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**Annex: Authorized Institutions and Local Representative Offices at 31 December 2002****Licensed Banks***Incorporated in Hong Kong*

Asia Commercial Bank Limited	Dah Sing Bank Limited	Jian Sing Bank Limited
Bank of America (Asia) Limited	Dao Heng Bank Limited	Liu Chong Hing Bank Limited
Bank of China (Hong Kong) Limited	DBS Kwong On Bank, Limited	MEVAS Bank Limited
Bank of East Asia, Limited (The)	First Pacific Bank Limited *	Nanyang Commercial Bank, Limited
Chekiang First Bank Limited	Hang Seng Bank, Limited	Overseas Trust Bank, Limited
Chiyu Banking Corporation Limited	Hongkong & Shanghai Banking Corporation Limited (The)	Shanghai Commercial Bank Limited
CITIC International Financial Holdings Limited	HSBC Investment Bank Asia Limited *	Standard Bank Asia Limited
(formerly known as CITIC KA WAH BANK LIMITED)	Hua Chiao Commercial Bank Limited *	Tai Sang Bank Limited
CITIC Ka Wah Bank Limited	Industrial and Commercial Bank of China (Asia) Limited	Tai Yau Bank, Limited
(formerly known as The Hongkong Chinese Bank, Limited)	International Bank of Asia Limited	Wing Hang Bank, Limited
		Wing Lung Bank Limited

*Incorporated outside Hong Kong*

Abbey National Treasury Services plc	Bank of China	China Construction Bank
ABN AMRO Bank N.V.	Bank of Communications	China Merchants Bank Co., Ltd. #
Agricultural Bank of China	Bank of India	China State Bank, Limited (The) *
American Express Bank Limited	Bank of Montreal	Chinatrust Commercial Bank, Ltd.
Asahi Bank, Ltd. (The) *	Bank of New York (The)	Chugoku Bank, Ltd. (The)
Australia & New Zealand Banking Group Limited	Bank of Nova Scotia (The)	Citibank, N.A.
Baden-Württembergische Bank Aktiengesellschaft	Bank of Scotland	Commerzbank AG
BANCA DI ROMA, SOCIETA' PER AZIONI #	Bank of Taiwan	Commonwealth Bank of Australia
(formerly known as Minghetti Finanziaria S.p.A.)	Bank of Tokyo-Mitsubishi, Ltd. (The)	Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (also called Rabobank Nederland)
Banca Intesa Banca Commerciale Italiana S.p.A.	Bank One, National Association	Coutts Bank (Schweiz) AG also known as:
also known as: IntesaBci S.p.A.	Bank SinoPac #	Banque Coutts (Suisse) SA
Banca Intesa Comit S.p.A.	Barclays Bank plc	Coutts Bank (Switzerland) Ltd
Banca Monte dei Paschi di Siena S.p.A.	Bayerische Hypo-und Vereinsbank Aktiengesellschaft	Credit Agricole Indosuez
Banca Nazionale del Lavoro S.p.A.	Bayerische Landesbank (formerly known as Bayerische Landesbank Girozentrale)	Credit Lyonnais
Banco Bilbao Vizcaya Argentaria S.A.	BNP PARIBAS	Credit Suisse
Bangkok Bank Public Company Ltd.	BNP PARIBAS PRIVATE BANK #	Dai-ichi Kangyo Bank, Limited (The) *
Bank Austria Aktiengesellschaft *	Canadian Imperial Bank of Commerce	Deutsche Bank AG
Bank Brussels Lambert S.A. *	CAPITALIA, SOCIETA' PER AZIONI *	Development Bank of Singapore Ltd. (The)
Bank Melli Iran	(formerly known as Banca di Roma, Societa per Azioni)	Dresdner Bank AG
Bank of America, National Association	Chang Hwa Commercial Bank Ltd.	DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main
	Chiba Bank, Ltd. (The)	EFG Private Bank SA
	China & South Sea Bank, Limited (The) *	

# Addition in 2002

\* Deletion in 2002

**Annex: Authorized Institutions and Local Representative Offices at 31 December 2002 (cont.)***Incorporated outside Hong Kong*

Equitable PCI Bank, Inc.	Malayan Banking Berhad	State Bank of India
Erste Bank der oesterreichischen Sparkassen AG	Mitsubishi Trust and Banking Corporation (The)	State Street Bank and Trust Company
First Commercial Bank	Mizuho Corporate Bank, Ltd. (formerly known as The Fuji Bank, Limited)	Sumitomo Mitsui Banking Corporation
Fleet National Bank	Natexis Banques Populaires	Svenska Handelsbanken AB (publ)
Fortis Bank	National Australia Bank Limited	TAIPEIBANK Co., Ltd. #
Fortis Bank Asia HK	National Bank of Canada *	Taiwan Business Bank
Hachijuni Bank, Ltd. (The)	National Bank of Pakistan	Tokai Bank, Limited (The) *
Hamburgische Landesbank Girozentrale	National Commercial Bank, Limited (The) *	Toronto-Dominion Bank (The)
HSBC BANK INTERNATIONAL LIMITED #	National Westminster Bank plc *	UBS AG
HSBC Bank plc	Ogaki Kyoritsu Bank, Ltd. (The) *	UCO Bank
HSBC Bank USA	Oversea-Chinese Banking Corporation Limited	UFJ Bank Limited (formerly known as The Sanwa Bank, Limited)
HSBC Republic Bank (Suisse) SA	Overseas Union Bank Limited *	UniCredito Italiano Societa' per Azioni
Hua Nan Commercial Bank, Ltd.	Philippine National Bank	United Overseas Bank Ltd.
Indian Overseas Bank	PT. Bank Negara Indonesia (Persero) Tbk.	United World Chinese Commercial Bank, Ltd.
Industrial and Commercial Bank of China (The)	Royal Bank of Scotland public limited company	Wells Fargo Bank, National Association
Industrial Bank of Japan, Limited (The) *	SANPAOLO IMI S.p.A.	WestLB AG (formerly known as Westdeutsche Landesbank Girozentrale)
INTERNATIONAL COMMERCIAL BANK OF CHINA CO., LTD. (THE) #	SEOULBANK	Westpac Banking Corporation
ING Bank N.V.	Shiga Bank, Ltd. (The)	Woori Bank (formerly known as Hanvit Bank)
Iyo Bank, Ltd. (The)	Shinkin Central Bank	Yamaguchi Bank, Ltd. (The)
JPMORGAN CHASE BANK	Shizuoka Bank, Ltd. (The)	Yien Yieh Commercial Bank, Ltd. (The) *
Juroku Bank, Ltd. (The)	Sin Hua Bank Limited *	
KBC Bank N.V.	Societe Generale	
Kincheng Banking Corporation *	Standard Chartered Bank	
Korea Exchange Bank		
Kwangtung Provincial Bank (The) *		

# Addition in 2002

\* Deletion in 2002

**Annex: Authorized Institutions and Local Representative Offices at 31 December 2002 (cont.)****Restricted Licence Banks***Incorporated in Hong Kong*

ABSA Asia Limited	GE Capital (Hong Kong) Limited	Nedcor Asia Limited*
AIG Finance (Hong Kong) Limited	Hang Seng Finance Limited	ORIX Asia Limited
ALLIED BANKING CORPORATION (HONG KONG) LIMITED (formerly known as Allied Capital Resources Limited)	Indover bank (Asia) Limited (formerly known as Indover Asia Limited)	Pacific Finance (Hong Kong) Limited
BA Asia Limited	Industrial and Commercial International Capital Limited	SCOTIABANK (HONG KONG) LIMITED (formerly known as BNS Hong Kong Limited)
BNP International Financial Services (Hong Kong) Limited	J. P. MORGAN SECURITIES (ASIA PACIFIC) LIMITED	Shinhan Finance Limited
Bank of Baroda (Hong Kong) Limited <sup>#</sup> (formerly known as BOB INTERNATIONAL FINANCE LIMITED)	KDB Asia Limited	Societe Generale Asia Limited
BOCI Capital Limited	Kookmin Finance Hong Kong Limited	Tokyo-Mitsubishi International (HK) Limited
Canadian Eastern Finance Limited	Manhattan Card Company Limited	UBAF (Hong Kong) Limited
Citicorp Commercial Finance (H.K.) Limited	MIZUHO CORPORATE ASIA (HK) LIMITED	UFJ International Finance Asia Limited*
Citicorp International Limited	(formerly known as DKB Asia Limited)	(formerly known as Sanwa International Finance Limited)
East Asia Finance Company, Limited	N.M. Rothschild & Sons (Hong Kong) Limited	

