

## 1 ACTIVITIES AND CORPORATE AFFILIATION

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

The directors consider the Group's ultimate holding company at 31 December 2004 to be Fubon Financial Holding Co. Ltd. ("Fubon") which is incorporated in the Republic of China and operates as a financial conglomerate.

## 業務及公司附屬集團

本銀行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

董事會認為，本集團於二零零四年十二月三十一日的最終控股公司為富邦金融控股股份有限公司（「富邦」）。該公司於中華民國註冊成立，為一家經營金融企業集團。

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Statements of Standard Accounting Practice and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

These financial statements also comply with the applicable disclosure provisions of the "Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited" and the recommendations in the Supervisory Policy Manual "Financial Disclosures by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA"). A summary of the significant accounting policies adopted by the Group is set out below.

## 主要會計政策

### (a) 遵守聲明

此等財務報告乃根據香港會計師公會（「香港會計師公會」）頒佈的一切適用香港財務報告準則（包括一切適用的《會計實務準則》及詮釋）、香港普遍採納的會計準則及香港《公司條例》的規定而編製。

此等財務報告亦遵守香港聯合交易所有限公司「證券上市規則」的適用披露規定及香港金融管理局頒佈的監管政策手冊內「本地註冊認可機構披露財務資料」指引的建議而編製。本集團所採納的主要會計政策概要載於下文。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***(b) Basis of preparation of the financial statements**

The measurement basis used in the preparation of the financial statements is historical cost modified by the revaluation of premises in 1989, and the marking to market of certain investments in securities as explained in the accounting policies set out below.

The HKICPA 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 beginnings on or after 1 January 2005.

The Group has not adopted these new HKFRSs in the financial statements for the year ended 31 December 2004. The Group has already commenced an assessment of the impact of these new HKFRSs in the financial statements for the year ended 31 December 2004 but is not yet in a position to state whether these new HKFRSs would have had a significant impact on its reported results of operations for the year ended 31 December 2004 and financial position at that date.

**主要會計政策 (續)****(b) 財務報告的編製基準**

編製財務報告所採用的計算基準為歷史成本法(經由一九八九年的樓宇重估加以修訂)及如下文的會計政策所闡釋，若干證券投資計算基準為市場價值。

香港會計師公會已頒佈若干新制訂及修訂的香港財務報告準則及香港會計準則(「新香港財務報告準則」)，該等準則於二零零五年一月一日或以後的會計期間起生效。

本集團並無於截至二零零四年十二月三十一日止年度的財務報告採納該等新香港財務報告準則。本集團已開始就有關新香港財務報告準則對截至二零零四年十二月三十一日止年度的財務報告所構成的影響進行評估，然而現時未能確定有關新香港財務報告準則會否對其呈報截至二零零四年十二月三十一日止年度的業績及當時的財政狀況構成重大影響。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(c) Investment in subsidiaries**

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. Subsidiaries are considered to be controlled if the Bank has the power, directly or indirectly, to govern their financial and operating policies so as to obtain benefits from their activities.

The financial statements of the controlled subsidiary are consolidated into the consolidated financial statements, unless the subsidiary is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, the investment is as an investment in trading securities or non-trading securities (see Note 2 (g)(ii) and (iii)).

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Bank's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (Note 2(i)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Bank, in which case, it is accounted for as an investment in trading securities or non-trading securities (see Note 2(g)(ii) and (iii)).

**(c) 於附屬公司的投資**

按照香港《公司條例》，附屬公司為本集團直接或間接持有其逾半數已發行股本或控制其逾半數投票權或控制其董事會成員架構的公司。倘本銀行有權直接或間接管治附屬公司的財政及營運政策，並藉此從其業務中獲取利益，則被視為受控制。

受控制附屬公司的財務報告納入綜合財務報告中計算，除非購入並持有附屬公司的唯一目的是在短期內將其出售，或附屬公司是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損；在此情況下，則列為持作買賣用途或非持作買賣用途的證券投資（見附註2(g)(ii)及(iii)）。

集團公司內部間的結餘及交易，以及集團公司內部間交易所產生的未變現溢利，均於編製綜合財務報告時悉數抵銷。集團公司內部間交易所產生的未變現虧損的抵銷方法與未變現溢利者相一致，惟僅限於無減值證明的虧損。

於本銀行之資產負債表中，於附屬公司的投資乃按成本值減去任何減值虧損（見附註2(i)）列帳，除非購入並持有該項投資的唯一目的是在短期內將其出售，或該項投資是長期在嚴格限制條件下經營，以致其向本集團轉移資金的能力嚴重受損；在此情況下，則被計入持作買賣用途或非持作買賣用途的證券投資（見附註2(g)(ii)及(iii)）。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(d) Associated companies**

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

The investment in the associated company is not equity accounted for in the consolidated financial statements as it is considered by the directors to be immaterial to the Group. It is stated at cost less impairment losses (Note 2(i)) in the Group's and the Bank's balance sheet. The results of the associated company are included in the Group's and the Bank's income statement to the extent of dividends received and receivable (Note 2(j)).

**(e) Advances and doubtful debts**

(i) Advances to customers and trade bills are carried at amounts advanced less payments collected, any suspended interest and reserves for credit losses. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the income statement over the early prepayment penalty period.

(ii) Specific and general provisions

Provisions for bad and doubtful debts are made promptly and on a prudent and consistent basis. Specific provisions are determined by the directors at a level deemed appropriate to absorb expected losses from individual accounts after taking into account the value of collateral held. General provisions augment specific provisions and provide 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. Both specific and general provisions are charged to the income statement and are deducted from trade bills, other assets and advances to customers in the balance sheet. When there is no longer any realistic prospect of recovery, the outstanding debt is written off.

**(d) 聯營公司**

聯營公司為本集團或本銀行可對其管理(包括參與其財政及營運政策的決定)有重大影響力(惟並非控制或聯合控制)之公司。

由於董事認為於聯營公司的投資對本集團的影響並不重大，故並無以權益法計入綜合財務報告，而按成本值扣除減值虧損(見附註2(i))於本集團及本銀行之資產負債表中列帳。聯營公司之業績以已收及應收的股息(見附註2(j))於本集團及本銀行的收益表中列帳。

**(e) 貸款及呆帳**

(i) 客戶貸款及貿易票據乃按貸款金額減去已收款項、任何懸帳利息及信貸虧損儲備列帳。住宅按揭貸款所授予客戶的現金回贈按提早還款罰金期於收益表中資本化及攤銷。

(ii) 特別及一般撥備

壞帳及呆帳撥備乃即時並按審慎及一致的基準提撥。特別撥備乃由董事於計及所持抵押品價值其認為可抵銷個別帳目的預期虧損的適當水平而釐定。一般撥備乃用作彌補特別撥備的不足，並就貸款於結算日出現但於日後始能確定的減值提撥準備。特別撥備及一般撥備均計入收益表，並於資產負債表中自貿易票據、其他資產及客戶貸款中扣除。當尚欠債務再無實際機會收回時，有關債務將作撇帳處理。

## 2 SIGNIFICANT ACCOUNTING POLICIES

*(continued)***(e) Advances and doubtful debts** *(continued)*

## (iii) Advances on which interest is being suspended

Interest suspended on doubtful debts is netted in the balance sheet against “Advances to customers” and accrued interest receivable in “Accrued interest and other accounts”. Amounts received are applied to the repayment of outstanding indebtedness, with any surplus used to recover any specific provisions and then suspended interest.

## (iv) Repossessed assets or assets acquired under lending agreements (“acquired assets”)

Repossessed assets and acquired assets continue to be reported as advances if the advance has not been fully written off and the Bank is seeking recovery from both the borrower and amounts to be generated from the repossessed assets or the acquired assets. The advance is recorded at the expected recoverable amount and the specific provision is adjusted. Any subsequent changes in the values of the repossessed assets or acquired assets are recorded as a movement in specific provision. Any income derived from repossessed assets and acquired assets is recognised as a reduction in the advance balance.

Acquired assets where it is intended to achieve an orderly realisation and the Bank is no longer actively seeking repayment from the borrower are reclassified to other accounts. The assets acquired are recorded at the carrying value of the advance disposed of at the date of the acquisition less any subsequent impairment losses (Note 2(i)). Income derived from acquired assets is recognised in the income statement.

## 主要會計政策 (續)

**(e) 呆壞帳撥備** (續)

## (iii) 利息懸帳的貸款

呆帳的懸帳利息從資產負債表的「客戶貸款」及「應計利息及其他帳目」的應收應計利息中扣除。所得款項撥作償還未償債務，餘額則撥作彌償任何特別撥備，及撥作彌償懸帳利息。

## (iv) 收回資產或根據貸款協議所得資產 (「所得資產」)

倘貸款並無悉數撇銷，而本銀行尋求向借款人收回貸款及收回資產或所得資產所產生的款項，則收回資產及所得資產繼續以貸款方式列帳。貸款以預期可收回款項列帳，而特別撥備予以調整。收回資產或所得資產其後的價值變動按特別撥備變動列帳。收回資產及所得資產所得收益於貸款結餘中予確認扣減。

倘所得資產預期可有秩序變現，而本銀行再無主動向借款人尋求償還款項，則所得資產重新分類列入其他帳目。所得資產按於所得日期出售貸款的帳面值減去其後任何減值虧損(見附註2(i))列帳。所得資產的收益於收益表中予以確認。

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

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**(f) Finance leases**

Leases under which substantially all the risks and benefits of ownership are transferred to lessees are classified as finance leases.

Where assets are leased out under finance leases, an amount representing the net investment in the lease is included in the balance sheet as advances to customers. Finance income implicit in the lease payments is credited to the income statement over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period.

**(g) Investments in securities**

The Group's and the Bank's policies for investments in securities other than investments in subsidiaries and associated companies are as follows:

- (i) Dated debt securities that the Group and/or the Bank have the ability and intention to hold to maturity are classified as held-to-maturity securities. Held-to-maturity securities are stated in the balance sheet at amortised cost less any provisions for diminution in value. Provisions are made when carrying amounts are not expected to be fully recovered and are recognised as an expense in the income statement.

Profits or losses on realisation of held-to-maturity securities are accounted for in the income statement as they arise.

- (ii) Trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the income statement as they arise. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.

**(f) 融資租賃**

凡將資產擁有權之風險及收益絕大部份轉讓予承租人的租賃均列作融資租賃。

倘資產按融資租賃出租，則租賃投資淨額將於資產負債表中列作客戶貸款。租賃款項內含的融資收入於租賃期內記入收益表，使每個會計期間的未償付租賃投資淨額計算出的每期回報率大致相若。

**(g) 證券投資**

本集團及本銀行的證券投資（於附屬公司及聯營公司的投資除外）政策如下：

- (i) 本集團及／或本銀行有能力及打算持有至到期的有期債務證券列為持至到期證券。持至到期證券在資產負債表內按攤銷成本扣除任何永久減值準備後入帳。當預期該等帳面值未能全數被彌償，有關撥備將作支出于收益表中確認。

持至到期證券的變現溢利或虧損均於出現時計入收益表中。

- (ii) 持作買賣用途證券乃按公平價值列入資產負債表。公平價值之變動於出現時在收益表內確認。當購入證券的主要目的在於從短期價格波動或證券商的保證金中賺取利潤，則可列為持作買賣用途證券。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(g) Investments in securities *(continued)***

- (iii) Non-trading securities are stated in the balance sheet at fair value. Changes in fair value are recognised in the investment revaluation reserve until the security is sold, collected, or otherwise disposed of, or until there is objective evidence that the security is impaired, at which time the relevant cumulative gain or loss is recognised in the income statement.
- (iv) Transfers from the investment revaluation reserve to the income statement as a result of impairments are reversed when the circumstances and events that led to the impairment cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- (v) Profits or losses on disposal of investments in securities are accounted for in the income statement as they arise. In the case of non-trading securities, the profit and loss includes any amount previously held in the investment revaluation reserve in respect of that security.

**(h) Fixed assets and depreciation**

Fixed assets are stated at cost or valuation less impairment losses (Note 2(i)) and less accumulated depreciation calculated to write off the assets over the estimated useful lives.

Leasehold land is depreciated over the unexpired terms of the leases on a straight-line basis. Premises are depreciated at the higher of 2% per annum or over the unexpired terms of the leases.

Furniture, fixtures and equipment are depreciated over their estimated useful lives, which are generally between 3 to 10 years.

**(g) 證券投資 (續)**

- (iii) 非持作買賣用途證券乃按公平價值列入資產負債表。於出售、領取或以其他方式處理證券後的公平價值的變動在投資重估儲備中確認，或直至在客觀證據顯示證券價值已削減，屆時有關的累積盈虧於收益表中確認。
- (iv) 因減值而由投資重估儲備撥往收益表的金額，於導致減值情況及事件不再存在，並於具有說服力證據顯示新情況及事件在可見將來將持續時撥回。
- (v) 出售證券投資的盈虧在出現時計入收益表內。如屬非持作買賣用途證券，損益包括任何的前在投資重估儲備內就該證券所持有之金額。

**(h) 固定資產及折舊**

固定資產以成本值或估值減去減值虧損（見附註2(i)）及累計折舊列帳。折舊乃按資產的估計可使用年期予以攤銷。

租賃土地按未到期租約年期以直線法予以折舊。物業乃按每年2%或按未到期租約年期（以較高者為準）計算予以折舊。

傢俬、裝置及設備乃按其估計可使用年期（一般介乎3至10年）予以折舊。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***(h) Fixed assets and depreciation** *(continued)*

Certain of the Group's leasehold land and premises have been included at Directors' valuation made having regard to independent professional valuations carried out in November 1989. The surplus arising on revaluation was credited to the revaluation reserve. Additions to revalued premises made subsequent to the revaluation are included at cost. Premises which have not been the subject of revaluation are included at cost. The revaluation reserve arising from the November 1989 revaluation was transferred to the capital redemption reserve when the Bank redeemed its "A" and "B" preference shares in June 1991.

In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80 of the Statement of Standard Accounting Practice 17 "*Property, Plant and Equipment*" issued by the HKICPA with the effect that premises have not been revalued to fair value at the balance sheet date. It is not the Directors' present intention to revalue the premises in the future.

