

附註 NOTES

(除特別列明外均以港幣百萬元位列示)

(Figures in HK\$m unless otherwise indicated)

1 淨利息收入

1 Net interest income

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
淨利息收入	Net interest income	4,711	5,220	4,959
賺取利息之平均資產	Average interest-earning assets	470,141	437,045	456,749
淨息差	Net interest spread	1.95%	2.33%	2.09%
淨利息收益率	Net interest margin	2.02%	2.41%	2.15%

2 其他營業收入

2 Other operating income

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
股息收入：	Dividend income:			
• 上市證券投資	• listed investments	32	35	17
• 非上市證券投資	• unlisted investments	44	2	38
		76	37	55
服務費及佣金：	Fees and commissions:			
• 證券經紀及有關服務	• securities/stockbroking	295	124	237
• 零售投資產品及資金管理	• retail investment products and funds under management	871	725	271
• 保險	• insurance	54	45	37
• 賬戶服務	• account services	108	111	100
• 滙款	• remittance	60	63	69
• 信用卡	• cards	297	258	293
• 信貸便利	• credit facilities	123	113	118
• 入口/出口押滙	• import/export	118	105	118
• 其他	• other	67	56	61
服務費及佣金收入	Fees and commissions receivable	1,993	1,600	1,304
服務費及佣金支出	Fees and commissions payable	(170)	(159)	(190)
		1,823	1,441	1,114
買賣溢利：	Dealing profits:			
• 外滙	• foreign exchange	530	352	412
• 證券及其他買賣活動	• securities and other trading activities	28	9	34
		558	361	446
保險承保業務	Insurance underwriting	617	538	606
投資物業之租金收入	Rental income from investment properties	102	104	106
其他	Other	186	193	197
		3,362	2,674	2,524

3 營業支出

3 Operating expenses

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
人事費用：	Staff costs:			
• 薪金及其他人事費用	• salaries and other costs	953	908	952
• 退休福利計劃支出	• retirement benefit costs	84	91	92
		1,037	999	1,044
折舊	Depreciation	153	171	158
房地產及設備費用：	Premises and equipment:			
• 租金支出	• rental expenses	88	88	90
• 其他	• other	319	280	349
		407	368	439
其他經營費用	Other operating expenses	380	283	440
		1,977	1,821	2,081
成本對收入比率	Cost:income ratio	24.5%	23.1%	27.8%
各區域員工人數*	Staff numbers by region*			
		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
香港	Hong Kong	7,233	7,026	7,076
內地及其他地方	Mainland and others	242	148	204
總數	Total	7,475	7,174	7,280

* 相等於全職員工人數

* Full-time equivalent

4 呆壞賬準備

4 Provisions for bad and doubtful debts

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
呆壞賬準備淨額支取/(回撥)	Net charge/(release) for bad and doubtful debts			
客戶貸款	Advances to customers			
特殊準備：	Specific provisions:			
• 新提撥	• new provisions	242	666	501
• 回撥	• releases	(252)	(182)	(133)
• 收回已撇除賬項	• recoveries	(55)	(22)	(32)
		(65)	462	336
一般準備	General provisions	(698)	(6)	–
損益賬淨額(回撥)/支取	Net (release)/charge to profit and loss account	(763)	456	336

5 有形固定資產及 長期投資之溢利

5 Profit on tangible fixed assets and long-term investments

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
出售長期股票投資之溢利	Profit on disposal of long-term equity investments			
• 已於期初重估儲備確認 而實現之數額	• realisation of amounts previously recognised in revaluation reserves at beginning of period	291	358	60
• 期內之盈利/(虧損)	• gain/(loss) arising in current period	28	(38)	30
		319	320	90
出售持至期滿債務證券之 溢利減虧損	Profit less loss on disposal of held-to-maturity debt securities	–	40	8
出售有形固定資產之溢利減虧損	Profit less loss on disposal of tangible fixed assets	20	7	(4)
長期投資減值準備	Provision for impairment of long-term investments	–	(26)	26
		339	341	120

6 稅項

綜合損益結算表內之稅項

組成如下：

6 Taxation

Taxation in the consolidated profit and loss account represents:

	半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
本期稅項 – 香港利得稅準備	Current tax – provision for Hong Kong profits tax		
本期稅項	864	839	604
過往年度之稅務虧損在期內扣減	(1)	(3)	3
過往年度稅項準備回撥	(15)	–	(39)
	848	836	568
本期稅項 – 香港以外之稅項	Current tax – taxation outside Hong Kong		
本期稅項	3	2	2
過往年度稅項準備回撥	–	–	(14)
	3	2	(12)
遞延稅項	Deferred tax		
是期產生之暫時性差額及回撥	145	31	39
稅率上升對遞延稅項之影響	–	(9)	–
確認過往年度可扣減之稅務虧損額	–	(17)	(19)
	145	5	20
應佔聯營公司之稅項	2	3	1
提撥稅項合計	998	846	577
實際稅率	13.6%	14.3%	11.1%

本期稅項準備乃以二零零四年上半年本行及附屬公司在香港特別行政區經營之估計應課稅溢利按香港利得稅率百分之十七點五計算（二零零三年年度亦為百分之十七點五）。於香港特別行政區以外之附屬公司及分行亦同樣按其營業所在地區之適當稅率提撥稅項準備。

The current tax provision is based on the estimated assessable profit for the first half of 2004 and, for the Bank and its subsidiaries operating in the Hong Kong SAR, using the Hong Kong profits tax rate of 17.5% (17.5% for 2003). For subsidiaries and branches operating in other jurisdictions, the appropriate tax rates prevailing in the countries in which they operate are used.

6 稅項 (續)

遞延稅項是按預期該等稅項負債或資產需清付或扣減時所適用之稅率計算。遞延稅項按其產生之項目性質進支損益賬或進支儲備。遞延稅項資產及負債結餘，須在結算日檢討。若預期沒有足夠應課稅溢利以作稅務扣減，則須減低遞延稅項資產額。

6 Taxation (continued)

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to reserves, in which case the deferred tax is also dealt with in the reserves. The carrying amount of deferred tax assets/liabilities is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised.

7 每股盈利

二零零四年上半年之每股盈利乃根據溢利港幣六十二億四千五百萬元（二零零三年上半年為港幣五十億二千二百萬元）及已發行普通股加權平均數之十九億一千一百八十四萬二千七百三十六股（自二零零三年上半年以來並無變動）計算。

7 Earnings per share

The calculation of earnings per share for the first half of 2004 is based on earnings of HK\$6,245 million (HK\$5,022 million for the first half of 2003) and on the weighted average number of ordinary shares in issue of 1,911,842,736 shares (unchanged from the first half of 2003).

8 每股股息

8 Dividends per share

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003			
		每股港幣 per share HK\$	港幣百萬元 HK\$m	每股港幣 per share HK\$	港幣百萬元 HK\$m	每股港幣 per share HK\$	港幣百萬元 HK\$m
第一次中期	First interim	1.10	2,103	2.10	4,015	–	–
第二次中期	Second interim	1.10	2,103	–	–	1.00	1,912
第三次中期	Third interim	–	–	–	–	1.80	3,441
		2.20	4,206	2.10	4,015	2.80	5,353

9 按類分析

(甲) 業務類別

按類分析資料以業務類別及地理區域列示。由於按業務類別分析所得資料較適用於恒生之營運及財務決策，故被應用作主要按類分析。

按類分析下之收入劃分，是反映各業務類別或地理區域，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。成本分配則以各業務或區域之直接成本及分攤之管理費用計算。各類業務使用恒生自置物業，按市值計算之租金反映於「其他業務」項下之跨業務收入及各業務類別之跨業務支出內。

恒生之業務分為五大類別。個人銀行業務為個人客戶提供銀行（包括存款、信用卡、按揭及其他零售貸款）及理財服務（包括保險及投資）。商業銀行業務負責促進與中小型企業客戶之關係及提供貿易融資服務。工商及金融機構業務負責向大型企業及機構客戶提供服務。至於財資業務則從事同業及資本市場活動以及銀行本身之買賣，管理流動資金以及銀行業務所產生之其他涉及市場風險之持倉。其他業務主要包括管理股東資金、行址投資、物業投資及長期證券投資。

9 Segmental analysis

(a) By business segment

Segmental information is presented in respect of business and geographical segments. Business segment information, which is more relevant to Hang Seng in making operating and financial decisions, is chosen as the primary reporting format.

For the purpose of segmental analysis, the allocation of revenue reflects the benefits of capital and other funding resources allocated to the business or geographical segments by way of internal capital allocation and funds transfer pricing mechanisms. Cost allocation is based on the direct cost incurred by the respective segments and apportionment of management overheads. Rental charges at the market rate for usage of premises are reflected as inter-segment income for the "Other" segment and inter-segment expenses for the respective business segments.

Hang Seng comprises five business segments. Personal Financial Services provides banking (including deposits, credit cards, mortgages and other retail lending) and wealth management services (including insurance and investment) to personal customers. Commercial Banking manages middle market and smaller corporate relationships and provides trade-related financial services. Corporate and Institutional Banking handles relationships with large corporate and institutional customers. Treasury engages in interbank and capital market activities and proprietary trading. Treasury also manages the funding and liquidity positions of the Bank and other market risk positions arising from banking activities. Other segment mainly represents management of shareholders' funds and investments in premises, investment properties and long-term equities.

