

1. 編製及披露基準

綜合賬項包括本公司及其附屬公司（統稱「本集團」）截至每年十二月三十一日之賬項。於本年度收購或出售之附屬公司，業績由收購生效日起計或截至出售生效日止列入綜合損益賬內。本集團內部之一切重大交易及結餘已於編製綜合賬項時對銷。

本集團及本公司之賬項乃採用原值成本慣例，經調整投資物業及證券投資重估價值後編製，並符合香港普遍採納之會計原則、香港會計師公會發出之會計實務準則、香港公司條例之披露規定及金融管理專員所發出之指引「本地註冊認可機構披露財務資料」所載之規定。

2. 主要會計政策**(a) 收入確認準則**

本集團之主要業務為提供商業銀行、消費信貸、證券經紀、保險及其他有關之金融服務。

利息收入是按未償付本金及適用利率以時間分配基準計算。惟在呆賬方面，有關利息則計入暫記賬內，與相關結餘對銷後列入資產負債表。

費用及佣金收入於應收期間內入賬，惟若有關收入是用以彌補持續向客戶提供服務之成本或為客戶承擔風險之代價，或該收入本身屬於利息性質時，則於有關期間內按比例入賬。

股息收入於收取款項之權利確定時入賬。

1. Basis of preparation and disclosure

The consolidated accounts include the accounts of the Company and its subsidiaries (collectively the "Group") made up to 31 December each year. The results of any subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal as appropriate. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The accounts of the Group and the Company are prepared under the historical cost convention as modified by the revaluation of investment properties and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong, all applicable Statements of Standard Accounting Practice issued by the Hong Kong Society of Accountants, the disclosure requirements of the Hong Kong Companies Ordinance, and the requirements set out in the guideline on "Financial Disclosure by Locally Incorporated Authorized Institutions" issued by the Monetary Authority.

2. Principal accounting policies**(a) Income recognition**

The Group is principally engaged in the provision of commercial banking, consumer finance, securities brokerage, insurance and other related financial services.

Interest income is accrued on a time-apportioned basis on the principal amounts outstanding and at the interest rates applicable, except in the case of doubtful debts where interest is credited to a suspense account, which is netted in the balance sheet against the relevant balances.

Fees and commission income is accounted for in the period when receivable, unless it is charged to cover the costs of a continuing service to, or risk borne for, customers, or is interest income in nature. In these cases, the fees and commission income is recognised on a pro-rata basis over the relevant period.

Dividend income is recognised when the right to receive payment is established.

2. 主要會計政策 (續)**(b) 融資租賃及租購合約之佣金支出**

費用及佣金支出包括支付融資租賃及租購合約之佣金支出，於合約期間按直線法攤銷。該等佣金支出之未攤銷部份列入資產負債表中之「客戶、銀行及其他金融機構之貸款，貿易票據及其他賬項」。於董事會認為未經攤銷佣金支出之賬面值未能反映相應之日後利益時，此等佣金支出會作進一步攤銷。

(c) 商譽

綜合賬項產生之商譽是指收購附屬公司及聯營公司時，所付買價超出本集團應佔所購附屬公司及聯營公司獨立資產公平淨值之差額，於收購年度內於儲備中扣除。

於本集團出售所持附屬公司或聯營公司全部或部份權益時，任何已於儲備中直接扣除之商譽，將計入本集團所佔附屬公司或聯營公司之資產淨值，以計算出售所產生之損益。

(d) 綜合賬項產生之資本儲備

綜合賬項產生之資本儲備是指本集團應佔所收購附屬公司及聯營公司之獨立資產公平淨值超出收購價之差額。於本集團出售所持附屬公司或聯營公司全部或部份權益時，資本儲備中應佔數額之有關部份將予以變現，以計算出售所產生之損益。

(e) 附屬公司

附屬公司為本集團直接或間接持有其過半數已發行之股份，或控制其過半數之表決權或控制該公司董事會之組成。

附屬公司投資乃按成本值減除經董事會按每一間附屬公司獨立計算認為需要提撥之非短期性減值準備後於本公司之資產負債表列賬。任何有關之準備於損益賬支銷確認。

2. Principal accounting policies (continued)**(b) Commission expense on finance leases and hire purchase contracts**

Fees and commission expenses include commission expense paid on finance leases and hire purchase contracts which is amortised on a straight-line basis over the term of the contracts. The unamortised portion of such commission expenses is included in "Advances to customers, banks and other financial institutions, trade bills and other accounts" in the balance sheet. Where the Directors are of the opinion that the carrying amount of the unamortised commission expense does not reflect the corresponding future benefits, further amortisation to that effect is made.

(c) Goodwill

Goodwill arising on consolidation represents the excess of purchase consideration over the fair value of the Group's share of separable net assets of subsidiaries and associates acquired and is charged against reserves in the year of acquisition.

When the Group disposes of all or part of its interest in a subsidiary or an associate, any amount of attributable goodwill which has previously been charged directly to reserves is included in the Group's share of net assets of the subsidiary or associate in the calculation of the profit or loss on disposal.

(d) Capital reserve on consolidation

Capital reserve arises on consolidation and represents the excess of the fair value of the Group's share of separable net assets of subsidiaries and associates acquired over the purchase consideration. When the Group disposes of all or part of its interest in a subsidiary or an associate, any amount of attributable capital reserve is accounted for in the calculation of the profit or loss on disposal.

