

至二零零四年十二月三十一日全年結算
(除特別列明外均以港幣百萬元位列示)

Year ended 31 December 2004
(Figures expressed in millions of Hong Kong Dollars unless otherwise indicated)

1. 編製基礎

(甲) 本賬項乃按照香港會計師公會頒佈之香港財務報告準則(包括會計實務準則及註釋)編製, 並符合香港公認會計準則及香港公司法例之規定。本賬項已完全遵守香港金融管理局發出之監管政策手冊內有關「本地註冊認可機構披露財務資料」要求, 及符合香港聯合交易所有限公司上市條例有關財務披露之規定。

(乙) 本綜合賬項包括恒生銀行(簡稱「銀行」)及其附屬公司截至十二月三十一日止年度之賬項。綜合賬項包括應佔聯營公司之業績及儲備, 乃根據該等公司截止日期不早於十二月三十一日前三個月之賬項編製。集團內公司之間一切重大交易已於綜合計算時予以抵銷。恒生銀行及其附屬公司及聯營公司合稱本「集團」。

(丙) 本賬項乃採用原值成本慣例編製, 惟若干投資證券及行址與投資物業則按照附註3(戊)及(己)之會計政策, 修訂為以重估公平價值列示。

(丁) 編製本賬項所採用之會計政策與往年貫徹一致。

2. 業務性質

本集團主要從事銀行業及有關之金融服務。

3. 主要會計政策

(甲) 收入之確認

除貸款已列為呆賬外(附註3(丙)), 利息收入均以應計基準在損益賬內確認。

費用及佣金收入均於列為應收項目時計入收益, 除非該等收入是用以彌補向客戶持續提供服務之成本或須為客戶承擔風險, 或屬利息性質收入。在該等情況下, 費用則於有關期間內按適當之基準確認。

1. Basis of preparation

(a) These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these accounts comply fully with the module on "Financial Disclosure by Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

(b) The consolidated accounts comprise the accounts of Hang Seng Bank Limited ("the Bank") and all its subsidiary companies made up to 31 December. The consolidated accounts include the attributable share of the results and reserves of associated companies, based on accounts made up to dates not earlier than three months prior to 31 December. All significant intra-group transactions have been eliminated on consolidation. "The Group" refers to the Bank and its subsidiary and associated companies.

(c) The accounts have been prepared under the historical cost convention, as modified by the revaluation of certain securities and premises and investment properties as set out in the accounting policies in notes 3(e) and 3(f) respectively.

(d) The accounting policies used in the preparation of these accounts are consistent with those used in the previous year.

2. Nature of business

The Group is engaged primarily in the provision of banking and related financial services.

3. Principal accounting policies

(a) Income recognition

Interest income is recognised in the profit and loss account as it accrues, except in the case of doubtful debts (note 3(c)).

Fee and commission income is accounted for in the period when receivable, except where the fee is charged to cover the costs of a continuing service to or risk borne for the customer, or is interest in nature. In these cases, it is recognised on an appropriate basis over the relevant period.

3. 主要會計政策 (續)

(乙) 商譽

當收購附屬或聯營公司之成本高於本集團購得其所佔可分離資產份額之公平淨值時，即產生正商譽。於一九九八年一月一日前進行之收購，其產生之商譽於收購當年從「儲備」項內撇除。於一九九八年一月一日或以後進行之收購為附屬公司，所產生之商譽已列入資產負債表之「其他資產」項內，而收購聯營公司所產生之商譽則列入「聯營公司投資」項內，商譽一般以二十年為期以直線法於損益賬內攤銷。並按需要進行測試，計算附屬公司或聯營公司之預期現金流量現值與淨資產賬面值及應佔商譽比較，確定商譽是否出現減值。

於出售附屬或聯營公司時，將連同任何未攤銷或已誌入儲備內之商譽，計算出售該等公司之損益。

(丙) 貸款及呆賬

(一) 放出客戶貸款或購入貿易票據於提取或購買時，以支付結算金額入賬，在資產負債表內以本金扣除懸欠利息及呆壞賬準備列示。(懸欠利息及準備政策於3下列(丙)(三)、(四)及(五)項內)。

(二) 客戶貸款之呆壞賬

當管理層對最終收回貸款本金或利息之機會存疑即列為呆壞賬，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。

(三) 懸欠利息與停止利息

當貸款定為呆賬，其應計利息會進誌「懸欠利息」戶口而不計入損益表之「利息收入」內，惟於下述特殊情況下貸款可逾期至十二個月始列作懸欠利息處理：

- 持有之現金抵押足以償付貸款本金及利息總額，並可合法行使抵償權；
- 可變現之有形抵押品淨值足以抵償貸款本金及利息，並通過信審程序批准將利息累積或撥入本金；或

3. Principal accounting policies (continued)

(b) Goodwill

Positive goodwill on acquisition of subsidiary and associated companies arises when the cost of acquisition exceeds the Group's share of the fair value of the separable net assets acquired. For acquisitions before 1 January 1998, positive goodwill was charged against "Reserves". For acquisitions on or after 1 January 1998, positive goodwill is recognised in the balance sheet in "Other assets" in respect of subsidiary companies and in "Investment in associated companies" in respect of associated companies and is amortised over its estimated life, usually taken as 20 years, on a straight line basis in the profit and loss account. Positive goodwill is tested for impairment when necessary by comparing the present value of the expected future cash flows from the relative subsidiary or associated company with the carrying value of its net assets, including attributable goodwill.

On disposal of the subsidiary or an interest held in an associated companies, any attributable amount of goodwill not yet amortised through the profit and loss account or which has previously been taken directly to reserves is included in the calculation of the profit or loss on disposal of the company.

(c) Advances and doubtful debts

(i) Advances to customers and trade bills are measured at the cash consideration at the time of the drawdown or acquisition and are stated in the balance sheet at the principal amounts outstanding net of suspended interest and provisions for bad and doubtful debts. (Policies on interest suspension and provisions are set out in 3(c)(iii),(iv) and (v) below.)

(ii) Non-performing advances

Loans are designated as non-performing as soon as management has doubts as to the ultimate recoverability of principal or interest. Except in certain limited circumstances, all advances on which principal or interest is overdue for more than three months are classified as non-performing. Non-performing advances also include advances that are not yet overdue for more than three months but are considered doubtful.

(iii) Interest in suspense and non-accrual of interest

When a loan is considered doubtful, interest will be "suspended" by taking accrued interest to a suspense account instead of to "Interest income" in the profit and loss account. However, the suspension of interest may exceptionally be deferred for up to 12 months past due in the following situations:

- where cash collateral is held covering the total of principal and interest due and the right of set-off is in place;
- where the value of net realisable tangible collateral is considered more than sufficient to cover the full repayment of all principal and interest due and credit approval has been given to the rolling-up or capitalisation of interest payments; or

3. 主要會計政策 (續)**(丙) 貸款及呆賬 (續)****(三) 懸欠利息與停止利息 (續)**

- 按組合基準以滾動率程式提撥準備之單一類別之小額貸款組合於附註3 (丙) (四) 列示，可在逾期九十天后仍累計利息，累計利息將撥入本金按組合基準提撥準備。

在編製資產負債表時，懸欠利息已從「客戶貸款」及「預付及應計收益」項下之應收利息賬項內扣除。

倘收回利息之機會渺茫，有關貸款即停止累計利息。其懸欠利息即予以撇除。

呆壞賬客戶若能按還款期償還利息及本金及確保日後之償還能力，即作為正常貸款重新累計利息。

集團政策規定須以審慎及貫徹一致之基準迅速提撥適當之呆壞賬準備。所提撥之準備基本上分為特殊及一般兩種，兩者均須考慮抵押品情況及未償還金額而釐定。

(四) 特殊準備

特殊準備是對已確認之呆壞賬項衡量其實際及預期損失數字作出提撥，並在資產負債表之貸款項內扣除。

特殊準備是根據個別呆壞賬評估作提撥，惟單一類別之小額貸款組合則以整體組合作為評估基準。特殊準備之數額是按集團保守評估提撥，足以抵銷將有關貸款撇減至最終可收回之數值，並考慮包括下列之各項因素：

- 切實評估客戶之財政狀況，包括其在可接受之期限內償還欠款之可能性；
- 集團對客戶之總風險；
- 若客戶清盤或破產可獲得之派發金額；
- 貸款抵押品之可變現值；
- 追收貸款及將抵押品變現所涉及之費用；及
- 若貸款並非以本地貨幣為單位，則需考慮借款人獲取有關外幣之能力。

3. Principal accounting policies (continued)**(c) Advances and doubtful debts (continued)****(iii) Interest in suspense and non-accrual of interest (continued)**

- for portfolios of small homogeneous loans where provisions are made on a portfolio basis using the roll rate methodology as described in note 3(c)(iv) below, interest income will continue to accrue after the account is 90 days overdue and the interest will be included as part of the loan balance for the purpose of making provisions.

Interest suspended on doubtful debts is netted in the balance sheet against “Advances to customers” and accrued interest receivable in “Prepayments and accrued income”.

Where the probability of receiving interest payment is remote, interest is no longer accrued and any suspended interest is written off.

Accrual of interest will not be resumed for non-performing accounts until interests and principals are up-to-date and future payments are reasonably assured.

It is the Group's policy to make provisions for bad and doubtful debts promptly where required and on a prudent and consistent basis. There are two basic types of provisions, specific and general, each of which is considered in terms of the charge and the amount outstanding.

(iv) Specific provisions

Specific provisions represent the quantification of actual and expected losses from identified accounts and are deducted from loans and advances in the balance sheet.

Other than where provisions on small balance homogenous loans are assessed on a portfolio basis, the amount of specific provision raised is assessed case by case. The amount of specific provision raised is the Group's conservative estimate of the amount needed to reduce the carrying value of the asset to the expected ultimate net realisable value, and in reaching a decision consideration is given, among other things, to the following factors:

- the financial standing of the customer, including a realistic assessment of the likelihood of repayment of the loan within an acceptable period;
- the Group's aggregate exposure to the customer;
- the likely dividend available on liquidation or bankruptcy;
- the realisable value of any collateral for the loan;
- the costs associated with obtaining repayment and realisation of the collateral; and
- if loans are not in local currency, the ability of the borrower to obtain the relevant foreign currency.

3. 主要會計政策 (續)

(丙) 貸款及呆賬 (續)

(四) 特殊準備 (續)

單一類別之小額貸款組合，是按組合基準以滾動率程式或相近之程式提撥特殊準備。採用之滾動率程式為一種根據統計分析以往趨勢預測不同程度的逾期貸款，最終無法償還及損失之比率，並參照其他過往經驗及評估當前經濟情況，計算預期損失而釐定合適之特殊準備。

(五) 一般準備

一般準備作為補充特殊準備，以照應於結算日已存在但於日後始能確認之貸款損失。提撥水平乃根據集團之貸款組合結構及風險特性，首先根據過往損失經驗預計貸款組合之個別部份之損失，加上由管理層按照當前之經濟及信貸狀況決定所採用之損失經驗是否高估或低估現實之潛在損失，並須定期檢討損失經驗以維持適當之一般準備水平。一般準備於資產負債表所列「客戶貸款」中扣除。

(六) 償還呆壞賬之處理方法

收回呆壞賬之款項(變現抵押品所得現金除外)，首先抵償懸欠利息，餘額則用於償還本金。變現抵押品所得的款項將用於償還本金，餘額則用以彌補懸欠利息。

(七) 貸款撇除

當債務已再無實際機會收回時，該貸款及其懸欠利息即作出撇賬。通常逾期一百八十日信用卡及無抵押私人貸款亦被視為無展望償還，並予以撇除。

3. Principal accounting policies (continued)

(c) Advances and doubtful debts (continued)

(iv) Specific provisions (continued)

For portfolios of small homogeneous loans, specific provisions are made on a portfolio basis using the roll rate methodology or similar formulaic approach. Roll rate methodology is a statistical analysis of historical trends of the probability of default and amount of consequential loss, assessed at each time period for which payments are overdue and takes into account other historical data and an evaluation of current economic conditions to calculate an appropriate level of specific provisions based on expected loss.

(v) General provisions

General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. The Group maintains general provisions which are determined taking into account the structure and risk characteristics of the Group's loan portfolio and the expected loss of the individual components of the loan portfolio based primarily on the historical loss experience and management's judgement as to whether the current economic and credit conditions are such that the actual level of inherent losses is likely to be greater or less than that suggested by historical experience. Historic levels of latent risk are regularly reviewed to determine that the level of general provisioning continues to be appropriate. General provisions are deducted from "Loans and advances to customers" in the balance sheet.

(vi) Application of repayment from non-performing accounts

Amounts received from non-performing accounts (other than from realisation of collateral) are applied to the repayment of suspended interest and then to the repayment of principal. Amounts received from the realisation of collateral are applied to the repayment of outstanding principal and then to suspended interest.

(vii) Write-off of loans

Where a loan has no reasonable prospect of recovery, the loan and related suspended interest are written off. Credit card and unsecured personal loans are normally regarded as having no reasonable prospect of recovery after 180 days overdue and are charged-off accordingly.

3. 主要會計政策 (續)**(丙) 貸款及呆賬 (續)****(八) 重整貸款**

重整貸款是基於客戶財政困難而重組或重訂償還條件之貸款，貸款重整之目的為提高逾期貸款最終之收回數額。藉著放緩追收欠款之正常程序，容許合資格之客戶改善賬戶情況或重新商議償還貸款條件。重整貸款條件通常較原來優惠。重整後之貸款按新還款期重新列為未逾期貸款，能按新還款期正常償還為期六至十二個月後，即不再列為重整貸款。若按新還款期仍逾期三個月，則按照香港金融管理局發出之監管政策手冊內有關「本地註冊認可機構披露財務資料」要求，列為逾期貸款而不再列為重整貸款。

(九) 貸款變現而換取之資產

為有秩序地將其變現以抵償貸款而購入之資產均繼續列為貸款。所購入資產按轉換當日被清理之貸款賬面值列賬，而其日後減值則悉數提撥準備。

(十) 收回之資產

本行在追回呆壞賬過程中，透過法院程序或由借款人自願交出而收回抵押之資產。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撇除。已收回抵押品之貸款仍然視作客戶貸款，並列為呆壞賬。

(丁) 外幣伸算

外幣本位之資產及負債均按年結日之市價匯率伸算為港元。海外分行及海外附屬公司之業績則按是年度平均匯率伸算為港元。

期初之外幣資本投資淨額及以平均匯率伸算之業績均於年結日重新按當日匯率伸算，所產生之損益將記入「保留溢利」賬內。其他換算損益則記入損益賬內。

3. Principal accounting policies (continued)**(c) Advances and doubtful debts (continued)****(viii) Rescheduled advances**

Rescheduled advances are those which have been rescheduled or renegotiated for reasons related to the borrower's financial difficulties. Rescheduling activity is designed to maximise cash recovery on overdue accounts by slowing down the formal steps in collection management to allow qualifying customers to repair or renegotiate satisfactory maintenance of their accounts. This will normally involve the granting of concessionary terms and will be counted as non-overdue as long as payments are made in accordance with the rescheduled repayment schedule. A rescheduled advance will continue to be disclosed as such until the debt has been performing in accordance with the rescheduled terms for a period of six to twelve months. Rescheduled advances which have been overdue for more than three months under the rescheduled terms are reported as "Overdue advances" in accordance with the module on "Financial Disclosure by Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority.

(ix) Assets acquired in exchange for advances

Assets acquired in exchange for advances in order to achieve an orderly realisation continue to be reported as advances. The asset acquired is recorded at the carrying value of the advance disposed of at the date of the exchange, and further provisions are made based on any subsequent deterioration in its value.

(x) Repossessed assets

Collateral assets are repossessed through court proceedings or voluntary delivery of possession in the course of recovery of non-performing advances. 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.

(d) Translation of foreign currencies

Assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the year-end. The results of branches and subsidiary companies outside Hong Kong are translated into Hong Kong dollars at the average rates of exchange for the year.

Exchange differences arising from the retranslation of opening foreign currency net investments and exchange differences arising from retranslation of the result for the year from the average rate to the exchange rate ruling at the year-end are accounted for in "Retained profits". Other exchange differences are recognised in the profit and loss account.

3. 主要會計政策 (續)

(戊) 投資

(一) 持作買賣用途及長期投資之證券

集團就擁有明確意向及能力持有至到期日之債務證券均列為「持至期滿之債務證券」並按類列入資產負債表內之「庫券」(列於「庫存現金及短期資金」項下)、「存款證」或「長期投資」。持至期滿之債務證券均按成本扣除減值準備列賬(附註 3(庚))。

以溢價或折讓價購入之有期債務證券，其溢價及折讓均按購買日起至到期日止期間於損益賬內攤銷。此等證券均按成本調整購入溢價及折讓之攤銷列入資產負債表內。溢價及折讓之攤銷則列作「利息收入」。

持至期滿之債務證券若於到期日前售出或轉為持作買賣用途，因而產生之任何溢利或虧損均於當日列入損益賬內，並包括於「有形固定資產及長期投資之溢利」項內。

擬持續持有之股票均列為「長期投資」，並按公平價值列入資產負債表內；因市值變動所產生之溢利或虧損在扣除遞延稅項後，誌入「長期股票投資重估儲備」賬內。出售投資時之累計損益即誌入該期損益表之「有形固定資產及長期投資之溢利」項內。若投資須進行減值，其減值額(包括過往誌入「長期股票投資重估儲備」賬內之重估溢利或虧損)即進誌損益賬。

其他持作買賣用途之證券均按公平價值列入資產負債表內並按類列入「庫券」(列於「庫存現金及短期資金」項下)、「存款證」或「持作買賣用途之證券」。該等資產之公平價值變動則於損益結算表之「買賣溢利」項內確認。

售出之證券如附有按預定價格回購之承諾，仍按原分類列於資產負債表內，而出售所得之金額則以負債方式列示。相反，根據類似轉售承諾而購入之證券則不會在資產負債表內確認，而所支付之金額則視乎交易對手之性質為銀行或非銀行而列入「庫存現金及短期資金」或「客戶貸款」賬內。

3. Principal accounting policies (continued)

(e) Investments

(i) Securities held for dealing purposes and long-term investments

Debt securities in respect of which the Group has the expressed intention and ability to hold until maturity are classified as "Held-to-maturity securities" and are included in the balance sheet in the categories of "Treasury bills" (included in "Cash and short-term funds"), "Certificates of deposit" or "Long-term investments" as appropriate. Held-to-maturity debt securities are included in the balance sheet at cost less provision for any impairment (note 3(g)).

Where dated debt securities have been purchased at a premium or discount, those premiums and discounts are amortised through the profit and loss account over the period from the date of purchase to the date of maturity. These securities are included in the balance sheet at cost adjusted for the amortisation of premiums and discounts arising on acquisition. The amortisation of premiums and discounts is included in "Interest income".

Any profit or loss arising on disposal of held-to-maturity securities prior to maturity or on transfer to securities held for dealing purposes is included in the profit and loss account as it arises and is included in "Profit on tangible fixed assets and long-term investments".

Equity shares intended to be held on a continuing basis are classified as "Long-term investments" and are included in the balance sheet at fair value. Gains and losses arising from changes in fair value, net of deferred tax where appropriate, are accounted for as movements in the "Long-term equity investment revaluation reserve". When an investment is disposed of, the cumulative profit or loss, including any amounts previously recognised in the long-term equity investment revaluation reserve, is included in the profit and loss account for the year in "Profit on tangible fixed assets and long-term investments". When an investment is determined to be impaired, the impairment loss (including any revaluation gains or losses previously recognised in the long-term equities investment revaluation reserve) is taken to profit and loss account.

Other securities are classified as held for dealing purposes and included in the balance sheet at fair value in the categories of "Treasury bills" (included in "Cash and short-term funds"), "Certificates of deposit", or "Securities held for dealing purposes" as appropriate. Changes in fair value of such assets are recognised in the profit and loss account as "Dealing profits" as they arise.

Where securities are sold subject to a commitment to repurchase them at a predetermined price, they remain in the balance sheet and a liability is recorded in respect of the consideration received. Conversely, securities purchased under analogous commitments to resell are not recognised in the balance sheet and the consideration paid is recorded in "Cash and short-term funds" where the counterparty is a bank or in "Advances to customers" where the counterparty is a non-bank customer.

3. 主要會計政策 (續)**(戊) 投資 (續)****(二) 附屬公司投資**

附屬公司投資均按成本值扣除董事認為需要提撥之減值準備後於銀行之資產負債表內列賬(附註 3(庚))。

(三) 聯營公司投資

聯營公司投資於綜合賬項內以權益法計算集團應佔該等公司之資產淨值列賬；而在銀行之資產負債表內則以成本值扣除董事認為需要提撥之減值準備後列賬(附註 3(庚))。

(己) 有形固定資產**(一) 行址**

行址以公平價值列示並由具專業資格之估價師定期估值，以確保其賬面淨值與公平價值無大差異。估值基準乃按照行址當時用途之公開市場價值。土地及房屋價值之攤分作為計算折舊之依據，乃按房屋之重置成本為房屋價值，其餘額為土地之價值。因重估而產生之溢價，已扣除遞延稅項，先沖回誌於損益賬內有關該物業過往重估所產生之虧損，餘數誌入儲備項下之「行址重估儲備」內。因重估已扣除遞延稅項而產生之虧損先從「行址重估儲備」內扣除該物業過往之重估溢價，不足之數於損益賬內支銷。

折舊乃按照資產之估計可用年數攤銷全部賬面價值，計算方式如下：

- 永久業權之土地不予折舊；
- 租約業權之土地按照租約剩餘年數攤銷；及
- 房屋及其改良成本按直線法每年撇銷百分之二或按租約剩餘年數分攤折舊，兩者以較高者為準。

於行址重估時，即沖銷年內之累積折舊，行址重估增值之折舊部份由「行址重估儲備」撥往「保留溢利」項下。

3. Principal accounting policies (continued)**(e) Investments (continued)****(ii) Investments in subsidiary companies**

Investments in subsidiary companies are stated at cost less provision for any impairment (note 3(g)) as determined by the Directors in the Bank's balance sheet.

