

## 財務及業務回顧

### FINANCIAL RESULTS AND OPERATION REVIEW

董事會欣然提呈本集團截至二〇〇四年六月三十日止六個月的中期報告及簡明賬目。本集團截至二〇〇四年六月三十日止六個月之綜合損益表、綜合現金流量表及綜合權益變動表，以及本集團於二〇〇四年六月三十日結算之綜合資產負債表，均是未經審核及以簡明賬目編製。上述各項連同有關註釋、補充財務資料及補充資料列於本中期報告第六頁至第四十頁。

二〇〇四年香港經濟承接著去年第三季的復蘇而持續好轉，逐步脫離窘境，樓價回升，股市旺盛，零售業也因「自由行」的落實和擴大復生機，雖然踏入第二季復蘇速度開始放緩，展望香港經濟仍會持續改善。

中央政府目前實行的宏觀調控，香港也難免不受影響。油價高企及美國未能擺脫在中東的困局也會令到外圍經濟增加不穩定和不明朗因素，加上加息周期重臨，預期未來的經營環境競爭會更激烈和充滿挑戰。

本行二〇〇四年首六個月的業績與去年同期比較：

除稅後盈利上升20.1%，為港幣四億六千九百萬元，主要來自非利息收入的增加，而呆壞賬撥備的大幅減少及有較大回撥亦是盈利增加的重要因素。

淨利息收入下降4%，此因放款需求疲弱，利息低企息差收窄所致。上半年港元利率仍處於歷史低位，銀行剩餘資金所賺取收益亦相應減少，淨息差與去年同期比較收窄十三基點。

保險業務呈現退縮，保險營業收入減少12.5%，為港幣二億一千七百五十萬元。

其他營業收入上升23.6%，為港幣二億一千六百七十萬元，主要是證券、理財和外匯買賣業務方面的收益能持續增長。

營業收入減少1.2%，為港幣九億七千六百五十萬元；營業支出微升0.2%，為港幣二億六千七百三十萬元，顯示各項開支均受到控制。

成本對收入比率為27.4%，較去年同期上升0.4%，扣除呆壞賬準備金前的營業溢利下跌1.7%，為港幣七億零九百二十萬元；呆壞賬準備金回撥港幣一千八百九十萬元。因保險申索而須提撥之準備亦因保險營業收入減少相應下降10.2%，為港幣一億七千六百七十萬元。

營業溢利上升16.6%，為港幣五億五千一百三十萬元。

The Directors are pleased to present the Group's Interim Report and condensed accounts for the six months ended 30 June 2004. The consolidated profit and loss account, consolidated cash flow statement and consolidated statement of changes in equity of the Group for the six months ended 30 June 2004, and the consolidated balance sheet as at 30 June 2004 of the Group, all of which are unaudited and condensed, along with selected explanatory notes, supplementary financial information and supplementary information are set out on pages 6 to 40 of this report.

Following the economic rebound in the third quarter of 2003, Hong Kong is gradually pulling out of the doldrums. The local economy continues its steady growth track with rising property prices and soaring stock market activities. Retail business recovered, supported by China's implementation and expansion of "individual traveler scheme". Notwithstanding the slowdown since the second quarter, the economy is expected to continue its growth path.

Hong Kong will inevitably be affected by the implementation of macro-level economic adjustment and control measures in China. Soaring oil prices and the US's predicament to extricate from the Middle East also present great instability and uncertainties in the global economy, and these coupled with the anticipated interest rate rises, will render banking operations even more competitive and challenging.

Comparing the Bank's operating results for the first half of 2004 with the corresponding period of 2003:

Profit after taxation amounted to HK\$469 million, representing an increase of 20.1%, mainly attributable to the growth of non-interest income businesses, substantial reduction in charge for bad and doubtful debts as well as provision releases.

Net interest income contracted by 4% due to weak loan demand and narrowing interest margin. Hong Kong dollar interest rate still remained at a record-low level in the first half of the year, reducing the return on free funds. Net interest margin contracted by 13 basis points as compared with the same period last year.

Insurance business recorded a 12.5% regression in operating income to HK\$217.5 million.

Other operating income was up by 23.6% to HK\$216.7 million, mainly attributable to the continued growth in securities, wealth management and foreign exchange trading businesses.

Operating income fell by 1.2% to HK\$976.5 million. Operating expenses increased marginally by 0.2% to HK\$267.3 million, showing that the Bank's expenses were under control.

