

22 February 2018

增持  
维持

## 业绩略低于预期，基本面保持稳健

汇丰控股 (5 HK)

### Market Data: Feb 21

Closing Price (HK\$)	81.60
Price Target (HK\$)	90.86
HSCEI	12,687
HSCCI	4,587
52-week High/Low (HK\$)	85.70/60.39
Market Cap (USD Mn)	207,041
Market Cap (HK\$ Mn)	1,618,769
Shares Outstanding (Mn)	20,321
Exchange Rate (RMB-HK\$)	1.24

### Price Performance Chart:



Source: Bloomberg

### Analyst

Vivian Xue

A0230511110001 BBE746

xuehr@swsresearch.com

### Related Reports

"HSBC HOLDINGS (5 HK)—Rate curve rider" Oct 31, 2017

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### Financial summary and valuation

	2015	2016	2017	2018E	2019E
Net interest income (USD M)	32,531	29,813	28,167	30,228	32,563
YOY (%)	(6.26)	(8.36)	(5.52)	7.32	7.72
Net income (USD M)	12,572	1,299	9,683	11,010	12,299
YOY (%)	(4.14)	(89.67)	645.42	13.70	11.71
EPS (USD)	0.65	0.07	0.48	0.54	0.61
BVPS (RMB)	8.73	7.91	7.92	8.01	8.14
ROAE (%)	6.64	0.71	5.52	6.23	6.87
NPL ratio (%)	2.32	1.90	1.53	1.41	1.27
Core tier 1 CAR (%)	11.86	13.60	14.70	15.00	15.30
P/E (x)	16.06	149.09	21.90	19.26	17.24
P/B (x)	1.20	1.32	1.32	1.30	1.28

**业绩略低于预期。**汇丰控股周二中午公布2017年业绩。截至2017年底，总贷款余额同比增速达到11.8%，总存款余额同比增速达到7.2%。净息差由2016年的1.73%和2017年中的1.64%下降至1.63%，主要原因在于巴西业务出售，环比维持稳定。净利息收入同比下滑5.5%，中间业务净收入同比小幅回升0.3%。经济企稳背景下，不良率由2016年的1.88%和2017年中的1.58%大幅下降至1.42%，拨备覆盖率由2016年的43.9%和2017年中的46.9%进一步至50%。公司归属母公司股东净利润达到97亿美元，同比增速达到645%。调整后税前利润达到210亿美元，同比增速为10.9%。基本每股收益达到0.48美元，较我们预期低5%。公司核心一级资本充足率和总资本充足率较2016年的13.6%和20.1%和2017年中的14.7%和21.0%，稳定于14.5%和20.9%。

**基本面改善与价值重估。**与全球可比同业相比，汇丰控股拥有最高的资本充足率和股息率，贷存比和不良率也较低。但是由于谨慎的资产配置，公司资产负债增速和净息差相对较低。展望未来，基于全球经济企稳带动融资需求回升和汇丰领先的市场地位，我们预计汇丰贷款增长提速，净息差逐步改善，成本保持稳定，资产质量稳固，收入和盈利增速提升，ROE企稳回升，资本实力增强，高分红持续并且可能会继续回购股份，从而支撑公司估值溢价的继续扩大。

**从基本面来看，我们相信汇丰银行将成为全球经济企稳和利率曲线上移的最大受益者。**伴随全球经济系统性风险逐渐缓解，主要发达经济体的货币宽松显著放缓，推动了利率曲线上移，在此背景下，负债端融资能力强，资产端扩张潜力大的银行将脱颖而出。我们预计汇丰基本面将见底回升，主要归功于公司着重亚洲市场的策略带来的资产扩张潜力以及零售优势带来的强大融资能力。

(1) 从资产端扩张潜力来看，我们认为由于亚洲市场拥有更理想的净息差和资产质量水平，因此着重亚洲市场的策略将会给予汇丰银行更大的资产扩张潜力。作为汇丰银行的发源地，亚洲始终是汇丰银行的战略焦点且其重要性将日益提升。亚洲贡献了89%的税前利润。亚洲市场拥有更理想的净息差和资产质量水平：从净息差来看，公司亚洲地区的净息差在汇丰覆盖的五个地区中稳居前三。从资产质量来看，公司亚洲地区的不良贷款率在五大地区中保持最低。因此着重亚洲市场的策略将会给予汇丰银行更大的资产扩张潜力和更稳健的资产质量。

