



永亨銀行有限公司
WING HANG BANK, LIMITED

INTERIM REPORT 2003
二零零三年度中期報告

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董事會

董事長

馮鈺斌博士

董事

劉漢銓太平紳士 GBS*

鄭漢鈞博士 GBS, JP*

李國賢太平紳士*

任宜正先生#

馮鈺聲先生

何志偉先生

何子珍先生*

王家華先生

Mr Alan R Griffith #

Mr Kenneth A Lopian #

秘書

何志偉先生

行政委員會

馮鈺斌博士

王家華先生

馮鈺聲先生

審核委員會

李國賢太平紳士

任宜正先生

何子珍先生

薪酬委員會

鄭漢鈞博士 GBS, JP

李國賢太平紳士

核數師

畢馬威會計師事務所

香港執業會計師

註冊辦事處

香港皇后大道中一六一號

電話：(852) 2852-5111

圖文傳真：(852) 2541-0036

直線電報：HX73268

環球財務電訊：WIHBKHH

電報：WIHANGBA

互聯網網址：<http://www.whbhk.com>

股份登記處

香港中央證券登記有限公司

香港皇后大道東一八三號

合和中心十九樓一九零一至五室

美國紐約銀行集團成員

* 獨立非執行董事

非執行董事

BOARD OF DIRECTORS

Chairman

Dr Patrick Y B Fung

Directors

The Hon Ambrose H C Lau, GBS, JP*

Dr Cheng Hon Kwan, GBS, JP*

Mr Simon K Y Lee, JP*

Mr Michael J Ranieri#

Mr Michael Y S Fung

Mr Louis C W Ho

Mr Ho Soo Ching*

Mr Frank J Wang

Mr Alan R Griffith#

Mr Kenneth A Lopian#

Secretary

Mr Louis C W Ho

EXECUTIVE COMMITTEE

Dr Patrick Y B Fung

Mr Frank J Wang

Mr Michael Y S Fung

AUDIT COMMITTEE

Mr Simon K Y Lee, JP

Mr Michael J Ranieri

Mr Ho Soo Ching

COMPENSATION COMMITTEE

Dr Cheng Hon Kwan, GBS, JP

Mr Simon K Y Lee, JP

AUDITORS

KPMG

Certified Public Accountants

REGISTERED OFFICE

161 Queen's Road Central, Hong Kong

Telephone: (852) 2852-5111

Fax: (852) 2541-0036

Telex: HX73268

SWIFT: WIHBKHH

Cable: WIHANGBA

Web Site Address: <http://www.whbhk.com>

REGISTRARS

Computershare Hong Kong Investor Services Limited

Rooms 1901-5, 19/F, Hopewell Centre

183 Queen's Road East, Wanchai, Hong Kong

AFFILIATED WITH THE BANK OF NEW YORK GROUP

* Independent non-executive directors

Non-executive directors

集團業績簡報 Group Results in Brief

		截至二零零三年 六月三十日止 六個月	截至二零零二年 六月三十日止 六個月	增加/ (減少)	截至二零零三年 六月三十日止 六個月
		Six months ended 30th June, 2003	Six months ended 30th June, 2002	Increase/ (Decrease)	Six months ended 30th June, 2003
		HK\$m	HK\$m	%	US\$m
股東應得之溢利	Profit Attributable to Shareholders	370	*370	(0.2)	47.4
股息	Dividend	109	109	-	14.0
		HK\$	HK\$	%	US\$
每股盈利	Earnings per Share	1.26	* 1.26	(0.2)	0.16
每股股息	Dividend per Share	0.37	0.37	-	0.05
		%	%		
成本與收入比率	Cost to Income Ratio	32.0	32.4		
平均資產回報率	Return on Average Assets	1.27	*1.34		
平均股東資金回報率	Return on Average Shareholders' Funds	11.8	*12.3		
		二零零三年 六月三十日	二零零二年 十二月三十一日	增加/ (減少)	二零零三年 六月三十日
		30th June, 2003	31st December, 2002	Increase/ (Decrease)	30th June, 2003
		HK\$m	HK\$m	%	US\$m
股東資金	Shareholders' Funds	6,317	* 6,338	(0.3)	810.0
總存款	Total Deposits	52,644	50,102	5.1	6,750.7
客戶放款	Advance to Customers	34,142	34,417	(0.8)	4,378.1
總資產	Total Assets	60,434	* 57,120	5.8	7,749.6
		HK\$	HK\$	%	US\$
每股資產淨值	Net Asset Value per share	21.52	* 21.60	(0.4)	2.76

m = million (百萬)

US\$1.00 = HK\$7.7983

* Restated 重報

二零零三年初香港經濟增長強勁，在凌厲的出口增長帶動下，第一季本地生產總值錄得百分之四點五的實質增長。但自三月爆發非典型肺炎後，情況急劇惡化，訪港旅客及消費開支均大幅下降。

非典型肺炎的爆發使香港失業情況進一步惡化，根據政府最新的數據顯示，本港的失業率錄得百分之八點六的新高，尤以建築、旅遊及餐飲業所受的壓力為甚。由於失業率高企及營商環境不斷惡化，導致通縮壓力加劇及物業市道持續疲弱。

在經濟不景的影響下，銀行業繼續受困。由於貸款需求疲弱及資金過剩的情況持續，擴大佣金收入基礎及於內地探索新的商機均成為本集團的主要出路。

銀行業的持續競爭亦加速了收購合併的發展，集團把握了這些契機，在本月初與日本瑞穗銀行達成協議，收購浙江第一銀行全部已發行股本，總作價為港幣四十八億元，相等於浙江第一於二零零二年十二月三十一日的經審計賬面值的一點二二倍。

集團收購浙江第一，標誌著本行向前邁進重要策略的一步，同時亦彰顯集團對香港金融服務業的堅定承諾和信心。是項收購現正待監管機構及永亨銀行股東的批准。收購完成後，永亨銀行資產總值將達港幣八百五十億元，成為香港上市銀行中第四大本地銀行。此外，透過更大的營運平台，集團可為不同的客戶提供服務。

截至二零零三年六月三十日止，永亨銀行集團之除稅後盈利達港幣三億六千九百三十萬元，與去年同期相若，但較二零零二年下半年度上升百分之二十三點三。每股盈利保持不變為港幣一元二角六仙。董事會建議派發中期股息每股港幣三角七仙，與去年同期相若。

The Hong Kong economy showed strong growth and momentum at the beginning of the year but the situation deteriorated rapidly with the outbreak of SARS in March. This resulted in drastic reductions in revenues from inbound tourism and consumer spending. For the first quarter of the year, Hong Kong's GDP recorded 4.5 percent growth in real terms, mainly as a result of strong export growth.

The SARS outbreak exacerbated Hong Kong's unemployment situation, which climbed to a record high of 8.6 percent according to the Government's latest figures. This was especially felt in the construction, tourism and restaurant sectors. In light of the high unemployment and deteriorating business conditions, the deflationary spiral deepened and the property market continued to worsen.

Against this background, the banking industry continued to suffer from weak loan demand and excess liquidity. In this increasingly difficult market, expanding the fee income base and exploring new opportunities in the Mainland remained the ongoing key initiatives for Wing Hang.

Increasing competition in the banking sector has also accelerated the pace of consolidation. Fulfilling our stated desire to capitalize on suitable opportunities, the Bank has reached an agreement with Mizuho Corporate Bank earlier this month for the acquisition of the entire issued share capital of Chekiang First Bank (CFB) for a total consideration of HK\$4.80 billion, representing 1.22 times the audited book value of CFB as at 31st December, 2002.

The acquisition, which is subject to regulatory and shareholders' approval, is a significant strategic step forward for Wing Hang and demonstrates our commitment and confidence in Hong Kong's financial services sector. With combined assets of HK\$85 billion, the acquisition will make Wing Hang the fourth largest local bank listed in Hong Kong and we will be able to serve a more diverse customer base with a much larger operating platform.

For the first six months of 2003, profits attributable to shareholders amounted to HK\$369.3 million almost unchanged when compared with the same period last year but an increase of 23.3% over the second half of last year. Earnings per share remained unchanged at HK\$1.26. The Board has recommended an interim dividend of HK\$0.37 per share, the same level as last year.

集團總收入上升百分之二點一達港幣九億三千三百萬元，由於財資利息收入增加，淨利息收入亦增加百分之一點二達港幣七億四千零六十萬元。但按揭業務的持續減價壓力令淨息差由百分之二點六六下降至百分之二點五四，然而財資業務對集團的貢獻日益提升，彌補了部分減幅。

由於外匯收入、保險、證券和債券買賣收入均有所增長，非利息收入上升百分之六點一達港幣一億九千二百三十萬元。但因為押匯及貸款佣金和信用卡收入放緩，抵銷了部份增幅。

集團持續控制成本，使開支能夠保持與去年同期相若的水平，開支收入比率維持於百分之三十二。

由於信用卡應收賬項、本地個人貸款及其他企業貸款減少，集團之總貸款額下降百分之零點八至港幣三百四十一億四千萬元。然而，國內及澳門貸款錄得顯著增長，抵銷了上述減幅。

在消費信貸業務方面，永亨信用財務繼續提供嶄新的貸款計劃以吸引新客戶，包括永亨「利息減半」債務重組計劃。客戶如將他們的個人貸款及信用卡結餘由現時的貸款銀行轉至永亨，將只需繳付他們現時利息的一半。該公司亦率先提供特別優惠，以舒緩受非典型肺炎影響的行業及在對抗該疾病中的人士。集團於過去十八個月已減慢信用卡業務之增長，二零零三年上半年度信用卡應收賬項下降百分之十七至港幣二億五千八百萬元。今年上半年度信用卡之撇賬率為百分之九點八，去年同期則為百分之十四點二。

為了擴闊收入基礎，集團繼續提供多元化的財富管理項目。年內，透過本行出售的投資工具，包括債券、基金及可贖回存款證，總額超過港幣十億元。

總存款及客戶存款均錄得百分之五的增長，分別達港幣五百二十六億四千萬元及港幣四百七十五億五千萬元。年內，集團發行的零售存款證，總額達港幣六億四千萬元，而市場反應亦非常理想。

The Group's total operating income increased by 2.1 percent to HK\$933.0 million. Net interest income also increased 1.2 percent to HK\$740.6 million due to an increase in treasury interest income. Net interest margins fell from 2.66 percent to 2.54 percent as a result of continuous pricing pressure on mortgages. This was partly compensated by increased contribution from treasury activities.

Non-interest income rose 6.1% to HK\$192.3 million due to increases in foreign exchange income, insurance, share brokerage and debt securities trading income. Partially offsetting this increase was a decline in bills and loans commissions as well as credit card income.

The Group continued with its cost-containment programme during the period and was therefore able to maintain operating expenses at the same level as last year. The Group's cost to income ratio remained constant at 32.0 percent.

Total loans outstanding decreased by 0.8 percent to HK\$34.14 billion due to decreases in credit card receivables, domestic loans to individuals and other corporates. This was compensated by a marked increase in loans for use in China as well as in the Bank's Macau operations.

In consumer lending, Wing Hang Credit continued to offer innovative programmes to attract customers, including a "Half Interest Rate" refinancing scheme in which customers who transfer their personal loan and credit card outstanding from their existing lenders to Wing Hang will only be required to pay 50 percent of their prevailing interest rates. The company also offered special initiatives to assist SARS affected businesses as well as individuals who have contributed to the fight against the disease. The Bank has slowed down the growth of its credit card business for the past 18 months and the credit card receivable for the first half year of 2003 declined by 17.0% to HK\$258 million. The charge-off for credit cards for the first half year of 2003 stood at 9.8% compared with 14.2% of the same period last year.

To broaden our income base, the Bank continued to stress diversified wealth management products. The total amount of investment instruments sold through the Bank during the period, including bonds, mutual funds and callable CDs, exceeded HK\$1 billion.

Total deposits and customer deposits both registered 5% increases to HK\$52.64 billion and HK\$47.55 billion respectively. During the period under review, the Bank launched retail-structured Certificates of Deposits totaling HK\$640 million, which were well received by the market.

