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中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(Incorporated in Hong Kong with limited liability)

Stock Codes: 2388 (HKD counter) and 82388 (RMB counter)

FINANCIAL AND BUSINESS REVIEW FOR THE THIRD QUARTER OF 2025

THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO RULE 13.09 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED

The following description provides certain financial information relating to the performance of BOC Hong Kong (Holdings) Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) in the third quarter of 2025.

In the third quarter of 2025, the impacts of the US adjusting its foreign trade policies continued, creating uncertainty in the global economic situation. Major economies adopted divergent monetary policy stances. The US Federal Reserve resumed cutting the benchmark rate, while the European Central Bank paused rate reductions. The Chinese mainland economy remained stable as a whole, underpinned by steady growth in production, stable consumer demand supported by stimulus policies, and resilient trade levels. The ASEAN economy sustained a growth trend from the second quarter, with private consumption, investment and exports being the major economic growth drivers.

Hong Kong’s overall economy sustained its growth momentum, with positive growth recorded for the tenth consecutive quarter. Exports maintained double-digit growth. The consumption market showed signs of stabilisation, while the stock market was vibrant. Residential property prices stabilised, with market transactions becoming more active. In the Global Financial Centres Index 38 Report released in September 2025, Hong Kong maintained third place globally.

Financial Performance Highlights

- In the first nine months of 2025, the Group’s net operating income before impairment allowances increased by 6.3% from the same period last year, while that of the third quarter decreased by 13.9% from the previous quarter.
- With market interest rates declining relative to the same period last year, if the funding income or cost of foreign currency swap contracts were included, net interest margin would have narrowed 8 basis points year-on-year to 1.54%. The Group strengthened deposit pricing and tenor management while actively growing its CASA deposits to optimise deposit mix. In the third quarter, if the funding income or cost of foreign currency swap contracts were included, net interest income would have increased by 1.6% and net interest margin would have widened by 1 basis point quarter-on-quarter to 1.54%.
- Amid improved investor sentiment in the market, the Group strengthened its wealth management products and integrated service capabilities to capture opportunities from the increased demand for wealth management services. Net fee and commission income increased by 22.1% year-on-year, driven by the notable improvement in investment and insurance businesses. Net fee and commission income of the third quarter decreased by 3.8% from the previous quarter.
- Solid growth was achieved in deposits from customers and advances to customers, which increased by 10.2% and 3.1% respectively from the end of 2024.
- Impaired loan ratio stood at 0.96%, remaining below the market average.
- Liquidity coverage ratio, net stable funding ratio and capital ratio remained solid.

Financial Performance

The table below summarises the key performance figures of the Group in the first nine months ended 30 September 2025 and in the third quarter of 2025:

Key Performance Figures of the Group						
<i>HK\$m, except percentages</i>	Nine months ended		Year-on-year change	Quarter ended		Quarter-on-quarter change
	30 Sep 2025	30 Sep 2024		30 Sep 2025	30 Jun 2025	
Net operating income before impairment allowances	57,179	53,815	+6.3%	17,157	19,935	-13.9%
Operating expenses	(12,609)	(12,371)	+1.9%	(4,299)	(4,191)	+2.6%
Operating profit before impairment allowances	44,570	41,444	+7.5%	12,858	15,744	-18.3%

Nine months ended 30 September 2025 compared with the same period in 2024

In the first nine months of 2025, the Group's net operating income before impairment allowances increased by 6.3% year-on-year to HK\$57,179 million. If the funding income or cost of foreign currency swap contracts were included, net interest income would have decreased by 0.7% year-on-year to HK\$43,300 million, while net interest margin would have narrowed 8 basis points year-on-year to 1.54%. This was mainly due to a decline in asset yield as a result of lower market interest rates relative to the same period last year. The Group strengthened deposit pricing and tenor management, while actively growing its CASA deposits to optimise deposit mix, which partially mitigated the impact of falling market interest rates. Net fee and commission income increased by 22.1% on a year-on-year basis to HK\$9,051 million. This reflected the Group's effort in strengthening its wealth management products and integrated service capabilities to capture opportunities from the increased demand for wealth management services amid improved investor sentiment in the market. As a result, commission income from securities brokerage, insurance, funds distribution and management increased, while commission income from credit card business, trust and custody, and payment services also rose. Net trading gain increased on a year-on-year basis, mainly attributable to the increased income from the global markets trading business.

Operating expenses increased by 1.9% year-on-year, as staff costs rose along with increased investment in information technology and advertising expenses. The Group's cost to income ratio was 22.05%, maintaining a satisfactory level relative to industry peers.

The Group's net charge of impairment allowances increased by HK\$1,800 million year-on-year to HK\$5,123 million. This was mainly due to additional impairment allowances made in relation to downgrades to the internal ratings of certain customers and deteriorating conditions of certain non-performing customers. The annualised credit cost of advances to customers and other accounts was 0.40%, up 0.14 percentage points year-on-year.

