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growth



annual report 2007 年年報

Fubon Bank (Hong Kong) Limited
富邦銀行(香港)有限公司
Stock Code 股份代號: 636

accolades

榮譽

Fubon Bank (Hong Kong) Limited ("Fubon Bank") is a subsidiary of Fubon Financial Holding Co., Ltd. ("Fubon Financial"), a leading financial services group in Taiwan which is engaged in corporate and investment banking, financial markets, consumer finance, wealth management, investment management and insurance. Fubon Bank operates 25 retail outlets in Hong Kong including 22 branches and 3 Securities Services Centres, and provides a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, hire purchase, securities brokerage and investment services. Fubon Bank is listed on The Stock Exchange of Hong Kong (stock code: 636) and holds an A-2 short-term, BBB+ long-term rating from Standard & Poor's. The rating reflects Fubon Bank's strong capitalization, good liquidity and sound asset quality.

富邦銀行（香港）有限公司（「富邦銀行」）是台灣富邦金融控股股份有限公司（「富邦金控」）的附屬公司。富邦金控是台灣一所具領導地位的金融控股公司，提供一系列全面金融服務，包括企業金融、金融市場、消費金融、財富管理、投資管理及保險服務。富邦銀行於香港透過 22 間分行及 3 間證券投資服務中心共 25 個零售據點為客戶提供全面的優質銀行服務，包括零售及商業銀行、財富管理、金融市場、租購、證券及投資服務。富邦銀行於香港聯合交易所上市（股份代號：636），並獲得標準普爾授予 A-2 短期及 BBB+ 長期信貸評級。該評級反映富邦銀行資本雄厚，流動資金充裕及資產質素優良。

For two consecutive years, Visa International has honoured the Bank as the first runner-up of the "Visa Discovery Award – New Merchant Opening" in March 2007. The Bank was also the first runner-up of the "Top Gold Hunter Award" in inter-bank competitions in the same month.

二零零七年三月，本行連續兩年奪得 Visa International 頒發的 Visa Discovery「新增信用卡商戶」亞軍。同月，本行亦在銀行同業比賽中奪得「追擊新商戶——終極金槍獎」亞軍。

The Bank was granted the "Outstanding Retail Sales Volume – Bronze Prize" by Visa International.

本行奪得由 Visa International 頒發的「傑出零售簽帳額大獎」之銅獎。

In 2007, the Hong Kong Council of Social Service awarded the 2007/08 Caring Company Logo to the Bank for the first time.

二零零七年，本行首次獲得香港社會服務聯會頒發 2007/08「商界展關懷」標誌。

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key milestones in 2007

二零零七里程碑

JANUARY 一月

01

On 29 January 2007, the Bank and FB Gemini Capital entered into the Share Subscription Agreement to subscribe for new shares in FB Gemini Capital for a consideration of HK\$5 million. The new shares represent 50% of the enlarged issued share capital of FB Gemini Capital.

本行於 2007 年 1 月 29 日與富耀融資有限公司訂立股份認購協議，並同意認購富耀融資有限公司新股，代價為 5 百萬港元。新股佔 FB Gemini Capital 經擴大已發行股本的 50%。



MAY 五月

05

Launch of a new corporate image campaign which themed on "Why Not", a new communication platform that substantiates the Bank's brand positioning "Value Banking".

以「Why Not」為主題，推出全新系列品牌廣告活動，為本行建立全新的溝通平台及落實本行的品牌定位——「所享 超出所想」。



Official opening of the Bank's office at Central Tower

中滙大廈的辦事處正式啟用

AUGUST 八月

08

Announcement of 2007 Interim Results

公布 2007 年度中期業績



Established a team of "Fubon Caring Ambassadors" and actively involved in social outreach programmes

成立「富邦關懷大使」義工隊伍，積極投入社區服務。



MARCH 三月

03

Announcement of 2006 Annual Results

公布 2006 年全年業績

APRIL 四月

04

2007 Annual General Meeting

2007 年股東週年常會



OCTOBER 十月

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"FB Investment Trust" was successfully approved by the SFC as the authorised collective investment scheme in Hong Kong

「富銀投資信託基金」成功地獲香港證監會認可為核准集體投資計劃

NOVEMBER 十一月

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On 30 November 2007, the Bank entered into the Sale and Purchase Agreement with Stoneleigh to buy the Sale Shares for a consideration of HK\$1.11 million which represent approximately 11.1% of the issued capital of Fubon Capital (formerly FB Gemini Capital). On the same day, the Bank and Fubon Capital entered into the Share Subscription Agreement to subscribe for the New Shares in Fubon Capital for a consideration of HK\$20 million. The new shares represent 66.67% of the enlarged issued share capital of Fubon Capital. Upon completion of both of the Agreements, the Bank will own approximately 87% of the issued share capital of Fubon Capital.

