



恒生銀行  
HANG SENG BANK

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**增值管理** 今年的主題為「增值管理」策略。新策略將帶領本行邁向未來成功發展。策略目標為透過善用資源，向股東提供最佳回報。具象徵意義的圖象帶出了突破傳統銀行服務的訊息，並描繪出創造價值背後的策略思維。

**MANAGING FOR VALUE** This year's theme is Managing for Value, a new initiative adopted to steer the Bank to future success. Its objective is to maximise shareholder value through efficient use of resources. Symbolic illustration takes this message beyond the typical depiction of day-to-day banking, and into the realm of strategic thinking for creating the most value.

恒生銀行為香港特別行政區第二大的本地註冊銀行，服務超逾二百萬名客戶。「恒生」二字寓意「永恒生長」。

■ 本行致力提高股東回報及提供優質對客服務，並推行「增值管理」策略，目標為令股東回報於五年內最少增加一倍。■ 本行為滙豐集團主要成員之一，該集團乃全球其中一家最大的銀行及金融服務機構。本行於一九三三年創立，專注發展香港及內地業務，有約七千五百名員工分別服務於一百五十六間本地分行、廣州分行、上海分行及深圳分行，以及北京與廈門代表

處。■ 本行的股份在香港及倫敦均有掛牌買賣。本行亦透過紐約銀行在美國向投資者提供第一級贊助形式的美國預託證券計劃。

## HANG SENG BANK,

*whose name in Chinese means “ever-growing”, is the second-largest locally-incorporated bank in the Hong Kong Special Administrative Region and serves more than two million customers.*

■ *The Bank is committed to increasing shareholder wealth and providing superior customer service.*

*Under the Managing for Value strategy, it aims to at least double shareholder value in five years.*

■ *Hang Seng is a principal member of the HSBC Group, one of the world’s largest banking and financial services organisations. Founded in 1933, its business focus is Hong Kong and mainland China. It employs about 7,500 staff in 156 local branches; its Guangzhou, Shanghai and Shenzhen branches; and its Beijing and Xiamen representative offices.* ■ *The Bank’s shares are traded in Hong Kong and London. It also offers investors in the US a Sponsored Level-1 American Depositary Receipts Programme through The Bank of New York.*

業績簡報 RESULTS IN BRIEF

		1999	1998	變動 CHANGE
<b>全年結算</b>	<b>FOR THE YEAR</b>	HK\$M	HK\$M	%
扣除準備金前之營業溢利	Operating profit before provisions	<b>11,065</b>	10,632	+4.1
營業溢利	Operating profit	<b>9,646</b>	8,156	+18.3
除稅前溢利	Profit before tax	<b>9,784</b>	7,976	+22.7
股東應得之溢利	Attributable profit	<b>8,307</b>	6,788	+22.4
<b>每股計</b>	<b>PER SHARE</b>	HK\$	HK\$	%
每股盈利	Earnings per share	<b>4.35</b>	3.55	+22.5
每股股息	Dividends per share	<b>8.20*</b>	3.42	+139.8
<b>於年結日</b>	<b>AT YEAR-END</b>	HK\$M	HK\$M	%
股東資金	Shareholders' funds	<b>39,574</b>	45,505	-13.0
總資產	Total assets	<b>442,070</b>	422,721	+4.6
<b>比率</b>	<b>RATIOS</b>	%	%	
平均股東資金回報率	Return on average shareholders' funds	<b>17.6</b>	13.5	
總資本比率 <sup>†</sup>	Total capital ratio <sup>†</sup>	<b>17.3</b>	21.3	
第一級資本比率 <sup>†</sup>	Tier 1 capital ratio <sup>†</sup>	<b>13.3</b>	17.5	
流動資金比率(全年平均數)	Liquidity ratio (average for the year)	<b>42.4</b>	39.2	
成本對收入比率	Cost:income ratio	<b>25.3</b>	26.7	

\* 包括特別中期股息每股港幣四元一角。  
\* Including special interim dividend of HK\$4.10 per share.

<sup>†</sup> 資本比率已經根據香港金融管理局之有關指引計及市場風險。  
<sup>†</sup> The capital ratios have taken into account market risks in accordance with the relevant Hong Kong Monetary Authority guideline.



## 目標 OBJECTIVE

我們的目標是透過高邊際利潤及增值業務，於五年內令股東回報最少增加一倍。

*Our target is to at least double shareholder returns in five years by focusing on higher-margin, value-creating businesses.*

五年財務摘要 FIVE-YEAR FINANCIAL SUMMARY

		1995	1996	1997	1998	1999
<b>全年結算</b>	<b>FOR THE YEAR</b>	HK\$BN	HK\$BN	HK\$BN	HK\$BN	HK\$BN
營業溢利	Operating profit	7.9	9.1	10.1	8.2	<b>9.6</b>
除稅前溢利	Profit before tax	9.0	9.7	10.8	8.0	<b>9.8</b>
股東應得之溢利	Attributable profit	8.0	8.5	9.4	6.8	<b>8.3</b>
<b>於年結日</b>	<b>AT YEAR-END</b>	HK\$BN	HK\$BN	HK\$BN	HK\$BN	HK\$BN
股東資金	Shareholders' funds	47.0	53.7	52.5	45.5	<b>39.6</b>
實收股本	Issued and paid up capital	9.7	9.7	9.6	9.6	<b>9.6</b>
總資產	Total assets	349.2	394.3	399.4	422.7	<b>442.1</b>
<b>每股計</b>	<b>PER SHARE</b>	HK\$	HK\$	HK\$	HK\$	HK\$
每股盈利	Earnings per share	4.13	4.39	4.85	3.55	<b>4.35</b>
每股股息	Dividends per share	2.90	3.08	3.42	3.42	<b>8.20*</b>
<b>比率</b>	<b>RATIOS</b>	%	%	%	%	%
除稅後平均股東資金回報率	Post-tax return on average shareholders' funds	18.6	16.9	17.6	13.5	<b>17.6</b>
除稅後平均總資產回報率	Post-tax return on average total assets					
以除稅後營業溢利計算	Based on operating profit after tax	2.1	2.1	2.2	1.7	<b>1.9</b>
以股東應得之溢利計算	Based on attributable profit	2.4	2.3	2.4	1.7	<b>1.9</b>
<b>資本比率</b>	<b>Capital ratios</b>					
總比率	Total ratio	24.8	24.0 <sup>†</sup>	22.0 <sup>†</sup>	21.3 <sup>†</sup>	<b>17.3<sup>†</sup></b>
第一級比率	Tier 1 ratio	17.9	16.9 <sup>†</sup>	16.3 <sup>†</sup>	17.5 <sup>†</sup>	<b>13.3<sup>†</sup></b>
成本對收入比率	Cost : income ratio	27.2	25.7	25.7	26.7	<b>25.3</b>

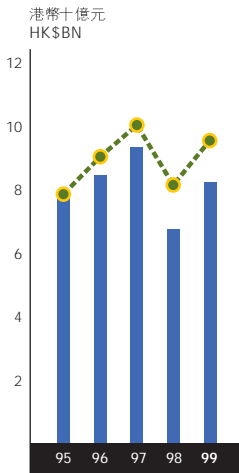
\* 包括特別中期股息每股港幣四元一角。

\* Including special interim dividend of HK\$4.10 per share.

<sup>†</sup> 資本比率已經根據香港金融管理局之有關指引計及市場風險。

<sup>†</sup> The capital ratios have taken into account market risks in accordance with the relevant Hong Kong Monetary Authority guideline.

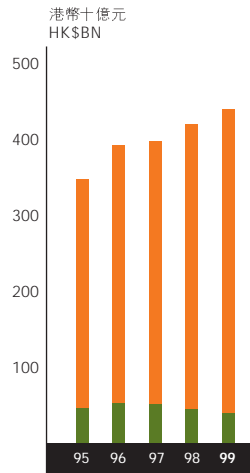
**業績**  
**RESULTS**



■ 股東應得之溢利  
*Attributable profit*

● 營業溢利  
*Operating profit*

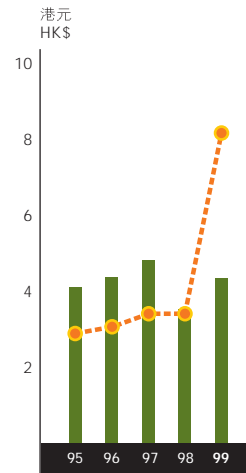
**總資產及股東資金**  
**TOTAL ASSETS AND SHAREHOLDERS' FUNDS**



■ 總資產  
*Total assets*

■ 股東資金  
*Shareholders' funds*

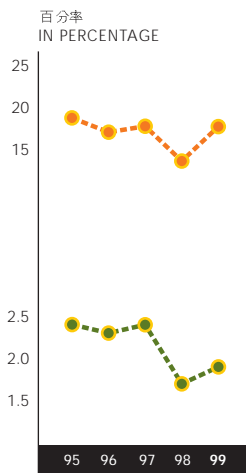
**每股盈利及股息**  
**PER SHARE EARNINGS AND DIVIDENDS**



■ 每股盈利  
*Earnings per share*

● 每股股息  
*Dividends per share*

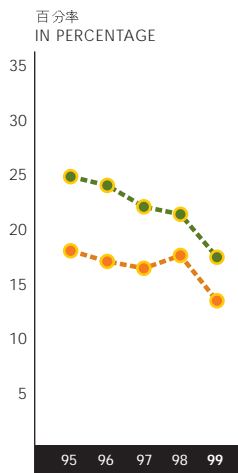
**除稅後平均股東資金及總資產回報率**  
**POST-TAX RETURNS ON AVERAGE SHAREHOLDERS' FUNDS AND TOTAL ASSETS**



● 除稅後平均股東資金回報率  
*Post-tax return on average shareholders' funds*

● 除稅後平均總資產回報率  
*Post-tax return on average total assets*

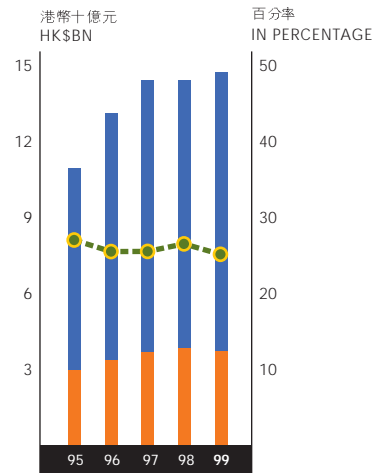
**資本比率**  
**CAPITAL RATIOS**



● 總比率  
*Total ratio*

● 第一級比率  
*Tier 1 ratio*

**成本對收入比率**  
**COST: INCOME RATIO**



■ 收入  
*Income*

■ 成本  
*Cost*

● 成本對收入比率  
*Cost:income ratio*

在充滿挑戰及競爭劇烈的經營環境下，恒生在一九九九年有令人鼓舞之業績，此乃由於營業收入上升、經營成本下降以及呆壞賬準備大幅減少。扣除準備金前之營業溢利增加百分之四點一，為港幣一百一十億六千五百萬元，而股東應得溢利上升百分之二十二點四，為港幣八十三億零七百萬元。

鑑於本行的雄厚實力以及對股東的承擔，董事會宣佈派發第二次中期股息每股港幣二元五角，將於二零零零年三月二十三日派發，較以前提早一個月發放。派發是項第二次中期股息以代替末期股息之決定，乃以股東利益為依歸。

連同已派發之第一次中期股息每股港幣一元六角及特別中期股息每股港幣四元一角，一九九九年之每股派息合共港幣八元二角，而一九九八年則為每股港幣三元四角二仙。若不包括從保留溢利中派發之特別中期股息，是年度派發之全年股息，佔一九九九年股東應得溢利百分之九十四。

在競爭激烈、息差收窄及信貸需求疲弱的環境下，恒生仍錄得理想的業績，實感欣慰。雖然香港經濟已逐漸步出谷底，去年經濟增長主要由對外貿易復甦所帶動，但本地需求在通縮環境下仍然疲弱，而投資意慾亦因實質利率高企而表現呆滯。

### 增值管理

一九九九年乃本行首年推行滙豐集團之「增值管理」策略，年內股東回報理想，達百分之四十點八四。

本行雖然有理想的業績，惟面對瞬息萬變的市場，本行不會因而自滿。根據「增值管理」策略，本行之經營方針是更有效運用資金及各項資源，為股東提供最佳回報。本行的目標是於五年內，令股東回報最少增加一倍。股東回報是以股價升值及股息再投資合併計算。

因此，本行已全面推行以增值為本之管理方式，並以預期回報較經調節風險因素之資金成本為高之業務作為投資對象。

為提高股東回報，本行於一九九九年十一月五日派發特別中期股息每股港幣四元一角，合共港幣七十八億元。派發特別股息顯示本行審慎考慮目前及未來發展業務的所需資金，並顧及股東利益。惟是項特別中期股息不應視為會定期派發。

派發該項特別股息後，本行仍具備充足資本投資於高增值之業務。

「增值管理」的策略目標，有賴迅速回應客戶對增值服務之需求方能達致。為此，本行繼續推行客戶市場分層策略及業務多元化，從而加強客戶關係、擴闊產品系列及提高運作效率令客戶得益。行政總裁將於其報告內加以述明。

### 二零零零年展望

於二零零零年，在強勁的出口需求及轉趨活躍之本地需求帶動下，香港的經濟復甦步伐可望加快。然而，預期投資意慾仍然呆滯，失業率會維持於較高水平。

銀行業方面，資產質素將會趨於穩好，而貸款需求亦轉強。不過，銀行的經營環境仍會受到競爭持續激烈、新科技及撇銷利率規則等因素所影響。

本行將透過應用創新科技加上龐大的分行網絡，為客戶提供最佳理財服務以加強競爭能力。際此電腦網絡時代，本行致力成為電子商貿及理財服務市場的主要參與者，計劃於二零零零年推出安全可靠及一應俱全的網上銀行服務。

利率規則將由二零零零年七月開始逐步全面撤銷，銀行的資金成本將會增加。恒生會推出具競爭力的新產品以加強存款業務，亦會致力拓展高





## 實力

本行財務實力雄厚，營運作風穩健，有足夠能力為未來發展作出投資，再創佳績。

回報的業務，包括個人財富管理業務，例如投資、保險及強積金服務等，以抵銷撇銷利率規則帶來的影響。

本行亦將進一步拓展內地業務，以配合內地龐大的發展潛力，及中國加入世界貿易組織後所帶來之商機。

本行之雄厚實力，包括穩固財務狀況、龐大客戶基礎及高營運效益，實有利本行把握經濟復甦帶來之業務機會。

### 致謝

「增值管理」策略需要員工付出更大努力。對彼等之忠誠勤奮及團隊精神，本人在此衷心致謝。

本行向認同員工貢獻之重要性，為此推行若干獎勵計劃，使員工有更多機會分享本行的成果。年內共有超過二千二百名員工參與滙豐控股海外儲蓄優先認股計劃，及超過一千零五十名員工根據滙豐控股行政人員認股計劃獲得授予認股權。

鑑於經營環境艱難，董事會決定於二零零零年，即連續第二年不作年度薪金調整。惟給予年內表現卓越之員工特別獎勵金。

本行對董事會的全力支持，仰仗良多。自一九九八年年報出版後，董事會成員有若干變動。

林紀利先生於二零零零年二月一日自香港上海滙豐銀行有限公司之執行董事職務榮休，而於二零零零年一月三十一日退任本行董事。本行之總經理兼零售銀行業務處處主任莫偉健先生，於一九九九年八月十二日獲委任本行董事。香港上海滙豐銀行有限公司總經理柯清輝先生及李湯陳會計師事務所首席合夥人李家祥議員，於二零零零年二月二十五日獲委任本行董事。

各股東及客戶對本行之鼎力支持，並對未來發展充滿信心，本人謹致謝意。步入新世紀，本行將再接再勵，與時並進，為股東提供更佳回報及使客戶得益。

艾爾敦

董事長

香港 二零零零年二月二十八日



## 全面服務

本行提供一應俱全的銀行服務，並因應客戶需要促銷創新產品，以發展業務及爭取最大利潤。

本行之日常管理及營運均以增值為目標，從而貫徹「增值管理」策略。本行專注高增值之業務，並透過提高生產力及控制成本以增加營運效益。

本行致力實踐承諾，提供超越客戶期望之產品及服務。

在這互聯網年代，本行正積極加強向客戶提供更創新及切合需要之電子商貿及理財服務產品。

#### 財務摘要

雖然經營環境艱難，恒生一九九九年度業績理想，令人鼓舞。營業溢利上升百分之十八點三，達港幣九十六億四千六百萬元，此乃由於呆壞賬準備大幅減少所致。

淨利息收入增加百分之二點七，為港幣一百一十七億元。年內賺取利息之平均資產增加百分之五點八，足以抵銷利息收益率下降九個基點至百分之二點八七之影響。

儘管平均客戶貸款對存款比率由一九九八年之百分之五十八點七下降至百分之五十四點三，加上住宅按揭市場競爭愈趨激烈，淨息差仍增加十四個基點至百分之二點三六。

其他營業收入為港幣三十一億元，與一九九八年之水平相若。淨服務收費及佣金收入上升百分之十一點四，但部份增幅則被期內外匯買賣溢利減少，且無非經常性之利率掉期合約平倉溢利等因素所抵銷。

本行繼續維持雄厚之流動資金。平均流動資金比率由一九九八年之百分之三十九點二，上升至一

九九九年之百分之四十二點四。經派發特別中期股息後，資本仍然充裕。去年底之總資本比率為百分之十七點三，第一級資本比率為百分之十三點三；而一九九八年之總資本比率及第一級資本比率則分別為百分之二十一點三及百分之十七點五。

#### 成本效益

成本對收入比率為百分之二十五點三（一九九八年：百分之二十六點七），乃本行自公佈一九八九年全年成本對收入比率以來之最低紀錄。該比率亦為同業中之最低者之一，足見本行之審慎成本控制及高營運效益。

營業支出下降百分之三點二，主要為人事費用減少百分之六點四。員工人數於年內透過自然流失減少三百一十人至七千四百八十五人。以一九九七年之高峰期計，迄今已共減少六百七十六人。

此外，本行亦致力透過自動化系統、簡化工序及加強與滙豐集團其他成員之互相合作，因此於員工人數減少之同時，生產力仍得以提高。

為能善用資源，約一百七十五名員工已接受再培訓及被調派至其他崗位，以配合新業務需要。

去年以每一名員工計，扣除準備金前營業溢利上升百分之八點四，達港幣一百五十萬元，為歷年之冠。

### 信貸風險管理

本行穩固之財務基礎，全賴一貫重視審慎信貸及資產質素。年內，本行再加強信貸風險管理。

呆壞賬淨撥大幅減少百分之四十二點七至港幣十四億一千九百萬元，主要是特殊準備減少港幣十億八千二百萬元。貿易融資、企業貸款及租購放款之特殊準備減少，而與內地企業有關之貸款與及住宅按揭之撥備則有增加。年內一般準備撥回為港幣八百萬元，而一九九八年之撥回則為港幣三千三百萬元。

總準備對客戶貸款比率由一九九八年十二月三十一日之百分之二點二三，祇輕微上升至百分之二點四五，反映呆壞賬增長放緩。總準備對客戶貸款比率上升，原因為特殊準備對客戶貸款比率增加。於年底，特殊準備佔客戶貸款百分之一點七四，而一般準備則維持於百分之零點七一水平，其中包括一九九七年作出額外撥備而迄今仍未動用之港幣二億五千萬。

呆壞賬(已扣除懸欠利息)增加港幣八億一千七百萬元，達至年底時之港幣八十六億五千八百萬

元。該數字包括被列為呆壞賬之逾期三個月或以下客戶貸款，或未逾期之客戶貸款，總計港幣二十二億元，反映本行對問題貸款能及早辨別，並採取審慎之撥備政策。

呆壞賬(已扣除懸欠利息)對總客戶貸款比率上升零點四個百分點至百分之四點三。根據本行之謹慎撥備政策，呆壞賬之特殊準備連同有關抵押品經審慎之估值，與有關貸款大約相同。

### 業務摘要

為更有效推行「增值管理」並提高盈利，本行重新劃分主要業務以針對客戶市場分層策略。

此舉使本行能向客戶提供更週全之理財服務，以及促進客戶關係。

經重新劃分者計有個人銀行業務、工商及金融機構業務、商業銀行業務、財資業務及其他主要為管理股東資金、投資物業及長期股票投資等業務。

個人銀行業務主力向客戶提供財富管理及個人理財服務，並為溢利之主要來源，佔總營業溢利百分之五十二點九。

工商及金融機構業務之營業溢利，佔溢利百分之六。

商業銀行業務為製造業、貿易及服務行業之客戶包括中小型企業提供理財服務，但營業溢利受呆壞賬特殊準備影響，祇佔百分之一點四。

財資業務之營業溢利則佔百分之十五點九。餘下為其他業務之溢利，共佔百分之二十三點八。

雖然市場競爭愈趨激烈，本行仍得以擴展或維持主要貸款及存款類別之市場佔有率。往來、儲蓄及其他存款上升港幣二百三十四億元，達港幣三千七百五十七億元。至於已發行之存款證則增加港幣九億五千八百萬元，達港幣一百一十六億七千三百萬元。

儘管客戶貸款於第四季回升，而升幅亦令人鼓舞，但扣除懸欠利息及準備金之客戶貸款仍輕微下



### 分散風險

為配合客戶不斷轉變之需求，本行管理之基金投資組合「恒生精選基金系列」再增添九隻基金，使該系列之基金總數增加至十三隻。

恒生於年內推出五隻反映世界主要股市走勢之基金，成為香港首間向零售客戶提供全面指數基金之財務機構。

客戶可透過「恒生環球科技基金」投資於世界各地與科技有關之股份。

客戶祇需以最低港幣二萬元，或透過「恒生定期投資計劃」以每月低至港幣一千五百元之供款，即可認購該等基金。



## 增長

本行透過客戶市場分層策略，照顧不同規模的企業及商業客戶，共同一起成長。

降百分之零點五，為港幣一千九百七十三億元。雖然市場環境欠佳，住宅物業之按揭，包括政府居者有其屋計劃之樓宇按揭，仍上升百分之二點六。

### 電子商貿

本行之網上服務策略，乃利用創新科技以提供高成本效益之增值服務，從而建立及加強客戶關係，並有助本行之分行更能專注於產品之銷售，以及爭取客戶分惠。

於一九九九年，本行推出數項電子化服務。除善用本身之先進科技及滙豐集團之優勢外，本行亦夥同本地具領導地位之企業組成電子商貿聯盟。

本行與滙豐攜手推出流動電話理財服務，提供即時之銀行及證券買賣服務，廣受客戶歡迎。此項服務自去年九月推出以來，至二零零零年一月止，透過流動電話理財服務進行之交易增加超過六倍，而在一月份之交易中，有四分之一為證券買賣。

本行於二零零零年一月推出香港首張專供網上購物的恒生 e-shopping 萬事達咭。本行亦於去年十二月與 HP 惠普攜手合作，推出網上付款服務 (Secure NetPayment Solution)，方便信用咭商戶在網上進行商業交易。

於二零零零年一月，本行與長江實業 (集團) 有限公司、和記黃埔有限公司及滙豐銀行合資共港幣三十億元，攜手組成「滙網集團有限公司」，以發展互聯網上之商業對商業 (B2B) 及商業對客戶 (B2C) 電子商貿服務。

本行完備之客戶資料庫有助提升處理客戶關係，並可藉以進一步了解客戶之需求而提供更切合需要之服務。

年內，不經櫃檯而透過自動化設備進行之交易增加百分之六點八，佔總交易量百分之八十點七。此趨勢有助將分行轉化為產品銷售之主要渠道。

### 主要業務發展

本行專注發展高回報之業務，如拓展個人財富管理業務及商業銀行業務，並加強促銷。

個人財富管理服務方面，本行進一步擴展個人資產管理及保險業務，產品種類亦更趨多元化。

由恒生投資管理有限公司管理之各項單位信託基金，總額上升百分之一百四十，達港幣三十三億六千萬元。本行並為客戶提供約三百種由具領導地位之基金公司管理之基金。

個人保險業務亦錄得顯著升幅。新簽做之人壽及一般個人保險之保單保費分別上升百分之二百九十五及百分之七十七。

私人財資管理方面，私人銀行、物業管理及信託服務，受惠於投資氣氛好轉，均錄得良好業績。

本行聯同滙豐銀行於二零零零年二月推出強制性公積金 (「強積金」) 服務，提供全面之信託、託管、投資及行政管理等服務。

年內，本行推出香港賽馬會會員咭，以爭取高資產值客戶。本行亦向大學生推出「恒生 U-Smart 理財組合」，又聯同香港中文大學推出亞洲首張以多用途聰明咭操作系統 (MULTOS)，及透過單晶片提供多功能之「電子錢」咭——「中大通」。

本行再增設五間優越理財名策中心及兩間商業銀行中心，為高資產及商業客戶提供專業服務，使總數分別增至十四間及十一間。

本行繼續貫徹客戶市場分層策略，以加強對不同規模之企業及商業客戶之服務。年內，本行積極參與以企業客戶為對象之銀團貸款。鑑於香港之商貿機構以中小型企業為多，因此，本行銳意爭取中小型企業客戶，以擴展商業銀行業務，並特別為中小型企業提供多元化之資金管理服務。

財資業務方面，本行繼續致力提供更多元化產品，並積極參與資本市場業務。由本行安排發行之港元資本市場票據超過五十宗，合共港幣一百二十一億元，以金額計較一九九八年增加百分之四十三。根據《基點》雜誌之統計，本行為第二大港元資本市場票據發行安排銀行。

本行繼續開拓內地業務。深圳辦事處經升格為分行，另已申請於福州設立第四間內地分行。本行之借貸政策一貫審慎並注重資產質素，與內地企業有關之貸款增加百分之三點八，佔總貸款百分之五點一。

本行四項重建物業計劃之最後一項，即諾士佛臺十號於年內完成。該四幢重建物業之總樓面面積合共三十三萬五千平方呎，較重建前增加百分之六十五，所提供之租金收益，可增加非利息收入。



## 激勵

本行重視員工對公司所作的貢獻及自我增值，藉以營造一個能激勵員工發揮潛能的工作環境。



## 電子服務

在電腦網絡年代，安全可靠的電子服務，除為客戶帶來新機會，亦提供更方便快捷的服務。

### 表現獲得認同

本行卓越之表現一再贏得國際及本地認同。

於十二月，本行獲《亞洲貨幣》雜誌推選為亞洲最佳銀行；而在《遠東經濟評論》雜誌舉辦之亞洲首二百間具領導地位企業之調查中，本行之財務實力連續第三年位居全港之冠。

此外，本行亦奪得一九九九年香港服務業獎之生產力大獎及香港零售管理協會頒發優質顧客服務獎。

穆迪投資服務公司亦確認本行之各項評級，包括就本行長期及短期外幣存款給予 A3 及 Prime 2 評級，此乃穆迪給予香港銀行之最高評級；另財務實力方面獲 B 評級，此亦為穆迪給予亞洲銀行之最高評級。本行獲得標準普爾就信貸實力方面給予「Api」評級，亦為香港銀行中之最高評級。

恒生保險有限公司獲 AM Best 給予 A+ (superior) 的評級，此乃 AM Best 給予日本以外亞洲區本地保險公司之最高評級。



本行之財資業務於《亞洲貨幣》雜誌舉辦之銀行同業財資業務調查中，以卓越之整體表現名列第三。

### 鼓勵員工，盡展所長

本行一貫重視人力資源投資，並深信本行之主要競爭優勢在於優秀員工。為提高員工質素，本行制定多項與員工培訓、發展、以及提升員工表現有關的計劃。

為加強實踐「增值管理」，本行全面推行溝通及培訓，使員工能掌握增值機會。此外，本行亦通過培訓，以提倡服務為先之銷售文化，加強促銷。透過該等培訓，員工可發展多方面技能，以迎接新業務挑戰。

年內，本行推出「同心同德迎挑戰」培訓系列，加強團隊精神，並鼓勵員工自強不息，以協助員工適應經營環境之轉變。

於一九九九年內，本行每名員工接受平均六日之培訓。

其他員工發展計劃包括崗位輪調，以及派駐海外其他滙豐集團成員。

為鼓勵員工盡展所長，考核準則均以增值為本，各項獎勵計劃亦與表現掛鉤。

*Asian Business* 雜誌舉辦之一九九九「亞洲區最傑出公司」選舉中，本行獲評選為「最佳僱主」。本行一貫致力關懷員工，獲此殊榮，深感鼓舞。

### 良好企業公民

恒生向以「取諸社會，用諸社會」為宗旨，透過贊助、捐贈及義工服務回饋社會，並重點支持教育、社會服務及環保等項目。

自二零零零至二零零一年度起，「恒生銀行海外留學獎學金」計劃之名額增加至每年五名，以獎勵香港及內地傑出學生前赴美國或英國著名大學進修。

此外，恒生亦推出獎學金計劃，每年頒授獎學金予三十五位內地大學生。同時，本地大專院校及演藝學院學生之獎學金名額，亦增加至每年四十七名。

本行連續第二年贊助香港管弦樂團主辦之「跳躍音符伴成長」計劃。此外，本行亦贊助國際知名之索拉奇藝坊之最富聲色動感新作《歡躍之旅》。

由本行同事組成之義工組於年內參與三十一項社區服務活動。另外，本行亦贊助由香港特區政府主辦之企業植林計劃，於石澳郊野公園種植一萬棵樹木。

此外，為向投資者提供更佳之服務，恒生系列指數之計算及發放頻率，已由一分鐘縮短至十五秒。

### 展望

展望二零零零年，銀行業之競爭持續激烈，經營環境仍然困難。本行將致力擴展業務，積極參與電子商貿及理財服務，及拓展內地業務，以保持市場領導優勢。

本行會繼續致力推展市場分層策略，與客戶建立互利的長遠關係。此外更會推出嶄新之高科



### 亞洲最佳銀行

恒生獲《亞洲貨幣》雜誌從亞洲區內八十八間主要銀行中，推選為亞洲最佳銀行。該雜誌說：「根據《亞洲貨幣》雜誌於該次亞洲最佳銀行選舉所採用之準則，恒生之規模、盈利能力、流動資金、資產負債比率及信貸質素，其他銀行實無出其右。」

穆迪投資服務公司於確認本行之各項評級時說：「表現出色，強勁盈利能力，審慎信貸政

策、良好資產質素及充裕資本使恒生成為香港實力最雄厚之銀行。」

標準普爾於確認本行之「Api」評級時說：「恒生獲得之公開評級足以反映其領導地位，強勁資產負債表，良好盈利能力，充裕流動資金，以及穩固資產質素。」

技產品及開拓銷售渠道，亦會注重有效之成本控制、維持資產質素及充份發揮與滙豐合作的優勢。

於二零零零年，本行將憑藉卓越服務、超著信譽，以及與滙豐之協同合作為基礎，大力拓展電子商貿及理財服務。滙豐及恒生已作出相當投資，與國際商業機器 (IBM) 攜手發展一項「互動理財服務」(IFS)，作為發展電子商貿及理財服務之科技平台。

互動理財服務系統靈活且用途廣泛。透過該項系統之嶄新科技，本行可將銀行服務連接互聯網、[無線應用協定] 電話 (WAP phones)、個人數碼助理 (PDAs) 以至自動化電話銀行服務等。客戶並可透過滙豐集團之全球網絡，享用國際性銀行服務。

本行自一九九六年開始設立網頁，向客戶提供有關本行及產品之詳盡資料。於今年，本行將於

網頁 [hangseng.com](http://hangseng.com) 為零售及企業客戶提供既多元化，又安全可靠之網上銀行服務。本行將致力推廣 [hangseng.com](http://hangseng.com)，使成為一具商譽價值之網頁。

利率規則將於二零零零年七月開始分兩階段全面撤銷，本行將會向存戶提供更具競爭力之新存款服務，以維持市場佔有率。

個人財富管理以及中小型企業之服務範圍，將會進一步擴大。於今年十二月全面推行之強積金計劃為此創造有利條件，本行已投入龐大資源，夥同滙豐，爭取較大之市場佔有率。本行之註冊銷售人員已達一千一百五十名。此外，強積金業務亦提供更多機會向僱主及僱員促銷其他理財、保險及投資產品。

預期企業貸款，尤其是基建及非地產項目之融資，將會有所增加。在財資業務方面，本行會進一步加強資本市場之業務及擴展產品系列，以爭取成長中之債券市場。

中國加入世界貿易組織將會帶來大量商機。為此，本行正加速於內地重點城市開設分行，並加強與優良之內地企業建立客戶關係。

實施「增值管理」策略，旨在致力為股東提高回報及為客戶提供優質服務，同時，充份發揮雄厚實力，迎接新挑戰，為未來繼續穩健發展，奠下良好根基。



### 保障客戶未來

憑藉過往多年之可靠信譽及成績，恒生為客戶提供優質強積金服務。本行聯同滙豐銀行以具競爭力之收費，推出一站式之強積金服務，為香港市民創造財富及為未來提供財務保障。

由十隻基金組成之兩個信託計劃——精選計劃及智選計劃，為客戶提供不同投資風險之基金組合，而僱員可每日24小時隨時轉換基金。

本行透過分行、24小時電話熱線、超過950部自動櫃員機及互聯網，向僱主及僱員提供方便快捷之強積金服務。本行亦設立十一間強積金諮詢中心，為客戶提供專業服務。

鄭海泉

副董事長兼行政總裁

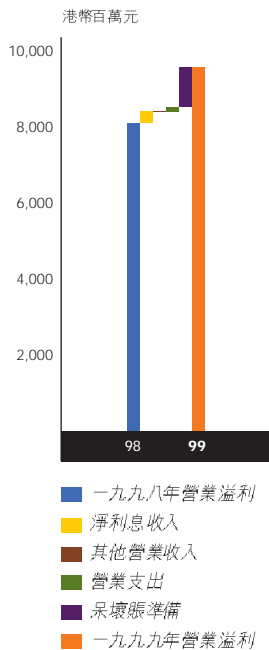
香港 二零零零年二月二十八日



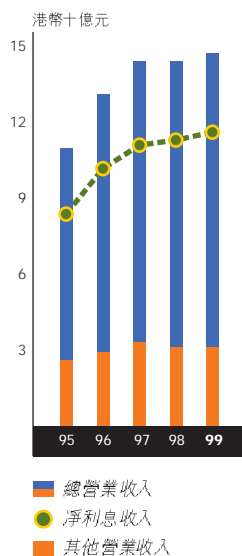
## 發展

隨着中國加入世界貿易組織，我們將把握金融業自由化帶來的商機，擴展內地業務。

營業溢利分析



總營業收入



## 財務業績

### 損益賬

#### 財務業績摘要 (以港幣百萬元位列示)

	一九九九年	一九九八年
扣除準備金前之營業溢利	11,065	10,632
除稅前溢利	9,784	7,976
股東應得之溢利	8,307	6,788
每股盈利 (港元)	4.35	3.55

恒生銀行有限公司及各附屬公司(恒生)一九九九年度之股東應得溢利為港幣八十三億零七百萬元，較一九九八年上升百分之二十二點四。每股盈利為港幣四元三角五仙，較一九九八年增加百分之二十二點五。

扣除準備金前之營業溢利為港幣一百一十億六千五百萬元，增加百分之四點一，此乃由於年內營業收入增加而營業支出減少。鑑於呆壞賬撥提顯著下降，營業溢利上升百分之十八點三，達港幣九十六億四千六百萬元。除稅前溢利為港幣九十七億八千四百萬元，較一九九八年上升百分之二十二點七，原因為年內出售長期投資溢利增加，及於損益賬內支銷之物業重估減值下降。

### 淨利息收入

#### 淨利息收入 (以港幣百萬元位列示)

	一九九九年	一九九八年
利息收入	28,072	32,280
利息支出	(16,405)	(20,925)
淨利息收入	11,667	11,355
賺取利息之平均資產	406,113	383,926
淨息差 (百分率) (以全年計)	2.36	2.22
淨利息收益率 (百分率) (以全年計)	2.87	2.96

淨利息收入較一九九八年增加港幣三億一千二百萬元，或百分之二點七。賺取利息之平均資產增加港幣二百二十二億元，或百分之五點八，足以抵銷因淨利息收益率下降九個基點之影響。

儘管平均客戶貸款對存款比率由一九九八年之百分之五十八點七，下降至百分之五十四點三，以及住宅按揭市場競爭激烈，淨息差仍增加十四個基點至百分之二點三六，原因為定期存款息差擴闊、較低成本之儲蓄存款上升以及最優惠利率與同業拆息之息差擴闊。但來自無利息成本資金之收益率則下降二十三個基點至百分之零點五一，此乃由於一九九九年之市場平均利率較低及於年內派發港幣七十八億元之特別中期股息所致。

### 其他營業收入

一九九九年度之其他營業收入為港幣三十一億四千一百萬元，與一九九八年之水平相若。淨服務費及佣金收入增加港幣一億五千九百萬元，或百分之十一點四。來自個人財富管理業務，包括零售客戶投資基金及個人保險業務，以及證券買賣、信用咭服務及滙款之佣金收入大幅增加。但部份增幅被信貸服務及客戶服務之收入減少所抵銷。買賣溢利減少港幣一千三百萬元，或百分之二點二，反映在一九九九年較平穩之市場環境下，外匯買賣溢利下跌，而證券及股票買賣溢利有所增加。其他收入減少港

幣一億三千三百萬元，或百分之十六點九，主要由於在一九九八年因利率掉期合約平倉而獲得之溢利乃非經常性，以及本年內承保業務溢利亦有所減少。

### 營業支出

營業支出減少港幣一億二千二百萬元，或百分之三點二，此乃審慎控制成本之成果。人事費用隨員工人數下降減少港幣一億五千一百萬元，或百分之六點四。折舊因一九九八年底物業減值而減少港幣二千八百萬元，或百分之六點九。房地產及設備費用上升港幣四千五百萬元，或百分之六點六，主要由於電子資料處理及維修費用增加。其他營業費用支出上升港幣一千二百萬元，或百分之二點八，主要因為業務推廣費用增加。

成本對收入比率進一步下降一點四個百分點至百分之二十五點三（一九九八年：百分之二十六點七），乃本行自十年前公佈該比率以來之最低記錄。

### 呆壞賬準備

#### 損益賬淨提撥（以港幣百萬元位列示）

	一九九九年	一九九八年
呆壞賬淨提撥/(撥回)		
特殊	1,427	2,509
一般	(8)	(33)
合計	1,419	2,476
平均客戶貸款	201,121	204,175
呆壞賬淨提撥對平均客戶貸款比率		
特殊	0.7%	1.2%
一般	-	-
合計	0.7%	1.2%

呆壞賬淨提撥大幅下降港幣十億五千七百萬元，或百分之四十二點七，主要由於特殊準備減少，反映呆壞賬增長放緩。年內，為貿易融資、企業貸款及租購放款之特殊準備減少，而與內地企業有關之貸款及住宅按揭之撥備則增加，惟住宅按揭之拖欠仍維持於低水平。年內之一般準備撥回為港幣八百萬元，而一九九八年之撥回則為港幣三千三百萬元。是年度呆壞賬淨提撥對平均客戶貸款比率由去年之百分之一點二下降至百分之零點七。

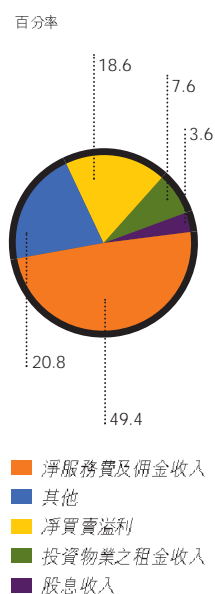
#### 客戶貸款及準備（以港幣百萬元位列示）

	一九九九年	一九九八年
客戶貸款*	202,244	202,813
特殊準備	(3,522)	(3,087)
一般準備	(1,441)	(1,449)
客戶貸款 <sup>†</sup>	197,281	198,277
呆壞賬總額*	8,658	7,841
呆壞賬* 對客戶貸款* 比率	4.3%	3.9%
準備對客戶貸款* 比率		
特殊準備	1.74%	1.52%
一般準備	0.71%	0.71%
總準備	2.45%	2.23%
特殊準備對呆壞賬* 比率	40.7%	39.4%

