

# NOTES ON THE ACCOUNTS

## 賬項附註

### 1. PRINCIPAL ACTIVITIES 主要業務

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

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

### 2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

#### (a) Statement of Compliance

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

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption in accounting periods beginning on or after 1st January, 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these accounts is provided in Note 3.

#### (b) Basis of Preparation of the Accounts

The accounts for the year ended 31st December, 2005 comprise the Group and the Group's interest in associates.

The measurement basis used in the preparation of the accounts is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (Note 2(f)(i)); and
- investment properties (Note 2(h)(ii))

The preparation of accounts in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Details of judgements made by management in the application of HKFRSs that have significant effect on the accounts and estimates with a significant risk of material adjustment in the next year are set out in Note 49.

#### (a) 符合指引聲明

本賬項乃按照香港會計師公會頒布所有適用的《香港財務報告準則》(其統稱已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋)編製，並符合《香港公認會計準則》及香港《公司條例》之規定。此外，本賬項完全符合香港金融管理局所頒布的《監管政策手冊》「本地註冊認可機構披露財務資料」的指引。本賬項亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會頒布數項新增及經修訂的《香港財務報告準則》，並於2005年1月1日(或可被提早採納)或以後的會計期生效。因首次採納該等新增及經修訂的《香港財務報告準則》引致會計政策轉變而須反映在本年及往年會計期的資料分析，已詳載於附註3。

#### (b) 賬項編製基準

截至2005年度12月31日止的賬項包括本集團及本集團應佔聯營公司之權益。

除以下資產及負債是以公平價值列賬外，本賬項是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定通過損益以反映公平價值及可供出售(附註2(f)(i))；及
- 投資物業(附註2(h)(ii))

按《香港財務報告準則》之要求，在編製賬項時，管理層須作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

有關估計及假設須不斷檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期確認。

在附註49內，已詳載管理層估計《香港財務報告準則》對下年度的賬項及估計有重大影響引致可能產生重大的調整風險。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (c) Basis of Consolidation

##### (i) Subsidiaries

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31st December each year. A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the Board of Directors.

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

Minority interests at the balance sheet date represent the interests of outside shareholders in the operating results and net assets of subsidiaries. They are presented in the consolidated balance sheet and consolidated summary statement of changes in equity within equity, separately from equity attributable to equity holders of the Group. Minority interest in the results of the Group are presented on the face of the consolidated profit and loss account as an allocation of the net profit for the year between minority interests and equity holders of the Group.

In the Bank's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (Note 2(k)).

##### (ii) Associates

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

An investment in an associate is accounted for in the consolidated accounts under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets.

The consolidated profit and loss account reflects the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognised for the year in accordance with Notes 2(j) and 2(k).

When the Group's share of losses exceeds its interest in the associates, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate accounted for under equity method is the carrying amount of the investment under equity method together with the Group's other long-term interests that in substance form part of the Group's net investment in the associate.

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates, except when unrealized losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

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

#### (c) 綜合基準

##### (i) 附屬公司

本綜合賬項包括本銀行及其所有附屬公司截至各相關年度之12月31日止的賬項。根據香港《公司條例》，附屬公司指該公司為本集團直接或間接地持有超過半數已發行股本、或控制超過半數投票權、或控制董事局的組成。

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

於結算日之少數股東權益是指集團以外股東應佔附屬公司經營業績及淨資產的權益。少數股東權益在綜合資產負債表及綜合股東權益轉變表內的股東權益列示，但與集團股東應佔權益分開。少數股東權益佔集團年度內溢利在綜合損益賬賬面以分配為少數股東權益及集團股東應佔權益形式呈報。

在本銀行的資產負債表中，附屬公司投資是以成本減除減值損失(附註2(k))列賬。

##### (ii) 聯營公司

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

聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本另按本集團於購入後應佔該聯營公司淨資產的轉變而調整。

綜合損益賬已反映本集團應佔購入聯營公司權益後年度除稅後之業績，及減除於附註2(j)及2(k)所述有關年度內聯營公司投資的商譽減值損失。

除不超出本集團對該聯營公司所作具法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。為此，按權益會計法計算本集團應佔該聯營公司權益即按權益會計法計算投資賬面值及實質上構成本集團應佔該聯營公司淨資產的其他長期權益。

本集團與聯營公司交易而產生之未實現溢利及虧損，以本集團應佔該聯營公司之權益為限作沖銷。除非有證據顯示未實現虧損屬資產轉讓的減值損失，須立即於損益賬內確認。

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

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (d) Translation of Foreign Currencies

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

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/(loss) on derivatives, respectively. All other exchange differences relating to monetary items are presented separately in the profit and loss account.

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

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

### (e) Revenue Recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows.

Interest income for all interest-bearing financial instruments, except those classified as held for trading or designated at fair value through profit or loss, are recognised as interest income in the profit and loss account using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase of the present value of impaired loans due to the passage of time is reported as interest income.

### (d) 外幣換算

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

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算。以公平值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於投資淨盈虧及衍生工具淨溢利／(虧損)。其他有關貨幣性資產及負債的匯兌差額則於損益賬內分別。

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

計算出售海外企業的損益包括截至出售日因該企業產生的累積兌換差額。

### (e) 收入確認

假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在損益賬內確認收入的方法如下：

除分類為持有作交易或指定通過損益以反映公平價值外，所有帶息金融工具的利息收入按有效利率方法於損益賬內確認。

有效利率方法是一種計算攤銷成本及分配利息收入於相關期間的方法。有效利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融工具賬面值的利率(如適用)。當計算有效利率時，本集團在估計現金流須考慮金融工具的所有合約條款，但不包括未來信貸損失。有效利率組成部分的計算包括所有合約對手之間的費用及點子支出或收入、交易成本及其他所有溢價或折扣。

就已減值貸款而言，根據貸款原本條款計算的應計利息收入終止，但因隨時間過去令致減值貸款之現值增加則視作利息收入。

## Notes on the Accounts (continued)

### 賬項附註 (續)

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with interest income and expense and dividend income attributable to those financial instruments.

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

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan, the fee is recognised as revenue on expiry.

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

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

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

#### (f) Financial Instruments

##### (i) Initial recognition

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price, plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way of purchase or sale of financial assets is recognised using trade day accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

指定通過損益以反映公平價值金融工具的淨收入及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息), 以及應歸屬於該等金融工具的利息收入及支出及股息收入。

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

因本集團創造或購入金融資產而產生之創造或承擔服務費收入須遞延及確認為有效利率之調整。如承擔期滿而本集團毋須貸款, 該服務費於期滿時確認為收入。

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

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

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

#### (f) 金融工具

##### (i) 初始確認

根據購入資產或招致負債之目的, 於初始期本集團分類金融工具為不同種類。種類包括通過損益以反映公平價值、貸款和應收賬款、持至到期投資、可供出售金融資產及其他金融負債。

金融工具於初始期按公平價值計量, 而公平值大致與交易價相同, 另包括, 如金融資產或金融負債不屬於通過損益以反映公平價值, 直接歸屬於購入或發行之金融資產或金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即支銷。

當本集團成為金融工具合約其中一方時確認為金融資產和金融負債。以有規律方式購買金融資產按交易日會計法予以確認。該等金融資產及金融負債的公平價值變動產生的盈利及虧損由該日起計算。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (ii) Categorisation

#### *Fair value through profit or loss*

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but exclude those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Non hedging derivatives are accounted for as trading instruments.

Financial instruments designated at fair value through profit or loss primarily consist of securities with embedded derivatives where the characteristics and risks of the embedded derivatives are not closely related to the host contracts and subordinated notes.

Financial assets and liabilities under this category are carried at fair value. Changes in the fair value are included in the profit and loss account in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the profit and loss account.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available for sale. Loans and receivables mainly comprise, placements with banks and other financial institutions, trade bills and loans and advances to customers.

Securities classified as loans and receivables typically comprise of securities issued by the same customers with whom the Group has a lending relationship in its wholesale banking business. Investment decisions for credit substitute securities are subject to the same credit approval processes as loans, and the Group bears the same customer risk as it does for loans extended to those customers. Additionally the yield and maturity terms are generally directly negotiated by the Group with the issuer. These securities include commercial paper, short term debentures and preference shares issued by the borrower.

Loans and receivables and securities classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2(k)).

### (ii) 分類

#### *通過損益以反映公平價值*

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有市價的股份證券投資，而其公平價值是不能夠可靠計量的。

作交易用途的金融工具包括金融資產及金融負債，而購入或招致主要是作短期出售或屬可辨別金融工具組合的一部分，該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。非對沖衍生工具視作交易工具。

指定為通過損益以反映公平價值的金融工具主要包括隱含嵌入衍生工具的證券而該嵌入衍生工具之特性及風險與主合約及後償票據並非緊密關連的。

屬於此類別的金融資產及負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的損益賬。於出售或重購時，出售所得或淨支付款項與賬面值的差額計入損益賬。

#### *貸款和應收賬款*

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)於初始期已被本集團指定為通過損益以反映公平價值或可供出售；或(c)有可能本集團不能收回大部分初始投資，但不包括因信貸變壞的原因，將會分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款。

分類為貸款和應收賬款的證券中，較具代表性的包括由客戶發行的證券，而該客戶是本集團在其批發銀行業務中有借貸關係的相同客戶。作出信貸代替品證券的投資決定與貸款的信貸審批程序相同，尤如本集團須承擔等同借款予同一客戶的風險。另外，回報及到期日條款普遍是透過本集團與客戶直接磋商。此類證券包括商業票據、短期債券及由借款人發行的優先股份。

貸款和應收賬款及分類為貸款和應收賬款的證券按有效利率方法計算攤銷成本並減除減值損失(如適用)入賬(附註2(k))。



## Notes on the Accounts (continued)

### 賬項附註 (續)

#### *Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity where the Group has the positive intention and ability to hold to maturity, other than (a) those that the Group, upon initial recognition, designates as at fair value through profit or loss or available for sale; and (b) those that meet the definition of loans and receivables.

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment loss, if any (Note 2(k)).

#### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated at available-for-sale or are not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale financial assets are carried at fair value except for investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are carried at cost less impairment loss, if any (Note 2(k)). Unrealised gains and losses arising from changes in the fair value are recognised directly in the investment revaluation reserve, except for foreign exchange gains and losses on monetary items such as debt securities which are recognised in the profit and loss account.

When the available-for-sale financial assets are sold, the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments in the equity are treated as gains and losses on disposal.

#### *Other financial liabilities*

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortised cost using the effective interest method.

#### (iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments or publicly available latest traded price, or if the market for it is not active, the fair value of the instrument is estimated using valuation techniques that provide a reliable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

#### *持至到期投資*

持至到期投資包括有固定或可確定付款金額及有固定期限的非衍生金融資產而本集團有明確意向和能力持至到期日，但不包括(a)本集團於初始已指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收賬款之定義。

持至到期投資採用有效利率方法計算攤銷成本並減除減值損失(如適用)入賬(附註2(k))。

#### *可供出售金融資產*

可供出售金融資產為被指定為可供出售的非衍生金融資產，或並非分類為以上三種類別的金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

可供出售金融資產按公平值列賬，但不包括沒有活躍市場報價的股份工具投資而其公平值是不能夠可靠計量的，按成本並減除減值損失(如適用)入賬(附註2(k))。除如債務證券的貨幣性項目所引致的外匯盈虧須在損益賬確認外，因公平價值變動而產生之未實現盈利及虧損直接在投資重估儲備內確認。

當出售可供出售金融資產時，出售所得款項與賬面值的差額，及在股東權益內的累計公平價值調整在出售時視作盈利或虧損並計入損益賬。

#### *其他金融負債*

不包括交易用途及通過損益以反映公平價值的金融負債，金融負債按有效利率方法計算攤銷成本入賬。

#### (iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。

如未能從認可交易所獲得市場報價，或從經紀/交易員獲得屬於非交易所買賣的金融工具市場報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據市場實際交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在結算日適用於相同條款工具的市場利率。當採用其他價格模式時，輸入資料是在結算日的市場價格資料。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (iv) Derecognition

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

The Group uses the weighted average method to determine realized gains and losses to be recognised in the profit and loss account on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

### (vi) Embedded derivatives

An embedded derivatives is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the profit and loss account.

When the embedded derivative is separated, the host contract is accounted for in accordance with note (ii) above.

### (g) Hedging

#### (i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction and the hedge is effective, the gain or loss on the derivative financial instrument in relation to the hedged risk is recognised directly in equity.

#### (ii) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of an existing asset or liability that will give rise to a gain or loss being recognised in the profit and loss account or reserves.

The hedging instrument is measured at fair value, with fair value changes recognised in the profit and loss account. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the profit and loss account to offset the effect of the gain or loss on the hedging instrument.

### (iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

本集團採用加權平均法以釐定在終止確認時須在損益賬確認的已實現盈利和虧損。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

### (v) 抵銷

如具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在資產負債內以淨額列示。

### (vi) 嵌入衍生工具

嵌入衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於損益賬內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

### (g) 對沖

#### (i) 現金流量對沖

當衍生金融工具被指定對沖確認資產或負債的不既定現金流量，或是甚有可能發生及有法律約束力的預計交易，衍生金融工具產生的盈利和虧損與被對沖風險有關者在股東權益確認。

#### (ii) 公平價值對沖

公平價值對沖用作抵銷現行資產或負債因價格變動產生須確認在損益賬或儲備的盈利和虧損。

對沖工具按公平值入賬，而公平值的變動確認在損益賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整確認在損益賬以抵銷對沖工具產生的盈利和虧損。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (h) Properties

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

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

In preparing these accounts, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS16 "Property, Plant and Equipment" issued by the Hong Kong Institute of Certified Public Accountants, with the effect that bank premises have not been revalued to fair value at the balance sheet date.

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

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

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

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

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

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

#### (h) 物業

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

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

在編製此等賬項時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡條款，故行址並未在結算日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值(或二者皆是)的物業。投資物業按公平價值列賬。投資物業每年由外來獨立估價公司每年作估值，該公司擁有適當認可專業資格及對估價物業的所在地和類別有近期經驗。公平價值是根據市值，即於估價日由一願意買方及一願意賣方在經過合理推銷的情況下，及在知情的、謹慎的和沒有壓力下雙方同意該物業作公平交易的估計金額。估值並未計算任何抵押、按揭、物業欠款、及在出售時可能產生的費用或稅項。

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

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

如一投資物業被轉作自用用途，該物業須重新分類為銀行行址。於重新分類日的公平值轉作以後計算之用的成本值。

集團以經營租賃方式持有用作租金收入或資本增值(或二者皆是)的物業權益分類為投資物業。此等以經營租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(l)所載入賬。

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



## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (i) Amortisation and Depreciation

#### (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

#### (ii) Other fixed assets

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

### (j) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (Note 2(k)). In respect of an associate, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in the profit and loss account.

On disposal of a cash-generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit and loss on disposal.

### (k) Impairment of Assets

At each balance sheet date, the carrying amount of the Group's assets are reviewed to determine whether there is objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised in the profit and loss account.

#### (i) Loans and receivables

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

### (i) 攤銷及折舊

#### (i) 銀行行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃初始時已存在之建築物的公平價值分開計量，當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

#### (ii) 其他固定資產

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

### (j) 商譽

商譽即商業合併或投資聯營公司的成本超過本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值。

商譽按成本減累計減值損失列賬。商譽被分配為現金生產單位，並須每年作減值測試(附註2(k))。就聯營公司而言，商譽的賬面值已包括於聯營公司權益之賬面值內。

在商業合併或投資聯營公司時，若本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值高於成本價，超出的金額立即在損益賬確認。

在年度內出售單一現金生產單位或聯營公司，計算出售溢利時計入任何可歸屬購入商譽的金額。

### (k) 資產減值損失

本集團須於結算日檢討資產的賬面值以判斷是否有客觀減值證據。如對內及對外資料來源均顯示減值證據存在，須減低賬面值至可收回金額，而減值損失於損益賬內確認。

#### (i) 貸款和應收賬款

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

## Notes on the Accounts (continued)

### 賬項附註 (續)

The group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realizable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the profit and loss account.

Where there is no reasonable prospect of recovery, the loan is written off.

#### (ii) Held-to-maturity investments

For held-to-maturity investments, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the profit and loss account. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而其減值損失須持續確認，其減值損失不會包括於整體減值準備內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸素質、組合規模、信貸集中、及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入變數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及變數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致減值損失準備亦需改變，該轉變會支銷或存入損益賬。

倘再無實際機會收回時，則貸款會被撇銷。

#### (ii) 持至到期投資

就持至到期投資而言，根據資產賬面值及估計未來現金流按金融資產原本之有效利率折算為現值，以二者之差額計算減值損失。

若在較後期間，減值損失的金額減少而該減少是可客觀地與撇銷後發生的事件有關連，減值損失轉回損益賬內。減值損失轉回損益賬的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (iii) Available-for-sale financial assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised directly in equity is removed from equity and is recognised in the profit and loss account. The amount of the cumulative loss that is recognised in the profit and loss account is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the profit and loss account.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognised in the profit and loss account in respect of available-for-sale equity securities are not reversed through profit and loss account. Any subsequent increase in the fair value of such assets is recognised directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the profit and loss account.

### (iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates; and
- goodwill

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

#### Calculation of recoverable amount

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

### (iii) 可供出售金融資產

當有客觀證據顯示可供出售金融資產已減值，已直接確認為股東權益內的累積虧損將被剔除，並於損益賬內確認。須於損益賬內確認累積虧損之金額，是購入價（減除任何本金償還及攤銷）與現時公平值二者之差額，再減除往年已於損益賬內確認的減值損失。

就按成本列賬之無報價可供出售股份證券而言，減值損失按金融資產的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，以二者之差額計算。

有關已確認可供出售股份證券的減值損失是不能轉回損益賬的。其後該資產之公平價值增加須直接在股東權益內確認。

就可供出售債務證券而言，如其後該資產之公平價值增加，而該增加是可客觀地與確認減值損失後發生的事件有關連，減值損失可轉回。在此情況下，轉回減值損失於損益賬內確認。

### (iv) 其他資產

在結算日，須檢討對內及對外資料來源以辨別以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備（以重估金額列賬的物業除外）；
- 附屬及聯營公司投資；及
- 商譽

如任何此等徵兆存在，須估計該資產的可收回額。此外，就商譽而言，須每年估計可收回額以確定是否有減值徵兆。

#### 可收回金額之計算

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

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### Recognition of impairment losses

An impairment loss is recognised in the profit and loss account whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

#### Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

#### (I) Leased Assets

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

##### (i) Assets held under finance leases

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

##### (ii) Assets held for use in operating leases

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

##### (iii) Operating lease charges

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

#### 減值損失之確認

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於損益賬內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位組別)之賬面值，其後再按比例減低在該單位(或其單位組別)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本或使用值(如可確定的話)。

#### 減值損失之轉回

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限於該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入損益賬內。

#### (I) 租賃資產

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

##### (i) 以融資租賃購入的資產

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

##### (ii) 用作經營租賃的資產

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

##### (iii) 經營租賃費用

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

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (m) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take repossession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(k), impairment allowances for impaired loans and advances are maintained after taking into account the net realizable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported under other assets if it is highly probable that its carrying amount will be recovered through a sale transaction rather than through continuing use and the asset is available for sale in its present condition. Related loans and advances are then written off.

Reposessed assets are recognised at the lower of their carrying amount of the related loans and advances and fair value less costs to sell. It is not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the profit and loss account.

### (n) Income Tax

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

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

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary difference, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

### (m) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(k)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能須透過變賣資產而不是持續使用資產，及該資產可在現況下出售，可收回資產視作其他資產列賬。有關貸款隨後撇銷。

收回資產按有關貸款的賬面值或公平值減除出售成本二者之較低者確認。收回資產毋須折舊或攤銷。

在初始分類及期後再計量引致的減值損失於損益賬確認。

### (n) 所得稅

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

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

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

除了某些有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在某些期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的稅遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。



## Notes on the Accounts (continued)

### 賬項附註 (續)

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

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

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

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

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:
- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
  - in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
    - the same taxable entity; or
    - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

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

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

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

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

- (iv) 本期稅項與遞延稅項結餘及其變動之數額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：
- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時間收回資產及償還負債；或
  - 有關的遞延稅項資產及負債為同一稅務機關對以下機構徵收所得稅所產生：
    - 同一個應課稅實體；或
    - 不同的應課稅實體：在未來每一個預計實現重大遞延稅項的期間，該實體計劃以淨額形式結算本期稅項資產及負債或兩者同時收回及償還。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (o) Insurance Reserves and Provisions for Outstanding Claims

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

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

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

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

### (p) Provisions and Contingent Liabilities

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

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

### (q) Employee Benefits

#### (i) Salaries, bonuses and leave benefits

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

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

#### (ii) Performance-related bonus plan

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

### (o) 保險基金及未付索償準備

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

長期業務的保險基金是按精算估值。

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

此等基金及準備已列於其他賬項及準備。

### (p) 準備及或然負債

當負債的限期或數額不確定，但有可能因過去事項構成法律或推定義務而付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當貨幣的時間值屬重大的，準備金額須按估計清償義務之支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作被或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

### (q) 僱員福利

#### (i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至結算日因僱員已提供服務而享有之年假所引致的估計負債已作撥備。

僱員應享有的病假及分娩假於發生時確認。

#### (ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法或推定義務於結算日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### (iii) Retirement benefits

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

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

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

#### (iv) Share based payments

Share options are granted to employees to acquire shares of the Bank. For option schemes adopted before 2002, the option price was 95% of the average closing price of the existing shares of the Bank for the last five business days immediately preceding the date of offer. At the date of offer or the date of grant, no employee benefit cost or obligation is recognised.

For option schemes adopted in and after 2002, the option exercise price equals the fair value of the underlying shares at the date of grant. When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the profit and loss account with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognised in prior years is charged or credited to the profit and loss account for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

The equity amount is recognised in capital reserve until either the option is exercised (when it is transferred to share premium) or the option expires (when it is released directly to retained profits).

#### (iii) 退休福利

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

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

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

#### (iv) 股權支付

僱員獲發認股權以購買本行股份。在2002年以前被採納的計劃，認股價是根據給予認股權當日之前5個營業日本行現有股份的平均收市價的95%計算。沒有僱員福利支出或債務於給予日或授予日被確認。

而2002年及以後被採納的計劃，股權行使價與相關股份於授予日的公平價值相同。當認股權被行使時，所得款項存入股東權益。認股權的公平價值於損益賬內確認為支出，而在股東權益內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，預計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之調整須在檢討期內的損益賬支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本銀行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整（並在資本儲備作相應調整）。

屬股東權益的金額在資本儲備確認，直至當認股權被行使時（轉入股份溢價），或當認股權之有效期屆滿時（轉入留存溢利）。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

### (r) Related Parties

For the purposes of these accounts, parties are considered to be related to the group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

### (s) Segment Reporting

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

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

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

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

### (t) Cash and Cash Equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition including cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### (r) 關聯人士

在編製本賬項時，與本集團關聯人士是指本集團有能力直接或間接控制該人士的財務及經營決策，或可發揮重大影響力，相反亦如是；或本集團及該人士均受共同控制或在共同重大影響力下。關聯人士可以是個人（即主要管理人員、重大股權股東及／或其親近家庭成員）或其他實體，包括受本集團關聯人士重大影響的實體，而該關聯人士屬個人，及提供福利予本集團僱員的離職後福利計劃或某些與本集團關聯的實體。

### (s) 分部報告

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

本集團採用業務分部為基本報告形式，而地區分部為次要報告形式。

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

分部資本開支是用作收購估計可用期超過1年的分部資產的總成本。

### (t) 現金及等同現金項目

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

## Notes on the Accounts (continued)

### 賬項附註 (續)

### 3. CHANGES IN ACCOUNTING POLICY 會計政策變更

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1st January, 2005.

The accounting policies of the Group after the adoption of these new and revised HKFRSs have been summarised in Note 2. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these accounts.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see Note 50).

#### (a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated profit and loss account and balance sheet and the Bank's balance sheet and other significant related disclosure items as previously reported for the year ended 31st December, 2004. The effects of the changes in accounting policies on the balances at 1st January, 2004 and 2005 are disclosed in Note 38.

香港會計師公會頒布數項由2005年1月1日或以後起生效的新增及經修訂的《香港財務報告準則》。

本集團已採納該等新增及經修訂之《香港財務報告準則》的會計政策已詳載於附註2。因重大會計政策變更引致已反映在本年及往年會計期內的賬項資料分析以下。

本集團未有採用任何並未生效的新準則或詮釋於本年度之賬項(見附註50)。

#### (a) 往年及期初結餘重報

下表披露所有根據有關《香港財務報告準則》之過渡條款而須在綜合損益賬和資產負債表及銀行資產負債表中每一項目已作出的調整，以及截至2004年12月31日止之年度內已作匯報之其他重大相關披露項目。因會計政策變更對2005年及2004年1月1日結餘的影響已在附註38中披露。



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

3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更(續)

(i) Effect on the consolidated accounts

Consolidated Profit and Loss Account the year ended 31st December, 2004

(i) 對綜合賬項之影響

截至2004年12月31日止年度之綜合損益賬

		Effect of new policy (increase/(decrease) in profit for the year) 新會計政策之影響(溢利增加/(減少))						
		2004 Previously Reported	HKFRS 2 (Note 3(c)) 《香港財務報告準則》 第2號 (附註3(c))	Interpretation 21 (Note 3(d)) 《香港會計準則》 詮釋第21號 (附註3(d))	HKAS 1 & 30 (Note 3(g)) 《香港會計準則》 第1號及第30號 (附註3(g))	Sub-total	2004 As restated	
		如前匯報 HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	小計 HK\$'000 港幣千元	重報 HK\$'000 港幣千元	
Interest income	利息收入	5,682,080	-	-	(13,585)	(13,585)	5,668,495	
Interest expense	利息支出	(2,054,505)	-	-	-	-	(2,054,505)	
Net interest income	淨利息收入	3,627,575	-	-	(13,585)	(13,585)	3,613,990	
Fee and commission income	服務費及佣金收入	1,506,604	-	-	-	-	1,506,604	
Fee and commission expense	服務費及佣金支出	(298,363)	-	-	-	-	(298,363)	
Net trading profits	交易溢利淨額	360,371	-	-	13,585	13,585	373,956	
Other operating income	其他經營收入	299,678	-	-	-	-	299,678	
Operating income	經營收入	5,495,865	-	-	-	-	5,495,865	
Operating expenses	經營支出	(2,720,431)	(41,749)	-	-	(41,749)	(2,762,180)	
Operating profit before impairment allowances/provisions	未扣除減值準備/準備之經營溢利	2,775,434	(41,749)	-	-	(41,749)	2,733,685	
Net charge for bad and doubtful debts	壞賬及呆賬支出	(272,807)	-	-	-	-	(272,807)	
Provision for held-to-maturity debt securities, investment securities and associates	持至到期債務證券、投資證券和聯營公司的準備金調撥	(18,582)	-	-	-	-	(18,582)	
Write back of impairment loss on bank premises	銀行行址減值回撥	18,538	-	-	-	-	18,538	
		2,502,583	(41,749)	-	-	(41,749)	2,460,834	
Net profit on sale of investment securities and associates	出售投資證券和聯營公司之淨溢利	13,758	-	-	(13,758)	(13,758)	-	
Net profit on sale of investment securities	出售投資證券之淨溢利	-	-	-	13,763	13,763	13,763	
Net loss on sale of subsidiaries/ associates	出售附屬公司/聯營公司之淨虧損	-	-	-	(5)	(5)	(5)	
Net profit on disposal of fixed assets	出售固定資產之淨溢利	15,239	-	-	-	-	15,239	
Revaluation surplus on investment properties	重估投資物業溢餘	227,941	-	-	-	-	227,941	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	64,376	-	-	4,619	4,619	68,995	
Profit for the year before taxation	年度內除稅前溢利	2,823,897	(41,749)	-	4,619	(37,130)	2,786,767	
Income tax	所得稅	(375,330)	-	(34,342)	(4,619)	(38,961)	(414,291)	
Profit for the year after taxation	年度內除稅後溢利	2,448,567	(41,749)	(34,342)	-	(76,091)	2,372,476	
Minority interests	少數股東權益	(24,767)	-	-	24,767	24,767	-	
Profit attributable to shareholders	股東應佔溢利	2,423,800	(41,749)	(34,342)	24,767	(51,324)	2,372,476	
Attributable to:	可歸屬於:							
Equity holders of the Group	本集團股東	2,423,800	(41,749)	(34,342)	-	(76,091)	2,347,709	
Minority interests	少數股東權益	-	-	-	24,767	24,767	24,767	
Profit after taxation	除稅後溢利	2,423,800	(41,749)	(34,342)	24,767	(51,324)	2,372,476	
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	
Earnings per share	每股盈利							
Basic	基本	1.64	(0.03)	(0.02)	-	(0.05)	1.59	
Diluted	攤薄	1.63	(0.03)	(0.02)	-	(0.05)	1.58	

