

董事長致詞 CHAIRMAN'S STATEMENT

香港經濟在過去一年外圍經濟基本向好及國家政策支持下已穩步復蘇。本行業績亦繼續獲得進展，二〇〇四年除稅後盈利為港幣1,031,685,000元，較二〇〇三年之港幣858,804,000元增長20.1%，以金額計是歷年最高，即每股盈利港幣4.44元。董事會建議派發末期股息每股港幣1.98元，連同九月已派發之中期股息每股港幣0.48元，二〇〇四年全年派息每股港幣2.46元，較二〇〇三年增加39.8%。

二〇〇四年度本行的平均資產回報率及平均股東資金回報率分別為1.49%及11.36%；資本充足比率及平均流動資金比率分別為20.5%及53.4%。

於二〇〇四年十二月三十一日與去年同期比較，總存款港幣53,195,730,000元，增長3.5%；總放款港幣31,143,988,000元，增長6.4%；綜合資產港幣71,046,513,000元，上升4.8%。

去年銀行業在借貸需求疲弱下，競爭依然劇烈，息差收窄，本行傳統借貸業務淨利息收入仍在減縮，尚幸各項非利息收入業務有較佳增長，在整體盈利當中所佔比重增大。

本行去年理財業務之收益達致預期目標，證券業務亦因股市暢旺而收益有所增加，保險業務經過去兩年

During 2004, positive external economic factors and supportive Central Government's policies towards Hong Kong facilitated the steady recovery of our economy. Your Bank also achieved further improved results, with consolidated net profit for the year 2004, after making provision for taxation, rising by 20.1% from HK\$858,804,000 in 2003 to HK\$1,031,685,000. The level of profits is the highest we have ever achieved. Earnings per share was HK\$4.44. The Board proposes the payment of a final dividend of HK\$1.98 per share which, together with the interim dividend of HK\$0.48 per share already paid in September 2004, make a total dividend for the year 2004 of HK\$2.46 per share, representing a growth of 39.8% over 2003.

Return on average assets and return on average equity were 1.49% and 11.36% respectively. The capital adequacy ratio as at 31 December 2004 and the average liquidity ratio for the year were 20.5% and 53.4% respectively.

As at 31 December 2004, total deposits increased by 3.5% to HK\$53,195,730,000, while advances to customers went up by 6.4% to HK\$31,143,988,000. Consolidated total assets amounted to HK\$71,046,513,000, a 4.8% increase over 2003.

In the banking scene, interest rate spreads further narrowed as a result of weak loan demand and severe pricing competition. The Bank's net interest income from traditional lending business was still contracting, but this was compensated by appreciable growth in non-interest income, which constitutes an increasingly significant component of the Bank's overall profit.

Income from wealth management initiatives grew, commensurate with our projection; while our securities brokerage business also registered good growth in a bullish market. Our insurance operation, however, recorded a mild decrease in income as underwriting business slowed down after two successive years of rapid growth.

高速增長後，呈現放緩，盈利較去年稍遜。二〇〇五年港人對經濟信心明顯恢復，市場氣氛逐漸好轉，展望前景可抱審慎樂觀。本行已制訂了一整套全面而持久之擴張策略，重點發展財富管理、信用卡、證券、保險等非利息收入業務。另一方面，亦會加大力度開拓個人及消費信貸，為放出資金取得較佳回報。

最近幾年透過電腦系統和互聯網而發展起來的各類自動化服務，在社會上已日益普及和受到廣泛使用。資訊科技部於完成整個新櫃員平台系統發展工程後，除了繼續致力提升資訊科技的應用能量，以配合本行新產品的開發，並協助實施風險管理。此外為符合巴塞爾新協定的要求，已預算在未來數年投入更多資源提升電腦基礎設施，以加強對利率風險、流動資金風險、信貸風險、外匯風險的管理。

二〇〇四年香港經濟逐步改善，本地生產總值錄得近四年來最高升幅，反映本地各項經濟活動已從二〇〇三年沙士肆虐期的谷底走出來，失業率逐漸下降，樓市回復興旺令負資產市民從窘境中解放，長達六年的通縮終告完結。今後中國因素仍然是推動本地經濟發展的主要動力，特別是更緊密經貿關係安排落實後香港與內地交流互補更形頻密，以及內地擴大開放「自由行」範圍，為

As we enter 2005, we are cautiously optimistic about the future of Hong Kong which saw the restoration of public confidence in the local economy and the improved market sentiment. We have laid down a comprehensive long-term business growth strategy to expand non-interest income business services such as wealth management, credit card, securities and insurance, and to actively promote personal and consumer loan business for higher returns.

The use of different types of automated services through computer systems and Internet has become more popular and widespread in recent years. After completing the new teller platform project, the Information Technology Department will place continuous efforts on improving system application, in product development and risk management. We have budgeted extra resources for the coming years for computer infrastructure enhancement to strengthen interest rate risk, liquidity risk, credit risk and foreign exchange risk management in compliance with requirements of New Capital Accord (Basel II).

