

截至二零零三年十二月三十一日止年度
For the year ended 31st December 2003

1 主要業務

本銀行之主要業務為提供銀行、融資及其他相關服務。各附屬公司之主要業務載於賬目附註25。

2 主要會計政策

(a) 編製基準

本賬目乃根據香港普遍採納之會計準則及香港會計師公會所頒佈之會計實務準則（「會計準則」）之規定，按歷史成本慣例編製，並已就若干銀行房產、物業及證券投資之重估作出調整。

本年度，本集團已採納下列由香港會計師公會頒佈之會計準則，該等會計準則對二零零三年一月一日或之後起計之會計期間生效：

會計準則第12號： 所得稅

會計準則第34號
（修訂）： 僱員福利

本集團會計政策之變動及採納該等新政策之影響載於以下各段。

(b) 綜合賬目

綜合賬目包括本銀行及其附屬公司截至十二月三十一日之賬目。附屬公司為本集團控制董事會之組成、超過半數投票權或持有過半數已發行股本之公司。年內所收購或出售之附屬公司之業績已自收購生效日起或截至出售生效日為止（如適用）計入綜合損益表內。

本集團成員公司間所有重大交易及結餘已在綜合賬目內對銷。

出售附屬公司之盈虧乃指出售所得款項與本集團應佔資產淨值及任何計入儲備而未曾於綜合損益表扣除或確認之商譽或負商譽之差額。

在本銀行的資產負債表中，於附屬公司之投資按成本減任何減值虧損撥備列賬。附屬公司的業績按已收及應收股息為基準入賬。

1 PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of banking, financial and other related services. The principal activities of the subsidiaries are shown in Note 25 to the accounts.

2 PRINCIPAL ACCOUNTING POLICIES

(a) Basis of preparation

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

In the current year, the Group has adopted the following SSAPs issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2003:

SSAP 12 : Income taxes

SSAP 34 (revised) : Employee benefits

The changes to the Group's accounting policies and the effect of adopting these new policies are set out in the following paragraphs.

(b) Consolidation

The consolidated accounts include the accounts of the Bank and its subsidiaries made up to 31st December. Subsidiaries are those entities in which the Group controls the composition of the Board of Directors, controls more than half of the voting power or holds more than half of the issued share capital. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated profit and loss account.

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.

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2 主要會計政策 (續)

(c) 聯營公司

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

綜合損益表已包括本集團於該年度應佔聯營公司之業績，而綜合資產負債表已包括本集團應佔聯營公司之資產淨值及收購產生的商譽(扣除累計攤銷)。

在本銀行的資產負債表中，於聯營公司之投資按成本減任何減值虧損撥備列賬。聯營公司的業績按已收及應收股息為基準入賬。

當聯營公司的投資賬面值為零時，除非本集團就有關聯營公司負有責任或擔保責任，否則便不再採用權益會計法入賬。

(d) 收益確認

利息收入在應計時在損益表確認，惟呆賬的利息則撥入暫記賬，並與資產負債表內的相關結餘對銷。

收費及佣金收入在賺取時確認，惟假若有關交易涉及超逾本集團會計期間的利率或其他風險，則按有關交易限期攤銷。

股息收入於確立收取股息權利時確認。

(e) 向客戶、銀行同業及其他金融機構貸款

向客戶、銀行同業及其他金融機構提供的貸款均按未償還本金額扣減呆壞賬撥備計入資產負債表。向銀行同業及其他金融機構提供的貸款包括存放於銀行同業及其他金融機構超過一年之存款。有關住宅按揭貸款之現金回贈均已資本化，並以直線法按不超過三年之提早還款懲罰期攤銷。

所有貸款均於現金貸予借款人時確認。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(c) 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 the associated companies for the year. The consolidated balance sheet includes the Group's share of the net assets of the associated companies including goodwill (net of accumulated amortisation) on acquisition.

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

Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

(d) Revenue recognition

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 and commission income are recognised when earned, unless they relate to transactions involving an interest rate risk or other risks which extend beyond the current period, in which case they are amortised over the relevant period.

Dividend income is recognised when the right to receive payment is established.

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

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 on a straight-line basis over the prepayment penalty period not exceeding three years.

All advances are recognised when cash is advanced to borrowers.

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2 主要會計政策 (續)

(f) 呆壞賬撥備

當董事對最終能否全數收回本息存疑時，將就該貸款作出撥備。董事會按個別情況對該等貸款之潛在虧損進行評估，經扣除任何抵押品後，將資產之賬面值減至預期的可變現淨值。倘不能可靠地評估虧損時，則本集團會以預先釐定之撥備水平按本集團之貸款分類程序就貸款之無抵押部份作出撥備。

本集團內部將貸款分成五個主要類別：合格、關注、次級、呆滯及虧損。貸款之分類主要根據借款人還款能力及本息收回程度作出評估。分類之評定亦已考慮其本息之逾期情況。

此外，本銀行亦已提撥呆壞賬一般撥備金。於作出一般撥備時，就向具備對外信貸評級之客戶作出之貸款及墊款，會考慮到其所獲對外信貸評級評定之拖欠可能性及該等借款人之預期虧損。專項及一般撥備金均於資產負債表自「貸款及其他賬項」及「商業票據」中扣除。

倘無望收回貸款，則撇銷其未償還債務。

(g) 收回資產

透過收回抵押品以作變現的資產繼續列為貸款。倘收回資產的預期變現淨值不足以償付有關的未償還貸款，有關差額將作出撥備。

(h) 外幣換算

以外幣為本位幣的交易，均按交易當日之匯率換算。於結算日以外幣定值之貨幣資產及負債則按結算日之匯率換算，所產生的換算差額計入損益表。

以外幣列賬之聯營公司的資產負債表按結算日之匯率換算，而損益表則按期間之平均匯率換算，所產生的匯兌差額列作儲備變動入賬。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(f) Provisions for bad and doubtful debts

Provisions are made against specific loans and advances as and when the Directors have doubts on the ultimate recoverability of principal or interest in full. Specific provision is made to reduce the carrying value of the asset, net of any collateral, to the expected net realisable value based on the Directors' 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 Group's loan classification procedures.

The Group internally classifies loans and advances into five main categories: pass, special mention, substandard, doubtful and loss. 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.

In addition, amounts have been set aside as a general provision for bad and doubtful debts. For loans and advances to customers with external credit ratings, probabilities of default based on the external credit rating to which the borrowers belong and expected losses of these borrowers are considered when making general provision. 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.

(g) Repossessed assets

Assets acquired by repossession of collateral for realisation continue to be reported as advances. Provision is made on the shortfall between the expected sales proceeds from realisation of the repossessed assets and the outstanding advances.

(h) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities expressed in foreign currencies at the balance sheet date are translated at rates of exchange ruling at the balance sheet date. Exchange differences arising in these cases are dealt with in the profit and loss account.

The balance sheet of an associated company expressed in foreign currencies is translated at the rates of exchange ruling at the balance sheet date whilst the profit and loss account is translated at an average rate for the period. Exchange differences are dealt with as a movement in reserves.

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2 主要會計政策 (續)

(i) 固定資產

- (i) 銀行房產及物業
銀行房產及物業乃按成本值或估值減累計減值及折舊入賬。折舊按下列估計可使用年期以直線法攤銷：

租約土地	尚餘租期
樓宇	租期或50年，取兩者之較短者
租賃物業	10年
裝修	

自一九九四年十二月三十一日起，本集團並無就銀行房產及物業作進一步重估。本集團由於一九九五年九月三十日或之前已作先前重估，故依據會計準則第17號第80段獲得豁免，而毋需為銀行房產及物業進行定期重估。

- (ii) 傢俬及設備
傢俬及設備乃按成本值減累計減值及折舊入賬。折舊按資產之估計可使用年期4至10年以直線法攤銷。

(iii) 減值及出售固定資產之盈虧

在每年結算日，本集團會考慮內部及外界資料以評估銀行房產及物業、傢俬及設備有否減值。倘有跡象顯示該等資產出現減值，則估計其可收回價值及將有關減值虧損入賬（如適用），使該等資產減至可收回之價值。該等減值於損益表入賬，惟該資產以估值列賬，而減值並不超過該資產之重估盈餘，此等虧損則列作重估減值。

出售銀行房產及物業之盈虧乃指出售所得淨額與有關資產賬面值之差額，並於損益表確認入賬。有關資產之重估儲備結餘會轉撥至保留盈餘，列作儲備之變動。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(i) Fixed assets

- (i) *Bank premises and properties*
Bank premises and properties are stated at cost or valuation less accumulated impairment losses and depreciation calculated to write off the assets over their estimated useful lives on a straight-line basis as follows:

Leasehold land	Unexpired terms of the lease
Buildings	Lesser of period of lease and 50 years
Leasehold improvements	10 years

Effective 31st December 1994, no further revaluations of bank premises and properties have been carried out. The Group places reliance on paragraph 80 of SSAP 17 which provides exemption from the need to make regular revaluations of bank premises and properties when prior revaluations were made on or before 30th September 1995.

- (ii) *Furniture and equipment*
Furniture and equipment is stated at cost less accumulated impairment losses and depreciation calculated to write off the assets on a straight-line basis over their estimated useful lives of between 4 and 10 years.

(iii) *Impairment and gain or loss on disposal of fixed assets*

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 properties, 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.

The gain or loss on disposal of a fixed asset 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.

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2 主要會計政策 (續)

(j) 證券投資

- (i) *持至到期之證券*
持至到期之證券乃本集團有明確意圖及有能力持至到期日之有期債券。該等證券乃按成本值(就購入時之溢價或折讓按到期間攤銷而調整)並扣除非暫時性的減值撥備入賬。倘本集團預期無法收回賬面值，則會作出撥備，並於產生時在損益表確認為支出。

購入有期債券產生之溢價及折讓攤銷列作利息收入及利息支出。出售持至到期之證券時產生之盈虧於產生時在損益表入賬。

- (ii) *持作買賣用途之證券*
持作買賣用途之證券乃指持有並欲自短期價格波動中獲利之證券，並按公平值入賬。公平值指於具流通性的市場上交投活躍之證券之市場報價。就交投不活躍或非上市之證券，公平值乃透過多種定價技巧(包括貼現現金流量及股息率分析)估計。

公平價格之改變須於產生時在損益表確認。出售之盈虧乃指出售所得淨額與賬面值之差額，並於產生時在損益表確認。

- (iii) *非持作買賣用途之證券*
非持作買賣用途之證券包括主要為維持流動資金比率(定義見香港銀行業條例附表四)而持有作流動資金目的之債券及其他非持作買賣用途之債券及股份。非持作買賣用途之證券乃按公平值於資產負債表入賬。公平值指於具流通性的市場上交投活躍之證券之市場報價。就交投不活躍或非上市之證券，公平值乃透過多種定價技巧(包括貼現現金流量及股息率分析)估計。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Investments in securities

- (i) *Held-to-maturity securities*
Held-to-maturity securities are dated debt securities which the Group has the expressed 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 other than temporary. 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 and interest expense. 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. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by way of various pricing techniques including discounted cash flow and dividend yield analyses.

Changes in fair value of trading securities are recognised in the profit and loss account as they arise. Profits and losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

- (iii) *Non-trading securities*
Non-trading securities include debt securities held for liquidity purposes which are held primarily to maintain the liquidity ratio as defined in the Fourth Schedule of the Hong Kong Banking Ordinance and other debt and equity securities which are not held for trading purposes. Non-trading securities are stated at fair value on the balance sheet. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by way of various pricing techniques including discounted cash flow and dividend yield analyses.

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2 主要會計政策 (續)

(j) 證券投資 (續)

(iii) 非持作買賣用途之證券 (續)
非持作買賣用途之證券之公平價值之變動會於投資重估儲備中確認，直至非持作買賣用途之證券出售或被確定為減值為止。屆時，累計盈虧(即出售所得淨額與有關證券之賬面值加上投資重估儲備轉撥之盈虧差額)會計入損益表。

(k) 商譽

商譽乃指收購當日之收購成本超過當日本集團所佔之已購入附屬公司及聯營公司淨資產公平值之差額。

商譽以直線法按不超過20年的估計可使用期攤銷。

(l) 遞延稅項

遞延稅項乃就賬目中資產及負債之稅基與賬目上彼等賬面值之間產生之暫時差額，以負債法全數確認入賬。遞延稅項採用在結算日已頒佈或實質頒佈之稅率釐定。

遞延稅項資產乃於未來將有可能產生應課稅溢利以致可動用暫時差額以作抵銷時方予確認。

遞延稅項負債乃就固定資產折舊、物業重估及非持作買賣用途之證券投資之重估而產生之暫時差額確認入賬，惟倘暫時差額之撥回時間可以控制及暫時差額有可能無法於可見將來撥回除外。

過往年度，遞延稅項乃就應課稅之盈利與於賬目呈列之盈利兩者間之時差，並以於可見將來預期會產生應付或可收回負債或資產時，按現行稅率計算入賬。採納會計準則第12號構成會計政策之變動並已追溯應用，因此已重列比較數字以符合經修訂政策。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(j) Investments in securities (continued)

(iii) *Non-trading securities (continued)*
Changes in fair value of non-trading securities are recognised in the investment revaluation reserve until the security is sold, or is determined to be impaired, at which time the cumulative gain or loss representing the difference between the net sales proceeds and the carrying amount of the relevant security, together with any surplus/deficit transferred from the investment revaluation reserve, is dealt with in the profit and loss account.

(k) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary and associated company at the date of acquisition.

Goodwill is amortised on a straight-line basis over its estimated useful life not exceeding 20 years.

(l) Deferred taxation

Deferred taxation is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax liabilities are recognised on temporary differences arising from depreciation of fixed assets, revaluation of properties and revaluation of investments in non-trading securities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In the prior year, deferred taxation was 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 was expected to be payable or recoverable in the foreseeable future. The adoption of the new SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

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2 主要會計政策 (續)

(l) 遞延稅項 (續)

如賬目附註34中詳述，於二零零二年及二零零三年一月一日之年初儲備已分別減少54,515,000港元及44,433,000港元，其為未經確認之遞延稅項負債淨額。此變動令於二零零二年十二月三十一日之遞延稅項資產及遞延稅項負債分別增加29,103,000港元及73,536,000港元。截至二零零二年十二月三十一日止年度之盈利及權益分別減少7,794,000港元及增加17,876,000港元。

(m) 融資及經營租賃

(i) 融資租賃及租購合約

有關租購及融資租賃合約之客戶欠款乃按投資淨額於資產負債表列作「貸款及其他賬項」，即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數額。應收租金所隱含之財務收入，經減除債務成本後，即攤分列入租購期間或租賃期間之損益表內，使每個會計期間之淨投資回報盡可能相同。租購合約及融資租賃之已付經紀佣金按租期以直線法攤銷。

(ii) 經營租賃

經營租賃指擁有的所有風險及回報實質上由出租公司保留的租賃。經營租賃的租金在扣除向出租公司收取之任何回扣金後，以直線法於租賃期內自損益表支銷。

倘本集團或本銀行為經營租約出租人，所出租之資產乃納入資產負債表之「固定資產」內。該等租賃資產乃按其預計可用年期按與同類自置固定資產相若之基準計算折舊。租金收入(扣除任何給予承租人之誘金)乃按租賃年期以直線法確認入賬。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(l) Deferred taxation (continued)

As detailed in Note 34 to the accounts, opening reserves at 1st January 2002 and 2003 have been reduced by HK\$54,515,000 and HK\$44,433,000 respectively which represent the unrecognised net deferred tax liabilities. This change has resulted in an increase in deferred tax assets and deferred tax liabilities at 31st December 2002 by HK\$29,103,000 and HK\$73,536,000 respectively. The profit and amount credited to equity for the year ended 31st December 2002 have been reduced by HK\$7,794,000 and increased by HK\$17,876,000 respectively.

(m) Finance and operating leases

(i) Finance leases and hire purchase contracts

The amounts due from customers in respect of hire purchase contracts and finance leases are included in "Advances and other accounts" in the balance sheet at the amounts of net investments, which represent the total rentals receivable under hire purchase contracts and finance leases less unearned finance income. Finance income implicit in the rentals receivable less loan origination costs is credited to the profit and loss account over the hire period or the lease period as appropriate so as to produce an approximately constant periodic rate of return on the net investment 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.

(ii) Operating leases

Leases where substantially all the risks and rewards of ownership of assets remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight-line basis over the lease term.