(2) 从负债端融资能力来看，公司总资本充足率达到21%，在全球同业中均位列首位。这主要是归功于公司在零售业务上的优势。零售银行业务是公司存款的主要来源，也是提升其融资能力和资本实力的核心。低资本消耗的零售业务对公司融资能力贡献显著，并有效提升了公司资金实力。

从估值来看，伴随全球货币政策和行业监管的收紧，银行业经营前景不确定性上升，因此资本实力强大和风险管理审慎的银行将拥有更高的估值溢价。汇丰一直以来都以风格稳健著称，依赖坚实的资本基础，每年保持稳定的51美分股息，因此在货币政策和行业监管趋紧的背景下，公司强大的资本实力、稳健的经营风格和丰厚的股息率对于价值投资者极具吸引力，估值溢价有望进一步扩大。

**维持增持。**我们下调公司18-19年EPS至0.54/0.61美元，对应同比增速分别14%/12%。基于基本面改善与价值重估空间，我们给予公司18年目标市净率1.45倍，由此将目标价由88.22港币上调至90.86港币，对应11%的上行空间，维持增持评级。

HSBC reported growth in total loans for full-year 2017 of 11.8% YoY, and growth in total deposits of 7.2% YoY, with net interest margin for the year of 1.6% (-10bps YoY due to the sale of the firm's Brazilian operations). Net profit adjusted for one-time items reached US\$9.7bn (+645% YoY), while basic EPS reached US\$0.48 vs our forecast of Rmb0.60, which assumed an improvement in NIM on strengthening global economic conditions, and did not take into account provision charges. We revise down our EPS forecasts from US\$0.65 to US\$0.54 in 18E (+14% YoY) and from US\$0.70 to US\$0.61 in 19E (+12% YoY). However, we continue to expect an improving global economy to boost company fundamentals and we lift our target price from HK\$88.22 to HK\$90.86. Maintain Outperform rating.

**Fundamental improvements.** We note a 46bps YoY decline in non-performing loan ratio (NPL) to 1.4%, and a 6.1ppt YoY improvement in coverage ratio to 50.0%. The bank's core tier-one capital adequacy ratio (CAR) in 17A reached 14.5% by end-2017 (+0.9ppts YoY), and overall CAR hit 20.9% (+0.8% YoY). As compared to its global peers, HSBC has the highest capital position and dividend yield, and its loan-to-deposit ratio and NPL ratio are relatively low. However, its asset growth and NIM are relatively low due to its conservative asset portfolio during the previous economic downturn. Looking forward, with the global economy stabilising and interest rate curve rising, we expect HSBC to report improving fundamentals, including growing loan book, widening margins, better asset quality, leading to better earnings growth, ROE and capital position, with a sustained high dividend payout.

**Outlook uptick.** We expect HSBC to be one of the largest beneficiaries of the rising interest rate curve and stabilising global economy, due to its asset growth potential backed by its Asian focus and strong funding capability, as well as its low loan-to-deposit ratio. Asia contributed 89% of the firm's pre-tax profits in 17A. The company's Asia regional operations NIM remained the third-highest among its five operating regions and its NPL ratio in Asia remained the lowest among the five regions. HSBC's CAR as of end-2017 remains the highest among global peers, mainly due to its capital-light retail business, which is the core of its funding capability.

**Valuation premium.** We expect HSBC's strong capital position and prudent track record to support a larger valuation premium. Backed by strong surplus capital, HSBC has always been generous in dividend distribution and aims to maintain a stable dividend at US\$0.51 annually for the foreseeable future.

**Maintain Outperform.** We revise down our EPS forecasts from US\$0.65 to US\$0.54 in 18E (+14% YoY) and from US\$0.70 to US\$0.61 in 19E (+12% YoY). Currently HSBC is trading at 1.3x 18E PB, as compared to a peer average of 1.1x 18F PB. In light of its improving fundamentals and enlarging valuation premium, we raise our target valuation from 1.40x to 1.45x 18E PB and revise up our target price from HK\$88.22 to HK\$90.86. With 11.4% upside, we maintain Outperform rating.

