

## 財務及業務回顧

### FINANCIAL RESULTS AND OPERATION REVIEW

香港經濟去年表現持續強勁，就業情況漸次改善，內部需求隨著個人收入增加而轉強，物業價格回升及股市上揚所產生的財富效應也令到消費市場呈現一片好景。

本行截至二〇〇六年十二月三十一日止年度之綜合溢利，經扣除稅項準備後為港幣1,605,789,000元，相等於每股盈利港幣6.92元，較二〇〇五年增加44.8%，主要是淨利息收入及非利息收入均有較大增長，而投資物業重估盈餘亦有所增加，惟是年度提撥貸款減值準備也有增加。

貸存比率為56.9%，較二〇〇五年底之62.6%為低，同業競爭雖然劇烈，淨息差仍稍為擴闊，淨利息收入增加23.3%。

保險業務淨收入與去年比較減少1.2%。其他營業收入上升44.2%，主要是證券經紀及證券買賣收益增加所致。

營業支出增加17.1%，主要是職員人數增添，設備維修及折舊之費用增加較多所致。成本對收入比率為28.1%，減少1.8%。

年內本行的投資物業根據香港會計準則，經重估後與去年底比較錄得港幣512,626,000元的升值，這包括了本行將旺角銀行中心物業三層樓面改作商場用途的增值。

Hong Kong's economy continued to flourish in 2006. Domestic consumption resumed growth as employment situation and personal income continued to improve. The wealth effect of the rising property prices and a bullish stock market also helped prompt more consumer spending.

The consolidated net profit for the year ended 31 December 2006, after making provision for taxation, amounted to HK\$1,605,789,000. Earnings per share was HK\$6.92, up 44.8% from 2005 year-end level. This increase was mainly brought about by growth in both net interest income and non-interest income as well as revaluation surplus on investment properties. However, the Bank's impairment allowances on loans and advances also increased in 2006.

The Bank registered a loan-to-deposit ratio of 56.9%, lower than the 62.6% in 2005. As net interest margin widened slightly despite fierce competition, net interest income rose by 23.3%.

While net profit from insurance operations dropped by 1.2%, other operating income increased by 44.2%, mainly attributable to the increase in income from securities broking and trading.

Operating expenses went up by 17.1% mainly reflecting staff increase and the rise in equipment maintenance and depreciation expenses. The cost-to-income ratio was 28.1%, representing a decrease of 1.8%.

In 2006, the Bank's investment properties were revalued pursuant to the requirement of the Hong Kong Accounting Standards and recorded a revaluation gain of HK\$512,626,000 as compared with that of 2005 year-end, partly attributable to the appreciation of Bank Centre in Mongkok after the making over of its first three floors into a shopping arcade.

本行資產質素保持良好，年內已減值貸款為港幣180,503,000元，佔總放款0.47%。是年度，提撥貸款減值準備港幣44,254,000元。

本行綜合資產與二〇〇五年底比較增加13.7%，平均資產回報率為2.01%，平均股東資金回報率為14.92%，集團於二〇〇六年十二月三十一日之資本充足比率為16%，年度內平均流動資金比率為46.1%。

本行二〇〇六年各項業務與二〇〇五年比較：

### 存款

二〇〇六年總存款增長15.5%，較預期為佳。

總存款增幅較為理想，相信是市場憧憬人民幣升值，有資金流入；而香港取消遺產稅後，一些存款自海外回流。近期香港股票市場持續興旺及新股集資頻仍，也吸引了資金的留駐。美國聯邦基金利率經過十七次加息後，港元利率雖未完全跟隨，但亦相應上調了許多，存款息率已具相當吸引力。惟存款之增長主要在於儲蓄及定期，這亦使利息支出顯著增大。

截至二〇〇六年底，本行已發行存款證總值港幣5,004,252,000元，較二〇〇五年底增加17%，絕大部份為浮息；小部份定息為結構性產品，則有相關衍生工具對沖利率風險。

The Bank's asset quality remained at a satisfactory level with impaired loans amounting to HK\$180,503,000, being 0.47% of gross advances. Charge for impairment allowances on loans and advances was HK\$44,254,000 for the year 2006.

The Bank's consolidated total assets increased by 13.7% from 2005 year-end level. Return on average assets and return on average equity were 2.01% and 14.92% respectively. The Group's capital adequacy ratio at 31 December 2006 was 16%, and the average liquidity ratio for the year was 46.1%.

Comparing the Bank's operating position and results for 2006 with 2005:

### Deposits

In 2006, total deposits surged at a better-than-expected rate of 15.5%.

