

賬目附註

Notes to the Accounts

1 主要業務

本銀行之主要業務為提供銀行、財務及其他財務相關服務。各附屬公司之主要業務載於賬目附註29。

2 主要會計政策概述

編製本綜合賬目採用之主要會計政策載列如下。除另有說明外，該等政策與以往所採用者一致。

2.1 編製基準

本集團之綜合賬目依照由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（香港財務報告準則，此詞包括香港會計準則（「香港會計準則」）及詮釋）、香港公認之會計原則，以及香港公司條例之規定編製。本賬目亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。

本綜合賬目乃按歷史成本慣例編製，並已就樓房、備供銷售金融資產、持作買賣用途之金融資產及金融負債，以公平價值經損益表入賬之金融資產及金融負債，以及衍生金融工具之公平價值作出調整。

按香港財務報告準則編製賬目時需採用若干重要之會計估計，亦要求管理層於採用本集團會計政策之過程中作出判斷。涉及較多判斷或複雜性之方面，或對本綜合賬目而言屬重要之假設及估計，已在附註4內披露。

1 PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of banking, financial and other financial related services. The principal activities of the subsidiaries are shown in Note 29 to the accounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated accounts of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which also include Hong Kong Accounting Standards ("HKASs") and interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated accounts have been prepared under the historical cost convention, except for certain buildings, available-for-sale financial assets, financial assets and financial liabilities held for trading, financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

The preparation of accounts in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated accounts are disclosed in Note 4.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.2 新增／經修訂之香港財務報告準則之影響

香港會計師公會頒佈多項新增／經修訂之香港財務報告準則，於二零零六年一月一日或之後會計期間生效。本集團於本年度之賬目已首次採納以下新增／經修訂之香港財務報告準則。除若干情況下，改致適用新增及經修訂之會計政策並作相應披露，採納該等新增加及經修訂之準則及詮釋對該等賬目沒有重大影響：

- 香港會計準則第21號修訂本 「外國業務之淨投資」
- 香港會計準則第27號修訂本 「綜合及分別財務報表：因應二零零五年公司(修訂)條例而作出修訂」
- 香港會計準則第39號及香港財務報告準則第4號修訂本 「財務擔保合約」
- 香港會計準則第39號修訂本 「公平值之選擇權」
- 香港(國際財務報告詮釋委員會)「釐定一項安排是否詮釋第4號 包含租賃」

這些香港財務報告準則訂明新會計計量及披露常規。採納這些香港財務報告準則對本集團會計政策之主要重大影響概述如下：

- (a) *香港會計準則第21號「匯率變動之影響」*
採納香港會計準則第21號修訂本之時，若本集團於外國業務之淨投資內包含貨幣項目，當中產生之一切匯兌差額，不計貨幣單位，皆在綜合賬目確認為權益內一個獨立項目。此項改變對截至二零零六年十二月三十一日或二零零五年十二月三十一日之賬目並無重大影響。
- (b) *香港會計準則第27號「綜合及分別財務報表」*
採納經修訂之香港會計準則第27號，就2.5「綜合賬目」而言，致使會計政策有關附屬公司之定義改變。採納經修訂之香港會計準則第27號，亦令到有關本集團綜合賬目之會計政策改變。此項改變對截至二零零六年十二月三十一日或二零零五年十二月三十一日之賬目並無重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Impact of new/revised Hong Kong Financial Reporting Standards

The HKICPA has issued a number of new/revised HKFRSs, which are generally effective for accounting periods beginning on or after 1 January 2006. The Group has adopted the following new and revised HKFRSs for the first time for the current year's accounts. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretation has had no material effect on these accounts.

- HKAS 21 Amendment "Net Investment in a Foreign Operation"
- HKAS 27 Amendment "Consolidated and Separate Financial Statements: Amendments as a consequence of the Companies (Amendment) Ordinance 2005"
- HKAS 39 & HKFRS 4 Amendments "Financial Guarantee Contracts"
- HKAS 39 Amendment "The Fair Value Option"
- HK(IFRIC)-Int 4 "Determining whether an Arrangement contains a Lease"

These HKFRSs prescribe new accounting measurement and disclosure practices. The major and significant effects of the adoption of these HKFRSs on the Group's accounting policies are summarised as follows:

- (a) *HKAS 21 The Effects of Changes in Foreign Exchange Rates*
Upon the adoption of the HKAS 21 Amendment regarding a net investment in a foreign operation, all exchange differences arising from a monetary item that forms part of the Group's net investment in a foreign operation are recognised in a separate component of equity in the consolidated accounts irrespective of the currency in which the monetary item is denominated. This change has had no material impact on these accounts as at 31 December 2006 or 31 December 2005.
- (b) *HKAS 27 Consolidated and Separate Financial Statements*
The adoption of the revised HKAS 27 has resulted in a change in accounting policy relating to the definition of a subsidiary for the purpose of the consolidated accounts as described in note 2.5 "consolidation" below. The adoption of the revised HKAS 27 has resulted in a change in accounting policy relating to the consolidation of the Group. This change has had no material impact on these accounts as at 31 December 2006 or 31 December 2005.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.2 新增／經修訂之香港財務報告準則之影響 (續)

- (c) 香港會計準則第39號「金融工具：確認及計量」
- (i) 財務擔保合約之修訂本
該修訂本修訂了香港會計準則第39號之範圍，要求任何已發出但不視為保險合約之財務擔保合約，須按公平價值進行初始確認，然後按以下較高者重新計量：按香港會計準則第37號「準備、或然負債及或然資產」所釐定之金額或初始確認價值減(如適用)根據香港會計準則第18號「收益」所確認之累計攤銷後金額。採納此修訂本對本集團賬目並無重大影響。
- (ii) 公平值之選擇權修訂本
此修訂本已更改界定分類為按公平值透過損益列賬之金融工具，並限制使用選擇權以指定任何金融資產或任何金融負債可透過損益表按公平值計量。本集團過往未曾使用過此選擇權，因此修訂本對賬目並無重大影響。
- (d) 香港(國際財務報告詮釋委員會)詮釋第4號「釐定一項安排是否包含租賃」
本集團於二零零六年一月一日採納這項詮釋，作為決定一項安排是否包含租賃而必須使用租賃會計之指引。本集團依據此詮釋，釐定若安排中包含租賃，將按香港會計準則第17號「租賃」而作出處理。同時，採納此詮釋並未對賬目產生重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Impact of new/revised Hong Kong Financial Reporting Standards (continued)

- (c) *HKAS 39 Financial Instruments: Recognition and Measurement*
- (i) Amendment for financial guarantee contracts
This amendment has revised the scope of HKAS 39 to require financial guarantee contracts issued that are not considered insurance contracts, to be recognised initially at fair value and to be remeasured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue. The adoption of this amendment has had no material impact on these accounts.
- (ii) Amendment for the fair value option
This amendment has changed the definition of a financial instrument classified as fair value through profit or loss and has restricted the use of the option to designate any financial asset or any financial liability to be measured at fair value through the income statement. The adoption of this amendment has had no material impact on these accounts.
- (d) *HK(IFRIC)-Int 4 Determining whether an Arrangement contains a Lease*
The Group has adopted this interpretation as of 1 January 2006, which provides guidance in determining whether arrangements contain a lease to which lease accounting must be applied. The Group has determined based on this interpretation that certain arrangements of the Group contained leases and accordingly, the Group has treated them in accordance with HKAS 17 Leases. However, the adoption of this interpretation has had no material impact on these accounts.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.3 已頒佈但尚未生效之香港財務報告準則及香港會計準則

於賬目內，本集團沒有採用以下已頒佈但尚未生效之新增及經修訂之香港財務報告準則及香港會計準則：

香港會計準則第1號修訂本 香港財務報告準則第7號 香港(國際財務報告 詮釋委員會)詮釋 第7號	資本披露 金融工具：披露 根據香港會計準則 第29號惡性通 貨膨脹經濟之 財務報告應用 重報之方法
香港(國際財務報告 詮釋委員會)詮釋 第8號	香港財務報告準則 第2號範圍
香港(國際財務報告 詮釋委員會)詮釋 第9號	重估內含衍生工具
香港(國際財務報告 詮釋委員會)詮釋 第10號	中期財務報告及 減值

香港會計準則第1號修訂本適用於二零零七年一月一日或之後開始之年度期間。經修訂之準則將影響本集團下列信息的披露：資本管理之目標、政策及程序之定性資料，本銀行資本之量化數據，相關資本要求及不遵循有關要求之後果。

香港財務報告準則第7號適用於二零零七年一月一日或之後開始之年度期間。該準則規定披露須令到賬目之使用者能夠評估本集團金融工具之重要性，以及因該等金融工具之性質及風險度，當中亦含有部份香港會計準則第32號之披露要求。

香港(國際財務報告詮釋委員會)詮釋第7號、香港(國際財務報告詮釋委員會)詮釋第8號、香港(國際財務報告詮釋委員會)詮釋第9號及香港(國際財務報告詮釋委員會)詮釋第10號分別適用於二零零六年三月一日、二零零六年五月一日、二零零六年六月一日及二零零六年十一月一日或之後開始之年度期間。

本集團現正進行評估初次採用上述新增及經修訂之香港財務報告準則之影響。至今，總括而言，雖然採納香港會計準則第1號修訂本及香港財務報告準則第7號可導致新增或經修訂之披露，但該等新增及經修訂之香港財務報告準則不會對本集團之營運業績及財務狀況造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impact of Issued but not yet effective HKFRSs

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these accounts:

HKAS 1 Amendment HKFRS 7 HK(IFRIC)-Int 7	Capital Disclosures Financial Instruments: Disclosures Applying the Restatement Approach under HKAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
HK(IFRIC)-Int 8	Scope of HKFRS 2
HK(IFRIC)-Int 9	Reassessment of Embedded Derivatives
HK(IFRIC)-Int 10	Interim Financial Reporting and Impairment

The HKAS 1 Amendment shall be applied for annual periods beginning on or after 1 January 2007. The revised standard will affect the disclosures about qualitative information about the Group's objective, policies and processes for managing capital; quantitative data about what the Bank regards as capital; and compliance with any capital requirements and the consequences of any non-compliance.

HKFRS 7 shall be applied for annual periods beginning on or after 1 January 2007. The standard requires disclosures that enable users of the accounts to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments and also incorporates many of the disclosure requirements of HKAS 32.

HK(IFRIC)-Int 7, HK(IFRIC)-Int 8, HK(IFRIC)-Int 9 and HK(IFRIC)-Int 10 shall be applied for annual periods beginning on or after 1 March 2006, 1 May 2006, 1 June 2006 and 1 November 2006, respectively.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of the HKAS 1 Amendment and HKFRS 7 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.4 上一年之重報賬項

- (a) 年內，管理層以有法定權利允許抵銷確認金額及意欲以淨額結算為依據，檢討資產負債表內金融衍生工具之報告基準。管理層認為若干衍生工具更適合以總額在資產負債表內表述，同時，二零零五年十二月三十一日相應的金融衍生工具之比較資料重新表述，增加565,117,000港元以配合本年度報告。此外，管理層發現已記錄於截止二零零五年十二月三十一日資產負債表之兩項貨幣掉期，按照名義金額合共182,763,000港幣之公平價值屬超額列賬，因此重新表述。上述重報對損益表並無重大影響。
- (b) 年內，管理層亦檢討了借入資本之條款及條件，並決定該工具更適合以次級債券重新命名，並應分類為負債而非先前披露之權益。該金額於本年度重新列示為負債，比較數據亦作出相應調整，以配合本年度報告。

綜合資產負債表

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Prior year restatements

- (a) During the year, management reviewed the basis of presentation of derivative financial instruments on the balance sheet in light of the legal enforceable rights to set off the recognised amounts and the intention to settle the positions on a net basis; and considered that certain positions are more appropriate to be presented on a gross basis on the balance sheet. Accordingly, the comparatives of derivative financial instruments recorded as assets and liabilities have been restated and increased by HK\$565,117,000 as at 31 December 2005 to conform with the current year's presentation. In addition, two currency swaps were found to be overstated by HK\$182,763,000 in aggregate as at 31 December 2005 and so have also been restated. These restatements have had no significant impact on the income statement.
- (b) During the year, management also reviewed the terms and conditions of the loan capital and determined that this instrument is more appropriate to be renamed as subordinated debt and should be classified as a liability rather than as an equity item as disclosed previously. The amount was reclassified as a liability in the current year and accordingly the comparative figure was restated to conform with the current year's presentation.

Consolidated Balance Sheet

		重報 Restated 二零零五年 十二月三十一日	
		二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	以往年度重報 Prior year restatements 千港元 HK\$'000
資產	Assets		
現金及短期資金	Cash and short term funds	25,317,238	25,317,238
在銀行及其他金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	2,469,645	2,469,645
商業票據	Trade bills	1,992,380	1,992,380
持作買賣用途證券	Trading securities	247	247
衍生金融工具	Derivative financial instruments	44,720	565,117
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	1,690,010	1,690,010
客戶貸款	Loans and advances to customers	68,152,663	68,152,663
證券投資	Investment securities	13,219,310	13,219,310
— 備供銷售證券	— available-for-sale	10,137,811	10,137,811
— 持至到期之證券	— held-to-maturity	3,081,499	3,081,499
於聯營公司之投資	Investment in an associate	28,484	28,484
無形資產	Intangible assets	1,080,854	1,080,854
租賃土地權益	Property, plant and equipment	211,342	211,342
遞延稅項資產	Leasehold land and land use rights	91,704	91,704
其他資產	Other assets	1,100,726	(182,763)
資產總額	Total assets	115,399,323	382,354
			115,781,677

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.4 上一年之重報賬項(續)

綜合資產負債表(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Prior year restatements (continued)

Consolidated Balance Sheet (continued)

		二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	重報 Restated 二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	重報 Restated 二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000
負債	Liabilities			
銀行同業及其他金融機構之 存款及結餘	Deposits from banks and other financial institutions	25,095,384		25,095,384
衍生金融工具	Derivative financial instruments	157,802	565,117	722,919
客戶存款	Deposits from customers	60,990,148		60,990,148
— 公平價值經損益表入賬	— at fair value through profit or loss	487,255		487,255
— 以攤銷成本	— at amortised cost	60,502,893		60,502,893
已發行存款證	Certificates of deposits issued	9,351,305		9,351,305
— 公平價值經損益表入賬	— at fair value through profit or loss	4,506,081		4,506,081
— 以攤銷成本	— at amortised cost	4,845,224		4,845,224
已發行債券	Debt securities in issue			
— 公平價值經損益表入賬	— at fair value through profit or loss	2,978,615		2,978,615
現行稅項負債	Current income tax liabilities	8,333		8,333
遞延稅項負債	Deferred income tax liabilities	4,799		4,799
次級債券	Subordinated debt	–	5,338,775	5,338,775
其他負債	Other liabilities	1,604,308	(182,763)	1,421,545
負債總額	Total liabilities	100,190,694	5,721,129	105,911,823
股東權益	Equity			
借入資本	Loan Capital	5,338,775	(5,338,775)	–
股本	Share capital	2,242,518		2,242,518
保留盈利	Retained earnings	2,106,340		2,106,340
其他儲備	Other reserves	5,520,996		5,520,996
股東權益總額	Total equity	15,208,629	(5,338,775)	9,869,854
股東權益及負債總額	Total equity and liabilities	115,399,323	382,354	115,781,677

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.4 上一年之重報賬項(續)

資產負債表

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Prior year restatements (continued)

Balance Sheet

		二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	重報 Restated 二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	重報 Restated 二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000
資產	Assets			
現金及短期資金	Cash and short term funds	24,888,944		24,888,944
在銀行及其他金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	2,469,645		2,469,645
商業票據	Trade bills	1,992,380		1,992,380
持作買賣用途證券	Trading securities	247		247
衍生金融工具	Derivative financial instruments	44,720	565,117	609,837
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	1,690,010		1,690,010
客戶貸款	Loans and advances to customers	67,095,289		67,095,289
證券投資	Investment securities	13,219,824		13,219,824
— 備供銷售證券	— available-for-sale	10,137,056		10,137,056
— 持至到期之證券	— held-to-maturity	3,082,768		3,082,768
於聯營公司之投資	Investment in an associate	14,508		14,508
於附屬公司之投資	Investments in subsidiaries	3,318,639		3,318,639
無形資產	Intangible assets	756,722		756,722
租賃土地權益	Property, plant and equipment	124,547		124,547
遞延稅項資產	Leasehold land and land use rights	91,704		91,704
其他資產	Other assets	1,102,727	(182,763)	919,964
資產總額	Total assets	116,809,906	382,354	117,192,260

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.4 上一年之重報賬項(續)

資產負債表(續)

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Prior year restatements (continued)

Balance Sheet (continued)

		二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000	以往年度重報 Prior year restatements 千港元 HK\$'000	重報 Restated 二零零五年 十二月三十一日 31 December 2005 千港元 HK\$'000
負債	Liabilities			
銀行同業及其他金融機構之 存款及結餘	Deposits from banks and other financial institutions	24,329,654		24,329,654
衍生金融工具	Derivative financial instruments	157,802	565,117	722,919
客戶存款	Deposits from customers	66,475,461		66,475,461
— 公平價值經損益表入賬	— at fair value through profit or loss	3,462,522		3,462,522
— 以攤銷成本	— at amortised cost	63,012,939		63,012,939
已發行存款證	Certificates of deposits issued	9,351,305		9,351,305
— 公平價值經損益表入賬	— at fair value through profit or loss	4,506,081		4,506,081
— 以攤銷成本	— at amortised cost	4,845,224		4,845,224
現行稅項負債	Current income tax liabilities	6,553		6,553
遞延稅項負債	Deferred income tax liabilities	4,799		4,799
次級債券	Subordinated debt	—	5,338,775	5,338,775
其他負債	Other liabilities	1,594,956	(182,763)	1,412,193
負債總額	Total liabilities	101,920,530	5,721,129	107,641,659
股東權益	Equity			
借入資本	Loan Capital	5,338,775	(5,338,775)	—
股本	Share capital	2,242,518		2,242,518
保留盈利	Retained earnings	1,826,641		1,826,641
其他儲備	Other reserves	5,481,442		5,481,442
股東權益總額	Total equity	14,889,376	(5,338,775)	9,550,601
股東權益及負債總額	Total equity and liabilities	116,809,906	382,354	117,192,260

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.5 綜合賬目

綜合賬目包括本銀行及其所有附屬公司截至十二月三十一日之賬目。

(a) *附屬公司*

附屬公司為本銀行直接或間接控制董事會之組成，超過半數投票權或持有過半數已發行股本，或本銀行有權對財務與經營政策實施主導性影響之公司。年內所收購或出售之附屬公司之業績已自收購生效日起或截至出售生效日為止(如適用)計入綜合損益內。

本集團成員公司間所有重大交易及結餘已在綜合賬目內對銷。

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

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

(b) *聯營公司*

聯營公司為附屬公司或共同控制實體以外，且本集團一般持有其股本投票權不少於20%權益作長期投資而對其管理有重大影響力之公司。

綜合損益表已包括本集團於該年度應佔聯營公司之業績，而綜合資產負債表已包括本集團應佔聯營公司之資產淨值及按權益會計處理之收購產生的商譽扣除減值損失。

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Consolidation

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31 December.

(a) *Subsidiaries*

Subsidiaries are those entities in which the Bank, directly or indirectly, controls the composition of the Board of Directors, controls more than half of the voting power or holds more than half of the issued share capital or over which the Bank has a contractual right to exercise a dominant influence with respect to that entity's financial and operating policies. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

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

(b) *Associates*

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The consolidated income statement includes the Group's share of the results of an associate for the year. The consolidated balance sheet includes the Group's share of the net assets of the associate including goodwill on acquisition under the equity method of accounting less any impairment losses.

In the Bank's balance sheet, the investment in an associate is stated at cost less provision for impairment losses. The results of the associates are accounted for by the Bank on the basis of dividends received and receivable.

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

2 主要會計政策概述(續)

2.6 利息收入及支出

所有按攤銷成本及採用實際利率法計量之工具之利息收入及支出列入損益表。

實際利率法是一種計算金融資產或金融負債攤銷成本，以及分配利息收入及利息支出於相關期間之方法。實際利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融資產或金融負債賬面值之利率(如適用)。當計算實際利率時，本集團在估計現金流時須考慮金融工具(例如預付選擇權)之所有合約條款，但不包括未來信貸損失。實際利率組成部分之計算包括所有合約對手之間之收費及點子支出或收入、交易成本及其他所有溢價或折扣。

若金融資產或一組相類之金融資產之價值因減值損失而被撇減，計算利息收入時則以計算減值損失時用以折現未來現金流量之利率確認。

2.7 金融資產

本集團將其金融資產歸為以下類別：以公平價值經損益表入賬之金融資產、貸款及應收款項、持至到期之證券及備供銷售金融資產。該分類取決於所購入金融資產之用途而定。管理層於首次確認金融資產時決定分類。本集團在首次成為合約一方時釐定該合約是否內含衍生工具。如內含衍生工具之經濟性質及風險與主合約之經濟性質及風險並無密切關係則該等內含衍生工具需與其非以公平價值經損益表入賬之主要合約分開處理。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Interest income and expense

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, an interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.7 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity securities, and available-for-sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The Group considers whether a contract contains an embedded derivative when the Group first becomes a party to it. The embedded derivatives are separated from the host contract which is not measured at fair value through profit or loss when the analysis shows that the economic characteristics and risks of embedded derivatives are not closely related to those of the host contract.

2 主要會計政策概述(續)

2.7 金融資產(續)

- (a) 以公平價值經損益表入賬之金融資產
此類別可細分為持作買賣用途之金融資產及於購入時指定為以公平價值經損益表入賬之金融資產。倘購入之金融資產主要為短期持作買賣用途，則歸類為持作買賣用途之金融資產。衍生工具，包括分開處理的內含衍生工具亦歸類為持作買賣用途，除非已指定作為對沖用途。持作買賣的投資收益或損失在收益表中確認。以公平價值經損益表入賬的金融資產之股息在本集團取得獲派股息權利時於損益表確認。

倘若一項合約包含一種以上的衍生工具，則整個混合合約可指定為以公平價值經損益表入賬的金融資產，除非內含衍生工具不會對現金流量造成太大變動或明確禁止分開處理內含衍生工具。

符合下列準則之金融資產一般歸類為於購入時指定為以公平價值經損益表入賬之金融資產：

- 該資產能消除或重大地減低以不同基準計量資產或負債或確認其損益上不一致之計量或確認情況(或稱為「會計錯配」)；或
- 一組金融資產及根據明文訂明之風險管理或投資策略列明以公平值基準進行管理及衡量其表現，此乃提供有關該等資產之資料供內部審閱之方法。

- (b) 貸款及應收款項
貸款及應收款項(包括現金及短期資金在銀行及其他金融機構之存款及貸款、商業票據以及客戶貸款)為有固定或可確定付款之非衍生金融資產，此等資產並沒有在活躍市場報價。
- (c) 持至到期之證券
持至到期之證券包括有固定或可確定付款金額及有固定期限的非衍生金融資產，本集團有明確意向和能力持至到期日。倘本集團出售或重新分類重大金額之持至到期之資產，所有該類證券之性質將改變，並重新歸類為備供銷售資產。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

- (a) *Financial assets at fair value through profit or loss*
This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Derivatives, including separated embedded derivatives, are also categorised as held for trading unless they are designated as hedges. Gain or loss on investments held for trading are recognised in the income statement. Dividends on financial assets at fair value through profit or loss are recognised in the income statement when the Group's right to receive payment is established.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

A financial asset is designated as fair value through profit or loss at inception if it meets the following criteria:

- It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mis-match") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which the information about the assets is provided internally.

- (b) *Loans and receivables*
Loans and receivables, including cash and short-term funds, placements with banks and advances to banks and other financial institutions, trade bills and loans and advances to customers, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- (c) *Held-to-maturity securities*
Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Group's management has the positive intention and ability to hold to maturity. Were the Group to sell or reclassify other than an insignificant amount of held-to-maturity securities, the entire category would be tainted and reclassified as available-for-sale.

2 主要會計政策概述(續)

2.7 金融資產(續)

(d) 備供銷售之投資

備供銷售金融資產為被指定為備供銷售之非衍生金融資產，或並非分類為任何其他類別之金融資產。備供銷售金融資產為有計劃作不設限期持有之金融資產，但可能因應流動資金之需要或利率、匯率或權益價格變動而出售。

金融資產之買賣按交易日基準(本集團承諾購買或出售資產之日)確認。所有並非以公平價值經損益表入賬之金融資產初時按公平值加直接產生之交易成本確認。根據該等金融資產取得現金流量之權利到期或已轉讓，並且本集團已轉讓絕大部分風險及回報及(a)已轉讓資產之絕大部分風險及回報，或(b)未轉讓或承擔資產之絕大部分風險及回報，但已轉讓資產之控制權時，則取消對註等金融資產之確認。

倘若本集團已轉讓其取得某項資產的現金流的權利，但未轉讓該項資產之絕大部分風險及回報，亦未轉讓對該項資產之控制權，則該項資產以本集團於其中持續參與之部分為限予以確認。以所轉讓的資產設立的擔保為表現形式的持續參與，按該項資產原有賬面值與本集團可被要求償付之最高代價金額兩者中較低者計量。

備供銷售金融資產及以公平價值經損益表入賬之金融資產其後其以公平值列賬。貸款及應收款項及持至到期之證券則採用實際利率法以攤銷成本列賬。「以公平價值經損益表入賬之金融資產」類別之公平值之變動所產生之收益及虧損，於其產生期間列入損益表。因備供銷售金融資產公平值變動產生之未變現收益及虧損於權益中直接確認，直至有關金融資產取消確認或減值，屆時以往於權益確認之累積收益或虧損將於損益表中確認。然而，使用實際利率法計算之利息乃於損益表中確認。備供銷售股本工具之股息在本集團取得獲派股息權利時於損益表確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(d) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale financial assets are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

Purchases and sales of financial assets are recognised on trade-date, that is, the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus directly attributable transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity securities are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in the income statement. However, interest calculated using the effective interest method is recognised in the income statement. Dividend on available-for-sale instruments are recognised in the income statement when the Group's right to receive payment is established.

2 主要會計政策概述(續)

2.7 金融資產(續)

上市投資公平值乃按現行買入價計算。倘金融資產之市場並不活躍(及就非上市證券而言)，本集團會採用估值方法訂出公平值，包括採用近期按公平原則進行之交易、參考其他大致相同的工具、現金流量折現分析及經改進以反映發行人特殊情況之期權定價模式釐定公平值。

2.8 金融資產減值

(a) 以攤銷成本列賬之資產

本集團會於各結算日評估是否存在客觀證據證明某項金融資產或金融資產組別出現減值。只當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產之估計未來現金流量構成之影響可以可靠地作出估計，有關之金融資產方被視為減值及產生減值損失。

證明某項或某組金融資產減值之客觀證據，包括本集團得悉有關以下虧損事件之可觀察資料：

- 發行人或義務人出現重大財政困難；
- 違反合約，例如逾期支付或拖欠利息或本金；
- 本集團為著與借款人之財政困難有關之經濟或法律理由，給予借款人一項借款人在其他情況下不會考慮之優惠；
- 借款人可能會破產或進行其他財務重組；
- 因為出現財政困難而導致該金融資產失去活躍市場；或
- 可察覺之資料顯示一組金融資產自首次確認入賬後，其估計未來現金流量出現可計量之下跌，儘管尚未能確認組合內導致有關下跌之個別金融資產，包括該組別之借款人付款狀況出現逆轉；或與該組別資產拖欠情況有關之國家或當地經濟狀況。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, a discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.8 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ('loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Objective evidence that a financial asset or a group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in the payment status of borrowers in the group; or national or local economic conditions that correlate with the defaults on the assets in the group.

