

(一) 主要會計政策**甲、編製基礎**

本賬目以歷史成本常規法編製，並就投資物業及證券投資之重估作出修訂。本賬目乃根據香港普遍採納之會計準則編製，同時符合香港會計師公會頒佈之會計實務準則之規定。

乙、綜合賬目基準

綜合賬目包括本銀行與各附屬公司截至十二月三十一日止之賬目。本集團內部各公司間之重大交易及結餘已在綜合賬目內對銷。

在本銀行之資產負債表內，附屬公司投資乃按其成本值減除減值虧損準備金列示；本銀行計算其附屬公司之業績是根據已收及應收股息作基準。

丙、合營業務

合營業務指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單方面之控制權。

綜合損益賬包括本集團應佔共同控制實體之本年度業績，而綜合資產負債表則包括本集團應佔共同控制實體之資產淨值。

在本銀行之資產負債表內，共同控制實體投資以成本值減除減值虧損準備列賬。本銀行將共同控制實體之業績按已收及應收股息入賬。

丁、聯營公司

聯營公司為附屬公司以外，本集團持有其股權作長期投資，並對其管理具有重大影響力之公司。

綜合損益賬包括本集團應佔聯營公司之本年度業績，而綜合資產負債表則包括本集團應佔聯營公司之資產淨值。

在本銀行之資產負債表內，聯營公司投資以成本值減除減值虧損準備列賬。本銀行將聯營公司之業績按已收及應收股息入賬。

1 Principal accounting policies**(a) Basis of preparation**

The accounts have been prepared under the historical cost convention as modified by the revaluation of investment properties and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong and comply with Statements of Standard Accounting Practice (“SSAP”) issued by the Hong Kong Society of Accountants (“HKSA”).

(b) Basis of consolidation

The consolidated accounts include the accounts of the Bank and all of its subsidiaries made up to 31 December. All significant intercompany transactions and balances within the Group are eliminated on consolidation.

In the Bank’s balance sheet, the investments in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Bank on the basis of dividends received and receivable.

(c) Joint ventures

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated profit and loss account includes the Group’s share of the results of jointly controlled entities for the year and the consolidated balance sheet includes the Group’s share of the net assets of the jointly controlled entities.

In the Bank’s balance sheet, the investments in jointly controlled entities are stated at cost less provision for impairment losses. The results of jointly controlled entities are accounted for by the Bank on the basis of dividends received and receivable.

(d) Associated companies

An associated company is a company, not being a subsidiary, in which an equity interest is held for the long-term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group’s share of the results of associated companies for the year and the consolidated balance sheet includes the Group’s share of the net assets of the associated companies.

In the Bank’s balance sheet, the investments in associated companies are stated at cost less provision for impairment losses. The results of associated companies are accounted for by the Bank on the basis of dividends received and receivable.

(一) 主要會計政策(續)**戊、收入認算**

本銀行及其附屬公司之主要業務為提供銀行及有關之財務服務。

利息收入在其產生時列入損益賬，呆賬之利息則撥入暫記賬項內，並在資產負債表內相關結餘中扣除。

服務費、佣金及租金收入按其應收款項入賬。股息收入在收取款項之權利確定時列賬。

己、客戶及同業貸款

所有貸款在有關現金貸予借款人時列賬。客戶及同業貸款乃按其本金結餘值扣除已撥存呆壞賬準備記錄於資產負債表內。客戶及同業貸款中包括一年以上到期之定期存放同業。現金回贈予住宅按揭貸款已資本化，並按直線法以三年期於損益賬內作出攤銷。

庚、呆壞賬準備

本集團於內部已將貸款分類為不同的級別。貸款之等級大部份乃按照借款人之還款能力及其收回利息及/或本金之可能性而作出評估。貸款等級之評定亦已考慮拖欠償還利息及/或本金之時間。

若本集團對貸款之最終可收回全部本息存有懷疑，均已撥存準備。本集團會按個別情況對該等貸款所潛在之虧損作個別評估，經考慮其抵押品後，提撥特殊準備，將該等資產之賬面價值減至預期可變現之淨值。若虧損未能可靠地估計，本集團則按照預設的提準備準則對個別貸款之等級，為無抵押貸款部份提撥準備。