*Incorporated outside Hong Kong*

Bank of Ayudhya Public Company Limited	Industrial Bank of Korea	Thai Farmers Bank Public Company Ltd. (The)
Bank of Bermuda, Limited (The)	International Bank of Taipei	Thai Military Bank Public Company Ltd.
Bank of N.T. Butterfield & Son Ltd. (The)	Keppel TatLee Bank Limited*	Union Bank of California, National Association
Bumiputra-Commerce Bank Berhad	KorAm Bank	Wachovia Bank, National Association (formerly known as First Union National Bank)
Citibank International	Lloyds TSB Bank Plc	
Dresdner Kleinwort Wasserstein Limited*	NEDBANK LIMITED (formerly known as Nedcor Bank Limited)	
E.Sun Commercial Bank, Ltd. <sup>#</sup>	PT. Bank Mandiri (Persero)	
Hana Bank*	Public Bank Berhad	
	Siam Commercial Bank Public Company Limited (The)	

<sup>#</sup> Addition in 2002

\* Deletion in 2002

**Annex: Authorized Institutions and Local Representative Offices at 31 December 2002 (cont.)****Deposit-taking Companies***Incorporated in Hong Kong*

ACB Finance Limited	East Asia Credit Company Limited	Kincheng-Tokyo Finance Company Limited
Argo Enterprises Company Limited	Edward Wong Credit Limited	Kookmin Finance Asia Limited *
Associates Financial Services (Asia) Limited *	First Metro International Investment Company Limited	Korea First Finance Limited
BA Finance (Hong Kong) Limited *	Gunma Finance (Hong Kong) Limited	Liu Chong Hing Finance Limited
BCA Finance Limited	Habib Finance International Limited	Mashreq Asia Limited
BCOM Finance (Hong Kong) Limited	Hachijuni Asia Limited	Michinoku Finance (Hong Kong) Limited
BII Finance Company Limited	Hang Seng Credit Ltd.	OCTOPUS CARDS LIMITED (formerly known as Creative Star Limited)
BOB INTERNATIONAL FINANCE LIMITED †	HBZ Finance Limited	Orient First Capital Limited
BPI International Finance Limited	Henderson International Finance Limited	OUB Finance (H.K.) Limited *
C.F. Finance Company Limited	HKCB Finance Limited	PrimeCredit Limited
Chau's Brothers Finance Company Limited	Hung Kai Finance Company Limited	RCBC International Finance Limited *
Chohung Finance Limited	IBA Credit Limited	Shacom Finance Limited
Commonwealth Finance Corporation Limited	ICBC (Asia) Finance Limited *	Standard London (Asia) Limited
Corporate Finance (D.T.C.) Limited	Inchroy Credit Corporation Limited	Sumitomo Trust Finance (H.K.) Limited (The)
Dah Sing Finance Limited *	Indo Hong Kong International Finance Limited	Vietnam Finance Company Limited
Dao Heng Finance Limited	Iyo Finance (Hong Kong) Limited	Wing Hang Finance Company Limited
DBS Kwong On Finance Limited	JCG Finance Company, Limited	Wing Lung Finance Limited
Delta Asia Credit Limited	Ka Wah International Merchant Finance Limited	
Dharmala International Finance Limited *		

*Incorporated outside Hong Kong*

NIL

**Local Representative Offices**

Abbey National Treasury International Limited	Banca Antoniana-Popolare Veneta S.C.A. R.L.	Banca Popolare di Verona - Banco S. Geminiano e S. Prospero - Societa Cooperativa di Credito a responsabilita' limitata *
AIG Private Bank Ltd.	Banca del Gottardo	Banca Popolare di Vicenza Soc. Coop. a r.l.
Antwerpse Diamantbank NV also known as: Antwerp Diamond Bank NV	Banca Popolare Commercio e Industria Soc. Coop. a r.l. *	Banca Toscana S.p.A. *
Arab Bank plc	Banca Popolare dell'Emilia Romagna Soc. Coop. a r.l.	Banco Atlantico S.A.
Asahi Bank, Ltd. (The) #	Banca Popolare di Ancona Societa' per azioni	Banco do Brasil S.A.
Ashikaga Bank, Ltd. (The) *	Banca Popolare di Bergamo-Credito Varesino Soc. Coop. a r.l.	Banco Popolare di Verona e Novara S.c.r.l. #
Banca Agricola Mantovana S.p.A. *	Banca Popolare di Sondrio Soc. Coop. a r.l.	Banco Popular Español, S.A.
		Banco Santander Central Hispano, S.A.

† Upgraded to RLB

# Addition in 2002

\* Deletion in 2002

**Annex: Authorized Institutions and Local Representative Offices at 31 December 2002 (cont.)**

Bank für Arbeit und Wirtschaft Aktiengesellschaft	Fuhwa Commercial Bank Co., Ltd. (formerly known as Asia Pacific Bank)	Nanto Bank, Ltd. (The)
Bank Julius Baer & Co. Ltd.		National Bank of Canada #
Bank Leumi Le-Israel B.M.	Fukuoka City Bank, Limited (The) *	National Bank of New Zealand Limited (The)
Bank Morgan Stanley AG *	Grand Commercial Bank	Nedship Bank N.V.
Bank of Fukuoka, Ltd. (The)	Guangdong Development Bank	Nishi-Nippon Bank, Ltd. (The)
Bank of Kyoto, Ltd. (The)	Habib Bank A.G. Zurich	Norinchukin Bank (The)
Bank of New York - Inter Maritime Bank, Geneva	Handelsfinanz-CCF Bank *	Offitbank *
Bank of Scotland Offshore Limited	Hokkoku Bank, Ltd. (The)	Ogaki Kyoritsu Bank, Ltd. (The) #
Bank of Yokohama, Ltd. (The)	HSBC Bank Australia Limited	Oita Bank, Ltd. (The)
Bank SinoPac *	HSBC Bank Canada	P.T. Bank Central Asia
Bankgesellschaft Berlin AG *	HSBC BANK INTERNATIONAL LIMITED *	P.T. Bank Rakyat Indonesia (Persero)
Banque Cantonale Vaudoise	HSBC Guyerzeller Bank AG	Raiffeisen Zentralbank Osterreich AG
Banque Privee Edmond de Rothschild S.A.	HSBC Trinkaus & Burkhardt (International) S.A.	Rolo Banca 1473 S.p.A. *
Banque Sudameris S.A.	IKB Deutsche Industriebank AG	Rothschild Bank AG
BSI Ltd.	International Commercial Bank of China Co., Ltd. (The) *	Schroder & Co Bank AG also known as: Schroder & Co Banque SA
Cathay Bank	Investec Bank Limited	Schroder & Co Banca SA
China Development Bank	Japan Bank for International Cooperation #	Schroder & Co Bank Ltd
China Everbright Bank Co., Ltd	Kagoshima Bank Ltd. (The)	Schroder & Co Banco SA
China International Trust and Investment Corporation	Korea Development Bank (The)	Shanghai Pudong Development Bank Co., Ltd.
China Merchants Bank Co., Ltd. *	Kredietbank S.A. Luxembourgeoise	Shenzhen Development Bank Co., Ltd. (formerly known as Shenzhen Development Bank Limited)
Chinese Bank (The)	Land Bank of Taiwan	Shoko Chukin Bank (The)
Clariden Bank	Landesbank Hessen-Thüringen Girozentrale	Standard Bank of South Africa Ltd. (The)
Clearstream Banking	LGT Bank in Liechtenstein AG also known as: LGT Bank in Liechtenstein Ltd.	STANDARD CHARTERED GRINDLAYS (OFFSHORE) LTD (formerly known as Standard Chartered Bank (CI) Limited)
Comerica Bank	LGT Banque de Liechtenstein S.A.	Taipeibank *
Credit Industriel et Commercial Credito Bergamasco S.p.A.	LGT Banca di Liechtenstein S.A. (formerly known as LGT Bank in Liechtenstein Aktiengesellschaft)	Taishin International Bank
D.A.H. Hambros Bank (Channel Islands) Limited	Mashreq Bank P.S.C.	Taiwan Cooperative Bank
Daiwa Bank, Limited (The)	Merrill Lynch Bank (Suisse) S.A.	UFJ Bank (Schweiz) AG also known as: UFJ Bank (Switzerland) Ltd.
Dexia Banque Internationale A Luxembourg	Merrill Lynch HSBC Limited *	UFJ Banque (Suisse) SA
DG Diskontbank GmbH *	Merrill Lynch International Bank Limited	UFJ Banca (Svizzera) SA
(renamed as VR DISKONTBANK GmbH)	Metropolitan Bank and Trust Company	Union Bancaire Privee, UBP *
E.Sun Commercial Bank, Ltd. *	Miyazaki Bank, Ltd. (The) *	Union Bank of Taiwan
Euroclear Bank	Mizuho Asset Trust & Banking Co., Ltd. *	United Commercial Bank
Export-Import Bank of Korea (The) #	(formerly known as The Yasuda Trust & Banking Co., Ltd.)	Veneto Banca S.C.A.R.L.
F. van Lanschot Bankiers N.V. #		Yamanashi Chuo Bank, Ltd.
Far Eastern International Bank		
Ferrier Lullin & Cie S.A. *		
Fiduciary Trust Company International		
Fransabank S.A.L. *		