# Appendix

**Figure 1: Income Statement Forecast**

USDm	2007	2008	2009	2010	2011	2012	2013	2014(E)	2015(E)	2016(E)	2017	2018(E)	2019(E)
Interest Income	92,359	91,301	62,096	58,345	63,005	56,702	51,192	50,955	47,189	42,414	41,530	44,449	47,786
Interest expense	(54,564)	(48,738)	(21,366)	(18,904)	(22,343)	(19,030)	(15,653)	(16,250)	(14,658)	(12,601)	(13,363)	(14,221)	(15,224)
<b>Net interest income</b>	<b>37,795</b>	<b>42,563</b>	<b>40,730</b>	<b>39,441</b>	<b>40,662</b>	<b>37,672</b>	<b>35,539</b>	<b>34,705</b>	<b>32,531</b>	<b>29,813</b>	<b>28,167</b>	<b>30,228</b>	<b>32,563</b>
Fee and commission income	26,337	24,764	21,403	21,117	21,497	20,149	19,973	19,545	18,016	15,669	14,886	15,630	16,411
Fee and commission expense	(4,335)	(4,740)	(3,739)	(3,762)	(4,337)	(3,719)	(3,539)	(3,588)	(3,311)	(2,892)	(2,747)	(2,885)	(3,029)
<b>Net fee and commission income</b>	<b>22,002</b>	<b>20,024</b>	<b>17,664</b>	<b>17,355</b>	<b>17,160</b>	<b>16,430</b>	<b>16,434</b>	<b>15,957</b>	<b>14,705</b>	<b>12,777</b>	<b>12,138</b>	<b>12,745</b>	<b>13,382</b>
Other operating income	27,804	25,984	20,237	23,218	25,639	28,443	26,364	23,931	23,856	17,246	5,002	5,003	5,004
<b>Operating income</b>	<b>87,601</b>	<b>88,571</b>	<b>78,631</b>	<b>80,014</b>	<b>83,461</b>	<b>82,545</b>	<b>78,337</b>	<b>74,593</b>	<b>71,092</b>	<b>59,836</b>	<b>45,307</b>	<b>47,976</b>	<b>50,949</b>
Operating expense	(47,650)	(55,988)	(46,845)	(49,455)	(52,726)	(57,142)	(52,248)	(54,594)	(51,060)	(51,678)	(31,715)	(33,104)	(34,645)
Business tax and surcharges											0	0	0
<b>Operating profit before provisions</b>	<b>39,951</b>	<b>32,583</b>	<b>31,786</b>	<b>30,559</b>	<b>30,735</b>	<b>25,403</b>	<b>26,089</b>	<b>19,999</b>	<b>20,032</b>	<b>8,158</b>	<b>13,592</b>	<b>14,873</b>	<b>16,304</b>
Provision for impairment losses	(17,242)	(24,937)	(26,488)	(14,039)	(12,127)	(8,311)	(5,849)	(3,851)	(3,721)	(3,400)	(2,611)	(2,215)	(2,034)
Share of profits of an associate	1,503	1,661	1,781	2,517	3,264	3,557	2,325	2,532	2,556	2,354	2,354	2,354	2,354
<b>Profit before tax</b>	<b>24,212</b>	<b>9,307</b>	<b>7,079</b>	<b>19,037</b>	<b>21,872</b>	<b>20,649</b>	<b>22,565</b>	<b>18,680</b>	<b>18,867</b>	<b>7,112</b>	<b>13,335</b>	<b>15,012</b>	<b>16,624</b>
Income tax	(3,757)	(2,809)	(385)	(4,846)	(3,928)	(5,315)	(4,765)	(3,975)	(3,771)	(3,666)	(2,667)	(3,002)	(3,325)
Minority interest	1,322	770	860	1,032	1,147	1,307	1,596	1,590	2,524	2,147	985	1,000	1,000
<b>Net profit attributable to equity holders of the bank</b>	<b>19,133</b>	<b>5,728</b>	<b>5,834</b>	<b>13,159</b>	<b>16,797</b>	<b>14,027</b>	<b>16,204</b>	<b>13,115</b>	<b>12,572</b>	<b>1,299</b>	<b>9,683</b>	<b>11,010</b>	<b>12,299</b>

