



南洋商業銀行有限公司
Nanyang Commercial Bank, Ltd.

二零零一年度中期業績報告

Interim Report 2001



中銀集團
BANK OF CHINA GROUP

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綜合損益表

(港幣千元單位列示)

CONSOLIDATED INCOME STATEMENT

(Expressed in thousands of Hong Kong dollars)

		2001/1/1 2001/6/30	2000/1/1 2000/6/30
利息收入	Interest income	2,537,733	2,964,179
利息支出	Interest expense	(1,464,577)	(1,769,049)
利息收入淨額	Net interest income	1,073,156	1,195,130
其他經營收入	Other operating income	196,924	237,900
經營收入	Operating income	1,269,980	1,433,030
經營支出	Operating expenses	(325,229)	(327,627)
提取準備前的經營溢利	Operating profit before provisions	944,751	1,105,403
提取呆壞賬準備	Charge for bad and doubtful debts	(11,272)	(314,326)
經營溢利	Operating profit	933,479	791,077
應佔聯營公司溢利	Share of net profits of associates	-	376
出售固定資產的虧損	Losses from disposals of fixed assets	(11)	(28)
沖回持至到期日證券準備	Reverse provision on held-to-maturity securities	7,686	210
稅前溢利	Profit before taxation	941,154	791,635
稅項	Taxation		
- 香港利得稅項	- Hong Kong profits tax	(146,585)	(159,129)
- 海外稅項	- Overseas taxation	(5,574)	(8,562)
- 應佔聯營公司稅項	- Share of tax from associates	-	-
本期溢利	Net profit for the period	788,995	623,944
中期股息	Interim dividend	-	-
本期留存溢利	Retained profit for the period	788,995	623,944

綜合資產負債表

CONSOLIDATED BALANCE SHEET

(港幣千元單位列示)

(Expressed in thousands of Hong Kong dollars)

		2001/6/30	2000/12/31
資產	ASSETS		
現金及短期資金	Cash and short-term funds	23,899,963	27,159,069
在銀行及其他金融機構於一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	13,697,341	8,209,050
貿易票據	Trade bills	416,350	415,156
持有存款証	Certificates of deposit held	1,334,440	1,290,380
其他證券投資	Other investments in securities	3,812	3,914
貸款及其他賬項淨額	Advances and other accounts, net	34,383,453	36,496,563
持至到期日證券	Held-to-maturity securities	13,308,413	10,954,057
投資證券	Investment securities	101,518	102,118
投資聯營公司	Investments in associates	-	-
固定資產	Fixed assets	472,499	478,845
總資產	Total assets	<u>87,618,289</u>	<u>85,109,152</u>
負債	LIABILITIES		
銀行及其他金融機構的存款及結餘	Deposits and balances of banks and other financial institutions	1,075,960	1,328,495
客戶往來、定期、儲蓄及其他存款	Current, fixed, savings and other deposits of customers	72,167,036	70,416,953
已發行之存款證	Certificates of deposit issued	-	-
其他賬項及準備	Other accounts and provisions	2,611,624	2,389,044
應付股息	Dividends payable	300,000	-
總負債	Total liabilities	<u>76,154,620</u>	<u>74,134,492</u>
資本	CAPITAL RESOURCES		
股本	Share capital	600,000	600,000
儲備	Reserves		
- 資本儲備	- Capital reserve	605	605
- 一般儲備	- General reserve	10,036,766	10,035,766
- 兌換儲備	- Translation reserve	(9,587)	(9,601)
- 留存溢利	- Retained profits	835,885	45,890
		<u>11,463,669</u>	<u>10,674,660</u>
擬派股息	Proposed dividends	-	300,000
股東資金	Shareholders' funds	<u>11,463,669</u>	<u>10,974,660</u>
負債及資本來源總額	Total liabilities and capital resources	<u>87,618,289</u>	<u>85,109,152</u>

補充財務資料

(以千港元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

1. 貸款及其他賬項淨額

(a) 貸款及其他賬項

客戶貸款
暫記利息

呆壞賬準備
- 一般準備
- 特殊準備

應記利息
其他賬項

於二零零一年六月三十日
及二零零零年十二月三十
一日，並沒有貸款予銀行
及其他金融機構。

(b) 利息已計入暫記賬或已停 止累計利息的不履行客戶 貸款

不履行客戶貸款
暫記利息
特殊準備
不履行客戶貸款(扣除暫記
利息)佔客戶貸款總額
比例

為呆壞賬提撥特殊準備時，已
考慮有關貸款之抵押品價值。

於二零零一年六月三十日及二
零零零年十二月三十一日，貸
予銀行及其他金融機構的款項
中，沒有利息計入暫記賬或已
停止累計利息的貸款，亦沒有
就該等貸款提取任何特殊準
備。

1. ADVANCES AND OTHER ACCOUNTS, NET

(a) Advances and other accounts

Advances to customers
Suspended interest

Provisions
- General
- Specific

Accrued interest
Other accounts

There were no advances to banks and other financial institutions as at 30 June 2001 and 31 December 2000.

