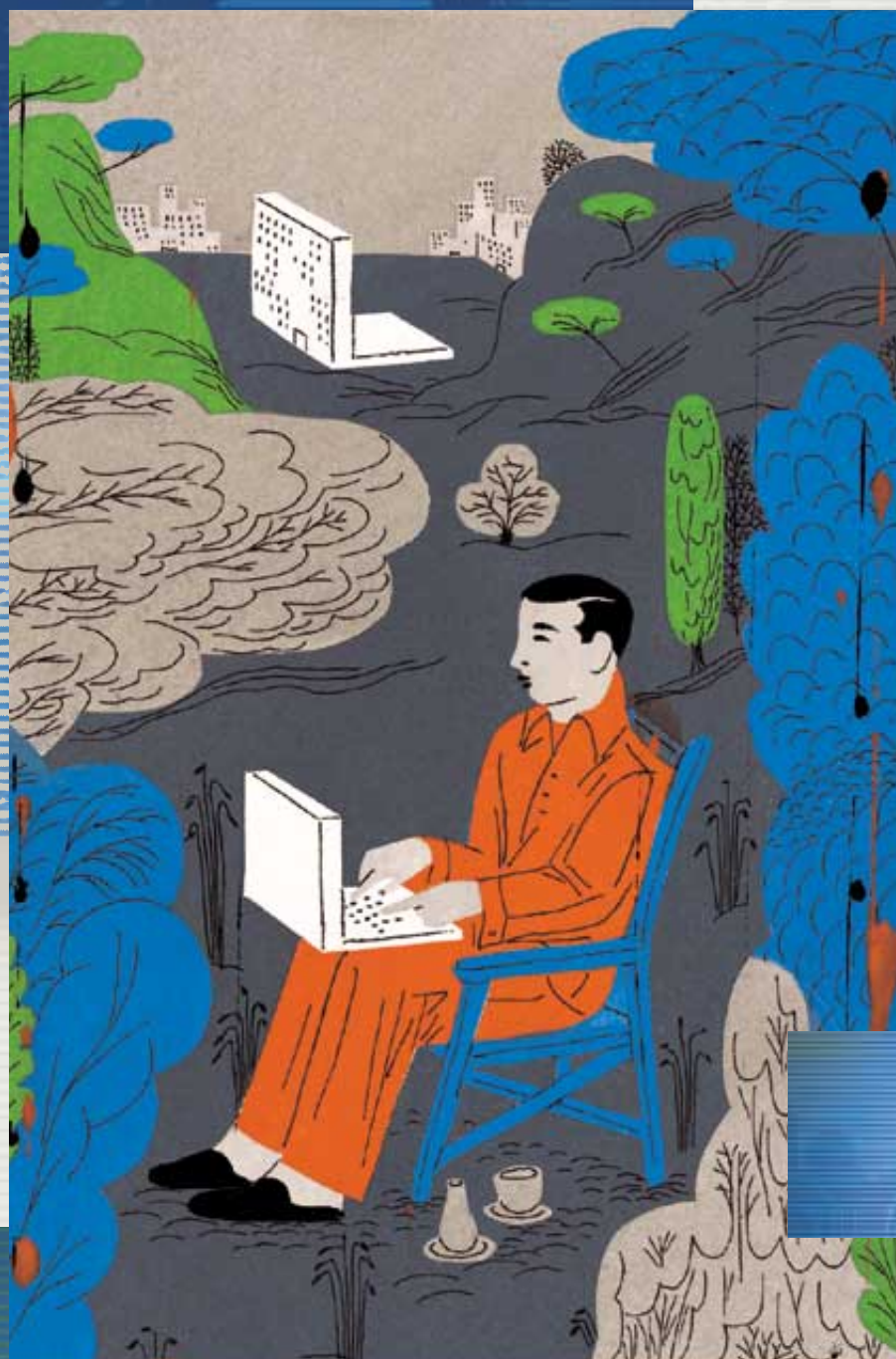


二 零 零 零 年 年 報
ANNUAL REPORT 2000



恒 生 銀 行
HANG SENG BANK

恒生銀行 為香港特別行政區第二大的本地註冊銀行，為超逾三分一的香港市民提供服務。「恒生」二字寓意「永恒生長」。◆ 本行致力提高股東回報及利用先進科技提供優質服務，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，業務發展以香港及中國內地為重點。◆ 本行的股份在香港及倫敦均有掛牌買賣，於二零零零年底市值超逾港幣二千億元。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 one-third of its population. ◆ The Bank is committed to increasing shareholder wealth and builds on new technologies to offer superior customer service. Under the Managing for Value strategy, it aims at least to 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. ◆ The Bank's shares are traded in Hong Kong and London, and its market capitalisation exceeded HK\$200 billion at the end of 2000. The Bank also offers investors in the US a Sponsored Level-1 American Depositary Receipts Programme through The Bank of New York.

		2000	1999	變動 CHANGE
全年結算	FOR THE YEAR	HK\$M	HK\$M	%
扣除準備金前之營業溢利	Operating profit before provisions	11,540	11,065	+4.3
營業溢利	Operating profit	11,344	9,646	+17.6
除稅前溢利	Profit before tax	11,675	9,784	+19.3
股東應得之溢利	Attributable profit	10,014	8,307	+20.5
每股計	PER SHARE	HK\$	HK\$	%
每股盈利	Earnings per share	5.24	4.35	+20.5
每股股息	Dividends per share	4.80	8.20 [#]	-41.5
於年結日	AT YEAR-END	HK\$M	HK\$M	%
股東資金	Shareholders' funds	40,584	39,574	+2.6
總資產	Total assets	500,784	442,070	+13.3
比率	RATIOS	%	%	
平均股東資金回報率	Return on average shareholders' funds	23.6	17.6	
總資本比率*	Total capital ratio*	15.3	17.3	
第一級資本比率*	Tier 1 capital ratio*	11.9	13.3	
流動資金比率(全年平均數)	Liquidity ratio (average for the year)	43.3	42.4	
成本對收入比率	Cost:income ratio	24.4	25.3	

[#] 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.

* 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。

* The capital ratios have taken into account market risks in accordance with the relevant Hong Kong Monetary Authority guideline.



e
XCEED

開拓

透過提供更多
元化及方便
的服務，我們致
力成為客戶首選
的銀行，超過
三分之一的香港
市民，已成為
本行的客戶

By offering more
choice and greater
accessibility, we
strive to be the
customer's preferred
bank. We already
serve over one-third
of Hong Kong's
population

提升表現，更創佳績
increasing performance and
scaling new heights

五年財務摘要 FIVE-YEAR FINANCIAL SUMMARY

		1996	1997	1998	1999	2000
全年結算	FOR THE YEAR	HK\$BN	HK\$BN	HK\$BN	HK\$BN	HK\$BN
營業溢利	Operating profit	9.1	10.1	8.2	9.6	11.3
除稅前溢利	Profit before tax	9.7	10.8	8.0	9.8	11.7
股東應得之溢利	Attributable profit	8.5	9.4	6.8	8.3	10.0
於年結日	AT YEAR-END	HK\$BN	HK\$BN	HK\$BN	HK\$BN	HK\$BN
股東資金	Shareholders' funds	53.7	52.5	45.5	39.6	40.6
實收股本	Issued and paid up capital	9.7	9.6	9.6	9.6	9.6
總資產	Total assets	394.3	399.4	422.7	442.1	500.8
每股計	PER SHARE	HK\$	HK\$	HK\$	HK\$	HK\$
每股盈利	Earnings per share	4.39	4.85	3.55	4.35	5.24
每股股息	Dividends per share	3.08	3.42	3.42	8.20 [#]	4.80
比率	RATIOS	%	%	%	%	%
除稅後平均股東資金回報率	Post-tax return on average shareholders' funds	16.9	17.6	13.5	17.6	23.6
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	2.2	1.7	1.9	2.1
以股東應得之溢利計算	Based on attributable profit	2.3	2.4	1.7	1.9	2.1
資本比率	Capital ratios					
總比率*	Total ratio*	24.0	22.0	21.3	17.3	15.3
第一級比率*	Tier 1 ratio*	16.9	16.3	17.5	13.3	11.9
成本對收入比率	Cost : income ratio	25.7	25.7	26.7	25.3	24.4

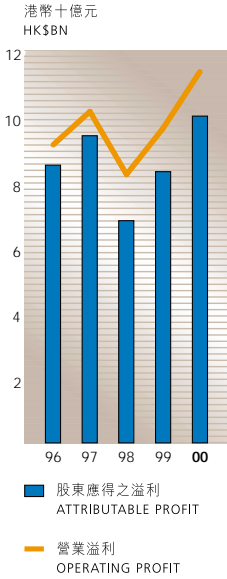
[#] 包括特別中期股息每股港幣四元一角。

[#] Including special interim dividend of HK\$4.10 per share.

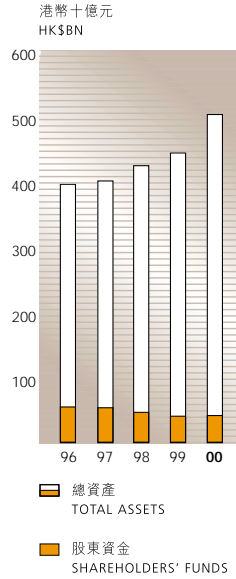
* 資本比率已經根據香港金融管理局之有關指引計及市場風險。

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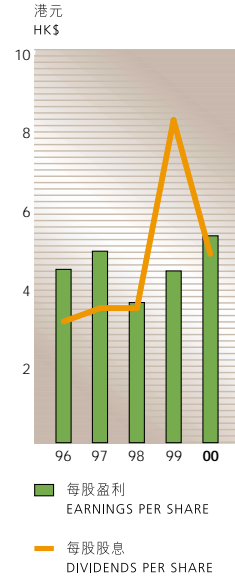
業績
RESULTS



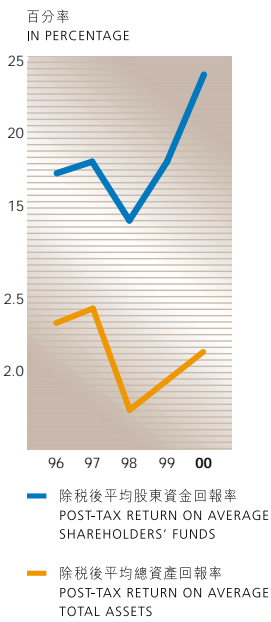
總資產及股東資金
**TOTAL ASSETS AND
SHAREHOLDERS' FUNDS**



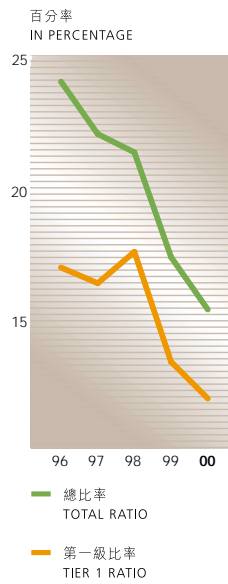
每股盈利及股息
**PER SHARE EARNINGS
AND DIVIDENDS**



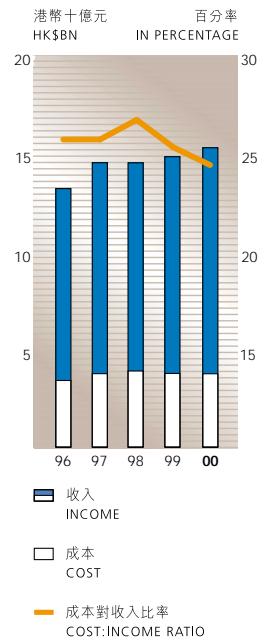
**除稅後平均股東資金及
總資產回報率**
**POST-TAX RETURNS ON
AVERAGE SHAREHOLDERS'
FUNDS AND TOTAL ASSETS**



資本比率
CAPITAL RATIOS



成本對收入比率
COST:INCOME RATIO



恒生於二零零零年度之股東應得溢利及股東資金回報率均刷新紀錄，而在股東增值方面，亦取得理想成績。股東應得溢利較一九九九年增加港幣十七億七百萬，或百分之二十點五，達港幣一百億一千四百萬元。

此業績反映本行成功推展個人理財業務，並改善成本對收入比率至百分之二十四點四之新低紀錄，而呆壞賬提撥亦大幅減少達百分之八十六點二。

平均股東資金回報率大幅上升六個百分點至百分之二十三點六。

鑑於業績表現令人鼓舞，董事會宣佈派發第二次中期股息每股港幣二元八角，將於二零零一年三月二十二日派發。連同是次派息，二零零零年度全年計，每股派息合共為港幣四元八角（一九九九年之每股派息（不包括特別中期股息每股港幣四元一角）為港幣四元一角）。是年度派發之全年股息，佔二零零零年股東應得溢利百分之九十二。

增值管理

本行於一九九九年一月起推行「增值管理」策略，將目標專注於高收益及高增值之業務，以期能為股東持續提供理想之回報。本行之目標為於五年內，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。

於一九九九年至二零零零年，本行之股東總回報為百分之七十七，而同期恒生指數成份股之平均回報為百分之五十八，本行股東之實質增值達港幣一千零二十億元。

至於經濟盈利（即將除稅後溢利減去已投資股本之成本後計算）則較一九九九年大幅增加港幣二十五億四千萬元，或百分之八十四點九。

雖然於二零零零年香港經濟復甦，然而金融市場之流動資金仍然充裕、貸款需求疲弱、競爭劇烈，息差亦繼續收窄。惟在此艱難之經營環境下，本行仍能取得此理想業績。

恒生 開拓. 超越.

本行業績令人鼓舞，在於能滿足客戶不斷轉變的需求。

是次年報以本行之新企業標語「恒生 開拓. 超越。」為主題，突顯本行以客為本，並致力提供超越客戶期望之服務。在加強整體客戶關係之餘，本行憑藉卓著商譽，以具競爭力之價格提供優質而一應俱全之理財服務。本行全面推動創意文化，而面對急劇變遷之環境，仍能不斷改進服務以保持競爭力。

科技發展亦為業務帶來新機會。本行於二零零零年八月推出恒生e-Banking服務，以新渠道向客戶提供更佳之服務，藉以加強與客戶之關係並爭取分惠。恒生e-Banking業務增長迅速，並超乎本行之預期。

網上業務已成為本行發展之重要一環。本行會繼續拓展此項業務，冀能成為主要網上銀行之一，為客戶提供更多選擇及更佳之增值服務。

二零零一年展望

展望二零零一年，美國經濟增長放緩將會影響香港，外部需求因而下降，投資意慾呆滯，而消費增長亦會減慢。

面對競爭更趨劇烈、息差壓力持續、成本上升以及信貸需求平平等利淡因素，銀行業之經營環境仍將艱難。恒生會充份利用各種優勢，包括審慎之理財政策、龐大客戶基礎及有效之運作架構，爭取更佳業績。

個人理財及商業銀行業務乃本行之重點業務，本行會致力加強產品與服務多元化，為客戶資產提供保障及增值，以爭取分惠及市場佔有率，並增加非利息收入。本行亦積極拓展內地業務，以把握未來之龐大商機。

隨着最後階段之存款利率規則於二零零一年七月一日撤銷，港元儲蓄及往來存款之利率限制將會解除。

EXCEL



超越

培養不斷創新的
企業文化，鼓勵
員工勇於嘗試，
掌握電子時代之
新機遇

緊扣時代，銳意創新

提升 OPPORTUNITY CHANCE

屆時，銀行間將需在價格與服務兩方面競爭。不過，本行會力求為不同客戶提供更多選擇。

獎勵員工

本行之成功實有賴全體員工之辛勞，本人在此衷心感謝。由於二零零零年香港經濟經已復甦，本行於二零零一年一月宣佈調整薪金，增幅為薪金總額之百分之二。根據本行採納之薪酬與表現掛鈎制度，員工之報酬與獎勵，均會按其功績與表現而定。

過去兩年，本行鑑於經營環境艱難而凍結薪金調整，得各同事體諒，董事會對此深表感謝。然而，為認同員工之優秀表現，本行於二零零零年一月，向表現卓越之員工發放特別獎勵金，另亦於四月發放與業績掛鈎之獎勵金。

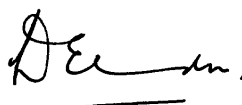
此外，根據另一項獎勵計劃，於二零零零年底，本行共有三千三百九十名員工參與滙豐控股海外儲蓄優先認股計劃，及一千七百零七名員工根據滙豐控股行政人員認股計劃獲得授予認股權。

為股東爭取最高回報

致謝

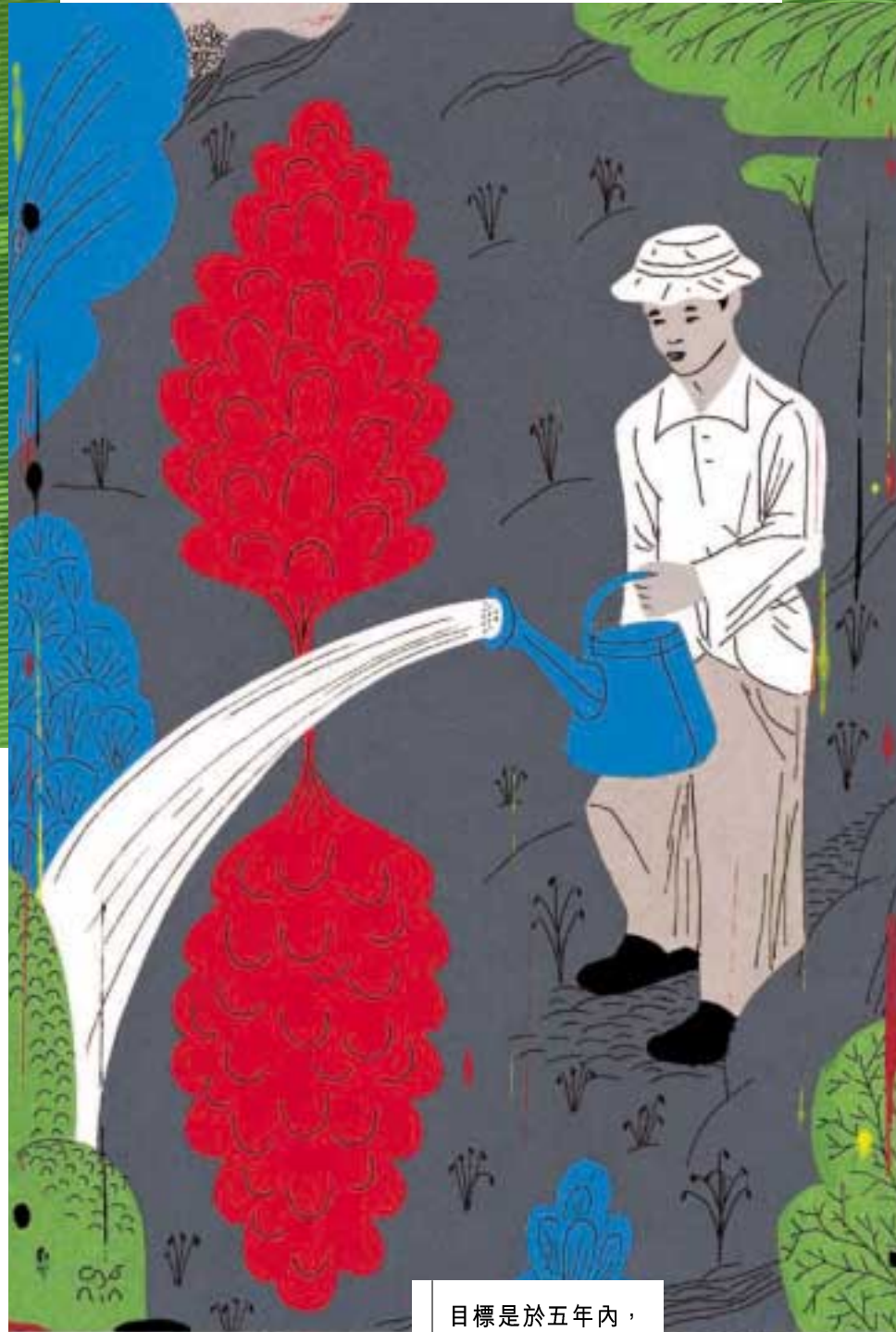
董事會的鼎力支持，本行仰仗良多。何子焯先生經通知其將於四月舉行之股東週年常會後退任本行董事。何先生自一九六一年起即出任本行董事，多年來給予董事會寶貴貢獻及英明指導，本行深表謝意，並祝何先生萬事如意。

又股東及客戶一貫鼎力支持，對本行極具信心，本行亦一併表示謝意。雖然前景充滿挑戰，本行往績紀錄良好以及拓展策略穩健，將可繼續向客戶提供超卓的服務；及為股東提供理想的回報。



艾爾敦
董事長

香港 二零零一年二月二十六日



目標是於五年內，
令股東回報增加
最少一倍。於一九
九九年至二零零零
年，股東總回報高
達百分之七十七

恒生銀行於二零零零年加強拓展業務，溢利創新紀錄。良好的客戶關係、創新銷售渠道以及卓著商譽，皆為推動業務增長之重要原素。根據新企業標語「恒生 開拓. 超越.」的精神，本行加強以創意配合科技，令客戶及行方均能獲益。

為迎接互聯網時代之挑戰，本行於八月成功推出網上銀行服務，並已成為向客戶提供優質服務與吸納新客戶之重要渠道。

理財及商業銀行業務為本行之重點業務，並錄得理想成績。本行亦繼續擴展內地業務，為未來之發展作好準備。

財務摘要

本行在艱難之經營環境下取得令人鼓舞之業績，顯示本行在推展個人理財業務、審慎控制成本及改善資產質素等方面之成效。扣除準備金前之營業溢利較一九九九年上升百分之四點三，達港幣一百一十五億四千萬。

淨利息收入微升百分之零點二，為港幣一百一十六億九千一百萬元。雖然平均賺息資產上升百分之七點三，惟由於淨息差下降十七個基點至百分之二點一九，及來自無利息成本資金之收益下降兩個基點至百分之零點四九，令淨利息收益率減少十九個基點至百分之二點六八。

低成本儲蓄存款上升、定期存款收益息差改善，以及最優惠貸款利率與同業拆息差距擴闊等得益，並未能抵銷因按揭息率持續下降，及客戶貸款對存款平均比率由百分之五十四點三，下降至百分之五十二點七等不利因素，導致淨息差收窄。

其他營業收入上升百分之十三點八，達港幣三十六億元。服務費及佣金淨收入大幅增加百分之三十三點六，主要是個人理財業務之收入有令人鼓舞之增長，及本行致力增加非利息收入。至於其他營業收入對總營業收入比率，亦增加二點二個百分點至百分之二十三點四。

本行繼續維持雄厚流動資金，二零零零年之平均流動資金比率為百分之四十三點三，一九九九年則為百分之四十二點四；總資本比率於二零零零年十二月三十一日為百分之十五點三，而第一級資本比率為百分之十一點九，一九九九年底則分別為百分之十七點三及百分之十三點三，反映本行能更善用資本。

控制成本

成本對收入比率下降零點九個百分點至百分之二十四點四，乃本行自一九八九年公佈該比率以來之最低紀錄。儘管如此，對本行之服務質素並無影響。

本行在發展資訊科技及新業務方面雖然投資較大，惟在審慎控制成本下，營業支出仍下降百分之零點五。由於本行審慎控制人手，人事費用減少百分之六點七。員工總人數進一步下降至七千四百四十九人，較一九九七年之高峰期減少七百一十二人。

本行於全行推動創意文化，以改善業務流程及增加收益。本行亦在電子化服務及強制性公積金業務等範疇，加強與滙豐集團其他成員之協同合作。

除稅前溢利以每名員工人均計上升百分之十九點九，達港幣一百五十七萬元，為歷年來之最高紀錄，足見本行成本效益之高。

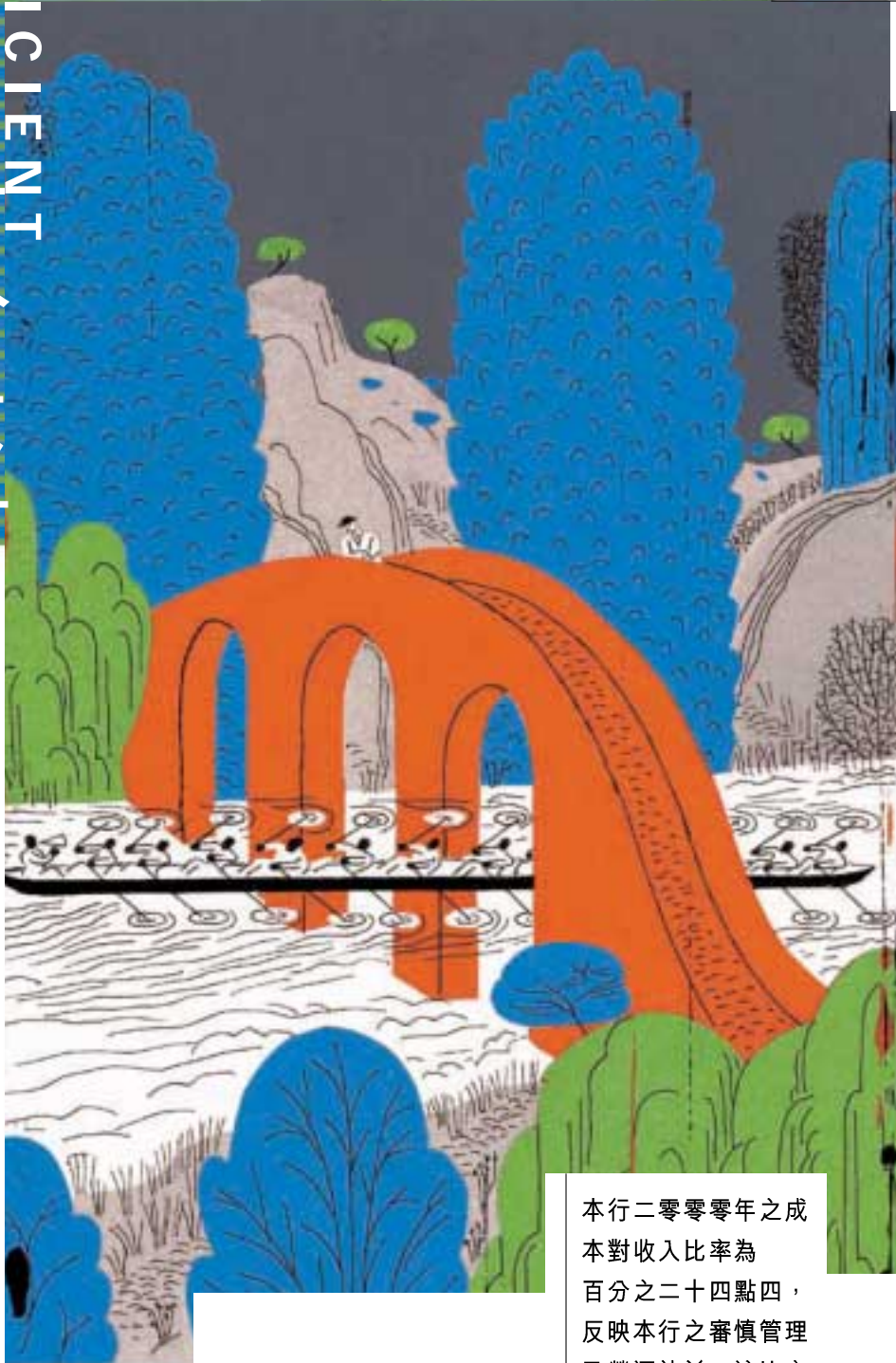
資產質素

隨着經濟環境改善，呆壞賬淨提撥大幅減少港幣十二億二千三百萬元，或百分之八十六點二，為港幣一億九千六百萬元。

由於撥備大幅減少，加上呆壞賬收回及準備撥回均增加，呆壞賬之特殊準備淨提撥下降港幣十二億二千八百萬元，為港幣一億九千九百萬元。本行曾於一九九七

EFFICIENT

效益



本行二零零零年之成本對收入比率為百分之二十四點四，反映本行之審慎管理及營運效益。該比率持續位列環球同業中最低之一

成為最具
營運效益銀行之一

年提撥港幣二億五千萬元作額外一般準備，但年內撥回港幣一億二千五百萬元，另提撥港幣一億二千二百萬元作額外一般準備，因此，一般準備之淨撥回為港幣三百萬元。鑑於美國經濟放緩可能影響香港經濟，因此將餘下之額外一般準備港幣一億二千五百萬元，撥作呆壞賬之一般準備。

