

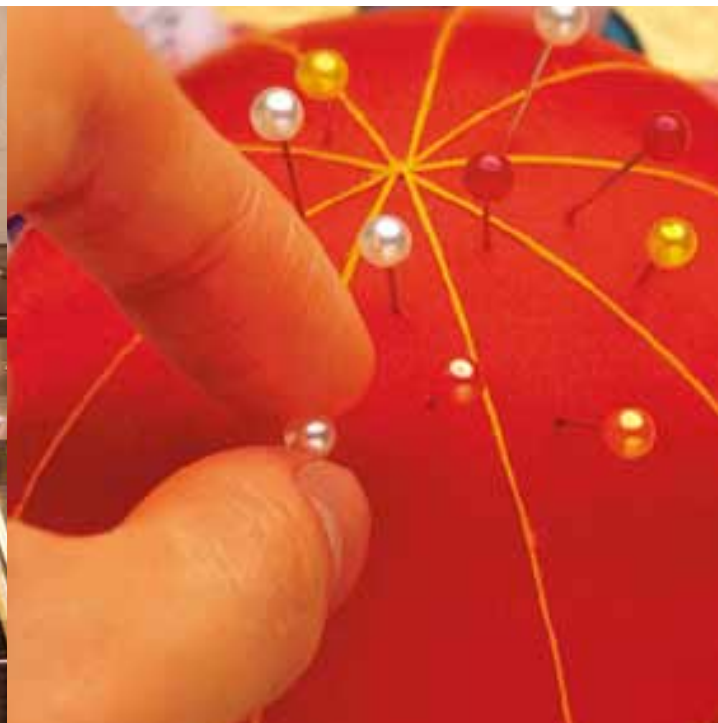
Solid Foundation

根基穩固 實力雄厚



Since its incorporation in Hong Kong in 1918, The Bank of East Asia has dedicated itself to serving the people of Hong Kong, and meeting business and personal banking needs in China and around the world. Our Bank has grown together with Hong Kong for the past 85 years. We are proud of our strong heritage, combining innovation, professionalism and a genuine desire to provide the highest standard of service for the benefit of our customers.

東亞銀行於1918年在香港成立，一直以來致力服務香港客戶，同時亦配合中國和海外客戶的商務及個人銀行財務需要。過去85年，本行與香港一同成長，見證香港經濟步進繁榮。我們堅守不斷創新、追求專業的精神，細心為客戶提供最佳服務，對此我們深以為豪。



CHAIRMAN'S STATEMENT

In 2003, BEA Group achieved a profit attributable to shareholders of HK\$1,922 million, representing an increase of HK\$652 million, or 51.3%, over that of HK\$1,270 million for 2002. Basic earnings per share were HK\$1.32. Return on average assets and return on average equity were 1.0% and 10.0%, respectively.

As at 31st December, 2003, total consolidated assets were HK\$198,476 million, an increase of HK\$13,062 million over the position at the end of 2002. Advances to customers were HK\$102,909 million, representing 51.8% of total consolidated assets. Customer deposits were HK\$155,421 million, while debt instruments issued stood at HK\$5,527 million. The loan-to-deposit ratio was 63.9%, compared with 71.3% at the end of 2002. Total capital resources increased by 5.5% to HK\$24,387 million.

At the Annual General Meeting, the Directors will propose a final dividend of HK\$0.62 per share, which, together with the interim dividend of HK\$0.23 per share paid in September 2003, will constitute a total dividend of HK\$0.85 per share for the full year. This represents an increase of 51.8% over the total dividend of HK\$0.56 per share for the year 2002. Shareholders whose names are on the Register of Members at the close of business on Wednesday, 10th March, 2004 will be entitled to the proposed final dividend. The final dividend will be paid in cash, with an option to receive new, fully paid shares in lieu of cash. This scrip dividend scheme is conditional upon the passing of the relevant resolution at the Annual General Meeting and the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of and permission to deal in the new shares. The dividend warrants and the share certificates for the scrip

