



Interim Report 2005

二零零五年中期報告



FINANCIAL HIGHLIGHTS (UNAUDITED)

財務概要 (未經審核)

(HK\$ Million)	For the six months ended	
	30 June 2005 截至 二零零五年 六月三十日 止六個月 (百萬港元)	30 June 2004 截至 二零零四年 六月三十日 止六個月

Profit attributable to shareholders 股東應佔溢利	114	199
Interim dividend (per share) 中期股息 (每股)	6.00 cents	6.00 cents
Return on average equity 平均股本回報率	6.32%	10.93%
Return on average assets 平均資本回報率	0.50%	1.11%

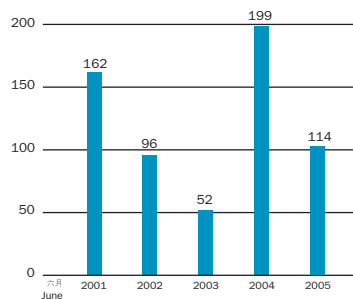
(HK\$ Million)	As at	
	30 June 2005 二零零五年 六月三十日 (百萬港元)	30 June 2004 二零零四年 六月三十日

Total assets 總資產	50,907	41,449
Advances to customers less reserves 客戶貸款減儲備	19,678	16,201
Customer deposits and medium term funding 客戶存款及中期資金	35,412	32,198
Shareholders' funds 股東資金	3,664	3,602
Unadjusted capital adequacy ratio 未經調整資本充足比率	15.71%	18.82%
Liquidity ratio (average for the month) 六月份平均流動資金比率	44.60%	70.85%

Profit Attributable to Shareholders

股東應佔溢利

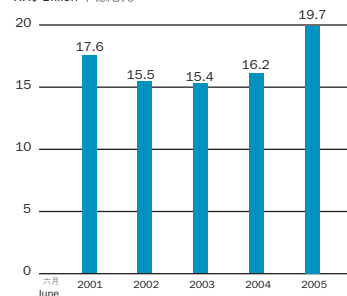
HK\$ Million 百萬港元



Gross Advances to Customers

客戶貸款總額

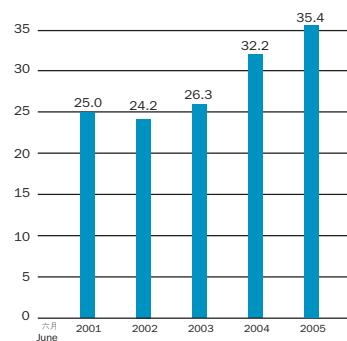
HK\$ Billion 十億港元



Customer Deposits and Medium Term Funding

客戶存款及中期資金

HK\$ Billion 十億港元



SHAREHOLDERS

75% – Fubon Financial Holding Co., Ltd.
25% – Public

SOLICITORS

Clifford Chance
Slaughter and May

AUDITORS

KPMG

COMPANY SECRETARY

Ivan Young

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

BOARD OF DIRECTORS

Ming-Hsing (Richard) TSAI

Chairman – Fubon Bank (Hong Kong) Limited
Vice Chairman, President and Chief Executive Officer
– Fubon Financial Holding Co., Ltd.
Chairman – Fubon Life Assurance Co., Ltd.
Chairman – Fubon Asset Management Co., Ltd.
Vice Chairman – Taiwan Mobile Co., Ltd.

Ming-Chung (Daniel) TSAI

Vice Chairman – Fubon Bank (Hong Kong) Limited
Chairman – Fubon Financial Holding Co., Ltd.
Vice Chairman – Taipei Fubon Commercial Bank Co., Ltd.

Chairman – Taiwan Mobile Co., Ltd.
Chairman – Taiwan Fixed Network Co., Ltd.
Chairman – TransAsia Telecom. Inc.
Chairman – Fubon Land Development Co., Ltd.

Jin-Yi LEE

Managing Director and Chief Executive Officer
– Fubon Bank (Hong Kong) Limited

股東

75% – 富邦金融控股股份有限公司
25% – 公眾持有

律師

高偉紳律師行
司力達律師樓

核數師

畢馬威會計師事務所

公司秘書

楊雅雲

註冊辦事處

香港德輔道中38號
富邦銀行大廈

董事

蔡明興

主席 – 富邦銀行(香港)有限公司
副董事長兼總經理及執行長
– 富邦金融控股股份有限公司
董事長 – 富邦人壽保險股份有限公司
董事長 – 富邦證券投資信託股份有限公司
副董事長 – 台灣大哥大股份有限公司

蔡明忠

副主席 – 富邦銀行(香港)有限公司
董事長 – 富邦金融控股股份有限公司
副董事長 – 台北富邦商業銀行
股份有限公司
董事長 – 台灣大哥大股份有限公司
董事長 – 台灣固網股份有限公司
董事長 – 泛亞電信股份有限公司
董事長 – 富邦建設股份有限公司

李晉頤

董事總經理兼行政總裁
– 富邦銀行(香港)有限公司

Horace FAN Sheung Yam

Executive Vice President – Fubon Bank (Hong Kong) Limited

Director – Fubon Credit (Hong Kong) Limited

Director – Fubon Securities (Hong Kong) Limited

Wing-Fai NG

Managing Partner – Primus Pacific Partners

Victor KUNG

Senior Executive Vice President and Chief Financial Officer – Fubon Financial Holding Co., Ltd.

Chairman – Fubon Bills Finance Co., Ltd.

Jesse DING

President – Taipei Fubon Commercial Bank Co., Ltd.

Robert James KENRICK**Moses K. TSANG**

Chairman and Managing Partner – Ajia Partners
General Manager and Partner of EC Investment Services Limited

Hung SHIH

Managing Director – China Renaissance Capital Investment Limited

SENIOR MANAGEMENT

Jin-Yi LEE	Managing Director and Chief Executive Officer
Horace FAN	Executive Vice President – Financial Markets Group
Michael CHANG	Executive Vice President – Support Group
David CHAN	Executive Vice President – Financial Control Group

范上欽

執行副總裁 – 富邦銀行(香港)有限公司

董事 – 富邦財務(香港)有限公司

董事 – 富銀證券(香港)有限公司

吳榮輝

管理合夥人 – Primus Pacific Partners

龔天行

高級執行副總裁及首席財務總監

– 富邦金融控股股份有限公司

董事長 – 富邦票券金融股份有限公司

丁予康

總裁 – 台北富邦商業銀行股份有限公司

甘禮傑**曾國泰**

主席兼管理合夥人 – Ajia Partners
總經理兼合夥人 – EC Investment Services Limited

石宏

董事總經理 – 崇德基金投資有限公司

高級管理層

李晉頤	董事總經理兼行政總裁
范上欽	執行副總裁 兼金融市場部主管
張明遠	執行副總裁兼營運風險 及後勤支援部主管
陳奕強	執行副總裁 兼財務管理部主管

HONG KONG AND CHINA ECONOMIC OVERVIEW

Hong Kong continued its rebound from the economic hardship with a strong performance in the first half of 2005. GDP in the first quarter of 2005 expanded by 6% comparing with the corresponding period in 2004, the seventh consecutive quarterly growth since 2003. The economic growth came despite less than favourable external factors such as rising US interest rates, persistently high oil prices and the tightening measures introduced by the Chinese government to curb rapid investment growth, riding on strong exports of goods and services and growing tourism. Recent growth was also accompanied by improving consumer confidence with strong domestic demand, better employment conditions, a vibrant property market and stronger credit demand.

Private consumption expenditure went up by 4.6% in the first quarter over a year earlier. The labour market improved with the unemployment rate falling to 6.1% in the first quarter of 2005 and further to a 41-month low of 5.9% in the three months ending April 2005. Despite external price pressures, inflation remained low with a year-on-year increase in the Composite Consumer Price Index of 0.4%.

Looking forward to the rest of the year, exports, the property market and tourism will continue to underpin local economic growth. Local consumption will remain strong due to improving employment conditions and visitors under the Individual Visit Scheme. We expect a boost in tourism with the opening of Disneyland and the AsiaWorld-expo in 2005. Against this backdrop, the government has maintained its full year GDP growth forecast of 4.5%.

香港及中國經濟概覽

香港持續從經濟困境中反彈，於二零零五年上半年表現強勁。二零零五年第一季本地生產總值相較二零零四年同期增幅為6%，是自二零零三年起連續第七季錄得增長。儘管面對外圍不利因素如美國加息、油價持續高企及中國政府實施緊縮政策以抑制投資急速增長，然而藉著服務及產品出口強勁及旅遊業增長，本港經濟仍然錄得增長。隨著最近經濟增長，消費信心提高，本地需求強勁，就業情況改善、物業市場交投活躍，信貸需求亦見增加。

個人消費開支第一季比去年同期上升4.6%。勞動市場情況亦有所改善，二零零五年第一季失業率下跌至6.1%，而截至二零零五年四月止三個月期間更錄得5.9%，為四十一個月以來的低位。雖然承受著外圍價格壓力，但通漲保持溫和，綜合消費物價指數按年只增加0.4%。

展望下半年，出口、物業市場及旅遊業將繼續支持本地的經濟增長。隨著就業情況改善及個人遊計劃帶來的旅客流量，本地消費將持續強勁。我們預期旅遊業績將因二零零五年迪士尼樂園及亞洲國際博覽開幕而飆升。在此背景下，政府維持全年本地生產總值增長預測為4.5%。

The continuous inflow of funds early in the year pushed money market liquidity to record highs, causing Hong Kong interest rates to diverge from their rising US counterparts. Although there was rising credit demand in the market, loan expansion has not been able to absorb this surplus liquidity. The Hong Kong Monetary Authority introduced the three new measures on 18 May 2005 to enhance the operation of the Linked Exchange Rate System, which essentially empowered the HKMA to buy or sell the Hong Kong dollar against the US dollar at any level within the range of 7.75–7.85. With the new arrangement, the HKMA can more effectively manage the short-term interest rates while allowing longer-term interest rates to follow. The narrowing of prime and HIBOR gap together with the flattening of the interest rate yield curve put pressure on Hong Kong banks' net interest margin especially in the first half of the year. Hong Kong's Prime Lending rates also rose by 1.5% to 6.5% during the period.

FUBON PERFORMANCE

2005 marked the beginning of a new era for Fubon Bank (Hong Kong) Limited ("Fubon Bank"), with its formal change of name to reflect the Bank's integration with the Fubon Group. With the new name came a new business strategy that stressed providing a "value banking" experience for its customers. Fubon Bank also set its goal to transform from a local bank to a regional financial institution while leveraging the holding company's financial strength. Fubon Bank began exploring Taiwan business and seized every growth opportunity to expand its assets.

年初持續流入的資金將貨幣市場的盈餘資金推至歷史性新高，導致香港利率與美國加息的走勢背道而馳。儘管市場信貸需求上升，但貸款量增加仍未足以吸納貨幣市場的資金盈餘。香港金融管理局於二零零五年五月十八日推出三項新措施以加強聯繫匯率制度的運作，授權香港金融管理局於7.75至7.85範圍內任何價位買賣港元兌美元。在此新安排下，香港金融管理局能更有效管理短期利率，並令長期利率跟隨調整。最優惠利率及香港銀行同業拆息差收窄及利息收益率曲線持平，特別對上半年香港銀行的淨息差構成壓力。期內香港最優惠借貸利率亦提高1.5%至6.5%。

富邦業務表現

二零零五年標誌著富邦銀行(香港)有限公司(「富邦銀行」)跨進新紀元，正式更換本銀行名稱反映本銀行與富邦集團結合。新的名字帶來新的業務策略，著重為客戶提供「所享，超出所想」體驗。富邦銀行亦訂立目標，憑藉控股公司之財政實力，由一家本地銀行轉型為一家地區性金融機構。富邦銀行亦開始開拓台灣業務，同時更抓緊每個發展機會，積極擴闊其資產。

As compared to the total assets as at last year-end, Fubon Bank's total assets recorded an increase of 11% and expanded to HK\$50.9 billion in the first half of 2005, which is a record high for the Bank. The loan portfolio reached HK\$19.9 billion, an increase of 9% from December 2004 with growth in most of the loan types and major economic sectors. Residential mortgage loans remained the main staple of the Bank's loan portfolio, reaching HK\$7.9 billion. To diversify the credit risk, the Bank expanded its corporate loan portfolio, increasing it by 18% to HK\$10.1 billion. Loan quality continued to improve with the amount of impaired loans reduced to HK\$179 million compared to HK\$258 million at last year-end, or 0.9% of the total loan portfolio compared to 1.4%.

The Bank maintained a liquid position with cash and bank balances of HK\$11.6 billion, a growth of HK\$6.1 billion. The increase was partly the result of increases in deposits from customers of HK\$2.4 billion. The Bank also raised HK\$800 million in a well-received floating rate certificates of deposit placement in May 2005.

The Bank maintains an investment portfolio of Hong Kong Exchange Fund and quality commercial paper to enhance its yield. In light of the rising interest rate environment, the Bank shortened the duration of its portfolio compared to the end of 2004.

The rise in interest rate coupled with the expansion of the Bank's interest-earning assets led to a 32% increase in gross interest income to HK\$625 million. With credit demand improving in the second quarter of 2005, the Bank actively expanded its loan portfolio to enhance its core earning capability. The deposit base was enlarged to facilitate a continual expansion in the latter half of 2005. However, with the successive increases in HKD and USD interest rates, gross interest expense has risen to HK\$360 million and led to a decline of net interest income of 13% to HK\$265 million recorded for the first half of 2005 and the net interest margin also declined by 53 basis points to 1.3%.

跟去年年底資產總值比較，富邦銀行其資產總值於二零零五年上半年內錄得大幅增長至五百零九億港元，升幅達11%，並創下本銀行的歷史新高。貸款組合達一百九十九億港元，較二零零四年十二月上升9%，大多數貸款種類及對各行業之貸款均有所增長。住宅按揭貸款仍為本銀行貸款組合的主要業務，達七十九億港元。為分散信貸風險，本銀行亦擴充其企業貸款組合至一百零一億港元，增加18%。貸款質素持續改善，減值貸款金額相較去年底二億五千八百萬港元減少至一億七千九百萬港元，或較去年佔貸款組合總額1.4%減少至0.9%。

本銀行為維持其資金流動性，現金及銀行結餘達一百一十六億港元，增長六十一億港元。該增長部份乃由於客戶存款增加二十四億港元所致。本銀行亦於二零零五年五月發行浮息存款證達八億港元，廣受銀行同業歡迎。

本銀行亦持有香港外匯基金及優質商業票據之投資組合，以改善銀行收益。在加息的環境下，本銀行較二零零四年年底縮短該組合之期間。

利率上升伴隨著本銀行利息收入資產之增加引致利息總收入上升32%，至六億二千五百萬港元。隨著於二零零五年第二季信貸需求增加，本銀行積極擴充其貸款組合以改善其核心盈利能力。存款基礎乃為配合二零零五年下半年之持續業務增長而擴大。然而，鑑於港元及美金利率多次調升，總利息開支上升至三億六千萬港元，並引致二零零五年上半年利息收入淨額下跌13%至二億六千五百萬港元。淨息差則下跌53基點至1.3%。

Fees and other operating income reached HK\$115 million for the six months, a 5% increase compared to the same period last year. Sales of structured products for our wealth management clients saw good growth. Brokerage income improved in the second quarter with the equity market activity increasing. Fubon Bank also leveraged on its Group strength in expanding its insurance and unit trust businesses.

Operating expenses decreased slightly to HK\$284 million despite an expanded operation to support the growth of the balance sheet, the cost of the name change campaign and costs incurred in cultivating the Bank's Taiwan business. The Taiwan Corporate Banking team and Offshore Ambassador team were formed in the first half of the year and are beginning to make a contribution to the overall profitability.

