



高層管理人員 SENIOR MANAGEMENT

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| 2 喬維明先生 (董事暨副總經理) | 2 Mr. Kiu Wai Ming (<i>Director & Deputy General Manager</i>) |
| 3 趙京芬女士 (董事暨副總經理) | 3 Ms. Zhao Jingfen (<i>Director & Deputy General Manager</i>) |
| 4 凌文博士 (副總經理) | 4 Dr. Ling Wen (<i>Deputy General Manager</i>) |
| 5 馬量武先生 (助理總經理) | 5 Mr. Ma Leung Wu, Michael (<i>Assistant General Manager</i>) |
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| 8 譚兆文先生 (助理總經理) | 8 Mr. Tam Siu Man (<i>Assistant General Manager</i>) |
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總覽

工銀亞洲於二零零零年在多方面均有所發展而且成果豐碩。首先，工銀亞洲新成立資產管理公司—友聯中國業務管理有限公司（「友聯中國業務管理」），專責跟進本行之內地不履約貸款組合。本行於年中成為中國最大國營商業銀行—中國工商銀行（「工商銀行」）之成員，不論在業務及追收貸款方面均可互相配合及共同開拓新商機。上述成效已在本行之損益表中反映。擁有良好的開始，管理層預期將有更多全方位之業務發展機會，屆時將會為本行之客戶及股東帶來更大回報。

以數字衡量，本行在充滿挑戰之二零零零年表現出眾，不單轉虧為盈，而且貸款額亦有穩健之增長。在貸款需求偏低，加上資產價值下跌之情況下，本地市場競爭日趨激烈。科技進步亦促使產品週期縮短，需要不斷更新資本投資。然而，管理層一向勇於面對挑戰，並會從中發掘新業務之機會，致力壯大本行之實力。

雖然本地營商環境自去年底呈現轉好跡象，但美國經濟回落之影響仍未明朗，管理層預期將面對另一個競爭激烈而且充滿挑戰之年度。管理層將憑藉強大之母公司、忠誠的客戶及有幹勁的員工支持下繼續壯大本行。

營運業績

淨利息收入

回顧年度之淨利息收入為434,000,000港元，佔收入總額83%，較一九九九年度淨利息收入321,000,000港元上升35%。雖然在競爭之下息差不斷受壓，但淨息差仍然從一九九九年之1.68%擴闊至二零零零年之2.21%。本行淨息差擴大，主要是由於實行了有效資產負債管理之成

OVERVIEW

Year 2000 was an eventful and rewarding year for ICBC (Asia). First of all, a new asset management company, namely UB China Business Management Company Limited ("UBCBM"), was set up to take care of the PRC non-performing loan portfolio. In the middle of the year, the Bank became a member of Industrial and Commercial Bank of China ("ICBC"), the largest state-owned commercial bank in the PRC. This has created many synergies and new opportunities both on the business front and on the loan recovery front. All these benefits were well reflected in the Bank's profit and loss accounts. This is just the beginning; the management anticipates more opportunities coming in multi-dimensions which will translate into enhanced benefits for our customers and shareholders.

Back to the performance in number terms, the Bank performed well in the challenging year of 2000, marked by a turn around in bottom-line profits and balanced loan growth. Local market conditions have become more competitive, suppressed by weak loan demand and asset prices. Advances in technology also shortened the product cycles and invited constant capital re-investments. The management, nevertheless, always views these competitive elements as new business opportunities and commits to building up the strength of the Bank.

Although there have been encouraging signs of recovery in the local business environment towards end of last year, the impact on the economy of a slowdown in the United States has yet to be seen. The management expects another competitive and challenging year ahead. The management shall continue to capitalize on the strong parentage, loyal customer network and resilient staff force.

RESULTS OF OPERATIONS

Net Interest Income

The net interest income for the year under review was HK\$434 million, which represented 83% of the total gross income. Compared to 1999, the net interest income grew 35% from HK\$321 million. The net interest margin widened from 1.68% in 1999 to 2.21% in 2000, despite the continued margin squeeze driven by competition. The improvement in the bank's net interest margin was largely the result of effective asset and liability management: the switching from low-yielding

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

果：包括將低收益存款轉為投資優質債券、擴大貸款及嚴格監察資金成本。此外，收回不履約貸款之暫記利息數額由一九九九年之53,000,000港元增至二零零零年之98,000,000港元。

placement income to investment in quality debt instruments, the expansion of the loan book and tight monitoring of funding cost. In addition, suspended interest received from non-performing loans increased from HK\$53 million in 1999 to HK\$98 million in 2000.