(b) Non-performing advances to customers on which interest is suspended or has ceased to accrue

Gross non-performing advances to customers
Suspended interest
Specific provisions
Gross non-performing advances to customers
(after deduction of suspended interest)
as a percentage of total advances to
customers

	2001/6/30	2000/12/31
	35,606,959	37,614,406
	(20,971)	(34,704)
	35,585,988	37,579,702
	(1,692,670)	(1,692,670)
	(522,089)	(1,046,669)
	33,371,229	34,840,363
	402,092	418,525
	610,132	1,237,671
	34,383,453	36,496,563

	2001/6/30	2000/12/31
	1,773,362	2,588,445
	(20,971)	(34,704)
	(512,580)	(1,028,850)
	4.92%	6.80%

The specific provisions were made after taking into account the value of collateral in respect of such advances.

There were no advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased as at 30 June 2001 and 31 December 2000, nor were there any specific provisions made for them on these dates.

補充財務資料

(每千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

1. 貸款及其他賬項淨額 (續)

(c) 逾期及經重組之客戶貸款

逾期及不履行客戶貸款
(扣除暫記利息)

貸款逾期
- 三個月以上至六個月

- 六個月以上至一年

- 一年以上

逾期超過三個月之貸款

減:

逾期超過三個月而仍累計
利息之貸款

加:

逾期三個月或以內、或未
逾期，而利息計入暫
記賬或停止累計利息
之貸款

- 包括於重組貸款內

- 其他

不履行貸款

經重組之客戶貸款 (扣除
暫記利息)

經重組之貸款

於二零零一年六月三十日
及二零零零年十二月三十
一日並沒有銀行及其他金
融機構逾期超過三個月之
貸款及經重組之貸款。

重組還款計劃後之貸款如
仍逾期超過三個月以上，
則包括在已逾期之客戶貸
款項內。列出之重組貸款
並未扣除特殊準備。

1. ADVANCES AND OTHER ACCOUNTS, NET (continued)

(c) Overdue and rescheduled advances to customers

Overdue and non-performing advances to customers (after deduction of suspended interest)

	2001/6/30		2000/12/31	
	數額 Amount	佔客戶貸款 總額的比例 % of total advances to customers	數額 Amount	佔客戶貸款 總額的比例 % of total advances to customers
Advances overdue for				
- 6 months or less but over 3 months	348,620	0.98%	390,637	0.91%
- 1 year or less but over 6 months	506,050	1.42%	694,572	1.85%
Over 1 year	1,106,487	3.11%	1,306,331	3.47%
Advances overdue for more than 3 months	1,961,157	5.51%	2,341,540	6.23%
Less:				
Amount overdue for more than 3 months and on which interest is still being accrued	(370,404)	(1.04%)	(409,383)	(1.09%)
Add:				
Amount overdue for 3 months or less or not yet overdue and on which interest is being placed in suspense or on which interest accrual has ceased				
- included in rescheduled advances	70,389	0.20%	482,944	1.29%
- others	91,209	0.25%	138,640	0.37%
Non-performing advances	1,752,391	4.92%	2,553,741	6.80%

Rescheduled advances to customers (after deduction of suspended interest)

	2001/6/30		2000/12/31	
	數額 Amount	佔客戶貸款 總額的比例 % of total advances to customers	數額 Amount	佔客戶貸款 總額的比例 % of total advances to customers
Rescheduled advances	126,812	0.36%	656,347	1.77%

There were no advances to banks and other financial institutions which were overdue for more than 3 months as at 30 June 2001 and 31 December 2000, nor were there any rescheduled advances to banks and other financial institutions on these dates.

Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included under overdue advances. Rescheduled advances are stated before deduction of specific provisions.

