

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30。

法定合併

根據香港法例第1178章中國工商銀行(亞洲)有限公司(合併)條例，華比銀行香港分行之所有業務轉歸本銀行，由二零零五年十月十日起生效。

2 主要會計政策概述

編製本綜合財務報表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

本集團之綜合財務報表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，此詞包括所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及會計實務準則及詮釋)、香港公認之會計原則，以及香港公司條例之規定編製。本財務報表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。

本綜合財務報表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(包括衍生工具)，以及租賃樓房之重估作出調整。

按香港財務報告準則編製財務報表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，或對本綜合財務報表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 30 to the accounts.

Legal merger

Pursuant to the Industrial and Commercial Bank of China (Asia) Limited (Merger) Ordinance (Chapter 1178), all the undertakings of Belgian Bank, Hong Kong Branch, were transferred to and vested in the Bank with effect from 10 October 2005.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements 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 financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (HKFRSs which is a collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Statements of Standard Accounting Practice and Interpretations) issued by Hong Kong Institute of Certified Public Accountants (HKICPA), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements 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 financial statements have been prepared under the historical cost convention, as modified by the revaluation of buildings, available-for-sale financial assets, financial assets and financial liabilities held for trading, financial assets, financial liabilities (including derivative instruments) at fair value through profit or loss and leasehold building.

The preparation of financial statements 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 financial statements are disclosed in Note 4.

2 主要會計政策概述 (續)

2.1 編製基準 (續)

採納新增／經修訂之香港財務報告準則
於二零零五年，本集團採納下列與其業務有關之新增及經修訂香港會計準則及香港財務報告準則。二零零四年之比較資料已按有關規定之要求作出修訂。

香港會計準則第1號	「財務報表披露」
香港會計準則第7號	「現金流量表」
香港會計準則第8號	「會計政策、會計估計之變動及錯誤」
香港會計準則第10號	「結算日後事項」
香港會計準則第16號	「物業及設備」
香港會計準則第17號	「租賃」
香港會計準則第21號	「匯率變動之影響」
香港會計準則第24號	「關聯人士披露」
香港會計準則第27號	「綜合及分列財務報表」
香港會計準則第28號	「投資聯營公司」
香港會計準則第30號	「銀行及類似金融機構財務報表之披露」
香港會計準則第32號	「金融工具：披露及呈報」
香港會計準則第33號	「每股盈利」
香港會計準則第36號	「資產減值」
香港會計準則第38號	「無形資產」
香港會計準則第39號	「金融工具：確認及計量」
香港財務報告準則第3號	「業務合併」
香港財務報告準則第5號	「待售非流動資產及已終止業務」

採納新增／經修訂之香港會計準則第1、7、8、10、16、21、24、27、28、30及33號並無導致本集團會計政策之重大變動。總括而言：

- 香港會計準則第1號影響應佔聯營公司除稅後業績淨額及其他披露事項之呈報方式
- 根據香港會計準則第21號，每間綜合實體之功能貨幣均已按該項經修訂準則之指引予以重估。本集團所有實體擁有相同之功能貨幣，作為各自財務報表之呈報貨幣。
- 香港會計準則第24號影響關連人士之識別及其他關連方披露事項。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS

In 2005, the Group adopted the new/revised HKASs and HKFRSs as set out below, which are relevant to its operations. The 2004 comparatives have been amended as required, in accordance with the relevant requirements.

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKFRS 3	Business Combinations
HKFRS 5	Non-current assets held for sale and discontinued operations

The adoption of new/revised HKASs 1, 7, 8, 10, 16, 21, 24, 27, 28, 30 and 33 did not result in substantial changes to the Group's accounting policies. In summary:

- HKAS 1 has affected the presentation of share of net after-tax results of associates and other disclosures
- In HKAS 21, the functional currency of each of the consolidated entities has been re-evaluated based on the guidance to the revised standard. All the Group entities have the same functional currency as the presentation currency for respective entity financial statements.
- HKAS 24 has affected the identification of related parties and some other related-party disclosures.

2 主要會計政策概述 (續)

2.1 編製基準 (續)

採納新增／經修訂之香港財務報告準則 (續)

香港會計準則第17號

集團採納經修訂之香港會計準則第17號「租賃」，對其有關租賃土地的會計政策有所改變。以往，租賃土地及樓房是按成本減累計折舊及耗蝕虧損列賬。採納香港會計準則第17號「租賃」後，凡土地及樓房的租約，應在租賃開始時參照租賃中租賃土地權益與樓房租賃權益的相對公平值，按比例分為租賃土地與樓房租賃兩部份。預付土地租金按成本列賬並於租賃期內攤銷或當有減值時，減值會列支損益賬，而租賃樓房則按公平值列賬。物業及設備以往包括租賃物業的土地元素，現在披露為租賃土地權益。

香港會計準則第32及39號

集團採納香港會計準則第32號「金融工具：披露及呈報」及香港會計準則第39號「金融工具：確認及計量」對其有關確認、計量、披露與呈報金融資產及負債的會計政策有所改變。此外，衍生工具需以公平價值確認和對沖活動的確認和計量都有所改變。

於往年，若本集團對貸款之最終可收回全部本息存疑，均會撥存準備。本集團會按個別情況對該等貸款所潛在之虧損作個別評估，經考慮其抵押品後，提撥特殊準備，將該等資產之賬面價值減至預期可變現之淨值。此外另有撥出一筆款項作為一般呆賬準備。在採納香港會計準則第39號後，若最初確認金融資產後，因發生若干損失事項並存在減值之客觀證據，而此等損失事項對金融資產之未來現金流量之估計構成影響，金融資產即作減值準備。個別大額金融資產之減值損失會作個別評估，而非個別大額之金融資產則作個別或綜合評估。當客觀證明減值存在，會用原本實際利率將未來現金流量折扣計算現值，並計入抵押品價值(如有)，以計算資產的可收回金額。資產賬面值及可收回金額的差額被確認為耗蝕。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

HKAS 17

The adoption of revised HKAS 17 "Leases" has resulted in a change in accounting policy relating to leasehold land. Leasehold land and buildings were previously carried at cost less accumulated depreciation and impairment loss. Following the adoption of HKAS 17 "Leases", a lease of land and building should be split into a lease of land and a lease of building in proportion to the relative fair values of the leasehold interests in the land element and the building element of the lease at inception. The land lease prepayment is stated at cost and amortised over the period of the lease or where there is impairment, the impairment is expensed in the profit and loss account, whereas the leasehold building is stated at fair value. Previously included in property, plant and equipment is the land element of the leasehold properties, which is now disclosed as leasehold land and land use rights.

HKASs 32 and 39

The adoption of HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" has resulted in a change in accounting policy for recognition, measurement, disclosure and presentation of financial assets and liabilities. It has also resulted in the recognition of derivatives at fair value and the change in the recognition and measurement of hedging activities.

In prior year, where the Group had doubt on the ultimate recoverability of any loans and advances in full, specific provision was made to reduce the carrying value of the asset, taking into account available collateral, to the expected net realisable value based on the Group's assessment of the potential losses on those identified loans and advances on a case-by-case basis. In addition, amounts had been set aside as a general provision for bad and doubtful debts. On adoption of HKAS 39 "Financial Instruments: Recognition and Measurement", impairment allowances are made on a financial asset when there is objective evidence of impairment as a result of the occurrence of certain loss events after the initial recognition of the financial asset, and these loss events will have impact on the estimated future cashflows of the financial assets. Impairment loss is assessed individually for individually significant financial assets, and individually or collectively for financial assets that are not individually significant. Where objective evidence of impairment exists, the recoverable amount of an asset is calculated by discounting the future cash flows to the present value using the original effective interest rate taking into account the value of collateral, if any. The difference between the carrying amount and the recoverable amount of the asset is recognised as impairment.

2 主要會計政策概述 (續)

2.1 編製基準 (續)

採納新增／經修訂之香港財務報告準則 (續)

採納香港財務報告準則第3號、香港會計準則第36號及香港會計準則第38號

在過往期間，正商譽按其可用期以直線法攤銷，但當顯示可能減值時須接受減值測試。由二零零五年一月一日起，按照香港財務報告準則第3號「業務合併」及香港會計準則第36號「資產減值」，本集團毋須再攤銷正商譽。連同在初始確認的年度，以及當顯示可能減值時，此商譽須每年接受減值測試。若商譽所屬之現金產生單位之賬面值超出其可收回金額，則需確認減值虧損。有關正商譽之新會計政策已按照香港財務報告準則第3號「業務合併」之過渡性安排追溯應用。因此，沒有重報比較數字，於二零零五年一月一日之累計攤銷額已與商譽成本抵減。

本集團已根據香港會計準則第38號重估無形資產之可使用年期。重估並無導致任何調整。

香港財務報告準則第5號

採納香港財務報告準則第5號導致有關收回抵押資產之會計政策改變。收回抵押資產在「其他資產」項下列作「收回資產」，相關之貸款取消確認。收回抵押資產按賬面值與可變現淨值兩者中較低者計量。

於過往年度，已收回資產之貸款列作「向客戶貸款」於資產負債表中呈報，並將其賬面值調整至收回資產之可變現淨值。

所有會計政策變動均按各相關準則之過渡性條文作出。所有本集團採納之準則均須追溯應用，惟以下各項除外：

- 香港會計準則第16號－只會對將來之交換資產交易中收購之物業及設備按公平值進行首次計量；
- 香港會計準則第21號－不追溯應用將商譽及公平值調整視作外國業務一部分之會計方法；

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

HKFRS 3, HKAS 36 and HKAS 38

In prior periods, positive goodwill was amortised on a straight-line basis over its useful life and was subject to impairment testing when there were indications of impairment. With effect from 1 January 2005, in accordance with HKFRS 3 “Business Combinations” and HKAS 36 “Impairment of Assets”, the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount. The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3 “Business Combinations”. As a result, comparative amounts have not been restated, but the cumulative amount of amortisation as at 1 January 2005 has been offset against the cost of the goodwill.

The Group has re-assessed the useful lives of its intangible assets in accordance with the provisions of HKAS 38. No adjustment resulted from this re-assessment.

HKFRS 5

The adoption of HKFRS 5 has resulted in change in accounting policy for repossessed collateral assets. Repossessed collateral assets are reported as “Repossessed assets” under “Other assets” and the relevant loans are derecognised. The repossessed collateral assets are measured at lower of carrying amount and net realisable value.

In prior years, loans and advances where assets had been repossessed were reported as “Advances to customers” on the balance sheet and the carrying value was adjusted to net realisable value of the repossessed assets.

All changes in the accounting policies have been made in accordance with the transition provisions in the respective standards. All standards adopted by the Group require retrospective application other than:

- HKAS 16 – the initial measurement of an item of property, plant and equipment acquired in an exchange of assets transaction is accounted at fair value prospectively only to future transactions;
- HKAS 21 – prospective accounting for goodwill and fair value adjustments as part of foreign operations;

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2 主要會計政策概述 (續)

2.1 編製基準 (續)

採納新增／經修訂之香港財務報告準則 (續)

- 香港會計準則第39號 – 不允許按該等準則追溯對金融資產及負債進行確認、取消確認及計量。本集團繼續對證券投資及二零零四年對沖關係之比較數字採用過往之會計實務準則第24號「證券投資之會計方法」。需就會計實務準則第24號與香港會計準則第39號之間會計差異作出之調整，已於二零零五年一月一日釐定及確認。
- 香港財務報告準則第3號 – 於採納日期後方予應用。
- 香港財務報告準則第5號 – 於採納日期後方予應用。

對於二零零五年一月一日股東權益總額之期初結餘之影響 (已調整)

新政策的影響 (增加／(減少))

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

The adoption of new/revised HKFRS (continued)

- HKAS 39 – does not permit recognition, derecognition and measurement of financial assets and liabilities in accordance with these standards on a retrospective basis. The Group continue to apply the previous standard, SSAP 24 "Accounting for investments in securities", to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 January 2005.
- HKFRS 3 – applied prospectively after the adoption date.
- HKFRS 5 – applied prospectively after the adoption date.

Effect on opening balance of total equity at 1 January 2005 (as adjusted)

Effect of new policies (increase/(decrease))

		保留溢利 Retained profits 千港元 HK\$'000	股本及其他儲備 Capital and other reserves 千港元 HK\$'000	總額 Total 千港元 HK\$'000
前期調整：	Prior period adjustments:			
香港會計準則第17號	HKAS17			
物業及設備	Property, plant and equipment	(3,612)	(132,636)	(136,248)
遞延稅項	Deferred tax	–	23,212	23,212
		(3,612)	(109,424)	(113,036)
香港會計準則第39號	HKAS39			
可供銷售證券	Available-for-sale securities	110,780	150,391	261,171
公平價值經損益表入賬之證券	Fair value through profit and loss securities	(24,200)	–	(24,200)
銀行同業及其他金融機構之	Deposit and balances of banks and			
存款及結餘	other financial institutions	6,376	–	6,376
客戶存款	Deposits from customers	6,614	–	6,614
衍生工具	Derivatives	(105,511)	–	(105,511)
已發行存款證	Certificates of deposit issued	(18,546)	–	(18,546)
已發行債券	Issued debts	20,673	–	20,673
個別減值準備	Impairment allowance – individual	47,690	–	47,690
組合減值準備	Impairment allowance – collective	201,784	–	201,784
外匯掉期合約	Funding swap	(3,414)	–	(3,414)
當期稅項	Current tax	1,329	–	1,329
遞延稅項	Deferred tax	(35,312)	(24,150)	(59,462)
		208,263	126,241	334,504
於二零零五年一月一日之影響總額	Total effect as at 1 January 2005	204,651	16,817	221,468

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2 主要會計政策概述 (續)

2.1 編製基準 (續)

對截至二零零五年十二月三十一日年度之影響 (估計)

新政策的影響 (增加／(減少))

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of preparation (continued)

Effect for the year ended 31 December 2005 (estimated)

Effect of new policies (increase/(decrease))

綜合
Consolidated
千港元
HK\$'000

香港財務報告準則第3號 商譽攤銷	HKFRS 3 Amortisation of goodwill	64,140
		64,140
香港會計準則第17號 折舊 預付土地租金攤銷	HKAS17 Depreciation Land lease prepayment amortisation	3,232 (1,324)
		1,908
香港會計準則第39號 備供銷售證券 以公平價值經損益表入賬之證券 銀行同業及其他金融機構 之存款及結餘 客戶存款 衍生工具 已發行存款證 已發行債券 個別減值準備 組合減值準備	HKAS39 Available-for-sale securities Fair value through profit and loss securities Deposits and balances of banks and other financial institutions Deposits from customers Derivatives Certificates of deposit issued Issued debts Impairment allowance – individual Impairment allowance – collective	(56,968) (27,796) (6,368) 11,986 (9,991) 79,858 81,018 23,174 171,509
遞延稅項 當期稅項	Deferred tax Current tax	(30,014) (16,610)
		219,798
對截至二零零五年十二月 三十一日止年度的影響總額	Total effect for the year ended 31 December 2005	285,846
對每股盈利的影響：	Effect on earnings per share:	
－基本	－ Basic	HK\$0.27
－攤薄	－ Diluted	HK\$0.27

2 主要會計政策概述 (續)

2.2 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

附屬公司為本集團控制董事會之組成，超過半數投票權或持有過半數已發行股本之公司。年內所收購或出售之附屬公司之業績已自收購生效日起或截至出售生效日為止（如適用）計入綜合損益內。

本集團成員公司間所有重大交易及結餘已在綜合賬目內對銷。

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

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

(b) 聯營公司

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

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

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

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)

2.2 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. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the effective date of acquisition or up to the effective date of disposal, as appropriate.

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

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

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

(b) Associates

An associate is a company, not being a subsidiary, in which an equity interest is held for the long term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of the associates for the year. The consolidated balance sheet includes the Group's share of the net assets of the associates including goodwill (net of accumulated amortisation) on acquisition.

In the Bank's balance sheet, the investments in associates are stated at cost less provision for impairment losses. The results of the associates are accounted for by the Bank on the basis of dividend 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)

2.3 利息收入及支出

由二零零四年一月一日至二零零四年十二月三十一日

利息收入及利息支出於損益表內以應計基準按相關合約或息票利率確認，惟呆賬之利息則於資產負債表內暫記及在有關結餘內扣除。

由二零零五年一月一日起

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期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費用及點子支出或收入、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虧損而被撇減，計算利息收入時則以計算減值虧損時用以折現未來現金流量之利率確認。

2.4 金融資產

由二零零四年一月一日至二零零四年十二月三十一日

所有金融資產均按成本或攤分成本扣除減值撥備列賬，惟分類作非持作買賣用途之證券之證券投資除外。

非持作買賣用途之證券包括主要為維持流動資金比率（定義見香港銀行業務條例附表四），而持有作流動資金目的之債券及其他非持作買賣用途之證券乃按公平值於資產負債表入賬。公平值指於具流通性的市場上交投活躍或非上市之證券（包括貼現現金流量及股息率分析）估計。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Interest income and expenses

From 1 January 2004 to 31 December 2004

Interest income and interest expense were recognised in the profit and loss account as it accrued using the relative contract or coupon interest rates, except in the case of doubtful debts where interest was suspended and netted off in the balance sheet against the relevant balances.

From 1 January 2005 onwards

Interest income and expense are recognised in the profit and loss account 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, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.4 Financial assets

From 1 January 2004 to 31 December 2004

All financial assets were stated at cost or amortised cost, net of impairment allowances, except for investments in securities classified as non-trading securities.