(e) Subsidiaries

A subsidiary is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Investments in subsidiaries are stated in the Company's balance sheet at cost less any provision for diminution in value which is other than temporary as determined by the Directors for each subsidiary individually. Any such provision is recognised as an expense in the profit and loss account.

2. 主要會計政策 (續)**(f) 聯營公司**

聯營公司為附屬公司以外，本集團持有該公司之長期股權權益而令本集團可對該公司之管理，包括財務及營運政策產生重大影響，但該持有之權益卻不能對該公司產生控制或共用控制之關係。

聯營公司投資以權益法計算於綜合賬項內，並先以成本值入賬於綜合資產負債表，隨後按本集團應佔該等公司於收購後變動之資產淨值作出調整。綜合損益賬包括本集團在聯營公司於被收購後本年度業績所佔部份。

於本公司之資產負債表內，聯營公司投資乃按成本值減除經董事會認為需要提撥之非短期性減值準備，按每一間聯營公司獨立計算列賬。任何有關之準備已於損益賬內支銷確認。聯營公司於年內之業績，由本公司按有關之已收或應收股息列賬。

(g) 客戶、銀行及其他金融機構之貸款

客戶貸款按未償還本金額扣除呆壞賬準備後於資產負債表列賬。銀行及其他金融機構貸款包括超過一年期之在銀行及其他金融機構結存。

(h) 呆壞賬準備

經董事會認為出現呆壞賬情況之貸款，均撥有特殊準備。此外，另有撥出若干款項作為呆賬之一般準備。特殊準備涉及銀行個別客戶之賬項及經計及所持抵押品之價值；一般準備涉及非獨立識別之其他整體信貸風險，但根據經驗，此等風險存在於任何信貸組合之內。此等準備已自有關之「客戶、銀行及其他金融機構之貸款，貿易票據及其他賬項」中減除。當尚欠債務已再無實際機會收回時，有關債務將作撇賬處理。

2. Principal accounting policies (continued)**(f) Associates**

An associate is a company, not being a subsidiary, in which the Group has a long term equity interest and over which the Group is in a position to exercise significant influence, but not control or joint control, in its management, including participation in financial and operating policy decisions.

Investments in associates are accounted for in the consolidated accounts under the equity method and are initially recorded in the consolidated balance sheet at cost and adjusted thereafter for the post acquisition changes in the Group's share of the net assets of the associates. The consolidated profit and loss account includes the Group's share of the post acquisition results of the associates for the year.

In the Company's balance sheet, investments in associates are stated at cost less any provisions for diminution in value which is other than temporary as determined by the Directors for each associate individually. Any such provision is recognised as an expense in the profit and loss account. The results of associates are accounted for in the Company's profit and loss account to the extent of dividends received and receivable.

(g) Advances to customers, banks and other financial institutions

Advances to customers are reported in the balance sheet at the principal amount outstanding net of provision for bad and doubtful debts. Advances to banks and other financial institutions include placements with banks and other financial institutions of more than one year.

(h) Provision for bad and doubtful debts

Specific provisions are made for bad and doubtful loans and advances as and when they are considered necessary by the Directors. In addition, amounts have been set aside as general provisions for doubtful loans and advances. The specific element relates to individual accounts and is made taking into account the value of collaterals held, while the general element relates to other exposures not separately identified but known from experience to exist in any loan portfolio. These provisions are deducted from "Advances to customers, banks and other financial institutions, trade bills and other accounts" in the balance sheet. When there is no longer any realistic prospect of recovery, the outstanding loan is written off.

2. 主要會計政策 (續)**(i) 外幣**

以外幣結算之交易乃按交易日之匯率折算。於結算日以外幣結算之貨幣資產及負債則按結算日之匯率折算。在此情況下產生之匯兌差額均計入損益賬內。

以外幣結算之附屬公司及聯營公司賬項乃按結算日之匯率折算。由此而產生之匯兌差額會列作儲備變動處理。

(j) 固定資產**(i) 樓宇及租賃物業**

樓宇及租賃物業均按成本減除折舊列賬，並以直線法按租約餘下年期將其撇銷。

樓宇及租賃物業之可收回數額乃參照該項資產預期將產生之未貼現未來現金流量（包括出售時之剩餘價值）而釐定，並定期作出檢討。當可收回數額下降至低於該資產之賬面值時，則將賬面值撇減至可收回價值，撇減之數額於損益賬中扣除。該資產之可收回數額其後如有調升均會作為收入撥回，惟同一資產之賬面值不得超過假若並無作出撇減時該資產之成本減累計折舊之金額。

(ii) 投資物業

投資物業為已完成建築及發展工程之土地及建築物權益，因其具投資潛力而持有，任何租金收入均按公平原則磋商。

2. Principal accounting policies (continued)**(i) Foreign currencies**

Transactions in foreign currencies are translated at rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The accounts of subsidiaries and associates expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Exchange differences arising therefrom are dealt with as movements in reserves.

(j) Fixed assets**(i) Premises and leasehold properties**

Premises and leasehold properties are stated at cost less depreciation calculated to write off the assets over the remaining period of the leases on a straight-line basis.

The recoverable amount of premises and leasehold properties, which is determined by reference to the undiscounted future cashflows which are expected to be generated from the asset, including residual value on disposal, is reviewed periodically. When the recoverable amount has declined below the carrying amount of the asset, the carrying amount is written down to the recoverable amount. The amount of reduction is charged to the profit and loss account. Any subsequent increase in the recoverable amount of the asset is written back as income to the extent that the carrying amount of the same asset does not exceed its cost less accumulated depreciation had the write-down not occurred.