(iii) Investments in associated companies

Investments in associated companies are stated at the Group's attributable share of the net assets of the associated companies using the equity method of accounting in the Group's consolidated balance sheet and are stated at cost less provision for any impairment (note 3(g)) as determined by the Directors in the Bank's balance sheet.

(f) Tangible fixed assets**(i) Premises**

Premises are stated at valuation and are revalued by professionally qualified valuers with sufficient regularity, usually annually, to ensure that the net carrying amount does not differ materially from the fair value. The valuation is made on the basis of open market value for existing use. The apportionment of the value between the land and building elements is made by estimating the "net replacement cost" of the building as the value of the building element and taking the residual figure as the value of the land element. This is adopted for the purpose of depreciation. Surpluses arising on revaluation, net of deferred tax, are credited firstly to the profit and loss account to the extent of any deficits arising on revaluation previously charged to the profit and loss account in respect of the same premises, and are thereafter taken to the "Premises revaluation reserve". Deficits arising on revaluation, net of deferred tax, are firstly set off against any previous revaluation surpluses included in the "Premises revaluation reserve" in respect of the same premises, and are thereafter taken to the profit and loss account.

Depreciation is calculated to write-off the valuation of the assets over their estimated useful lives as follows:

- freehold land is not depreciated;
- leasehold land is depreciated over the unexpired terms of the leases; and
- buildings and improvements thereto are depreciated at the greater of 2% per annum on the straight line basis or over the unexpired terms of the leases.

On revaluation of premises, depreciation accumulated during the year will be eliminated. Depreciation charged on revaluation surplus of premises are transferred from premises revaluation reserve to retained profits.

3. 主要會計政策 (續)

(己) 有形固定資產 (續)

(二) 投資物業

租約期超逾二十年之投資物業按估值列示於資產負債表。若租約期尚餘二十年或以下之投資物業則按估值扣除折舊後列賬。折舊乃按照租約之剩餘年數攤銷全部賬面價值計算。投資物業由具專業資格之估價師以公開市場價值估值。按投資組合計算之重估溢價已誌入「投資物業重估儲備」賬內。按組合計算而產生之重估虧損先從過往重估溢價內扣除，不足之數於損益賬內支銷。

(三) 設備

設備包括傢俬、機械及其他設備按成本減除折舊後列賬。折舊之計算乃按照資產之估計可用年數（一般在三至十年間），以直線折舊法攤銷。

(四) 出售行址、投資物業及設備之損益均以淨售所得與該資產之賬面淨值差價計算。因出售行址而實現之有關重估溢價由「行址重估儲備」項下撥往「保留溢利」項下。因出售投資物業而實現之有關重估溢價或虧損，則由「投資物業重估儲備」項下撥往「保留溢利」項下。

(庚) 減值

除行址及投資物業以重估價值及投資證券以公平價值及客戶貸款已扣除準備金列賬外，本集團在每結算日，均檢討各類資產有否出現減值跡象。若資產之可收回價值低於賬面值，則須減值至其可收回價值。釐定持至期滿之債務證券之可收回價值，是根據發行人之還款現狀及信貸情況作出評估，附屬公司及聯營公司投資之可收回價值，則按董事以合適之評估基準如資產淨值或未來現金流量現值作出評估。

減值虧損應即時於損益結算表中確認。轉回之減值虧損應以資產未減值前之賬面數額為限。撥回之減值虧損在確認轉回之年度損益結算表中沖回。

3. Principal accounting policies (continued)

(f) Tangible fixed assets (continued)

(ii) Investment properties

Investment properties are stated in the balance sheet at valuation where the term of the leases are over 20 years or at valuation less depreciation calculated to write off the assets over the remaining terms of the leases where the leases are of 20 years or less. The valuation of the investment properties are assessed by professional valuers on the basis of open market value. Surpluses arising on revaluation on a portfolio basis are credited to the "Investment properties revaluation reserve". Deficits arising on revaluation on a portfolio basis are firstly set off against any previous revaluation surpluses and thereafter taken to the profit and loss account.

(iii) Equipment

Equipment, comprising furniture, plant and other equipment, is stated at cost less depreciation calculated on the straight line basis to write off the assets over their estimated useful lives, which are generally between 3 and 10 years.

(iv) On disposal of premises, investment properties and equipment, the profit or loss is calculated as the difference between the net sales proceeds and the net carrying amount. Surpluses relating to premises disposed of included in the "Premises revaluation reserve" are transferred as movements in reserves to "Retained profits". Surpluses or deficits relating to investment properties disposed of included in the "Investment properties revaluation reserve" are transferred as movements in reserves to "Retained profits".

(g) Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets (other than premises and investment properties carried at revalued amounts and investment securities carried at fair value and customer advances stated net of provisions) to determine whether there is any indication that those assets are impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The recoverable amount of held-to-maturity securities subject to impairment is determined by reference to the performing status and the credit condition of the issuer. For investments in subsidiary and associated companies, this is determined based on the valuation of the Directors on an appropriate valuation basis such as net asset value or net present value of future cash flows.

Impairment losses are recognised in the profit and loss account immediately. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

3. 主要會計政策(續)**(辛) 融資及經營租賃**

若租賃合約之大部份與擁有權有關之風險及利益實質上轉讓予承租人，即列為融資租賃。當本集團為融資租賃之出租人，則該等租賃之投資淨額將包括於資產負債表內「客戶貸款」項下。應收租賃款項所包含之融資收入將於租賃期內按投入資金之比例在「利息收入」內確認。與融資租賃性質相同之租購合約亦作融資租賃處理。

其他租賃合約均列為經營租賃。若集團為經營租賃之出租人，用作租賃之資產將包括在「有形固定資產」內，並按合適情況根據列於附註3(己)之集團折舊政策計算折舊。經營租賃之應收租金在租賃期內之會計年度以等額分期方式錄入「其他營業收入」項內。應收或有租金收入則在相應之會計年度入賬。經營租賃支付之租金則在租賃期內之會計年度以等額分期方式在損益賬內「房地產及設備費用」中支銷。應付或有租金支出則在相應之會計年度支銷。

(壬) 僱員福利計劃

(一) 薪金、年終花紅、年度有薪假期、假期旅遊津貼及非現金性福利之成本，均在有關僱員提供服務之年度內以應計基準支銷，而在年底累積之有薪假期，可以在以後年度享用或在僱員離職時領取休假代金者，亦已提撥準備。

(二) 本集團為僱員提供退休福利，按有關法例設有界定利益福利計劃和公積金福利計劃及參予強制性公積金計劃。

是年度損益賬支取之界定利益福利計劃之退休福利成本，乃按一系列精算假定，計算是期服務成本、利息成本及預計投資回報，並計及須予確認之淨精算虧損後釐定。

3. Principal accounting policies (continued)**(h) Finance and operating leases**

Leases under which substantially all the risks and benefits of ownership are transferred to the lessees are classified as finance leases. Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as "Advances to customers". Finance income implicit in the lease payment is recognised as "Interest income" over the period of the leases in proportion to the funds invested. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases.

Other leases are classified as operating leases. Where the Group is a lessor under operating leases, the leased assets are included in "Tangible fixed assets", and where applicable, are depreciated in accordance with the Group's depreciation policy as set out in note 3(f). Rentals receivable under operating leases are recognised as "Other operating income" in equal instalments over the accounting periods covered by the lease term. Contingent rentals receivable are recognised as income in the accounting period in which they relate to. Payments made under operating leases are charged to the profit and loss account as "Premises and equipment expenses" in equal instalments over the accounting periods covered by the lease term. Contingent rentals payable are written off as an expense of the accounting period in which they are incurred.

(i) Employee benefits

(i) Salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by the employees. Provision is made in respect of paid leave entitlement accumulated during the year, which can be carried forward into future periods for compensated absence or payment in lieu if the employee leaves employment.

(ii) The Group provides retirement benefits for staff members and operates defined benefit and defined contribution schemes and participates in mandatory provident fund schemes in accordance with the relevant laws and regulations.

The retirement benefit costs of defined benefit schemes charged to profit and loss account are determined by calculating the current service cost, interest cost and expected return on scheme assets in accordance with a set of actuarial assumptions and taking into account the amount of net actuarial losses required to be recognised.

3. 主要會計政策 (續)

(王) 僱員福利計劃 (續)

本集團於每一個界定利益福利計劃之負擔淨額，乃估計職員截至結算日之服務年期應賺取將來所得福利之折現值，再扣減福利計劃資產之公平價值而計算。貼現率乃參照與福利計劃負擔年期接近之高質素企業債務證券於結算日之孳息率。由合資格精算師採用 Projected Unit Credit Method 計算。

在計算本集團之負擔淨額時，累積未確認精算盈餘或虧損超逾界定利益福利負擔折現值與計劃資產公平價值，兩者中較高數額百分之十，該部份須按參予計劃僱員之預計未來工作年期在損益結算表中確認。未超逾該上限之精算盈餘或虧損則不須確認。

若集團之負擔淨額低於零值而出現資產，可確認之數額不能大於集團未來可從福利計劃收回之退款或減少之供款之折現值扣除累積未確認之淨精算虧損及過往服務成本。

公積金計劃及強制性公積金計劃之供款乃按有關章程規定，並在該年度之損益賬內支銷。

(三) 本集團參與滙豐集團設置之股份報酬計劃認購滙豐控股有限公司之股份。按市值授出認股權之計劃，並無確認任何成本，儲蓄優先認股權計劃之認股權乃按公平價值不多於百分之二十折讓授出，此等獎勵亦無確認成本。而有限制股份獎勵計劃，本集團攤分購買股份以供有條件授出股份獎勵之成本於「人事費用」內按適用之表現要求期間攤銷。

(癸) 稅項

(一) 稅項包括是年應繳稅項及遞延稅項資產及負債之增減。是年度稅項及遞延稅項資產及負債之增減均於損益賬內支銷，除非與「儲備」項目有關之遞延稅項增減，則在「儲備」項內支銷。

3. Principal accounting policies (continued)

(i) Employee benefits (continued)

The Group's net obligation in respect of defined benefit schemes is calculated separately for each scheme by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years; that benefit is discounted to determine the present value, and the fair value of any scheme assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligation. The calculation is performed by a qualified actuary using the Projected Unit Credit Method.

In calculating the Group's obligation in respect of a scheme, to the extent that any cumulative unrecognised actuarial gain or loss exceeds 10% of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the profit and loss account over the expected average remaining working lives of the employees participating in the scheme. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the present value of any future refunds from the scheme or reductions in future contributions to the scheme less any cumulative unrecognised net actuarial losses and past service costs.

The retirement benefit costs of defined contribution schemes and mandatory provident fund schemes are the contributions made in accordance with the relative scheme rules and are charged to the profit and loss account of the year.

(iii) The Group participates in the share compensation plan operated by the HSBC Group for acquisition of HSBC Holdings plc shares. For the share option plan where such options are granted at fair value, no compensation costs are recognised. For the savings-related share option plan where options are granted at a discount of not more than 20% to fair value, no compensation cost is recognised for such awards. For the restricted share award plan, the Group's share of cost for acquisition of shares for the conditional award under such plan is charged to "Staff costs" over the period in respect of which the performance condition applies.

(j) Taxation

(i) Taxation for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the profit and loss account except to the extent that they relate to items recognised directly in reserves, in which case they are recognised in reserves.

3. 主要會計政策 (續)**(癸) 稅項 (續)**

(二) 是年應繳稅項是按應課稅利潤以結算日已立法或實則生效之稅率計算，以及上年度應繳稅項之調整。

(三) 遞延稅項資產及負債是由財務報表之資產及負債之賬面值及課稅基礎值兩者間的暫時性差額而產生。遞延稅項資產亦可來自未扣減之稅務虧損及未運用之稅務優惠。

因課稅暫時差額而產生之所有遞延稅項負債，在一般情況下應全數確認。而遞延稅項資產則應在預期可取得足夠應課稅溢利扣減之情況下，方予以確認。

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。遞延稅項資產及負債毋須計算折現值。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供稅務扣減，則須減低遞延稅項資產額。

(四) 是年應繳稅項結餘和遞延稅項結餘及其增減，均需獨立列賬而互不抵銷。本期稅項資產抵銷本期稅項負債，及遞延稅項資產抵銷遞延稅項負債，只在本行或本集團具有合法抵銷權抵銷本期稅項資產和本期稅項負債時方可進行。通常限於同一課稅單位在同一稅務機關範圍下，才能進行抵銷。

(子) 資產負債表外之金融工具

資產負債表外之金融工具統稱衍生工具，該等合約之價值變化衍生自對照之資產、利率、匯率或指數，包括在外匯、利率及股票市場上進行之期貨、遠期、掉期及期權交易。凡具有合法抵銷權之合約均採用淨額結算。

此等工具之記賬方法視乎其交易目的為買賣或非買賣用途而定。

3. Principal accounting policies (continued)**(j) Taxation (continued)**

(ii) Current tax is the expected tax payable on the taxable profits for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and the tax bases respectively. Deferred tax assets also arise from unused tax losses and unused tax credits.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available, against which deductible temporary differences can be utilised.

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 assets and liabilities are not discounted. 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.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities. The principle of offsetting usually applies to income tax levied by the same tax authority on same taxable entity.

(k) Off-balance sheet financial instruments

Off-balance sheet financial instruments, commonly referred to as derivatives, are contracts the characteristics and value of which are derived from those of the underlying assets, interest and exchange rates or indices. They include futures, forwards, swap and options transactions in the foreign exchange, interest rate and equity markets. Netting is applied where a legal right of set-off exists.

The accounting for these instruments is dependent upon whether the transactions are undertaken for dealing or non-dealing purposes.

3. 主要會計政策 (續)

(子) 資產負債表外之金融工具 (續)

(一) 買賣交易

買賣用途之交易包括持盤及因應客戶需要而進行之交易及其對沖活動。

用作買賣之交易以市值記賬，因市值變動而產生損益之淨現值就未賺取之信貸息差及日後之服務成本而作出適當遞延處理後列入損益賬內之「買賣溢利」。資產負債表以外之買賣交易於可能情況下參照流通市場之獨立市場報價而評值。而未有報價之交易則參照獨立之市場價格或利率，採用估值模式釐定。流動性不足之持盤須按適當情況調整估值。

按市值列賬之滙率、利率及股票合約所產生之資產，包括未實現盈利均列於「其他資產」項目下。按市值列賬之交易所產生之負債，包括未實現虧損，則列於「其他負債」項下。

(二) 非買賣交易

非買賣之交易是指按本集團風險管理策略，為應計基準列賬之資產、負債、持盤或未來現金收支作對沖用途之合約。非買賣交易包括符合下述條件之對沖交易及用以改變指定金融工具之風險特性之交易。

非買賣交易均以其指定資產、負債或持盤淨額相同之基準入賬。任何損益均按有關資產、負債或持盤之損益之同等基準予以確認。

符合對沖交易條件之衍生工具須有效降低相關資產、負債或預期交易之價格或利率風險，並在訂立衍生工具合約之始即列為對沖交易。因此，衍生工具之市值變動必須與相關之對沖項目在對沖合約訂立之始與及有效期內之市值變動緊密相應。符合此等條件之衍生工具會按相關對沖項目之相同基準列賬。作對沖用途之衍生工具包括掉期、遠期及期貨。

3. Principal accounting policies (continued)

(k) Off-balance sheet financial instruments (continued)

(i) Dealing transactions

Transactions for dealing purposes include those undertaken for proprietary purposes and to service customers' needs, as well as any related hedges.

Transactions undertaken for dealing purposes are marked-to-markets and the net present value of any gain or loss arising is recognised in the profit and loss account as "Dealing profits", after appropriate deferrals for unearned credit margin and future servicing costs. Off-balance sheet dealing transactions are valued by reference to independent market quotes in liquid markets where available. For those transactions where there are no readily quoted prices, market values are determined by reference to independently sourced rates, using valuation models. Adjustments are made for illiquid positions where appropriate.

Assets, including gains, resulting from off-balance sheet exchange rate, interest rate and equities contracts which are marked-to-market are included in "Other assets". Liabilities, including losses, resulting from such contracts, are included in "Other liabilities".

(ii) Non-dealing transactions

Non-dealing transactions are derivatives which are held for hedging purposes as part of the Group's risk management strategy against assets, liabilities, positions or cash flows measured on an accruals basis. Non-dealing transactions include qualifying hedges and positions that synthetically alter the characteristics of specified financial instruments.

Non-dealing transactions are accounted for on an equivalent basis to the underlying assets, liabilities or net positions. Any profit or loss arising is recognised on the same basis as that arising from the related assets, liabilities or positions.

To qualify as a hedge, a derivative must effectively reduce the price or interest rate risk of the asset, liability or anticipated transaction to which it is linked and be designated as a hedge at inception of the derivative contract. Accordingly, changes in the market value of the derivative must be highly correlated with changes in the market value of the underlying hedged item at inception of the hedge and over the life of the hedged contract. If these criteria are met, the derivative is accounted for on the same basis as the underlying hedged item. Derivatives used for hedging purposes include swaps, forwards and futures.

3. 主要會計政策 (續)**(子) 資產負債表外之金融工具 (續)****(二) 非買賣交易 (續)**

利率掉期合約亦可會用作改變金融工具之利率特性。要符合改變利率特性之要求，該衍生工具合約金額及利率風險，須與指定之單一或一籃子資產或負債組合掛鈎，以達致既定風險管理目標。此等利率掉期合約之有關收支，均以應計基準誌入「利息收入」及「利息支出」項內。

出售或終止未到期之非買賣用途合約所產生之損益，按原來合約剩餘期間攤銷。當有關之資產、負債或持盤出售或終止時，該等合約即改為以市值列賬，而產生之損益則即時誌入損益賬內。

若衍生工具在訂立合約後不符合對沖條件或改變利率特性之要求，將按其市值列賬，而有關損益則列入「買賣溢利」項內。

(丑) 長期保險業務

本集團確認長期保險業務權益之估值，是審慎評估現時生效之長期保險業務未來將產生之盈利之折現值，並考慮近期經驗及一般經濟情況，及有關長期保險基金內之保留盈餘。此等估值會於每年諮詢獨立精算師後予以釐定。長期保險業務權益估值之變動，在損益結算表之「其他營業收入」項內呈列。照應保單持有人權益之長期保險業務資產及負債已在「其他資產」及「其他負債」項內確認。

(寅) 有關連人士

就此賬項目而言，有關連人士乃指本集團能直接或間接對其財務及營運決策作出控制或重大影響，反之亦然，又或本集團與其均受同一方面之控制或重大影響。有關連人士包括個人及其他個體。

(卯) 按類分析

按類分析資料以業務類別及地理區域列示。由於按客戶類別分析所得資料較適用於本集團之營運及財務決策，故被選定為主要按類分析。

3. Principal accounting policies (continued)**(k) Off-balance sheet financial instruments (continued)****(ii) Non-dealing transactions (continued)**

Interest rate derivatives are also used to alter synthetically the interest rate characteristics of financial instruments. In order to qualify for synthetic alteration, a derivative instrument must be linked to specific individual or pools of similar assets or liabilities by the notional principal and interest rate risks of the associated instruments, and must achieve a result that is consistent with defined risk management objectives. Interest rate derivatives for synthetic alteration are accounted for on an accruals basis with the relative income and expense accounted for as "Interest income" and "Interest expense" respectively.

Any gain or loss on termination of non-dealing derivatives is deferred and amortised to the profit and loss account over the original life of the terminated contract. Where the underlying asset, liability or position is sold or terminated, the non-dealing derivative is immediately marked-to-market through the profit and loss account.

Derivatives that do not qualify as hedges or synthetic alterations after inception are marked-to-market through the profit and loss account, with gains and losses included in "Dealing profits".

(l) Long-term assurance business

The value placed on the Group's interest in long-term assurance business includes a prudent valuation of the discounted future earnings expected to emerge from business currently in force, taking into account factors such as recent experience and general economic conditions, together with the surplus retained in the long-term assurance funds. These are determined annually in consultation with independent actuaries. Changes in the Group's value of long-term assurance business are reported in the profit and loss account as "Other operating income". Long-term assurance assets and liabilities attributable to policyholders are recognised in the Group's accounts in "Other assets" and "Other liabilities" respectively.

(m) 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 party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(n) Segmental analysis

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

3. 主要會計政策 (續)

(辰) 現金及等同現金項目

現金流量結算表中之現金及等同現金項目包括現金及一個月內到期之定期存款於同業資金，及由購買日起計三個月內到期之庫券及存款證。

(巳) 股息

於結算日後建議或宣佈派發之股息在股東資金項內獨立披露。來自附屬公司、聯營公司及共同控制機構之股息收入，在股息宣佈派發之會計年度於銀行之損益結算表之收入項內確認。

4. 最新頒佈之會計準則

香港會計師公會新近頒佈一系列新及修定之香港財務報告準則及香港會計準則(新香港財務報告準則)。由二零零五年一月一日開始之會計年度生效。

本集團已就採納該等新香港財務報告準則之影響作出評估並總結如下：

採納下列之香港財務報告準則將會對本集團的財務報告產生重大財務及賬項表列方式之影響，現簡述如下。

(甲) 香港會計準則第三十九號

金融工具：確認和計量

(一) 投資證券

現行採用之投資證券會計政策於附註3(戊)內列示。香港會計準則第三十九號規定，所有投資證券須按下列三項分類：

- 持至期滿之債務證券按攤銷成本扣除減值列賬。
- 可供出售證券以公平價值列賬，公平價值變動產生之損益列入股東資金儲備項下。
- 其他不包括於上列之證券以公平價值列示，公平價值變動之損益於損益賬內確認。

3. Principal accounting policies (continued)

(o) Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise cash and balances with banks maturing within one month, and treasury bills and certificates of deposit with less than three months' maturity from the date of acquisition.

(p) Dividends

Dividends proposed or declared after the balance sheet date are disclosed as a separate component of shareholders' funds. Dividend income from subsidiaries, associates and jointly controlled entities is recognised as income in the Bank's profit and loss account in the accounting period in which the dividends are declared.