其他營運收入

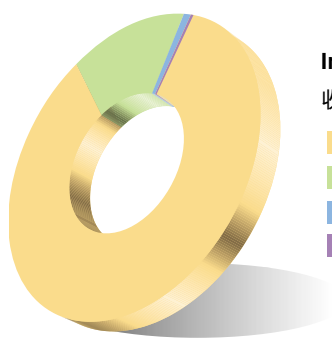
截至二零零零年底，其他營運收入為87,000,000港元，佔收入總額17%。於本年度內，本行以代價75,000,000港元出售旗下之證券經紀附屬公司一友聯證券有限公司，作為招商局金融集團有限公司、招商局集團有限公司與工商銀行於二零零零年四月十九日訂立之買賣協議所規定之部份交易。上述出售獲得賬面溢利49,000,000港元，另載於「出售附屬公司溢利」。撇除證券業務之收益，其他收入亦錄得6%之增長，主要為積極參與銀團貸款市場之成果。貿易融資之收入亦取得15%之增長。

Other Operating Income

Other operating income, representing 17% of the total gross income, amounted to HK\$87 million for the year ended 2000. During the year, the Bank disposed of its securities broking subsidiary, U.B. Securities Limited, for a consideration of HK\$75 million, as part and parcel of the Sale and Purchase Agreement made between China Merchants Finance Holdings Company Limited, China Merchants Holdings Company Limited and ICBC dated 19 April 2000. The sale resulted in a book profit of HK\$49 million which has been separately disclosed as "Profit on disposal of subsidiary". Excluding the income from the securities business, other fee income recorded a 6% growth contributed predominantly by active participation in the syndicated loan market. Fee income derived from trade finance also registered a 15% growth.

於本年度內，本行透過擴大投資銀行、財資管理、零售銀行及商人銀行等業務，以積極擴大其他收益來源。

During the year, the Bank also aggressively expanded other avenues of income through growing activities in investment banking, treasury, retail banking and commercial banking.



Income Composition 2000

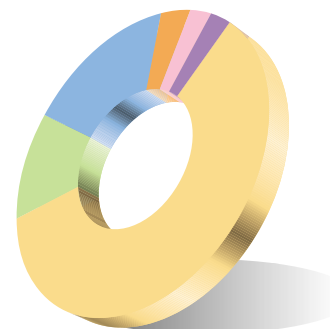
收入組合 二零零零年

83%	淨利息收入	Net Interest Income
13%	淨收費及佣金收入	Net Fees and Commissions
1%	外匯交易收益淨額	Net Gains on Dealing in Foreign Currencies
3%	其他收入	Other Income

Operating Expenses Composition 2000

營運支出組合 二零零零年

60%	員工支出	Staff Expenses
12%	物業支出	Premises Expenses
18%	營運支出	Operation Expenses
4%	電腦支出	Computer Expenses
3%	業務推廣支出	Business Promotion Expenses
3%	通訊支出	Communication Expenses



管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

營運支出

雖然營運收入總額上升28%至521,000,000港元，但營運支出僅略為增加6%至230,000,000港元，使成本／收入比率進一步改善至44%（一九九九年：53%）。撇除就成立資產管理公司、發行履約票據（用以處理國內地不履約貸款之措施）及就工商銀行提出全面收購建議而向少數股東提供意見所動用之開支，則營運支出僅上升3%。

員工支出在二零零零年減少1.7%至138,000,000港元。於二零零零年十二月三十一日之職員總數增至504名，而一九九九年則為497名。

除灣仔、荃灣、上環及將軍澳分行外，本行屬下所有分行均為自置物業。其他支出主要與收益有關，例如專業服務、保險、通訊及業務推廣支出等。

壞賬及呆賬準備

截至二零零零年十二月三十一日止年度之綜合呆壞賬撥備淨額為193,000,000港元，較一九九九年全年減少74%，使年底逾期貸款之覆蓋比率（即抵押品加撥備）由一九九九年之80%調升至二零零零年之88%。呆壞賬撥備淨額當中33,000,000港元與友聯中國業務管理處所處理之貸款有關，而160,000,000港元與本行餘下貸款有關。

上述撥備在一定程度上代表了本行與資產管理公司成功收回貸款之努力。實際上本年收回現金571,000,000港元，而出售抵押品亦獲得283,000,000港元。此外，更成功重整總值640,000,000港元之貸款。

Operating Expenses

While total operating income gained 28% to HK\$521 million, operating expenses only edged up by 6% to HK\$230 million, resulting in an improved cost/income ratio of 44% (1999: 53%). Excluding the charges in relation to the setting up of the asset management company and the issuance of the performance-linked notes (efforts taken to deal with the Mainland China non-performing loans) and the advice to minority shareholders on the general offer by ICBC, the operating expenses would have recorded an increase of a mere 3%.

Staff expenses decreased by 1.7% to HK\$138 million in 2000. Total number of staff at 31 December 2000 was increased to 504 compared with 497 in 1999.