(ii) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, with any rental income being negotiated at arm's length.

2. 主要會計政策 (續)**(j) 固定資產 (續)****(ii) 投資物業 (續)**

對租約剩餘年期超過20年之投資物業，每年會由獨立估值師進行估值。估值乃按個別物業之公開市值計算，但不會就土地及建築物分別估值。所作出之估值已包括在賬項內。重估增值會撥入投資物業重估儲備內，而減值首先按物業組合基準以較早前所作估值所產生之增值抵銷，其後則自損益賬中扣除。其後如有任何增值將以先前扣減之金額為限撥入損益賬。

由樓宇及租賃物業轉撥成為投資物業之資產乃按轉撥當日之賬面值轉撥，並須於其後每年估值一次。

於出售投資物業時，對因以往估值而變現之重估儲備之有關部份會自投資物業重估儲備撥往損益賬。

(iii) 其他固定資產

其他固定資產按成本減除折舊列賬，並以直線法於其估計可用年限內按下列折舊年率將其撇銷：

傢俬及裝置	10%
設備	10% – 20%
汽車	20% – 25%

二零零零年一月一日前，其他固定資產乃按上述年率以餘額遞減法計算折舊。折舊計算方法由餘額遞減法改為直線法之變動並無帶來任何重大財務影響。

2. Principal accounting policies (continued)**(j) Fixed assets (continued)****(ii) Investment properties (continued)**

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the accounts. Increases in valuation are credited to the investment property revaluation reserve. Decreases in valuation are first set off against increases on earlier valuations on a portfolio basis, and thereafter are charged to the profit and loss account. Any subsequent increases are credited to the profit and loss account up to the amount previously charged.

When an asset is transferred from premises and leasehold properties to investment properties, the asset is transferred at the carrying amount as at the date of transfer and subject to annual valuation thereafter.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the investment property revaluation reserve to the profit and loss account.

(iii) Other fixed assets

Other fixed assets are stated at cost less depreciation calculated on a straight line basis to write off the assets over their estimated useful lives at the following annual rates:

Furniture and fixtures	10%
Equipment	10% – 20%
Motor vehicles	20% – 25%

Prior to 1 January 2000, depreciation of other fixed assets was calculated on a reducing balance basis at the above annual rates. The change in depreciation calculation from a reducing balance basis to a straight line basis does not have any material financial effect.

2. 主要會計政策 (續)**(k) 證券投資****(i) 持至到期日之證券**

計劃持至到期日之有期債務證券投資乃按成本(經就購入溢價或折讓之攤銷作出調整)減除任何非短期性減值準備列入資產負債表內。

於結算日，持至到期日之證券賬面值均會被檢討，以便評估信貸風險及其賬面值能否收回。若其賬面值估計不能收回，即會提撥準備並於損益賬內列作開支。

購入持至到期日之證券所產生之溢價及折讓已按到期期限作出攤銷，並列作利息收入之一部分。變現持至到期日之證券所產生之溢利或虧損在產生時於損益賬入賬。

(ii) 投資證券

擬作持續及確認為長期持有之股票及無期債務證券乃以成本值減除任何減值準備列入資產負債表內。

於結算日，投資證券之賬面值均會被重新檢討，以便評估其公平值會否下跌至低於其賬面值。當此減值情況出現，除非有證據顯示此減值乃短期性質，否則其價值會作出撥備。撥備總額則於損益賬內列作開支。

公平值乃指知情自願人士按公平原則進行之交易中，可交換資產或支付負債之金額。於市場交投活躍之證券，其公平值一般是採用其市場值。而於證券市場交投並不活躍或非上市之證券，其公平值乃按各種定價模式及方法作估值。

2. Principal accounting policies (continued)**(k) Investment in securities****(i) Held-to-maturity securities**

Investments in dated debt securities which are intended to be held to maturity are stated in the balance sheet at cost adjusted for the amortisation of premiums or discounts arising on acquisition, less any provisions made for other than temporary diminution in value.

The carrying amounts of held-to-maturity securities are reviewed as at the balance sheet date in order to assess the credit risk and whether the carrying amounts are expected to be recovered. Provisions are made when carrying amounts are not expected to be recovered and are recognised as an expense in the profit and loss account.

Premiums and discounts arising on acquisition of held-to-maturity securities are amortised over the period to maturity and are included as part of interest income. Profit or losses on realisation of held-to-maturity securities are accounted for in the profit and loss account as they arise.

(ii) Investment securities

Equity and undated debt securities which are intended to be held on a continuing basis for an identified long term purpose are stated in the balance sheet at cost less any provisions for diminution in value.

The carrying amounts of investment securities are reviewed as at the balance sheet date in order to assess whether the fair values have declined below the carrying amounts. Provisions are made when the fair values have declined below the carrying amount, unless there is evidence that the decline is of a temporary nature. The amount of the reduction is recognised as an expense in the profit and loss account.

Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. For securities that are actively traded in a liquid market, their fair value usually represents the quoted market price. For securities which are not actively traded or are unlisted, fair value is estimated by the use of various pricing models and techniques.