於 2007 年 11 月 30 日，本行與 Stoneleigh 訂立了買賣協議，並向 Stoneleigh 購買待售股份，代價為 111 萬港元。待售股份相當於富邦融資（前稱「富耀融資有限公司」）已發行股本約 11.1%。同日，本行與富邦融資訂立了股份認購協議並同意認購富邦融資的新股份，代價為 2 千萬港元。新股份相當於富邦融資經擴大已發行股本的 66.67%。於該等協議完成後，本行將擁有富邦融資已發行股本約 87%。



The Bank supported the *Taiwan Art Festival* organised by Kwang Hwa Information and Culture Center and sponsored one of the key programmes – the internationally acclaimed U-Theatre's premiere of *Sword of Wisdom*.

本行很榮幸贊助由光華新聞文化中心舉辦的「台灣藝術月」中之一個重要劇目——由享譽國際的「優人神鼓」在港作全球首演的《勇者之劍》。



DECEMBER 十二月

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Following last year's success, the Bank once again sponsored the exhibition – 2007 Hong Kong Art Buffet "one more, please" Contemporary Art Exhibition which was organised by Fubon Art Foundation. A series of education and promotion activities were held to raise public awareness on art appreciation.

承接去年，本行贊助由富邦藝術基金會主辦的 2007 香港藝術小餐車《同心童心》當代藝術展。一系列推廣公眾對藝術認識及欣賞的教育及宣傳活動亦同時舉行。



The Bank was awarded the 2007/08 Caring Company Logo by the Hong Kong Council of Social Service.

本行獲香港社會服務聯會頒發 2007/08「商界展關懷」標誌。



five-year financial summary

五個年度之財務概要

	2007 二零零七年	2006 二零零六年	2005 二零零五年	2004 二零零四年	2003 二零零三年
Profit and Loss Account (HK\$ Million) 損益表 (百萬港元)					
Profit before Taxation 除稅前溢利	517	391	274	338	150
Profit Attributable to Shareholders 股東應佔溢利	461	327	241	300	138
Consolidated Balance Sheet (HK\$ Million) 綜合資產負債表 (百萬港元)					
Total Equity 股東權益總額	4,121	3,979	3,749	3,703	3,784
Total Assets 總資產	60,623	53,347	49,804	45,761	37,889
Advances to Customers less Impairment 客戶貸款減減值	31,479	25,751	21,376	18,002	15,566
Customer Deposits and Medium Term Funding 客戶存款及中期資金	45,229	38,748	36,348	32,454	31,448
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)	0.39	0.28	0.21	0.26	0.12
Earnings per Share ¹ (Adjusted) 每股盈利 ¹ (經調整)	0.39	0.28	0.21	0.26	0.12
Selected Returns and Ratios (%) 盈利及百分比簡錄 (%)					
Return on Average Equity 平均股本回報率	11.43	8.47	6.48	8.02	3.66
Return on Average Assets 平均資產回報率	0.81	0.63	0.51	0.72	0.39
Capital Adequacy Ratio 資本充足比率	14.42	16.60	14.96	18.46	19.79
Average Liquidity Ratio (for December) 平均流動資金比率 (十二月)	44.08	46.43	47.49	50.06	57.89
Loan to Deposit Ratio 貸存比率	69.60	66.46	58.81	55.47	49.50

Note:

1. Earnings per share are calculated on profit attributable to shareholders of HK\$460,998,000 (2006: HK\$327,168,000) and on 1,172,160,000 (2006: 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.

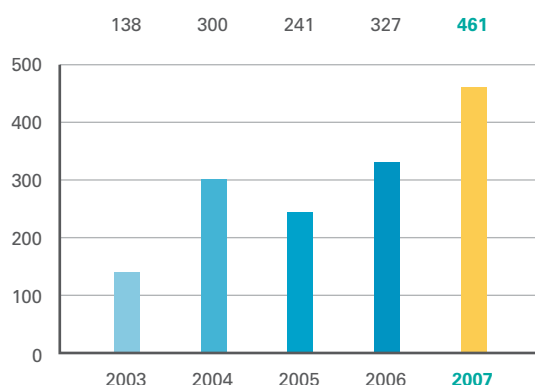
附註：

1. 每股盈利乃按年內股東應佔溢利 460,998,000 港元 (二零零六年：327,168,000 港元) 及於年內已發行普通股份 1,172,160,000 股 (二零零六年：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。