All bank premises are owned properties other than Wanchai, Tsuen Wan, Sheung Wan and Tseung Kwan O branches. Other expenses comprised mainly of income-related costs e.g. professional services, insurance, communication and business promotion expenses.

Provisions for Bad and Doubtful Debts

Consolidated net charge for bad and doubtful debts for the year ended 2000 amounted to HK\$193 million, representing a decrease of 74% compared with the full year of 1999, raising the debt coverage ratio (i.e. collateral plus provisions) for overdue loans as at year end from 80% in 1999 to 88% in 2000. HK\$33 million of the net charge for bad and doubtful debts related to the UCBM's portfolio and HK\$160 million related to the Bank's remaining portfolio.

These provisions to a certain extent masked the successful recovery efforts in the Bank and the asset management company. Cash recoveries of HK\$571 million and collateral sales of HK\$283 million were attained during the year. In addition, loans with gross value of HK\$640 million were successfully restructured.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

資產負債表分析

本行於二零零零年十二月三十一日之總資產為20,657,000,000港元，較一九九九年底之19,158,000,000港元上升8%。詳細之分析載於以下各段。

貸款及墊款

雖然按揭貸款需求疲弱而競爭非常激烈，但本行之貸款總額仍上升14%。包括貿易票據之貸款總額增至13,673,000,000港元（一九九九年：11,968,000,000港元）。各類貸款之比例亦更為均衡，其中住宅按揭貸款之升幅最為明顯，達到44%。與國內有關之貸款比例亦由一九九九年之31%減少至二零零零年之25%。

BALANCE SHEET ANALYSIS

The Bank's total assets at 31 December 2000 were HK\$20,657 million which represented an increase of 8% compared with the 1999 year end. (1999: HK\$19,158 million). Detailed analysis is provided in the following sections.

Loans and Advances

Albeit the soft loan demand and ferocious competition in the mortgage business, the bank enjoyed 14% growth in its total loan portfolio. Total loans and advances (including trade bills) increased to HK\$13,673 million (1999: HK\$11,968 million). A more balanced portfolio mix was also achieved, with notable growth of 44% in residential mortgages. China-related exposure also declined from 31% in 1999 to 25% in 2000.



貸款組合 二零零零年
Loans Composition 2000

12%	物業發展及其他物業投資	Property Development & Other Property Investment
8%	物業投資－住宅按揭	Property Investment - Residential Mortgage
23%	個人－住宅按揭	Individuals - Residential Mortgage
7%	個人－其他	Individuals - Other
40%	工商及金融業	Industrial, Commercial and Finance
6%	貿易融資	Trade Finance
4%	香港以外使用之貸款	Loans For Use Outside Hong Kong

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

投資證券

為達致利潤與流動資金之平衡，本行將流動資金其中1,210,000,000港元投資於存款證，及1,363,000,000港元投資於優質債券。該等投資由資產及負債管理委員會負責監督，並且嚴格遵守董事會認可之投資政策。投資組合主要包括投資級別定息證券。

Investment Securities

With the aim of balancing profitability and liquidity, the Bank invested its liquid funds in HK\$1,210 million certificates of deposits and HK\$1,363 million high quality debt securities. These investments were made under the supervision of the Asset and Liability Management Committee and in strict compliance with the investment policies approved by the Board. The investment portfolio comprised mainly of investment grade fixed income securities.

優質投資證券組合 INVESTMENT BOOK OF GOOD QUALITY			
長期信用評級 Long Term Credit Rating			佔總投資組合百分比 Percentage to Total Investment Portfolio
標準普爾 S&P	穆迪 Moody's	惠譽國際 Fitch	
AAA	Aaa	AAA	0.00%
AA+	Aa1	AA+	0.00%
AA	Aa2	AA	9.96%
AA-	Aa3	AA-	21.70%
A+	A1	A+	9.36%
A	A2	A	28.59%
A-	A3	A-	0.00%
BBB+	Baa1	BBB+	0.80%
BBB	Baa2	BBB	13.88%
BBB-	Baa3	BBB-	1.51%
BB+	Ba1	BB+	2.17%
BB	Ba2	BB	0.00%
BB-	Ba3	BB-	1.67%
未獲評級 Non-Rated			10.36%
			投資級別 Investment Grade 85.80%
			投機級別及未獲評級 Speculative Grade and Non-Rated 14.20%

融資

負債方面，客戶存款由一九九九年度之15,433,000,000港元水平上升4%至16,106,000,000港元。此外，於二零零零年期間共贖回或償還546,000,000港元存款證。

為表示對本行之支持，控權股東工商銀行向本行提供3,000,000,000港元信貸額，除提供主要資金來源外，亦有助減輕本行之資金成本。

Funding

On the liabilities side, customers' deposits increased 4% to HK\$16,106 million from 1999 year end level of HK\$15,433 million. In addition, HK\$546 million of certificates of deposit were redeemed or repaid during 2000.