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(a) 以攤銷成本列賬之資產(續)

本集團首先評估有否客觀證據證明個別重大之金融資產個別出現減值，以及不屬個別重大之金融資產個別或整體上出現減值。若本集團認為不存有任何客觀證據證明個別評估之金融資產出現減值，不論是否屬重大，有關資產將分類至具類同信貸風險特徵之金融資產組別內按組合整體評估減值。個別評估減值並已確認或持續確認減值損失之資產不在組合內評估減值。

若有客觀證據證明按攤銷成本列賬之貸款及應收款項或持至到期之證券出現減值損失，則以資產之賬面值，與按金融資產原來之實際利率折現估計未來現金流量(不包括未產生之未來信貸虧損)之現值兩者之間之差額計算虧損之金額。資產之賬面值透過在準備賬內扣減，虧損金額則於損益表內確認。倘貸款、應收款或持至到期之證券按浮動利率計息，計量任何減值損失之折現率為合約下釐定之現行實際利率。本集團可實際上以觀察所得市價按工具之公平值計量減值。

計算已抵押金融資產之估計日後現金流量之現值，反映取消贖回權可能產生之現金流量，減去獲取及出售擔保(不論是否可能取消贖回權)之成本。

按組合基準進行減值評估時，金融資產按類同信貸風險特點(即集團考慮資產類別、行業、地區、抵押類別、過往逾情況及其他相關因素)分類。該等特點反映債務人根據受評估資產之合約條款於所有債務到期時還款之能力，因而與估計該等資產組別日後現金流量有關。

一組按組合基準進行減值評估之金融資產之日後現金流量，乃按該組別資產之合約現金流量及與該組別資產具相若信貸風險特質之資產過往虧損經驗作出估計。過往虧損經驗會根據現時可觀察之資料作調整，以反映並沒有對過往經驗所依據之該期間產生影響之現有狀況之影響，以及消除於過往期間出現但現時並不存在之條件之影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(a) Assets carried at amortised cost (continued)

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity securities carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan, a receivable or held-to-maturity securities has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not the foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e., on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, overdue status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and the historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(a) 以攤銷成本列賬之資產(續)

賬目內必須反映一組資產日後現金流量之預期改變，並須與不同期間相關之可觀察資料之變動(如失業率、物業價格、付款情況，或其他可顯示該組別損失之可能性及損失程度之改變)方向一致。本集團定期檢討用作預計日後現金流量之方法及假設，以減低虧損估計與實際虧損之間之差距。

未能收回之貸款將在貸款減值相關之準備中予以撇銷。該等貸款將於完成所有必須程序及確定虧損金額後予以撇銷。倘日後收回過往所撇銷之金額，將在損益表中扣除貸款減值準備。

倘於某一將來之期間，減值損失金額減少，同時該等減少客觀地與確認減值後發生之事項相關(例如債務人信貸評級改善)，則透過調整準備賬將過往確認之減值損失撥回。撥回之金額以該項資產之賬面值於撥回之日並未超過其攤銷成本為限於損益表中確認。

(b) 以公平值列賬之資產

本集團會於各結算日評估是否存在客觀證據證明某項金融資產或金融資產組別出現減值。就被分類為股本證券之備供銷售證券而言，於釐定證券有否出現減值時，會考慮證券公平值之重大或持續下跌至低於其成本值。倘存有證據顯示備供銷售金融資產出現減值，其累計虧損(收購成本與現行公平值之差額)減該金融資產以往於損益表內確認之任何減值則於權益移除，並於損益表內確認。於損益表內確認之股本工具減值損失不會透過損益表撥回。倘於某一將來之期間，被分類為備供銷售之債務工具之公平值增加，而該等增加可客觀地與減值損失於損益表確認後出現之事件有關，減值損失將透過損益表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(a) *Assets carried at amortised cost (continued)*

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectable, it is written off against the related allowances for loan impairment. Such loan is written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowances for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement to the extent that the carrying value of the assets does not exceed its amortised cost at the reversal date.

(b) *Assets carried at fair value*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

2 主要會計政策概述(續)

2.9 金融負債

金融負債歸類為兩個類別：以公平價值經損益表入賬之金融負債及其他金融負債。所有金融負債均於訂立時歸類，並初步以公平值確認。

- (a) 以公平價值經損益表入賬之金融負債
此歸類細分為兩個類別：持作買賣用途之金融負債，以及於訂立時指定以公平價值經損益表入賬之金融負債。

倘所訂立之金融負債主要為短期持有作購回用途，則歸類為持有作買賣用途。此分類金融負債按公平值列值，而任何因公平值變動產生之盈虧均於損益表內確認。

倘若合約包括一種以上的內含衍生工具，則整個混合合約可指定為以公平價值經損益表入賬之金融負債，除非內含之衍生工具不對現金流造成太大變動或明確禁止分開處理內含衍生工具。

符合下列條件之金融負債一般歸類為於訂立時指定以公平價值經損益表入賬：

- 該資產能消除或重大地減低以不同基準計量資產或負債或確認其損益上不一致之計量或確認情況(或稱為「會計錯配」)；或
- 金融負債根據明文訂明之風險管理或投資策略列明以公平值基準進行管理及衡量其表現，此乃提供有關該等負債之資料供內部審閱之方法。

指定以公平價值經損益表入賬之金融負債，包括涉及若干衍生工具下之客戶存款，於訂立被指定為以公平價值經損益表入賬之金融負債。指定以公平價值經損益表入賬之金融負債按公平值列示，任何因公平值變動產生之盈虧均於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial liabilities

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

- (a) *Financial liabilities at fair value through profit or loss*
This category has two sub-categories: financial liabilities held for trading, and those designated at fair value through profit or loss at inception.

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

A financial liability is designated as fair value through profit or loss at inception if it meets the following criteria:

- It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mis-match”) that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which the information about the liabilities is provided internally.

Financial liabilities designated as at fair value through profit or loss, including deposits received from customers that are embedded with certain derivatives, are designated as such at inception. Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

2 主要會計政策概述(續)

2.9 金融負債(續)

(b) 其他金融負債

其他金融負債以攤銷成本列賬。扣除交易成本後所得款項與贖回價值兩者之差額，均按實際利率法於其他金融負債年期內於損益表確認。

金融負債於負債承擔被解除或取消或到期時即取消確認。

倘現有金融負債被來自同一貸款人條款基本不同之其他金融負債取代，或現有負債之條款被大幅修訂，則該等變動或修訂被當作不再確認原負債及確認新負債處理，原負債與新負債各自賬面值之差額於損益表內確認。

2.10 財務擔保合約

香港會計準則第39號內所指之財務擔保合約作為金融負債列賬。除以公平價值經損益表入賬之財務擔保合約外，該等合約初步按其公平價值加因收購或發行財務擔保合約而直接產生之交易成本確認。於初步確認之後，本集團按(i)根據香港會計準則第37號撥備、或然負債及或然資產釐定之金額；及(ii)初步確認之金額減(如適當)根據香港會計準則第18號收益確認之累計攤銷兩者中之較高者計量財務擔保合約。

2.11 衍生金融工具及對沖會計處理

衍生工具最初於訂立衍生工具合約之日按公平價值確認，其後按公平值重新計量。公平值乃根據活躍市場所報之市價釐定，包括最近市場交易及估值方法(包括現金流量折現模式及期權定價模式)。當衍生工具之公平值為正數時，均作為資產入賬；當公平值為負數時，則作為負債入賬。

首次確認衍生工具之公平值以交易價格(即所給或所收代價之公平值)為最佳方法，除非該衍生工具可按從現有市場上其他相同衍生工具之交易(即無經修訂或改動)比較或根據變數僅包括從可觀察市場中資料之估值方法。如有關證據存在，本集團將於首日確認溢利。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial liabilities (continued)

(b) Other financial liabilities

Other financial liabilities are carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the other financial liabilities using the effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

2.10 Financial Guarantee Contracts

Financial guarantee contracts in the scope of HKAS 39 are accounted for as financial liabilities. A financial guarantee contract is recognised initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial guarantee contract, except when such contract is recognised at fair value through profit or loss. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provision, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

2.11 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument (i.e., without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises profits on day one.

2 主要會計政策概述(續)

2.11 衍生金融工具及對沖會計處理(續)

當其他金融工具內含之若干衍生工具(例如可換股債券兌換期權)之經濟性質及風險與主合約並無密切關係時，而主合約並非以公平價值經損益表入賬，則作為個別衍生工具處理。

符合作對沖會計處理之衍生工具

公平值收益或虧損結果之確認方法取決於衍生工具是否指定為對沖工具，如屬者則須取決對沖項目性質。本集團指定若干衍生工具為：(1) 已確認資產或負債或未確認落實承擔之公平值之對沖(公平值對沖)；或(2) 歸屬於已確認資產或負債極有可能之未來現金流或預期交易之對沖(現金流對沖)。以此方法指定之衍生工具採納對沖會計方式處理，惟須符合若干條件。

本集團於訂立交易時將訂立文據，訂明對沖工具與所對沖項目之關係，以及其風險管理目標及進行若干對沖交易之策略。本集團亦於開始對沖時持續將其就用於對沖交易之衍生工具是否對抵銷公平值變動或所對沖項目的現金流量有顯著成效所進行之評估記錄。

- (a) 公平值對沖
被指定及適合作公平值對沖之衍生工具之公平值變動，連同與對沖風險相關之對沖資產或負債之任何公平值變動，於損益表中入賬。

倘對沖不再符合對沖會計處理之標準，則採用實際利率法釐定對沖項目賬面值之調整，於到期前期間在損益表攤銷，而對沖股本證券賬面值之調整則於出售前一直保存於保留盈利中。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Derivative financial instruments and hedge accounting (continued)

Certain derivatives embedded in other financial instruments, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss.

Derivatives that qualify for hedge accounting

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedge); or (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

- (a) Fair value hedge
Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

2 主要會計政策概述(續)

2.11 衍生金融工具及對沖會計處理(續)

符合作對沖會計處理之衍生工具(續)

(b) 現金流對沖

指定並合資格成為現金流量對沖之衍生工具之公平價值如有任何變動，其有效部份均在權益中確認。涉及無效部份之損益即時在損益賬中確認。

在權益中累積之金額於對沖項目將會影響損益之期間(例如進行已對沖之預測銷售)在損益賬中再次重新處理。

當某項對沖工具到期或出售時，或當對沖安排不再符合對沖會計之條件時，當時存在於權益中之任何累計損益依舊列作權益，並在預計交易最終在損益賬中確認始予入賬。當預計某項預測交易不再進行時，在權益當中呈報之累計損益須即時轉撥至損益賬。

不符合作對沖會計處理之衍生工具

若干衍生工具並不符合作對沖會計處理。任何不符合作對沖會計處理之衍生工具之公平值變動即時於損益賬內確認。

2.12 抵銷金融工具

如具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在資產負債表內以淨額列示。

2.13 買賣協議

倘承讓人有權根據合約或慣例出售或轉按抵押品時，根據購回協議(「購回協議」)售出之證券在賬目內歸類為抵押資產；對手方之負債列入應付其他銀行款項、銀行同業存款、其他存款或應付客戶存款(視乎適合而定)。根據轉售協議(「轉售協議」)購入之證券列為向其他銀行或客戶作出之貸款及墊款(視乎適合而定)。售價與購回價之差額作為利息處理，並採用實際利率法於協議之年期內計算。借予對手方之證券亦保留在賬目內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Derivative financial instruments and hedge accounting (continued)

Derivatives that qualify for hedge accounting (continued)

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss (for example, when the forecast sale that is hedged takes place).

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.13 Sale and repurchase agreements

Securities sold subject to repurchase agreements (“repos”) are reclassified in the accounts as pledged assets when the transferee has the right by contract or custom to sell or re-pledge the collateral; the counterparty liability is included in amounts due to other banks, deposits from banks, other deposits or deposits due to customers, as appropriate. Securities purchased under agreements to resell (“reverse repos”) are recorded as loans and advances to other banks or customers, as appropriate. The difference between sale and repurchase prices is treated as an interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the accounts.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.13 買賣協議(續)

借入之證券不在賬目內確認，除非該等證券出售給第三方(在該情況下，買賣及盈虧包含於交易收益內)。歸還該等證券之責任作為交易負債按公平值記錄。

2.14 收回資產

已收回抵押資產在「其他資產」項下列作「持作出售資產」，相關之貸款解除確認。已收回抵押資產按賬面值及變現淨值之較低者列值。

2.15 分部報告

業務分部為一組從事提供產品或服務之資產及業務，而所承擔之風險及回報與其他分部不同。地區分部為在某一經濟地區從事提供產品或服務，而所承擔之風險及回報與其他經濟地區之營運不同。

2.16 外幣換算

(a) 功能及呈列貨幣

本集團旗下各機構之賬目中所載項目乃採用該機構營運之主要經濟環境所使用之貨幣(「功能」)計量。綜合賬目乃以港元呈列。港元乃本銀行之運作及呈列貨幣。

(b) 交易及結餘

外幣交易按交易日現行之匯率換算為功能貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年終日之匯率換算所產生之匯兌收益及虧損，將於損益賬內確認，惟於股本中遞延為合資格現金流量對沖或合資格淨投資對沖除外。

非貨幣性項目，如持有以公平值列入損益賬的股本工具之換算差額將作為公平值收益或虧損之一部分所呈報。非貨幣性項目(如歸類為備供銷售之金融資產之證券)之換算差額則列入權益公平值儲備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Sale and repurchase agreements (continued)

Securities borrowed are not recognised in the accounts, unless these are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in the trading income. The obligation to return them is recorded at fair value as a trading liability.

2.14 Repossessed assets

Reposessed collateral assets are reported as “Assets held for sale” under “Other assets” and the relevant loans are derecognised. The reposessed collateral assets are measured at lower of carrying amount and net realisable value.

2.15 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.16 Foreign currency translation

(a) Functional and presentation currency

Items included in the accounts of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated accounts are presented in Hong Kong dollars, which is the Bank's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equity held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

2 主要會計政策概述(續)

2.16 外幣換算(續)

(c) 集團旗下公司

本集團所有功能與呈列貨幣不同的機構(均非高通脹經濟之貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 各資產負債表所呈列之資產及負債按結算日之收市匯率換算；
- 各損益賬之收入及支出按平均匯率換算(如果此平均值並非該等交易日期通行匯率之累積效果之合理約數，收入及支出將於交易日期換算)；及
- 所有兌換之差額將確認為權益內一個獨立項目。

於合併賬目時，換算外國機構淨投資及指定作為對沖該等投資之貸款及其他貨幣工具所產生之兌換差額，分別單獨列入股東權益。倘外國業務被售出，該等兌換差額列作出售所得盈利或虧損之部分在損益賬內確認。

因收購外國機構產生之商譽及公平值調整，被當作該外國機構之資產及負債處理，並按於結算日之匯率換算。

就綜合現金流量表而言，海外附屬公司之現金流乃按現金流產生當日之匯率換算為港元。海外附屬公司於整個年度之經常性循環現金流按年內之加權平均匯率換算為港元。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(continued)

2.16 Foreign currency translation (continued)

(c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expense are translated using the exchange rates prevailing at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are included in a separate component of equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2 主要會計政策概述(續)

2.17 物業及設備

銀行物業主要包括分行及辦事處。銀行物業按公平值(公平值乃根據外部獨立估值師至少每三年一次定期進行之估值減後續折舊後得出)列示。於重估日期,任何累積折舊與資產之賬面值總額抵銷,淨額重報至資產之重估值金額。所有其他物業及設備按歷史成本減折舊及減值損失載列。歷史成本包括收購該等項目直接應佔之支出。成本亦可包括來自因外幣購買物業及設備之合資格現金流量對沖而產生之任何盈利/虧損自權益轉出之部分。

只有當與該項目相關連之未來經濟利益可能流向本集團,以及該項目之成本可以可靠地釐定價值時,後續成本列於資產之賬面值中或作為單獨資產確認(視乎適合而定)。所有其他修理及維護開支均於該等修理及維護產生之財政期間之損益賬內扣除。

因重估銀行物業產生之賬面值增加計入股東權益下其他儲備中。用作抵銷同一資產過往增加之減值,乃直接於權益中與公平值儲備抵銷;所有其他減值於損益表內扣除。每年,以損益表內扣除之資產之重估賬面值為基準之折舊與以該資產之原始成本為基準之折舊之差額由重估儲備轉撥到保留盈利內。

物業及設備之折舊採用直線法計算,以按下文所示之年期內將成本或重估值金額撥入其於估計使用年期之剩餘價值:

銀行物業	—	於所在土地之剩餘租賃年期或五十年,以較短者為準
租賃物業裝修	—	於租賃樓房之租賃年期或十年,以較短者為準
傢俬及設備	—	四至十年

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Property, plant and equipment

Bank premises and properties comprise mainly branches and offices. Bank premises and properties are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of bank premises and properties are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are expensed in the income statement. Each year the difference between depreciation based on the revalued carrying amount of the asset expensed in the income statement and depreciation based on the asset's original cost is transferred from the revaluation reserve to retained earnings.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

Bank premises and properties	—	Over the remaining lease period of the land on which it is situated or 50 years, whichever is shorter
Leasehold improvements	—	Over the lease term of the leased premises or 10 years, whichever is shorter
Furniture and equipment	—	4 to 10 years

2 主要會計政策概述(續)

2.17 物業及設備(續)

於每年結算日將需檢討資產之剩餘價值及使用年期，並在合適之情況下作調整。

倘資產之賬面值大於其估計可收回金額，則該資產之賬面值立即減值至其可收回金額，而減值金額直接計入損益表。

物業及設備於出售之後或預期其使用或出售將不會產生未來經濟利益時即取消確認。於資產取消確認年度之損益表內確認之出售或報廢之任何盈虧，乃銷售所得款項淨額與相關資產賬面值之差額。於出售重估資產時，就上次估值已變現之儲備相關部分轉撥至保留盈利，列為儲備變動。

2.18 商譽

商譽指一項收購之成本超逾本集團分佔所收購附屬公司／聯營公司於收購日期之可識別資產及負債及所承擔之或然負債之公平值之部分。收購附屬公司之商譽列入無形資產。商譽的賬面值每年檢討減值，或如發生事件或情況改變顯示賬面值可能已減值，則更經常地進行減值檢討。商譽按成本減累計減值損失列賬。就商譽確認之減值損失於其後之期間不予撥回。出售實體之盈虧包括與所出售實體有關之商譽之賬面值。

商譽就減值測試目的被分配至各現金產生單位。每一該等現金產生單位由每一主要呈報分類代表。

2.19 無形資產

無形資產之使用年期經評估分為有限期及無限期兩類。具有有限期年期之無形資產於使用經濟年期內攤銷，並於有跡象顯示無形資產可能減值時進行減值評估。

具有有限期使用年期之無形資產之攤銷期及攤銷方法至少於每一結算日進行評估。

取消確認無形資產之盈虧乃按出售所得款項淨額與資產賬面值之差額計算，並於取消確認該項資產時於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Property, plant and equipment (continued)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, with the amount charged directly to income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal of a revalued asset, the relevant portion of the reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

2.18 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities and contingent liabilities assumed of the acquired subsidiary/associate at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in a subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by each primary reporting segment.

2.19 Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Gains or losses from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the assets are derecognised.

2 主要會計政策概述(續)

2.19 無形資產(續)

(a) 電腦軟件

所購入之電腦軟件許可按收購所產生之成本及將軟件達致使用狀況為基準予以資本化。此等成本於估計可使用年內(四年)攤銷。

與開發或維護電腦軟件程式有關之成本，於產生時確認為開支。直接與製造可辨認及由本集團控制之獨有軟件產品有關，並且很可能於一年後產生超出其成本之經濟利益之成本，乃確認為無形資產。直接成本包括軟件開發人員之成本及於有關雜項開支之應佔部分。

確認為無形資產之電腦軟件開發成本，乃於其估計可使用年內(不超過四年)攤銷。

(b) 交易權

交易權指符合資格在香港聯合交易所有限公司或透過其進行交易之權利，具有無限使用年期，並每年進行減值測試。該類無形資產不予攤銷。使用年期每年進行評估，以確定無限期年期之判定是否繼續有合理支持，如否，則由無限期轉變為有限期之使用年期評估按預先基準計算。

2.20 資產減值

具有無限使用年期之資產毋需攤銷，但須每年進行減值測試，及倘出現顯示賬面值可能不能收回之事件或環境變動時須就減值進行審閱。須作出攤銷之資產於出現其賬面值可能不能收回之事件或環境變動時進行評估。減值損失按資產之賬面金額超出其回收金額之部分確認。可收回金額為資產之公平值減出售成本，及使用價值兩者中之較高者。就評估減值而言，資產乃於現金流可分開辨識(現金產生單位)之最基本層分類。於評估使用價值時，估計未來現金流按可反映目前市場對貨幣時間值及資產特定風險之評估之稅前折現率折現至其現值。減值損失於其產生期間自損益表內扣除，惟資產以重估金額列賬時，其減值損失按該重估資產之有關會計原則入賬。只有在用以釐定資產之可收回金額之估計發生改變時，該資產除商譽外先前已確認之減值損失方予以撥回，惟數額不得高於假設於過往年度並無就資產確認減值損失之情況下原應已釐定之賬面值(減任何減值/攤銷)。被撥回之減值損失於撥回期間計入損益表。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Intangible assets (continued)

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (four years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Computer software development costs recognised as intangible assets are amortised over their estimated useful lives (not exceeding four years).

(b) Trading rights

Trading rights represent eligibility rights to trade on or through The Stock Exchange of Hong Kong Limited, with indefinite useful lives and are tested for impairment annually. Such intangible assets are not amortised. The useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable, if not, the change in the useful life assessment from indefinite to infinite is accounted for on a prospective basis.

2.20 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.21 所得稅

所得稅包括當期及遞延稅項。所得稅於損益表內確認，或倘其與在相同或其他期間直接於權益內確認之項目有關，則於權益內確認。當前及過往期間之當期稅項資產及負債，按預期將由稅務部門收回或付予稅務部門之數額計量。

遞延稅項乃就綜合賬目中資產及負債之稅基與賬目上彼等賬面值之間產生之暫時差額，以負債法全數作出撥備。然而，倘遞延稅項乃來自初步確認交易(並非業務合併)之資產或負債，且交易時並不影響會計處理及應課稅溢利或虧損，則另作別論。遞延稅項採用於結算日已經或基本已經實施及預計於相關遞延稅項資產變現或遞延稅項負債清償時將適用之稅率(及稅務法律)釐定。

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

遞延稅項須就投資於附屬公司及聯營公司而產生之暫時差異作出撥備，除非暫時差異之撥回由本集團控制及該暫時差異很可能不會在可見未來撥回。

與備供銷售之投資及現金流量對沖之公平值重新計量相關之遞延稅項，亦直接在權益中扣除或計入權益，其後連同遞延損益在損益表中確認。

遞延稅項之賬面值於每一結算日進行評估，並在不再可能產生足夠應課稅溢利以動用全部或部分遞延稅項資產作抵銷時予以削減。相反，先前未確認之遞延稅項資產於每一結算日重新進行評估，並於將有可能產生足夠應課稅溢利以動用全部或部分遞延稅項資產作抵銷時方予確認。

遞延稅項資產及負債乃根據於結算日已實施或基本已實施之稅率(及稅法)，按預期將適用於資產變現或負債清償期間之稅率計量。

遞延稅項資產及負債於擁有合法權利以即期稅項資產抵銷即期稅項負債及遞延稅項與同一應課稅實體及同一稅務部門有關時予以互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated account. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax related to fair value re-measurement of available-for-sale investments and cash flow hedges, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same tax authority.

2 主要會計政策概述(續)

2.22 僱員福利

- (a) *僱員假期*
僱員應享有之年假及長期服務假期會於確立時確認。根據僱員截至結算日已提供的服務而估算的未享年假及長期服務假期已作撥備。
- (b) *退休金責任*
本集團根據職業退休計劃條例及強制性公積金計劃條例為合資格及選擇參與之集團員工提供定額供款退休金計劃。職業退休計劃之供款乃根據合資格員工有關收入(定義見強制性公積金計劃條例)計算。該等供款會於產生時列作支出。本集團前任員工在可全數取得僱主供款前離開而被沒收之供款。上述計劃之資產乃由獨立管理之基金持有，與本集團之資產分開管理。

2.23 撥備

倘本集團因(1)過往事件而產生現時法律或推定責任；(2)可能須就解除責任而導致經濟資源流出之可能性高於不會導致經濟流出之可能性；及(3)可就責任之款額作出可靠估計時，則需確認重組成本及法律索償之撥備。重組撥備包括租約終止罰則及僱員終止付款。未來經營虧損不會確認撥備。

倘有多項相似之責任時，解除該等責任所需導致流出之可能性按責任之類別從整體予以釐定。即使在同一類別責任內任何一項目導致流出之可能性可能會很小，亦需就此確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Employee benefits

- (a) *Employee leave entitlements*
Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.
- (b) *Pension obligations*
The Group operates a defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and another defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") for those employees of the Group who are eligible and have elected to participate in the schemes. The Group's contributions to the ORSO Scheme are made based on a percentage of the eligible employees' basic salaries and those made to the MPF Scheme are made based on a percentage of the eligible employees' relevant income as defined in the MPF Scheme. These contributions are expensed as incurred and are reduced by contributions forfeited by those employees of the Group who leave the schemes prior to the contributions vesting fully. The assets of the schemes are held separately from those of the Group in independently administered funds.

2.23 Provisions

Provisions for restructuring costs and legal claims are recognised when (1) the Group has a present legal or constructive obligation as a result of past events; (2) it is more likely than not that an outflow of resources will be required to settle the obligation; and (3) the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2 主要會計政策概述(續)

2.24 經營租賃

擁有權的絕大部分風險及回報皆由出租公司承擔的租約歸類為經營租賃。租約款項在扣除自出租公司收取之任何獎勵金後，於租約期內以直線法在損益表中支銷。本集團於租賃土地及土地使用權之權益亦計作經營租賃。

根據經營租賃，倘本集團為出租人時，訂約出租之資產在資產負債表列為物業及設備。該等資產按相類之自有物業及設備之基準，於其預計使用年內折舊。

根據經營租賃預付之土地租賃款最初按成本列賬，其後以直線基準於租期內確認。

2.25 現金及等同現金項目

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

2.26 關連人士

於下列情況下，有關人士被認為與本集團發生關連：

- (a) 該人士直接或間接透過一間或多間中介機構(i)控制本集團、被本集團控制或與本集團受到共同控制；(ii)於本集團擁有使其可對本集團形成重大影響之權益；或(iii)共同控制本集團；
- (b) 該人士為聯營公司；
- (c) 該人士為共同控制實體；
- (d) 該人士為本集團或其母公司之主要管理人員；
- (e) 該人士為(a)或(d)內所指任何個人之親屬；或
- (f) 該人士為直接或間接受(d)或(e)內所指任何個人控制、共同控制或受到該名個人重大影響或其重大投票權屬於該名個人之實體。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.24 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease. The Group's interests in leasehold land and land use rights are also accounted as operating leases.

Where the Group is a lessor under operating leases, assets leased out are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.25 Cash and cash equivalents

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprise balances with an original maturity of three months or less, including: cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit.

2.26 Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

2 主要會計政策概述(續)

2.27 股息

董事擬派之末期股息歸類為資產負債表權益部分中保留溢利之單獨分配，直至獲股東於股東大會上批准為止。該等股息於獲股東批准並獲宣派時確認為負債。

因本行公司章程及細則授權董事宣派中期股息，中期股息同一時間建議及宣派。因此，中期股息在建議及宣派時即時確認為負債。

3 財務風險管理

3.1 採用金融工具策略

根據其性質，本集團之業務主要與使用金融工具(包括衍生工具)有關。本集團按定息或浮息及不同年期接受客戶存款，以及透過將資金投資於高質素之資產優化息差收入。本集團尋求透過整合短期資金及按較高利率借出年期較長之款項增加此等息差收入，同時在過程中維持足夠流動資金應付可能須付之所有索償。

集團亦透過向多家不同信貸級別之商業及零售借款人貸款，以獲取減除撥備後較高之息差，藉此提高息差收入。此等活動風險不只牽涉資產負債表內之貸款及墊款。本集團亦訂立擔保及其他承擔，例如信用證及其他債券。

本集團亦通過持有場外工具之倉盤買賣金融工具，藉貨幣、利率及證券價格之短期波動以賺取利潤。董事會就所買賣之產品制定交易限額。

(a) 公平值對沖

本集團亦透過利率及交叉貨幣利率掉期，對沖其定息資產之部分現有港元及外幣利率風險。此等掉期於二零零六年十二月三十一日之公平淨值為29,000,000港元(二零零五年：23,000,000港元)。

(b) 現金流對沖

年內並無進行該等交易(二零零五年：無)。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.27 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Bank's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3 FINANCIAL RISK MANAGEMENT

3.1 Strategy in using financial instruments

By their nature, the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to optimise the interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins generally by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity in the process to meet all claims that might fall due.