補充財務資料

(港幣千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

2. 分類資料

(a) 按行業分類的客戶貸款

按行業分類的客戶貸款(扣除暫記利息)是按該等貸款之用途分類。

在香港使用的貸款
工商金融
- 物業發展
- 物業投資
- 金融企業
- 股票經紀
- 批發及零售業
- 製造業
- 運輸及運輸設備
- 其他
個人
- 購買「居者有其屋」、「私人參建居屋計劃」與「租者置其屋計劃」樓宇的貸款
- 購買其他住宅物業的貸款
- 其他
貿易融資
在香港以外使用的貸款

按區域分類的客戶貸款、逾期逾三個月及不履行貸款，是根據交易方所在的地點而劃分，並已考慮風險轉移因素。一般而言，風險轉移會應用於貸款的擔保人與交易對方位於不同的地點的情況。

(b) 按區域分類的客戶貸款(扣除暫記利息)

香港
中國大陸
其他

2. SEGMENTAL INFORMATION

(a) Sectoral analysis of advances to customers

The information concerning advances to customers (after deduction of suspended interest) by industry sectors has been classified according to the usage of the advances.

	2001/6/30	2000/12/31
Advances for use in Hong Kong		
Industrial, commercial and financial		
- Property development	763,858	795,497
- Property investment	1,516,302	4,383,775
- Financial concerns	796,488	1,042,862
- Stockbrokers	-	-
- Wholesale and retail trade	1,757,575	1,769,269
- Manufacturing	837,929	799,494
- Transport and transport equipment	503,627	398,482
- Others	3,643,836	4,758,975
Individuals		
- Advances for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	3,846,011	2,974,825
- Advances for the purchase of other residential properties	12,704,353	13,109,083
- Others	1,339,710	1,843,014
Trade finance	752,328	931,585
Advances for use outside Hong Kong	4,183,971	4,772,840
	<u>35,585,988</u>	<u>37,579,702</u>

Advances to customers, advances overdue for over 3 months and non-performing advances by geographical areas are classified by the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party in an area which is different from that of the counterparty.

(b) Analysis of advances to customers (after deduction of suspended interest) by geographical areas

	2001/6/30	2000/12/31
Hong Kong	32,933,327	33,941,053
Mainland China	1,750,355	2,221,231
Others	902,306	1,417,418
	<u>35,585,988</u>	<u>37,579,702</u>

補充財務資料

(港幣千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

2. 分類資料 (續)

(c) 按區域分類的逾期超過三個月之貸款 (扣除暫記利息)

香港
中國大陸
其他

(d) 按區域分類的不履行貸款 (扣除暫記利息)

香港
中國大陸
其他

2. SEGMENTAL INFORMATION (continued)

(c) Analysis of advances overdue for over 3 months (after deduction of suspended interest) by geographical areas

	2001/6/30	2000/12/31
Hong Kong	1,355,528	1,543,495
Mainland China	496,575	604,687
Others	109,094	193,358
	<u>1,961,197</u>	<u>2,341,540</u>

(d) Analysis of non-performing advances (after deduction of suspended interest) by geographical areas

	2001/6/30	2000/12/31
Hong Kong	1,179,596	1,499,291
Mainland China	455,821	768,246
Others	116,974	286,204
	<u>1,752,391</u>	<u>2,553,741</u>

3. 貨幣風險

下表列出因買賣、非買賣及結構性倉位而產生的外匯風險額。

3. CURRENCY RISK

The following is a summary of the major foreign currency exposures arising from trading, non-trading and structural positions.

	相當於港千元 Equivalent in HK\$'000	2001/6/30				
		美元	歐元	人民幣	其他	合計
		United States Dollar	EURO	Renminbi	Others	Total
現貨資產	Spot assets	22,427,484	1,645,666	580,363	5,957,267	30,610,780
現貨負債	Spot liabilities	(19,429,149)	(1,264,310)	(523,738)	(5,448,446)	(26,665,643)
遠期買入	Forward purchases	1,554,011	77,935	-	595,623	2,227,573
遠期賣出	Forward sales	(4,721,708)	(454,284)	-	(1,076,659)	(6,252,651)
長(短)盤淨額	Net long (short) position	<u>(169,362)</u>	<u>5,011</u>	<u>56,625</u>	<u>27,785</u>	<u>(79,941)</u>
結構性倉位淨額	Net structural position	<u>361</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>361</u>
		2000/12/31				
		美元	歐元	人民幣	其他	合計
		United States Dollar	EURO	Renminbi	Others	Total
現貨資產	Spot assets	20,176,667	1,140,909	425,327	6,236,501	27,979,404
現貨負債	Spot liabilities	(19,475,823)	(1,125,510)	(382,300)	(5,545,133)	(26,528,766)
遠期買入	Forward purchases	1,565,725	136,475	-	544,809	2,247,009
遠期賣出	Forward sales	(2,425,021)	(144,552)	-	(1,218,960)	(3,788,533)
長(短)盤淨額	Net long (short) position	<u>(158,452)</u>	<u>7,322</u>	<u>43,027</u>	<u>17,217</u>	<u>(90,886)</u>
結構性倉位淨額	Net structural position	<u>461</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>461</u>

