



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

(HK Stock Code: "2388", ADR OTC Symbol: "BHKLY")

PROACTIVE MANAGEMENT FOR SUSTAINABLE GROWTH

Highlights of 2010 Annual Results

- Profit attributable to shareholders of HK\$16,196 million, up by 16.3%; earnings per share of HK\$1.5319
- Net operating income before impairment allowances of HK\$27,508 million, up 5.6%
- Operating profit before impairment allowances of HK\$17,924 million, up 28.8%
- Return on average capital and reserves attributable to the equity holders at 14.77% and return on average total assets at 1.21%
- Total assets of HK\$1,661.0 billion, up 37.0%. Customer deposits up by 21.6% whereas total advances to customers grew 19.1%
- Excellent loan quality with classified or impaired loan ratio at 0.14%
- Strong financial position with capital adequacy ratio of 16.14% and average liquidity ratio of 38.77%
- Final dividend of HK\$0.572 per share; total dividend of HK\$0.972 per share for 2010, up 13.7%; subject to approval by shareholders at the Annual General Meeting

"I am pleased to report that the Group delivered record results in 2010, with both net operating income before impairment allowances and profit attributable to shareholders achieving new highs since our listing. During the year, we focused on executing our proactive business strategy to balance growth, return and risks. We proactively managed our capital and liquidity to support business growth and to ensure our competitiveness. The Group has remained financially sound and recorded solid growth in its core businesses. Meanwhile, our efforts to solidify our leadership in the offshore RMB business delivered encouraging results. RMB business is an important strategic focus of the Group and we continued to strengthen our business platform and customer relationship. We also worked closely with BOC, our parent bank, to enhance the Group's overall RMB service capability and to extend our service outside Hong Kong.

Going forward, the Group will maintain its proactive management to deliver sustainable growth and to ensure its competitiveness. Commencing in 2011, we will adopt the foundation internal ratings-based approach for the Group's capital calculation for credit risks. The adoption will help ensure more efficient capital management to better position the Group for quality growth opportunities and to meet the upcoming regulatory requirements under Basel III. Meanwhile, it is expected that the offshore RMB market will continue to expand in an incremental and orderly manner which will present significant business opportunities for the banking sector and the Group in the longer term. We will continue to strengthen our business platform and market leadership to capture these opportunities.

Embedded in our core business strategy is our commitment to sustainability. My colleagues and I are committed to striving for continual improvement and creating value for our shareholders. We are proud of our franchise and have a strong capital position, which, together with our clear strategy and determination, will put us in a unique position to lead the way forward for the Group's sustainable growth in the long term."

Xiao Gang, *Chairman*

BOC Hong Kong (Holdings) Limited ("The Company"), is a leading commercial banking group in Hong Kong. We offer a comprehensive range of financial products and services to individual and corporate customers. Our extensive branch network in Hong Kong and the Mainland of China allows us to meet the cross-border financial service needs of Hong Kong and Mainland customers. The Company is a subsidiary of Bank of China Limited (HK Stock Code: 3988) which holds a 66.06% equity interest in the Company.

For detailed information of the annual results, please visit www.bochk.com