## Notes on the Accounts (continued)

### 賬項附註(續)

Consolidated Balance Sheet as at 31st December, 2004

於2004年12月31日之綜合資產負債表

	2004 Previously Reported	Effect of new policy (increase/(decrease) in net assets) 新會計政策之影響(資產淨額增加/減少)			Sub-total	2004 As restated
		HKFRS 2 (Note 3(c)) 《香港財務報告準則》 第2號 (附註3(c))	HK(SIC) Interpretation 21 (Note 3(d)) 《香港會計準則》 詮釋第21號 (附註3(d))	HKAS 1 & 30 (Note 3(g)) 《香港會計準則》 第1號及第30號 (附註3(g))		
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>ASSETS</b>						
Cash and balances with banks and other financial institutions	39,877,738	-	-	(36,222,145)	(36,222,145)	3,655,593
Placements with banks and other financial institutions	9,832,258	-	-	32,251,148	32,251,148	42,083,406
Trade bills	1,400,138	-	-	-	-	1,400,138
Certificates of deposit held	2,446,947	-	-	(2,446,947)	(2,446,947)	-
Trading assets	-	-	-	2,283,425	2,283,425	2,283,425
Other investments in securities	8,563,367	-	-	3,257,254	3,257,254	11,820,621
Advances to customers and other accounts	122,949,653	-	-	(348,223)	(348,223)	122,601,430
Investment securities	236,373	-	-	(236,373)	(236,373)	-
Held-to-maturity investments	16,096,084	-	-	1,461,861	1,461,861	17,557,945
Investments in associates	725,963	-	-	-	-	725,963
Fixed assets	5,697,750	-	-	-	-	5,697,750
Goodwill	2,448,156	-	-	-	-	2,448,156
Deferred tax assets	95,119	-	-	-	-	95,119
<b>Total Assets</b>	<b>210,369,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,369,546</b>
<b>EQUITY AND LIABILITIES</b>						
Deposits and balances of banks and other financial institutions	9,571,657	-	-	-	-	9,571,657
Deposits from customers	163,737,665	-	-	-	-	163,737,665
Trading liabilities	-	-	-	1,191,858	1,191,858	1,191,858
Certificates of deposit issued	4,178,623	-	-	-	-	4,178,623
Current taxation	179,369	-	-	-	-	179,369
Deferred tax liabilities	694,924	-	34,342	-	34,342	729,266
Other accounts and provisions	5,843,048	-	-	(1,191,858)	(1,191,858)	4,651,190
Loan capital	4,271,124	-	-	-	-	4,271,124
<b>Total Liabilities</b>	<b>188,476,410</b>	<b>-</b>	<b>34,342</b>	<b>-</b>	<b>34,342</b>	<b>188,510,752</b>
Share capital	3,729,996	-	-	-	-	3,729,996
Capital reserve – staff share options issued	-	41,749	-	-	41,749	41,749
Other reserves	13,821,618	-	-	-	-	13,821,618
Retained profits	4,175,867	(41,749)	(34,342)	-	(76,091)	4,099,776
<b>Total equity attributable to equity holders of the Group</b>	<b>21,727,481</b>	<b>-</b>	<b>(34,342)</b>	<b>-</b>	<b>(34,342)</b>	<b>21,693,139</b>
Minority interests	165,655	-	-	-	-	165,655
<b>Total Equity</b>	<b>21,893,136</b>	<b>-</b>	<b>(34,342)</b>	<b>-</b>	<b>(34,342)</b>	<b>21,858,794</b>
<b>Total Equity and Liabilities</b>	<b>210,369,546</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>210,369,546</b>

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

3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更(續)

(ii) Effect on Bank's balance sheet

Balance Sheet as at 31st December, 2004

(ii) 對資產負債表之影響

於2004年12月31日的資產負債表

		Effect of new policy (increase/(decrease) in net assets) 新會計政策之影響(資產淨額增加/(減少))					2004 As restated 重報 HK\$'000 港幣千元
		2004 Previously Reported 如前匯報 HK\$'000 港幣千元	HKFRS 2 (Note 3(c)) 《香港財務報告準則》 第2號 (附註3(c)) HK\$'000 港幣千元	Interpretation 21 (Note 3(d)) 《香港會計準則》 詮釋第21號 (附註3(d)) HK\$'000 港幣千元	HKAS 1 & 30 (Note 3(g)) 《香港會計準則》 第1號及第30號 (附註3(g)) HK\$'000 港幣千元	Sub-total 小計 HK\$'000 港幣千元	
<b>ASSETS</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行及其他金融機構的結存	39,492,547	-	-	(36,032,091)	3,460,456	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	9,824,502	-	-	32,068,851	41,893,353	
Trade bills	貿易票據	1,399,484	-	-	-	1,399,484	
Certificates of deposit held	持有的存款證	2,066,028	-	-	(2,066,028)	-	
Trading assets	交易用途資產	-	-	-	2,268,324	2,268,324	
Advances to customers and other accounts	客戶貸款及其他賬項	118,461,234	-	-	(348,223)	118,113,011	
Amounts due from subsidiaries	附屬公司欠款	2,055,864	-	-	-	2,055,864	
Other investments in securities	其他證券投資	7,769,381	-	-	3,223,836	10,993,217	
Investment securities	投資證券	191,845	-	-	(191,845)	-	
Held-to-maturity investments	持至到期投資	15,317,160	-	-	1,077,176	16,394,336	
Investments in subsidiaries	附屬公司投資	1,838,237	-	-	-	1,838,237	
Investments in associates	聯營公司投資	143,643	-	-	-	143,643	
Fixed assets	固定資產	5,207,866	-	-	-	5,207,866	
Goodwill	商譽	1,460,292	-	-	-	1,460,292	
Deferred tax assets	遞延稅項資產	84,942	-	-	-	84,942	
<b>Total Assets</b>	<b>資產總額</b>	<b>205,313,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,313,025</b>	
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	9,476,018	-	-	-	9,476,018	
Deposits from customers	客戶存款	153,908,317	-	-	-	153,908,317	
Trading liabilities	交易用途負債	-	-	-	1,191,858	1,191,858	
Certificates of deposit issued	已發行存款證	6,378,623	-	-	-	6,378,623	
Amounts due to subsidiaries	欠附屬公司款項	10,362,683	-	-	-	10,362,683	
Current taxation	本期稅項	152,030	-	-	-	152,030	
Deferred tax liabilities	遞延稅項負債	683,765	-	34,342	-	718,107	
Other accounts and provisions	其他賬項及準備	4,162,674	-	-	(1,191,858)	2,970,816	
<b>Total Liabilities</b>	<b>負債總額</b>	<b>185,124,110</b>	<b>-</b>	<b>34,342</b>	<b>-</b>	<b>185,158,452</b>	
Share capital	股本	3,729,996	-	-	-	3,729,996	
Capital reserve – staff share options issued	資本儲備—已發行權員認股證	-	41,749	-	-	41,749	
Other reserves	其他儲備	13,516,810	-	-	-	13,516,810	
Retained profits	留存溢利	2,942,109	(41,749)	(34,342)	-	2,866,018	
<b>Total equity attributable to equity holders of the Bank</b>	<b>歸屬於銀行股東權益總額</b>	<b>20,188,915</b>	<b>-</b>	<b>(34,342)</b>	<b>-</b>	<b>20,154,573</b>	
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>	<b>205,313,025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,313,025</b>	

(b) Estimated effect of changes in accounting policies on the current period

The following tables provide estimates of the extent to which each of the line items in the consolidated profit and loss account and consolidated balance sheet and other significant related disclosure items for the year ended 31st December, 2005 is higher or lower than it would have been had the previous policies still been applied in the year, where it is practicable to make such estimates.

(b) 會計政策變更對本年度的估計影響

在實際可作估計情況下，以下分析假設以往的會計政策仍在本年被沿用計算截至2005年12月31日止年度的綜合損益賬和綜合資產負債表，以及其他重大相關披露項目中每一項目將會增加或減少的估計金額。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### (i) Effect on the consolidated accounts

Estimated effect on the Consolidated Profit and Loss Account for the year ended 31st December, 2005

#### (i) 對綜合賬項之影響

對截至2005年12月31日止年度之綜合損益賬的估計影響

		Effect of new policy (increase/(decrease) in profit for the year)						
		新會計政策之影響 (年度溢利增加/(減少))						
		HKFRS 2	HKFRS 3	HK(SIC)	HKAS 1 & 30	HKAS 32 & 39	Total	
		Note 3(c)	Note 3(f)	Interpretation 21	Note 3(g)	Note 3(e)		
		《香港財務報告準則》	《香港財務報告準則》	《香港會計準則》	《香港會計準則》	《香港會計準則》		
		第2號	第3號	詮釋第21號	第1號及第30號	第32號及第39號		
		附註3(c)	附註3(f)	附註3(d)	附註3(g)	附註3(e)	總額	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
Interest income	利息收入	-	-	-	-	(459,320)	(459,320)	
Interest expense	利息支出	-	-	-	-	389,255	389,255	
Net interest income	淨利息收入	-	-	-	-	(70,065)	(70,065)	
Fee and commission income	服務費及佣金收入	-	-	-	-	(1,735)	(1,735)	
Fee and commission expense	服務費及佣金支出	-	-	-	-	-	-	
Net trading profits	交易溢利淨額	-	-	-	-	(200,837)	(200,837)	
Net result from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融資產的淨表現	-	-	-	-	100,127	100,127	
Other operating income	其他經營收入	-	-	-	-	-	-	
Operating income	經營收入	-	-	-	-	(172,510)	(172,510)	
Operating expenses	經營支出	(29,796)	146,551	-	-	-	116,755	
Operating profit before impairment losses	未扣除減值準備之經營溢利	(29,796)	146,551	-	-	(172,510)	(55,755)	
Impairment losses on loans and advances	貸款減值損失	-	-	-	-	261,278	261,278	
Impairment losses on held-to-maturity investments	持至到期投資減值損失	-	-	-	-	-	-	
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失	-	-	-	-	-	-	
Impairment losses on associates	聯營公司減值損失	-	-	-	-	-	-	
(Charge)/Write back of impairment loss on bank premises	銀行行址減值(損失)/回撥	-	-	-	-	-	-	
		(29,796)	146,551	-	-	88,768	205,523	
Net (loss)/profit on sale of held-to-maturity investments	出售持至到期投資淨(虧損)/溢利	-	-	-	-	62	62	
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	-	-	-	-	-	-	
Net profit/(loss) on sale of subsidiaries/associates	出售附屬公司/聯營公司之淨溢利/(虧損)	-	-	-	-	-	-	
Net profit on sale of fixed assets	出售固定資產之淨溢利	-	-	-	-	-	-	
Valuation gains on investment properties	重估投資物業盈餘	-	-	-	-	-	-	
Share of profits less losses on associates	應佔聯營公司溢利減虧損	-	-	-	(11,726)	-	(11,726)	
Profit for the year before taxation	年度內除稅前溢利	(29,796)	146,551	-	(11,726)	88,830	193,859	
Income tax	所得稅	-	-	(20,115)	11,726	(9,242)	(17,631)	
Profit for the year after taxation	年度內除稅後溢利	(29,796)	146,551	(20,115)	-	79,588	176,228	
Attributable to:	可歸屬於:							
Equity holders of the Group	本集團股東	(29,796)	146,551	(20,115)	-	79,588	176,228	
Minority interests	少數股東權益	-	-	-	-	-	-	
Profit after taxation	除稅後溢利	(29,796)	146,551	(20,115)	-	79,588	176,228	
		HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	HK\$ 港幣	
Earnings per share	每股溢利							
Basic	基本	(0.02)	0.10	(0.01)	-	0.05	0.12	
Diluted	攤薄	(0.02)	0.10	(0.01)	-	0.05	0.12	

## Notes on the Accounts (continued)

### 賬項附註 (續)

### 3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更 (續)

Estimated effect on Consolidated Balance Sheet as at 31st December, 2005

對於2005年12月31日綜合資產負債表之估計影響

		Effect of new policy (increase/(decrease) in total assets, total liabilities and total equity) 新會計政策之影響 (資產、負債及股東權益總額增加/(減少))					
		HK(SIC)					
		HKFRS 2 Note 3(c) 《香港財務報告 準則》第2號 附註3(c)	HKFRS 3 Note 3(f) 《香港財務報告 準則》第3號 附註3(f)	Interpretation 21 Note 3(d) 《香港會計準則》 詮釋第21號 附註3(d)	HKAS 32 & 39 Note 3(e) 《香港會計準則》 第32號及第39號 附註3(e)	Total	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>ASSETS</b>	<b>資產</b>						
Cash and balances with banks and other financial institutions	現金及在銀行及其他金融機構的結存	-	-	-	-	-	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	-	-	-	-	
Trade bills	貿易票據	-	-	-	-	-	
Trading assets	交易用途資產	-	-	-	41,162	41,162	
Financial assets designated at fair value through profit or loss	指定通過損益以反映公平價值的金融工具	-	-	-	(80,827)	(80,827)	
Advances to customers and other accounts	客戶貸款及其他賬項	-	-	-	306,208	306,208	
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	-	
Held-to-maturity investments	持至到期投資	-	-	-	62	62	
Investments in associates	聯營公司投資	-	-	-	-	-	
Fixed assets	固定資產	-	-	-	-	-	
Goodwill	商譽	-	146,551	-	-	146,551	
Deferred tax assets	遞延稅項資產	-	-	-	-	-	
Total Assets	資產總額	-	146,551	-	266,605	413,156	
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</b>						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	-	-	-	-	-	
Deposits from customers	客戶存款	-	-	-	-	-	
Trading liabilities	交易用途負債	-	-	-	-	-	
Certificates of deposit issued	已發行存款證	-	-	-	(31,215)	(31,215)	
Current taxation	本期稅項	-	-	-	(3,021)	(3,021)	
Deferred tax liabilities	遞延稅項負債	-	-	54,457	12,263	66,720	
Other accounts and provisions	其他賬項及準備	-	-	-	-	-	
Loan capital	借貸資本	-	-	-	(149,739)	(149,739)	
Total Liabilities	負債總額	-	-	54,457	(171,712)	(117,255)	
Share capital	股本	-	-	-	-	-	
Share premium	股份溢價	240	-	-	-	240	
Capital reserve – staff share options issued	資本儲備—已發行僱員認股權	71,305	-	-	-	71,305	
Investment revaluation reserve	投資重估儲備	-	-	-	358,729	358,729	
Other reserves	其他儲備	-	-	-	-	-	
Retained profits	留存溢利	(71,545)	146,551	(54,457)	79,588	100,137	
Total equity attributable to equity holders of the Group	歸屬於集團股東權益總額	-	146,551	(54,457)	438,317	530,411	
Minority interests	少數股東權益	-	-	-	-	-	
Total Equity	股東權益總額	-	146,551	(54,457)	438,317	530,411	
Total Equity and Liabilities	股東權益及負債總額	-	146,551	-	266,605	413,156	



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

Estimated effect on net income recognised directly in consolidated equity for the year ended 31st December, 2005

對截至2005年12月31日止年度於綜合股東權益直接確認的淨收入之估計影響：

**Effect of new policy  
(increase/(decrease) in equity)  
HKAS39 (Note 3(e))**  
新會計政策之影響  
(股東權益增加／(減少))  
《香港會計準則》第39號(附註3(e))  
HK\$'000 港幣千元

Attributable to equity holders of the Group	歸屬於集團股東權益	<b>358,729</b>
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Estimated effect on amounts recognised as capital transactions with owners of the Group for the year ended 31st December, 2005:

截至2005年12月31日止年度確認與集團股東進行股本交易之估計影響金額

**Effect of new policy  
(increase/(decrease) in equity)  
HKFRS2 (Note 3(c))**  
新會計政策之影響  
(股東權益增加／(減少))  
《香港財務報告準則》第2號(附註3(c))  
HK\$'000 港幣千元

Attributable to equity holders of the Group	歸屬於集團股東權益	<b>29,796</b>
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Notes on the Accounts (continued)  
賬項附註(續)

3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更(續)

(ii) Effect on Bank's balance sheet

Estimated effect on the balance sheet as at 31st December, 2005

(ii) 銀行資產負債表之影響

對於2005年12月31日資產負債表之影響

Effect of new policy (increase/(decrease) in total assets, total liabilities and total equity)  
新會計政策之影響(資產、負債及股東權益總額增加/(減少))

		HKFRS 2 Note 3(c) 《香港財務報告 準則》第2號 附註3(c)	HKFRS 3 Note 3(f) 《香港財務報告 準則》第3號 附註3(f)	HK(SIC) Interpretation 21 Note 3(d) 《香港會計準則》 詮釋第21號 附註3(d)	HKAS 32 & 39 Note 3(e) 《香港會計準則》 第32號及第39號 附註3(e)	Total 總額
		HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
<b>ASSETS</b>	<b>資產</b>					
Cash and balances with banks and other financial institutions	現金及在銀行及其他金融機構的結存	-	-	-	-	-
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	-	-	-	-
Trade bills	貿易票據	-	-	-	-	-
Trading assets	交易用途資產	-	-	-	41,162	41,162
Financial assets designated at fair value through profit or loss	指定通過損益以反映公平價值的金融工具	-	-	-	(80,377)	(80,377)
Advances to customers and other accounts	客戶貸款及其他賬項	-	-	-	292,613	292,613
Amounts due from subsidiaries	附屬公司欠款	-	-	-	-	-
Other investments in securities	其他證券投資	-	-	-	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	-
Held-to-maturity investments	持有到期投資	-	-	-	-	-
Investments in subsidiaries	附屬公司投資	-	-	-	-	-
Investments in associates	聯營公司投資	-	-	-	-	-
Fixed assets	固定資產	-	-	-	-	-
Goodwill	商譽	-	96,662	-	-	96,662
Deferred tax assets	遞延稅項資產	-	-	-	-	-
Total Assets	資產總額	-	96,662	-	253,398	350,060
<b>EQUITY AND LIABILITIES</b>	<b>股東權益及負債</b>					
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	-	-	-	-	-
Deposits from customers	客戶存款	-	-	-	-	-
Trading liabilities	交易用途負債	-	-	-	-	-
Certificates of deposit issued	已發行存款證	-	-	-	(31,215)	(31,215)
Amount due to subsidiaries	欠附屬公司款項	-	-	-	-	-
Current taxation	本期稅項	-	-	-	(3,146)	(3,146)
Deferred tax liabilities	遞延稅項負債	-	-	54,457	14,687	69,144
Other accounts and provisions	其他賬項及準備	-	-	-	-	-
Loan capital	借貸資本	-	-	-	(149,739)	(149,739)
Total Liabilities	負債總額	-	-	54,457	(169,413)	(114,956)
Share capital	股本	-	-	-	-	-
Share premium	股份溢價	240	-	-	-	240
Capital reserve – staff share options issued	資本儲備 – 已發行僱員認股權	71,305	-	-	-	71,305
Investment revaluation reserve	投資重估儲備	-	-	-	345,273	345,273
Other reserves	其他儲備	-	-	-	-	-
Retained profits	留存溢利	(71,545)	96,662	(54,457)	77,538	48,198
Total equity attributable to equity holders of the Bank	歸屬於銀行股東權益總額	-	96,662	(54,457)	422,811	465,016
Total Equity and Liabilities	股東權益及負債總額	-	96,662	-	253,398	350,060

## Notes on the Accounts (continued)

### 賬項附註 (續)

Estimated effect on net income recognised directly in Bank's equity for the year ended 31st December, 2005:

對截至2005年12月31日止年度於銀行股東權益直接確認的淨收入之估計影響：

**Effect of new policy  
(increase/(decrease) in equity)  
HKAS39 (Note 3(e))  
新會計政策之影響  
(股東權益增加/(減少))  
《香港會計準則》第39號(附註3(e))  
HK\$'000 港幣千元**

Attributable to equity holders of the Bank	歸屬於銀行股東權益	<b>345,273</b>
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Estimated effect on amounts recognised as capital transactions with owners of the Bank for the year ended 31st December, 2005:

截至2005年12月31日止年度確認與銀行股東進行股本交易之估計影響金額：

**Effect of new policy  
(increase/(decrease) in equity)  
HKFRS2 (Note 3(c))  
新會計政策之影響  
(股東權益增加/(減少))  
《香港財務報告準則》第2號(附註3(c))  
HK\$'000 港幣千元**

Attributable to equity holders of the Bank	歸屬於銀行股東權益	<b>29,796</b>
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#### (c) Staff share option scheme

In prior years, no amounts were recognised when employees (which term includes directors) were granted share options over shares in the Bank. If the employees chose to exercise the options, the nominal amount of share capital and share premium were credited only to the extent of the option's exercise price receivable.

With effect from 1st January, 2005, in order to comply with HKFRS 2 "Share-based Payment", the Group recognises the fair value of such share options as an expense in the profit and loss account. A corresponding increase is recognised in a capital reserve within equity.

Where the employees are required to meet vesting conditions before they become entitled to the options, the Group recognises the fair value of the options granted over the vesting period.

If an employee chooses to exercise options, the related capital reserve is transferred to share capital and share premium, together with the exercise price. If the options lapse unexercised the related capital reserve is transferred directly to retained earnings.

The new accounting policy has been applied retrospectively with comparatives restated in accordance with HKFRS 2, except that the Group has taken advantage of the transitional provisions set out in paragraph 53 of HKFRS 2 under which the new recognition and measurement policies have not been applied to the following grants of options:

- (i) all options granted to employees on or before 7th November, 2002; and
- (ii) all options granted to employees after 7th November, 2002 but which had vested before 1st January, 2005.

#### (c) 僱員認股計劃

在往年，沒有任何金額在僱員(包括董事)獲派發本銀行認股權時被確認。如僱員選擇行使認股權，分別將面值存入股本及股份溢價賬項的金額只限於認股權行使價的應收金額。

由2005年1月1日起，按照《香港財務報告準則》第2號「股權支付」，本集團須將認股權的公平價值於損益賬內確認為支出，而在股東權益內的資本儲備作相應的增加。

因僱員須符合歸屬期的條件規定以享有此認股權，本集團於認股權歸屬期內確認其公平價值。

當僱員選擇行使認股權，相關的資本儲備連同行使價轉入股本及股份溢價賬項。如認股權失效而未被行使，相關的資本儲備直接轉入留存溢利。

此新會計政策是追溯應用的，除本集團按照《香港財務報告準則》第2號第53段的過渡性條款並未對下列認股權採用新的確認及計量政策外，已按照《香港財務報告準則》第2號的要求重報比較數字。

- (i) 所有在2002年11月7日或以前已派予僱員的認股權；及
- (ii) 所有在2002年11月7日後已派予僱員的認股權但於2005年1月1日尚未歸屬。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更 (續)

No adjustments to the opening balances as at 1st January, 2004 are required as no options existed at that time which were unvested at 1st January, 2005.

The amount charged to the profit and loss account as a result of the change of policy increased staff costs for HK\$29,796,000 (2004: HK\$41,749,000), with the corresponding amounts credited to the capital reserve.

Details of the Staff Share Option Schemes can be found in Note 36.

##### (d) Investment properties

In prior years the Group was required to apply the tax rate that would be applicable to the sale of investment properties to determine whether any amounts of deferred tax should be recognised on the revaluation of investment properties. As there would have been no tax payable on the disposal of the Group's investment properties, no deferred tax was provided in prior years.

As from 1st January, 2005, in accordance with HK(SIC) Interpretation 21 "Income Taxes – Recovery of Revalued Non-depreciable Assets", the Group recognises deferred tax on movements in the value of investment properties using tax rates that are applicable to the properties' use, if the Group has no intention to sell them and the properties would have been depreciable had the Group not adopted the fair value model.

HK(SIC) Interpretation 21 has been adopted retrospectively by reducing the opening balance of retained earnings as of 1st January, 2005 by HK\$34,342,000 (1st January, 2004: Nil) and increasing deferred tax liabilities by the same amount.

##### (e) Financial instruments

###### (i) Financial instruments (Note 2(f))

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

- securities which were intended to be held on a continuing basis, and which were held for an identified long-term purpose were classified as investment securities and stated at cost less provisions for diminution in value;
- other investments in securities were securities which were not classified as held-to-maturity debt securities nor as investment securities, and were stated at fair value with changes in fair value recognised in the profit and loss account; and
- derivative financial instruments entered into by management to hedge risks arising from an underlying asset, liability (or a net position) or a committed future transaction were recognised on equivalent basis to the position or transaction being hedged.

From 1st January, 2005, the Group has adopted HKAS 32 "Financial Instruments: Disclosure and Presentation" and HKAS 39 "Financial Instruments: Recognition and Measurement" and classified financial instruments under the following categories: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities as set out in Note 2(f).

由於在2005年1月1日並沒有認股權具歸屬性，因此，並未對2004年1月1日的期初結餘作任何調整。

由於會計政策變更而須從損益賬支銷的員工成本增加港幣29,796,000元(2004年：港幣41,749,000元)，而相同的金額存入資本儲備內。

有關僱員認股計劃的詳情已記載於附註36。

##### (d) 投資物業

在往年，本集團須按適用於出售投資物業的稅率釐定於重估投資物業時須確認的遞延稅項。由於出售本集團投資物業毋須繳交任何稅款，在往年沒有撥備遞延稅項。

由2005年1月1日起，按照《香港會計準則》詮釋第21號「所得稅－收回重估非折舊資產」，如本集團並無計劃出售，及假設本集團沒有採用公平價值模式入賬引致該等物業需要折舊，本集團須採用適用於該物業用途的稅率以確認該等投資物業在價格變動時所產生的遞延稅項。

《香港會計準則》詮釋第21號是追溯應用的。於2005年1月1日留存溢利的期初結餘減少港幣34,342,000元(2004年1月1日：無)，及遞延稅項負債增加相等金額。

##### (e) 金融工具

###### (i) 金融工具(附註2(f))

在往年，適用於部分金融工具的會計政策如下：

- 預算持續持有作長期用途的證券列作投資證券，並以成本減除準備入賬；
- 其他證券投資是不被列作持至到期債務證券或投資證券的其他證券並按公平價值入賬，公平價值的變動在損益賬確認；及
- 管理層參與的衍生金融工具交易以用作對沖潛在資產、負債(或淨持倉額)或已承諾的未來交易所產生之風險，以等同被對沖的持倉額或交易之基準確認。

由2005年1月1日起，本集團已採納《香港會計準則》第32號「金融工具：披露與呈報」及《香港會計準則》第39號「金融工具：確認與計量」將金融工具分類為：通過損益以反映公平價值、貸款和應收賬款、持至到期投資、可供出售金融資產及其他金融負債，詳情可參閱附註2(f)。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (ii) Derivatives and hedge accounting (Notes 2(f) and (g))

In prior years, the accounting for derivatives was dependent upon whether the transactions were undertaken for trading purposes or as part of the management of asset and liability portfolios.

##### *Derivatives used for trading purposes*

Transactions undertaken for trading purposes were marked to market and the net present value of the gain and loss arising was recognised in the profit and loss account as dealing gains and losses, after appropriate deferrals for the unearned credit margin and future servicing costs.

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

##### *Derivatives used for asset and liability management purposes*

Derivatives used for this purpose were accounted for as hedge and were valued on an equivalent basis to the underlying assets, liabilities or net positions which they were hedging. Any profit and loss was recognised on the same basis as that arising from the related assets, liabilities or net positions.

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

With effect from 1st January, 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to derivatives and hedge accounting to those set out in Note 2 (f) and (g) respectively.

#### (iii) Impairment of financial assets

##### *Loans and receivables*

In prior years, provisions were made against specific loans and advances as and when the Credit Committee had doubts about the ultimate recoverability of principal and interest in full.

Specific provisions represented the quantification of actual and expected losses from identified accounts.

Other than where provisions on smaller balance homogeneous advances were assessed on a portfolio basis, the amount of specific provision raised was assessed on a case by case basis. Specific provisions were made against the carrying amount of advances that were identified as being in doubt based on regular reviews of outstanding balances to reduce these advances, net of any collateral, to their recoverable amounts.

Where specific provisions were raised on a portfolio basis, the level of provisioning took into account management's assessment of the portfolio's structure, past and expected credit losses, business and economic conditions, and any other relevant factors.

#### (ii) 衍生工具及對沖交易會計法(參閱附註2(f)及(g))

在往年，衍生工具的入賬方法是根據該交易是作交易用途或作為資產及負債組合管理的一部份。

##### *衍生工具作交易用途*

作交易用途的交易按市價入賬，產生的損益淨現值已適當遞延未賺取的信貸邊際利潤及未來服務成本，於損益賬內確認為交易溢利或虧損。

沒有在交易所上市的衍生工具，其公平價值按本集團於結算日假設終止合約時可收取或須支付的金額，並已計及當時市場狀況及交易對手的信貸可信度。

##### *衍生工具作資產及負債管理用途*

作此用途的衍生工具視作對沖，並按其對沖的資產、負債或持倉淨額的相同基準計值。損益的確認與相關資產、負債或持倉淨額所引起損益的基準相同。

因終止對沖用途之衍生工具而產生的損益按已終止合約的原來有效期遞延及分攤入賬。當相關的資產、負債或持倉已出售或終止，該對沖衍生工具立即以市價於損益賬內反映。

由2005年1月1日起，為符合《香港會計準則》第39號，本集團已更改其有關衍生工具及對沖交易會計政策，詳情可分別參閱附註2(f)及2(g)。

#### (iii) 金融資產減值

##### *貸款和應收賬款*

在往年，在信貸委員會質疑本金和利息最終有可能不能全部收回時，必須為貸款提撥特殊準備。

特殊準備指量化可辨別貸款的實際及估計損失。

除同一類別之小額貸款按組合基準撥備外，特殊準備是根據個別情況提撥。當貸款在定期檢討結餘而被辨別為呆賬時須提撥特殊準備，經減除抵押品價值後，將貸款賬面值減低至可收回金額。

當特殊準備按組合基準提撥時，提撥金額需考慮管理層對該組合結構的評估，過往及預計信貸損失、業務及經濟狀況、和其他任何相關因素。

## Notes on the Accounts (continued)

### 賬項附註 (續)

### 3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更(續)

General provisions augmented specific provisions and provided cover for loans which were impaired at the balance sheet date but which would not be identified as such until some time in future. The Group maintained a general provision which was determined taking into account the structure and risk characteristics of the Group's loan portfolio and the expected loss of the individual components of the loan portfolio based primarily on the historical loss experience.

With effect from 1st January, 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to impairment on loans and advances to customers as set out in Note 2(k).

#### *Other financial assets*

In prior years, financial assets other than loans and advances, were reviewed on each balance sheet date to determine whether there was any indication of impairment.

If the recoverable amount of the asset was estimated to be less than its carrying amount, the carrying amount of the asset was reduced to its recoverable amount and the impairment loss was recognised in the profit and loss account.

With effect from 1st January, 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to impairment of investments in debt and equity securities, and impairment of other financial assets as set out in Note 2(k).