補充財務資料

(港幣千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

4. 資產負債表外風險

(a) 或有負債和承擔

以下為各項主要或有負債和承擔按類別之合約金額概要：

直接信貸替代項目
與交易有關的或有項目
與貿易有關的或有項目
其他承擔
原訂到期期限少於一年或可無條件地取消
原訂到期期限為一年及以上

(b) 衍生工具

以下為各項主要衍生工具類別之合約名義金額概要：

匯率合約
遠期
購入期權
出售期權
利率合約
掉期

以上匯率及利率合約的交易主要是因應客戶要求而進行的，並有對應之交易以抵銷未平倉盤。本集團或本銀行並無持有重大未平倉盤。

4. OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	2001/6/30	2000/12/31
Direct credit substitutes	318,267	295,748
Transaction-related contingencies	87,228	91,348
Trade-related contingencies	2,288,260	1,937,509
Other commitments		
With an original maturity of under one year or which are unconditionally cancellable	3,621,528	2,942,436
With an original maturity of one year and over	2,327,286	2,054,980
	<u>8,642,569</u>	<u>7,322,021</u>

(b) Derivatives

The following is a summary of the contractual notional amounts of each significant class of derivatives:

	2001/6/30	2000/12/31
Exchange rate contracts		
Forwards	5,766,725	3,394,630
Options purchased	29,655	14,421
Options written	29,655	14,421
Interest rate contracts		
Swaps	991,936	442,040
	<u>6,820,971</u>	<u>3,865,512</u>

The above exchange rate and interest rate contracts represent trading transactions that are substantially initiated in response to customer demands with corresponding transactions undertaken to offset the position. No significant open position is maintained by the Group or the Bank.

補充財務資料

(港幣千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

4. 資產負債表外風險 (續)

(b) 衍生工具 (續)

上述資產負債表外項目的重置成本及信貸風險加權金額(未計入雙邊淨額安排的影響)如下:

或有負債和承擔
外匯合約
利率合約

這些工具的合約或名義金額顯示在資產負債表日仍未清算的交易量,但並不代表所承受風險的金額。

重置成本是指倘若對家違約,重置市價為正的所有合約的成本,亦即所有市價為正的合約的市價。重置成本反映於資產負債表日該等合約的大約信貸風險。

信貸風險加權金額是根據《銀行業條例》附表三及香港金融管理局頒佈的相關指引計算的。計算出的金額與交易對家的狀況及各類合約的期限特徵有關。

5. 資本充足比率及流動資金比率

(a) 資本充足比率

未經調整的資本充足比率
調整後(計入市場風險)
的資本充足比率

未經調整的資本充足比率是根據香港金融管理局所訂定的綜合基準以及《銀行業條例》附表三而計算(綜合基準包括本銀行及南洋財務有限公司)。

調整後的資本充足比率是根據香港金融管理局所頒發的《就市場風險維持充足資本》指引在考慮市場風險後計算的。計算基準與未經調整資本充足比率所根據的基準相同。

4. OFF-BALANCE SHEET EXPOSURES (continued)

(b) Derivatives (continued)

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures which do not take into account the effects of bilateral netting arrangements are as follows:

	2001/6/30		2000/12/31	
	重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount	重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount
Contingent liabilities and commitments	N.A.	1,829,529	N.A.	1,595,120
Exchange rate contracts	17,415	19,416	45,245	17,308
Interest rate contracts	44,855	26,343	16,652	9,745
	<u>62,270</u>	<u>1,875,288</u>	<u>61,797</u>	<u>1,622,173</u>

The contract or notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date; they do not represent amounts at risk.

Replacement cost is the cost of replacing all contracts which have a positive value when marked to market (should the counterparty default on its obligations) and is obtained by marking to market contracts with a positive value. Replacement cost is a close approximation of the credit risk for these contracts at the balance sheet date.