總呆壞賬準備對客戶貸款比率繼續下降零點四四個百分點至百分之二點零一。特殊準備對客戶貸款比率則由百分之一點七四，減少至百分之一點三六。至於一般準備則由百分之零點七一下降至百分之零點六五。

扣除懸欠利息之客戶貸款呆壞賬下降港幣十二億元，或百分之十四點一，為港幣七十四億元。

上述呆壞賬對總客戶貸款之比率下降一個百分點，為百分之三點三。呆壞賬之特殊準備連同有關抵押品之價值，大約與有關貸款額相抵。

業務營運

為配合推行「增值管理」，本行於一九九九年重新規劃各項業務，加強客戶市場分層策略。於二零零零年，本行深化與各客戶市場層面之關係，以達致為客戶及本行提供長遠高增值之目的。

個人銀行業務主力向客戶提供個人理財服務，並為本行主要盈利來源，佔扣除準備金後之營業溢利百分之四十九點一，為港幣一百一十三億四千四百萬元。工商及金融機構業務之營業溢利，佔溢利百分之八點五；至於商業銀行業務及財資業務，則分佔本行營業溢利百分之九點八及百分之十點六。其他溢利來源，主要為股東資金管理、物業管理及長期股票投資等方面，共佔營業溢利百分之二十二。

雖然市場競爭激烈，本行之存款及貸款市場佔有率均有增加。於二零零零年十二月底，往來、儲蓄及其他存款上升百分之十四點三，達港幣四千二百九十六億元。已發行之存款證增加百分之二十六點二，達港幣一百四十七億元。

扣除懸欠利息及準備金後之客戶貸款錄得百分之十點三之增長，達港幣二千一百七十五億元，增幅令人鼓舞。此乃由於本行在信貸需求疲弱之情況下，仍能有效拓展企業及個人貸款業務。

本行於按揭業務之市場佔有率亦上升。住宅按揭放款（不包括政府「居者有其屋計劃」及職員房屋貸款）

上升百分之五點六。惟由於息價競爭激烈，住宅按揭放款之平均息率，由一九九九年之最優惠貸款利率加四十九個基點，下降至二零零零年之最優惠貸款利率減二十六個基點。

主要之網上銀行

在這電子化時代，本行之策略乃採用創新科技，提供具成本效益之增值業務，從而建立並加強與客戶之關係。

二零零零年為本行發展成為主要網上銀行之一之重要一年。於八月一日推出之恒生e-Banking服務發展迅速，成為本行多元化產品之一個重要銷售渠道。

透過安全之網上銀行服務，本行為客戶提供更多選擇、最方便，且不受時間地域限制之理財服務。本行之網頁hangseng.com/e-Banking，分別以中英文版本為客戶提供個人理財服務，範圍由戶口管理、投資、以至申請一般保險及貸款等。

登記使用恒生e-Banking服務之客戶，現已突破十萬名，反應非常熱烈。於一月份，在網上進行之交易佔本行交易總數比率超過百分之八。至於透過柜員處理之交易，則於二零零零年內，由佔總數之百分之十八點四，下降至百分之十五點八。

本行以綜合戶口客戶為目標客戶，而網上銀行服務已成為向彼等提供理財服務之主要途徑。自恒生e-Banking服務於八月推出以來，綜合戶口之開戶數字在六個月內，較推出網上銀行服務前，每月平均上升百分之四十四點七。

由二零零零年八月至二零零一年一月期間，新開立之證券戶口，亦較推出網上銀行服務前，平均每月增加百分之九十。以交易額計算，一月份約有百分之四十之證券買賣乃透過網上進行。

為向投資者提供一應俱全之服務，本行於九月推出網上認購新股服務，客戶反應亦令人鼓舞。

於二零零零年上半年推出之主要電子銀行服務，包括香港首張網上購物電子信用卡——恒生e-shopping萬事達卡。本行亦透過WAP流動電話提供金融資訊，進一步加強流動電話銀行服務。

為提升恒生e-Banking之品牌，本行於七月展開綜合之宣傳推廣活動，並推出新企業標語——「恒生開拓，超越。」。

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分享成果

恒生為與社會分享成果，除教育及社區服務外，亦積極支持香港之體育發展。

在傷殘人士奧運會中奪得歷來最佳成績的運動員，根據「恒生奧運及傷殘人士

奧運會優秀運動員獎勵計劃」，獲頒發總值達港幣六十二萬元之現金獎。

本行及香港康體發展局聯合頒發港幣五十九萬元予十三位傷殘奧運健兒。

另本行再自行向奧運及傷殘人士奧運的運動員，頒發港幣十一萬元獎勵金。

本行亦與香港康體發展局合作，推出「恒生奧運星願互聯」網站，讓廣大市民可以透過互聯網，表達對運動健兒的支持。

本行熱心支持傷殘人士運動發展。自一九九五年起，本行透過上述計劃及贊助「香港盃」乒乓球賽，

為傷殘運動員籌得超過港幣三百六十萬元。

「恒生奧運及傷殘人士奧運會優秀運動員獎勵計劃」於一九九六年推出，為首個向香港奧運及傷殘人士奧運會運動員，頒發現金獎勵之計劃。



在內

擴展

EXPAND



本行不斷擴展內地行所網絡，以把握內地開放金融市場之商機，及為未來發展奠下基礎

地建立據點

本行亦運用科技，加強了解客戶需求及提升與客戶關係。透過設立完善的資料庫及數據收集，協助本行發展更能配合個別客戶需要之產品。

在擴展電子化服務之餘，本行亦繼續加強分行作為理財諮詢及銷售中心之功能。於二零零零年底，本行於香港之行所及自動理財中心，總數達一百五十六間。

重點業務

為配合「增值管理」策略，本行專注於高回報之業務，其中包括個人理財服務及商業銀行業務。

本行之理財業務包括投資及保險服務，目標為高資產值客戶及綜合戶口客戶。為使更多客戶能享用本行之綜合戶口服務，本行經已將縱橫理財戶口之最低結餘要求降低一半至港幣五千元。透過為要求不斷提高的客戶管理資產，本行得以增加該等客戶之分惠。

由於綜合戶口開戶數字及各營業部門之業務引介均有增加，因而提高本行之跨部門業務銷售比率。

投資及保險業務之服務費收入於二零零零年大幅上升百分之四十三點七。證券交易額增加百分之七十七點二，令本行之市場佔有率上升。恒生亦是第三代自動對盤系統推出後，首批提供直通式證券買賣之經紀之一。

投資基金之認購額則上升百分之四十四點五，年內恒生精選基金系列之資產總值上升百分之十七點九，於二零零零年底，達港幣四十億元，銷售範圍更擴展至澳門。自二零零零年初起，恒生精選基金系列共推出六種新基金，其中兩種乃於本月初推出，令系列內之基金數目增加至十九種。

根據香港保險業聯會之統計，以新敝做之保費計算，本行與滙豐合營之恒生人壽保險有限公司於二零零零年度之增長稱冠。新敝做之人壽保費，去年上升百分之五十一。

本行為配合政府強制性公積金（「強積金」）計劃而推出之強積金產品，銷售成績及市場佔有率均見理想，登記之僱員人數超過十六萬名。本行亦透過網上銀行，為僱主及僱員提供公積金服務。

於二零零零年，本行之信用卡客戶超過八十七萬五千名，大幅上升百分之二十五點二；信用卡貸款增加百分之二十三點七，達港幣四十七億元。至於客戶消費額亦增加百分之二十五點六，達港幣一百五十四億元，反映消費意慾改善。

商業銀行業務以中小型企業為重點，貸款額上升百分之六點七，增幅令人滿意。此外，貿易融資業務增長百分之二點六，市場佔有率亦見上升。本行並擴展產品類別，向中小型企業推出票據貼現服務、自動銀行服務及科技設備貸款等。

本行繼續拓展內地業務。除廣州、上海及深圳分行，以及北京與廈門代表處外，福州分行亦已於二零零零年二月開業。

於二零零零年底，向內地有關企業之總貸款增加百分之四點六，達港幣一百零三億元，佔本行總貸款額之百分之四點六。

同時，本行已申請於上海經營人民幣業務，將北京代表處升格為分行及開設南京分行。恒生保險有限公司將於四月間於深圳開設首間代表處，為本行於內地拓展保險業務邁出第一步。深圳分行亦正申請有關經營保險兼業代理人之營業執照。

本行積極參與銀團貸款及企業貸款業務，並錄得理想增長。

財資業務方面，本行推出更多之結構性產品，並提高於資本市場之參與。在《AsiaRisk》雜誌舉辦的衍生工具業務地區性調查中，本行獲選為香港最佳銀行。本行擔任超逾一百零四宗港元資本市場票據之發行安排

行，發出票據總額達港幣一百九十一億元，以金額計較一九九九年上升百分之五十八。本行亦獲《基點》雜誌評選為港元資本市場票據發行之第二大安排行。

卓越表現贏得認同

本行之卓越表現，贏得國際評級機構之認同。

於五月，惠譽國際將本行之個別評級，由B級調高至A/B級，為亞洲區內銀行之最高評級。

穆迪投資服務公司於八月將本行之長期港元存款評級，由A2提高至Aa3，及將短期外幣存款評級由Prime 2提高至Prime 1。至於本行之長期外幣存款評級及財務實力評級，亦分別維持於A3及B級。本行之外幣存款評級乃香港銀行所獲得之最高評級，而財務實力方面亦為穆迪給予亞洲銀行之最高評級。

於二零零一年一月，本行獲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。

創新之團隊

員工乃本行維持競爭優勢並賴以成功之要素。本行推出多項計劃藉以吸引、保留及激勵表現優秀之員工，更鼓勵員工透過創新、提升質素及加強團隊精神，達到增值之目的。

於一九九二年設立之「提高生產力計劃」，經已更名為「創念獎勵計劃」，進一步加強推動本行之創意文化。同時亦委出「創意專員」(Innovation Champion)，帶領全行在業務及個人發展方面，朝着「開拓、超越」之目標進發。

於二零零零年，員工提出約一千項改善工作質素及爭取業務之創念建議。年內，因實施創念計劃而節省之營運開支及增加之收益，達港幣二千二百三十萬元，而自一九九二年按年累積至今，則共達港幣六千三百五十萬元。提出創念建議而被接納之員工或部門，本行均予嘉許及獎勵。

作為投資人力資源之重要一環，本行培訓員工發展多方面之技能，以應付新業務挑戰及未來事業發展。本行亦加強灌輸「增值管理」概念、創意文化、銷售及服務意識。本行為向員工灌輸電子化服務知識，而舉辦

之相關課程計劃，均備受員工歡迎。年內本行每名員工平均接受七點五日之培訓，較一九九九年增加百分之二十四。

本行加強內部溝通，以改善效率及提升團隊精神，並能就集團之最佳運作模式，互相交流借鑑。於二零零一年一月，本行獲勞工處頒發「良好人事管理獎」。

良好企業公民

本行透過捐款及贊助回饋社會，重點在教育、社區服務及體育等方面。

於二零零零年，六名香港及內地之傑出學生在「恒生銀行海外留學獎學金計劃」下獲頒發獎學金前赴海外進修。自本行於一九九六年設立該項獎學金計劃以來，共有十八名學生受惠。

連同頒授予香港及內地學生之獎學金，本行自一九九六年以來，根據各項獎學金計劃而頒出之金額接近港幣二千萬元，受惠學生共約二百七十名。

於二零零零年，本行第二次贊助「恒生奧運及傷殘人士奧運會優秀運動員獎勵計劃」。自一九九一年起推出之「恒生乒乓球發展計劃」，為香港首個為單一體育項目而設之長期發展計劃，於二零零零年之參加人數達一萬二千人。本行自一九九一年起，捐助該計劃之金額超過港幣一千一百萬元。

本行連續第三年作為香港管弦樂團「跳躍音符伴成長」計劃之主要贊助機構，共有來自超過二百五十間學校之五萬一千名學生，參與是項計劃，較一九九九年增加百分之十一。

為支持保護環境，本行員工連續第二年參與香港特區政府主辦之企業植林計劃，種植樹木達一萬棵。

展望

於二零零一年，面對競爭逾趨激烈、息差壓力持續、成本上升以及信貸需求平平等因素，銀行業之經營環境仍然艱難。

恒生將會加倍努力，致力超越客戶期望，以擴展業務及維持增長。本行會善用卓著之商譽及優質服務，與客戶建立互利之長遠關係，而客戶市場分層策略仍

恒生之保險及
強積金服務質
素優良，信譽
卓著，為客戶
提供財務保障



信任

TRUST

穩健可靠，
保障未來

增長

OVERGROWING

本行一應俱全之理財服務，既保障及增加客戶之資產，更擴大我們於客戶消費的分惠及市場佔有率

與客戶共同成長

將為客戶關係管理之重點。

本行亦會拓展收入來源、繼續審慎控制成本及加強銷售網。

於個人理財服務方面，本行會致力令產品與服務多元化，並透過促銷，擴大客戶基礎及提高非利息收入。作為香港註冊之第二大銀行，本行為超過三分一香港市民提供服務，亦為業務促銷提供了龐大發展潛力。為爭取高資產值之客戶，本行會加強優越理財名策戶口之服務，並將於二零零一年三月將有關服務改名為「優越理財戶口」，以提供優質之增值理財服務。

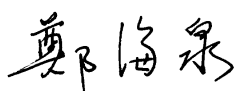
商業銀行業務方面，鑑於香港之商貿機構以中小型企業為多，因此本行之重點為促進中小型企業客戶。藉着向該等客戶提供強積金服務，本行得以發展龐大之新客戶基礎以利業務促銷。

最後階段之存款利率規則將於七月撤銷，為減低由此帶來之不利影響，本行除會採取上述各項措施外，並致力發展可增加服務費收益之業務。同時亦會調節貸款組合，積極參與消費信貸，以助紓解息差收窄之壓力。

市場發展迅速，本行之目標為向客戶提供最佳之電子化服務。於二零零一年，電子化服務將隨着增加產品範圍而擴展。配合發展商業銀行業務之策略，本行將於今年稍後為商業客戶推出網上銀行服務。此外亦會推出網上貸款批核、網上交單、及多項與信用卡、財資及物業代理有關之服務。此外，無線理財服務會於有關技術成熟時推出。

本行中期之發展亦將視乎內地業務之拓展情況。本行並會於內地重點城市開設分行或代表處，以掌握中國加入世界貿易組織後帶來之龐大商機。

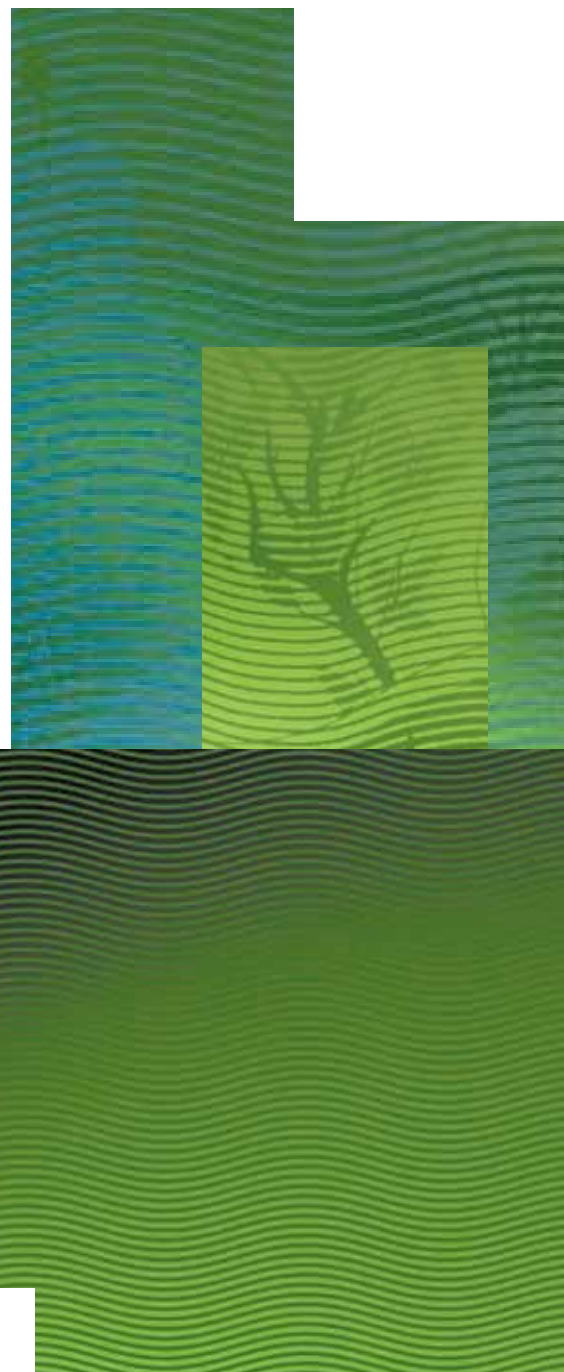
在「增值管理」之策略下，本行將善用資本及資源分配，俾能充份把握業務機會，並提供切合客戶所需之卓越服務。同時，本行會致力爭取客戶分惠，藉以提升市場之領導地位及令股東得益。



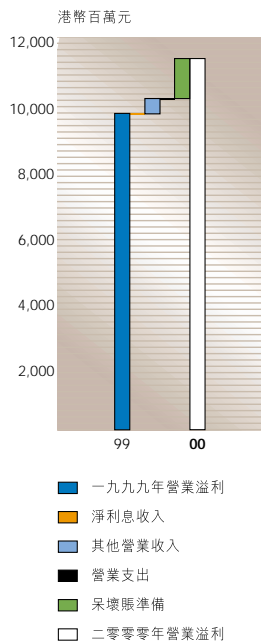
鄭海泉

副董事長兼行政總裁

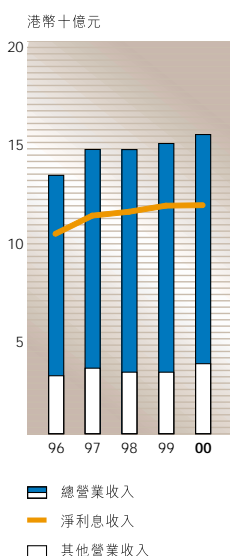
香港 二零零一年二月二十六日



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)

	二零零零年	一九九九年
扣除準備金前之營業溢利	11,540	11,065
除稅前溢利	11,675	9,784
股東應得之溢利	10,014	8,307
每股盈利 (港元)	5.24	4.35

恒生銀行有限公司(本行)及各附屬公司(恒生)二零零零年度之股東應得溢利為港幣一百億一千四百萬元，較一九九九年上升百分之二十點五，並首次超越港幣一百億元之水平。每股盈利為港幣五元二角四仙，較一九九九年增加百分之二十點五。

扣除準備金前之營業溢利上升百分之四點三，達港幣一百一十五億四千萬元，主要由於其他營業收入有令人鼓舞之增長，淨利息收入穩定及營業支出減少所致。營業溢利上升百分之十七點六，達港幣一百一十三億四千四百萬元，主要受惠於呆壞賬撥備大幅減少。除稅前溢利為港幣一百一十六億七千五百萬元，較一九九九年上升百分之十九點三，反映年內出售長期投資溢利增加，及將物業重估有關增值誌入損益賬內(該等增值乃沖回相同之物業以往支取損益賬之重估減值)。

經濟盈利

恒生為推行「增值管理」策略，採用「經濟盈利」以量度業績表現，使管理層與股東達成一致的經營目標。經濟盈利是指經調整非現金項目後之除稅後溢利，扣減恒生股東投資之資本成本，現時之資本成本估計為百分之十五。

本年度之經濟盈利增加港幣二十五億四千萬元，或百分之八十四點九，達港幣五十五億三千二百萬元，此乃由於投資資本回報增長百分之十九點七而資本成本下調百分之十六點三所致。投資資本回報(即經調整非現金項目後之除稅後溢利)有所改善，反映本年度營業溢利有滿意之增長。本行為充份善用資本而於一九九九年十一月派發特別中期股息，令平均投資資本減少，而資本成本亦相應下降。

(以港幣百萬元位列示)

	二零零零年	百分率	一九九九年	百分率
平均投資資本	30,259		36,229	
投資資本回報*	10,068	33.3	8,408	23.2
資本成本	(4,536)	(15.0)	(5,416)	(15.0)
經濟盈利	5,532	18.3	2,992	8.2

*投資資本回報指經調整非現金項目後之除稅後溢利。

淨利息收入

淨利息收入 (以港幣百萬元位列示)	二零零零年	一九九九年
利息收入	31,913	28,072
利息支出	(20,222)	(16,405)
淨利息收入	11,691	11,667
賺取利息之平均資產	435,759	406,113
淨息差 (百分率) (以全年計)	2.19	2.36
淨利息收益率 (百分率) (以全年計)	2.68	2.87

淨利息收入大致與去年相若，微升港幣二千四百萬元，或百分之零點二。賺取利息之平均資產增加港幣二百九十六億元，或百分之七點三，達港幣四千三百五十八億元。淨利息收益率下降十九個基點至百分之二點六八，原因乃淨息差減少十七個基點至百分之二點一九，以及來自無利息成本資金之收益減少兩個基點至百分之零點四九。

低成本儲蓄存款上升、定期存款收益息差改善以及最優惠貸款利率與同業拆息差距擴闊等得益，並未能抵銷按揭息率持續下降及客戶貸款對存款平均比率由百分之五十四點三下降至百分之五十二點七等不利因素，導致淨息差收窄。年內住宅按揭市場息價競爭激烈，導致住宅按揭放款（不包括政府「居者有其屋計劃」及職員房屋貸款）之平均息率由一九九九年之最優惠貸款利率加四十九個基點下降至二零零零年之最優惠貸款利率減二十六個基點。

市場利率上升雖然有利無利息成本資金收益，但一九九九年十一月曾派發港幣七十八億元特別中期股息，令該等資金減少，導致整體收益下降。

其他營業收入

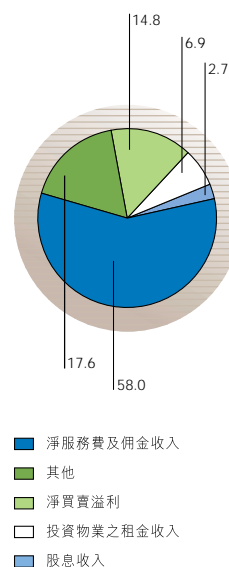
其他營業收入較去年上升港幣四億三千三百萬元，或百分之十三點八。服務費及佣金淨收入大幅增加港幣五億二千一百萬元，或百分之三十三點六，主要來自個人理財業務收入有可觀之升幅，其中包括證券買賣及有關服務、零售投資基金及人壽保險產品。信貸服務、信用卡服務及貿易融資之非利息收益亦顯著上升。由於外匯買賣收入減少，而證券及其他買賣活動錄得輕微虧損，導致買賣溢利下跌港幣五千五百萬元，或百分之九點四。其他收入則因一般承保業務溢利下降而減少港幣二千五百萬元，或百分之三點八。

營業支出

本行在發展資訊科技及新業務投資雖然龐大，營業支出仍下降港幣一千八百萬元，或百分之零點五。在謹慎控制員工人數之情況下，人事費用減少港幣一億四千七百萬元，或百分之六點七。折舊較一九九九年增加港幣一千萬元，或百分之二點六。雖然維修費用、差餉及樓宇管理費用下降，房地產及設備費用則上升港幣三千四百萬元，或百分之四點六，主要是資訊科技費用增加。其他營業費用增加港幣八千五百萬元，或百分之十九點四，主要是業務推廣費用上升。成本對收入比率下降至百分之二十四點四（一九九九年為百分之二十五點三），乃本行自一九八九年公佈該比率以來之最低紀錄。

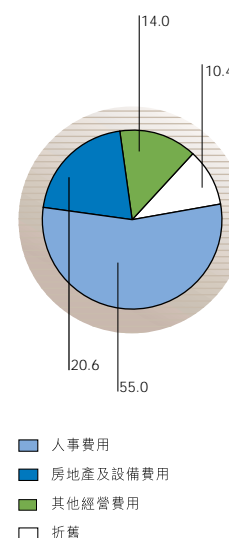
二零零零年其他營業收入

百分率

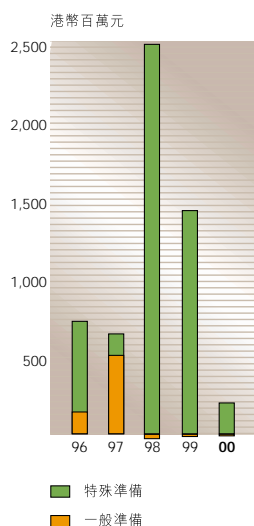


二零零零年營業支出

百分率



呆壞賬淨提撥



呆壞賬準備

損益賬淨提撥 (以港幣百萬元位列示)	二零零零年	一九九九年
呆壞賬淨提撥/(撥回)		
特殊	199	1,427
一般	(3)	(8)
合計	196	1,419
平均客戶貸款	214,662	201,121
呆壞賬淨提撥對平均客戶貸款比率		
特殊	0.1%	0.7%
一般	-	-
合計	0.1%	0.7%

呆壞賬淨提撥較去年大幅下降港幣十二億二千三百萬元，或百分之八十六點二，達港幣一億九千六百萬元。在新撥備大幅減少下，加上呆壞賬收回及準備撥回增加，特殊準備淨提撥減少港幣十二億二千八百萬元，達港幣一億九千九百萬元。一般準備亦有港幣三百萬元之淨撥回，包括為貸款增長而新撥備之港幣一億二千二百萬元及從一九九七年提撥之港幣二億五千萬額外一般準備中，撥回港幣一億二千五百萬元。鑑於美國經濟放緩可能影響香港經濟，因此將餘下之額外一般準備港幣一億二千五百萬元，撥歸一般呆壞賬準備處理。

客戶貸款及準備 (以港幣百萬元位列示)	二零零零年	一九九九年
客戶貸款*	221,973	202,244
特殊準備	(3,017)	(3,522)
一般準備	(1,438)	(1,441)
客戶貸款**	217,518	197,281
呆壞賬總額*	7,434	8,658
呆壞賬* 對客戶貸款* 比率	3.3%	4.3%
準備對客戶貸款* 比率		
特殊準備	1.36%	1.74%
一般準備	0.65%	0.71%
總準備	2.01%	2.45%
特殊準備對呆壞賬* 比率	40.6%	40.7%

*已扣除懸欠利息。

**已扣除懸欠利息及準備。

呆壞賬 (已扣除懸欠利息) 較一九九九年底下降港幣十二億二千四百萬元，或百分之十四點一，原因為將若干呆壞賬撇賬、重整及償還情況回復正常。呆壞賬對總客戶貸款比率為百分之三點三，較一九九九年底下降一個百分點。

有形固定資產及長期投資之溢利

出售有形固定資產及長期投資之溢利較去年上升港幣一億四千三百萬元，達港幣二億四千八百萬元，主要為出售本地上市證券之溢利。

物業重估增值

本行之行址及投資物業於二零零零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。物業重估後有港幣六億一千二百萬元之升值，其中港幣五億八千四百萬元已於二零零零年十二月三十一日誌入本行之重估儲備賬，餘下之港幣二千八百萬元則已誌入損益賬內，此乃沖回相同之物業以往因其市值低於經折舊後之原始成本而支取損益賬之重估減值。

資產負債表

總資產

總資產於年內增加港幣五百八十七億元，或百分之十三點三，於二零零零年十二月三十一日達港幣五千零八億元。客戶貸款較去年增加百分之十點三，升幅令人鼓舞，增長主要來自企業貸款及住宅按揭貸款。存放同業及債務證券投資亦有所增加。年內客戶存款增長百分之十四點三，帶動總資產上升。

股東資金

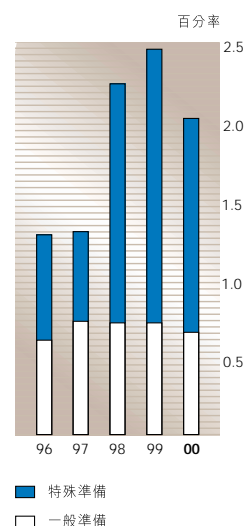
於十二月三十一日(以港幣百萬元位列示)	二零零零年	一九九九年
股本	9,559	9,559
保留溢利	18,732	17,729
行址及投資物業重估儲備	8,742	8,228
長期股票投資重估儲備	3,452	3,959
資本贖回儲備	99	99
股東資金	40,584	39,574
平均股東資金回報率(百分率)(以全年計)	23.6	17.6

