

這是大新銀行集團有限公司之首份年報。本人欣然匯報二零零四年度之股東應佔溢利較二零零三年增加百分之二十七點三，達十一億二千萬元，每股盈利由1.09港元增加至1.29港元。根據本公司上市時承諾之派息政策，股息分派比率約為可供分派溢利的百分之五十。是年度每股派息0.61港元，包括末期股息每股0.38港元及中期股息每股0.23港元。

於二零零四年，香港經濟持續復甦，實質本地生產總值增長百分之八點一。貿易數據尤見強勁，產品及服務出口總值分別上升百分之十五點三及百分之十四點九。雖然上半年仍稍有通縮，惟整體形勢已見改善。二零零四年內，失業率回落，惟由於本港經濟繼續轉型，年底失業率仍然高企在百分之六點五水平。

年內，銀行業務市況良好。銀行業務市場受若干大勢主導，貸款增長恢復、信貸質素改善、價格競爭劇烈、息差收窄、財富管理及人民幣業務發展，皆為主導市場的重要因素。本港以外，本地銀行已更積極踏足中國內地，尤以泛珠三角地區為甚。

值得鼓舞一提，本港銀行業務市場自一九九八年迄今，首次回復錄得貸款增長，二零零四年整體本地貸款增長達百分之五。然而貸款增長背後仍然存在隱憂，多項主要貸款業務，包括商業借貸及住宅按揭等，均面對極其嚴峻的價格競爭。各項貸款增長不一，按揭借貸及商業銀行業務較個人貸款及信用卡業務增長為速。

This is the first annual report for Dah Sing Banking Group Limited, and I am pleased to report that the Group achieved profit attributable to shareholders of HK\$1,120 million, an increase of 27.3% over 2003. Earnings per share increased from HK\$1.09 to HK\$1.29. In line with the dividend policy expressed at the time of the listing, the dividend payout ratio was approximately 50% of attributable profit, bringing the dividend per share to HK\$0.61 for the year, comprising a final dividend of HK\$0.38 per share in addition to the interim dividend of HK\$0.23 per share.

Hong Kong's economic recovery continued in 2004, with real GDP growth of 8.1%. Trade figures were particularly strong, with exports of goods and services increasing by 15.3% and 14.9% respectively. Although there was still slight deflation in the first half of the year, the overall trend has improved. Unemployment fell during 2004, and was at a level of 6.5% by the end of the year, which is still a relatively high level, due to the continuing restructuring of Hong Kong's economy.

Conditions in the banking market were reasonably positive during the year. There were a number of trends influencing the banking market. In particular, a return to loan growth, improving credit quality, competitive pricing, tighter interest margins, wealth management and Renminbi ("RMB") business, have all been key factors influencing the market over the past year. Outside Hong Kong, there has also been the move by Hong Kong banks to participate more actively in Mainland China, particularly in the Pan Pearl River Delta area.



The Hang Seng Index closed at above 14,200 points at the end of 2004 reflecting Hong Kong's improved economy.

二零零四年底恆生指數收市超越一萬四千二百點反映香港經濟持續復甦。

It is encouraging to note that there was a return to loan growth in the Hong Kong banking market for the first time since 1998, with overall domestic loan growth in 2004 reaching 5%. However, this loan growth was achieved against a background of extremely keen pricing competition in many main loan segments, including commercial lending and residential mortgages. The loan growth was also mixed by loan segment, with mortgage lending and commercial banking increasing more rapidly than personal loans and credit cards.

年內大部份時間，港元同業拆息仍於低位徘徊，特別是十月份尾段同業拆息下調，有助舒緩息差壓力。惟由於貸款價格競爭及賺息資產利率回報減低，二零零四年本地銀行業的平均淨息差亦普遍收窄。

在低存款利率的環境下，客戶趨向尋求各類投資產品，令財富管理業務持續發展，有利於銀行業務。

由於香港與中國內地聯繫日趨緊密，純為本港居民而設的本地人民幣服務（包括人民幣存款、匯款及信用卡）從而錄得增長，推延帶動其他多項本港銀行業務在中國內地的增長，尤其是泛珠三角地區。