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the estimated net disposal proceeds and the carrying amount of the assets and are recognised in the income statement on the date of retirement or disposal.

**主要會計政策** (續)**(h) 固定資產及折舊** (續)

本集團若干租賃土地及物業已計入的經參考於一九八九年十一月進行之獨立專業估值後作出的估值內。重估所產生的盈餘已計入重估儲備內。重估後對重估物業之添置已按成本值入帳。並無重估之物業已按成本值入帳。於一九八九年十一月重估所產生之重估儲備，在本銀行於一九九一年六月贖回其「A」及「B」優先股時，已轉撥至資本贖回儲備內。

於編製該等財務報告時，已採納香港會計師公會制定之《會計實務準則》第17號第80段中「房地產、廠房及設備」之過渡性條文，准許在結算日並未按公平價值重估物業。董事目前無意於日後重估物業價值。

倘可確認固定資產之已確認結算日後開支可為本集團帶來未來經濟效益（即超越現有資產原本所評估之標準表現），則計入資產之帳面值。其他所有結算日後開支則於產生時確認為期內開支。

因棄用或出售固定資產所產生之盈虧乃根據該資產之估計出售所得款項淨額及該資產之帳面值之差額計算，並於棄用或出售當日於收益表中確認。



**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(i) Impairment of assets**

Internal and external sources of information are reviewed at each balance sheet date to identify indications that fixed assets, acquired assets and investments in subsidiaries and associated companies may be impaired.

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit 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 the time value of money and the risks specific to the asset. Where there are assets that do not generate cash flows largely independent of those from other assets, recoverable amounts are determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. A reversal of impairment loss 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 income statement in the year in which the reversals are recognised.

**(i) 資產減值**

本集團於每個結算日均會審核其內部及外間資料，以確定是否有跡象顯示附屬公司及聯營公司之固定資產、所得資產及投資可能遭受任何減值。

倘若發現任何減值跡象，則本集團會估計該資產之可收回款額。倘資產或其現金產生單位之帳面值高於其可收回款額，則確認為減值虧損。

資產之可收回款額是其售價淨額及使用價值二者之較高者。於評估使用價值時，會把估計未來現金流量按現有市值評估之貨幣時間價值及特有風險的稅前折扣率折實為現在價值。倘某些資產不能大部份地獨立於其他資產產生現金流量，其可收回款項則取決於可獨立地產生現金流量的最少資產組合（即現金產生單位）。

倘用作釐定可收回款額之估計有所變動，則減值虧損會被撥回。減值虧損之撥回不可超越有關資產未於過往年度被確認為並無出現減值虧損之帳面值。減值虧損之撥回乃於確認年度計入收益表內。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(j) Revenue recognition**

Provided that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

**(i) Interest income**

Interest income and expenses are accrued on a time-apportioned basis on the principal outstanding and at the rate applicable except in the case of doubtful debts where interest is credited to a suspense account which is netted in the balance sheet against the relevant balances. Fee income and expenses are recognised when earned or incurred.

Interest income from dated debt securities is recognised as it accrues, as adjusted by the amortisation of the premium or discount on acquisition, so as to achieve a constant rate of return over the period from the date of purchase to the date of maturity.

**(ii) Fee and commission income**

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment advice and financial planning, investment banking services, project and structured finance transactions, and asset management services. Fee and commission income is recognised when the corresponding service is provided, except where the fee is charged to cover the costs of continuing service to, or risk borne for, the customer, or is in the nature of interest. In these cases, the fee is recognised as income in the accounting period in which the costs or risks are incurred or is accounted for as interest income.

**(j) 收益確認**

當經濟收益很可能流入本集團，而收入及成本(倘適用)能可靠地計算時，收益會於收益表確認如下：

**(i) 利息收入**

利息收入及支出乃以未償還本金及適用利率按時間劃分基準而應予累算，惟利息計入暫記帳戶之呆帳除外，有關利息將於資產負債表中與有關結餘沖銷。費用收入及支出於賺取或產生時予以確認。

來自定期債務證券之利息收入於應計時確認，並經攤銷收購時之溢價或折讓而調整，以於自購買日期起至到期日止期間達至一個穩定之回報率。

**(ii) 費用及佣金收入**

費用及佣金收入乃本集團提供財務服務，包括現金管理服務、經紀服務、投資顧問及財務策劃、投資銀行服務、項目及結構性融資交易以及資產管理服務等所得收入。費用及佣金收入於相關服務提供時確認，惟為支付持續向客戶提供服務之成本而收取、或為客戶承擔風險、或屬利息性質之費用則除外。在該等情況下，費用會於產生成本或承擔風險或計算為利息收入之會計期間確認為收入。

## 2 SIGNIFICANT ACCOUNTING POLICIES

## 主要會計政策 (續)

(continued)

**(j) Revenue recognition** (continued)

## (iii) Dividend income

Dividends from listed investments are recognised when the share price of such investments is quoted ex-dividend.

Interim dividends from unlisted investments are recognised when the directors of the investee companies declare such dividends; final dividends from unlisted investments are recognised when the shareholders of the investee companies approve the dividends proposed by the directors at the general meeting.

## (iv) Rental income from operating leases

Rental income receivable under operating leases is recognised in the income statement 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 income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

**(k) Operating lease charges**

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement 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 income statement as an integral part of the aggregate net lease payments made.

**(j) 收益確認** (續)

## (iii) 股息收入

上市投資之股息於該等投資之股價為除息報價時予以確認。

非上市投資之中期股息於受投資公司董事宣派該等股息時予以確認；非上市投資之末期股息於受投資公司股東批准董事在股東大會上建議之股息時予以確認。

## (iv) 源自營運租賃之租金收入

營運租賃項下之應收租金收入於會計期間內按租賃年期以等額分期於收益表中確認，惟倘其他基準能更有效列示產生自租賃資產之盈利模式則除外。已授予之租賃優惠乃列為總計應收租賃款項淨額之一部份，並於收益表中確認。或然租金於賺取租金之會計期間於收益表中確認。

**(k) 營運租賃**

倘本集團使用營運租賃資產，租賃之款項於會計期間內按租賃年期以等額分期自收益表中扣除，惟倘其他基準能更有效列示產生自租賃資產之盈利模式則除外。已獲取之租賃優惠乃列為總計所付租賃款項淨額之一部份，並於收益表中確認。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(I) 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 income statement 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.
- (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 the temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, 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 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.

**(I) 所得稅**

- (i) 本年度之所得稅包括即期稅項及遞延稅項資產及負債之變動。即期稅項及遞延稅項資產及負債之變動於收益表確認，惟與直接確認為股本之項目相關者除外，在此情況下，該等變動則會被確認為股本。
- (ii) 即期稅項乃預期於本年度就應課稅收入按於結算日已立例制定或大致上已立例制定之稅率計算之應付稅項，以及過往年度應繳稅項之任何調整。
- (iii) 遞延稅項資產及負債乃分別來自可扣稅或應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之帳面值之間的差異而產生。遞延稅項資產亦因未動用稅項虧損及未動用稅項抵免而產生。

除因初步確認影響會計或應課稅溢利之資產或負債而產生之暫時差異外，所有遞延稅項負債及遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。

遞延稅項確認額乃按資產及負債之帳面值之預期變現或支付形式，按於結算日已立例制定或大致上已立例制定之稅率計算。遞延稅項資產及負債不作折讓。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(I) Income tax (continued)**

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.

(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 legal 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 or 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 to realise and settle simultaneously.

**(I) 所得稅 (續)**

遞延稅項資產之帳面值乃於各結算日審閱，對預期不再有足夠之應課稅溢利以供有關稅項得益動用，則予扣減，倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。

(iv) 即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如(及僅在)本銀行或本集團擁有法律強制執行權將即期稅項資產抵銷即期稅項負債，並在下列其他條件達成之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本銀行或本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬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資產及負債的期間，該實體計劃以淨額形式變現稅項資產及清償即期稅項負債或兩者同時變現及償還。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(m) Employee benefits**

- (i) Salaries, annual bonuses, paid annual leave and the cost to the Group of non-monetary benefits are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present value.
- (ii) Contributions to Mandatory Provident Funds as required under the Hong Kong Mandatory Provident Fund Schemes Ordinance are recognised as an expense in the income statement as incurred.
- (iii) The Group's net obligation in respect of defined benefit retirement plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine the present value, and the fair value of any plan assets is deducted. The discount rate is the yield at the balance sheet date on high quality corporate bonds that have maturity dates approximating the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised as an expense in the income statement on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognised immediately in the income statement.

**(m) 僱員福利**

- (i) 薪酬、每年花紅、有薪年假及本集團非現金福利成本於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等金額須按現值列帳。
- (ii) 香港強制性公積金計劃條例項下規定的強制性公積金供款於產生時在收益表中確認為開支。
- (iii) 本集團有關定額退休福利計劃之責任透過估計僱員於現時或先前期間就彼等所提供之服務而獲得之日後福利金額根據每項計劃分開計算；該福利乃貼現以釐定現值，並於任何計劃資產之公平價值中扣減。貼現率乃以直至到期日年期約等於本集團責任之期限之優質企業債券於結算日之收益率。貼現率乃由合資格精算師以預測單位計入方法計算。

當某計劃之福利有所改善時，有關僱員之過往服務所增加福利之部份於直至該等福利予以歸屬止之平均期間以直線法於收益表中確認為開支。倘該等福利立即予以歸屬，開支立即於收益表中確認。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(m) Employee benefits** *(continued)*

In calculating the Group's obligation in respect of a plan, to the extent that any cumulative unrecognised actuarial gain or loss exceeds ten percent of the greater of the present value of the defined benefit obligation and the fair value of plan assets, that portion is recognised in the income statement over the expected average remaining working lives of the employees participating in the plan. Otherwise, the actuarial gain or loss is not recognised.

Where the calculation of the Group's net obligation results in a negative amount, the asset recognised is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

- (iv) Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

**(n) Translation of foreign currencies**

Transactions in foreign currencies during the year 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 exchange rates ruling at the balance sheet date. Exchange gains and losses are included in the income statement.

**(m) 僱員福利 (續)**

就計算本集團於計劃中之責任時，在任何累計未確認精算損益超逾定額福利供款之現值或計劃資產之公平價值(以較大者為準)之10%之規限下，該部份於參與計劃之僱員之預期平均所餘工作年期內在收益表中確認。否則，精算損益不予確認。

倘所計算之本集團供款淨額為負數，所確認之資產僅限於任何未確認精算虧損及過往服務成本以及計劃之任何日後退款現值或計劃之日後供款扣減之總淨額。

- (iv) 終止福利當(及僅在)本集團可充份證明其終止僱用或因有周詳正式計劃(該計劃實際上並不可能撤銷)自願裁員時予以確認。

**(n) 外幣換算**

年內之外幣交易均以交易當日之匯率換算為港元。以外幣為單位之貨幣資產及負債均按結算日之匯率換算為港元。匯兌損益均納入收益表內。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(o) Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, placements with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

**(p) Derivatives**

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. Derivatives include futures, forward, swap and option contracts undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets.

The accounting for derivatives is dependent upon whether the transactions are undertaken for trading purposes or as part of the management of asset and liability portfolios.

**(i) Derivatives used for trading purposes**

Trading transactions include transactions undertaken for market making, to service customers' needs and for proprietary purposes, as well as any related hedges.

Transactions undertaken for trading purposes are marked to market and the gain or loss arising is recognised in the income statement as trading profits or losses, after appropriate deferrals for unearned credit margin and future servicing costs. Unrealised gains on transactions are included in "Accrued interest and other accounts" in the balance sheet. Unrealised losses on transactions are included in "Other accounts and liabilities". Netting is applied where a legal right of set-off exists.

**(o) 現金及等同現金項目**

現金及等同現金項目包括手頭現金、銀行及其他金融機構之存款以及即時可轉換作已知現金款項及須受不重大的價值變動風險限制並於收購後三個月內到期之短期、高流通性投資。

**(p) 衍生工具**

衍生工具指價值視乎一項或以上有關資產或指數而定之金融合約。衍生工具包括本集團及本銀行於外匯、利率及股票市場承擔之期貨、遠期、掉期及期權合約。

衍生工具之計算方法須視乎該等交易是否作為買賣用途或資產及負債組合管理之部份而定。

**(i) 用作買賣用途之衍生工具**

買賣交易包括就市場莊家活動、服務客戶所需及自營買賣目的以及作為任何有關對沖而進行之交易。

用作買賣用途之交易按市價計值，而所產生之收益或虧損，經撥付遞延未賺信貸保證金及日後服務費後於收益表中確認為買賣溢利或虧損。該等交易之未變現收益計入資產負債表之「應計利息及其他帳目」內。該等交易之未變現虧損計入「其他帳目及負債」。倘有合法抵銷權，則可予對銷計算淨額。



## 2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

## 主要會計政策 (續)

## (p) Derivatives (continued)

The fair value of derivatives that are not exchange-traded is estimated at the amount that the Group would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

- (ii) Derivatives used for asset and liability management purposes

Derivatives that qualify as hedges are valued on an equivalent basis to the underlying 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 net positions.

A hedging relationship exists when

- at inception of the hedge there is formal documentation of the hedge;
- the hedge is expected to be highly effective;
- the effectiveness of the hedge can be reliably measured;
- the hedge is highly effective throughout the reporting period; and
- for hedges of a forecast transaction, the transaction is highly probable and presents an exposure to variations in cash flows that could ultimately affect net profit or loss.

Interest rate swaps are also used to alter synthetically the interest rate characteristics of financial instruments. Interest rate swaps that qualify as synthetic alteration are accounted on an accruals basis with the related income and expense treated as interest income or interest expense.