# Addition in 2002

\* Deletion in 2002

**Table A: Major Economic Indicators**

	1998	1999	2000	2001	2002	2003 <sup>(a)</sup>
<b>I. Gross Domestic Product</b>						
Real GDP growth (%)	-5.0	3.4	10.2	0.6	<b>2.3<sup>(b)</sup></b>	3.0
Nominal GDP growth (%)	-4.8	-2.6	3.4	-0.7	<b>-0.6<sup>(b)</sup></b>	1.0
Real growth of major expenditure components of GDP (%)						
- Private consumption expenditure	-6.7	1.3	5.9	1.4	<b>-1.6<sup>(b)</sup></b>	0.0
- Government consumption expenditure	0.7	3.1	2.0	6.0	<b>2.4<sup>(b)</sup></b>	2.5
- Gross domestic fixed capital formation of which	-7.3	-16.6	11.0	2.9	<b>-4.4<sup>(b)</sup></b>	0.9
- Building and construction	-2.4	-15.5	-7.6	-1.9	<b>1.8<sup>(b)</sup></b>	-5.9
- Machinery, equipment and computer software	-7.9	-18.2	27.0	7.3	<b>-9.6<sup>(b)</sup></b>	6.8
- Exports	-3.9	4.0	16.5	-1.8	<b>9.3<sup>(b)</sup></b>	6.9
- Imports	-6.3	-0.2	16.8	-1.7	<b>7.0<sup>(b)</sup></b>	5.8
GDP at current market prices (US\$ billion)	165.2	160.6	165.4	164.0	<b>163.0<sup>(b)</sup></b>	164.5
Per capita GDP at current market prices (US\$)	25,253	24,313	24,811	24,386	<b>24,014<sup>(b)</sup></b>	23,966
<b>II. External Trade (HK\$ billion)</b>						
Merchandise trade						
- Domestic exports of goods	188.5	170.6	181.0	153.5	<b>131.0<sup>(b)</sup></b>	120.0
- Re-exports of goods	1,159.2	1,178.4	1,391.7	1,327.5	<b>1,430.5<sup>(b)</sup></b>	1,553.6
- Total imports of goods <sup>(c)</sup>	1,408.3	1,373.5	1,636.7	1,549.2	<b>1,601.5<sup>(b)</sup></b>	1,713.3
- Merchandise trade balance <sup>(c)</sup>	-60.7	-24.5	-64.0	-68.2	<b>-40.0<sup>(b)</sup></b>	-39.8
Services trade						
- Exports of services	272.1	279.2	317.6	323.1	<b>352.2<sup>(b)</sup></b>	380.5
- Imports of services	193.6	184.1	191.5	189.6	<b>188.8<sup>(b)</sup></b>	194.7
- Services trade balance	78.6	95.1	126.0	133.5	<b>163.4<sup>(b)</sup></b>	185.8
<b>III. Fiscal Expenditure and Revenue (HK\$ million, fiscal year)</b>						
Total government expenditure	239,356	223,043	232,893	238,890	<b>243,390<sup>(b)</sup></b>	261,400
Total government revenue	216,115	232,995	225,060	175,559	<b>173,345<sup>(b)</sup></b>	193,530
Consolidated surplus/deficit	-23,241	9,952	-7,833	-63,331	<b>-70,045<sup>(b)</sup></b>	-67,870
Reserve balance as at end of fiscal year <sup>(d)</sup>	434,302	444,254	430,278	372,503	<b>303,045<sup>(b)</sup></b>	239,140
<b>IV. Prices (annual change, %)</b>						
Consumer Price Index (A)	2.6	-3.3	-3.0	-1.7	<b>-3.2</b>	N.A.
Composite Consumer Price Index	2.8	-4.0	-3.8	-1.6	<b>-3.0</b>	-1.5
Trade Unit Value Indices						
- Domestic exports	-2.8	-2.4	-1.0	-4.7	<b>-3.3</b>	N.A.
- Re-exports	-3.9	-2.8	-0.1	-2.0	<b>-2.7</b>	N.A.
- Imports	-4.9	-2.0	0.8	-3.1	<b>-3.9</b>	N.A.
Property Price Indices						
- Residential flats	-28	-15	-10	-12	<b>-11<sup>(b)</sup></b>	N.A.
- Office premises	-37	-26	-10	-12	<b>-13<sup>(b)</sup></b>	N.A.
- Retail premises	-28	-22	-6	-7	<b>-2<sup>(b)</sup></b>	N.A.
- Flatted factory premises	-22	-24	-9	-10	<b>-9<sup>(b)</sup></b>	N.A.

**Table A: Major Economic Indicators (cont.)**

	1998	1999	2000	2001	2002
<b>V. Labour</b>					
Labour force (annual change, %)	1.3	1.3	1.6	1.6	<b>1.8</b>
Employment (annual change, %)	-1.3	-0.3	3.1	1.4	<b>-0.6</b>
Unemployment rate (annual average, %)	4.7	6.2	4.9	5.1	<b>7.3</b>
Underemployment rate (annual average, %)	2.5	2.9	2.8	2.5	<b>3.0</b>
Employment ('000)					
- Manufacturing	380	354	334	326	<b>290</b>
- Financing, insurance, real estate and business services	410	438	453	478	<b>475</b>
- Wholesale, retail and import/export trades, restaurants and hotels	954	935	982	981	<b>984</b>
<b>VI. Money Supply (HK\$ billion)</b>					
HK\$ money supply					
- M1	178.3	205.3	204.0	229.8	<b>259.4</b>
- M2 <sup>(e)</sup>	1,828.7	1,923.5	1,988.0	1,998.8	<b>1,984.0</b>
- M3 <sup>(e)</sup>	1,840.8	1,935.5	2,002.4	2,016.6	<b>2,004.2</b>
Total money supply					
- M1	197.7	225.2	243.8	258.1	<b>295.7</b>
- M2	3,111.9	3,386.2	3,649.5	3,550.1	<b>3,518.3</b>
- M3	3,168.2	3,434.5	3,692.8	3,594.1	<b>3,561.9</b>
<b>VII. Interest Rates (end of period, %)</b>					
Three-month interbank rate	5.06	5.69	5.75	1.88	<b>1.41</b>
Savings deposit	4.25	3.75	4.75	0.15	<b>0.03</b>
One-month time deposit	4.74	4.36	5.03	0.54	<b>0.13</b>
Banks' 'Best lending rate'	9.00	8.50	9.50	5.13	<b>5.00</b>
<b>VIII. Exchange Rates (end of period)</b>					
HK\$/US\$	7.746	7.771	7.796	7.797	<b>7.798</b>
Trade-weighted Effective Exchange Rate Index (Jan 2000=100)	100.3	100.1	102.9	105.9	<b>102.0</b>
<b>IX. Foreign Currency Reserve Assets (US\$ billion)<sup>(f)</sup></b>	89.6	96.3	107.6	111.2	<b>111.9</b>
<b>X. Stock Market (end of period figures)</b>					
Hang Seng Index	10,049	16,962	15,096	11,397	<b>9,321</b>
Average price/earning ratio	10.7	26.7	12.8	12.2	<b>14.9</b>
Market capitalisation (HK\$ billion)	2,661.7	4,727.5	4,795.2	3,885.3	<b>3,559.1</b>

(a) Forecast as at March 2003.

(b) The estimates are preliminary.

(c) Adjusted to include an estimate of imports of gold for industrial and commercial use.

(d) Includes changes in provision for loss in investments with the Exchange Fund.

(e) Adjusted to include foreign currency swap deposits.

(f) Excludes unsettled forward transactions but includes gold.