This robust growth of deposit was probably due to the influx of capital as investors speculate on an upward revaluation of Renminbi, and the abolition of estate duty in Hong Kong also prompted the return of some overseas deposits. The buoyant stock market with numerous IPO fund-raising activities in recent months also served to draw foreign hot money to the territory. Although banks in Hong Kong did not precisely track the 17 interest-rate rises of the US Federal Funds, the local deposit interest rates still have become more attractive. As much of the deposit growth was attributed to savings accounts and term deposits, the Bank's interest expenses rose significantly.

As at 31 December 2006, certificates of deposit totalling HK\$5,004,252,000 were issued, up 17% as compared with that of 2005 year-end. These were overwhelmingly floating rate certificates of deposit with a small amount of fixed rate certificates of deposit, structured through derivatives to hedge against interest rate risk.

個人人民幣儲蓄及定期存款錄得良好增長。

當前市場競爭大，本行會密切留意同業動態，設計更多新產品以應客戶需要，期望存款業務能持續而穩定增長。

### 放款

二〇〇六年總放款增加5.2%。

二〇〇六年物業市道開始放緩，成交減少。同業對樓宇按揭的競爭日趨白熱化，紛紛減息爭取客戶，令利潤益加微薄。本行於去年推出了一系列優惠計劃，將條件及價格調校至具競爭力，以保持市場佔有率。新設計的信貸評分範式已開始應用，對個人及公司的信用評估可以更準確和充份掌握，相信有助於拓展各項放款業務。

企業融資在經濟持續好轉下，錄得較高增長，主要由於循環貸款使用率增加及客戶基礎擴闊使然，惟在尖銳競爭底下，息差將進一步收窄。本行會向客戶提供一站式的融資服務，積極開闢客源及加強與現有客戶的連繫，以保持市場佔有率。本行去年參與銀團貸款市場融資活動保持活躍，錄得良好增長，會繼續留意此一市場發展形勢再作選擇性參與。

永隆財務有限公司經營租購及租賃業務，由於整個行業均面對逆境，呆壞賬增加，盈利縮減，該公司已轉向機器融資發展，冀望盈利情況能逐步改善。

Personal Renminbi savings and fixed deposits also increased steadily.

In response to severe competition, the Bank will closely monitor market development and design more new products to satisfy customers' needs and steadily grow its deposit base.

### Advances to customers

In 2006, loans and advances to customers increased by 5.2%.

In view of the slower property market in 2006, competition among banks for residential mortgage business remained keen and banks further lowered the mortgage interest rate to win over customers, rendering mortgage yields extremely low. The Bank introduced a series of preferential loan products and offered competitive loan packages to customers in order to maintain its market share. The new credit assessment model has been implemented, and it is believed that the more accurate personal and corporate credit assessment will help develop various kinds of loan businesses.

Supported by the economic rebound, corporate lending activities achieved considerable growth. The strong performance was driven by higher revolving loan utilisation and the enlarged customer base. It is expected that intensified competition will continue to exert pressure on interest rate spreads. The Bank will put more efforts in introducing customised one-stop financial solution to corporate customers, exploring new business opportunities and strengthening the relationships with existing customers in order to secure its market share. In 2006, the Bank participated actively in the syndicated loan market, and the result is encouraging. The Bank will closely monitor market development and selectively participate in sound deals.

The hire-purchase and leasing sector has been experiencing a hard time with an upsurge in bad debts and reduced profits. Responding

個人信貸、消費信貸及中小企業融資仍然是本行致力開拓的目標，以期取得較高回報。

## 財資

二〇〇六年外匯買賣收益下跌4%，外幣找換收益上升19.2%，集團整體收益較去年上升8.1%。

去年外匯市場價格波幅收窄，交投減縮。美元利率經連續十七次調升後，結束了長達兩年的加息周期，美匯轉弱，市場預期其他低息貨幣如日元、瑞士法郎及歐元等均會繼續加息。由於經濟前景與利率走勢都不明朗，客戶對投資外匯持觀望態度。

外幣找換業務收益有明顯增長，此因交易量持續增加，盈利能維持穩定所致。

預料年內美元仍然處於弱勢，外匯市場波幅擴大，為財資業務帶來更多獲利機會。本行會擴充財資部，以開拓收益來源。

本行如常參與資本市場活動，同時會密切留意市場變化和利率趨勢，敘做一些浮息票據及結構性債券以增加收益，並隨時因應環境變化而制定和調校相關政策。

to this difficult business environment, the Bank's hire-purchase and leasing subsidiary, Wing Lung Finance Limited, shifted its business focus to machinery financing with the aim of achieving target growth.

The Bank will continue to focus on personal, consumer and SME loan business expansion for higher returns.

## Treasury

Income from foreign exchange business decreased by 4%, whereas income from money exchange business increased by 19.2%. On aggregate, the Group enjoyed a 8.1% increase in gains on foreign exchange trading when compared with 2005.