## (p) 衍生工具 (續)

並非於交易所買賣之衍生工具之公平價值，經考慮目前市況及交易對方目前之信譽後按假設於結算日終止合約時本集團可收取或支付之金額估計。

- (ii) 用作資產及負債管理目的之衍生工具

合資格用作對沖之衍生工具按有關資產、負債或持倉淨額之同等基準估值。任何溢利或虧損按有關資產、負債或持倉淨額之相同基準確認。

在以下情況下出現對沖關係

- 於對沖開始時，已有正式對沖文件；
- 預期對沖非常有效；
- 對沖之效力可予可靠量度；
- 於整個報告期間，對沖均非常有效；及
- 就預測交易之對沖而言，該交易極可能出現，且可能面對現金流量之風險，因而最終影響溢利或虧損淨額。

利率掉期亦被用作綜合變動金融工具之利率特色。合資格作為綜合變動之利率掉期按相對收入或利息開支視作利息收入或利息開支以應計基準列帳。

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

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**(p) Derivatives** *(continued)*

Any gain or loss on termination of hedging derivatives is amortised to the income statement over the remaining original life of the terminated contract. Where the underlying asset, liability or position is sold or terminated, the hedging derivative is redesignated as trading and is marked to market through the income statement. Netting is applied where a legal right of set-off exists.

**(q) Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

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 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.

**(r) Related parties**

For the purposes of these financial statements, 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 entities.

**(p) 衍生工具 (續)**

於終止對沖衍生工具時產生之任何收益或虧損按已終止合約之餘下原有年期於收益表中攤銷。倘有關資產、負債或持倉出售或終止，對沖衍生工具重新分類為買賣衍生工具，並透過收益表按市價計值。倘出現合法抵銷權，則可予對銷計算淨額。

**(q) 撥備及或然負債**

撥備乃於本集團因過往事件引致之法律或推定義務而可能需要付出經濟利益以清償有關義務及能對此作出可靠估計時，就未能確定之時間或數額之負債確認。倘貨幣時間價值乃屬重大，撥備則以預計用以清償有關義務之現值開支列帳。

倘可能須付出經濟效益，或付出之金額未能可靠估計，有關義務則披露為或然負債，除非付出經濟利益之可能性是極微。僅在出現或不出現一項或以上日後事故之情況下方能確認之可能義務亦披露為或然負債，除非損失經濟利益之可能性是極微。

**(r) 關連各方**

按本財務報告的目的，若本集團有能力直接或間接控制或重大影響該方之財務及營運決策，或相反地該方能控制及行使重大影響本集團，或兩者互相控制及行使重大影響力的情況下，該方便被視為與本集團有關的關連方。關連方可以為個人或機構。

**2 SIGNIFICANT ACCOUNTING POLICIES***(continued)***主要會計政策 (續)****(s) Segment reporting**

A segment is a distinguishable component of the Group that is engaged 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.

In common with the Group's internal financial reporting, 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 as well as those that can be allocated on a reasonable basis to that segment. For example segment assets may include loans and advances to customers, investment securities, interbank placements, premises and equipment. 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. 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) 分項報告**

分項乃指本集團可區分之部分，包括提供之服務(業務分項)或提供服務之特定經濟環境(區域分項)，均受有別於其他分項之風險及利益所限。

根據本集團之內部財務報告，本集團選擇業務分項資料為主要報告形式，而區域分項資料則為次選報告形式。

分項收益、開支、業績、資產及負債均包括直接劃分入該分項之項目或可合理劃分為該分項之項目。諸如資產分項可包括客戶貸款、證券投資、銀行同業放款、房地產及設備。分項收益、開支、資產及負債乃於集團內公司間結算前釐定，集團內公司間交易則予以抵銷作為綜合處理之部分，惟集團企業間之有關集團內公司間結餘及交易乃為單一分項。分項間定價乃按給予外間人士之類似條款釐定。

分項資本開支乃指年內因收購預計可使用超過一年之分項資產(包括有形及無形資產)所產生之總成本。

3 INTEREST INCOME

利息收入

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Interest income on listed investments	上市投資之利息收入	<b>38,223</b>	13,715
Interest income on unlisted investments	非上市投資之利息收入	<b>125,806</b>	149,225
Other interest income	其他利息收入	<b>807,754</b>	784,846
		<b>971,783</b>	947,786

4 OTHER OPERATING INCOME

其他營運收入

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Fees and commission income	費用及佣金收入	<b>108,932</b>	127,495
Less: Fees and commission expense	減：費用及佣金支出	<b>(13,412)</b>	(8,879)
Net fees and commission income	費用及佣金收入淨額	<b>95,520</b>	118,616
Dividend income from listed investments	上市投資之股息收入	<b>2,133</b>	1,314
Dividend income from unlisted investments	非上市投資之股息收入	<b>10,299</b>	3,360
Gains less losses from dealing in foreign currencies	外匯交易收入減虧損	<b>18,813</b>	13,645
Gains less losses from dealing in trading securities	證券買賣交易收入減虧損	<b>10,350</b>	2,899
Gains less losses from other dealing activities	其他買賣交易收入減虧損	<b>50,172</b>	39,572
Rental income	租金收入	<b>8,102</b>	13,266
Others	其他	<b>29,708</b>	9,255
		<b>225,097</b>	201,927

## 5 OPERATING EXPENSES

## 營運支出

The major items which comprise operating expenses are as follows:

主要營運支出載列如下：

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	555	407
Defined benefit scheme expense (Note 33)	定額福利計劃支出 (附註33)	15,525	11,969
Retirement scheme costs	退休計劃成本	16,080	12,376
Compensation for loss of office as directors (Notes 6)	董事離職補償 (附註6)	35,562	0
Early retirement benefits	提前退休福利	11,373	0
Salaries and other staff costs	薪金及其他僱員成本	275,143	225,099
		<b>338,158</b>	237,475
Premises and other fixed assets	房地產及其他固定資產		
– Rental of premises	– 房地產租金	24,783	19,529
– Depreciation	– 折舊	60,190	54,919
– Others	– 其他	15,420	15,154
Auditors' remuneration	核數師酬金	2,092	1,626
Other operating expenses	其他營運支出		
– Business promotion	– 業務推廣	29,345	24,019
– Legal and professional fees	– 法律顧問費用	13,563	16,239
– Communication	– 通訊	18,523	17,396
– Electronic data processing and computer systems	– 電子資料處理及電腦系統	63,353	59,287
– Others	– 其他	36,612	43,200
		<b>602,039</b>	488,844

6 DIRECTORS' REMUNERATION

董事酬金

(a) The aggregate remuneration of the directors disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

(a) 根據香港《公司條例》第161條規定披露之董事酬金總額如下：

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Directors' fees	董事袍金	4,601	6,017
Basic salaries and other allowances	底薪及其他津貼	18,680	14,822
Contributions to pension scheme	退休金供款	883	1,068
Discretionary bonuses	酌情花紅	1,542	2,059
Compensation for loss of office as directors, paid by the Bank	董事離職補償 (由本銀行支付)	35,562	0
		<b>61,268</b>	23,966

Included in directors' remuneration were fees of HK\$1,602,835 (2003: HK\$2,987,315) paid and payable to the independent non-executive directors in respect of the year.

本年度已付及應付獨立非執行董事之袍金合共1,602,835港元(二零零三年：2,987,315港元)納入董事酬金內。

(b) The number of directors of the Bank whose total remuneration fell within the following defined bands are as follows:

(b) 本銀行董事之酬金總額的人數分佈如下：

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
HK\$nil – HK\$1,000,000	零港元 – 1,000,000港元	16	7
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	0	1
HK\$5,500,001 – HK\$6,000,000	5,500,001港元 – 6,000,000港元	1	0
HK\$6,000,001 – HK\$6,500,000	6,000,001港元 – 6,500,000港元	0	1
HK\$12,500,001 – HK\$13,000,000	12,500,001港元 – 13,000,000港元	0	1
HK\$13,500,001 – HK\$14,000,000	13,500,001港元 – 14,000,000港元	1	0
HK\$37,000,001 – HK\$37,500,000	37,000,001港元 – 37,500,000港元	1	0

## 7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

## 薪酬最高人士

(a) Among the five individuals whose emoluments were the highest in the Group, three (2003: two) were directors of the Bank whose emoluments are disclosed in Note 6. The aggregate emoluments of the remaining two (2003: three) highest paid individuals were as follows:

(a) 本集團薪酬最高之5位人士中，3位(二零零三年：2位)為本銀行之董事，其薪酬已於附註6披露，餘下薪酬最高之2位(二零零三年：3位)人士之酬金總額如下：

Basic salaries and other allowances	底薪及其他津貼
Contributions to pension scheme	退休計劃供款
Early retirement benefits	提前退休福利
Bonuses	花紅

The Group 本集團	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
7,269	8,504
2,774	774
7,779	0
0	1,879
<b>17,822</b>	<b>11,157</b>

(b) The number of the two (2003: three) highest paid non-director employees of the Group whose total emoluments fell within the following bands are as follows:

(b) 本集團薪酬最高之2位(二零零三年：3位)非董事僱員之酬金總額人數公佈如下：

HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元
HK\$4,000,001 – HK\$4,500,000	4,000,001港元 – 4,500,000港元
HK\$7,000,001 – HK\$7,500,000	7,000,001港元 – 7,500,000港元
HK\$10,000,001 – HK\$10,500,000	10,000,001港元 – 10,500,000港元

The Group 本集團	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
0	1
0	1
0	1
1	0
1	0

## 8 CHARGE FOR BAD AND DOUBTFUL DEBTS

## 壞帳及呆帳撥備

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
General provision	一般準備		
– Trade bills (Note 18)	– 貿易票據 (附註18)	9	3
– Advances to customers (Note 19)	– 客戶貸款 (附註19)	19,671	(3,310)
		19,680	(3,307)
Specific provision	特別準備		
– Net specific provision on advances to customers (Note 19)	– 客戶貸款之特別準備淨額 (附註19)	31,493	190,020
		51,173	186,713

## 9 (REVERSAL OF)/PROVISION FOR NET IMPAIRMENT LOSSES ON INVESTMENTS AND ASSETS ACQUIRED UNDER LENDING AGREEMENTS

## 投資及根據貸款協議所得資產減值虧損淨額之(撥回)/撥備

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Write back of impairment loss on investments	投資減值虧損撥回	(4,529)	0
Provision for advance to an associate company	一間聯營公司貸款之撥備	2,216	0
(Reversal of)/provision for impairment loss on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之(撥回)/撥備	(44,390)	71,463
		(46,703)	71,463



## 10 GAINS LESS LOSSES FROM DISPOSAL OF NON-TRADING SECURITIES

## 出售非持作買賣用途證券之收益減虧損

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Realisation of revaluation surplus previously recognised in revaluation reserve (Note 30)	過往於重估儲備內確認之重估盈餘之變現 (附註30)	1,333	2,210
Net gain arising in current year	年內利潤淨額	91,923	88,686
		<b>93,256</b>	90,896

## 11 TAXATION

## 稅項

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Current tax – Provision for Hong Kong Profits Tax*	即期稅項 – 香港利得稅準備*		
Tax for the year	年內稅項	39,902	13,698
Under-provision in respect of prior years	過往年度準備不足	454	1,914
		<b>40,356</b>	15,612
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異產生及撥回	(2,395)	(3,534)
Effect of increase in tax rate on deferred tax balances at 1 January	於一月一日因稅率增加對遞延稅項結餘之影響	0	(499)
		<b>(2,395)</b>	(4,033)
Total income tax expense	所得稅支出總額	<b>37,961</b>	11,579

**11 TAXATION** (continued)

## 稅項 (續)

Reconciliation between tax expense and accounting profit at applicable tax rate

稅項支出與適用應課稅率計算之會計溢利間之對帳

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Profit before taxation	除稅前溢利	<b>338,349</b>	149,717
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned*	除稅前溢利之估計稅項，以稅務司法適用之應課稅率計算*	<b>59,214</b>	26,201
Tax effect on non-taxable revenue	非應課稅項收入之稅項影響	<b>(26,693)</b>	(18,709)
Tax effect on non-deductible expenses	非可扣減支出之稅項影響	<b>4,986</b>	2,672
Effect of increase in tax rate on deferred tax balances at 1 January	於一月一日因稅率增加對遞延稅項結餘之影響	<b>0</b>	(499)
Under-provision in prior years	過往年度準備不足	<b>454</b>	1,914
Actual tax expense	實質稅項支出	<b>37,961</b>	11,579

\* The provision for Hong Kong Profits Tax for 2004 is calculated at 17.5% (2003: 17.5%) of the estimated assessable profits for the year.

\* 二零零四年之香港利得稅準備乃根據本年度之評估應課稅溢利之17.5% (二零零三年：17.5%) 計算。

## 12 DIVIDENDS

## 股息

## (a) Dividends declared and proposed

## (a) 已宣派及建議派發股息

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Interim dividend declared and paid of 6 cents (2003: 4 cents) per share	已宣派及派發中期股息每股6仙 (二零零三年：每股4仙)	70,330	46,886
Special dividend declared during the year of Nil cents (2003: 26 cents*) per share	年內已宣派特別股息每股零仙 (二零零三年：每股26仙*)	0	304,762
Final dividend of 11 cents (2003: Nil cent) per share proposed on 1 March 2005	於二零零五年三月一日 建議派發末期股息每股11仙 (二零零三年：每股零仙)	128,938	0
		<b>199,268</b>	<b>351,648</b>

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

於結算日後建議派發之末期股息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) 年內已通過及派付上一財政年度之股息。

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Final dividend in respect of the previous financial year, approved and paid during the year, of Nil cents (2003: 8 cents) per share	年內通過及派付上一財政年度 之末期股息每股零仙 (二零零三年：8仙)	0	93,773

\* A Board resolution was passed on 19 December 2003 to declare a special interim dividend for 2003 of 26 Hong Kong cents per share subject to the satisfaction (or, if applicable, waiver) of some specific pre-conditions. On 10 February 2004, these specific pre-conditions were satisfied and the special interim dividend totalling HK\$304,761,600 was paid on 16 February 2004.

\* 於二零零三年十二月十九日通過董事會決議案宣派二零零三年特別中期股息每股26港仙，惟須待該等特別先決條件達成後(或獲豁免(如適用))方可作實。於二零零四年二月十日，該等特別先決條件已達成，並已於二零零四年二月十六日派付合共304,761,600港元之特別中期股息。

### 13 EARNINGS PER SHARE

### 每股盈利

Earnings per share are calculated on profit attributable to shareholders of HK\$300,388,000 (2003: HK\$138,138,000) and on 1,172,160,000 (2003: 1,172,160,000) ordinary shares in issue during the year. There are no convertible loan capital, options or warrants outstanding which would cause a dilution effect on earnings per share.