Where the Group or the Bank is a lessor under operating leases, assets leased out are included in "Fixed assets" in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned fixed assets. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

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2 主要會計政策 (續)

(n) 資產負債表外的金融工具

資產負債表外的金融工具乃來自本集團於外匯、利率、股票及其他市場進行之期貨、遠期、掉期、期權及其他交易中產生的衍生工具。此等工具的會計方法視乎進行有關交易目的是否為了買賣或對沖風險而定。

除用於對沖風險者外，衍生金融工具均視為持作買賣用途。

用作買賣用途之交易將以其公平值列賬。公平值需定期從各類來源取得，其中包括開列市價、折現現金流量模式及期權定價模式(如適用)。所產生之盈虧均於損益表內確認。

按市值列賬的買賣衍生工具所產生的未變現收益列入「貸款及其他賬項」內。按市值列賬交易所產生的未變現虧損則列入「其他賬項及準備金」內。

訂立衍生合約當日，本集團可指定若干衍生交易作對沖用途。凡符合下列標準之衍生交易一概列為對沖交易：

- (i) 備有正式紀錄以證明有關對沖工具、所對沖項目及其對沖關係；及
- (ii) 對沖交易備有文件記錄，顯示預期該對沖交易在整個報告期間內將可有效減低對沖項目之價格或利率風險。

指定作對沖之交易按所對沖之資產、負債或持倉淨額以相同之基準入賬。所有盈虧亦以相關之資產、負債或持倉淨額之相同基準確認。

倘衍生交易不再符合上述對沖交易要求，該衍生交易將視為持作買賣用途並按上文所載之方式入賬。

衍生交易僅會在本集團有能力透過訂立統一淨額結算協議或其他可依法強制執行之安排等途徑，實現淨額清償之情況下抵銷。實現或然性淨額清償之任何權利，僅會在本集團確實有能力在其他各方違約(包括任何簽約方無力償債)之情況下實現淨額清償時考慮。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(n) Off-balance sheet financial instruments

Off-balance sheet financial instruments include derivatives, such as futures, forwards, swaps, options and other transactions undertaken by the Group in the foreign exchange, interest rate, equity and other markets. The accounting for these instruments is dependent upon whether the transactions are undertaken for trading purposes or to hedge risk.

Derivative financial instruments other than those transacted to hedge risk are deemed to be held for trading purposes.

Transactions undertaken for trading purposes are re-measured to their fair value. Fair values are obtained periodically from various sources, including quoted market prices, discounted cash flow models and option pricing models as appropriate. The gain or loss arising is recognised in the profit and loss account.

Unrealised gains on trading derivatives which are marked to market are included in "Advances and other accounts". Unrealised losses on transactions which are marked to market are included in "Other accounts and provisions".

On the date a derivative contract is entered into, the Group may designate certain derivative transactions as hedges. Derivatives are classified as a hedge when the following criteria are met:

- (i) formal documentation of the hedging instrument, hedged item, and hedging relationship is prepared; and
- (ii) the hedge is documented showing that it is expected to be highly effective in reducing the price or interest rate risk in the hedged item throughout the reporting period.

Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised in the profit and loss account on the same basis as that arising from the related assets, liabilities or net positions.

If the derivative transaction no longer meets the criteria for a hedge set out above, the derivative is deemed to be held for trading purposes and is accounted for as set out above.

Derivative transactions are offset only when the Group has the ability to insist on net settlement such as by means of entering into a master netting agreement or other legally enforceable arrangements. Any right to insist on a net settlement that is contingent is only taken into account when the Group is able to enforce net settlement in all situations of default by the other party or parties including insolvency of any parties to the contract, and the ability to insist on a net settlement is assured beyond doubt.

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2 主要會計政策 (續)

(n) **資產負債表外的金融工具 (續)**
除非相關清償貨幣屬同一種貨幣或以在活躍市場有報價匯率之可自由兌換貨幣定值，否則衍生交易將不會抵銷。

(o) **撥備**
在本集團因過去事件構成現行法定或推定責任而可能須撥出資源以履行有關責任，且有關數額可靠估算之情況下，本集團會確認撥備。

當經濟利益可能消耗且數額能可靠估算時，本集團會作出撥備。

(p) 僱員福利

(i) **僱員假期**
僱員應享有之年假及長期服務假期會於確立時確認。根據僱員截至結算日已提供的服務而估算的未享年假及長期服務假期已作出撥備。

(ii) **退休金責任**
本集團根據職業退休計劃條例及強制性公積金計劃條例為合資格及選擇參與之集團員工提供定額供款退休金計劃。職業退休計劃之供款乃根據合資格員工基本薪金之某個百分比計算，而強制性公積金計劃之供款則根據合資格員工有關收入(定義見強制性公積金計劃條例)計算。該等供款會於產生時列作支出。本集團前任員工在可全數取得僱主供款前離開而被沒收之供款，可由本集團用作減低僱主供款。上述計劃之資產乃由獨立管理之基金持有，與本集團之資產分開管理。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(n) **Off-balance sheet financial instruments (continued)**
Derivative transactions are not offset unless the related settlement currencies are the same, or are denominated in freely convertible currencies for which quoted exchange rates are available in an active market.

(o) **Provisions**
Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Provision is made when it is probable that an outflow of economic benefits will arise and the amounts can be reliably estimated.

(p) Employee benefits

(i) **Employee leave entitlements**
Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

(ii) **Pension obligations**
The Group operates a defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and another defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") for those employees of the Group who are eligible and have elected to participate in the schemes. The Group's contributions to the ORSO Scheme are made based on a percentage of the eligible employees' basic salaries and those made to the MPF Scheme are made based on a percentage of the eligible employees' relevant income as defined in the Mandatory Provident Fund Schemes Ordinance. These contributions are expensed as incurred and are reduced by contributions forfeited by those employees of the Group who leave the schemes prior to vesting fully in the contributions. The assets of the schemes are held separately from those of the Group in independently administered funds.

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2 主要會計政策 (續)

(q) 分部報告

分部指本集團可辨認的組成部分，而且從事提供服務(業務分部)或在某一經濟地區提供服務(地區分部)，而所承擔之風險及回報與其他分部不同。若分部之大部份收益來自向外界客戶提供服務，而其收益、業績或資產相等於所有分部10%或以上，該等分部將分開呈報。

根據本集團之內部財務報告，本集團決定按業務分類為主要申報形式，而按地區分類則為次要之申報形式。

分部業務間之交易乃按一般商業條款及條件進行。資金一般於各業務間重新分配，並於營運收入披露為資金成本流轉。各分部業務間並無其他主要收入與支出項目分部。分部資產及負債包括營運資產及負債，即資產負債表大部份項目，但不包括稅項。

分部資本開支為於年內購買預期使用超過一個財政年度之分部資產(有形及無形資產)的總成本。

業務及地區分類之說明載於賬目附註37。

(r) 或然負債及或然資產

或然負債乃因過去事件而可能引起的責任，而該責任之存在只能於非本集團能完全控制之一件或多件未來不確定事件之出現而確認。或然負債亦可能為因過去事件而引致之現存責任，惟因該項責任可能不需要消耗經濟資源或其數額未能可靠估算而未予以確認。

或然負債不會被確認，但會於賬目附註中披露。倘經濟資源外流之可能性改變致使可能出現資源外流，則該或然負債將被確認為撥備。

或然資產乃因過去事件而可能產生之資產，而該資產之存在只能於非本集團能完全控制之一件或多件未來不確定事件之出現而確認。

或然資產不會被確認，但如有可能收到經濟利益，則會於賬目附註中披露。倘經濟利益流入被肯定，該或然資產將予以確認。

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(q) Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment) or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. Segments with a majority of revenue earned from services provided to external customers and whose revenue, results or assets are 10 per cent or more of all the segments are reported separately.

In accordance with the Group's internal financial reporting the Group has determined that business segments be presented as the primary reporting format and geographical as the secondary reporting format.

Transactions between the business segments are on normal commercial terms and conditions. Funds are ordinarily reallocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Group's funding cost. There are no other material items of income or expense between the business segments. Segment assets and liabilities comprise operating assets and liabilities, being the majority of the balance sheet but excluding taxation.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one financial year.

Descriptions of business and geographical segments are set out in Note 37.

(r) Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

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2 主要會計政策 (續)

(s) 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括於購入時起計三個月內到期的結餘，包括現金、銀行同業及其他金融機構之結存、庫券、其他合資格票據及存款證。

(t) 關連人士

在編製本賬目時，與本集團有關連之人士是指本集團能直接或間接控制該人士的財務或經營決策，或可發揮重大影響力(反之亦然)；或本集團及該人士均受到共同控制或在共同重大影響力下。關連人士可以是個人或其他實體。

3 利息收入

利息收入包括投資證券利息466,374,000港元(二零零二年：389,695,000港元)，其中199,140,000港元來自上市投資。

4 其他營運收入

2 PRINCIPAL ACCOUNTING POLICIES (continued)

(s) Cash and cash equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit.

(t) Related parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the parties or exercise significant influence over the parties in making financial or operating decisions, or vice versa, or where the Group and the parties are subject to common control or common significant influence. Related parties may be individuals or other entities.

3 INTEREST INCOME

Interest income includes interest from investments in securities amounting HK\$466,374,000 (2002: HK\$389,695,000) of which HK\$199,140,000 is earned from listed investments.

4 OTHER OPERATING INCOME

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
收費及佣金收入	Fees and commission income	264,833	331,631
減：收費及佣金支出	Less: Fees and commission expense	(2,620)	(2,363)
淨收費及佣金收入	Net fees and commission income	262,213	329,268
外匯交易收益淨額	Net gain from foreign exchange activities	9,787	8,233
買賣證券收益淨額	Net gain from trading securities	1,353	2,271
投資證券之股息收入	Dividend income from investments in securities		
— 上市投資	— Listed investments	3,401	6,299
— 非上市投資	— Unlisted investments	4,451	1,678
其他	Others	40,135	42,983
		321,340	390,732

本集團曾進行一項息票分拆交易，當中涉及一家本集團作為主要普通合夥人的特別用途合夥企業。合夥企業乃專為投資債券息票而設，並透過於交易進行初訂立之認沽及認購期權安排而於短期內出售，故並無納入本集團之綜合賬目。於二零零三年十二月三十一日，本集團於該合夥企業之投資額為55,838,000港元(二零零二年：39,738,000港元)，並列入資產負債表內「貸款及其他賬項」。合夥企業於二零零三年十二月三十一日之資產及負債總額分別為253,045,000港元及164,479,000港元(二零零二年：分別為170,984,000港元及111,140,000港元)。

The Group has entered into coupon strip transaction involving a special purpose partnership in which the Group is the majority general partner. The partnership is set up solely to invest in bond interest coupons and held exclusively with a view to its subsequent disposal in the near future through put and call option arrangement put in place at the outset of the transaction. Accordingly, the partnership is not consolidated in the Group's accounts. As at 31st December 2003, the Group's investment in such partnership amounting HK\$55,838,000 (2002: HK\$39,738,000) is included in "Advances and other accounts" in the balance sheet. The total assets and liabilities of the partnership are amounted to HK\$253,045,000 and HK\$164,479,000 respectively as at 31st December 2003 (2002: HK\$170,984,000 and HK\$111,140,000 respectively).

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4 其他營運收入 (續)

此項投資之回報相等於應佔合夥企業稅務虧損之稅務得益及出售投資之預計收益。截至二零零三年十二月三十一日止年度，該項回報之數額為11,234,000港元(二零零二年：7,094,000港元)，並列入「其他營運收入」項下之「其他」。賬目附註10所載本集團本年度之香港利得稅支出，乃未計應佔合夥企業稅務虧損得益前之稅項支出。

4 OTHER OPERATING INCOME (continued)

The return from this investment represented tax benefits in the form of a share of tax losses of the partnership and the expected gain on disposal of the investment and is included in "Others" of "Other operating income" amounted to HK\$11,234,000 for the year ended 31st December 2003 (2002: HK\$7,094,000). The Group's Hong Kong profits tax for the year set out in Note 10 is the gross tax figure before taking into account the benefit of the share of tax losses of the partnership.

5 營運支出

5 OPERATING EXPENSES

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
員工支出	Staff costs		
— 薪金及其他支出	— Salaries and other costs	179,940	177,058
— 遣散費	— Redundancy payment	144	269
— 退休金支出(附註14)	— Retirement benefit costs (Note 14)	11,735	11,655
		191,819	188,982
物業及設備支出 (不包括折舊)	Premises and equipment expenses, excluding depreciation		
— 物業租金	— Rental of premises	13,037	11,845
— 其他	— Others	22,854	20,881
折舊	Depreciation	20,712	25,479
核數師酬金	Auditors' remuneration	1,855	1,084
其他營運支出	Other operating expenses	63,778	58,989
		314,055	307,260

6 呆壞賬撥備

6 CHARGE FOR BAD AND DOUBTFUL DEBTS

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
專項撥備	Specific provisions		
— 新增撥備	— new provisions	99,032	195,854
— 撥回	— releases	(12,938)	(50,558)
— 收回	— recoveries	(24,668)	(21,735)
		61,426	123,561
一般撥備	General provisions	67,810	57,951
於損益表支銷淨額 (附註21)	Net charge to profit and loss account (Note 21)	129,236	181,512

賬目附註

Notes to the Accounts

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7 銀行行址減值損失

年內因若干銀行房產減值，已確認減值虧損為11,858,000港元(二零零二年：無)。減值損失主要因該等銀行房產之估計可收回金額減少引致。

7 IMPAIRMENT LOSS ON BANK PREMISES

An impairment loss of HK\$11,858,000 (2002: HK\$Nil) was recognised during the year as a result of the impairment of certain bank premises within fixed assets. The impairment loss was primarily a result of a reduction in the estimated recoverable amount of these bank premises.

8 出售及贖回持至到期之證券及非持作買賣用途之證券之溢利淨額

8 NET GAIN ON DISPOSAL AND REDEMPTION OF HELD-TO-MATURITY SECURITIES AND NON-TRADING SECURITIES

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
出售及贖回持至到期之證券之溢利淨額(附註)	Net gain on disposal and redemption of held-to-maturity securities (Note)	8,362	8,228
出售非持作買賣用途之證券之溢利淨額	Net gain on disposal of non-trading securities	7,802	20,041
		16,164	28,269

附註：

年內，本銀行出售攤銷成本約為227,988,000港元(二零零二年：311,589,000港元)之持至到期之證券，以更好控制與證券發行者有關之信貸集中風險。

Note:

During the year, the Bank sold held-to-maturity securities with amortised costs of approximately HK\$227,988,000 (2002: HK\$311,589,000) to better control concentration of credit risk related to the issuers of the securities.

9 董事及高層管理人員酬金

9 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) 董事酬金

本銀行年內應付董事之酬金總額如下：

(a) Directors' emoluments

The aggregate amounts of emoluments payable to the Directors of the Bank during the year are as follows:

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
袍金	Fees	731	689
其他酬金：	Other emoluments:		
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowances, other allowances and benefits-in-kind	6,895	7,615
不定額花紅	Discretionary bonuses	4,240	4,240
就董事而作出之公積金供款	Contributions to pension schemes for Directors	637	703
		12,503	13,247

上文披露之董事酬金包括付予獨立非執行董事之袍金451,000港元(二零零二年：450,000港元)。

Directors' fees disclosed above include HK\$451,000 (2002: HK\$450,000) paid to Independent Non-Executive Directors.

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9 董事及高層管理人員酬金 (續)

(a) 董事酬金 (續)

董事酬金之幅度如下：

酬金幅度	Emolument bands	董事人數	
		2003	2002
無 – 1,000,000港元	HK\$Nil – HK\$1,000,000	8	8
1,000,001港元 – 2,000,000港元	HK\$1,000,001 – HK\$2,000,000	–	1
2,500,001港元 – 3,000,000港元	HK\$2,500,001 – HK\$3,000,000	1	–
3,000,001港元 – 3,500,000港元	HK\$3,000,001 – HK\$3,500,000	–	1
3,500,001港元 – 4,000,000港元	HK\$3,500,001 – HK\$4,000,000	1	1
4,000,001港元 – 4,500,000港元	HK\$4,000,001 – HK\$4,500,000	1	1

於年內並無董事放棄或同意放棄任何酬金之安排。

There was no arrangement under which any Director waived or agreed to waive any remuneration during the year.