在澳門業務方面，澳門永亨之業績於當地銀行業表現突出，盈利上升百分之三點七達澳門幣六千四百六十萬元，貸款及存款方面均錄得穩健增長。淨利息收入微升百分之二點三，而佣金收入則上升百分之一點五。

集團之資本充足比率及平均流動資金比率分別為百分之七十七及百分之四十九點二，而由於貸款需求疲弱及通縮的影響，貸存比率輕微下降至百分之六十四點九。

年內，因經濟疲弱及物業市場呆滯，不履行貸款增加至港幣十一億四千萬元，佔總貸款百分之三點三五，而銀行在變賣物業抵押品亦出現一定困難。然而，由於消費信貸的質素有所改善，呆壞賬的準備下降百分之三點六至港幣二億一千二百萬元。

展望未來，預料本港下半年的經濟將會繼續面對挑戰，而經濟的復甦步伐，將視乎外圍及本地情況而定。

預計本港經濟仍然以出口帶動，但由於環球經濟不穩定將會影響各主要市場的需求，本港經濟增長的速度亦因此而受到影響。

在本港，爆發非典型肺炎曾一度影響本港各行各業，尤以建築、旅遊及零售業為甚。雖然非典型肺炎對本港經濟影響的壓力現已逐漸減退，但通縮將會持續，消費需求將繼續偏低，失業率仍然高企，樓宇價格亦會持續疲弱。

二零零三年本港經濟的增長速度很大程度視乎旅客重返本港的速度與及出入口貿易能否繼續保持增長。

疲弱的經濟令社會瀰漫著悲觀的情緒，不過，在六月簽訂的『更緊密經濟合作協議』無疑替香港的經濟發展注入一枝強心針。最近，內地政府更表示考慮容許本港銀行提供個人人民幣服務予香港居民。

『更緊密經濟合作協議』及容許本地銀行提供人民幣服務無疑對本港銀行業及整體經濟發展有很大的鼓舞，然而上述措施所帶來的影響將需要一段時間才能浮現。

In Macau, Banco Weng Hang continued to out-perform the local banking sector. Profits increased by 3.7 percent to 64.6 million Macau patacas, with steady growth in loans and deposits. Net interest income increased slightly by 2.3 percent while fee income increased by 1.5 percent.

The Group's capital adequacy ratio and average liquidity ratio stood at 17.0 percent and 49.2 percent respectively. Our loan to deposit ratio dropped slightly to 64.9 percent from weak loan demand and deflation in Hong Kong.

For the period under review, the level of non-performing loans increased to HK\$1.14 billion, or 3.35 percent of total loans due to a weak economy and a sluggish property market. This made it difficult for the Bank to liquidate its property collateral. Charge for bad and doubtful loans decreased 3.6 percent to HK\$212.0 million due to improvements in consumer lending.

Looking ahead, the overall economy is expected to remain challenging in the second half of the year and the economic recovery is dependent upon both the external and domestic fronts.

The economy will continue to be export driven and subject to global uncertainties that will influence demand in major markets.

Domestically, the SARS outbreak has had a severe short-term negative impact on certain sectors, particularly construction, tourism and retail, but these pressures have begun to ease. However, deflation is likely to persist, consumer demand will remain sluggish, the rate of unemployment will continue to be high and property prices weak.

The pace of growth for the economy in 2003 depends to a great extent on how rapidly visitors come back and on whether growth in the merchandise trade and offshore trade sectors can be sustained.

Against the woes of a weak economy, the signing of the Closer Economic Partnership Agreement (CEPA) in June was a shot in the arm for Hong Kong's economic development. More recently, the Mainland Government has considered allowing Hong Kong banks to offer personal Renminbi services to Hong Kong residents.

CEPA and the extension of Renminbi services to local banks will be encouraging developments for Hong Kong's banking industry and the economy as a whole but their impact would take some time to filter through.

為把握『更緊密經濟合作協議』及香港與中國內地融合所帶來的機遇，我們將努力迎合並投入更多資源於內地市場，特別是珠江三角洲一帶，並擴大對香港投資者的信貸業務。我們並計劃於二零零四年將上海代表辦事處升格為分行，以配合深圳分行及廣州代表辦事處的業務發展。

在香港業務方面，由於銀行現能透過中央信貸資料庫更有效地評核貸款人士的信貸狀況，集團將繼續擴大佣金收入及消費信貸業務。

收購浙江第一銀行能令集團建立更廣泛的營運平台和客戶基礎，使永亨的競爭能力大大提升。集團相信結合雙方的業務，並利用浙江第一的充裕資金來擴展收入來源，將達致協同效益，創造更多的盈利機會。

香港的經濟現正慢慢復甦，而中國內地亦是商機處處，對於永亨銀行在下半年的表現，我們感到審慎樂觀。

董事長兼行政總裁
馮鈺斌謹啟

香港 二零零三年八月十四日

To capitalize on the CEPA development and Hong Kong's closer integration with China, we will gear ourselves towards a greater level of involvement in the China, in particular, the Pearl Delta Region and expand our commercial lending business to Hong Kong's investors. In this regard, we plan to upgrade our Shanghai representative office to a branch in 2004 to complement our branch in Shenzhen and representative office in Guangzhou.

In Hong Kong, we will continue to broaden our fee income businesses and expand our consumer lending activities as we are now in a better position to evaluate the credit standing of individual borrowers through the central credit bureau.

With a larger operating platform and customer base that will result from the acquisition of CFB, our competitive position will be greatly enhanced. We believe that significant value will be created from synergies achieved through integrating the two businesses and capitalizing on CFB's liquid balance sheet for increased revenue opportunities.

With a recovering economy in Hong Kong and greater opportunities available in the Mainland, we are cautiously optimistic about the performance of the Bank in the second half of the year.

Patrick Y B Fung
Chairman and Chief Executive

Hong Kong, 14th August, 2003

未經審核之綜合損益計算表 Unaudited Consolidated Profit and Loss Account

截至二零零三年六月三十日止六個月 For the six months ended 30th June, 2003

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
				(重報) (restated)
利息收入	Interest income		1,086,759	1,122,272
利息支出	Interest expense		(346,132)	(390,087)
淨利息收入	Net interest income		740,627	732,185
其他營業收入	Other operating income	4(a)	192,348	181,231
營業收入	Operating income	3	932,975	913,416
營業支出	Operating expenses	4(b)	(298,697)	(295,612)
扣除準備金前之營業溢利	Operating profit before provisions		634,278	617,804
呆壞賬準備	Charge for bad and doubtful debts		(212,000)	(220,000)
營業溢利	Operating profit		422,278	397,804
重估投資物業及出售有形固 定資產之(虧損)/溢利	(Losses)/gains on revaluation of investment properties and disposal of tangible fixed assets		(1,202)	1,387
出售持有至到期日證券及非 持作買賣用途證券之溢利	Profits on disposal of held-to-maturity and non-trading securities	5	30,551	19,397
持有至到期日證券之準備金 撥備	Provisions made for held-to-maturity securities		(10,900)	-
正常業務的溢利	Profit on ordinary activities		440,727	418,588
應佔聯營公司之淨虧損	Share of net losses in associated companies		(3,210)	(3,511)
除稅前溢利	Profit before taxation	3	437,517	415,077
稅項	Taxation	6	(67,811)	(44,952)
除稅後溢利	Profit after taxation		369,706	370,125
少數股東權益所佔之溢利	Profit attributable to minority interests		(428)	(158)
本銀行股東應得之溢利	Profit attributable to the shareholders	17	369,278	369,967
期內分配股息：	Dividends attributable to the period:			
擬派中期股息	Interim dividend declared	7	108,617	108,580
低估去年之末期股息	Underprovision of final dividend in respect of previous year		148	25
			108,765	108,605
			港元 HK\$	港元 HK\$
每股盈利	Earnings per share			
基本及攤薄	Basic and diluted	8	1.26	1.26
每股擬派中期股息	Interim dividend declared per share	7	0.37	0.37

第十二頁至第三十一頁
之附註構成本賬項之一
部份。

The notes on pages 12 to 31 form part of these accounts

未經審核之綜合資產負債表 Unaudited Consolidated Balance Sheet

二零零三年六月三十日結算 As at 30th June, 2003

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
				(重報) (restated)
資產	ASSETS			
現金及短期資金	Cash and short-term funds	9	10,973,350	12,363,052
定期存放銀行同業及其 他金融機構款項(一 至十二個月內到期)	Placements with banks and other financial institutions maturing between one and twelve months	15	1,725,520	852,511
貿易票據已減除準備	Trade bills less provisions		470,213	317,297
存款證	Certificates of deposit held	10 & 15	399,984	406,370
持作買賣用途證券	Trading securities	12	401,788	259,423
客戶之貸款及其他賬項 已減除準備	Advances to customers and other accounts less provisions	11(a)	34,412,866	34,481,422
持有至到期日證券及非 持作買賣用途證券	Held-to-maturity and non-trading securities	13	10,703,603	7,072,587
聯營公司投資	Investments in associated companies		53,714	56,924
有形固定資產	Tangible fixed assets		1,291,536	1,308,751
商譽	Goodwill		1,163	1,454
總資產	Total assets		<u>60,433,737</u>	<u>57,119,791</u>
負債	LIABILITIES			
銀行同業及其他金融機 構之存款	Deposits and balances of banks and other financial institutions	15	327,351	422,060
客戶之存款	Deposits from customers	14 & 15	47,550,791	45,302,367
已發行之存款證	Certificates of deposit issued	15	4,765,827	4,377,832
其他賬項及準備	Other accounts and provisions		1,455,044	658,808
總負債	Total liabilities		<u>54,099,013</u>	<u>50,761,067</u>
資本來源	CAPITAL RESOURCES			
股本	Share capital	16	293,561	293,459
儲備	Reserves	17	6,023,216	6,044,280
股東資金	Shareholders' funds		6,316,777	6,337,739
少數股東權益	Minority interests		17,947	20,985
總負債及資本來源	Total liabilities and capital resources		<u>60,433,737</u>	<u>57,119,791</u>

第十二頁至第三十一頁
之附註構成本賬項之一
部份。

The notes on pages 12 to 31 form part of these accounts

未經審核之綜合股東權益 變更表

Unaudited Consolidated Statement of Changes in Equity

截至二零零三年六月三十日止六個月 For the six months ended 30th June, 2003

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
				(重報) (restated)
一月一日之股東資金結餘	Shareholders' funds as at 1st January		6,356,301	6,032,011
有關遞延稅項會計政策變更	Change in accounting policy on deferred taxation	2	<u>(18,562)</u>	<u>(7,642)</u>
重報	As restated		6,337,739	6,024,369
因出售非持作買賣用途證券而實現之收益	Realisation on disposal of non-trading securities	17	-	176
已扣除遞延稅項之重估非持作買賣用途證券之未實現溢利	Unrealised gain on revaluation of non-trading securities after deferred tax charge	17	38,416	712
銀行行址重估儲備之遞延稅項	Deferred tax charged to bank premises revaluation reserve	17	(4,493)	-
換算調整	Exchange adjustments	17	<u>(13)</u>	<u>39</u>
損益賬內沒確認之淨收益	Net gains not recognised in the profit and loss account		33,910	927
本銀行股東應得之溢利	Profit attributable to the shareholders	17	369,278	369,967
已派股息	Dividends paid	17	(425,663)	(249,439)
根據認股權計劃發行之股份款項	Proceeds on shares issued under share option scheme		<u>1,513</u>	<u>708</u>
六月三十日之股東資金結餘	Shareholders' funds as at 30th June		<u>6,316,777</u>	<u>6,146,532</u>

第十二頁至第三十一頁
之附註構成本賬項之一
部份。

The notes on pages 12 to 31 form part of these accounts

未經審核之綜合現金流量表 Unaudited Consolidated Cash Flow Statement

截至二零零三年六月三十日止六個月 For the six months ended 30th June, 2003

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Note	二零零三年 六月三十日 30th June, 2003	二零零二年 六月三十日 30th June, 2002
因營業活動而流入之現金淨額	Net cash inflow from operating activities	19	4,054,604	1,492,561
投資活動	Investing activities			
購入持有至到期日證券及非 持作買賣用途證券	Purchase of held-to-maturity and non-trading securities		(7,156,980)	(2,726,586)
出售及贖回持有至到期日證 券及非持作買賣用途證券 所得款項	Sale and redemption of held-to-maturity and non-trading securities		3,591,884	2,896,168
購入有形固定資產	Purchase of tangible fixed assets		(21,094)	(72,070)
出售有形固定資產所得款項	Sale of tangible fixed assets		10,591	2,085
因投資活動而(流出)／流入之 現金淨額	Net cash (outflow)/inflow from investing activities		(3,575,599)	99,597
融資	Financing			
行使認股權所發之新股	Issue of new shares under share option scheme		1,513	708
支付普通股股息	Ordinary dividends paid		(425,663)	(249,439)
支付附屬公司少數股東之股 息	Ordinary dividends paid to a minority shareholder of a subsidiary company		(3,466)	-
因融資活動而流出之現金淨額	Net cash outflow from financing activities		(427,616)	(248,731)
現金及等同現金項目增額	Increase in cash and cash equivalents		51,389	1,343,427
現金及等同現金項目於一月一 日結餘	Cash and cash equivalents at 1st January		12,048,125	10,313,929
現金及等同現金項目於六月三 十日結餘	Cash and cash equivalents at 30th June		12,099,514	11,657,356
現金及等同現金項目之分析	Analysis of the balances of cash and cash equivalents			
現金及存放銀行同業及其他 金融機構	Cash and balances with banks and other financial institutions		525,033	345,761
短期存放同業	Money at call and short notice		9,469,266	9,137,012
政府債券	Treasury bills		713,604	399,173
定期存放銀行同業及其他金 融機構款項(一至三個月 內到期)	Placements with banks and other financial institutions maturing between one and three months		1,391,611	1,775,410
			12,099,514	11,657,356