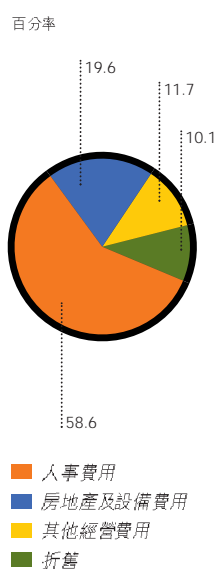
\* 已扣除懸欠利息。

<sup>†</sup> 已扣除懸欠利息及準備。

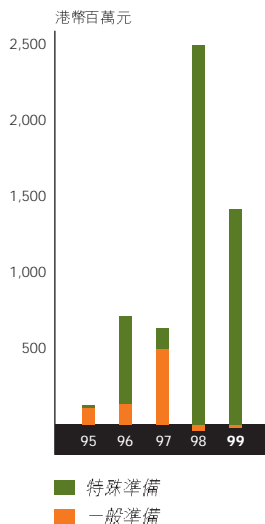
### 一九九九年其他營業收入



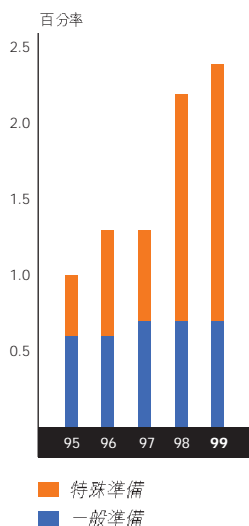
### 一九九九年營業支出



呆壞賬淨提撥



準備對客戶貸款比率



於一九九九年十二月三十一日，呆壞賬對總客戶貸款比率為百分之四點三（一九九八年十二月三十一日為百分之三點九），總準備對總客戶貸款比率為百分之二點四五（一九九八年十二月三十一日為百分之二點二三）。

**有形固定資產及長期投資之溢利**

有形固定資產及長期投資之溢利上升港幣五千三百萬元，達港幣一億零五百萬元，主要為出售股票投資所致。

**物業重估減值**

恒生之行址及投資物業於一九九九年十一月三十日由本行之同母系附屬公司滙豐物業（亞洲）有限公司予以重估。該估值由持有香港測量師學會會員資格之專業估價師進行。重估行址物業之基準乃按照行址當時用途之公開市場價值，而重估投資物業之基準則按照公開市場價值。由於一九九九年之香港物業市場轉趨穩定，重估後所產生之重估減值為港幣一億一千七百萬元。其中包括於本行重估儲備內扣除之港幣九千二百萬元及於損益賬內支銷之個別行址物業估值低於扣除折舊後之賬面成本值差額港幣二千五百萬元。

**資產負債表**

**總資產**

總資產於年內增加港幣一百九十四億元，或百分之四點六，於一九九九年十二月三十一日達港幣四千四百二十一億元。存放同業資產及投資債務證券增加主要由客戶存款上升所帶動，客戶貸款則因企業貸款需求疲弱而輕微下降。

**股東資金**

於十二月三十一日（以港幣百萬元位列示）

	一九九九年	一九九八年
股本	9,559	9,559
保留溢利	17,729	25,005
長期股票投資重估儲備	3,959	2,423
行址及投資物業重估儲備	8,228	8,419
資本贖回儲備	99	99
股東資金	39,574	45,505
平均股東資金回報率(百分率)(以全年計)	17.6	13.5

股東資金減少港幣五十九億三千一百萬元，或百分之十三，於一九九九年十二月三十一日為港幣三百九十五億七千四百萬元，並已計及年內派發之特別中期股息港幣七十八億三千九百萬元。由於香港股票市場上升，長期股票投資重估儲備增加港幣十五億三千六百萬元。該項儲備之產生乃由於本行採納會計實務準則第二十四號「證券投資的會計處理」而令會計政策改變所致。長期股票投資以往按成本值扣除減值準備列示，現已按公平價值列示；而重估所產生之增值或減值，則誌入長期股票投資重估儲備內。一九九八年十二月三十一日之數字已作相應之前期調整列示。

平均股東資金回報率由一九九八年百分之十三點五增至一九九九年百分之十七點六，主要為股東應得之溢利有所增加及股東資金減少所致。

是年度內，本行或任何附屬公司並無購買、沽售或購回本行之上市證券。

### 客戶存款

往來、儲蓄及其他存款較一九九八年底增加港幣二百三十四億二千三百萬元，或百分之六點六。增長主要來自美元定期存款及港幣儲蓄存款類別。已發行之存款證增加港幣九億五千八百萬元，達港幣一百一十六億七千三百萬元。

### 客戶貸款

客戶貸款(已扣除懸欠利息及準備金)較一九九八年十二月三十一日輕微下降港幣九億九千六百萬元，或百分之零點五。工業、商業及金融界之貸款下降百分之一點一。該等貸款於一九九九年上半年之跌幅，部份為下半年貸款需求逐漸回升所抵銷，惟貿易融資則較去年底下跌百分之十六點四。個人貸款增加百分之二點七。住宅物業之貸款，包括政府「居者有其屋計劃」之樓宇按揭貸款，在競爭激烈之情況下仍上升百分之二點六。信用卡及其他個人貸款亦有所增長。

### 貸款對存款比率

貸款對存款比率於一九九九年十二月三十一日為百分之五十二點五，而一九九八年底則為百分之五十六點二，反映客戶存款增加而客戶貸款則輕微下降。

### 各項業務之表現

恒生為推行「增值管理」策略，並加強以客戶市場分層為主導，重新劃分其主要業務為個人銀行、工商及金融機構、商業銀行、財資及其他業務。

各項業務之業績及其應佔本行一九九九年之營業溢利現詳述如下。鑑於按新劃分業務重組上年度業績有實際困難，因此是項分析未能提供比較數字。

主要業務之營業溢利分析 (以港幣百萬元位列示)	一九九九年					合計
	個人銀行業務	工商及金融 機構業務	商業 銀行業務	財資業務	其他業務	
扣除準備金前之營業溢利	5,592	753	897	1,532	2,291	11,065
呆壞賬準備						
特殊	(476)	(185)	(766)	-	-	(1,427)
一般	(11)	10	2	5	2	8
營業溢利	5,105	578	133	1,537	2,293	9,646
佔總營業溢利	52.9%	6.0%	1.4%	15.9%	23.8%	100.0%

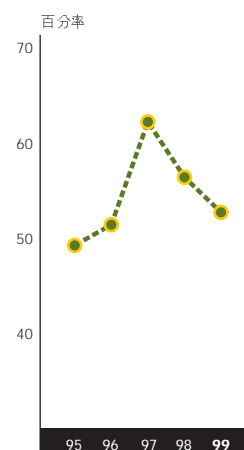
個人銀行業務以龐大的客戶基礎，主力提供財富管理產品及個人理財服務，佔本行一九九九年營業溢利百分之五十二點九。工商及金融機構業務活躍於銀團貸款市場，為大型企業客戶提供企業融資服務，佔一九九九年本行營業溢利百分之六。

商業銀行業務為商業客戶提供貿易融資及其他銀行服務並致力拓展中小型企業市場，營業溢利由於受呆壞賬準備之影響，佔一九九九年之營業溢利百分之一點四。財資業務致力管理資金組合以增強回報及擴展其企業財資服務範圍，佔一九九九年之營業溢利百分之十五點九。其他溢利來源，主要來自股東資金投資回報、行址、投資物業及長期股票投資之收益，佔一九九九年之營業溢利百分之二十三點八。

總資產、客戶存款  
及客戶貸款



貸款對存款比率



## 資本及流動資金管理

### 資本管理

#### 資本基礎及風險加權資產分析(以港幣百萬元位列示)

一九九九年

一九九八年

#### 資本基礎

##### 第一級資本

股本	9,559	9,559
保留溢利	17,489	25,005
資本贖回儲備	99	99
合計	27,147	34,663

##### 第二級資本

行址及投資物業重估儲備	5,786	5,893
長期股票投資重估儲備	2,266	1,090
客戶貸款一般準備	1,440	1,449
合計	9,492	8,432

扣除未綜合計算之投資及其他項目

	(1,350)	(797)
總資本基礎	35,289	42,298

#### 風險加權資產

資產負債表內	193,541	191,292
資產負債表外	9,783	6,941
總風險加權資產	203,324	198,233
包括市場風險之總風險加權資產	204,141	198,437

#### 資本充足比率

##### 未調整市場風險

第一級比率	13.4%	17.5%
總比率	17.4%	21.3%

##### 經調整市場風險後

第一級比率	13.3%	17.5%
總比率	17.3%	21.3%

資本比率乃以股本基礎對風險加權資產比率計算。於一九九九年十二月三十一日，恒生之總資本基礎為港幣三百五十二億八千九百萬元，較一九九八年減少港幣七十億零九百萬元或百分之十六點六。減少主要反映一九九九年十一月為加強資本管理以提高股東資金回報而派發之特別中期股息。

於一九九九年十二月三十一日，根據銀行業條例附表三計算之風險加權資產為港幣二千零三十三億二千四百萬元，較一九九八年增加港幣五十億九千一百萬元或百分之二點六，主要為總資產增加所致。



本行仍具備充足資本。於一九九九年十二月三十一日，總資本比率為百分之十七點四（一九九八年十二月三十一日為百分之二十一點三）。第一級資本比率為百分之十三點四（一九九八年十二月三十一日為百分之十七點五）。根據香港金融管理局頒佈「就市場風險維持充足資本」指引下，總資本比率及第一級資本比率在調節該市場風險後分別為百分之十七點三（一九九八年十二月三十一日為百分之二十一點三）及百分之十三點三（一九九八年十二月三十一日為百分之十七點五）。

### 流動資金管理

根據銀行業條例附表四，流動資金比率乃計算流動資產及限定債務之百分比。流動資產主要包括庫存現金及短期資金、有價證券及一個月內到期之貸款。限定債務主要指在一個月內到期之客戶存款及其他負債。恒生之流動資金比率持續強勁，一九九九年之平均流動資金比率為百分之四十二點四（一九九八年為百分之三十九點二）。

流動資金風險之管理乃為確保本行擁有足夠流動現金，使能準時及有效地支付所有承擔。恒生採用資金流量管理模式訂立每日監控流動資金之程序。恒生之流動資金管理政策為經常儲備足夠數量之優質流動資產以確保有足夠資金應付未來一段期間之財務承諾，包括到期之客戶存款及客戶未動用之信貸額。

作為基本資金來源，恒生維持穩定並分散於不同之期限及類別之存款基礎。恒生活躍於本地貨幣及資金市場，以便調節資產負債之到期情況及確保能以市場價格進行同業拆放及批發存款。為獲取較長期之資金及加強資產負債管理，恒生發行之存款證於年底增加港幣九億五千八百萬元達港幣一百一十六億七千三百萬元。

## 風險管理

風險管理為恒生業務管理之重要核心部份。恒生設立全面性之風險管理政策及程序以確認、監察以及控制業務上可能遇到之各種不同類別風險。

本行之整體內部監控系統及主要之風險管理（流動資金管理於上文已詳述）詳述如下。

### 內部監控系統

恒生之內部監控系統包括建立完善之組織架構，以及全面監控政策及標準。每一業務及運作單位之責任範圍均清楚列明。風險較高之業務例如財資及證券業務，則實施交易與後勤運作需隸屬不同部門，以確保足夠之覆核及監察程序。內部控制措施因應個別業務及運作單位特有之風險而訂立，並因經營環境轉變而經常檢討及評估其效果。

內部稽核為恒生內部監控系統重要之一環，負責監察內部控制措施，確保政策及規定在業務和運作單位能有效地執行。本行之內部稽核直接向董事會之審核委員會負責，以確保其獨立性。審核委員會定時會晤並審閱和檢討財務業績、內部控制、條例執行及本行之核數師所提出之各項建議並確保所有審核建議經已實行。本行之內部稽核工作採取審計風險模式及按滙豐集團所制定之審計準則進行，並與本行之核數師畢馬威會計師事務所緊密合作，並經常就有關營運效益及其他管理事項向本行管理層呈交建議。

### 信貸風險

信貸風險乃指客戶或交易對手於到期時未能履行其承擔而產生之風險。信貸風險來自貸款、貿易融資、財資及其他業務。恒生已訂定政策及制度以確保信貸風險在個別交易及信貸組合中受到適當監控。由本行行政總裁出任主席之信貸委員會，負責監察所有信貸政策、指引及法定信貸限額之執行。該委員會亦監察貸款組合之質素。本行之信貸風險功能乃獨立於其他營業單位，並由信貸監理部主管負責。

董事會按信貸風險手冊之授信權限制度將信貸審批權限下放予個別管理人員。該手冊經由董事會通過，內容包括信貸審批政策及主要信貸類別之檢討程序，以及信貸分級制度及撥備政策。為避免風險過份集中，對個別客戶集團之信貸限制於其資本基礎之某一個百分比，而對個別行業之放款則審慎管理以達至一平衡之貸款組合。

### 市場風險

市場風險乃因受利率、匯率或股票及商品價格之變動，而令本行產生盈利或虧損。市場風險源自按市值計價基準列賬，以及按應計基準列賬之金融工具。客戶業務及自行持倉活動均會對恒生產生市場風險。

市場風險受董事會所核准之風險限額所規範。風險限額按每類產品及風險類別釐定。在設定風險限額時，產品之市場流通性為其中一個主要考慮因素。風險限額之設置乃配合有關風險量計之技巧，包括每個投資組合之坐盤限額、敏感性限額及涉及風險數值限額。

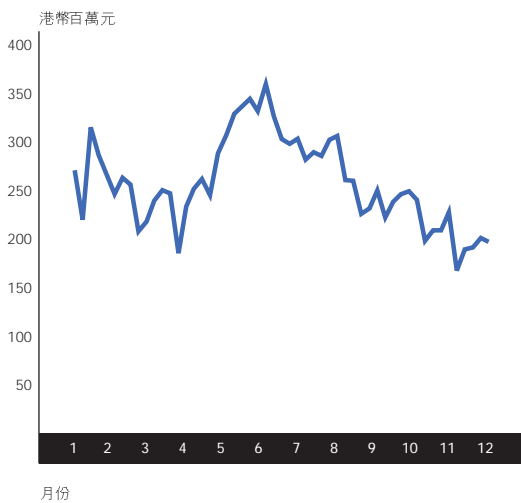
恒生按照匯豐集團所訂定之風險管理政策及風險量計技巧，設立監察每日之實際風險與核准之風險限額比較之程序，並於有需要時作出行動以確保整體風險維持於一可接受之水平。

涉及風險數值是一種估計由於市場匯率、利率及價格在特定持盤時間內之變動而使風險持倉盤可能出現虧損之技巧。恒生計算涉及風險數值之模式採用方差/協方差基準，利用過往市場價格變動資料，按百分之九十九置信水平及十日持倉期作之準則推算，並考慮不同市場及價格之間之相互關係。市場價格的變動乃參考過去兩年的市場數據計算。總涉及風險數值為各類風險獨立計算涉及風險數值之總和。

於一九九九年，計算涉及風險數值時的做法乃採用百分之九十五置信水平推算，並以一日持倉期為計算基礎。自一九九九年開始，涉及風險數值之計算基準則改為百分之九十九置信水平及十日持倉期\*。此改變是為遵循監管規例對於以內部模式計算市場風險資本要求之規定。於一九九九年九月，恒生已獲得香港金融管理局之批准，採用此風險數值模式計算資本充足比率內之市場風險。此外，香港金融管理局亦對本行之市場風險管理程序表示滿意。

於一九九九年十二月三十一日，所有利率及匯率之風險持倉之涉及風險數值為港幣一億九千八百五十萬元，相對一九九八年十二月三十一日之數值為港幣一億三千七百二十萬元。一九九九年內平均涉及風險數值則為港幣二億六千二百六十萬元（一九九八年為港幣三億七千三百二十萬元\*）。若以個

一九九九年 涉及風險之數值



別組合基礎計算，則交易組合及應計賬項涉及風險之數值於一九九九年十二月三十一日分別為港幣一千八百四十萬元（一九九八年為港幣六百三十萬元\*）及港幣一億九千八百一十萬元（一九九八年為港幣一億三千二百三十萬元\*）。

於一九九九年，與市場風險有關之財資業務每日平均收入（包括應計賬項之淨利息收入及與交易持倉之資金成本）為港幣七百一十萬元（一九九八年為港幣七百六十萬元）。該等每日收入之標準差為港幣四百一十萬元（一九九八年為港幣五百五十萬元）。每日收入之分佈分析如本頁圖表所示。在一九九九年之二百四十八個交易日中只錄得兩天虧損記錄，而有關之最高每日虧損為港幣三百萬元。最常見之一日收入，是介乎港幣四百萬元至港幣七百萬元之間，佔一百五十八日。最高之一日收入則為港幣二千五百三十萬元。

### 外匯風險

恒生之外匯風險主要包括財資處之外匯買賣及源自銀行業務之滙兌風險，後者交由財資處按董事會核准之外匯買賣限額內集中管理。於一九九九年十二月三十一日，外匯交易持倉涉及風險之數值為港幣一千八百一十萬元（一九九八年為港幣四百五十萬元\*），而一九九九年內平均數值則為港幣一千二百一十萬元（一九九八年為港幣三百一十萬元\*）。一九九九年平均每日外匯交易盈利為港幣一百七十萬元（一九九八年為港幣一百六十萬元）。

### 利率風險

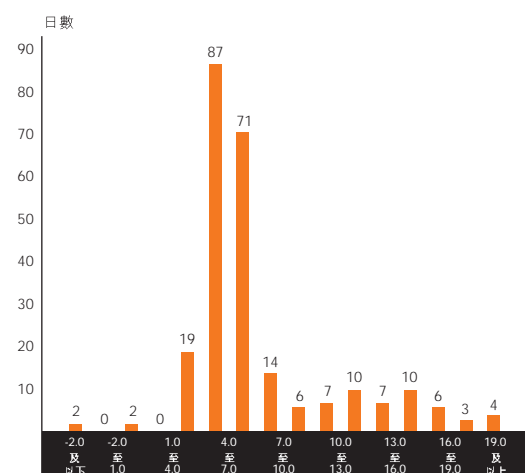
利率風險來自財資交易組合及應計賬項之財務資產及負債，由財資處於董事會核准之限額內管理。於一九九九年十二月三十一日，利率風險涉及之風險數值為港幣一億九千七百七十萬元（一九九八年為港幣一億三千六百三十萬元\*）。而一九九九年內之平均數值則為港幣二億六千二百二十萬元（一九九八年為港幣三億七千三百二十萬元\*）。一九九九年來自財資處與利率風險有關之業務每日平均收入為港幣五百四十萬元（一九九八年為港幣六百萬元）。

\*一九九八年之比較數字乃使用原有之涉及風險數值模式，修訂為以百分之九十九置信水平及十日持倉期基準重新計算。

結構利率風險主要產生自非財資業務，包括無利息成本資金之收益，例如股東資金及部份往來存款，以及固定息率之貸款及負債。此等結構性利率風險之管理，由恒生之資產及負債管理委員會負責監察。

利率感應分析為管理應計帳項利率風險之有效工具，載於第二十六頁之分析表列出應收利息之資產及應付利息之負債在不同期間按合約條款或到期日而重新按市場利率定息之錯配情況。實際定息日可能因提早償還或行使期權而與原合約條款或到期日不同，而合約條款亦不一定反映實際行為規律。因此恒生管理利率風險時並非完全按該分析表之基準而是顧及此等資產負債之行為規律。

一九九九年市場風險收入每日分佈情況



收入 (港幣百萬元)

一九九九年十二月三十一日

利率感應分析 (以港幣百萬元位列示)	三個月或以下	三個月以上 至六個月	六個月以上 至十二個月	十二個月以上	非利息計算	合共
<b>資產</b>						
庫存現金及短期資金	108,257	2,431	839	-	4,887	116,414
一個月以上之定期存放同業	32,547	18,471	4,242	-	-	55,260
存款證	9,387	1,234	301	750	-	11,672
證券投資	8,961	5,698	1,943	5,878	5,130	27,610
客戶貸款	183,440	5,543	592	7,358	348	197,281
其他資產 <sup>†</sup>	7,565	1,091	387	2,757	22,033	33,833
總資產	350,157	34,468	8,304	16,743	32,398	442,070
<b>負債</b>						
往來、儲蓄及其他存款	355,375	5,018	3,328	627	11,363	375,711
同業存款	5,955	-	29	-	905	6,889
其他負債 <sup>†</sup>	4,003	889	187	44	14,773	19,896
股東資金	-	-	-	-	39,574	39,574
總負債	365,333	5,907	3,544	671	66,615	442,070
<b>資產負債表以外</b>						
資產	11,465	4,652	1,331	6,750	-	24,198
負債	17,002	2,817	773	3,606	-	24,198
期限階段淨差額	(20,713)	30,396	5,318	19,216	(34,217)	-
累積淨差額	(20,713)	9,683	15,001	34,217	-	-

<sup>†</sup> 直屬控股公司及同母系附屬公司之存/欠金額已包括在其他資產及其他負債內。

利率感應正差額代表在此期間內重新定息之資產多於負債，雖然正差額通常在利率向上之情況下令利息收益受惠，但實際之得益則受多項因素之影響，包括在重新定息日前提前償還，在不同期間及不同貨幣利率變動之差異。同樣，利率感應負差額代表在此期間內重新定息之負債多於資產，負差額通常在利率向下之情況令利息收益受惠，但實際得益亦同樣受上述之各項因素影響。

#### 股票風險

恒生一九九九年之股票風險主要來自股票長期投資，已列示於財務報告附註十八項內。

## 衍生工具

衍生工具合約結餘（以港幣百萬元列示）	一九九九年			
	合約金額		以市值重估	
	買賣	非買賣	正數值	負數值
外匯合約				
即期及遠期	132,608	-	1,476	1,182
貨幣掉期	-	140	8	-
貨幣期權	646	-	3	3
利率合約				
利率掉期	7,649	13,601	126	103
期貨及遠期利率合約	2,619	152	1	1
利率期權	-	5,150	-	-
市值重估數值分析				
買賣合約			1,512	1,214
非買賣合約			102	75

衍生工具乃指金融合約，其價值及特性衍生自有關之資產、匯率、利率及指數，主要包括在外匯、利率、股票、股票指數及商品市場之期貨、遠期、掉期及期權交易。衍生工具倉盤源自與客戶之交易以及恒生之自營買賣及資產負債管理活動。本行經常監察此等倉盤，以確保其不會超越可接受之風險水平。

衍生工具交易同時牽涉市場風險及信貸風險。恒生對衍生工具之市場風險乃按第二十四頁所述之市場風險監控制度，獨立及連同其他資產負債表項目產生之同類市場風險綜合管理。衍生工具所涉及之信貸風險包括合約重置成本（即合約按市值重估產生之正數值），以及合約剩餘期限之潛在未來價值變動。惟合約之名義金額並不代表恒生之信貸風險。所有衍生工具交易之審批及監察程序與其他信貸交易相同。

載於本頁為一九九九年十二月三十一日之衍生工具按產品類別分析表，列出買賣及非買賣用途之合約。恒生之衍生工具倉盤主要為外匯及利率合約，而期權倉盤則甚少。作買賣用途之衍生工具之市值重估正數值包括於「其他資產」項內而負數值則列於「其他負債」項內。

### 運作監控

由人為錯誤或詐騙行為所造成之損失風險，可透過上文所述之完善內部監控系統而減低，本行亦為保障業務運作及固定資產之有關損失購買適當保險。為減低因系統失誤或天災而影響及中斷業務之風險，所有業務及主要之後勤運作均設有後備系統及緊急業務復原計劃。後備電腦系統以及業務復原所需之場地亦已預備妥當。本行已訂立詳細之緊急復原措施並定期舉行演習，以確保該等程序乃屬趨時及正確。

**董事會**

**名譽董事長**

利國偉

**董事長**

艾爾敦

**副董事長**

鄭海泉

**董事**

陳祖澤

鄭裕彤

何添

何子焯

許晉乾

林紀利 (於二零零零年一月三十一日退任)

利漢釗

李家祥議員 (由二零零零年二月二十五日起出任)

羅康瑞

陸觀豪

莫偉健

柯清輝 (由二零零零年二月二十五日起出任)

彭世文

冼為堅

鄧日樂

**秘書**

馬廣榮

**高層管理人員**

**副董事長兼行政總裁**

鄭海泉

**常務董事兼副行政總裁**

陸觀豪

**董事兼總經理**

莫偉健

**註冊辦事處**

香港德輔道中八十三號

電話：(852) 2198 1111

圖文傳真：(852) 2868 4047

直線電報：73311 73323 75225 63030

環球財務電訊：HASE HK HH

電報：HASEBA

網址：<http://www.hangseng.com>

**股份登記處**

香港中央證券登記有限公司

香港灣仔皇后大道東一八三號

合和中心十九樓一九零一至五室



利國偉 大紫荊勳賢  
名譽董事長



艾爾敦先生  
董事長

**利國偉 大紫荊勳賢 · 名譽董事長**

八十一歲。一九四六年加入本行，一九五九年十二月任董事，一九七六年一月任副董事長，一九八三年至一九九六年二月任執行董事長，一九九六年三月至一九九七年十二月任非執行董事長，一九九八年一月一日起任名譽董事長。一九七八年至一九八四年為香港上海滙豐銀行有限公司非執行董事，一九八四年至一九九二年任香港上海滙豐銀行有限公司董事會顧問，一九九一年至一九九七年任滙豐控股有限公司董事會顧問。恒生商學書院之名譽校董會主席，希慎興業有限公司副主席，美麗華酒店企業有限公司、新世界發展有限公司、邵氏兄弟(香港)有限公司及上海實業控股有限公司董事。香港中文大學校董會終身校董。獲授由敦豪國際集團及南華早報聯合贊助之香港商業獎之一九九四年商業成就獎。於一九九七年七月榮獲香港特別行政區政府頒授「大紫荊勳章」。

**艾爾敦先生 · 董事長**

五十四歲。一九九六年六月獲委任本行董事，一九九八年一月一日獲委任非執行董事長。香港上海滙豐銀行有限公司主席。滙豐控股有限公司、地下鐵路公司及太古洋行有限公司董事。香港賽馬會董事。香港總商會理事及香港貿易發展局理事會成員。

**鄭海泉先生 · 副董事長兼行政總裁**

五十一歲。一九九四年十月任本行董事，一九九五年四月任常務董事，一九九八年三月任副董事長兼署理行政總裁，一九九八年八月起任副董事長兼行政總裁。恒生人壽保險有限公司、恒生商學書院校董會及衛奕信勳爵文物信託人委員會主席。香港上海滙豐銀行有限公司、鷹君集團有限公司及九廣鐵路公司董事。北京市政協委員。香港工商專業聯會副主席。香港中華總商會會董。香港特別行政區政府經濟諮詢委員會委員、香港特別行政區政府土地基金諮詢委員會委員、保險業諮詢委員會及香港公益金董事會成員。

**\* 陳祖澤 先生**

五十六歲。九龍巴士(一九三三)有限公司董事長。安利亞洲太平洋有限公司、九龍巴士控股有限公司、粵海投資有限公司及香港交易及結算所有限公司之董事。一九六四年至一九七八年及一九八零年至一九九三年間任職於香港政府。期間歷任港督私人秘書、副常務司、政府新聞處處長、副布政司、工商司及教育及人力統籌司等要職。香港賽馬會董事、尤德爵士紀念基金信託委員會主席及香港大學校務委員會委員。香港公益金董事。於一九九九年七月榮獲香港特別行政區政府頒授「金紫荊星章」。一九九五年八月獲委任本行董事。

**\* 鄭裕彤 博士**

七十四歲。新世界發展有限公司主席。周大福珠寶金行有限公司董事長及信德集團有限公司董事。一九八五年三月獲委任本行董事。

**何添 博士**

九十一歲。一九三三年加入本行，一九五二年十二月任董事兼總經理，一九六七年至一九七九年任副董事長。美麗華酒店企業有限公司主席。新世界發展有限公司、新鴻基地產發展有限公司及景福集團有限公司之董事。香港中文大學聯合書院永久校董、香港中文大學校董、恒生商學書院校董、鄧肇堅何添慈善基金委員、何氏宗親總會永遠會長、旅港番禺會所永遠名譽會長及金銀業貿易場永遠名譽會長。

**何子焯 先生**

七十七歲。一九五六年加入本行至一九八三年底，一九六一年十二月起任本行董事。伯利衡投資管理有限公司主席。

**\* 許晉乾 先生**

五十六歲。Point Piper Investment Limited 之董事兼行政總裁。中建企業有限公司、怡和策略控股有限公司及置地控股有限公司董事。一九九四年八月獲委任本行董事。

**林紀利 先生** (於二零零零年一月三十一日退任)

五十五歲。一九九八年六月至二零零零年一月任香港上海滙豐銀行有限公司執行董事。一九九六年二月至一九九八年五月任香港上海滙豐銀行有限公司總經理。Winsor Properties Holdings Limited 董事。一九九六年一月至二零零零年一月任本行董事。



\* **利漢釗博士**

七十一歲。希慎興業有限公司主席。香港聯合交易所有限公司主席。國際證券交易所聯會會長。香港交易及結算所有限公司、國泰航空有限公司、香港中華煤氣有限公司及英國註冊的 Imperial Chemical Industries PLC (ICI) 董事。香港中文大學校董會主席。一九八六年十月獲委任本行董事。

\* **李家祥議員** (由二零零零年二月二十五日起出任)

四十六歲。李湯陳會計師事務所首席合夥人。香港特別行政區立法會議員。立法會政府帳目委員會主席及財經事務委員會副主席。九龍巴士控股有限公司、數碼通電訊集團有限公司、Wong's International (Holdings) Limited、中國航空技術國際控股有限公司及上海實業醫藥科技(集團)有限公司之董事。一九九三年獲選為首位香港傑出會計師。一九九四年任香港會計師公會會長。現為香港金融管理局接受存款公司諮詢委員會及稅務局稅務專家委員會委員。青年事務委員會及香港社會服務聯會主席。二零零零年二月獲委任本行董事。

**羅康瑞先生**

五十一歲。瑞安集團主席兼行政總裁。騰君集團有限公司董事。中國人民政治協商會議第九屆全國委員會委員。香港工商專業聯會會長。長江開發滬港促進會理事長、中國宏觀經濟學會特邀顧問、港美經濟合作委員會委員、中華海外聯誼會理事、香港科技大學校董會主席。於一九九八年七月榮獲香港特別行政區政府頒授「金紫荊星章」。一九九九年二月獲委任本行董事。

**陸觀豪先生**

四十八歲。一九七五年加入本行，一九九四年十月任本行董事兼副行政總裁。一九九六年四月起任常務董事兼副行政總裁。香港工商專業聯會及於仁保險有限公司董事。廣播事務管理局成員。香港中文大學校董會成員及大學司庫。恒生商學書院校董。一九九二年至一九九八年為香港浸會大學校董會成員。一九八九年至一九九零年間出任香港政府之中央政策組兼職成員。一九九二年至一九九五年為立法局議員。

**莫偉健先生**

五十一歲。一九六六年加入本行，曾任與零售銀行、押匯及稽核有關之多個不同崗位，一九八八年至一九九四年七月任稽核處處主任，一九九四年八月獲委任零售銀行業務處處主任，一九九五年一月任高級助理總經理，一九九五年七月任副總經理，一九九六年一月升任總經理，一九九九年八月起出任本行董事兼總經理。負責本行零售銀行及保險業務。恒生商學書院及李寶椿聯合世界書院(香港)有限公司校董。

**柯清輝先生** (由二零零零年二月二十五日起出任)

五十歲。二零零零年二月起任香港上海滙豐銀行有限公司總經理。滙豐保險集團(亞太)有限公司及滙豐財務有限公司主席。國泰航空有限公司、思捷環球控股有限公司、新昌營造集團有限公司及和記黃埔有限公司董事。香港銀行公會主席。香港金融管理局銀行業務諮詢委員會、香港出口信用保險局顧問會及香港工業總會常務委員會成員。二零零零年二月獲委任本行董事。

**彭世文先生**

五十一歲。一九九五年起任香港上海滙豐銀行有限公司財務主管。香港房屋委員會財務委員會成員。一九九九年一月獲委任本行董事。

**\* 冼為堅博士**

七十歲。萬雅珠寶有限公司董事長。美麗華酒店企業有限公司副主席、新世界發展有限公司常務董事及景福集團有限公司董事。一九九一年十一月獲委任本行董事。

**\* 鄧日樂先生**

四十七歲。昇和有限公司主席兼董事長，並為景福集團有限公司之副董事長、美麗華酒店企業有限公司、九龍建業有限公司及香港商業廣播有限公司之董事。懲教署人員子女教育信託基金委員會主席、華人永遠墳場管理委員會委員、人事登記審裁處審裁員、香港特別行政區護照(上訴委員會)委員、入境事務審裁處審裁員、大律師紀律審裁團成員及香港空運牌照局委員。一九九五年八月起獲委任本行董事。

**\* 獨立非執行董事**

艾爾敦先生為滙豐控股有限公司(滙豐控股)及香港上海滙豐銀行有限公司之董事。鄭海泉先生為香港上海滙豐銀行有限公司之董事。至二零零零年一月三十一日止，林紀利先生為香港上海滙豐銀行有限公司之董事。柯清輝先生為香港上海滙豐銀行有限公司之總經理。彭世文先生為香港上海滙豐銀行有限公司之財務主管。滙豐控股及香港上海滙豐銀行有限公司擁有本行之權益根據證券(公開權益)條例第二部份乃屬需公佈者。



鄭海泉先生  
副董事長兼行政總裁

**鄭海泉先生** · 副董事長兼行政總裁

五十一歲。一九九四年十月任本行董事，一九九五年四月任常務董事，一九九八年三月任副董事長兼署理行政總裁，一九九八年八月起任副董事長兼行政總裁。恒生人壽保險有限公司、恒生商學書院校董會及衛奕信勳爵文物信託人委員會主席。香港上海滙豐銀行有限公司、鷹君集團有限公司及九廣鐵路公司董事。北京市政協委員。香港工商專業聯會副主席。香港中華總商會會董。香港特別行政區政府經濟諮詢委員會委員、香港特別行政區政府土地基金諮詢委員會委員、保險業諮詢委員會及香港公益金董事會成員。

**陸觀豪先生** · 常務董事兼副行政總裁

(陸觀豪先生之簡介已列於第三十一頁。)

**莫偉健先生** · 董事兼總經理

(莫偉健先生之簡介已列於第三十一頁。)

茲謹將截至一九九九年十二月三十一日年度之報告書及已審核賬項送呈 台覽。

### 主要業務

本行及各附屬公司從事銀行業及有關之金融服務。

### 溢利

本行及各附屬公司之本年度綜合溢利連同有關經已派發及宣佈派發之股息詳情列於本年結第八十三頁。

### 主要客戶

董事會認為，本行五位最大客戶所佔是年度本行總利息及其他營業收入少於百分之三十。

### 附屬公司

有關本行各主要附屬公司於一九九九年十二月三十一日之資料列於本年結第一百一十四頁。

### 股本

是年度內本行之註冊股本及實收股本並無任何變動。

### 捐款

是年度內本行及各附屬公司共支出港幣八百七十萬元作為慈善捐獻。

### 董事

一九九九年底，本行之董事為利國偉博士、艾爾敦先生、鄭海泉先生、陳祖澤先生、鄭裕彤博士、何添博士、何子焯先生、許晉乾先生、林紀利先生、利漢釗博士、羅康瑞先生、陸觀豪先生、莫偉健先生、彭世文先生、冼為堅博士及鄧日樂先生。

林紀利先生因自香港上海滙豐銀行有限公司董事職務榮休，而於二零零零年一月三十一日退任本行董事之職。

莫偉健先生於一九九九年八月十二日獲委任為本行董事，而李家祥議員及柯清輝先生則於二零零零年二月二十五日獲委任為本行董事。此三位董事依章告退，但願應選連任。

董事鄭裕彤博士、利漢釗博士及鄧日樂先生依章輪值告退，但願應選連任。

本行並無與將於股東週年常會上擬重選連任之董事訂立任何於一年內若由本行終止合約時須作出賠償（除法定賠償外）之服務合約。

是年度內及於年結日時，本行或本行之任何控股公司、任何附屬公司或同母系附屬公司並無訂立本行董事享有重大權益之重要合約。

## 董事權益

本行董事依照香港聯合交易所有限公司之證券上市規則（「上市規則」）而作出之公佈，於年結日時所持之本行及各相聯公司之權益詳情列於下表之內。

	個人權益	家屬權益	公司權益	其他權益	總數
<b>持有本行之普通股</b> (每股面值港幣五元正)					
利國偉博士	1,091,516	1,094,783	350,990 <sup>(1)</sup>	158,152 <sup>(2)</sup>	2,695,441
何添博士	3,480,252	-	-	-	3,480,252
陳祖澤先生	-	-	-	1,000 <sup>(3)</sup>	1,000
何子焯先生	84,240	-	-	-	84,240
利漢釗博士	26,325	-	-	-	26,325
陸觀豪先生	1,983	-	-	-	1,983
莫偉健先生	1,625	-	-	-	1,625
<b>持有滙豐控股有限公司之普通股</b> (每股面值 0.50 美元)					
利國偉博士	1,576,598	1,180,595	68,459 <sup>(1)</sup>	1,569,831 <sup>(2)</sup>	4,395,483
艾爾敦先生	1,319	430	-	-	1,749
鄭海泉先生	18,705	-	-	-	18,705
陳祖澤先生	14,283	-	-	3,000 <sup>(3)</sup>	17,283
何添博士	97,409	-	-	-	97,409
許晉乾先生	8,361	24,342	926,241 <sup>(4)</sup>	-	958,944
利漢釗博士	36,129	-	-	-	36,129
陸觀豪先生	45,618	-	-	-	45,618
彭世文先生	4,476	-	-	-	4,476

註：

- (1) 利國偉博士及其夫人有權控制某私人公司不少於三分之一之股份表決權而可於其股東大會上行使者，而列於公司權益項下之股份，均全數由該公司實益持有。
- (2) 利國偉博士及其夫人乃一慈善基金其中兩位信託人，該慈善基金持有 1,511,247 股滙豐控股有限公司股份，而該基金按稅務條例第 88 條可豁免繳稅。又利國偉博士之夫人乃兩項信託之兩名信託人之一，而該兩項信託包括 158,152 股本行股份及 58,584 股滙豐控股有限公司股份。利國偉博士及其夫人並非此註(2)內所述股權之受益人。
- (3) 陳祖澤先生及其夫人乃一項信託之受益人，而該信託持有 1,000 股本行股份及 3,000 股滙豐控股有限公司股份。
- (4) 許晉乾先生有權控制某私人公司不少於三分之一之股份表決權而可於其股東大會上行使者，而列於公司權益項下之股份，均全數由該公司實益持有。