每股盈利乃按年內股東應佔溢利300,388,000港元(二零零三年: 138,138,000港元)及於年內已發行普通股份1,172,160,000股(二零零三年: 1,172,160,000股)計算。銀行並無任何可兌換之資本貸款、期權或可兌換認股證以致對每股盈利構成攤薄之影響。

### 14 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

### 股東應佔溢利

The consolidated profit attributable to shareholders includes a profit of HK\$193,805,000 (2003: HK\$111,260,000) which has been dealt with in the financial statements of the Bank.

股東應佔綜合溢利包括已計入本銀行財務報告內有關之溢利193,805,000港元(二零零三年: 111,260,000港元)。

## 15 SEGMENT REPORTING

## 分項資料

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 substantially all of the Group's business is attributable to a single geographical segment, Hong Kong.

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services.

Retail Banking mainly comprises the Consumer Banking and the Retail Distribution Network businesses. Consumer Banking comprises credit card merchant acquiring, provision of credit card advances, insurance and unit trust businesses. Retail Distribution Network business mainly comprises private banking, deposit account services, residential mortgage and other consumer lending.

Wholesale Banking comprises the Small and Medium Enterprise businesses and the Corporate Banking Business. Small and Medium Enterprise businesses includes both personal and corporate equipment financing, commercial lending to small and medium enterprises, automobile and other consumer leasing contracts and lending activities. Corporate Banking business covers trade financing, syndicated loans and other corporate lending.

Financial Market mainly provides securities brokerage, foreign exchange services and centralized cash management for deposit taking and lending, management of trading securities, execution of management's investment strategies in money market investment instruments and the overall funding of the Group.

分項資料乃根據本集團的業務及區域分類編製。由於本集團的全部業務大體上集中在香港單一區域內，業務分項被揀選為基本報告形式。

本銀行及其附屬公司的主要業務為銀行經營及有關的財務服務。

零售銀行業務主要包括零售消費銀行業務及零售分銷網絡業務。零售消費銀行業務包括信用卡商戶服務、信用卡信貸服務、保險及單位信託業務。零售分銷網絡業務主要包括私人銀行業務、存款戶口服務、住宅按揭及其他消費信貸。

批發銀行業務包括中小企業業務及企業銀行業務。中小企業業務包括私人及企業設備借貸、中小企業借貸、汽車及其他消費租賃合約及借貸業務。企業銀行業務涵蓋貿易融資、銀團貸款及其他企業借貸。

金融市場業務主要包括證券買賣、外匯交易服務及存款和借貸的中央現金管理、證券交易活動管理，按管理層投資策略在貨幣市場進行投資與及本集團的整體資金管理。

**15 SEGMENT REPORTING** *(continued)***分項資料** *(續)*

Real Estate is responsible for the management and orderly realization of the Group's repossessed properties and of properties acquired under lending agreements.

Unallocated items mainly comprise the central management unit, management of investments in securities, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

In 2004, there was reorganisation of business segments for internal reporting purposes. As a consequence, the former Retail Banking segment has been expanded to include a majority of the business of the former Consumer Banking segment, private banking, insurance and unit trust businesses. A new Wholesale Banking segment was established to include the Small and Medium Enterprise business and the Corporate Banking business. In addition, the private banking, insurance and unit trust businesses of the previous Investment Banking were allocated to Retail Banking. The directors consider that the reclassification of the business segments with reference to the Group's organisation and internal reporting structure provides a better segmental analysis.

The comparative figures have been restated accordingly to conform with the new business segments classification.

物業管理業務包括管理及出售本集團收回及根據貸款協議所得的物業。

其他未被分配的項目主要包括中央管理單位，證券投資管理，房地產及物業管理及其他未能合適地分配於特定業務的分項。

於二零零四年，業務分項就內部匯報進行了重組。因此，前零售銀行分項已擴大至包括前零售消費銀行分項的大部分業務、私人銀行業務、保險及單位信託業務。全新的批發銀行分項已成立，包括中小企業業務及企業銀行業務。此外，納入前投資銀行業務之私人銀行、保險及單位信託業務已被劃入零售銀行分項。董事認為，業務分項重新分類就本集團的組織及內部匯報架構而言，能提供更佳的分項分析。

該等比較數字已重新呈列以符合新業務分項的分類。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報告附註

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### 15 SEGMENT REPORTING (continued)

### 分項資料 (續)

		The Group 本集團					Inter- segment elimination 跨業務轉帳	Consolidated 總額
		Retail Banking 零售銀行	Wholesale Banking 批發銀行	Financial Market 金融市場	Real Estate 物業管理	Un-allocated 未分類業務		
2004	二零零四年	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
Interest income from external customers	源自外界客戶利息收入	372,740	237,559	353,696	0	7,788	0	971,783
Interest expense to external customers	給予外界客戶利息支出	(273,240)	(31,469)	(55,516)	0	(1,377)	0	(361,602)
Inter-segment income	跨業務收入	364,444	0	0	0	0	(364,444)	0
Inter-segment expense	跨業務支出	0	(16,460)	(251,890)	(6,521)	(89,573)	364,444	0
Net interest income	淨利息收入	463,944	189,630	46,290	(6,521)	(83,162)	0	610,181
Other operating revenue from external customers	源自外界客戶其他 營運盈利	121,287	22,567	75,269	6,361	13,025		238,509
Inter-segment revenue	跨業務溢利	0	0	0	0	31,866	(31,866)	0
Fees and commission expenses	費用及佣金支出	(9,679)	3,060	(5,829)	0	(964)		(13,412)
Other operating income	其他營運收入	111,608	25,627	69,440	6,361	43,927		225,097
Operating income	營運收入	575,552	215,257	115,730	(160)	(39,235)		835,278
Operating expenses	營運支出	(305,878)	(82,726)	(42,342)	0	(171,093)		(602,039)
Inter-segment expenses	跨業務支出	(28,045)	(3,004)	(817)	0	0	31,866	0
Operating profit/(loss) before provisions and gains	撥備及收益前經營 溢利/(虧損)	241,629	129,527	72,571	(160)	(210,328)		233,239
Charge for bad & doubtful debts	壞帳及呆帳撥備	(44,372)	(39,616)	0	32,159	656		(51,173)
Reversal of/(provision for) assets acquired under lending agreements	根據貸款協議所得資產 之撥回/(撥備)	0	0	0	44,390	2,313		46,703
Gains less losses from disposal of non-trading securities	出售非持作買賣用途之 證券收益減虧損	0	0	100,511	0	(7,255)		93,256
Profit on disposal of own property	出售本身物業之溢利	0	0	0	0	16,324		16,324
Profit/(loss) before taxation	除稅前溢利/(虧損)	197,257	89,911	173,082	76,389	(198,290)		338,349
Income tax	利得稅	0	0	0	0	(37,961)		(37,961)
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	197,257	89,911	173,082	76,389	(236,251)		300,388
Operating expenses – depreciation	營運支出 – 折舊	(18,439)	(1,562)	(2,516)	0	(37,673)		(60,190)
Segment assets	業務資產	11,181,573	7,741,945	25,737,855	182,980			44,844,353
Unallocated assets <sup>1</sup>	未分類資產 <sup>1</sup>							916,428
Total assets	總資產							45,760,781
Segment liabilities	業務負債	27,557,385	4,004,058	10,258,039	0			41,819,482
Unallocated liabilities <sup>1</sup>	未分類負債 <sup>1</sup>							238,527
Total liabilities	總負債							42,058,009
Capital expenditure incurred during the year	年度內資本開支	13,063	9,045	30,068	0			52,176

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報告附註

### 15 SEGMENT REPORTING (continued)

### 分項資料 (續)

		The Group 本集團					Inter- segment	Consolidated
		Retail Banking	Wholesale Banking	Financial Market	Real Estate	Un-allocated	elimination	總額
		零售銀行	批發銀行	金融市場	物業管理	未分類業務	跨業務轉帳	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
2003	二零零三年							
Interest income from external customers	源自外界客戶利息收入	409,395	256,675	273,122	0	8,594	0	947,786
Interest expense to external customers	給予外界客戶利息支出	(274,561)	(28,696)	(38,848)	0	(1,767)	0	(343,872)
Inter-segment income	跨業務收入	287,790	0	0	0	0	(287,790)	0
Inter-segment expense	跨業務支出	0	(51,271)	(199,875)	(13,437)	(23,207)	287,790	0
Net interest income	淨利息收入	422,624	176,708	34,399	(13,437)	(16,380)	0	603,914
Other operating revenue from external customers	源自外界客戶 其他營運盈利	106,506	20,472	64,028	12,293	7,507		210,806
Inter-segment revenue	跨業務溢利	0	0	0	0	35,153	(35,153)	0
Fees and commission expenses	費用及佣金支出	(242)	(1,780)	(6,327)	0	(530)		(8,879)
Other operating income	其他營運收入	106,264	18,692	57,701	12,293	42,130		201,927
Operating income	營運收入	528,888	195,400	92,100	(1,144)	25,750		805,841
Operating expenses	營運支出	(273,479)	(77,393)	(34,262)	0	(103,710)		(488,844)
Inter-segment expenses	跨業務支出	(31,153)	(3,337)	(663)	0	0	35,153	0
Operating profit/(loss) before provisions and gains	撥備及收益前經營 溢利/(虧損)	224,256	114,670	57,175	(1,144)	(77,960)		316,997
Charge for bad & doubtful debts	壞帳及呆帳撥備	(151,023)	(34,874)	0	0	(816)		(186,713)
Reversal of/(provision for) assets acquired under lending agreements	根據貸款協議所得資產 之撥回/(撥備)	0	0	0	(71,463)	0		(71,463)
Gains less losses from disposal of non-trading securities	出售非持作買賣用途之 證券收益減虧損	0	0	90,896	0	0		90,896
Profit on disposal of own property	出售本身物業之溢利	0	0	0	0	0		0
Profit/(loss) before taxation	除稅前溢利/(虧損)	73,233	79,796	148,071	(72,607)	(78,776)		149,717
Income Tax	利得稅	0	0	0	0	(11,579)		(11,579)
Profit/(loss) attributable to shareholders	股東應佔溢利/(虧損)	73,233	79,796	148,071	(72,607)	(90,355)		138,138
Operating expenses – depreciation	營運支出 – 折舊	(16,981)	(1,306)	(1,682)	0	(34,950)		(54,919)
Segment assets	業務資產	10,358,296	6,160,071	19,898,424	557,792			36,974,583
Unallocated assets <sup>1</sup>	未分類資產 <sup>1</sup>							914,225
Total assets	總資產							37,888,808
Segment liabilities	業務負債	26,516,028	3,575,259	3,893,297	0			33,984,584
Unallocated liabilities <sup>1</sup>	未分類負債 <sup>1</sup>							120,053
Total liabilities	總負債							34,104,637
Capital expenditure incurred during the year	年度內資本開支	6,489	3,858	12,464	0			22,811



**15 SEGMENT REPORTING** (continued)**分項資料** (續)

- i *Unallocated items mainly comprise interest income derived from shareholders' funds not used by the business segments, staff housing loans and the related interest income and funding costs, staff deposits and the related interest expenses and the head office premises, furniture, fixtures and equipment and the related depreciation.*
- ii *The losses for the year ended 31 December 2003 incurred by Real Estate were mainly caused by the decline in value of the properties acquired under lending agreements during the year.*

- i 未分類項目主要包括由股東資金產生之利息收入而該等資金未被各業務所使用、員工按揭貸款及有關利息收入及資金成本、員工存款和有關利息支出；與及總辦事處物業、傢俬、裝置及設備和有關之折舊使用。
- ii 截至二零零三年十二月三十一日止年度，由於年度內根據貸款協議所得物業格價下跌，引致物業管理業務面對虧損。

**Geographical segments**

The geographical segmental analysis is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the year ended 31 December 2004 and 2003, all of the Group's operating income and profit before taxation were generated by assets booked by the principal operations of the branches and subsidiaries of the Bank located in Hong Kong. More than 90% of assets were either located in Hong Kong or were extended to companies and individuals domiciled in Hong Kong. The balance of the assets were extended to companies and individuals domiciled outside Hong Kong, mainly in China.

**區域分項**

區域分項資料分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入帳之本銀行分行位置、客戶位置及資產位置予以披露。截至二零零四年及二零零三年十二月三十一日止年度，本集團之營運收入及除稅前溢利也是從位於香港的本銀行分行及附屬公司入帳之資產所產生。多於90%的資產是位於香港或借給以香港為基地的公司及個人客戶，而剩餘的資產是借給位於香港以外(以中國為主)的公司及個人客戶。

16 SHORT TERM FUNDS

短期資金

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Balances with banks and other financial institutions	311,065	318,340	310,700	317,990
Money at call and short notice*	5,084,863	6,156,206	5,084,863	6,156,206
Treasury bills (including Exchange Fund Bills)	8,093,331	626,515	8,093,331	626,515
	<b>13,489,259</b>	7,101,061	<b>13,488,894</b>	7,100,711

\* Money at call and short notice represents deposits of up to a maximum of 1-month maturity from the balance sheet date.