第十二頁至第三十一頁
之附註構成本賬項之一
部份。

The notes on pages 12 to 31 form part of these accounts

未經審核之中期財務報告附註 Notes to Unaudited Interim Financial Report

(以港幣千元位列示·內文另註除外) (Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

1. 編製基礎

本中期財務報告乃按照香港聯合交易所有限公司主板上市規則編製，並完全符合香港金融管理局發出之監管政策手冊內有關「本地註冊認可機構披露中期財務資料」之要求及香港會計師公會頒佈之會計實務準則第二十五號「中期財務報告」之標準。

本中期財務報告未經審核，惟已由畢馬威會計師事務所根據香港會計師公會頒佈之核數準則第700號「中期財務報告的審閱」審閱。畢馬威會計師事務所致董事會之獨立審閱報告載於第四十八頁。

本財務報告中關於截至二零零二年十二月三十一日止財政年度之財務資料並非本行於該財政年度之法定賬目之一部份，惟乃摘錄自該等賬目。截至二零零二年十二月三十一日止年度之法定賬目可於本行之註冊辦事處查閱。核數師於二零零三年三月十三日發表之報告中就該等賬目作出無保留意見。

除附註二所述外，本中期財務報告之編製與二零零二年度之財務賬目所採用之會計政策一致。

2. 採納經修訂之會計實務準則

二零零三年一月一日起，本集團採用了香港會計師公會所發出之會計實務準則第十二號(修訂)「入息稅項」。往年遞延稅項是因會計及稅務收支處理所產生的所有重大時差，預計在可預見的將來可能引致的稅項責任，按負債法提撥準備。遞延稅項資產不會被確認，除非有充足理由確定其是可以實現的。

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the requirements of the Main Board Listing Rules of The Stock Exchange of Hong Kong Limited, and complies fully with the module on "Interim Financial Disclosure by Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority ("HKMA") and Statement of Standard Accounting Practice ("SSAP") 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants ("HKSA").

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports", issued by the HKSA. KPMG's independent review report to the board of directors is included on page 48.

The financial information relating to the financial year ended 31st December, 2002 included in the interim financial report does not constitute the Bank's statutory accounts for that financial year but is based on those accounts. Statutory accounts for the year ended 31st December, 2002 are available from the Bank's registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 13th March, 2003.

This interim financial report is prepared on a basis consistent with the accounting policies adopted in the 2002 annual accounts except as disclosed under note 2.

2. ADOPTION OF REVISED SSAP

With effect from 1st January, 2003, the Group adopted the Statement of Standards Accounting Practice 12 (revised) "Income Taxes". In prior years, the accounting standard required that deferred tax liabilities were provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which were expected with reasonably probability to crystallise in the foreseeable future. Deferred tax assets were not recognised unless their realisation was assured beyond reasonable doubt.

2. 採納經修訂之會計實務準則 (續)

在新會計政策下，期內利得稅包括現時及遞延稅項。遞延稅項下的資產及負債，來自作為財務報告及稅務基礎用途的資產及負債賬面值之間的可扣除及可課稅臨時差額。遞延稅項資產亦來自未使用之稅收抵免。除非對資產或負債之期初確認不會對會計或應課稅利潤構成影響，否則所有遞延稅項負債及所有遞延稅項資產，在可用資產於未來極有可能產生應課稅利潤之範圍內被確認。

有關轉變已溯及既往而應用，導致須作前期調整，於二零零二年一月一日及二零零三年一月一日之股東資金期初結餘分別減少港幣7,642,000元及港幣18,562,000元。截至二零零二年六月三十日止六個月損益計算表內之遞延稅項之比較數字亦已予重列並增加港幣1,587,000元。

3. 分項報告

(a) 業務分項

零售銀行業務包括接受存款、住宅樓宇按揭、租賃貸款及私人貸款業務。

企業銀行業務包括工商業貸款、貿易融資及機構銀行業務。

財資業務包括外匯買賣、證券投資及交易買賣。

其他業務包括保險業務、股票買賣服務及退休福利計劃服務。

未分類的業務項目主要包括股東資金、行址投資、物業投資及其他未能合理分配予特定業務分類的業務活動。

2. ADOPTION OF REVISED SSAP (Continued)

Under the new accounting policy, profits tax for the period comprises current and deferred tax. Deferred tax assets and liabilities arise from deductible and taxable temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the tax bases. Deferred tax assets also arise from unused tax credits. All deferred tax liabilities and all deferred tax assets are recognised, to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, except on the initial recognition of assets or liabilities that affect neither accounting nor taxable profit.

The changes have been applied retrospectively, resulting in prior period adjustments with the opening balance of shareholders' funds as at 1st January, 2002 and 1st January, 2003 decreasing by HK\$7,642,000 and HK\$18,562,000 respectively. The comparative figure in respect of deferred taxation charged to profit and loss account for the six month ended 30th June, 2002 has been restated by an additional charge of HK\$1,587,000.

3. SEGMENT REPORTING

(a) Business segments

Retail banking activities include acceptance of deposits, residential mortgages, hire purchase and consumer loans.

Corporate banking activities include advance of commercial and industrial loans, trade financing and institutional banking.

Treasury activities include foreign exchange services, management of investment securities and trading activities.

Other business activities include insurance business, stockbroking activities and services for retirement schemes.

Unallocated items mainly comprise the shareholders' funds, investments in premises and property investment and other activities which cannot be reasonably allocated to specific business segments.

3. 分項報告 (續)

(a) 業務分項 (續)

		營業收入 Operating income		除稅前溢利 Profit before taxation	
		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
零售銀行業務	Retail banking	577,265	585,316	246,091	192,508
企業銀行業務	Corporate banking	178,575	197,870	36,489	105,385
財資業務	Treasury	110,816	65,171	115,503	78,368
其他業務	Other	24,198	21,683	6,530	3,338
未分類業務	Unallocated	62,181	62,314	32,904	35,478
跨業務收支抵銷	Inter-segment elimination	(20,060)	(18,938)	-	-
		<u>932,975</u>	<u>913,416</u>	<u>437,517</u>	<u>415,077</u>

(b) 區域分項

區域分項資料乃按附屬公司主要營業所在地劃分，或按負責匯報業績或將資產入賬之本銀行分行所在地而劃分。

3. SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

(b) Geographical segments

The information concerning geographical segments has been classified by the location of the principal operations of the subsidiaries, or in the case of the Bank itself, of the location of the branch responsible for reporting the results or booking the assets.

		營業收入 Operating income		除稅前溢利 Profit before taxation	
		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
香港	Hong Kong	1,035,249	850,279	578,420	378,096
澳門	Macau	118,900	116,454	74,431	71,814
其他	Others	31,122	36,559	4,086	25,343
跨區域收支抵銷	Inter-segment elimination	(252,296)	(89,876)	(219,420)	(60,176)
		<u>932,975</u>	<u>913,416</u>	<u>437,517</u>	<u>415,077</u>

4. (a) 其他營業收入

4. (a) Other operating income

	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
服務費及佣金		
貸款佣金及服務費	29,270	31,932
有關信用卡服務費	26,064	30,566
有關貿易服務費	25,171	26,878
股票買賣服務費	14,894	13,354
其他服務費及佣金收入	59,061	56,444
減：服務費及佣金支出	(11,454)	(10,329)
外匯買賣收益	34,948	29,214
持作買賣用途證券及衍生工具之 溢利／(虧損)	4,512	(5,803)
其他買賣收益	781	285
上市及非上市投資股息收入	2,140	2,529
其他	6,961	6,161
	<u>192,348</u>	<u>181,231</u>

(b) 營業支出

營業支出包括折舊之數額為港幣26,516,000元（二零零二年：港幣24,934,000元）。

(b) Operating expenses

Operating expenses included depreciation amounting to HK\$26,516,000 (2002: HK\$24,934,000).

5. 出售持有至到期日證券及非持作買賣用途證券之溢利

5. PROFITS ON DISPOSAL OF HELD-TO-MATURITY AND NON-TRADING SECURITIES

		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
出售持有至到期日證券之溢利	Profit on disposal of held-to-maturity securities	1,324	9
轉換持有至到期日證券之溢利	Profit on transfer of held-to-maturity securities	20,913	-
出售非持作買賣用途證券之溢利	Profit on disposal of non-trading securities	8,314	19,388
		<u>30,551</u>	<u>19,397</u>

6. 稅項

綜合損益表內之稅項為：

6. TAXATION

Taxation in the consolidated profit and loss account represents:

		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
香港利得稅準備	Provision for Hong Kong profits tax	55,117	30,681
海外稅項	Overseas taxation	13,966	12,684
遞延稅項	Deferred taxation	(1,272)	1,587
		<u>67,811</u>	<u>44,952</u>

(重報)
(restated)

香港利得稅乃按期內應課稅溢利照現行稅率百分之十七點五(二零零二年:百分之十六)計算。海外稅項按本集團之有關單位經營所在國家現行稅率計算。

The provision for Hong Kong profits tax is based on an estimate of the assessable profits for the period at 17.5% (2002: 16.0%). Overseas taxation is provided at the appropriate current rates of taxation ruling in the countries in which the relevant units of the Group operate.

7. 擬派中期股息

以下為董事會於二零零三年六月三十日之後宣佈派發之股息，並未於中期財務報告中列賬。

7. INTERIM DIVIDEND DECLARED

The following dividend was declared by the board of directors after 30th June, 2003 and has not been provided for in the interim financial report.

	截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
按293,560,500(二零零二年: 293,458,500) 股計算，擬派股息每股港幣三角七仙 (二零零二年: 港幣三角七仙)	Interim dividend declared of HK\$0.37 (2002: HK\$0.37) per share on 293,560,500 (2002: 293,458,500) shares	108,617 108,580

8. 每股盈利及攤薄每股盈利

每股盈利乃根據截至二零零三年六月三十日止六個月股東應得之溢利港幣369,278,000元(二零零二年(重報): 港幣369,967,000元)及於該期間已發行股份之加權平均數293,505,016(二零零二年: 293,445,406)股普通股計算。攤薄每股盈利乃根據截至二零零三年六月三十日止六個月股東應得之溢利港幣369,278,000元(二零零二年(重報): 港幣369,967,000元)及於該期間已發行股份之加權平均數293,565,601(二零零二年: 293,534,685)股普通股計算，並就所有潛在攤薄盈利的股份予以調整。

8. EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

The calculation of earnings per share is based on profit attributable to the shareholders for the six months ended 30th June, 2003 of HK\$369,278,000 (2002 (restated): HK\$369,967,000) and on the weighted average number of 293,505,016 (2002: 293,445,406) ordinary shares in issue during the period. The calculation of diluted earnings per share is based on profit attributable to the shareholders for the six months ended 30th June, 2003 of HK\$369,278,000 (2002 (restated): HK\$369,967,000) and on the weighted average number of 293,565,601 (2002: 293,534,685) ordinary shares in issue during the period after adjustment of all dilutive potential shares.

9. 現金及短期資金

9. CASH AND SHORT-TERM FUNDS

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
現金及存放銀行同業及其他金融機構	Cash and balances with banks and other financial institutions	541,760 581,832
短期存放同業	Money at call and short notice	9,469,266 11,205,586
政府債券(附註15)	Treasury bills (Note 15)	962,324 575,634
	<u>10,973,350</u>	<u>12,363,052</u>

9. 現金及短期資金 (續)

政府債券分析如下：

9. CASH AND SHORT-TERM FUNDS (Continued)

Treasury bills are analysed as follows:

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
持作買賣用途 (市場價值)	Held for trading purposes (at market value)	99,164	-
持有至到期日	Held to maturity	713,604	575,634
非持作買賣用途 (市場價值)	Non-trading (at market value)	149,556	-
		<u>962,324</u>	<u>575,634</u>

所有政府債券為由中央政府及各中央銀行發出，並為非上市之債券。

All treasury bills are issued by central government and central banks and are unlisted.

10. 存款證

持有之存款證全部為持有至到期日及非上市之存款證。

10. CERTIFICATES OF DEPOSIT HELD

All the certificates of deposit held are held-to-maturity and are unlisted.

