



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

DELIVERING SOLID OPERATING PERFORMANCE AND MAINTAINING MARKET LEADERSHIP IN CORE BUSINESSES

Highlights of 2008 Interim Results

- Interim dividend of HK\$0.438 per share, up 2.3%
- Net operating income before impairment allowances of HK\$14,039 million, up 16.4%
- Operating profit before impairment allowances of HK\$9,951 million, up 15.1%
- Profit attributable to shareholders of HK\$7,088 million, down 5.1%
- Impairment allowances of HK\$2,149 million on investments in US mortgage-backed securities, reflecting impact of global financial market turmoil
- Earnings per share of HK\$0.6704, down 5.1%
- Return on average shareholders' funds at 15.09%, and return on average total assets at 1.32%
- Classified or impaired loan ratio of 0.34%, down from 0.44% at end-2007
- Total advances to customers and total deposits from customers grew 15.1% and 2.9% respectively, compared to end 2007
- Total assets of HK\$1,127.2 billion, up 5.6% from end-2007

"The Group's core businesses continued to make good progress amid a challenging environment during the first six months of the year, riding on the impetus created by the initiatives we launched last year to strengthen our position in key market areas. However, the ongoing turbulence in the global credit markets negatively affected our securities investments. As a result, our profit growth was impacted by the securities provisions.

During the period, we saw marked progress in our business development. The Group outperformed the sector in growing both the loan and deposit. We recorded encouraging growth in our fee income from core banking services, including loan and bills commissions, credit cards, RMB business. We maintained our leading market positions in residential mortgage, loan syndication and Hong Kong RMB banking business. Appointed as the principal bank for BOC Group's Asia-Pacific Loan Syndication Centre, we arranged a number of loan syndications with great success by leveraging our expertise and distribution capability. We also worked closely with our parent bank BOC to capture new business opportunities with the Mainland enterprises.

Looking forward, operating environment is likely to become more challenging. Despite these challenges, our capital strength and liquidity position remain sound. We will focus on quality growth by capitalising on our enhanced business platform and adopting more proactive risk and cost management. As articulated in our 5-year strategy, we remain committed to building a stronger and more comprehensive business platform for the Group's long-term growth and to creating better value for our shareholders."

Xiao Gang, *Chairman*

BOC Hong Kong (Holdings) Limited ("The Company") is a leading commercial banking group in Hong Kong offering a comprehensive range of financial products and services to retail 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 65.7% equity interest in the Company.

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