The Group also seeks to raise its interest margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances but also guarantees and other commitments such as letters of credit and performance, and other bonds.

The Group also trades in financial instruments by taking positions in over-the-counter instruments to take advantage of short-term market movements in currencies, interest rates and securities prices. The Board places trading limits on the level of exposure for trading products.

(a) Fair value hedges

The Group hedges part of the existing Hong Kong dollar and foreign currency interest rate risk in its fixed rate assets by means of interest rate and cross-currency interest rate swaps. The net fair value of these swaps at 31 December 2006 was HK\$29,000,000 (2005: HK\$23,000,000).

(b) Cash flow hedges

There were no such transactions during the year (2005: Nil).

3 財務風險管理(續)

3.2 信貸風險

本集團承擔信貸風險，該等風險指交易對手方於到期時未能償還全部欠款。本集團就於結算日已產生之虧損撥減準備。經濟或特定行業類別之健全程度，可導致有別於結算日已計提撥備之虧損。因此，管理層審慎管理其信貸風險。

本集團透過就某一貸款人或一組貸款人，以及就特定地區及行業類別設定接納之限額。本集團定期及持續監察風險，每年甚至更頻密進行檢討。董事會成員每季度審閱按產品、行業及國家設定之信貸風險限額。

本集團透過定期分析貸款人及潛在貸款人履行償還利息及資本之責任之能力，以及透過於需要時修改此等限額，藉以管理信貸風險。此外亦部分透過獲取抵押品和公司及個人擔保管理信貸風險，雖然大部分公司及個人借貸現時並無提供該等抵押品。

(a) 衍生工具

本集團對未平倉衍生合約金額嚴格控制。於任何時間，承受信貸風險之金額以有利於本集團之工具(即公平值為正數之該等資產)現行公平價值十分有限，就衍生工具而言只佔合約之一個小部分，或用以表達未償還工具之數量之名義金額。由衍生工具交易所生的信貸風險是綜合於該交易對手的整體信貸風險內一併管理。此等工具之信貸風險並不是經常獲得抵押品或其他抵押，惟本集團要求對手方提供保證按金之情況除外。

(b) 總淨額結算安排

本集團與進行大量交易的交易對方訂立總淨額結算安排，藉此進一步減少信貸風險。總淨額結算安排不一定會導致資產負債表上資產及債務的對消，原因是交易通常按總額結算。然而，有關之信貸風險會借著總淨額結算安排而降低，於拖欠發生時交易對方所有借貸將被停止及按淨額結算。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk

The Group takes on the exposure to credit risk, which is the risk that a counterparty will become unable to repay amounts in full when due. Impairment allowances are made for losses that have been incurred at the balance sheet date. Significant changes in the economy or in the health of a particular industry segment could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review. Limits on the level of credit risk by product, industry sector and by country are reviewed quarterly by members of the Board of Directors.

Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by obtaining collateral and corporate and personal guarantees, although for a significant portion of corporate and personal lending, no such collateral can be obtained.

(a) Derivatives

The Group maintains strict control limits on open derivative positions. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e., assets where their fair values are positive), which is only a small fraction of the contract in relation to derivatives, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall credit risk associated with counterparties. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

(b) Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

3 財務風險管理(續)

3.2 信貸風險(續)

(c) 信貸承諾

該等工具之主要目的是確保資金足夠供應給客戶在有需要應付其債務時提取。擔保及備用信用證乃本集團所作出不能撤回的保證，確認本集團將會在客戶未能向第三方履行責任時作出償付。該等工具帶有與貸款相同之信貸風險。跟單及商業信用證為本集團書面承諾代表客戶授權第三方按訂明之條款及條件向本集團提取某一訂明金額之款項，這些付款承諾乃以相關之付運貨物作為抵押，因此較直接借貸之風險為低。

發出信貸之承諾代表以貸款、擔保書及信用證等形式確認已批核信貸之未動用部分。有關所發出信貸承擔之信貸風險，其潛在損失風險應相當於未動用承諾之總額。然而，即使在最壞的情況下，實際需償付之金額，因為客戶大多還是未能滿足一些特定信貸要求，而往往低於未動用承諾的總金額。本集團會控制信貸承諾之時間長短，因較長年期之承諾一般較短期承諾存在較大程度的信貸風險。

3.3 綜合資產、負債、資產負債表外項目之地區集中情況

本集團九成以上之經營收入、除稅前溢利、資產總值、負債總額、或然負債及承諾來自香港或以計入香港之帳目內。

3.4 市場風險

本集團承擔市場風險。市場風險來自利率及貨幣產品之未平倉倉盤。本集團根據多項市場狀況之假設，採用公認之方法評估其持有倉盤之市場風險和潛在損失。董事會設定就風險價值可接受之水平，並每日進行監察。

產品倉盤限額限定本集團可承擔之貨幣、債務及其他金融工具之最高風險。DV01（「一個基點收益率變動導致之價值變動」）計算債券組合價值對市場收益率變動之敏感度。此等限額由獨立部分負責每日進行監察。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk (continued)

(c) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer to settle his obligations as required. Guarantees and standby letters of credit – which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties – carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct lending.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the potential exposure of loss should be equal to the total amounts of unused commitments. However, even in the worst scenario, the loss is likely to be less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

3.3 Geographical concentrations of consolidated assets, consolidated liabilities and off-balance sheet items

Over 90% of the Group's operating income, profit before tax, total assets, total liabilities, contingent liabilities and commitments arise from or are booked in Hong Kong.

3.4 Market risk

The Group takes on the exposure to market risks. Market risks arise from open positions in interest rates and currency products. The Group applies generally accepted methodologies to estimate the market risk of positions held and the potential losses, based upon a number of assumptions for various changes in market conditions. The Board sets limits on the value of risk that may be accepted, which is monitored on a daily basis.

Product position limit specifies the maximum exposures of currencies, debts and other financial instruments which the group can take on. DV01 (“Dollar value change from one basis point change in yield”) measures the sensitivity of the bond portfolio value to changes in market yield. These limits are monitored daily by an independent department.

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.5 貨幣風險

本集團因現行外幣市場匯率波動對其財務狀況及現金流之影響而承擔風險。董事會設定未平倉淨倉盤限額，並每日進行監察。下表概列本集團於十二月三十一日之外匯匯率風險。表內所載為本集團按賬面值列值之資產與負債，並按貨幣種類分類。與資產負債表外項目之間之差別為外幣衍生金融工具(主要用以減低本集團之貨幣波動風險)之名義金額與其公平值之間之差別。

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Currency risk

The Group takes on the exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The net open position limits set by the Board are monitored daily. The table below summarises the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by currency. The off-balance sheet gap represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements, and their fair values.

本集團	The Group	港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	其他 Other 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年 十二月三十一日	At 31 December 2006				
資產	Assets				
現金及短期資金	Cash and short-term funds	4,016,115	41,345,978	2,119,664	47,481,757
在銀行及其他金融 機構之存款及 貸款	Placements with banks and advances to banks and other financial institutions	290,000	4,725,135	-	5,015,135
商業票據	Trade bills	18,050	1,040,221	208,798	1,267,069
持作買賣用途之證券	Trading securities	42,700	13,768	-	56,468
衍生金融工具	Derivative financial instruments	336,192	295,835	81,175	713,202
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	199,593	1,298,699	206,057	1,704,349
客戶貸款	Loans and advances to customers	56,740,015	14,791,995	2,848,677	74,380,687
備供銷售證券	Available-for-sale securities	2,542,552	6,986,456	1,523,310	11,052,318
持至到期證券	Held-to-maturity securities	629,139	1,298,588	218,600	2,146,327
於聯營公司之投資	Investment in an associate	34,485	-	-	34,485
無形資產	Intangible assets	1,050,773	-	-	1,050,773
物業及設備	Property, plant and equipment	152,582	96,814	21	249,417
租賃土地 權益	Leasehold land and land use rights	61,427	-	-	61,427
其他資產	Other assets	558,254	546,786	73,305	1,178,345
資產總額	Total assets	66,671,877	72,440,275	7,279,607	146,391,759
負債	Liabilities				
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	6,165,452	7,238,893	151,155	13,555,500
衍生金融工具	Derivative financial instruments	340,494	351,502	81,120	773,116
客戶存款	Deposits from customers	54,016,732	41,695,960	2,310,043	98,022,735
已發行存款證	Certificates of deposit issued	5,058,658	5,263,377	-	10,322,035
已發行債券	Debt securities in issue	-	2,997,804	-	2,997,804
次級債券	Subordinated debt	1,500,000	6,027,950	-	7,527,950
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	1,212,226	783,243	111,847	2,107,316
負債總額	Total liabilities	68,293,562	64,358,729	2,654,165	135,306,456
資產負債表內持倉淨額	Net on-balance sheet position	(1,621,685)	8,081,546	4,625,442	11,085,303
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	(1,572,767)	1,273,225	299,542	-
信貸承擔	Credit commitments	45,213,801	7,180,743	1,305,585	53,700,129

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.5 貨幣風險(續)

本銀行	The Bank	港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	其他 Other 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年 十二月三十一日	At 31 December 2006				
資產	Assets				
現金及短期資金	Cash and short-term funds	4,043,086	40,870,726	1,999,201	46,913,013
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	380,000	5,399,578	–	5,779,578
商業票據	Trade bills	18,050	1,040,221	208,798	1,267,069
持作買賣用途證券	Trading securities	42,700	13,768	–	56,468
衍生金融工具	Derivative financial instruments	336,192	295,835	81,175	713,202
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	199,593	1,298,699	206,057	1,704,349
客戶貸款	Loans and advances to customers	56,561,469	13,973,861	2,848,677	73,384,007
備供銷售證券	Available-for-sale securities	2,541,843	6,986,456	1,523,310	11,051,609
持至到期證券	Held-to-maturity securities	629,139	1,298,588	218,600	2,146,327
於聯營公司之投資	Investment in an associate	14,508	–	–	14,508
於附屬公司之投資	Investments in subsidiaries	1,417,707	–	–	1,417,707
無形資產	Intangible assets	711,335	–	–	711,335
物業及設備	Property, plant and equipment	152,581	–	–	152,581
租賃土地 權益	Leasehold land and land use rights	61,427	–	–	61,427
其他資產	Other assets	594,868	553,365	116,774	1,265,007
資產總額	Total assets	67,704,498	71,731,097	7,202,592	146,638,187
負債	Liabilities				
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	6,166,156	7,239,994	151,155	13,557,305
衍生金融工具	Derivative financial instruments	340,494	351,502	81,120	773,116
客戶存款	Deposits from customers	54,143,659	41,685,073	5,624,434	101,453,166
已發行存款證	Certificates of deposit issued	5,058,658	5,263,377	–	10,322,035
次級債券	Subordinated debt	1,500,000	6,027,950	–	7,527,950
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	1,235,149	782,391	53,162	2,070,702
負債總額	Total liabilities	68,444,116	61,350,287	5,909,871	135,704,274
資產負債表內持倉淨額	Net on-balance sheet position	(739,618)	10,380,810	1,292,721	10,933,913
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	(587,717)	592,456	(4,739)	–
信貸承擔	Credit commitments	45,057,502	7,160,520	1,305,585	53,523,607

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Currency risk (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.5 貨幣風險(續)

本銀行	The Bank	港元 HK\$	美元 US\$	其他 Other	總計 Total
於二零零五年 十二月三十一日	At 31 December 2005	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets				
現金及短期資金	Cash and short-term funds	3,167,434	18,835,834	2,885,676	24,888,944
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	8,537	2,051,166	409,942	2,469,645
商業票據	Trade bills	45,203	1,816,527	130,650	1,992,380
持作買賣用途證券	Trading securities	247	–	–	247
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	256,466	349,287	4,084	609,837
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	196,657	1,304,484	188,869	1,690,010
客戶貸款	Loans and advances to customers	53,759,714	11,287,410	2,048,165	67,095,289
備供銷售證券	Available-for-sale securities	2,161,229	6,981,508	994,319	10,137,056
持至到期證券	Held-to-maturity securities	1,365,254	1,397,653	319,861	3,082,768
於聯營公司之投資	Investment in an associate	14,508	–	–	14,508
於附屬公司之投資	Investments in subsidiaries	3,318,639	–	–	3,318,639
無形資產	Intangible assets	756,722	–	–	756,722
物業及設備	Property, plant and equipment	124,547	–	–	124,547
租賃土地 權益	Leasehold land and land use rights	91,704	–	–	91,704
其他資產(附註2.4)	Other assets (Note 2.4)	408,627	381,712	129,625	919,964
資產總額	Total assets	65,675,488	44,405,581	7,111,191	117,192,260
負債	Liabilities				
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	7,136,179	17,184,320	9,155	24,329,654
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	284,178	434,050	4,691	722,919
客戶存款	Deposits from customers	31,716,675	27,156,041	7,602,745	66,475,461
已發行存款證	Certificates of deposit issued	4,563,639	4,787,666	–	9,351,305
次級債券(附註2.4)	Subordinated debt (Note 2.4)	1,500,000	3,838,775	–	5,338,775
其他負債，包括 即期及遞延稅項 負債(附註2.4)	Other liabilities, including current and deferred income tax liabilities (Note 2.4)	778,608	574,586	70,351	1,423,545
負債總額	Total liabilities	45,979,279	53,975,438	7,686,942	107,641,659
資產負債表內持倉淨額	Net on-balance sheet position	19,696,209	(9,569,857)	(575,751)	9,550,601
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	2,390,000	8,000	(2,398,000)	–
信貸承擔	Credit commitments	21,767,553	5,387,746	805,280	27,960,579

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Currency risk (continued)

	港元 HK\$	美元 US\$	其他 Other	總計 Total
	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產				
Cash and short-term funds	3,167,434	18,835,834	2,885,676	24,888,944
Placements with banks and advances to banks and other financial institutions	8,537	2,051,166	409,942	2,469,645
Trade bills	45,203	1,816,527	130,650	1,992,380
Trading securities	247	–	–	247
Derivative financial instruments (Note 2.4)	256,466	349,287	4,084	609,837
Financial assets at fair value through profit or loss	196,657	1,304,484	188,869	1,690,010
Loans and advances to customers	53,759,714	11,287,410	2,048,165	67,095,289
Available-for-sale securities	2,161,229	6,981,508	994,319	10,137,056
Held-to-maturity securities	1,365,254	1,397,653	319,861	3,082,768
Investment in an associate	14,508	–	–	14,508
Investments in subsidiaries	3,318,639	–	–	3,318,639
Intangible assets	756,722	–	–	756,722
Property, plant and equipment	124,547	–	–	124,547
Leasehold land and land use rights	91,704	–	–	91,704
Other assets (Note 2.4)	408,627	381,712	129,625	919,964
Total assets	65,675,488	44,405,581	7,111,191	117,192,260
負債				
Deposits from banks and other financial institutions	7,136,179	17,184,320	9,155	24,329,654
Derivative financial instruments (Note 2.4)	284,178	434,050	4,691	722,919
Deposits from customers	31,716,675	27,156,041	7,602,745	66,475,461
Certificates of deposit issued	4,563,639	4,787,666	–	9,351,305
Subordinated debt (Note 2.4)	1,500,000	3,838,775	–	5,338,775
Other liabilities, including current and deferred income tax liabilities (Note 2.4)	778,608	574,586	70,351	1,423,545
Total liabilities	45,979,279	53,975,438	7,686,942	107,641,659
Net on-balance sheet position	19,696,209	(9,569,857)	(575,751)	9,550,601
Off-balance sheet net notional position	2,390,000	8,000	(2,398,000)	–
Credit commitments	21,767,553	5,387,746	805,280	27,960,579

3 財務風險管理(續)

3.6 利率風險

利率風險乃指金融工具之未來現金流量將隨著市場利率改變而波動的風險及金融工具之價值將隨著市場利率改變而波動的風險。現行市場利率水平的波動會造成本集團的公平價值利率風險及現金流量利率風險。由於利率變動，息差可能會增加，減少或引致虧損。董事會設定息率重定之錯配限額。

下表概述本集團所面臨之利率風險，並按賬面值列示本集團之資產及負債，而資產及負債則按重定息日或到期日(以較早者為準)分類。

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risks

Interest rate risks are the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates and the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on the exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its cash flow and fair value interest rate risks. Interest margins may increase, decrease or create losses. The Board sets limits on the level of mis-match of its interest rate repricing.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.6 利率風險(續)

本集團	The Group	一個月內 Up to 1 month 千港元 HK\$'000	一至三個月 1 to 3 months 千港元 HK\$'000	三至十二個月 3 to 12 months 千港元 HK\$'000	一至五年 1 to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	不計息 Non-Interest Bearing 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年 十二月三十一日	At 31 December 2006							
資產	Assets							
現金及短期資金	Cash and short-term funds	47,267,018	-	-	-	-	214,739	47,481,757
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	5,015,135	-	-	-	-	5,015,135
商業票據	Trade bills	756,494	263,734	246,841	-	-	-	1,267,069
持作買賣用途證券	Trading securities	-	13,868	-	-	-	42,600	56,468
衍生金融工具	Derivative financial instruments	-	-	-	-	-	713,202	713,202
以公平價值經 損益表入賬之 金融資產	Financial assets at fair value through profit or loss	-	-	206,057	501,415	996,877	-	1,704,349
客戶貸款	Loans and advances to customers	54,609,913	16,113,900	2,809,197	594,639	176,825	76,213	74,380,687
備供銷售證券	Available-for-sale securities	1,486,495	2,494,582	1,102,922	3,944,875	969,995	1,053,449	11,052,318
持至到期證券	Held-to-maturity securities	1,190,160	603,682	148,053	204,432	-	-	2,146,327
其他資產	Other assets	85,645	-	-	-	-	2,488,802	2,574,447
資產總額	Total assets	105,395,725	24,504,901	4,513,070	5,245,361	2,143,697	4,589,005	146,391,759
負債	Liabilities							
銀行同業及其他金融機 構之存款及結餘	Deposits from banks and other financial institutions	13,056,965	206,241	-	-	-	292,294	13,555,500
衍生金融工具	Derivative financial instruments	-	-	-	-	-	773,116	773,116
客戶存款	Deposits from customers	79,915,739	11,717,383	3,037,996	12,319	10,111	3,329,187	98,022,735
已發行存款證	Certificates of deposit issued	649,585	1,539,640	6,151,374	1,981,436	-	-	10,322,035
已發行債券	Debt securities in issue	-	2,997,804	-	-	-	-	2,997,804
次級債券	Subordinated debt	1,516,710	4,222,300	1,788,940	-	-	-	7,527,950
其他負債	Other liabilities	36,433	-	-	-	-	2,070,883	2,107,316
負債總額	Total liabilities	95,175,432	20,683,368	10,978,310	1,993,755	10,111	6,465,480	135,306,456
利率敏感度 缺口總額	Total interest sensitivity gap	10,220,293	3,821,533	(6,465,240)	3,251,606	2,133,586	(1,876,475)	11,085,303

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risks (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.6 利率風險(續)

本集團	The Group	一個月內 Up to 1 month	一至三個月 1 to 3 months	三至十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non-Interest Bearing	總計 Total
於二零零五年 十二月三十一日	At 31 December 2005	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	24,420,836	-	-	-	-	896,402	25,317,238
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	426,176	1,938,775	104,694	-	-	2,469,645
商業票據	Trade bills	671,081	1,023,082	237,750	-	-	60,467	1,992,380
持作買賣用途證券	Trading securities	-	149	-	98	-	-	247
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	-	-	-	-	609,837	609,837
以公平價值經 損益表入賬之 金融資產	Financial assets at fair value through profit or loss	-	-	384,613	693,252	612,145	-	1,690,010
客戶貸款	Loans and advances to customers	47,751,596	14,371,376	5,512,470	277,929	239,292	-	68,152,663
備供銷售證券	Available-for-sale securities	1,245,468	1,838,354	1,259,716	4,100,031	1,174,204	520,038	10,137,811
持至到期證券	Held-to-maturity securities	1,187,647	1,185,368	348,267	360,217	-	-	3,081,499
其他資產(附註2.4)	Other assets (Note 2.4)	45,538	-	-	-	-	2,284,809	2,330,347
資產總額	Total assets	75,322,166	18,844,505	9,681,591	5,536,221	2,025,641	4,371,553	115,781,677
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	7,426,182	8,614,106	8,530,610	-	-	524,486	25,095,384
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	-	-	-	-	722,919	722,919
客戶存款	Deposits from customers	41,234,602	14,967,637	1,951,454	37,344	10,082	2,789,029	60,990,148
已發行存款證	Certificates of deposit issued	249,987	1,164,493	5,410,188	2,526,637	-	-	9,351,305
已發行債券	Debt securities in issue	-	2,978,615	-	-	-	-	2,978,615
次級債券(附註2.4)	Subordinated debt (Note 2.4)	1,512,245	2,042,857	1,783,673	-	-	-	5,338,775
其他負債(附註2.4)	Other liabilities (Note 2.4)	85,911	-	-	-	-	1,348,766	1,434,677
負債總額	Total liabilities	50,508,927	29,767,708	17,675,925	2,563,981	10,082	5,385,200	105,911,823
利率敏感度 缺口總額	Total interest sensitivity gap	24,813,239	(10,923,203)	(7,994,334)	2,972,240	2,015,559	(1,013,647)	9,869,854

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risks (continued)

賬目附註

Notes to the Accounts

3 財務風險管理(續)

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 利率風險(續)

3.6 Interest rate risks (continued)

本銀行	The Bank	一個月內 Up to 1 month	一至三個月 1 to 3 months	三至十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non-Interest Bearing	總計 Total
於二零零六年 十二月三十一日	At 31 December 2006	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	46,698,274	-	-	-	-	214,739	46,913,013
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	5,199,081	277,138	-	-	303,359	5,779,578
商業票據	Trade bills	756,494	263,734	246,841	-	-	-	1,267,069
持作買賣用途證券	Trading securities	-	13,868	-	-	-	42,600	56,468
衍生金融工具	Derivative financial instruments	-	-	-	-	-	713,202	713,202
以公平價值經 損益表入賬之 金融資產	Financial assets at fair value through profit or loss	-	-	206,057	501,415	996,877	-	1,704,349
客戶貸款	Loans and advances to customers	54,544,567	15,579,348	2,412,415	594,639	176,825	76,213	73,384,007
備供銷售證券	Available-for-sale securities	1,486,495	2,494,582	1,102,922	3,944,875	969,995	1,052,740	11,051,609
持至到期證券	Held-to-maturity securities	1,190,160	603,682	148,053	204,432	-	-	2,146,327
其他資產	Other assets	85,645	-	-	-	-	3,536,920	3,622,565
資產總額	Total assets	104,761,635	24,154,295	4,393,426	5,245,361	2,143,697	5,939,773	146,638,187
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	13,058,068	206,241	-	-	-	292,996	13,557,305
衍生金融工具	Derivative financial instruments	-	-	-	-	-	773,116	773,116
客戶存款	Deposits from customers	80,254,369	14,707,381	3,037,996	12,319	10,111	3,430,990	101,453,166
已發行存款證	Certificates of deposit issued	649,585	1,539,640	6,151,374	1,981,436	-	-	10,322,035
次級債券	Subordinated debt	1,516,710	4,222,300	1,788,940	-	-	-	7,527,950
其他負債	Other liabilities	36,433	-	-	-	-	2,034,269	2,070,702
負債總額	Total liabilities	95,515,165	20,675,562	10,978,310	1,993,755	10,111	6,531,371	135,704,274
利率敏感度 缺口總額	Total interest sensitivity gap	9,246,470	3,478,733	(6,584,884)	3,251,606	2,133,586	(591,598)	10,933,913

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.6 利率風險(續)

本銀行	The Bank	一個月內 Up to 1 month	一至三個月 1 to 3 months	三至十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	不計息 Non-Interest Bearing	總計 Total
於二零零五年 十二月三十一日	At 31 December 2005	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	24,057,156	-	-	-	-	831,788	24,888,944
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	426,176	1,938,775	104,694	-	-	2,469,645
商業票據	Trade bills	671,081	1,023,082	237,750	-	-	60,467	1,992,380
持作買賣用途之證券	Trading securities	-	149	-	98	-	-	247
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	-	-	-	-	609,837	609,837
以公平價值經 損益表入賬 金融資產	Financial assets at fair value through profit or loss	-	-	384,613	693,252	612,145	-	1,690,010
客戶貸款	Loans and advances to customers	47,597,089	13,893,182	5,087,797	277,929	239,292	-	67,095,289
備供銷售證券	Available-for-sale securities	1,245,468	1,838,354	1,259,716	4,100,031	1,174,204	519,283	10,137,056
持至到期證券	Held-to-maturity securities	1,187,647	1,185,368	348,267	360,217	-	1,269	3,082,768
其他資產(附註2.4)	Other assets (Note 2.4)	45,538	-	-	-	-	5,180,546	5,226,084
計息資產總額	Total assets	74,803,979	18,366,311	9,256,918	5,536,221	2,025,641	7,203,190	117,192,260
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	7,426,182	8,623,106	7,755,100	-	-	525,266	24,329,654
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	-	-	-	-	722,919	722,919
客戶存款	Deposits from customers	41,232,017	20,467,137	1,951,454	37,344	10,082	2,777,427	66,475,461
已發行存款證	Certificates of deposit issued	249,987	1,164,493	5,410,188	2,526,637	-	-	9,351,305
次級債券(附註2.4)	Subordinated debt (Note 2.4)	1,512,245	2,042,857	1,783,673	-	-	-	5,338,775
其他負債(附註2.4)	Other liabilities (Note 2.4)	85,911	-	-	-	-	1,337,634	1,423,545
計息負債總額	Total liabilities	50,506,342	32,297,593	16,900,415	2,563,981	10,082	5,363,246	107,641,659
利率敏感度缺口 總額	Total interest sensitivity gap	24,297,637	(13,931,282)	(7,643,497)	2,972,240	2,015,559	1,839,944	9,550,601

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risks (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.6 利率風險(續)

下表概述貨幣金融工具於有關期間之實際利率：

		本集團 Group		本銀行 Bank	
		2006 百分率 %	2005 百分率 %	2006 百分率 %	2005 百分率 %
資產	Assets				
現金及短期資金和 銀行同業及其他 金融機構之存款	Cash and short-term funds and placements with banks and other financial institutions	4.29	5.01	4.26	5.03
商業票據、客戶貸款和 銀行同業及其他 金融機構之貸款	Trade bills, advances to customers and advances to banks and other financial institutions	5.62	5.32	5.62	5.33
證券(附註)	Securities (Note)	4.81	4.27	4.81	4.27
負債	Liabilities				
銀行同業及其他金融機構 之存款及結餘	Deposits and balances of banks and other financial institutions	4.06	4.93	4.95	5.14
客戶存款	Deposits from customers	4.05	3.48	3.85	3.39
已發行存款證	Certificates of deposit issued	4.42	3.99	4.42	3.99
已發行債券	Debt securities in issue	4.28	4.29	–	–
次級債券	Subordinated debt	5.27	3.52	5.27	3.52

附註：

證券包括所持存款證、持作買賣用途證券、以公平價值經損益表入賬金融資產、備供銷售投資及持至到期投資。

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risks (continued)

The table below summarises the effective interest rates for the relevant periods of monetary financial instruments:

		本集團 Group		本銀行 Bank	
		2006 百分率 %	2005 百分率 %	2006 百分率 %	2005 百分率 %
資產	Assets				
Cash and short-term funds and placements with banks and other financial institutions		4.29	5.01	4.26	5.03
Trade bills, advances to customers and advances to banks and other financial institutions		5.62	5.32	5.62	5.33
Securities (Note)		4.81	4.27	4.81	4.27
負債	Liabilities				
Deposits and balances of banks and other financial institutions		4.06	4.93	4.95	5.14
Deposits from customers		4.05	3.48	3.85	3.39
Certificates of deposit issued		4.42	3.99	4.42	3.99
Debt securities in issue		4.28	4.29	–	–
Subordinated debt		5.27	3.52	5.27	3.52

Note:

Securities include certificates of deposit held, trading securities, financial assets at fair value through profit or loss, available-for-sale securities and held-to-maturity securities.

