

主席報告書

Chairman's Statement

本港以至全球通縮持續、經濟疲弱，二零零二年仍為極具挑戰的年份。年內，市面貸款增長缺乏，失業率高企，個人破產數目突破新高，對金融服務機構造成艱巨的營商環境。

縱使營商環境困難，集團業績仍然表現從容，扣除準備前之營運溢利上升百分之二十二點一，股東應佔溢利輕微調低至八億二千九百萬港元。每股盈利下降百分之四點五至3.36港元，本年度股息維持每股1.12港元。

集團仍會堅定目標，承諾提高股東回報，銳意建立包括銀行及保險多元化的金融服務業務。年內，集團核心銀行及保險業務皆能顯示其實力，在個人銀行、財資及保險業務的營運表現均有改善，商業銀行業務業績亦相對穩定。集團致力切合客戶所需，年內主要透過擴大財富管理業務，為客戶提供多元化服務。

集團正努力建立其僱主品牌形象，更獲嘉許成為關懷僱主之一。集團亦積極參與社會事務。對於香港紅十字會尊重人權與提倡優質服務的使命宗旨與價值取向，集團深表認同。

處於通縮年代，個人破產個案數字高企，無抵押個人借貸業務信貸質素惡劣，關注風險管理與履行成本監控尤為重要。於二零零二年，集團於此兩方面均有進展。

大新銀行有限公司

大新銀行有限公司（「大新銀行」）錄得扣除準備前的營運溢利由十二億七千萬港元上升百分之十九至十五億港元。

2002 was again a challenging year, marked by continued deflation and weak economic conditions in Hong Kong and globally. There was no loan growth in the market and the high level of unemployment and record personal bankruptcies during the year resulted in a difficult operating environment for financial services companies.

In this difficult operating environment, Dah Sing delivered a resilient performance, with operating profit before provisions increasing by 22.1% and profit attributable to shareholders decreasing moderately to HK\$829.0 million. Earnings per share fell by 4.5% to HK\$3.36, and the dividend was maintained at HK\$1.12 per share.

We remain firmly committed to our goal of improving shareholder value, and have concentrated on building a broadly based financial services business encompassing banking and insurance. The strength of our core banking and insurance businesses was demonstrated during the year with improvements in the operating performance of our personal banking, treasury and insurance businesses, and a relatively stable performance in our commercial banking business. We are dedicated to our keen focus on our customers, and we were able to broaden our range of services during the year, most notably through an expansion of our wealth management business.

We are building our employer brand, and have been recognised as a caring employer. We are active participants in community affairs, in particular the Hong Kong Red Cross whose mission and values of respect for humanity and quality of service we share.

In these times of deflation and poor credit quality in our unsecured personal lending business due to high levels of

personal bankruptcies, attention to our risk management and focus on cost control are critical. We continued to make progress in both of these areas during 2002.

Dah Sing Bank, Limited

Dah Sing Bank, Limited ("DSB") achieved an increase in operating profit before provisions of 19% from HK\$1.27 billion to HK\$1.5 billion.



The Hang Seng Index closed below 10,000 points at the end of 2002, reflecting the difficult conditions in the local market.

二零零二年底恆生指數跌穿一萬點，反映本地現時市況艱難。



Mr. David S. Y. Wong, the Chairman of the Group, was awarded the Badge of Honour for Devoted Service of the Hong Kong Red Cross (Branch of the Red Cross Society of China).

集團主席王守業先生獲頒贈中國香港特別行政區紅十字會熱心服務榮譽獎章。

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年內，大新銀行在吸納存款方面取得顯著增長，整體存款額上升百分之十點六。在低息的市況下，客戶尋求高回報與更多投資選擇。大新銀行透過發行港元及美元存款證，及大幅擴展財富管理活動（以投資產品銷售為主），以切合客戶需求。

貸款需求持續疲弱，業內競爭仍尚激烈，再者，無抵押個人借貸業務信貸成本高企，集團亦無意爭奪極盡低息的住宅按揭市場，年內貸款總額錄得輕微收縮。猶幸器材融資及貿易融資範疇表現良好，商業銀行業務得以平穩發展。

財資業務於本年度迭報佳績，年內集團能充分掌握進一步低息機遇而獲益，整體信貸質素仍維持於極高水平。風險管理不單對此業務營運極其重要，對集團內其他業務管理亦然。年內，集團已投放相當時間與努力，發展新風險管理工具及措施。

市況通縮，成本控制至為重要。年內，大新銀行整體成本支出降低百分之六點八，在絕大多數主要開銷類別上，成本效益均有所提高。

大新人壽保險有限公司

集團全資擁有之大新人壽保險有限公司（「大新人壽」）年內業績理想。新業務增長達百分之八，表現與市場情況相符，惟整體盈利則稍微下調，主要由於潛在價值計算中既定假設之改變所致。

大新人壽繼續受惠於銀行兼營保險業務策略。透過銀行分行分銷之人壽保險產品銷售額持續向上，並已成為人壽保險銷售總額之主要部份。年內，大新人壽引進連繫投資壽險產品，進一步擴大集團財富管理服務範疇。

We made very considerable progress in our deposit taking activities during the year with overall deposits up by 10.6%. In these times of low interest rates in the market, our customers are seeking higher yields and alternatives for investment. We were able to serve those requirements, both through issues of certificates of deposit in HK\$ and US\$, and through a substantial increase in our wealth management activities, notably through sales of investment products.

