BOC Hong Kong (Holdings) Limited

(“The Company”)

Shareholders’ Q&A

Following the Annual General Meeting on 26 June 2025

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Attendees: Senior Management

Mr Sun Yu (Chief Executive)

Mr Liu Chenggang (Deputy Chief Executive & Chief Financial Officer)

Mr Xu Haifeng (Deputy Chief Executive & Chief Risk Officer)

Mr Xing Guiwei (Deputy Chief Executive)

Mr Wang Huabin (Deputy Chief Executive)

Mr Chan Man (Deputy Chief Executive)

Mdm Li Tong (Deputy Chief Executive)

Company Secretary

Mdm Huang Xuefei

Following the Annual General Meeting held on 26 June 2025, with the authorisation of the Board of Directors and chairmen of each affiliated committees, the Management of the Company (and its affiliated companies, collectively known as “the Group”) attended the shareholders’ Q&A session. Details are as follows:

1. **A shareholder expressed appreciation that BOCHK’s dividend per share and payout ratio both increased in 2024, with the first-ever quarterly dividend distributed in the first quarter this year, and asked about the dividend outlook for the second quarter, the third quarter and the full-year?**

Deputy Chief Executive and Chief Financial Officer Liu Chenggang thanked the shareholder for the question and stated that BOCHK has consistently adhered to a prudent dividend policy, striving to balance maximising shareholder returns with the bank's long-term development, while placing high importance on achieving stable and sustainable growth in dividend returns in the long term.

In 2024, we actively promoted growth in net interest income and non-interest income, strengthened cost management, and prudently controlled risk-weighted assets to enhance profitability and capital returns. The total annual dividend amounted to HK$1.989 per share, representing a year-on-year increase of 19.0%, while the payout ratio reached 55%, up by 1 percentage point from the previous year, achieving steady growth in both dividend amount and payout ratio.

Since the beginning of this year, we have continued to actively expand businesses and strengthen our asset-liability management. In the first quarter, our deposit and loan growths continued to outperform the market, with operating income rising 13% year-on-year, reflecting a solid performance. To enable shareholders to enjoy dividend returns as soon as possible, starting from this year, our dividend distribution frequency is increased from two times a year to four times a year. Our first quarter dividend per share for this year was HK$0.29, which had already been distributed on May 29.

We will determine the total dividend level of 2025 by taking a prudent approach while balancing against market expectations, with the full-year dividend payout ratio staying within the 40-60% range. The dividends for the second and third quarters are expected to remain relatively stable compared to the first quarter.

BOCHK will continue to uphold the principle of high-quality development, focusing on the Hong Kong, the Greater Bay Area (GBA), and Southeast Asian markets, while advancing its integrated and regional development, and digital transformation. We will remain committed to bottom-line of risk management and pursue solid operating performance. At the same time, we will optimise our capital allocation and enhance capital efficiency by considering regulatory requirements, risk changes and various business opportunities, striving to achieve stable and sustainable growth in shareholder returns.

2. **A shareholder said it was hard-earned result as BOCHK maintained relatively stable asset quality in the first quarter of this year, and asked about the outlook of the non-performing loan (NPL) ratio and provision charges for the second half, given a complex external operating environment?**

Deputy Chief Executive and Chief Risk Officer Xu Haifeng thanked the shareholder for the question and responded that in recent years, the banking industry has faced a complex and volatile operating environment, increasing the challenges of risk management. Benefiting from prudent risk controls and a solid customer base, our overall asset quality has remained generally stable, with adequate provisions.

As of the end of 2024, our NPL ratio stood at 1.05%, unchanged from the end of the previous year. By the end of March this year, our NPL ratio further declined by 4 basis points to 1.01%, continuing to outperform the Hong Kong market average (1.98% as of the end of March 2025). The annualised credit cost for the first quarter was 0.32%, relatively stable compared to the full year of 2024 (0.30%). The total loan provision ratio was 0.93%, up by 4 basis points from the end of last year, remaining sufficient.

In the first quarter of this year, the mainland and Hong Kong economies grew by 5.4% and 3.1% respectively, exceeding market expectations. Looking ahead to the second half of the year, while the mainland and Hong Kong economies are expected to maintain steady growth, more proactive fiscal policy and moderately loose monetary policy adopted by the mainland will help mitigate the impact of changes in the trade environment. At the same time, the HKSAR Government is actively aligning with national development strategies and measures that benefit Hong Kong, which will drive continuous GDP growth. We will continue to closely monitor local and global economic dynamics, strengthen credit risk management mechanisms, and maintain strict monitoring of high-risk credit portfolios, while reviewing internal credit rating and loan classification in due course. For 2025, we expect to maintain our NPL ratio at a relatively stable level compared to 2024 and continue to outperform the market average. We will stick to the long-standing prudent strategy, ensuring sufficient provisions while striving to maintain relatively stable credit costs.