In 2006, exchange rates stayed in tight range with contracting transaction volume. After 17 consecutive increases over 2 years, the US dollar interest rate-hike cycle came to a halt, and the US dollar weakened against other major currencies. The interest rates of other comparatively low yield currencies, such as Japanese Yen, Swiss Franc and Euro, are expected to go up steadily. In the face of uncertain economic prospects and interest rate trend, customers adopt a prudent stance towards foreign exchange investment.

Income from money exchange business increased impressively, as transaction volume increased and profit remained stable.

It is anticipated that US dollar will remain weak, while foreign exchange market is expected to fluctuate widely in 2007. This will provide a favourable setting for more income generating foreign exchange activities. The Bank will expand its Treasury Department in order to explore new sources of income.

## 理財

二〇〇六年理財業務收益較去年增長15.5%。

去年初美元利息持續上升並呈現強勢，不利與外幣掛鉤產品的銷售。自八月份起美國加息周期結束，環球股市投資氣氛轉佳，與股票掛鉤產品及基金等業務亦漸見改善，帶動理財中心業績回升。

現今社會戰後出生的一代已逐漸步入退休期，本行會多設計及推出一些低風險而具穩定收益的產品以迎合此類行將退休或經已退休人士的需求，估計這一市場有頗大發展空間。

## 信用卡

信用卡發卡總數較去年上升5.7%，與合作發行聯營卡機構亦有所增加，惟放出賬款則呈現下跌。

本行將繼續爭取發卡量的增長，以擴大客戶基礎為目標，並連結其他業務產品進行交互推銷，同時會加強宣傳推廣白金卡和公司卡，期望藉此增加收益。

The Bank has been active in capital market activities and will closely monitor market development and interest rate trend to increase its investment in floating rate instruments and structured bonds for better profit growth. The Bank will also formulate and revise relevant strategies to meet the changes from time to time.

## Wealth management

Income from wealth management initiatives increased by 15.5% in 2006.

US dollar strengthened following several increases in interest rates in early 2006, adversely affecting the sale of foreign currency-linked products. The US rate-hike cycle came to an end in August 2006, and the investment atmosphere of the global stock market became more positive. The sale of equity-linked products and unit trust gradually improved, bringing in better profit growth for the Wealth Management Centre.

With the baby-boomers generation approaching retirement age, there is great potential for investment products for retirees. The Bank will try to tap the retirement market and design some low-risk products with steady income to meet the needs of this particular market segment.

## Credit card

The Bank recorded an increase of 5.7% in the total number of credit cards issued in 2006, and affinity card programmes were also on the rise, while total credit cards receivables decreased.

## 證券

二〇〇六年香港證券市場總交投量較去年同期大幅上升85.2%，本行證券業務成交量與佣金收益也相應有理想增長，稅前盈利上升逾一倍，保證金利息收入亦有所增加。

去年香港市場不斷有資金流入，國內及香港經濟持續向好，大部份上市公司均錄得理想業績，是刺激股市交投增加和指數迭創新高的原因。今年內地公司仍會繼續以香港為上市集資的平台，利好因素依然存在，市況暢旺，波幅擴闊，可以預期。

## 保險

永隆保險有限公司二〇〇六年毛保費收入較去年增加8.4%，主要是多做了僱員責任賠償、意外及醫療保險；汽車保險毛保費則呈下跌。由於索償上升11.6%，致承保盈餘較去年下降。

保險部代理各類保險佣金收益較去年下降4%，代理人壽保險佣金收益則增加17.5%。

本行會因應市場變化，制訂穩健經營策略，務求整體保險業務能夠更均衡平實地發展。

## 分行

本行現時在本地設有分行33間，在國內深圳市設有分行及支行各一間，在美國羅省及開曼群島各設有海外分行一間，均如常營運。

The Bank will continue to bolster credit cards issuance and enlarge the card base. It is expected that higher income will be generated through cross-selling with other products as well as rigorously promoting Platinum Cards and Affinity Cards.

## Securities broking

In 2006, the total trading volume of the Hong Kong stock market increased significantly by 85.2% compared with 2005. The Securities Department recorded commensurate growth in both trading volume and commission income. Profit before tax more than doubled, and interest income from securities margin lending also increased.

Supported by continuous influx of capital, robust economic growth in both China and Hong Kong and the strong performance of most listed companies, the local stock market recorded considerable growth with the Hang Seng Index hitting record high levels. It is expected that Mainland China enterprises will continue to use Hong Kong as a platform for listing and capital-raising and that the favourable market environment is likely to persist with an active stock market and greater market fluctuations during 2007.