股東資金上升港幣十億一千萬元，於二零零零年十二月三十一日達港幣四百零五億八千四百萬元，主要來自年度之保留溢利。長期股票投資重估儲備下降港幣五億七百萬元，原因為年內曾出售本地上市證券，加上於二零零零年十二月三十一日之本地上市證券公平市值下跌。行址及投資物業重估儲備增加港幣五億一千四百萬元，反映商廈物業市場復甦。

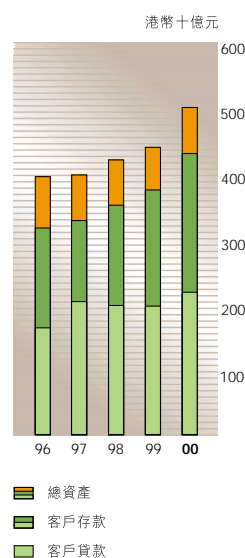
二零零零年之平均股東資金回報率大幅上升至百分之二十三點六之新紀錄，而一九九九年則為百分之十七點六。原因為股東應得溢利增加，以及於一九九九年十一月派發特別中期股息後令平均股東資金減少。

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。

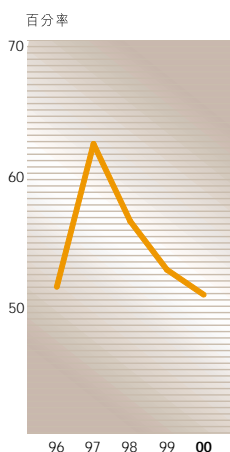
準備對客戶貸款比率



總資產、客戶存款及客戶貸款



貸款對存款比率



客戶存款

往來、儲蓄及其他存款增加港幣五百三十九億元，或百分之十四點三，達港幣四千二百九十六億元，而一九九九年十二月三十一日則為港幣三千七百五十七億元。增長主要來自美元定期、港元定期及儲蓄存款。

已發行之存款證增加港幣三十一億元，或百分之二十六點二，於二零零零年十二月三十一日達港幣一百四十七億元。

客戶貸款

客戶貸款(已扣除懸欠利息及準備)於二零零零年十二月三十一日達港幣二千一百七十五億元，上升港幣二百零二億元，或百分之十點三，增幅令人鼓舞。年內，市場競爭激烈，雖然信貸需求疲弱，本行仍有效拓展企業及個人貸款業務。

貸款對存款比率

貸款對存款比率於二零零零年十二月三十一日為百分之五十點六，而一九九九年十二月三十一日為百分之五十二點五，反映客戶存款之增長高於客戶貸款。

各項業務之表現

本行為加強對不同層面客戶之服務，將主要業務劃分為個人銀行、工商及金融機構、商業銀行及財資業務。各項業務之業績及其應佔本行二零零零年之營業溢利詳列如下。

主要業務之營業溢利分析 (以港幣百萬元位列示)	二零零零年					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	5,914	1,012	1,039	1,201	2,374	11,540
呆壞賬準備						
特殊	(292)	3	90	-	-	(199)
一般	(54)	(56)	(13)	-	126	3
二零零零年營業溢利	5,568	959	1,116	1,201	2,500	11,344
佔總營業溢利	49.1%	8.5%	9.8%	10.6%	22.0%	100.0%
一九九九年營業溢利	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%

個人銀行業務佔本行之營業溢利百分之四十九點一，較一九九九年增加百分之九點一。雖然住宅按揭市場息價競爭激烈，導致淨息差下調，但由於能成功拓展個人理財業務，令其營業收入有顯著之增加，個人銀行業務之業績亦因而受惠。

工商及金融機構業務增長百分之六十五點九，佔本行二零零零年之營業溢利百分之八點五。工商及金融機構貸款有顯著之增加，並活躍於銀團貸款市場。其滿意之業績主要來自淨利息收入、其他營業收入增加及呆壞賬淨撥回。

商業銀行業務之營業溢利增長達百分之七百三十九，並佔恒生二零零零年之總營業溢利百分之九點八。本行於中小型企業市場業務有持續之增長，而資產質素亦有所改善。本年度之業績主要來自淨利息與其他營業收入之增長，及呆壞賬準備大幅撥回所致。

本年度之財資業務由於市場波動減少之影響下，營業溢利下降百分之二十一點九，並佔恒生之總營業溢利百分之十點六。

其他溢利來源主要來自股東資金、行址與投資物業及長期股票投資之收益，及部份撥回於一九九七年所作之額外一般準備。該業務佔二零零零年之營業溢利百分之二十二，並較一九九九年增長百分之九。

資本及流動資金管理

資本管理

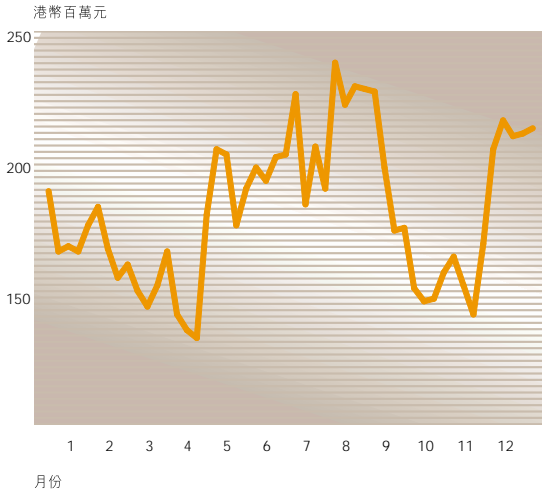
資本基礎及風險加權資產分析 (以港幣百萬元位列示)	二零零零年	一九九九年
資本基礎		
第一級資本		
股本	9,559	9,559
保留溢利	18,455	17,489
資本贖回儲備	99	99
合計	28,113	27,147
第二級資本		
行址及投資物業重估儲備	5,860	5,786
長期股票投資重估儲備	2,043	2,266
客戶貸款一般準備	1,437	1,440
合計	9,340	9,492
扣除未綜合計算之投資及其他項目	(1,346)	(1,350)
總資本基礎	36,107	35,289
風險加權資產		
資產負債表內	220,037	193,541
資產負債表外	13,982	9,783
總風險加權資產	234,019	203,324
包括市場風險之總風險加權資產	235,453	204,141
資本充足比率		
經調整市場風險		
第一級比率	11.9%	13.3%
總比率	15.3%	17.3%
未調整市場風險		
第一級比率	12.0%	13.4%
總比率	15.4%	17.4%

資本比率乃以股本基礎對風險加權資產比率計算。總資本比率於二零零零年十二月三十一日為百分之十五點三，而一九九九年十二月三十一日則為百分之十七點三。第一級資本比率為百分之十一點九（一九九九年十二月三十一日為百分之十三點三）。資本基礎錄得百分之二點三之溫和增長，但計及市場風險後之風險加權資產則上升百分之十五點三，主要為客戶貸款、存放同業以及債務證券投資增加。

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，二零零零年之平均流動資金比率為百分之四十三點三（一九九九年為百分之四十二點四）。

二零零零年涉及風險之數值



流動資金風險之管理乃為確保本行擁有足夠流動資金，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三十億五千七百萬元，達港幣一百四十七億三千萬元。

風險管理

風險管理為恒生業務管理之重要核心部份。本行之內部監控系統，乃高水平之企業管理原則，於董事會報告書第三十五頁詳盡描述。以下詳述恒生設立之全面性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。

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，負責制定信貸政策及監察信貸內部及法定限額之執行。本行之信貸風險功能乃獨立於其他營業單位，並監察信貸政策之實行及確保信貸批核和評估之質素。

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產生之盈利或虧損。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持盤限額，敏感性限額與涉及風險數值限額。

恒生採用滙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

及十日持倉期作之基準推算，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。

恒生已獲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。

於二零零零年十二月三十一日，所有利率及匯率之風險持倉之涉及風險數值為港幣二億一千三百萬元，而於一九九九年十二月三十一日之數值則為港幣一億九千九百萬元。二零零零年內平均涉及風險數值為港幣一億七千九百萬元，而年內之涉及風險數值最高為港幣二億四千三百萬元，最低為港幣一億一千九百萬元。若以個別組合基礎計算，則交易組合及應計賬項涉及風險之數值於二零零零年十二月三十一日分別為港幣七百萬元（一九九九年十二月三十一日為港幣一千八百萬元）及港幣二億一千二百萬元（一九九九年十二月三十一日為港幣一億九千八百萬元）。

於二零零零年，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）為港幣五百萬元（一九九九年為港幣七百萬元）。該等每日收入之標準差為港幣三百萬元（一九九九年為港幣四百萬元）。在二零零零年之二百四十七個交易日中只錄得五天虧損記錄，而有關之最高每日虧損為港幣五百萬元。最常見之一日收入，是介乎港幣二百萬元及港幣六百萬元之間，佔一百七十五日。最高之一日收入則為港幣二千三百萬元。

外匯風險

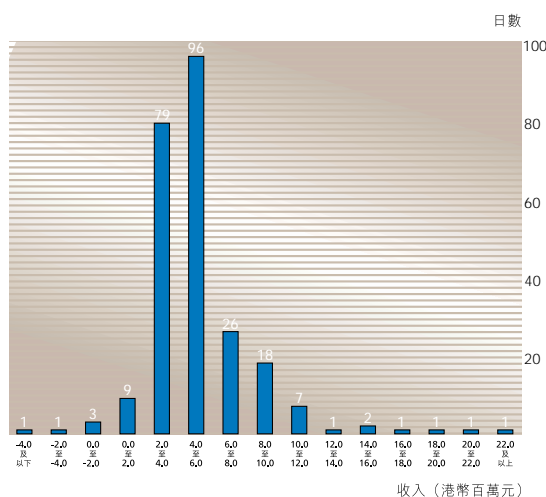
恒生之外匯風險主要包括財資處之外匯買賣及源自銀行業務之滙兌風險，後者交由財資處按董事會核准之外匯買賣限額內集中管理。

於二零零零年十二月三十一日，外匯交易持倉涉及風險之數值為港幣六百萬元（一九九九年十二月三十一日為港幣一千八百萬元），而二零零零年內平均數值為港幣八百萬元，最高之一日為港幣二千萬元，而最低之一日為港幣十萬元。二零零零年平均每日外匯交易盈利為港幣一百萬元（一九九九年為港幣二百萬元）。

結構性外匯風險乃指恒生於香港以外之分行及附屬公司之投資淨額。本行之結構性外匯風險主要來自美元，而該等風險則由資產負債管理委員會負責管理。

外匯風險因買賣、非買賣及結構性倉盤而產生，某一種外匯之淨持有額佔整體外匯淨盤持有總額百分之十或以上均詳列如下：

二零零零年市場風險收入每日分佈情況



外匯風險 (港幣百萬元 位列示)	二零零零年		
	美元	其他外幣	外幣總額
現貨資產	209,969	88,563	298,532
現貨負債	(187,255)	(74,755)	(262,010)
遠期買入	79,272	21,146	100,418
遠期賣出	(95,630)	(34,920)	(130,550)
期權盤淨額	2	(2)	-
持有非結構性倉盤淨額	6,358	32	6,390
結構性持倉淨額	508	127	635

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。於二零零零年十二月三十一日，利率風險涉及之風險數值為港幣二億一千三百萬元（一九九九年十二月三十一日為港幣一億九千八百萬元）。而二零零零年內之平均數值為港幣一億七千八百萬元，最高之一日為港幣二億四千三百萬元，而最低之一日為港幣一億一千九百萬元。二零零零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四百萬元（一九九九年為港幣五百萬元）。

結構性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，以下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按以下分析表之合約基準而是顧及此等資產負債之行為規律。

利率感應分析 (以港幣百萬元位列示)	二零零零年					合共
	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	
資產						
庫存現金及短期資金	119,238	2,350	3,811	-	3,913	129,312
一個月以上之定期存放同業	35,756	13,198	9,451	-	-	58,405
存款證	14,013	1,483	200	1,536	-	17,232
證券投資	22,872	4,966	4,251	7,196	4,484	43,769
客戶貸款	205,232	4,479	890	6,680	237	217,518
其他資產*	7,145	400	542	1,704	24,757	34,548
總資產	404,256	26,876	19,145	17,116	33,391	500,784
負債						
往來、儲蓄及其他存款	399,109	11,201	4,918	2,803	11,574	429,605
同業存款	3,551	14	13	-	224	3,802
其他負債*	8,759	81	146	-	17,807	26,793
股東資金	-	-	-	-	40,584	40,584
總負債	411,419	11,296	5,077	2,803	70,189	500,784
資產負債表以外						
資產	25,177	11,282	7,973	15,606	-	60,038
負債	43,927	2,212	5,873	8,026	-	60,038
期限階段淨差額	(25,913)	24,650	16,168	21,893	(36,798)	-
累積淨差額	(25,913)	(1,263)	14,905	36,798	-	-

* 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

恒生二零零零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（以港幣百萬元位列示）	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	169,896	-	1,448	1,877
貨幣掉期	1,900	301	11	3
貨幣期權	4,303	-	32	32
利率合約				
利率掉期	27,990	18,961	722	285
期貨及遠期利率合約	750	-	-	1
利率期權	-	5,479	-	58
市值重估數值分析				
買賣合約			1,640	2,099
非買賣合約			573	157

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二十六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。

以上為二零零零年十二月三十一日之衍生工具按產品類別之分析表，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。

運作風險

由人為錯誤或詐騙行為所造成之損失風險，可透過董事會報告書第三十五頁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
利漢釗
李家祥議員
羅康瑞
陸觀豪
莫偉健
柯清輝
彭世文
冼為堅
鄧日燦

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

常務董事兼總經理
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

利國偉 大紫荊勳賢 · 名譽董事長

八十二歲。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

艾爾敦先生 · 董事長

五十五歲。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、地鐵有限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

五十二歲。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。證券及期貨事務監察委員會之程序覆檢委員會主席。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。二零零零年九月獲浙江大學委任為客座教授。二零零零年十月獲西南財經大學委任為榮譽教授。

*** 陳祖澤先生**

五十七歲。九龍巴士(一九三三)有限公司董事長。安利亞太平洋有限公司、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**

七十五歲。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

九十二歲。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

七十八歲。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**

五十七歲。Pointpiper 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。

*** 利漢釗博士**

七十二歲。希慎興業有限公司主席。國泰航空有限公司、中國聯通股份有限公司及香港中華煤氣有限公司董事。香港中文大學校董會主席。證券及期貨事務監察委員會之程序覆檢委員會成員。於二零零零年七月榮獲香港特別行政區政府頒授「金紫荊星章」。一九八六年十月獲委任本行董事。

*** 李家祥議員**

四十七歲。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。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、上海實業醫藥科技(集團)有限公司及Cyber日報(控股)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。青年事務委員會主席。二零零零年二月獲委任本行董事。

羅康瑞博士

五十二歲。瑞安集團主席兼行政總裁。鷹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

四十九歲。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、安盛保險有限公司及於仁保險有限公司董事。廣播事務管理局及稅基廣闊的新稅項事宜諮詢委員會成員。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

五十二歲。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，一九九九年八月任董事兼總經理，二零零零年四月起出任本行常務董事兼總經理。負責本行零售銀行、私人銀行、投資服務及保險業務。香港金融管理局接受存款公司諮詢委員會委員。李寶椿聯合世界書院(香港)有限公司校董會副主席及恒生商學書院之校董會成員。

柯清輝先生

五十一歲。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)有限公司主席。國泰航

空有限公司、思捷環球控股有限公司、香港銀行同業結算有限公司及和記黃埔有限公司董事。二零零零年度香港銀行公會主席及香港貿易發展局理事。二零零零年二月獲委任本行董事。

彭世文先生

五十二歲。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

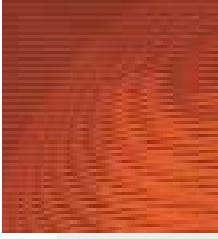
七十一歲。萬雅珠寶有限公司董事長。美麗華酒店企業有限公司副主席、新世界發展有限公司常務董事及景福集團有限公司董事。一九九一年十一月獲委任本行董事。

* 鄧日樂先生

四十八歲。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海關人員子女教育信託基金投資顧問委員會委員。於一九九七年獲委為太平紳士。二零零零年七月榮獲香港特別行政區政府頒授「銅紫荊星章」。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。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HSBC Holdings BV之董事及香港上海滙豐銀行有限公司之財務主管。滙豐控股、HSBC Holdings BV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

五十二歲。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。證券及期貨事務監察委員會之程序覆檢委員會主席。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。二零零零年九月獲浙江大學委任為客座教授。二零零零年十月獲西南財經大學委任為榮譽教授。

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三十三頁。)

莫偉健先生 · 常務董事兼總經理

(莫偉健先生之簡介已列於第三十三頁。)

茲謹將截至二零零零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八十一頁。

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二零零零年十二月三十一日之資料列於本年結第一百一十五頁。

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一千一百萬元作為慈善捐獻。

董事會

本行董事會致力達成令股東回報穩步增長，及提供超卓服務之目標。

本行董事會定期召開會議，以制訂策略，並監察管理層之運作。董事會亦將權力授予執行委員會及審核委員會，詳情如後所列。

於年結日時，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、利漢釗博士、李家祥議員、羅康瑞博士、陸觀豪先生、莫偉健先生、柯清輝先生、彭世文先生、冼為堅博士及鄧日燊先生。

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。

董事何子焯先生、許晉乾先生及冼為堅博士依章輪值告退，其中許晉乾先生及冼為堅博士願應選連任。何子焯先生出任本行董事逾三十九載，已通知彼將於二零

零一年四月十九日召開之股東週年常會完結時隨即告退，及不再應選連任。

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。

董事委員會

執行委員會及審核委員會於一九九二年成立。

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。審核委員會亦會討論本行核數師所提出之各項建議並確保所有審核建議經已實行。審核委員會之成員為李家祥議員（主席）、鄧日燊先生及彭世文先生，彼等均為本行之非執行董事。

企業管理

本行致力實施良好的企業管理，並遵守香港金融管理局於二零零零年五月發出之本地註冊認可機構的企業管治指引內之各項要求。

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二零零零年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，該守則包括香港聯合交易所有限公司之證券上市規則（「上市規則」）附錄十四之全部指引。

內部監控

本行董事會負責本行及各附屬公司之內部監控系統，以及檢討其效能。

本行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，以確保足夠之覆核及監察。內部監控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。

內部稽核為本行內部監控系統重要之一環，負責檢討內部監控措施之效能，並確保本行各項業務及運作單位能

符合其政策及準則，亦經常就有關營運效益及其他管理事項向本行管理層作出建議。

董事權益

本行董事依照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
持有本行之普通股 (每股面值港幣五元正)					
利國偉博士	1,091,516	1,094,783	350,990 ⁽¹⁾	158,152 ⁽²⁾	2,695,441
艾爾敦先生	300	-	-	-	300
何添博士	3,480,252	-	-	-	3,480,252
陳祖澤先生	-	-	-	1,000 ⁽³⁾	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
持有滙豐控股有限公司之普通股 (每股面值0.50美元)					
利國偉博士	1,623,019	1,215,355	70,474 ⁽¹⁾	1,616,051 ⁽²⁾	4,524,899
艾爾敦先生	2,570	1,249	-	-	3,819
鄭海泉先生	23,115	42,192	-	-	65,307
陳祖澤先生	14,283	-	-	3,000 ⁽³⁾	17,283
何添博士	100,277	-	-	-	100,277
許晉乾先生	8,452	24,342	953,514 ⁽⁴⁾	-	986,308
利漢釗博士	37,193	-	-	-	37,193
李家祥議員	-	17,706	77,754 ⁽⁵⁾	-	95,460
陸觀豪先生	46,960	-	-	-	46,960
柯清輝先生	13,927	28,494	-	-	42,421
彭世文先生	10,468	-	-	-	10,468

註：

- (1) 利國偉博士及其夫人有權控制某一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1,555,743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60,308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一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。
- (5) 李家祥議員有權控制某一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	於年內 行使優先 認股權認購 之普通股	每股行使價 (以便士計)	授予日期	開始行使日期	截止行使日期
艾爾敦先生	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	—	18,000 ⁽¹⁾	217.27	1995年3月7日	1998年3月7日	2005年3月7日
	—	3,819 ⁽²⁾	180.60	1995年4月10日	2000年8月1日	2001年1月31日
	—	24,000 ⁽³⁾	333.34	1996年4月1日	1999年4月1日	2006年4月1日
	1,875	—	539.80	1999年4月1日	2004年8月1日	2005年1月31日
	1,119	—	602.99	2000年4月10日	2005年8月1日	2006年1月31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
	1,679	—	602.99	2000年4月10日	2005年8月1日	2006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
柯清輝先生	—	3,819 ⁽⁴⁾	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
	21,000	—	501.60	1997年3月24日	2000年3月24日	2007年3月24日
	21,000	—	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
	1,119	—	602.99	2000年4月10日	2005年8月1日	2006年1月31日
彭世文先生	—	15,135 ⁽⁵⁾	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 ⁽⁶⁾	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
	1,119	—	602.99	2000年4月10日	2005年8月1日	2006年1月31日

註：

(1) 於行使優先認股權之日，即2000年5月16日，每股市值為735.50便士。

(2) 於行使優先認股權之日，即2000年8月1日，每股市值為879便士。

(3) 於行使優先認股權之日，即2000年12月4日，每股市值為957便士。

(4) 於行使優先認股權之日，即2000年8月1日，每股市值為879便士。

(5) 於行使優先認股權之日，即2000年11月3日，每股市值為1,037便士。

(6) 於行使優先認股權之日，即2000年8月1日，每股市值為879便士。

於年結日時，以下董事根據滙豐控股有限公司有限股份計劃，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	114,953
鄭海泉先生	60,534
陸觀豪先生	24,450
莫偉健先生	21,394
柯清輝先生	22,839
彭世文先生	22,839

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。

於截至二零零零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。

董事在與本行構成競爭之業務所佔權益

下列本行董事根據上市規則第8.10條作出申報，於二零零零年底時，在下列本行以外機構佔有權益，而該等機構之業務與本行直接或間接構成競爭或可能構成競爭：

利國偉博士為新世界金融有限公司之董事，該公司從事貸款業務。

艾爾敦先生為本行最終控股公司滙豐控股有限公司及其若干附屬公司(包括本行之直屬控股公司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及其附屬公司滙豐保險集團(亞太)有限公司之董事。

陸觀豪先生為安盛保險有限公司、中外保險有限公司及於仁保險有限公司之董事，該等公司從事一般及人壽保險業務。

莫偉健先生為滙豐投資管理(香港)有限公司及HSBC Investment Funds Hong Kong Limited之董事，該等公司皆為香港上海滙豐銀行有限公司之附屬公司。

柯清輝先生為滙豐保險集團(亞太)有限公司之董事，該公司為香港上海滙豐銀行有限公司之附屬公司。

彭世文先生為HSBC Holdings BV及其若干附屬公司之董事。HSBC Holdings BV為本行及香港上海滙豐銀行有限公司之居間控股公司。

滙豐控股有限公司透過各附屬及聯營公司提供全面之銀行、保險及有關之金融服務。

本行董事所申報其佔有權益之機構，均分別由獨立之董事會及管理層管理，並須各自向其股東負責。

本行董事會內共有七位獨立非執行董事。該等獨立非執行董事之意見對董事會所作之決定有重要之影響。本行之審核委員會由三位非執行董事組成，定期開會檢討本行及各附屬公司之財務、內部稽核及條例執行事宜。是以本行與上述董事所申報之業務，可基於各自利益獨立經營。

獨立非執行董事酬金

本行之獨立非執行董事於截至二零零零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，於二零零零年十二月三十一日，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	1,223,995,031 (64.02%)
HSBC Finance (Netherlands)	1,223,995,031 (64.02%)
滙豐控股有限公司	1,224,492,964 (64.05%)

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

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。

本地註冊認可機構披露財務資料指引

本行截至二零零零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二零零零年十一月二十三日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。

承董事會命

董事長 艾爾敦 謹啟

香港 二零零一年二月二十六日

Hang Seng Bank's attributable profit and return on shareholders' funds reached record levels in 2000. We also made good progress in value creation for shareholders.

Attributable profit increased by HK\$1,707 million, or 20.5%, to HK\$10,014 million compared with 1999. The results reflect positive achievements in our personal wealth management initiatives, a record low cost:income ratio of 24.4%, and a substantial reduction of 86.2% in provisions for bad and doubtful debts.

The return on average shareholders' funds improved substantially by six percentage points to 23.6%.

Our encouraging performance enabled the Directors to declare a second interim dividend of HK\$2.80 per share, payable on 22 March 2001. This brings the total distribution for 2000 to HK\$4.80 per share, compared with HK\$4.10 per share for 1999, excluding the special interim dividend of HK\$4.10. The total dividend payment for the year represents 92% of the attributable profit for 2000.

managing for value

Our adoption of the Managing for Value strategy in January 1999 has sharpened our focus on higher-margin, value-creating businesses to achieve consistently superior returns for shareholders. Our target is at least to double shareholder value in five years, as measured by the combination of share price appreciation and reinvested dividends.

In 1999 and 2000, the Bank achieved a total return of 77% for shareholders, compared with the average return of 58% recorded by Hang Seng Index constituents. In absolute terms, total shareholder value increased by HK\$102 billion.

Economic profit – the difference between post-

tax profit and the cost of invested capital – increased substantially by HK\$2,540 million, or 84.9%, compared with 1999.

These results were achieved under difficult operating conditions. Despite the economic recovery in 2000, financial market liquidity remained high, loan demand weak, competition intense, and the interest margin continued to narrow.

Hang Seng Bank. Exceed. Excel.

Key to our encouraging performance was the timely satisfaction of increasingly sophisticated customer needs.

We have adopted our new corporate tagline *Hang Seng Bank. Exceed. Excel.* as our annual report theme this year to highlight our strong customer focus and our commitment constantly to exceed customer expectations. In our efforts to enhance the total customer relationship, we offer a trusted brand, one-stop financial solutions, competitive pricing and high quality service. A Bank-wide culture of innovation allows us to keep improving services in a rapidly changing environment and to stay competitive.

Technology is offering exciting opportunities. The launch of our e-Banking services in August offered new channels through which we can better serve our customers, deepen our relationships with them, and generate additional business. Growth has been quick, exceeding our forecasts.

Our internet initiative has become an integral part of our services, and we shall continue to

EXCEL

EXCEL



A culture of everyday innovation encourages staff to think out-of-the-box as we take advantage of exciting new opportunities in the e-age

innovating to succeed in changing times

e CHANGE

managing to maximise shareholder value

develop as a significant e-banking force to give customers more options and better value.

outlook for 2001

In 2001, the Hong Kong economy is expected to reflect the US economic slowdown, with cooling external demand, subdued investment and slower consumption growth.

Operating conditions will remain difficult as banks contend with more intense competition, continued margin pressure, rising costs and moderate loan demand. We shall build on our many strengths – including our financial prudence, large customer franchise and efficient operating platform – to increase performance.

In our major focus areas of personal wealth management and commercial banking, we shall add to our extensive range of products and services

to help customers protect and grow their assets. The emphasis will be on increasing our share of wallet as well as market share, and on increasing non-interest income. We shall also expand in mainland China, which offers vast opportunities in the medium term.

The final phase of interest rate deregulation, which involves lifting the interest rate rules on Hong Kong dollar savings and current deposits, will take place on 1 July 2001. Following full interest rate deregulation, banks will have to compete on pricing as well as services. We shall make every effort to find ways to provide choices for different customer segments.

rewarding staff

I would like to thank our hard-working staff who are responsible for the Bank's success. In view of the

strengthening of the economy in 2000, the Bank awarded a pay increase in January 2001, which will raise salary expenses by 2%. In accordance with our commitment to a performance-based remuneration system, recognition and reward were based upon merit and demonstrated performance.

The Directors wish to convey their appreciation of the staff's understanding in the past two years when pay rises were not awarded due to the difficult operating conditions. Compensation strategies, however, allowed staff who performed strongly to be recognised: in January 2000, staff who performed outstandingly received a one-off cash award, and in April, a performance-based variable bonus was paid.