Treasury bills are issued by central governments and central banks and are unlisted. The analysis of treasury bills is as follows:

\* 通知及短期存款代表於結算日最長一個月到期之存款。

國庫券由中央政府及中央銀行發行，並為非上市項目，有關國庫券之分析如下：

	The Group and the Bank 本集團及本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Treasury bills		
– Trading	2,134,781	626,515
– Non-trading	5,958,550	0
	<b>8,093,331</b>	626,515

**16 SHORT TERM FUNDS** (continued)

**短期資金** (續)

The maturity profile of treasury bills included above and analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

以上國庫券按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
3 months or less but not repayable on demand	三個月或以下惟無需即時還款	<b>3,834,873</b>	626,515
1 year or less but over 3 months	一年或以下惟三個月以上	<b>4,258,458</b>	0
		<b>8,093,331</b>	626,515

**17 PLACEMENTS WITH BANKS MATURING BETWEEN ONE AND TWELVE MONTHS**

**一至十二個月到期之銀行同業放款**

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
3 months or less but over 1 month	三個月或以下惟一個月以上	<b>4,749,506</b>	1,525,929
1 year or less but over 3 months	一年或以下惟三個月以上	<b>1,064,269</b>	0
		<b>5,813,775</b>	1,525,929

**18 TRADE BILLS LESS RESERVES AND CERTIFICATES OF DEPOSIT**

**貿易票據減準備及存款證**

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Trade bills	貿易票據	<b>24,167</b>	13,195
Less: General reserves	減：一般準備	<b>(103)</b>	(94)
		<b>24,064</b>	13,101
Certificates of deposit	存款證		
– unlisted, non-trading	– 非上市，非持作買賣用途	<b>499,007</b>	378,936
		<b>523,071</b>	392,037

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
3 months or less but not repayable on demand	三個月或以下惟 無需即時還款	<b>71,850</b>	37,153
1 year or less but over 3 months	一年或以下惟三個月以上	<b>108,359</b>	171,174
5 years or less but over 1 year	五年或以下惟一年以上	<b>342,965</b>	183,804
		<b>523,174</b>	392,131

**18 TRADE BILLS LESS RESERVES AND CERTIFICATES OF DEPOSIT** *(continued)*

貿易票據減準備及存款證 (續)

Movements in general reserves for trade bills:

貿易票據之一般呆帳準備變動：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
At 1 January	於一月一日	94	91
Charged during the year (Note 8)	年內準備增加 (附註8)	9	3
At 31 December	於十二月三十一日	103	94

**19 ADVANCES TO CUSTOMERS LESS RESERVES**

客戶貸款減準備

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Advances to customers*	客戶貸款*	18,218,573	15,768,144	15,405,354	13,306,051
Reserves for doubtful debts	呆帳準備				
- General	- 一般	(145,816)	(126,145)	(123,321)	(106,463)
- Specific	- 特別	(70,458)	(75,567)	(51,587)	(54,282)
		18,002,299	15,566,432	15,230,446	13,145,306

\* Stated net of interest in suspense

\* 呈列數字已扣除懸帳利息

**19 ADVANCES TO CUSTOMERS LESS RESERVES** (continued)

客戶貸款減準備 (續)

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Repayable on demand	626,018	741,875	616,969	733,788
3 months or less but not repayable on demand	2,356,241	2,023,311	1,954,149	1,692,906
1 year or less but over 3 months	2,269,977	1,940,298	1,312,702	1,145,182
5 years or less but over 1 year	6,144,293	4,352,069	4,900,716	3,304,785
Over 5 years	6,554,202	6,300,559	6,419,823	6,097,640
Undated	267,842	410,032	200,995	331,750
	<b>18,218,573</b>	15,768,144	<b>15,405,354</b>	13,306,051

Movements in general reserves for advances to customers:

客戶貸款之一般呆帳準備變動：

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1 January	126,145	129,455	106,463	108,091
Net charged/(Written-back) during the year (Note 8)	19,671	(3,310)	16,858	(1,628)
At 31 December	<b>145,816</b>	126,145	<b>123,321</b>	106,463

## 19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

## 客戶貸款減準備 (續)

Movements in specific reserves for advances to customers:

客戶貸款之特別呆帳準備變動：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1 January	於一月一日	<b>75,567</b>	70,699	<b>54,282</b>	46,161
Net charge to income statement	收益表內淨存備				
– New provisions charged	– 新增準備金	<b>109,401</b>	201,429	<b>86,066</b>	168,971
– Provisions released	– 準備金減少	<b>(77,908)</b>	(11,409)	<b>(71,981)</b>	(7,700)
		<b>31,493</b>	190,020	<b>14,085</b>	161,271
Recoveries of advances written off in previous years	承過去年度已撤帳貸款之收回	<b>58,266</b>	9,612	<b>57,358</b>	5,903
Amounts written off	撤帳金額	<b>(94,868)</b>	(194,764)	<b>(74,138)</b>	(159,053)
At 31 December	於十二月三十一日	<b>70,458</b>	75,567	<b>51,587</b>	54,282

Movements in interest suspended:

利息懸帳變動：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1 January	於一月一日	<b>33,885</b>	34,257	<b>33,166</b>	34,257
Interest suspended during the year	年內利息懸帳	<b>9,624</b>	6,805	<b>9,301</b>	6,086
Suspended interest written off	利息懸帳撤帳	<b>(2,356)</b>	(7,177)	<b>(2,270)</b>	(7,177)
At 31 December	於十二月三十一日	<b>41,153</b>	33,885	<b>40,197</b>	33,166

## 19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

## 客戶貸款減準備 *(續)*

Total advances on which interest is being placed in suspense or on which interest accrual has ceased (“Non-performing advances”):

利息懸帳或停止累計之客戶貸款總額（「不履行合約貸款」）：

The non-performing advances, together with the aggregate amount of specific reserves held and amount of collateral held in respect of such advances are as follows:

不履行合約貸款連同就該等貸款已撥出之特別準備全數額及銀行所持有之抵押品價值如下：

		2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Non-performing advances <sup>i</sup>	不履行合約貸款 <sup>ii</sup>				
– Rescheduled	– 重定還款期	65,281	0.36	85,631	0.54
– Others	– 其他	192,537	1.05	314,252	1.99
		<b>257,818</b>	<b>1.41</b>	<b>399,883</b>	<b>2.53</b>
Amount of specific reserves held against non-performing advances	就不履行合約貸款撥出之特別準備數額	70,458		73,138	
Amount of collateral held in respect of non-performing advances <sup>iii</sup>	就不履行合約貸款持有之抵押品價值 <sup>iii</sup>	180,851		301,247	
		<b>251,309</b>		<b>374,385</b>	
Amount of interest suspended	利息懸帳	41,153		33,885	

- i. As a percentage of gross advances to customers.  
 ii. Net of suspended interest.  
 iii. Including expected recoveries of HK\$8.83 million (2003: HK\$10.42 million) from companies in liquidation.

- i. 作為客戶貸款總額之百分比。  
 ii. 已扣除懸帳利息。  
 iii. 包括預期可從清盤中公司收回之8,830,000港元（二零零三年：10,420,000港元）。



## 19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

### Finance leases

Advances to customers include net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

Total minimum lease payments due:	最低租賃還款總金額：
– Within 1 year	– 一年以內
– After 1 year but within 5 years	– 一年以後惟五年以內
– After 5 years	– 五年以後
Unearned finance income relating to future periods	相關未來之未賺取融資收入
Unguaranteed residual value	不保證剩餘價值
Present value of the minimum lease payment receivable	最低租賃還款現價值

The allowance for uncollectable finance lease receivables included in the provision for loan losses amounted to HK\$11,957,000 as at 31 December 2004 (2003: HK\$13,611,000).

All finance leases of the Group were handled by a wholly-owned subsidiary in prior years.

## 客戶貸款減準備 *(續)*

### 融資租賃

給予客戶之貸款包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備投資淨額。合約初步一般為期三至五年，附帶以設定之價格購買有關租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃還款總金額及於年結日之現值如下：

The Group 本集團		The Bank 本銀行	
2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>1,101,182</b>	998,911	<b>54,997</b>	0
<b>1,095,738</b>	1,102,299	<b>96,722</b>	0
<b>164,111</b>	388,093	<b>0</b>	0
<b>2,361,031</b>	2,489,303	<b>151,719</b>	0
<b>(181,353)</b>	(476,341)	<b>(12,399)</b>	0
<b>2,179,678</b>	2,012,962	<b>139,320</b>	0
<b>0</b>	(2)	<b>0</b>	0
<b>2,179,678</b>	2,012,960	<b>139,320</b>	0

於二零零四年十二月三十一日，包括在貸款虧損準備內之不可收回融資租賃準備金總額為11,957,000港元(二零零三年：13,611,000港元)。

本集團所有融資租賃往年由一間全資附屬公司處理。

**19 ADVANCES TO CUSTOMERS LESS RESERVES** *(continued)*

客戶貸款減準備 (續)

The maturity profile of the present value of the minimum lease payments before provisions is as follows:

撥備前最低租賃還款現價值的期限組別如下：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Within 1 year	一年以內	<b>1,012,401</b>	832,041	<b>48,244</b>	0
After 1 year but within 5 years	一年以後惟五年以內	<b>1,028,866</b>	922,313	<b>91,076</b>	0
After 5 years	五年以後	<b>138,411</b>	258,608	<b>0</b>	0
		<b>2,179,678</b>	2,012,962	<b>139,320</b>	0

## 20 INCOME TAX IN THE BALANCE SHEET

## 資產負債表內的所得稅

(a) Current tax receivable and payable included in “Accrued interest and other accounts” and “Other accounts and liabilities” respectively in the balance sheets represent:

(a) 分別於資產負債表「應計利息及其他帳目」及「其他帳目及負債」列帳之現應收稅款及應繳稅款指：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	年度之香港利得稅準備	<b>39,902</b>	13,698	<b>17,065</b>	0
Provisional Hong Kong Profits Tax paid	已付暫繳香港利得稅	<b>(17,495)</b>	(4,822)	<b>0</b>	0
		<b>22,407</b>	8,876	<b>17,065</b>	0
Balance of Hong Kong Profits Tax provision relating to prior years	承過去年度香港利得稅準備結餘	<b>2,307</b>	(5,647)	<b>(3,596)</b>	(3,881)
		<b>24,714</b>	3,229	<b>13,469</b>	(3,881)
Representing:	代表：				
Hong Kong Profits Tax recoverable	香港利得稅退回	<b>0</b>	(5,736)	<b>0</b>	(3,881)
Provision for Hong Kong Profits Tax	香港利得稅準備	<b>24,714</b>	8,965	<b>13,469</b>	0
		<b>24,714</b>	3,229	<b>13,469</b>	(3,881)

The amount of taxation recoverable and payable is expected to be settled within 1 year.

可收回及應繳稅項金額預計於一年內清算。

20 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

Deferred tax assets and liabilities are included in “Accrued interest and other accounts” and “Other accounts and liabilities” respectively in the balance sheet. The components of deferred tax assets/(liabilities) recognised in the balance sheet and the movements during the year are as follows:

(b) 被確認之遞延稅項資產及負債

遞延稅項資產及負債分別於資產負債表「應計利息及其他帳目」及「其他帳目及負債」內入帳。於資產負債表中被確認之遞延稅項資產/(負債)之組成部份及年內之變動如下：

THE GROUP

本集團

		Depreciation allowances in excess of related depreciation	Defined benefit scheme assets	General reserves for loan losses	Tax losses	Revaluation of non-trading securities	Revaluation of premises	Total
		超過有關折讓的折舊免稅額	定額福利計劃資產	貸款虧損之一般儲備	稅項虧損	非持作買賣用途之證券重估	物業重估	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	(14,254)	(2,650)	20,728	1,479	3,284	(7,138)	1,449
(Charged)/credited to consolidated income statement	綜合收益表之(支出)/進帳	2,316	(249)	1,365	470	0	131	4,033
Charged to reserves (Note 30)	儲備支出(附註30)	0	0	0	0	(3,864)	(670)	(4,534)
At 31 December 2003	於二零零三年十二月三十一日	(11,938)	(2,899)	22,093	1,949	(580)	(7,677)	948
At 1 January 2004	於二零零四年一月一日	(11,938)	(2,899)	22,093	1,949	(580)	(7,677)	948
(Charged)/credited to consolidated income statement	綜合收益表之(支出)/進帳	767	0	3,447	(1,949)	0	130	2,395
Credited to reserves (Note 30)	儲備進帳(附註30)	0	0	0	0	1,504	394	1,898
At 31 December 2004	於二零零四年十二月三十一日	(11,171)	(2,899)	25,540	0	924	(7,153)	5,241

20 INCOME TAX IN THE BALANCE SHEET (continued)

資產負債表內的所得稅 (續)

THE BANK

本銀行

		Depreciation allowances in excess of related depreciation	Defined benefit scheme assets	General reserves for loan losses	Tax losses	Revaluation of non-trading securities	Revaluation of premises	Total
		超過有關折讓的折舊免稅額	定額福利計劃資產	貸款虧損之一般儲備	稅項虧損	非持作買賣用途之證券重估	物業重估	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	(13,539)	(2,650)	17,310	1,479	3,284	(7,138)	(1,254)
(Charged)/credited to income statement	綜合收益表之(支出)/進帳	2,388	(249)	1,338	470	0	131	4,078
Charged to reserves (Note 30)	儲備支出(附註30)	0	0	0	0	(3,864)	(670)	(4,534)
At 31 December 2003	於二零零三年十二月三十一日	(11,151)	(2,899)	18,648	1,949	(580)	(7,677)	(1,710)
At 1 January 2004	於二零零四年一月一日	(11,151)	(2,899)	18,648	1,949	(580)	(7,677)	(1,710)
(Charged)/credited to income statement	收益表之(支出)/進帳	773	0	2,955	(1,949)	0	130	1,909
Credited to reserves (Note 30)	儲備進帳(附註30)	0	0	0	0	1,504	394	1,898
At 31 December 2004	於二零零四年十二月三十一日	(10,378)	(2,899)	21,603	0	924	(7,153)	2,097

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net deferred tax asset recognised on the balance sheet	於資產負債表內確認之遞延稅項資產淨額	5,276	2,722	2,097	0
Net deferred tax liability recognised on the balance sheet	於資產負債表內確認之遞延稅項負債淨額	(35)	(1,774)	0	(1,710)
		5,241	948	2,097	(1,710)

(c) Deferred tax assets and liabilities not recognised

The Group has no material unrecognised deferred tax asset and liability as at 31 December 2004 (2003: HK\$Nil).