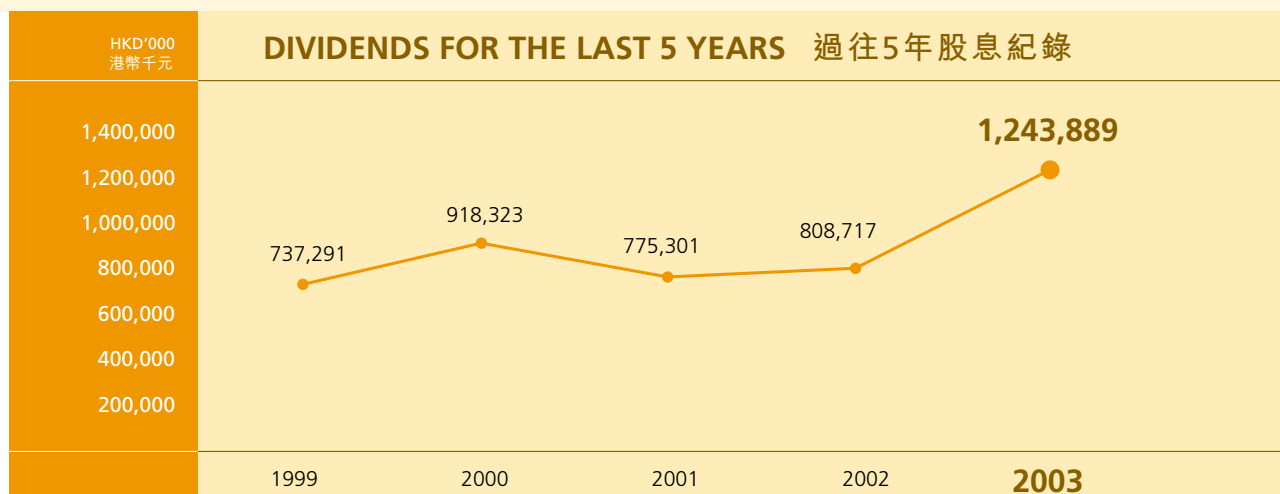
dividend will be sent to shareholders by ordinary mail on or about Wednesday, 31st March, 2004. Details of the scrip dividend and the election form will be sent to shareholders on or about Wednesday, 10th March, 2004.

The year 2003 presented a difficult environment for the Hong Kong banking industry, particularly following the outbreak of Severe Acute Respiratory Syndrome ("SARS") in the first half of the year. Banks in Hong Kong had to deal with worsened credit quality, sluggish loan demand and depressed market sentiment. The outlook for 2004 remains challenging, although it is generally expected that economic recovery will gather pace in 2004. In view of the keen competition in the Hong Kong banking industry, banks will continue to explore new revenue and profit streams. In addition, following the SARS outbreak and the



Dr. The Hon. David Li Kwok-po
Chairman and Chief Executive
主席兼行政總裁
李國寶博士

主席報告書



於2003年，東亞銀行集團錄得股東應佔溢利港幣1,922,000,000元，較2002年度的港幣1,270,000,000元，增加港幣652,000,000元，即51.3%。每股基本盈利為港幣1.32元。平均資產回報率及平均股本回報率分別為1.0%及10.0%。

於2003年12月31日，集團綜合資產總額達港幣198,476,000,000元，較2002年年底數字上升港幣13,062,000,000元。客戶貸款為港幣102,909,000,000元，佔綜合資產總額的51.8%。客戶存款為港幣155,421,000,000元，而已發行債務工具達港幣5,527,000,000元。貸款對存款比率為63.9%，2002年年底則為71.3%。資本總額增加5.5%，至港幣24,387,000,000元。

在即將召開的股東周年常會上，董事會將建議派發末期股息每股港幣6角2仙。連同2003年9月已派發每股港幣2角3仙的中期股息，2003年度每股將合共派發股息港幣8角5仙，較2002年度所派發的股息每股港幣5角6仙，增加51.8%。於2004年3月10日星期三辦公時間結束時，在股東名冊上已登記的股東，將獲派發上述建議的末期股息。該末期股息將以現金派發，惟股東可選擇

收取已繳足股款的新股以代替現金。是項以股代息計劃須待股東在周年常會上通過有關的決議案，並得香港聯合交易所有限公司上市委員會批准所建議發行的新股上市買賣方可作實。有關的股息單及以股代息的股票將約於2004年3月31日星期三以平郵寄予股東。是項以股代息的詳情，將連同有關選擇表格約於2004年3月10日星期三寄予各股東。

2003年為香港銀行業帶來困難的經營環境，尤以上半年爆發嚴重急性呼吸系統綜合症（「非典型肺炎」）後更甚。香港銀行須應付信貸素質下降、貸款需求呆滯及市場氣氛疲弱等問題。儘管一般預期經濟將於2004年逐步復蘇，惟2004年的前景仍充滿挑戰性。有鑒於香港銀行業競爭激烈，銀行將繼續開拓新的收益和利潤來源。此外，隨著非典型肺炎爆發，加上巴塞爾新資本協定的建議即將實施，銀行界將更著重於業務持續計劃及各種風險控制之機制，將控制範圍由信貸及市場風險延伸至營運和策略風險。

CHAIRMAN'S STATEMENT (continued)

forthcoming implementation of new Basel Capital Accord recommendations, banks will place more emphasis on business continuity plans and various risk control mechanisms, extending coverage from credit and market risks to operational and strategic risks.