9 按類分析 (續)

(甲) 業務類別 (續)

9 Segmental analysis (continued)

(a) By business segment (continued)

		個人銀行 業務 Personal Financial Services	商業銀行 業務 Commercial Banking	工商及金融 機構業務 Corporate & Institutional Banking	財資業務 Treasury	其他業務 Other	跨業務 收支抵銷 Inter- segment Elimination	合計 Total
半年結算至	Half-year ended							
二零零四年六月三十日	30 June 2004							
收入及支出	Income and expenses							
淨利息收入	Net interest income	2,794	625	259	1,003	30	-	4,711
其他營業收入	Other operating income	2,138	523	114	395	192	-	3,362
跨業務收入	Inter-segment income	-	-	-	-	159	(159)	-
總營業收入	Total operating income	4,932	1,148	373	1,398	381	(159)	8,073
營業支出*	Operating expenses*	(1,320)	(390)	(56)	(67)	(144)	-	(1,977)
跨業務支出	Inter-segment expenses	(128)	(26)	(3)	(2)	-	159	-
扣除準備金前之營業溢利	Operating profit before provisions	3,484	732	314	1,329	237	-	6,096
呆壞賬準備	Provisions for bad and doubtful debts	65	582	116	-	-	-	763
營業溢利	Operating profit	3,549	1,314	430	1,329	237	-	6,859
有形固定資產及長期投資 之溢利	Profit on tangible fixed assets and long-term investments	-	-	-	-	339	-	339
重估物業淨增值	Net surplus on property revaluation	-	-	-	-	119	-	119
應佔聯營公司之溢利	Share of profits of associated companies	-	-	-	-	6	-	6
除稅前一般業務溢利	Profit on ordinary activities before tax	3,549	1,314	430	1,329	701	-	7,323
應佔除稅前一般業務溢利	Share of pre-tax profit	48.5%	17.9%	5.9%	18.1%	9.6%	-	100.0%
營業溢利(不包括 跨業務交易)	Operating profit excluding inter-segment transactions	3,677	1,340	433	1,331	78	-	6,859
*包括折舊	*Including depreciation	(53)	(9)	(1)	(1)	(89)	-	(153)
二零零四年六月三十日	At 30 June 2004							
總資產	Total assets	140,214	41,344	75,160	222,033	25,178	-	503,929
總負債	Total liabilities	327,444	72,671	24,605	18,538	18,602	-	461,860
聯營公司投資	Investments in associated companies	-	-	-	-	2,183	-	2,183
期內資本開支	Capital expenditure incurred during the period	35	6	1	1	15	-	58

9 按類分析 (續)

(甲) 業務類別 (續)

9 Segmental analysis (continued)

(a) By business segment (continued)

		個人銀行 業務 Personal Financial Services	商業銀行 業務 Commercial Banking	工商及金融 機構業務 Corporate & Institutional Banking	財資業務 Treasury	其他業務 Other	跨業務 收支抵銷 Inter- segment Elimination	合計 Total
半年結算至	Half-year ended							
二零零三年六月三十日	30 June 2003							
收入及支出	Income and expenses							
淨利息收入	Net interest income	3,186	501	271	901	361	–	5,220
其他營業收入	Other operating income	1,705	464	105	228	172	–	2,674
跨業務收入	Inter-segment income	–	–	–	–	173	(173)	–
總營業收入	Total operating income	4,891	965	376	1,129	706	(173)	7,894
營業支出*	Operating expenses*	(1,157)	(383)	(52)	(66)	(163)	–	(1,821)
跨業務支出	Inter-segment expenses	(138)	(29)	(3)	(3)	–	173	–
扣除準備金前之營業溢利	Operating profit before provisions	3,596	553	321	1,060	543	–	6,073
呆壞賬準備	Provisions for bad and doubtful debts	(570)	71	43	–	–	–	(456)
營業溢利	Operating profit	3,026	624	364	1,060	543	–	5,617
有形固定資產及長期投資 之溢利	Profit on tangible fixed assets and long-term investments	12	28	–	40	261	–	341
重估物業淨減值	Net deficit on property revaluation	–	–	–	–	(48)	–	(48)
應佔聯營公司之溢利	Share of profits of associated companies	–	–	–	–	18	–	18
除稅前一般業務溢利	Profit on ordinary activities before tax	3,038	652	364	1,100	774	–	5,928
應佔除稅前一般業務溢利	Share of pre-tax profit	51.2%	11.0%	6.1%	18.6%	13.1%	–	100.0%
營業溢利(不包括 跨業務交易)	Operating profit excluding inter-segment transactions	3,164	653	367	1,063	370	–	5,617
*包括折舊	*Including depreciation	(63)	(11)	(1)	(1)	(95)	–	(171)
二零零三年六月三十日	At 30 June 2003							
總資產	Total assets	134,547	28,246	67,731	229,219	22,565	–	482,308
總負債	Total liabilities	324,132	71,354	16,948	10,839	17,776	–	441,049
聯營公司投資	Investments in associated companies	–	–	–	–	675	–	675
期內資本開支	Capital expenditure incurred during the period	48	10	2	1	23	–	84

9 按類分析 (續)

(甲) 業務類別 (續)

9 Segmental analysis (continued)

(a) By business segment (continued)

		個人銀行 業務 Personal Financial Services	商業銀行 業務 Commercial Banking	工商及金融 機構業務 Corporate & Institutional Banking	財資業務 Treasury	其他業務 Other	跨業務 收支抵銷 Inter- segment Elimination	合計 Total
半年結算至	Half-year ended							
二零零三年十二月三十一日	31 December 2003							
收入及支出	Income and expenses							
淨利息收入	Net interest income	2,989	563	272	973	162	–	4,959
其他營業收入	Other operating income	1,462	466	113	281	202	–	2,524
跨業務收入	Inter-segment income	–	–	–	–	172	(172)	–
總營業收入	Total operating income	4,451	1,029	385	1,254	536	(172)	7,483
營業支出*	Operating expenses*	(1,361)	(416)	(59)	(82)	(163)	–	(2,081)
跨業務支出	Inter-segment expenses	(138)	(28)	(4)	(2)	–	172	–
扣除準備金前之營業溢利	Operating profit before provisions	2,952	585	322	1,170	373	–	5,402
呆壞賬準備	Provisions for bad and doubtful debts	(360)	(60)	84	–	–	–	(336)
營業溢利	Operating profit	2,592	525	406	1,170	373	–	5,066
有形固定資產及長期投資 之溢利	Profit on tangible fixed assets and long-term investments	–	–	–	8	112	–	120
重估物業淨增值	Net surplus on property revaluation	–	–	–	–	11	–	11
應佔聯營公司之溢利	Share of profits of associated companies	–	–	–	–	12	–	12
除稅前一般業務溢利	Profit on ordinary activities before tax	2,592	525	406	1,178	508	–	5,209
應佔除稅前一般業務溢利	Share of pre-tax profit	49.8%	10.1%	7.8%	22.6%	9.7%	–	100.0%
營業溢利(不包括 跨業務交易)	Operating profit excluding inter-segment transactions	2,730	553	410	1,172	201	–	5,066
*包括折舊	*Including depreciation	(59)	(9)	(1)	(1)	(88)	–	(158)
二零零三年十二月三十一日	At 31 December 2003							
總資產	Total assets	137,988	31,749	68,393	242,014	22,815	–	502,959
總負債	Total liabilities	344,281	72,625	19,760	7,225	18,783	–	462,674
聯營公司投資	Investments in associated companies	–	–	–	–	549	–	549
期內資本開支	Capital expenditure incurred during the period	29	9	2	–	18	–	58

9 按類分析(續)

(乙) 地理區域分類

地理區域分類之分析乃按附屬公司之主要營業地點或按銀行負責滙報業績或貸出款項之總行或分行所在地劃分。

9 Segmental analysis (continued)

(b) By geographical region

The geographical regions in this analysis are classified by the location of the principal operations of the subsidiary companies or, in the case of the Bank itself, by the location of the branches responsible for reporting the results or advancing the funds.

