



中銀香港(控股)有限公司

BOC HONG KONG (HOLDINGS) LIMITED

Investor Fact Sheet

Market Facts

HKSE: **2388**
 Bloomberg: **2388 HK**
 Reuters: **2388.HK**
 US OTC: **BHKLY**

Price: **HK\$14.60**

52 Week Range

Low - HK\$ 7.55
4/30/2003

High - HK\$ 15.90
12/12/2003

Shares Outstanding

10,572,780,266

Free Float

33.75%

Market Cap

HK\$ 154.4b
(US\$19.8b)

2003 Dividend

HK\$ 0.515

Fiscal Year End

December 31

All figures as of
December 31, 2003

For More Information
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Head of Investor Relations

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Corporate Profile

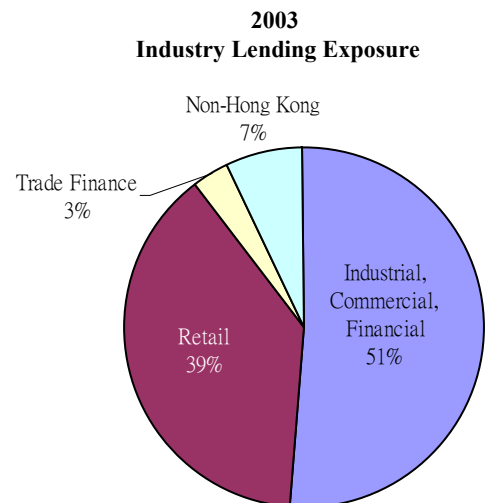
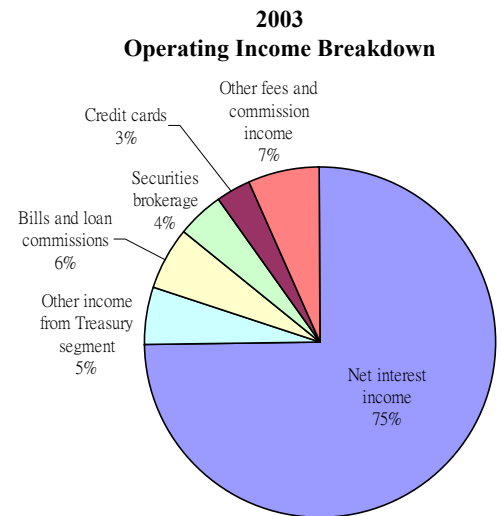
BOC Hong Kong (Holdings) Limited, incorporated in Hong Kong on September 12, 2001, holds the entire equity interest of Bank of China (Hong Kong) Limited (BOCHK), its principal operating subsidiary. BOCHK, a leading commercial banking group in Hong Kong in terms of assets and deposits, offers a comprehensive range of financial products and services to customers. BOCHK is one of the three note-issuing banks in Hong Kong and serves as a Chairman Bank of the Hong Kong Association of Banks on a rotational basis. Being a member of the Bank of China Group - the highest rated of China's four largest state-owned banks - BOCHK is uniquely positioned to benefit from the closer economic integration between Hong Kong and the Mainland of China. BOCHK was appointed by the People's Bank of China as the only Renminbi (RMB) Clearing Bank in Hong Kong on December 24, 2003 and launched RMB clearing services on February 25, 2004.

Key Segments

Retail Banking – BOCHK has the largest distribution network in Hong Kong, with nearly 300 branches and 450 ATMs amongst its service channels. It enjoys strong brand recognition in Hong Kong and the Mainland of China, with more than one-third of Hong Kong's population, or 2.5 million customers, holding an account with BOCHK. Over half of its customers have banked with BOCHK for more than three years. A wide range of retail products and services are provided by BOCHK including deposits, mortgages, personal loans, credit cards and investment product services such as securities, investment funds, foreign exchange, bullions, insurance and personal wealth management. Commencing February 25, 2004, BOCHK began to offer personal RMB services to local customers.

Corporate Banking – BOCHK is a major corporate lender to companies conducting business in Hong Kong, the Mainland of China and abroad. It continuously ranks in the top tier of the syndicated loan market. BOCHK offers to corporate and institutional customers with a wide variety of products and services including working capital finance, project and asset finance, syndicated loans, trade finance, credit facility arrangements, cash management, Mandatory Provident Fund and insurance agency services. A full range of financial products and services are also tailored to the needs of small- and medium-sized enterprises.

Treasury – BOCHK is one of the leading participants in the treasury market, providing services in foreign exchange, bonds and equity-linked and structured deposits to broad-based customers.





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Goal and Strategy

Goal: BOCHK aims to be a world-class bank focusing on creating superior shareholder value with sustainable return on equity. This goal is to be achieved through the following strategic initiatives.

Strategies to Achieve Our Goal:

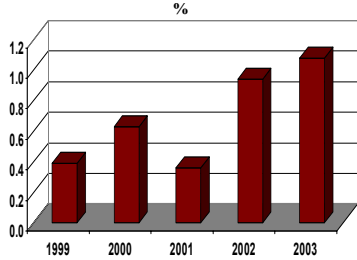
Improve Revenue Mix. BOCHK's revenue mix is ever-improving to meet the changes in market environment and customer demand. Other operating income accounted for 25.4% of net profit as of December 31, 2003 and is expected to increase further with the introduction of more non-interest products and services. Pro-active marketing efforts are focused on cross-selling and up-selling fee-based products and services such as wealth management and trust services, credit cards, insurance, securities brokerage, bills and loan commissions and guarantees to corporate and retail customers.