(b) 五名最高薪酬人士

於年內本集團五名最高薪酬人士其中三名為董事(二零零二年：三名)，其酬金詳情已於上文披露。其餘兩名(二零零二年：兩名)非董事之人士於年內之酬金如下：

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three Directors (2002: three) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2002: two) individuals during the year are as follows:

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowances, other allowances and benefits-in-kind	2,354	2,850
花紅	Bonuses	1,550	2,190
公積金計劃供款	Contributions to pension schemes	197	263
		4,101	5,303

酬金之幅度如下：

The emoluments fall within the following bands:

酬金幅度	Emolument bands	人數	
		2003	2002
1,500,001港元 – 2,000,000港元	HK\$1,500,001 – HK\$2,000,000	1	1
2,000,001港元 – 2,500,000港元	HK\$2,000,001 – HK\$2,500,000	1	–
3,000,001港元 – 3,500,000港元	HK\$3,000,001 – HK\$3,500,000	–	1

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10 稅項

香港利得稅乃根據本年度估計應課稅盈利按稅率17.5% (二零零二年：16%) 計算。二零零三年，政府就二零零三／二零零四年財政年度實施利得稅稅率調整，由16%調高至17.5%。

於綜合損益表中支賬／(記賬)之稅項如下：

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
當期稅項	Current taxation		
— 香港利得稅	— Hong Kong profits tax	137,140	88,376
— 過往年度撥備不足	— Under recognitions in prior years	585	24
因暫時差額產生 及贖回之遞延稅項	Deferred taxation relating to the origination and reversal of temporary differences	(12,818)	7,794
因稅率增加而新增 遞延稅項	Deferred taxation resulting from an increase in the tax rate	(1,874)	—
		123,033	96,194

本集團有關除稅前盈利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
除稅前盈利	Profit before taxation	645,163	570,829
按稅率17.5% (二零零二年：16%) 計算之稅項	Calculated at a taxation rate of 17.5% (2002: 16%)	112,904	91,333
無須課稅之收入	Income not subject to taxation	(2,359)	(2,262)
不可扣稅之支出	Expenses not deductible for taxation purposes	13,777	7,099
因本年度調高稅率對年初遞延稅項 負債之減少	Decrease in opening net deferred tax liabilities resulting from an increase in tax rates	(1,874)	—
過往年度撥備不足	Under recognitions in prior years	585	24
稅項支出	Taxation charge	123,033	96,194

10 TAXATION

Hong Kong profits tax has been calculated at the rate of 17.5% (2002: 16%) on the estimated assessable profits for the year. In 2003, the government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004.

The amount of taxation charged/(credited) to the consolidated profit and loss account represents:

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the current taxation rate as follows:

11 股東應佔盈利

計入本銀行賬目之股東應佔盈利為553,736,000港元 (二零零二年：514,441,000港元)。

11 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Bank to the extent of HK\$553,736,000 (2002: HK\$514,441,000).

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12 股息

12 DIVIDENDS

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
中期股息每股普通股0.12港元 (二零零二年：0.10港元)	Interim, paid of HK\$0.12 (2002: HK\$0.10) per ordinary share	74,925	62,437
中期股息每股可轉換優先股0.12港元 (二零零二年：0.10港元)	Interim, paid of HK\$0.12 (2002: HK\$0.10) per convertible preference share	24,266	20,222
擬派末期股息每股普通股0.26港元 (二零零二年：0.25港元) (附註)	Final, proposed of HK\$0.26 (2002: HK\$0.25) per ordinary share (Note)	194,805	156,093
擬派末期股息每股可轉換 優先股0.26港元 (二零零二年：0.25港元) (附註)	Final, proposed of HK\$0.26 (2002: HK\$0.25) per convertible preference share (Note)	52,577	50,555
		346,573	289,307

附註：

於二零零四年三月二十二日會議上，董事宣派每股0.26港元之普通股及可轉換優先股之末期股息。有關擬派股息於該等賬目中並非列作應付股息，惟將列作截至二零零四年十二月三十一日止年度之保留盈餘分派。

上述本銀行之擬派每股普通股末期股息已計及於二零零四年二月九日發行之124,874,000股新普通股。已發行之新普通股之其他詳情於賬目附註43披露。

Note:

At a meeting held on 22nd March 2004, the Directors proposed a final dividend of HK\$0.26 per ordinary and convertible preference share. These proposed dividends are not reflected as dividends payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31st December 2004.

The Bank's proposed final dividend per ordinary share as set out above has taken into account the 124,874,000 new ordinary shares issued on 9th February 2004. Further details of the new ordinary shares issued are disclosed in Note 43 to the accounts.

13 每股盈利

13 EARNINGS PER SHARE

每股基本盈利乃按年內股東應佔盈利522,130,000港元(二零零二年：474,635,000港元)扣除可轉換優先股應付股息76,843,000港元(二零零二年：70,777,000港元)及年內已發行普通股股份之加權平均數624,374,304股(二零零二年：588,681,975股)計算。

每股攤薄盈利乃按年內股東應佔盈利522,130,000港元(二零零二年：474,635,000港元)及年內已發行普通股及可轉換優先股股份之加權平均數826,593,522股(二零零二年：790,901,193股)計算。

The calculation of basic earnings per share is based on the profit attributable to shareholders of HK\$522,130,000 (2002: HK\$474,635,000) less dividends payable on convertible preference shares of HK\$76,843,000 (2002: HK\$70,777,000) and on 624,374,304 (2002: 588,681,975) shares, being the weighted average number of ordinary shares in issue during the year.

The calculation of diluted earnings per share is based on the profit attributable to shareholders of HK\$522,130,000 (2002: HK\$474,635,000) and on 826,593,522 (2002: 790,901,193) shares, being the weighted average number of ordinary shares and convertible preference shares in issue during the year.

14 退休金支出

14 RETIREMENT BENEFIT COSTS

自損益表扣除之退休金支出指本集團根據職業退休金計劃條例計劃及強積金計劃(「計劃」)須作出之供款。

根據職業退休金計劃條例計劃，本集團之員工在符合資格全數取得僱主供款前退出計劃，本集團可沒收供款以扣減應付之供款。年內已動用合共1,010,000港元(二零零二年：1,300,000港元)之沒收供款，於結算日尚餘45,000港元(二零零二年：12,000港元)留作日後扣減供款之用。

於結算日並無應付之計劃供款(二零零二年：無)。計劃之資產由基金獨立持有與本集團之資產分開管理。

The retirement benefit scheme cost charged to the profit and loss account represents contributions payable by the Group to the ORSO Scheme and the MPF Scheme (the "Schemes").

Under the ORSO scheme, the Group's contributions are reduced by contributions forfeited by those employees who leave the Schemes prior to vesting fully in the contributions. Forfeited contributions totalling HK\$1,010,000 (2002: HK\$1,300,000) were utilised during the year leaving HK\$45,000 (2002: HK\$12,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year-end (2002: HK\$Nil). The assets of the Schemes are held separately from those of the Group in independently administered funds.

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15 現金及短期資金

15 CASH AND SHORT-TERM FUNDS

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
庫存現金及銀行 同業與其他金融 機構之結存	Cash and balances with banks and other financial institutions	200,126	161,525	200,126	161,511
短期通知存款	Money at call and short notice	13,189,509	15,402,917	13,189,509	15,402,917
庫券(包括外 匯基金票據)	Treasury bills (including Exchange Fund Bills)	161,900	211,398	161,900	211,398
		13,551,535	15,775,840	13,551,535	15,775,826

持有之庫券分析如下：

An analysis of treasury bills held is as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
持至到期，按攤銷成本	Held-to-maturity, at amortised cost		
— 於香港上市	– Listed in Hong Kong	78,909	38,976
— 非上市	– Unlisted	82,991	172,422
		161,900	211,398
上市庫券之市值	Market value of listed treasury bills	80,132	39,371

庫券按十二月三十一日至到期日止剩餘期
間之期限分析如下：

The maturity profile of treasury bills analysed by the remaining
period as at 31st December to the contractual maturity dates is
as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
三個月或以下	Three months or less	20,004	92,844
一年或以下但 超過三個月	One year or less, but over three months	141,896	39,724
五年或以下但超過一年	Five years or less, but over one year	–	78,830
		161,900	211,398

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16 一至十二個月內到期之銀行同業及其他金融機構之存款

一至十二個月內到期之銀行同業及其他金融機構之存款按十二月三十一日至到期日止剩餘期間之期限分析如下：

16 PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS MATURING BETWEEN ONE AND TWELVE MONTHS

The maturity profile of placements with banks and other financial institutions maturing between one and twelve months analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元 HK\$'000	千港元 HK\$'000
三個月或以下	Three months or less	3,166,231	1,033,844
一年或以下但超過三個月	One year or less, but over three months	1,552,640	–
		4,718,871	1,033,844

17 商業票據

17 TRADE BILLS

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元 HK\$'000	千港元 HK\$'000
商業票據	Trade bills	797,978	109,374
呆壞賬一般撥備(附註21)	General provision for bad and doubtful debts (Note 21)	(7,980)	(1,094)
		789,998	108,280

18 所持存款證

18 CERTIFICATES OF DEPOSIT HELD

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元 HK\$'000	千港元 HK\$'000
持至到期，按攤銷成本：	Held-to-maturity, at amortised cost:		
– 於香港上市	– Listed in Hong Kong	710,874	–
– 於香港以外地區上市	– Listed outside Hong Kong	2,159,162	167,640
– 非上市	– Unlisted	3,171,454	1,226,680
		6,041,490	1,394,320
非持作買賣用途之證券，按公平值：	Non-trading securities, at fair value:		
– 於香港上市	– Listed in Hong Kong	140,604	–
– 於香港以外地區上市	– Listed outside Hong Kong	489,857	–
– 非上市	– Unlisted	882,759	536,859
		1,513,220	536,859
		7,554,710	1,931,179
所持上市存款證市值	Market value of listed certificates of deposit held	3,530,201	168,035

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18 所持存款證(續)

所持存款證按十二月三十一日至到期日止
剩餘期間之期限分析如下：

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
三個月或以下	Three months or less	77,981	89,985
一年或以下但超過三個月	One year or less, but over three months	829,925	642,976
五年或以下但超過一年	Five years or less, but over one year	5,247,855	1,198,218
超過五年	Over 5 years	1,398,949	—
		7,554,710	1,931,179

18 CERTIFICATES OF DEPOSIT HELD (continued)

The maturity profile of certificates of deposit held analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

19 持至到期之證券

19 HELD-TO-MATURITY SECURITIES

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
上市證券， 按攤銷成本	Listed securities, at amortised cost				
— 於香港上市	— Listed in Hong Kong	235,182	116,363	235,182	116,363
— 於香港以外 地區上市	— Listed outside Hong Kong	1,374,287	1,930,279	1,374,287	1,930,279
		1,609,469	2,046,642	1,609,469	2,046,642
非上市證券， 按攤銷成本 減值撥備	Unlisted securities, at amortised cost Provision for diminution in value	3,066,459	4,472,614	3,271,293	4,918,913
		—	—	(61,209)	(39,716)
		3,066,459	4,472,614	3,210,084	4,879,197
		4,675,928	6,519,256	4,819,553	6,925,839
上市證券 之市值	Market value of listed securities	1,760,392	2,134,466	1,760,392	2,134,466

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19 持至到期之證券(續)

持至到期之證券按十二月三十一日至合約到期日止剩餘期間之期限分析如下：

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
三個月或以下	Three months or less	-	155,426	-	155,426
一年或以下 但超過三個月	One year or less, but over three months	90,411	1,258,716	90,411	1,258,716
五年或以下 但超過一年	Five years or less, but over one year	3,148,013	3,561,674	3,291,638	3,968,257
超過五年	Over five years	1,437,504	1,543,440	1,437,504	1,543,440
		4,675,928	6,519,256	4,819,553	6,925,839

持至到期之證券按發行者之分析如下：

Held-to-maturity securities are analysed by issuer as follows:

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
中央政府及 中央銀行	Central governments and central banks	149,782	143,144	149,782	143,144
銀行及其他 金融機構	Banks and other financial institutions	1,846,976	2,880,660	1,846,976	2,880,660
企業	Corporate entities	2,679,170	3,495,452	2,822,795	3,902,035
		4,675,928	6,519,256	4,819,553	6,925,839

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20 貸款及其他賬項

20 ADVANCES AND OTHER ACCOUNTS

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
客戶貸款	Advances to customers	40,375,437	32,409,985	40,122,059	32,073,558
呆壞賬撥備 (附註21)	Provisions for bad and doubtful debts (Note 21)				
— 一般	— General	(334,311)	(273,387)	(334,084)	(271,728)
— 專項	— Specific	(308,459)	(270,127)	(145,295)	(130,109)
		39,732,667	31,866,471	39,642,680	31,671,721
銀行同業及其他 金融機構貸款	Advances to banks and other financial institutions	637,502	354,994	637,502	354,994
應計利息	Accrued interest	338,232	306,140	336,164	301,206
其他賬項	Other accounts	757,801	740,766	752,158	729,465
應計利息及其他 賬項專項撥備 (附註21)	Specific provision against accrued interest and other accounts (Note 21)	(625)	(1,442)	(625)	(1,003)
		1,095,408	1,045,464	1,087,697	1,029,668
		41,465,577	33,266,929	41,367,879	33,056,383

過往年度，其他賬項包括持作可出售物業210,000,000港元。年內，該物業出售予一位無關連之人士，作價215,800,000港元。年內已收取首期訂金21,580,000港元，餘額194,220,000港元已包括在二零零三年十二月三十一日之其他賬項內，並將於二零零四年三月十六日完成出售時償還。出售所得款項(扣除專業費用431,000港元後)較物業賬面值之超額5,369,000港元已計入本年度損益表，列作過往準備之回撥。

不履約貸款總額(即利息暫記或停止計息之客戶貸款)之分析如下：

In the prior year, other accounts included a property available for sale of HK\$210,000,000. In the current year, the property was disposed of to an unrelated third party at a consideration of HK\$215,800,000. The initial deposit of HK\$21,580,000 has already been received during the year and the remaining balance of HK\$194,220,000 which is included in other accounts as at 31st December 2003 would be settled on completion of the sale on 16th March 2004. The surplus of the sales proceeds net of professional fees of HK\$431,000 over the carrying value of the property amounting HK\$5,369,000 has been credited to the profit and loss account in the current year as a write-back of provision previously made.

The gross amount of non-performing loans, which represents advances on which interest is being placed in suspense or on which interest accrual has ceased, is analysed as follows:

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
不履約貸款	Non-performing loans	668,397	738,932	436,292	473,242
不履約貸款 之專項撥備	Specific provision made in respect of such advances	308,406	267,275	145,242	127,257
暫記利息	Amount of interest in suspense	117,679	157,980	38,695	49,719

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20 貸款及其他賬項 (續)

於二零零三年十二月三十一日，本集團並無有關銀行同業及其他金融機構之不履約貸款(二零零二年：無)。

本集團及本銀行之不履約客戶貸款分別佔客戶貸款之1.7%(二零零二年：2.3%)及1.1%(二零零二年：1.5%)。

釐定上述專項撥備時已計及有關貸款之抵押品價值。

客戶貸款包括融資租賃及租購合約之投資，其分析如下：

20 ADVANCES AND OTHER ACCOUNTS (continued)

At 31st December 2003, there were no non-performing loans in respect of advances to banks and other financial institutions (2002: HK\$Nil).

Non-performing loans to customers of the Group and the Bank represent 1.7% (2002: 2.3%) and 1.1% (2002: 1.5%) of the advances to customers of the Group and the Bank respectively.

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

Advances to customers include investment in finance lease receivables and hire purchase contracts, analysed as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
應收投資總額：	Gross investment, receivable:		
一年以下	Not later than one year	289,863	214,535
一年以上但五年以下	Later than one year and not later than five years	1,016,617	715,126
五年以上	Later than five years	2,882,179	1,922,430
		4,188,659	2,852,091
未賺取之財務收入	Unearned future finance income	(1,002,230)	(756,631)
投資淨額	Net investment	3,186,429	2,095,460

融資租賃及租購合約之投資淨額分析如下：

The net investment in finance lease receivables and hire purchase contracts may be analysed as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
一年以下	Not later than one year	186,970	134,767
一年以上但五年以下	Later than one year and not later than five years	666,265	448,175
五年以上	Later than five years	2,333,194	1,512,518
投資淨額	Net investment	3,186,429	2,095,460

計入上述融資租賃及租購合約之投資總額之無擔保餘值並不重大。

The unguaranteed residual value included in the gross investment in finance lease receivables and hire purchase contracts above was considered to be immaterial.

於二零零三年十二月三十一日之貸款撥備並無融資租賃及租購合約之投資呆壞賬撥備(二零零二年：無)。

No allowance for uncollectible investment in finance lease receivables and hire purchase contracts is included in the provision for loan losses as at 31st December 2003 (2002: Nil).

