

未經審核補充財務資料

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION



(A) 資本充足及流動資金比率

CAPITAL ADEQUACY AND LIQUIDITY RATIOS

		二零零三年 2003 百分率 %	二零零二年 2002 百分率 %
於年底未經調整資本充足比率	Unadjusted capital adequacy ratio at year end	19.79	20.84
於年底已經調整資本充足比率	Adjusted capital adequacy ratio at year end	19.72	21.03
十二月份平均流動資金比率	Average liquidity ratio for December	57.89	52.49
截至十二月三十一日止之年度 平均流動資金比率	Average liquidity ratio for the year ended 31 December	59.37	49.76

未經調整資本充足比率的計算，是根據香港金融管理局訂定之綜合基準及《香港銀行業條例》附表三，本銀行亦根據香港金融管理局發出「就市場風險維持充足資本」指引，以同樣綜合基礎計算經調整資本充足比率。

The unadjusted capital adequacy ratio is computed on a consolidated basis as required by the HKMA for its regulatory purposes, and is in accordance with the Third Schedule of the Hong Kong Banking Ordinance. The adjusted capital adequacy ratio incorporating market risk is computed on the same consolidated basis, and is in accordance with the Guideline "Maintenance of Adequate Capital Against Market Risks" issued by the HKMA.

年內平均流動資金比率是每個曆月平均比率的簡單平均數。每個曆月平均比率乃根據《香港銀行業條例》附表四的規定計算並與「認可機構流動資金狀況申報表」(MA(BS)IE)第1(2)部中申報的數字相同。

The average liquidity ratio for the year is computed as the simple average of each calendar month's average ratio, as reported in Part I (2) of the "Return of Liquidity Position of an Authorised Institution" (MA(BS)1E) calculated in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

- (B) 根據《香港銀行業條例》附表三的規定計算，在資本充足比率申報表(MA(BS)3)第1部中申報的資本基礎總額在扣減後的組成部份如下：
- The components of the total capital base after deductions as reported under Part I of the banking return “Capital Adequacy Return” (MA(BS)3) calculated in accordance with the Third Schedule of the Hong Kong Banking Ordinance are as follows:

		二零零三年 十二月 三十一日 As at 31 December 2003 千港元 HK\$'000	二零零二年 十二月 三十一日 As at 31 December 2002 千港元 HK\$'000 (重報) (Restated)
核心資本	Core capital		
繳足股款的普通股股本	Paid up ordinary share capital	1,172,160	1,172,160
儲備(包括保留溢利)	Reserves (including retained earnings)	1,774,178	1,665,529
股份溢價	Share premium	749,778	749,778
可計算的附加資本	Eligible supplementary capital		
土地及土地權益價值重估的儲備	Reserves on revaluation of land and interests in land	36,868	36,868
非持作買賣用途證券價值重估的儲備	Reserves on revaluation of holdings of securities not held for trading purposes	1,917	(20,522)
一般呆帳準備	General reserves for doubtful debts	126,239	129,545
扣減前的資本基礎總額	Total capital base before deductions	3,861,140	3,733,358
資本基礎總額的扣減項目	Deductions from total capital base	(69,821)	(73,463)
已扣減後的資本基礎總額	Total capital base after deductions	3,791,319	3,659,895

(C) 主要客戶 MAJOR CUSTOMERS

於二零零二年及二零零三年，本集團從其五位最大客戶所得到的收入低於本集團總收入之30%。

Total income attributable to the Group's five largest customers combined is substantially less than 30% of the Group's total income for both years 2002 and 2003.

(D) 客戶貸款 – 按行業分類 ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS

有關按行業分類客戶貸款之資料乃依據呈交香港金融管理局的「貸款、墊款及準備金分析季報表」(MA(BS)2A)及「認可機構資產負債表」(MA(BS)1)所載的貸款類別來列入各行業類別。

The information concerning advances to customers by industry sectors has been classified in accordance with the industry categories contained in the banking returns on “Quarterly Analysis of Loans and Advances and Provisions (MA(BS)2A)” and “Assets and Liabilities of an Authorised Institution (MA(BS)1)” submitted to the HKMA.

		二零零三年 十二月 三十一日 As at 31 December 2003 千港元 HK\$'000	二零零二年 十二月 三十一日 As at 31 December 2002 千港元 HK\$'000
在香港使用的貸款	Loans for use in Hong Kong		
工商金融	Industrial, commercial and financial		
– 物業發展	– Property development	69,691	237,151
– 物業投資	– Property investment	2,860,186	2,836,200
– 金融企業	– Financial concerns	205,792	234,694
– 股票經紀	– Stockbrokers	28,746	28,983
– 批發及零售業	– Wholesale and retail trade	116,675	183,904
– 製造業	– Manufacturing	1,485,924	1,340,140
– 運輸及運輸設備	– Transport and transport equipment	496,537	516,784
– 其他	– Others	2,283,172	2,231,622
個人	Individuals		
– 購買「居者有其屋計劃」及「私人參建居屋計劃」樓宇的貸款	– Loans for the purchase of flats in the Home Ownership Scheme and Private Sector Participation Scheme	20,626	24,056
– 購買其他住宅物業的貸款	– Loans for the purchase of other residential properties	6,857,637	6,134,708
– 信用卡貸款	– Credit card advances	449,121	541,078
– 其他	– Others	694,619	640,401
		15,568,726	14,949,721
貿易融資	Trade finance	123,223	166,957
在香港以外使用的貸款	Loans for use outside Hong Kong	76,195	44,905
		15,768,144	15,161,583