As an initial demonstration of its support to the Bank, our controlling shareholder, ICBC, extended a HK\$3 billion credit facility to the Bank. Not only does this provide the Bank with a vital source of funding, it also helps lower the Bank's cost of funds.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

密切監察貸存比率乃本行資產負債管理工作的一部份。隨著貸款組合增加，貸存比率提高至66%（一九九九年十二月三十一日：61%）。根據香港金融管理局之指引，該比率按經調整之準則計算，已計入可運用資本及中長期債項，惟不包括短期銀行同業拆借。

不履約貸款

本行於一九九九年十二月三十一日之綜合不履約貸款高達3,774,000,000港元，於二零零零年十二月三十一日已減少599,000,000港元至3,175,000,000港元，而不履約貸款佔總貸款之比例亦由一九九九年十二月三十一日之32%下降至二零零零年十二月三十一日之23%，顯示不履約貸款情況已受到控制。另外，逾期貸款亦由一九九九年十二月三十一日之3,050,000,000港元減少至二零零零年十二月三十一日之2,523,000,000港元，使逾期貸款佔總貸款之比例下降至19%（一九九九年十二月三十一日：26%）。

由於本行作出額外撥備，逾期貸款之覆蓋比率（即專項撥備加抵押品）由一九九九年十二月三十一日之80%增加至二零零零年十二月三十一日之88%。友聯中國業務管理之覆蓋比率為81%，而本行餘下不履約貸款之覆蓋比率則為99%。

於二零零零年十二月三十一日，綜合呆壞賬撥備總額為1,676,000,000港元，其中包括1,552,000,000港元（一九九九年十二月三十一日：889,000,000港元）之專項撥備及124,000,000港元（一九九九年十二月三十一日：125,000,000港元）之一般撥備。

一九九九年九月三十日，招商局向本行提供高達600,000,000港元之持續擔保，並且由一家獨立財務機構作出即付保證作支持，因此解除本行於

Loan to deposit ratio was closely monitored as part of the Bank's asset and liability management. With the expansion in the loan portfolio, the loan to deposit ratio was more efficiently geared at 66% (31 December 1999: 61%). The ratios were computed on an adjusted basis, pursuant to the Hong Kong Monetary Authority's guideline, after taking into account free capital, medium and long term debt but excluding short-term interbank borrowings.

Non-performing Loans

The Bank's consolidated non-performing loans (NPLs) peaked on 31 December 1999 at HK\$3,774 million. As at 31 December 2000, the consolidated NPLs dropped HK\$599 million to HK\$3,175 million, with the NPLs to total loans ratio declining from 32% in 31 December 1999 to 23% in 31 December 2000, evidencing that the NPLs problem was well under control. Overdue loans also reduced from HK\$3,050 million as at 31 December 1999 to HK\$2,523 million as at 31 December 2000, resulting in an improvement in the overdue loans to total loans ratio to 19% (31 December 1999: 26%).

As additional provision was set aside, the coverage ratio (i.e. specific provision plus collateral) for overdue loans was raised from 80% as of 31 December 1999 to 88% as of 31 December 2000. The coverage ratio for UBCBM's portfolio was 81%, while the coverage ratio for the Bank's remaining portfolio was 99%.

As at 31 December 2000, total consolidated provisions for bad and doubtful debts were HK\$1,676 million, comprising specific provision of HK\$1,552 million (31 December 1999: HK\$889 million) and general provision of HK\$124 million (31 December 1999: HK\$125 million).

On 30 September 1999, China Merchants provided to the Bank a continuing guarantee up to HK\$600 million which was also supported by a first demand guarantee from an independent financial institution, thus obviating the need for

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

一九九九年十二月三十一日止年度作出相同數額之額外撥備需要。按賬目附註5所詳述，截至二零零零年十二月三十一日止期間，上述擔保已經贖回，並且為友聯中國業務管理之貸款作出額外撥備。額外撥備由招商局在解除擔保時所包銷之次等履約票據撤減所得數額抵銷。

資產管理公司

友聯中國業務管理有限公司（「友聯中國業務管理」）為本行全資擁有之資產管理公司，自二零零零年四月十五日起運作，主要目標在五年內解決內地不履約貸款問題。於二零零零年四月十五日，未償還債項之賬面淨值為1,212,000,000港元，涉及賬戶77個。

additional provisioning for the same amount for the year ended 31 December 1999. During the period to 31 December 2000 and as further disclosed in Note 5 of the Accounts, the guarantee was redeemed and additional provision was made for loans at UBCBM. The additional provision was offset by the write-down of Junior Performance-linked notes which were underwritten by China Merchants in conjunction with the release of the guarantee.