The Group recorded a reversal of provision of HK\$3 million for impaired loans and advances as compared with a total charge of HK\$25 million in the first half of last year. However, the gain on disposal of available-for-sale securities has decreased from HK\$96 million to HK\$29 million and the reversal of impairment losses on other assets also dropped from HK\$27 million to HK\$5 million between these periods. The overall contribution to the Group's net profit from these items has decreased from HK\$99 million to HK\$37 million. In view of the abovementioned factors, net profit for the first half of 2005 amounted to HK\$113.8 million, representing a decline of 43% from the same period last year.

於首六個月，費用及其他營運收入達一億一千五百萬港元，較去年同期增加5%。結構性產品銷售予財富管理客戶亦取得良好增長。佣金收入於第二季度股票市場交投暢旺下亦見改善。富邦銀行亦憑藉其集團之優勢，擴充其保險及單位信託業務。

儘管為擴充本銀行資產而令部份營運支出有所增加、更改名稱涉及之推廣活動所引致之費用及開拓本銀行台灣業務亦帶來一定的開支，總體營運支出仍錄得輕微下降至二億八千四百萬港元。本年度上半年成立之台灣企業銀行部及境外銀行部已開始對整體盈利帶來貢獻。

本集團錄得減值貸款及墊款撥備之回撥合共三百萬港元，而去年上半年之總撥備支出則為二千五百萬港元。然而，於此等期間出售可供出售證券之收益則由九千六百萬港元下跌至二千九百萬港元。其他資產之減值虧損回撥則由二千七百萬港元減少至五百萬港元。此等項目對本集團淨盈利之整體貢獻由九千九百萬港元減少至三千七百萬港元。鑒於上述因素，截至二零零五年上半年之淨溢利為一億一千三百八十萬港元，較去年同期下跌43%。

The directors have pleasure in presenting the unaudited interim consolidated financial report of Fubon Bank (Hong Kong) Limited ('the Bank') and its subsidiaries (collectively 'the Group') for the six months ended 30 June 2005.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

No director of the Bank is aware of information which would reasonably indicate that the Bank is not or was not in compliance with the Code on Corporate Governance Practices, as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules at any time during the six months ended 30 June 2005.

In addition, the unaudited interim financial report on pages 16 to 68 together with the unaudited supplementary financial information on pages 69 to 90 comply, in all material respects, with the Supervisory Policy Manual "Interim Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA").

董事會欣然提呈富邦銀行(香港)有限公司(「本銀行」)及各附屬公司(統稱「本集團」)截至二零零五年六月三十日止之六個月之未經審核中期綜合財務報告。

遵守企業管治常規守則

本銀行董事概不知悉任何資料，可合理地顯示本銀行於截至二零零五年六月三十日止六個月期內任何時間並未遵照香港聯合交易所有限公司上市規則附錄14所載之企業管治常規守則。

載於第16至68頁之未經審核中期財務報告連同載於第69至90頁之未經審核補充財務資料在所有重大方面亦已遵守香港金融管理局(「金管局」)頒佈之監管政策手冊內「本地註冊認可機構披露中期財務資料」的指引。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The directors and Chief Executive of the Bank who held office at 30 June 2005 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial"), at that date as recorded in the register of directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance:

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本銀行於二零零五年六月三十日的在任董事及行政總裁，於當日根據證券及期貨條例第352條須存置的董事及行政總裁的權益及淡倉登記冊中，擁有其最終控股公司富邦金融控股股份有限公司(「富邦金控」)股份中的權益如下：

Ordinary shares in Fubon Financial of NT\$1 each

富邦金控每股面值一元新台幣普通股股份

Name		Personal	Family	Corporate	Total number of shares held	Percentage
						of total issued shares
姓名		個人	家族	法團	所持股份總數	股權之百分比
Ming-Chung (Daniel) Tsai	蔡明忠	225,228,304	27,241,166	1,656,147,232 ⁽¹⁾	1,908,616,702	23.66
Ming-Hsing (Richard) Tsai	蔡明興	204,639,280	26,390,879	1,656,147,232 ⁽¹⁾	1,887,177,391	23.40
Jin-Yi Lee	李晉頤	600,000 ⁽²⁾	-	-	600,000	0.01
Jesse Ding	丁予康	2,231,531	-	-	2,231,531	0.03
Victor Kung	龔天行	1,040,571	383	-	1,040,954	0.01
Wing-Fai Ng	吳榮輝	88,000	-	-	88,000	0.00
Fan Sheung Yam, Horace	范上欽	150,000 ⁽²⁾	-	-	150,000	0.00

Note:

附註：

- (1) 1,656,147,232 shares were held through corporations in which Mr. Ming-Chung (Daniel) Tsai, Mr. Ming-Hsing (Richard) Tsai and other Tsai family members have beneficial interests.
- (2) The shares were acquired during 2004 pursuant to Fubon Financial's treasury shares programme which invited the directors and certain senior management of the Group to acquire Fubon Financial's shares at a discounted price.

- (1) 1,656,147,232股股份由多個法團持有，而蔡明忠先生、蔡明興先生及其他蔡氏家族成員於上述法團均享有受惠權益。
- (2) 該等股份是於二零零四年內透過富邦金控庫存股份計劃所認購。該計劃邀請本集團董事及若干高級管理人士以折讓價認購富邦金控股份。

Apart from the foregoing, none of the directors and Chief Executive of the Bank or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Bank, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (“Model Code”).

The Bank has adopted the Model Code set out in Appendix 10 of the Listing Rules as its code of conduct regarding securities transactions by the directors. The Bank has made specific enquiries of all directors regarding any non-compliance with the Model Code during the period, and received confirmations from all directors that they have fully complied with the required standards set out in the Model Code.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 2005, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 5% or more of the Bank’s issued capital.

除上述者外，本銀行概無其他董事及行政總裁或彼等配偶或任何十八歲以下子女，根據《上市公司董事進行證券交易的標準守則》（「標準守則」），於本銀行、其任何控股公司、附屬公司或同系附屬公司的股份、相關股份或債券中擁有須存置登記冊中或須知會本銀行的權益或淡倉。

年內本銀行已採納上市規則附錄十所載之上市發行人董事進行證券交易之標準守則。本銀行已向所有董事作出有關任何違反標準守則之特定查詢，彼等確認已完全遵守標準守則所載之規定。

主要股東及其他人士

於二零零五年六月三十日，主要股東登記冊內顯示，本銀行已獲悉下列人士擁有本銀行已發行股本5%或以上的權益。

		Percentage of total shareholding
	Ordinary shares of HK\$1 each 每股面值一港元 普通股份	總控股權 百分比
Fubon Financial Holding Co., Ltd.	富邦金融控股股份 有限公司	879,120,000 75

DIRECTORS

The directors in office during the six months ended 30 June 2005 and at the date of this report were:

Executive Directors

Jin-Yi Lee (Managing Director and Chief Executive Officer)
Fan Sheung Yam, Horace

Non-Executive Directors

Ming-Hsing (Richard) Tsai (Chairman)
Ming-Chung (Daniel) Tsai (Vice Chairman)
Wing-Fai Ng
Victor Kung
Jesse Ding

Independent Non-Executive Directors

Robert James Kenrick
Moses Tsang
Hung Shih

PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SHARES

The Bank has not redeemed any of its listed shares during the six months ended 30 June 2005. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the period.

董事

於截至二零零五年六月三十日止六個月期間及本報告日期之在任董事為：

執行董事

李晉頤(董事總經理兼行政總裁)
范上欽

非執行董事

蔡明興(主席)
蔡明忠(副主席)
吳榮輝
龔天行
丁予康

獨立非執行董事

甘禮傑
曾國泰
石宏

購入、出售或贖回本銀行之上市股份

本銀行於截至二零零五年六月三十日止六個月期內並無贖回其任何上市股份。本銀行或其附屬公司於期內亦無購買或出售本銀行之股份。

CORPORATE GOVERNANCE

The Group is a long-time practitioner of sound corporate governance. Priority is given to investor relations and transparency. Independent directors were elected to the Board prior to listing on the stock exchange and their number has since been increased to three. The Audit Committee comprises three non-executive directors, the majority of whom are independent, and is a committee of the Board of Directors. The Audit Committee oversees the work of the Group's internal auditors and thereby monitors the effectiveness of the Group's internal control systems and compliance with policies approved by the Board of Directors and the requirements of the regulatory authorities. The Audit Committee meets regularly with the Group's external auditors and reviews the Group's financial reports prior to approval by the Board of Directors. The Audit Committee reviews the reports of both external and internal auditors. The Remuneration Committee, which is composed of the Board's non-executive Chairman, non-executive Vice Chairman and includes two independent non-executive directors, reviews and approves the remuneration of the senior officers of the Bank.

The full board meets a minimum of four times a year. These meetings are supplemented by frequent communication between management and non-executive directors. The Board plays a supervisory role, delegating executive authority to professional managers. The Board approves the Bank's policies based on the recommendation of management including the Asset and Liability Policy and the Investment Policy of the Bank, and amendments to these policies. All directors are provided with periodic reports on asset and liability management and investment performance both at board meetings and through direct communication in the period between board meetings.

企業管治

本集團一直落實良好企業管治，更尤為注重投資者關係及透明度。本集團於聯交所上市前已挑選獨立董事加盟董事會，其後人數更增至三名。審核委員會由三位非執行董事，其中大部份為獨立人士組成，附屬董事局。該委員會負責檢視本集團之內部核數師，並監察本集團之內部審核系統能有效地運作並且遵從由董事會及監管機構法定的規則。審核委員會定期與本集團外部核數師舉行會議，在財務報告書交予董事局審批前，審核委員會更會審閱有關報告。審核委員會審核外部及內部核數師報告。薪酬委員會由非執行主席、非執行副主席組成並包括兩名獨立非執行董事，該委員會負責檢討及批核本銀行高級管理層之酬金。

本銀行每年最少舉行四次全體董事會會議。除該等大會以外，管理層及非執行董事會亦會經常相互溝通。董事會擔任監管角色，並把執行權力授予專業經理。董事會亦會根據管理層之建議批核本銀行之政策包括資產及負債政策及投資政策，以及對該等政策所作出之修訂。所有董事將於董事會會議以及在董事會會議以外期間透過直接溝通，定期獲得有關資產負債管理及投資表現之報告。

Directors are provided with a copy of the “*Corporate Governance of Locally Incorporated Authorised Institutions*” under the Supervisory Policy Manual issued by the HKMA and are familiar with the code provisions under the Code on Corporate Governance Practices issued by The Stock Exchange of Hong Kong Limited.

In addition to the Audit Committee and the reports of both external and internal auditors, the Board has access to the reports of the Corporate Governance and Compliance Unit, an independent body established to verify the Bank’s adherence to the Hong Kong Banking Ordinance, regulations and directives of the HKMA and the Securities and Futures Commission, as well as the regulations of Hong Kong Exchanges and Clearing Company, Limited. The annual Capital, Asset Quality, Management Quality, Earnings and Liquidity (“CAMEL”) rating by the HKMA is also reported to the Board.

The Bank is an equal opportunity employer and is environmentally aware and has issued policies on both of these issues. Service to the community is one of the cardinal principles of the Bank.

董事亦會獲得一份金管局頒佈之監管政策手冊內「本地註冊認可機構的公司管治」指引，彼等亦熟悉香港聯合交易所有限公司頒佈之企業管治常規守則下之守則條款。

除審核委員會和外部及內部核數師之報告外，董事會亦可取得公司管治及合規部之報告。公司管治及合規部乃一獨立部門，以確保本銀行遵守香港銀行業條例、金管局和證券及期貨事務監察委員會之規定及指引以及香港交易及結算所有限公司之規列。同時，亦會向董事會匯報金管局對本銀行每年評定的資本、資產質素、管理質素、盈利及資金流動性(“CAMEL”)評級。

本銀行為平等機會僱主，而且注重環保，並已就上述兩項問題制訂有關政策。此外，為社會服務一向為本銀行其中一項堅定不移之原則。



TO THE BOARD OF DIRECTORS OF
FUBON BANK (HONG KONG) LIMITED
(incorporated in Hong Kong with limited liability)

INTRODUCTION

We have been instructed by the Bank to review the interim financial report set out on pages 16 to 68.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

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

致富邦銀行(香港)有限公司董事局
(於香港註冊成立的有限公司)

緒言

吾等已按 貴銀行指示審閱第16至68頁所載之中期財務報告。

董事與核數師的責任

香港聯合交易所有限公司證券上市規則規定上市公司之中期財務報告的編製必須按照上市規則之有關條款以及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」。董事須就中期財務報告負責，並已作出批核。

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

REVIEW WORK PERFORMED

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

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

KPMG

Certified Public Accountants

Hong Kong, 11 August 2005

已執行之審閱工作

吾等已根據香港會計師公會頒佈之核數準則第700號「審閱中期財務報告的聘任」而進行審閱工作。審閱主要包括對集團管理層作出垂詢，並就中期財務報告進行分析程序，並評估（除另行披露外）中期財務報告是否已貫徹應用會計政策及呈列方式。審閱不包括例如監控測試以及核實資產、負債及交易等之審核程序。審閱較審核範圍明顯較細，因此，所提供之保證亦較審核為低。故此，吾等並未對中期財務報告發表任何審核意見。

審閱結論

鑑於吾等之審閱並不構成審核，吾等並不察覺截至二零零五年六月三十日止六個月之中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零五年八月十一日

CONSOLIDATED INCOME STATEMENT (UNAUDITED)

綜合收益表 (未經審核)

For the six months ended 30 June 2005 截至二零零五年六月三十日止之六個月

		For the six months ended		
		30 June 2005	30 June 2004	
		截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元	
	Note 附註			
Interest income	利息收入	4	624,885	472,597
Interest expense	利息支出		(359,620)	(168,922)
Net interest income	利息收入淨額		265,265	303,675
Other operating income	其他營運收入	5	114,503	109,098
Operating income	營運收入		379,768	412,773
Gains less losses from disposal of available-for-sale securities	出售可供出售證券之收益減虧損		29,031	96,300
Reversal of/(provision for) impaired loans and advances	減值貸款及墊支之減值撥備之回撥/(撥備)		3,001	(24,513)
Reversal of 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之回撥		5,319	27,221
Operating expenses	營運支出	6	(284,188)	(289,288)
Profit before taxation	除稅前溢利		132,931	222,493
Taxation	稅項	7	(19,109)	(23,655)
Profit attributable to shareholders	股東應佔溢利		113,822	198,838
Interim dividend of 6.00 Hong Kong cents per share (2004: 6.00 Hong Kong cents)	中期股息每股6.00港仙 (二零零四年：每股6.00港仙)		70,330	70,330
Earnings per share (Hong Kong cents)	每股盈利 (港仙)	8	9.71	16.96

The notes on pages 21 to 68 form part of this unaudited interim financial report.