Hong Kong's economy gradually improved in 2004, with gross domestic product (GDP) at its highest for the past four years, indicating that economic activities have picked up from the nadir at the time of SARS outbreak in 2003. The unemployment rate dropped, and the deflationary period lasting six years has come to an end. In the meantime, cases of negative equity have consistently declined resulting from the vibrant property market. Looking forward, the China factor will continue to add much dynamics to the local economy. We see particularly more intertwined trade and communications relations with the Mainland after the implementation of the Closer Economic Partnership Arrangement (CEPA). The expansion of "individual traveler scheme" has delivered lots of business opportunities to the retail and tourism industries, and this in turn has given a fresh impetus to our economic vitality.

零售、旅遊、酒店業帶來一片興旺，給香港經濟發展注入新的活力。

香港舊有的經濟模式已不能滿足長遠發展需求，有須另闢蹊徑，始能持續發展。踏入二〇〇五年，在美國經濟受雙赤問題困擾能否維持增長，以及中國是否會繼續實施宏觀調控等不明朗因素下，香港經濟能否保住復蘇勢頭，進一步促進中港經濟融合，成功轉型，將是港人面對的重大課題。

香港已是連續十一年被推許為全球最自由經濟體系，其原有優勢，包括擁有珠江三角洲以至國內廣大地區作為腹地，資金進出自由，資訊流通自由，完善法律制度等，均非周邊城市可以輕易取代。只要我們抓緊這些既有優勢，同心協力，一定可以繼續進步繁榮。

前任董事何子棟先生於二〇〇四年七月二十八日辭世，何先生是於一九八八年加入為董事至二〇〇四年初退任，期間給予董事會匡助不少，貢獻良多，於此謹致深切悼念。

董事梁乃鵬先生於二〇〇四年十一月獲香港城市大學頒授榮譽法學博士學位，以表揚他對香港專上教育的發展和對公共事務所作的卓越貢獻。謹代表同人向梁博士敬致賀忱。

Hong Kong's past economic model no longer meets the long-term challenges ahead, thus it is necessary to take a new path for sustainable development. As 2005 begins, there are some worries about whether the US economy could maintain its growth in the face of fiscal and trade deficits, and the uncertainty regarding continued macro economic adjustment and control measures in China. It is indeed of great concern to the people of Hong Kong whether the local economic recovery can sustain its momentum, whether further economic synergy with Mainland China will be realised, and whether our city's economic transformation will succeed.

For the past 11 consecutive years, Hong Kong has been rated as the world's freest economy. Possessing such strengths and advantages over other cities in the region, such as a huge hinterland including the Pearl River Delta area, free flow of capital and information, and sound legal system, Hong Kong, with concerted efforts, should be able to capitalise on its comparative advantages for continued prosperity.

Your former director Mr Stephen Tze-tung HO, joining the Bank as a director in 1988 and resigning in early 2004, passed away on 28 July 2004. I wish to record here on behalf of the Board our gratitude to Mr HO for his invaluable service and wise counsel during the period of his service.

Your director Mr Norman Nai-pang LEUNG was awarded an Honorary Doctor of Laws in November 2004 by City University of Hong Kong, in recognition of his outstanding contribution to the development of higher education in Hong Kong and to public service. On behalf of the management and staff, I wish to express my heartiest congratulations to Dr LEUNG.

Your director Mr Kee-choe NG, a veteran banker, will not stand for re-election when he retires as a director of the Bank by rotation

董事黃記祖先生於二〇〇五年四月二十三日之股東年會任期屆滿後不再接受應選連任董事。黃先生是資深銀行家，董事會對其在任期間曾提供不少寶貴意見與裨助表示衷心感謝。

為紀念本行成立七十周年，永隆銀行慈善基金去年曾撥出港幣4,500,000元捐獻與下述機構：捐予香港聖約翰救護機構港幣2,500,000元協助其購置兩部新型救護車連設備，以應市民對緊急救護服務日益上升的需求；另捐予嶺南大學及香港浸會大學各港幣1,000,000元，分別贊助其推行「駐校作家計劃」及「視覺藝術文學計劃」。

本人並擬藉此機會向所有客戶、股東、各界友好、同業先進在過去一年給予本行的支持，尤其是創辦人伍宜孫博士及名譽董事長伍潔宜博士的時加匡導，敬致謝忱！對本行管理層暨各級人員的努力工作，忠誠服務，亦謹代表董事會向他們表示衷心謝意！

董事長
伍步高

二〇〇五年二月二十三日

at the Annual General Meeting on 23 April 2005. On behalf of the Board, I would like to express our gratitude to Mr NG for his invaluable guidance and support during the period of his service.

To commemorate the 70th anniversary of the Bank, Wing Lung Bank Foundation Limited made a total donation of HK\$4,500,000 last year, out of which HK\$2,500,000 was for Hong Kong St. John Ambulance Brigade to purchase two late model well-equipped ambulances to meet the increasing public demand for emergency services. The Foundation sponsored HK\$1,000,000 each to the "Writers in Residence Programme" and "Visual Arts and Literature Programme" respectively organised by Lingnan University and Hong Kong Baptist University.

On behalf of the Board, I would like to take this opportunity to express our gratitude to all our customers, shareholders, friends and fellow bankers for their continued support and guidance, to Dr Yee-sun WU, our Founder and Dr Jieh-ye WU, our Emeritus Chairman, for their wise counsel and to the management and entire staff for their ongoing dedicated service.

Michael Po-ko WU
Chairman

23 February 2005



向香港聖約翰救護機構捐贈救護車。
Ambulance donation to Hong Kong St. John Ambulance Brigade.