Asset Management Company

UB China Business Management Company Limited ("UBCBM") is a wholly-owned asset management company of the Bank which commenced operations on 15 April 2000 with the primary objective to resolve the Mainland China NPLs within 5 years. The net book value of the portfolio being managed as at 15 April 2000 was HK\$1,212 million with 77 accounts.



友聯中國業務管理致力解決內地不履約貸款問題。
UBCBM is dedicated to recover PRC non-performing loans.

經國內之工商銀行與本行追收小組之共同努力下，由二零零零年四月十五日至年結日期間共收回現金236,000,000港元，重整貸款總值463,000,000港元。有關賬戶減至66個，而未償還債項之賬面淨值則降至962,000,000港元。

With the concerted efforts of ICBC in the Mainland and our recovery team, cash recovery during the period from 15 April 2000 to the year end totalled HK\$236 million. Total gross value of loans restructured amounted to HK\$463 million. The number of accounts was reduced to 66 bringing total net book value down to HK\$962 million.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

有關優先及次等履約票據（「履約票據」）、友聯中國業務管理之貸款撥備、發行與次等履約票據相關之購股權等其他詳情，載於賬目附註5、19、29及30(b)(ii)。

聯營公司

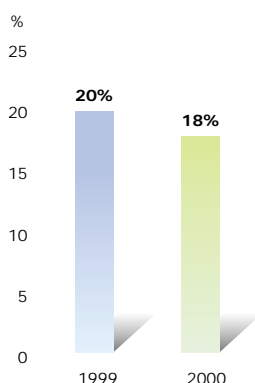
本行所佔聯營公司—中國平安保險(香港)有限公司之溢利在二零零零年上升至2,600,000港元(一九九九年：500,000港元)，主要是由於本年度賠償數額減少36%。

財務及風險管理

資本管理

本行資本充足比率維持在18%之健康水平，遠高於國際結算銀行所要求之8%，反映管理層與監管當局採取穩健之政策，此於近期波動之營商環境下尤顯其重要性。

資本充足比率
Capital Adequacy Ratio (CAR)



流動資金及市場風險管理

二零零零年度資金維持充裕，平均流動資金比率達43%（一九九九年：平均為56%），遠高於法定要求之25%。

Further disclosure regarding the Senior and Junior Performance-linked Notes (PLNs), the provisioning on the UBCBM loans, the issue of options in connection with the issue of Junior PLNs are given in Notes 5, 19, 29 and 30(b) (ii) of the Accounts.

Associated Company

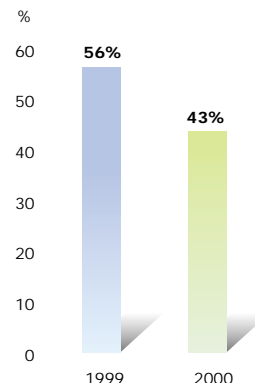
The Bank's share of profit of the associated company, China Ping An Insurance (Hong Kong) Company Limited, rose to HK\$2.6 million in 2000 (1999: HK\$0.5 million) driven mainly by 36% reduction in claims paid during the year.

FINANCIAL AND RISK MANAGEMENT

Capital Management

The Bank's capital adequacy ratio remained at a healthy level of 18% compared with the BIS minimum requirement of 8%. This reflects the prudent approach adopted by the management and the regulatory authority, especially in times of turbulent operating environment in the recent past.

全年平均流動資金比率
Average Liquidity Ratio for the year



Liquidity and Market Risk Management

The liquidity position remained strong throughout the year of 2000 with average liquidity ratio at 43% (1999 average: 56%), which was well above the statutory requirement of 25%.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

本行資產及負債管理委員會（「資產負債委員會」）密切監察各種流動資產與資金來源之組合，與利率及匯率波動之風險。資產負債委員會成員每月開會審視，並因應內部需求及外圍市場指標而釐定最佳流動資金比率。本行成為工商銀行集團成員後，市場地位得以提升，在資產管理方面獲得更大發揮空間及實力。

信貸風險管理

本行之信貸政策由信貸委員會、執行委員會及董事會制定及定期檢討。除獨立信貸評估及完善之審批程序外，本行並對特定貸款組合或個別借貸單位進行定期信貸審核。

管理層致力監察貸款組合之還款紀錄及模式，並於二零零零年最後季度推行更全面之內部信貸風險評級制度，以衡量本行貸款組合之穩健程度。透過各種預警機制，本行可及早識別惡化中之戶口，並加以處理。

所有問題貸款均被撥往另一監控單位負責，採取適當之補救工作及跟進措施。信貸委員會並每月審視有否按照當時之監管規定，作出充足之專項撥備。

營運風險管理

本行繼續維持全面性之內部監控制度，並有一套既定之營運指引及程序。內部審核對查察各運作層面之偏差及不足扮演非常重要之角色。

本行已察覺於運用電子方式大量處理及儲存數據中隱藏重大營運風險，故此已制定充足之監控如應變計劃及後備系統，以減低有關風險。

The Bank's Asset and Liability Management Committee (the "ALCO") closely monitors the mix of liquid assets and funding channels, and the exposure to movements in interest rate and foreign exchange. ALCO members meet monthly to review the optimal liquidity level in response to internal requirements and external market indicators. The elevation of the Bank's profile, being a member of the ICBC Group, has created more room and capabilities in the balance sheet management of the Bank.