#### (iv) Interest recognition on impaired loans

In prior years, loans were not reclassified as accruing until interest and principal payments were up-to-date and future payments were reasonably assured. Where the probability of receiving interest payments was remote, interest was no longer accrued. Where the loan had no reasonable prospect of recovery, the loan and related suspended interest were written off.

With effect from 1st January, 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to interest income recognition as set out in Note 2(e).

#### (v) Description of transitional provisions and effect of adjustments

The change in accounting policies of the above items were adopted by way of opening balance adjustments to certain reserves and redesignation of financial instruments as at 1st January, 2005. As a result of these opening balance adjustments, the retained profits of the Group as at 1st January, 2005 has been increased by HK\$595,788,000. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

The adjustments for each accounts line of the Group and the Bank affected for the years ended 31st December 2005 and 2004 are set out in Note 3(a) and (b).

在特殊準備上增撥一般準備，是為在結算日未被辨別但未來才被發現的減值貸款而提撥。一般準備的撥備，主要是根據以往的壞賬經驗，並已計算本集團貸款組合的結構及風險特性和貸款組合內每一組成部分的預計損失。

由2005年1月1日起，為符合《香港會計準則》第39號，本集團已更改其有關貸款減值的會計政策，詳情可參閱附註2(k)。

#### *其他金融資產*

在往年，除貸款外，須在每一結算日檢討金融資產以決定是否已有減值徵兆。

如估計可收回金額低於賬面值，賬面值須減低至可收回金額，而減值損失確認為損益賬內。

由2005年1月1日起，為符合《香港會計準則》第39號，本集團已更改其有關債務證券及股份證券減值、及其他金融資產減值的會計政策，詳情可參閱附註2(k)。

#### (iv) 減值貸款的利息確認

在往年，除非利息及本金已全數清繳及將來還款可合理地得到保證，貸款均不會重新被分類為可累計貸款。當可收回利息的機會渺茫，將不會累計利息。倘再無實際機會收回貸款時，則貸款及相關懸欠利息將會撤銷。

由2005年1月1日起，為符合《香港會計準則》第39號，本集團已更改其有關利息確認會計政策，詳情可參閱附註2(e)。

#### (v) 過渡條款及調整之影響的陳述

採納以上各項的會計政策變更，是通過調整若干儲備的期初結餘及重新分類於2005年1月1日之金融工具類別，並在相關附註內披露。由於該等期初結餘調整，於2005年1月1日本集團的留存溢利增加港幣595,788,000元。因受《香港會計準則》第39號的過渡條款所禁止，並未重報比較數字。

對影響截至2004年及2005年12月31日止年度本集團及本銀行每一宗賬項之調整已詳載於附註3(a)及(b)。



## Notes on the Accounts (continued)

### 賬項附註(續)

#### (f) Amortisation of goodwill

In prior periods, positive goodwill which arose on or after 1st January, 2001 was amortised on a straight line basis over its useful life and was subject to impairment testing when there were indications of impairment.

With effect from 1st January, 2005, in accordance with HKFRS 3 "Business Combinations" and HKAS 36 "Impairment of Assets", the Group no longer amortises positive goodwill. Such goodwill is tested annually for impairment, including in the year of its initial recognition, as well as when there are indications of impairment. Impairment losses are recognised when the carrying amount of the cash generating unit to which the goodwill has been allocated exceeds its recoverable amount.

Also with effect from 1st January, 2005 and in accordance with HKFRS 3, if the fair value of the net assets acquired in a business combination exceeds the consideration paid (i.e. an amount arises which would have been known as negative goodwill under the previous accounting policy), the excess is recognised immediately in the profit and loss account as it arises.

The new policy in respect of positive goodwill has been applied prospectively in accordance with the transitional arrangements under HKFRS 3. The adjustments for each accounts line of the Group and of the Bank affected for the year ended 31st December, 2005 are set out in Note 3(b).

#### (g) Changes in presentation

##### (i) Presentation of profit and loss account and balance sheets

In prior years, there were no specific accounting standards governing the presentation of the accounts of banks. Management, having regard to the overall clarity and the disclosure requirements of the Hong Kong Monetary Authority, exercised its judgement in deciding on the relative prominence given to each item presented on the face of the profit and loss account and balance sheets. As a result, certificates of deposit held were separately presented on the face of the balance sheets. Treasury bills (including Exchange Fund Bills) and money at call and short notice (representing placements with banks and other financial institutions maturing within one month) were included in cash and short-term funds with treasury bills being presented separately as held-to-maturity and other investment in securities according to the previous SSAP 24. Other assets were included in advances to customers and other accounts less provisions.

With effect from 1st January, 2005, in order to comply with HKAS 30 "Disclosures in Financial Statements of Banks and Similar Financial Institutions" and to take into account the measurement basis that has been applied, the Group has changed its presentation of certain items on the face of the profit and loss account and balance sheets. Treasury bills (including Exchange Fund Bills) and certificates of deposit held are included in the four categories of financial instruments under HKAS 39. Placements with banks and other financial institutions maturing within one month are included in placements with banks and other financial institutions. These changes in presentation have been applied retrospectively with comparatives reclassified as shown in Note 3(a).

#### (f) 商譽攤銷

在往年，在2001年1月1日或以後產生的正商譽按其可用期以直線法攤銷，但當有徵兆可能減值時須接受減值測試。

由2005年1月1日起，按照《香港財務報告準則》第3號「業務合併」及《香港會計準則》第36號「資產減值」，本集團毋須攤銷正商譽。連同在初始確認的年度，以及當有徵兆可能減值時，此商譽須每年接受減值測試。當分配為該商譽之現金生產單位的賬面值超過其可收回數額時需確認減值損失。

亦由2005年1月1日起及按照《香港財務報告準則》第3號，如在企業合併中購入資產淨額的公平價值超過購入價（即按照以往會計政策稱為負商譽），超出的金額於產生時立即在損益賬確認。

有關正商譽之新會計政策已按照《香港財務報告準則》第3號的過渡安排並不追溯應用。對影響本集團及本銀行截至2005年12月31日止年度每一宗賬項之調整已詳載於附註3(b)。

#### (g) 呈報方式之轉變

##### (i) 損益賬及資產負債表的呈報方式

在往年，並未有特定的會計準則規範銀行賬項的呈報方式。顧及整體透明度及香港金融管理局的披露要求，管理層決定按每一項目在損益賬及資產負債表上相對之重要性作披露。因此，持有存款證在資產負債表上分開列示。國庫債券（包括外匯基金票據）及通知及短期存款（包括在銀行及其他金融機構於1個月內到期的存款）包括在現金及短期資金項下，而國庫債券則根據《會計實務準則》第24號分類為：持至到期及其他證券投資。其他資產則包括於已減除準備之貸款及其他賬項。

由2005年1月1日起，按照《香港會計準則》第30號「銀行及同類金融機構財務報表的披露」之要求並計及已採納的計量基準，本集團已更改若干於損益賬及資產負債表上項目的呈報方式。國庫債券（包括外匯基金票據）及持有存款證已包括在按《香港會計準則》第39號區分4種金融工具類別之要求。在銀行及其他金融機構於1個月內到期的存款則包括於在銀行及其他金融機構的存款。此改變是追溯應用的，比較數字已經重新分類，詳情可參閱附註3(a)。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 3. CHANGES IN ACCOUNTING POLICY (continued) 會計政策變更(續)

With effect from 1st January, 2005, in order to comply with HKAS 30 and to assist in an understanding of the performance of trading in financial instruments, the Group has grouped income and expenses arising from trading in financial instruments together in the profit and loss account. Interest income, interest expense and dividend income arising from trading assets and trading liabilities are reclassified from "Interest income", "Interest expense" and "Other operating income" respectively to "Net trading profits". Similar income and expenses arising from financial instruments designated at fair value through profit or loss are reclassified from the relevant captions to "Net result from financial instruments designated at fair value through profit or loss".

##### (ii) Presentation of shares of associates' taxation

In prior years, the Group's share of taxation of associates accounted for using the equity method was included as part of the Group's income tax in the consolidated profit and loss account. With effect from 1st January, 2005, in accordance with the implementation guidance in HKAS 1 "Presentation of Financial Statements", the Group has changed the presentation and includes the share of taxation of associates accounted for using the equity method in the respective shares of profit or loss reported in the consolidated profit and loss account before arriving at the Group's profit before tax. These changes in presentation have been applied retrospectively with comparatives restated as shown in Note 3(a).

##### (iii) Minority interests

In prior years, minority interests at the balance sheet date were presented in the consolidated balance sheet separately from liabilities and as deduction from net assets. Minority interests in the results of the Group for the year were also separately presented in the profit and loss account as a deduction before arriving at the profit attributable to shareholders.

With effect from 1st January, 2005, in order to comply with HKAS 1 and HKAS 27 "Consolidated and Separate Financial Statements", minority interests are presented in the consolidated balance sheet within equity, separately from the equity attributable to the equity holders of the Group, and minority interests in the results of the Group for the period are presented on the face of the consolidated profit and loss account as an allocation of the total profit for the period between the minority interests and the equity holders of the Group.

The presentation of minority interests in the consolidated balance sheet, profit and loss account and summary statement of changes in equity for the comparative period has been restated accordingly.

##### (h) Definition of related parties

As a result of the adoption of HKAS 24 "Related Party Disclosures", the definition of related parties are disclosed in Note 2(r) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosure made in the current year, as compared to those that would have been reported had SSAP 20 still been in effect.

由2005年1月1日起，因按《香港會計準則》第30號之要求及幫助了解買賣金融工具的表現，本集團已將有關買賣金融工具的收入及支出於損益賬內重組。因作交易用途的資產及負債產生的利息收入、利息支出及股息收入分別由「利息收入」、「利息支出」及「其他經營收入」轉入「交易溢利淨額」。指定通過損益以反映公平價值金融工具產生的相同收入及支出，由相關標題轉入「指定通過損益以反映公平價值金融工具的淨表現」。

##### (ii) 分享聯營公司稅項的呈報方式

在往年，本集團以權益會計法分享聯營公司稅項計入本集團綜合損益賬所得稅項下。由2005年1月1日起，按照《香港會計準則》第1號「財務報表披露」執行指引規定，本集團以權益會計法分享聯營公司稅項，改為計入本集團綜合損益賬中除稅前溢利的應佔聯營公司溢利減虧損項下。此改變是追溯應用的，比較數字已經重報，詳情可參閱附註3(a)。

##### (iii) 少數股東權益

在往年，於結算日之少數股東權益在綜合資產負債表內與負債分別呈報及從資產淨額減除。在計算股東應佔溢利，少數股東權益與集團期內溢利亦在損益賬內分別呈報及減除。

由2005年1月1日起，為符合《香港會計準則》第1號及《香港會計準則》第27號「綜合與個別財務報表」的要求，少數股東權益在綜合資產負債表內於股東權益內列示，但與股東應佔權益分開，少數股東權益佔集團期內溢利總額在綜合損益賬賬面以分配為少數股東權益及股東應佔權益形式呈報。

在綜合資產負債表、綜合損益賬和綜合權益變動表概要內披露少數股東權益的期內比較數字已作重報。

##### (h) 關聯人士之定義

由於採納《香港會計準則》第24號「關聯人士披露」，在附註2(r)記載關聯人士之定義已經擴大及澄清關聯人士包括可受個人(即主要管理人員、重大股權股東及/或其親近家庭成員)重大影響的公司及提供福利予本集團僱員的離職後福利計劃或某些與本集團關聯的實體。假設《會計實務準則》第20號仍然生效，二者比較，此項定義上之澄清並未對往年度或本年度已披露的關聯人士交易構成重大影響。

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

4. INTEREST INCOME 利息收入

		2005	2004
		HK\$'000 港幣千元	Restated 重報 HK\$'000 港幣千元
Listed securities	上市證券	103,979	108,081
Others	其他	7,702,555	5,560,414
Total interest income per profit and loss account		7,806,534	5,668,495
Interest income on trading assets (Note 7)	利息收入總額(如損益賬列示) 交易用途資產的利息收入總額(附註7)	26,450	13,585
Interest income on interest rate swaps (Note 7)	利率掉期合約的利息收入(附註7)	505,690	-
Interest income on financial assets designated at fair value through profit or loss (Note 8)	指定為通過損益以反映公平價值 金融資產的利息收入(附註8)	410,386	-
Total interest income on all financial assets		8,749,060	5,682,080

Included above is interest income accrued on impaired financial assets of HK\$45,648,000 which includes interest income on unwinding of discount on loan impairment losses of HK\$4,753,000 (Note 25(b)) for the year ended 31st December, 2005.

以上包括減值金融資產的累計利息港幣45,648,000元，其中包括截至2005年12月31日止年度貸款減值損失之利息折扣轉回港幣4,753,000元(附註25(b))。

5. INTEREST EXPENSE 利息支出

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	客戶存款、銀行及其他金融機構的存款及已發行存款證的利息支出(以攤銷成本列賬)	4,035,540	1,714,979
Interest expense on Subordinated Notes held at amortised cost	後價票據的利息支出(以攤銷成本列賬)	-	325,627
Other borrowings	其他借款	10,736	13,899
Total interest expense per profit and loss account		4,046,276	2,054,505
Interest expense on interest rate swaps (Note 7)	利率掉期合約的利息支出(附註7)	389,255	-
Interest expense on financial liabilities designated at fair value through profit or loss (Note 8)	指定為通過損益以反映公平價值 金融負債的利息支出(附註8)	579,757	-
Total interest expense on all financial liabilities		5,015,288	2,054,505

6. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income arises from the following services:

源自下列服務的服務費及佣金收入：

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Corporate services	企業服務	477,421	391,262
Loans, overdrafts and guarantees	貸款、透支及擔保	295,346	358,838
Credit cards	信用卡	236,030	204,668
Other retail banking services	其他零售銀行服務	134,710	111,614
Trade finance	貿易融資	102,458	116,965
Securities and asset management	證券及資產管理	192,285	192,974
Others	其他	159,750	130,283
Total fee and commission income		1,598,000	1,506,604

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 7. NET TRADING PROFITS 交易溢利淨額

		2005	2004
		HK\$'000 港幣千元	Restated 重報 HK\$'000 港幣千元
Profit on dealing in foreign currencies	外幣買賣溢利	293,842	160,636
Profit on trading securities	交易用途證券溢利	106,207	152,050
Profit on other dealing activities	其他買賣活動溢利	22,122	47,685
Interest income on trading assets (Note 4)	交易用途資產利息收入(附註4)		
– listed	– 上市	1,224	387
– unlisted	– 非上市	25,226	13,198
Interest income on interest rate swaps (Note 4)	利率掉期合約的利息收入(附註4)	505,690	–
Interest expense on interest rate swaps (Note 5)	利率掉期合約的利息支出(附註5)	(389,255)	–
Dividend income from listed trading securities	上市交易用途證券股息收入	10,968	–
Total net trading profits	淨交易溢利總額	576,024	373,956

#### 8. NET RESULT FROM FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

指定為通過損益以反映公平價值金融工具的淨表現

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Net gains	淨盈利	126,480	–
Interest income (Note 4)	利息收入(附註4)		
– listed	– 上市	168,763	–
– unlisted	– 非上市	241,623	–
Interest expense (Note 5)	利息支出(附註5)	(579,757)	–
Dividend income from listed securities	上市證券股息收入	345	–
		(42,546)	–

#### 9. OTHER OPERATING INCOME 其他經營收入

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入		
– listed	– 上市	8,382	–
– unlisted	– 非上市	25,771	–
Dividend income from other investments in securities	其他證券投資股息收入		
– listed	– 上市	–	28,333
– unlisted	– 非上市	–	14,627
Rental from safe deposit boxes	保險箱租金收入	85,269	85,346
Net revenue from insurance activities	保險業務淨收入	88,759	87,656
Rental income on properties	物業租金收入	43,194	45,998
Others	其他	39,323	37,718
Total other operating income	其他經營收入總額	290,698	299,678

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

10. OPERATING EXPENSES 經營支出

		2005	2004
		HK\$'000 港幣千元	Restated 重報 HK\$'000 港幣千元
Contributions to defined contribution plan*	定額供款公積金供款*	107,372	103,478
Equity-settled share-based payment expenses	股權支付支出	29,796	41,749
Salaries and other staff costs	薪金及其他員工成本	1,461,300	1,329,711
Total staff costs	員工成本總額	1,598,468	1,474,938
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	164,558	142,542
– Maintenance, repairs and others	– 保養、維修及其他	243,649	205,168
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及 設備支出總額	408,207	347,710
Depreciation on fixed assets (Note 31)	固定資產折舊(附註31)	258,563	243,961
Amortisation of goodwill	商譽攤銷	–	143,875
Other operating expenses	其他經營支出		
– Communications, stationery and printing	– 通訊、文具及印刷	175,134	159,047
– Legal and professional fees	– 法律及專業服務費用	112,116	89,127
– Advertising expenses	– 廣告費用	124,962	87,820
– Business promotions and business travel	– 業務推廣及商務旅遊	48,726	50,119
– Card related expenses	– 有關信用卡支出	57,352	41,104
– Stamp duty, overseas and PRC** business taxes, and value added taxes	– 印花稅、海外及中華人民共和國 營業稅、及增值稅	52,882	21,440
– Insurance expenses	– 保險費	13,469	14,035
– Debt securities issue expenses	– 發行債務證券費用	14,824	7,800
– Bank charges	– 銀行收費	3,937	7,296
– Administration expenses of secretarial business	– 秘書業務的行政費用	12,330	7,159
– Membership fees	– 會員費用	5,299	5,126
– Bank licence	– 銀行牌照費	3,082	4,655
– Audit fee	– 核數師酬金	5,198	4,123
– Donations	– 捐款	8,436	2,043
– Others	– 其他	85,062	50,802
Total other operating expenses	其他經營支出總額	722,809	551,696
Total operating expenses***	經營支出總額***	2,988,047	2,762,180

\* Forfeited contributions totalling HK\$5,751,000 (2004: HK\$3,810,000) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2004: Nil).

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

\*\*\* Included in operating expenses are direct operating expenses of HK\$10,381,000 (2004: HK\$13,374,000) in respect of investment properties which generated rental income during the year.

\* 年內沒收之供款共港幣5,751,000元(2004年：港幣3,810,000元)已被用作減少集團的供款。於年結時並無任何被沒收而未應用之供款可用作減低將來之供款(2004年：無)。

\*\*\* 年度內經營支出包括有租金收益的投資物業直接引起的經營支出，金額為港幣10,381,000元(2004年：港幣13,374,000元)。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 11. IMPAIRMENT LOSSES ON LOANS AND ADVANCES/NET CHARGE FOR BAD AND DOUBTFUL DEBTS 貸款減值損失/壞賬及呆賬支出

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Net charge for impairment losses and allowances/ bad and doubtful debts on loans and advances	貸款減值損失及準備/壞賬及 呆賬準備支出淨額		
Individual impairment loss	個別減值損失		
– new provisions (Note 22 and 25(b))	– 新撥備(附註22及25(b))	530,594	–
– releases	– 回撥	(141,834)	–
– recoveries (Note 22 and 25(b))	– 收回(附註22及25(b))	(176,140)	–
		212,620	–
Collective Impairment loss (Note 22 and 25(b))	整體減值損失(附註22及25(b))		
– new provisions	– 新撥備	143,297	–
– releases	– 回撥	(214,432)	–
		(71,135)	–
Specific provisions	特殊準備		
– new provisions (Note 22 and 25(b))	– 新撥備(附註22及25(b))	–	410,536
– releases	– 回撥	–	(37,072)
– recoveries (Note 22 and 25(b))	– 收回(附註22及25(b))	–	(170,452)
		–	203,012
General provisions (Note 22 and 25(b))	一般準備(附註22及25(b))		
– new provisions	– 新撥備	–	162,182
– releases	– 回撥	–	(92,387)
		–	69,795
Net charge to profit and loss account	於損益賬支銷淨額	141,485	272,807

#### 12. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS 出售可供出售金融資產之淨溢利

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Profit arising in current year	本年度產生的溢利	6,983	–



## Notes on the Accounts (continued)

### 賬項附註(續)

#### 13. INCOME TAX 所得稅

##### (a) Taxation in the consolidated profit and loss account represents:

##### (a) 綜合損益賬內稅項指：

		2005	2004
		HK\$'000 港幣千元	Restated 重報 HK\$'000 港幣千元
Current tax – provision for Hong Kong Profits Tax	本期稅項－香港利得稅準備	<b>366,845</b>	297,723
Tax for the year (Note 33(a))	本年度稅項(附註33(a))	<b>(107,005)</b>	(351)
Over-provision in respect of prior years	往年度撥備過剩	<b>259,840</b>	297,372
Current tax – overseas	本期稅項－海外	<b>130,138</b>	52,279
Tax for the year	本年度稅項	<b>(19,103)</b>	(23,094)
Over-provision in respect of prior years	往年度撥備過剩	<b>111,035</b>	29,185
Deferred tax (Note 33(b))	遞延稅項(附註33(b))	<b>35,872</b>	53,392
Origination and reversal of temporary differences	暫時性差異產生及轉回	<b>20,115</b>	34,342
Movements in the value of investment properties	投資物業價值之變動	<b>55,987</b>	87,734
		<b>426,862</b>	414,291

The provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

香港利得稅準備是以本年度預計應課稅溢利按稅率17.5%(2004年: 17.5%)計算。海外附屬公司的稅款亦按其經營所在國家的現行稅率計算。

##### (b) Reconciliation between tax expense and accounting profit at applicable tax rates

##### (b) 實際稅項支出與會計溢利按適用稅率計算的稅項之對賬

		2005	2004
		HK\$'000 港幣千元	Restated 重報 HK\$'000 港幣千元
Profit before tax	除稅前溢利	<b>3,212,843</b>	2,786,767
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	按照在相關國家適用利得稅稅率計算除稅前溢利的名義稅項	<b>566,717</b>	458,137
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	<b>96,965</b>	64,760
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	<b>(126,902)</b>	(89,356)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	<b>25,973</b>	11,384
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	<b>(5,660)</b>	(24,797)
Over provision in prior years	往年度撥備過剩	<b>(126,108)</b>	(23,445)
Tax benefits derived from leasing partnerships	源自合夥租賃的稅項利益	<b>(4,847)</b>	(38,633)
Others	其他	<b>724</b>	56,241
Actual tax expense	實際稅項支出	<b>426,862</b>	414,291

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 14. PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP 集團股東應佔溢利

The consolidated profit attributable to equity holders of the Group includes a profit of HK\$2,613,939,000 (2004 (restated): HK\$1,994,734,000) which has been dealt with in the accounts of the Bank.

應歸屬集團股東綜合溢利包括已計入本行賬項內的溢利港幣2,613,939,000元(2004年(重報):港幣1,994,734,000元)。

Reconciliation of the above amount to the Bank's profit for the year

銀行年度內溢利與上述金額之對賬

		2005		2004	
		HK\$'000 港幣千元		Restated 重報 HK\$'000 港幣千元	
Amount of consolidated profit attributable to equity holders dealt with in the Bank's financial statements	已計入銀行財務報表之應歸屬集團股東綜合溢利	2,515,551		1,855,210	
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year, approved and paid during the year	來自往年度附屬公司及聯營公司溢利之末期股息，並在年度內核准及派發	98,388		139,524	
Bank's profit for the year	銀行年度內溢利	2,613,939		1,994,734	

#### 15. DIVIDENDS 股息

##### (a) Dividends attributable to the year

##### (a) 應屬本年度股息

		2005		2004	
		HK\$'000 港幣千元		HK\$'000 港幣千元	
Interim dividend declared and paid of HK\$0.33 per share on 1,503,416,119 shares (2004: HK\$0.28 per share on 1,480,480,902 shares) (Note 38(i))	已宣派及支付1,503,416,119股每股港幣0.33元的中期股息(2004年:1,480,480,902股每股港幣0.28元)(附註38(i))	496,127		414,535	
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Bank, of HK\$0.80 (2004: HK\$0.62)	支付在結算日後及銀行股東登記截止日前根據認股計劃發行股份的上年度每股港幣0.80元的末期股息(2004年:每股港幣0.62元)	1,702		885	
Final dividend proposed after the balance sheet date of HK\$0.93 per share on 1,510,229,871 shares (2004: HK\$0.80 per share on 1,491,998,551 shares)	在結算日後擬派的末期股息1,510,229,871股每股港幣0.93元(2004年:1,491,998,551股每股港幣0.80元)。	1,404,514		1,193,599	
		1,902,343		1,609,019	

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

在結算日後的擬派末期股息但並未於結算日確認為負債。

##### (b) Dividends attributable to the previous financial year, approved and paid during the year

##### (b) 於年度核准及支付屬上年度股息

		2005		2004	
		HK\$'000 港幣千元		HK\$'000 港幣千元	
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.80 per share on 1,491,998,551 shares (2004: HK\$0.62 per share on 1,467,453,525 shares)	於年度核准及支付1,491,998,551股每股港幣0.80元的上年度末期股息(2004年:1,467,453,525股每股港幣0.62元)	1,193,599		909,821	

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 16. EARNINGS PER SHARE 每股盈利

##### (a) Basic earnings per share

The calculation of basic earnings per share is based on earnings of HK\$2,748,725,000 (2004 (restated): HK\$2,347,709,000) and on the weighted average of 1,502,313,852 (2004: 1,479,171,460) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2005 Number of Shares 股份數目	2004 Number of Shares 股份數目
Issued ordinary shares at 1st January	於1月1日的已發行普通股	1,491,998,551	1,467,453,525
Effect of share options exercised and shares issued in lieu of dividends (Note 37)	已行使認股權及以股代息的影響	10,315,301	11,717,935
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	1,502,313,852	1,479,171,460

##### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$2,748,725,000 (2004 (restated): HK\$2,347,709,000) and on 1,506,328,927 (2004: 1,486,243,795) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

		2005 Number of Shares 股份數目	2004 Number of Shares 股份數目
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	1,502,313,852	1,479,171,460
Effect of deemed issue of ordinary shares under the Bank's share option scheme for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	4,015,075	7,072,335
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	1,506,328,927	1,486,243,795

##### (a) 每股基本盈利

每股基本盈利乃按照溢利港幣2,748,725,000元(2004年(重報): 港幣2,347,709,000元)及已發行普通股份的加權平均數1,502,313,852股(2004年: 1,479,171,460股)計算。

普通股份的加權平均數

##### (b) 每股攤薄盈利

每股攤薄盈利乃按照溢利港幣2,748,725,000元(2004年(重報): 港幣2,347,709,000元)及就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數1,506,328,927股(2004年: 1,486,243,795股)計算。

普通股份的加權平均數(攤薄)

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

17. DIRECTORS' REMUNERATION 董事酬金

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

根據香港《公司條例》第161條規定公布董事酬金如下：

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option	Retirement scheme contributions	2005 Total
	袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元	HKS'000 港幣千元
<b>Chairman and Chief Executive</b>						
Dr. The Hon. Sir David Li Kwok-po 李國寶爵士	210	7,216	14,632	941	666	23,665
<b>Executive Directors</b>						
Mr. Joseph PANG Yuk-wing 彭玉榮先生	100	3,092	3,763	850	285	8,090
Mr. CHAN Kay-cheung 陳棋昌先生	100	3,092	3,763	850	285	8,090
<b>Non-executive Directors</b>						
Dr. Li Fook-wo 李福和博士	110	-	-	-	-	110
Dr. The Hon. Simon Li Fook-sean 李福善博士	130	-	-	-	-	130
Mr. Aubrey Li Kwok-sing 李國星先生	120	-	-	-	-	120
Dr. William MONG Man-wai 蒙民偉博士	100	-	-	-	-	100
Tan Sri Dr. KHOO Kay-peng 丹斯里邱繼炳博士	100	-	-	-	-	100
Mr. Richard Li Tzar-kai 李澤楷先生	100	-	-	-	-	100
<b>Independent Non-executive Directors</b>						
Mr. WONG Chung-hin 黃頌顯先生	110	-	-	-	-	110
Dr. LEE Shau-kee 李兆基博士	110	-	-	-	-	110
Dr. Allan WONG Chi-yun 黃子欣博士	140	-	-	-	-	140
Mr. Winston LO Yau-lai 羅友禮先生	130	-	-	-	-	130
Mr. Thomas KWOK Ping-kwong 郭炳江先生	120	-	-	-	-	120
Mr. TAN Man-kou 陳文裘先生	110	-	-	-	-	110
Mr. Kenneth LO Chin-ming 駱錦明先生	73	-	-	-	-	73
	1,863	13,400	22,158	2,641	1,236	41,298

## Notes on the Accounts (continued)

### 賬項附註(續)

	Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share option	Retirement scheme contributions	2004 Total (restated)	
	袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額 (重報)	
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	
<b>Chairman and Chief Executive</b>							
<b>主席兼行政總裁</b>							
Dr. The Hon. Sir David Li Kwok-po	李國寶爵士	200	7,000	15,079	1,531	646	24,456
<b>Executive Directors</b>							
<b>執行董事</b>							
Mr. Joseph PANG Yuk-wing	彭玉榮先生	100	3,000	3,877	1,607	277	8,861
Mr. CHAN Kay-cheung	陳棋昌先生	100	3,000	3,877	1,393	277	8,647
<b>Non-executive Directors</b>							
<b>非執行董事</b>							
Dr. Li Fook-wo	李福和博士	100	-	-	-	-	100
Dr. The Hon. Simon Li Fook-sean	李福善博士	110	-	-	-	-	110
Mr. Aubrey Li Kwok-sing	李國星先生	110	-	-	-	-	110
Dr. William MONG Man-wai	蒙民偉博士	100	-	-	-	-	100
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	100	-	-	-	-	100
Mr. Richard Li Tzar-kai	李澤楷先生	100	-	-	-	-	100
<b>Independent Non-executive Directors</b>							
<b>獨立非執行董事</b>							
Mr. WONG Chung-hin	黃頌顯先生	110	-	-	-	-	110
Dr. LEE Shau-kee	李兆基博士	100	-	-	-	-	100
Dr. Allan WONG Chi-yun	黃子欣博士	130	-	-	-	-	130
Mr. Winston LO Yau-lai	羅友禮先生	130	-	-	-	-	130
Mr. Thomas KWOK Ping-kwong	郭兩江先生	120	-	-	-	-	120
Mr. TAN Man-kou	陳文裘先生	9	-	-	-	-	9
		1,619	13,000	22,833	4,531	1,200	43,183

Included in the above remuneration, share options were granted to Executive Directors under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 36.

