

NOTES ON THE ACCOUNTS

賬項附註

1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the “Group”) are engaged in the provision of banking and related financial services, and business, corporate and investor services.

本銀行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務、以及商務、企業及投資者服務。

2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

(a) Statement of Compliance

These accounts have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice (“SSAP”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. In addition, these accounts comply fully with the guideline on “Financial Disclosure by Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority. These accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

(a) 符合指引聲明

本賬項是按照香港會計師公會頒布所有適用的《香港財務報告準則》(包含所有適用的《會計實務準則》及詮釋)、香港公認會計原則和香港《公司條例》的要求而編製。此外，本賬項完全符合香港金融管理局所頒布的監管政策手冊《本地註冊認可機構披露財務資料》的指引。本賬項亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

(b) Basis of Preparation of the Accounts

The accounts are prepared on a basis consistent with the accounting policies and methods adopted in the previous year except for the changes in accounting policies mentioned in Note 3.

(b) 賬項編製基準

除賬項附註3所述的會計政策變更外，本賬項是按照上年度的會計政策及方法而編製。

The measurement basis used in the preparation of the accounts is historical cost modified by the revaluation of certain premises and investment properties, and the marking to market of certain investments in securities and off-balance sheet financial instruments as explained in the accounting policies set out below.

本賬項是以原值成本作為計量基準。但部分行址及投資物業是以重估價值，以及部分證券投資及資產負債表以外的金融工具是以市場價值列賬。有關詳情載列於下列會計政策。

(c) Basis of Consolidation

(i) Subsidiaries

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31st December each year. A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors. In the Bank’s balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (Note 2(k)).

(c) 綜合基準

(i) 附屬公司

本綜合賬項包括本銀行及其所有附屬公司截至12月31日止各相關年度的賬項。根據香港《公司條例》，附屬公司指該公司為本集團直接或間接地持有超過半數已發行股本、或控制超過半數投票權、或控制董事局的組成。在本銀行的資產負債表中，附屬公司投資是以成本減除減值損失(附註2(k))列賬。

All material intercompany transactions and balances are eliminated on consolidation. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from or to the date of their acquisition or disposal, as appropriate.

一切重大的集團內部交易及結餘已於賬項綜合時抵銷。於年度內購入或出售的附屬公司，其業績是由購入日期開始或至出售日期止(以適用者為準)計算入綜合賬項內。

Minority interests represent the interests of outside shareholders in the operating results and net assets of subsidiaries.

少數股東權益是指集團以外股東應佔附屬公司經營業績及淨資產的權益。

Notes on the Accounts (continued)
賬項附註 (續)

(ii) Associates

An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets, goodwill arising on acquisition of the associate less subsequent amortization and any impairment loss (Note 2(k)).

The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associates for the year, less any amortisation of goodwill and impairment loss charged during the year in accordance with Notes 2(j) and 2(k). When the Group's share of losses exceeds the carrying amount of the associate, the carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred obligations in respect of the associate.

The Bank accounts for the results of associates to the extent of dividends received. Investments in associates are stated at cost less any impairment losses (Note 2(k)).

(d) Translation of Foreign Currencies

Transactions in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. The exchange differences are dealt with in the profit and loss account.

The balance sheets of overseas branches, subsidiaries and associates are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date, whereas the profit and loss accounts are translated at the average rate for the period. The difference between the profit and loss account translated at an average rate and at the closing rate is recorded as a movement in reserves. Exchange differences arising from retranslation of opening net assets at the rates of exchange ruling at the balance sheet date are accounted for in the reserves.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

(ii) 聯營公司

聯營公司是指本集團或本銀行可對其管理發揮重大影響力，包括制定其財務及經營政策，但並不控制或共同控制其管理層。

聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本再將本集團於購入後應佔該聯營公司的淨資產，因購入聯營公司的權益而產生的商譽及減值損失(附註2(k))而調整。

綜合損益賬已反映本集團應佔購入聯營公司權益後年度業績，及減除於附註2(j)所述的年度內商譽攤銷支出及於附註2(k)所述的年度減值損失。除不超出本集團對該聯營公司所作出的承擔外，當本集團應佔該聯營公司的虧損超出賬面值時，超出的金額將不被確認，而該賬面值將被減值至零。

本銀行是以已收取股息計算應佔聯營公司業績。聯營公司投資是以成本減除減值損失(附註2(k))列賬。

(d) 外幣換算

外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按結算日的匯率折算為港幣。匯兌差額則計入損益賬內。

海外分行、附屬公司及聯營公司的資產負債表按結算日匯率折算為港幣，而損益賬按期間平均匯率折算。因以平均匯率及結算日匯率折算損益賬而產生的差額於儲備內作調整。將期初資產淨值按結算日的匯率重新折算而產生的匯兌差額則記入儲備內。

計算出售海外企業的損益包括截至出售日因該企業產生的累積匯兌差額。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策 (續)

(e) Revenue Recognition

Interest income and expense are recognised in the profit and loss account on a time-apportioned basis on the principal outstanding and at the rate applicable, except in the case of interest on doubtful debts (Note 2(f)(iii)).

Fee and commission income is recognised in the profit and loss account when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk incurred or accounted for as interest income.

Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.

Rental income receivable under operating leases is recognised as other operating income in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the profit and loss account as an integral part of the aggregate net lease payments receivables. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(f) Advances and Doubtful Debts

(i) Advances

Advances to customers, banks and other financial institutions are measured at the cash consideration at the time of acquisition and are stated in the balance sheet after deducting provisions for estimated losses in subsequent periods. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the profit and loss account over the early prepayment penalty period.

(ii) Provision for bad and doubtful debts

Provisions are made against specific doubtful debts as and when they are considered necessary by the Credit Committee with authority delegated by the Board of Directors and in addition an amount has been set aside as a general provision for advances. When there is no longer any realistic prospect of recovery, the outstanding debt is written off.

General provision provides cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. The Group maintains a general provision which is determined taking into account the structure and risk characteristics of the Group's loan portfolio and the expected loss of the individual components of the loan portfolio based on the historical loss experience. Historic levels of latent risk are regularly reviewed to determine that the level of general provisioning continues to be appropriate. Together with specific provisions, general provisions are deducted from advances to customers in the balance sheet.

(e) 收入確認

除屬呆賬的利息外(附註2(f)(iii))，利息收入與支出均根據本金結餘及適用利率，以時間分攤基準確認在損益賬內。

服務費及佣金收入在有關服務提供時確認，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在這些情況下，服務費在成本發生或承受風險的會計期確認或視作利息收入。

融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。

除非有更具有代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之應收租金按該租期所涵蓋的會計年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在損益賬中確認為租賃淨收款總額的組成部分。或有租金以該收入產生的會計期間列作收入。

非上市投資股息收入在股東收取權被確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

(f) 貸款及呆賬

(i) 貸款

客戶、銀行和金融機構的貸款以購置時的現金價款，並在扣除預計日後虧損的準備後於資產負債表列賬。住宅按揭貸款的現金回贈需以資本化及在提前還款罰息期間在損益賬攤銷。

(ii) 壞賬及呆賬準備

信貸委員會的權力由董事會授予，在信貸委員會認為有必要時，便會為呆賬提撥特殊準備，此外，亦會為貸款撥出一般準備。倘再無實際機會收回貸款時，則尚欠債務將會撇銷。

一般準備為於結算日已減值但只能於未來確定的貸款而提撥。根據以往的壞賬經驗，一般準備的撥備已計算本集團貸款組合的結構及風險特性和貸款組合內每一組成部分的預期損失。過往的潛在風險程度會定期作出檢討以確保一般準備的提撥保持足夠。一般準備從客戶貸款中扣除。

Notes on the Accounts (continued)

賬項附註 (續)

(iii) Advances on which interest is being suspended

Interest on doubtful loans and advances is credited to a suspense account which is netted in the balance sheet against the relevant balances.

(iv) Repossession of assets

Assets acquired by repossession of collateral for realisation continue to be treated as securities for loans and advances. In this regard, provision has been made on the shortfall between the carrying amount of the loans and advances and the expected net sales proceeds from realisation of the repossessed assets.

(g) Properties

- (i) Bank premises are stated in the balance sheet at cost or at Directors' valuation, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(k)).

When a deficit arises on revaluation, it will be charged to the profit and loss account, if and to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the profit and loss account, if and to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the profit and loss account.

In preparing these accounts, advantage has been taken of the transitional provisions set out in paragraph 80 of SSAP 17 "Property, Plant and Equipment" issued by the Hong Kong Institute of Certified Public Accountants, with the effect that bank premises have not been revalued to fair value at the balance sheet date.

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value.

External independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued, value the portfolio annually. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion.

Investment properties are valued on an open market basis using the direct comparison method assuming sale with the benefit of immediate vacant possession and by reference to comparable market transactions or, where appropriate by investment method by taking into account the rental earning capacity and possible early termination of rental agreement of the properties. The valuations are based on the assumption that the properties are sold on the open market without the benefit of deferred term contracts, leasebacks, joint venture, management agreements or any similar arrangements which could affect the values of the properties. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(e).

(iii) 利息懸欠的貸款

呆賬利息撥入懸欠利息賬內，並在資產負債表的相關結餘中扣除。

(iv) 收回資產

收回抵押品作變賣的資產仍視作貸款的抵押。貸款賬面值與預期變賣收回資產的淨所得款項兩者之間的差額予以撥備。

(g) 物業

- (i) 銀行行址是按成本或董事參照獨立專業評估作出的估值，減累計折舊及減值損失(附註2(k))於資產負債表列賬。

當重估出現虧損時，於損益賬撇銷的數額只限於超過以往因重估相同行址而存入行址重估儲備的重估盈餘結餘；當重估出現盈餘時，記入損益賬的數額只限於以往因重估相同行址曾於損益賬支銷的重估虧損。

在編製此等賬項時，由於可採用香港會計師公會頒布的《會計實務準則》第17號「物業、廠房及設備」第80段所載的臨時條款，故行址並未在結算日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值(或兩者皆是)的物業。投資物業按公平價值列賬。

本銀行的投資物業組合，由擁有適當確認專業資格及對該物業所在和類別有近期經驗的外來獨立估價公司每年作估值。公平價值是根據市值，即於估價日由一願意買方及一願意賣方在經過合理推銷的情況下，及在知情的、謹慎的和沒有壓力下雙方同意該物業作公平交易的估計金額。

投資物業按公平市場價值估值，並採用直接比較方法假設交易是以物業權益即時交吉及已參考可作比較的市場交易，或(如適用)以投資方法並已適當顧及物業租金轉移有可能出現逆轉的情況。估值是假設該物業是以公開市值出售及並無其他優惠，如延長期限條款、租回、合營、管理合約或其他類同合約可影響該物業的價值。估值並未計算任何抵押、按揭、物業欠款、及在出售時可能產生的費用或稅項。

因公平值變更而產生的損益在損益賬內確認。投資物業租金收入按附註2(e)所載計算。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策(續)

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(g)(i).

If an investment property becomes owner-occupied, it is reclassified as bank premises and its fair value at the date of reclassification becomes its cost for accounting purposes of subsequent recording.

A property interest under an operating lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(l).

- (iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss account upon disposal. Surplus that is included in the bank premises revaluation reserve of the related bank premises disposed are transferred to the general reserve.

(h) Amortisation and Depreciation

(i) Bank premises

Freehold land is not amortised. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

(ii) Other fixed assets

Other fixed assets are stated in the balance sheet at cost less accumulated depreciation, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

當一項物業因其用途改變而須轉作投資物業時，該項物業於轉賬日前的賬面值與公平值之差額視作重估銀行行址，詳情請參閱附註2(g)(i)。

如一投資物業被轉作自用用途，該物業須重新分類為銀行行址。於重新分類日的公平值作為成本值，並用作日後會計記錄之用。

以經營租賃方式持有的物業權益，如集團用作租金收入或資本增值(或兩者皆是)，須按個別物業的基準分類及計算。此等以經營租賃方式持有的物業權益以公平值列作投資物業。租金支出按附註2(l)所載入賬。

- (iii) 出售行址及投資物業的損益是以出售所得款項與資產賬面值的差價計算，並在出售時於損益賬內確認。有關之重估行址盈餘會從行址重估儲備撥入一般儲備內。

(h) 攤銷及折舊

(i) 銀行行址

永久業權之土地不予攤銷，租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

(ii) 其他固定資產

其他固定資產是按成本減累計折舊於資產負債表列賬。此等資產的成本是以直線法按照由4年至20年不等的預計使用年限撇銷。

(i) Investments in Securities

Investments in debt and equity securities, except those held either solely for the purpose of recovering advances or as investments in subsidiaries or associates, are accounted for as follows:

Investments in securities are classified as held-to-maturity debt securities, investment securities and other investments in securities, and are recognised as assets from the date on which the Group is bound by the contract which gives rise to them.

Transfer of a security between categories of investments is accounted for at fair value. The profit or loss arising from transfers between categories of investments is accounted for as if the investment had been sold and repurchased at the date of transfer.

The profit or loss on disposal is accounted for in the period in which the disposal occurs as the difference between the sales proceeds and the carrying amount of the investments.

(i) Held-to-maturity debt securities

Held-to-maturity debt securities are investments in dated debt securities which the Group has the expressed intention and ability to hold to maturity, and are stated at amortised cost less any provisions in their value which reflects their credit risk.

Provisions are made and recognised immediately as an expense when carrying amounts are not expected to be fully recovered, but are written back to income when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future. The amount written back is limited to the amount of the write-downs or write-offs.

(ii) Investment securities

Investment securities are securities which are intended to be held on a continuing basis, and which are held for an identified long-term purpose documented at the time of acquisition or change of purpose and are clearly identifiable for the documented purpose.

Investment securities are included in the balance sheet at cost less any provisions for diminution in value. Such provision is determined for each investment individually. Provisions are recognised as an expense immediately and are written back to income when the circumstances and events that led to the write-downs or write-offs cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future. The amount written back is limited to the amount of the write-downs or write-offs.

(iii) Other investments in securities

Other investments in securities are those securities which are not classified as held-to-maturity debt securities nor as investment securities, and are stated at fair value at the balance sheet date. Unrealised holding gains or losses arising on revaluation of securities to fair value are dealt with in the profit and loss account.

(i) 證券投資

除用作收回貸款或視作附屬或聯營公司投資外，債務證券及股份證券投資是以下列方式入賬：

證券投資可分為持至到期債務證券、投資證券和其他證券投資，並在本集團受其合約所約束當日起確認為資產。

在不同證券投資類別之間轉賬時，是以其公平值入賬。由此引起的損益是假設該投資在轉賬日已被出售及重購般入賬。

出售的損益是以出售所得款項與該投資賬面值的差價計算，並於進行出售的期間內入賬。

(i) 持至到期債務證券

持至到期債務證券是指本集團有明確意向及有能力持至到期日之債務證券投資，並以攤銷成本再減除反映其信貸風險的準備入賬。

當預算不可收回所有賬面值時，則會提撥準備並立刻作為支出確認。但當引致減值或撤銷的情況及事項不復存在，而有令人信服的證據顯示新的情況及事項於可預見的將來仍然持續，準備便作為收入回撥。回撥的數額只限於減值或撤銷的數額。

(ii) 投資證券

投資證券是指預算持續持有的證券，並在購入或用途變更時記錄作長期持有之用途，而在記錄用途的文件內是可清楚辨認的。

投資證券在資產負債表內按成本減因非短暫減值而提撥的準備入賬。該準備是以個別投資計算，並立刻作為支出確認。但當引致減值或撤銷的情況及事項不復存在，而有令人信服的證據顯示新的情況及事項於可預見的將來仍然持續，準備便作為收入回撥。回撥的數額只限於減值或撤銷的數額。

(iii) 其他證券投資

其他證券投資是不被列作持至到期債務證券或投資證券的其他證券，並按結算日的公平值入賬。因重估證券至其公平值所引致未實現的損益計入損益賬內。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策(續)

(j) Goodwill

The excess of the purchase consideration in relation to the acquisition of subsidiaries and associates over the Group's share of fair value ascribed to their net tangible assets and identifiable intangible assets represents the goodwill arising on acquisition.

In respect of subsidiaries, goodwill is capitalised and amortised on a straight line basis over its estimated useful life not exceeding 20 years, and is stated in the consolidated balance sheet at cost less accumulated amortisation and any impairment losses (Note 2(k)). The amortisation of goodwill is recognised in the consolidated profit and loss account as an operating expense.

Where an indication of impairment exists, the carrying amount of goodwill is assessed and written down immediately to its recoverable amount. The impairment of goodwill is recognised in the consolidated profit and loss account as an operating expense.

On disposal of a subsidiary or an associate, any unamortised purchased goodwill is included in the calculation of the profit or loss on disposal.

In respect of associates, goodwill is capitalised and amortised on a straight line basis over its estimated useful life not exceeding 20 years. The cost of goodwill less any accumulated amortisation and any impairment losses (Note 2(k)) is included in the carrying amount of the investments in associates.

(k) Impairment of Assets

At each balance sheet date, if internal and external sources of information indicate that any property (other than investment properties), equipment, investments (including those "Investments in subsidiaries and associates" (Note 2(c)) but other than those accounted for as "Other investments in securities" under Note 2(i) or goodwill is impaired, the asset's recoverable amount is estimated, and an impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event.