(E) 逾期客戶貸款
OVERDUE ADVANCES TO CUSTOMERS

		二零零三年 十二月三十一日 As at 31 December 2003		二零零二年 十二月三十一日 As at 31 December 2002	
		估貸款總額 之百分比 % of 千港元 HK\$'000		估貸款總額 之百分比 % of 千港元 HK\$'000	
		gross advances		gross advances	
逾期客戶貸款¹	Overdue advances to customers¹				
六個月以下惟三個月以上	6 months or less but over 3 months	50,923	0.32	73,838	0.49
一年以下惟六個月以上	1 year or less but over 6 months	134,126	0.85	28,170	0.19
超過一年	Over 1 year	100,944	0.64	139,455	0.92
		285,993	1.81	241,463	1.59
就逾期貸款持有之 抵押品價值 ²	Amount of collateral held in respect of overdue advances ²	225,913		161,595	
有抵押逾期貸款	Secured overdue advances	218,365		152,132	
無抵押逾期貸款	Unsecured overdue advances	67,628		89,331	
		285,993		241,463	
就逾期貸款撥出之 特別準備數額	Amount of specific reserves made against overdue advances	54,163		53,288	

1 淨懸帳利息。

1. Net of suspended interest.

2 包括預期可從清盤中公司收回之
10,420,000港元(二零零二年：
11,730,000港元)。

2. Including expected recoveries of HK\$10.42 million (2002: HK\$11.73 million) from
companies in liquidation.

(E) 逾期客戶貸款 (續)
OVERDUE ADVANCES TO CUSTOMERS (continued)

		二零零三年 十二月 三十一日 As at 31 December 2003 千港元 HK\$'000	二零零二年 十二月 三十一日 As at 31 December 2002 千港元 HK\$'000
三個月以上有關利息仍然累計 之逾期貸款(「利息累計之 逾期貸款」)	Advances overdue for more than 3 months and on which interest is still being accrued ("Interest accrual overdue advances")	221	6,399
三個月或三個月以下有關利息 已被懸帳或停止累計之 逾期貸款(「利息停止累計 但非逾期之貸款」)	Advances overdue for 3 months or less and on which interest is being placed in suspense or on which interest accrual has ceased ("Interest non-accrual but not overdue advances")	114,111	27,328

(F) 逾期客戶貸款與不履行合約 客戶貸款間之對帳 Reconciliation between overdue advances to customers and non-performing advances

		二零零三年 十二月 三十一日 As at 31 December 2003 千港元 HK\$'000	二零零二年 十二月 三十一日 As at 31 December 2002 千港元 HK\$'000
逾期客戶貸款	Overdue advances to customers	285,993	241,463
減：利息累計之逾期貸款	Less : Interest accrual overdue advances	(221)	(6,399)
加：利息停止累計但非逾期之貸款	Add : Interest non-accrual but not overdue advances	114,111	27,328
不履行合約貸款	Non-performing advances	399,883	262,392

(G) 重定還款期之客戶貸款
RESCHEDULED ADVANCES TO CUSTOMERS

		二零零三年 十二月三十一日 As at 31 December 2003		二零零二年 十二月三十一日 As at 31 December 2002	
		估貸款總額 之百分比 % of 千港元 HK\$'000		估貸款總額 之百分比 % of 千港元 HK\$'000	
		gross advances		gross advances	
重定還款期之客戶貸款¹	Rescheduled advances to customers¹				
利息累計之重定還款期貸款	Interest accrual rescheduled advances	198,272	1.26	191,428	1.26
利息停止累計之重定 還款期貸款	Interest non-accrual rescheduled advances	85,631	0.54	8,694	0.06
		283,903	1.80	200,122	1.32
就重定還款期貸款持有之 抵押品價值	Amount of collateral held in respect of rescheduled advances	246,574		176,247	
有抵押重定還款期貸款	Secured rescheduled advances	234,620		169,260	
無抵押重定還款期貸款	Unsecured rescheduled advances	49,283		30,862	
		283,903		200,122	
就重定還款期貸款撥出之 特別準備數額	Amount of specific reserves made against rescheduled advances	16,208		14,535	

1 已扣除逾期三個月以上及已在附註(E)逾期客戶貸款中匯報之重定還款期貸款。

1. Net of rescheduled advances which have been overdue for over three months and were reported in Note (E) Overdue advances to customers.