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

2 主要會計政策概述 (續)

2.4 金融資產 (續)

由二零零四年一月一日至二零零四年十二月三十一日 (續)

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

由二零零五年一月一日起

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、持至到期之投資及備供銷售金融資產。該分類取決於所購入投資之用途而定。管理層於首次確認投資時決定分類。

- (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或倘管理層於購入初時指定為持作買賣用途，則歸類為持作買賣用途之金融資產。衍生工具亦歸類為持作買賣用途，除非已指定作為對沖用途。

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／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價值基準進行管理及衡量其表現，此乃提供有關該等資產及／或負債之資料供內部審閱之方法。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

From 1 January 2004 to 31 December 2004 (continued)

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

From 1 January 2005 onwards

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 investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

- (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 or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges.

A financial asset is typically classified 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 and/ or 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 information about the assets and/ or liabilities is provided internally.

2 主要會計政策概述 (續)

2.4 金融資產 (續)

由二零零五年一月一日起 (續)

- (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。此類資產於本集團直接向債務人提供款項、貨物或服務且無意將有關之應收款項作買賣用途時產生。
- (c) 持至到期之投資
持至到期之投資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。倘本集團出售重大金額之持至到期之資產，所有該類投資之性質將改變，並重新歸類為備供銷售資產。
- (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。備供銷售投資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所有風險及回報時，則取消對該等金融資產之確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

From 1 January 2005 onwards (continued)

- (b) Loans and receivables
Loans and receivables, including cash and short term funds, placement with 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. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.
- (c) Held-to-maturity
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Were the Group to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.
- (d) Available-for-sale
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 investments 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 – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus 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.

2 主要會計政策概述 (續)

2.4 金融資產 (續)

由二零零五年一月一日起 (續)

(d) 備供銷售之投資 (續)

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投資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。

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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Financial assets (continued)

From 1 January 2005 onwards (continued)

(d) Available-for-sale (continued)

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 investments 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 profit and loss account 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 profit and loss account. However, interest calculated using the effective interest method is recognised in the profit and loss account. Dividend on available-for-sale equity instruments are recognised in the profit and loss account when the Group's right to receive payment is established.

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 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, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2 主要會計政策概述 (續)

2.5 金融資產減值

由二零零四年一月一日至二零零四年十二月三十一日

當董事對最終能否全數收回本息存疑時，將就該貸款作出撥備。董事會按個別情況對該等貸款之潛在虧損進行評估，經扣除任何抵押品後，將資產之賬面值減至預期的可變現淨值。對於已收回資產之貸款，已收回資產之預期變現所得款項與貸款未償還餘額之間的不足之額需作出撥備。

倘不能可靠地評估虧損時，則本集團會以預先釐定之撥備水平按本集團之貸款分類程序就貸款之無抵押部份作出撥備。本集團內部將貸款分成五個主要類別。貸款之分類主要根據借款人還款能力及本息收回程度作出評估。可收回程度之其中一個重要指標為利息及／或本金逾期時間之長短。

此外，本銀行亦已提撥呆壞賬一般撥備金。專項及一般撥備金均於資產負債表自「客戶貸款」中扣除。

倘無望收回貸款，則撇銷其未償還債務。

貸款及持作買賣用途之證券以外之金融資產，須在各結算日進行審閱，以釐定有否出現任何減值跡象。若估計資產之可收回金額低於賬面值，則須減值至其可收回金額，其減值虧損在損益表內確認。對於非持作買賣用途之證券，任何之前於投資重估儲備確認之虧損將撥入損益表內。

由二零零五年一月一日起

(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虧損。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Impairment of financial assets

From 1 January 2004 to 31 December 2004

Provisions were made against specific loans and advances as and when the directors had doubts on the ultimate recoverability of principal or interest in full. Specific provision was made to reduce the carrying value of the asset, net of any collateral, to the expected net realisable value based on the directors' assessment of the potential losses on those identified loans and advances on a case-by-case basis. For loans and advances where assets had been repossessed, provision was made for any shortfall between the expected net realisable value of the repossessed assets and the outstanding advances.

Where it was not possible to reliably estimate the loss, the Group applied pre-determined provisioning levels to the unsecured portion of loans and advances based on the Group's loan classification procedures. The Group internally classified loans and advances into five categories largely based on an assessment of the borrower's capacity to repay and on the degree of doubt about the collectibility of interest and/or principal. One important indicator of collectibility was the period that payments of interest and/or principal had been overdue

In addition, amounts had been set aside as a general provision for doubtful debts. Both specific and general provisions were deducted from "Loans and advances to customers" in the balance sheet.

When there was no realistic prospect of recovery, the outstanding debt was written off.

Financial assets, other than loans and advances and trading securities, were reviewed on each balance sheet date to determine whether there was any indication of impairment. If the recoverable amount of the asset was estimated to be less than the carrying amount, the carrying amount of the asset was reduced to its recoverable amount and the impairment loss was recognised in the profit and loss account. For non-trading securities, any loss previously recognised in investment revaluation reserve was transferred to profit and loss account.

From 1 January 2005 onwards

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or 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 (a '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.

2 主要會計政策概述 (續)

2.5 金融資產減值 (續)

由二零零五年一月一日起 (續)

- (a) 以攤銷成本列賬之資產 (續)
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；
- 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。

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虧損之資產不在組合內評估減值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Impairment of financial assets (continued)

From 1 January 2005 onwards (continued)

- (a) Assets carried at amortised cost (continued)
Objective evidence that a financial asset or 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 granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, 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 defaults on the assets in the group.

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.

2 主要會計政策概述 (續)

2.5 金融資產減值 (續)

由二零零五年一月一日起 (續)

- (a) 以攤銷成本列賬之資產 (續)
- 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投資出現減值虧損，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。倘貸款或持至到期之投資按浮動利率計息，計量任何減值虧損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、過往逾期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)

2.5 Impairment of financial assets (continued)

From 1 January 2005 onwards (continued)

- (a) Assets carried at amortised cost (continued)
- If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments 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 profit and loss account. If a loan or held-to-maturity investment 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 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 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)

2.5 金融資產減值 (續)

由二零零五年一月一日起 (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撥備。

倘於某一將來之期間，減值虧損金額減少，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虧損撥回。撥回之金額於損益表中確認。

- (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虧損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虧損於損益表確認後出現之事件有關，減值虧損將透過損益表撥回。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Impairment of financial assets (continued)

From 1 January 2005 onwards (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 loans are 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 profit and loss account.

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 profit and loss account.

- (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 profit or loss – is removed from equity and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account. 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 profit or loss, the impairment loss is reversed through the profit and loss account.

2 主要會計政策概述 (續)

2.6 金融負債

由二零零四年一月一日至二零零四年十二月三十一日

所有金融負債，除持作買賣用途之證券之淡倉外，均以成本或攤銷成本列賬。持作買賣用途之證券之淡倉以公平值列賬，任何由公平值變動產生之盈利或虧損將於損益表內確認。

由二零零五年一月一日起

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。

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
- 一組金融資產及／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，此乃提供有關該等資產及／或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，包括自行發行之債務證券及涉及若干衍生工具下之客戶存款，於訂立或過渡至新香港財務報告準則之日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)

2.6 Financial liabilities

From 1 January 2004 to 31 December 2004

Financial liabilities, except trading securities short positions, were carried at cost or amortised cost. Trading securities short positions were carried at fair value and any gains and losses from changes in fair value were recognised through the profit and loss account.

From 1 January 2005 onwards

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 and 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 profit and loss account.

A financial liability is typically classified 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 and/or 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 information about the assets and/or liabilities is provided internally.

Financial liabilities designated as at fair value through profit or loss, including our own debt securities in issue and deposits received from customers that are embedded with certain derivatives, are designated as such at inception or date of transition to the new HKFRS. 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 profit and loss account.

2 主要會計政策概述 (續)

2.6 金融負債 (續)

由二零零五年一月一日起 (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。

2.7 衍生金融工具及對沖會計處理

由二零零四年一月一日至二零零四年十二月三十一日

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

除用於對沖風險者外，衍生金融工具均視為持作買賣用途。

用作買賣用途之交易將以其公平值列賬。公平值需定期從各類來源取得，其中包括開列市價、折現現金流量模式及期權定價模式 (如適用)。所產生之盈虧均於損益表內確認。為「外匯買賣之收益／(虧損)淨額」或「其他交易活動之收益／(虧損)淨額」。

按市值列賬的買賣衍生工具所產的未變現收益列入「其他資產」內。按市值列賬交易所產生的未來變現虧損則列入「其他負債」內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Financial liabilities (continued)

From 1 January 2005 onwards (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 profit and loss account over the period of the other financial liabilities using the effective interest method.

2.7 Derivative financial instruments and hedge accounting

From 1 January 2004 to 31 December 2004

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

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

Transactions undertaken for trading purposes were measured at fair value. Fair values were obtained periodically from various sources, including quoted market prices, discounted cash flow models and option pricing models as appropriate. The gain or loss arising was recognised in the profit and loss account as "Net gain/(loss) from foreign exchange trading" or "Net gain/(loss) from other dealing activities".

Unrealised gains on trading derivatives which were marked to market were included in "Other assets". Unrealised losses on transactions which were marked to market were included in "Other liabilities".

2 主要會計政策概述 (續)

2.7 衍生金融工具及對沖會計處理 (續)

由二零零四年一月一日至二零零四年十二月三十一日 (續)

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

- 備有正式紀錄以證明有關對沖工具，所對沖項目、對沖目的策略及其對沖關係；及
- 對沖交易備有文件紀錄，顯示預期該對沖交易在整個報告期間內將可有效抵銷對沖項目之風險；及
- 對沖乃按持續基準生效。

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

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

由二零零五年一月一日起

衍生工具最初於訂立衍生工具合約之日按公平值確認，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)

2.7 Derivative financial instruments and hedge accounting (continued)

From 1 January 2004 to 31 December 2004 (continued)

On the date a derivative contract was entered into, the Group designated certain derivative transactions as hedges. Derivatives were classified as a hedge when the following criteria were met:

- formal documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship was prepared; and
- the hedge was documented showing that it was expected to be highly effective in offsetting the risk in the hedged item throughout the reporting period; and
- the hedge was effective on an on-going basis.

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

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

From 1 January 2005 onwards

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 (ie, 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 (ie, 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 1.

2 主要會計政策概述 (續)

2.7 衍生金融工具及對沖會計處理 (續)

由二零零五年一月一日起 (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。此等內含衍生工具按公平值計算，公平值之變動於損益表內確認。

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)

2.7 Derivative financial instruments and hedge accounting (continued)

From 1 January 2005 onwards (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. These embedded derivatives are measured at fair value with changes in fair value recognised in the profit and loss account.

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 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 profit and loss account, 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 profit or loss 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)

2.7 衍生金融工具及對沖會計處理 (續)

由二零零五年一月一日起 (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。

- (c) 不符合對沖會計處理之衍生工具
若干衍生工具並不符合對沖會計處理。任何不符合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。

2.8 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。

2.9 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」) 售出之證券在財務報表內歸類為抵押資產；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財務報表內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Derivative financial instruments and hedge accounting (continued)

From 1 January 2005 onwards (continued)

- (b) Cash flow hedge
The effective portion of changes in the fair value of derivatives that are designated and qualify as cashflow hedges are recognised in equity. The gain or loss relating to the ineffective portion is recognised immediately in the profit and loss account.

Amounts accumulated in equity are recycled to the profit and loss account 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 profit and loss account. 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 profit and loss account.

- (c) 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 profit and loss account.

2.8 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount 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.

2.9 Sale and repurchase agreements

Securities sold subject to repurchase agreements ('repos') are reclassified in the financial statements 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 price is treated as interest and accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

2 主要會計政策概述 (續)

2.9 買賣協議 (續)

借入之證券不在財務報表內確認，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。

2.10 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。

2.11 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。

2.12 外幣換算

(a) 功能及呈列貨幣

本集團旗下各機構之財務報表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。綜合財務報表乃以港元呈列。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)

2.9 Sale and repurchase agreements (continued)

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

2.10 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.

2.11 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 are subject to risks and returns that are different from those of segments operating in other economic environments.

2.12 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements 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 financial statements 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 translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account, 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 difference 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)

2.12 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的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，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。

2.13 物業及設備

租賃樓房主要包括分行及辦事處。租賃樓房按公平值 (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，淨額重列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虧損載列。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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Foreign currency translation (continued)

(c) Group companies

The results and financial position 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 profit and loss account 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 expenses are translated 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 taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the profit and loss account 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.

2.13 Property, plant and equipment

Leasehold buildings comprise mainly branches and offices. Leasehold buildings 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 property, plant and equipment is 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/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

2 主要會計政策概述 (續)

2.13 物業及設備 (續)

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些修理及維護產生之財政期間之損益賬內扣除。

因重估租賃樓房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溢利內。

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：

租賃樓房 — 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

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.13 Property, plant and equipment (continued)

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 profit and loss account during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of leasehold buildings 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 profit and loss account. Each year the difference between depreciation based on the revalued carrying amount of the asset expensed in the profit and loss account 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:

Leasehold buildings — 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 equipments — 4 to 10 years

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.

2 主要會計政策概述 (續)

2.14 無形資產

(a) 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／共同控制實體於收購日期之可識別資產之公平值之部分。收購附屬公司及共同控制實體之商譽，列入無形資產。收購聯營公司之商譽列入聯營公司之投資。商譽每年就減值進行測試，並按成本減任何累計減值虧損列值。出售一間實體之損益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。

(b) 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期內(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期內(不超過四年)攤銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.14 Intangible assets

(a) 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 of the acquired subsidiary/associate/jointly controlled entity at the date of acquisition. Goodwill on acquisitions of subsidiaries and jointly controlled entities is included in intangible assets. Goodwill on acquisitions of associates is included in investments in associates. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. 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.

(b) 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).

2 主要會計政策概述 (續)

2.15 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。減值虧損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，以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。

2.16 遞延稅項

遞延稅項乃就綜合財務報表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金額，以負債法全數確認入賬。然而，倘遞延稅項乃來自初步確認交易（並非業務合併）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（及法定）釐定。

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

遞延稅項須就投資於附屬公司、聯營公司及共同控制實體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。

按每一稅收管轄區適用稅務法例計算按利潤須繳納的所得稅，於利潤產生期內確認為支出。結轉所得稅虧損的稅務影響於該等虧損可用於抵銷日後應課稅利潤時確認為資產。

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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Impairment of assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and 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).

2.16 Deferred income tax

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 financial statements. 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 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, associates and jointly controlled entities, 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.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

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 profit and loss account together with the deferred gain or loss.

2 主要會計政策概述(續)

2.17 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。

2.18 撥備

倘本集團因過往事件而產生現時法律或推定責任；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。

2.19 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。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 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 vesting fully in the contributions. The assets of the schemes are held separately from those of the Group in independently administered funds.

2.18 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and 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.

2.19 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 profit and loss account 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.

2 主要會計政策概述 (續)

2.19 經營租賃 (續)

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。租金收入扣除給予承租公司之任何獎勵後以直線法於租約期限內確認。

2.20 現金及等同現金項目

就現金流量表而言，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。

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。此等掉期於二零零五年十二月三十一日之公平淨值為23,000,000港元。

(b) 現金流對沖

年內並無進行該等交易。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Operating leases (continued)

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. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

2.20 Cash and cash equivalents

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

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; the Group also enters into 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 2005 was HK\$23 million.

(b) Cash flow hedges

There were no such transactions during the year.

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提撥減值撥備。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。信貸風險作為整體與交易對手一般金額的借貸限度之一部分進行管理。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。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will become be unable to pay 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 (ie, assets where their fair values are positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with counterparties on nominal amounts. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

3 財務風險管理 (續)

3.2 信貸風險 (續)

(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。

(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不撤回的保證，表示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。文件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，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，本集團所承擔之潛在損失風險相當於未動用承諾之總額。然而，實際需償付之金額應低於未動用承諾的總金額。因其須視乎客戶之特定信貸水平而定。本集團會控制信貸承諾之到期年期，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業務。

3 FINANCIAL RISK MANAGEMENT (continued)

3.2 Credit risk (continued)

(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.

(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 Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is 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, liabilities and off-balance sheet items

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

3 財務風險管理 (續)

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。

3.5 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。董事會設定淨未平倉倉盤限額，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)

3.4 Market risk

The Group takes on exposure to market risks. Market risks arise from open positions in interest rate 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.

3.5 Currency risk

The Group takes on 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.