載於第21頁至第68頁之賬目附註為本未經審核中期財務報告之一部份。

EXTRACTS FROM CONSOLIDATED BALANCE SHEET (UNAUDITED)

綜合資產負債表概要(未經審核)

As at 30 June 2005 於二零零五年六月三十日

			As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元 (Restated) (重列)
ASSETS	資產			
Cash and short term funds	現金及短期資金	10	19,645,649	13,574,799
Placements with banks	一至十二個月 到期之銀行 同業放款	11	2,349,353	5,813,775
maturing between one and twelve months				
Certificates of deposit held	所持存款證	12	410,977	499,007
Trading securities	持作交易用途之證券	13	35,328	126,926
Other financial instruments	按公平價值訂值納入 損益賬之其他 金融工具	14	666,465	0
designated as at fair value through profit or loss				
Derivative financial	衍生金融工具	15	285,018	0
instruments				
Advances to customers	客戶貸款減減值撥備	16	19,677,684	18,002,299
less impairment allowances				
Accrued interest and	應計利息及	17	704,998	906,947
other accounts	其他賬目			
Available-for-sale securities	可供出售證券	18	5,923,193	5,625,670
Investment in associated	聯營公司投資	19	6,662	6,648
company				
Fixed assets	固定資產	20	1,201,781	1,204,710
			50,907,108	45,760,781

EXTRACTS FROM CONSOLIDATED BALANCE SHEET (UNAUDITED)

綜合資產負債表概要(未經審核)

As at 30 June 2005 於二零零五年六月三十日

			As at 30 June 2005 二零零五年 六月三十日	As at 31 December 2004 二零零四年 十二月三十一日
	Note 附註		HK\$'000 千港元	HK\$'000 千港元 (Restated) (重列)
LIABILITIES				
負債				
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	21 3,162,763	4,098,985
Deposits from customers		客戶存款	22 32,452,400	30,085,730
Certificates of deposit issued		已發行存款證	23 2,959,557	2,367,912
Derivative financial instruments		衍生金融工具	15 297,455	0
Other trading liabilities		其他交易賬項下之負債	1,735,538	2,237,272
Other accounts and liabilities		其他賬目及負債	17 6,635,206	3,268,110
			47,242,919	42,058,009
EQUITY				
股本				
Share capital		股本	1,172,160	1,172,160
Share premium		股份溢價	749,778	749,778
Reserves		儲備	24 1,742,251	1,780,834
			3,664,189	3,702,772
			50,907,108	45,760,781

Approved and authorised for issue by the Board of Directors on 11 August 2005.

經董事會於二零零五年八月十一日通過及授權頒佈。

The notes on pages 21 to 68 form part of this unaudited interim financial report.

載於第21頁至第68頁之賬目附註為本未經審核中期財務報告之一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

股本變動之綜合報告表（未經審核）

For the six months ended 30 June 2005 截至二零零五年六月三十日止之六個月

		Note 附註	For the six months ended	
			30 June 2005 截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	30 June 2004 截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元
Shareholders' equity at 1 January	於一月一日股東股本			
As previously reported	承前報告		3,702,772	3,784,171
Adjustment arising from changes in accounting policies	因會計政策變動之調整	3	49,462	0
As restated	已重列		3,752,234	3,784,171
Realisation of revaluation surplus of available-for-sale securities	可供出售證券之重估盈餘變現	24	(8,523)	(16,589)
Net change in fair value of available-for-sale securities	可供出售證券淨公平價值變動額	24	(79,926)	(76,353)
Deferred taxation	遞延稅項	24	15,520	16,265
Net losses not recognised in the income statement	未在收益表內確認之虧損淨額		(72,929)	(76,677)
Net profit for the period	期內淨盈利		113,822	198,838
Dividend paid during the period	期內股息派發		(128,938)	(304,762)
Shareholders' equity	股東股本		3,664,189	3,601,570

The notes on pages 21 to 68 form part of this unaudited interim financial report.

載於第21頁至第68頁之賬目附註為本未經審核中期財務報告之一部份。

CONDENSED CONSOLIDATED CASH FLOW STATEMENT (UNAUDITED)

綜合現金流動表摘要 (未經審核)

For the six months ended 30 June 2005 截至二零零五年六月三十日止之六個月

		For the six months ended	
		30 June 2005	30 June 2004
		截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元
Net cash inflow from operating activities	營運活動之現金流入淨額	4,809,372	6,437,496
Net cash outflow from investing activities	投資活動之現金流出淨額	(28,951)	(33,104)
Net cash used in financing activities	融資活動運用之現金淨額	(128,938)	(304,762)
Increase in cash and cash equivalents	現金及等同現金項目之增加	4,651,483	6,099,630
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目	9,186,328	8,709,357
Cash and cash equivalents at 30 June	於六月三十日之現金及等同現金項目	13,837,811	14,808,987
Analysis of cash and cash equivalents	現金及等同現金項目之分析		
Cash on hand and at banks	現金及銀行同業結餘	515,349	708,241
Short term funds maturing between one and twelve months, which were originally repayable within 3 months	一至十二個月到期之短期資金(原於三個月內還款)	12,933,919	12,321,139
Placements with banks maturing between one and twelve months, which were originally repayable within 3 months	一至十二個月到期之銀行同業放款(原於三個月內還款)	388,543	1,779,607
		13,837,811	14,808,987

The notes on pages 21 to 68 form part of this unaudited interim financial report.

載於第21頁至第68頁之賬目附註為本未經審核中期財務報告之一部份。

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 30 June 2005 to be Fubon Financial Holding Co., Ltd. ("Fubon Financial") which is incorporated in the Republic of China and operates as a financial conglomerate.

2. BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard "HKAS" 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issuance on 11 August 2005.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2004 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2005 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies to and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

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，本集團於二零零五年六月三十日的最終控股公司為富邦金融控股股份有限公司（「富邦金控」）。該公司於中華民國註冊成立，為一家經營金融企業集團。

報告之編製基準

本財務報告乃根據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會計師公會頒佈的香港會計準則第34號（中期財務報告）而編製，並於二零零五年八月十一日獲授權刊發。

於編製本中期財務報告時，除採納若干預計將於二零零五年度財務報表中反映的會計政策變動外，本中期財務報告已應用與二零零四年度賬目內所採納之相同會計政策。此等會計政策變動詳情已載列於附註3。

按照香港會計準則第34號編製的財務報表需要管理層作出調整、估計及假設，該等調整、估計及假設影響會計政策的應用，以及按本歷年截至報告日期為止呈報之資產及負債、收入及支出之金額。實際結果有可能會與估計出現差異。

2. BASIS OF PREPARATION (continued)

報告之編製基準 (續)

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2004 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, "Engagements to review interim financial reports", issued by the HKICPA, KPMG's independent review report to the Board of Directors is included on page 14.

The financial information relating to the financial year ended 31 December 2004 that is included in the interim financial report as being previously reported information does not constitute the Bank's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2004 are available from the Bank's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 1 March 2005.

本中期財務報告包括簡明綜合財務報表及部份說明性附註。附註所載的解釋，有助於了解自本集團編制二零零四年年度財務報表以來，對財務狀況和業績表現方面的變動構成重要影響的事件和交易。上述簡明綜合中期財務報表及部份說明性附註並未包括根據香港財務報告準則而編製之全份財務報表之所有資料。

此中期財務報告為未經審核，惟畢馬威會計師事務所已根據香港會計師公會頒佈核數準則第700號「審閱中期財務報告的聘任」而進行審閱。畢馬威會計師事務所向董事會提供之獨立審閱報告載於第14頁。

本中期財務報告內所載有關截至二零零四年十二月三十一日止財政年度之財務資料並不構成本銀行於該財政年度之法定財務報表，惟乃源自該等財務報表。截至二零零四年十二月三十一日止年度之法定財務報表可於本銀行之註冊辦事處索取。核數師已於彼等於二零零五年三月一日就該等財務報表所作報告內發表無保留意見。

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which term collectively includes Hong Kong Accounting Standards “HKASs” and Interpretations) that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. The Board of Directors has determined the accounting policies expected to be adopted in the preparation of the Group’s annual financial statements for the year ending 31 December 2005, on the basis of HKFRSs currently in issue.

The HKFRSs that will be effective or are available for voluntary early adoption in the annual financial statements for the year ending 31 December 2005 may be affected by the issue of additional interpretation(s) or other changes announced by the HKICPA subsequent to the date of issuance of this interim financial report. Therefore the policies that will be applied in the Group’s financial statements for that period cannot be determined with certainty at the date of issuance of this interim financial report.

The changes in the Group’s accounting policies resulting from the adoption of new HKFRSs are attributable to the adoption of HKAS 32, “Financial instruments: Disclosure and presentation”, HKAS 39, “Financial instruments: Recognition and measurement” and HKAS 17, “Leases”. The following sets out further information on the changes in accounting policies for the annual accounting period beginning on 1 January 2005 which have been reflected in this interim financial report.

The adoption of HKAS 17 has no material effect on the Group’s financial statements.

會計政策變動

香港會計師公會已頒佈多項新訂及經修訂的香港財務報告準則（「香港財務報告準則」，此統稱包括香港會計準則（「香港會計準則」）及有關詮釋），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或可被提早採用。董事會決定本集團將根據已發佈之香港財務報告準則，用此制定有關會計政策，而該等會計政策將預期於編製截至二零零五年十二月三十一日止年度財務報表時被採納。

可被提早採納或將生效之香港財務報告準則，對於編製截至二零零五年十二月三十一日止年度之財務報表採納之香港財務報告準則而言，或會受香港會計師公會於本中期財務報告刊發日期後發佈之附加詮釋或由該會宣佈之其他變動所影響。因此，於本中期財務報告刊發日期，本集團尚未能完全確定為編製本年度財務報表所須採納之會計政策。

採納新香港財務報告準則引致本集團會計政策之變動，乃由於採納香港會計準則第32號「金融工具：披露及呈列」、香港會計準則第39號「金融工具：確認與計量」、香港會計準則第17號「租賃」所致。以下詳述自二零零五年一月一日起之年度會計期間會計政策變動之進一步資料，該等變動已於本中期財務報告反映。

採納香港會計準則第17號並未對本集團之財務報表造成重大影響。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

Summary of the effect of changes in the accounting policies from the adoption of HKAS 32 and 39 is as follows:

採納香港會計準則第32及39號所引致會計政策變動之影響摘要如下：

(i) Changes in classification and measurement of financial instruments

In prior years, the accounting policies for certain financial instruments were as follows:

- a) Non-trading securities were stated at fair value with changes in fair values recognised net of deferred taxes in the investment revaluation reserve until the security was sold, collected, or otherwise disposed of, or until there was objective evidence that the security was impaired, at which time the relevant cumulative gain or loss was recognised in the income statement.
- b) Derivative financial instruments entered into by management used for asset and liability management purposes and which qualified as hedges were valued on an equivalent basis to the underlying assets and liabilities or net positions which they were hedging. Any profit or loss was recognised on the same basis as that arising from related assets and liabilities or net positions.
- c) General provisions on loans and advances were determined by directors at a level deemed appropriate to absorb expected losses for loans which were impaired at the balance sheet date but which would not be identified as such until sometime in the future.

(i) 金融工具分類與計量之變動

於過往年度，若干金融工具之會計政策載列如下：

- a) 非持作買賣用途證券乃按公平價值列賬。扣除遞延稅項後公平價值之變動在投資重估儲備中確認，直至證券出售、領取或以其他方式處理，或直至有客觀證據顯示證券已出現減值虧損，屆時有關的累積損益於收益表中確認。
- b) 管理層用作資產及負債管理目的及符合對沖資格之衍生金融工具，按所對沖的相關資產、負債或持倉淨額之同等基準估值。任何溢利或虧損按相關資產、負債或持倉淨額之相同基準入賬。
- c) 貸款及墊款之一般撥備乃由董事基於結算日預期出現之貸款及墊款減值虧損而釐定適當水平，而該項虧損須於日後始能確定。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

- d) Specific provisions on loans and advances were determined by directors at a level deemed appropriate to absorb expected losses from individual accounts after taking into account of the value of the collateral held.
- e) In prior years, advances to customers and trade bills were carried at amounts advanced less payment collected, any suspended interest and reserves for credit losses. Cash rebates granted in relation to residential mortgage loans were capitalised and amortised to the income statement over the early prepayment penalty period.
- f) Fees and commissions arising on project and structured finance transactions which were in the nature of interest were recognised as interest income on a time-apportioned basis.

With effect from 1 January 2005, and in accordance with HKAS 32 and 39, the following new accounting policies have been adopted for the financial instruments mentioned above:

- g) Except for the non-trading investments as mentioned below, all non-trading investments held as of 1 January 2005 were classified as available-for-sale securities and were carried at fair value. Changes in fair value were recognised in equity, unless there is objective evidence that an individual investment is impaired. If there is objective evidence that an individual investment is impaired, any amount held in the fair value reserve in respect of the investment is transferred to the income statement for the period in which the impairment is identified.

(i) 金融工具分類與計量之變動 (續)

- d) 貸款及墊款之特別撥備乃由董事因應個別賬戶所須承受的預期虧損，並計及所持抵押品價值後，而釐定適當水平。
- e) 於過往年度，客戶貸款及貿易票據乃按貸款金額減去已收回款項、任何懸賬利息及信貸虧損儲備列賬。所提供客戶住宅按揭貸款的現金回贈會被納入資產，並按提早還款罰款期於收益表中攤銷。
- f) 項目及結構性融資交易所獲得之費用及佣金，當其性質為利息收入時，會按時間攤分基準以利息收入方式入賬。

根據香港會計準則第32及39號，自二零零五年一月一日起，本集團就上述之金融工具所採納之新會計政策如下：

- g) 除下列之非買賣用途之投資外，所有於二零零五年一月一日持有之非買賣用途投資已分類為可供出售證券並按公平價值列賬。公平價值之變動已於股本中確認，除非有客觀證據顯示個別投資價值已出現減值虧損。如有客觀證據顯示個別投資經已出現減值虧損，任何就該投資已納入於公平價值儲備之金額，於減值虧損出現期間撥往收益表。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

On 1 January 2005, a portfolio of non-trading investments of HK\$691,125,000 with associated interest rate swaps were separated into the underlying debt securities and derivative financial instruments. As a result, the debt securities were restated at fair value amounting to HK\$739,065,000 and were re-designated on 1 January 2005 as other financial instruments at fair value through profit or loss, as permitted by the transitional arrangements of HKAS 39. In addition, the interest rate swaps were classified as derivative financial instruments held for trading purposes which were measured at an aggregate fair value of HK\$47,940,000.

There was no net impact to the opening balance of retained earnings as of 1 January 2005. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of these changes, the Group's net profit before and after taxation for the six months ended 30 June 2005 have increased by HK\$980,000 and HK\$808,000 respectively.

- h) All derivative financial instruments previously entered into by the Group for hedging purposes are re-designated as for trading purposes and are stated at fair value. Changes in the fair value of these derivatives held are recognised in the income statement.

(i) 金融工具分類與計量之變動 (續)

於二零零五年一月一日，有一列作非買賣用途之投資組合，其價值達691,125,000港元，連同相關之利率掉期合約已分拆作相關債務證券及衍生金融工具入賬。因此，於二零零五年一月一日，在香港會計準則第39號過渡性安排許可下，該等債務證券以其公平價值為739,065,000港元重新確認並入賬，並已重新列為按公平價值訂值納入損益賬之其他金融工具。此外，相關之利率掉期合約已分類為持作交易用途之衍生金融工具，並已以其公平價值47,940,000港元重新確認並入賬。

於二零零五年一月一日，採納此變動並無對保留溢利期初結餘造成影響。由於香港會計準則第39號過渡性安排所禁止，故未有重列比較數字。

由於此項變動，截至二零零五年六月三十日止六個月期間本集團除稅前及除稅後溢利淨額分別增加980,000港元及808,000港元。

- h) 本集團原先用作對沖用途之所有衍生金融工具，已重新列作交易用途並按其公平價值列賬。所持該等衍生工具之公平價值之變動於收益表中確認。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

This change was adopted by way of an adjustment to increase the opening balance of the retained earnings as at 1 January 2005 by HK\$348,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of this new policy, net profit before and after taxation recognised for the six months ended 30 June 2005 have been reduced by HK\$1,803,000 and HK\$1,429,000 respectively.