(c) 未被確認之遞延稅項資產及負債

本集團於二零零四年十二月三十一日未有重大未被確認之遞延稅項資產及負債(二零零三年：零港元)。

## 21 INVESTMENTS IN SECURITIES

## 證券投資

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
<b>Non-trading securities at fair value</b>	<b>非持作買賣用途證券之公平值</b>				
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	<b>1,652,927</b>	0	<b>1,652,927</b>	0
– Listed outside Hong Kong	– 於香港以外上市	<b>1,706,869</b>	1,622,266	<b>1,706,869</b>	1,622,266
– Unlisted	– 非上市	<b>2,180,354</b>	8,939,767	<b>2,180,354</b>	8,939,767
		<b>5,540,150</b>	10,562,033	<b>5,540,150</b>	10,562,033
Equity shares	權益股				
– Listed in Hong Kong	– 於香港上市	<b>61,477</b>	40,559	<b>61,401</b>	40,440
– Unlisted	– 非上市	<b>24,043</b>	20,110	<b>24,043</b>	20,110
		<b>85,520</b>	60,669	<b>85,444</b>	60,550
Sub-total	小計	<b>5,625,670</b>	10,622,702	<b>5,625,594</b>	10,622,583
<b>Trading securities at fair value</b>	<b>持作買賣用途證券之公平值</b>				
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	<b>6,844</b>	0	<b>6,844</b>	0
– Unlisted	– 非上市	<b>120,082</b>	98,633	<b>120,082</b>	98,633
Sub-total	小計	<b>126,926</b>	98,633	<b>126,926</b>	98,633
Total	總值	<b>5,752,596</b>	10,721,335	<b>5,752,520</b>	10,721,216

21 INVESTMENTS IN SECURITIES (continued)

證券投資 (續)

The non-trading securities are issued by:

非持作買賣用途證券由以下機構發行：

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Central governments and central banks	2,894,248	8,536,000	2,894,248	8,536,000
Public sector entities	966,704	936,496	966,704	936,496
Banks and other financial institutions	933,780	743,839	933,780	743,839
Corporate entities	830,938	406,367	830,862	406,248
	<b>5,625,670</b>	10,622,702	<b>5,625,594</b>	10,622,583

The trading securities are issued by:

持作買賣用途證券由以下機構發行：

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Central governments and central banks	5,307	0	5,307	0
Public sector entities	120,082	98,633	120,082	98,633
Corporate entities	1,537	0	1,537	0
	<b>126,926</b>	98,633	<b>126,926</b>	98,633

21 INVESTMENTS IN SECURITIES (continued)

證券投資 (續)

The maturity profile of debt securities analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明到期日之剩餘期限劃分之債務證券的期限組別如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
3 months or less but not repayable on demand	三個月或以下 惟無需即時還款	173,334	171,846
1 year or less but over 3 months	一年或以下惟三個月以上	474,643	337,034
5 years or less but over 1 year*	五年或以下惟一年以上*	4,351,132	9,288,803
Over 5 years	超過五年	633,471	829,524
Undated	無註明日期	34,496	33,459
		<b>5,667,076</b>	<b>10,660,666</b>

\* Included in the debt security portfolio maturing 5 years or less but over 1 year are Hong Kong Government Exchange Fund Notes totalling HK\$1,507,950,000 (2003: HK\$6,591,670,000), which can be used to obtain overnight Hong Kong dollar funding from the Discount Window operated by the HKMA.

\* 五年或以下惟一年以上之債務證券組合包括香港政府外匯基金債券合共1,507,950,000港元(二零零三年: 6,591,670,000港元), 該債券可讓銀行透過由香港金融管理局運作之貼現窗, 借取隔夜港元資金。



## 22 INVESTMENT IN AN ASSOCIATED COMPANY

## 投資於一間聯營公司

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	5,761	5,761
Advances	貸款	8,864	8,947
Less: Impairment loss on unlisted shares	減：非上市股份之減值虧損		
Provision for advance to an associated company	向一間聯營公司 貸款之撥備	(5,761) (2,216)	(5,761) 0
		<b>6,648</b>	8,947

The Bank owns 40% (2003: 40%) of the issued share capital of IBA Finance Corporation, which is incorporated in the Philippines. The principal activity of the associated company is the provision of financing and leasing services in the Philippines. The Group has not equity accounted for the investments in the associated company in view of the immaterial amount involved.

本銀行擁有在菲律賓註冊成立之 IBA Finance Corporation 40% (二零零三年：40%) 已發行股本。該聯營公司之主要業務為於菲律賓提供財務及租賃服務。由於投資額微薄，故本集團並無於帳目中按權益計算其於該聯營公司之投資。

## 23 INVESTMENTS IN SUBSIDIARIES

## 投資於附屬公司

		The Bank 本銀行	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	118,505	118,505

23 INVESTMENTS IN SUBSIDIARIES

(continued)

投資於附屬公司 (續)

All principal subsidiaries are directly owned by the Bank. Details of principal subsidiaries at 31 December 2004 are as follows:

全部主要附屬公司均由本銀行直接擁有。於二零零四年十二月三十一日，主要附屬公司之資料如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足 之普通股本	% of ownership interest held 所持 股權百分比	Principal activities 主要業務
<b>Incorporated and operating in Hong Kong</b> 於香港註冊成立及經營				
IBA Credit Limited	港基國際財務有限公司	HK\$65,000,000 65,000,000 港元	100%	Deposit-taking and finance 接受存款及財務
International Bank of Asia (Trustee) Limited	港基國際銀行(信託)有限公司	HK\$5,000,000 5,000,000 港元	100%	Trustee services 信託服務
IBA Securities Limited	港基國際證券有限公司	HK\$8,000,000 8,000,000 港元	100%	Securities broking 證券經紀
IBA Fund Management Limited	港基國際資金管理有限公司	HK\$8,000,000 8,000,000 港元	100%	Fund management 資金管理
Mars (Nominees) Limited	Mars (Nominees) Limited	HK\$200 200 港元	100%	Nominees services 代理人服務
<b>Incorporated and operating in Vanuatu</b> 於瓦魯圖註冊成立及經營				
IBA Bank Limited	IBA Bank Limited	US\$4,000,000 4,000,000 美元	100%	Finance 財務

All of these are controlled subsidiaries as defined under Note 2(c) and have been consolidated into the Group's financial statements. All the subsidiaries are private companies except for International Bank of Asia (Trustee) Limited, which is a public company.

以上所有公司於根據附註2(c)界定為受控制附屬公司，並已歸納入本集團之財務報告內。除港基國際銀行(信託)有限公司為公眾公司外，所有該等附屬公司均為私人公司。

## 24 FIXED ASSETS

## 固定資產

THE GROUP	本集團	Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost or valuation</b>	<b>成本值或估值</b>			
At 1 January 2004	於二零零四年一月一日	<b>1,180,993</b>	<b>361,422</b>	<b>1,542,415</b>
Additions	添置	<b>0</b>	<b>52,176</b>	<b>52,176</b>
Disposals	出售	<b>(12,140)</b>	<b>(22,971)</b>	<b>(35,111)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>1,168,853</b>	<b>390,627</b>	<b>1,559,480</b>
<b>Accumulated depreciation</b>	<b>累計折舊</b>			
At 1 January 2004	於二零零四年一月一日	<b>93,279</b>	<b>224,797</b>	<b>318,076</b>
Charge for the year	年內折舊	<b>13,354</b>	<b>46,836</b>	<b>60,190</b>
Released on disposal	出售之抵免	<b>(1,652)</b>	<b>(21,844)</b>	<b>(23,496)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>104,981</b>	<b>249,789</b>	<b>354,770</b>
<b>Net book value</b>	<b>帳面淨值</b>			
At 31 December 2004	於二零零四年十二月三十一日	<b>1,063,872</b>	<b>140,838</b>	<b>1,204,710</b>
At 31 December 2003	於二零零三年十二月三十一日	1,087,714	136,625	1,224,339

24 FIXED ASSETS (continued)

固定資產 (續)

THE BANK	本銀行	Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、 裝置及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
<b>Cost or valuation</b>	<b>成本值或估值</b>			
At 1 January 2004	於二零零四年一月一日	<b>1,144,244</b>	<b>359,738</b>	<b>1,503,982</b>
Additions	添置	<b>0</b>	<b>52,168</b>	<b>52,168</b>
Disposals	出售	<b>(12,140)</b>	<b>(22,971)</b>	<b>(35,111)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>1,132,104</b>	<b>388,935</b>	<b>1,521,039</b>
<b>Accumulated depreciation</b>	<b>累計折舊</b>			
At 1 January 2004	於二零零四年一月一日	<b>90,527</b>	<b>223,620</b>	<b>314,147</b>
Charge for the year	年內折舊	<b>13,029</b>	<b>46,652</b>	<b>59,681</b>
Released on disposal	出售之抵免	<b>(1,652)</b>	<b>(21,844)</b>	<b>(23,496)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>101,904</b>	<b>248,428</b>	<b>350,332</b>
<b>Net book value</b>	<b>帳面淨值</b>			
At 31 December 2004	於二零零四年十二月三十一日	<b>1,030,200</b>	<b>140,507</b>	<b>1,170,707</b>
At 31 December 2003	於二零零三年十二月三十一日	1,053,717	136,118	1,189,835

24 FIXED ASSETS (continued)

固定資產 (續)

The net book value of premises comprises:

物業之帳面淨值包括：

		The Group 本集團	The Bank 本銀行
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Premises held in Hong Kong	於香港之房地產		
- Long term leases (over 50 years)	- 長期租賃 (超過五十年)	833,719	813,722
- Medium term leases (10 - 50 years)	- 中期租賃 (十年至五十年)	230,153	239,995
		<b>1,063,872</b>	1,053,717

		The Group 本集團	The Bank 本銀行
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
		833,719	813,722
		230,153	239,995
		<b>1,063,872</b>	1,053,717

Certain of these premises of the Bank have been included in the financial statements at their November 1989 valuation of HK\$72,300,000 (2003: HK\$77,100,000). In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80 of the Statement of Standard Accounting Practice 17 "Property, Plant and Equipment" issued by the HKICPA with the effect that premises have not been revalued to fair value at the balance sheet date. It is not the Directors' present intention to revalue the premises in the future.

本銀行上述若干物業已按彼等於一九八九年十一月之估值72,300,000港元(二零零三年：77,100,000港元)計入財務報告。於編製該等財務報告時，已採納香港會計師公會制定之《會計實務準則》第17號第80段中「房地產、廠房及設備」之過渡性條文，准許在結算日並未按公平價值重估物業。董事目前無意於日後重估物業價值。

The net book value of all premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

列入資產負債表內重估之所有房地產之淨面帳值為該等房地產之成本價值減累計折舊：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年	2003 二零零三年
		HK\$'000 千港元	HK\$'000 千港元
Net book value at 31 December	於十二月三十一日之帳面淨值	<b>16,405</b>	18,123

## 25 DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

## 銀行同業及其他金融機構之存款及結餘

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Repayable on demand	即時還款	177,933	1,892
3 months or less but not repayable on demand	三個月或以下惟無需即時還款	3,921,052	465,780
1 year or less but over 3 months	一年或以下惟三個月以上	0	7,763
		<b>4,098,985</b>	475,435

## 26 DEPOSITS FROM CUSTOMERS

## 客戶存款

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Demand deposits and current accounts	活期及往來存款	9,441,922	8,548,748	9,441,922	8,548,748
Savings deposits	儲蓄存款	840,874	744,710	840,874	744,710
Call deposits	通知存款	1,639,572	1,049,514	1,639,151	1,049,094
Time deposits	定期存款	18,163,362	18,453,447	17,434,345	17,381,677
		<b>30,085,730</b>	28,796,419	<b>29,356,292</b>	27,724,229

## 26 DEPOSITS FROM CUSTOMERS

(continued)

## 客戶存款 (續)

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

	The Group 本集團		The Bank 本銀行	
	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Repayable on demand	<b>11,922,368</b>	10,342,972	<b>11,921,947</b>	10,342,554
3 months or less but not repayable on demand	<b>17,101,166</b>	17,161,484	<b>16,372,149</b>	16,089,712
1 year or less but over 3 months	<b>500,806</b>	919,746	<b>500,806</b>	919,746
5 years or less but over 1 year	<b>561,390</b>	372,217	<b>561,390</b>	372,217
	<b>30,085,730</b>	28,796,419	<b>29,356,292</b>	27,724,229

即時還款  
三個月或以下惟無需即時還款  
一年或以下惟三個月以上  
五年或以下惟一年以上

**27 CERTIFICATES OF DEPOSIT ISSUED****已發行存款證**

The maturity profile analysed by the remaining period at the balance sheet date to the contractual maturity date is as follows:

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

		<b>The Group and the Bank</b>	
		<b>本集團及本銀行</b>	
		<b>2004</b>	<b>2003</b>
		<b>二零零四年</b>	<b>二零零三年</b>
		<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>千港元</b>	<b>千港元</b>
3 months or less but not repayable on demand	三個月或以下惟無需即時還款	<b>456,562</b>	100,000
1 year or less but over 3 months	一年或以下惟三個月以上	<b>1,511,350</b>	800,000
5 years or less but over 1 year	五年或以下惟一年以上	<b>400,000</b>	1,751,647
		<b>2,367,912</b>	2,651,647



**28 SHARE CAPITAL****股本**

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Authorised	法定股本		
1,406,592,000 (2003: 1,406,592,000) ordinary shares of HK\$1 each	1,406,592,000股(二零零三年： 1,406,592,000股)每股面值1港元 之普通股	<b>1,406,592</b>	1,406,592
Issued and fully paid	已發行及繳足股本		
1,172,160,000 (2003: 1,172,160,000) ordinary shares of HK\$1 each	1,172,160,000股(二零零三年： 1,172,160,000股)每股面值1港元 之普通股	<b>1,172,160</b>	1,172,160