Loan demand, however, remained weak, and competition amongst banks was intense. We experienced some marginal contraction in our loan book during the year, due to weak demand, our reluctance to compete at the very lowest rates in the residential mortgage market, and the effects of the high credit cost in the unsecured personal lending business. There were some positive developments in our commercial banking business with progress made in both the equipment finance and trade finance areas.

Our treasury business had another successful year, and was able to capture the benefits of some further decreases in interest rates during the year, whilst maintaining a very high overall credit quality. Risk management remained an extremely important feature of this business, as it does for all of our businesses, and we invested considerable time and effort during the year in the development of new risk management tools and processes.

Cost control in a deflationary environment is essential, and we were able to reduce overall costs by 6.8% during the year, with cost benefits achieved in almost all of the key expense categories.



Ms. Wanice Lau of Dah Sing Life won The Best of The Best Award in the Distinguished Customer Service Award competition organized by FLMI Society of Hong Kong.
大新人壽劉淑華小姐在由香港壽險管理學會舉辦之「優秀客戶服務大獎」選舉中獲膺選為客戶服務精英全場總冠軍。

Dah Sing Life Assurance Company Limited

Dah Sing Life Assurance Company Limited (“DSLAL”), the Group’s wholly owned life assurance business had a satisfactory year. New business growth, at 8%, was in line with the market, whilst overall profitability was down marginally, due mainly to changes in the assumptions underlying the embedded value calculation.

We continued to see the benefits of our bancassurance strategy, with a continuing increase in the sales of life assurance product through our bank branches, which now account for the majority of our total life assurance sales. We introduced investment linked life assurance product during the year, which further broadens our range of wealth management products.

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豐明銀行有限公司(「豐明」)年內營運進展良好，資產及存款總額均有增長。豐明繼續專注創新意念與優質服務，於年內成功推出若干新產品。豐明乃首家亞洲地區銀行夥合著名英國足球會(利物浦足球會及阿仙奴足球會)推出聯營信用卡。

豐明本年度仍錄得虧損，成本監控亦如集團內其他業務一樣同等重要。年內，透過重整後勤操作，並於年底期間將有關工序併入大新銀行相類部門，以減省豐明的開支。此舉將能大幅調低其未來的支銷，預料於二零零三年豐明之營運表現將見改善。

董事局

大新集團副主席及非執行董事賈世德先生於二零零二年十一月二十九日正式榮休。賈先生在任期間對集團建樹良多，帶領集團前進，發展至現今規模，實在居功至偉，董事會致以衷心感激。

伍耀明先生服務集團達十七年，至二零零二年七月一日正式退任執行董事職務。董事會對伍氏為集團所作出的貢獻，尤以在租購業務上帶領集團躋身本港租購貸款業務市場其中一領導位置，予以感謝。伍先生目前乃以非執行董事名義參與董事會事務。

二零零二年八月六日，御手洗徹先生於高宮泉先生退任後，繼任為非執行董事。同日，中村政照先生則獲批准出任為蔭山真人先生之替任董事。

二零零三年三月四日，玉越良介先生繼同日辭任的蔭山真人先生，代表UFJ在大新的權益，委任為非執行董事，中村政照先生亦於同日委任為玉越先生之替任董事。董事會對蔭山先生在任期間之貢獻謹此致謝。

二零零三年三月四日，梁君彥先生獲委任為獨立非執行董事。

MEVAS Bank Limited

MEVAS Bank Limited ("MEVAS") demonstrated progress during the year, with growth in assets and deposits. Our focus on innovation and quality of service has continued, and we successfully launched a number of new products during the year. MEVAS was the first bank in Asia to launch co-brand credit cards with the well-known English football clubs, Liverpool Football Club and Arsenal Football Club.

MEVAS continued to report a loss for the year, and cost control was important in MEVAS as in other areas of our business. We took action during the year to contain expenses at MEVAS through a restructuring of its back office functions, and a realignment of certain units with similar functions in Dah Sing Bank at the year end. This has enabled MEVAS to reduce expenses significantly going forward, and therefore we expect that the operating performance for MEVAS will improve in 2003.

Board of Directors

Mr. Ronald Carstairs retired as Vice Chairman and non-executive Director of Dah Sing with effect from 29th November 2002. The Board wishes to express its most sincere appreciation and deepest gratitude for Mr. Carstairs' invaluable contribution to building the Group during his tenure of service with Dah Sing. He has been instrumental in building the Group into the financial services organisation it is today.