- i) At each reporting date, the Group determines whether objective evidence of impairment exists for groups of loans and advances on a collective basis and, if such indications exist, assesses the amount of collective impairment allowance required. These groups are of individually insignificant loans and advances that have similar credit risk characteristics. In assessing the amount of collective loan loss allowance required, the management estimates the present value of the future cash flows expected to be received from these groups of loans and advances, taking into account the contractual cash flows, the historical loss experience and other factors such as credit quality, portfolio size, and economic factors. The accuracy of the allowance the Group makes depends on how well the Group can estimate future cash flows and the model assumptions and parameters used. While this necessarily involves judgment, the Group believes that the collective impairment allowance is reasonable. The collective impairment allowance replaces the previous general provision for loans and advances.

(i) 金融工具分類與計量之變動 (續)

採納此項變動令二零零五年一月一日期初保留溢利結餘上升了348,000港元。由於香港會計準則第39號過渡性安排所禁止，故並未重列比較數字。

由於此項變動，截至二零零五年六月三十日止六個月期間本集團確認之除稅前及除稅後溢利淨額分別減少1,803,000港元及1,429,000港元。

- i) 於每個報告日期，本集團會考慮不同貸款及墊款類別內有否出現綜合減值虧損之客觀證據，倘有減值虧損跡象，本集團將綜合評估所需之綜合減值撥備。適用於此評估方法之貸款為小額貸款及墊款並具有類似信貸風險的特質。於評估所需綜合減值撥備之金額時，管理層估計從此類貸款及墊款預期能獲取之未來現金流量之現值，並計入合約現金流量、根據同類貸款及墊款過往所受損失的經驗及其他因素，如信貸質素、組合規模及經濟因素等。本集團所釐定之撥備之準確性，乃視乎本集團估計未來現金流量之準確性及採用之假設和所使用之參數。雖然當中必定涉及判斷，本集團相信綜合減值撥備乃屬合理。綜合減值撥備將取代之前為貸款及墊款所作之一般撥備。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

This change was adopted by way of an adjustment to increase the opening balance of retained earnings as at 1 January 2005 by HK\$39,863,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of this new policy, net profit before and after taxation recognised for the six months ended 30 June 2005 have both increased by HK\$8,681,000.

- j) At each reporting date, the Group determines whether there is objective evidence of impairment for loans and advances which are individually significant. If such evidence exists, the Group estimates the amount of impairment allowance which is measured based on the difference between the carrying amount of the loans and advances and the present value of the estimated future cash flows discounted at the loans and advances' original effective interest rates.

This change was adopted by way of an adjustment to reduce the opening balance of retained earnings as at 1 January 2005 by HK\$11,438,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of this new policy, net profit before and after taxation recognised for the six months ended 30 June 2005 have increased by HK\$1,702,000 and HK\$1,405,000 respectively.

(i) 金融工具分類與計量之變動 (續)

採納此項變動令二零零五年一月一日期初保留溢利上升了39,863,000港元。由於香港會計準則第39號過渡性安排所禁止，故並未重列比較數字。

由於此項變動，截至二零零五年六月三十日止六個月期間本集團除稅前及除稅後溢利淨額均增加8,681,000港元。

- j) 於每個報告日期，本集團確定個別重大之貸款及墊款有否出現減值虧損之客觀證據。倘發現該等證據存在，本集團將為該項貸款估計個別減值撥備所須之金額，此乃根據該筆貸款及墊款之賬面值與及根據該筆貸款及墊款原來之實際利率並用折現方式計算之預期未來現金流量之現值兩者之間之差額衡量。

採納此項變動令二零零五年一月一日期初保留溢利減少了11,438,000港元。由於香港會計準則第39號過渡性安排所禁止，故並未重列比較數字。

由於此項變動，截至二零零五年六月三十日止六個月期間本集團除稅前及除稅後溢利淨額分別增加1,702,000港元及1,405,000港元。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

- k) With effect from 1 January 2005, and in accordance with HKAS 39, the amortisation of cash rebates for residential mortgage loans is charged to the income statement over the estimated useful lives of the loans. The cash rebate amortisation is recognised as an integral part of the total interest income.

This change was adopted by way of an adjustment to increase the opening balance of retained earnings as at 1 January 2005 by HK\$34,621,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

As a result of this new policy, net profit before and after taxation recognised for the six months ended 30 June 2005 have been reduced by HK\$105,000 and HK\$86,000 respectively.

- l) Fees and commissions arising on project and structured finance transactions which are an integral part of effective interest are recognised using the effective interest method. The effective interest method is a method to allocate the interest income over the expected life of the relevant loans using the effective interest rate calculated by discounting estimated future cash payments and receipts under the relevant loans.

This change was adopted by way of an adjustment to reduce the opening balance of retained earnings as at 1 January 2005 by HK\$3,442,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

(i) 金融工具分類與計量之變動 (續)

- k) 根據香港會計準則第39號，自二零零五年一月一日起，住宅按揭貸款現金回贈之攤銷乃按貸款之預計年期於收益表中扣減。現金回贈攤銷乃屬利息收入之構成部分。

採納此項變動令二零零五年一月一日期初保留溢利上升了34,621,000港元。由於香港會計準則第39號過渡性安排所禁止，故並未重列比較數字。

由於此項變動，截至二零零五年六月三十日止六個月期間本集團除稅前及除稅後溢利淨額分別減少105,000港元及86,000港元。

- l) 項目及結構性融資交易所產生之費用及佣金，其性質為實際利息之構成部分，會以實際利息方法予以確認。實際利息法為一種按有關貸款之估計未來現金付款及收款，並用折現方式計算所得出之實際利率，按有關貸款之預計年期分配利息收入之方法。

採納此項變動令二零零五年一月一日期初保留溢利減少了3,442,000港元。由於香港會計準則第39號過渡性安排所禁止，故並未重列比較數字。

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(i) Changes in classification and measurement of financial instruments (continued)

As a result of this new policy, net profit before and after taxation recognised for the six months ended 30 June 2005 have been reduced by HK\$1,075,000 and HK\$1,263,000 respectively.

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

The adoption of HKAS 39 has resulted in a change in the accounting policy relating to the classification of financial assets at fair value through profit or loss and available-for-sale financial assets. It has also resulted in the recognition of derivative financial instruments at fair value and a change in the recognition and measurement of hedging activities. The Group has applied the previous Statement of Standard Accounting Practices ("SSAP") No. 24 "Accounting for investments in securities" to investments in securities and also to hedge relationships in the 2004 comparative information as HKAS 39 is applied prospectively.

The adjustments required to restate balances in accordance with HKAS 39 are made as at 1 January 2005. The following table sets out the adjustments that have been made to the opening balances at 1 January 2005:

(i) 金融工具分類與計量之變動 (續)

由於此項變動，截至二零零五年六月三十日止六個月期間本集團除稅前及除稅後溢利淨額分別減少1,075,000港元及1,263,000港元。

(ii) 於二零零五年一月一日總權益期初結餘之影響 (經調整)

採納香港會計準則第39號導致按公平價值訂值納入損益賬之金融資產及可供出售之金融資產之分類會計政策有所變動，亦導致按公平價值確認之衍生金融工具及對沖活動之計量及確認有所變更。由於香港會計準則第39號只能於二零零五年一月一日起生效，本集團於二零零四年所作之證券投資及對沖關係之有關比較資料是根據過往之會計實務準則(「會計實務準則」)第24號「證券投資之會計處理」所編製。

於二零零五年一月一日，根據香港會計準則第39號作出所需調整之重列結餘。對於二零零五年一月一日期初結餘作出之調整總結於下表：

3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

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

(ii) 於二零零五年一月一日總權益期初結餘之影響(經調整) (續)

Effect on equity of new policy (increase/(decrease))	新政策對權益之影響 (增加/(減少))	Note 附註	Retained earnings
			保留溢利 HK\$'000 千港元
Separate accounting for non-trading investments and related derivatives	持作非交易用途投資及相關衍生工具之分類確認及計量	3(i)(g)	0
Derivatives designated as trading	分類為交易用途之衍生工具	3(i)(h)	348
Collective impairment allowance	綜合減值撥備	3(i)(i)	39,863
Individual impairment allowance	個別減值撥備	3(i)(j)	(11,438)
Amortisation of cash rebates for mortgage loans	按揭貸款現金回贈之攤銷	3(i)(k)	34,621
Effective yield adjustments for loans and advances	貸款及墊款之實際利率調整	3(i)(l)	(3,442)
Aggregate deferred tax effect of the above adjustments	上述調整對遞延稅項之影響		(10,490)
Total effect at 1 January 2005	於二零零五年一月一日之影響總計		49,462

(iii) Effect on profit after taxation for the six months ended 30 June 2005 (estimated)

(iii) 對截至二零零五年六月三十日止六個月期間除稅後溢利之影響(估計)

In respect of the six months period ended 30 June 2005, the following table provides estimates of the extent to which the profits for that period are higher or lower than they would have been had the previous policies still been applied, where it is practicable to make such estimates.

就截至二零零五年六月三十日止六個月期間，在可作出估計之情況下，本集團於下表估計該期間，倘若舊有會計政策依然被採納而所帶來之溢利上升或減少之數額。

Retrospective adjustments have not been made for the six months period ended 30 June 2004 for all changes in policies due to the adoption of HKAS 39, as explained in note 3(i) above.

截至二零零四年六月三十日止六個月期間，本集團並未對採納上述附註3(i)所闡述之香港會計準則第39號而導致之所有政策變動作出追溯調整。

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3. CHANGES IN ACCOUNTING POLICIES (continued)

會計政策變動 (續)

(iii) Effect on profit after taxation for the six months ended 30 June 2005 (estimated) (continued)

(iii) 對截至二零零五年六月三十日止六個月期間除稅後溢利之影響 (估計) (續)

Effect on profit of new policy (increase/(decrease))	新政策對溢利之影響 (增加/(減少))	Note 附註	Six months ended 30 June 2005 截至二零零五年 六月三十日 之六個月 HK\$'000 千港元
Separate accounting for non-trading investments and related derivatives	持作非交易用途投資及相關衍生工具之分類確認及計量	3(i)(g)	808
Derivatives designated as trading	分類為交易用途之衍生工具	3(i)(h)	(1,429)
Collective impairment allowance	綜合減值撥備	3(i)(i)	8,681
Individual impairment allowance	個別減值撥備	3(i)(j)	1,405
Amortisation of cash rebates for mortgage loans	按揭貸款現金回贈之攤銷	3(i)(k)	(86)
Effective yield adjustments for loans and advances	貸款及墊款之實際利率調整	3(i)(l)	(1,263)
Total effect for the six months ended 30 June 2005	於二零零五年六月三十日止六個月期間之影響總計		8,116

4. INTEREST INCOME

利息收入

		Six months ended	
		30 June 2005 截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	30 June 2004 截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元
Interest income on listed investments	上市投資利息收入	38,724	18,993
Interest income on unlisted investments	非上市投資利息收入	82,046	67,632
Other interest income	其他利息收入	504,115	385,972
		624,885	472,597

5. OTHER OPERATING INCOME

其他營運收入

		Six months ended	
		30 June 2005	30 June 2004
		截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元 (Restated) (重列)
Fees and commission income	費用及佣金收入	69,358	65,265
Less: Fees and commission expense	減：費用及佣金支出	(10,246)	(6,883)
Net fees and commission income	費用及佣金收入淨額	59,112	58,382
Dividend income from listed investments	上市投資之股息收入	50	1,246
Dividend income from unlisted investments	非上市投資之股息收入	6,565	3,430
Gains less losses from dealing in foreign currencies	外匯交易之收入減虧損	10,667	7,831
Gains less losses from dealing in trading securities	持作交易用途證券交易之收入減虧損	2,221	5,244
Gains less losses from other dealing activities	其他買賣交易之收入減虧損	26,146	20,988
Revaluation loss on financial instruments	金融工具之重估虧損	(659)	0
Rental income	租金收入	1,929	4,876
Others	其他	8,472	7,101
		114,503	109,098

6. OPERATING EXPENSES

營運支出

		Six months ended	
		30 June 2005	30 June 2004
		截至	截至
		二零零五年	二零零四年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other staff costs	薪金及其他僱員成本	129,268	168,550
Premises and other fixed assets	房地產及其他固定資產		
– Rental of premises	– 房地產租金	13,161	12,255
– Depreciation	– 折舊	31,778	28,940
– Others	– 其他	7,383	7,111
Auditors' remuneration	核數師酬金	641	756
Other operating expenses	其他營運支出		
– Business promotion	– 業務推廣	28,972	8,535
– Legal and professional fees	– 法律及專業顧問費用	9,961	5,505
– Communication	– 通訊	9,874	9,172
– Electronic data processing and computer systems	– 電子資料處理及 電腦系統	31,187	30,534
– Others	– 其他	21,963	17,930
		284,188	289,288

7. TAXATION

稅項

		Six months ended	
		30 June 2005	30 June 2004
		截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元
Current tax – Provision for Hong Kong Profits Tax* Tax for the period Over-provision in respect of prior years	即期稅項 – 香港利得稅撥備* 期內稅項 過去年度之過多 撥備	17,589	22,423
		0	(1,214)
Deferred tax Origination and reversal of temporary differences (Note 17(b))	遞延稅項 暫時性差異產生 及轉回(附註17(b))	17,589	21,209
		1,520	2,446
Total income tax expense	所得稅支出總額	19,109	23,655

7. 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賬

		Six months ended	
		30 June 2005	30 June 2004
		截至	截至
		二零零五年	二零零四年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Profit before taxation	除稅前溢利	132,931	222,493
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned*	稅前溢利之估計稅項，以稅務司法權區適用之應課稅率計算*	23,263	38,937
Tax effect of non-taxable revenue	非應課稅項收入之稅項影響	(5,235)	(16,209)
Tax effect of non-deductible expenses	非可扣減支出之稅項影響	1,081	2,141
Over-provision in prior years	過去年度之過多撥備	0	(1,214)
Actual tax expense	實質稅項支出	19,109	23,655

* The provision for Hong Kong Profits Tax for 2005 is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the six months ended 30 June 2005.

* 截至二零零五年六月三十日止六個月期內之預估應課稅溢利之17.5%(二零零四年：17.5%)計算。

8. EARNINGS PER SHARE

Earnings per share is calculated on profit attributable to shareholders of HK\$113,822,000 (2004: HK\$198,838,000) and on 1,172,160,000 (2004: 1,172,160,000) ordinary shares in issue during the period. There are no convertible loan capital, options or warrants outstanding which would cause a dilution effect on earnings per share.

9. SEGMENT REPORTING

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.

每股盈利

每股盈利乃按期內股東應佔溢利 113,822,000 港元 (二零零四年: 198,838,000 港元) 及於期內已發行普通股股份 1,172,160,000 股 (二零零四年: 1,172,160,000 股) 計算。概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。

分項資料

分項資料乃根據本集團的業務及區域分類編製。由於本集團之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之主要業務為銀行經營及有關之財務服務。

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務及企業銀行業務。中小企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。

9. SEGMENT REPORTING (continued)

分項資料 (續)

Financial Markets 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.

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。

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

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。

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.

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。

Six months ended

30 June 2005	30 June 2004
截至	截至
二零零五年	二零零四年
六月三十日	六月三十日
之六個月	之六個月
HK\$'000	HK\$'000
千港元	千港元

(a) Operating Income

(a) 營運收入

Retail Banking	零售銀行
Wholesale Banking	批發銀行
Financial Markets	金融市場
Real Estate	物業管理
Unallocated*	未分配*

248,467	308,464
115,113	103,595
9,665	36,318
(1,404)	(443)
7,927	(35,161)
379,768	412,773

9. SEGMENT REPORTING (continued)

分項資料 (續)

		Six months ended	
		30 June 2005	30 June 2004
		截至 二零零五年 六月三十日 之六個月 HK\$'000 千港元	截至 二零零四年 六月三十日 之六個月 HK\$'000 千港元
(b) Profit before taxation	(b) 除稅前溢利		
Retail Banking	零售銀行	89,244	125,148
Wholesale Banking	批發銀行	57,362	59,801
Financial Markets	金融市場	4,131	111,142
Real Estate	物業管理	12,918	29,037
Unallocated*	未分配*	(30,724)	(102,635)
		132,931	222,493

* 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. This also includes compensation payments payable in respect of the early retirement of two executive directors and other senior management of HK\$45 million for the period ended 30 June 2004.