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20 貸款及其他賬項 (續)

貸款及其他賬項按十二月三十一日至合約到期日止剩餘期間之期限分析如下：

本集團

Group

		客戶貸款		銀行同業及其他 金融機構貸款		應計利息 及其他賬項	
		Advances to customers		Advances to banks and other financial institutions		Accrued interest and other accounts	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,399,038	1,385,880	-	-	2,390	2,560
三個月或以下	Three months or less	3,172,496	3,574,822	222,500	82,458	709,987	689,081
一年或以下 但超過三個月	One year or less, but over three months	2,476,420	2,403,406	20,000	122,536	364,470	333,791
五年或以下 但超過一年	Five years or less, but over one year	19,187,983	12,777,221	395,002	150,000	11,044	8,684
超過五年	Over five years	13,470,067	11,520,941	-	-	-	-
並無限期	Undated	669,433	747,715	-	-	8,142	12,790
		40,375,437	32,409,985	637,502	354,994	1,096,033	1,046,906

本銀行

Bank

		客戶貸款		銀行同業及其他 金融機構貸款		應計利息 及其他賬項	
		Advances to customers		Advances to banks and other financial institutions		Accrued interest and other accounts	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,399,038	1,385,880	-	-	2,390	2,560
三個月或以下	Three months or less	3,172,496	3,574,822	222,500	82,458	705,922	679,401
一年或以下 但超過三個月	One year or less, but over three months	2,471,338	2,403,406	20,000	122,536	362,872	332,096
五年或以下 但超過一年	Five years or less, but over one year	19,171,792	12,706,484	395,002	150,000	11,044	8,684
超過五年	Over five years	13,470,067	11,520,941	-	-	-	-
並無限期	Undated	437,328	482,025	-	-	6,094	7,930
		40,122,059	32,073,558	637,502	354,994	1,088,322	1,030,671

20 ADVANCES AND OTHER ACCOUNTS (continued)

The maturity profile of advances and other accounts analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

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21 呆壞賬撥備

21 PROVISIONS FOR BAD AND DOUBTFUL DEBTS

本集團 Group		2003			
		呆壞賬撥備 Provisions for bad and doubtful debts			暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	271,569	274,481	546,050	157,980
撇銷數額	Amounts written off	(48,579)	-	(48,579)	(21,516)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	24,668	-	24,668	-
年內撥備(附註6)	Charge for the year (Note 6)	61,426	67,810	129,236	-
本年度暫記利息	Interest suspended during the year	-	-	-	67,416
收回暫記利息	Suspended interest recovered	-	-	-	(86,098)
匯兌及其他調整	Exchange and other adjustments	-	-	-	(103)
於十二月三十一日 之結餘	Balance as at 31st December	309,084	342,291	651,375	117,679
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	-	7,980	7,980	
客戶貸款 (附註20)	Advances to customers (Note 20)	308,459	334,311	642,770	
應計利息及其他 賬項(附註20)	Accrued interest and other accounts (Note 20)	625	-	625	
		309,084	342,291	651,375	
		2002			
		呆壞賬撥備 Provisions for bad and doubtful debts			暫記 利息 Suspended interest
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	千港元 HK\$'000
於一月一日之結餘	Balance as at 1st January	1,005,399	216,530	1,221,929	281,495
撇銷數額	Amounts written off	(879,126)	-	(879,126)	(110,121)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	21,735	-	21,735	-
年內撥備(附註6)	Charge for the year (Note 6)	123,561	57,951	181,512	-
本年度暫記利息	Interest suspended during the year	-	-	-	96,558
收回暫記利息	Suspended interest recovered	-	-	-	(109,971)
匯兌及其他調整	Exchange and other adjustments	-	-	-	19
於十二月三十一日 之結餘	Balance as at 31st December	271,569	274,481	546,050	157,980
扣減自：	Deducted from:				
商業票據(附註17)	Trade bills (Note 17)	-	1,094	1,094	
客戶貸款 (附註20)	Advances to customers (Note 20)	270,127	273,387	543,514	
應計利息及其他 賬項(附註20)	Accrued interest and other accounts (Note 20)	1,442	-	1,442	
		271,569	274,481	546,050	

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21 呆壞賬撥備 (續)

21 PROVISIONS FOR BAD AND DOUBTFUL DEBTS (continued)

本銀行		Bank		2003			暫記 利息 Suspended interest 千港元 HK\$'000
				呆壞賬撥備			
		Provisions for bad and doubtful debts					
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000			
於一月一日之結餘	Balance as at 1st January	131,112	272,822	403,934	49,719		
撇銷數額	Amounts written off	(25,875)	-	(25,875)	(5,073)		
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	10,819	-	10,819	-		
年內撥備	Charge for the year	29,864	69,242	99,106	-		
本年度暫記利息	Interest suspended during the year	-	-	-	33,985		
收回暫記利息	Suspended interest recovered	-	-	-	(39,933)		
匯兌及其他調整	Exchange and other adjustments	-	-	-	(3)		
於十二月三十一日 之結餘	Balance as at 31st December	145,920	342,064	487,984	38,695		
扣減自：	Deducted from:						
商業票據 (附註17)	Trade bills (Note 17)	-	7,980	7,980			
客戶貸款 (附註20)	Advances to customers (Note 20)	145,295	334,084	479,379			
應計利息及其他 賬項 (附註20)	Accrued interest and other accounts (Note 20)	625	-	625			
		145,920	342,064	487,984			

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21 呆壞賬撥備 (續)

21 PROVISIONS FOR BAD AND DOUBTFUL DEBTS (continued)

本銀行 (續) Bank (continued)		2002			暫記 利息 Suspended interest 千港元 HK\$'000
		呆壞賬撥備 Provisions for bad and doubtful debts			
		專項 Specific 千港元 HK\$'000	一般 General 千港元 HK\$'000	總計 Total 千港元 HK\$'000	
於一月一日之結餘	Balance as at 1st January	401,002	213,947	614,949	91,555
購自附屬公司	Acquired from a subsidiary	837	56	893	97
撇銷數額	Amounts written off	(374,034)	-	(374,034)	(36,742)
收回過往年度 已撇銷貸款	Recoveries of advances written off in previous years	2,290	-	2,290	-
年內撥備	Charge for the year	101,017	58,819	159,836	-
本年度暫記利息	Interest suspended during the year	-	-	-	50,073
收回暫記利息	Suspended interest recovered	-	-	-	(55,272)
匯兌及其他調整	Exchange and other adjustments	-	-	-	8
於十二月三十一日 之結餘	Balance as at 31st December	131,112	272,822	403,934	49,719
扣減自：	Deducted from:				
商業票據 (附註17)	Trade bills (Note 17)	-	1,094	1,094	
客戶貸款 (附註20)	Advances to customers (Note 20)	130,109	271,728	401,837	
應計利息及其他 賬項 (附註20)	Accrued interest and other accounts (Note 20)	1,003	-	1,003	
		131,112	272,822	403,934	

22 非持作買賣用途之證券

22 NON-TRADING SECURITIES

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
按公平值：	At fair value:				
債券	Debt securities				
— 於香港以外 地區上市	– Listed outside Hong Kong	45,392	308,111	45,392	308,111
— 非上市	– Unlisted	794,568	1,208,163	794,068	1,207,663
		839,960	1,516,274	839,460	1,515,774
股票	Equity securities				
— 於香港上市	– Listed in Hong Kong	497,561	500,710	497,561	500,710
— 非上市	– Unlisted	6,653	6,656	6,646	6,650
		504,214	507,366	504,207	507,360
		1,344,174	2,023,640	1,343,667	2,023,134

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22 非持作買賣用途之證券 (續)

非持作買賣用途之債券按十二月三十一日
至合約到期日止期間之期限分析如下：

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
按公平值：	At fair value:				
三個月或以下	Three months or less	-	78,378	-	78,378
一年或以下， 但超過三個月	One year or less, but over three months	155,140	680,695	155,140	680,695
五年或以下， 但超過一年	Five years or less, but over one year	634,821	522,081	634,821	522,081
超過五年	Over five years	45,392	230,513	45,392	230,513
並無限期	Undated	4,607	4,607	4,107	4,107
		839,960	1,516,274	839,460	1,515,774

非持作買賣用途之證券按發行者之分析如
下：

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
中央政府及 中央銀行	Central governments and central banks	-	184,364	-	184,364
銀行同業及 其他金融機構	Banks and other financial institutions	851,654	1,163,272	851,654	1,163,272
企業	Corporate entities	491,396	674,880	491,389	674,874
其他	Others	1,124	1,124	624	624
		1,344,174	2,023,640	1,343,667	2,023,134

22 NON-TRADING SECURITIES (continued)

The maturity profile of non-trading debt securities analysed by
the remaining period as at 31st December to the contractual
maturity dates is as follows:

Non-trading securities are analysed by issuer as follows:

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23 遞延稅項

遞延稅項採用負債法就暫時差額按主要稅率17.5%計算(二零零二年:16%)。

遞延稅項資產/(負債)之變動如下:

23 DEFERRED TAXATION

Deferred tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2002: 16%).

The movement on the deferred tax assets/(liabilities) account is as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
於一月一日·如前呈報	At 1st January, as previously reported	(6,289)	(6,289)
採納會計準則 第12號之影響	Effect of adopting SSAP 12	(44,433)	(54,515)
於一月一日·重報	At 1st January, as restated	(50,722)	(60,804)
在損益表記賬/(支賬)	Credited/(Charged) to profit and loss account	14,692	(7,794)
在權益記賬	Credited to equity	44,056	17,876
於十二月三十一日	At 31st December	8,026	(50,722)

年內權益記賬之遞延稅項如下:

The deferred tax credited to equity during the year is as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
股東權益之公平值儲備	Fair value reserves in shareholders' equity		
— 銀行房產(附註34)	— Bank premises (Note 34)	40,158	659
— 非持作買賣用途之證券 (附註34)	— Non-trading securities (Note 34)	3,898	17,217
		44,056	17,876

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23 遞延稅項 (續)

年內遞延稅項資產及負債(與同一稅務機關之結餘抵銷前)之變動如下:

遞延稅項資產

		一般撥備		稅項虧損		其他		總額	
		General provision		Tax losses		Others		Total	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
於一月一日， 如前呈報	At 1st January, as previously reported	-	-	-	-	-	-	-	-
採納會計準則 第12號之影響	Effect of adopting SSAP 12	29,103	19,831	-	54,154	-	160	29,103	74,145
於一月一日，重報	At 1st January, as restated	29,103	19,831	-	54,154	-	160	29,103	74,145
在損益表記賬/(支賬)	Credited/(Charged) to profit and loss account	14,595	9,272	-	(54,154)	-	(160)	14,595	(45,042)
於十二月三十一日	At 31st December	43,698	29,103	-	-	-	-	43,698	29,103

倘相關稅項利益有可能透過未來應課稅盈利變現，稅項虧損結餘將確認為遞延稅項資產。本集團於二零零三年十二月三十一日並無未確認之稅項虧損(二零零二年：無)。

遞延稅項負債

		銀行房產重估儲備		投資重估儲備		加速稅項折舊		預付款項		總額	
		Bank premises revaluation reserve		Investment revaluation reserve		Accelerated tax depreciation		Prepayments		Total	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
於一月一日， 如前呈報	At 1st January, as previously reported	-	-	-	-	6,289	6,289	-	-	6,289	6,289
採納會計準則 第12號之影響	Effect of adopting SSAP 12	65,362	66,021	5,355	22,572	2,819	3,789	-	36,278	73,536	128,660
於一月一日，重報	At 1st January, as restated	65,362	66,021	5,355	22,572	9,108	10,078	-	36,278	79,825	134,949
在損益表記賬	Credited to profit and loss account	-	-	-	-	(97)	(970)	-	(36,278)	(97)	(37,248)
在權益記賬	Credited to equity	(40,158)	(659)	(3,898)	(17,217)	-	-	-	-	(44,056)	(17,876)
於十二月三十一日	At 31st December	25,204	65,362	1,457	5,355	9,011	9,108	-	-	35,672	79,825

遞延稅項資產及負債只有對現行稅項資產及負債有合法權利抵銷及遞延稅項為同一稅務機關下，才作出抵銷。以下是在綜合資產負債表抵銷後之金額。

23 DEFERRED TAXATION (continued)

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

Deferred tax assets

Deferred tax assets are recognised for tax loss carry forwards to the extent that realisation of the related tax benefit through future taxable profits is probable. The Group has no unrecognised tax losses as at 31st December 2003 (2002: HK\$Nil).

Deferred tax liabilities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

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23 遞延稅項 (續)

23 DEFERRED TAXATION (continued)

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
遞延稅項資產	Deferred tax assets	43,698	29,103
遞延稅項負債	Deferred tax liabilities	(35,672)	(79,825)
		8,026	(50,722)
於資產負債表列賬 之金額包括：	The amounts shown in the balance sheet include the following:		
超過十二個月後收回 之遞延稅項資產	Deferred tax assets to be recovered after more than 12 months	43,698	29,103
超過於十二個月後 償還之遞延稅項負債	Deferred tax liabilities to be settled after more than 12 months	(33,953)	(76,963)

24 於聯營公司之投資

24 INVESTMENTS IN ASSOCIATED COMPANIES

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
分佔資產淨值	Share of net assets	95,678	127,125
收購商譽減攤銷	Goodwill on acquisition less amortisation	65,789	66,181
		161,467	193,306

本年度，本集團已調整收購自一家聯營公司之可予識別資產及負債之賬面值，原因是於較收購首次入賬時有更多證據協助估計該聯營公司之資產淨值。於收購日期之淨資產公平值將減少人民幣13,450,000元（相等於12,674,000港元），而商譽則會相應增加3,156,000港元。倘經調整之公平值自收購日期起適用，截至二零零二年十二月三十一日止之比較年度之淨收益將因商譽攤銷增加39,000港元而減少，而該等影響已計入截至二零零三年十二月三十一日止年度之賬目內。

During the current year, the Group has adjusted the carrying amount of identifiable assets and liabilities acquired in an associated company because additional evidence became available to assist with the estimation of the net asset value of the associated company when the acquisition was initially accounted for. The fair value of the net assets at the date of acquisition would have been decreased by RMB13,450,000 (equivalent to HK\$12,674,000) with a corresponding increase in goodwill of HK\$3,156,000. If the adjusted fair values had been applied from the date of the acquisition, net income for the comparative year ended 31st December 2002 would have been decreased by an increase in goodwill amortisation of HK\$39,000 and these effects have been included in the accounts for the year ended 31st December 2003.

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24 於聯營公司之投資 (續)

收購該聯營公司所產生之商譽攤銷3,548,000港元(二零零二年: 838,000港元), 已計入損益表中「應佔聯營公司之虧損淨額」內。

24 INVESTMENTS IN ASSOCIATED COMPANIES (continued)

Amortisation of goodwill from the acquisition of the associated company amounting HK\$3,548,000 (2002: HK\$838,000) is included in "Share of net losses of associated companies" in the profit and loss account.

