



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 2011 Interim Results

- Profit attributable to equity holders of HK\$11,993 million, up 66.8% as compared to the first half of 2010
- Net operating income before impairment allowances of HK\$15,126 million, up 20.6% year-on-year
- Operating profit before impairment allowances of HK\$13,133 million, up 64.0% year-on-year
- Return on average shareholders' equity at 19.88% and return on average total assets at 1.33%
- Total assets of HK\$1,830.4 billion, up 10.2% from end-2010. Customer deposits up by 7.5% whereas advances to customers up by 9.7%
- Excellent loan quality with classified or impaired loan ratio at 0.10%
- Strong financial position with consolidated capital adequacy ratio of 17.62%. Core capital ratio at 12.87%
- Interim dividend of HK\$0.63 per share, up 57.5% year-on-year

"In the first six months of 2011, the Group continued to adopt a proactive growth strategy and delivered satisfactory results. Our results were solid and well-balanced, with continued growth in core business while maintaining a strong financial position and sound risk management.

Against the backdrop of very robust loan demand in Hong Kong, we strictly adhered to our credit policies and focused on customer selection to ensure quality growth. Our classified or impaired loan ratio improved to a new low. Commencing 2011, we migrated to the foundation internal ratings-based approach under the Basel II capital adequacy framework to quantify our credit risk. Our capital adequacy ratio maintained at a solid level of 17.62% as at end June 2011. We believe a strong capital base will provide us with greater flexibility to fund future business growth and offer a safeguard against market uncertainties.

For our business development, we continued to enhance our business platform and deepen our customer relationship for the Group's long-term sustainable growth. With our Global Relationship Manager Programme, we closely collaborated with Bank of China Limited, the parent bank, and offered total solutions to core corporate clients. We also broadened our high-quality and cross-border customer base by offering differentiated services to our wealth management customers. The offshore RMB business is another key area which enables us to capture more business opportunities. During the period, we continued to expand our RMB deposit base and our trade settlement and exchange transactions also recorded satisfactory growth. We also diversified the uses of RMB funds and broadened the RMB product spectrum in order to enhance profitability and service capability. As the sole Clearing Bank of the RMB banking business in Hong Kong, we are fully committed to the healthy and orderly development of the offshore RMB market.

Looking into the second half of the year, we may face increasing uncertainty and volatility in the market. We need to stay alert and be prepared. We will remain focused on proactively and prudently managing our capital, liquidity and risks. We will continue our growth in a sustainable and balanced manner. On the back of the Group's financial strengths and proactive management, we believe we will be strongly positioned to safeguard against market uncertainties while capturing the emerging growth opportunities."

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 interim results, please visit www.bochk.com