4. Recently issued accounting standards

The Hong Kong Institute of Certified Public Accountants has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginning on or after 1 January 2005.

The Group is in the process of assessing the impact of these new HKFRSs and has so far concluded as follows:

The adoption of the following HKFRSs will have significant financial or presentation effects on the Group's financial statements in the areas as briefly described below.

(a) HKAS 39 Financial instruments: Recognition and Measurement

(i) Investment securities

The current accounting policy for investment securities is set out in note 3(e) above. HKAS 39 specifies that all investment securities be classified within one of the following three categories:

- Held-to-maturity debt securities are measured at amortised cost less any impairment loss.
- Available-for-sale securities are measured at fair value with holding gains and losses reported under a reserve in the shareholders' equity.
- Securities classified other than above are measured at fair value with all holding gains and losses recognised in the profit and loss account.

4. 最新頒佈之會計準則(續)

(甲) 香港會計準則第三十九號
金融工具：確認和計量(續)

(一) 投資證券(續)

於二零零五年一月一日，本集團將大部份持至期滿之債務證券歸類為可供出售證券，其公平價值之變動將導致股東資金波幅增加。在新會計政策實行當日，可供出售證券之累計重估損益將於股東資金儲備賬內調整。二零零四年賬項無需重新列示。

(二) 貸款費用收入及支出

現行採用之貸款費用收入及服務成本會計政策於附註3(甲)內列示。目前貸款回贈或佣金是在支付時或按有關貸款年期分攤作利息支出。在採納香港會計準則第三十九號後，基本上所有貸款費用收入及貸款支出(包括物業按揭回贈)將連同利息收入計算貸款之實際息率在預計之貸款年期內攤銷。

採納此新會計政策對營業收入之影響輕微。在新會計政策實行當日，過往已計入損益賬之貸款收入及支出將於保留溢利沖回。二零零四年之賬項無需重新列示。

(三) 非買賣之衍生工具

現行採用之非買賣衍生工具會計政策於附註3(子)(二)內列示。採納香港會計準則第三十九號後，所有衍生工具將以公平價值在資產負債表內確認為資產或負債，而公平價值之變動將確認如下：

- 指定為公平價值對沖的衍生工具，與其相關之對沖項目所產生之溢利或虧損於損益賬內確認；
- 指定為現金流量對沖的衍生工具，首先在儲備內確認，期後則與其對沖資產/負債之收入一併撥回損益賬；及
- 其他衍生工具(包括買賣用途及不符合對沖資格之衍生工具)於損益賬內確認。

4. Recently issued accounting standards (continued)

(a) HKAS 39 Financial instruments: Recognition and Measurement (continued)

(i) Investment securities (continued)

On 1 January 2005, the Group has reclassified most of its held-to-maturity debt securities as available-for-sale securities. The change in fair value will cause volatility to the shareholders' equity. On transition, the revaluation gain or loss will be adjusted through a reserve in the shareholders' equity. No restatement of the 2004 accounts is required.

(ii) Loan fee income and costs

The current policy for recognition of loan fee income and servicing cost is set out in note 3(a) above and incentive or rebate on loan origination is charged as interest expense as incurred or amortised over the contractual loan life. On adoption of HKAS 39, substantially all loan fee income and directly attributable loan origination costs (including mortgage incentive payments) will be amortised over the expected life of the loan as part of the effective interest calculation.

The impact on operating income will be insignificant. On transition, there will be an adjustment to retained profits due to the reversal of previously recognised fees and costs. No restatement of 2004 accounts is required.

(iii) Non-dealing derivatives

The current accounting policy on non-dealing derivatives is set out in note 3(k)(ii) above. On adoption of HKAS 39, all derivatives will be recognised as either assets or liabilities in the balance sheet at fair value and the change in fair value is recognised as follows:

- for a derivative designated as a fair value hedge, in the profit and loss account together with the associated loss or gain on the hedged item;
- for a derivative designated as a cash flow hedge, initially in equity reserve and subsequently released into the profit and loss account in line with the income of the hedged assets/liabilities; and
- for other derivatives (including dealing derivatives and non qualifying hedges), in the profit and loss account.

4. 最新頒佈之會計準則 (續)

(甲) 香港會計準則第三十九號

金融工具：確認和計量 (續)

(三) 非買賣之衍生工具 (續)

由於衍生工具用作對沖之要求嚴格，因此衍生工具之損益將會有較大波幅。而指定為現金流量對沖之衍生工具，其公平價值之變動則對股東資金儲備產生波幅。在新會計政策實行當日，不符合對沖資格之衍生工具的重估溢利或虧損於保留溢利內調整。而現金流量對沖之衍生工具的重估溢利或虧損則於股東資金儲備內調整。二零零四年之賬項無需重新列示。

(四) 呆壞賬準備

現行採用之呆壞賬準備會計政策於附註3(丙)內列示。採用香港會計準則第三十九號後，按個別評估之貸款減值準備是以現金流量折現值方法計提，按組合評估之貸款減值準備，適用於單一類別之小額貸款或未有減值跡象之正常貸款，是採用方程式或統計方法計提。

個別評估及組合式評估之貸款減值準備，將取代現時之特殊及一般準備。此政策對損益賬之呆壞賬淨提撥並無重大影響。

(五) 懸欠利息

現行採用之懸欠利息會計政策於附註3(丙)內列示。

於採用香港會計準則第三十九號後，懸欠利息之概念已不存在。已作出減值準備之貸款，仍會按照計算減值準備之貼現息率計算利息收入，二零零四年之賬項無需重新列示。

4. Recently issued accounting standards (continued)

(a) HKAS 39 Financial instruments: Recognition and Measurement (continued)

(iii) Non-dealing derivatives (continued)

There will be higher volatility in income as a result of the stricter definition of a qualifying hedge. The change in fair value of derivatives designated as cash flow hedges will create volatility in equity. On transition, the revaluation gain or loss of non-qualifying derivatives will be adjusted through retained profits and the revaluation gain or loss of cash flow hedges through equity reserve. No restatement of 2004 accounts is required.

(iv) Provisions for bad and doubtful debts

The current accounting policy on provisions for bad and doubtful debts is set out in note 3(c) above. On adoption of HKAS 39, impairment provisions for advances assessed individually are calculated using a discounted cash flow analysis for the impaired advances. Collective assessment of impairment for individually insignificant items or items where no impairment has been identified on an individual basis is made using formula-based approaches or statistical methods.

Impairment provisions for advances will be presented as individually assessed and collectively assessed instead of specific provisions and general provisions. There will be no significant change in the net charge for provisions to profit and loss account.

(v) Interest in suspense

The current accounting policy on suspension of interest is set out in note 3(c) above.

Under HKAS 39, there is no concept of suspended interest. For impaired advances, interest income is recognised at the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. No restatement of 2004 accounts is required.

4. 最新頒佈之會計準則 (續)**(乙) 香港會計準則第十七號：租賃**

行址

現行採用之行址會計政策於附註3(己)(一)及(二)內列示。採納香港會計準則第十七號後，租約業權之自用物業，若能可靠地以其租約開始當日分攤土地與房屋之價值，則土地部份應視作經營租賃，所支付之地價或其他費用將按租賃期攤銷。若未能可靠地以租約開始當日，分攤土地與房屋之價值則整體將繼續視為融資租賃並以公平價值列賬。

本集團之行址將繼續以公平價值列賬，其中一幢行址物業獨立支付地價之土地視作經營租賃。在新會計政策實行當日，該土地之重估溢價連同有關遞延稅項將一併沖銷，已支付之地價將在「其他資產」項之「預付賬」內列示，並按租約年期攤銷，二零零四年賬項將會反映其變動而重新修訂。

(丙) 香港會計準則第四十號：投資物業
投資物業

現行採用之投資物業會計政策於附註3(己)(三)內列示。採納香港會計準則第四十號後，投資物業以公平價值出賬，而其價值變動將直接於損益賬內反映。

本集團之投資物業將繼續以公平價值入賬，投資物業價值變動將會導致損益賬產生波幅，在新會計政策實行當日，投資物業重估儲備將會轉入保留溢利賬內，根據香港會計準則第四十號，第八十段，本集團二零零四年之賬項無需重新列示。

(丁) 香港會計準則第十二號：利得稅
項 — 香港會計準則詮釋第二十一號

遞延稅項

現時投資物業重估儲備並無計提遞延稅項。根據香港會計準則詮釋第二十一號，本集團之投資物業重估儲備需要以利得稅率計算遞延稅項。在新會計政策實行當日，物業重估溢利之遞延稅項將由保留溢利中扣除。二零零四年之賬項無需重新列示。

4. Recently issued accounting standards (continued)**(b) HKAS 17: Leasing**

Bank premises

The current accounting policy on bank premises is set out in note 3(f)(i) & (ii) above. By adoption of HKAS 17, leasehold properties held for own use, where the land and building elements can be allocated reliably as at inception of the lease, the land element is treated as an operating lease. Land premiums or other costs of acquiring the leasehold land will amortise over the term of the lease. Where the land and building cannot be allocated reliably as at the inception of the lease, the land and building elements will continue to be treated as finance leases and carried at cost or fair value depending on whether the cost model or fair value model is elected.

The Group will continue to adopt the fair value model for bank premises. One leasehold property with cost of land premium paid separately will be accounted for as an operating lease. On transition, the revaluation reserve on the leasehold land will be de-recognised and related deferred taxation reversed while the cost of land premium paid will be reflected as a prepayment under "other assets" and amortised over the remaining lease term. The 2004 accounts will be restated to reflect the changes.

(c) HKAS 40: Investment property

Investment properties

The current accounting policy on investment properties is set out in note 3(f)(iii). By adoption of HKAS 40, investment properties are carried at fair value with the changes in fair value reported directly in the profit and loss account.

The Group will continue to adopt the fair value model for investment properties. The change in fair value of investment properties will cause volatility in the profit and loss account. On transition, the investment revaluation reserve will be transferred to retained profits. The Group will not restate its 2004 accounts, as permitted under paragraph 80 of HKAS 40.

(d) HKAS 12: Income Taxes – HKAS Interpretation 21

Deferred tax

Currently, no deferred tax is provided on revaluation surplus of investment properties. Following the interpretation of HKAS Interpretation 21, the Group will calculate deferred tax based on the profits tax rate on the change in fair value of investment properties. On transition, retained profits will be reduced by the amount of deferred tax on the cumulative balance of the revaluation surplus. No restatement of the 2004 account is required.

4. 最新頒佈之會計準則 (續)

(戊) 香港會計準則第十九號：僱員福利 退休金計劃之供款

現行採用之退休福利金之會計政策於附註3(壬)(二)內列示。根據國際會計準則第十九號，精算溢利或虧損可全數在發生年度於「保留溢利」內反映。相信香港會計師公會將為香港會計準則第十九號作出相應修訂。

本集團將選擇於是年度保留溢利內確認全部精算溢利或虧損。在新會計政策實行當日，累計精算溢利/虧損額將於「保留溢利」內調整。

採納下列香港財務報告準則對本集團之財務報告並無重大財務及賬項表列方式之影響。

香港財務報告準則第二號：
股權支付

香港財務報告準則第四號：
保險合約

香港財務報告準則第五號：
待售非流動資產及已終止業務

香港會計準則第二十七號：
綜合及獨立財務報表

香港會計準則第三十二號
金融工具：披露及呈報

香港會計準則第三十六號：
資產減值

香港會計準則第三十八號：
無形資產

4. Recently issued accounting standards (continued)

(e) HKAS 19: Employee Benefits

Pension costs

The current accounting policy on retirement benefit schemes operated by the Group is set out in note 3(i)(ii) above. The IAS 19 allows actuarial gains or losses to be accounted for in full through "retained profits" in the year of occurrence. The Hong Kong Institute of Certified Public Accountants is expected to revise the HKAS 19 accordingly.

The Group will elect the option to recognise all actuarial gains or losses through retained profits in the current year. On transition, the balance of actuarial gain/loss will be adjusted through "retained profits".

The adoption of the following HKFRSs would not have significant financial and presentation effects on the Group's financial statements.

HKFRS 2: Share-based Payments

HKFRS 4: Insurance Contracts

HKFRS 5: Non-current Assets Held for Sale and Discontinued Operations

HKAS 27: Consolidated and Separate Financial Statements

HKAS 32: Financial Instruments: Disclosure and Presentation

HKAS 36: Impairment of Assets

HKAS 38: Intangible Assets

5. 營業溢利

本年度營業溢利已計算下列各項目：

(甲) 利息收入

		2004	2003
上市證券利息收入	Interest income on listed investments	1,014	973
非上市證券利息收入	Interest income on unlisted investments	2,734	2,643
其他利息收入	Other interest income	8,723	9,230
		12,471	12,846

(乙) 利息支出

		2004	2003
五年後到期之已發行債券之利息支出	Interest expense on debt securities in issue maturing after five years	50	44
五年後到期之客戶存款之利息支出	Interest expense on customer accounts maturing after five years	6	–
其他利息支出	Other interest expense	2,725	2,623
		2,781	2,667

(丙) 其他營業收入

		2004	2003
股息收入：	Dividend income:		
– 上市證券投資	– listed investments	44	52
– 非上市證券投資	– unlisted investments	52	40
		96	92
服務費及佣金：	Fees and commissions:		
– 證券經紀及有關服務	– securities/stockbroking	560	361
– 零售投資產品及資金管理	– retail investment products and funds under management	1,502	996
– 保險	– insurance	102	82
– 賬戶服務	– account services	214	211
– 滙款	– remittance	125	132
– 信用卡	– cards	614	551
– 信貸便利	– credit facilities	240	231
– 入口/出口押滙	– import/export	256	223
– 其他	– other	136	117
服務費及佣金收入	Fees and commissions receivable	3,749	2,904
服務費及佣金支出	Fees and commissions payable	(409)	(349)
		3,340	2,555
買賣溢利：	Dealing profits:		
– 外滙	– foreign exchange	975	764
– 證券及其他買賣活動	– securities and other trading activities	50	43
		1,025	807
保險承保業務	Insurance underwriting	1,310	1,144
投資物業租金收入	Rental income from investment properties	202	210
其他	Other	390	390
		6,363	5,198

5. 營業溢利 (續)

(丁) 營業支出

		2004	2003
人事費用：	Staff costs:		
- 薪金及其他人事費用	- salaries and other costs	2,018	1,860
- 退休福利計劃支出：	- retirement benefit costs:		
- 公積金福利計劃 (附註36(乙))	- defined contribution schemes (note 36(b))	21	18
- 界定利益福利計劃 (附註36(甲)(三))	- defined benefit schemes (note 36(a)(iii))	148	165
		2,187	2,043
折舊 (附註23(甲))	Depreciation (note 23(a))	317	329
房地產及設備費用：	Premises and equipment:		
- 租金支出	- rental expenses	178	178
- 其他	- other	677	629
		855	807
其他經營費用	Other operating expenses	864	723
		4,223	3,902
成本對收入比率	Cost: income ratio	26.3%	25.4%

(戊) 呆壞賬準備

(e) Provisions for bad and doubtful debts

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
呆壞賬準備淨額支取/(回撥)	Net charge/(release) for bad and doubtful debts				
客戶貸款 (附註16(丙))	Advances to customers (note 16(c))				
特殊準備：	Specific provisions:				
- 新提撥	- new provisions	464	1,167	391	871
- 回撥	- releases	(357)	(315)	(286)	(289)
- 收回已撇除賬項	- recoveries	(109)	(54)	(58)	(40)
		(2)	798	47	542
一般準備	General provisions	(812)	(6)	(581)	24
損益賬淨額 (回撥)/支取	Net (release)/charge to profit and loss account	(814)	792	(534)	566

5. 營業溢利(續)

(己) 本行五位最高薪酬人士之酬金

(一) 酬金總額

		2004	2003
薪津及實物收益	Salaries, allowances and benefits in kind	30	23
退休福利計劃所作之供款	Pension contributions	2	2
特別花紅	Discretionary bonus	4	1
		<u>36</u>	<u>26</u>

(二) 五位最高薪酬人士之酬金包括在下列範圍內：

		2004 人數 Number of individuals	2003 人數 Number of individuals
港元	HK\$		
3,500,001 – 4,000,000	3,500,001 – 4,000,000	1	1
4,500,001 – 5,000,000	4,500,001 – 5,000,000	1	2
5,000,001 – 5,500,000	5,000,001 – 5,500,000	–	1
6,500,001 – 7,000,000	6,500,001 – 7,000,000	1	–
7,500,001 – 8,000,000	7,500,001 – 8,000,000	–	1
8,000,001 – 8,500,000	8,000,001 – 8,500,000	1	–
12,000,001 – 12,500,000	12,000,001 – 12,500,000	1	–
		<u>5</u>	<u>5</u>

五位最高薪酬人士中包括三位執行董事(二零零三年：三位)。該等董事之董事酬金已包括於附註5(庚)項內。

5. Operating profit (continued)**(f) The emoluments of the five highest paid individuals****(i) The aggregate emoluments****(ii) The numbers of the five highest paid individuals whose emoluments fell within the following bands were:**

The emoluments of the five highest paid individuals set out above include the emoluments of three (2003: three) Executive Directors. Their respective directors' emoluments are included in note 5(g).

5. 營業溢利 (續)

(庚) 董事酬金

根據香港公司條例第161節計算，本行董事酬金如下：

5. Operating profit (continued)

(g) Directors' emoluments

The emoluments of the Directors of the Bank calculated in accordance with section 161 of the Hong Kong Companies Ordinance were:

	董事袍金 Fees	薪金及 實物收益 Salaries, allowances and benefits in kind	為退休金 計劃所作 之供款 Pension and pension contributions	特別花紅 Discretionary bonus	合計 Total 2004 '000	合計 Total 2003 '000
執行董事 Executive Directors						
鄭海泉先生 Mr Vincent H C Cheng	100 ⁽¹⁾	8,465	451	3,208	12,224	7,688
潘仲賢先生 (於二零零四年十二月七日委任) Mr Joseph C Y Poon (Appointed on 7 Dec 04)	7	172	15	–	194	–
陸觀豪先生 (於二零零四年十二月六日離任) Mr Roger K H Luk (Resigned on 6 Dec 04)	80	7,125	468	417	8,090	5,479
莫偉健先生 Mr W K Mok	80	6,153	397	355	6,985	4,628
非執行董事 Non-Executive Directors						
利國偉博士 (於二零零四年四月二十二日離任) The Honourable Lee Quo-Wei (Retired on 22 Apr 04)	45	–	–	–	45	135
艾爾敦先生 Mr D G Eldon	135 ⁽¹⁾	–	–	–	135	135
彭世文先生 (於二零零三年四月二十三日離任) Mr S C Penney (Resigned on 23 Apr 03)	–	–	–	–	–	27 ⁽¹⁾
簡善恒先生 (於二零零三年五月二十二日委任) Mr S J Glass (Appointed on 22 May 03)	80 ⁽¹⁾	–	–	–	80	53
柯清輝先生 Mr Raymond C F Or	80 ⁽¹⁾	–	–	–	80	80
陳祖澤先生 ⁽²⁾ Mr John C C Chan ⁽²⁾	80	–	–	–	80	80
鄭裕彤博士 ⁽²⁾ Dr Y T Cheng ⁽²⁾	80	–	–	–	80	80
張建東博士 ⁽²⁾ (於二零零四年五月二十五日委任) Dr Marvin K T Cheung ⁽²⁾ (Appointed on 25 May 04)	53	–	–	–	53	–
何添博士 (於二零零四年四月二十二日離任) Dr Ho Tim (Retired on 22 Apr 04)	27	–	217	–	244	307
許晉乾先生 ⁽²⁾ Mr Jenkin Hui ⁽²⁾	80	–	–	–	80	80
利定昌先生 ⁽²⁾ Mr Peter T C Lee ⁽²⁾	80	–	–	–	80	80
李家祥博士 ⁽²⁾ Dr Eric K C Li ⁽²⁾	80	–	–	–	80	80
羅康瑞博士 Dr Vincent H S Lo	80	–	–	–	80	80
冼為堅博士 ⁽²⁾ Dr David W K Sin ⁽²⁾	80	–	–	–	80	80
鄧日樂先生 ⁽²⁾ Mr Richard Y S Tang ⁽²⁾	80	–	–	–	80	80
退休董事 Past Directors						
	–	–	1,963	–	1,963	1,962
	1,327	21,915	3,511	3,980	30,733	21,134
二零零三年 2003	1,410	15,442	3,505	777		

附註：

⁽¹⁾ 按滙豐集團內部政策，出任恒生銀行有限公司之董事，其應收董事袍金轉由香港上海滙豐銀行有限公司收取。

⁽²⁾ 獨立非執行董事。

Notes:

⁽¹⁾ Fees receivable as a Director of Hang Seng Bank Limited were surrendered to The Hongkong and Shanghai Banking Corporation Limited in accordance with the HSBC Group's internal policy.

⁽²⁾ Independent Non-Executive Director.

5. 營業溢利(續)

(辛) 核數師費用

5. Operating profit (continued)

(h) Auditors' remuneration

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
核數服務	Audit services	9	8	7	6
非核數服務	Non-audit services	5	2	5	2
		14	10	12	8

6. 有形固定資產及長期投資之溢利

6. Profit on tangible fixed assets and long-term investments

		2004	2003
出售長期股票投資之溢利	Profit on disposal of long-term equity investments		
- 實現已於一月一日重估	- realisation of amounts previously		
儲備確認之數額	recognised in revaluation reserves at 1 January	371	418
- 本年度之盈利/(虧損)	- gains/(losses) arising in current year	35	(8)
		406	410
出售持至期滿債務證券之	Profit less loss on disposal of		
溢利減虧損	held-to-maturity debt securities	(4)	48
出售有形固定資產之溢利減虧損	Profit less loss on disposal of tangible fixed assets	30	3
		432	461

7. 稅項

(甲) 綜合損益結算表內之稅項組成如下：

7. Taxation

(a) Taxation in the consolidated profit and loss account represents:

	2004	2003
本年度稅項 – 香港利得稅準備		
本年度稅項	1,534	1,443
過往年度稅項準備回撥	(12)	(39)
	1,522	1,404
本年度稅項 – 香港以外之稅項		
本年度稅項	7	4
過往年度稅項準備回撥	–	(14)
	7	(10)
遞延稅項 (附註25(甲))		
是年度產生之暫時性差額及回撥	179	70
稅率上升對一月一日遞延稅項結餘	–	(9)
之影響	–	(36)
確認過往年度可扣減之	–	(36)
稅務虧損額	179	25
	56	4
應佔聯營公司之稅項	56	4
提撥稅項合計	1,764	1,423
實際稅率	13.2%	12.8%

本年稅項乃以二零零四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：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用稅率提撥稅項準備。

The current tax provision is based on the estimated assessable profit in 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.