		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
投資·按成本值非上市股份	Investments at cost, unlisted shares	191,660	191,660

於二零零三年十二月三十一日之聯營公司
載列如下:

The following is a list of associated companies at 31st December 2003:

公司名稱 Name	註冊成立地點 Place of incorporation	主要業務及 營業地點 Principal activity and place of operation	持有已發行股份/ 已發行及繳足股本之詳情 Particulars of issued shares held/ Issued and fully paid up capital	持有之權益 Interest held
中國平安保險(香港) 有限公司 China Ping An Insurance (Hong Kong) Company Limited	香港 Hong Kong	於香港提供 一般保險 General insurance in Hong Kong	200,000股每股面值 100港元之普通股 200,000 ordinary shares of HK\$100 each	25.0%
太平保險有限公司 The Tai Ping Insurance Company, Limited	中華人民共和國 (「中國」) People's Republic of China ("PRC")	於中國提供 一般保險 General insurance in the PRC	人民幣500,000,000 RMB500,000,000	24.9%

25 於附屬公司之投資

25 INVESTMENTS IN SUBSIDIARIES

		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
投資·按成本值非上市股份	Investments at cost, unlisted shares	15,212	40,247

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25 於附屬公司之投資 (續)

以下為本銀行於二零零三年十二月三十一日直接持有之附屬公司。除友聯中國業務管理有限公司乃於英屬維爾京群島註冊成立而於香港營業外，所有其他附屬公司均於香港註冊成立及營業：

25 INVESTMENTS IN SUBSIDIARIES (continued)

The following is a list of subsidiaries at 31st December 2003, all of which are directly held by the Bank. Except for UB China Business Management Co. Ltd. which is incorporated in the British Virgin Islands and operating in Hong Kong, all other subsidiaries are incorporated and operating in Hong Kong:

公司名稱 Name	主要業務 Principal activities	持有已發行股份之詳情 Particulars of issued shares held	持有之權益 Interest held	
			2003	2002
工銀亞洲財務有限公司 ICBC (Asia) Finance Limited	於二零零三年五月三十日 撤銷註冊 Deregistered on 30th May 2003	25,000,000股每股面值1港元 之普通股 25,000,000 ordinary shares of HK\$1 each	-	100%
ICBC (Asia) Nominee Limited	提供代理人服務 Provision of nominee services	100股每股面值 100港元之普通股 100 ordinary shares of HK\$100 each	100%	100%
工銀亞洲期貨有限公司 ICBC (Asia) Futures Limited	不活躍 Inactive	26,000,000股每股面值 1港元之普通股 26,000,000 ordinary shares of HK\$1 each	100%	100%
工銀亞洲金業有限公司 ICBC (Asia) Bullion Company Limited	不活躍 Inactive	6,000,000股每股面值 1港元之普通股 6,000,000 ordinary shares of HK\$1 each	100%	100%
友聯中國業務管理有限公司 UB China Business Management Co. Ltd.	管理本銀行之內地 不履約貸款組合 (附註31) Management of the Bank's PRC NPL Portfolio (Note 31)	1股面值1美元之 普通股 1 ordinary share of US\$1 each	100%	100%

26 商譽

26 Goodwill

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
成本值	Cost		
於一月一日及 十二月三十一日	At 1st January and 31st December	709,957	709,957
累計攤銷	Accumulated amortisation		
於一月一日 攤銷開支	At 1st January Amortisation charge	53,247 35,498	17,749 35,498
於十二月三十一日	At 31st December	88,745	53,247
賬面淨值	Net book value		
於十二月三十一日	at 31st December	621,212	656,710

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27 固定資產

27 FIXED ASSETS

本集團	Group	銀行房產 及物業 Bank premises and properties 千港元 HK\$'000	租賃 物業裝修 Leasehold improve- ments 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零三年 一月一日	At 1st January 2003	706,755	79,008	112,981	898,744
添置	Additions	-	5,353	5,192	10,545
出售	Disposals	(115,380)	(4,425)	(2,780)	(122,585)
於二零零三年 十二月三十一日	At 31st December 2003	591,375	79,936	115,393	786,704
累計折舊 及減值	Accumulated depreciation and impairment				
於二零零三年 一月一日	At 1st January 2003	52,698	53,800	77,766	184,264
本年度折舊	Charge for the year	5,964	5,168	9,580	20,712
在權益確認 之減值虧損 (附註34)	Impairment loss recognised directly in equity (Note 34)	224,616	-	-	224,616
在損益表確認 之減值虧損 (附註7)	Impairment loss recognised in the profit and loss account (Note 7)	11,858	-	-	11,858
出售	Disposals	(78,761)	(1,694)	(2,417)	(82,872)
於二零零三年 十二月三十一日	At 31st December 2003	216,375	57,274	84,929	358,578
賬面淨值	Net book value				
於二零零三年 十二月三十一日	At 31st December 2003	375,000	22,662	30,464	428,126
於二零零二年 十二月三十一日	At 31st December 2002	654,057	25,208	35,215	714,480

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27 固定資產 (續)

27 FIXED ASSETS (continued)

本銀行	Bank	銀行房產 及物業 Bank premises and properties 千港元 HK\$'000	租賃 物業裝修 Leasehold improve- ments 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零三年 一月一日	At 1st January 2003	706,755	79,008	112,955	898,718
添置	Additions	-	5,353	5,192	10,545
出售	Disposals	(115,380)	(4,425)	(2,780)	(122,585)
於二零零三年 十二月三十一日	At 31st December 2003	591,375	79,936	115,367	786,678
累計折舊 及減值	Accumulated depreciation and impairment				
於二零零三年 一月一日	At 1st January 2003	52,698	53,800	77,745	184,243
本年度折舊	Charge for the year	5,964	5,168	9,575	20,707
在權益確認 之減值虧損 (附註34)	Impairment loss recognised directly in equity (Note 34)	224,616	-	-	224,616
在損益表確認 之減值虧損 (附註7)	Impairment loss recognised in the profit and loss account (Note 7)	11,858	-	-	11,858
出售	Disposals	(78,761)	(1,694)	(2,417)	(82,872)
於二零零三年 十二月三十一日	At 31st December 2003	216,375	57,274	84,903	358,552
賬面淨值	Net book value				
於二零零三年 十二月三十一日	At 31st December 2003	375,000	22,662	30,464	428,126
於二零零二年 十二月三十一日	At 31st December 2002	654,057	25,208	35,210	714,475

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27 固定資產 (續)

銀行房產及物業之成本值或估值分析如下：

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
按成本值	At cost	44,277	44,277
按一九九四年專業估值	At professional valuation in 1994	547,098	662,478
		591,375	706,755

所有其他固定資產乃按成本值列賬。

The analysis of cost or valuation of bank premises and properties is as follows:

All other fixed assets are stated at cost.

銀行房產及物業之賬面淨值分析如下：

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
於香港，以下列方式持有：	In Hong Kong, held on:		
— 長期租約(超過50年)	– Long-term leases (over 50 years)	318,400	515,664
— 中期租約 (介乎10至50年)	– Medium-term leases (between 10 to 50 years)	56,600	138,393
		375,000	654,057

本集團依據會計準則第17號第80段獲得豁免，毋須定期重估銀行房產及物業之價值。董事於一九九四年重估之銀行房產及物業價值為547,098,000港元，是項重估乃參考獨立物業顧問第一太平戴維斯於一九九四年十二月三十一日按公開市值及現有用途所評估之銀行房產及物業之價值604,500,000港元而作出。

The Group places reliance on paragraph 80 of SSAP 17 which provides exemption from the need to make regular revaluations of bank premises and properties. The Bank's premises and properties were revalued in 1994 by the Directors at HK\$547,098,000 with reference to a valuation made on an open market and existing use basis by FPDSavills, independent property consultants, which valued the Bank's premises and properties at HK\$604,500,000 at 31st December 1994.

年內，本銀行之董事已按內部資料及由獨立物業顧問韋堅信產業測量師行作出之外部估值，重新評估銀行房產之可收回金額，並錄得減值虧損總額236,474,000港元，其中11,858,000港元於損益表支賬及224,616,000港元於重估儲備中撥回。

During the year, the Directors of the Bank have reassessed the recoverable amount of bank premises based on internal information and external valuation by A.G. Wilkinson & Associates, independent property consultants, and recorded total impairment loss of HK\$236,474,000 of which HK\$11,858,000 was charged to the profit and loss account and HK\$224,616,000 was released from the revaluation reserve.

倘本集團及本銀行之銀行房產及物業以成本減累計折舊入賬，則其賬面淨值應為218,597,000港元(二零零二年：232,895,000港元)。

The carrying amount of the bank premises and properties of the Group and the Bank would have been HK\$218,597,000 (2002: HK\$232,895,000) had they been stated at cost less accumulated depreciation.

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28 銀行同業及其他金融機構之存款及結餘

銀行同業及其他金融機構之存款及結餘按十二月三十一日至合約到期日止期間之期限分析如下：

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
須於要求時即時償還	Repayable on demand	1,782,781	951,417
三個月或以下	Three months or less	14,312,136	11,291,703
一年或以下 但超過三個月	One year or less, but over three months	6,156,265	91,000
		22,251,182	12,334,120

28 DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

The maturity profile of deposits and balances of banks and other financial institutions analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

29 客戶存款

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
活期存款及 往來戶口	Demand deposits and current accounts	1,052,903	689,385	1,052,875	689,481
儲蓄存款	Savings deposits	4,674,028	2,150,712	4,684,930	2,309,642
定期及通知存款	Time, call and notice deposits	29,666,007	35,910,933	29,710,403	35,980,223
		35,392,938	38,751,030	35,448,208	38,979,346

客戶存款按十二月三十一日至合約到期日止期間之期限分析如下：

The maturity profile of deposits from customers analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團 Group		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
須於要求時 即時償還	Repayable on demand	5,837,396	2,850,587	5,848,270	3,034,659
三個月或以下	Three months or less	28,360,575	33,020,686	28,404,971	33,064,930
一年或以下 但超過三個月	One year or less, but over three months	1,182,304	2,788,262	1,182,304	2,788,262
五年或以下 但超過一年	Five years or less, but over one year	12,663	91,495	12,663	91,495
		35,392,938	38,751,030	35,448,208	38,979,346

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30 已發行存款證

30 CERTIFICATES OF DEPOSIT ISSUED

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
已發行存款證	Certificates of deposit issued	6,951,115	1,441,952
購回已發行存款證	Repurchase of certificates of deposit issued	(37,242)	(12,950)
		6,913,873	1,429,002

已發行存款證按十二月三十一日至合約到期日止期間之期限分析如下：

The maturity profile of certificates of deposit issued analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
三個月或以下	Three months or less	200,000	–
一年或以下但超過三個月	One year or less, but over three months	1,682,897	700,000
五年或以下但超過一年	Five years or less, but over one year	5,030,976	729,002
		6,913,873	1,429,002

31 其他賬項及準備金

31 OTHER ACCOUNTS AND PROVISIONS

其他賬項及準備金按十二月三十一日至合約到期日止期間之期限分析如下：

The maturity profile of other accounts and provisions analysed by the remaining period as at 31st December to the contractual maturity dates is as follows:

		本集團 Group		本銀行 Bank	
		2003	2002	2003	2002
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
須於要求時即時償還	Repayable on demand	47,975	16,621	47,975	16,621
三個月或以下	Three months or less	497,126	347,091	533,945	385,955
一年或以下 但超過三個月	One year or less, but over three months	104,207	107,233	104,167	107,214
五年或以下 但超過一年	Five years or less, but over one year	2,639	3,403	2,639	3,403
		651,947	474,348	688,726	513,193

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31 其他賬項及準備金 (續)

本集團之「其他賬項及準備金」包括由友聯中國業務管理有限公司(「友聯中國業務管理」)發行之次等履約票據，並已全數撇銷如下：

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
次等履約票據	Junior PLNs	600,952	600,952
減：內地不履約貸款組合 所需之撥備之撇銷	Less: Write-down in the light of the provisions required on the PRC NPL Portfolio	(600,952)	(600,952)
		-	-

友聯中國業務管理為本銀行於二零零零年成立之全資附屬公司。作為一間特別設立之資產管理公司，旨在五年期內盡量追收本銀行內地不履約貸款組合(「內地不履約貸款組合」)。友聯中國業務管理透過按面值發行兩組履約票據來取得購買內地不履約貸款組合所需之資金。優先履約票據由本銀行全數認購，作為轉讓內地不履約貸款組合之部分代價，並在本銀行之資產負債表內列為「持至到期之證券」，於二零零三年十二月三十一日之數額為143,625,000港元(二零零二年：406,583,000港元)。優先履約票據所產生之一切財務影響已於本集團之賬目中對銷。

本銀行向全體股東徵求認購次等履約票據，並獲招商局集團(香港)有限公司包銷。認購完成後，本銀行收得現金600,952,000港元。由於次等履約票據須首先承擔內地不履約貸款組合虧損之風險，而董事認為於五年期限屆滿前償還次等履約票據款項之機會不大，故次等履約票據之贖回金額已作全數撇減。

31 OTHER ACCOUNTS AND PROVISIONS (continued)

Included in "Other accounts and provisions" of the Group are Junior performance linked notes (PLNs) issued by UB China Business Management Co. Ltd. ("UBCBM") which have been fully written down as follows:

		本集團 Group	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
次等履約票據	Junior PLNs	600,952	600,952
減：內地不履約貸款組合 所需之撥備之撇銷	Less: Write-down in the light of the provisions required on the PRC NPL Portfolio	(600,952)	(600,952)
		-	-

UBCBM is a wholly-owned subsidiary established by the Bank in 2000 as a special purpose asset management company for the purpose of maximising the level of recovery of certain classified loans of the Bank which were extended towards Mainland China related business (the "PRC NPL Portfolio") over a five-year term. UBCBM funded the purchase of the PRC NPL Portfolio by issuing two tranches of PLNs at par value. The Senior PLNs were subscribed for in full by the Bank as partial consideration for the transfer of the PRC NPL Portfolio and are included in the Bank's balance sheet as "Held-to-maturity securities" amounting HK\$143,625,000 as at 31st December 2003 (2002: HK\$406,583,000). All financial effects associated with the Senior PLNs were eliminated in the Group accounts.

The Junior PLNs were offered for subscription to all shareholders and underwritten by China Merchants Holdings (Hong Kong) Company Limited. The Bank received cash funds of HK\$600,952,000 immediately upon completion. Since the Junior PLNs were to bear the first risk of loss against the PRC NPL Portfolio, the redemption amount of the Junior PLNs was fully written down as the Directors are of the opinion that the possibility of any repayment of the Junior PLNs at the end of the five-year term is remote.

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32 借入資本

32 LOAN CAPITAL

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
後償浮息票據	Subordinated floating rate notes		
—最終於二零一一年 七月二日到期	– with a final maturity on 2nd July 2011	584,820	584,820
—最終於二零一一年 十二月十二日到期	– with a final maturity on 12th December 2011	623,808	623,808
—最終於二零一二年 三月二十六日到期	– with a final maturity on 26th March 2012	545,916	545,916
—最終於二零一二年 十二月八日到期	– with a final maturity on 8th December 2012	500,000	500,000
—永久	– perpetual	1,935,916	1,000,000
匯兌調整	Exchange adjustment	(12,156)	186
		4,178,304	3,254,730

借入資本乃由本銀行籌集作業務拓展用途，並由最終控股公司全數認購。根據銀行業條例附表三，該等票據合資格並已列入本銀行之附加資本。

Loan capital were raised by the Bank for the development and expansion of business and have been fully subscribed by the ultimate holding company. These notes qualify for and have been included as the Bank's supplementary capital in accordance with the Third Schedule to the Banking Ordinance.

年內，本銀行已發行後償永久浮息票據合共120,000,000美元，按三個月倫敦銀行同業拆放利率另加年利率0.5%計息。發售票據旨在擴闊本銀行之資本基礎以作未來業務發展之用。

During the year, the Bank has issued subordinated perpetual floating rate notes totaling US\$120,000,000 which are interest bearing at 0.5% per annum over three-month LIBOR. The notes were issued to expand the capital base of the Bank for future business growth.

33 股本

33 SHARE CAPITAL

(a) 普通股

法定：

(a) Ordinary shares

Authorised:

		每股面值2港元之普通股 Ordinary shares of HK\$2 each	
		股份數目 Number of shares	千港元 HK\$'000
於二零零二年一月一日 及十二月三十一日， 及二零零三年 十二月三十一日	At 1st January and 31st December 2002, and 31st December 2003	1,000,000,000	2,000,000

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33 股本 (續)

(a) 普通股 (續)

已發行及繳足：

		每股面值2港元之普通股 Ordinary share of HK\$2 each	
		股份數目 Number of shares	千港元 HK\$'000
於二零零二年一月一日	At 1st January 2002	531,319,304	1,062,639
截至二零零二年 十二月三十一日 止年度間增加	Increase during the year ended 31st December 2002	93,055,000	186,110
於二零零二年 十二月三十一日及 二零零三年十二月三十一日	At 31st December 2002 and 31st December 2003	624,374,304	1,248,749

(b) 可轉換非累計優先股

(b) Convertible non-cumulative preference shares

		每股面值5港元之 可轉換非累計優先股 Convertible non-cumulative preference shares of HK\$5 each	
		股份數目 Number of shares	千港元 HK\$'000
法定：	Authorised:		
於二零零二年 一月一日及 十二月三十一日及 二零零三年 十二月三十一日	At 1st January and 31st December 2002, and 31st December 2003	232,000,000	1,160,000
已發行及繳足：	Issued and fully paid:		
於二零零二年 一月一日及 十二月三十一日及 二零零三年 十二月三十一日	At 1st January and 31st December 2002, and 31st December 2003	202,219,218	1,011,096

有關該等可轉換非累計優先股之條款詳情，載於下文附註(c)。

Details relating to the terms of these convertible non-cumulative preference shares are set out in Note (c) below.

