated) <sup>1</sup>
	HK\$'000	HK\$'000	HK\$'000
<b>FOR THE YEAR</b>			
Net interest income	<b>617,961</b>	396,909	355,891
(Loss)/profit for the year <sup>2</sup>	<b>(418,040)</b>	(259,502)	2,162,750
Loan purchases <sup>3</sup>	<b>9,047,668</b>	27,561,675	37,710,170
Debts issuance <sup>4</sup>	<b>88,418,112</b>	89,876,034	71,765,425
Net premiums written			
— General insurance businesses	<b>892,202</b>	1,663,021	2,211,270
— Annuity business	<b>4,358,642</b>	1,606,402	2,528,733
<b>AT YEAR END</b>			
Loan portfolio, net	<b>95,496,673</b>	109,499,818	102,186,811
Debt securities issued	<b>148,299,636</b>	161,718,497	131,075,272
Risk-in-force			
— Mortgage insurance <sup>5</sup>	<b>103,300,086</b>	108,112,016	99,117,659
— Reverse mortgage insurance <sup>6</sup>	<b>21,389,135</b>	18,594,126	16,276,063
<b>OTHER STATISTICS</b>			
Net interest margin <sup>7</sup>	<b>0.4%</b>	0.2%	0.2%
Cost-to-income ratio <sup>2</sup>	<b>(232.9)%</b>	(471.0)%	9.7%
Return on equity <sup>2</sup>	<b>(1.5)%</b>	(1.0)%	10.0%
Capital adequacy ratio	<b>19.9%</b>	21.6%	27.9%

<sup>1</sup> From 1 January 2023, the Group has adopted Hong Kong Financial Reporting Standard 17 "Insurance Contracts" (**HKFRS 17**). As required by the accounting standard, the Group applied the requirements retrospectively with comparative figures previously published under Hong Kong Financial Reporting Standard 4 "Insurance Contracts" restated from 1 January 2022, the transition date.

<sup>2</sup> For comparison purposes, after adjustments to exclude (a) the accounting results of the annuity business; (b) the impact of property price change on the insurance result of the Reverse Mortgage Programme; and (c) the consolidation adjustments after adoption of HKFRS 17 in respect of the Group's loan portfolio with insurance cover provided by the HKMC Insurance Limited, the adjusted profit for the year, return on equity and cost-to-income ratio for 2024 would be HK\$787 million, 4.8% and 27.6% respectively (2023: HK\$724 million, 5.3% and 28.1% respectively; and 2022 restated: HK\$445 million, 3.2% and 34.5% respectively).

<sup>3</sup> Including the purchase of loans with the Special 100% Loan Guarantee under the SME Financial Guarantee Scheme and the Dedicated 100% Loan Guarantee Scheme amounted to HK\$5.2 billion fully guaranteed by the Government for 2024 (2023: HK\$24.7 billion and 2022: HK\$33.4 billion).

<sup>4</sup> For debts with tenor of one year or above.

<sup>5</sup> The risk-in-force excludes exposure that has been covered by quota-share reinsurance arrangement.

<sup>6</sup> The risk-in-force includes the outstanding balance and undrawn commitment of a reverse mortgage loan, excluding outstanding exposure or balance that has been covered by quota-share reinsurance arrangement or held in the Group's loan portfolio. Undrawn commitment refers to the amount of expected future payout to the borrower based on the payment term.

<sup>7</sup> For comparison purposes, after excluding the impact of the purchase of loans with the Special 100% Guarantee under the SME Financial Guarantee Scheme and the Dedicated 100% Loan Guarantee Scheme (since April 2023) under which the Group only recovered the funding costs without any net interest margin earned, the adjusted net interest margin would be 0.8% (2023: 0.5% and 2022: 0.5%).