7. 稅項(續)

(乙) 稅項提撥與會計溢利按適當稅率計算之對賬表：

		集團 Group	
		2004	2003
除稅前溢利	Profit before tax	13,367	11,137
按香港利得稅率百分之十七點五計算之假定稅項(二零零三年：百分之十七點五)	Notional tax on profit before tax, calculated at Hong Kong tax rate of 17.5% (2003: 17.5%)	2,339	1,949
下列各項影響之稅項增減：	Tax effect of：		
- 外地稅率差異	- different tax rates in other countries/areas	(238)	(241)
- 不獲稅務扣減之項目	- non-deductible expenses	21	26
- 豁免利得課稅之項目	- non-taxable income	(239)	(129)
- 是年產生之稅項虧損	- unused tax losses arise in current year	-	1
- 是年使用以往之稅項虧損	- previous tax losses utilized in current year	(6)	(42)
- 合夥公司投資	- investment in partnerships	(101)	(79)
- 因年內稅率增加而調高年初遞延稅項結餘	- increase in tax rate during the year on opening deferred tax balances	-	(9)
- 過往年度稅項準備回撥	- over-provision in prior years	(12)	(53)
實際稅項提撥	Actual charge for taxation	1,764	1,423

(丙) 資產負債表中「其他資產」(附註24)或「其他負債」(附註28)之稅項組成如下：

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
「其他資產」內包括：	Including in "Other assets"：				
可收回之本期稅項	Current taxation recoverable	2	-	-	-
遞延稅項(附註24及25(甲))	Deferred taxation (notes 24 & 25(a))	11	52	-	-
		13	52	-	-
「其他負債」內包括：	Including in "Other liabilities"：				
香港利得稅準備(附註28)	Provision for Hong Kong profits tax (note 28)	508	519	463	479
香港以外之稅項準備(附註28)	Provision for taxation outside Hong Kong (note 28)	6	4	3	2
遞延稅項(附註25(甲)及28)	Deferred taxation (notes 25(a) & 28)	1,041	643	769	427
		1,555	1,166	1,235	908

8. 本行股東應得之溢利

本行股東應得之溢利中計有港幣一百一十億一千六百萬元(二零零三年：港幣八十三億三千五百萬元)已誌入銀行之賬項內。

本年度銀行溢利與上述金額對賬表：

		2004	2003
已於銀行賬項內反映之股東應得之溢利	Amount of consolidated profit attributable to shareholders dealt with in the Bank's accounts	9,938	8,335
附屬公司於年內派發之來自保留溢利之股息	Dividends declared during the year by subsidiary companies from retained profits	1,078	–
本年度之銀行溢利(附註30)	The Bank's profit for the year (note 30)	<u>11,016</u>	<u>8,335</u>

9. 每股股息

(甲) 本年度應得之股息

		2004		2003	
		每股港幣 per share HK\$	港幣百萬元 HK\$million	每股港幣 per share HK\$	港幣百萬元 HK\$million
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	1.10	2,103	1.80	3,441
第四次中期	Fourth interim	1.90	3,633	–	–
		<u>5.20</u>	<u>9,942</u>	<u>4.90</u>	<u>9,368</u>

(乙) 去年批准及於年內派發之股息：

		2004	2003
去年批准而於是年內派發之第三次中期股息為每股港幣一元八角(二零零三年：每股港幣三元三角)	Third interim dividend in respect of the previous year, approved and paid during the year, of HK\$1.80 per share (2003: HK\$3.30 per share)	<u>3,441</u>	<u>6,309</u>

8. Profit attributable to shareholders

Of the profit attributable to shareholders, HK\$11,016 million (2003: HK\$8,335 million) has been dealt with in the accounts of the Bank.

Reconciliation of the above amount to the Bank's profit for the year:

	2004	2003
Amount of consolidated profit attributable to shareholders dealt with in the Bank's accounts	9,938	8,335
Dividends declared during the year by subsidiary companies from retained profits	1,078	–
The Bank's profit for the year (note 30)	<u>11,016</u>	<u>8,335</u>

9. Dividends per share

(a) Dividends attributable to the year

		2004		2003	
		每股港幣 per share HK\$	港幣百萬元 HK\$million	每股港幣 per share HK\$	港幣百萬元 HK\$million
First interim		1.10	2,103	2.10	4,015
Second interim		1.10	2,103	1.00	1,912
Third interim		1.10	2,103	1.80	3,441
Fourth interim		1.90	3,633	–	–
		<u>5.20</u>	<u>9,942</u>	<u>4.90</u>	<u>9,368</u>

(b) Dividends attributable to the previous year, approved and paid during the year:

		2004	2003
Third interim dividend in respect of the previous year, approved and paid during the year, of HK\$1.80 per share (2003: HK\$3.30 per share)		<u>3,441</u>	<u>6,309</u>

10. 每股盈利

於二零零四年，每股盈利乃根據溢利港幣一百一十三億九千五百萬元（二零零三年全年為港幣九十五億三千九百萬元）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（與二零零三年相同）計算。

11. 按類分析**(甲) 客戶類別**

按類分析下之收入劃分，是反映各客戶類別或地理區域，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。成本分配則以各客戶類別或區域之直接成本及分攤之管理費用計算。各類業務使用集團自置物業，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客戶類別之跨業務支出內。

集團之主要業務分為五大客戶類別。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自營買賣盤。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。

10. Earnings per share

The calculation of earnings per share in 2004 is based on earnings of HK\$11,395 million (HK\$9,539 million in 2003) and on the weighted average number of ordinary shares in issue of 1,911,842,736 shares (unchanged from 2003).

11. Segmental analysis**(a) By customer group**

For the purpose of segmental analysis, the allocation of revenue reflects the benefits of capital and other funding resources allocated to the customer groups 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 customer groups and apportionment of management overheads. Rental charges at market rate for usage of premises are reflected as inter-segment income for the "Other" customer group and inter-segment expenses for the respective customer groups.

The Group's business comprises five customer groups. 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 specialises in 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" mainly represents management of shareholders' funds and investments in premises, investment properties and long-term equities.

11. 按類分析 (續)

(甲) 客戶類別 (續)

二零零四年

11. Segmental analysis (continued)

(a) By customer group (continued)

2004

	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
收入及支出							
Income and expenses							
淨利息收入							
Net interest income	5,706	1,332	596	1,854	202	-	9,690
營業收入							
Other operating income	4,080	1,046	217	684	336	-	6,363
跨業務收入							
Inter-segment income	-	-	-	-	320	(320)	-
營業收入							
Operating income	9,786	2,378	813	2,538	858	(320)	16,053
營業支出*							
Operating expenses*	(2,798)	(843)	(121)	(156)	(305)	-	(4,223)
跨業務支出							
Inter-segment expenses	(256)	(53)	(6)	(5)	-	320	-
扣除準備金前之營業溢利							
Operating profit before provisions	6,732	1,482	686	2,377	553	-	11,830
呆壞賬準備							
Provisions for bad and doubtful debts	83	601	130	-	-	-	814
營業溢利							
Operating profit	6,815	2,083	816	2,377	553	-	12,644
有形固定資產及長期投資之溢利							
Profit on tangible fixed assets and long-term investments	-	-	-	(5)	437	-	432
重估物業淨增值							
Net surplus on property revaluation	-	-	-	-	148	-	148
應佔聯營公司之溢利							
Share of profits of associated companies	6	72	-	32	33	-	143
除稅前一般業務溢利							
Profit on ordinary activities before tax	6,821	2,155	816	2,404	1,171	-	13,367
應佔除稅前一般業務溢利							
Share of pre-tax profit	51.0%	16.1%	6.1%	18.0%	8.8%	-	100.0%
營業溢利(不包括跨業務交易)							
Operating profit excluding inter-segment transactions	7,071	2,136	822	2,382	233	-	12,644
*折舊已包括於營業支出內							
*Included in operating expenses is depreciation of	(104)	(18)	(3)	(2)	(190)	-	(317)
總資產							
Total assets	142,455	46,752	77,361	256,370	25,687	-	548,625
總負債							
Total liabilities	352,688	77,712	25,151	21,553	27,484	-	504,588
聯營公司投資							
Investments in associated companies	94	1,117	-	488	698	-	2,397
年內資本開支							
Capital expenditure incurred during the year	104	17	2	2	23	-	148

11. 按類分析(續)

(甲) 客戶類別(續)

二零零三年

11. Segmental analysis (continued)

(a) By customer group (continued)

2003

	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
收入及支出 Income and expenses							
淨利息收入 Net interest income	6,175	1,064	543	1,874	523	–	10,179
營業收入 Other operating income	3,167	930	218	509	374	–	5,198
跨業務收入 Inter-segment income	–	–	–	–	345	(345)	–
營業收入 Operating income	9,342	1,994	761	2,383	1,242	(345)	15,377
營業支出* Operating expenses*	(2,518)	(799)	(111)	(148)	(326)	–	(3,902)
跨業務支出 Inter-segment expenses	(276)	(57)	(7)	(5)	–	345	–
扣除準備金前之營業溢利 Operating profit before provisions	6,548	1,138	643	2,230	916	–	11,475
呆壞賬準備 Provisions for bad and doubtful debts	(930)	11	127	–	–	–	(792)
營業溢利 Operating profit	5,618	1,149	770	2,230	916	–	10,683
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	–	48	373	–	461
重估物業淨減值 Net deficit on property revaluation	–	–	–	–	(37)	–	(37)
應佔聯營公司之溢利 Share of profits of associated companies	–	–	–	–	30	–	30
除稅前一般業務溢利 Profit on ordinary activities before tax	5,630	1,177	770	2,278	1,282	–	11,137
應佔除稅前一般業務溢利 Share of pre-tax profit	50.6%	10.6%	6.9%	20.4%	11.5%	–	100.0%
營業溢利(不包括跨業務交易) Operating profit excluding inter-segment transactions	5,894	1,206	777	2,235	571	–	10,683
*折舊已包括於營業支出內 *Included in operating expenses is depreciation of	(122)	(20)	(2)	(2)	(183)	–	(329)
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
年內資本開支 Capital expenditure incurred during the year	77	19	4	1	41	–	142

11. 按類分析 (續)

(乙) 地理區域分類

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

11. 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.

		2004	%	2003	%
總營業收入 (已扣除利息支出)	Operating income (net of interest expense)				
香港	Hong Kong	14,333	89	13,981	91
美洲	Americas	1,594	10	1,322	8
其他	Other	126	1	74	1
		16,053	100	15,377	100
除稅前一般業務溢利	Profit on ordinary activities before tax				
香港	Hong Kong	11,632	87	9,781	88
美洲	Americas	1,566	12	1,295	11
其他	Other	169	1	61	1
		13,367	100	11,137	100
年內資本開支	Capital expenditure incurred during the year				
香港	Hong Kong	143	97	130	92
美洲	Americas	–	–	–	–
其他	Other	5	3	12	8
		148	100	142	100
總資產	Total assets				
香港	Hong Kong	463,924	84	427,539	85
美洲	Americas	69,675	13	65,204	13
其他	Other	15,026	3	10,216	2
		548,625	100	502,959	100
總負債	Total liabilities				
香港	Hong Kong	490,087	97	449,243	97
美洲	Americas	9,315	2	8,376	2
其他	Other	5,186	1	5,055	1
		504,588	100	462,674	100
或有債務及承擔	Contingent liabilities and commitments				
香港	Hong Kong	127,246	98	107,588	98
美洲	Americas	–	–	122	–
其他	Other	2,925	2	1,671	2
		130,171	100	109,381	100

12. 庫存現金及短期資金

12. Cash and short-term funds

		集團 Group		銀行 Bank	
		2004	2003	2004	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	6,021	4,780	6,009	4,769
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	55,907	62,566	29,269	30,759
庫券	Treasury bills	6,270	4,557	6,270	4,557
		68,198	71,903	41,548	40,085
庫券分析詳列如下：	Treasury bills are analysed as follows:				
持作買賣用途	Held for dealing purposes				
- 公平價值	- at fair value	2,347	484	2,347	484
持至期滿	Held-to-maturity				
- 攤銷成本	- at amortised cost	3,923	4,073	3,923	4,073
- 公平價值	- at fair value	3,938	4,073	3,938	4,073
庫券至到期日剩餘期間：	Remaining maturity of treasury bills:				
- 三個月內	- within three months	1,167	174	1,167	174
- 三個月以上至一年	- one year or less but over three months	5,103	4,383	5,103	4,383
		6,270	4,557	6,270	4,557
所有庫券均非上市。	All treasury bills are unlisted.				

13. 一個月以上之定期存放同業

13. Placings with banks maturing after one month

		集團 Group		銀行 Bank	
		2004	2003	2004	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	10,838	15,576	5,331	13,577
- 三個月以上至一年	- one year or less but over three months	5,143	2,253	1,740	2,151
- 一年以上至五年	- five years or less but over one year	250	200	250	200
		16,231	18,029	7,321	15,928

14. 存款證

14. Certificates of deposit

		集團 Group		銀行 Bank	
		2004	2003	2004	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	8,076	1,870	5,947	1,867
- 三個月以上至一年	- one year or less but over three months	12,742	10,171	11,585	10,161
- 一年以上至五年	- five years or less but over one year	12,231	16,642	11,884	16,634
- 五年以上	- over five years	541	-	541	-
		33,590	28,683	29,957	28,662
持作買賣用途	Held for dealing purposes				
- 公平價值	- at fair value	19	12	-	-
持至期滿	Held-to-maturity				
- 攤銷成本	- at amortised cost	33,571	28,671	29,957	28,662
- 公平價值	- at fair value	33,666	28,925	30,055	28,916

於二零零四年，並無於最終到期日前出售擬持至期滿之存款證(二零零三年：無)。所有存款證均非上市。

In 2004, there were no certificates of deposit intended to be held to maturity disposed of prior to their final maturities (2003: Nil). All certificates of deposit are unlisted.

15. 持作買賣用途之證券

15. Securities held for dealing purposes

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
公平價值	At fair value				
債務證券	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	1,680	1,058	1,680	1,058
- 其他公共機構	- other public sector entities	2	43	1	17
		1,682	1,101	1,681	1,075
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	59	108	-	-
- 企業	- corporate entities	81	6	75	1
		140	114	75	1
		1,822	1,215	1,756	1,076
股票	Equity shares				
由企業發行	Issued by corporate entities	44	17	44	17
持作買賣用途之證券總額	Total securities held for dealing purposes	1,866	1,232	1,800	1,093

15. 持作買賣用途之證券(續)

15. Securities held for dealing purposes (continued)

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
債務證券	Debt securities				
在香港上市	Listed in Hong Kong	693	939	693	930
在香港以外地區上市	Listed outside Hong Kong	7	5	–	–
		700	944	693	930
非上市	Unlisted	1,122	271	1,063	146
		1,822	1,215	1,756	1,076
股票	Equity shares				
在香港上市	Listed in Hong Kong	10	5	10	5
非上市	Unlisted	34	12	34	12
		44	17	44	17
		1,866	1,232	1,800	1,093
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	29	38	21	33
– 三個月以上至一年	– one year or less but over three months	165	191	151	138
– 一年以上至五年	– five years or less but over one year	1,366	840	1,322	759
– 五年以上	– over five years	262	146	262	146
		1,822	1,215	1,756	1,076
股票	Equity shares	44	17	44	17
		1,866	1,232	1,800	1,093

持作買賣用途之債務證券按剩餘年期至到期日之分析披露乃遵照香港金融管理局發出之監管政策手冊內有關「本地註冊認可機構披露財務資料」要求。此等披露，並不表示該等證券將會持至到期日。

上述持作買賣用途之債務證券，並不包括庫券及存款證，而該等證券已分別列於資產負債表之有關項目內。

The analysis of debt securities held for dealing purposes by remaining period to maturity is disclosed in order to comply with the module on “Financial Disclosure by Locally Incorporated Authorised Institutions” under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority. The disclosure does not imply that the securities will be held to maturity.

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

16. 客戶貸款

(甲) 客戶貸款

16. Advances to customers

(a) Advances to customers

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
客戶貸款總額(附註16(壬))	Gross advances to customers (note 16(i))	252,940	231,999	199,683	172,339
特殊準備(附註16(丙)及(丁))	Specific provisions (notes 16(c) & (d))	(778)	(1,432)	(540)	(1,037)
一般準備(附註16(丙))	General provisions (note 16(c))	(289)	(1,101)	(226)	(807)
		251,873	229,466	198,917	170,495
至到期日剩餘期間：	Remaining maturity:				
- 即時到期	- repayable on demand	12,515	11,488	12,426	11,344
- 三個月內但非即時到期	- three months or less but not repayable on demand	24,701	20,341	23,466	17,555
- 三個月以上至一年	- one year or less but over three months	31,474	22,585	26,947	18,445
- 一年以上至五年	- five years or less but over one year	94,841	89,565	76,652	69,730
- 五年以上	- over five years	86,343	81,402	58,404	50,393
- 已逾期一個月以上	- overdue for more than one month	897	1,375	587	818
- 呆壞賬	- non-performing advances	2,169	5,243	1,201	4,054
客戶貸款總額	Gross advances to customers	252,940	231,999	199,683	172,339
呆壞賬準備(附註16(丙))	Provisions for bad and doubtful debts (note 16(c))	(1,067)	(2,533)	(766)	(1,844)
		251,873	229,466	198,917	170,495
客戶貸款內已包括：	Included in advances to customers are:				
- 貿易票據	- trade bills	3,053	2,226	3,053	2,226
- 呆壞賬準備	- provisions for bad and doubtful debts	(8)	(17)	(8)	(17)
		3,045	2,209	3,045	2,209

上述到期日分析乃按照香港金融管理局發出之監管政策手冊內「本地註冊認可機構披露財務資料」要求之期限分類劃分。根據該建議，不同還款額或不同還款期償還之資產，應申報該資產中實際逾期的部份作已逾期貸款。其他未到期之部份仍應根據剩餘期限申報，如貸款償還情況出現問題，則需全數列為已逾期。此項按期限分類已逾期之客戶貸款之分析與附註16(己)參照香港金融管理局之建議說明，即使貸款中有部份貸款尚未到期，整筆貸款仍應列作逾期之表列原則有所不同。

The above maturity classifications have been prepared in accordance with the maturity classifications contained in the module on "Financial Disclosure by Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority. In accordance with the module, in the case of an advance which is repayable by different payments or instalments, only that portion of the advance which is actually overdue is reported as overdue. Any part of the advance which is not yet due is reported according to its residual maturity unless the repayment of the advance is in doubt, in which case the whole amount is reported as overdue. This classification of overdue advances to customers for maturity profile purposes is different from the analysis disclosed in note 16(f) for which the Hong Kong Monetary Authority's module states that if part of an advance is overdue, the whole amount of the advance should be disclosed as overdue.

16. 客戶貸款(續)

(乙) 總準備對客戶貸款比率

		集團 Group		銀行 Bank	
		2004 %	2003 %	2004 %	2003 %
特殊準備	Specific provisions	0.31	0.62	0.27	0.60
一般準備	General provisions	0.11	0.48	0.11	0.47
準備總額	Total provisions	0.42	1.10	0.38	1.07

(丙) 客戶貸款呆壞賬準備

二零零四年

16. Advances to customers (continued)

(b) Total provisions against gross advances to customers

(c) Provisions against advances to customers

2004

		集團 Group			懸欠利息 Suspended interest
		特殊 Specific	一般 General	合計 Total	
二零零四年一月一日結餘	At 1 January 2004	1,432	1,101	2,533	293
年內撇除	Amounts written off	(761)	–	(761)	(144)
收回往年已撇除之貸款(附註5(戊))	Recoveries of advances written off in previous years (note 5(e))	109	–	109	–
新增準備支取損益賬(附註5(戊))	New provisions charged to profit and loss account (note 5(e))	464	–	464	–
撥回損益賬之準備(附註5(戊))	Provisions released to profit and loss account (note 5(e))	(466)	(812)	(1,278)	–
年內懸欠利息	Interest suspended during the year	–	–	–	60
收回懸欠利息	Suspended interest recovered	–	–	–	(92)
二零零四年十二月三十一日結餘 (附註16(甲))	At 31 December 2004 (note 16(a))	778	289	1,067	117

		銀行 Bank			懸欠利息 Suspended interest
		特殊 Specific	一般 General	合計 Total	
二零零四年一月一日結餘	At 1 January 2004	1,037	807	1,844	221
年內撇除	Amounts written off	(602)	–	(602)	(113)
收回往年已撇除之貸款(附註5(戊))	Recoveries of advances written off in previous years (note 5(e))	58	–	58	–
新增準備支取損益賬(附註5(戊))	New provisions charged to profit and loss account (note 5(e))	391	–	391	–
撥回損益賬之準備(附註5(戊))	Provisions released to profit and loss account (note 5(e))	(344)	(581)	(925)	–
年內懸欠利息	Interest suspended during the year	–	–	–	42
收回懸欠利息	Suspended interest recovered	–	–	–	(78)
二零零四年十二月三十一日結餘 (附註16(甲))	At 31 December 2004 (note 16(a))	540	226	766	72

16. 客戶貸款(續)**(丁) 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：

		集團 Group		銀行 Bank	
		2004	2003	2004	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	2,171	5,182	1,196	3,987
- 已停止累計其利息	- accrual has ceased	48	134	48	133
		2,219	5,316	1,244	4,120
懸欠利息	Suspended interest	(50)	(73)	(43)	(66)
呆壞賬*(附註16(己))	Gross non-performing advances* (note 16(f))	2,169	5,243	1,201	4,054
特殊準備(附註16(甲))	Specific provisions (note 16(a))	(778)	(1,432)	(540)	(1,037)
呆壞賬淨額	Net non-performing advances	1,391	3,811	661	3,017
特殊準備對呆壞賬*比率	Specific provisions as a percentage of gross non-performing advances*	35.9%	27.3%	45.0%	25.6%
呆壞賬*對總客戶貸款比率	Gross non-performing advances* as a percentage of gross advances to customers	0.9%	2.3%	0.6%	2.4%

* 已扣除懸欠利息列示。

16. Advances to customers (continued)**(d) Non-performing advances to customers and provisions**

Non-performing advances to customers on which interest has been placed in suspense or on which interest has ceased to accrue are as follows:

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
	Gross non-performing advances on which interest				
	- has been placed in suspense	2,171	5,182	1,196	3,987
	- accrual has ceased	48	134	48	133
		2,219	5,316	1,244	4,120
	Suspended interest	(50)	(73)	(43)	(66)
	Gross non-performing advances* (note 16(f))	2,169	5,243	1,201	4,054
	Specific provisions (note 16(a))	(778)	(1,432)	(540)	(1,037)
	Net non-performing advances	1,391	3,811	661	3,017
	Specific provisions as a percentage of gross non-performing advances*	35.9%	27.3%	45.0%	25.6%
	Gross non-performing advances* as a percentage of gross advances to customers	0.9%	2.3%	0.6%	2.4%

* Stated after deduction of interest in suspense.