2. 主要會計政策 (續)**(k) 證券投資 (續)****(iii) 其他投資證券**

其他投資證券乃按公平值列入資產負債表內。因公平值變動所產生之未變現收益或虧損淨額，以及出售該等投資證券之損益於產生時在損益賬入賬。

當引致持至到期日之證券及投資證券之賬面值撇減的情況及事件停止出現時，並且有確切證據顯示新的情況及事件會於可見將來持續，則有關準備會予以撥回。

(l) 遞延稅項

申報稅項之溢利與賬項內之溢利二者之時差，若估計在可預見未來影響資產與負債之收付，即按現行稅率計算遞延稅項。

(m) 集團公司

集團公司包括最終控股公司及其附屬公司。

(n) 營業租約

資產擁有權之全部得益及風險實質由出租公司承擔之租約，皆作為營業租約入賬。該等營業租約之租金，於租約期內以直線法在損益賬中扣除。

(o) 融資租賃及租購合約

客戶有關融資租賃及租購合約之欠款按融資租賃及租購合約之應收租金總額減除未賺取收入所得之投資淨額列入「客戶、銀行及其他金融機構之貸款，貿易票據及其他賬項」內。應收租金內隱含之財務收入於租約期內計入損益賬，因而使其於每一會計期間提供大致固定之定期淨現金投資回報。

2. Principal accounting policies (continued)**(k) Investment in securities (continued)****(iii) Other investments in securities**

Other investments in securities are stated in the balance sheet at fair value. The net unrealised gains or losses arising from the changes in fair value as well as profits or losses on disposal of other investments in securities are recognised in the profit and loss account as they arise.

Provisions against the carrying value of held-to-maturity securities and investment securities are written back when the circumstances and events that led to the write-down cease to exist, and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.

(l) Deferred taxation

Deferred taxation is accounted for at the current tax rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or asset is expected to be payable or receivable in the foreseeable future.

(m) Group companies

Group companies include the ultimate holding company and any subsidiaries thereof.

(n) Operating leases

Leases where substantially all the rewards and risks of ownership of assets remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(o) Finance leases and hire purchase contracts

The amounts due from customers in respect of finance leases and hire purchase contracts are included in "Advances to customers, banks and other financial institutions, trade bills and other accounts" at net investment, which represents the total rentals receivable under finance leases and hire purchase contracts less unearned income. Finance income implicit in the rentals receivable is credited to the profit and loss account over the lease period so as to produce an approximately constant periodic rate of return on the net cash investment for each accounting period.

2. 主要會計政策 (續)**(p) 退休福利成本**

本集團設有多項界定供款計劃，而部份計劃已於二零零零年十二月強制性公積金條例生效後由強制性公積金計劃取代。計劃之成本於到期供款時自損益賬中扣除。該等計劃之資產與本集團之資產分開持有，存放於獨立管理之基金內。

(q) 資產負債表外之金融工具

資產負債表外之金融工具來自本集團於外匯、利率及股票市場進行之遠期及掉期交易。此等工具之入賬方式乃視乎交易是為買賣用途或為對沖風險而定。

就買賣用途而進行之交易按市價計值，由此而產生之盈虧則於損益賬中確認。為對沖風險而進行之交易按其對沖之資產、負債或持倉淨額之等價基準計值。任何盈虧於損益賬中按來自有關資產、負債或持倉淨額之盈虧之相同基準入賬。

按市價計值交易之未變現收益列入資產負債表中「客戶、銀行及其他金融機構之貸款，貿易票據及其他賬項」內，按市價計值交易之未變現虧損則於資產負債表中列入「其他賬項及準備」內。

(r) 有關連人士

就此賬項而言，有關連人士乃指本集團能直接或間接對其財務及營運決策作出控制或能行使重大影響者，反之亦然。此外，有關連人士亦包括與本集團同受某一方面之控制或重大影響者。有關連人士可為個人或其他個體。

2. Principal accounting policies (continued)**(p) Retirement benefit costs**

The Group operates several defined contribution retirement schemes and some of which were replaced by mandatory provident fund schemes in December 2000 when the Mandatory Provident Funds Ordinance became effective. The cost of the schemes is charged to the profit and loss account as and when the contributions fall due. The assets of the schemes are held separately from those of the Group in independently administered funds.

(q) Off-balance sheet financial instruments

Off-balance sheet financial instruments arise from forward and swap transactions undertaken by the Group in the foreign exchange, interest rate and equity markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

Transactions undertaken for trading purposes are marked to market and the gain or loss arising is recognised in the profit and loss account. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised in the profit and loss account on the same basis as that arising from the related assets, liabilities or net positions.

Unrealised gains on transactions which are marked to market are included in "Advances to customers, banks and other financial institutions, trade bills and other accounts" in the balance sheet. Unrealised losses on transactions which are marked to market are included in "Other accounts and provisions" in the balance sheet.

(r) 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 parties or exercise significant influence over the parties in making financial or operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

3. 利息收入

3. Interest income

	2000 HK\$'000	1999 HK\$'000
利息收入包括：		
– 投資上市證券之利息收入	4,993	9,367
– 投資非上市證券之利息收入	92,345	69,987
– 其他利息收入	1,668,421	1,725,005
	1,765,759	1,804,359

4. 非利息收入

4. Non-interest income

	2000 HK\$'000	1999 HK\$'000
服務費及佣金淨收入	148,332	139,475
外匯買賣之淨收益	14,381	11,410
其他投資證券已變現及未變現之收益 (附註)	70,067	19,709
其他買賣活動之淨虧損	(1,961)	(581)
股息收入		
– 上市投資	483	204
– 非上市投資	-	2
投資物業之租金總收入	3,617	5,086
非投資物業之租金收入減除開支	1,172	1,678
購回已發行之無優先權浮息票據之溢利 (附註28)	7,870	11,619
出售附屬公司投資之虧損	(12,927)	-
出售一間聯營公司投資之溢利 (附註21)	188,578	21,820
其他收入	27,842	42,201
	447,454	252,623