(H) 逾期資產之分析
ANALYSIS OF OVERDUE ASSETS

		貸款 Loans 千港元 HK\$'000	應計利息 Accrued interest 千港元 HK\$'000	逾期資產總額 Total overdue assets 千港元 HK\$'000
於二零零三年十二月三十一日	As at 31 December 2003			
逾期	Overdue for			
六個月以下惟三個月以上	6 months or less but over 3 months	50,923	6	50,929
一年以下惟六個月以上	1 year or less but over 6 months	134,126	0	134,126
超過一年	Over 1 year	100,944	0	100,944
		285,993	6	285,999

		貸款 Loans 千港元 HK\$'000	應計利息 Accrued interest 千港元 HK\$'000	逾期資產總額 Total overdue assets 千港元 HK\$'000
於二零零二年十二月三十一日	As at 31 December 2002			
逾期	Overdue for			
六個月以下惟三個月以上	6 months or less but over 3 months	73,838	96	73,934
一年以下惟六個月以上	1 year or less but over 6 months	28,170	0	28,170
超過一年	Over 1 year	139,455	0	139,455
		241,463	96	241,559

(I) 收回資產及根據貸款協議所得資產 REPOSSESSED ASSETS AND ASSETS ACQUIRED UNDER LENDING AGREEMENTS

於二零零三年十二月三十一日，本集團收回資產及根據貸款協議所得資產總額合共591,033,000港元（二零零二年：722,459,000港元）。

The total repossessed assets and assets acquired under lending agreements of the Group as at 31 December 2003 amounted to HK\$591,033,000 (2002: HK\$722,459,000).

(J) 跨境債權 CROSS-BORDER CLAIMS

外資金融機構之跨境債權資料須根據經計及任何風險轉移後該機構所在地所出現及產生之最終風險作出披露。一般而言，倘該等債權由該機構所屬國家以外之其他國家之任何人士作出擔保或倘該等債權乃由一家總辦事處位於另一國家之海外分行持有，則須進行風險轉移。

The information on cross-border claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

(J) 跨境債權 (續)
CROSS-BORDER CLAIMS (continued)

於二零零三年十二月三十一日 百萬港元	As at 31 December 2003 Figures in HK\$Million	本集團 The Group			總額 Total
		銀行及其他 金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	
亞洲太平洋地區 (不包括香港)	Asia Pacific excluding Hong Kong				
– 澳洲	– Australia	562	0	211	773
– 新加坡	– Singapore	1,478	0	45	1,523
– 日本	– Japan	15	0	0	15
– 其他	– Others	3	0	71	74
北美洲	North America				
– 加拿大	– Canada	107	0	1	108
– 美國	– United States	200	1,632	34	1,866
加勒比	Caribbean				
– 百慕達	– Bermuda	0	0	12	12
– 開曼群島	– Cayman Islands	0	0	81	81
– 其他	– Others	0	0	80	80
中東 – 巴林	Middle East - Bahrain	233	0	0	233
西歐	Western Europe				
– 比利時	– Belgium	15	0	0	15
– 德國	– Germany	11	0	0	11
– 意大利	– Italy	2	156	0	158
– 盧森堡	– Luxembourg	41	0	19	60
– 荷蘭	– Netherlands	458	0	0	458
– 瑞士	– Switzerland	227	0	0	227
– 英國	– United Kingdom	1,237	0	7	1,244
– 其他	– Others	5	0	0	5
		4,594	1,788	561	6,943

(J) 跨境債權 (續)
CROSS-BORDER CLAIMS (continued)

於二零零二年十二月三十一日 百萬港元	As at 31 December 2002 Figures in HK\$Million	本集團 The Group			總額 Total
		銀行及其他 金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	
亞洲太平洋地區 (不包括香港)	Asia Pacific excluding Hong Kong				
– 澳洲	– Australia	356	0	0	356
– 新加坡	– Singapore	1,989	0	0	1,989
– 中國	– China	0	5	0	5
– 其他	– Others	15	0	40	55
北美洲	North America				
– 加拿大	– Canada	102	0	1	103
– 美國	– United States	13	1	127	141
加勒比	Caribbean				
– 開曼群島	– Cayman Islands	0	0	79	79
– 其他	– Others	0	0	197	197
中東 – 巴林	Middle East - Bahrain	157	0	0	157
西歐	Western Europe				
– 比利時	– Belgium	3	0	0	3
– 德國	– Germany	164	0	0	164
– 法國	– France	4	0	2	6
– 荷蘭	– Netherlands	275	0	0	275
– 英國	– United Kingdom	689	0	4	693
– 其他	– Others	14	0	39	53
		3,781	6	489	4,276

