



Fubon Bank Building, 38 Des Voeux Road, Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈
www.fubonbank.com.hk

富邦銀行(香港)有限公司

Fubon Bank (Hong Kong) Limited

二零零四年年報 Annual Report 2004



Annual Report 2004

二零零四年年報





In March 2004 Fubon Financial Holding Co., Ltd. completed the acquisition of 75% of the issued shares of International Bank of Asia Limited ("IBA") from Arab Banking Corporation (B.S.C.) and China Everbright Holdings Company Limited, the first such acquisition of a Hong Kong incorporated bank by a Taiwan financial institution.

In February 2005 the shareholders passed a resolution at an Extraordinary General Meeting approving the change of the legal name of IBA to Fubon Bank (Hong Kong) Limited. The name change of IBA marks a milestone for the Fubon Group, signifying the Group's expansion beyond Taiwan.

On 6 April 2005, IBA changed its legal name and became Fubon Bank (Hong Kong) Limited under the umbrella of the Fubon Group. The name change is part of the Fubon Group's ongoing strategy to create an integrated and cohesive presence in the Asian marketplace. Fubon Bank (Hong Kong) Limited will now be strategically placed to leverage the strong brand name of its parent, and fully exploit the benefits of being a member of this leading financial group, delivering the full range of products and services to our customers.

二零零四年三月，富邦金融控股股份有限公司完成向阿拉伯銀行集團(B.S.C.)及中國光大控股有限公司收購港基國際銀行有限公司(「港基」) 75%的已發行股份，這是台灣金融機構首次收購一間在香港註冊成立的銀行。

二零零五年二月，股東於股東特別大會上通過有關批准更改港基的法定名稱為富邦銀行(香港)有限公司的決議案。更改港基名稱是富邦集團的一個里程碑，標誌著集團拓展業務至台灣以外地方。

二零零五年四月六日，港基更改其法定名稱，並成為富邦集團旗下一員。更改名稱乃富邦集團於亞洲市場建立統一及貫徹形象的長期政策的一部份。富邦銀行(香港)有限公司現於策略上憑藉母公司的良好品牌信譽而享佔優勢，及作為一家具領導地位的金融集團旗下成員公司而受惠，向客戶提供最全面的產品及服務。

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Customer-Centrism 以客為本



Recognizing that customer satisfaction is essential to profitability, and adopting a culture, processes and behavior that prioritizes convenience, value, efficiency and courtesy in every interaction with customers, external and internal.

使客戶對服務稱心滿意，是加強盈利能力的要素。我們要樹立一種企業文化即無論對外或對內，皆以誠懇的工作精神和服務態度，務求與客方便、增益增效，全心全意竭誠為客戶服務。

FIVE-YEAR FINANCIAL SUMMARY

	2004 二零零四年	2003 二零零三年	2002 (Restated) 二零零二年 (重列)	2001 二零零一年	2000 二零零零年
Profit and Loss Account (HK\$ Million) 損益表(百萬港元)					
Profit before Taxation 除稅前溢利	338	150	222	307	276
Profit Attributable to Shareholders 股東應佔溢利	300	138	220	295	244
Consolidated Balance Sheet (HK\$ Million) 綜合資產負債表(百萬港元)					
Shareholders' Funds 股東資金	3,703	3,784	3,767	3,655	3,479
Total Assets 總資產	45,761	37,889	32,314	28,612	29,242
Advances to Customers Less Reserves 客戶貸款減儲備	18,002	15,566	14,961	16,384	17,426
Customer Deposits and Medium Term Funding 客戶存款及中期資金	32,454	31,448	23,881	23,861	24,558
Share Statistics (HK\$) 股份統計表(港元)					
Earnings per Share ¹ (Weighted Average Basis) 每股盈利 ¹ (加權平均基準)	0.26	0.12	0.19	0.25	0.21
Earnings per Share ¹ (Adjusted) 每股盈利 ¹ (經調整)	0.26	0.12	0.19	0.25	0.21
Selected Returns and Ratios (%) 盈利及百分比簡錄(%)					
Return on Average Equity 平均股本回報	8.02	3.66	5.94	8.28	7.20
Return on Average Assets 平均資產回報	0.72	0.39	0.73	1.04	0.93
Unadjusted Capital Adequacy Ratio 未經調整資本充足比率	18.46	19.79	20.84	19.72	18.07
Average Liquidity Ratio (for December) 平均流動資金比率(十二月)	50.06	57.89	52.49	47.11	42.49
Loan to Deposit Ratio 貸存比率	55.47	49.50	62.65	68.67	70.96

Note:

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

附註：

- 每股盈利乃按年內股東應佔溢利300,388,000港元(二零零三年：138,138,000港元)及於年內已發行普通股份1,172,160,000股(二零零三年：1,172,160,000股)計算。銀行並無任何未行使之可換股借貸資本、購股權或認股權證以致對每股盈利構成攤薄之影響。

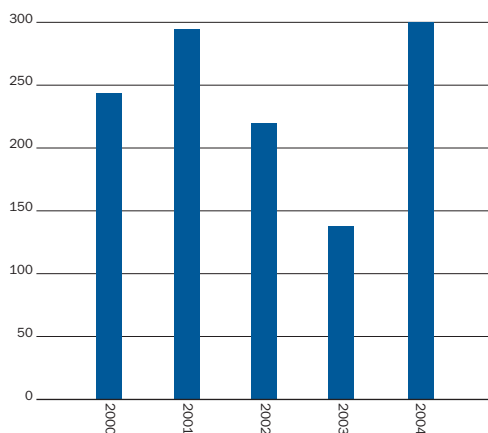
五個年度之財務概要

In 2004, The Bank achieved a net profit of HK\$300.4 million, an increase of 117% over 2003. The return on average assets was 0.72% and return on average equity was 8.02%. During the year total customer deposits and medium term funding reached HK\$32 billion. Loans and advances to customers increased by 16% to HK\$18 billion. Total assets increased 21% to HK\$45.8 billion. The Group had total capital funds of HK\$3.7 billion, and a capital adequacy ratio of 18.46%.

二零零四年，本銀行錄得純利三億零四十萬港元，較二零零三年上升117%。平均資產回報為0.72%，而平均股本回報則為8.02%。於本年度，客戶存款及中期資金總額達三百二十億港元，貸款及墊款亦增加16%至一百八十億港元。總資產增加21%至四百五十八億港元。本集團總股本資金為三十七億港元，資本充足比率則達18.46%。

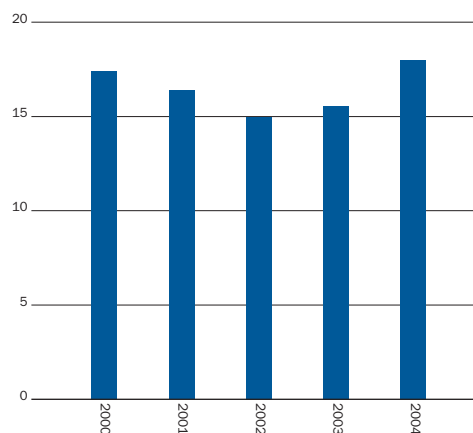
Profit Attributable to Shareholders 股東應佔溢利

HK\$ million 百萬港元



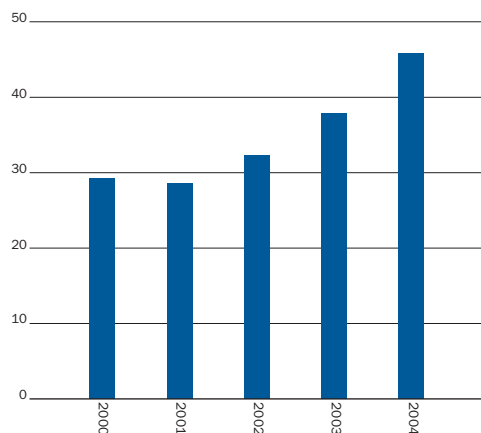
Gross Advances to Customers 客戶貸款總額

HK\$ billion 十億港元



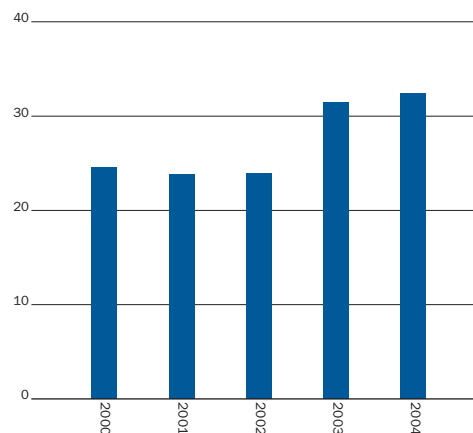
Total Assets 總資產

HK\$ billion 十億港元



Customer Deposits and Medium Term Funding 客戶存款及中期資金


HK\$ billion 十億港元



Innovation

鼓勵創新





Exercising intellectual talent to
exceed accepted limitations
and boldly venture into new
areas, enabling the institution
and its customers to achieve
value beyond routine practice.

鼓勵發揮創意、
勇於創新，
敢於突破常規
開創新領域，使機構
和客戶從中獲益。

CORPORATE INFORMATION

SHAREHOLDERS

75% – Fubon Financial Holding Co., Ltd.

25% – Public

SOLICITORS

Clifford Chance

Slaughter and May

AUDITORS

KPMG

COMPANY SECRETARY

Ivan Young

REGISTERED OFFICE

Fubon Bank Building

38 Des Voeux Road Central

Hong Kong

股東

75%—富邦金融控股股份有限公司

25%—公眾持有

律師

高偉紳律師行

司力達律師樓

核數師

畢馬威會計師事務所

公司秘書

楊雅雲

註冊辦事處

香港德輔道中38號

富邦銀行大廈

BOARD OF DIRECTORS



Ming-Hsing (Richard) TSAI

Chairman

Aged 47. Mr. Tsai joined the Fubon Group in 1982. He is the Vice Chairman, President and Co-Chief Executive Officer of Fubon Financial Holding Co., Ltd. Mr. Tsai also acts as the Chairman for Fubon Life Assurance Co., Ltd. and Fubon Asset Management Co., Ltd. and has over 20 years of experience in these businesses. He is currently also the Vice Chairman of Taiwan Cellular Co., Ltd., a provider of telecommunication services. Prior to this, Mr. Tsai was also the Chairman of Fubon Securities Co., Ltd. Mr. Tsai holds a Master of Business Administration Degree (1981) from New York University and a Bachelor of Business Administration Degree (1979) from the National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Chung (Daniel) Tsai. He became a Director of the Bank in February 2004.



Ming-Chung (Daniel) TSAI

Vice Chairman

Aged 48. Mr. Tsai joined the Fubon Group in 1981. He is currently Chairman and Co-Chief Executive Officer of Fubon Financial Holding Co., Ltd. as well as the Vice Chairman of Taipei Fubon Commercial Bank Co., Ltd. Mr. Tsai is also the Chairman of Taiwan Cellular Co., Ltd., Taiwan Fixed Network Co., Ltd. TransAsia Telecom. Inc. and Fubon Land Development Co., Ltd. Mr. Tsai has extensive experience in banking and telecommunication services, as well as the land development, construction management and building leasing business. He holds a Master of Law Degree (1979) from Georgetown University and a Bachelor of Law Degree (1978) from the National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Hsing (Richard) Tsai. He became a Director of the Bank in February 2004.

董事

蔡明興

主席

四十七歲。蔡先生於一九八二年加入富邦集團，是富邦金融控股股份有限公司的副董事長兼總經理和共同執行長。蔡先生亦擔任富邦人壽保險股份有限公司及富邦證券投資信託股份有限公司的董事長，於有關業務擁有超過二十年的經驗。他現時亦為電訊服務供應商台灣大哥大股份有限公司的副董事長。之前，蔡先生亦曾任富邦綜合證券股份有限公司之董事長。蔡先生持有紐約大學工商管理碩士學位（一九八一年）及國立台灣大學工商管理學士學位（一九七九年）。蔡先生是蔡明忠先生的胞弟。他於二零零四年二月出任本銀行董事。

蔡明忠

副主席

四十八歲。蔡先生於一九八一年加入富邦集團，現時為富邦金融控股股份有限公司之董事長兼共同執行長，及台北富邦商業銀行股份有限公司之副董事長。蔡先生現時亦擔任台灣大哥大股份有限公司、台灣固網股份有限公司、泛亞電信股份有限公司及富邦建設股份有限公司之董事長。蔡先生於銀行、電訊服務、土地發展、建築管理及樓宇租賃業務方面具有豐富的經驗。他持有喬治城大學法律碩士學位（一九七九年）以及國立台灣大學法律學士學位（一九七八年）。蔡先生是蔡明興先生之胞兄。於二零零四年二月出任本銀行董事。



Jin-Yi LEE

Executive Director

Aged 47. Mr. Lee was appointed Managing Director and Chief Executive Officer of the Bank in July 2004. Mr. Lee has extensive experience in the banking industry. Before joining the Bank, he was the Managing Director, Corporate Finance and Advisory, Asia Pacific of The Hongkong and Shanghai Banking Corporation Limited. Prior to that, he was the Head of Corporate Finance, Asia and a member of the Management Committee of BNP Paribas Peregrine, the Managing Director and China Senior Country Officer of J.P. Morgan Chase & Co., the Managing Director and Chairman of Hong Kong Management Committee of J.P. Morgan & Co. and Chief Executive of Morgan Guaranty Trust Co. of New York, Hong Kong Branch. Mr. Lee was also a committee member of the Hong Kong Association of Banks from 1998 to 2000. Mr. Lee graduated from National Taiwan University and obtained his MBA degree from Harvard University.



Horace FAN Sheung Yam

Executive Director

Aged 58. Mr. Fan is Executive Vice President - Financial Markets Group of the Bank. He joined the Bank in December 2001 as Senior Vice President and Treasurer and was promoted to his current position in July 2003. Before joining the Bank, Mr. Fan worked with Dah Sing Financial Group for 27 years in various positions at its Treasury Division, becoming a senior manager in 1987 and serving as General Manager of Treasury for almost a decade. Mr. Fan currently is the President of ACI-The Financial Markets Association of Hong Kong. He became a Director of the Bank in October 2004.

李晉頤

執行董事

四十七歲。李先生於二零零四年七月獲委任為本銀行董事總經理兼行政總裁。李先生於銀行業界經驗豐富，他於加入本銀行之前，曾擔任香港上海滙豐銀行有限公司亞太區企業融資部董事總經理。在此之前，他是法國巴黎百富勤亞太區企業融資部董事總經理兼公司行政管理委員會委員、摩根大通證券（亞太）有限公司董事總經理兼中國區總裁、J.P. 摩根董事總經理兼香港區行政管理委員會主席，以及紐約摩根信託香港公司行政總裁。李先生亦於一九九八年至二零零零年間出任香港銀行公會委員會委員。李先生畢業於國立台灣大學，並於哈佛大學獲得工商管理碩士學位。

范上欽

執行董事

五十八歲。范先生是本銀行的執行副總裁，主管金融市場部。他於二零零一年十二月加入本銀行，出任高級副總裁及司庫，並於二零零三年七月擢升現職位。范先生於加入本銀行前，在大新金融集團財資部擔任各項要職，服務達二十七年，並於一九八七年出任高級經理，其後擢升為財資部總經理，在該職位服務近十年。范先生現為香港財資公會主席。他於二零零四年十月出任本銀行董事。



Wing-Fai NG

Non-executive Director

Aged 37. Mr. Ng joined the Fubon Group in 2000. Mr. Ng's extensive experience in the financial and banking sectors can be evidenced in his previous positions as Managing Director and Head of the Asia-Pacific Financial Institution Group at Salomon Smith Barney, and prior to that, as Director of Corporate Finance at UBS Warburg. Currently, Mr. Ng is Senior Executive Vice President and Chief Strategic Officer of Fubon Financial Holding Co., Ltd. Mr. Ng holds a Master of Business Administration Degree (1994) from Harvard University and has a Master of Arts and a Bachelor of Arts Degree (1990) from Cambridge University. He became a Director of the Bank in February 2004.



Victor KUNG

Non-executive Director

Aged 48. Mr. Kung joined the Fubon Group in 2000. Mr. Kung first joined Fubon Insurance Co., Ltd. as a Director and Senior Advisor before becoming Senior Executive Vice President and Chief Financial Officer of Fubon Financial Holding Co., Ltd. Prior to this, he was the Executive Vice President of Walden International Investment Group, specializing in private equity investments, and an Executive Director at the private equity investment arm of Citicorp Capital Asia. Mr. Kung holds both a Master of Business Administration in Finance (1988) and a Master in Economics Degree (1982) from New York University, as well as a Bachelor of Law Degree (1978) from National Chunghsing University. He became a Director of the Bank in February 2004.

吳榮輝

非執行董事

三十七歲。吳先生於二零零零年加入富邦集團。吳先生於金融及銀行業具有豐富經驗，曾出任所羅門美邦亞太區金融機構組董事總經理兼主管。在此之前，他曾擔任華寶亞洲有限公司企業融資董事。目前，吳先生為富邦金融控股股份有限公司高級執行副總裁兼首席策略人員。吳先生持有哈佛大學工商管理碩士學位（一九九四年），並持有劍橋大學文學碩士學位及學士學位（一九九零年）。他於二零零四年二月出任本銀行董事。

龔天行

非執行董事

四十八歲。龔先生於二零零零年加入富邦集團。他首先加入富邦產物保險股份有限公司，出任董事兼高級顧問，其後擔任富邦金融控股股份有限公司的高級執行副總裁兼首席財務總監。在此之前，他是華登國際投資集團的（專門從事私人股本投資）執行副總裁，以及 Citicorp Capital Asia 私人股本投資部門執行董事。龔先生持有紐約大學工商管理碩士學位（一九八八年）及經濟系碩士學位（一九八二年），並持有國立中興大學法律學士學位（一九七八年）。他於二零零四年二月出任本銀行董事。



Jesse DING

Non-executive Director

Aged 52. Mr. Ding is the President of Taipei Fubon Commercial Bank Co., Ltd. He has extensive experience in the banking services sector with over 20 years in the industry. Before his current appointment, Mr. Ding was Executive Vice President of the China Industrial Bank Preparatory Team, and prior to that he was President of the Taipei Branch of Chase Manhattan Bank for more than 5 years. Mr Ding also spent 4 years at Bankers Trust and more than 7 years at Citibank in various positions. He holds a Master of Business Administration Degree (1979) from the University of Detroit and a Bachelor of Business Administration Degree (1975) from National Taiwan University. He became a Director of the Bank in February 2004.



Robert James KENRICK

Independent Non-executive Director

Aged 57. Mr. Kenrick was a partner of the international accounting firm KPMG from 1988 to 1998 and a member of the Financial Accounting Standards Committee of the Hong Kong Institute of Certified Public Accountants from 1992 to 2001. He holds a Master of Arts and Bachelor of Arts Degree (1969) from Cambridge University and is a Certified Public Accountant (Hong Kong) and Chartered Accountant (England & Wales). He became a Director of the Bank in April 1999.

丁予康

非執行董事

五十二歲。丁先生為台北富邦商業銀行股份有限公司總裁。他於銀行服務業工作超過二十年，具有豐富的經驗。於擔任現時職位前，丁先生為中國工業銀行籌備處執行副總裁，並曾擔任美商大通銀行台北分行總經理超過五年。丁先生亦曾分別於美商信孚銀行及花旗銀行擔任多項職位達四年及七年以上。他持有底特律大學工商管理碩士學位（一九七九年），以及國立台灣大學工商管理學士學位（一九七五年）。他於二零零四年二月出任本銀行董事。

甘禮傑

獨立非執行董事

五十七歲。甘先生於一九八八年至一九九八年間為國際會計師行畢馬威會計師事務所的合夥人，並於一九九二年至二零零一年間為香港會計師公會財務會計準則委員會成員。甘先生持有劍橋大學文學碩士學位及學士學位（一九六九年），現為香港執業會計師及英格蘭及威爾斯特許會計師。他於一九九九年四月出任本銀行董事。



Moses K. TSANG

Independent Non-executive Director

Aged 56. Mr. Tsang is the Chairman and Managing Partner of Ajia Partners as well as the General Manager and Partner of EC Investment Services Limited. Prior to that, he was a General Partner of Goldman Sachs Group and Chairman of Goldman Sachs (Asia) L.L.C., a global investment bank. After associating with the firm for more than 16 years, Mr. Tsang chose to retire as a General Partner from the Goldman Sachs Group in October 1994. Mr. Tsang was a Doctoral Candidate at the University of Chicago (1976). He holds a MSW degree from the University of Iowa (1973) and a BS degree from Minnesota State University (1972). He became a Director of the Bank in February 2004.



Hung SHIH

Independent Non-executive Director

Aged 50. Mr. Shih was previously a Consultant at Swiss Banking Corporation before becoming a full time employee of the firm which eventually merged with Union Bank of Switzerland in 1998 and was renamed UBS AG. Afterwards, he became a Managing Director and the China Country head of UBS AG before his early retirement in 1999. Mr. Shih holds both a Master of Business Administration Degree (1982) and a Master of Law Degree (1980) from the University of Michigan, as well as a Bachelor of Law Degree (1976) from National Taiwan University. He became a Director of the Bank in February 2004.