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004		半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003		半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003	
		%		%		%	
總營業收入 (已扣除利息支出)	Total operating income (net of interest expense)						
香港	Hong Kong	7,291	90	7,196	91	6,785	91
美洲	Americas	731	9	661	8	661	9
其他	Other	51	1	37	1	37	–
		8,073	100	7,894	100	7,483	100
除稅前一般業務溢利	Profit on ordinary activities before tax						
香港	Hong Kong	6,587	90	5,238	88	4,543	87
美洲	Americas	718	10	648	11	647	12
其他	Other	18	–	42	1	19	1
		7,323	100	5,928	100	5,209	100
期內資本開支	Capital expenditure incurred during the period						
香港	Hong Kong	55	95	78	93	52	90
美洲	Americas	–	–	–	–	–	–
其他	Other	3	5	6	7	6	10
		58	100	84	100	58	100

9 按類分析(續)

(乙) 地理區域分類(續)

9 Segmental analysis (continued)

(b) By geographical region (continued)

		二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
		%		%		%	
總資產	Total assets						
香港	Hong Kong	424,681	84	408,425	85	427,539	85
美洲	Americas	65,212	13	65,882	14	65,204	13
其他	Other	14,036	3	8,001	1	10,216	2
		503,929	100	482,308	100	502,959	100
總負債	Total liabilities						
香港	Hong Kong	447,841	97	426,991	97	449,243	97
美洲	Americas	7,967	2	9,718	2	8,376	2
其他	Other	6,052	1	4,340	1	5,055	1
		461,860	100	441,049	100	462,674	100
或有債務及承擔	Contingent liabilities and commitments						
香港	Hong Kong	111,159	98	101,084	99	107,588	98
美洲	Americas	113	–	–	–	122	–
其他	Other	1,938	2	1,317	1	1,671	2
		113,210	100	102,401	100	109,381	100

10 庫存現金及短期資金

10 Cash and short-term funds

		二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
庫存現金及存放同業及 其他金融機構	Cash in hand and balances with banks and other financial institutions	4,358		3,544		4,780	
短期及一個月內到期之 定期存放同業	Money at call and placings with banks maturing within one month	52,646		58,726		62,566	
庫券	Treasury bills	5,372		5,039		4,557	
		62,376		67,309		71,903	
庫券至到期日剩餘期間：	Remaining maturity of treasury bills:						
• 三個月內	• within three months	3,950		3,720		174	
• 三個月以上至一年	• one year or less but over three months	1,422		1,319		4,383	
		5,372		5,039		4,557	

11 一個月以上之定期存放同業

11 Placings with banks maturing after one month

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
至到期日剩餘期間：	Remaining maturity:			
• 一個月以上至三個月	• three months or less but over one month	2,437	19,638	15,576
• 三個月以上至一年	• one year or less but over three months	2,478	8,100	2,253
• 一年以上至五年	• five years or less but over one year	400	–	200
		5,315	27,738	18,029

12 存款證

12 Certificates of deposit

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
至到期日剩餘期間：	Remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	7,099	2,952	1,870
• 三個月以上至一年	• one year or less but over three months	11,039	5,915	10,171
• 一年以上至五年	• five years or less but over one year	13,340	20,758	16,642
		31,478	29,625	28,683

13 持作買賣用途之證券

13 Securities held for dealing purposes

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
債務證券至到期日剩餘期間：	Debt securities by remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	146	40	38
• 三個月以上至一年	• one year or less but over three months	90	71	191
• 一年以上至五年	• five years or less but over one year	592	814	840
• 五年以上	• over five years	318	119	146
		1,146	1,044	1,215
股票	Equity shares	34	3	17
		1,180	1,047	1,232

持作買賣用途之債務證券並不包括資產負債表項目下之庫券及存款證。

Debt securities held for dealing purposes exclude treasury bills and certificates of deposit which are included under the respective headings in the balance sheet.

14 客戶貸款

(甲) 客戶貸款

14 Advances to customers

(a) Advances to customers

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
客戶貸款總額	Gross advances to customers	248,085	228,840	231,999
特殊準備	Specific provisions	(903)	(1,568)	(1,432)
一般準備	General provisions	(403)	(1,101)	(1,101)
		246,779	226,171	229,466
至到期日剩餘期間：	Remaining maturity:			
• 即時到期	• repayable on demand	12,271	12,162	11,488
• 三個月內但非即時到期	• three months or less but not repayable on demand	25,002	17,263	20,341
• 三個月以上至一年	• one year or less but over three months	26,697	22,512	22,585
• 一年以上至五年	• five years or less but over one year	92,636	85,981	89,565
• 五年以上	• over five years	86,290	82,189	81,402
• 已逾期一個月以上	• overdue for more than one month	1,285	3,062	1,375
• 呆壞賬	• non-performing advances	3,904	5,671	5,243
客戶貸款總額	Gross advances to customers	248,085	228,840	231,999
呆壞賬準備	Provisions for bad and doubtful debts	(1,306)	(2,669)	(2,533)
		246,779	226,171	229,466
客戶貸款內已包括：	Included in advances to customers are:			
• 貿易票據	• trade bills	2,861	2,309	2,226
• 呆壞賬準備	• provisions for bad and doubtful debts	(12)	(23)	(17)
		2,849	2,286	2,209

14 客戶貸款 (續)

(乙) 客戶貸款呆壞賬準備

14 Advances to customers (continued)

(b) Provisions against advances to customers

		特殊 Specific	一般 General	合計 Total	懸欠利息 Suspended interest
二零零四年一月一日結餘	At 1 January 2004	1,432	1,101	2,533	293
期內撇除	Amounts written off	(519)	–	(519)	(97)
收回往年已撇除之貸款	Recoveries of advances written off in previous years	55	–	55	–
新增準備支取損益賬	New provisions charged to profit and loss account	242	–	242	–
撥回損益賬之準備	Provisions released to profit and loss account	(307)	(698)	(1,005)	–
期內懸欠利息	Interest suspended during the period	–	–	–	42
收回懸欠利息	Suspended interest recovered	–	–	–	(22)
二零零四年六月三十日結餘	At 30 June 2004	903	403	1,306	216

上述懸欠利息包括已於「客戶貸款」及「預付及應計收益」賬項下之應收利息賬項內所扣除之金額。

Suspended interest comprises both suspended interest netted against “Advances to customers” and suspended interest netted against accrued interest receivable in “Prepayments and accrued income”.

總準備對客戶貸款比率如下：

Total provisions as a percentage of gross advances to customers are as follows:

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
		%	%	%
特殊準備	Specific provisions	0.36	0.69	0.62
一般準備	General provisions	0.16	0.48	0.48
總準備	Total provisions	0.52	1.17	1.10

14 客戶貸款 (續)

(丙) 客戶貸款之呆壞賬及準備

利息已作懸欠處理或已停止累計利息之客戶貸款呆壞賬詳列如下：

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
呆壞賬總額：	Gross non-performing advances			
	on which interest:			
• 利息已作懸欠處理	• has been placed in suspense	3,872	5,567	5,182
• 已停止累計其利息	• accrual has ceased	95	182	134
		3,967	5,749	5,316
懸欠利息	Suspended interest	(63)	(78)	(73)
呆壞賬* (附註 14(D))	Gross non-performing advances* (note 14(d))	3,904	5,671	5,243
特殊準備	Specific provisions	(903)	(1,568)	(1,432)
呆壞賬淨額	Net non-performing advances	3,001	4,103	3,811
特殊準備對呆壞賬* 比率	Specific provisions as a percentage of gross non-performing advances*	23.1%	27.6%	27.3%
呆壞賬* 對總客戶貸款比率	Gross non-performing advances* as a percentage of gross advances to customers	1.6%	2.5%	2.3%

* 已扣除懸欠利息列示。

* Stated after deduction of interest in suspense.

客戶貸款呆壞賬乃指未必能全部償還本金或利息之貸款，而當此情況明顯出現時即被列作呆壞賬處理。呆壞賬亦包括逾期未超逾三個月但被視為無法全數償還之客戶貸款。除若干特殊情況外，所有本金或利息逾期三個月以上未償還之貸款，均作為呆壞賬處理，並即時於計及有關貸款之抵押品價值後，提撥特殊準備金。

Non-performing advances to customers are those advances where full repayment of principal or interest is considered unlikely and are so classified as soon as such a situation becomes apparent. Non-performing advances may include advances that are not yet overdue for more than three months but are considered doubtful. Except in certain limited circumstances, all advances on which principal or interest is overdue for more than three months are classified as non-performing. Specific provisions are made after taking into account the value of collateral held in respect of such advances.

14 客戶貸款 (續)

(丁) 已逾期之客戶貸款

已逾期三個月以上之客戶貸款及其對總客戶貸款之比率如下：

14 Advances to customers (continued)

(d) Overdue advances to customers

The amounts of advances to customers which are overdue for more than three months and their expression as a percentage of gross advances to customers are as follows:

		二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
		%		%		%	
總客戶貸款* 之本金或 利息已逾期：	Gross advances to customers* which have been overdue with respect to either principal or interest for periods of:						
• 三個月以上至六個月	• six months or less but over three months	769	0.3	1,196	0.5	1,297	0.5
• 六個月以上至一年	• one year or less but over six months	532	0.2	1,098	0.5	858	0.4
• 一年以上	• over one year	759	0.3	2,460	1.1	1,152	0.5
		2,060	0.8	4,754	2.1	3,307	1.4
已逾期之客戶貸款 (如上)	Overdue advances to customers (as above)	2,060	0.8	4,754	2.1	3,307	1.4
減：利息仍作累計處理之逾期 客戶貸款	Less: overdue advances on which interest is still being accrued	(567)	(0.2)	(1,305)	(0.6)	(1,108)	(0.5)
加：逾期三個月或以下或未逾期， 但利息已作懸欠處理 之客戶貸款	Add: advances overdue for periods of three months or less, or which are not yet overdue, and on which interest has been placed in suspense						
• 列入重整客戶貸款	• included in rescheduled advances	1,534	0.6	1,843	0.8	1,536	0.7
• 其他	• other	877	0.4	379	0.2	1,508	0.7
呆壞賬* (附註 14(丙))	Gross non-performing advances* (note 14(c))	3,904	1.6	5,671	2.5	5,243	2.3

* 已扣除懸欠利息列示。

* Stated after deduction of interest in suspense.