賬目附註

Notes to the Accounts

3 財務風險管理 (續)

3.5 貨幣風險 (續)

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	3,277,172	19,097,174	2,942,892	25,317,238
在銀行及其他金融 機構之存款及 貸款	Placements with 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
持作買賣用途之證券	Trading securities	247	–	–	247
衍生金融工具	Derivative financial instruments	41,496	3,224	–	44,720
以公平價值經損益表 入賬證券	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	53,829,601	12,274,897	2,048,165	68,152,663
備供銷售投資	Available-for-sale investments	2,161,984	6,981,508	994,319	10,137,811
持至到期投資	Held-to-maturity investments	1,363,985	1,397,653	319,861	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	124,548	86,763	31	211,342
租賃土地 權益	Leasehold land and land use rights	91,704	–	–	91,704
其他資產	Other assets	507,955	382,474	210,297	1,100,726
資產總額	Total assets	62,758,427	45,395,870	7,245,026	115,399,323
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	7,126,767	17,959,462	9,155	25,095,384
衍生金融工具	Derivative financial instruments	65,571	87,987	4,244	157,802
客戶存款	Deposits from customers	31,683,163	24,181,331	5,125,654	60,990,148
已發行存款證	Certificates of deposit issued	4,563,639	4,787,666	–	9,351,305
已發行債券	Debt securities in issue	–	2,978,615	–	2,978,615
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	899,636	574,134	143,670	1,617,440
負債總額	Total liabilities	44,338,776	50,569,195	5,282,723	100,190,694
資產負債表內持倉淨額	Net on-balance sheet position	18,419,651	(5,173,325)	1,962,303	15,208,629
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	(695,000)	524,000	171,000	–
信貸承擔	Credit commitments	21,829,267	5,484,742	805,280	28,119,289

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)

本集團	The Group	港元 HK\$	美元 US\$	其他 Other	總計 Total
於二零零四年 十二月三十一日	At 31 December 2004	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	1,679,339	8,754,404	3,412,162	13,845,905
在銀行及其他 金融機構之 存款及貸款	Placements with and advances to banks and other financial institutions	353,538	4,991,037	467,098	5,811,673
商業票據	Trade bills	64,492	1,495,916	298,838	1,859,246
非持作買賣用途之證券	Non-trading securities	1,441,250	660,513	614,318	2,716,081
客戶貸款	Loans and advances to customers	48,730,825	8,492,254	2,277,899	59,500,978
持至到期投資	Held-to-maturity investments	2,869,548	7,928,406	2,249,088	13,047,042
於聯營公司之投資	Investment in an associate	28,332	–	–	28,332
無形資產	Intangible assets	620,198	58	377,798	998,054
物業及設備	Property, plant and equipment	229,099	–	–	229,099
租賃土地權益	Leasehold land and land use rights	93,029	–	–	93,029
其他資產，包括 遞延稅項資產	Other assets, including deferred income tax assets	480,156	452,697	281,358	1,214,211
資產總額	Total assets	56,589,806	32,775,285	9,978,559	99,343,650
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	4,410,869	13,003,377	106,031	17,520,277
客戶存款	Deposits from customers	27,187,858	23,487,800	5,382,511	56,058,169
已發行存款證	Certificates of deposit issued	2,620,672	4,724,688	–	7,345,360
已發行債券	Debt securities in issue	–	3,095,423	–	3,095,423
其他負債	Other liabilities	51,197	472,589	910,988	1,434,774
負債總額	Total liabilities	34,270,596	44,783,877	6,399,530	85,454,003
資產負債表內持倉淨額	Net on-balance sheet position	22,319,210	(12,008,592)	3,579,029	13,889,647
資產負債表外名義 持倉淨額	Off-balance sheet net notional position	(64,000)	(11,000)	75,000	–
信貸承擔	Credit commitments	22,573,529	4,589,104	697,943	27,860,576

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Currency risk (continued)

帳目附註
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 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	Derivative financial instruments	41,496	3,224	—	44,720
以公平價值經損益表 入賬證券	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
備供銷售投資	Available-for-sale investments	2,161,229	6,981,508	994,319	10,137,056
持至到期投資	Held-to-maturity investments	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	Investment 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	Other assets	516,755	381,712	204,260	1,102,727
資產總額	Total assets	65,568,646	44,059,518	7,181,742	116,809,906
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	Derivative financial instruments	65,571	87,987	4,244	157,802
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
其他負債，包括 即期及遞延稅項負債	Other liabilities, including current and deferred income tax liabilities	886,736	574,586	144,986	1,606,308
負債總額	Total liabilities	44,368,800	49,790,600	7,761,130	101,920,530
資產負債表內持倉淨額	Net on-balance sheet position	21,199,846	(5,731,082)	(579,388)	14,889,376
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)

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 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	Derivative financial instruments	41,496	3,224	—	44,720
以公平價值經損益表 入賬證券	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
備供銷售投資	Available-for-sale investments	2,161,229	6,981,508	994,319	10,137,056
持至到期投資	Held-to-maturity investments	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	Investment 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	Other assets	516,755	381,712	204,260	1,102,727
資產總額	Total assets	65,568,646	44,059,518	7,181,742	116,809,906
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	Derivative financial instruments	65,571	87,987	4,244	157,802
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
其他負債，包括 即期及遞延稅項負債	Other liabilities, including current and deferred income tax liabilities	886,736	574,586	144,986	1,606,308
負債總額	Total liabilities	44,368,800	49,790,600	7,761,130	101,920,530
資產負債表內持倉淨額	Net on-balance sheet position	21,199,846	(5,731,082)	(579,388)	14,889,376
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

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
於二零零四年 十二月三十一日	At 31 December 2004	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	1,333,551	8,626,037	2,357,529	12,317,117
在銀行及其他 金融機構之 存款及貸款	Placements with and advances to banks and other financial institutions	353,538	4,991,037	467,098	5,811,673
商業票據	Trade bills	44,603	847,536	168,666	1,060,805
非持作買賣用途之證券	Non-trading securities	1,437,456	660,513	614,315	2,712,284
客戶貸款	Loans and advances to customers	35,400,186	7,129,944	2,019,070	44,549,200
持至到期投資	Held-to-maturity investments	2,601,178	7,928,406	639,672	11,169,256
於聯營公司之投資	Investment in an associate	14,508	–	–	14,508
於附屬公司之投資	Investment in subsidiaries	2,711,204	–	–	2,711,204
無形資產	Intangible assets	711,360	–	–	711,360
物業及設備	Property, plant and equipment	208,273	–	–	208,273
租賃土地權益	Leasehold land and land use rights	93,029	–	–	93,029
其他資產，包括 遞延稅項資產	Other assets, including deferred income tax assets	390,409	431,314	33,676	855,399
資產總額	Total assets	45,299,295	30,614,787	6,300,026	82,214,108
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	3,239,922	13,069,149	158,966	16,468,037
客戶存款	Deposits from customers	17,149,439	19,344,664	2,142,354	38,636,457
已發行存款證	Certificates of deposit issued	2,620,672	7,412,815	2,687,492	12,720,979
其他負債	Other liabilities	483,660	360,009	205,746	1,049,415
負債總額	Total liabilities	23,493,693	40,186,637	5,194,558	68,874,888
資產負債表內持倉淨額	Net on-balance sheet position	21,805,602	(9,571,850)	1,105,468	13,339,220
資產負債表外名義 持倉淨額	Off-balance sheet net notional Position	2,594,000	(13,000)	(2,581,000)	–
信貸承擔	Credit commitments	11,859,493	3,268,164	199,866	15,327,523

3 FINANCIAL RISK MANAGEMENT (continued)

3.5 Currency risk (continued)

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，並每日對該限額進行監控。

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 risk

Interest rate risk is 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 exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase, decrease or create losses. The Board sets limits on the level of mismatch of interest rate repricing which is monitored daily.

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 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 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	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 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	Derivative financial instruments	—	—	—	—	—	44,720	44,720
以公平價值經 損益表入賬之 證券	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
備供銷售投資	Available-for-sale investments	1,245,468	1,838,354	1,259,716	4,100,031	1,174,204	520,038	10,137,811
持至到期投資	Held-to-maturity investments	1,187,647	1,185,368	348,267	360,217	—	—	3,081,499
其他資產	Other assets	45,538	—	—	—	—	2,467,572	2,513,110
資產總額	Total assets	75,322,166	18,844,505	9,681,591	5,536,221	2,025,641	3,989,199	115,399,323
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	Derivative financial instruments	—	—	—	—	—	157,802	157,802
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
其他負債	Other liabilities	85,911	—	—	—	—	1,531,529	1,617,440
負債總額	Total liabilities	48,996,682	27,724,851	15,892,252	2,563,981	10,082	5,002,846	100,190,694
利率敏感度 缺口總額	Total interest sensitivity gap	26,325,484	(8,880,346)	(6,210,661)	2,972,240	2,015,559		

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risk (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 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 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
於二零零四年 十二月三十一日	At 31 December 2004							
資產	Assets							
現金及短期資金	Cash and short-term funds	12,423,660	–	–	–	–	1,422,245	13,845,905
在銀行及其他 金融機構之 存款及貸款	Placements with and advances to banks and other financial institutions	–	2,488,390	3,070,623	251,621	–	1,039	5,811,673
商業票據	Trade bills	678,834	845,708	182,291	2,465	–	149,948	1,859,246
非持作買賣 用途之證券	Non-trading securities	125,004	726,381	31,358	929,105	398,249	505,984	2,716,081
客戶貸款	Loans and advances to customers	42,230,484	12,844,532	3,773,946	183,829	468,187	–	59,500,978
持至到期投資	Held-to-maturity investments	1,933,095	2,216,989	1,290,258	5,228,184	2,378,516	–	13,047,042
其他資產	Other assets	45,736	–	–	–	–	2,516,989	2,562,725
資產總額	Total assets	57,436,813	19,122,000	8,348,476	6,595,204	3,244,952	4,596,205	99,343,650
負債	Liabilities							
銀行同業及其他金融 機構之存款	Deposits from banks and other financial institutions	4,343,845	5,782,623	6,343,876	–	–	1,049,933	17,520,277
客戶存款	Deposits from customers	33,250,460	17,637,609	1,534,116	449,214	10,106	3,176,664	56,058,169
已發行存款證	Certificates of deposit issued	274,944	1,099,845	5,163,818	806,753	–	–	7,345,360
已發行債券	Debt securities in issue	–	3,095,423	–	–	–	–	3,095,423
其他負債	Other liabilities	51,688	–	–	–	–	1,383,086	1,434,774
負債總額	Total liabilities	37,920,937	27,615,500	13,041,810	1,255,967	10,106	5,609,683	85,454,003
利率敏感度缺口 總額	Total interest sensitivity gap	19,515,876	(8,493,500)	(4,693,334)	5,339,237	3,234,846		

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risk (continued)

賬目附註

Notes to the Accounts

3 財務風險管理 (續)

3.6 利率風險 (續)

本銀行	The Bank	一個月內 Up to 1 month 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 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	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 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	Derivative financial instruments	—	—	—	—	—	44,720	44,720
以公平價值經 損益表入賬 證券	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
備供銷售投資	Available-for-sale investments	1,245,468	1,838,354	1,259,716	4,100,031	1,174,204	519,283	10,137,056
持至到期投資	Held-to-maturity investments	1,187,647	1,185,368	348,267	360,217	—	1,269	3,082,768
其他資產	Other assets	45,538	—	—	—	—	5,363,309	5,408,847
計息資產總額	Total interest bearing assets	74,803,979	18,366,311	9,256,918	5,536,221	2,025,641	6,820,836	116,809,906
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	Derivative financial instruments	—	—	—	—	—	157,802	157,802
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
其他負債	Other liabilities	85,911	—	—	—	—	1,520,397	1,606,308
計息負債總額	Total interest bearing liabilities	48,994,097	30,254,736	15,116,742	2,563,981	10,082	4,980,892	101,920,530
利率敏感度缺口 總額	Total interest sensitivity gap	25,809,882	(11,888,425)	(5,859,824)	2,972,240	2,015,559		

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risk (continued)

賬目附註

Notes to the Accounts

3 財務風險管理 (續)

3.6 利率風險 (續)

本銀行	The Bank	一個月內 Up to 1 month 千港元 HK\$'000	一至三個月 1-3 months 千港元 HK\$'000	三至十二個月 3-12 months 千港元 HK\$'000	一至五年 1-5 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
於二零零四年 十二月三十一日	At 31 December 2004							
資產	Assets							
現金及短期資金	Cash and short-term funds	11,402,291	–	–	–	–	914,826	12,317,117
在銀行及其他 金融機構之 存款及貸款	Placements with and advances to banks and other financial institutions	–	2,488,390	3,070,623	251,621	–	1,039	5,811,673
商業票據	Trade bills	258,615	530,180	122,062	–	–	149,948	1,060,805
非持作買賣 用途之證券	Non-trading securities	125,004	726,381	31,358	929,105	398,249	502,187	2,712,284
客戶貸款	Loans and advances to customers	29,199,552	11,706,143	3,328,811	27,235	287,459	–	44,549,200
持至到期投資	Held-to-maturity investments	1,933,095	2,034,822	798,299	4,292,894	2,008,176	101,970	11,169,256
其他資產	Other assets	45,736	–	–	–	–	4,548,037	4,593,773
資產總額	Total assets	42,964,293	17,485,916	7,351,153	5,500,855	2,693,884	6,218,007	82,214,108
負債	Liabilities							
銀行同業及其他金融 機構之存款	Deposits from banks and other financial institutions	4,343,845	5,069,073	6,143,876	–	–	911,243	16,468,037
客戶存款	Deposits from customers	26,821,827	6,203,103	1,036,771	3,427,248	10,106	1,137,402	38,636,457
已發行存款證	Certificates of deposit issued	2,282,350	4,275,246	5,356,630	806,753	–	–	12,720,979
其他負債	Other liabilities	51,688	–	–	–	–	997,727	1,049,415
負債總額	Total liabilities	33,499,710	15,547,422	12,537,277	4,234,001	10,106	3,046,372	68,874,888
利率敏感度缺口 總額	Total interest sensitivity gap	9,464,583	1,938,494	(5,186,124)	1,266,854	2,683,778		

3 FINANCIAL RISK MANAGEMENT (continued)

3.6 Interest rate risk (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：

資產	Assets	本集團 Group		本銀行 Bank	
		2005 百分率 %	2004 百分率 %	2005 百分率 %	2004 百分率 %
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	5.01	3.10	5.03	2.79
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	5.32	2.53	5.33	2.27
證券 (附註)	Securities (Note)	4.27	3.79	4.27	3.99
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	4.93	2.14	5.14	1.92
客戶存款	Deposits from customers	3.48	1.60	3.39	2.09
已發行存款證	Certificates of deposit issued	3.99	2.32	3.99	2.71
已發行債券	Debt securities in issue	4.29	4.19	—	—

附註：

證券包括：

二零零五年：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。

二零零四年：所持存款證、非持作買賣用途之證券及持至到期投資。

Note:

Securities include:

2005: Certificates of deposit held, trading securities, financial assets at fair value through profit and loss, available-for-sale investments and held-to-maturity investments.

2004: Certificates of deposit held, non-trading securities and held-to-maturity investments.

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、活期賬戶、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可以預測。董事會就應付上述需求的到期資金，以及須具備以應付不同程度的未預期動用金額的同業及其他借款融通的最低資金充足水平設定監控策略。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盈利能力，也會增加虧損和流動性風險。

資產與負債的到期日匹配和以可接受的成本取代到期計息負債的能力，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動用資金。由於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 can be predicted with 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 our liquidity initiatives and parameters. Stress test is done quarterly.

The matching and controlled mismatching of the maturities 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 maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature 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 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	無註明日期 Undated	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	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 and loans 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	Derivative financial instruments	-	44,720	-	-	-	-	44,720
以公平價值經損益表 入賬證券	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
備供銷售投資	Available-for-sale investments	-	242,038	1,137,012	6,079,123	2,159,600	520,038	10,137,811
持至到期投資	Held-to-maturity investments	-	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	Other assets	474,581	464,749	-	-	-	161,396	1,100,726
資產總額	Total assets	6,801,495	33,364,896	13,673,389	34,822,713	24,206,624	2,530,206	115,399,323
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	Derivative financial instruments	-	157,802	-	-	-	-	157,802
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
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including deferred current and deferred tax liabilities	556,166	703,019	-	-	-	358,255	1,617,440
負債總額	Total liabilities	14,182,067	63,192,139	12,147,872	10,300,281	10,080	358,255	100,190,694
流動資金缺口淨額	Net liquidity gap	(7,380,572)	(29,827,243)	1,525,517	24,522,432	24,196,544	2,171,951	15,208,629

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 3 months or less	三至十二個月 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	無註明日期 Undated	總計 Total
於二零零四年 十二月三十一日	At 31 December 2004	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	1,420,330	11,053,837	1,371,738	–	–	–	13,845,905
在銀行及其他 金融機構之 存款及貸款	Placements with and loans and advances to banks and other financial institutions	–	2,489,429	3,070,623	251,621	–	–	5,811,673
商業票據	Trade bills	815,629	857,701	183,452	–	–	2,464	1,859,246
非持作買賣用途之證券	Non-trading securities	–	100,075	148,555	1,496,949	464,518	505,984	2,716,081
客戶貸款	Loans and advances to customers	14,486,108	4,010,495	3,685,667	22,247,924	14,561,602	509,182	59,500,978
持至到期投資	Held-to-maturity investments	–	743,129	1,246,589	7,862,188	3,195,136	–	13,047,042
於聯營公司之投資	Investment in an associate	–	–	–	–	–	28,332	28,332
無形資產	Intangible assets	–	–	–	–	–	998,054	998,054
物業及設備	Property, plant and equipment	–	–	–	–	–	229,099	229,099
租賃土地權益	Leasehold land and land use rights	–	–	–	–	–	93,029	93,029
其他資產，包括 遞延稅項資產	Other assets, including deferred income tax assets	240,568	378,237	–	–	–	595,406	1,214,211
資產總額	Total assets	16,962,635	19,632,903	9,706,624	31,858,682	18,221,256	2,961,550	99,343,650
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	1,420,630	9,755,771	6,343,876	–	–	–	17,520,277
交易賬項下之負債	Trading liabilities	–	–	–	–	–	–	–
客戶存款	Deposits from customers	14,346,645	39,735,117	1,535,242	441,165	–	–	56,058,169
已發行存款證	Certificates of deposit issued	–	175,006	5,242,034	1,928,320	–	–	7,345,360
已發行債券	Debt securities in issue	–	–	–	3,095,423	–	–	3,095,423
其他負債，包括 即期及遞延稅負債	Other liabilities, including current and deferred tax liabilities	81,384	827,870	302,854	57,312	–	165,354	1,434,774
負債總額	Total liabilities	15,848,659	50,493,764	13,424,006	5,522,220	–	165,354	85,454,003
流動資金缺口淨額	Net liquidity gap	1,113,976	(30,860,861)	(3,717,382)	26,336,462	18,221,256	2,796,196	13,889,647