(戊) 收回之資產

收回之抵押資產總值如下：

(e) Repossessed assets

The aggregate valuation of the repossessed collateral assets amounted to:

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
收回之抵押資產	Repossessed collateral assets	320	506	127	201

16. 客戶貸款 (續)**(已) 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：

二零零四年

16. Advances to customers (continued)**(f) 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:

2004

		集團 Group	%	銀行 Bank	%
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	630	0.2	242	0.1
- 六個月以上至一年	- one year or less but over six months	401	0.2	156	0.1
- 一年以上	- over one year	572	0.2	325	0.2
		1,603	0.6	723	0.4
已逾期之客戶貸款(如上)	Overdue advances to customers (as above)	1,603	0.6	723	0.4
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	(424)	(0.1)	(74)	(0.1)
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	430	0.2	186	0.1
- 其他	- other	560	0.2	366	0.2
呆壞賬(附註16(d))	Gross non-performing advances (note 16(d))	2,169	0.9	1,201	0.6

* 已扣除懸欠利息列示。

* Stated after deduction of interest in suspense.

16. 客戶貸款(續)

(己) 已逾期之客戶貸款(續)

二零零三年

16. Advances to customers (continued)

(f) Overdue advances to customers (continued)

2003

		集團 Group		銀行 Bank	
			%		%
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	1,297	0.5	772	0.5
- 六個月以上至一年	- one year or less but over six months	858	0.4	390	0.2
- 一年以上	- over one year	1,152	0.5	750	0.4
		<u>3,307</u>	<u>1.4</u>	<u>1,912</u>	<u>1.1</u>
已逾期之客戶貸款(如上)	Overdue advances to customers (as above)	3,307	1.4	1,912	1.1
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	(1,108)	(0.5)	(489)	(0.3)
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	1,536	0.7	1,257	0.8
- 其他	- other	1,508	0.7	1,374	0.8
呆壞賬(附註16(丁))	Gross non-performing advances (note 16(d))	<u>5,243</u>	<u>2.3</u>	<u>4,054</u>	<u>2.4</u>

* 已扣除懸欠利息列示。

* Stated after deduction of interest in suspense.

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，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，而於年結日仍未償還，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。

Advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Advances repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at the year-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.

16. 客戶貸款 (續)

(庚) 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：

		集團 Group		銀行 Bank	
			%		%
二零零四年	2004	1,553	0.6	1,273	0.6
二零零三年	2003	2,608	1.1	2,326	1.3

* 已扣除懸欠利息列示。

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，該等貸款已包括於上述附註16(己)項內。

(辛) 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。截至二零零四年十二月三十一日，本集團及銀行之客戶貸款及有關之呆壞賬與逾期貸款超逾百分之九十均劃分為香港地區貸款(與二零零三年十二月三十一日相同)。

16. Advances to customers (continued)

(g) Rescheduled advances to customers

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

		集團 Group		銀行 Bank	
			%		%
二零零四年	2004	1,553	0.6	1,273	0.6
二零零三年	2003	2,608	1.1	2,326	1.3

* Stated after deduction of interest in suspense.

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 16(f) above.

(h) 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 in an area which is different from that of the counterparty. At 31 December 2004, over 90% of the Group's and the Bank's advances to customers and the related non-performing advances and overdue advances were classified under the area of Hong Kong (unchanged from position at 31 December 2003).

16. 客戶貸款(續)

(王) 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:

16. Advances to customers (continued)

(i) 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:

	集團 Group		銀行 Bank	
	2004	2003	2004	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	12,818	16,828	12,020	16,176
- 物業投資	44,755	34,555	41,757	31,313
- 金融企業	3,996	6,109	3,986	5,220
- 股票經紀	314	226	314	226
- 批發及零售業	5,460	4,376	5,419	4,298
- 製造業	4,389	2,556	4,221	2,513
- 運輸及運輸設備				
- 其他	11,173	10,139	2,984	3,661
	22,017	17,727	20,618	16,063
	104,922	92,516	91,319	79,470
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	26,496	30,431	933	1,090
- 購買其他住宅物業之按揭貸款	80,212	79,830	66,824	62,995
- 信用卡貸款	6,534	5,430	6,534	5,429
- 其他	7,122	5,779	6,992	5,628
	120,364	121,470	81,283	75,142
在香港使用之貸款總額	225,286	213,986	172,602	154,612
貿易融資	15,545	11,322	12,657	11,322
在香港以外使用之貸款	12,109	6,691	14,424	6,405
客戶貸款總額(附註16(甲))	252,940	231,999	199,683	172,339

16. 客戶貸款 (續)

(癸) 融資租賃之投資淨額

客戶貸款賬內包括具融資租賃性質之融資租賃及租購合約租予客戶之設備投資淨額。此等合約一般為期五至二十年，並附有在租賃期滿時以象徵式價格購買租賃設備之認購權。在年底之最低應收租金總額及其現值詳列如下：

16. Advances to customers (continued)

(j) Net investments in finance leases

Advances to customers include net investments in equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 5 to 20 years, with an option for acquiring the leased asset at nominal value at the end of the lease period. The total minimum lease payments receivable and their present value at the year-end are as follows:–

		集團 Group		
		2004	2003	
融資租賃	Finance leases	68	–	
租購合約	Hire Purchase contracts	8,955	6,914	
		9,023	6,914	
二零零四年	2004		集團 Group	
		最低應收 租金現值 Present value of minimum lease payments receivable	將收取之 利息收入 Interest income relating to future periods	最低應收 租金總額 Total minimum lease payments receivable
應收項目：	Amounts receivable:			
– 一年以內	– within one year	897	205	1,102
– 一年以上至五年	– after one year but within five years	2,553	605	3,158
– 五年以上	– after five years	5,584	828	6,412
		9,034	1,638	10,672
呆壞賬準備	Provisions for bad and doubtful debts	(11)		
融資租賃及租購合約之投資淨額	Net investments in finance leases and hire purchase contracts	9,023		
二零零三年	2003		集團 Group	
		最低應收 租金現值 Present value of minimum lease payments receivable	將收取之 利息收入 Interest income relating to future periods	最低應收 租金總額 Total minimum lease payments receivable
應收項目：	Amounts receivable:			
– 一年以內	– within one year	708	203	911
– 一年以上至五年	– after one year but within five years	2,143	606	2,749
– 五年以上	– after five years	4,077	766	4,843
		6,928	1,575	8,503
呆壞賬準備	Provisions for bad and doubtful debts	(14)		
租購合約之投資淨額	Net investments in hire purchase contracts	6,914		

於結算日銀行並無融資租賃及租購合約 (二零零三年：無)。

There were no finance leases and hire purchase contracts maintained by the Bank at the balance sheet date (2003: Nil).

17. 存/欠最終控股公司

於結算日並無結存或結欠最終控股公司
(二零零三年：無)。

17. Amounts due from/to ultimate holding company

There were no amounts due from or due to ultimate holding company at the balance sheet date (2003: Nil).

**18. 存/欠直屬控股公司及
同母系附屬公司**

結存或結欠直屬控股公司及同母系附屬
公司詳列如下：

**18. Amounts due from/to immediate holding company and
fellow subsidiary companies**

Details of the balances due from and due to immediate holding company and fellow subsidiary companies are as follows:

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
結存項目：	Amounts due from:				
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	1,227	1,043	1,216	1,039
定期存放同業至到期日剩餘期間：	Placings with banks with remaining maturity:				
– 一個月內	– within one month	1,164	9,092	577	4,114
– 一個月以上至三個月	– three months or less but over one month	389	1,972	–	1,195
– 三個月以上至一年	– one year or less but over three months	859	136	–	136
– 一年以上至五年	– five years or less but over one year	4	4	4	4
		2,416	11,204	581	5,449
存款證至到期日剩餘期間：	Certificates of deposit with remaining maturity:				
– 三個月內但非即時到期	– three months or less but not repayable on demand	199	500	199	500
– 三個月以上至一年	– one year or less but over three months	138	248	138	248
– 一年以上至五年	– five years or less but over one year	394	468	394	468
		731	1,216	731	1,216
其他資產至到期日剩餘期間：	Other assets with remaining maturity:				
– 三個月內	– three months or less	218	239	217	232
– 三個月以上至一年	– one year or less but over three months	3	3	1	3
– 一年以上至五年	– five years or less but over one year	3	10	3	10
		224	252	221	245
		4,598	13,715	2,749	7,949

18. 存/欠直屬控股公司及同母系附屬公司 (續)

18. Amounts due from/to immediate holding company and fellow subsidiary companies (continued)

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
結欠項目：	Amounts due to:			
客戶存款	Customer accounts			
- 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	147	155	147	155
- 三個月以上至一年	18	38	18	38
	165	193	165	193
同業存款	Deposits from banks			
- 即時到期	72	76	72	76
- 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	3,229	189	3,229	189
- 三個月以上至一年	-	1,527	-	1,527
	3,301	1,792	3,301	1,792
其他負債至到期日剩餘期間：	Other liabilities with remaining maturity:			
- 三個月內	462	424	432	370
- 三個月以上至一年	-	3	-	3
	462	427	432	373
	3,928	2,412	3,898	2,358

19. 附屬公司欠款

附屬公司欠款詳列如下：

19. Amounts due from subsidiary companies

Details of the amounts due from subsidiary companies are as follows:

	2004	2003
定期存放同業至到期日剩餘期間：	Placings with financial institutions with remaining maturity:	
- 一個月內	56,281	54,433
- 一個月以上至三個月	48,517	53,010
- 三個月以上至一年	137	202
	104,935	107,645
無註明還款期之附屬公司貸款	2,143	2,326
其他資產至到期日剩餘期間為三個月內	Other assets with remaining maturity of three months or less	
	2,246	407
	109,324	110,378

20. 長期投資

(甲) 長期投資

20. Long-term investments

(a) Long-term investments

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
持至期滿之債務證券攤銷成本扣除減值準備	Held-to-maturity debt securities at amortised cost less provisions for impairment	136,078	111,750	107,112	85,935
股票投資之公平價值	Equity investments at fair value	1,947	2,131	2	2
		138,025	113,881	107,114	85,937

(乙) 長期投資之賬面價值

(b) Carrying value of long-term investments

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
持至期滿之債務證券由公共機構發行：	Held-to-maturity debt securities Issued by public bodies:				
– 中央政府及中央銀行	– central governments and central banks	15,697	12,408	15,011	10,770
– 其他公共機構	– other public sector entities	12,349	12,365	9,780	10,586
		28,046	24,773	24,791	21,356
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	88,459	68,230	67,386	50,702
– 企業	– corporate entities	19,573	18,747	14,935	13,877
		108,032	86,977	82,321	64,579
		136,078	111,750	107,112	85,935
股票投資由企業發行	Equity investments Issued by corporate entities	1,947	2,131	2	2
		138,025	113,881	107,114	85,937
持至期滿之債務證券：	Held-to-maturity debt securities:				
– 在香港上市	– Listed in Hong Kong	5,720	3,001	5,720	3,001
– 在香港以外地區上市	– Listed outside Hong Kong	27,138	24,687	1,629	750
		32,858	27,688	7,349	3,751
– 非上市	– Unlisted	103,220	84,062	99,763	82,184
		136,078	111,750	107,112	85,935
股票投資：	Equity investments:				
– 在香港上市	– Listed in Hong Kong	1,076	1,313	–	–
– 在香港以外地區上市	– Listed outside Hong Kong	134	87	–	–
		1,210	1,400	–	–
– 非上市	– Unlisted	737	731	2	2
		1,947	2,131	2	2
		138,025	113,881	107,114	85,937

20. 長期投資 (續)

(乙) 長期投資之賬面價值 (續)

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。賬面價值已扣除減值之準備。

(丙) 持至期滿之債務證券之公平價值

20. Long-term investments (continued)

(b) Carrying value of long-term investments (continued)

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. The carrying values are net of provisions for impairment.

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

		集團 Group		銀行 Bank	
		2004	2003	2004	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	15,955	12,578	15,277	10,906
– 其他公共機構	– other public sector entities	12,670	12,763	10,077	10,952
		28,625	25,341	25,354	21,858
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	88,603	68,375	67,531	50,849
– 企業	– corporate entities	19,745	18,929	15,095	14,015
		108,348	87,304	82,626	64,864
		136,973	112,645	107,980	86,722
持至期滿之債務證券：	Held-to-maturity debt securities:				
在香港上市	Listed in Hong Kong	5,822	3,074	5,822	3,074
在香港以外地區上市	Listed outside Hong Kong	27,154	24,790	1,629	752
		32,976	27,864	7,451	3,826
非上市	Unlisted	103,997	84,781	100,529	82,896
		136,973	112,645	107,980	86,722

20. 長期投資(續)

(丁)持至期滿之債務證券按到期日分析
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:

至到期日剩餘期間：
- 即時到期
- 三個月內但非即時到期

- 三個月以上至一年

- 一年以上至五年

- 五年以上

擬持至期滿之債務證券於合約到期日前
出售之攤銷成本為港幣二億三千三百萬
元(二零零三年：港幣五億八千二百萬
元)。出售之溢利為港幣五百萬元(二零
零三年：港幣四千萬元)。該等出售佔
持至期滿之債務證券總額百分之零點一
(二零零三年：百分之零點三)，並經由
資產負債管理委員會批准，用作調整有
關組合之到期日及風險結構。

20. Long-term investments (continued)**(d) Maturity analysis of held-to-maturity debt securities**

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:

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Remaining maturity:				
- repayable on demand	-	78	-	-
- three months or less but not repayable on demand	8,162	6,827	6,347	4,786
- one year or less but over three months	20,742	17,474	15,440	11,240
- five years or less but over one year	100,687	82,130	79,078	64,668
- over five years	6,487	5,241	6,247	5,241
	136,078	111,750	107,112	85,935

Debt securities intended to be held to maturity with an amortised cost of HK\$233 million (2003: HK\$582 million) were disposed of prior to maturity. The related loss recognised amounted to HK\$5 million (profit recognised for 2003: HK\$40 million). Such disposals, representing 0.1% of total held-to-maturity debt securities (2003: 0.3%), were approved by the Asset and Liability Management Committee, and were generally made to modify the maturity and risk profile of portfolios.

21. 附屬公司投資

本行主要附屬公司如下：

21. Investments in subsidiary companies

The principal subsidiary companies of the Bank are:

公司名稱 Name of company	註冊地區 Place of incorporation	主要業務 Principal activities	已發行普通股面值 Issued equity capital
恒生財務有限公司 Hang Seng Finance Limited	香港 Hong Kong	接受存款及放款 Deposit-taking and lending	港元 HK\$1,000,000,000
恒生授信有限公司 Hang Seng Credit Limited	香港 Hong Kong	放款 Lending	港元 HK\$200,000,000
恒生銀行(巴哈馬)有限公司 Hang Seng Bank (Bahamas) Limited	巴哈馬 Bahamas	銀行業務 Banking	美元 US\$1,000,000
恒生財務(巴哈馬)有限公司 Hang Seng Finance (Bahamas) Limited	巴哈馬 Bahamas	金融服務 Finance	美元 US\$5,000
恒生銀行信託有限公司 Hang Seng Bank (Trustee) Limited	香港 Hong Kong	信託服務 Trustee service	港元 HK\$3,000,000
恒生(代理人)有限公司 Hang Seng (Nominee) Limited	香港 Hong Kong	代理人服務 Nominee service	港元 HK\$100,000
恒生人壽保險有限公司 Hang Seng Life Limited	香港 Hong Kong	退休基金及人壽保險 Retirement benefits and life assurance	港元 HK\$220,000,000
恒生保險有限公司 Hang Seng Insurance Company Limited	香港 Hong Kong	保險業務 General insurance	港元 HK\$84,184,570
恒生資產管理(私人)有限公司 Hang Seng Asset Management Pte Ltd	新加坡 Singapore	資金管理 Fund management	新加坡元 SG\$2,000,000
恒生投資管理有限公司 Hang Seng Investment Management Limited	香港 Hong Kong	資金管理 Fund management	港元 HK\$10,000,000
恒生投資有限公司 Haseba Investment Company Limited	香港 Hong Kong	投資 Investment holding	港元 HK\$6,000
恒生證券有限公司 Hang Seng Securities Limited	香港 Hong Kong	證券經紀 Stockbroking	港元 HK\$26,000,000
恩年發展有限公司 Yan Nin Development Company Limited	香港 Hong Kong	投資 Investment holding	港元 HK\$100,000
恒指服務有限公司 HSI Services Limited	香港 Hong Kong	計算及提供恒生股市指數 Compilation and dissemination of the Hang Seng share index	港元 HK\$10,000
恒生物業管理有限公司 Hang Seng Real Estate Management Limited	香港 Hong Kong	物業管理 Property management	港元 HK\$10,000

除恒生人壽保險有限公司為本行持有百分之五十股權及控制其董事局組合外，上述各公司均為本行之全資附屬公司。除恒指服務有限公司屬間接持有外，各附屬公司乃由本行直接持有。各公司之主要經營地區與其註冊地區相同。

All the above companies are wholly-owned subsidiary companies except for Hang Seng Life Limited in which the Bank holds 50% of its shareholding and controls the composition of its board of directors. All subsidiary companies are held directly by the Bank except for HSI Services Limited. The principal places of operation are the same as the places of incorporation.

22. 聯營公司投資

22. Investments in associated companies

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
購入非上市聯營公司股份成本	Unlisted investments, at cost	-	-	1,634	-
應佔聯營公司淨資產	Share of net assets	2,095	549	-	-
未攤銷商譽	Goodwill unamortised	302	-	-	-
		2,397	549	1,634	-
		集團 Group		銀行 Bank	
		2004	2003	2004	2003
聯營公司貸款列於「客戶貸款」項內(附註16)	Loans to associated company included under "Advances to customer" (note 16)	233	229	-	-
聯營公司結存項目列於「庫存現金及短期資金」項內(附註12)	Amount due from associated company included under "Cash and short-term funds" (note 12)	31	-	31	-
		264	229	31	-

主要聯營公司如下：

The principal associated companies are:

公司名稱 Name of company	註冊地區 Place of incorporation and operation	主要業務 Principal activity	集團佔股本之權益 Group's interest in equity capital	已發行股本 Issued equity capital
Barrowgate Limited	香港 Hong Kong	物業投資 Property investment	24.64%	港元 HK\$10,000
興業銀行股份有限公司 Industrial Bank Co., Ltd.	中國 People's Republic of China	銀行 Banking	15.98%	人民幣 RMB3,999,000,000

Barrowgate Limited之權益由銀行一全資附屬公司持有，興業銀行股份有限公司之權益則由銀行直接持有。

The interest in Barrowgate Limited is owned by a subsidiary company of the Bank. The interest in Industrial Bank Co., Ltd. is owned directly by the Bank.

根據香港會計實務準則第十號，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，而有重大之影響力，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。由於本行有代表加入興業銀行股份有限公司「興業銀行」之董事會及執行委員會，而有份參與其決策過程，因此興業銀行被視作本行之聯營公司，並將是項投資以權益法入賬，即按比例將本行應佔興業銀行之損益份額列賬。本行已根據興業銀行按國際財務報表準則編製並經審計師審閱截至二零零四年九月三十日之最新賬項，將購入興業銀行當日即二零零四年五月二十日至二零零四年九月三十日之應佔興業銀行淨收入入賬，購入興業銀行所產生之商譽亦按同一期間攤銷，是期攤銷金額為港幣九百萬元。

In accordance with the Hong Kong Statement of Standard Accounting Practice 10, an associated company is an entity over which a company has the ability to significantly 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 Group's investment in Industrial Bank Co., Ltd. (IB) has, however, been accounted for as an associated company using the equity method, by which the Group will recognise its share of the profits and losses earned by IB. This reflects that the Group has representation in both the Board and Executive Committee of IB, and the ability to participate in the decision making process. The Group has recognised its share of IB's net profit from the date of acquisition on 20 May 2004 to 30 September 2004 based on the most up to date accounts available which were prepared in accordance with International Financial Reporting Standards and have been reviewed by IB's auditors. Goodwill on acquisition has also been amortised over the same period and the amount amortised was HK\$9 million.