於年結日時，利國偉博士以家屬權益持有香港上海滙豐銀行有限公司發行二零零三年後償付有上下限浮息票據港幣二百五十萬元。

於年結日時，下列董事持有每股面值 0.50 美元之滙豐控股有限公司普通股之優先認股權。該等認股權乃滙豐控股有限公司無代價授予該等董事。

	於年結日時 持有之優先認股權 <sup>(1)</sup>	於上半年內行使 優先認股權認購 每股 75 便士 之普通股	於下半年內行使 優先認股權認購 每股 0.50 美元 之普通股 <sup>(1)</sup>	調整後之每股 行使價 (以便士計) <sup>(1)</sup>	授予日期 <sup>(1)</sup>	開始行使日期	截止行使日期
艾爾敦先生	-	8,577 <sup>(2)</sup>	-	240.62	1993年10月12日	1996年10月12日	2003年10月12日
	-	10,091 <sup>(3)</sup>	-	283.76	1994年3月8日	1997年3月8日	2004年3月8日
	36,000	-	-	217.27	1995年3月7日	1998年3月7日	2005年3月7日
	40,500	-	-	333.34	1996年4月1日	1999年4月1日	2006年4月1日
鄭海泉先生	-	-	13,620 <sup>(4)</sup>	283.76	1994年3月8日	1997年3月8日	2004年3月8日
	-	-	5,085 <sup>(5)</sup>	203.49	1994年9月26日	1999年12月1日	2000年5月31日
	18,000	-	-	217.27	1995年3月7日	1998年3月7日	2005年3月7日
	3,819	-	-	180.60	1995年4月10日	2000年8月1日	2001年1月31日
	24,000	-	-	333.34	1996年4月1日	1999年4月1日	2006年4月1日
林紀利先生	30,000	-	-	333.34	1996年4月1日	1999年4月1日	2006年4月1日
陸觀豪先生	1,248	-	-	539.80	1999年4月1日	2004年8月1日	2005年1月31日
莫偉健先生	3,126	-	-	539.80	1999年4月1日	2004年8月1日	2005年1月31日
彭世文先生	-	-	4,428 <sup>(6)</sup>	233.61	1994年4月11日	1999年7月1日	1999年12月31日
	15,135	-	-	283.76	1994年3月8日	1997年3月8日	2004年3月8日
	18,000	-	-	217.27	1995年3月7日	1998年3月7日	2005年3月7日
	3,819	-	-	180.60	1995年4月10日	2000年8月1日	2001年1月31日
	21,000	-	-	333.34	1996年4月1日	1999年4月1日	2006年4月1日
	22,500	-	-	501.60	1997年3月24日	2000年3月24日	2007年3月24日
	20,250	-	-	627.67	1998年3月16日	2001年3月16日	2008年3月16日
	1,875	-	-	539.80	1999年4月1日	2004年8月1日	2005年1月31日

註：

- (1) 所有滙豐控股有限公司先前根據各項優先認股計劃而授出之認股權，皆為認購滙豐控股有限公司每股 75 便士之普通股。根據滙豐控股有限公司於 1999 年 7 月 2 日實行之股本重組，每股面值 75 便士之滙豐控股有限公司普通股均已由每股面值 0.50 美元之新普通股所取代。而根據滙豐控股有限公司各項優先認股計劃授出之認股權數目亦經已調整，方法為將股數乘以三倍，而有關之行使價則除以三。
- (2) 於行使優先認股權之日，即 1999 年 4 月 28 日，每股面值 75 便士滙豐控股有限公司普通股之行使價為 721.84 便士，其市值則為 2,318 便士，因此共獲得 136,903 英鎊之利益。
- (3) 於行使優先認股權之日，即 1999 年 4 月 28 日，每股面值 75 便士滙豐控股有限公司普通股之行使價為 851.27 便士，其市值則為 2,318 便士，因此共獲得 148,008 英鎊之利益。
- (4) 於行使優先認股權之日，即 1999 年 12 月 13 日，每股面值 0.50 美元滙豐控股有限公司普通股之行使價為 283.76 便士，其市值則為 847 便士，因此共獲得 76,713 英鎊之利益。
- (5) 於行使優先認股權之日，即 1999 年 12 月 1 日，每股面值 0.50 美元滙豐控股有限公司普通股之行使價為 203.49 便士，其市值則為 806 便士，因此共獲得 30,638 英鎊之利益。
- (6) 於行使優先認股權之日，即 1999 年 8 月 1 日，每股面值 0.50 美元滙豐控股有限公司普通股之行使價為 233.61 便士，其市值則為 639 便士，因此共獲得 17,951 英鎊之利益。

於年結日時，以下董事根據滙豐控股有限公司有限制股份計劃，各獲授予每股面值 0.50 美元之滙豐控股有限公司普通股之有條件獎勵股份數目如下：

艾爾敦先生	70,339
鄭海泉先生	34,502
林紀利先生	43,117
陸觀豪先生	12,519
莫偉健先生	10,954
彭世文先生	10,954

除上述外，是年度內，本行、本行之任何控股公司、附屬公司或同母系附屬公司並無參與任何協定使本行董事取得本行或其他公司股份或債券而獲益。

於截至一九九九年十二月三十一日之年度內，本行並無發給認購本行股本或債務證券之權利予任何人士，亦無任何人士行使該等權利。

#### 獨立非執行董事酬金

本行之獨立非執行董事於截至一九九九年十二月三十一日之年度各收取董事袍金港幣八萬元。

#### 主要股東權益

根據本行依照證券（公開權益）條例而設之登記冊，於一九九九年十二月三十一日，下列公司擁有本行之權益（按照該條例所規定者）如下：

公司名稱	持有之普通股數量（每股面值港幣五元正） （佔總數百分率）
香港上海滙豐銀行有限公司	1,188,057,481 (62.14%)
HSBC Holdings BV	1,223,967,924 (64.02%)
HSBC Finance (Netherlands)	1,223,967,924 (64.02%)
滙豐控股有限公司	1,225,236,869 (64.09%)

由於香港上海滙豐銀行有限公司為 HSBC Holdings BV 之全資附屬公司，HSBC Holdings BV 為 HSBC Finance (Netherlands) 之全資附屬公司，而 HSBC Finance (Netherlands) 為滙豐控股有限公司之全資附屬公司，故此，香港上海滙豐銀行有限公司之權益亦被視為 HSBC Holdings BV、HSBC Finance (Netherlands) 及滙豐控股有限公司所擁有之權益。

本行董事會認為，滙豐控股有限公司實益持有本行之普通股 1,188,057,371 股 (62.14%)。

#### 關連交易

##### 融資租賃及結構融資安排

在日常業務中，本行及其附屬公司所參與之若干融資租賃及結構融資安排涉及與滙豐集團其他成員之交易。

### 購買、沽售或購回本行之上市證券

是年度內本行或任何附屬公司並無購買、沽售或購回本行之上市證券。

### 處理公元 2000 年電腦問題之準備程度

恒生採納英國標準公會對處理有關問題之規定，作為處理公元 2000 年電腦問題之依據。

處理該問題的計劃目標，是確保恒生為客戶提供的服務，在公元 2000 年及以後不受日子轉換問題所影響。恒生已成立主導委員會（成員包括各主要業務部門代表）負責監察該計劃之進展，並向董事會及審核委員會報告。恒生在邁入公元 2000 年以後，並無出現任何與公元 2000 年電腦問題有關的重大事故。

恒生已根據計劃，對其所有有關系統進行測試，以確保不受公元 2000 年電腦問題影響。恒生並已要求各產品及服務供應商確定其所提供之產品及服務均能過渡公元 2000 年。恒生亦就客戶對處理公元 2000 年電腦問題之承擔作出評估，並為客戶提供所需資料及協助，以幫助彼等了解有關問題及風險。恒生並對所參與之多個中央結算存管系統，就其電腦系統過渡公元 2000 年之計劃予以監察。另恒生亦因應情況，於一九九九年間參加與外間系統聯繫之測試。

自一九九九年中，恒生之有關電腦系統已按英國標準公會界定的有關準則成功通過測試，以符合過渡公元 2000 年之要求。至於恒生所安裝之外來軟件系統亦已進行測試。

此外，恒生亦擬定了應變計劃，以應付例如因外來電腦系統所引發的問題，及恒生所控制範圍以外之系統或運作程序可能失效之情況。

第三者對公元 2000 年電腦問題之準備程度不足，亦可能導致恒生蒙受損失及妨礙恒生之業務運作，甚至干擾金融市場運作。為應付此方面之風險，恒生致力尋求雙邊及多方面之合作，並參與銀行界及國際間應付有關問題之行動。

數年前恒生已開始在進行電腦系統提升過程中，同時就過渡公元 2000 年電腦問題作出相應修改。該等修改祇屬整體工作之一部份，而涉及過渡公元 2000 年電腦問題修改之支出並未有獨立界定。於一九九九年，經獨立界定涉及過渡公元 2000 年電腦問題修改之支出為港幣四十萬元。至於一九九八年一月一日至一九九九年十二月三十一日期間，經獨立界定涉及過渡公元 2000 年電腦問題修改之支出則為港幣二千四百萬元（其中港幣一千萬元為所增添非內部成本）。除購買資本性設備之費用外，所有電腦修改費用均當作營業支出處理，並已就此備有足夠之預算，而各項支出均在預算計劃之內。至於並非直接因過渡公元 2000 年電腦問題而更換之主要電腦系統之支出（雖則該等支出部份或會涉及過渡公元 2000 年電腦問題），並不包括於上述支出內。

於一九九九年十二月三十一日，恒生並無經董事會批准，與修正公元 2000 年電腦問題有關而尚未履行的支出承諾。

### 企業管理

作為良好企業管理之重要一環，本行董事會已自一九九二年起成立兩個董事委員會，即執行委員會及審核委員會。



#### **執行委員會**

執行委員會定期舉行會議，檢討本行之管理運作及業務表現，並在董事會直接授權下，以一般管理委員會形式運作，成員包括鄭海泉先生(主席)、柯清輝先生、陸觀豪先生及莫偉健先生(董事)。

#### **審核委員會**

審核委員會定期與本行之財務、內部稽核及條例執行之高層管理人員，以及本行之核數師舉行會議，以考慮有關稽核檢討之性質及範圍，以及內部控制及條例執行制度之效率。審核委員會之成員為利漢釗博士(主席)、鄧日樂先生及彭世文先生，彼等均為本行之非執行董事。

#### **最佳應用守則**

本行並無任何董事知悉資料足以合理地顯示本行於截至一九九九年十二月三十一日止年度內任何時間未有遵守本行所採納董事之最佳應用守則之任何部份，該守則包括上市規則附錄十四之全部指引。

#### **本地註冊認可機構披露財務資料指引**

本行截至一九九九年十二月三十一日止之年度會計賬項，完全符合香港金融管理局一九九九年十二月頒佈之本地註冊認可機構披露財務資料指引之各項要求。

#### **核數師**

本行之核數師畢馬威會計師事務所將任滿告退，但表示願意留任。在行將召開之股東週年常會上將提呈議案，批准續聘畢馬威會計師事務所為本行之核數師。

董事長 艾爾敦 謹啟

香港 二零零零年二月二十八日

HANG SENG'S PERFORMANCE IN 1999 WAS ENCOURAGING GIVEN THE CHALLENGING AND COMPETITIVE MARKET ENVIRONMENT. THE RESULTS BENEFITED FROM A RISE IN INCOME AND LOWER COSTS TOGETHER WITH A SUBSTANTIAL REDUCTION IN PROVISIONS FOR BAD AND DOUBTFUL DEBTS. OPERATING PROFIT BEFORE PROVISIONS GREW BY 4.1% TO HK\$11,065 MILLION AND ATTRIBUTABLE PROFIT INCREASED BY 22.4% TO HK\$8,307 MILLION.

Given the Bank's strong fundamentals and commitment to shareholders, the Directors have declared a second interim dividend of HK\$2.50 per share, payable on 23 March 2000, one month earlier than in previous years. The decision to award a second interim dividend in lieu of a final dividend was made in the interest of shareholders.

Together with the first interim dividend of HK\$1.60 and special interim dividend of HK\$4.10 already paid, the total distribution for 1999 will amount to HK\$8.20 per share, compared with

HK\$3.42 per share for 1998. Excluding the special interim dividend, which was paid out of retained profits, the total dividend payment for the year represents 94% of the attributable profit for 1999.

Our encouraging results were achieved against a backdrop of intense competition, lower margins and slow loan demand. Although the Hong Kong economy emerged from recession, economic growth was largely driven by the pick-up in external trade. Domestic demand remained weak in the deflationary environment



## STRENGTH

*We are a financially strong and prudently managed bank, with ample ability to invest for the future and increase performance.*

and investment spending was lacklustre given high real interest rates.

### **MANAGING FOR VALUE**

In 1999, following the implementation of the HSBC Group's Managing for Value strategy, we were able to achieve a total return for our shareholders of 40.84%.

In the rapidly changing market, however, we are not complacent. Our governing objective under Managing for Value is to provide attractive

returns to our shareholders through efficient use of our capital and resources. Our target is at least to double shareholder value in five years, as measured by the combination of share price appreciation and reinvested dividends.

A value-based management methodology has been adopted bank-wide, with an emphasis on investing in businesses where the projected returns exceed the risk-adjusted cost of capital.

In order to enhance shareholder returns, a special interim dividend of HK\$4.10 per share was

awarded on 5 November. The payout, totalling HK\$7.8 billion, reflected careful consideration of the Bank's current and planned future capital requirements, and the interests of shareholders. It should not be taken as an indication of a regular distribution.

We remain well-capitalised, with ample scope to invest in businesses that create value.

Our Managing for Value target can only be achieved through speedy satisfaction of the needs of customers, who are also seeking added value. Customers benefited from our enhanced relationship management, an even wider range of products and increased efficiency as a result of the segmentation and diversification of our business. The Chief Executive describes this in more detail in his report.

#### **OUTLOOK FOR 2000**

This year should see the economic recovery gain further momentum, propelled by strong demand for exports and gradually improving domestic demand. However, investment spending is expected to remain sluggish and unemployment relatively high.

In the banking sector, asset quality is expected to stabilise and loan demand to improve.

Nevertheless, operating conditions will be affected by intense competition, new technology and interest rate deregulation.

We shall strengthen our ability to compete by offering the best financial solutions through innovative banking channels as well as through our established branch network. In the cyber era, we intend to be a major e-player at the leading edge of financial service developments. A comprehensive range of secure and reliable internet services will be introduced in 2000.

The deregulation of the remaining interest rate rules, scheduled to begin in July 2000, will increase bank funding costs. Hang Seng will strengthen its deposit services by offering competitive new features. We will also counter the effects of the deregulation by expanding businesses that we expect to earn strong returns. These include wealth management services such as investment and insurance, and Mandatory Provident Fund services.

We also intend to expand our operations in mainland China, which offers significant opportunities, especially when it eventually joins the World Trade Organisation.

Given our strengths, including our financial soundness, large customer base and efficient

operating platform, we are in a strong position to take advantage of opportunities arising from the economic recovery.

### **ACKNOWLEDGEMENTS**

Managing for Value has demanded even more of the Bank's staff, and I thank them for their hard work and team approach.

In recognition of the importance of their contribution, staff were offered greater opportunities to share in the Bank's success through incentive programmes. More than 2,200 staff subscribed for the HSBC Holdings plc Overseas Savings-Related Share Option Scheme and over 1,050 staff were awarded options under the HSBC Holdings Executive Share Option Scheme.

In view of the difficult operating environment, the Board of Directors decided not to award a pay rise in 2000 for the second consecutive year. However, a one-off cash award was paid to staff who performed outstandingly in 1999.

The Bank owes much to the strong support of the Directors. A number of changes were recorded in the Board's composition since the publication of the last annual report.

Mr Christopher Langley, who retired as Executive Director of The Hongkong and Shanghai

Banking Corporation Limited on 1 February 2000, stepped down as a Director with effect from 31 January 2000. Mr W K Mok, Hang Seng's General Manager and Head of Retail Banking Division, became a Director on 12 August. Mr Raymond C F Or, General Manager of The Hongkong and Shanghai Banking Corporation Limited, and the Honourable Eric K C Li OBE, JP, senior partner of Li, Tang, Chen & Co, Certified Public Accountants, joined on 25 February 2000.

Finally, we wish to thank our shareholders and customers for their ongoing support and for sharing the Bank's firm confidence in its future. In the new century, we will redouble our efforts to grow with the communities in which we operate, to maximise value for shareholders and benefit customers.



**David Eldon**

*Chairman*

Hong Kong, 28 February 2000



## TOTAL SOLUTIONS

*As a one-stop bank, we aim to capture the maximum amount of profitable business by cross-selling to customers the innovative products they need.*

IN LINE WITH THE MANAGING FOR VALUE STRATEGY, A FRAMEWORK TO MAXIMISE VALUE HAS BEEN BUILT INTO THE DAY-TO-DAY MANAGEMENT AND OPERATIONS OF OUR BANK. WE ARE CONCENTRATING ON HIGH GROWTH BUSINESSES WHERE THERE IS VALUE ADDED FOR THE BANK AND ON INCREASING OPERATING EFFICIENCY THROUGH PRODUCTIVITY GAINS AND COST CONTROL.

In everything we do, we are guided by our commitment to deliver products and services that exceed customer expectations.

In the internet age, we are also strengthening our capabilities to provide innovative e-services that meet evolving customer needs.

#### **FINANCIAL HIGHLIGHTS**

Our performance was encouraging in 1999's difficult operating environment. Operating profit rose by 18.3% to HK\$9,646 million, benefiting from a substantial reduction in provisions for bad and doubtful debts.

Net interest income increased by 2.7% to HK\$11.7 billion, reflecting a 5.8% growth in

interest-earning assets, which outweighed the impact of a reduction of nine basis points in the net interest margin to 2.87%.

Spread widened by 14 basis points to 2.36%, despite a fall in the average ratio of advances to deposits from 58.7% in 1998 to 54.3% and the intense price competition for residential mortgages.

Other operating income of HK\$3.1 billion remained at the same level as 1998. The 11.4% rise in net fees and commissions was partly offset by a decrease in dealing profits and non-recurring profit on the termination of interest rate swaps.

We continued to maintain a strong liquidity position. The average liquidity ratio for 1999 increased to 42.4%, from 39.2% in 1998. We

remain well-capitalised following payment of the special interim dividend. At year-end, the total capital ratio was 17.3% and tier 1 capital ratio 13.3% compared with 21.3% and 17.5% respectively at 31 December 1998.

### Cost leadership

Our strict control of costs and cost-efficiency saw the cost:income ratio achieve a new record of 25.3% (1998: 26.7%), its lowest level since we began publishing the figure for 1989 and one of the lowest in the banking world.

Operating expenses decreased by 3.2%, largely due to a 6.4% fall in costs for staff. The headcount was reduced by 310 to 7,485 during the year through natural attrition, giving a total reduction of 676 from its peak in 1997.

Alongside the reduction in numbers, additional productivity gains were achieved through further

automation, streamlining of procedures and increased synergies with other members of the HSBC Group.

In order to maximise internal resources, some 175 staff were transferred under a retraining and redeployment scheme to meet new business demands.

Operating profit before provisions per employee rose by 8.4% to a record high of HK\$1.5 million.

### Credit risk management

The Bank's focus on prudent lending and asset quality has been critical to its financial soundness. We further enhanced our credit risk management procedures during the year.

The net charge for bad and doubtful debts fell substantially by 42.7% to HK\$1,419 million, mainly due to a reduction of HK\$1,082 million in specific provisions. Specific provisions made for trade finance, corporate lending and hire purchase loans decreased but additional provisions were made in respect of mainland China-related exposures and residential mortgages. There was a release in general provisions of HK\$8 million, compared with HK\$33 million for 1998.

The ratio of total provisions to gross advances to customers increased moderately to 2.45% from 2.23% at 31 December 1998, reflecting a slowdown in the growth of non-performing advances. The increase was recorded in specific provisions, which stood at 1.74%. General provisions were maintained at 0.71% and included the additional provision of HK\$250 million made in 1997 which has been left intact.

Gross non-performing advances (after deduction of interest in suspense) increased by HK\$817 million to HK\$8,658 million at the year-end. This



### SAFEGUARDING YOUR FUTURE

*Hang Seng is building on its long track record of reliability and achievement to provide the highest quality Mandatory Provident Fund services. Together with HSBC, the Bank is offering simple one-stop solutions at a competitive price to create wealth and secure the financial future of Hong Kong people.*

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*Two master trust schemes, SuperTrust and SuperTrust Plus, comprise a total of 10 funds offering different levels of investment risk. Employees will be able to switch funds with ease at any time.*

*As part of the Bank's measures to provide maximum convenience and efficient administration to employers and employees, MPF services will be available through its branches, 24-hour hotlines, a network of over 950 ATMs and the internet. Eleven specialist MPF Centres have also been established.*

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## GROWTH

*Increased segmentation allows us to better focus on, and expand with, our largest and smallest corporate and commercial clients.*

figure includes advances overdue for three months or less, or which were not yet overdue but considered doubtful, amounting to a total of HK\$2.2 billion, in line with our early identification of problem loans and prudent provisioning policy.

The ratio of non-performing advances (after deduction of interest in suspense) to gross advances rose by 0.4 percentage point to 4.3%. In line with our prudent provisioning

policy, specific provisions plus collateral that is conservatively valued amount to almost 100% of non-performing advances.

### **BUSINESS OPERATIONS**

In order to concentrate more effectively on implementing Managing for Value and to maximise the profitability of our franchise, we redefined our major business lines to increase the focus on individual customer segments.

This has allowed us to tailor financial solutions more closely to customers' needs and deepen our relationships with them.

The redefined business lines are personal banking, corporate and institutional banking, commercial banking, treasury and other businesses mainly comprising management of shareholders' funds, investment properties and long-term equity investments.

Personal banking, which focuses on delivering wealth management products and providing personal financial services, was the major profit contributor, providing 52.9% of the Bank's total operating profit.

The corporate and institutional banking segment contributed 6.0% of the Bank's profit.

Commercial banking manages the financial needs of manufacturing, trading and service companies, including small to medium-sized businesses, and accounted for 1.4% of total profit. The segment's profit was undermined by its specific provisions for bad and doubtful debts.

Treasury provided 15.9% of total profit and other business areas 23.8%.

In an intensely competitive market, we were able to grow or maintain market share in major loans and deposit products. Current, savings and other deposit accounts grew by HK\$23.4 billion to HK\$375.7 billion. Certificates of deposit in issue increased by HK\$958 million to HK\$11,673 million.

Advances to customers (after deduction of interest in suspense and provisions) fell marginally by 0.5% to HK\$197.3 billion, although an encouraging upturn was recorded in the fourth

quarter. Despite adverse market conditions, residential mortgages, including those under the Government Home Ownership Scheme, rose by 2.6%.

### **e-initiatives**

Our dot.com strategy is to use innovative technology to provide cost-efficient and value-added solutions to build and strengthen customer relationships. This will allow our branches to increase their focus on selling specialised products and gaining a larger share of each customer's wallet.

We launched several e-initiatives in 1999. In addition to building on our own technological capabilities and synergies with HSBC, alliances were formed with some of Hong Kong's leading companies.

Mobile banking, offering on-the-move banking and securities trading, was well received. The number of mobile banking transactions increased more than six-fold between its launch in September 1999 and January 2000, with 25% of the transactions in January related to securities trading.

We introduced Hong Kong's first virtual card, the Hang Seng e-shopping MasterCard, in January 2000. Secure NetPayment Solution, an online payment gateway service for credit card merchants, was jointly launched with Hewlett-Packard Hong Kong Ltd in December.

In January 2000, we joined Cheung Kong (Holdings) Ltd, Hutchison Whampoa Ltd and HSBC in a HK\$3 billion e-commerce joint venture,

iBusinessCorporation.com, which will offer business-to-business (B2B) and business-to-customer (B2C) transactions.

Our comprehensive customer database helped us to improve our management of customer relationships. Our personalised services were strengthened as a result of a better understanding of customers' needs and matching product development more closely to their requirements.

The number of off-counter transactions increased by 6.8% and made up 80.7% of total transactions. This has facilitated the transformation of our branches into sales outlets.

### Major business developments

We focused on activities that we expect to earn strong returns such as expanding the delivery of wealth management services, growing our commercial business, and increasing cross-selling across all our business lines.

In wealth management delivery, personal asset management and insurance capabilities were enhanced and our product range widened.

Unit trusts under management by Hang Seng Investment Management Limited grew by 140% to HK\$3.36 billion. Some 300 funds from leading fund management companies are also offered to customers.

We recorded substantial growth in personal insurance. New annualised premiums for life insurance grew by 295% and for personal general insurance by 77%.

Private wealth management, offering private banking, real estate management and trustee

services, performed well, helped by the improved investment sentiment.

A Mandatory Provident Fund (MPF) service was launched in conjunction with HSBC in February 2000, offering a full range of trustee, custodian, investment management and administration services.

Our launch of the Hong Kong Jockey Club Card allowed us to extend our base of high net worth customers. University students were targeted through the Hang Seng U-Smart Banking Plus, a special student package. We joined The Chinese



### MANAGING RISK AND DIVERSITY

*To meet increasingly sophisticated customer needs, nine new funds were introduced under the Hang Seng Investment Series, the umbrella brand for the Bank's managed portfolios. This took the total funds in the Investment Series to 13.*

*Hang Seng became the first financial institution to offer a comprehensive range of index*

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*funds to retail customers in Hong Kong when it launched five funds tracking the performance of the major world equity markets.*

*Customers are offered investment opportunities in technology-related stocks worldwide through the Hang Seng Global Technology Fund.*

*They can subscribe for the funds with a minimum investment of HK\$20,000 or through the Hang Seng Regular Investment Plan with as little as HK\$1,500 a month.*

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## MOTIVATION

*We have created an environment for staff to enhance their potential by stressing the importance of personal contribution and value enhancement.*

University of Hong Kong to launch CU Link, Asia's first Mondex card to perform multiple functions through a single microchip on the MULTOS system.

Five new Bank Smart Prestige Centres serving affluent customers and two new Business Banking Centres serving business owners were set up, taking the number of such centres to 14 and 11 respectively.

Increased segmentation allowed us to strengthen services for corporate and commercial businesses of all sizes. The Bank was an active participant in corporate loan syndication. Small and medium-sized enterprises, which make up the lion's share of Hong Kong businesses, were a major target in our efforts to grow our commercial business. A comprehensive range of cash management services were introduced for them.

Treasury further expanded its product range and increased its participation in the capital markets. The Bank was bookrunner for more than 50 Hong Kong dollar capital markets issues totalling HK\$12.1 billion, an increase of 43% in dollar terms over 1998. It was ranked the No. 2 bookrunner for such issues by *basis point*.

We expanded further in mainland China. Our Shenzhen representative office was upgraded to a branch and an application was lodged to open our fourth Mainland branch in Fuzhou. Our focus on prudent lending to quality companies saw total advances to Mainland-related entities grow by 3.8%. Mainland-related exposures amounted to 5.1% of total advances.

The completion of Knutsford 10 in Tsim Sha Tsui, the last of four property redevelopment projects undertaken by the Bank, raised the combined

gross floor area of the four projects by 65% to 335,000 sq ft. Rental from the redevelopments generated extra non-interest income.

## RECOGNITION FOR QUALITY

Our strong performance continued to win international and local recognition.

Hang Seng was named the Best Bank in Asia by *Asiamoney* in December. It was also ranked the No. 1 Hong Kong company for financial soundness for the third consecutive year in the REVIEW 200: Asia's Leading Companies survey by the *Far Eastern Economic Review*.

The Bank won the top award for productivity in the Hong Kong Awards for Services and a Hong Kong Retail Management Association Customer Service Award.

Moody's Investors Service affirmed all our ratings, including our A3 long-term and Prime 2 short-term foreign currency deposits ratings, the highest for banks in Hong Kong, and our financial strength of B, the highest rating among Moody's rated Asian banks. Standard & Poor's reaffirmed our 'Api' rating for credit strength, also the highest for banks in Hong Kong.

Hang Seng Insurance Company Limited received an A+ (superior) rating from AM Best Company, the only domestic insurance company in Asia, excluding Japan, to obtain this rating. A+ (superior) is the highest rating AM Best has awarded to such companies in the region.

Our Treasury was ranked third for all-round excellence in Hong Kong in *Asiamoney's* interbank treasury poll.



## E - INITIATIVES

*Secure and reliable e-solutions offer customers new opportunities and convenient services in the cyber revolution.*

### **MAXIMISING STAFF POTENTIAL**

The quality of our staff is a major competitive advantage, and our investment in human capital is significant. Several training initiatives, development programmes and staff performance management schemes were put in place to enhance staff quality.

To manage for value, a comprehensive communication and training programme equipped staff to identify value creation opportunities.

Training activities were also undertaken to strengthen our service-oriented sales culture and promote cross-selling, enabling staff to develop multi-skills to meet new business challenges.

A series of 'Drive the Change' workshops reinforced teamwork and promoted personal development to enhance staff members' readiness and ability to accept change.

The average amount of training received by each staff in 1999 was six days.

Other staff development programmes included job rotation and overseas attachments with other members of the HSBC Group.

Staff performance targets were set to optimise value creation and to motivate staff to achieve their full potential. Incentive compensation schemes were also linked to performance as a recognition of and a reward for value creation.

Hang Seng was voted Asia's best employer in the 1999 Asia's Most Admired Companies survey commissioned by *Asian Business*, offering encouragement for our ongoing efforts to be a caring employer.

#### A GOOD CORPORATE CITIZEN

Hang Seng devoted increased resources to its support for the community through sponsorships, donations and volunteer services, with a particular focus on education, community services and the environment.

The number of full scholarships awarded under the Hang Seng Overseas Scholarship Scheme, for outstanding Hong Kong and Mainland students to study in the US or UK, was increased to five per year, with effect from 2000-2001.

A scheme offering 35 scholarships annually to Mainland students was launched. The number of scholarship recipients at local tertiary institutions and The Hong Kong Academy for Performing Arts increased to 47.

For the second year, the Bank sponsored the music-in-education programme 'Blossom with Music' presented by the Hong Kong Philharmonic Orchestra. The Bank also sponsored *Saltimbanco*<sup>™</sup>, an acrobatic and theatrical extravaganza by the world-renowned Cirque du Soleil<sup>™</sup>.

Staff volunteers participated in 31 community-service activities during the year. These included planting 10,000 trees at Shek O Country Park under the government's Corporate Afforestation Scheme.

To improve our services to the investment community, the calculation and dissemination interval for the Hang Seng family of indexes was shortened from one minute to 15 seconds.

#### LOOKING AHEAD

In 2000, competition in the banking sector will continue to intensify and operating conditions will remain difficult. To maintain market leadership, our major strategies are to expand our local franchise, become a major e-player and grow in mainland China.

We will build more profitable long-term customer relationships through increased segmentation, and the introduction of innovative



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#### THE BEST IN ASIA

*Hang Seng topped Asiamoney's ranking of 88 of the region's leading banks when it was named the Best Bank in Asia, with the comment: "Judged on the assessment criteria – size, profitability, liquidity, leverage and credit quality – used in Asiamoney's first Best Bank ranking, there is no better banking partner than Hang Seng Bank."*

*When Moody's Investors Service affirmed the Bank's ratings, including its financial strength*

*of B, it stated: "A significant franchise, excellent profitability, conservative lending, good asset quality and very strong capital makes it HK's strongest bank."*

*Reaffirming the Bank's 'A1' rating, Standard & Poor's wrote: "Hang Seng's public information rating reflects its strong market position and balance sheet, good profitability and liquidity ratios, and solid asset quality."*

products and delivery channels. Cost discipline, asset quality and maximising synergies with HSBC remain important.

Our e-services will be widened extensively in 2000, building on our premium service, strong brand and synergies with HSBC. These services will build on the substantial investment that HSBC and Hang Seng have made in the technical infrastructure developed with IBM, called Interactive Financial Services (IFS).

The IFS platform is flexible and scalable, allowing us to connect our services to the full spectrum of modern technology, ranging from the internet, wireless application protocol (WAP) phones and personal digital assistants (PDAs) to automated phone banking. By taking advantage of HSBC's global network, our customers will also be able to access international services.

Since 1996, Hang Seng has offered a website that contains comprehensive information about the Bank and its products. In 2000, hangseng.com will roll out a wide range of secure and reliable internet services for retail and business customers. We will promote hangseng.com as a valuable brand name.

In the wake of the deregulation of the remaining interest rate rules, scheduled to begin in July, we will maintain market share by offering competitive new features to depositors.

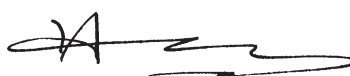
The delivery of wealth management products will be expanded in parallel with the range of services for small and medium-sized enterprises. The launch of the Mandatory Provident Fund

scheme in December offers vast scope and we are devoting considerable resources to capturing, with HSBC, a significant share of the market. These resources include our registered sales force of more than 1,150 staff. MPF also offers the opportunity of cross-selling our other financial services in banking, insurance and investment to employers and employees.

Corporate lending, in particular to infrastructure and non-property-related projects, is expected to improve. Treasury will continue to strengthen its capital markets team to take advantage of the growing debt market and broaden its product range.

Mainland China's actual entry to the World Trade Organisation will offer new business opportunities. In preparation, we are speeding up branch expansion in strategic cities and strengthening relationships with quality Mainland-related companies.

Our focus on value creation under Managing for Value has placed us in a strong position to increase shareholder wealth and provide superior customer service. The strategy has helped us to harness the Bank's strengths to meet new challenges effectively and provides a solid base for sound growth as we move forward.



**Vincent H C Cheng**  
*Vice-Chairman and Chief Executive*  
Hong Kong, 28 February 2000

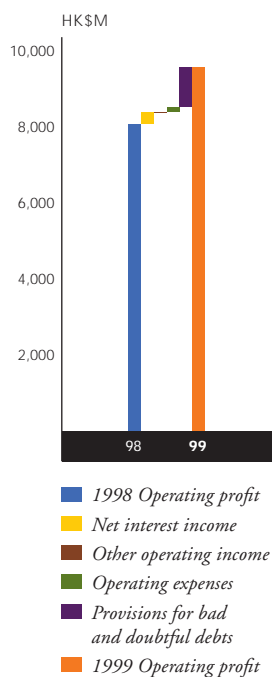




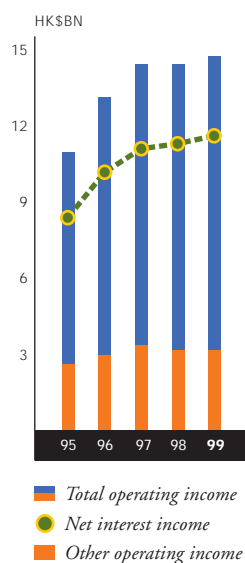
## FUTURE

*We are expanding in mainland China to take advantage of the financial liberalisation that will follow its entry to the World Trade Organisation.*

### OPERATING PROFIT ANALYSIS



### TOTAL OPERATING INCOME



## Financial Performance

### PROFIT AND LOSS ACCOUNT

#### SUMMARY OF FINANCIAL PERFORMANCE (HK\$M)

	1999	1998
Operating profit before provisions	11,065	10,632
Profit on ordinary activities before tax	9,784	7,976
Profit attributable to shareholders	8,307	6,788
Earnings per share (HK\$)	4.35	3.55

Hang Seng Bank Limited and its subsidiary companies (Hang Seng) reported a profit attributable to shareholders of HK\$8,307 million for 1999, an increase of 22.4% compared with 1998. Earnings per share of HK\$4.35 were 22.5% higher than 1998.

Operating profit before provisions increased by 4.1% to HK\$11,065 million, due to both an increase in operating income and a reduction in operating expenses. Operating profit rose by 18.3% to HK\$9,646 million, benefiting from a substantial reduction in provisions for bad and doubtful debts. Profit before tax amounted to HK\$9,784 million, 22.7% higher than 1998, and included an increase in profit on disposal of long-term investments and a reduction in the deficit on property revaluation charged to the profit and loss account.

#### Net interest income

#### NET INTEREST INCOME (HK\$M)

	1999	1998
Interest income	28,072	32,280
Interest expense	(16,405)	(20,925)
Net interest income	11,667	11,355
Average interest-earning assets	406,113	383,926
Net interest spread (%p.a.)	2.36	2.22
Net interest margin (%p.a.)	2.87	2.96

Net interest income increased by HK\$312 million, or 2.7%, compared with 1998 with an increase in average interest-earning assets of HK\$22.2 billion, or 5.8%, outweighing the impact of a reduction of nine basis points in net interest margin.

Spread widened by 14 basis points to 2.36% despite the adverse effect of a fall in the average ratio of advances to deposits from 58.7% in 1998 to 54.3%, and the intense price competition for residential mortgages. The improvement in spread was due to increased spread on time deposits, growth in lower cost savings accounts and the widening of the gap between best lending rate and interbank rates. The contribution from net free funds, however, fell by 23 basis points to 0.51%, due to lower average interest rates in 1999 and the payment of the special interim dividend of HK\$7.8 billion.

### Other operating income

Other operating income for 1999, of HK\$3,141 million, remained at the same level as 1998. Net fees and commissions increased by HK\$159 million, or 11.4%. There was a marked increase in income from wealth management initiatives, which include the sale of retail funds and personal insurance products, as well as from stockbroking, card services and remittances. This was partly offset by a decrease in income from credit facilities and account services. Dealing profits decreased by HK\$13 million, or 2.2%, reflecting a fall in foreign exchange income in the less volatile markets in 1999, although securities and equities trading results improved. The decline in the 'other' income category of HK\$133 million, or 16.9%, was mainly attributable to the non-recurring profit in 1998 on termination of interest rate swaps and a decrease in insurance underwriting profit.

### Operating expenses

Operating expenses decreased by HK\$122 million, or 3.2%, as a result of careful cost control. Staff costs fell by HK\$151 million, or 6.4%, with a reduction in headcount. Depreciation decreased by HK\$28 million, or 6.9%, resulting from the reduction in property values booked at the end of 1998. Premises and equipment expenses rose by HK\$45 million, or 6.6%, mainly due to an increase in electronic data processing charges and repair and maintenance expenses. Other operating expenses increased by HK\$12 million, or 2.8%, mainly in the area of marketing.

The cost:income ratio further improved by 1.4 percentage points to 25.3% (26.7% for 1998), the lowest since this ratio was first published 10 years ago.

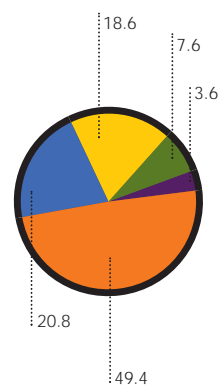
### Provisions for bad and doubtful debts

NET CHARGE TO PROFIT AND LOSS ACCOUNT (HK\$M)	1999	1998
Net charge/(release) for bad and doubtful debts		
Specific	1,427	2,509
General	(8)	(33)
Total	1,419	2,476
Average gross advances to customers	201,121	204,175
Net charge for bad and doubtful debts as a percentage of average gross advances to customers		
Specific	0.7%	1.2%
General	-	-
Total	0.7%	1.2%

Net charge for bad and doubtful debts fell substantially by HK\$1,057 million, or 42.7%, mainly due to the reduction in specific provisions, reflecting the slowdown in the growth of non-performing advances. During the year, specific provisions made for trade finance, corporate lending and hire purchase loans decreased, but provisions made in respect of mainland China related exposures and residential mortgages increased. Delinquency levels for residential mortgages remained at low levels. There was a release in general provisions of HK\$8 million for the year, compared with HK\$33 million for 1998. The ratio of the net charge for bad and doubtful debts to average gross advances to customers for the year improved to 0.7% from 1.2% in 1998.

### OTHER OPERATING INCOME FOR 1999

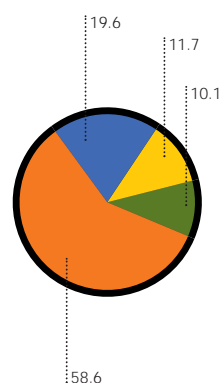
IN PERCENTAGE



- Net fees and commissions receivable
- Other
- Net dealing profits
- Rental income from investment properties
- Dividend income

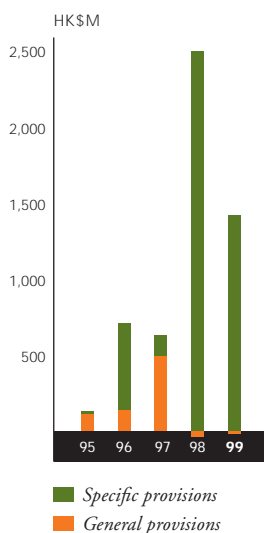
### OPERATING EXPENSES FOR 1999

IN PERCENTAGE

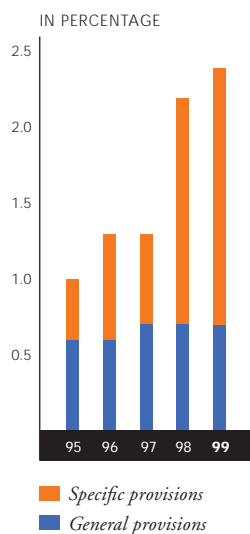


- Staff costs
- Premises and equipment
- Other operating expenses
- Depreciation

### NET CHARGE FOR BAD AND DOUBTFUL DEBTS



### PROVISIONS AS A PERCENTAGE OF GROSS ADVANCES TO CUSTOMERS



### ADVANCES TO CUSTOMERS AND PROVISIONS (HK\$M)

	1999	1998
Gross advances to customers*	202,244	202,813
Specific provisions	(3,522)	(3,087)
General provisions	(1,441)	(1,449)
Advances to customers <sup>†</sup>	197,281	198,277
Gross non-performing advances*	8,658	7,841
Non-performing advances* as a percentage of gross advances to customers*	4.3%	3.9%
Provisions as a percentage of gross advances to customers*		
Specific provisions	1.74%	1.52%
General provisions	0.71%	0.71%
Total provisions	2.45%	2.23%
Specific provisions as a percentage of gross non-performing advances*	40.7%	39.4%

\* After deduction of interest in suspense.