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	3-12 months	1-5 years	Over 5 years	Undated	Total
於二零零五年 十二月三十一日	As 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 and loans 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	Derivative financial instruments	-	44,720	-	-	-	-	44,720
以公平價值經損益表 入賬證券	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
備供銷售投資	Available-for-sale investments	-	242,038	1,137,012	6,079,123	2,159,600	519,283	10,137,056
持至到期投資	Held-to-maturity investments	-	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	Investment 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	Other assets	474,581	464,749	-	-	-	163,397	1,102,727
資產總額	Total assets	6,591,182	32,523,022	13,249,986	34,822,713	24,206,624	5,416,379	116,809,906
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	Derivative financial instruments	-	157,802	-	-	-	-	157,802
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
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	556,166	703,019	-	-	-	347,123	1,606,308
負債總額	Total liabilities	14,168,659	65,806,769	11,915,356	9,672,541	10,082	347,123	101,920,530
流動資金缺口淨額	Net liquidity gap	(7,577,477)	(33,283,747)	1,334,630	25,150,172	24,196,542	5,069,256	14,889,376

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 3 months or less	三至十二個月 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	無註明日期 Undated	總計 Total
於二零零四年 十二月三十一日	As at 31 December 2004	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	55,312	11,620,076	641,729	-	-	-	12,317,117
在銀行及其他 金融機構之 存款及貸款	Placements with and loans and advances to banks and other financial institutions	-	2,489,429	3,070,623	251,621	-	-	5,811,673
商業票據	Trade bills	395,410	542,173	123,222	-	-	-	1,060,805
非持作買賣用途之投資	Non-trading investments	-	100,075	148,555	1,496,949	464,518	502,187	2,712,284
客戶貸款	Loan and advance to customers	1,809,363	2,872,106	3,240,532	22,091,330	14,380,874	154,995	44,549,200
持至到期投資	Held-to-maturity investments	-	560,962	856,600	6,926,898	2,824,796	-	11,169,256
於聯營公司之投資	Investment in an associate	-	-	-	-	-	14,508	14,508
於附屬公司之投資	Investment in subsidiaries	-	-	-	-	-	2,711,204	2,711,204
無形資產	Intangible assets	-	-	-	-	-	711,360	711,360
物業及設備	Property, plant and equipment	-	-	-	-	-	208,273	208,273
租賃土地權益	Leasehold land and land use rights	-	-	-	-	-	93,029	93,029
其他資產，包括 遞延稅項資產	Other assets, including deferred income tax assets	240,568	378,237	-	-	-	236,594	855,399
資產總額	Total assets	2,500,653	18,563,058	8,081,261	30,766,798	17,670,188	4,632,150	82,214,108
負債	Liabilities							
銀行同業及其他金融 機構之存款	Deposits from banks and other financial institutions	1,281,939	9,042,221	6,143,877	-	-	-	16,468,037
客戶存款	Deposits from customers	5,878,750	28,300,612	1,037,897	3,419,198	-	-	38,636,457
已發行存款證	Certificates of deposit issued	-	5,357,813	5,434,846	1,928,320	-	-	12,720,979
其他負債，包括 即期及遞延稅項 負債	Other liabilities, including current and deferred income tax liabilities	81,384	668,495	244,998	54,538	-	-	1,049,415
負債總額	Total liabilities	7,242,073	43,369,141	12,861,618	5,402,056	-	-	68,874,888
流動資金缺口淨額	Net liquidity gap	(4,741,420)	(24,806,083)	(4,780,357)	25,364,742	17,670,188	4,632,150	13,339,220

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撥備後列賬。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。

3 FINANCIAL RISK MANAGEMENT

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

3 財務風險管理 (續)

3.8 金融資產及負債之公平值 (續)

(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款價，其估計公平價值是基於貼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，其公平價值約等於其賬面值。

(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。

3 FINANCIAL RISK MANAGEMENT

3.8 Fair values of financial assets and liabilities (continued)

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 they are normally less than one year, their fair value are approximately equal to their carrying values.

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 balances, is their carrying value.

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

本集團	The Group	賬面值 Carrying value		公平值 Fair value	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 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	966,169	1,371,738	967,176	1,353,674
持至到期證券	Held-to-maturity securities	3,081,499	13,047,042	3,078,672	13,274,760
		4,047,668	14,418,780	4,045,848	14,628,434
本銀行	The Bank				
金融資產	Financial assets				
外匯基金票據及庫存票據	Exchange Fund Bills and Treasury Bills	966,169	641,729	967,176	641,889
持至到期證券	Held-to-maturity securities	3,082,768	11,169,256	3,079,940	11,388,786
		4,048,937	11,810,985	4,047,116	12,030,675

持至到期資產之公平值是根據市價或經紀／經銷商之報價。

Fair value for held to maturity assets 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) 貸款減值準備

本集團每月檢討其貸款組合，以評估減值。對於應否於損益賬內列入減值虧損，本集團會斷判是否有明顯數據，反映貸款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前）。此等證據可能包括有可觀察數據顯示某一組別借款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) 衍生工具之公平值

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 allowances on loans and advances

The Group reviews its loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the profit and loss account, 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 before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers 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 derivatives

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, 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 equity investments

The Group determines that available-for-sale equity investments 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 operational and financing cash flows.

4 關鍵會計估計及假設 (續)

(d) 持至到期投資

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) 租賃樓房之公平值

租賃樓房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、盈利、資產、負債、或然負債或承擔少於百分之十。

(b) 業務種類

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

4 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(d) Held-to-maturity investments

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 investments to maturity. If the Group fails to keep these investments 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 investments would therefore be measured at fair value not amortised cost.

(e) Fair value of leasehold building

The fair value of the leasehold building 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 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 is attributable to the Group's overseas operations.

(b) Class of business

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

賬目附註

Notes to the Accounts

5 分部報告

(b) 業務種類 (續)

5 SEGMENT REPORTING

(b) Class of business (continued)

		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2005						
淨利息收入	Net interest income	881,432	181,973	222,265	30,327	1,315,997
其他營業收入	Other operating income	324,321	263,658	109,116	19,893	716,988
營業收入	Operating income	1,205,753	445,631	331,381	50,220	2,032,985
營業支出	Operating expenses	(608,069)	(73,371)	(46,425)	(162,360)	(890,225)
扣除減值虧損前之 營運盈利/(虧損)	Operating profit/(loss) before impairment losses	597,684	372,260	284,956	(112,140)	1,142,760
個別減值準備(撥備)/ 撥回	(Charge for)/write-back of individual impairment allowances	(99,360)	–	(30,443)	32,737	(97,066)
組合減值準備 (撥備)/撥回	(Charge for)/write-back of collective impairment allowances	50,429	(4,139)	25,429	19,023	90,742
扣除準備金後之 營運盈利/(虧損)	Operating profit/(loss) after provisions	548,753	368,121	279,942	(60,380)	1,136,436
出售可供銷售證券之 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	65	–	–	(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
除所得稅前盈利/ (虧損)	Profit/(loss) before income taxation	552,456	419,633	283,762	(47,998)	1,207,853
分部資產	Segment assets	43,548,154	42,204,381	25,597,546	644,281	111,994,362
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	43,548,154	42,204,381	25,597,546	4,049,242	115,399,323
分部負債	Segment liabilities	47,668,748	27,864,857	14,698,752	1,123,684	91,356,041
未分類負債	Unallocated liabilities	–	–	–	8,834,653	8,834,653
負債總額	Total liabilities	47,668,748	27,864,857	14,698,752	9,958,337	100,190,694
資本支出	Capital expenditure	20,239	1,695	329	85,541	107,804
折舊及攤銷費用	Depreciation and amortisation charges	15,627	1,324	40	51,257	68,248

賬目附註

Notes to the Accounts

5 分部報告

(b) 業務種類 (續)

		商業 與零售銀行 Commercial and retail banking 千港元 HK\$'000	財資 Treasury and markets 千港元 HK\$'000	企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000	未分類 Unallocated 千港元 HK\$'000	總計 Total 千港元 HK\$'000
2004						
淨利息收入	Net interest income	778,637	386,609	162,145	(52,553)	1,274,838
其他營業收入	Other operating income	234,273	51,107	46,589	38,458	370,427
營業收入	Operating income	1,012,910	437,716	208,734	(14,095)	1,645,265
營業支出	Operating expenses	(475,031)	(61,258)	(33,714)	(119,713)	(689,716)
商譽攤銷	Amortisation of goodwill	(3,280)	–	–	(51,313)	(54,593)
扣除準備金前之 營運盈利/(虧損)	Operating profit/(loss) before provisions	534,599	376,458	175,020	(185,121)	900,956
呆壞賬(撥備)/回撥	(Charge for)/write-back of bad and doubtful debts	(33,423)	(2,036)	(6,940)	63,956	21,557
扣除準備金後之營運 盈利/(虧損)	Operating profit/(loss) after provisions	501,176	374,422	168,080	(121,165)	922,513
出售物業及設備之 (虧損)/溢利淨額	Net (loss)/gain from disposal of property, plant and equipment	(602)	(272)	–	32,378	31,504
銀行房產減值虧損回撥	Write-back of impairment loss on bank premises	–	–	–	8,612	8,612
出售及贖回持至到期之 證券及非持作買賣用途 之證券之溢利淨額	Net gain on disposal and redemption of held-to-maturity and non-trading securities	–	15,567	–	–	15,567
非持作買賣用途之 證券之減值虧損	Impairment loss on non-trading securities	–	–	–	(200)	(200)
應佔聯營公司之 虧損淨額	Share of net losses of an associate	–	–	–	(41,225)	(41,225)
出售聯營公司之虧損	Loss on disposal of an associate	–	–	–	(92)	(92)
除稅前盈利/(虧損)	Profit/(loss) before taxation	500,574	389,717	168,080	(121,692)	936,679
分部資產	Segment assets	38,378,987	33,869,853	24,098,923	788,088	97,135,851
於聯營公司之投資	Investments in an associate	–	–	–	28,332	28,332
未分類資產	Unallocated assets	–	–	–	2,179,467	2,179,467
資產總額	Total assets	38,378,987	33,869,853	24,098,923	2,995,887	99,343,650
分部負債	Segment liabilities	39,790,711	18,319,930	15,305,062	150,363	73,566,066
未分類負債	Unallocated liabilities	–	–	–	11,887,937	11,887,937
負債總額	Total liabilities	39,790,711	18,319,930	15,305,062	12,038,300	85,454,003
資本支出	Capital expenditure	5,814	4,481	18	137,593	147,906
折舊及攤銷費用	Depreciation and amortisation charges	21,474	1,530	69	66,782	89,855

賬目附註 Notes to the Accounts

6 利息收入

6 INTEREST INCOME

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
上市投資利息收入	Interest income on listed investments	308,722	277,668
非上市投資利息收入	Interest income on unlisted investments	339,772	326,280
其他利息收入	Other interest income	3,531,537	1,707,419
		4,180,031	2,311,367

截至二零零五年十二月三十一日止年度，其他利息收入包括貸款減值虧損之利息折扣轉回9,188,442港元。

Other interest income includes the amount of interest income on unwinding of discount on loan impairment losses of HK\$9,188,442 for the year ended 31 December 2005.

7 其他營業收入

7 OTHER OPERATING INCOME

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
收費及佣金收入	Fees and commission income	412,355	277,746
減：收費及佣金支出	Less: Fees and commission expense	(9,789)	(6,427)
淨收費及佣金收入	Net fees and commission income	402,566	271,319
外匯交易收益淨額	Net gain from foreign exchange activities	199,361	40,019
持作買賣證券收益淨額	Net gain from trading securities	689	6,665
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 fair value through profit and loss securities	21,340	–
備供銷售證券虧損淨額	Net loss from available-for-sale securities	(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 fair value through profit and loss financial assets	(27,796)	–
以公平價值經損益表入賬金融負債之收益淨額	Net gain from fair value through profit and loss financial liabilities	166,494	–
衍生金融工具虧損淨額	Net loss on derivatives financial instruments	(9,991)	–
投資證券之股息收入	Dividend income from investments in securities		
– 上市投資	– Listed investments	–	1,512
– 非上市投資	– Unlisted investments	3,228	5,893
其他	Others	18,065	45,019
		716,988	370,427

賬目附註 Notes to the Accounts

8 營業支出

8 OPERATING EXPENSES

	附註 Note	2005 千港元 HK\$'000	2004 千港元 HK\$'000
員工支出	Staff costs		
— 薪金及其他支出	— Salaries and other costs	462,895	363,302
— 遣散費	— Redundancy payment	425	—
— 退休金支出	— Retirement benefit costs	28,850	23,707
		492,170	387,009
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	92,822	70,000
— 其他	— Others	71,209	55,390
		164,031	125,390
折舊及攤銷支出 (包括商譽)	Depreciation and amortisation expenses (including goodwill)	27, 28	
		68,248	89,855
核數師酬金	Auditors' remuneration	3,611	3,213
電腦支出	Computer expenses	39,267	25,006
推廣費用	Business promotion expenses	24,874	17,548
通訊費用	Communication expenses	30,853	23,376
其他營業支出	Other operating expenses	67,171	72,912
		890,225	744,309

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4,307,000港元(二零零四年：3,258,000港元)之沒收供款，於結算日尚餘111,000港元(二零零四年：96,000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(二零零四年：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 profit and loss account 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 vesting fully in the contributions. Forfeited contributions totaling HK\$4,307,000 (2004: HK\$3,258,000) were utilised during the year leaving HK\$111,000 (2004: HK\$96,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year-end (2004: HK\$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 貸款減值虧損／呆壞賬(回撥)

10 IMPAIRMENT LOSSES ON LOANS AND ADVANCES/ (WRITE-BACK OF) BAD AND DOUBTFUL DEBTS

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
貸款及墊款減值虧損	Charge for/(write-back of) impairment losses on loans		
支銷／(回撥)	and advances		
— 個別評估	– Individually assessed	97,066	–
— 共同評估	– Collectively assessed	(90,742)	–
呆壞賬(回撥)／撥備	(Write-back of)/charge for bad and doubtful debts		
— 專項撥備	– Specific provision	–	(79,119)
— 一般撥備	– General provision	–	57,562
		6,324	(21,557)
其中	Of which		
— 新增撥備	– new allowances	209,037	91,452
— 撥回	– releases	(186,146)	(70,584)
— 收回	– recoveries	(16,567)	(42,425)
於損益表支銷／(撥回)淨額	Net charge/(write-back) to the profit and loss account	6,324	(21,557)

11 出售／重估物業及設備之(虧損)／溢利淨額

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

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
出售物業及設備之(虧損)／	Net (loss)/gain on disposal of property, plant		
溢利淨額	and equipment	(986)	31,504
撥回物業重估虧損	Reversal of revaluation deficits of premises	287	8,612
		(699)	40,116

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盈利按稅率17.5%(二零零四年: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:

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
當期稅項	Current taxation		
— 香港利得稅	— Hong Kong profits tax	180,689	171,960
— 海外稅項	— Overseas taxation	23,705	75
— 過往年度撥備剩餘	— Over provisions in prior years	(932)	(10,195)
因暫時差額產生及贖回之遞延稅項	Deferred taxation relating to the origination and reversal of temporary differences	23,790	14,448
		227,252	176,288

本集團有關除稅前盈利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下:

Hong Kong profits tax has been calculated at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong for the year. Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

The amount of taxation charged to the consolidated profit and loss account represents:

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
除稅前盈利	Profit before taxation	1,207,853	936,679
按稅率17.5%(二零零四年:17.5%)計算之稅項	Calculated at a taxation rate of 17.5% (2004: 17.5%)	211,374	163,919
不同國家稅率之影響	Effect of different taxation rates in other countries	5,396	37
無須課稅之收入	Income not subject to taxation	(10,706)	(10,913)
不可扣稅之支出	Expenses not deductible for taxation purposes	2,120	33,440
過往年度撥備剩餘	Over recognitions in prior years	(932)	(10,195)
海外附屬公司稅項撥備	Tax provision for a foreign subsidiary	20,000	—
稅項支出	Taxation charge	227,252	176,288

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 Contribution To pension Schemes 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 Ziegls先生	Mr. Damis Jacobus Ziegls	90	—	—	—	90
王于漸教授，S.B.S.， 太平紳士*	Professor 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

於截至二零零四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 Contribution To pension Schemes 千港元 HK\$'000	合計 Total 千港元 HK\$'000
姜建清博士	Dr. Jiang Jianqing	100	—	—	—	100
王麗麗女士	Ms. Wang Lili	90	—	—	—	90
朱琦先生	Mr. Zhu Qi	—	2,300	1,000	212	3,512
陳愛平先生	Mr. Chen Aiping	80	—	—	—	80
黃遠輝先生	Mr. Wong Yuen Fai	—	1,763	429	84	2,276
張懿先生	Mr. Zhang Yi	—	—	—	—	—
Damis Jacobus Ziegls先生	Mr. Damis Jacobus Ziegls	60	—	—	—	60
王于漸教授，S.B.S.， 太平紳士*	Professor Wong Yue Chim, Richard, S.B.S. J.P.*	160	—	—	—	160
徐耀華先生*	Mr. Tsui Yiu Wa, Alec*	160	—	—	—	160
袁金浩先生*	Mr. Yuen Kam Ho, George*	160	—	—	—	160
王岩先生	Mr. Wang Yan	—	1,771	800	164	2,735
郭健雄先生	Mr. Kwok Kin Hung	—	1,346	1,500	134	2,980
		810	7,180	3,729	594	12,313

* 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 2005 is set out below:

* Independent Non-executive Directors

The remuneration of every director for the year ended 31 December 2004 is set out below:

* 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(二零零四年: 兩名), 其酬金詳情已於上文披露。其餘兩名(二零零四年: 三名)非董事之人士於年內之酬金如下:

		2005 千港元 HK\$'000	2004 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	3,680	5,655
花紅	Bonuses	1,000	3,505
公積金計劃供款	Contributions to pension schemes	407	626
		5,087	9,786

酬金之幅度如下:

酬金幅度	Emolument bands	人數 Number of Individuals 2005	2004
2,000,001港元 – 2,500,000港元	HK\$2,000,001 – HK\$2,500,000	1	–
2,500,001港元 – 3,000,000港元	HK\$2,500,001 – HK\$3,000,000	1	1
3,000,001港元 – 3,500,000港元	HK\$3,000,001 – HK\$3,500,000	–	1
3,500,001港元 – 4,000,000港元	HK\$3,500,001 – HK\$4,000,000	–	1

14 本集團股東應佔盈利

計入本銀行賬目之本集團股東應佔盈利為1,338,266,000港元(二零零四年: 211,588,000港元)指總盈利956,070,000港元(二零零四年: 529,967,000港元)加上外匯合約之公平值產生之匯兌收益382,196,000港元(二零零四年: 虧損318,379,000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。

13 DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include three Directors (2004: two) whose emoluments are reflected in the analysis presented above. The emoluments payable to the remaining two (2004: three) individuals during the year are as follows:

The emoluments fall within the following bands:

14 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP

The profit attributable to equity holders of the Group is dealt with in the accounts of the Bank to the extent of HK\$1,338,266,000 (2004: HK\$211,588,000), representing gross profit of HK\$956,070,000 (2004: HK\$529,967,000) plus the exchange gain of HK\$382,196,000 (2004: loss HK\$318,379,000) 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 profit and loss account.