23. 有形固定資產

(甲) 有形固定資產

二零零四年

23. Tangible fixed assets

(a) Tangible fixed assets

2004

		行址 Premises	集團 投資物業 Investment properties	設備 Equipment	合計 Total
成本或估值：	Cost or valuation:				
二零零四年一月一日結餘	At 1 January 2004	6,181	2,956	2,642	11,779
年內增置	Additions	1	–	147	148
年內出售	Disposals	(4)	(150)	(48)	(202)
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(152)	–	–	(152)
重估增值	Surplus on revaluation				
– 進誌行址及投資物業重估儲備	– credited to premises and investment properties revaluation reserves	1,458	618	–	2,076
– 進誌損益賬	– credited to profit and loss account	148	–	–	148
轉賬	Transfers	41	(41)	–	–
二零零四年十二月三十一日結餘	At 31 December 2004	7,673	3,383	2,741	13,797
累積折舊：	Accumulated depreciation:				
二零零四年一月一日結餘	At 1 January 2004	–	–	(2,214)	(2,214)
年內支取(附註5(d))	Charge for the year (note 5(d))	(152)	–	(165)	(317)
出售後撥回	Written off on disposal	–	–	51	51
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	152	–	–	152
二零零四年十二月三十一日結餘	At 31 December 2004	–	–	(2,328)	(2,328)
二零零四年十二月三十一日賬面淨值	Net book value at 31 December 2004	7,673	3,383	413	11,469
二零零三年十二月三十一日賬面淨值	Net book value at 31 December 2003	6,181	2,956	428	9,565

23. 有形固定資產(續)

(甲) 有形固定資產(續)

二零零四年

23. Tangible fixed assets (continued)

(a) Tangible fixed assets (continued)

2004

		行址 Premises	投資物業 Investment properties	銀行 Bank 設備 Equipment	合計 Total
成本或估值：	Cost or valuation:				
二零零四年一月一日結餘	At 1 January 2004	4,947	1,820	2,620	9,387
年內增置	Additions	–	–	146	146
年內出售	Disposals	(4)	(143)	(48)	(195)
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	(124)	–	–	(124)
重估增值	Surplus on revaluation				
– 進誌行址及投資物業重估儲備	– credited to premises and investment properties revaluation reserves	1,257	409	–	1,666
– 進誌損益賬	– credited to profit and loss account	15	–	–	15
轉賬	Transfers	40	(40)	–	–
二零零四年十二月三十一日結餘	At 31 December 2004	6,131	2,046	2,718	10,895
累積折舊：	Accumulated depreciation:				
二零零四年一月一日結餘	At 1 January 2004	–	–	(2,194)	(2,194)
年內支取	Charge for the year	(124)	–	(164)	(288)
出售後撥回	Written off on disposal	–	–	50	50
撇除重估行址之累積折舊	Elimination of accumulated depreciation on revalued premises	124	–	–	124
二零零四年十二月三十一日結餘	At 31 December 2004	–	–	(2,308)	(2,308)
二零零四年十二月三十一日賬面淨值	Net book value at 31 December 2004	6,131	2,046	410	8,587
二零零三年十二月三十一日賬面淨值	Net book value at 31 December 2003	4,947	1,820	426	7,193

(乙) 行址及投資物業之賬面淨值包括：

(b) The net book value of premises and investment properties comprises:

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
租約業權物業	Leaseholds				
香港境內	Held in Hong Kong				
– 長期租約(剩餘年數逾五十年)	– long leases (over 50 years unexpired)	3,700	3,129	2,361	2,044
– 中期租約(剩餘年數在十至五十年)	– medium leases (10 to 50 years unexpired)	7,286	5,937	5,746	4,652
香港境外	Held outside Hong Kong				
– 長期租約(剩餘年數逾五十年)	– long leases (over 50 years unexpired)	3	4	3	4
– 中期租約(剩餘年數在十至五十年)	– medium leases (10 to 50 years unexpired)	67	67	67	67
		11,056	9,137	8,177	6,767
其中包括	Of which				
行址	Premises	7,673	6,181	6,131	4,947
投資物業	Investment properties	3,383	2,956	2,046	1,820
		11,056	9,137	8,177	6,767

23. 有形固定資產 (續)

(丙) 於二零零四年九月三十日，本集團之行址及投資物業經由具有專業資格之獨立測量師行戴德梁行重估，並確定該估值與二零零四年十二月三十一日之估值並無重大之改變。該估值乃由持有香港測量師學會會員資格之估價師評估。重估之基準乃按照行址當時用途之公開市場價值及按投資物業之公開市場價值。

(丁) 行址及投資物業重估增值/(減值)

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
進誌/(支取) 物業重估儲備				
– 行址重估儲備	1,458	(345)	1,257	(336)
– 投資物業重估儲備(附註30)	618	(273)	409	(170)
– 應佔聯營公司物業之增值/(減值) (附註30)	154	(125)	–	–
	<u>2,230</u>	<u>(743)</u>	<u>1,666</u>	<u>(506)</u>
進誌/(支取) 損益賬				
– 行址	148	(37)	15	–

(戊) 資產負債表內之全部行址均以估值列賬。如以成本減除累積折舊方式列賬，其賬面淨值則會如下：

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
十二月三十一日賬面淨值	2,647	2,712	1,582	1,623

(己) 本集團出租之投資物業乃屬經營租賃。該等租賃之基本年期一般為兩年，部份於到期後有權選擇重新商討條款及訂立新租約。該等租賃並無包括或有租金。

經營租賃在二零零四年之應收租金收入為港幣二億二百萬元(二零零三年：港幣二億一千萬元)。本年度內並無包括或有租金收入(二零零三年：無)。

本集團之不可撤銷經營租賃於下列未來期間之應收最低租金總額如下：

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
一年以下	167	165	106	105
一年以上至五年	108	79	77	50
	<u>275</u>	<u>244</u>	<u>183</u>	<u>155</u>

23. Tangible fixed assets (continued)

(c) The Group's premises and investment properties were revalued by DTZ Debenham Tie Leung Limited, an independent professional valuer, at 30 September 2004, who confirmed that there had been no material change in valuations at 31 December 2004. The valuations were carried out by qualified persons 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.

(d) Surplus/(Deficit) on revaluation of premises and investment properties

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Credited/(charged) to property revaluation reserves				
– premises revaluation reserve	1,458	(345)	1,257	(336)
– investment properties revaluation reserve (note 30)	618	(273)	409	(170)
– share of revaluation surplus/(deficit) of an associated company (note 30)	154	(125)	–	–
	<u>2,230</u>	<u>(743)</u>	<u>1,666</u>	<u>(506)</u>
Credited/(charged) to profit and loss account				
– premises	148	(37)	15	–

(e) The net book value of all premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Net book value at 31 December	2,647	2,712	1,582	1,623

(f) The Group leases out investment properties under operating leases. The leases typically run for an initial period of 2 years, and may contain an option to renew the lease after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from operating leases amounted to HK\$202 million in 2004 (2003: HK\$210 million). There was no contingent rental recognised during the year (2003: Nil).

The Group's total future minimum lease payments receivable under non-cancellable operating leases are as follows:

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Less than one year	167	165	106	105
Five years or less but over one year	108	79	77	50
	<u>275</u>	<u>244</u>	<u>183</u>	<u>155</u>

24. 其他資產

24. Other assets

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
按市值計算之資產負債表以外利率、 匯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	1,507	1,664	1,507	1,664
遞延稅項(附註7(丙)及25(甲))	11	52	–	–
同業結算應收賬項				
Items in the course of collection from other banks	4,456	3,244	4,456	3,244
預付及應計收益	2,350	2,179	1,900	1,626
照應保單持有人權益之長期保險資產				
Long-term assurance assets attributable to policy holders	8,291	4,982	–	–
其他賬項	3,763	3,815	1,712	2,281
	20,378	15,936	9,575	8,815
至到期日剩餘期間：				
Remaining maturity:				
– 三個月內	9,165	8,811	8,301	8,096
– 三個月以上至一年	1,121	770	920	536
– 一年以上至五年	928	183	319	166
– 五年以上	9,133	6,135	29	9
	20,347	15,899	9,569	8,807
– 已逾期*				
– overdue*				
– 三個月以上至六個月	4	5	–	1
– 六個月以上至一年	3	8	1	2
– 一年以上	24	24	5	5
	31	37	6	8
	20,378	15,936	9,575	8,815

* 上述已逾期之其他資產主要為包括在「預付及應計收益」項下之逾期應收利息。

* Represents mainly by overdue interest receivable included under “Prepayments and accrued income”.

25. 遞延稅項

(甲) 已確認之遞延稅項資產及負債

資產負債表內之遞延稅項(資產)/負債
之主要組合及其年中變動如下：

25. Deferred taxation

(a) Deferred tax assets and liabilities recognised

The major components of deferred tax (assets)/liabilities recognised in the balance sheets
and the movements during the year are as follows:

		集團 Group				合計 Total
		超逾 稅例限額 之折舊 Depreciation allowances in excess of related depreciation	物業及 股票投資 重估 Revaluation of properties and equity investments	一般準備 General provisions	其他 Other	
遞延稅項之分析：	Analysis of deferred tax assets and liabilities:					
二零零四年一月一日結餘	At 1 January 2004	20	685	(192)	78	591
支取/(進誌) 損益賬 (附註7(甲))	Charged/(credited) to profit and loss account (note 7(a))	1	(60)	142	96	179
重估增值淨額之遞延稅項	Deferred tax on net revaluation surpluses	–	260	–	–	260
二零零四年十二月三十一日結餘	At 31 December 2004	21	885	(50)	174	1,030
二零零三年一月一日結餘	At 1 January 2003	20	685	(177)	34	562
支取/(進誌) 損益賬 (附註7(甲))	Charged/(credited) to profit and loss account (note 7(a))	–	(4)	(15)	44	25
重估增值淨額之遞延稅項	Deferred tax on net revaluation surpluses	–	4	–	–	4
二零零三年十二月三十一日結餘	At 31 December 2003	20	685	(192)	78	591

25. 遞延稅項(續)

(甲) 已確認之遞延稅項資產及負債(續)

25. Deferred taxation (continued)

(a) Deferred tax assets and liabilities recognised (continued)

		超逾 稅例限額 之折舊 Depreciation allowances in excess of related depreciation	銀行 Bank		合計 Total	
			物業及 股票投資 重估 Revaluation of properties and equity investments	一般準備 General provisions		其他 Other
遞延稅項之分析：	Analysis of deferred tax assets and liabilities:					
二零零四年一月一日結餘	At 1 January 2004	33	591	(141)	(56)	427
支取/(進誌)損益賬	Charged/(credited) to profit and loss account	1	(13)	102	26	116
重估增值淨額之遞延稅項	Deferred tax on net revaluation surpluses	-	226	-	-	226
二零零四年十二月三十一日結餘	At 31 December 2004	34	804	(39)	(30)	769
二零零三年一月一日結餘	At 1 January 2003	36	592	(125)	(70)	433
支取/(進誌)損益賬	Charged/(credited) to profit and loss account	(3)	(1)	(16)	14	(6)
二零零三年十二月三十一日結餘	At 31 December 2003	33	591	(141)	(56)	427
			集團 Group 2004	2003	銀行 Bank 2004	2003
於資產負債表內確認之 遞延稅項資產淨額 (附註 7(丙)及24)	Net deferred tax assets recognised on the balance sheet (notes 7(c) & 24)	(11)	(52)	-	-	-
於資產負債表內確認之 遞延稅項負債淨額 (附註 7(丙)及28)	Net deferred tax liabilities recognised on the balance sheet (notes 7(c) & 28)	1,041	643	769	427	

(乙) 未確認之遞延稅項資產

於結算日，本集團附屬公司動用機會不大之稅務虧損之未確認遞延稅項資產達港幣三千四百萬元(二零零三年：港幣四千三百萬元)。稅務虧損無作廢期限。

(b) Deferred tax assets not recognised

At balance sheet date, the Group has not recognised deferred tax assets in respect of tax losses of subsidiaries amounted to HK\$34 million (2003: HK\$43 million) which are considered unlikely to be utilised. The tax losses do not expire under current tax legislation.

(丙) 未確認之遞延稅項負債

於二零零四年，並無未確認之遞延稅項負債(二零零三年：無)。

(c) Deferred tax liabilities not recognised

There were no deferred tax liabilities not recognised in 2004 (2003: Nil).

26. 往來、儲蓄及其他存款

26. Current, savings and other deposit accounts

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
客戶存款：	Customer deposit accounts:				
- 往來存款	- current accounts	57,290	48,568	57,290	48,568
- 儲蓄存款	- savings accounts	224,893	205,769	224,893	205,769
- 定期及其他存款	- time and other deposits	165,123	177,634	155,699	167,730
發出存款證	Certificates of deposit in issue	15,464	7,927	15,464	7,927
發出其他債務證券	Other debt securities in issue	646	15	646	15
		463,416	439,913	453,992	430,009

客戶存款、發出存款證及發出其他債務證券按餘下存款期分析如下：

The analysis of remaining maturity of customer deposit accounts, certificates of deposit in issue and other debt securities in issue is as follows:

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
客戶存款	Customer deposit accounts				
即時到期	Repayable on demand	304,453	281,296	303,521	280,512
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	128,752	139,123	120,282	130,055
- 三個月以上至一年	- one year or less but over three months	7,707	7,474	7,685	7,422
- 一年以上至五年	- five years or less but over one year	5,741	3,720	5,741	3,720
- 五年以上	- over five years	653	358	653	358
		447,306	431,971	437,882	422,067
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	252	908	252	908
- 三個月以上至一年	- one year or less but over three months	7,698	1,132	7,698	1,132
- 一年以上至五年	- five years or less but over one year	6,757	5,685	6,757	5,685
- 五年以上	- over five years	757	202	757	202
		15,464	7,927	15,464	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	646	15	646	15
		646	15	646	15
		463,416	439,913	453,992	430,009

27. 同業存款

27. Deposits from banks

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
即時到期	Repayable on demand	2,251	654	2,251	644
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	6,380	448	6,380	448
- 三個月以上至一年	- one year or less but over three months	-	100	-	100
		8,631	1,202	8,631	1,192

28. 其他負債

28. Other liabilities

		集團 Group		銀行 Bank	
		2004	2003	2004	2003
證券空倉：	Short positions in securities:				
庫券	Treasury bills	4,651	522	4,651	522
債務證券	Debt securities				
- 政府證券	- government securities	1,187	990	1,187	990
- 其他公共機構證券	- other public sector securities	2	2	2	2
		5,840	1,514	5,840	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	965	1,277	965	1,277
本期稅項(附註7(丙))	Current taxation (note 7(c))	514	523	466	481
遞延稅項(附註7(丙)及25(甲))	Deferred taxation (notes 7(c) & 25(a))	1,041	643	769	427
同業結算應付賬項	Items in the course of transmission to other banks	6,136	3,968	6,136	3,968
應計賬項	Accruals	2,188	2,155	2,093	2,058
負債及支付準備	Provisions for other liabilities and charges	397	363	16	17
照應保單持有人權益之長期保險負債	Long-term liabilities attributable to policy holders	8,291	4,982	-	-
其他負債	Other	3,241	3,722	4,277	4,730
		28,613	19,147	20,562	14,472
至到期日剩餘期間：	Remaining maturity:				
- 三個月內	- three months or less	17,730	11,649	18,729	12,629
- 三個月以上至一年	- one year or less but over three months	828	977	562	718
- 一年以上至五年	- five years or less but over one year	1,059	674	339	576
- 五年以上	- over five years	8,996	5,847	932	549
		28,613	19,147	20,562	14,472

29. 股本

註冊股本：

銀行之註冊股本為港幣一百一十億元正（二零零三年：港幣一百一十億元正），分為二十二億股（二零零三年：二十二億股），每股港幣五元正。

29. Share capital

Authorised:

The authorised share capital of the Bank is HK\$11,000 million (2003: HK\$11,000 million) divided into 2,200 million shares (2003: 2,200 million shares) of HK\$5 each.

	2004	2003	
實收股本：			
十九億一千一百八十四萬二千七百三十六股（二零零三年：十九億一千一百八十四萬二千七百三十六股），每股港幣五元正。	Issued and fully paid: 1,911,842,736 shares (2003: 1,911,842,736 shares) of HK\$5 each	9,559	9,559

於本年度內，本行並無購回本行之股份（二零零三年：無）。

During the year, the Bank made no repurchase of its own shares (2003: Nil).

30. 儲備

二零零四年

30. Reserves

2004

	集團 Group	銀行 Bank	聯營公司 Associated companies
保留溢利	21,395	13,229	156
行址及投資物業重估儲備	7,564	5,791	613
長期股票投資重估儲備	935	–	–
資本贖回儲備	99	99	–
	29,993	19,119	769
保留溢利			
二零零四年一月一日結餘	19,720	11,943	90
換算及其他調整	4	2	–
股東應得溢利	11,395	11,016	87
股息	(9,942)	(9,942)	(21)
撥自行址重估儲備			
– 行址重估儲備之折舊	75	70	–
– 售出行址而實現之重估增值	2	2	–
撥自投資物業重估儲備			
– 售出投資物業而實現之重估增值	141	138	–
– 二零零四年十二月三十一日結餘	21,395	13,229	156

30. 儲備(續)

二零零四年

30. Reserves (continued)

2004

		集團 Group	銀行 Bank	聯營公司 Associated companies
行址及投資物業重估儲備	Premises and investment properties revaluation reserves			
行址重估儲備已扣減遞延稅項	Premises revaluation reserve, net of deferred tax			
- 二零零四年一月一日結餘	- at 1 January 2004	3,123	2,787	-
- 重估增值	- surplus on revaluation	1,203	1,037	-
- 是年折舊撥往保留溢利	- transfer of depreciation to retained profits	(75)	(70)	-
- 撥自投資物業重估儲備	- transfers from investment properties revaluation reserve	32	32	-
- 售出行址而實現之重估增值	- realisation on disposal of premises properties	(2)	(2)	-
- 二零零四年十二月三十一日結餘	- at 31 December 2004	4,281	3,784	-
投資物業重估儲備	Investment properties revaluation reserve			
- 二零零四年一月一日結餘	- at 1 January 2004	2,690	1,774	459
- 重估增值(附註23(丁))	- surplus on revaluation (note 23(d))	618	409	-
- 應佔聯營公司物業之增值 (附註 23(丁))	- share of revaluation surplus of an associated company (note 23(d))	154	-	154
- 撥往行址重估儲備	- transfers to premises revaluation reserve	(38)	(38)	-
- 售出投資物業而實現之重估增值	- realisation on disposal of investment properties	(141)	(138)	-
- 二零零四年十二月三十一日結餘	- at 31 December 2004	3,283	2,007	613
行址及投資物業重估儲備合計	Total premises and investment properties revaluation reserves	7,564	5,791	613
長期股票投資重估儲備已扣減遞延稅項	Long-term equity investment revaluation reserve, net of deferred tax			
二零零四年一月一日結餘	At 1 January 2004	1,009	-	-
重估增值	Surplus on revaluation	332	-	-
因售出長期股票投資而實現之 重估增值	Revaluation gain recognised in current year profit and loss account on disposal of long-term equity investments	(406)	-	-
二零零四年十二月三十一日結餘	At 31 December 2004	935	-	-
資本贖回儲備	Capital redemption reserve			
二零零四年一月一日及 十二月三十一日結餘	At 1 January and 31 December 2004	99	99	-
二零零四年十二月三十一日儲備結餘	Total reserves at 31 December 2004	29,993	19,119	769

30. 儲備 (續)

二零零三年

30. Reserves (continued)

2003

		集團 Group	銀行 Bank	聯營公司 Associated companies
保留溢利	Retained profits	19,720	11,943	90
行址及投資物業重估儲備	Premises and investment properties revaluation reserves	5,813	4,561	459
長期股票投資重估儲備	Long-term equity investment revaluation reserve	1,009	–	–
資本贖回儲備	Capital redemption reserve	99	99	–
		<u>26,641</u>	<u>16,603</u>	<u>549</u>
保留溢利	Retained profits			
二零零三年一月一日結餘	At 1 January 2003	19,440	12,875	88
換算及其他調整	Exchange and other adjustments	18	16	–
股東應得溢利	Profit attributable to shareholders	9,539	8,335	26
股息	Dividends	(9,368)	(9,368)	(24)
撥自行址重估儲備	Transfer from premises revaluation reserve			
– 行址重估儲備之折舊	– depreciation on revaluation surplus	68	62	–
撥自投資物業重估儲備	Transfer from investment properties revaluation reserve			
– 售出投資物業而實現之重估增值	– realisation of revaluation surplus on disposal of investment properties	23	23	–
		<u>19,720</u>	<u>11,943</u>	<u>90</u>
二零零三年十二月三十一日結餘	At 31 December 2003			
行址及投資物業重估儲備	Premises and investment properties revaluation reserves			
行址重估儲備已扣減遞延稅項	Premises revaluation reserve, net of deferred tax			
– 二零零三年一月一日結餘	– at 1 January 2003	3,543	3,190	–
– 重估減值	– deficit on revaluation	(285)	(276)	–
– 是年折舊撥往保留溢利	– transfer of depreciation to retained profits	(68)	(62)	–
– 撥自投資物業重估儲備	– transfers from investment properties revaluation reserve	11	6	–
– 遞延稅項及其地調整	– deferred tax and other adjustments	(78)	(71)	–
– 二零零三年十二月三十一日結餘	– at 31 December 2003	<u>3,123</u>	<u>2,787</u>	<u>–</u>
投資物業重估儲備	Investment properties revaluation reserve			
– 二零零三年一月一日結餘	– at 1 January 2003	3,124	1,974	584
– 重估減值(附註23(丁))	– deficit on revaluation (note 23(d))	(273)	(170)	–
– 應佔聯營公司物業之減值 (附註 23(丁))	– share of revaluation deficit of an associated company (note 23(d))	(125)	–	(125)
– 撥往行址重估儲備	– transfers to premises revaluation reserve	(13)	(7)	–
– 售出投資物業而實現之重估增值	– realisation on disposal of investment properties	(23)	(23)	–
– 二零零三年十二月三十一日結餘	– at 31 December 2003	<u>2,690</u>	<u>1,774</u>	<u>459</u>
行址及投資物業重估儲備合計	Total premises and investment properties revaluation reserves	<u>5,813</u>	<u>4,561</u>	<u>459</u>

30. 儲備(續)

二零零三年

30. Reserves (continued)

2003

	集團 Group	銀行 Bank	聯營公司 Associated companies
長期股票投資重估儲備已扣減遞延稅項	Long-term equity investment revaluation reserve, net of deferred tax		
二零零三年一月一日結餘	1,011	–	–
重估增值	410	–	–
因售出長期股票投資而實現之重估增值	Revaluation gain recognised in current year profit and loss account on disposal of long-term equity investments		
	(410)	–	–
遞延稅項及其他調整	Deferred tax and other adjustments		
	(2)	–	–
二零零三年十二月三十一日結餘	1,009	–	–
資本贖回儲備	Capital redemption reserve		
二零零三年一月一日及十二月三十一日結餘	At 1 January and 31 December 2003		
	99	99	–
二零零三年十二月三十一日儲備結餘	26,641	16,603	549

「重估儲備」及「資本贖回儲備」並非已實現之利潤，屬不可派發。

The “Revaluation reserves” and the “Capital redemption reserve” do not represent realised profits and are not available for distribution.