上述酬金包括執行董事根據本銀行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註36內。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 18.FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	16,776	16,275
Performance-related bonuses	表現獎勵花紅	25,859	26,596
Share option	認股權	4,871	8,876
Pension contribution	退休金供款	1,547	1,502
		49,053	53,249

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

5名薪酬最高的僱員的金額範圍如下：

HK\$港幣	2005 Number of Employees 僱員人數	2004 Number of Employees 僱員人數
4,500,001 – 5,000,000	1	–
5,000,001 – 5,500,000	1	–
5,500,001 – 6,000,000	–	2
8,000,001 – 8,500,000	2	–
8,500,001 – 9,000,000	–	2
23,500,001 – 24,000,000	1	–
24,000,001 – 24,500,000	–	1

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2004: 3) Directors. Their respective directors' emoluments have been included in Note 17 above.

5名薪酬最高的僱員中包括3位(2004年：3位)董事。他們的薪酬已包括於上述附註17。

#### 19.SEGMENT REPORTING 分部報告

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

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

##### (a) Business Segments

The Group comprises the following main business segments:

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

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

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

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

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

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

##### (a) 業務分部

本集團經營以下主要業務分部：

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

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

投資銀行業務包括財資運作、股票經紀及買賣、提供網上證券買賣服務。

企業服務包括公司秘書服務、證券登記及商業服務，及離岸企業及信託服務。

其他業務包括銀行保險、保險業務、與地產有關的業務及財富管理業務。

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



## Notes on the Accounts (continued)

### 賬項附註(續)

		2005							
		Personal Banking	Corporate Banking	Investment Banking	Corporate Services	Others	Unallocated	Inter-segment elimination	Consolidated
		個人銀行 HK\$'000 港幣千元	企業銀行 HK\$'000 港幣千元	投資銀行 HK\$'000 港幣千元	企業服務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	未分類 HK\$'000 港幣千元	分部間之 交易抵銷 HK\$'000 港幣千元	綜合總額 HK\$'000 港幣千元
<b>The Group</b>	<b>集團</b>								
Net interest income	淨利息收入	1,619,382	1,969,027	165,149	173	7,677	(1,150)	-	3,760,258
Other operating income from external customers	源自外界客戶的其他經營收入	430,755	204,770	923,121	479,230	133,113	21,291	-	2,192,280
Inter-segment income	分部間之交易收入	-	-	-	-	-	125,431	(125,431)	-
Total operating income	經營收入總額	2,050,137	2,173,797	1,088,270	479,403	140,790	145,572	(125,431)	5,952,538
Operating expenses	經營支出	(1,337,155)	(668,203)	(298,419)	(282,637)	(194,173)	(207,460)	-	(2,988,047)
Inter-segment expenses	分部間之交易	(105,237)	(12,968)	(5,193)	-	(2,033)	-	125,431	-
Operating profit before impairment losses	未扣除減值損失之經營溢利	607,745	1,492,626	784,658	196,766	(55,416)	(61,888)	-	2,964,491
Impairment losses on loans and advances	貸款減值損失	24,460	(168,519)	3,021	(5,449)	5,002	-	-	(141,485)
Impairment loss on bank premises	銀行行址減值損失	-	-	-	-	-	(210,140)	-	(210,140)
Impairment losses on available-for-sale financial assets, held-to-maturity investments and associates	可供出售金融資產、持至到期投資及聯營公司減值損失	-	(7,358)	(33,230)	-	(194)	389	-	(40,393)
Profit on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments and subsidiaries/associates	出售固定資產、可供出售金融資產、持至到期投資及附屬公司/聯營公司之淨溢利	632,205	1,316,749	754,449	191,317	(50,608)	(271,639)	-	2,572,473
Revaluation surplus on investment properties	投資物業的重估盈餘	-	-	-	-	234,221	-	-	234,221
Share of profits less losses of associates	應佔聯營公司溢利減虧損	769	33,588	3,125	-	(5,259)	1,508	-	33,731
Profit before taxation	除稅前溢利	632,974	1,350,337	763,928	191,317	178,945	95,342	-	3,212,843
Income tax	所得稅	(87,464)	(182,185)	(105,264)	(26,465)	(25,484)	-	-	(426,862)
Profit after taxation	除稅後溢利	545,510	1,168,152	658,664	164,852	153,461	95,342	-	2,785,981
Attributable to:	可歸屬於:								
Equity holders of the Group	本集團股東	545,510	1,168,152	658,664	126,866	154,191	95,342	-	2,748,725
Minority interests	少數股東權益	-	-	-	37,986	(730)	-	-	37,256
Profit after taxation	除稅後溢利	545,510	1,168,152	658,664	164,852	153,461	95,342	-	2,785,981
Depreciation for the year	年度內折舊	(89,521)	(47,388)	(19,953)	(20,029)	(7,119)	(74,553)	-	(258,563)
Segment assets	分部資產	52,593,807	89,583,033	83,765,287	743,249	2,237,015	710,657	-	229,633,048
Investments in associates	聯營公司投資	38,313	346,355	75,266	-	306,794	1,852	-	768,580
Unallocated assets	未分類資產	-	-	-	-	-	8,397,854	-	8,397,854
Total assets	資產總額	52,632,120	89,929,388	83,840,553	743,249	2,543,809	9,110,363	-	238,799,482
Segment liabilities	分部負債	117,038,288	58,864,730	20,425,447	53,831	1,686,814	-	-	198,069,110
Unallocated liabilities	未分類負債	-	-	-	-	-	7,777,064	-	7,777,064
Loan capital	借貸資本	-	-	-	-	-	8,548,780	-	8,548,780
Total liabilities	負債總額	117,038,288	58,864,730	20,425,447	53,831	1,686,814	16,325,844	-	214,394,954
Capital expenditure incurred during the year	年度內資本開支	101,932	119,187	161,709	63,846	12,681	195,388	-	654,743

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

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

(a) Business Segments (continued)

(a) 業務分部(續)

		Personal Banking	Corporate Banking	Investment Banking	2004 Restated 重報			Inter-segment elimination 分部間之 交易抵銷	Consolidated
					Corporate Services	Others	Unallocated		
		個人銀行 HK\$'000 港幣千元	企業銀行 HK\$'000 港幣千元	投資銀行 HK\$'000 港幣千元	企業服務 HK\$'000 港幣千元	其他 HK\$'000 港幣千元	未分類 HK\$'000 港幣千元	綜合總額 HK\$'000 港幣千元	
<b>The Group</b>	<b>集團</b>								
Net interest income	淨利息收入	1,787,802	1,321,426	484,410	(2,959)	23,201	110	-	3,613,990
Other operating income	源自外界客戶的 其他經營收入	463,579	285,081	520,786	387,894	204,070	20,465	-	1,881,875
Inter-segment income	分部間之交易收入	-	-	-	-	-	104,651	(104,651)	-
Total operating income	經營收入總額	2,251,381	1,606,507	1,005,196	384,935	227,271	125,226	(104,651)	5,495,865
Operating expenses	經營支出	(1,232,130)	(636,103)	(267,060)	(247,913)	(157,377)	(221,597)	-	(2,762,180)
Inter-segment expenses	分部間之交易	(92,223)	(8,271)	(3,847)	-	(310)	-	104,651	-
Operating profit before provisions	未扣除準備的經營溢利	927,028	962,133	734,289	137,022	69,584	(96,371)	-	2,733,685
Charge for bad and doubtful debts	壞賬及呆賬支出	(84,263)	(205,935)	(168)	(9,033)	26,592	-	-	(272,807)
Write back on impairment loss on bank premises	銀行行址減值損失回撥	-	-	-	-	-	18,538	-	18,538
Provision on held-to-maturity debt securities, investment securities and associates	持至到期債務證券、 投資證券及聯營公司 的準備金調撥	-	(15,768)	6,067	-	-	(8,881)	-	(18,582)
Profit on sale of fixed assets and investment securities	出售固定資產及投資證券 之淨溢利	842,765	740,430	740,188	127,989	96,176	(86,714)	-	2,460,834
Revaluation surplus on investment properties	投資物業的重估盈餘	-	-	-	-	227,941	-	-	227,941
Share of profits less losses of associates	應佔聯營公司溢利 減虧損	1,424	13,955	30,271	-	23,590	(245)	-	68,995
Profit/(loss) before taxation	除稅前溢利/(虧損)	844,189	754,380	784,222	127,989	347,707	(71,720)	-	2,786,767
Income tax	所得稅	(125,157)	(109,994)	(111,983)	(19,016)	(48,141)	-	-	(414,291)
Profit/(loss) after taxation	除稅後溢利/(虧損)	719,032	644,386	672,239	108,973	299,566	(71,720)	-	2,372,476
Attributable to: Equity holders of the Group	可歸屬於: 本集團股東	719,032	644,386	672,239	84,206	299,566	(71,720)	-	2,347,709
Minority interests	少數股東權益	-	-	-	24,767	-	-	-	24,767
Profit/(loss) after taxation	除稅後溢利/(虧損)	719,032	644,386	672,239	108,973	299,566	(71,720)	-	2,372,476
Depreciation for the year	年度內折舊	(98,968)	(53,995)	(20,018)	(7,405)	(7,184)	(56,391)	-	(243,961)
Amortisation of goodwill	商譽攤銷	(30,538)	(31,701)	(40,040)	(39,626)	(1,970)	-	-	(143,875)
Segment assets	分部資產	48,448,340	71,741,124	77,018,778	1,645,556	1,507,253	704,842	-	201,065,893
Investments in associates	聯營公司投資	36,601	290,495	77,399	-	319,574	1,894	-	725,963
Unallocated assets	未分類資產	-	-	-	-	-	8,577,690	-	8,577,690
Total assets	資產總額	48,484,941	72,031,619	77,096,177	1,645,556	1,826,827	9,284,426	-	210,369,546
Segment liabilities	分部負債	106,071,387	57,671,069	14,045,540	52,344	1,129,967	-	-	178,970,307
Unallocated liabilities	未分類負債	-	-	-	-	-	5,269,321	-	5,269,321
Loan Capital	借貸資本	-	-	-	-	-	4,271,124	-	4,271,124
Total liabilities	負債總額	106,071,387	57,671,069	14,045,540	52,344	1,129,967	9,540,445	-	188,510,752
Write back of impairment loss credited to equity	回撥減值損失存入 股東權益	-	-	-	-	-	12,839	-	12,839
Capital expenditure incurred during the year	年度內資本開支	53,613	74,870	88,472	228,523	28,576	1,432,127	-	1,906,181

## Notes on the Accounts (continued)

### 賬項附註(續)

#### (b) Geographical Segments

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

#### (b) 地區分部

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

		2005					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>The Group</b>	<b>集團</b>						
Total operating income	經營收入總額	4,497,027	784,880	289,355	568,760	(187,484)	5,952,538
Profit before taxation	除稅前溢利	2,367,321	371,777	182,446	291,299	-	3,212,843
Total assets	資產總額	201,212,351	40,930,346	17,116,798	31,207,227	(51,667,240)	238,799,482
Total liabilities	負債總額	177,558,418	40,645,670	16,493,743	27,949,790	(48,252,667)	214,394,954
Contingent liabilities and commitments	或然負債及承擔	35,229,638	5,421,444	4,427,718	4,126,700	-	49,205,500
Capital expenditure during the year	年度內資本開支	584,846	40,764	5,690	23,443	-	654,743

  

		2004 Restated 重報					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
<b>The Group</b>	<b>集團</b>						
Total operating income	經營收入總額	4,504,742	528,168	209,545	523,386	(269,976)	5,495,865
Profit before taxation	除稅前溢利	2,361,690	179,046	76,111	169,920	-	2,786,767
Total assets	資產總額	178,475,184	28,172,241	17,442,983	31,149,607	(44,870,469)	210,369,546
Total liabilities	負債總額	157,287,819	28,117,952	17,267,817	28,092,475	(42,255,311)	188,510,752
Contingent liabilities and commitments	或然負債及承擔	33,548,424	3,508,652	4,199,197	3,029,858	-	44,286,131
Capital expenditure during the year	年度內資本開支	1,551,254	107,152	224,903	22,872	-	1,906,181

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 20. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

##### 現金及在銀行和其他金融機構的結存

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		Restated 重報		Restated 重報	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cash in hand	現金	549,715	543,976	532,653	526,479
Balances with central banks	在中央銀行的結存	379,905	338,046	337,643	298,331
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	3,595,967	2,773,571	3,506,119	2,635,646
		<b>4,525,587</b>	3,655,593	<b>4,376,415</b>	3,460,456

#### 21. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS 在銀行及其他金融機構的存款

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		Restated 重報		Restated 重報	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	43,560,999	40,917,291	43,266,358	40,727,238
Placements with other financial institutions	在其他金融機構的存款	1,786,256	1,166,115	1,786,256	1,166,115
		<b>45,347,255</b>	42,083,406	<b>45,052,614</b>	41,893,353
Maturing	到期期限				
– within one month	– 1個月內	40,638,370	32,251,148	40,409,405	32,068,851
– between one month and one year	– 1個月至1年內	4,708,885	9,832,258	4,643,209	9,824,502
		<b>45,347,255</b>	42,083,406	<b>45,052,614</b>	41,893,353

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

22. TRADE BILLS 貿易票據

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Gross trade bills	貿易票據總額	612,630	1,401,233	612,630	1,400,579
Impairment allowances	減值準備				
– collectively assessed	– 整體評估	(43)	–	(43)	–
General provision for bad and doubtful debts	一般壞賬及呆賬準備	–	(1,095)	–	(1,095)
		<b>612,587</b>	1,400,138	<b>612,587</b>	1,399,484

Movement of impairment loss allowances for 2005

2005年減值損失準備的變動

		The Group 集團		The Bank 銀行	
		Individual	Collective	Individual	Collective
		個別	整體	個別	整體
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January	於1月1日				
– As previously reported	– 如前匯報	–	1,095	–	1,095
– Adjustments arising from change in accounting policies	– 因會計政策變更產生的調整	–	(596)	–	(596)
– As restated	– 已重報	–	499	–	499
New provisions charged to profit and loss account (Note 11)	記入損益賬的新準備(附註11)	–	67	–	67
Provisions released back to profit and loss account (Note 11)	撥回損益賬的準備(附註11)	(21)	(513)	(21)	(513)
Amounts written off	撇銷額	–	–	–	–
Recoveries (Note 11)	收回額(附註11)	21	–	21	–
Exchange adjustments	匯兌調整	–	(10)	–	(10)
At 31st December	於12月31日	–	43	–	43

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

22. TRADE BILLS (continued) 貿易票據(續)

Movement of provisions for bad and doubtful debts for 2004

2004年壞賬及呆賬準備的變動

		The Group 集團		The Bank 銀行	
		Specific	General	Specific	General
		特殊	一般	特殊	一般
		HK\$'000	港幣千元	HK\$'000	港幣千元
At 1st January	於1月1日	-	1,283	-	1,283
New provisions charged to profit and loss account (Note 11)	記入損益賬的新準備 (附註11)	679	1,528	679	1,528
Provisions released back to profit and loss account (Note 11)	撥回損益賬的準備 (附註11)	(125)	(1,738)	(125)	(1,738)
Amounts written off	撇銷額	(679)	-	(679)	-
Recoveries (Note 11)	收回額(附註11)	125	-	125	-
Exchange adjustments	匯兌調整	-	22	-	22
At 31st December	於12月31日	-	1,095	-	1,095



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

23. TRADING ASSETS 交易用途資產

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		Restated 重報		Restated 重報	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	1,494,650	1,199,803	1,494,650	1,199,803
Debt securities	債務證券	165,683	195,029	165,683	195,029
Equity shares	股份	601,139	299,684	584,941	284,583
Trust funds	信託基金	245,682	240,686	245,682	240,686
Trading securities	交易用途證券	2,507,154	1,935,202	2,490,956	1,920,101
Positive fair values of derivatives (Note 42(b))	衍生工具的正公平值(附註42(b))	738,425	348,223	736,650	348,223
		3,245,579	2,283,425	3,227,606	2,268,324
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	1,494,650	1,206,153	1,494,650	1,206,153
Public sector entities	公營機構	165,684	188,678	165,684	188,678
Banks and other financial institutions	銀行及其他金融機構	435,494	266,088	433,970	264,529
Corporate entities	企業	411,326	274,283	396,652	260,741
		2,507,154	1,935,202	2,490,956	1,920,101
By place of listing:	按上市地區:				
Listed in Hong Kong	在香港上市	494,508	265,755	478,310	250,905
Listed outside Hong Kong	在香港以外地區上市	144,233	86,281	144,233	86,030
		638,741	352,036	622,543	336,935
Unlisted	非上市	1,868,413	1,583,166	1,868,413	1,583,166
		2,507,154	1,935,202	2,490,956	1,920,101

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 24. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

指定為通過損益以反映公平價值的金融資產

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Certificates of deposit held	持有的存款證	94,290	-	94,290	-
Debt securities	債務證券	10,053,081	-	10,023,643	-
Equity shares	股份	10,336	-	-	-
		<b>10,157,707</b>	-	<b>10,117,933</b>	-
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	46,409	-	46,409	-
Public sector entities	公營機構	172,022	-	172,022	-
Banks and other financial institutions	銀行及其他金融機構	1,264,079	-	1,242,911	-
Corporate entities	企業實體	8,668,041	-	8,656,591	-
Other entities	其他實體	7,156	-	-	-
		<b>10,157,707</b>	-	<b>10,117,933</b>	-
By place of listing:	按上市地區:				
Listed in Hong Kong	在香港上市	1,773,428	-	1,763,152	-
Listed outside Hong Kong	在香港以外地區上市	1,931,168	-	1,905,442	-
		<b>3,704,596</b>	-	<b>3,668,594</b>	-
Unlisted	非上市	6,453,111	-	6,449,339	-
		<b>10,157,707</b>	-	<b>10,117,933</b>	-

Following the adoption of HKAS 39 in 2005, certain financial assets and financial liabilities were re-designated as financial assets/liabilities through profit or loss on 1st January, 2005. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

The carrying amount of financial assets designated at fair value through profit or loss as at 1st January 2005 was HK\$8,625,856,000 and these assets were classified as follows at 31st December, 2004:

由2005年起因採納《香港會計準則》第39號，於2005年1月1日，若干金融資產及金融負債被重新指定為通過損益以反映公平價值的金融資產／負債。由於《香港會計準則》第39號禁止追溯應用，因此並未重定2004年的數字。

於2005年1月1日，指定為通過損益以反映公平價值的金融資產之賬面值為港幣8,625,856,000元，及於2004年12月31日該等資產的分類如下：

		HK\$'000 港幣千元
Classified as	分類為:	
Held-to-maturity debt securities	持至到期債務證券	3,770,278
Other investments in securities	其他證券投資	4,784,168
Investment securities	投資證券	71,410
		<b>8,625,856</b>
Carrying amount at 31st December, 2004	於2004年12月31日之賬面值	

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

25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS 客戶貸款及其他賬項

(a) Advances to Customers and Other Accounts

(a) 客戶貸款及其他賬項

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		Restated 重報		Restated 重報	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(i)	Advances to customers	客戶貸款	117,258,753	133,316,623	112,769,755
	Less: Impairment allowances	減：減值準備			
	– Individual	– 個別	–	(204,122)	–
	– Collective	– 整體	–	(471,854)	–
	Less: Provisions for bad and doubtful debts	減：壞賬及呆賬準備			
	– Specific	– 特殊	(310,309)	–	(217,143)
	– General	– 一般	(1,320,850)	–	(1,273,183)
			115,627,594	132,640,647	111,279,429
(ii)	Other accounts	其他賬項			
	Advances to banks and other financial institutions	銀行及其他金融機構貸款	2,114,655	2,424,120	2,114,655
	Notes and bonds	債券	–	383,435	–
	Certificates of deposits	存款證	–	38,775	–
	Accrued interest	應計利息	1,054,632	938,165	1,019,140
	Less: Suspended interest	減：懸欠利息	(319,779)	–	(319,520)
	Other accounts	其他賬項	4,175,485	2,855,923	4,023,450
			7,024,993	6,640,418	6,837,725
	Less: Impairment allowances	減：減值準備			
	– Individual	– 個別	–	–	–
	– Collective	– 整體	–	–	–
	Less: Provisions for bad and doubtful debts	減：壞賬及呆賬準備			
	– Specific	– 特殊	(32,011)	–	–
	– General	– 一般	(19,146)	–	(4,143)
			6,973,836	6,640,418	6,833,582
			122,601,430	139,281,065	118,113,011

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項 (續)

(b) Impairment allowances against Advances and Other Accounts for 2005

(b) 2005年貸款及其他賬項之減值準備

		Advances to customers 客戶貸款		The Group 集團 Other Accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January	於1月1日						
- As previously reported as provision for bad and doubtful debts	- 如前匯報為壞賬及呆賬準備	310,309	1,320,850	32,011	19,146	342,320	1,339,996
- Adjustments arising from change in accounting policies	- 因會計政策變更產生之調整	(20,677)	(717,052)	-	(5,852)	(20,677)	(722,904)
- As restated	- 已重報	289,632	603,798	32,011	13,294	321,643	617,092
New provisions charged to profit and loss account (Note 11)	記入損益賬的新準備 (附註11)	520,369	138,201	10,225	5,029	530,594	143,230
Net provisions released back to profit and loss account (Note 11)	撥回損益賬的準備淨額 (附註11)	(307,155)	(206,888)	(6,045)	(7,031)	(313,200)	(213,919)
Amounts written off Recoveries (Note 11)	撇銷額 收回額 (附註11)	(370,884) 176,052	(54,540) 111	(7,672) 67	- -	(378,556) 176,119	(54,540) 111
Unwind of discount on loan impairment losses (Note 4 & Note 11)	貸款減值損失的折扣轉回 (附註4及附註11)	(4,753)	-	-	-	(4,753)	-
Other movements	其他變動	32	4	-	(1,298)	32	(1,294)
Exchange adjustments	匯兌調整	(7,718)	(1,691)	(16)	(51)	(7,734)	(1,742)
At 31st December	於12月31日	295,575	478,995	28,570	9,943	324,145	488,938

  

		Advances to customers 客戶貸款		The Bank 銀行 Other Accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1st January	於1月1日						
- As previously reported as provision for bad and doubtful debts	- 如前匯報為壞賬及呆賬準備	217,143	1,273,183	-	4,143	217,143	1,277,326
- Adjustments arising from change in accounting policies	- 因會計政策變更產生之調整	(24,499)	(677,560)	-	(2,845)	(24,499)	(680,405)
- As restated	- 已重報	192,644	595,623	-	1,298	192,644	596,921
New provisions charged to profit and loss account	記入損益賬的新準備	517,005	136,570	-	-	517,005	136,570
Net provisions released back to profit and loss account	撥回損益賬的準備淨額	(299,605)	(204,157)	-	-	(299,605)	(204,157)
Amounts written off Recoveries	撇銷額 收回額	(368,727) 175,257	(54,540) 111	- -	- -	(368,727) 175,257	(54,540) 111
Unwind of discount on loan impairment losses	貸款減值損失的折扣轉回	(4,702)	-	-	-	(4,702)	-
Other movements	其他變動	32	4	-	(1,298)	32	(1,294)
Exchange adjustments	匯兌調整	(7,782)	(1,757)	-	-	(7,782)	(1,757)
At 31st December	於12月31日	204,122	471,854	-	-	204,122	471,854

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

(b) Provisions against Advances and Other Accounts for 2004

(b) 2004年貸款及其他賬項準備

		Advances to customers		The Group 集團 Other Accounts		Total	
		客戶貸款		其他賬項		總額	
		Specific	General	Specific	General	Specific	General
		特殊	一般	特殊	一般	特殊	一般
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January	於1月1日	346,397	1,249,829	34,003	9,721	380,400	1,259,550
New provisions charged to profit and loss account (Note 11)	記入損益賬的新準備(附註11)	404,057	143,867	5,800	16,787	409,857	160,654
Net provisions released back to profit and loss account (Note 11)	撥回損益賬的準備淨額(附註11)	(202,763)	(83,296)	(4,636)	(7,353)	(207,399)	(90,649)
Amounts written off	撇銷額	(414,872)	(387)	(5,710)	(87)	(420,582)	(474)
Recoveries (Note 11)	收回額(附註11)	169,835	210	492	-	170,327	210
Additions through acquisition of subsidiaries	經收購附屬公司的增置	-	-	2,062	-	2,062	-
Other movements	其他變動	1,417	3,503	-	-	1,417	3,503
Exchange adjustments	匯兌調整	6,238	7,124	-	78	6,238	7,202
At 31st December	於12月31日	310,309	1,320,850	32,011	19,146	342,320	1,339,996

		Advances to customers		The Bank 銀行 Other Accounts		Total	
		客戶貸款		其他賬項		總額	
		Specific	General	Specific	General	Specific	General
		特殊	一般	特殊	一般	特殊	一般
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January	於1月1日	238,978	1,208,327	-	1,303	238,978	1,209,630
New provisions charged to profit and loss account	記入損益賬的新準備	398,141	138,037	203	3,333	398,344	141,370
Net provisions released back to profit and loss account	撥回損益賬的準備淨額	(176,858)	(82,132)	-	(442)	(176,858)	(82,574)
Amounts written off	撇銷額	(408,922)	(388)	(203)	(51)	(409,125)	(439)
Recoveries	收回額	158,542	210	-	-	158,542	210
Other movements	其他變動	1,417	3,503	-	-	1,417	3,503
Exchange adjustments	匯兌調整	5,845	5,626	-	-	5,845	5,626
At 31st December	於12月31日	217,143	1,273,183	-	4,143	217,143	1,277,326

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項 (續)

##### (c) Advances to customers – by industry sectors

The analysis of gross advances to customers by industry sector is based on the categories and definitions used by the Hong Kong Monetary Authority.

##### (c) 客戶貸款 – 按行業分類

客戶貸款總額的行業分類是按香港金融管理局所採用的類別和定義。

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
<b>The Group</b>	<b>集團</b>		
Loans for use in Hong Kong Industrial, commercial and financial	在香港使用的貸款 工商金融		
– Property development	– 物業發展	5,870,869	4,398,093
– Property investment	– 物業投資	19,316,009	14,536,729
– Financial concerns	– 金融企業	1,867,677	1,507,153
– Stockbrokers	– 股票經紀	204,725	277,903
– Wholesale and retail trade	– 批發與零售業	1,399,776	1,569,771
– Manufacturing	– 製造業	1,744,187	1,822,971
– Transport and transport equipment	– 運輸與運輸設備	4,132,657	4,507,233
– Others	– 其他	6,294,634	6,032,368
– Sub-total	– 小計	40,830,534	34,652,221
Individuals	個人		
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」樓宇的貸款	1,320,946	1,522,173
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	37,188,222	34,928,247
– Credit card advances	– 信用卡貸款	1,769,653	1,649,200
– Others	– 其他	3,571,901	3,230,750
– Sub-total	– 小計	43,850,722	41,330,370
Total loans for use in Hong Kong	在香港使用的貸款總額	84,681,256	75,982,591
Trade finance	貿易融資	3,753,789	4,092,162
Loans for use outside Hong Kong	在香港以外使用的貸款	50,308,702	37,184,000
Total advances to customers	客戶貸款總額	138,743,747	117,258,753

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

(d) Impaired/Non-performing advances to customers

(d) 減值/不履行客戶貸款

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		Restated 重報			
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Gross impaired advances to customers*	減值客戶貸款總額*	1,434,979	–	1,265,629	–
Individual impairment allowances	個別減值準備	295,575	–	204,122	–
Gross non-performing advances to customers	不履行客戶貸款總額	–	1,549,032	–	1,360,524
Specific provisions	特殊準備	–	299,790	–	206,624
Suspended interest **	懸欠利息**	–	380,129	–	379,871
As percentage of total advances to customers	佔客戶貸款總額之百分比	1.03%	1.32%	0.95%	1.21%

\* Included in gross impaired advances to customers is HK\$167,350,000 (2004: HK\$183,600,000) in relation to loans to property development projects. Excluding these items, gross impaired advances to customers would be 0.91% (2004: 1.35%) of total advances to customers.

\* 於減值客戶貸款總額中，包括有關物業發展項目貸款港幣167,350,000元(2004年：港幣183,600,000元)。如不計算此項目，減值客戶貸款總額佔客戶貸款總額之比率為0.91%(2004年：1.35%)。

\*\* Inclusive of interest capitalised

\*\* 包括已資本化的利息

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis.

