



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

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

SOLID FOUNDATIONS FOR SUSTAINABLE GROWTH

Highlights of 2010 Interim Results

- Profit attributable to shareholders of HK\$7,190 million, up by 7.5% as compared to the first half of 2009
- Net operating income before impairment allowances of HK\$12,541 million, down by 3.7%
- Return on average capital and reserves attributable to the equity holders at 13.72% and return on average total assets at 1.17%
- Total assets of HK\$1,302.2 billion, up 7.4% from end-2009. Customer deposits up by 5.7% whereas total advances to customers up by 11.0%
- Excellent loan quality with classified or impaired loan ratio at 0.23%
- Strong financial position with consolidated capital adequacy ratio of 16.17%. Core capital ratio at 11.33%
- Interim dividend of HK\$0.40 per share, up 40.4% year-on-year

"During the interim period, the Group maintained its growth momentum in its core businesses and a strong financial position amid challenging and competitive operating environment. We continued to explore new business opportunities with our customers. We also invested judiciously in our strategic focuses to maintain our core competitiveness and to enhance our capabilities to better serve our customers. We continued to grow our lending business while maintaining solid loan quality. We adopted a flexible deposit strategy to support the growth of our business. As the global markets remained volatile, we managed our treasury investments proactively. Our capital base and liquidity position remained strong to support the Group's sustainable growth.

With China's increasing importance in the global economy, we believe the offshore RMB market will continue to expand in an incremental and orderly manner. The RMB business is an important strategic focus for the Group. As the Clearing Bank of RMB business in Hong Kong, we will continue to work closely with the regulators and are committed to supporting and contributing to the steady and healthy growth of the offshore RMB market. We will also focus on developing a wide spectrum of RMB products and services to meet the needs of our customers. We will closely collaborate with BOC, our parent bank, to enhance the Group's overall RMB service capability and to consolidate the Group's leading position.

Looking ahead, we will continue to capitalise on our fundamental strengths and strong cooperation with BOC to capture the emerging growth opportunities in China and the Asia Pacific region. Amid market uncertainties and volatilities, prudent and efficient risk management is key to ensure the Group's quality growth. We remain confident that given our capital strength and enhanced business capabilities, this will allow us to deliver sustainable growth and create greater values for our shareholders."

Xiao Gang, *Chairman*

BOC Hong Kong (Holdings) Limited ("The Company"), is a leading commercial banking group in Hong Kong. We offer a comprehensive range of financial products and services to personal 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 66.06% equity interest in the Company.

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