本行及從事銀行業務之附屬公司，因需按經營所在地之監管要求維持最低資本充足比率而可能對可派予股東之保留溢利構成限制。

The Bank and its banking subsidiary companies operate under regulatory jurisdictions which require the maintenance of minimum capital adequacy ratios and which could therefore potentially restrict the amount of retained profits which can be distributed to shareholders.

31. 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

		2004	2003
營業溢利	Operating profit	12,644	10,683
淨利息收入	Net interest income	(9,690)	(10,179)
股息收入	Dividend income	(96)	(92)
呆壞賬準備	Provisions for bad and doubtful debts	(814)	792
折舊	Depreciation	317	329
長期投資之攤銷	Amortisation of long-term investments	426	203
減除收回後之貸款撇賬淨額	Advances written off net of recoveries	(652)	(1,172)
利息收入	Interest received	9,054	10,240
利息支出	Interest paid	(2,646)	(2,747)
營運資金變動前之營業溢利	Operating profit before changes in working capital	8,543	8,057
現金及短期資金之變動	Change in cash and short-term funds	(1,757)	99
一個月以上到期之定期存放同業之變動	Change in placings with banks maturing after one month	1,798	12,890
存款證之變動	Change in certificates of deposit	(2,225)	1,392
持作買賣用途之證券之變動	Change in securities held for dealing purposes	(634)	(34)
客戶貸款之變動	Change in advances to customers	(20,941)	(4,524)
直屬控股公司及同母系附屬公司 欠款之變動	Change in amounts due from immediate holding company and fellow subsidiary companies	1,373	341
其他資產之變動	Change in other assets	(4,358)	(3,491)
客戶存款之變動	Change in customer deposit accounts	15,335	34,280
發出債務證券之變動	Change in debt securities in issue	8,168	(8,060)
同業存款之變動	Change in deposits from banks	7,429	130
直屬控股公司及同母系附屬公司 存款之變動	Change in amounts due to immediate holding company and fellow subsidiary companies	1,516	797
其他負債之變動	Change in other liabilities	8,944	4,199
撇除換算差額及其他非現金項目	Elimination of exchange differences and other non-cash items	(4,634)	(11,984)
來自營業活動產生之現金	Cash generated from operating activities	18,557	34,092
已繳稅款	Taxation paid	(925)	(526)
來自營業活動之淨現金流入	Net cash inflow from operating activities	17,632	33,566

(乙) 現金及等同現金項目結餘分析

		2004	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	7,248	5,823
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	57,071	71,658
庫券	Treasury bills	47	91
存款證	Certificates of deposit	2,685	3
		67,051	77,575

31. Reconciliation for cash flow statement

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

		2004	2003
營業溢利	Operating profit	12,644	10,683
淨利息收入	Net interest income	(9,690)	(10,179)
股息收入	Dividend income	(96)	(92)
呆壞賬準備	Provisions for bad and doubtful debts	(814)	792
折舊	Depreciation	317	329
長期投資之攤銷	Amortisation of long-term investments	426	203
減除收回後之貸款撇賬淨額	Advances written off net of recoveries	(652)	(1,172)
利息收入	Interest received	9,054	10,240
利息支出	Interest paid	(2,646)	(2,747)
營運資金變動前之營業溢利	Operating profit before changes in working capital	8,543	8,057
現金及短期資金之變動	Change in cash and short-term funds	(1,757)	99
一個月以上到期之定期存放同業之變動	Change in placings with banks maturing after one month	1,798	12,890
存款證之變動	Change in certificates of deposit	(2,225)	1,392
持作買賣用途之證券之變動	Change in securities held for dealing purposes	(634)	(34)
客戶貸款之變動	Change in advances to customers	(20,941)	(4,524)
直屬控股公司及同母系附屬公司 欠款之變動	Change in amounts due from immediate holding company and fellow subsidiary companies	1,373	341
其他資產之變動	Change in other assets	(4,358)	(3,491)
客戶存款之變動	Change in customer deposit accounts	15,335	34,280
發出債務證券之變動	Change in debt securities in issue	8,168	(8,060)
同業存款之變動	Change in deposits from banks	7,429	130
直屬控股公司及同母系附屬公司 存款之變動	Change in amounts due to immediate holding company and fellow subsidiary companies	1,516	797
其他負債之變動	Change in other liabilities	8,944	4,199
撇除換算差額及其他非現金項目	Elimination of exchange differences and other non-cash items	(4,634)	(11,984)
來自營業活動產生之現金	Cash generated from operating activities	18,557	34,092
已繳稅款	Taxation paid	(925)	(526)
來自營業活動之淨現金流入	Net cash inflow from operating activities	17,632	33,566

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

		2004	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	7,248	5,823
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	57,071	71,658
庫券	Treasury bills	47	91
存款證	Certificates of deposit	2,685	3
		67,051	77,575

32. 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

二零零四年

32. Contingent liabilities, commitments and derivatives

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

2004

		集團 Group	
	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
或有債務：	Contingent liabilities:		
擔保	Guarantees	10,722	3,501
承擔：	Commitments:		
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	9,020	1,805
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	86,714	–
– 一年及以上	– one year and over	23,677	10,460
其他	Other	38	38
		119,449	12,303
匯率合約：	Exchange rate contracts:		
即期及遠期外匯交易	Spot and forward foreign exchange	138,269	298
其他匯率合約	Other exchange rate contracts	23,158	106
		161,427	404
利率合約：	Interest rate contracts:		
利率掉期	Interest rate swaps	120,603	347
其他利率合約	Other interest rate contracts	5,067	6
		125,670	353
其他衍生工具合約	Other derivative contracts	1,373	23

32. 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)

二零零四年

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

2004

		合約金額 Contract amount	銀行 Bank 信貸之 相等金額 Credit equivalent amount	風險 加權金額 Risk- weighted amount
或有債務：	Contingent liabilities:			
擔保	Guarantees	11,123	10,847	3,902
承擔：	Commitments:			
信用證及短期貿易關連交易	Documentary credits and short-term trade-related transactions	9,020	1,844	1,805
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	85,910	-	-
- 一年及以上	- one year and over	23,400	11,700	10,321
其他	Other	17	17	17
		118,347	13,561	12,143
匯率合約：	Exchange rate contracts:			
即期及遠期外匯交易	Spot and forward foreign exchange	141,384	1,098	314
其他匯率合約	Other exchange rate contracts	23,158	323	106
		164,542	1,421	420
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	113,692	1,336	330
其他利率合約	Other interest rate contracts	5,067	15	6
		118,759	1,351	336
其他衍生工具合約	Other derivative contracts	1,373	46	23

32. 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)

二零零三年

32. Contingent liabilities, commitments and derivatives (continued)

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

2003

		集團 Group	
	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
或有債務：	Contingent liabilities:		
擔保	Guarantees	12,401	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	1,613
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	8,949
其他	Other	160	62
		96,980	10,624
匯率合約：	Exchange rate contracts:		
即期及遠期外匯交易	Spot and forward foreign exchange	76,408	322
其他匯率合約	Other exchange rate contracts	33,160	141
		109,568	463
利率合約：	Interest rate contracts:		
利率掉期	Interest rate swaps	91,629	315
其他利率合約	Other interest rate contracts	17,578	21
		109,207	336
其他衍生工具合約	Other derivative contracts	297	2

32. 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)

二零零三年

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

2003

		合約金額 Contract amount	銀行 Bank 信貸之 相等金額 Credit equivalent amount	風險 加權金額 Risk- weighted amount
或有債務：	Contingent liabilities:			
擔保	Guarantees	12,802	12,544	4,023
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	68,981	-	-
- 一年及以上	- one year and over	19,622	9,811	8,949
		96,701	11,431	10,562
滙率合約：	Exchange rate contracts:			
即期及遠期外滙交易	Spot and forward foreign exchange	78,811	1,104	334
其他滙率合約	Other exchange rate contracts	33,160	401	141
		111,971	1,505	475
利率合約：	Interest rate contracts:			
利率掉期	Interest rate swaps	83,958	1,232	301
其他利率合約	Other interest rate contracts	17,143	45	21
		101,101	1,277	322
其他衍生工具合約	Other derivative contracts	292	9	2

上表列出資產負債表以外交易之名義合約金額、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之資本充足比率而估算，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。

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。

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.

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.

32. 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)**

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

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安排。

(丙) 上述各表內所列包括持作買賣用途之衍生工具合約金額如下：

匯率合約：
即期及遠期外匯交易
其他匯率合約

利率合約：
利率掉期
其他利率合約

其他衍生工具合約

其餘之匯率、利率及其他衍生工具合約乃作非買賣用途，即用作風險對沖或作為資產負債之風險管理。此等合約乃直接在市場訂立或間接經由本行之直屬控股公司或同母系附屬公司訂立。

除上述各表所列外，本行在日常業務中亦代集團其他成員開立擔保及承諾書。

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

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

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Exchange rate contracts	834	876	834	876
Interest rate contracts	939	997	880	956
Other derivative contracts	5	–	5	–
	1,778	1,873	1,719	1,832

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

(c) Included in the above tables are the following amounts of derivative contracts which were made for dealing purposes:

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Exchange rate contracts:				
Spot and forward				
foreign exchange	138,269	76,408	141,384	78,811
Other exchange rate contracts	22,848	32,850	22,848	32,850
	161,117	109,258	164,232	111,661
Interest rate contracts:				
Interest rate swaps	49,688	35,605	49,688	35,605
Other interest rate contracts	5,067	5,506	5,067	5,506
	54,755	41,111	54,755	41,111
Other derivative contracts	1,373	297	1,373	292

The remaining exchange rate, interest rate and other derivative contracts were made for non-dealing purposes, i.e. to hedge risk, or to synthetically alter the risk characteristics of assets and liabilities. The transactions are either conducted directly in the market or indirectly through the Bank's immediate holding company or fellow subsidiary companies.

In addition to the above, the Bank enters into guarantees and letters of support on behalf of other Group entities in the normal course of business.

33. 為負債作抵押之資產

截至二零零四年十二月三十一日，本集團及銀行以資產抵押之負債為港幣五十六億九千七百萬元（二零零三年：港幣十六億六千四百萬元）及港幣五十六億九千七百萬元（二零零三年：港幣十六億六千四百萬元），主要為售後回購協議。本集團為此等負債而質押之資產金額為港幣五十七億四千二百萬元（二零零三年：港幣十六億九千三百萬元），銀行則為港幣五十七億四千二百萬元（二零零三年：港幣十六億九千三百萬元），並主要由列於「庫存現金及短期資金」及「長期投資」內之項目組成。此外，存放於中央保管系統以利便證券結算之債務證券額為港幣七十九億八千萬元（二零零三年：港幣一千一百零二億七千二百萬元），銀行則為港幣七十九億八千萬元（二零零三年：港幣八百六十八億四千萬元）。

34. 資本承擔

33. Assets pledged as security for liabilities

At 31 December 2004, liabilities of the Group amounting to HK\$5,697 million (2003: HK\$1,664 million) and of the Bank amounting to HK\$5,697 million (2003: HK\$1,664 million) were secured by the deposit of assets, mainly related to sale and repurchase arrangements. The amounts of assets pledged by the Group to secure these liabilities were HK\$5,742 million (2003: HK\$1,693 million) and by the Bank were HK\$5,742 million (2003: HK\$1,693 million) respectively and mainly comprised items included in "Cash and short-term funds" and "Long-term investments". In addition, the amount of debt securities deposited with central depositories by the Group to facilitate the settlement processes were HK\$7,980 million (2003: HK\$110,272 million) and by the Bank were HK\$7,980 million (2003: HK\$86,840 million) respectively.

34. Capital commitments

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
已核准及簽訂合約之開支	81	79	77	72
已核准但未簽訂合約之開支	-	1,626	-	1,626
	81	1,705	77	1,698

35. 租約承擔

本集團以經營租賃合約租賃之若干物業及設備，該等租賃之基本年期一般為一至五年，其中部份在到期時有權以重新商討之條款續訂租約。該等租約並無包括或有租金。

不可撤銷之營業租約的未來最低租金支出總額如下：

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
一年以下	163	169	163	169
一年以上至五年	130	161	129	160
	293	330	292	329

36. 僱員退休福利**(甲) 界定利益福利計劃**

本集團設置三個界定利益福利計劃。最主要計劃為恒生銀行界定利益福利計劃「HSBDBS」，涵蓋本集團百分之八十僱員。其他兩個計劃分別為恒生銀行長俸計劃「HSBPS」及恒生銀行核准退休信託基金「HSBNTBS」，恒生銀行界定利益福利計劃已於一九九九年四月一日起不接受新成員，而恒生銀行長俸計劃及恒生銀行核准退休信託基金則於一九八六年十二月三十一日起不接受新成員。

上述計劃為本集團之設置基金界定利益福利計劃，由信託人管理，其資產與本集團之資產分開持有。本集團根據合資格精算師之每年精算估值作出供款。最新一次精算估值於二零零四年十二月三十一日進行，由同母系附屬公司滙豐人壽保險(國際)有限公司之趙黃舜芬(美國精算師學會專業資深會員)採用 Projected Unit Credit Method 估值。此等界定利益福利計劃於結算日資產負債表內確認之金額及在是年損益結算表內確認之福利成本列述如下。

35. Lease commitments

The Group leases certain properties and equipment under operating leases. The leases typically run for an initial period of one to five years and may include an option to renew the lease when all terms are renegotiated. None of these leases includes contingent rentals.

The total future minimum lease payments payable under non-cancellable operating leases are as follows:

	集團 Group		銀行 Bank	
	2004	2003	2004	2003
Within one year	163	169	163	169
Between one and five years	130	161	129	160
	293	330	292	329

36. Employee retirement benefits**(a) Defined benefit schemes**

The Group operates three defined benefit schemes, the Hang Seng Bank Limited Defined Benefit Scheme (HSBDBS) which is the principal scheme which covers about 80% of the Group's employees and two other schemes, the Hang Seng Bank Limited Pension Scheme (HSBPS) and the Hang Seng Bank Limited Non-contributory Terminal Benefits Scheme (HSBNTBS). HSBDBS was closed since 1 April 1999 and HSBPS and HSBNTBS were closed since 31 December 1986.

These schemes are funded defined benefit schemes and are administered by trustees with assets held separately from those of the Group. The Group makes contributions to these schemes in accordance with the recommendation of qualified actuary based on annual actuarial valuations. The latest annual actuarial valuations at 31 December 2004 was performed by E Chiu, fellow of the Society of Actuaries of the United States of America, of HSBC Life (International) Ltd, a fellow subsidiary company of the Bank, using the Projected Unit Credit Method. The amounts recognised in the balance sheet at year-end and retirement benefits costs recognised in the profit and loss account for the year in respect of these defined benefit schemes are set out below.

36. 僱員退休福利 (續)

(甲) 界定利益福利計劃 (續)

(一) 確認於資產負債表之金額如下：

二零零四年

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
有設置基金之福利負擔折現值	Present value of funded obligations	3,663	182	4
計劃基金之資產公平價值	Fair value of scheme assets	(3,737)	(220)	(32)
未確認之淨精算虧損	Net unrecognised actuarial losses	(92)	(7)	-
於資產負債表內確認之資產淨值	Net asset recognised in the balance sheet	(166)	(45)	(28)
計劃基金資產對福利負擔之比率	Obligations covered by plan assets (%)	102	121	800

二零零三年

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
有設置基金之福利負擔折現值	Present value of funded obligations	3,072	182	4
計劃基金之資產公平價值	Fair value of scheme assets	(3,324)	(219)	(32)
未確認之淨精算溢利	Net unrecognised actuarial gains	215	-	-
於資產負債表內確認之資產淨值	Net asset recognised in the balance sheet	(37)	(37)	(28)
計劃基金資產對福利負擔之比率	Obligations covered by plan assets (%)	108	120	800

恒生銀行界定利益福利計劃資產包括滙豐控股有限公司發行之普通股票公平價值為港幣一億七千四百萬元(二零零三：港幣一億五千一百萬元)。恒生銀行長俸計劃資產並沒有包括本行發行之存款證(二零零三：港幣二百萬元)。

36. Employee retirement benefits (continued)

(a) Defined benefit schemes (continued)

(i) The amounts recognised in the balance sheets are as follows:

2004

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
Present value of funded obligations		3,663	182	4
Fair value of scheme assets		(3,737)	(220)	(32)
Net unrecognised actuarial losses		(92)	(7)	-
Net asset recognised in the balance sheet		(166)	(45)	(28)
Obligations covered by plan assets (%)		102	121	800

2003

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
Present value of funded obligations		3,072	182	4
Fair value of scheme assets		(3,324)	(219)	(32)
Net unrecognised actuarial gains		215	-	-
Net asset recognised in the balance sheet		(37)	(37)	(28)
Obligations covered by plan assets (%)		108	120	800

The scheme assets of HSBDBS included ordinary shares issued by HSBC Holdings plc with a fair value of HK\$174 million (2003: HK\$151 million). The scheme assets of HSBPS did not include any certificates of deposit issued by the Bank at 31 December 2004 (2003: HK\$2 million).

(二) 於資產負債表內確認之資產淨值變動如下：

(ii) Movements in the net assets recognised in the balance sheets are as follows:

二零零四年

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
一月一日結餘	At 1 January	(37)	(37)	(28)
年內供款	Contributions paid	(276)	(9)	-
於損益結算表內確認之淨支出	Net expense recognised in the profit and loss account	147	1	-
於十二月三十一日之資產淨值	Net asset at 31 December	(166)	(45)	(28)

36. 僱員退休福利(續)

(甲) 界定利益福利計劃(續)

二零零三年

36. Employee retirement benefits (continued)

(a) Defined benefit schemes (continued)

2003

		集團及銀行 Group and Bank		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
一月一日結餘	At 1 January	(15)	(29)	(28)
年內供款	Contributions paid	(186)	(9)	–
於損益結算表內確認之淨支出	Net expense recognised in the profit and loss account	164	1	–
於十二月三十一日之資產淨值	Net asset at 31 December	(37)	(37)	(28)

(三) 於損益結算表內確認之淨支出如下：

(iii) Net expense recognised in the profit and loss account is as follows:

二零零四年

2004

		集團 Group		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
是期服務成本	Current service cost	178	1	–
利息成本	Interest cost	170	10	–
預期投資回報	Expected return on scheme assets	(201)	(10)	–
是年度淨支出(附註5(丁))	Net expense for the year (note 5(d))	147	1	–
實際投資回報	Actual return on scheme assets	284	8	–

二零零三年

2003

		集團 Group		
		恒生銀行 界定利益 福利計劃 HSBDBS	恒生銀行 長俸計劃 HSBPS	恒生銀行 核准退休 信託基金 HSBNTBS
是期服務成本	Current service cost	174	1	–
利息成本	Interest cost	162	9	–
預期投資回報	Expected return on scheme assets	(172)	(9)	–
是年度淨支出(附註5(丁))	Net expense for the year (note 5(d))	164	1	–
實際投資回報	Actual return on scheme assets	439	15	–

36. 僱員退休福利 (續)

(甲) 界定利益福利計劃 (續)

(四) 用於二零零四年之最主要精算假設 (以加權平均數列示) 如下：

二零零四年

		恒生銀行 界定利益 福利計劃 HSBDDBS %	集團及銀行 Group and Bank 恒生銀行 長俸計劃 HSBPS %	恒生銀行 核准退休 信託基金 HSBNTBS %
貼現率	Discount rate	4.0	5.0	5.0
預期投資回報率	Expected rate of return on scheme assets	6.0	4.5	2.0
預期薪金遞增率	Expected rate of salary increases	3.0	3.0	3.0
預期長俸遞增率	Expected rate of pension increases	–	3.0	–

二零零三年

		恒生銀行 界定利益 福利計劃 HSBDDBS %	集團及銀行 Group and Bank 恒生銀行 長俸計劃 HSBPS %	恒生銀行 核准退休 信託基金 HSBNTBS %
貼現率	Discount rate	5.5	5.5	5.5
預期投資回報率	Expected rate of return on scheme assets	6.0	4.5	2.0
預期薪金遞增率	Expected rate of salary increases	4.5	4.5	4.5
預期長俸遞增率	Expected rate of pension increases	–	3.0	–

(乙) 公積金福利計劃

一九九九年四月一日或以後到職之僱員所參加之公積金福利計劃為滙豐集團香港本地僱員退休福利計劃。此外，集團亦設置三個其他公積金福利計劃，分別為恒生銀行儲金計劃（一九八六年十二月三十一日後不接受新成員）、恒生保險有限公司職員儲金計劃及恒生銀行（巴哈馬）有限公司公積金福利計劃。本行及本集團各公司亦按個別需要設有強制性公積金計劃「強積金」，並已按香港強制性公積金條例辦妥登記，此類計劃亦屬公積金福利計劃性質。

按照公積金福利計劃（包括強積金計劃）條例之供款已於損益結算表支銷如下：

		2004	2003
年內支取 (附註 5(丁))	Charge for the year (note 5(d))	21	18

36. Employee retirement benefits (continued)

(a) Defined benefit schemes (continued)

(iv) The principal actuarial assumptions used as at 31 December 2004 (expressed as weighted averages) are as follows:

2004

		恒生銀行 界定利益 福利計劃 HSBDDBS %	集團及銀行 Group and Bank 恒生銀行 長俸計劃 HSBPS %	恒生銀行 核准退休 信託基金 HSBNTBS %
Discount rate	Discount rate	4.0	5.0	5.0
Expected rate of return on scheme assets	Expected rate of return on scheme assets	6.0	4.5	2.0
Expected rate of salary increases	Expected rate of salary increases	3.0	3.0	3.0
Expected rate of pension increases	Expected rate of pension increases	–	3.0	–

2003

		恒生銀行 界定利益 福利計劃 HSBDDBS %	集團及銀行 Group and Bank 恒生銀行 長俸計劃 HSBPS %	恒生銀行 核准退休 信託基金 HSBNTBS %
Discount rate	Discount rate	5.5	5.5	5.5
Expected rate of return on scheme assets	Expected rate of return on scheme assets	6.0	4.5	2.0
Expected rate of salary increases	Expected rate of salary increases	4.5	4.5	4.5
Expected rate of pension increases	Expected rate of pension increases	–	3.0	–

(b) Defined contribution schemes

The principal defined contribution scheme for Group employees joining on or after 1 April 1999 is the HSBC Group Hong Kong Local Staff Defined Contribution Scheme. The Group also operates three other defined contribution schemes, the Hang Seng Bank Provident Fund Scheme which was closed since 31 December 1986, the Hang Seng Insurance Company Limited Employees' Provident Fund and the Hang Seng Bank (Bahamas) Limited Defined Contribution Scheme for employees of the respective subsidiaries. The Bank and relevant Group entities also participated in mandatory provident fund schemes (MPF schemes) registered under the Hong Kong Mandatory Provident Fund Ordinance, which are also defined contribution schemes.