減值貸款是個別出現客觀減值證據而須個別評估的貸款。

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

不履行貸款即其利息撥入懸欠利息賬項或已停止累計利息的貸款。

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

於2005年12月31日，本集團貸予銀行及其他金融機構的款項中並無減值貸款，及於2004年12月31日本集團貸予銀行及其他金融機構的款項中，並無利息撥入利息懸欠賬目或已停止累計利息的貸款，亦無就該等貸款提撥個別減值準備/特殊準備。



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

25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (continued) 客戶貸款及其他賬項 (續)

(e) Advances to Customers – Net investment in Finance Leases

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

(e) 客戶貸款 – 融資租賃的淨投資額

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

		The Group and The Bank 集團及銀行					
		2005			2004		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amounts receivable:	應收賬款：						
Within one year	1年以內	909,490	212,620	1,122,110	815,401	111,436	926,837
After one year but within five years	1年以後至5年內	1,242,323	500,010	1,742,333	1,262,417	217,594	1,480,011
After five years	5年以後	1,918,878	810,971	2,729,849	1,813,039	276,970	2,090,009
		4,070,691	1,523,601	5,594,292	3,890,857	606,000	4,496,857
Impairment allowance		(9,222)			-		
Less: Provisions for bad and doubtful debts	減：壞賬及 呆賬準備	-			(3,846)		
Net investment in finance leases	融資租賃的 淨投資額	4,061,469			3,887,011		

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

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

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 26. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	3,083,677	–	3,083,678	–
Certificates of deposit held	持有存款證	1,114,810	–	1,105,961	–
Debt securities	債務證券	2,956,664	–	2,490,953	–
Equity shares	股份	1,028,231	–	916,186	–
Trust Fund	信託基金	215,739	–	107,224	–
		<b>8,399,121</b>	–	<b>7,704,002</b>	–
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	4,407,841	–	4,368,175	–
Public sector entities	公營機構	472,573	–	419,220	–
Banks and other financial institutions	銀行及其他金融機構	1,911,991	–	1,821,839	–
Corporate entities	企業實體	1,390,960	–	987,544	–
Other entities	其他實體	215,756	–	107,224	–
		<b>8,399,121</b>	–	<b>7,704,002</b>	–
By place of listing:	按上市地區:				
Listed in Hong Kong	在香港上市	379,450	–	209,461	–
Listed outside Hong Kong	在香港以外地區上市	1,592,390	–	1,196,938	–
		<b>1,971,840</b>	–	<b>1,406,399</b>	–
Unlisted	非上市	6,427,281	–	6,297,603	–
		<b>8,399,121</b>	–	<b>7,704,002</b>	–

Following the adoption of HKAS 39 in 2005, financial assets with carrying amount of \$3,920,162,000 at 1st January, 2005 were re-designated as available for sale. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted. These assets were classified as follows as at 31st December, 2004:

由2005年起因採納《香港會計準則》第39號，於2005年1月1日，賬面總值港幣3,920,162,000元的金融資產被重新分類為可供出售金融資產。由於《香港會計準則》第39號禁止追溯應用，因此並未重定2004年的數字。於2004年12月31日該等資產的分類如下：

		HK\$'000 港幣千元
Classified as	分類為	
Investment securities	投資證券	145,398
Other investments in securities	其他證券投資	3,774,764
		<b>3,920,162</b>
Carrying amount at 31st December, 2004	於2004年12月31日之賬面值	3,920,162

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 27. HELD-TO-MATURITY INVESTMENTS 持至到期投資

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	45,193	43,093	37,474	35,337
Certificates of deposit held	持有存款證	1,324,571	1,418,768	910,014	1,041,839
Debt securities	債務證券	11,678,082	16,102,687	10,377,968	15,323,763
		13,047,846	17,564,548	11,325,456	16,400,939
Less: Impairment allowance – individually assessed	減：減值準備 – 個別評估	(30,887)	(6,603)	(30,887)	(6,603)
		13,016,959	17,557,945	11,294,569	16,394,336
Issued by:	發行機構：				
Central governments and central banks	中央政府和中央銀行	7,728,378	7,886,871	7,716,808	7,875,256
Public sector entities	公營機構	720,820	1,196,216	515,465	964,550
Banks and other financial institutions	銀行及其他金融機構	3,329,907	3,599,937	2,274,617	2,827,170
Corporate entities	企業實體	1,215,681	4,874,921	787,679	4,727,360
Other entities	其他實體	22,173	-	-	-
		13,016,959	17,557,945	11,294,569	16,394,336
By place of listing:	按上市地區：				
Listed in Hong Kong	在香港上市	55,487	518,281	27,516	497,682
Listed outside Hong Kong	在香港以外地區上市	1,957,404	2,919,372	1,530,512	2,734,412
		2,012,891	3,437,653	1,558,028	3,232,094
Unlisted	非上市	11,004,068	14,120,292	9,736,541	13,162,242
		13,016,959	17,557,945	11,294,569	16,394,336
Market value:	市值：				
Listed securities	上市證券	2,003,701	3,450,682	1,551,806	3,238,673
Unlisted securities	非上市證券	10,828,860	14,108,199	9,542,096	13,126,522
		12,832,561	17,558,881	11,093,902	16,365,195

Debt security intended to be held to maturity by the Group with an amortised cost of \$4,700,000 (2004: Nil) were disposed of prior to maturity. The related loss recognised amounted to \$630,000 (2004: Nil). Such disposal amounted to approximately 0.04% of total held-to-maturity investments (2004: Nil), was approved by the Asset and Liability Management Committee, and was generally made in response to evidence of a significant deterioration in the issuer's creditworthiness.

本集團已於到期前出售原先計劃持有至到期，並以攤銷成本入賬的債務證券總值港幣4,700,000元(2004年：無)。有關確認虧損為港幣630,000元(2004年：無)。此出售約佔持至到期投資總額0.04%，並獲資產及負債管理委員會核准，而出售普遍是因為有證據顯示發行機構的信貸可靠度已重大變壞。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 28. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		The Bank 銀行	
		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares, at cost	上市股份(原值)	2,291,079	2,008,087
Less: impairment loss	減: 減值損失	(169,850)	(169,850)
		<b>2,121,229</b>	<b>1,838,237</b>

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

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

All of these are controlled subsidiaries as defined under Note 2(c)(i) and have been consolidated into the Group accounts.

所有公司正如附註2(c)(i)所闡述皆是受本集團控制的附屬公司及已包括在本集團的綜合賬項內。

Details of these companies are as follows:-

此等附屬公司的詳情如下:

Name of company	Place of incorporation and operation	Issued and paid-up capital	% Held by		Nature of business
			The Bank	The Group	
公司名稱	註冊及營業地點	已發行及繳足股本	本銀行所佔權益	本集團所佔權益	業務性質
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA Pacific Asia Limited	Hong Kong 香港	US\$13,000,000美元		100%	Investment holding 投資控股
BEA Pacific (Vanuatu) Limited	Vanuatu 瓦努瓦圖	US\$100,000美元	100%		Holding of a single outstanding deposit 持有一未提取存款
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣300,000,000元	100%		Insurance 保險
East Asia Asset Management Company Limited 東亞資產管理有限公司	Hong Kong 香港	HK\$港幣10,000,000元	100%		Asset management 資產管理
East Asia Corporate Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.6%	Registered agent and trustee services 註冊代理及信託服務
East Asia Electronic Data Processing (Guangzhou) Limited (Note 1) 東亞電子資料處理(廣州)有限公司(附註1)	PRC 中華人民共和國	US\$3,000,000美元		100%	Servicing 服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Facility management 設施管理

## Notes on the Accounts (continued)

### 賬項附註(續)

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

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
East Asia Financial Holding (BVI) Limited	BVI 英屬處女群島	US\$1美元	100%		Issuer of subordinated notes 後償票據發行人
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US\$23,296,000美元	100%		Investment holding 投資控股
East Asia Futures Limited 東亞期貨有限公司	Hong Kong 香港	HK\$港幣7,000,000元	100%		Futures and options trading 期貨及期權買賣
East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股
East Asia Investment Holdings Limited 東亞投資控股有限公司	Hong Kong 香港	HK\$港幣100,000,000元	100%		Securities trading 證券買賣
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK\$港幣186,038,725元	100%		Investment holding 投資控股
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Hong Kong 香港	HK\$港幣10,000元	100%		Investment holding 投資控股
East Asia Properties Investment Company Limited 東亞物業投資有限公司	Hong Kong 香港	HK\$港幣43,010,000元		100%	Property holding 物業持有
East Asia Properties (US), Inc.	U.S.A. 美國	US\$5美元		100%	Property holding 物業持有
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Property Holdings (Jersey) Limited (Note 2) (附註2)	BVI 英屬處女群島	STGE 9英鎊	100%		Property holding 物業持有
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.6%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣

## Notes on the Accounts (continued)

### 賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行 所佔權益	The Group 本集團 所佔權益	
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Golden Wings International Ltd.	BVI 英屬處女群島	US\$10,000美元		100%	Property investment 物業投資
Leader One Limited	BVI 英屬處女群島	US\$1美元	100%		Investment holding 投資控股
Secretaries Limited 秘書商業服務有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
Strath Corporate Services Limited	Hong Kong 香港	HK\$港幣2元		75.6%	Business and corporate services 商務及企業服務
Tengis Limited 登捷時有限公司	Hong Kong 香港	HK\$港幣20元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
The Bank of East Asia (BVI) Limited 東亞銀行(英屬處女群島)有限公司	BVI 英屬處女群島	US\$1,000,000美元	100%		Banking services 銀行服務
The Bank of East Asia (Canada) 加拿大東亞銀行	Canada 加拿大	C\$加幣38,000,000元	100%		Banking services 銀行服務
The Bank of East Asia (U.S.A.) N.A. 美國東亞銀行	U.S.A. 美國	US\$4,500美元		100%	Banking 銀行
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.6%	Investment holding 投資控股
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣2元		75.6%	Business, corporate and investor services 商務、企業及投資者服務
Tricor Holdings Pte. Ltd. (formerly Tricor Singapore Pte. Ltd.)	Singapore 新加坡	S\$新加坡幣2元		75.6%	Investment holding 投資控股

Notes:

1. Represents a wholly foreign owned enterprise.
2. This company has re-domiciled from Jersey to BVI on 8th July, 2005.
3. BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.

附註：

1. 指一外資企業。
2. 於2005年7月8日，此公司已從澤西島遷冊至英屬處女群島。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 29. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted shares, at cost	非上市股份(原值)	-	-	266,983	333,018
Share of net assets	應佔淨資產	793,132	769,677	-	-
Goodwill	商譽	70	70	-	-
		793,202	769,747	266,983	333,018
Less: impairment loss	減: 減值損失	(24,622)	(43,784)	(147,380)	(189,375)
		768,580	725,963	119,603	143,643

Loans to associates amounting to HK\$99,545,000 (2004: HK\$221,029,000) are included under advances to customers.

聯營公司貸款共港幣99,545,000元(2004年: 221,029,000元)已包括在客戶貸款。

Share of associates' taxation for the year amounted to HK\$11,726,000 (2004: write-back of HK\$4,619,000)

年度內應佔聯營公司稅項為港幣11,726,000元(2004年: 回撥港幣4,619,000元)

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

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

Name of company	Place of incorporation and operation	% of ordinary shares held by		Nature of business
		The Bank	The Group	
公司名稱	註冊及營業地點	本銀行 所佔權益	本集團 所佔權益	業務性質
DaimlerChrysler Financial Services China Limited (formerly DaimlerChrysler Services China Limited) 奔馳財務中國有限公司	Hong Kong 香港		20%	Financing and leasing services 租賃及財務服務
DaimlerChrysler Financial Services Korea Limited (formerly DaimlerChrysler Services Korea Limited)	Republic of Korea 韓國		20%	Financial services 財務服務
East Asia GE Commercial Finance Limited 東亞通用金融有限公司	Hong Kong 香港	50%		Factoring 貼現
ICEA Finance Holdings Limited 工商東亞金融控股有限公司	BVI 英屬處女群島	25%		Investment holding 投資控股
Platinum Holdings Company Limited	Cayman Islands 開曼群島	30%		Investment holding 投資控股



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

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

Notes:

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

附註:

- 該公司已於2005年1月25日進行股東自願清盤。

Summary financial information on associates

聯營公司財務資料摘要

		Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Equity 股東權益 HK\$'000 港幣千元	Revenues 收入 HK\$'000 港幣千元	Profit 溢利 HK\$'000 港幣千元
<b>2005</b>						
100 per cent	百分之一百	6,597,033	4,472,987	2,124,046	539,968	130,213
Group's effective interest	本集團的有效權益	1,937,902	1,144,770	793,132	123,175	33,731
<b>2004</b>						
100 per cent	百分之一百	8,338,968	6,355,067	1,938,901	575,647	192,459
Group's effective interest	本集團的有效權益	2,485,918	1,716,241	769,677	161,349	68,995

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 30. GOODWILL 商譽

		The Group 集團 HK\$'000 港幣千元	The Bank 銀行 HK\$'000 港幣千元
Cost	成本		
At 1st January, 2005	於2005年1月1日	3,064,305	1,933,238
Opening balance adjustment to eliminate accumulated amortisation	期初結餘調整以沖銷累計攤銷	(616,149)	(472,946)
Additions through acquisition of subsidiaries	經收購附屬公司的增置	51,593	-
Exchange adjustments	匯兌調整	(4,799)	-
At 31st December, 2005	於2005年12月31日	2,494,950	1,460,292
Accumulated amortisation and impairment losses	累計攤銷及減值損失		
At 1st January, 2005	於2005年1月1日	616,149	472,946
Eliminated against cost at 1st January, 2005	於2005年1月1日於成本沖銷	(616,149)	(472,946)
At 31st December, 2005	於2005年12月31日	-	-
Carrying amount at 31st December, 2005	於2005年12月31日賬面值	2,494,950	1,460,292
Cost	成本		
At 1st January, 2004	於2004年1月1日	2,815,591	1,933,238
Additions through acquisition of subsidiaries	經收購附屬公司的增置	244,763	-
Exchange adjustments	匯兌調整	3,951	-
At 31st December, 2004	於2004年12月31日	3,064,305	1,933,238
Accumulated amortisation and impairment losses	累計攤銷及減值損失		
At 1st January, 2004	於2004年1月1日	472,183	376,284
Amortisation for the year	年度內攤銷	143,875	96,662
Exchange adjustments	匯兌調整	91	-
At 31st December, 2004	於2004年12月31日	616,149	472,946
Carrying amount at 31st December, 2004	於2004年12月31日賬面值	2,448,156	1,460,292

In 2004, positive goodwill not already recognised directly in reserves was amortised on a straight-line basis over 20 years. The amortisation of positive goodwill for the year ended 31st December, 2004 was included in "Operating expenses (Note 10)" in the consolidated profit and loss account.

As explained further in Note 3(f), with effect from 1st January, 2005 the Group no longer amortises goodwill. In accordance with the transitional provisions set out in HKFRS 3, the accumulated amortisation of goodwill as at 1st January, 2005 has been eliminated against the cost of goodwill as at that date.

於2004年，未曾直接在儲備內確認的正商譽按20年以直線法攤銷。截至2004年12月31日止年度的正商譽攤銷金額已包括於綜合損益賬內的「其他經營支出」(附註10)項下。

經已在附註3(f)解釋，由2005年1月1日起，本集團毋須攤銷商譽。根據《香港財務報告準則》第3號的過渡條款，於2005年1月1日的累計攤銷已與該日的商譽成本沖銷。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segment as follows:

		2005		2004	
		HK\$'000	港幣千元	HK\$'000	港幣千元
Personal Banking	個人銀行	849,637		849,637	
Corporate Banking	企業銀行	453,007		453,007	
Investment Banking	投資銀行	157,648		157,648	
Corporate Services	企業服務	904,200		857,178	
Others	其他	130,458		130,686	
		<b>2,494,950</b>		<b>2,448,156</b>	

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimate rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The discount rate used for value-in-use calculations is 9.83% and the long-term growth rate is 5%.

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

#### 包含商譽的現金生產單位之減值測試

本集團按業務分部分配商譽予可辨別的現金生產單位如下：

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的折扣率為9.83%及長期增長率為5%。

管理層根據過往及預計市場發展以決定預算毛利率。加權平均增長率與行業報告的預測是一致的。

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

31. FIXED ASSETS 固定資產

		2005 The Group 集團				
		Investment Properties 投資物業	Bank Premises 行址	Furniture, Fixtures and Equipment 傢俬、裝修及設備	Sub-total 小計	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值					
At 1st January, 2005	於2005年1月1日	802,934	4,907,305	1,836,895	6,744,200	7,547,134
Additions	增置	-	192,514	410,636	603,150	603,150
Additions through acquisition	經收購的增置	-	-	4,164	4,164	4,164
Revaluation surplus	重估盈餘	234,221	-	-	-	234,221
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	5,001	-	5,001	5,001
Transfer from bank premises to investment properties	由行址轉入投資物業	227,971	(227,971)	-	(227,971)	-
Disposals	出售	(311,482)	(570,756)	(242,487)	(813,243)	(1,124,725)
Exchange adjustments	匯兌調整	(3,058)	(1,612)	(9,958)	(11,570)	(14,628)
At 31st December, 2005	於2005年12月31日	950,586	4,304,481	1,999,250	6,303,731	7,254,317
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2005	於2005年1月1日	-	580,588	1,268,796	1,849,384	1,849,384
Additions through acquisition	經收購的增置	-	-	2,237	2,237	2,237
Charge for the year (Note 10)	年度內支出(附註10)	-	68,158	190,405	258,563	258,563
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	(7,428)	-	(7,428)	(7,428)
Impairment loss	減值損失	-	210,140	-	210,140	210,140
Written back on disposals	出售時回撥	-	(179,871)	(226,597)	(406,468)	(406,468)
Exchange adjustments	匯兌調整	-	(386)	(7,624)	(8,010)	(8,010)
At 31st December, 2005	於2005年12月31日	-	671,201	1,227,217	1,898,418	1,898,418
Net book value at 31st December, 2005	賬面淨值 於2005年12月31日	950,586	3,633,280	772,033	4,405,313	5,355,899
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	-	3,438,023	1,999,250	5,437,273	5,437,273
At Directors' valuation - 1989	按董事估值 - 1989年	-	866,458	-	866,458	866,458
At professional valuation - 2005	按專業估值 - 2005年	950,586	-	-	-	950,586
		950,586	4,304,481	1,999,250	6,303,731	7,254,317

## Notes on the Accounts (continued)

### 賬項附註(續)

		2005				
		The Bank 銀行				
		Investment Properties	Bank Premises	Furniture, Fixtures and Equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值					
At 1st January, 2005	於2005年1月1日	644,216	4,447,190	1,605,234	6,052,424	6,696,640
Additions	增置	-	192,514	358,630	551,144	551,144
Revaluation surplus	重估盈餘	226,276	-	-	-	226,276
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	7,107	-	7,107	7,107
Transfer from bank premises to investment properties	由行址轉入投資物業	309,670	(309,670)	-	(309,670)	-
Disposals	出售	(200,482)	(273,942)	(220,561)	(494,503)	(694,985)
Exchange adjustments	匯兌調整	-	(1,332)	(7,325)	(8,657)	(8,657)
At 31st December, 2005	於2005年12月31日	979,680	4,061,867	1,735,978	5,797,845	6,777,525
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2005	於2005年1月1日	-	356,291	1,132,483	1,488,774	1,488,774
Charge for the year	年度內支出	-	63,214	145,235	208,449	208,449
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	(7,428)	-	(7,428)	(7,428)
Impairment loss	減值損失	-	210,140	-	210,140	210,140
Written back on disposals	出售時回撥	-	(28,703)	(208,911)	(237,614)	(237,614)
Exchange adjustments	匯兌調整	-	(289)	(6,105)	(6,394)	(6,394)
At 31st December, 2005	於2005年12月31日	-	593,225	1,062,702	1,655,927	1,655,927
Net book value at 31st December, 2005	賬面淨值於2005年12月31日	979,680	3,468,642	673,276	4,141,918	5,121,598
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	3,195,409	1,735,978	4,931,387	4,931,387
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	866,458	-	866,458	866,458
At professional valuation	按專業估值					
- 2005	- 2005年	979,680	-	-	-	979,680
		979,680	4,061,867	1,735,978	5,797,845	6,777,525

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 31. FIXED ASSETS (continued) 固定資產 (續)

		2004 The Group 集團				
		Investment Properties 投資物業	Bank Premises 行址	Furniture, Fixtures and Equipment 傢俬、裝修及設備	Sub-total 小計	Total 總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值					
At 1st January, 2004	於2004年1月1日	571,179	3,560,092	1,673,511	5,233,603	5,804,782
Additions	增置	33	1,431,082	230,304	1,661,386	1,661,419
Additions through acquisition	經收購的增置	–	–	2,568	2,568	2,568
Revaluation surplus	重估盈餘	227,941	–	–	–	227,941
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	–	13,788	–	13,788	13,788
Transfer from bank premises to investment properties	由行址轉入 投資物業	41,382	(44,369)	–	(44,369)	(2,987)
Disposals	出售	(39,019)	(55,857)	(78,341)	(134,198)	(173,217)
Exchange adjustments	匯兌調整	1,418	2,569	8,853	11,422	12,840
At 31st December, 2004	於2004年12月31日	802,934	4,907,305	1,836,895	6,744,200	7,547,134
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2004	於2004年1月1日	–	569,177	1,135,154	1,704,331	1,704,331
Additions through acquisition	經收購的增置	–	–	2,000	2,000	2,000
Charge for the year (Note 10)	年度內支出(附註10)	–	51,707	192,254	243,961	243,961
Transfer to investment properties	撥入投資物業	–	(2,987)	–	(2,987)	(2,987)
Write back of impairment loss	減值損失回撥	–	(31,377)	–	(31,377)	(31,377)
Written back on disposals	出售時回撥	–	(5,784)	(67,489)	(73,273)	(73,273)
Exchange adjustments	匯兌調整	–	(148)	6,877	6,729	6,729
At 31st December, 2004	於2004年12月31日	–	580,588	1,268,796	1,849,384	1,849,384
Net book value at 31st December, 2004	賬面淨值 於2004年12月31日	802,934	4,326,717	568,099	4,894,816	5,697,750
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	–	3,666,085	1,836,895	5,502,980	5,502,980
At Directors' valuation	按董事估值					
– 1989	– 1989年	–	1,079,644	–	1,079,644	1,079,644
– 1991	– 1991年	–	161,576	–	161,576	161,576
At professional valuation	按專業估值					
– 2004	– 2004年	802,934	–	–	–	802,934
		802,934	4,907,305	1,836,895	6,744,200	7,547,134

## Notes on the Accounts (continued)

### 賬項附註(續)

		2004				
		Investment Properties		The Bank 銀行 Furniture, Fixtures and Equipment		Total
		投資物業	Bank Premises 行址	傢私、裝修及設備	Sub-total 小計	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost or valuation	成本或估值					
At 1st January, 2004	於2004年1月1日	434,643	3,088,013	1,471,446	4,559,459	4,994,102
Additions	增置	-	1,431,081	192,613	1,623,694	1,623,694
Revaluation surplus	重估盈餘	207,093	-	-	-	207,093
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	13,788	-	13,788	13,788
Transfer from bank premises to investment properties	由行址轉入投資物業	41,382	(44,369)	-	(44,369)	(2,987)
Disposals	出售	(39,019)	(43,378)	(65,019)	(108,397)	(147,416)
Exchange adjustments	匯兌調整	117	2,055	6,194	8,249	8,366
At 31st December, 2004	於2004年12月31日	644,216	4,447,190	1,605,234	6,052,424	6,696,640
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2004	於2004年1月1日	-	330,083	1,022,889	1,352,972	1,352,972
Charge for the year	年度內支出	-	45,653	159,510	205,163	205,163
Transfer to investment properties	撥入投資物業	-	(2,987)	-	(2,987)	(2,987)
Write back of impairment loss	減值損失回撥	-	(12,839)	-	(12,839)	(12,839)
Written back on disposals	出售時回撥	-	(4,044)	(54,700)	(58,744)	(58,744)
Exchange adjustments	匯兌調整	-	425	4,784	5,209	5,209
At 31st December, 2004	於2004年12月31日	-	356,291	1,132,483	1,488,774	1,488,774
Net book value at 31st December, 2004	賬面淨值 於2004年12月31日	644,216	4,090,899	472,751	4,563,650	5,207,866
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	-	3,367,546	1,605,234	4,972,780	4,972,780
At Directors' valuation - 1989	按董事估值 - 1989年	-	1,079,644	-	1,079,644	1,079,644
At professional valuation - 2004	按專業估值 - 2004年	644,216	-	-	-	644,216
		644,216	4,447,190	1,605,234	6,052,424	6,696,640



## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 31. FIXED ASSETS (continued) 固定資產 (續)

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

行址及投資物業的賬面淨值包括:

		The Group 集團			
		2005		2004	
		Investment Properties 投資物業	Bank Premises 行址	Investment Properties 投資物業	Bank Premises 行址
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	82,006	97,454	47,719	101,346
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease	長期租約				
(over 50 years)	(50年以上)	499,500	1,694,121	645,649	3,528,248
On medium-term lease	中期租約				
(10 – 50 years)	(10至50年)	271,700	1,408,949	20,000	238,349
On short lease	短期租約				
(below 10 years)	(10年以下)	–	–	–	94
Held outside Hong Kong	在香港以外地區				
On long lease	長期租約				
(over 50 years)	(50年以上)	57,501	128,419	49,950	136,279
On medium-term lease	中期租約				
(10 – 50 years)	(10至50年)	39,879	304,337	39,616	322,401
		950,586	3,633,280	802,934	4,326,717
		The Bank 銀行			
		2005		2004	
		Investment Properties 投資物業	Bank Premises 行址	Investment Properties 投資物業	Bank Premises 行址
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	–	13,131	–	13,731
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease	長期租約				
(over 50 years)	(50年以上)	499,500	1,694,121	534,649	3,381,870
On medium-term lease	中期租約				
(10 – 50 years)	(10至50年)	382,800	1,330,485	20,000	238,349
On short lease	短期租約				
(below 10 years)	(10年以下)	–	–	–	94
Held outside Hong Kong	在香港以外地區				
On long lease	長期租約				
(over 50 years)	(50年以上)	57,501	128,419	49,950	136,279
On medium-term lease	中期租約				
(10 – 50 years)	(10至50年)	39,879	302,486	39,617	320,576
		979,680	3,468,642	644,216	4,090,899

## Notes on the Accounts (continued)

### 賬項附註 (續)

The carrying amount of bank premises of the Group and the Bank would have been HK\$1,949,626,000 (2004: HK\$2,498,458,000) and HK\$1,749,947,000 (2004: HK\$1,947,984,000) respectively had they been stated at cost less accumulated depreciation.

Investment properties in Hong Kong were valued at HK\$771,200,000 as at 21st December, 2005 by an independent valuer, DTZ Debenham Tie Leung Limited, Chartered Surveyors who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the accounts as at 31st December, 2005 and it was performed on an open market value basis.

After the centralization of back offices to Millennium City 5 in 2005, certain bank premises were vacant and an impairment loss of HK\$188,840,000 was recognised in the profit and loss account.

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

Rental income receivable from investment properties held for use under operating leases amounted to HK\$43,194,000 in 2005 (2004: HK\$45,998,000). There was no contingent rental recognised during the year 2005 (2004: Nil).