14 客戶貸款 (續)**(丁) 已逾期之客戶貸款 (續)**

有明確到期日之貸款，若其本金或利息已逾期，並於期末仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於期末仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過上述逾期期限，亦列作逾期處理。

(戊) 重整之客戶貸款

重整之客戶貸款及其對總客戶貸款之比率如下：

	二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
	%		%		%	
重整之客戶貸款*	2,621	1.1	2,958	1.3	2,608	1.1

* 已扣除懸欠利息列示。

重整之客戶貸款乃因客戶財政困難而無能力如期還款，而經雙方同意重整還款計劃之貸款。

列出之重整客戶貸款並不包括重整還款計劃後，仍逾期三個月以上之客戶貸款，該等貸款已包括於附註 14(丁)之「已逾期之客戶貸款」項內。

(己) 收回之資產

在追回呆壞賬過程中，本行可透過法院程序或由借款人自願交出而收回抵押資產。該等呆壞賬已計及有關抵押品定期估值之變現淨值提撥特殊準備。於收回抵押之資產後，有關貸款將調整至該收回資產之變現淨值，以致部份貸款須從特殊準備中支取。已收回抵押品之貸款仍然視作客戶貸款，並列為呆壞賬。收回抵押資產估值總額如下：

	二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
收回抵押資產	385		603		506	

14 Advances to customers (continued)**(d) Overdue advances to customers (continued)**

Advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the period-end. Advances repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at the period-end. Advances repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, or when the advances have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

(e) Rescheduled advances to customers

The amount of rescheduled advances and its expression as a percentage of gross advances to customers are as follows:

	二零零四年 六月三十日 At 30 June 2004		二零零三年 六月三十日 At 30 June 2003		二零零三年 十二月三十一日 At 31 December 2003	
	%		%		%	
Rescheduled advances to customers*	2,621	1.1	2,958	1.3	2,608	1.1

* Stated after deduction of interest in suspense.

Rescheduled advances are those advances which have been restructured or renegotiated because a deterioration in the financial position of the borrower has led to an inability to meet the original repayment schedule.

Rescheduled advances to customers are stated net of any advances that have subsequently become overdue for over three months and are included in overdue advances to customers set out in note 14(d).

(f) Repossessed assets

In the recovery of non-performing advances, Hang Seng may take repossession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. Specific provisions have been made in respect of such non-performing advances taking into account the net realisable value of the related collateral which is revalued periodically. Upon repossession of the collateral assets, the advances are adjusted to the net realisable value of the repossessed assets, usually resulting in a partial write-off of the advances against specific provisions. Advances with repossessed collateral assets will continue to be accounted for as "Advances to customers" and classified as non-performing. The aggregate valuation of the repossessed collateral assets amounted to:

14 客戶貸款 (續)

(庚) 客戶貸款之地區分類分析

客戶貸款之地區分類乃依照客戶所在之地區，經計及風險轉移之因素後而劃定。在一般情況下，若貸款之擔保人所在地有異於該客戶，則風險轉移至擔保人之所在地區。於二零零四年六月三十日，超逾百分之九十之客戶貸款及有關之呆壞賬與逾期貸款均劃分為香港地區貸款（與二零零三年六月三十日及二零零三年十二月三十一日相同）。

(辛) 客戶貸款之行業分類

按照香港金融管理局之行業分類及定義之總客戶貸款(已扣除懸欠利息)分析詳列如下：

14 Advances to customers (continued)

(g) Segmental analysis of advances to customers by geographical area

Advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer of risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area which is different from that of the counterparty. At 30 June 2004, over 90% of Hang Seng's advances to customers and the related non-performing advances and overdue advances were classified under the area of Hong Kong (unchanged from the positions at 30 June 2003 and 31 December 2003).

(h) Gross advances to customers by industry sector

The analysis of gross advances to customers (after deduction of interest in suspense) by industry sector based on categories and definitions used by the Hong Kong Monetary Authority is as follows:

	二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
在香港使用之貸款	Gross advances to customers for use in Hong Kong		
工業、商業及金融業	Industrial, commercial and financial sectors		
• 物業發展	13,909	17,910	16,828
• 物業投資	39,993	33,268	34,555
• 金融企業	4,819	3,681	6,109
• 股票經紀	372	154	226
• 批發及零售業	5,111	4,097	4,376
• 製造業	3,735	2,096	2,556
• 運輸及運輸設備	11,416	8,885	10,139
• 其他	20,408	20,158	17,727
	99,763	90,249	92,516
個人	Individuals		
• 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」之住 宅按揭貸款	28,310	32,840	30,431
• 購買其他住宅物業之按揭貸款	81,022	77,972	79,830
• 信用卡貸款	5,508	5,186	5,430
• 其他	7,435	6,283	5,779
	122,275	122,281	121,470
在香港使用之貸款總額	222,038	212,530	213,986
貿易融資	15,807	11,029	11,322
在香港以外使用之貸款	10,240	5,281	6,691
客戶貸款總額	248,085	228,840	231,999

15 長期投資

(甲) 長期投資之賬面價值

15 Long-term investments

(a) Carrying value of long-term investments

		賬面價值 Carrying Value		
		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
持至期滿之債務證券	Held-to-maturity debt securities			
由公共機構發行：	Issued by public bodies:			
• 中央政府及中央銀行	• central governments and central banks	13,382	10,413	12,408
• 其他公共機構	• other public sector entities	11,253	12,874	12,365
		24,635	23,287	24,773
由其他機構發行：	Issued by other bodies:			
• 同業及其他金融機構	• banks and other financial institutions	75,395	58,608	68,230
• 企業	• corporate entities	19,311	15,368	18,747
		94,706	73,976	86,977
		119,341	97,263	111,750
股票投資	Equity investments			
由企業發行	Issued by corporate entities	1,656	1,814	2,131
		120,997	99,077	113,881
持至期滿之債務證券	Held-to-maturity debt securities			
在香港上市	Listed in Hong Kong	4,818	2,436	3,001
在香港以外地區上市	Listed outside Hong Kong	25,273	22,513	24,687
		30,091	24,949	27,688
非上市	Unlisted	89,250	72,314	84,062
		119,341	97,263	111,750
股票投資	Equity investments			
在香港上市	Listed in Hong Kong	928	1,085	1,313
在香港以外地區上市	Listed outside Hong Kong	80	64	87
		1,008	1,149	1,400
非上市	Unlisted	648	665	731
		1,656	1,814	2,131
		120,997	99,077	113,881

持至期滿之債務證券以成本值列示，並已計及由購入時起至期滿時止溢價之攤銷及折價之遞增。股票投資以公平價值列賬。

Held-to-maturity debt securities are stated at cost, adjusted for the amortisation of premiums and accretion of discounts over the period from the date of purchase to the date of maturity. Equity investments are stated at fair value.

15 長期投資 (續)

15 Long-term investments (continued)

(乙) 持至期滿之債務證券之公平價值

(b) Fair value of held-to-maturity debt securities

		公平價值 Fair Value		
		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
持至期滿之債務證券	Held-to-maturity debt securities			
由公共機構發行：	Issued by public bodies:			
• 中央政府及中央銀行	• central governments and central banks	13,334	10,673	12,578
• 其他公共機構	• other public sector entities	11,458	13,465	12,763
		24,792	24,138	25,341
由其他機構發行：	Issued by other bodies:			
• 同業及其他金融機構	• banks and other financial institutions	75,241	59,018	68,375
• 企業	• corporate entities	19,334	15,682	18,929
		94,575	74,700	87,304
		119,367	98,838	112,645
持至期滿之債務證券	Held-to-maturity debt securities			
在香港上市	Listed in Hong Kong	4,804	2,515	3,074
在香港以外地區上市	Listed outside Hong Kong	25,284	22,800	24,790
		30,088	25,315	27,864
非上市	Unlisted	89,279	73,523	84,781
		119,367	98,838	112,645

(丙) 持至期滿之債務證券按到期日分析

(c) Maturity analysis of held-to-maturity debt securities

上述持至期滿之債務證券按到期日分析（即由結算日至合約期滿日之剩餘期間）詳列如下：

The maturity profile of the above held-to-maturity debt securities categorised by the remaining period from the balance sheet date to the contractual maturity date is as follows:

		賬面價值 Carrying Value		
		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
至到期日剩餘期間：	Remaining maturity:			
• 即時到期	• repayable on demand	77	–	78
• 三個月內但非即時到期	• three months or less but not repayable on demand	5,617	7,959	6,827
• 三個月以上至一年	• one year or less but over three months	17,018	12,580	17,474
• 一年以上至五年	• five years or less but over one year	90,876	72,966	82,130
• 五年以上	• over five years	5,753	3,758	5,241
		119,341	97,263	111,750

16 聯營公司投資

16 Investments in associated companies

	二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
聯營公司投資	2,183	675	549

根據香港公認會計原則，聯營公司乃指某公司對另一間公司在沒有控制管理權之情況下，對該另一間公司有重大之影響力，包括參與財務及營運政策上之決策，則該另一間公司會被視為某公司之聯營公司。除非有明顯資料證明，一般而言，持有一間公司少於百分之二十股權不會被視作有重大影響力，而作為投資項目處理。因而有關股權通常以成本值列賬，而所得股息則按宣派金額入賬。但由於恒生有代表加入興業銀行股份有限公司之董事會及執行委員會，以致恒生有份參與決策過程，因此興業銀行股份有限公司被視作本行之聯營公司，而將是項投資以權益法入賬，即按比例將恒生應佔興業銀行股份有限公司之損益份額列賬。

In accordance with the Hong Kong Generally Accepted Accounting Practice, an associated company is an entity over which one company has significant influence, including participation in the financial and operating policy decisions, without controlling the management of the company. Usually a holding of less than 20% is presumed not to have significant influence unless such influence can be clearly demonstrated, and is treated on an investment basis, with the holding recognised at cost and dividends accounted for as declared. The investment in Industrial Bank Co., Ltd. (IB) has, however, been accounted for as an associated company using the equity method, by which Hang Seng will recognise its share of the profits and losses earned by IB. This reflects that Hang Seng has representation in both the Board and Executive Committee of IB, and the ability to participate in the decision making process.

