

上半年度，本港跟隨美國連續六次減息，惟經濟並未呈現強烈反彈。減息行動雖然有助供樓人仕及企業減輕利息支出，但仍未能為本港地產物業及零售市場帶來所需的動力。

由於失業率仍然高企，令港人擔憂經濟將會繼續疲弱。而美國經濟持續放緩，亦可能對本港出口帶來負面影響。

雖然本港樓宇按揭利率降至三十年來之新低，但地產市道仍然疲弱。由於港人增加北上消費，加上在國內置業人仕亦有在當地消閒度假的趨勢，進一步打擊本港零售市場。

鑑於經營環境日趨困難，銀行同業繼續積極爭取樓宇按揭貸款，並發展消費信貸及佣金收入業務，以維持銀行之業務增長。

縱使樓宇按揭競爭激烈，本行亦能保持市場佔有率，上半年度住宅樓宇按揭較去年年終上升百分之一點六，本行消費信貸業務亦表現理想，信用卡應收賬項錄得顯著增長。

在上述情況下，集團上半年度股東應得之溢利為港幣四億三千三百四十萬元，較去年同期微升百分之零點三。每股盈利微升百分之零點七至港幣一元四角八仙。

集團總營業收入下降百分之三點二至港幣九億四千八百二十萬元。由於息差收窄，上半年集團淨利息收入下降百分之三點七至港幣七億七千四百七十萬元。

由於按揭貸款競爭加劇及無利息成本資金回報下降，令息差由百分之三點一六下降至百分之二點八五，但銀行高回報資產收入上升，抵銷了部份息差收窄帶來之影響。

Hong Kong's economy has failed to show a significant recovery despite six successive rate cuts in the first half of the year. While the interest rate reductions have significantly eased the burden of home mortgagors and business operators, they have not been able to trigger a much-needed rebound in both the property and retail markets.

With the rate of unemployment remaining at a high level, the people of Hong Kong are still worried about the generally weak economy. There is also a widespread concern that the slowdown in the American economy may negatively impact Hong Kong's export growth.

The property market remained weak even though mortgage rates have dropped to the lowest level in 30 years. The retail market has continued to be hit by the increasing number of Hong Kong consumers shopping across the border. In addition, people who have purchased properties in China's coastal cities are spending their leisure time and money there.

In view of the stagnant market conditions, banks have continued to compete for residential mortgages while increasing their efforts in the development of consumer finance and fee income businesses to generate growth.

For Wing Hang Bank, we have managed to maintain our share in the residential mortgage market despite tough competition. For the first half of the year, residential mortgages increased 1.6 percent over the end of last year. Our consumer lending businesses continued to perform well with significant growth recorded in our credit card receivables.

For the first half of the year, profits attributable to shareholders amounted to HK\$433.4 million, representing a slight increase of 0.3 percent over the same period last year. Earnings per share increased 0.7 percent to HK\$1.48.

The Group's total operating income dropped 3.2 percent to HK\$948.2 million while net interest income decreased 3.7 percent to HK\$774.7 million due to narrowing interest margins.

Net interest margin fell from 3.16 percent to 2.85 percent as a result of pricing pressure on mortgages and lower yields from interest free funds. This was however partly compensated by increased contributions from the Bank's higher yielding assets.

集團之其他營業收入亦因股票買賣及外匯收入減少而微降百分之一點一至港幣一億七千三百五十萬元。來自貸款服務、信用卡服務及個人理財服務佣金收入之增長，抵銷了部份股票及外匯佣金收入之減少。

集團繼續致力控制開支成本，二零零一年上半年度與去年同期比較，集團之營業開支輕微上升至港幣二億八千九百萬元。收入開支比率亦微升至百分之三十點五。

器材貸款及私人貸款亦顯著上升，特別是信用卡及貸款卡類別，令客戶貸款較去年年終上升百分之五點六至港幣三百五十五億五千萬元。同時，住宅樓宇按揭亦錄得理想增長。

存款方面，集團之總存款維持與去年年終相若水平，達港幣四百八十六億一千萬元。客戶存款較去年年終輕微下降百分之一點二至港幣四百五十四億元。上半年度，集團之貸存比率上升至百分之七十三點四，扭轉了自亞洲金融風暴以來貸存比率下降的趨勢。