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

假設本集團及銀行以成本減累計折舊入賬，行址的賬面值將分別為港幣1,949,626,000元(2004年：港幣2,498,458,000元)及港幣1,749,947,000元(2004年：港幣1,947,984,000元)。

於2005年12月21日，香港投資物業的估值為港幣771,200,000元。該等物業由獨立估值師－特許測量師戴德梁行，其僱員具香港測量師學會士資歷並對須估值物業的所在及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2005年12月31日之賬項內。

隨著後勤部門於2005年遷入創紀之城五期，若干銀行行址因而空置並須在損益賬內確認的減值損失為港幣188,840,000元。

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

於年內，以經營租賃形式租出的投資物業之應收租金為港幣43,194,000元(2004年：港幣45,998,000元)。2005年年度內未有確認或有租金(2004年：無)。

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Within one year	1年以內	38,414	38,755	35,825	22,318
After one year but within five years	1年以後至5年內	53,036	49,786	44,461	28,927
After five years	5年以後	3,775	7,360	928	2,043
		<b>95,225</b>	95,901	<b>81,214</b>	53,288

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

於年度內，本銀行與若干附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

##### (a) Amounts Due from Subsidiaries

##### (a) 附屬公司欠款

		The Bank 銀行	
		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Financial institutions	金融機構	244,132	421,722
Others	其他	1,484,685	1,634,142
		<b>1,728,817</b>	<b>2,055,864</b>

##### (b) Amounts Due to Subsidiaries

##### (b) 欠附屬公司款項

		The Bank 銀行	
		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Financial institutions	金融機構	4,364,094	5,002,439
Others	其他	5,488,283	5,360,244
		<b>9,852,377</b>	<b>10,362,683</b>

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

##### (a) Current Taxation in the Balance Sheet Represents:

##### (a) 資產負債表內的本期稅項為：

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Provision for Hong Kong Profits Tax for the year (Note 13(a))	本年度香港利得稅準備(附註13(a))	366,845	297,723	312,167	245,028
Provisional Profits Tax paid	已付暫繳利得稅	(243,916)	(237,837)	(193,677)	(201,359)
		<b>122,929</b>	<b>59,886</b>	<b>118,490</b>	<b>43,669</b>
Balance of Profits Tax provision relating to prior years	以往年度利得稅準備結餘	76,939	88,674	75,730	88,222
Overseas taxation	海外稅項	61,827	30,809	54,363	20,139
		<b>261,695</b>	<b>179,369</b>	<b>248,583</b>	<b>152,030</b>

## Notes on the Accounts (continued)

### 賬項附註(續)

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

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

#### (b) 遞延稅項資產及負債確認

確認於綜合資產負債表中遞延稅項(資產)/負債的組成部分及年內之變動如下:

		The Group 集團						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	Impairment losses on financial assets	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	金融資產的減值損失	稅損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January, 2005	於2005年1月1日	280,869	382,210	192,217	(184,504)	(72,640)	1,653	599,805
- As previously reported	- 如前匯報							
- Prior period adjustments in respect of HK(SIC) Interpretation 21 (Note 38(i))	- 有關《香港會計準則》詮釋第21號的前期調整 (附註38(i))	34,342	-	-	-	-	-	34,342
- As restated, before opening balance adjustments	- 重報 (不包括期初結餘調整)	315,211	382,210	192,217	(184,504)	(72,640)	1,653	634,147
- Opening balance adjustments in respect of HKAS 39	- 有關《香港會計準則》第39號的期初結餘調整	-	-	-	106,110	(637)	-	105,473
- As restated	- 重報	315,211	382,210	192,217	(78,394)	(73,277)	1,653	739,620
Write off against investment	投資撇銷額	-	(167,276)	-	-	-	-	(167,276)
Charged/(credited) to consolidated profit and loss account (Note 13(a))	綜合損益賬內撇銷/(存入) (附註13(a))	(18,884)	(3,381)	-	29,109	44,510	4,633	55,987
Credited to reserves (Note 38(c))	存入儲備內 (附註38(c))	-	-	(37,818)	-	-	-	(37,818)
Exchange and other adjustments	匯兌及其他調整	(101)	-	-	161	3,255	(4,812)	(1,497)
At 31st December, 2005	於2005年12月31日	296,226	211,553	154,399	(49,124)	(25,512)	1,474	589,016

		The Group 集團						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	Impairment losses on financial assets	Tax losses	Others	Total
遞延稅項源自:		超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	金融資產的減值損失	稅損	其他	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1st January, 2004	於2004年1月1日	281,859	555,523	190,343	(171,480)	(67,324)	1,787	790,708
Write off against investment	投資撇銷額	-	(243,308)	-	-	-	-	(243,308)
Charged/(credited) to consolidated profit and loss account (Note 13(a)) (restated)	綜合損益賬內撇銷/(存入) (附註13(a)) (重報)	33,235	69,995	-	(12,957)	(6,347)	3,808	87,734
Charged to reserves (Note 38(c))	儲備內撇銷(附註38(c))	-	-	1,874	-	-	-	1,874
Additions through acquisition of subsidiary	經收購附屬公司的增置	117	-	-	-	-	-	117
Exchange and other adjustments	匯兌及其他調整	-	-	-	(67)	1,031	(3,942)	(2,978)
At 31st December, 2004 (restated)	於2004年12月31日 (重報)	315,211	382,210	192,217	(184,504)	(72,640)	1,653	634,147

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

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

##### (b) 遞延稅項資產及負債確認 (續)

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	The Bank 銀行				Total
				Impairment losses on financial assets	Tax losses	Others		
遞延稅項源自:	超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	金融資產的減值損失	稅損	其他	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1st January, 2005	於2005年1月1日							
– As previously reported	– 如前匯報	268,325	382,210	192,217	(182,415)	(67,284)	5,770	598,823
– Prior period adjustments in respect of HK(SIC) Interpretation 21 (Note 38(i))	– 有關《香港會計準則》詮釋第21號的前期調整 (附註38(i))	34,342	–	–	–	–	–	34,342
– As restated, before opening balance adjustments	– 重報 (不包括期初結餘調整)	302,667	382,210	192,217	(182,415)	(67,284)	5,770	633,165
– Opening balance adjustments in respect of HKAS 39	– 有關《香港會計準則》第39號的期初結餘調整	–	–	–	105,984	(637)	–	105,347
– As restated	– 重報	302,667	382,210	192,217	(76,431)	(67,921)	5,770	738,512
Write off against investment	投資撇銷額	–	(167,276)	–	–	–	–	(167,276)
Charged/(credited) to profit and loss account	損益賬內撇銷/(存入)	(7,548)	(3,381)	–	29,427	41,743	4,633	64,874
Credited to reserves (Note 38 (c))	存入儲備內 (附註38(c))	–	–	(37,818)	–	–	–	(37,818)
Exchange and other adjustments	匯兌及其他調整	–	–	–	190	3,255	(5,077)	(1,632)
At 31st December, 2005	於2005年12月31日	295,119	211,553	154,399	(46,814)	(22,923)	5,326	596,660

Deferred tax arising from:	Depreciation allowances in excess of related depreciation	Leasing partnership transactions	Revaluation of properties	The Bank 銀行				Total
				Impairment losses on financial assets	Tax losses	Others		
遞延稅項源自:	超過有關折舊的折舊免稅額	合夥租賃交易	物業重估	金融資產的減值損失	稅損	其他	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
At 1st January, 2004	於2004年1月1日	264,138	555,523	190,343	(171,314)	(55,135)	3,367	786,922
Write off against investment	投資撇銷額	–	(243,308)	–	–	–	–	(243,308)
Charged/(credited) to profit and loss account (restated)	綜合損益賬內撇銷/(存入) (重報)	38,529	69,995	–	(11,035)	(6,468)	2,403	93,424
Charged to reserves (Note 38(c))	儲備內撇銷 (附註38(c))	–	–	1,874	–	–	–	1,874
Exchange and other adjustments	匯兌及其他調整	–	–	–	(66)	(5,681)	–	(5,747)
At 31st December, 2004 (restated)	於2004年12月31日 (重報)	302,667	382,210	192,217	(182,415)	(67,284)	5,770	633,165

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

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
			Restated 重報		Restated 重報
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Net deferred tax assets recognised on the balance sheet	確認於資產負債表的遞延稅項資產淨額	(38,469)	(95,119)	(30,233)	(84,942)
Net deferred tax liabilities recognised on the balance sheet	確認於資產負債表的遞延稅項負債淨額	627,485	729,266	626,893	718,107
		<b>589,016</b>	634,147	<b>596,660</b>	633,165

(c) Deferred Tax Assets Not Recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$121,853,000 (2004: HK\$104,441,000) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

(c) 未確認遞延稅資產

由於可能未來沒有適用於有關稅務機關的應課稅溢利以彌補有關虧損，本集團並未確認累計稅項虧損港幣121,853,000元(2004年：港幣104,441,000元)為遞延稅項資產。根據現時稅務條例，該等稅項虧損的到期日如下：

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Expiring within 5 years	於五年內到期	30,398	25,894
Expiring more than 5 years	五年後到期	4,001	5,509
No expiry date	無到期日	87,454	73,038
		<b>121,853</b>	104,441

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 34. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(a)	Trading Liabilities 交易用途負債				
	Exchange fund bills sold 外匯基金票據空倉	1,194,545	899,906	1,194,545	899,906
	Exchange fund notes sold 外匯基金債券空倉	35,336	36,724	35,336	36,724
		1,229,881	936,630	1,229,881	936,630
	Negative fair value of derivatives 衍生工具的負公平價值	707,118	255,228	705,188	255,228
		1,936,999	1,191,858	1,935,069	1,191,858
(b)	Other Accounts and Provisions 其他賬項及準備				
	Accrued interest payable 累計應付利息	722,175	477,401	543,145	302,064
	Other accounts 其他賬項	6,186,085	4,173,789	4,192,304	2,668,752
		6,908,260	4,651,190	4,735,449	2,970,816

#### 35. LOAN CAPITAL MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

##### 通過損益以反映公平價值的借貸資本

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
US\$550 million 7.5% subordinated notes	550,000,000美元年息7.5%的後償票據	4,273,921	4,271,124	-	-
US\$550 million 5.625% subordinated notes	550,000,000美元年息5.625%的後償票據	4,274,859	-	4,274,859	-
		8,548,780	4,271,124	4,274,859	-

Loan capital of face value of HK\$4,265,305,000 (US\$550,000,000) and carrying amount of HK\$4,273,921,000 (US\$551,111,000) represents 7.5% subordinated notes qualifying as tier 2 capital which were issued on 30th January, 2001 by East Asia Financial Holding (BVI) Limited, a single purpose wholly owned finance subsidiary of the Bank. The Bank unconditionally and irrevocably guarantees all amounts payable under the notes which are listed on the Luxembourg Stock Exchange. The notes will mature on 1st February, 2011.

票面值港幣4,265,305,000元(550,000,000美元)及賬面值港幣4,273,921,000元(551,111,000美元)的借貸資本，是指由本銀行特定目的全資附屬財務公司，East Asia Financial Holding (BVI) Limited，於2001年1月30日發行年息7.5%、並評定為二級資本的後償票據。本銀行無條件及不撤回地保證此等已於盧森堡交易所上市的票據的有關債務。此等票據將會於2011年2月1日到期。

On 13th December, 2005, the Bank issued 5.625% subordinated notes qualifying as tier 2 capital with face value of HK\$4,265,305,000 (US\$550,000,000) at 99.725%. The carrying amount of the notes as at 31st December, 2005 was HK\$4,274,859,000 (US\$551,232,000). The notes are listed on The Stock Exchange of Hong Kong Limited and will mature on 13th December, 2015.

於2005年12月13日，本銀行以價格99.725%發行面值港幣4,265,305,000元(550,000,000美元)年息5.625%、並評定為二級資本的後償票據。賬面值為港幣4,274,859,000元(551,232,000美元)。該票據於香港聯合交易所有限公司上市，並將於2015年12月13日到期。



## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 36. EQUITY SETTLED SHARE-BASED TRANSACTIONS 股權支付交易

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

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

##### (a) Particulars of share options

##### (a) 認股權詳情

Date of Grant 發行日期	Vesting Period 有效期	Exercise Period 行使期	Exercise Price Per Share 每股行使價 HK\$ 港幣元
20/4/2000	20/4/2000 – 19/4/2001	20/4/2001 – 20/4/2005	16.46
19/4/2001	19/4/2001 – 18/4/2002	19/4/2002 – 19/4/2006	16.96
18/4/2002	18/4/2002 – 17/4/2003	18/4/2003 – 18/4/2007	15.80
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95

##### (b) The number and weighted average exercises prices of share options are as follows:

##### (b) 已行使認股權的數目及加權平均行使價如下：

		2005		2004	
		Weighted average exercise Price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 000 千	Weighted average exercise Price 加權平均行使價 HK\$ 港幣元	Number of options 認股權數目 000 千
Outstanding at the beginning of the year	年初結餘	19.38	30,075	15.42	26,484
Exercised during the year	年度內行使	15.70	(4,498)	15.30	(11,264)
Granted during the year	年度內授予	22.95	16,410	23.23	15,495
Lapsed during the year	年度內失效	22.95	(1,077)	20.76	(640)
Outstanding at the end of the year	年底結餘	21.12	40,910	19.38	30,075
Exercisable at the end of the year	年底可供行使	19.95	24,920	15.52	15,030

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$23.04 (2004: HK\$22.93).

年度內於行使認股權當日的加權平均股價為港幣23.04元(2004年：港幣22.93元)。

The options outstanding at 31st December, 2005 had an exercise price from HK\$14.90 to HK\$23.23 (2004: from HK\$12.09 to HK\$23.23) and a weighted average remaining contractual life of 3.31 years (2004: 3.45 years).

於2005年12月31日，尚未行使認股權的行使價由港幣14.90元至港幣23.23元(2004年：由港幣12.09元至港幣23.23元)，及剩餘合約年期之加權平均數為3.31年(2004年：3.45年)。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 36. EQUITY SETTLED SHARE-BASED TRANSACTIONS (continued) 股權支付交易 (續)

##### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

##### (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期須輸入該模式。

		2005	2004
Fair value at measurement date	於計量日的公平價值	<b>HK\$1.57</b>	HK\$3.70
Share price	股價	<b>HK\$22.95</b>	HK\$22.80
Exercise price	行使價	<b>HK\$22.95</b>	HK\$23.23
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅 (以三項式期權定價模式內採用的加權平均波幅)	<b>11.31%</b>	24.47%
Option life	認股權年期	<b>5 years</b>	5 years
Expected dividends	估計股息	<b>6.69%</b>	6.26%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率 (根據外匯基金票據)	<b>3.15%</b>	3.13%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

預計波幅是根據過往之波幅 (以認股權的加權剩餘年期計算)，再調整因公眾所知的資訊影響未來波幅的估計變動。估計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

認股權的授予須符合服務條件。該條件並未納入計算於授予日獲得服務的公平價值。並無市場條件與授予認股權有關。

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

37. SHARE CAPITAL 股本

		2005		2004	
		No. of shares	Nominal value	No. of shares	Nominal value
		股份數目	面值	股份數目	面值
		000 千	HK\$'000 港幣千元	000 千	HK\$'000 港幣千元
Authorised:	法定股本：				
Ordinary shares of HK\$2.50 each	普通股每股港幣2.50元	2,600,000	6,500,000	2,600,000	6,500,000
Issued and fully paid:	已發行及繳足股本：				
At 1st January	於1月1日	1,491,998	3,729,996	1,467,453	3,668,634
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	4,498	11,245	11,264	28,159
Shares issued in lieu of dividends	以股代息發行的股份	13,733	34,334	13,281	33,203
At 31st December	於12月31日	1,510,229	3,775,575	1,491,998	3,729,996

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

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

(a) Shares Issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 4,498,000 ordinary shares in the Bank at a consideration of HK\$70,638,000 of which HK\$11,245,000 was credited to share capital and the balance of HK\$59,393,000 was credited to the share premium account (Note 38). HK\$240,000 has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

(a) 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股4,498,000股之代價為港幣70,638,000元，其中港幣11,245,000元存入股本，餘數港幣59,393,000元存入股份溢價(附註38)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣240,000元往股份溢價內。

(b) Terms of Unexpired and Unexercised Share Options at Balance Sheet Date

(b) 於結算日尚未期滿及行使的認股權之條款

Date of options granted	Option price	2005	2004
		Number of shares	Number of shares
認股權授予日期	認購價	股份數量	股份數量
20/4/2000	HK\$港幣16.46	–	1,480,000
19/4/2001	HK\$港幣16.96	2,015,000	2,185,000
18/4/2002	HK\$港幣15.80	2,285,000	2,795,000
02/5/2003	HK\$港幣14.90	6,270,000	8,570,000
22/4/2004	HK\$港幣23.23	14,350,000	15,045,000
03/5/2005	HK\$港幣22.95	15,990,000	–
		40,910,000	30,075,000

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 38. RESERVES 儲備

		2005		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(a) Share Premium (undistributable)	(a) 股份溢價(不可派發)			
At 1st January	於1月1日	631,188	631,188	-
Net premium on shares issued under Staff Share Option Schemes	僱員認股計劃下發行的股份溢價淨額	59,393	59,393	-
Transfer the fair value of option from capital reserve – share option issued	撥自資本儲備的認股權公平價值 – 已發行認股權	240	240	-
Shares issued in lieu of dividends	以股代息發行的股份	(34,334)	(34,334)	-
Capital fee	資本費用	(58)	(58)	-
At 31st December	於12月31日	656,429	656,429	-
(b) General Reserve	(b) 一般儲備			
At 1st January	於1月1日	12,045,266	11,883,314	54,070
Transfer from retained profits	撥自留存溢利	6,095	-	6,095
Realised surplus on disposals transferred from revaluation reserve	撥自重估儲備的已實現出售物業的重估盈餘	278,819	228,821	-
Shares issued in lieu of dividends	以股代息發行的股份	313,034	313,034	-
At 31st December	於12月31日	12,643,214	12,425,169	60,165
(c) Revaluation Reserve on Bank Premises (undistributable)	(c) 行址重估儲備(不可派發)			
At 1st January	於1月1日	1,007,505	957,507	-
Release of net deferred tax liabilities (Note 33(b))	遞延稅項負債淨額回撥(附註 33(b))	37,818	37,818	-
Revaluation surplus on bank premises transferred to investment properties	銀行行址轉作投資物業所產生的重估盈餘	12,429	14,535	-
Realised surplus on disposals transferred to general reserve	撥入一般儲備的已實現出售物業的重估盈餘	(278,819)	(228,821)	-
At 31st December	於12月31日	778,933	781,039	-
(d) Statutory Reserves (undistributable)	(d) 法定儲備(不可派發)			
At 1st January	於1月1日	1,410	-	1,410
Transfer to realised reserve	轉入已實現儲備	(1,424)	-	(1,424)
At 31st December	於12月31日	(14)	-	(14)
(e) Capital Reserve (undistributable)	(e) 資本儲備(不可派發)			
At 1st January and 31st December	於1月1日及12月31日	86,436	-	-
(f) Exchange Revaluation Reserve (undistributable)	(f) 匯兌重估儲備(不可派發)			
At 1st January	於1月1日	49,813	44,801	(16,586)
Exchange adjustments	匯兌調整	28,755	1,857	14,977
At 31st December	於12月31日	78,568	46,658	(1,609)

## Notes on the Accounts (continued)

### 賬項附註(續)

		2005		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(g) Capital Reserve – Staff Share Options Issued (undistributable)	(g) 資本儲備—僱員認股權計劃發行(不可派發)			
At 1st January	於1月1日	–	–	–
– As previously reported	– 如前匯報			
– Prior period adjustments in respect of HKFRS 2	– 有關《香港財務報告準則》第2號的 前期調整	41,749	41,749	–
– As restated	– 重報	41,749	41,749	–
Transfer the fair value of option to share premium	認股權公平價值撥入 股份溢價	(240)	(240)	–
Forfeited options expended off to retained profits	失效但已支銷的認股 權轉入留存溢利	(1,499)	(1,499)	–
Addition	增加	29,796	29,796	–
At 31st December	於12月31日	69,806	69,806	–
(h) Investment Revaluation Reserve (undistributable)	(h) 投資儲備(不可派發)			
At 1st January	於1月1日	–	–	–
Changes in fair value of securities	證券公平價值的變動	359,477	345,285	1,174
Exchange adjustments	匯兌調整	(748)	(12)	–
At 31st December	於12月31日	358,729	345,273	1,174
(i) Retained Profits	(i) 留存溢利			
At 1st January	於1月1日			
– As previously reported	– 如前匯報	4,175,867	2,942,109	396,256
– Prior period adjustments in respect of:–	– 前期調整有關於:			
– HKFRS 2	– 《香港財務報告準則》 第2號	(41,749)	(41,749)	–
– HK(SIC) Interpretation 21	– 《香港會計準則》 詮釋第21號	(34,342)	(34,342)	–
– As restated, before opening balance adjustments	– 重報(不包括期初 結餘調整)	4,099,776	2,866,018	–
– Opening balance adjustments in respect of HKAS 39	– 有關《香港會計準則》 第39號的期初 結餘調整	595,788	556,425	–
– As restated	– 重報	4,695,564	3,422,443	396,256
Net profit for the year	年度內溢利	2,748,725	2,615,550	33,731
Transfer to general reserve	撥入一般儲備	(6,095)	–	(6,095)
Transfer to profit and loss account on disposal of associates	出售聯營公司後 撥入損益賬	1,424	–	18,642
Forfeited options expended off	失效但已支銷認股權 股息(附註15)	1,499	1,499	–
Dividends (Note 15)				
– Interim dividend	– 中期股息	(496,127)	(496,127)	–
– Final dividend in respect of previous year	– 上年度末期股息	(1,195,301)	(1,195,301)	–
At 31st December	於12月31日	5,749,689	4,348,064	442,534
(j) Total Reserves	(j) 儲備總額	20,421,790	18,672,438	502,250

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 38. RESERVES (continued) 儲備 (續)

		2004		
		The Group 集團 HK\$'000 港幣千元	The Bank 銀行 HK\$'000 港幣千元	Associates 聯營公司 HK\$'000 港幣千元
(a)	Share Premium (undistributable)	(a)	股份溢價 (不可派發)	
	At 1st January		於1月1日	
	Net premium on shares issued under Staff Share Option Schemes		僱員認股計劃下發行 的股份溢價淨額	
	Shares issued in lieu of dividends		以股代息發行的股份	
	Capital fee		資本費用	
	At 31st December		於12月31日	
(b)	General Reserve	(b)	一般儲備	
	At 1st January		於1月1日	
	Transfer from retained profits		撥自留存溢利	
	Shares issued in lieu of dividends		以股代息發行的股份	
	At 31st December		於12月31日	
(c)	Revaluation Reserve on Bank Premises (undistributable)	(c)	行址重估儲備 (不可派發)	
	At 1st January		於1月1日	
	Recognition of net deferred tax liabilities (Note 33(b))		遞延稅項負債淨額 確認 (附註 33(b))	
	Revaluation surplus on bank premises transferred to investment properties		銀行行址轉作投資 物業所產生的重估	
	Impairment loss written back		減值損失回撥	
	At 31st December		於12月31日	
(d)	Statutory Reserves (undistributable)	(d)	法定儲備 (不可派發)	
	At 1st January		於1月1日	
	Transfer to realised reserve		轉入已實現儲備	
	At 31st December		於12月31日	
(e)	Capital Reserve (undistributable)	(e)	資本儲備 (不可派發)	
	At 1st January and 31st December		於1月1日及12月31日	
(f)	Exchange Revaluation Reserve (undistributable)	(f)	匯兌重估儲備 (不可派發)	
	At 1st January		於1月1日	
	Exchange adjustments		匯兌調整	
	At 31st December		於12月31日	
(g)	Capital reserve – Staff Share Options Issued (undistributable)	(g)	資本儲備 – 發行 僱員認股權 (不可派發)	
	At 1st January		於1月1日	
	Equity settled share-based transactions (restated)		股權支付 (重報)	
	At 31st December (as restated)		於12月31日 (重報)	

## Notes on the Accounts (continued)

### 賬項附註(續)

		2004		
		The Group 集團	The Bank 銀行	Associates 聯營公司
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
(h)	Investment Revaluation Reserve (undistributable)	(h)	投資重估儲備 (不可派發)	
	At 1st January and 31st December		於1月1日及12月31日	
		-	-	-
(i)	Retained Profits	(i)	留存溢利	
	At 1st January		於1月1日	
	Net profit for the year		年度內溢利	
	- As previously reported		一如前匯報	
	- Adjustments arising from change in accounting policies		一因會計政策變更產生的前期調整	
	- As restated		一重報	
	Transfer to general reserve		撥入一般儲備	
	Transfer to profit and loss account on disposal of associates		出售聯營公司後撥入損益賬	
	Dividends (Note 15)		股息(附註15)	
	- Interim dividend		一中期股息	
	- Final dividend in respect of previous year		一上年度末期股息	
	At 31st December		於12月31日	
		3,075,562	2,150,574	314,422
		2,423,800	2,116,776	68,995
		(76,091)	(76,091)	-
		2,347,709	2,040,685	68,995
		(2,376)	-	(2,376)
		4,122	-	15,215
		(414,535)	(414,535)	-
		(910,706)	(910,706)	-
		4,099,776	2,866,018	396,256
(j)	Total Reserves	(j)	儲備總額	
		17,963,143	16,424,577	435,150

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

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

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

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

Capital reserve represents the capitalisation of subsidiaries' reserves.

Capital reserve – staff option issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

The Group complies with Hong Kong Monetary Authority's requirement to maintain minimum impairment allowances in excess of those required under Hong Kong Accounting Standards. As at 31st December, 2005, HK\$391,000,000 was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the Hong Kong Monetary Authority.

股份溢價賬目的運用，受香港《公司條例》第48B條所管轄。

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

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

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

資本儲備指附屬公司儲備的資本化發行。

資本儲備-發行認股權包括根據已採納有關附註2(q)(iv)所載的股權支付會計政策確認授予本行僱員之實際或估計未能行使認股權數目的公平價值。

投資重估儲備包括根據有關附註2(f)和(k)所載的會計政策處理於結算日可供出售證券的累計公平價值變動淨額。

本集團符合香港金融管理局之要求以維持須超過《香港會計準則》的最低減值準備。於2005年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣391,000,000元，但派發前須諮詢香港金融管理局。



## Notes on the Accounts (continued)

### 賬項附註(續)

#### 38. RESERVES (continued) 儲備(續)

At 31st December, 2005, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$16,773,233,000 (2004 restated: HK\$14,749,332,000). After the balance sheet date the directors proposed a final dividend of HK\$0.93 per ordinary share (2004: HK\$0.80 per share), amounting to HK\$1,404,514,000 (2004: HK\$1,193,599,000). The dividend has not been recognised as a liability at the balance sheet date.

於2005年12月31日，可派發予本行股東的儲備總額為港幣16,773,233,000元(2004年重報：港幣14,749,332,000元)。在結算日後董事擬派末期息每股普通股港幣0.93元(2004年：港幣0.80元)，總額達港幣1,404,514,000元(2004年：港幣1,193,599,000元)。於結算日並未確認該股息為負債。

#### 39. MINORITY INTERESTS 少數股東權益

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
At 1 January	於1月1日	165,655	24,418
– acquisition of subsidiaries	– 購入附屬公司	975	–
– decrease/(increase) in shareholding	– 減少/(增加)權益	3,409	(2,092)
– contribution from minority shareholders	– 少數股東借款	–	118,562
– exchange adjustments	– 外匯調整	(132)	–
Profit for the year	– 年度內溢利	37,256	24,767
At 31 December	– 於12月31日	207,163	165,655

#### 40. FINANCIAL RISK MANAGEMENT 財務風險管理

This section presents information on the Group's financial risk management.

The Group has in place a credit risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to allocate capital against those risks. The risk management policies including credit risk, market risk, interest rate risk, liquidity risk, operational risk, legal risk, reputation risk; and strategic risk of the Group are reviewed regularly by the Management and related recognised committees, and recommendations are made by the Risk Management Committee for the approval of the Board of Directors. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

本部分載述有關本集團財務風險管理的資料。

本集團已建立一套風險管理系統，以識別、衡量、監察及控制本集團所承受各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、利率風險、流動資金風險、營運風險、法律風險、信譽風險和策略風險制定的管理政策，均由管理層和有關的專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

##### (a) Credit Risk Management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loan and advances, issuer risks from the securities business, counterparty risks from trading activities and country risks.

The Board of Directors has delegated authority to the Credit Committee to oversee management of the Group's credit risk, independent of the business units. The Credit Committee reports to the Board of Directors via the Risk Management Committee, which deals with all credit risk management related issues of the Group.

The Credit Committee is responsible for all credit risk related issues for the Group. The Group identifies and manages credit risk through target market definitions, formulation of credit policies, credit approval process and monitoring of asset quality.

##### (a) 信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款中的交易對手風險、證券業務的發行商風險、交易活動的交易對手風險和國家風險。

為監察本集團的信貸風險管理，董事會已授權信貸委員會執行此職能；而信貸風險管理乃獨立於所有業務部門。信貸委員會經風險管理委員會向董事會匯報。風險管理委員會負責處理本集團所有與信貸風險管理相關的事項。

信貸委員會負責處理所有與本集團信貸風險有關的事務。本集團識別和管理信貸風險的方法，包括設定目標市場、制定信貸政策和信貸審批程序，以及監控資產素質。

## Notes on the Accounts (continued)

### 賬項附註 (續)

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

The Group has established policies and procedures to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, 10-grade loan classification system, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes.

The Group's credit risk management for the major types of credit risk is depicted as follows: –

#### (i) Corporate credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate customers, the Group has a detailed risk grading system that is applied to each counterparty. To monitor concentration risk, the Group has pre-set limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process that ensures the proper level of review and approval depending on the size of the facility and risk grading of the credit.

The Group undertakes ongoing credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual problem loans and potential problem loans are being monitored on a regular basis.

#### (ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous, small value transactions in each retail loan category. The formulation of credit policies is primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

#### (iii) Credit risk for treasury transactions

The credit risk of the Group's treasury transactions is managed the same way as the Group manages its corporate lending risk. The Group applies risk grading system to its counterparties and sets individual counterparty limits.

#### (iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

本集團在評估與個別客戶或交易對手相關的信貸風險時，雖然可藉客戶或交易對手的抵押品減低信貸風險，然而他們的財政實力以及還款能力才是本集團的主要考慮因素。

本集團已制定多項政策及程序，以識別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、10級貸款分類系統、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求和最佳作業風險管理程序。

本集團就下列各類主要信貸風險實行信貸風險管理：

#### (i) 企業信貸風險

本集團已制定多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業客戶而言，本集團已制定一套適用於所有交易對手的詳盡風險評級系統。為監控信貸集中的潛在風險，本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程度，確保按照貸款的規模和風險評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策乃旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別問題貸款及潛在問題貸款，均定期予以監控。

#### (ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在制定信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

#### (iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用交易對手的風險評級系統及設定個別交易對手的風險限額。

#### (iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保存和抵押要求。

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理 (續)

##### (a) Credit Risk Management (continued)

###### (v) Concentrations of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group has been monitoring its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

##### (b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of the market risks. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest and foreign exchange rate related contracts, which are over-the-counter derivatives or exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

The Group sets various positions and sensitivity limit structures. Additionally, the Group applies a sensitivity analysis and scenario analysis, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

###### (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed within limits approved by the Board.

The Group uses Value-at-risk (VaR) to quantify the market risk exposure of the trading activities. VaR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and at a give level of confidence.