N.A. not available



**Table B: Performance Ratios of the Banking Sector** <sup>(a)</sup>

	1997	1998	All AIs		2001	2002
			1999	2000		
<b>Asset Quality</b> <sup>(b)</sup>					%	%
As % of total credit exposures <sup>(c)</sup>						
<i>Total outstanding provisions</i>	0.85	1.79	2.32	2.03	1.73	<b>1.40</b>
<i>Classified</i> <sup>(d)</sup> <i>exposures:</i>						
<i>Gross</i>	1.08	4.52	5.52	4.34	3.71	<b>2.78</b>
<i>Net of specific provisions</i>	0.72	3.29	3.69	2.86	2.47	<b>1.85</b>
<i>Net of all provisions</i>	0.22	2.72	3.20	2.31	1.98	<b>1.37</b>
<i>Non-performing exposures</i> <sup>(e)</sup>	N.A.	N.A.	3.85	3.18	2.62	<b>1.98</b>
As % of total loans						
<i>Total outstanding provisions</i>	1.03	2.17	3.14	2.98	2.82	<b>2.39</b>
<i>Classified</i> <sup>(d)</sup> <i>loans:</i>						
<i>Gross</i>	1.23	5.27	7.24	6.08	5.73	<b>4.53</b>
<i>Net of specific provisions</i>	0.82	3.79	4.79	3.96	3.75	<b>2.98</b>
<i>Net of all provisions</i>	0.20	3.09	4.10	3.11	2.92	<b>2.14</b>
<i>Non-performing loans</i> <sup>(e)</sup>	N.A.	N.A.	5.34	4.72	4.37	<b>3.47</b>
<i>Overdue &gt; 3 months and rescheduled loans</i>	1.07	4.18	5.72	5.12	4.16	<b>3.42</b>
<b>Profitability</b>						
Return on assets (operating profit before tax)	0.69	0.36	0.42	0.84	0.83	<b>0.91</b>
Return on assets (post-tax profit)	0.60	0.28	0.39	0.77	0.76	<b>0.81</b>
Net interest margin	1.08	1.13	1.34	1.43	1.45	<b>1.52</b>
Cost-income ratio	45.9	48.3	44.2	45.5	48.0	<b>47.3</b>
Bad debt charge to total assets	0.13	0.45	0.64	0.26	0.23	<b>0.24</b>
<b>Liquidity</b>						
Loan to deposit ratio (all currencies)	152.1	110.1	86.5	69.8	64.1	<b>62.6</b>
Loan to deposit <sup>(f)</sup> ratio (Hong Kong dollar)	112.3	99.7	90.6	89.3	88.8	<b>88.5</b>

**Asset Quality**

Delinquency ratio of residential mortgage loans

Credit card receivables<sup>(g)</sup>

Delinquency ratio

Charge-off ratio

**Profitability**

Operating profit before tax to shareholders' funds

Post-tax profit to shareholders' funds

**Capital Adequacy**Equity to assets ratio<sup>(b)</sup>**Capital Adequacy Ratio (consolidated)**

(a) Figures relate to Hong Kong office(s) only except where otherwise stated.

(b) Figures relate to Hong Kong office(s) and for the locally incorporated AIs included therein, also their overseas branches.

(c) Credit exposures include loans and advances, acceptances and bills of exchange held, investment debt securities issued by others, accrued interest, and commitments and contingent liabilities to or on behalf of non-banks.

(d) Denotes loans or exposures graded as "substandard", "doubtful" or "loss".

(e) Denotes loans or exposures on which interest has been placed in suspense or on which interest accrual has ceased.

(f) Includes swap deposits.

(g) There is a break in series in 2001 owing to increase in the number of surveyed institutions.

N.A. not available

<b>Retail banks</b>					
1997	1998	1999	2000	2001	<b>2002</b>
%	%	%	%	%	%
1.59	2.53	2.68	2.16	1.76	<b>1.41</b>
1.63	6.11	6.72	4.70	4.03	<b>3.02</b>
1.03	4.48	4.72	3.25	2.85	<b>2.15</b>
0.04	3.57	4.04	2.54	2.27	<b>1.61</b>
N.A.	N.A.	4.68	3.52	2.92	<b>2.18</b>
2.14	3.34	4.25	3.52	3.04	<b>2.49</b>
2.09	7.70	10.14	7.26	6.53	<b>5.05</b>
1.30	5.57	7.02	4.93	4.51	<b>3.53</b>
-0.06	4.35	5.89	3.74	3.48	<b>2.56</b>
N.A.	N.A.	7.60	5.87	5.16	<b>3.95</b>
2.09	6.47	7.86	6.04	4.57	<b>3.60</b>
1.62	0.98	0.98	1.33	1.15	<b>1.32</b>
1.39	0.86	0.94	1.16	1.05	<b>1.18</b>
2.19	2.01	2.11	2.14	2.03	<b>2.09</b>
39.5	42.1	39.0	38.1	43.2	<b>40.6</b>
0.19	0.60	0.76	0.44	0.40	<b>0.34</b>
72.3	61.2	55.2	52.6	53.7	<b>53.5</b>
83.4	73.8	71.7	73.3	77.2	<b>78.6</b>
<b>Surveyed institutions</b>					
1997	1998	1999	2000	2001	<b>2002</b>
%	%	%	%	%	%
N.A.	0.84	1.13	1.32	1.22	<b>1.06</b>
0.64	1.16	0.92	0.76	1.28	<b>1.28</b>
2.05	3.14	4.92	3.88	5.46	<b>13.25</b>
<b>Locally incorporated banks</b>					
1997	1998	1999	2000	2001	<b>2002</b>
%	%	%	%	%	%
17.9	11.0	12.6	17.0	15.4	<b>15.8</b>
15.7	9.5	11.6	14.7	14.1	<b>14.1</b>
9.9	9.1	8.9	8.6	10.5	<b>10.6</b>
<b>All locally incorporated AIs</b>					
1997	1998	1999	2000	2001	<b>2002</b>
%	%	%	%	%	%
17.4	18.5	18.7	17.8	16.5	<b>15.8</b>

**Table C: Authorized Institutions: Domicile and Parentage**

	1998	1999	2000	2001	2002
<b>Licensed Banks</b>					
(i) Incorporated in Hong Kong	31	31	31	29	<b>26</b>
(ii) Incorporated outside Hong Kong	141	125	123	118	<b>107</b>
<b>Total</b>	172	156	154	147	<b>133</b>
<b>Restricted Licence Banks</b>					
(i) Subsidiaries of licensed banks :					
(a) incorporated in Hong Kong	2	2	2	2	<b>2</b>
(b) incorporated outside Hong Kong	13	12	11	11	<b>12</b>
(ii) Subsidiaries or branches of foreign banks which are not licensed banks in Hong Kong	35	34	29	30	<b>26</b>
(iii) Bank related	9	6	3	3	<b>3</b>
(iv) Others	1	4	3	3	<b>3</b>
<b>Total</b>	60	58	48	49	<b>46</b>
<b>Deposit-taking Companies</b>					
(i) Subsidiaries of licensed banks :					
(a) incorporated in Hong Kong	21	17	16	15	<b>14</b>
(b) incorporated outside Hong Kong	35	18	8	5	<b>4</b>
(ii) Subsidiaries of foreign banks which are not licensed banks in Hong Kong	28	23	23	21	<b>15</b>
(iii) Bank related	5	2	2	2	<b>2</b>
(iv) Others	12	11	12	11	<b>10</b>
<b>Total</b>	101	71	61	54	<b>45</b>
<b>All Authorized Institutions</b>	333	285	263	250	<b>224</b>
<b>Local Representative Offices</b>	141	127	118	111	<b>94</b>