17 其他資產

17 Other assets

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
按市值計算之資產負債表以外 利率、滙率及其他衍生 工具合約之未實現盈利	Unrealised gains on off-balance sheet interest rate, exchange rate and other derivative contracts which are marked to market	1,023	1,117	1,664
遞延稅項	Deferred taxation	17	55	52
同業結算應收賬項	Items in the course of collection from other banks	4,235	2,945	3,244
預付及應計收益	Prepayments and accrued income	2,182	2,403	2,179
照應保單持有人權益之長期 保險資產	Long-term assurance assets attributable to policy holders	6,342	3,763	4,982
其他賬項	Other accounts	2,989	3,232	3,815
		16,788	13,515	15,936
至到期日剩餘期間：	Remaining maturity:			
• 三個月內	• three months or less	7,346	6,551	8,811
• 三個月以上至一年	• one year or less but over three months	1,289	1,894	770
• 一年以上至五年	• five years or less but over one year	458	199	183
• 五年以上	• over five years	7,654	4,826	6,135
		16,747	13,470	15,899
• 已逾期*	• overdue*			
– 三個月以上至六個月	– six months or less but over three months	5	7	5
– 六個月以上至一年	– one year or less but over six months	5	9	8
– 一年以上	– over one year	31	29	24
		41	45	37
		16,788	13,515	15,936

* 主要為包括在「預付及應計收益」項下之逾期應收利息。

* Represented mainly by overdue interest receivable included under "Prepayments and accrued income".

18 往來、儲蓄及其他存款

18 Current, savings and other deposit accounts

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
客戶存款：	Customer deposit accounts:			
• 往來存款	• current accounts	51,928	38,854	48,568
• 儲蓄存款	• savings accounts	206,626	165,717	205,769
• 定期及其他存款	• time and other deposits	159,954	204,445	177,634
發出存款證	Certificates of deposit in issue	9,862	10,014	7,927
發出其他債務證券	Other debt securities in issue	–	53	15
		428,370	419,083	439,913
客戶存款	Customer deposit accounts			
即時到期	Repayable on demand	283,329	232,393	281,296
有協定存款期或通知期， 以餘下存款期計算：	With agreed maturity dates or periods of notice, by remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	117,668	166,328	139,123
• 三個月以上至一年	• one year or less but over three months	10,736	9,029	7,474
• 一年以上至五年	• five years or less but over one year	6,347	1,266	3,720
• 五年以上	• over five years	428	–	358
		418,508	409,016	431,971
發出存款證	Certificates of deposit in issue			
至到期日剩餘期間：	Remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	208	2,121	908
• 三個月以上至一年	• one year or less but over three months	2,994	2,981	1,132
• 一年以上至五年	• five years or less but over one year	6,081	4,727	5,685
• 五年以上	• over five years	579	185	202
		9,862	10,014	7,927
發出其他債務證券	Other debt securities in issue			
至到期日剩餘期間：	Remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	–	–	15
• 三個月以上至一年	• one year or less but over three months	–	53	–
		–	53	15
		428,370	419,083	439,913

19 同業存款

19 Deposits from banks

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
即時到期	Repayable on demand	2,140	854	654
有協定存款期或通知期， 以餘下存款期計算：	With agreed maturity dates or periods of notice, by remaining maturity:			
• 三個月內但非即時到期	• three months or less but not repayable on demand	3,928	1,439	448
• 三個月以上至一年	• one year or less but over three months	14	66	100
		6,082	2,359	1,202

20 其他負債

20 Other liabilities

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
證券空倉	Short positions in securities	2,657	5,604	1,514
資產負債表以外按市值計算之 利率、匯率及其他衍生工具 合約之未實現虧損	Unrealised losses on off-balance sheet interest rate, exchange rate and other derivative contracts which are marked to market	761	1,072	1,277
本期稅項	Current taxation	1,023	921	523
遞延稅項	Deferred taxation	953	601	643
同業結算應付賬項	Items in the course of transmission to other banks	5,162	4,030	3,968
應計及遞延收入	Accruals and deferred income	1,548	1,531	2,155
負債及支付準備	Provisions for other liabilities and charges	387	384	363
照應保單持有人權益之長期保險 負債	Long-term liabilities attributable to policy holders	6,342	3,763	4,982
其他負債	Other	1,045	944	3,722
		19,878	18,850	19,147

21 股東資金

21 Shareholders' funds

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
股本	Share capital	9,559	9,559	9,559
保留溢利	Retained profits	21,895	20,504	19,720
行址及投資物業重估儲備	Premises and investment properties revaluation reserves	7,054	5,906	5,813
長期股票投資重估儲備	Long-term equity investment revaluation reserve	635	647	1,009
資本贖回儲備	Capital redemption reserve	99	99	99
總儲備	Total reserves	29,683	27,156	26,641
		39,242	36,715	36,200
擬派股息	Proposed dividends	2,103	4,015	3,441
股東資金	Shareholders' funds	41,345	40,730	39,641
平均股東資金回報率	Return on average shareholders' funds	30.9%	24.4%	22.5%

於二零零四年上半年，本行或任何附屬公司並無購買、沽售或購回本行之上市證券。

There was no purchase, sale or redemption of the Bank's listed securities by the Bank or any of its subsidiaries during the first half of 2004.

22 資本管理

資本基礎及風險加權資產分析

22 Capital resources management

Analysis of capital base and risk-weighted assets

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
資本基礎	Capital base			
第一級資本	Tier 1 capital			
• 股本	• share capital	9,559	9,559	9,559
• 保留溢利	• retained profits	21,193	19,919	19,084
• 資本贖回儲備	• capital redemption reserve	99	99	99
• 減：商譽	• less: goodwill	(795)	–	–
• 合計	• total	30,056	29,577	28,742
第二級資本	Tier 2 capital			
• 行址及投資物業重估儲備	• premises and investment properties revaluation reserves	4,965	4,160	4,096
• 長期股票投資重估儲備	• long-term equity investment revaluation reserve	422	459	688
• 一般準備	• general provisions	403	1,101	1,101
• 合計	• total	5,790	5,720	5,885
扣除未綜合計算之投資 及其他項目	Unconsolidated investments and other deductions	(2,122)	(1,404)	(1,283)
總資本基礎	Total capital base after deductions	33,724	33,893	33,344
風險加權資產	Risk-weighted assets			
資產負債表內	On-balance sheet	245,792	226,484	234,251
資產負債表外	Off-balance sheet	15,591	14,243	15,047
總風險加權資產	Total risk-weighted assets	261,383	240,727	249,298
包括市場風險之總風險 加權資產	Total risk-weighted assets adjusted for market risk	263,236	241,300	253,326
資本充足比率	Capital adequacy ratios			
經調整市場風險後	After adjusting for market risk			
• 第一級比率*	• tier 1*	11.4%	12.3%	11.3%
• 總比率*	• total*	12.8%	14.0%	13.2%
未調整市場風險	Before adjusting for market risk			
• 第一級比率	• tier 1	11.5%	12.3%	11.5%
• 總比率	• total	12.9%	14.1%	13.4%

* 資本比率已根據香港金融管理局之監管政策手冊內有關指引計及市場風險。

* The capital ratios take into account market risks in accordance with the relevant Hong Kong Monetary Authority guideline under the Supervisory Policy Manual.