集團之資本充足比率及平均流動資金比率分別為百分之十六點二及百分之四十七點二。

呆壞賬情況已穩步改善，期間不履行貸款減少至港幣十三億三千萬元，佔總貸款額百分之三點七三。呆壞賬準備為港幣一億八千萬元，主要是特殊撥備。

展望下半年，預料低息效應逐漸改善本港的投資環境，而中國即將加入世界貿易組織，預期亦可為本港帶來新的經濟動力。

本行將加強拓展消費信貸、信用卡及股票買賣業務。本行上半年在推廣人壽保險及單位信託基金業務方面已漸見成效，並將繼續努力以加強佣金收入。此外，本行亦將致力擴展商業信貸業務，尤以國內業務方面，本行有不少客戶已將其業務擴展至上海、廣州及深圳，我們的策略是透過在國內開設的分行或代表辦事處，繼續在當地為這些客戶提供銀行服務。

Other operating income dropped slightly by 1.1 percent to HK\$173.5 million due to lower trading volume in share brokerage and foreign exchange income. Partially offsetting this decrease was an increase in commission income from credit facilities, card services and wealth management services.

The Bank has continued with its expense control program in order to maintain its efficient cost income ratio. Between the first half of 2000 and 2001, the Group's operating expenses increased marginally to HK\$289.0 million while cost income ratio increased slightly to 30.5 percent.

Advances to customers increased 5.6 percent to HK\$35.55 billion with significant growth recorded in equipment finance and consumer lending, in particular credit card and loan cards. Satisfactory growth was also recorded in residential mortgages.

Total deposits remained virtually unchanged at HK\$48.61 billion while customer deposits decreased slightly by 1.2 percent to HK\$45.40 billion. Our loan to deposit ratio increased marginally to 73.4 percent, reversing a trend that has prevailed since the Asian financial crisis.

The Group's capital adequacy ratio and average liquidity ratio stood at 16.2 percent and 47.2 percent respectively.

For the period under review, non-performing loans dropped to 3.73 percent of total loans or HK\$1.33 billion. Charge for bad and doubtful loans amounted to HK\$180 million and was mainly earmarked for specific provisions.

For the second half of the year, lower interest rates are expected to gradually bring about a more favorable investment climate. China's impending accession to the World Trade Organization will also provide a much-needed impetus for the future of the economy.

We will gear up our efforts to spearhead growth in consumer lending, credit cards and share brokerage. Our initiatives in promoting life insurance and unit trust are beginning to produce results and we will continue with our activity in these areas to enhance our fee income. Apart from this, we will also expand our commercial lending business, in particular, in China, where our strategy is to follow our customers to Shanghai, Guangzhou and Shenzhen servicing them through our branch or representative offices there.

最後階段的利率協議取消為本行締造了新的商機，本行藉此機會訂立了儲蓄存款分層利率架構的新策略以吸納大額儲蓄存戶。這項策略可令本行以成本較低的儲蓄存款取代成本較高的定期存款。此外，新增客戶有助本行推銷各項產品，拓展個人理財服務。取消利率協議後，本行在儲蓄存款方面亦正在增加。

期望低息效應可帶來的有利投資環境及穩定的地產市場情況下，再加上中國即將加入世界貿易組織的利好消息刺激，經濟發展應逐漸增強。因此，我們對本港下半年的經濟表現亦抱審慎樂觀之態度。

我們將善用經濟復甦帶來的商機，繼續拓展產品服務，加強客戶基礎，進一步透過促銷以增強佣金收入。

董事長兼行政總裁

馮鈺斌謹啟

香港 二零零一年八月九日

The final stage of deregulation has offered us the opportunity to tier our savings deposit rates and pursue a strategy to target large savings depositors. Such a strategy will enable us to substitute more expensive time deposits with lower cost savings deposits. Furthermore, new accounts will offer the opportunity for cross selling our wealth management products. Initial results, after the recent deregulation, show that we are gaining savings deposits.

It is hoped that a more favorable investment climate brought about by lower interest rates, a stable real estate market and an emerging China economy resulting from its entrance to the WTO, would give us reason to be cautiously optimistic about the economy of Hong Kong for the second half of the year.

We hope to take advantage of any resurgence in the economy by continuing our strategy of further broadening our range of products and services to grow our customer base and to further enhance fee income through cross selling.

Patrick Y B Fung

Chairman and Chief Executive

Hong Kong, 9th August, 2001