3. **A shareholder said that the Hong Kong stock market performed strongly in the first half of this year while BOCHK achieved significant fee income growth in the first quarter, and asked what fee businesses performed better, and what is the full-year outlook for the fee income?**

Deputy Chief Executive Chan Man thanked the shareholder for the question and responded that in the first quarter, the Hong Kong economy continued its growth momentum. A series of economic measures introduced by the central government further boosted market sentiment and drove stock market turnover, while incoming tourist numbers continued to improve. We seized business opportunities, enhanced our product and service offerings, and actively expanded fee income sources, achieving net fee income of HK$3.4 billion, up 34.7% year-on-year.

Among these, commission income from investment and insurance businesses increased by more than 1.3 times, driven by securities brokerage, insurance and funds distribution. We actively promoted securities products through multiple channels, striving to build a leading brand in digital stock trading service and doubling the commission income from stock brokerage. Capitalising on the peak season for insurance sales early this year, we launched targeted product promotion and inheritance-related services to meet the needs of high-net-worth customers in related whole-life products, driving insurance commission income growth by more than 2 times. Additionally, we expanded our fund product offerings and optimised online services, increasing market share in fund sales with funds distribution income rising by 30% year-on-year.

In traditional businesses, we leveraged our cross-border advantages to enhance payment experiences for northbound and southbound transactions. BoC Pay was upgraded into a one-stop platform integrating the functions of payment, credit card management and reward point scheme, and recorded over 40% growth in mainland market transaction numbers in the first quarter. BoC Bill continued to expand its acceptance scenarios, and grow the merchant acquiring volume in Hong Kong by more than 10% year-on-year, reaching an eight-year high and supporting the solid growth in credit card fee income. We further strengthened collaboration with offshore and onshore entities of BOC Group, deepened relationships with key customers and achieved nearly 20% growth in custody and trust-related fee income. We made every effort to close deals on corporate projects in the pipeline, delivering over 10% year-on-year growth in loan commission income.

For the second half, the mainland and Hong Kong economies are expected to maintain stable growth with strong investment sentiment and rising northbound and southbound travel demand, which will benefit our investment and insurance businesses as well as other non-credit fee income businesses. We will further explore customer demand, enrich products and services and enhance sales and marketing capabilities, expanding income sources and striving to sustain the solid growth of fee income.

4. **A shareholder said that BOCHK achieved positive loan growth in the first quarter amid slow recovery of loan demand in the local system, and asked if the good loan growth performance can be sustained for the whole year?**

Deputy Chief Executive Wang Huabin thanked the shareholder for the question and responded that as HKD and USD market interest rates remained high, credit demand was weak in the first quarter. The Hong Kong market recorded low loan growth, which was just 0.6% from the end of last year. Leveraging its customer base and professional service advantages, BOCHK actively served the real economy and deepened relationships with high-quality customers in Hong Kong, cross-border and Southeast Asia, steadily advancing the development of its corporate and personal loan businesses. As of the end of March, our customer loans grew by 1.3% from the end of last year, increasing the local market share by 0.08 percentage point to 16.43%.

The Group achieved balanced loan growth with steady increases in loans for use in Hong Kong, trade finance and loans for use outside Hong Kong. Of which, we maintained our leading position in the new mortgage loan market as we attained a 35.4% market share. We leveraged our RMB business advantages and grew the RMB loans by 10%. Our Southeast Asian entities continued to grow the customer loans at a faster pace than the Group average, further increasing its proportion in the Group's total loan balance.

For the second half, although trade protectionism may dampen corporate investment confidence and credit demand, while global economic downside risks may pose challenges to the banking sector, the Chinese Mainland is expected to achieve its full-year GDP growth target underpinned by policy support and the recovery of its internal momentum. In addition, Hong Kong will leverage its role as a "super connector," and continue to consolidate its unique advantages in national development. The completion of negotiations for the Version 3 China-ASEAN Free Trade

Area will promote broader and deeper regional economic integration. Moreover, a lower HKD interest rate level driven by ample liquidity in Hong Kong can help reduce customers' financing costs, which could potentially stimulate loan demand.

Overall speaking, facing both challenges and opportunities, BOCHK will continue to fully serve the real economy, focus on the Hong Kong, cross-border, Southeast Asian and overseas markets, and leverage its advantages in the cross-border, RMB and mortgage businesses, while capitalising on opportunities brought by new productive forces. We will adhere to risk bottom-line and maintain a balance between loan business scale and earnings, striving to achieve solid loan growth and outperform the market for the full year.