11. 客戶之貸款及其他賬項已減除準備

(a) 客戶之貸款及其他賬項

11. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS LESS PROVISIONS

(a) Advances to customers and other accounts

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
			(重報) (restated)
客戶貸款 (附註15)	Advances to customers (Note 15)	34,141,555	34,417,300
銀行同業及其他金融機構之貸款 (附註15)	Advances to banks and other financial institutions (Note 15)	158,878	174,828
特殊準備	Specific provisions for bad and doubtful debts	(278,879)	(277,032)
一般準備	General provisions for bad and doubtful debts	(340,959)	(348,572)
應計利息及其他賬項	Accrued interest and other accounts	732,271	514,898
		<u>34,412,866</u>	<u>34,481,422</u>

11. 客戶之貸款及其他賬項已減除準備
(續)

(b) 不履行貸款

已扣除撥入暫記賬之利息或已停止累計利息之貸款，連同暫記利息及減除抵押品價值而作出之特殊準備數額如下：

客戶不履行貸款

佔客戶貸款總額之百分比

所持抵押品金額

特殊準備

暫記利息

於二零零二年十二月三十一日及二零零三年六月三十日，本集團貸予銀行同業及其他金融機構之款項中，並無利息撥入暫記賬或已停止累計利息之貸款。

11. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS LESS PROVISIONS (Continued)

(b) Non-performing loans

The advances net of suspended interest, on which interest is being placed in suspense or on which interest accrual has ceased, the amount of suspended interest and specific provisions made after taking into account the value of collateral in respect of such advances are as follows:

Gross non-performing advances to customers

Gross non-performing advances as a percentage of total advances to customers

Amount of collateral held

Specific provisions

Suspended interest

There were no advances to banks and other financial institutions on which interest is being placed in suspense or on which interest accrual has ceased on 30th June, 2003 and 31st December, 2002.

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
--	-----------------------------------	---

1,144,583

922,785

3.35%

2.68%

785,113

600,359

277,703

275,977

492,999

476,054

12. 持作買賣用途證券

12. TRADING SECURITIES

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
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債務證券(附註15)

海外上市

非上市

Debt securities (Note 15)

Listed outside Hong Kong

Unlisted

50,000

124,609

343,472

127,988

393,472

252,597

本港上市股票

Equity securities listed in

Hong Kong

8,316

6,826

401,788

259,423

持作買賣用途證券交易對手如下：

Trading securities analysed by counterparty are as follows:

發行機構：

中央政府及中央銀行

銀行同業及其他金融機構

企業

公營機構

Issued by:

Central government and central banks

Banks and other financial institutions

Corporate entities

Public sector

188,356

-

2,305

204,791

56,011

54,632

155,116

-

401,788

259,423

13. 持有至到期日證券及非持作買賣用途證券

13. HELD-TO-MATURITY AND NON-TRADING SECURITIES

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
持有至到期日之證券(附註15):	Held-to-maturity securities (Note 15):		
持有至到期日之債務證券	Held-to-maturity debt securities		
上市	Listed		
- 本港上市	- in Hong Kong	91,360	2,155
- 海外上市	- outside Hong Kong	856,478	1,026,774
		<u>947,838</u>	<u>1,028,929</u>
非上市	Unlisted	7,539,833	6,023,781
		<u>8,487,671</u>	<u>7,052,710</u>
減: 非上市債務證券之特殊準備	Less: specific provision on unlisted debt securities	(22,500)	(11,600)
		<u>8,465,171</u>	<u>7,041,110</u>
非持作買賣用途之證券(附註15):	Non-trading securities (Note 15):		
非持作買賣用途之債務證券	Non-trading debt securities		
上市(市場價值)	Listed (at market value)		
- 本港上市	- in Hong Kong	212,854	-
- 海外上市	- outside Hong Kong	916,843	-
非上市	Unlisted	1,074,547	-
		<u>2,204,244</u>	<u>-</u>
非持作買賣用途之股票	Non-trading equity securities		
本港上市	Listed in Hong Kong		
(市場價值)	(at market value)	3,742	1,031
非上市	Unlisted	30,446	30,446
		<u>34,188</u>	<u>31,477</u>
		<u>2,238,432</u>	<u>31,477</u>
		<u>10,703,603</u>	<u>7,072,587</u>
持有至到期日債務證券之市場價值	Market value of listed held-to-maturity debt securities	994,134	1,057,261

13. 持有至到期日證券及非持作買賣用途證券 (續)

二零零三年上半年度，轉移至非持作買賣用途的持有至到期日證券其經攤銷後成本為港幣275,989,000元(二零零二年：無)。根據會計實務準則第二十四號「投資證券的會計處理」，於轉移日錄得溢利港幣20,913,000元(二零零二年：無)並誌於損益計算表中。

持有至到期日及非持作買賣用途之證券交易對手分析如下：

13. HELD-TO-MATURITY AND NON-TRADING SECURITIES (Continued)

During the first half of 2003, held-to-maturity securities with an amortised cost of HK\$275,989,000 (2002: Nil) were transferred to non-trading securities at a profit HK\$20,913,000 (2002: Nil) being recognised in the profit and loss account at the date of transfer in accordance with SSAP 24 "Accounting for Investment in Securities".

Held-to-maturity and non-trading securities analysed by counterparty are as follows:

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
發行機構：		
中央政府及中央銀行		
銀行同業及其他金融機構		
企業		
公營機構		
Issued by:		
Central governments and central banks	510,040	-
Banks and other financial institutions	5,683,610	3,964,316
Corporate entities	3,163,398	2,600,800
Public sector	1,346,555	507,471
	<u>10,703,603</u>	<u>7,072,587</u>

持有至到期日之政府債券及存款證已分別披露於資產負債表、賬項附註九及附註十內。

Held-to-maturity treasury bills and certificates of deposit are disclosed separately in the balance sheet, note 9 and note 10 to the accounts.

14. 客戶存款

14. DEPOSITS FROM CUSTOMERS

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
活期存款及往來賬戶		
儲蓄存款		
定期存款及通知存款		
Demand deposits and current accounts	3,371,680	2,849,844
Saving deposits	8,699,607	7,058,601
Time, Call and notice deposits	35,479,504	35,393,922
	<u>47,550,791</u>	<u>45,302,367</u>

15. 期限分析

15. MATURITY PROFILE

二零零三年六月三十日

30th June, 2003

		即時還款	三個月 或以下	三個月以上 至一年	一年以上 至五年	五年以上	無註明	總額
		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	After 5 years	Undated	Total
資產								
Assets								
- 政府債券 (附註9)	- Treasury bills (Note 9)	-	713,604	248,720	-	-	-	962,324
- 定期存放銀行同業及其他金融機構款項 (一至十二個月內到期)	- Placements with banks and other financial institutions maturing between 1 and 12 months	-	1,631,676	93,844	-	-	-	1,725,520
- 存款證	- Certificates of deposit held	-	-	399,984	-	-	-	399,984
- 持作買賣用途之債務證券 (附註12)	- Trading debts securities (Note 12)	-	-	-	238,356	155,116	-	393,472
- 客戶貸款 (附註11a)	- Advances to customers (Note 11a)	1,604,907	3,971,829	3,845,202	10,646,085	13,669,810	403,722	34,141,555
- 銀行同業及其他金融機構之貸款 (附註11a)	- Advances to banks and other financial institutions (Note 11a)	-	-	31,776	127,102	-	-	158,878
- 持有至到期日之債務證券 (附註13)	- Held-to-maturity debt securities (Note 13)	32,167	481,394	343,211	4,540,797	3,090,102	-	8,487,671
- 非持作買賣用途之債務證券 (附註13)	- Non-trading debt securities (Note 13)	-	-	21,403	811,066	1,371,775	-	2,204,244
		1,637,074	6,798,503	4,984,140	16,363,406	18,286,803	403,722	48,473,648
負債								
Liabilities								
- 銀行同業及其他金融機構之存款	- Deposits and balances of banks and other financial institutions	96,312	221,616	9,423	-	-	-	327,351
- 客戶之存款	- Deposits from customers	12,079,699	33,692,206	1,081,007	697,879	-	-	47,550,791
- 已發行之存款證	- Certificates of deposit issued	-	819,225	1,453,283	2,493,319	-	-	4,765,827
		12,176,011	34,733,047	2,543,713	3,191,198	-	-	52,643,969

15. 期限分析 (續)

15. MATURITY PROFILE (Continued)

二零零二年十二月三十一日

31st December, 2002

		即時還款 Repayable on demand	三個月 或以下 3 months or less	三個月以上 至一年 1 year or less but over 3 months	一年以上 至五年 5 years or less but over 1 year	五年以上 After 5 years	無註明 Undated	總額 Total
資產	Assets							
- 政府債券 (附註9)	- Treasury bills (Note 9)	-	546,689	28,945	-	-	-	575,634
- 定期存放銀行同業及其他金融機構款項 (一至十二個月內到期)	- Placements with banks and other financial institutions maturing between 1 and 12 months	-	763,566	88,945	-	-	-	852,511
- 存款證	- Certificates of deposit held	-	-	299,960	106,410	-	-	406,370
- 持作買賣用途之債務證券 (附註12)	- Trading debts securities (Note 12)	-	-	-	252,597	-	-	252,597
- 客戶貸款 (附註11a)	- Advances to customers (Note 11a)	2,103,314	3,495,785	4,053,970	11,032,526	13,566,067	165,638	34,417,300
- 銀行同業及其他金融機構之貸款 (附註11a)	- Advances to banks and other financial institutions (Note 11a)	51	-	31,778	142,999	-	-	174,828
- 持有至到期日之債務證券 (附註13)	- Held-to-maturity debt securities (Note 13)	-	215,442	780,107	5,017,897	1,039,264	-	7,052,710
- 非持作買賣用途之債務證券 (附註13)	- Non-trading debt securities (Note 13)	-	-	-	-	-	-	-
		<u>2,103,365</u>	<u>5,021,482</u>	<u>5,283,705</u>	<u>16,552,429</u>	<u>14,605,331</u>	<u>165,638</u>	<u>43,731,950</u>
負債	Liabilities							
- 銀行同業及其他金融機構之存款	- Deposits and balances of banks and other financial institutions	120,906	236,810	7,799	56,545	-	-	422,060
- 客戶之存款	- Deposits from customers	9,916,400	33,371,414	1,483,931	530,622	-	-	45,302,367
- 已發行之存款證	- Certificates of deposit issued	-	1,130,543	873,828	2,373,461	-	-	4,377,832
		<u>10,037,306</u>	<u>34,738,767</u>	<u>2,365,558</u>	<u>2,960,628</u>	<u>-</u>	<u>-</u>	<u>50,102,259</u>

16. 股本

16. SHARE CAPITAL

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
註冊股本：	Authorised:		
450,000,000 (二零零二年：450,000,000) 股 普通股每股港幣1元	450,000,000 (2002: 450,000,000) ordinary shares of HK\$1 each	<u>450,000</u>	<u>450,000</u>
實收股本：	Issued and fully paid:		
一月一日結餘	At 1st January	293,459	293,429
根據認股權計劃發行之股份	Shares issued under share option scheme	<u>102</u>	<u>30</u>
293,560,500 (二零零二年：293,458,500) 股 普通股每股港幣1元	293,560,500 (2002: 293,458,500) ordinary shares of HK\$1 each	<u>293,561</u>	<u>293,459</u>

於二零零三年四月九日，根據認股權計劃發行之股份為102,000股，其價值為港幣1,513,000元。其中港幣102,000元已於股本記賬，餘數港幣1,411,000元則撥入股本溢價賬內。於二零零三年六月三十日未行使之認股權摘要如下：

On 9th April, 2003, options were exercised to subscribe for 102,000 ordinary shares in the Bank at a consideration of HK\$1,513,000 of which HK\$102,000 was credited to share capital and the balance of HK\$1,411,000 was credited to the share premium account. At 30th June, 2003, the outstanding options were:

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002	
授與認股權日期	Date of options granted	認股價 Option price	股份數目 Number of shares	股份數目 Number of shares
一九九四年三月十日	10th March, 1994	HK\$14.83	-	102,000
二零零一年三月十日	10th March, 2001	HK\$23.60	380,000	380,000
二零零二年三月十五日	15th March, 2002	HK\$26.30	290,000	290,000
二零零三年一月十四日	14th January, 2003	HK\$25.80	160,000	-
二零零三年三月十四日	14th March, 2003	HK\$26.50	<u>130,000</u>	<u>-</u>
			<u>960,000</u>	<u>772,000</u>

此等認股權可於授予日第一週年起至第十週年內行使。

The options granted under the Scheme will be exercisable between the first and the tenth anniversaries of the date of grant.