此外另有撥出一筆款項作為一般呆賬準備。特殊及一般準備已從資產負債表之“貸款及其他賬項”及“商業票據”中扣除。若債務結欠並無實際可收回之前景，該等債務均被撇除。

辛、外幣

外幣交易乃按照交易日實際匯率折算。外幣結存之貨幣資產負債均依照結算日之匯率伸算。有關匯兌損益已包括在損益賬內。

1 Principal accounting policies (continued)**(e) Income recognition**

The Bank and its subsidiaries are engaged in the provision of banking and related financial services.

Interest income is recognised in the profit and loss account as it accrues, except in the case of doubtful debts where interest is credited to a suspense account which is netted in the balance sheet against the relevant balances.

Fees, commission and rental income are accounted for as and when they are receivable. Dividend income is recognised when the right to receive payment is established.

(f) Advances to customers, banks and other financial institutions

All advances are recognised when cash is advanced to borrowers. Advances to customers, banks and other financial institutions are reported on the balance sheet at the principal amount outstanding net of provisions for bad and doubtful debts. Advances to banks and other financial institutions include placements with banks and other financial institutions for more than one year. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the profit and loss account on a straight line basis over three years.

(g) Provision for bad and doubtful debts

The Group internally classifies loans and advances into different categories. The classification of loans and advances is largely based on the assessment of the borrower's capacity to repay and on the degree of doubt about the collectibility of interest and/or principal. The periods that payments of interest and/or principal have been overdue are also taken into account when classifying the loans and advances.

Provisions are made against specific loans and advances as and when the Group has doubt on the ultimate recoverability of principal or interest in full. Specific provision is made to reduce the carrying value of the asset, taking into account available collateral, to the expected net realisable value based on the Group's assessment of the potential losses on those identified loans and advances on a case-by-case basis. Where it is not possible to reliably estimate the loss, the Group applies pre-determined provisioning levels to the unsecured portion of loans and advances based on the classification of the respective loans and advances.

In addition, amounts have been set aside as a general provision for bad and doubtful debts. Both specific and general provisions are deducted from "Advances and other accounts" and "Trade bills" in the balance sheet. When there is no realistic prospect of recovery, the outstanding debt is written off.

(h) Foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange ruling at the balance sheet date. All exchange gains and losses are dealt with in the profit and loss account.

(一) 主要會計政策 (續)**壬、固定資產****(i) 房產**

房產乃指持有之自用物業，按成本值減除折舊後列示。如投資物業轉作房產，則按其賬面價值轉撥，其先前之重估儲備則保留在重估投資物業儲備賬內直至有關物業出售為止。在有關物業出售時，其先前之重估儲備則由重估投資物業儲備賬直接轉撥為保留溢利。房產折舊乃按照資產之估計可用年期以直線折舊法計算如下：

- 租約土地按租約尚餘年期予以折舊。
- 樓宇及其改良乃按四十年或租約尚餘年期之較短者予以折舊。

(ii) 投資物業

投資物業乃指持有作投資用途之物業。租約尚餘年期超過二十年之投資物業，不予折舊，但每隔三年或以內會由獨立專業估值師以公開市值作基準重新估值一次；於每一相隔年間之估值，由外聘或內部專業估值師作出評估。租約尚餘年期二十年或以內之投資物業則按租約尚餘年期提撥折舊準備。

增值列入重估投資物業儲備賬，減值則先按整體投資組合之基準，從重估投資物業儲備對銷，然後在損益賬內扣除。

在出售投資物業時，重估儲備中與先前估值有關之已變現部份，將從投資物業重估儲備中撥入損益賬。

(iii) 傢俬及設備

傢俬及設備均按照成本值減除折舊後列示，計算方法乃按照其估計可用年期，以餘額遞減法用年率百分之二十至百分之三十計算。

(iv) 減值與出售盈虧

在每年結算日，均須研究內外資訊以評估銀行房產、傢俬及設備是否出現減值。如有跡象顯示資產出現減值，便須評估該等資產之可收回價值及(如適用)將有關減值虧損列賬，使該等資產減值至其可收回之價值。此等減值虧損在損益賬內扣除，如該資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，該等減值虧損則在此情況下視為重估減值。