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 is calculated by dividing the profit attributable to equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

		2005	2004
本集團股東應佔溢利 (千港元)	Profit attributable to equity holders of the Group (HK\$'000)	980,601	760,391
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)	1,076,479	950,122
每股基本盈利(每股港元)	Basic earnings per share (HK\$ per share)	0.91	0.80

每股攤薄盈利乃按假設轉換所有潛在攤薄普通股而調整已發行股份加權平均數計算。年內並無攤薄潛在普通股股份(二零零四年：1,003,163,059股，為已發行普通股及可轉換優先股之加權平均數)。

Diluted earnings per share is calculated by adjusting weighted average number of shares outstanding to assume conversion of all dilutive potential ordinary shares. There are no dilutive potential ordinary shares during the year (2004: 1,003,163,059 shares, being the weighted average number of ordinary shares and convertible preference shares in issue).

		2005	2004
本集團股東應佔溢利 (千港元)	Profit attributable to equity holders of the Group (HK\$'000)	980,601	760,391
普通股股份及可轉換優先股之 加權平均數(千股)	Weighted average number of ordinary shares and convertible preference shares (thousands)	1,076,479	1,003,163
每股攤薄盈利(每股港元)	Diluted earnings per share (HK\$ per share)	0.91	0.76

16 股息

16 DIVIDEND

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
中期股息每股普通股0.18港元 (二零零四年：0.14港元)	Interim, paid of HK\$0.18 (2004: HK\$0.14) per ordinary share	201,827	146,715
擬派末期股息每股普通股0.35港元 (二零零四年：0.31港元)	Final, proposed of HK\$0.35 (2004: HK\$0.31) per ordinary share	392,441	324,869
		594,268	471,584

附註：於二零零六年三月二十一日會議上，董事宣派每股普通股0.35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，惟將列作截至二零零六年十二月三十一日止年度之保留盈餘分派。

Note: At a meeting held on 21 March 2006, the Directors proposed a final dividend of HK\$0.35 per ordinary share. These proposed dividend are not reflected as dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2006.

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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 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	896,402	1,420,330	831,788	912,911
於一個月以內到期之 銀行同業及其他 金融機構存款	Placement with banks and other financial institutions maturity within one month	23,454,667	11,053,837	23,090,987	10,762,477
庫券(包括外匯 基金票據)	Treasury bills (including Exchange Fund Bills)	966,169	1,371,738	966,169	641,729
		25,317,238	13,845,905	24,888,944	12,317,117

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

		本集團及本銀行 Group and Bank	
		2005 千港元 HK\$'000	2004 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	2,364,951	5,132,657
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	679,016
		2,469,645	5,811,673

19 商業票據

19 TRADE BILLS

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
商業票據	Trade bills	2,001,557	1,869,961	2,001,557	1,071,520
減：商業票據減值 撥備	Less: impairment allowances on trade bills				
— 個別評估 (附註23)	— Individually assessed (Note 23)	(3,402)	—	(3,402)	—
— 組合評估 (附註23)	— Collectively assessed (Note 23)	(5,775)	—	(5,775)	—
— 專項撥備 (附註23)	— Specific provision (Note 23)	—	—	—	—
— 一般撥備 (附註23)	— General provision (Note 23)	—	(10,715)	—	(10,715)
		1,992,380	1,859,246	1,992,380	1,060,805

賬目附註

Notes to the Accounts

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
2005
千港元
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	98
– 非上市	– unlisted	149
持作買賣用途證券總值	Total trading securities	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	1,690,010
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)	1,690,257
上市證券市值	Market value of listed securities	1,146,573
債券包括：	Included within debt securities are:	
所持存款證	Certificates of deposit held	385,526
其他債券	Other debt securities	1,304,731
		1,690,257
持作買賣用途證券按發行人類別如下：	Trading securities are analysed by categories of issuers as follows:	
– 中央政府及中央銀行	– Central governments and central banks	211,652
– 公營機構	– Public sector entities	200,398
– 銀行及其他金融機構	– Banks and other financial institutions	483,509
– 企業	– Corporate entities	794,698
		1,690,257

本集團已於二零零五年採納香港會計準則第39號。根據香港會計準則第39號規定，由二零零五年一月一日起，若干金融資產及金融負債需列為以公平價值經損益表入賬之金融資產／負債。本集團於二零零四年並無該等重列。

The Group has adopted HKAS 39 in 2005. Under the prospective adoption requirement of HKAS 39, certain financial assets and financial liabilities were designated as financial assets/liabilities at a fair value through profit or loss on 1 January 2005. There was no such re-designation in 2004.

賬目附註

Notes to the Accounts

21 非持作買賣用途之證券

21 NON-TRADING SECURITIES

		本集團 Group 2004 千港元 HK\$'000	本銀行 Bank 2004 千港元 HK\$'000
債券：	Debt securities:		
— 於香港上市	— Listed in Hong Kong	144,672	144,672
— 於香港以外地區上市	— Listed outside Hong Kong	627,279	627,279
— 非上市	— Unlisted	1,443,665	1,442,253
		2,215,616	2,214,204
股票	Equity securities:		
— 於香港上市	— Listed in Hong Kong	403,088	403,088
— 非上市	— Unlisted	97,377	94,992
		500,465	498,080
非持作買賣用途之證券總額	Total non-trading securities	2,716,081	2,712,284
上市證券之市值	Market value of listed securities	1,175,039	1,175,039
債券包括：	Included within debt securities are:		
所持存款證	Certificates of deposit held	1,180,371	1,180,371
其他債券	Other debt securities	1,035,245	1,033,833
		2,215,616	2,214,204

賬目附註

Notes to the Accounts

22 衍生金融工具

22 DERIVATIVE FINANCIAL INSTRUMENTS

於二零零五年十二月三十一日

At 31 December 2005

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	24,879,928	32,247	(11,095)
場外貨幣期權買賣	OTC currency options brought and sold	3,310,175	5,101	(4,428)
場外衍生工具總額	Total OTC derivatives		37,348	(15,523)
b) 利率衍生工具	b) Interest rate derivatives			
利率掉期	Interest rate swaps	26,413,818	–	(161,445)
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 OTC derivatives		6,840	(165,214)
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		44,720	(181,270)
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	–	24,241
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		–	23,468
已確認衍生工具金融 資產／(負債)總額	Total recognised derivative financial assets/(liabilities)		44,720	(157,802)

賬目附註 Notes to the Accounts

22 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。

22 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 Group			
		2005		2004	
		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	111,974	75,752	85,360	92,370
利率合約	Interest rate contracts	537,187	149,296	320,926	95,144
其他合約	Other contracts	533	–	1,010	–
		649,694	225,048	407,296	187,514

		本銀行 Bank			
		2005		2004	
		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	111,974	75,752	80,349	80,174
利率合約	Interest rate contracts	537,187	149,296	321,377	95,274
其他合約	Other contracts	533	–	1,010	–
		649,694	225,048	402,736	175,448

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.

截至二零零四年十二月三十一日，未償衍生工具合約之名義本金額如下：

The notional principal amounts of outstanding derivative contracts as of 31 December 2004 were as follows:

		本集團 Group 千港元 HK\$'000	本銀行 Bank 千港元 HK\$'000
貨幣遠期	Currency forward	5,993,405	2,986,265
貨幣掉期	Currency swap	22,016,734	23,428,468
貨幣期權	Currency options	4,538,551	3,019,258
利率掉期	Interest rate swaps	35,220,123	35,120,826
利率期權	Interest rate options	8,855,728	8,855,728
股本期權	Equity options	166,910	166,910
		76,791,451	73,577,455

賬目附註

Notes to the Accounts

23 客戶貸款

23 LOANS AND ADVANCES TO CUSTOMERS

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
客戶貸款	Advances to customers	68,299,287	60,190,657	67,158,009	44,929,735
應計利息	Accrued interest	321,200	135,778	312,379	105,850
— 個別減值撥備	— Individual impairment allowances	(264,016)	—	(181,902)	—
— 組合減值撥備	— Collective impairment allowance	(203,808)	—	(193,197)	—
— 專項撥備	— Specific provision	—	(332,637)	—	(106,811)
— 一般撥備	— General provision	—	(492,820)	—	(379,574)
客戶貸款	Loans and advances to customers	68,152,663	59,500,978	67,095,289	44,549,200
				本集團 Group 2005 千港元 HK\$'000	本銀行 Bank 2005 千港元 HK\$'000
減值貸款分析如下：	Impaired loans are analysed as follows:			—	—
銀行同業及其他金融機構貸款	Loans and advances to banks and other financial institutions			3,304	3,304
商業票據	Trade bills			657,772	575,670
客戶貸款	Loans and advances to customers			661,076	578,974
				本集團 Group 2005 千港元 HK\$'000	本銀行 Bank 2005 千港元 HK\$'000
減值貸款總額(i)	Gross impaired loans (i)			661,076	578,974
個別減值準備	Impairment allowances made in respect of such loans			267,418	185,304
佔客戶貸款總額之百分比	As a percentage of total loans and advances			0.9%	0.8%

賬目附註

Notes to the Accounts

23 客戶貸款 (續)

23 LOANS AND ADVANCES TO CUSTOMERS (continued)

		本集團 Group 2004 千港元 HK\$'000	本銀行 Bank 2004 千港元 HK\$'000
不履約貸款分析如下：	Non-performing loans are analysed as follows:		
銀行同業及其他金融機構貸款	Loans and advances to banks and other financial institutions	—	—
商業票據	Trade bills	—	—
客戶貸款	Loans and advances to customers	764,877	261,619
		764,877	261,619
		本集團 Group 2004 千港元 HK\$'000	本銀行 Bank 2004 千港元 HK\$'000
不履約貸款總額(ii)	Gross non-performing loans (ii)	764,877	261,619
專項撥備	Specific provision made in respect of such advances	332,544	106,718
佔客戶貸款總額之百分比	As a percentage of total loans and advances	1.3%	0.6%
暫記利息	Amount of interest in suspense	69,176	20,427

註(i) 減值貸款是因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。

註(ii) 不履約貸款指根據香港金管局規定利息已撥入暫記賬或已停止累計利息之客戶貸款。

經採用香港會計準則第39號後，已減值貸款之利息按其可收回金額繼續被確認，故暫記利息及不履行貸款之概念已不適用。

於二零零五年十二月三十一日及二零零四年十二月三十一日，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／利息撥入暫記賬或已利息撥入暫記賬或已停止累計利息的貸款，亦沒有就該等貸款提供減值準備／專項準備。

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 (a "loss event") and that loss event has an impact on the estimated future cash flows of the loans that can reliably estimated.

Note (ii) Non-performing loans are loans and advances to customers on which interest is being placed in suspense or on which interest accrual has ceased under the requirement of HKMA.

Upon adoption of HKAS 39, the concepts of suspended interest and non-performing loans are no longer relevant as interest continues to be recognised on the recoverable element of impaired loans.

There were no impaired advances to banks and other financial institutions as at 31 December 2005 nor advances on which interest is being placed in suspense or on which interest accrual has ceased as at 31 December 2004 nor were there any individual impairment allowances/specific provision made for them on these two respective dates.

賬目附註

Notes to the Accounts

23 客戶貸款 (續)

23 LOANS AND ADVANCES TO CUSTOMERS (continued)

本集團	Group	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，經重列	Balance at 1 January 2005, as restated	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
減值虧損 (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： 商業票據 (附註19)	Deducted from: 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

本集團	Group	專項撥備 Specific provision 千港元 HK\$'000	一般撥備 General provision 千港元 HK\$'000	2004 總額 Total 千港元 HK\$'000	暫停利息 Suspended interest 千港元 HK\$'000
呆壞賬準備變動	Movement in provision for bad and doubtful debts				
於二零零四年一月一日餘額	Balance at 1 January 2004	309,084	342,291	651,375	117,679
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary	111,812	100,540	212,352	2,594
於損益賬扣除/(計入) (附註10)	Charge/(write back) to profit and loss account (Note 10)	(79,119)	57,562	(21,557)	–
撇銷不可收回貸款	Loans written off as uncollectible	(51,534)	–	(51,534)	(49,003)
收回過往年度撇銷貸款	Recoveries of advances written off in previous years	42,425	–	42,425	–
年內利息暫停	Interest suspended during the year	–	–	–	35,010
收回暫停利息	Suspended interest recovered	–	–	–	(37,137)
匯率及其他調整	Exchange and other adjustments	(31)	3,142	3,111	33
於二零零四年十二月三十一日	At 31 December 2004	332,637	503,535	836,172	69,176
扣除自： 商業票據 (附註19)	Deducted from: Trade bills (Note 19)	–	10,715	10,715	
客戶貸款	Loans and advances to customers	332,544	492,820	825,364	
應計利息及其他賬項	Accrued interest and other accounts	93	–	93	
		332,637	503,535	836,172	

賬目附註

Notes to the Accounts

23 客戶貸款 (續)

23 LOANS AND ADVANCES TO CUSTOMERS (continued)

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，經重列	Balance at 1 January 2005, as restated	98,357	179,647	278,004
因與華比銀行香港分行合併之 增添，經重列	Additions through merger with Belgian Bank, Hong Kong Branch, as restated	66,677	96,418	163,095
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary	–	–	–
減值虧損	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

本銀行	Bank	專項撥備 Specific provision 千港元 HK\$'000	一般撥備 General provision 千港元 HK\$'000	2004 總額 Total 千港元 HK\$'000	暫停利息 Suspended interest 千港元 HK\$'000
呆壞賬準備變動	Movement in provision for bad and doubtful debts				
於二零零四年一月一日餘額	Balance at 1 January 2004	145,920	342,064	487,984	38,695
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary				
於損益賬(計入)/扣除	(Write back)/charge to profit and loss account	(44,163)	48,225	4,062	–
撇銷不可收回貸款	Loans written off as uncollectible	(12,617)	–	(12,617)	(12,344)
收回過往年度撇銷貸款	Recoveries of advances written off in previous years	17,671	–	17,671	–
年內利息暫停	Interest suspended during the year	–	–	–	20,316
收回暫停利息	Suspended interest recovered	–	–	–	(26,242)
匯率及其他調整	Exchange and other adjustments	–	–	–	2
於二零零四年十二月三十一日	At 31 December 2004	106,811	390,289	497,100	20,427
扣除自：	Deducted from:				
商業票據(附註19)	Trade bills (Note 19)	–	10,715	10,715	
客戶貸款	Loans and advances to customers	106,718	379,574	486,292	
應計利息及其他賬項	Accrued interest and other accounts	93	–	93	
		106,811	390,289	497,100	

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Notes to the Accounts

24 備供銷售證券

24 AVAILABLE-FOR-SALE SECURITIES

		本集團 Group 2005 千港元 HK\$'000	本銀行 Bank 2005 千港元 HK\$'000
債券：	Debt securities:		
— 於香港上市	— listed in Hong Kong	607,010	607,010
— 於香港以外地區上市	— listed outside Hong Kong	4,456,407	4,456,407
— 非上市	— unlisted	4,561,334	4,560,579
		9,624,751	9,623,996
股本證券：	Equity securities:		
— 於香港上市	— listed in Hong Kong	415,684	415,684
— 於香港以外地區上市	— listed outside Hong Kong	—	—
— 非上市	— unlisted	97,376	97,376
		513,060	513,060
備供銷售證券總額	Total available-for-sale securities	10,137,811	10,137,056
上市證券之市值	Market value of listed securities	5,479,103	5,479,103
債券包括：	Included within debt securities are:		
所持有之存款證	Certificates of deposit held	3,186,907	3,186,907
其他債券	Other debt securities	6,437,844	6,437,089
		9,624,751	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 categories of issuers as follows:		
— 中央政府及中央銀行	— Central governments and central banks	406,779	406,779
— 公營機構	— Public sector entities	564,497	564,497
— 銀行同業及其他金融機構	— Banks and other financial institutions	3,575,785	3,575,785
— 企業	— Corporate entities	5,589,199	5,589,199
— 其他	— Others	1,551	796
		10,137,811	10,137,056

因香港會計準則第39號之過渡性規定須自二零零五年一月一日起之未來期間採納，故本集團於二零零四年概無劃分任何投資證券為備供銷售證券。

The Group did not classify any investment securities as available-for-sale securities in 2004 as prospective adoption from the period beginning from 1 January 2005 is required under the transitional provision of HKAS 39.