The credit risk weighted amounts are the amounts which have been calculated in accordance with the Third Schedule of the Banking Ordinance and guidelines issued by the Hong Kong Monetary Authority. The amounts calculated are dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

5. CAPITAL ADEQUACY AND LIQUIDITY RATIOS

(a) Capital adequacy ratios

	2001/6/30	2000/12/31
Unadjusted capital adequacy ratio	<u>30.36%</u>	<u>28.96%</u>
Adjusted capital adequacy ratio incorporating market risk exposure	<u>30.29%</u>	<u>28.91%</u>

The unadjusted capital adequacy ratio is computed on the consolidated basis, which includes the Bank and a subsidiary, Nanyang Finance Company Limited, as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Third Schedule to the Banking Ordinance.

The adjusted capital adequacy ratio incorporating market risk exposure is computed in accordance with the guideline "Maintenance of Adequate Capital Against Market Risks" issued by the Hong Kong Monetary Authority and on the same consolidated basis as for the unadjusted capital adequacy ratio.

補充財務資料

(港幣千元單位列示)

SUPPLEMENTARY FINANCIAL INFORMATION

(Expressed in thousands of Hong Kong dollars)

5. 資本充足比率及流動資金比率 (續)

(b) 資本基礎

核心資本
繳足的普通股本
儲備
溢利
核心資本總額
可計算的附加資本
一般撥備及呆賬準備
扣減前的資本基礎總額
資本基礎的扣減項目
扣減後的資本基礎總額

(c) 流動資金比率

由1月1日至6月30日期
內平均流動資金比率

期內平均流動資金比率是
每月平均流動資金比率的
簡單平均數，是根據香港
金融管理局所訂以銀行
(本地) 為基礎及《銀行業
條例》附表四而計算。

會計政策

本中期報告按綜合基礎編製，並採
用與二零零零年十二月三十一日
財務報表一致的會計政策與計算
方法，惟確認擬派股息部份除外。

由於採納了香港會計師公會於二零
零一年一月一日生效之經修訂會計
實務準則第九號「結算日後事
項」，於結算日後有擬派或宣派
之股息不再被確認為本集團負債之
一部份，而被列作為資本內之項
目。此會計政策已追溯應用。由於
上述原因，本集團原列於二零零
零年十二月三十一日綜合資產負債表
內合共5億港元之擬派股息，已重
列作資本內之項目。

比較數字

若干二零零零年比較數字已重新分
類以符合本期之呈報形式。

遵從情況說明

本銀行已全面遵從香港金融管理局
於二零零一年六月十三日所頒佈的
《香港註冊認可機構披露中期財務
資料建議》以製訂此中期業績報
告。

5. CAPITAL ADEQUACY AND LIQUIDITY RATIOS (CONTINUED)

(b) Capital base

	2001/6/30	2000/12/31
Core capital		
Paid up ordinary share capital	600,000	600,000
Reserves	10,056,919	9,381,158
Profit and loss account	781,649	976,170
Total core capital	11,438,568	10,957,328
Eligible supplementary capital		
General provisions for bad and doubtful debts	501,157	504,865
Total capital base before deductions	11,939,725	11,462,193
Deductions from total capital base	(151,138)	(108,318)
Total capital base after deductions	11,808,587	11,353,875

(c) Liquidity ratio

	2001	2000
Average liquidity ratio for the period from 1 January to 30 June	64.29%	68.96%

The average liquidity ratio for the period is the simple average of each calendar month's average liquidity ratio, which is computed on the so-o basis (the Bank's offices in Hong Kong only) as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Fourth Schedule to the Banking Ordinance.

ACCOUNTING POLICY

This interim report is prepared on a consolidated basis and follows the same accounting policies and methods of computation as compared with the financial statement of 31 December 2000, except for the recognition of proposed dividends.

Following the adoption of the revised Statement of Standard Accounting Practice 9 "Events After Balance Sheet Date" issued by the Hong Kong Society of Accountants which became effective on 1 January 2001, dividends proposed or declared after the balance sheet date are no longer recognised as part of liabilities of the Group, but are included in the capital resources as a separate item. The accounting policy has been applied retrospectively. As a result, the proposed dividends of HK\$300,000,000 appearing in the consolidated balance sheet as at 31 December 2000 was reclassified as an item in capital resources.

COMPARATIVE FIGURES

Certain of the 2000 comparative figures have been reclassified to conform to the current period's presentation.

STATEMENT OF COMPLIANCE

In preparing the Interim Report 2001, the Bank has fully complied with "Recommendations on Interim Financial Disclosure by Authorized Institutions Incorporated in Hong Kong" issued by the Hong Kong Monetary Authority on 13 June 2001.