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33 股本 (續)

(c) 可轉換優先股條款

可轉換優先股之持有人均享有與普通股股東之同等權利，其可按每股可轉換優先股相等於一股普通股之比例收取應付予普通股股東之任何股息或分派。收取上述股息之權利並非累計。於清盤或以其他方式退回資本時，本銀行可供分派予股東之資產將先就每股可轉換優先股已付或應付最多2.00港元，其後方向普通股持有人作出分派。其後，各可轉換優先股及普通股持有人均按相同基準進行資產分派。

可轉換優先股並無賦予持有人任何投票權，在本銀行任何股東大會上投票，惟可轉換優先股持有人類別大會則除外。在此情況下，各可轉換優先股持有人可於有關之類別大會上投一票。

可轉換優先股於發行後，可隨時轉換為本銀行之普通股。因轉換而將配發之普通股數目乃視乎經考慮本銀行於發行可轉換優先股後之任何分派或資本架構之改變之轉換率而定。因轉換優先股而配發之任何普通股面值之不足部分，應在可轉換優先股溢價中作出處理。

最終控股公司經已全數認購可轉換優先股。

(d) 購股權

- (i) *僱員購股權計劃*
年內並無授出購股權，而於二零零三年十二月三十一日，並無任何尚未行使之購股權。
- (ii) *就發行次等履約票據而發行購股權*
就友聯中國業務管理發行次等履約票據而言，本銀行股東於二零零零年三月二十八日舉行之股東特別大會上通過一項決議案，批准於次等履約票據之五年期限屆滿時發行可認購本銀行股份之購股權，惟須符合若干條件後方可作實。倘若發行該等購股權，則次等履約票據持有人可按7.78港元之行使價認購本銀行之股份。然而，若內地不履約貸款組合於次等履約票據五年期限屆滿後所收回之內地不履約貸款組合低於1,211,063,000港元，則不會發行任何購股權。

33 SHARE CAPITAL (continued)

(c) Terms of the convertible preference shares

The holders of the convertible preference shares are entitled to receive, *pari passu*, any dividend or distribution payable to the ordinary shareholders on the basis that each convertible preference share is equivalent to one ordinary share. The right to such dividend is non-cumulative. On a return of capital on liquidation or otherwise, the assets of the Bank available for distribution among its shareholders shall be applied in paying up to a maximum of HK\$2.00 paid or deemed paid on each convertible preference share in priority to any payment to the holders of the ordinary share and thereafter the holders of the convertible preference shares and the ordinary shares shall participate in the assets of the Bank on a *pari passu* basis.

The convertible preference shares confer no voting rights to their holders in any general meeting of the Bank, except in a class meeting of holders of convertible preference shares, in which case each convertible preference share will entitle the holder to one vote in such class meeting.

The convertible preference shares are convertible to ordinary shares of the Bank at any time following their issue. The number of ordinary shares to be allotted upon conversion is determined by a conversion factor which takes into account any distribution or changes in the capital structure of the Bank subsequent to the issue of the convertible preference shares. The shortfall of the nominal value of any ordinary shares required to be allotted upon conversion of the preference shares shall be dealt with in the convertible preference share premium.

The convertible preference shares have been fully subscribed by the ultimate holding company.

(d) Share options

- (i) *Employee share option scheme*
During the year, no option has been granted and at 31st December 2003, there were no options outstanding.
- (ii) *Issue of options in connection with the issue of Junior PLNs*
In connection with the issue of Junior PLNs by UBCBM, the shareholders of the Bank had by a resolution passed at the Extraordinary General Meeting held on 28th March 2000 approved the issue of options to subscribe for shares of the Bank at the end of the five-year term of the Junior PLNs subject to the fulfillment of certain conditions. These options, if issued, will allow the holders of the Junior PLNs to subscribe for shares in the Bank at an exercise price of HK\$7.78. However, no options will be issued if total recoveries of the PRC NPL Portfolio at the end of the five-year term of the Junior PLNs are below HK\$1,211,063,000.

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34 儲備

34 RESERVES

本集團	Group	2003							
		可轉換非累計 優先股溢價 Convertible 普通股溢價	non-cumulative preference share premium	銀行房產 重估儲備 Bank premises revaluation reserve	投資重估儲備 Investment revaluation reserve	外匯儲備 Exchange reserve	一般儲備 General reserve	保留盈餘 Retained earnings	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零三年一月一日， 如前呈報	At 1st January 2003, as previously reported	1,786,686	505,496	408,511	33,149	(21)	219,200	738,481	3,691,502
採納會計準則第12號 之影響	Effect of adopting SSAP 12	-	-	(65,362)	(5,355)	-	-	26,284	(44,433)
於二零零三年一月一日， 重報	At 1st January 2003, as restated	1,786,686	505,496	343,149	27,794	(21)	219,200	764,765	3,647,069
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	-	-	-	(19,729)	-	-	-	(19,729)
出售非持作買賣 用途之證券	Disposal of non-trading securities	-	-	-	(5,393)	-	-	-	(5,393)
出售銀行房產	Disposal of bank premises	-	-	(39,875)	-	-	-	39,875	-
銀行行址減值虧損 (附註27)	Impairment loss on bank premises (Note 27)	-	-	(224,616)	-	-	-	-	(224,616)
因解散附屬公司 之重估盈餘解除	Release of revaluation surplus on dissolution of a subsidiary	-	-	-	(490)	-	-	490	-
匯兌差額	Exchange differences	-	-	-	-	(218)	-	-	(218)
本年度盈利	Profit for the year	-	-	-	-	-	-	522,130	522,130
解除遞延稅項負債 (附註23)	Releases to deferred tax liabilities (Note 23)	-	-	40,158	3,898	-	-	-	44,056
已付二零零二年 末期股息(附註12)	2002 final dividends paid (Note 12)	-	-	-	-	-	-	(206,648)	(206,648)
已付二零零三年 中期股息(附註12)	2003 interim dividends paid (Note 12)	-	-	-	-	-	-	(99,191)	(99,191)
於二零零三年十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460
代表：	Representing:								
本銀行及附屬公司	Bank and subsidiaries	1,786,686	505,496	118,816	6,888	(239)	219,200	1,046,609	3,683,456
聯營公司	Associated companies	-	-	-	(808)	-	-	(25,188)	(25,996)
於二零零三年十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460

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34 儲備 (續)

- (a) 一般儲備包括過往年度自保留盈餘轉撥之款項，並可供分派。
- (b) 董事會建議派發末期股息247,382,000港元，有關事項將反映作為截至二零零四年十二月三十一日止年度保留盈餘之分配(附註12)。

34 RESERVES (continued)

- (a) The general reserve comprised of previous year's transfers from retained earnings and is distributable.
- (b) The Directors proposed a final dividend of HK\$247,382,000 after the year-end which will be reflected as an appropriation of retained earnings for the year ending 31st December 2004 (Note 12).

本銀行	Bank	2003						
		可轉換非累計 優先股溢價 Convertible 普通股溢價 Ordinary share premium 千港元 HK\$'000	non-cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零三年一月一日，如前呈報 採納會計準則第12號之影響	At 1st January 2003, as previously reported Effect of adopting SSAP 12	1,786,686	505,496	408,511 (65,362)	33,469 (5,355)	219,200	705,092 26,284	3,658,454 (44,433)
於二零零三年一月一日，重報 非持作買賣用途之證券 公平值變動	At 1st January 2003, as restated Change in fair value of non-trading securities	1,786,686	505,496	343,149	28,114	219,200	731,376	3,614,021
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	(19,729)	-	-	(19,729)
出售銀行房產	Disposal of bank premises	-	-	(39,875)	-	-	39,875	-
銀行行址減值虧損(附註27)	Impairment loss on bank premises (Note 27)	-	-	(224,616)	-	-	-	(224,616)
本年度盈利(附註11)	Profit for the year (Note 11)	-	-	-	-	-	553,736	553,736
解除遞延稅項負債(附註23)	Releases to deferred tax liabilities (Note 23)	-	-	40,158	3,898	-	-	44,056
已付二零零二年末期股息(附註12)	2002 final dividends paid (Note 12)	-	-	-	-	-	(206,648)	(206,648)
已付二零零三年中期股息(附註12)	2003 interim dividends paid (Note 12)	-	-	-	-	-	(99,191)	(99,191)
於二零零三年十二月三十一日	At 31st December 2003	1,786,686	505,496	118,816	6,890	219,200	1,019,148	3,656,236

- (a) 董事會建議派發末期股息247,382,000港元，有關事項將反映作為截至二零零四年十二月三十一日止年度保留盈餘之分配(附註12)。

- (a) The Directors proposed a final dividend of HK\$247,382,000 after the year-end which will be reflected as an appropriation of retained earnings for the year ending 31st December 2004 (Note 12).

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34 儲備 (續)

34 RESERVES (continued)

本集團	Group	2002							
		可轉換非累計 優先股溢價 Convertible 普通股溢價 Ordinary share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資重估儲備 Investment revaluation reserve 千港元 HK\$'000	外匯儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000	
於二零零二年一月一日， 如前呈報	At 1st January 2002, as previously reported	1,224,894	505,496	412,631	138,766	-	219,200	495,969	2,996,956
採納會計準則第12號 之影響	Effect of adopting SSAP 12	-	-	(66,021)	(22,572)	-	-	34,078	(54,515)
於二零零二年一月一日， 重報	At 1st January 2002, as restated	1,224,894	505,496	346,610	116,194	-	219,200	530,047	2,942,441
發行股份	Issue of shares	573,219	-	-	-	-	-	-	573,219
發行股份之開支	Share issue expense	(11,427)	-	-	-	-	-	-	(11,427)
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	-	-	-	(108,388)	-	-	-	(108,388)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	781	-	-	-	781
出售銀行物業	Disposal of a bank property	-	-	(4,120)	-	-	-	4,120	-
解除聯營公司 之重估虧絀	Release of revaluation deficit of an associated company	-	-	-	1,990	-	-	-	1,990
匯兌差額	Exchange differences	-	-	-	-	(21)	-	-	(21)
本年度盈利	Profit for the year	-	-	-	-	-	-	474,635	474,635
解除遞延稅項負債 (附註23)	Releases to deferred tax liabilities (Note 23)	-	-	659	17,217	-	-	-	17,876
已付二零零一年 末期股息及特別股息	2001 final and special dividends paid	-	-	-	-	-	-	(161,378)	(161,378)
已付二零零二年中期股息 (附註12)	2002 interim dividends paid (Note 12)	-	-	-	-	-	-	(82,659)	(82,659)
於二零零二年十二月三十一日	At 31st December 2002	1,786,686	505,496	343,149	27,794	(21)	219,200	764,765	3,647,069
代表：	Representing:								
本銀行及附屬公司	Bank and subsidiaries	1,786,686	505,496	343,149	28,602	(21)	219,200	761,880	3,644,992
聯營公司	Associated companies	-	-	-	(808)	-	-	2,885	2,077
於二零零二年十二月三十一日	At 31st December 2002	1,786,686	505,496	343,149	27,794	(21)	219,200	764,765	3,647,069

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34 儲備 (續)

34 RESERVES (continued)

本銀行	Bank	2002						
		普通股溢價 Ordinary share premium 千港元 HK\$'000	可轉換非累計 優先股溢價 Convertible non-cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零二年一月一日， 如前呈報	At 1st January 2002, as previously reported	1,224,894	505,496	412,631	141,076	219,200	422,774	2,926,071
採納會計準則第12號 之影響	Effect of adopting SSAP 12	-	-	(66,021)	(22,572)	-	34,078	(54,515)
於二零零二年一月一日， 重報	At 1st January 2002, as restated	1,224,894	505,496	346,610	118,504	219,200	456,852	2,871,556
發行股份	Issue of shares	573,219	-	-	-	-	-	573,219
發行股份之開支	Share issue expenses	(11,427)	-	-	-	-	-	(11,427)
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	-	-	-	(108,388)	-	-	(108,388)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	781	-	-	781
出售銀行物業	Disposal of a bank property	-	-	(4,120)	-	-	4,120	-
本年度盈利 (附註11)	Profit for the year (Note 11)	-	-	-	-	-	514,441	514,441
解除遞延稅項負債 (附註23)	Releases to deferred tax liabilities (Note 23)	-	-	659	17,217	-	-	17,876
已付二零零一年末期股息 及特別股息	2001 final and special dividends paid	-	-	-	-	-	(161,378)	(161,378)
已付二零零二年中期股息 (附註12)	2002 interim dividends paid (Note 12)	-	-	-	-	-	(82,659)	(82,659)
於二零零二年 十二月三十一日	At 31st December 2002	1,786,686	505,496	343,149	28,114	219,200	731,376	3,614,021

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35 與集團成員公司之結餘

(a) 以下為資產負債表項目中與最終控股公司之結餘：

35 BALANCES WITH GROUP COMPANIES

(a) Included in the following balance sheet captions are balances with the ultimate holding company:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
資產負債表項目	On-balance sheet		
現金及短期資金	Cash and short-term funds		
庫存現金及銀行同業	Cash and balances with banks and		
與其他金融機構之結存	other financial institutions	53,275	52,135
短期通知存款	Money at call and short notice	2,662,926	7,814,649
		2,716,201	7,866,784
一至十二個月內到期之	Placements with banks and		
銀行同業及其他	other financial institutions		
金融機構之存款	maturing between one and twelve months	4,718,871	1,033,844
貸款及其他賬項	Advances and other accounts	66,201	85,049
		7,501,273	8,985,677
銀行同業及其他金融	Deposits and balances of banks and		
機構之存款及結餘	other financial institutions	20,317,169	11,447,647
已發行存款證	Certificates of deposit issued	3,805,280	700,000
其他賬項及準備金	Other accounts and provisions	120,695	120,764
		24,243,144	12,268,411
借入資本	Loan capital	4,178,304	3,254,730

附註：銀行同業及其他金融機構之存款及結餘包括一筆為數12,025,197,000港元(二零零二年：2,105,676,000港元)之款項，乃最終控股公司授予本銀行作營運資金用途之備用信貸1,635,000,000美元(二零零二年：6,000,000,000港元)中已被動用之數額。

Note: Included in deposits and balances of banks and other financial institutions is an amount of HK\$12,025,197,000 (2002: HK\$2,105,676,000) representing utilisation of a standby credit facility of US\$1,635,000,000 (2002: HK\$6,000,000,000) granted by the ultimate holding company to the Bank for working capital purposes.

賬目附註

Notes to the Accounts

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35 與集團成員公司之結餘 (續)

(a) 以下為資產負債表項目中與最終控股公司之結餘：(續)

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	11,334,371	8,046,200
利率掉期－名義數額	Interest rate swaps – notional principal	5,932,892	7,366,960
外幣期權－合約金額	Currency options – contractual amount		
－買入期權	– options purchased	133,520	390,100
－出售期權	– options written	77,632	–
		211,152	390,100
利率期權－合約金額	Interest rate options – contractual amount		
－買入期權	– options purchased	200,000	–
－出售期權	– options written	160,000	404,940
		360,000	404,940
一年內到期之其他承擔	Other commitments with maturity within 1 year		
－透支信貸	– overdraft facility	1,009,216	1,013,844

(b) 以下為資產負債表項目中與其他同系附屬公司之結餘：

35 BALANCES WITH GROUP COMPANIES (continued)

(a) Included in the following balance sheet captions are balances with the ultimate holding company: (continued)

(b) Included in the following balance sheet captions are balances with fellow subsidiaries:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
資產負債表項目	On-balance sheet		
貸款及其他賬項	Advances and other accounts	3,509	3,020
銀行同業及其他金融機構之存款及結餘	Deposits and balances of banks and other financial institutions	73,290	60,000
客戶存款	Deposits from customers	370,510	639,791
其他賬項及準備金	Other accounts and provisions	896	1,308
		444,696	701,099
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	46,550	107,800
利率掉期－名義數額	Interest rate swaps – notional principal	278,699	265,159

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35 與集團成員公司之結餘 (續)

(c) 以下為資產負債表項目中與本銀行附屬公司之結餘：

35 BALANCES WITH GROUP COMPANIES (continued)

(c) Included in the following balance sheet captions are balances with subsidiaries of the Bank:

		本銀行 Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
資產負債表項目	On-balance sheet		
由友聯中國業務管理發行、於資產負債表列作「持至到期之證券」之優先履約票據	Senior PLNs issued by UBCBM included in the balance sheet under "Held-to-maturity securities"	143,625	406,583
客戶存款	Deposits from customers	55,404	228,316
其他賬項及準備金	Other accounts and provisions	38,266	39,733
		93,670	268,049
資產負債表外項目	Off-balance sheet		
外匯合約—合約金額	Foreign exchange contracts – contractual amount	82,513	242,095

(d) 以下為資產負債表項目中與聯營公司之結餘：

(d) Included in the following balance sheet captions are balances with an associated company:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
資產負債表項目	On-balance sheet		
客戶存款	Deposits from customers	15,430	15,884
其他賬項及準備金	Other accounts and provisions	29	208

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36 關連交易

於本年度，本集團曾於日常業務過程中與關連各方（包括最終控股公司、同系附屬公司及聯營公司）達成多宗交易。

(a) 於一般業務過程中與關連各方達成之交易概要

與最終控股公司、同系附屬公司及聯營公司之關連交易應計之收入及支出總額概列如下：

36 RELATED PARTY TRANSACTIONS

During the year, the Group entered into various transactions in the normal course of business with related parties, including the ultimate holding company, fellow subsidiaries and associated companies.