Under another incentive programme, the number of staff subscribing to the HSBC Holdings plc Overseas Savings-Related Share Option Scheme had increased to 3,390 and the number awarded options under the HSBC Holdings Executive Share Option Scheme had risen to 1,707 by the year-end.

acknowledgements

The Bank owes much to its very supportive Board of Directors. Mr David T C Ho has given notice that he will retire as a Director after the annual general meeting in April. We wish him well and are most grateful for his valuable contribution and the wise counsel he has given us since joining the Board in 1961.

We also thank our shareholders and customers for their strong support and confidence in the Bank. In this challenging environment, our solid track record and sound growth strategies have placed us in a good position to continue to deliver quality earnings and superior service to them.



David Eldon
Chairman

Hong Kong, 26 February 2001

Our objective is at least to double shareholder value in 5 years. In 1999 and 2000, we achieved a total return of 77% for shareholders



In 2000, Hang Seng Bank strengthened its value-creating franchise to achieve a record profit. Customer relationship management, new distribution channels and strong branding were critical elements in growing our business.

Guided by our new corporate tagline *Hang Seng Bank. Exceed. Excel.*, we have increased our focus on innovation and making technology work for the benefit of customers and the Bank.

Our successful e-Banking services, introduced in August to meet the online challenge, have become a vital channel for providing better service to existing customers and attracting new ones.

In our major focus areas of wealth management and commercial banking, we recorded significant progress. Expansion continued in mainland China, paving the way for future growth.

financial highlights

Our encouraging performance in a difficult operating environment highlighted the achievements in our personal wealth management initiatives, strict cost discipline and improving asset quality. Operating profit before provisions rose by 4.3% to HK\$11,540 million compared with 1999.

Net interest income increased by 0.2% to HK\$11,691 million. Although average interest-earning assets rose by 7.3%, the net interest margin fell by 19 basis points to 2.68%. This was attributable to the 17 basis point reduction in the net interest spread to 2.19% and the two basis point fall to 0.49% in the contribution from net free funds.

The reduction in net interest spread was due to the adverse effect of the continued fall in the mortgage portfolio yield and the fall in the average advances to deposits ratio from 54.3% to 52.7%. These factors outweighed the benefits of the growth

in lower cost savings deposits, the improvement in the spreads earned from time deposits, and the widening of the BLR/HIBOR gap.

Other operating income increased by 13.8% to HK\$3.6 billion. Net fees and commissions rose substantially by 33.6%, reflecting the encouraging growth in income from our wealth management initiatives. In line with our efforts to increase non-interest income, the ratio of other operating income to total operating income increased by 2.2 percentage points to 23.4%.

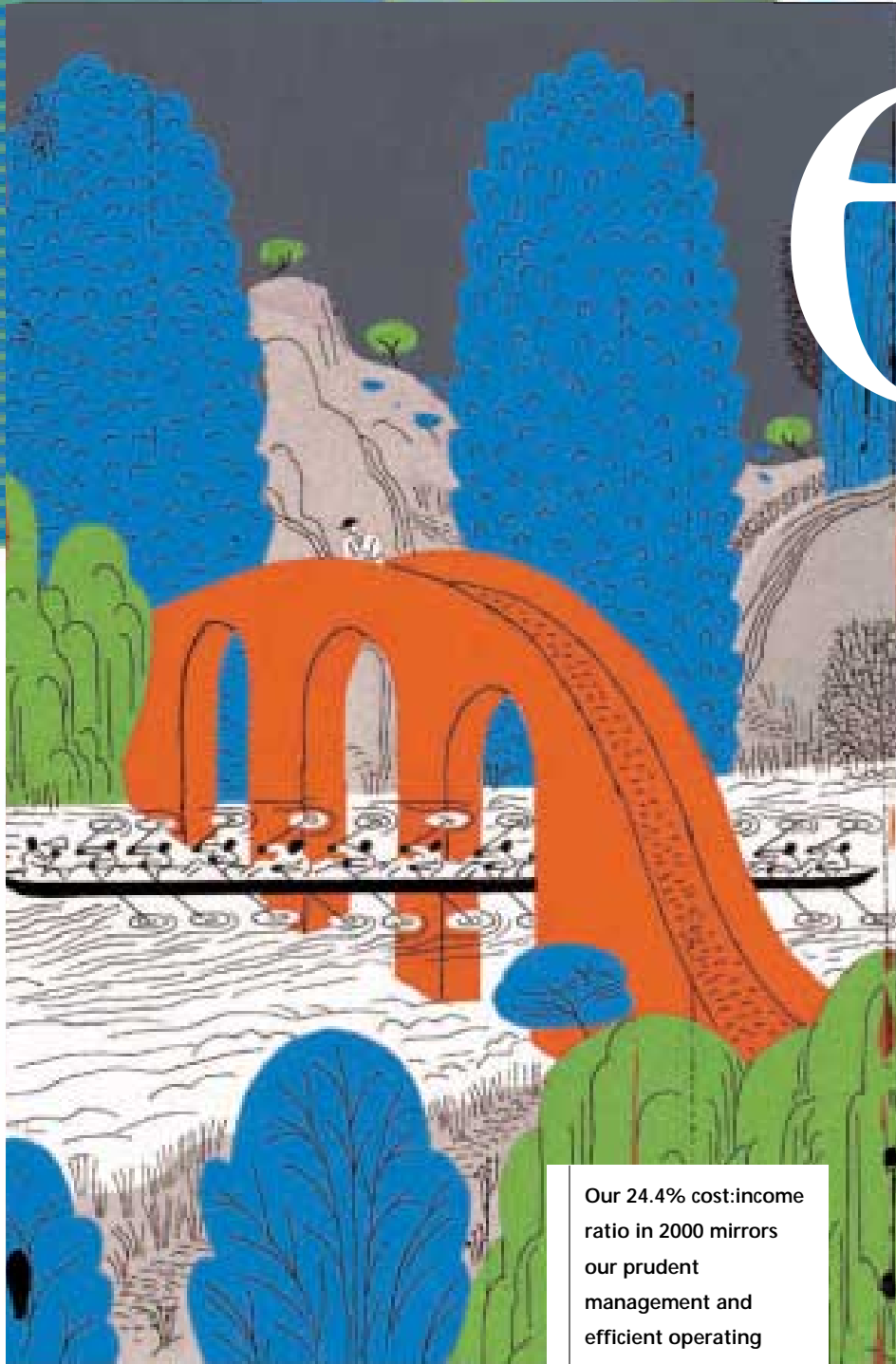
We continued to maintain a strong liquidity position. The average liquidity ratio for 2000 increased to 43.3% from 42.4% in 1999. Representing more efficient use of capital, the total capital ratio was 15.3% at 31 December 2000, compared with 17.3% a year earlier. The tier 1 capital ratio was 11.9%, compared with 13.3%.

cost leadership

Our cost:income ratio was the lowest since it was first published in 1989, falling by 0.9 of a percentage point to 24.4% in 2000 without affecting the quality of our operations.

Our strict control of costs saw operating expenses fall by 0.5%, despite the Bank's significant investments in information technology and business development. Staff costs decreased by 6.7%, mainly due to careful headcount control as the total number of staff fell further to 7,449, giving a total reduction of 712 from its peak level in 1997.

A culture of constant innovation, which



e

FFICIENT

Our 24.4% cost:income ratio in 2000 mirrors our prudent management and efficient operating platform. The ratio has consistently been among the lowest in the banking world

**a market leader
in operating efficiency**

permeates all levels of the Bank, allowed us to streamline business processes and achieve revenue gains. We also increased synergies with other members of the HSBC Group in areas including e-initiatives and the Mandatory Provident Fund business.

Reflecting the Bank's high cost efficiency, pre-tax profit per employee rose by 19.9% to a record high of HK\$1.57 million.

asset quality

In the improving economy, the net charge for bad and doubtful debts decreased significantly by HK\$1,223 million, or 86.2%, to HK\$196 million.

The net charge for specific provisions fell by HK\$1,228 million to HK\$199 million, the combined effect of a substantial reduction in provisions made and increases in releases of provisions and recoveries from doubtful accounts. There was a net release of HK\$3 million from general provisions, with provisions of HK\$122 million made and a release of HK\$125 million from the additional general provision of HK\$250 million made in 1997. The balance of the additional general provision was transferred to the general bad debt provision in view of the slowdown in the US economy and its possible implications for Hong Kong.

The ratio of total provisions to gross advances to customers continued to fall, by 0.44 of a percentage point to 2.01%. Specific provisions decreased from 1.74% to 1.36% and general provisions fell from 0.71% to 0.65%.

Gross non-performing advances (after deduction of interest in suspense) fell by HK\$1.2 billion, or 14.1%, to HK\$7.4 billion.

The ratio of non-performing advances (after deduction of interest in suspense) to total gross advances fell by 1.0 percentage point to 3.3%. Specific provisions plus collateral that is conservatively valued amounted to almost 100% of non-performing advances.

business performance

Following the redefinition in 1999 of our business lines to increase the focus on individual customer segments under the Managing for Value strategy, relationships with these segments were deepened in 2000 with a view to long-term higher value creation for both customers and the Bank.

Personal banking, which focuses on personal wealth management and financial services, remained the major profit contributor, providing 49.1% of the HK\$11,344 million operating profit after provisions. Corporate and institutional banking contributed 8.5%, commercial banking 9.8% and treasury 10.6%. Other businesses, which mainly cover the management of shareholders' funds, investment properties and long-term equity investments, provided 22.0%.

In the intensely competitive market, our market share of deposits and loans increased. Current, savings and other deposit accounts rose by 14.3% to HK\$429.6 billion at the year-end. Certificates of deposit in issue grew by 26.2% to HK\$14.7 billion.

Advances to customers (after deduction of interest in suspense and provisions) recorded encouraging growth of 10.3% to HK\$217.5 billion. This reflects the Bank's success in expanding its personal and corporate loan portfolios despite weak loan demand.

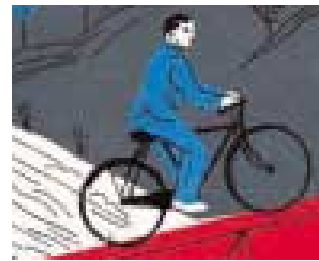
Our market share in mortgage lending also increased. Residential mortgages, excluding those under the Government Home Ownership Scheme and Staff Housing Loan Scheme, expanded by 5.6%. As a result of intense price competition, however, the average portfolio yield of residential mortgages fell from 49 basis points above BLR in 1999 to 26 basis points below BLR in 2000.

a significant e-force

In the e-age, our strategy is to use innovative technology to provide cost-efficient and value-added solutions, and to build and strengthen customer relationships.

2000 was a milestone year in our development

e NRICH



SHARING OUR SUCCESS

Hang Seng shares its success with the community. Besides education and community services, the Bank is a keen supporter of sports development in Hong Kong.

The territory's most successful squad in Paralympic history received a total of HK\$620,000 as cash

incentives under the Hang Seng Olympics and Paralympics Athlete Incentive Awards Scheme in 2000.

The Bank and the Hong Kong Sports Development Board jointly presented HK\$590,000 to 13 Paralympic athletes. The Bank, on its own initiative, presented a further HK\$110,000 to Olympic and

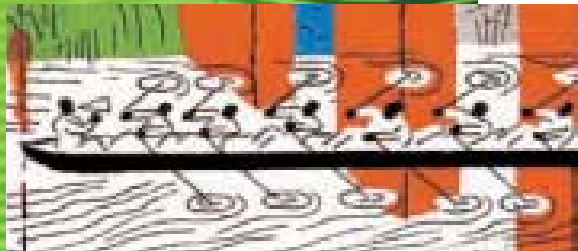
Paralympic athletes.

Members of the community were invited to pledge their support to the athletes through a specially designed website under the Hang Seng Olympic e-Wish Campaign.

As a keen supporter of sports development for the disabled, the Bank has raised over HK\$3.6 million since

1995 for disabled athletes through the Scheme and the Hang Seng Hong Kong Cup, a fund-raising table tennis championship sponsored by the Bank.

Launched in 1996, the Scheme was the first to offer cash incentives to Hong Kong's Olympic and Paralympic athletes.



E

X P A N D

building up



We are expanding our network of branches and offices in mainland China, to take advantage of its financial liberalisation and pave the way for future growth

strengths in mainland China

as a significant e-force. Our rapidly expanding Hang Seng e-Banking services, launched on 1 August, have become an important part of our integrated multi-channel delivery network.

Our secure internet initiative offers customers greater choice and maximum convenience through 'any time, any place' banking. A wide range of personal financial services is available in both English and Chinese at hangseng.com/e-Banking, from account management and investment solutions to general insurance enrolments and loan applications.

The response has been very positive, with more than 100,000 e-Banking customers registered. Internet transactions made up more than 8% of total transactions in January. Counter transactions fell from 18.4% to 15.8% of total transactions in the 12 months to December 2000.

Our e-Banking services have become a major means to deliver wealth management services to our target group of integrated account customers. The number of integrated account openings increased by an average of 44.7% per month in the six months after the August launch of e-Banking, compared with the pre-launch period in 2000.

New securities accounts grew by an average of 90% per month from August to January 2001, compared with the pre-launch period in 2000. About 40% of our securities transactions by turnover were conducted over the internet in January 2001.

The introduction of e-IPO services in September provided a one-stop solution for investors subscribing for IPO shares and received an encouraging response.

Major e-initiatives in the first half of 2000 included the launch of the Hang Seng e-shopping MasterCard – Hong Kong's first virtual card. Mobile banking services were strengthened with the launch of the WAP Information Service, which offers

financial information via WAP mobile phones.

The Hang Seng e-Banking brand name is being widely promoted through an integrated marketing communications campaign which also introduced the corporate tagline *Hang Seng Bank. Exceed. Excel.* in July.

We are also leveraging on technology to enhance our understanding of customers' needs and to strengthen relationship management. Our comprehensive data warehouse and data-mining allow us to match product development more closely to individual customer requirements.

As we expand our e-services, the role of our branches as financial advisory and sales centres is being strengthened. At the year-end, we operated 156 branches and automated banking centres in Hong Kong.

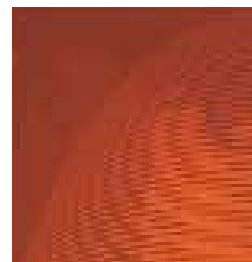
major businesses

Under Managing for Value, our focus is on higher-margin activities, which include personal wealth management delivery and growing our commercial business.

Our wealth management initiatives comprise investment and insurance services, and target our affluent and mass integrated account segments. In order to allow more customers to enjoy the benefits of our integrated accounts, the minimum balance requirement for Bank-In-One Account customers was halved to HK\$5,000. By helping increasingly sophisticated customers to protect and grow their assets, we are increasing our share of their financial spending.

With more integrated account openings and increased referrals between business units, the Bank improved its cross-selling ratio.

Income from investment and insurance services



grew impressively by 43.7% in 2000. The securities trading volume increased by 77.2% and our market share rose. Hang Seng was among the first batch of brokers to offer straight-through securities trading when AMS/3 became available.

Investment fund subscription rose by 44.5%. Funds managed under the Hang Seng Investment Series had grown by 17.9% to HK\$4.0 billion by the year-end and sale of the Series was extended to Macau. Since the start of 2000, six new sub-funds have been created under the Series, including two in February 2001, bringing the total to 19.

Hang Seng Life, a joint venture between Hang Seng Bank and HSBC, was the fastest growing life insurer in Hong Kong in 2000 in terms of annualised new premiums, according to the Hong Kong Federation of Insurers. Annualised new premiums for life insurance grew by 51.0%.

A significant market share was achieved in sales of provident fund products for the implementation of the government's Mandatory Provident Fund (MPF) scheme. We have enrolled over 160,000 employees, exceeding our target. MPF services are available online for both employers and employees.

Our credit card base grew substantially, by 25.2%, to over 875,000 in 2000. Credit card advances increased by 23.7% to HK\$4.7 billion and cardholder spending rose by 25.6% to HK\$15.4 billion, reflecting the improvement in consumer sentiment.

Our commercial banking business, which focuses on small and medium-sized enterprises (SMEs), recorded satisfactory growth as lending to the SME sector grew by 6.7%. Trade finance rose by 2.6% and our market share increased. The product suite for SMEs was widened with the introduction of factoring, automated banking and IT equipment financing.

We continued to grow in mainland China. Fuzhou Branch, opened in February 2001, joined our network of branches in Guangzhou, Shanghai and Shenzhen and representative offices in Beijing and Xiamen.

Our lending portfolio to Mainland-related entities increased by 4.6% to HK\$10.3 billion and amounted to 4.6% of total advances at the year-end.

The Bank has lodged applications for a RMB licence in Shanghai, to upgrade its Beijing representative office to a branch, and to open a branch in Nanjing. As an initial step in developing our insurance business in the Mainland, the first representative office of Hang Seng Insurance Company Limited is expected to open in Shenzhen in April 2001. Shenzhen Branch has also applied for an insurance trade-related agent licence.

The Bank was an active participant in loan syndication and corporate lending recorded good growth.

In our treasury business, we introduced more structured products and expanded our capabilities in the capital markets. Hang Seng was voted the leading bank in Hong Kong in a regional poll of domestic banks' derivatives operations conducted by *AsiaRisk* magazine. The Bank was bookrunner for more than 104 Hong Kong-dollar capital markets issues totalling HK\$19.1 billion, an increase of 58% in dollar terms over 1999, and was ranked the No. 2 bookrunner for such issues by *basis point*.

rating upgrades

Hang Seng's strong performance has won recognition from international rating agencies.

In May, Fitch upgraded the Bank's Individual rating from B to A/B – the highest rating for banks in Asia.

In August, Moody's Investors Service upgraded the Bank's long-term local currency deposit rating from A2 to Aa3 and its short-term foreign currency deposit rating from Prime 2 to Prime 1. The Bank's long-term foreign currency deposit rating of A3 and Financial Strength Rating of B were reaffirmed. The foreign currency ratings are the sovereign ceilings for Hong Kong and the Financial Strength Rating is the highest for Moody's-rated Asian banks.

Hang Seng is a
trusted name in
quality insurance and
Mandatory Provident
Fund services,
providing customers
with financial
security



e

TRUST

safeguarding
the future

e

VERGROWING



Our one-stop wealth management solutions help customers protect and grow their assets, while we increase our portion of their financial spending and market share

In January 2001, Standard & Poor's reaffirmed the Bank's Api credit rating, the highest rating for banks in Hong Kong.

an innovative workforce

It is our staff who have maintained our competitive edge and delivered our success. A series of comprehensive programmes was launched to attract, retain and motivate the very best people. These have encouraged staff to create value through innovation, strengthened staff quality and enhanced the one-team spirit.

The Bank's culture of innovation was reinforced with the redesignation of the Work Improvement

improve efficiency, promote team spirit and share best practice benchmarks. The Bank received a Good People Management Award from the Labour Department in January 2001.

good citizenship

We share our success with the communities we serve through philanthropic and sponsorship activities. Our commitment is focused primarily on education, community services and sports.

Six outstanding students in Hong Kong and mainland China were awarded scholarships to study abroad under the Hang Seng Bank Overseas Scholarship Scheme in 2000, taking the total number

growing with our customers

Scheme, set up in 1992, as Workforce Innovations for Service Excellence (WISE). An Innovation Champion was appointed to lead the Bank-wide drive to exceed, excel, both in the Bank's business and in personal development.

Around 1,000 ideas to improve work quality and capture business opportunities were received from staff in 2000. Operational savings and revenue generation from the implementation of ideas in 2000 reached HK\$22.3 million, taking the total since 1992 to HK\$63.5 million on an annual recurring basis. Staff and departments whose ideas were adopted were recognised and rewarded.

As part of our significant investments in our people, training initiatives enabled staff to develop multi-skills to meet new business challenges and advance along their career paths. The Managing for Value concept, innovation culture, and sales and service mindset were reinforced. An e-Education Plan, fostering e-knowledge, was well received. The average number of training days per staff member per year increased by 24% to 7.5 days, compared with 1999.

Internal communications were strengthened to

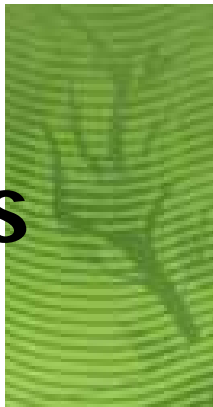
of students benefiting from the scheme to 18 since its inception in 1996.

Including scholarships offered to students in Hong Kong and the Mainland, the Bank has allocated nearly HK\$20 million to various scholarship schemes since 1996, benefiting about 270 students.

In 2000, the Bank sponsored the Hang Seng Olympics and Paralympics Athlete Incentive Awards Scheme for the second time. The Hang Seng Table Tennis Development Programme, launched in 1991 as the first long-term development programme for a single sport in Hong Kong, attracted 12,000 participants in 2000. Since 1991, the Bank has contributed more than HK\$11 million to the programme.

The Bank was the major sponsor of The Hong Kong Philharmonic Orchestra's Blossom With Music programme for the third year, bringing music education to 51,000 students from over 250 schools – an increase of 11% from 1999.

As part of its environmental initiatives, Bank staff planted 10,000 trees under the government's Corporate Afforestation Scheme for the second consecutive year.



future prospects

In 2001, operating conditions will remain difficult in the face of more intense competition, continued pressure on margins, rising costs and moderate loan demand.

Hang Seng will redouble efforts to exceed customer expectations, expand its franchise and achieve sustainable growth. We shall leverage on our strong brand and superior service to build more profitable long-term customer relationships. Segmentation will remain an important strategy in relationship management.

We shall also diversify revenue sources, maintain strict cost discipline and enhance our strong distribution network.

In personal wealth management, we shall add to our extensive range of products and services to grow our customer base and non-interest income through cross-selling. As the second-largest locally-incorporated bank in Hong Kong, we already serve more than one-third of its population and there is vast scope for cross-selling. In order to serve high net worth customers better, our Bank Smart Prestige service will be enhanced and renamed Prestige Banking in March 2001. It will combine high quality wealth management services with value-added benefits.

In commercial banking, we shall focus on building up our customer base of small and medium-sized enterprises, which make up the lion's share of Hong Kong businesses. Through our Mandatory Provident Fund services to this group, we have developed a large new customer base to cross-sell to.

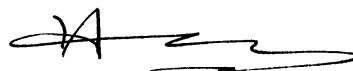
In order to mitigate the adverse effects of the final phase of interest rate deregulation, which will

take place in July, we are developing businesses that will increase our fee income, as described above. We are also rebalancing our loan mix and becoming more active in consumer financing, to help counter the squeeze in mortgage margins.

In the rapidly developing market, we aim to offer the best e-services to customers. e-Services will be widened extensively in 2001 as we continue to build up product coverage. An online business banking platform will be launched for commercial customers later in the year, in line with the strategy of growing our commercial business. Also to be introduced are online loans approval, bill presentment, a wide range of credit card services, treasury services and property services. We are preparing to launch wireless banking when the platform becomes mature.

Growth in the medium term will be underpinned by expansion in the Mainland. We shall expand our network of branches and offices in strategic cities, to take advantage of the vast opportunities that will come with China's World Trade Organization entry.

Under Managing for Value, we shall optimise capital and resource allocation to maximise business opportunities and deliver the high quality services our customers demand. By becoming the bank of choice for customers, we shall strengthen our market leadership and increase value creation for shareholders.



Vincent H C Cheng

Vice-Chairman and Chief Executive

Hong Kong, 26 February 2001

FINANCIAL PERFORMANCE

profit and loss account

SUMMARY OF FINANCIAL PERFORMANCE (HK\$M)	2000	1999
Operating profit before provisions	11,540	11,065
Profit on ordinary activities before tax	11,675	9,784
Profit attributable to shareholders	10,014	8,307
Earnings per share (HK\$)	5.24	4.35

Hang Seng Bank Limited (the Bank) and its subsidiary companies (Hang Seng) reported a profit attributable to shareholders of HK\$10,014 million for 2000, an increase of 20.5 per cent compared with 1999, and for the first time exceeding the HK\$10 billion level. Earnings per share of HK\$5.24 were 20.5 per cent higher than in 1999.

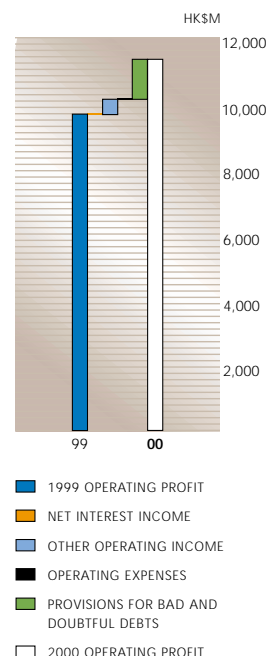
Operating profit before provisions increased by 4.3 per cent to HK\$11,540 million, mainly due to encouraging growth in other operating income, stable net interest income and lower operating expenses. Operating profit rose by 17.6 per cent to HK\$11,344 million, benefiting from a substantial reduction in provisions for bad and doubtful debts. Profit before tax amounted to HK\$11,675 million, 19.3 per cent higher than 1999, with an increase in profit on the disposal of long-term investments and a surplus on property revaluation which was credited to the profit and loss account (representing the reversal of revaluation deficits on the same properties which had been previously charged to profit and loss).

economic profit

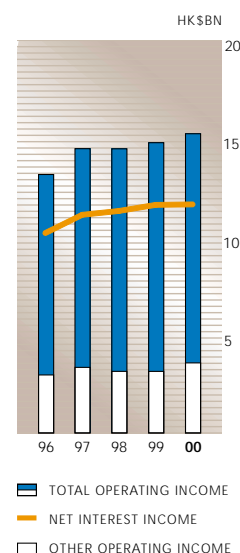
In implementing its Managing for Value strategy, Hang Seng has adopted economic profit as a value-based performance measurement. This is to align the objectives of Hang Seng's management to that of its shareholders. Economic profit is calculated from profit after tax, adjusted for non-cash items, and takes into account the cost of capital invested by Hang Seng's shareholders. For this purpose, the cost of capital is currently estimated to be 15.0 per cent.

Economic profit increased by HK\$2,540 million, or 84.9 per cent, to HK\$5,532 million, the combined effect of an increase of 19.7 per cent in the return on invested capital and a reduction of 16.3 per cent in the cost of capital. The improvement in the return on invested capital (defined as profit after tax adjusted for non-cash items) reflected the satisfactory operating results of the year. Average invested capital fell as a result of the distribution of the special interim dividend in November 1999 to achieve more efficient use of capital, leading to the reduced charge for the cost of capital.

OPERATING PROFIT ANALYSIS



TOTAL OPERATING INCOME



HK\$M	2000	%	1999	%
Average invested capital	30,259		36,229	
Return on invested capital*	10,068	33.3	8,408	23.2
Cost of capital	(4,536)	(15.0)	(5,416)	(15.0)
Economic profit	5,532	18.3	2,992	8.2

*Return on invested capital represents profit after tax adjusted for non-cash items.

net interest income

NET INTEREST INCOME (HK\$M)	2000	1999
Interest income	31,913	28,072
Interest expense	(20,222)	(16,405)
Net interest income	11,691	11,667
Average interest-earning assets	435,759	406,113
Net interest spread (% p.a.)	2.19	2.36
Net interest margin (% p.a.)	2.68	2.87

Net interest income was held broadly in line with last year, with a slight increase of HK\$24 million, or 0.2 per cent. Average interest earning assets grew by HK\$29.6 billion, or 7.3 per cent, to HK\$435.8 billion. The net interest margin, however, fell by 19 basis points to 2.68 per cent due to the 17 basis points fall in net interest spread to 2.19 per cent and a 2 basis points reduction to 0.49 per cent in the contribution from net free funds.

The reduction in net interest spread was attributable to the adverse effect of the continued fall in the mortgage portfolio yield and the fall in the average advances to deposits ratio from 54.3 per cent to 52.7 per cent. Together, these factors outweighed the benefits of the growth in lower cost savings deposits, improvements in the spread earned from time deposits and the widening of the BLR/HIBOR gap. The average portfolio yield of residential mortgages (excluding those under the Government Home Ownership Scheme and Staff Housing Loan Scheme) fell from 49 basis points above BLR in 1999 to 26 basis points below BLR in 2000 as a result of intense price competition.