(K) 外匯風險 FOREIGN EXCHANGE EXPOSURES

有關外幣之倉盤淨額或結構性倉盤淨額之披露如下：

The net positions or net structural positions in foreign currencies are disclosed as follows:

		本集團 The Group 於二零零三年十二月三十一日 As at 31 December 2003					
		美元		紐元	澳元	其他	總額
百萬港元等值	Equivalent in HK\$ Millions	US Dollars	歐元 Euros	New Zealand Dollars	Australian Dollars	Others	Total
現貨資產	Spot assets	5,467	914	547	1,290	947	9,165
現貨負債	Spot liabilities	(7,008)	(606)	(447)	(1,199)	(809)	(10,069)
遠期買入	Forward purchases	6,050	1,640	42	677	1,011	9,420
遠期賣出	Forward sales	(4,579)	(1,951)	(132)	(737)	(1,149)	(8,548)
期權盤淨額	Net option position	0	0	0	0	0	0
長 / (短) 盤淨額	Net long/(short) position	(70)	(3)	10	31	0	(32)
		美元		紐元	澳元	其他	總額
		US Dollars	歐元 Euros	New Zealand Dollars	Australian Dollars	Others	Total
結構性倉盤淨額	Net structural position	0	0	0	0	0	0

(K) 外匯風險 (續)
FOREIGN EXCHANGE EXPOSURES (continued)

		本集團 The Group 於二零零二年十二月三十一日 As at 31 December 2002					
百萬港元等值	Equivalent in HK\$ Millions	美元 US Dollars	歐元 Euros	紐元 New Zealand Dollars	澳元 Australian Dollars	其他 Others	總額 Total
現貨資產	Spot assets	4,204	287	450	920	230	6,091
現貨負債	Spot liabilities	(4,945)	(195)	(379)	(865)	(441)	(6,825)
遠期買入	Forward purchases	1,547	185	4	165	543	2,444
遠期賣出	Forward sales	(803)	(279)	(75)	(214)	(338)	(1,709)
期權盤淨額	Net option position	0	0	0	0	0	0
長 / (短) 盤淨額	Net long/(short) position	3	(2)	0	6	(6)	1
		美元 US Dollars	歐元 Euro	紐元 New Zealand Dollars	澳元 Australian Dollars	其他 Others	總額 Total
結構性倉盤淨額	Net structural position	0	0	0	0	0	0

(L) 公司管治
CORPORATE GOVERNANCE

本集團致力實行高水平公司管治，並於年內遵守香港金融管理局頒佈的監管政策手冊的其中章節「本地註冊認可機構的企業管治」。

The Group is committed to high standards of corporate governance, and has complied throughout the year with the module on “Corporate governance of locally incorporated authorised institutions” under the Supervisory Policy Manual issued by the HKMA.

(M) 主要委員會 KEY SPECIALISED COMMITTEES

董事會已成立若干管治委員會，包括執行委員會、資產及負債委員會、審核委員會以及薪酬委員會。

The Board of Directors has established a number of governing committees including the Executive Committee, Asset and Liability Committee, Audit Committee, and Remuneration Committee.

(i) 執行委員會

執行委員會由獨立、執行及非執行董事組成，獲授權代表董事會行事。委員會按規定審閱及批准銀行的風險管理策略及各項政策，包括但不限於信貸及借貸政策、資本投資政策及其他特定一般管理事宜。委員會亦為董事會的信貸委員會，負責審閱及批核董事會指定限額以內的信貸申請。

(i) Executive Committee

The Executive Committee comprises independent, executive and non-executive directors and is delegated the authority to act on behalf of the Board of Directors. The Committee meets as required to review and approve the Bank's risk management strategy and various policies which include, but are not limited to credit and lending policies, capital investment policy and other ad hoc general management issues. It also serves as the credit committee of the Board to review and approve credit applications within limits assigned by the Board.

(ii) 信貸委員會

信貸委員會由董事會成立，負責本銀行之信貸風險管理工作。該委員會每星期舉行兩次會議，專責根據信貸授權限額就信貸風險批核信貸建議；並向行政總裁提供意見及推薦建議。信貸委員會審閱及實施信貸風險管理及控制之措施，在信貸監控方面扮演著重要之角色。該委員會審閱獲貸款主任延期之貸款，並向全體借貸主任提供指引，協助彼等監控貸款組合之信貸風險。

(ii) Credit Committee

The Credit Committee has been established by the Board to carry out the Bank's credit risk management functions. It meets twice a week and is responsible for approving, advising and recommending to the Chief Executive the approval of credit exposures in accordance with the credit authority limits. The Credit Committee reviews and implements measures on credit risk management and controls and plays a key role in credit monitoring. It reviews loans extended by lending officers and provides guidelines to all lending officers to assist them in monitoring the credit risk of the loan portfolio.