曾國泰

獨立非執行董事

五十六歲。曾先生為 Ajia Partners 主席兼管理合夥人，以及 EC Investment Services Limited 總經理兼合夥人。在此之前，他是高盛集團合夥人及高盛（亞洲）銀行（一所環球投資銀行）主席。曾先生與高盛集團有限公司合作逾十六年後，於一九九四年十月決定退任為合夥人。曾先生曾為芝加哥大學博士研究生（一九七六年）。他持有愛荷華大學社會工作碩士學位（一九七三年）及明尼蘇達州立大學學士學位（一九七二年）。他於二零零四年二月出任本銀行董事。

石宏

獨立非執行董事

五十歲。石先生在成為 Swiss Banking Corporation 的全職僱員之前，曾擔任該公司的顧問，該公司最終於一九九八年與瑞士聯合銀行合併並易名為 UBS AG。其後，他出任 UBS AG 董事總經理兼中國區域主管，於一九九九年提早退休。石先生持有密歇根大學工商管理碩士學位（一九八二年）及法律碩士學位（一九八零年），以及國立台灣大學法律學士學位（一九七六年）。他於二零零四年二月出任本銀行董事。

CORPORATE INFORMATION

SENIOR MANAGEMENT

高級管理層



A



B

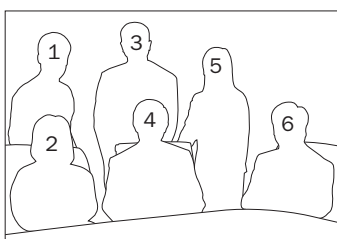


Photo A

1. Derek Lam
2. Judy Ho
3. Ivan Young
4. Jin-Yi Lee
5. Daisy Chan
6. David Chan

圖 A

1. 林詔
2. 何黃碧玉
3. 楊雅雲
4. 李晉頤
5. 陳淑華
6. 陳奕強

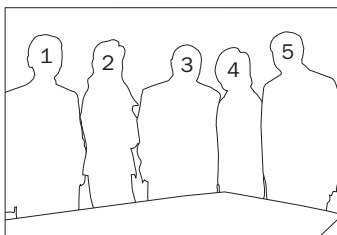


Photo B

1. Paul Au
2. Shera Lee
3. Horace Fan
4. Carmen Yip
5. Ronny Yeung

圖 B

1. 區子安
2. 李儀章
3. 范上欽
4. 葉嘉敏
5. 楊枝

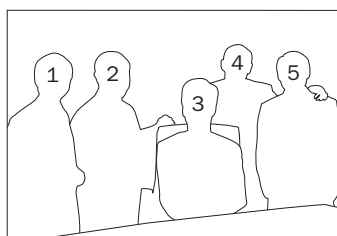


Photo C

1. Francis Yeung
2. Kai Chin
3. Michael Chang
4. Steven Thompson
5. Davy Kwan

圖 C

1. 楊偉雄
2. 陳啟章
3. 張明遠
4. Steven Thompson
5. 關國基

CORPORATE INFORMATION

SENIOR MANAGEMENT

Jin-Yi LEE

Managing Director and Chief Executive Officer
(please refer to Board of Directors)

Horace FAN Sheung Yam

Executive Vice President - Financial Markets Group
(please refer to Board of Directors)

Michael CHANG Ming Yuen

Executive Vice President - Support Group

Aged 48. Mr. Chang joined the Bank in August 2004. Mr. Chang is responsible for managing the operations, risk management and support services of the Bank. Mr. Chang is an experienced professional in banking management and has solid international exposures. He started his career in J.P. Morgan & Co. in New York as Vice President in Global Credit Risk Management. Before joining the Bank, Mr. Chang also worked for China International Capital Corporation in charge of its capital markets operations. Mr. Chang was also a Managing Director in charge of the Investment Banking Division and Chief Administration Officer and Acting Chief Financial Officer while with BOC International Holdings Limited. Mr. Chang obtained his Bachelor Degree from National Taiwan University and Master of Business Administration Degree from the University of Chicago.

David CHAN Yik Keung

Executive Vice President - Financial Control Group

Aged 53. Mr. Chan is the Chief Financial Officer responsible for the Bank's accounting, financial control and strategic planning functions. He is also the Chairman of Fubon Securities (Hong Kong) Limited and is registered as a dealer and investment adviser under the Securities Ordinance. He holds a Bachelor of Science Degree in Mathematics from the Imperial College of Science, Technology and Medicine - University of London and a Master of Business Administration Degree from DePaul University, U.S.A. He is an Associate Member of the Institute of Chartered Accountants in England and Wales. Mr. Chan had over 14 years of experience in accounting and finance prior to joining the Bank in December 1987.

高級管理層

李晉頤

董事總經理兼行政總裁
(請參閱「董事」)

范上欽

執行副總裁兼金融市場部主管
(請參閱「董事」)

張明遠

執行副總裁兼營運風險及後勤支援部主管

四十八歲。於二零零四年八月，張先生加盟本銀行，負責管理本銀行的營運風險及後勤支援部。張先生在銀行管理方面擁有豐富的經驗並具有廣闊的國際視野。他曾於 J.P. 摩根紐約總部任職，擔任環球信貸風險管理部的副總裁。他隨後加入中國國際金融有限公司，出任資本市場部主管。他亦曾擔任中銀國際控股有限公司投資銀行部的董事總經理，其後出任該行行政總監一職。張先生畢業於國立台灣大學，並於美國芝加哥大學獲得工商管理碩士學位。

陳奕強

執行副總裁兼財務管理部主管

五十三歲。陳先生為本銀行之財務總監，負責本銀行之財務管理及策略規劃。他亦是富銀證券(香港)有限公司主席。陳先生是證券條例所界定之註冊證券商及投資顧問，他持有英國倫敦大學帝國科技及醫學院之數學系理學士學位及美國帝保大學工商管理碩士學位。他是英格蘭及威爾斯特許會計師公會成員。陳先生於一九八七年十二月加入本銀行前，已擁有逾十四年會計及財務經驗。

Paul AU Chi On

Senior Vice President and Head of Marketing - Financial Markets

Aged 37. Mr. Au has over 10 years of experience in treasury, with emphasis in foreign exchange trading and derivatives. Prior to joining the Bank in 2002, he worked in several major banks including Dah Sing Bank, Fuji Bank, and Royal Bank of Scotland. Mr. Au holds a Bachelor of Arts Degree in Economics from University of Illinois at Urbana-Champaign, U.S.A.

Daisy CHAN Shuk Wah

Chief Internal Auditor

Aged 38. Ms Chan obtained a Bachelor of Arts Degree from the City University of Hong Kong. Ms Chan is a member of the Hong Kong Institute of Certified Public Accountants. She has over 14 years of experience in bank auditing. Before joining the Bank in 1994, she worked for a major public accounting firm in Hong Kong.

Kai CHIN

Senior Vice President and Head of Corporate Banking Division

Aged 56. Mr. Chin served six years as a US Navy Officer after graduating from Wabash College, Indiana, U.S.A. After obtaining his Master's Degree in International Affairs, Banking and Finance from Columbia University, he joined Chemical Bank in New York in 1978. Over the next 17 years he held various positions in the Global Banking Group of Chemical Bank throughout Asia and worked in Singapore, South Korea, Taiwan, Indonesia and the Philippines. In 1988, he was Country Manager, Chemical Bank, Philippines and Director and Board member at Far East Bank and Trust Company. In 1995, he joined Bank of Hawaii as Senior Vice President and Head of Asia Division until joining the Bank in 2002.

Judy HO WONG Pik Yuk

First Vice President and Deputy Head of Human Resources Division

Aged 41. Mrs. Ho obtained a Master of Business Administration Degree from the University of Strathclyde (Glasgow). She worked at Astec International Limited, Cathay Pacific Airways and Motorola Semiconductors prior to joining the Bank. She has over 17 years of experience in Human Resources.

區子安

高級副總裁兼金融市場部市場推廣主管

三十七歲。區先生於財資管理擁有逾十年的豐富經驗，尤對外匯市場及衍生工具市場熟悉。於二零零二年加盟本銀行前，他曾於多間主要銀行（包括大新銀行、富士銀行，及蘇格蘭皇家銀行）工作。區先生持有美國伊利諾大學經濟學學士學位。

陳淑華

首席內部審核主管

三十八歲。陳女士持有香港城市大學學士學位。她亦為香港會計師公會成員，她擁有超過十四年會計及稽核方面的豐富經驗。她於一九九四年加入本銀行前，陳女士任職於香港一主要會計師行。

陳啟章

高級副總裁兼企業銀行部主管

五十六歲。陳先生於美國印第安納州 Wabash College 畢業後，曾任海軍軍官六年。陳先生獲得美國哥倫比亞大學國際關係、銀行及金融碩士學位後，於一九七八年加入紐約美華銀行。其後的十七年內，他在美華銀行環球銀行部擔任多項亞洲區要職，曾於新加坡、南韓、台灣、印尼及菲律賓工作。一九八八年，他出任菲律賓美華銀行國家經理，並擔任 Far East Bank and Trust Company 董事兼董事會成員。陳先生於一九九五年加盟夏威夷銀行，擔任高級副總裁及亞洲區經理，直至二零零二年加入本銀行。

何黃碧玉

第一副總裁兼人力資源部副主管

四十一歲。何太持有英國蘇格蘭斯特拉斯克萊德大學工商管理碩士學位。她於加入本銀行之前，曾於雅達有限公司、國泰航空及萬力半導體工作。她於人力資源管理方面具有逾十七年經驗。

Davy KWAN Kwok Ki

Senior Vice President and Head of Operations Division

Aged 48. Mr. Kwan has a Diploma in Finance from the Chinese University of Hong Kong and a Master of Business Administration Degree from DePaul University, U.S.A. He has in-depth knowledge and experience in treasury and money market operations with several major international banks and financial institutions prior to joining the Bank in 1988. He also has extensive exposure in areas of special projects and operations with the Bank.

Derek LAM Hui

Senior Vice President and Deputy Head of Financial Control Group

Aged 39. Mr. Lam had 14 years of experience in accounting, auditing, taxation and consultancy in Australia, Hong Kong, PRC, Indonesia, Philippines and Korea while working for a major international accountancy firm before joining the Bank in 2001. He has a Bachelor's Degree in Commerce majoring in Accounting from the University of New South Wales, Australia and a Master's Degree in Business Administration from DePaul University, Chicago. Mr. Lam is also a member of the Institute of Chartered Accountants in Australia, the Securities Institute of Australia and the Australian Technical Analysts Association.

Shera LEE Yee Cheung

Senior Vice President and Head of Consumer Banking Division

Aged 40. Ms. Lee joined the Bank in January 2003 and is primarily responsible for the bank's personal banking, wealth management and consumer finance business. Ms. Lee is an experienced professional in the banking industry. She had worked for several major banks including Chase Manhattan Bank and Hang Seng Bank. Prior to joining the Bank, she was the General Manager, Head of Retail Banking of Dah Sing Bank. Ms. Lee obtained a Bachelor of Business Administration and an Executive MBA Degree from the Chinese University of Hong Kong.

Steven THOMPSON

First Vice President and Financial Analyst

Aged 44. Mr. Thompson had 10 years experience as a securities investment analyst covering the local bank sector before joining the Bank in 1998. He worked at County NatWest and UBS Securities before joining Nikko Research Centre as its Head of Research. He holds a Bachelor of Arts Degree from DePaul University, U.S.A. He is primarily responsible for investor relations, as well as banking industry and market information. He performs a wide range of studies in his role as financial analyst for the Bank.

關國基

高級副總裁兼營運支援部主管

四十八歲。關先生持有香港中文大學財務文憑及美國帝保大學工商管理碩士學位。他在一九八八年加盟本銀行前，曾在香港多間主要國際銀行及金融機構工作，於財資及金融市場營運方面知識廣博，經驗豐富，他亦資深於本銀行的特殊項目及營運。

林詡

高級副總裁兼財務管理部副主管

三十九歲。林先生於二零零一年加入本銀行前曾任職於一間主要國際會計師行，擁有十四年會計、稽核、稅務及顧問方面的經驗，並曾於澳洲、香港、中國、印尼、菲律賓及韓國等地方工作。他獲得澳洲新南威爾斯大學的商科學士學位，主修會計學，並持有美國帝保大學工商管理碩士學位。林先生亦是澳洲特許會計師公會、澳洲證券公會及澳洲技術分析員公會會員。

李儀章

高級副總裁兼個人銀行部主管

四十歲。李女士於二零零三年一月加盟本銀行，主管本銀行的個人銀行、財富管理及消費信貸業務。李女士為銀行界具豐富經驗的專業人才。她曾於多家主要銀行(包括美國大通銀行及恆生銀行)工作。她在加盟本銀行前，為大新銀行總經理及零售銀行部主管。李女士持有香港中文大學工商管理學士學位及行政人員工商管理碩士學位。

Steven THOMPSON

第一副總裁兼財務分析員

四十四歲。Thompson 先生於一九九八年加盟本銀行前，已於本地銀行證券投資分析方面擁有十年經驗。他在加盟 Nikko Research Centre 為證券分析部主部前，曾於County NatWest及瑞銀華寶工作。他持有美國帝保大學文學士學位。Thompson 先生主要負責投資者關係以及銀行業及市場資訊方面的工作。作為本銀行分析員，他亦參予各項研究工

Francis YEUNG Wai Hung

Senior Vice President and Head of SME Division

Aged 49. Mr. Yeung obtained a Master's Degree in Business Administration from the University of Aston, England and has over 20 years of experience in hire purchase and leasing operations. He had worked for several major foreign banks in Hong Kong before joining the Bank in 1989.

Ronny YEUNG Che

Senior Vice President and Head of Treasury – Financial Markets

Aged 51. Mr. Yeung has over 20 years of experience in treasury and capital markets management. Before joining the Bank in February 2005, Mr. Yeung worked with Chinatrust Commercial Bank, Ltd. Hong Kong Branch for over 5 years and worked with HSBC for over 12 years, with working experience in several locations such as New Zealand, Taiwan, Korea and Shanghai, involved in financial and capital markets instruments and treasury management.

Carmen YIP Ka Man

Senior Vice President and Head of Retail Distribution Network Division

Aged 40, Ms. Yip holds a Bachelor of Social Science Degree from the University of Hong Kong. She held management positions in local and foreign banks, gaining expertise in retail banking, before joining the Bank as manager of its flagship Central Branch in January 2000 and subsequently being promoted to Regional Manager and then to her current position overseeing the branch network.

Ivan YOUNG

Senior Vice President, Company Secretary and Legal Counsel

Aged 50. Mr Young graduated in law from Victoria University, New Zealand and was admitted as a New Zealand solicitor in 1978. He practiced in New Zealand where he was a partner of a law firm until his arrival in Hong Kong in 1989. He worked with a law firm in Hong Kong before joining the Bank in 1990. Mr Young was also admitted as a solicitor in England and Wales and in Hong Kong in 1990 and is a member of the Law Society of Hong Kong. He holds a Master of Business Administration Degree from DePaul University, U.S.A.

楊偉雄

高級副總裁兼中小企業部主管

四十九歲。楊先生持有英國雅斯頓大學工商管理碩士學位。於一九八九年加入本銀行前，他曾在香港多間主要外資銀行工作，於租購及租賃方面具逾二十年經驗。

楊枝

高級副總裁兼金融市場部財資主管

五十一歲。楊先生擁有超過二十年財資及資本市場管理經驗。於二零零五年二月加盟本銀行，他曾於中國信託商業銀行香港分行及香港上海滙豐銀行分別服務超過五年及十二年，楊先生曾到紐西蘭、台灣、韓國及上海等地方工作，從事金融及資本市場工具及財資管理業務。

葉嘉敏

高級副總裁兼零售銀行部主管

四十歲。葉女士持有香港大學社會科學學士學位。她曾於多間本地及外資銀行管理層任職，擁有零售銀行方面的豐富經驗。她在二零零零年一月加盟本銀行並出任本銀行中環總行經理，後晉升為分區主管，現職為零售銀行部主管，管理分行網絡運作。

楊雅雲

高級副總裁，公司秘書兼法律顧問

五十歲。楊先生畢業於新西蘭Victoria University法律系，並於一九七八年獲得新西蘭之律師資格。他在新西蘭一間律師行擔任合夥人，直至一九八九年到香港發展。於一九九零年加入本銀行前，他曾在香港一間律師行工作。楊先生亦於一九九零年獲得英格蘭及威爾斯以及香港之律師資格，現為香港律師公會會員。他持有美國帝保大學工商管理碩士學位。

People 重視員工



Understanding that people are the most valuable asset of a service institution, that recruitment, training, retention and promotion of professional and effective staff are key performance measures, and that every employee deserves to be treated with respect.

員工是一家服務機構最寶貴的資產，廣納專才和高效的員工、提供培訓和晉升機會；尊重每位員工，培養他們的歸屬感，都是增強機構表現的關鍵措施。

DIRECTORS' STATEMENT

GDP for the full year in 2004 expanded by an estimated 7.5%, driven by strong performance in external trade, solid improvement in domestic demand, a revived property market and a surge in tourist arrivals, especially from China.

The strong balance sheet and capital base, well established delivery channels and capable staff enabled the Bank to take advantage of the economic turn around. In 2004 the bank recorded 117% increase in net profit to HK\$300 million.

由於外貿表現理想，本地需求日益增加，物業市場復甦，加上以內地人士為主的訪港旅客激增帶動旅遊業興旺，本地生產總值於二零零四年全年錄得約 **7.5%** 升幅。

本銀行憑藉穩健的資產負債狀況、雄厚的資本基礎、完善的銷售渠道以及優秀的員工，得以於經濟復甦時把握機會發展業務。於二零零四年，本銀行錄得淨盈利增長 **117%** 至三億港元。

HONG KONG ECONOMY AND BANKING INDUSTRY

Hong Kong achieved strong economic growth in 2004, after six years of economic hardship. GDP for the full year in 2004 expanded by an estimated 7.5%, driven by strong performance in external trade, solid improvement in domestic demand, a revived property market and a surge in tourist arrivals, especially from China. Indeed, China's strong growth along with the benefits of the Closer Economic Partnership Arrangement ("CEPA") and liberalization of travel between China and Hong Kong were major factors in Hong Kong's rebound. There was a growing sense of confidence that Hong Kong had finally put the remnants of the Asia financial crisis and the scourge of SARS to rest, and everyone could concentrate on new economic opportunities.

GDP expanded by 6.8% in the first quarter, followed by a 12.1% surge in the April to June period, a comparison against the depth of the SARS crisis. The third quarter figure of 7.2% proved that growth was real rather than a statistical anomaly against a low base. Total exports were up 15.8% to HK\$2.02 trillion during the year and imports rose 16.8% to HK\$2.1 trillion. China was once again Hong Kong's largest trading partner, absorbing 44% of Hong Kong exports and providing 59% of re-exports.

After five and one half years of falling prices, Hong Kong saw its first rise in the Composite Consumer Price Index in July 2004. While partially reflecting the decline of the US dollar on international markets and the parallel decline of the Hong Kong dollar as a result of the linked exchange rate, the major factor was the climb in retail sales. With improved sentiment, consumers resumed shopping, permitting retailers to phase out the heavy discounting they had relied on to attract customers during the economic downturn. Demand was also stimulated by the growth in tourists from the PRC as the Individual Visit Scheme was expanded to more parts of China, enabling individuals to travel independent of organized tour groups. PRC tourists now comprise approximately 60% of total arrivals, and

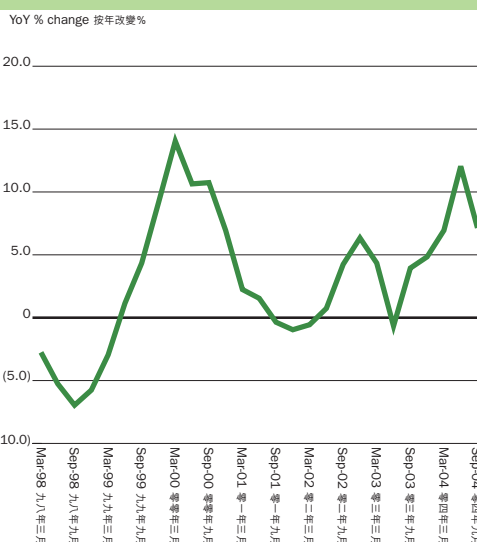
香港經濟與銀行業

經歷六年逆境後，二零零四年香港經濟回復強勁增長。由於外貿表現理想，本地需求日益增加，物業市場復甦，加上以內地人士為主的訪港旅客激增帶動旅遊業興旺，本地生產總值於二零零四年全年錄得約 7.5% 升幅。此外，中國經濟持續高速增長及通過更緊密經貿關係安排（「CEPA」）和實施旅遊開放措施以惠及香港，更是香港經濟反彈的主要因素。港人終於將亞洲金融風暴及非典型肺炎所帶來的痛楚拋諸腦後，逐漸重拾信心，積極尋求新的發展機會。

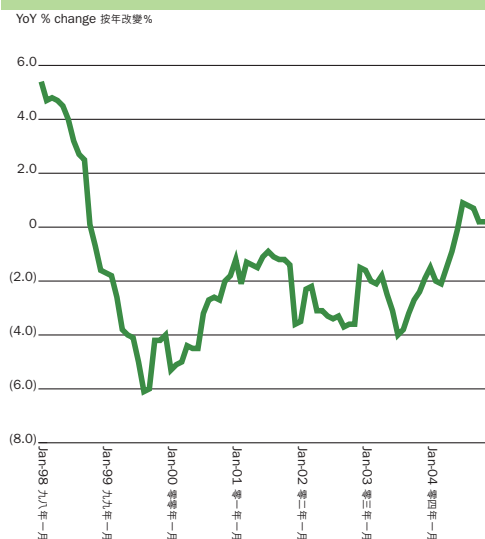
本地生產總值於非典型肺炎疫情過後，首季度上升 6.8%，其後四月至六月期間更激增 12.1%。本地生產總值第三季度增幅 7.2% 實屬實質增長，而非由於基數低而出現的統計差異。於二零零四年全年，出口總值上升 15.8% 至二萬二百億港元，進口總值則上升 16.8% 至二萬一千億港元。中國仍然是香港最大貿易夥伴，分別佔香港出口及轉口總值 44% 及 59%。

香港物價連續五年半下跌後，綜合消費物價指數於二零零四年七月首次錄得增長。通縮期結束部份反映美元於國際市場的弱勢，港元亦因聯繫匯率受美元拖累而表現疲弱，但主要是由於零售市場好轉所致。消費者購物意欲增加，零售商毋須依賴經濟疲弱時的大幅削價方法招徠顧客。同時，由於個人遊計劃已廣及中國多個地區，國內旅客不用參加旅行團亦能來港暢遊，訪港的自由行旅客增多因而刺激消費需求。現時，國內旅客佔訪港旅客總人數約 60%，消費亦超越北美旅客。十二月份訪港旅客錄得破紀錄的二百一十萬人次，酒店入住率逾 90%。全年訪港旅客高達二千一百八十萬人次，與受非典型肺炎疫情影響的二零零三年所錄得數字相比，大增 41%。

Real GDP Growth 實質本地生產總值增長



Consumer Price Index 消費物價指數



DIRECTORS' STATEMENT

they are outspending tourists from North America. Monthly arrivals set an all-time record of 2.1 million in December, and hotel occupancy levels exceeded 90%. Total arrivals reached 21.8 million for the year, a 41% increase over the SARS affected 2003 figure.

Improved economic performance was also demonstrated by the decline in personal bankruptcy petitions and mortgages in negative equity. Bankruptcy petitions declined by 43% from 2003 to 12,500, and compare to almost 27,000 petitions in 2002. Similarly, negative equity mortgages were at a high point of 106,000 in June 2003, and by the end of 2004 had fallen to less than 20,000.

While the economy showed substantial improvement, unemployment remained stubbornly high, although it did decline gradually over the course of the year from 7.3% to 6.7%. Employers remained cautious about adding to payrolls, and continued to outsource activities to southern China. The percentage of service sector employees continued to grow, with manufacturing jobs shrinking to 7.5% of the work force, transport and communications a similar percentage and construction comprising 3%. Wholesale and retail trade, restaurant, and hotel workers make up 44% of employed persons, while financing, insurance, and real estate contributed 20%.