* 未分類項目主要包涵未被各業務所使用之股東資金所產生之利息收入、員工按揭貸款及有關利息收入及資金開支、員工存款和有關利息支出、與及總辦事處物業使用、傢俬、裝置及設備和有關之折舊。此外，該項目並包括截至二零零四年六月三十日止期間兩位執行董事及其他高級管理層人士因提前退休而繳付達45,000,000港元之酬金。

9. SEGMENT REPORTING (continued)

分項資料 (續)

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 periods ended 30 June 2005 and 2004, 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

區域分項之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賬之本銀行分行位置、客戶位置及資產位置予以披露。於截至二零零五年及二零零四年六月三十日期間，本集團之所有營運收入及除稅前溢利均是從位於香港的本銀行附屬公司及分行入賬之資產所產生。本銀行多於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。

10. CASH AND SHORT TERM FUNDS

現金及短期資金

	As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Cash	66,838	85,540
Balances with banks and other financial institutions	448,511	311,065
Money at call and short notice*	11,055,336	5,084,863
Treasury bills (including Exchange Fund bills)	8,074,964	8,093,331
	19,645,649	13,574,799

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

* 通知及短期存款指結算日起計最長一個月到期之存款。

10. CASH AND SHORT TERM FUNDS (continued)

現金及短期資金 (續)

Treasury bills, including Exchange Fund bills, are short term funds held by the Group which are issued by central governments and central banks and are unlisted. The analysis of treasury bills is as follows:

國庫券(包括外匯基金票據)為本集團持有之短期資金，由中央政府及中央銀行發行及並非為上市證券。國庫券之分析如下：

	As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元
Treasury bills, at fair value	國庫券之公平價值
– Trading	– 持作交易用途
– Available-for-sale	– 可供出售

	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
	2,134,781
	5,958,550
	8,093,331

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：

	As at 30 June 2005 二零零五年 六月三十日 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
1 year or less but over 3 months	一年或以下惟三個月以上

	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
	3,834,873
	4,258,458
	8,093,331

11. PLACEMENTS WITH BANKS MATURING BETWEEN ONE AND TWELVE MONTHS

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

3 months or less but over 1 month	三個月或以下惟一個月以上
1 year or less but over 3 months	一年或以下惟三個月以上

一至十二個月到期之銀行同業放款

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：

As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
2,036,071	4,749,506
313,282	1,064,269
2,349,353	5,813,775

12. CERTIFICATES OF DEPOSIT HELD

Certificates of deposits are issued by banks and other financial institutions, are unlisted and are classified as available-for-sale securities.

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

3 months or less but not repayable on demand	三個月或以下惟無需即時還款
1 year or less but over 3 months	一年或以下惟三個月以上
5 years or less but over 1 year	五年或以下惟一年以上

所持存款證

存款證由銀行及其他金融機構發行，為非上市並分類為可供出售證券。

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：

As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
0	50,000
140,153	106,042
270,824	342,965
410,977	499,007

13. TRADING SECURITIES

持作交易用途之證券

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Trading securities at fair value	持作交易用途證券之公平價值		
Debt securities	債務證券		
– Listed in Hong Kong	– 於香港上市	5,339	6,844
– Unlisted	– 非上市	29,989	120,082
Total	總值	35,328	126,926

The trading securities are issued by:

持作交易用途證券由以下機構發行：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Central governments and central banks	中央政府及中央銀行	3,802	5,307
Public sector entities	公營機構	29,988	120,082
Corporate entities	企業	1,538	1,537
		35,328	126,926

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13. TRADING SECURITIES (continued)

持作交易用途之證券(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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 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	0	602
1 year or less but over 3 months	一年或以下惟三個月以上	12,109	7,977
5 years or less but over 1 year	五年或以下惟一年以上	18,979	81,790
Over 5 years	超過五年	4,240	36,557
		35,328	126,926

14. OTHER FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

按公平價值訂值納入損益賬之其他金融工具

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Other financial instruments designated at fair value through profit or loss	按公平價值訂值納入損益賬之其他金融工具		
Debt securities	債務證券		
– Listed in Hong Kong	– 於香港上市	79,992	0
– Unlisted	– 非上市	586,473	0
Total	總值	666,465	0

**14. OTHER FINANCIAL INSTRUMENTS
 DESIGNATED AT FAIR VALUE THROUGH
 PROFIT OR LOSS** (continued)

按公平價值訂值納入損益賬
 之其他金融工具 (續)

The other financial instruments designated at fair value through profit or loss are issued by:

按公平價值訂值納入損益賬之其他金融工具由以下機構發行：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Central governments and central banks	中央政府及中央銀行	79,992	0
Public sector entities	公營機構	503,234	0
Corporate entities	企業	83,239	0
		666,465	0

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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
5 years or less but over 1 year	五年或以下惟一年以上	425,490	0
Over 5 years	超過五年	240,975	0
		666,465	0

14. OTHER FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

These financial instruments relating to 2004 were attributable to a portfolio of debt securities together with the associated interest rate swaps which were classified as non-trading securities in the prior year financial statements. On 1 January 2005, these securities were separated into the underlying debt securities under "Other financial instruments designated as at fair value through profit or loss" and the interest rate swaps under "Derivative financial instruments" as explained in note 3(i)(g).

按公平價值訂值納入損益賬 之其他金融工具 (續)

該等有關二零零四年之金融工具乃屬於債務證券組合，連同相關之利率掉期合約已列為非持作買賣用途證券並於過往年度之財務報表內列賬。於二零零五年一月一日，此等證券已分拆為相關債務證券並列作「按公平價值訂值納入損益賬之其他金融工具」及利率掉期合約並列作「衍生金融工具」，詳情載列於附註3(i)(g)。

15. DERIVATIVE FINANCIAL INSTRUMENTS

衍生金融工具

As at 30 June 2005
於二零零五年六月三十日

	Contract/ notional amount 合約/ 名義金額 HK\$'000 千港元	Fair values	
		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元
Derivatives held for trading	持作交易用途之衍生工具		
a) Foreign exchange derivatives	(a) 外匯衍生工具		
- Forward exchange contracts	- 遠期匯率合約	2,280,441	76,743
- Swaps	- 掉期合約	4,803,024	32,706
- Options purchased	- 購入期權	995,952	9,480
- Options written	- 沽出期權	995,397	0
		9,074,814	118,929
b) Equity options	(b) 股本期權		
- Options purchased	- 購入期權	168,214	1,987
- Options written	- 沽出期權	168,214	0
		336,428	1,987
c) Interest rate derivatives	(c) 利率衍生工具		
- Interest rate swaps	- 利率掉期合約	7,450,497	163,417
- Interest rate options purchased	- 購入利率期權	200,000	685
- Interest rate options written	- 沽出利率期權	200,000	0
		7,850,497	164,102
Total recognised derivative assets/ (liabilities) held for trading	持作交易用途之已確認 總衍生資產/(負債)	285,018	297,455

15. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

衍生金融工具 (續)

In accordance with HKAS 39, the Group recognises the aggregate fair values of derivative financial instruments on its balance sheet as of 30 June 2005. The aggregate fair values of favourable derivative financial instruments are recognised as derivative financial assets whereas the aggregate fair values of unfavourable derivative financial instruments are recognised as derivative financial liabilities. The derivative financial instruments can become favourable assets or liabilities as a result of fluctuations in market rates relative to their terms. Changes in the fair value of these derivatives are recognised in the income statement.

All derivative financial instruments previously entered into by the Group for hedging purpose did not qualify for hedge accounting following the adoption of HKAS 39 and were stated at fair value on 1 January 2005. This change was adopted by way of an adjustment to increase the opening balance of the retained earnings as at 1 January 2005 of HK\$348,000, as explained in note 3(i)(h). Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39. The Group's off balance sheet exposures to derivatives as of 31 December 2004 are set out in note 27.

根據香港會計準則第39號，於二零零五年六月三十日，本集團於其資產負債表中確認衍生金融工具之總公平價值。順差衍生金融工具之總公平價值已確認為衍生金融資產；而逆差衍生金融工具之總公平價值已確認為衍生金融負債。取決於其年期之市況波動，衍生金融工具可成為順差金融資產或負債。該等衍生工具公平價值的變動已於收益表中確認。

隨著採納香港會計準則第39號，於二零零五年一月一日，本集團持有之所有衍生金融工具不符合對沖會計方法的要求，已按公平價值入賬。該變動之採納乃通過增加保留溢利期初結餘於二零零五年一月一日為348,000港元，如附註3(i)(h)所解釋。由於香港會計準則第39號過渡性安排禁止，故並未重列比較數字。本集團截至二零零四年十二月三十一日止資產負債表外項目之衍生工具已載列於附註27。

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16. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

客戶貸款減減值撥備

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Advances to customers	客戶貸款	19,863,691	18,218,573
Allowances/reserves for impaired loans	減值貸款之撥備/ 儲備		
– Collective impairment allowance/general provision	– 綜合減值撥備/ 一般撥備	(110,650)	(145,816)
– Individual impairment allowance/specific provision	– 個別減值撥備/ 特別撥備	(75,357)	(70,458)
		19,677,684	18,002,229

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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Repayable on demand	即時還款	791,917	626,018
3 months or less but not repayable on demand	三個月或以下惟無需 即時還款	2,747,591	2,356,241
1 year or less but over 3 months	一年或以下惟三個月 以上	2,610,428	2,269,977
5 years or less but over 1 year	五年或以下惟一年 以上	6,502,346	6,144,293
Over 5 years	超過五年	7,023,263	6,554,202
Undated	無註明日期	188,146	267,842
		19,863,691	18,218,573

**16. ADVANCES TO CUSTOMERS LESS
IMPAIRMENT ALLOWANCES** (continued)

客戶貸款減減值撥備 (續)

The impaired loans, together with the aggregate amount of individual impairment allowance and amount of collateral held in respect of such advances are as follows:

減值貸款連同就該等貸款已撥出之個別減值撥備及銀行所持有之抵押品價值如下：

		As at 30 June 2005 二零零五年 六月三十日		As at 31 December 2004 二零零四年 十二月三十一日	
		HK\$'000 千港元	% 百分比	HK\$'000 千港元	% 百分比
Impaired loans ⁱ	減值貸款 ⁱⁱ				
– Rescheduled	– 重定還款期	17,458	0.09	65,281	0.36
– Others	– 其他	161,564	0.81	192,537	1.06
		179,022	0.90	257,818	1.42
Amount of individual impairment allowances held against impaired loans	就減值貸款撥出之個別減值撥備	75,357		70,458	
Amount of collateral held in respect of impaired loans ⁱ	就減值貸款持有之抵押品價值 ⁱⁱ	112,159		180,851	
		187,516		251,309	

- i. As a percentage of gross advances to customers.
ii. Including expected recoveries of HK\$11.50 million (2004: HK\$8.83 million) from companies in liquidation.

- i. 為客戶貸款總額之百分比。
ii. 包括預期可從清盤公司收回之11,500,000港元(二零零四年: 8,830,000港元)。

17. ACCRUED INTEREST AND OTHER ACCOUNTS, AND OTHER ACCOUNTS AND LIABILITIES

應計利息及其他賬目，及其他賬目及負債

(a) Current tax payable included in “Other accounts and liabilities” in the consolidated balance sheet represents:

(a) 於綜合資產負債表中列入「其他賬目及負債」之應付即期稅項如下：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the period	本期之香港利得稅準備	17,589	39,902
Provisional Hong Kong Profits Tax paid	已暫繳香港利得稅	0	(17,495)
		17,589	22,407
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	21,428	2,307
Provision for Hong Kong Profits Tax	香港利得稅準備	39,017	24,714

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

應繳稅項金額預計於一年內清算。

17. ACCRUED INTEREST AND OTHER ACCOUNTS, AND OTHER ACCOUNTS AND LIABILITIES (continued)

應計利息及其他賬目，及其他賬目及負債 (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 consolidated balance sheet. The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the period are as follows:

(b) 已確認遞延稅項資產及負債

遞延稅項資產及負債分別列入綜合資產負債表中之「應計利息及其他賬目」與「其他賬目及負債」。於綜合資產負債表中確認之遞延稅項資產/(負債)之組成部份及本期內變動如下：

		Depreciation allowances in excess of related depreciation	Defined benefit assets	General provision/Collective impairment allowance	Specific provision/Individual impairment allowance	Cash rebate adjustment	Revaluation of available-for-sale securities	Revaluation of premises	Other	Total	
		有關折讓的折舊免稅額	定額福利計劃資產	撥備/綜合減值撥備	特別撥備/個別減值撥備	現金回贈之調整	Tax losses 稅項虧損	可供出售證券重估	物業重估	其他	
		HK\$'000	HK\$'000	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	千港元	千港元	
At 1 January 2004		(11,938)	(2,899)	22,093	0	0	1,949	(580)	(7,677)	0	948
(Charged)/credited to consolidated income statement	於二零零四年一月一日綜合收益表之(支出)/進賬	767	0	3,447	0	0	(1,949)	0	130	0	2,395
Credited to reserves (Note 24)	儲備進賬(附註24)	0	0	0	0	0	0	1,504	394	0	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	0	0	924	(7,153)	0	5,241
Deferred tax adjustments due to change in accounting policy charged to equity	遞延稅項調整因應會計政策調整而列作股本支出	0	0	(6,976)	2,002	(6,059)	0	0	0	543	(10,490)
At 1 January 2005 (restated)	於二零零五年一月一日(重列)	(11,171)	(2,899)	18,564	2,002	(6,059)	0	924	(7,153)	543	(5,249)
At 1 January 2005 (Charged)/credited to consolidated income statement	於二零零五年一月一日綜合收益表之(支出)/進賬	(428)	0	801	(2,002)	780	0	0	60	(731)	(1,520)
Credited to reserves (Note 24)	儲備進賬(附註24)	0	0	0	0	0	0	15,520	0	0	15,520
At 30 June 2005	於二零零五年六月三十日	(11,599)	(2,899)	19,365	0	(5,279)	0	16,444	(7,093)	(188)	8,751

17. ACCRUED INTEREST AND OTHER ACCOUNTS, AND OTHER ACCOUNTS AND LIABILITIES (continued)

應計利息及其他賬目，及其他賬目及負債 (續)

(b) Deferred tax assets and liabilities recognised
(continued)

(b) 已確認之遞延稅項資產及負債 (續)

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Net deferred tax asset recognised on the consolidated balance sheet	於綜合資產負債表內確認之遞延稅項資產淨額	8,772	5,276
Net deferred tax liability recognised on the consolidated balance sheet	於綜合資產負債表內確認之遞延稅項負債淨額	(21)	(35)
		8,751	5,241

(c) Deferred tax assets and liabilities not recognised

(c) 未確認之遞延稅項資產及負債

The Group has no material unrecognised deferred tax asset or liability as at 30 June 2005 (2004:HK\$ Nil).

本集團於二零零五年六月三十日未有重大未確認之遞延稅項資產及負債(二零零四年：零港元)。

(d) Included in accrued interest and other accounts are trade bills net of allowances of HK\$36,838,000 (2004:HK\$24,064,000).