**Table D: Authorized Institutions: Country/Region of Beneficial Ownership**

Country/Region	Licensed Banks					Restricted Licence Banks					Deposit-taking Companies				
	98	99	00	01	02	98	99	00	01	02	98	99	00	01	02
<b>Asia &amp; Pacific</b>															
Hong Kong	16	15	16	14	<b>12</b>	2	2	2	2	<b>2</b>	14	15	16	15	<b>14</b>
Australia	4	4	4	4	<b>4</b>	-	-	-	-	-	-	-	-	-	-
Mainland China	18	19	19	19	<b>13</b>	3	3	2	2	<b>2</b>	13	10	3	3	<b>3</b>
India	4	4	4	4	<b>4</b>	-	-	-	-	<b>1</b>	3	3	3	3	<b>2</b>
Indonesia	3	3	2	2	<b>1</b>	2	2	2	2	<b>2</b>	13	9	7	4	<b>2</b>
Japan	36	25	22	20	<b>15</b>	7	7	5	5	<b>4</b>	22	9	8	7	<b>7</b>
Malaysia	3	3	3	1	<b>1</b>	2	3	2	2	<b>2</b>	3	2	2	1	<b>1</b>
Pakistan	1	1	1	1	<b>1</b>	-	-	-	-	-	2	2	2	2	<b>2</b>
Philippines	2	2	2	2	<b>2</b>	1	1	1	1	<b>1</b>	6	5	5	4	<b>3</b>
Singapore	5	5	5	7	<b>6</b>	1	1	1	1	-	1	2	2	3	<b>2</b>
South Korea	3	3	3	3	<b>3</b>	6	6	6	6	<b>5</b>	8	4	2	2	<b>1</b>
Taiwan	4	5	6	7	<b>10</b>	2	1	1	1	<b>2</b>	-	-	-	-	-
Thailand	1	1	1	1	<b>1</b>	4	4	4	4	<b>4</b>	1	-	-	-	-
Vietnam	-	-	-	-	-	-	-	-	-	-	1	1	1	1	<b>1</b>
<b>Sub-Total</b>	<b>100</b>	<b>90</b>	<b>88</b>	<b>85</b>	<b>73</b>	<b>30</b>	<b>30</b>	<b>26</b>	<b>26</b>	<b>25</b>	<b>87</b>	<b>62</b>	<b>51</b>	<b>45</b>	<b>38</b>
<b>Europe</b>															
Austria	3	3	2	2	<b>1</b>	-	-	-	-	-	-	-	-	-	-
Belgium	4	4	4	4	<b>3</b>	-	-	-	-	-	-	-	-	-	-
Denmark	2	1	1	-	-	-	-	-	-	-	-	-	-	-	-
France	8	8	6	5	<b>6</b>	3	3	3	3	<b>3</b>	3	1	1	-	-
Germany	10	9	9	9	<b>9</b>	1	1	1	1	-	1	-	-	-	-
Italy	6	6	7	6	<b>6</b>	-	-	-	-	-	-	-	-	-	-
Netherlands	3	3	3	3	<b>3</b>	2	1	-	-	-	-	-	-	-	-
Spain	3	2	1	1	<b>1</b>	-	-	-	-	-	-	-	-	-	-
Sweden	2	2	2	1	<b>1</b>	-	-	-	-	-	-	-	-	-	-
Switzerland	2	2	3	3	<b>3</b>	1	1	1	1	<b>1</b>	-	-	-	-	-
United Kingdom	7	7	8	10	<b>10</b>	3	3	2	2	<b>2</b>	-	-	-	-	-
<b>Sub-Total</b>	<b>50</b>	<b>47</b>	<b>46</b>	<b>44</b>	<b>43</b>	<b>10</b>	<b>9</b>	<b>7</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>
<b>Middle East</b>															
Bahrain	1	1	1	1	<b>1</b>	-	-	-	-	-	1	1	1	1	<b>1</b>
Iran	1	1	1	1	<b>1</b>	-	-	-	-	-	-	-	-	-	-
U.A.E.	-	-	-	-	-	1	1	-	-	-	1	1	1	1	<b>1</b>
<b>Sub-Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>North America</b>															
Canada	6	5	5	5	<b>4</b>	1	1	1	2	<b>2</b>	1	-	-	-	-
United States	14	12	13	10	<b>10</b>	13	13	10	9	<b>9</b>	5	4	5	5	<b>3</b>
<b>Sub-Total</b>	<b>20</b>	<b>17</b>	<b>18</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>5</b>	<b>3</b>
South Africa	-	-	-	1	<b>1</b>	3	2	2	3	<b>2</b>	1	1	1	1	<b>1</b>
Bermuda	-	-	-	-	-	2	2	2	2	<b>2</b>	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-	1	1	1	1	<b>1</b>
<b>Grand Total</b>	<b>172</b>	<b>156</b>	<b>154</b>	<b>147</b>	<b>133</b>	<b>60</b>	<b>58</b>	<b>48</b>	<b>49</b>	<b>46</b>	<b>101</b>	<b>71</b>	<b>61</b>	<b>54</b>	<b>45</b>

**Table E: Presence of World's Largest 500 Banks in Hong Kong**

Positions at 31 December 2002	Number of Overseas Bank <sup>(b)</sup>					Licensed Banks <sup>(c)</sup>				
	98	99	00	01	02	98	99	00	01	02
<b>World Ranking<sup>(a)</sup></b>										
1-20	19	20	20	20	<b>20</b>	22	24	28	28	<b>30</b>
21-50	25	25	26	24	<b>23</b>	24	20	23	23	<b>22</b>
51-100	35	33	33	32	<b>30</b>	29	29	27	26	<b>27</b>
101-200	62	46	49	47	<b>42</b>	30	29	27	25	<b>21</b>
201-500	72	62	58	53	<b>53</b>	21	15	12	12	<b>15</b>
Sub-total	213	186	186	176	<b>168</b>	126	117	117	114	<b>115</b>
Others	96	91	75	73	<b>51</b>	46	39	37	33	<b>18</b>
<b>Total</b>	<b>309</b>	<b>277</b>	<b>261</b>	<b>249</b>	<b>219</b>	<b>172</b>	<b>156</b>	<b>154</b>	<b>147</b>	<b>133</b>

(a) Top 500 banks/banking groups in the world ranked by total assets less contra items. Figures are extracted from The Banker, July 2002 issue.

(b) The sum of the number of licensed banks, restricted licence banks, deposit-taking companies and local representative offices is greater than the number of banks with a presence in Hong Kong because of the multiple presence of some banks. The figures exclude banks incorporated in Hong Kong.

(c) Including restricted licence banks and deposit-taking companies which are subsidiaries of overseas banks, classified in accordance with the world ranking of these overseas banks.

Restricted Licence Banks <sup>(c)</sup>					Deposit-Taking Companies <sup>(c)</sup>					Local Representative Offices				
98	99	00	01	02	98	99	00	01	02	98	99	00	01	02
12	13	13	11	<b>12</b>	7	5	7	6	<b>4</b>	-	12	11	8	<b>7</b>
10	8	4	5	<b>3</b>	4	1	-	-	<b>-</b>	2	5	5	8	<b>7</b>
1	1	2	3	<b>4</b>	7	1	3	3	<b>5</b>	5	7	11	11	<b>6</b>
2	3	4	4	<b>2</b>	10	9	9	6	<b>5</b>	13	12	17	17	<b>19</b>
12	14	12	14	<b>13</b>	18	10	6	7	<b>8</b>	33	32	35	30	<b>24</b>
37	39	35	37	<b>34</b>	46	26	25	22	<b>22</b>	53	68	79	74	<b>63</b>
23	19	13	12	<b>12</b>	55	45	36	32	<b>23</b>	88	59	39	37	<b>31</b>
60	58	48	49	<b>46</b>	101	71	61	54	<b>45</b>	141	127	118	111	<b>94</b>

**Table F: Balance Sheet : All Authorized Institutions and Retail Banks**

<b>All Authorized Institutions</b>						
(HK\$ bn)	1997			1998		
	HK\$	F/CY	Total	HK\$	F/CY	Total
<b>Assets</b>						
Loans to customers	1,742	2,379	4,122	1,695	1,609	3,304
Inside Hong Kong <sup>(a)</sup>	1,706	525	2,230	1,665	444	2,110
Outside Hong Kong <sup>(b)</sup>	37	1,854	1,891	30	1,165	1,195
Interbank lending	712	2,368	3,081	578	2,364	2,942
Inside Hong Kong	517	254	771	411	218	629
Outside Hong Kong	195	2,114	2,310	167	2,146	2,312
Negotiable certificates of deposit (NCD)	122	50	173	106	38	144
Negotiable debt instruments, other than NCD	98	137	236	127	149	275
Other assets	259	528	787	246	342	589
<b>Total assets</b>	<b>2,934</b>	<b>5,463</b>	<b>8,397</b>	<b>2,752</b>	<b>4,503</b>	<b>7,254</b>
<b>Liabilities</b>						
Deposits from customers <sup>(c)</sup>	1,552	1,159	2,710	1,700	1,300	3,000
Interbank borrowing	811	3,942	4,753	646	2,780	3,426
Inside Hong Kong	521	251	772	414	208	622
Outside Hong Kong	290	3,691	3,981	232	2,572	2,803
Negotiable certificates of deposit	172	48	220	163	46	209
Other liabilities	386	328	714	365	254	619
<b>Total liabilities</b>	<b>2,921</b>	<b>5,476</b>	<b>8,397</b>	<b>2,874</b>	<b>4,380</b>	<b>7,254</b>
<b>Retail Banks</b>						
(HK\$ bn)	1997			1998		
	HK\$	F/CY	Total	HK\$	F/CY	Total
<b>Assets</b>						
Loans to customers	1,171	260	1,431	1,168	239	1,407
Inside Hong Kong <sup>(a)</sup>	1,156	213	1,369	1,154	198	1,352
Outside Hong Kong <sup>(b)</sup>	15	47	62	14	41	55
Interbank lending	553	543	1,096	476	790	1,266
Inside Hong Kong	408	86	495	345	120	466
Outside Hong Kong	145	456	601	131	670	801
Negotiable certificates of deposit (NCD)	44	10	54	42	10	52
Negotiable debt instruments, other than NCD	98	137	236	127	149	275
Other assets	134	70	205	133	46	180
<b>Total assets</b>	<b>2,001</b>	<b>1,020</b>	<b>3,021</b>	<b>1,946</b>	<b>1,234</b>	<b>3,180</b>
<b>Liabilities</b>						
Deposits from customers <sup>(c)</sup>	1,404	574	1,978	1,583	716	2,299
Interbank borrowing	262	294	556	194	232	426
Inside Hong Kong	72	31	103	46	39	85
Outside Hong Kong	190	263	453	148	193	341
Negotiable certificates of deposit	120	19	139	116	21	137
Other liabilities	265	83	348	258	60	318
<b>Total liabilities</b>	<b>2,050</b>	<b>971</b>	<b>3,021</b>	<b>2,151</b>	<b>1,029</b>	<b>3,180</b>

(a) Defined as loans for use in Hong Kong plus trade financing loans.