23 流動資金比率

根據香港銀行業條例附表四之準則計算，期內之平均流動資金比率為：

23 Liquidity ratio

The average liquidity ratio for the period, calculated in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance, is as follows:

	半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
本行及其經營銀行業務 之主要附屬公司	48.1%	45.0%	47.4%

24 現金流量對賬表

(甲) 營業溢利與來自營業活動之
淨現金流量對賬表

24 Reconciliation of cash flow statement

(a) Reconciliation of operating profit to net cash flow from operating activities

	半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003
營業溢利	6,859	5,617
淨利息收入	(4,711)	(5,220)
股息收入	(76)	(37)
呆壞賬準備	(763)	456
折舊	153	171
長期投資之攤銷	241	17
減除收回後之貸款撇賬淨額	(464)	(700)
收回利息	4,589	5,413
已繳利息	(1,161)	(1,462)
營運資金變動前之營業溢利	4,667	4,255
現金及短期資金之變動	(265)	889
一個月以上到期之 定期存放同業之變動	12,714	3,181
存款證之變動	(1,729)	676
持作買賣用途之證券之變動	52	151
客戶貸款之變動	(16,086)	(1,365)
直屬控股公司及同母系附屬公司 欠款之變動	2,609	(357)
其他資產之變動	(999)	(1,213)
客戶存款之變動	(13,463)	11,325
發出債務證券之變動	1,920	(5,935)
同業存款之變動	4,880	1,287
直屬控股公司及同母系附屬公司 存款之變動	5,118	(858)
其他負債之變動	(77)	3,487
撇除換算差額及其他非現金項目	1,697	(5,399)
來自營業活動產生之現金	1,038	10,124
已繳稅款	(212)	(11)
來自營業活動之現金流入淨額	826	10,113

24 現金流量對賬表 (續)

(乙) 現金及等同現金項目結餘分析

24 Reconciliation of cash flow statement (continued)

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

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003
庫存現金及存放同業 及其他金融機構	Cash in hand and balances with banks and other financial institutions	5,945	4,014
短期及一個月內到期之 定期存放同業	Money at call and placings with banks maturing within one month	55,865	61,574
庫券	Treasury bills	641	1,363
存款證	Certificates of deposit	1,069	229
		63,520	67,180

25 或有債務、承擔及衍生工具

(甲) 合約金額、信貸之相等金額 及風險加權金額

25 Contingent liabilities, commitments and derivatives

(a) Contract amount, credit equivalent amount and risk-weighted amount

		合約金額 Contract amount	信貸之相等金額 Credit equivalent amount	風險加權金額 Risk-weighted amount
二零零四年六月三十日	At 30 June 2004			
或有債務：	Contingent liabilities:			
擔保	Guarantees	10,905	10,641	3,580
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	9,392	1,878	1,873
未動用之正式備用便利、信貸額及 其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	72,099	–	–
• 一年及以上	• one year and over	20,649	10,324	9,382
其他	Other	165	165	74
		102,305	12,367	11,329
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	76,742	762	220
其他滙率合約	Other exchange rate contracts	29,534	372	123
		106,276	1,134	343
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	119,216	1,364	316
其他利率合約	Other interest rate contracts	6,576	64	28
		125,792	1,428	344
其他衍生工具合約	Other derivative contracts	36	3	1

25 或有債務、承擔及衍生工具(續)
(甲) 合約金額、信貸之相等金額
及風險加權金額(續)

25 Contingent liabilities, commitments and derivatives (continued)
(a) Contract amount, credit equivalent amount and
risk-weighted amount (continued)

		合約金額 Contract amount	信貸之相等金額 Credit equivalent amount	風險加權金額 Risk-weighted amount
二零零三年六月三十日	At 30 June 2003			
或有債務：	Contingent liabilities:			
擔保	Guarantees	10,974	10,795	3,650
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	7,142	1,429	1,422
未動用之正式備用便利、信貸額及 其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	64,708	–	–
• 一年及以上	• one year and over	19,539	9,770	8,444
其他	Other	38	38	38
		91,427	11,237	9,904
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	84,812	1,072	264
其他滙率合約	Other exchange rate contracts	42,140	379	86
		126,952	1,451	350
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	78,220	1,366	336
其他利率合約	Other interest rate contracts	13,281	6	3
		91,501	1,372	339
其他衍生工具合約	Other derivative contracts	108	4	1

25 或有債務、承擔及衍生工具(續)

(甲) 合約金額、信貸之相等金額
及風險加權金額(續)

25 Contingent liabilities, commitments and derivatives (continued)

(a) Contract amount, credit equivalent amount and
risk-weighted amount (continued)

		合約金額 Contract amount	信貸之相等金額 Credit equivalent amount	風險加權金額 Risk-weighted amount
二零零三年十二月三十一日	At 31 December 2003			
或有債務：	Contingent liabilities:			
擔保	Guarantees	12,401	12,143	3,622
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	8,098	1,620	1,613
未動用之正式備用便利、 信貸額及其他放款承諾：	Undrawn formal standby facilities, credit lines and other commitments to lend:			
• 一年以下	• under one year	69,099	–	–
• 一年及以上	• one year and over	19,623	9,811	8,949
其他	Other	160	160	62
		96,980	11,591	10,624
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	76,408	1,080	322
其他滙率合約	Other exchange rate contracts	33,160	401	141
		109,568	1,481	463
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	91,629	1,300	315
其他利率合約	Other interest rate contracts	17,578	45	21
		109,207	1,345	336
其他衍生工具合約	Other derivative contracts	297	9	2

上表列出資產負債表以外交易之名义合約金額、信貸之相等金額及風險加權金額。計算信貸之相等金額，乃用作推算風險加權金額之用。此等金額乃根據香港銀行業條例附表三有關資本充足比率之準則而估算，並視乎對等機構之信譽及期限特性而定。如屬或有債務及承擔，則風險加權幅度為零至百分之一百，如屬滙率、利率及其他衍生工具合約，則風險加權幅度為零至百分之五十。

The tables above give the nominal contract, credit equivalent and risk-weighted amounts of off-balance sheet transactions. The credit equivalent amounts are calculated for the purposes of deriving the risk-weighted amounts. These are assessed in accordance with the Third Schedule of the Hong Kong Banking Ordinance on capital adequacy and depend on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate, interest rate and other derivative contracts.

25 或有債務、承擔及衍生工具(續)**(甲) 合約金額、信貸之相等金額
及風險加權金額(續)**

或有債務及承擔均屬與信貸有關之交易，包括票據承兌、信用證、擔保書及提供信貸之承擔。所涉及之風險基本上與向客戶提供貸款之風險相同，故處理此類交易時，等同審批客戶之貸款申請，需要符合信貸條件、組合管理及抵押品之要求。由於此類信貸便利可能在未運用前已到期，故合約金額之總數並不代表未來現金之需求。

資產負債表以外之金融工具來自外匯、利率及股票等市場上所進行之期貨、遠期、掉期及期權等交易。

此等工具之合約金額顯示結算當日尚未到期之交易數量，但並不代表風險數額。此等工具之信貸相等金額乃根據香港銀行業條例附表三之準則計算，即為按市值重估後具正數值之合約價值及潛在之遠期信貸風險兩者之總數。

(乙) 重置成本

匯率合約
利率合約
其他衍生工具合約

25 Contingent liabilities, commitments and derivatives (continued)**(a) Contract amount, credit equivalent amount and
risk-weighted amount (continued)**

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit origination, portfolio maintenance and collateral requirements as for customers applying for loans. As the facilities may expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

Off-balance sheet financial instruments arise from futures, forward, swap and option transactions undertaken in the foreign exchange, interest rate and equity markets.

The contract amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date and do not represent amounts at risk. The credit equivalent amount of these instruments is measured as the sum of positive mark-to-market values and the potential future credit exposure in accordance with the Third Schedule of the Hong Kong Banking Ordinance.

(b) Replacement cost

	二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
Exchange rate contracts	702	738	876
Interest rate contracts	979	1,072	997
Other derivative contracts	2	1	—
	1,683	1,811	1,873

合約之重置成本代表所有按市值重估後具正數值之合約（包括非買賣用途之合約）價值，而該等合約並無作任何雙邊淨額結算之安排。

The replacement cost of contracts represents the mark-to-market assets on all contracts (including non-trading contracts) with a positive value and which have not been subject to any bilateral netting arrangement.

26 跨國債權

跨國債權包括應收賬項及貸款、銀行存放同業結餘及持有存款證、票據、本票、商業票據和其他可轉讓債務工具及包括上述資產之應計利息與過期未付利息。債權分類是依照交易對手所在之地區，經計及風險轉移因素後而劃定。若債權之擔保人所在地區有異於交易對手所在之地區，則風險轉移至擔保人所在地區。若屬銀行及金融機構之分行債權，其風險將轉移至該銀行或金融機構之總行所在地區。個別國家或區域經計及風險轉移後佔跨國債權總額百分之十或以上之債權總額詳列如下：

26 Cross border claims

Cross border claims include receivables and loans and advances, balances due from banks and holdings of certificates of deposit, bills, promissory notes, commercial paper and other negotiable debt instruments and also include accrued interest and overdue interest on these assets. Claims are classified according to the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, the risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross border claims are shown as follows:

	同業及其他 金融機構 Banks & Other Financial Institutions	公營機構 Public Sector Entities	其他 Other	合計 Total
二零零四年六月三十日				
At 30 June 2004				
不包括香港在內的亞太區：				
• 澳洲				
• 其他				
美洲：				
• 加拿大				
• 美國				
• 其他				
西歐：				
• 德國				
• 英國				
• 其他				
Asia-Pacific excluding Hong Kong:				
• Australia	18,865	214	1,063	20,142
• other	22,461	1,264	6,575	30,300
	41,326	1,478	7,638	50,442
The Americas:				
• Canada	17,502	6,009	793	24,304
• United States	10,006	3,740	6,249	19,995
• other	19	762	4,528	5,309
	27,527	10,511	11,570	49,608
Western Europe:				
• Germany	13,906	348	387	14,641
• United Kingdom	21,037	16	5,900	26,953
• other	44,048	1,890	3,981	49,919
	78,991	2,254	10,268	91,513