17. 儲備

17. RESERVES

二零零三年六月三十日

30th June, 2003

		股本 溢價賬 Share premium	資本儲備 Capital reserve	一般儲備 General reserve	銀行行址 重估儲備 Bank premises revaluation reserve	投資 重估儲備 Investment revaluation reserve	股本贖回 儲備 Capital redemption reserve	盈餘滾存 Unappro- priated profits	合計 Total
二零零三年一月一日結餘	At 1st January, 2003								
– 往年報告	– as previously reported	330,677	215,909	2,100,201	321,000	(35)	769	3,094,321	6,062,842
– 往年遞延稅項之調整	– prior year adjustment in respect of deferred taxation	-	-	-	(47,927)	-	-	29,365	(18,562)
– 重報	– as restated	330,677	215,909	2,100,201	273,073	(35)	769	3,123,686	6,044,280
換算調整	Exchange adjustments	-	-	(13)	-	-	-	-	(13)
根據認股權計劃發行之新股	Shares issued under share option scheme	1,411	-	-	-	-	-	-	1,411
儲備賬撥入/(撥出)	Transfer to/(from) reserves	-	-	(8,000)	-	-	-	8,000	-
已扣除遞延稅項之重估溢利	Gain on revaluation after deferred tax charge	-	-	-	-	38,416	-	-	38,416
(支)/進銀行行址重估儲備 之遞延稅項	Deferred tax (charged)/ credited to bank premises revaluation reserve	-	-	-	(4,493)	-	-	-	(4,493)
已派股息	Dividends paid	-	-	-	-	-	-	(425,663)	(425,663)
期內溢利	Profit for the period	-	-	-	-	-	-	369,278	369,278
二零零三年六月三十日結餘	At 30th June, 2003	332,088	215,909	2,092,188	268,580	38,381	769	3,075,301	6,023,216

17. 儲備 (續)

17. RESERVES (Continued)

二零零二年十二月三十一日

31st December, 2002

		(重報) (restated)							
		銀行行址							
		股本溢價賬	資本儲備	一般儲備	重估儲備	投資重估儲備	股本贖回儲備	盈餘滾存	合計
		Share premium	Capital reserve	General reserve	Bank premises revaluation reserve	Investment revaluation reserve	Capital redemption reserve	Unappropriated profits	Total
二零零二年一月一日結餘	At 1st January, 2002								
— 往年報告	— as previously reported	329,999	215,909	2,100,178	321,000	(866)	769	2,771,593	5,738,582
— 往年遞延稅項之調整	— prior year adjustment in respect of deferred taxation	-	-	-	(48,283)	-	-	40,641	(7,642)
— 重報	— as restated	329,999	215,909	2,100,178	272,717	(866)	769	2,812,234	5,730,940
換算調整	Exchange adjustments	-	-	23	-	-	-	-	23
根據認股權計劃發行之新股	Shares issued under share option scheme	678	-	-	-	-	-	-	678
因出售非持作買賣用途證券而實現之虧損	Realised loss on disposal of non-trading securities	-	-	-	-	176	-	-	176
重估之溢利	Gain on revaluation	-	-	-	-	655	-	-	655
(支) / 進銀行行址重估儲備之遞延稅項	Deferred tax (charged) / credited to bank premises revaluation reserve	-	-	-	356	-	-	-	356
已派股息	Dividends paid	-	-	-	-	-	-	(358,019)	(358,019)
年內溢利	Profit for the year								
— 往年報告	— as previously reported	-	-	-	-	-	-	680,747	680,747
— 往年遞延稅項之調整	— prior year adjustment in respect of deferred taxation	-	-	-	-	-	-	(11,276)	(11,276)
— 重報	— as restated	-	-	-	-	-	-	669,471	669,471
二零零二年十二月三十一日結餘	At 31st December, 2002	330,677	215,909	2,100,201	273,073	(35)	769	3,123,686	6,044,280

18. 資產負債表以外之風險程度

(a) 或然債務及承擔

以下為每項或然債務及承擔重大類別之約定金額概要：

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
直接信貸替代	892,860	847,709
交易有關之或然債務		
contingencies	80,852	42,760
貿易有關之或然債務	1,170,848	981,949
其他承擔	6,057,533	6,593,239
其他	556,510	30,779
	<u>8,758,603</u>	<u>8,496,436</u>

(b) 衍生工具

衍生工具指財務合約，其價值視乎所涉及的資產或指數而定。

以下為每項衍生工具重大類別之名義金額：

18. OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
Direct credit substitutes	892,860	847,709
Transaction-related		
contingencies	80,852	42,760
Trade-related contingencies	1,170,848	981,949
Other commitments	6,057,533	6,593,239
Others	556,510	30,779
	<u>8,758,603</u>	<u>8,496,436</u>

(b) Derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following table is a summary of the notional amounts of each significant type of derivatives:

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
匯率合約		
遠期合約－買賣用途	4,167,973	7,290,915
遠期合約－對沖用途	2,909,380	2,991,030
購入期權－買賣用途		
－ trading	1,540,662	196,641
沽出期權－買賣用途	1,540,662	196,641
匯率合約總額	<u>10,158,677</u>	<u>10,675,227</u>
利率合約		
掉期合約－買賣用途	1,169,847	1,052,910
掉期合約－對沖用途	10,565,785	10,275,673
利率合約總額	<u>11,735,632</u>	<u>11,328,583</u>
	<u>21,894,309</u>	<u>22,003,810</u>

18. 資產負債表以外之風險程度 (續)

(b) 衍生工具 (續)

買賣交易包括為執行客戶買賣指令或對沖此等持倉交易而持有的金融工具盤。

上列資產負債表以外之風險程度之重置成本及信貸風險加權金額如下。這些金額並未計及雙邊淨額安排的影響。

18. OFF-BALANCE SHEET EXPOSURES (Continued)

(b) Derivatives (Continued)

The trading transactions include positions arising from the execution of trade orders from customers or transactions taken to hedge these positions.

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures are as follows. These amounts do not take into account of the effects of bilateral netting arrangements.

		二零零三年 六月三十日 30th June, 2003		二零零二年 十二月三十一日 31st December, 2002	
		重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount	重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount
或然債務及承擔	Contingent liabilities and commitments	N/A	1,230,871	N/A	1,069,415
匯率合約	Exchange rate contracts	18,267	27,320	32,780	45,634
利率合約	Interest rate contracts	109,259	26,298	113,276	26,229
		<u>127,526</u>	<u>1,284,489</u>	<u>146,056</u>	<u>1,141,278</u>

(c) 資本承擔

於二零零三年六月三十日及二零零二年十二月三十一日為購買物業、機械及設備而並未在賬項中作出準備之資本承擔如下：

(c) Capital commitments

Capital commitments for acquisition of property, plant and equipment outstanding at 30th June, 2003 and 31st December, 2002 not provided for in the accounts were as follows:

		二零零三年 六月三十日 30th June, 2003		二零零二年 十二月三十一日 31st December, 2002	
已核准及簽訂合約之開支	Expenditure authorised and contracted for	8,987		19,963	
已核准惟未簽訂合約之開支	Expenditure authorised but not contracted for	-		-	
		<u>8,987</u>		<u>19,963</u>	

19. 營業溢利與來自營業活動之淨現金流入對賬表

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

		二零零三年 六月三十日 30th June, 2003	二零零二年 六月三十日 30th June, 2002
營業溢利	Operating profit	422,278	397,804
折舊	Depreciation	26,516	24,934
商譽攤銷	Amortisation of goodwill	291	290
已付利得稅	Profits tax paid	(5,027)	(28,356)
三個月後到期之政府債券減少	Decrease in treasury bills maturing after three months	79,696	199,176
三個月後到期之定期存放銀行同業及其他金融機構款項減少	Decrease in placements with banks and other financial institutions maturing after three months	384,207	279,009
貿易票據增加	Increase in trade bills	(152,916)	(58,315)
存款證減少	Decrease in certificates of deposit held	6,386	10,183
持有作買賣用途證券增加	Increase in trading securities	(142,365)	(163)
客戶之貸款及其他賬項減少	Decrease in advances to customers and other accounts	73,016	108,225
銀行同業及其他金融機構之存款增加	Increase in deposits and balances of banks and other financial institutions	9,470	503,507
客戶之存款增加／(減少)	Increase/(decrease) in deposits from customers	2,248,424	(821,673)
已發行存款證增加	Increase in certificates of deposit issued	387,995	860,981
其他賬項及準備增加	Increase in other accounts and provision	716,633	16,959
來自營業活動之淨現金流入	Net cash inflow from operating activities	<u>4,054,604</u>	<u>1,492,561</u>

20. 關連人士重要交易

(a) 二零零三年上半年度，本集團與本銀行之主要股東美國紐約銀行集團及其附屬公司之交易，均按一般正常業務及商業條件進行。期內之收支及期末之資產負債表及資產負債表以外之結餘詳列如下：

(i) 收入及支出

		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
利息收入	Interest income	258	356
利息支出	Interest expense	207	296

(ii) 二零零三年六月三十日及二零零二年十二月三十一日資產負債表結餘

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
現金及短期資金	Cash and short-term funds	31,310	22,208
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	56,714	50,856

(iii) 二零零三年六月三十日及二零零二年十二月三十一日資產負債表以外結餘

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
匯率合約	Exchange rate contracts		
合約金額	Contract amount	96,637	102,020
重置成本	Replacement cost	822	602
風險加權金額	Risk weighted amount	358	324

20. MATERIAL RELATED PARTIES TRANSACTIONS

(a) During the first half of 2003, transactions with The Bank of New York Company Inc. ("BNY"), a substantial shareholder of the Bank, or its subsidiaries were entered into by the Group in the ordinary course of business and on normal commercial terms. The income and expense for the period and on-balance sheet and off-balance sheet outstandings at the period end are:

(i) Income and expense

		截至二零零三年 六月三十日止 六個月 Six months ended 30th June, 2003	截至二零零二年 六月三十日止 六個月 Six months ended 30th June, 2002
利息收入	Interest income	258	356
利息支出	Interest expense	207	296

(ii) On-balance sheet outstanding at 30th June, 2003 and 31st December, 2002

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
現金及短期資金	Cash and short-term funds	31,310	22,208
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	56,714	50,856

(iii) Off-balance sheet outstanding at 30th June, 2003 and 31st December, 2002

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
匯率合約	Exchange rate contracts		
合約金額	Contract amount	96,637	102,020
重置成本	Replacement cost	822	602
風險加權金額	Risk weighted amount	358	324

20. 關連人士重要交易 (續)

- (iv) 於一九九九年八月二十七日及二零零二年九月十九日，本銀行與美國紐約銀行集團簽署兩項授權協議，根據此項協議，本銀行將提供一項有關證券化交易之支援服務。

二零零三年上半年，本銀行已總共收取大約為港幣35,000元（二零零二年：港幣105,000元）服務費。本銀行將按年收取費用至此兩項合約終止。

- (b) 於一九九五年六月三十日，本銀行擁有百分六十五股權之附屬公司永亨蘇黎世保險有限公司（「永蘇保險」）與蘇黎世保險有限公司（「蘇黎世保險」）之全資附屬公司瑞泰保險管理（香港）有限公司（「瑞泰保險」）簽署一項管理合約。根據此項管理合約瑞泰保險將負責永蘇保險有關保險業務之管理工作。蘇黎世保險為永蘇保險之主要股東，佔該公司已發行股本百分之三十五。截至二零零三年六月三十日止六個月，永蘇保險付予瑞泰保險港幣1,865,000元（二零零二年：港幣976,000元）管理費用。此項費用乃按所收之保險費而釐定。於二零零三年一月三十日，雙方同意將管理合約延至二零零四年十二月三十一日終止，但雙方可經六個月通知後提前解約。此項重訂費用為固定收費及按所收保險費之百分率而釐定。

21. 結算日後事項

於二零零三年八月一日，永亨銀行宣布簽訂購股協議，向日本瑞穗銀行購入浙江第一銀行全部已發行股本，總作價為48億港元。此作價相等於浙江第一銀行於二零零二年十二月三十一日的經審計賬面值的1.22倍。

22. 比較數字

由於對遞延稅項的會計政策有所變更，故若干比較數字予已改列，詳情載於附註二。

20. MATERIAL RELATED PARTIES TRANSACTIONS (Continued)

- (iv) On 27th August, 1999 and 19th September, 2002, the Bank entered into two Delegation Agreement with BNY pursuant to which the Bank agreed to provide various back-up support services to BNY in connection with a securitisation transaction undertaken by BNY.

In the first half of 2003, the Bank received from BNY a total service fee of HK\$35,000 (2002: HK\$105,000) and will continue to receive further service fees on an annual basis during the term of two Delegation Agreement.