3 財務風險管理(續)

3.7 流動資金風險

本集團每天須運用可動用的現金資源，以應付來自隔夜存款、活期存戶、到期存款、貸款支取、擔保與來自保證金的需求，以及來自其他現金結算衍生工具的需求。本集團並未維持現金資源以滿足所有該等需求，因為經驗顯示，到期資金再續存的水平相對穩定。董事會就應付未預期的資金需要，定下最少的備用拆借融資限額。本集團實施流動資金風險管理政策以規管其流動資金活動及參數，並每季進行一次壓力測試。

資產與負債期限及利率的相配和受控的錯配對本集團管理層而言至關重要。由於進行的業務經常期限不定，且類型也不盡相同，因此銀行做到完全相配的情況並不普遍。不相配的情況既可能提高溢利能力，也會增加虧損和流動性風險。

資產與負債的到期日匹配和再融資的資金成本，是評估本集團流動資金狀況及其利率及匯率變動風險的重要因素。

應付擔保和備用信用證項下所需款項的流動資金需求遠少於承諾的金額，因為本集團一般不預期第三方會根據該協議要求兌現。而且很多信貸承諾毋須動用資金即告屆滿或終止，因此提供信貸承擔的尚未償付合同總金額未必等同日後的現金需求。

下頁表格按資產負債表日至合約到期日餘下期間分析本集團之資產與負債。

3 FINANCIAL RISK MANAGEMENT (continued)

3.7 Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs and guarantees, and from margin and other calls on cash-settled derivatives. The Group does not maintain cash resources to meet all of these needs, as experience shows that the rollover of a certain level of maturing funds maintain a high level of certainty. The Board sets control on the funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover unexpected withdrawals. A Liquidity Risk Management Policy is in place to govern the Group's liquidity initiatives and parameters. Stress test is done quarterly.

The matching and controlled mismatching of the maturity and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses and in liquidity.

The maturity of assets and liabilities and the re-financing cost of fund are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

The tables on the following pages analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.7 流動資金風險(續)

本集團	The Group	須要求時 即時償還 Repayable on demand	三個月或以下 3 months or less	三至十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	無註明日期 Undated	總計 Total
於二零零六年 十二月三十一日	At 31 December 2006	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	1,180,089	45,826,505	475,163	-	-	-	47,481,757
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	5,015,135	-	-	-	-	5,015,135
商業票據	Trade bills	61,025	916,433	276,617	-	-	12,994	1,267,069
持作買賣用途證券	Trading securities	-	-	-	13,868	-	42,600	56,468
衍生金融工具	Derivative financial instruments	-	713,202	-	-	-	-	713,202
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	-	-	206,057	501,415	996,877	-	1,704,349
客戶貸款	Loans and advances to customers	6,722,523	6,972,302	8,249,815	29,835,948	22,406,174	193,925	74,380,687
備供銷售證券	Available-for-sale securities	-	339,949	1,328,346	6,209,763	2,120,811	1,053,449	11,052,318
持至到期證券	Held-to-maturity securities	-	199,422	562,009	1,204,457	180,439	-	2,146,327
於聯營公司之投資	Investment in an associate	-	-	-	-	-	34,485	34,485
無形資產	Intangible assets	-	-	-	-	-	1,050,773	1,050,773
物業及設備	Property, plant and equipment	-	-	-	-	-	249,417	249,417
租賃土地權益	Leasehold land and land use rights	-	-	-	-	-	61,427	61,427
其他資產	Other assets	28,118	939,513	151,121	50,152	-	9,441	1,178,345
資產總額	Total assets	7,991,755	60,922,461	11,249,128	37,815,603	25,704,301	2,708,511	146,391,759
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	1,224,831	12,330,669	-	-	-	-	13,555,500
衍生金融工具	Derivative financial instruments	-	773,116	-	-	-	-	773,116
客戶存款	Deposits from customers	15,774,822	79,187,347	2,750,613	299,842	10,111	-	98,022,735
已發行存款證	Certificates of deposit issued	-	608,121	7,073,098	2,640,816	-	-	10,322,035
已發行債券	Debt securities in issue	-	-	-	2,997,804	-	-	2,997,804
次級債券	Subordinated debt	-	544,460	500,000	2,994,530	3,488,960	-	7,527,950
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	93,640	1,385,621	413,659	78,506	-	135,890	2,107,316
負債總額	Total liabilities	17,093,293	94,829,334	10,737,370	9,011,498	3,499,071	135,890	135,306,456
流動資金缺口淨額	Net liquidity gap	(9,101,538)	(33,906,873)	511,758	28,804,105	22,205,230	2,572,621	11,085,303

3 FINANCIAL RISK MANAGEMENT (continued)

3.7 Liquidity risk (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.7 流動資金風險(續)

本集團	The Group	須要求時 即時償還 Repayable on demand	三個月或以下 or less 千港元 HK\$'000	三至十二個月 3 to 12 months 千港元 HK\$'000	一至五年 1 to 5 years 千港元 HK\$'000	五年以上 Over 5 years 千港元 HK\$'000	無註明日期 Undated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年 十二月三十一日	At 31 December 2005							
資產	Assets							
現金及短期資金	Cash and short-term funds	896,402	23,454,667	966,169	-	-	-	25,317,238
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	426,176	2,043,469	-	-	-	2,469,645
商業票據	Trade bills	487,922	1,230,065	274,393	-	-	-	1,992,380
持作買賣用途證券	Trading securities	-	149	-	98	-	-	247
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	609,837	-	-	-	-	609,837
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	-	-	-	693,252	996,758	-	1,690,010
客戶貸款	Loans and advances to customers	4,942,590	7,210,495	8,670,718	26,096,208	20,796,264	436,388	68,152,663
備供銷售證券	Available-for-sale securities	-	242,038	1,137,012	6,079,123	2,159,600	520,038	10,137,811
持至到期證券	Held-to-maturity securities	-	291,837	581,628	1,954,032	254,002	-	3,081,499
於聯營公司之投資	Investment in an associate	-	-	-	-	-	28,484	28,484
無形資產	Intangible assets	-	-	-	-	-	1,080,854	1,080,854
物業及設備	Property, plant and equipment	-	-	-	-	-	211,342	211,342
租賃土地權益	Leasehold land and land use rights	-	-	-	-	-	91,704	91,704
其他資產(附註2.4)	Other assets (Note 2.4)	474,581	281,986	-	-	-	161,396	917,963
資產總額	Total assets	6,801,495	33,747,250	13,673,389	34,822,713	24,206,624	2,530,206	115,781,677
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	1,729,895	14,834,879	8,530,610	-	-	-	25,095,384
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	722,919	-	-	-	-	722,919
客戶存款	Deposits from customers	11,896,006	46,893,211	1,772,003	418,848	10,080	-	60,990,148
已發行存款證	Certificates of deposit issued	-	603,228	1,845,259	6,902,818	-	-	9,351,305
已發行債券	Debt securities in issue	-	-	-	2,978,615	-	-	2,978,615
次級債券(附註2.4)	Subordinated debt (Note 2.4)	-	-	1,202,041	2,206,122	1,930,612	-	5,338,775
其他負債，包括 即期及遞延稅項 負債(附註2.4)	Other liabilities, including current and deferred income tax liabilities (Note 2.4)	556,166	520,256	-	-	-	358,255	1,434,677
負債總額	Total liabilities	14,182,067	63,574,493	13,349,913	12,506,403	1,940,692	358,255	105,911,823
流動資金缺口淨額	Net liquidity gap	(7,380,572)	(29,827,243)	323,476	22,316,310	22,265,932	2,171,951	9,869,854

3 FINANCIAL RISK MANAGEMENT (continued)

3.7 Liquidity risk (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.7 流動資金風險(續)

本銀行	The Bank	須要求時 即時償還 Repayable on demand	三個月或以下 or less 3 months	三至十二個月 3 to 12 months	一至五年 1 to 5 years	五年以上 Over 5 years	無註明日期 Undated	總計 Total
於二零零六年 十二月三十一日	At 31 December 2006	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	1,119,887	45,317,963	475,163	-	-	-	46,913,013
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	5,199,081	580,497	-	-	-	5,779,578
商業票據	Trade bills	61,025	916,433	276,617	-	-	12,994	1,267,069
持作買賣用途證券	Trading securities	-	-	-	13,868	-	42,600	56,468
衍生金融工具	Derivative financial instruments	-	713,202	-	-	-	-	713,202
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	-	-	206,057	501,415	996,877	-	1,704,349
客戶貸款	Loans and advances to customers	6,722,523	6,306,091	7,930,640	29,824,654	22,406,174	193,925	73,384,007
備供銷售證券	Available-for-sale securities	-	339,949	1,328,346	6,209,763	2,120,811	1,052,740	11,051,609
持至到期證券	Held-to-maturity securities	-	199,422	562,009	1,204,457	180,439	-	2,146,327
於聯營公司之投資	Investment in an associate	-	-	-	-	-	14,508	14,508
於附屬公司之投資	Investments in subsidiaries	-	-	-	-	-	1,417,707	1,417,707
無形資產	Intangible assets	-	-	-	-	-	711,335	711,335
物業及設備	Property, plant and equipment	-	-	-	-	-	152,581	152,581
租賃土地權益	Leasehold land and land use rights	-	-	-	-	-	61,427	61,427
其他資產	Other assets	28,118	980,048	153,108	49,275	-	54,458	1,265,007
資產總額	Total assets	7,931,553	59,972,189	11,512,437	37,803,432	25,704,301	3,714,275	146,638,187
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	1,226,636	12,330,669	-	-	-	-	13,557,305
衍生金融工具	Derivative financial instruments	-	773,116	-	-	-	-	773,116
客戶存款	Deposits from customers	16,166,939	79,235,663	2,750,613	3,289,840	10,111	-	101,453,166
已發行存款證	Certificates of deposit issued	-	608,121	7,073,098	2,640,816	-	-	10,322,035
次級債券	Subordinated debt	-	544,460	500,000	2,994,530	3,488,960	-	7,527,950
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	93,640	1,368,158	412,968	78,506	-	117,430	2,070,702
負債總額	Total liabilities	17,487,215	94,860,187	10,736,679	9,003,692	3,499,071	117,430	135,704,274
流動資金缺口淨額	Net liquidity gap	(9,555,662)	(34,887,998)	775,758	28,799,740	22,205,230	3,596,845	10,933,913

3 FINANCIAL RISK MANAGEMENT (continued)

3.7 Liquidity risk (continued)

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.7 流動資金風險(續)

本銀行	The Bank	須要求時 即時償還	三個月或以下	三至十二個月	一至五年	五年以上	無註明日期	總計
		Repayable on demand	3 months or less	3 to 12 months	1 to 5 years	Over 5 years	Undated	Total
於二零零五年 十二月三十一日	At 31 December 2005	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
資產	Assets							
現金及短期資金	Cash and short-term funds	831,788	23,090,987	966,169	-	-	-	24,888,944
在銀行及其他 金融機構之 存款及貸款	Placements with banks and advances to banks and other financial institutions	-	426,176	2,043,469	-	-	-	2,469,645
商業票據	Trade bills	487,922	1,230,065	274,393	-	-	-	1,992,380
持作買賣用途證券	Trading securities	-	149	-	98	-	-	247
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	609,837	-	-	-	-	609,837
以公平價值經損益表 入賬金融資產	Financial assets at fair value through profit or loss	-	-	-	693,252	996,758	-	1,690,010
客戶貸款	Loans and advances to customers	4,796,891	6,732,301	8,246,046	26,096,208	20,796,264	427,579	67,095,289
備供銷售證券	Available-for-sale securities	-	242,038	1,137,012	6,079,123	2,159,600	519,283	10,137,056
持至到期證券	Held-to-maturity securities	-	291,837	582,897	1,954,032	254,002	-	3,082,768
於聯營公司之投資	Investment in an associate	-	-	-	-	-	14,508	14,508
於附屬公司之投資	Investments in subsidiaries	-	-	-	-	-	3,318,639	3,318,639
無形資產	Intangible assets	-	-	-	-	-	756,722	756,722
物業及設備	Property, plant and equipment	-	-	-	-	-	124,547	124,547
租賃土地權益	Leasehold land and land use rights	-	-	-	-	-	91,704	91,704
其他資產(附註2.4)	Other assets (Note 2.4)	474,581	281,986	-	-	-	163,397	919,964
資產總額	Total assets	6,591,182	32,905,376	13,249,986	34,822,713	24,206,624	5,416,379	117,192,260
負債	Liabilities							
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	1,730,675	14,843,879	7,755,100	-	-	-	24,329,654
衍生金融工具 (附註2.4)	Derivative financial instruments (Note 2.4)	-	722,919	-	-	-	-	722,919
客戶存款	Deposits from customers	11,881,818	49,417,443	1,772,003	3,394,115	10,082	-	66,475,461
已發行存款證	Certificates of deposit issued	-	684,626	2,388,253	6,278,426	-	-	9,351,305
次級債券(附註2.4)	Subordinated debt (Note 2.4)	-	-	1,202,041	2,206,122	1,930,612	-	5,338,775
其他負債, 包括 即期及遞延稅項 負債(附註2.4)	Other liabilities, including current and deferred income tax liabilities (Note 2.4)	556,166	520,256	-	-	-	347,123	1,423,545
負債總額	Total liabilities	14,168,659	66,189,123	13,117,397	11,878,663	1,940,694	347,123	107,641,659
流動資金缺口淨額	Net liquidity gap	(7,577,477)	(33,283,747)	132,589	22,944,050	22,265,930	5,069,256	9,550,601

3 FINANCIAL RISK MANAGEMENT (continued)

3.7 Liquidity risk (continued)

3 財務風險管理(續)

3.8 金融資產及負債之公平值

在市場上交易活躍的金融工具其公平值乃根據於本年度年結日當天的市場價格而計算。本集團持有之金融資產以市場買價為當天市場價格；而金融負債則以市場賣價作為當天的市場價格。

未有在活躍市場上交易的金融工具(如場外交易之衍生工具)，其公平值乃透過估值而決定。本集團根據於結算當日存在之市場情況，採用各種方法作出估計。債券及結構性衍生工具之公平值則以市場報價來釐定。利率掉期之公平值則以預計未來現金流量之現值計算。遠期外匯合約則按本年度年結日之市場外幣兌換率而釐定。

金融資產及負債之公平值估計如下：

(a) 銀行同業及其他金融機構之餘額及存款

存放同業的浮息存款和隔夜存款的公平值即其帳面值，固定利率存款(存款期少於一年)的估計公平值，是基於貼現現金流量按貨幣市場利率及剩餘年期計算。因此，公平值約等於其帳面值。

(b) 商業票據及客戶、銀行同業及其他金融機構之貸款

商業票據及客戶、銀行同業及其他金融機構之貸款在扣除減值準備後列賬。除小部分客戶貸款外，其餘額均以浮動利率計息。本集團計算商業票據及客戶及同業貸款之公平價值時已考慮相關之市場利率，並注意到公平值總額與賬面值總額並無重大差異。

(c) 銀行同業及其他金融機構及客戶存款及結餘

未註明到期日的存款及結餘的估計公平價值為即時償還的金額，該等浮息結餘的公平價值即為賬面值。

定息同業存款及客戶存款而無市場報價，其估計公平價值是基於貼現現金流量同類剩餘到期日的債務利率計算，由於該等結餘期限通常少於一年，因此，其公平值約等於其賬面值。

3 FINANCIAL RISK MANAGEMENT (continued)

3.8 Fair values of financial assets and liabilities

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Dealer quotes are used for debt securities and structured derivatives. The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The fair values of financial assets and liabilities are estimated as follows:

(a) *Balances and placements with banks and other financial institutions*

The fair values of floating rate placements and overnight deposits are their carrying amounts. The estimated fair value of fixed interest-bearing deposits, all of which are less than one year, is based on the discounted cash flows using prevailing money-market interest rates and the remaining maturity. Therefore the fair value is approximately equal to its carrying value.

(b) *Trade bills and loans and advances to customers, bank and other financial institutions*

Trade bills and loans and advances to customers, banks and other financial institutions are net of allowances for impairment. All items, except a very insignificant portion of loans and advances to customers, bear interest at a floating rate. The Group has assessed the fair value of trade bills and loans and advances to customers, bank and other financial institutions, after taking into account the relevant market interest rates and noted that the total fair value is not materially different from the total carrying value.

(c) *Deposits and balances from banks and other financial institutions and customers*

The estimated fair value of deposits and balances with no stated maturity, is the amount repayable on demand. The fair value of those balances having an interest at a floating rate is their carrying value.

The estimated fair value of fixed interest-bearing deposits of banks and deposits from customers without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As their maturity is normally less than one year, their fair value is approximately equal to their carrying value.

賬目附註 Notes to the Accounts

3 財務風險管理(續)

3.8 金融資產及負債之公平值(續)

- (d) 發行之存款證
本集團計算發行之存款證公平值時已考慮相關之市場利率，並注意到公平值總額與賬面值總額並無重大差異。
- (e) 其他資產及其他負債
其他資產及其他負債一般為不帶有利息之結餘，因此其估計公平價值為其賬面值。

除上述資產負債表項目外，下表概述未來於本集團資產負債表內按公平價值呈列的其他金融資產的賬面值和公平價值。

本集團	The Group	賬面值 Carrying value		公平值 Fair value	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
金融資產	Financial assets				
外匯基金票據及庫存票據	Exchange Fund Bills and Treasury Bills	1,986,645	966,169	1,987,259	967,176
持至到期證券	Held-to-maturity securities	2,146,327	3,081,499	1,976,225	3,078,672
		4,132,972	4,047,668	3,963,484	4,045,848

本銀行	The Bank	賬面值 Carrying value		公平值 Fair value	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
金融資產	Financial assets				
外匯基金票據及庫存票據	Exchange Fund Bills and Treasury Bills	1,986,645	966,169	1,987,259	967,176
持至到期證券	Held-to-maturity securities	2,146,327	3,082,768	1,976,225	3,079,940
		4,132,972	4,048,937	3,963,484	4,047,116

持至到期資產之公平值是根據市價或經紀／經銷商之報價。

3 FINANCIAL RISK MANAGEMENT (continued)

3.8 Fair values of financial assets and liabilities (continued)

- (d) *Certificates of deposit issued*
The Group has assessed the fair value of certificates of deposit after taking into account the relevant yield curve and noted that the total fair value is not materially different from the total carrying value.
- (e) *Other assets and other liabilities*
The estimated fair value of the other assets and other liabilities, which are normally non-interest-bearing, is their carrying value.

Except for the above balance sheet items, the following table summarises the carrying amounts and fair values of other financial assets not presented on the Group's balance sheet at their fair values.

Fair value for held-to-maturity securities is based on market prices or broker/dealer price quotations.

4 關鍵會計估計及假設

本集團估計及就影響下一財政年度之資產及負債所呈報金額作出假設。本集團會根據過往經驗及其他因素，包括在此等情況下，對未來事項作出相信是合理之預期，持續評估所作出之估計及判斷。

(a) 貸款及持至到期證券減值損失

本集團分別於每月和每半年檢討其貸款及持至到期證券組合，以評估減值。對於應否於損益賬內列入減值損失，本集團會判斷是否有明顯數據，反映貸款及持至到期證券組合之預計現金流量是否有可量化之減值（在找出導致該等減值之個別貸款和持至到期證券前）。此等證據可能包括有可觀察數據顯示某一組別借款人和證券發行人之還款狀況出現逆轉，或出現與某一組別資產拖欠相關之國家或地區性經濟狀況。管理層就未來現金流量作出估計時，會基於貸款和持至到期證券的風險特點及客觀減值證據與有關組合內之資產相若之資產過往虧損經驗作出評估。用以預算未來現金流量之金額及時間之方法及假設將定期進行檢討，以拉近預計及實際虧損經驗之差別。

(b) 金融工具之公平值

不在活躍市場報價之金融工具之公平值，根據金融工具之性質採用多種估值方法釐定。該等方法包括第三方報價、折現現金流量法及購股權定價模式。該等模式由知名系統供應商建立及廣泛被市場應用。該等模式經獨立於建立此等模式之領域之合資格人士審閱及調整。此等系統使用相關現時市場參數得出估值結果，採用作財務報告目的前經核實。

(c) 備供銷售股本投資減值

若備供銷售股本投資之公平價值明顯或持續地低於其成本，本集團即判定其價值已有所減值。釐定重大及持續之定義需要作出判斷。於作出該等判斷時，本集團評估（包括其他因素）股價之日常波動。此外，倘被投資公司之財務穩健程度、行業及類別表現惡化、技術、營運及融資現金流量出現變動，可能適宜作出減值。

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Impairment losses on loans and advances and held-to-maturity securities

The Group reviews its loans and advances and held-to-maturity securities portfolios to assess impairment on a monthly and semi-annually basis respectively. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans and advances and held-to-maturity securities before the decrease can be identified with an individual loan and advances and held-to-maturity security in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers and securities issuers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using various valuation techniques according to the nature of the financial instruments. These include third party price quotation, a discounted cash flow and option pricing models. These models are built by reputable system suppliers and are widely used in the market. They are reviewed and calibrated by qualified personnel independent of the area that created them. Valuation outputs are generated from these systems using relevant current market parameters and are verified before they are used for financial reporting purposes.

(c) Impairment of available-for-sale securities

The Group determines that available-for-sale securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates among other factors, the normal volatility in share price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operating and financing cash flows.

4 關鍵會計估計及假設(續)

(d) 持至到期證券

本集團遵循香港會計準則第39號之指引分類具有固定或可確定付款及固定到期日之非衍生金融資產為持至到期證券。此一分類須作出重大判斷。在作出判斷時，本集團評估其持有該等資產至到期之意向及能力。倘本集團未能持有此等投資至到期(不包括特別情況，例如在接近到期時出售少量部分該等投資)，則其將須重新分類整個類別為備供銷售證券。該等投資將因而按其公平值而非攤銷成本計量。

(e) 銀行物業之公平值

銀行物業之公平值根據由獨立專業估值師以公平市場基準作出之估值估計。

(f) 估計商譽減值

本集團按會計政策每年測試是否存在任何商譽減值。現金產生單位之可收回金額已按使用基準計算。此等計算需要對折現率及長遠增長率作出估計。

(g) 所得稅

本集團在多個司法權區均須繳納所得稅。釐定世界各地之所得稅撥備時需作出重大估計。於日常業務過程中進行之很多交易及計算最終之稅項無法確定。本集團按是否有應繳之額外稅項之估計，就預期之稅務審計事宜確認負債。如此等事宜之最終稅務結果有別於原先記錄之金額，該等差別將影響所得稅，並將在釐定之期間內就遞延稅項作出撥備。

5 分部報告

(a) 按地域劃分

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

(b) 業務種類

自今年開始，本集團之分部報告採用全新方式以向投資者提供更為詳細之資料。現有方法提供五個業務分部之資料，即商業銀行部、零售銀行部、財資部、企業及投資銀行部與未分配分部。商業與零售銀行業務分別包括商業借貸、貿易融資及零售銀行。財資業務包括外匯、貨幣市場及資本市場業務。企業與投資銀行主要包括企業銀行、提供債務資本市場及企業融資及顧問服務。

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(d) Held-to-maturity securities

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such securities to maturity. If the Group fails to keep these securities to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The securities would therefore be measured at fair value but not at amortised cost.

(e) Fair value of bank premises and properties

The fair value of the bank premises and properties is estimated based on the valuation made by an independent professional valuer on an open market basis.

(f) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on the value-in-use calculations. These calculations require the use of estimates of discount rate and long-term growth rate.

(g) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

5 SEGMENT REPORTING

(a) Geographical area

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

(b) Class of business

Starting from this year, the Group adopted a new approach in segmental reporting to provide investors with more details. Under the current approach, information about five business segments is provided. They are Commercial banking, Retail banking, Treasury and markets, Corporate and investment banking and Unallocated. Commercial and retail banking includes commercial lending, trade finance and retail banking respectively. Treasury and markets include foreign exchange, money market and capital market activities. Corporate and investment banking mainly comprise corporate banking, the provision of debt capital market and corporate finance and advisory services.