2025 Q3 compared with 2025 Q2

The Group's net operating income before impairment allowances decreased by 13.9% quarter-on-quarter. If the funding income or cost of foreign currency swap contracts were included, net interest income would have increased by 1.6% quarter-on-quarter, while net interest margin would have widened by 1 basis point compared with the previous quarter to 1.54%. This was mainly owing to an increase in asset yield as a result of a rebound in Hong Kong dollar interest rates, as well as improvement in deposit pricing. Net fee and commission income decreased by 3.8% from the previous quarter, mainly attributable to a decrease in commission income from loans, which more than offset the positive impact resulting from the increase in commission income from securities brokerage, funds distribution and management. Net trading gain decreased quarter-on-quarter, mainly attributable to the decrease in the mark-to-market value of foreign exchange related products resulting from market volatility, as well as a decrease in income from the global markets trading business.

Operating expenses increased by 2.6% quarter-on-quarter, as staff costs, premises and equipment, and business-related expenses rose.

Net charge of impairment allowances decreased by HK\$249 million quarter-on-quarter to HK\$1,805 million. This was mainly due to an improvement in the parameter values for the macroeconomic outlook. The annualised credit cost of advances to customers and other accounts was 0.43%, down 0.02 percentage points quarter-on-quarter.

Financial Position

As of 30 September 2025, the Group's total assets amounted to HK\$4,465,713 million, an increase of 6.5% from the end of 2024. Deposits from customers increased by 10.2% from the end of 2024 to HK\$3,001,306 million. CASA deposits increased, while time, call and notice deposits decreased. The CASA ratio was 53.0%, up 6.6 percentage points from where it stood at the end of 2024. Advances to customers increased by 3.1% to HK\$1,729,039 million, while securities investments and other debt instruments also increased. Impaired loan ratio stood at 0.96%, which remained below the market average. The Group's liquidity coverage ratio, net stable funding ratio and capital ratios remained solid.

Business Review

In the third quarter of 2025, the Group continued to deepen its presence in the Hong Kong market, expanding its target customer base and unlocking key business potential. Seizing business opportunities in the Greater Bay Area (“GBA”) as well as consolidating its advantages in cross-border businesses, the Group maintained its leading position in RMB business. It actively promoted business development in Southeast Asia by accelerating the implementation of its integrated development strategy. The Group remained fully committed to corporate social responsibility, with brand influence and recognition consistently on the rise. It strengthened the implementation of its operational centralisation, and leveraged artificial intelligence to empower digital transformation. Furthermore, it reinforced the foundation of its comprehensive risk management, which effectively responded to risks and challenges.

In **Personal Banking business**, the Group seized opportunities from the recovery of the Hong Kong stock market and IPO boom by implementing a series of customer acquisition and engagement strategies in securities brokerage, and by introducing exclusive offers and promotion campaigns for key customer groups. It upgraded multiple stock trading functions on its mobile banking platform, which included offering free Hong Kong stock streaming quotes, enhancing the stock search function and smart transaction data input assistance function. These improvements empower customers’ investment decisions and enhance the mobile banking stock trading experience. In the first nine months of 2025, stock trading volume increased significantly from the same period last year. To meet investors’ demand for stable returns alongside potential gains from the US stock market, the Group exclusively distributed a new guaranteed fund that ensures dividend payouts and asset values while capturing upward potential in stock markets. The Group also capitalised on opportunities arising from the development of pension finance and demand from high-net-worth customers for inheritance-related lifetime insurance products, expanding the related product range and strengthening product promotion and inheritance-related supporting services. It optimised its student insurance products in response to customers’ needs related to studying abroad and in Hong Kong. In line with the continuing integration of the GBA, the Group focused on enhancing the cross-border service experience for its customers. To provide customers with comprehensive cross-border financial services, it extended the coverage of its attestation of “Greater Bay Area Account Opening Service” across all GBA cities in the Chinese mainland, and introduced the brand new RMB mortgage loan solutions and property refinancing loan under its “Greater Bay Area Loan” service.

In **Corporate Banking business**, the Group adhered to its customer-centric philosophy, with a focus on enhancing its comprehensive service capabilities, thus achieving continuous expansion in its corporate customer base. It deepened cooperation with various types of financial institutions and maintained an extensive global correspondent banking network, leading the market in terms of the number of indirect participating banks of the Cross-border Interbank Payment System. The Group led the market in IPO main receiving bank business in terms of total funds raised on the Main Board, and maintained its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market. It supported a Korean policy bank in issuing its inaugural public offering bonds denominated in Hong Kong dollars, contributing to the continuous improvement in its bond underwriting service capabilities. The Group accelerated the upgrade of its global cash management service capabilities by comprehensively enhancing the efficiency and security for fund transfers in cash pooling. Completing the first batch of transactions harnessing cargo data under Project Cargo^x led by the Hong Kong Monetary Authority (“HKMA”), it helped to enhance the digital ecosystem for trade finance in Hong Kong. BOCHK was officially appointed as a certified service provider in common depository for international securities. The offering of overdraft facilities in multiple currencies accounts and automated trade by trade FX services in settlement allowed for more efficient servicing of the securities throughout their life cycle. As part of its commitment to providing tailor-made green financial services, the Group also offered clients green and sustainability related loans and bonds to support the decarbonisation transition and sustainable development of enterprises in Hong Kong, the GBA, and Southeast Asia.