面對複雜及激烈競爭的經營環境，本行依靠客戶的大力支持及全體員工的勤奮工作，一如既往地按照積極、穩妥的原則，為客戶提供優質的服務，在2001年上半年取得較理想的業績。2001年上半年未經審核的除稅後綜合溢利為7.89億港元，比去年同期增加1.65億港元或26.45%。這主要由於本行大力加強催理力度，使資產質素得到改善，不良貸款比率由2000年年底的6.80%減至2001年6月30日的4.92%。因此，2001年上半年的呆壞帳撥備較去年同期減少3.03億港元，減幅96.41%。本行上半年提供準備前之經營溢利由2000年的11.05億港元下跌至2001年的9.45億港元，減少了14.53%。

由於市場競爭激烈的關係，2001年上半年的淨利息收入比去年同期下跌了1.22億港元至10.73億港元，減幅10.21%。本行繼續進行調整組織架構，適度地進行人員調配、提高運作效率，推行資源增值等各種措施。因此，本行上半年的經營支出由2000年同期的3.28億港元減至3.25億港元。

截至2001年6月30日，綜合總資產較2000年年底增加25.09億港元至876.18億港元，同日的客戶存款及客戶貸款分別為721.57億港元及356.07億港元，貸存比率由2000年年底的53.42%減至49.34%。

展望未来，銀行業競爭勢必進一步加劇，經營環境未許樂觀。中銀集團正在進行重組，本行將成為中國銀行（香港）有限公司的附屬機構及繼續共用控股銀行的資源。在業務發展方面，與控股銀行採取互相配合、密切結合的經營策略，各自發展，資源共享。本行將與控股銀行一起為香港社會、金融的穩定、繁榮和發展更好地服務。

面對新的挑戰，本行將以高科技為依托，為客戶提供更具效益的增值服務，以吸納更多客戶及進一步完善客戶結構，繼續研究不同業務品種，進一步拓展業務，提高經營管理及服務水平，以加強本行的競爭力，爭取更好的業績。

承董事會命

李繼文謹啟

副董事長兼總經理

香港，二零零一年九月十四日

Faced with a complex and fierce competitive operating environment, we have benefited from the ardent support of our clients and the diligence of our entire workforce. In line with our established principles of proactive, prudent and superb service, we continued to provide our clients with highly efficient and diversified financial services and achieved satisfactory result for the first half year of 2001. The unaudited consolidated profit after tax for the first half year of 2001 was HK\$789 million, an increase of HK\$155 million or 26.45% compared with the corresponding period of the last year. This was mainly due to our great effort in problem-loan workout and collection. This resulted in improvement of asset quality. The non-performing loan ratio dropped from 6.80% at the end of year 2000 to 4.92% at 30 June 2001. Therefore, the charge for bad and doubtful debts for the first half of year 2001 fell by HK\$303 million or 96.41% compared with the same period of the last year. Operating profit before provisions for the first half year dropped 14.53% from HK\$1,105 million in year 2000 to HK\$945 million in year 2001.

The net interest income declined to HK\$1,073 million for the first half year of 2001 as a result of the keen market competition, representing a decrease of HK\$122 million or 10.21% over the same period of the last year. We have continued to streamline our organization structure, re-allocate human resource, boost operational efficiency and promote value-adding concept. Therefore, the operating expenses for the first half year dropped slightly from HK\$328 million in year 2000 to HK\$325 million in year 2001.

At 30 June 2001, the consolidated total assets increased to HK\$87,618 million, a rise of HK\$2,509 million from the end of the year 2000. Our deposits by customers and advances to customers stood respectively at HK\$72,157 million and HK\$35,607 million as at 30 June 2001. The advances-to-deposits ratio dropped from 53.42% at the end of the year 2000 to 49.34% then.

Looking ahead, the competition is escalating and the prospects for the banking industry are less than promising. The Bank of China Group is in the process of restructuring. The Bank will become a subsidiary of the Bank of China (Hong Kong) Limited and will continue to share the resources of our parent company. On business development, we will play a supporting role while advancing our own developments. We will work with our parent company for the benefit of the community, and to enhance the financial stability and prosperity of Hong Kong.

In the face of new challenges, we will leverage on advance technology to provide cost effective and value-added solutions to attract more customers and further enhance our customer franchise. We will continue to expand our product coverage and develop our business so as to raise our management and service standards and sharpen our competitive edge in a bid to achieve even better results.

By Order of the Board

Li Ji Wen

Vice-Chairman & General Manager

Hong Kong, 14 September 2001