賬目附註 Notes to the Accounts

5 分部報告 (續)

(b) 業務種類 (續)

5 SEGMENT REPORTING (continued)

(b) Class of business (continued)

		商業銀行 Commercial banking 千港元 HK\$'000	零售銀行 Retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	分部間撇銷 Inter-segment elimination 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2006								
淨利息收入	Net interest income	684,990	576,564	335,086	243,883	12,046	-	1,852,569
收費及佣金收入	Fee and commission income	196,219	171,192	12,848	201,295	1,042	-	582,596
收費及佣金支出	Fee and commission expense	(8,169)	(11,774)	-	(411)	(130)	-	(20,484)
淨收費及佣金收入	Net fee and commission income	188,050	159,418	12,848	200,884	912	-	562,112
其他營業收入/(虧損)	Other operating income/(loss)	22,139	10,827	73,599	(35,353)	111,269	-	182,481
分部間收入	Inter-segment income	-	40,882	-	-	830	(41,712)	-
營業收入	Operating income	895,179	787,691	421,533	409,414	125,057	(41,712)	2,597,162
營業支出	Operating expenses	(267,545)	(455,051)	(82,958)	(45,751)	(94,054)	-	(945,359)
分部間支出	Inter-segment expenses	-	-	-	-	(41,712)	41,712	-
扣除減值損失前之 營運溢利	Operating profit before impairment losses/provisions	627,634	332,640	338,575	363,663	(10,709)	-	1,651,803
個別減值損失撥備	Charge for of individual impairment losses	(16,573)	(7,042)	-	(89,122)	(448)	-	(113,185)
組合減值損失撥備— 持至到期之證券	Charge for collective impairment losses-held-to-maturity securities	-	-	(5,666)	-	-	-	(5,666)
組合減值損失 (撥備)/撥回—客戶貸款	(Charge for)/write-back of collective impairment losses-loans and advances	(21,969)	3,400	519	(983)	47	-	(18,986)
扣除減值損失後之 營運溢利	Operating profit after impairment losses/provisions	589,092	328,998	333,428	273,558	(11,110)	-	1,513,966
出售備供銷售證券之 溢利淨額	Net gain on disposal of available-for-sale securities	-	-	22,345	60,926	-	-	83,271
出售/重估物業及設 備之(虧損)/溢利 淨額	Net (loss)/gain from disposal/reversal of revaluation deficits of property, plant and equipment	(2,108)	(4,346)	(353)	(1)	6,793	-	(15)
應佔聯營公司之溢利	Share of profits of an associate	-	-	-	-	5,739	-	5,739
除所得稅前溢利	Profit before tax	586,984	324,652	355,420	334,483	1,422	-	1,602,961
分部資產	Segment assets	29,241,176	21,514,131	66,522,447	26,462,469	280,560	-	144,020,783
於聯營公司之投資	Investment in an associate	-	-	-	-	34,485	-	34,485
未分類資產	Unallocated assets	-	-	-	-	2,336,491	-	2,336,491
資產總額	Total assets	29,241,176	21,514,131	66,522,447	26,462,469	2,651,536	-	146,391,759
分部負債	Segment liabilities	24,859,221	36,920,999	14,498,113	38,862,466	285,822	-	115,426,621
未分類負債	Unallocated liabilities	-	-	-	-	19,879,835	-	19,879,835
負債總額	Total liabilities	24,859,221	36,920,999	14,498,113	38,862,466	20,165,657	-	135,306,456
資本支出	Capital expenditure	10,689	56,383	38	77	12,273	-	79,460
折舊及攤銷費用	Depreciation charges	8,637	14,224	1,341	65	56,709	-	80,976

賬目附註 Notes to the Accounts

5 分部報告 (續)

(b) 業務種類 (續)

5 SEGMENT REPORTING (continued)

(b) Class of business (continued)

		商業銀行	零售銀行	財資	企業與	未分類	分部間撇銷	總計
		Commercial banking 千港元 HK\$'000	Retail banking 千港元 HK\$'000	Treasury and markets 千港元 HK\$'000	Corporate and investment banking 千港元 HK\$'000			
2005								
淨利息收入	Net interest income	467,349	414,083	181,973	222,265	30,327	-	1,315,997
收費及佣金收入	Fee and commission income	178,462	101,479	15,744	97,616	19,054	-	412,355
收費及佣金支出	Fee and commission expense	(711)	(9,031)	-	-	(47)	-	(9,789)
淨收費及佣金收入	Net fee and commission income	177,751	92,448	15,744	97,616	19,007	-	402,566
其他營業收入	Other operating income	31,511	22,611	247,914	11,500	886	-	314,422
分部間收入	Inter-segment income	-	22,943	-	-	830	(23,773)	-
營業收入	Operating income	676,611	552,085	445,631	331,381	51,050	(23,773)	2,032,985
營業支出	Operating expenses	(223,030)	(385,039)	(73,371)	(46,425)	(162,360)	-	(890,225)
分部間支出	Inter-segment expenses	-	-	-	-	(23,773)	23,773	-
扣除減值損失前之 營運溢利/(虧損)	Operating profit/(loss) before impairment losses/provisions	453,581	167,046	372,260	284,956	(135,083)	-	1,142,760
個別減值損失(撥備)/ 撥回	(Charge for)/write-back of individual impairment losses	(93,692)	(5,668)	-	(30,443)	32,737	-	(97,066)
組合減值損失 (撥備)/撥回-客戶貸款	(Charge for)/write-back of collective impairment losses-loans and advances	26,837	23,592	(4,139)	25,429	19,023	-	90,742
扣除減值損失後之 營運溢利/(虧損)	Operating profit/(loss) after impairment losses/provisions	386,726	184,970	368,121	279,942	(83,323)	-	1,136,436
出售備供銷售證券之 溢利淨額	Net gain on disposal of available-for-sale securities	-	-	51,064	1,559	12,886	-	65,509
出售貸款之 溢利淨額	Net gain on disposal of loans	-	3,638	263	2,261	-	-	6,162
出售/重估物業及設 備之(虧損)/溢利 淨額	Net (loss)/gain from disposal/reversal of revaluation deficits of property, plant and equipment	3	62	-	-	(764)	-	(699)
出售持至到期之證券之 溢利淨額	Net gain on disposal of held-to-maturity securities	-	-	185	-	-	-	185
應佔聯營公司之溢利	Share of profits of an associate	-	-	-	-	260	-	260
除所得稅前溢利/ (虧損)	Profit/(loss) before tax	386,729	188,670	419,633	283,762	(70,941)	-	1,207,853
分部資產	Segment assets	22,188,952	21,359,202	42,586,735	25,597,546	644,281	-	112,376,716
於聯營公司之投資	Investment in an associate	-	-	-	-	28,484	-	28,484
未分類資產	Unallocated assets	-	-	-	-	3,376,477	-	3,376,477
資產總額	Total assets	22,188,952	21,359,202	42,586,735	25,597,546	4,049,242	-	115,781,677
分部負債	Segment liabilities	17,453,654	30,215,094	33,585,986	14,698,752	1,123,684	-	97,077,170
未分類負債	Unallocated liabilities	-	-	-	-	8,834,653	-	8,834,653
負債總額	Total liabilities	17,453,654	30,215,094	33,585,986	14,698,752	9,958,337	-	105,911,823
資本支出	Capital expenditure	895	19,344	1,695	329	85,541	-	107,804
折舊及攤銷費用	Depreciation charges	1,035	14,592	1,324	40	51,257	-	68,248

賬目附註 Notes to the Accounts

6 利息收入

6 INTEREST INCOME

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
上市投資利息收入	Interest income on listed investments	351,258	308,722
非上市投資利息收入	Interest income on unlisted investments	407,715	339,772
商業票據和貸款利息收入	Interest income on trade bills, loans and advances	4,131,966	2,760,373
其他利息收入	Other interest income	2,035,582	771,164
		6,926,521	4,180,031

截至二零零六年十二月三十一日止年度，其他利息收入包括貸款減值損失之利息折扣轉回14,203,229港元（二零零五年：9,188,442港元）。

Other interest income includes the amount of interest income on unwinding of discount on loan impairment losses of HK\$14,203,229 (2005: HK\$9,188,442) for the year ended 31 December 2006.

7 其他營業收入

7 OTHER OPERATING INCOME

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
外匯交易收益淨額	Net gain from foreign exchange activities	128,578	199,361
持作買賣證券收益淨額	Net gain from trading securities	15,621	689
出售以公平價值經損益表入賬證券之收益淨額	Net gain on disposal of securities at fair value through profit or loss	227	21,340
備供銷售證券虧損淨額	Net loss from available-for-sale securities	(28,940)	(56,968)
以公平價值經損益表入賬金融資產之虧損淨額	Net loss from financial assets at fair value through profit or loss	(22,850)	(27,796)
以公平價值經損益表入賬金融負債之(虧損)/收益淨額	Net (loss)/gain from financial liabilities at fair value through profit or loss	(60,032)	166,494
衍生金融工具收益/(虧損)淨額	Net gain/(loss) on derivative financial instruments	100,545	(9,991)
非上市投資證券之股息收入	Dividend income from unlisted investments in securities	2,619	3,228
其他	Others	46,713	18,065
		182,481	314,422

賬目附註 Notes to the Accounts

8 營業支出

8 OPERATING EXPENSES

		附註 Notes	2006 千港元 HK\$'000	2005 千港元 HK\$'000
員工支出	Staff costs			
—薪金及其他支出	— Salaries and other costs		494,359	462,895
—遣散費	— Redundancy payment		401	425
—退休金支出	— Retirement benefit costs		29,225	28,850
			523,985	492,170
物業及設備支出(不包括折舊)	Premises and equipment expenses, excluding depreciation			
—物業租金	— Rental of premises		97,449	92,822
—其他	— Others		75,896	71,209
			173,345	164,031
折舊支出	Depreciation expenses	26, 27	80,976	68,248
核數師酬金	Auditors' remuneration		3,564	3,611
行政費用	General administration expenses		27,907	31,383
推廣費用	Business promotion expenses		28,127	24,874
通訊費用	Communication expenses		32,910	30,853
其他營業支出	Other operating expenses		74,545	75,055
			945,359	890,225

9 退休金支出

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

根據計劃，本集團之員工在符合資格全數取得僱主供款前退出計劃，本集團可沒收供款以扣減應付之供款。年內已動用合共3,050,000港元(二零零五年：4,307,000港元)之沒收供款，於結算日尚餘166,000港元(二零零五年：111,000港元)留作日後扣減供款之用。

於結算日並無應付之計劃供款(二零零五年：無)。計劃之資產由基金獨立持有與本集團之資產分開管理。

9 RETIREMENT BENEFIT COSTS

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

Under the Schemes, the Group's contributions are reduced by contributions forfeited by those employees who leave the Schemes prior to the contributions vesting fully. Forfeited contributions totalling HK\$3,050,000 (2005: HK\$4,307,000) were utilised during the year leaving HK\$166,000 (2005: HK\$111,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year-end (2005: Nil). The assets of the Schemes are held separately from those of the Group in independently administered funds.

賬目附註 Notes to the Accounts

10 貸款減值損失

10 IMPAIRMENT LOSSES ON LOANS AND ADVANCES

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
貸款減值損失	Charge for/(write-back of) impairment losses on loans and advances		
支銷/(回撥)			
— 個別評估(附註22)	— Individually assessed (Note 22)	113,186	97,066
— 組合評估(附註22)	— Collectively assessed (Note 22)	18,985	(90,742)
		132,171	6,324
其中	Of which		
— 新增撥備	— new allowances	240,908	209,037
— 撥回	— releases	(64,709)	(186,146)
— 收回	— recoveries	(44,028)	(16,567)
於損益表支銷淨額	Net charge to the income statement	132,171	6,324

11 出售/重估物業及設備之虧損淨額

11 NET LOSS FROM DISPOSAL/REVERSAL OF REVALUATION DEFICITS OF PROPERTY, PLANT AND EQUIPMENT

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
出售物業及設備之溢利/(虧損)淨額	Net gain/(loss) on disposal of property, plant and equipment	1,989	(986)
撥回物業重估虧絀	Reversal of revaluation deficits of premises of property, plant and equipment	565	287
物業及設備減值損失	Impairment losses on property, plant and equipment	(2,569)	—
		(15)	(699)

賬目附註 Notes to the Accounts

12 稅項

香港利得稅乃根據本年度來自香港之估計應課稅溢利按稅率17.5%（二零零五年：17.5%）計算。海外分行及附屬公司按有關國家適用之現行稅率計算。

於綜合損益表中支賬之稅項如下：

12 TAX

Hong Kong profits tax has been calculated at the rate of 17.5% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong for the year. Tax for overseas branches and subsidiaries is charged at the appropriate current rates of tax ruling in the relevant countries.

The amount of tax charged to the consolidated income statement represents:

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
本期稅項－香港利得稅準備	Current tax – provision for Hong Kong Profits Tax		
本年度稅項	Tax for the year	269,322	180,689
往年度撥備不足／(過剩)	Underprovision/(overprovision) in respect of prior years	8,365	(932)
		277,687	179,757
本期稅項－海外	Current tax – overseas		
本年度稅項	Tax for the year	5,907	3,705
往年度撥備不足	Underprovision in respect of prior years	84,847	20,000
		90,754	23,705
因暫時差額產生及贖回之 遞延稅項（附註32）	Deferred tax relating to the origination and reversal of temporary differences (Note 32)	(11,072)	23,790
		357,369	227,252

本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

The tax expense for the Group's profit before tax differs from the theoretical amount that would arise using the current tax rate is as follows:

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
除稅前溢利	Profit before tax	1,602,961	1,207,853
按稅率17.5%（二零零五：17.5%） 計算之稅項	Calculated at a tax rate of 17.5% (2005: 17.5%)	280,519	211,374
不同國家稅率之影響	Effect of different tax rates in other countries	(1,210)	5,396
無須課稅之收入	Income not subject to tax	(39,645)	(10,660)
不可扣稅之支出	Expenses not deductible for tax purposes	27,700	2,120
過往年度稅項調整	Adjustments in respect of current tax of previous periods	93,212	19,068
使用過往年度稅項虧損	Utilisation of tax losses from previous years	(2,203)	–
分佔一間聯營公司稅項	Share of tax of an associate	(1,004)	(46)
稅項支出	Tax charge	357,369	227,252

賬目附註 Notes to the Accounts

13 董事及高層管理人員酬金

(a) 董事酬金

截至二零零六年十二月三十一日止年度之每位董事之酬金如下：

董事姓名	Name of director	袍金 Fees 千港元 HK\$'000	薪金及津貼 Salaries and allowances 千港元 HK\$'000	不定額花紅 Discretionary bonuses 千港元 HK\$'000	公積金供款 (附註9) Contribution to pension "Schemes" (as defined in note 9) 千港元 HK\$'000	合計 Total 千港元 HK\$'000
姜建清博士	Dr. Jiang Jianqing	190	-	-	-	190
王麗麗女士	Ms. Wang Lili	140	-	-	-	140
朱琦先生	Mr. Zhu Qi	-	2,300	1,400	212	3,912
陳愛平先生	Mr. Chen Aiping	90	-	-	-	90
黃遠輝先生	Mr. Wong Yuen Fai	-	3,952	500	291	4,743
張懿先生	Mr. Zhang Yi	-	1,690	1,100	156	2,946
Damis Jacobus Ziengs 先生	Mr. Damis Jacobus Ziengs	90	-	-	-	90
王于漸教授, S.B.S., 太平紳士*	Prof. Wong Yue Chim, Richard, S.B.S. J.P.*	220	-	-	-	220
徐耀華先生*	Mr. Tsui Yiu Wa, Alec*	220	-	-	-	220
袁金浩先生*	Mr. Yuen Kam Ho, George*	220	-	-	-	220
		1,170	7,942	3,000	659	12,771

* 獨立非執行董事

截至二零零五年十二月三十一日止年度之每位董事之酬金如下：

董事姓名	Name of director	袍金 Fees 千港元 HK\$'000	薪金及津貼 Salaries and allowances 千港元 HK\$'000	不定額花紅 Discretionary bonuses 千港元 HK\$'000	公積金供款 (附註9) Contribution to pension "Schemes" (as defined in note 9) 千港元 HK\$'000	合計 Total 千港元 HK\$'000
姜建清博士	Dr. Jiang Jianqing	190	-	-	-	190
王麗麗女士	Ms. Wang Lili	140	-	-	-	140
朱琦先生	Mr. Zhu Qi	-	2,300	1,200	212	3,712
陳愛平先生	Mr. Chen Aiping	90	-	-	-	90
黃遠輝先生	Mr. Wong Yuen Fai	-	3,860	200	283	4,343
張懿先生	Mr. Zhang Yi	-	1,690	900	156	2,746
Damis Jacobus Ziengs 先生	Mr. Damis Jacobus Ziengs	90	-	-	-	90
王于漸教授, S.B.S., 太平紳士*	Prof. Wong Yue Chim, Richard, S.B.S. J.P.*	190	-	-	-	190
徐耀華先生*	Mr. Tsui Yiu Wa, Alec*	190	-	-	-	190
袁金浩先生*	Mr. Yuen Kam Ho, George*	190	-	-	-	190
		1,080	7,850	2,300	651	11,881

* 獨立非執行董事

年內並無董事放棄或同意放棄任何酬金之安排。

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director for the year ended 31 December 2006 is set out below:

Name of director	Fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Contribution to pension "Schemes" (as defined in note 9) HK\$'000	Total HK\$'000
Dr. Jiang Jianqing	190	-	-	-	190
Ms. Wang Lili	140	-	-	-	140
Mr. Zhu Qi	-	2,300	1,400	212	3,912
Mr. Chen Aiping	90	-	-	-	90
Mr. Wong Yuen Fai	-	3,952	500	291	4,743
Mr. Zhang Yi	-	1,690	1,100	156	2,946
Mr. Damis Jacobus Ziengs	90	-	-	-	90
Prof. Wong Yue Chim, Richard, S.B.S. J.P.*	220	-	-	-	220
Mr. Tsui Yiu Wa, Alec*	220	-	-	-	220
Mr. Yuen Kam Ho, George*	220	-	-	-	220
	1,170	7,942	3,000	659	12,771

* Independent non-executive directors

The remuneration of every director for the year ended 31 December 2005 is set out below:

Name of director	Fees HK\$'000	Salaries and allowances HK\$'000	Discretionary bonuses HK\$'000	Contribution to pension "Schemes" (as defined in note 9) HK\$'000	Total HK\$'000
Dr. Jiang Jianqing	190	-	-	-	190
Ms. Wang Lili	140	-	-	-	140
Mr. Zhu Qi	-	2,300	1,200	212	3,712
Mr. Chen Aiping	90	-	-	-	90
Mr. Wong Yuen Fai	-	3,860	200	283	4,343
Mr. Zhang Yi	-	1,690	900	156	2,746
Mr. Damis Jacobus Ziengs	90	-	-	-	90
Prof. Wong Yue Chim, Richard, S.B.S. J.P.*	190	-	-	-	190
Mr. Tsui Yiu Wa, Alec*	190	-	-	-	190
Mr. Yuen Kam Ho, George*	190	-	-	-	190
	1,080	7,850	2,300	651	11,881

* Independent non-executive directors

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

賬目附註 Notes to the Accounts

13 董事及高層管理人員酬金(續)

(b) 五名最高薪酬人士

於年內本集團五名最高薪酬人士其中三名為董事(二零零五年:三名),其酬金詳情已於上文披露。其餘兩名(二零零五年:兩名)非董事之人士於年內之酬金如下:

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
基本薪金、房屋津貼、 其他津貼及實物利益	Basic salaries, housing allowances, other allowances and benefits in kind	4,244	3,680
花紅	Bonuses	1,600	1,000
公積金計劃供款	Contributions to Schemes	435	407
		6,279	5,087

酬金之幅度如下:

The emoluments fall within the following bands:

酬金幅度	Emolument bands	人數 Number of Individuals	
		2006	2005
2,000,001 港元 – 2,500,000 港元	HK\$2,000,001 to HK\$2,500,000	–	1
2,500,001 港元 – 3,000,000 港元	HK\$2,500,001 to HK\$3,000,000	1	1
3,000,001 港元 – 3,500,000 港元	HK\$3,000,001 to HK\$3,500,000	–	–
3,500,001 港元 – 4,000,000 港元	HK\$3,500,001 to HK\$4,000,000	1	–

14 股東應佔溢利

計入本銀行賬目之本集團股東應佔溢利為1,193,097,000港元(二零零五年:1,338,266,000港元)指總溢利1,225,939,000港元(二零零五年:956,070,000港元)加上外匯合約之公平值產生之匯兌虧損32,842,000港元(二零零五年:盈利382,196,000港元)。外匯合約乃就對沖海外附屬公司之風險而訂立。本銀行之匯兌收益及海外附屬公司之匯兌虧損於綜合損益表中對銷。

14 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The profit attributable to equity holders is dealt with in the accounts of the Bank to the extent of HK\$1,193,097,000 (2005: HK\$1,338,266,000), representing a gross profit of HK\$1,225,939,000 (2005: HK\$956,070,000) plus an exchange loss of HK\$32,842,000 (2005: a gain of HK\$382,196,000) arising from the fair value of foreign exchange contracts entered to hedge the exposure of a foreign subsidiary. The exchange gain of the Bank is offset by the exchange loss of the foreign subsidiary in the consolidated income statement.

賬目附註 Notes to the Accounts

15 每股盈利

每股基本盈利乃按本集團股東應佔溢利，除以年內已發行普通股股份之加權平均數計算。

15 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

		2006	2005
本集團股東應佔溢利(千港元)	Profit attributable to equity holders (HK\$'000)	1,245,592	980,601
已發行普通股股份之加權平均數(千股)	Weighted average number of ordinary shares in issue (thousands)	1,121,259	1,076,479
每股基本盈利(每股港元)	Basic earnings per share (HK\$ per share)	1.11	0.91

由於截至二零零六年及二零零五年十二月三十一日止年度並無具攤薄潛力之股份，每股基本盈利與攤薄盈利之間並無差異。

There was no difference between basic and diluted earnings per share amounts as there were no potential dilutive shares outstanding during the years ended 31 December 2006 and 2005.

16 股息

16 DIVIDENDS

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
中期股息每股普通股0.20港元 (二零零五年：0.18港元)	Interim, paid of HK\$0.20 (2005: HK\$0.18) per ordinary share	224,252	201,827
擬派末期股息每股普通股0.46港元 (二零零五年：0.35港元)	Final, proposed of HK\$0.46 (2005: HK\$0.35) per ordinary share	515,779	392,441
		740,031	594,268

附註：於二零零七年三月二十日會議上，董事宣派每股普通股0.46港元之末期股息。有關擬派股息於該等賬目中並非列作應付股息，惟將列作截至二零零七年十二月三十一日止年度之保留盈餘分派。

Note: At a meeting held on 20 March 2007, the directors proposed a final dividend of HK\$0.46 per ordinary share. This proposed dividend is not reflected as dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2007.

賬目附註 Notes to the Accounts

17 現金及短期資金

17 CASH AND SHORT-TERM FUNDS

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
庫存現金及銀行同業 與其他金融機構之結存	Cash and balances with banks and other financial institutions (Note 38)	1,180,089	896,402	1,119,887	831,788
於一個月以內到期之 銀行同業及其他 金融機構存款	Placements with banks and other financial institutions with maturity within one month	44,315,023	23,454,667	43,806,481	23,090,987
庫券(包括外匯 基金票據)	Treasury bills (including Exchange Fund Bills)	1,986,645	966,169	1,986,645	966,169
		47,481,757	25,317,238	46,913,013	24,888,944

附註：

香港金融管理局發行之庫券(包括外匯基金票據)按香港會計準則第39號分類為持至到期證券。

Note:

Treasury bills (including Exchange Fund Bills) which are issued by the Hong Kong Monetary Authority represented held-to-maturity securities according to HKAS 39 categorisation.

18 銀行同業存款及銀行及其他金融機構貸款

18 PLACEMENTS WITH BANKS AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
於一到十二個月到期之 銀行同業及其他 金融機構存款	Placements with other banks and other financial institutions maturing between one and twelve months	5,015,135	2,364,951	5,779,578	2,364,951
銀行同業及其他 金融機構貸款總額	Gross advances to banks and other financial institutions	–	104,694	–	104,694
		5,015,135	2,469,645	5,779,578	2,469,645

賬目附註 Notes to the Accounts

19 商業票據

19 TRADE BILLS

		本集團及本銀行 Group and Bank	
		2006	2005
		千港元	千港元
		HK\$'000	HK\$'000
商業票據	Trade bills	1,272,555	2,001,557
減：商業票據減值準備	Less: Impairment allowances on trade bills		
– 個別評估 (附註22)	– Individually assessed (Note 22)	(1,841)	(3,402)
– 組合評估 (附註22)	– Collectively assessed (Note 22)	(3,645)	(5,775)
		1,267,069	1,992,380

20 以公平價值經損益表入賬之金融資產(包括持作買賣用途證券)

20 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (INCLUDING TRADING SECURITIES)

		本集團及本銀行 Group and Bank	
		2006	2005
		千港元	千港元
		HK\$'000	HK\$'000
債券 (列入持作買賣用途證券)	Debt securities (included in trading securities):		
– 在香港上市	– listed in Hong Kong	100	98
– 非上市	– unlisted	13,768	149
股本證券：	Equity Securities		
– 在香港上市	– listed in Hong Kong	42,600	–
持作買賣用途證券總值	Total trading securities	56,468	247
以公平價值經損益表入賬之金融資產	Financial assets at fair value through profit or loss	1,704,349	1,690,010
以公平價值經損益表入賬之金融資產總額(包括持作買賣用途證券)	Total financial assets at fair value through profit or loss (including trading securities)	1,760,817	1,690,257
上市證券市值	Market value of listed securities	869,264	1,146,573
以公平價值經損益表入賬之金融資產(包括持作買賣用途證券)包括：	Included within financial assets at fair value through profit or loss (including trading securities) are:		
所持存款證	Certificates of deposit held	99,704	385,526
其他債券	Other debt securities	1,618,513	1,304,731
股本證券	Equity securities	42,600	–
		1,760,817	1,690,257
以公平價值經損益表入賬之金融資產(包括持作買賣用途證券)按發行人類別如下：	Financial assets at fair value through profit or loss (including trading securities) are analysed by categories of issuers as follows:		
– 中央政府及中央銀行	– Central governments and central banks	208,116	211,652
– 公營機構	– Public sector entities	211,099	200,398
– 銀行及其他金融機構	– Banks and other financial institutions	525,721	483,509
– 企業	– Corporate entities	815,881	794,698
		1,760,817	1,690,257

賬目附註

Notes to the Accounts

21 衍生金融工具

21 DERIVATIVE FINANCIAL INSTRUMENTS

於二零零六年十二月三十一日
At 31 December 2006

本集團及本銀行
Group and Bank

		合約／名義金額 Contractual/ notional amount 千港元 HK\$'000	公平值 資產 Fair value assets 千港元 HK\$'000	公平值 負債 Fair value liabilities 千港元 HK\$'000
1) 持作買賣用途之衍生工具	1) Derivatives held for trading			
a) 外匯衍生工具	a) Foreign exchange derivatives			
– 貨幣遠期／換期買賣	– Currency forwards	78,090,202	275,436	(278,276)
– 場外貨幣期權買賣	– OTC currency options brought and sold	10,926,410	20,773	(19,724)
場外衍生工具總額	Total foreign exchange derivatives		296,209	(298,000)
b) 利率衍生工具	b) Interest rate derivatives			
– 利率掉期	– Interest rate swaps	25,819,500	366,340	(453,771)
– 場外利率期權	– OTC interest rate options	7,229,572	3,294	(3,341)
– 其他利率合約	– Other interest rate contracts	905,561	1,222	(474)
場外衍生工具總額	Total interest rate derivatives		370,856	(457,586)
c) 股本衍生工具	c) Equity derivatives			
– 股本期權	– Equity options	74,678	292	(292)
持作買賣用途衍生工具資產／ (負債)總額	Total derivative assets/(liabilities) held for trading		667,357	(755,878)
2) 持作對沖用途衍生工具	2) Derivatives held of hedging			
a) 指定為公平值對沖之衍生工具	a) Derivatives designated as fair value hedges			
– 利率掉期	– Interest rate swaps	2,423,452	45,845	(17,238)
持作對沖用途之衍生工具 資產／(負債)總額	Total derivative assets/(liabilities) held for hedging		45,845	(17,238)
已確認衍生工具金融資產／ (負債)總額	Total recognised derivative assets/(liabilities)		713,202	(773,116)

賬目附註

Notes to the Accounts

21 衍生金融工具(續)

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

於二零零五年十二月三十一日
At 31 December 2005

		合約／名義金額 Contractual/ notional amount 千港元 HK\$'000	重報 Restated 本集團及本銀行 Group and Bank 公平值 資產 Fair value assets 千港元 HK\$'000	公平值 負債 Fair value liabilities 千港元 HK\$'000
1) 持作買賣用途之衍生工具	1) Derivatives held for trading			
a) 外匯衍生工具	a) Foreign exchange derivatives			
－貨幣遠期／換期買賣	－ Currency forwards	24,879,928	56,683	(35,531)
－場外貨幣期權買賣	－ OTC currency options brought and sold	3,310,175	7,816	(7,143)
場外衍生工具總額	Total foreign exchange derivatives		64,499	(42,674)
b) 利率衍生工具	b) Interest rate derivatives			
－利率掉期	－ Interest rate swaps	26,413,818	479,742	(641,187)
－場外利率期權	－ OTC interest rate options	8,374,692	2,857	(3,007)
－其他利率合約	－ Other interest rate contracts	600,000	3,983	(762)
場外衍生工具總額	Total interest rate derivatives		486,582	(644,956)
c) 股本衍生工具	c) Equity derivatives			
－股本期權	－ Equity options	71,010	532	(533)
持作買賣用途衍生工具資產／ (負債)總額	Total derivative assets/(liabilities) held for trading		551,613	(688,163)
2) 持作對沖用途衍生工具	2) Derivatives held of hedging			
a) 指定為公平值對沖之衍生工具	a) Derivatives designated as fair value hedges			
－利率掉期	－ Interest rate swaps	2,711,327	58,224	(33,983)
－交叉貨幣利率掉期	－ Cross currency interest rate swaps	32,653	–	(773)
持作對沖用途之衍生工具 資產／(負債)總額	Total derivative assets/(liabilities) held for hedging		58,224	(34,756)
已確認衍生工具金融資產／ (負債)總額	Total recognised derivative assets/(liabilities)		609,837	(722,919)

賬目附註 Notes to the Accounts

21 衍生金融工具(續)

資產負債表外金融工具的合約或名義金額僅為資產負債表日業務額的指標，與其所涉及的潛在風險無大關連。

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The contractual or notional amounts of off-balance sheet instruments provide only an indication of the volume of business outstanding at the balance sheet date and bear little relation to the underlying risks of the exposures.