The cost-to-income ratio increased by 0.4% to 27.4%, compared with the first half of 2003. Operating profit before provisions dropped by 1.7% to HK\$709.2 million. Provisions for bad and doubtful debts of HK\$18.9 million were written back. Provisions for insurance claims declined by 10.2% to HK\$176.7 million in line with the drop in insurance operating income.

Operating profit rose by 16.6% to HK\$551.3 million.

客戶貸款與去年同期比較下降1.2%，為港幣二百九十六億二千二百萬元，與去年底比較微升1.2%。呆壞賬準備金為港幣五億七千五百八十萬元，其中75.6%屬一般準備，為總貸款的1.47%。

客戶存款與去年同期比較減少2.4%，為港幣四百八十八億九千七百萬元，與去年底比較減少4.9%；已發行存款證與去年底比較增加8%。貸存比率為56.1%，較去年同期之55.6%為高，去年底為52.9%，反映上半年借貸需求無大改善，資金仍不易找尋出路。本行會繼續積極將資源分散拓展其他具較高回報的業務和佣金收益業務。

平均總資產回報率為1.41%，略高於去年同期之1.21%；平均股東資金回報率為10.82%，高於去年同期之9.65%。

二〇〇四年六月三十日之綜合資本充足比率為21.8%，平均流動資金比率為53.9%。

### **存款**

各項存款較去年底減少4.9%，由於港元利率仍處於歷史低位而欠缺吸引力，令部份客戶將資金投放於具較高回報的理財產品。踏入下半年加息周期已告重臨，本行有須密切注意利率的變化。

截至六月底本行發行的存款證總值為港幣二十八億八千二百萬元，較去年底增加8%，當中絕大部份為浮息，小部份定息者則發行與個別投資者。

個人人民幣存款業務自二月二十五日開辦以來，運作良好，由於現階段經營人民幣業務所受限制頗多，暫時此項業務對盈利貢獻不大。

### **放款**

各項放款較去年同期減少1.2%，較去年底微升1.2%。

樓宇按揭向為本行主要貸放業務，過去六個月物業市場明顯復蘇，本行新敘做樓宇按揭也有所增加，但舊有按揭還款數字更多，上半年樓宇按揭放款數字實際上是呈現退縮。本行會設計多一些貸款產品以應客戶需求，以保持市場佔有率。

銀團貸款結餘較去年底上升8.1%，企業融資較去年底上升31.5%，押匯業務營業數字與去年同期比較亦有19.7%增幅。

永隆財務有限公司上半年的租購及租賃業務貸款數字較去年底錄得輕微上升，業務平穩發展。

Advances to customers registered a mild decline of 1.2% from the level a year ago to HK\$29,622 million, which is 1.2% higher compared with that at 2003 year-end. Provisions for bad and doubtful debts amounted to HK\$575.8 million, of which 75.6% is general provision, representing 1.47% of the total advances to customers.

Total customer deposits of HK\$48,897 million was 2.4% lower compared with the same period last year, or a decrease of 4.9% as compared with that at 2003 year-end. The amount of certificates of deposit issued was 8% higher than that at the end of 2003. The loan-to-deposit ratio was 56.1%, compared with 55.6% for the same period of 2003 and 52.9% at 2003 year-end, reflecting high liquidity owing to weak loan demand. The Bank will continue to re-allocate its resources to higher-yielding operations and commission income businesses.

The return on average total assets was 1.41%, slightly higher than 1.21% for the same period in 2003. The return on average shareholders' funds was 10.82%, above the 9.65% recorded in the same period in 2003.

At 30 June 2004, the consolidated capital adequacy ratio was 21.8%, and the average liquidity ratio was 53.9%.

### **Deposits**

Total deposits registered a 4.9% decrease from the level at 2003 year-end. As Hong Kong dollar interest rate remains at an unattractive record-low level, some depositors channel their funds to higher-yielding wealth management products. In anticipation of interest rate hike in the second half of the year, the Bank will keep a close eye on the interest rate movement.

As at 30 June 2004, certificates of deposit totalling HK\$2,882 million were issued, up 8% as compared with that at 2003 year-end. Among them, a great majority are floating rate certificates of deposit and a small amount are fixed rate certificates of deposit issued to individual investors.

The operation of personal renminbi deposit services has been running smoothly since commencement on 25 February this year. This operation does not bring in meaningful profit to the Bank at this stage as there exist quite a number of constraints on renminbi service provision.

### **Advances to customers**

Total advances eased by 1.2% from the level a year ago; and mildly up 1.2% as compared with that at 2003 year-end.