(b) Includes "others" (i.e. unallocated).

(c) Hong Kong dollar customer deposits include swap deposits.

1999			2000			2001			2002		
HK\$	F/CY	Total	HK\$	F/CY	Total	HK\$	F/CY	Total	HK\$	F/CY	Total
1,607	1,206	2,813	1,652	809	2,461	1,648	537	2,185	<b>1,616</b>	<b>461</b>	<b>2,077</b>
1,584	349	1,933	1,626	339	1,965	1,626	252	1,879	<b>1,591</b>	<b>243</b>	<b>1,834</b>
23	857	880	26	470	496	21	285	306	<b>25</b>	<b>218</b>	<b>243</b>
511	2,414	2,925	533	2,469	3,002	397	2,231	2,628	<b>332</b>	<b>1,983</b>	<b>2,315</b>
359	177	536	380	171	551	287	182	468	<b>236</b>	<b>160</b>	<b>395</b>
152	2,237	2,389	153	2,297	2,450	111	2,049	2,160	<b>96</b>	<b>1,823</b>	<b>1,919</b>
103	35	138	98	37	135	87	40	128	<b>90</b>	<b>44</b>	<b>134</b>
188	180	369	232	262	494	256	360	616	<b>259</b>	<b>484</b>	<b>744</b>
273	267	540	299	271	569	330	268	597	<b>391</b>	<b>340</b>	<b>731</b>
<b>2,682</b>	<b>4,102</b>	<b>6,784</b>	<b>2,814</b>	<b>3,847</b>	<b>6,661</b>	<b>2,718</b>	<b>3,436</b>	<b>6,154</b>	<b>2,687</b>	<b>3,313</b>	<b>6,000</b>

1,773	1,477	3,251	1,851	1,677	3,528	1,855	1,552	3,407	<b>1,825</b>	<b>1,493</b>	<b>3,318</b>
539	2,191	2,731	601	1,694	2,295	454	1,474	1,929	<b>384</b>	<b>1,404</b>	<b>1,788</b>
360	168	529	380	163	543	290	180	470	<b>237</b>	<b>157</b>	<b>394</b>
179	2,023	2,202	221	1,530	1,752	164	1,295	1,459	<b>147</b>	<b>1,246</b>	<b>1,394</b>
164	36	199	151	26	178	135	37	172	<b>138</b>	<b>73</b>	<b>211</b>
405	198	604	447	213	661	473	173	646	<b>510</b>	<b>174</b>	<b>683</b>
<b>2,882</b>	<b>3,903</b>	<b>6,784</b>	<b>3,051</b>	<b>3,610</b>	<b>6,661</b>	<b>2,917</b>	<b>3,237</b>	<b>6,154</b>	<b>2,857</b>	<b>3,143</b>	<b>6,000</b>

1999			2000			2001			2002		
HK\$	F/CY	Total	HK\$	F/CY	Total	HK\$	F/CY	Total	HK\$	F/CY	Total
1,166	203	1,369	1,242	189	1,431	1,304	150	1,454	<b>1,308</b>	<b>151</b>	<b>1,459</b>
1,154	170	1,323	1,227	163	1,390	1,292	128	1,420	<b>1,297</b>	<b>130</b>	<b>1,426</b>
12	34	46	14	26	41	12	22	33	<b>11</b>	<b>22</b>	<b>33</b>
412	877	1,289	446	987	1,433	307	881	1,188	<b>245</b>	<b>765</b>	<b>1,010</b>
299	101	399	325	107	432	239	109	348	<b>190</b>	<b>107</b>	<b>297</b>
113	777	890	121	881	1,002	68	772	840	<b>56</b>	<b>658</b>	<b>713</b>
48	10	58	57	20	77	56	18	74	<b>61</b>	<b>21</b>	<b>82</b>
188	180	369	232	262	494	256	360	616	<b>259</b>	<b>484</b>	<b>744</b>
168	50	218	162	40	202	183	38	221	<b>209</b>	<b>61</b>	<b>269</b>
<b>1,982</b>	<b>1,321</b>	<b>3,303</b>	<b>2,139</b>	<b>1,498</b>	<b>3,637</b>	<b>2,106</b>	<b>1,447</b>	<b>3,553</b>	<b>2,082</b>	<b>1,483</b>	<b>3,565</b>

1,627	854	2,481	1,693	1,029	2,722	1,688	1,020	2,708	<b>1,663</b>	<b>1,063</b>	<b>2,726</b>
162	187	349	204	221	425	122	207	329	<b>78</b>	<b>213</b>	<b>291</b>
50	33	82	57	29	86	39	20	58	<b>24</b>	<b>31</b>	<b>55</b>
112	155	267	147	192	339	83	188	271	<b>54</b>	<b>182</b>	<b>236</b>
112	14	126	105	13	118	85	28	113	<b>86</b>	<b>52</b>	<b>138</b>
312	34	346	327	45	372	359	44	402	<b>366</b>	<b>44</b>	<b>409</b>
<b>2,212</b>	<b>1,091</b>	<b>3,303</b>	<b>2,330</b>	<b>1,308</b>	<b>3,637</b>	<b>2,254</b>	<b>1,299</b>	<b>3,553</b>	<b>2,193</b>	<b>1,372</b>	<b>3,565</b>



**Table G: Major Balance Sheet Items by Country/Region of Beneficial Ownership of Authorized Institution**

(HK\$ bn)		Mainland China	Japan	US	Europe	Others	Total
<b>Total Assets</b>	2001	986	917	497	1,317	2,437	6,154
	<b>2002</b>	<b>1,016</b>	<b>630</b>	<b>494</b>	<b>1,428</b>	<b>2,432</b>	<b>6,000</b>
<b>Deposits from Customers</b> <sup>(a)</sup>	2001	734	305	223	456	1,688	3,407
	<b>2002</b>	<b>754</b>	<b>196</b>	<b>218</b>	<b>445</b>	<b>1,705</b>	<b>3,318</b>
<b>Loans to Customers</b>	2001	418	322	139	359	948	2,185
	<b>2002</b>	<b>451</b>	<b>220</b>	<b>123</b>	<b>359</b>	<b>924</b>	<b>2,077</b>
<b>Loans to Customers Inside Hong Kong</b> <sup>(b)</sup>	2001	398	130	123	311	917	1,879
	<b>2002</b>	<b>427</b>	<b>101</b>	<b>117</b>	<b>296</b>	<b>893</b>	<b>1,834</b>
<b>Loans to Customers Outside Hong Kong</b> <sup>(c)</sup>	2001	20	192	16	48	31	306
	<b>2002</b>	<b>24</b>	<b>119</b>	<b>6</b>	<b>63</b>	<b>31</b>	<b>243</b>

(a) Figures have been revised to include deposits from the Exchange Fund with maturity less than 1 month.

(b) Defined as loans for use in Hong Kong plus trade financing loans.

(c) Includes "others" (i.e. unallocated).

**Table H: Flow of Funds : All Authorized Institutions and Retail Banks****All Authorized Institutions**

(HK\$ bn) Increase/(Decrease) in	2001			2002		
	HK\$	F/CY	Total	HK\$	F/CY	Total
<b>Assets</b>						
Loans to customers	(5)	(272)	(276)	<b>(32)</b>	<b>(77)</b>	<b>(108)</b>
Inside Hong Kong <sup>(a)</sup>	0	(87)	(87)	<b>(36)</b>	<b>(9)</b>	<b>(45)</b>
Outside Hong Kong <sup>(b)</sup>	(5)	(185)	(190)	<b>4</b>	<b>(67)</b>	<b>(63)</b>
Interbank lending	(136)	(238)	(374)	<b>(66)</b>	<b>(248)</b>	<b>(313)</b>
Inside Hong Kong	(93)	10	(83)	<b>(51)</b>	<b>(22)</b>	<b>(73)</b>
Outside Hong Kong	(42)	(248)	(291)	<b>(15)</b>	<b>(226)</b>	<b>(240)</b>
All other assets	45	98	143	<b>66</b>	<b>201</b>	<b>267</b>
<b>Total assets</b>	<b>(95)</b>	<b>(412)</b>	<b>(507)</b>	<b>(31)</b>	<b>(123)</b>	<b>(154)</b>
<b>Liabilities</b>						
Deposits from customers <sup>(c)</sup>	3	(125)	(121)	<b>(30)</b>	<b>(59)</b>	<b>(89)</b>
Interbank borrowing	(147)	(219)	(366)	<b>(70)</b>	<b>(71)</b>	<b>(141)</b>
Inside Hong Kong	(90)	17	(73)	<b>(53)</b>	<b>(22)</b>	<b>(76)</b>
Outside Hong Kong	(57)	(236)	(293)	<b>(17)</b>	<b>(48)</b>	<b>(65)</b>
All other liabilities	9	(29)	(20)	<b>40</b>	<b>36</b>	<b>76</b>
<b>Total liabilities</b>	<b>(134)</b>	<b>(373)</b>	<b>(507)</b>	<b>(60)</b>	<b>(94)</b>	<b>(154)</b>
<b>Net interbank borrowing/ (lending)</b>	<b>(11)</b>	<b>19</b>	<b>8</b>	<b>(5)</b>	<b>177</b>	<b>172</b>
<b>Net customer lending/(borrowing)</b>	<b>(8)</b>	<b>(147)</b>	<b>(155)</b>	<b>(2)</b>	<b>(17)</b>	<b>(19)</b>