		本集團及本銀行 Group and Bank			
		2006		2005	
		重置成本 Replacement cost 千港元 HK\$'000	信貸風險 加權金額 Credit risk weighted amount 千港元 HK\$'000	重置成本 Replacement cost 千港元 HK\$'000	信貸風險 加權金額 Credit risk weighted amount 千港元 HK\$'000
外匯合約	Exchange rate contracts	287,355	231,022	111,974	75,752
利率合約	Interest rate contracts	412,987	117,870	537,187	149,296
其他合約	Other contracts	292	–	533	–
		700,634	348,892	649,694	225,048

上述資產負債表外風險項目之重置成本及加權平均信貸風險之數額並未計入雙邊淨額結算安排。

The replacement costs and credit risk weighted amounts of the off-balance sheet exposures do not take into account the effects of bilateral netting arrangement.

賬目附註 Notes to the Accounts

22 客戶貸款

22 LOANS AND ADVANCES TO CUSTOMERS

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
客戶貸款	Advances to customers	74,481,405	68,299,287	73,473,370	67,158,009
應計利息	Accrued interest	326,433	321,200	320,228	312,379
— 個別減值 準備	— Individual impairment allowances	(199,271)	(264,016)	(199,271)	(181,902)
— 組合減值 準備	— Collective impairment allowances	(227,880)	(203,808)	(210,320)	(193,197)
客戶貸款	Loans and advances to customers	74,380,687	68,152,663	73,384,007	67,095,289

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
減值貸款分析如下：	Impaired loans are analysed as follows:				
商業票據	Trade bills	2,982	3,304	2,982	3,304
客戶貸款	Loans and advances to customers	895,407	657,772	895,407	575,670
		898,389	661,076	898,389	578,974

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
減值貸款總額 (i)	Gross impaired loans (i)	898,389	661,076	898,389	578,974
個別減值準備	Impairment allowances made in respect of such loans	201,112	267,418	201,112	185,304
佔客戶貸款總額之 百分比	As a percentage of total loans and advances	1.2%	0.9%	1.2%	0.8%

註(i) 減值貸款是因其於首次確認資產後出現一件或多件對可以可靠估計未來現金流量有影響之事件(「虧損事件」)，而導致個別出現客觀減值證據而須個別評估的貸款。

於二零零六年十二月三十一日，本集團貸予銀行同業及其他金融機構的款項中，沒有減值貸款，亦沒有就該等貸款提供減值準備(二零零五：零)。

Note(i) Impaired loans are defined as those loans having objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset ("loss event") and that loss event has an impact on the estimated future cash flows of the loans that can reliably be estimated.

There were no impaired advances to banks and other financial institutions as at 31 December 2006 nor were there any individual impairment allowances made for them on that date (2005: Nil).

賬目附註 Notes to the Accounts

22 客戶貸款(續)

22 LOANS AND ADVANCES TO CUSTOMERS (continued)

本集團	Group	個別評估	2006 組合評估	總額
		Individual assessment 千港元 HK\$'000	Collective assessment 千港元 HK\$'000	
貸款減值準備變動	Movement in impairment allowances on loans and advances			
於二零零六年一月一日餘額	Balance at 1 January 2006	267,418	209,583	477,001
轉撥自收購	Transferred from acquisition of			
中國工商銀行香港分行	ICBC, Hong Kong Branch	514	2,948	3,462
減值損失(附註10)	Impairment losses (Note 10)	113,186	18,985	132,171
撇銷不能收回之貸款	Loans written off as uncollectible	(224,034)	–	(224,034)
收回過往年度已 撇銷貸款	Recoveries of advances written off in previous years	44,028	–	44,028
匯率及其他調整	Exchange and other adjustments	–	9	9
於二零零六年十二月三十一日	At 31 December 2006	201,112	231,525	432,637
扣除自：	Deducted from:			
商業票據(附註19)	Trade bills (Note 19)	1,841	3,645	5,486
客戶貸款	Loans and advances to customers	199,271	227,880	427,151
		201,112	231,525	432,637

本集團	Group	個別評估	2005 組合評估	總額
		Individual assessment 千港元 HK\$'000	Collective assessment 千港元 HK\$'000	
貸款減值準備變動	Movement in impairment allowances on loans and advances			
於二零零五年一月一日餘額	Balance at 1 January 2005	302,239	301,751	603,990
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary	–	7,822	7,822
減值損失(附註10)	Impairment losses (Note 10)	97,066	(90,742)	6,324
出售貸款收益	Gain on disposal of loans	–	(6,162)	(6,162)
撇銷不能收回之貸款	Loans written off as uncollectible	(148,454)	–	(148,454)
收回過往年度已 撇銷貸款	Recoveries of advances written off in previous years	16,567	–	16,567
匯率及其他調整	Exchange and other adjustments	–	(3,086)	(3,086)
於二零零五年十二月三十一日	At 31 December 2005	267,418	209,583	477,001
扣除自：	Deducted from:			
商業票據(附註19)	Trade bills (Note 19)	3,402	5,775	9,177
客戶貸款	Loans and advances to customers	264,016	203,808	467,824
		267,418	209,583	477,001

賬目附註 Notes to the Accounts

22 客戶貸款(續)

22 LOANS AND ADVANCES TO CUSTOMERS (continued)

本銀行	Bank	個別評估 Individual assessment 千港元 HK\$'000	2006 組合評估 Collective assessment 千港元 HK\$'000	總額 Total 千港元 HK\$'000
貸款減值準備變動	Movement in impairment allowances on loans and advances			
於二零零六年一月一日餘額	Balance at 1 January 2006	185,304	198,972	384,276
轉撥自收購 中國工商銀行香港分行	Transferred from acquisition of ICBC, Hong Kong Branch	514	2,948	3,462
減值損失	Impairment losses	128,147	12,045	140,192
撇銷不可收回貸款	Loans written off as uncollectible	(142,708)	–	(142,708)
收回過往年度撇銷貸款	Recoveries of advances written off in previous years	29,855	–	29,855
於二零零六年十二月三十一日	At 31 December 2006	201,112	213,965	415,077
扣除自：	Deducted from:			
商業票據(附註 19)	Trade bills (Note 19)	1,841	3,645	5,486
客戶貸款	Loans and advances to customers	199,271	210,320	409,591
		201,112	213,965	415,077
本銀行	Bank	個別評估 Individual assessment 千港元 HK\$'000	2005 組合評估 Collective assessment 千港元 HK\$'000	總額 Total 千港元 HK\$'000
貸款減值準備變動	Movement in impairment allowances on loans and advances			
於二零零五年一月一日餘額	Balance at 1 January 2005	98,357	179,647	278,004
因與華比銀行香港分行 合併之增添	Additions through merger with Belgian Bank, Hong Kong Branch	66,677	96,418	163,095
減值損失	Impairment losses	107,131	(70,931)	36,200
出售貸款收益	Gain on disposal of loans	–	(6,162)	(6,162)
撇銷不可收回貸款	Loans written off as uncollectible	(101,062)	–	(101,062)
收回過往年度撇銷貸款	Recoveries of advances written off in previous years	14,201	–	14,201
於二零零五年十二月三十一日	At 31 December 2005	185,304	198,972	384,276
扣除自：	Deducted from:			
商業票據(附註 19)	Trade bills (Note 19)	3,402	5,775	9,177
客戶貸款	Loans and advances to customers	181,902	193,197	375,099
		185,304	198,972	384,276

賬目附註 Notes to the Accounts

23 備供銷售證券

23 AVAILABLE-FOR-SALE SECURITIES

		本集團 Group	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
債券：	Debt securities:		
– 於香港上市	– listed in Hong Kong	650,589	607,010
– 於香港以外地區上市	– listed outside Hong Kong	4,084,988	4,456,407
– 非上市	– unlisted	5,270,060	4,561,334
		10,005,637	9,624,751
股本證券：	Equity securities:		
– 於香港上市	– listed in Hong Kong	949,303	415,684
– 非上市	– unlisted	97,378	97,376
		1,046,681	513,060
備供銷售證券總額	Total available-for-sale securities	11,052,318	10,137,811
上市證券之市值	Market value of listed securities	5,684,880	5,479,103
債券包括：	Included within debt securities are:		
– 所持有之存款證	– Certificates of deposit held	439,225	3,186,907
– 其他債券	– Other debt securities	9,566,412	6,437,844
		10,005,637	9,624,751
備供銷售證券按發行人類別 分析如下：	Available-for-sale securities are analysed by category of issuers as follows:		
– 中央政府及中央銀行	– Central governments and central banks	405,059	406,779
– 公營機構	– Public sector entities	739,595	564,497
– 銀行同業及其他金融機構	– Banks and other financial institutions	3,884,102	3,575,785
– 企業	– Corporate entities	6,022,069	5,589,199
– 其他	– Others	1,493	1,551
		11,052,318	10,137,811

賬目附註 Notes to the Accounts

23 備供銷售證券(續)

23 AVAILABLE-FOR-SALE SECURITIES (continued)

		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
債券：	Debt securities:		
– 於香港上市	– listed in Hong Kong	650,589	607,010
– 於香港以外地區上市	– listed outside Hong Kong	4,084,988	4,456,407
– 非上市	– unlisted	5,269,351	4,560,579
		10,004,928	9,623,996
股本證券：	Equity securities:		
– 於香港上市	– listed in Hong Kong	949,303	415,684
– 非上市	– unlisted	97,378	97,376
		1,046,681	513,060
備供銷售證券總額	Total available-for-sale securities	11,051,609	10,137,056
上市證券之市值	Market value of listed securities	5,684,880	5,479,103
債券包括：	Included within debt securities are:		
– 所持有之存款證	– Certificates of deposit held	439,225	3,186,907
– 其他債券	– Other debt securities	9,565,703	6,437,089
		10,004,928	9,623,996
備供銷售證券按發行人類別 分析如下：	Available-for-sale securities are analysed by category of issuers as follows:		
– 中央政府及中央銀行	– Central governments and central banks	405,059	406,779
– 公營機構	– Public sector entities	739,595	564,497
– 銀行同業及其他金融機構	– Banks and other financial institutions	3,884,090	3,575,785
– 企業	– Corporate entities	6,022,069	5,589,199
– 其他	– Others	796	796
		11,051,609	10,137,056

賬目附註 Notes to the Accounts

24 持至到期證券

24 HELD-TO-MATURITY SECURITIES

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
債券：	Debt securities:				
– 於香港以外地區上市	– Listed outside Hong Kong	666,950	836,232	666,950	836,232
– 非上市證券	– Unlisted	1,485,043	2,245,267	1,485,043	2,246,536
		2,151,993	3,081,499	2,151,993	3,082,768
減值準備	Less: Impairment allowances	(5,666)	–	(5,666)	–
持至到期證券總額	Total held-to-maturity securities	2,146,327	3,081,499	2,146,327	3,082,768
上市證券之市值	Market value of listed securities	668,878	837,923	668,878	837,923
債券包括：	Included within debt securities are:				
所持之存款證	Certificates of deposit held	232,666	1,327,971	232,666	1,327,971
其他債券	Other debt securities	1,913,661	1,753,528	1,913,661	1,754,797
		2,146,327	3,081,499	2,146,327	3,082,768
持至到期之證券按發行者 之分析如下：	Held-to-maturity securities are analysed by category of issuers as follows:				
– 中央政府及 中央銀行	– Central governments and central banks	165,791	263,523	165,791	263,523
– 公營機構	– Public sector entities	180,439	254,002	180,439	254,002
– 銀行同業及其他 金融機構	– Banks and other financial institutions	907,262	1,675,994	907,262	1,675,994
– 企業	– Corporate entities	892,835	887,980	892,835	889,249
		2,146,327	3,081,499	2,146,327	3,082,768

賬目附註 Notes to the Accounts

25 聯營公司投資

25 INVESTMENT IN AN ASSOCIATE

		本集團 Group	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
應佔淨資產	Share of net assets	34,485	28,484

		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
投資按成本列值，非上市股份	Investment at cost, unlisted shares	14,508	14,508

本集團於其主要聯營公司之權益，該些聯營公司為非上市，如下：

The Group's interest in its principal associate, which is unlisted, is as follows:

名稱 Name	註冊成立地點 Place of incorporation	資產 Assets 千港元 HK\$'000	負債 Liabilities 千港元 HK\$'000	收入 Revenues 千港元 HK\$'000	溢利 Profit 千港元 HK\$'000	持有權益 百分比 % Interest held
2006 中國平安保險(香港)有限公司 China Ping An Insurance (Hong Kong) Company Limited	香港 Hong Kong	47,675	13,190	10,743	5,739	25
2005 中國平安保險(香港)有限公司 China Ping An Insurance (Hong Kong) Company Limited	香港 Hong Kong	39,541	11,057	4,401	260	25

中國平安保險(香港)有限公司在香港從事一般保險業務。本集團擁有200,000股每股100港元之普通股。

China Ping An Insurance (Hong Kong) Company Limited engages in general insurance business in Hong Kong. The Group held 200,000 ordinary shares of HK\$100 each.

賬目附註 Notes to the Accounts

26 無形資產

26 INTANGIBLE ASSETS

本集團	Group	商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	交易權 Trading rights 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值或賬面淨值	Cost or net carrying amount				
於二零零六年一月一日	At 1 January 2006	937,906	183,885	1,895	1,123,686
添置(附註(i)及(iii))	Additions (Notes (i) and (iii))	15,266	1,570	–	16,836
出售	Disposal	–	(1,911)	–	(1,911)
於二零零六年十二月三十一日	At 31 December 2006	953,172	183,544	1,895	1,138,611
累積折舊	Accumulated amortisation				
於二零零六年一月一日	At 1 January 2006	–	42,832	–	42,832
年內攤銷	Charge for the year	–	45,006	–	45,006
於二零零六年十二月三十一日	At 31 December 2006	–	87,838	–	87,838
賬面淨值	Net book value				
於二零零六年十二月三十一日	At 31 December 2006	953,172	95,706	1,895	1,050,773

本集團	Group	商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	交易權 Trading rights 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值或賬面淨值	Cost or net carrying amount				
於二零零五年一月一日	At 1 January 2005	870,514	129,235	1,895	1,001,644
添置(附註(i), (ii)及(iii))	Additions (Notes (i), (ii) and (iii))	67,392	54,650	–	122,042
於二零零五年十二月三十一日	At 31 December 2005	937,906	183,885	1,895	1,123,686
累積折舊	Accumulated amortisation				
於二零零五年一月一日	At 1 January 2005	–	3,590	–	3,590
年內攤銷	Charge for the year	–	39,242	–	39,242
於二零零五年十二月三十一日	At 31 December 2005	–	42,832	–	42,832
賬面淨值	Net book value				
於二零零五年十二月三十一日	At 31 December 2005	937,906	141,053	1,895	1,080,854

賬目附註 Notes to the Accounts

26 無形資產(續)

26 INTANGIBLE ASSETS (continued)

本銀行	Bank	商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值或賬面淨值	Cost or net carrying amount			
於二零零六年一月一日	At 1 January 2006	615,669	183,885	799,554
添置(附註(ii))	Additions (Note (i))	–	1,529	1,529
出售	Disposal	–	(1,911)	(1,911)
於二零零六年十二月三十一日	At 31 December 2006	615,669	183,503	799,172
累積攤銷	Accumulated amortisation			
於二零零六年一月一日	At 1 January 2006	–	42,832	42,832
年內攤銷	Charge for the year	–	45,005	45,005
於二零零六年十二月三十一日	At 31 December 2006	–	87,837	87,837
賬面淨值	Net book value			
於二零零六年十二月三十一日	At 31 December 2006	615,669	95,666	711,335

本銀行	Bank	商譽 Goodwill 千港元 HK\$'000	電腦軟件 Computer software 千港元 HK\$'000	合計 Total 千港元 HK\$'000
成本值或賬面淨值	Cost or net carrying amount			
於二零零五年一月一日	At 1 January 2005	585,715	129,235	714,950
因與華比銀行香港分行合併 之增添	Additions through merger with Belgain Bank, Hong Kong Branch	29,954	–	29,954
添置(附註(ii))	Additions (Note (i))	–	54,650	54,650
於二零零五年十二月三十一日	At 31 December 2005	615,669	183,885	799,554
累積攤銷	Accumulated amortisation			
於二零零五年一月一日	At 1 January 2005	–	3,590	3,590
年內攤銷	Charge for the year	–	39,242	39,242
於二零零五年十二月三十一日	At 31 December 2005	–	42,832	42,832
賬面淨值	Net book value			
於二零零五年十二月三十一日	At 31 December 2005	615,669	141,053	756,722

賬目附註 Notes to the Accounts

26 無形資產(續)

附註：

- (i) 綜合業務網絡系統於二零零五年十月進行升級，直接成本包括軟件開發顧問費及僱員成本，並確認為截至二零零六年十二月三十一日及二零零五年十二月三十一日之無形資產。
- (ii) 於二零零五年八月十二日，本集團已完成收購華商銀行。收購成本超出華商銀行於收購日期之淨資產公平值之超出部分於綜合資產負債表內確認為商譽。
- (iii) 於收購華比銀行之買賣協議第7.13節，當中協定買方(本銀行)須向賣方(富通銀行)支付於稅務契據生效期間華比銀行之債項之債務人所付款額與買方所付金額之差額。稅務契據第2.1.2條訂明賣方將向買方支付於完成日期或之前所賺取、應計或收取之收入、溢利或收益所產生之稅務負債。商譽為華比銀行之債項支付之金額，與根據稅務契據收取之金額之間之差額。
- (iv) 包含商譽的現金生產單位之減值測試
本集團按業務分部分配商譽予可辨別的現金生產單位如下：

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
企業銀行	Corporate Banking	585,715	585,715
商業銀行	Commercial Banking	201,682	192,836
零售銀行	Retail Banking	124,611	118,191
其他	Others	41,164	41,164
		953,172	937,906

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的折扣率為10%至20%(二零零五年：10%)及長期增長率為14%(二零零五年：13%)。

管理層根據過往及預計市場發展以決定預算財務表現。加權平均增長率與行業的預測是一致的。

26 INTANGIBLE ASSETS (continued)

Notes:

- (i) The Core banking system was upgraded in October 2005 with direct costs including software development consultancy fees and employee costs recognised as intangible asset as at 31 December 2006 and 2005 respectively.
- (ii) The Group has completed the acquisition of Chinese Mercantile Bank on 12 August 2005. The excess of the acquisition cost over the fair value of the net assets of Chinese Mercantile Bank at the date of acquisition is recognised as goodwill on the consolidated balance sheet.
- (iii) In the sale and purchase agreement of the acquisition of Belgian Bank, Hong Kong Branch section 7.13, it was agreed that the purchaser (our bank) shall pay to the seller (Fortis Bank) the difference between the payment by the debtor of Belgian Bank's debt and the amount paid by purchaser during the period while the tax deed is in effect. The clause 2.1.2 of the tax deed stipulated that the seller will pay to the purchaser the tax liability which has arisen in respect of income, profits or gains earned, accrued or received on or before the completion date. The goodwill represents the difference between amount paid on Belgian Bank's debts and the amount received from tax deeds.
- (iv) Impairment tests for cash-generating units containing goodwill
Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segment as follows:

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimate rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The discount rates used for value-in-use calculations are ranging from 10% to 20% (2005: 10%) and the long-term growth rate is 14% (2005: 13%).

Management determined the budgeted financial performance based on the past performance and its expectation for market development. The weighted average growth rates used are consistent with the forecasts in the industry.

賬目附註 Notes to the Accounts

27 物業及設備

本集團

27 PROPERTY, PLANT AND EQUIPMENT

Group

		銀行物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零六年一月一日	At 1 January 2006	138,236	144,613	219,014	501,863
重新分類	Reclassification	–	5,356	–	5,356
自中國工商銀行香港分行收購	Acquired from ICBC, Hong Kong Branch	–	1,103	6,075	7,178
添置	Additions	–	40,411	24,945	65,356
重估(附註 i)	Revaluation (Note (i))	9,941	–	–	9,941
出售	Disposals	(3,692)	(22,056)	(16,214)	(41,962)
匯率及其他調整	Exchange and other adjustments	260	(2)	21	279
於二零零六年十二月三十一日	At 31 December 2006	144,745	169,425	233,841	548,011
累積折舊及減值	Accumulated depreciation and impairment				
於二零零六年一月一日	At 1 January 2006	34,195	88,233	168,093	290,521
自中國工商銀行香港分行收購	Acquired from ICBC, Hong Kong Branch	–	1,103	3,892	4,995
年內扣除	Charge for the year	7,100	13,273	15,597	35,970
出售	Disposals	(383)	(18,789)	(13,830)	(33,002)
匯率及其他調整	Exchange and other adjustments	94	–	16	110
於二零零六年十二月三十一日	At 31 December 2006	41,006	83,820	173,768	298,594
賬面淨值	Net book value				
於二零零六年十二月三十一日	At 31 December 2006	103,739	85,605	60,073	249,417
上述資產成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零六年十二月三十一日	At 31 December 2006				
按成本計	At cost	–	169,425	233,841	403,266
按二零零六年十二月之 專業估值	At professional valuation in December 2006	144,745	–	–	144,745
		144,745	169,425	233,841	548,011

賬目附註 Notes to the Accounts

27 物業及設備(續)

本集團

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Group

		銀行房產及物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零五年一月一日	At 1 January 2005	248,200	115,206	213,084	576,490
重新分類	Reclassification	(229,277)	–	–	(229,277)
自附屬公司收購	Acquired from a subsidiary	98,810	–	8,490	107,300
添置	Additions	–	39,381	21,095	60,476
重估	Revaluation	26,186	–	–	26,186
出售	Disposals	(5,683)	(9,974)	(23,655)	(39,312)
於二零零五年十二月三十一日	At 31 December 2005	138,236	144,613	219,014	501,863
累積折舊及減值	Accumulated depreciation and impairment				
於二零零五年一月一日	At 1 January 2005	–	86,266	168,096	254,362
自附屬公司收購	Acquired from a subsidiary	35,131	–	7,737	42,868
年內扣除	Charge for the year	2,481	11,962	14,563	29,006
出售	Disposals	(3,417)	(9,995)	(22,303)	(35,715)
於二零零五年十二月三十一日	At 31 December 2005	34,195	88,233	168,093	290,521
賬面淨值	Net book value				
於二零零五年十二月三十一日	At 31 December 2005	104,041	56,380	50,921	211,342
上述資產成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零五年十二月三十一日	At 31 December 2005				
按成本計	At cost	–	144,613	219,014	363,627
按二零零五年十二月之 專業估值	At professional valuation in December 2005	138,236	–	–	138,236
		138,236	144,613	219,014	501,863

賬目附註 Notes to the Accounts

27 物業及設備(續)

本銀行

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Bank

		銀行物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零六年一月一日	At 1 January 2006	19,495	144,613	213,414	377,522
自中國工商銀行香港分行收購	Acquired from ICBC, Hong Kong Branch	–	1,103	6,075	7,178
添置	Additions	–	37,217	24,327	61,544
重估(附註i)	Revaluation (Note (i))	1,254	–	–	1,254
出售	Disposals	(3,692)	(22,056)	(15,747)	(41,495)
匯率及其他調整	Exchange and other adjustments	–	(2)	2	–
於二零零六年十二月三十一日	At 31 December 2006	17,057	160,875	228,071	406,003
累積折舊及減值	Accumulated depreciation and impairment				
於二零零六年一月一日	At 1 January 2006	885	88,233	163,857	252,975
自中國工商銀行香港分行收購	Acquired from ICBC, Hong Kong Branch	–	1,103	3,892	4,995
年內扣除	Charge for the year	833	11,833	15,338	28,004
出售	Disposals	(383)	(18,789)	(13,382)	(32,554)
匯率及其他調整	Exchange and other adjustments	–	–	2	2
於二零零六年十二月三十一日	At 31 December 2006	1,335	82,380	169,707	253,422
賬面淨值	Net book value				
於二零零六年十二月三十一日	At 31 December 2006	15,722	78,495	58,364	152,581
上述資產成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零六年十二月三十一日	At 31 December 2006				
按成本計	At cost	–	160,875	228,071	388,946
按二零零六年十二月之 專業估值	At professional valuation in December 2006	17,057	–	–	17,057
		17,057	160,875	228,071	406,003

賬目附註 Notes to the Accounts

27 物業及設備(續)

27 PROPERTY, PLANT AND EQUIPMENT (continued)

本銀行		Bank			
		銀行物業 Bank premises and properties 千港元 HK\$'000	租賃物業裝修 Leasehold improvements 千港元 HK\$'000	傢俬及設備 Furniture and equipment 千港元 HK\$'000	總計 Total 千港元 HK\$'000
成本值或估值	Cost or valuation				
於二零零五年一月一日	At 1 January 2005	248,200	80,211	127,671	456,082
重新分類	Reclassification	(229,277)	–	–	(229,277)
因與華比銀行香港分行合併 之增添	Additions through merger with Belgian Bank, Hong Kong Branch	–	34,995	85,066	120,061
添置	Additions	–	39,381	20,189	59,570
重估	Revaluation	572	–	–	572
出售	Disposals	–	(9,974)	(19,512)	(29,486)
於二零零五年十二月三十一日	At 31 December 2005	19,495	144,613	213,414	377,522
累積折舊及減值	Accumulated depreciation and impairment				
於二零零五年一月一日	At 1 January 2005	–	62,489	92,291	154,780
因與華比銀行香港分行合併 之增添	Additions through merger with Belgian Bank, Hong Kong Branch	–	23,777	75,458	99,235
年內扣除	Charge for the year	885	11,962	14,525	27,372
出售	Disposals	–	(9,995)	(18,417)	(28,412)
於二零零五年十二月三十一日	At 31 December 2005	885	88,233	163,857	252,975
賬面淨值	Net book value				
於二零零五年十二月三十一日	At 31 December 2005	18,610	56,380	49,557	124,547
上述資產成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
於二零零五年十二月三十一日	At 31 December 2005				
按成本計	At cost	–	144,613	213,414	358,027
按二零零五年十二月之 專業估值	At professional valuation in December 2005	19,495	–	–	19,495
		19,495	144,613	213,414	377,522

賬目附註 Notes to the Accounts

27 物業及設備(續)

附註：

- (i) 銀行物業於二零零六年十二月三十一日根據由獨立專業估值師A.G.Wilkinson & Associates所作出之公開市場估值進行重估。附屬公司之房產已於二零零六年十二月三十一日根據由獨立中國註冊資產評估師深圳南方民和會計師事務所有限責任公司所作出之公開市場估值進行重估。

28 租賃土地權益

27 PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

- (i) The bank premises were revalued at 31 December 2006 based on the open market value by A.G. Wilkinson & Associates, an independent professional valuer. The subsidiary's premises were revalued at 31 December 2006 based on the open market value by Shenzhen NanFang-MinHe Certified Public Accountants Co., Ltd, independent Certified Public Valuer of the Mainland China.