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

(j) 商譽

收購附屬公司及聯營公司的價款超過其有形淨資產和可辨認無形資產的公平值部分為收購產生的商譽。

就附屬公司而言，以直線法按不逾20年的預計可用年期攤銷已資本化的商譽，並按成本減累計攤銷及減值損失(附註2(k))於綜合資產負債表列賬。商譽的攤銷於綜合損益賬確認為經營支出。

當顯示減值存在時，須重估及撇銷商譽的賬面值至可收回數額。商譽減值於綜合損益賬列作經營支出。

出售附屬或聯營公司時，出售損益的計算已包括未予攤銷的購入商譽。

就聯營公司而言，以直線法按不逾20年的預計可用期攤銷已資本化的商譽，並按成本減累計攤銷及減值損失(附註2(k))包括於聯營公司投資的賬面值。

(k) 資產減值損失

如對內及對外資料來源均顯示於結算日有任何物業(除投資物業)、設備、投資(包括附屬公司及聯營公司投資(附註2(c))但不包括附註2(i)之其他證券投資或商譽經已減值，均須估計該等資產之可收回數額，及當該資產的賬面值超過可收回數額時確認減值損失於損益賬內。

可收回數額是出售淨值及使用值二者中之較高者。在評估使用值時，會採用一項當時市場評估貨幣的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回數額取決於可獨立地產生現金流量的最小資產組合(即一個現金生產單位)。

除商譽外的有關資產，如在用來釐定可收回數額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失只會因招致該損失的一種特殊性質的特別事件在視作不再發生之情況下才會轉回，及可收回數額的增加清楚顯示與該特別事件之轉回相關。

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。減值損失轉回在該被確認的年度計入損益賬內。

Notes on the Accounts (continued)
賬項附註 (續)

(l) Leased Assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

(i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the balance sheet as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

(ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 2(h). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

(iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

(m) Income Tax

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

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

(l) 租賃資產

由承租人承擔擁有權的絕大部分相關風險及報酬的資產租賃列為融資租賃。出租人並未轉讓擁有權的所有風險及報酬的資產租賃列為經營租賃。

(i) 以融資租賃購入的資產

當本行為融資出租人時，按融資租賃而租出資產的投資淨額，即應收租金總額減未賺取收入，在資產負債表列作客戶貸款。來自融資租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

(ii) 用作經營租賃的資產

當本集團以經營租賃方式租出資產，該資產根據其性質包括在資產負債表內，及按附註2(h)所載(如適用者)本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(k)所載計算。來自經營租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

(iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入損益賬。經營租賃協議所涉及的激勵措施均在損益賬中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在損益賬扣除。

(m) 所得稅

(i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該項目應在股東權益內入賬的數額外，本期稅項及遞延稅項資產和負債的變動計入損益賬內。

(ii) 本期稅項為年度對應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策(續)

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了某些有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。

在有限例外情況，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、開始時已確認的資產或負債而不影響會計及應課稅溢利(須不是商業合併的一部分)，及有關投資附屬公司的暫時性差異，就應課稅差異而言，不超過集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就可扣稅差異而言，除非該差異在可見將來轉回。

確認遞延稅項的金額是根據該資產及負債的賬面值之預期收回及結算的方式，按在結算日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於各結算日，本行將重新審閱有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。被扣減的遞延稅項資產若於預期將來出現足夠的應課稅溢利時，應予轉回。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

(iv) 本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時間收回資產及償還負債；或
- 有關的遞延稅項資產及負債為同一稅務機關對以下機構徵收所得稅所產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體：在未來每一個預計實現重大遞延稅項的期間，該實體計劃以淨額形式結算本期稅項資產及負債或兩者同時收回及償還。

Notes on the Accounts (continued)
賬項附註 (續)

(n) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve of long term business is ascertained by actuarial valuation.

Full provision is made for the estimated cost of claims notified but not settled at the balance sheet date and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the balance sheet date and to meet expenses on claims incurred but not reported at the balance sheet date.

These reserves and provisions are classified as other accounts and provisions.

(o) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Bank or the Group has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(p) Employee Benefits

(i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

(ii) Performance-related bonus plan

Liabilities for performance-related bonus plan, which are due wholly within twelve months after the balance sheet date, are recognised when the Group has a present constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

(n) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是按精算估值。

本集團已就在結算日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在結算日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備已列於其他賬項及準備。

(o) 準備及或然負債

當負債的限期或數額不確定，但有可能因過去事項構成法律或推定義務而付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。

倘不可能需要付出經濟利益，或不能對數額作可靠估計，除非付出的機會是極微，則此項責任會被披露為或然負債。除非付出的機會是極微，潛在義務的存在只在會否發生一項或多項未來事件中獲肯定下以或然負債披露。

(p) 僱員福利

(i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。因僱員已提供服務而產生的年假在結算日已估計為負債。

僱員應享有的病假及分娩假於發生時確認。

(ii) 表現獎勵花紅計劃

因僱員提供服務產生而本集團有現存推定義務須於結算日後12個月內全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策(續)

(iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contribution to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with the local practices and regulations.

The cost of all these schemes is charged to the profit and loss account for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contribution forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contribution forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

(iv) Share options

Share options are granted to employees to acquire shares of the Bank. For option schemes adopted before 2002, the option price was 95% of the average closing price of the existing shares of the Bank for the last five business days immediately preceding the date of offer. For option schemes adopted in and after 2002, the option exercise price equals the fair value of the underlying shares at the date of grant. At the date of offer or the date of grant, no employee benefit cost or obligation is recognised. When the options are exercised, equity is increased by the amount of the proceeds received.

(q) Off-balance Sheet Financial Instruments

Off-balance sheet financial instruments, commonly referred to as derivatives, arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. Netting is applied where a legal right of set-off exists, which would survive the insolvency of all parties. Mark-to-market assets and liabilities are presented gross, and are included in "Advances and other accounts less provisions" and "Other accounts and provisions" respectively. The method of accounting for these instruments is dependent upon whether the transactions are undertaken for dealing purposes, to hedge risk, or as part of the management of asset and liability portfolios.

(i) Derivatives used for dealing purposes

Transactions undertaken for dealing purposes are marked to market and the net present value of the gain or loss arising is recognised in the profit and loss account as dealing profits or losses. Unrealised gains on transactions are included in "Advances and other accounts" in the balance sheet. Unrealised losses on transactions are included in "Other accounts and provisions".

(iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本計算在相關期間的損益賬內。所有此類計劃的資產均與本集團的資產分開處理。強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主供款前離開計劃而有所減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主供款前離開計劃而減少。

(iv) 認股權

僱員獲發認股權以購買本行股份。在2002年以前被採納的計劃，認股價是根據給予認股權當日之前5個營業日本行現有股份的平均收市價的95%計算。而2002年及以後被採納的計劃，股權行使價與相關股份於授予日的公平價值相同。沒有僱員福利支出或債務於給予日或授予日被確認。當認股權被行使時，股本因所收款項而增加。

(q) 資產負債表以外的金融工具

資產負債表以外的金融工具(統稱衍生工具)是由本集團及本銀行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。淨額結算安排適用於具合法抵銷權的情況，而且對無償債能力的各方人士仍具同等效力。按市價入賬的資產和負債均以總額分別包括於「已扣除準備的貸款及其他賬項」及「其他賬項及準備」。此等金融工具的會計方法要視乎交易作買賣用途、對沖風險或資產負債組合的管理而定。

(i) 衍生工具作買賣用途

作買賣用途的交易按市價入賬，所引起損益的淨現值，於損益賬內確認為買賣溢利或虧損。未實現交易的利潤包括於資產負債表中的「已扣除準備的貸款及其他賬項」。而未實現的虧損則包括於資產負債表中的「其他賬項及準備」。

Notes on the Accounts (continued)
賬項附註 (續)

(ii) Derivatives used for asset and liability management purposes

Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions which they are hedging. Any profit or loss is recognised on the same basis as that arising from the related assets, liabilities or positions.

To qualify as a hedge, a derivative must be effective in reducing the price or interest rate risk of the asset or liability to which it is linked and be designated as a hedge at inception of the derivative contract.

Interest rate swap transactions undertaken as part of the management of asset and liability portfolios are separately identified and interest income or expense arising therefrom is netted off against the related interest income or expense on the on-balance sheet items which these transactions are hedging.

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

(r) Segment Reporting

A segment is a distinguishable component of the Group that is engaged either in providing services (business segment), or in providing services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

The Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment and those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group enterprises within a single segment. The allocation of revenue reflects the benefits of capital and other funding resources allocated to the business or geographical segments by way of internal capital allocation and fund transfer mechanisms. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets (both tangible and intangible) that are expected to be used for more than one year.

(s) Related Parties

For the purposes of these accounts, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(ii) 衍生工具作資產負債管理用途

用於對沖的交易是以其對沖的資產、負債或持倉淨額以相同之基準計值。任何損益均以相關資產、負債或持倉淨額所引起損益的相同基準確認。

要符合作對沖用途，該衍生工具必須在合約成立時可有效地減低對沖的有關資產或負債的價格或利率風險。

因進行資產負債組合的管理工作而開立的利率掉期交易均是獨立識別的，由此產生的利息收入或支出必須跟與之對沖的資產負債表上項目的相關利息收入或支出抵銷。

因取消一符合對沖用途的衍生工具而產生的利潤或虧損按已取合約的原來有效期遞延及攤分入賬。當相關的資產、負債或持倉已出售或取消，該有效衍生工具立即以市價於損益賬內反映。

(r) 分部報告

一分部為集團可辨認的組成部分，而且從事提供服務所得的風險與回報是有別於其他分部（業務分部），或在某單一經濟地區提供服務（地區分部）。

本集團採用業務分部為基本報告形式，而地區分部為次要報告形式。

分部收入、支出、業績、資產和負債包括可直接地歸屬於一分部及所有可以合理地分配予該分部的項目。除發生於集團企業內單一分部之間的集團內部結餘及交易外，分部收入、支出、資產及負債是包括集團內部結餘，而集團內部交易已經在賬項綜合時抵銷。收入分配反映以內部資本分配及資金轉移機制將資本及其他資金來源的利益分配予業務及地區分部。業務間之轉移事項定價與給予外界人士的條款相同。

分部資本開支是用作收購估計可用期超過1年的分部資產的總成本。

(s) 關聯人士

在編製本賬項時，與本集團關聯人士是指本集團直接或間接地控制該人士的財務及經營決策，或可發揮重大影響力，相反亦如是；或本集團及該人士均受共同控制或在共同重大影響力下，關聯人士可以是個人或其他實體。

2. SIGNIFICANT ACCOUNTING POLICIES (continued) 主要會計政策 (續)

(t) 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 that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

(t) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期日的結餘，包括受較低風險影響價值及隨時可轉換成預知的現金、銀行及其他金融機構結餘、國庫債券、其他合適票據及存款證。

3. CHANGE IN ACCOUNTING POLICY 會計政策變更

The Bank has adopted HKAS 40 "Investment Property" issued by the Hong Kong Institute of Certified Public Accountants ("HKAS40") in the consolidated accounts retroactively from 1st January, 2004 in accounting for its investment properties.

In prior years, investment properties were stated in the balance sheet at open market value, less any accumulated depreciation. Buildings with either the remaining useful life or the remaining lease period of the land on which they are situated being 20 years or less were depreciated on a straight line basis at rates calculated to write off the cost or valuation of the building over the shorter of the remaining estimated useful life of the building or the remaining lease period of the land. Surpluses and deficits arising on revaluation of investment properties were recognised on a portfolio basis. The net surplus was credited to the investment property revaluation reserve. The net deficit was first set off against any investment property revaluation reserve and any resulting debit balance was thereafter charged to the profit and loss account. Where a deficit had previously been charged to the profit and loss account and a revaluation surplus subsequently arose, this surplus was credited to the profit and loss account to the extent of the deficit previously charged.

In order to comply with HKAS40, the Group has adopted new accounting policies for investment properties as set out in Note 2(g)(ii) and 2(h)(i). As a result of the adoption of these accounting policies, the Group's profit for the year has been increased by HK\$174,797,000 and the net assets of the Group at the year end have been increased by HK\$97,054,000.

The effect of adopting the new accounting policies was adjusted to the opening balance of 1st January, 2004 in accordance with the transitional provisions of HKAS40. As a result, the comparative information has not been restated.

追溯由2004年1月1日起，本銀行的綜合賬項按《香港會計準則》第40號「投資物業」（簡稱「香港會計準則第40號」）的要求計算其投資物業。

在往年，投資物業按公開市值減累計折舊於資產負債表內列賬。若建築物的剩餘使用年限或其座落土地剩餘租賃期為20年或以下，其成本或重估值以直線法按其預計剩餘使用期限或其剩餘租賃期兩者中的較短期限計算折舊。因重估投資物業而產生的盈餘及虧損按投資組合確認。淨盈餘記入投資物業重估儲備。淨虧損先從投資物業重估儲備內扣除，不足之數於損益賬內支銷。曾於損益賬支銷的虧損但其後再重估而產生的盈餘，計入損益賬之數額不超於以往曾於損益賬已支銷的數額。

因符合《香港會計準則第40號》的要求，本集團已採納一項詳載於附註2(g)(ii)及2(h)(i)內有關投資物業的新會計政策。因採納此會計政策，本集團年度溢利增加港幣174,797,000元，而本集團年底的淨資產則增加港幣97,054,000元。

根據《香港會計準則第40號》的過度性條款，此會計政策所帶來的影響，經已在2004年1月1日的承前留存溢利結餘內作調整。因此，並無重報比較數字。

4. INTEREST INCOME 利息收入

		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Interest income on listed investments	上市證券的利息收入	181,621	200,547
Interest income on unlisted investments	非上市證券的利息收入	501,120	331,082
Other interest income	其他利息收入	4,999,339	5,232,100
Total interest income	利息收入總額	5,682,080	5,763,729

Notes on the Accounts (continued)
賬項附註 (續)

5. INTEREST EXPENSE 利息支出

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Interest expense on customer deposits, deposits of banks and other financial institutions and certificates of deposit issued	客戶存款、銀行及 其他金融機構的存款及 已發行存款證的利息支出	1,714,979	1,827,231
Interest expense on Subordinated Notes	後價票據的利息支出	325,627	325,460
Interest expense on other borrowings	其他借款的利息支出	13,899	14,958
Total interest expense	利息支出總額	2,054,505	2,167,649

6. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income arises from the following services:

源自下列服務的服務費及佣金收入：

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Corporate services	企業服務	391,262	359,370
Loans, overdrafts and guarantees	貸款、透支及擔保	358,838	240,330
Credit cards	信用卡	204,668	188,164
Other retail banking services	其他零售銀行服務	111,614	129,911
Trade finance	貿易融資	116,965	101,375
Securities and asset management	證券及資產管理	192,974	135,816
Others	其他	130,283	111,328
Total fee and commission income	服務費及佣金收入總額	1,506,604	1,266,294

7. NET TRADING PROFITS 交易溢利淨額

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Profit on dealing in foreign currencies	外幣買賣溢利	160,636	135,623
Profit on other investments in securities	其他證券投資溢利	152,050	307,944
Profit on other dealing activities	其他買賣活動溢利	47,685	29,512
Total net trading profits	淨交易溢利總額	360,371	473,079

8. OTHER OPERATING INCOME 其他經營收入

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Dividend income from listed equities	上市證券股息收入	28,333	16,930
Dividend income from unlisted equities	非上市證券股息收入	14,627	9,341
Rental from safe deposit boxes	保險箱租金收入	85,346	84,279
Net revenue from insurance activities	保險業務淨收入	87,656	83,559
Rental income on properties	物業租金收入	45,998	44,586
Others	其他	37,718	32,917
Total other operating income	其他經營收入總額	299,678	271,612

Notes on the Accounts (continued)
賬項附註(續)

9. OPERATING EXPENSES 經營支出

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Contributions to defined contribution plan*	定額供款公積金供款*	103,478	94,191
Salaries and other staff costs	薪金及其他員工成本	1,329,711	1,251,150
Total staff costs	員工成本總額	1,433,189	1,345,341
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	142,542	132,703
– Maintenance, repairs and others	– 保養、維修及其他	205,168	186,639
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	347,710	319,342
Depreciation on fixed assets (Note 26)	固定資產折舊(附註26)	243,961	228,842
Amortisation of goodwill (Note 25)	商譽攤銷(附註25)	143,875	140,087
Other operating expenses	其他經營支出		
– Communications, stationery and printing	– 通訊、文具及印刷	159,047	143,858
– Legal and professional fees	– 法律及專業服務費用	89,127	78,421
– Advertising expenses	– 廣告費用	87,820	64,306
– Business promotions and business travel	– 業務推廣及商務旅遊	50,119	43,292
– Card related expenses	– 有關信用卡支出	41,104	31,112
– Stamp duty, overseas and PRC** business taxes, and value added taxes	– 印花稅、海外及中華人民共和國營業稅、及增值稅	21,440	24,858
– Insurance expenses	– 保險費	14,035	5,550
– Debt securities issue expenses	– 發行債務證券費用	7,800	10,598
– Bank charges	– 銀行收費	7,296	5,844
– Administration expenses of secretarial business	– 秘書業務的行政費用	7,159	7,237
– Membership fees	– 會員費用	5,126	4,943
– Bank licence	– 銀行牌照費	4,655	4,770
– Audit fee	– 核數師酬金	4,123	3,803
– Donations	– 捐款	2,043	3,881
– Others	– 其他	50,802	59,455
Total other operating expenses	其他經營支出總額	551,696	491,928
Total operating expenses***	經營支出總額***	2,720,431	2,525,540

* Forfeited contributions totalling HK\$3,810,000 (2003: HK\$2,619,000) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2003: Nil).

** PRC denotes the People's Republic of China.

*** Included in operating expenses are direct operating expenses of HK\$13,374,000 (2003: HK\$13,365,000) in respect of investment properties which generated rental income during the year.