Enhance Operating Efficiency. Having been a bank with one of the lowest cost-to-income ratio in the Hong Kong banking sector, BOCHK continues to enhance existing and introduce new operating processes and systems at virtually all levels of the company and in all departments. It is upgrading its back-office processing capabilities and deploying advanced information management systems that will help lower costs and enable BOCHK to better meet the market needs.

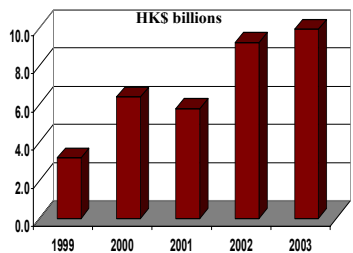
Capitalize on China Growth Opportunities. By capitalising on the relationship with its parent, Bank of China, BOCHK is able to better serve its customers and strengthen its position in the financial services markets. The implementation of the Closer Economic Partnership Agreement (CEPA), further opening of individual visits of Mainlanders to Hong Kong and the launch of personal RMB business in early 2004, represent tremendous business opportunities for BOCHK, given its well-established role in Hong Kong and the Mainland financial businesses. Other areas of business set for growth include trade finance, cross-border mortgage finance, multi-currency credit cards and cash management products, and a full range of additional cross-border corporate lending activities.

Strengthen Asset Quality and Risk Management. BOCHK has comprehensive mechanisms and programmes in place to improve its asset quality. To lower its NPL ratio to the industry average, BOCHK has enhanced its risk management system to the best of market practices and has all risk management reports reviewed by the management and the Risk Management Committee of the Board of Directors.

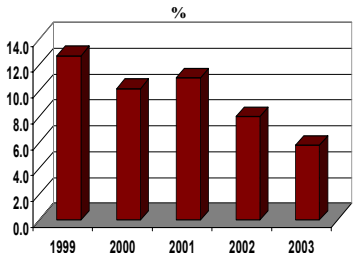
ROAA



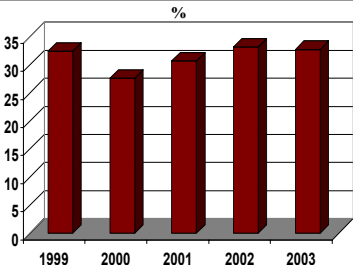
Operating Profit After Provisions



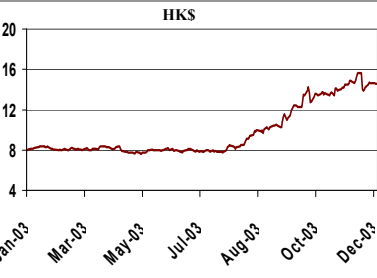
NPL Ratio



Cost-to-Income Ratio



Stock Price Performance



| Profit & Loss Account (HK\$ millions) | FY 2003 | FY 2002 | FY 2001 |
|---------------------------------------|---------|---------|---------|
| Operating Income | 17,253 | 18,114 | 19,009 |
| Operating Expenses | (5,658) | (6,025) | (5,847) |
| Operating Profit Before Provisions | 11,595 | 12,089 | 13,162 |
| Charge for Bad and Doubtful Debts | (1,671) | (2,855) | (7,412) |
| Operating Profit After Provisions | 9,924 | 9,234 | 5,750 |
| Property Revaluation | (1,111) | (977) | (1,241) |
| Profit Attributable to Shareholders | 7,963 | 6,787 | 2,768 |
| EPS (HK\$) | 0.7532 | 0.6419 | 0.2618 |

| Balance Sheet (HK\$ millions) | FY 2003 | FY 2002 | FY 2001 |
|-------------------------------|---------|---------|---------|
| Total Assets | 762,587 | 735,536 | 766,140 |
| Total Liabilities | 701,170 | 677,751 | 712,904 |
| Shareholders' Funds | 60,261 | 56,671 | 52,170 |
| ROE | 13.62% | 12.52% | 7.31% |
| Tier 1 | 14.22% | 13.12% | 13.37% |
| Total CAR | 15.11% | 13.99% | 14.38% |

Analyst Coverage

| | | |
|---------------------------------------|------------------------|---------------------------------|
| ABN AMRO | Dao Heng Securities | Kim Eng Securities |
| Bear Stearns | DBS Vickers Securities | Lehman Brothers Asia |
| BNP Paribas Peregrine Securities | Deutsche Bank | Merrill Lynch |
| BOCI Research | Fox-Pitt, Kelton | Morgan Stanley Dean Witter Asia |
| Cazenove Asia | G.K. Goh Securities | Nomura International |
| Citigroup Smith Barney | Goldman Sachs | South China Research |
| CLSA | HSBC Securities | Sun Hung Kai Research |
| Core Pacific - Yamaichi International | ING Securities Ltd | UBS |
| Credit Suisse First Boston | J.P. Morgan Securities | UOB Kay Hian |
| Daiwa Institute of Research | | |