<sup>†</sup> After deduction of interest in suspense and provisions.

At 31 December 1999, the ratio of gross non-performing advances to gross advances to customers was 4.3% (31 December 1998: 3.9%) and total provisions to gross advances to customers stood at 2.45% (31 December 1998: 2.23%).

### Profit on tangible fixed assets and long-term investments

Profit on tangible fixed assets and long-term investments increased by HK\$53 million to HK\$105 million, mainly from the disposal of equity investments.

### Deficit on property revaluation

Hang Seng's premises and investment properties were revalued by HSBC Property (Asia) Limited, a fellow subsidiary company, as at 30 November 1999. The valuations were carried out by qualified valuers who are members of the Hong Kong Institute of Surveyors. The basis of valuation was open market value for existing use for bank premises and open market value for investment properties. The revaluation resulted in a small deficit of HK\$117 million as the Hong Kong property market had stabilised in 1999. Of this amount, HK\$92 million was taken to reserves while the balance of HK\$25 million, representing the reduction in value below the original acquisition cost (less depreciation) of bank premises, was charged to the profit and loss account.

### BALANCE SHEET

#### Total assets

Total assets grew by HK\$19.4 billion, or 4.6%, during the year to HK\$442.1 billion at 31 December 1999. Holdings of interbank assets and debt securities increased, largely driven by the growth in customer deposits while advances to customers fell slightly due to subdued corporate loan demand.

## Shareholders' funds

AT 31 DECEMBER (HK\$M)	1999	1998
Share capital	9,559	9,559
Retained profits	17,729	25,005
Long-term equity investment revaluation reserve	3,959	2,423
Premises and investment properties revaluation reserves	8,228	8,419
Capital redemption reserve	99	99
Total shareholders' funds	39,574	45,505
Return on average shareholders' funds (% p.a.)	17.6	13.5

Shareholders' funds decreased by HK\$5,931 million, or 13.0%, to HK\$39,574 million at 31 December 1999 after the payment of a special interim dividend of HK\$7,839 million. The long-term equity investment revaluation reserve increased by HK\$1,536 million, reflecting the rise in the Hong Kong equity market. This reserve was created due to a change in accounting policy after the adoption of Hong Kong Statement of Standard Accounting Practice 24 on "Accounting for Investments in Securities". Long-term equity investments which were previously stated at cost are now stated at fair value and the revaluation gains and losses are taken to the long-term equity investment revaluation reserve. Prior year adjustments have been made to restate the balances at 31 December 1998.

The return on average shareholders' funds improved to 17.6% for 1999 from 13.5% for 1998 due to the combined effect of an increase in attributable profit and the reduction of shareholders' funds.

There was no purchase, sale or redemption of the Bank's listed securities by the Bank or any of its subsidiary companies during the year.

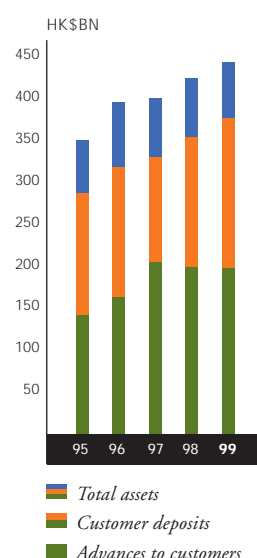
## Customer deposits

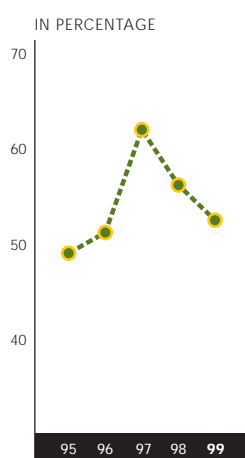
Current, savings and other deposit accounts grew by HK\$23,423 million, or 6.6%, compared with the end of 1998. The growth was mainly in US dollar time deposits and Hong Kong dollar savings accounts. Certificates of deposit in issue increased by HK\$958 million to HK\$11,673 million.

## Advances to customers

Advances to customers (after deduction of interest in suspense and provisions) fell slightly by HK\$996 million, or 0.5%, compared with 31 December 1998. Advances to the industrial, commercial and financial sectors fell by 1.1%. The fall in the first half of 1999 was partly reversed when loan demand gradually improved in the second half of the year. Trade finance advances, however, were 16.4% lower compared with the previous year end. On the other hand, advances to individuals grew by 2.7%. Residential mortgages, including those under the Government Home Ownership Scheme, rose by 2.6%, despite severe competition. Credit card and other personal advances also recorded modest growth.

## TOTAL ASSETS, CUSTOMER DEPOSITS AND ADVANCES TO CUSTOMERS



**ADVANCES TO DEPOSITS RATIO****Advances to deposits ratio**

The advances to deposits ratio was 52.5% at 31 December 1999 compared with 56.2% at the end of 1998, reflecting the growth in customer deposits and a slight fall in advances to customers.

**PERFORMANCE BY BUSINESS LINES**

In implementing its Managing for Value strategy, Hang Seng has re-defined its major business lines focusing on customer segments. They are Personal banking, Corporate and institutional banking, Commercial banking, Treasury and Others.

The operating results and contribution of the business lines to Hang Seng's operating profit in 1999 are as follows. No comparative figures are available as it is not practicable to reconstruct the contribution of the customer segments in the previous year.

ANALYSIS OF OPERATING PROFIT (HK\$M)	1999					TOTAL
	PERSONAL BANKING	CORPORATE & INSTITUTIONAL BANKING	COMMERCIAL BANKING	TREASURY	OTHERS	
Operating profit before provisions	5,592	753	897	1,532	2,291	11,065
Provisions for bad and doubtful debts						
Specific	(476)	(185)	(766)	–	–	(1,427)
General	(11)	10	2	5	2	8
Operating profit	5,105	578	133	1,537	2,293	9,646
Contribution to total operating profit	52.9%	6.0%	1.4%	15.9%	23.8%	100%

Personal banking focused on delivering wealth management products and providing personal financial services to its broad customer base and contributed 52.9% of Hang Seng's operating profit in 1999. Corporate and institutional banking has been active in the loan syndication market in serving the corporate finance needs of large corporate customers. This business line contributed 6.0% of Hang Seng's operating profit in 1999.

Commercial banking serves the trade finance and other banking needs of commercial customers and aims at growing the small and medium enterprises segment. Its contribution (1.4% of operating profit) in 1999 was adversely affected by provisions for certain doubtful accounts. Treasury has been active in managing the money market portfolios to enhance return and has also expanded its range of corporate treasury services. The contribution from Treasury accounted for 15.9% of the operating profit in 1999. Others, which mainly comprised income from shareholders' funds, premises and investment properties and long-term equity investments, contributed 23.8% of the operating profit in 1999.

# Capital and Liquidity Management

## CAPITAL RESOURCES MANAGEMENT

ANALYSIS OF CAPITAL BASE AND RISK-WEIGHTED ASSETS (HK\$M)	1999	1998
<b>Capital base</b>		
Tier 1 capital		
Share capital	9,559	9,559
Retained profits	17,489	25,005
Capital redemption reserve	99	99
Total	27,147	34,663
Tier 2 capital		
Premises and investment properties revaluation reserves	5,786	5,893
Long-term equity investment revaluation reserve	2,266	1,090
General loan provisions	1,440	1,449
Total	9,492	8,432
Unconsolidated investments and other deductions	(1,350)	(797)
Total capital base after deductions	35,289	42,298
<b>Risk-weighted assets</b>		
On-balance sheet	193,541	191,292
Off-balance sheet	9,783	6,941
Total risk-weighted assets	203,324	198,233
Total risk-weighted assets adjusted for market risk	204,141	198,437
<b>Capital adequacy ratios</b>		
Before adjusting for market risk		
Tier 1	13.4%	17.5%
Total	17.4%	21.3%
After adjusting for market risk		
Tier 1	13.3%	17.5%
Total	17.3%	21.3%

Capital adequacy is measured by the ratio of capital base to risk-weighted assets. At 31 December 1999, Hang Seng's capital base was HK\$35,289 million, a decrease of HK\$7,009 million, or 16.6%, compared with 1998. The decline mainly reflected the payment of the special interim dividend in November 1999, which was a capital management initiative to enhance shareholders' return.

Risk-weighted assets calculated in accordance with the Third Schedule of the Banking Ordinance totalled HK\$203,324 million at 31 December 1999, an increase of HK\$5,091 million, or 2.6%, following the growth in total assets.

Hang Seng remained well-capitalised. At 31 December 1999, the total capital ratio was 17.4% (21.3% at 31 December 1998). The tier 1 ratio was 13.4% (17.5% at 31 December 1998). After adjusting for market risk in accordance with the Hong Kong Monetary Authority guideline "Maintenance of Adequate Capital Against Market Risks", the total capital and tier 1 ratios were 17.3% (21.3% at 31 December 1998) and 13.3% (17.5% at 31 December 1998) respectively.

### LIQUIDITY MANAGEMENT

The liquidity ratio is expressed as the percentage ratio of liquefiable assets to qualifying liabilities, in accordance with the Fourth Schedule of the Banking Ordinance. Liquefiable assets mainly comprise cash and short-term funds, marketable securities and advances maturing within one month. Qualifying liabilities are mainly customer deposits and other liabilities maturing within one month. Hang Seng's liquidity position remained strong, with an average liquidity ratio of 42.4% in 1999 (39.2% in 1998).

Liquidity risk management ensures there is adequate cash flow to meet all obligations in a timely and cost-effective manner. Procedures have been established to monitor and control liquidity on a daily basis adopting a cash flow management approach. Hang Seng always maintains a stock of high quality liquid assets to ensure the availability of sufficient cash flow to meet its financial commitments, including customer deposits on maturity and undrawn facilities, over a specified future period.

As a major source of funding, Hang Seng maintains a diversified and stable customer deposit base, both by maturity and market segment. Hang Seng is active in the local money and capital markets to manage the maturity profile of assets and liabilities and to secure the availability of interbank and wholesale deposits at market rates. To secure longer-term funding and to enhance asset and liability management, Hang Seng increased its certificates of deposit in issue by HK\$958 million to HK\$11,673 million at the end of 1999.

## Risk Management

Risk management is an integral part and a core element of Hang Seng's business management. Comprehensive risk management policies and procedures have been established to identify, monitor and control the various types of risks to which Hang Seng's business is exposed.

The overall internal control environment of the Bank and the management policies for major types of risks (other than liquidity risk already discussed above) are as follows.

### INTERNAL CONTROL ENVIRONMENT

The internal control framework of Hang Seng comprises a well-established organisation structure and comprehensive control policies and standards. Areas of responsibilities of each business and operational unit are clearly defined. In those higher risk areas such as treasury and securities business, segregation in the reporting lines of dealing and back-office control functions is implemented to ensure sufficient checks and balances. Internal control procedures have been established based on the risk inherent in the individual business and operational units. Their effectiveness is under constant review and assessment keeping with the changing operating environment.

Internal audit plays an important role in Hang Seng's internal control framework. It monitors the effectiveness of internal control procedures and compliance with policies and standards across all business and operational units. Its independence is safeguarded by a direct reporting line to



the Audit Committee under the Board of Directors. The Audit Committee meets periodically to review and discuss financial performance, internal control and compliance issues and matters raised by the external auditors and ensure that all audit recommendations are implemented. Internal audit adopts a risk management approach and uses the auditing standards developed by the HSBC Group and works closely with the external auditors, KPMG. It also advises management on operational efficiency and other management issues.

### CREDIT RISK

Credit risk is the risk that a customer or counterparty may fail to meet a commitment when it falls due. Credit risk arises from lending, trade finance, treasury and other activities. Hang Seng has established policies to ensure that credit risk is properly managed at both the transaction and portfolio levels. The Credit Committee, chaired by the Chief Executive, ensures that all credit policies, guidelines and statutory lending limits are complied with. The credit risk management function, headed by the Chief Credit Officer, is independent of business units.

The Board of Directors delegates credit approval authority to individual officers in accordance with the credit approval authority delegation framework as set out in the Credit Risk Manual. The manual, which was approved by the Board of Directors, also contains credit approval policies and review procedures for major types of facilities, details of the facility grading system and provisioning policy. To avoid concentration risk, credit exposures to individual customer groups are limited to a percentage of the capital base and advances to industry sectors are carefully managed to achieve a balanced loan portfolio.

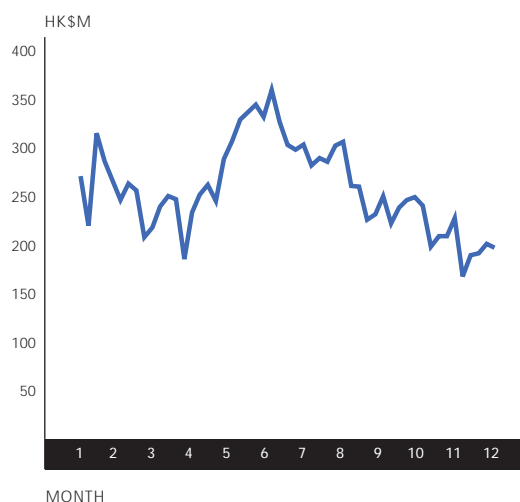
### MARKET RISK

Market risk is the risk that the movements in interest rates, foreign exchange rates or equity and commodity prices will result in profits or losses to Hang Seng. Market risk arises on financial instruments, which are valued at current market prices (mark-to-market basis), and those valued at cost plus any accrued interest (accruals basis). Hang Seng's market risk arises from customer-related business and from position taking.

Market risk is managed within risk limits approved by the Board of Directors. Risk limits are set by product and risk type with market liquidity being a principal factor in determining the level of limits set. Limits are set using a combination of risk measurement techniques, including position limits, sensitivity limits, as well as value at risk (VaR) limits at a portfolio level.

Hang Seng follows the risk management policies and risk measurement techniques developed by the HSBC Group. The daily risk monitoring process measures actual risk exposures against approved limits and triggers specific action to ensure the overall market risk is managed within an acceptable level.

VALUE AT RISK FOR 1999



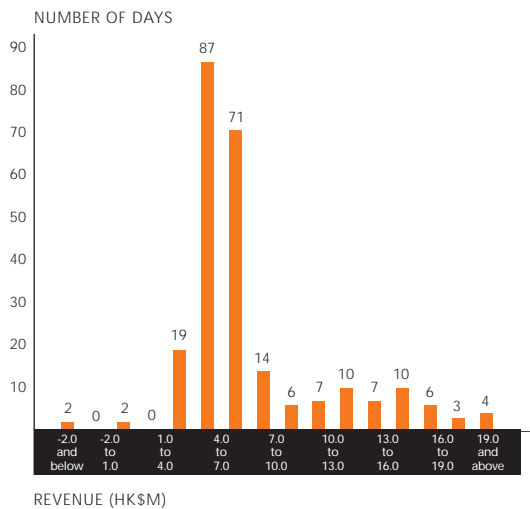
VaR is a technique which estimates the potential losses that could occur on risk positions taken due to movements in market rates and prices over a specified time horizon and to a given level of confidence. The model used by Hang Seng calculates VaR on a variance/co-variance basis, using historical movements in market rates and prices, a 99% confidence level, a 10-day holding

period and generally takes account of correlations between different markets and rates. The movement in market prices is calculated by reference to market data for the last two years. Aggregation of VaR from different risk types is based upon the assumption of independence between risk types.

Prior to 1999, VaR has been calculated to a 95% confidence level and for a one-day holding period. From the beginning of 1999, VaR is calculated at a 99% confidence level for a 10-day holding period\*. This change has been made to facilitate consistency with the regulatory requirements for the use of internal models used to calculate market risk capital requirements. In September 1999, Hang Seng obtained approval from the Hong Kong Monetary Authority ("HKMA") for the use of this VaR model to calculate market risk for capital adequacy reporting. The HKMA is also satisfied with Hang Seng's market risk management process.

The value at risk for all interest rate risk and foreign exchange risk positions at 31 December 1999 was HK\$198.5 million, compared with HK\$137.2 million at 31 December 1998. The average value at risk for

**DAILY DISTRIBUTION OF MARKET RISK REVENUES FOR 1999**



1999 was HK\$262.6 million (HK\$373.2 million for 1998\*). On an individual portfolio basis, the values at risk at 31 December 1999 relating to the trading portfolio and accrual portfolio were HK\$18.4 million (HK\$6.3 million at 31 December 1998\*) and HK\$198.1 million (HK\$132.3 million at 31 December 1998\*) respectively.

The average daily revenue earned from market risk-related treasury activities in 1999, including accrual book net interest income and funding related to dealing positions, was HK\$7.1 million (HK\$7.6 million for 1998). The standard deviation of these daily revenues was HK\$4.1 million (HK\$5.5 million for 1998). An analysis of the frequency distribution of daily revenues is shown above. Out of 248 trading days in 1999, losses were recorded on only two days and the maximum daily loss was HK\$3.0 million. The most frequent result was a daily revenue of between HK\$4.0 million and HK\$7.0 million, with 158 occurrences. The highest daily revenue was HK\$25.3 million.

**Foreign exchange exposure**

Hang Seng's foreign exchange exposures mainly comprise foreign exchange dealing by treasury and currency exposures originated by its banking business. The latter are transferred to Treasury where they are centrally managed within foreign exchange position limits approved by the Board of Directors. The value at risk relating to foreign exchange positions was HK\$18.1 million at 31 December 1999 (HK\$4.5 million at 31 December 1998\*) and the average amount for 1999 was HK\$12.1 million (HK\$3.1 million for 1998\*). The average one-day foreign exchange profit for 1999 was HK\$1.7 million (HK\$1.6 million for 1998).

### Interest rate exposure

Interest rate risk arises in both the treasury dealing portfolio and the accrual portfolio, which are managed by Treasury under limits approved by the Board of Directors. The value at risk relating to interest rate exposures was HK\$197.7 million at 31 December 1999 (HK\$136.3 million at 31 December 1998\*) and the average amount for the year of 1999 was HK\$262.2 million (HK\$373.2 million for 1998\*). The average daily revenue earned from treasury-related interest rate activities for 1999 was HK\$5.4 million (HK\$6.0 million for 1998).

\* The comparative figures for 1998 have been recalculated using a 99% confidence level for a 10-day holding period using the VaR models in place at that date.

Structural interest rate risk arises primarily from the employment of non-interest bearing liabilities, such as shareholders' funds and some current accounts, as well as fixed rate loans and liabilities other than those generated by the treasury business. Structural interest rate risk is monitored by Hang Seng's Asset and Liability Management Committee.

AT 31 DECEMBER 1999						
INTEREST RATE SENSITIVITY ANALYSIS (HK\$M)	UP TO	MORE THAN	MORE THAN		NON-INTEREST	TOTAL
	3 MONTHS	3 MONTHS AND UP TO 6 MONTHS	6 MONTHS AND UP TO 12 MONTHS	MORE THAN 12 MONTHS	EARNING/ BEARING	
<b>Assets</b>						
Cash and short-term funds	108,257	2,431	839	–	4,887	116,414
Placings with banks maturing after one month	32,547	18,471	4,242	–	–	55,260
Certificates of deposit	9,387	1,234	301	750	–	11,672
Investment securities	8,961	5,698	1,943	5,878	5,130	27,610
Advances to customers	183,440	5,543	592	7,358	348	197,281
Other assets <sup>†</sup>	7,565	1,091	387	2,757	22,033	33,833
Total assets	350,157	34,468	8,304	16,743	32,398	442,070
<b>Liabilities</b>						
Current, savings and other deposit accounts	355,375	5,018	3,328	627	11,363	375,711
Deposits from banks	5,955	–	29	–	905	6,889
Other liabilities <sup>†</sup>	4,003	889	187	44	14,773	19,896
Shareholders' funds	–	–	–	–	39,574	39,574
Total liabilities	365,333	5,907	3,544	671	66,615	442,070
<b>Off-balance sheet positions</b>						
Assets	11,465	4,652	1,331	6,750	–	24,198
Liabilities	17,002	2,817	773	3,606	–	24,198
Net gap position	(20,713)	30,396	5,318	19,216	(34,217)	–
Cumulative gap position	(20,713)	9,683	15,001	34,217	–	–

<sup>†</sup> Amounts due from/to immediate holding company and fellow subsidiary companies are included under other assets and other liabilities.

Interest rate sensitivity analysis is useful in managing the interest rate risk of the accrual portfolio. The table on page 65 discloses the mismatching of the dates on which interest receivable on assets and payable on liabilities are next reset to market rate on a contractual basis, or, if earlier, the dates on which the instruments mature. Actual reset dates may differ from contractual dates owing to prepayments and the exercise of options. In addition, contractual terms may not be representative of the behaviour of assets and liabilities. For these reasons, Hang Seng manages its interest rate risk on a different basis from that presented above, which takes into account the behavioural characteristics of the relevant assets and liabilities.

A positive interest rate sensitivity gap exists where more assets than liabilities re-price in a given period. Although a positive gap position tends to benefit net interest income in a rising interest rate environment, the actual effect will depend on a number of factors, including the extent to which repayments are made earlier or later than the contracted date and variations in interest rates within re-pricing periods and among currencies. Similarly, a negative interest rate sensitivity gap exists where more liabilities than assets re-price during a given period. In this case, a negative gap position tends to benefit net interest income in a declining interest rate environment, but again the actual effect will depend on the same factors as for positive interest rate gaps, as described above.

### Equities exposure

Hang Seng's equities exposure in 1999 is mainly in long-term equity investments which are set out in note 18 of the financial statements.

### Derivatives

POSITIONS OF DERIVATIVE CONTRACTS OUTSTANDING (HK\$M)	1999		MARK-TO-MARKET VALUES	
	DEALING	NON-DEALING	POSITIVE	NEGATIVE
Foreign exchange contracts				
Spot and forward	132,608	–	1,476	1,182
Currency swaps	–	140	8	–
Currency options	646	–	3	3
Interest rate contracts				
Interest rate swaps	7,649	13,601	126	103
Futures and forward rate agreements	2,619	152	1	1
Interest rate options written	–	5,150	–	–
Analysis of mark-to-market values				
Dealing contracts			1,512	1,214
Non-dealing contracts			102	75

Derivatives are financial contracts whose value and characteristics are derived from underlying assets, exchange and interest rates, and indices. They mainly include futures, forwards, swaps and options in foreign exchange, interest rate, equity and equity indices and commodities. Derivative positions arise from transactions with customers as well as Hang Seng's own dealing and asset and liability management activities. These positions are managed carefully to ensure that they are within acceptable risk levels.

Derivative instruments are subject to both market risk and credit risk. Market risk from derivative positions is controlled individually and in combination with on-balance sheet market risk positions within Hang Seng's market risk limits regime as described on page 63. The credit risk relating to a derivative contract is principally the replacement cost of the contract when it has a positive mark-to-market value and the estimated potential future change in value over the residual maturity of the contract. The nominal value of the contracts does not represent the amount of Hang Seng's exposure to credit risk. All activities relating to derivatives are subject to the same credit approval and monitoring procedures used for other credit transactions.

The table on page 66 provides an analysis of derivatives by product at 31 December 1999, showing those contracts undertaken for dealing and non-dealing purposes. Hang Seng's derivative positions are mainly in foreign exchange and interest rate contracts, and option positions are minimal. Mark-to-market values of derivatives designated for dealing purpose are included in "Other assets" for positive amounts and "Other liabilities" for negative amounts.

### **OPERATIONAL CONTROLS**

The risk of losses caused by human error and fraud is mitigated under a well-established internal control environment as described in page 62. Adequate insurance cover is taken to minimise losses in business operation and in holding of fixed assets. To reduce the impact of and interruptions to business activities caused by system failure or natural disaster, back-up systems and contingency business resumption plans are in place for all business and critical back-office functions. Back-up computer systems and business resumption back-up sites are maintained. Detailed contingency recovery procedures are clearly documented, with periodic drills conducted to ensure the procedures are current and correct.

**BOARD OF DIRECTORS**

**Honorary Chairman**

The Honourable Lee Quo-Wei GBM, JP

**Chairman**

D G Eldon

**Vice-Chairman**

Vincent H C Cheng OBE, JP

**Directors**

John C C Chan GBS, JP

Y T Cheng DPMS, DBA (Hon), LLD (Hon), DSSc (Hon)

Ho Tim JP

David T C Ho

Jenkin Hui

C P Langley OBE (*resigned 31 January 2000*)

H C Lee DBA (Hon), LLD (Hon), JP

The Hon Eric K C Li FHKSA, OBE, JP  
(*appointed 25 February 2000*)

Vincent H S Lo GBS, JP

Roger K H Luk BSocSc, MBA, FHKIB, MIMgt, JP

W K Mok FCCA, AHKSA, ACIS, ACIB

Raymond C F Or (*appointed 25 February 2000*)

S C Penney

David W K Sin DSSc (Hon)

Richard Y S Tang MBA, JP

**Secretary**

K W Ma FCCA, AHKSA, ACIS, ACIB

**SENIOR MANAGEMENT**

**Vice-Chairman and Chief Executive**

Vincent H C Cheng OBE, JP

**Managing Director and**

**Deputy Chief Executive**

Roger K H Luk BSocSc, MBA, FHKIB, MIMgt, JP

**Director and General Manager**

W K Mok FCCA, AHKSA, ACIS, ACIB

**REGISTERED OFFICE**

83 Des Voeux Road Central, Hong Kong

Telephone: (852) 2198 1111

Facsimile: (852) 2868 4047

Telex: 73311 73323 75225 63030

SWIFT: HASE HK HH

Cable: HASEBA

Website: <http://www.hangseng.com>

**REGISTRARS**

Central Registration Hong Kong Limited

Rooms 1901-5, Hopewell Centre, 19th Floor

183 Queen's Road East, Wanchai, Hong Kong



**The Honourable LEE Quo-Wei** GBM, JP  
*Honorary Chairman*



**Mr David ELDON**  
*Chairman*

**The Honourable LEE Quo-Wei** GBM, JP • *Honorary Chairman*

Age 81. Joined the Bank in 1946. Appointed a Director in December 1959 and elected Vice-Chairman in January 1976. Executive Chairman from 1983 until February 1996. Non-executive Chairman from March 1996 to December 1997. Honorary Chairman since 1 January 1998. A non-executive Director of The Hongkong and Shanghai Banking Corporation Limited from 1978 to 1984. Consultant to the Board of The Hongkong and Shanghai Banking Corporation Limited from 1984 to 1992 and Adviser to the Board of HSBC Holdings plc from 1991 to 1997. Honorary Chairman of Hang Seng School of Commerce. Deputy Chairman of Hysan Development Company Limited. A Director of Miramar Hotel and Investment Company Limited, New World Development Company Limited, Shaw Brothers (Hong Kong) Limited and Shanghai Industrial Holdings Limited. Life Member of the Council of The Chinese University of Hong Kong. Recipient of the Businessman of the Year award in the Hong Kong Business Awards 1994, sponsored by DHL and the *South China Morning Post*. Awarded the Grand Bauhinia Medal by the Hong Kong Special Administrative Region Government in July 1997.

**Mr David Gordon ELDON** • *Chairman*

Age 54. Appointed a Director of the Bank in June 1996 and non-executive Chairman on 1 January 1998. Chairman of The Hongkong and Shanghai Banking Corporation Limited. A Director of HSBC Holdings plc, Mass Transit Railway Corporation and Swire Pacific Limited. Steward of The Hong Kong Jockey Club, a member of the General Committee of the Hong Kong General Chamber of Commerce and a member of the Hong Kong Trade Development Council.

**Mr Vincent Hoi Chuen CHENG** OBE, JP • *Vice-Chairman and Chief Executive*

Age 51. Appointed a Director of the Bank in October 1994 and became a Managing Director in April 1995. Appointed Vice-Chairman and Acting Chief Executive in March 1998. Vice-Chairman and Chief Executive since August 1998. Chairman of Hang Seng Life Limited, Hang Seng School of Commerce and the Board of Trustees of the Lord Wilson Heritage Trust. A Director of The Hongkong and Shanghai Banking Corporation Limited, Great Eagle Holdings Limited and Kowloon-Canton Railway Corporation. A member of Beijing Municipal Committee of the Chinese People's Political Consultative Conference. Vice-Chairman of Business and Professionals Federation of Hong Kong. A Committee Member of The Chinese General Chamber of Commerce. A member of the Government of the Hong Kong Special Administrative Region's Economic Advisory Committee, the Advisory Committee of the Hong Kong Special Administrative Region Government Land Fund, the Insurance Advisory Committee and the Board of the Community Chest of Hong Kong.

**\* Mr CHAN Cho Chak John** GBS, JP

Age 56. Managing Director of The Kowloon Motor Bus Company (1933) Limited. A Director of Amway Asia Pacific Limited, The Kowloon Motor Bus Holdings Limited, Guangdong Investment Limited and Hong Kong Exchanges and Clearing Limited. Former member of the Hong Kong Civil Service from 1964 to 1978 and from 1980 to 1993. Key posts held in Government included Private Secretary to the Governor, Deputy Secretary (General Duties), Director of Information Services, Deputy Chief Secretary, Secretary for Trade and Industry and Secretary for Education and Manpower. Steward of The Hong Kong Jockey Club. Chairman of the Board of Trustees of the Sir Edward Youde Memorial Fund. A Council Member of the University of Hong Kong. A Director of the Community Chest. Awarded the Gold Bauhinia Star by the Hong Kong Special Administrative Region Government in July 1999. Appointed a Director of the Bank in August 1995.

**\* Dr CHENG Yu Tung** DPMS, DBA (Hon), LLD (Hon), DSSc (Hon)

Age 74. Chairman of New World Development Company Limited. Managing Director of Chow Tai Fook Jewellery Company Limited and a Director of Shun Tak Holdings Limited. Appointed a Director of the Bank in March 1985.

**Dr HO Tim** JP

Age 91. Joined the Bank in 1933. Appointed a Director and General Manager in December 1952. A Vice-Chairman from 1967 to 1979. Chairman of Miramar Hotel and Investment Company Limited. A Director of New World Development Company Limited, Sun Hung Kai Properties Limited and King Fook Holdings Limited. Permanent Member of the Board of Trustees of United College of The Chinese University of Hong Kong. A Council Member of The Chinese University of Hong Kong. A Board Member of Hang Seng School of Commerce. A Committee Member of Tang Shiu



Kin and Ho Tim Charitable Fund. Permanent President of Ho's Clansmen Association Limited. Honorary President of Pun U District Association of Hong Kong and Honorary Permanent President of The Chinese Gold & Silver Exchange Society.

**Mr David Tzu Cho HO**

Age 77. Joined the Bank in 1956 until 1983. Appointed a Director in December 1961. Chairman of Bethlehem Management Limited.

\* **Mr Jenkin HUI**

Age 56. Director and Chief Executive of Point Piper Investment Limited. A Director of Central Development Limited, Jardine Strategic Holdings Limited and Hongkong Land Holdings Limited. Appointed a Director of the Bank in August 1994.

**Mr Christopher Patrick LANGLEY** OBE (resigned 31 January 2000)

Age 55. Executive Director of The Hongkong and Shanghai Banking Corporation Limited from June 1998 to January 2000. General Manager of The Hongkong and Shanghai Banking Corporation Limited from February 1996 to May 1998. A Director of Winsor Properties Holdings Limited. Director of the Bank from January 1996 to January 2000.

\* **Dr LEE Hon Chiu** DBA (Hon), LLD (Hon), JP

Age 71. Chairman of Hysan Development Company Limited. Chairman of The Stock Exchange of Hong Kong Limited. President of FIBV. A Director of Hong Kong Exchanges and Clearing Limited, Cathay Pacific Airways Limited, The Hong Kong and China Gas Company Limited and Imperial Chemical Industries PLC (ICI) of England. Chairman of the Council of The Chinese University of Hong Kong. Appointed a Director of the Bank in October 1986.

\* **The Hon LI Ka Cheung Eric** FHKSA, OBE, JP (appointed 25 February 2000)

Age 46. Senior partner of Li, Tang, Chen & Co., Certified Public Accountants. Member of the Legislative Council of the Hong Kong Special Administrative Region ("LegCo"). Chairman of LegCo's Public Accounts Committee. Deputy Chairman of LegCo's Panel on Financial Affairs. Director of The Kowloon Motor Bus Holdings Limited, SmarTone Telecommunications Holdings Limited, Wong's International (Holdings) Limited, CATIC International Limited and SIIC Medical Science and Technology (Group) Limited. Recipient of the first "Accountant of the Year Award" in 1993. Elected President of Hong Kong Society of Accountants in 1994. Member of Hong Kong Monetary Authority's Deposit-taking Companies Advisory Committee and Inland Revenue Department's User's Committee. Chairman of the Commission on Youth and the Hong Kong Council of Social Service. Appointed a Director of the Bank in February 2000.

**Mr LO Hong Sui Vincent** GBS, JP

Age 51. Chairman and Chief Executive of Shui On Group. Director of Great Eagle Holdings Limited. Member of The Ninth National Committee of Chinese People's Political Consultative Conference. President of the Business and Professionals Federation of Hong Kong. President of Shanghai-Hong Kong Council for the Promotion and Development of Yangtze. Adviser to Chinese Society of Macroeconomics. Member of Hong Kong/United States Economic Co-operation Committee. Council member of the China Overseas Friendship Association. Chairman of the Council of the Hong Kong University of Science and Technology. Awarded the Gold Bauhinia Star by the Hong Kong Special Administrative Region Government in July 1998. Appointed a Director of the Bank in February 1999.

**Mr LUK Koon Hoo Roger** BSocSc, MBA, FHKIB, MIMgt, JP

Age 48. Joined the Bank in 1975. Appointed Director and Deputy Chief Executive in October 1994. Managing Director and Deputy Chief Executive since April 1996. A Director of Business and Professionals Federation of Hong Kong and Union Insurance Society of Canton, Limited. A member of the Broadcasting Authority. A Council Member and Treasurer of The Chinese University of Hong Kong. A Board Member of Hang Seng School of Commerce. A Council member of Hong Kong Baptist University from 1992 to 1998. A part-time member of the Central Policy Unit of the Hong Kong Government between 1989 and 1990. A member of the Legislative Council from 1992 to 1995.

**Mr MOK Wai Kin** FCCA, AHKSA, ACIS, ACIB

Age 51. Joined the Bank in 1966. Served in various positions including retail banking, trade finance and internal audit. Head of Audit Division from 1988 to July 1994. Appointed Head of Retail Banking Division since August 1994. Appointed Senior Assistant General Manager in January 1995, Deputy General Manager in July 1995 and General Manager in January 1996. Appointed a Director and General Manager of the Bank since August 1999. Responsible for retail banking and the insurance business of the Bank. A Board Member of Hang Seng School of Commerce and Li Po Chun United World College (Hong Kong), Limited.

**Mr OR Ching Fai Raymond** (appointed 25 February 2000)

Age 50. General Manager of The Hongkong and Shanghai Banking Corporation Limited since February 2000. Chairman of HSBC Insurance (Asia-Pacific) Holdings Limited and Wayfoong Finance Limited. A Director of Cathay Pacific Airways Limited, Esprit Asia Holdings Limited, Hsin Chong Construction Group Limited and Hutchison Whampoa Limited. Chairman of Hong Kong Association of Banks. Member of the Hong Kong Monetary Authority's Banking Advisory Committee, the Hong Kong Export Credit Insurance Corporation Advisory Board and the Federation of Hong Kong Industries General Committee. Appointed a Director of the Bank in February 2000.

**Mr Simon Christopher PENNEY**

Age 51. Chief Financial Officer of The Hongkong and Shanghai Banking Corporation Limited since 1995. A member of the Finance Committee of the Hong Kong Housing Authority. Appointed a Director of the Bank in January 1999.

\* **Dr SIN Wai Kin David** DSSc (Hon)

Age 70. Chairman of Myer Jewelry Manufacturer Limited. Vice-Chairman of Miramar Hotel and Investment Company Limited. Executive Director of New World Development Company Limited. A Director of King Fook Holdings Limited. Appointed a Director of the Bank in November 1991.

\* **Mr Richard Yat Sun TANG** MBA, JP

Age 47. Chairman and Managing Director of Richcom Company Limited. A Vice Chairman of King Fook Holdings Limited. A Director of Miramar Hotel and Investment Company Limited, Kowloon Development Company Limited and Hong Kong Commercial Broadcasting Company Limited. Chairman of the Correctional Services Children's Education Trust Committee of the Correctional Services Department, a member of the Executive Committee of the Board of Management of the Chinese Permanent Cemeteries, an Adjudicator of the Registration of Persons Tribunal, a member of the Hong Kong Special Administrative Region Passports Appeal Board, an Adjudicator of the Immigration Tribunal of the Immigration Department, a member of the Barristers Disciplinary Tribunal Panel and a member of the Air Transport Licensing Authority. Appointed a Director of the Bank in August 1995.

\* *Independent non-executive Directors*

*Mr D G Eldon is a Director of HSBC Holdings plc and The Hongkong and Shanghai Banking Corporation Limited. Mr Vincent H C Cheng is a Director of The Hongkong and Shanghai Banking Corporation Limited. Mr C P Langley was a Director of The Hongkong and Shanghai Banking Corporation Limited until 31 January 2000. Mr Raymond C F Or is the General Manager of The Hongkong and Shanghai Banking Corporation Limited. Mr S C Penney is the Chief Financial Officer of The Hongkong and Shanghai Banking Corporation Limited. Each of HSBC Holdings plc and The Hongkong and Shanghai Banking Corporation Limited has an interest in the share capital of the Bank as disclosed under the provisions of Part II of the Securities (Disclosure of Interests) Ordinance.*



**Mr Vincent H C CHENG**  
*Vice-Chairman and Chief Executive*

**Mr Vincent Hoi Chuen CHENG** OBE, JP • *Vice-Chairman and Chief Executive*

Age 51. Appointed a Director of the Bank in October 1994 and became a Managing Director in April 1995. Appointed Vice-Chairman and Acting Chief Executive in March 1998. Vice-Chairman and Chief Executive since August 1998. Chairman of Hang Seng Life Limited, Hang Seng School of Commerce and the Board of Trustees of the Lord Wilson Heritage Trust. A Director of The Hongkong and Shanghai Banking Corporation Limited, Great Eagle Holdings Limited and Kowloon-Canton Railway Corporation. A member of Beijing Municipal Committee of the Chinese People's Political Consultative Conference. Vice-Chairman of Business and Professionals Federation of Hong Kong. A Committee Member of The Chinese General Chamber of Commerce. A member of the Government of the Hong Kong Special Administrative Region's Economic Advisory Committee, the Advisory Committee of the Hong Kong Special Administrative Region Government Land Fund, the Insurance Advisory Committee and the Board of the Community Chest of Hong Kong.

**Mr LUK Koon Hoo Roger** BSocSc, MBA, FHKIB, MIMgt, JP • *Managing Director and Deputy Chief Executive*

(Biographical details are set out on page 72.)

**Mr MOK Wai Kin** FCCA, AHKSA, ACIS, ACIB • *Director and General Manager*

(Biographical details are set out on page 72.)

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 1999.

#### **PRINCIPAL ACTIVITIES**

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

#### **PROFITS**

The consolidated profit of the Bank and its subsidiaries for the year is set out on page 83 together with particulars of dividends which have been paid or declared.

#### **MAJOR CUSTOMERS**

The Directors believe that the five largest customers of the Bank accounted for less than 30% of the total of interest income and other operating income of the Bank in the year.

#### **SUBSIDIARIES**

Particulars of the Bank's principal subsidiaries at 31 December 1999 are set out on page 114.

#### **SHARE CAPITAL**

No change in either the authorised or issued share capital took place during the year.