Banks benefited by the improved economic climate. During the first half of 2004 pre-tax profit of retail banking institutions improved by 25.7%, primarily due to decreased provisions for bad debt. Net interest income declined due to narrowed spreads between Prime and funding costs, lower margins on residential mortgage lending and continuing re-financing as well as lower yields on free funds. This was partially offset by increased fees, largely generated by sales of wealth management products.

The high liquidity in the market, including the capital inflows attracted to the stock market and speculative views on the

RMB exchange rate, kept savings and time deposit interest rates low. Some banks reduced their savings rate to as little as one one-hundredth of one percent. Loan demand gradually revived, with the main growth coming in housing loans, but also some increase in corporate lending in the second half of the year. Major emphasis was placed on developing fee income, and, with consumers desiring to diversify their assets, banks introduced a whole range of new instruments.

The value of the consumer credit agency, which added to the exchange of positive data in the fall of 2003, was proven by the reduction in credit card and personal loan provisions. The exchange of information on SMEs through a Commercial Credit Reference Agency commenced in the fall, providing a foundation for the expansion of financing to this important pillar of the Hong Kong economy.

In February banks began offering RMB deposit services under a test scheme arranged through collaboration between the HKMA and the People's Bank of China, with input from the Hong Kong Association of Banks. By year-end, total RMB deposits exceeded RMB10 billion. Hong Kong banks were also authorized to issue RMB-denominated credit cards.

Regulators also moved forward with revised guidelines on the prevention of money laundering, and the outlines of the application of Basle II guidelines to Hong Kong banks. The Legislative Council passed the Deposit Protection Scheme Ordinance, and the Hong Kong Deposit Protection Board was established. The operating mechanism of the deposit insurance program is being drafted for implementation in 2006.

CHINESE ECONOMY

China's economy, which grew by 9.5% in 2004, was the engine for global expansion. China consumed 48% of the world's cement production, 35% of iron ore, 27% of steel and 8% of crude oil, becoming the third largest importer of crude oil.

申請個人破產及負資產按揭數字下降亦印證經濟好轉。申請個人破產數字比二零零三年減少**43%**至一萬二千五百宗；二零零二年則接近二萬七千宗。與此同時，負資產按揭數字由二零零三年六月的高峰十萬六千宗，減少至二零零四年底的二萬宗以下。

年內失業率雖然內由**7.3%**逐漸下降至**6.7%**，但一直持續高企，並無因經濟明顯好轉而有所改善。僱主依然對加薪持審慎態度，並繼續將業務外判至中國華南地區。服務業就業率持續攀升，然而製造業就業率則滑落至佔總勞動人口之**7.5%**，與運輸及通訊業相若；建造業則佔**3%**。批發及零售貿易、飲食及酒店業員工佔受僱人口**44%**；金融、保險及地產則佔**20%**。

銀行業受惠於經濟氣氛改善。於二零零四年上半年，零售銀行的除稅前溢利增長**25.7%**，主要由於壞帳撥備減少所致。在最優惠利率與融資成本息差收窄、住宅按揭借貸及持續再融資利潤較低，以及自由資金孳息下降等因素影響下，利息收入淨額減少。有關收入減少部份由費用收入（主要源自財富管理產品）增加彌補。

市場內流動資金充裕（包括流入股市及憧憬人民幣升值的投機資金），導致儲蓄及定期存款利率處於低位。部份銀行將儲蓄利息調低至**0.01**厘。二零零四年下半年貸款需求逐漸復甦，主要來自房屋貸款，亦有部份來自企業貸款。銀行大力拓展費用收入業務，而隨著消費者傾向將資產作多元化投資，銀行紛紛推出各式各樣的新投資工具。

信用卡及私人貸款壞帳撥備減少，於二零零三年秋季開始可交換正面信貸資料的個人信貸資料庫應記一功。透過於秋季開始運作的商業信貸資料庫，可交換中小企的信貸資料，為作為香港重要經濟支柱的中小型企業提供一個擴充融資的基礎。

二月份，透過香港金融管理局與中國人民銀行合作，以及在香港銀行公會協助下進行試驗計劃後，銀行開始提供人民幣存款服務。至年底，在香港人民幣存款總額已超過人民幣一百億元。香港的銀行亦獲授權發行人民幣信用卡。

監管機構亦修訂有關防止洗黑錢活動的指引，並就香港銀行應用巴賽爾II的指引制訂大綱。立法會已通過《存款保障計劃條例》，而香港存款保障委員會亦經已成立。有關機構現正草擬存款保障計劃的運作機制，預計於二零零六年實施。

中國經濟

二零零四年中國經濟增長**9.5%**，是全球經濟擴展的火車頭。中國於世界水泥生產、鐵礦、鋼鐵及原油的耗用量，分別達**48%**、**35%**、**27%**及**8%**，並成為原油第三大進口國。對外貿易首次錄得超過一萬億美元，出口額增加**35%**至五

Bankruptcy Petitions 破產申請個案



DIRECTORS' STATEMENT

Foreign trade exceeded US\$1 trillion for the first time, with exports growing 35% to US\$593 billion and imports up 36% to US\$562 billion, producing a trade surplus of US\$32 billion. This, along with actual direct foreign investment of US\$61 billion, pushed China's foreign exchange reserves to US\$610 billion.

The rapid growth, resulting from both domestic demand and the strong growth in the external sector, put a strain on all resources, and the consumer price index breached 5% in June, the fastest pace in 7 years, and remained above 5% until October. As concern increased about the prospects of inflation, the government took a number of steps to cool the economy, aiming for a soft landing. Reserve requirements for bank deposits were increased in September 2003, and increased again in April 2004. People's Bank then issued instructions to suspend lending to certain sectors such as steel, cement and aluminum where excess capacity was perceived to be building up. Finally, in October the base-lending rate was raised for the first time in 9 years. While there appeared to be a slight slowing of investment in fixed assets in the fourth quarter, it is still too early to conclude that the soft landing had been achieved. A hard landing would not only put many Chinese out of work, but would have a heavy impact on the regional and global economy, precisely because China's demand for raw materials and machinery had ramped up production in so many countries.

China's trade surpluses with the United States, Japan and Europe (while they run trade deficits with Asia and parts of Latin America) gave rise for calls to break the Renminbi's peg to the U.S. dollar, or at least widen the trading band around RMB8.3 that has been in place since 1994. The Chinese government has said that it will make the Renminbi fully convertible at an appropriate time, and that they were studying various measures to liberalize the exchange rate. However, Chinese authorities have been cautious because of the difficulty of forecasting all the ramifications of major changes in exchange rate policy. Expectations of an adjustment in the exchange rate attracted a substantial amount of hot money inflows, even



affecting the value of the Hong Kong dollar. By early 2005 some of these inflows started to recede.

Efforts to reform the Chinese banking industry continued in recognition that a sound banking system is vital to continued economic growth, and awareness that the domestic banking sector will be fully open to foreign competition by the end of 2006. A total of US\$45 billion was injected into Bank of China and China Construction Bank to raise capital adequacy to international standards, with the hopes of listing the two banks on foreign stock exchanges in 2005. Non-performing loans ("NPLs") at these two banks as well as at Industrial and Commercial Bank of China, Agricultural Bank of China and Bank of Communications, were reduced through write-offs and sales to Asset Management Companies. Overall, the level of NPLs in the Chinese banking system fell from 17.8% to 13.2% over the course of the year, but part of this was due to the substantial growth in loan outstandings. The China Banking Regulatory Commission is continuing to aggressively address the weaknesses of the financial system, and further progress will be made in 2005.

千九百三十億美元；而進口額上升**36%**至五千六百二十億美元，帶來貿易盈餘三百二十億美元；加上實質外商直接投資六百一十億美元，令中國外匯儲備上升至六千一百億美元。

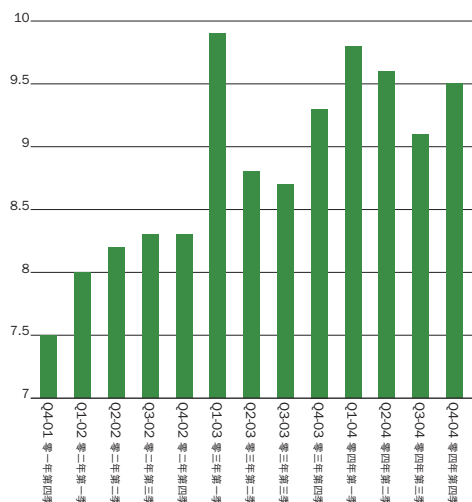
由於國內需求及外貿增長強勁，經濟的迅速發展構成資源緊張，消費物價指數於六月份升越**5%**，是七年以來最高，直至十月份仍維持於**5%**以上。政府為免通脹加劇，採取了多項措施冷卻經濟，以達軟著陸之效。於二零零三年九月政府提高銀行存款中儲備要求，於二零零四年四月再度提高這要求。人民銀行繼而發出通知暫停向若干預期超產的行業（例如鋼鐵、水泥及鋁材）提供借貸。最後，於十月調高基本借貸利率，是九年以來首次上調。雖然固定資產投資於第四季度稍為放緩，然而過熱的經濟能否軟著陸仍言之尚早。硬著陸不僅會導致國內失業情況惡化，對地區及全球經濟也會構成莫大影響，因為中國於原材料及機器方面的需求，是許多國家增加生產的主要動力。

中國與美國、日本及歐洲貿易的盈餘（與亞洲及拉丁美洲部份地區貿易則錄得貿易赤字）引發促請人民幣兌美元脫鉤，或至少將一九九四年一直採納至今約**1美元兌人民幣8.3元**價位擴闊的言論。中國政府已表示，人民幣會於適當時候全面自由兌換，有關當局正研究各項措施放寬匯率。然而，中國政府認為，匯率政策變動所帶來的影響難以全盤掌握，故抱審慎態度。對調整匯率的期望吸引大量熱錢流入，一度影響港元匯價。熱錢的流入於二零零五年初開始減少。

健全的銀行體制為經濟持續增長的關鍵，而內地銀行業將於二零零六年底全面開放，面對外國競爭，中國銀行業繼續致力改革。中國銀行及中國建設銀行已獲注資合共四百五十億美元提高資本充足比率，以符合國際標準，並希望可於二零零五年在國外證券交易所掛牌。上述兩間銀行、中國工商銀行、中國農業銀行及交通銀行已通過撇帳及出售予資產管理公司的方式減少不履約貸款。總括而論，中國銀行體系內的不履約貸款水平於年內由**17.8%**下降至**13.2%**，但有關跌幅部份乃因未償還貸款大幅增加所致。中國銀行監督管理委員會現正繼續積極地解決金融體制的問題，可望於二零零五年有進一步改善。

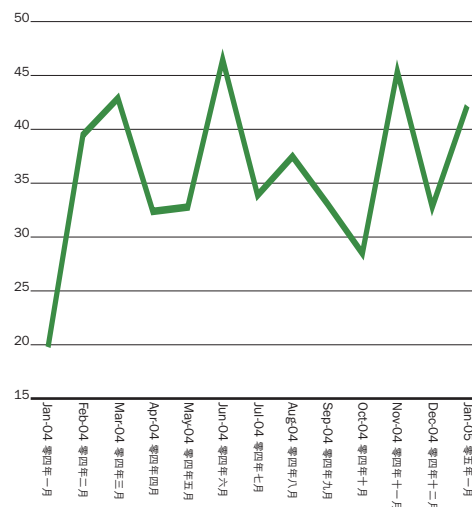
China's Real GDP Growth 中國之實質本地生產總值增長

YoY % change 按年改變%




China's Exports 中國之出口額

YoY % change 按年改變%



Professionalism 專業精神





Internalizing the standards
which distinguish staff and the
institution by understanding
markets and products,
ensuring that advice is
accurate and timely,
transactions are executed
properly, and integrity is
upheld at all times.

透過對市場和產品
透徹的瞭解，充分發揮員工
和機構的專長，確保建議
能準確及時地傳達，交易
在符合規範下進行，
任何時候均嚴守
專業操守。

DIRECTORS' STATEMENT

CORPORATE DEVELOPMENTS

In March 2004 Fubon Financial Holding Co., Ltd, a leader in banking, insurance, asset management and securities brokerage in Taiwan, completed the acquisition of 75% of the shares of International Bank of Asia Limited ("IBA") from Arab Banking Corporation (B.S.C.) and China Everbright Holdings Company Limited, the first such acquisition of a Hong Kong incorporated bank by a Taiwan institution. The fact that less than one third of one percent of remaining shareholders tendered their IBA shares during the General Offer period indicates investors' confidence in the future of the Bank. In July 2004 Dr. Mike M Murad retired as Vice Chairman, Managing Director and Chief Executive Officer, becoming a Senior Advisor to the Bank. The Board is grateful for the strong franchise that he created and the many contributions he made to the bank during his years of service. Mr. Jin-Yi Lee was appointed Managing Director and Chief Executive Officer of the Bank upon the retirement of Dr. Murad. Mr. Lee has a distinguished career, serving in senior positions at J.P. Morgan, BNP Paribas Peregrine and HSBC, and the Bank is fortunate to entrust its future development to a highly qualified and experienced individual.

In February 2005 the shareholders passed a resolution at an Extraordinary General Meeting to change the name of the Bank to Fubon Bank (Hong Kong) Limited. The name change of IBA marks a milestone for the Fubon Group, signifying the Group's expansion beyond Taiwan. IBA will become Fubon Bank (Hong Kong) Limited under the umbrella of Fubon Group. The name change is part of the Group's ongoing strategy to create an integrated and cohesive presence in the Asian marketplace. By adopting the name Fubon, we can leverage the strong brand name of our parent, and fully exploit the benefits of being a member of this leading group, delivering the full range of products and services to our customers.

OPERATING PERFORMANCE

The strong balance sheet and capital base, well established delivery channels and capable staff enabled the Bank to take



advantage of the economic turn around. Increased lending and further investment in government securities and the development of additional sources of non-interest income, along with the impressive growth of the low-cost funding base, increased operating income. Better credit conditions and effective risk management systems reduced provisions by 73%, and disposal of repossessed properties produced substantial write-backs. The net result was 117% increase in net profit to HK\$300 million.

Net interest income rose slightly from HK\$604 million to HK\$610 million despite the 16% growth in the loan portfolio due to the keen competition in the banking industry. Non-interest income has recorded an increase of 11% to HK\$225 million, with major contributions coming from new investment products, stock brokerage and wealth management activities. Operating income reached HK\$835 million, reflecting an increase of 4% as compared with the year 2003. Operating expenses increased to HK\$602 million as a result of opening new branches and wealth management centers, increased staffing in SME lending and treasury, operations, depreciation of new information technology systems and one-off retirement expenses.

Specific provisions fell by 83% to HK\$31 million, while general provisions were HK\$20 million, reflecting the expansion of the loan portfolio. As a result of write-backs following the disposal of repossessed property (which were reduced by HK\$404 million) and other loan recoveries, total provisions plummeted 98% to

公司發展

二零零四年三月，於台灣的銀行、保險、資產管理及證券經紀業佔領導地位的富邦金融控股股份有限公司完成向阿拉伯銀行集團(B.S.C.)及中國光大控股有限公司收購港基國際銀行有限公司(「港基」)75%之股份，這是台灣機構首次收購一間在香港註冊成立的銀行。事實上，只有少於0.33%的公眾股東於全面收購建議期間接納收購建議，出售所持有的港基股份，證明投資者對本銀行的前景充滿信心。二零零四年七月，馬文德博士退任為副主席、董事總經理兼行政總裁，轉任本銀行的高級顧問。馬文德博士於任內為本銀行作出多項貢獻，董事會衷心致謝。李晉頤先生於馬文德博士退任後獲委任為本銀行的董事總經理兼行政總裁。李先生於金融界具卓越成就，曾於J.P.摩根、法國巴黎百富勤及滙豐銀行擔任高層職位，資歷豐富，本銀行的未來發展由其掌舵，可說深慶得人。

二零零五年二月，股東於股東特別大會上通過有關更改本銀行名稱為富邦銀行(香港)有限公司的決議案。更改港基名稱是富邦集團的一個里程碑，標誌著集團拓展業務至台灣以外地方。港基將易名為富邦銀行(香港)有限公司，成為富邦集團旗下一員。更改名稱乃集團於亞洲市場建立統一及貫徹形象的長期政策的一部份。透過採納「富邦」之名，我們可憑藉母公司的良好品牌信譽而享佔優勢，及作為一家具領導地位的集團旗下成員公司而受惠，向客戶提供最全面的產品及服務。

經營業績

本銀行憑藉穩健的資產負債狀況、雄厚的資本基礎、完善的銷售渠道以及優秀的員工，得以於經濟復甦時把握機會發展業務。增加借貸、進一步投資政府債券、拓展非利息收入來源，連同低成本融資基礎大幅增長，均增加本銀行營運收入。信貸狀況改善及有效的風險管理制度減低73%撥備，而出售收回的物業亦產生巨額撥回。淨盈利因而上升117%至三億港元。

雖然貸款組合錄得16%的可觀增長，但由於銀行業競爭激烈，令利息收入淨額只能由六億四百萬港元上升至六億一千萬港元。然而，受惠於新增投資產品、證券經紀及理財業務的增長，非利息收入錄得11%的升幅至二億二千五百萬港元。營運收入達八億三千五百萬港元，較二零零三年上升4%。營運支出增加至六億二百萬港元。支出增加乃由於增設分行及理財中心、中小企信貸業務及財資業務增聘員工、新資訊科技系統折舊及一次性退休金開支所致。

特別撥備下降83%至三千一百萬港元。而一般撥備則為二千萬港元，反映貸款組合擴大。由於出售收回物業撥回(已減少四億四百萬港元)及收回其他貸款後的撥回，故撥備總額大幅減少98%至四百五十萬港元。出售非持作買賣用途證券收益佔九千三百萬港元；二零零三年則為九千一百萬港元。除稅前溢利上升126%至三億三千八百萬港元。



Fubon Financial Center in Taipei, Taiwan
台灣台北富邦金融大樓

DIRECTORS' STATEMENT

HK\$4.5 million. Gains on the sale of non-trading securities contributed HK\$93 million, compared to HK\$91 million in 2003. Profit before tax rose 126% to HK\$338 million.

Total assets as of 31 December 2004 were HK\$46 billion, 21% higher than December 2003. The loan portfolio grew 16% over the course of the year to reach HK\$18 billion, with the substantial increase coming in the second half. Equipment leasing and loans to SMEs showed steady growth over the year, reflecting the Bank's leading position in this market segment. Residential mortgages also increased, and personal loans resumed growth with our strong risk management systems having proven their effectiveness. The Bank's portfolio of Hong Kong Exchange Fund bills and notes and US Treasuries, along with a nominal amount of high grade corporate bonds and bank certificate of deposits, reduced by 46% to HK\$6 billion. The Bank's high level of liquidity was evident from the HK\$19 billion in interbank placements and short term funds.

Customer deposits rose to HK\$30.1 billion, an increase of 4.4%. Of the total, current, savings and call accounts comprised 40%, compared to 36% for these low cost deposits in 2003. Capital funds stood at HK\$3.7 billion as of 31 December 2004, after payment of a special dividend of HK\$305 million in January 2004 and an interim dividend of HK\$70 million.

The Bank achieved an impressive rebound in 2004, with profit and return on average equity, HK\$300 million and 8.02%, respectively, more than doubling. Return on average assets rose to 0.72%, up from 0.39% in 2003. The stage has been set for sustained growth, with new market segments opening up as a result of integration into the Fubon Group. In 2005 we will expand Treasury operations and wealth management services, increase SME lending and equipment finance, round out personal lending services, and become the platform for serving Fubon's Taiwan individual and corporate clients in Hong Kong and Southern China.

RETAIL DISTRIBUTION NETWORK

The Bank continued to enhance its delivery network and customer segmentation during 2004, with increased focus on providing wealth management services to the growing middle class. In March the Sheung Wan Superbranch was opened, with a special Ambassador Banking team to serve the affluent sector. Ambassador Centers were also introduced in the Mei Foo Branch and Kowloon Main Branch, an Ambassador Center was opened in Homantin, and the North Point investment center was converted into a full service Ambassador Center. In order to upgrade the quality of services and achieve operational efficiencies, three branches were merged into nearby branches in Hong Kong, Kowloon and Shatin.

By amalgamating the traditional retail network and the Ambassador Banking unit, the Bank is assuring that higher income clients enjoy the convenience of a broad network and the access to a wide range of products and services offered by highly qualified officers. At the same time we are able to bundle investment products and thus reduce the entry level so all retail customers can subscribe. A special team of Ambassador Banking officers was formed to service the offshore needs of Taiwanese and Chinese customers, opening a new business initiative.

Unit trusts proved to be popular in 2004, with excellent response received from both branch and Ambassador Banking clients. The Bank offers a comprehensive range of such investment funds provided by well-established fund managers, achieving a 21% increase in commissions. Following the acquisition by Fubon, the Bank entered into a partnership with CitiFubon Insurance, launching two tailor-made cash refundable insurance packages and two endowment plans, increasing commission income.

Residential mortgages remained the core of retail lending. During 2004 a total of HK\$3.7 billion in housing loans were



於二零零四年十二月三十一日之總資產為四百六十億港元，較二零零三年十二月底高出21%。貸款組合於年內增加16%至一百八十億港元，增長情況於下半年特別顯著。中小企設備租賃及貸款於本年度穩步上揚，反映本銀行於業內市場佔領導地位。住宅按揭業務亦見增長；在本銀行嚴密的風險管理系統下，私人貸款也有所增加。本銀行的香港外匯基金票據及債券與美國國庫券，以及優質企業債券及銀行存款證組合減少46%至六十億港元。本銀行擁有高流動資金，存放於銀行同業一百九十億港元的存款及短期基金可作引證。

客戶存款增加至三百零一億港元，增幅為4.4%。往來、儲蓄及通知存款戶口共佔存款總額40%；這類低成本存款於二零零三年則佔36%。經二零零四年一月派付三億零五百萬港元特別股息及七千萬港元中期股息後，於二零零四年十二月三十一日的股本資金為三十七億港元。

本銀行之業務表現於二零零四年顯著回升，溢利及平均股本回報率分別為三億港元及8.02%，增長超過一倍。平均資產回報率由二零零三年的0.39%上升至0.72%。本銀行加盟富邦集團後，已奠定持續增長的基礎，開拓了新的市場。於二零零五年，我們將繼續擴充財資業務及理財服務，增加中小企信貸及設備融資，提升私人借貸服務，並為富邦台灣個人客戶以及香港及華南地區企業客戶提供全面理財及融資服務。

零售銀行

本銀行於二零零四年間繼續提升服務網絡質素，加強客戶市場分層策略，並更致力向日益擴大的中產階層提供理財服務。三月份，上環綜合分行開業，特設 Ambassador Banking 服務，照顧富裕客戶所需。美孚分行及九龍總行亦設立了 Ambassador 中心；全新 Ambassador 中心於何文田開業，而北角的投資中心則轉型為 Ambassador 中心，提供全面理財服務。為提升服務質素及提高營運效率，我們已將位於香港、九龍及沙田的三間分行與鄰近的分行合併。

本銀行透過綜合傳統的零售網絡及 Ambassador Banking 服務，確保入息較高的客戶可受惠於廣佈的分行網絡所帶來的便利，並且可享受我們專業的客戶服務主任所提供的多元化產品及服務。與此同時，我們將投資產品匯集處理以降低最低投資額，讓所有零售客戶均可申請認購。此外，Ambassador Banking 已成立一特別服務小隊，專為配合台灣及中國地區客戶對離岸服務的需要，開拓嶄新的業務範疇。

二零零四年單位信託基金廣受客戶歡迎，分行及 Ambassador Banking 客戶認購踴躍。本銀行經銷由多家穩健可靠的基金公司所管理的各類投資基金，年內賺取的佣金升幅達21%。在富邦收購本銀行後，本銀行與香港富邦花旗人壽保險攜手合作，推出兩項特別設計的可退款保險計劃及兩項人壽保險計劃，增加佣金收入。



The Bank partnered with CitiFubon Insurance in offering insurance services to customers.
本銀行夥拍富邦花旗人壽保險推出保險服務予客戶。

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booked, relying on a combination of tenors, repayment schemes and incentives to attract applications. These borrowers are incorporated into our customer relationship management system, and are then approached through systematic cross-selling campaigns.