(M) 主要委員會 (續)**KEY SPECIALISED COMMITTEES (continued)****(iii) 資產及負債委員會**

資產及負債委員會由本行的行政總裁、執行董事、財務總監、司庫、以及行政總裁委任的高級管理人員組成。委員會與內部核數師每星期舉行一次會議，公司管治及合規部主管會列席會議作觀察員，確保全面符合管治政策。委員會的主要職責包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付資金責任的能力以及遵守法定流動資金及資金充裕要求事宜。委員會定期審閱及批核本行有關資產及負債管理、投資及其他風險管理事宜的政策，以報董事會批准。委員會亦制定資源及資金運用的長遠政策、應付當時狀況的短期方針以及監察該等政策及方針的推行。此外，資產及負債委員會亦評估有關營業部門所提出新產品的風險及盈利能力，並批審有關新產品。

(iv) 審核委員會

審核委員會由三名非執行董事組成，其中大部份均為獨立人士。該委員會每年最少舉行四次會議，並在認為有需要時加開會議。審核委員會確保充分監察本銀行之財務申報過程。該委員會亦負責審閱內部審核計劃及報告、確保內部及外聘核數師之間之聯絡，以及監控是否遵守內部政策、法定規則及由外聘核數師作出之推薦意見。

(iii) Asset and Liability Committee

The Asset and Liability Committee is comprised of the Bank's Chief Executive, executive director, chief financial officer, treasurer, and senior managers as appointed by the Chief Executive. The Committee meets on a weekly basis with the internal auditor and chief compliance officer attending the meeting as observers to ensure overall compliance with the governing policies. The Committee's main responsibilities include regular review of the Bank's operations relating to interest rate risk and liquidity risk and in particular the Bank's ability to meet its funding obligations, and its compliance with statutory liquidity and capital adequacy requirements. The Committee regularly reviews and endorses, for Board approval, the Bank's policies governing asset and liability management, investment, and other risk management issues. It also formulates both long term strategy for the sources and uses of funds and short term directives to address prevailing conditions and monitors the implementation of these strategies and directives. In addition, the Asset and Liability Committee assesses the risk and profitability of a new product proposed by respective business units and approves new products.

(iv) Audit Committee

The Audit Committee comprises of three non-executive directors, majority of whom are independent. It meets at least four times a year and additionally when deemed necessary. The Audit Committee ensures adequate supervision of the Bank's financial reporting processes. The Committee also reviews the internal audit programme and reports, ensures co-ordination between the internal and external auditors, and monitors compliance with internal policies, statutory regulations and recommendations made by the external auditors.

(M) 主要委員會 (續) KEY SPECIALISED COMMITTEES (continued)

(v) 薪酬委員會

薪酬委員會由董事會之非執行主席、非執行副主席及兩名獨立非執行董事組成。該委員會按需要舉行會議，以審閱及批准高級行政人員（包括行政總裁、執行董事及執行副總裁）之薪酬方案。執行董事並無參與彼等本身薪酬之決策。

(v) Remuneration Committee

The Remuneration Committee comprises of the Board's non-executive Chairman, non-executive Vice Chairman and two independent non-executive directors. The Committee meets as required to review and approve the remuneration packages for senior executives which include the Chief Executive, Executive Director, and Executive Vice Presidents. Executive directors do not play a part in decisions on their own remuneration.

(N) 風險管理 MANAGEMENT OF RISKS

本集團已設有管理及監察信貸風險、流動資金、資本及市場風險的政策及程序。風險管理政策由執行委員會制定，委員會亦實行風險監察，並定期檢討本集團風險政策之有效性。內部核數師亦定期進行核數以確保符合政策及程序。

The Group has established policies and procedures for the control and monitoring of credit risk, liquidity, capital and market risk. The risk management policy is formulated by the Executive Committee, which also monitors risk and regularly reviews the effectiveness of the Group's risk management policies. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

(i) 信貸風險管理

信貸風險源於貸款人或交易對手未能履行其承擔，可來自本集團之貸款、貿易融資、財資、衍生工具及其他銀行業務。

本集團之信貸政策融合審慎承擔標準。有關政策對信貸條件、董事會指定之信貸審批職權、信貸監管程序、貸款分類系統及撥款政策作出界定，並參考香港銀行條例內之規定及香港金融管理局就高風險及撥款規定頒佈之指引。

(i) Credit risk management

Credit risk arises from the potential that a borrower or counterparty will fail to perform under an obligation. It arises from the lending, trading, treasury, derivatives and other activities.

The Group's credit policy incorporates prudent underwriting standards. The policy defines the credit extension criteria, the credit approval authorities delegated from the Board, the credit monitoring processes, the loan grading system and provisioning policy. It also takes into account the requirements in the Hong Kong Banking Ordinance and the guidelines issued by the HKMA with respect to large exposures and provisioning requirements.

