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# 中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

*(Incorporated in Hong Kong with limited liability)*

Stock Codes: 2388 (HKD counter) and 82388 (RMB counter)

## FINANCIAL AND BUSINESS REVIEW FOR THE FIRST QUARTER OF 2026

**THIS ANNOUNCEMENT IS MADE BY THE COMPANY PURSUANT TO RULE 13.09 OF THE RULES GOVERNING THE LISTING OF SECURITIES ON THE STOCK EXCHANGE OF HONG KONG LIMITED**

The following description provides certain financial information relating to the performance of BOC Hong Kong (Holdings) Limited (the “Company”) and its subsidiaries (collectively known as the “Group”) in the first quarter of 2026.

In the first quarter of 2026, the geopolitical tensions intensified. However, growth in major economies remained steady. The path of US monetary policy remains quite uncertain. The Chinese Mainland economy witnessed a satisfactory start to the year, underpinned by an accelerated increase in production supply, rapid growth in foreign trade and a steady rise in consumer demand supported by stimulus policies. The Southeast Asian economy continued its growth trend. However, shipping and infrastructure industries with high sensitivity to energy prices faced headwinds, currency depreciation pressures mounted and external demand growth became uncertain.

The Hong Kong economy continued to grow steadily. The external merchandise trade maintained a relatively high growth rate and the retail sector sustained its recovery momentum. Stock market turnover rose amid vibrant initial public offering (IPO) activity, while the residential property market made a solid start to the year. HKD interest rates experienced a downward trend, leading to a widening of the USD to HKD interest rate spread.

### Financial Performance Highlights

- In the first quarter of 2026, the Group’s net operating income before impairment allowances was HK\$20,007 million, representing an increase of 0.6% quarter-on-quarter but a decrease of 0.7% year-on-year. Profit after taxation amounted to HK\$12,493 million, increasing by 39.1% from the previous quarter and 7.0% from the same period last year.
- If the funding income or cost of foreign exchange swap contracts were included, net interest margin would have narrowed 12 basis points quarter-on-quarter to 1.59% while net interest income would have decreased by 8.9% quarter-on-quarter amid falling HKD interest rates. The Group focused on managing funding costs and actively optimised its deposit mix. Net interest margin would have widened 4 basis points year-on-year and net interest income would have increased by 0.8% over the same period, if the funding income or cost of foreign exchange swap contracts were included.
- Net fee and commission income increased by 33.6% quarter-on-quarter but decreased 13.2% year-on-year, mainly due to a relatively higher base for comparison in the same period last year.
- Deposits from customers decreased by 0.4% from the end of 2025 while advances to customers increased by 3.1%.
- Impaired loan ratio stood at 0.96%, down 0.18 percentage points from the end of 2025, remaining below the market average.
- Liquidity coverage ratio, net stable funding ratio and capital ratio remained solid.

## Financial Performance

The table below summarises the key performance figures of the Group in the first quarter of 2026:

Key Performance Figures of the Group					
<i>HK\$m, except percentages</i>	2026 Q1	(Restated) 2025 Q1	(Restated) 2025 Q4	Compared with 2025 Q1	Compared with 2025 Q4
Net operating income before impairment allowances	<b>20,007</b>	20,149	19,893	-0.7%	+0.6%
Profit after taxation	<b>12,493</b>	11,679	8,981	+7.0%	+39.1%

Note: Following the completion of the Group's acquisition of the entire share capital of BOCI Private Bank and disposal of the entire share capital of Po Sang Securities on 30 January 2026, the comparative information for 2025 provided in this announcement has been restated accordingly.

### *2026 Q1 compared with 2025 Q1*

In the first quarter of 2026, the Group's net operating income before impairment allowances decreased by 0.7% year-on-year to HK\$20,007 million. The Group focused on managing funding costs and strengthened deposit pricing and tenor management while actively growing its CASA deposits to optimise its deposit mix, which more than offset the impact of a decline in asset yields resulting from lower market interest rates. If the funding income or cost of foreign exchange swap contracts were included, net interest margin would have widened 4 basis points year-on-year to 1.59% and net interest income would have increased by 0.8% year-on-year to HK\$14,934 million. Net fee and commission income decreased by 13.2% on a year-on-year basis to HK\$2,994 million, mainly due to a relatively higher base for comparison in the same period last year. As a result, commission income from insurance, loans and securities brokerage decreased year-on-year, which was partially offset by increased commission income from funds distribution and management, credit card business, currency exchange and bills. The Group's insurance service result continued to grow, mainly driven by BOC Life's business growth. Operating expenses increased by 6.5% year-on-year to HK\$4,443 million, as staff costs rose along with increased investment in information technology and higher communications expenses. The Group's cost to income ratio was 22.21%, remaining at a satisfactory level relative to local industry peers. The Group's net charge of impairment allowances decreased by HK\$474 million year-on-year to HK\$790 million. This was mainly due to a higher base for comparison in the first quarter of 2025 resulting from additional impairment allowances made in relation to certain customers in the real estate sector. The annualised credit cost of advances to customers and other accounts was 0.16%, down 0.16 percentage points year-on-year. Net loss from fair value adjustments on investment properties decreased year-on-year. Profit after taxation increased by 7.0% year-on-year to HK\$12,493 million.