The Board also wishes to thank Mr. Yiu-Ming Ng, who retired as an executive Director with effect from 1st July 2002 after seventeen years of service, for his contribution to the Group, in particular in the field of hire purchase, where he helped to build one of Hong Kong's leading hire purchase businesses. Mr. Ng continues to serve the Board in a non-executive role.

On 6th August 2002, Mr. Toru Mitarai was appointed a non-executive Director, succeeding the resigned Mr. Izumi Takamiya, and Mr. Masateru Nakamura was confirmed to act as an alternate Director to Mr. Mahito Kageyama.

On 4th March 2003, Mr. Ryosuke Tamakoshi was appointed a non-executive Director, succeeding Mr. Mahito Kageyama who resigned on the same day, representing UFJ's interests in Dah Sing. Mr. Masateru Nakamura was appointed an alternate Director to Mr. Tamakoshi, also on the same day. The Board would like to thank Mr. Kageyama for his contribution during his tenure as a Director.

On 4th March 2003, Mr. Andrew Kwan-Yuen Leung was appointed as an independent non-executive Director.

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本人藉此歡迎各位新晉董事加盟，期望於往後歲月對集團有所裨益。

二零零二年七月十九日，Ian Harley 先生及其替任董事Graham Long先生正式辭任大新董事職務。二零零二年八月六日，Malcolm Millington先生及其替任董事Graham Long先生接替已卸任之Ian Harley 先生(替任董事亦為Graham Long先生)出任為非執行董事，代表艾比國民有限公司在大新的權益。二零零三年一月十五日，Malcolm Millington 先生與替任董事Graham Long先生繼艾比國民有限公司出售大新股權後，正式引退在大新董事會職務。

未來前瞻

在地緣政治不斷演化的影響下，二零零三年對本港以至全球將為另一艱巨的年頭。香港仍然蒙受通縮嚴重及失業率持續高企之制肘。國內經濟情況則持續好景，中國成為世界製造中心，發展步伐不斷加快。集團相信本地與內地加緊融合(尤其是珠江三角洲地區)，加上實行二十四小時過境通關，料將有利加促中港兩地的經濟活動。二零零二年旅遊業興旺，遊客大部分來自內地，香港貨運吞吐量突破世界紀錄，空運、載客量與航運班次方面亦創新高，集團預計香港於二零零三年將繼續因此利好走勢而受惠。

集團將繼續在金融服務市場中覓取新機，擴大並提供更多元化業務範疇。集團深信只要做到以客為尊，為其提供廣泛之產品種類與優質服務，定能令客戶稱心，業務發展亦得以持續向前。

在短期內，香港市道仍然艱難，集團當繼續密切關注各項業務之風險管理，並嚴謹監控成本基礎。

最後，本人謹代表董事會，對各級員工在過往一年之勤奮努力及承擔致意，並期望彼等能於往後歲月繼續為集團作出貢獻。

主席
王守業

香港 二零零三年三月四日

I would like to take the opportunity to welcome these new directors to the Board, and look forward to their contribution in the years to come.

On 19th July 2002, Mr. Ian Harley, with Mr. Graham Long as his alternate, resigned as a director of Dah Sing. On 6th August 2002, Mr. Malcolm Millington, with Mr. Graham Long as alternate, succeeding the resigned Mr. Ian Harley (with Mr. Graham Long as alternate), was appointed a non-executive Director, representing the interest of Abbey National plc in Dah Sing. On 15th January 2003, Mr. Malcolm Millington, with Mr. Graham Long resigned from the Board, following the disposal of Abbey National's shareholding in Dah Sing.

Future Prospects

2003 is likely to be another challenging year, not only for Hong Kong, but also around the world, as geopolitical issues evolve. Hong Kong is still suffering from deflation, and our unemployment rate remains high. On the Mainland, the economic picture remains robust, as China becomes the world's manufacturing centre, and continues to grow rapidly. We believe that closer integration with the Mainland, in particular the Pearl River Delta, and the 24-hour opening of the border will accelerate economic activities for the good of both Hong Kong and the Mainland. We saw in 2002 a growing tourism sector, largely related to Mainland visitors; Hong Kong setting a new world record for container throughput; and new records set for air cargo, passengers and flight movements. We expect that Hong Kong will continue to benefit from this momentum in 2003.

For Dah Sing, we will continue to look for opportunities to grow and diversify our business streams in the financial services market. We believe that by keeping our customers firmly in mind, and by providing them with a wide range of products and a high quality of service, we will be able to serve our customers better and continue to progress in the years to come.

In the short term, we believe that the market will remain difficult in Hong Kong, and therefore will maintain our close attention to risk management in all areas of our business, as well as to the strict management of our cost base.

Finally, I would like to extend on behalf of the Board, our appreciation to all of our colleagues for their hard work and commitment over the past year, and we look forward to their continued contribution in the coming years.

David Shou-Yeh Wong
Chairman

Hong Kong, 4th March 2003