附註：

其他投資證券之已變現及未變現收益包括出售本集團投資於香港交易及結算有限公司（「港交所」）上市股份所產生約72,000,000港元之溢利。作為本集團證券及期貨經紀業務之部分，本集團持有於香港聯合交易所及香港期貨交易所之會員席位。根據於年內實施之股份制計劃及此等交易所之合併，本集團獲授予此等交易所之交易權及於港交所之上市股份，以換取本集團原先擁有之交易所席位。港交所之上市股份已於年內出售，因而產生上述溢利。

Note:

Included in realised and unrealised gain on other investments in securities is a profit of approximately HK\$72 million arising from the disposal of the Group's investment in the listed shares of the Hong Kong Exchanges and Clearing Limited ("HKEx"). As part of the Group's securities and commodity brokerage businesses, the Group held seats in the Stock Exchange of Hong Kong and the Hong Kong Futures Exchange. In accordance with the schemes of demutualisation and merger of these exchanges implemented during the year, the Group was given trading rights in these exchanges as well as listed shares in HKEx in exchange for the exchange seats it previously held. The listed shares in HKEx were disposed of during the year, as a result of which the above-mentioned profit arose.

5. 總營運收入 – 分項資料**(a) 按地區劃分**

本集團來自香港以外地區之綜合總營運收入少於10%。

(b) 按業務劃分

本集團之營運收入扣除利息支出後，按業務類別作出之貢獻百分比分析如下：

商業及零售銀行業務
庫務及投資業務
企業融資及證券經紀
其他業務

商業銀行業務包括接受商業、工業及機構性客戶之銀行存款及為彼等提供貸款及墊款（包括貿易融資）。

零售銀行業務包括接受個人客戶之銀行存款、提供住宅按揭貸款、個人貸款及消費信貸，並提供證券經紀、代理人及託管服務。

庫務及投資業務包括向客戶提供外匯買賣、匯款、外幣及與資產掛鉤之存款服務，與有關本集團之整體集資之業務。

企業融資及證券經紀業務包括提供證券及期貨經紀、投資銀行業務、包銷及其他有關顧問服務。

其他業務包括物業投資、承投一般保險業務及出售本集團非核心投資之收入。

5. Total operating income - segmental information**(a) By geographical area**

Less than 10% of the consolidated total operating income of the Group is attributable to locations outside Hong Kong.

(b) By type of business

The Group's operating income net of interest expense, analysed by type of business based on their percentage of contribution, is as follows:

	2000	1999
Commercial and retail banking	40.0%	54.7%
Treasury and investment activities	29.6%	34.3%
Corporate finance and securities brokerage	7.3%	8.4%
Other businesses	23.1%	2.6%
	100.0%	100.0%

Commercial banking includes the taking of deposits from and the provision of loans and advances, including trade finance facilities, to commercial, industrial and institutional customers.

Retail banking includes the taking of deposits from individual customers, the extension of residential mortgage loans, personal loans and consumer financing, and the provision of securities brokerage, nominee and custody services.

Treasury and investment activities include the provision of foreign exchange trading, remittance, foreign currency and asset-linked deposit services to customers, and activities conducted in relation to the overall funding position of the Group.

Corporate finance and securities brokerage include the provision of securities and futures brokerage, investment banking, underwriting and other related advisory services.

Other business activities include property investment, the underwriting of general insurance business and income from disposal of non-core investments held by the Group.

6. 營運支出**6. Operating expenses**

		2000	1999
		HK\$'000	HK\$'000
僱員成本：	Staff costs:		
— 薪金及其他成本	— Salaries and other costs	213,217	204,446
— 退休福利成本 (附註10)	— Retirement benefit costs (Note 10)	14,860	8,156
樓宇及其他固定資產 (不包括折舊)：	Premises and other fixed assets excluding depreciation:		
— 樓宇租金	— Rental of premises	18,163	32,561
— 其他	— Others	27,867	25,143
折舊	Depreciation	41,399	40,857
核數師酬金	Auditors' remuneration	3,337	3,403
其他	Others	102,372	68,729
		421,215	383,295

7. 呆壞賬準備**7. Charge for bad and doubtful debts**

		2000	1999
		HK\$'000	HK\$'000
特殊準備支出：	Specific provision charged against:		
— 客戶貸款	— Advances to customers	211,994	290,827
— 貿易票據	— Trade bills	-	1,818
— 應計利息	— Accrued interest	-	8,542
		211,994	301,187
一般準備支出/(回撥)：	General provision charged/(written back) against:		
— 客戶貸款	— Advances to customers	49,687	(10,048)
— 貿易票據	— Trade bills	12	-
		49,699	(10,048)
		261,693	291,139

8. 董事薪酬及僱員成本**董事薪酬**

		2000	1999
		HK\$'000	HK\$'000
袍金	Fees	280	673
薪金、房屋及其他津貼 及非現金利益	Salaries, housing and other allowances and benefits in kind	8,665	9,070
花紅	Bonuses	3,525	245
退休金供款	Pension contributions	423	613
		12,893	10,601
		-----	-----
失去擔任董事職位之補償，由下列 公司支付	Compensation for loss of office as director, paid by		
— 本公司	— the Company	-	407
— 本公司之附屬公司	— subsidiaries of the Company	-	1,472
		-	1,879
		-----	-----
		12,893	12,480

本年度之董事薪酬包括支付予獨立非執行董事之袍金160,000港元（一九九九年：300,000港元）及一名董事於年內行使按本公司僱員購股權計劃於一九九九年獲授之購股權而產生之非現金利益。此等非現金利益之詳情已於董事會報告之「董事在本公司及相聯法團之證券權益」一節內披露。

Included in the directors' emoluments for the year were fees of HK\$160,000 (1999: HK\$300,000) paid to the independent non-executive Directors and also benefits in kind arising from the exercise of share options during the year by a Director who was granted such share options in 1999 under the Company's Share Option Scheme for Employees. The details of these benefits in kind are disclosed under the section headed "Directors' interests in the securities of the Company and associated corporations" in the Report of the Directors.