The retail network continues to provide funding to support the entire loan portfolio. Our flagship 3M account brought in more than 25,000 new customers, with individual account balances exceeding HK\$5.7 billion. The Bank also introduced RMB deposits in February 2004. This product is aimed at the expansion of our role in trade and investment flows between Hong Kong and China.

In the very low interest rate environment prevailing in Hong Kong, the Bank offered five tranches of callable CDs totaling HK\$700 million with interest rate markups to as high as 4%, but with an all-in cost to the Bank of HIBOR flat or lower through interest rate swaps.

CONSUMER FINANCE

The effectiveness of the Bank's consumer finance risk management systems and the improving economic environment provided the basis for renewed promotion of consumer finance. Major acquisition programs executed during the year exploited innovative risk adjusted pricing, weekend double bonus points, and attractive gift items. The use of direct sales agents increased our acquisition outreach.

The Bank has been a leader in affinity and co-branded cards, and carried out the feasibility study and marketing planning for the Federation of Medical Societies of Hong Kong VISA Card, which was officially launched in January 2005, providing the FMSHK's 50,000 members with a comprehensive range of credit card and banking services. The Bank was recognized by MasterCard for the growth in cardholder spending as a result of effective promotional programs.



The Bank launched the Federation of Medical Societies of Hong Kong VISA Card. 本銀行推出香港醫學組織聯會VISA信用卡。

A Cash Any-Can-Do installment purchase plan was introduced for cardholders, with tenors of 6 to 36 months in amounts up to HK\$50,000. This increased our receivables, and provided additional cross-selling opportunities.

In October the Bank came out with the first monthly flat rate tax loan for all loan amounts. This generated our highest response ever for tax loans. Each successful applicant was also granted a new credit card with perpetual annual fee waiver.

SME FINANCE

The Bank has long been a leader in providing SMEs with lease and hire purchase financing for the acquisition of production equipment and vehicles. In order to fully leverage that segment, the SME working capital and trade finance function originally attached to the branch network has been consolidated with Fubon Credit (Hong Kong) Limited, the Bank's wholly owned leasing subsidiary. By providing a full range of financing along with the equipment leasing that these SMEs depend upon, we are exploiting an existing relationship and the risk assessment we have already performed. In addition, we are increasing market share in equipment leasing because of our ability to provide a comprehensive package. Moreover, by linking this to Ambassador Banking support, we are also gaining new revenues from the company owners. The benefits of this amalgamation are evident from the rapid growth in working capital loans and property mortgage loans to SMEs, which grew by more than 500%.

住宅按揭業務仍然為零售信貸的核心業務。於二零零四年間，本銀行能錄得合共三十七億港元的樓宇貸款，實有賴具吸引力的按揭條款、還款期計劃及多種優惠吸引客戶申請。住宅按揭借款人的資料均存入客戶關係管理系統，以便我們進行系統化的交叉推廣活動。

零售銀行網絡繼續成為提供資金的來源，以支持整體貸款組合的營運。我們的3M港元有息支票戶口吸引了超過二萬五千名新客戶，個人戶口結餘超過五十七億港元。本銀行更於二零零四年二月推出人民幣存款，期望在日益頻繁的中港貿易與投資往來上，扮演更重要的角色。

在香港現時利率極低的環境下，本銀行推出五批合共七億港元的可贖回存款證，利率最高達4%，而本銀行透過利率掉期所需的資金成本則與香港銀行同業拆息看齊或較低。

消費信貸

有見經濟環境日益改善，本銀行在有效的消費信貸風險管理系統支援下重新推廣消費信貸業務。年內，本銀行推出多項創新的計劃(個人化息率、週末雙倍積分獎賞及精美迎新禮品)以吸引更多新客戶。我們並利用直銷從業員擴大推廣範圍，增加發卡數量。

本銀行在聯營信用卡方面一直佔領導地位，我們為香港醫學組織聯會 VISA 信用卡進行可行性研究及市場推廣策劃工作，該聯營卡於二零零五年一月正式推出，為香港醫學組織聯會五萬名會員提供全面的信用卡及銀行服務。本銀行獲得 MasterCard 頒發信用卡客戶消費額增長獎項，實有賴成功的推廣活動計劃。

本銀行信用卡「自由式分期」計劃為信用卡持有人提供六至三十六個月免息分期優惠，簽帳額可高達五萬港元。此計劃增加我們的應收帳項，並提供更多交叉銷售機會。



十月份，本銀行首次推出每月劃一息率的稅務貸款計劃，反應比歷年的稅貸計劃更熱烈。成功申請者更獲發一張永久免年費信用卡。

中小企融資

本銀行為中小企提供租賃及租購生產設備及汽車信貸業務，一直居於行內領導地位。為全面拓展有關業務，過去由分行處理的中小企營運資金及貿易融資已納入本銀行全資附屬租賃公司富邦財務(香港)有限公司。透過向有需要的中小企提供全面的設備租賃融資，我們可利用對這些中小企業作風險評估的資料，研究如何增進彼此的關係。此外，由於我們

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Leasing business also achieved strong growth, up by 27% year-on-year, continuing to be a major contributor to overall Bank profitability. Fubon Credit (Hong Kong) Limited has a highly diversified portfolio, encompassing printing presses, textile machinery, machine tools, plastic molding equipment, electronics, taxis, buses, light goods vehicles and passenger cars, as well as office equipment. The subsidiary has enjoyed one of the best credit records in the industry for more than a decade.

SME lending is a priority of the Bank. We have recruited new lending officers to expand our outreach. The experience in providing SME finance and equipment lending for Hong Kong companies operating in China is readily applicable to the large number of Taiwan companies, estimated at more than 10,000, operating in Dongguan County, north of Shenzhen. A special Taiwan team has been added to market these companies, and a growing portfolio of loans has already been booked. Similar marketing programs are being carried out in the Shanghai area, another center of Taiwan investment in China.

CORPORATE BANKING

The economic revival in Hong Kong provided new opportunities for corporate lending, after six years of decline in bank lending to industry. The Bank added experienced corporate lending officers, new financing techniques and streamlined the marketing and credit approval process to attract new business.

The customer base of the Corporate Banking Division is highly diversified, including manufacturers, trading companies, service institutions, restaurants, entertainment operations, retailers, small-scale property developers and real estate investors. While most of the customers are medium size companies and mid-cap listed corporations, the Bank also has historical relationships with large corporations, and selectively participates in syndicated loans to major Hong Kong companies.

The additional resources and revised processes supported strong growth, with loans increasing by 29% year on year. This is an impressive achievement given the significant amount of scheduled amortizations under term loans and the constant repayment under trade finance facilities. The growth came from increased utilization of facilities by existing customers, and the 20% increase in the number of active customers served by the division. The division was also successful in shifting the loan portfolio to more higher yielding trade financing.

Corporate Banking collaborates with the Financial Markets and Ambassador Banking teams to provide interest rate and currency management products and investment instruments, meeting both the needs of the companies and their senior management. The enhanced marketing capabilities of Financial Markets, described below, has become a focus of Corporate Banking, helping to offset the impact of competition on lending margins.

A Taiwan Corporate Banking unit has been established to service both companies introduced by Fubon and new clients identified by the Bank through its own marketing efforts. The Bank is uniquely suited to provide support to Taiwan companies

能夠提供兼顧周全的計劃，我們於設備租賃的市場佔有率正不斷增加。另一方面，**Ambassador Banking** 亦會為使用本銀行融資服務的中小企的東主提供理財服務，增加我們的收益。授予中小企的營運資金貸款及物業按揭貸款迅速增長超過 500%，足以證明這種綜合銷售的好處。

租賃業務同時錄得強勁增長，與去年同期相比升幅 27%，繼續成為本銀行主要盈利來源之一。富邦財務（香港）有限公司的租賃融資組合極多樣化，包括印刷機、紡織機器、機床、塑膠模具設備、電子產品、的士、巴士、輕型貨車及客車，以及辦公室設備。該附屬公司在過去十多年，一直是業內信貸記錄最良好的機構之一。

中小企信貸為本銀行銳意發展的一環業務。我們已增聘信貸部人手，積極擴大客戶群。我們會將向於中國營運的香港公司提供中小企融資及設備信貸所累積的經驗，套用到大量於深圳北面的東莞市營運的台灣公司，總數估計超過一萬間。本銀行特別委派一組員工，負責向這類台灣公司推廣服務，



有關的貸款組合正不斷增加。目前，本銀行於上海地區（台灣公司於國內投資的另一集中地）亦正進行類似的市場推廣計劃。

企業銀行

香港經濟復甦，令工商企業貸款經過去六年持續下降後重現生機。本銀行已增聘於企業信貸具豐富經驗的人才、引入嶄新的融資技巧、精簡市場推廣及信貸批核程序，以吸納更多新業務。

企業銀行部的客戶層面非常廣泛，包括製造業、貿易公司、服務機構、食肆、娛樂事業、零售商、小型物業發展商及房地產投資者。雖然大部分客戶均屬中等規模公司及中型上市公司，本銀行過去亦曾與大型企業建立關係，並選擇性地參與香港主要公司的銀團貸款。

投放額外資源及修訂運作程序後，企業貸款額增長強勁，與去年相比升幅達 29%，這在本銀行的定期貸款需作出大筆按期攤銷及不斷獲得貿易融資還款下，成績屬相當理想。有關增長來自現有客戶增加使用信貸額度，及該部門的活躍客戶數目增加 20% 所致。企業銀行部亦成功增加收益較佳的貿易融資在貸款組合中所佔比重。

企業銀行部與金融市場部及 **Ambassador Banking** 部合作提供利率及外匯管理產品與及投資工具，以迎合各類公司及其高級管理層的需要。金融市場部的市場推廣效力宏大（見下述），已成為企業銀行的重心，於競爭激烈的信貸業環境下彌保收入。

我們已設立台灣企業銀行部，以為本銀行所招徠的台灣新客戶及富邦引薦的企業客戶效勞。由於本銀行擁有完善的金融業務基礎及所提供的服務廣泛，故我們必能為為於中港兩地經營業務的台灣公司提供切合所需的銀行服務。

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operating in Hong Kong and China because of the full infrastructure and range of services that we are able to provide.

FINANCIAL MARKETS

The Financial Markets Group was established to oversee the Bank's activities in various markets including currency, money, fixed income and equity related markets. It encompasses Treasury operations and Fubon Securities (Hong Kong) Limited, the Bank's wholly owned equity brokerage subsidiary. The Treasury operations include foreign exchange services, centralized cash management, interest rate risk management and management of the Bank's securities portfolio. The group is responsible for the development of investment, interest rate risk management and currency risk management products. The marketing team has been expanded, and works closely with the Retail Distribution Network (especially Ambassador Banking), SME and Corporate Banking to deliver the growing range of products we are able to offer.

The Bank plays an active role in Hong Kong dollar debt markets, serving as a placing bank and market maker in Exchange Fund Bills and Notes, Hong Kong Link and Hong Kong Mortgage Corporation paper and other Specified Instruments as defined by the Hong Kong Monetary Authority. The Bank is also a Fixing Bank for Exchange Fund Bills.

As Hong Kong investors have sought diversity, the Bank has broadened its product range in structured products, offering currency, credit, interest rate and equity-linked products. The expanded capabilities and increased number of marketing staff enabled us to achieve a 22% increase in financial markets related fee income.

Improved sentiment for Hong Kong shares provided a boost in stock market turnover. The Bank's retail customers were active in trading, and brokerage increased by 31%. An internet based trading system will be installed in 2005 to better serve our clients, and also enable Taiwan customers to trade online.

The Bank's bond portfolio is overwhelmingly comprised of Hong Kong Government paper and U.S. Treasuries, with small amounts of bank issues and corporate bonds. In the first half of 2004 the Bank crystallized capital gains of more than HK\$90 million, slightly exceeding the gains made in 2003.

RISK MANAGEMENT

The Bank has three units with specific responsibility for risk management: Consumer Finance Risk Management, Corporate and Retail Banking Risk Management, and Treasury Risk Management.

The Consumer Finance Risk Management team operates a state-of-the-art application Processing System to process and evaluate credit card and personal loan applications. The system has been modified to assist the SME Division in evaluating loan and lease applications. A Strategic Credit Control System has been developed to implement systematic collection strategies and support multiple risk models. The Bank outperformed the market in terms of the number of bankruptcy petitioners and specific provision to revenue ratio. These risk management tools have permitted us to execute acquisition programs with higher levels of approval and lower levels of delinquencies.

The Corporate and Retail Banking Risk Management team has streamlined the SME and corporate banking credit functions, supporting the strong growth achieved in loan and lease outstandings. The unit also assumed responsibility for participation in the Commercial Credit Reference Agency, through which banks exchange positive and negative data on SMEs. A major project going forward is the implementation of Basle II guidelines on risk management.

With the expansion of Financial Markets activities, the Treasury Risk Management team monitored a rapidly increasing number of transactions. It conducts independent valuation of the portfolio, trading risk limit monitoring, market risk analysis and reporting, as well as profit and loss analysis and reconciliation.

金融市場

金融市場部專為管理本銀行於多個市場之活動(包括外匯、貨幣、定息產品及與股票有關市場)而成立。其轄下包括財資部及富銀證券(香港)有限公司(本銀行從事股票經紀業務的全資附屬公司)。財資業務營運的工作包括外匯交易服務、中央現金管理、利率風險管理及本銀行的證券投資組合管理。該部門負責開發投資、利率風險管理及外匯風險管理產品。金融市場部屬下的市場推廣部已經擴充，與零售銀行部(特別是 Ambassador Banking)、中小企業部及企業銀行部合作無間，提供日趨多樣化的產品。

本銀行於港元債券市場表現活躍，為外匯基金票據及債券、香港五隧一橋及香港按揭證券有限公司票據及香港金融管理局所界定的其他指定債務工具擔任配售行及市場莊家。本銀行亦為外匯基金票據的定價銀行。

為迎合香港投資者不同的要求，本銀行已擴闊結構性產品的種類，提供貨幣、信貸、利率及股票掛鉤產品。由於業務範疇更廣，加上增聘市場推廣員工，與金融市場有關的費用收入較去年增加 22%。

港股氣氛改善，帶動股市成交額增加。本銀行的零售客戶入市踴躍，經紀佣金因而增加 31%。本銀行將於二零零五年安裝互聯網買賣系統，為客戶提供更周全的服務，同時讓台灣客戶可進行網上股票買賣交易。



香港聯合交易所
The Hong Kong Stock Exchange

本銀行的債券投資組合主要由香港政府票據及美國國庫券組成，也包括少量銀行票據及公司債券。二零零四年上半年度，本銀行錄得資本增益超過九千萬港元，已略高於二零零三年度全年所得收益。

風險管理

本銀行設有三個部門專責風險管理：消費信貸風險管理部、企業及零售銀行風險管理部，以及財資風險管理部。

消費信貸風險管理部應用先進的處理系統，處理及批核信用卡及私人貸款申請。該系統已提升作業能力，支援中小企業部門批核貸款及租賃申請。我們已建立一套策略性信貸監控系統，以推行系統化收回貸款的策略，並配合多重風險模型進行分析。本銀行於破產呈請宗數及特別準備相對收入比例上的表現勝於同業。有關的風險管理方法讓我們加強發卡工作批核成數而同時減低拖欠率。

企業及零售銀行風險管理部精簡了中小企業及企業銀行信貸的批核流程，協助貸款及租賃量取得大幅增長。該部門亦負責商業信貸資料庫的運作，各銀行可透過該系統交換中小企的正面及負面信貸資料。目前正進行及處理為實施巴塞爾 II 就風險管理所發出的指引的工作。

隨著金融市場部的業務發展，財資風險管理部需要監管的交易不斷增加。該部門對投資組合進行獨立評估、監察買賣風險限額、分析市場風險並作出報告、進行盈虧分析及對帳。本銀行已加強自動編製報告的設施，推行了新的監控措施，並為高級管理層編製多種特別報告。

DIRECTORS' STATEMENT

Automation of reports was enhanced, new control practices were implemented and a number of ad hoc reports were prepared for senior management.

OPERATIONS AND INFORMATION TECHNOLOGY

The ability to grow the balance sheet, execute additional transactions, offer new products to customers and attract new clients requires an efficient operations and support team. The Operations Division works hand in hand with each of the business units, as well as with the Information Technology Department to ensure that we can deliver on each of our commitments to customers. In addition to supporting the significant increase in the volume and diversity of activities, the Operations Division initiated the task of evaluating and mitigating operational risk, preparing for new capital compliance requirements under Basle II.

Operations was responsible for the identification and preparation of new premises and remodeling of existing premises as we refined our delivery network and added the capability of providing more cross-border transfer and trading transactions. They have also provided support with Information Technology on the installation of new systems, such as the automated trading platform for currency-linked deposits and equity-linked deposits.

The Retail Banking system was upgraded with a new release by Misys. An updated version of SWIFTNET was installed to upgrade funds transfer capacity. A Unit Trust nominee service system was installed to provide enhanced portfolio management support to our customers. A straight through processing system for retail treasury transactions was implemented to enable customers to execute real time foreign exchange transactions in our branches.

E-banking services are being upgraded to strengthen security and to enable Taiwan customers to conduct fund transfers, Hong Kong Stock Exchange transactions and other investment product business. In January 2005 the Fubon Group, including the Bank,

launched a guaranteed two-hour fund transfer service between Hong Kong and Taiwan.

CUSTOMER RELATIONSHIP MANAGEMENT AND TECHNOLOGY MARKETING SERVICES

The Bank's Customer Relationship Management ("CRM") system and data warehouse leverage information and quantitative methods to service customers in an intelligent and profitable manner, and is directly interfaced with Technology Marketing Services, which operates the Bank's Call Center.

CRM uses customer demographic and behavioral profiling, product holding and penetration analysis, statistical modeling and vintage analysis to deliver products in a manner that customers prefer, to evaluate marketing campaign effectiveness and to reduce attrition. CRM is a key tool in cross-selling, identifying customer segments with the greatest likelihood of responding to product offers. CRM has played a key role in direct marketing of tax loans, credit card promotions (both acquisition and utilization), consumer credit and investment products.

The Call Center has proven to be an increasingly valuable delivery channel in addition to its role as a traditional service channel. Tailor-made telemarketing programs have been devised for various business departments, catering to these business departments' specific customer base. Total outbound marketing calls in 2004 increased by almost 300% in comparison to 2003, while incoming calls increased by 30%. Three new 24-hour self-service functions were introduced during the year. In 2005 we have added Mandarin language capability to service our growing number of customers from the PRC and Taiwan.

Ming-Hsing (Richard) Tsai

Chairman

1 March 2005



營運支援及資訊科技

改善資產負債狀況、增加交易量、為客戶推出新產品及吸引新客戶均需要高效率的營運系統及後勤部門支援。營運支援部及資訊科技部與各業務部攜手合作，確保我們能實現對客戶的承諾。營運支援部除協助處理大幅增加及更為多元化的業務外，並展開評核及減低營運風險的工作，為符合巴賽爾II新的資本規定作好準備。

在我們強化客戶服務網絡及加強處理跨境作業及買賣交易的實力之同時，營運支援部負責為本銀行物色及籌備開設新行址，並更改現有行址以配合更佳用途。該部門亦與資訊科技合作，就安裝新系統提供支援，例如為外幣及股票掛鈎存款設立自動化交易平台。

零售銀行部新設立了 Misys 系統，提升其資訊科技系統服務。為增強資金轉帳的能力，亦已將 SWIFTNET 系統升級。我們也裝設了一個單位信託代理人服務系統，為客戶提供更佳的投資組合管理支援。此外，我們亦建立零售財資買賣直通式處理系統，讓客戶能夠在分行進行即時外匯交易。

網上理財服務經已升級，以增強保安，並容許台灣客戶進行資金轉帳、及在香港聯交所進行買賣以及認購其他投資產

品。於二零零五年一月，富邦集團（包括本銀行）推出了一個於香港與台灣之間保證兩小時內完成的資金轉帳服務。

客戶關係管理及科技推廣服務

本銀行的客戶關係管理系統及資料庫，直接連接到負責本銀行電話中心運作的科技推廣服務單位，使其利用資訊及計量方法向客戶提供智能化及有盈利的服務。

透過使用客戶統計資料及行為分析、持有的產品及滲透率分析、統計模型及年期分析，客戶關係管理系統為客戶提供切合所需的產品、評估市場推廣計劃的效用及減少耗損。客戶關係管理系統是交叉銷售、為不同客戶群配對最適合產品的主要工具，更在直接推廣稅務貸款、信用卡推廣(增加發卡量及簽帳額)、消費信貸及投資產品方面起著關鍵作用。

除了作為傳統的服務渠道，電話中心亦成為日趨重要的推廣渠道。我們特別為不同的業務部門設立專門的電話推銷服務，以配合每個業務部門的不同需要。與二零零三年的數字比較，二零零四年本銀行打出的市場推廣電話增加了近300%，而來電數目則增加30%。年內，我們推出三種全新的二十四小時自助銀行服務功能。二零零五年，我們新增普通話語言系統的功能，為不斷增加的國內及台灣客戶提供全面理財服務。

主席
蔡明興

二零零五年三月一日

Teamwork 群策群力



Realizing that in a rapidly evolving market marked by increasing complexity and intensifying competition, our institution can only succeed through adoption of common goals and a spirit of working together to achieve those goals, and that failure to practice teamwork will weaken the entire organization.