* 年內沒收之供款共港幣3,810,000元(2003年: 港幣2,619,000元)已被用作減少集團的供款。於年結時並無任何被沒收而未應用之供款可用作減低將來之供款(2003年: 無)。

*** 年度內經營支出包括由有租金收益的投資物業直接引起的經營支出,金額為港幣13,374,000元(2003年: 港幣13,365,000元)。

Notes on the Accounts (continued)
賬項附註 (續)

10. CHARGE FOR BAD AND DOUBTFUL DEBTS 壞賬及呆賬支出

		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Net charge for bad and doubtful debts	壞賬及呆賬準備支出淨額		
Specific provisions	特殊準備		
– new provisions (Note 21(b))	– 新撥備(附註21(b))	410,536	878,346
– releases	– 回撥	(37,072)	(118,863)
– recoveries (Note 21(b))	– 收回(附註21(b))	(170,452)	(188,733)
		203,012	570,750
General provisions (Note 21(b))	一般準備(附註21(b))		
– new provisions	– 新撥備	162,182	65,265
– releases	– 回撥	(92,387)	(137,345)
Net charge to profit and loss account	於損益賬支銷淨額	272,807	498,670

11. SHARE OF PROFITS LESS LOSSES OF ASSOCIATES 應佔聯營公司溢利減虧損

Share of profits less losses of associates included HK\$318,000 (2003: HK\$348,000) amortisation of goodwill.

應佔聯營公司溢利減虧損包括商譽之攤銷港幣318,000元(2003年：港幣348,000元)。

12. INCOME TAX 所得稅

(a) Taxation in the Consolidated Profit and Loss Account Represents:

(a) 綜合損益賬內稅項指：

		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Current tax – provision for Hong Kong profits tax	本期稅項 – 香港利得稅準備		
Tax for the year (Note 29(a))	本年度稅項(附註29(a))	297,723	62,839
(Over)/under – provision in respect of prior years	以往年度撥備(過剩)/不足	(351)	197
		297,372	63,036
Current tax – overseas	本期稅項 – 海外		
Tax for the year	本年度稅項	52,279	50,668
Over-provision in respect of prior years	往年度撥備過剩	(23,094)	(3,193)
		29,185	47,475
Deferred tax (Note 29(b))	遞延稅項(附註29(b))		
Origination and reversal of temporary differences	暫時性差異產生及轉回	53,392	293,790
Effect of increase in tax rate on deferred tax balances at 1st January	稅率增加對遞延稅項於1月1日之結餘的影響	–	7,897
		53,392	301,687
Share of associates' taxation	應佔聯營公司稅項	(4,619)	21,203
		375,330	433,401

The provision for Hong Kong profits tax is calculated at 17.5% of the estimated assessable profits for the year. Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

香港利得稅準備是以本年度預計應課稅溢利按稅率17.5%計算。海外附屬公司的稅款亦按其經營所在國家的現行稅率計算。

Notes on the Accounts (continued)
賬項附註(續)

12. INCOME TAX (continued) 所得稅(續)

(b) Reconciliation between Tax Expense and Accounting Profit at Applicable Tax Rates (b) 稅項支出與會計溢利乘以適當稅率兩者之對賬

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Profit before tax	除稅前溢利	2,823,897	2,374,308
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關國家適用利得稅率 計算除稅前溢利的 名義稅項	465,443	426,197
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	57,454	88,207
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(89,356)	(65,989)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	11,384	9,246
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延 稅項資產	(24,797)	(7,509)
Effect on opening deferred tax balances resulting from an increase in tax rate during the year	因在本年度調高稅率 對遞延稅項期初結餘的影響	-	7,897
Over provision in prior years	以往年度撥備過剩	(23,445)	(2,996)
Tax benefits derived from leasing partnerships	源自合夥租賃的稅項利益	(38,633)	(42,918)
Others	其他	21,899	63
		379,949	412,198
Share of associates' taxation	應佔聯營公司稅項	(4,619)	21,203
Actual tax expense	實際稅項支出	375,330	433,401

13. PROFIT ATTRIBUTABLE TO SHAREHOLDERS 股東應佔溢利

The consolidated profit attributable to shareholders includes a profit of HK\$2,070,825,000 (2003: HK\$1,750,006,000) which has been dealt with in the accounts of the Bank.

股東應佔綜合溢利包括已計入本行賬項內的溢利港幣2,070,825,000元(2003年：港幣1,750,006,000元)。

Notes on the Accounts (continued)
賬項附註 (續)

14. DIVIDENDS 股息

(a) Dividends Attributable to the Year

(a) 應屬本年度股息

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Interim dividend declared and paid of HK\$0.28 per share on 1,480,480,902 shares (2003: HK\$0.23 per share on 1,452,420,440 shares) (Note 32(i))	已宣派及支付1,480,480,902股每股港幣0.28元的中期股息 (2003年：1,452,420,440股每股港幣0.23元) (附註32(i))	414,535	334,057
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Bank, of HK\$0.62 (2003: HK\$0.35)	支付在結算日後及銀行股東登記截止日前根據認股計劃發行股份的上年度每股港幣0.62元的末期股息 (2003年：每股港幣0.35元)	885	11
Final dividend proposed after the balance sheet date of HK\$0.80 per share on 1,491,998,551 shares (2003: HK\$0.62 per share on 1,467,453,525 shares)	在結算日後擬派的末期股息1,491,998,551股每股港幣0.80元 (2003年：1,467,453,525股每股港幣0.62元)	1,193,599	909,821
		1,609,019	1,243,889

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

在結算日後的擬派末期股息但並未於結算日確認為負債。

(b) Dividends Attributable to the Previous Financial Year, Approved and Paid During the Year

(b) 於年度核准及支付屬上年度股息

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.62 per share on 1,467,453,525 shares (2003: HK\$0.35 per share on 1,446,345,070 shares)	於年度核准及支付1,467,453,525股每股港幣0.62元的上年度末期股息 (2003年：1,446,345,070股每股港幣0.35元)	909,821	506,221

15. EARNINGS PER SHARE 每股盈利

(a) Basic Earnings Per Share

The calculation of basic earnings per share is based on earnings of HK\$2,423,800,000 (2003: HK\$1,921,714,000) and on the weighted average of 1,479,171,460 (2003: 1,453,702,043) ordinary shares outstanding during the year.

(b) Diluted Earnings Per Share

The calculation of diluted earnings per share is based on earnings of HK\$2,423,800,000 (2003: HK\$1,922,793,000) and on 1,486,243,795 (2003: 1,459,024,994) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

(c) Reconciliations

		2004 Number of shares 股份數目	2003 Number of shares 股份數目
Weighted average number of ordinary shares used in calculating basic earnings per share	用作計算每股基本盈利的普通股份加權平均數	1,479,171,460	1,453,702,043
Deemed issue of ordinary shares for no consideration	被視為不計價款發行的普通股	7,072,335	5,322,951
Weighted average number of ordinary shares used in calculating diluted earnings per share	用作計算每股攤薄盈利的普通股份加權平均數	1,486,243,795	1,459,024,994

(a) 每股基本盈利

每股基本盈利乃按照溢利港幣2,423,800,000元(2003年：港幣1,921,714,000元)及已發行普通股份的加權平均數1,479,171,460股(2003年：1,453,702,043股)計算。

(b) 每股攤薄盈利

每股攤薄盈利乃按照溢利港幣2,423,800,000元(2003年：港幣1,922,793,000元)及就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數1,486,243,795股(2003年：1,459,024,994股)計算。

(c) 對賬

16. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港《公司條例》第161條規定公布董事酬金如下：

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Fees	袍金	1,619	1,349
Salaries and other emoluments	薪金及其他酬金	17,530	13,000
Performance-related bonuses	表現獎勵花紅	22,834	12,622
Pension contributions	退休金供款	1,200	1,200
		43,183	28,171

Included in the directors' remuneration were fees of HK\$599,000 (2003: HK\$494,000) paid to the Independent Non-executive Directors during the year.

董事酬金中包括支付予是年度獨立非執行董事袍金港幣599,000元(2003年：港幣494,000元)。

Included in the above remuneration, share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 37.

上述酬金包括執行董事根據本銀行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註37內。

Notes on the Accounts (continued)
賬項附註(續)

The remuneration of the Directors is within the following bands:

董事酬金的金額範圍如下：

HK\$ 港幣	2004 Number of Directors 董事人數	2003 Number of Directors 董事人數
0 – 1,000,000	12	13
4,500,001 – 5,000,000	–	2
8,500,001 – 9,000,000	2	–
17,000,001 – 17,500,000	–	1
24,000,001 – 24,500,000	1	–

17. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

The remuneration of the five top-paid employees, including Executive Directors, disclosed pursuant to the Listing Rules of The Stock Exchange of Hong Kong Limited is as follows:

根據《香港聯合交易所證券上市規則》的規定，5名薪酬最高的僱員中包括執行董事的薪酬公布如下：

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	16,275	16,275
Performance-related bonuses	表現獎勵花紅	26,596	15,222
Share option	認股權	8,876	3,381
Pension contributions	退休金供款	1,502	1,502
		53,249	36,380

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

HK\$港幣	2004 Number of Employees 僱員人數	2003 Number of Employees 僱員人數
4,000,001 – 4,500,000	–	1
4,500,001 – 5,000,000	–	2
5,000,001 – 5,500,000	–	1
5,500,001 – 6,000,000	2	–
8,500,001 – 9,000,000	2	–
16,500,001 – 17,000,000	–	1
24,000,001 – 24,500,000	1	–

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2003: 3) Directors. Their respective directors' emoluments have been included in Note 16 above.

5名薪酬最高的僱員中包括3位(2003年：3位)董事。他們的薪酬已包括於上述附註16。

18. SEGMENT REPORTING 分部報告

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

(a) Business Segments

The Group comprises the following main business segments:

Personal banking business includes branch operations, personal internet banking, consumer finance, property loans and credit card business.

Corporate banking business includes corporate lending and loan syndication, asset based lending, commercial lending, community lending, securities lending, trust services, mandatory provident fund business and corporate internet banking.

Investment banking business includes treasury operations, securities broking and dealing, provision of internet security trading services.

Corporate services include company secretarial services, share registration and business services, and offshore corporate and trust services.

Other businesses include bancassurance, insurance business, property-related business and wealth management business.

Unallocated items mainly comprise the central management unit, bank premises, and any items which cannot be reasonably allocated to specific business segments.

本集團就其業務及地區的分部編製分部資料。由於業務分部較切合本集團內部財務資料的匯報形式，故此採用此業務分部資料為基本報告形式。

(a) 業務分部

本集團經營以下主要業務分部：

個人銀行業務包括分行營運、個人電子網絡銀行服務、消費性貸款、按揭貸款及信用卡業務。

企業銀行業務包括企業借貸及銀團貸款、資產融資、商業貸款、中小型企業貸款、證券業務貸款、信託服務、強制性公積金業務及企業電子網絡銀行服務。

投資銀行業務包括財資運作、股票經紀及買賣、提供網上證券買賣服務。

企業服務包括公司秘書服務、證券登記及商業服務，及離岸企業及信託服務。

其他業務包括銀行保險、保險業務、與地產有關的業務及財富管理業務。

未分類的業務項目主要包括中央管理層、銀行行址，以及其他未能合理分配予特定業務分部的業務活動。

Notes on the Accounts (continued)

賬項附註(續)

		2004							
		Personal Banking	Corporate Banking	Investment Banking	Corporate Services	Others	Unallocated	Inter-segment elimination	Consolidated
		個人銀行 HK\$'000 港幣千元	企業銀行 HK\$'000 港幣千元	投資銀行 HK\$'000 港幣千元	企業服務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	未分類 HK\$'000 港幣千元	分部間之 交易抵銷 HK\$'000 港幣千元	綜合總額 HK\$'000 港幣千元
The Group	集團								
Net interest income	淨利息收入	1,738,465	1,336,813	579,621	(50)	24,248	(51,522)	-	3,627,575
Other operating income from external customers	源自外界客戶的其他經營收入	436,784	268,027	496,950	387,894	193,442	85,193	-	1,868,290
Inter-segment income	分部間之交易收入	-	-	-	-	-	108,778	(108,778)	-
Total operating income	經營收入總額	2,175,249	1,604,840	1,076,571	387,844	217,690	142,449	(108,778)	5,495,865
Operating profit/(loss) before provisions	未扣除準備的經營溢利/(虧損)	1,013,239	1,025,569	836,336	139,944	64,084	(303,738)	-	2,775,434
Inter-segment transactions (Charge for)/write back of bad and doubtful debts	分部間之交易壞賬及呆賬(支出)/回撥	91,956	8,172	3,745	-	306	(104,179)	-	-
		(84,842)	(206,148)	(389)	(9,033)	1,528	26,077	-	(272,807)
Contribution from operations	經營利潤	1,020,353	827,593	839,692	130,911	65,918	(381,840)	-	2,502,627
Revaluation surplus on investment properties	重估投資物業盈餘	-	-	-	-	-	227,941	-	227,941
Write back on impairment loss on bank premises	銀行行址減值損失回撥	-	-	-	-	-	18,538	-	18,538
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(1,723)	18,624	19,255	-	28,481	(261)	-	64,376
Other income and expenses*	其他收入及支出*	-	(15,773)	19,830	-	-	6,358	-	10,415
Profit/(loss) before taxation	除稅前溢利/(虧損)	1,018,630	830,444	878,777	130,911	94,399	(129,264)	-	2,823,897
Income tax	所得稅	-	-	-	-	-	(375,330)	-	(375,330)
Minority interests	少數股東權益	-	-	-	(24,767)	-	-	-	(24,767)
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	1,018,630	830,444	878,777	106,144	94,399	(504,594)	-	2,423,800
Profit/(loss) attributable to shareholders is after charging:	股東應佔溢利/(虧損)已扣除:								
Depreciation for the year	年度內折舊	(91,616)	(48,490)	(17,205)	(7,405)	(6,909)	(72,336)	-	(243,961)
Amortisation of goodwill	商譽攤銷	(30,538)	(31,701)	(40,040)	(39,626)	(1,970)	-	-	(143,875)
Segment assets	分部資產	48,448,340	71,741,124	77,018,778	1,645,556	1,507,253	704,842	-	201,065,893
Investments in associates	聯營公司投資	36,601	290,495	77,399	-	319,574	1,894	-	725,963
Unallocated assets	未分類資產	-	-	-	-	-	8,577,690	-	8,577,690
Total assets	資產總額	48,484,941	72,031,619	77,096,177	1,645,556	1,826,827	9,284,426	-	210,369,546
Segment liabilities	分部負債	106,071,387	57,671,069	14,045,540	52,344	1,129,967	-	-	178,970,307
Unallocated liabilities	未分類負債	-	-	-	-	-	5,234,979	-	5,234,979
Total liabilities	負債總額	106,071,387	57,671,069	14,045,540	52,344	1,129,967	5,234,979	-	184,205,286
Write back of impairment loss credited to equity	回撥減值損失存入股東權益	-	-	-	-	-	12,839	-	12,839
Capital expenditure incurred during the year	年度內資本開支	53,613	74,870	88,472	228,523	28,576	1,432,127	-	1,906,181

* Other income and expenses included net profit or loss on disposal of fixed assets, held-to-maturity debt securities, investment securities and associates, provision or write back on held-to-maturity debt securities, investment securities and associates.

* 其他收入及支出包括出售固定資產、持至到期債務證券、投資證券和聯營公司的損益，及持至到期債務證券、投資證券和聯營公司的調撥或回撥。

Notes on the Accounts (continued)
賬項附註(續)

18. SEGMENT REPORTING (continued) 分部報告(續)

(a) Business Segments (continued)

(a) 業務分部(續)

		2003							
		Personal Banking	Corporate Banking	Investment Banking	Corporate Services	Others	Unallocated	Inter-segment elimination	Consolidated
		個人銀行 HK\$'000 港幣千元	企業銀行 HK\$'000 港幣千元	投資銀行 HK\$'000 港幣千元	企業服務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	未分類 HK\$'000 港幣千元	分部間之 交易抵銷 HK\$'000 港幣千元	綜合總額 HK\$'000 港幣千元
The Group	集團								
Net interest income	淨利息收入	1,932,393	1,170,885	526,811	24	34,481	(68,514)	-	3,596,080
Other operating income from external customers	源自外界客戶的其他經營收入	393,717	254,897	566,819	358,375	147,970	78,389	-	1,800,167
Inter-segment income	分部間之交易收入	-	-	-	-	-	136,566	(136,566)	-
Total operating income	經營收入總額	2,326,110	1,425,782	1,093,630	358,399	182,451	146,441	(136,566)	5,396,247
Operating profit/(loss) before provisions	未扣除準備的經營溢利/(虧損)	1,286,224	880,649	858,429	112,477	36,722	(303,794)	-	2,870,707
Inter-segment transactions	分部間之交易	112,394	11,256	6,779	-	-	(130,429)	-	-
Charge for bad and doubtful debts	壞賬及呆賬支出	(343,519)	(112,574)	(16,138)	(9,995)	(15,944)	(500)	-	(498,670)
Contribution from operations	經營利潤	1,055,099	779,331	849,070	102,482	20,778	(434,723)	-	2,372,037
Revaluation surplus on investment properties	重估投資物業盈餘	-	-	-	-	-	12,816	-	12,816
Impairment loss on bank premises	銀行行址減值損失	-	-	-	-	-	(113,782)	-	(113,782)
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(3,994)	26,007	1,314	-	97,932	(8,661)	-	112,598
Other income and expenses*	其他收入及支出*	-	3,250	(16,252)	-	5,941	(2,300)	-	(9,361)
Profit/(loss) before taxation	除稅前溢利/(虧損)	1,051,105	808,588	834,132	102,482	124,651	(546,650)	-	2,374,308
Income tax	所得稅	-	-	-	-	-	(433,401)	-	(433,401)
Minority interests	少數股東權益	-	-	-	(18,992)	(150)	(51)	-	(19,193)
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	1,051,105	808,588	834,132	83,490	124,501	(980,102)	-	1,921,714
Profit/(loss) attributable to shareholders is after charging:	股東應佔溢利/(虧損)已扣除:								
Depreciation for the year	年度內折舊	(84,255)	(40,938)	(16,340)	(6,468)	(7,593)	(73,248)	-	(228,842)
Amortisation of goodwill	商譽攤銷	(31,425)	(25,214)	(45,638)	(36,870)	(940)	-	-	(140,087)
Segment assets	分部資產	48,173,407	56,294,715	82,861,682	1,169,400	1,103,878	90,214	-	189,693,296
Investments in associates	聯營公司投資	31,926	342,601	53,840	-	304,705	3,412	-	736,484
Unallocated assets	未分類資產	-	-	-	-	-	8,046,338	-	8,046,338
Total assets	資產總額	48,205,333	56,637,316	82,915,522	1,169,400	1,408,583	8,139,964	-	198,476,118
Segment liabilities	分部負債	110,392,305	45,031,831	13,440,069	62,760	737,779	-	-	169,664,744
Unallocated liabilities	未分類負債	-	-	-	-	-	4,424,705	-	4,424,705
Total liabilities	負債總額	110,392,305	45,031,831	13,440,069	62,760	737,779	4,424,705	-	174,089,449
Impairment loss charged to equity	減值損失於股東權益支銷	-	-	-	-	-	(122,013)	-	(122,013)
Capital expenditure incurred during the year	年度內資本開支	44,118	53,071	79,940	328,010	5,329	15,732	-	526,200

* Other income and expenses included net profit or loss on disposal of fixed assets, held-to-maturity debt securities, investment securities and associates, provision or write back on held-to-maturity debt securities, investment securities and associates.