##### (a) 信貸風險管理 (續)

###### (v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定風險限額，以監控信貸集中的風險。

##### (b) 市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及資產負債表或結構性持倉。市場風險管理旨在避免本集團在收益和股份上承受過大的損失，亦同時減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據利率走勢檢討結果而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的部分程序。本集團所採用的衍生工具主要為利率和匯率相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行風險管理。

本集團釐定不同的持倉和敏感度限額結構，亦就個別交易組合和本集團的綜合持倉情況進行敏感度分析和情況分析，從而評估本集團收益因市場價值大幅波動而受到的潛在影響。

###### (i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團運用風險數額量化交易活動的市場風險。風險數額是統計學上的估計，用以量度某一時段內於某一置信水平，持倉情況維持不變但因市場息率和價格的波動而引致的潛在虧損。

## Notes on the Accounts (continued)

### 賬項附註(續)

Structural foreign currency positions, which arise mainly on foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

The following table indicates the concentration of currency risk at the balance sheet date:

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力將以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

下表顯示於結算日貨幣風險集中的情況：

		The Group 集團							
		2005				2004			
		HKD	USD	Other	Total	HKD	USD	Other	Total
		港幣	美元	其他外幣	總額	港幣	美元	其他外幣	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	590,312	1,393,234	2,542,041	4,525,587	797,788	1,055,546	1,802,259	3,655,593
Placements with banks and others financial institutions	在銀行及其他金融機構的存款	14,188,700	15,597,931	15,560,624	45,347,255	16,281,630	10,549,551	15,252,225	42,083,406
Trade bills	貿易票據	29,427	544,671	38,489	612,587	35,348	1,337,973	26,817	1,400,138
Trading assets	交易用途資產	2,537,282	655,968	52,329	3,245,579	1,988,657	243,527	51,241	2,283,425
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融工具	2,462,606	7,213,078	482,023	10,157,707	-	-	-	-
Advances to customers and other accounts	貸款及其他賬項	94,653,094	27,197,807	22,985,888	144,836,789	84,758,725	21,684,133	16,158,572	122,601,430
Available-for-sale financial assets	可供出售金融資產	4,837,259	2,261,946	1,299,916	8,399,121	-	-	-	-
Other investments in securities	其他證券投資	-	-	-	-	5,677,884	4,528,203	1,614,534	11,820,621
Held-to-maturity investments	持至到期投資	1,623,077	10,539,293	854,589	13,016,959	2,324,453	13,215,802	2,017,690	17,557,945
Investment in associates	聯營公司投資	538,494	230,086	-	768,580	534,121	191,842	-	725,963
Fixed assets	固定資產	5,078,184	140,208	137,507	5,355,899	5,451,459	143,021	103,270	5,697,750
Goodwill	商譽	2,110,464	130,007	254,479	2,494,950	2,110,464	116,663	221,029	2,448,156
Deferred tax assets	遞延稅項資產	1,143	13,130	24,196	38,469	14,851	38,619	41,649	95,119
		128,650,042	65,917,359	44,232,081	238,799,482	119,975,380	53,104,880	37,289,286	210,369,546
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	445,169	1,457,589	11,882,661	13,785,419	388,187	1,674,153	7,509,317	9,571,657
Deposits from customers	客戶存款	94,717,155	48,509,159	32,668,611	175,894,925	88,015,201	45,174,342	30,548,122	163,737,665
Trading liabilities	交易用途負債	1,516,853	369,905	50,241	1,936,999	1,140,089	989	50,780	1,191,858
Certificates of deposit issued	已發行存款證	4,290,756	940,558	1,200,077	6,431,391	2,464,784	913,545	800,294	4,178,623
Current taxation	本期稅項	204,951	8,852	47,892	261,695	150,700	13,750	14,919	179,369
Deferred tax liabilities	遞延稅項負債	626,902	-	583	627,485	729,204	-	62	729,266
Other accounts and provisions	其他賬項及準備	5,477,104	773,183	657,973	6,908,260	2,970,327	949,085	731,778	4,651,190
Loan capital	借貸資本	-	8,548,780	-	8,548,780	-	4,271,124	-	4,271,124
Total liabilities	負債總額	107,278,890	60,608,026	46,508,038	214,394,954	95,858,492	52,996,988	39,655,272	188,510,752
Off balance sheet positions	資產負債表以外的持倉								
Credit commitments and contingent liabilities	信貸承擔及或有負債	32,411,760	9,121,178	7,672,562	49,205,500	29,673,820	7,650,130	6,962,181	44,286,131
Derivatives	衍生工具	13,417,969	32,892,553	9,961,665	56,272,187	6,658,687	18,314,585	8,670,200	33,643,472

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

40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(b) Market risk management (continued)

(i) Currency risk (continued)

(b) 市場風險管理(續)

(i) 貨幣風險(續)

		2005				2004			
		HKD	USD	Other foreign currencies	Total	HKD	USD	Other foreign currencies	Total
		港幣	美元	其他外幣	總額	港幣	美元	其他外幣	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	539,324	1,316,186	2,520,905	4,376,415	768,630	910,926	1,780,900	3,460,456
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	14,188,701	15,314,757	15,549,156	45,052,614	16,281,630	10,367,124	15,244,599	41,893,353
Trade bills	貿易票據	29,427	544,671	38,489	612,587	35,348	1,337,319	26,817	1,399,484
Trading assets	交易用途資產	2,521,085	654,192	52,329	3,227,606	1,973,556	243,527	51,241	2,268,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融工具	2,452,331	7,183,639	481,963	10,117,933	-	-	-	-
Advances to customers and other accounts	貸款及其他賬項	94,854,722	23,384,563	21,041,780	139,281,065	84,977,843	18,547,659	14,587,509	118,113,011
Available-for-sale financial assets	可供出售金融資產	4,582,164	1,826,865	1,294,973	7,704,002	-	-	-	-
Amounts due from subsidiaries	附屬公司欠款	699,846	705,017	323,954	1,728,817	855,953	782,497	417,414	2,055,864
Other investments in securities	其他證券投資	-	-	-	-	5,570,268	3,812,575	1,610,374	10,993,217
Held-to-maturity investments	持至到期投資	859,153	9,742,240	693,176	11,294,569	1,926,485	12,607,943	1,859,908	16,394,336
Investment in subsidiaries and associates	附屬公司和聯營公司的投資	825,982	1,206,184	208,666	2,240,832	723,022	1,050,192	208,666	1,981,880
Fixed assets	固定資產	5,063,893	8,519	49,186	5,121,598	5,143,061	10,437	54,368	5,207,866
Goodwill	商譽	1,460,292	-	-	1,460,292	1,460,292	-	-	1,460,292
Deferred tax assets	遞延稅項資產	-	9,392	20,841	30,233	13,950	32,984	38,008	84,942
		128,076,920	61,896,225	42,275,418	232,248,563	119,730,038	49,703,183	35,879,804	205,313,025
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	445,169	1,417,651	11,742,321	13,605,141	388,187	1,610,794	7,477,037	9,476,018
Deposits from customers	客戶存款	94,717,155	41,430,265	29,743,368	165,890,788	88,015,201	38,386,825	27,506,291	153,908,317
Trading liabilities	交易用途負債	1,516,853	367,975	50,241	1,935,069	1,140,089	989	50,780	1,191,858
Certificates of deposit issued	已發行存款證	6,490,756	940,558	1,200,077	8,631,391	4,664,784	913,545	800,294	6,378,623
Amounts due to subsidiaries	欠附屬公司款項	403,818	8,030,973	1,417,586	9,852,377	322,080	8,410,225	1,630,378	10,362,683
Current taxation	本期稅項	199,304	4,579	44,700	248,583	134,015	11,806	6,209	152,030
Deferred tax liabilities	遞延稅項負債	626,893	-	-	626,893	718,107	-	-	718,107
Other accounts and provisions	其他賬項及準備	3,577,531	550,522	607,396	4,735,449	1,574,052	730,101	666,663	2,970,816
Loan capital	借貸資本	-	4,274,859	-	4,274,859	-	-	-	-
Total liabilities	負債總額	107,977,479	57,017,382	44,805,689	209,800,550	96,956,515	50,064,285	38,137,652	185,158,452
Off balance sheet positions	資產負債表以外的持倉								
Credit commitments and contingent liabilities	信貸承擔及或有負債	32,457,160	8,688,838	7,279,391	48,425,389	29,719,519	7,125,661	6,636,445	43,481,625
Derivatives	衍生工具	13,414,029	32,174,666	9,961,665	55,550,360	6,732,820	18,097,161	8,670,200	33,500,181

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is daily managed by the Treasury Department within the limit approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

The following table summarises the range of effective average interest rates for the year ended 31st December for monetary financial instruments:

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		%	%	%	%
		百分率	百分率	百分率	百分率
<b>Assets</b>	<b>資產</b>				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	<b>0-6.99</b>	0-6.18	<b>0-6.99</b>	0-6.18
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶貸款及銀行及其他金融機構的貸款	<b>1.01-17.89</b>	0.76-17.40	<b>1.01-17.89</b>	0.76-17.40
Securities (Note)	證券(附註)	<b>1.80-8.14</b>	0.16-4.08	<b>1.80-8.14</b>	0.16-4.08
<b>Liabilities</b>	<b>負債</b>				
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	<b>0.02-6.49</b>	0.11-5.53	<b>0.02-6.49</b>	0.11-5.53
Deposits from customers	客戶存款	<b>0-10.19</b>	0-5.95	<b>0-10.19</b>	0-5.95
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	<b>2.69-7.59</b>	0.61-7.50	<b>2.69-7.59</b>	0.61-3.10

Note: Securities include:

2005: Certificates of deposit held, trading assets, financial assets designated at fair value through profit or loss, securities measured as loans and receivables, available-for-sale financial assets and held-to-maturity investments

2004: Certificates of deposit held, trading assets, other investments in securities and held-to-maturity investments

#### (ii) 利率風險

本集團的利率持倉源自財資及商業銀行業務活動。利率風險則源自交易組合和非交易組合。利率風險主要是由帶息資產、負債及承擔在再定息的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金部管理，並維持在經董事會批核的限額內。管理利率風險的工具包括利率掉期和其他衍生工具。

下表概述於截至12月31日止年度按貨幣金融工具之有效利率範圍：

附註：證券包括：

2005年：持有存款證、交易資產、指定為通過損益以反映公平價值的金融資產、以貸款及應收賬款計量的證券、可供出售金融資產及持至到期投資

2004年：持有存款證、交易資產、其他證券投資及持至到期投資



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

40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理 (續)

(b) Market risk management (continued)

(ii) Interest rate risk (continued)

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date.

The Group 集團

		2005					
		3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total
		3個月或以下	3個月以上 至1年	1年以上至 5年	5年以上	非帶息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行 和其他金融機構 的結存	3,535,135	-	-	-	990,452	4,525,587
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	45,157,647	178,306	-	-	11,302	45,347,255
Trade bills	貿易票據	506,124	46,551	-	-	59,912	612,587
Trading assets	交易用途資產	1,532,252	128,082	-	-	1,585,245	3,245,579
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值 的金融工具	5,483,318	2,077,374	2,307,561	276,618	12,836	10,157,707
Advances to customers	客戶貸款	98,672,350	16,262,288	16,442,580	5,171,849	2,194,680	138,743,747
Other accounts	其他賬項	1,512,723	1,199,401	81,418	-	57,287	2,850,829
Advances to banks and other financial institutions	銀行及其他 金融機構貸款	1,187,270	1,097,964	81,418	-	57,468	2,424,120
Notes and bonds	債券	286,678	101,437	-	-	(181)	387,934
Certificates of deposit	存款證	38,775	-	-	-	-	38,775
Available-for-sale financial assets	可供出售金融資產	4,327,227	699,762	1,298,663	850,069	1,223,400	8,399,121
Held-to-maturity investments	持至到期投資	1,655,381	3,341,529	6,444,223	1,483,086	92,740	13,016,959
Non-interest bearing assets	非帶息資產	-	-	-	-	11,900,111	11,900,111
Total Assets	資產總	162,382,157	23,933,293	26,574,445	7,781,622	18,127,965	238,799,482
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他 金融機構的 存款及結餘	8,147,166	5,601,056	28,306	-	8,891	13,785,419
Deposits from customers	客戶存款	156,004,202	8,220,726	3,720,830	827,409	7,121,758	175,894,925
Trading liabilities	交易用途負債	1,195,342	397	33,846	296	707,118	1,936,999
Certificates of deposit issued	已發行存款證	1,497,709	1,999,760	2,933,922	-	-	6,431,391
Loan capital	借貸資本	4,265,305	-	-	4,274,859	8,616	8,548,780
Non-interest bearing liabilities	非帶息負債	-	-	-	-	7,797,440	7,797,440
Total liabilities	負債總額	171,109,724	15,821,939	6,716,904	5,102,564	15,643,823	214,394,954
Asset-liability gap	資產-負債差距	(8,727,567)	8,111,354	19,857,541	2,679,058		

(b) 市場風險管理 (續)

(ii) 利率風險 (續)

下表顯示於結算日帶息資產及負債的預計下次利率重訂日 (或到期日取其較短者)。



## Notes on the Accounts (continued)

### 賬項附註(續)

The Group 集團		2004					Total 總額
		3 months or less 3個月或以下 HK\$'000 港幣千元	Over 3 months to 1 year 3個月以上 至1年 HK\$'000 港幣千元	Over 1 year to 5 years 1年以上至 5年 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元	Non-interest bearing 非帶息 HK\$'000 港幣千元	
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行 和其他金融機構 的結存	2,615,758	-	-	-	1,039,835	3,655,593
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	41,855,344	228,062	-	-	-	42,083,406
Trade bills	貿易票據	965,173	327,021	6,400	-	101,544	1,400,138
Trading assets	交易用途資產	1,245,773	147,446	1,613	-	888,593	2,283,425
Advances to customers	客戶貸款	84,331,783	12,111,012	14,601,577	3,636,726	2,577,655	117,258,753
Advances to banks and other financial institutions	銀行及其他 金融機構貸款	1,584,246	487,739	363	-	42,307	2,114,655
Other investments in securities	其他證券投資	7,009,204	1,368,728	2,663,125	17,009	762,555	11,820,621
Held-to-maturity investments	持至到期投資	1,951,352	1,726,461	11,877,562	1,986,453	16,117	17,557,945
Non-interest bearing assets	非帶息資產	-	-	-	-	12,195,010	12,195,010
<b>Total Assets</b>	<b>資產總</b>	<b>141,558,633</b>	<b>16,396,469</b>	<b>29,150,640</b>	<b>5,640,188</b>	<b>17,623,616</b>	<b>210,369,546</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融 機構的存款 及結餘	6,256,906	3,269,267	40,037	-	5,447	9,571,657
Deposits from customers	客戶存款	143,169,739	7,788,683	3,615,869	364,994	8,798,380	163,737,665
Trading liabilities	交易用途負債	799,942	99,965	36,616	107	255,228	1,191,858
Certificates of deposit issued	已發行存款證	323,334	2,000,000	1,845,491	9,798	-	4,178,623
Loan capital	借貸資本	4,271,124	-	-	-	-	4,271,124
Non-interest bearing liabilities	非帶息負債	-	-	-	-	5,559,825	5,559,825
<b>Total liabilities</b>	<b>負債總</b>	<b>154,821,045</b>	<b>13,157,915</b>	<b>5,538,013</b>	<b>374,899</b>	<b>14,618,880</b>	<b>188,510,752</b>
<b>Asset-liability gap</b>	<b>資產 - 負債差距</b>	<b>(13,262,412)</b>	<b>3,238,554</b>	<b>23,612,627</b>	<b>5,265,289</b>		

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

40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(b) Market risk management (continued)

(ii) Interest rate risk (continued)

The Bank 銀行

		2005					
		3 months or less	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	Total
		3個月或以下	3個月以上 至1年	1年以上至 5年	5年以上	非帶息	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行 和其他金融機構 的結存	3,516,377	-	-	-	860,038	4,376,415
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	44,874,308	178,306	-	-	-	45,052,614
Trade bills	貿易票據	506,124	46,551	-	-	59,912	612,587
Trading assets	交易用途資產	1,532,252	128,082	-	-	1,567,272	3,227,606
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值 的金融工具	5,479,544	2,077,374	2,307,561	250,954	2,500	10,117,933
Advances to customers	客戶貸款	97,379,735	15,410,497	15,269,563	3,231,485	2,025,343	133,316,623
Other accounts	其他賬項	1,508,845	1,198,780	81,418	-	57,287	2,846,330
Advances to banks and other financial institutions	銀行及其他金融 機構貸款	1,187,270	1,097,964	81,418	-	57,468	2,424,120
Notes and bonds	債券	282,800	100,816	-	-	(181)	383,435
Certificates of deposits	存款證	38,775	-	-	-	-	38,775
Available-for-sale financial assets	可供出售金融資產	4,263,585	556,593	1,127,172	728,008	1,028,644	7,704,002
Held-to-maturity investments	持至到期投資	1,552,913	2,958,127	5,819,630	884,387	79,512	11,294,569
Non-interest bearing assets	非帶息資產	-	-	-	-	13,699,884	13,699,884
<b>Total Assets</b>	<b>資產總額</b>	<b>160,613,683</b>	<b>22,554,310</b>	<b>24,605,344</b>	<b>5,094,834</b>	<b>19,380,392</b>	<b>232,248,563</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融 機構的存款 及結餘	8,006,827	5,589,423	-	-	8,891	13,605,141
Deposits from customers	客戶存款	148,521,827	6,185,342	3,516,083	827,409	6,840,127	165,890,788
Trading liabilities	交易用途負債	1,195,342	397	33,846	296	705,188	1,935,069
Certificates of deposit issued	已發行存款證	1,497,709	1,999,760	2,933,922	2,200,000	-	8,631,391
Loan capital	借貸資本	-	-	-	4,274,859	-	4,274,859
Non-interest bearing liabilities	非帶息負債	-	-	-	-	15,463,302	15,463,302
<b>Total liabilities</b>	<b>負債總額</b>	<b>159,221,705</b>	<b>13,774,922</b>	<b>6,483,851</b>	<b>7,302,564</b>	<b>23,017,508</b>	<b>209,800,550</b>
Asset-liability gap	資產-負債差距	1,391,978	8,779,388	18,121,493	(2,207,730)		

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

The Bank 銀行		2004					Total 總額
		3 months or less 3個月或以下 HK\$'000 港幣千元	Over 3 months to 1 year 3個月以上 至1年 HK\$'000 港幣千元	Over 1 year to 5 years 1年以上至 5年 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元	Non-interest bearing 非帶息 HK\$'000 港幣千元	
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行 和其他金融機構 的結存	2,518,329	–	–	–	942,127	3,460,456
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	41,665,291	228,062	–	–	–	41,893,353
Trade bills	貿易票據	964,519	327,021	6,400	–	101,544	1,399,484
Trading assets	交易用途資產	1,245,773	147,446	1,613	–	873,492	2,268,324
Advances to customers	客戶貸款	83,230,302	11,549,362	13,567,503	2,122,424	2,300,164	112,769,755
Advances to banks and other financial institutions	銀行及其他金融 機構貸款	1,584,246	487,739	363	–	42,307	2,114,655
Other investments in securities	其他證券投資	6,623,370	1,275,213	2,450,801	–	643,833	10,993,217
Held-to-maturity investments	持至到期投資	1,889,235	1,634,378	11,319,914	1,542,449	8,360	16,394,336
Non-interest bearing assets	非帶息資產	–	–	–	–	14,019,445	14,019,445
<b>Total Assets</b>	<b>資產總額</b>	<b>139,721,065</b>	<b>15,649,221</b>	<b>27,346,594</b>	<b>3,664,873</b>	<b>18,931,272</b>	<b>205,313,025</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融 機構的存款 及結餘	6,216,852	3,253,719	–	–	5,447	9,476,018
Deposits from customers	客戶存款	135,544,536	6,623,224	2,833,601	364,994	8,541,962	153,908,317
Trading liabilities	交易用途負債	799,942	99,965	36,616	107	255,228	1,191,858
Certificates of deposit issued	已發行存款證	323,334	2,000,000	1,845,491	2,209,798	–	6,378,623
Non-interest bearing liabilities	非帶息負債	–	–	–	–	14,203,636	14,203,636
<b>Total liabilities</b>	<b>負債總額</b>	<b>142,884,664</b>	<b>11,976,908</b>	<b>4,715,708</b>	<b>2,574,899</b>	<b>23,006,273</b>	<b>185,158,452</b>
<b>Asset-liability gap</b>	<b>資產－負債差距</b>	<b>(3,163,599)</b>	<b>3,672,313</b>	<b>22,630,886</b>	<b>1,089,974</b>		

40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

(c) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitment and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

Liquidity is managed on a daily basis by the Treasury Department under the direction of the Asset and Liability Management Committee. The Treasury Department is responsible for ensuring that the Group has adequate liquidity for all operations, and monitoring local and international markets for the adequacy of funding and liquidity.

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Group regularly stress tests its liquidity position.

(c) 流動資金風險管理

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；本集團在借款期滿時能夠還款；本集團符合法定的流動資金比率，以及掌握貸款和投資的機會。

資金部在資產負債管理委員會的督導下，持續監管本集團的流動資金狀況。資金部負責確保本集團為所有業務維持充足的流動資金，及監察本地和國際市場的融資和流動資金狀況。

本集團透過維持充足的流動資產，例如適當的現金和短期資金和證券數量，管理流動資金風險，以確保能在經審慎釐定的限額內符合短期融資要求。本集團維持充足的備用信貸，能提供策略性的流動資金，以應付日常業務過程中未能預計的大量資金需求。本集團定期為流動資金狀況進行壓力測試。

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

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

The Group 集團		2005						Undated or overdue 無註明日期 或逾期	Total 總額
		Repayable on demand 即時還款 HK\$'000 港幣千元	3 months or less 3個月或以下 HK\$'000 港幣千元	1 year or less but over 3 months 3個月以上 至1年 HK\$'000 港幣千元	5 years or less but over 1 year 1年以上至 5年 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元	Overdue 逾期 HK\$'000 港幣千元		
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和 其他金融機構 的結存	4,525,587	-	-	-	-	-	4,525,587	
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	-	43,654,951	1,692,304	-	-	-	45,347,255	
Trade bills	貿易票據	6,766	552,530	53,291	-	-	-	612,587	
Trading assets	交易用途資產	-	1,494,650	-	128,082	37,602	1,585,245	3,245,579	
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值 的金融工具	-	316,897	1,790,375	7,723,154	316,945	10,336	10,157,707	
Advances to customers and other accounts	貸款及其他賬項	4,410,325	20,171,366	18,902,982	47,009,838	48,038,008	6,304,270	144,836,789	
Available-for-sale financial assets	可供出售金融資產	-	3,349,857	922,242	2,035,688	838,085	1,253,249	8,399,121	
Held-to-maturity investments	持至到期投資	-	1,367,038	3,303,891	6,827,973	1,488,166	29,891	13,016,959	
Undated assets	無註明日期資產	-	-	-	-	-	8,657,898	8,657,898	
<b>Total assets</b>	<b>資產總額</b>	<b>8,942,678</b>	<b>70,907,289</b>	<b>26,665,085</b>	<b>63,724,735</b>	<b>50,718,806</b>	<b>17,840,889</b>	<b>238,799,482</b>	
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構 的存款及結餘	1,368,095	6,787,961	5,258,857	274,411	96,095	-	13,785,419	
Deposits from customers	客戶存款	47,711,252	115,613,139	8,065,248	4,505,286	-	-	175,894,925	
- Demand deposits and current accounts	- 活期存款及 往來賬戶	10,864,801	-	-	-	-	-	10,864,801	
- Savings deposit	- 儲蓄存款	35,497,574	-	-	-	-	-	35,497,574	
- Time, call and notice deposits	- 定期及通知存款	1,348,877	115,613,139	8,065,248	4,505,286	-	-	129,532,550	
Trading liabilities	交易用途負債	1,229,881	-	-	-	-	707,118	1,936,999	
Certificates of deposit issued	已發行存款證	-	1,497,709	1,999,760	2,933,922	-	-	6,431,391	
Current taxation	本期稅項	-	-	261,695	-	-	-	261,695	
Loan capital	借貸資本	-	-	-	-	8,548,780	-	8,548,780	
Undated liabilities	無註明日期負債	-	-	-	-	-	7,535,745	7,535,745	
<b>Total liabilities</b>	<b>負債總額</b>	<b>50,309,228</b>	<b>123,898,809</b>	<b>15,585,560</b>	<b>7,713,619</b>	<b>8,644,875</b>	<b>8,242,863</b>	<b>214,394,954</b>	
Net liability gap	淨負債差距	(41,366,550)	(52,991,520)	11,079,525	56,011,116	42,073,931			

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理 (續)

##### (c) Liquidity risk management (continued)

###### The Group 集團

##### (c) 流動資金風險管理 (續)

2004

	Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total	
	即時還款	3個月或以下	3個月以上 至1年	1年以上至 5年	5年以上	無註明日期 或逾期	總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和 其他金融機構的 結存							
	3,655,593	-	-	-	-	-	3,655,593	
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款							
	-	39,489,907	2,593,499	-	-	-	42,083,406	
Trade bills	16,213	1,062,771	314,450	6,399	-	305	1,400,138	
Trading assets	-	1,199,803	4,737	144,290	46,002	888,593	2,283,425	
Advances to customers and other accounts	貸款及其他賬項							
	4,908,812	15,252,110	15,100,095	41,979,258	37,942,721	7,418,434	122,601,430	
Other investments in securities	其他證券投資							
	-	3,262,956	2,062,753	4,552,885	1,150,377	791,650	11,820,621	
Held-to-maturity investments	持至到期投資							
	-	1,202,104	1,179,776	13,165,614	2,010,451	-	17,557,945	
Undated assets	無註明日期資產							
	-	-	-	-	-	8,966,988	8,966,988	
<b>Total assets</b>	<b>資產總額</b>	<b>8,580,618</b>	<b>61,469,651</b>	<b>21,255,310</b>	<b>59,848,446</b>	<b>41,149,551</b>	<b>18,065,970</b>	<b>210,369,546</b>
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構 的存款及結餘							
	454,443	5,676,399	3,400,778	40,037	-	-	9,571,657	
Deposits from customers	客戶存款							
- Demand deposits and current accounts	活期存款及 往來賬戶							
	11,919,118	-	-	-	-	-	11,919,118	
- Savings deposit - Time, call and notice deposits	儲蓄存款							
	48,729,729	-	-	-	-	-	48,729,729	
	1,963,974	91,293,158	5,912,264	3,919,422	-	-	103,088,818	
Trading liabilities	交易用途負債							
	936,630	-	-	-	-	255,228	1,191,858	
Certificates of deposit issued	已發行存款證							
	-	323,334	2,000,000	1,855,289	-	-	4,178,623	
Current taxation	本期稅項							
	-	-	179,369	-	-	-	179,369	
Loan capital	借貸資本							
	-	-	-	-	4,271,124	-	4,271,124	
Undated liabilities	無註明日期負債							
	-	-	-	-	-	5,380,456	5,380,456	
<b>Total liabilities</b>	<b>負債總額</b>	<b>64,003,894</b>	<b>97,292,891</b>	<b>11,492,411</b>	<b>5,814,748</b>	<b>4,271,124</b>	<b>5,635,684</b>	<b>188,510,752</b>
<b>Net liability gap</b>	<b>淨負債差距</b>	<b>(55,423,276)</b>	<b>(35,823,240)</b>	<b>9,762,899</b>	<b>54,033,698</b>	<b>36,878,427</b>		

## Notes on the Accounts (continued)

### 賬項附註(續)

The Bank 銀行		2005						Undated or overdue 無註明日期 或逾期	Total 總額
		Repayable on demand 即時還款 HK\$'000 港幣千元	3 months or less 3個月或以下 HK\$'000 港幣千元	1 year or less but over 3 months 3個月以上 至1年 HK\$'000 港幣千元	5 years or less but over 1 year 1年以上至 5年 HK\$'000 港幣千元	Over 5 years 5年以上 HK\$'000 港幣千元	Overdue 逾期 HK\$'000 港幣千元		
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和 其他金融機構的 結存	4,376,415	-	-	-	-	-	4,376,415	
Placements with banks and other financial institutions	在銀行及其他 金融機構的存款	-	43,360,310	1,692,304	-	-	-	45,052,614	
Trade bills	貿易票據	6,766	552,530	53,291	-	-	-	612,587	
Trading assets	交易用途資產	-	1,494,650	-	128,082	37,602	1,567,272	3,227,606	
Financial assets designated at fair value through profit or loss	指定為通過損益 以反映公平價值 的金融工具	-	316,897	1,790,376	7,719,380	291,280	-	10,117,933	
Advances to customers and other accounts	貸款及其他賬項	3,840,650	19,790,332	17,815,579	44,535,160	47,308,434	5,990,910	139,281,065	
Available-for-sale financial assets	可供出售金融資產	-	3,323,604	788,390	1,840,590	728,008	1,023,410	7,704,002	
Held-to-maturity investments	持至到期投資	-	1,256,851	2,921,263	6,206,930	901,806	7,719	11,294,569	
Undated assets	無註明日期資產	-	-	-	-	-	10,581,772	10,581,772	
<b>Total assets</b>	<b>資產總額</b>	<b>8,223,831</b>	<b>70,095,174</b>	<b>25,061,203</b>	<b>60,430,142</b>	<b>49,267,130</b>	<b>19,171,083</b>	<b>232,248,563</b>	
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構 的存款及結餘	1,368,095	6,647,622	5,258,857	234,472	96,095	-	13,605,141	
Deposits from customers	客戶存款	45,796,982	109,472,691	6,277,232	4,343,883	-	-	165,890,788	
- Demand deposits and current accounts	- 活期存款及 往來賬戶	10,339,818	-	-	-	-	-	10,339,818	
- Savings deposit	- 儲蓄存款	34,491,458	-	-	-	-	-	34,491,458	
- Time, call and notice deposits	- 定期及通知存款	965,706	109,472,691	6,277,232	4,343,883	-	-	121,059,512	
Trading liabilities	交易用途負債	1,229,881	-	-	-	-	705,188	1,935,069	
Certificates of deposit issued	已發行存款證	-	1,497,709	1,999,760	2,933,922	2,200,000	-	8,631,391	
Current taxation	本期稅項	-	-	248,583	-	-	-	248,583	
Loan capital	借貸資本	-	-	-	-	4,274,859	-	4,274,859	
Undated liabilities	無註明日期負債	-	-	-	-	-	15,214,719	15,214,719	
<b>Total liabilities</b>	<b>負債總額</b>	<b>48,394,958</b>	<b>117,618,022</b>	<b>13,784,432</b>	<b>7,512,277</b>	<b>6,570,954</b>	<b>15,919,907</b>	<b>209,800,550</b>	
Net liability gap	淨負債差距	(40,171,127)	(47,522,848)	11,276,771	52,917,865	42,696,176			



## Notes on the Accounts (continued)

### 賬項附註 (續)

#### 40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理 (續)

##### (c) Liquidity risk management (continued)

###### The Bank 銀行

##### (c) 流動資金風險管理 (續)

###### 2004

	Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
	即時還款	3個月或以下	3個月以上 至1年	1年以上至 5年	5年以上	無註明日期 或逾期	總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>Assets 資產</b>							
Cash and balances with banks and other financial institutions	3,460,456	-	-	-	-	-	3,460,456
Placements with banks and other financial institutions	-	39,299,855	2,593,498	-	-	-	41,893,353
Trade bills	16,213	1,062,117	314,450	6,399	-	305	1,399,484
Trading assets	-	1,199,803	4,737	144,289	46,002	873,493	2,268,324
Advances to customers and other accounts	4,482,714	14,990,067	14,163,735	41,137,461	36,163,986	7,175,048	118,113,011
Other investments in securities	-	3,192,726	1,978,786	4,300,667	884,298	636,740	10,993,217
Held-to-maturity investments	-	1,132,232	1,087,693	12,607,966	1,566,445	-	16,394,336
Undated assets	-	-	-	-	-	10,790,844	10,790,844
<b>Total assets 資產總額</b>	<b>7,959,383</b>	<b>60,876,800</b>	<b>20,142,899</b>	<b>58,196,782</b>	<b>38,660,731</b>	<b>19,476,430</b>	<b>205,313,025</b>
<b>Liabilities 負債</b>							
Deposits and balances of banks and other financial institutions	454,443	5,636,345	3,385,230	-	-	-	9,476,018
Deposits from customers	60,898,992	84,774,611	5,042,358	3,192,356	-	-	153,908,317
- Demand deposits and current accounts	11,438,652	-	-	-	-	-	11,438,652
- Savings deposit	47,922,672	-	-	-	-	-	47,922,672
- Time, call and notice deposits	1,537,668	84,774,611	5,042,358	3,192,356	-	-	94,546,993
Trading liabilities	936,630	-	-	-	-	255,228	1,191,858
Certificates of deposit issued	-	323,334	2,000,000	1,855,289	2,200,000	-	6,378,623
Current taxation	-	-	152,030	-	-	-	152,030
Undated liabilities	-	-	-	-	-	14,051,606	14,051,606
<b>Total liabilities 負債總額</b>	<b>62,290,065</b>	<b>90,734,290</b>	<b>10,579,618</b>	<b>5,047,645</b>	<b>2,200,000</b>	<b>14,306,834</b>	<b>185,158,452</b>
<b>Net liability gap 淨負債差距</b>	<b>(54,330,682)</b>	<b>(29,857,490)</b>	<b>9,563,281</b>	<b>53,149,137</b>	<b>36,460,731</b>		

As the trading portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於交易組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的估計日期。

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

### 40. FINANCIAL RISK MANAGEMENT (continued) 財務風險管理(續)

#### (d) Operational risk, legal risk, reputation risk, and strategic risk management

Operational risk, legal risk, reputation risk and strategic risk arise from the Group's daily operation and fiduciary activities. The primary focus is to identify, assess and monitor these risks and to fulfill regulatory requirements.

