



10:45

中國銀行(香港) BANK OF CHINA Login

18°C  
↑ 19°C ↓ 17°C

1,500

BOC Express Cash Personal Loan, Empower your finances with integrated network

HSI

24836.76

↑ 0.01% ↑ 1.00%

Information provided by: [www.hkex.com.hk](#)  
Updated: 2015/02/23 17:59

Watchlist

Tap here to input stock code and tap + to add stock quotes displayed in homepage.

FX

Tap and hold this widget, then tap to select FX rates displayed

Nearby Branch

Fortress Hill 彌敦道

- Credit Card
- Mortgage
- Tax Loan
- Travel Insurance



# Efficient e-Banking Service



# Chairman's Statement



**TIAN Guoli**

Chairman

In 2014 we saw continued volatility in global financial markets, particularly in the last quarter of the year. The US was set to normalise its monetary policy, while weakened economic momentum in Europe and Japan prompted further quantitative easing measures. This, coupled with plummeting oil prices, heightened market anxiety. The Mainland economy grew at a more modest pace, and declining demand in Hong Kong hindered domestic GDP growth, although local residential property transactions picked up towards the year end. For Hong Kong banks, the acceleration in RMB internationalisation created new business opportunities. Against the backdrop of a complex and fast-changing environment, our financial strength enabled us to withstand the testing challenges of the year. We stepped up our efforts to capture strategic business opportunities and optimise our business structure, and focused on asset and liability management to achieve an encouraging set of results.

I am pleased to report that the Group delivered another year of record results in 2014, thanks to growth in our core businesses. Net operating income before impairment allowances increased by 9.8% year-on-year to HK\$44,282 million. Operating profit before impairment allowances increased by 10.9% to HK\$31,310 million. During the year, the Group achieved a profit attributable to the equity holders of HK\$24,577 million, a year-on-year increase of 10.4%. Earnings per share was HK\$2.3246. The Board has recommended a final dividend of HK\$0.575 per share. Together with the interim dividend of HK\$0.545 per share, the full year dividend will be HK\$1.120 per share, a rise of 10.9% year-on-year. The Group's total dividend payout as a percentage of profit attributable to the equity holders will be 48.2%. At the end of the year, we remained well-capitalised with a total capital ratio of 17.51%.

As a result of our sustainable growth strategy, our key financial indicators remained strong in 2014. We optimised our asset mix while strengthening our risk management. An appropriate balance of liquidity and capital was also well maintained. The Group's total assets grew at a healthy pace, and customer deposits and loans rose steadily. By keeping track of market developments and performing thorough credit checks, the Group maintained its benign asset quality. In recognition of our solid financial position

and record of achieving long-term profitability from our core businesses, BOCHK was named the Strongest Bank 2014 in Asia Pacific and Hong Kong by *The Asian Banker*.

Our operating philosophy has always been based on innovation and improving customer experience. During the year, we catered for the increasingly diverse needs of customers, emphasising close coordination among our business units, product innovation and an enhanced customer segmentation strategy. Our expertise in wealth management also continued to deepen, which enabled us to attract high quality customers and further elevated recognition of our brand. At the same time, we continued to take advantage of the latest trends in information technology. In order to improve the customer experience, the Group strengthened the sales capabilities of its diversified business platforms through the provision of a secure online trading platform and the launch of innovative mobile applications including a one-stop mortgage service for smartphones. In 2014, the Group maintained its market leadership in new mortgage underwriting business in Hong Kong. For the seventh consecutive year, we were honoured with the Best SME's Partner Award from the Hong Kong General Chamber of Small and Medium Business.

During 2014, Hong Kong's offshore RMB business flourished. The official launch of Shanghai-Hong Kong Stock Connect along with the further relaxation of personal RMB business in Hong Kong marked another important milestone in the offshore RMB business. Riding on the business opportunities arising from Shanghai-Hong Kong Stock Connect, the Group provided a comprehensive A shares investment service that helped customers capture investment opportunities through our multiple trading and service channels. We also took advantage of the removal of limitations announced by HKMA for Hong Kong residents on RMB currency conversions and RMB personal loan services. Following such announcement, we began providing a timely array of new products and services, including RMB mortgage loans and personal lending, which reinforced our position as the first mover in offshore RMB business.

The internationalisation of the RMB also created new opportunities for global trade, finance and investment. RMB businesses further developed by the Group during the year included cross-border

RMB settlement, loans, deposits, CNH currency exchange, insurance and credit cards. Moreover, we continued to break new ground in related businesses in the China (Shanghai) Pilot Free Trade Zone ("Shanghai Free Trade Zone") and Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone ("Qianhai"). As of today, the Group is the forerunner in cross-border RMB cash pooling in the Shanghai Free Trade Zone, which helps enterprises make more flexible use of their onshore and offshore funds. Additionally, we are providing banking services to Qianhai enterprises and financing major infrastructure construction projects in the area.