**29 SHARE PREMIUM****股份溢價**

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

股份溢價帳之應用受香港《公司條例》第48B條監管。

30 RESERVES

儲備

THE GROUP

本集團

		Capital redemption reserve	Investment revaluation reserve	Retained earnings	Total
		資本贖回儲備	投資重估儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	372,000	(17,239)	1,490,685	1,845,446
Profit after tax for the year	年內除稅後溢利	0	0	138,138	138,138
Realisation of revaluation surplus of non-trading securities	非持作買賣用途證券之重估盈餘變現	0	(2,210)	0	(2,210)
Net change in fair value of non-trading securities	非持作買賣用途證券淨公平值變動	0	26,052	0	26,052
Deferred taxation (Note 20(b))	遞延稅項(附註20(b))	0	(3,864)	(670)	(4,534)
Dividend paid in respect of the previous financial year	派付上一財政年度股息	0	0	(93,773)	(93,773)
Interim dividend paid	已派付中期股息	0	0	(46,886)	(46,886)
At 31 December 2003	於二零零三年十二月三十一日	372,000	2,739	1,487,494	1,862,233
At 1 January 2004	於二零零四年一月一日	<b>372,000</b>	<b>2,739</b>	<b>1,487,494</b>	<b>1,862,233</b>
Profit after tax for the year	年內除稅後溢利	<b>0</b>	<b>0</b>	<b>300,388</b>	<b>300,388</b>
Realisation of revaluation surplus of non-trading securities	非持作買賣用途證券之重估盈餘變現	<b>0</b>	<b>(1,333)</b>	<b>0</b>	<b>(1,333)</b>
Net change in fair value of non-trading securities	非持作買賣用途證券淨公平值變動	<b>0</b>	<b>(7,260)</b>	<b>0</b>	<b>(7,260)</b>
Deferred taxation (Note 20(b))	遞延稅項(附註20(b))	<b>0</b>	<b>1,504</b>	<b>394</b>	<b>1,898</b>
Dividend paid in respect of the previous financial year	派付上一財政年度股息	<b>0</b>	<b>0</b>	<b>(304,762)</b>	<b>(304,762)</b>
Interim dividend paid	已派付中期股息	<b>0</b>	<b>0</b>	<b>(70,330)</b>	<b>(70,330)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>372,000</b>	<b>(4,350)</b>	<b>1,413,184</b>	<b>1,780,834</b>

30 RESERVES (continued)

儲備 (續)

THE BANK

本銀行

		Capital redemption reserve	Investment revaluation reserve	Retained earnings	Total
		資本贖回儲備	投資重估儲備	保留溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2003	於二零零三年一月一日	372,000	(17,239)	1,194,351	1,549,112
Profit after tax for the year	年內除稅後溢利	0	0	136,260	136,260
Realisation of revaluation surplus of non-trading securities	非持作買賣用途證券之重估盈餘變現	0	(2,210)	0	(2,210)
Net change in fair value of non-trading securities	非持作買賣用途證券淨公平值變動	0	26,052	0	26,052
Deferred taxation (Note 20(b))	遞延稅項 (附註20(b))	0	(3,864)	(670)	(4,534)
Dividend paid in respect of the previous financial year	派付上一財政年度股息	0	0	(93,773)	(93,773)
Interim dividend paid	已派付中期股息	0	0	(46,886)	(46,886)
At 31 December 2003	於二零零三年十二月三十一日	372,000	2,739	1,189,282	1,564,021
At 1 January 2004	於二零零四年一月一日	<b>372,000</b>	<b>2,739</b>	<b>1,189,282</b>	<b>1,564,021</b>
Profit after tax for the year	年內除稅後溢利	<b>0</b>	<b>0</b>	<b>193,805</b>	<b>193,805</b>
Realisation of revaluation surplus of non-trading securities	非持作買賣用途證券之重估盈餘變現	<b>0</b>	<b>(1,333)</b>	<b>0</b>	<b>(1,333)</b>
Net change in fair value of non-trading securities	非持作買賣用途證券淨公平值變動	<b>0</b>	<b>(7,260)</b>	<b>0</b>	<b>(7,260)</b>
Deferred taxation (Note 20(b))	遞延稅項 (附註20(b))	<b>0</b>	<b>1,504</b>	<b>394</b>	<b>1,898</b>
Dividend paid in respect of the previous financial year	派付上一財政年度股息	<b>0</b>	<b>0</b>	<b>(304,762)</b>	<b>(304,762)</b>
Interim dividend paid	已派付中期股息	<b>0</b>	<b>0</b>	<b>(70,330)</b>	<b>(70,330)</b>
At 31 December 2004	於二零零四年十二月三十一日	<b>372,000</b>	<b>(4,350)</b>	<b>1,008,389</b>	<b>1,376,039</b>

**30 RESERVES** (continued)

- (a) The capital redemption reserve arose from the redemption of the Bank's "A" and "B" preference shares in 1991 and 1992 out of its retained earnings. The capital redemption reserve is undistributable under the Hong Kong Companies Ordinance section 79C(2) but may be applied by the Bank in paying up its unissued shares to be allotted to its members as fully paid bonus shares.
- (b) Investment revaluation reserve has been set up and is dealt with in accordance with the accounting policy adopted for non-trading securities (Note 2(g)(iii)). This reserve is not available for distribution to shareholders because it does not constitute realised profits within the meaning of section 79B(2) of the Hong Kong Companies Ordinance.
- (c) As at 31 December 2004, the aggregate amount of reserves available for distribution to shareholders of the Bank was HK\$1,008,389,000 (2003: HK\$1,189,282,000) respectively.

**31 MATERIAL RELATED PARTIES TRANSACTIONS**

During the year the Group entered into a number of transactions with its ultimate holding company (which was Arab Banking Corporation (B.S.C) ("ABC") before 15 February 2004, and Fubon for the period between 16 February 2004 and 31 December 2004), another major shareholder, China Everbright Limited and its subsidiaries prior to 8 March 2004, and another three related parties, Fubon Commercial Bank, Taipei bank, Taipei and Taipei bank, HK Branch during the period between 16 February 2004 and 31 December 2004. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The contracts were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Group. In the opinion of the Directors these transactions were conducted on normal commercial terms.

**儲備** (續)

- (a) 資本贖回儲備因在一九九一年及一九九二年自本銀行之保留溢利撥款贖回其「A」及「B」優先股而產生。根據香港《公司條例》第79C(2)條，資本贖回儲備乃不可分派，但可由本銀行用以繳付將配發予其股東之未發行股份之股款作為繳足紅股。
- (b) 本銀行已設立投資重估儲備，並根據就非持作買賣用途證券(附註2(g)(iii))所採納之會計政策處理。由於儲備並不構成香港《公司條例》第79B(2)條所界定之可變現溢利，故該儲備並不可供分派予股東。
- (c) 於二零零四年十二月三十一日，本銀行可供分派予股東之儲備總額為1,008,389,000港元(二零零三年：1,189,282,000港元)。

**重大關連各方交易**

年內，本集團與以下人士進行若干交易：於二零零四年二月十五日前及於二零零四年二月十六日至二零零四年十二月三十一日期間，分別與其最終控公司阿拉伯銀行集團及富邦進行交易；於二零零四年三月八日前，與另一主要股東中國光大控股有限公司及其附屬公司進行交易；於二零零四年二月十六日至二零零四年十二月三十一日期間，與另外三名關連各方富邦商業銀行、台北銀行(台北)及台北銀行(香港分行)進行交易。上述交易乃按本集團之銀行業務(其中包括借貸、接納銀行同業存款、參與銀團貸款、代理銀行交易及外匯交易)之一般程序進行。有關合約按各項交易當時之相關市況釐值價格，並根據與本集團同業及客戶所訂立之相同條款而訂立。董事認為，上述交易乃按一般商業條款進行。

### 31 MATERIAL RELATED PARTIES TRANSACTIONS *(continued)*

### 重大關連各方交易 (續)

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the balance sheet date is set out below:

有關年內關連各方交易所產生之收支及於結算日尚未償還餘額之資料載列如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
(a) Income/expenses	(a) 收入／支出		
Interest income	利息收入	817	2,956
Interest expense	利息支出	46,295	146
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
(b) Assets	(b) 資產		
<i>Ultimate holding company</i>	<i>最終控股公司</i>		
Short term funds	短期資金	0	232,896
Accrued interest and other accounts	應計利息及其他帳目	0	130
Due from ultimate holding company	應收最終控股公司款項	0	233,026
<i>Other related parties</i>	<i>其他關連各方</i>		
Loans and advances to customers	給予客戶之貸款及墊款	7,000	10,000
Accrued interest and other accounts	應計利息及其他帳目	3	5
Due from other related parties	應收其他關連各方款項	7,003	10,005
Total receivables	應收帳項總額	7,003	243,031

### 31 MATERIAL RELATED PARTIES TRANSACTIONS *(continued)*

### 重大關連各方交易 (續)

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
(c) Liabilities	(c) 負債		
<i>Ultimate holding company</i>	最終控股公司		
Deposits and balances with other banks	銀行同業之 存款及結餘	<b>3,620</b>	0
Due to ultimate holding company	應欠最終控股公司款項	<b>3,620</b>	0
<i>Other related parties</i>	其他關連各方		
Current, fixed and other deposits of customers	客戶之往來、定期 及其他存款	<b>3,887,300</b>	0
Other accounts and provisions	其他帳目及撥備	<b>5,977</b>	0
Due to other related parties	應欠其他關連各方款項	<b>3,893,277</b>	0
Total payables	應付帳款總額	<b>3,896,897</b>	0

**32 LOANS TO OFFICERS****高級職員貸款**

Loans to officers of the Bank disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

本銀行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Aggregate amount of relevant loans at 31 December	相關貸款 於十二月三十一日的總額		
– by the Bank	– 本銀行	<b>3,200</b>	9,743
– by a subsidiary	– 一間附屬公司	<b>23</b>	132
		<b>3,223</b>	9,875
Maximum aggregate amount of relevant loans outstanding during the year	年內尚未償還相關貸款之最高總額		
– by the Bank	– 本銀行	<b>9,743</b>	16,191
– by a subsidiary	– 一間附屬公司	<b>132</b>	237
		<b>9,875</b>	16,428

There is no interest due but unpaid nor any provision made against these loans at 31 December 2004.

於二零零四年十二月三十一日，此等貸款並無逾期未償付利息，或就有關貸款進行任何撥備。

**33 EMPLOYEE RETIREMENT BENEFITS****僱員退休福利****(a) Defined benefit retirement plans**

The Group operates a retirement scheme, namely the International Bank of Asia Limited (1987) Retirement Scheme (“the Scheme”), which incorporates a defined benefits plan for all its full-time employees. The Scheme is administrated by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund (“MPF”) exemption status for the Scheme.

The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary’s recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2004 and was prepared by Jennifer Chee, Fellow of the Society of Actuaries of the United States of America, of William M. Mercer Limited using the projected unit credit method. The actuarial valuation indicates that the Group’s obligations under the Scheme are 98.2% (2003: 100.6%) covered by the plan assets held by the trustee.

**(a) 定額福利退休計劃**

本集團推行一項退休計劃，名為港基國際銀行有限公司(1987)退休計劃(「該計劃」)，為其全體全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金(「強積金」)的豁免地位。

該計劃乃根據規管該計劃的信託契據，並以獨立精算師的意見為基礎，由本集團供款以作資助。該計劃最新的獨立精算估值乃於二零零四年十二月三十一日進行，由美國精算師公會會員 Jennifer Chee 以預計單位信貸方式編製。該精算估值顯示，本集團因該計劃所承擔的責任，有 98.2% (二零零三年：100.6%) 可由受託人所持有的計劃資產所抵償。



## 33 EMPLOYEE RETIREMENT BENEFITS

## 僱員退休福利 (續)

(continued)

## (a) Defined benefit retirement plans (continued)

- (i) The Scheme's net assets recognised in the balance sheets under "Accrued interest and other accounts" are as follows:

Present value of wholly or partly funded obligations	獲全數或部份資助的承擔現值
Fair value of Scheme's assets	該計劃資產的公平價值
Unrecognised actuarial losses	尚未確認的精算虧損
Net asset recognised in the balance sheet	於資產負債表內已獲確認的資產淨值

The Scheme's assets include ordinary shares issued by the Bank with a fair value of HK\$5,885,000 (2003: HK\$6,976,000).

## (a) 定額福利退休計劃 (續)

- (i) 該計劃的資產淨值於資產負債表內「應計利息及其他帳目」一項中已獲確認如下：

The Group and the Bank 本集團及本銀行	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
(189,225)	(185,021)
185,888	196,722
21,870	8,363
18,533	20,064

該計劃的資產包括本銀行發行，公平價值為5,885,000港元的普通股(二零零三年：6,976,000港元)。

## 33 EMPLOYEE RETIREMENT BENEFITS

## 僱員退休福利 (續)

(continued)

## (a) Defined benefit retirement plans (continued)

(ii) Movements in the net asset recognised in the balance sheet are as follows:

At 1 January	於一月一日
Contributions paid to the Scheme	對該計劃的供款
Expense recognised in the consolidated income statement (Note 5)	於綜合收益表內已獲確認的支出 (附註5)
At 31 December	於十二月三十一日

(iii) Expense recognised in the “Operating expenses – staff costs” in the consolidated income statement is as follows:

Current service cost	本期服務成本
Interest cost on obligation	承擔的利息成本
Expected return on Scheme assets	該計劃資產的預計回報

The actual return on the Scheme’s assets for the year ended 31 December 2004 amounted to approximately HK\$10,759,000 (2003: HK\$8,292,000).

## (a) 定額福利退休計劃 (續)

(ii) 於資產負債表中已獲確認的資產淨值變動如下：

The Group and the Bank 本集團及本銀行	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
20,064	16,964
13,994	15,069
(15,525)	(11,969)
18,533	20,064

(iii) 於綜合收益表內「營運支出－顧員成本」一項中已獲確認的支出如下：

The Group and the Bank 本集團及本銀行	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
16,670	13,402
8,584	7,578
(9,729)	(9,011)
15,525	11,969

截至二零零四年十二月三十一日止年度，該計劃資產的實際回報約達10,759,000港元(二零零三年：8,292,000港元)。

33 EMPLOYEE RETIREMENT BENEFITS

僱員退休福利 (續)

(continued)

(a) Defined benefit retirement plans (continued)

(iv) The principal actuarial assumptions used in valuing the liabilities and benefits under the Scheme as at 31 December 2004 are as follows:

Discount rate	貼現率
Long-term rate of return on assets	資產長期回報率
Credited rate	進帳率
Future salary increases	未來薪金加幅

(b) Mandatory Provident Fund Scheme (“MPF Scheme”)

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participated in an approved MPF scheme with the Bank Consortium Trust Company Limited from 1 December 2000 to provide scheme choice to both existing and new employees.