* 其他收入及支出包括出售固定資產、持至到期債務證券、投資證券和聯營公司的損益，及持至到期債務證券、投資證券和聯營公司的調撥或回撥。

Notes on the Accounts (continued)

賬項附註 (續)

(b) Geographical Segments

The information concerning geographical analysis 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 branches of the Bank responsible for reporting the results or booking the assets.

(b) 地區分部

按地區分部之資料是根據附屬公司的主要業務所在地點，或就本銀行而言，則按負責報告業績或將資產入賬之分行地點予以劃分。

		2004					
		Hong Kong	People's	Other Asian	Others	Inter-segment	Consolidated
		香港	Republic of China	Countries	其他	分部間之交易抵銷	綜合總額
		HK\$'000港幣千元	HK\$'000港幣千元	其他亞洲國家	HK\$'000港幣千元	HK\$'000港幣千元	HK\$'000港幣千元
The Group	集團						
Total operating income	經營收入總額	4,504,742	528,168	209,545	523,386	(269,976)	5,495,865
Profit before taxation	除稅前溢利	2,395,821	177,884	80,288	169,904	-	2,823,897
Total assets	資產總額	178,475,184	28,172,241	17,442,983	31,149,607	(44,870,469)	210,369,546
Total liabilities	負債總額	157,253,477	28,117,952	17,267,817	23,821,351	(42,255,311)	184,205,286
Contingent liabilities and commitments	或然負債及承擔	33,548,424	3,508,652	4,199,197	3,029,858	-	44,286,131
Capital expenditure during the year	年度內資本開支	1,551,254	107,152	224,903	22,872	-	1,906,181

		2003					
		Hong Kong	People's	Other Asian	Others	Inter-segment	Consolidated
		香港	Republic of China	Countries	其他	分部間之交易抵銷	綜合總額
		HK\$'000港幣千元	HK\$'000港幣千元	其他亞洲國家	HK\$'000港幣千元	HK\$'000港幣千元	HK\$'000港幣千元
The Group	集團						
Total operating income	經營收入總額	4,582,445	439,362	180,084	485,688	(291,332)	5,396,247
Profit before taxation	除稅前溢利	2,028,663	157,833	74,525	113,287	-	2,374,308
Total assets	資產總額	171,220,488	19,224,326	14,070,718	29,237,812	(35,277,226)	198,476,118
Total liabilities	負債總額	151,169,264	19,173,706	13,876,847	22,078,299	(32,208,667)	174,089,449
Contingent liabilities and commitments	或然負債及承擔	28,437,677	2,239,141	2,280,989	1,738,291	-	34,696,098
Capital expenditure during the year	年度內資本開支	456,695	47,843	843	20,819	-	526,200

Notes on the Accounts (continued)
賬項附註(續)

19. CASH AND SHORT-TERM FUNDS 現金及短期資金

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	3,655,593	2,695,618	3,460,456	2,560,012
Money at call and short notice	通知及短期存款	32,251,148	29,843,667	32,068,851	29,625,898
Treasury bills (Note 28)	國庫債券(附註28)	3,970,997	3,494,225	3,963,240	3,321,527
		39,877,738	36,033,510	39,492,547	35,507,437
An analysis of treasury bills held is as follows:	持有國庫債券分析如下:				
- Unlisted, held-to-maturity, at amortised cost	- 非上市持至到期(原值減攤銷額)	43,093	233,593	35,336	60,895
- Unlisted, other investments in securities, at fair value	- 非上市其他證券投資(公平值)	3,927,904	3,260,632	3,927,904	3,260,632
		3,970,997	3,494,225	3,963,240	3,321,527

All treasury bills are issued by central governments and central banks.

所有國庫債券均由中央政府及中央銀行發行。

20. INVESTMENTS IN SECURITIES 證券投資

(a) Certificates of Deposit Held - Unlisted (Note 28)

(a) 持有的存款證—非上市(附註28)

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Non-trading, at fair value	非交易用途(公平值)	1,028,179	1,418,361	1,024,189	1,418,361
Held-to-maturity, at amortised cost	持至到期(原值減攤銷額)	1,418,768	1,598,195	1,041,839	1,140,958
		2,446,947	3,016,556	2,066,028	2,559,319

Notes on the Accounts (continued)
賬項附註(續)

(b) Other Investments in Securities

(b) 其他證券投資

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Listed	上市				
- in Hong Kong	- 在香港上市				
equity securities	股份證券	410,594	455,821	353,588	432,351
debt securities	債務證券	752,502	-	752,502	-
- outside Hong Kong	- 在香港以外地區上市				
equity securities	股份證券	186,195	286,491	146,638	271,897
debt securities	債務證券	2,947,608	4,016,859	2,566,292	3,641,903
		4,296,899	4,759,171	3,819,020	4,346,151
Unlisted	非上市				
- equity securities	- 股份證券	315,881	48,392	304,663	38,090
- debt securities	- 債務證券	3,950,587	5,343,772	3,645,698	5,103,735
		4,266,468	5,392,164	3,950,361	5,141,825
		8,563,367	10,151,335	7,769,381	9,487,976
Equity securities	股份證券	912,670	790,704	804,889	742,338
Debt securities (Note 28)	債務證券(附註28)	7,650,697	9,360,631	6,964,492	8,745,638
		8,563,367	10,151,335	7,769,381	9,487,976
Market value of listed securities	上市證券市值				
- equity securities	- 股份證券	596,789	742,312	500,226	704,248
- debt securities	- 債務證券	3,700,110	4,016,859	3,318,794	3,641,903
		4,296,899	4,759,171	3,819,020	4,346,151
Issued by:	發行機構:				
- Central governments and central banks	- 中央政府和中央銀行	286,836	741,084	246,592	387,022
- Public sector entities	- 公營機構	704,100	1,929,256	704,100	1,929,096
- Banks and other financial institutions	- 銀行及其他金融機構	3,291,265	3,705,219	2,941,048	3,453,149
- Corporate entities	- 企業	4,217,514	3,717,394	3,834,047	3,681,191
- Others	- 其他	63,652	58,382	43,594	37,518
		8,563,367	10,151,335	7,769,381	9,487,976

Notes on the Accounts (continued)
賬項附註(續)

20. INVESTMENTS IN SECURITIES (continued) 證券投資(續)

(c) Held-to-maturity Debt Securities (Note 28)

(c) 持至到期的債務證券(附註28)

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Listed	上市				
– in Hong Kong	– 在香港上市	518,281	162,957	497,682	131,865
– outside Hong Kong	– 在香港以外地區上市	2,919,372	2,179,303	2,734,412	2,046,496
		3,437,653	2,342,260	3,232,094	2,178,361
Unlisted	非上市	12,658,431	9,366,965	12,085,066	8,912,519
		16,096,084	11,709,225	15,317,160	11,090,880
Market value of listed securities	上市證券市值	3,450,682	2,346,884	3,238,673	2,176,637
Issued by:	發行機構:				
– Central governments and central banks	– 中央政府和中央銀行	7,843,778	7,618,960	7,839,919	7,618,960
– Public sector entities	– 公營機構	1,196,216	124,021	964,550	–
– Banks and other financial institutions	– 銀行及其他金融機構	2,181,169	1,685,284	1,785,331	1,297,143
– Corporate entities	– 企業	4,874,921	2,280,960	4,727,360	2,174,777
		16,096,084	11,709,225	15,317,160	11,090,880

(d) Investment Securities

(d) 投資證券

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Listed	上市				
– in Hong Kong equity securities	– 在香港上市 股份證券	–	50	–	–
– outside Hong Kong debt securities	– 在香港以外地區上市 債務證券	71,410	68,457	71,410	68,457
		71,410	68,507	71,410	68,457
Unlisted	非上市				
– equity securities	– 股份證券	142,285	151,935	102,255	112,322
– debt securities	– 債務證券	22,678	22,655	18,180	18,003
		164,963	174,590	120,435	130,325
		236,373	243,097	191,845	198,782
Equity securities	股份證券	142,285	151,985	102,255	112,322
Debt securities (Note 28)	債務證券(附註28)	94,088	91,112	89,590	86,460
		236,373	243,097	191,845	198,782

Notes on the Accounts (continued)
賬項附註 (續)

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Market value of listed securities	上市證券市值				
- equity securities	- 股份證券	-	50	-	-
- debt securities	- 債務證券	81,943	68,717	81,943	68,717
		81,943	68,767	81,943	68,717
Issued by:	發行機構:				
- Corporate entities	- 企業	154,414	161,341	128,673	135,787
- Central governments and central banks	- 中央政府和中央銀行	14,577	-	-	-
- Banks and other financial institutions	- 銀行及其他金融機構	3,910	-	-	-
- Others	- 其他	63,472	81,756	63,172	62,995
		236,373	243,097	191,845	198,782

21. ADVANCES AND OTHER ACCOUNTS LESS PROVISIONS 已扣除準備之貸款及其他賬項

(a) Advances to Customers and Other Accounts

(a) 客戶貸款及其他賬項

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Advances to customers (Note 28)	客戶貸款 (附註28)	117,258,753	102,908,836	112,769,755	99,684,758
Advances to banks and other financial institutions (Note 28)	銀行及其他金融機構貸款 (附註28)	2,114,655	1,563,981	2,114,655	1,563,981
Accrued interest	應計利息	1,054,632	1,137,979	1,019,140	1,111,846
Less: Suspended interest	減: 懸欠利息	(319,779)	(439,982)	(319,520)	(439,431)
Other accounts	其他賬項	4,523,708	4,380,696	4,371,673	4,842,953
Construction in progress	在建工程	-	468,235	-	468,235
		124,631,969	110,019,745	119,955,703	107,232,342
Less: Provisions for bad and doubtful debts	減: 壞賬及呆賬準備				
- Specific	- 特殊	342,320	380,400	217,143	238,978
- General	- 一般	1,339,996	1,259,551	1,277,326	1,209,630
		122,949,653	108,379,794	118,461,234	105,783,734

Notes on the Accounts (continued)
賬項附註(續)

21. ADVANCES AND OTHER ACCOUNTS LESS PROVISIONS (continued) 已扣除準備之貸款及其他賬項(續)

(b) Provisions Against Advances and Other Accounts for 2004

(b) 2004年貸款及其他賬項的準備

		The Group 集團						Suspended interest 懸欠利息 HK\$'000 港幣千元
		Advances to customers and other accounts 客戶貸款及其他賬項		Trade bills and others 貿易票據及其他		Total 總額		
		Specific 特殊	General 一般	Specific 特殊	General 一般	Specific 特殊	General 一般	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At 1st January	於1月1日	380,400	1,259,551	-	1,282	380,400	1,260,833	508,890
New provisions charged to profit and loss account (Note 10)	記入損益賬的新準備 (附註10)	409,857	160,654	679	1,528	410,536	162,182	-
Provisions released back to profit and loss account (Note 10)	撥回損益賬的準備 (附註10)	(207,399)	(90,649)	(125)	(1,738)	(207,524)	(92,387)	-
Amounts written off	撇銷額	(420,582)	(474)	(679)	-	(421,261)	(474)	(203,974)
Recoveries (Note 10)	收回額(附註10)	170,327	210	125	-	170,452	210	-
Interest suspended during the year	年內懸欠利息	-	-	-	-	-	-	152,864
Suspended interest recovered	懸欠利息收回	-	-	-	-	-	-	(79,374)
Additions through acquisition of subsidiaries	經收購附屬公司 的增置	2,062	-	-	-	2,062	-	-
Other movements	其他變動	1,417	3,503	-	-	1,417	3,503	-
Exchange adjustments	匯兌調整	6,238	7,201	-	23	6,238	7,224	1,723
At 31st December	於12月31日	342,320	1,339,996	-	1,095	342,320	1,341,091	380,129

		The Bank 銀行						Suspended interest 懸欠利息 HK\$'000 港幣千元
		Advances to customers and other accounts 客戶貸款及其他賬項		Trade bills and others 貿易票據及其他		Total 總額		
		Specific 特殊	General 一般	Specific 特殊	General 一般	Specific 特殊	General 一般	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
At 1st January	於1月1日	238,978	1,209,630	230,665	1,283	469,643	1,210,913	508,338
New provisions charged to profit and loss account	記入損益賬的新準備	398,344	141,370	123,679	1,527	522,023	142,897	-
Provisions released back to profit and loss account	撥回損益賬的準備	(176,858)	(82,574)	(22,319)	(1,738)	(199,177)	(84,312)	-
Amounts written off	撇銷額	(409,125)	(439)	(679)	-	(409,804)	(439)	(203,253)
Recoveries	收回額	158,542	210	125	-	158,667	210	-
Interest suspended during the year	年內懸欠利息	-	-	-	-	-	-	151,988
Suspended interest recovered	懸欠利息收回	-	-	-	-	-	-	(78,900)
Other movements	其他變動	1,417	3,503	-	-	1,417	3,503	-
Exchange adjustments	匯兌調整	5,845	5,626	-	23	5,845	5,649	1,698
At 31st December	於12月31日	217,143	1,277,326	331,471	1,095	548,614	1,278,421	379,871

Notes on the Accounts (continued)
賬項附註(續)

Provisions Against Advances and Other Accounts for 2003

2003年貸款及其他賬項的準備

		The Group 集團						
		Advances to customers and other accounts 客戶貸款及其他賬項		Trade bills and others 貿易票據及其他		Total 總額		Suspended interest 懸欠利息
		Specific 特殊	General 一般	Specific 特殊	General 一般	Specific 特殊	General 一般	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January	於1月1日	426,713	1,333,257	-	1,268	426,713	1,334,525	559,576
New provisions charged to profit and loss account (Note 10)	記入損益賬的新準備(附註10)	878,092	63,830	254	1,435	878,346	65,265	-
Provisions released back to profit and loss account (Note 10)	撥回損益賬的準備(附註10)	(307,382)	(135,917)	(214)	(1,428)	(307,596)	(137,345)	-
Amounts written off	撇銷額	(824,582)	(10,294)	(254)	-	(824,836)	(10,294)	(171,621)
Recoveries (Note 10)	收回額(附註10)	188,519	4,038	214	-	188,733	4,038	-
Interest suspended during the year	年內懸欠利息	-	-	-	-	-	-	201,591
Suspended interest recovered	懸欠利息收回	-	-	-	-	-	-	(81,381)
Additions through acquisition of subsidiaries	經收購附屬公司的增置	-	36	-	-	-	36	-
Other movements	其他變動	15,836	(2,979)	-	-	15,836	(2,979)	-
Exchange adjustments	匯兌調整	3,204	7,580	-	7	3,204	7,587	725
At 31st December	於12月31日	380,400	1,259,551	-	1,282	380,400	1,260,833	508,890
		The Bank 銀行						
		Advances to customers and other accounts 客戶貸款及其他賬項		Trade bills and others 貿易票據及其他		Total 總額		Suspended interest 懸欠利息
		Specific 特殊	General 一般	Specific 特殊	General 一般	Specific 特殊	General 一般	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January	於1月1日	279,672	1,222,872	230,665	1,267	510,337	1,224,139	558,167
Additions through merger with EAC and EAF	經與東亞授信及東亞財務合併的增置	20,228	80,296	-	-	20,228	80,296	1,175
New provisions charged to profit and loss account	記入損益賬的新準備	832,605	52,442	254	1,436	832,859	53,878	-
Provisions released back to profit and loss account	撥回損益賬的準備	(291,047)	(132,996)	(214)	(1,427)	(291,261)	(134,423)	-
Amounts written off	撇銷額	(796,555)	(9,662)	(254)	-	(796,809)	(9,662)	(171,579)
Recoveries	收回額	182,723	1,533	214	-	182,937	1,533	-
Interest suspended during the year	年內懸欠利息	-	-	-	-	-	-	200,959
Suspended interest recovered	懸欠利息收回	-	-	-	-	-	-	(81,110)
Other movements	其他變動	9,837	(8,625)	-	-	9,837	(8,625)	-
Exchange adjustments	匯兌調整	1,515	3,770	-	7	1,515	3,777	726
At 31st December	於12月31日	238,978	1,209,630	230,665	1,283	469,643	1,210,913	508,338

Suspended interest related only to advances to customers and other accounts.

懸欠利息只與客戶貸款及其他賬項有關。

21. ADVANCES AND OTHER ACCOUNTS LESS PROVISIONS (continued) 已扣除準備之貸款及其他賬項 (續)

(c) Non-performing Advances to Customers

Non-performing advances to customers are advances on which interest is being placed in suspense or on which interest accrual has ceased.