**Retail Banks**

(HK\$ bn) Increase/(Decrease) in	2001			2002		
	HK\$	F/CY	Total	HK\$	F/CY	Total
<b>Assets</b>						
Loans to customers	62	(39)	23	<b>4</b>	<b>2</b>	<b>5</b>
Inside Hong Kong <sup>(a)</sup>	64	(34)	30	<b>5</b>	<b>1</b>	<b>6</b>
Outside Hong Kong <sup>(b)</sup>	(3)	(5)	(7)	<b>(1)</b>	<b>0</b>	<b>(1)</b>
Interbank lending	(139)	(106)	(245)	<b>(62)</b>	<b>(116)</b>	<b>(178)</b>
Inside Hong Kong	(86)	3	(83)	<b>(50)</b>	<b>(2)</b>	<b>(51)</b>
Outside Hong Kong	(53)	(109)	(162)	<b>(12)</b>	<b>(114)</b>	<b>(126)</b>
All other assets	44	94	138	<b>34</b>	<b>150</b>	<b>184</b>
<b>Total assets</b>	<b>(33)</b>	<b>(51)</b>	<b>(85)</b>	<b>(24)</b>	<b>36</b>	<b>12</b>
<b>Liabilities</b>						
Deposits from customers <sup>(c)</sup>	(5)	(9)	(15)	<b>(25)</b>	<b>43</b>	<b>18</b>
Interbank borrowing	(82)	(14)	(96)	<b>(43)</b>	<b>6</b>	<b>(38)</b>
Inside Hong Kong	(18)	(9)	(27)	<b>(15)</b>	<b>11</b>	<b>(3)</b>
Outside Hong Kong	(64)	(5)	(69)	<b>(29)</b>	<b>(5)</b>	<b>(34)</b>
All other liabilities	12	14	26	<b>7</b>	<b>24</b>	<b>32</b>
<b>Total liabilities</b>	<b>(76)</b>	<b>(9)</b>	<b>(85)</b>	<b>(61)</b>	<b>73</b>	<b>12</b>
<b>Net interbank borrowing/ (lending)</b>	<b>57</b>	<b>92</b>	<b>149</b>	<b>19</b>	<b>121</b>	<b>140</b>
<b>Net customer lending/(borrowing)</b>	<b>67</b>	<b>(30)</b>	<b>37</b>	<b>29</b>	<b>(42)</b>	<b>(13)</b>

(a) Defined as loans for use in Hong Kong plus trade financing loans.

(b) Includes "others" (i.e. unallocated).

(c) Hong Kong dollar customer deposits include swap deposits.

**Table I: Loans to and Deposits from Customers by Category of Authorized Institution**

(HK\$ bn)	Loans to Customers				Deposits from Customers <sup>(a)</sup>			
	HK\$	F/CY	Total	%	HK\$	F/CY	Total	%
<b>1997</b>								
Licensed banks	1,557	2,319	3,876	94	1,536	1,108	2,644	98
Restricted licence banks	127	37	163	4	9	43	52	2
Deposit-taking companies	59	24	82	2	6	8	15	1
<b>Total</b>	<b>1,742</b>	<b>2,379</b>	<b>4,122</b>	<b>100</b>	<b>1,552</b>	<b>1,159</b>	<b>2,710</b>	<b>100</b>
<b>1998</b>								
Licensed banks	1,522	1,565	3,087	93	1,689	1,265	2,954	98
Restricted licence banks	121	29	150	5	6	31	36	1
Deposit-taking companies	52	15	67	2	5	5	10	-
<b>Total</b>	<b>1,695</b>	<b>1,609</b>	<b>3,304</b>	<b>100</b>	<b>1,700</b>	<b>1,300</b>	<b>3,000</b>	<b>100</b>
<b>1999</b>								
Licensed banks	1,456	1,178	2,633	94	1,763	1,447	3,210	99
Restricted licence banks	108	23	130	5	6	29	35	1
Deposit-taking companies	44	5	49	2	4	2	6	-
<b>Total</b>	<b>1,607</b>	<b>1,206</b>	<b>2,813</b>	<b>100</b>	<b>1,773</b>	<b>1,477</b>	<b>3,251</b>	<b>100</b>
<b>2000</b>								
Licensed banks	1,502	788	2,291	93	1,839	1,652	3,491	99
Restricted licence banks	108	18	126	5	9	22	31	1
Deposit-taking companies	41	3	44	2	3	2	6	-
<b>Total</b>	<b>1,652</b>	<b>809</b>	<b>2,461</b>	<b>100</b>	<b>1,851</b>	<b>1,677</b>	<b>3,528</b>	<b>100</b>
<b>2001</b>								
Licensed banks	1,507	521	2,028	93	1,838	1,528	3,367	99
Restricted licence banks	108	15	122	6	12	21	33	1
Deposit-taking companies	32	2	35	2	4	2	6	-
<b>Total</b>	<b>1,648</b>	<b>537</b>	<b>2,185</b>	<b>100</b>	<b>1,855</b>	<b>1,552</b>	<b>3,407</b>	<b>100</b>
<b>2002</b>								
<b>Licensed banks</b>	<b>1,491</b>	<b>446</b>	<b>1,937</b>	<b>93</b>	<b>1,806</b>	<b>1,470</b>	<b>3,276</b>	<b>99</b>
<b>Restricted licence banks</b>	<b>99</b>	<b>13</b>	<b>112</b>	<b>5</b>	<b>15</b>	<b>21</b>	<b>36</b>	<b>1</b>
<b>Deposit-taking companies</b>	<b>26</b>	<b>2</b>	<b>27</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>6</b>	<b>-</b>
<b>Total</b>	<b>1,616</b>	<b>461</b>	<b>2,077</b>	<b>100</b>	<b>1,825</b>	<b>1,493</b>	<b>3,318</b>	<b>100</b>

(a) Hong Kong dollar customer deposits include swap deposits. Figures have been revised to include all deposits from the Exchange Fund with maturity less than 1 month.

A “-” sign denotes a figure of less than 0.5.

**Table J: Loans to customers inside Hong Kong by Economic Sector****All Authorized institutions**

(HK\$ bn)	1997		1998		1999		2000		2001		2002	
<b>Sector</b>	HK\$	%	HK\$	%	HK\$	%	HK\$	%	HK\$	%	HK\$	%
Hong Kong's visible trade	193	9	149	7	114	6	104	5	89	5	<b>91</b>	<b>5</b>
Manufacturing	111	5	95	4	80	4	74	4	71	4	<b>71</b>	<b>4</b>
Transport & transport equipment	96	4	106	5	103	5	105	5	102	5	<b>104</b>	<b>6</b>
Building, construction & property development and investment	440	20	416	20	384	20	398	20	389	21	<b>379</b>	<b>21</b>
Wholesale and retail trade	206	9	180	9	144	7	120	6	101	5	<b>100</b>	<b>5</b>
Financial concerns (other than authorized institutions)	260	12	234	11	189	10	170	9	142	8	<b>125</b>	<b>7</b>
Individuals:												
to purchase flats in the Home Ownership Scheme, the Private Sector Participation Scheme and the Tenants Purchase Scheme	60	3	74	4	76	4	91	5	107	6	<b>99</b>	<b>5</b>
to purchase other residential property	480	22	515	24	532	28	536	27	540	29	<b>542</b>	<b>30</b>
other purposes	154	7	143	7	138	7	148	8	150	8	<b>143</b>	<b>8</b>
Others	230	10	196	9	173	9	220	11	188	10	<b>178</b>	<b>10</b>
<b>Total (a)</b>	<b>2,230</b>	<b>100</b>	<b>2,110</b>	<b>100</b>	<b>1,933</b>	<b>100</b>	<b>1,965</b>	<b>100</b>	<b>1,879</b>	<b>100</b>	<b>1,834</b>	<b>100</b>