(d) 應計利息及其他賬目中包括已扣除撥備之商業票據36,838,000港元(二零零四年：24,064,000港元)。

18. AVAILABLE-FOR-SALE SECURITIES

可供出售證券

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Available-for-sale securities	可供出售證券		
Debt securities – at fair value:	債務證券 – 按公平價值		
– Listed in Hong Kong	– 於香港上市	1,533,889	1,652,927
– Listed outside Hong Kong	– 於香港以外上市	1,695,486	1,706,869
– Unlisted	– 非上市	2,677,390	2,180,354
		5,906,765	5,540,150
Equity shares – at fair value	股票 – 按公平價值		
– Listed in Hong Kong	– 於香港上市	161	61,477
– Unlisted	– 非上市	16,267	24,043
		16,428	85,520
Total available-for-sale securities	可供出售證券總值	5,923,193	5,625,670

The available-for-sale securities are issued by:

可供出售證券由以下機構發行：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Central governments and central banks	中央政府及中央銀行	2,787,025	2,894,248
Public sector entities	公營機構	173,021	966,704
Banks and other financial institutions	銀行及其他金融機構	1,552,947	933,780
Corporate entities	企業	1,410,200	830,938
		5,923,193	5,625,670

18. AVAILABLE-FOR-SALE SECURITIES (continued)

可供出售證券 (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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 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	136,177	172,732
1 year or less but over 3 months	一年或以下惟三個月 以上	2,352,046	466,666
5 years or less but over 1 year*	五年或以下惟一年 以上*	2,205,960	4,269,342
Over 5 years	超過五年	1,178,096	596,914
Undated	無註明日期	34,486	34,496
		5,906,765	5,540,150

* Included in the debt security portfolio maturing 5 years or less but over 1 year are Hong Kong Government Exchange Fund Notes totalling HK\$1,483,950,000 (2004: HK\$1,507,950,000), 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1,483,950,000港元(二零零四年: 1,507,950,000港元)，該債券可讓銀行透過由金管局運作之貼現窗，借取隔夜港元資金。

19. INVESTMENT IN ASSOCIATED COMPANY

聯營公司投資

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 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	8,883	8,864
Less: Impairment loss on unlisted shares	減：非上市股份之減值 虧損	(5,761)	(5,761)
Provision for advances to an associated company	向一間聯營公司 貸款之撥備	(2,221)	(2,216)
		6,662	6,648

The Bank owns 40% (2004: 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 Bank has not equity accounted for the investment 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% (二零零四年：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，故本銀行並無於賬目中按權益計算其於該聯營公司之投資。

20. FIXED ASSETS

固定資產

		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
Cost or valuation	成本值或估值			
At 1 January 2005	於二零零五年一月一日	1,168,853	390,627	1,559,480
Additions	添置	0	29,074	29,074
Disposals	出售	0	(11,294)	(11,294)
At 30 June 2005	於二零零五年六月三十日	1,168,853	408,407	1,577,260
Accumulated depreciation	累計折舊			
At 1 January 2005	於二零零五年一月一日	104,981	249,789	354,770
Charge for the period	期內折舊	6,599	25,179	31,778
Released on disposal	出售之抵免	0	(11,069)	(11,069)
At 30 June 2005	於二零零五年六月三十日	111,580	263,899	375,479
Net book value	賬面淨值			
At 30 June 2005	於二零零五年六月三十日	1,057,273	144,508	1,201,781
At 31 December 2004	於二零零四年 十二月三十一日	1,063,872	140,838	1,204,710

21. 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：

		As at	As at
		30 June 2005	31 December 2004
		二零零五年	二零零四年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Repayable on demand	即時還款	122,767	177,933
3 months or less but not repayable on demand	三個月或以下惟無需即時還款	3,039,996	3,921,052
		3,162,763	4,098,985

22. DEPOSITS FROM CUSTOMERS

客戶存款

		As at	As at
		30 June 2005	31 December 2004
		二零零五年	二零零四年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Demand deposits and current accounts	活期及往來存款	4,473,417	9,441,922
Savings deposits	儲蓄存款	659,928	840,874
Call deposits	通知存款	1,438,866	1,639,572
Time deposits	定期存款	25,880,189	18,163,362
		32,452,400	30,085,730

22. 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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Repayable on demand	即時還款	6,572,211	11,922,368
3 months or less but not repayable on demand	三個月或以下惟 無需即時還款	24,284,322	17,101,166
1 year or less but over 3 months	一年或以下惟 三個月以上	611,069	500,806
5 years or less but over 1 year	五年或以下惟 一年以上	813,813	561,390
Over 5 years	五年以上	170,985	0
		32,452,400	30,085,730

23. 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：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 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	1,459,807	456,562
1 year or less but over 3 months	一年或以下惟 三個月以上	499,750	1,511,350
5 years or less but over 1 year	五年或以下惟 一年以上	1,000,000	400,000
		2,959,557	2,367,912

24. RESERVES

儲備

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Regulatory reserve 法定儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Retained earnings 保留溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2004	於二零零四年一月一日	372,000	0	2,739	1,487,494	1,862,233
Profit after tax for the year	年內除稅後溢利	0	0	0	300,388	300,388
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	0	(1,333)	0	(1,333)
Net change in fair value of non-trading securities	非持作買賣用途證券 淨公平價值變動	0	0	(7,260)	0	(7,260)
Deferred taxation (Note 17(b))	遞延稅項(附註17(b))	0	0	1,504	394	1,898
Dividend approved in respect of the previous financial year	已通過之上一財政年度 股息	0	0	0	(304,762)	(304,762)
Interim dividend paid	已派付中期股息	0	0	0	(70,330)	(70,330)
At 31 December 2004	於二零零四年 十二月三十一日	372,000	0	(4,350)	1,413,184	1,780,834
At 1 January 2005	於二零零五年一月一日					
As previously reported	承前報告	372,000	0	(4,350)	1,413,184	1,780,834
Adjustment arising from changes in accounting policies	因會計政策變動 之調整	0	0	0	49,462	49,462
As restated	重列	372,000	0	(4,350)	1,462,646	1,830,296
Profit after tax for the period	期內除稅後溢利	0	0	0	113,822	113,822
Realisation of revaluation surplus of available-for-sale securities	可供出售證券之 重估盈餘變現	0	0	(8,523)	0	(8,523)
Net change in fair value of available-for-sale securities	可供出售證券 淨公平價值變動	0	0	(79,926)	0	(79,926)
Deferred taxation (Note 17(b))	遞延稅項(附註17(b))	0	0	15,520	0	15,520
Final dividend paid	已派付末期股息	0	0	0	(128,938)	(128,938)
Establishment of regulatory reserve	設立法定儲備	0	99,341	0	(99,341)	0
At 30 June 2005	於二零零五年六月三十日	372,000	99,341	(77,279)	1,348,189	1,742,251

24. 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) Subsequent to the balance sheet date, the directors proposed an interim dividend of 6 Hong Kong cents per share (2004: 6 Hong Kong cents per share) amounting to HK\$70,329,600 (2004: HK\$70,329,600). This dividend has not been recognised as a liability at the balance sheet date.
- (c) An appropriation of an amount of retained earnings of HK\$99,341,000 has been made as a regulatory reserve for general banking risks, including future losses or other unforeseeable risks, in addition to impairment losses recognised under HKAS 39 on loans.

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) 於結算日後，董事建議派付中期股息每股六港仙，合共70,329,600港元（二零零四年：六港仙，合共70,329,600港元）。該等股息並未於結算日確認為負債。
- (c) 於保留溢利中已保留一項法定儲備，其金額為99,341,000港元，作為一般銀行風險（包括未來虧損及其他不可預見風險）所成立之儲備，此儲備為根據香港會計準則第39號於減值貸款所確認之減值撥備以外之另一儲備。

25. MATERIAL RELATED PARTIES TRANSACTIONS

During the period, the Group entered into a number of transactions with its ultimate holding company and related parties, including Taipei Fubon Commercial Bank. 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.

重大關連各方交易

本期內本集團分別與其最終控股公司及關連各方，包括台北富邦商業銀行進行交易。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場釐訂價格，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。

**25. 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 period and balances outstanding as at the balance sheet date is set out below:

有關期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：

		Six months ended	
		30 June 2005	30 June 2004
		截至	截至
		二零零五年	二零零四年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
(a) Income/expenses	(a) 收入／支出		
Interest income	利息收入	1,789	229
Interest expense	利息支出	21,951	14,830
		As at	As at
		30 June 2005	31 December 2004
		二零零五年	二零零四年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
(b) Assets	(b) 資產		
<i>Other related parties</i>	<i>其他關連各方</i>		
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款	62,176	7,000
Accrued interest and other accounts	應計利息及其他賬目	223	3
Due from other related parties	應收其他關連各方款項	62,399	7,003
Total receivables	應收賬項總額	62,399	7,003

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未經審核中期財務報告附註

25. MATERIAL RELATED PARTIES TRANSACTIONS (continued)

重大關連各方交易 (續)

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
(c) Liabilities	(c) 負債		
<i>Ultimate holding company</i>	<i>最終控股公司</i>		
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	3,665	3,620
<i>Other related parties</i>	<i>其他關連各方</i>		
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	2,356,182	3,887,300
Other accounts and provisions	其他賬目及撥備	1,504	5,977
Due to other related parties	應欠其他關連各方款項	2,357,686	3,893,277
Total payables	應付賬款總額	2,361,351	3,896,897

26. OUTSTANDING COMMITMENTS

未付承擔

- (a) Capital commitments outstanding at 30 June 2005 not provided for in the unaudited interim financial report are as follows:
- (a) 於二零零五年六月三十日未於未經審核中期財務報告內提撥之未兌現資本承擔如下：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Contracted for	已訂合約	50,410	60,285

26. OUTSTANDING COMMITMENTS (continued)

未付承擔 (續)

(b) The total future minimum lease payments under non-cancellable operating leases are payable as follows:

(b) 不可取消營運租賃下之未來最低應付租賃總額如下：

	As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
- Within one year	21,237	18,017
- Between one and five years	14,594	15,427
- Over five years	567	567
	36,398	34,011

27. 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:

(a) 或然負債及承擔

以下為每項重大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：

		As at 30 June 2005 二零零五年六月三十日		As at 31 December 2004 二零零四年十二月三十一日	
		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	直接信貸替代項目	431,693	431,693	462,247	462,247
Transaction-related contingencies	與交易有關之或然項目	9,087	4,544	10,381	5,191
Trade-related contingencies	與貿易有關之或然項目	332,940	66,588	252,940	50,588
Undrawn loan facilities	未提取之備用貸款				
– with an original maturity of under 1 year or which are unconditionally cancellable	– 原訂到期限少於一年或可無條件地取消	8,152,378	0	6,129,359	0
– with an original maturity of 1 year or over	– 原訂到期限為一年或以上	576,153	288,077	417,733	208,867
Forward forward deposits placed	遠期預約放款	561,989	112,398	307,519	61,504
		10,064,240	903,300	7,580,179	788,397

27. OFF-BALANCE SHEET EXPOSURES

(continued)

(b) Derivatives

In accordance with HKAS 39, the aggregate fair value of favourable and unfavourable derivative financial instruments have been recognised as derivative financial assets and liabilities respectively, as disclosed in note 15. The following is a summary of the contractual amounts, credit risk-weighted amounts and replacement costs of these derivative financial instruments outstanding as of 30 June 2005:

資產負債表外項目 (續)

(b) 衍生工具

根據香港會計準則第39號，公平價值為正數及負數之衍生金融工具已分別確認為衍生金融資產及負債，並於附註15中披露。以下為於二零零五年六月三十日尚未平倉之此等衍生金融工具類別之合約金額、信貸風險加權金額及重置成本之摘要：

		As at 30 June 2005 二零零五年六月三十日		
		Contractual amounts	Credit risk weighted amounts	Replacement costs
		合約金額	信貸風險加權金額	重置成本
		HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元
Trading	交易			
Exchange rate contracts	匯率合約			
- Forward exchange contracts	- 遠期匯率合約	2,280,441	8,469	76,743
- Swaps	- 掉期合約	4,803,024	17,600	32,706
- Options purchased	- 購入期權	995,952	4,766	9,480
- Options written	- 沽出期權	995,397	N/A	N/A
			不適用	不適用
		9,074,814	30,835	118,929
Equity option contracts	股本期權合約			
- Options purchased	- 購入期權	168,214	325	1,987
- Options written	- 沽出期權	168,214	N/A	N/A
			不適用	不適用
		336,428	325	1,987
Interest rate contracts	利率合約			
- Interest rate swaps	- 掉期利率合約	5,170,026	26,418	96,030
- Interest rate options purchased	- 購入利率期權	200,000	0	685
- Interest rate options written	- 沽出利率期權	200,000	N/A	N/A
			不適用	不適用
		5,570,026	26,418	96,715
		14,981,268	57,578	217,631

27. OFF-BALANCE SHEET EXPOSURES

(continued)

(b) Derivatives (continued)

The following is a summary of the contractual amounts, credit risk-weighted amounts and replacement costs of each significant type of derivative financial instruments outstanding as of 31 December 2004. Prior to the adoption of HKAS 39, these derivative financial instruments were accounted for as off balance sheet items and no derivative financial assets nor liabilities were recognised as at 31 December 2004 in respect of these derivative financial instruments.

資產負債表外項目 (續)

(b) 衍生工具 (續)

以下為於二零零四年十二月三十一日之每項重大尚未平倉衍生金融工具的合約金額、信貸風險加權金額及重置成本之摘要。當未採納香港會計準則第39號前，此等衍生金融工具列作資產負債表外項目，此等衍生金融工具並無於二零零四年十二月三十一日列作衍生金融資產或負債。

As at 31 December 2004
二零零四年十二月三十一日

		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
Trading	交易			
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	N/A 不適用	N/A 不適用
		2,927,569	3,776	112,129
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	N/A 不適用	N/A 不適用
		629,606	400	1,481
		3,557,175	4,176	113,610
Hedging	對沖			
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
		6,055,833	32,995	118,246

27. 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 disclosed in this note indicate the volume of transactions outstanding as at 31 December 2004 and 30 June 2005; 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 were maintained by the Group as at 31 December 2004 and 30 June 2005. In 2004, the hedging contracts were used to hedge the Group's own exposure to market risks as part of its asset and liability management. As a result of the adoption of HKAS 39, these contracts do not meet the criteria for hedge accounting and have to be re-designated as trading derivatives. Fair values of favourable and unfavourable derivative financial instruments are recognised as derivative financial assets and liabilities respectively and the corresponding changes in fair values have been recognised in the income statement since 1 January 2005.

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。本附註披露之該等工具合約金額顯示出於二零零四年十二月三十一日及二零零五年六月三十日之未付交易量，惟並不代表風險之金額。

買賣交易包括為客戶執行買賣指示之倉盤及用以對沖該等倉盤之交易。截至二零零四年十二月三十一日及二零零五年六月三十日，本集團並無維持重大自營盤頭寸。於二零零四年內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。由於採納香港會計準則第39號，該等合約未能符合對沖會計處理方法之相關條件，須再定為持作交易用途之衍生工具。公平價值為正數及負數之衍生金融工具分別確認為衍生金融資產及負債，其相關之公平價值變動已自二零零五年一月一日起於收益表中確認。

27. OFF-BALANCE SHEET EXPOSURES

(continued)

(b) Derivatives (continued)

The replacement costs and credit risk-weighted amounts of the off-balance sheet exposures disclosed in parts (a) and (b) of this note 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.