26 跨國債權 (續)

26 Cross border claims (continued)

		同業及其他 金融機構 Banks & Other Financial Institutions	公營機構 Public Sector Entities	其他 Other	合計 Total
二零零三年六月三十日		At 30 June 2003			
不包括香港在內的亞太區：	Asia-Pacific excluding Hong Kong:				
• 澳洲	• Australia	19,793	151	1,304	21,248
• 其他	• other	21,832	804	3,238	25,874
		41,625	955	4,542	47,122
美洲：	The Americas:				
• 加拿大	• Canada	16,608	8,945	264	25,817
• 美國	• United States	8,868	6,524	3,508	18,900
• 其他	• other	5	–	4,661	4,666
		25,481	15,469	8,433	49,383
西歐：	Western Europe:				
• 德國	• Germany	20,595	1,069	402	22,066
• 英國	• United Kingdom	22,395	16	3,551	25,962
• 其他	• other	46,022	2,071	3,531	51,624
		89,012	3,156	7,484	99,652
二零零三年十二月三十一日		At 31 December 2003			
不包括香港在內的亞太區：	Asia-Pacific excluding Hong Kong:				
• 澳洲	• Australia	19,251	170	1,362	20,783
• 其他	• other	23,543	1,377	3,749	28,669
		42,794	1,547	5,111	49,452
美洲：	The Americas:				
• 加拿大	• Canada	17,982	10,527	686	29,195
• 美國	• United States	8,047	6,672	5,090	19,809
• 其他	• other	4	543	4,351	4,898
		26,033	17,742	10,127	53,902
西歐：	Western Europe:				
• 德國	• Germany	20,417	863	371	21,651
• 英國	• United Kingdom	20,378	16	4,091	24,485
• 其他	• other	54,061	1,601	4,144	59,806
		94,856	2,480	8,606	105,942

27 會計政策

製備本中期報告所載之資料所採用之各項會計政策與二零零三年年度財務報告所列一致。

27 Accounting policies

This interim report has been prepared on a basis consistent with the accounting policies adopted in the 2003 financial statements.

28 比較數字

部份比較數字已重新分類，以符合是期之賬項編排。

28 Comparative figures

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

29 物業重估

本行位於香港特別行政區之行址及投資物業於二零零四年六月進行重估，以反映二零零四年上半年之物業市場走勢。該估值由獨立之專業估價師卓德測計師行有限公司負責，並由持有香港測量師學會會員資格之專業估價師進行。重估行址物業之基準乃按照行址當時用途之公開市場價值，而重估投資物業之基準則按照公開市場價值。物業重估後有港幣十七億零五百萬元之增值，其中港幣十三億八千九百萬元（已扣除遞延稅項為港幣一億九千七百萬元）已於二零零四年六月三十日誌入重估儲備賬。至於餘下之港幣一億一千九百萬元，屬以往重估時部份物業市值低於原始成本減除折舊而出現之估值虧損，現撥回損益賬。

29 Property revaluation

A revaluation of Hang Seng's premises and investment properties in the Hong Kong SAR was performed in June 2004 to reflect property market movements in the first half of 2004. The valuation was conducted by Chesterton Petty Limited, an independent professional valuer, and carried out by qualified valuers who are members of the Hong Kong Institute of Surveyors. The basis of the valuation of premises was open market value for existing use. The basis of the valuation for investment properties was open market value. The property revaluation has resulted in a surplus of HK\$1,705 million, of which HK\$1,389 million (net of deferred tax amounting to HK\$197 million) has been credited to the Bank's revaluation reserves at 30 June 2004. The remaining amount of HK\$119 million has been credited to the profit and loss account, being reversal of the previous revaluation deficit which had arisen when the market value of certain premises fell below depreciated historical cost.

30 市場風險

市場風險乃因受匯率、利率或股票及商品價格之變動，而令恒生產生盈利或虧損。市場風險源自按市值計價基準列賬，以及按應計基準列賬之金融工具。客戶業務及自行持倉活動均會對恒生產生市場風險。

市場風險受董事會所核准之風險限額所規範。風險限額按每類產品及風險類別釐定。在設定風險限額時，產品之市場流通性為其中一個主要考慮因素。風險限額之設置乃配合有關風險量計之技巧，包括每個投資組合之持盤限額，敏感性限額與涉及風險數值限額。

恒生採用滙豐集團所訂定之風險管理政策及風險量計技巧，設立監察每日之實際風險與核准之風險限額比較之程序，並於有需要時作出行動以確保整體風險維持於可接受之水平。

涉及風險數值是一種按某一置信水平估計由於市場匯率、利率及價格在特定持盤時間內之變動而使風險持倉盤可能出現虧損之技巧。恒生計算涉及風險數值之模式採用方差/協方差基準，利用過往市場價格變動資料，按百分之九十九置信水平及十日持倉期之基準作推算，並考慮不同市場及價格之間之相互關係。市場價格的變動乃參考過去兩年的市場數據計算。綜合不同風險類別的涉及風險數值乃根據各風險類別之間不互相影響假設而計算。鑑於採用涉及風險值模式有一定局限性，本行亦進行壓力測試，以評估在極端市況下，所承受之市場風險。

30 Market risk

Market risk is the risk that foreign exchange rates, interest rates or equity and commodity prices will move and result in profits or losses to Hang Seng. Market risk arises on financial instruments which are valued at current market prices (mark-to-market basis) and those valued at cost plus any accrued interest (accrual basis). Hang Seng's market risk arises from customer-related business and from position taking.

Market risk is managed within risk limits approved by the Board of Directors. Risk limits are set by product and risk type with market liquidity being a principal factor in determining the level of limits set. Limits are set using a combination of risk measurement techniques, including position limits, sensitivity limits, as well as value-at-risk (VAR) limits at a portfolio level.

Hang Seng adopts the risk management policies and risk measurement techniques developed by the HSBC Group. The daily risk monitoring process measures actual risk exposures against approved limits and triggers specific action to ensure the overall market risk is managed within an acceptable level.

VAR is a technique which estimates the potential losses that could occur on risk positions taken due to movements in market rates and prices over a specified time horizon and to a given level of confidence. The model used by Hang Seng calculates VAR on a variance/covariance basis, using historical movements in market rates and prices, a 99% confidence level and a 10-day holding period and generally takes account of correlations between different markets and rates. The movement in market prices is calculated by reference to market data for the last two years. Aggregation of VAR from different risk types is based upon the assumption of independence between risk types. In recognition of the inherent limitations of VAR methodology, stress testing is performed to assess the impact of extreme events on market risk exposures.

30 市場風險 (續)

恒生已獲香港金融管理局之批准，採用此風險數值模式計算資本充足比率內之市場風險。此外，香港金融管理局亦對本行之市場風險管理程序表示滿意。

恒生於二零零四年上半年及二零零三年上半年之所有利率及滙率之風險持倉，以及個別風險組合之涉及風險數值如下：

30 Market risk (continued)

Hang Seng has obtained approval from the Hong Kong Monetary Authority (HKMA) for the use of its VAR model to calculate market risk for capital adequacy reporting and the HKMA has expressed itself satisfied with Hang Seng's market risk management process.

Hang Seng's VAR for all interest rate risk and foreign exchange risk positions and on individual risk portfolios during the first halves of 2004 and 2003 are shown in the tables below:

涉及風險數值	VAR	二零零四年 六月三十日 At 30 June 2004			
		期內 最低數值 Minimum during the period	期內 最高數值 Maximum during the period	期內 平均數值 Average for the period	
所有利率及滙率之風險持倉 之涉及風險數值	VAR for all interest rate risk and foreign exchange risk	349	250	607	387
滙率之風險持倉之涉及風險數值 (買賣)	VAR for foreign exchange risk (trading)	37	35	58	43
利率之風險持倉之涉及風險數值：	VAR for interest rate risk:				
• 買賣	• trading	4	1	8	4
• 累計	• accrual	348	245	605	386
		二零零三年 六月三十日 At 30 June 2003			
		期內 最低數值 Minimum during the period	期內 最高數值 Maximum during the period	期內 平均數值 Average for the period	
所有利率及滙率之風險持倉 之涉及風險數值	VAR for all interest rate risk and foreign exchange risk	409	187	409	276
滙率之風險持倉之涉及風險數值 (買賣)	VAR for foreign exchange risk (trading)	3	2	4	3
利率之風險持倉之涉及風險數值：	VAR for interest rate risk:				
• 買賣	• trading	8	1	11	4
• 累計	• accrual	402	187	402	275

30 市場風險 (續)

於二零零四年上半年，與市場風險有關之財資業務每日平均收入（包括應計賬項之淨利息收入及與交易持倉之資金成本）為港幣一千萬元（二零零三年上半年為港幣八百萬元）。該等每日收入之標準差為港幣五百萬元（二零零三年上半年為港幣四百萬元）。在二零零四年上半年之一百二十二個交易日中，只有兩日錄得虧損，而最高之一日虧損為港幣六百萬元。最常見之一日收入，是介乎港幣六百萬元至港幣一千萬元之間，佔六十二日。最高之一日收入則為港幣三千八百萬元。