The Board of Directors reviews and approves policies for these risks, and it has delegated the responsibility for ongoing risk management to the Operational and Other Risks Management Committee. The Operational and Other Risks Management Committee reports to the Board of Directors via the Risk Management Committee.

#### (d) 營運風險、法律風險、信譽風險和策略性風險管理

營運風險、法律風險、信譽風險和策略性風險源自本集團的日常營運和受託人活動，重點是識別、評估和監控此等風險及符合監管規定。

董事會為此等風險檢討和審批有關政策，已授權營運及其他風險管理委員會負責持續管理此等風險。營運及其他風險管理委員會經風險管理委員會向董事會匯報。

### 41. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

#### (a) Estimation of fair values

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, the most suitable measure for fair value is the quoted market price. In the absence of organised secondary markets for most financial instruments, and in particular for loans, deposits and unlisted derivatives, direct market prices are not available. The fair value of such instruments was therefore calculated on the basis of well-established valuation techniques using current market parameters. In particular, the fair value is a theoretical value applicable at a given reporting date, and hence can only be used as an indicator of value realisable in a future sale.

The Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models. These techniques involve uncertainties and are significantly affected by the assumptions used and judgments made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experiences and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realized in an immediate sale of the instruments.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments:

- (i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;
- (ii) the fair value of variable rate financial instruments is assumed to approximate their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value;

#### (a) 公平價值估計

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。若有市場報價，市場報價是計量公平價值最適合的方法，但由於大多數金融工具，尤其是貸款、存款及非上市衍生工具，均欠缺一個有組織的二手市場，因此並無直接市場報價。此等工具的公平價值會根據一些使用現時市場參數的既定估值模式計算。要特別指出的是，公平價值是指適用於某一特定報告日期的理論價值，所以只可作為日後將金融工具出售時，金融工具可變現價值的指標。

本集團會將使用模式推算所得的估值與相若金融工具的報價比較，及在變現後將估值與實際價值比較，以進一步驗證此等模式和作出調整。此等模式涉及不穩定因素，並會受到本集團所用假定和本集團對各類金融工具的風險特性、貼現率、估計將來現金流、預期將來損失和其他因素所作判斷的重大影響。如本集團更改有關假定，便可能對此等估計和估計所得的公平價值產生顯著影響。本集團不一定能夠與獨立市場內的相若價值比較，以證明推算所得的公平價值估計正確。在很多時候，本集團均不能將金融工具即時出售以實現此等公平價值。

本集團採用下列方法和重要假定，以釐定金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於結算日可按要求而支付的金額；
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變；

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued) 金融工具的公平價值(續)

##### (a) Estimation of fair values (continued)

- (iii) the fair value of fixed rate loans and mortgages carried at amortized cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.
- (iv) the fair value of unquoted equity investments is estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuers.
- (v) the fair value of unlisted open-ended investment funds are estimated using the net asset value per share as reported by the managers of such funds.
- (vi) the fair value of forward exchange contracts and interest rate swaps is estimated either using broker quotes or by discounting future cash flows. Future cash flows are estimated based on management's best estimate of the amount it would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties. The discount rate used is a market rate for a similar instrument at the balance sheet date. The fair value of an option contract is determined by applying the Black-Scholes option valuation model. Inputs are based on market related data at the balance sheet date.

##### (b) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31st December 2005 and 2004, except for held-to-maturity investments as set out in Note 27.

##### (a) 公平價值估計(續)

- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 非上市股票投資的公平價值是在可能情況下，將相若上市公司適用的價格/盈利比率調整，以反映發行商所處的特殊狀況。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 遠期外匯合約和利率掉期的公平價值，是採用經紀報價或折讓將來現金流方法估計。將來現金流乃按管理層在考慮市場現況和另一方的目前信貸狀況後，就其在結算日可藉終止合約而收取或支付的最佳估計金額。本集團採用的貼現率是在結算日適用於相若工具的市場利率。期權合約的公平價值是採用柏力克-舒爾斯期權估值模式估計。本集團輸入的資料則是以結算日的相關市場資料為基礎。

##### (b) 公平價值

除附註27所載有關持至到期投資外，所有金融工具均是以公平價值或與其於2004年12月31日和2005年同日的公平價值相若的金額入賬。

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

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

(a) Contingent Liabilities and Commitments

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

(a) 或然負債及承擔

以下為每項或然負債及承擔主要類別的合約數額摘要：

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Direct credit substitutes	直接信貸代替品	4,839,458	5,375,979	4,813,652	5,345,427
Transaction-related contingencies	與交易有關的或然項目	805,458	486,028	805,458	486,028
Trade-related contingencies	與貿易有關的或然項目	1,908,453	2,501,087	1,836,780	2,450,532
Other commitments with an original maturity of:	其他承擔：				
under 1 year or which are unconditionally cancellable	原到期日少於1年或可無條件取消	32,104,801	27,786,426	31,498,363	27,162,592
1 year or over	原到期日在1年或以上	9,547,330	8,136,611	9,471,136	8,037,046
Others	其他	-	-	-	-
		49,205,500	44,286,131	48,425,389	43,481,625

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

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

(b) Derivatives

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

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

(b) 衍生工具

衍生工具是指由一項或多項基本資產或指數價值釐定價值的財務合約。

以下為集團及銀行的每項衍生工具主要類別的名義數額摘要：

		The Group 集團					
		2005		Total 總額	2004		Total 總額
		Trading 交易	Non-trading 非交易		Trading 交易	Non-trading 非交易	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	6,100,557	47,516	6,148,073	6,024,580	125,128	6,149,708
Swaps	掉期交易	10,208,343	4,731,415	14,939,758	2,295,831	4,575,930	6,871,761
Options purchased	購入期權	1,919,939	-	1,919,939	1,724,476	-	1,724,476
Options written	沽出期權	1,846,209	-	1,846,209	1,635,863	-	1,635,863
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	175,000	-	175,000	235,000	-	235,000
Swaps	掉期交易	443,092	30,398,820	30,841,912	856,308	15,236,381	16,092,689
Options purchased	購入期權	-	116,326	116,326	-	-	-
Equity contracts	股份合約						
Forward and futures	遠期交易及期貨	-	-	-	49,851	-	49,851
Options purchased	購入期權	171,154	-	171,154	442,062	-	442,062
Options written	沽出期權	113,816	-	113,816	442,062	-	442,062
		20,978,110	35,294,077	56,272,187	13,706,033	19,937,439	33,643,472

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

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

(b) Derivatives (continued)

(b) 衍生工具(續)

		The Bank 銀行					
		2005			2004		
		Trading	Non-trading	Total	Trading	Non-trading	Total
		交易	非交易	總額	交易	非交易	總額
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	6,103,659	-	6,103,659	6,038,207	-	6,038,207
Swaps	掉期交易	10,208,343	4,519,308	14,727,651	2,295,830	4,505,270	6,801,100
Options purchased	購入期權	1,919,939	-	1,919,939	1,724,476	-	1,724,476
Options written	沽出期權	1,846,208	-	1,846,208	1,635,863	-	1,635,863
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	175,000	-	175,000	235,000	-	235,000
Swaps	掉期交易	443,092	30,049,841	30,492,933	856,308	15,275,252	16,131,560
Equity contracts	股份合約						
Forwards and futures	遠期交易及期貨	-	-	-	49,851	-	49,851
Options purchased	購入期權	171,154	-	171,154	442,062	-	442,062
Options written	沽出期權	113,816	-	113,816	442,062	-	442,062
		20,981,211	34,569,149	55,550,360	13,719,659	19,780,522	33,500,181

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

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

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

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

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Replacement costs	重置成本				
Exchange rate contracts	匯率合約	110,839	341,582	110,839	340,773
Interest rate contracts	利率合約	621,426	917,485	619,651	917,485
Options purchased	購入期權				
- exchange rate contracts	- 匯率合約	5,180	2,294	5,180	2,294
- equity contracts	- 股份合約	980	2,952	980	2,952
		738,425	1,264,313	736,650	1,263,504
Credit risk weighted amounts					
Contingent liabilities and commitments	信貸風險加權數額 或然負債及承擔	9,271,093	8,822,965	9,234,078	8,790,759
Exchange rate contracts	匯率合約	97,542	173,643	96,516	172,731
Interest rate contracts	利率合約	343,102	204,136	342,088	204,136
Equity contracts	股份合約	6,990	21,538	6,990	21,538
		9,718,727	9,222,282	9,679,672	9,189,164

## Notes on the Accounts (continued)

### 賬項附註 (續)

#### (b) Derivatives (continued)

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

Replacement cost is a close approximation of the credit risk for these contracts as at the balance sheet date. The credit risk weighted amount refers to the amount as computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance.

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

#### (b) 衍生工具 (續)

下表列出資產負債表以外交易的合約或名義數額、重置成本及信貸風險加權數額。重置成本是用來計算信貸風險加權數額。該等數額是按照香港金融管理局實行關於資本充裕的巴塞爾協議及按其他銀行財務狀況和到期特性釐定的指引而作出評估。或然負債及承擔所用的風險加權由0%至100%，而匯率、股份及利率合約則由0%至50%。

重置成本是指重置所有按市場價值計算差額時附有正值的合約成本，亦是在結算日該等合約的略計信貸風險。信貸風險加權數額是指按《銀行條例》附表三計算的數額。

下表分析在結算日本集團，根據有關到期期限歸類之剩餘結算期限有關衍生工具的名義數額。

		The Group 集團							
		Notional amounts with remaining life of 剩餘期限的名義數額				2005			
		2005				2004			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Interest rate derivatives	利息衍生工具	17,364,789	12,423,936	1,344,513	31,133,238	2,690,288	13,006,514	630,887	16,327,689
Currency derivatives	貨幣衍生工具	24,473,610	380,369	-	24,853,979	11,546,537	4,835,271	-	16,381,808
Other derivatives	其他衍生工具	284,970	-	-	284,970	933,975	-	-	933,975
		42,123,369	12,804,305	1,344,513	56,272,187	15,170,800	17,841,785	630,887	33,643,472
		The Bank 銀行							
		Notional amounts with remaining life of 剩餘期限的名義數額				2005			
		2005				2004			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Interest rate derivatives	利息衍生工具	17,403,564	11,997,406	1,266,963	30,667,933	2,729,159	13,006,514	630,887	16,366,560
Currency derivatives	貨幣衍生工具	24,217,088	380,369	-	24,597,457	11,364,375	4,835,271	-	16,199,646
Other derivatives	其他衍生工具	284,970	-	-	284,970	933,975	-	-	933,975
		41,905,622	12,377,775	1,266,963	55,550,360	15,027,509	17,841,785	630,887	33,500,181

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

##### (c) Capital Commitments

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

##### (c) 資本承擔

於12月31日未償付但並未在賬項中提撥準備的資本承擔如下：

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Expenditure authorised and contracted for	已核准支出並已簽約	323,706	336,316	269,301	324,190
Expenditure authorised but not contracted for	已核准支出但未簽約	300,863	276,331	101,459	260,931
		<b>624,569</b>	<b>612,647</b>	<b>370,760</b>	<b>585,121</b>

##### (d) Operating Lease Commitments

At 31st December, 2005, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

##### (d) 經營租賃承擔

於2005年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

		The Group 集團		The Bank 銀行	
		2005	2004	2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Properties	物業				
Within one year	1年以內	144,206	97,782	110,655	107,524
After one year but within five years	1年至5年內	245,362	121,955	177,422	127,592
After five years	5年以後	99,268	41,368	61,348	53,984
		<b>488,836</b>	<b>261,105</b>	<b>349,425</b>	<b>289,100</b>
Equipment	設備				
Within one year	1年以內	3,475	1,776	1,602	788
After one year but within five years	1年至5年內	7,194	2,645	3,290	1,396
After five years	5年以後	345	4	-	4
		<b>11,014</b>	<b>4,425</b>	<b>4,892</b>	<b>2,188</b>

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

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



## Notes on the Accounts (continued)

### 賬項附註 (續)

#### (e) Obligations Under Mortgage Loans Sold

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

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

#### (e) 已售按揭貸款承擔

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

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

		The Group and The Bank 集團及銀行	
		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Held-to-maturity debt securities	持至到期債務證券	-	23,473
Accrued interest and other accounts	累計利息及其他賬項	17,841	74,663
		<b>17,841</b>	<b>98,136</b>

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

#### (a) Purchase of Subsidiaries

#### (a) 收購附屬公司

		2005	2004
		HK\$'000 港幣千元	HK\$'000 港幣千元
Net assets acquired	已購入淨資產		
Cash and balances with banks and other financial institutions	現金及短期資金	3,054	791
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	8,657	118,664
Fixed assets	固定資產	1,927	568
Other accounts and provisions	其他賬項及準備	(47,321)	(17,751)
Deferred tax	遞延稅項	-	(117)
Minority interests	少數股東權益	(975)	-
		<b>(34,658)</b>	<b>102,155</b>
Goodwill arising on consolidation	賬項綜合時產生的商譽	51,593	220,035
Total purchase price	以現金支付的購入價	16,935	322,190
Less: cash and cash equivalents acquired	減: 購入的現金及等同現金項目	(3,054)	(791)
Cash flow on acquisition net of cash acquired	收購附屬公司現金流出淨額	13,881	321,399

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

##### (b) Cash and Cash Equivalents

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

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Cash and balances with banks and other financial institutions (Note 20)	現金及在銀行和其他金融機構的結存(附註20)	4,525,587	3,655,593
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款	43,161,632	33,390,951
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	4,557,967	3,484,728
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	38,776	673,063
		52,283,962	41,204,335

###### (ii) Reconciliation with the consolidated balance sheet

		2005 HK\$'000 港幣千元	2004 Restated 重報 HK\$'000 港幣千元
Cash and balances with banks and other financial institutions (Note 20)	現金及在銀行及其他金融機構的結存(附註20)	4,525,587	3,655,593
Placements with banks and other financial institutions (Note 21)	在銀行及其他金融機構的存款(附註21)	45,347,255	42,083,406
Treasury bills and certificates of deposit held	國庫債券及持有存款證		
– trading assets (Note 23)	– 交易用途資產(附註23)	1,494,650	1,199,803
– designated at fair value through profit or loss (Note 24)	– 指定通過損益以反映公平價值(附註24)	94,290	–
– advances and other accounts (Note 25)	– 貸款及其他賬項(附註25)	38,775	–
– other non-trading	– 其他非交易用途	–	3,756,279
– available-for-sale (Note 26)	– 可供出售(附註26)	4,198,487	–
– held-to-maturity (Note 27)	– 持有至到期(附註27)	1,369,764	1,461,861
		7,195,966	6,417,943
Amounts shown in the consolidated balance sheet	在綜合資產負債表出現的金額	57,068,808	52,156,942
Less: amounts with an original maturity of beyond three months	減：原本期限為3個月以上的數額	(4,784,846)	(10,952,607)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	52,283,962	41,204,335

##### (b) 現金及等同現金項目

###### (i) 在綜合現金流量表內現金及等同現金項目的組成部分

	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
	4,525,587	3,655,593
	43,161,632	33,390,951
	4,557,967	3,484,728
	38,776	673,063
	52,283,962	41,204,335

###### (ii) 與綜合資產負債表的對賬

	2005 HK\$'000 港幣千元	2004 Restated 重報 HK\$'000 港幣千元
	4,525,587	3,655,593
	45,347,255	42,083,406
	1,494,650	1,199,803
	94,290	–
	38,775	–
	–	3,756,279
	4,198,487	–
	1,369,764	1,461,861
	7,195,966	6,417,943
	57,068,808	52,156,942
	(4,784,846)	(10,952,607)
	52,283,962	41,204,335

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 44. LOANS TO OFFICERS 行政人員貸款

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

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

		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額		
By the Bank	由銀行借出	956,321	1,185,747
By subsidiaries	由附屬公司借出	-	-
		<b>956,321</b>	<b>1,185,747</b>
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額		
By the Bank	由銀行借出	1,706,677	1,884,055
By subsidiaries	由附屬公司借出	-	-
		<b>1,706,677</b>	<b>1,884,055</b>

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2005.

於2005年12月31日，沒有逾期未償付利息，亦未有對該等貸款作特殊準備。

#### 45. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(q) (iii). In the year 2005, the total amount of contributions the Group made to the schemes was HK\$69,567,000 (2004: HK\$66,581,000).

本集團為其職員提供某些退休保障計劃，並已於附註2(q)(iii)披露。於2005年內，本集團對這些計劃的供款總數為港幣69,567,000元(2004年：港幣66,581,000元)。

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. Except that there is interest free shareholder's advance extended to one (2004: two) associate amounting to HK\$9,200,000 at 31st December, 2005 (2004: HK\$10,740,000), all interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

本集團與其關聯人士進行多項交易。這些人士包括聯營公司、主要行政人員與其直系親屬、及受這些人士所控制的公司或其具有重大影響力的公司。這些交易包括接受這些人士存款及為他們提供信貸。除本行借予一間(2004年：二間)聯營公司的免息股東貸款外，其於2005年12月31日的結餘為港幣9,200,000元(2004年：港幣10,740,000元)，除此以外，所有存款及信貸的利率，均按照與一般同等信用水平之客戶相若的條款及規定。

## Notes on the Accounts (continued)

### 賬項附註(續)

#### 45. MATERIAL RELATED PARTY TRANSACTIONS (continued) 關聯人士的重大交易(續)

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

於2005年，本集團從關聯人士所收取與支付予他們的利息，及在2005年12月31日關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Subsidiaries 附屬公司		Associates 聯營公司	
		2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元	2005 HK\$'000 港幣千元	2004 HK\$'000 港幣千元
Interest income	利息收入	90,039	72,115	28,405	36,753	6,096	4,206
Interest expense	利息支出	55,986	9,110	526,256	233,997	22	6
Amounts due from	關連人士的欠款	3,094,326	2,280,834	1,728,817	2,055,864	169,014	229,386
Amounts due to	欠關連人士的款項	2,809,550	1,449,645	9,852,377	10,362,683	2,570	1,657
Maximum amounts due from	關連人士的最高欠款	4,121,724	3,954,596	2,248,714	2,319,249	311,682	303,211
	欠關連人士的						
Maximum amounts due to	最高款項	4,624,824	1,723,471	10,244,212	10,398,807	-	-

#### 46. EQUITY COMPENSATION PLANS 股份補償計劃

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

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

##### (a) Particulars of Share Options

##### (a) 認股權詳情

Date of Grant 授予日期	Vesting Period 有效期	Exercise Period 行使期	Exercise Price Per Share 每股行使價 HK\$港幣
20/4/2000	20/4/2000 – 19/4/2001	20/4/2001 – 20/4/2005	16.46
19/4/2001	19/4/2001 – 18/4/2002	19/4/2002 – 19/4/2006	16.96
18/4/2002	18/4/2002 – 17/4/2003	18/4/2003 – 18/4/2007	15.80
02/5/2003	02/5/2003 – 01/5/2004	02/5/2004 – 02/5/2008	14.90
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	23.23
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	22.95

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

(b) Movement of Share Options  
2005

Date of Grant 授予日期	Outstanding at 1/1/2005 於2005年1月1日 尚未行使	Number of Share Options 認股權數目			Outstanding at 31/12/2005 於2005年12月31日 尚未行使
		Granted 已授予	Exercised 已行使	Lapsed 已失效	
20/4/2000	1,480,000	-	1,453,000	27,000	-
19/4/2001	2,185,000	-	170,000	-	2,015,000
18/4/2002	2,795,000	-	510,000	-	2,285,000
02/5/2003	8,570,000	-	2,300,000	-	6,270,000
22/4/2004	15,045,000	-	65,000	630,000	14,350,000
03/5/2005	-	16,410,000	-	420,000	15,990,000
Total 總額	30,075,000	16,410,000	4,498,000	1,077,000	40,910,000

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

(c) No share options were cancelled during the years ended 31st December, 2005 and 2004.

(c) 截至2005及2004年12月31日年度內並未有認股權被註銷。

## Notes on the Accounts (continued)

### 賬項附註 (續)

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

(d) Details of Share Options Exercised

(d) 已行使認股權詳情

Exercise Period 行使期間	Date of Grant 授予日期	Number of Share Options 認股權數目	
		2005	2004
January 1月	21/4/1999	-	13,000
	20/4/2000	<b>181,000</b>	298,000
	19/4/2001	<b>20,000</b>	20,000
	18/4/2002	-	55,000
	02/5/2003	<b>330,000</b>	-
February 2月	21/4/1999	-	87,000
	20/4/2000	<b>136,000</b>	379,000
	19/4/2001	<b>50,000</b>	110,000
	18/4/2002	-	70,000
	02/5/2003	<b>150,000</b>	-
March 3月	21/4/1999	-	155,000
	20/4/2000	<b>538,000</b>	321,000
	19/4/2001	<b>40,000</b>	80,000
	18/4/2002	<b>295,000</b>	120,000
	02/5/2003	<b>480,000</b>	-
April 4月	21/4/1999	-	193,000
	20/4/2000	<b>576,000</b>	151,000
	19/4/2001	-	190,000
	18/4/2002	-	20,000
	02/5/2003	<b>70,000</b>	-
May 5月	21/4/1999	-	288,000
	20/4/2000	<b>22,000</b>	50,000
	19/4/2001	-	30,000
	18/4/2002	<b>20,000</b>	40,000
	02/5/2003	<b>75,000</b>	1,655,000
June 6月	20/4/2000	-	73,000
	19/4/2001	-	155,000
	18/4/2002	-	65,000
	02/5/2003	<b>150,000</b>	795,000
	20/4/2000	-	39,000
July 7月	18/4/2002	-	20,000
	02/5/2003	<b>125,000</b>	445,000
	20/4/2000	-	92,000
	19/4/2001	<b>60,000</b>	100,000
	18/4/2002	<b>35,000</b>	40,000
August 8月	02/5/2003	<b>205,000</b>	330,000
	22/4/2004	<b>65,000</b>	-
	20/4/2000	-	49,000
	18/4/2002	<b>60,000</b>	35,000
	02/5/2003	<b>100,000</b>	275,000
September 9月	20/4/2000	-	85,000
	19/4/2001	-	15,000
	18/4/2002	<b>60,000</b>	20,000
	02/5/2003	<b>200,000</b>	360,000

## Notes on the Accounts (continued)

### 賬項附註 (續)

Exercise Period 行使期間	Date of Grant 授予日期	Number of Share Options 認股權數目	
		2005	2004
November 11月	20/4/2000	–	236,000
	19/4/2001	–	90,000
	18/4/2002	–	75,000
	02/5/2003	<b>145,000</b>	1,315,000
December 12月	20/4/2000	–	445,000
	19/4/2001	–	460,000
	18/4/2002	<b>40,000</b>	95,000
	02/5/2003	<b>270,000</b>	1,230,000
		<b>4,498,000</b>	11,264,000

#### 47. NON-ADJUSTING POST BALANCE SHEET EVENTS 毋須調整的資產負債表日後事件

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in Note 15(a).

董事於資產負債表日後擬派末期股息。詳情已在附註15(a)作披露。

#### 48. COMPARATIVE FIGURES 比較數字

Certain comparative figures have been adjusted or reclassified as a result of the changes in accounting policies. Further details are disclosed in Note 3.

由於會計政策轉變，若干比較數字經已調整或重新分類。詳情已在附註3作披露。

#### 49. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the financial statements therefore present the financial position and results fairly, in all material respects.

在編製本集團的賬項時，管理層必須作出若干會於此等賬項的日期，對報告資產及負債金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干會對報告年度內收入及支出金額有影響的估計和假定。如本集團更改此等假定，便可能對作出有關改變期間的賬項產生重大影響。採用此等假定和估計意味，若本集團選用不同的假定，本集團所報告的資料便會有所不同。本集團認為，本集團已作出適當假定，因此在各個重要層面，本集團的財務報表均能公平地反映本身的財政狀況和業績。

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及此等政策及估計的應用。



## Notes on the Accounts (continued)

### 賬項附註(續)

#### 49. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

##### (a) Key Sources of Estimation Uncertainty

Notes 30, 36 and 41 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

###### (i) Impairment losses

###### *Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

###### *Available-for-sale equity investments*

The Group determines that available-for-sale equity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

##### (b) Critical Accounting Judgements in Applying The Group's Accounting Policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

###### (i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

##### (a) 估計不穩定因素的主要來源

附註30、36和41載述有關商譽減值、已派發股權的公平價值和金融工具的公平價值的假定及其風險因素。估計不穩定因素的其他主要來源如下：

###### (i) 減值損失

###### *貸款*

本集團會定期檢討貸款組合，以評估其價值是否有所下降。本集團需要判斷有否任何客觀證據可以證明貸款組合的價值已經下降，即估計將來現金流有所減少。減值客觀證據包括與借款團體的付款狀況出現逆轉有關的可觀察資料，而此等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干資產的以往損失經驗，以估計預期將來現金流，而此等資產的信貸風險特性與信貸風險特性相若。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假定，從而減少估計損失與實際損失之間的差額。

###### *可供出售股份投資*

若可供出售股票投資的公平價值明顯或持續地低於其成本，本集團即判定其價值已有所下降。本集團需要判斷公平價值低於成本的金額會在一段合理時間內何時不可收回，因此有關投資的盈虧或會受到判斷的不同影響。

##### (b) 本集團採用會計政策的關鍵會計判斷

本集團採用會計政策的若干關鍵會計判斷如下：

###### (i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有計劃及能力持有至到期日的非衍生金融資產，列作持至到期投資。在作出有關判斷時，本集團會評估本身是否有計劃及能力持有此等投資至到期日。

若本集團未能持有此等投資至到期日(因若干特殊情況者除外)，本集團會將整個可持至到期日的投資組合，重列作可供出售。這是由於此類投資已被視為蒙污。

因此，原以攤銷成本計量的可持至到期投資會改以公平價值計量。

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

### (ii) Investment property

The Group has temporary sub-let a vacant premises but has decided not to treat this property as an investment property because it is not the Group's intention to hold this property in the long-term for capital appreciation or rental income. Accordingly, this property is still treated as an item of building held for own use.

### (ii) 投資物業

本集團暫時出租一項空置物業，但由於本集團並無計劃長期持有此項物業作資本增值或獲取租金收入，因此決定不將此項物業列作投資物業，而是依舊將之列作自用物業。

## 50. PROPOSED IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2005

已在截至2005年12月31日止年度前公布但尚未生效的修訂、新標準及新詮釋所可能產生的影響

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 31st December, 2005 and which have not been adopted in these accounts.

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1st December, 2005 and would be first applicable to the Group's accounts for the period beginning 1st January, 2006.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that:

- HKFRS 7, "Financial instruments: disclosures", requires more detailed qualitative and quantitative disclosure primarily on fair value information and risk management, thus it would only affect the level of details in the disclosure of the financial information, and would not have financial impact nor result in a change in the Group's accounting policies. HKFRS 7 will be effective for accounting periods beginning 1st January, 2007.
- The amendments to HKAS 1, HKAS 27 and HKFRS 3 made as a result of the Hong Kong Companies (Amendment) Ordinance 2005 are not applicable to any of the Group's operations and that the adoption of the remainder is unlikely to have a significant impact on the Group's result of operations and financial position.

在此等賬項發布日期前，香港會計師公會公布了多項修訂、新標準和新詮釋，但此等修訂、新標準和新詮釋於截至2005年12月31日止年度尚未生效，因此亦尚未應用於此等賬項。

此外，繼《2005年香港公司(修訂)條例》於2005年12月1日生效後，本集團將於2006年1月1日起計算的賬項內率先採納此項條例。

本集團正評估此等修訂、新標準和新詮釋在首個應用期產生的影響，至今所得結論如下：

- 《香港財務報告準則》第7號「金融工具：披露」主要要求在質和量上就公平價值的資料和風險管理作出更詳盡的披露，因此只會影響財務資料披露的詳盡程度，而不會對本集團的財政產生影響或引致本集團需要更改會計政策。《香港財務報告準則》第7號將由2007年1月1日起計算的會計期生效。
- 因應《2005年香港公司(修訂)條例》生效，在《香港會計準則》第1號和第27號及《香港財務報告準則》第3號中作出的修訂，並不適用於本集團任何業務，而本集團採納的其他修訂，亦不太可能對本集團的業績和財政狀況有重大影響。