5. A shareholder said wealth management business developed rapidly in the banking sector in recent years, and asked about BOCHK's development progress and the main growth drivers in that business area?

Chief Executive Sun Yu thanked the shareholder for the question and stated that in recent years, the HKSAR Government has actively leveraged its policy and geographical advantages to strengthen Hong Kong's development as a global-leading asset and wealth management centre. According to market forecasts, the total AUM of private wealth management in Hong Kong is expected to double from 2023 to 2030, indicating tremendous growth potential. Wealth management is one of the strategic development priorities for BOCHK. Our parent bank BOC also looks forward and attaches high expectation on BOCHK to become a centre for private banking, asset management and custody businesses under the whole group. We also actively seized market opportunities and continuously enhanced our comprehensive, regional and digital service capabilities, achieving fruitful results in wealth management.

Firstly, our wealth income performance was solid. We continued to enrich product and service offerings while optimising online and offline channels. In 2024, our personal wealth management income grew by 28% year-on-year. In the first quarter of this year, capitalising on strong market conditions, we dynamically optimised our product matrix to swiftly respond to customers' needs, achieving over 60% year-on-year growth in personal wealth management income.

Secondly, we proactively built a strong wealth management brand. In 2024, we nearly doubled (98% growth) the number of our high-net-worth customers (under Wealth Management and

Private Wealth brands). From 2012 to 2024, the compound annual growth rate of our private banking AUM was 36%. In the first quarter of this year, we saw steady growth in the numbers of high-net-worth customers, young affluent family customers (FamilyMAX) and young customers (TrendyToo). Leveraging our cross-border advantages, we sustained robust growth momentum in the numbers of cross-border high-net-worth customers and maintained solid growth in the products and services under the GBA connectivity initiatives such as Wealth Management Connect and Easy Account Opening, while the newly launched "Payment Connect" also received enthusiastic responses.

Thirdly, our diversified business platform delivered good performance. For 2024, BOC Life ranked third in the overall market while maintaining its leading position in RMB insurance business for 12 consecutive years, both in terms of standard new premium. BOC Life made a strong start to this year with standard new premium growing by 15% year-on-year and new business value increasing by 61% in the first quarter. BOCHK Asset Management met diverse customer investment needs with a wide range of product offerings, achieving about 16% growth in the scale of assets under management and investment advisory in 2024, and 11% growth in the first quarter. We also strengthened collaboration in sales and marketing with the offshore and onshore entities of BOC Group and promoted the development of a global custody network, with total assets under custody growing by 30% in 2024 and 12% in the first quarter of this year.

Looking ahead, the HKSAR Government will continue to attract more global funds to be managed in Hong Kong through a series of policy measures. BOCHK will seize policy opportunities, closely follow market development, strengthen intra-group collaboration, focus on the wealth management needs of key customer segments, and continuously optimise products and services. Riding on the momentum, we will take advantage of the trend to actively build ourselves into the private banking, asset management and custody business centres for BOC Group, continuously creating new competitive advantages.

6. **A shareholder said that a large amount of capital has flowed into Hong Kong in the first half of this year while the market generally expects that US interest rates will decline, and asked about management's outlook for the net interest margin (NIM) this year?**

Deputy Chief Executive and Chief Financial Officer Liu Chenggang thanked the shareholder for the question and replied that in the first quarter of this year, we actively strengthened asset-liability management to mitigate NIM pressure in response to the downtrends in HKD and USD interest rates. On the asset side, we focused on our key strengths by developing cross-border, RMB, regional and high-end customer businesses, with average interest-earning assets rising by 8.3% year-on-year. On the liability side, we focused on funding cost control by expanding payroll and cash management services to secure low-cost funding sources, with the average CASA ratio rising to 48.6% year-on-year. In the first quarter, our NIM after adjusting for swap impact was 1.55%, narrowing by 6 basis points year-on-year but less than the decline in market interest rates. Net interest incomegrew by 3.4%.

Entering May this year, as capital flowed into Hong Kong, the banking system's aggregate balance grew significantly and led to a notable drop in the one-month HIBOR to below 1% levels. The interest rate changes basically reflected normal market behaviour and reaction. Meanwhile, widening HKD-USD interest rate differentials have increased incentives for carry trades, which may cause corresponding changes in HKD exchange rate and HIBOR. However, the duration, speed and magnitude of this process depend on the market development, which remains uncertain.