1 Principal accounting policies (continued)**(i) Fixed assets****(i) Premises**

Premises represent those properties held for own use and are stated at cost less depreciation. Premises reclassified from investment properties are transferred at their carrying value. Any previous revaluation reserve on the reclassified assets is frozen in the investment properties revaluation reserve until the disposal of the asset. On the disposal of the asset, the frozen revaluation reserve is transferred directly to retained earnings. Depreciation of premises is calculated on a straight line basis to write off the assets over their estimated useful lives as follows:

- Leasehold land is depreciated over the unexpired terms of the leases.
- Building and improvements thereto are depreciated over the lesser of 40 years or the unexpired terms of the leases.

(ii) Investment properties

Investment properties represent those properties held for their investment potential. Investment properties held on leases with unexpired periods of greater than 20 years are not depreciated but are valued at intervals of not more than three years by an independent professional valuer on an open market value basis; in each of the intervening years, valuations are undertaken by either external or internal professionally qualified valuers. Investment properties held on leases with unexpired periods of 20 years or less are not revalued but are depreciated over the remaining term of the leases.

Increases in valuations are credited to the investment properties revaluation reserve; decreases in valuations are first set off against the investment properties revaluation reserve on a portfolio basis and thereafter are charged to the profit and loss account.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous revaluations is released from investment properties revaluation reserve to the profit and loss account.

(iii) Furniture and equipment

Furniture and equipment is stated at cost less depreciation calculated on a reducing balance basis to write off the assets over their estimated useful lives, at annual rates ranging from 20% to 30%.

(iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that bank premises and furniture and equipment are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

(一) 主要會計政策(續)**壬、固定資產(續)****(iv) 減值與出售盈虧(續)**

出售固定資產(投資物業除外)之收益或虧損指出售所得收入淨額與資產賬面值之差額，並列於損益賬內。任何屬於該等資產之重估儲備結餘均轉撥至保留溢利，並詳列於儲備變動內。

癸、投資證券**(i) 持至到期證券**

持至到期證券是本集團計劃並有能力持有至到期日之有期債務證券。此類證券乃按成本值減除跌價準備列賬，而成本值經就購買時之溢價或折讓，按贖回年期作出攤銷而調整。若本集團估計未能收回這類證券之賬面值，即會提撥準備金並於損益賬內支銷。

有期債務證券攤銷之溢價或折讓作為利息收入。持有至到期日之證券變現之損益在其產生時列入損益賬中。

(ii) 持作買賣用途之證券

持作買賣用途之證券指用作從短期的價格波動中獲利而購入之證券，此類證券乃按其公平價值入賬。公平價值乃指交易對手均在知情並願意情況下按公平原則磋商訂立之資產交換或支付債務的金額。公平價值變動於產生時列入損益賬內。

(iii) 非持作買賣用途之證券

非持作買賣用途之證券包括除持至到期證券或持作買賣用途證券以外之債務及股權證券。非持作買賣用途證券乃按公平價值列於資產負債表內。

非持作買賣用途證券公平值之變動於重估投資儲備內確認，直至該證券沽出或被評定為耗蝕時，屆時有關之累積收益或虧損，會從重估投資儲備轉往損益賬內。

1 Principal accounting policies (continued)**(i) Fixed assets (continued)****(iv) Impairment and gain or loss on sale (continued)**

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(j) Investment in securities**(i) Held-to-maturity securities**

Held-to-maturity securities are dated debt securities for which the Group has both the intention and ability to hold to maturity. These securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for diminution in their value. Provisions are made for the amount of the carrying value which the Group does not expect to recover and are recognised as an expense in the profit and loss account as they arise.

The amortisation of premiums and discounts arising on acquisition of dated debt securities is included as part of interest income. Profits or losses on realisation of held-to-maturity securities are accounted for in the profit and loss account as they arise.