面對複雜多變、競爭日烈的市場，我們要有共同的目標和合力實現目標的意志，上下一心、團結一致才能成功，否則會削弱整體組織的效能。

Bank Network



Head Office

Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong

Tel : (852) 2842-6222

Fax: (852) 2810-1483

Website : www.fubonbank.com.hk

總辦事處

香港中環德輔道中三十八號富邦銀行大廈

電話 : (852) 2842-6222

傳真 : (852) 2810-1483

網址 : www.fubonbank.com.hk

Principal Subsidiaries

Fubon Credit (Hong Kong) Limited

12/F., China Insurance Group Building, 141 Des Voeux Road Central
2806-7228

Fubon Securities (Hong Kong) Limited

1/F., Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
2842-7942

Fubon Bank Vanuatu Limited

Mars (Nominees) Limited

主要附屬公司

富邦財務（香港）有限公司

中環德輔道中 141 號中保集團大廈 12 樓
2806-7228

富銀證券（香港）有限公司

中環德輔道中 38 號富邦銀行大廈一樓
2842-7942

Branches 分行

Hong Kong 香港

Central Main Branch Fubon Bank Building, 38 Des Voeux Road Central 2842-6222	中環總行 德輔道中 38 號富邦銀行大廈 2842-6222
Sheung Wan G/F. & 1/F., Ngan House, 210 Des Voeux Road Central 2815-9322	上環 德輔道中 210 號顏氏大廈地下及一樓 2815-9322
Queen's Road East Shop 2, G/F., Wu Chung House, 213 Queen's Road East 2591-1036	皇后大道東 皇后大道東 213 號胡忠大廈地下 2 號舖 2591-1036
Wanchai G/F., 113 Wanchai Road 2891-7968	灣仔 灣仔道 113 號地下 2891-7968
Happy Valley G/F., Rosedale Garden, 25-27 Sing Woo Road 2591-1323	跑馬地 成和道 25-27 號雅緻苑地下 2591-1323
Causeway Bay G/F., Island Building, 439-445 Hennessy Road 2881-7291	銅鑼灣 軒尼詩道 439-445 號香島大廈地下 2881-7291
North Point Shop 2, G/F., Tsing Wan Building, 334-336 King's Road 2512-8313	北角 英皇道 334-336 號青雲大廈地下 2 號舖 2512-8313
Taikoo Shing Unit 3-4, Cityplaza II, Taikoo Shing 2885-4577	太古城 太古城中心第二期地下 3-4 號舖 2885-4577
Chaiwan Shops 82, 83, 85 & 86 Lower G/F., Koway Plaza, 111 Chaiwan Road 2595-0663	柴灣 柴灣道 111 號高威廣場地下 82, 83, 85 及 86 號舖 2595-0663

Kowloon 九龍

Kowloon Main Branch (Mongkok) G/F. & 1/F., 731 Nathan Road 2390-2882	九龍總行(旺角) 彌敦道 731 號地下及一樓 2390-2882
Tsimshatsui G/F., Grand Right Center, 10-10A Cameron Road 2721-6104	尖沙咀 金馬倫道 10-10A 宏威中心地下 2721-6104
Jordan Road Shop A, G/F., Ka Woo Building, 131-137 Woo Sung Street 2302-1502	佐敦道 吳淞街 131-137 號嘉和大廈地下 A 舖 2302-1502
Mongkok G/F., President Commercial Center, 602 Nathan Road 2385-6034	旺角 彌敦道 602 號總統商業中心地下 2385-6034
Cheung Sha Wan Shops D & E, G/F., Wing Lung Building, 220-240A, Castle Peak Road 2387-0338	長沙灣 青山道 220-240A 號永隆大廈地下 D 及 E 舖 2387-0338

Bank Network

Mei Foo

G/F., 26B Nassau Street
2742-9911

Ngau Tau Kok

Shop K, G/F., Kwun Tong Lap Shing Building,
325 Ngau Tau Kok Road
2344-6991

Richland Gardens

Shops 111-112 & 117-118, Richland Gardens,
Commercial Complex, Wang Kwong Road
2796-2575

Hunghom

Shop A3, G/F., 13 Tak Man Street, Wong Po Sun Tsuen
2954-2331

美孚

蘭秀道 26 號 B 地下
2742-9911

牛頭角

牛頭角道 325 號觀塘立成大廈地下 K 舖
2344-6991

麗晶花園

宏光道麗晶花園商場 111-112 及 117-118 號舖
2796-2575

紅磡

黃埔新邨德民街 13 號地下 A3 號舖
2954-2331

New Territories 新界

Tsuen Wan

G/F. & 1/F., Wing On Mansion, 22-28 Tai Ho Road
2402-1006

Tuen Mun

Shop 11, G/F., Mei Hang Building, 15-45 Kai Man Path
2440-3039

Yuen Long

G/F., Hing Fat House, 9 Kau Yuk Road
2479-0236

Tai Po

Shop 28, G/F., Jade Plaza, On Chee Road
2667-1517

Shatin

Shop 31L, Shatin Center, 2-16 Wang Pok Street
2605-7737

荃灣

大河道 22-28 號榮安大廈地下及一樓
2402-1006

屯門

啟民徑 15-45 號美恆樓地下 11 號舖
2440-3039

元朗

教育路 9 號興發大廈地下
2479-0236

大埔

安慈路翠屏花園地下 28 號舖
2667-1517

沙田

橫壘街 2-16 號沙田中心商場 31L 號舖
2605-7737

Ambassador Centers

Hong Kong 香港

Central

M/F., Fubon Bank Building, 38 Des Voeux Road Central
2842-6008

Sheung Wan

G/F. & 1/F., Ngan House,
210 Des Voeux Road Central
2815-9415

Causeway Bay

G/F., Island Building, 439-445 Hennessy Road
2832-2070

North Point

Shop 2, G/F., Two Chinachem Exchange Square,
338 King's Road
2802-3888

中環

德輔道中 38 號富邦銀行大廈閣樓
2842-6008

上環

德輔道中 210 號顏氏大廈地下及一樓
2815-9415

銅鑼灣

軒尼詩道 439-445 號香島大廈地下
2832-2070

北角

英皇道 338 號華懋交易廣場第二期地下 2 號舖
2802-3888

銀行網絡

Queen's Road East
Shop 2, G/F., Wu Chung House, 213 Queen's Road East
2591-1041

皇后大道東
皇后大道東 213 號胡忠大廈地下 2 號舖
2591-1041

Wanchai
G/F., 113 Wanchai Road
2574-0022

灣仔
灣仔道 113 號地下
2574-0022

Kowloon 九龍

Kowloon Main Branch (Mongkok)
G/F., 731 Nathan Road
2390-2890

九龍總行(旺角)
彌敦道 731 號地下
2390-2890

Homantin
G/F., Emma Place, 73D Waterloo Road
2762-8121

何文田
窩打老道 73D 號舖盛馬苑地下
2762-8121

Mei Foo
G/F., 26B Nassau Street
2742-9620

美孚
蘭秀道 26 號 B 地下
2742-9620

Mongkok
G/F., 552 Nathan Road
2770-0170

旺角
彌敦道 552 號地下
2770-0170

New Territories 新界

Tsuen Wan
1/F., Wing On Mansion, 22-28 Tai Ho Road
2357-9888

荃灣
大河道 22-28 號榮安大廈一樓
2357-9888

Tuen Mun
Shop 11, G/F., Mei Hang Building, 15-45 Kai Man Path
2440-6626

屯門
啟民徑 15-45 號美恆樓地下 11 號舖
2440-6626

Shatin
Shop 31B, Level 3, Shatin Center, 2-16 Wang Pok Street
2605-6789

沙田
橫壘街 2-16 號沙田中心商場 31B 號舖
2605-6789

Yuen Long
G/F., Hing Fat House, 9 Kau Yuk Road
2443-2787

元朗
教育路 9 號興發大廈地下
2443-2787

Securities Services Centers 證券投資服務中心

Central
1/F., Fubon Bank Building, 38 Des Voeux Road Central
2842-6161

中環
德輔道中 38 號富邦銀行大廈一樓
2842-6161

Mei Foo
Shop N94, 1/F., Mount Sterling Mall
2620-0383

美孚
萬事達廣場一樓 N94 號舖
2620-0383

Yuen Long
2/F., Yuen Long Commercial Center, 18-24 Kau Yuk Road
2869-6389

元朗
教育路 18-24 號元朗商業中心 2 樓
2869-6389

Products and Services

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Deposit Products

Magic Money Manager Account
Magic Children Savings Account
Current Account
Statement Savings Account
Passbook Savings Account
Fixed Deposit Account
Multi-currency Call/Savings Accounts
Target Savings Plan

Loan Products

Mortgage Loan Service
Magic Mortgage Account
Property for Sale Service
Personal Installment Loan
Tax Loan
"YesCash" Card
Pledged Deposit

Credit Card Services

VISA Gold and Classic
VISA Platinum
MasterCard Gold and Classic
myCard VISA Gold and Classic
myCard VISA Platinum
myCard MasterCard Gold and Classic
Co-branded/Affinity Cards
VISA Debit Card
Corporate Card
Any-can-do Purchase Installment Plan
Interest-free Purchase Installment Plan
Interest-free Cash Installment Plan
"Cash Ready" Plan
Balance Transfer
Credit Card Bonus Point Program
Year-round Purchase Discount Offers
Octopus Automatic Add Value Service
Purchase Protection Plan
Travel Accident Insurance Plan
Merchant Business

Renminbi (RMB) Services

RMB Savings Account
RMB Fixed Deposit Account
RMB Exchange
RMB Remittance

Corporate Banking

Working Capital Loan
Trade Financing
Syndicated Loans
Construction Loans
Commercial Loans
Project Financing
Structured Financing
China Business

SME Commercial Lending

Working Capital Loan
Import-Export Trade Financing
Commercial/Industrial Property Financing
Shop Financing
SME Guarantee Financing Schemes
Insurance Supported Receivable Financing

存款產品

Magic Money Manager 有息支票戶口
「Magic 兒同樂」儲蓄戶口
往來戶口
簡便儲蓄戶口
存摺儲蓄戶口
定期存款戶口
綜合貨幣通知／存款戶口
「零存整付」儲蓄戶口

貸款產品

樓宇按揭服務
Magic Mortgage 按揭理財戶口
物業待售服務
「特惠」私人貸款
稅務貸款
「YesCash」現金卡
存款抵押

信用卡服務

VISA 金卡及普通卡
VISA 白金卡
萬事達金卡及普通卡
myCard VISA 金卡及普通卡
myCard VISA 白金卡
myCard 萬事達金卡及普通卡
聯營卡
VISA 扣賬卡
公司信用卡
「自由式分期」計劃
特約商戶免息分期
信用卡免息分期零用錢
信用額兌現
結欠轉賬服務
信用卡積分計劃
全年消費折扣優惠
八達通自動增值服務
購物保障計劃
旅遊意外保險計劃
商戶服務

人民幣服務

人民幣儲蓄戶口
人民幣定期存款戶口
人民幣兌換服務
人民幣匯款服務

企業銀行

營運資金貸款
貿易融資
銀團貸款
建造貸款
商業貸款
項目融資
組合融資
中國業務

中小企商業信貸

營運資金貸款
出入口貿易融資
工商樓宇貸款
商舖貸款
中小企信貸保證計劃
信保應收賬融資

產品及服務

Ambassador Banking

Wealth Management Services
Personal Financial Management
Investment Portfolio Management
Deposit Services
Offshore Deposits
Mortgages
Personal Credit Facilities
Insurance Services

Investment Services

Securities Services
 Securities Trading
 Share Margin Financing
 Nominees and Custodian Services
Unit Trusts
 Unit Trusts Investment Services

Treasury Products

Spot Foreign Exchange
Forward Foreign Exchange
Foreign Exchange Margin Trading Services
Credit Linked Notes (CLN)
Currency-Linked Deposit (CLD)
Currency Options
Equity-Linked Deposit (ELD)
Equity-Linked Notes (ELN)
Equity Covered Call Option
Certificates of Deposit
Principal Protected Deposit
Yield Enhancement Structured Products
Liability Hedging Product

Insurance Services

Endowment Insurance
General Insurance

Payroll and MPF Service

MPFplus

Financial Institutions

Correspondent Banking

Electronic Banking

ATM
e-banking Service
Phone Banking Service

Safe Deposit Box Service

Fubon Credit (Hong Kong) Limited

Hire Purchase and Leasing
 Production Machinery
 Office Equipment
 Medical and Dental Instrument
 Barge, Tug-boat and Pleasure Boat
 Private Car, Goods Vehicle, Passenger Car,
 Taxi and Public Light Bus
Stocking Loan
L/C for Imported Equipment
Industrial and Commercial Property Mortgage Loan
Car Park Mortgage Loan
SME Business Loan
Personal Loan

Ambassador Banking

理財服務
個人財務管理
投資組合管理
存款服務
離岸存款
樓宇按揭
個人信貸服務
保險服務

投資服務

證券投資服務
 股票交易
 股票按揭
 代理人及托管服務
單位信託基金
基金投資服務

財資產品

現貨外匯交易
遠期外匯服務
外匯孖展交易服務
信貸掛鈎票據
「倍多息」高息外幣掛鈎存款
外匯期權
股票掛鈎存款
股票掛鈎票據
備兌認購股票期權
存款證
結構性保本存款
結構性投資產品
債務對沖風險產品

保險服務

儲蓄保險
一般保險

僱員轉賬支薪及強積金服務

「優越智囊」僱員轉賬支薪服務

金融機構業務

代理銀行服務

電子銀行

「自動櫃員機」服務
「網上理財」服務
電話銀行服務

保管箱服務

富邦財務（香港）有限公司

租購及租賃
 生產機械
 文儀器材
 醫療儀器
 躉船、拖船、遊艇
 私家車、貨車、客運車、的士及小巴
存貨貸款
進口設備信用證
工商樓宇按揭貸款
車位按揭貸款
中小企業貸款
私人貸款

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Note: At the time the Directors' Report, Auditors' Report and Financial Statement were approved and signed on 1 March 2005, the Bank's name was International Bank of Asia Limited and therefore they are published in this name. On 6 April 2005 the Bank changed its name to Fubon Bank (Hong Kong) Limited.

附註：董事會報告書、核數師報告書及財務報告於二零零五年三月一日獲通過及簽署時，本銀行名稱為港基國際銀行有限公司，故以上述名稱發表報告。二零零五年四月六日，本銀行將其名稱更改為富邦銀行（香港）有限公司。

DIRECTORS' REPORT

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The directors have pleasure in presenting their report together with the audited financial statements of International Bank of Asia Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

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

SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2004 are set out in Note 23 to the financial statements.

COMPLIANCE

The Bank has complied throughout the year with the Code of Best Practice as set out by The Stock Exchange of Hong Kong Limited in Appendix 14 to the Listing Rules.

In addition, the financial statements on pages 60 to 142 together with the unaudited supplementary financial information on pages 143 to 168 fully comply with the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA").

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2004 is set out in the consolidated income statement on page 60. The state of the Bank's and Group's affairs as at 31 December 2004 are set out in the financial statements on pages 60 to 142.

A special dividend of 26 Hong Kong cents per ordinary share, totalling HK\$304,761,600 was paid by the Bank on 16 February 2004.

During the year the Bank paid an interim dividend of 6 Hong Kong cents per ordinary share, totalling HK\$70,329,600 (2003: 4 Hong Kong cents, HK\$46,886,400).

The directors recommend the payment of a final dividend of 11 Hong Kong cents per ordinary shares in respect of the year ended 31 December 2004, totalling HK\$128,937,600 (2003: Nil Hong Kong cents).

DIRECTORS

The directors in office during the financial year were:

Executive Directors

Jin-Yi Lee	(Appointed on 20 July 2004)
(Managing Director and Chief Executive Officer)	
Fan Sheung Yam, Horace	(Appointed on 18 October 2004)
Mike M. Murad	(Resigned on 20 July 2004)
(Vice Chairman, Managing Director and Chief Executive Officer)	
Bachar Samra	(Resigned on 30 September 2004)

Non-Executive Directors

Ming-Hsing (Richard) Tsai	(Appointed on 16 February 2004)
(Chairman)	
Ming-Chung (Daniel) Tsai	(Appointed on 16 February 2004)
(Vice Chairman)	
Wing-Fai Ng	(Appointed on 16 February 2004)
Victor Kung	(Appointed on 16 February 2004)
Jesse Ding	(Appointed on 16 February 2004)
Anwar Ali Al-Mudhaf	(Resigned on 8 March 2004)
Eissa M. Al Suwaidi	(Resigned on 16 February 2004)
Guo You	(Resigned on 8 March 2004)
Khalifa M. Al Kindi	(Resigned on 16 February 2004)
Zhou Liquan	(Resigned on 8 March 2004)

Independent Non-Executive Directors

Robert James Kenrick	
Poon Kwok Lim, Steven	(Resigned on 8 March 2004)
So Yiu Cho, James	(Resigned on 8 March 2004)
Moses Tsang	(Appointed on 16 February 2004)
Hung Shih	(Appointed on 16 February 2004)

董事會欣然提呈報告連同港基國際銀行有限公司（「本銀行」）及其附屬公司（統稱「本集團」）截至二零零四年十二月三十一日止年度的經審核財務報告。

主要業務

本銀行透過其分行及附屬公司提供一系列銀行、金融財務及有關的服務。

附屬公司

本銀行的主要附屬公司於二零零四年十二月三十一日的詳情載於財務報告附註 23。

遵從披露方案

本銀行於本年度內已一直遵守由香港聯合交易所有限公司上市規則附錄十四所載的最佳應用守則。

此外，第 60 至 142 頁的財務報告連同第 143 至 168 頁的未經審核補充財務資料亦已遵守香港金融管理局頒佈之監管政策手冊內「本地註冊認可機構披露財務資料」的指引。

業績及分派

本集團截至二零零四年十二月三十一日止年度的業績載於第 60 頁綜合收益表。有關本銀行及本集團於二零零四年十二月三十一日的業務狀況載於第 60 至 142 頁的財務報告。

本銀行於二零零四年二月十六日派付特別股息每股普通股二十六港仙，合共三億四百七十六萬一千六百港元。

於本年度，本銀行派付中期股息每股普通股六港仙，合共七千三十二萬九千六百港元（二零零三年：四港仙，合共四千六百八十八萬六千四百港元）。

董事建議派付截至二零零四年十二月三十一日止年度末期股息每股普通股十一港仙，合共一億二千八百九十三萬七千六百港元（二零零三年：零港仙）。

董事

本財政年度之在任董事為：

執行董事

李晉頤（董事總經理（於二零零四年七月二十日獲委任）兼行政總裁）

范上欽（於二零零四年十月十八日獲委任）

馬文德（副主席、（於二零零四年七月二十日辭任）

董事總經理兼行政總裁）

森華（於二零零四年九月三十日辭任）

非執行董事

蔡明興（主席）（於二零零四年二月十六日獲委任）

蔡明忠（副主席）（於二零零四年二月十六日獲委任）

吳榮輝（於二零零四年二月十六日獲委任）

龔天行（於二零零四年二月十六日獲委任）

丁予康（於二零零四年二月十六日獲委任）

亞里明漢（於二零零四年三月八日辭任）

Eissa M. Al Suwaidi（於二零零四年二月十六日辭任）

郭友（於二零零四年三月八日辭任）

Khalifa M. Al Kindi（於二零零四年二月十六日辭任）

周立群（於二零零四年三月八日辭任）

獨立非執行董事

甘禮傑

潘國濂（於二零零四年三月八日辭任）

蘇耀祖（於二零零四年三月八日辭任）

曾國泰（於二零零四年二月十六日獲委任）

石宏（於二零零四年二月十六日獲委任）

DIRECTORS' REPORT

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ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Robert Kenrick and Ming-Hsing (Richard) Tsai retire and, being eligible, offer themselves for re-election.

In accordance with Article 77 of the Bank's Articles of Association, Fan Sheung Yam, Horace will hold office until the 2005 Annual General Meeting and being eligible, offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

The non-executive directors were appointed by the Bank's shareholders at the Annual General Meeting with appointment terms in accordance with Article 77 and Article 81 of the Bank's

Articles of Association. Their remuneration is determined annually by the Bank's shareholders at the Annual General Meeting.

No director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Bank which is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS

No contract of significance in relation to the Bank's business to which the Bank, its holding company, subsidiaries or fellow subsidiaries was a party and in which the directors of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

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

The directors and Chief Executive of the Bank who held office at 31 December 2004 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon"), at that date as recorded in the register of directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance:

Ordinary shares in Fubon of NT\$1 each

Name	Personal	Family	Corporate	Total number of shares held	Percentage
					of total issued shares
Ming-Chung (Daniel) Tsai	225,228,304	26,751,166	1,569,208,000 ⁽¹⁾	1,821,187,470	22.06
Ming-Hsing (Richard) Tsai	204,639,280	25,900,879	1,569,208,000 ⁽¹⁾	1,799,748,159	21.80
Jin-Yi Lee	600,000 ⁽²⁾	—	—	600,000	0.00
Jesse Ding	2,381,531	—	—	2,381,531	0.03
Victor Kung	1,340,571	383	—	1,340,954	0.02
Fan Sheung Yam, Horace	150,000 ⁽²⁾	—	—	150,000	0.00

Note:

(1) 1,569,208,000 shares were held through corporations in which Mr. Ming-Chung (Daniel) Tsai, Mr Ming-Hsing (Richard) Tsai and other Tsai family members have beneficial interests.

(2) The shares were acquired during the year pursuant to Fubon's treasury shares programme which invited the directors and certain senior management of the Group to acquire Fubon's shares at a discounted price.