(N) 風險管理 (續)
MANAGEMENT OF RISKS (continued)

董事會執行委員會獲授權負責代表董事會審批信貸申請。行政總裁則獲董事會授予較次於執行委員會之審批信貸權力，而行政總裁亦經董事會批准授予信貸委員會權力批出信貸。信貸之審批均會考慮貸款種類、貸款年期、有關未來借款人之還款能力及抵押擔保。

信貸部門、企業及零售銀行風險管理部、消費信貸風險管理部獲授權並代表信貸委員會進行統一信貸風險管理，負責下列各項職責：

- 獨立審核信貸申請，包括信貸詳情、信貸評級釐定、風險評審及分析以及財務信貸息差；
- 境外以及銀行及財務機構的風險監控；
- 風險組合比重管理；
- 維持貸款評級制度；
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及壞帳撥備程度等資料。

本集團同時亦制定政策以確保每項新產品經由產品發展委員會設計及審閱。所有有關之部門必須於產品推出前，參予有關系統及控制程序。

The Executive Committee of the Board has been delegated the power to approve credits on behalf of the Board. The Chief Executive Officer, who has been delegated by the Board a lower credit approval authority than the Executive Committee, has in turn delegated lower authorities to the Credit Committee as approved by the Board of Directors. Approval takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

The credit departments, Corporate and Retail Banking Risk Management Unit and Consumer Finance Risk Management Unit, receive their authority and delegated responsibilities from the Credit Committee to provide centralised management of credit risk. They are responsible for:

- independent evaluation of credit applications, which covers facility details, credit grade determination, risk review and analysis and financial spreads;
- control of cross-border exposures, as well as those to banks and financial institutions;
- portfolio management of risk concentrations;
- maintenance of the loan grading system; and
- reporting to the Risk Management Committee regularly on aspects of the loan portfolio. This includes information on large credit exposures, industry exposures, country exposures and levels of bad debt provisioning.

The Group has established guidelines to ensure that each new product is designed and reviewed by a product committee. All relevant internal departments are required that they have put in place the appropriate processes, systems and controls before the product is approved by the Asset and Liability Committee.

(N) 風險管理 (續) MANAGEMENT OF RISKS (continued)

貸款履行情況乃透過定期檢討，以及向行政總裁及內部審稽部門提交的管理層報告進行監察。為避免風險過份集中，個別客戶群的信貸風險，以及向各行業所提供的貸款乃經審慎處理，以達致一個平衡的貸款組合。按行業分類的客戶貸款分析乃於上述附註(D)內披露。

與資產負債表上的金融工具不同，因其信貸風險一般以信貸本金顯示，而衍生工具之信貸風險則指正面之重置成本加上對其日後潛在變動之市值估計。衍生工具信貸風險於財務表附註36(b)予以披露。

Performance of loans is monitored through regular reviews and management reports submitted to the Chief Executive Officer as well as the Internal Control Department. To avoid concentration of risk, credit exposures to individual customer groups and advances to industry sectors are carefully managed to achieve a balanced loan portfolio. Analysis of advances to customers by industry sector is disclosed in Note (D) above.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value, the credit risk for derivatives is the positive replacement cost together with an estimate for the potential future change in its market value. The credit risk exposure on derivatives is disclosed in Note 36(b) of the financial statements.

(ii) 流動資金風險管理

流動資金風險是指從資產或負債方面未能提供足夠現金以應付存款提取或合約貸款需要的風險。本集團會緊密監察集團的流動資金，以保證集團資金結構中的資產、負債及合約承諾能達到其融資需求，並能經常符合法定的流動資金比率。在以上附註(A)中披露，本集團二零零三年十二月份綜合流動資金比率為57.89%，二零零三年十二月三十一日的平均流動資金比率為59.37%，遠高於法定的25%最低要求。

(ii) Liquidity management

Liquidity risk is the risk that not enough cash will be generated from either assets or liabilities to meet deposit withdrawals or contractual loan funding. The Group manages the liquidity structure of its assets, liabilities and commitments so as to ensure that all group operations can meet their funding needs and that the statutory liquidity ratio is complied with. As disclosed in Note (A) above, both the Group's consolidated liquidity ratio of 57.89% for December 2003 and the average liquidity ratio of 59.37% for the year ended 31 December 2003 were well above the statutory minimum ratio of 25%.

(N) 風險管理 (續) MANAGEMENT OF RISKS (continued)

資產及負債委員會透過日常流動資金比率及到期資金錯配的監察，審閱目前及未來整體運作的資金需求。流動資金風險以持充裕的流動資產（如現金及短期資金及證券）至合適水平的方式管理，以確保在審慎的資金限額內得以應付短期的資金需求。

客戶的往來、定期及各類型的存款構成本集團整體資金的重要部分。其資金組合仍屬多元化及穩定。為延長資金的存款期，本行定期發出屆滿期不長於5年的存款證。

流動資金比率於附註(A)披露。

The Asset and Liability Committee reviews the current and prospective funding requirements for all operations through daily monitoring of the liquidity ratio and the maturity mismatch profile. The liquidity risk is managed by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

Current, fixed, and other deposits of customers form a significant part of the Group's overall funding. Its composition has remained relatively diversified and stable. In order to lengthen the duration of the funding, the Bank periodically issues certificates of deposits with maturities of not more than 5 years.