大新銀行集團

貸款增長優於大市，是年度整體增長百分之十六點四，年底客戶貸款總額為三百二十五億港元。貸款增長主要源自個人銀行業務及商業銀行業務兩方面，其中以零售與商業按揭，以及貿易融資的增長尤為明顯。信貸成本持續改善，整體撥備支出於二零零四年大幅削減。令人鼓舞的是信用卡撇賬進一步減少，二零零四年底撇賬率下跌至二零零零年零售市場信貸成本剛開始上升的水平。

年內，集團的財富管理業務繼續大幅增長，以零售及私人銀行客戶為對象的債券及股票相關財富管理產品，以及結構式存款銷售服務費收入創出新高。

是年度內存款增長強勁。臨近年底，集團掌握時機，根據大新銀行中期票據計劃透過其全資擁有附屬公司Dah Sing MTN Financing Limited發行共三億美元五年期至二零零九年屆滿的定息及浮息優先票據。

貸款價格競爭劇烈，以及資產與剩餘資金投資回報下跌，令二零零四年度的淨息差由百分之三點二一下降至百分之二點九二。

Continuing low Hong Kong dollar interbank rates for most of the year, and particularly following the reduction in interbank rates in late October, mitigated the margin pressure to some extent. However, as a result of competitive loan pricing and lower yields on interest earning assets, the average net interest margin in the local banking industry generally tightened in 2004.

Wealth management has been a growing business as customers seek alternatives to the low deposit rates available in the market, which has benefitted the banking business.

The ever-closer links between Hong Kong and Mainland China have been reflected in the growth in RMB business for Hong Kong residents in Hong Kong (including RMB deposits, remittances and credit cards), as well as the growth in many Hong Kong banks' business in Mainland China, particularly in the Pan Pearl River Delta region.

Dah Sing Banking Group

Loan growth was significantly above market, with overall growth for the year of 16.4%, and advances to customers at the year-end totalling HK\$32.5 billion. The loan growth came both from our personal banking business as well as our commercial banking business, with retail and commercial mortgages and trade finance as particular areas of growth. Credit cost continued its improving trend with overall provisioning charges falling significantly in 2004. It was particularly encouraging to see a further reduction in credit card charge-offs, with the charge-off rate at the end of 2004 dropping to a level similar to 2000, which was the start of the increase in credit cost in the retail sector.

Our wealth management business continued to grow strongly during the year, with record levels of fee income from the sale of both debt and equity related wealth management products, as well as structured deposits for both retail and private banking customers.

Deposit growth was strong during the year. We also took the opportunity towards the end of the year to issue a total of US\$300 million of fixed and floating 5-year senior notes due in 2009 under the Medium Term Note Programme of Dah Sing Bank, through Dah Sing MTN Financing Limited being its wholly-owned subsidiary.

Competitive loan pricing and declining yields on assets and surplus funds investments during the year resulted in a decline in the net interest margin from 3.21% to 2.92%.

集團藉中港「更緊密經貿關係安排」，成功於二零零四年六月在深圳開設集團在中國內地的第一家分行。集團對此分行初期發展之成績感到鼓舞。

董事會

為配合大新銀行集團於二零零四年上半年在香港聯合交易所上市，韓以德先生、梁君彥先生、莊先進先生及史習陶先生獲委任為本公司獨立非執行董事，而 Sohei Sasaki 先生亦獲委任為非執行董事，王守業先生與黃漢興先生分別出任本公司董事會主席及行政總裁，另有王伯凌先生、趙龍文先生、王祖興先生及邱達宏先生獲委任為執行董事。

自年底以後，村岡隆司先生緊接 Sohei Sasaki 先生於二零零五年三月十五日辭職後，於同日繼任為本公司非執行董事。

本人藉此歡迎新任董事加入本公司董事會，相信彼等之專業及豐富經驗對集團有莫大裨益。本人謹向退任董事 Sohei Sasaki 先生所作出寶貴貢獻表示感謝。

未來前瞻

二零零五年香港的經濟狀況預料大致向好，政府預測本年度實質本地生產總值增長大致在百分之四點五至五點五之間。本年初段零售銷情良好，是由於內地自由行旅客數目激增，與中國更緊密結合，及物業價格較年前大幅上升等因素所帶動。

泛珠江三角地區增長仍顯持續，而中港經濟融合亦加速落實，顯現未來數年向好的趨勢。

Under the Closer Economic Partnership Arrangement between Mainland China and Hong Kong, we were able to open our first Mainland China branch, in Shenzhen, in June 2004. We have been encouraged by its early progress.

