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$13.30

52 Week Range

Low - HK$ 7.75
7/22/2003

High - HK$ 15.95
2/27/2004

Shares Outstanding
10,572,780,266

Free Float
33.85%

Market Cap
HK$ 140.6b
(US$18.03b)

2004 Interim Dividend
HK$ 0.32

Fiscal Year End
December 31

All figures as of

June 30, 2004

For More Information
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http://www.bochkholdings.com

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.

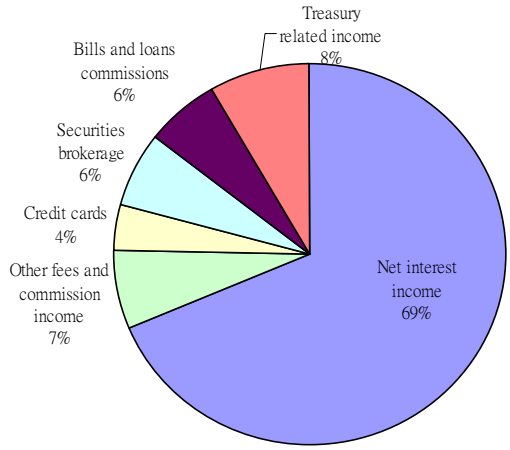
Key Segments

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.

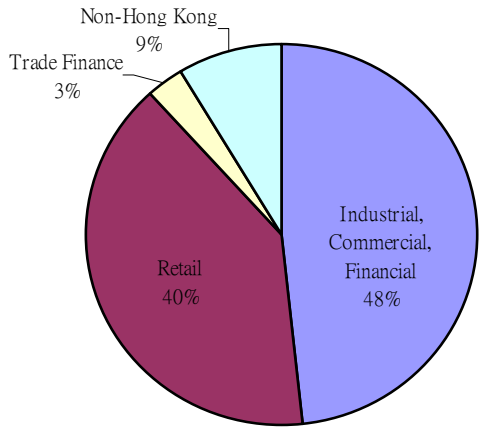
Corporate Banking – BOCHK is a major corporate lender to companies conducting business in Hong Kong, the Mainland of China and abroad. It continuously ranks in the top tier of the syndicated loan market. BOCHK offers to corporate and institutional customers with a wide variety of products and services 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.

Half-year ended June 30,2004
Operating Income Breakdown



June 30, 2004
Industry Lending Exposure



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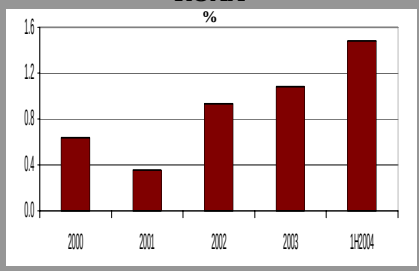
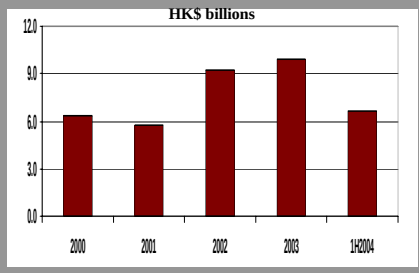
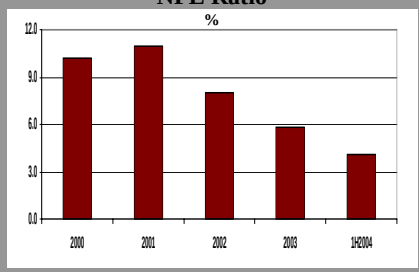
ROAA



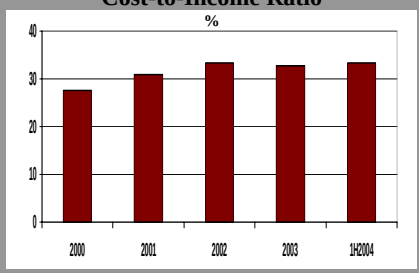
Operating Profit After Provisions



NPL Ratio



Cost-to-Income Ratio



Stock Price Performance

Goal and Strategy

Goal: BOCHK's vision is to become the customer's premier bank, focusing on creating superior shareholder value with sustainable return on equity.

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 31.3% of total income in the first half of 2004 and is one of the group's key earnings drivers. 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. We are also developing Customer Relationship Management system to enhance cross selling capacity.

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. Other parts of the bank-wide efficiency enhancement programmes include network rationalization, channel modernization and human resources development. This will help improving efficiency 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 Mainlander 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. Improving corporate governance, risk management and asset quality is a key element in our strategic planning. 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 Committee of the Board of Directors.

Profit & Loss Account (HK$ millions)	1H2004	1H2003	FY 2003	FY 2002
Operating Income	8,023	8,836	17,253	18,114
Operating Expenses	(2,667)	(2,697)	(5,658)	(6,025)
Operating Profit Before Provisions	5,356	6,139	11,595	12,089
Write-back of/(charge for) Bad and Doubtful Debts	1,240	(1,669)	(1,671)	(2,855)
Operating Profit After Provisions	6,596	4,470	9,924	9,234
Property Revaluation	0	(1,223)	(1,111)	(977)
Profit Attributable to Shareholders	5,581	3,012	7,963	6,787
EPS (HK$)	0.5279	0.2849	0.7532	0.6419
Balance Sheet (HK$ millions)	**2004.06.30**	**2003.06.30**	**2003.12.31**	**2002.12.31**
Total Assets	752,017	735,494	762,587	735,536
Total Liabilities	688,384	677,010	701,170	677,751
Shareholders' Funds	62,456	57,637	60,261	56,671
ROE	18.19%	10.56%	13.62%	12.52%
Tier 1	15.60%	13.76%	14.22%	13.12%
Total CAR	16.52%	14.66%	15.11%	13.99%

Analyst Coverage

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