#### **DONATIONS**

Charitable donations made by the Bank and its subsidiaries during the year amounted to HK\$8.7 million.

#### **DIRECTORATE**

The Directors of the Bank who were in office at the end of the financial year (ie 31 December 1999) were The Honourable Lee Quo-Wei, Mr D G Eldon, Mr Vincent H C Cheng, Mr John C C Chan, Dr Y T Cheng, Dr Ho Tim, Mr David T C Ho, Mr Jenkin Hui, Mr C P Langley, Dr H C Lee, Mr Vincent H S Lo, Mr Roger K H Luk, Mr W K Mok, Mr S C Penney, Dr David W K Sin and Mr Richard Y S Tang.

Mr C P Langley resigned from the Board with effect from 31 January 2000 consequent upon his retirement from the Board of The Hongkong and Shanghai Banking Corporation Limited.

Mr W K Mok was appointed a Director of the Bank with effect from 12 August 1999. The Hon Eric K C Li and Mr Raymond C F Or were appointed Directors of the Bank with effect from 25 February 2000. They retire under the provisions of the Bank's Articles of Association and, being eligible, offer themselves for re-election.

The Directors retiring by rotation in accordance with the Bank's Articles of Association are Dr Y T Cheng, Dr H C Lee and Mr Richard Y S Tang, who, being eligible, offer themselves for re-election.

No Director proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Bank which is not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

No contract of significance, to which the Bank or any of its holding companies or any of its subsidiaries or fellow subsidiaries was a party and in which a Director of the Bank had a material interest, subsisted at the end of the year or at any time during the year.

### DIRECTORS' INTERESTS

At the end of the financial year, the interests of the Directors in securities of the Bank and its associated corporations disclosed in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules") were detailed below.

	PERSONAL INTERESTS	FAMILY INTERESTS	CORPORATE INTERESTS	OTHER INTERESTS	TOTAL INTERESTS
<b>Number of Ordinary Shares of HK\$5 each in the Bank</b>					
The Honourable Lee Quo-Wei	1,091,516	1,094,783	350,990 <sup>(1)</sup>	158,152 <sup>(2)</sup>	2,695,441
Dr Ho Tim	3,480,252	–	–	–	3,480,252
Mr John C C Chan	–	–	–	1,000 <sup>(3)</sup>	1,000
Mr David T C Ho	84,240	–	–	–	84,240
Dr H C Lee	26,325	–	–	–	26,325
Mr Roger K H Luk	1,983	–	–	–	1,983
Mr W K Mok	1,625	–	–	–	1,625
<b>Number of Ordinary Shares of US\$0.50 each in HSBC Holdings plc</b>					
The Honourable Lee Quo-Wei	1,576,598	1,180,595	68,459 <sup>(1)</sup>	1,569,831 <sup>(2)</sup>	4,395,483
Mr D G Eldon	1,319	430	–	–	1,749
Mr Vincent H C Cheng	18,705	–	–	–	18,705
Mr John C C Chan	14,283	–	–	3,000 <sup>(3)</sup>	17,283
Dr Ho Tim	97,409	–	–	–	97,409
Mr Jenkin Hui	8,361	24,342	926,241 <sup>(4)</sup>	–	958,944
Dr H C Lee	36,129	–	–	–	36,129
Mr Roger K H Luk	45,618	–	–	–	45,618
Mr S C Penney	4,476	–	–	–	4,476

*Notes:*

- (1) *The Honourable and Mrs Lee Quo-Wei together were entitled to control no less than one-third of the voting power at general meetings of a private company which beneficially held all of those shares referred to above as his corporate interests.*
- (2) *1,511,247 shares in HSBC Holdings plc were held by a charitable foundation which is exempt from tax under section 88 of the Inland Revenue Ordinance and of which The Honourable and Mrs Lee Quo-Wei were members of the Board of Trustees. 158,152 shares in the Bank and 58,584 shares in HSBC Holdings plc were held by two trusts of which Mrs Lee was one of the two trustees. Neither The Honourable Lee Quo-Wei nor Mrs Lee was a beneficiary of the shareholdings mentioned in this note.*
- (3) *1,000 shares in the Bank and 3,000 shares in HSBC Holdings plc were held by a trust of which Mr and Mrs John C C Chan were beneficiaries.*
- (4) *Mr Jenkin Hui was entitled to control no less than one-third of the voting power at general meetings of a private company which beneficially held all of those shares referred to above as his corporate interests.*

At the end of the financial year, The Honourable Lee Quo-Wei had a family interest in HK\$2,500,000 Subordinated Collared Floating Rate Notes 2003 issued by The Hongkong and Shanghai Banking Corporation Limited.

At the end of the financial year, the undermentioned Directors held options to acquire the number of ordinary shares of US\$0.50 each in HSBC Holdings plc set against their respective names. These options were granted for nil consideration by HSBC Holdings plc.

	OPTIONS HELD AT THE END OF THE YEAR <sup>(1)</sup>	OPTIONS EXERCISED DURING THE FIRST HALF OF THE YEAR	OPTIONS EXERCISED DURING THE SECOND HALF OF THE YEAR	ADJUSTED EXERCISE PRICE PER SHARE IN PENCE <sup>(1)</sup>	DATE GRANTED <sup>(1)</sup>	EXERCISABLE FROM	EXERCISABLE UNTIL
		(ORDINARY SHARES OF 75p EACH)	(ORDINARY SHARES OF US\$0.50 EACH) <sup>(1)</sup>				
Mr D G Eldon	–	8,577 <sup>(2)</sup>	–	240.62	12 Oct 1993	12 Oct 1996	12 Oct 2003
	–	10,091 <sup>(3)</sup>	–	283.76	8 Mar 1994	8 Mar 1997	8 Mar 2004
	36,000	–	–	217.27	7 Mar 1995	7 Mar 1998	7 Mar 2005
	40,500	–	–	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
Mr Vincent H C Cheng	–	–	13,620 <sup>(4)</sup>	283.76	8 Mar 1994	8 Mar 1997	8 Mar 2004
	–	–	5,085 <sup>(5)</sup>	203.49	26 Sept 1994	1 Dec 1999	31 May 2000
	18,000	–	–	217.27	7 Mar 1995	7 Mar 1998	7 Mar 2005
	3,819	–	–	180.60	10 Apr 1995	1 Aug 2000	31 Jan 2001
	24,000	–	–	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
Mr C P Langley	30,000	–	–	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
Mr Roger K H Luk	1,248	–	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
Mr W K Mok	3,126	–	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
Mr S C Penney	–	–	4,428 <sup>(6)</sup>	233.61	11 Apr 1994	1 Jul 1999	31 Dec 1999
	15,135	–	–	283.76	8 Mar 1994	8 Mar 1997	8 Mar 2004
	18,000	–	–	217.27	7 Mar 1995	7 Mar 1998	7 Mar 2005
	3,819	–	–	180.60	10 Apr 1995	1 Aug 2000	31 Jan 2001
	21,000	–	–	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
	22,500	–	–	501.60	24 Mar 1997	24 Mar 2000	24 Mar 2007
	20,250	–	–	627.67	16 Mar 1998	16 Mar 2001	16 Mar 2008
	1,875	–	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005

Notes:

- (1) All options under the Share Option Schemes of HSBC Holdings plc were originally granted in respect of ordinary shares in HSBC Holdings plc of 75p each. As a result of the share capital reorganisation of HSBC Holdings plc implemented on 2 July 1999, each ordinary share of 75p each in HSBC Holdings plc was replaced with three new ordinary shares of US\$0.50 each and awards under the Share Option Schemes of HSBC Holdings plc were adjusted by multiplying the number of shares by three and dividing the relevant exercise price by three.
- (2) As at the date of exercise, 28 April 1999 the option price was 721.84p per ordinary share of 75p and the market value per ordinary share of 75p was 2,318p, resulting in a gain of £136,903.
- (3) As at the date of exercise, 28 April 1999 the option price was 851.27p per ordinary share of 75p and the market value per ordinary share of 75p was 2,318p, resulting in a gain of £148,008.
- (4) As at the date of exercise, 13 December 1999 the option price was 283.76p per ordinary share of US\$0.50 and the market value per ordinary share of US\$0.50 was 847p, resulting in a gain of £76,713.
- (5) As at the date of exercise, 1 December 1999 the option price was 203.49p per ordinary share of US\$0.50 and the market value per ordinary share of US\$0.50 was 806p, resulting in a gain of £30,638.
- (6) As at the date of exercise, 10 August 1999 the option price was 233.61p per ordinary share of US\$0.50 and the market value per ordinary share of US\$0.50 was 639p, resulting in a gain of £17,951.

At the end of the financial year, there were conditional awards of shares under the HSBC Holdings plc Restricted Share Plan made in favour of the undermentioned Directors for the number of ordinary shares of US\$0.50 each in HSBC Holdings plc set against their respective names:

Mr D G Eldon	70,339
Mr Vincent H C Cheng	34,502
Mr C P Langley	43,117
Mr Roger K H Luk	12,519
Mr W K Mok	10,954
Mr S C Penney	10,954

Save as disclosed in the preceding paragraphs, at no time during the year was the Bank or any of its holding companies or its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

No right to subscribe for equity or debt securities of the Bank has been granted by the Bank to, nor have any such rights been exercised by, any person during the year ended 31 December 1999.

#### **INDEPENDENT NON-EXECUTIVE DIRECTORS' FEES**

Each of the independent non-executive Directors of the Bank received a Director's fee of HK\$80,000 for the year ended 31 December 1999.

#### **SUBSTANTIAL INTERESTS IN SHARE CAPITAL**

At 31 December 1999, the register maintained by the Bank pursuant to the Securities (Disclosure of Interests) Ordinance recorded that the following corporations had interests (as defined in that Ordinance) in the Bank set opposite their respective names:

NAME OF CORPORATION	NUMBER OF ORDINARY SHARES OF HK\$5 EACH IN THE BANK (PERCENTAGE OF TOTAL)
The Hongkong and Shanghai Banking Corporation Limited	1,188,057,481 (62.14%)
HSBC Holdings BV	1,223,967,924 (64.02%)
HSBC Finance (Netherlands)	1,223,967,924 (64.02%)
HSBC Holdings plc	1,225,236,869 (64.09%)

Since The Hongkong and Shanghai Banking Corporation Limited is a wholly-owned subsidiary of HSBC Holdings BV, which is a wholly-owned subsidiary of HSBC Finance (Netherlands), which in turn is wholly-owned by HSBC Holdings plc, The Hongkong and Shanghai Banking Corporation Limited's interests are recorded as the interests of HSBC Holdings BV, HSBC Finance (Netherlands) and HSBC Holdings plc.

The Directors regard HSBC Holdings plc to be the beneficial owner of 1,188,057,371 ordinary shares in the Bank (62.14%).



## **CONNECTED TRANSACTIONS**

### **Finance Lease and Structured Finance Arrangements**

In the normal course of business the Bank and its subsidiary have participated in certain finance lease and structured finance arrangements which involved other members of the HSBC Group.

## **PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES**

During the year, there was no purchase, sale or redemption by the Bank, or any of its subsidiaries, of the Bank's listed securities.

## **YEAR 2000 READINESS**

Hang Seng adopted the Year 2000 conformity requirements issued by the British Standards Institution as its definition of Year 2000 compliance.

The objective of Hang Seng's Year 2000 compliance programme is to ensure that there is no disruption to Hang Seng's services caused by the changing of dates during and after the Year 2000. A steering committee, with representatives from key business units, monitors the progress of the programme, which is reported to the Board of Directors and the Audit Committee. Following the changeover to the Year 2000, Hang Seng has no material Year 2000 incidents to report.

The programme involved testing all of Hang Seng's own relevant systems to ensure that they were Year 2000 compliant. Suppliers and service providers were asked to confirm that their products and services are Year 2000 compliant. Hang Seng also assessed its customers' commitment to becoming Year 2000 compliant and provided information and assistance to help customers understand the risks and issues. As part of the programme, the Year 2000 compliance programmes of the various clearing and central depository systems in which Hang Seng participates were also monitored. Hang Seng participated in external interface testing with these systems, where possible, during 1999.

Since mid-1999, Hang Seng's own relevant computer systems have been successfully tested to the relevant British Standards Institution requirements for Year 2000 compliance. Software systems installed at Hang Seng provided by outside companies have also been tested.

In addition, contingency plans have been in place to mitigate, for example, a problem with a computer system supplied by an outside company and the possibility of the failure of systems or processes outside Hang Seng's control.

Lack of readiness on the part of third parties could expose Hang Seng to the potential for loss, impairment of business processes and activities and disruption of financial markets. Hang Seng has been addressing these risks through bilateral and multiparty efforts and has participated in industry and global initiatives.

For a number of years Hang Seng has been modifying systems to be Year 2000 compliant when making other enhancements. The costs of the Year 2000 modifications incurred as part of such a combined package have not been separately identified. For the year of 1999, costs incurred on Year 2000 modifications, which have been separately identified, total HK\$0.4 million. For the period from 1 January 1998 to 31 December 1999, costs incurred on Year 2000 modifications, which have been separately identified, total HK\$24 million (including HK\$10 million attributable to incremental external costs). All modification costs are charged as expenses except for capital equipment purchases. Adequate budgets were provided and spent according to plan. Costs relating to major systems changes that are not directly related to the Year 2000 but which address some Year 2000 issues are not included in these costs.

At 31 December 1999, there was no outstanding commitment authorised by the Directors in respect of Year 2000 modification costs.

### **CORPORATE GOVERNANCE**

As an integral part of good corporate governance, the Board has, since 1992, set up two committees, namely the Executive Committee and the Audit Committee.

#### **Executive Committee**

The Executive Committee meets regularly to review the management and performance of the Bank and operates as a general management committee under the direct authority of the Board. The members of the Committee include Mr Vincent H C Cheng (Chairman), Mr Raymond C F Or, Mr Roger K H Luk and Mr W K Mok (Directors).

#### **Audit Committee**

The Audit Committee meets regularly with the senior financial, internal audit and compliance management and the external auditors to consider the nature and scope of audit reviews and the effectiveness of the systems of internal control and compliance. The members of the Audit Committee are Dr H C Lee (Chairman), Mr Richard Y S Tang and Mr S C Penney, all of whom are non-executive Directors of the Bank.

### **CODE OF BEST PRACTICE**

None of the Directors is aware of information that would reasonably indicate that the Bank is not, or was not for any part of the accounting period for the year ended 31 December 1999, in compliance with the Code of Best Practice adopted by the Bank, which includes all the guidelines set out in Appendix 14 of the Listing Rules.

### **GUIDELINE ON FINANCIAL DISCLOSURE BY LOCALLY INCORPORATED AUTHORISED INSTITUTIONS**

The accounts of the Bank for the year ended 31 December 1999 fully comply with the requirements set out in the Guideline on Financial Disclosure by Locally Incorporated Authorised Institutions issued by the Hong Kong Monetary Authority in December 1999.

### **AUDITORS**

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

**David Eldon**

*Chairman*

Hong Kong, 28 February 2000

一九九九財務報告 1999 FINANCIAL STATEMENTS



綜合損益結算表 CONSOLIDATED PROFIT AND LOSS ACCOUNT

至一九九九年十二月三十一日全年結算 (以港幣百萬元位列示)	FOR THE YEAR ENDED 31 DECEMBER 1999 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	1999	1998
利息收入	Interest income	4(a)	28,072	32,280
利息支出	Interest expense	4(b)	(16,405)	(20,925)
淨利息收入	Net interest income		11,667	11,355
其他營業收入	Other operating income	4(c)	3,141	3,142
營業收入	Operating income		14,808	14,497
營業支出	Operating expenses	4(d)	(3,743)	(3,865)
扣除準備金前之營業溢利	Operating profit before provisions		11,065	10,632
呆壞賬準備	Provisions for bad and doubtful debts	4(f)	(1,419)	(2,476)
營業溢利	Operating profit	29(a)	9,646	8,156
有形固定資產及 長期投資之溢利	Profit on tangible fixed assets and long-term investments	5	105	52
重估物業減值	Deficits on property revaluation	21(a) & (d)	(25)	(305)
應佔聯營公司之溢利	Share of profits of associated companies		58	73
除稅前一般業務溢利	Profit on ordinary activities before tax		9,784	7,976
一般業務溢利之稅項	Tax on profit on ordinary activities	6(a)	(1,477)	(1,188)
本行股東應得之溢利	Profit attributable to shareholders	7	8,307	6,788
於一月一日之保留溢利	Retained profits at 1 January	28	25,005	24,634
購回本行股份	Repurchase of own shares	28	-	(50)
撥往行址重估儲備 之折舊	Transfer of depreciation to premises revaluation reserve	28	80	131
售出行址及投資物業 而實現之重估增值	Realisation on disposal of premises and investment properties	28	7	44
換算調整	Exchange adjustments	28	8	(2)
股息	Dividends	8 & 28	(15,678)	(6,540)
於十二月三十一日之保留溢利	Retained profits at 31 December	28	17,729	25,005
			HK\$	HK\$
每股盈利	Earnings per share	9	4.35	3.55
每股股息	Dividends per share	8	8.20	3.42

第八十八頁至第一百四十二頁之  
附註乃屬賬項之一部份。

The notes on pages 88 to 142 form part of these accounts.

綜合資產負債表 CONSOLIDATED BALANCE SHEET

一九九九年十二月三十一日  
(以港幣百萬元列示)

AT 31 DECEMBER 1999  
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

附註  
NOTE 1999 1998

資產

庫存現金及短期資金  
一個月以上之定期存放同業  
存款證  
持作買賣用途之證券  
客戶貸款  
直屬控股公司及同母系  
    附屬公司欠款  
長期投資  
聯營公司投資  
有形固定資產  
其他資產

Assets

Cash and short-term funds	10	116,414	108,156
Placings with banks maturing after one month	11	55,260	52,543
Certificates of deposit	12	11,672	9,715
Securities held for dealing purposes	13	293	287
Advances to customers	14	197,281	198,277
Amounts due from immediate holding company and fellow subsidiary companies	16	12,154	12,860
Long-term investments	18	27,317	20,871
Investments in associated companies	20	683	688
Tangible fixed assets	21	11,806	12,035
Other assets	22	9,190	7,289
		<b>442,070</b>	<b>422,721</b>

負債

往來、儲蓄及其他存款  
同業存款  
直屬控股公司及同母系  
    附屬公司存款  
其他負債

Liabilities

Current, savings and other deposit accounts	23	375,711	352,288
Deposits from banks	24	6,889	8,797
Amounts due to immediate holding company and fellow subsidiary companies	16	2,781	2,261
Other liabilities	25	17,115	13,870
		<b>402,496</b>	<b>377,216</b>

資本來源

股本  
儲備  
股東資金

Capital resources

Share capital	27	9,559	9,559
Reserves	28	30,015	35,946
Shareholders' funds		<b>39,574</b>	<b>45,505</b>
		<b>442,070</b>	<b>422,721</b>

艾爾敦 董事長

鄭海泉 副董事長兼行政總裁

利漢釗 董事

馬廣榮 秘書

David Eldon Chairman

Vincent H C Cheng Vice-Chairman and Chief Executive

H C Lee Director

K W Ma Secretary

第八十八頁至第一百四十二頁之  
附註乃屬賬項之一部份。

The notes on pages 88 to 142 form part of these accounts.

資產負債表 BALANCE SHEET

一九九九年十二月三十一日  
(以港幣百萬元位列示)

AT 31 DECEMBER 1999  
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

附註  
NOTE 1999 1998

**資產**

庫存現金及短期資金  
一個月以上之定期存放同業  
存款證  
持作買賣用途之證券  
客戶貸款  
直屬控股公司及同母系  
    附屬公司欠款  
附屬公司欠款  
長期投資  
附屬公司投資  
聯營公司投資  
有形固定資產  
其他資產

**Assets**

Cash and short-term funds	10	88,942	79,073
Placings with banks maturing after one month	11	40,872	39,024
Certificates of deposit	12	8,852	7,457
Securities held for dealing purposes	13	156	149
Advances to customers	14	113,835	103,804
Amounts due from immediate holding company and fellow subsidiary companies	16	9,737	8,478
Amounts due from subsidiary companies	17	123,727	126,480
Long-term investments	18	17,124	12,234
Investments in subsidiary companies	19	1,867	1,867
Investments in associated companies	20	48	48
Tangible fixed assets	21	8,759	8,737
Other assets	22	7,827	8,051
		421,746	395,402

**負債**

往來、儲蓄及其他存款  
同業存款  
直屬控股公司及同母系  
    附屬公司存款  
附屬公司存款  
其他負債

**Liabilities**

Current, savings and other deposit accounts	23	366,003	341,949
Deposits from banks	24	6,860	8,345
Amounts due to immediate holding company and fellow subsidiary companies	16	2,735	2,148
Amounts due to subsidiary companies		194	103
Other liabilities	25	17,273	14,267
		393,065	366,812

**資本來源**

股本  
儲備  
股東資金

**Capital resources**

Share capital	27	9,559	9,559
Reserves	28	19,122	19,031
Shareholders' funds		28,681	28,590
		421,746	395,402

艾爾敦 董事長

鄭海泉 副董事長兼行政總裁

利漢釗 董事

馬廣榮 秘書

David Eldon *Chairman*

Vincent H C Cheng *Vice-Chairman and Chief Executive*

H C Lee *Director*

K W Ma *Secretary*

第八十八頁至第一百四十二頁之  
附註乃屬賬項之一部份。

The notes on pages 88 to 142 form part of these accounts.

## 綜合確認盈虧結算表

### CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

至一九九九年十二月三十一日全年結算 (以港幣百萬元位列示)	FOR THE YEAR ENDED 31 DECEMBER 1999 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	1999	1998
本行股東應得之溢利	Profit attributable to shareholders		8,307	6,788
行址重估未實現之增值/(減值)	Unrealised surplus/(deficit) on revaluation of premises	28	428	(4,199)
投資物業重估未實現之減值	Unrealised deficit on revaluation of investment properties	28		
• 銀行及附屬公司	• Bank and subsidiary companies		(520)	(1,960)
• 聯營公司	• associated company		(12)	(727)
長期股票投資重估 之增值/(減值)	Surplus/(deficit) on revaluation of long-term equity investments	28	1,662	(191)
因出售長期股票投資而實現之增值	Realisation on disposal of long-term equity investments	28	(126)	(65)
長期股票投資重估 未實現之增值/(減值)	Unrealised surplus/(deficit) on revaluation of long-term equity investments		1,536	(256)
換算調整	Exchange adjustments	28	8	(2)
本年度之確認盈虧	Recognised gains and losses		9,747	(356)

## 綜合股東資金變動對賬表

### RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

至一九九九年十二月三十一日全年結算 (以港幣百萬元位列示)	FOR THE YEAR ENDED 31 DECEMBER 1999 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	1999	1998
於一月一日之股東資金結餘	Shareholders' funds at 1 January		45,505	52,451
本年度之確認盈虧	Recognised gains and losses		9,747	(356)
股息	Dividends	8 & 28	(15,678)	(6,540)
購回本行股份	Repurchase of own shares	28	—	(50)
於十二月三十一日之股東資金結餘	Shareholders' funds at 31 December		39,574	45,505

因長期股票投資會計政策之改變而引致股東資金及確認盈虧之調整已列於附註 28。

The effects of change in the accounting policy on long-term equity investments on recognised gains and losses and shareholders' funds are set out in note 28.

第八十八頁至第一百四十二頁之附註乃屬賬項之一部份。

The notes on pages 88 to 142 form part of these accounts.



綜合現金流量結算表 CONSOLIDATED CASH FLOW STATEMENT

至一九九九年十二月三十一日全年結算  
(以港幣百萬元位列示)

FOR THE YEAR ENDED 31 DECEMBER 1999  
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

附註  
NOTE

1999

1998

來自營業活動之現金流入淨額	<b>Net cash inflow from operating activities</b>	29(a)	33,974	29,481
<b>投資回報及融資利息</b>	<b>Returns on investments and servicing of finance</b>			
自聯營公司收取之股息	Dividends received from associated companies		45	53
已派股息	Dividends paid		(14,760)	(6,543)
自長期投資所得之收入	Income received on long-term investments		1,250	944
因投資回報及融資利息 之現金流出淨額	Net cash outflow from returns on investments and servicing of finance		(13,465)	(5,546)
已繳稅款	<b>Taxation paid</b>		(287)	(976)
<b>投資活動</b>	<b>Investing activities</b>			
購入長期投資	Purchase of long-term investments		(34,927)	(27,132)
出售長期投資所得	Proceeds from sale of long-term investments		30,102	22,449
購入有形固定資產	Purchase of tangible fixed assets		(325)	(517)
出售有形固定資產所得	Proceeds from sale of tangible fixed assets		53	59
因投資活動之現金流出淨額	Net cash outflow from investing activities		(5,097)	(5,141)
未計融資前之現金流入淨額	<b>Net cash inflow before financing</b>		15,125	17,818
<b>融資</b>	<b>Financing</b>			
購回本行之股份	Repurchase of own shares		-	(50)
因融資之現金流出淨額	Net cash outflow from financing		-	(50)
現金及等同現金項目之增加	<b>Increase in cash and cash equivalents</b>	29(b)	15,125	17,768

第八十八頁至第一百四十二頁之  
附註乃屬賬項之一部份。

The notes on pages 88 to 142 form part of these accounts.

至一九九九年十二月三十一日全年結算  
(以港幣百萬元位列示)

YEAR ENDED 31 DECEMBER 1999  
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

### 1 編製基礎

(甲) 綜合賬項包括恒生銀行(簡稱「銀行」)及其附屬與聯營公司(簡稱「集團」)截至十二月三十一日年度之賬項。本賬項乃採用原值成本慣例，經修訂行址、投資物業及以公平價值列賬之證券重估價值後編製，並符合公司條例及香港公認會計原則。此外，本賬項完全遵守香港金融管理局發出有關「本地註冊認可機構披露財務資料」指引中各項建議。

於編製賬項時所採用之各項會計政策，除列於附註3(戊)為符合會計實務準則第二十四號「證券投資的會計處理」要求而改變之長期股票投資會計政策外，其他會計政策均與往年貫徹一致。

(乙) 本綜合賬項包括應佔聯營公司之業績及儲備，乃根據截止日期不早於十二月三十一日前六個月之賬項編製。本集團內部之一切重大交易已於綜合計算時予以抵銷。

### 1 BASIS OF PREPARATION

(a) The consolidated accounts comprise the accounts of Hang Seng Bank Limited ("the Bank") and all its subsidiary and associated companies ("the Group") made up to 31 December. The accounts have been prepared under the historical cost convention, as modified by the revaluation of premises, investment properties and securities which are stated at fair value, and in accordance with the provisions of the Companies Ordinance and accounting principles generally accepted in Hong Kong. In addition, the accounts comply fully with the recommendations in the Guideline on "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority.

The accounting policies used in the preparation of these accounts are consistent with those used in the previous year except for the change in accounting policy for long-term equity investments, which has been amended in accordance with Hong Kong Statement of Standard Accounting Practice 24 "Accounting for Investments in Securities" ("HK SSAP 24"), set out in note 3(e).

(b) The consolidated accounts include the attributable share of the results and reserves of associated companies based on accounts made up to dates not earlier than six months prior to 31 December. All significant intra-group transactions have been eliminated on consolidation.

### 2 業務性質

本集團主要從事銀行業及有關之金融服務。

### 2 NATURE OF BUSINESS

The Group is engaged primarily in the provision of banking and related financial services.

### 3 主要會計政策

#### (甲) 收入之確認

除屬呆賬情況外(附註3(丙))，利息收入均於應計之時在損益賬內確認。

費用收入均於列為應收項目時入賬，除非是用以彌補向客戶持續提供服務之成本或就客戶而須承擔風險，或屬利息性質。在此等情況下，費用將於有關期間內按適當之基準確認。

### 3 PRINCIPAL ACCOUNTING POLICIES

#### (a) Income recognition

Interest income is recognised in the profit and loss account as it accrues, except in the case of doubtful debts (note 3(c)).

Fee income is accounted for in the period when receivable, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised on an appropriate basis over the relevant period.

### (乙) 商譽

當收購附屬或聯營公司之成本高於或低於本集團購得其所佔可分離資產份額之公平淨值時，即產生商譽或折讓。於一九九八年一月一日起收購所產生之商譽已列入「資產負債表」之「其他資產」項內，而所產生之折讓則列於「其他負債」項內，並按照其估計可用年數按直線法攤銷。於一九九八年一月一日前，收購所產生之商譽於收購當年從「儲備」項內扣除，而收購所產生之折讓則於收購當年誌入「儲備」項內。

於出售附屬或聯營公司時，任何未分攤或已誌入「儲備」內之商譽或折讓，將與本集團購得其所佔資產份額之公平淨值一併計算出售該等公司之損益。

### (丙) 貸款及呆賬

(一) 賬項於被認為屬呆賬時，即提撥特殊呆賬準備金。此外，另有撥出若干款項，作為呆賬之一般準備金。此等準備金已自有關之客戶貸款及貿易票據中減除。特殊準備涉及銀行個別客戶之賬項；一般準備則涉及非獨立確定之其他信貸風險，但根據經驗，此等風險將存在於任何客戶組合內。特殊準備之撥備均已計及有關貸款之抵押品價值。當尚欠債務已再無實際機會收回時，將作出撇賬。

(二) 呆賬利息均誌入一懸欠賬項內，於編製資產負債表時，該賬項在有關資產結餘內扣除。

(三) 為有次序地將其變現以抵償貸款而購入之資產均繼續列為貸款。所購入資產按轉換當日被清理之貸款賬面值列賬，而其日後貶值則悉數提撥準備。

### (b) Goodwill

Goodwill or discount on acquisition arise on the acquisition of subsidiary and associated companies, when the cost of acquisition differs from the fair value of the Group's share of separable net assets acquired. For acquisitions made on or after 1 January 1998, goodwill is included in the balance sheet in "Other assets" and discount on acquisition is included in "Other liabilities" and they are amortised over their estimated lives on a straight line basis. For acquisitions prior to 1 January 1998, goodwill was charged against "Reserves" and discount on acquisition was credited to "Reserves" in the year of acquisition.

At the date of disposal of subsidiary or associated companies, any goodwill or discount on acquisition previously taken directly to reserves or not yet amortised in the profit and loss account is included in the Group's share of net assets of the company in the calculation of the profit or loss on disposal of the company.

### (c) Advances and doubtful debts

(i) Specific provisions are made for doubtful debts as and when they are so considered and, in addition, amounts have been set aside as general provisions for doubtful debts. These provisions are deducted from advances to customers and trade bills. The specific element relates to individual banking relationships; the general element relates to other exposures not separately identified but known from experience to exist in any portfolio of banking relationships. Specific provisions are made taking into account the value of collaterals held. When there is no longer any realistic prospect of recovery, the outstanding debt is written off.

(ii) Interest on doubtful debts is credited to a suspense account which is netted in the balance sheet against the relevant balances.

(iii) Assets acquired in exchange for advances in order to achieve an orderly realisation continue to be reported as advances. The asset acquired is recorded at the carrying value of the advance disposed of at the date of the exchange, and provisions are based on any subsequent deterioration in its value.

**3 主要會計政策 續****(丁) 外幣伸算**

年內之外幣交易均按交易日之市價滙率伸算為港元。

外幣本位之貨幣性資產及負債均按結算日之市價滙率伸算為港元。換算損益已誌入損益賬內。

海外分行及海外附屬公司之業績按是年度平均滙率伸算為港元。其資產負債項目則以結算日之滙率伸算為港元，換算損益已誌入儲備賬項內。

**(戊) 投資****(一) 持作買賣用途及長期投資之證券**

集團就擁有明確意向和能力持有至到期日之債務證券均按類為「持至期滿之債務證券」並按其屬類別列入「庫券」（列於「庫存現金及短期資金」項下）、「存款證」或「長期投資」。持至期滿之債務證券均按成本值減除提撥之虧損列賬。

以溢價或折讓購入之有期債務證券，其溢價及折讓均按購買之日起至到期日止期間在損益賬內攤銷。假如期限可由借款人選擇（限於特定年數內），則會採納可給予較保守結果之到期日。此等證券皆按成本（經就購入溢價及折讓之攤銷作出調整）列入資產負債表內。溢價及折讓之攤銷則列作「利息收入」之部份。

持至期滿之債務證券若於未至到期日售出或轉為持作買賣用途，因而產生之任何溢利或虧損會於當日列入損益賬內，並包括在「有形固定資產及長期投資之溢利」項內。

擬持續持有之股票，均按類為「長期投資」並按公平價值列入資產負債表內。長期股票投資因市值變動所產生之溢利或虧損，則列示於「長期股票投資儲備」賬內，直至出售該投資或決定將投資減值時，累積之溢利或減值即誌入該期損益結算表之「有形固定資產及長期投資之溢利」項內。

**3 PRINCIPAL ACCOUNTING POLICIES continued****(d) Translation of foreign currencies**

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The exchange differences are dealt with in the profit and loss account.

The results of overseas branches and subsidiary companies are translated into Hong Kong dollars at the average exchange rates for the year. Balance sheet items are translated at the rates of exchange ruling at the balance sheet date. The exchange differences are dealt with as movements in reserves.

**(e) Investments****(i) Securities held for dealing purposes and long-term investments**

Debt securities in respect of which the Group has the expressed intention and ability to hold until maturity are classified as "Held to maturity securities" and are included in the balance sheet in the following categories: "Treasury bills" (included in "Cash and short-term funds"), "Certificates of deposit", or "Long-term investments" as appropriate. Held to maturity debt securities are included in the balance sheet at cost less provision for any impairment.

Where dated debt securities have been purchased at a premium or discount, those premiums and discounts are amortised through the profit and loss account over the period from the date of purchase to the date of maturity. If the maturity is at the borrower's option within a range of specified years, the maturity date which gives the more conservative result is adopted. These securities are included in the balance sheet at cost adjusted for the amortisation of premiums and discounts arising on acquisition. The amortisation of premiums and discounts is included in "Interest income".

Any profit or loss arising on held to maturity securities on disposal prior to maturity or on transfer to securities held for dealing purposes is included in the profit and loss account as it arises and is included in "Profit on tangible fixed assets and long-term investments".

Equity shares intended to be held on a continuing basis are classified as "Long-term investments" and are included in the balance sheet at fair value. Profit and loss arising from changes in fair value are accounted for as movements in the "Long-term equity investment revaluation reserve". When an investment is disposed of or the investment is determined to be impaired, the cumulative profit or loss, including any amounts previously recognised in the long-term equity investment revaluation reserve, is included in the profit and loss account for the year in "Profit on tangible fixed assets and long-term investments".

#### (戊) 投資 續

(一) 持作買賣用途及長期投資之證券 續  
於一九九九年前，長期投資乃按成本值扣除減值準備後列於資產負債表內。為符合會計實務準則第二十四號之要求，長期投資結餘已作出相應之前期調整。其對賬項之影響詳列於附註40內。

其他持作買賣用途之證券按公平價值列入資產負債表內之下列類別內：「庫券」（列入「庫存現金及短期資金」）、「存款證」或「持作買賣用途之證券」。該等資產之公平價值出現變動時即在損益賬之「買賣溢利」內確認。

出售之證券如附有按預定價格回購之承諾，仍列入資產負債表內，而出售之金額則視乎交易對手之性質為銀行或非銀行以負債方式列入「同業存款」或「往來、儲蓄及其他存款」賬內。相反，根據類似轉售承諾而購入之證券不會在資產負債表內確認，所支付之金額則視乎交易對手之性質為銀行或非銀行而列入「庫存現金及短期資金」或「客戶貸款」賬內。

#### (二) 附屬公司投資

附屬公司投資均按成本值減除經董事認為需要提撥之虧損準備金後列賬。

#### (三) 聯營公司投資

聯營公司投資按本行以權益法入賬計算之應佔該等公司之資產淨值列賬。

#### (己) 有形固定資產

(一) 行址按估值減除折舊後列賬。折舊乃按照資產之估計可用年數撇銷全部賬面價值，計算方式如下：

- 永久業權之土地不予折舊。
- 租約期土地，按照租約剩餘年數以直線折舊法攤銷。
- 房屋及其改良成本，按直線法每年撇銷百分之二或按租約剩餘年數分攤折舊，兩者以較高者為準。

#### (e) Investments continued

(i) Securities held for dealing purposes and long-term investments continued

Prior to 1999, long-term equity investments were included in the balance sheet at cost less provision for any impairment. Prior-year data has been amended to reflect the change in accounting policy which was adopted in order to comply with HK SSAP 24. The effect of the change in the accounting policy is set out in note 40.

Other securities are classified as held for dealing purposes and included in the balance sheet at fair value in the following categories: "Treasury bills" (included in "Cash and short-term funds"), "Certificates of deposit", or "Securities held for dealing purposes" as appropriate. Changes in fair value of such assets are recognised in the profit and loss account as "Dealing profits" as they arise.

Where securities are sold subject to a commitment to repurchase them at a predetermined price, they remain on the balance sheet and a liability is recorded in respect of the consideration received in "Deposits from banks" where the counterparty is a bank or in "Current, savings and other deposit accounts" where the counterparty is a non-bank. Conversely, securities purchased under analogous commitments to resell are not recognised on the balance sheet and the consideration paid is recorded in "Cash and short-term funds" where the counterparty is a bank or in "Advances to customers" where the counterparty is a non-bank.

(ii) Investments in subsidiary companies

Investments in subsidiary companies are stated at cost less provision for any impairment as determined by the Directors.

(iii) Investments in associated companies

Investments in associated companies are stated at the Group's attributable share of their net assets using the equity method of accounting.

#### (f) Tangible fixed assets

(i) Premises are stated at valuation less depreciation calculated to write off the assets over their estimated useful lives as follows:

- freehold land is not depreciated;
- leasehold land is depreciated over the unexpired terms of the leases;
- buildings and improvements thereto are depreciated at the greater of 2% per annum on the straight line basis or over the unexpired terms of the leases.

**3 主要會計政策 續****(己)有形固定資產 續**

(二) 行址均由合專業資格之估價師定期估值，以確保其賬面淨值並無大異於其公平價值。因重估而產生之溢價先沖回誌於損益賬內有關該物業過往重估所產生之虧損，餘數誌入儲備項下之「行址重估儲備」內。因重估而產生之虧損先從有關該物業過往重估溢價內扣除，不足之數在損益賬內支銷。

(三) 投資物業由合專業資格估價師每年估計其公開市值列示於資產負債表。按投資組合計算之重估溢價已誌入儲備項下之「投資物業重估儲備」賬內。因重估而產生以組合計算之虧損先從過往重估溢價內扣除，不足之數在損益賬內支銷。

租約期尚餘二十年或以下之投資物業乃按估值減除折舊後列賬。折舊乃按照租約之剩餘年數撇銷全部賬面價值計算。

(四) 設備包括傢俬、機械及其他設備按成本減除折舊後列賬。折舊之計算乃按照資產之估計可用年數（一般在三至十年間），以直線折舊法攤銷。

(五) 出售行址、投資物業及設備之損益是以淨售所得與該資產之賬面淨值差價計算。因出售行址而實現之有關重估溢價由「行址重估儲備」項下撥往「保留溢利」項下。因出售投資物業而實現之有關重估溢價或虧損，由「投資物業重估儲備」項下撥往「保留溢利」項下。

**(庚)遞延稅項**

所有在可見未來因時差而可能引致重大之稅項影響，均依負債方式備撥遞延稅項。

未來之遞延稅項利益，除非其實現乃確實及無需置疑者，均不予確認。

**3 PRINCIPAL ACCOUNTING POLICIES continued****(f) Tangible fixed assets continued**

(ii) Premises are revalued by professionally qualified valuers with sufficient regularity to ensure that the net carrying amount does not differ materially from the fair value. Surpluses arising on revaluation are credited firstly to the profit and loss account to the extent of any deficits arising on revaluation previously charged to the profit and loss account in respect of the same premises, and are thereafter taken to the "Premises revaluation reserve". Deficits arising on revaluation are firstly set off against any previous revaluation surpluses included in the "Premises revaluation reserve" in respect of the same premises, and are thereafter taken to the profit and loss account.