28. COMPARATIVE FIGURES

- (a) In order to comply with the terminology of HKAS 39, the term "non-trading" securities used in the balance sheet as of 31 December 2004 has been replaced by "available-for-sale" securities.
- (b) In order to conform with the current period presentation, net fees income of HK\$1,998,000 included in other income of HK\$6,145,000 for the period ended 30 June 2004 disclosed in note 5 has been reclassified as fees and commission income. In addition, various expenses incurred for an unlisted investment of HK\$2,954,000 included in other income has been reclassified to offset against the related income in note 5.

資產負債表外項目 (續)

(b) 衍生工具 (續)

於本附註第(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金管局指引。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%。

比較數字

- (a) 為遵從香港會計準則第39號所採用之名稱，於二零零四年十二月三十一日之資產負債表中使用之非持作買賣用途證券一詞改作可供出售證券。
- (b) 為符合本期間之呈列方式，包括於附註5所披露截至二零零四年六月三十日止期間6,145,000港元之其他收入中的費用收入淨額1,998,000港元，已再重新分類為費用及佣金收入。此外，包括於其他收入中的非上市投資所引致之各種開支2,954,000港元，已再重新分類以抵銷附註5之相關收入。

(A) CAPITAL ADEQUACY AND LIQUIDITY RATIOS

資本充足及流動資金比率

		2005 二零零五年 %	2004 二零零四年 %
		百分率	百分率
Unadjusted capital adequacy ratio at period/year end	於期末／年底未經調整資本充足比率	15.71	18.46
Adjusted capital adequacy ratio incorporating market risk	經調整資本充足比率（包括市場風險）	15.42	18.22
Average liquidity ratio for June	六月份平均流動資金比率	44.60	70.85
Average liquidity ratio for the six months ended 30 June	截至六月三十日止六個月平均流動資金比率	45.92	71.40

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

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

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

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(B) The components of the total capital base after deductions as reported under Part I of the banking return “Capital Adequacy Return” (MA(BS)3) calculated in accordance with the Third Schedule of the Hong Kong Banking Ordinance, are as follows:

在「資本充足比率申報表」(MA(BS)3)第I部中申報的資本基礎總額在扣減後的組成部份，根據《香港銀行業條例》附表三的規定計算，如下：

		As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	1,172,160	1,172,160
Reserves (including retained earnings)	儲備(包括保留溢利)	1,552,503	1,670,086
Share premium	股份溢價	749,778	749,778
Eligible supplementary capital	可計算的附加資本		
Reserves on revaluation of land and interests in land	土地及土地權益價值重估儲備	36,868	36,868
Reserves on revaluation of holdings of securities not held for trading purposes	非持作買賣用途證券價值重估儲備	(77,279)	(4,350)
Collective impairment allowance for impaired loans	減值貸款之綜合減值撥備	110,650	145,919
Regulatory reserve	法定儲備	99,341	0
Total capital base before deductions	扣減前的資本基礎總額	3,644,021	3,770,461
Deductions from total capital base	資本基礎總額的扣減項目	(67,934)	(67,930)
Total capital base after deductions	扣減後的資本基礎總額	3,576,087	3,702,531

(C) ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS

客戶貸款 – 按行業分類

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

有關按行業分類客戶貸款之資料乃依據呈交金管局之「貸款、墊款及準備金分析季報表」(MA(BS)2A)及「認可機構資產負債表」(MA(BS)1)所載的貸款類別列入各行業類別。

	As at 30 June 2005 二零零五年 六月三十日 HK\$'000 千港元	As at 31 December 2004 二零零四年 十二月三十一日 HK\$'000 千港元
Loans for use in Hong Kong		
Industrial, commercial and financial		
– Property development	105,825	113,061
– Property investment	3,332,209	3,322,410
– Financial concerns	228,789	201,525
– Stockbrokers	121,154	59,730
– Wholesale and retail trade	112,123	107,505
– Manufacturing	3,524,737	2,227,544
– Transport and transport equipment	638,537	502,927
– Others	1,988,929	1,952,865
Individuals		
– Loans for the purchase of flats in the Home Ownership Scheme and Private Sector Participation Scheme	1,490	17,974
– Loans for the purchase of other residential properties	7,877,715	7,729,150
– Credit card advances	450,041	484,604
– Others	507,799	610,544
	18,889,348	17,329,839
Trade finance	447,538	360,372
Loans for use outside Hong Kong	526,805	528,362
	19,863,691	18,218,573

(D) OVERDUE ADVANCES TO CUSTOMERS

逾期客戶貸款

		As at 30 June 2005 二零零五年 六月三十日		As at 31 December 2004 二零零四年 十二月三十一日	
		HK\$'000 千港元	% of gross advances 估貸款 總額之 百分比	HK\$'000 千港元	% of gross advances 估貸款 總額之 百分比
Overdue advances to customers	逾期客戶貸款				
6 months or less but over 3 months	六個月或以下 惟三個月以上	22,337	0.11	37,959	0.21
1 year or less but over 6 months	一年或以下惟六個月以上	14,994	0.08	20,132	0.11
Over 1 year	超過一年	102,769	0.52	108,909	0.60
		140,100	0.71	167,000	0.92
Amount of collateral held in respect of overdue advances ¹	就逾期貸款持有之 抵押品價值 ¹	85,148		108,765	
Secured overdue advances	有抵押逾期貸款	82,017		103,356	
Unsecured overdue advances	無抵押逾期貸款	58,083		63,644	
		140,100		167,000	
Amount of individual impairment allowances made against overdue advances	就逾期貸款所作出之 個別減值撥備數額	70,228		60,724	

¹ Including expected recoveries of HK\$11.5 million (2004: HK\$8.83 million) from companies in liquidation.

¹ 包括預期可從清盤中公司收回之 11,500,000 港元 (二零零四年: 8,830,000 港元)。

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

		As at 30 June 2005 二零零五年 六月三十日		As at 31 December 2004 二零零四年 十二月三十一日	
		% of gross advances 佔貸款 總額之 百分比		% of gross advances 佔貸款 總額之 百分比	
		HK\$'000 千港元		HK\$'000 千港元	
Rescheduled advances to customers¹	重定還款期之客戶貸款¹	117,199	0.59	160,172	0.88
Amount of collateral held in respect of rescheduled advances	就重定還款期貸款持有之抵押品價值	110,755		148,794	
Secured rescheduled advances	有抵押重定還款期貸款	104,116		135,181	
Unsecured rescheduled advances	無抵押重定還款期貸款	13,083		24,991	
		117,199		160,172	
Amount of individual impairment allowances made against rescheduled advances	就重定還款期貸款作出之個別減值撥備數額	2,676		6,808	

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

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

(F) ANALYSIS OF OVERDUE ASSETS

逾期資產之分析

		Loans 貸款	Accrued interest 應計利息	Total overdue assets 逾期資產 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 30 June 2005	於二零零五年六月三十日			
Overdue for	逾期			
6 months or less but over 3 months	六個月或以下 惟三個月以上	22,337	0	22,337
1 year or less but over 6 months	一年或以下惟 六個月以上	14,994	0	14,994
Over 1 year	超過一年	102,769	0	102,769
		140,100	0	140,100

		Loans 貸款	Accrued interest 應計利息	Total overdue assets 逾期資產 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
As at 31 December 2004	於二零零四年十二月三十一日			
Overdue for	逾期			
6 months or less but over 3 months	六個月或以下 惟三個月以上	37,959	0	37,959
1 year or less but over 6 months	一年或以下惟 六個月以上	20,132	0	20,132
Over 1 year	超過一年	108,909	0	108,909
		167,000	0	167,000

(G) REPOSSESSED ASSETS AND ASSETS
ACQUIRED UNDER LENDING AGREEMENTS

收回資產及根據貸款協議所得
資產

The total repossessed assets and assets acquired under lending agreements of the Group as at 30 June 2005 amounted to HK\$125,510,000 (2004: HK\$186,740,000).

於二零零五年六月三十日止本集團之收回資產及根據貸款協議所得資產總額為125,510,000港元(二零零四年: 186,740,000港元)。

(H) CROSS-BORDER CLAIMS

跨境債權

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

跨境債權資料披露於外資金融機構(最終風險所在)之風險並根據經計及任何轉移風險後該等機構所在地而得出。一般而言，倘該等債權由該機構所屬國家以外之其他國家之任何人士作出擔保或倘該等債權乃由一家總辦事處位於另一國家之海外分行持有，便會實行轉移風險。

As at 30 June 2005 Figures in HK\$Million	於二零零五年 六月三十日 百萬港元	Banks and other financial institutions 銀行及 其他金融機構	Public sector entities 公營機構	Others 其他	Total 總額
Asia Pacific excluding Hong Kong	亞洲太平洋地區(不包括香港)				
- Australia	- 澳洲	1,015	0	3	1,018
- Singapore	- 新加坡	389	0	75	464
- Japan	- 日本	772	0	0	772
- Others	- 其他	78	5	158	241
North America	北美洲				
- Canada	- 加拿大	1,372	0	0	1,372
- United States	- 美國	573	1,172	60	1,805
Caribbean	加勒比				
- Cayman Islands	- 開曼群島	0	0	490	490
- Others	- 其他	0	0	519	519
Western Europe	西歐				
- Austria	- 奧地利	208	0	0	208
- Belgium	- 比利時	571	0	0	571
- France	- 法國	1,855	0	0	1,855
- Germany	- 德國	2,812	0	0	2,812
- Ireland	- 愛爾蘭	0	0	392	392
- Italy	- 意大利	1,198	156	0	1,354
- Jersey	- 澤西島	0	0	194	194
- Luxembourg	- 盧森堡	140	0	0	140
- Netherlands	- 荷蘭	1,570	0	0	1,570
- Sweden	- 瑞典	855	0	0	855
- Switzerland	- 瑞士	204	0	0	204
- United Kingdom	- 英國	1,184	0	0	1,184
- Others	- 其他	1	0	2	3
		14,797	1,333	1,893	18,023

(H) CROSS-BORDER CLAIMS (continued)

跨境債權 (續)

As at 31 December 2004 Figures in HK\$ Million	於二零零四年 十二月三十一日 百萬港元	Banks and other financial institutions 銀行及 其他金融機構	Public sector entities 公營機構	Others 其他	Total 總額
Asia Pacific excluding Hong Kong	亞洲太平洋地區(不包括香港)				
- Australia	- 澳洲	297	0	332	629
- Singapore	- 新加坡	2,314	0	53	2,367
- Others	- 其他	647	4	381	1,032
North America	北美洲				
- Canada	- 加拿大	7	0	5	12
- United States	- 美國	430	1,172	53	1,655
Caribbean	加勒比				
- Cayman Islands	- 開曼群島	0	0	428	428
- Others	- 其他	0	0	131	131
Western Europe	西歐				
- Belgium	- 比利時	127	0	0	127
- France	- 法國	261	0	0	261
- Germany	- 德國	320	0	0	320
- Italy	- 意大利	97	156	0	253
- Luxembourg	- 盧森堡	18	0	19	37
- Switzerland	- 瑞士	527	0	0	527
- United Kingdom	- 英國	1,967	0	1	1,968
- Others	- 其他	1	0	5	6
		7,013	1,332	1,408	9,753

(I) FOREIGN EXCHANGE EXPOSURES

外匯風險

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

有關外幣之倉盤淨額或結構性倉盤淨額之披露如下：

		As at 30 June 2005 於二零零五年六月三十日					
		New					
		US		Zealand	Australian	Others	Total
		Dollars	Euros	Dollars	Dollars		
		美元	歐元	紐元	澳元	其他	總額
Equivalent in HK\$ Million	百萬港元等值						
Spot assets	現貨資產	12,211	404	748	1,290	1,824	16,477
Spot liabilities	現貨負債	(12,413)	(279)	(679)	(1,205)	(1,515)	(16,091)
Forward purchases	遠期買入	3,833	611	20	167	556	5,187
Forward sales	遠期賣出	(3,616)	(748)	(89)	(242)	(854)	(5,549)
Net option position	期權盤淨額	0	0	0	0	0	0
Net long/(short) position	長/(短)盤淨額	15	(12)	0	10	11	24
		New					
		US		Zealand	Australian	Others	Total
		Dollars	Euros	Dollars	Dollars		
		美元	歐元	紐元	澳元	其他	總額
Net structural position	結構性倉盤淨額	31	0	0	0	7	38
		As at 31 December 2004 於二零零四年十二月三十一日					
		New					
		US		Zealand	Australian	Others	Total
		Dollars	Euros	Dollars	Dollars		
		美元	歐元	紐元	澳元	其他	總額
Equivalent in HK\$ Million	百萬港元等值						
Spot assets	現貨資產	10,713	23	367	1,446	1,423	13,972
Spot liabilities	現貨負債	(10,005)	(206)	(352)	(1,416)	(1,055)	(13,034)
Forward purchases	遠期買入	2,078	369	8	381	838	3,674
Forward sales	遠期賣出	(2,781)	(187)	(21)	(393)	(1,206)	(4,588)
Net option position	期權盤淨額	0	0	0	0	0	0
Net long/(short) position	長/(短)盤淨額	5	(1)	2	18	0	24
		New					
		US		Zealand	Australian	Others	Total
		Dollars	Euros	Dollars	Dollars		
		美元	歐元	紐元	澳元	其他	總額
Net structural position	結構性倉盤淨額	0	0	0	0	0	0

(J) INVESTMENTS IN SUBSIDIARIES

附屬公司投資

All principal subsidiaries are directly owned by the Bank. Details of principal subsidiaries at 30 June 2005 are as follows:

全部主要附屬公司均由本銀行直接擁有。於二零零五年六月三十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 持有之 股權百分比	Net profit for the period 期內淨溢利 千元\$'000	Principal activities 主要業務
<i>Incorporated and operating in Hong Kong</i>		<i>於香港註冊成立及經營</i>			
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000港元	100%	HK\$54,870 54,870港元	Deposit-taking and finance 接受存款及財務
Fubon (Hong Kong) Trustee Limited	富邦(香港)信託有限公司	HK\$5,000,000 5,000,000港元	100%	HK\$12 12港元	Trustee services 信託服務
Fubon Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK\$8,000,000 8,000,000港元	100%	HK\$11,906 11,906港元	Securities broking 證券經紀
Fubon Fund Management (Hong Kong) Limited	富邦資金管理(香港)有限公司	HK\$8,000,000 8,000,000港元	100%	HK\$338 338港元	Fund management 資金管理
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK\$200 200港元	100%	HK\$7 7港元	Nominees services 代理人服務
<i>Incorporated and operating in Vanuatu</i>		<i>於瓦魯圖註冊成立及經營</i>			
Fubon Bank Vanuatu Limited	Fubon Bank Vanuatu Limited	US\$4,000,000 4,000,000美元	100%	US\$54 54美元	Finance 財務

All of these controlled subsidiaries have been consolidated into the Group's financial statements. All the subsidiaries are private companies except for Fubon (Hong Kong) Trustee Limited, which is a public company.

以上公司為受控附屬公司，並已歸納入本集團之賬目內。除富邦(香港)信託有限公司為公眾公司外，該等附屬公司均為私人公司。

(K) CORPORATE GOVERNANCE**企業管治**

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

本集團致力實行高水平企業管治，並於期內遵守金管局頒佈的監管政策手冊的其中章節「本地註冊認可機構的企業管治」。

(L) KEY SPECIALISED COMMITTEES**主要專責委員會**

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

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

(i) Executive Credit Committee

On 11 August 2005, the Executive Credit Committee was established comprising the Chairman, Vice Chairman and two executive directors. This committee serves as the Credit Committee of the Board of Directors to review and approve credit proposals within limits assigned by the Board. The Executive Credit Committee replaced previous Executive Committee.

