



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

A CENTURY OF HERITAGE A NEW ERA OF EXCELLENCE

2017 ANNUAL RESULTS REACH A NEW HIGH

2017 witnessed the continued recovery of the global economy. The mainland economy remained stable with good growth momentum, while Hong Kong's economy grew at its fastest pace in recent years. The operating environment of the banking industry in Hong Kong improved, though market competition remained intense. With 2017 marking the centenary of BOC's service to Hong Kong, we earnestly carried out the Board's decisions and strived for steady advancement. As a result, we effectively implemented our strategy and further enhanced the reputation of our century-old brand. In 2017, we were awarded Bank of the Year in Hong Kong for the third time by *The Banker* in the UK and the Strongest Bank in Asia Pacific and Hong Kong for the fourth consecutive year by *The Asian Banker*.

The profit attributable to equity holders of the Company from our continuing operations hit a new high, increasing by 15.9% year-on-year to HK\$28,481 million. We achieved steady growth in total assets, further improved on our financial performance indicators, and maintained a stable risk profile. The Board has recommended a final dividend of HK\$0.758 per share. Together with the interim dividend and the special dividend, the full-year total dividend will be HK\$1.398 per share. Excluding the special dividend, the Company's total dividend payout as a percentage of profit attributable to equity holders will be 48.4%.

BOCHK continued to seize opportunities, leverage its professional service capabilities and proactively develop its businesses. We completed the disposal of our equity stake in Chiyu Bank, as well as a series of acquisitions including subsidiaries and branches in Thailand, Indonesia, Cambodia, the Philippines and Vietnam. Together with the acquisition of BOC Malaysia and the establishment of Brunei Branch in 2016, BOCHK has already expanded its business footprint in seven Southeast Asian countries, making substantial progress in its regional expansion strategy. In addition, our leading position was further expanded by our proactive efforts to promote RMB internationalisation. Moreover, by capitalising on the opportunities arising from the Belt and Road Initiative and the Guangdong-Hong Kong-Macao Greater Bay Area development, we promoted synergistic development and enhanced cross-border collaboration. We remained deeply committed to the local market. We deepened our branch network transformation programme and stepped up Fintech innovation, solidifying and enhancing our market position further. In order to provide increasingly comprehensive financial services and effectively expand our sources of income, we continued to promote the development of our key business platforms including credit card, private banking, life insurance, asset management, cash management, custody and trust services as well as securities and futures. Meanwhile, we diligently perform our duties in accordance with relevant laws and regulations by building a regional risk management system to enhance the risk management and internal control capabilities.

Looking into 2018, we expect the global economic recovery to continue. The mainland economy will transit from a stage of rapid growth to a stage of high-quality development. Hong Kong's economy, meanwhile, will maintain its positive growth momentum. The Southeast Asia region will also sustain a steady growth trajectory. BOCHK will closely follow BOC Group's strategic goal of "Build a World-class Bank in the New Era" and forge ahead to build a top-class, full-service and internationalised regional bank. Capitalising on the important national opportunities of the Belt and Road Initiative, RMB internationalisation and the development of the Guangdong-Hong Kong-Macao Greater Bay Area, we will capture the promising business prospects brought about by the mutual connectivity of financial markets between the mainland and Hong Kong and give full play to Fintech trends in order to further enhance the competitiveness, scale and market position of our businesses. BOCHK will write a new chapter of its development for the new era, while making a greater contribution to the long-term prosperity and stability of Hong Kong and creating superior returns for our shareholders.

Highlights of 2017 Results

	2017	(Restated ¹) 2016	Change
	HK\$'m	HK\$'m	+/- %
Profit attributable to equity holders of the Company ²	28,481	24,574	+15.9
Earnings per share (HK\$) ²	2.6938	2.3243	+15.9
Return on average total assets (%) ²	1.14	1.13	
Return on average shareholders' equity (%) ²	13.49	12.19	

	31 Dec 2017	(Restated ¹) 31 Dec 2016	Change
	HK\$'m	HK\$'m	+/- %
Total assets	2,645,753	2,354,740	+12.4
Deposits from customers	1,774,297	1,523,292	+16.5
Advances to customers	1,144,459	988,193	+15.8
Classified or impaired loan ratio (%)	0.18	0.23	

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

Notes:

- Due to the completion of the acquisitions of Bank of China (Thai) Public Company Limited ("BOC Thailand") and Indonesia Business and Cambodia Business from BOC on 9 January 2017, 10 July 2017 and 6 November 2017 respectively, the Group has applied the merger accounting method in the preparation of financial statements for the combination with entities under common control for the operating results and assets and liabilities of BOC Thailand, Jakarta Branch and Phnom Penh Branch. The comparative information for the year 2016 has been restated accordingly.
- From continuing operations only.

BOC Hong Kong (Holdings) Limited (the "Company"), together with its subsidiaries (collectively known as the "Group"), is a leading commercial banking group in Hong Kong, holding the entire equity interest of Bank of China (Hong Kong) Limited ("BOCHK"), its principal operating subsidiary. We offer a comprehensive range of financial products and services to personal, corporate and institutional customers through our most extensive local branch network and diverse service platforms. BOCHK is one of the three note-issuing banks and the Clearing Bank for Renminbi business in Hong Kong. The Company is a subsidiary of Bank of China Limited (HK Stock Code: "3988"), which holds an approximately 66.06% equity interest in the Company.