(a) Summary of transactions entered into during the ordinary course of business with related parties

The aggregated income and expense arising from related party transactions with the ultimate holding company, fellow subsidiaries and associated companies are summarised as follows:

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
利息收入	Interest income		
— 存款(附註(i))	— Placement (Note (i))	58,133	38,298
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	268,560	307,313
利息支出	Interest expense		
— 存款(附註(iii))	— Deposits (Note (iii))	(153,097)	(153,044)
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	(295,211)	(345,375)
— 已發行存款證(附註(iv))	— Certificates of deposit issued (Note (iv))	(18,065)	(13,304)
— 借入資本(附註(v))	— Loan capital (Note (v))	(60,036)	(38,263)
期權溢價收入／(支出)淨額 (附註(vi))	Net option premium income/(expense) (Note (vi))	8,886	(782)
管理費收入(附註(vii))	Management fee income (Note (vii))	6,000	4,500
證券經紀佣金收入(附註(viii))	Securities brokerage commission income (Note (viii))	271	—
服務費收入(附註(ix))	Service fee income (Note (ix))	1,705	45
服務費支出(附註(x))	Service fee expense (Note (x))	(4,411)	(3,502)
物業支出(附註(xi))	Premises expense (Note (xi))	(6,113)	(5,926)

附註

- (i) 此為本銀行存放於最終控股公司及同系附屬公司之銀行同業存款按現行市場利率而收取之利息收入。
- (ii) 此為本銀行就利率掉期交易向最終控股公司及同系附屬公司收取及支付之利息收入及支出。該等交易包括按背對背基準與最終控股公司及同系附屬公司訂立之利率掉期。
- (iii) 此為本銀行支付最終控股公司及同系附屬公司之存款之利息支出。
- (iv) 此為本銀行發行並由最終控股公司及分行認購之面值為400,000,000美元及700,000,000港元之定息存款證而向最終控股公司及分行支付之利息支出。
- (v) 此為本銀行發行並由最終控股公司悉數認購之後償浮息票據而向最終控股公司支付之利息支出(附註32)。

Notes

- (i) Interest income was received on inter-bank deposits placed with the ultimate holding company and fellow subsidiaries at prevailing market rates.
- (ii) Interest income and expense was received from and paid to the ultimate holding company and fellow subsidiaries on the interest rate swaps at prevailing market rates. These transactions included interest rate swaps entered on a back-to-back basis with the ultimate holding company and fellow subsidiaries.
- (iii) Interest expense was paid on the deposits taken from the ultimate holding company and fellow subsidiaries.
- (iv) Interest expense was paid to the ultimate holding company and the Branch for fixed rate certificates of deposit issued by the Bank and subscribed by the ultimate holding company and the Branch with nominal value of US\$400,000,000 and HK\$700,000,000.
- (v) Interest expense was paid to the ultimate holding company for subordinated floating rate notes issued by the Bank and fully subscribed by the ultimate holding company (Note 32).

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36 關連交易 (續)

(a) 於一般業務過程中與關連各方達成之交易概要 (續)

- (vi) 期權溢價收入／支出淨額乃本銀行就各類期權合約按現行市場利率收取／支付最終控股公司及同系附屬公司之款項。
- (vii) 根據二零零一年七月三日訂立之合作協議，管理費收入乃本銀行就提供會計與預算、內部稽核、市場推廣及後台清算及結算等服務而向分行收取之費用。
- (viii) 佣金收入乃就提供證券經紀服務予同系附屬公司時所收取。
- (ix) 根據二零零二年十二月十八日訂立之外判協議，服務費收入乃就本銀行為分行於二零零二年十二月十八日開始在香港推出信用卡業務而提供之管理、行政及市場推廣服務向分行收取之款項。
- (x) 根據二零零二年二月二十一日訂立之服務協議，服務費支出乃就最終控股公司向本銀行提供之數據處理服務而向最終控股公司支付之款項。
- (xi) 根據二零零一年七月三日訂立之合作協議及於二零零一年十二月二十七日訂立之特許協議，物業支出乃就本銀行佔用分行所租用部份樓面而向分行支付之款項。

(b) 向關連各方買賣若干資產

從屬參與銀團貸款

於本年度，本銀行與分行、最終控股公司及同系附屬公司訂立多宗資本市場交易。該等交易包括分行、最終控股公司及同系附屬公司從屬參與本銀行之銀團貸款，涉及金額合共為6,430,380,000港元(二零零二年：7,940,249,000港元)，以及本銀行以類似方式從屬參與分行、最終控股公司及同系附屬公司之銀團貸款，涉及金額合共為1,925,371,000港元(二零零二年：1,451,000,000港元)。上述交易應佔費用3,055,000港元(二零零二年：無)乃於二零零三年支付予分行。該等交易乃按相關貸款協議之條款(如適用)或可供比較之現行市場價格定價，或以不遜於給予其他獨立銀團貸款成員之條款定價。

買賣債券

於本年度，本銀行向最終控股公司及同系附屬公司買賣之債券賬面值分別為139,002,000港元(二零零二年：749,529,000)及1,700,719,000港元(二零零二年：2,548,323,000港元)。該等交易乃按正常商業條款及參考現行市場價格而訂立。

36 RELATED PARTY TRANSACTIONS (continued)

(a) Summary of transactions entered into during the ordinary course of business with related parties (continued)

- (vi) Net option premium income/expense was received from/paid to the ultimate holding company and fellow subsidiaries on the various option contracts at prevailing market rates.
- (vii) In accordance with the Collaboration Agreement dated 3rd July 2001, management fee income was received from the Branch for the provision of services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing.
- (viii) Commission income was received on delivering securities brokerage services to fellow subsidiaries.
- (ix) In accordance with the Outsourcing Agreement dated 18th December 2002, service fee income was received from the Branch for the provision of management, administrative and marketing services in respect of credit card business of the Branch launched in Hong Kong commencing from 18th December 2002.
- (x) In accordance with the Service Level Agreement dated 21st February 2002, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank.
- (xi) In accordance with the Collaboration Agreement dated 3rd July 2001 and the Licence Agreement dated 27th December 2001, premises expense was paid to the Branch for using a portion of floor area rented by the Branch.

(b) Buy and sale of certain assets from/to related parties

Sub-participation of syndicated loans

During the year, the Bank entered into various capital market transactions with the Branch, the ultimate holding company and fellow subsidiaries. These transactions included sub-participation in syndicated loans of the Bank by the Branch, the ultimate holding company and fellow subsidiaries for a total of HK\$6,430,380,000 (2002: HK\$7,940,249,000) and similar sub-participation in syndicated loans of the Branch, the ultimate holding company and fellow subsidiaries by the Bank for a total of HK\$1,925,371,000 (2002: HK\$1,451,000,000). Fee attributable to the above transactions of HK\$3,055,000 was paid to the Branch in 2003 (2002: HK\$Nil). These transactions were priced based either on the terms of the underlying loan agreement, if applicable, or prevailing market rates if such comparable rates are available, or on terms that are no less favourable than those available to other independent syndicate members.

Buy and sale of debt securities

During the year, the Bank bought and sold debt securities with a carrying value of HK\$139,002,000 (2002: HK\$749,529,000) and HK\$1,700,719,000 (2002: HK\$2,548,323,000) respectively from and to the ultimate holding company and fellow subsidiaries. These transactions were entered into on normal commercial terms with reference to prevailing market rates.

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36 關連交易 (續)

(c) 最終控股公司作出之承諾

為表示對本銀行之支持，最終控股公司於二零零一年七月三日簽署信心保證書。據此，最終控股公司將向本銀行提供所需資金，以確保維持充足資本及流動資金水平。

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議，據此，最終控股公司同意就因根據業務轉讓協議轉讓予本銀行之「大額貸款」作出高達9,000,000,000港元之擔保，並就該等客戶一旦違約所產生損失對本銀行作出賠償保證。於二零零三年十二月三十一日，本銀行就該項擔保大額貸款所保障之資產負債表項目及資產負債表外項目涉及之金額分別達1,616,964,000港元及791,924,000港元(二零零二年：分別為3,970,478,000港元及1,705,566,000港元)。

(d) 委聘同系附屬公司提供財務顧問服務

本銀行於二零零三年十月二十八日及二零零三年十二月三十一日與本銀行之同系附屬公司工商東亞融資有限公司(「工商東亞」)訂立委聘協議，據此，本銀行委任工商東亞為就建議收購華比富通銀行之已發行股本擔任本銀行之財務顧問，財務顧問費合共5,000,000港元，其中已支付1,500,000港元，並記錄作為於二零零三年十二月三十一日之「貸款及其他賬項」內之預付款項。餘下合約金額3,500,000港元之承擔乃包括於賬目附註39之「資本承擔」。

37 分部報告

(a) 按地域劃分

本集團主要在香港經營業務。本集團之海外業務佔本集團收入、盈利、資產、負債、或然負債或承擔少於百分之十。

(b) 業務種類

本集團主要經營商業銀行業務，包括商業與零售銀行、財資及企業與投資銀行。商業與零售銀行業務包括零售銀行、商業借貸及貿易融資。財資業務包括外匯、貨幣市場及資本市場業務。企業與投資銀行主要包括企業銀行、提供債務資本市場及企業融資及顧問服務。

36 RELATED PARTY TRANSACTIONS (continued)

(c) Undertaking from the ultimate holding company

To demonstrate its support to the Bank, a Letter of Comfort dated 3rd July 2001 was executed by the ultimate holding company, pursuant to which it will provide the Bank with such funding as may be required by the Bank to ensure that it will maintain sufficient capital and liquidity levels.

Simultaneously on 3rd July 2001, the ultimate holding company and the Bank entered into a guarantee agreement whereby the ultimate holding company agreed to guarantee to the extent of HK\$9,000,000,000 the payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to the Business Transfer Agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. The amount of such on-balance sheet and off-balance sheet large exposures of the Bank covered by this guarantee as at 31st December 2003 was HK\$1,616,964,000 and HK\$791,924,000 respectively (2002: HK\$3,970,478,000 and HK\$1,705,566,000 respectively).

(d) Financial advisory engagement with a fellow subsidiary

The Bank entered into engagement agreements with ICEA Capital Limited ("ICEA"), a fellow subsidiary of the Bank, on 28th October 2003 and 31st December 2003 whereby the Bank appointed ICEA as the financial advisor of the Bank for the proposed acquisition of the issued share capital in Fortis Bank Asia HK at a financial advisory fee of HK\$5,000,000 in aggregate, of which HK\$1,500,000 has been paid and recorded as prepayment in "Advances and other accounts" as at 31st December 2003. Commitment to the remaining contract amount of HK\$3,500,000 was included in "Capital commitments" in Note 39 to the accounts.

37 SEGMENT REPORTING

(a) Geographical area

The Group operates predominantly in Hong Kong. Less than 10% of the Group's income, profit, assets, liabilities, contingent liabilities or commitments is attributable to the Group's overseas operations.

(b) Class of business

The Group operates predominantly in commercial banking which comprises commercial and retail banking, treasury and markets, and corporate and investment banking activities. Commercial and retail banking includes retail banking, commercial lending and trade finance. Treasury and markets activities include foreign exchange, money market and capital market activities. Corporate and investment banking activities mainly comprise corporate banking, the provision of debt capital market and corporate finance and advisory services.

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37 分部報告 (續)

37 SEGMENT REPORTING (continued)

(b) 業務種類 (續)

(b) Class of business (continued)

		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2003						
淨利息收入	Net interest income	337,466	312,017	159,310	14,354	823,147
其他營運收入	Other operating income	62,986	26,483	198,925	32,946	321,340
營運收入	Operating income	400,452	338,500	358,235	47,300	1,144,487
營運支出	Operating expenses	(193,684)	(44,664)	(31,789)	(43,918)	(314,055)
商譽攤銷	Amortisation of goodwill	-	-	-	(35,498)	(35,498)
扣除準備金前之 營運盈利/(虧損)	Operating profit/(loss) before provisions	206,768	293,836	326,446	(32,116)	794,934
呆壞賬撥備	Charge for bad and doubtful debts	(61,184)	(5,941)	(13,641)	(48,470)	(129,236)
營運盈利/(虧損)	Operating profit/(loss)	145,584	287,895	312,805	(80,586)	665,698
出售固定資產之溢利/ (虧損)淨額	Net gain/(loss) from disposal of fixed assets	(703)	-	-	2,114	1,411
銀行行址減值虧損	Impairment loss on bank premises	-	-	-	(11,858)	(11,858)
出售及贖回持至 到期之證券及 非持作買賣用途之 證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity securities and non-trading securities	-	16,164	-	-	16,164
持作可出售 物業之準備回撥	Write-back of provision on property available for sale	-	-	-	5,369	5,369
應佔聯營公司之 虧損淨額	Share of net losses of associated companies	-	-	-	(31,621)	(31,621)
除稅前盈利/(虧損)	Profit/(Loss) before taxation	144,881	304,059	312,805	(116,582)	645,163
分部資產	Segment assets	17,217,075	32,112,789	23,745,593	680,527	73,755,984
於聯營公司之投資	Investments in associated companies	-	-	-	161,467	161,467
未分類資產	Unallocated assets	-	-	-	1,402,173	1,402,173
資產總額	Total assets	17,217,075	32,112,789	23,745,593	2,244,167	75,319,624
分部負債	Segment liabilities	19,602,876	22,771,319	16,337,620	207,828	58,919,643
未分類負債	Unallocated liabilities	-	-	-	6,304,372	6,304,372
負債總額	Total liabilities	19,602,876	22,771,319	16,337,620	6,512,200	65,224,015
資本支出	Capital expenditure	4,098	124	24	6,299	10,545
折舊費用	Depreciation charge	10,246	293	75	10,098	20,712

賬目附註

Notes to the Accounts

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37 分部報告 (續)

(b) 業務種類 (續)

2002		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
淨利息收入	Net interest income	257,108	219,945	147,951	64,185	689,189
其他營運收入	Other operating income	48,642	39,832	266,476	35,782	390,732
營運收入	Operating income	305,750	259,777	414,427	99,967	1,079,921
營運支出	Operating expenses	(128,037)	(36,913)	(42,343)	(99,967)	(307,260)
商營攤銷	Amortisation of goodwill	-	-	-	(35,498)	(35,498)
扣除準備金前之 營運盈利/(虧損)	Operating profit/(loss) before provisions	177,713	222,864	372,084	(35,498)	737,163
呆壞賬 (撥備)/回撥	(Charge for)/write-back of bad and doubtful debts	(91,581)	129	(46,242)	(43,818)	(181,512)
營運盈利/(虧損)	Operating profit/(loss)	86,132	222,993	325,842	(79,316)	555,651
出售固定資產之 虧損淨額	Net loss from disposal of fixed assets	(3,208)	-	(5)	(1,672)	(4,885)
出售及贖回持至 到期之證券及 非持作買賣用途之 證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity securities and non-trading securities	-	26,390	130	1,749	28,269
持至到期之證券之 撥備及非持作買賣 用途之證券之減值 虧損回撥	Write-back of provision on held-to-maturity securities and impairment losses on non-trading securities	-	-	-	1,252	1,252
應佔聯營公司之 虧損淨額	Share of net losses of associated companies	82,924	249,383	325,967	(77,987)	580,287
除稅前盈利/(虧損)	Profit/(Loss) before taxation	-	-	-	(9,458)	(9,458)
分部資產	Segment assets	82,924	249,383	325,967	(87,445)	570,829
於聯營公司之投資	Investments in associated companies	13,419,431	27,032,391	19,105,737	1,058,710	60,616,269
未分類資產	Unallocated assets	-	-	-	193,306	193,306
資產總額	Total assets	-	-	-	1,452,414	1,452,414
分部負債	Segment liabilities	13,419,431	27,032,391	19,105,737	2,704,430	62,261,989
未分類負債	Unallocated liabilities	17,579,035	12,638,401	21,064,984	206,345	51,488,765
負債總額	Total liabilities	17,579,035	12,638,401	21,064,984	1,817,925	53,100,345
資本支出	Capital expenditure	4,339	108	58	7,822	12,327
折舊費用	Depreciation charge	11,577	317	74	13,511	25,479