(iii) Investment properties are stated in the balance sheet at their open market values which are assessed by professionally qualified valuers. Surpluses arising on revaluation on a portfolio basis are credited to the "Investment properties revaluation reserve". Deficits arising on revaluation on a portfolio basis are firstly set off against any previous revaluation surpluses and thereafter taken to the profit and loss account.

Investment properties held on leases with twenty years or less to expiry are stated at valuation less depreciation calculated to write off the assets over their estimated remaining useful lives.

(iv) Equipment, comprising furniture, plant and other equipment, is stated at cost less depreciation calculated on the straight line basis to write off the assets over their estimated useful lives, which are generally between three and ten years.

(v) On disposal of premises, investment properties and equipment, the profit or loss is calculated as the difference between the net sales proceeds and the net carrying amount. Surpluses relating to premises disposed of included in the "Premises revaluation reserve" are transferred as movements on reserves to "Retained profits". Surpluses or deficits relating to investment properties disposed of included in the "Investment properties revaluation reserve" are transferred as movements on reserves to "Retained profits".

**(g) Deferred taxation**

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences which are expected with reasonable probability to crystallise in the foreseeable future.

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

#### (辛) 融資及經營租賃

一切與擁有權(除法定所有權外)有關之風險及報酬實質上已轉讓予承租人之協議,均列為融資租賃。如本集團為融資租賃之出租人,則扣除未賺取之費用後之應收租賃款項列於「客戶貸款」內。應收融資費用則以租賃期間所投資款項按比例作利息收入計算。

其他租賃合約則列為經營租賃,如本集團為經營租賃之出租人,有關資產則列入「固定資產」。經營租賃之租金收入及租金支出均以直線攤銷法於租賃期內作為「其他營業收入」及「營業費用」列賬。

#### (壬) 資產負債表外之金融工具

資產負債表外之金融工具乃來自外匯、利率及股票等市場上進行之期貨、遠期、掉期及期權交易。此等工具之記賬方法視乎其交易目的在於買賣、風險對沖或作為資產負債之風險管理而定。

用作買賣之交易均以市值記賬,因而產生之損益之淨現值(就未賺取之信貸息差及日後之償付成本而作出適當遞延處理後)均列入損益賬內之「買賣溢利」。

用作對沖之交易是按所對沖之資產、負債或坐盤淨額相同之基準而估值。任何損益均按有關之資產、負債或坐盤額之損益之相同基準確認。

作為資產與負債管理而進行之利率衍生工具交易均予以獨立確認,其收入或支出均以應計基準誌入「利息收入」或「利息支出」項內。

按市值列賬之交易所產生之未實現盈利已包括於資產負債表上「其他資產」項目內。按市值列賬之交易所產生之未實現虧損則包括於「其他負債」項目內。

#### (h) Finance and operating leases

Assets leased to customers under agreements which transfer substantially all the risks and rewards associated with ownership, other than legal title, are classified as finance leases. Where the Group is a lessor under finance leases, the amounts due under the leases, after deduction of unearned charges, are included in "Advances to customers". Finance charges receivable are recognised over the periods of the leases in proportion to the funds invested.

All other leases are classified as operating leases and, where the Group is a lessor, are included in "Tangible fixed assets". Rentals receivable and payable under operating leases are accounted for on the straight line basis over the periods of the leases and are included in "Other operating income" and "Operating expenses" respectively.

#### (i) Off-balance sheet financial instruments

Off-balance sheet financial instruments arise from futures, forward, swap and option transactions undertaken in the foreign exchange, interest rate and equity markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for dealing purposes, to hedge risk, or to modify risk of asset and liability portfolios conforming to approved risk-management strategies.

Transactions undertaken for dealing purposes are marked to market value and the net present value of the gain or loss arising is recognised in the profit and loss account as "Dealing profits", after appropriate deferrals for unearned credit margin and future servicing costs.

Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions which they are hedging. Any profit or loss is recognised on the same basis as that arising from the related assets, liabilities or positions.

Interest rate derivative transactions undertaken as part of the management of asset and liability portfolios are separately identified and income or expense is accrued and included in "Interest income" or "Interest expense".

Unrealised gains on transactions which are marked to market are included in "Other assets" in the balance sheet. Unrealised losses on transactions which are marked to market are included in "Other liabilities".

**3 主要會計政策 續****(癸)有關連人士**

就此賬項而言，有關連人士乃指本集團能直接或間接對其作出財務及營運決策、控制或行使重大影響，反之亦然，又或本集團與其均受同一方面之控制或重大影響。有關連人士包括個人及其他個體。

**3 PRINCIPAL ACCOUNTING POLICIES** continued**(j) Related parties**

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or entities.

**4 營業溢利**

是年度營業溢利已計算下列各項目：

**(甲)利息收入**

		1999	1998
上市證券利息收入	Interest income on listed investments	122	99
非上市證券利息收入	Interest income on unlisted investments	1,762	1,650
其他利息收入	Other interest income	26,188	30,531
		<b>28,072</b>	<b>32,280</b>

**(乙)利息支出**

是年度內並無五年後到期之借貸資本及存款證及客戶存款之利息支出(一九九八年：無)。

**(b) Interest expense**

There is no interest expense on loan capital and certificates of deposit issued and customer deposit accounts maturing after five years (1998: Nil).

**(丙)其他營業收入**

		1999	1998
股息收入	Dividend income		
• 上市證券投資	• listed investments	96	107
• 非上市證券投資	• unlisted investments	17	3
		113	110
服務費及佣金收入	Fees and commissions receivable	1,829	1,669
服務費及佣金支出	Fees and commissions payable	(278)	(277)
		1,551	1,392
買賣溢利	Dealing profits		
• 外匯	• foreign exchange	569	598
• 證券及其他買賣活動	• securities and other trading activities	15	(1)
		584	597
投資物業之租金收入	Rental income from investment properties	240	257
其他	Other	653	786
		<b>3,141</b>	<b>3,142</b>



(丁) 營業支出

(d) Operating expenses

		1999	1998
人事費用	Staff costs		
• 薪金及其他人事費用	• salaries and other costs	1,964	1,905
• 退休福利計劃支出 (附註34)	• retirement benefit costs (note 34)	231	441
		2,195	2,346
折舊 (附註21(甲))	Depreciation (note 21(a))	378	406
房地產及設備費用	Premises and equipment		
• 租金支出	• rental expenses	152	156
• 其他	• other	580	531
		732	687
其他經營費用	Other operating expenses	438	426
		3,743	3,865

(戊) 本行五位最高薪酬人士之酬金

(e) The emoluments of the five highest paid individuals

(一) 酬金總額

(i) The aggregate emolument

		1999	1998
薪津及實物收益	Salaries, allowances and benefits in kind	22	24
為退休金計劃所作之供款	Pension contributions	2	2
		24	26

(二) 五位最高薪酬人士之酬金包括在下列範圍內：

(ii) The numbers of the five highest paid individuals whose emoluments fell within the following bands were:

港元	HK\$	1999 人數 NUMBER OF INDIVIDUALS	1998 人數 NUMBER OF INDIVIDUALS
3,000,001 – 3,500,000	3,000,001 – 3,500,000	1	–
4,000,001 – 4,500,000	4,000,001 – 4,500,000	2	2
5,000,001 – 5,500,000	5,000,001 – 5,500,000	–	1
5,500,001 – 6,000,000	5,500,001 – 6,000,000	1	2
7,000,001 – 7,500,000	7,000,001 – 7,500,000	1	–
		5	5

五位最高薪酬人士中包括三位董事 (一九九八年：三位)。該等董事之董事酬金已包括於下列 (庚) 項內。

Included in the emoluments of the five highest paid individuals were the emoluments of three (1998: three) Directors. Their respective directors' emoluments have been included in (g) below.

**4 營業溢利** 續**(己) 呆壞賬準備**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
呆壞賬準備淨額支取/(撥回)	Net charge/(release) for bad and doubtful debts				
客戶貸款 (附註14 (丙))	Advances to customers (note 14(c))				
特殊準備	Specific provisions				
• 新提撥	• new provisions	1,681	2,535	1,215	1,891
• 撥回	• releases	(242)	(19)	(112)	(18)
• 收回已撇除賬項	• recoveries	(12)	(7)	(7)	(5)
		1,427	2,509	1,096	1,868
一般準備	General provisions	(8)	(33)	49	8
支取損益賬淨額	Net charge to profit and loss account	1,419	2,476	1,145	1,876

**(庚) 董事酬金**

根據公司條例第161節計算，本行董事酬金總額如下：

**(g) Directors' emoluments**

The aggregate emoluments of the Directors of the Bank calculated in accordance with section 161 of the Companies Ordinance were:

		1999	1998
董事袍金	Fees	1	1
薪津及實物收益	Salaries, allowances and benefits in kind	13	14
為退休金計劃所作之供款	Pension and pension contributions	4	3
		18	18

董事酬金在下列範圍內之人數如下：

The numbers of Directors whose emoluments fell within the following bands were:

港元	HK\$	1999		1998	
		董事人數 NUMBER OF DIRECTORS	董事人數 NUMBER OF DIRECTORS	董事人數 NUMBER OF DIRECTORS	董事人數 NUMBER OF DIRECTORS
0 – 1,000,000	0 – 1,000,000	17	17	17	17
1,000,001 – 1,500,000	1,000,001 – 1,500,000	1	1	1	1
1,500,001 – 2,000,000	1,500,001 – 2,000,000	1	–	1	–
3,000,001 – 3,500,000	3,000,001 – 3,500,000	–	1	–	1
5,500,001 – 6,000,000	5,500,001 – 6,000,000	1	2	1	2
7,000,001 – 7,500,000	7,000,001 – 7,500,000	1	–	1	–
		21	21	21	21

(辛) 核數師費用為港幣八百萬元(一九九八年：港幣八百萬元)，其中港幣六百萬元(一九九八年：港幣五百萬元)乃屬銀行之費用。

(h) Auditors' remuneration amounted to HK\$8 million (1998: HK\$8 million), of which HK\$6 million (1998: HK\$5 million) related to the Bank.

**5 有形固定資產及長期  
投資之溢利**

**5 PROFIT ON TANGIBLE FIXED ASSETS  
AND LONG-TERM INVESTMENTS**

		1999	1998
出售長期投資之溢利	Profit on disposal of long-term investments		
• 已於一月一日重估儲備 確認之數額	• realisation of amounts previously recognised in revaluation reserves at 1 January	76	94
• 本年度之溢利/(虧損)	• profit/(loss) arising in current year	53	(29)
		129	65
出售有形固定資產之虧損	Loss on disposal of tangible fixed assets	(6)	(13)
長期投資減值準備	Provision for impairment of long-term investments	(18)	–
		105	52

**6 稅項**

**6 TAXATION**

(甲) 綜合損益結算表內之稅項組成如下：

(a) Taxation in the consolidated profit and loss account represents:

		1999	1998
香港利得稅準備	Provision for Hong Kong profits tax	1,481	1,217
香港以外稅項	Taxation outside Hong Kong	1	2
遞延稅項 (附註26)	Deferred taxation (note 26)	(11)	(41)
		1,471	1,178
應佔聯營公司之稅項	Share of associated companies' taxation	6	10
提撥稅項合計	Total charge for taxation	1,477	1,188

香港利得稅準備乃以截至一九九九年十二月三十一日止之全年估計應課稅溢利按百分之十六稅率計算(一九九八年：百分之十六)。海外附屬公司及海外分行已同樣按其營業所在地區之適當稅率提撥稅項準備。

The provision for Hong Kong profits tax is based on an estimate of the assessable profits for the year ended 31 December 1999 at 16.0% (1998: 16.0%). Similarly, taxation provisions for subsidiary companies and branches outside Hong Kong have been made at the appropriate rates of taxation prevailing in the countries in which they operate.

(乙) 資產負債表中「其他負債」(附註25)之稅項組成如下：

(b) Taxation in the balance sheets which is included in "Other liabilities" (note 25) represents:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
香港利得稅準備	Provision for Hong Kong profits tax	197	492	82	383
香港以外稅項準備	Provision for taxation outside Hong Kong	16	16	15	15
遞延稅項 (附註25及26)	Deferred taxation (note 25 & 26)	33	44	33	44
		246	552	130	442

**7 本行股東應得之溢利**

本行股東應得之溢利中計有港幣一百五十七億零二百萬元(一九九八年：港幣六十六億零九百萬元)已於銀行之賬項內出賬。其中包括來自附屬公司從以往保留溢利中派發之特別中期股息共港幣七十八億三千九百萬元正。

**7 PROFIT ATTRIBUTABLE TO SHAREHOLDERS**

Of the profit attributable to shareholders, HK\$15,702 million (1998: HK\$6,609 million) has been dealt with in the accounts of the Bank. This included HK\$7,839 million (1998: Nil) received by way of special interim dividends from subsidiary companies which were paid out of prior year retained profits.

**8 股息****8 DIVIDENDS**

		1999		1998	
		每股港元 PER SHARE HK\$	港幣百萬元 HK\$ MILLION	每股港元 PER SHARE HK\$	港幣百萬元 HK\$ MILLION
第一次中期	First interim	1.60	3,059	1.40	2,678
特別中期	Special interim	4.10	7,839	-	-
第二次中期	Second interim	2.50	4,780	-	-
末期	Final	-	-	2.02	3,862
		<b>8.20</b>	<b>15,678</b>	<b>3.42</b>	<b>6,540</b>

已派發之第一次中期股息和特別中期股息及已宣佈之第二次中期股息乃按已發行股數十九億一千一百八十四萬二千七百三十六股計算(一九九八年：中期股息按已發行股數十九億一千三百一十七萬五千九百三十六股計算，末期股息則按已發行股數十九億一千一百八十四萬二千七百三十六股計算)。

The first interim dividend and special interim dividend were paid and second interim dividend (in lieu of a final dividend) was declared on 1,911,842,736 shares (1998: Interim dividend was paid on 1,913,175,936 shares and final dividend was paid on 1,911,842,736 shares).

**9 每股盈利**

每股盈利乃根據溢利港幣八十三億零七百萬元(一九九八年：港幣六十七億八千八百萬元)及已發行普通股加權平均數之十九億一千一百八十四萬二千七百三十六股(一九九八年：十九億一千二百六十六萬五百九十股)計算。

**9 EARNINGS PER SHARE**

The calculation of earnings per share is based on earnings of HK\$8,307 million (1998: HK\$6,788 million) and on the weighted average number of ordinary shares in issue of 1,911,842,736 shares (1998: 1,912,660,590 shares).

## 10 庫存現金及短期資金

## 10 CASH AND SHORT-TERM FUNDS

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
庫存現金及存放同業及 其他金融機構	Cash in hand and balances with banks and other financial institutions	5,024	3,282	5,022	3,280
短期及一個月內到期之 定期存放同業	Money at call and placings with banks maturing within one month	105,835	88,224	78,365	59,527
庫券	Treasury bills	5,555	16,650	5,555	16,266
		<b>116,414</b>	<b>108,156</b>	<b>88,942</b>	<b>79,073</b>
庫券分析詳列如下:	Treasury bills are analysed as follows:				
持作買賣用途	Held for dealing purposes				
• 公平價值	• at fair value	1,718	1,952	1,718	1,892
持至期滿	Held to maturity				
• 攤銷成本	• at amortised cost	3,837	14,698	3,837	14,374
• 公平價值	• at fair value	3,841	14,723	3,841	14,397
庫券至到期日剩餘期間:	Remaining maturity of treasury bills:				
• 三個月內	• within three months	2,285	9,871	2,285	9,487
• 三個月以上至一年	• one year or less but over three months	3,270	6,779	3,270	6,779
		<b>5,555</b>	<b>16,650</b>	<b>5,555</b>	<b>16,266</b>

擬持至期滿之庫券於合約到期日前少於三個月內出售之攤銷成本為港幣二十億七千二百萬元(一九九八年:港幣七億零三百萬元)。出售之溢利為港幣三百萬元(一九九八年:無)。該等出售佔持至期滿之庫券總額之百分之三十五點一(一九九八年:百分之四點六),經已由資產負債管理委員會批准,用作提高流動資金及調整有關組合之到期日及風險結構。

Treasury bills intended to be held to maturity with an amortised cost of HK\$2,072 million (1998: HK\$703 million) were disposed of within three months prior to maturity. The related profit recognised amounted to HK\$3 million (1998: Nil). Such disposals, representing 35.1% of total held to maturity treasury bills (1998: 4.6%), were approved by the Asset and Liability Management Committee, and were generally made to improve liquidity, and to modify the maturity and risk profile of portfolios.

**11 一個月以上之定期存放同業 11 PLACINGS WITH BANKS MATURING AFTER ONE MONTH**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
至到期日剩餘期間：	Remaining maturity:				
• 一個月以上至三個月	• three months or less but over one month	32,516	30,416	22,503	24,352
• 三個月以上至一年	• one year or less but over three months	22,667	21,974	18,369	14,672
• 一年以上至五年	• five years or less but over one year	77	153	-	-
		<b>55,260</b>	<b>52,543</b>	<b>40,872</b>	<b>39,024</b>

**12 存款證 12 CERTIFICATES OF DEPOSIT**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
至到期日剩餘期間：	Remaining maturity:				
• 三個月內但非即時到期	• three months or less but not repayable on demand	2,655	1,657	823	419
• 三個月以上至一年	• one year or less but over three months	2,721	3,645	1,733	2,625
• 一年以上至五年	• five years or less but over one year	6,296	4,413	6,296	4,413
		<b>11,672</b>	<b>9,715</b>	<b>8,852</b>	<b>7,457</b>
持作買賣用途	Held for dealing purposes				
• 公平價值	• at fair value	-	55	-	55
持至期滿	Held to maturity				
• 攤銷成本	• at amortised cost	11,672	9,660	8,852	7,402
• 公平價值	• at fair value	11,682	9,629	8,865	7,369

擬持至期滿之存款證於合約到期日前少於三個月內出售之攤銷成本為港幣一億元(一九九八年：無)。於是年內並無有關之出售溢利(一九九八年：無)。該等出售佔持至期滿之存款證總額之百分之零點八(一九九八年：無)，經已由資產負債管理委員會批准，用作提高流動資金及調整有關組合之到期日及風險結構。

Certificates of deposit intended to be held to maturity with an amortised cost of HK\$100 million (1998: Nil) were disposed of within three months prior to maturity. There was no related profit recognised during the year (1998: Nil). Such disposals, representing 0.8% of total held to maturity certificates of deposit (1998: Nil), were approved by the Asset and Liability Management Committee, and were generally made to improve liquidity, and to modify the maturity and risk profile of portfolios.

## 13 持作買賣用途之證券

## 13 SECURITIES HELD FOR DEALING PURPOSES

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
公平價值	At fair value				
債務證券	Debt securities				
由公共機構發行	Issued by public bodies				
• 中央政府及中央銀行	• central governments and central banks	134	136	94	86
• 其他公共機構	• other public sector entities	62	63	62	63
		196	199	156	149
由其他機構發行	Issued by other bodies				
• 同業及其他金融機構	• banks and other financial institutions	97	87	-	-
		293	286	156	149
股票	Equity shares				
由企業發行	Issued by corporate entities	-	1	-	-
		293	287	156	149
債務證券	Debt securities				
在香港以外地區上市	Listed outside Hong Kong	134	-	94	-
非上市	Unlisted	159	286	62	149
		293	286	156	149
至到期日剩餘期間：	Remaining maturity:				
• 三個月內但非即時到期	• three months or less but not repayable on demand	48	50	-	50
• 三個月以上至一年	• one year or less but over three months	166	73	111	-
• 一年以上至五年	• five years or less but over one year	74	157	40	93
• 五年以上	• over five years	5	6	5	6
		293	286	156	149
股票	Equity shares				
在香港上市	Listed in Hong Kong	-	1	-	-

持作買賣用途證券按剩餘年期至到期日之分析披露乃遵照香港金融管理局發出之有關「本地註冊認可機構披露財務資料」指引。並不表示該等證券將會持至到期日。

上述持作買賣用途之債務證券，並不包括庫券及存款證，該等證券已分別列載於資產負債表之有關項目內。

The analysis of debt securities held for dealing purposes by remaining period to maturity is disclosed in order to comply with the Guideline on "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority. The disclosure does not imply that the securities will be held to maturity.

Debt securities held for dealing purposes exclude treasury bills and certificates of deposit which are included under the respective headings in the balance sheet.

**14 客戶貸款****(甲) 客戶貸款****14 ADVANCES TO CUSTOMERS****(a) Advances to customers**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
客戶貸款 (附註14 (庚))	Advances to customers (note 14(g))	202,244	202,813	117,448	107,101
特殊準備 (附註14 (丙)及(丁))	Specific provisions (note 14(c)&(d))	(3,522)	(3,087)	(2,726)	(2,459)
一般準備 (附註14 (丙))	General provisions (note 14(c))	(1,441)	(1,449)	(887)	(838)
		<b>197,281</b>	<b>198,277</b>	<b>113,835</b>	<b>103,804</b>
至到期日剩餘期間：	Remaining maturity:				
• 即期償還	• repayable on demand	10,722	10,779	9,485	9,827
• 三個月內但非即期償還	• three months or less but not repayable on demand	12,532	12,412	11,244	11,144
• 三個月以上至一年	• one year or less but over three months	17,993	16,310	13,962	12,427
• 一年以上至五年	• five years or less but over one year	65,760	62,291	44,991	41,538
• 五年以上	• over five years	86,491	93,033	31,820	26,338
• 呆壞賬及逾期超過一個月	• non-performing advances and overdue for more than one month	8,746	7,988	5,946	5,827
客戶貸款總額	Gross advances to customers	202,244	202,813	117,448	107,101
呆壞賬準備 (附註14 (丙))	Provisions for bad and doubtful debts (note 14(c))	(4,963)	(4,536)	(3,613)	(3,297)
		<b>197,281</b>	<b>198,277</b>	<b>113,835</b>	<b>103,804</b>
客戶貸款內已包括：	Included in advances to customers are:				
貿易票據	Trade bills	1,802	1,996	1,802	1,996
呆壞賬準備	Provisions for bad and doubtful debts	(70)	(46)	(70)	(46)
		<b>1,732</b>	<b>1,950</b>	<b>1,732</b>	<b>1,950</b>

上述期限分類乃按照香港金融管理局「本地註冊認可機構披露財務資料」指引中之期限分類指引劃分。根據指引附註，對於不同還款額或不同還款期償還的資產，應申報該資產中實際逾期的部份。其他未到期的部份應仍根據剩餘期限申報，除非資產的償還情況出現問題，則需全數列為已逾期。此項按期限分類已過期之客戶貸款之分析與附註14 (戊)已參照香港金融管理局指引附註說明即使貸款中有部份貸款尚未到期，整筆貸款仍應列作逾期之表列原則有所不同。

The above maturity classifications have been prepared in accordance with the Hong Kong Monetary Authority's guidance notes on maturity classifications contained in the Guideline on "Financial Disclosure by Locally Incorporated Authorised Institutions". In accordance with the guidance notes, in the case of an advance which is repayable by different payments or instalments, only that portion of the advance which is actually overdue is reported as overdue. Any part of the advance which is not yet due is reported according to its residual maturity unless the repayment of the advance is in doubt, in which case the whole amount is reported as overdue. This classification of overdue advances to customers for maturity profile purposes is different from the analysis disclosed in note 14(e) for which the Hong Kong Monetary Authority's guidance notes state that if part of an advance is overdue, the whole amount of the advance should be disclosed as overdue.



**(乙) 總準備對客戶貸款比率****(b) Total provisions against gross advances to customers**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
		%	%	%	%
特殊準備	Specific provisions	1.74	1.52	2.32	2.30
一般準備	General provisions	0.71	0.71	0.76	0.78
總準備	Total provisions	2.45	2.23	3.08	3.08

**(丙) 客戶貸款呆壞賬準備****(c) Provisions against advances to customers**

一九九九年

1999

		集團 GROUP			懸欠利息 SUSPENDED INTEREST
		特殊 SPECIFIC	一般 GENERAL	合計 TOTAL	
一月一日結餘	At 1 January	3,087	1,449	4,536	509
年內撇除	Amounts written off	(1,005)	–	(1,005)	(210)
收回往年已撇除之貸款 (附註4 (己))	Recoveries of advances written off in previous years (note 4(f))	12	–	12	–
淨支取/(撥回)損益賬 (附註4 (己))	Net charge/(release) to profit and loss account (note 4(f))	1,427	(8)	1,419	–
年內懸欠利息	Interest suspended during the year	–	–	–	508
收回懸欠利息	Suspended interest recovered	–	–	–	(74)
換算調整	Exchange adjustments	1	–	1	–
十二月三十一日結餘 (附註14 (甲))	At 31 December (note 14(a))	3,522	1,441	4,963	733

		銀行 BANK			懸欠利息 SUSPENDED INTEREST
		特殊 SPECIFIC	一般 GENERAL	合計 TOTAL	
一月一日結餘	At 1 January	2,459	838	3,297	428
年內撇除	Amounts written off	(837)	–	(837)	(208)
收回往年已撇除之貸款 (附註4 (己))	Recoveries of advances written off in previous years (note 4(f))	7	–	7	–
淨支取損益賬 (附註4 (己))	Net charge to profit and loss account (note 4(f))	1,096	49	1,145	–
年內懸欠利息	Interest suspended during the year	–	–	–	360
收回懸欠利息	Suspended interest recovered	–	–	–	(19)
換算調整	Exchange adjustments	1	–	1	–
十二月三十一日結餘 (附註14 (甲))	At 31 December (note 14(a))	2,726	887	3,613	561

## 14 客戶貸款 續

## (丙) 客戶貸款呆壞賬準備 續

一九九八年

## 14 ADVANCES TO CUSTOMERS continued

## (c) Provisions against advances to customers continued

1998

		集團 GROUP			
		特殊 SPECIFIC	一般 GENERAL	合計 TOTAL	懸欠利息 SUSPENDED INTEREST
一月一日結餘	At 1 January	1,169	1,482	2,651	442
年內撇除	Amounts written off	(598)	–	(598)	(375)
收回往年已撇除之貸款 (附註4 (己))	Recoveries of advances written off in previous years (note 4(f))	7	–	7	–
淨支取/(撥回) 損益賬 (附註4 (己))	Net charge/(release) to profit and loss account (note 4(f))	2,509	(33)	2,476	–
年內懸欠利息	Interest suspended during the year	–	–	–	444
收回懸欠利息	Suspended interest recovered	–	–	–	(2)
十二月三十一日結餘 (附註14 (甲))	At 31 December (note 14(a))	3,087	1,449	4,536	509

		銀行 BANK			
		特殊 SPECIFIC	一般 GENERAL	合計 TOTAL	懸欠利息 SUSPENDED INTEREST
一月一日結餘	At 1 January	1,163	830	1,993	405
年內撇除	Amounts written off	(577)	–	(577)	(336)
收回往年已撇除之貸款 (附註4 (己))	Recoveries of advances written off in previous years (note 4(f))	5	–	5	–
淨支取損益賬 (附註4 (己))	Net charge to profit and loss account (note 4(f))	1,868	8	1,876	–
年內懸欠利息	Interest suspended during the year	–	–	–	361
收回懸欠利息	Suspended interest recovered	–	–	–	(2)
十二月三十一日結餘 (附註14 (甲))	At 31 December (note 14(a))	2,459	838	3,297	428

上述懸欠利息包括經已於「客戶貸款」(附註14 (甲))及「預付及應計收益」賬項下之應收利息賬項內扣除之金額(附註22)。

Suspended interest above comprises both suspended interest netted against "Advances to customers" (note 14(a)) and suspended interest netted against accrued interest receivable in "Prepayments and accrued income" (note 22).

**(丁) 客戶貸款之呆壞賬及準備**

其利息已作懸欠處理或已停止累計其利息之客戶貸款呆壞賬詳列如下：

**(d) Non-performing advances to customers and provisions**

Non-performing advances to customers on which interest has been placed in suspense or on which interest accrual has ceased are as follows:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
呆壞賬總額	Gross non-performing advances on which interest				
• 利息已作懸欠處理	• has been placed in suspense	8,323	7,788	5,547	5,667
• 已停止累計其利息	• accrual has ceased	617	235	615	232
		8,940	8,023	6,162	5,899
懸欠利息	Suspended interest	(282)	(182)	(282)	(182)
呆壞賬* (附註14 (戊))	Gross non-performing advances* (note 14(e))	8,658	7,841	5,880	5,717
特殊準備 (附註14 (甲))	Specific provisions (note 14(a))	(3,522)	(3,087)	(2,726)	(2,459)
呆壞賬淨額	Net non-performing advances	5,136	4,754	3,154	3,258
特殊準備對呆壞賬* 比率	Specific provisions as a percentage of gross non-performing advances*	40.7%	39.4%	46.4%	43.0%
呆壞賬* 對總客戶貸款比率	Gross non-performing advances* as a percentage of gross advances to customers	4.3%	3.9%	5.0%	5.3%

\* 所列客戶貸款之呆壞賬已扣除懸欠利息。

\* Gross non-performing advances to customers are stated after deduction of interest in suspense.

客戶貸款呆壞賬乃指未必能全部償還本金或其利息之貸款。呆壞賬亦包括過期未超逾三個月，但視為呆壞賬之貸款。明顯無法償還之客戶貸款，即會作為呆壞賬處理。除若干特殊情況外，所有本金或利息逾期三個月以上未還款之貸款，均作為呆壞賬處理。特殊準備之撥備均已計及有關貸款之抵押品價值。

Non-performing advances to customers are those advances where full repayment of principal or interest is considered unlikely. Non-performing advances may include advances that are not yet more than three months overdue but are considered doubtful. Advances are classified as non-performing as soon as it becomes apparent that full recovery of the advances is unlikely. Except in certain limited circumstances, all advances on which principal or interest is more than three months overdue are classified as non-performing. Specific provisions made in respect of non-performing advances take into account the value of collateral held.

**14 客戶貸款** 續**(戊) 已逾期之客戶貸款**

已逾期三個月以上之客戶貸款及其對總客戶貸款之比率如下：

一九九九年	1999	集團 GROUP		銀行 BANK	
			%		%
總客戶貸款* 之本金或 利息已逾期：	Gross advances to customers* which have been overdue with respect to either principal or interest for periods of:				
• 三個月以上至六個月	• six months or less but over three months	785	0.4	303	0.2
• 六個月以上至一年	• one year or less but over six months	1,611	0.8	934	0.8
• 一年以上	• over one year	4,340	2.1	3,712	3.2
		6,736	3.3	4,949	4.2
已逾期之客戶貸款(如上)	Overdue advances to customers (as above)	6,736	3.3	4,949	4.2
減：利息仍作累計處理 之逾期客戶貸款	Less: overdue advances on which interest is still being accrued	(283)	(0.1)	(114)	(0.1)
加：逾期三個月或以下或 未逾期，但利息已作 懸欠處理之客戶貸款	Add: advances overdue for periods of three months or less, or which are not yet overdue, and on which interest has been placed in suspense	2,205	1.1	1,045	0.9
呆壞賬(附註14(丁))	Gross non-performing advances (note 14(d))	8,658	4.3	5,880	5.0

一九九八年	1998	集團 GROUP		銀行 BANK	
			%		%
總客戶貸款* 之本金或 利息已逾期：	Gross advances to customers* which have been overdue with respect to either principal or interest for periods of:				
• 三個月以上至六個月	• six months or less but over three months	1,533	0.8	490	0.5
• 六個月以上至一年	• one year or less but over six months	1,304	0.6	784	0.7
• 一年以上	• over one year	1,156	0.6	1,112	1.0
		3,993	2.0	2,386	2.2

\* 所列已逾期之總客戶貸款已扣除懸欠利息。

\* Gross overdue advances to customers are stated after deduction of interest in suspense.

**(戊) 已逾期之客戶貸款** 續**(e) Overdue advances to customers** continued

一九九八年	1998	集團 GROUP		銀行 BANK	
			%		%
已逾期之客戶貸款(如上)	Overdue advances to customers (as above)	3,993	2.0	2,386	2.2
減：利息仍作累計處理 之逾期客戶貸款	Less: overdue advances on which interest is still being accrued	(428)	(0.2)	(147)	(0.1)
加：逾期三個月或以下或 未逾期，但利息已作 懸欠處理之客戶貸款	Add: advances overdue for periods of three months or less, or which are not yet overdue, and on which interest has been placed in suspense	4,276	2.1	3,478	3.2
呆壞賬(附註14(丁))	Gross non-performing advances (note 14(d))	7,841	3.9	5,717	5.3

有明確到期日之貸款，若其本金或利息已逾期，並在年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，會列作逾期處理。即期償還之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知之批准限額，而此情況持續超過上述逾期期限，亦列作逾期處理。

Advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Advances repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at the year-end. Advances repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instruction or when the advances have remained continuously outside the approved limit that was advised to the borrower for more than the overdue period in question.

**(己) 重整之客戶貸款**

重整之客戶貸款及其對總客戶貸款之比率如下：

**(f) Rescheduled advances to customers**

The amount of rescheduled advances and its expression as a percentage of gross advances to customers are as follows:

		集團 GROUP		銀行 BANK	
			%		%
一九九九年	1999	1,761	0.9	1,010	0.9
一九九八年	1998	869	0.4	867	0.8

重整之客戶貸款乃因客戶財政困難或無能力如期還款而經雙方同意達成重整還款計劃之貸款。

Rescheduled advances are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower or because of the inability of the borrower to meet the original repayment schedule.

列出之重整客戶貸款不包括重整還款計劃後仍逾期三個月以上之客戶貸款。該等貸款已包括在附註14(戊)「已逾期之客戶貸款」項內。列出之重整之客戶貸款已扣除懸欠利息但未扣除特殊準備。

Rescheduled advances to customers are stated net of any that have subsequently become overdue for over three months and are included in "Overdue advances to customers" in note 14(e). Rescheduled advances are stated after deduction of interest in suspense and before deduction of specific provisions.

**14 客戶貸款 續****(庚) 客戶貸款之行業分類**

按照香港金融管理局之行業分類及定義之客戶貸款(已扣除懸欠利息)分析詳列如下:

**14 ADVANCES TO CUSTOMERS** continued**(g) Analysis of advances to customers by industry sector**

An analysis of advances to customers (after deduction of interest in suspense) by industry sector based on categories and definitions used by the Hong Kong Monetary Authority is as follows:

	集團 GROUP		銀行 BANK	
	1999	1998	1999	1998
在香港使用之貸款	Advances to customers for use in Hong Kong			
工業、商業及金融業	Industrial, commercial and financial sectors			
• 物業發展	16,508	14,691	16,500	14,684
• 物業投資	23,231	25,052	16,258	16,308
• 金融企業	3,715	3,388	3,538	3,163
• 股票經紀	340	119	340	119
• 批發及零售業	4,504	5,154	4,380	4,991
• 製造業	1,890	2,263	1,754	2,126
• 運輸及運輸設備	8,411	8,558	3,268	2,788
• 其他	17,443	17,684	16,429	16,400
	76,042	76,909	62,467	60,579
個人	Individuals			
• 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」之 住宅按揭貸款	31,936	31,229	1,852	2,171
• 購買其他住宅物業之 按揭貸款	73,854	71,864	34,329	22,816
• 信用卡貸款	3,835	3,616	2,775	2,780
• 其他	4,514	4,433	4,020	4,021
	114,139	111,142	42,976	31,788
在香港使用之總貸款	190,181	188,051	105,443	92,367
貿易融資	8,787	10,512	8,787	10,512
在香港以外使用之貸款	3,276	4,250	3,218	4,222
客戶貸款總額(附註14(甲))	202,244	202,813	117,448	107,101

(辛) 客戶貸款賬內包括按照具有融資租賃性質之租購合約而租予客戶之設備:

(h) Advances to customers include equipment leased to customers under hire purchase contracts having the characteristics of finance leases:

	集團 GROUP		銀行 BANK	
	1999	1998	1999	1998
租購合約	5,369	5,910	—	—

集團根據租購合約之應收租金總額(包括償還資本)為港幣四十四億九千四百萬元(一九九八年:港幣四十六億零六百萬元)。

Aggregate rentals receivable in respect of hire purchase contracts, including capital repayments, amounted to HK\$4,494 million for the Group (1998: HK\$4,606 million).

(王)於一九九九年內，集團為按照租購合約租予客戶而購買資產之成本共為港幣三十四億一千七百萬元（一九九八年：港幣三十二億五千三百萬元）。

(i) The cost of assets acquired during 1999 for leasing to customers under hire purchase contracts by the Group amounted to HK\$3,417 million (1998: HK\$3,253 million).

## 15 存/欠最終控股公司

於年結日並無結存或結欠最終控股公司（一九九八年：無）。

## 15 AMOUNTS DUE FROM/TO ULTIMATE HOLDING COMPANY

There are no amounts due from or due to ultimate holding company as at the balance sheet date (1998: Nil).

## 16 存/欠直屬控股公司及同母系附屬公司

結存或結欠直屬控股公司及同母系附屬公司詳列如下：

## 16 AMOUNTS DUE FROM/TO IMMEDIATE HOLDING COMPANY AND FELLOW SUBSIDIARY COMPANIES

Details of the balances due from and due to immediate holding company and fellow subsidiary companies are as follows:

	集團 GROUP		銀行 BANK	
	1999	1998	1999	1998
結存項目：	Amounts due from:			
庫存現金及存放同業及 其他金融機構	Cash in hand and balances with banks and other financial institutions			
	98	67	93	63
定期存放同業至到期日剩餘期間：	Placings with banks with remaining maturity:			
• 一個月內	4,960	4,111	3,024	1,768
• 一個月以上至三個月	705	2,646	550	2,110
• 三個月以上至一年	1,243	3,117	956	1,708
	6,908	9,874	4,530	5,586
存款證至到期日剩餘期間：	Certificates of deposit with remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand			
	108	653	108	653
• 三個月以上至一年	• one year or less but over three months			
	903	802	903	802
• 一年以上至五年	• five years or less but over one year			
	3,808	1,227	3,808	1,227
	4,819	2,682	4,819	2,682
其他資產至到期日剩餘期間：	Other assets with remaining maturity:			
• 三個月內	• three months or less			
	232	152	222	94
• 三個月以上至一年	• one year or less but over three months			
	95	83	71	51
• 一年以上至五年	• five years or less but over one year			
	2	2	2	2
	329	237	295	147
	12,154	12,860	9,737	8,478

**16 存/欠直屬控股公司及  
同母系附屬公司 續**

**16 AMOUNTS DUE FROM/TO IMMEDIATE HOLDING COMPANY  
AND FELLOW SUBSIDIARY COMPANIES continued**

	集團 GROUP		銀行 BANK	
	1999	1998	1999	1998
結欠項目：	Amounts due to:			
客戶存款	Customer accounts			
• 即時償還	26	15	26	15
• 有協定存款期或通知期， 以餘下存款期計算：				
• 三個月內但無須即時償還	151	46	151	46
• 三個月以上至一年	216	45	216	45
	393	106	393	106
同業存款	Deposits from banks			
• 即時償還	106	262	106	262
• 有協定存款期或通知期， 以餘下存款期計算：				
• 三個月內但無須即時償還	1,968	1,717	1,931	1,636
	2,074	1,979	2,037	1,898
其他負債至到期日剩餘期間：	Other liabilities with remaining maturity:			
• 三個月內	261	132	252	100
• 三個月以上至一年	52	43	52	43
• 一年以上至五年	1	1	1	1
	314	176	305	144
	2,781	2,261	2,735	2,148

**17 附屬公司欠款**

**17 AMOUNTS DUE FROM SUBSIDIARY COMPANIES**

附屬公司欠款詳列如下：

Details of the amounts due from subsidiary companies are as follows:

	1999	1998
定期存放同業至到期日剩餘期間：		
• 一個月內	41,240	36,939
• 一個月以上至三個月	76,784	84,599
	118,024	121,538
無註明還款期之附屬公司貸款	3,890	3,349
其他資產至到期日剩餘期間：		
• 三個月內	1,813	54
• 三個月以上至一年	-	1,593
	1,813	1,593
	123,727	126,480



**18 長期投資****(甲) 長期投資****18 LONG-TERM INVESTMENTS****(a) Long-term investments**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
持至期滿之債務證券	Held to maturity debt securities				
攤銷成本扣除減值準備	at amortised cost less provisions for impairment	<b>22,396</b>	17,237	<b>17,120</b>	12,198
股票投資之公平價值	Equity investments at fair value	<b>4,921</b>	3,634	<b>4</b>	36
		<b>27,317</b>	20,871	<b>17,124</b>	12,234

**(乙) 長期投資之賬面價值****(b) Carrying value of long-term investments**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
持至期滿之債務證券	Debt securities held to maturity				
由公共機構發行	Issued by public bodies				
• 中央政府及中央銀行	• central governments and central banks	<b>2,720</b>	957	<b>1,809</b>	756
• 其他公共機構	• other public sector entities	<b>6,055</b>	6,468	<b>5,435</b>	5,717
		<b>8,775</b>	7,425	<b>7,244</b>	6,473
由其他機構發行	Issued by other bodies				
• 同業及其他金融機構	• banks and other financial institutions	<b>9,753</b>	7,365	<b>6,337</b>	3,445
• 企業	• corporate entities	<b>3,868</b>	2,447	<b>3,539</b>	2,280
		<b>13,621</b>	9,812	<b>9,876</b>	5,725
		<b>22,396</b>	17,237	<b>17,120</b>	12,198
股票投資	Equity investments				
由企業發行	Issued by corporate entities	<b>4,921</b>	3,634	<b>4</b>	36
		<b>27,317</b>	20,871	<b>17,124</b>	12,234

## 18 長期投資 續

## (乙) 長期投資之賬面價值 續

## 18 LONG-TERM INVESTMENTS continued

## (b) Carrying value of long-term investments continued

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
持至期滿之債務證券	Debt securities held to maturity				
在香港上市	Listed in Hong Kong	703	257	702	257
在香港以外地區上市	Listed outside Hong Kong	2,062	2,461	536	936
		2,765	2,718	1,238	1,193
非上市	Unlisted	19,631	14,519	15,882	11,005
		22,396	17,237	17,120	12,198
股票投資	Equity investments				
在香港上市	Listed in Hong Kong	4,766	3,356	–	–
在香港以外地區上市	Listed outside Hong Kong	85	68	–	–
		4,851	3,424	–	–
非上市	Unlisted	70	210	4	36
		4,921	3,634	4	36
		27,317	20,871	17,124	12,234

比較數字已作出相應調整以反映長期投資會計政策之改變(附註3(戊)(一))。

擬持有至期滿之債務證券於合約到期日前少於三個月內出售之攤銷成本為港幣一億五千九百萬元(一九九八年：無)。於是年內並無有關之出售溢利(一九九八年：無)。該等出售佔持有至期滿之債務證券總額之百分之零點七(一九九八年：無)，經已由資產負債管理委員會批准，用作提高流動資金及調整有關組合之到期日及風險結構。

上述持有至期滿之債務證券，並不包括庫券及存款證，該等證券已分別列載於資產負債表之有關項目內。

The comparative figures have been restated to reflect the change in accounting policy on long-term equity investments (note 3(e)(i)).