Contributions made in accordance with the relevant scheme rules to these defined contribution schemes (including MPF schemes) are charged to the profit and loss account as below:

		2004	2003
年內支取 (附註 5(丁))	Charge for the year (note 5(d))	21	18

37. 證券形式之報酬

本集團參與三個由滙豐集團設置以認購滙豐控股有限公司股份之股份報酬計劃。分別為儲蓄優先認股權計劃，行政人員/集團優先認股權計劃及有限制股份計劃。此等計劃之認股權股數及其行使價變動分析列示如下。

(甲) 儲蓄優先認股權計劃

以每月二百五十英鎊等值之港元儲蓄為上限，有權用作認購股份，按訂立儲蓄合約時規定在三年或五年後之六個月內行使認購權，認購價為授出股權時市價折讓百分之二十。該計劃授出之認股權並無確認成本。

(一) 僱員持有的認股權股數之變動如下：

		2004 股數 Number (‘000)	2003 股數 Number (‘000)
於一月一日	At 1 January	8,098	7,854
本年度授出	Granted in the year	2,024	2,458
本年度行使	Exercised in the year	(4,133)	(23)
減：本年度作廢	Less: Lapsed in the year	(318)	(2,191)
於十二月三十一日	At 31 December	5,671	8,098
於十二月三十一日符合行使條件之認股權	Options vested at 31 December	12	–

(二) 年內無償授出之認股權詳列如下：

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number (‘000)	2003 股數 Number (‘000)
2005年8月1日至2006年1月31日	1 Aug 2005 to 31 Jan 2006	6.32	1	–
2006年8月1日至2007年1月31日	1 Aug 2006 to 31 Jan 2007	5.35	–	2,093
2007年8月1日至2008年1月31日	1 Aug 2007 to 31 Jan 2008	6.47	1,569	–
2008年8月1日至2009年1月31日	1 Aug 2008 to 31 Jan 2009	5.35	3	365
2009年8月1日至2010年1月31日	1 Aug 2009 to 31 Jan 2010	6.47	451	–
			2,024	2,458

37. Stock-based compensation

The Group participated in three share compensation plans operated by the HSBC Group for acquiring of HSBC Holdings plc shares. They are the Savings-Related Share Option Plan, Executive/Group Share Option Plan and Restricted Share Plan. Analysis of the movement in the number of share options and exercise price of these plans is set out below.

(a) Savings-Related Share Option Plan

The Savings-Related Share Option Plan invite eligible employees to enter into savings contracts to save Hong Kong dollar equivalent of up to £250 per month, with the option to use the savings to acquire shares. The options are exercisable within six months following either the third or the fifth anniversary of the commencement of the savings contract depending on conditions set at grant. The exercise price is at a 20% discount to the market value at the date of grant. No compensation cost is recognised.

(i) Movements in the number of share options held by employees are as follows:

(ii) Details of share options granted during the year, all of which were granted for nil consideration :

37. 證券形式之報酬 (續)

(甲) 儲蓄優先認股權計劃 (續)

(三) 於結算日之認股權

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number ('000)	2003 股數 Number ('000)
2004年8月1日至2005年1月31日	1 Aug 2004 to 31 Jan 2005	5.40	8	3,354
2004年8月1日至2005年1月31日	1 Aug 2004 to 31 Jan 2005	6.75	4	841
2005年8月1日至2006年1月31日	1 Aug 2005 to 31 Jan 2006	6.03	1,118	1,179
2005年8月1日至2006年1月31日	1 Aug 2005 to 31 Jan 2006	6.32	188	200
2006年8月1日至2007年1月31日	1 Aug 2006 to 31 Jan 2007	6.75	98	102
2006年8月1日至2007年1月31日	1 Aug 2006 to 31 Jan 2007	5.35	1,919	2,032
2007年8月1日至2008年1月31日	1 Aug 2007 to 31 Jan 2008	6.32	32	32
2007年8月1日至2008年1月31日	1 Aug 2007 to 31 Jan 2008	6.47	1,500	–
2008年8月1日至2009年1月31日	1 Aug 2008 to 31 Jan 2009	5.35	358	358
2009年8月1日至2010年1月31日	1 Aug 2009 to 31 Jan 2010	6.47	446	–
			5,671	8,098

(四) 年內行使之認股權詳列如下：

37. Stock-based compensation (continued)

(a) Savings-Related Share Option Plan (continued)

(iii) Terms of share options at balance sheet date

(iv) Details of share options exercised during the year :

行使期間	Exercise period	行使價 Exercise price £	認購金額 Proceeds received (in £'000)	2004 股數 Number ('000)	2003 股數 Number ('000)
2003年1月1日至2003年12月31日	1 Jan 2003 to 31 Dec 2003	5.57	128	–	23
2004年8月1日至2005年1月31日	1 Aug 2004 to 31 Jan 2005	5.40	17,935	3,322	–
2004年8月1日至2005年1月31日	1 Aug 2004 to 31 Jan 2005	6.75	5,475	811	–
				4,133	23

(乙) 行政人員/集團優先認股權計劃

行政人員優先認股權計劃(認股權於一九九九年及二零零零年授出)及集團優先認股權計劃(認股權於二零零一年或以後授出)，是獎勵表現良好之集團僱員。優先認股權之認購價為授出時之市價，按預定之符合行使條件一般可在授出後三至十年內行使，行使條件包括達到某項業績水平。該計劃授出之認股權並無確認成本。

(b) Executive/Group Share Option Plan

Executive Share Option Plan (for options granted in 1999 and 2000) and Group Share Option Plan (for options granted in 2001 or after 2001) were issued by the HSBC Holdings plc and awarded to high performing employees of the Group on a discretionary basis. Options are granted at market value and are normally exercisable between the third and tenth anniversaries of the date of grant, subject to vesting conditions. Exercise of the options, is subject to the attainment of a corporate performance condition. No compensation cost is recognised.

37. 證券形式之報酬(續)

(乙) 行政人員/集團優先認股權計劃(續)

(一) 僱員持有的認股權股數之變動如下：

於一月一日	At 1 January	5,239	5,019
本年度授出	Granted in the year	1,421	1,232
本年度行使	Exercised in the year	(519)	(936)
減：本年度作廢	Less: Lapsed in the year	(206)	(76)
於十二月三十一日	At 31 December	5,935	5,239
於十二月三十一日符合行使條件之認股權	Options vested at 31 December	2,475	1,825

(二) 年內無償授出之認股權詳列如下：

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number ('000)	2003 股數 Number ('000)
1999年4月1日至2006年3月31日	1 Apr 1999 to 31 Mar 2006	3.33	9	–
2000年3月24日至2007年4月23日	24 Mar 2000 to 23 Apr 2007	5.02	8	–
2001年3月16日至2008年3月15日	16 Mar 2001 to 15 Mar 2008	6.28	8	–
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	30	–
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	5	–
2004年4月23日至2011年4月22日	23 Apr 2004 to 22 Apr 2011	8.71	5	–
2005年5月7日至2012年5月6日	7 May 2005 to 6 May 2012	8.41	5	–
2006年5月2日至2013年5月1日	2 May 2006 to 1 May 2013	6.91	–	1,232
2007年4月30日至2017年4月29日	30 Apr 2007 to 29 Apr 2017	8.28	1,351	–
			1,421	1,232

(三) 於結算日之認股權

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number ('000)	2003 股數 Number ('000)
1999年4月1日至2006年3月31日	1 Apr 1999 to 31 Mar 2006	3.33	9	–
2000年3月24日至2007年4月23日	24 Mar 2000 to 23 Apr 2007	5.02	8	–
2001年3月16日至2008年3月15日	16 Mar 2001 to 15 Mar 2008	6.28	8	–
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	765	1,012
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	652	813
2004年4月23日至2011年4月22日	23 Apr 2004 to 22 Apr 2011	8.71	1,033	1,137
2004年8月30日至2011年8月29日	30 Aug 2004 to 29 Aug 2011	8.23	–	4
2005年5月7日至2012年5月6日	7 May 2005 to 6 May 2012	8.41	1,012	1,058
2006年5月2日至2013年5月1日	2 May 2006 to 1 May 2013	6.91	1,156	1,215
2007年4月30日至2017年4月29日	30 Apr 2007 to 29 Apr 2017	8.28	1,292	–
			5,935	5,239

37. Stock-based compensation (continued)

(b) Executive/Group Share Option Plan (continued)

(i) Movements in the number of share options held by employees are as follows:

		2004 股數 Number ('000)	2003 股數 Number ('000)
At 1 January	At 1 January	5,239	5,019
Granted in the year	Granted in the year	1,421	1,232
Exercised in the year	Exercised in the year	(519)	(936)
Less: Lapsed in the year	Less: Lapsed in the year	(206)	(76)
At 31 December	At 31 December	5,935	5,239
Options vested at 31 December	Options vested at 31 December	2,475	1,825

(ii) Details of share options granted during the year, all of which were granted for nil consideration :

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number ('000)	2003 股數 Number ('000)
1999年4月1日至2006年3月31日	1 Apr 1999 to 31 Mar 2006	3.33	9	–
2000年3月24日至2007年4月23日	24 Mar 2000 to 23 Apr 2007	5.02	8	–
2001年3月16日至2008年3月15日	16 Mar 2001 to 15 Mar 2008	6.28	8	–
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	30	–
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	5	–
2004年4月23日至2011年4月22日	23 Apr 2004 to 22 Apr 2011	8.71	5	–
2005年5月7日至2012年5月6日	7 May 2005 to 6 May 2012	8.41	5	–
2006年5月2日至2013年5月1日	2 May 2006 to 1 May 2013	6.91	–	1,232
2007年4月30日至2017年4月29日	30 Apr 2007 to 29 Apr 2017	8.28	1,351	–
			1,421	1,232

(iii) Terms of share options at balance sheet date

行使期間	Exercise period	行使價 Exercise price £	2004 股數 Number ('000)	2003 股數 Number ('000)
1999年4月1日至2006年3月31日	1 Apr 1999 to 31 Mar 2006	3.33	9	–
2000年3月24日至2007年4月23日	24 Mar 2000 to 23 Apr 2007	5.02	8	–
2001年3月16日至2008年3月15日	16 Mar 2001 to 15 Mar 2008	6.28	8	–
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	765	1,012
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	652	813
2004年4月23日至2011年4月22日	23 Apr 2004 to 22 Apr 2011	8.71	1,033	1,137
2004年8月30日至2011年8月29日	30 Aug 2004 to 29 Aug 2011	8.23	–	4
2005年5月7日至2012年5月6日	7 May 2005 to 6 May 2012	8.41	1,012	1,058
2006年5月2日至2013年5月1日	2 May 2006 to 1 May 2013	6.91	1,156	1,215
2007年4月30日至2017年4月29日	30 Apr 2007 to 29 Apr 2017	8.28	1,292	–
			5,935	5,239

37. 證券形式之報酬 (續)

(乙) 行政人員/集團優先認股權計劃 (續)

(四) 年內行使之認股權詳列如下：

行使期間	Exercise period	行使價 Exercise price £	認購金額 Proceeds received (in £'000)	2004 股數 Number ('000)	2003 股數 Number ('000)
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	4,332	–	679
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	1,919	–	257
2002年3月29日至2009年3月28日	29 Mar 2002 to 28 Mar 2009	6.38	1,781	279	–
2003年4月3日至2010年4月2日	3 Apr 2003 to 2 Apr 2010	7.46	1,241	166	–
2004年4月23日至2011年4月22日	23 Apr 2004 to 22 Apr 2011	8.71	623	71	–
2004年8月30日至2011年8月29日	30 Aug 2004 to 29 Aug 2011	8.23	29	4	–
2005年5月7日至2012年5月6日	7 May 2005 to 6 May 2012	8.41	4	1	–
				521	936

(丙) 有限制股份計劃

有限制股份計劃自一九九六年起實行有條件授出股份獎勵。行使條件包括達到滙豐集團之目標。本集團購買有關股份以供授出股份獎勵之成本在損益賬內按授出條件之期間支銷。

37. Stock-based compensation (continued)

(b) Executive/Group Share Option Plan (continued)

(iv) Details of share options exercised during the year :

(c) Restricted Share Plan

Conditional awards under the Restricted Share Plan have been in operation since 1996. Vesting criteria are based on attaining the HSBC Group targets. The cost of acquisition of shares for conditional awards under this scheme is recognised as "Staff costs" in the profit and loss account over the period the performance condition applied.

		2004 股數 Number ('000)	2003 股數 Number ('000)
於一月一日	At 1 January	379	276
年內增加	Additions during the year	152	128
減：本年度發出	Less: Released in the year	(72)	(17)
減：本年度作廢	Less: Lapsed in the year	–	(8)
於十二月三十一日	At 31 December	459	379
		2004	2003
支取損益賬金額	Amounts charged to profit and loss account	2	1

有限制股份計劃下授出有條件股份獎勵而購入之股份之加權平均購入價為七點九一英鎊 (二零零三年：六點五一英鎊)。於二零零四年十二月三十一日滙豐控股有限公司股份之收市價為八點七九英鎊 (二零零三年：八點七八英鎊)。

於二零零四年十二月三十一日授出股份獎勵之加權平均到達行使期間為二點六一年 (二零零三年：二點四年)。

The weighted average purchase price for shares purchased for conditional awards under the Restricted Share Plan is £7.91 (2003: £6.51). The closing price of the HSBC Holdings plc share at 31 December 2004 was £8.79 (2003: £8.78).

The weighted average remaining vesting period as at 31 December 2004 was 2.61 years (2003: 2.40 years).

38. 跨國債權

跨國債權包括應收款項和貸款、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有異於交易對手所在之地區，則風險轉移至擔保人之所在地區。若屬銀行或金融機構分行之債權，其風險將會轉移至該銀行或金融機構之總行所在地區。個別國家或區域其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：

二零零四年

38. 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:

2004

		同業及其他 金融機構 Banks & Other Financial Institutions	公營機構 Sovereign & Public Sector Entities	其他 Other	合計 Total
不包括香港在內的亞太區：	Asia Pacific excluding Hong Kong:				
- 澳洲	- Australia	21,429	62	1,223	22,714
- 其他	- Other	26,222	1,530	5,432	33,184
		47,651	1,592	6,655	55,898
美洲：	The Americas:				
- 加拿大	- Canada	19,748	4,957	1,556	26,261
- 其他	- Other	11,320	2,744	10,252	24,316
		31,068	7,701	11,808	50,577
西歐：	Western Europe:				
- 德國	- Germany	17,037	-	816	17,853
- 英國	- United Kingdom	23,794	16	5,945	29,755
- 其他	- Other	59,889	2,063	4,895	66,847
		100,720	2,079	11,656	114,455

38. 跨國債權 (續)

二零零三年

38. Cross border claims (continued)

2003

		同業及其他 金融機構 Banks & Other Financial Institutions	公營機構 Sovereign & Public Sector Entities	其他 Other	合計 Total
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
- 其他	- Other	8,051	7,215	9,441	24,707
		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

39. 行政人員貸款

根據香港公司條例第161B節規定，本行
行政人員貸款摘要公佈如下：

39. Loans to officers

Particulars of loans to officers of the Bank disclosed pursuant to section 161B of the
Hong Kong Companies Ordinance:

		於十二月三十一日 有關貸款之總結欠 Aggregate amount of relevant loans outstanding at 31 December	2004	2003	年中有關貸款 之最高總結欠 Maximum aggregate amount of relevant loans outstanding during the year	2004	2003
由銀行借出	By the Bank		18	29		62	68

40. 資本充足比率

根據香港金融管理局發出之「就市場風險維持充足資本」指引之規定，本集團於十二月三十一日之經調整市場風險資本充足比率如下：

		2004	2003
經調整總資本比率	Adjusted total capital ratio	12.0%	13.2%
經調整第一級資本比率	Adjusted tier 1 capital ratio	10.8%	11.3%

根據香港銀行業條例附表三之準則計算，本集團於十二月三十一日之資本充足比率為：

		2004	2003
總資本比率	Total capital ratio	12.1%	13.4%
第一級資本比率	Tier 1 capital ratio	10.8%	11.5%

41. 流動資金比率

根據香港銀行業條例附表四之準則計算，本集團之全年平均流動資金比率為：

		2004	2003
本行及其經營銀行業務之主要附屬公司	The Bank and its major banking subsidiaries	47.2%	46.2%

40. Capital adequacy ratios

The Group's capital adequacy ratios adjusted for market risk at 31 December, calculated in accordance with the guideline "Maintenance of Adequate Capital Against Market Risk" issued by the Hong Kong Monetary Authority, are as follows:

		2004	2003
Adjusted total capital ratio		12.0%	13.2%
Adjusted tier 1 capital ratio		10.8%	11.3%

The Group's capital adequacy ratios at 31 December, calculated in accordance with the Third Schedule of the Hong Kong Banking Ordinance, are as follows:

		2004	2003
Total capital ratio		12.1%	13.4%
Tier 1 capital ratio		10.8%	11.5%

41. Liquidity ratio

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

		2004	2003
The Bank and its major banking subsidiaries		47.2%	46.2%

42. 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，本集團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。此等活動均按當時之市場價格進行。此外，集團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。

本集團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資料處理服務，均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零售投資基金產品。該等交易之保費、佣金及其他收費均以正常公平交易為準則。

本年度內由此等交易所產生之總收支及與有關機構之存欠結餘及資產負債表以外之總合約金額如下：

全年收支結算

利息收入	Interest income
利息支出	Interest expense
其他營業收入	Other operating income
營業支出	Operating expenses

於十二月三十一日結餘

與直屬控股公司及同母系附屬公司有關資產負債表項目之資料列於附註18「存/欠直屬控股公司及同母系附屬公司」。而有關資產負債表以外項目之合約金額、信貸之相等金額及風險加權金額之資料詳列如下：

	合約金額 Contract amount	集團 Group 信貸之 相等金額 Credit equivalent amount	風險 加權金額 Risk- weighted amount
利率及匯率合約：			
二零零四年	2004	34,622	485
二零零三年	2003	35,121	484

42. Material related-party transactions

(a) Immediate holding company and fellow subsidiary companies

In 2004, the Group 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. The Group participated, in its ordinary course of business, in certain structured finance deals arranged by its immediate holding company.

The Group 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. The Group 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 year, the balances of amounts due to and from the relevant related parties, and the total contract sum of off-balance sheet transactions at the year-end are as follows:

Income and expenses for the year

	2004	集團 Group 2003
Interest income	84	195
Interest expense	91	17
Other operating income	126	244
Operating expenses	657	618

Balances at 31 December

Details of balances due from and due to the immediate holding company and fellow subsidiary companies are set out in note 18 "Amounts due from/to immediate holding company and fellow subsidiary companies". Details of contract amount, credit equivalent amount and risk-weighted amount of off-balance sheet transactions with immediate holding company and fellow subsidiary companies are set out below:

	合約金額 Contract amount	集團 Group 信貸之 相等金額 Credit equivalent amount	風險 加權金額 Risk- weighted amount
利率及匯率合約：			
二零零四年	2004	34,622	485
二零零三年	2003	35,121	484

42. 有關連人士之重大交易(續)**(乙) 聯營公司**

本集團給予一聯營公司一項免息股東貸款，於二零零四年十二月三十一日之結餘為港幣二億三千三百萬元(二零零三年：港幣二億二千九百萬元)。

(丙) 最終控股公司

於二零零四年，與本集團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，本行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)。

43. 最終控股公司

恒生銀行之最終控股公司為於英國註冊之滙豐控股有限公司。

44. 賬項通過

本賬項已於二零零五年二月二十八日經董事會通過及核准發佈。

42. Material related-party transactions (continued)**(b) Associated companies**

The Group maintains an interest-free shareholders' loan to an associated company. The balance at 31 December 2004 was HK\$233 million (2003: HK\$229 million).

(c) Ultimate holding company

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

(d) Key management personnel

In 2004, no material transaction was conducted with key management personnel of the Bank and its holding companies and parties related to them (same as 2003).

43. Ultimate holding company

The ultimate holding company of the Bank is HSBC Holdings plc, which is incorporated in England.

44. Approval of accounts

The accounts were approved and authorised for issue by the Board of Directors on 28 February 2005.