(c) 不履行客戶貸款

不履行客戶貸款即其利息撥入利息懸欠賬目或已停止累計利息的貸款。

	The Group 集團		The Bank 銀行	
	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Gross non-performing advances to customers	1,365,432	2,526,389	1,360,524	2,510,946
As percentage of total advances to customers	1.16%	2.45%	1.21%	2.52%
Specific provisions	206,624	219,528	206,624	219,528
Suspended interest*	380,129	508,890	379,871	508,338

* Inclusive of interest capitalised

* 包括已資本化的利息

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 as at 31st December, 2004 and 31st December, 2003, nor were there any specific provisions made for them on these two dates.

於2004年12月31日及2003年12月31日，本集團貸予銀行及其他金融機構的款項中，並無利息撥入利息懸欠賬目或已停止累計利息的貸款，亦無就該等貸款提撥特殊準備。

22. ADVANCES TO CUSTOMERS – NET INVESTMENT IN FINANCE LEASES 客戶貸款－融資租賃的淨投資額

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

客戶貸款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

	The Group and The Bank 集團及銀行					
	2004			2003		
	Present value of the minimum lease payments 最低租賃付款現值 HK\$'000 港幣千元	Interest income relating to future periods 相關未來利息收入 HK\$'000 港幣千元	Total minimum lease payments 最低租賃付款總額 HK\$'000 港幣千元	Present value of the minimum lease payments 最低租賃付款現值 HK\$'000 港幣千元	Interest income relating to future periods 相關未來利息收入 HK\$'000 港幣千元	Total minimum lease payments 最低租賃付款總額 HK\$'000 港幣千元
Amounts receivable:						
Within one year	815,401	111,436	926,837	550,741	117,715	668,456
After one year but within five years	1,262,417	217,594	1,480,011	1,034,853	297,777	1,332,630
After five years	1,813,039	276,970	2,090,009	1,750,661	388,457	2,139,118
	3,890,857	606,000	4,496,857	3,336,255	803,949	4,140,204
Less: Provisions for bad and doubtful debts	(3,846)			(7,453)		
Net investment in finance leases	3,887,011			3,328,802		

The net investment in finance leases is carried on the balance sheet as a receivable. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作應收賬計入資產負債表，但並無累計未來相關的利息收入。

Notes on the Accounts (continued)
賬項附註 (續)

23. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares, at cost	上市股份(原值)	2,008,087	1,980,975
Less: impairment loss	減: 減值損失	(169,850)	(169,850)
		1,838,237	1,811,125

Acquisition of subsidiaries:

On 9th March, 2004 the Group acquired the remaining 30% interest in Asia Strategic Capital Limited for a cash consideration of US\$3,475,500.

The Group formed Tricor Singapore Pte. Ltd., a 75.6% subsidiary, to acquire the secretarial, share registration and bookkeeping businesses of PricewaterhouseCoopers in Singapore on 1st October, 2004 for a cash consideration of S\$68,000,000.

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Details of these companies are as follows:

收購附屬公司:

於2004年3月9日, 本集團以現金代價3,475,500美元購入Asia Strategic Capital Limited 餘下之30%股權。

於2004年10月1日, 本集團新成立一間擁有75.6%權益的附屬公司—Tricor Singapore Pte. Ltd., 以現金代價新加坡幣68,000,000元購入羅兵咸永道會計師事務所於新加坡的秘書、證券登記及賬務業務。

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。除非另外說明, 此等股份屬普通股股份。

此等附屬公司的詳情如下:

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA Pacific Asia Limited	Hong Kong 香港	US\$13,000,000美元		100%	Investment holding 投資控股
BEA Pacific (Vanuatu) Limited	Vanuatu 瓦努瓦圖	US\$100,000美元	100%		Holding of a single outstanding deposit 持有一未提取存款
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣189,000,000元	100%		Insurance 保險
East Asia Asset Management Company Limited 東亞資產管理有限公司	Hong Kong 香港	HK\$港幣10,000,000元	100%		Asset management 資產管理
East Asia Corporate Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.6%	Registered agent and trustee services 註冊代理及信託服務

Notes on the Accounts (continued)

賬項附註(續)

23. INVESTMENTS IN SUBSIDIARIES (continued) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
East Asia Electronic Data Processing (Guangzhou) Limited (Note 1) 東亞電子資料處理(廣州)有限公司(附註1)	PRC 中華人民共和國	US\$2,700,000美元		100%	Servicing 服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Facility management 設施管理
East Asia Financial Holding (BVI) Limited	BVI 英屬處女群島	US\$1美元	100%		Issuer of subordinated notes 後償票據發行人
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US\$23,296,000美元	100%		Investment holding 投資控股
East Asia Futures Limited 東亞期貨有限公司	Hong Kong 香港	HK\$港幣7,000,000元	100%		Options and futures trading 期權及期貨買賣
East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited (Note 2)	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股
East Asia Investment Holdings Limited 東亞投資控股有限公司	Hong Kong 香港	HK\$港幣100,000,000元	100%		Securities trading 證券買賣
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK\$港幣186,038,725元	100%		Investment holding 投資控股
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Hong Kong 香港	HK\$港幣10,000元	100%		Investment holding 投資控股
East Asia Properties Investment Company Limited 東亞物業投資有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Property holding 物業持有
East Asia Properties (US), Inc.	U.S.A. 美國	US\$5美元		100%	Property holding 物業持有
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Property Holdings (Jersey) Limited	Jersey 澤西島	STGE 9英鎊	100%		Property holding 物業持有

Notes on the Accounts (continued)

賬項附註 (續)

Name of company	Place of incorporation and operation	Issued and paid-up capital	% Held by		Nature of business
公司名稱	註冊及營業地點	已發行及繳足股本	The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	業務性質
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.6%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Golden Wings International Ltd.	BVI 英屬處女群島	US\$10,000美元		100%	Property investment 物業投資
Leader One Limited	BVI 英屬處女群島	US\$1美元	100%		Investment holding 投資控股
Secretaries Limited 秘書商業服務有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
Strath Corporate Services Limited	Hong Kong 香港	HK\$港幣2元		75.6%	Business and corporate services 商務及企業服務
Tengis Limited 登捷時有限公司	Hong Kong 香港	HK\$港幣20元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
The Bank of East Asia (BVI) Limited 東亞銀行(英屬處女群島) 有限公司	BVI 英屬處女群島	US\$1,000,000美元	100%		Banking services 銀行服務
The Bank of East Asia (Canada) 加拿大東亞銀行	Canada 加拿大	C\$加幣38,000,000元	100%		Banking services 銀行服務
The Bank of East Asia (U.S.A.) N.A. 美國東亞銀行	U.S.A. 美國	US\$4,000,000美元		100%	Banking 銀行
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.6%	Investment holding 投資控股
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
Tricor Singapore Pte. Ltd.	Singapore 新加坡	S\$新加坡幣2元		75.6%	Investment holding 投資控股

Notes:

1. Represents a wholly foreign owned enterprise.
2. This company has re-domiciled from Mauritius to Seychelles on 30th December, 2004 and the issued and paid up capital was increased from US\$2 to US\$100,000.
3. BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.

附註:

1. 指一外資企業。
2. 於2004年12月30日，此公司已從毛里裘斯遷冊至塞舌爾，其已發行及繳足股本由2美元增加至100,000美元。

24. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份(原值)	-	-	333,018	375,013
Share of net assets	應佔淨資產	752,897	760,267	-	-
Goodwill unamortised	未經攤銷的商譽	70	388	-	-
		752,967	760,655	333,018	375,013
Less: impairment loss	減: 減值損失	(27,004)	(24,171)	(189,375)	(192,373)
		725,963	736,484	143,643	182,640

Loans to associates amounting to HK\$221,029,000 (2003: HK\$213,837,000) are included under advances to customers.

聯營公司貸款共港幣221,029,000元(2003年: 213,837,000元)已包括在客戶貸款。

The following list contains only the particulars of associates, all of which are unlisted corporate entities, which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司，此等聯營公司均屬非上市公司。

Name of company	Place of incorporation and operation	% of ordinary shares held by		Nature of business
		The Bank	The Group	
公司名稱	註冊及營業地點	本銀行所佔權益	本集團所佔權益	業務性質
Cementhai SCT (Hong Kong) Limited 興明泰(香港)貿易有限公司	Hong Kong 香港	20%		Trading 貿易
DaimlerChrysler Services China Limited 奔馳財務中國有限公司	Hong Kong 香港		20%	Financing and leasing services 租賃及財務服務
DaimlerChrysler Services Korea Limited	Republic of Korea 韓國		20%	Financial services 財務服務
East Asia GE Commercial Finance Limited (formerly East Asia Heller Limited) 東亞通用金融有限公司 (前東亞興萊有限公司)	Hong Kong 香港	50%		Factoring 貼現
ICEA Finance Holdings Limited 工商東亞金融控股有限公司	BVI 英屬處女群島	25%		Investment holding 投資控股

Notes on the Accounts (continued)

賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares held by 普通股		Nature of business 業務性質
		The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
Platinum Holdings Company Limited	Cayman Islands 開曼群島	30%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		24.9%	Banking & related financial services 銀行及有關金融服務
Sunfire Enterprises Limited 申發企業有限公司	BVI 英屬處女群島		20%	Property development 物業發展
Trans-Ocean Insurance Company, Limited 遠洋保險有限公司	Hong Kong 香港	48.7%		Insurance 保險
Trilease International Limited (Note 1) 鼎協租賃國際有限公司(附註1)	Hong Kong 香港	20%		Leasing 租賃

Notes:

1. This company has commenced members' voluntary liquidation on 25th January, 2005.
2. BVI denotes the British Virgin Islands.

附註:

1. 此公司已於2005年1月25日開始成員自動清盤。

25. GOODWILL 商譽

		The Group 集團 HK\$'000 港幣千元	The Bank 銀行 HK\$'000 港幣千元
Cost	成本		
At 1st January, 2004	於2004年1月1日	2,815,591	1,933,238
Additions through acquisition of subsidiaries	經收購附屬公司的增置	244,763	-
Exchange adjustments	匯兌調整	3,951	-
At 31st December, 2004	於2004年12月31日	3,064,305	1,933,238
Accumulated amortisation and impairment losses	累計攤銷及減值損失		
At 1st January, 2004	於2004年1月1日	472,183	376,284
Amortisation for the year (Note 9)	年度內攤銷(附註9)	143,875	96,662
Exchange adjustments	匯兌調整	91	-
At 31st December, 2004	於2004年12月31日	616,149	472,946
Carrying amount at 31st December, 2004	於2004年12月31日賬面值	2,448,156	1,460,292
Carrying amount at 31st December, 2003	於2003年12月31日賬面值	2,343,408	1,556,954

Notes on the Accounts (continued)

賬項附註(續)

26. FIXED ASSETS 固定資產

		The Group 集團			
		Investment Properties	Bank Premises	Furniture, Fixtures and Equipment	Total
		投資物業	行址	傢俬、 裝修及設備	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值				
At 1st January, 2004	於2004年1月1日				
– As previously reported	– 如前匯報	268,279	3,941,229	1,673,511	5,883,019
– Adjustments arising from change in accounting policies	– 因會計政策變更產生的調整	(11,440)	–	–	(11,440)
– Set off with accumulated depreciation	– 累計折舊抵銷	–	–	–	–
– Revaluation of assets transferred to investment properties	– 資產重估轉入投資物業	–	15,753	–	15,753
– Transfer from bank premises to investment properties	– 撥自行址轉入投資物業	314,340	(396,890)	–	(82,550)
– As restated	– 重報	571,179	3,560,092	1,673,511	5,804,782
Additions	增置	33	1,431,082	230,304	1,661,419
Additions through acquisition	經收購的增置	–	–	2,568	2,568
Revaluation surplus	重估盈餘	227,941	–	–	227,941
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	13,788	–	13,788
Transfer from bank premises to investment properties	行址轉入投資物業	41,382	(44,369)	–	(2,987)
Disposals	出售	(39,019)	(55,857)	(78,341)	(173,217)
Exchange adjustments	匯兌調整	1,418	2,569	8,853	12,840
At 31st December, 2004	於2004年12月31日	802,934	4,907,305	1,836,895	7,547,134
Accumulated depreciation and amortisation	累計折舊及攤銷				
At 1st January, 2004	於2004年1月1日				
– As previously reported	– 如前匯報	11,440	651,727	1,135,154	1,798,321
– Adjustments arising from change in accounting policies	– 因會計政策變更產生的調整	(11,440)	–	–	(11,440)
– Set off against cost	– 成本抵銷	–	–	–	–
– Transfer to investment properties	– 轉入投資物業	–	(82,550)	–	(82,550)
– As restated	– 重報	–	569,177	1,135,154	1,704,331
Additions through acquisition	經收購的增置	–	–	2,000	2,000
Charge for the year (Note 9)	年度內支出(附註9)	–	51,707	192,254	243,961
Transfer to investment properties	轉入投資物業	–	(2,987)	–	(2,987)
Write back of impairment loss	減值損失回撥	–	(31,377)	–	(31,377)
Written back on disposals	出售時回撥	–	(5,784)	(67,489)	(73,273)
Exchange adjustments	匯兌調整	–	(148)	6,877	6,729
At 31st December, 2004	於2004年12月31日	–	580,588	1,268,796	1,849,384
Net book value at 31st December, 2004	賬面淨值 於2004年12月31日	802,934	4,326,717	568,099	5,697,750
Net book value at 31st December, 2003	賬面淨值 於2003年12月31日	256,839	3,289,502	538,357	4,084,698

Notes on the Accounts (continued)

賬項附註(續)

		Investment	Bank Premises	Furniture, Fixtures and Equipment	Total
		投資物業	行址	傢俬、 裝修及設備	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
The gross amounts of the above assets are stated:	上述資產的總額列示如下：				
At cost	按成本	-	3,666,085	1,836,895	5,502,980
At Directors' valuation	按董事估值				
- 1989	- 1989年	-	1,079,644	-	1,079,644
- 1991	- 1991年	-	161,576	-	161,576
At professional valuation	按專業估值				
- 2004	- 2004年	802,934	-	-	802,934
		802,934	4,907,305	1,836,895	7,547,134

		The Bank 銀行			
		Investment	Bank Premises	Furniture, Fixtures and Equipment	Total
		投資物業	行址	傢俬、 裝修及設備	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值				
At 1st January, 2004	於2004年1月1日				
- As previously reported	- 如前匯報	143,690	3,403,526	1,471,446	5,018,662
- Adjustments arising from change in accounting policies	- 因會計政策變更產生的調整				
- Set off with accumulated depreciation	- 累計折舊抵銷	(1,188)	-	-	(1,188)
- Revaluation of assets transferred to investment properties	- 資產重估轉入投資物業	-	44,323	-	44,323
- Transfer from bank premises to investment properties	- 行址轉入投資物業	292,141	(359,836)	-	(67,695)
- As restated	- 重報	434,643	3,088,013	1,471,446	4,994,102
Additions	增置	-	1,431,081	192,613	1,623,694
Revaluation surplus	重估盈餘	207,093	-	-	207,093
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	13,788	-	13,788
Transfer from bank premises to investment properties	行址轉入投資物業	41,382	(44,369)	-	(2,987)
Disposals	出售	(39,019)	(43,378)	(65,019)	(147,416)
Exchange adjustments	匯兌調整	117	2,055	6,194	8,366
At 31st December, 2004	於2004年12月31日	644,216	4,447,190	1,605,234	6,696,640

Notes on the Accounts (continued)

賬項附註(續)

26. FIXED ASSETS (continued) 固定資產(續)

		Investment	Bank Premises	Furniture,	Total
		Properties		Fixtures and	
		Investment	Bank Premises	Equipment	Total
		Properties	Premises	Equipment	Total
		投資物業	行址	傢俬、	總額
		HK\$'000	港幣千元	裝修及設備	總額
		HK\$'000	港幣千元	HK\$'000	港幣千元
Accumulated depreciation and amortisation	累計折舊及攤銷				
At 1st January, 2004	於2004年1月1日				
– As previously reported	– 如前匯報	1,188	397,778	1,022,889	1,421,855
– Adjustments arising from change in accounting policies	– 因會計政策變更產生的調整	(1,188)	–	–	(1,188)
– Set off against cost	– 成本抵銷	–	–	–	–
– Transfer to investment properties	– 轉入投資物業	–	(67,695)	–	(67,695)
– As restated	– 重報	–	330,083	1,022,889	1,352,972
Charge for the year	年度內支出	–	45,653	159,510	205,163
Transfer to investment properties	轉入投資物業	–	(2,987)	–	(2,987)
Write back of impairment loss	減值損失回撥	–	(12,839)	–	(12,839)
Written back on disposals	出售時回撥	–	(4,044)	(54,700)	(58,744)
Exchange adjustments	匯兌調整	–	425	4,784	5,209
At 31st December, 2004	於2004年12月31日	–	356,291	1,132,483	1,488,774
Net book value at 31st December, 2004	賬面淨值於2004年12月31日	644,216	4,090,899	472,751	5,207,866
Net book value at 31st December, 2003	賬面淨值於2003年12月31日	142,502	3,005,748	448,557	3,596,807
The gross amounts of the above assets are stated:	上述資產的總額列示如下:				
At cost	按成本	–	3,367,546	1,605,234	4,972,780
At Directors' valuation	按董事估值				
– 1989	– 1989年	–	1,079,644	–	1,079,644
At professional valuation	按專業估值				
– 2004	– 2004年	644,216	–	–	644,216
		644,216	4,447,190	1,605,234	6,696,640

Notes on the Accounts (continued)

賬項附註 (續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		The Group 集團			
		2004		2003	
		Investment Properties 投資物業	Bank Premises 行址	Investment Properties 投資物業	Bank Premises 行址
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	47,719	101,346	26,789	164,903
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease	長期租約 (50年以上)	645,649	3,528,248	195,850	2,341,220
On medium-term lease	中期租約 (10至50年)	20,000	238,349	34,200	311,736
On short lease	短期租約 (10年以下)	-	94	-	189
Held outside Hong Kong	在香港以外地區				
On long lease	長期租約 (50年以上)	49,950	136,279	-	178,367
On medium-term lease	中期租約 (10至50年)	39,616	322,401	-	293,087
		802,934	4,326,717	256,839	3,289,502

		The Bank 銀行			
		2004		2003	
		Investment Properties 投資物業	Bank Premises 行址	Investment Properties 投資物業	Bank Premises 行址
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	-	13,731	4,702	12,918
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease	長期租約 (50年以上)	534,649	3,381,870	103,600	2,211,183
On medium-term lease	中期租約 (10至50年)	20,000	238,349	34,200	311,736
On short lease	短期租約 (10年以下)	-	94	-	189
Held outside Hong Kong	在香港以外地區				
On long lease	長期租約 (50年以上)	49,950	136,279	-	178,367
On medium-term lease	中期租約 (10至50年)	39,617	320,576	-	291,355
		644,216	4,090,899	142,502	3,005,748

26. FIXED ASSETS (continued) 固定資產(續)

The carrying amount of bank premises of the Group and the Bank would have been HK\$2,498,458,000 (2003: HK\$2,659,416,000) and HK\$1,947,984,000 (2003: HK\$1,964,292,000) respectively had they been stated at cost less accumulated depreciation.