37 SEGMENT REPORTING (continued)

(b) Class of business (continued)

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38 資產負債表外風險

(a) 或然負債及承擔

以下概要為每個主要類別之或然負債及承擔之合約價值：

38 OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
直接信貸代替品	Direct credit substitutes	2,107,357	2,491,814
與交易有關之或然負債	Transaction-related contingencies	188,505	126,649
與貿易有關之或然負債	Trade-related contingencies	919,114	627,797
其他承擔：	Other commitments with an original maturity of:		
— 原到期日少於一年 或可無條件撤銷	— under 1 year or which are unconditionally cancellable	5,307,690	4,161,036
— 原到期日在一年或以上	— 1 year and over	8,066,276	9,261,792
遠期存款	Forward forward deposits placed	87,069	49,438
		16,676,011	16,718,526

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38 資產負債表外風險 (續)

(b) 衍生工具

以下乃各類主要衍生工具名義數值總額之分析：

本集團	Group	買賣		對沖		總計	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
匯率合約	Exchange rate contracts						
遠期	Forwards	2,089,629	6,500,181	-	73,852	2,089,629	6,574,033
掉期	Swaps	1,558,541	1,779,682	27,245,234	11,958,359	28,803,775	13,738,041
購入期權	Options purchased	335,466	5,690,033	-	-	335,466	5,690,033
售出期權	Options written	335,466	5,690,038	-	-	335,466	5,690,038
		4,319,102	19,659,934	27,245,234	12,032,211	31,564,336	31,692,145
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	-	7,799	16,424,687	10,574,251	16,424,687	10,582,050
購入期權	Options purchased	513,731	203,994	1,559,216	1,265,856	2,072,947	1,469,850
售出期權	Options written	513,731	53,994	788,160	1,031,892	1,301,891	1,085,886
		1,027,462	265,787	18,772,063	12,871,999	19,799,525	13,137,786
其他合約	Other contracts						
購入股票期權	Equity options purchased	50,116	44,914	-	-	50,116	44,914
售出股票期權	Equity options written	50,116	44,914	-	-	50,116	44,914
		100,232	89,828	-	-	100,232	89,828
		5,446,796	20,015,549	46,017,297	24,904,210	51,464,093	44,919,759

38 OFF-BALANCE SHEET EXPOSURES (continued)

(b) Derivatives

The following is an analysis of the aggregate notional amounts of each significant type of derivatives:

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38 資產負債表外風險 (續)

(b) 衍生工具 (續)

本銀行	Bank	買賣		對沖		總計	
		Trading		Hedging		Total	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
匯率合約	Exchange rate contracts						
遠期	Forwards	2,089,629	6,500,181	82,513	315,947	2,172,142	6,816,128
掉期	Swaps	1,558,541	1,779,682	27,245,234	11,958,359	28,803,775	13,738,041
購入期權	Options purchased	335,466	5,690,033	-	-	335,466	5,690,033
售出期權	Options written	335,466	5,690,038	-	-	335,466	5,690,038
		4,319,102	19,659,934	27,327,747	12,274,306	31,646,849	31,934,240
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	-	7,799	16,424,687	10,574,251	16,424,687	10,582,050
購入期權	Options purchased	513,731	203,994	1,559,216	1,265,856	2,072,947	1,469,850
售出期權	Options written	513,731	53,994	788,160	1,031,892	1,301,891	1,085,886
		1,027,462	265,787	18,772,063	12,871,999	19,799,525	13,137,786
其他合約	Other contracts						
購入股票期權	Equity options purchased	50,116	44,914	-	-	50,116	44,914
售出股票期權	Equity options written	50,116	44,914	-	-	50,116	44,914
		100,232	89,828	-	-	100,232	89,828
		5,446,796	20,015,549	46,099,810	25,146,305	51,546,606	45,161,854

本集團於年內並無進行任何雙邊淨額結算安排，因此下列數額均以總額呈列。

The Group did not enter into any bilateral netting arrangements during the year and accordingly the following amounts are shown on a gross basis.

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38 資產負債表外風險 (續)

(b) 衍生工具 (續)

本集團	Group	加權信貸風險數額		重置成本	
		Credit risk weighted amount		Replacement cost	
		2003	2002	2003	2002
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
或然負債及承擔	Contingent liabilities and commitments	4,441,136	5,049,274		
衍生工具：	Derivatives:				
— 匯率合約	— Exchange rate contracts	76,905	46,153	60,765	48,251
— 利率合約	— Interest rate contracts	85,374	98,022	337,633	405,508
— 其他合約	— Other contracts	—	—	334	238
		162,279	144,175	398,732	453,997

本銀行

Bank

		加權信貸風險數額		重置成本	
		Credit risk weighted amount		Replacement cost	
		2003	2002	2003	2002
		千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
或然負債及承擔	Contingent liabilities and commitments	4,441,136	5,049,274		
衍生工具：	Derivatives:				
— 匯率合約	— Exchange rate contracts	77,318	47,557	60,765	48,637
— 利率合約	— Interest rate contracts	85,374	98,022	337,633	405,508
— 其他合約	— Other contracts	—	—	334	—
		162,692	145,579	398,732	454,145

此等工具之合約數額顯示於結算日之未平倉交易成交量，並不代表承擔風險之數額。

加權信貸風險數額乃根據銀行業條例附表三及香港金融管理局發出之指引計算。有關數額須視乎各類合約交易方之狀況及到期情況而定。

重置成本即重新訂立所有合約(按市值計算時有正數價值)之成本(倘交易方未能履行責任)，有關數額乃按市值計算之正數價值計算。重置成本乃該等合約於結算日之信貸風險之概約數。

38 OFF-BALANCE SHEET EXPOSURES (continued)

(b) Derivatives (continued)

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

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.

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.

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39 資本承擔

於十二月三十一日未於賬目中作出撥備之固定資產資本承擔餘額如下：

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	52,517	24,956

於二零零三年十二月三十一日，本銀行與富通集團，一間根據比利時法律註冊成立之銀行（「富通」）及Generale Belgian Holding B.V.（「GBH」），一間根據荷蘭法律註冊成立及富通全資擁有之公司訂立一項買賣協議（「買賣協議」）。據此，GBH同意出售而本銀行同意於售回除外資產（定義見買賣協議）後及根據買賣協議之條件及條款，購買根據比利時法律成立及富通間接全資附屬公司華比富通銀行之全部已發行股本（「該收購」）。收購價為2,157,000,000港元（可根據於完成日期按比利時公認會計準則釐定之所收購資產之資產淨值予以調整）。該收購代價將透過下列方式支付：

- (i) 向GBH配發及發行新股份（「代價股份」），將相當於本銀行於完成日期經發行代價股份及假設於完成前全數轉換可轉換非累計優先股擴大後之已發行股本之9%，而發行每股股份之價值，相等於本銀行於完成日期每股綜合資產淨值之1.05倍（「協定價值」）；及
- (ii) 現金付款，金額相等於收購價（即於完成日期所收購資產之資產淨值之1.05倍）（已扣除代價股份之協定價格後）之結餘。

待根據買賣協議條款獲達致（或豁免（倘適用））有關先決條件後，買賣協議將於二零零四年四月三十日完成，或倘所有條件於二零零四年四月三十日尚未獲達致或豁免，買賣協議則於買賣協議指定之若干條件獲達致（或豁免（倘適用））之第一個營業日後之第三個營業日或訂約方可能同意之其他日期（惟不得遲於二零零四年六月三十日）完成。

39 CAPITAL COMMITMENTS

Capital commitments for fixed assets outstanding as at 31st December not provided for in the accounts were as follows:

		本集團及本銀行 Group and Bank	
		2003	2002
		千港元	千港元
		HK\$'000	HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	52,517	24,956

On 31st December 2003, the Bank entered into a sale and purchase agreement (the "SPA") with Fortis Bank ("Fortis"), a bank incorporated under the laws of Belgium, and Generale Belgian Holding B.V. ("GBH"), a company incorporated under the laws of Netherlands and wholly owned by Fortis. Pursuant to the SPA, GBH has agreed to sell and the Bank has agreed to purchase the entire issued share capital of Fortis Bank Asia HK, a company organised under the laws of Belgium and an indirect wholly-owned subsidiary of Fortis, following a carve-out of the Excluded Assets (as defined in the SPA), subject to the conditions and on the terms of the SPA (the "Acquisition"). The price of the Acquisition is HK\$2,157 million, subject to adjustment based on the net asset value of the acquired assets to be determined in accordance with the generally accepted accounting principles in Belgium as at the completion date. The consideration for the Acquisition will be satisfied by:

- (i) the allotment and issue to GBH new shares (the "Consideration Shares"), which will represent 9% of the issued share capital of the Bank as at the completion date, as enlarged by such issuance and assuming full conversion of the convertible non-cumulative preference shares issued by the Bank prior to completion, to be issued at a value per share equal to 1.05 times the consolidated net asset value per share of the Bank as at the completion date (the "Agreed Value"); and
- (ii) a cash payment of a sum equal to the balance of the acquisition price, being 1.05 times the net asset value of the acquired assets on completion date, after deduction of the Agreed Value of the Consideration Shares.

Subject to the satisfaction (or waived, if applicable) of the conditions precedent to the SPA in accordance with its terms, completion of the SPA shall take place on 30th April 2004, or, if all of the conditions have not been satisfied or waived by 30th April 2004, on the third business day after the first business day on or by which certain of the conditions specified in the SPA have been fulfilled (or waived, if applicable) or such other date as may be agreed otherwise by the parties (but which shall be no later than 30th June 2004).

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39 資本承擔 (續)

就該收購而言，本銀行委任本銀行之同系附屬公司工商東亞融資有限公司擔任財務顧問，有關費用合共5,000,000港元，其中1,500,000港元已支付，並記錄為於二零零三年十二月三十一日之「貸款及其他賬目」內之預付款項。費用餘額3,500,000港元為本銀行於二零零三年十二月三十一日之資本承擔。

40 租約承擔

於二零零三年十二月三十一日，本集團根據不可撤銷經營租約須於未來支付之最低租金總額如下：

39 CAPITAL COMMITMENTS (continued)

In relation to the Acquisition, the Bank appointed ICEA Capital Limited, a fellow subsidiary of the Bank as the financial advisor at a fee of HK\$5,000,000 in aggregate, of which HK\$1,500,000 has been paid and recorded as prepayment in "Advances and other accounts" as at 31st December 2003. The remaining fee of HK\$3,500,000 constituted a capital commitment of the Bank as at 31st December 2003.

40 LEASE COMMITMENTS

At 31st December 2003 the Group had future aggregate minimum lease payment under non-cancellable operating leases as follows:

		本集團及本銀行 Group and Bank	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000
土地及樓宇	Land and buildings		
– 不超過一年	– Not later than one year	5,426	3,788
– 一年以上及 五年以內	– Later than one year and not later than five years	4,253	1,679
		9,679	5,467

41 給予行政人員之貸款

根據香港公司條例第161B(4B)條之規定，行政人員獲授之貸款披露如下：

41 LOANS TO OFFICERS

Particulars of loans made to officers and disclosed pursuant to section 161B(4B) of the Hong Kong Companies Ordinance are as follows:

		於十二月三十一日之未償還餘額 Balance outstanding at 31st December		年內最高結餘 Maximum balance during the year	
		2003 千港元 HK\$'000	2002 千港元 HK\$'000	2003 千港元 HK\$'000	2002 千港元 HK\$'000
未償還本金及 利息總額	Aggregate amount outstanding in respect of principal and interest	43,327	49,398	50,521	61,869

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42 綜合現金流量表附註

(a) 年內融資變動之分析

		借入資本 Loan capital (附註32) (Note 32) 千港元 HK\$'000	股本(包括溢價) Share capital (including premiums) (附註33及34) (Notes 33 & 34) 千港元 HK\$'000	已付股息 Dividends paid (附註34) (Note 34) 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零二年一月一日	At 1st January 2002	1,208,628	3,804,125	-	5,012,753
融資活動現金流入/(流出) 淨額	Net cash inflow/(outflow) from financing activities	2,007,653	747,902	(244,037)	2,511,518
借入資本之利息部份	Interest element on loan capital	38,263	-	-	38,263
已付股息	Dividends paid	-	-	244,037	244,037
匯兌差額之影響	Effect of exchange differences	186	-	-	186
於二零零二年十二月三十一日	At 31st December 2002	3,254,730	4,552,027	-	7,806,757
融資活動現金流入/(流出) 淨額	Net cash inflow/(outflow) from financing activities	875,880	-	(305,839)	570,041
借入資本之利息部份	Interest element on loan capital	60,036	-	-	60,036
已付股息	Dividends paid	-	-	305,839	305,839
匯兌差額之影響	Effect of exchange differences	(12,342)	-	-	(12,342)
於二零零三年十二月三十一日	At 31st December 2003	4,178,304	4,552,027	-	8,730,331

(b) 現金及等同現金項目結餘之分析

(b) Analysis of the balances of cash and cash equivalents

		2003 千港元 HK\$'000	2002 千港元 HK\$'000
銀行同業及其他金融機構 之現金及結餘	Cash and balances with banks and other financial institutions	200,126	161,525
通知存款及短期通知存款	Money at call and short notice	13,189,509	15,402,917
原到期日三個月內到期 之庫券	Treasury bills with original maturity within three months	-	92,844
原到期日三個月內到期之 存放銀行同業及其他金融 機構存款	Placements with banks and other financial institutions with original maturity within three months	2,933,335	1,033,844
原到期日三個月內到期之 銀行同業及其他金融 機構存款及結餘	Deposits and balances of banks and other financial institutions with original maturity within three months	(7,020,489)	(12,169,030)
		9,302,481	4,522,100

截至二零零三年十二月三十一日止年度
For the year ended 31st December 2003

43 結算日後事項

於二零零四年二月九日，由最終控股公司持有每股面值2.00港元之現有普通股根據二零零四年二月四日之配售協議按每股11.25港元配售予獨立投資者，而最終控股公司根據二零零四年二月四日之認購協議按每股11.25港元認購124,874,000股每股面值2.00港元之新普通股，每股溢價9.25港元（「認購」）。該等股份與現有股份享有同等權益。

進行認購後，已發行及悉數繳足之普通股數目由624,374,304股增加至749,248,304股，而本銀行之已發行股本由2,259,845,000港元增加至2,509,593,000港元。本銀行擬將認購所得款項淨額用作支付收購華比富通銀行之代價之現金部分（附註39）。

44 比較數字

由於本年度採納會計準則第12號「所得稅」，故此修訂若干已呈列於及截至二零零二年十二月三十一日止年度之賬目內之項目及結餘，致使與本年度之呈列相符一致。

45 最終控股公司

根據中國法律成立之國營商業銀行中國工商銀行乃本銀行之最終控股公司。

46 財務報告之批准

本財務報告於二零零四年三月二十二日經董事會批准。

43 SUBSEQUENT EVENTS

On 9th February 2004, 124,874,000 existing ordinary shares of HK\$2.00 each held by the ultimate holding company were placed to independent investors at HK\$11.25 each pursuant to the Placing Agreement dated 4th February 2004 and 124,874,000 new ordinary shares of HK\$2.00 each were subscribed by the ultimate holding company pursuant to the Subscription Agreement dated 4th February 2004 at HK\$11.25 each, representing a premium of HK\$9.25 each (the "Subscription"). These shares rank pari passu with the existing shares.

Subsequent to the Subscription, the number of ordinary shares issued and fully paid increased from 624,374,304 to 749,248,304, and the issued share capital of the Bank increased from HK\$2,259,845,000 to HK\$2,509,593,000. The Bank intends to apply the net proceeds from the Subscription to satisfy the cash portion of the consideration for the acquisition of Fortis Bank Asia HK (Note 39).

44 COMPARATIVE FIGURES

Due to the adoption of SSAP 12 "Income taxes" in the current year, the presentation of certain items and balances in the accounts have been revised to comply with the new requirements. Accordingly, certain comparative figures as at and for the year ended 31st December 2002 have been restated to conform to the current year's presentation.

45 ULTIMATE HOLDING COMPANY

The ultimate holding company is The Industrial and Commercial Bank of China, a state-owned enterprise established under the laws of the People's Republic of China.

46 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 22nd March 2004.