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Notes to the Accounts

25 持至到期證券

25 HELD-TO-MATURITY SECURITIES

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
債券：	Debt securities:				
— 於香港上市	— Listed in Hong Kong	—	1,118,293	—	1,118,293
— 於香港以外地區上市	— Listed outside Hong Kong	836,232	4,300,998	836,232	4,300,998
— 非上市證券	— Unlisted	2,245,267	7,627,751	2,246,536	5,749,965
持至到期證券總額	Total held-to-maturity securities	3,081,499	13,047,042	3,082,768	11,169,256
上市證券之市值	Market value of listed securities	837,923	5,597,201	837,923	5,597,201
債券包括：	Included within debt securities are:				
所持之存款證	Certificates of deposit held	1,327,971	5,384,156	1,327,971	5,384,156
其他債券	Other debt securities	1,753,528	7,662,886	1,754,797	5,785,100
		3,081,499	13,047,042	3,082,768	11,169,256
持至到期之證券按發行者 之分析如下：	Held-to-maturity securities are analysed by issuer as follows:				
— 中央政府及 中央銀行	— Central governments and central banks	263,523	2,095,521	263,523	486,105
— 公營機構	— Public sector entities	254,002	—	254,002	—
— 銀行同業及其他 金融機構	— Banks and other financial institutions	1,675,994	3,915,023	1,675,994	3,915,023
— 企業	— Corporate entities	887,980	7,036,498	889,249	6,768,128
		3,081,499	13,047,042	3,082,768	11,169,256

賬目附註

Notes to the Accounts

26 聯營公司投資

26 INVESTMENT IN AN ASSOCIATE

		本集團 Group	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
應佔淨資產	Share of net assets	28,484	28,332

		本銀行 Bank	
		2005 千港元 HK\$'000	2004 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	註冊成立地區 Country 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/(虧損) Profit/(loss) 千港元 HK\$'000	持有權益 百分比 % Interest held
二零零五年 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%
二零零四年 2004 中國平安保險(香港)有限公司 China Ping An Insurance (Hong Kong) Company Limited	香港 Hong Kong	40,265	11,933	6,290	2,513	25%
太平保險有限公司(於二零零四年十一月， 本銀行之股權已由24.9%攤薄至12.45%) The Tai Ping Insurance Company, Limited (In November 2004, the Bank's equity interest has been diluted from 24.9% to 12.45%)	中華人民共和國 ([中國]) People's Republic of China ("PRC")	—	—	6,237	(43,738)	12.45%
		40,265	11,933	12,527	(41,225)	

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

27 無形資產

27 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	Cost				
於二零零五年一月一日	At 1 January 2005	1,019,239	129,235	6,900	1,155,374
添置(附註(i), (ii)及(iii))	Additions (Note (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	1,086,631	183,885	6,900	1,277,416
累積折舊	Accumulated amortisation				
於二零零五年一月一日	At 1 January 2005	148,725	3,590	5,005	157,320
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	148,725	42,832	5,005	196,562
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
於二零零四年十二月三十一日	At 31 December 2004	870,514	125,645	1,895	998,054

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	Cost			
於二零零五年一月一日	At 1 January 2005	709,957	129,235	839,192
因與華比銀行香港分行合併之增添	Additions through merger with Belgian Bank, Hong Kong Branch	39,374	–	39,374
添置(附註(i))	Additions (Note (i))	–	54,650	54,650
於二零零五年十二月三十一日	At 31 December 2005	749,331	183,885	933,216
累積攤銷	Accumulated amortisation			
於二零零五年一月一日	At 1 January 2005	124,242	3,590	127,832
因與華比銀行香港分行合併之增添	Additions through merger with Belgian Bank, Hong Kong Branch	9,420	–	9,420
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	133,662	42,832	176,494
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
於二零零四年十二月三十一日	At 31 December 2004	585,715	125,645	711,360

賬目附註

Notes to the Accounts

27 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(本銀行)所付金額之差額。稅務契據第2.1.2條訂明賣方(富通銀行)將向買方(本銀行)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：

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
企業銀行	Corporate Banking	585,715	585,715
商業銀行	Commercial Banking	192,836	176,575
零售銀行	Retail Banking	118,191	108,224
其他	Others	41,164	—
		937,906	870,514

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%及長期增長率為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報告的預測是一致的。

27 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 2005.
- (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 (our bank) during the period while the tax deed is in effect. The clause 2.1.2 of the tax deed stipulated that the seller (Fortis Bank) will pay to the purchaser (our bank) 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 rate used for value-in-use calculations is 10% and the long-term growth rate is 13%.

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

賬目附註

Notes to the Accounts

28 物業及設備

本集團

28 PROPERTY, PLANT AND EQUIPMENT

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(附註42)	Acquired from a subsidiary (Note 42)	98,810	–	8,490	107,300
添置	Additions	–	39,381	21,095	60,476
重估(附註i)	Revaluation (Note i)	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				
自附屬公司收購 (附註42)	Acquired from a subsidiary (Note 42)	–	86,266	168,096	254,362
年內扣除	Charge for the year	35,131	–	7,737	42,868
重估	Revaluation	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
於二零零四年十二月三十一日	At 31 December 2004	155,171	28,940	44,988	229,099
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
於二零零四年十二月三十一日	At 31 December 2004				
按成本計	At cost	–	115,206	213,084	328,290
按二零零四年十二月之 專業估值	At professional valuation in December 2004	155,171	–	–	155,171
		155,171	115,206	213,084	483,461

賬目附註

Notes to the Accounts

28 物業及設備 (續)

本銀行

28 PROPERTY, PLANT AND EQUIPMENT (continued)

		Bank			
		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	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 (附註i)	Revaluation (Note i)	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
重估	Revaluation	–	–	–	–
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
於二零零四年十二月三十一日	At 31 December 2004	155,171	17,722	35,380	208,273
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
於二零零四年十二月三十一日	At 31 December 2004				
按成本計	At cost	–	80,211	127,671	207,882
按二零零四年十二月之 專業估值	At professional valuation in December 2004	155,171	–	–	155,171
		155,171	80,211	127,671	363,053

賬目附註

Notes to the Accounts

28 物業及設備 (續)

附註：

- (i) 銀行房產於二零零五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二零零五年八月十二日根據由獨立物業顧問深圳市國眾聯資產評估土地房地產估價諮詢有限公司所作出之公開市場估值進行重估。

29 租賃土地權益

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	
		2005 千港元 HK\$'000	2004 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	76,096	77,045
— 租期在10至50年之間	— Leases between 10 to 50 years	15,608	15,984
		91,704	93,029

30 於附屬公司之投資

投資，按成本值非上市股份	Investment at cost, unlisted shares	3,318,639	2,711,204
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本銀行於二零零五年八月十二日以710,717,000港元之成本收購華商銀行100%權益，該成本以現金及配發股份之方式支付(附註42)。

28 PROPERTY, PLANT AND EQUIPMENT (continued)

Note:

- (i) The bank premises were revalued at 31 December 2005 based on the open market value by A.G. Wilkinson & Associates, an independent professional valuer. The subsidiary's premises were revalued on 12 August 2005 based on the open market value by Shenzhen GJL Real Estate Asset Evaluation and Consultation Co. Ltd, independent property consultant.

29 LEASEHOLD LAND AND LAND USE RIGHTS

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

30 INVESTMENT IN SUBSIDIARIES

		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
投資，按成本值非上市股份	Investment at cost, unlisted shares	3,318,639	2,711,204

The bank acquired 100% interest of Chinese Mercantile Bank on 12 August 2005 for a cost of HK\$710,717,000, which was satisfied by cash and allotment of shares (Note 42).

賬目附註

Notes to the Accounts

30 於附屬公司之投資 (續)

以下為本銀行於二零零五年十二月三十一日持有之附屬公司：

30 INVESTMENTS IN SUBSIDIARIES (continued)

The following is a list of subsidiaries held by the Bank at 31 December 2005:

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	
				2005	2004
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%	—
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		
工銀亞洲期貨有限公司	香港	不活躍	26,000,000股每股面值 1港元之普通股	100%	100%
ICBC (Asia) Futures Limited	Hong Kong	Inactive	26,000,000 ordinary shares of HK\$1 each		
ICBC (Asia) Nominee Limited	香港	提供代理人服務	100股每股面值100港元 之普通股	100%	100%
	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	12,000,000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	12,000,000 ordinary shares of HK\$1 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 580.18歐元之普通股	100%	100%
	Belgium	Inactive	415,879 ordinary shares of EUR580.18 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	管理本銀行之內地減值 貸款組合	1股每股面值1美元 之普通股	100%	100%
UB China Business Management Co. Ltd.	British Virgin Islands	Management of the Bank's PRC Impaired Loan Portfolio	1 ordinary share of US\$1 each		
* 股份由本銀行間接持有					
# 並非由羅兵咸永道會計師事務所審核之公司					
Δ 外商獨資企業					
* Share held indirectly by the Bank					
# Company not audited by PricewaterhouseCoopers					
Δ Foreign-owned enterprise					

賬目附註

Notes to the Accounts

31 客戶存款

31 DEPOSITS FROM CUSTOMERS

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
活期存款及 往來戶口	Demand deposits and current accounts	2,992,817	3,415,738	2,981,215	1,288,495
儲蓄存款	Saving deposits	8,839,142	10,843,446	8,840,286	4,503,618
定期及通知存款	Time, call and notice deposits	49,158,189	41,798,985	54,653,960	32,844,344
		60,990,148	56,058,169	66,475,461	38,636,457

32 已發行債券

32 DEBT SECURITIES IN ISSUE

		本集團 Group	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
美元固定利率票據：	US\$ fixed rate note:		
— 通過損益以反映公平價值	– At fair value through profit or loss	2,978,615	–
— 以攤銷成本	– At amortised cost	–	3,095,423

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 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

33 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(二零零四年：17.5%)。

遞延稅項資產／(負債)之變動如下：

33 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2004: 17.5%).

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

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
於一月一日，如前匯報	At 1 January, as previously reported	27,403	8,026	7,990	8,026
會計政策變更之影響	Effect of changes in accounting policies	(36,250)	—	(37,800)	—
於一月一日，重報	At 1 January, as restated	(8,847)	8,026	(29,810)	8,026
通過合併華比銀行香港分行增加，重報	Additions through merger with Belgian Bank, Hong Kong Branch, restated	—	—	20,963	—
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary	—	17,565	—	—
在損益表支賬(附註12)	Charged to profit and loss account (Note 12)	(23,790)	(14,448)	(23,790)	(16,296)
在權益記賬	Credited to equity	27,838	16,260	27,838	16,260
於十二月三十一日	At 31 December	(4,799)	27,403	(4,799)	7,990

賬目附註

Notes to the Accounts

33 遞延稅項 (續)

年內權益記賬之遞延稅項如下：

33 DEFERRED INCOME TAX (continued)

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

		本集團及本銀行 Group and Bank	
		2005	2004
		千港元	千港元
		HK\$'000	HK\$'000
股東權益之公平值儲備	Fair value reserves in shareholders' equity		
— 銀行房產 (附註38)	— Bank premises (Note 38)	(50)	1,743
— 備供銷售之金融資產 (附註38)	— Available-for-sale financial assets (Note 38)	30,092	—
— 非持作買賣用途之證券 (附註38)	— Non-trading securities (Note 38)	(2,204)	14,517
		27,838	16,260

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：

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

遞延稅項資產

Deferred income tax assets

本集團

Group

		組合減值撥備／ 一般撥備		投資重估儲備		加速稅項折舊		總額	
		Collective impairment allowances/ General provision		Investment revaluation reserves		Accelerated tax depreciation		Total	
		2005	2004	2005	2004	2005	2004	2005	2004
		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
於一月一日，如前匯報	At 1 January, as previously reported	60,429	43,698	13,060	—	11,090	—	84,579	43,698
會計政策變更之影響	Effect of changes in accounting policies	(35,312)	—	(24,150)	—	—	—	(59,462)	—
於一月一日，重報	At 1 January, as restated	25,117	43,698	(11,090)	—	11,090	—	25,117	43,698
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 merger of Belgian bank, Hong Kong Branch	—	—	—	—	(11,090)	—	(11,090)	—
轉撥自收購附屬公司	Transferred from acquisition of a subsidiary	—	7,370	—	—	—	10,195	—	17,565
在損益表 (支賬) / 記賬	(Charged)/credited to profit and loss account	(13,499)	9,361	—	—	—	895	(13,499)	10,256
在權益記賬	Credited to equity	—	—	27,888	13,060	—	—	27,888	13,060
於十二月三十一日	At 31 December	11,618	60,429	16,798	13,060	—	11,090	28,416	84,579

賬目附註

Notes to the Accounts

33 遞延稅項 (續)

33 DEFERRED INCOME TAX (continued)

本銀行 Bank		組合減值撥備／ 一般撥備 Collective impairment allowances/ General provision		投資重估儲備 Investment revaluation reserves		總額 Total	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
於一月一日， 如前匯報	At 1 January, as previously reported	52,106	43,698	13,060	—	65,166	43,698
會計政策變更 之影響	Effect of changes in accounting policies	(36,862)	—	(24,150)	—	(61,012)	—
於一月一日， 重報	At 1 January, as restated	15,244	43,698	(11,090)	—	4,154	43,698
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(支賬)／ 記賬	(Charged)/credited to profit and loss account	(13,499)	8,408	—	—	(13,499)	8,408
在權益記賬	Credited to equity	—	—	27,888	13,060	27,888	13,060
於十二月三十一日	At 31 December	11,618	52,106	16,798	13,060	28,416	65,166

遞延稅項負債

Deferred income tax liabilities

本集團及本銀行 Group and Bank		銀行房產重估儲備 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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
於一月一日， 如前匯報	At 1 January, as previously reported	23,461	25,204	—	1,457	33,715	9,011	57,176	35,672
會計政策變更 之影響	Effect of changes in accounting policies	(23,212)	—	—	—	—	—	(23,212)	—
於一月一日，重報	At 1 January, as restated	249	25,204	—	1,457	33,715	9,011	33,964	35,672
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 asset/Additions through merger of Belgian Bank, Hong Kong Branch	—	—	—	—	(11,090)	—	(11,090)	—
在損益表支賬	Charged to profit and loss account	—	—	—	—	10,291	24,704	10,291	24,704
在權益支賬／記賬	Debited/(Credited) to equity	50	(1,743)	—	(1,457)	—	—	50	(3,200)
於十二月三十一日	At 31 December	299	23,461	—	—	32,916	33,715	33,215	57,176

賬目附註

Notes to the Accounts

33 遞延稅項 (續)

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。

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
遞延稅項資產	Deferred income tax assets	28,416	84,579	28,416	65,166
遞延稅項負債	Deferred income tax liabilities	(33,215)	(57,176)	(33,215)	(57,176)
		(4,799)	27,403	(4,799)	7,990

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
超過十二個月後收回 之遞延稅項資產	Deferred income tax assets to be recovered after more than 12 months	28,416	84,579	28,416	65,166
超過於十二個月後償還 之遞延稅項負債	Deferred income tax liabilities to be settled after more than 12 months	(22,261)	(51,367)	(22,261)	(51,367)

33 DEFERRED INCOME TAX (continued)

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.

賬目附註

Notes to the Accounts

34 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：

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 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	1,946,048	1,278,235	1,628,273	1,278,235
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	59,017	58,121	52,983	58,121
		2,005,065	1,336,356	1,681,256	1,336,356
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	2,364,951	4,691,603	2,364,951	4,691,603
其他資產	Other assets	87,729	84,617	87,729	84,617
		4,457,745	6,112,576	4,133,936	6,112,576
銀行同業及其他金融 機構之存款及結餘	Deposits from banks and other financial institutions	20,513,379	15,134,478	19,737,869	15,134,478
已發行存款證	Certificates of deposit issued	3,877,550	3,887,100	3,877,550	3,887,100
其他負債	Other liabilities	240,982	156,840	240,982	156,840
		24,631,911	19,178,418	23,856,401	19,178,418
借入資本	Loan capital	5,338,775	5,348,229	5,338,775	5,348,229

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11,826,528,000港元（二零零四年：11,109,332,000港元）之款項，乃最終控股公司授予本銀行作營運資金用途之備用信貸1,575,000,000美元（二零零四年：1,635,000,000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\$11,826,528,000 (2004: HK\$11,109,332,000) representing utilisation of a standby credit facility of US\$1,575,000,000 (2004: US\$1,635,000,000) granted by the ultimate holding company to the Bank for working capital purposes.