8. 董事薪酬及僱員成本 (續)**董事薪酬 (續)**

各董事之薪酬介乎下列幅度：

				董事人數			
				Number of Directors			
				2000	1999		
零港元	—	1,000,000港元	Nil	—	HK\$1,000,000	8	8
1,000,001港元	—	1,500,000港元	HK\$1,000,001	—	HK\$1,500,000	-	2
1,500,001港元	—	2,000,000港元	HK\$1,500,001	—	HK\$2,000,000	1	1
4,000,001港元	—	4,500,000港元	HK\$4,000,001	—	HK\$4,500,000	-	2
10,500,001港元	—	11,000,000港元	HK\$10,500,001	—	HK\$11,000,000	1	-
				10		13	

僱員成本

本年度，本集團獲最高薪酬之五位人士包括一位董事（一九九九年：兩位董事），其薪酬已於上述分析中反映。其餘四位（一九九九年：三位）人士之薪酬總額如下：

				2000	1999
				HK\$'000	HK\$'000
薪金、房屋及其他津貼		Salaries, housing and other allowances		12,717	7,700
及非現金利益		and benefits in kind		473	395
退休計劃供款		Retirement scheme contributions		-	1,026
花紅		Bonuses		13,190	9,121

獲最高薪酬之四位人士（一九九九年：三位）之薪酬介乎下列幅度：

				人數			
				Number of individuals			
				2000	1999		
2,000,001港元	—	2,500,000港元	HK\$2,000,001	—	HK\$2,500,000	1	-
2,500,001港元	—	3,000,000港元	HK\$2,500,001	—	HK\$3,000,000	1	2
3,000,001港元	—	3,500,000港元	HK\$3,000,001	—	HK\$3,500,000	1	-
4,000,001港元	—	4,500,000港元	HK\$4,000,001	—	HK\$4,500,000	-	1
5,000,001港元	—	5,500,000港元	HK\$5,000,001	—	HK\$5,500,000	1	-
				4		3	

8. Directors' emoluments and employee costs (continued)**Directors' emoluments (continued)**

The emoluments of the Directors are within the following bands:

Employee costs

The five individuals whose emoluments were the highest in the Group for the year include one Director (1999: two Directors), whose emoluments are reflected in the analysis presented above. The aggregate of the emoluments of the remaining four (1999: three) individuals are as follows:

The emoluments of the four (1999: three) individuals with the highest emoluments are within the following bands:

9. 出售／重估固定資產之淨（虧損）／溢利

出售固定資產之虧損
重估投資物業之（虧絀）／盈餘

9. Net (loss)/profit on disposal/revaluation of fixed assets

	2000 HK\$'000	1999 HK\$'000
Loss on disposal of fixed assets	(1,652)	(3,039)
(Deficit)/surplus on revaluation of investment properties	(2,256)	15,553
	(3,908)	12,514

10. 退休福利成本

於本年度，本集團根據職業退休計劃條例規定，設有數項界定供款退休計劃（「職業退休計劃」），均由獨立受託人管理。部份計劃已於二零零零年十二月強制性公積金條例（「強積金條例」）生效時由強制性公積金計劃（「強積金計劃」）取代。

僱員於職業退休計劃之供款為基本薪金之5%，而僱主之供款則為基本薪金之5%至10%，視乎個別僱員之服務年資而定。因僱員在取得僱主全部供款前退出該計劃而被公司沒收之僱主供款，可用作扣減日後僱主供款或就其中一項計劃抵銷日後之管理費用。

強積金計劃之僱員及僱主供款比率與職業退休計劃相若。根據載於強積金條例之最低有關收入及其他規定，及其有關規則及條例，參與強積金計劃僱員之供款為基本薪金之5%，而僱主之供款則為基本薪金之5%至10%。就強積金計劃若干類別之成員而言，僱主及僱員之供款上限乃按此等成員有關薪金之5%。與職業退休計劃類似，就強積金計劃所沒收之僱主供款，可用作扣減日後僱主供款或抵銷日後之管理費用。

10. Retirement benefit costs

During the year, the Group operated several defined contribution retirement schemes, which are administered under the direction of independent trustees, pursuant to the requirements of the Occupational Retirement Schemes Ordinance ("ORSO"). Some of these schemes were replaced by mandatory provident fund ("MPF") schemes in December 2000 when the Mandatory Provident Funds Ordinance ("MPFO") became effective.

Employee contributions to the ORSO retirement schemes were at a rate of 5% of basic salaries, while employer contributions were at a rate of between 5% to 10% of basic salaries depending on the length of service of individual employee. Forfeited employer contributions (in respect of employees who leave the schemes prior to fully vesting in such contributions) can be used to reduce the amount of future employer contributions or, in one of the schemes, to set off against future administration expenses.