The liquidity ratios are disclosed in Note (A).

(iii) 資本管理

本集團擬維持雄厚的資本來支持本集團審慎地開拓業務，務求使本集團之業務更多元化，其中包括在未來擴大分行網絡、增強客戶基礎，以及提供更多全新金融產品等，及符合法定之資本充足比率。在以上附註(A)披露，本集團於二零零三年十二月三十一日之經調整資本充足比率（包括市場風險）為19.72%及未經調整比率則為19.79%，實已遠高於法定最低要求。

(iii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's operations prudently, with the aim of diversifying its business activities, including the future expansion of the branch network, increasing the customer base, introducing new financial products and meeting the statutory capital adequacy ratio. As disclosed in Note (A) above, both the Group's adjusted capital adequacy ratio incorporating market risk of 19.72% and the unadjusted ratio of 19.79% as at 31 December 2003 was well above the statutory minimum ratio.

(N) 風險管理 (續) MANAGEMENT OF RISKS (continued)

本行因應各部門所面對的風險程度將資本應用在不同業務上。若其附屬公司由其他監管機構所管核，該附屬公司須持有相關監管機構所規定的最低資本水平。香港金融管理局所指定的若干從事財務活動的附屬公司，須遵守香港金融管理局要求的資本規定。

資本充足比率及資本基礎組成部分於附註(A)及(B)披露。

Capital is allocated to the various activities of the Bank depending on the risk taken by each business division. Where the subsidiaries are directly regulated by other regulators, they are required to maintain minimum capital according to the regulators' rules. Certain financial subsidiaries, as specified by the HKMA, are subject to the HKMA's capital requirements for its regulatory purposes.

Capital adequacy ratios and components of the capital base are disclosed in Note (A) and Note (B).

(iv) 市場風險

市場風險

市場風險指市場息率及價格波動之風險，如本銀行資產、負債及承擔的息率及匯率等，會影響本集團之溢利或虧損。市場風險產生於以目前市價計值（「按市價計值」）及以成本加任何應計利息計值（「權責發生制」）的財務工具。

本銀行於貨幣市場、外匯市場、股本市場以及資本市場進行業務，因而面對市場風險。本銀行因應客戶的指示、市場作價活動、為對沖本銀行的未平倉盤而建立持倉。本銀行並無進行自營外匯交易，僅會按客戶需求而進行該類交易。

(iv) Market risk management

Market risk

Market risk is the risk that movements in market rates and prices, such as interest rates and foreign exchange rates on the Bank's assets, liabilities and commitments will result in profits or losses to the Group. Market risk arises on financial instruments which are valued at current market prices ("marked to market") and those valued at cost plus any accrued interest ("accruals basis").

The Bank transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and positions taken in order to hedge the Bank's open position. The Bank does not engage in proprietary trading of foreign exchange, but merely executes customer orders.

(N) 風險管理 (續)
MANAGEMENT OF RISKS (continued)

財務工具交易會以包括債務、股本及其他證券以及若干衍生工具進行。衍生工具乃以合約所訂明的某一種或多種相關財務工具或指數而產生價值的合約。衍生工具包括掉期、遠期匯率協議、期貨、期權以及上述工具的組合。衍生工具的用途是管理本銀行本身的市場風險，作為其資產及負債管理程序的一部分。本銀行所採用的衍生工具主要為利率、股本及匯率相關合約等場外交易衍生工具。本銀行大部分衍生工具倉盤目的乃應付客戶需求及對沖該等及其他買賣倉盤。

風險管理

本集團已成立清晰的市場風險政策，包括風險限額、呈報範圍及控制程序，並由董事定期檢討及審批。市場風險乃按執行委員會所通過的不同限額加以管理。此等限額乃為各項金融工具而釐定，包括各類產品限額、持倉總額及淨額、持倉集中限額、按市值計算的產品限額、止蝕限額，以及持倉風險限額。

Financial instruments traded include debt, equity and other securities and certain derivatives. Derivatives are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward rate agreements, futures, options and combinations of these instruments. Derivatives are used to manage the Bank's own exposures to market risk as part of its asset and liability management process. The principal derivatives instruments used by the Bank are interest, equity and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. Most of the Bank's derivatives positions have been entered into to meet customer demand and to hedge these and other trading positions.

Risk management

The Group has established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Directors. Market risk is managed within various limits approved by the Executive Committee. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits.