- (b) On 30th June, 1995, Wing Hang Zurich Insurance Company Limited ("WHZ Insurance"), a 65 percent owned subsidiary of the Bank, entered into a Management Agreement with Swiss Insurance Management (Hong Kong) Limited ("Swiss Insurance"), a wholly own subsidiary of Zurich Insurance Limited ("Zurich Insurance") pursuant to which Swiss Insurance has been appointed as manager of WHZ Insurance in connection with the conduct by WHZ Insurance of its insurance business. Zurich Insurance is a substantial shareholder of WHZ Insurance holding 35 percent of WHZ Insurance's issued share capital. For the six months ended 30th June, 2003, WHZ Insurance paid to Swiss Insurance an amount of HK\$1,865,000 (2002: HK\$976,000), being the contractual management fees based on gross premium. On 30th January, 2003, the Management Agreement has been extended for two years and will end on 31st December, 2004 but can be terminated by either party on six months' notice. The revised management fee will be based on a fixed fee plus a certain percentage of gross written premiums received.

21. POST BALANCE SHEET EVENTS

On 1st August, 2003, Wing Hang Bank Limited announced the signing of a Share Purchase Agreement to acquire the entire issued share capital of Chekiang First Bank Limited from Mizuho Corporate Bank, Ltd. for a total consideration of HK\$4.80 billion. The price represents 1.22 times the audited book value of Chekiang First Bank Limited as of 31st December, 2002.

22. COMPARATIVE FIGURES

Certain comparative figures have been adjusted as a result of change in accounting policy for deferred taxation, details of which are set out in note 2.

未經審核補充財務資料 Unaudited Supplementary Financial Information

(以港幣千元位列示·內文另註除外) (Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

(a) 資本充足及流動資金比率 (i) 資本充足比率

(a) CAPITAL ADEQUACY AND LIQUIDITY RATIOS (i) Capital adequacy ratio

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
			(重報) (restated)
核心資本	Core Capital		
繳足股款的普通股股本	Paid up ordinary share capital	293,561	293,459
股本溢價賬	Share Premium	332,088	330,677
儲備	Reserves	4,966,549	4,816,787
其他	Others	304,056	149,911
		<u>5,896,254</u>	<u>5,590,834</u>
可計算的附加資本	Eligible supplementary capital		
土地及土地權益價值重估 的儲備	Reserves on revaluation of land and interests in land	188,019	191,164
重估非持作買賣用途證券 之未實現溢利／(虧損)	Unrealised profit/(loss) on revaluation of non-trading securities	25,368	(1,828)
一般呆賬準備金	General provisions for doubtful debts	344,512	351,065
		<u>557,899</u>	<u>540,401</u>
扣減前的資本基礎總額	Total capital base before deductions	6,454,153	6,131,235
資本基礎總額的扣減項目	Deductions from total capital base	<u>(199,439)</u>	<u>(199,135)</u>
扣減後的資本基礎總額	Total capital base after deductions	<u>6,254,714</u>	<u>5,932,100</u>
未經調整及調整後之資本充 足比率	Unadjusted and adjusted capital adequacy ratio	<u>17.0%</u>	<u>16.5%</u>

(a) 資本充足及流動資金比率 (續)

(i) 資本充足比率 (續)

未經調整之資本充足比率為本銀行及部份附屬公司根據香港銀行條例附表三及香港金融管理局為監管而要求之綜合基準計算。調整後資本充足比率之計算，是根據香港金融管理局發出之監管政策手冊內有關「就市場風險維持充足資本」的要求，計入在結算日的市場風險。所根據的綜合基準與未經調整之資本充足比率相同。

(ii) 平均流動資金比率

截至首六個月平均流動資金比率

期內平均流動資金比率乃根據香港銀行條例附表四計算。此比率為與香港金融管理局協議包括所有海外分行、香港辦事處及附屬公司而計算。

(a) CAPITAL ADEQUACY AND LIQUIDITY RATIOS (Continued)

(i) Capital adequacy ratio (Continued)

The unadjusted capital adequacy ratio is computed on a consolidated basis covering the Bank and certain of its financial subsidiaries as specified by the HKMA for its regulatory supervision purposes, and is in accordance with the Third Schedule to the Hong Kong Banking Ordinance. The adjusted capital adequacy ratio incorporating market risk is computed on the same consolidated basis, and is in accordance with the module on "Maintenance of Adequate Capital Against Market Risks" under Supervisory Policy Manual issued by the HKMA.

(ii) Average liquidity ratio

	二零零三年 六月三十日 30th June, 2003	二零零二年 六月三十日 30th June, 2002
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Average liquidity ratio

for the first six

months ended

49.2%

39.4%

The average liquidity ratio for the period includes the liquidity positions of all overseas branches, Hong Kong offices and financial subsidiaries in its calculation, which is the basis of computation agreed with the HKMA, and has been computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

(b) 客戶貸款－行業分類

客戶貸款之行業類別是按該等貸款之用途分類及未減除任何準備。

(b) ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS

The information concerning advances to customers by industry sectors has been classified according to the usage of the loan and is stated gross of any provisions.

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002	差幅 Change %
在香港使用之貸款			
工業、商業及金融			
– 物業發展	356,018	441,002	-19.3
– 物業投資	6,229,587	6,064,948	2.7
– 財務機構	554,431	606,082	-8.5
– 股票經紀	141,885	245,272	-42.2
– 批發與零售業	713,240	746,442	-4.5
– 製造業	779,217	814,887	-4.4
– 運輸與運輸設備	2,005,771	1,967,964	1.9
– 股票有關之貸款	180,586	206,776	-12.7
– 其他	2,545,136	2,656,110	-4.2
個人			
– 購買「居者有其屋」、「私人機構參建居屋計劃」及「租者置其屋計劃」樓宇之貸款	621,380	658,613	-5.7
– 購買其他住宅物業之貸款	9,675,115	9,544,144	1.4
– 信用咭貸款	257,838	310,711	-17.0
– 其他	2,432,133	2,767,306	-12.1
貿易融資	1,697,482	1,670,226	1.6
在香港以外使用之貸款			
– 澳門	3,612,422	3,533,947	2.2
– 其他	2,339,314	2,182,870	7.2
	<u>34,141,555</u>	<u>34,417,300</u>	-0.8

(c) 客戶貸款、不履行貸款及過期貸款之地理分類

地理分類資料乃按交易對手的所在地，並已顧及轉移風險因素。一般而言，在下述情況下才轉移風險：有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地。

(c) ADVANCES TO CUSTOMERS, NON-PERFORMING LOANS AND OVERDUE ADVANCES – BY GEOGRAPHICAL AREA

The geographical information has been classified by the location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

二零零三年六月三十日
30th June, 2003

		客戶貸款 Total advances to customers	不履行貸款 Non- performing loans	過期三個月 以上之貸款 Advances overdue for over three months
香港	Hong Kong	28,859,270	901,185	725,692
澳門	Macau	3,765,392	232,443	218,953
中華人民共和國	People's Republic of China	504,402	8,935	–
其他	Others	1,012,491	2,020	2,020
		<u>34,141,555</u>	<u>1,144,583</u>	<u>946,665</u>

二零零二年十二月三十一日
31st December, 2002

		客戶貸款 Total advances to customers	不履行貸款 Non- performing loans	過期三個月 以上之貸款 Advances overdue for over three months
香港	Hong Kong	29,295,688	782,028	487,981
澳門	Macau	3,654,356	135,726	227,861
中華人民共和國	People's Republic of China	481,998	3,659	2,020
其他	Others	985,258	1,372	1,372
		<u>34,417,300</u>	<u>922,785</u>	<u>719,234</u>

(d) 過期及重定還款期之資產
(i) 過期及重定還款期之貸款

(d) OVERDUE AND RESCHEDULED ASSETS
(i) Overdue and rescheduled advances

		二零零三年 六月三十日 30th June, 2003		二零零二年 十二月三十一日 31st December, 2002	
		金額 Amount	佔貸款總額 之百分比 % of total advances	金額 Amount	佔貸款總額 之百分比 % of total advances
已過期之客戶貸款	Gross advances to customers which have been overdue for				
三個月以上至六個月	6 months or less but over 3 months	442,993	1.30	192,245	0.56
六個月以上至一年	1 year or less but over 6 months	196,167	0.57	293,415	0.85
一年以上	Over 1 year	307,505	0.90	233,574	0.68
		946,665	2.77	719,234	2.09
所持抵押品金額	Amount of collateral held	714,209		796,416	
有抵押貸款數額	Secured balance	672,243		542,165	
無抵押貸款數額	Unsecured balance	274,422		177,069	
特殊準備	Specific provisions	225,269		167,168	
重定還款期之客戶貸款	Rescheduled advances	106,329	0.31	316,455	0.92

於二零零二年十二月三十一日及二零零三年六月三十日，本集團貸予銀行同業及其他金融機構之款項中並無過期三個月以上及重定還款期之貸款。

There were no advances overdue for over 3 months and rescheduled advances to banks and other financial institutions on 30th June, 2003 and 31st December, 2002.

(d) 逾期及重定還款期之資產 (續)
(ii) 其他逾期資產

(d) OVERDUE AND RESCHEDULED ASSETS (Continued)
(ii) Other overdue assets

		二零零三年 六月三十日 30th June, 2003		二零零二年 十二月三十一日 31st December, 2002	
		債務證券 Debt securities	貿易票據 Trade bills	債務證券 Debt securities	貿易票據 Trade bills
已逾期之其他資產	Other assets which have been overdue for				
三個月以上至六個月	6 months or less but over 3 months	32,168	-	-	2,328
六個月以上至一年	1 year or less but over 6 months	-	1,464	-	668
一年以上	Over 1 year	-	1,569	-	1,569
		<u>32,168</u>	<u>3,033</u>	<u>-</u>	<u>4,565</u>

(e) 逾期及重定還款期貸款與不履行貸款
之對賬表

(e) THE RECONCILIATION BETWEEN OVERDUE AND
RESCHEDULED LOANS AND NON-PERFORMING LOANS

		二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
已逾期三個月以上之客戶貸款及 重定還款期貸款：	Gross advances to customers and rescheduled loans which have been overdue for over three months:		
已逾期三個月以上之客戶貸款	Gross advances to customers which have been overdue for over three months	946,665	719,234
重定還款期之貸款	Rescheduled advances	<u>106,329</u>	<u>316,455</u>
		1,052,994	1,035,689
減：逾期三個月以上但仍累計利 息之貸款	Less: Loans overdue over 3 months and on which interest is still being accrued	(90,979)	(231,630)
加：逾期三個月或以下但其利息 已撥入暫記賬或已停止累 計利息之貸款	Add: Loans overdue for 3 months or less and on which interest is being placed in suspense or on which interest accrual has ceased	<u>182,568</u>	<u>118,726</u>
不履行貸款合計	Total non-performing loans	<u>1,144,583</u>	<u>922,785</u>

(f) 收回資產

(f) REPOSSESSED ASSETS

	二零零三年 六月三十日 30th June, 2003	二零零二年 十二月三十一日 31st December, 2002
客戶貸款內包括之收回資產	Repossessed assets included in advances to customers <u>220,093</u>	<u>295,164</u>

(g) 跨境債權

跨境債權資料乃按交易對手的所在地，並已顧及轉移風險因素。一般而言，在下述情況下才轉移風險：有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地。

(g) CROSS-BORDER CLAIMS

The information concerning cross-border claims has been classified by the location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

		二零零三年六月三十日 30th June, 2003			
		銀行同業及 其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	總額 Total
澳門	Macau	480,434	-	3,780,515	4,260,949
中華人民共和國	People's Republic of China	916,035	3,720	495,218	1,414,973
其他亞太區	Other Asia Pacific	3,036,047	-	1,197,108	4,233,155
美國	United States	1,432,177	714,440	991,218	3,137,835
其他南美及北美國家	Other North and South American countries	1,043,550	-	44,322	1,087,872
中東及非洲	Middle East and Africa	5,853	-	-	5,853
德國	Germany	3,193,556	-	-	3,193,556
英國	United Kingdom	2,872,534	-	121,424	2,993,958
其他歐洲國家	Other European countries	4,813,990	-	550,635	5,364,625
		<u>17,794,176</u>	<u>718,160</u>	<u>7,180,440</u>	<u>25,692,776</u>

(g) 跨境債權 (續)**(g) CROSS-BORDER CLAIMS (Continued)**

二零零二年十二月三十一日

31st December, 2002

		銀行同業及 其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	總額 Total
澳門	Macau	335,636	-	3,671,409	4,007,045
中華人民共和國	People's Republic of China	515,187	19,899	539,389	1,074,475
其他亞太區	Other Asia Pacific	3,075,500	-	739,043	3,814,543
美國	United States	1,153,954	511,276	406,369	2,071,599
其他南美及北美國家	Other North and South American countries	1,513,776	-	72,752	1,586,528
中東及非洲	Middle East and Africa	3,028	-	921	3,949
德國	Germany	3,113,626	-	-	3,113,626
英國	United Kingdom	2,477,894	-	117,643	2,595,537
其他歐洲國家	Other European countries	4,327,862	-	510,331	4,838,193
		16,516,463	531,175	6,057,857	23,105,495

(h) 貨幣風險

個別外幣的淨持有額或淨結構性倉盤若佔所持有外匯淨盤總額或結構性倉盤總額的百分之十或以上，便作出披露。

(h) CURRENCY RISKS

The net positions or net structural positions in foreign currencies are disclosed when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies.