The rates of both employee and employer contributions for the MPF schemes are similar to those of the ORSO retirement schemes. Subject to the minimum relevant income level and other requirements as set out in the MPFO and its related rules and regulations, employees who enrolled in the MPF schemes make a contribution at 5% of their basic salaries, while the employer contribution is at 5% to 10% of basic salaries. For certain class of MPF scheme members, the employee and employer contributions are capped at 5% of the relevant salaries of these members. Also similar to the case of the ORSO retirement schemes, forfeited employer contributions in respect of the MPF schemes can be used to reduce the amount of future employer contributions or to set off against future administration expenses.

10. 退休福利成本 (續)

自損益賬中扣除之退休福利計劃成本為本集團年內於職業退休計劃及強積金計劃須付之供款。於年結時應付予該等計劃之供款共607,000港元(一九九九年: 343,000港元), 已包括於資產負債表之「其他賬項及準備」內。

於本年度, 用作扣減僱主供款之職業退休計劃及強積金計劃之沒收僱主供款金額為1,598,000港元(一九九九年: 7,702,000港元), 而可用作扣減日後僱主供款之金額並不重大。於本年度, 就其中一項職業退休計劃用作支付管理費用之沒收僱主供款之金額為563,000港元(一九九九年: 610,000港元)。

11. 稅項

香港利得稅乃按照本年度估計應課稅溢利按稅率16%(一九九九年: 16%)作出準備。海外溢利之稅項乃按照本年度估計應課稅溢利按本集團業務經營所在國家之現行稅率計算。

10. Retirement benefit costs (continued)

The retirement benefit scheme costs charged to the profit and loss account represent contributions payable by the Group to the ORSO retirement schemes and the MPF schemes during the year. Contributions totalling HK\$607,000 (1999: HK\$343,000) payable to the schemes at the year end are included in "Other accounts and provisions" in the balance sheet.

During the year, the amount of forfeited employer contributions under the ORSO retirement schemes and MPF schemes utilized to reduce the amount of employer contributions amounted to HK\$1,598,000 (1999: HK\$7,702,000), while the amount available for reduction of future employer contributions is immaterial. During the year, the amount of forfeited employer contributions utilized for the payment of administration expenses of one of the ORSO retirement schemes amounted to HK\$563,000 (1999: HK\$610,000).

11. Taxation

Hong Kong profits tax has been provided at the rate of 16% (1999: 16%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profits for the year at the rates of taxation prevailing in the countries in which the Group operates.

		2000	1999
		HK\$'000	HK\$'000
本公司及其附屬公司:	The Company and its subsidiaries:		
— 香港利得稅	— Hong Kong profits tax	11,421	7,497
— 海外稅項	— Overseas taxation	(89)	140
— 往年度超額準備	— Over provisions in prior years	-	(1,668)
		11,332	5,969
聯營公司:	Associates:		
— 香港利得稅	— Hong Kong profits tax	-	20
— 海外稅項	— Overseas taxation	-	1,571
		-	1,591
本年度稅項	Taxation charge for the year	11,332	7,560

11. 稅項 (續)

於結算日，並無重大遞延稅項負債（一九九九年：無）。基於審慎原則，附屬公司有關稅項虧損之潛在遞延稅項資產約60,000,000港元（一九九九年：74,000,000港元）並無確認入賬。

香港建屋信貸有限公司（「建屋信貸」，前稱紐科金融財務有限公司）為本集團於年內收購之一間全資附屬公司，正就其於過往年度計算應課稅溢利之基準與稅務局磋商。此舉可能產生一項仍未撥備之香港利得稅債務。該項未撥備之稅項債務之金額尚在計算中，由於本集團根據收購之條款，有權向建屋信貸之賣方索償，因此並無就此稅項債務於本集團賬項內作出任何撥備。

12. 股東應佔溢利

股東應佔溢利包括計入本公司賬項之溢利167,312,000港元（一九九九年：虧損22,424,000港元）。

13. 股息

股息

已支付中期股息每股普通股1.75港仙
（一九九九年：無）
擬派末期股息每股普通股6.25港仙
（一九九九年：無）

11. Taxation (continued)

No material deferred taxation liabilities existed at the balance sheet date (1999: Nil). Potential deferred tax assets of approximately HK\$60 million (1999: HK\$74 million) in respect of tax losses of subsidiaries have not been recognised in the accounts on the basis of prudence.

Hong Kong Housing Loan Limited ("HKHL", formerly known as Newcourt Credit Hong Kong Limited), a wholly-owned subsidiary which the Group acquired during the year, is in discussion with the Inland Revenue Department regarding the basis of arriving at its taxable profits in preceding years. This may lead to the payment of liability for Hong Kong profits tax which has not been provided for. The amount of unprovided tax liability is in the process of being quantified, and no provision for any such tax liability has been made in the Group's accounts on the basis that the Group has the rights to claim indemnity from the vendor of HKHL pursuant to the terms of its acquisition by the Group.

12. Profit attributable to shareholders

The profit attributable to shareholders includes a profit of HK\$167,312,000 (1999: loss of HK\$22,424,000) which has been dealt with in the accounts of the Company.

13. Dividends

Dividends

Interim, paid, of HK1.75 cents (1999: Nil)
per ordinary share
Final, proposed, of HK6.25 cents (1999: Nil)
per ordinary share

2000	1999
HK\$'000	HK\$'000
23,652	—
84,471	—
108,123	—

14. 每股盈利

每股基本盈利乃根據股東應佔溢利361,827,000港元（一九九九年：40,446,000港元）及本年度已發行股份之加權平均數1,350,754,000股（一九九九年：1,346,584,000股）計算。

14. Earnings per share

Basic earnings per share has been calculated on the basis of the profit attributable to shareholders of HK\$361,827,000 (1999: HK\$40,446,000) and the weighted average number of 1,350,754,000 shares (1999: 1,346,584,000 shares) in issue during the year.