Board of Directors

In conjunction with the listing of the Dah Sing Banking Group on the Hong Kong Stock Exchange in the first half of 2004, Messrs. David R. Hinde, Andrew Kwan-Yuen Leung, John W. Simpson and Robert Tsai-To Sze were appointed as independent non-executive directors of the Company, and Mr. Sohei Sasaki was appointed as a non-executive director. Messrs. David Shou-Yeh Wong and Hon-Hing Wong (Derek Wong) were appointed Chairman and Chief Executive respectively, and Mr. Gary Pak-Ling Wang, Mr. Lung-Man Chiu (John Chiu), Mr. Harold Tsu-Hing Wong and Mr. Dennis Tat-Wang Yau were appointed as Executive Directors.

Subsequent to the year-end, Mr. Takashi Muraoka was appointed as a non-executive director of the Company on 15th March 2005, succeeding Mr. Sohei Sasaki, who resigned at the same date.

I would like to welcome the new Directors to the Board and believe their expertise and extensive experience will be of great value to the Group. I would also like to express my gratitude to the departing Director, Mr. Sohei Sasaki, for his valuable contribution during his tenure on the Board.

Future Prospects

Economic conditions in Hong Kong in 2005 are forecast to be broadly positive, with government forecasts for real GDP growth of around 4.5% to 5.5% for the year. Retail sales have shown a good performance in the early stages of the year, assisted by the substantial increase in Individual Mainland Travellers, and generally closer integration, and property prices are at significantly higher levels than a year ago.

The growth of the Pan Pearl River Delta region looks set to continue, and the economic integration between Hong Kong and Mainland China continues to gather momentum. We see this as a positive trend for the years to come.

預測二零零五年經濟復甦持續，將有助貸款溫和增長，惟貸款價格競爭劇烈，加上美國加息將會影響港元利率，年內資金成本預測會上調。因此，縱然我們對二零零五年的銀行業務前景抱審慎樂觀態度，來年亦需面對不少挑戰，特別是淨息差方面。經濟改善，通脹隨之，對成本構成上升壓力，而這趨勢在年內亦難以有逆轉的可能。

我們相信大新銀行集團獨立上市，有效地部署集團面對市場挑戰與迎接新機遇，亦為集團未來繼續擴展業務提供有利平台。此獨立上市更榮獲「國際金融評論亞洲」雜誌評選為「香港本年度最佳股本集資項目」。

最後，本人謹代表董事會，感謝諸位董事所作的貢獻，並對各級員工在過往一年之勤奮努力及作出承擔致意。集團繼續銳意發展銀行業務，並悉力不懈達致「理財之選」的目標。

主席
王守業

香港 二零零五年三月十五日

Whilst market loan growth is expected to be mildly positive in 2005, as the economic recovery continues, loan pricing remains very competitive, and funding costs are expected to rise during the year as the effect of increases in US interest rates flows through to Hong Kong dollar rates. Therefore, whilst we are cautiously optimistic on the outlook for our

business in 2005, we also believe that there are challenges to be faced in the coming year, particularly as regards our net interest margin. The improved economy and the return of inflation have also started to put upward pressure on costs, and this trend is unlikely to reverse during the year.

We believe that the separate listing of the Dah Sing Banking Group has positioned us to meet the challenges and opportunities of the market, and has given us a platform to be able to continue to expand our business in the years to come. The separate listing was awarded "Hong Kong Equity Deal of the Year" by IFR Asia Magazine.

Finally, I would like to thank my fellow directors for their valuable contribution and extend on behalf of the Board, our appreciation to all our colleagues for their hard work and commitment over the past year. We remain committed to the growth of our banking business, and look forward to continuing our efforts to become a "Financial Services Provider of Choice".

David Shou-Yeh Wong
Chairman

Hong Kong, 15th March 2005



The IPO of Dah Sing Banking Group Limited was awarded "Hong Kong Equity Deal of the Year" by IFR Asia.

大新銀行集團首次公開招股榮獲「國際金融評論亞洲」雜誌膺選為二零零四年度「香港本年度最佳股本集資項目」。