

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

## 8. DIVIDENDS

	2000 HK\$'000	1999 HK\$'000
Interim dividend paid - HK\$0.18 (1999: HK\$0.15) per share	78,300	65,250
Final dividend proposed - HK\$0.35 (1999: HK\$0.27) per share	<u>152,250</u>	<u>117,450</u>
	<u><u>230,550</u></u>	<u><u>182,700</u></u>

The final dividend proposed for 2000 is based on the 435,000,000 shares in issue as at the date of this report.

## 9. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$456,598,000 (1999: HK\$356,848,000) and on 435,000,000 (1999: 435,000,000) ordinary shares in issue during the year.

## 10. CASH AND SHORT-TERM FUNDS

	THE GROUP		THE BANK	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
Cash and balances with banks and other financial institutions	338,616	398,544	338,613	397,918
Money at call and short notice	13,443,296	8,987,473	13,443,296	8,987,473
Exchange fund bills	<u>776,408</u>	<u>677,201</u>	<u>773,391</u>	<u>674,183</u>
	<u><u>14,558,320</u></u>	<u><u>10,063,218</u></u>	<u><u>14,555,300</u></u>	<u><u>10,059,574</u></u>

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

## 11. INVESTMENTS IN SECURITIES

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
<b>THE GROUP</b>								
<b>Equity securities:</b>								
Listed in Hong Kong	577	548	–	–	133,819	77,037	134,396	77,585
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
Unlisted	–	–	–	–	203,315	170,107	203,315	170,107
	<u>577</u>	<u>548</u>	<u>–</u>	<u>–</u>	<u>342,234</u>	<u>253,825</u>	<u>342,811</u>	<u>254,373</u>
<b>Debt securities:</b>								
Unlisted	169,213	171,636	110,573	74,445	–	–	279,786	246,081
<b>Total:</b>								
Listed in Hong Kong	577	548	–	–	133,819	77,037	134,396	77,585
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
Unlisted	169,213	171,636	110,573	74,445	203,315	170,107	483,101	416,188
	<u>169,790</u>	<u>172,184</u>	<u>110,573</u>	<u>74,445</u>	<u>342,234</u>	<u>253,825</u>	<u>622,597</u>	<u>500,454</u>
<b>Market value of listed securities:</b>								
Listed in Hong Kong	577	548	–	–	133,819	77,037	134,396	77,585
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
	<u>577</u>	<u>548</u>	<u>–</u>	<u>–</u>	<u>138,919</u>	<u>83,718</u>	<u>139,496</u>	<u>84,266</u>
<b>THE BANK</b>								
<b>Equity securities:</b>								
Listed in Hong Kong	–	–	–	–	82,049	75,471	82,049	75,471
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
Unlisted	–	–	–	–	203,315	164,742	203,315	164,742
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>290,464</u>	<u>246,894</u>	<u>290,464</u>	<u>246,894</u>
<b>Debt securities:</b>								
Unlisted	169,213	171,636	110,573	74,445	–	–	279,786	246,081
<b>Total:</b>								
Listed in Hong Kong	–	–	–	–	82,049	75,471	82,049	75,471
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
Unlisted	169,213	171,636	110,573	74,445	203,315	164,742	483,101	410,823
	<u>169,213</u>	<u>171,636</u>	<u>110,573</u>	<u>74,445</u>	<u>290,464</u>	<u>246,894</u>	<u>570,250</u>	<u>492,975</u>
<b>Market value of listed securities:</b>								
Listed in Hong Kong	–	–	–	–	82,049	75,471	82,049	75,471
Listed overseas	–	–	–	–	5,100	6,681	5,100	6,681
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>87,149</u>	<u>82,152</u>	<u>87,149</u>	<u>82,152</u>

Unlisted other securities are stated at cost. The directors are of the opinion that the cost is not materially different from the fair value as at 31 December 2000.

# NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2000

## 11. INVESTMENTS IN SECURITIES – continued

Investments in securities are analysed and reported by issuing entities as follows:

	Trading securities		Held-to-maturity securities		Other securities		Total	
	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
<b>THE GROUP</b>								
Central governments and central banks	–	–	11,699	11,657	–	–	11,699	11,657
Public sectors entities	50	10,286	38,785	–	33,194	33,158	72,029	43,444
Banks and other financial institutions	67,217	87,305	8,842	11,541	209,439	171,112	285,498	269,958
Corporate entities	79,514	66,389	–	–	48,803	43,665	128,317	110,054
Others	23,009	8,204	51,247	51,247	50,798	5,890	125,054	65,341
	<u>169,790</u>	<u>172,184</u>	<u>110,573</u>	<u>74,445</u>	<u>342,234</u>	<u>253,825</u>	<u>622,597</u>	<u>500,454</u>
<b>THE BANK</b>								
Central governments and central banks	–	–	11,699	11,657	–	–	11,699	11,657
Public sectors entities	–	10,285	38,785	–	32,766	32,765	71,551	43,050
Banks and other financial institutions	67,179	87,271	8,842	11,541	209,348	171,021	285,369	269,833
Corporate entities	79,025	65,875	–	–	47,825	42,583	126,850	108,458
Others	23,009	8,205	51,247	51,247	525	525	74,781	59,977
	<u>169,213</u>	<u>171,636</u>	<u>110,573</u>	<u>74,445</u>	<u>290,464</u>	<u>246,894</u>	<u>570,250</u>	<u>492,975</u>

Treasury bills of approximately HK\$11,699,000 (1999: HK\$11,657,000) included in unlisted other securities represent U.S. Government securities held by the San Francisco Branch of the Bank, which have been pledged to the State of California of the United States of America in compliance with the requirements of the California Financial Code.