於下屆週年股東常會上的董事輪任

根據本銀行組織章程細則第八十一條，甘禮傑及蔡明興告退，並有資格膺選連任。

根據本銀行組織章程細則第七十七條，范上欽會留任董事至二零零五年週年股東常會，並有資格膺選連任。

董事的服務合約

非執行董事按照本銀行組織章程細則第七十七條及第八十一條委任條款於週年股東常會上獲本銀行股東委任。彼等的酬

金每年於週年股東常會上由本銀行股東決定。

於下屆週年股東常會擬膺選連任的董事並無與本銀行或其任何附屬公司訂立可由本銀行於一年內毋須賠償（一般法定責任除外）而終止的尚未屆滿服務合約。

董事之合約權益

於年底或年內任何時間本銀行、其控股公司、附屬公司或同集團附屬公司並無訂立與本銀行業務有關連，而本銀行董事直接或間接擁有重大權益的重要合約。

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本銀行於二零零四年十二月三十一日的在任董事及行政總裁，於當日根據證券及期貨條例第352條須存置的董事及行政總裁的權益及淡倉登記冊中，擁有其最終控股公司富邦金融控股股份有限公司（「富邦」）股份中的權益如下：

富邦每股每值一元新台幣普通股

姓名	個人	家族	法團	所持股份 總數	佔全部已發行 股權百分比
蔡明忠	225,228,304	26,751,166	1,569,208,000 ⁽¹⁾	1,821,187,470	22.06
蔡明興	204,639,280	25,900,879	1,569,208,000 ⁽¹⁾	1,799,748,159	21.80
李晉頤	600,000 ⁽²⁾	—	—	600,000	0.00
丁予康	2,381,531	—	—	2,381,531	0.03
龔天行	1,340,571	383	—	1,340,954	0.02
范上欽	150,000 ⁽²⁾	—	—	150,000	0.00

附註：

(1) 1,569,208,000股股份由多個法團持有，而蔡明忠先生、蔡明興先生及其他蔡氏家族成員於上述法團均享有實益權益。

(2) 該等股份是於年內透過富邦庫存股份計劃所認購。該計劃邀請本集團董事及若干高級管理人士以折讓價認購富邦股份。

DIRECTORS' REPORT

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

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

At 31 December 2004, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 5% or more of the Bank's issued share capital.

	Ordinary shares of HK\$1 each	Percentage of total shareholding
Fubon Financial Holding Co. Ltd.	879,120,000	75
J.P. Morgan Chase & Co.	66,408,000	6

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

The Bank has not redeemed any of its listed shares during the year. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the year.

FIXED ASSETS

Movements in fixed assets of the Bank and the Group are set out in Note 24 to the financial statements.

DONATIONS

The Group made no donation for charitable purposes during the year (2003: HK\$Nil).

AUDIT COMMITTEE

The audit committee comprises three non-executive directors, a majority of whom are independent, and is a committee of the Board of Directors. The audit committee oversees the work of the Group's internal auditors and thereby monitors the effectiveness of the Group's internal control systems and compliance with policies approved by the Board of Directors and the requirements of the regulatory authorities. The audit committee meets regularly with the Group's external auditors and reviews the Group's financial reports prior to approval by the Board of Directors.

POST-BALANCE SHEET EVENTS

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

AUDITORS

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

By the Order of the Board

Ivan Young

Company Secretary

Hong Kong, 1 March 2005

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

主要股東及其他人士

於二零零四年十二月三十一日，主要股東登記冊內顯示，本銀行已獲悉下列人士擁有本銀行已發行股本 5% 或以上的權益。

	每股面值 一港元普通 股份	佔股權 總額 百分比
富邦金融控股股份有限公司	879,120,000	75
J.P. Morgan Chase & Co.	66,408,000	6

購入、出售或贖回本銀行之上市股份

本銀行於年內並無贖回其任何上市股份。本銀行或其任何附屬公司於年內亦無購入或出售本銀行的股份。

固定資產

本銀行及本集團的固定資產變動載於財務報告附註 24。

慈善捐款

本集團於年內並無捐出任何款項作慈善用途(二零零三年：零港元)。

審核委員會

審核委員會由三位非執行董事組成，大部份為獨立人士。該委員會附屬董事會，負責監督本集團內部核數師之工作，並監察本集團之內部監控系統能否有效地運作並且遵從由董事會批准之政策及監管機構的規例。審核委員會定期與本集團外部核數師舉行會議，在財務報告書交予董事會審批前，審核委員會更會審閱有關報告。

結算日後事項

根據本銀行於二零零五年二月二十一日舉行的股東特別大會所通過的一項特別決議案，股東已批准本銀行名稱由「港基國際銀行有限公司」更改為「富邦銀行(香港)有限公司」。待辦妥法律手續後，新名稱將於二零零五年四月六日起生效。

核數師

財務報告已由畢馬威會計師事務所審核，彼將告退並膺選連任。於應屆週年股東常會上，一項決議案將予以提呈，以重聘畢馬威會計師事務所為本銀行的核數師。

承董事會命

公司秘書

楊雅雲

香港，二零零五年三月一日

AUDITORS' REPORT



TO THE SHAREHOLDERS OF INTERNATIONAL BANK OF ASIA LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 60 to 142 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

BASIS OF OPINION

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified

Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

OPINION

In our opinion, the financial statements give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2004 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 1 March 2005



致港基國際銀行有限公司股東
(於香港註冊成立的有限公司)

各股東：

本核數師(以下簡稱「我們」)已審核刊於第60頁至第142頁按照香港公認會計原則而編製的財務報告。

董事及核數師各自的責任

香港《公司條例》規定董事須編製真實與公平的財務報告。在編製這些財務報告時，董事必須貫徹採用合適的會計政策，作出審慎及合理的判斷和估計，並說明任何重大背離通用會計準則的原因。

按照香港《公司條例》第141條，我們的責任是根據我們審核工作的結果，對這些財務報告作出獨立意見，只向股東報告，並不作其他目的。我們不會向其他人士就這財務報告內容承擔責任或接受法律責任。

意見基礎

我們是按照香港會計師公會頒佈的《核數準則》進行審核工作。審核範圍包括以抽查方式查核與財務報告所載數額及披

露事項有關的憑證，亦包括評估董事於編製財務報告時所作的主要估計和判斷，所釐定的會計政策是否適合貴銀行及貴集團的具體情況，以及有否貫徹運用並足夠披露這些會計政策。

我們在策劃和進行審核工作時，是以取得一切我們認為必須的資料及解釋為目標，使我們能獲得充份的憑證，就該等財務報告是否存在重大的錯誤陳述，作合理的確定。在提出意見時，我們亦已衡量財務報告所載資料在整體上是否足夠。我們相信，我們的審核工作已為下列意見建立合理的基礎。

意見

我們認為上述的財務報告均真實與公平地反映貴銀行及貴集團於二零零四年十二月三十一日的財政狀況及貴集團截至該日止年度的溢利和現金流量，並已按照香港《公司條例》適當地編製。

畢馬威會計師事務所

執業會計師

香港，二零零五年三月一日

CONSOLIDATED INCOME STATEMENT

綜合收益表

for the year ended 31 December 2004
截至二零零四年十二月三十一日止年度

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		Note 附註	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Interest income	利息收入	3	971,783	947,786
Interest expense	利息支出		(361,602)	(343,872)
Net interest income	淨利息收入		610,181	603,914
Other operating income	其他營運收入	4	225,097	201,927
Operating income	營運收入		835,278	805,841
Operating expenses	營運支出	5	(602,039)	(488,844)
Operating profit before provisions and gains	撥備及收益前經營溢利		233,239	316,997
Charge for bad and doubtful debts	壞帳及呆帳準備金調撥	8	(51,173)	(186,713)
Reversal of/(provision for) net impairment losses on investments and assets acquired under lending agreements	投資及根據貸款協議所得資產減值虧損之撥回／(撥備)	9	46,703	(71,463)
Total provisions	撥備總額		(4,470)	(258,176)
Operating profit after provisions	撥備後經營溢利		228,769	58,821
Gains less losses from disposal of non-trading securities	出售非持作買賣用途證券之收益減虧損	10	93,256	90,896
Profit on disposal of own property	出售本身物業之溢利		16,324	0
Profit before taxation	除稅前溢利		338,349	149,717
Income tax	利得稅	11	(37,961)	(11,579)
Profit attributable to shareholders	股東應佔溢利	14, 30	300,388	138,138
Dividends declared and proposed	宣派及建議派發股息			
Interim dividend declared during the year	年內宣派中期股息	12	(70,330)	(46,886)
Special dividend declared during the year	年內宣派特別股息	12	0	(304,762)
Final dividend proposed after the balance sheet date	結算日後建議末期股息	12	(128,938)	0
			(199,268)	(351,648)
Earnings per share (Hong Kong cents)	每股盈利(港仙)	13	25.63	11.78

The notes on pages 66 to 142 form part of these financial statements.
載於第66頁至第142頁的帳目附註為本財務報告的一部份。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

as at 31 December 2004
於二零零四年十二月三十一日

			As at 31 December 2004 於二零零四年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2003 於二零零三年 十二月 三十一日 HK\$'000 千港元
ASSETS	資產			
Cash on hand	現金		85,540	82,367
Short term funds	短期資金	16	13,489,259	7,101,061
Placements with banks maturing between one and twelve months	一至十二個月到期 之銀行同業放款	17	5,813,775	1,525,929
Trade bills less reserves and certificates of deposit	貿易票據減準備 及存款證	18	523,071	392,037
Advances to customers less reserves	客戶貸款減準備	19	18,002,299	15,566,432
Accrued interest and other accounts	應計利息及其他帳目	20, 33	882,883	1,266,361
Investments in securities	證券投資	21	5,752,596	10,721,335
Investment in an associated company	投資於一間聯營公司	22	6,648	8,947
Fixed assets	固定資產	24	1,204,710	1,224,339
			45,760,781	37,888,808
LIABILITIES	負債			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構 之存款及結餘	25	4,098,985	475,435
Deposits from customers	客戶存款	26	30,085,730	28,796,419
Certificates of deposit issued	已發行存款證	27	2,367,912	2,651,647
Short position in Exchange Fund Bills/Notes	外匯基金票據／債券 之短期倉盤		4,928,485	1,577,568
Other accounts and liabilities	其他帳目及負債	20	576,897	603,568
			42,058,009	34,104,637
CAPITAL RESOURCES	資本來源			
Share capital	股本	28	1,172,160	1,172,160
Share premium	股份溢價	29	749,778	749,778
Reserves	儲備	30	1,780,834	1,862,233
			3,702,772	3,784,171
			45,760,781	37,888,808

Approved and authorised for issue by the Board of Directors on 1 March 2005.
經董事會於二零零五年三月一日通過及授權頒佈。

Jin-Yi Lee
Director
董事
李晉頤

Robert James Kenrick
Director
董事
甘禮傑

Victor Kung
Director
董事
龔天行

The notes on pages 66 to 142 form part of these financial statements.
載於第66頁至第142頁的帳目附註為本財務報告的一部份。

BALANCE SHEET

資產負債表

as at 31 December 2004
於二零零四年十二月三十一日

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Fubon Bank Annual Report 2004 富邦銀行二零零四年年報

			As at 31 December 2004 於二零零四年 十二月 三十一日 HK\$'000 千港元	As at 31 December 2003 於二零零三年 十二月 三十一日 HK\$'000 千港元
ASSETS	資產			
Cash on hand	現金		85,539	82,366
Short term funds	短期資金	16	13,488,894	7,100,711
Placements with banks maturing between one and twelve months	一至十二個月到期 之銀行同業放款	17	5,813,775	1,525,929
Trade bills less reserves and certificates of deposit	貿易票據減準備 及存款證	18	523,071	392,037
Advances to customers less reserves	客戶貸款減準備	19	15,230,446	13,145,306
Accrued interest and other accounts	應計利息及其他帳目	20, 33	785,807	1,117,704
Investments in securities	證券投資	21	5,752,520	10,721,216
Investment in an associated company	投資於一間聯營公司	22	6,648	8,947
Investments in subsidiaries	投資於附屬公司	23	118,505	118,505
Due from subsidiaries	應收附屬公司款項		3,054,350	2,179,334
Fixed assets	固定資產	24	1,170,707	1,189,835
			46,030,262	37,581,890
LIABILITIES	負債			
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構 之存款及結餘	25	4,098,985	475,435
Deposits from customers	客戶存款	26	29,356,292	27,724,229
Certificates of deposit issued	已發行存款證	27	2,367,912	2,651,647
Short position in Exchange Fund Bills/Notes	外匯基金票據／債券 之短期倉盤		4,928,485	1,577,568
Other accounts and liabilities	其他帳目及負債	20	445,215	455,927
Due to subsidiaries	應付附屬公司款項		1,535,396	1,211,125
			42,732,285	34,095,931
CAPITAL RESOURCES	資本來源			
Share capital	股本	28	1,172,160	1,172,160
Share premium	股份溢價	29	749,778	749,778
Reserves	儲備	30	1,376,039	1,564,021
			3,297,977	3,485,959
			46,030,262	37,581,890

Approved and authorised for issue by the Board of Directors on 1 March 2005.
經董事會於二零零五年三月一日通過及授權頒佈。

Jin-Yi Lee
Director
董事
李晉頤

Robert James Kenrick
Director
董事
甘禮傑

Victor Kung
Director
董事
龔天行

The notes on pages 66 to 142 form part of these financial statements.
載於第66頁至第142頁的財務報告附註為本帳目的一部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

股本變動之綜合報告表

for the year ended 31 December 2004
截至二零零四年十二月三十一日止年度

			2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
		Note 附註		
Shareholders' equity at 1 January	於一月一日股東股本		3,784,171	3,767,384
Realisation of revaluation surplus of non-trading securities	非持作買賣用途證券之重估盈餘變現	30	(1,333)	(2,210)
Net change in fair value of non-trading securities	非持作買賣用途證券之淨公平值變動	30	(7,260)	26,052
Deferred taxation	遞延稅項	30	1,898	(4,534)
Net (losses)/gains not recognised in the consolidated income statement	未在綜合收益表內確認之(虧損)/盈利淨額		(6,695)	19,308
Net profit for the year	年度淨盈利	30	300,388	138,138
Dividend paid during the year	年內派付股息	12	(375,092)	(140,659)
Shareholders' equity as at 31 December	於十二月三十一日股東股本		3,702,772	3,784,171

The notes on pages 66 to 142 form part of these financial statements.
載於第66頁至第142頁的帳目附註為本財務報告的一部份。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流動表

for the year ended 31 December 2004
截至二零零四年十二月三十一日止年度

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Fubon Bank Annual Report 2004 富邦銀行二零零四年年報

	Note 附註	2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Operating activities	營運活動				
Profit before taxation	除稅前溢利	338,349		149,717	
Adjustments for non-cash items:	非現金項目之調整：				
Provision for advance to an associated company	向一間聯營公司貸款之撥備	2,216		0	
Exchange difference in translation of advance to an associated company	換算貸款予一間聯營公司之匯兌差異	83		0	
Depreciation	折舊	60,190		54,919	
Gain on disposal of fixed assets	出售固定資產之收益	(16,181)		0	
Charge for bad and doubtful debts	壞帳及呆帳準備金調撥	51,173		186,713	
Advances written off net of recoveries	扣除收回後貸款撇帳	(36,602)		(185,152)	
(Reversal of)/provisions for net impairment losses on investments and assets acquired under lending agreements	投資及根據貸款協議所得資產減值虧損淨額之(撥回)/撥備	(46,703)		71,463	
			352,525		277,660
(Increase)/decrease in operating assets:	營運資產之(增加)/減少：				
Short-term funds with original maturity of over three months	短期資金(原於三個月以上到期)	(4,854,947)		772,406	
Placements maturing between one and twelve months with original maturity of over three months	一至十二個月到期之同業放款(原於三個月以上到期)	(5,347,299)		176,672	
Trade bills and certificates of deposit	貿易票據及存款證	(132,135)		(100,547)	
Advances to customers	客戶貸款	(2,450,429)		(606,561)	
Accrued interest and other accounts	應計利息及其他帳目	449,879		(280,773)	
Trading securities	持作買賣用途證券	(28,293)		(91,302)	
Non-trading securities	非持作買賣用途證券	4,989,531		(8,818,136)	
			(7,373,693)		(8,948,241)
Increase/(decrease) in operating liabilities:	營運負債之增加/(減少)：				
Deposits and balances of banks and other financial institutions	銀行同業及其他金融機構存款及結餘	(269,727)		145,066	
Deposits from customers	客戶存款	1,289,311		6,725,612	
Certificates of deposit (redeemed)/issued	已(贖回)/發行發行存款證	(283,735)		841,153	
Short position in Exchange Fund Bills/Notes	外匯基金票據/債券之短期倉盤	3,350,917		(2,517,363)	
Other accounts and liabilities	其他帳目及負債	(45,761)		360,090	
			4,041,005		5,554,558
Net cash used in operations	營運之現金支出淨額	(2,980,163)		(3,116,023)	
Hong Kong Profits Tax paid	已付香港利得稅	(18,871)		(8,050)	
Hong Kong Profits Tax refunded	已退回香港利得稅	0		1,972	
Net cash used in operating activities	營運活動之現金支出淨額	(2,999,034)		(3,122,101)	

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流動表

for the year ended 31 December 2004
截至二零零四年十二月三十一日止年度

	Note 附註	2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Investing activities	投資活動				
Payments for purchase of fixed assets	購買固定資產支出	(52,176)		(22,811)	
Net proceeds from disposal of fixed assets	出售固定資產所得款項淨額	9,996		0	
Repayment from investment in an associated company	投資於一間聯營公司之還款	0		927	
Net cash used in investing activities	投資活動之現金支出淨額		(42,180)		(21,884)
Financing activities	融資項目				
Dividends paid	股息派發	(375,092)		(140,659)	
Deposits from fellow subsidiaries	同系附屬公司之存款	3,893,277		0	
Net cash generated from/(used in) financing activities	融資項目之現金收入／(支出)淨額		3,518,185		(140,659)
Net increase/(decrease) in cash and cash equivalents	現金及等同現金項目之增加／(減少)淨額		476,971		(3,284,644)
Cash and cash equivalents at 1 January	於一月一日之現金及等同現金項目		8,709,357		11,994,001
Cash and cash equivalents at 31 December	於十二月三十一日之現金及等同現金項目	36	9,186,328		8,709,357

Cashflows from operating activities include: 營運活動之現金流動包括：

		2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Interest received	已收利息	915,426		916,916	
Interest paid	已付利息	(324,470)		(338,093)	
Dividends received	已收股息	12,432		4,630	

The notes on pages 66 to 142 form part of these financial statements.
載於第66頁至第142頁的帳目附註為本財務報告的一部份。

1 ACTIVITIES AND CORPORATE AFFILIATION

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

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

業務及公司附屬集團

本銀行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

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

2 SIGNIFICANT ACCOUNTING POLICIES

主要會計政策

(a) Statement of compliance

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

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

(a) 遵守聲明

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(b) Basis of preparation of the financial statements

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

The HKICPA has issued a number of new and revised Hong Kong Financial Reporting Standards and Hong Kong Accounting Standards ("new HKFRSs") which are effective for accounting periods beginnings on or after 1 January 2005.

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

主要會計政策 (續)

(b) 財務報告的編製基準

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(c) Investment in subsidiaries

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Bank has the power, directly or indirectly, to govern their financial and operating policies so as to obtain benefits from their activities.

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

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

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

主要會計政策 (續)

(c) 於附屬公司的投資

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(d) Associated companies

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

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

(e) Advances and doubtful debts

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

(ii) Specific and general provisions

Provisions for bad and doubtful debts are made promptly and on a prudent and consistent basis. Specific provisions are determined by the directors at a level deemed appropriate to absorb expected losses from individual accounts after taking into account the value of collateral held. General provisions augment specific provisions and provide cover for loans which are impaired at the balance sheet date but which will not be identified as such until some time in the future. Both specific and general provisions are charged to the income statement and are deducted from trade bills, other assets and advances to customers in the balance sheet. When there is no longer any realistic prospect of recovery, the outstanding debt is written off.

主要會計政策 (續)

(d) 聯營公司

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

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

(e) 貸款及呆帳

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

(ii) 特別及一般撥備

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(e) Advances and doubtful debts (continued)

(iii) Advances on which interest is being suspended

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

(iv) Repossessed assets or assets acquired under lending agreements ("acquired assets")

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

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

主要會計政策 (續)

(e) 呆壞帳撥備 (續)

(iii) 利息懸帳的貸款

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

(iv) 收回資產或根據貸款協議所得資產（「所得資產」）

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(f) Finance leases

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

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

(g) Investments in securities

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

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

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

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

主要會計政策 (續)

(f) 融資租賃

凡將資產擁有權之風險及收益絕大部份轉讓予承租人的租賃均列作融資租賃。

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

(g) 證券投資

本集團及本銀行的證券投資（於附屬公司及聯營公司的投資除外）政策如下：

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

持至到期證券的變現溢利或虧損均於出現時計入收益表中。

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

(g) Investments in securities (continued)

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

(h) Fixed assets and depreciation

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

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

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

(g) 證券投資 (續)

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

(h) 固定資產及折舊

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

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

傢俬、裝置及設備乃按其估計可使用年期（一般介乎3至10年）予以折舊。

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(h) Fixed assets and depreciation (continued)

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

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

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

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

主要會計政策 (續)

(h) 固定資產及折舊 (續)

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

(i) Impairment of assets

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

If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

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

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. A reversal of impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

(i) 資產減值

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

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

75

(j) Revenue recognition

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

(i) Interest income

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

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

(ii) Fee and commission income

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

(j) 收益確認

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

(i) 利息收入

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

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

(ii) 費用及佣金收入

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

(j) Revenue recognition (continued)

(iii) Dividend income

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

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

(iv) Rental income from operating leases

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

(k) Operating lease charges

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

(j) 收益確認 (續)

(iii) 股息收入

上市投資之股息於該等投資之股價為除息報價時予以確認。

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

(iv) 源自營運租賃之租金收入

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

(k) 營運租賃

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(I) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items recognised directly in equity, in which case they are recognised in equity.
- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from the temporary differences arising from the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised.

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

主要會計政策 (續)

(I) 所得稅

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

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

(I) Income tax (continued)

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

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

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

(I) 所得稅 (續)

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

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

- 如屬即期稅項資產及負債，本銀行或本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，為同一稅務機關對以下機構徵收所得稅所產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預計實現重大遞延稅項資產及負債的期間，該實體計劃以淨額形式變現稅項資產及清償即期稅項負債或兩者同時變現及償還。

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(m) Employee benefits

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

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

主要會計政策 (續)

(m) 僱員福利

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

主要會計政策 (續)

(m) Employee benefits (continued)

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

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

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

(n) Translation of foreign currencies

Transactions in foreign currencies during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are included in the income statement.