Investment properties in Hong Kong were valued at HK\$665,649,000 as at 20th December, 2004 by an independent valuer, DTZ Debenham Tie Leung Limited, Chartered Surveyors who have among their staff Fellows of the Hong Kong Institute of Surveyors and the valuation has been incorporated in the accounts as at 31st December, 2004. The valuation was performed on an open market value basis.

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

Rental income receivable from investment properties held for use under operating leases amounted to HK\$45,998,000 in 2004 (2003: HK\$44,586,000). There was no contingent rental recognised during the year 2004 (2003: Nil).

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

如集團及銀行以成本減累計折舊入賬，行址的賬面值將分別為港幣2,498,458,000元(2003年：港幣2,659,416,000元)及港幣1,947,984,000元(2003年：港幣1,964,292,000元)

於2004年12月20日，香港的投資物業由獨立估價師－特許測量師戴德梁行，其僱員具香港測量師學會會士資歷，估值為港幣665,649,000元，有關估值已納入2004年12月31日之賬項內。估值按公開市值進行。

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

於年內，以經營租賃形式租出投資物業的應收租金為港幣45,998,000元(2003年：港幣44,586,000元)。在2004年度未有包括或有租金(2003年：無)。

以不可撤銷經營租賃用作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	1年以內	38,755	40,844	22,318	23,123
After one year but within five years	1年以後至5年內	49,786	61,573	28,927	32,381
After five years	5年以後	7,360	8,328	2,043	2,043
		95,901	110,745	53,288	57,547

Notes on the Accounts (continued)
賬項附註 (續)

27. AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES 附屬公司欠款及欠附屬公司款項

During the year, the Bank entered into transactions with certain subsidiaries in the ordinary course of its banking business. Details of the amounts due from and due to subsidiaries are as follows:

於年內，本銀行與某些附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

(a) Amounts Due from Subsidiaries

(a) 附屬公司欠款

		The Bank 銀行	
		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Financial institutions	金融機構	421,722	502
Others	其他	1,634,142	1,371,199
		2,055,864	1,371,701

(b) Amounts Due to Subsidiaries

(b) 欠附屬公司款項

		The Bank 銀行	
		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Financial institutions	金融機構	5,002,439	5,077,157
Others	其他	5,360,244	5,619,563
		10,362,683	10,696,720

Notes on the Accounts (continued)
賬項附註(續)

28. MATURITY PROFILE 期限分析

Maturity Profile for 2004

2004年度期限分析

		The Group 集團						
		Repayable on demand	3 months or less	1 year or less but over 3 months 3個月以上	5 years or less but over 1 year 一年以上至5年	After 5 years 5年以上	Undated 無註明日期	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Assets	資產							
- Treasury bills (Note 19)	- 國庫債券(附註19)	-	3,784,702	186,295	-	-	-	3,970,997
- Placements with banks and other financial institutions	- 在銀行及其他金融機構的存款	-	7,238,759	2,593,499	-	-	-	9,832,258
- Certificates of deposit held (Note 20(a))	- 持有的存款證(附註20(a))	-	1,038,530	258,799	988,323	161,295	-	2,446,947
- Advances to customers (Note 21(a))	- 客戶貸款(附註21(a))	4,964,737	15,193,618	15,172,290	42,237,184	38,372,449	1,318,475	117,258,753
- Advances to banks and other financial institutions (Note 21(a))	- 銀行及其他金融機構貸款(附註21(a))	-	229,948	98,845	218,144	2,519	1,565,199	2,114,655
- Debt securities included in:	- 債務證券包括:							
- Held-to-maturity debt securities (Note 20(c))	- 持至到期債務證券(附註20(c))	-	175,500	1,179,776	12,891,652	1,849,156	-	16,096,084
- Investment securities (Note 20(d))	- 投資證券(附註20(d))	-	-	71,410	-	4,000	18,678	94,088
- Other investments in securities (Note 20(b))	- 其他證券投資(附註20(b))	-	666,131	1,550,987	3,982,813	1,192,379	258,387	7,650,697
		4,964,737	28,327,188	21,111,901	60,318,116	41,581,798	3,160,739	159,464,479
Liabilities	負債							
- Deposits and balances of banks and other financial institutions	- 銀行及其他金融機構的存款及結餘	454,443	5,676,399	3,400,778	40,037	-	-	9,571,657
- Deposits from customers	- 客戶存款	62,612,821	91,293,158	5,912,264	3,919,422	-	-	163,737,665
- Demand deposits and current accounts	- 活期存款及往來賬戶	11,919,118	-	-	-	-	-	11,919,118
- Savings deposits	- 儲蓄存款	48,729,729	-	-	-	-	-	48,729,729
- Time, call and notice deposits	- 定期及通知存款	1,963,974	91,293,158	5,912,264	3,919,422	-	-	103,088,818
- Certificates of deposit issued	- 已發行之存款證	-	323,334	2,000,000	1,855,289	-	-	4,178,623
		63,067,264	97,292,891	11,313,042	5,814,748	-	-	177,487,945

Notes on the Accounts (continued)

賬項附註(續)

		The Bank 銀行						
		Repayable on demand	3 months or less	1 year or less but over 3 months 3個月以上	5 years or less but over 1 year	After 5 years	Undated	Total
		即時還款 HK\$'000 港幣千元	3個月或以下 HK\$'000 港幣千元	至1年 HK\$'000 港幣千元	1年以上至5年 HK\$'000 港幣千元	5年以上 HK\$'000 港幣千元	無註明日期 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Assets	資產							
- Treasury bills (Note 19)	- 國庫債券(附註19)	-	3,776,946	186,294	-	-	-	3,963,240
- Placements with banks and other financial institutions	- 在銀行及其他金融機構的存款	-	7,231,004	2,593,498	-	-	-	9,824,502
- Certificates of deposit held (Note 20(a))	- 持有的存款證(附註20(a))	-	1,038,530	258,799	768,699	-	-	2,066,028
- Advances to customers (Note 21(a))	- 客戶貸款(附註21(a))	4,533,902	14,928,978	14,225,632	41,386,873	36,574,400	1,119,970	112,769,755
- Advances to banks and other financial institutions (Note 21(a))	- 銀行及其他金融機構貸款(附註21(a))	-	229,948	98,845	218,144	2,519	1,565,199	2,114,655
- Debt securities included in:	- 債務證券包括:							
- Held-to-maturity debt securities (Note 20(c))	- 持至到期債務證券(附註20(c))	-	113,384	1,087,693	12,549,638	1,566,445	-	15,317,160
- Investment securities (Note 20(d))	- 投資證券(附註20(d))	-	-	71,410	-	4,000	14,180	89,590
- Other investments in securities (Note 20(b))	- 其他證券投資(附註20(b))	-	595,901	1,467,020	3,734,585	926,300	240,686	6,964,492
		4,533,902	27,914,691	19,989,191	58,657,939	39,073,664	2,940,035	153,109,422
Liabilities	負債							
- Deposits and balances of banks and other financial institutions	- 銀行及其他金融機構的存款及結餘	454,443	5,636,345	3,385,230	-	-	-	9,476,018
- Deposits from customers	- 客戶存款	60,898,992	84,774,611	5,042,358	3,192,356	-	-	153,908,317
- Demand deposits and current accounts	- 活期存款及往來賬戶	11,438,652	-	-	-	-	-	11,438,652
- Savings deposits	- 儲蓄存款	47,922,672	-	-	-	-	-	47,922,672
- Time, call and notice deposits	- 定期及通知存款	1,537,668	84,774,611	5,042,358	3,192,356	-	-	94,546,993
- Certificates of deposit issued	- 已發行之存款證	-	323,334	2,000,000	1,855,289	2,200,000	-	6,378,623
		61,353,435	90,734,290	10,427,588	5,047,645	2,200,000	-	169,762,958

Notes on the Accounts (continued)
賬項附註(續)

28. MATURITY PROFILE (continued) 期限分析(續)

Maturity Profile for 2003

2003年度期限分析

		The Group 集團						Total
		Repayable on demand	3 months or less	1 year or less but over 3 months 3個月以上 至1年	5 years or less but over 1 year 1年以上至5年	After 5 years 5年以上	Undated 無註明日期	Total
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Assets	資產							
- Treasury bills (Note 19)	- 國庫債券(附註19)	-	2,394,706	1,099,519	-	-	-	3,494,225
- Placements with banks and other financial institutions	- 在銀行及其他金融機構的存款	-	15,265,942	5,809,579	-	-	-	21,075,521
- Certificates of deposit held (Note 20(a))	- 持有的存款證(附註20(a))	-	1,049,763	1,082,553	753,563	130,677	-	3,016,556
- Advances to customers (Note 21(a))	- 客戶貸款(附註21(a))	4,774,844	12,736,626	11,907,410	35,639,296	35,828,711	2,021,949	102,908,836
- Advances to banks and other financial institutions (Note 21(a))	- 銀行及其他金融機構貸款(附註21(a))	-	44,741	25,304	211,741	30,632	1,251,563	1,563,981
- Debt securities included in:	- 債務證券包括:							
- Held-to-maturity debt securities (Note 20(c))	- 持至到期債務證券(附註20(c))	-	251,229	845,891	9,922,112	689,993	-	11,709,225
- Investment securities (Note 20(d))	- 投資證券(附註20(d))	-	-	-	68,457	4,000	18,655	91,112
- Other investments in securities (Note 20(b))	- 其他證券投資(附註20(b))	-	178,103	1,061,797	6,716,523	1,386,942	17,266	9,360,631
		4,774,844	31,921,110	21,832,053	53,311,692	38,070,955	3,309,433	153,220,087
Liabilities	負債							
- Deposits and balances of banks and other financial institutions	- 銀行及其他金融機構的存款及結餘	1,202,565	4,741,645	1,509,087	63,268	-	-	7,516,565
- Deposits from customers	- 客戶存款	49,140,816	99,140,663	6,406,997	732,136	-	-	155,420,612
- Demand deposits and current accounts	- 活期存款及往來賬戶	9,612,966	-	-	-	-	-	9,612,966
- Savings deposits	- 儲蓄存款	37,552,766	629	-	-	-	-	37,553,395
- Time, call and notice deposits	- 定期及通知存款	1,975,084	99,140,034	6,406,997	732,136	-	-	108,254,251
- Certificates of deposit issued	- 已發行之存款證	-	-	3,161,000	2,366,339	-	-	5,527,339
		50,343,381	103,882,308	11,077,084	3,161,743	-	-	168,464,516

Notes on the Accounts (continued)

賬項附註(續)

		The Bank 銀行						
		Repayable on demand	3 months or less	1 year or less but over 3 months 3個月以上	5 years or less but over 1 year	After 5 years	Undated	Total
		即時還款 HK\$'000 港幣千元	3個月或以下 HK\$'000 港幣千元	至1年 HK\$'000 港幣千元	1年以上至5年 HK\$'000 港幣千元	5年以上 HK\$'000 港幣千元	無註明日期 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
Assets	資產							
- Treasury bills (Note 19)	- 國庫債券(附註19)	-	2,222,008	1,099,519	-	-	-	3,321,527
- Placements with banks and other financial institutions	- 在銀行及其他金融機構的存款	-	15,192,146	5,809,579	-	-	-	21,001,725
- Certificates of deposit held (Note 20(a))	- 持有的存款證(附註20(a))	-	1,010,948	851,846	696,525	-	-	2,559,319
- Advances to customers (Note 21(a))	- 客戶貸款(附註21(a))	4,411,817	11,685,647	11,232,709	35,005,105	35,550,892	1,798,588	99,684,758
- Advances to banks and other financial institutions (Note 21(a))	- 銀行及其他金融機構貸款(附註21(a))	-	44,741	25,304	211,741	30,632	1,251,563	1,563,981
- Debt securities included in:	- 債務證券包括:							
- Held-to-maturity debt securities (Note 20(c))	- 持至到期債務證券(附註20(c))	-	157,474	624,867	9,780,313	528,226	-	11,090,880
- Investment securities (Note 20(d))	- 投資證券(附註20(d))	-	-	-	68,457	4,000	14,003	86,460
- Other investments in securities (Note 20(b))	- 其他證券投資(附註20(b))	-	178,103	1,011,409	6,398,237	1,157,889	-	8,745,638
		4,411,817	30,491,067	20,655,233	52,160,378	37,271,639	3,064,154	148,054,288
Liabilities	負債							
- Deposits and balances of banks and other financial institutions	- 銀行及其他金融機構的存款及結餘	1,202,296	4,727,439	1,499,111	-	-	-	7,428,846
- Deposits from customers	- 客戶存款	47,353,784	92,916,805	5,007,607	674,651	-	-	145,952,847
- Demand deposits and current accounts	- 活期存款及往來賬戶	8,773,169	-	-	-	-	-	8,773,169
- Savings deposits	- 儲蓄存款	37,032,940	629	-	-	-	-	37,033,569
- Time, call and notice deposits	- 定期及通知存款	1,547,675	92,916,176	5,007,607	674,651	-	-	100,146,109
- Certificates of deposit issued	- 已發行之存款證	-	-	3,161,000	2,366,339	2,200,000	-	7,727,339
		48,556,080	97,644,244	9,667,718	3,040,990	2,200,000	-	161,109,032

Notes on the Accounts (continued)
賬項附註(續)

29. INCOME TAX IN THE BALANCE SHEET 資產負債表內的所得稅

(a) Current Taxation in the Balance Sheet Represents:

(a) 資產負債表內的本期稅項為：

	The Group 集團		The Bank 銀行	
	2004	2003	2004	2003
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Provision for Hong Kong profits tax for the year (Note 12(a))	297,723	62,839	245,028	26,923
Provisional profits tax paid	(237,837)	(25,382)	(201,359)	(3,786)
	59,886	37,457	43,669	23,137
Balance of profits tax provision relating to prior years	88,674	57,009	88,222	54,150
Overseas taxation	30,809	50,178	20,139	45,388
	179,369	144,644	152,030	122,675

(b) Deferred Tax Assets and Liabilities Recognised

(b) 遞延稅項資產及負債確認

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

確認於綜合資產負債表中遞延稅項(資產)/負債的組成部分及年內之變動如下：

		The Group 集團							
Deferred tax arising from:	遞延稅項源自：	Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	Provisions	Unrealised gains on FX contracts	Tax losses	Others	Total
		超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	準備	外匯合約未實現盈利	稅損	其他	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January, 2004	於2004年1月1日								
- As previously reported	- 如前匯報	281,859	555,523	184,346	(171,480)	-	(67,324)	1,787	784,711
- Adjustments arising from change in accounting policies (Note 32(c))	- 因會計政策變更產生的調整(附註32(c))	-	-	5,997	-	-	-	-	5,997
- As restated	- 重報	281,859	555,523	190,343	(171,480)	-	(67,324)	1,787	790,708
Write off against investment	投資撇銷額	-	(243,308)	-	-	-	-	-	(243,308)
Charged/(credited) to consolidated profit and loss account (Note 12(a))	綜合損益賬內撇銷/(存入)(附註12(a))	(1,107)	69,995	-	(12,957)	-	(6,347)	3,808	53,392
Charged to reserves (Note 32(c))	儲備撇銷(附註32(c))	-	-	1,874	-	-	-	-	1,874
Additions through acquisition of subsidiary	經收購附屬公司的增置	117	-	-	-	-	-	-	117
Exchange and other adjustments	匯兌及其他調整	-	-	-	(67)	-	1,031	(3,942)	(2,978)
At 31st December, 2004	於2004年12月31日	280,869	382,210	192,217	(184,504)	-	(72,640)	1,653	599,805

Notes on the Accounts (continued)

賬項附註(續)

		The Group 集團							
		Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	Provisions	Unrealised gains on FX contracts	Tax losses	Others	Total
Deferred tax arising from:	遞延稅項源自:	超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	準備	外匯合約未實現盈利	稅損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January, 2003	於2003年1月1日	256,709	436,636	169,044	(164,620)	23,972	(92,386)	3,974	633,329
Write off against investment	投資撇銷額	-	(166,823)	-	-	-	-	-	(166,823)
Charged/(credited) to consolidated profit and loss account (Note 12(a))	綜合損益賬內撇銷/(存入) (附註12(a))	24,983	285,710	-	(6,693)	(23,972)	23,846	(2,187)	301,687
Charged to reserves (Note 32(c))	儲備撇銷(附註32(c))	-	-	15,302	-	-	-	-	15,302
Exchange and other adjustments	匯兌及其他調整	167	-	-	(167)	-	1,216	-	1,216
At 31st December, 2003	於2003年12月31日	281,859	555,523	184,346	(171,480)	-	(67,324)	1,787	784,711