恒生之外匯風險主要包括財資處之外匯買賣及源自銀行業務之滙兌風險，後者亦交由財資處統籌，按董事會核准之外匯買賣限額內集中管理。二零零四年上半年每日平均外滙溢利為港幣四百萬元（二零零三年上半年為港幣二百萬元）。結構性外滙倉盤由海外附屬公司及分行之資本投資，主要為美元及人民幣所產生，該等投資由資產負債管理委員會管理。

利率風險來自財資交易組合及應計賬項，由財資處於董事會核准之限額內管理。二零零四年上半年來自財資處與利率風險有關之業務每日平均收入為港幣六百萬元（二零零三年上半年為港幣六百萬元）。

30 Market risk (continued)

The average daily revenue earned from market risk-related treasury activities for the first half of 2004, including accruals book net interest income and funding related to dealing positions, was HK\$10 million (HK\$8 million for the first half of 2003). The standard deviation of these daily revenues was HK\$5 million (HK\$4 million for the first half of 2003). An analysis of the frequency distribution of daily revenues shows that out of 122 trading days in the first half of 2004, losses were recorded on only two days and the maximum daily loss was HK\$6 million. The most frequent result was a daily revenue of between HK\$6 million and HK\$10 million, with 62 occurrences. The highest daily revenue was HK\$38 million.

Hang Seng's foreign exchange exposures mainly comprise foreign exchange dealing by Treasury and currency exposures originated by its banking business. The latter are transferred to Treasury where they are centrally managed within foreign exchange position limits approved by the Board of Directors. The average one-day foreign exchange profit for the first half of 2004 was HK\$4 million (HK\$2 million for the first half of 2003). Structural foreign exchange positions arising from capital investment in subsidiaries and branches outside Hong Kong, mainly in US dollar and renminbi, are managed by the Asset and Liability Management Committee (ALCO).

Interest rate risk arises in both the treasury dealing portfolio and accruals books, which are managed by Treasury under limits approved by the Board of Directors. The average daily revenue earned from treasury-related interest rate activities for the first half of 2004 was HK\$6 million (HK\$6 million for the first half of 2003).

31 外匯倉盤

外匯風險包括因買賣、非買賣及結構性倉盤而產生。於二零零四年六月三十日，恒生只有美元非結構性外匯倉盤而佔整體外匯淨倉盤總額百分之十以上。

31 Foreign currency positions

Foreign currency exposures include those arising from dealing, non-dealing and structural positions. At 30 June 2004, the US dollar was the only currency in which Hang Seng had a non-structural foreign currency position which exceeded 10% of the total net position in all foreign currencies.

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
美元非結構性倉盤	US dollar non-structural position			
現貨資產	Spot assets	166,456	158,081	162,330
現貨負債	Spot liabilities	(161,751)	(149,899)	(151,706)
遠期買入	Forward purchases	41,452	44,594	40,537
遠期賣出	Forward sales	(34,390)	(41,066)	(35,587)
期權盤淨額	Net options positions	(2)	–	–
持有非結構性倉盤淨額	Net long non-structural position	11,765	11,710	15,574

於二零零四年六月三十日，恒生之結構性外匯倉盤主要為美元和人民幣。

At 30 June 2004, Hang Seng's major structural foreign currency positions were US dollar and renminbi.

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
結構性倉盤	Structural position			
美元	US dollar	852 29.7	887 85.7	841 68.5
人民幣	Renminbi	1,910 66.6	95 9.2	282 23.0

32 有關連人士之重大交易

(甲) 直屬控股公司及同母系附屬公司於二零零四年上半年，恒生按正常之銀行業務經營範圍與直屬控股公司及同母系附屬公司進行業務交易，其中包括同業存款、同業放款及資產負債表以外之交易。此等交易均按當時之市場價格進行。恒生亦按其正常業務經營範圍參與經由直屬控股公司安排下之若干結構融資交易。

恒生使用直屬控股公司之電子資料處理服務並與其共用自動櫃員機網絡，及使用一同母系附屬公司提供之若干處理服務，均是按成本收回基礎計算費用。此外，恒生亦將其中一項職員退休福利計劃交由同母系附屬公司擔任承保人及管理人，本行亦為兩間同母系附屬公司代理銷售強制性公積金及分銷零售投資基金產品。此等交易之保費、佣金及其他收費均以正常公平交易為基礎。

期內由此等交易所產生之總收支及期末與有關機構之存欠結餘及資產負債表以外之總合約金額詳列如下：

期內收支

		半年結算至 二零零四年 六月三十日 Half-year ended 30 June 2004	半年結算至 二零零三年 六月三十日 Half-year ended 30 June 2003	半年結算至 二零零三年 十二月三十一日 Half-year ended 31 December 2003
利息收入	Interest income	50	96	99
利息支出	Interest expense	22	5	12
其他營業收入	Other operating income	92	39	205
營業支出	Operating expenses	300	296	322

32 Material related-party transactions**(a) Immediate holding company and fellow subsidiary companies**

During the first half of 2004, Hang Seng entered into transactions with its immediate holding company and fellow subsidiary companies in the ordinary course of its interbank activities including the acceptance and placement of interbank deposits, correspondent banking transactions and off-balance sheet transactions. The activities were priced at the relevant market rates at the time of the transactions. Hang Seng participated, in its ordinary course of business, in certain structured finance deals arranged by its immediate holding company.

Hang Seng used the IT of, and shared an automated teller machine network with, its immediate holding company and used certain processing services of a fellow subsidiary on a cost recovery basis. Hang Seng also maintained a staff retirement benefit scheme for which a fellow subsidiary company acts as insurer and administrator and the Bank acted as agent for the marketing of Mandatory Provident Fund products and the distribution of retail investment funds for two fellow subsidiary companies. The premiums, commissions and other fees on these transactions are determined on an arm's length basis.

The aggregate amount of income and expenses arising from these transactions during the period, the balances of amounts due to and from the relevant related parties, and the total contract sum of off-balance sheet transactions at the period-end are as follows:

Income and expenses for the period

32 有關連人士之重大交易 (續)**(甲) 直屬控股公司及同母系
附屬公司 (續)**

期末結餘

總欠款
總存款
資產負債表以外之總合約金額

(乙) 聯營公司

恒生給予一聯營公司一項免息股東貸款，於二零零四年六月三十日之結餘為港幣二億三千三百萬元（於二零零三年六月三十日為港幣二億一千七百萬元，而於二零零三年十二月三十一日則為港幣二億二千九百萬元）。

(丙) 最終控股公司

於二零零四年上半年，與本行最終控股公司並無進行任何交易（與二零零三年相同）。

(丁) 主要行政人員

於二零零四年上半年，與恒生及其控股公司之主要行政人員及其有關連人士並無重大交易（與二零零三年相同）。

32 Material related-party transactions (continued)**(a) Immediate holding company and fellow
subsidiary companies (continued)**

Balances at the period-end

		二零零四年 六月三十日 At 30 June 2004	二零零三年 六月三十日 At 30 June 2003	二零零三年 十二月三十一日 At 31 December 2003
Total amount due from		5,777	7,596	13,715
Total amount due to		7,530	757	2,412
Total contract sum of off-balance sheet transactions		44,887	33,172	35,121

(b) Associated companies

Hang Seng maintained an interest-free shareholders' loan to an associated company. The balance at 30 June 2004 was HK\$233 million (HK\$217 million at 30 June 2003 and HK\$229 million at 31 December 2003).

(c) Ultimate holding company

During the first half of 2004, no transaction was conducted with the Bank's ultimate holding company (same as 2003).

(d) Key management personnel

During the first half of 2004, no material transaction was conducted with key management personnel of Hang Seng and its holding companies and parties related to them (same as 2003).

33 法定賬項

此中期報告所載資料乃未經審核及不構成法定賬項。

截至二零零三年十二月三十一日之法定賬項，已送呈公司註冊處及香港金融管理局。該法定賬項載有於二零零四年三月一日發出之無保留意見之核數師報告書。截至二零零三年十二月三十一日之年報及賬項，包括法定賬項，可向本行公司秘書部索取，地址為香港德輔道中八十三號十樓，或於恒生銀行之網址 <http://www.hangseng.com> 下載。

33 Statutory accounts

The information in this interim report is unaudited and does not constitute statutory accounts.

The statutory accounts for the year ended 31 December 2003 have been delivered to the Registrar of Companies and the Hong Kong Monetary Authority. The auditors expressed an unqualified opinion on those statutory accounts in their report dated 1 March 2004. The Annual Report and Accounts for the year ended 31 December 2003, which includes the statutory accounts, can be obtained on request from the Company Secretary Department, Level 10, 83 Des Voeux Road Central, Hong Kong; or from Hang Seng Bank's website <http://www.hangseng.com>.

34 最終控股公司

恒生銀行為滙豐控股有限公司間接持有百分之六十二點一四權益之附屬公司。

34 Ultimate holding company

Hang Seng Bank is an indirectly-held, 62.14%-owned subsidiary of HSBC Holdings plc.