(N) 風險管理 (續)
MANAGEMENT OF RISKS (continued)

本集團採取風險值(「風險值」)措施，以控制本行市場風險的方法。風險值乃一項對潛在虧損評估數字(其中包括明確的信心水平)。如持倉量於一個營業日內維持不變，有關潛在虧損可能因投資組合的價值變動而上升。計算方式乃使用方差與協方差模式估計統計數字信心水平。本行預期其投資組合的方差與協方差的信心水平為95%及99%。此外，投資組合須接受壓力測試，並以綜合基準評估因市場價格極端變動對收益表的潛在影響。本銀行投資組合(包括香港外匯基金票據)之95%及99%水平風險值於二零零三年十二月三十一日分別為15,357,335港元及21,720,165港元。二零零三年度95%及99%信心水平之平均風險值分別為11,738,378港元及16,601,808港元。

市場風險承擔

本集團採納一套謹慎的方法，以管理其交易組合，並透過其他市場同業簽訂抵銷交易或對沖合約，以減低任何過度市場風險。若本集團於外匯市場，利率市場或證券及股票市場持倉時便會產生市場風險，而這是因應客戶的指示、自營買賣及對沖活動時進行的交易。

The Group uses a value-at-risk ("VaR") measure as a mean of controlling the Bank's market risk. The VaR is an estimate, with a defined confidence level, of the potential loss which might arise due to changes in the value of investment portfolios, if positions were held unchanged for one business day. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level. The Bank estimates the VaR of its investment portfolios with a confidence level of 95% and 99%. In addition, stress testing is performed on the portfolios and on a consolidated basis to assess the potential income statement impact as a result of extreme movements in market prices. The 95% and 99% VaR for the Bank's investment portfolio, including Hong Kong Exchange Fund Bills, at 31 December 2003 were HK\$15,357,335 and HK\$21,720,165 respectively. The average VaR at 95% and 99% confidence level for 2003 were HK\$11,738,378 and HK\$16,601,808 respectively.

Market risk exposure

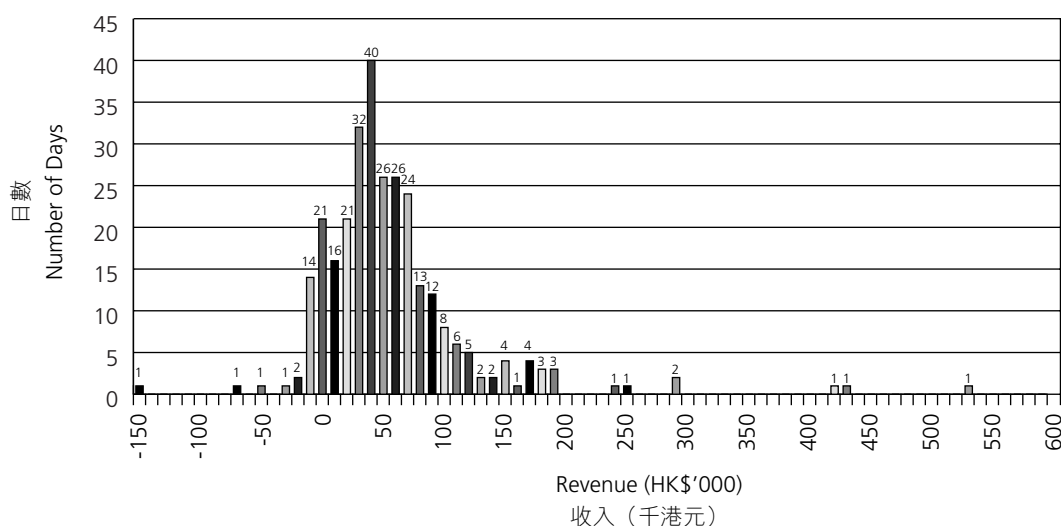
The Group adopts a prudent approach to managing its trading portfolios, and reduces any excessive market risk by executing offsetting transactions or hedging contracts with other market counterparties. Market risk ensues once the Group takes positions in markets such as foreign exchange, interest rates, securities and equities. Such positions are driven by execution of customer orders, proprietary trading and hedging.

(N) 風險管理 (續)
MANAGEMENT OF RISKS (continued)

本集團之最高市場風險承擔由資產及負債委員會訂定。並定期監控及向管理層匯報。年度內由財資交易活動中獲得的平均每日收益為62,120港元，標準偏差為65,785港元。本集團之交易收益分析如下：

The Group's maximum market risk exposures are set by the Asset and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the year was HK\$62,120 and the standard deviation was HK\$65,785. An analysis of the Group's trading revenue is shown below:

Daily Distribution of Trading Revenue for the Year 2003 (Jan – Dec)
二零零三年度(一至十二月)每日交易收益分佈



以上圖表顯示於296個成交日中，20天錄得虧損，最高每日損失146,714港元。最頻密交易成績為每日收益為40,000港元至50,000港元，並出現了40次。最高每日收益為538,710港元。

This shows a maximum daily loss of HK\$146,714 with 20 days out of 296 days showing losses. The most frequent result was a daily revenue falling between HK\$40,000 to HK\$50,000 with 40 occurrences. The highest daily revenue was HK\$538,710.