(ii) Trading securities

Trading securities are securities which were acquired for the purpose of generating a profit from short-term fluctuations in price and are stated at fair value at the balance sheet date. Fair value is the amount for which an asset can be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction. Changes in fair value of trading securities are recognised in the profit and loss account as they arise.

(iii) Non-trading securities

Non-trading securities include debt and equity securities other than those classified as held-to-maturity securities or trading securities. Non-trading securities are stated at fair value at the balance sheet date.

Changes in the fair value of non-trading securities are recognised in the investment revaluation reserve until the security is sold or determined to be impaired, at which time the cumulative gain or loss is transferred from the investment revaluation reserve to the profit and loss account.

(一) 主要會計政策(續)**子、遞延稅項**

申報稅項之溢利與賬項內之溢利兩者間之重大時差，若在短期內影響資產與負債之收付，即按現行稅率提撥遞延稅項。

丑、退休福利支出

本集團設有四項職員退休福利計劃，包括兩項界定福利計劃(其中一項有界定供款成份)及兩項界定供款計劃(其中一項為強制性公積金計劃)，其資產均與本集團之資產分開，由獨立信託基金管理。退休福利支出於有關供款到期時由損益賬內撥出。界定福利計劃每年之供款，均由精算師定期評估該等計劃之資產負債而釐定。

寅、營業租約

任何租約，如因持有該資產所得之絕大部份報酬及風險仍保留在出租公司內，該等租約以營業租約列賬。該等營業租約租金，按租約年期以直線法從損益賬內扣除。

卯、租購合約及融資租賃

應收客戶之租購合約及融資租賃賬款按投資淨額列入“貸款及其他賬項”內，該投資淨額包括租購合約及融資租賃之應收租金總額減未賺取之財務收入。應收租金隱含之財務收入於租賃期間列入損益表內，使每個會計期間為投資結欠淨額取得近乎穩定之收益率。租購合約及融資租賃之經紀佣金於租約期內以直線法攤銷。

辰、股息

根據香港會計師公會頒佈之經修訂會計實務準則第九號「結算日後事項」，本集團於結算日後擬派或宣派之股息不再於結算日確認為負債。

如註釋(十)所述，此項會計政策之變更已追溯應用，因而導致本集團及本銀行於二〇〇〇年十二月三十一日之總負債減少港幣二億六千七百零一萬九千元，而本集團及本銀行之股東資金於同時增加同一數額。

1 Principal accounting policies (continued)**(k) Deferred taxation**

Deferred taxation is accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset is expected to be payable or receivable in the foreseeable future.

(l) Retirement benefit costs

The Group operates four staff retirement schemes comprising two defined benefit schemes (including one with a defined contribution element) and two defined contribution schemes (including one mandatory provident fund scheme). The assets of these schemes are all held separately from those of the Group in independently administered funds. Retirement benefit costs are charged to the profit and loss account as and when the contributions fall due. For the defined benefit schemes, the annual contributions are determined based on periodic valuations by qualified actuaries of the assets and liabilities of the schemes.

(m) Operating leases

Leases where substantially all of the rewards and risks of ownership of the asset remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases are charged to the profit and loss account on a straight line basis over the lease term.

(n) Hire purchase contracts and finance leases

The amounts due from customers in respect of hire purchase contracts and finance leases are included in “Advances and other accounts” at net investment which represents the total rentals receivable under hire purchase contracts and finance leases less unearned finance income. Finance income implicit in the rental receivable is credited to the profit and loss account over the lease period or hire period so as to produce an approximately constant periodic rate of return on the net investment outstanding for each accounting period. Dealer commission paid for hire purchase contracts or finance leases is amortised on a straight line basis over the terms of the leases.

(o) Dividends

In accordance with the revised SSAP 9 “Events after the balance sheet date” issued by the HKSA, the Group no longer recognises dividends proposed or declared after the balance sheet date as a liability as at the balance sheet date.

As detailed in note 10, this change in accounting policy is applied retrospectively and has resulted in a decrease in total liabilities of the Group and the Bank as at 31 December 2000 by HK\$267,019,000 and an increase in the shareholders’ funds of the Group and the Bank by the same amount.