In the **Treasury Segment**, the Group maintained a cautious approach to managing its banking book investments. It closely monitored worldwide market interest rate adjustments and adopted a pre-emptive and proactive approach to managing risks, while at the same time seeking fixed-income investment opportunities to enhance returns. It actively optimised its banking book portfolio to promote the steady development of asset and liability businesses. It capitalised on market opportunities and customer needs, and made efforts to build and reinforce its diversified products and integrated services, achieving satisfactory results in both trading and client businesses. With the focus on cultivating the offshore RMB market, it expanded the application scenarios of RMB, which consolidated and enhanced its professional reputation in RMB business. The Group played an active role in mutual market access schemes, contributing to the prosperity and development of financial markets in the Chinese mainland and Hong Kong. It successfully assisted an offshore issuer to launch the world's first Shanghai Pilot Free Trade Zone offshore bond combined with sub-custodian services. In line with the People's Bank of China and the HKMA's enhancement arrangements for offshore RMB bond repurchase business, the Group participated in the re-use of bond collaterals during the repurchase period, contributing to the diversification of application scenarios of RMB in the offshore market. It was among the first batch of offshore institutional investors to participate in the cross-border RMB bond repurchase business, actively promoting RMB bonds to be the eligible collateral widely accepted in Hong Kong and global markets. BOCHK has officially become a clearing member of LCH ForexClear, being the first Chinese institutional member domiciled in Hong Kong, further enhancing the Group's FX derivatives clearing efficiency and international market competitiveness. The Group also promoted digital advancement in businesses by improving its capabilities in online servicing, transaction processing and risk management.

In its **Southeast Asian business**, the Group remained focused on integrated development, while adopting the organic combination of market-by-market strategies as the template for a differentiated management approach across its regional entities, thus deepening and optimising its regional management model. It capitalised on business opportunities arising from the nation's new development paradigm and global trends in industrial relocation while prioritising the development of Belt and Road and the new round of "Going Global" projects, as well as serving large corporate customers in the region, thus enriching its financial products and service offerings. The Group capitalised on the regional strength of its Wealth Management brand and actively enhanced collaboration with regional partners to extend its product and service models across the Southeast Asia region. This included the launch of multi-asset income solutions at BOC Malaysia, offering investors diversified asset allocation options with a stable income stream. The Group also promoted the optimisation and integration of regional branches to improve branch efficiency.

2025 Third Interim Dividend and Closure of Register of Members

The Board has declared 2025 third interim dividend of HK\$0.29 per share, payable on Wednesday, 26 November 2025 to shareholders whose names appear on the Register of Members of the Company on Thursday, 20 November 2025.

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the third interim dividend, from Friday, 14 November 2025 to Thursday, 20 November 2025 (both days inclusive), during which period no transfer of shares will be registered. In order to qualify for the third interim dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 13 November 2025. Shares of the Company will be traded ex-dividend as from Wednesday, 12 November 2025.

General

This announcement may contain forward-looking statements that involve risks and uncertainties. The Company's shareholders and potential investors should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of these statements. These forward-looking statements are based on the Group's own information and information from other sources we believe to be reliable. The Group's actual results may be materially less favourable than those expressed or implied by these forward-looking statements, which could depress the market price of the Company's American Depositary Shares and local shares.

The Company's shareholders and potential investors should note that **all the figures contained herein are unaudited. Accordingly, figures and discussions contained in this announcement should in no way be regarded as to provide any indication or assurance on the financial results of the Group for the period ended 30 September 2025.**

The Company's shareholders and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.

By Order of the Board
HUANG Xuefei
Company Secretary

Hong Kong, 28 October 2025

As at the date of this announcement, the Board comprises Mr GE Haijiao (Chairman), Mr ZHANG Hui* (Vice Chairman), Mr SUN Yu (Vice Chairman and Chief Executive), Mr CAI Zhao*, Madam CHENG Eva**, Dr CHOI Koon Shum**, Madam FUNG Yuen Mei Anita**, Mr LAW Yee Kwan Quinn**, Mr LEE Sunny Wai Kwong**, Mr LIP Sai Wo** and Professor MA Si Hang Frederick**.*

* Non-executive Directors

** Independent Non-executive Directors