		二零零三年 六月三十日 30th June, 2003		二零零二年 十二月三十一日 31st December, 2002	
		美元 US\$	總額 Total	美元 US\$	總額 Total
相等於百萬港元	In millions of HK\$ equivalent				
現貨資產	Spot assets	14,905	24,347	13,158	21,212
現貨負債	Spot liabilities	(13,134)	(22,463)	(11,855)	(19,903)
遠期買入	Forward purchases	3,331	3,975	4,487	5,029
遠期賣出	Forward sales	(3,794)	(4,451)	(5,619)	(6,094)
期權盤淨額	Net option position	(780)	(780)	-	-
長盤淨額	Net long positions	528	628	171	244

(h) 貨幣風險 (續)

(h) CURRENCY RISKS (Continued)

		二零零三年六月三十日 30th June, 2003			二零零二年十二月三十一日 31st December, 2002		
		澳門幣 Macau Patacas	美元 US\$	總額 Total	澳門幣 Macau Patacas	美元 US\$	總額 Total
相等於百萬港元 In millions of HK\$ equivalent							
結構性倉盤淨額 Net structural positions		419	136	555	424	136	560

(i) 風險管理

本集團已制定政策及程序，用以監察及控制信貸風險、流動資金、資本及市場風險，並由董事會授予授信委員會及資產負債管理委員會定期檢討，內部核數員亦會定期稽核，以確保該等政策及程序能得以遵從。

(i) MANAGEMENT OF RISKS

The Group has established policies and procedures for the control and monitoring of credit risk, liquidity, capital and market risk, which are reviewed regularly by the Credit Committee and the Asset and Liability Management Committee ("ALMCO") as delegated by the Board of Directors. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

(i) 信貸風險管理

信貸風險源於交易對手未能履行其承擔，可來自本集團的貸款、貿易融資、財資、衍生工具及其他業務。董事會已授權由本銀行主席兼行政總裁任主席的授信委員會以執行信貸風險管理。

(i) Credit risk management

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from the lending, trade finance, treasury, derivatives and other activities undertaken by the Group. The Board of Directors has delegated the Group's credit risk management to the Credit Committee, which is chaired by the Bank's Chairman and Chief Executive.

信貸風險管理是獨立於其他業務，監管信貸政策的應用及實行及確保信貸評估及批核的質素。本集團的信貸政策制定了授予信貸的準則、信貸批核與監察的程序、貸款分類系統及撥備的政策，並根據《香港銀行業條例》及香港金融管理局發出的指引，來制定對大額信貸及撥備的政策。

The credit risk management function is independent of the business units. It oversees the implementation of credit policies and ensures the quality of credit evaluation and approval. Credit approval is conducted in accordance with the Group's credit policy, which defines the credit extension criteria, the credit approval and monitoring processes, the loan classification system and provisioning policy. The credit policy also takes into account the requirements of the Hong Kong Banking Ordinance and guidelines issued by the HKMA with respect to large exposures and provisioning requirements.

在評估客戶或交易對手的信貸風險時，雖然可藉客戶或交易對手的抵押品減低信貸風險，然而他們的財政實力以及還款能力才是本集團的主要考慮因素。信貸集中是藉採納適當的信貸控制得以監管，例如根據資本基礎去釐定大額風險限額。

In evaluating the credit risk of the customers or counterparties, their financial strength and repayment ability are always the Group's primary considerations, though credit risk may be mitigated by obtaining collateral from the customers or counterparties. Concentration risks are monitored by adopting proper risk control such as setting limits on large exposures in relation to the Group's capital base.

(i) 風險管理 (續)

(i) 信貸風險管理 (續)

詳盡的信貸風險管理指引已載於本集團的貸款手冊，並經由授信委員會定期檢閱及批核。貸款手冊內包括為信貸權限授權、授信標準、信貸監管處理、貸款分類系統、信貸追收及撥備政策。

(ii) 流動資金管理

本集團監察其流動資金結構中之資產、負債及合約承擔確保本集團之業務運作均達到其融資需求，並能經常符合法定的流動資金比率。在以上附註(a)中披露，集團於二零零三年上半年度平均流動資金比率為百分之四十九點二，遠超法定的百分之二十五最低要求。

董事局透過定期審閱流動資金比率及組合到期差異，得以審閱本集團所有業務之現時及未來之融資需求。流動資金風險源於本集團持有充足合適流動資產，如現金及短期資金及證券，以應付短期資金需求至合理水平。

本集團維持充足的備用信貸，能提供策略性的流動資金，以應付日常業務中未能預料的大量資金需求。

(iii) 資本管理

本集團的政策是要維持雄厚的資本，來支持集團的業務發展，並能達到法定的資本充足比率要求。在附註(a)中已披露，本集團在二零零三年六月三十日未調整及調整後之資本充足比率均為百分之十七，遠超法定的百分之八最低要求。

本集團按各業務部門所承受的風險來分配資本。附屬公司若受其他監管機構直接監管，便必須遵守這些監管機構的規定維持充足的資本。某些附屬財務公司亦要符合香港金融管理局因應監管所需而制定的資本要求。

(i) MANAGEMENT OF RISKS (Continued)

(i) Credit risk management (Continued)

Comprehensive guidelines to manage credit risk have been laid down in the Group's Loaning Manual, which is regularly reviewed and approved by the Credit Committee. The Loaning Manual covers the delegated lending authorities, credit extension criteria, credit monitoring process, loan classification system, credit recovery and provisioning policy.

(ii) Liquidity management

The Group manages the liquidity structure of its assets, liabilities and commitments so as to ensure that all Group operations can meet their funding needs and that the statutory liquidity ratio is complied with. As disclosed in note (a) above, the Group's average liquidity ratio of 49.2% for the first half of 2003 is well above the statutory minimum ratio of 25%.

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

Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflow in the ordinary course of business.

(iii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's business and to meet the statutory capital adequacy ratio. As disclosed in note (a) above, the Group's unadjusted and adjusted capital adequacy ratio of 17.0% as at 30th June, 2003 is well above the statutory minimum ratio of 8%.

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

(i) 風險管理 (續)

(iv) 市場風險管理

市場風險為利率、匯率或股票及商品價格之變動影響本集團持有之金融工具之價值。金融工具包括匯率合約、利息合約、股票及定息票據。

持有金融工具之限額由本集團資產負債管理委員會核准。該委員會由執行董事、司庫及集團之高級經理組成。該委員會負責制定有關資產負債管理政策，並檢討、審核及管理其運用情況以確保其營運比率及限額符合已制定之策略。

風險乃根據金融工具之本金或名義本金、交易金額及損失限額而計算，由資產負債管理委員會負責管理及檢討已制定之限額。

本集團以較保守之政策來管理交易持倉限額，於市場買賣以減少交易持倉限額。因此，本集團認為因交易持倉限額而引起之市場風險不大。

(j) 比較數字

在編製此未經審核補充財務資料時，若干比較數字已根據經修訂的會計實務準則第十二號之標準予以改列。

(i) MANAGEMENT OF RISKS (Continued)

(iv) Market risk management

Market risk is the risk that changes in interest rates, foreign exchange rates or equity and commodity prices will affect the prices of financial instruments taken or held by the Group. Financial instruments include foreign exchange contracts, interest rate contracts, equity and fixed income securities.

The limits for financial instruments are approved by ALMCO which is made up of executive directors, the treasurers and senior managers of the Group. ALMCO is responsible for approving the policies relating to asset and liability management and to review, monitor and control the operating ratios and trading limits to ensure compliance.

Exposures are measured and monitored on the basis of principal (or notional) amount, outstanding position and stop-loss limit, and are controlled and reviewed by ALMCO.

The Group adopts a prudent approach to managing its trading portfolios, and reduces any excessive market risk by executing offsetting transactions or hedging contracts with other market counterparties. The Group therefore considers that any market risk arising from its trading book is not material.

(j) COMPARATIVE FIGURES

In preparing this unaudited supplementary financial information, certain comparative figures have been restated in accordance with the revised SSAP 12.

中期股息

董事會宣佈派發中期股息每股港幣三角七仙。此項中期股息將於二零零三年九月十五日(星期一)派發予於二零零三年九月四日在股東名冊上已登記之股東。

暫停股份登記日期

由二零零三年九月一日(星期一)至二零零三年九月四日(星期四)止,首尾兩天包括在內,本行將暫停辦理股票過戶登記。凡持有本行之股票而未過戶者必須於二零零三年八月二十九日(星期五)下午四時前將過戶表格連同有關股票送達香港灣仔皇后大道東一八三號合和中心十七樓一七一二至一七一六室本行之股份登記處,香港中央證券登記有限公司辦理過戶手續方可享有是次通過派發之股息。

主要股東權益

根據主要股東權益及淡倉登記冊,除披露於董事及行政總裁權益項下,各主要股東於二零零三年六月三十日持有本銀行股本之權益如下:

姓名 Name

所持股數 Number of shares

BNY International Financing Corporation (美國紐約銀行集團全資附屬公司) <i>A wholly owned subsidiary of The Bank of New York Company, Inc.</i>	73,800,000
The Capital Group Companies, Inc.	23,127,820
Po Ding Company Limited (保定有限公司)	(1) 24,156,000
YKF Trustee Holding Inc.	(1) 24,098,400
Tessel Inc.	(1) 10,639,200

(1) 全部股份由公司持有,馮鈺斌先生、馮鈺聲先生、何志偉夫人及其他人士為合資格之受益人。

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of HK\$0.37 per share, to be paid on Monday, 15th September, 2003 to shareholders whose names are on the Register of Members on 4th September, 2003.

CLOSING OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed from Monday, 1st September, 2003 to Thursday, 4th September, 2003 both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the above dividend, all transfers accompanied by the relevant share certificates must be lodged with the Bank's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 29th August, 2003.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June, 2003, save as mentioned under the section headed "Directors' and Chief Executive's Interests", the Substantial Shareholders of the Bank according to the Register of Substantial Shareholders' Interests and Short Positions were as follows:

(1) All shares are held through the corporations in which Messrs Patrick Y B Fung, Michael Y S Fung and Louis C W Ho's spouse together with the other parties are eligible beneficiaries.

根據一項於一九九六年八月二十二日訂立之股東協議, BNY International Financing Corporation、馮鈺斌先生、馮鈺聲先生、保定有限公司、YKF Trustee Holding Inc.及泰華置業有限公司同意保留本銀行已發行股份合共百分之三十七點五之聯合控制權。根據證券及期貨條例第XV部分,以上各股東各自被視為於110,085,188股本銀行股份中擁有權益。

Pursuant to a shareholders' agreement dated 22nd August, 1996, BNY International Financing Corporation, Messrs Patrick Y B Fung and Michael Y S Fung, Po Ding Company Limited, YKF Trustee Holding Inc. and Majestic Investment Company Limited agree to retain joint control over an aggregate of 37.5% of the share capital of the Bank. According to Part XV of the Securities and Futures Ordinance ("SFO"), the parties are, therefore, each deemed to be interested in 110,085,188 shares of the Bank.

上述全部權益均為長盤。根據本銀行依照證券及期貨條例第336條而設之主要股東權益及淡倉登記冊,於二零零三年六月三十日,並無淡倉紀錄。

All the interests stated above represent long positions. As at 30th June, 2003, no short positions were recorded in the Register of Substantial Shareholders' Interests and Short Positions required to be kept under section 336 of the SFO.