BEA continued to pursue a growth strategy in 2003, despite the difficult environment. With the implementation of the Bank's new corporate identity and with a new focus on promotion of retail financial products and services through the branch network, BEA was able to attract keen interest in its one-stop financial solutions.

BEA has also successfully developed alternate income streams and business opportunities. Following acquisition of a majority stake in Tengis Limited in 2002, the Bank acquired PricewaterhouseCoopers' company secretarial and client accounting businesses in Hong Kong in early 2003, to further strengthen the Bank's position as the largest provider of business and corporate secretarial services in Hong Kong. Furthermore, BEA has continued to develop its wealth management business, under the banner of SupremeGold.

BEA further streamlined and improved operating efficiencies during the year, in order to optimise the value of its resources and to control costs. The Bank stepped up the branch rationalisation exercise, targeted at optimising the branch network, and relocated a number of back-office operations to Mainland China. BEA will centralise its supporting operations in Hong Kong at Millennium City 5 in Kwun Tong in early 2005.

BEA will continue to leverage its strong position and presence in China and capture business opportunities in the China market. In 2003, the Bank successfully upgraded its Beijing Representative Office to a full branch. The Bank also opened a new sub-branch in Guangzhou. All BEA branches and sub-branches in China are accredited to provide full foreign currency

services. In addition, Shenzhen, Shanghai, Dalian, Guangzhou and Zhuhai branches are allowed to offer Renminbi (RMB) services. The Bank will continue to capitalise on the opportunities in China arising from China's accession to the World Trade Organization and the recent opening up of the RMB business to Hong Kong banks.

With the improving economic and business environment, and the emerging business opportunities arising from retail banking and RMB business, we remain positive about the prospects for the banking industry in Hong Kong. BEA will continue to grow and leverage its niche and market strength and provide more value added financial services and solutions to customers.

The Directors and Staff of the Bank were deeply saddened by the death of Mr. Alan LI Fook-sum on 30th December, 2003. Mr. Li was appointed a Director of the Bank in 1982, and served the Board with distinction for more than 21 years. His contribution to the strength and vitality of the Bank has been invaluable, and his wise counsel will be sorely missed.

David LI Kwok-po

Chairman and Chief Executive

Hong Kong, 10th February, 2004

雖然經營環境困難，本行在2003年仍繼續實行持續增長的策略。本行推出全新的企業形象，並以透過分行網絡推廣零售金融產品和服務作為新焦點，成功吸引客戶對使用東亞銀行一站式金融服務的興趣。

本行亦成功拓展了其他收入來源和商機。繼2002年本行收購登捷時有限公司大部分股權後，本行亦在2003年年初，收購了羅兵咸永道會計師事務所在香港的公司秘書及客戶賬務業務，進一步加強本行作為香港最大的商務及企業公司秘書服務供應商的地位。此外，本行亦以顯卓理財服務之品牌，繼續拓展財富管理業務。

年內，本行進一步精簡運作和提升銀行營運效率，以發揮其資源最佳的價值和控制成本。本行進一步推行本地「分行優化計劃」，完善分行網絡，並將多項後勤工序北移至中國內地。本行計劃於2005年年初將所有支援運作集中於觀塘「創紀之城」第5期。

東亞銀行將繼續憑藉其於國內的強大地位和穩健基礎，攫取內地市場的龐大商機。在2003年，本行成功將北京代表處升格為提供全面服務的北京分行，並在廣州成立一間新的支行。本行於內地的所有分行及支行均獲准提供全面外幣服務。此外，深圳、上海、大連、廣州及珠海分行更獲准提供人民幣服務。本行將會繼續把握內地因中國加入世界貿易組織，以及最近對香港銀行開放人民幣業務所帶來的機遇。

由於經濟及商業環境有所改善，加上零售銀行和人民幣業務的商機不斷湧現，本行對香港銀行業的前景持續樂觀。本行將繼續致力保持增長，並憑藉其地位及市場優勢，向客戶提供更多金融服務及解決方案的增值服務。

最後，東亞銀行的董事會及全體員工對李福深先生於2003年12月30日辭世深表哀悼。李先生早於1982年已獲委任為本行董事，在過去21年間，在董事會內竭心盡力，對本行發展貢獻良多，我們將會銘記於心。

主席兼行政總裁

李國寶

香港，2004年2月10日