The contribution from net free funds declined due to the reduction in average balances following the payment of the special interim dividend of HK\$7.8 billion in November 1999, and despite an improvement in average yield due to higher market interest rates.

other operating income

Other operating income increased by HK\$433 million, or 13.8 per cent, compared with 1999. Net fees and commissions rose substantially by HK\$521 million, or 33.6 per cent, reflecting the encouraging growth in income from wealth management initiatives including securities broking and related services, sale of retail investment funds and commissions from life insurance products. There were also increased contributions from credit facilities, card services and trade finance. Dealing profits decreased by HK\$55 million, or 9.4 per cent, affected by lower foreign exchange income and a small loss in securities and other

trading activities. Other operating income fell by HK\$25 million, or 3.8 per cent, due to a decrease in general insurance underwriting profits.

operating expenses

Operating expenses were reduced by HK\$18 million, or 0.5 per cent, although there were significant new investments in IT and business development. Staff costs decreased by HK\$147 million, or 6.7 per cent, mainly as a result of careful headcount control. Depreciation increased by HK\$10 million, or 2.6 per cent, compared with 1999. Premises and equipment expenses increased by HK\$34 million, or 4.6 per cent, mainly in IT costs, although repair and maintenance, rates and utilities expenses fell. Other operating expenses increased by HK\$85 million, or 19.4 per cent, mainly attributable to increases in marketing expenditure. The cost:income ratio improved to 24.4 per cent (25.3 per cent for 1999), the lowest since this ratio was first published in 1989.

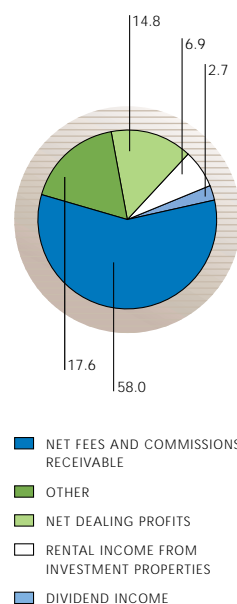
provisions for bad and doubtful debts

NET CHARGE TO PROFIT AND LOSS ACCOUNT (HK\$M)	2000	1999
Net charge/(release) for bad and doubtful debts		
Specific	199	1,427
General	(3)	(8)
Total	196	1,419
Average gross advances to customers	214,662	201,121
Net charge for bad and doubtful debts as a percentage of average gross advances to customers		
Specific	0.1%	0.7%
General	-	-
Total	0.1%	0.7%

The charge for bad and doubtful debts decreased significantly by HK\$1,223 million, or 86.2 per cent, to HK\$196 million compared with last year. The net charge for specific provisions fell by HK\$1,228 million to HK\$199 million, the combined effect of a substantial reduction in new and additional provisions made and increases in releases of provisions and recoveries from doubtful accounts. There was a net release of HK\$3 million from general provisions, with provisions of HK\$122 million made against loan growth for the year and a release of HK\$125 million from the additional general provision of HK\$250 million made in 1997. In view of the slowdown in the US economy and its possible implications for the Hong Kong economy, the balance of the additional provision of HK\$125 million has been transferred to the general provisions for bad and doubtful debts.

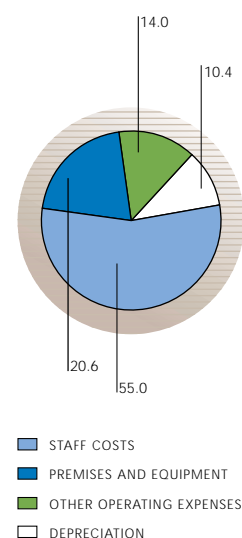
OTHER OPERATING INCOME FOR 2000

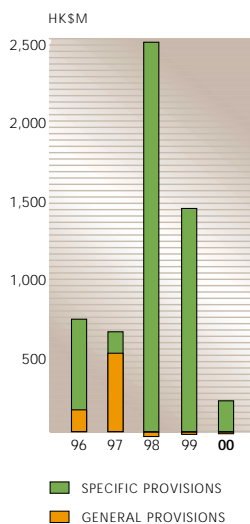
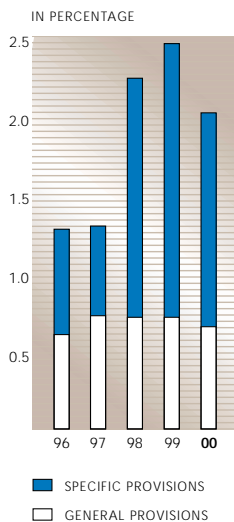
IN PERCENTAGE



OPERATING EXPENSES FOR 2000

IN PERCENTAGE



**NET CHARGE FOR
BAD AND DOUBTFUL
DEBTS****PROVISIONS AS A
PERCENTAGE OF
GROSS ADVANCES TO
CUSTOMERS**

ADVANCES TO CUSTOMERS AND PROVISIONS (HK\$M)	2000	1999
Gross advances to customers*	221,973	202,244
Specific provisions	(3,017)	(3,522)
General provisions	(1,438)	(1,441)
Advances to customers**	217,518	197,281
Gross non-performing advances*	7,434	8,658
Non-performing advances* as a percentage of gross advances to customers*	3.3%	4.3%
Provisions as a percentage of gross advances to customers*		
Specific provisions	1.36%	1.74%
General provisions	0.65%	0.71%
Total provisions	2.01%	2.45%
Specific provisions as a percentage of gross non-performing advances*	40.6%	40.7%

*After deduction of interest in suspense.

**After deduction of interest in suspense and provisions.

Gross non-performing advances (after deduction of interest in suspense) fell by HK\$1,224 million, or 14.1 per cent, compared with the end of 1999, due to a combination of write-offs and the upgrading of certain rescheduled advances and doubtful accounts to performing status. The percentage of gross non-performing advances to total gross advances to customers was 3.3 per cent, a reduction of one percentage point compared with the end of 1999.

profit on tangible fixed assets and long-term investments

Profit on disposal of tangible fixed assets and long-term investments rose by HK\$143 million to HK\$248 million compared with last year, mainly from the disposal of locally-listed equities.

surplus on property revaluation

The Bank's premises and investment properties were revalued by HSBC Property (Asia) Limited, which is a fellow subsidiary company of the Bank, as at 30 November 2000. The valuations were carried out by qualified valuers who are members of the Hong Kong Institute of Surveyors. The basis of the valuation for premises was open market value for existing use. The basis of the valuation for investment properties was open market value. The property revaluation has resulted in a surplus on HK\$612 million, of which HK\$584 million has been credited to the Bank's revaluation reserves at 31 December 2000. The remaining amount of HK\$28 million has been credited to the profit and loss account. This represented the reversal of revaluation deficits of the same properties which had been previously charged to the profit and loss account when their market values fell below depreciated historical costs.

balance sheet

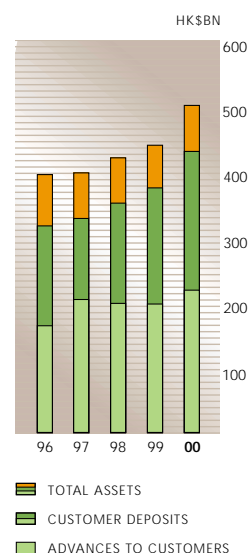
total assets

Total assets grew by HK\$58.7 billion, or 13.3 per cent, to HK\$500.8 billion at 31 December 2000. Advances to customers recorded encouraging growth of 10.3 per cent compared with last year, mainly in corporate lending and residential mortgages. Interbank assets and debt securities also increased. The increase in total assets was largely driven by the 14.3 per cent growth in customer deposits during the year.

shareholders' funds

AT 31 DECEMBER (HK\$M)	2000	1999
Share capital	9,559	9,559
Retained profits	18,732	17,729
Premises and investment properties revaluation reserves	8,742	8,228
Long-term equity investment revaluation reserve	3,452	3,959
Capital redemption reserve	99	99
Total shareholders' funds	40,584	39,574
Return on average shareholders' funds (% p.a.)	23.6	17.6

TOTAL ASSETS, CUSTOMER DEPOSITS AND ADVANCES TO CUSTOMERS



Shareholders' funds grew by HK\$1,010 million to HK\$40,584 million at 31 December 2000, mainly from profit after appropriation for the year. The long-term equity investment revaluation reserve decreased by HK\$507 million, due to realisation on disposals and the fall in fair value of locally-listed equities at 31 December 2000. The premises and investment properties revaluation reserves increased by HK\$514 million, reflecting a recovery in the commercial property market.

The return on average shareholders' funds for 2000 improved substantially to a record high of 23.6 per cent, compared with 17.6 per cent for 1999, benefiting from the growth in attributable profit for the year and lower average shareholders' funds following the distribution of the special interim dividend in November 1999.

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

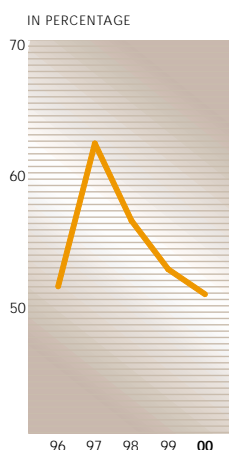
customer deposits

Current, savings and other deposit accounts rose by HK\$53.9 billion, or 14.3 per cent, to HK\$429.6 billion, compared with HK\$375.7 billion at 31 December 1999. The growth was mainly in US dollar time deposits and HK dollar time deposits and savings accounts.

Certificates of deposit in issue increased by HK\$3.1 billion, or 26.2 per cent, to HK\$14.7 billion at 31 December 2000.

advances to customers

Advances to customers (after deduction of interest in suspense and provisions) showed encouraging growth of HK\$20.2 billion, or 10.3 per cent, and reached HK\$217.5 billion at 31 December 2000. This reflected

ADVANCES TO DEPOSITS RATIO

the Bank's efforts to expand the loan portfolios, both personal and corporate, in the face of strong competition and sluggish loan demand in Hong Kong during the year.

advances to deposits ratio

The advances to deposits ratio was 50.6 per cent at 31 December 2000, compared with 52.5 per cent at 31 December 1999, reflecting higher growth in customer deposits than in advances to customers.

performance by line of business

Hang Seng's major business lines, organised to serve the respective customer segments, are Personal banking, Corporate and institutional banking, Commercial banking and Treasury. The operating results of the business lines and their contribution to Hang Seng's operating profit in 2000 are as follows.

ANALYSIS OF OPERATING PROFIT (HK\$M)	2000					
	PERSONAL BANKING	CORPORATE & INSTITUTIONAL BANKING	COMMERCIAL BANKING	TREASURY	OTHERS	TOTAL
Operating profit before provisions	5,914	1,012	1,039	1,201	2,374	11,540
Provisions for bad and doubtful debts						
Specific	(292)	3	90	-	-	(199)
General	(54)	(56)	(13)	-	126	3
Operating profit for 2000	5,568	959	1,116	1,201	2,500	11,344
Contribution to total operating profit	49.1%	8.5%	9.8%	10.6%	22.0%	100.0%
Operating profit for 1999	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%	100.0%

Personal banking contributed 49.1 per cent of Hang Seng's operating profit and recorded a growth of 9.1 per cent over 1999. Despite intense price competition in mortgage loan pricing which resulted in a further decline in the net interest margin, the operating results of personal banking benefited from strong growth in other operating income due to successful wealth management initiatives.

Corporate and institutional banking recorded a growth of 65.9 per cent in operating profits and contributed 8.5 per cent of Hang Seng's total for 2000. Corporate and institutional banking expanded its loan portfolio significantly and was active in the loan syndication market. Its satisfactory operating results benefited from the growth in both net interest income and other operating income, together with a net release of provisions for bad and doubtful debts.

Commercial banking achieved a growth of 739 per cent in operating profit and contributed 9.8 per cent of Hang Seng's total for 2000. The business continued to expand its customer base of small and medium-sized enterprises and improve asset quality. The performance for the year was attributable to the

growth in net interest and other operating income together with a substantial release of bad and doubtful debt provisions.

Treasury's operating profit for the year fell by 21.9 per cent and contributed 10.6 per cent of Hang Seng's total. Its performance was affected by the reduction in market volatility.

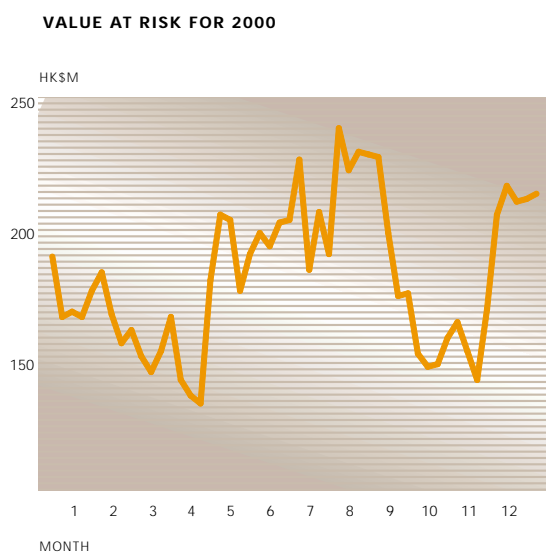
Others mainly comprised income from shareholders' funds, premises and investment properties, long-term equity investments and the partial release of the additional general provision set up in 1997. This line contributed 22.0 per cent of the total operating profit in 2000, an increase of 9.0 per cent over 1999.

CAPITAL AND LIQUIDITY MANAGEMENT

capital resources management

ANALYSIS OF CAPITAL BASE AND RISK-WEIGHTED ASSETS (HK\$M)	2000	1999
Capital base		
Tier 1 capital		
Share capital	9,559	9,559
Retained profits	18,455	17,489
Capital redemption reserve	99	99
Total	28,113	27,147
Tier 2 capital		
Premises and investment properties revaluation reserves	5,860	5,786
Long-term equity investment revaluation reserve	2,043	2,266
General loan provisions	1,437	1,440
Total	9,340	9,492
Unconsolidated investments and other deductions	(1,346)	(1,350)
Total capital base after deductions	36,107	35,289
Risk-weighted assets		
On-balance sheet	220,037	193,541
Off-balance sheet	13,982	9,783
Total risk-weighted assets	234,019	203,324
Total risk-weighted assets adjusted for market risk	235,453	204,141
Capital adequacy ratios		
After adjusting for market risk		
Tier 1	11.9%	13.3%
Total	15.3%	17.3%
Before adjusting for market risk		
Tier 1	12.0%	13.4%
Total	15.4%	17.4%

Capital adequacy is measured by the ratio of capital base to risk-weighted assets. The total capital ratio was 15.3 per cent at 31 December 2000, compared with 17.3 per cent at 31 December 1999. The tier 1 capital ratio was 11.9 per cent (13.3 per cent at 31 December 1999). The capital base recorded a moderate growth of 2.3 per cent. Risk-weighted assets adjusted for market risk, on the other hand, grew by 15.3 per cent, mainly attributable to the growth in advances to customers, interbank assets and debt securities.



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 43.3 per cent in 2000 (42.4 per cent in 1999).

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 inter-bank 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\$3,057 million to HK\$14,730 million at the end of 2000.

RISK MANAGEMENT

Risk management is an integral part and a core element of Hang Seng's business management. The Bank's internal control environment and high standard of corporate governance are described on page 74 in the Directors' Report. The following discussion covers the comprehensive risk management policies and procedures to identify, monitor and control the various types of risks to which Hang Seng's business is exposed.

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, formulates credit policies and monitors the compliance of statutory and internal limits on credit exposures. The credit risk management function is independent of business units. It oversees the implementation of credit policies and ensures the quality of credit evaluation and approval.

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. 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 (accrual 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 adopts 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.

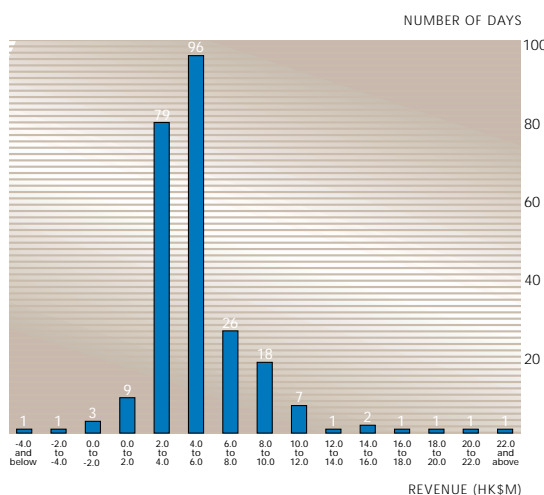
VaR is a technique which estimates the potential losses that could occur on risk positions taken due to movements in market rates and prices over a specified time horizon and to a given level of confidence. The model used by Hang Seng calculates VaR on a variance/covariance basis, using historical movements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

Hang Seng has obtained approval from the Hong Kong Monetary Authority (HKMA) for the use of its VaR model to calculate market risk for capital adequacy reporting. The HKMA is also satisfied with Hang Seng's market risk management process.

The VaR for all interest rate risk and foreign exchange risk positions at 31 December 2000 was HK\$213 million, compared with HK\$199 million at 31 December 1999. The average VaR for 2000 was HK\$179 million, with a maximum of HK\$243 million and minimum of HK\$119 million in the year. On an individual portfolio basis, the values at risk at 31 December 2000 relating to the trading portfolio and accrual portfolio were HK\$7 million (HK\$18 million at 31 December 1999) and HK\$212 million (HK\$198 million at 31 December 1999) respectively.

The average daily revenue earned from market risk-related treasury activities in 2000, including accrual book net interest income and funding related to dealing positions, was HK\$5 million (HK\$7 million

DAILY DISTRIBUTION OF MARKET RISK REVENUES FOR 2000



for 1999). The standard deviation of these daily revenues was HK\$3 million (HK\$4 million for 1999). An analysis of the frequency distribution of daily revenues shows that out of 247 trading days in 2000, losses were recorded on only five days and the maximum daily loss was HK\$5 million. The most frequent result was a daily revenue of between HK\$2 million and HK\$6 million, with 175 occurrences. The highest daily revenue was HK\$23 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 VaR relating to foreign exchange positions was HK\$6 million at 31 December 2000 (HK\$18 million at 31 December 1999) and the average amount for 2000 was HK\$8 million, with a maximum of HK\$20 million and a minimum of HK\$0.1 million in the year. The average one-day foreign exchange profit for 2000 was HK\$1 million (HK\$2 million for 1999).

Structural foreign exchange positions represent Hang Seng's net investment in branches and subsidiaries outside Hong Kong. Hang Seng's structural foreign exchange positions are mainly in US dollar and are managed by the Asset and Liability Management Committee.

Foreign currency exposures arising from dealing, non-dealing and structural positions, where an individual currency constitutes 10 per cent or more of the total net position in all foreign currencies, are shown separately as follows:

TOTAL FOREIGN CURRENCY POSITION (HK\$M)	2000		
	US\$	OTHER FOREIGN CURRENCIES	TOTAL FOREIGN CURRENCIES
Spot assets	209,969	88,563	298,532
Spot liabilities	(187,255)	(74,755)	(262,010)
Forward purchases	79,272	21,146	100,418
Forward sales	(95,630)	(34,920)	(130,550)
Net options positions	2	(2)	–
Net long non-structural position	6,358	32	6,390
Net structural position	508	127	635

interest rate exposure

Interest rate risk arises in both the treasury dealing portfolio and accrual books, which are managed by Treasury under limits approved by the Board of Directors. The VaR relating to interest rate exposures was HK\$213 million at 31 December 2000 (HK\$198 million at 31 December 1999) and the average amount for 2000 was HK\$178 million, with a maximum of HK\$243 million and a minimum of HK\$119 million in the year. The average daily revenue earned from treasury-related interest rate activities for 2000 was HK\$4 million (HK\$5 million for 1999).

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.

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 takes into account behavioural characteristics in the management of its interest rate risk, rather than on the contractual basis set out in the table below.

INTEREST RATE SENSITIVITY ANALYSIS (HK\$M)	2000					TOTAL
	UP TO 3 MONTHS	MORE THAN 3 MONTHS AND UP TO 6 MONTHS	MORE THAN 6 MONTHS AND UP TO 12 MONTHS	MORE THAN 12 MONTHS	NON-INTEREST EARNING/ BEARING	
Assets						
Cash and short-term funds	119,238	2,350	3,811	-	3,913	129,312
Placings with banks						
maturing after one month	35,756	13,198	9,451	-	-	58,405
Certificates of deposit	14,013	1,483	200	1,536	-	17,232
Investment securities	22,872	4,966	4,251	7,196	4,484	43,769
Advances to customers	205,232	4,479	890	6,680	237	217,518
Other assets*	7,145	400	542	1,704	24,757	34,548
Total assets	404,256	26,876	19,145	17,116	33,391	500,784
Liabilities						
Current, savings and other						
deposit accounts	399,109	11,201	4,918	2,803	11,574	429,605
Deposits from banks	3,551	14	13	-	224	3,802
Other liabilities*	8,759	81	146	-	17,807	26,793
Shareholders' funds	-	-	-	-	40,584	40,584
Total liabilities	411,419	11,296	5,077	2,803	70,189	500,784
Off-balance sheet positions						
Assets	25,177	11,282	7,973	15,606	-	60,038
Liabilities	43,927	2,212	5,873	8,026	-	60,038
Net gap position	(25,913)	24,650	16,168	21,893	(36,798)	-
Cumulative gap position	(25,913)	(1,263)	14,905	36,798	-	-

*Amounts due from/to immediate holding company and fellow subsidiary companies are included under other assets and other 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 2000 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)	CONTRACT AMOUNT		MARK-TO-MARKET VALUES	
	DEALING	NON-DEALING	POSITIVE	NEGATIVE
2000				
Foreign exchange contracts				
Spot and forward	169,896	–	1,448	1,877
Currency swaps	1,900	301	11	3
Currency options	4,303	–	32	32
Interest rate contracts				
Interest rate swaps	27,990	18,961	722	285
Futures and forward rate agreements	750	–	–	1
Interest rate options written	–	5,479	–	58
Analysis of mark-to-market values				
Dealing contracts			1,640	2,099
Non-dealing contracts			573	157

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 above provides an analysis of derivatives by product at 31 December 2000, 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 on page 74 in the Directors' Report. 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 JP

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

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

The Hon Eric K C Li FHKSA, OBE, JP

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

S C Penney

David W K Sin DSSc (Hon)

Richard Y S Tang MBA, BBS, 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

Managing Director and**General Manager**

W K Mok FCCA, AHKSA, ACIS, ACIB

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183 Queen's Road East, Wanchai, Hong Kong



The Honourable
LEE Quo-Wei GBM, JP
HONORARY CHAIRMAN

The Honourable LEE Quo-Wei GBM, JP

• HONORARY CHAIRMAN

Age 82. 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 ELDON JP
CHAIRMAN

Mr David Gordon ELDON JP • CHAIRMAN

Age 55. 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, MTR Corporation Limited 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 52. 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. Chairman of the Process Review Panel for the Securities and Futures Commission. Vice-Chairman of Business and Professionals Federation of Hong Kong. A Committee Member of The Chinese General Chamber of Commerce. A member of 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. Visiting professor of Zhejiang University of China since September 2000. Honorary professor of Southwestern University of Finance & Economics of China since October 2000.

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

Age 57. 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 75. 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 92. 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 78. Joined the Bank in 1956 until 1983. Appointed a Director in December 1961. Chairman of Bethlehem Management Limited.

***Mr Jenkin HUI**

Age 57. 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.

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

Age 72. Chairman of Hysan Development Company Limited. A Director of Cathay Pacific Airways Limited, China Unicom Limited and The Hong Kong and China Gas Company Limited. Chairman of the Council of The Chinese University of Hong Kong. Member of the Process Review Panel for the Securities and Futures Commission. Awarded the Gold Bauhinia Star by the Hong Kong Special Administrative Region Government in July 2000. Appointed a Director of the Bank in October 1986.

***Dr the Hon LI Ka Cheung Eric** FHKSA, OBE, JP

Age 47. 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. Director of The Kowloon Motor Bus Holdings Limited, Smartone Telecommunications Holdings Limited, Wong's International (Holdings) Limited, CATIC International Limited, SIIC Medical Science and Technology (Group) Limited and hkcyber.com (Holdings) 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. Appointed a Director of the Bank in February 2000.

Dr LO Hong Sui Vincent GBS, JP

Age 52. 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 49. 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, AXA General Insurance Hong Kong Limited and Union Insurance Society of Canton, Limited. A member of the Broadcasting Authority and the Advisory Committee on New Broad-base taxes. 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 52. 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 in August 1999. Appointed a Managing Director and General Manager of the Bank since April 2000. Responsible for retail banking, private banking, investment services and insurance business of the Bank. Member of Hong Kong Monetary Authority's Deposit-taking Companies Advisory Committee. Vice-Chairman of the Board of Li Po Chun World College (Hong Kong), Limited and a Board Member of Hang Seng School of Commerce.

Mr OR Ching Fai Raymond

Age 51. General Manager of The Hongkong and Shanghai Banking Corporation Limited since February 2000. Chairman of HSBC Insurance (Asia-Pacific) Holdings Limited. A Director of Cathay Pacific Airways Limited, Esprit Holdings Limited, Hong Kong Interbank Clearing Limited and Hutchison Whampoa Limited. Chairman of The Hong Kong Association of Banks and a Council Member of The Hong Kong Trade Development Council in 2000. Appointed a Director of the Bank in February 2000.

Mr Simon Christopher PENNEY

Age 52. 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 71. Chairman of Myer Jewelry Manufacturer Limited. Vice-Chairman of Miramar Hotel and Investment Company Limited. Executive Director of

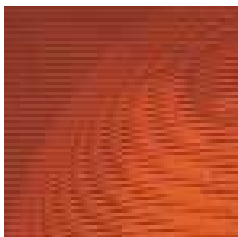
New World Development Company Limited. A Director of King Fook Holdings Limited. Appointed a Director of the Bank in November 1991.

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

Age 48. 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 Customs & Excise Service Children's Education Trust Fund Investment Advisory Board. Awarded "Justice of the Peace" in 1997. Awarded the Bronze Bauhinia Star by the Hong Kong Special Administrative Region Government in July 2000. 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 Raymond C F Or is the General Manager of The Hongkong and Shanghai Banking Corporation Limited. Mr S C Penney is a Director of HSBC Holdings BV and the Chief Financial Officer of The Hongkong and Shanghai Banking Corporation Limited. Each of HSBC Holdings plc, HSBC Holdings BV 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 OBE, JP
VICE-CHAIRMAN AND
CHIEF EXECUTIVE

Mr Vincent Hoi Chuen CHENG OBE, JP

• VICE-CHAIRMAN AND CHIEF EXECUTIVE

Age 52. 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. Chairman of the Process Review Panel for the Securities and Futures Commission. Vice-Chairman of Business and Professionals Federation of Hong Kong. A Committee Member of The Chinese General Chamber of Commerce. A member of 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. Visiting professor of Zhejiang University of China since September 2000. Honorary professor of Southwestern University of Finance & Economics of China since October 2000.

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

• MANAGING DIRECTOR AND DEPUTY CHIEF EXECUTIVE

(Biographical details are set out on page 70)

Mr MOK Wai Kin FCCA, AHKSA, ACIS, ACIB

• MANAGING DIRECTOR AND GENERAL MANAGER

(Biographical details are set out on pages 70 and 71)

The Directors have pleasure in presenting their report together with the audited accounts for the year ended 31 December 2000.

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 81 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 2000 are set out on page 115.

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\$11 million.

directors

The Board of Directors is committed to the Bank's objectives of consistently increasing shareholder value and providing superior services.

The Board, which meets regularly, sets strategies and monitors the executive management. It has

delegated authorities to the Executive and Audit Committees, details of which are given below.

The Directors of the Bank who were in office at the end of the year 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, Dr H C Lee, Dr the Hon Eric K C Li, Dr Vincent H S Lo, Mr Roger K H Luk, Mr W K Mok, Mr Raymond C F Or, 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.

The Directors retiring by rotation in accordance with the Bank's Articles of Association are Mr David T C Ho, Mr Jenkin Hui and Dr David W K Sin. Mr Jenkin Hui and Dr David W K Sin, being eligible, offer themselves for re-election. After serving the Board for more than 39 years, Mr David T C Ho has given notice that he intends to retire from the Board at the conclusion of the Annual General Meeting to be held on 19 April 2001, and therefore does not offer himself 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.

board committees

The Executive Committee and the Audit Committee were established in 1992.