## *2026 Q1 compared with 2025 Q4*

The Group's net operating income before impairment allowances increased by 0.6% quarter-on-quarter. If the funding income or cost of foreign exchange swap contracts were included, net interest margin would have narrowed by 12 basis points compared with the previous quarter, while net interest income would have decreased by 8.9% quarter-on-quarter amid falling HKD interest rates. Net fee and commission income increased by 33.6% from the previous quarter, mainly attributable to an increase in commission income from loans, securities brokerage, funds distribution and management, as well as currency exchange. If the funding income or cost of foreign exchange swap contracts were excluded, net trading gain increased on a quarter-on-quarter basis, mainly due to increased income from the Group's global markets trading business. Operating expenses decreased by 20.8% quarter-on-quarter, as staff costs, premises and equipment, and business-related expenses fell. Net charge of impairment allowances decreased by HK\$2,381 million quarter-on-quarter. This was mainly due to a higher base for comparison in the previous quarter resulting from an increase in impairment allowances made in relation to certain customers in the real estate sector. Net loss from fair value adjustments on investment properties decreased quarter-on-quarter. Profit after taxation grew by 39.1% from the previous quarter.

### **Financial Position**

As of 31 March 2026, the Group's total assets amounted to HK\$4,509,633 million, an increase of 0.3% from the end of 2025. Deposits from customers decreased by 0.4% from the end of 2025 to HK\$2,933,296 million. The CASA ratio was 53.4%. In terms of assets, advances to customers increased by 3.1% from the end of 2025 to HK\$1,769,468 million. The impaired loan ratio stood at 0.96%, down 0.18 percentage points from the end of 2025, remaining below the market average. The Group's liquidity coverage ratio, net stable funding ratio and capital ratio remained solid.

## **Business Review**

In the first quarter of 2026, the Group continued to deepen market penetration in Hong Kong by tapping into customer needs and consolidating its customer base. It leveraged its cross-border synergistic advantages to deepen its strategic focus on key regions. The Group strengthened its leading role as a regional headquarters, reinforced its integrated development in Southeast Asia and maintained its market leading position in RMB business. It continued to implement its sustainable development strategy, strengthened its talent pool and cultivated a strong corporate culture. Furthermore, it deepened technological empowerment, upgraded its intelligent operations and strengthened comprehensive risk management.

**In Personal Banking business**, the Group leveraged its collaborative advantages with Bank of China and launched the “Global Integrated Services”, which comprises a new “Global Account Service” introduced simultaneously with Bank of China, a “Global Money Transfer” service available through BOCHK’s mobile banking platform, as well as “Global Witness Account Opening” and “Global Mutual Recognition” services jointly offered with Bank of China’s overseas branches, providing customers with greater flexibility in wealth management. It capitalised on the buoyant stock market and surge in IPO activity through its mobile banking “IPO Easy” service and by organising thematic ETF investment seminars to enhance customers’ investment experience. In response to changes in market conditions and investor sentiment, the Group continuously expanded its fund product range to meet customers’ diverse needs in asset allocation and risk management, driving a double-digit year-on-year growth in investment distribution income. In alignment with the development of pension finance, it focused on customer demand for inheritance-oriented whole life insurance, enriching its related product offerings with enhanced product promotion and complementary inheritance planning services to assist customers in managing early-retirement risks. As a result, the volume of BOC Life insurance products distributed through the Bank increased, driving continued growth in the Group’s accumulated contractual service margin of insurance contracts and Personal Banking’s wealth management income. It also supported the expansion of “Payment Arrangements for Property Transactions” to cover the sale and purchase of residential properties in the secondary market. This further safeguarded the security of mortgage payments, enhanced the efficiency of property transaction processes and advanced digitalisation in its mortgage business, thus consolidating and enhancing the Group’s competitive advantages in mortgage services. During the quarter, the Group deepened its collaboration with UnionPay International to promote its cross-border electronic payment services, with BoC Pay+ newly supporting the payment functions of UnionPay network-enabled apps in the Chinese Mainland. This service covers over 150 key merchants in the people’s livelihood and consumption sectors in the Chinese Mainland, supporting the integrated development of Greater Bay Area living circles.

