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BOC Hong Kong (Holdings) announces its 2024 annual results
Steady growth achieved in operating performance
Shareholder returns continue to increase

BOC Hong Kong (Holdings) Limited (“the Company”, stock code “2388” (HKD counter) and “82388” (RMB counter); ADR OTC Symbol: “BHKLY”) today announced its 2024 annual results. Following the decisions and plans made by the Bank of China Group and the Board of Directors, the Company and its subsidiaries (“the Group”) actively fulfilled its pivotal role in the Bank of China Group’s globalisation strategy, strengthened risk control, solidified its infrastructure and expanded its earnings sources, resulting in steady growth in operating performance.

Steadily enhancing operational efficiency and further increasing earnings capability

In 2024, the Group’s net operating income before impairment allowances amounted to HK\$71,253 million, and profit for the year was HK\$39,118 million, up 8.8% and 12.2% year-on-year respectively. Profit attributable to equity holders was HK\$38,233 million, an increase of 16.8% year-on-year. Return on average shareholders’ equity stood at 11.61%, up 1.01 percentage points year-on-year. As at the end of 2024, the Group’s total assets grew by 8.4% from the end of 2023 to HK\$4,194,408 million. Total deposits from customers amounted to HK\$2,724,221 million, up 8.8% from the end of 2023, and total advances to customers amounted to HK\$1,676,886 million, both continuing to expand market share. The Board has recommended a final dividend of HK\$1.419 per share for 2024. Including the interim dividend, the dividend per share for the full year will be HK\$1.989, up 19.0% year-on-year, while the payout ratio will be 55.0%, an increase of 1 percentage point year-on-year. The Board has proposed to declare dividends on a quarterly basis starting from 2025.

The Group seized opportunities from the market interest rate cycle by taking a dynamic approach to managing its assets and liabilities, resulting in an increase in asset yield. In addition, it proactively controlled deposit costs. After adjusting for foreign exchange swap-related impact, net interest margin widened by 1 basis point year-on-year to 1.64%, with net interest income rising 8.0% year-on-year to HK\$58,856 million. Net fee and commission income rose by 7.9% year-on-year to HK\$9,893 million. The Group maintained robust financial and risk indicators. The total capital ratio was 22.00%, and the Tier 1 capital ratio and Common Equity Tier 1 capital ratio both stood at 20.02%. The Group’s liquidity coverage ratio and net stable funding ratio remained solid, both exceeding regulatory

requirements. The cost to income ratio was 24.55% while the impaired loan ratio was 1.05%, both outperforming the market average.

Deepening local market penetration and outperforming in core businesses

The Group's traditional advantages remained solid and its core businesses outperformed the market. It ranked first in the number of new residential mortgage loans for the sixth consecutive year and remained the top mandated arranger in the Hong Kong and Macao syndicated loan market for the 20th consecutive year. In addition, it continued to lead the market in cash pooling business. As at the end of 2024, the assets under custody increased by 30% from the end of 2023. The Group enhanced the exclusive products and services of its premium "Private Wealth" brand. As at the end of 2024, the number of "Private Wealth" customers grew by over 10% from the end of 2023. BOC Life fully leveraged its multi-channel advantages to expand its insurance business, ranking second in the market in terms of standard new premiums for the first nine months of 2024.

Strengthening GBA business advantages by seizing financial cooperation opportunities

The Group continued to deepen the development of its cross-boundary financial business in the Guangdong-Hong Kong-Macao Greater Bay Area ("GBA"), maintaining its leading position in mutual market access schemes such as Stock Connect, Bond Connect, Cross-boundary Wealth Management Connect and Swap Connect. The aggregate number of accounts opened and the volume of funds remitted or transferred under the Southbound Scheme and the Northbound Scheme of the Cross-boundary Wealth Management Connect Scheme continued to grow. The Group was among the first batch of banks to launch services related to the New Capital Investment Entrant Scheme, offering eligible individuals a range of investment products, including funds, bonds, equities, certificates of deposit, etc. Transaction amounts of customers using BoC Pay for spending in the Chinese mainland rose by 111.8% year-on-year. The Group also enriched its cross-border financial service solutions and became the first bank to pilot cross-border corporate credit checks.

Enhancing regional and comprehensive operational capabilities through collaboration

BOCHK actively fulfilled its role as a regional headquarters, and enhanced its business development in Southeast Asia by focusing on Belt and Road cooperation, Chinese companies expanding overseas and large corporate customers in the region. The RMB clearing bank in Cambodia commenced business, while RMB transaction volume of the Group's Southeast Asian entities steadily increased, reflecting the further strengthening of its RMB clearing and trading capabilities. As at the end of 2024, deposits from customers and advances to customers of its Southeast Asian entities grew by 16.5% and 9.9% respectively from

the end of 2023, excluding the impact of foreign exchange rates. Net operating income before impairment allowances increased by 16.7% year-on-year, excluding the impact of foreign exchange rates.

