

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

25. ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS

	2001 HK\$'000	2000 HK\$'000
Cash and balances with banks and other financial institutions	409,020	338,616
Money at call and short notice	13,034,683	13,443,296
Exchange fund bills	826,136	776,408
Placements with banks and other financial institutions (repayable within three months)	2,200,011	2,370,007
Deposits and balances of banks and other financial institutions (repayable within three months)	(544,206)	(1,158,721)
	<u>15,925,644</u>	<u>15,769,606</u>

26. LOANS TO OFFICERS

The aggregate relevant loans to officers disclosed pursuant to Section 161B(4B) of the Companies Ordinance are as follows:

	THE GROUP AND THE BANK	
	2001 HK\$'000	2000 HK\$'000
Aggregate balance of all relevant loans outstanding at the balance sheet date	<u>132,101</u>	<u>110,294</u>
Maximum aggregate balance of relevant loans during the year	<u>141,717</u>	<u>117,858</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

27. OFF-BALANCE SHEET EXPOSURES

	THE GROUP		THE BANK	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Contingent liabilities and commitments				
– contractual amounts				
Direct credit substitutes	390,897	379,255	390,897	379,255
Trade – related contingencies	195,097	238,304	195,097	238,304
Other commitments				
With an original maturity of under one year or which are unconditionally cancellable	3,283,442	3,822,901	3,285,072	3,823,081
With an original maturity of one year and over	1,791,073	1,126,988	1,790,559	1,125,704
Forward assets purchases	136,322	177,807	136,322	174,375
	<u>5,796,831</u>	<u>5,745,255</u>	<u>5,797,947</u>	<u>5,740,719</u>

Included under “Other commitments” are non-cancellable operating leases commitments in respect of rented premises. At the balance sheet date, the Group had commitments for future minimum lease payments under these non-cancellable operating leases which fall due as follows:

	THE GROUP		THE BANK	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Within one year	19,501	18,280	21,130	18,460
In the second to fifth year inclusive	19,000	25,716	18,487	24,432
	<u>38,501</u>	<u>43,996</u>	<u>39,617</u>	<u>42,892</u>

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2001

27. OFF-BALANCE SHEET EXPOSURES - continued

Included under "Forward assets purchases" are capital commitments as follows:

	THE GROUP		THE BANK	
	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Capital expenditure contracted for but not provided in the financial statements in respect of:				
– property and equipment	7,787	21,565	7,787	18,133
– investment in fund	128,535	156,242	128,535	156,242
	<u>136,322</u>	<u>177,807</u>	<u>136,322</u>	<u>174,375</u>
Derivatives - notional amounts				
Forward exchange rate contracts				
– hedging	<u>49,742</u>	<u>25,506</u>	<u>49,742</u>	<u>25,506</u>

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures are as follows:

	THE GROUP				THE BANK			
	2001		2000		2001		2000	
	Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Contingent liabilities and commitments	N/A	1,220,452	N/A	938,657	N/A	1,220,452	N/A	938,657
Exchange rate contracts	895	696	155	153	895	696	155	153
	<u>895</u>	<u>1,221,148</u>	<u>155</u>	<u>938,810</u>	<u>895</u>	<u>1,221,148</u>	<u>155</u>	<u>938,810</u>

The above amounts do not take into account the effects of bilateral netting arrangements.

At the balance sheet, the Group as lessor had contracted with tenants for the following future minimum lease payments:

	THE GROUP AND THE BANK	
	2001	2000
	HK\$'000	HK\$'000
Within one year	7,000	7,179
In the second to fifth year inclusive	2,177	2,671
	<u>9,177</u>	<u>9,850</u>