The Group continued its contributions towards the development of offshore RMB business in Hong Kong. Designated as a Primary Liquidity Provider by the HKMA for Hong Kong's offshore RMB market, we will assist in satisfying the market demand for RMB funds. As the clearing bank for RMB business in Hong Kong, we also enhanced the quality of our services by extending RMB clearing service hours from October 2014. We now offer the longest operating hours globally, covering time zones in Europe, America and Asia. Also in 2014, we gained ISO 9001:2008 for our efficient, well-managed RMB Clearing Centre, making us the first RMB Clearing Centre worldwide to achieve this accreditation.

To support our customers' global expansion plans and connect foreign customers to their Mainland counterparts, we have been reinforcing our global solution capabilities in collaboration with our parent bank, BOC, and its overseas branches. As the leading Asia-Pacific syndication loan centre in the BOC Group, we have been the top mandated arranger in the Hong Kong-Macau syndicated loan market for ten consecutive years. In 2014, we continued to help our customers meet their cross-border wealth management needs through our expertise, integrated business referral system and full range of innovative cross-border financial services. We are also well positioned to capture opportunities arising from our collaboration with the BOC Group's institutions in Guangdong, Hong Kong, and Macau as part of an orchestrated effort to win new business via our exclusive service edge.

Looking ahead to 2015, the Hong Kong banking sector faces an operating environment filled with as many opportunities as there are challenges. In many parts of the globe, the economic recovery is likely to remain uneven. Fortunately for those of us in this region, we can expect further economic integration and growing business opportunities following the acceleration of RMB internationalisation, the Mainland government's policy of One Belt, One Road, and the launch of additional Pilot Free Trade Zones in the future. Nevertheless, Hong Kong banks will have to deal with intensifying competition and comply with more stringent regulatory requirements. The liquidity coverage ratio requirement under Basel III will start to phase in from 2015, while other capital buffers will come into effect from 2016 onwards.

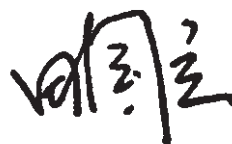
In the meantime, we will capitalise on our strong financial position and market knowledge. We will continue to strengthen our asset and liability management, introduce new service models and ride on the latest technology trends to increase our service efficiency and sales capabilities, as these will all help us achieve our long-term strategic goal of sustainable development.

On 6 March 2015, Mr HE Guangbei resigned as Vice Chairman, Executive Director and Chief Executive of the Company due to age reason while Mr YUE Yi was re-designated to succeed all of his roles. I would like to extend my sincere appreciation to Mr HE for leading the Group to achieve outstanding results over the past twelve years and establishing a solid foundation for the Group's long-term prosperity. Meanwhile, I warmly welcome Mr YUE in his new roles and trust that his broad experience in the banking industry together with his global perspective will bring us into a new era of growth for the Group.

The Board composition was changed. Mr LI Lihui resigned from his post as the Vice Chairman of the Company. Mr ZHOU Zaiqun retired as a Non-executive Director, while Dr FUNG Victor Kwok King retired and Mr NING Gaoning resigned as Independent Non-executive Directors of the Company. On behalf of the Board, I would like to extend my sincere appreciation to all of them for their valuable contributions to the Group during their tenure of service. At the same time, I would like to warmly welcome Mr CHEN Siqing, who has assumed his role as the Vice Chairman, and Mr ZHU Shumin, who has joined us as Non-executive Director, and Madam CHENG Eva was appointed as an Independent Non-executive Director of the Company. With their abundant experience in various areas, I trust they will bring new thinking to the Group. Mr GAO Yingxin was re-designated from Executive Director into Non-executive Director in March 2015 due to his other work engagement in the BOC Group.

Mr ZHUO Chengwen resigned in August 2014 as the Chief Financial Officer due to his other work engagement in the BOC Group while Madam SUI Yang succeeded him in this role on the same day. Mr YEUNG Jason Chi Wai retired as Deputy Chief Executive (Personal Banking) and Mrs KUNG YEUNG Ann Yun Chi was appointed as his successor in March 2015. The Board wishes to thank Mr ZHUO and Mr YEUNG for their contributions to the Group and welcome Madam SUI and Mrs KUNG in their new roles.

In 2014, the Group achieved another year of solid results. I would like to express my gratitude to the Board for their wise counsel, to all staff for their hard work and commitment, to our customers for their loyalty and trust, and to our shareholders for their continuous support. With our concerted efforts, I have every confidence that the Group will attain new heights and maximise shareholder value in the years ahead.



**TIAN Guoli**

Chairman

Hong Kong, 25 March 2015