賬目附註

Notes to the Accounts

34 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	
		2005 千港元 HK\$'000	2004 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	6,124,861	5,559,672
利率掉期－名義數額	Interest rate swaps – notional principal	7,766,655	7,946,905
外幣期權－合約金額	Currency options – contractual amount		
－買入期權	－ options purchased	44,966	–
－出售期權	－ options written	–	–
		44,966	–
利率期權－合約金額	Interest rate options – contractual amount		
－買入期權	－ options purchased	994,623	797,307
－出售期權	－ options written	1,645,751	1,807,902
		2,640,374	2,605,209
一年內到期之其他承擔	Other commitments with maturity within 1 year		
－透支信貸	－ overdraft facility	2,753,061	1,010,646

(b) 以下為資產負債表項目中與其他同系附屬公司之結餘：

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

		本集團及本銀行 Group and Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
資產負債表項目	On-balance sheet		
其他資產	Other assets	3,023	3,499
銀行同業及其他金融機構之存款	Deposits from banks and other financial institutions	112,555	103,334
客戶存款	Deposits from customers	267,787	444,967
其他負債	Other liabilities	5,394	1,565
		385,736	549,866
資產負債表外項目	Off-balance sheet		
外匯合約－合約金額	Foreign exchange contracts – contractual amount	–	30,954
利率掉期－名義數額	Interest rate swaps – notional principal	301,673	255,771

賬目附註

Notes to the Accounts

34 與集團成員公司之結餘 (續)

(c) 以下為資產負債表項目中與本銀行附屬公司之結餘：

		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
資產負債表項目	On-balance sheet		
由友聯中國業務管理發行、 於資產負債表列作「持至 到期之證券」之優先履約票據	Senior PLNs issued by UBCBM included in the balance sheet under "Held-to-maturity securities"	1,269	101,969
其他資產	Other assets	1,840	15,702
		3,109	117,671
銀行同業及其他金融機構之 存款	Deposits from banks and other financial institutions	9,780	330,965
客戶存款	Deposits from customers	5,519,158	3,143,740
已發行存款證	Certificates of deposit issued	–	5,375,619
其他負債	Other liabilities	73,921	105,712
		5,602,859	8,956,036
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	3,773,895
利率掉期－名義數額	Interest rate swaps – notional amount	–	159,926
外幣期權－合約金額 －買入期權	Currency options – contractual amount – options purchased	–	199,787
利率期權－合約金額 －買入期權	Interest rate options – contractual amount – options purchased	–	145,000

(d) 以下為資產負債表項目中與聯營公司之結餘：

34 BALANCES WITH GROUP COMPANIES (continued)

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

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

		本集團及本銀行 Group and Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
資產負債表項目	On-balance sheet		
客戶存款	Deposits from customers	15,770	18,934
其他負債	Other liabilities	4	–
		15,774	18,934

賬目附註 Notes to the Accounts

35 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：

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
直接信貸代替品	Direct credit substitutes	1,429,763	1,448,759	1,429,763	1,388,788
與交易有關之或然負債	Transaction-related contingencies	131,935	292,890	131,935	259,170
與貿易有關之或然負債	Trade-related contingencies	2,698,287	2,742,368	2,698,287	930,454
其他承擔：	Other commitments with an original maturity of:				
— 原到期日少於一年 或可無條件撤銷	— under 1 year or which are unconditionally cancellable	13,602,099	15,102,129	13,602,099	4,875,051
— 原到期日在 一年或以上	— 1 year and over	9,886,108	8,027,091	9,727,398	7,874,060
遠期存款	Forward deposits placed	371,097	247,339	371,097	—
		28,119,289	27,860,576	27,960,579	15,327,523
信貸承擔之信貸風險 加權額	The credit risk weighted amount of credit commitments	6,338,082	5,159,075	6,258,727	4,652,465

(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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
已訂約惟未撥備之支出	Expenditure contracted but not provided for	2,319	11,539	—	11,539
已授權但未訂約之支出	Expenditure authorised but not contracted for	—	620	—	620
		2,319	12,159	—	12,159

35 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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
Direct credit substitutes		1,429,763	1,448,759	1,429,763	1,388,788
Transaction-related contingencies		131,935	292,890	131,935	259,170
Trade-related contingencies		2,698,287	2,742,368	2,698,287	930,454
Other commitments with an original maturity of:					
— under 1 year or which are unconditionally cancellable		13,602,099	15,102,129	13,602,099	4,875,051
— 1 year and over		9,886,108	8,027,091	9,727,398	7,874,060
Forward deposits placed		371,097	247,339	371,097	—
		28,119,289	27,860,576	27,960,579	15,327,523
The credit risk weighted amount of credit commitments		6,338,082	5,159,075	6,258,727	4,652,465

(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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
Expenditure contracted but not provided for		2,319	11,539	—	11,539
Expenditure authorised but not contracted for		—	620	—	620
		2,319	12,159	—	12,159

賬目附註

Notes to the Accounts

35 資產負債表外風險 (續)

(c) 經營租約承擔

於二零零五年十二月三十一日，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	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
土地及樓宇	Land and buildings				
– 不超過一年	– Not later than one year	83,644	89,054	83,596	58,042
– 一年以上及五年以內	– Later than one year and not later than five years	174,447	172,340	174,447	166,693
– 五年以上	– More than five years	112,236	140,820	112,236	140,820
		370,327	402,214	370,279	365,555

36 借入資本

36 LOAN CAPITAL

		本集團及本銀行 Group and Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
後償浮息票據	Subordinated floating rate notes		
– 最終於二零一一年七月二日到期 (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
– 永久(可於二零一二年十二月十日贖回)	– perpetual (callable on 10 December 2012)	1,935,916	1,935,916
匯兌調整	Exchange adjustment	(21,640)	(12,186)
		5,338,775	5,348,229

借入資本乃由本銀行籌集作業務拓展用途，並由最終控股公司全數認購。根據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。

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

賬目附註

Notes to the Accounts

37 股本

37 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
於二零零五年一月一日	At 1 January 2005	1,047,965	2,095,930	4,700,602	16,126	6,812,658
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	Allotment of new share to ultimate holding company as consideration shares for the acquisition of Chinese Mercantile Bank on completion date 12 August 2005	66,698	133,396	563,599	–	696,995
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	6,596	13,192	59,752	–	72,944
股份發行支出	Share issue expenses	–	–	(60)	–	(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
於二零零四年一月一日	At 1 January 2004	624,374	1,248,749	1,786,686	505,496	3,540,931
配發新股份予 最終控股公司以支付 收購華比富通銀行 (已更名為華比銀行) 之現金代價部分	Allotment of new shares to the ultimate holding company to satisfy the cash portion of the acquisition of Fortis Bank Asia HK (renamed as Belgian Bank)	124,874	249,748	1,155,084	–	1,404,832
將可轉換非累計 優先股轉換為普通股	Conversion of convertible non-cumulative preference shares to ordinary shares	204,400	408,799	1,091,667	(489,370)	1,011,096
配發新股份予 Generale Belgian Holding B.V. 作為 收購華比富通銀行 (已更名為華比銀行) 之代價股份	Allotment of new shares to Generale Belgian Holding B.V. as Consideration Shares for the acquisition of Fortis Bank Asia HK (renamed as Belgian Bank)	94,317	188,634	693,230	–	881,864
股份發行支出	Share issue expenses	–	–	(26,065)	–	(26,065)
於二零零四年十二月三十一日	At 31 December 2004	1,047,965	2,095,930	4,700,602	16,126	6,812,658

法定普通股總數為2,000,000,000股(二零零四年：2,000,000,000股)，每股面值為2港元(二零零四年：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(二零零四年：232,000,000股)，每股面值為5港元(二零零四年：每股5港元)。截至二零零五年十二月三十一日止並沒有可轉換非累計優先股發行。

The total number of authorized ordinary shares is 2,000 million shares (2004: 2,000 million shares) with a par value of HK\$2 per share (2004: HK\$2 per share). All issued shares are fully paid.

The total number of authorized convertible non-cumulative preference shares is 232 million shares (2004: 232 million shares) with a par value of \$5 per share (2004: \$5 per share). There is no convertible non-cumulative preference share in issue as at 31 December 2005.

37 股本 (續)

購股權

(a) 僱員購股權計劃

年內並無授出購股權，而於二零零五年十二月三十一日，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。倘若發行該等購股權，則次等履約票據持有人可按7.78港元之行使價認購本銀行之股份。然而，若內地減值貸款組合於次等履約票據五年期限屆滿後所收回之內地減值貸款組合低於1,211,063,000港元，則不會發行任何購股權。

37 SHARE CAPITAL (continued)

Share options

(a) *Employee share option scheme*

During the year, no option has been granted and at 31 December 2005, there were 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. These options, if issued, will allow the holders of the Junior PLNs to subscribe for shares in the Bank at an exercise price of HK\$7.78. However, no option will be issued if total recoveries of the PRC impaired loans Portfolio at the end of the five-year term of the Junior PLNs are below HK\$1,211,063,000.

賬目附註

Notes to the Accounts

38 儲備

二零零五年

2005

38 RESERVES

本集團
Group

		普通股溢價 Ordinary share premium 千港元 HK\$'000	可轉換非累計 優先股溢價 Convertible preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	外匯儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	4,700,602	16,126	110,638	(62,377)	122	219,200	1,461,177	6,445,488
採納會計準則第17及39號之影響(附註2.1)	Effect of adopting HKAs 17 and 39 (Note 2.1)	-	-	(109,424)	126,241	-	-	204,651	221,468
於二零零五年一月一日，重報	At 1 January 2005, as restated	4,700,602	16,126	1,214	63,864	122	219,200	1,665,828	6,666,956
發行股份(附註37)	Issue of shares (Note 37)	623,351	-	-	-	-	-	-	623,351
股份發行支出(附註37)	Share issue expenses (Note 37)	(60)	-	-	-	-	-	-	(60)
備供銷售之證券 公平值變動	Change in fair value of available-for-sale securities	-	-	-	(171,750)	-	-	-	(171,750)
銀行房產重估盈餘	Revaluation surplus on bank premises	-	-	25,791	-	-	-	-	25,791
合併華比銀行香港分行 之影響	Reserves from 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)
本年度盈利	Profit for the year	-	-	-	-	-	-	980,601	980,601
遞延稅項變動(附註33)	Change in deferred taxation (Note 33)	-	-	(50)	27,888	-	-	-	27,838
已付二零零四年末期股息 (附註16)	2004 final dividend paid (Note 16)	-	-	-	-	-	-	(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

(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392,441,000港元，有關事項將反映作為截至二零零六年十二月三十一日止年度保留盈餘之分配(附註16)。

(c) 於二零零五年十二月三十一日，本集團從保留溢利撥出352,028,000港元作「法定儲備」。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，直接透過保留溢利作出。

(a) The general reserve comprised of previous year's transfers from retained earnings and is distributable.

(b) The Directors proposed a final dividend of HK\$392,441,000 after the year-end which will be reflected as an appropriation of retained earnings for the year ending 31 December 2006 (Note 16).

(c) As at 31 December 2005, the Group has earmarked a "Regulatory Reserve" of HK\$352,028,000 from the retained earnings. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purpose. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.

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Notes to the Accounts

38 儲備 (續)

二零零五年 2005

38 RESERVES (continued)

		普通股 溢價 Ordinary share premium 千港元 HK\$'000	可轉換非累計 優先股溢利 Convertible non-cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	本銀行 Bank 投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零五年一月一日	At 1 January 2005	4,700,602	16,126	110,599	(61,567)	219,200	910,101	5,895,061
採納會計準則第17及39 號之影響	Effect of adopting HKASs 17 and 39	-	-	(109,423)	113,850	-	170,468	174,895
於二零零五年一月一日，重報	At 1 January 2005, as restated	4,700,602	16,126	1,176	52,283	219,200	1,080,569	6,069,956
通過合併華比銀香港分行而 增加，重報	Additions through merger with Belgian Bank, Hong Kong Branch, as restated	-	-	-	12,391	-	56,321	68,712
發行股份(附註37)	Issue of shares (Note 37)	623,351	-	-	-	-	-	623,351
股份發行支出(附註37)	Share issue expenses (Note 37)	(60)	-	-	-	-	-	(60)
備供銷售之證券公平值變動	Change in fair value of available-for- sale securities	-	-	-	(171,750)	-	-	(171,750)
銀行房產重估盈餘	Revaluation surplus on bank premises	-	-	285	-	-	-	285
合併華比銀行香港分行之影響	Reserves from merger with Belgian Bank, Hong Kong Branch	-	-	-	-	-	(121,819)	(121,819)
本年度盈利(附註14)	Profit for the year (Note 14)	-	-	-	-	-	1,338,266	1,338,266
遞延稅項變動(附註33)	Change in deferred taxation (Note 33)	-	-	(50)	27,888	-	-	27,838
已付二零零四年末期股息(附註16)	2004 final dividend paid (附註16)	-	-	-	-	-	(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

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Notes to the Accounts

38 儲備 (續)

二零零四年 2004

38 RESERVES (continued)

		本集團 Group							
		普通股 溢價 Ordinary share premium 千港元 HK\$'000	可轉換非累計 優先股溢價 Convertible non-cumulative preference share premium 千港元 HK\$'000	銀行房產 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000	投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000	外匯儲備 Exchange reserve 千港元 HK\$'000	一般儲備 General reserve 千港元 HK\$'000	保留盈餘 Retained earnings 千港元 HK\$'000	總計 Total 千港元 HK\$'000
於二零零四年一月一日	At 1 January 2004	1,786,686	505,496	118,816	6,080	(239)	219,200	1,021,421	3,657,460
發行股份(附註37)	Issue of shares (Note 37))	1,155,084	-	-	-	-	-	-	1,155,084
發行代價股份予 GBH(附註37)	Issue of Consideration shares to GBH (Note 37)	693,230	-	-	-	-	-	-	693,230
股份發行支出(附註37)	Share issue expenses (Note 37)	(26,035)	-	-	-	-	-	-	(26,035)
增加法定股本之 資本稅(附註37)	Capital duty for the increase in authorized share capital (Note 37)	(30)	-	-	-	-	-	-	(30)
將可轉換非累計優先股 轉換為普通股 (附註37)	Conversion of convertible non-cumulative preference shares to ordinary shares (Note 37)	1,091,667	(489,370)	-	-	-	-	-	602,297
非持作買賣用途之 證券公平值變動	Change in fair value of non-trading securities	-	-	-	(79,905)	-	-	-	(79,905)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	(3,069)	-	-	-	(3,069)
出售銀行房產	Disposal of bank premises	-	-	(74,029)	-	-	-	74,029	-
重估銀行房產	Revaluation of bank premises	-	-	64,069	-	-	-	-	64,069
應佔聯營公司持有之 投資物業重估收益	Share of revaluation gain of investment properties held by an associate	-	-	39	-	-	-	-	39
出售聯營公司	Disposal of an associate	-	-	-	-	239	-	-	239
匯兌差額	Exchange differences	-	-	-	-	122	-	-	122
本年度盈利	Profit for the year	-	-	-	-	-	-	760,391	760,391
遞延稅項變動(附註33)	Change in deferred taxation (Note 33)	-	-	1,743	14,517	-	-	-	16,260
已付二零零三年末期股息	2003 final dividend paid	-	-	-	-	-	-	(247,949)	(247,949)
已付二零零四年中期股息 (附註16)	2004 interim dividend paid (Note 16)	-	-	-	-	-	-	(146,715)	(146,715)
於二零零四年十二月三十一日	At 31 December 2004	4,700,602	16,126	110,638	(62,377)	122	219,200	1,461,177	6,445,488
代表：	Representing:								
本銀行及附屬公司	Bank and subsidiaries	4,700,602	16,126	110,599	(61,569)	122	219,200	1,447,012	6,432,092
聯營公司	Associate	-	-	39	(808)	-	-	14,165	13,396
於二零零四年十二月三十一日	At 31 December 2004	4,700,602	16,126	110,638	(62,377)	122	219,200	1,461,177	6,445,488

賬目附註

Notes to the Accounts

38 儲備 (續)

二零零四年 2004

38 RESERVES (continued)

					本銀行 Bank			
		可轉換非累計 優先股溢價 普通股 溢價	Convertible non-cumulative preference share premium	銀行房產 重估儲備 Bank premises revaluation reserve	投資 重估儲備 Investment revaluation reserve	一般儲備 General reserve	保留盈餘 Retained earnings	總計 Total
		千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000	千港元 HK\$'000
於二零零四年一月一日	At 1 January 2004	1,786,686	505,496	118,816	6,890	219,200	1,019,148	3,656,236
發行股份(附註37)	Issue of shares (Note 37)	1,155,084	-	-	-	-	-	1,155,084
發行代價股份予GBH(附註37)	Issue of Consideration shares to GBH (Note 37)	693,230	-	-	-	-	-	693,230
股份發行支出(附註37)	Share issue expenses (Note 37)	(26,035)	-	-	-	-	-	(26,035)
增加法定股本之 資本稅(附註37)	Capital duty for the increase in authorized share capital (Note 37)	(30)	-	-	-	-	-	(30)
將可轉換非累計優先股 轉換為普通股(附註37)	Conversion of convertible non-cumulative preference shares to ordinary shares (Note 37))	1,091,667	(489,370)	-	-	-	-	602,297
非持作買賣用途之證券 公平值變動	Change in fair value of non-trading securities	-	-	-	(79,905)	-	-	(79,905)
出售非持作買賣用途之證券	Disposal of non-trading securities	-	-	-	(3,069)	-	-	(3,069)
出售銀行房產	Disposal of bank premises	-	-	(74,029)	-	-	74,029	-
重估銀行房產	Revaluation of bank premises	-	-	64,069	-	-	-	64,069
本年度盈利(附註14)	Profit for the year (Note 14)	-	-	-	-	-	211,588	211,588
遞延稅項變動(附註33)	Change in deferred taxation (Note 33)	-	-	1,743	14,517	-	-	16,260
已付二零零三年末期股息	2003 final dividend paid	-	-	-	-	-	(247,949)	(247,949)
已付二零零四年中期股息(附註16)	2004 interim dividend paid (Note 16)	-	-	-	-	-	(146,715)	(146,715)
於二零零四年十二月三十一日	At 31 December 2004	4,700,602	16,126	110,599	(61,567)	219,200	910,101	5,895,061

賬目附註 Notes to the Accounts

39 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。

39 CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprises the following balances with less than three months' maturity from the date of acquisition.

