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主席

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Chairman

儘管銀行業之營運環境錯綜複雜，本集團於二零零零年依然表現理想，錄得溢利 361,800,000 港元，比一九九九年大幅增長八倍。

Against a background of mixed fortunes for the banking industry, the Group achieved impressive performance in 2000, with a record profit of HK\$361.8 million, representing an eight-fold increase over our performance in 1999.

經濟環境

於二零零零年，香港經濟維持其增長動力，本地生產總值錄得可觀之年增長約 10%，而一九九九年則為增長 3.1%。就業情況亦同樣持續改善，年內失業率由 5.7% 下跌至 4.5%。

然而，經濟復甦對本地各行業帶來之積極影響有限，此乃由於二零零零年度本地生產總值之增長主要由出口帶動所致。消費者信心仍然低沉，而本地零售更備受中國毗連城市之競爭所影響。大眾消費意欲仍因過去數年之薪金普遍凍結、持續通縮及地產與股票市場之資產貶值而備受打擊。

外在因素如主要之海外經濟，尤其美國，亦有明顯放緩增長之跡象，其國民生產總值增長近期放緩至幾乎停頓。因此，各界普遍關注美國經濟可能繼接近十年之興盛期後於二零零一年出現衰退，遂促使二零零一年年初利率相繼下調。上述之內在及外在因素皆導致香港經濟未能全面復甦，此可由預期二零零一年之本地生產總值只輕微增長 4% 所反映。

於銀行業方面，儘管於二零零零年最優惠利率與香港銀行同業拆息之平均息差有所擴大，然而，淨息差仍主要因銀行界流動資金過剩及貸款需求放緩而持續受壓。在此等情況下，市場內之激烈競爭已取代對資產質素之關注，成為本地銀行業之主要挑戰。

Economic environment

The economy of Hong Kong maintained its growth momentum during 2000 with gross domestic product ("GDP") recording an impressive year-on-year increase of around 10%, following a growth of 3.1% in 1999. The employment situation also continued to improve, with unemployment rate dropping from 5.7% to 4.5% during the year.

The economic recovery, however, had a limited multiplier effect upon the domestic sector as much of the GDP growth in 2000 was export driven. Consumer confidence remained low and local retail sales were adversely affected by competitions from nearby cities in China. Public sentiments continued to be dampened by a general freeze in wages, prolonged deflation, and the erosion of wealth in the property and stock markets over the past several years.

Externally, there have also been increasing signs of moderating growth in major foreign economies, particularly in the U.S., where GDP growth recently slowed to almost a standstill. As a result, there are widespread concerns that an American recession may surface in 2001 after nearly a decade of prosperity, which precipitated successive interest rate cuts in the beginning of 2001. These internal and external factors have combined to restrain Hong Kong from a full-scale economic recovery, as reflected by a modest expected growth in GDP of only 4% for 2001.

In the banking sector, despite a widened average Prime-HIBOR spread during 2000, net interest margin continued to come under pressure mainly due to excessive liquidity in the banking sector and a subdued loan demand. Under such circumstances, intensifying market competition has replaced concerns over asset quality as a key challenge for the local banking industry.

主席報告 Chairman's Statement

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營運業績

儘管銀行業之營運環境錯綜複雜，本集團於二零零零年依然表現理想，錄得溢利 361,800,000 港元，比一九九九年大幅增長八倍。雖然部份增長乃來自我們重整投資資源後出售投資所產生之非經常收益，但我們扣除準備前之核心營運溢利仍有可觀之年增長。

雖然本集團於二零零零年表現理想，我們亦察覺到將要面對種種挑戰，並已採取積極措施，使本集團成為一間以客為先及以收益回報為本之機構。

為配合本集團專注消費信貸業務之策略，我們於二零零零年進行了一連串收購及出售投資項目，以達致我們重整業務，為股東帶來最大回報之整體目標。我們預期這些措施長遠可增加我們之淨利息收益及減低整體風險。此外，重整資源可以讓我們於將來機會到來時可及時把握。

於二零零零年，我們著手籌備多項電子商貿嶄新服務，包括推出互聯網銀行及證券經紀服務。我們為香港首間採用公用密碼匙基建技術作為互聯網服務之保安措施的銀行之一。透過傳統及嶄新之銷售渠道，我們將保持以客為先之理念，不斷加強提供服務。

展望及前景

展望未來，預期銀行業之競爭將持續激烈。競爭亦可能受日後銀行存款利率協議全面解除、建議中之存款保險計劃、客戶要求日益提高，以及非傳統銷售渠道逐漸普及等因素影響而加劇。上述因素固然為銀行業的主要挑戰，不過我們亦視之為本集團在芸芸金融機構中突圍而出的機會。

建基於審慎之業務策略及完善之基礎設施，本集團深信可於信貸周期復甦時把握商機，從而獲益。本集團並希望進一步加強提供消費信貸業務及領先使用創新科技，以確保成為我們之特選客戶及市場優先選用之高質素金融服務供應商。

Operating results

Against a background of mixed fortunes for the banking industry, the Group achieved impressive performance in 2000, with a record profit of HK\$361.8 million, representing an eight-fold increase over our results in 1999. While a portion of this growth was attributable to non-recurring gains arising from the disposal of investments from the realignment of our investment resources, our core operating profit before provisions still represented a respectable year-on-year growth.

Despite the satisfactory performance in 2000, we are cognizant of the challenges ahead and have taken active steps to position the Group as a customer focused and revenue driven organization.

In line with the Group's strategy to focus on consumer finance businesses, a series of acquisitions and divestments were made in 2000 with the overall objective of re-aligning our business mix to maximize returns for shareholders. It is envisaged that these moves will in the long run increase our net interest yield and lower our overall risk profile. As well, the realignment of capital will enable us to seize future opportunities as and when they arise.

Various e-commerce initiatives were also undertaken in 2000, including the launching of our internet banking and securities brokerage services. We were the first bank in Hong Kong to adopt the Public Key Infrastructure as the security protocol for our internet services. We will remain customer-focused and will keep enriching our service offerings through both traditional and new delivery channels.

Outlook and prospects

Looking ahead, keen competition in the banking industry is expected to prevail. This may also be amplified by the forthcoming full deregulation of interest rates on bank deposits, the proposed deposit insurance scheme, rising customer expectations, and the increasing importance of alternative delivery channels. While these are certainly major challenges for the banking industry, we also consider them as new opportunities to differentiate ourselves from other financial institutions.

With our sound business strategies and the all-rounded infrastructure we have built, we are confident that the Group is totally ready to take advantage of opportunities which will arise when the credit cycle revives. The Group is committed to further strengthening our franchise in the consumer finance arena and stepping up our employment of innovative technologies to ensure that we are a preferred provider of quality financial services to our selected market segments and customers.

最後，本人謹此向各客戶、股東、員工及董事於年內為本集團之成功及佳績所作之寶貴貢獻，致以衷心謝意。本人亦期待彼等繼續支持，好讓我們能將日後各種挑戰轉化為契機，並維持本集團之溢利增長。

李文正博士

主席

二零零一年二月二十二日

Finally I would like to thank our customers, shareholders, staff and my fellow Directors for their invaluable contributions towards the Group's success and achievements during the year. I also look forward to their continual support which is essential to enable us to turn future challenges into opportunities and to maintain profitable growth for the Group.

Dr Mochtar Riady

Chairman

22 February 2001