(m) 僱員福利 (續)

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

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

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

(n) 外幣換算

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(o) Cash and cash equivalents

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

(p) Derivatives

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

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

(i) Derivatives used for trading purposes

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

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

主要會計政策 (續)

(o) 現金及等同現金項目

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

(p) 衍生工具

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

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

(i) 用作買賣用途之衍生工具

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

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

2 SIGNIFICANT ACCOUNTING POLICIES*(continued)***(p) Derivatives** *(continued)*

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

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

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

A hedging relationship exists when

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

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

主要會計政策 (續)**(p) 衍生工具 (續)**

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

- (ii) 用作資產及負債管理目的之衍生工具

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

在以下情況下出現對沖關係

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

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(p) Derivatives (continued)

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

(q) Provisions and contingent liabilities

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

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

(r) Related parties

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

主要會計政策 (續)

(p) 衍生工具 (續)

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

(q) 撥備及或然負債

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

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

(r) 關連各方

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

2 SIGNIFICANT ACCOUNTING POLICIES

(continued)

(s) Segment reporting

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

In common with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example segment assets may include loans and advances to customers, investment securities, interbank placements, premises and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

主要會計政策 (續)

(s) 分項報告

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

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

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

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

3 INTEREST INCOME

利息收入

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

4 OTHER OPERATING INCOME

其他營運收入

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

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5 OPERATING EXPENSES

營運支出

The major items which comprise operating expenses are as follows:

主要營運支出載列如下：

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

6 DIRECTORS' REMUNERATION

董事酬金

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

- (a) 根據香港《公司條例》第161條規定披露之董事酬金總額如下：

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

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

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

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

- (b) 本銀行董事之酬金總額的人數分佈如下：

		The Group 本集團	
		2004 二零零四年	2003 二零零三年
HK\$nil – HK\$1,000,000	零港元 – 1,000,000港元	16	7
HK\$1,000,001 – HK\$1,500,000	1,000,001港元 – 1,500,000港元	0	1
HK\$1,500,001 – HK\$2,000,000	1,500,001港元 – 2,000,000港元	1	0
HK\$2,000,001 – HK\$2,500,000	2,000,001港元 – 2,500,000港元	0	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元 – 3,000,000港元	0	1
HK\$3,000,001 – HK\$3,500,000	3,000,001港元 – 3,500,000港元	1	0
HK\$3,500,001 – HK\$4,000,000	3,500,001港元 – 4,000,000港元	1	0

7 INDIVIDUALS WITH HIGHEST EMOLUMENTS

薪酬最高人士

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

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

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

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

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

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

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

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

8 CHARGE FOR BAD AND DOUBTFUL DEBTS

壞帳及呆帳撥備

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

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

投資及根據貸款協議所得資產減值虧損淨額之(撥回)/撥備

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

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10 GAINS LESS LOSSES FROM DISPOSAL OF NON-TRADING SECURITIES

出售非持作買賣用途證券之收益減虧損

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

11 TAXATION

稅項

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

11 TAXATION (continued)

稅項 (續)

Reconciliation between tax expense and accounting profit at applicable tax rate

稅項支出與適用應課稅率計算之會計溢利間之對帳

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

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

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

12 DIVIDENDS

股息

(a) Dividends declared and proposed

(a) 已宣派及建議派發股息

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

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

於結算日後建議派發之末期股息並未於結算日確認為負債。

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

(b) 年內已通過及派付上一財政年度之股息。

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

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

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

13 EARNINGS PER SHARE

每股盈利

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

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

14 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

股東應佔溢利

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

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

15 SEGMENT REPORTING

分項資料

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because substantially all of the Group's business is attributable to a single geographical segment, Hong Kong.

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

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

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

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

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

本銀行及其附屬公司的主要業務為銀行經營及有關的財務服務。

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

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

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

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

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

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

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

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

物業管理業務包括管理及出售本集團收回及根據貸款協議所得的物業。

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

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

該等比較數字已重新呈列以符合新業務分項的分類。

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15 SEGMENT REPORTING (continued)

分項資料 (續)

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

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15 SEGMENT REPORTING (continued)

分項資料 (續)

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

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

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

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

Geographical segments

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

區域分項

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

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16 SHORT TERM FUNDS

短期資金

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	311,065	318,340	310,700	317,990
Money at call and short notice*	通知及短期存款*	5,084,863	6,156,206	5,084,863	6,156,206
Treasury bills (including Exchange Fund Bills)	國庫券 (包括外匯基金票據)	8,093,331	626,515	8,093,331	626,515
		13,489,259	7,101,061	13,488,894	7,100,711

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

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

* 通知及短期存款代表於結算日最長一個月到期之存款。

國庫券由中央政府及中央銀行發行，並為非上市項目，有關國庫券之分析如下：

		The Group and the Bank 本集團及本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Treasury bills	國庫券		
– Trading	– 持作買賣用途	2,134,781	626,515
– Non-trading	– 非持作買賣用途	5,958,550	0
		8,093,331	626,515

16 SHORT TERM FUNDS (continued)**短期資金** (續)

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

以上國庫券按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

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

17 PLACEMENTS WITH BANKS MATURING BETWEEN ONE AND TWELVE MONTHS**一至十二個月到期之銀行同業放款**

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

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

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

18 TRADE BILLS LESS RESERVES AND
CERTIFICATES OF DEPOSIT

貿易票據減準備及存款證

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

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

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

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

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

貿易票據減準備及存款證 (續)

Movements in general reserves for trade bills:

貿易票據之一般呆帳準備變動：

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

19 ADVANCES TO CUSTOMERS LESS RESERVES

客戶貸款減準備

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

* Stated net of interest in suspense

* 呈列數字已扣除懸帳利息

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19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

客戶貸款減準備 (續)

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

按結算日至合約訂明到期日之剩餘期限劃分之期限組別如下：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Repayable on demand	即時還款	626,018	741,875	616,969	733,788
3 months or less but not repayable on demand	三個月或以下惟 無需即時還款	2,356,241	2,023,311	1,954,149	1,692,906
1 year or less but over 3 months	一年或以下惟三個月以上	2,269,977	1,940,298	1,312,702	1,145,182
5 years or less but over 1 year	五年或以下惟一年以上	6,144,293	4,352,069	4,900,716	3,304,785
Over 5 years	超過五年	6,554,202	6,300,559	6,419,823	6,097,640
Undated	無註明日期	267,842	410,032	200,995	331,750
		18,218,573	15,768,144	15,405,354	13,306,051

Movements in general reserves for advances to customers:

客戶貸款之一般呆帳準備變動：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
At 1 January	於一月一日	126,145	129,455	106,463	108,091
Net charged/(Written-back) during the year (Note 8)	年內扣除／(撥回)淨額 (附註8)	19,671	(3,310)	16,858	(1,628)
At 31 December	於十二月三十一日	145,816	126,145	123,321	106,463

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19 ADVANCES TO CUSTOMERS LESS RESERVES (continued)

客戶貸款減準備 (續)

Movements in specific reserves for advances to customers:

客戶貸款之特別呆帳準備變動：

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

Movements in interest suspended:

利息懸帳變動：

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

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19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

客戶貸款減準備 (續)

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

利息懸帳或停止累計之客戶貸款總額(「不履行合約貸款」)：

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

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

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

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

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

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19 ADVANCES TO CUSTOMERS LESS RESERVES (continued)

Finance leases

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

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

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

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

客戶貸款減準備 (續)

融資租賃

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

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

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

本集團所有融資租賃往年由一間全資附屬公司處理。

19 ADVANCES TO CUSTOMERS LESS RESERVES *(continued)*

客戶貸款減準備 (續)

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

撥備前最低租賃還款現價值的期限組別如下：

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

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20 INCOME TAX IN THE BALANCE SHEET

資產負債表內的所得稅

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

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

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

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

可收回及應繳稅項金額預計於一年內清算。

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20 INCOME TAX IN THE BALANCE SHEET (continued)

資產負債表內的所得稅 (續)

(b) Deferred tax assets and liabilities recognised

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

(b) 被確認之遞延稅項資產及負債

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

THE GROUP

本集團

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

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20 INCOME TAX IN THE BALANCE SHEET (continued)

資產負債表內的所得稅 (續)

THE BANK

本銀行

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

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

(c) Deferred tax assets and liabilities not recognised

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

(c) 未被確認之遞延稅項資產及負債

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

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21 INVESTMENTS IN SECURITIES

證券投資

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

21 INVESTMENTS IN SECURITIES (continued)

證券投資 (續)

The non-trading securities are issued by:

非持作買賣用途證券由以下機構發行：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Central governments and central banks	中央政府 及中央銀行	2,894,248	8,536,000	2,894,248	8,536,000
Public sector entities	公營機構	966,704	936,496	966,704	936,496
Banks and other financial institutions	銀行及其他 金融機構	933,780	743,839	933,780	743,839
Corporate entities	企業	830,938	406,367	830,862	406,248
		5,625,670	10,622,702	5,625,594	10,622,583

The trading securities are issued by:

持作買賣用途證券由以下機構發行：

		The Group 本集團		The Bank 本銀行	
		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Central governments and central banks	中央政府 及中央銀行	5,307	0	5,307	0
Public sector entities	公營機構	120,082	98,633	120,082	98,633
Corporate entities	企業	1,537	0	1,537	0
		126,926	98,633	126,926	98,633

21 INVESTMENTS IN SECURITIES (continued)

證券投資 (續)

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

按結算日至合約訂明到期日之剩餘期限劃分之債務證券的期限組別如下：

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

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

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

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22 INVESTMENT IN AN ASSOCIATED COMPANY

投資於一間聯營公司

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

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

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

23 INVESTMENTS IN SUBSIDIARIES

投資於附屬公司

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

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23 INVESTMENTS IN SUBSIDIARIES

(continued)

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

投資於附屬公司 (續)

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

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

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

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

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24 FIXED ASSETS

固定資產

THE GROUP

本集團

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

NOTES TO THE FINANCIAL STATEMENTS

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24 FIXED ASSETS (continued)

固定資產 (續)

THE BANK

本銀行

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

24 FIXED ASSETS (continued)

固定資產 (續)

The net book value of premises comprises:

物業之帳面淨值包括：

		The Group 本集團		The Bank 本銀行	
		2004	2003	2004	2003
		二零零四年	二零零三年	二零零四年	二零零三年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Premises held in Hong Kong	於香港之房地產				
- Long term leases	- 長期租賃				
(over 50 years)	(超過五十年)	833,719	847,719	800,047	813,722
- Medium term leases	- 中期租賃	230,153	239,995	230,153	239,995
(10 - 50 years)	(十年至五十年)				
		1,063,872	1,087,714	1,030,200	1,053,717

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

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

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

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

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

25 DEPOSITS AND BALANCES OF BANKS AND OTHER FINANCIAL INSTITUTIONS

銀行同業及其他金融機構之存款及結餘

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

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

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

26 DEPOSITS FROM CUSTOMERS

客戶存款

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

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26 DEPOSITS FROM CUSTOMERS

(continued)

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

客戶存款 (續)

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

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

27 CERTIFICATES OF DEPOSIT ISSUED

已發行存款證

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

按結算日至合約訂明的到期日之剩餘期限劃分之期限組別如下：

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

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28 SHARE CAPITAL

股本

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

29 SHARE PREMIUM

股份溢價

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

股份溢價帳之應用受香港《公司條例》第48B條監管。

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30 RESERVES

儲備

THE GROUP

本集團

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

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財務報告附註

30 RESERVES (continued)

儲備 (續)

THE BANK

本銀行

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

30 RESERVES (continued)

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

31 MATERIAL RELATED PARTIES TRANSACTIONS

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

儲備 (續)

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

重大關連各方交易

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

31 MATERIAL RELATED PARTIES TRANSACTIONS *(continued)*

重大關連各方交易 (續)

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

有關年內關連各方交易所產生之收支及於結算日尚未償還餘額之資料載列如下：

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

31 MATERIAL RELATED PARTIES TRANSACTIONS *(continued)*

重大關連各方交易 (續)

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

32 LOANS TO OFFICERS

高級職員貸款

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

本銀行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

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

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

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

33 EMPLOYEE RETIREMENT BENEFITS

僱員退休福利

(a) Defined benefit retirement plans

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

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

(a) 定額福利退休計劃

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

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

33 EMPLOYEE RETIREMENT BENEFITS

僱員退休福利 (續)

(continued)

(a) Defined benefit retirement plans (continued)

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

(a) 定額福利退休計劃 (續)

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

The Group and the Bank

本集團及本銀行

2004

2003

二零零四年

二零零三年

HK\$'000

HK\$'000

千港元

千港元

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

(189,225)	(185,021)
185,888	196,722
21,870	8,363
18,533	20,064

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

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

33 EMPLOYEE RETIREMENT BENEFITS

(continued)

僱員退休福利 (續)

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(a) Defined benefit retirement plans (continued)

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

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

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

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

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

(a) 定額福利退休計劃 (續)

- (ii) 於資產負債表中已獲確認的資產淨值變動如下：

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

- (iii) 於綜合收益表內「營運支出一顧員成本」一項中已獲確認的支出如下：

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

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

33 EMPLOYEE RETIREMENT BENEFITS

(continued)

僱員退休福利 (續)

(a) Defined benefit retirement plans (continued)

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

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

(a) 定額福利退休計劃 (續)

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

The Group and the Bank
本集團及本銀行

2004 二零零四年	2003 二零零三年
4.0%	5.0%
5.0%	5.0%
5.0%	5.0%
2.5% for 2005 二零零五年為2.5%	0% for 2004 二零零四年為0%
3.0% for 2006 二零零六年為3.0%	0% for 2005 二零零五年為0%
3.0% for 2007 二零零七年為3.0%	0% for 2006 二零零六年為0%
4% thereafter 其後為4%	4% thereafter 其後為4%

(b) Mandatory Provident Fund Scheme ("MPF Scheme")

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

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

(b) 強制性公積金計劃 (「強積金計劃」)

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

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

34 OUTSTANDING COMMITMENTS

未付承擔

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

- (a) 於二零零四年十二月三十一日未於財務報告內提撥之未兌現資本承擔如下：

Contracted for

已訂合約

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

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

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

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

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

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

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

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35 OFF-BALANCE SHEET EXPOSURES

資產負債表外項目

(a) Contingent liabilities and commitments

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

THE GROUP

本集團

Direct credit substitutes	直接信貸替代項目
Transaction-related contingencies	與交易有關之或然項目
Trade-related contingencies	與貿易有關之或然項目
Undrawn loan facilities	未提取之備用貸款
– with an original maturity of under 1 year or which are unconditionally cancellable	– 原訂到期期限少於一年或可無條件地取消
– with an original maturity of 1 year or over	– 原訂到期期限為一年或以上
Forward forward deposits placed	遠期預約放款

(a) 或然負債及承擔

以下為每項重要或然負債及承擔類別之合約金額及信貸風險加權金額之摘要：

2004 二零零四年		2003 二零零三年	
Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元	Contractual Amounts 合約 金額 HK\$'000 千港元	Credit Risk Weighted Amounts 信貸 風險加權 金額 HK\$'000 千港元
462,247	462,247	439,445	439,445
10,381	5,191	10,194	5,097
252,940	50,588	194,322	38,864
6,129,359	0	4,997,652	0
417,733	208,867	629,478	314,740
307,519	61,504	797,873	159,575
7,580,179	788,397	7,068,964	957,721

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35 OFF-BALANCE SHEET EXPOSURES

(continued)

資產負債表外項目 (續)

(a) Contingent liabilities and commitments (continued)

THE BANK

本銀行

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

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35 OFF-BALANCE SHEET EXPOSURES

(continued)

資產負債表外項目 (續)

(b) Derivatives

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

(b) 衍生工具

以下為每項重要衍生工具的合約金額、信貸風險加權金額及重置成本之摘要：

THE GROUP

本集團

Trading

Exchange rate contracts

- Forward exchange contracts
- Swaps
- Options purchased
- Options written

Equity option contracts

- Options purchased
- Options written

交易

匯率合約

- 遠期匯率合約
- 掉期合約
- 購入期權
- 沽出期權

股本期權合約

- 購入期權
- 沽出期權

Hedging

Exchange rate contracts

- Swaps

Interest rate contracts

- Interest rate swaps

對沖

匯率合約

- 掉期合約

利率合約

- 掉期利率合約

2004
二零零四年

Credit Risk
Weighted

Contractual
Amounts
合約金額
HK\$'000
千港元

Weighted
Amounts
信貸風險
加權金額
HK\$'000
千港元

Replacement
Costs
重置成本
HK\$'000
千港元

1,296,388	1,061	107,045
452,508	2,263	0
589,805	452	5,084
588,868	不適用	不適用
314,803	400	1,481
314,803	不適用	不適用
3,557,175	4,176	113,610
2,875,498	8,697	14,730
3,180,335	24,298	103,516
6,055,833	32,995	118,246
9,613,008	37,171	231,856

NOTES TO THE FINANCIAL STATEMENTS

財務報告附註

35 OFF-BALANCE SHEET EXPOSURES

(continued)

資產負債表外項目 (續)

(b) Derivatives (continued)

(b) 衍生工具 (續)

THE GROUP

本集團

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

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35 OFF-BALANCE SHEET EXPOSURES

(continued)

資產負債表外項目 (續)

(b) Derivatives (continued)

(b) 衍生工具 (續)

THE BANK

本銀行

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

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35 OFF-BALANCE SHEET EXPOSURES

(continued)

資產負債表外項目 (續)

(b) Derivatives (continued)

THE BANK

本銀行

(b) 衍生工具 (續)

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

35 OFF-BALANCE SHEET EXPOSURES

(continued)

(b) Derivatives (continued)

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

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

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

資產負債表外項目 (續)

(b) 衍生工具 (續)

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

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

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

36 CASH AND CASH EQUIVALENTS

現金及等同現金項目

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

(i) 綜合現金流動表之現金及等同現金項目成份

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

(ii) Reconciliation with the consolidated balance sheet

(ii) 綜合資產負債表之對賬

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

37 COMPARATIVE FIGURES

比較數字

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

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

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

該等比較數字已重新呈列於附註15以符合重新分類後的業務分項。

38 SIGNIFICANT POST-BALANCE SHEET EVENTS

重大結算日後事項

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

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

(A) CAPITAL ADEQUACY AND LIQUIDITY RATIOS

資本充足及流動資金比率

		2004 二零零四年 %	2003 二零零三年 %
		百分比	百分比
Unadjusted capital adequacy ratio at year end	於年底未經調整資本充足比率	18.46	19.79
Adjusted capital adequacy ratio at year end incorporating market risk	於年底已經調整資本充足比率 (包括市場風險)	18.22	19.72
Average liquidity ratio for December	十二月份平均流動資金比率	50.06	57.89
Average liquidity ratio for the year ended 31 December	截至十二月三十一日止年度之 平均流動資金比率	63.28	59.37

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

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

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

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

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

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

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

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	1,172,160	1,172,160
Reserves (including retained earnings)	儲備(包括保留收益)	1,670,086	1,774,178
Share premium	股份溢價	749,778	749,778
Eligible supplementary capital	可計算的附加資本		
Reserves on revaluation of land and interests in land	土地及土地權益價值重估的儲備	36,868	36,868
Reserves on revaluation of holdings of securities not held for trading purposes	非持作買賣用途證券價值重估的儲備	(4,350)	1,917
General reserves for doubtful debts	一般呆帳準備	145,919	126,239
Total capital base before deductions	扣減前的資本基礎總額	3,770,461	3,861,140
Deductions from total capital base	資本基礎總額的扣減項目	(67,930)	(69,821)
Total capital base after deductions	扣減後的資本基礎總額	3,702,531	3,791,319

(C) MAJOR CUSTOMERS

主要客戶

Total income attributable to the Group's five largest customers combined is substantially less than 30% of the Group's total income for both years 2003 and 2004.

於二零零三年及二零零四年，本集團從其五位最大客戶所得收入遠低於本集團總收入之30%。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

(D) ADVANCES TO CUSTOMERS – BY INDUSTRY SECTORS

客戶貸款 – 按行業分類

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

有關按行業分類客戶貸款之資料乃依據呈交香港金融管理局的「貸款、墊款及準備金分析季報表」(MA(BS)2A)及「認可機構資產負債表」(MA(BS)1)所載的貸款類別來列入各行業類別。

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Loans for use in Hong Kong	在香港使用的貸款		
Industrial, commercial and financial	工商金融		
– Property development	– 物業發展	113,061	69,691
– Property investment	– 物業投資	3,322,410	2,860,186
– Financial concerns	– 金融企業	201,525	205,792
– Stockbrokers	– 股票經紀	59,730	28,746
– Wholesale and retail trade	– 批發及零售業	107,505	116,675
– Manufacturing	– 製造業	2,227,544	1,485,924
– Transport and transport equipment	– 運輸及運輸設備	502,927	496,537
– Others	– 其他	1,952,865	2,283,172
Individuals	個人		
– Loans for the purchase of flats in the Home Ownership Scheme and Private Sector Participation Scheme	– 購買「居者有其屋計劃」及「私人參建居屋計劃」樓宇的貸款	17,974	20,626
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	7,729,150	6,857,637
– Credit card advances	– 信用卡貸款	484,604	449,121
– Others	– 其他	610,544	694,619
		17,329,839	15,568,726
Trade finance	貿易融資	360,372	123,223
Loans for use outside Hong Kong	在香港以外使用的貸款	528,362	76,195
		18,218,573	15,768,144

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(E) OVERDUE ADVANCES TO CUSTOMERS

逾期客戶貸款

		2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	% of gross advances 佔貸款總額 百分比	HK\$'000 千港元	% of gross advances 佔貸款總額 百分比
Overdue advances to customersⁱ	逾期客戶貸款ⁱ				
6 months or less but over 3 months	六個月或以下惟三個月以上	37,959	0.21	50,923	0.32
1 year or less but over 6 months	一年或以下惟六個月以上	20,132	0.11	134,126	0.85
Over 1 year	超過一年	108,909	0.60	100,944	0.64
		167,000	0.92	285,993	1.81
Amount of collateral held in respect of overdue advances ⁱⁱ	就逾期貸款持有之 抵押品價值 ⁱⁱ	108,765		225,913	
Secured overdue advances	有抵押逾期貸款	103,356		218,365	
Unsecured overdue advances	無抵押逾期貸款	63,644		67,628	
		167,000		285,993	
Amount of specific reserves made against overdue advances	就逾期貸款撥出之 特別準備數額	60,724		54,163	

ⁱ Net of suspended interest.

ⁱⁱ Including expected recoveries of HK\$8.83 million (2003: HK\$10.42 million) from companies in liquidation.

