



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

SUSTAINABLE GROWTH ON SOLID FOUNDATION

Highlights of 2011 Annual Results

- Both net operating income before impairment allowances and profit attributable to the equity holders achieved new highs
- Profit attributable to the equity holders of HK\$20,430 million, up by 26.1%; earnings per share of HK\$1.9323
- Net operating income before impairment allowances of HK\$30,846 million, up 12.1%
- Operating profit before impairment allowances of HK\$22,984 million, up 28.2%
- Return on average shareholders' equity at 16.68% and return on average total assets at 1.14%
- Total assets of HK\$1,738,510 million, up 4.7%. Customer deposits up by 11.6% whereas total advances to customers grew 14.1%
- Excellent loan quality with classified or impaired loan ratio at 0.10%
- Strong financial position with consolidated capital adequacy ratio of 16.90% and average liquidity ratio of 36.17%
- Final dividend of HK\$0.558 per share; total dividend of HK\$1.188 per share for 2011, up 22.2%; subject to approval by shareholders at the Annual General Meeting

"It gives me great pleasure to report that the Group delivered another year of record results in 2011, reflecting the solid performance under our balanced growth strategy. We remained focused on managing our capital, liquidity and risks, as reflected in our strong financial position.

This result was achieved despite more challenging market conditions in 2011. We adopted proactive measures to enhance our asset and liability management, with an aim to improve overall profitability and to contain risks. Our loan quality stayed solid on the back of our strong credit discipline and prudent customer selection. To contain the potential risks arising from the Eurozone debt crisis, we have actively reduced our risk exposure in Europe. Costs were carefully managed while continuing to invest in our business. To support our business growth, a flexible deposit strategy was adopted to consciously manage our funding cost. Under our Medium Term Note Programme, we also successfully issued US\$750 million senior notes to global investors to diversify our source of funding. All these measures not only contributed to satisfactory results in 2011 but have also solidified our position to capture market opportunities in 2012.

We maintained our leading positions in the offshore RMB business including deposits, trade settlements, credit cards and insurance, etc. Increased asset deployment channels of our RMB funds also enabled us to improve returns. During the period, we have further enhanced our clearing services and network. With the increasing significance of RMB in the global economy, together with our close cooperation with our parent bank, BOC, we are well positioned to provide high quality RMB services to meet the global needs of BOC Group's customers.

Looking forward, despite the possible headwinds ahead, the Group will continue to pursue opportunities leveraging its core competencies and solid fundamentals. We will strive to enhance the efficiency of our internal control mechanisms and to safeguard our financial position. We will also firmly adhere to our strong discipline embedded in our business model to deliver quality growth.

This year is the 10th anniversary of the Company's listing in Hong Kong. I am pleased with the healthy development and consistently solid performance of the Group over the past ten years. We will remain committed to building a solid and sustainable platform for our customers, shareholders, employees and the communities where we serve."

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