Profit Attributable to Shareholders

股東應佔溢利

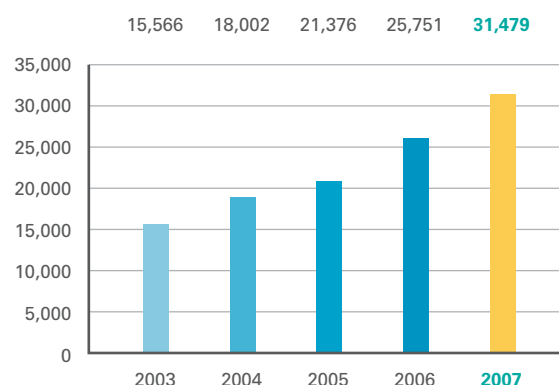
HK\$ Million (百萬港元)



Advances to Customers less Impairment

客戶貸款減減值

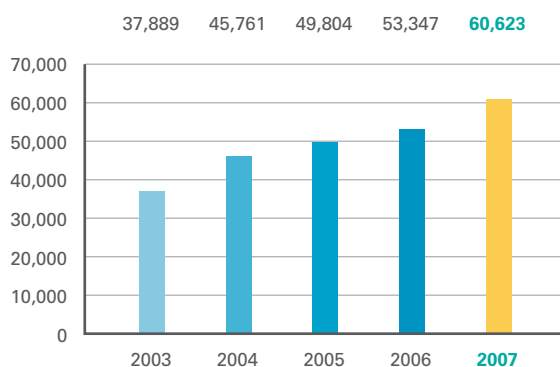
HK\$ Million (百萬港元)



Total Assets

總資產

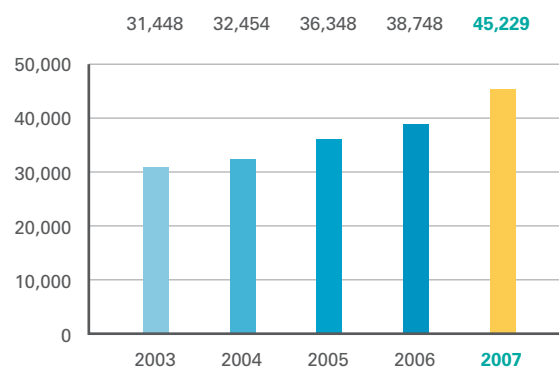
HK\$ Million (百萬港元)



Customer Deposits and Medium Term Funding

客戶存款及中期資金

HK\$ Million (百萬港元)



In 2007, the Bank achieved a net profit of HK\$460.9 million, an increase of 40.9% over 2006. The return on average assets was 0.81% and return on average equity was 11.43%. During the year total customer deposits and medium term funding increased 16.7% to HK\$45.2 billion. Advances to customers less impairment increased 22.2% to HK\$31.5 billion. Total assets increased 13.6% to HK\$60.6 billion. The Group had total equity of HK\$4.12 billion, and a capital adequacy ratio of 14.42%.

二零零七年，本銀行錄得純利 4.609 億港元，較二零零六年增加 40.9%。平均資產回報率為 0.81%，而平均股本回報率則為 11.43%。於本年度，客戶存款及中期資金總額增加 16.7% 至 452 億港元，客戶貸款減減值亦增加 22.2% 至 315 億港元。總資產增加 13.6% 至 606 億港元。本集團股東權益總額為 41.2 億港元，資本充足比率則達 14.42%。

board of directors

董事



Ming-Hsing (Richard) TSAI
蔡明興



Ming-Chung (Daniel) TSAI
蔡明忠



Jin-Yi LEE
李晉頤



Michael CHANG Ming-Yuen
張明遠



James YIP
葉強華



Victor KUNG
龔天行



David CHANG Kuo-Chun
張果軍



Robert James KENRICK
甘禮傑



Moses K. TSANG
曾國泰



Hung SHIH
石宏

Ming-Hsing (Richard) TSAI
Chairman

Aged 50. Mr. Tsai joined the Fubon Group in 1982. He is Vice Chairman of Fubon Financial Holding Co., Ltd. Mr. Tsai also acts as Chairman for Fubon Life Assurance Co., Ltd. and has over 20 years of experience in these businesses. He is currently also Chairman of Taiwan Fixed Network Co., Ltd. and Taiwan Mobile Co., Ltd., a provider of telecommunication services. Prior to this, Mr. Tsai was also 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 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 51. Mr. Tsai joined the Fubon Group in 1981. He is currently Chairman and Chief Executive Officer of Fubon Financial Holding Co., Ltd. as well as Chairman of Taipei Fubon Commercial Bank Co., Ltd. Mr. Tsai is also Vice Chairman of Taiwan Mobile Co., Ltd. and Taiwan Fixed Network Co., Ltd. and Chairman of 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 National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Hsing (Richard) Tsai. He became a Director of the Bank in February 2004.