Source: Company, SWS Research

**Figure 2: Balance sheet forecast**

USDm	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018(E)	2019(E)
<b>Assets</b>													
Cash and Balance with central bank	21,765	52,396	60,655	57,383	129,902	141,532	166,599	129,957	98,934	128,009	131,849	137,123	143,979
Cash/balances/Placements with banks and other financial institutions	261,036	175,127	203,639	233,400	210,117	182,592	330,977	306,463	270,834	285,331	296,671	263,292	240,428
Loans and advances to customers	981,548	932,868	896,231	958,366	940,429	997,623	992,089	974,660	924,454	861,504	895,964	940,762	987,800
Investments	770,532	756,097	827,720	822,818	800,909	882,763	767,547	748,697	721,544	701,067	715,088	750,843	788,385
Non-interest-bearing assets	319,385	610,977	376,207	382,722	474,222	488,028	414,106	474,362	393,890	399,075	411,933	422,526	436,375
<b>Total</b>	<b>2,354,266</b>	<b>2,527,465</b>	<b>2,364,452</b>	<b>2,454,689</b>	<b>2,555,579</b>	<b>2,692,538</b>	<b>2,671,318</b>	<b>2,634,139</b>	<b>2,409,656</b>	<b>2,374,986</b>	<b>2,451,506</b>	<b>2,514,546</b>	<b>2,596,968</b>
<b>Liabilities</b>													
Deposits/Placements from banks and other financial institutions	154,746	152,674	148,069	136,304	142,489	137,309	282,857	218,522	168,819	186,102	208,095	213,447	220,443
Deposits from customers	1,096,140	1,115,327	1,159,034	1,227,725	1,253,925	1,340,014	1,361,297	1,350,642	1,289,586	1,272,386	1,310,558	1,362,980	1,431,129
Debts issued	246,579	179,693	146,896	145,401	131,013	119,461	104,080	95,947	88,949	65,915	65,915	65,915	65,915
Trading and Derivative liabilities	587,912	809,299	595,868	647,501	718,496	756,187	570,393	607,394	525,933	523,132	523,132	523,132	523,132
Non interest-bearing liabilities	133,473	170,243	178,924	142,843	143,563	156,438	162,232	161,656	138,851	144,873	161,994	166,160	171,606
<b>Total</b>	<b>2,218,850</b>	<b>2,427,236</b>	<b>2,228,791</b>	<b>2,299,774</b>	<b>2,389,486</b>	<b>2,509,409</b>	<b>2,480,859</b>	<b>2,434,161</b>	<b>2,212,138</b>	<b>2,192,408</b>	<b>2,269,694</b>	<b>2,331,633</b>	<b>2,412,225</b>
<b>Shareholders' equity</b>													
Share capital	5,915	6,053	8,705	8,843	8,934	9,238	9,415	9,609	9,842	10,096	10,096	10,096	10,096
Reserves	41,148	6,849	32,782	41,474	37,923	45,657	43,728	43,694	34,642	28,495	31,790	37,997	44,990
Retained Earnings	81,097	80,689	86,812	97,350	111,868	120,347	128,728	137,144	143,976	136,795	133,719	129,612	125,450
<b>Total shareholders' equity</b>	<b>128,160</b>	<b>93,591</b>	<b>128,299</b>	<b>147,667</b>	<b>158,725</b>	<b>175,242</b>	<b>181,871</b>	<b>190,447</b>	<b>188,460</b>	<b>175,386</b>	<b>175,605</b>	<b>177,706</b>	<b>180,536</b>
Minority Interests	7,256	6,638	7,362	7,248	7,368	7,887	8,588	9,531	9,058	7,192	6,207	5,207	4,207
<b>Total shareholders' equity and liabilities</b>	<b>2,354,266</b>	<b>2,527,465</b>	<b>2,364,452</b>	<b>2,454,689</b>	<b>2,555,579</b>	<b>2,692,538</b>	<b>2,671,318</b>	<b>2,634,139</b>	<b>2,409,656</b>	<b>2,374,986</b>	<b>2,451,506</b>	<b>2,514,546</b>	<b>2,596,968</b>

Source: Company, SWS Research

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