



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

2018 ANNUAL RESULTS

In 2018, the global economy continued to recover despite increasingly divergent development trends across different regional economies. The Chinese economy achieved positive progress amid overall stability. The Hong Kong economy achieved a commendable growth. The economic fundamentals of the Southeast Asian region remained robust. Hong Kong's banking industry continued its solid and prudent development, while the fusion of finance and technology accelerated and competition remained intense. Thanks to the wise leadership and well-formulated plans of its Board of Directors, we seized market opportunities, overcame difficulties and pursued innovation with a view to achieving its strategic goal of "building a top-class, full-service and internationalised regional bank", therefore, enhancing our high-quality development and achieving a healthy financial performance.

We reported a profit attributable to equity holders of HK\$32,000 million in 2018, up 12.0% compared with the profit from continuing operations in the same period of 2017. Our core businesses realised satisfactory performance. We also achieved steady growth in total assets with a stable risk profile and major financial indicators standing at solid levels. The Board recommended a final dividend of HK\$0.923 per share for 2018. Including the interim dividend, our full year dividend would be HK\$1.468 per share, an increase of HK\$0.07 per share from the previous year. Our dividend payout ratio stood at 48.5%.

We endeavoured to deepen its commitment to the Hong Kong market and sharpened the competitive edges of its products. We stepped up efforts to strengthen our business development and customer relationships, and strived to become the main bank for our major customer groups. The Guangdong-Hong Kong-Macao Greater Bay Area is a primary focus of our business development. We strive to facilitate convenience of living in the Greater Bay Area and support Greater Bay Area development through financial services. We also proactively develop the Southeast Asian market. Our business coverage in Southeast Asia has expanded to eight countries, including Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei, helping us to enhance our financial service capabilities along the Belt and Road. We enthusiastically sharpened our capabilities for driving technology-based development and digitalisation in order to enhance our customer experience. In support of the Group's strategic development plan, we dedicated ourselves to cultivating our bank culture, achieving absolute compliance with all applicable laws and regulations, and strengthening our risk management in all aspects.

Looking into 2019, we will firmly pursue its strategic goal of "building a top-class, full-service and internationalised regional bank". To achieve this goal, we will persist in its commitment to the local market, actively participate in the construction of the Greater Bay Area and fully exploit the potential of Southeast Asian market. Through innovation and unswerving determination, we will strive to make a greater contribution to the long-term prosperity and stability of Hong Kong and creating superior returns for our stakeholders.

Highlights of 2018 Annual Results

	2018	(Restated ¹) 2017	Change
For the year	HK\$m	HK\$m	+/- %
Profit attributable to equity holders of the Company	32,000	28,574 ²	+12.0%
Earnings per share (HK\$)	3.0266	2.7026 ²	+12.0%
Dividend per share (HK\$)	1.468	1.303 ³	+12.7%
Return on average total assets (%)	1.16	1.15 ²	+0.01ppt
Return on average shareholders' equity (%)	12.83	12.10 ²	+0.73ppt

	2018	(Restated ¹) 2017	Change
At year end	HK\$m	HK\$m	+/- %
Total assets	2,952,903	2,651,086	+11.4%
Deposits from customers	1,895,556	1,777,874	+6.6%
Advances to customers	1,266,705	1,146,426	+10.5%
Total capital ratio (%)	23.10	20.39	+2.71ppt
Classified or impaired loan ratio (%)	0.19	0.18	+0.01ppt

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

Notes:

- Following the completion of the acquisition of the Vietnam Business and Philippines Business of BOC on 29 January 2018, we have applied the merger accounting method in the preparation of financial statements for the combination of entities under common control. The comparative information for 2017 has been restated accordingly.
- From continuing operations only.
- Exclude the special dividend of HK\$0.095 per share.

Bank of China (Hong Kong) Limited ("BOCHK") is a leading commercial banking group in Hong Kong with strong market positions in all major businesses. We have the most extensive local branch network and diverse service platforms in Hong Kong, including approximately 200 branches, 270 automated banking centres, efficient e-channels of over 1,000 self-service machines, as well as Internet and Mobile Banking services. We offer a comprehensive range of financial, investment and wealth management services to personal, corporate and institutional customers. To implement the overseas development strategy of BOC Group, we strive to drive our regional development by expanding our business in the Southeast Asian region. Our branches and subsidiaries have been extended to Southeast Asian countries such as Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia, Laos and Brunei, with the provision of professional and high-quality financial services to local customers. We will also expedite our development into a top-class, full-service and internationalised regional bank. BOCHK is one of the three note-issuing banks and the sole clearing bank for Renminbi ("RMB") business in Hong Kong. With our strong RMB franchise, we are the first choice of customers in this business. Through the deep collaboration with our parent bank, BOC, we provide a full range of high quality cross-border services to multinationals, cross-border customers, mainland enterprises going global, central banks and super-sovereign organisations.

BOC Hong Kong (Holdings) Limited, BOCHK's holding company, is one of the largest listed companies on the main board of the Stock Exchange of Hong Kong, with stock code "2388" and ADR OTC Symbol "BHKLY".