Residential mortgage lending remains a pillar of the Bank's loan portfolio. In the past six months, property market resumed growth, bringing in new residential mortgage lending businesses. However, the property lending loan book contracted in the first half of the year after netting off excessive early repayments. To maintain its market share, the Bank has tailored a variety of loan products to accommodate customers' demand.

Syndicated loans financing and corporate lending balance improved by 8.1% and 31.5% respectively as compared with that at 2003 year-end, whereas bills turnover increased by 19.7% from the level a year ago.

Total advances through the Bank's hire-purchase and leasing subsidiary, Wing Lung Finance Limited, mildly increased in the first half of 2004 as compared with 2003 year-end, with business steadily growing.

由香港銀行公會、存款公司公會及香港金融管理局聯手設立的「商業信貸資料庫計劃(CCRA)」，準備工作大致上已接近完成，預期可以在本年底實行。屆時敘做中小企業信貸將可容易取得其整體欠款和信貸紀錄，作更好的審核安排，對擴展中小企信貸業務有一定幫助。

### 財資

外匯買賣及外幣找換整體收益較去年同期上升14.9%。

上半年外匯市場美元對各種主要貨幣價格呈現很大波幅，交投頻密，令外匯買賣收益增加。

本行參與資本市場活動持續活躍，並獲致一定成果。會更密切留意市場變化和利率趨勢，制訂合適政策以求從事此項活動獲取更多收益。

### 理財

理財業務收益較去年同期增長62.3%，此是低利率環境令客戶選擇持續將資金投放於較高回報的理財產品所致。

展望下半年，加息周期重臨，投資者會轉趨審慎，本行會提供更多適合市場需求的產品供客戶選擇。

鑑於理財業務仍有發展餘地，本行會再投放多些資源加以開拓。

### 信用卡

信用卡業務截至六月底，發卡總數較去年底有所增加；放出賬款則較去年底減少14.1%。上半年按年計之撇賬率為4.36%，較去年底之10.06%大為改善。由於香港經濟逐步好轉，通縮消退，消費回升，失業率及個人申請破產情況亦已告紓緩。本行下半年會採較進取策略，致力增加卡數以擴大客戶基礎，增加放出賬款以促進利息收入，並計劃在年底推出白金信用卡，尋求與更多商戶/產品推廣購物分期，以期全年有更佳業績。

本年四月本行加入中國銀聯股份有限公司為會員參與敘做銀聯卡收單業務，並趕及於「五一黃金周」向持銀聯卡來港消費者提供收單服務。

### 保險

屬下之永隆保險有限公司的承保業務及保險部之代理業務經過兩年高速增长，已進入整固期，業務和盈利各有不同程度之退減，主要是對汽車保險和僱員傷亡賠償保險敘做大幅退縮所致。而市場上非理性削價競爭復現，以及公營、私

Preparatory works for “Commercial Credit Reference Agency (CCRA)” database, jointly established by the Hong Kong Association of Banks, the DTC Association and the Hong Kong Monetary Authority, are near completion. The project will give a full picture of the total indebtedness and credit history of small and medium-sized enterprises (SMEs) for credit assessment when it is implemented at the year-end. This will benefit the Bank in promoting loan business to SMEs.

### Treasury

Combined income from foreign exchange and money exchange business rose by 14.9% from the level a year ago.

In the first half of 2004, US dollar fluctuated extensively relative to other major currencies, boosting trading volume and in turn generating marked profit for the Bank.

The Bank has been active in capital market activities, and the result is encouraging. The Bank will keep abreast of the market development and interest rate trend to formulate appropriate strategies targeting for lucrative profit growth.

### Wealth management

Wealth management income rose by 62.3% over the level a year ago as depositors turned to higher-yielding wealth management products in a low deposit rate environment.

In anticipation of the interest rate rise in the second half of the year, investors may take on more cautious investment strategies. The Bank will launch a wider array of wealth management products best suited to market requirements for its customers.

Recognising further business expansion potential of wealth management, more resources will be deployed to continuously broaden its spectrum of wealth management service.

### Credit card

As at 30 June 2004, the total number of credit cards issued increased as compared with 2003 year-end, however, total credit card receivables dropped by 14.1%. Average annualised charge-off ratio for the first six months of the year was 4.36%, a great improvement from 10.06% at 2003 year-end. As economic recovery continued to take shape with improving deflation situation, rising consumer spending and easing unemployment and bankruptcy rates, the Bank will take on a more proactive strategy in the second half of the year to expand its card base and bolster its credit card lending for higher interest income. The Bank plans to launch platinum credit cards at the year-end and step up its credit card instalment program promotion to further facilitate its card business for better returns.