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 Executive 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 review and discuss financial performance, consider the nature and scope of audit reviews and the effectiveness of the systems of internal control and compliance. The Audit Committee will also discuss matters raised by the external auditors and ensure that all audit recommendations are implemented. The members of the Audit Committee are Dr the Hon Eric K C Li (Chairman), Mr Richard Y S Tang and Mr S C Penney, all of whom are non-executive Directors of the Bank.

corporate governance

The Bank is committed to high standards of corporate governance and has followed the requirements of the Guideline on Corporate Governance of Locally Incorporated Authorised Institutions issued by the Hong Kong Monetary Authority in May 2000.

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 year, in compliance with the Code of Best Practice adopted by the Bank, which includes all the guidelines set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("the Listing Rules").

INTERNAL CONTROL

The Directors are responsible for internal control in the Bank and its subsidiaries and for reviewing its effectiveness.

The internal control framework of the Bank comprises a well-established organisation structure and comprehensive control policies and standards. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Internal control procedures have been established based on the risk inherent in the individual businesses and operational units. Their effectiveness is under constant review and assessed in accordance with the changing operating environment.

Internal Audit plays an important role in the Bank's internal control framework. It monitors the effectiveness of internal control procedures and compliance with policies and standards across all business and operational units. It also advises management on operational efficiency and other management issues.

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 Listing Rules were as set out below.

	PERSONAL INTERESTS	FAMILY INTERESTS	CORPORATE INTERESTS	OTHER INTERESTS	TOTAL INTERESTS
Number of Ordinary Shares of HK\$5 each in the Bank					
The Honourable Lee Quo-Wei	1,091,516	1,094,783	350,990 ⁽¹⁾	158,152 ⁽²⁾	2,695,441
Mr D G Eldon	300	–	–	–	300
Dr Ho Tim	3,480,252	–	–	–	3,480,252
Mr John C C Chan	–	–	–	1,000 ⁽³⁾	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

Number of Ordinary Shares of US\$0.50 each in HSBC Holdings plc

The Honourable Lee Quo-Wei	1,623,019	1,215,355	70,474 ⁽¹⁾	1,616,051 ⁽²⁾	4,524,899
Mr D G Eldon	2,570	1,249	–	–	3,819
Mr Vincent H C Cheng	23,115	42,192	–	–	65,307
Mr John C C Chan	14,283	–	–	3,000 ⁽³⁾	17,283
Dr Ho Tim	100,277	–	–	–	100,277
Mr Jenkin Hui	8,452	24,342	953,514 ⁽⁴⁾	–	986,308
Dr H C Lee	37,193	–	–	–	37,193
Dr the Hon Eric K C Li	–	17,706	77,754 ⁽⁵⁾	–	95,460
Mr Roger K H Luk	46,960	–	–	–	46,960
Mr Raymond C F Or	13,927	28,494	–	–	42,421
Mr S C Penney	10,468	–	–	–	10,468

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) 1,555,743 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 60,308 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.
- (5) Dr the Hon Eric K C Li 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 31 DECEMBER 2000	OPTIONS EXERCISED DURING THE YEAR	EXERCISE PRICE PER SHARE IN PENCE	DATE GRANTED	EXERCISABLE FROM	EXERCISABLE UNTIL
Mr D G Eldon	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	–	18,000 ⁽¹⁾	217.27	7 Mar 1995	7 Mar 1998	7 Mar 2005
	–	3,819 ⁽²⁾	180.60	10 Apr 1995	1 Aug 2000	31 Jan 2001
	–	24,000 ⁽³⁾	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
	1,875	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
	1,119	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
Mr Roger K H Luk	1,248	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
	1,679	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
Mr W K Mok	3,126	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
Mr Raymond C F Or	–	3,819 ⁽⁴⁾	180.60	10 Apr 1995	1 Aug 2000	31 Jan 2001
	21,000	–	333.34	1 Apr 1996	1 Apr 1999	1 Apr 2006
	21,000	–	501.60	24 Mar 1997	24 Mar 2000	24 Mar 2007
	21,000	–	627.67	16 Mar 1998	16 Mar 2001	16 Mar 2008
	1,875	–	539.80	1 Apr 1999	1 Aug 2004	31 Jan 2005
	1,119	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006
Mr S C Penney	–	15,135 ⁽⁵⁾	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 ⁽⁶⁾	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
	1,119	–	602.99	10 Apr 2000	1 Aug 2005	31 Jan 2006

Notes:

- (1) As at the date of exercise, 16 May 2000, the market value per share was 735.50p.
(2) As at the date of exercise, 1 August 2000, the market value per share was 879p.
(3) As at the date of exercise, 4 December 2000, the market value per share was 957p.

- (4) As at the date of exercise, 1 August 2000, the market value per share was 879p.
(5) As at the date of exercise, 3 November 2000, the market value per share was 1,037p.
(6) As at the date of exercise, 1 August 2000, the market value per share was 879p.

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	114,953
Mr Vincent H C Cheng	60,534
Mr Roger K H Luk	24,450
Mr W K Mok	21,394
Mr Raymond C F Or	22,839
Mr S C Penney	22,839
.....	

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 2000.

directors' interests in competing businesses

Pursuant to Rule 8.10 of the Listing Rules, at the end of the year, the following Directors had declared interests in the following entities which compete or are likely to compete, either directly or indirectly, with the businesses of the Bank:

The Honourable Lee Quo-Wei is a Director of New World Finance Co. Ltd., which conducts money lending business.

Mr D G Eldon is a Director of HSBC Holdings plc, the ultimate holding company of the Bank, and certain of its subsidiaries, including The Hongkong and Shanghai Banking Corporation Limited, the immediate holding company of the Bank.

Mr Vincent H C Cheng is a Director of The Hongkong and Shanghai Banking Corporation

Limited and HSBC Insurance (Asia-Pacific) Holdings Limited, a subsidiary of The Hongkong and Shanghai Banking Corporation Limited.

Mr Roger K H Luk is a Director of AXA General Insurance Hong Kong Limited, British Traders' Insurance Company Limited and Union Insurance Society of Canton, Limited, which conduct general and life insurance business.

Mr W K Mok is a Director of HSBC Asset Management Hong Kong Limited and HSBC Investment Funds Hong Kong Limited, subsidiaries of The Hongkong and Shanghai Banking Corporation Limited.

Mr Raymond C F Or is a Director of HSBC Insurance (Asia-Pacific) Holdings Limited, a subsidiary of The Hongkong and Shanghai Banking Corporation Limited.

Mr S C Penney is a Director of HSBC Holdings BV, an intermediate holding company of both the Bank and The Hongkong and Shanghai Banking Corporation Limited, and certain of its subsidiaries.

HSBC Holdings plc, through its subsidiaries and associated undertakings, is engaged in providing a comprehensive range of banking, insurance and related financial services.

The entities in which the Directors have declared interests are managed by separate Boards of Directors and management, which are accountable to their respective shareholders.

The Board of the Bank includes seven independent non-executive Directors whose views carry significant weight in the Board's decisions. The Audit Committee of the Bank, which consists of three non-executive Directors, meets regularly to assist the Board of Directors in reviewing the financial performance, internal control and compliance systems of the Bank and its subsidiaries. The Bank is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which Directors have declared interests.

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 2000.

substantial interests in share capital

At 31 December 2000, 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	1,223,995,031 (64.02%)
HSBC Finance (Netherlands)	1,223,995,031 (64.02%)
HSBC Holdings plc	1,224,492,964 (64.05%)

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

STRUCTURED FINANCE ARRANGEMENTS

In the normal course of business the Bank and its subsidiary have participated in certain 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.

guideline on financial disclosure by locally incorporated authorised institutions

The accounts of the Bank for the year ended 31 December 2000 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 on 23 November 2000.

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, 26 February 2001

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綜合損益結算表 CONSOLIDATED PROFIT AND LOSS ACCOUNT

至二零零零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 2000 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	2000	1999
利息收入	Interest income	4(a)	31,913	28,072
利息支出	Interest expense	4(b)	(20,222)	(16,405)
淨利息收入	Net interest income		11,691	11,667
其他營業收入	Other operating income	4(c)	3,574	3,141
營業收入	Operating income		15,265	14,808
營業支出	Operating expenses	4(d)	(3,725)	(3,743)
扣除準備金前之營業溢利	Operating profit before provisions		11,540	11,065
呆壞賬準備	Provisions for bad and doubtful debts	4(f)	(196)	(1,419)
營業溢利	Operating profit	29(a)	11,344	9,646
有形固定資產及 長期投資之溢利	Profit on tangible fixed assets and long-term investments	5	248	105
重估物業淨增值/(減值)	Net surplus/(deficit) on property revaluation	21(a) & (d)	28	(25)
應佔聯營公司之溢利	Share of profits of associated companies		55	58
除稅前一般業務溢利	Profit on ordinary activities before tax		11,675	9,784
一般業務溢利之稅項	Tax on profit on ordinary activities	6(a)	(1,661)	(1,477)
本行股東應得之溢利	Profit attributable to shareholders	7	10,014	8,307
於一月一日之保留溢利	Retained profits at 1 January	28	17,729	25,005
撥往行址重估儲備 之折舊	Transfer of depreciation to premises revaluation reserve	28	99	80
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	69	7
換算調整	Exchange adjustments	28	(2)	8
股息	Dividends	8 & 28	(9,177)	(15,678)
於十二月三十一日之保留溢利	Retained profits at 31 December	28	18,732	17,729
			HK\$	HK\$
每股盈利	Earnings per share	9	5.24	4.35
每股股息	Dividends per share	8	4.80	8.20

第八十六頁至第一百四十一頁之
附註乃屬賬項之一部份。

The notes on pages 86 to 141 form part of these accounts.

綜合資產負債表 CONSOLIDATED BALANCE SHEET

二零零零年十二月三十一日
(以港幣百萬元位列示)

AT 31 DECEMBER 2000
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

附註
NOTE

2000

1999

資產

ASSETS

庫存現金及短期資金	Cash and short-term funds	10	129,312	116,414
一個月以上之定期存放同業	Placings with banks maturing after one month	11	58,405	55,260
存款證	Certificates of deposit	12	17,232	11,672
持作買賣用途之證券	Securities held for dealing purposes	13	4,499	293
客戶貸款	Advances to customers	14	217,518	197,281
直屬控股公司及同母系 附屬公司欠款	Amounts due from immediate holding company and fellow subsidiary companies	16	10,383	12,154
長期投資	Long-term investments	18	39,270	27,317
聯營公司投資	Investments in associated companies	20	789	683
有形固定資產	Tangible fixed assets	21	12,049	11,806
其他資產	Other assets	22	11,327	9,190
			500,784	442,070

負債

LIABILITIES

往來、儲蓄及其他存款	Current, savings and other deposit accounts	23	429,605	375,711
同業存款	Deposits from banks	24	3,802	6,889
直屬控股公司及同母系 附屬公司存款	Amounts due to immediate holding company and fellow subsidiary companies	16	1,999	2,781
其他負債	Other liabilities	25	24,794	17,115
			460,200	402,496

資本來源

CAPITAL RESOURCES

股本	Share capital	27	9,559	9,559
儲備	Reserves	28	31,025	30,015
股東資金	Shareholders' funds		40,584	39,574
			500,784	442,070

艾爾敦 董事長

David Eldon *Chairman*

鄭海泉 副董事長兼行政總裁

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

李家祥 董事

Eric K C Li *Director*

馬廣榮 秘書

K W Ma *Secretary*

第八十六頁至第一百四十一頁之
附註乃屬賬項之一部份。

The notes on pages 86 to 141 form part of these accounts.

二零零零年十二月三十一日
(以港幣百萬元位列示)

AT 31 DECEMBER 2000
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

		附註 NOTE	2000	1999
資產	ASSETS			
庫存現金及短期資金	Cash and short-term funds	10	94,025	88,942
一個月以上之定期存放同業	Placings with banks maturing after one month	11	43,971	40,872
存款證	Certificates of deposit	12	13,522	8,852
持作買賣用途之證券	Securities held for dealing purposes	13	4,464	156
客戶貸款	Advances to customers	14	138,419	113,835
直屬控股公司及同母系 附屬公司欠款	Amounts due from immediate holding company and fellow subsidiary companies	16	8,629	9,737
附屬公司欠款	Amounts due from subsidiary companies	17	128,191	123,727
長期投資	Long-term investments	18	27,280	17,124
附屬公司投資	Investments in subsidiary companies	19	1,866	1,867
聯營公司投資	Investments in associated companies	20	48	48
有形固定資產	Tangible fixed assets	21	9,041	8,759
其他資產	Other assets	22	9,848	7,827
			479,304	421,746
負債	LIABILITIES			
往來、儲蓄及其他存款	Current, savings and other deposit accounts	23	418,880	366,003
同業存款	Deposits from banks	24	3,789	6,860
直屬控股公司及同母系 附屬公司存款	Amounts due to immediate holding company and fellow subsidiary companies	16	1,970	2,735
附屬公司存款	Amounts due to subsidiary companies		193	194
其他負債	Other liabilities	25	25,231	17,273
			450,063	393,065
資本來源	CAPITAL RESOURCES			
股本	Share capital	27	9,559	9,559
儲備	Reserves	28	19,682	19,122
股東資金	Shareholders' funds		29,241	28,681
			479,304	421,746

艾爾敦 董事長
鄭海泉 副董事長兼行政總裁
李家祥 董事

David Eldon *Chairman*
Vincent H C Cheng *Vice-Chairman and Chief Executive*
Eric K C Li *Director*

馬廣榮 秘書

K W Ma *Secretary*

第八十六頁至第一百四十一頁之
附註乃屬賬項之一部份。

The notes on pages 86 to 141 form part of these accounts.

綜合確認盈虧結算表

CONSOLIDATED STATEMENT OF RECOGNISED GAINS AND LOSSES

至二零零零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 2000 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	2000	1999
本行股東應得之溢利	Profit attributable to shareholders		10,014	8,307
行址重估未實現之增值	Unrealised surplus on revaluation of premises	28	511	428
投資物業重估未實現之增值/(減值)	Unrealised surplus/(deficit) on revaluation of investment properties	28		
• 銀行及附屬公司	• Bank and subsidiary companies		73	(520)
• 聯營公司	• associated company		98	(12)
長期股票投資重估儲備	Long-term equity investment revaluation reserve	28		
• 重估未實現之(減值)/增值	• unrealised (deficit)/surplus on revaluation		(259)	1,662
• 因出售長期股票投資而實現之增值	• realisation on disposal		(248)	(126)
換算調整	Exchange adjustments	28	(2)	8
本年度之確認盈餘	Recognised gains for the year		<u>10,187</u>	<u>9,747</u>

綜合股東資金變動對賬表

RECONCILIATION OF MOVEMENTS IN CONSOLIDATED SHAREHOLDERS' FUNDS

至二零零零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 2000 (EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)	附註 NOTE	2000	1999
於一月一日之股東資金結餘	Shareholders' funds at 1 January		39,574	45,505
本年度之確認盈餘	Recognised gains for the year		10,187	9,747
股息	Dividends	8 & 28	(9,177)	(15,678)
於十二月三十一日之股東資金結餘	Shareholders' funds at 31 December		<u>40,584</u>	<u>39,574</u>

第八十六頁至第一百四十一頁之
附註乃屬賬項之一部份。

The notes on pages 86 to 141 form part of these accounts.

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

至二零零零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 2000
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

附註
NOTE

2000

1999

來自營業活動之現金流入淨額	Net cash inflow from operating activities	29(a)	28,763	33,974
投資回報及融資利息	Returns on investments and servicing of finance			
自聯營公司收取之股息	Dividends received from associated companies		39	45
已派股息	Dividends paid		(8,604)	(14,760)
自長期投資所得之收入	Income received on long-term investments		1,635	1,250
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		(6,930)	(13,465)
已繳稅款	Taxation paid		(758)	(287)
投資活動	Investing activities			
購入長期投資	Purchase of long-term investments		(31,247)	(34,927)
出售或贖回長期投資所得	Proceeds from sale or redemption of long-term investments		18,665	30,102
購入有形固定資產	Purchase of tangible fixed assets		(136)	(325)
出售有形固定資產所得	Proceeds from sale of tangible fixed assets		115	53
因投資活動之現金流出淨額	Net cash outflow from investing activities		(12,603)	(5,097)
現金及等同現金項目之增加	Increase in cash and cash equivalents	29(b)	8,472	15,125

第八十六頁至第一百四十一頁之
附註乃屬賬項之一部份。

The notes on pages 86 to 141 form part of these accounts.

至二零零零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 2000
(EXPRESSED IN MILLIONS OF HONG KONG DOLLARS)

1 編製基礎

(甲) 本賬項是按照香港會計師公會頒佈之會計實務準則及註釋編製，符合香港公司法例及香港公認會計準則。並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，及符合香港聯合交易所有限公司上市條例有關財務披露之規定。

(乙) 本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止年度之賬項。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。

(丙) 編製本賬項所採用之會計政策與往年貫徹一致並詳列於附註3內。本賬項乃採用原值成本慣例編製，惟若干投資證券及行址與投資物業則修訂為以重估公平價值列示，並列於附註3(戊)及(己)之會計政策內。

1 basis of preparation

(a) These accounts have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these accounts comply fully with the recommendations in the Guideline on "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) 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 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.

(c) The principal accounting policies used in the preparation of these accounts are consistent with those used in the previous year and are set out in note 3 below. The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain securities and premises and investment properties as set out in the accounting policies in notes 3(e) and (f) respectively.

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))，利息收入均以應計基準在損益賬內確認。

費用及佣金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須為客戶承擔風險，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。

(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」項內撤除，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) 當管理層對最終收回貸款全數本金或利息存疑，即將該貸款列為呆帳。同時將有關利息誌入懸欠利息賬內及按需要提撥特殊準備。

(二) 呆壞賬準備是以及時、審慎及一貫之基準提撥。特殊準備是對已確認之呆壞賬項衡量其實際及預期損失數字，計及抵押品之變現價值後作出提撥。一般準備則為補充特殊準備，照應在結算日已存在但於日後始能確定之貸款虧損。在編製資產負債表時，特殊及一般準備已從客戶貸款中扣除。當尚欠債務已再無實際機會收回時，即作出撤賬。

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 and commission 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, it is recognised on an appropriate basis over the relevant period.

(b) Goodwill

Goodwill or discount arises 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) Loans are designated as doubtful as soon as management has doubts as to the ultimate recoverability of principal or interest in full. When a loan is considered doubtful, interest will be suspended and a specific provision raised if required.

(ii) Provisions for bad and doubtful debts are made promptly and on a prudent and consistent basis. Specific provisions represent the quantification of actual and expected losses from identified accounts and are made taking into account the value of collateral held. General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. Both specific and general provisions are deducted from advances to customers in the balance sheet. When there is no realistic prospect of recovery, the outstanding debt is written off.

3 主要會計政策 續**(丙) 貸款及呆賬 續**

(三) 在編製資產負債表時，懸欠利息已從「客戶貸款」及「預付及應計收益賬」項下之應收利息賬項內扣除。

(四) 為有秩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。

(丁) 外幣伸算

外幣本位之資產及負債均按結算日之市價匯率伸算為港元。海外分行及海外附屬公司之業績按是年度平均匯率伸算為港元。

期初之外幣資本投資淨額及以平均匯率伸算之業績均於結算日重新按當日匯率伸算，而所產生之損益將誌入「保留溢利」賬內。

其他換算損益則誌入損益賬內。

(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列為「持至期滿之債務證券」並按其所屬類別列入「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準備列賬。

以溢價或折讓價購入之有期債務證券，其溢價及折讓均按購買日起至到期日止期間在損益賬內攤銷。若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。此等證券均按成本（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。

3 principal accounting policies continued**(c) Advances and doubtful debts continued**

(iii) Interest suspended on doubtful debts is netted in the balance sheet against "Advances to customers" and accrued interest receivable in "Prepayments and accrued income".

(iv) 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 made based on any subsequent deterioration in its value.

(d) Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the year-end. The results of overseas branches and subsidiary companies are translated into Hong Kong dollars at the average rates of exchange for the year.

Exchange differences arising from the retranslation of opening foreign currency net investments and exchange differences arising from retranslation of the result for the year from the average rate to the exchange rate ruling at the year-end are accounted for in "Retained profits".

Other exchange differences are recognised in the profit and loss account.

(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".

(戊) 投資 續

(一) 持作買賣用途及長期投資之證券 續

持至期滿之債務證券若於到期日前售出或轉為持作買賣用途，因而產生之任何溢利或虧損均於當日列入損益賬內，並包括於「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列為「長期投資」，並按公平價值列入資產負債表內；而因市值變動所產生之溢利或虧損，則誌入「長期股票投資儲備」賬內。當出售或決定將該投資減值時，所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。

其他持作買賣用途之證券均按公平價值列入資產負債表內之下列類別內：「庫券」（列於「庫存現金及短期資金」項下）、「存款證」或「持作買賣用途之證券」。該等資產之公平價值所出現之變動則於損益結算表之「買賣溢利」項內確認。

售出之證券如附有按預定價格回購之承諾，仍列於資產負債表內，而出售之金額則以負債方式列示。相反，根據類似轉售承諾而購入之證券則不會在資產負債表內確認，而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後於銀行之資產負債表內列賬。

(三) 聯營公司投資

聯營公司投資按本集團以權益法入賬計算其應佔該等公司之資產淨值。而銀行則以成本值減除董事認為需要提撥之虧損準備後於銀行之資產負債表內列賬。

(e) Investments continued

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

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. Gains and losses 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".

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. 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 in the Bank's balance sheet.

(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 and are stated at cost less provision for any impairment as determined by the Directors in the Bank's balance sheet.

3 主要會計政策 續

(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。
- 租約業權之土地，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。

(二) 行址均由具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，不足之數於損益賬內支銷。

(三) 投資物業均由具專業資格之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需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均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，則由「投資物業重估儲備」項下撥往「保留溢利」項下。

3 principal accounting policies continued

(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.

(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 20 years or less to expiry are stated at valuation less depreciation calculated to write off the assets over their remaining estimated 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 10 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 in reserves to "Retained profits".

(庚) 遞延稅項

在可見未來期間有可能出現因時差而產生之重大稅項負擔，均依負債方式撥備遞延稅項。

未來之遞延稅項利益，除非有充足理由確定其時可以實現，否則不予確認。

(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) 職員退休福利計劃

本集團按有關法例設置退休福利安排，界定利益福利計劃之供款額，是由合格精算師評估，務使該等計劃所提供之福利成本，能於職員之服務期間，有系統地確認，並在當年之損益賬內支銷。公積金計劃之供款則按有關章程規定，並在當年之損益賬內支銷。

(癸) 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是作為買賣或非買賣用途而定。

買賣用途之交易包括持盤及因應客戶需要而進行之交易及其對沖活動。

(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 with reasonable certainty.

(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) Staff retirement benefit schemes

Retirement benefit arrangements are made in accordance with the relevant laws and regulations. Contributions to defined benefit schemes are made 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 are charged to the profit and loss account for the year. Contributions to defined contribution schemes applicable to each year are also charged to the profit and loss account for the year.

(j) 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 or non-dealing purposes.

Transactions for dealing purposes include those undertaken for proprietary purposes and to service customers' needs, as well as any related hedges.

3 主要會計政策 續

(癸) 資產負債表外之金融工具 續

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

按市值列賬之匯率、利率及股票合約所產生之資產，包括未實現盈利，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負債，包括未實現虧損，則包括於「其他負債」項目內。

非買賣用途之交易包括對沖交易，此等交易必須在進行交易時指定為對沖某資產、負債或持盤，以減低其價格及市場風險。對沖交易之入賬方式與其指定對沖之資產及負債相同。

非買賣交易亦包括使用利率掉期合約，改變指定之單一或一籃子資產或負債之利率特性，以達致既定之風險管理目標，此等利率掉期合約之有關收支，均以應計基準記入「利息收入」及「利息支出」項內。

出售或終止未到期之非買賣用途合約所產生之損益，按原來合約剩餘期間攤銷，當有關之資產、負債或持盤出售或終止時，該等合約即改為以市值列賬，而產生之損益則即時記入損益賬內。

(子) 有關連人士

就此賬項目而言，有關連人士乃指本集團能直接或間接對其財務及營運決策作出控制或重大影響，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) Off-balance sheet financial instruments continued

Transactions undertaken for dealing purposes are marked to market value and the net present value of any 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.

Assets, including gains, resulting from off-balance sheet exchange rate, interest rate and equities contracts which are marked to market are included in "Other assets". Liabilities, including losses, resulting from such contracts, are included in "Other liabilities".

Transactions undertaken for non-dealing purposes include derivatives transactions designated as hedges effectively to reduce the price or market risks of specific assets, liabilities, or positions at the inception of the derivatives contracts. Hedging derivatives are accounted for on an equivalent basis to the underlying assets and liabilities.

Non-dealing transactions also include interest rate derivatives undertaken to alter synthetically the interest rate characteristics of specific individual, or pools of similar assets or liabilities to achieve defined risk management objectives. Interest rate derivatives for synthetic alteration are accounted on an accruals basis with the relative income and expense accounted as "Interest income" or "Interest expense".

Any gain or loss on termination of non-dealing derivatives is deferred and amortised to the profit and loss account over the original life of the terminated contract. Where the underlying asset, liability or position is sold or terminated, the non-dealing derivative is immediately marked to market through the profit and loss account.

(k) 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**4 operating profit**

The operating profit for the year is stated after taking account of:

(a) Interest income

		2000	1999
上市證券利息收入	Interest income on listed investments	234	122
非上市證券利息收入	Interest income on unlisted investments	2,609	1,762
其他利息收入	Other interest income	29,070	26,188
		31,913	28,072

(乙) 利息支出**(b) Interest expense**

		2000	1999
五年後到期之已發行債券之 利息支出	Interest expense on debt securities in issue maturing after five years	28	–
其他利息支出	Other interest expense	20,194	16,405
		20,222	16,405

(丙) 其他營業收入**(c) Other operating income**

		2000	1999
股息收入	Dividend income		
• 上市證券投資	• listed investments	94	96
• 非上市證券投資	• unlisted investments	4	17
		98	113
服務費及佣金收入	Fees and commissions receivable	2,367	1,829
服務費及佣金支出	Fees and commissions payable	(295)	(278)
		2,072	1,551
買賣溢利	Dealing profits		
• 外匯	• foreign exchange	534	569
• 證券及其他買賣活動	• securities and other trading activities	(5)	15
		529	584
投資物業之租金收入	Rental income from investment properties	247	240
其他	Other	628	653
		3,574	3,141

4 營業溢利 續

4 operating profit continued

(丁) 營業支出

(d) Operating expenses

		2000	1999
人事費用	Staff costs		
• 薪金及其他人事費用	• salaries and other costs	1,826	1,964
• 退休福利計劃支出(附註34)	• retirement benefit costs (note 34)	222	231
		2,048	2,195
折舊(附註21(甲))	Depreciation (note 21(a))	388	378
房地產及設備費用	Premises and equipment		
• 租金支出	• rental expenses	158	152
• 其他	• other	608	580
		766	732
其他經營費用	Other operating expenses	523	438
		3,725	3,743

(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 emoluments

		2000	1999
薪津及實物收益	Salaries, allowances and benefits in kind	25	22
為退休金計劃所作之供款	Pension contributions	2	2
		27	24

(戊) 本行五位最高薪酬人士之酬金 續

(二) 五位最高薪酬人士之酬金包括在下列範圍內：

(e) The emoluments of the five highest paid individuals continued

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

港元	HK\$	2000	1999
		NUMBER OF INDIVIDUALS	NUMBER OF INDIVIDUALS
3,000,001 – 3,500,000	3,000,001 – 3,500,000	1	1
3,500,001 – 4,000,000	3,500,001 – 4,000,000	1	–
4,000,001 – 4,500,000	4,000,001 – 4,500,000	–	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
6,000,001 – 6,500,000	6,000,001 – 6,500,000	1	–
7,000,001 – 7,500,000	7,000,001 – 7,500,000	–	1
7,500,001 – 8,000,000	7,500,001 – 8,000,000	1	–
		5	5

五位最高薪酬人士中包括三位董事(一九九九年：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 (1999: three) Directors. Their respective directors' emoluments have been included in (g) below.