**Retail banks**

(HK\$ bn)	1997		1998		1999		2000		2001		2002	
<b>Sector</b>	HK\$	%	HK\$	%	HK\$	%	HK\$	%	HK\$	%	HK\$	%
Hong Kong's visible trade	128	9	107	8	85	6	78	6	69	5	<b>72</b>	<b>5</b>
Manufacturing	61	4	55	4	49	4	47	3	46	3	<b>47</b>	<b>3</b>
Transport & transport equipment	33	2	42	3	43	3	48	3	58	4	<b>63</b>	<b>4</b>
Building, construction & property development and investment	289	21	276	20	272	21	294	21	307	22	<b>311</b>	<b>22</b>
Wholesale and retail trade	110	8	103	8	87	7	76	5	68	5	<b>71</b>	<b>5</b>
Financial concerns (other than authorized institutions)	69	5	71	5	72	5	63	5	63	4	<b>56</b>	<b>4</b>
Individuals:												
to purchase flats in the Home Ownership Scheme, the Private Sector Participation Scheme and the Tenants Purchase Scheme	37	3	44	3	45	3	56	4	69	5	<b>65</b>	<b>5</b>
to purchase other residential property	385	28	431	32	458	35	482	35	497	35	<b>508</b>	<b>36</b>
other purposes	112	8	105	8	105	8	114	8	116	8	<b>111</b>	<b>8</b>
Others	144	11	119	9	106	8	132	9	126	9	<b>122</b>	<b>9</b>
<b>Total (a)</b>	<b>1,369</b>	<b>100</b>	<b>1,352</b>	<b>100</b>	<b>1,323</b>	<b>100</b>	<b>1,390</b>	<b>100</b>	<b>1,420</b>	<b>100</b>	<b>1,426</b>	<b>100</b>

(a) Defined as loans for use in Hong Kong plus trade financing loans.

**Table K: Deposits from Customers**

(HK\$ bn)	<b>All AIs</b>			<b>Retail banks</b>		
	Demand	Savings	Time	Demand	Savings	Time
<b>Hong Kong Dollar</b> (including swap deposits)						
1997	108	336	1,108	97	329	978
1998	97	414	1,188	88	408	1,087
1999	106	452	1,216	97	445	1,085
2000	112	493	1,246	101	486	1,106
2001	128	614	1,113	117	608	963
<b>2002</b>	<b>146</b>	<b>674</b>	<b>1,004</b>	<b>134</b>	<b>668</b>	<b>861</b>
<b>Foreign Currency</b> (excluding swap deposits)						
1997	20	155	984	15	136	424
1998	19	169	1,112	14	149	553
1999	20	192	1,266	15	168	671
2000	40	203	1,433	20	181	828
2001	28	238	1,286	20	214	786
<b>2002</b>	<b>36</b>	<b>272</b>	<b>1,184</b>	<b>24</b>	<b>245</b>	<b>794</b>
<b>Total</b>						
1997	128	491	2,092	112	465	1,401
1998	116	583	2,300	102	557	1,640
1999	126	644	2,481	111	613	1,756
2000	152	696	2,680	121	667	1,934
2001	156	851	2,399	137	822	1,749
<b>2002</b>	<b>182</b>	<b>946</b>	<b>2,189</b>	<b>158</b>	<b>913</b>	<b>1,656</b>

**Table L: Geographical Breakdown of Net External Claims/(Liabilities) of All Authorized Institutions**

(HK\$bn) Region / Country	2001			2002		
	Net Claims on/ (Liabilities to) Banks Outside Hong Kong	Net Claims on/ (Liabilities to) Non-bank Customers Outside Hong Kong	Total Net Claims/ (Liabilities)	Net Claims on/ (Liabilities to) Banks Outside Hong Kong	Net Claims on/ (Liabilities to) Non-bank Customers Outside Hong Kong	Total Net Claims/ (Liabilities)
<b>Asia &amp; Pacific</b>	253	110	362	<b>332</b>	<b>36</b>	<b>368</b>
Japan	112	178	290	<b>160</b>	<b>114</b>	<b>274</b>
Australia	123	22	145	<b>155</b>	<b>27</b>	<b>182</b>
Singapore	148	(40)	108	<b>147</b>	<b>(40)</b>	<b>106</b>
South Korea	32	18	51	<b>27</b>	<b>16</b>	<b>43</b>
New Zealand	11	4	14	<b>9</b>	<b>3</b>	<b>12</b>
Malaysia	5	2	7	<b>4</b>	<b>6</b>	<b>10</b>
India	(5)	5	-	-	<b>5</b>	<b>5</b>
Sri Lanka	1	-	-	-	-	-
Brunei	(1)	-	(1)	<b>(1)</b>	-	<b>(1)</b>
Vanuatu	4	-	4	-	<b>(1)</b>	<b>(1)</b>
Pakistan	(2)	-	(2)	<b>(2)</b>	-	<b>(2)</b>
Vietnam	(7)	-	(7)	<b>(3)</b>	-	<b>(4)</b>
Philippines	-	(5)	(5)	<b>3</b>	<b>(7)</b>	<b>(4)</b>
Thailand	(7)	(3)	(10)	<b>(4)</b>	<b>(3)</b>	<b>(7)</b>
Indonesia	(6)	-	(6)	<b>(6)</b>	<b>(3)</b>	<b>(9)</b>
Taiwan	(14)	(39)	(53)	<b>7</b>	<b>(36)</b>	<b>(30)</b>
Macau	(32)	(3)	(35)	<b>(38)</b>	<b>(5)</b>	<b>(44)</b>
Mainland China	(109)	(27)	(136)	<b>(126)</b>	<b>(35)</b>	<b>(162)</b>
Others	-	(1)	(1)	-	<b>(1)</b>	<b>(1)</b>
<b>North America</b>	74	83	158	<b>71</b>	<b>106</b>	<b>177</b>
United States	64	77	141	<b>51</b>	<b>90</b>	<b>142</b>
Canada	10	6	17	<b>20</b>	<b>16</b>	<b>35</b>
<b>Caribbean</b>	37	(129)	(93)	-	<b>(40)</b>	<b>(40)</b>
Bermuda	-	-	-	-	<b>4</b>	<b>4</b>
Bahamas	39	(1)	38	<b>7</b>	<b>(5)</b>	<b>3</b>
Panama	-	4	4	-	<b>2</b>	<b>2</b>
Netherlands Antilles	1	(64)	(63)	<b>1</b>	<b>(11)</b>	<b>(10)</b>
Cayman Islands	(4)	(81)	(85)	<b>(8)</b>	<b>(39)</b>	<b>(47)</b>
Others	1	13	13	-	<b>9</b>	<b>9</b>
<b>Africa</b>	(2)	-	(1)	<b>(1)</b>	<b>(1)</b>	<b>(2)</b>
South Africa	-	(1)	(1)	-	-	-
Liberia	-	1	1	-	-	-
Mauritius	(1)	-	(1)	<b>(1)</b>	-	<b>(2)</b>
Others	-	-	-	-	-	-

**Table L: Geographical Breakdown of Net External Claims/(Liabilities) of All Authorized Institutions (cont.)**

(HK\$bn) Region / Country	2001			2002		
	Net Claims on/ (Liabilities to) Banks Outside Hong Kong	Net Claims on/ (Liabilities to) Non-bank Customers Outside Hong Kong	Total Net Claims/ (Liabilities)	Net Claims on/ (Liabilities to) Banks Outside Hong Kong	Net Claims on/ (Liabilities to) Non-bank Customers Outside Hong Kong	Total Net Claims/ (Liabilities)
<b>Latin America</b>	-	(2)	(2)	-	(2)	(2)
Brazil	-	(1)	(1)	-	(1)	-
Venezuela	-	-	-	-	(1)	(1)
Others	-	-	-	-	-	-
<b>Eastern Europe</b>	-	(1)	(1)	-	-	-
<b>Western Europe</b>	639	(17)	623	570	46	616
United Kingdom	325	(2)	323	273	13	287
Netherlands	55	(23)	33	65	11	76
Germany	94	3	97	62	8	70
Italy	29	1	30	32	2	33
France	39	2	41	25	8	32
Belgium	20	2	22	23	1	24
Sweden	12	1	14	17	2	20
Republic of Ireland	8	-	9	16	1	16
Norway	8	1	9	12	1	13
Switzerland	21	(1)	20	14	(2)	12
Denmark	10	-	10	9	1	11
Austria	7	-	7	10	-	10
Luxembourg	8	-	8	6	-	6
Spain	4	1	4	3	2	5
Finland	1	-	1	2	1	3
Portugal	1	-	1	2	-	2
Greece	-	1	1	-	1	1
Iceland	-	-	-	1	-	1
Others	(3)	(5)	(7)	(2)	(4)	(6)
<b>Middle East</b>	(1)	(1)	(2)	(6)	1	(5)
Republic of Yemen	-	-	-	-	1	1
Kuwait	(1)	-	(1)	(1)	-	(1)
United Arab Emirates	(3)	-	(3)	(2)	-	(2)
Bahrain	3	-	3	(3)	-	(3)
Others	-	-	-	-	-	-
<b>Others</b>	-	54	54	-	55	55
<b>Overall Total</b>	1,001	97	1,098	966	202	1,167