Margin performance of banks is highly correlated with HIBOR. Declining market interest rates will exert pressure on NIM. Facing these challenges, we will continue to monitor the market and proactively adjust asset and liability allocations. We will focus on controlling deposit costs, and promote CASA growth by capturing the capital inflow opportunities presented by the strong stock market. We will further optimise our asset structure, drive solid loan growth and dynamically manage the market entry timing and duration of the banking book investments to lock in higher returns. At the same time, we will seize opportunities in the stock market recovery, and leverage stock securities, insurance, funds distribution and CASA products, as entry points, to fully enhance wealth management and comprehensive services, with a view to increasing non-interest income contributions in a rate-cutting environment, and achieving balanced business performance.

7. **Via webcast system, a shareholder commented online that fintech has made banking services more convenient and efficient, and that since early this year, artificial intelligence (AI) has demonstrated notable characteristics of user-friendliness and low-cost and asked about BOCHK's progress in AI development?**

Deputy Chief Executive Xing Guiwei thanked the shareholder for the question and responded that the rise of generative AI (Gen AI) has injected fresh momentum into our fintech innovation. Over the past few years, BOCHK had actively invested in the research of AI applications, currently deploying over 100 AI models. Key technologies include Gen AI, computer vision, natural language processing (NLP), optical character recognition (OCR), and speech recognition. Applications span across various intelligent scenarios including accurate sales and marketing, smart customer service, remote account opening, AML, anti-fraud, corporate information analysis, credit rating, operation and network behaviour risk control.

We have continuously improved the AI governance framework, establishing an AI Committee to formulate and coordinate the Group's AI development strategy, oversee risk and compliance, and allocate AI related resources, so as to ensure the Group's AI development is efficient and compliant.

We continued to drive the construction of an enterprise-level integrated Gen AI platform to support stable operations of open-source and commercial large-scale models, build the infrastructure for knowledge base, explore AI office applications and promote AI project implementation in different scenarios across various business areas.

At the same time, we actively participated in the Gen AI sandbox program that is jointly promoted by the HKMA and Cyberport, and were selected to test run customer experience and anti-fraud scenarios. Through AI-generated content, we created promotional materials for inclusive financial education, continuously enhancing customer's knowledge in the financial domain and their awareness of fraud. We also leveraged Gen AI to empower fraud detection, identifying forged documents and distinguishing AI-generated faces, thus reducing fraud risk.

Gen AI can inject new vitality into innovation and refined services of the Group. We have already established an AI laboratory and are continuously optimising the technical framework for enterprise-level model training, calibrating, deployment and management, to support technological research and application innovation. We also utilise the latest large models such as Deepseek to promote AI technology validation and scenario development.

In the future, we will continue to strengthen digital transformation, consistently solidifying AI applications in areas such as knowledge search, process automation and personalised services. Based on risk-oriented governance and control, we will proactively deploy AI to optimise customer service and enhance work efficiency, while striving to impress our customers and staff.

8. Via webcast system, a shareholder asked that while BOCHK has made good development progress in Southeast Asia (SEA) in recent years, given the significant opportunities arising from mainland enterprises "going global," and the tariff policy concerns, what is the management's outlook on Southeast Asian business development strategy?

Deputy Chief Executive Li Tong thanked the shareholder for the question and responded that driven by private consumption, investment and exports, ASEAN economies performed well with GDP growth of about 4.9% in 2024 and 4.7% in the first quarter of this year.

In May this year, China and the ten ASEAN countries completed negotiations on the Version 3.0 China-ASEAN Free Trade Area, adding nine new chapters covering digital economy, green economy, and supply chain connectivity, which will promote deeper integration of industrial and supply chains, expand cooperation in emerging fields and new productive forces, and inject sustained momentum into regional economic integration.

We insisted on integrated operation approach and our differentiated "One Branch, One Policy" strategy, while promoting multi-level, diversified regional collaboration, to improve regional and integrated operating and service capabilities, and market competitiveness. In 2024, deposits and loans at our Southeast Asian entities grew by 16.5% and 9.9% respectively, with net operating income rising by 16.7%, further increasing their contribution to the Group. In the first quarter of this year, the deposits and loans continued to grow solidly, continuously increasing their proportions within the Group.

BOCHK will seize market opportunities to deeply engage in major projects such as Belt and Road cooperation, and strengthen institutional collaboration in the Asia-Pacific region, striving to become the first choice for China-related businesses. We will continuously enhance our core competitiveness and market share in SEA markets, which could serve as a stabiliser and driver for the Group's business. We will expand RMB clearing services, promote RMB usage in the region, and strengthen client trading services and market-making capabilities to create local business advantages. We will continue to pursue digital transformation and implement a unified plan for regional digitalisation, by adopting a development model of online customer acquisition and activation, and intelligent sales and marketing. Meanwhile, we will pay attention to changes in the external environment, enhance risk judgement and analysis, and promote steady and healthy development of SEA business while adhering to risk management principles.