The MPF scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

(a) 定額福利退休計劃 (續)

(iv) 於二零零四年十二月三十一日，就計算該計劃項下之負債及福利之主要精算假設如下：

The Group and the Bank 本集團及本銀行	
2004 二零零四年	2003 二零零三年
<b>4.0%</b>	5.0%
<b>5.0%</b>	5.0%
<b>5.0%</b>	5.0%
<b>2.5% for 2005 二零零五年為2.5%</b>	0% for 2004 二零零四年為0%
<b>3.0% for 2006 二零零六年為3.0%</b>	0% for 2005 二零零五年為0%
<b>3.0% for 2007 二零零七年為3.0%</b>	0% for 2006 二零零六年為0%
<b>4% thereafter 其後為4%</b>	4% thereafter 其後為4%

(b) 強制性公積金計劃 (「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團由二零零零年十二月一日起，參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。

強積金計劃乃由獨立受託人所管理的定額供款退休計劃。根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%供款，並以每月相關收入20,000港元為上限。計劃一經供款，即告生效。

34 OUTSTANDING COMMITMENTS

未付承擔

(a) Capital commitments outstanding at 31 December 2004 not provided for in the financial statements are as follows:

(a) 於二零零四年十二月三十一日未於財務報告內提撥之未兌現資本承擔如下：

Contracted for 已訂合約

The Group and the Bank 本集團及本銀行	
2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元
<b>60,285</b>	54,297

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

(b) 於二零零四年十二月三十一日，不可取消營運租賃下之未來最低應付租金總額如下：

- Within one year 一年內  
- Between one and five years 一至五年間  
- Over five years 超過五年

The Group 本集團		The Bank 本銀行	
2004 二零零四年	2003 二零零三年	2004 二零零四年	2003 二零零三年
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>18,017</b>	17,891	<b>18,017</b>	17,152
<b>15,427</b>	11,738	<b>15,427</b>	11,738
<b>567</b>	0	<b>567</b>	0
<b>34,011</b>	29,629	<b>34,011</b>	28,890

The Group and the Bank leased a number of premises under operating leases. The leases typically run for an initial period of one to five years. None of the leases includes contingent rentals.

本集團及本銀行出租若干物業，並列為營運租賃。此等租賃最初一般為期一至五年。此等租約概不包括任何或然租金。

35 OFF-BALANCE SHEET EXPOSURES

資產負債表外項目

(a) Contingent liabilities and commitments

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

THE GROUP

本集團

(a) 或然負債及承擔

以下為每項重要或然負債及承擔類別之合約金額及信貸風險加權金額之摘要：

	2004 二零零四年		2003 二零零三年	
	Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元	Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元
Direct credit substitutes	462,247	462,247	439,445	439,445
Transaction-related contingencies	10,381	5,191	10,194	5,097
Trade-related contingencies	252,940	50,588	194,322	38,864
Undrawn loan facilities				
– with an original maturity of under 1 year or which are unconditionally cancellable	6,129,359	0	4,997,652	0
– with an original maturity of 1 year or over	417,733	208,867	629,478	314,740
Forward forward deposits placed	307,519	61,504	797,873	159,575
	<b>7,580,179</b>	<b>788,397</b>	7,068,964	957,721

35 OFF-BALANCE SHEET EXPOSURES

資產負債表外項目 (續)

(continued)

(a) Contingent liabilities and commitments (continued)

(a) 或然負債及承擔 (續)

THE BANK

本銀行

	2004 二零零四年		2003 二零零三年	
	Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元	Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元
Direct credit substitutes	469,837	469,837	447,035	447,035
Transaction-related contingencies	10,381	5,191	10,194	5,097
Trade-related contingencies	252,940	42,769	194,322	31,406
Undrawn loan facilities				
– with an original maturity of under 1 year or which are unconditionally cancellable	5,889,374	0	4,890,554	0
– with an original maturity of 1 year or over	417,733	208,867	629,478	314,740
Forward forward deposits placed	307,519	61,504	797,873	159,575
	<b>7,347,784</b>	<b>788,168</b>	6,969,456	957,853

## 35 OFF-BALANCE SHEET EXPOSURES

(continued)

## 資產負債表外項目 (續)

## (b) Derivatives

The following is a summary of the contractual amounts, credit risk-weighted amounts and replacement costs of each significant type of derivatives:

## THE GROUP

## 本集團

## (b) 衍生工具

以下為每項重要衍生工具的合約金額、信貸風險加權金額及重置成本之摘要：

		2004 二零零四年		
		Contractual Amounts 合約金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸風險 加權金額 HK\$'000 千港元	Replacement Costs 重置成本 HK\$'000 千港元
<u>Trading</u>	<u>交易</u>			
Exchange rate contracts	匯率合約			
– Forward exchange contracts	– 遠期匯率合約	1,296,388	1,061	107,045
– Swaps	– 掉期合約	452,508	2,263	0
– Options purchased	– 購入期權	589,805	452	5,084
– Options written	– 沽出期權	588,868	不適用	不適用
Equity option contracts	股本期權合約			
– Options purchased	– 購入期權	314,803	400	1,481
– Options written	– 沽出期權	314,803	不適用	不適用
		<b>3,557,175</b>	<b>4,176</b>	<b>113,610</b>
<u>Hedging</u>	<u>對沖</u>			
Exchange rate contracts	匯率合約			
– Swaps	– 掉期合約	2,875,498	8,697	14,730
Interest rate contracts	利率合約			
– Interest rate swaps	– 掉期利率合約	3,180,335	24,298	103,516
		<b>6,055,833</b>	<b>32,995</b>	<b>118,246</b>
		<b>9,613,008</b>	<b>37,171</b>	<b>231,856</b>

35 OFF-BALANCE SHEET EXPOSURES

資產負債表外項目 (續)

(continued)

(b) Derivatives (continued)

(b) 衍生工具 (續)

THE GROUP

本集團

			2003 二零零三年	
		Contractual Amounts 合約金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸風險 加權金額 HK\$'000 千港元	Replacement Costs 重置成本 HK\$'000 千港元
<b>Trading</b>				
Exchange rate contracts	匯率合約			
– Forward exchange contracts	– 遠期匯率合約	1,989,459	7,181	86,682
– Swaps	– 掉期合約	928,247	4,641	0
– Options purchased	– 購入期權	590,129	0	824
– Options written	– 沽出期權	603,529	不適用	不適用
Equity option contracts	股本期權合約			
– Options purchased	– 購入期權	265,473	0	1,612
– Options written	– 沽出期權	265,473	不適用	不適用
		4,642,310	11,822	89,118
<b>Hedging</b>				
Exchange rate contracts	匯率合約			
– Swaps	– 掉期合約	7,623,301	20,419	25,862
Interest rate contracts	利率合約			
– Interest rate swaps	– 掉期利率合約	2,536,810	12,630	44,947
		10,160,111	33,049	70,809
		14,802,421	44,871	159,927



35 OFF-BALANCE SHEET EXPOSURES

資產負債表外項目 (續)

(continued)

(b) Derivatives (continued)

(b) 衍生工具 (續)

THE BANK

本銀行

		2004 二零零四年		
		Credit Risk		
		Weighted		
		Contractual Amounts 合約金額 HK\$'000 千港元	Amounts 信貸風險 加權金額 HK\$'000 千港元	Replacement Costs 重置成本 HK\$'000 千港元
<b>Trading</b>		<b>交易</b>		
Exchange rate contracts		匯率合約		
- Forward exchange contracts	- 遠期匯率合約	1,321,488	1,138	107,179
- Swaps	- 掉期合約	452,508	2,263	0
- Options purchased	- 購入期權	589,805	452	5,084
- Options written	- 沽出期權	588,868	不適用	不適用
Equity option contracts		股本期權合約		
- Options purchased	- 購入期權	314,803	400	1,481
- Options written	- 沽出期權	314,803	不適用	不適用
		<b>3,582,275</b>	<b>4,253</b>	<b>113,744</b>
<b>Hedging</b>		<b>對沖</b>		
Exchange rate contracts		匯率合約		
- Swaps	- 掉期合約	2,875,498	8,697	14,730
Interest rate contracts		利率合約		
- Interest rate swaps	- 掉期利率合約	3,180,335	24,298	103,516
		<b>6,055,833</b>	<b>32,995</b>	<b>118,246</b>
		<b>9,638,108</b>	<b>37,248</b>	<b>231,990</b>

## 35 OFF-BALANCE SHEET EXPOSURES

## 資產負債表外項目 (續)

(continued)

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## (b) Derivatives (continued)

## (b) 衍生工具 (續)

## THE BANK

## 本銀行

		2003 二零零三年		
		Credit Risk Weighted		Replacement
		Contractual Amounts	Amounts 信貨風險 加權金額	Costs 重置成本
		合約金額 HK\$'000 千港元	加權金額 HK\$'000 千港元	重置成本 HK\$'000 千港元
<u>Trading</u>		<u>交易</u>		
<u>Exchange rate contracts</u>		<u>匯率合約</u>		
- Forward exchange contracts	- 遠期匯率合約	2,019,198	7,240	86,682
- Swaps	- 掉期合約權	928,247	4,641	0
- Options purchased	- 購入期權	590,129	0	824
- Options written	- 沽出期權	603,529	不適用	不適用
<u>Equity option contracts</u>		<u>股本期權合約</u>		
- Options purchased	- 購入期權	265,473	0	1,612
- Options written	- 沽出期權	265,473	不適用	不適用
		4,672,049	11,881	89,118
<u>Hedging</u>		<u>對沖</u>		
<u>Exchange rate contracts</u>		<u>匯率合約</u>		
- Swaps	- 掉期合約	7,623,301	20,419	25,862
<u>Interest rate contracts</u>		<u>利率合約</u>		
- Interest rate swaps	- 掉期利率合約	2,536,810	12,630	44,947
		10,160,111	33,049	70,809
		14,832,160	44,930	159,927

**35 OFF-BALANCE SHEET EXPOSURES***(continued)***(b) Derivatives** *(continued)*

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

The trading transactions include positions arising from the execution of trade orders from customers and transactions taken to hedge these positions. No significant proprietary positions are maintained by the Group. The hedging contracts are used to hedge the Group's own exposure to market risks as part of its asset and liability management.

The replacement costs and credit risk-weighted amounts of the off-balance sheet exposures disclosed in parts (a) and (b) of this note to the financial statements do not take into account the effects of bilateral netting arrangements. They are assessed in accordance with the HKMA's guidelines which implement the Basle agreement on capital adequacy. Replacement cost represents the cost of replacing all contracts which have a positive value when marked to market. The credit risk-weighted amount refers to the amount as computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance on capital adequacy and depends on the status of the counterparty and the maturity characteristics. The credit risk-weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate and interest rate contracts.

**資產負債表外項目** *(續)***(b) 衍生工具** *(續)*

衍生工具乃因本集團在外匯、利率及股本市場進行遠期、掉期及期權交易而產生。該等工具之合約金額顯示出結算日之未付交易量，惟並不是代表風險之金額。

買賣交易包括執行客戶買賣指示之倉盤及用以對沖該等倉盤之交易。本集團並無維持重大頭寸。對沖合約乃用以對沖本集團之市場風險，為其資產及負債管理之一部份。

於本財務報告附註第(a)及(b)部份披露之資產負債表以外項目之重置成本及信貸風險加權金額並無計及雙邊淨額結算安排之影響。該等數額乃根據已包容了巴塞爾協議內有關資本充足方面之香港金融管理局指引。重置成本乃指重置所有以市況計算會有正數值之合約成本。信貸風險加權金額乃指根據銀行業條例附表三所計算之金額及視乎交易對象及剩餘期限而進行評估。用於或然負債及承擔之信貸風險加權比率為0%至100%，而用於匯率及利率合約之有關比率則為0%至50%。

## 36 CASH AND CASH EQUIVALENTS

## 現金及等同現金項目

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

(i) 綜合現金流動表之現金及等同現金項目成份

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cash and balances with banks and other financial institutions	現金及於銀行同業和其他金融機構結餘	396,605	400,707
Money at call and short notice	通知及短期存款	4,688,358	6,156,206
Treasury bills with original maturity within three months	原於三個月內到期之國庫券	3,634,889	626,515
Placements with banks maturing between one and twelve months, which mature within 3 months from acquisition date	一至十二個月到期之銀行同業放款(購買日起計三個月內到期)	466,476	1,525,929
		<b>9,186,328</b>	8,709,357

(ii) Reconciliation with the consolidated balance sheet

(ii) 綜合資產負債表之對賬

		The Group 本集團	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Cash on hand	現金	85,540	82,367
Short term funds	短期資金	13,489,259	7,101,061
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款	5,813,775	1,525,929
Amount shown in the consolidated balance sheet	綜合資產負債表內之金額	19,388,574	8,709,357
Less: Amounts with original maturity of over three months	減：原於三個月以後到期的金額	(10,202,246)	0
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目	<b>9,186,328</b>	8,709,357

### 37 COMPARATIVE FIGURES

### 比較數字

In 2004, a number of new business segments were established and several business activities have been reallocated among the business segments for internal reporting. The directors consider that the reclassification of the business segments with reference to the Group's organisation and internal reporting structure provides a better segmental analysis.

二零零四年內，若干新業務分項成立，而多項業務亦就內部匯報而重新分類。董事認為，業務分項因應本集團的組織及內部匯報架構而重新分類，能提供更佳的分項分析。

The comparative figures disclosed in Note 15 have been restated accordingly to conform with the new business segments classification.

該等比較數字已重新呈列於附註15以符合重新分類後的業務分項。

### 38 SIGNIFICANT POST-BALANCE SHEET EVENTS

### 重大結算日後事項

Pursuant to a special resolution passed at the extraordinary general meeting of the Bank held on 21 February 2005, shareholders approved the change of the Bank's name from "International Bank of Asia Limited" to "Fubon Bank (Hong Kong) Limited". The change of name, subject to completion of legal requirements, will become effective on 6 April 2005.

根據本銀行於二零零五年二月二十一日舉行之股東特別大會所通過之一項特別決議案，股東已批准本銀行名稱由「港基國際銀行有限公司」更改為「富邦銀行(香港)有限公司」。待辦妥法律手續後，新名稱將於二零零五年四月六日起生效。