Credit Risk Management

Credit policies of the Bank are set and constantly reviewed by the Credit Committee, the Executive Committee and the Board. Apart from the independent credit assessment and matrix approval process, regular credit audits are conducted on specific loan portfolio or operating units in the credit process.

The management spares no effort in monitoring the repayment history and behaviour of the loan portfolio. An expanded internal credit risk grading system was introduced in the last quarter of 2000 to track the state of health of the Bank's loan portfolio. Accounts showing signs of deterioration will be spotted and attended to swiftly through the use of various adverse reporting channels.

All problem loans will be transferred to a separate operating unit for rehabilitation and further follow-up actions as appropriate. The Credit Committee also reviews the adequacy of specific loan loss reserve on a monthly basis in compliance with the prevailing regulatory thresholds.

Operation Risk Management

The Bank continues to maintain a comprehensive system of internal controls and an established system of operating guidelines and procedures. Internal audit also plays an important role in detecting any deviations and weaknesses at all operating levels.

The Bank has perceived the extensive use of electronic processing and data storage as a major source of operating risk and sufficient control such as contingency plans and backup have been put in place to mitigate such risk.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

業務回顧

BUSINESS REVIEW

分行網絡

Branch Network

為更有利部署未來之發展，本行於過去兩年將利潤偏低之分行結束，並將規模較小之分行合併。在二零零零年，本行將文咸東街分行轉型為投資理財中心，定於二零零一年三月啟用。新成立之將軍澳分行已於二零零零年十二月啟業，成為首間每週辦公七天之分行。二零零零年三月遷往新址經營之灣仔分行採用全新之概念，無論設備及外觀均煥然一新。新啟業之將軍澳分行與重新裝修之跑馬地、城市花園及筲箕灣分行均採用相同之設計概念和外觀。於二零零零年十二月三十一日，本行在全港共有21間分行。

In order to better its position for future growth, the Bank has in the past two years taken steps to close down marginal branches and consolidate small branches. In 2000, the Bonham Strand East branch was transformed into an Investment Centre scheduled to open in March 2001. A new Tseung Kwan O branch was opened in December 2000. This is the first branch which opens seven days a week. A totally new concept was first launched in our relocated Wanchai branch with a complete facelift in terms of equipment and outlook in March 2000. The new Tseung Kwan O branch and our renovated branches at Happy Valley, City Garden and Shaukeiwan also adopted the same design concept and outlook. As of 31 December 2000, the total number of domestic branches is 21.



位於文咸東街之投資理財中心於二零零一年三月十二日開幕。
The opening ceremony of the Investment Centre in Bonham Strand East took place on 12th March, 2001.

本行設於開曼群島之分行為客戶提供離岸存款服務。深圳及上海之代表辦事處已於二零零零年九月二十日撤銷。自工商銀行取得控股權並成為大股東後，本行歸納在工商銀行集團旗下，工商銀行為國內最大國營商業銀行，擁有超過30,000間分支機構，故本行毋須在內地設立代表辦事處。

The Bank's overseas branch in the Cayman Islands offers offshore deposit services to our customers. The representative offices in Shenzhen and Shanghai were revoked on 20 September 2000. Since the change of control with ICBC as our major shareholder, our Bank has become part of the ICBC banking group, which itself is the largest state-owned commercial bank in the Mainland with a network of over 30,000 branches, the function of such offices in China has become redundant.

零售銀行

雖然現時零售銀行業務出現割價競爭，其中定期存款、住宅按揭、個人貸款及稅務貸款最為激烈，但本行屬下之零售銀行部門確認目標，採取創新之手法，配合市場推廣工作及大幅精簡信貸及營運程序，成功取得重大之市場。本集團亦大舉吸納精英專業人才，大部份為於過去12至18個月期間向外招聘。本行定期舉行職員會議，鼓勵提供意見，同時根據業界標準評估表現。

根據二零零零年度產品業務分析，本行之住宅按揭業務錄得44%增長，而稅務貸款方面亦有83%增長。本行為銀聯信託之成員，在推廣強積金產品方面相當成功，其中飲食及建造業之成功率相當高，為本行帶來新之客戶基礎，有利於日後推介其他產品。人民幣找換服務在二零零零年八月推出，迅即受到往來中港兩地旅客歡迎。