Jin-Yi LEE
Executive Director

Aged 50. 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.

蔡明興
主席

五十歲。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。蔡先生亦擔任富邦人壽保險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。他現時亦為台灣固網股份有限公司及電訊服務供應商台灣大哥大股份有限公司的董事長。在此之前，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行董事。

蔡明忠
副主席

五十一歲。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及執行長，及台北富邦商業銀行股份有限公司之董事長。蔡先生現時亦擔任台灣大哥大股份有限公司及台灣固網股份有限公司的副董事長，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。他於二零零四年二月出任本行董事。

李晉頤
執行董事

五十歲。李先生於二零零四年七月獲委任為本行董事總經理兼行政總裁。李先生是位經驗豐富的銀行家，他於加入本行之前，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。

Michael CHANG Ming-Yuen
Executive Director

Aged 51. Mr. Chang joined the Bank in August 2004. He is the Executive Vice President and Head of Support and Risk Management Group, responsible for managing the operations, technology marketing services, information technology and risk management of the Bank. He is an Independent Director of Hua Xia Bank Co., Limited and a Director of Net Alliance Co. Limited. He is also an appointed member of the Deposit-Taking Companies Advisory Committee of the Hong Kong Monetary Authority. 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 Corporate Finance and 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. He is also a Chartered Financial Analyst. He became a Director of the Bank in April 2006.

James YIP
Executive Director

Aged 54. Mr. Yip joined the Bank in March 2006. He is the Executive Vice President and Head of Financial Markets Group of the Bank. He was previously the Regional Treasurer, Regional Head of Capital Markets at KBC Bank, NatWest Markets, Chemical Bank and Bank of America. He has over 25 years of senior management experience in Asian treasury and capital markets with major international banks in the Asia-Pacific region; as a result, Mr. Yip has lived and worked in Tokyo, Singapore and Sydney in addition to Hong Kong. Mr. Yip was a President of the Hong Kong Financial Markets Association. He was also the Asia-Pacific Representative for the Committee for Professionalism of the Association Cambiste Internationale from 1985 to 1990. Prior to joining the Bank, he was the Chief Executive Officer and the co-founder of iMarkets Limited. Mr. Yip holds a Master of Applied Finance Degree from Macquarie University, Australia. He became a Director of the Bank in July 2006.

張明遠
執行董事

五十一歲。張先生於二零零四年八月加盟本行，為本行執行副總裁兼營運風險及後勤支援部主管，負責管理本行的營運支援、科技推廣服務、資訊科技及風險管理。他是華夏銀行股份有限公司的獨立董事及網聯（香港）有限公司之董事。他亦是香港金融管理局接受存款公司諮詢委員會之委員。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，擔任企業融資及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主管，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。他亦是一位特許金融分析師。他於二零零六年四月出任本行董事。

葉強華
執行董事

五十四歲。葉先生於二零零六年三月加盟本行，為本行執行副總裁兼金融市場部主管，過去曾擔任 KBC Bank、NatWest Markets、Chemical Bank 及美國銀行等銀行之地區司庫兼資本市場地區總監。他在亞洲財資及資本市場具有逾二十五年的高層管理經驗，曾服務於亞太區內主要的國際性銀行。因此，葉先生亦曾被派駐香港以外例如東京、新加坡及悉尼等地。葉先生是香港財資市場公會前會長，過去亦曾擔任國際財資市場公會專業操守委員會的亞太區代表。加盟本行前，他為 iMarkets Limited 的創辦人之一，並擔任其行政總監一職。葉先生持有澳洲麥覺理大學應用財務碩士學位。他於二零零六年七月出任本行董事。

Victor KUNG*Non-executive Director*

Aged 51. Mr. Kung joined the Fubon Group in 2000, currently serves as Director and President of Fubon Financial Holding Co., Ltd. He first joined Fubon Insurance Co., Ltd. as a Director and Senior Advisor before becoming President of Fubon Financial Holding Co., Ltd. