

2024 Annual Results

March 26, 2025



This presentation and subsequent discussions may contain forward-looking statements that involve risks and uncertainties. These statements are generally indicated by the use of forward-looking terminology such as believe, expect, anticipate, estimate, plan, project, target, may or will, or may be expressed as being the results of actions that may or are expected to occur in the future. You should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of this presentation. These forward-looking statements are based on our own information and on information from other sources we believe to be reliable. Our actual results may be materially less favorable than those expressed or implied by these forward-looking statements which could depress the market price of our local shares and Level 1 ADSs.



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Outlook

01

Strategy Review



Solid Growth in Operating Results and Shareholder Returns

Profit Attributable to
Equity Holders

HK\$38.2bn

+16.8%



ROE

11.61%

+1.01ppt

Full Year DPS

HK\$1.989

+19.0%



Dividend Payout Ratio

55.0%

+1.0ppt

Enhancing Service Quality and Efficiency while Deepening Local Market Development

Personal Banking



#1 in number of new residential mortgage loans for 6 consecutive years

Steady growth in payroll account customer base

New-to-bank high-end customers up 98%

Net growth in cross-border high-end customers up 83%

New-to-bank young customers up 48%

BOC Life

Standard new premiums up 50%, #2 market ranking*

Value of new business up 65%

**Based on data for 1-3Q24 released by Insurance Authority*



Corporate Banking



#1 lead arranger for HK/Macao syndicated loans for 20 consecutive years

Number of cash pools up 27%

Bond underwriting volume up 25%

Assets under custody up 30%

BOCI Prudential

MPF AUM up 16%

Among the top tier in the market



Financial Markets



Cemented status as HKD and RMB market-maker

Number of treasury clients transacting online up over 20%

Double-digit growth in treasury client trading volume

Among the top tier in the market in terms of HKEX RMB and HKD interest rate swap clearing volume

Successfully launched a central counterparty client clearing business at LCH

BOCHK Asset Management

Assets under management and advisory up 16%



Strengthening our Advantages in MMA Scheme Businesses



- **Remained at the forefront** in Stock Connect, Bond Connect, Wealth Management Connect (WMC) and Swap Connect businesses
- **57%** increase in **Cross-boundary WMC** customers, **leading the market** in funds remittance

MMA: Mutual Market Access Scheme

Catering to New Consumption Habits



- Number of GBA Account Opening customers increased **by 16%**
- BoC Pay transaction amount in the Mainland surged **by 1.1x**
- Mainland credit card spending rose by **19%**, reaching a 5-year high

Fostering the Growth of Innovative Technology Enterprises



- Tech firm customer base **increased by 8%**
- Enriched cross-border financial service solutions under our **GBA thematic series** for corporate customers and became the first bank to pilot cross-border corporate credit referencing

Actively Seizing Policy Opportunities



- Signed **MOU** with the HKSAR Government to support the **Northern Metropolis development**
- Among the first banks to launch a dedicated service for the **New Capital Investment Entrant Scheme**

Achieving Effective Regional Synergies through the "One Branch One Policy" Strategy in Southeast Asia

- Achieved **13% increase** in SEA entities' corporate customer base by focusing on **Belt and Road Cooperation**, Chinese enterprises' **"Going Global"** efforts and regional large corporates
- Optimised the regional brand development of **"Wealth Management"**, partnered with family offices, and engaged in UnionPay International's cross-border QR Interconnectivity Programme
- Enhanced SEA entities' treasury business and RMB trading capabilities, achieving steady growth in **RMB** trading volume
- Jakarta Branch won the **"Conventional Banks Best Supporters of Foreign Exchange Monetary Control Award"** from Bank Indonesia



Customer Deposits

HK\$86.2bn

+16.5%



Customer Loans

HK\$58.7bn

+9.9%



Net Operating Income

HK\$4.93bn

+16.7%



Non-performing Loan Ratio

2.78%

-0.08ppt

Remark: Customer deposits, customer loans and net operating income represented the combined data of nine SEA entities prepared in accordance with HKFRS. Percentage changes were calculated on constant currency terms. The non-performing loan ratio was calculated in accordance with local regulatory requirements.

+59%

RMB Customer Loans

+26%

Offshore RMB Public Bond Underwriting

RMB 713tn / +49%

HK's RMB Clearing Volume Accounted for over **70%*** of the Global Offshore Total

Cementing Business Advantages

- Extended HK's RMB clearing service hour to **5x24** for cross-border RMB clearing
- Cambodia RMB clearing bank started operations, with steady growth in RMB clearing volume in SEA
- Offshore RMB public bond underwriting volume **rose by 26%, consolidating our business advantages**
- **#1 market ranking for 12 consecutive years** in RMB standard new premiums for first three quarters of 2024
- Awarded "**Best Renminbi Bank in Hong Kong**" by *The Asset* for 2nd consecutive year

Leading Market Innovations

- Launched thematic **RMB trade solutions**
- Added "**e-CNY Zone**" to the BoC Pay app
- Issued RMB 5 billion in **panda bonds**
- Completed the **first** RMB repo deal collateralised with bonds under Northbound Bond Connect
- Became the **first** offshore institutional investor participating in a CFETS standard interest rate swap deal

*Based on RTGS data

Deepening Digital Transformation while Developing Hong Kong's Financial Infrastructure



Supported Financial Infrastructure

Supported HKSAR Government's **severe weather market trading arrangements**, and completed test for HKMA's "**IADS**" programme
Among 1st batch to participate in HKMA's CBDC Project **Ensemble** Sandbox , achieving a proof-of-concept for tokenised money market fund transactions
1st local commercial bank to link to **the mBridge platform**, supporting end-to-end, two-way remittance transactions via automated processing
Selected for 2nd phase of **e-HKD Pilot Programme** to explore scenarios of prepayment and dedicated funds for special purpose using blockchain



Empowered Business Development

Grew active mobile banking personal customers **by 18%** and extended mobile banking account opening function to Mainland inbound tourists
Online mortgage applications accounting for **over 80%**, with **about 192,000** downloads of the "Home Expert" app, which added **a special "Talent Schemes" zone**
Launched brand-new version of **iGTB** corporate mobile banking, **doubling the number** of BOC Connect registered users
Recorded **18% growth** in BoC Pay customers and **10% increase** in BoC Bill settlement volume



Enhanced Smart Operations

Scaled up the **Nanning Regional Operating Centre in Guangxi** and improved operational efficiency and productivity
Used AI models and robotic process automation technology to enhance fraud prevention and detection
Improved data management system, reinforced data security management and enhanced data quality, with **99.97%** of key data items meeting quality standards



Established an Innovation Culture

Sponsored "**BOCHK Science and Technology Innovation Prize**" for 3rd consecutive year
Organised "**BOCHK Challenge**" for 8th consecutive year
Hosted "**BOCHK Ideation Contest**" for 12th consecutive year

Creating a New Landscape for Green Finance and Nurturing New Sustainable Development Drivers



Green & Sustainability related Loans

+29%



Number of ESG Funds Available for Sale

+38%



ESG Bond Investments

+25%

- Assisted Guangdong, Hainan and Shenzhen governments to issue ESG-themed bonds
- Satisfied demands for SME financing and corporate transformation in accordance with **HKMA's nine SME measures**
- Became the 1st Chinese bank to establish its own "**Taxonomy for Green and Sustainable Finance Standard**"
- BOC Tower and BOC Building were certified as operationally **carbon neutral**
- Expanded talent pool **by 20%** and achieved **steady rise** in staff survey satisfaction
- Supported distinctive large-scale charity projects and **160** volunteer events totalling **29,000** service hours
- Rated "low risk" by Sustainalytics ESG for the first time, the lowest ESG risk of any Hong Kong bank
- Selected for the first time as a constituent of the "FTSE4Good Index Series"
- Bestowed "Top Ten Highest Volunteer Hours Award" and "Outstanding Corporate Merit Award" by HKSAR Government for 3rd consecutive year



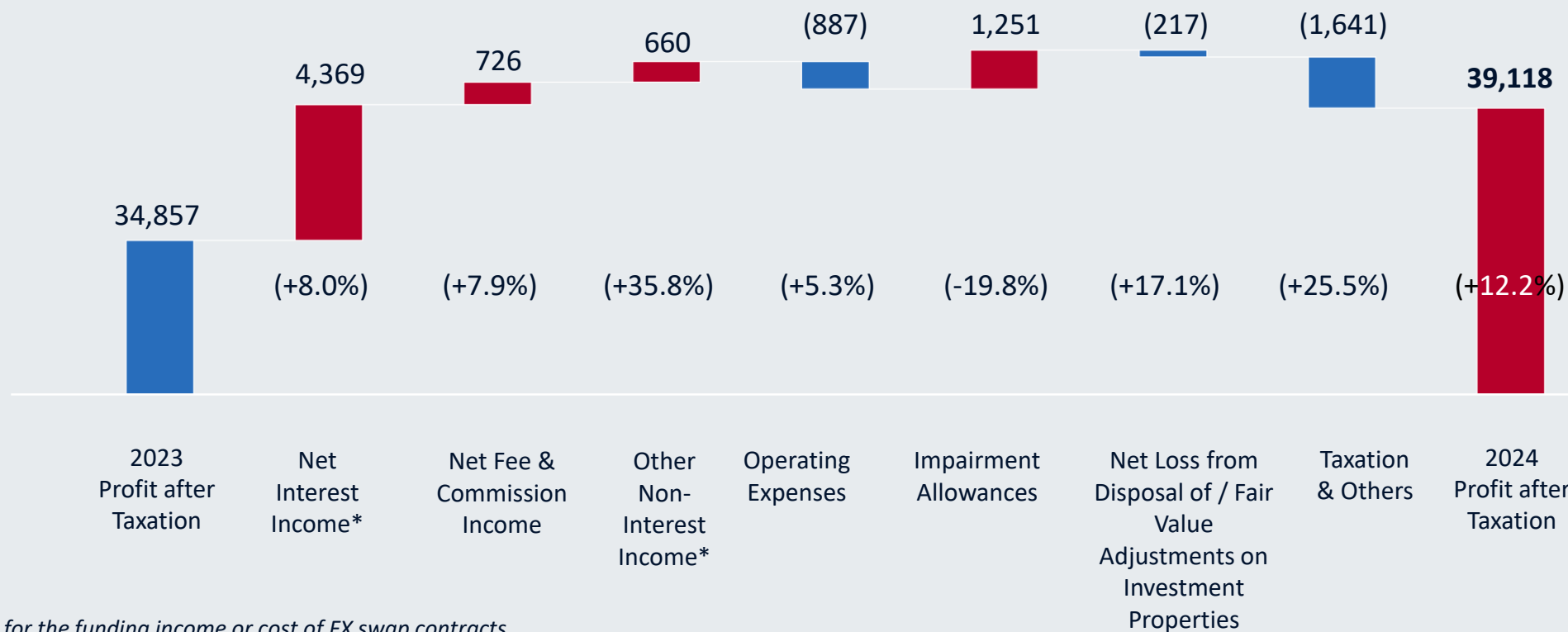
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Financial & Business Results



Steady Growth in Operating Results

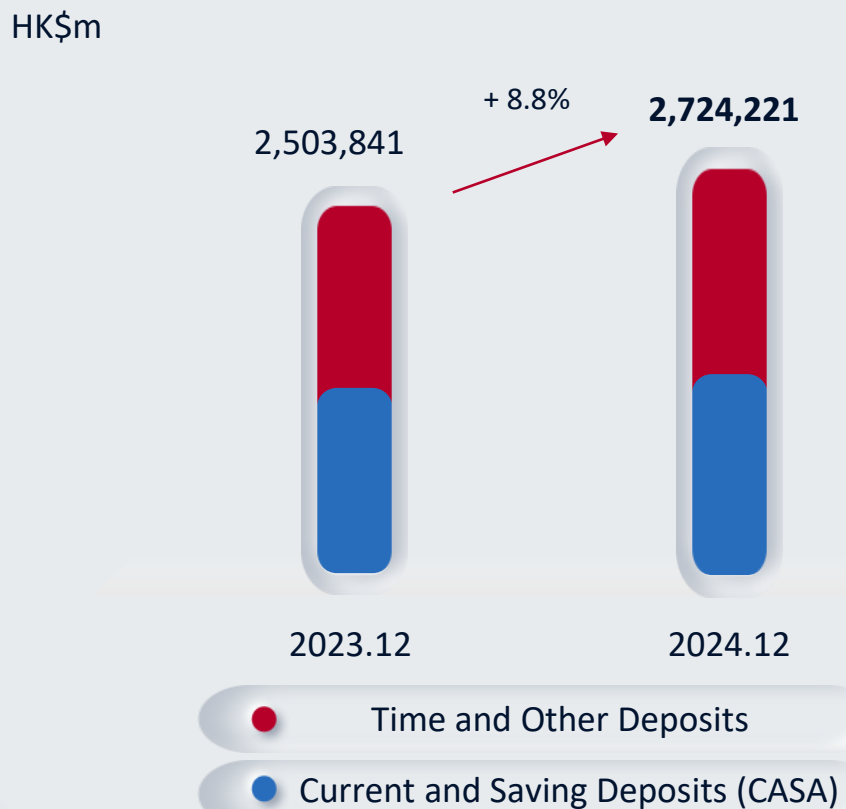
HK\$m



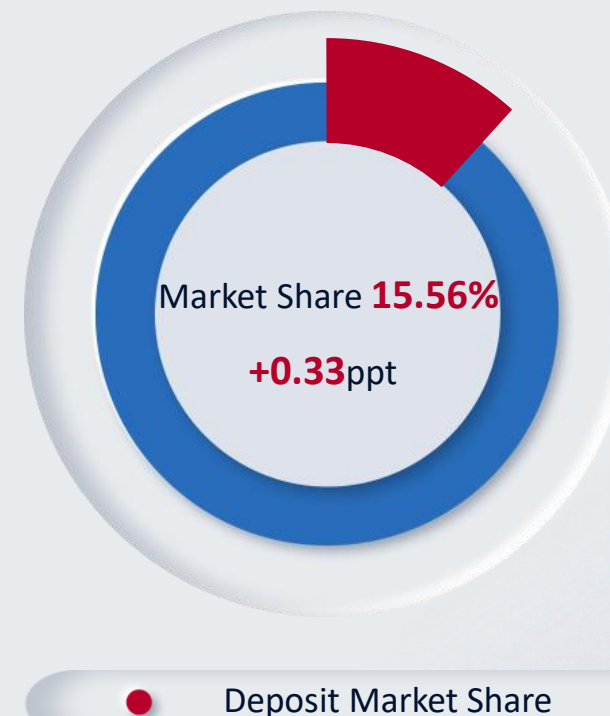
*Adjusted for the funding income or cost of FX swap contracts

Continued Growth in Deposits

Deposit Growth Outpaced the Market



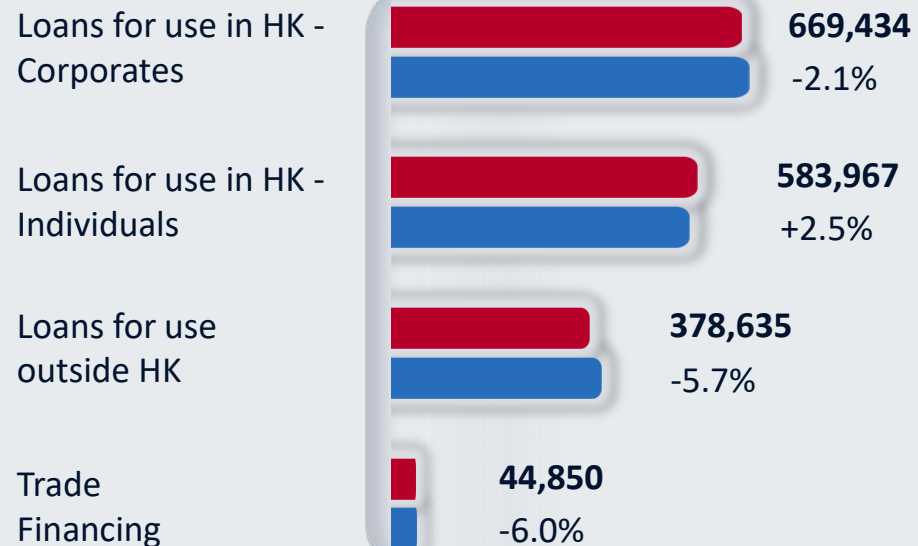
Steady Increase in Market Share



Customer Loans Performance

HK\$m

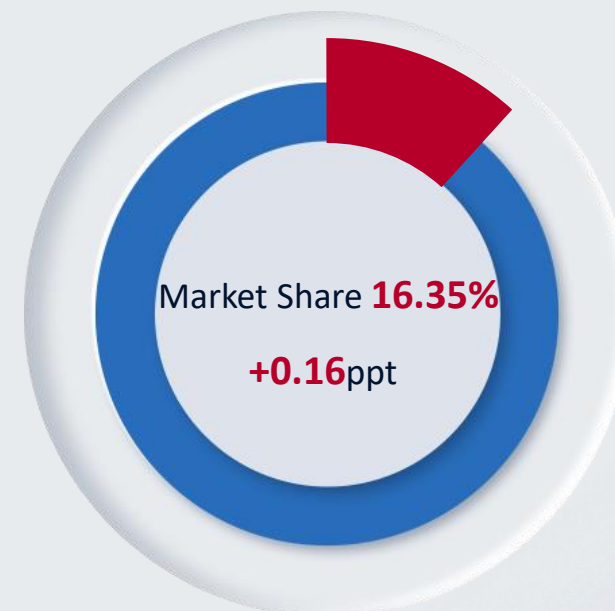
Total: 1,676,886 / -1.5%



● 2023.12

● 2024.12

Leading Market Share

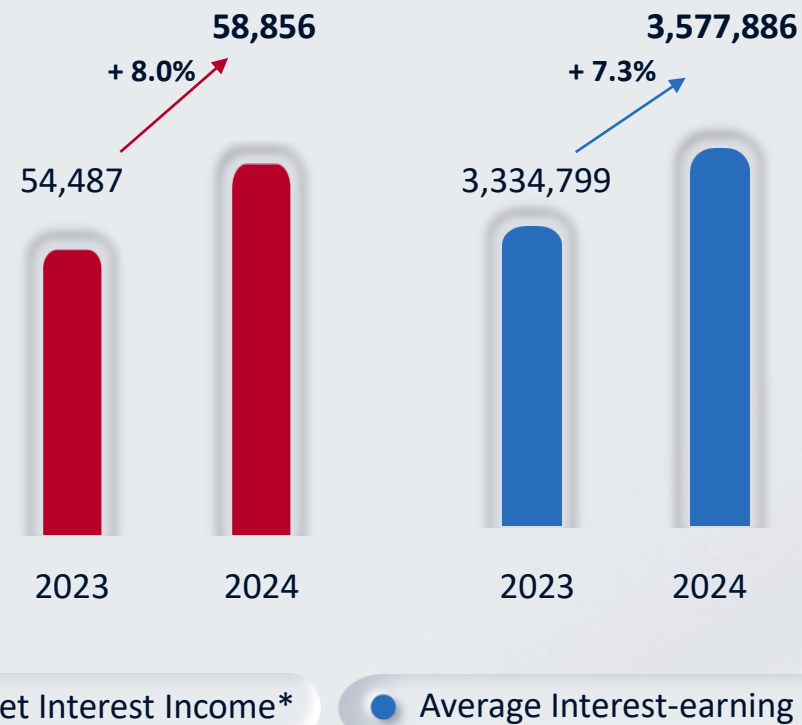
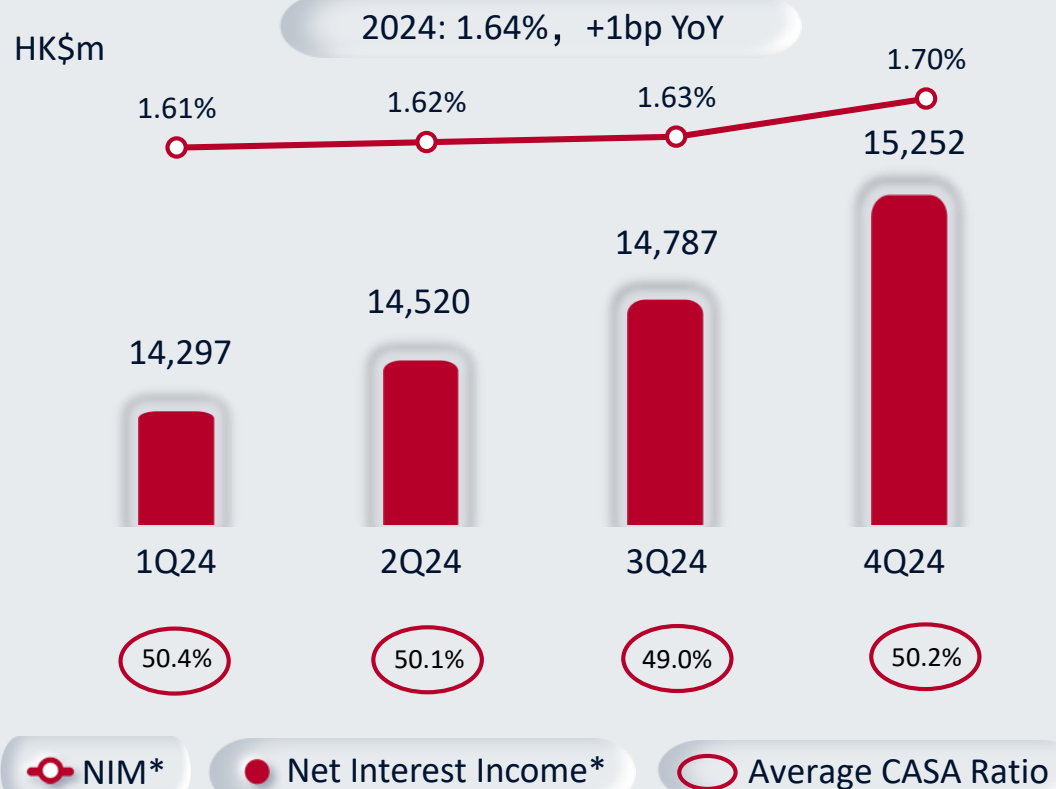


● Loan Market Share

Steady Increase in Net Interest Income

Quarterly Increase in Net Interest Margin

Continued Growth in Net Interest Income

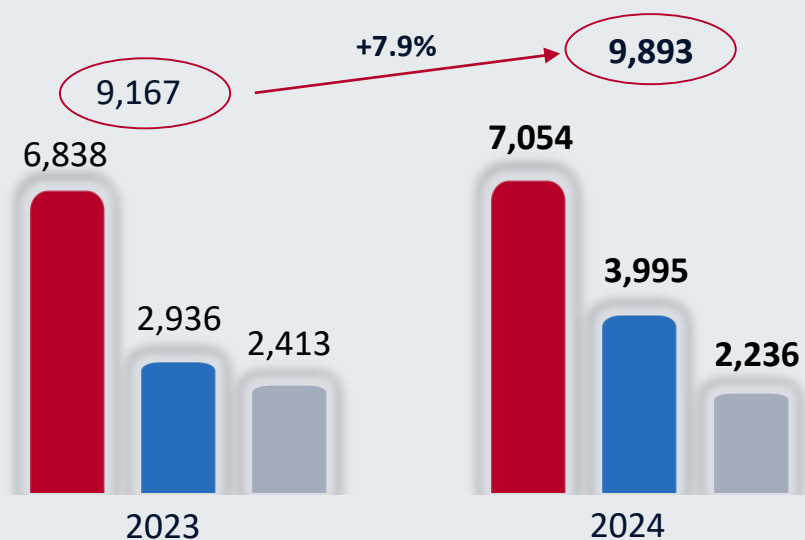


* Adjusted for the funding income or cost of FX swap contracts

Net Fee Income Recovery

Non-credit Related Fee Income Increased

HK\$m



- Net Fee and Commission Income
- Non-credit related Business: Traditional Fee Services
- Investment and Insurance-related Businesses
- Credit-related Business: Loan Commissions



Securities brokerage +24.1%

Insurance +56.4%

Funds distribution +55.2%



Trust and custody services +15.1%

Currency exchange +35.7%



Credit card business +5.3%

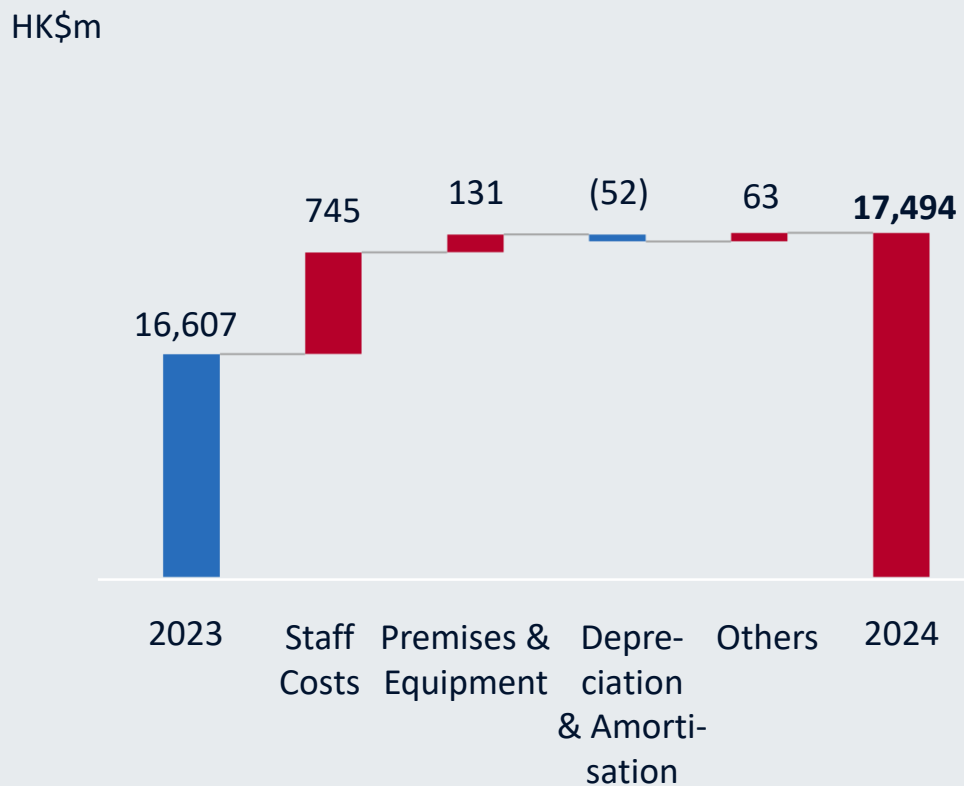
Card spending volume*+7.9%

Merchant acquiring volume*+9.8%

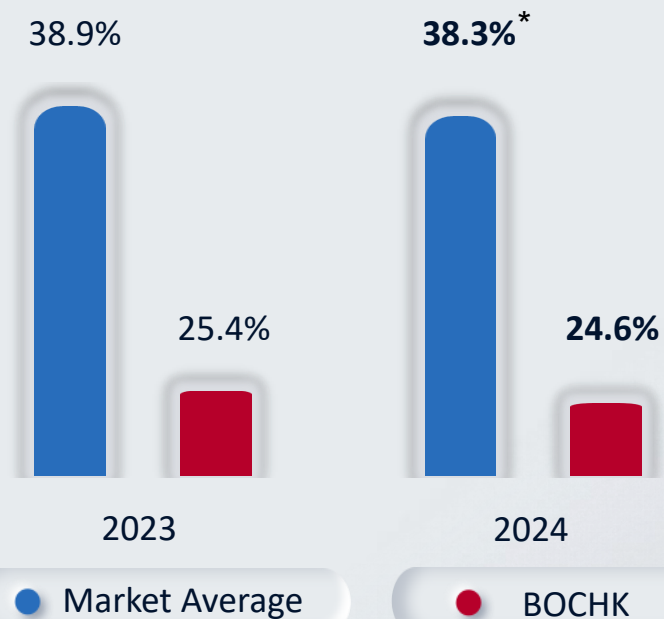
*Data for Hong Kong Market

Sound Performance in Cost Efficiency

Satisfying Core Requirements while Focusing on Key Initiatives

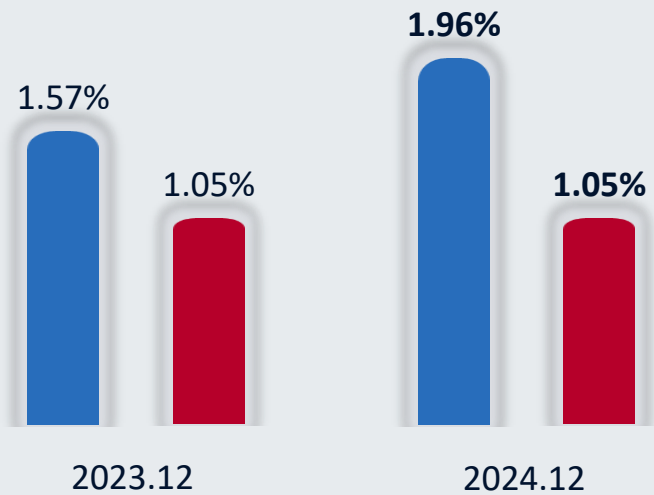


Consistently Outperformed the Market in Cost-to-income Ratio



Market data source: HKMA, *1-3Q24

Better-than-market NPL Ratio

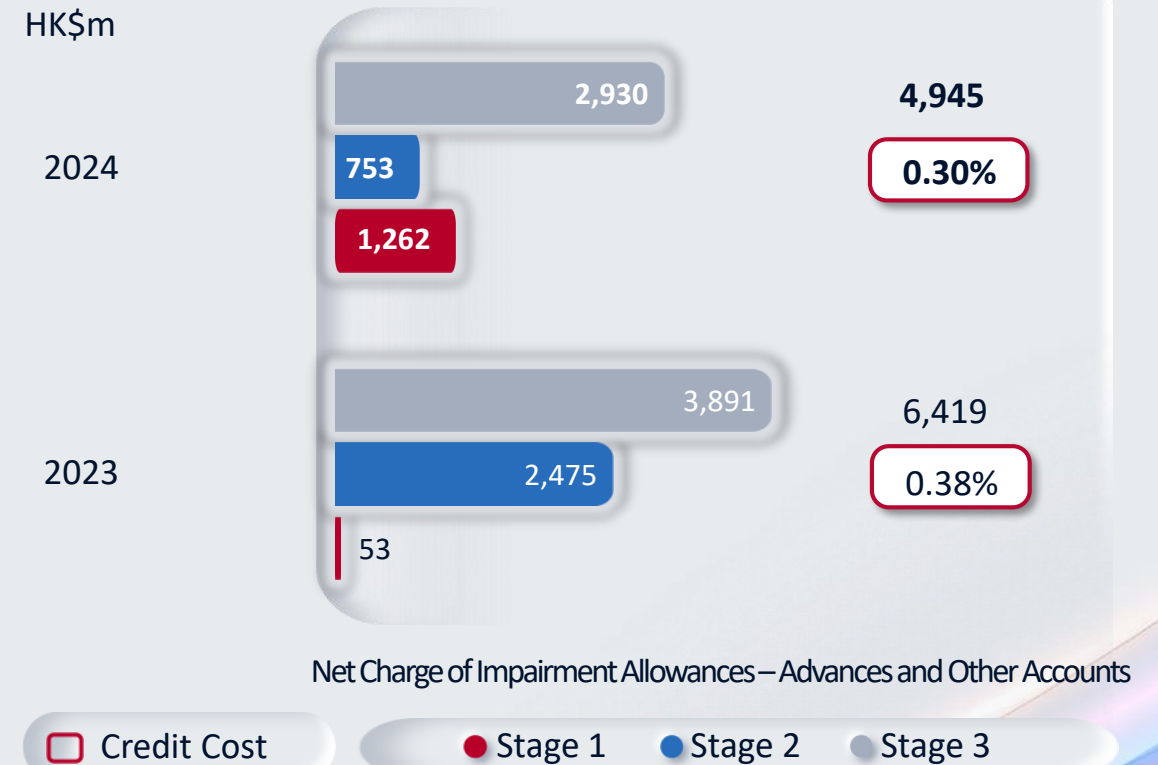


Market Average

BOCHK

Market data source: HKMA

Consistently Sufficient Risk Provisions



Solid Capital Ratios

Total
Capital Ratio



22.00%
+0.82ppt

Tier 1
Capital Ratio



20.02%
+1.00ppt

CET 1
Capital Ratio



20.02%
+1.00ppt

● 2023.12

● 2024.12

Increasing Shareholder Return



Total DPS for 2024 **rose 19.0%** to HK\$**1.989** with the payout ratio rising **1ppt to 55.0%**



Adjust the dividend distribution to a **quarterly payout**, meeting diverse needs of investors



Announced to acquire BOCI Private Bank, building the Group's private banking and asset management business centres in Hong Kong



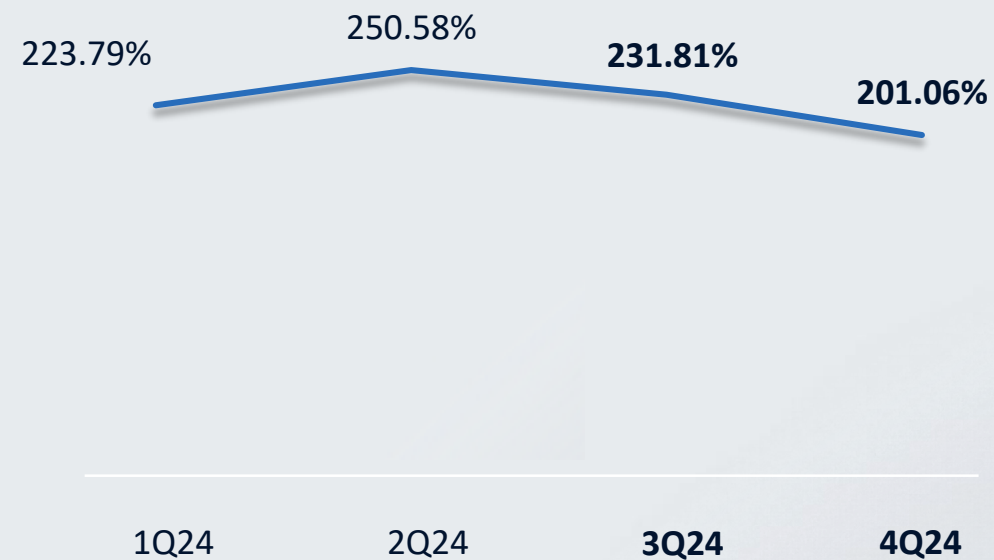
In response to amendments in the Hong Kong Company Ordinance, study corporate governance procedures for share buyback and renew general mandates to issue and buy back shares, while permitting to hold treasury shares

Net Stable Funding Ratio



NSFR (Quarter-end)

Liquidity Coverage Ratio



LCR (Quarter-average)

03

Outlook



Challenges

Global political and economic landscape undergoing significant transformation

Uncertainties remain in rate cut magnitudes and paths in the US and Europe

Banks face challenges from shifts in growth momentum and risk management

Opportunities

Major national strategies and plans for **deepening comprehensive reform**, plus ongoing positive macroeconomic trends in the Mainland

Cross-border opportunities and measures benefiting Hong Kong, as well as rising status of Hong Kong as an **international financial centre**

Chinese companies "Going Global" and SEA's new landscape of industry chain, plus positive development in **"Belt and Road Cooperation"**



Priorities for 2025

Actively devise a new 5-year plan to consolidate the Group's globalisation advantages

Build the Group's private banking, asset management and custody business platforms, supporting Hong Kong's development as an international financial centre

Adopt differentiated development strategy in SEA entities and continue to raise contributions to the Group

Capture "Mutual Market Access Scheme" opportunities and enhance regional and integrated RMB business capabilities

Establish AI governance mechanism and continue to improve technological empowerment

Improve talent cultivation mechanism and fulfill corporate social responsibilities

Closely monitor key risk areas and firmly guard the risk bottom-line



Appendices



Income Statement and Balance Sheet Summary

Income statement summary (HK\$m)	2024	2023	Change
Net interest income*	58,856	54,487	8.0%
Net fee and commission income	9,893	9,167	7.9%
Other non-interest income*	2,504	1,844	35.8%
Net operating income before impairment allowances	71,253	65,498	8.8%
Operating expenses	(17,494)	(16,607)	5.3%
Pre-provision Operating Profit (PPOP)	53,759	48,891	10.0%
Net charge of impairment allowances	(5,082)	(6,333)	-19.8%
Operating profit	48,677	42,558	14.4%
Profit for the year	39,118	34,857	12.2%
Profit attributable to equity holders of the Company	38,233	32,723	16.8%

Per share (HK\$)	2024	2023	Change
Basic earnings per share	3.6162	3.0950	16.8%
Dividend per share	1.9890	1.6720	19.0%

Balance sheet summary (HK\$m)	2024.12	2023.12	Change
Total assets	4,194,408	3,868,783	8.4%
Advances to customers	1,676,886	1,702,302	-1.5%
Total liabilities	3,852,178	3,545,354	8.7%
Deposits from customers	2,724,221	2,503,841	8.8%
Total equity	342,230	323,429	5.8%

*Including the funding income or cost of foreign currency swap contracts

Average Balances and Average Interest Rates

(HK\$m / %)	2024		2023	
Assets	Average balance	Average yield	Average balance	Average yield
Balances and placements with banks and other financial institutions	646,302	2.15%	430,345	2.03%
Debt securities investments and other debt instruments	1,264,395	3.74%	1,208,912	3.37%
Advances to customers and other accounts	1,654,660	4.66%	1,682,932	4.65%
Other interest-earning assets	12,529	5.39%	12,610	6.80%
Total interest-earning assets	3,577,886	3.89%	3,334,799	3.85%

(HK\$m / %)	2024		2023	
Liabilities	Average balance	Average rate	Average balance	Average rate
Deposits and balances from banks and other financial institutions	288,524	2.30%	267,957	1.89%
Current, savings and time deposits	2,610,964	2.84%	2,403,303	2.78%
Subordinated liabilities	75,255	3.24%	76,571	3.28%
Other interest-bearing liabilities	104,929	3.44%	91,343	3.24%
Total interest-bearing liabilities	3,079,672	2.82%	2,839,174	2.73%

Net interest margin	2024	2023
Net interest margin	1.46%	1.53%
Net interest margin (adjusted)*	1.64%	1.63%

*Including the funding income or cost of foreign currency swap contracts

Fee and Commission Income

HK\$m	2024	2023	Change
Credit card business	2,559	2,430	5.3%
Securities brokerage	2,266	1,826	24.1%
Loan commissions	2,236	2,413	-7.3%
Insurance	1,018	651	56.4%
Trust and custody services	909	790	15.1%
Payment services	745	714	4.3%
Funds distribution	669	431	55.2%
Currency exchange	540	398	35.7%
Bills commissions	444	481	-7.7%
Safe deposit box	290	290	0.0%
Funds management	42	28	50.0%
Others	1,567	1,735	-9.7%
Fees and commission income	13,285	12,187	9.0%
Fees and commission expense	(3,392)	(3,020)	12.3%
Net fee and commission income	9,893	9,167	7.9%

Operating Expenses

HK\$m	2024	2023	Change
Staff costs	11,470	10,725	6.9%
Premises & equipment expenses	1,525	1,394	9.4%
Depreciation and amortisation	2,867	2,919	-1.8%
Others	2,839	2,721	4.3%
Less: Costs directly attributable to insurance contracts	(1,207)	(1,152)	4.8%
Total operating expenses	17,494	16,607	5.3%

	2024.12	2023.12	Change
Full-time staff headcount	15,309	14,916	2.6%

Customer Deposits

HK\$m	2024.12	2023.12	Change
Total deposits from customers	2,724,221	2,503,841	8.8%
CASA	1,263,804	1,187,479	6.4%
Demand deposits and current accounts	230,347	216,366	6.5%
Savings deposits	1,033,457	971,113	6.4%
Time, call and notice deposits	1,449,606	1,314,203	10.3%
Structured deposits	10,811	2,159	400.7%

Advances to Customers

HK\$m	2024.12	2023.12	Change
Loans for use in Hong Kong - industrial, commercial and financial	669,434	683,604	-2.1%
Property development	166,412	188,115	-11.5%
Property investment	90,844	95,384	-4.8%
Financial concerns	16,140	16,506	-2.2%
Stockbrokers	3,475	1,196	190.6%
Wholesale and retail trade	35,172	33,992	3.5%
Manufacturing	54,468	58,991	-7.7%
Transport and transport equipment	65,531	51,971	26.1%
Information technology	40,297	38,989	3.4%
Others	197,095	198,460	-0.7%
Loans for use in Hong Kong - individuals	583,967	569,559	2.5%
Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	51,167	45,079	13.5%
Loans for purchase of other residential properties	397,228	388,178	2.3%
Credit card advances	13,192	12,668	4.1%
Others	122,380	123,634	-1.0%
Trade financing	44,850	47,691	-6.0%
Loans for use outside Hong Kong	378,635	401,448	-5.7%
Gross advances to customers	1,676,886	1,702,302	-1.5%

Gross Advances and Other Accounts by Internal Credit Grade and Stage Classification

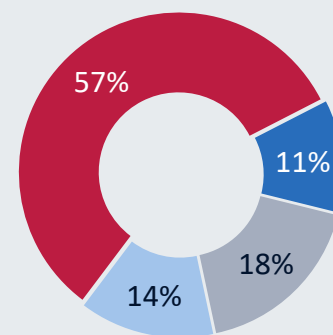
HK\$m	2024.12				2023.12			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Advances to customers	1,624,103	34,322	17,652	1,676,077	1,662,596	21,046	17,797	1,701,439
Pass	1,621,815	13,574	-	1,635,389	1,659,557	16,721	-	1,676,278
Special Mention	2,288	20,748	-	23,036	3,039	4,325	-	7,364
Substandard or below	-	-	17,652	17,652	-	-	17,797	17,797
Trade bills	2,154	-	-	2,154	3,751	-	-	3,751
Pass	2,153	-	-	2,153	3,751	-	-	3,751
Special Mention	1	-	-	1	-	-	-	-
Substandard or below	-	-	-	-	-	-	-	-
Advances to banks and other financial institutions	2,222	-	-	2,222	1,815	-	-	1,815
Pass	2,222	-	-	2,222	1,815	-	-	1,815
Special Mention	-	-	-	-	-	-	-	-
Substandard or below	-	-	-	-	-	-	-	-
Gross advances and other accounts	1,628,479	34,322	17,652	1,680,453	1,668,162	21,046	17,797	1,707,005
Impairment allowances	(5,459)	(1,551)	(7,950)	(14,960)	(4,113)	(1,056)	(9,555)	(14,724)
Advances and other accounts	1,623,020	32,771	9,702	1,665,493	1,664,049	19,990	8,242	1,692,281

Non-bank Mainland Exposures

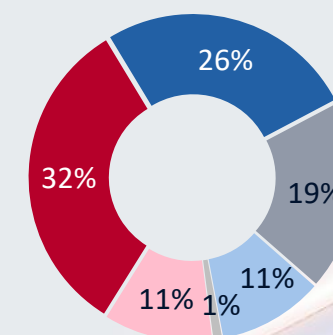
HK\$m	On-balance sheet exposure				Off-balance sheet exposure	Total exposure
	Total loans and advances	O/W: for use in Mainland	Debt securities and others	Subtotal		
Central government, central government-owned entities and their subsidiaries and joint ventures	257,835	61,329	75,419	333,254	43,226	376,480
Local governments, local government-owned entities and their subsidiaries and joint ventures	64,268	31,754	6,954	71,221	3,893	75,114
PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures	96,682	25,238	8,611	105,293	11,873	117,166
Others	79,853	47,808	702	80,556	9,142	89,698
Total	498,638	166,129	91,686	590,324	68,134	658,458

With reference to the completion instructions for the HKMA's return of Mainland activities (Note 53 of the Notes to the Financial Statements of 2024 Annual Report), as of 31 December 2024, the total on-balance sheet non-bank Mainland exposure was HK\$590.3bn, down 8.6% from the end of previous year, accounting for 15.04% of total assets.

Of this, total loans and advances was HK\$498.6bn, down HK\$45.9bn or 8.4%. NPL ratio was 1.33%, mainly due to the credit rating downgrades of certain Mainland property developers. Loans for use in the Mainland stood at HK\$166.1bn, accounting for 9.9% of total loans of the Group.



- Central government, central government-owned entities and their subsidiaries and joint ventures
- Local governments, local government-owned entities and their subsidiaries and joint ventures
- PRC nationals residing in Mainland or other entities incorporated in Mainland and their subsidiaries and joint ventures
- Others



- Property development and property investment
- Electricity and gas
- Manufacturing
- Transport and transport equipment
- Wholesale and retail
- Others

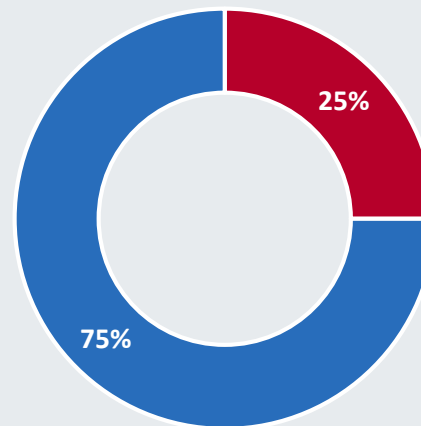
Loan Exposure to Property Companies

- ▶ As at end of 2024, commercial real-estate (CRE) related loans to corporates amounted to **HK\$336.2bn**, down 8.5% from the end of 2023; accounting for **20.0%** of Group's total loans, down 1.6ppt
- ▶ Loan for use in HK, Mainland, SEA and other regions accounted for 76.5%, 16.0%, 2.8% and 4.7% respectively

Mainland CRE Loans

- ▶ Amounted to HK\$85.2bn, down 8.2% from the end of 2023; accounting for 5.1% of Group's total loans, down 0.4ppt
- ▶ Customers mainly operate in the GBA and tier 1 & 2 coastal cities of the Mainland, and are market leaders with national business presence and relatively stable financial condition
- ▶ SOE loans: 85%; POE loans: 15%
- ▶ 47% for use in Mainland: 51% for use in HK
- ▶ Non-performing loans accounted for 7.3%, down 2.6ppt from the end of 2023. NPL provision coverage ratio (without collaterals) was 85.8%, up 15.7ppt

Customer Structure



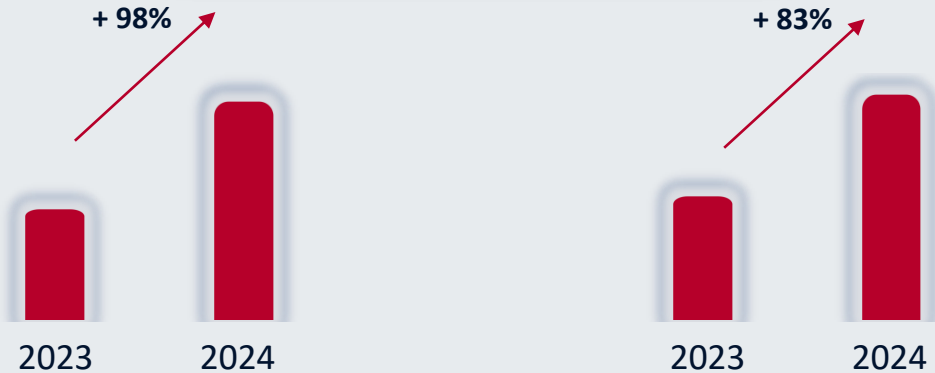
■ Mainland CRE
■ Non-mainland CRE

Non-Mainland CRE Loans

- ▶ Amounted to HK\$250.9bn, down 8.8% from the end of 2023; accounting for 14.96% of Group's total loans, down 1.2ppt
- ▶ Customers are mostly Hong Kong local sizeable blue chips with relatively stable financial conditions, of which more than 60% are related to listed companies
- ▶ 85% for use in HK: ~60% was property development loans; 5.7% for use in Mainland
- ▶ Construction loans: 17%; secured loans: 30%, average LTV ratio: $\leq 50\%$; Unsecured loans: 53%, mainly related to listed companies
- ▶ Non-performing loan ratio was 1.37%, up 1.24ppt from the end of 2023, mainly due to downgrades of certain Hong Kong small and medium - sized CREs

Personal Banking and Wealth Management

Rapid Growth in Personal Banking



New-to-bank High-end Customers*

Net Growth in Cross-border High-end Customers*

- Wealth management income **increased by 28% YoY**

Securities income **+24%**

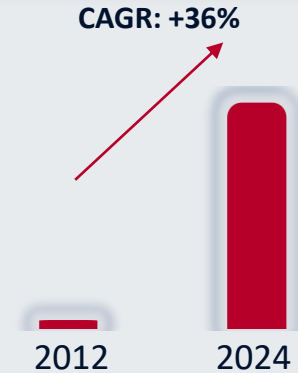
Insurance distribution income **+36%**

Investment product distribution income** **+27%**

* Private Wealth and Wealth Management customers

**Includes income related to funds, bonds and structured investments

Solid Growth in Private Banking



Assets under Management

- Developed **Family Office** business
- Leveraged **New Capital Investment Entrant Scheme** to help global clients migrate to Hong Kong
- Announced **acquisition** of BOCI Private Bank, building the Group's **private banking business platform in Hong Kong**

BOC Life Business Development

HK\$m	2024	2023	Change
Standard new premiums	17,295	11,567	+49.5%
Value of new business (VNB)	3,117	1,884	+65.4%
VNB Margin	18.0%	16.3%	+1.7 ppt

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Leading position in overall market and #1 in RMB insurance

Leading position maintained in e-channel and QDAP sales

Overall Market
13.8%

- ▶ In 9M2024, BOC Life **ranked #2 in the market**, with a market share of **13.8%** in standard new premiums
- ▶ Remained **#1 in RMB insurance** in 9M2024, with a **57.2%** market share
- ▶ Consolidated business advantages in banking distribution channels, maintained leading market position in bancassurance sales, and expanded partnerships with insurance brokerages. Standard new premiums from **tied agency rose by 57.2% in 2024**

● BOC Life

● Other insurers

E-channel
46.1%

- ▶ In 9M2024, e-channel* market share reached **46.1%, maintaining market leadership**

*Statistics from Insurance Authority: Direct Distribution Channel including online channel sales, direct mail and telesales, with the majority coming from online channel sales

Qualifying Deferred Annuities**
16.5%

- ▶ **Leading position** in the Qualifying Deferred Annuity Policy (QDAP) market since its launch in 2019

** From April 2019 to September 2024

● BOC Life

● Other insurers