## Insurance

Wing Lung Insurance Company Limited recorded an increase of 8.4% in gross premium in 2006, mainly attributable to an increase in employees' compensation insurance and accident and medical classes, while motor insurance business decreased. Underwriting profit declined compared with 2005, resulting from higher claims of 11.6% over that of 2005.

The Insurance Department registered a decline of 4% in commission income in 2006 from all insurance classes. However, commission income from life insurance products increased by 17.5%.

對於進一步開發內地業務，現正籌備申請上海代表處升格為分行。另已為深圳分行經營人民幣業務向監管機構呈遞了申請。

羅省分行遷進自建新址經營一切暢順，該分行正把握位處亞裔及華人社區的優勢加強與當地社群接觸聯繫，爭取業務擴展。



銀行中心廣場於二〇〇六年十一月十八日舉行開幕典禮。  
*Opening ceremony of Bank Centre Mall on 18 November 2006.*



左起：副董事長伍步剛博士、董事長伍步高博士、常務董事兼行政總裁伍步謙博士、常務董事兼總經理鍾子森先生為銀行中心廣場開幕主持醒獅點睛儀式。

*From the left: Dr Patrick Po-kong WU, Vice-Chairman, Dr Michael Po-ko WU, Chairman, Dr Philip Po-him WU, Executive Director and Chief Executive, and Mr Che-shum CHUNG, Executive Director and General Manager, officiated at the gold foil lion eye-dotting ceremony of the Bank Centre Mall opening.*

The insurance operation will monitor market development closely and formulate prudent business strategies to achieve a well-balanced portfolio.

### **Branch**

Our network of 33 local branches, Shenzhen Branch and Nanshan Sub-Branch in China, Los Angeles Branch in the US and Cayman Islands Branch all performed solidly in operation.

To further cultivate the mainland market, the Bank is now applying to upgrade the Shanghai representative office to a full branch. The Bank has also applied to the Chinese authorities for a licence to operate Renminbi business in Shenzhen Branch.

Los Angeles Branch has been running smoothly since its relocation to its self-built new office building. Taking advantage of its proximity to the Asian and Chinese community, the branch is stepping up its marketing efforts for business expansion.

### 資訊科技

本行於二〇〇六年度內開發了多個新系統以加強對各類風險的管理，包括：網上銀行的雙重認證、巴塞爾新資本協定、存款保障計劃等；並繼續改善了多個應用系統的營運效率，包括電子銀行服務系統、證券買賣服務系統、保管箱系統等。

### 自動服務渠道

最近幾年本行一直有擴大及加強電子化自動服務的能量和效率，以方便客戶。根據統計顯示，本行客戶進行業務交易，經由自動服務渠道者佔73%，直接在櫃檯交收者佔27%。

### 人力資源

在二〇〇六年十二月底，本行僱員總人數為1,450人(二〇〇五年為1,355人)，其中香港佔1,409人，內地佔31人，海外佔10人。

人力資源部經常開設或安排一些與業務及新產品有關的課程、資訊科技應用課程、銷售技巧專題講座等，以充實職員的知識和技能，提升整體競爭力；本行並鼓勵及資助職員考取一些特定資格考試，協助他們持續進修及登記專業資格；亦不時與海內外同業互派人員作訪問和技術交流，以配合業務發展。另外人力資源部也經常就業務上有關法例、指引或守則舉行專題講座，製作訓練影片，以加強職員對該等法例、指引、守則的認知和守法意識，以求合規經營。

### Investment in information technology

In 2006, the Bank developed a number of new systems to strengthen management of various risks, including Two-Factor Authentication of NET Banking, New Capital Accord (Basel II) and Deposit Protection Scheme. Continuous efforts were placed on improving the operation efficiency of a number of application systems, such as electronic banking system, securities trading system and safe deposit box system.

### Automated service channels

The Bank has been committed to expanding and strengthening the capacity and efficiency of its automated channels in recent years to provide more convenient services to customers. Statistics show that by 2006 year-end 73% of customers' transactions was conducted through automated service channels, while 27% was conducted over the counter.

### Human resources

At the end of December 2006, the workforce of the Bank totalled 1,450 (2005: 1,355), including 1,409 locally, 31 in China and 10 overseas.

In order to upgrade the skills, knowledge and overall competitiveness of its staff, the Bank's Human Resource Department has been actively organising seminars and training sessions related to bank operations, product knowledge, information technology, sales techniques and specialised topics. The Bank also encourages and sponsors staff members to attend various training programmes so that they can obtain the required professional qualifications. Exchange visits with overseas correspondents take place regularly to share and mutually update business and operational experience which should be useful for future development. Furthermore, the Department organises seminars and produces training videos related to the relevant laws, guidelines and codes of various businesses in order to ensure staff members' understanding and observance of those laws, guidelines and codes.