28 LEASEHOLD LAND AND LAND USE RIGHTS

本集團及本銀行
Group and Bank
千港元
HK\$'000

賬面淨值	Carrying amount	
於二零零六年一月一日 出售	At 1 January 2006 Disposal	108,736 (37,078)
於二零零六年十二月三十一日	At 31 December 2006	71,658
累計折舊及減值	Accumulated amortisation and impairment	
於二零零六年一月一日	At 1 January 2006	17,032
年內扣除	Charge for the year	1,137
減值	Impairment	874
出售	Disposal	(8,812)
於二零零六年十二月三十一日	At 31 December 2006	10,231
賬面淨值	Net carrying amount	
於二零零六年十二月三十一日	At 31 December 2006	61,427

本集團及本銀行
Group and Bank
千港元
HK\$'000

賬面淨值	Carrying amount	
於二零零五年一月一日	At 1 January 2005	108,736
累計折舊及減值	Accumulated amortisation and impairment	
於二零零五年一月一日	At 1 January 2005	15,707
年內扣除	Charge for the year	1,325
於二零零五年十二月三十一日	At 31 December 2005	17,032
賬面淨值	Net carrying amount	
於二零零五年十二月三十一日	At 31 December 2005	91,704

賬目附註 Notes to the Accounts

28 租賃土地權益(續)

本集團於租賃土地之權益相當於經營租約及其賬面淨值分析如下：

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
在香港，按下列年期持有：	In Hong Kong, held on:		
– 租期超過 50 年	– Leases over 50 years	47,070	76,096
– 租期在 10 至 50 年之間	– Leases between 10 to 50 years	14,357	15,608
		61,427	91,704

28 LEASEHOLD LAND AND LAND USE RIGHTS (continued)

The Group's interests in leasehold land and land use rights represent operating leases and their net book values are analysed as follows:

29 於附屬公司之投資

		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
投資，按成本值非上市股份	Investments at cost, unlisted shares	1,417,707	3,318,639

29 INVESTMENTS IN SUBSIDIARIES

賬目附註 Notes to the Accounts

29 於附屬公司之投資(續)

以下為本銀行於二零零六年十二月三十一日持有之附屬公司：

29 INVESTMENTS IN SUBSIDIARIES (continued)

The following is a list of subsidiaries held by the Bank at 31 December 2006:

公司名稱 Name	註冊成立地點 Place of incorporation	主要業務 Principal activities	持有已發行股份/ 註冊資本之詳情 Particulars of issued shares held/registered capital	持有之權益 Interest held	
				2006	2005
華商銀行 [#] △ Chinese Mercantile Bank [#] △	中華人民共和國 People's Republic of China	非人民幣銀行業務 Non-Renminbi banking business	85,300,000 美元 US\$85,300,000	100%	100%
工銀亞洲金業有限公司	香港	不活躍	6,000,000 股每股面值 1 港元之普通股	100%	100%
ICBC (Asia) Bullion Company Limited	Hong Kong	Inactive	6,000,000 ordinary shares of HK\$1 each		
工銀亞洲投資控股有限公司 (前稱工銀亞洲期貨有限公司)	香港	管理本銀行之內地 減值貸款組合	26,000,000 股每股面值 1 港元之普通股	100%	100%
ICBC (Asia) Investment Holdings Limited (Formerly known as ICBC (Asia) Futures Limited)	Hong Kong	Management of the Bank's PRC impaired loan portfolio	26,000,000 ordinary shares of HK\$1 each		
工銀亞洲代理人有限公司	香港	提供代理人服務	100 股每股面值 100 港元 之普通股	100%	100%
ICBC (Asia) Nominee Limited	Hong Kong	Provision of nominee services	100 ordinary shares of HK\$100 each		
工銀亞洲証券有限公司	香港	提供證券經紀服務	60,000,000 股每股面值 1 港元 之普通股	100%	100%
ICBC (Asia) Securities Limited	Hong Kong	Provision of securities brokerage services	60,000,000 ordinary shares of HK\$1 each		
工銀亞洲信託有限公司	香港	提供信託服務	30,000 股每股面值 100 港元 之普通股	100%	100%
ICBC (Asia) Trustee Company Limited	Hong Kong	Provision of trustee services	30,000 ordinary shares of HK\$100 each		
ICBC (Asia) Wa Pei Nominees Limited	香港	不活躍	100 股每股面值 1 港元 之普通股	100%	100%
	Hong Kong	Inactive	100 ordinary shares of HK\$1 each		
ICBC Asia Wa Pei Limited [#]	比利時	不活躍	415,879 股每股面值 72.14 歐元之普通股	100%	100%
	Belgium	Inactive	415,879 ordinary shares of EUR72.14 each		
ICBCA (C.I.) Limited	開曼群島	發行債券之特設公司	1 股每股面值 1 美元 之普通股	100%	100%
	Cayman Islands	Being a special-purpose vehicle for bond issuance	1 ordinary share of US\$1 each		
友聯中國業務管理有限公司	英屬維爾京群島	不活躍	1 股每股面值 1 美元 之普通股	100%	100%
UB China Business Management Co. Ltd. (“UBCBM”)	British Virgin Islands	Inactive	1 ordinary share of US\$1 each		

並非由安永會計師事務所或安永獨立事務所網絡成員審核之公司

△ 外商獨資企業

Not audited by Ernst & Young Hong Kong or other Ernst & Young International member firms

△ Foreign-owned enterprise

賬目附註 Notes to the Accounts

30 客戶存款

30 DEPOSITS FROM CUSTOMERS

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
活期存款及 往來戶口	Demand deposits and current accounts	3,586,664	2,992,817	3,654,181	2,981,215
儲蓄存款	Saving deposits	12,110,797	8,839,142	12,435,397	8,840,286
定期及通知存款	Time, call and notice deposits	82,325,274	49,158,189	85,363,588	54,653,960
		98,022,735	60,990,148	101,453,166	66,475,461

31 已發行債券

31 DEBT SECURITIES IN ISSUE

		本集團 Group	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
美元固定利率票據： — 公平價值經損益表入賬	US\$ fixed rate note: — At fair value through profit or loss	2,997,804	2,978,615

於二零零四年九月，本銀行之全資附屬公司ICBCA (C.I.) Limited 發行總本金額為400,000,000美元之票據，年息票率4.125%，並於二零零九年九月十六日到期。有關票據由本銀行無條件及不可撤回擔保。

In September 2004, ICBCA (C.I.) Limited, a wholly-owned subsidiary of the Bank, issued notes with an aggregate principal amount of US\$400,000,000 at a coupon rate of 4.125% per annum maturing on 16 September 2009. The notes are unconditionally and irrevocably guaranteed by the Bank.

賬目附註 Notes to the Accounts

32 遞延稅項

遞延稅項採用負債法就暫時差額按主要稅率 17.5% 計算(二零零五年: 17.5%)。

遞延稅項資產/(負債)之變動如下:

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
於一月一日	At 1 January	(4,799)	(8,847)	(4,799)	(29,810)
通過合併華比銀行香港分行 增加	Additions through merger with Belgian Bank, Hong Kong Branch	–	–	–	20,963
在損益表記賬/(支賬) (附註 12)	Credited/(charged) to income statement (Note 12)	11,072	(23,790)	11,072	(23,790)
在權益(支賬)/記賬	(Debited)/credited to equity	(122,158)	27,838	(122,158)	27,838
於十二月三十一日	At 31 December	(115,885)	(4,799)	(115,885)	(4,799)

年內權益(支賬)/記賬之遞延稅項如下:

Deferred income tax is calculated in full on temporary differences under the liability method using a principal tax rate of 17.5% (2005: 17.5%).

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

The deferred income tax (debited)/credited to equity during the year is as follows:

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
股東權益之公平值儲備	Fair value reserves in shareholders' equity		
– 銀行物業(附註 37)	– Bank premises (Note 37)	(116)	(50)
– 備供銷售之金融資產(附註 37)	– Available-for-sale financial assets (Note 37)	(122,042)	27,888
		(122,158)	27,838

賬目附註 Notes to the Accounts

32 遞延稅項(續)

年內遞延稅項資產及負債(與同一稅務機關之結餘抵銷前)之變動如下:

遞延稅項資產

本集團 Group

		組合減值準備		投資重估儲備		加速稅項折舊		總額	
		Collective impairment losses		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
於一月一日·重報	At 1 January	11,618	25,117	16,798	(11,090)	-	11,090	28,416	25,117
於合併華比銀行 香港分行後轉撥 至遞延所得稅項 負債	Transferred to deferred income tax liabilities after the merger with Belgian Bank, Hong Kong Branch	-	-	-	-	-	(11,090)	-	(11,090)
在損益表記賬/(支賬)	Credited/(charged) to income statement	3,615	(13,499)	-	-	-	-	3,615	(13,499)
在權益(支賬)/記賬	(Debited)/credited to equity	-	-	(16,798)	27,888	-	-	(16,798)	27,888
於十二月三十一日	At 31 December	15,233	11,618	-	16,798	-	-	15,233	28,416

本銀行 Bank

		組合減值準備		投資重估儲備		總額	
		Collective impairment losses		Investment revaluation reserves		Total	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
於一月一日	At 1 January	11,618	15,244	16,798	(11,090)	28,416	4,154
通過合併 華比銀行香港 分行增加	Additions through merger with Belgian Bank, Hong Kong Branch	-	9,873	-	-	-	9,873
在損益表 記賬/(支賬)	Credited/(charged) to income statement	3,615	(13,499)	-	-	3,615	(13,499)
在權益(支賬)/ 記賬	(Debited)/credited to equity	-	-	(16,798)	27,888	(16,798)	27,888
於十二月三十一日	At 31 December	15,233	11,618	-	16,798	15,233	28,416

32 DEFERRED INCOME TAX (continued)

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

Deferred income tax assets

賬目附註 Notes to the Accounts

32 遞延稅項(續)

遞延稅項負債

本集團及本銀行 Group and Bank

		銀行物業重估儲備 Bank premises revaluation reserve		投資重估儲備 Investment revaluation reserves		加速稅項折舊 Accelerated tax depreciation		總額 Total	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
於一月一日	At 1 January	299	249	-	-	32,916	33,715	33,215	33,964
轉撥自遞延 稅項資產/ 通過合併 華比銀行香港 分行增加	Transfer from deferred income tax assets/additions through the merger with Belgian Bank, Hong Kong Branch	-	-	-	-	-	(11,090)	-	(11,090)
在損益表 (記賬)/支賬	(Credited)/charged to income statement	-	-	-	-	(7,457)	10,291	(7,457)	10,291
在權益支賬	Debited to equity	116	50	105,244	-	-	-	105,360	50
於十二月三十一日	At 31 December	415	299	105,244	-	25,459	32,916	131,118	33,215

本集團在香港產生之稅項虧損5,552,325港元(二零零五年: 18,154,183港元), 可無限期用以抵銷產生該等虧損之公司之未來應課稅溢利。由於該等虧損乃來自部分長期虧蝕之附屬公司, 不大可能有應課稅溢利可供動用該等稅項虧損以作抵銷, 故並無就此等虧損確認遞延稅項資產。

於二零零六年十二月三十一日, 由於倘本集團若干附屬公司之未匯款盈利已匯款本集團並無額外應付之稅項負債, 故本集團並無應付之重大未確認遞延稅項負債(二零零五年: 無)。

本公司向其股東支付之股息並不附帶任何所得稅後果。

於資產負債表列賬之金額包括:

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

32 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

The Group has tax losses arising in Hong Kong of HK\$5,552,325 (2005: HK\$18,154,183) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 December 2006, there was no significant unrecognised deferred tax liability (2005: nil) for taxes that would be payable on the unremitted earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be remitted.

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

The amounts shown in the balance sheet include the following:

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

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
遞延稅項資產:	Deferred income tax assets:		
超過十二個月後收回	to be recovered after more than 12 months	15,233	28,416
十二個月內收回	to be recovered within 12 months	-	-
		15,233	28,416
遞延稅項負債:	Deferred income tax liabilities:		
超過十二個月後償還	to be settled after more than 12 months	(119,509)	(22,261)
十二個月內償還	to be settled within 12 months	(11,609)	(10,954)
		(131,118)	(33,215)
遞延稅項負債淨額	Deferred income tax liabilities, net	(115,885)	(4,799)

賬目附註 Notes to the Accounts

33 與集團成員公司之結餘

(a) 以下為資產負債表項目中與最終控股公司之結餘：

33 BALANCES WITH GROUP COMPANIES

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

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
資產負債表項目	On-balance sheet				
現金及短期資金	Cash and short-term funds				
一個月內到期之 銀行同業及其他金融 機構之存款	Placements with banks and other financial institutions maturing within one month	1,705,607	1,946,048	1,266,928	1,628,273
庫存現金及銀行同業 與其他金融機構之結存	Cash and balances with banks and other financial institutions	31,369	59,017	14,734	52,983
		1,736,976	2,005,065	1,281,662	1,681,256
一至十二個月內到期之 銀行同業及其他 金融機構之存款	Placements with banks and other financial institutions maturing between one and twelve months	309,445	2,364,951	309,445	2,364,951
其他資產	Other assets	91,120	87,729	89,660	87,729
		2,137,541	4,457,745	1,680,767	4,133,936
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	10,993,263	20,513,379	10,993,263	19,737,869
已發行存款證	Certificates of deposit issued	3,891,878	3,877,550	3,891,878	3,877,550
其他負債	Other liabilities	194,050	240,982	194,050	240,982
		15,079,191	24,631,911	15,079,191	23,856,401
次級債券	Subordinated debt	7,527,950	5,338,775	7,527,950	5,338,775

附註：銀行同業及其他金融機構之存款及結餘包括一筆為數388,900,000港元(二零零五年：11,826,528,000港元)之款項，乃最終控股公司授予本銀行作營運資金用途之備用信貸3,000,000,000美元(二零零五年：1,575,000,000美元)中已被動用之數額。

Note: Included in deposits and balances of banks and other financial institutions is an amount of HK\$388,900,000 (2005: HK\$11,826,528,000) representing the utilisation of a standby credit facility of US\$3,000,000,000 (2005: US\$1,575,000,000) granted by the ultimate holding company to the Bank for working capital purposes.

賬目附註 Notes to the Accounts

33 與集團成員公司之結餘(續)

(a) 以下為資產負債表項目中與最終控股公司之結餘：(續)

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	30,783,747	6,124,861
利率掉期－名義數額	Interest rate swaps – notional principal	7,179,306	7,766,655
外幣期權－合約金額 －買入期權	Currency options – contractual amount － options purchased	–	44,966
		–	44,966
利率期權－合約金額 －買入期權 －出售期權	Interest rate options – contractual amount － options purchased － options written	784,209 1,568,330	994,623 1,645,751
		2,352,539	2,640,374
一年內到期之其他承擔 －透支信貸	Other commitments with maturity within one year － overdraft facility	2,660,076	2,753,061

33 BALANCES WITH GROUP COMPANIES (continued)

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

(b) 以下為資產負債表項目中與其他同系附屬公司之結餘：

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
資產負債表項目	On-balance sheet		
其他資產	Other assets	2,276	3,023
銀行同業及其他金融 機構之存款	Deposits from banks and other financial institutions	336,106	112,555
客戶存款	Deposits from customers	6,139,631	267,787
其他負債	Other liabilities	8,223	5,394
		6,483,960	385,736
資產負債表外項目	Off-balance sheet		
利率掉期－名義數額	Interest rate swaps – notional principal	163,338	301,673

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

賬目附註 Notes to the Accounts

33 與集團成員公司之結餘(續)

- (c) 以下為資產負債表項目中與最終控股公司的具重大影響力之股東之關連交易之結餘：

33 BALANCES WITH GROUP COMPANIES (continued)

- (c) Included in the following balance sheet captions are related party transaction balances with a shareholder with significant influence over the ultimate holding company:

		本集團及本銀行 Group and Bank 2006 千港元 HK\$'000
資產負債表項目	On-balance sheet	
備供銷售證券	Available-for-sale securities	258,822
其他資產	Other assets	2,687
		261,509
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	1,547,822
其他負債	Other liabilities	680
		1,548,502

註：該關連方於二零零六年成為最終控股公司之具重大影響力之股東，因此無需提供比較金額。

Note: The related party becomes a shareholder with significant influence over the ultimate holding company in 2006 and accordingly no comparative amount is presented.

- (d) 以下為資產負債表項目中與本銀行附屬公司之結餘：

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

		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
資產負債表項目	On-balance sheet		
由友聯中國業務管理發行、於資產負債表列作「持至到期之證券」之優先履約票據	Senior Performance Linked Notes ("PLNs") issued by UBCBM included in the balance sheet under "Held-to-maturity securities"	–	1,269
銀行同業及其他金融機構之存款	Placements with banks and other financial institutions	1,014,450	–
其他資產	Other assets	83,929	1,840
		1,098,379	3,109
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	1,805	9,780
客戶存款	Deposits from customers	3,464,935	5,519,158
其他負債	Other liabilities	49,914	73,921
		3,516,654	5,602,859
資產負債表外項目	Off-balance sheet		
外匯合約—合約金額	Foreign exchange contracts – contractual amount	–	28,608

賬目附註 Notes to the Accounts

33 與集團成員公司之結餘(續)

(e) 以下為資產負債表項目中與聯營公司之結餘：

		本集團及本銀行 Group and Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000
資產負債表項目	On-balance sheet		
客戶存款	Deposits from customers	120	15,770
其他負債	Other liabilities	-	4
		120	15,774

33 BALANCES WITH GROUP COMPANIES (continued)

(e) Included in the following balance sheet captions are balances with an associate:

34 資產負債表外風險

(a) 或然負債及承擔

以下概要為每個主要類別之或然負債及承擔之合約價值：

34 OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

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

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
直接信貸替代品	Direct credit substitutes	1,360,327	1,429,763	1,260,327	1,429,763
與交易有關之或然負債	Transaction-related contingencies	275,079	131,935	275,079	131,935
與貿易有關之或然負債	Trade-related contingencies	3,026,229	2,698,287	3,026,229	2,698,287
其他承擔：	Other commitments with an original maturity of:				
— 原到期日少於一年 或可無條件撤銷	— under one year or which are unconditionally cancellable	32,424,706	13,602,099	32,424,706	13,602,099
— 原到期日在 一年或以上	— One year and over	16,493,896	9,886,108	16,417,374	9,727,398
遠期存款	Forward deposits placed	119,892	371,097	119,892	371,097
		53,700,129	28,119,289	53,523,607	27,960,579
信貸承擔之信貸風險 加權額	The credit risk weighted amount of credit commitments	9,808,957	6,338,082	9,670,696	6,258,727

賬目附註 Notes to the Accounts

34 資產負債表外風險(續)

(b) 資本承擔

於十二月三十一日未於賬目中作出撥備之物業及設備資本承擔餘額如下：

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	13,581	2,319	13,383	–

(c) 經營租約承擔

於二零零六年十二月三十一日，本集團及本銀行根據不可撤銷經營租約須於未來支付之最低租金總額如下：

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
土地及樓宇	Land and buildings				
– 不超過一年	– Not later than one year	121,131	83,644	121,076	83,596
– 一年以上及五年以內	– Later than one year and not later than five years	233,906	174,447	233,906	174,447
– 五年以上	– More than five years	97,768	112,236	97,768	112,236
		452,805	370,327	452,750	370,279

34 OFF-BALANCE SHEET EXPOSURES (continued)

(b) Capital commitments

Capital commitments for property, plant and equipment outstanding as at 31 December not provided for in the accounts were as follows:

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	13,581	2,319	13,383	–

(c) Operating lease commitments

At 31 December 2006, the Group and the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows:

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	2005 千港元 HK\$'000	2006 千港元 HK\$'000	2005 千港元 HK\$'000
土地及樓宇	Land and buildings				
– 不超過一年	– Not later than one year	121,131	83,644	121,076	83,596
– 一年以上及五年以內	– Later than one year and not later than five years	233,906	174,447	233,906	174,447
– 五年以上	– More than five years	97,768	112,236	97,768	112,236
		452,805	370,327	452,750	370,279

賬目附註 Notes to the Accounts

35 次級債券

35 SUBORDINATED DEBT

		本集團及本銀行 Group and Bank	
		2006	2005
		千港元	千港元
		HK\$'000	HK\$'000
次級浮息票據	Subordinated floating rate notes		
– 最終於二零一一年七月二日到期 (可於二零零六年七月三日贖回)	– with a final maturity on 2 July 2011 (callable on 3 July 2006)	584,820	584,820
– 最終於二零一一年十二月十二日到期 (可於二零零六年十二月十三日贖回)	– with a final maturity on 12 December 2011 (callable on 13 December 2006)	623,808	623,808
– 最終於二零一二年三月二十六日到期 (可於二零零七年三月二十七日贖回)	– with a final maturity on 26 March 2012 (callable on 27 March 2007)	545,916	545,916
– 最終於二零一二年十二月八日到期 (可於二零零七年十二月十日贖回)	– with a final maturity on 8 December 2012 (callable on 10 December 2007)	500,000	500,000
– 最終於二零一四年四月二十八日到期 (可於二零零九年四月二十八日贖回)	– with a final maturity on 28 April 2014 (callable on 28 April 2009)	1,169,955	1,169,955
– 最終於二零一六年六月二十九日到期 (可於二零一一年六月三十日贖回)	– with a final maturity on 29 June 2016 (callable on 30 June 2011)	621,432	–
– 永久(可於二零一二年十二月十日贖回)	– perpetual (callable on 10 December 2012)	1,000,000	1,000,000
– 永久(可於二零一三年七月九日贖回)	– perpetual (callable on 9 July 2013)	935,916	935,916
– 永久(可於二零一六年六月三十日贖回)	– perpetual (callable on 30 June 2016)	1,553,580	–
匯兌調整	Exchange adjustment	(7,477)	(21,640)
		7,527,950	5,338,775

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

截止二零零六年十二月三十一日年度內，本銀行已發行可贖回次級非永久和永久浮息票據，金額分別為80,000,000美元和200,000,000美元，並按三個月倫敦銀行同業拆放利率另加年利率0.5%及0.6%計息。之後若本銀行沒有於贖回日贖回票據，該票據將分別按三個月倫敦銀行同業拆放利率另加年利率1%和1.6%計算。

Subordinated debt was raised by the Bank for the development and expansion of businesses and has been fully subscribed by the ultimate holding company. These notes qualify for and have been included as the Bank's supplementary capital in accordance with the Third Schedule to the Hong Kong Banking Ordinance.

During the year ended 31 December 2006, the Bank has issued callable non-perpetual and perpetual floating rate subordinated notes of US\$80,000,000 and US\$200,000,000. The notes are interest-bearing at rates of 0.5% and 0.6% per annum over three-month LIBOR and then 1% and 1.6% per annum over three-month LIBOR should the call option is not exercised by the Bank to redeem the notes on the callable dates.

賬目附註 Notes to the Accounts

36 股本

36 SHARE CAPITAL

		股份數目 Number of shares (千股) (thousands)	普通股 Ordinary shares 千港元 HK\$'000	普通股溢價 Ordinary share premium 千港元 HK\$'000	優先股溢價 Preference share premium 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零六年一月一日及 二零零六年十二月三十一日	At 1 January 2006 and 31 December 2006	1,121,259	2,242,518	5,323,893	16,126	7,582,537
於二零零五年一月一日 配發新股份予最終控股公司 作為於二零零五年 八月十二日完成收購 華商銀行之代價股份	At 1 January 2005 Allotment of new share to ultimate holding company as consideration shares for the acquisition of Chinese Mercantile Bank on completion date of 12 August 2005	1,047,965	2,095,930	4,700,602	16,126	6,812,658
因富通銀行於二零零五年 八月十二日就收購華商 銀行行使反攤薄權而配發 新股份予富通銀行	Allotment of new shares to Fortis Bank upon the exercise of Anti-dilution Right, on 12 August 2005 regarding the acquisition of Chinese Mercantile Bank	66,698	133,396	563,599	–	696,995
股份發行支出	Share issue expenses	–	–	59,752 (60)	–	72,944 (60)
於二零零五年十二月三十一日	At 31 December 2005	1,121,259	2,242,518	5,323,893	16,126	7,582,537

法定普通股總數為2,000,000,000股(二零零五年：2,000,000,000股)，每股面值為2港元(二零零五年：每股2港元)。所有已發行股份均已繳足。

法定可轉換非累計優先股總數為232,000,000股(二零零五年：232,000,000股)，每股面值為5港元(二零零五年：每股5港元)。截至二零零六年十二月三十一日止並沒有可轉換非累計優先股發行。

購股權

- (a) 僱員購股權計劃
年內並無授出購股權，而於二零零六年十二月三十一日，並無任何尚未行使之購股權。
- (b) 就發行次等履約票據而發行購股權
就友聯中國業務管理發行次等履約票據而言，本銀行股東於二零零零年三月二十八日舉行之股東特別大會上通過一項決議案，批准於次等履約票據之五年期限屆滿時發行可認購本銀行股份之購股權，惟須符合若干條件後方可作實。

The total number of authorised ordinary shares is 2,000 million shares (2005: 2,000 million shares) with a par value of HK\$2 per share (2005: HK\$2 per share). All issued shares are fully paid.

The total number of authorised convertible non-cumulative preference shares is 232 million shares (2005: 232 million shares) with a par value of HK\$5 per share (2005: HK\$5 per share). There is no convertible non-cumulative preference share in issue as at 31 December 2006.(2005: Nil).

Share options

- (a) Employee share option scheme
During the year, no option has been granted and at 31 December 2006, there was no option outstanding.
- (b) Issue of options in connection with the issue of Junior PLNs
In connection with the issue of Junior PLNs by UBCBM, the shareholders of the Bank had, by a resolution passed at the Extraordinary General Meeting held on 28 March 2000, approved the issue of options to subscribe for shares of the Bank at the end of the five-year term of the Junior PLNs subject to the fulfillment of certain conditions. The options had expired on 14 April 2006.

賬目附註

Notes to the Accounts

37 儲備

二零零六年 2006

37 RESERVES

		本集團 Group						
		可轉換非累計 優先股溢價	銀行物業 重估儲備	投資 重估儲備	一般儲備	保留盈餘	總計	
普通股 溢價	Convertible non-cumulative preference share premium	Bank premises revaluation reserve	Investment revaluation reserve	General reserve	Retained earnings	Total		
千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000		
於二零零六年一月一日	At 1 January 2006	5,323,893	16,126	26,955	(79,998)	234,020	2,106,340	7,627,336
備供銷售之證券 公平值變動	Changes in fair value of available-for-sale securities	-	-	-	697,382	-	-	697,382
出售銀行物業	Disposal of bank premise	-	-	(30)	-	-	-	(30)
銀行物業重估盈餘	Revaluation surplus on bank premises	-	-	11,332	-	-	-	11,332
轉撥部份保留盈餘至 一般儲備	Partial transfer of retained earnings to general reserve	-	-	-	-	994	(994)	-
匯兌差額	Exchange differences	-	-	1	2	-	21	24
本年度溢利	Profit for the year	-	-	-	-	-	1,245,592	1,245,592
遞延稅項變動(附註32)	Change in deferred tax (Note 32)	-	-	(116)	(122,042)	-	-	(122,158)
已付二零零五年末期股息 (附註16)	2005 final dividend paid (Note 16)	-	-	-	-	-	(392,441)	(392,441)
已付二零零六年中期股息 (附註16)	2006 interim dividend paid (Note 16)	-	-	-	-	-	(224,252)	(224,252)
於二零零六年十二月三十一日	At 31 December 2006	5,323,893	16,126	38,142	495,344	235,014	2,734,266	8,842,785
代表：	Representing:							
本銀行及附屬公司	Bank and subsidiaries	5,323,893	16,126	37,949	496,152	235,014	2,714,102	8,823,236
聯營公司	Associate	-	-	193	(808)	-	20,164	19,549
於二零零六年十二月三十一日	At 31 December 2006	5,323,893	16,126	38,142	495,344	235,014	2,734,266	8,842,785

- (a) 一般儲備包括過往年度自保留盈餘轉撥之款項，並可供分派。
- (b) 董事於年結日後建議派發末期股息515,779,000港元，有關事項將反映作為截至二零零七年十二月三十一日止年度保留盈餘之分配(附註16)。
- (c) 於二零零六年十二月三十一日，本集團從保留盈利撥出378,728,000港元作「法定儲備」(二零零五年：392,441,000港元)。法定儲備是為應付香港銀行業條例中訂明之審慎監察目的而設。該儲備之變動在向香港金融管理局作出徵詢後，直接透過保留盈利作出。

- (a) The general reserve comprised previous year's transfers from retained earnings and is distributable.
- (b) The directors proposed a final dividend of HK\$515,779,000 after the year-end which will be reflected as an appropriation of retained earnings for the year ending 31 December 2007 (Note 16).
- (c) As at 31 December 2006, the Group has earmarked a "Regulatory Reserve" of HK\$378,728,000 (2005: HK\$392,441,000) from the retained earnings. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.