		The Bank 銀行							
		Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	Provisions	Unrealised gains on FX contracts	Tax losses	Others	Total
Deferred tax arising from:	遞延稅項源自:	超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	準備	外匯合約未實現盈利	稅損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January, 2004	於2004年1月1日								
- As previously reported	- 如前匯報	264,138	555,523	184,346	(171,314)	-	(55,135)	3,367	780,925
- Adjustments arising from change in accounting policies (Note 32 (c))	- 因會計政策變更產生的調整(附註32(c))	-	-	5,997	-	-	-	-	5,997
- As restated	- 重報	264,138	555,523	190,343	(171,314)	-	(55,135)	3,367	786,922
Write off against investment	投資撇銷額	-	(243,308)	-	-	-	-	-	(243,308)
Charged/(credited) to consolidated profit and loss account	綜合損益賬內撇銷/(存入)	4,187	69,995	-	(11,035)	-	(6,468)	2,403	59,082
Charged to reserves (Note 32 (c))	儲備撇銷(附註32(c))	-	-	1,874	-	-	-	-	1,874
Exchange and other adjustments	匯兌及其他調整	-	-	-	(66)	-	(5,681)	-	(5,747)
At 31st December, 2004	於2004年12月31日	268,325	382,210	192,217	(182,415)	-	(67,284)	5,770	598,823
At 1st January, 2003	於2003年1月1日	226,091	436,636	169,044	(151,676)	24,253	(74,382)	3,974	633,940
Additions through acquisition of subsidiaries	經收購附屬公司的增置	12,364	-	-	(12,848)	-	-	-	(484)
Write off against investment	投資撇銷額	-	(166,823)	-	-	-	-	-	(166,823)
Charged/(credited) to consolidated profit and loss account	綜合損益賬內撇銷/(存入)	25,683	285,710	-	(6,790)	(24,253)	19,224	(607)	298,967
Charged to reserves (Note 32 (c))	儲備撇銷(附註32(c))	-	-	15,302	-	-	-	-	15,302
Exchange and other adjustments	匯兌及其他調整	-	-	-	-	-	23	-	23
At 31st December, 2003	於2003年12月31日	264,138	555,523	184,346	(171,314)	-	(55,135)	3,367	780,925

29. INCOME TAX IN THE BALANCE SHEET (continued) 資產負債表內的所得稅(續)

(b) Deferred Tax Assets and Liabilities Recognised (continued)

(b) 遞延稅項資產及負債確認(續)

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Net deferred tax assets recognised on the balance sheet	確認於資產負債表的遞延稅項資產淨額	(95,119)	(79,217)	(84,942)	(65,725)
Net deferred tax liabilities recognised on the balance sheet	確認於資產負債表的遞延稅項負債淨額	694,924	863,928	683,765	846,650
		599,805	784,711	598,823	780,925

(c) Deferred Tax Assets Not Recognised

The Group has not recognised deferred tax assets in respect of tax losses of HK\$104,441,000 (2003: HK\$68,978,000). Under the current tax legislation, the expiry dates of the tax losses were as follows:

(c) 未確認遞延稅資產

集團並未確認稅損港幣104,441,000元(2003年:港幣68,978,000元)為遞延稅項資產。根據現時稅務條例,該等稅項虧損的到期日如下:

		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Expiring within 5 years	於五年內到期	25,894	15,520
Expiring more than 5 years	五年後到期	5,509	-
No expiry date	無到期日	73,038	53,458
		104,441	68,978

30. LOAN CAPITAL 借貸資本

Loan capital of face value of HK\$4,275,755,000 (US\$550,000,000) and carrying amount of HK\$4,271,124,000 (US\$549,404,000) represents 7.5% subordinated notes qualifying as tier 2 capital which were issued on 30th January, 2001 by East Asia Financial Holding (BVI) Limited, a single purpose wholly owned finance subsidiary of the Bank. The Bank unconditionally and irrevocably guarantees all amounts payable under the notes which are listed on the Luxembourg Stock Exchange. The notes will mature on 1st February, 2011.

票面值港幣4,275,755,000元(550,000,000美元)及賬面值港幣4,271,124,000元(549,404,000美元)的借貸資本,是指由本銀行單一目的全資附屬財務公司,East Asia Financial Holding (BVI) Limited,於2001年1月30日發行、年息7.5%、並評定為二級資本的後償票據。本銀行無條件及不撤回地保證此等已在盧森堡交易所上市的票據的有關債務。此等票據將會於2011年2月1日到期。

Notes on the Accounts (continued)
賬項附註(續)

31. SHARE CAPITAL 股本

		2004		2003	
		No. of shares 股份數目 000 千	Nominal value 面值 HK\$'000 港幣千元	No. of shares 股份數目 000 千	Nominal value 面值 HK\$'000 港幣千元
Authorised: Ordinary shares of HK\$2.50 each	法定股本： 普通股每股 港幣2.50元	2,600,000	6,500,000	2,600,000	6,500,000
Issued and fully paid: At 1st January	已發行及繳足股本： 於1月1日	1,467,453	3,668,634	1,446,345	3,615,863
Shares issued under Staff Share Option Schemes	根據僱員認股計劃 發行的股份	11,264	28,159	14,204	35,510
Shares issued in lieu of dividends	以股代息發行的股份	13,281	33,203	6,904	17,261
At 31st December	於12月31日	1,491,998	3,729,996	1,467,453	3,668,634

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. The option price of the Schemes adopted before 2002 was 95% of the average closing price of the existing shares of the Bank on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of offer of such options. For the Schemes adopted in and after 2002, the exercise price equals the fair value of the underlying shares at the date of grant. The options granted under the Schemes will be exercisable between the first and the fifth anniversaries of the date of grant. At 31st December, 2004, the outstanding options were:

根據僱員認股計劃，合資格的僱員有權認購本銀行的普通股股份。在2002年以前被採納的計劃，認股價是根據給予認股權當日之前5個營業日本行現有股份的平均收市價的95%計算。而2002年及以後被採納的計劃，股權行使價與相關股份於授予日的公平價值相同。根據此計劃發給的認股權可由授予日起計的第1周年至第5周年期間行使。於2004年12月31日尚未行使的認股權如下：

Date of options granted 認股權授予日期	Option price 認購價	Number of shares 股份數量
20/4/2000	HK\$港幣16.46元	1,480,000
19/4/2001	HK\$港幣16.96元	2,185,000
18/4/2002	HK\$港幣15.80元	2,795,000
02/5/2003	HK\$港幣14.90元	8,570,000
22/4/2004	HK\$港幣23.23元	15,045,000

Notes on the Accounts (continued)

賬項附註(續)

32. RESERVES 儲備

		2004		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(a)	Share Premium (undistributable)	(a)	股份溢價(不可派發)	
	At 1st January		於1月1日	
	Net premium on shares issued under Staff Share Option Schemes		僱員認股計劃下發行的股份溢價淨額	
	Shares issued in lieu of dividends		以股代息發行的股份	
	Capital fee		資本費用	
	As 31st December		於12月31日	
		520,305	520,305	-
		144,230	144,230	-
		(33,203)	(33,203)	-
		(144)	(144)	-
		631,188	631,188	-
(b)	General Reserve	(b)	一般儲備	
	At 1st January		於1月1日	
	Transfer from retained profits		撥自留存溢利	
	Shares issued in lieu of dividends		以股代息發行的股份	
	At 31st December		於12月31日	
		11,747,096	11,587,520	51,694
		2,376	-	2,376
		295,794	295,794	-
		12,045,266	11,883,314	54,070
(c)	Revaluation Reserve on Bank Premises (undistributable)	(c)	行址重估儲備(不可派發)	
	At 1st January		於1月1日	
	- As previously reported		- 如前匯報	
	- Adjustment arising from change in accounting policies		- 因會計政策變更產生的調整	
	- Recognition of net deferred tax liabilities (Note 29 (b))		- 確認遞延稅項負債淨額(附註29 (b))	
	- As restated		- 重報	
	Recognition of net deferred tax liabilities (Note 29 (b))		確認遞延稅項負債淨額(附註29 (b))	
	Revaluation surplus on bank premises transferred to investment properties		銀行行址轉作投資物業所產生的重估盈餘	
	Impairment loss written back		減值損失回撥	
	At 31st December		於12月31日	
		942,794	892,796	-
		45,955	45,955	-
		(5,997)	(5,997)	-
		982,752	932,754	-
		(1,874)	(1,874)	-
		13,788	13,788	-
		12,839	12,839	-
		1,007,505	957,507	-
(d)	Statutory Reserves (undistributable)	(d)	法定儲備(不可派發)	
	At 1st January		於1月1日	
	Transfer to realised reserve		轉入已實現儲備	
	At 31st December		於12月31日	
		5,532	-	5,532
		(4,122)	-	(4,122)
		1,410	-	1,410
(e)	Capital Reserve (undistributable)	(e)	資本儲備(不可派發)	
	At 1st January and 31st December		於1月1日及12月31日	
		86,436	-	-
(f)	Exchange Revaluation Reserve (undistributable)	(f)	匯兌重估儲備(不可派發)	
	At 1st January		於1月1日	
	Exchange adjustments		匯兌調整	
	At 31st December		於12月31日	
		24,939	19,902	(4,453)
		24,874	24,899	(12,133)
		49,813	44,801	(16,586)

Notes on the Accounts (continued)

賬項附註(續)

		2004		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(g) Retained Profits	(g) 留存溢利			
At 1st January	於1月1日			
– As previously reported	– 如前匯報	3,105,764	2,152,206	314,422
– Adjustments arising from change in accounting policies	– 因會計政策變更產生的調整	(30,202)	(1,632)	–
– As restated	– 重報	3,075,562	2,150,574	314,422
Net profit for the year	年度內溢利	2,423,800	2,116,776	68,995
Transfer to general reserve	撥入一般儲備	(2,376)	–	(2,376)
Transfer to profit and loss account on disposal of associates	出售聯營公司後撥入損益賬	4,122	–	15,215
Dividends (Note 14)	股息(附註14)			
– Interim dividend	– 中期股息	(414,535)	(414,535)	–
– Final dividend in respect of previous year	– 上年度末期股息	(910,706)	(910,706)	–
At 31st December	於12月31日	4,175,867	2,942,109	396,256
(h) Total Reserves	(h) 儲備總額	17,997,485	16,458,919	435,150
		2003		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(a) Share Premium (undistributable)	(a) 股份溢價(不可派發)			
At 1st January	於1月1日	356,210	356,210	–
Net premium on shares issued under Staff Share Option Schemes	僱員認股計劃下發行的股份溢價淨額	181,493	181,493	–
Shares issued in lieu of dividends	以股代息發行的股份	(17,261)	(17,261)	–
Capital fee	資本費用	(137)	(137)	–
As 31st December	於12月31日	520,305	520,305	–
(b) General Reserve	(b) 一般儲備			
At 1st January	於1月1日	11,623,411	10,909,359	39,170
Transfer from retained profits	撥自留存溢利	12,524	–	12,524
Shares issued in lieu of dividends	以股代息發行的股份	111,161	111,161	–
Additions through merger with EAC & EAF	經與東亞授信及東亞財務合併的增置	–	567,000	–
At 31st December	於12月31日	11,747,096	11,587,520	51,694
(c) Revaluation Reserve on Bank Premises (undistributable)	(c) 行址重估儲備(不可派發)			
At 1st January	於1月1日	1,080,109	920,937	–
Recognition of net deferred tax liabilities (Note 29(b))	確認遞延稅項負債淨額(附註29(b))	(15,302)	(15,302)	–
Impairment loss	減值損失	(122,013)	(12,839)	–
At 31st December	於12月31日	942,794	892,796	–
(d) Statutory Reserves (undistributable)	(d) 法定儲備(不可派發)			
At 1st January and 31st December	於1月1日及12月31日	5,532	–	5,532

Notes on the Accounts (continued)
賬項附註(續)

32. RESERVES (continued) 儲備(續)

		2003		
		The Group 集團 HK\$'000 港幣千元	The Bank 銀行 HK\$'000 港幣千元	Associates 聯營公司 HK\$'000 港幣千元
(e) Capital Reserve (undistributable) At 1st January and 31st December	(e) 資本儲備(不可派發) 於1月1日及12月31日	86,436	-	-
(f) Exchange Revaluation Reserve (undistributable) At 1st January Exchange adjustments	(f) 匯兌重估儲備(不可派發) 於1月1日 匯兌調整	(17,905) 42,844	11,555 8,347	(12,271) 7,818
At 31st December	於12月31日	24,939	19,902	(4,453)
(g) Retained Profits At 1st January Additions through merger with EAC and EAF Net profit for the year (Note 13) Transfer to general reserve Dividends (Note 14) - Interim dividend - Final dividend in respect of previous year	(g) 留存溢利 於1月1日 經與東亞授信及東亞財務合併的增置 年度內溢利(附註13) 撥入一般儲備 股息(附註14) - 中期股息 - 上年度末期股息	2,036,863 - 1,921,714 (12,524) (334,057) (506,232)	1,226,270 16,219 1,750,006 - (334,057) (506,232)	235,551 - 91,395 (12,524) - -
At 31st December	於12月31日	3,105,764	2,152,206	314,422
(h) Total Reserves	(h) 儲備總額	16,432,866	15,172,729	367,195

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

General reserve was set up from the transfer of retained earnings, the realised revaluation surplus on disposal of properties and the value of shares issued in lieu of dividend.

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

Capital reserve represents the capitalisation of subsidiaries' reserves.

Statutory reserves are set up to supplement the paid-up capital until the sum of paid-up capital and the statutory reserves are equal to the registered capital for certain associates.

Total distributable reserves of the Bank amounted to HK\$14,825,423,000 (2003: HK\$13,739,726,000).

股份溢價賬目的運用，受香港《公司條例》第48B條所管控。

一般儲備的組成，包括留存溢利轉賬、出售物業時的已實現重估盈餘及以股息發行的股份的價值。

行址、投資物業重估儲備及匯兌重估儲備的組成及處理，是根據行址、投資物業重估和外幣折算所採用的會計政策。

資本儲備指附屬公司儲備的資本化發行。

法定儲備是用作支持實收股本直至實收股本及法定儲備的總額與某些聯營公司的註冊股本相同。

本銀行可派發儲備的總額為港幣14,825,423,000元(2003年：港幣13,739,726,000元)。

33. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的項目

(a) Contingent Liabilities and Commitments

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

(a) 或然負債及承擔

以下為每項或然負債及承擔主要類別的合約數額：

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Direct credit substitutes	直接信貸替代品	5,375,979	4,381,620	5,345,427	4,350,990
Transaction-related contingencies	與交易有關的或然項目	486,028	496,632	486,028	496,632
Trade-related contingencies	與貿易有關的或然項目	2,501,087	2,596,662	2,450,532	2,549,609
Other commitments with an original maturity of: under 1 year or which are unconditionally cancellable	其他承擔： 原到期日少於1年或 可無條件取消	27,786,426	20,395,121	27,162,592	20,174,252
1 year or over	原到期日在1年及以上	8,136,611	6,775,946	8,037,046	6,778,653
Others	其他	-	50,117	-	50,117
		44,286,131	34,696,098	43,481,625	34,400,253

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts is not representative of future liquidity requirements.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約數額是指當合約被完全提取及客戶違約時所承擔風險的數額。由於預期擔保書及承付款項的大部分數額會在未經提取前到期，合約總額並不代表未來現金之需求。

33. OFF-BALANCE SHEET EXPOSURES (continued) 資產負債表以外的項目(續)

(b) Derivatives

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

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

(b) 衍生工具

衍生工具是指由一項或多項基本資產或指數價值釐定價值的財務合約。

以下為集團及銀行的每項衍生工具主要類別的名義數額：

		The Group 集團					
		2004		Total 總額 HK\$'000 港幣千元	2003		
		Trading 買賣 HK\$'000 港幣千元	Hedging 對沖 HK\$'000 港幣千元		Trading 買賣 HK\$'000 港幣千元	Hedging 對沖 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	6,024,580	125,128	6,149,708	5,051,405	142,583	5,193,988
Swaps	掉期交易	2,295,831	4,575,930	6,871,761	18,817,961	5,781,087	24,599,048
Options purchased	購入期權	1,724,476	-	1,724,476	2,828,762	-	2,828,762
Options written	沽出期權	1,635,863	-	1,635,863	2,712,886	-	2,712,886
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	235,000	-	235,000	325,000	-	325,000
Swaps	掉期交易	856,308	15,236,381	16,092,689	728,989	12,487,682	13,216,671
Equity contracts	股份合約						
Forwards and futures	遠期交易及期貨	49,851	-	49,851	-	-	-
Options purchased	購入期權	442,062	-	442,062	420,319	-	420,319
Options written	沽出期權	442,062	-	442,062	420,319	-	420,319
		13,706,033	19,937,439	33,643,472	31,305,641	18,411,352	49,716,993
		The Bank 銀行					
		2004		Total 總額 HK\$'000 港幣千元	2003		
		Trading 買賣 HK\$'000 港幣千元	Hedging 對沖 HK\$'000 港幣千元		Trading 買賣 HK\$'000 港幣千元	Hedging 對沖 HK\$'000 港幣千元	Total 總額 HK\$'000 港幣千元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	6,038,207	-	6,038,207	5,052,181	-	5,052,181
Swaps	掉期交易	2,295,830	4,505,270	6,801,100	18,817,961	5,781,087	24,599,048
Options purchased	購入期權	1,724,476	-	1,724,476	2,828,762	-	2,828,762
Options written	沽出期權	1,635,863	-	1,635,863	2,712,886	-	2,712,886
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	235,000	-	235,000	325,000	-	325,000
Swaps	掉期交易	856,308	15,275,252	16,131,560	728,989	12,604,127	13,333,116
Equity contracts	股份合約						
Forwards and futures	遠期交易及期貨	49,851	-	49,851	-	-	-
Options purchased	購入期權	442,062	-	442,062	420,319	-	420,319
Options written	沽出期權	442,062	-	442,062	420,319	-	420,319
		13,719,659	19,780,522	33,500,181	31,306,417	18,385,214	49,691,631

Notes on the Accounts (continued)
賬項附註 (續)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

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

衍生工具是由本集團及銀行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在結算日仍未完成的交易量，但並不代表所承受風險的數額。

前述資產負債表以外風險的重置成本及信貸風險加權數額如下。這些數額並未計入雙邊淨額安排的影響。

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Replacement costs	重置成本				
Exchange rate contracts	匯率合約	341,582	583,085	340,773	582,538
Interest rate contracts	利率合約	917,485	865,565	917,485	865,565
Options purchased	購入期權				
– exchange rate contracts	– 匯率合約	2,294	5,896	2,294	5,896
– equity contracts	– 股份合約	2,952	3,730	2,952	3,730
		1,264,313	1,458,276	1,263,504	1,457,729
Credit risk weighted amounts	信貸風險加權數額				
Contingent liabilities and commitments	或然負債及承擔	8,822,965	8,087,367	8,790,759	8,061,762
Exchange rate contracts	匯率合約	173,643	259,825	172,731	258,976
Interest rate contracts	利率合約	204,136	192,086	204,136	192,163
Equity contracts	股份合約	21,538	19,519	21,538	19,519
		9,222,282	8,558,797	9,189,164	8,532,420

The tables above give the contractual or notional amounts, replacement cost and credit risk weighted amounts of off-balance sheet transactions. The replacement cost is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Hong Kong Monetary Authority's guidelines which implement the Basle agreement on capital adequacy and depend on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate, equity and interest rate contracts. Replacement cost represents the cost of replacing all contracts which have a positive value when marked to market. Replacement cost is a close approximation of the credit risk for these contracts as at the balance sheet date. The credit risk weighted amount refers to the amount as computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance.