(己) 呆壞賬準備

(f) Provisions for bad and doubtful debts

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
呆壞賬準備淨額支取/(撥回)	Net charge/(release) for bad and doubtful debts				
客戶貸款準備(附註14(丙))	Advances to customers (note 14(c))				
特殊準備	Specific provisions				
• 新提撥	• new provisions	988	1,681	585	1,215
• 撥回	• releases	(747)	(242)	(490)	(112)
• 收回已撇除賬項	• recoveries	(42)	(12)	(34)	(7)
		199	1,427	61	1,096
一般準備	General provisions	(3)	(8)	41	49
支取損益賬淨額	Net charge to profit and loss account	196	1,419	102	1,145

4 營業溢利 續

(庚) 董事酬金

根據香港公司條例第161節計算，本行董事酬金總額如下：

		2000	1999
董事袍金	Fees	1	1
薪津及實物收益	Salaries, allowances and benefits in kind	18	13
為退休金計劃所作之供款	Pension and pension contributions	4	4
		23	18

董事酬金在下列範圍內之人數如下：

4 operating profit continued

(g) Directors' emoluments

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

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

港元	HK\$	2000 董事人數 NUMBER OF DIRECTORS	1999 董事人數 NUMBER OF DIRECTORS
0 – 1,000,000	0 – 1,000,000	18	17
1,000,001 – 1,500,000	1,000,001 – 1,500,000	1	1
1,500,001 – 2,000,000	1,500,001 – 2,000,000	–	1
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
6,000,001 – 6,500,000	6,000,001 – 6,500,000	1	–
7,000,001 – 7,500,000	7,000,001 – 7,500,000	–	1
7,500,001 – 8,000,000	7,500,001 – 8,000,000	1	–
		22	21

(辛) 核數師費用為港幣八百萬元（一九九九年：港幣八百萬元），其中港幣六百萬元（一九九九年：港幣六百萬元）乃屬銀行之費用。

(h) Auditors' remuneration amounted to HK\$8 million (1999: HK\$8 million), of which HK\$6 million (1999: HK\$6 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

		2000	1999
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 確認而實現之數額	• realisation of amounts previously recognised in revaluation reserves at 1 January	351	76
• 本年度之(虧損)/溢利	• (loss)/profit arising in current year	(101)	53
		250	129
出售有形固定資產之虧損	Loss on disposal of tangible fixed assets	(2)	(6)
長期投資減值準備	Provision for impairment of long-term investments	-	(18)
		248	105

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:

		2000	1999
香港利得稅準備	Provision for Hong Kong profits tax	1,697	1,481
香港以外之稅項	Taxation outside Hong Kong	2	1
遞延稅項(附註26)	Deferred taxation (note 26)	(46)	(11)
		1,653	1,471
應佔聯營公司之稅項	Share of associated companies' taxation	8	6
提撥稅項合計	Total charge for taxation	1,661	1,477

香港利得稅準備乃以截至二零零零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(一九九九年：百分之十六)。於香港以外之附屬公司及分行亦已按其營業所在地區之當時適當稅率，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 2000 at 16.0% (1999: 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.

6 稅項 續

(乙)資產負債表中「其他資產」(附註22)或「其他負債」(附註25)之稅項組成如下：

6 taxation continued

(b) Taxation in the balance sheets which is included in "Other assets" (note 22) or "Other liabilities" (note 25) represents:

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
「其他資產」內已包括：	Including in "Other assets":				
可收回之本期稅項	Current taxation recoverable	3	-	-	-
遞延稅項 (附註22及26)	Deferred taxation (notes 22 & 26)	13	-	13	-
		16	-	13	-
「其他負債」內已包括：	Including in "Other liabilities":				
香港利得稅準備	Provision for Hong Kong profits tax	944	197	860	82
香港以外之稅項準備	Provision for taxation outside Hong Kong	17	16	16	15
遞延稅項 (附註25及26)	Deferred taxation (notes 25 & 26)	-	33	-	33
		961	246	876	130

7 本行股東應得之溢利

本行股東應得之溢利中計有港幣九十一億九千四百萬元(一九九九年：港幣一百五十七億零二百萬元)已於銀行之賬項內出賬。

7 profit attributable to shareholders

Of the profit attributable to shareholders, HK\$9,194 million (1999: HK\$15,702 million) has been dealt with in the accounts of the Bank.

8 股息

8 dividends

		2000		1999	
		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	2.00	3,824	1.60	3,059
特別中期	Special interim	-	-	4.10	7,839
第二次中期	Second interim	2.80	5,353	2.50	4,780
		4.80	9,177	8.20	15,678

已派發之第一次中期股息及已宣佈派發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(一九九九年：全部股息均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 was paid and second interim dividend was declared on 1,911,842,736 shares (1999: all dividends were paid on 1,911,842,736 shares).

9 每股盈利

每股盈利乃根據溢利港幣一百億零一千四百萬元（一九九九年：港幣八十三億零七百萬元）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（一九九九年：十九億一千一百八十四萬二千七百三十六股）計算。

9 earnings per share

The calculation of earnings per share is based on earnings of HK\$10,014 million (1999: HK\$8,307 million) and on the weighted average number of ordinary shares in issue of 1,911,842,736 shares (1999: 1,911,842,736 shares).

10 庫存現金及短期資金

庫存現金及存放同業及
其他金融機構
短期及一個月內到期之
定期存放同業
庫券

庫券分析詳列如下：

持作買賣用途

- 公平價值

持至期滿

- 攤銷成本
- 公平價值

庫券至到期日剩餘期間：

- 三個月內
- 三個月以上至一年

擬持至期滿之庫券於到期日前出售之攤銷成本為港幣十六億五千五百萬元（一九九九年：港幣二十億七千二百萬元）。因出售而實現之相關溢利為港幣二百萬元（一九九九年：港幣三百萬元）。該等出售佔持至期滿庫券總額之百分之十四點三（一九九九年：百分之三十五點一），並經由資產負債管理委員會批准，以用作提高流動資金及調整有關組合之到期日及風險結構。

10 cash and short-term funds

	集團 GROUP		銀行 BANK	
	2000	1999	2000	1999
Cash in hand and balances with banks and other financial institutions	4,257	5,024	4,254	5,022
Money at call and placings with banks maturing within one month	110,372	105,835	76,355	78,365
Treasury bills	14,683	5,555	13,416	5,555
	129,312	116,414	94,025	88,942

Treasury bills are analysed as follows:

Held for dealing purposes

- at fair value

Held to maturity

- at amortised cost
- at fair value

Remaining maturity of treasury bills:

- within three months
- one year or less but over three months

	4,757	1,718	4,757	1,718
	9,926	3,837	8,659	3,837
	9,938	3,841	8,671	3,841
	6,733	2,285	6,210	2,285
	7,950	3,270	7,206	3,270
	14,683	5,555	13,416	5,555

Treasury bills intended to be held to maturity with an amortised cost of HK\$1,655 million (1999: HK\$2,072 million) were disposed of prior to maturity. The related profit recognised amounted to HK\$2 million (1999: HK\$3 million). Such disposals, representing 14.3% of total held to maturity treasury bills (1999: 35.1%), 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	
		2000	1999	2000	1999
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	35,756	32,516	28,573	22,503
• 三個月以上至一年	• one year or less but over three months	22,649	22,667	15,398	18,369
• 一年以上至五年	• five years or less but over one year	-	77	-	-
		58,405	55,260	43,971	40,872

12 存款證

12 certificates of deposit

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
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	3,060	2,655	740	823
• 三個月以上至一年	• one year or less but over three months	4,599	2,721	3,209	1,733
• 一年以上至五年	• five years or less but over one year	9,573	6,296	9,573	6,296
		17,232	11,672	13,522	8,852
持作買賣用途	Held for dealing purposes				
• 公平價值	• at fair value	117	-	117	-
持至期滿	Held to maturity				
• 攤銷成本	• at amortised cost	17,115	11,672	13,405	8,852
• 公平價值	• at fair value	17,177	11,682	13,462	8,865

是年內並無於到期日前出售擬持至期滿之存款證。(於一九九九年，擬持至期滿之存款證於到期日前出售之攤銷成本為港幣一億元，該等出售佔持至期滿之存款證總額之百分之零點八。並無出售溢利。該等出售已經由資產負債管理委員會批准，以用作提高流動資金及調整有關組合之到期日及風險結構。)

There were no disposal of certificates of deposit intended to be held to maturity during the year. (In 1999, certificates of deposit intended to be held to maturity with an amortised cost of HK\$100 million and representing 0.8% of total held-to-maturity certificates of deposit were disposed of prior to maturity. No related profit was recognised. Such disposals 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	
		2000	1999	2000	1999
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	3,185	134	3,185	94
• 其他公共機構	• other public sector entities	1,077	62	1,077	62
		4,262	196	4,262	156
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	35	97	-	-
• 企業	• corporate entities	200	-	200	-
		235	97	200	-
		4,497	293	4,462	156
股票	Equity shares				
由企業發行	Issued by corporate entities	2	-	2	-
持作買賣用途之證券總額	Total securities held for dealing purposes	4,499	293	4,464	156
債務證券	Debt securities				
在香港上市	Listed in Hong Kong	3,219	-	3,205	-
在香港以外地區上市	Listed outside Hong Kong	-	134	-	94
		3,219	134	3,205	94
非上市	Unlisted	1,278	159	1,257	62
		4,497	293	4,462	156
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	920	48	919	-
• 三個月以上至一年	• one year or less but over three months	1,198	166	1,197	111
• 一年以上至五年	• five years or less but over one year	1,988	74	1,955	40
• 五年以上	• over five years	391	5	391	5
		4,497	293	4,462	156
股票	Equity shares				
在香港上市	Listed in Hong Kong	2	-	2	-

持作買賣用途之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。此等披露，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，而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	
		2000	1999	2000	1999
客戶貸款(附註14(庚))	Advances to customers (note 14(g))	221,973	202,244	141,601	117,448
特殊準備(附註14(丙)及(丁))	Specific provisions (notes 14(c) & (d))	(3,017)	(3,522)	(2,246)	(2,726)
一般準備(附註14(丙))	General provisions (note 14(c))	(1,438)	(1,441)	(936)	(887)
		217,518	197,281	138,419	113,835
至到期日剩餘期間：	Remaining maturity:				
• 即期償還	• repayable on demand	11,139	10,722	11,083	9,485
• 三個月內但非即期償還	• three months or less but not repayable on demand	14,730	12,532	12,762	11,244
• 三個月以上至一年	• one year or less but over three months	22,579	17,993	18,581	13,962
• 一年以上至五年	• five years or less but over one year	73,168	65,760	52,784	44,991
• 五年以上	• over five years	92,066	86,491	40,791	31,820
• 呆壞賬及逾期超過一個月	• non-performing advances and overdue for more than one month	8,291	8,746	5,600	5,946
客戶貸款總額	Gross advances to customers	221,973	202,244	141,601	117,448
呆壞賬準備(附註14(丙))	Provisions for bad and doubtful debts (note 14(c))	(4,455)	(4,963)	(3,182)	(3,613)
		217,518	197,281	138,419	113,835
客戶貸款內已包括：	Included in advances to customers are:				
貿易票據	Trade bills	1,929	1,802	1,929	1,802
呆壞賬準備	Provisions for bad and doubtful debts	(37)	(70)	(37)	(70)
		1,892	1,732	1,892	1,732

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作已逾期貸款。其他未到期的部份仍應根據剩餘期限申報，如貸款的償還情況出現問題，則需全數列為已逾期。此項按期限分類已逾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) 準備總額對客戶貸款比率

(b) Total provisions against gross advances to customers

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
		%	%	%	%
特殊準備	Specific provisions	1.36	1.74	1.59	2.32
一般準備	General provisions	0.65	0.71	0.66	0.76
準備總額	Total provisions	2.01	2.45	2.25	3.08

(丙) 客戶貸款呆壞賬準備

(c) Provisions against advances to customers

二零零零年

2000

		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	3,522	1,441	4,963	733
年內撇除	Amounts written off	(749)	-	(749)	(230)
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))	42	-	42	-
淨支取/(撥回) 損益賬 (附註 4 (己))	Net charge/(release) to profit and loss account (note 4(f))	199	(3)	196	-
年內懸欠利息	Interest suspended during the year	-	-	-	386
收回懸欠利息	Suspended interest recovered	-	-	-	(88)
換算及其他調整	Exchange and other adjustments	3	-	3	-
十二月三十一日結餘 (附註 14 (甲))	At 31 December (note 14(a))	3,017	1,438	4,455	801

		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	2,726	887	3,613	561
年內撇除	Amounts written off	(590)	-	(590)	(178)
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))	34	-	34	-
淨支取損益賬 (附註 4 (己))	Net charge to profit and loss account (note 4(f))	61	41	102	-
年內懸欠利息	Interest suspended during the year	-	-	-	241
收回懸欠利息	Suspended interest recovered	-	-	-	(49)
換算及其他調整	Exchange and other adjustments	15	8	23	-
十二月三十一日結餘 (附註 14 (甲))	At 31 December (note 14(a))	2,246	936	3,182	575

14 客戶貸款 續

14 advances to customers continued

(丙) 客戶貸款呆壞賬準備 續

(c) Provisions against advances to customers continued

一九九九年

1999

		集團 GROUP			懸欠利息
		特殊	一般	合計	SUSPENDED
		SPECIFIC	GENERAL	TOTAL	INTEREST
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)
換算及其他調整	Exchange and other 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
		特殊	一般	合計	SUSPENDED
		SPECIFIC	GENERAL	TOTAL	INTEREST
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)
換算及其他調整	Exchange and other 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

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」(附註22)賬項下之應收利息賬項內扣除之金額。

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

已將利息作懸欠處理或已停止累計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	
		2000	1999	2000	1999
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	6,894	8,323	4,480	5,547
• 已停止累計其利息	• accrual has ceased	867	617	865	615
		7,761	8,940	5,345	6,162
懸欠利息	Suspended interest	(327)	(282)	(313)	(282)
呆壞賬* (附註 14 (戊))	Gross non-performing advances* (note 14(e))	7,434	8,658	5,032	5,880
特殊準備 (附註 14 (甲))	Specific provisions (note 14(a))	(3,017)	(3,522)	(2,246)	(2,726)
呆壞賬淨額	Net non-performing advances	4,417	5,136	2,786	3,154
特殊準備對呆壞賬* 比率	Specific provisions as a percentage of gross non-performing advances*	40.6%	40.7%	44.6%	46.4%
呆壞賬* 對總客戶貸款比率	Gross non-performing advances* as a percentage of gross advances to customers	3.3%	4.3%	3.6%	5.0%

* 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。有明顯跡象無法全數償還之客戶貸款，即立刻作為呆壞賬處理。因此，呆壞賬亦包括過期未超逾三個月或未有逾期但被視為呆壞賬之貸款。除若干特殊情況外，所有本金或利息逾期三個月以上未償還之貸款，均作為呆壞賬處理。為呆壞賬提撥特殊準備金時，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. Advances are classified as non-performing as soon as management has doubts as to the full recovery of the advances. Thus, non-performing advances may include advances that are not yet more than three months overdue but are considered doubtful. 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：

二零零零年 2000

總客戶貸款*之本金或
利息已逾期：

- 三個月以上至六個月
- 六個月以上至一年
- 一年以上

已逾期之客戶貸款(如上)

減：利息仍作累計處理
之逾期客戶貸款

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

- 列入重整客戶貸款
- 其他

呆壞賬(附註14(丁))

14 advances to customers continued

(e) Overdue advances to customers

The amount of advances to customers which are overdue for more than three months and its expression as a percentage of gross advances to customers are as follows:

集團 GROUP 銀行 BANK

	%		%	
Gross advances to customers* which have been overdue with respect to either principal or interest for periods of:				
• six months or less but over three months	854	0.4	268	0.2
• one year or less but over six months	762	0.3	339	0.2
• over one year	3,687	1.7	2,934	2.1
	5,303	2.4	3,541	2.5

Overdue advances to customers (as above)

Less: overdue advances on which
interest is still being accrued

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

- included in rescheduled advances
- other

Gross non-performing advances (note 14(d))

集團 GROUP 銀行 BANK

	%		%	
Gross advances to customers* which have been overdue with respect to either principal or interest for periods of:				
• six months or less but over three months	785	0.4	303	0.2
• one year or less but over six months	1,611	0.8	934	0.8
• over one year	4,340	2.1	3,712	3.2
	6,736	3.3	4,949	4.2

*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

一九九九年	1999	集團 GROUP		銀行 BANK	
			%		%
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				
• 列入重整客戶貸款	• included in rescheduled advances	892	0.4	141	0.1
• 其他	• other	1,313	0.7	904	0.8
呆壞賬 (附註 14 (丁))	Gross non-performing advances (note 14(d))	8,658	4.3	5,880	5.0

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，則列作逾期處理。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，而此情況持續超出上述逾期期限，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	
			%		%
二零零零年	2000	2,756	1.2	2,066	1.5
一九九九年	1999	1,761	0.9	1,010	0.9

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。列出之重整客戶貸款並不包括重整還款計劃後仍逾期三個月以上之客戶貸款。

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.

該等貸款已包括在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 amount that have subsequently become overdue for over three months and are included in overdue advances to customers. They are also 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	
	2000	1999	2000	1999
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	19,079	16,508	19,072	16,500
• 物業投資	29,579	23,231	23,911	16,258
• 金融企業	2,979	3,715	2,876	3,538
• 股票經紀	97	340	97	340
• 批發及零售業	4,066	4,504	3,974	4,380
• 製造業	1,825	1,890	1,703	1,754
• 運輸及運輸設備	8,471	8,411	2,667	3,268
• 其他	19,073	17,443	17,831	16,429
	85,169	76,042	72,131	62,467
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	35,971	31,936	1,618	1,852
• 購買其他住宅物業之 按揭貸款	78,005	73,854	46,069	34,329
• 信用卡貸款	4,745	3,835	4,745	2,775
• 其他	4,875	4,514	4,243	4,020
	123,596	114,139	56,675	42,976
在香港使用之總貸款	208,765	190,181	128,806	105,443
貿易融資	9,013	8,787	9,013	8,787
在香港以外使用之貸款	4,195	3,276	3,782	3,218
客戶貸款總額(附註14(甲))	221,973	202,244	141,601	117,448

(辛) 客戶貸款賬內包括按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	
		2000	1999	2000	1999
租購合約	Hire purchase contracts	6,150	5,369	-	-

集團根據租購合約之應收租金總額(包括償還資本)為港幣四十七億零一百萬元(一九九九年：港幣四十四億九千四百萬元)。

Aggregate rentals receivable in respect of hire purchase contracts, including capital repayments, amounted to HK\$4,701 million for the Group (1999: HK\$4,494 million).

(壬) 於二零零零年內，集團按租購合約租予客戶而購買資產之成本共為港幣五十一億八千七百萬元(一九九九年：港幣三十四億一千七百萬元)。

(i) The cost of assets acquired during 2000 for leasing to customers under hire purchase contracts by the Group amounted to HK\$5,187 million (1999: HK\$3,417 million).

(癸) 客戶貸款之地區分類分析

客戶貸款之地區分類，是依照客戶所在之地區，經計及風險轉移之因素後而劃定。在一般情況下，若貸款之擔保人所在地有異於該客戶，則風險轉移至擔保人之所在地區。

(j) Advances to customers by geographical area

Advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party in an area which is different from that of the counterparty.

At 31 December 2000, over 90% of the Group's and the Bank's advances to customers and the related non-performing advances and overdue advances were classified under the area of Hong Kong (the same position at 31 December 1999).

於二零零零年十二月三十一日，本集團及本行超逾百分之九十之客戶貸款及有關之呆壞賬貸款及逾期貸款應劃分為香港地區貸款(與一九九九年十二月三十一日相同)。

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(一九九九年：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 (1999: 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	
	2000	1999	2000	1999
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			
定期存放同業至到期日剩餘期間：	Placings with banks with remaining maturity:			
• 一個月內	3,254	4,960	2,180	3,024
• 一個月以上至三個月	1,380	705	766	550
• 三個月以上至一年	242	1,243	242	956
	4,876	6,908	3,188	4,530
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			
• 三個月以上至一年	350	108	350	108
• 一年以上至五年	1,400	903	1,400	903
	2,735	3,808	2,735	3,808
	4,485	4,819	4,485	4,819
長期投資至到期日剩餘期間 為一個月內	Long-term investments with remaining maturity within one month			
	378	-	378	-
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			
• 三個月以上至一年	354	232	306	222
• 一年以上至五年	172	95	172	71
• 五年以上	44	2	44	2
	1	-	1	-
	571	329	523	295
	10,383	12,154	8,629	9,737

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	
		2000	1999	2000	1999
結欠項目：	Amounts due to:				
客戶存款	Customer accounts				
• 即時償還	• repayable on demand	131	26	131	26
• 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	297	151	297	151
• 三個月以上至一年	• one year or less but over three months	227	216	227	216
		655	393	655	393
同業存款	Deposits from banks				
• 即時償還	• repayable on demand	101	106	101	106
• 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	315	1,968	298	1,931
		416	2,074	399	2,037
其他負債至到期日剩餘期間：	Other liabilities with remaining maturity:				
• 三個月內	• three months or less	823	261	811	252
• 三個月以上至一年	• one year or less but over three months	76	52	76	52
• 一年以上至五年	• five years or less but over one year	29	1	29	1
		928	314	916	305
		1,999	2,781	1,970	2,735

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:

		2000	1999
定期存放同業至到期日剩餘期間：	Placings with financial institutions with remaining maturity:		
• 一個月內	• within one month	50,925	41,240
• 一個月以上至三個月	• three months or less but over one month	73,250	76,784
		124,175	118,024
無註明還款期之附屬公司貸款	Loans to subsidiary companies with no repayment term	2,915	3,890
其他資產至到期日剩餘期間為三個月內	Other assets with remaining maturity three months or less	1,101	1,813
		128,191	123,727

18 長期投資

(甲) 長期投資

18 long-term investments

(a) Long-term investments

	集團 GROUP		銀行 BANK	
	2000	1999	2000	1999
持至期滿之債務證券 攤銷成本扣除減值準備	34,837	22,396	27,276	17,120
股票投資之公平價值	4,433	4,921	4	4
	39,270	27,317	27,280	17,124

(乙) 長期投資之賬面價值

(b) Carrying value of long-term investments

	集團 GROUP		銀行 BANK	
	2000	1999	2000	1999
持至期滿之債務證券	Held-to-maturity debt securities			
由公共機構發行	Issued by public bodies			
• 中央政府及中央銀行	3,459	2,720	1,557	1,809
• 其他公共機構	7,381	6,055	5,820	5,435
	10,840	8,775	7,377	7,244
由其他機構發行	Issued by other bodies			
• 同業及其他金融機構	15,480	9,753	12,711	6,337
• 企業	8,517	3,868	7,188	3,539
	23,997	13,621	19,899	9,876
	34,837	22,396	27,276	17,120
股票投資	Equity investments			
由企業發行	Issued by corporate entities			
	4,433	4,921	4	4
	39,270	27,317	27,280	17,124

(乙) 長期投資之賬面價值 續

(b) Carrying value of long-term investments continued

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
持至期滿之債務證券	Held-to-maturity debt securities				
在香港上市	Listed in Hong Kong	419	703	302	702
在香港以外地區上市	Listed outside Hong Kong	4,881	2,062	312	536
		5,300	2,765	614	1,238
非上市	Unlisted	29,537	19,631	26,662	15,882
		34,837	22,396	27,276	17,120
股票投資	Equity investments				
在香港上市	Listed in Hong Kong	4,139	4,766	-	-
在香港以外地區上市	Listed outside Hong Kong	114	85	-	-
		4,253	4,851	-	-
非上市	Unlisted	180	70	4	4
		4,433	4,921	4	4
		39,270	27,317	27,280	17,124

擬持有至期滿之債務證券於合約到期日前出售之攤銷成本為港幣七億九千八百萬元（一九九九年：港幣一億五千九百萬元）。於是年內並無有關之出售溢利（一九九九年：無）。該等出售已經資產負債管理委員會批准，並佔持有至期滿之債務證券總額之百分之二點二（一九九九年：百分之零點七），以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。

Debt securities intended to be held to maturity with an amortised cost of HK\$798 million (1999: HK\$159 million) were disposed of prior to maturity. There was no related profit recognised during the year (1999: Nil). Such disposals, representing 2.2% of total held-to-maturity debt securities (1999: 0.7%), 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.

18 長期投資 續

(丙) 持至期滿之債務證券之公平價值

18 long-term investments continued

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

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
持至期滿之債務證券	Held-to-maturity 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	3,471	2,712	1,562	1,804
• 其他公共機構	• other public sector entities	7,537	6,057	5,965	5,437
		11,008	8,769	7,527	7,241
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	15,510	9,735	12,731	6,324
• 企業	• corporate entities	8,595	3,841	7,261	3,512
		24,105	13,576	19,992	9,836
		35,113	22,345	27,519	17,077
持至期滿之債務證券	Held-to-maturity debt securities				
在香港上市	Listed in Hong Kong	425	707	305	707
在香港以外地區上市	Listed outside Hong Kong	4,940	2,057	312	536
		5,365	2,764	617	1,243
非上市	Unlisted	29,748	19,581	26,902	15,834
		35,113	22,345	27,519	17,077

(丁) 持至期滿之債務證券按到期日分析

上述持至期滿之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：

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

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

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
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	10,057	3,741	3,678	2,157
• 三個月以上至一年	• one year or less but over three months	7,003	7,807	7,282	5,040
• 一年以上至五年	• five years or less but over one year	15,478	9,249	14,024	8,331
• 五年以上	• over five years	2,299	1,599	2,292	1,592
		34,837	22,396	27,276	17,120

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
恒生信用咭有限公司 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
恩年發展有限公司 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	
		2000	1999	2000	1999
非上市股票 (成本值)	Unlisted shares, at cost	-	-	48	48
應佔淨資產	Share of net assets	789	683	-	-

貸予聯營公司之款項為港幣二億零八百萬元(一九九九年: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 (1999: 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

二零零零年

21 tangible fixed assets

(a) Tangible fixed assets

2000

		集團 GROUP			
		投資物業		設備	合計
		行址	INVESTMENT	EQUIPMENT	TOTAL
		PREMISES	PROPERTIES		
成本或估值：	Cost or valuation:				
二零零零年一月一日結餘	At 1 January 2000	7,695	3,479	2,350	13,524
年內增置	Additions	-	5	131	136
年內出售	Disposals	(44)	(66)	(149)	(259)
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(152)	-	-	(152)
重估增值	Surplus on revaluation				
• 撥回行址及投資物業重估儲備 (附註28)	• credited to premises and investment properties revaluation reserves (note 28)	511	73	-	584
• 撥回損益賬	• credited to profit and loss account	28	-	-	28
轉賬	Transfers	(91)	91	-	-
二零零零年十二月三十一日結餘	At 31 December 2000	7,947	3,582	2,332	13,861
累積折舊：	Accumulated depreciation:				
二零零零年一月一日結餘	At 1 January 2000	-	-	(1,718)	(1,718)
年內支取 (附註4(d))	Charge for the year (note 4(d))	(152)	-	(236)	(388)
出售後撥回	Written back on disposal	-	-	142	142
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	152	-	-	152
二零零零年十二月三十一日結餘	At 31 December 2000	-	-	(1,812)	(1,812)
二零零零年十二月三十一日賬面淨值	Net book value at 31 December 2000	7,947	3,582	520	12,049
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

21 有形固定資產 續

(甲) 有形固定資產 續

二零零零年

21 tangible fixed assets continued

(a) Tangible fixed assets continued

2000

		銀行 BANK			合計 TOTAL
		行址 PREMISES	投資物業 INVESTMENT PROPERTIES	設備 EQUIPMENT	
成本或估值：	Cost or valuation:				
二零零零年一月一日結餘	At 1 January 2000	6,135	1,996	2,325	10,456
年內增置	Additions	-	-	129	129
年內出售	Disposals	(20)	(16)	(142)	(178)
撤除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(121)	-	-	(121)
重估增值	Surplus on revaluation				
• 撥回行址及投資物業 重估儲備 (附註28)	• credited to premises and investment properties revaluation reserves (note 28)	482	64	-	546
• 撥回損益賬	• credited to profit and loss account	6	-	-	6
轉賬	Transfers	(107)	107	-	-
二零零零年十二月三十一日結餘	At 31 December 2000	6,375	2,151	2,312	10,838
累積折舊：	Accumulated depreciation:				
二零零零年一月一日結餘	At 1 January 2000	-	-	(1,697)	(1,697)
年內支取	Charge for the year	(121)	-	(235)	(356)
出售後撥回	Written back on disposal	-	-	135	135
撤除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	121	-	-	121
二零零零年十二月三十一日結餘	At 31 December 2000	-	-	(1,797)	(1,797)
二零零零年十二月三十一日賬面淨值	Net book value at 31 December 2000	6,375	2,151	515	9,041
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

(乙) 行址及投資物業之賬面淨值包括：

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

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
永久業權物業	Freeholds				
香港境外	Held outside Hong Kong	4	28	-	-
租約業權物業	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)	4,395	4,318	2,986	2,885
• 中期租約(剩餘年數在十至五十年)	• medium leases (10 to 50 years unexpired)	7,056	6,747	5,466	5,165
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	4	4	4
• 中期租約(剩餘年數在十至五十年)	• medium leases (10 to 50 years unexpired)	70	77	70	77
		11,529	11,174	8,526	8,131
其中包括	Of which				
行址	Premises	7,947	7,695	6,375	6,135
投資物業	Investment properties	3,582	3,479	2,151	1,996
		11,529	11,174	8,526	8,131

(丙) 於二零零零年十一月三十日，本集團之行址及投資物業均經由具有專業資格之測量師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, which is a fellow subsidiary company of the Bank, at 30 November 2000. 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.