In April, the Bank joined China UnionPay Company Limited as a member to operate merchant acquisition business, and the Bank has been able to take advantage of the inflow of tourists from China during the “May Holiday” to provide the related card service to its merchant customers.

### Insurance

Underwriting business of Wing Lung Insurance Company Limited and agency business of the Bank's Insurance Department are now undergoing consolidation after two years of rapid growth. The decrease in underwriting business and profit was attributable to the substantial contraction of motor insurance and employee's compensation classes. The insurance price war has cut premium rates to an

營的大型基建項目的減少亦是造成業務退縮主要因素。

代理香港人壽保險有限公司的產品佣金收益較去年同期增長23.8%，以銀行擁有龐大客戶基礎，相信日後這項業務仍有很大的發展餘地。

### **證券**

上半年本港市場總交投較去年同期大幅上升142%，本行證券業務成交額與大市接近，收益增加，下半年能否持續強勁增長，須視乎市場環境能否配合。

本行發展中的新證券系統將於本年第三季完成啟用，屆時自動化買賣系統會得到改善足可應付較大交投量，加強支援市場上各類產品的交易及服務的功能，提高運作效率。

### **分行**

本行現時在本地開設之分行共有33間，在美國羅省及開曼群島各設有分行一間，均如常運作，業務進展平穩。深圳分行於本年三月二十九日成立，是CEPA落實後，首家獲准在內地開設之港資銀行分行，四月一日開始營業，運作暢順。

中國銀監會於八月初公佈經修訂之「外資金融機構管理條例實施細則」，放寬和簡化外資金融機構申請在內地設行的審批程序。本行會密切留意和研究此一修訂的細節，看可有機會加速在內地發展的步伐。

### **資訊科技**

本行向IBM購入的新櫃員平台系統，全部發展工程已告完成及啟用，運作暢順。

此為一開放式平台，對本行日後新業務的設計與開發會提供更多利便。

### **人力資源**

在二〇〇四年六月底，本行僱員總人數為1,264人。

人力資源部經常開設或安排一些與業務及新產品有關課程、資訊科技應用課程、專題講座等，以培訓和充實職員的知識和技能；並鼓勵及資助職員考取一些特定資格考試，協助他們作持續進修及登記資格；亦有不時與海內外同業互派人員作業務和技術交流，以配合業務發展。

承董事會命  
秘書 馮蘊蓀 謹啟

香港 二〇〇四年八月十八日

irrational level, and the reducing number of sizable infrastructure projects offered by both public and private sectors also affected its business growth.

Commission income generated from the sale of Hong Kong Life Insurance Limited products soared by 23.8% as compared with the level a year ago. Considering the Bank's large customer base, there exists ample growth potential for life sales.

### **Securities broking**

In the first half of 2004, the trading volume of the local stock market surged by 142% over the level a year ago. The Bank's securities transaction volume grew largely commensurate with the market, and commission income also improved. The sustainability and pace of growth in the second half of the year would very much depend on the market development.

The new securities system, which is expected to operate in the third quarter of the year, will help improve the functionality and capacity of the automatic trading system, thus enhancing operational efficiency.

### **Branch**

The Bank operates a network of 33 local branches, meanwhile its Los Angeles Branch and Cayman Islands Branch achieved steady growth. Its Shenzhen Branch is running smoothly after its establishment on 29 March and business commencement on 1 April this year. The Bank was the first Hong Kong-based bank approved by the China Banking Regulatory Commission to set up a branch in China under CEPA.

The newly-amended "Implementing Rules of the People's Republic of China on Foreign Invested Financial Institutions" announced by the China Banking Regulatory Commission in early August will relax and simplify the approval procedure in respect of foreign financial institutions applying for opening up new branches on the Mainland. To accelerate its expansion in China, the Bank will keep track of this development.

### **Investment in information technology**

The new IBM teller platform project has been completed, and the system is now running smoothly.

This open platform will facilitate the introduction and development of new businesses.

### **Human resources**

At the end of June 2004, total workforce amounted to 1,264.

In order to upgrade the skills and knowledge base of its staff so that they are better able to serve business and customers' needs, the Bank's Human Resource Department has been actively organising seminars and training sessions related to bank operation, product knowledge, information technology and specialised topics, and sponsoring its staff to attend various training programs so that they can obtain required professional qualifications. Exchange visits have been arranged regularly with overseas correspondents to facilitate experience sharing in business operations and skills.

By Order of the Board  
**Maria Wan-sin FUNG**  
Secretary

Hong Kong, 18 August 2004