		本集團 Group		本銀行 Bank	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 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)	896,402	1,420,330	831,788	912,911
存款證／庫券	Certificates of deposit/Treasury bills	277,623	19,997	277,623	19,997
銀行同業及其他金融機構 之放款	Placements with banks and financial institutions	23,880,843	12,556,384	23,517,163	12,142,966
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	(16,564,774)	(5,553,402)	(16,574,554)	(5,263,156)
		8,490,094	8,443,309	8,052,020	7,812,718

40 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：

40 LOANS TO OFFICERS

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

		於十二月三十一日之未償還餘額 Balance outstanding at 31 December		年內最高結餘 Maximum balance during the year	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000	2005 千港元 HK\$'000	2004 千港元 HK\$'000
未償還本金及利息總額	Aggregate amount outstanding in respect of principal and interest	127,367	61,332	133,381	89,797

賬目附註

Notes to the Accounts

41 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：

		2005 千港元 HK\$'000	2004 千港元 HK\$'000
利息收入	Interest income		
— 放款(附註(i))	— Placements (Note (i))	159,706	84,689
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	381,392	372,906
利息支出	Interest expense		
— 存款(附註(iii))	— Deposits (Note (iii))	(569,206)	(202,906)
— 利率掉期(附註(ii))	— Interest rate swaps (Note (ii))	(352,427)	(276,236)
— 已發行存款證(附註(iv))	— Certificates of deposit issued (Note (iv))	(175,886)	(85,751)
— 借入資本(附註(v))	— Loan capital (Note (v))	(188,117)	(80,714)
期權溢價支出淨額 (附註(vi))	Net option premium expense (Note (vi))	(271)	(766)
管理費收入(附註(vii))	Management fee income (Note (vii))	6,000	6,000
證券經紀佣金收入(附註(viii))	Securities brokerage commission income (Note (viii))	14	—
服務費收入(附註(ix))	Service fee income (Note (ix))	1,441	1,983
數據處理服務費支出(附註(xii))	Data processing service fee expense (Note (xii))	(7,435)	(4,517)
物業收入(附註(x)及(xi))	Premises income (Note (x) & (xi))	5,906	—
物業支出(附註(xiii))	Premises expense (Note (xiii))	(3,631)	(6,113)
內地貸款服務費支出(附註(xiv))	PRC loan service fee expense (Note (xiv))	(972)	(656)
附屬參與銀團貸款之費用開支(附註(xv))	Fee expense on sub-participation of syndicated loan (Note (xv))	(2,700)	(2,083)

附註：

- (i) 此為本銀行存放於最終控股公司及同系附屬公司之銀行同業存款按現行市場利率而收取之利息收入。
- (ii) 此為本銀行就利率掉期交易向最終控股公司及同系附屬公司收取及支付之利息收入及支出。該等交易包括按背對背基準與最終控股公司及同系附屬公司訂立之利率掉期。
- (iii) 此為本銀行支付最終控股公司及同系附屬公司之存款之利息支出。
- (iv) 此為本銀行發行並由最終控股公司認購之面值為500,000,000美元之存款證而向最終控股公司支付之利息支出。
- (v) 利息支出乃就本銀行發行而最終控股公司悉數認購合共495,000,000美元及1,500,000,000港元之後償還息票而支付予最終控股公司。

41 RELATED PARTY TRANSACTIONS

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

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

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

Notes:

- (i) Interest income was received on inter-bank deposits placed with the ultimate holding company and fellow subsidiaries at prevailing market rates.
- (ii) Interest income and expense was received from and paid to the ultimate holding company and fellow subsidiaries on the interest rate swaps at prevailing market rates. These transactions included interest rate swaps entered on a back-to-back basis with the ultimate holding company and fellow subsidiaries.
- (iii) Interest expense was paid on the deposits taken from the ultimate holding company and fellow subsidiaries.
- (iv) Interest expense was paid to the ultimate holding company for certificates of deposit issued by the Bank and subscribed by the ultimate holding company with nominal value of US\$500,000,000.
- (v) Interest expense was paid to the ultimate holding company for subordinated floating rate notes issued by the Bank and fully subscribed by the ultimate holding company totaling US\$495,000,000 and HK\$1,500,000,000.

賬目附註

Notes to the Accounts

41 關連交易 (續)

(a) 於一般業務過程中與關連各方達成之交易概要 (續)

- (vi) 期權溢價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及同系附屬公司之款項。
- (vii) 根據二零零一年七月三日訂立之合作協議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。
- (viii) 佣金收入乃就提供證券經紀服務予同系附屬公司時所收取。
- (ix) 根據二零零二年十二月十八日訂立之外判協議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。
- (x) 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。
- (xi) 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。
- (xii) 根據二零零二年二月二十一日訂立之服務協議及二零零五年二月四日訂立之補充服務協議，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。
- (xiii) 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。
- (xiv) 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。
- (xv) 費用支出乃就分行參與銀團貸款而支付。

41 RELATED PARTY TRANSACTIONS (continued)

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

- (vi) Net option premium expense was paid to the ultimate holding company and fellow subsidiaries on the various option contracts at prevailing market rates.
- (vii) In accordance with the Collaboration Agreement dated 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.
- (viii) Commission income was received on delivering securities brokerage services to fellow subsidiaries.
- (ix) 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.
- (x) 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.
- (xi) In accordance with two Licence Agreements dated 31 December 2004 and 1 April 2005 respectively, premises expenses 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.
- (xii) In accordance with Service Levels Agreement dated 21 February 2002 and the Supplemental Services Levels Agreement dated 4 February 2005, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank.
- (xiii) 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.
- (xiv) Service fee was paid to related ICBC Branches for assisting the Bank in PRC loan business.
- (xv) Fee was paid to the Branch on sub-participation of syndicated loans.

41 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，本銀行與分行、最終控股公司及同系附屬公司訂立多宗資本市場交易。該等交易包括分行、最終控股公司及同系附屬公司從屬參與本銀行之銀團貸款，涉及金額合共為4,815,203,000港元（二零零四年：1,552,106,000港元），以及本銀行以類似方式從屬參與分行、最終控股公司及同系附屬公司之銀團貸款，涉及金額合共為1,348,854,000港元（二零零四年610,000,000港元）。上述交易應佔費用2,700,000港元（二零零四年：2,083,000港元）乃於二零零五年支付予分行。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65,931,000港元（二零零四年：無）。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1,443,549,000港元（二零零四年：1,131,000,000港元）。此等交易乃按正常商業條款及參考現行市場價格而訂立。

(c) 最終控股公司作出之承諾

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

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議，據此，最終控股公司同意就因根據業務轉讓協議轉讓予本銀行之「大額風險」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。於二零零五年十二月三十一日，本銀行就該項擔保大額風險所保障之資產負債表項目及資產負債表外項目涉及之金額分別達601,745,000港元及157,075,000港元（二零零四年：分別為849,196,000港元及504,212,000港元）。

41 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 Branch, the ultimate holding company and fellow subsidiaries. These transactions included sub-participation in syndicated loans of the Bank by the Branch, the ultimate holding company and fellow subsidiaries for a total of HK\$4,815,203,000 (2004: HK\$1,552,106,000) and similar sub-participation in syndicated loans of the Branch, the ultimate holding company and fellow subsidiaries by the Bank for a total of HK\$1,348,854,000 (2004: HK\$610,000,000). Fee attributable to the above transactions of HK\$2,700,000 was paid to the Branch in 2005 (2004: HK\$2,083,000). 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.

Buy and sale of debt securities

During the year, the Bank bought debt securities of HK\$65,931,000 (2004: Nil) from the ultimate holding company and fellow subsidiaries. Debt securities of carrying value of HK\$1,443,549,000 (2004: HK\$1,131,000,000) were sold by the Bank to the ultimate holding company and fellow subsidiaries. These transactions were entered into on normal commercial terms with reference to prevailing market rates.

(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 it will maintain sufficient capital and liquidity levels.

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 the payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to the Business Transfer Agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. The amount of such on-balance sheet and off-balance sheet large exposures of the Bank covered by this guarantee as at 31 December 2005 was HK\$601,745,000 and HK\$157,075,000 respectively (2004: HK\$849,196,000 and HK\$504,212,000 respectively).

賬目附註

Notes to the Accounts

41 關連交易 (續)

(d) 與其他國家控制實體之交易

國家控制實體乃中國政府直接持有超過50%已發行股份或投票權，並有權控制或有能力管治其財務或營運政策的實體。然而，必須指出中國政府可能於多家中國公司持有間接權益，部分權益本身或與其他間接權益結合時可能成為控股權益。然而，該等權益不會向本集團披露，並不會於下文反映。

本集團於日常業務經營過程中與其他國家控制實體訂立銀行交易，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。

期／年末之關連交易及關連撥備之結餘，以及年內之主要關連收入及／或開支載列如下：

(i) 客戶貸款

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	6,239	6,507
減：減值虧損準備	Less: allowance for impairment losses	(157)	(105)
		6,082	6,402
年末結餘	Outstanding balance at the end of the year	7,138	6,239
減：減值虧損準備	Less: allowance for impairment losses	(82)	(157)
		7,056	6,082
本年度利息收入	Interest income	354	124
收回撥備	Recovery of allowance for impairment losses/provision for bad and doubtful debts	6	1

減值虧損準備僅關於個別評估金額。

41 RELATED PARTY TRANSACTIONS (continued)

(d) Transactions with other state controlled entities

The state controlled entities are those over 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. It should be noted, however, the PRC government may indirectly hold interest in many PRC companies. Some of these interests may, in themselves or when combined with other indirect interest. Such interests, however, would not be known to the Group and are not reflected below.

The Group enters into banking transactions with other state controlled entities in the ordinary 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 and related provisions at the period/year end, and the related major income and/or expense for the period/year are as follows:

(i) Loans and advances to customers

The allowance for impairment losses only relates to the amount of individual assessments.

賬目附註

Notes to the Accounts

41 關連交易 (續)

(d) 與其他國家控制實體之交易 (續)

(ii) 投資證券

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year		
— 持至到期之證券	– Held-to-maturity securities	384	557
— 備供銷售證券	– Available-for-sale securities	491	675
		875	1,232
年末結餘	Outstanding balance at the end of the year		
— 持至到期之證券	– Held-to-maturity securities	–	384
— 備供銷售證券	– Available-for-sale securities	588	491
		588	875
本年度利息收入	Interest income	12	73

(iii) 應收其他銀行及金融機構

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	11,279	12,024
年末結餘	Outstanding balance at the end of the year	9,559	11,279
本年度其他收入	Other income	214	113

(iv) 應付其他銀行及金融機構

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	15,290	20,457
年末結餘	Outstanding balance at the end of the year	22,501	15,290
本年度利息支出	Interest expense	822	288

41 RELATED PARTY TRANSACTIONS (continued)

(d) Transactions with other state controlled entities (continued)

(ii) Investment securities

(iii) Due from other banks and financial institutions

(iv) Due to other banks and financial institutions

賬目附註

Notes to the Accounts

41 關連交易 (續)

(d) 與其他國家控制實體之交易 (續)

(v) 應付客戶

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	2,391	1,827
年末結餘	Outstanding balance at the end of the year	2,952	2,391
本年度利息支出	Interest expense	119	11

(vi) 其他

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	5,366	4,196
年末結餘	Outstanding balance at the end of the year	5,392	5,366
本年度其他支出	Other expenses	77	25

(vii) 資產負債表外風險

		2005 百萬港元 HK\$'million	2004 百萬港元 HK\$'million
年初結餘	Outstanding balance at the beginning of the year	16,516	18,203
年末結餘	Outstanding balance at the end of the year	17,053	16,516

41 RELATED PARTY TRANSACTIONS (continued)

(d) Transactions with other state controlled entities (continued)

(v) Due to customer

(vi) Others

(vii) Off balance sheet exposures

賬目附註 Notes to the Accounts

42 收購附屬公司

於二零零五年八月十二日，本集團收購位於中國之華商銀行100%股本。所收購公司於二零零五年八月十二日至十二月三十一日期間為本集團貢獻經營溢利4,900,000港元。

所收購資產及負債之詳情及由此所產生之商譽如下：

42 ACQUISITION OF SUBSIDIARY

On 12 August 2005, the Group acquired 100% of the share capital of Chinese Mercantile Bank in China. The acquired company contributed operating profit of HK\$4.9 million to the Group for the period from 12 August to 31 December 2005.

The details of the assets and liabilities acquired and goodwill arising are as follows:

		千港元 HK\$'000
現金及現金等同項目	Cash and cash equivalents	645,617
在銀行及其他金融機構 之存款及貸款	Placements with and advances to banks and other financial institutions	948
客戶貸款	Loans and advances to customers	782,276
物業及設備(附註28)	Property, Plant and Equipment (Note 28)	64,432
其他資產	Other assets	11,090
銀行同業及其他金融機構 之存款及結餘	Deposits from banks and other financial institutions	(777,440)
客戶存款	Deposits from customers	(18,690)
其他負債	Other liabilities	(38,680)
商譽	Goodwill	41,164
		710,717
收購成本	Cost of acquisitions	(3,531)
加：所收購附屬公司之現金及 現金等同項目	Add: Cash and cash equivalents in subsidiary acquired	645,617
收購所產生之現金流量	Cash inflow on acquisition	642,086

43 結算日後事項

收購有關中國工商銀行股份有限公司香港分行信用卡業務之應收款項、利益及其他輔助資產

於二零零六年二月二十一日，本銀行與中國工商銀行訂立一份買賣協議，據此，本銀行同意向中國工商銀行收購(1)於完成日期中國工商銀行香港分行之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)中國工商銀行香港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分期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中國工商銀行香港分行之前用於處理信用卡相關數據之若干軟件程序之利益。

43 EVENTS AFTER THE BALANCE SHEET DATE

Acquisition of receivables, benefits and other ancillary assets relating to the credit card business of Industrial and Commercial Bank of China Limited, Hong Kong Branch

On 21 February 2006, the Bank entered into a sale and purchase agreement with ICBC under which the Bank agreed to purchase from ICBC (1) all the credit card receivables under the Hong Kong dollar credit card accounts and the credit card related instalment loan receivables of ICBC, Hong Kong Branch as at the completion date, (2) all the benefits under the cardmembers' agreements and instalment loan agreements in relation to the above credit card receivables and the above instalment loan receivables made between ICBC, Hong Kong 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 ICBC, Hong Kong Branch in processing credit card related data.

43 結算日後事項 (續)

收購有關中國工商銀行股份有限公司香港分行信用卡業務之應收款項、利益及其他輔助資產 (續)

應付中國工商銀行之現金代價應為下列各項之總和：

1. 於完成日期結束時以上述信用卡應收款項及上述分期貸款應收款項之賬面值總額，扣除任何信貸結餘總額；
 2. 設備及禮品於完成日期結束時之賬面值；及
 3. 於完成日期結束時信用卡業務之商業商譽 1,000,000港元；
- 減
4. 中國工商銀行於完成日期結束時就信用卡累計積分之責任之價值；及
 5. 截至完成日期結束時為止減值撥備之累計總金額。

根據於二零零五年十二月三十一日之未經審核管理賬目，代價之估計金額約為56,249,000港元。完成計劃將不遲於二零零六年三月二十六日發生。

44 最終控股公司

中國工商銀行乃本銀行之最終控股公司。經中國國務院批准，中國工商銀行已於二零零五年十月二十八日整體改建為一家於中國成立之股份有限公司，並更名為「中國工商銀行股份有限公司」。

45 財務報告之批准

本財務報告於二零零六年三月二十一日經董事會批准。

43 EVENTS AFTER THE BALANCE SHEET DATE (continued)

Acquisition of receivables, benefits and other ancillary assets relating to the credit card business of Industrial and Commercial Bank of China Limited, Hong Kong Branch (continued)

The cash consideration payable to ICBC shall be the aggregate of the following as at the end of the completion date:

1. the total of the book value of the above credit card receivables and the above instalment loan receivables, net of the aggregate amount of any credit balances;
 2. the book value of the equipment and the gift items; and
 3. HK\$1 million representing the commercial goodwill of the credit card business;
- Less
4. the value of ICBC's obligation in respect of bonus points accumulated in respect of the credit cards; and
 5. the total accumulated amount of provision for impairment.

The estimated amount of the consideration based on the unaudited management accounts as at 31 December 2005 is approximately HK\$56,249,000. Completion is scheduled to take place by no later than 26 March 2006.

44 ULTIMATE HOLDING COMPANY

ICBC is the ultimate holding company of the Bank. With the approval of the State Council of the PRC, ICBC has been reorganised into a joint stock company with limited liability in the PRC and was renamed Industrial and Commercial Bank of China Limited on 28 October 2005.

45 APPROVAL OF ACCOUNTS

The accounts were approved by the Board of Directors on 21 March 2006.