21 有形固定資產 續

(丁) 行址及投資物業重估增值及減值

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
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)	511	428	482	389
• 投資物業重估儲備 (附註28)	• investment properties revaluation reserve (note 28)	73	(520)	64	(323)
• 應佔聯營公司物業之增值/(減值) (附註 28)	• share of revaluation surplus/(deficit) of an associated company (note 28)	98	(12)	-	-
		682	(104)	546	66
撥回/(支取)損益賬	Credited/(charged) to profit and loss account				
• 行址	• premises	28	(25)	6	(7)

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

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
十二月三十一日賬面淨值	Net book value at 31 December	2,962	2,975	1,764	1,810

(己) 所有本集團及銀行之行址均於二零零零年及一九九九年度結算日以估值入賬。

21 tangible fixed assets continued

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

(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:

(f) All premises of the Group and of the Bank are stated in the balance sheet at valuation in 2000 and 1999.

22 其他資產

22 other assets

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
資產負債表以外按市值計算之 利率、滙率及其他衍生工具 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	1,800	1,270	1,800	1,270
遞延稅項 (附註6(乙)及26)	Deferred taxation (notes 6(b) & 26)	13	-	13	-
同業結算應收賬項	Items in the course of collection from other banks	4,472	4,017	4,472	4,017
預付及應計收益	Prepayments and accrued income	3,849	3,094	2,734	2,202
其他賬項	Other accounts	1,193	809	829	338
		11,327	9,190	9,848	7,827
至到期日剩餘期間：	Remaining maturity:				
• 三個月內	• three months or less	9,335	7,891	8,147	6,756
• 三個月以上至一年	• one year or less but over three months	1,779	1,167	1,606	1,023
• 一年以上至五年	• five years or less but over one year	134	114	95	45
• 五年以上	• over five years	79	18	-	3
		11,327	9,190	9,848	7,827

23 往來、儲蓄及其他存款

23 current, savings and other deposit accounts

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
客戶存款	Customer accounts	414,875	364,038	404,150	354,330
發出存款證	Certificates of deposit in issue	14,730	11,673	14,730	11,673
		429,605	375,711	418,880	366,003

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 issued are as follows:

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
客戶存款	Customer accounts				
即時償還	Repayable on demand	175,336	151,750	175,251	151,748
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	224,985	204,503	214,837	195,184
• 三個月以上至一年	• one year or less but over three months	14,458	7,599	13,993	7,212
• 一年以上至五年	• five years or less but over one year	96	186	69	186
		414,875	364,038	404,150	354,330
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	5,358	6,487	5,358	6,487
• 三個月以上至一年	• one year or less but over three months	2,771	4,745	2,771	4,745
• 一年以上至五年	• five years or less but over one year	6,276	441	6,276	441
• 五年以上	• over five years	325	-	325	-
		14,730	11,673	14,730	11,673

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	
		2000	1999	2000	1999
即時償還	Repayable on demand	249	1,371	249	1,371
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	3,526	5,489	3,526	5,489
• 三個月以上至一年	• one year or less but over three months	27	15	14	-
• 一年以上至五年	• five years or less but over one year	-	14	-	-
		3,802	6,889	3,789	6,860

25 其他負債

25 other liabilities

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
證券空倉：	Short positions in securities:				
庫券	Treasury bills	5,083	2,726	5,083	2,726
債務證券	Debt securities				
• 政府證券	• government securities	2,944	33	2,944	33
• 其他公共機構證券	• other public sector securities	16	11	16	11
		8,043	2,770	8,043	2,770
資產負債表以外按市值計算之 利率、滙率及其他衍生工具 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	1,238	920	1,238	920
本期稅項 (附註 6 (乙))	Current taxation (note 6(b))	961	213	876	97
遞延稅項 (附註 6 (乙) 及 26)	Deferred taxation (notes 6(b) & 26)	-	33	-	33
應派股息	Dividend payable	5,353	4,780	5,353	4,780
同業結算應付賬項	Items in the course of transmission to other banks	4,671	4,722	4,671	4,722
應計及遞延收入	Accruals and deferred income	3,633	2,513	3,499	2,409
負債及支付準備	Provisions for other liabilities and charges	219	221	15	20
其他負債	Other liabilities	676	943	1,536	1,522
		24,794	17,115	25,231	17,273
至到期日剩餘期間：	Remaining maturity:				
• 三個月內	• three months or less	22,012	14,651	22,865	14,117
• 三個月以上至一年	• one year or less but over three months	2,353	2,189	2,068	3,033
• 一年以上至五年	• five years or less but over one year	328	168	298	117
• 五年以上	• over five years	101	107	-	6
		24,794	17,115	25,231	17,273

26 遞延稅項

「其他資產」(附註22)及「其他負債」(附註25)項下之遞延稅項資產及負債分析如下:

26 deferred taxation

Deferred taxation asset and liability which are included in "Other assets" (note 22) and "Other liabilities" (note 25) are as follows:

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
一月一日結餘	At 1 January	33	44	33	44
撥回損益賬(附註6(甲))	Credited to profit and loss account (note 6(a))	(46)	(11)	(46)	(11)
撥往遞延稅項資產	Transfer to deferred taxation asset	13	-	13	-
十二月三十一日結餘(附註6(乙))	At 31 December (note 6(b))	-	33	-	33
已包括於「其他資產」(附註22)	Included in "Other assets" (note 22)				
項下:	representing:				
• 退休福利計劃	• retirement benefit schemes	13	-	13	-
已包括於「其他負債」(附註25)	Included in "Other liabilities" (note 25)				
項下:	representing:				
• 租賃交易	• leasing transactions	-	52	-	52
• 退休福利計劃	• retirement benefit schemes	-	(19)	-	(19)
		-	33	-	33

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未來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(一九九九年:港幣一百一十億元正),分為二十二億股(一九九九年: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 (1999: HK\$11,000 million) divided into 2,200 million shares (1999: 2,200 million shares) of HK\$5 each.

		2000	1999
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(一九九九年: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 (1999: 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(一九九九年:無)。

During the year, the Bank made no repurchase of its own shares (1999: Nil).

28 儲備

28 reserves

二零零零年

2000

		集團 GROUP	銀行 BANK	聯營公司 ASSOCIATED COMPANIES
保留溢利	Retained profits	18,732	12,793	98
行址及投資物業重估儲備	Premises and investment properties revaluation reserves	8,742	6,790	658
長期股票投資重估儲備	Long-term equity investment revaluation reserve	3,452	-	-
資本贖回儲備	Capital redemption reserve	99	99	-
		31,025	19,682	756
保留溢利	Retained profits			
二零零零年一月一日結餘	At 1 January 2000	17,729	12,675	90
換算調整	Exchange adjustments	(2)	(3)	-
股東應得溢利	Profit attributable to shareholders	10,014	9,194	47
股息	Dividends	(9,177)	(9,177)	(39)
折舊撥往行址重估儲備	Transfer of depreciation to premises revaluation reserve	99	78	-
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	69	26	-
二零零零年十二月三十一日結餘	At 31 December 2000	18,732	12,793	98
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			
• 二零零零年一月一日結餘	• at 1 January 2000	5,005	4,384	-
• 重估增值(附註21(甲)及(丁))	• surplus on revaluation (notes 21(a) & (d))	511	482	-
• 由保留溢利撥來之折舊	• transfer of depreciation from retained profits	(99)	(78)	-
• 撥往投資物業重估儲備	• transfers to investment properties revaluation reserve	(158)	(94)	-
• 因售出行址而實現之重估增值	• realisation on disposal of premises	(17)	(17)	-
• 二零零零年十二月三十一日結餘	• at 31 December 2000	5,242	4,677	-
投資物業重估儲備	Investment properties revaluation reserve			
• 二零零零年一月一日結餘	• at 1 January 2000	3,223	1,964	560
• 重估增值(附註21(甲)及(丁))	• surplus on revaluation (notes 21(a) & (d))	73	64	-
• 應佔聯營公司物業之 增值(附註21(丁))	• share of revaluation surplus of an associated company (note 21(d))	98	-	98
• 由行址重估儲備撥來	• transfers from premises revaluation reserve	158	94	-
• 因售出投資物業而實現之重估增值	• realisation on disposal of investment properties	(52)	(9)	-
• 二零零零年十二月三十一日結餘	• at 31 December 2000	3,500	2,113	658
行址及投資物業重估儲備合計	Total premises and investment properties revaluation reserves	8,742	6,790	658

28 儲備 續

28 reserves continued

二零零零年

2000

		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			
二零零零年一月一日結餘	At 1 January 2000	3,959	-	-
重估減值	Deficits on revaluation	(259)	-	-
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	(248)	-	-
二零零零年十二月三十一日結餘	At 31 December 2000	3,452	-	-
資本贖回儲備	Capital redemption reserve			
二零零零年一月一日及 十二月三十一日結餘	At 1 January and 31 December 2000	99	99	-
二零零零年十二月三十一日儲備結餘	Total reserves at 31 December 2000	31,025	19,682	756

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	-
		30,015	19,122	650
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	17,729	12,675	90

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
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(丁))	• surplus on revaluation (note 21(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	5,005	4,384	–
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(丁))	• deficit on revaluation (note 21(d))	(520)	(323)	–
• 應估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	3,223	1,964	560
行址及投資物業重估儲備合計	Total 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			
一九九九年一月一日結餘	At 1 January 1999	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

「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。

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

		2000	1999
營業溢利	Operating profit	11,344	9,646
呆壞賬準備	Provisions for bad and doubtful debts	196	1,419
折舊	Depreciation	388	378
長期投資之攤銷	Amortisation of long-term investments	(571)	(368)
減除收回後之貸款撇賬額	Advances written off net of recoveries	(707)	(993)
長期投資之應收收入	Income receivable on long-term investments	(1,863)	(1,280)
來自經營活動之淨現金流入	Net cash inflow from trading activities	8,787	8,802
現金及短期資金之變動	Change in cash and short-term funds	(8,377)	7,267
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	95	(617)
存款證之變動	Change in certificates of deposit	(5,333)	(2,147)
持作買賣用途之證券之變動	Change in securities held for dealing purposes	(4,206)	(6)
客戶貸款之變動	Change in advances to customers	(19,729)	569
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	1,093	(355)
其他資產之變動	Change in other assets	(1,896)	(1,871)
客戶存款之變動	Change in customer accounts	50,837	22,465
發出存款證之變動	Change in certificates of deposit in issue	3,057	958
同業存款之變動	Change in deposits from banks	(3,087)	(1,908)
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	(782)	520
其他負債之變動	Change in other liabilities	6,391	2,633
撇除換算差額及其他非現金項目	Elimination of exchange differences and other non-cash items	1,913	(2,336)
來自營業活動之淨現金流入	Net cash inflow from operating activities	28,763	33,974

(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

		2000	1999
一月一日結餘	Balance at 1 January	150,579	134,205
換算變動影響前之淨現金流入	Net cash inflow before the effect of foreign exchange movements	8,472	15,125
換算變動之影響	Effect of foreign exchange movements	(1,540)	1,249
十二月三十一日結餘	Balance at 31 December	157,511	150,579

(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

		2000	1999
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	4,330	5,122
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	113,626	110,795
庫券	Treasury bills	1,522	771
一至三個月內到期之定期存放同業	Placings with banks repayable between one to three months	37,136	33,221
存款證	Certificates of deposit	897	670
		157,511	150,579

30 或有債務、承擔及衍生工具

30 contingent liabilities, commitments and derivatives

(甲) 合約金額、信貸之相等金額及風險
加權金額(a) Contract amount, credit equivalent amount and
risk-weighted amount

二零零零年

2000

		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	3,829	3,763	2,963
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	5,801	1,168	1,160
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	59,665	-	-
• 一年及以上	• one year and over	18,438	9,219	8,975
		83,904	10,387	10,135
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	169,896	2,886	647
其他滙率合約	Other exchange rate contracts	6,504	174	37
		176,400	3,060	684
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	46,951	842	201
其他利率合約	Other interest rate contracts	6,229	-	-
		53,180	842	201

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

二零零零年

30 contingent liabilities, commitments and derivatives continued
(a) Contract amount, credit equivalent amount and
risk-weighted amount continued

2000

		銀行 BANK		
		合約金額	信貸之 相等金額	風險 加權金額
		CONTRACT AMOUNT	CREDIT EQUIVALENT AMOUNT	RISK- WEIGHTED AMOUNT
或有債務：	Contingent liabilities:			
擔保	Guarantees	4,435	4,369	3,558
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	5,801	1,168	1,160
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	59,108	-	-
• 一年及以上	• one year and over	18,173	9,087	8,843
		83,082	10,255	10,003
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	173,218	2,919	663
其他滙率合約	Other exchange rate contracts	6,504	174	37
		179,722	3,093	700
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	46,129	829	198
其他利率合約	Other interest rate contracts	6,155	-	-
		52,284	829	198

(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

		集團 GROUP		
		合約金額	信貸之 相等金額 CREDIT EQUIVALENT AMOUNT	風險 加權金額 RISK- WEIGHTED AMOUNT
		CONTRACT AMOUNT	EQUIVALENT AMOUNT	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
		71,926	8,514	8,082
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	132,608	2,484	547
其他滙率合約	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

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

一九九九年

30 contingent liabilities, commitments and derivatives continued
(a) Contract amount, credit equivalent amount and
risk-weighted amount continued

1999

		銀行 BANK		
		合約金額	信貸之 相等金額	風險 加權金額
		CONTRACT AMOUNT	CREDIT EQUIVALENT AMOUNT	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
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	132,608	2,484	547
其他滙率合約	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

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，是用作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，如屬滙率、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.

(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，故敝做此類交易時，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

(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 exposures in accordance with the Third Schedule of the Banking Ordinance.

(b) Replacement cost

		集團 GROUP		銀行 BANK	
		2000	1999	2000	1999
匯率合約	Exchange rate contracts	1,491	1,487	1,491	1,487
利率合約	Interest rate contracts	722	127	715	126
		2,213	1,614	2,206	1,613

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.

30 或有債務、承擔及衍生工具 續

(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：

30 contingent liabilities, commitments and derivatives continued

(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	
		2000	1999	2000	1999
匯率合約：	Exchange rate contracts:				
即期及遠期外匯交易	Spot and forward foreign exchange	169,896	132,608	169,896	132,608
其他匯率合約	Other exchange rate contracts	6,204	646	6,204	646
		176,100	133,254	176,100	133,254
利率合約：	Interest rate contracts:				
利率掉期	Interest rate swaps	27,990	7,649	27,990	7,649
其他利率合約	Other interest rate contracts	750	2,619	750	2,619
		28,740	10,268	28,740	10,268

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 to synthetically alter the risk characteristics of assets and liabilities. The transactions are either conducted directly in the market or indirectly through Group counterparties 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

本集團之負債港幣八十五億五千萬元（一九九九年：港幣三十四億七千五百萬元）及銀行之負債港幣八十五億五千萬元（一九九九年：港幣三十四億七千五百萬元）是以資產（包括存放中央保管系統以便利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四百二十八億三千一百萬元（一九九九年：港幣二百一十三億三百萬元），銀行則為港幣三百五十六億九千九百萬元（一九九九年：港幣一百四十四億五千五百萬元），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\$8,550 million (1999: HK\$3,475 million) and of the Bank amounting to HK\$8,550 million (1999: HK\$3,475 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\$42,831 million (1999: HK\$21,303 million) and by the Bank is HK\$35,699 million (1999: HK\$14,455 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	
		2000	1999	2000	1999
已核准及簽訂合約之開支	Expenditure authorised and contracted for	188	180	126	130
已核准但未簽訂合約之開支	Expenditure authorised but not contracted for	-	1	-	-
		188	181	126	130

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	
		2000	1999	2000	1999
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	20	11	19	11
• 一年以上至五年	• between one and five years	57	69	57	68
• 五年以上	• after five years	13	3	13	3
		90	83	89	82
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	1	56	1	56
• 一年以上至五年	• between one and five years	67	5	67	5
		68	61	68	61

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二億二千二百萬元（一九九九年：港幣二億三千一百萬元）（附註4（丁））。本行及本集團內之公司已按個別需要設有強制性公積金計劃（「強積金」），並已按強制性公積金條例辦妥登記。於二零零零年內本集團並未需要為強積金計劃進行任何供款。

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 of 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\$222 million (1999:HK\$231 million) (note 4(d)). The Bank and relevant group entities have also participated in the mandatory provident fund schemes ("MPF schemes") registered under the Mandatory Provident Fund Ordinance. No contribution was paid or payable for the MPF schemes in 2000.

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。該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。

職員退休福利計劃中以「恒生銀行界定利益計劃」為主。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二零零零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三十一億三千二百萬元（一九九九年：港幣三十五億五千七百萬元）。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九十八（一九九九年：百分之一百一十六），短欠額為港幣六千九百萬元（一九九九年：盈餘額為港幣四億八千九百萬元）。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一百一十七（一九九九年：百分之一百三十八），由此產生之盈餘為港幣四億六千一百萬元（一九九九年：港幣九億八千四百萬元）。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 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 2000 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\$3,132 million (1999: HK\$3,557 million). On an on-going basis, the scheme's assets represented 98% (1999: 116%) of the benefits accrued to members, after allowing for expected future increases in salaries, and the resulting deficit amounted to HK\$69 million (1999: surplus of HK\$489 million). On a wind-up basis, the scheme's assets represented 117% (1999: 138%) of the members' vested benefits, based on salaries at that date, and the resulting surplus amounted to HK\$461 million (1999: HK\$984 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.

		2000		1999	
		%		%	
(甲) 總營業收入 (扣除利息支出)	(a) Total operating income (net of interest expense)				
香港	Hong Kong	14,482	95	14,229	96
美洲	Americas	741	5	548	4
其他	Other	42	–	31	–
		15,265	100	14,808	100
(乙) 除稅前一般業務溢利	(b) Profit on ordinary activities before tax				
香港	Hong Kong	10,937	94	9,578	98
美洲	Americas	720	6	556	6
其他	Other	18	–	(350)	(4)
		11,675	100	9,784	100
(丙) 總資產	(c) Total assets				
香港	Hong Kong	431,574	86	384,524	87
美洲	Americas	63,055	13	52,388	12
其他	Other	6,155	1	5,158	1
		500,784	100	442,070	100
(丁) 總負債	(d) Total liabilities				
香港	Hong Kong	445,058	97	389,358	97
美洲	Americas	10,630	2	9,717	2
其他	Other	4,512	1	3,421	1
		460,200	100	402,496	100
(戊) 或有債務及承擔	(e) Contingent liabilities and commitments				
香港	Hong Kong	84,939	97	71,678	97
美洲	Americas	414	–	509	1
其他	Other	2,380	3	2,006	2
		87,733	100	74,193	100

36 行政人員貸款

根據香港公司條例第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 Hong Kong 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	
		2000	1999	2000	1999
由銀行借出	By the Bank	34	57	73	88

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:

		2000	1999
經調整總資本比率	Adjusted total capital ratio	15.3%	17.3%
經調整第一級資本比率	Adjusted tier 1 capital ratio	11.9%	13.3%

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:

		2000	1999
總資本比率	Total capital ratio	15.4%	17.4%
第一級資本比率	Tier 1 capital ratio	12.0%	13.4%

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:

		2000	1999
本行及其經營銀行業務之主要附屬公司	The Bank and its major banking subsidiaries	43.3%	42.4%

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：

截至十二月三十一日全年收支結算	INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER	集團 GROUP	
		2000	1999
利息收入	Interest income	702	671
利息支出	Interest expense	81	61

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：

利率及滙率合約	Interest rate and exchange rate contracts:	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
二零零零年	2000	41,510	884	177
一九九九年	1999	23,531	461	92

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:

截至十二月三十一日全年收支結算	INCOME AND EXPENSE FOR THE YEAR ENDED 31 DECEMBER	集團 GROUP	
		2000	1999
利息收入	Interest income	702	671
利息支出	Interest expense	81	61

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:

利率及滙率合約	Interest rate and exchange rate contracts:	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
二零零零年	2000	41,510	884	177
一九九九年	1999	23,531	461	92

39 有關連人士之重大交易 續**(甲) 與直屬控股公司及同母系附屬公司之交易 續****(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。截至二零零零年十二月三十一日之年度內，本行共支付淨額費用港幣三億三千三百萬元（一九九九年：港幣二億五千三百萬元）。該項費用乃按成本收回基礎計算。

(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。截至二零零零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二億零四百萬元（一九九九年：港幣二億一千七百萬元）。

(乙) 與聯營公司之交易

本集團給予一聯營公司之一項免息股東貸款於二零零零年十二月三十一日之結餘為港幣二億零八百萬元（一九九九年：港幣二億零八百萬元）。本集團為一聯營公司作人壽保險產品之銷售代理，截至二零零零年十二月三十一日之年度內所收取之代理佣金合共港幣一億七千一百萬元（一九九九年：港幣五千四百萬元）。

(丙) 與最終控股公司之交易

截至二零零零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（一九九九年：無）。

39 material related-party transactions continued**(a) Transactions with immediate holding company and fellow subsidiary companies continued****(ii) Electronic data processing services**

The Group uses the information technology services of and shares an automatic teller machine network with its immediate holding company. Total net charges paid by the Bank during the year ended 31 December 2000 amounted to HK\$333 million (1999: HK\$253 million). The charges are made on cost recovery basis.

(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 2000, the Bank made total contributions of HK\$204 million to the scheme (1999: HK\$217 million).

(b) Transactions with associated companies

The Group maintains interest free shareholders' loans to associated companies. The balance at 31 December 2000 amounted to HK\$208 million (1999: HK\$208 million). The Group acts as agent for the marketing of life insurance products for an associated company. Total agency commissions received during the year ended 31 December 2000 amounted to HK\$171 million (HK\$54 million for 1999).

(c) Transactions with ultimate holding company

During the year ended 31 December 2000, no transaction was conducted with the Group's ultimate holding company (1999: Nil).

(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（一九九九年：無）。

(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 (1999:Nil).

40 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。

40 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.

41 賬項通過

本賬項已於二零零一年二月二十六日經董事會通過。

41 approval of accounts

The accounts were approved by the Board of Directors on 26 February 2001.

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八十一頁至第一百四十一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，該賬項足以顯示恒生銀行及其集團在二零零零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 二零零一年二月二十六日

AUDITORS' REPORT TO THE SHAREHOLDERS OF HANG SENG BANK LIMITED
(INCORPORATED IN HONG KONG WITH LIMITED LIABILITY)

We have audited the accounts on pages 81 to 141 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 of the state of affairs of the Bank and of the Group as at 31 December 2000 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, 26 February 2001

股東資料分析 ANALYSIS OF SHAREHOLDERS

		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
二零零零年十二月三十一日	AT 31 DECEMBER 2000				
持有股數	NUMBER OF SHARES HELD				
1 - 500	1 - 500	5,595	30.59	1.2	0.06
501 - 2,000	501 - 2,000	5,939	32.47	7.1	0.37
2,001 - 5,000	2,001 - 5,000	3,180	17.39	10.7	0.56
5,001 - 20,000	5,001 - 20,000	2,652	14.50	26.8	1.40
20,001 - 50,000	20,001 - 50,000	605	3.31	18.7	0.98
50,001 - 100,000	50,001 - 100,000	152	0.83	10.7	0.56
100,001 - 200,000	100,001 - 200,000	89	0.49	12.7	0.67
超過 200,000	Over 200,000	78	0.42	1,823.9	95.40
		18,290	100.00	1,911.8	100.00
地區分佈	GEOGRAPHICAL DISTRIBUTION				
香港	Hong Kong	17,838	97.53	1,907.6	99.78
馬來西亞	Malaysia	100	0.55	0.8	0.04
新加坡	Singapore	64	0.35	0.5	0.02
澳門	Macau	44	0.24	0.2	0.01
加拿大	Canada	72	0.39	1.5	0.08
英國	United Kingdom	58	0.32	0.1	0.01
美國	United States of America	49	0.27	0.6	0.03
澳洲	Australia	44	0.24	0.3	0.02
其他地區	Others	21	0.11	0.2	0.01
		18,290	100.00	1,911.8	100.00

敬啟者：本行定於二零零一年四月十九日(星期四)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) 省覽截至二零零零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

(四) 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；

第四項至第六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。

(五) 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）；

(六) 授權本公司董事會就本會議通告（本議決案乃其中一部份）第五項議決案(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 二零零一年二月二十六日

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每股港幣二元八角。本行將於二零零一年三月十四日（星期三）及三月十五日（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，必須於二零零一年三月十三日（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一七一二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二零零一年三月二十二日（星期四）派發予二零零一年三月十五日（星期四）已在股東名冊內登記之股東。

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 Thursday, 19 April 2001 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 2000;
- (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

(4) 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;

The proposed resolutions (4) to (6) are to renew the general mandates to issue shares and repurchase shares.

(5) 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);

(6) 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 5 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, 26 February 2001

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 of HK\$2.80 per share. The Register of Shareholders of the Bank will be closed on Wednesday, 14 March 2001 and Thursday, 15 March 2001, 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, 13 March 2001. The second interim dividend will be payable on Thursday, 22 March 2001 to shareholders on the Register of Shareholders of the Bank on Thursday, 15 March 2001.*

附屬公司 SUBSIDIARIES

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
(成員自動清盤中)	(In members' voluntary liquidation)
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
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
Silver Jubilee Limited	Silver Jubilee 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

二零零零年全年業績

於二零零一年二月二十六日公佈

2000 FULL YEAR RESULTS

announced on 26 February 2001

二零零零年年報

於二零零一年三月下旬郵寄送交股東

2000 ANNUAL REPORT

posted to shareholders in late March 2001

股東週年常會

將於二零零一年四月十九日召開

ANNUAL GENERAL MEETING

to be held on 19 April 2001

二零零零年第二次中期股息

於二零零一年二月二十六日公佈

將於二零零一年三月二十二日派發

2000 SECOND INTERIM DIVIDEND

announced on 26 February 2001

to be paid on 22 March 2001

二零零一年中期業績

約於二零零一年八月初公佈

2001 HALF YEAR RESULTS

to be announced around early August 2001

二零零一年中期報告

約於二零零一年八月下旬郵寄送交股東

2001 INTERIM REPORT

to be posted to shareholders around late August 2001

二零零一年第一次中期股息

約於二零零一年八月初公佈

約於二零零一年九月初派發

2001 FIRST INTERIM DIVIDEND

to be announced around early August 2001

to be paid around early September 2001

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本年報以全無氯氣漂染紙(第一頁至第八十頁)
及無氯氣漂染紙(第八十一頁至第一百五十二頁)印製
This annual report is printed on totally chlorine free paper (pg 1 – pg 80)
and elemental chlorine free paper (pg 81 – pg 152)