ⁱ 已扣除懸帳利息。

ⁱⁱ 包括預期可從清盤中公司收回之8,830,000港元(二零零三年: 10,420,000港元)。

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(E) OVERDUE ADVANCES TO CUSTOMERS *(continued)*

逾期客戶貸款 (續)

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Advances overdue for more than 3 months and on which interest is still being accrued ("Interest accrual overdue advances")	三個月以上有關利息仍然累計之逾期貸款(「利息累計之逾期貸款」)	0	221
Advances overdue for 3 months or less and on which interest is being placed in suspense or on which interest accrual has ceased ("Interest non-accrual but not overdue advances")	三個月或三個月以下有關利息已被懸帳或停止累計之逾期貸款(「利息停止累計但非逾期之貸款」)	90,818	114,111

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(F) RECONCILIATION BETWEEN OVERDUE ADVANCES TO CUSTOMERS AND NON-PERFORMING ADVANCES

逾期客戶貸款與不履行合約客戶貸款間之對帳

		2004 二零零四年 HK\$'000 千港元	2003 二零零三年 HK\$'000 千港元
Overdue advances to customers	逾期客戶貸款	167,000	285,993
Less : Interest accrual overdue advances	減：利息累計之逾期貸款	0	(221)
Add : Interest non-accrual but not overdue advances	加：利息停止累計但非逾期之貸款	90,818	114,111
Non-performing advances	不履行合約貸款	257,818	399,883

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(G) RESCHEDULED ADVANCES TO CUSTOMERS

重定還款期之客戶貸款

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		2004 二零零四年		2003 二零零三年	
		HK\$'000 千港元	% of gross advances 佔貸款總額 百分比	HK\$'000 千港元	% of gross advances 佔貸款總額 百分比
Rescheduled advances to customersⁱ	重定還款期之客戶貸款ⁱ				
Interest accrual rescheduled advances	利息累計之重定還款期貸款	94,891	0.52	198,272	1.26
Interest non-accrual rescheduled advances	利息停止累計之重定還款期貸款	65,281	0.36	85,631	0.54
		160,172	0.88	283,903	1.80
Amount of collateral held in respect of rescheduled advances	就重定還款期貸款持有之抵押品價值	148,794		246,574	
Secured rescheduled advances	有抵押重定還款期貸款	135,181		234,620	
Unsecured rescheduled advances	無抵押重定還款期貸款	24,991		49,283	
		160,172		283,903	
Amount of specific reserves made against rescheduled advances	就重定還款期貸款撥出之特別準備數額	6,808		16,208	

i. Net of rescheduled advances which have been overdue for over three months and were reported in Note (E) Overdue advances to customers.

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

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(H) ANALYSIS OF OVERDUE ASSETS

逾期資產分析

		Loans 貸款 HK\$'000 千港元	Accrued interest 應計利息 HK\$'000 千港元	Total overdue assets 逾期資產總額 HK\$'000 千港元
2004	二零零四年			
Overdue for	逾期			
6 months or less but over 3 months	六個月或以下惟三個月以上	37,959	0	37,959
1 year or less but over 6 months	一年或以下惟六個月以上	20,132	0	20,132
Over 1 year	超過一年	108,909	0	108,909
		167,000	0	167,000
2003	二零零三年			
Overdue for	逾期			
6 months or less but over 3 months	六個月或以下惟三個月以上	50,923	6	50,929
1 year or less but over 6 months	一年或以下惟六個月以上	134,126	0	134,126
Over 1 year	超過一年	100,944	0	100,944
		285,993	6	285,999

**(I) REPOSSESSED ASSETS AND ASSETS
ACQUIRED UNDER LENDING
AGREEMENTS****收回資產及根據貸款協議所得
資產**

The total repossessed assets and assets acquired under lending agreements of the Group as at 31 December 2004 amounted to HK\$186,740,000 (2003: HK\$591,033,000).

於二零零四年十二月三十一日，本集團收回資產及根據貸款協議所得資產總額合共186,740,000港元（二零零三年：591,033,000港元）。

(J) CROSS-BORDER CLAIMS**跨境債權**

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

外資金融機構之跨境債權資料須根據經計及任何風險轉移後該機構所在地所出現及產生之最終風險作出披露。一般而言，倘該等債權由該機構所屬國家以外之其他國家之任何人士作出擔保或倘該等債權乃由一家總辦事處位於另一國家之海外分行持有，則須進行風險轉移。

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(J) CROSS-BORDER CLAIMS (continued)

跨境債權 (續)

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

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(J) CROSS-BORDER CLAIMS (continued)

跨境債權 (續)

2003 Figures in HK\$ Million	二零零三年 百萬港元	The Group 本集團			Total 總額
		Banks and other financial institutions 銀行及其他 金融機構	Public sector entities 公營機構	Others 其他	
Asia Pacific excluding Hong Kong	亞洲太平洋地區 (不包括香港)				
- Australia	- 澳洲	562	0	211	773
- Singapore	- 新加坡	1,478	0	45	1,523
- Japan	- 日本	15	0	0	15
- Others	- 其他	3	0	71	74
North America	北美洲				
- Canada	- 加拿大	107	0	1	108
- United States	- 美國	200	1,632	34	1,866
Caribbean	加勒比				
- Bermuda	- 百慕達	0	0	12	12
- Cayman Islands	- 開曼群島	0	0	81	81
- Others	- 其他	0	0	80	80
Middle East - Bahrain	中東 - 巴林	233	0	0	233
Western Europe	西歐				
- Belgium	- 比利時	15	0	0	15
- Germany	- 德國	11	0	0	11
- Italy	- 意大利	2	156	0	158
- Luxembourg	- 盧森堡	41	0	19	60
- Netherlands	- 荷蘭	458	0	0	458
- Switzerland	- 瑞士	227	0	0	227
- United Kingdom	- 英國	1,237	0	7	1,244
- Others	- 其他	5	0	0	5
		4,594	1,788	561	6,943

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(K) FOREIGN EXCHANGE EXPOSURES

外匯風險

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

外幣之倉盤淨額或結構性倉盤淨額之披露如下：

		The Group 本集團 2004 二零零四年					
Equivalent in HK\$'Million	百萬港元等值	US Dollars 美元	New Zealand Euros 歐元	Dollars 紐元	Australian Dollars 澳元	Others 其他	Total 總額
Spot assets	現貨資產	10,713	23	367	1,446	1,423	13,972
Spot liabilities	現貨負債	(10,005)	(206)	(352)	(1,416)	(1,055)	(13,034)
Forward purchases	遠期買入	2,078	369	8	381	838	3,674
Forward sales	遠期賣出	(2,781)	(187)	(21)	(393)	(1,206)	(4,588)
Net option position	期權盤淨額	0	0	0	0	0	0
Net long/(short) position	長／(短)盤淨額	5	(1)	2	18	0	24
		US Dollars 美元	New Zealand Euros 歐元	Dollars 紐元	Australian Dollars 澳元	Others 其他	Total 總額
Net structural position	結構性倉盤淨額	0	0	0	0	0	0

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(K) FOREIGN EXCHANGE EXPOSURES

外匯風險 (續)

(continued)

		The Group 本集團 2003 二零零三年					
Equivalent in HK\$ Million	百萬港元等值	US Dollars 美元	Euros 歐元	New Zealand Dollars 紐元	Australian Dollars 澳元	Others 其他	Total 總額
Spot assets	現貨資產	5,467	914	547	1,290	947	9,165
Spot liabilities	現貨負債	(7,008)	(606)	(447)	(1,199)	(809)	(10,069)
Forward purchases	遠期買入	6,050	1,640	42	677	1,011	9,420
Forward sales	遠期賣出	(4,579)	(1,951)	(132)	(737)	(1,149)	(8,548)
Net option position	期權盤淨額	0	0	0	0	0	0
Net long/(short) position	長/(短)盤淨額	(70)	(3)	10	31	0	(32)
		US Dollars 美元	Euros 歐元	New Zealand Dollars 紐元	Australian Dollars 澳元	Others 其他	Total 總額
Net structural position	結構性倉盤淨額	0	0	0	0	0	0

(L) CORPORATE GOVERNANCE**公司管治**

IBA is a long-time practitioner of sound corporate governance. Priority is given to investor relations and transparency. Independent directors were elected to the Board prior to listing on The Stock Exchange of Hong Kong Limited and their number has since been increased to three. The Audit Committee comprises three non-executive directors, the majority of whom are independent, and is a committee of the Board of Directors. The Audit Committee oversees the work of the Group's internal auditors and thereby monitors the effectiveness of the Group's internal control system and compliance with policies approved by the Board of Directors and the requirements of the regulatory authorities. The Audit Committee meets regularly with the Group's external auditors and reviews the Group's financial reports prior to approval by the Board of Directors. The Audit Committee reviews the reports of both external and internal auditors, and reports to the full board on credit quality, provisions, charge-offs and key balance sheet and income statement figures. The Remuneration Committee, which is composed of the Board's non-executive Chairman, non-executive Vice Chairman and includes two independent non-executive directors, reviews and approves the remuneration of the senior officers of the Bank.

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

Directors are provided with a copy of the "Corporate Governance of Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the HKMA.

本銀行一直落實良好公司管治，更尤為注重投資者關係及透明度。本銀行於香港聯合交易所有限公司上市前已挑選獨立董事加盟董事會，其後人數更增至三名。審核委員會由三位非執行董事組成，大部份為獨立人士。該委員會附屬董事會，負責監督本集團內部核數師之工作，並監察本集團之內部監控系統能否有效地運作並且遵從由董事會批准之政策及監管機構的規例。審核委員會定期與本集團外部核數師舉行會議，在財務報告書交予董事會審批前，審核委員會更會審閱有關報告。審核委員會審核外部及內部核數師報告，並向全體董事會匯報信貸質素、撥備、註銷、以及主要資產負債表及損益表帳目。薪酬委員會由非執行主席、非執行副主席組成並包括兩名獨立非執行董事，該委員會負責檢討及批核本銀行高級管理層之酬金。

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

董事亦會獲得一份香港金融管理局頒佈之監管政策手冊內「本地註冊認可機構的公司管治」指引。

(L) CORPORATE GOVERNANCE *(continued)***公司管治** (續)

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

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

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

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

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

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

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

(i) Executive Committee**(i) 執行委員會**

The Executive Committee comprises independent, executive and non-executive directors and is delegated the authority to act on behalf of the Board of Directors. The Committee meets as required to review and approve the Bank's risk management strategy and various policies which include, but are not limited to credit and lending policies, capital investment policy and other ad hoc general management issues. It also serves as the credit committee of the Board to review and approve credit applications within limits assigned by the Board.

執行委員會由獨立、執行及非執行董事組成，獲授權代表董事會行事。委員會按規定審閱及批准銀行的風險管理策略及各項政策，包括但不限於信貸及借貸政策、資本投資政策及其他特定一般管理事宜。委員會亦為董事會的信貸委員會，負責審閱及批核董事會指定限額以內的信貸申請。

(M) KEY SPECIALISED COMMITTEES*(continued)***主要專責委員會 (續)****(ii) Management Committee**

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

(iii) Credit Committee

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

(ii) 管理委員會

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

(iii) 信貸委員會

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

(M) KEY SPECIALISED COMMITTEES*(continued)***主要專責委員會 (續)****(iv) Asset and Liability Committee**

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

(v) Audit Committee

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

(iv) 資產及負債委員會

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

(v) 審核委員會

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

(M) KEY SPECIALISED COMMITTEES*(continued)***(vi) Remuneration Committee**

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

主要專責委員會 (續)**(vi) 薪酬委員會**

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

(N) MANAGEMENT OF RISKS

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

(i) Credit risk management

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

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

風險管理

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

(i) 信貸風險管理

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

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

(N) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(I) Credit risk management (continued)

The Executive Committee of the Board has been delegated the power to approve credits on behalf of the Board. The Chief Executive, who has been delegated by the Board a lower credit approval authority than the Executive Committee, has in turn delegated lower authorities to the Credit Committee as approved by the Board of Directors. Approval takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

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

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

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

(I) 信貸風險管理 (續)

董事會執行委員會獲授權負責代表董事會審批信貸申請。行政總裁則獲董事會授予較次於執行委員會之審批信貸權力，而行政總裁亦經董事會批准授予信貸委員會權力批出信貸。信貸之審批均會考慮貸款種類、貸款年期、有關未來借款人之還款能力及抵押擔保。

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

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

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

(N) MANAGEMENT OF RISKS *(continued)***風險管理** (續)**(i) Credit risk management** *(continued)*

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

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value, the credit risk for derivatives is the positive replacement cost together with an estimate for the potential future change in its market value. The credit risk exposure on derivatives is disclosed in Note 35(b) of the financial statements.

(ii) Liquidity management

Liquidity risk is the risk that not enough cash will be generated from either assets or liabilities to meet deposit withdrawals or contractual loan funding. The Group manages the liquidity structure of its assets, liabilities and commitments so as to ensure that all group operations can meet their funding needs and that the statutory liquidity ratio is complied with. As disclosed in Note (A) above, both the Group's consolidated liquidity ratio of 50.06% for December 2004 and the average liquidity ratio of 63.28% for the year ended 31 December 2004 were well above the statutory minimum ratio of 25%.

(i) 信貸風險管理 (續)

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

與資產負債表上的金融工具不同，因其信貸風險一般以信貸本金顯示，而衍生工具之信貸風險則指正面之重置成本加上對其日後潛在變動之市值估計。衍生工具信貸風險於財務表附註35(b)予以披露。

(ii) 流動資金風險管理

流動資金風險是指從資產或負債方面未能提供足夠現金以應付存款提取或合約貸款需要的風險。本集團會緊密監察集團的流動資金，以保證集團資金結構中的資產、負債及合約承諾能達到其融資需求，並能經常符合法定的流動資金比率。在以上附註(A)中披露，本集團二零零四年十二月份綜合流動資金比率為50.06%，截至二零零四年十二月三十一日止年度的平均流動資金比率為63.28%，遠高於法定的25%最低要求。

(N) MANAGEMENT OF RISKS *(continued)***風險管理** *(續)***(ii) Liquidity management** *(continued)*

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

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

The liquidity ratios are disclosed in Note (A).

(iii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's operations prudently, with the aim of diversifying its business activities, including the future expansion of the branch network, increasing the customer base, introducing new financial products and meeting the statutory capital adequacy ratio. As disclosed in Note (A) above, both the Group's adjusted capital adequacy ratio incorporating market risk of 18.22% and the unadjusted ratio of 18.46% as at 31 December 2004 was well above the statutory minimum ratio.

(ii) 流動資金風險管理 *(續)*

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

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

流動資金比率於附註(A)披露。

(iii) 資本管理

本集團擬維持雄厚的資本來支持本集團審慎地開拓業務，務求使本集團之業務更多元化，其中包括在未來擴大分行網絡、增強客戶基礎，以及提供更多全新金融產品等，及符合法定之資本充足比率。在以上附註(A)披露，本集團於二零零四年十二月三十一日之經調整資本充足比率(包括市場風險)為18.22%及未經調整比率則為18.46%，實已遠高於法定最低要求。

(N) MANAGEMENT OF RISKS *(continued)***風險管理** *(續)***(iii) Capital management** *(continued)*

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

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

(iv) Market risk management**Market risk**

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

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

(iii) 資本管理 *(續)*

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

資本充足比率及資本基礎組成部分分別於附註(A)及(B)披露。

(iv) 市場風險管理**市場風險**

市場風險指市場息率及價格波動之風險，如本銀行資產、負債及承擔的息率及匯率等，會為本集團帶來溢利或虧損。市場風險產生於以目前市價計值（「按市價計值」）及以成本加任何應計利息計值（「權責發生制」）的金融工具。

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

(N) MANAGEMENT OF RISKS *(continued)***風險管理** *(續)***(iv) Market risk management** *(continued)***(iv) 市場風險管理** *(續)***Market risk** *(continued)***市場風險** *(續)*

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

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

Risk management**風險管理**

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

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

(N) MANAGEMENT OF RISKS *(continued)***風險管理** *(續)***(iv) Market risk management** *(continued)***(iv) 市場風險管理** *(續)***Risk management** *(continued)***風險管理** *(續)*

The Group uses a value-at-risk ("VaR") measure as a mean of controlling the Bank's market risk. The VaR is an estimate, with a defined confidence level, of the potential loss which might arise due to changes in the value of investment portfolios, if positions were held unchanged for one business day. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level. The Bank estimates the VaR of its investment portfolios with a confidence level of 95% and 99%. In addition, stress testing is performed on the portfolios and on a consolidated basis to assess the potential income statement impact as a result of extreme movements in market prices. The 95% and 99% VaR for the Bank's investment portfolio, including Hong Kong Exchange Fund Bills, at 31 December 2004 were HK\$5,105,726 (2003: HK\$15,357,335) and HK\$7,221,123 (2003: HK\$21,720,165) respectively. The average VaR at 95% and 99% confidence level for 2004 were HK\$11,707,428 (2003: HK\$11,738,378) and HK\$16,558,034 (2003: HK\$16,601,808) respectively.

本集團採取風險值(「風險值」)措施，以控制本銀行市場風險的方法。風險值乃一項對潛在虧損估計數字(其中包括明確的信心水平)。假設持倉量於一個營業日內維持不變，有關潛在虧損可能因投資組合的價值變動而上升。計算方式乃使用方差與協方差模式估計統計數字信心水平。本銀行預期其投資組合的方差與協方差的信心水平為95%及99%。此外，投資組合須接受壓力測試，並以綜合基準評估因市場價格極端變動對收益表的潛在影響。本銀行投資組合(包括香港外匯基金票據)之95%及99%水平風險值於二零零四年十二月三十一日分別為5,105,726港元(二零零三年：15,357,335港元)及7,221,123港元(二零零三年：21,720,165港元)。二零零四年度95%及99%信心水平之平均風險值分別為11,707,428港元(二零零三年：11,738,378港元)及16,558,034港元(二零零三年：16,601,808港元)。

Market risk exposure**市場風險承擔**

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

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

(N) MANAGEMENT OF RISKS (continued)**風險管理** (續)**(iv) Market risk management** (continued)**(iv) 市場風險管理** (續)**Market risk exposure** (continued)

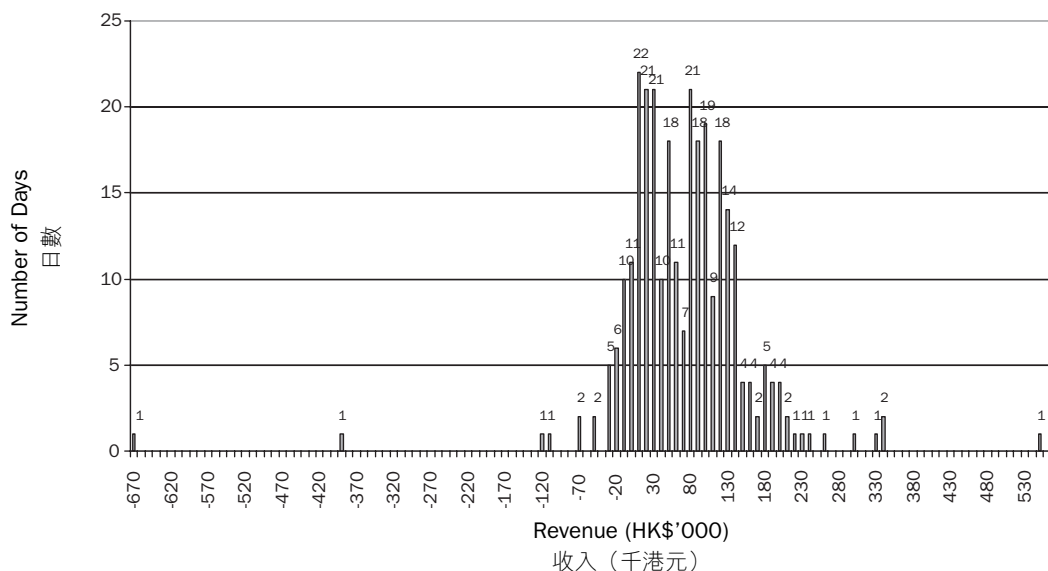
The Group's maximum market risk exposures are set by the Asset and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the year was HK\$75,775 (2003: HK\$62,120) and the standard deviation was HK\$90,323 (2003: HK\$65,785). An analysis of the Group's trading revenue is shown below:

市場風險承擔 (續)

本集團之最高市場風險承擔由資產及負債委員會訂定。並定期監控及向管理層匯報。年度內由財資交易活動中獲得的平均每日收益為75,775港元(二零零三年：62,120港元)，標準偏差為90,323港元(二零零三年：65,785港元)。本集團之交易收益分析如下：

Daily Distribution of Trading Revenue for the Year ended December 2004

截至二零零四年十二月止年度每日交易收益分佈



(N) MANAGEMENT OF RISKS (continued)

風險管理 (續)

(iv) Market risk management (continued)

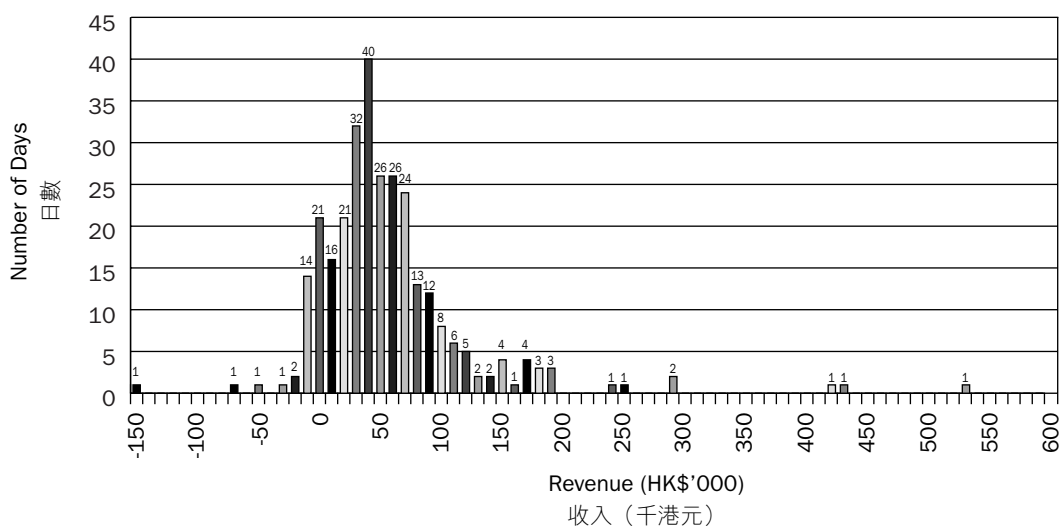
(iv) 市場風險管理 (續)

Market risk exposure (continued)

市場風險承擔 (續)

Daily Distribution of Trading Revenue for the Year ended December 2003

截至二零零三年十二月止年度每日交易收益分佈



This shows a maximum daily loss of HK\$662,554 (2003: HK\$146,714) with 29 days (2003: 20 days) out of 295 days (2003: 296 days) showing losses. The most frequent result was a daily revenue falling between HK\$10,000 to HK\$20,000 (2003: HK\$40,000 to HK\$50,000) with 22 occurrences (2003: 40 occurrences). The highest daily revenue was HK\$552,245 (2003: HK\$538,710).

以上圖表顯示於295天(二零零三年：296天)成交日中，29天(二零零三年：20天)錄得虧損，最高每日虧損662,554港元(二零零三年：146,714港元)。最頻密交易成績為每日收益為10,000港元至20,000港元(二零零三年：40,000港元至50,000港元)，並出現了22次(二零零三年：40次)。最高每日收益為552,245港元(二零零三年：538,710港元)。