賬目附註

Notes to the Accounts

37 儲備(續)

二零零五年 2005

37 RESERVES (continued)

		本集團 Group							
		可轉換非累計 優先股溢價	銀行物業 重估儲備	投資 重估儲備	外匯儲備	一般儲備	保留盈餘	總計	
		普通股 溢價 Ordinary share premium 千港元 HK\$'000	Convertible non-cumulative preference share premium 千港元 HK\$'000	Bank premises revaluation reserve 千港元 HK\$'000	Investment revaluation reserve 千港元 HK\$'000	Exchange reserve 千港元 HK\$'000	General reserve 千港元 HK\$'000	Retained earnings 千港元 HK\$'000	Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	4,700,602	16,126	1,214	63,864	122	219,200	1,665,828	6,666,956
發行股份(附註36)	Issue of shares (Note 36)	623,351	-	-	-	-	-	-	623,351
股份發行支出(附註36)	Share issue expenses (Note 36)	(60)	-	-	-	-	-	-	(60)
備供銷售之證券 公平值變動	Changes in fair value of available-for- sale securities	-	-	-	(171,750)	-	-	-	(171,750)
銀行物業重估盈餘	Revaluation surplus on bank premises	-	-	25,791	-	-	-	-	25,791
合併華比銀行香港分行 之增加	Reserves increased from the merger with Belgian Bank, Hong Kong Branch	-	-	-	-	-	-	1,427	1,427
轉撥部份保留盈利至 一般儲備	Partial transfer of retained earnings to general reserve	-	-	-	-	-	14,820	(14,820)	-
匯兌差額	Exchange differences	-	-	-	-	(122)	-	-	(122)
本年度溢利	Profit for the year	-	-	-	-	-	-	980,601	980,601
遞延稅項變動(附註32)	Change in deferred tax (Note 32)	-	-	(50)	27,888	-	-	-	27,838
已付二零零四年末期股息	2004 final dividend paid	-	-	-	-	-	-	(324,869)	(324,869)
已付二零零五年中期股息 (附註16)	2005 interim dividend paid (Note 16)	-	-	-	-	-	-	(201,827)	(201,827)
於二零零五年十二月三十一日	At 31 December 2005	5,323,893	16,126	26,955	(79,998)	-	234,020	2,106,340	7,627,336
代表：	Representing:								
本銀行及附屬公司	Bank and subsidiaries	5,323,893	16,126	27,024	(79,190)	-	234,020	2,091,914	7,613,787
聯營公司	Associate	-	-	(69)	(808)	-	-	14,426	13,549
於二零零五年十二月三十一日	At 31 December 2005	5,323,893	16,126	26,955	(79,998)	-	234,020	2,106,340	7,627,336

賬目附註

Notes to the Accounts

37 儲備(續)

二零零六年

2006

37 RESERVES (continued)

		可轉換非累計 優先股溢價		銀行物業 重估儲備	本銀行 Bank	投資 重估儲備	一般儲備	保留盈餘	總計
		普通股 溢價	Convertible non-cumulative preference share premium	Bank premises revaluation reserve	Investment revaluation reserve	Investment revaluation reserve	General reserve	Retained earnings	Total
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零六年一月一日	At 1 January 2006	5,323,893	16,126	1,411	(79,188)	219,200	1,826,641	7,308,083	
備供銷售之證券公平值變動	Changes in fair value of available-for-sale securities	-	-	-	697,382	-	-	697,382	
出售銀行物業	Disposal of bank premise	-	-	(30)	-	-	-	(30)	
銀行物業重估盈餘	Revaluation surplus on bank premises	-	-	689	-	-	-	689	
來自 ICBC Asia Wa Pei Limited 之股息收入	Dividend received from ICBC Asia Wa Pei Limited	-	-	-	-	-	231,025	231,025	
本年度溢利(附註14)	Profit for the year (Note 14)	-	-	-	-	-	1,193,097	1,193,097	
遞延稅項變動(附註32)	Change in deferred tax (Note 32)	-	-	(116)	(122,042)	-	-	(122,158)	
已付二零零五年末期股息(附註16)	2005 final dividend paid (Note 16)	-	-	-	-	-	(392,441)	(392,441)	
已付二零零六年中期股息(附註16)	2006 interim dividend paid (Note 16)	-	-	-	-	-	(224,252)	(224,252)	
於二零零六年十二月三十一日	At 31 December 2006	5,323,893	16,126	1,954	496,152	219,200	2,634,070	8,691,395	

賬目附註 Notes to the Accounts

37 儲備(續)

二零零五年 2005

37 RESERVES (continued)

		本銀行 Bank						總計 Total
		可轉換非累計 優先股溢價 Convertible non-cumulative preference share premium 千港元 HK\$'000	銀行物業 重估儲備 Bank premise revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	千港元 HK\$'000	
於二零零五年一月一日	At 1 January 2005	4,700,602	16,126	1,176	52,283	219,200	1,080,569	6,069,956
通過合併華比銀行香港分行而 增加	Additions through the merger with Belgian Bank, Hong Kong Branch	-	-	-	12,391	-	56,321	68,712
發行股份(附註36)	Issue of shares (Note 36)	623,351	-	-	-	-	-	623,351
股份發行支出(附註36)	Share issue expenses (Note 36)	(60)	-	-	-	-	-	(60)
備供銷售之證券公平值變動	Changes in fair value of available-for sale securities	-	-	-	(171,750)	-	-	(171,750)
銀行物業重估盈餘	Revaluation surplus on bank premises	-	-	285	-	-	-	285
合併華比銀行香港分行之增加	Reserves increased from the merger with Belgian Bank, Hong Kong Branch	-	-	-	-	-	(121,819)	(121,819)
本年度溢利(附註14)	Profit for the year (Note 14)	-	-	-	-	-	1,338,266	1,338,266
遞延稅項變動(附註32)	Change in deferred tax (Note 32)	-	-	(50)	27,888	-	-	27,838
已付二零零四年末期股息	2004 final dividend paid	-	-	-	-	-	(324,869)	(324,869)
已付二零零五年中期股息(附註16)	2005 interim dividend paid (Note 16)	-	-	-	-	-	(201,827)	(201,827)
於二零零五年十二月三十一日	At 31 December 2005	5,323,893	16,126	1,411	(79,188)	219,200	1,826,641	7,308,083

38 現金及等同現金項目

就現金流量表而言，現金及現金等同項目包括下列由
收購日期起計三個月內到期之結餘。

38 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents
comprises the following balances with an original maturity of three months
or less.

		本集團 Group		本銀行 Bank	
		2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000	2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000
庫存現金及銀行同業與 其他金融機構之結存 (附註17)	Cash and balances with banks and other financial institutions (Note 17)	1,180,089	896,402	1,119,887	831,788
存款證/庫券	Certificates of deposit/treasury bills	1,511,482	-	1,511,482	-
銀行同業及其他金融機構 之存款	Placements with banks and financial institutions	49,330,158	23,880,843	48,975,620	23,517,163
		52,021,729	24,777,245	51,606,989	24,348,951

賬目附註 Notes to the Accounts

39 給予行政人員之貸款

根據香港公司條例第161B(4B)條之規定，行政人員獲授之貸款披露如下：

	Aggregate amount outstanding in respect of principal and interest	於十二月三十一日之未償還餘額 Balance outstanding at 31 December		年內最高結餘 Maximum balance during the year	
		2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000	2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000
未償還本金及利息總額		5,447	5,995	5,995	7,557

註：自收購華比銀行香港分行並併到本銀行後，本銀行從新編制職員級別，以適應所有職員需要。為此，2005年的比較金額需重新呈列，以配合本年之披露。

39 LOANS TO OFFICERS

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

	Aggregate amount outstanding in respect of principal and interest	於十二月三十一日之未償還餘額 Balance outstanding at 31 December		年內最高結餘 Maximum balance during the year	
		2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000	2006 千港元 HK\$'000	重報 Restated 2005 千港元 HK\$'000
未償還本金及利息總額		5,447	5,995	5,995	7,557

Note: Following the integration with Belgian Bank, Hong Kong Branch, a new grading system has been introduced for all staff. As a result, the comparative figures for 2005 have been restated to conform with this new grading system.

40 關連交易

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

(a) 於一般業務過程中與關連各方達成之交易概要

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

40 RELATED PARTY TRANSACTIONS

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

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

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

		2006 千港元 HK\$'000	2005 千港元 HK\$'000
利息收入	Interest income		
– 放款(附註(i))	– Placements (Note (i))	291,125	159,706
– 利率掉期(附註(ii))	– Interest rate swaps (Note (ii))	454,678	381,392
– 貸款(附註(iii))(附註42)	– Loans and advances (Note (iii)) (Note 42)	3,831	479
利息支出	Interest expense		
– 存款(附註(iv))(附註42)	– Deposits (Note (iv)) (Note 42)	(692,880)	(577,959)
– 利率掉期(附註(ii))	– Interest rate swaps (Note (ii))	(552,376)	(352,427)
– 已發行存款證(附註(v))	– Certificates of deposit issued (Note (v))	(200,423)	(175,886)
– 次級債券(附註(vi))	– Subordinated debt (Note (vi))	(348,560)	(188,117)
期權溢價支出淨額(附註(vii))	Net option premium expense (Note (vii))	(5)	(271)
管理費收入(附註(viii))	Management fee income (Note (viii))	6,000	6,000
證券經紀佣金收入(附註(ix))	Securities brokerage commission income (Note (ix))	–	14
服務費收入(附註(x))	Service fee income (Note (x))	300	1,441
數據處理服務費支出(附註(xiii))	Data processing service fee expense (Note (xiii))	(10,064)	(7,435)
物業收入(附註(xi)及(xii))	Premises income (Note (xi) & (xii))	8,104	5,906
物業支出(附註(xiv))	Premises expense (Note (xiv))	(3,966)	(3,631)
內地貸款服務費支出(附註(xv))	Mainland China loan service fee expense (Note (xv))	(219)	(972)
附屬參與銀團貸款之費用開支(附註(xvi))	Fee expense on sub-participation of syndicated loan (Note (xvi))	(6,143)	(2,700)

賬目附註 Notes to the Accounts

40 關連交易 (續)

(a) 於一般業務過程中與關連各方達成之交易概要 (續)

附註：

- (i) 此為本銀行存放於最終控股公司及同系附屬公司之銀行同業存款按現行市場利率而收取之利息收入。
- (ii) 此為本銀行就利率掉期交易向最終控股公司及同系附屬公司收取及支付之利息收入及支出。該等交易包括按背對背基準與最終控股公司及同系附屬公司訂立之利率掉期。
- (iii) 此為本銀行收取同系附屬公司之貸款利息收入。
- (iv) 此為本銀行支付最終控股公司及同系附屬公司之存款之利息支出。
- (v) 此為本銀行發行並由最終控股公司認購之面值為500,000,000美元之存款證而向最終控股公司支付之利息支出。
- (vi) 利息支出乃就本銀行發行而最終控股公司悉數認購合共775,000,000美元及1,500,000,000港元之次級浮息票據而支付予最終控股公司。
- (vii) 期權溢價支出淨額乃本銀行就各類期權合約按現行市場價格支付最終控股公司之款項。
- (viii) 根據二零零一年七月三日訂立之合作協議及二零零五年二月四日訂立之補充合作協議，管理費收入乃本銀行就提供會計與預算、內部稽核、市場推廣及後台清算及結算等服務而向中國工商銀行之香港分行(「分行」)收取之費用。
- (ix) 佣金收入乃就提供證券經紀服務予同系附屬公司時所收取。
- (x) 根據二零零二年十二月十八日訂立之外判協議及二零零五年二月四日訂立之補充外判協議，服務費收入乃就本銀行為分行於二零零二年十二月十八日開始在香港推出信用卡業務而提供之管理、行政及市場推廣服務向分行收取之款項。此項收入自收購分行信用卡業務後，於二零零六年四月一日起終止。
- (xi) 根據二零零四年十二月三十一日訂立之許可使用協議，分行就使用香港中環花園道3號中國工商銀行大廈28樓部份樓面向本銀行支付物業支出款項。
- (xii) 根據二零零四年十二月三十一日及二零零五年四月一日分別訂立之兩份許可使用協議，ICEA Services Limited就使用香港中環花園道3號中國工商銀行大廈25樓2501-2室及26樓全層向本銀行支付物業支出款項。
- (xiii) 根據二零零二年二月二十一日訂立之服務協議、二零零五年二月四日訂立之補充服務協議及二零零六年九月二十八日訂立之第二份補充服務協議，服務費支出乃就最終控股公司向本銀行提供之數據處理服務而向最終控股公司支付之款項。
- (xiv) 根據二零零一年七月三日訂立之合作協議、二零零五年二月四日訂立之補充合作協議及於二零零一年十二月二十七日訂立之特許協議，物業支出乃就本銀行佔用分行所租用部份樓面而向分行支付之款項。此項收入自收購分行信用卡業務後，於二零零六年四月一日起終止。根據二零零六年七月三十一日訂立之租賃協議，物業及管理費用支出乃就本銀行中環分行租用香港中環皇后大道中9號1樓之部份樓面向同系附屬公司支付之款項。
- (xv) 服務費支出乃就相關中國工商銀行分行向本銀行提供協助辦理內地貸款業務。
- (xvi) 費用支出乃就分行參與銀團貸款而支付。

40 RELATED PARTY TRANSACTIONS (continued)

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

Notes:

- (i) Interest income was received on inter-bank deposits placed with the ultimate holding company and fellow subsidiaries at prevailing market rates.
- (ii) Interest income and expense were received from and paid to the ultimate holding company and fellow subsidiaries on the interest rate swaps at prevailing market rates. These transactions included interest rate swaps entered on a back-to-back basis with the ultimate holding company and fellow subsidiaries.
- (iii) Interest income was received from loans and advances to fellow subsidiaries.
- (iv) Interest expense was paid on the deposits taken from the ultimate holding company and fellow subsidiaries.
- (v) Interest expense was paid to the ultimate holding company for certificates of deposit issued by the Bank and subscribed by the ultimate holding company and its branches with nominal value of US\$500,000,000.
- (vi) Interest expense was paid to the ultimate holding company for subordinated floating rate notes issued by the Bank and fully subscribed by the ultimate holding company and its branches totalling US\$775,000,000 and HK\$1,500,000,000.
- (vii) Net option premium expense was paid to the ultimate holding company on the various option contracts at prevailing market rates.
- (viii) In accordance with the Collaboration Agreement dated 3 July 2001 and the Supplemental Collaboration Agreement dated 4 February 2005, management fee income was received from the Hong Kong Branch of ICBC (the "Branch") for the provision of services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing.
- (ix) Commission income was received on delivering securities brokerage services to fellow subsidiaries.
- (x) In accordance with the Outsourcing Agreement dated 18 December 2002, and the Supplemental Outsourcing Agreement dated 4 February 2005, service fee income was received from the Branch for the provision of management, administrative and marketing services in respect of credit card business of the Branch launched in Hong Kong commencing from 18 December 2002. This transaction was expired from 1 April 2006 followed the acquisition of the credit card business of the Branch.
- (xi) In accordance with the Licence Agreement dated 31 December 2004, premises expense was paid by the Branch to the Bank for using a portion of floor area on the 28th floor, ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (xii) In accordance with two Licence Agreements dated 31 December 2004 and 1 April 2005 respectively, premises expense was paid by ICEA Services Limited to the Bank for using Suites 2501-2 and the 26th floor, ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (xiii) In accordance with Service Levels Agreement dated 21 February 2002 and the Supplemental Services Levels Agreement dated 4 February 2005 and the Second Supplemental Service Levels Agreement dated 28 September 2006, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank.
- (xiv) In accordance with the Collaboration Agreement dated 3 July 2001, the Supplemental Collaboration Agreement dated 4 February 2005 and the Licence Agreement dated 27 December 2001, premises expense was paid to the Branch for using a portion of floor area rented by the Branch. This transaction was expired from 1 April 2006 followed the acquisition of the credit card business of the Branch. In accordance with the Tenancy Agreement dated 31 July 2006, premises expense was paid to a fellow subsidiary for using a portion of the first floor of No.9 Queen's Road Central, Hong Kong.
- (xv) Service fee was paid to related ICBC branches for assisting the Bank in Mainland China loan business.
- (xvi) Fee was paid to the Branch on sub-participation of syndicated loans.

40 關連交易 (續)

(b) 向關連各方買賣若干資產

從屬參與銀團貸款

於本年度，本銀行與最終控股公司之分行（「分行」）及同系附屬公司訂立多宗資本市場交易。該等交易包括分行及同系附屬公司從屬參與本銀行之銀團貸款，涉及金額合共為47,829,544,000港元（二零零五年：4,815,203,000港元），以及本銀行以類似方式從屬參與分行，最終控股公司及同系附屬公司之銀團貸款，涉及金額合共為31,364,597,000港元（二零零五年：1,348,854,000港元）。上述交易應佔費用6,143,000港元（二零零五年：2,700,000港元）乃於二零零六年支付予分行。該等交易乃按相關貸款協議之條款（如適用）或可供比較之現行市場價格定價，或以不遜於給予其他獨立銀團貸款成員之條款定價。

買賣債券

年內，本銀行向最終控股公司及同系附屬公司購買債券38,857,000港元（二零零五年：65,931,000港元）。本銀行向最終控股公司及同系附屬公司出售之債券賬面值為436,571,000港元（二零零五年：1,443,549,000港元）。此等交易乃參考現行市場價格而訂立。

收購信用卡業務

年內，本銀行同意向分行收購(1)港元信用卡戶口名下之所有信用卡應收款項及信用卡相關分期貸款應收款項；(2)分行與信用卡持有人就上述信用卡應收款項及上述分期貸款應收款項訂立之信用卡會員協議及貸款協議項下之一切利益；及(3)若干信用卡相關設備、信用卡積分換購禮品及使用分行曾用於處理信用卡相關數據之若干軟件程序之利益。本銀行支付上述收購的代價金額約為38,742,000港元。

於收購信用卡業務完成日期之前，本集團仍就有關信用卡業務向分行收取服務收入及支付物業支出，並於附註40(a)(x)及40(a)(xiv)內詳細說明。

(c) 最終控股公司作出之承諾

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

40 RELATED PARTY TRANSACTIONS (continued)

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

Sub-participation of syndicated loans

During the year, the Bank entered into various capital market transactions with the branches of the ultimate holding company (the "Branches") and fellow subsidiaries. These transactions included sub-participation in syndicated loans of the Bank by the Branches, the ultimate holding company and fellow subsidiaries for a total amount of HK\$47,829,544,000 (2005: HK\$4,815,203,000) and similar sub-participation in syndicated loans of the Branches and fellow subsidiaries by the Bank for a total of HK\$31,364,597,000 (2005: HK\$1,348,854,000). Fee attributable to the above transactions of HK\$6,143,000 was paid to the Branches in 2006 (2005: HK\$2,700,000). These transactions were priced based either on the terms of the underlying loan agreement, if applicable, or prevailing market rates if such comparable rates are available, or on terms that are no less favourable than those available to other independent syndicate members.

Purchase and sale of debt securities

During the year, the Bank purchased debt securities of HK\$38,857,000 (2005: HK\$65,931,000) from the ultimate holding company and fellow subsidiaries. Debt securities of total carrying value of HK\$436,571,000 (2005: HK\$1,443,549,000) were sold by the Bank to the ultimate holding company, branch and fellow subsidiaries. These transactions were priced with reference to prevailing market rates.

Acquisition of the credit card business

During the year, the Bank acquired from the Branch (1) all the credit card receivables under the Hong Kong dollar credit card accounts and the credit card related instalment loan receivables; (2) all the benefits under the cardmembers' agreements and loan agreements in relation to the above credit card receivables and the above instalment loan receivables entered between the Branch and the cardholders; and (3) certain credit card related equipment, credit card bonus points redemption gifts and the benefit to use certain software programs previously used by the Branch in processing credit card related data. The consideration paid by the Bank in respect of the above acquisition was approximately HK\$38,742,000.

Service fee income received and premises expense paid by the Group from and to the Branch in relation to the credit card business prior to the acquisition is detailed in notes 40(a)(x) and 40(a)(xiv) respectively.

(c) Undertaking from the ultimate holding company

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

賬目附註

Notes to the Accounts

40 關連交易 (續)

(c) 最終控股公司作出之承諾(續)

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議，據此，最終控股公司同意就因根據業務轉讓協議轉讓予本銀行之「大額風險」作出高達9,000,000,000港元之擔保，並就該等客戶一旦違約所產生損失對本銀行作出賠償保證。於二零零六年十二月三十一日，本銀行就該項擔保大額風險所保障之資產負債表項目之金額達140,315,000港元(二零零五年：601,745,000港元)及資產負債表外項目之金額為零港元(二零零五年：157,075,000港元)。

(d) 以下為損益表項目中與最終控股公司的具重大影響力之股東的關連交易：

40 RELATED PARTY TRANSACTIONS (continued)

(c) Undertaking from the ultimate holding company (continued)

Simultaneously on 3 July 2001, the ultimate holding company and the Bank entered into a guarantee agreement whereby the ultimate holding company agreed to guarantee to the extent of HK\$9,000,000,000 of payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to the Business Transfer Agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. The amount of such on-balance sheet large exposures of the Bank covered by this guarantee as at 31 December 2006 was HK\$140,315,000 (2005: HK\$601,745,000) and off-balance sheet large exposure of HK\$nil (2005: HK\$157,075,000).

(d) Included in the following income statement captions are related party transactions with a shareholder with significant influence over the ultimate holding company:

本集團及本銀行
Group and Bank
2006
千港元
HK\$'000

損益表	Income Statement	
備供銷售證券利息收入	Interest income from available-for-sale securities	27,189
存款利息支出	Interest expense from deposits	8,268

註：該關連方於二零零六年成為最終控股公司之具重大影響力之股東，因此無需提供比較金額。

Note: The related party becomes a shareholder with significant influence over the ultimate holding company in 2006 and accordingly no comparative amount is presented.

(e) 與其他國家控制實體之交易

於二零零五年，本集團認為，中國政府直接持有於市場流通股份或投票權超過50%，而中國政府有能力控制或有權管轄其財務或營運政策的所有受國家控制實體為關連人士。

隨著最終控股公司於二零零六年在聯交所上市後，本集團遵從最終控股公司採納關連人士的定義，並只認為下列受國家控制實體為關連人士：

- 中國財政部(「財政部」)
- 中央滙金投資有限責任公司(「滙金」)
- 滙金擁有股權的其他銀行及金融機構

按上述定義之轉變，比較金額亦相應作出呈列。

(e) Transaction with other state-controlled entities

In 2005, the Group considered all state-controlled entities which the PRC government directly holds over 50% of the outstanding shares or voting rights, and has the ability to control or the power to govern their financial or operational policies as related parties.

Following the listing of the ultimate holding company on the Stock Exchange, in 2006, the Group follows the definitions of related parties adopted by the ultimate holding company and only the following state-controlled entities are considered as related parties:

- The Ministry of Finance PRC ("MOF")
- Central SAFE Investments Limited ("Huijin")
- Other banks and financial institutions which Huijin has equity interest

Due to the change in definitions, the comparatives have been restated accordingly.

賬目附註 Notes to the Accounts

40 關連交易 (續)

(e) 與其他國家控制實體之交易 (續)

本集團與此等關連人士進行的交易，被董事認為於本集團日常業務過程中進行。包括貸款、存款、投資證券、貨幣市場交易及資產負債表外風險項目。該等交易於進行交易時按相關市場利率進行。

年末之關連交易之結餘，以及年內之主要關連收入及／或開支載列如下：

(i) 客戶貸款

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
本年度利息收入	Interest income recognised during the year	10	–

(ii) 投資證券

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘 – 持作買賣用途證券	Outstanding balance at the end of the year – Trading securities	43	–
本年度出售備供銷售證券溢利	Gain on disposal of available-for-sale securities recognised during the year	1	–
本年度其他營業收入	Other operating income recognised during the year	13	–

(iii) 應收其他銀行及金融機構

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	2,007	822
本年度利息收入	Interest income recognised during the year	58	2

40 RELATED PARTY TRANSACTIONS (continued)

(e) Transaction with other state-controlled entities (continued)

Transactions which the Group entered into with these related parties are considered by the directors to be entered into in the Group's normal course of business. These include loans, deposits, investment securities, money market transactions and off-balance sheet exposures. These transactions are executed at the relevant market rates at the time of the transactions.

The outstanding balances of related party transactions at the year end, and the related major income and/or expense for the year are as follows:

(i) Loans and advances to customers

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
本年度利息收入	Interest income recognised during the year	10	–

(ii) Investment securities

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘 – 持作買賣用途證券	Outstanding balance at the end of the year – Trading securities	43	–
本年度出售備供銷售證券溢利	Gain on disposal of available-for-sale securities recognised during the year	1	–
本年度其他營業收入	Other operating income recognised during the year	13	–

(iii) Due from other banks and financial institutions

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	2,007	822
本年度利息收入	Interest income recognised during the year	58	2

賬目附註 Notes to the Accounts

40 關連交易 (續)

(e) 與其他國家控制實體之交易 (續) (iv) 應付其他銀行及金融機構

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	–	2,218
本年度利息支出	Interest expense recognised during the year	99	11

(v) 客戶存款

(v) Deposit from customers

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	421	157
本年度利息支出	Interest expense recognised during the year	6	2

(vi) 其他

(vi) Others

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	931	–
本年度利息支出	Interest expense recognised during the year	27	–
本年度其他收入	Other income recognised during the year	2	–

(vii) 資產負債表外風險

(vii) Off-balance sheet exposures

		2006 百萬港元 HK\$'million	2005 百萬港元 HK\$'million
年末結餘	Outstanding balance at the end of the year	41	431

就與上述以外的受國家控制實體(包括受財政部控制及監督的企業及法定實體)於年內在日常業務過程進行的交易而言,在審慎考慮關係的實際性質後,董事認為,並無此等交易被認為屬於關連人士交易需要披露。

For transactions with state-owned entities other than the above, including those enterprises and legal entities under the control or supervision of the MOF, which are conducted in the ordinary course of business during the year, with due regard to the substance of the relationship, the directors are of the opinion that none of these transactions are considered related party transactions that require disclosure.

賬目附註 Notes to the Accounts

40 關連交易 (續)

(f) 主要行政人員酬金

主要行政人員酬金，包括披露於附註13(a)之本銀行董事酬金及附註13(b)之五名最高薪酬人士之酬金，如下：

僱員福利	Employee benefits
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(g) 與主要行政人員之重大交易

於本年度內，本集團與主要行政人員在正常商業活動下進行之銀行交易，包括貸款、存款及其他金融相關交易，該等交易方包括本銀行之主要行政人員，其家庭成員及受其控制或重大影響之公司。

與本集團及本銀行之主要人員及其有關連人士的重大交易如下：

貸款	Loans and advances
存款	Deposits
利息收入	Interest income
利息支出	Interest expense

41 最終控股公司

中國工商銀行股份有限公司乃本銀行之最終控股公司。

42 比較金額

根據賬目附註2.4之說明，已對過往年度作出若干調整且若干比較金額已重新歸類及重新呈列，以符合今年之呈列及會計處理方法。

43 賬目之批准

本賬目於二零零七年三月二十日經董事會批准及授權發出。

40 RELATED PARTY TRANSACTIONS (continued)

(f) Key management personnel remuneration

Remuneration for key management personnel, including the Bank's directors emoluments as disclosed in Note 13(a) and five highest paid individuals as disclosed in Note 13(b), is as follow:

本集團及本銀行 Group and Bank	
2006 千港元 HK\$'000	2005 千港元 HK\$'000

26,811	22,890
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(g) Material transactions with key management personnel

During the year, the Group entered into certain banking transactions consisting loans and advances, deposits and other financial related transactions with key management personnel in the normal course of business. These transactions include transactions with key management personnel of the Bank, their close family members and companies controlled or significantly influenced by them.

Material transactions conducted with key management personnel and their related parties are as follows:

本集團及本銀行 Group and Bank	
2006 千港元 HK\$'000	2005 千港元 HK\$'000

5,447	5,995
22,747	17,334
220	129
809	388

41 ULTIMATE HOLDING COMPANY

Industrial and Commercial Bank of China Limited is the ultimate holding company of the Bank.

42 COMPARATIVE AMOUNTS

As further explained in note 2.4 to the accounts, certain prior year adjustments have been made and certain comparative amounts have been reclassified and restated to conform with the current year's presentation and accounting treatment.

43 APPROVAL OF ACCOUNTS

The accounts were approved and authorised for issue by the board of directors on 20 March 2007.