Debt securities intended to be held to maturity with an amortised cost of HK\$159 million (1998: Nil) were disposed of within three months prior to maturity. There was no related profit recognised during the year (1998: Nil). Such disposals, representing 0.7% of total held to maturity debt securities (1998: Nil), were approved by the Asset and Liability Management Committee, and were generally made to improve liquidity, and to modify the maturity and risk profile of portfolios.

Held to maturity debt securities exclude treasury bills and certificates of deposit which are included under the respective headings in the balance sheet.

## (丙) 持至期滿之債務證券之公平價值

## (c) Fair value of debt securities held to maturity

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
持至期滿之債務證券	Debt securities held to maturity				
由公共機構發行	Issued by public bodies				
• 中央政府及中央銀行	• central governments and central banks	2,712	967	1,804	767
• 其他公共機構	• other public sector entities	6,057	6,519	5,437	5,766
		<b>8,769</b>	7,486	<b>7,241</b>	6,533
由其他機構發行	Issued by other bodies				
• 同業及其他金融機構	• banks and other financial institutions	9,735	7,362	6,324	3,433
• 企業	• corporate entities	3,841	2,409	3,512	2,242
		<b>13,576</b>	9,771	<b>9,836</b>	5,675
		<b>22,345</b>	17,257	<b>17,077</b>	12,208
持至期滿之債務證券	Debt securities held to maturity				
在香港上市	Listed in Hong Kong	707	254	707	254
在香港以外地區上市	Listed outside Hong Kong	2,057	2,445	536	924
		<b>2,764</b>	2,699	<b>1,243</b>	1,178
非上市	Unlisted	19,581	14,558	15,834	11,030
		<b>22,345</b>	17,257	<b>17,077</b>	12,208

## (丁) 持至期滿之債務證券按到期日分析

## (d) Maturity analysis of debt securities held to maturity

上述債務證券按到期日分析(即由結算日至合約期滿日之剩餘期間)詳列如下:

The maturity profile of the above debt securities held to maturity categorised by the remaining period from the balance sheet date to the contractual maturity date is as follows:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
至到期日剩餘期間:	Remaining maturity:				
• 三個月內但非即時到期	• three months or less but not repayable on demand	3,741	5,936	2,157	4,411
• 三個月以上至一年	• one year or less but over three months	7,807	4,288	5,040	1,874
• 一年以上至五年	• five years or less but over one year	9,249	5,985	8,331	4,917
• 五年以上	• over five years	1,599	1,028	1,592	996
		<b>22,396</b>	17,237	<b>17,120</b>	12,198

**19 附屬公司投資**

本行主要附屬公司如下：

**19 INVESTMENTS IN SUBSIDIARY COMPANIES**

The principal subsidiary companies of the Bank are:

公司名稱 NAME OF COMPANY	註冊地區 PLACE OF INCORPORATION	主要業務 PRINCIPAL ACTIVITIES	已發行普通股面值 ISSUED EQUITY CAPITAL
恒生財務有限公司 Hang Seng Finance Limited	香港 Hong Kong	接受存款及放款 Deposit-taking and lending	港元 HK\$1,000,000,000
恒生存款有限公司 Hang Seng Credit Limited	香港 Hong Kong	接受存款及放款 Deposit-taking and lending	港元 HK\$200,000,000
恒生銀行(巴哈馬)有限公司 Hang Seng Bank (Bahamas) Limited	巴哈馬 Bahamas	銀行業務 Banking	美元 US\$1,000,000
恒生財務(巴哈馬)有限公司 Hang Seng Finance (Bahamas) Limited	巴哈馬 Bahamas	金融服務 Finance	美元 US\$5,000
恒生銀行信託有限公司 Hang Seng Bank (Trustee) Limited	香港 Hong Kong	信託服務 Trustee service	港元 HK\$3,000,000
恒生(代理人)有限公司 Hang Seng (Nominee) Limited	香港 Hong Kong	代理人服務 Nominee service	港元 HK\$100,000
恒生信用卡有限公司 Hang Seng Credit Card Limited	香港 Hong Kong	信用卡服務 Credit card service	港元 HK\$1,000
恒生保險有限公司 Hang Seng Insurance Company Limited	香港 Hong Kong	保險業務 General insurance	港元 HK\$84,184,570
恒生資產管理(私人)有限公司 Hang Seng Asset Management Pte Ltd	新加坡 Singapore	資金管理 Fund management	新加坡元 SG\$2,000,000
恒生投資管理有限公司 Hang Seng Investment Management Limited	香港 Hong Kong	資金管理 Fund management	港元 HK\$10,000,000
恒生投資有限公司 Haseba Investment Company Limited	香港 Hong Kong	投資 Investment holding	港元 HK\$6,000
恒生證券有限公司 Hang Seng Securities Limited	香港 Hong Kong	證券經紀 Stockbroking	港元 HK\$26,000,000
思年發展有限公司 Yan Nin Development Company Limited	香港 Hong Kong	投資 Investment holding	港元 HK\$100,000
恒指服務有限公司 HSI Services Limited	香港 Hong Kong	計算及提供恒生股市指數 Compilation and dissemination of the Hang Seng share index	港元 HK\$10,000
恒生物業管理有限公司 Hang Seng Real Estate Management Limited	香港 Hong Kong	物業管理 Property management	港元 HK\$10,000

上述各公司均為本行之全資附屬公司。除恒指服務有限公司屬間接持有外，其他附屬公司均為本行直接持有。其主要經營地區與註冊地區相同。

All the above companies are wholly-owned subsidiary companies. Except for HSI Services Limited which is held indirectly, all other subsidiary companies are held directly by the Bank. The principal places of operation are the same as the places of incorporation.

## 20 聯營公司投資

## 20 INVESTMENTS IN ASSOCIATED COMPANIES

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
非上市股票 (成本值)	Unlisted shares, at cost	–	–	48	48
應佔淨資產	Share of net assets	683	688	–	–

貸予聯營公司之款項為港幣二億零八百萬元（一九九八年：港幣二億零八百萬元）並已列於「客戶貸款」項內（附註14）。

Loans to associated companies amounting to HK\$208 million (1998: HK\$208 million) are included under “Advances to customers” (note 14).

主要聯營公司詳列如下：

The principal associated companies are:

公司名稱 NAME OF COMPANY	註冊地區 PLACE OF INCORPORATION	主要業務 PRINCIPAL ACTIVITIES	集團佔股本之權益 GROUP'S INTEREST IN EQUITY CAPITAL	已發行股本 ISSUED EQUITY CAPITAL
恒生人壽保險有限公司 Hang Seng Life Limited	香港 Hong Kong	退休基金、人壽保險及有關業務 Retirement benefits, life assurance and related business	50%	港元 HK\$20,000,000
Barrowgate Limited	香港 Hong Kong	物業投資 Property investment	24.64%	港元 HK\$10,000

恒生人壽保險有限公司之權益由銀行持有。Barrowgate Limited 之權益由銀行一附屬公司持有。該兩間聯營公司均在本港經營。

The interest in Hang Seng Life Limited is held by the Bank and the interest in Barrowgate Limited is owned by a subsidiary company of the Bank. Both associated companies operate in Hong Kong.

**21 有形固定資產****(甲) 有形固定資產**

一九九九年

**21 TANGIBLE FIXED ASSETS****(a) Tangible fixed assets**

1999

		集團 GROUP			合計 TOTAL
		行址 PREMISES	投資物業 INVESTMENT PROPERTIES	設備 EQUIPMENT	
成本或估值：	Cost or valuation:				
一九九九年一月一日結餘	At 1 January 1999	7,630	3,758	2,219	13,607
年內增置	Additions	104	2	219	325
年內出售	Disposals	(50)	(7)	(88)	(145)
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(146)	-	-	(146)
重估增值/(減值)	Surplus/(deficit) on revaluation				
• 撥回/(支取)行址及 投資物業重估儲備 (附註28)	• credited/(charged) to premises and investment properties revaluation reserves (note 28)	428	(520)	-	(92)
• 支取損益賬	• charged to profit and loss account	(25)	-	-	(25)
轉賬	Transfers	(246)	246	-	-
一九九九年十二月三十一日結餘	At 31 December 1999	7,695	3,479	2,350	13,524
累積折舊：	Accumulated depreciation:				
一九九九年一月一日結餘	At 1 January 1999	-	-	(1,572)	(1,572)
年內支取 (附註4 (丁))	Charge for the year (note 4(d))	(146)	-	(232)	(378)
出售後撥回	Written back on disposal	-	-	86	86
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	146	-	-	146
一九九九年十二月三十一日結餘	At 31 December 1999	-	-	(1,718)	(1,718)
一九九九年十二月三十一日賬面淨值	Net book value at 31 December 1999	7,695	3,479	632	11,806
一九九八年十二月三十一日賬面淨值	Net book value at 31 December 1998	7,630	3,758	647	12,035

## (甲)有形固定資產 續

## (a) Tangible fixed assets continued

一九九九年

1999

		行址 PREMISES	投資物業 INVESTMENT PROPERTIES	銀行 BANK 設備 EQUIPMENT	合計 TOTAL
成本或估值：	Cost or valuation:				
一九九九年一月一日結餘	At 1 January 1999	5,816	2,281	2,192	10,289
年內增置	Additions	96	-	219	315
年內出售	Disposals	-	(7)	(86)	(93)
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(114)	-	-	(114)
重估增值/(減值)	Surplus/(deficit) on revaluation				
• 撥回/(支取)行址及 投資物業重估儲備 (附註28)	• credited/(charged) to premises and investment properties revaluation reserves (note 28)	389	(323)	-	66
• 支取損益賬 轉賬	• charged to profit and loss account Transfers	(7)	-	-	(7)
		(45)	45	-	-
一九九九年十二月三十一日結餘	At 31 December 1999	6,135	1,996	2,325	10,456
累積折舊：	Accumulated depreciation:				
一九九九年一月一日結餘	At 1 January 1999	-	-	(1,552)	(1,552)
年內支取	Charge for the year	(114)	-	(229)	(343)
出售後撥回	Written back on disposal	-	-	84	84
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	114	-	-	114
一九九九年十二月三十一日結餘	At 31 December 1999	-	-	(1,697)	(1,697)
一九九九年十二月三十一日賬面淨值	Net book value at 31 December 1999	6,135	1,996	628	8,759
一九九八年十二月三十一日賬面淨值	Net book value at 31 December 1998	5,816	2,281	640	8,737

**21 有形固定資產 續**

(乙) 行址及投資物業之賬面淨值包括：

**21 TANGIBLE FIXED ASSETS** continued

(b) The net book value of premises and investment properties comprises:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
永久業權物業	Freeholds				
香港境外	Held outside Hong Kong	28	76	–	–
租約物業	Leaseholds				
香港境內	Held in Hong Kong				
• 長期租約 (剩餘年數逾五十年)	• long leases (over 50 years unexpired)	4,318	4,620	2,885	2,996
• 中期租約 (剩餘年數在十至五十年)	• medium leases (10 to 50 years unexpired)	6,747	6,604	5,165	5,013
香港境外	Held outside Hong Kong				
• 長期租約 (剩餘年數逾五十年)	• long leases (over 50 years unexpired)	4	5	4	5
• 中期租約 (剩餘年數在十至五十年)	• medium leases (10 to 50 years unexpired)	77	83	77	83
		<b>11,174</b>	<b>11,388</b>	<b>8,131</b>	<b>8,097</b>
其中包括	Of which				
行址	Premises	7,695	7,630	6,135	5,816
投資物業	Investment properties	3,479	3,758	1,996	2,281
		<b>11,174</b>	<b>11,388</b>	<b>8,131</b>	<b>8,097</b>

(丙) 於一九九九年十一月三十日，本集團之行址及投資物業經由同母系附屬公司具有專業資格之測量師行滙豐物業(亞洲)有限公司予以重估。該估值由持有香港測量師學會會員資格之估價師評估。重估之基準乃按照行址當時用途之公開市場價值及按投資物業之公開市場價值。

(c) The Group's premises and investment properties were revalued by HSBC Property (Asia) Limited, a fellow subsidiary company, at 30 November 1999. The valuations were carried out by qualified valuers who are members of the Hong Kong Institute of Surveyors. The basis of valuation for premises was open market value for existing use. The basis of valuation for investment properties was open market value.

(丁) 行址及投資物業重估增值及減值

(d) Surplus and deficit on revaluation of premises and investment properties

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
撥回/(支取)物業重估儲備	Credited/(charged) to property revaluation reserves				
• 行址重估儲備 (附註28)	• Premises revaluation reserve (note 28)	428	(4,199)	389	(3,609)
• 投資物業重估儲備 (附註28)	• Investment properties revaluation reserve (note 28)	(520)	(1,960)	(323)	(1,368)
• 應佔聯營公司物業之減值 (附註28)	• Share of revaluation deficit of an associated company (note 28)	(12)	(727)	–	–
		<b>(104)</b>	<b>(6,886)</b>	<b>66</b>	<b>(4,977)</b>
支取損益賬	Charged to profit and loss account				
• 行址	• Premises	(25)	(305)	(7)	(60)



(戊) 資產負債表上之全部行址均以估值入賬。如以成本減除累積折舊方式列賬，其賬面淨值則會如下：

(e) The net book value of all premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
十二月三十一日賬面淨值	Net book value at 31 December	<b>2,975</b>	3,189	<b>1,810</b>	1,764

(己) 所有本集團及銀行之行址，均於一九九九年及一九九八年度結算日以估值入賬。

(f) All premises of the Group and of the Bank are stated in the balance sheet at valuation in 1999 and 1998.

## 22 其他資產

## 22 OTHER ASSETS

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
資產負債表以外按市值計算之利率、匯率及其他衍生工具合約之未實現盈利	Unrealised gains on off-balance sheet interest rate, exchange rate and other derivative contracts which are marked to market	<b>1,270</b>	1,207	<b>1,270</b>	1,207
同業結算應收賬項	Items in the course of collection from other banks	<b>4,017</b>	2,514	<b>4,017</b>	2,514
預付及應計收益	Prepayments and accrued income	<b>3,094</b>	3,229	<b>2,202</b>	2,403
其他賬項	Other accounts	<b>809</b>	339	<b>338</b>	1,927
		<b>9,190</b>	7,289	<b>7,827</b>	8,051
至到期日剩餘期間：	Remaining maturity:				
• 三個月內	• three months or less	<b>7,891</b>	5,933	<b>6,756</b>	6,926
• 三個月以上至一年	• one year or less but over three months	<b>1,167</b>	1,227	<b>1,023</b>	1,083
• 一年以上至五年	• five years or less but over one year	<b>114</b>	120	<b>45</b>	42
• 五年以上	• over five years	<b>18</b>	9	<b>3</b>	–
		<b>9,190</b>	7,289	<b>7,827</b>	8,051

## 23 往來、儲蓄及其他存款

## 23 CURRENT, SAVINGS AND OTHER DEPOSIT ACCOUNTS

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
客戶存款	Customer accounts	<b>364,038</b>	341,573	<b>354,330</b>	331,234
發出存款證	Certificates of deposit in issue	<b>11,673</b>	10,715	<b>11,673</b>	10,715
		<b>375,711</b>	352,288	<b>366,003</b>	341,949

**23 往來、儲蓄及其他存款 續**

客戶存款及發出存款證按餘下存款期分析如下：

**23 CURRENT, SAVINGS AND OTHER DEPOSIT ACCOUNTS** continued

Analysis of remaining maturity of customer accounts and certificates of deposit in issue are as follows:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
客戶存款	Customer accounts				
即時償還	Repayable on demand	<b>151,750</b>	134,208	<b>151,748</b>	134,205
有協定存款期或通知期， 以餘下存款期計算：	With agreed maturity dates or periods of notice, by remaining maturity:				
• 三個月內但無須即時償還	• three months or less but not repayable on demand	<b>204,503</b>	199,190	<b>195,184</b>	187,508
• 三個月以上至一年	• one year or less but over three months	<b>7,599</b>	8,111	<b>7,212</b>	9,457
• 一年以上至五年	• five years or less but over one year	<b>186</b>	64	<b>186</b>	64
		<b>364,038</b>	341,573	<b>354,330</b>	331,234
發出存款證	Certificates of deposit in issue				
至到期日剩餘期間：	Remaining maturity:				
• 三個月內但無須即時償還	• three months or less but not repayable on demand	<b>6,487</b>	5,484	<b>6,487</b>	5,484
• 三個月以上至一年	• one year or less but over three months	<b>4,745</b>	834	<b>4,745</b>	834
• 一年以上至五年	• five years or less but over one year	<b>441</b>	4,397	<b>441</b>	4,397
		<b>11,673</b>	10,715	<b>11,673</b>	10,715

**24 同業存款**

同業存款以餘下存款期分析如下：

**24 DEPOSITS FROM BANKS**

Analysis of remaining maturity of deposits from banks are as follows:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
即時償還	Repayable on demand	<b>1,371</b>	382	<b>1,371</b>	382
有協定存款期或通知期， 以餘下存款期計算：	With agreed maturity dates or periods of notice, by remaining maturity:				
• 三個月內但無須即時償還	• three months or less but not repayable on demand	<b>5,489</b>	8,105	<b>5,489</b>	7,703
• 三個月以上至一年	• one year or less but over three months	<b>15</b>	277	–	260
• 一年以上至五年	• five years or less but over one year	<b>14</b>	33	–	–
		<b>6,889</b>	8,797	<b>6,860</b>	8,345

## 25 其他負債

## 25 OTHER LIABILITIES

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
證券空倉：	Short positions in securities:				
庫券	Treasury bills	2,726	1,864	2,726	1,864
債務證券	Debt securities				
• 政府證券	• government securities	33	169	33	169
• 其他公共機構證券	• other public sector securities	11	7	11	7
		2,770	2,040	2,770	2,040
資產負債表以外按市值計算之 利率、匯率及其他衍生工具 合約之未實現虧損	Unrealised losses on off-balance sheet interest rate, exchange rate and other derivative contracts which are marked to market	920	992	920	992
本期稅項(附註6(乙))	Current taxation (note 6(b))	213	508	97	398
遞延稅項(附註6(乙)及26)	Deferred taxation (note 6(b)&26)	33	44	33	44
應派股息	Dividend payable	4,780	3,862	4,780	3,862
同業結算應付賬項	Items in the course of transmission to other banks	4,722	3,384	4,722	3,384
應計及遞延收入	Accruals and deferred income	2,513	2,227	2,409	2,125
負債及支付準備	Provisions for liabilities and charges	221	223	20	13
其他負債	Other liabilities	943	590	1,522	1,409
		17,115	13,870	17,273	14,267
至到期日剩餘期間：	Remaining maturity:				
• 三個月內	• three months or less	14,651	7,451	14,117	7,166
• 三個月以上至一年	• one year or less but over three months	2,189	5,992	3,033	6,820
• 一年以上至五年	• five years or less but over one year	168	327	117	280
• 五年以上	• over five years	107	100	6	1
		17,115	13,870	17,273	14,267

**26 遞延稅項**

「其他負債」(附註25)項下之遞延稅項分析如下：

**26 DEFERRED TAXATION**

Deferred taxation liability which is included in "Other liabilities" (note 25) is as follows:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
一月一日結餘	At 1 January	44	85	44	85
支取損益賬(附註6(甲))	Charge to profit and loss account (note 6(a))	(11)	(41)	(11)	(41)
十二月三十一日結餘(附註6(乙))	At 31 December (note 6(b))	33	44	33	44
組成項目如下：	Representing:				
租賃交易	Leasing transactions	52	70	52	70
退休福利計劃	Retirement benefit schemes	(19)	(26)	(19)	(26)
		33	44	33	44

行址、投資物業及長期投資之重估溢價並無作出遞延稅項準備。按照管理層從購入該等資產時之意圖，董事認為在可預見之期間不會出現重大稅項負擔。

於年結日並無未撥準備金之重大遞延稅項負債。

No provisions are made for deferred taxation on revaluation surpluses on premises, investment properties and long-term investments. The Directors are of the opinion that no material taxation liability is likely to arise in the foreseeable future in the light of management's intentions for these assets since acquisition.

There is no significant deferred taxation liability not provided for.

**27 股本**

註冊股本：

銀行之註冊股本為港幣一百一十億元正(一九九八年：港幣一百一十億元正)，分為二十二億股(一九九八年：二十二億股)，每股港幣五元正。

**27 SHARE CAPITAL**

Authorised:

The authorised share capital of the Bank is HK\$11,000 million (1998: HK\$11,000 million) divided into 2,200 million shares (1998: 2,200 million shares) of HK\$5 each.

		1999	1998
實收股本：	Issued and fully paid:		
十九億一千一百八十四萬二千七百三十六股(一九九八年：十九億一千一百八十四萬二千七百三十六股)，每股港幣五元正	1,911,842,736 shares (1998: 1,911,842,736 shares) of HK\$5 each	9,559	9,559

於本年度內，本行並無購回本行之股份(一九九八年：一百三十三萬三千二百股)。

During the year, the Bank made no repurchase of its own shares (1,333,200 shares were repurchased in 1998).

## 28 儲備

## 28 RESERVES

一九九九年

1999

		集團 GROUP	銀行 BANK	聯營公司 ASSOCIATED COMPANIES
保留溢利	Retained profits	17,729	12,675	90
行址及投資物業重估儲備	Premises and investment properties revaluation reserves	8,228	6,348	560
長期股票投資重估儲備	Long-term equity investment revaluation reserve	3,959	-	-
資本贖回儲備	Capital redemption reserve	99	99	-
		<b>30,015</b>	<b>19,122</b>	<b>650</b>
保留溢利	Retained profits			
一九九九年一月一日結餘	At 1 January 1999	25,005	12,570	83
換算調整	Exchange adjustments	8	-	-
股東應得溢利	Profit attributable to shareholders	8,307	15,702	52
股息	Dividends	(15,678)	(15,678)	(45)
折舊撥往行址重估儲備	Transfer of depreciation to premises revaluation reserve	80	74	-
因售出行址及投資物業 而實現之重估增值	Realisation on disposal of premises and investment properties	7	7	-
一九九九年十二月三十一日結餘	At 31 December 1999	<b>17,729</b>	<b>12,675</b>	<b>90</b>
行址及投資物業重估儲備	Premises and investment properties revaluation reserves			
行址重估儲備	Premises revaluation reserve			
• 一九九九年一月一日結餘	• At 1 January 1999	4,746	4,112	-
• 重估增值(附註21(甲)及(丁))	• Surplus on revaluation (note 21(a)&(d))	428	389	-
• 由保留溢利撥來之折舊	• Transfer of depreciation from retained profits	(80)	(74)	-
• 撥往投資物業重估儲備	• Transfers to investment properties revaluation reserve	(89)	(43)	-
• 一九九九年十二月三十一日結餘	• At 31 December 1999	<b>5,005</b>	<b>4,384</b>	<b>-</b>
投資物業重估儲備	Investment properties revaluation reserve			
• 一九九九年一月一日結餘	• At 1 January 1999	3,673	2,251	572
• 重估減值(附註21(甲)及(丁))	• Deficit on revaluation (note 21(a)&(d))	(520)	(323)	-
• 應佔聯營公司物業之減值 (附註21(丁))	• Share of revaluation deficit of an associated company (note 21(d))	(12)	-	(12)
• 由行址重估儲備撥來	• Transfers from premises revaluation reserve	89	43	-
• 因售出投資物業而實現之重估增值	• Realisation on disposal of investment properties	(7)	(7)	-
• 一九九九年十二月三十一日結餘	• At 31 December 1999	<b>3,223</b>	<b>1,964</b>	<b>560</b>
行址及投資物業重估儲備合計	Total premises and investment properties revaluation reserves	<b>8,228</b>	<b>6,348</b>	<b>560</b>

## 28 儲備 續

## 28 RESERVES continued

一九九九年

1999

		集團 GROUP	銀行 BANK	聯營公司 ASSOCIATED COMPANIES
長期股票投資重估儲備	Long-term equity investment revaluation reserve			
一九九九年一月一日結餘	At 1 January 1999			
• 根據過往會計政策列示	• as previously reported	-	-	-
• 由於會計政策改變之調整 (附註3 (戊))	• arising on change in accounting policy (note 3(e))	2,423	(1)	-
• 根據新會計政策列示	• as restated	2,423	(1)	-
重估增值	Surplus on revaluation	1,662	-	-
因售出長期股票投資 而實現之重估增值	Realisation on disposal of long-term equity investments	(126)	1	-
一九九九年十二月三十一日結餘	At 31 December 1999	3,959	-	-
資本贖回儲備	Capital redemption reserve			
一九九九年一月一日及 十二月三十一日結餘	At 1 January and 31 December 1999	99	99	-
一九九九年十二月三十一日儲備結餘	Total reserves at 31 December 1999	30,015	19,122	650

一九九八年

1998

		集團 GROUP	銀行 BANK	聯營公司 ASSOCIATED COMPANIES
保留溢利	Retained profits	25,005	12,570	83
行址及投資物業重估儲備	Premises and investment properties revaluation reserves	8,419	6,363	572
長期股票投資重估儲備	Long-term equity investment revaluation reserve	2,423	(1)	-
資本贖回儲備	Capital redemption reserve	99	99	-
		35,946	19,031	655
保留溢利	Retained profits			
一九九八年一月一日結餘	At 1 January 1998	24,634	12,424	73
換算調整	Exchange adjustments	(2)	-	-
股東應得溢利	Profit attributable to shareholders	6,788	6,609	63
股息	Dividends	(6,540)	(6,540)	(53)
購回本行股份	Repurchase of own shares	(50)	(50)	-
折舊撥往行址重估儲備	Transfer of depreciation to premises revaluation reserve	131	119	-
因售出行址及投資物業 而實現之重估增值	Realisation on disposal of premises and investment properties	44	8	-
一九九八年十二月三十一日結餘	At 31 December 1998	25,005	12,570	83

## 28 儲備 續

## 28 RESERVES continued

一九九八年

1998

		集團 GROUP	銀行 BANK	聯營公司 ASSOCIATED COMPANIES
行址及投資物業重估儲備	Premises and investment properties			
	revaluation reserves			
行址重估儲備	Premises revaluation reserve			
• 一九九八年一月一日結餘	• At 1 January 1998	9,764	8,089	–
• 重估減值(附註21(丁))	• Deficit on revaluation (note 21(d))	(4,199)	(3,609)	–
• 由保留溢利撥來之折舊	• Transfer of depreciation from retained profits	(131)	(119)	–
• 撥往投資物業重估儲備	• Transfers to investment properties			
	revaluation reserve	(653)	(249)	–
• 因售出行址而實現之重估增值	• Realisation on disposal of premises	(35)	–	–
• 一九九八年十二月三十一日結餘	• At 31 December 1998	4,746	4,112	–
投資物業重估儲備	Investment properties revaluation reserve			
• 一九九八年一月一日結餘	• At 1 January 1998	5,716	3,378	1,299
• 重估減值(附註21(丁))	• Deficit on revaluation (note 21(d))	(1,960)	(1,368)	–
• 應佔聯營公司物業之減值 (附註21(丁))	• Share of revaluation deficit of an associated company (note 21(d))	(727)	–	(727)
• 由行址重估儲備撥來	• Transfers from premises revaluation reserve	653	249	–
• 因售出投資物業而實現之重估增值	• Realisation on disposal of investment properties	(9)	(8)	–
• 一九九八年十二月三十一日結餘	• At 31 December 1998	3,673	2,251	572
行址及投資物業重估儲備合計	Total premises and investment properties			
	revaluation reserves	8,419	6,363	572
長期股票投資重估儲備	Long-term equity investment revaluation reserve			
一九九八年一月一日結餘	At 1 January 1998			
• 根據過往會計政策列示	• as previously reported	–	–	–
• 由於會計政策改變之調整 (附註3(戊))	• arising on change in accounting policy (note 3(e))	2,679	–	–
• 根據新會計政策列示	• as restated	2,679	–	–
重估減值	Deficit on revaluation	(191)	(1)	–
因售出長期股票投資 而實現之重估增值	Realisation on disposal of long-term equity investments	(65)	–	–
一九九八年十二月三十一日結餘	At 31 December 1998	2,423	(1)	–
資本贖回儲備	Capital redemption reserve			
一九九八年一月一日結餘	At 1 January 1998	92	92	–
購回本行股份	Repurchase of own shares	7	7	–
一九九八年十二月三十一日結餘	At 31 December 1998	99	99	–
一九九八年十二月三十一日儲備結餘	Total reserves at 31 December 1998	35,946	19,031	655

**28 儲備 續**

「長期股票投資重估儲備」乃按照刊載於附註3(戊)之長期股票投資會計政策改變而設立。比較數字已作相應調整。

「重估儲備」及「資本贖回儲備」並非已實現之利潤，屬不可派發。

本行及從事銀行業務之附屬公司，因需按經營所在地之監管要求維持最低資本充足比率而可能對可派予股東之保留溢利構成限制。

**28 RESERVES** continued

The “Long-term equity investment revaluation reserve” has been set up following the change in accounting policy on long-term equity investments as described in note 3(e). The comparative figures have been restated accordingly.

The “Revaluation reserves” and the “Capital redemption reserve” do not represent realised profits and are not available for distribution.

The Bank and its banking subsidiary companies operate under regulatory jurisdictions which require the maintenance of minimum capital adequacy ratios and which could therefore potentially restrict the amount of retained profits which can be distributed to shareholders.

**29 現金流量對賬表**

(甲)營業溢利與來自營業活動之淨現金流量對賬表

**29 RECONCILIATION FOR CASH FLOW STATEMENT**

(a) Reconciliation of operating profit to net cash flow from operating activities

		1999	1998
營業溢利	Operating profit	9,646	8,156
呆壞賬準備	Provisions for bad and doubtful debts	1,419	2,476
折舊	Depreciation	378	406
長期投資之攤銷	Amortisation of long-term investments	(368)	(298)
減除收回後之貸款撇賬額	Advances written off net of recoveries	(993)	(591)
長期投資之應收收入	Income receivable on long-term investments	(1,280)	(1,277)
來自經營活動之淨現金流入	Net cash inflow from trading activities	8,802	8,872
現金及短期資金之變動	Change in cash and short-term funds	7,267	2,079
三個月以上到期之定期存放同業之變動	Change in placings with banks repayable after three months	(617)	(12,992)
存款證之變動	Change in certificates of deposit	(2,147)	(3,455)
持作買賣用途之證券之變動	Change in securities held for dealing purposes	(6)	528
客戶貸款之變動	Change in advances to customers	569	4,062
直屬控股公司及同母系 附屬公司欠款之變動	Change in amounts due from immediate holding company and fellow subsidiary companies	(355)	(1,863)
其他資產之變動	Change in other assets	(1,871)	421
客戶存款之變動	Change in customer accounts	22,465	18,379
發出存款證之變動	Change in certificates of deposit in issue	958	5,156
同業存款之變動	Change in deposits from banks	(1,908)	5,792
直屬控股公司及同母系 附屬公司存款之變動	Change in amounts due to immediate holding company and fellow subsidiary companies	520	1,550
其他負債之變動	Change in other liabilities	2,633	1,169
撇除換算差額及其他非現金項目	Elimination of exchange differences and other non-cash items	(2,336)	(217)
來自營業活動之淨現金流入	Net cash inflow from operating activities	33,974	29,481



(乙) 年內現金及等同現金項目之變動分析

(b) Analysis of the changes in cash and cash equivalents during the year

		1999	1998
一月一日結餘	Balance at 1 January	134,205	116,899
換算變動影響前之淨現金流入	Net cash inflow before the effect of foreign exchange movements	15,125	17,768
換算變動之影響	Effect of foreign exchange movements	1,249	(462)
十二月三十一日結餘	Balance at 31 December	150,579	134,205

(丙) 現金及等同現金項目之結餘分析

(c) Analysis of the balances of cash and cash equivalents

		1999	1998
庫存現金及存放同業及 其他金融機構	Cash in hand and balances with banks and other financial institutions	5,122	3,349
短期及一個月內到期之 定期存放同業	Money at call and placings with banks maturing within one month	110,795	92,335
庫券	Treasury bills	771	4,599
一至三個月內到期之定期存放同業	Placings with banks repayable between one to three months	33,221	33,062
存款證	Certificates of deposit	670	860
		150,579	134,205

**30 或有債務、承擔及  
衍生工具**
**(甲) 合約金額、信貸之相等金額及  
風險加權金額**

一九九九年

**30 CONTINGENT LIABILITIES, COMMITMENTS  
AND DERIVATIVES**
**(a) Contract amount, credit equivalent amount and  
risk-weighted amount**

1999

		集團 GROUP		
		合約金額 CONTRACT AMOUNT	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
或有債務：	Contingent liabilities:			
擔保	Guarantees	2,267	2,183	1,171
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	5,778	1,156	1,156
未動用之正式備用便利、信貸額 及其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	51,432	-	-
• 一年及以上	• one year and over	14,716	7,358	6,926
其他	Other	-	-	-
		71,926	8,514	8,082
匯率合約：	Exchange rate contracts:			
即期及遠期外匯交易	Spot and forward foreign exchange	132,608	2,484	547
其他匯率合約	Other exchange rate contracts	786	20	3
		133,394	2,504	550
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	21,250	178	39
其他利率合約	Other interest rate contracts	7,921	1	-
		29,171	179	39
其他衍生工具合約	Other derivative contracts	-	-	-

(甲) 合約金額、信貸之相等金額及  
風險加權金額 續

一九九九年

(a) Contract amount, credit equivalent amount and  
risk-weighted amount continued

1999

		銀行 BANK		
		合約金額 CONTRACT AMOUNT	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
或有債務：	Contingent liabilities:			
擔保	Guarantees	2,819	2,736	1,698
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	5,778	1,156	1,156
未動用之正式備用便利、信貸額 及其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	46,409	-	-
• 一年及以上	• one year and over	14,451	7,226	6,793
		66,638	8,382	7,949
匯率合約：	Exchange rate contracts:			
即期及遠期外匯交易	Spot and forward foreign exchange	132,608	2,484	547
其他匯率合約	Other exchange rate contracts	786	20	3
		133,394	2,504	550
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	20,628	175	38
其他利率合約	Other interest rate contracts	7,769	1	-
		28,397	176	38
其他衍生工具合約	Other derivative contracts	-	-	-

## 30 或有債務、承擔及

## 衍生工具 續

(甲) 合約金額、信貸之相等金額及  
風險加權金額 續

一九九八年

30 CONTINGENT LIABILITIES, COMMITMENTS  
AND DERIVATIVES continued(a) Contract amount, credit equivalent amount and  
risk-weighted amount continued

1998

		集團 GROUP		
		合約金額 CONTRACT AMOUNT	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
或有債務：	Contingent liabilities:			
擔保	Guarantees	1,945	1,870	1,536
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	4,940	990	988
未動用之正式備用便利、信貸額 及其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	56,074	-	-
• 一年及以上	• one year and over	7,606	3,803	3,803
其他	Other	174	174	174
		68,794	4,967	4,965
匯率合約：	Exchange rate contracts:			
即期及遠期外匯交易	Spot and forward foreign exchange	104,539	1,864	437
其他匯率合約	Other exchange rate contracts	274	10	3
		104,813	1,874	440
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	19,190	237	49
其他利率合約	Other interest rate contracts	5,239	-	-
		24,429	237	49
其他衍生工具合約	Other derivative contracts	329	20	10

(甲) 合約金額、信貸之相等金額及  
風險加權金額 續

一九九八年

(a) Contract amount, credit equivalent amount and  
risk-weighted amount continued

1998

		銀行 BANK		
		合約金額 CONTRACT AMOUNT	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
或有債務：	Contingent liabilities:			
擔保	Guarantees	2,085	2,010	1,631
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	4,940	990	988
未動用之正式備用便利、信貸額 及其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	53,492	-	-
• 一年及以上	• one year and over	7,430	3,715	3,715
		65,862	4,705	4,703
匯率合約：	Exchange rate contracts:			
即期及遠期外匯交易	Spot and forward foreign exchange	104,539	1,864	437
其他匯率合約	Other exchange rate contracts	274	10	3
		104,813	1,874	440
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	17,498	227	47
其他利率合約	Other interest rate contracts	5,239	-	-
		22,737	227	47
其他衍生工具合約	Other derivative contracts	323	19	10

上表列出資產負債表以外交易之名義合約金額、信貸之相等金額及風險加權金額。計算信貸之相等金額乃為供推算風險加權金額之用。此等金額乃根據銀行業條例附表三之資本充足比率而估算，並視乎對等機構之信譽及期限特性而定。如屬或有債務及承擔則風險加權幅度為百分之零至百分之一百，如屬匯率、利率及其他衍生工具合約則風險加權幅度為百分之零至百分之五十。

The tables above give the nominal contract amounts, credit equivalent amounts and risk-weighted amounts of off-balance sheet transactions. The credit equivalent amounts are calculated for the purposes of deriving the risk-weighted amounts. These are assessed in accordance with the Third Schedule of the Banking Ordinance on capital adequacy and depend on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate, interest rate and other derivative contracts.