(i) 執行信貸委員會

於二零零五年八月十一日，執行信貸委員會成立，成員包括主席、副主席及兩位執行董事。此委員會作為董事會之信貸委員會，負責審閱及批核董事會指定限額以內的信貸建議。執行信貸委員會已取代前身之執行委員會。

(ii) Management Committee

The Management Committee comprises the Bank's Chief Executive, executive directors, chief financial officer, head of legal and compliance department and senior managers as appointed by the Chief Executive. The Committee is the key decision making body for the Bank and is responsible mainly for formulation of the Bank's business strategies in all major business units. The Committee also coordinates among business units during the implementation process, monitors the implementation of the approved business strategies and reviews the achievement of business targets and objectives.

(ii) 管理委員會

管理委員會由本銀行的行政總裁、執行董事、財務總監、法律及合規部主管及由行政總裁委任的高級管理人員組成。該委員會乃本銀行的重要決策部門，主要負責籌劃本銀行一切主要部門的業務策略。該委員會亦負責於推行業務策略時協調各部門工作、監察落實已批核的策略，以及檢討達致業務目標與目的之表現。

(L) KEY SPECIALISED COMMITTEES

(continued)

主要專責委員會

(續)

(iii) Credit Committee

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

(iv) Asset and Liability Committee

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

(iii) 信貸委員會

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

(iv) 資產及負債委員會

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

(L) KEY SPECIALISED COMMITTEES*(continued)***(iv) Asset and Liability Committee** *(continued)*

these strategies and directives. In addition, the Asset and Liability Committee assesses the risk and profitability of new products proposed by business units and approves new products.

(v) Audit Committee

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

(vi) Remuneration Committee

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

主要專責委員會*(續)***(iv) 資產及負債委員會** *(續)*

會亦評估有關營業部門所提出新產品的風險及盈利能力，並批審有關新產品。

(v) 審核委員會

審核委員會由三名非執行董事組成，其中兩名為獨立人士。該委員會每年最少舉行四次會議，並在認為有需要時加開會議。審核委員會確保充分監察本銀行之財務申報過程。該委員會亦負責審閱內部審核計劃及報告、確保內部及外聘核數師之間之聯絡，以及監控是否遵守內部政策、法定規則及由外聘核數師作出之推薦意見。

(vi) 薪酬委員會

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

(M) MANAGEMENT OF RISKS

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

(i) Credit risk management

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

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

The credit policy which have been approved by the Board delegates credits approval to the following in descending order of authority; the Executive Credit Committee, the Chief Executive Officer and the Credit Committee. Approval takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

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

風險管理

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

(i) 信貸風險管理

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

本集團之信貸政策融合審慎貸款標準。有關政策對信貸條件、董事會指定之信貸審批職權、信貸監管程序、貸款分類系統及撥備政策作出界定，並參考香港銀行條例內之規定及金管局就大額放款限度及撥備規定頒佈之指引。

經董事會審核後之信貸政策授權以下人士由上而下依次審批信貸：執行信貸委員會、行政總裁及信貸委員會。審批信貸時會考慮貸款種類、貸款年期、有關借款申請人之還款能力及有否抵押擔保。

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

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(i) Credit risk management (continued)

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

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

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

(i) 信貸風險管理 (續)

- 獨立審核信貸申請，包括信貸詳情、信貸評級釐定、風險評審及分析以及息差；
- 跨境債權以及銀行及財務機構的風險監控；
- 管理組合內風險，以避免風險過份集中；
- 維持貸款評級制度；及
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及壞賬撥備程度等資料。

本集團同時亦制定政策以確保每項新產品經由產品發展委員會設計及審閱。所有有關之部門必須於產品獲得資產及負債委員會批准前，制定有關工作流程、系統及監控措施。

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

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(i) Credit risk management (continued)

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value, the credit risk for derivatives is the positive replacement cost together with an estimate for the potential future change in its market value. The credit risk exposure on derivatives is disclosed in note 27(b) of the unaudited interim financial report.

(ii) Liquidity management

Liquidity risk is the risk that not enough cash will be generated from either assets or liabilities to meet deposit withdrawals or contractual loan funding. The Group manages the liquidity structure of its assets, liabilities and commitments so as to ensure that all group operations can meet their funding needs and that the statutory liquidity ratio is complied with. As disclosed in note (A) both the Group's consolidated liquidity ratio of 44.60% for June 2005 and the average liquidity ratio of 45.92% for the six months period ended June 2005 were well above the statutory minimum ratio of 25%.

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

(i) 信貸風險管理 (續)

與資產負債表上的金融工具不同，因其信貸風險一般以信貸本金顯示，而衍生工具之信貸風險則指正面之重置成本加上對其日後潛在變動之市值估計。衍生工具信貸風險於本未經審核中期財務表附註27(b)予以披露。

(ii) 流動資金風險管理

流動資金風險是指從資產或負債方面未能提供足夠現金以應付存款提取或合約貸款需要的風險。本集團會緊密監察集團的流動資金，以保證集團資金結構中的資產、負債及合約承諾能達到其融資需求，並能經常符合法定的流動資金比率。在附註(A)中披露，本集團二零零五年六月份綜合流動資金比率為44.60%，截至二零零五年六月止六個月的平均流動資金比率為45.92%，遠高於法定的25%最低要求。

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

(M) MANAGEMENT OF RISKS (continued)**(ii) Liquidity management** (continued)

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

Liquidity ratio is disclosed in note (A).

(iii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's operations prudently, with the aim of diversifying its business activities, including the future expansion of the branch network, increasing the customer base, introducing new financial products and meeting the statutory capital adequacy ratio. As disclosed in note (A), both the Group's adjusted capital adequacy ratio incorporating market risk of 15.42% and the unadjusted ratio of 15.71% as at 30 June 2005 was well above the statutory minimum ratio.

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

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

風險管理 (續)**(ii) 流動資金風險管理 (續)**

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

流動資金比率於附註(A)披露。

(iii) 資本管理

本集團擬維持雄厚的資本來支持本集團審慎地開拓業務，務求使本集團之業務更多元化，其中包括在未來擴大分行網絡、增強客戶基礎，以及提供更多全新金融產品等，及符合法定之資本充足比率。在附註(A)披露，本集團於二零零五年六月三十日之經調整資本充足比率(包括市場風險)為15.42%及未經調整比率則為15.71%，實已高於法定最低要求。

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

資本充足比率及資本基礎組成部分分別於附註(A)及(B)披露。

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(iv) Market risk management

(iv) 市場風險管理

Market risk

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

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

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

市場風險

市場風險指市場息率及價格波動之風險，如本銀行資產、負債及承擔的息率及匯率等，會為本集團帶來溢利或虧損。市場風險產生於以目前市價計值（「按市價計值」）及以經攤銷後之成本餘額訂值的金融工具。

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

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

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(iv) Market risk management (continued)**(iv) 市場風險管理** (續)**Risk management**

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

The Group uses a value-at-risk (“VaR”) measure as a means of controlling the Bank’s market risk. The VaR is an estimate, with a defined confidence level, of the potential loss which might arise due to changes in the value of investment portfolios, if positions were held unchanged for one business day. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level. The Bank estimates the VaR of its investment portfolios with a confidence level of 95% and 99%. In addition, stress testing is performed on the portfolios and on a consolidated basis to assess the potential income statement impact as a result of extreme movements in market prices. The 95% and 99% VaR for the Bank’s investment portfolio, including Hong Kong Exchange Fund bills, at 30 June 2005 were HK\$5,920,180 (2004: HK\$13,445,624) and HK\$8,373,022 (2004: HK\$19,016,398) respectively. The average VaR at 95% and 99% confidence level for the first six months of 2005 were HK\$9,317,122 (2004: HK\$13,289,165) and HK\$13,177,379 (2004: HK\$18,798,114) respectively.

風險管理

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

本集團採取風險值(「風險值」)措施，以控制本銀行市場風險的方法。風險值乃一項對潛在虧損估計數字(其中包括明確的信心水平)。假設持倉量於一個營業日內維持不變，有關潛在虧損可能因投資組合的價值變動而產生。計算方式乃使用方差與協方差模式估計統計數字信心水平。本銀行預期其投資組合的風險值的信心水平為95%及99%。此外，投資組合須接受壓力測試，並以綜合基準評估因市場價格極端變動對收益表的潛在影響。本銀行投資組合(包括香港外匯基金票據)之95%及99%信心水平風險值於二零零五年六月三十日分別為5,920,180港元(二零零四年：13,445,624港元)及8,373,022港元(二零零四年：19,016,398港元)。二零零五年度95%及99%信心水平之平均風險值分別為9,317,122港元(二零零四年：13,289,165港元)及13,177,379港元(二零零四年：18,798,114港元)。

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(iv) Market risk management (continued)

(iv) 市場風險管理 (續)

Market risk exposure

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

The Group's maximum market risk exposures are set by the Asset and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the period was HK\$87,405 (2004: HK\$78,897) and the standard deviation was HK\$128,233 (2004: HK\$86,726). An analysis of the Group's trading revenue is shown below:

市場風險承擔

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

本集團之最高市場風險承擔由資產及負債委員會訂定。並定期監控及向管理層匯報。年度內由財資交易活動中獲得的平均每日收益為87,405港元(二零零四年：78,897港元)，標準偏差為128,233港元(二零零四年：86,726港元)。本集團之交易收益分析如下：

(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

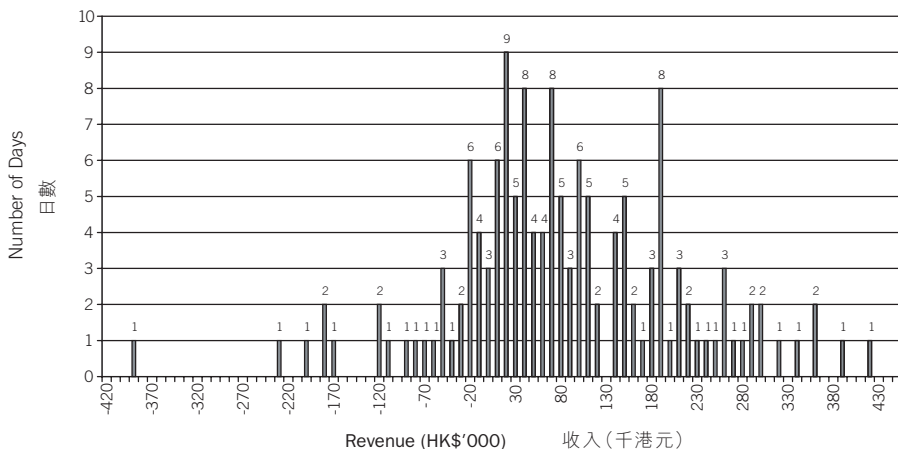
(iv) Market risk management (continued)

(iv) 市場風險管理 (續)

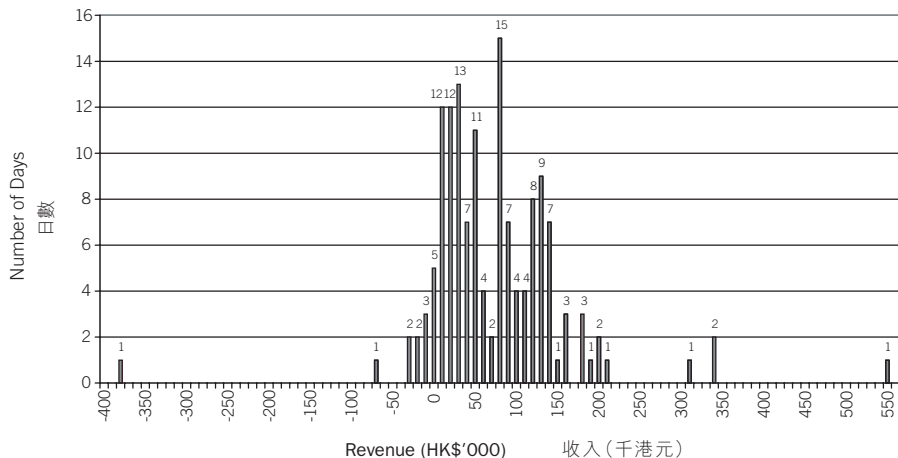
Market risk exposure (continued)

市場風險承擔 (續)

Daily Distribution of Trading Revenue for the Period ended June 2005
截至二零零五年六月底期間每日交易收益分布



Daily Distribution of Trading Revenue for the Period ended June 2004
截至二零零四年六月底期間每日交易收益分布



(M) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(iv) Market risk management (continued)

(iv) 市場風險管理 (續)

Market risk exposure (continued)

市場風險承擔 (續)

This shows a maximum daily loss of HK\$385,948 (2004: HK\$380,114) with 29 days (2004: 9 days) out of 144 days (2004: 144 days) showing losses. The most frequent result was a daily revenue falling between HK\$20,000 to HK\$30,000 (2004: HK\$80,000 to HK\$90,000) with 9 occurrences (2004: 15 occurrences). The highest daily revenue was HK\$428,000 (2004: HK\$552,245).

以上圖表顯示於144天(二零零四年：144天)成交日中，29天(二零零四年：9天)錄得虧損，最高每日虧損385,948港元(二零零四年：380,114港元)。最頻密交易成績為每日收益為20,000港元至30,000港元(二零零四年：80,000港元至90,000港元)，並出現了9次(二零零四年：15次)。最高每日收益為428,000港元(二零零四年：552,245港元)。

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PRINCIPAL SUBSIDIARIES

Fubon Credit (Hong Kong) Limited
Fubon Securities (Hong Kong) Limited
Fubon Bank Vanuatu Limited
Fubon Nominees (Hong Kong) Limited

BRANCHES**Hong Kong**

Central Main Branch
Causeway Bay
Chaiwan
Happy Valley
North Point
Queen's Road East
Sheung Wan
Taikoo Shing
Wanchai

Kowloon

Cheung Sha Wan
Hungom
Jordan Road
Kowloon Main Branch (Mongkok)
Kwun Tong
Mei Foo
Mongkok
Richland Gardens
Tsimshatsui

New Territories

Shatin
Tai Po
Tsuen Wan
Tuen Mun
Yuen Long

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富邦財務(香港)有限公司	2806 7228
富銀證券(香港)有限公司	2842 7942
Fubon Bank Vanuatu Limited	
Fubon Nominees (Hong Kong) Limited	

分行**香港**

中環總行	2842 6222
銅鑼灣	2881 7291
柴灣	2595 0663
跑馬地	2591 1323
北角	2512 8313
皇后大道東	2591 1036
上環	2815 9322
太古城	2885 4577
灣仔	2891 7968

九龍

長沙灣	2387 0338
紅磡	2954 2331
佐敦道	2302 1502
九龍總行(旺角)	2390 2882
觀塘	2344 6991
美孚	2742 9911
旺角	2385 6034
麗晶花園	2796 2575
尖沙咀	2721 6104

新界

沙田	2605 7737
大埔	2667 1517
荃灣	2402 1006
屯門	2440 3039
元朗	2479 0236

AMBASSADOR CENTERS**Hong Kong**

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North Point
Queen's Road East
Sheung Wan
Wanchai

Kowloon

Homantin
Kowloon Main Branch (Mongkok)
Mei Foo
Mongkok
Tsimshatsui

New Territories

Shatin
Tsuen Wan
Tuen Mun
Yuen Long

SECURITIES SERVICES CENTERS

Central
Mei Foo
Yuen Long

AMBASSADOR CENTERS**香港**

中環	2842 6008
銅鑼灣	2881 7294
北角	2802 3888
皇后大道東	2591 1041
上環	2815 9415
灣仔	2574 0022

九龍

何文田	2762 8121
九龍總行(旺角)	2396 5090
美孚	2743 1429
旺角	2770 0170
尖沙咀	2311 3818

新界

沙田	2693 4026
荃灣	2417 4364
屯門	2440 6626
元朗	2479 2055

證券投資服務中心

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美孚	2620 0383
元朗	2869 6389



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