In **Corporate Banking business**, the Group adhered to its customer-centric philosophy with a focus on meeting the integrated financial needs of its customers. During the quarter, the Group maintained its leading market share as an arranger bank in the Hong Kong-Macao syndicated loan market and led the market in IPO main receiving bank business in terms of total funds raised on the Main Board. It once again supported the Government of Indonesia in issuing offshore RMB bonds as well as participating in its Euro-denominated public bond issuance for the first time. Leveraging Bank of China Group's globalised advantages, it built a synergistic and efficient "Going Global" service ecosystem with the aim of becoming the preferred financial partner for enterprises "Going Global". The Group supported the Hong Kong Monetary Authority's RMB Business Facility by providing customers with RMB loans and trade finance services, actively expanding its RMB business. It offered a green loan to a leading petrochemical and energy enterprise for the construction projects of hydrogen refuelling stations and electric vehicle charging stations in Hong Kong, thereby promoting the carbon-neutral transition of Hong Kong's transportation systems. The Group also optimised its intelligent Global Transaction Banking (iGTB) platform by launching a mobile security token binding service in iGTB MOBILE and an electronic identity authentication function for resetting password in iGTB.

In the **Treasury Segment**, the Group closely monitored worldwide market interest rate adjustments and maintained a cautious approach to managing its banking book investments. During the quarter, it actively optimised its banking book portfolio to promote the steady development of asset and liability businesses. It actively explored financial market opportunities and customer needs, endeavouring to provide customers with diversified treasury products and integrated services. The Group played an active role in mutual market access schemes, contributing to the prosperity and development of financial markets in the Chinese Mainland and Hong Kong. During the quarter, it enhanced its service capabilities in fixed income primary markets, including assisting an offshore issuer in issuing the world's first HKD-denominated Shanghai Pilot Free Trade Zone offshore bond and a supranational organisation in issuing a publicly offered HKD-denominated sustainable development bond, thereby supporting Hong Kong in consolidating its position as an international financial centre.

In its **Southeast Asian business**, the Group remained focused on integrated development, while adopting the organic combination of market-by-market strategies as the template for a differentiated management approach across its regional entities, thus optimising its regional management model. It strengthened its leading role as a Southeast Asian regional headquarters and increased resource input for its Southeast Asian entities to empower their business development. It capitalised on business opportunities arising from the nation's new development paradigm and industrial relocation while prioritising infrastructure projects under the Belt and Road initiative and supporting Chinese enterprises "Going Global" as well as large corporate customers in the region, enriching its financial product and service offerings to continuously optimise its cross-border integrated financial service solutions. The Group strengthened the regional reputation of its Wealth Management brand and actively enhanced collaboration with regional partners to extend its product and service models across Southeast Asia. During the quarter, it enhanced the QR code payment function of the Phnom Penh Branch's mobile banking platform and improved the efficiency of direct local clearing connectivity at its Vientiane Branch, to make its regional mobile payment services more convenient and stable, thereby improving the customer experience, supporting the business development of its Southeast Asian entities and strengthening the Group's competitiveness in regional financial services.

## 2026 First Interim Dividend and Closure of Register of Members

The Board has declared 2026 first interim dividend of HK\$0.29 per share, payable on Thursday, 28 May 2026 to shareholders whose names appear on the Register of Members of the Company on Wednesday, 20 May 2026.

The Register of Members of the Company will be closed, for the purpose of determining shareholders' entitlement to the first interim dividend, from Friday, 15 May 2026 to Wednesday, 20 May 2026 (both days inclusive), during which period no transfer of shares will be registered. The record date is Wednesday, 20 May 2026. In order to qualify for the first interim dividend, shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not later than 4:30 p.m. on Thursday, 14 May 2026. Shares of the Company will be traded ex-dividend as from Wednesday, 13 May 2026.

### General

This announcement may contain forward-looking statements that involve risks and uncertainties. The Company's shareholders and potential investors should not place undue reliance on these forward-looking statements, which reflect our belief only as of the date of these statements. These forward-looking statements are based on the Group's own information and information from other sources we believe to be reliable. The Group's actual results may be materially less favourable than those expressed or implied by these forward-looking statements, which could depress the market price of the Company's American Depositary Shares and local shares.

The Company's shareholders and potential investors should note that **all the figures contained herein are unaudited. Accordingly, figures and discussions contained in this announcement should in no way be regarded as to provide any indication or assurance on the financial results of the Group for the period ended 31 March 2026.**

**The Company's shareholders and potential investors are urged to exercise caution in dealing in the securities of the Company and are recommended to consult their own professional advisers if they are in doubt as to their investment positions.**

By Order of the Board  
HUANG Xuefei  
Company Secretary

Hong Kong, 29 April 2026

*As at the date of this announcement, the Board comprises Mr GE Haijiao\* (Chairman), Mr ZHANG Hui\* (Vice Chairman), Mr SUN Yu (Vice Chairman and Chief Executive), Mr CAI Zhao\*, Madam CHENG Eva\*\*, Dr CHOI Koon Shum\*\*, Madam FUNG Yuen Mei Anita\*\*, Mr LAW Yee Kwan Quinn\*\*, Professor LEE Sunny Wai Kwong\*\*, Mr LIAO Cheung Kong Martin\*\*, Mr LIP Sai Wo\*\* and Professor MA Si Hang Frederick\*\*.*

\* Non-executive Directors

\*\* Independent Non-executive Directors