**30 或有債務、承擔及****衍生工具 續****(甲) 合約金額、信貸之相等金額及  
風險加權金額 續**

或有債務及承擔均屬與信貸有關之工具，包括票據承兌、信用證、擔保書及提供信貸之承擔。所涉及之風險基本上與向客戶提供貸款之風險相同。故敘做此等交易時，等同審批客戶之貸款申請，需要符合信貸條件、組合管理及抵押品之要求。

由於此類信貸便利可能在未運用前已到期，故合約金額之總數並不代表未來現金之需求。

資產負債表以外之金融工具來自外匯、利率及股票等市場上所進行之期貨、遠期、掉期及期權等交易。

此等工具之合約金額顯示結算當日尚未到期之交易數量，但並不代表風險數額。

此等工具之信貸相等金額乃根據銀行業條例附表三之準則計算，即為按市值重估後具正數值之合約價值及潛在之遠期信貸風險兩者之總數。

**(乙) 重置成本**

匯率合約  
利率合約  
其他衍生工具合約

**30 CONTINGENT LIABILITIES, COMMITMENTS  
AND DERIVATIVES continued****(a) Contract amount, credit equivalent amount and  
risk-weighted amount continued**

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are therefore subject to the same credit origination, portfolio maintenance and collateral requirements as for customers applying for loans.

As the facilities may expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

Off-balance sheet financial instruments arise from futures, forward, swap and option transactions undertaken in the foreign exchange, interest rate and equity markets.

The contract amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date and do not represent amounts at risk.

The credit equivalent amount of these instruments is measured as the sum of positive mark-to-market values and the potential future credit exposure in accordance with the Third Schedule of the Banking Ordinance.

**(b) Replacement cost**

	集團 GROUP		銀行 BANK	
	1999	1998	1999	1998
匯率合約	1,487	1,168	1,487	1,168
利率合約	127	207	126	198
其他衍生工具合約	-	-	-	-
	<b>1,614</b>	<b>1,375</b>	<b>1,613</b>	<b>1,366</b>

合約之重置成本代表所有按市值重估後具正數值之合約（包括非買賣用途之合約）價值，而該等合約並無作任何雙邊淨額結算之安排。

The replacement cost of contracts represents the mark-to-market assets on all contracts (including non-trading contracts) with a positive value and which have not been subject to any bilateral netting arrangement.

(丙) 上述各表內所列包括持作買賣用途之衍生工具合約金額如下：

(c) Included in the above tables are the following amounts of derivative contracts which were made for dealing purposes:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
匯率合約：	Exchange rate contracts:				
即期及遠期外匯交易	Spot and forward foreign exchange	132,608	104,539	132,608	104,539
其他匯率合約	Other exchange rate contracts	646	176	646	176
		<b>133,254</b>	<b>104,715</b>	<b>133,254</b>	<b>104,715</b>
利率合約：	Interest rate contracts:				
利率掉期	Interest rate swaps	7,649	11,780	7,649	11,780
其他利率合約	Other interest rate contracts	2,619	200	2,619	200
		<b>10,268</b>	<b>11,980</b>	<b>10,268</b>	<b>11,980</b>

其餘之匯率、利率及其他衍生工具合約乃作非買賣用途，即用作風險對沖或作為資產負債管理。此等合約乃直接在市場訂立或間接經由本行之直屬控股公司或同母系附屬公司訂立。

除上述各表所列外，本行在日常業務中亦代集團其他成員開立擔保及承諾書。

The remaining exchange rate, interest rate and other derivative contracts were made for non-dealing purposes, i.e. to hedge risk, or as part of the management of asset and liability portfolios, either directly in the market or indirectly through the Bank's immediate holding company or fellow subsidiary companies.

In addition to the above, the Bank enters into guarantees and letters of support on behalf of other Group undertakings in the normal course of business.

### 31 為負債作抵押之資產

本集團之負債港幣三十四億七千五百萬元（一九九八年：港幣二十一億一千三百萬元）及銀行之負債港幣三十四億七千五百萬元（一九九八年：港幣十七億一千一百萬元）是以資產（包括存放中央保管系統以以便證券結算之資產及有售後回購協議之資產）作抵押。本集團為擔保此等負債而質押之資產金額為港幣二百一十三億三百萬元（一九九八年：港幣一百三十億九千五百萬元），銀行則為港幣一百四十四億五千五百萬元（一九九八年：港幣七十億八千九百萬元），並主要由列於「庫存現金及短期資金」及「長期投資」內之項目組成。

### 31 ASSETS PLEDGED AS SECURITY FOR LIABILITIES

Liabilities of the Group amounting to HK\$3,475 million (1998: HK\$2,113 million) and of the Bank amounting to HK\$3,475 million (1998: HK\$1,711 million) are secured by the deposit of assets, including assets deposited with central depositories to facilitate settlement operation and those subject to sale and repurchase arrangements. The amount of assets pledged by the Group to secure these liabilities is HK\$21,303 million (1998: HK\$13,095 million) and by the Bank is HK\$14,455 million (1998: HK\$7,089 million) and mainly comprises items included in "Cash and short-term funds" and "Long-term investments".

**32 資本承擔****32 CAPITAL COMMITMENTS**

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
已核准及簽訂合約之開支	Expenditure authorised and contracted for	180	377	130	186
已核准但未簽訂合約之開支	Expenditure authorised but not contracted for	1	3	—	2
		<b>181</b>	<b>380</b>	<b>130</b>	<b>188</b>

**33 租約承擔****33 LEASE COMMITMENTS**

在不可撤銷之營業租約內，按年承擔如下：

Annual commitments under non-cancellable operating leases:

		集團 GROUP		銀行 BANK	
		1999	1998	1999	1998
行址	Premises				
營業租約以餘下租約期計算：	Operating leases which expire:				
• 一年內	• within one year	11	7	11	7
• 一年以上至五年	• between one and five years	69	62	68	61
• 五年以上	• after five years	3	9	3	9
		<b>83</b>	<b>78</b>	<b>82</b>	<b>77</b>
設備	Equipment				
營業租約以餘下租約期計算：	Operating leases which expire:				
• 一年內	• within one year	56	5	56	5
• 一年以上至五年	• between one and five years	5	68	5	68
		<b>61</b>	<b>73</b>	<b>61</b>	<b>73</b>

**34 職員退休福利計劃****34 STAFF RETIREMENT BENEFIT SCHEMES**

本集團設有三個公積金福利計劃及三個界定利益福利計劃。在公積金福利計劃下，本集團每年度之供款乃從該年度之損益賬內支取。界定利益福利計劃所需之供款，均由精算師按年估計決定，並從該年度之損益賬內支取。是年度內本集團就退休金計劃之供款為港幣二億三千一百萬元（一九九八年：港幣四億四千一百萬元）（附註4（丁））。

The Group operates three defined contribution schemes and three defined benefit schemes. Contributions to the defined contribution schemes applicable to each year are charged to the profit and loss account for the year. Contributions to defined benefit schemes are made in accordance with advice from qualified actuaries based on annual actuarial valuations and are charged to the profit and loss account for the year. The Group's total retirement benefit cost for the year was HK\$231 million (1998: HK\$441 million) (note 4(d)).



### 34 職員退休福利計劃 續

職業退休計劃條例規定香港之退休福利計劃須於結束經營之基準上悉數置存基金。條例規定在繼續經營基準上之任何短欠，必須根據合資格精算師之置存基金建議，在一段時間內予以消除。退休福利計劃之成本，乃按職業退休計劃條例之有關條款而作出評估，並於職員之服務期間有系統地確認。

最主要之職員退休福利計劃為「恒生銀行界定利益計劃」（前名「恒生銀行退休福利計劃」）。該計劃為一界定利益福利計劃，其資產與本行之資產分開持有，每年進行精算估值。最近一次精算估值於一九九九年十二月三十一日進行，由同母系附屬公司滙豐人壽保險（國際）有限公司之趙黃舜芬（美國精算師學會專業會員）負責。於該日，是項計劃之資產市值為港幣三十五億五千七百萬元（一九九八年：港幣二十七億八千五百萬元）。在繼續經營之基準上，有關資產於計及預期日後之薪金增長後，相等於預計成員應佔福利金額百分之一百一十六（一九九八年：百分之九十六），盈餘額為港幣四億八千九百萬元（一九九八年：短欠額為港幣一億一千二百萬元）。在結束經營之基準上，有關資產以該日薪金水平計算，相等於成員應佔福利金額百分之一百三十八（一九九八年：百分之一百一十二），由此產生之盈餘為港幣九億八千四百萬元（一九九八年：二億九千七百萬元）。精算估值採用IEANC法（Individual Entry Age Normal Cost Method），該計劃之主要假設為未來每年投資回報率高於未來每年薪金增長率一個百分點。

### 34 STAFF RETIREMENT BENEFIT SCHEMES continued

The Occupational Retirement Schemes Ordinance requires retirement benefit schemes in Hong Kong to be fully funded on a wind-up basis. The Ordinance requires any deficits on an on-going basis to be eliminated over a period of time in accordance with the funding recommendations of a qualified actuary. The costs of the retirement benefit schemes are assessed in accordance with the advice of qualified actuaries so as to recognise the cost of retirement benefits on a systematic basis over employees' service lives and take into account the relevant provisions of the Occupational Retirement Schemes Ordinance.

The principal scheme, the Hang Seng Bank Limited Defined Benefit Scheme (formerly named Hang Seng Bank Limited Retirement Benefits Scheme) is a defined benefit scheme with assets held separately from those of the Group. Actuarial valuations are performed annually. The latest valuation was made at 31 December 1999 and was performed by E Chiu, Fellow of the Society of Actuaries of the United States of America, of HSBC Life (International) Limited, a fellow subsidiary company of the Bank. At that date, the market value of the scheme's assets was HK\$3,557 million (1998: HK\$2,785 million). On an on-going basis, the scheme's assets represented 116% (1998: 96%) of the benefits accrued to members, after allowing for expected future increases in salaries, and the resulting surplus amounted to HK\$489 million (1998: Deficit of HK\$112 million). On a wind-up basis, the scheme's assets represented 138% (1998: 112%) of the members' vested benefits, based on salaries at that date, and the resulting surplus amounted to HK\$984 million (1998: HK\$297 million). The actuarial method used is the individual entry age normal cost method and the main assumption used in this valuation was that the annual rate of investment return would be higher than the rate of annual salary increase by one percentage point.

**35 按類分析**

按地理區域

地理區域資料之分析乃按附屬公司之主要營業地點或按銀行負責匯報業績或貸出款項之總行或分行所在地劃分。

**35 SEGMENTAL ANALYSIS**

By geographical region

The information concerning geographical analysis has been classified by the location of the principal operations of the subsidiary companies or, in the case of the Bank itself, by the location of the branches responsible for reporting the results or advancing the funds.

		1999		1998	
		金額 AMOUNT	%	金額 AMOUNT	%
<b>(甲) 總資產</b>	<b>(a) Total assets</b>				
香港	Hong Kong	<b>384,524</b>	<b>87</b>	363,533	86
美洲	Americas	<b>52,388</b>	<b>12</b>	54,305	13
其他	Other	<b>5,158</b>	<b>1</b>	4,883	1
總資產	Total assets	<b>442,070</b>	<b>100</b>	422,721	100
<b>(乙) 淨資產</b>	<b>(b) Net assets</b>				
香港	Hong Kong	<b>39,836</b>	<b>101</b>	42,731	94
美洲	Americas	<b>44</b>	<b>-</b>	2,786	6
其他	Other	<b>(306)</b>	<b>(1)</b>	(12)	-
淨資產	Net assets	<b>39,574</b>	<b>100</b>	45,505	100
<b>(丙) 除稅前一般業務溢利</b>	<b>(c) Profit on ordinary activities before tax</b>				
香港	Hong Kong	<b>9,578</b>	<b>98</b>	7,648	96
美洲	Americas	<b>556</b>	<b>6</b>	328	4
其他	Other	<b>(350)</b>	<b>(4)</b>	-	-
除稅前一般業務溢利	Profit on ordinary activities before tax	<b>9,784</b>	<b>100</b>	7,976	100

### 36 行政人員貸款

根據公司條例第161B節規定，本行行政人員貸款摘要公佈如下：

### 36 LOANS TO OFFICERS

Particulars of loans to officers of the Bank disclosed pursuant to section 161B of the Companies Ordinance:

		於十二月三十一日 有關貸款之總結欠 AGGREGATE AMOUNT OF RELEVANT LOANS OUTSTANDING AT 31 DECEMBER		年中有關貸款 之最高總結欠 MAXIMUM AGGREGATE AMOUNT OF RELEVANT LOANS OUTSTANDING DURING THE YEAR	
		1999	1998	1999	1998
由銀行借出	By the Bank	57	70	88	123
由附屬公司借出	By subsidiary companies	-	-	-	1
		<b>57</b>	<b>70</b>	<b>88</b>	<b>124</b>

### 37 資本充足比率

根據香港金融管理局發出之「就市場風險維持充足資本」指引之規定，本集團於十二月三十一日之經調整市場風險資本充足比率如下：

### 37 CAPITAL ADEQUACY RATIOS

The Group's capital adequacy ratios adjusted for market risk at 31 December, calculated in accordance with the guideline "Maintenance of Adequate Capital Against Market Risk" issued by the Hong Kong Monetary Authority are as follows:

		1999	1998
經調整總資本比率	Adjusted total capital ratio	<b>17.3%</b>	21.3%
經調整第一級資本比率	Adjusted tier 1 capital ratio	<b>13.3%</b>	17.5%

根據銀行業條例附表三之準則計算，本集團於十二月三十一日之資本充足比率為：

The Group's capital adequacy ratios at 31 December, calculated in accordance with the Third Schedule of the Banking Ordinance, are as follows:

		1999	1998
總資本比率	Total capital ratio	<b>17.4%</b>	21.3%
第一級資本比率	Tier 1 capital ratio	<b>13.4%</b>	17.5%

**38 流動資金比率**

根據銀行業條例附表四之準則計算，本集團之全年平均流動資金比率為：

**38 LIQUIDITY RATIO**

The Group's average liquidity ratio for the year, calculated in accordance with the Fourth Schedule of the Banking Ordinance, is as follows:

		1999	1998
本行及其經營銀行業務之主要附屬公司	The Bank and its major banking subsidiaries	42.4%	39.2%

**39 有關連人士之重大交易**

(甲)與直屬控股公司及同母系附屬公司之交易

(一) 銀行同業業務

是年度內，本行按正常之銀行業務經營範圍與直屬控股公司及同母系附屬公司進行業務交易，其中包括同業存款、同業放款及外匯、利率及衍生工具合約。此等交易均以同業間所能獲得之相同條款並按當時之市場價格進行。

是年度內由此等交易所產生之收支及結算當日之資產負債結餘詳列如下：

**39 MATERIAL RELATED PARTY TRANSACTIONS**

(a) Transactions with immediate holding company and fellow subsidiary companies

(i) Interbank activities

During the year, the Bank entered into transactions with its immediate holding company and fellow subsidiary companies in the ordinary course of its interbank activities including the acceptance and placement of interbank deposits, correspondent banking transactions and foreign exchange, interest rate and derivative contracts. The transactions were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other interbank counterparties.

Information relating to income and expense from these transactions during the year and balances outstanding at the balance sheet date is set out below:

		集團 GROUP	
截至十二月三十一日全年收支結算	INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER	1999	1998
利息收入	Interest income	671	768
利息支出	Interest expense	61	37
其他營業收入	Other operating income	-	40

(甲)與直屬控股公司及同母系附屬公司之交易續

(一)銀行同業業務續

於十二月三十一日結餘

與直屬控股公司及同母系附屬公司有關資產負債表項目之資料列於附註16「存/欠直屬控股公司及同母系附屬公司」。而有關資產負債表以外項目之合約金額、信貸之相等金額及風險加權金額之資料詳列如下:

(a) Transactions with immediate holding company and fellow subsidiary companies continued

(i) Interbank activities continued

BALANCES AT 31 DECEMBER

Details of balances due from and due to immediate holding company and fellow subsidiary companies are set out in note 16 "Amounts due from/to immediate holding company and fellow subsidiary companies". Details of contract amount, credit equivalent amount and risk-weighted amount of off-balance sheet transactions with immediate holding company and fellow subsidiary companies are set out below:

		集團 GROUP		
		合約金額 CONTRACT AMOUNT	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
匯率及利率合約	Exchange rate and interest rate contracts:			
一九九九年	1999	23,531	461	92
一九九八年	1998	13,850	186	37

(二)電子資料處理服務

本行使用其直屬控股公司之電子資料處理服務並與其共用自動櫃員機網絡。截至一九九九年十二月三十一日之年度內，本行共支付淨額費用港幣二億五千三百萬元(一九九八年十二月三十一日：港幣一億五千七百萬元)。該項費用乃按成本收回基礎計算。

(ii) Electronic data processing services

The Bank uses the electronic data processing services of and shares the automatic teller machines network with its immediate holding company. Total net charges paid by the Bank during the year ended 31 December 1999 amounted to HK\$253 million (31 December 1998: HK\$157 million). The charges are made on cost recovery basis.

(三)職員退休福利計劃

本行其中一個職員退休福利計劃(「該計劃」)經由同母系附屬公司按保險協議擔任承保人及管理人。截至一九九九年十二月三十一日之年度內，本行所給予該計劃之供款合共港幣二億一千七百萬元(一九九八年：港幣四億二千六百萬元)。

(iii) Staff retirement benefit scheme

The Bank maintains a staff retirement benefit scheme ("the scheme") under an insurance arrangement in which a fellow subsidiary company acts as insurer and administrator. During the year ended 31 December 1999, the Bank made total contributions of HK\$217 million to the scheme (1998: HK\$426 million).

**39 有關連人士之重大交易 續****(乙) 與聯營公司之交易**

本行給予一聯營公司之一項免息股東貸款於一九九九年十二月三十一日之結餘為港幣二億零八百萬元(一九九八年：港幣二億零八百萬元)。

**(丙) 與最終控股公司之交易**

截至一九九九年十二月三十一日之年度內與本集團最終控股公司並無進行任何交易(一九九八年：無)。

**(丁) 與主要行政人員之交易**

與本行及其控股公司之主要行政人員進行之交易包括與其本人及其直系親屬及受該等人士所控制之公司或其具有重大影響力之公司之交易。若某一公司與本行有一位或以上之共同董事並不視作為與本行有關連，除非此共同董事在該公司及本行之交易決策上均能發揮重大之影響力。

是年度內，本行及其控股公司之主要行政人員及其有關連人士並無重大交易。(於一九九八年內，與有關連人士進行之重大交易包括在正常經營之銀行業務範圍內提供信貸便利。於一九九八年十二月三十一日該等信貸之總結欠為港幣二十億五千六百萬元及未動用之信貸總額為港幣九千四百萬元。年內之利息收入及其他營業收入為港幣一億九千二百萬元及港幣二千一百萬元正。)

**39 MATERIAL RELATED PARTY TRANSACTIONS continued****(b) Transactions with associated companies**

The Group maintains interest free shareholders' loans to associated companies. The balance at 31 December 1999 amounted to HK\$208 million (1998: HK\$208 million).

**(c) Transactions with ultimate holding company**

During the year ended 31 December 1999, no transaction was conducted with the Group's ultimate holding company (1998: Nil).

**(d) Transactions with key management personnel**

Transactions with key management personnel of the Bank and its holding company include those with their close family members and companies controlled or significantly influenced by them. However, an entity having one or more common directors with the Bank would not be regarded as a related party of the Bank unless these directors would at least be able to significantly influence the policies of the entity and the Bank in their mutual dealings.

During the year, there were no material transactions with key management personnel of the Bank and its holding companies and parties related to them. (In 1998, material related party transactions under this category included credit facilities provided in the ordinary course of business, with aggregate outstanding balance at 31 December 1998 of HK\$2,056 million and undrawn commitment of HK\$94 million. Interest income and other operating income earned during the year amounted to HK\$192 million and HK\$21 million respectively.)

#### 40 更改會計政策

賬項附註3(戊)所列之長期股票投資之會計政策經修訂以符合由一九九九年一月一日起生效之會計實務準則第二十四號「證券投資的會計處理」。上年度之數字已作如下之相應調整：

一九九九年

#### 40 CHANGE IN ACCOUNTING POLICY

The accounting policy on long-term equity investments as set out in note 3(e) has been amended in order to comply with Hong Kong Statement of Standard Accounting Practice 24 on "Accounting for Investments in Securities" which was effective for accounting periods beginning on or after 1 January 1999. Prior year data has been restated accordingly as follows:

1999

		按過往會計 政策列示 UNDER PREVIOUS ACCOUNTING POLICY	會計政策 改變之調整 EFFECT OF CHANGE IN ACCOUNTING POLICY	按新會計 政策列示 AS RESTATED UNDER NEW ACCOUNTING POLICY
<b>集團</b>	<b>Group</b>			
長期股票投資 (附註18)	Long-term equity investments (note 18)			
• 在香港上市	• listed in Hong Kong	819	3,947	4,766
• 在香港以外地區上市	• listed outside Hong Kong	89	(4)	85
		908	3,943	4,851
• 非上市	• unlisted	54	16	70
		962	3,959	4,921
長期股票投資重估儲備 (附註28)	Long-term equity investment revaluation reserve (note 28)	-	3,959	3,959
<b>銀行</b>	<b>Bank</b>			
長期股票投資 (附註18)	Long-term equity investments (note 18)			
• 非上市	• unlisted	4	-	4
長期股票投資重估儲備 (附註28)	Long-term equity investment revaluation reserve (note 28)	-	-	-

## 40 更改會計政策 續

## 40 CHANGE IN ACCOUNTING POLICY continued

一九九八年

1998

		按過往會計 政策列示 UNDER PREVIOUS ACCOUNTING POLICY	會計政策 改變之調整 EFFECT OF CHANGE IN ACCOUNTING POLICY	按新會計 政策列示 AS RESTATED UNDER NEW ACCOUNTING POLICY
<b>集團</b>	<b>Group</b>			
長期股票投資 (附註18)	Long-term equity investments (note 18)			
• 在香港上市	• listed in Hong Kong	907	2,449	3,356
• 在香港以外地區上市	• listed outside Hong Kong	89	(21)	68
		996	2,428	3,424
• 非上市	• unlisted	215	(5)	210
		1,211	2,423	3,634
長期股票投資重估儲備 (附註28)	Long-term equity investment revaluation reserve (note 28)	-	2,423	2,423
<b>銀行</b>	<b>Bank</b>			
長期股票投資 (附註18)	Long-term equity investments (note 18)			
• 非上市	• unlisted	37	(1)	36
長期股票投資重估儲備 (附註28)	Long-term equity investment revaluation reserve (note 28)	-	(1)	(1)

## 41 最終控股公司

恒生銀行之最終控股公司為滙豐控股有限公司，該公司乃於英國註冊，並於英格蘭及威爾斯登記。

## 41 ULTIMATE HOLDING COMPANY

The ultimate holding company of the Bank is HSBC Holdings plc, which is incorporated in Great Britain and registered in England and Wales.

## 42 賬項通過

本賬項已於二零零零年二月二十八日經董事會通過。

## 42 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 28 February 2000.



致恒生銀行有限公司(於香港註冊成立之有限公司)各股東：

本核數師已審核刊於第八十三頁至第一百四十二頁根據香港公認會計原則而編製之賬項。

#### 董事及核數師之責任

香港公司條例規定董事須編製賬項以顯示真實公平之財務狀況。在編製該等賬項時，董事必須貫徹採用適當之會計政策，作出審慎而合理之判斷及估計，並說明任何未有遵守現行會計準則之原因。

本核數師之責任乃根據審核工作之結果，對該等賬項作出獨立意見，並向股東報告。

#### 意見之基礎

本核數師乃按照香港會計師公會所頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與賬項所載數額及披露事項有關之憑證，亦包括評估董事於編製該等賬項時所作之重要估計及判斷、所釐定之會計政策是否適合恒生銀行及其集團之具體情況及有否貫徹運用並作出足夠的披露。

本核數師於策劃及進行審核工作時，已力求取得一切認為必需之資料及解釋，使能獲得充份之憑證，從而就該等賬項是否免除重大之錯誤陳述作合理之確定。在作出意見時，本核數師亦已衡量該等賬項所載資料在整體上是否足夠。本核數師相信審核工作已為下列意見建立合理之基礎。

#### 意見

依照本核數師之意見，在各重要方面而言，該賬項足以顯示恒生銀行及其集團在一九九九年十二月三十一日真實公平之財務狀況，及結至該日止之集團全年溢利及現金流量，並已按照香港公司條例適當編製。

#### 畢馬威會計師事務所

香港執業會計師

香港 二零零零年二月二十八日

**Auditors' Report to the Shareholders of Hang Seng Bank Limited**  
*(incorporated in Hong Kong with limited liability)*

We have audited the accounts on pages 83 to 142 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

**Respective responsibilities of Directors and Auditors**

The Hong Kong Companies Ordinance requires the Directors to prepare accounts which give a true and fair view. In preparing accounts which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Society of Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the circumstances of the Bank and of the Group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the accounts are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts. We believe that our audit provides a reasonable basis for our opinion.

**Opinion**

In our opinion, the accounts give a true and fair view, in all material respects, of the state of affairs of the Bank and of the Group as at 31 December 1999 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

**KPMG**

*Certified Public Accountants*

Hong Kong, 28 February 2000

股東資料分析 ANALYSIS OF SHAREHOLDERS

一九九九年十二月三十一日

AT 31 DECEMBER 1999

		股東 SHAREHOLDERS		每股面值港幣五元之股份 SHARES OF HK\$5 EACH	
		數目 NUMBER	佔總數百分比 PERCENTAGE OF TOTAL	股數(百萬) NUMBER IN MILLIONS	佔總數百分比 PERCENTAGE OF TOTAL
<b>持有股數</b>	<b>Number of shares held</b>				
1 – 500	1 – 500	5,883	29.92	1.3	0.07
501 – 2,000	501 – 2,000	6,529	33.21	7.8	0.41
2,001 – 5,000	2,001 – 5,000	3,459	17.59	11.6	0.61
5,001 – 20,000	5,001 – 20,000	2,829	14.39	28.7	1.50
20,001 – 50,000	20,001 – 50,000	622	3.16	19.4	1.01
50,001 – 100,000	50,001 – 100,000	162	0.83	11.2	0.58
100,001 – 200,000	100,001 – 200,000	92	0.47	13.2	0.69
超過 200,000	Over 200,000	84	0.43	1,818.6	95.13
		19,660	100.00	1,911.8	100.00

地區分佈

Geographical distribution

香港	Hong Kong	19,196	97.64	1,907.5	99.77
馬來西亞	Malaysia	103	0.52	0.8	0.04
新加坡	Singapore	66	0.34	0.5	0.02
澳門	Macau	52	0.27	0.3	0.02
加拿大	Canada	68	0.35	1.5	0.08
英國	United Kingdom	59	0.30	0.1	0.01
美國	United States of America	46	0.23	0.6	0.03
澳洲	Australia	44	0.22	0.3	0.02
其他地區	Others	26	0.13	0.2	0.01
		19,660	100.00	1,911.8	100.00

敬啟者：本行定於二零零零年四月十八日(星期二)下午三時三十分在香港德輔道中八十三號恒生銀行總行二十四樓博愛堂召開股東週年常會，討論下列普通事項：

- (一)省覽截至一九九九年十二月三十一日止年度之賬項及董事會與核數師之報告書；
- (二)選舉董事；
- (三)復聘核數師並授權董事會釐定其酬金；

及於考慮後認為適當時，通過下列議決案(作為特別事項)：

**普通議決案**

是項委任乃替補林紀利先生因自香港上海滙豐銀行有限公司執行董事職位榮休而於二零零零年一月三十一日退任為本行之常務董事。

- (四)委任柯清輝先生為本公司之常務董事；

是項委任乃繼莫偉健先生於一九九九年八月十二日獲委任為本公司董事所作出。莫先生亦為恒生銀行之總經理。

- (五)委任莫偉健先生為本公司之常務董事；

第六項至第八項議決案之建議乃為重新授予一般權力以發行股份及購回股份。

- (六)通過：

- (a) 在本議決案(b)段之限制下，一般性及無條件批准本公司董事會於有關期間內行使本公司一切權力以購回本公司股份；
- (b) 本公司根據本議決案(a)段之批准，可在香港股份購回守則規限下，在香港聯合交易所有限公司或任何其他香港證券及期貨事務監察委員會及香港聯合交易所有限公司就此認可之證券交易所，購回面值總額不得超過於通過本議決案當日本公司已發行股本面值總額之百分之十，而上述批准須受此相應限制；
- (c) 就本議決案而言，「有關期間」乃指本議決案獲通過之日起至下列任何較早之日期止之期間：
  - (i) 本公司下屆股東週年常會結束；
  - (ii) 公司條例規定本公司須舉行下屆股東週年常會期限屆滿之日；及
  - (iii) 本公司股東於股東大會上通過普通議決案撤銷或修訂本議決案授予本公司董事會權力之日；

- (七)通過：

- (a) 在本議決案(c)段之限制下及依據公司條例第57B條，一般性及無條件批准董事會於有關期間內行使本公司一切權力，以配發、發行及處理本公司股本中之額外股份，以及作出或授予或須行使該權力之建議、協議及購股權；
- (b) 本議決案(a)段之批准乃授權本公司董事會在有關期間內作出或授予而或須於有關期間結束後行使該等權力之建議、協議及購股權；
- (c) 本公司董事會根據本議決案(a)段之批准所配發或有條件或無條件同意配發(不論是否根據購股權或其他方式進行)之股本面值總額(惟根據(i)配售新股(ii)本公司發行之認股權證或任何可轉換為本公司股份之證券之條款而行使之購股權或換股權而發行股份(iii)本公司依據

當時所採納以便向本公司及/或其任何附屬公司之高級職員及/或僱員授出或發行股份或可認購本公司股份之購股權計劃或類似安排而發行股份或(iv)任何按照本公司註冊章程以配發股份代替本公司全部或部份股息而設之以股代息或類似安排而配發之股份則除外)不得超過(aa)於通過本議決案當日本公司已發行股本面值總額之百分之十;及(bb)(倘董事會獲本公司股東另行通過一項普通議決案授權)於通過本議決案之後本公司購回之股本面值(最多可達於通過本議決案當日本公司已發行股本面值總額之百分之十)之總額,而上述批准亦須受此相應限制;及

(d) 就本議決案而言:

「有關期間」乃指本議決案獲通過之日起至下列任何較早之日期止之期間:

(i) 本公司下屆股東週年常會結束;

(ii) 公司條例規定本公司須舉行下屆股東週年常會期限屆滿之日;及

(iii) 本公司股東於股東大會上通過普通議決案撤銷或修訂本議決案授予本公司董事會權力之日;及

「配售新股」乃指本公司於董事會所定期間內按於某一指定記錄日期名列本公司股東名冊之股份或任何一類股份之持有人當時持有該等股份或任何類別股份之比例向彼等提出股份配售建議(惟本公司董事會有權就零碎股權或於考慮香港以外之任何地區之法律或當地任何認可監管機構或任何證券交易所之規定而產生之任何限制或責任後,作出其認為必要或權宜之取消權利或其他安排);

(八) 授權本公司董事會就本會議通告(本議決案乃其中一部份)第七項議決案(c)段(bb)分段所述之本公司股本而行使該議決案(a)段所述之本公司權力。

承董事會命

秘書 馬廣榮 謹啟

香港 二零零零年二月二十八日

附註:

- (一) 有資格出席上述常會及有投票權之股東,均可委派一位或多位代表出席及代其投票,代表人不必為本行股東。
- (二) 恒生銀行董事會已宣佈派發第二次中期股息(以代替末期股息)每股港幣二元五角。本行將於二零零零年三月十五日(星期三)及三月十六日(星期四),暫停辦理股份過戶登記手續。為確保享有該第二次中期股息,股份過戶文件連同有關股票,必須於二零零零年三月十四日(星期二)下午四時或以前,送達香港灣仔皇后大道東一八三號合和中心十七樓一七一一至一七一六室本行股份登記處,香港中央證券登記有限公司,辦理過戶手續。第二次中期股息將於二零零零年三月二十三日(星期四)派發予二零零零年三月十六日(星期四)已在股東名冊內登記之股東。

## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the Shareholders of the Bank will be held at the Penthouse of Hang Seng Bank Headquarters, 83 Des Voeux Road Central, Level 24, Hong Kong on Tuesday, 18 April 2000 at 3:30 pm to transact the following ordinary business:

- (1) to receive and consider the Statement of Accounts and the Reports of the Directors and of the Auditors for the year ended 31 December 1999;
- (2) to elect Directors;
- (3) to reappoint the Auditors and to authorise the Directors to fix their remuneration;

and, by way of special business, to consider and, if thought fit, pass the following Resolutions:

### as Ordinary Resolutions

*The proposed appointment is to fill the vacancy occasioned by the resignation of Mr C P Langley as a Managing Director with effect from 31 January 2000 upon his retirement as an Executive Director of The Hongkong and Shanghai Banking Corporation Limited.*

- (4) THAT Mr OR Ching Fai, Raymond be and is hereby appointed a Managing Director of the Company;

*The proposed appointment is to be made following the appointment of Mr W K Mok as a Director of the Company since 12 August 1999. Mr Mok is also General Manager of Hang Seng Bank.*

- (5) THAT Mr MOK Wai Kin be and is hereby appointed a Managing Director of the Company;

*The proposed resolutions (6) to (8) are to renew the general mandates to issue shares and repurchase shares.*

- (6) THAT

- (a) subject to paragraph (b) below, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to purchase shares of the Company be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of shares which may be purchased on The Stock Exchange of Hong Kong Limited or any other stock exchange recognised for this purpose by the Securities and Futures Commission of Hong Kong and The Stock Exchange of Hong Kong Limited under the Hong Kong Code on Share Repurchases pursuant to the approval in paragraph (a) above shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution, and the said approval shall be limited accordingly;

- (c) for the purpose of this Resolution "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
  - (i) the conclusion of the next Annual General Meeting of the Company;
  - (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and
  - (iii) the revocation or variation of the authority given under this Resolution by ordinary resolution of the shareholders in general meeting;

(7) THAT

- (a) subject to paragraph (c) below, pursuant to Section 57B of the Companies Ordinance, the exercise by the Directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall authorise the Directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue, (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company, (iii) any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company or (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Articles of Association of the Company, shall not exceed the aggregate of: (aa) 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution and (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of share capital of the Company repurchased by the Company subsequent to the passing of this Resolution (up to a maximum equivalent to 10 per cent of the aggregate nominal amount of the share capital of the Company in issue at the date of passing this Resolution), and the said approval shall be limited accordingly; and
- (d) for the purposes of this Resolution:
  - "Relevant Period" means the period from the passing of this Resolution until whichever is the earlier of:
    - (i) the conclusion of the next Annual General Meeting of the Company;

- (ii) the expiration of the period within which the next Annual General Meeting of the Company is required by the Companies Ordinance to be held; and
- (iii) the revocation or variation of the approval given by this Resolution by ordinary resolution of the shareholders in general meeting; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors of the Company to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the Directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory outside Hong Kong);

- (8) THAT the Directors of the Company be and are hereby authorised to exercise the powers of the Company referred to in paragraph (a) of the resolution set out as Resolution 7 in the notice of the meeting of which this resolution forms a part in respect of the share capital of the Company referred to in sub-paragraph (bb) of paragraph (c) of such resolution.

By Order of the Board

**K W Ma**

*Secretary*

Hong Kong, 28 February 2000

*Notes:*

- 1 *A shareholder entitled to attend and vote at the Meeting is entitled to appoint one or more proxies to attend and (on a poll) vote instead of the shareholder; a proxy need not also be a shareholder of the Bank.*
- 2 *The Directors of the Company have declared a second interim dividend (in lieu of a final dividend) of HK\$2.50 per share. The Register of Shareholders of the Bank will be closed on Wednesday, 15 March 2000 and Thursday, 16 March 2000, during which no transfer of shares can be registered. To qualify for the second interim dividend, all transfers, accompanied by the relevant share certificates, must be lodged with the Bank's Registrars, Central Registration Hong Kong Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 pm on Tuesday, 14 March 2000. The second interim dividend will be payable on Thursday, 23 March 2000 to shareholders on the Register of Shareholders of the Bank on Thursday, 16 March 2000.*



銀業聯合保險有限公司	Bankers Alliance Insurance Company Limited
Beautiful Fountain Investment Company Limited	Beautiful Fountain Investment Company Limited
志輝投資有限公司	Cheer Free Investments Limited
輝昌企業有限公司	Fulcher Enterprises Company Limited
正鋒投資有限公司	Full Wealth Investment Limited
恒寶盛有限公司	Hambauxon Company, Limited
恒致利有限公司	Hang Che Lee Company, Limited
恒生資產管理(私人)有限公司	Hang Seng Asset Management Pte Ltd
恒生銀行(巴哈馬)有限公司	Hang Seng Bank (Bahamas) Limited
恒生銀行中國業務有限公司	Hang Seng Bank China Services Limited
恒生銀行信託有限公司	Hang Seng Bank (Trustee) Limited
恒生銀行信託(巴哈馬)有限公司	Hang Seng Bank Trustee (Bahamas) Limited
恒生金業有限公司	Hang Seng Bullion Company Limited
恒生存款有限公司	Hang Seng Credit Limited
恒生存款(巴哈馬)有限公司	Hang Seng Credit (Bahamas) Limited
恒生信用咭有限公司	Hang Seng Credit Card Limited
恒生資訊服務有限公司	Hang Seng Data Services Limited
恒生財務有限公司	Hang Seng Finance Limited
恒生財務(巴哈馬)有限公司	Hang Seng Finance (Bahamas) Limited
恒生財經資訊有限公司	Hang Seng Financial Information Limited
恒生期貨有限公司	Hang Seng Futures Limited
恒生保險有限公司	Hang Seng Insurance Company Limited
恒生保險(巴哈馬)有限公司	Hang Seng Insurance (Bahamas) Limited
恒生投資管理有限公司	Hang Seng Investment Management Limited
恒生投資服務有限公司	Hang Seng (Investment Services) Limited
恒生(代理人)有限公司	Hang Seng (Nominee) Limited
恒生物業管理有限公司	Hang Seng Real Estate Management Limited
恒生保安管理有限公司	Hang Seng Security Management Limited
恒生證券有限公司	Hang Seng Securities Limited
恒生旅遊有限公司	Hang Seng Travel Services Limited
(成員自動清盤中)	(In members' voluntary liquidation)
恒順利有限公司	Hang Shun Lee Company, Limited
恒生國際管理有限公司	Haseba International Management Limited
恒生投資有限公司	Haseba Investment Company Limited
Haseba Properties Holdings (USA) Inc.	Haseba Properties Holdings (USA) Inc.
Haseba Real Estate (USA) Inc.	Haseba Real Estate (USA) Inc.
Hayden Lake Limited	Hayden Lake Limited
高泰投資有限公司	High Time Investments Limited
恒指服務有限公司	HSI Services Limited
Imenson Limited	Imenson Limited
美奧企業有限公司	Mai Woon Enterprises Limited
宏略投資有限公司	Mightyway Investments Limited
永年廣告有限公司	Perpetual Publicity Limited
Raytown Limited	Raytown Limited
巧玉投資有限公司	Wide Cheer Investment Limited
恩年發展有限公司	Yan Nin Development Company Limited

**一九九九年全年業績**

於二零零零年二月二十八日公佈

**1999 full year results**

announced on 28 February 2000

**一九九九年年報**

於二零零零年三月下旬郵寄送交股東

**1999 annual report**

posted to shareholders in late March 2000

**股東週年常會**

將於二零零零年四月十八日召開

**Annual General Meeting**

to be held on 18 April 2000

**一九九九年第二次中期股息**

(以代替末期股息)

於二零零零年二月二十八日公佈

將於二零零零年三月二十三日派發

**1999 second interim dividend**

(in lieu of a final dividend)

announced on 28 February 2000

to be paid on 23 March 2000

**二零零零年中期業績**

約於二零零零年七月底公佈

**2000 half year results**

to be announced around end of July 2000

**二零零零年中期報告**

約於二零零零年八月下旬郵寄送交股東

**2000 interim report**

to be posted to shareholders around late August 2000

**二零零零年第一次中期股息**

約於二零零零年七月底公佈

約於二零零零年八月底派發

**2000 first interim dividend**

to be announced around end of July 2000

to be paid around end of August 2000

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恒生銀行有限公司

香港德輔道中八十三號

**Hang Seng Bank Limited**

83 Des Voeux Road Central

Hong Kong

*Member HSBC Group* 滙豐集團成員