與證券價格掛鈎之高息存款在本年度最後季度推出，成功吸引本行之優質客戶，由於客戶在承擔股價波動風險下可以獲得更高之回報，故甚受歡迎。

當二零零一年七月取消利率協議後，在貸款需求持續疲弱加上科技帶來市場轉變之情況下，本行預期零售銀行業務於二零零一年之競爭將進一步加劇。本行在二零零一年會集中於(1)適當調節定期存款與活期存款之比例，以減低資金成本；(2)將分銷渠道由純粹倚賴分行之模式轉為全方位模式，更多採用直銷、電話推廣及網上銀行；(3)透過遷址及重新建立形象而重整及改良分行網絡，使營運更具效率，有利促銷及更方便客戶；及(4)組成更多策略聯盟，提高互相促銷之能力。

Retail Banking

Despite cut throat competition in today's retail banking market especially in the commoditised products such as fixed deposits, home mortgages, personal loans and tax loans, our Retail Banking Group succeeded in making significant inroads into the market through clearly defined vision and creativity, concerted marketing efforts and much streamlined credit and operational process. We have staffed this Group with qualified professionals, most of whom have been recruited externally during the past 12-18 months. We regularly conduct staff meetings to encourage feedback and to assess performance against market benchmarks.

Product-wise in Year 2000, we registered 44% growth in home mortgages business, and 83% growth in our tax-loan outstandings. We achieved good success, as a member of the Bank Consortium Trust, in promoting MPF products to our clients. Our high results rate in the approved restaurant and construction industries has given the Bank a new customer base for future cross-selling. RMB note exchange service was introduced in August 2000 and has since become a very popular service for Chinese tourist coming to Hong Kong and vice versa.

Equity-Linked Deposit was introduced in the last quarter of the year and has since proven to be an effective and popular deposit product for our priority banking clients who appreciated the high return associated with the risk they take on the volatility of share prices.

In year 2001, we envisage that retail banking will become far more competitive as a result of interest rate deregulation from July 2001, ongoing soft loan demand and the unprecedented market changes brought about by technology. For this year, we will focus on (1) getting the right mix in our fixed deposit and savings deposit structure in order to reduce our cost of funds; (2) transform distribution from a single branch channel dependency into a multi-channel capability making more use of direct sales, telemarketing and internet banking; (3) rationalize and upgrade our branch network through relocation and remodelling to make the operations more efficient, more sales oriented and more user friendly; and (4) to form more strategic business alliances in order to increase our cross-selling capabilities.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

網上銀行

雖然網上銀行在短期內仍未能提供盈利，但本行相信網上銀行可以低成本之方式擴大客戶基礎，同時亦可提升本行產品及客戶服務之質素。

本行早於二零零零年三月已推出網上自動櫃員機服務，成為首批網上銀行之一。客戶可以在網上轉賬其戶口內之資金及處理其他自動櫃員機之交易。

Internet Banking

We believe that internet banking, though it may not be profitable on its own in the short term, is a vital low cost delivery channel to expand the Bank's customer base and at the same time improve our product and customer service quality.

The Bank was among the earliest banks to roll out the Virtual ATM service in March 2000. With the service, customers can transfer funds between their accounts and do other ATM transactions over the Internet.



本行於二零零零年十一月十六日推出具備優良之端對端傳送保密系統之網上銀行服務，該系統由卓凌科技有限公司提供。

The Bank's Internet Banking Service was launched on 16th November, 2000, featuring the sophisticated end-to-end encryption security systems provided by PrivyLink (Hong Kong) Limited.

本行之網上銀行服務在二零零零年十一月推出，為香港銀行業中採用最優良之端對端傳送保密系統之一。加入股票交易及其他針對商業客戶服務之第二階段網上銀行服務預期於在二零零一年第三季推出。

The Bank's Internet Banking Service was launched in November 2000 featuring one of the best end-to-end encryption security systems among Hong Kong banks. The second phase of this service with share trading capability and other services for commercial clients is expected to be available in the third quarter of 2001.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

商業銀行

本行在二零零零年將客戶關係經理數目由8名增至14名，協助建立中層市場客戶及擴大貿易融資業務與商業貸款。

Commercial Banking

We have increased our number of account relationship managers from 8 to 14 in Year 2000. They have helped to build our middle market clientele and trade finance and commercial loan portfolios.



本行於二零零零年九月十八日簽署首項人民幣貸款安排。
The Bank contracted its first RMB loan arrangement on 18th September, 2000.

本行在本年度開始為從事中國業務之新客戶與現有客戶提供跨境人民幣融資服務，透過本行之介紹及安排，客戶可根據本行發出之擔保書，從控股股東工商銀行在中國之分行獲得人民幣融資。

During the year, we arranged cross-border RMB financing for China operations of our new and existing clients. Through our introduction and arrangement, our clients obtained RMB financing from our controlling shareholder's branches in China against our letters of guarantee.