14. 每股盈利 (續)

由於攤薄效應並不重大，故並無披露全面攤薄後之每股盈利。

14. Earnings per share (continued)

Fully diluted earnings per share are not disclosed as the effect of dilution is immaterial.

15. 現金及短期資金**15. Cash and short-term funds**

		集團 Group		公司 Company	
		2000 HK\$'000	1999 HK\$'000	2000 HK\$'000	1999 HK\$'000
銀行及其他金融機構 之現金及結餘	Cash and balances with banks and other financial institutions	204,544	926,573	778	2,367
即期及短期通知存款	Money at call and short notice	7,881,709	6,874,602	9,704	14,140
		8,086,253	7,801,175	10,482	16,507
國庫票據 (包括外匯基金票據)	Treasury bills (including Exchange Fund Bills)	653,599	1,238,950	-	-
		8,739,852	9,040,125	10,482	16,507

持有之國庫票據分析如下：

An analysis of treasury bills held is as follows:

		集團 Group	
		2000 HK\$'000	1999 HK\$'000
持至到期日之證券之經攤銷後成本： — 非上市	Held-to-maturity securities, at amortised cost: — Unlisted	653,599	1,238,950

16. 持有之存款證**16. Certificates of deposit held**

		集團 Group	
		2000 HK\$'000	1999 HK\$'000
持至到期日之證券之經攤銷後成本： — 非上市	Held-to-maturity securities, at amortised cost: — Unlisted	606,512	620,288

17. 其他投資證券

17. Other investments in securities

		集團 Group		公司 Company	
		2000	1999	2000	1999
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
債務證券之公平值：	Debt securities, at fair value:				
– 在香港以外上市	– Listed outside Hong Kong	18,386	14,106	3,367	2,532
– 非上市	– Unlisted	15,801	38,302	–	–
		34,187	52,408	3,367	2,532
股票之公平值：	Equity securities, at fair value:				
– 在香港上市	– Listed in Hong Kong	40,693	9,467	–	2,611
– 在香港以外上市	– Listed outside Hong Kong	1,237	20	–	–
		41,930	9,487	–	2,611
– 非上市	– Unlisted	123,720	125,388	–	–
		165,650	134,875	–	2,611
投資基金之公平值：	Investment funds, at fair value:				
– 非上市	– Unlisted	35,198	101,693	–	–
		235,035	288,976	3,367	5,143
債務證券之發行機構如下：	The issuers of the debt securities are as follows:				
– 銀行及其他金融機構	– Banks and other financial institutions	8,013	2,417	–	–
– 企業	– Corporate entities	26,174	49,991	3,367	2,532
		34,187	52,408	3,367	2,532
股票之發行機構如下：	The issuers of the equity securities are as follows:				
– 銀行及其他金融機構	– Banks and other financial institutions	123,697	123,697	–	–
– 企業	– Corporate entities	41,953	9,487	–	2,611
– 其他	– Others	–	1,691	–	–
		165,650	134,875	–	2,611

17. 其他投資證券 (續)

非上市股票123,720,000港元(一九九九年: 125,388,000港元)中包括投資於華商銀行(「華商」)之25%股本權益123,697,000港元(一九九九年: 123,697,000港元), 該銀行為一間於中華人民共和國深圳市成立及營運之合營銀行。

一九九九年, 本集團委任華商之另一股東物色買家以約129,947,000港元之代價收購本集團持有於華商之25%股本權益。本集團已收取該華商股東此議定銷售代價作為按金。同時, 本集團與該華商股東亦已同意於收取按金後, 本集團將不再參與華商之管理及營運或分享其財務業績。

因應上述安排, 由本集團持有於華商之25%股本權益已自資產負債表「聯營公司投資」一項重列為「其他投資證券」, 並按公平值入賬。董事會認為, 本集團收取之按金(扣除預計交易之成本)最能反映本集團於華商持有之25%股本權益之公平值。

該華商股東已通知本集團, 於年內尚未能為本集團於華商之25%股本權益物色合適買家, 而上述安排仍然有效。

17. Other investments in securities (continued)

Included in unlisted equity securities of HK\$123,720,000 (1999: HK\$125,388,000) is HK\$123,697,000 (1999: HK\$123,697,000) in respect of 25% equity interest in Chinese Mercantile Bank ("CMB"), a joint venture bank established and operating in Shenzhen, The People's Republic of China.

In 1999, the Group appointed the other shareholder of CMB to identify a buyer to acquire the 25% equity interest in CMB held by the Group at a consideration of approximately HK\$129,947,000. A cash deposit in the amount of this agreed sale consideration was received by the Group from the other shareholder of CMB. At the same time, the Group and that other shareholder of CMB also agreed that the Group would no longer have any further involvement in the management and operations of CMB, or participation in its financial results, from the time of receipt of the cash deposit.

As a result of the above arrangements, the 25% equity interest in CMB held by the Group has been reclassified from the caption "Investments in associates" to "Other investments in securities" in the balance sheet, which are stated at fair value. In the opinion of the Directors, the cash deposit received by the Group less anticipated transaction costs best represents the fair value of the 25% equity interest in CMB held by the Group.

The other shareholder of CMB informed the Group that a buyer for the Group's 25% equity interest in CMB has not yet been identified during the year, and the above-mentioned arrangements remain valid.