各表列出資產負債表以外交易的合約或名義數額、重置成本及信貸風險加權數額。重置成本是用來計算信貸風險加權數額。該等數額是按照香港金融管理局實行關於資本充裕的巴塞爾協議及按其他銀行財務狀況和到期特性釐定的指引而作出評估。或然負債及承擔所用的風險加權由0%至100%，而匯率、股份及利率合約則由0%至50%。重置成本是指重置所有按市場價值計算差額時附有正值的合約成本，亦是在結算日該等合約的略計信貸風險。信貸風險加權數額是指按《銀行條例》附表三計算的數額。

33. OFF-BALANCE SHEET EXPOSURES (continued) 資產負債表以外的項目(續)

(c) Capital Commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

(c) 資本承擔

於12月31日未償付但並未在賬項中提撥準備的資本承擔如下：

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Expenditure authorised and contracted for*	已核准支出並已簽約*	336,316	1,122,082	324,190	1,104,710
Expenditure authorised but not contracted for	已核准支出但未簽約	276,331	377,555	260,931	377,555
		612,647	1,499,637	585,121	1,482,265

* The amounts as at 31st December, 2003 included the commitments amounting to HK\$873,470,000 in relation to the Bank's acquisition of a portion of Millennium City 5, a new building being erected in Kwun Tong. The building was completed in 2004 and the amount was capitalised in Fixed Assets – Bank Premises.

* 於2003年12月31日，其他資本承擔包括本銀行購入一棟位於觀塘正在興建中的全新大廈「創紀之城5期」部分樓面面積，金額為港幣873,470,000元。該大廈已於2004年建成，該金額已被資本化，並列作「固定資產－銀行行址」。

(d) Operating Lease Commitments

At 31st December, 2004, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(d) 經營租賃承擔

於2004年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

		The Group 集團		The Bank 銀行	
		2004	2003	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Properties	物業				
Within one year	1年以內	97,782	93,134	107,524	125,069
After one year but within five years	1年至5年內	121,955	119,665	127,592	129,329
After five years	5年以後	41,368	27,580	53,984	52,641
		261,105	240,379	289,100	307,039
Equipment	設備				
Within one year	1年以內	1,776	1,857	788	1,017
After one year but within five years	1年至5年內	2,645	2,069	1,396	569
After five years	5年以後	4	-	4	-
		4,425	3,926	2,188	1,586

The Group and the Bank lease certain properties and equipment under operating leases. The leases typically run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

集團及銀行以經營租賃形式租入某些物業和設備。租賃年期通常由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

Notes on the Accounts (continued)

賬項附註 (續)

(e) Obligations Under Mortgage Loans Sold

Included in the captions set out below are balances which are established as reserve funds for mortgage loan purchasers pursuant to the terms of mortgage sale agreements. The reserve funds are available to the purchasers to cover any losses or cash flow shortfalls that result from both credit risk and basis risk with respect to the loans sold and to protect the purchasers in the event that they have to appoint a substitute servicer.

These reserve funds are either set up in the name of the Bank and are charged in favour of the purchaser as security for the Bank's obligations to the purchaser or, in the name of the loan purchaser who retains absolute ownership, title, right and interest in the reserve funds, pursuant to the terms of the mortgage sale agreements.

(e) 已售按揭貸款承擔

標題包括以下根據出售按揭貸款合約條文規定成立用作按揭貸款購買者的儲備金結餘。儲備金是用作賠償購買者因已售貸款引起的信用及利率風險而蒙受任何損失或現金流量之差額及保障購買者須另行委派替補償付人。

該等儲備金是以本行名義成立及押予購買者為本行之承擔作抵押品，或根據出售按揭貸款合約條文規定以購買者名義成立而購買者可保留絕對擁有權、所有權、權利及儲備金利益。

		The Group and The Bank 集團及銀行	
		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Held-to-maturity debt securities	持至到期債務證券	23,473	30,494
Accrued interest and other accounts	應收利息及其他賬項	74,663	73,136
		98,136	103,630

34. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

(a) Purchase of Subsidiaries

(a) 收購附屬公司

		2004	2003
		HK\$'000 港幣千元	HK\$'000 港幣千元
Net assets acquired	已購入淨資產		
Cash and short term funds	現金及短期資金	791	-
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	118,664	-
Fixed assets	固定資產	568	-
Other accounts and provisions	其他賬項及準備	(17,751)	-
Deferred tax	遞延稅項	(117)	-
		102,155	-
Goodwill arising on consolidation	賬項綜合時產生的商譽	220,035	300,509
Total purchase price	總收購價	322,190	300,509
Less: cash and cash equivalents acquired	減: 購入的現金及等同現金項目	(791)	-
Cash flow on acquisition net of cash acquired	收購非現金項目的現金流出	321,399	300,509

(b) Increase in Shareholding of a Subsidiary

The Group increased its shareholding in a subsidiary for a cash consideration of HK\$26,820,000 (2003: HK\$39,139,000) in 2004. The net asset value and goodwill attributable to the increase in shareholding was HK\$2,092,000 (2003: HK\$37,121,000) and HK\$24,728,000 (2003: HK\$2,018,000) respectively.

(b) 增加一間附屬公司的權益

於2004年，本集團以現金代價港幣26,820,000元(2003年：港幣39,139,000元)增加一間附屬公司之權益。權益增加所產生的資產淨值及商譽分別為港幣2,092,000元(2003年：港幣37,121,000元)及港幣24,728,000元(2003年：港幣2,018,000元)。

34. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (continued) 綜合現金流量表附註(續)

(c) Cash and Cash Equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	3,655,593	2,695,618
Money at call and short notice	通知及短期存款	28,681,207	21,264,261
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款	4,709,744	6,899,332
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	3,484,728	2,294,706
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	673,063	736,621
		41,204,335	33,890,538

(ii) Reconciliation with the consolidated balance sheet

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Cash and short term funds	現金及短期資金	39,877,738	36,033,510
Placements with banks and other financial institutions maturing between one and twelve months	在銀行及其他金融機構於1至12個月內到期的存款	9,832,258	21,075,521
Certificates of deposit held	持有的存款證	2,446,947	3,016,556
Amount shown in the consolidated balance sheet	在綜合資產負債表出現的金額	52,156,943	60,125,587
Less: amount with an original maturity of beyond three months	減:原本期限為3個月以上的數額	(10,952,608)	(26,235,049)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	41,204,335	33,890,538

(c) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Cash and balances with banks and other financial institutions	3,655,593	2,695,618
Money at call and short notice	28,681,207	21,264,261
Placements with banks and other financial institutions with original maturity within three months	4,709,744	6,899,332
Treasury bills with original maturity within three months	3,484,728	2,294,706
Certificates of deposit held with original maturity within three months	673,063	736,621
	41,204,335	33,890,538

(ii) 與綜合資產負債表的對賬

	2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Cash and short term funds	39,877,738	36,033,510
Placements with banks and other financial institutions maturing between one and twelve months	9,832,258	21,075,521
Certificates of deposit held	2,446,947	3,016,556
Amount shown in the consolidated balance sheet	52,156,943	60,125,587
Less: amount with an original maturity of beyond three months	(10,952,608)	(26,235,049)
Cash and cash equivalents in the consolidated cash flow statement	41,204,335	33,890,538

35. LOANS TO OFFICERS 行政人員貸款

The aggregate of loans to officers of the Bank disclosed pursuant to Section 161B (4B) and (4C) of the Hong Kong Companies Ordinance is as follows:

按照香港《公司條例》第161B條(4B)及(4C)款規定，本行行政人員之貸款總額公布如下：

		2004 HK\$'000 港幣千元	2003 HK\$'000 港幣千元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額		
By the Bank	由銀行借出	1,185,747	671,501
By subsidiaries	由附屬公司借出	-	-
		1,185,747	671,501
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額		
By the Bank	由銀行借出	1,884,055	1,044,475
By subsidiaries	由附屬公司借出	-	-

There was no interest due but unpaid nor any specific provision made against these loans at 31st December, 2004.

於2004年12月31日，沒有逾期未償付利息，亦未有對該等貸款作特殊準備。

36. MATERIAL RELATED PARTY TRANSACTIONS 關聯人事的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(p)(iii). In the year 2004, the total amount of contributions the Group made to the schemes was HK\$66,581,000 (2003: HK\$65,854,000).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. Except that there are interest free shareholder's advance extended to two (2003: one) associates respectively amounting to HK\$10,740,000 at 31st December, 2004 (2003: HK\$10,700,000), all interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the year, and the outstanding balances of amounts due from and due to them at the year end are aggregated as follows:

本集團為其職員提供某些退休保障計劃，並已於附註2(p)(iii)披露。於2004年內，本集團對這些計劃的供款總數為港幣66,581,000元(2003年：港幣65,854,000元)。

本集團與其關聯人士進行多項交易。這些人士包括聯營公司、主要行政人員與其直系親屬、及受這些人士所控制的公司或其具有重大影響力的公司。這些交易包括接受這些人士存款及為他們提供信貸。除卻本行分別借予二間(2003年：一間)聯營公司的免息股東墊款，其於2004年12月31日的總結餘為港幣10,740,000元(2003年：港幣10,700,000元)，除此以外，所有存款及信貸的利率，均按照與一般同等信用水平之客戶相若的條款及規定。

於年內，本集團從關聯人士所收取與支付予他們的利息，及在結算日，關聯人士的欠款及欠關聯人士的款項現總結如下：

		2004 % to Group total 相對集團總數 之百分率	2003 % to Group total 相對集團總數 之百分率
Interest income	利息收入	1.3	1.3
Interest expense	利息支出	0.4	0.9
Amount due from related parties (Note a)	關聯人士的欠款(附註a)	1.7	2.4
Amount due to related parties (Note b)	欠關聯人士的款項(附註b)	0.9	1.1
Loan commitments (Note c)	貸款承擔(附註c)	2.5	2.6

Notes: (a) Based on total assets excluding cash and short-term funds, placements with banks and other financial institutions maturing between one and twelve months, investments in associates and fixed assets.

(b) Based on deposits from customers and debt instruments issued.

(c) Based on total loan commitments.

附註：(a) 根據資產總額但不計入現金及短期資金、在銀行及其他金融機構於1至12個月內到期的存款、聯營公司投資及固定資產。

(b) 根據客戶存款及已發行之債務證券。

(c) 根據貸款承擔總額。

37. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以無代價形式發出。

(a) Particulars of Share Options 認股權詳情

Date of Grant 授予日期	Vesting Period 有效期	Exercise Period 行使期	Exercise Price Per Share 每股行使價 HK\$港幣元
21/4/1999	21/4/1999 – 20/4/2000	21/4/2000 – 21/4/2004	12.09
20/4/2000	20/4/2000 – 19/4/2001	20/4/2001 – 20/4/2005	16.46
19/4/2001	19/4/2001 – 18/4/2002	19/4/2002 – 19/4/2006	16.96
18/4/2002	18/4/2002 – 17/4/2003	18/4/2003 – 18/4/2007	15.80
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23

(b) Movement of Share Options 認股權之變動

2004

Date of Grant 授予日期	Outstanding at 1/1/2004 於2004年1月1日 尚未行使	Number of Share Options 認股權數目			Outstanding at 31/12/2004 於2004年12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
21/4/1999	736,000	–	736,000	–	–
20/4/2000	3,698,000	–	2,218,000	–	1,480,000
19/4/2001	3,435,000	–	1,250,000	–	2,185,000
18/4/2002	3,450,000	–	655,000	–	2,795,000
02/5/2003	15,165,000	–	6,405,000	190,000	8,570,000
22/4/2004	–	15,495,000	–	450,000	15,045,000
Total 總額	26,484,000	15,495,000	11,264,000	640,000	30,075,000

2003

Date of Grant 授予日期	Outstanding at 1/1/2003 於2003年1月1日 尚未行使	Number of Share Options 認股權數目			Outstanding at 31/12/2003 於2003年12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
20/4/1998	5,361,200	–	–	5,361,200	–
21/4/1999	4,510,000	–	3,764,000	10,000	736,000
20/4/2000	11,128,000	–	6,990,000	440,000	3,698,000
19/4/2001	5,360,000	–	1,665,000	260,000	3,435,000
18/4/2002	5,505,000	–	1,785,000	270,000	3,450,000
02/5/2003	–	15,525,000	–	360,000	15,165,000
Total 總額	31,864,200	15,525,000	14,204,000	6,701,200	26,484,000

(c) No share options were cancelled during the years ended 31st December, 2004 and 2003.

(c) 截至2004及2003年12月31日年度內並未有認股權被註銷。

Notes on the Accounts (continued)
賬項附註 (續)

(d) Details of Share Options Exercised

(d) 已行使認股權詳情

Exercise Period 行使期間	Date of Grant 授予日期	Number of Share Options 認股權數目	
		2004	2003
January 1月	21/4/1999	13,000	–
	20/4/2000	298,000	–
	19/4/2001	20,000	–
	18/4/2002	55,000	–
February 2月	21/4/1999	87,000	32,000
	20/4/2000	379,000	–
	19/4/2001	110,000	–
	18/4/2002	70,000	–
March 3月	21/4/1999	155,000	12,000
	20/4/2000	321,000	–
	19/4/2001	80,000	–
	18/4/2002	120,000	–
April 4月	21/4/1999	193,000	35,000
	20/4/2000	151,000	–
	19/4/2001	190,000	–
	18/4/2002	20,000	–
May 5月	21/4/1999	288,000	218,000
	20/4/2000	50,000	–
	19/4/2001	30,000	–
	18/4/2002	40,000	–
	02/5/2003	1,655,000	–
June 6月	21/4/1999	–	781,000
	20/4/2000	73,000	–
	19/4/2001	155,000	–
	18/4/2002	65,000	–
	02/5/2003	795,000	–
July 7月	21/4/1999	–	371,000
	20/4/2000	39,000	–
	18/4/2002	20,000	–
	02/5/2003	445,000	–
	21/4/1999	–	250,000
August 8月	20/4/2000	92,000	–
	19/4/2001	100,000	–
	18/4/2002	40,000	275,000
	02/5/2003	330,000	–
	21/4/1999	–	1,089,000
September 9月	20/4/2000	49,000	976,000
	18/4/2002	35,000	630,000
	02/5/2003	275,000	–
	21/4/1999	–	557,000
October 10月	20/4/2000	85,000	2,767,000
	19/4/2001	15,000	360,000
	18/4/2002	20,000	500,000
	02/5/2003	360,000	–
	21/4/1999	–	–

37. EQUITY COMPENSATION PLANS (continued) 股份補償計劃(續)

(d) Details of Share Options Exercised (continued)

(d) 已行使認股權詳情(續)

Exercise Period 行使期間	Date of Grant 授予日期	Number of Share Options 認股權數目	
		2004	2003
November 11月	21/4/1999	–	349,000
	20/4/2000	236,000	2,458,000
	19/4/2001	90,000	735,000
	18/4/2002	75,000	–
	02/5/2003	1,315,000	–
December 12月	21/4/1999	–	70,000
	20/4/2000	445,000	789,000
	19/4/2001	460,000	570,000
	18/4/2002	95,000	380,000
	02/5/2003	1,230,000	–
		11,264,000	14,204,000

38. RECENTLY ISSUED ACCOUNTING STANDARDS 近期頒布的會計準則

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

The Group has not early adopted these new HKFRSs in the accounts for the year ended 31st December, 2004 apart from HKAS 40 “Investment Property” as disclosed in Note 3 of the accounts. The Group has already commenced an assessment of the impact of the other new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a significant impact on its results of operations and financial position.

香港會計師公會頒布多項新訂及經修訂的《香港財務報告準則》和《香港會計準則》(統稱《新香港財務報告準則》)，由2005年1月1日或以後的會計期生效。

除載於賬項附註3的《香港會計準則》第40號「投資物業」外，本集團並未於截至2004年12月31日止年度提前採納該等《新香港財務報告準則》。本集團已開始評估其他《新香港財務報告準則》所帶來的影響，但在此階段並未能說明該等《新香港財務報告準則》對本集團的業績及財務狀況的影響是否重大。