Solidifying RMB business foundations while supporting offshore market development

By fully supporting Hong Kong to strengthen its role as a global offshore RMB business hub, the Group's RMB business made steady progress. The Group maintained its leading position in the market in terms of RMB customer deposits, loans and offshore RMB public bond underwriting. BOCHK continued to provide efficient and professional RMB clearing services by further extending the service hours of the Hong Kong RMB Clearing Bank, with the total clearing volume in 2024 increasing by 49% year-on-year. The Group actively promoted cross-boundary applications of e-CNY by launching an "e-CNY zone" in BoC Pay, becoming the first bank to provide an e-CNY service via a local payment tool. The Group again issued Panda bonds, contributing to the further opening up of China's bond market. In addition, it executed Hong Kong's first repo transaction collateralised by onshore RMB-denominated debt securities under Northbound Bond Connect.

Boosting the development of local financial infrastructure through digital transformation

The Group comprehensively accelerated its digital development and supported the upgrade of Hong Kong's financial infrastructure. It assisted the Hong Kong Monetary Authority ("HKMA") in completing the testing of the Interbank Account Data Sharing programme. As a founding member of Project Ensemble, a wholesale central bank digital currency project led by the HKMA, the Group successfully completed a proof-of-concept for tokenised money market fund transactions, achieving simultaneous settlement of tokenised deposits and tokenised assets. The Group connected its systems with the mBridge platform, supporting end-to-end transactions via automated processing across the entire procedure. Furthermore, the Group launched a new version of iGTB MOBILE, its corporate mobile banking app, while the registered users of its one-stop business platform BOC Connect doubled in number. The Group continued to expand its mobile payment and billing services. As at the end of 2024, the number of BoC Pay customers grew by 17.9% from the end of 2023, and the settlement volume of BoC Bill increased by 9.8% year-on-year.

Forging a new path for green finance and new momentum for sustainable development

The Group vigorously developed green finance. As at the end of 2024, its green and sustainability-related loans increased by nearly 30% compared to the previous year-end. It assisted the People's Government of Guangdong Province in issuing its first five-year green bonds in Hong Kong, the People's Government of Hainan Province in issuing its first 10-

year blue bonds and the People's Government of Shenzhen Municipality in issuing its first green and sustainable development bonds themed on the low-carbon city. Bank of China Tower and Bank of China Building received carbon neutrality certifications, making BOCHK the first bank in Hong Kong to obtain such certificates for self-owned properties. In response to the HKMA's support measures for SMEs, it provided SME customers with diversified financial services to foster their continuous development. The Group proactively built a pension financial service ecosystem that combines integrated financial products and diversified retirement services, achieving the top market share in terms of the number of reverse mortgage loans. The subscription amount for HKSAR Government silver bonds through the Bank has set a new record.

Outlook

Looking ahead, BOCHK will capitalise on the globalised advantages of the Bank of China Group to proactively expand its private banking, asset management and custody businesses, while accelerating the growth of its Southeast Asian businesses. The Group will firmly capture opportunities presented by the mutual market access schemes and enhance its regional integrated RMB business capabilities. At the same time, it will embrace advances in technology to enhance its capabilities. The Group will seize opportunities to forge new frontiers and strive to achieve high-quality development while promoting Hong Kong's long-term prosperity and stability as well as regional economic development, ultimately creating greater value for all stakeholders.

Highlights of 2024 Annual Results

Key income statement figures

- Profit for the year amounted to HK\$39,118 million, up 12.2% year-on-year.
- Profit attributable to equity holders was HK\$38,233 million, up 16.8% year-on-year.
- Return on average shareholders' equity and return on average total assets stood at 11.61% and 0.95% respectively, up 1.01 and 0.05 percentage points year-on-year respectively.
- Net operating income before impairment allowances amounted to HK\$71,253 million, up 8.8% year-on-year.
- Operating profit was HK\$48,677 million, up 14.4% year-on-year.
- After adjusting for foreign exchange swap-related impact, net interest income would have increased by 8.0% year-on-year to HK\$58,856 million, and net interest margin would have been 1.64%, up 1 basis point year-on-year.
- Net fee and commission income amounted to HK\$9,893 million, up 7.9% year-on-year.



- Operating expenses amounted to HK\$17,494 million, up 5.3% year-on-year. The cost to income ratio stood at 24.55%, an improvement of 0.80 percentage points year-on-year, remaining at a satisfactory level compared to industry peers.

Key balance sheet figures

- Total assets amounted to HK\$4,194,408 million, up 8.4% from the end of last year.
- Total deposits from customers amounted to HK\$2,724,221 million, up 8.8% from the end of last year, and total advances to customers decreased by 1.5% from the end of last year to HK\$1,676,886 million, both continuing to expand market share.
- Asset quality remained stable. The impaired loan ratio was 1.05%, remaining below the market average.
- The total capital ratio was 22.00%, while the Tier 1 capital ratio and the Common Equity Tier 1 capital ratio both stood at 20.02%.
- The average value of the Group's liquidity coverage ratio and the quarter-end value of its net stable funding ratio in each quarter of 2024 met regulatory requirements.

For details of the 2024 annual results, please refer to the Company's announcement.

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