董事及行政總裁權益

根據董事及行政總裁權益及淡倉登記冊，各董事及行政總裁於二零零三年六月三十日持有本銀行股本之權益如下：

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30th June, 2003, the Directors' and Chief Executive's Interests in the share capital of the Bank according to the Register of Directors' and Chief Executive's Interests and Short Positions were as follows:

姓名	Name	所持股數 Number of shares			合計 Total
		個人 Personal	家庭 Family	其他 Other	
馮鈺斌	Patrick Y B Fung	2,982,000	-	130,000 (1& 3)	3,112,000
王家華	Frank J Wang	-	-	100,000 (1)	100,000
馮鈺聲	Michael Y S Fung	3,060,000	-	100,000 (1& 3)	3,160,000
何志偉	Louis C W Ho	124,000	60,000	100,000 (1)	284,000
李國賢	Simon K Y Lee	-	-	218,800 (2)	218,800
劉漢銓	Ambrose H C Lau	101,500	-	-	101,500
何子珍	Ho Soo Ching	10,000	-	-	10,000

附註：

Notes:

(1) 董事會議決根據一九九三年六月九日通過之認股權計劃，授予董事及行政人員認股權，下列董事經接納下列認股權：

(1) The Board approved the granting of certain share options to Directors and Executives of the Bank, pursuant to the Share Option Scheme adopted on 9th June, 1993, and the following Directors have accepted the following options:

姓名	Name	授予認股權之 股份數目 No. of shares in options	授予日期 Date granted	行使期間 Exercise Period		講購價 Option price (港元) HK\$
				由 From	至 To	
馮鈺斌	Patrick Y B Fung	50,000	10/03/2001	10/03/2002	09/03/2011	\$23.60
		40,000	15/03/2002	15/03/2003	14/03/2012	\$26.30
		40,000	14/03/2003	14/03/2004	13/03/2013	\$26.50
王家華	Frank J Wang	40,000	10/03/2001	10/03/2002	09/03/2011	\$23.60
		30,000	15/03/2002	15/03/2003	14/03/2012	\$26.30
		30,000	14/03/2003	14/03/2004	13/03/2013	\$26.50
馮鈺聲	Michael Y S Fung	40,000	10/03/2001	10/03/2002	09/03/2011	\$23.60
		30,000	15/03/2002	15/03/2003	14/03/2012	\$26.30
		30,000	14/03/2003	14/03/2004	13/03/2013	\$26.50
何志偉	Louis C W Ho	40,000	10/03/2001	10/03/2002	09/03/2011	\$23.60
		30,000	15/03/2002	15/03/2003	14/03/2012	\$26.30
		30,000	14/03/2003	14/03/2004	13/03/2013	\$26.50

(2) 該類股份由公司持有，李國賢先生擁有該公司三分之一以上之投票權。於二零零二年三月，該類股份已轉讓予家族信託基金持有，而合資格之受益人為李國賢夫人。

(2) Such shares were held through a corporation in which Mr Simon K Y Lee controlled more than one-third of the voting power and were transferred in March 2002 to a family trust in which Mr Simon K Y Lee's spouse is an eligible beneficiary.

(3) 馮鈺斌先生及馮鈺聲先生所持有之全部股份及認股權已包括於上述主要股東權益所述股東協議之110,085,188股內。

(3) All shares and options held by Messrs Patrick Y B Fung and Michael Y S Fung are parcel of the 110,085,188 shares of the Bank under the shareholders' agreement as mentioned in the section headed "Substantial Shareholders' Interests".

除上文所述外，於二零零三年六月三十日，根據證券及期貨條例第XV部分，各董事、行政總裁及其有關人仕概無於本銀行及其聯營公司之股本中佔有其他實質權益。

Save as disclosed, none of the Directors, the Chief Executive and their associates had any other beneficial interests in the securities of the Bank or any of its associated corporations (within the meaning of Part XV of SFO) at 30th June, 2003.

上述全部權益均為長盤。根據本銀行依照證券及期貨條例第352條而設之董事及行政總裁權益及淡倉登記冊，於二零零三年六月三十日，並無淡倉紀錄。

All the interests stated above represent long positions. As at 30th June, 2003, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under section 352 of the SFO.

認股權資料

根據已批准之認股權計劃，董事會獲授權可決定給予行政人員認股權以購入本銀行股份，作為對僱員的獎勵。根據認股權計劃可予發行的股份數目最多不得超過本銀行於批准通過該計劃時已發行股本百分之五。二零零一年九月一日之前，認購價為認股權授予日期前五個營業日於香港聯合交易所有限公司（「聯交所」）之平均收市價的百分之八十。二零零一年九月一日之後，認購價須至少為下列兩者中的較高者：

- (i) 股份於授予日在聯交所之收市價，該日必須為營業日，及
- (ii) 股份於授予日前五個營業日在聯交所的平均收市價。

認股權於行使前必須持有最少一年，並可於授予日的第一週年至第十週年期間行使，接受認股權須付港幣一元，該認股權計劃已於二零零三年四月二十四日終止，並由一新認股權計劃取代。此新認股權計劃為期十年，其修改並符合上市條例第十七條。根據新的認股權計劃可予發行的股份數目最多不得超過本銀行於批准通過該計劃時已發行股本百分之五。於二零零三年六月三十日，根據新的認股權計劃可予發行之普通股為14,678,000股或佔本銀行已發行股本百分之五。

SHARE OPTION INFORMATION

Pursuant to the approved Share Option Scheme, the directors are authorised, at their discretion, to invite certain executives, to take up options to purchase ordinary shares in the Bank as incentive to them. The maximum number of shares in respect of which options may be granted under the Share Option Scheme may not exceed 5% of the issued share capital of the Bank as at the date of approval of the scheme. Prior to 1st September, 2001, the option price was 80% of the average last dealt price on The Stock Exchange of Hong Kong Limited ("SEHK") on the five business days immediately preceding the date of offer of such options. After 1st September, 2001, the option price should be at least the higher of:

- (i) the closing price of the shares on the SEHK on the date of the grant, which must be a trading day, and
- (ii) the average closing price of the shares on the SEHK for the five business days immediately preceding the date of grant.

The options must be held for at least one year and can be exercised between the first and the tenth anniversaries of the date of grant. The amount payable on acceptance of the share option was HK\$1. The share option scheme was terminated on 24th April, 2003 and replaced by a new share option scheme for a period of 10 years with amendments which are complied with Chapter 17 of the Listing Rules. The maximum number of shares in respect of which options may be granted under the new Share Option Scheme may not exceed 5% of the issued share capital of the Bank as at the date of approval of the scheme. At 30th June, 2003, total number of ordinary shares available for issue under the new Share Option Scheme is 14,678,000 or 5.0% of the issued share capital of the Bank.

認股權資料 (續)

於二零零三年六月三十日，本銀行之董事及僱員持有本銀行股份認股權之權益如下（二零零三年六月三十日每股市價為港幣28.65元）。

SHARE OPTION INFORMATION (Continued)

At 30th June, 2003, the directors and employees of the Bank had the following interest in option to purchase for the shares of the Bank (market value per share at 30th June, 2003 is HK\$28.65).

		股份數目	股份數目	授予日期	已行使之 股份數目	認購價	認股權 授予日之 每股市價	股份於 行使前一日 之每股加權 平均收市價
		No. of shares 30/06/2003	No. of shares 31/12/2002	Date granted	No. of shares exercised	Option price	Market value per share at date of grant of options	Weighted average closing price per share at preceding day before exercise date
						HK\$	HK\$	HK\$
董事	Directors							
馮鈺斌	Patrick Y B Fung	-	30,000	10/03/1994	30,000	14.83	18.25	27.20
		50,000	50,000	10/03/2001	-	23.60	29.00	-
		40,000	40,000	15/03/2002	-	26.30	26.30	-
		40,000	-	14/03/2003	-	26.50	26.50	-
王家華	Frank J Wang	40,000	40,000	10/03/2001	-	23.60	29.00	-
		30,000	30,000	15/03/2002	-	26.30	26.30	-
		30,000	-	14/03/2003	-	26.50	26.50	-
馮鈺聲	Michael Y S Fung	-	24,000	10/03/1994	24,000	14.83	18.25	27.20
		40,000	40,000	10/03/2001	-	23.60	29.00	-
		30,000	30,000	15/03/2002	-	26.30	26.30	-
		30,000	-	14/03/2003	-	26.50	26.50	-
何志偉	Louis C W Ho	-	24,000	10/03/1994	24,000	14.83	18.25	27.20
		40,000	40,000	10/03/2001	-	23.60	29.00	-
		30,000	30,000	15/03/2002	-	26.30	26.30	-
		30,000	-	14/03/2003	-	26.50	26.50	-
其他僱員	Other Employees	-	24,000	10/03/1994	24,000	14.83	18.25	27.20
		210,000	210,000	10/03/2001	-	23.60	29.00	-
		160,000	160,000	15/03/2002	-	26.30	26.30	-
		160,000	-	14/01/2003	-	25.80	25.70	-
		960,000	772,000		102,000			

已授出之認股權未行使前不會在賬目列賬。一九九四年三月十日所授予認股權之認購價因於一九九七年五月之五送一紅股而調整為港幣14.83元。二零零三年一月十四日及二零零三年三月十四日所授予認股權之價值乃採用柏力克-舒爾斯期權價格模式估計，於授予日分別為港幣5.11元及港幣4.24元。該項估計採用以下之數據：

The share options granted are not recognised in the accounts until they are exercised. The option price of share options granted on 10th March, 1994 for HK\$14.83 was after adjustment of one for five bonus issue in May 1997. The value per option granted on 14th January, 2003 and 14th March, 2003 are estimated at the dates of grant using the Black-Scholes pricing model were HK\$5.11 and HK\$4.24 respectively. The assumption used are as follows:

認股權資料 (續)

SHARE OPTION INFORMATION (Continued)

		二零零三年 一月十四日 授予之認股權 Option granted on 14th January, 2003	二零零三年 三月十四日 授予之認股權 Option granted on 14th March, 2003
無風險利率 (百分率)	Risk-free interest rate (%)	4.65	4.40
預期有效年期 (年)	Expected life (in years)	10.0	10.0
波幅 (百分率)	Volatility (%)	21.69	17.47
預期股息率 (百分率)	Expected dividend yield (%)	3.92	3.92

柏力克－舒爾斯期權價格模式的設計旨在評估並無授出限制，並且可以自由轉讓之買賣期權之公平價值。此外該期權之價格模式採用了非常主觀的假設數據，其中包括預期之股價波幅。由於本銀行之認股權的特性與其他買賣期權有莫大分別，再加上主觀假設數據之改變對公平價值的估計有重大影響，故此柏力克－舒爾斯期權價格模式不一定能對該認股權之公平價值提供可靠的量度準則。

The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options that have no vesting restrictions and are fully transferable. In addition, such option pricing model requires input of highly subjective assumptions, including the expected stock price volatility. Because the Bank's share options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, the Black-Scholes option pricing model does not necessarily provide a reliable measure of the fair value of the share option.

符合最佳實務守則

除卻非執行董事之任期沒有訂定外，本行於期內已遵照香港聯合交易所有限公司上市規則所載最佳實務守則之指引。

COMPLIANCE WITH THE CODE OF BEST PRACTICE

The Bank has complied throughout the period with the Code of Best Practice as set out in the Listing Rules of The Stock Exchange of Hong Kong Limited, except that a specified term was not fixed for the appointment of Non-executive Directors.

審核委員會

本行之審核委員會於一九九二年成立。該委員會每年舉行三次會議，成員名單刊於本中期報告第二頁。審核委員會須向董事會負責而其主要責任包括審查本行的財務報告及內部監控運作。

AUDIT COMMITTEE

The Audit Committee of the Bank was formed in 1992. The Committee meets three times a year and its composition is shown on page 2. The Audit Committee is answerable to the Board and the principal duties of the Committee include the review of the Bank's financial reporting and internal controls.

薪酬委員會

薪酬委員會於一九九五年成立。該委員會每年舉行一次會議，評估及批准本銀行行政總裁之薪酬及福利，成員名單刊於本中期報告第二頁。

COMPENSATION COMMITTEE

The Compensation Committee was formed in 1995. The Committee meets once a year to evaluate and approve the remuneration policy and package for the Chief Executive of the Bank. Its composition is shown on page 2.

購買、出售或贖回上市證券

截至二零零三年六月三十日止六個月內，本銀行或其任何附屬公司並無購買、出售或贖回本銀行之股份。

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There were no purchases, sales or redemptions by the Bank, or any of its subsidiaries, of the Bank's shares during the six months ended 30th June, 2003.

引言

本核數師（以下簡稱「我們」）已根據貴銀行要求審閱刊於第八頁至第三十一頁的中期財務報告。

董事與核數師的責任

根據香港聯合交易所有限公司證券上市規則，上市公司必須以符合上市規則中相關的規定及香港會計師公會所頒佈的會計實務準則第二十五號「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，對中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，只向作為法人團體的董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會所頒佈的核數準則第700號「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告，評估財務報告中會計政策是否貫徹運用，賬項編列是否一致；賬項中另有說明的特別情況則除外。審閱不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報告發表審核意見。

結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零三年六月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港 二零零三年八月十四日

INTRODUCTION

We have been instructed by the Bank to review the interim financial report set out on pages 8 to 31.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th June, 2003.

KPMG

Certified Public Accountants

Hong Kong, 14th August, 2003



註冊辦事處：香港皇后大道中一六一號
Registered Office: 161 Queen's Road Central, Hong Kong