



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

2018 INTERIM RESULTS

In the first half of 2018, the global economy continued its recovery. The Chinese economy steadily developed in a favourable direction. The Hong Kong economic growth remained strong. However, the banking industry in Hong Kong also faced many challenges, including changes in global monetary policies, rising geopolitical risks, looming trade protectionism, and intensifying market competition. Adhering to our strategy of "Building a Top-class, Full-service and Internationalised Regional Bank", we earnestly carried out the Board's decisions and strived for steady advancement. We stepped up efforts to enhance our overall risk management and internal controls in order to ensure balanced, sustainable and high quality growth. This strategy has produced notable results.

In the first half of 2018, we reported a profit attributable to equity holders of HK\$17,528 million, up 17.7% 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 has recommended an interim dividend of HK\$0.545 per share for the first half of 2018, unchanged compared with the interim dividend of 2017 excluding special dividend.

Following the completion of the acquisition of the Philippines Business and Vietnam Business on 29 January 2018, we expanded our operational network to seven Southeast Asian countries including Thailand, Malaysia, Vietnam, the Philippines, Indonesia, Cambodia and Brunei. This marked the first year of our management of all Southeast Asian institutions and the implementation of our regional development. In the reporting period, BOCHK further improved its regional management framework and model, affirmed differentiated market positioning and delivered stable growth in its Southeast Asian businesses. We also innovated financial services and products to serve the cross-border flow of people, material resources, capital and information, gave financial support to the Greater Bay Area project, and proactively pushed forward the integrated business development of the Guangdong, Hong Kong and Macao region. Seizing market opportunities, BOCHK deepened its local market commitment in Hong Kong while focusing on the construction of its diversified business platforms. We also enhanced our comprehensive financial services for a wide range of customers, including multi-national corporations, local commercial and industrial enterprises, and personal customers, so as to improve our competitive advantage. Moreover, we stepped up innovation in financial technology ("fintech") and optimised our online platform in a bid to intensively pursue a digitalisation strategy. In addition, BOCHK also continued to strengthen its risk management, internal controls and compliance management, while further refining its asset-liability management, with a view to ensuring balanced and solid development.

Looking into the second half of 2018, with the commitment of our entire staff, BOCHK will stick to its strategic goal of "Building a Top-class, Full-service and Internationalised Regional Bank". We will seek to achieve solid results in our areas of business focus while making a greater contribution to the long-term prosperity and stability of Hong Kong, and creating higher returns for our shareholders.

Highlights of 2018 Interim Results

	30 Jun 2018	(Restated ¹) 30 Jun 2017	Change
For the period	HK\$m	HK\$m	+/- %
Profit attributable to equity holders of the Company ²	17,528	14,897	+17.7
Earnings per share (HK\$) ²	1.6578	1.4090	+17.7
Return on average total assets (%)	1.27	1.34	
Return on average shareholders' equity (%)	14.32	13.76	

	30 Jun 2018	(Restated ¹) 31 Dec 2017	Change
At period/year end	HK\$m	HK\$m	+/- %
Total assets	2,774,445	2,651,086	+4.7
Deposits from customers	1,856,155	1,777,874	+4.4
Advances to customers	1,230,508	1,146,426	+7.3
Classified or impaired loan ratio (%)	0.22	0.18	

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

Notes:

- Due to the completion of the acquisition of the Indonesia Business and Cambodia Business of BOC on 10 July 2017 and 6 November 2017 respectively, and that of the Vietnam Business and Philippines Business of BOC on 29 January 2018, the Group has applied the merger accounting method for the combination of entities under common control in the preparation of financial statements. The comparative information for 2017 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 sole Clearing Bank for Renminbi business in Hong Kong. In addition, 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 Malaysia, Thailand, Indonesia, Cambodia, Brunei, Vietnam and the Philippines, 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. 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.