由於中國即將加入世貿，本行預期香港貿易活動在未來兩年會有所增長，同時亦有更多貿易融資機會。本行將採取主動，積極建立客戶關係，並對客戶之融資需求作出靈活迅速回應。

With China's impending accession to WTO, we expect trade activities in Hong Kong will build up in the next two years and more trade finance opportunities will arise. We therefore will be proactive in our client relationship management, and be creative and responsive to our clients' financial needs.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

租購及租賃

本行為有關業務成立新部門，主要為的士、小巴及其他營業車輛之車主提供貸款。稍後亦會提供機器設備融資，使貸款組合之比例更為均衡。

Hire Purchase and Leasing

This is a newly formed department. The team primarily focusses on extension of loans to owners of taxis, mini-buses and other revenue-generating vehicles. Machinery and equipment financing will be added later on to achieve a more balanced portfolio.



本行租購及租賃部為營業車輛之車主提供分期貸款服務。
The Bank's Hire Purchase and Leasing Department offers installment loan financing services to owners of revenue-generating vehicles.

投資銀行

在債務資本市場方面，該部門積極發起、安排及分銷本地銀團貸款。該部門在二零零零年負責協辦、包銷及主理18宗銀團貸款，總額達到38,500,000,000港元。

在企業顧問服務方面，該部門多次獲得委任為客戶提供有關企業重組及借殼上市之意見。

Investment Banking

For Debt Capital Markets, the department has been active in origination, structuring and distribution of local loan syndications. In 2000, the department has co-arranged, underwritten and lead-managed a total of 18 deals amounting to HK\$38.5 billion.

For corporate advisory activities, the department has taken on a number of mandates advising clients primarily on corporate restructuring and back-door listing.

管理層之討論與分析 • MANAGEMENT'S DISCUSSION & ANALYSIS

財資部

在資產負債管理委員會監督下，本行在二零零零年逐步擴大本行之投資，以優質定息證券為主要投資對象。本行運用對沖策略及產品，將投資證券之利率風險維持於理想之水平。隨著投資組合之增長，日後將會採用更先進之對沖工具。

本行在日後會加強財資管理業務，以便更有效管理資產與負債，配合本身之策略擴展計劃。本行將會更積極參與一手及二手貨幣及資本市場，使資產負債有較均衡發展，而且對組合管理方面更易於掌握及具彈性。

人力資源

本行在一九九九年大量精簡人手，將職員數目由632名減至497名。隨著本行業務在二零零零年有所擴展，職員人數亦回升至504名，其中7名為近期招聘之大學畢業見習生。該等管理見習生現正接受在職培訓及有關其他產品之培訓。本行有意每年在大學舉辦招募活動，為未來業務發展注入新血。

本行在二零零零年亦推行工作表現獎勵制度，表現出色之管理人員會獲得適當獎勵。

社區服務

本行對服務社區，回饋社會一向不遺餘力。除每年響應香港公益金之商業機構募捐計劃外，各員工亦積極參加及贊助包括由香港公益金舉辦之「便服日」慈善活動，顯示對社會公益的支持。

為鼓勵循環資源及保護環境，新成立之環保辦公室工作委員會制定環保政策，主要目的為推動公司保護環境，繼續為社會作出貢獻。本行承諾在整個機構內均會執行有效之環保措施。

Treasury

Under the supervision of Asset and Liability Management Committee, the Bank gradually expanded its proprietary investments in 2000. The investment portfolio mainly comprised of high quality fixed income securities. Through the use of hedging strategies and products, interest rate risks of investment securities are contained to a desirable level. More advanced hedging tools will be used in tandem with the growth in investment portfolio.

Going forward, the Bank will further enhance the treasury activities in order to efficiently manage its assets and liabilities in alignment with its strategic expansion plan. More active participation in the money and capital markets, both primary and secondary, should contribute to a healthier balance sheet growth and more visibility and flexibility in portfolio management.

Human Resources

The Bank undertook a major streamlining exercise in 1999 when the number of staff was reduced from 632 to 497. As our business expanded in 2000, our staff number has increased to 504 of which 7 are recently recruited university graduate trainees. These management trainees are currently undergoing on-the-job and other product training. We intend to carry on our university campus recruitment every year in order to build up new blood for future business developments.

The Bank has also introduced a performance-linked bonus system in Year 2000 whereby well performing managers can be appropriately rewarded against their results.

Community Services

The Bank has always shown its concern for the community it serves. Every year the Bank contributes to the Community Chest through its annual Corporate Contribution Programme. Staff members also actively participated in the "Dress Casual Day" charitable function organized by the Community Chest.

In order to encourage recycling and protection of the environment, a "Green Policy" is set by our new Green Office Steering Committee. The aim of this policy is "to be a reasonable corporate citizen committing to environmental protection". The Bank undertakes to implement sound and practical environmental practices throughout the entire organization.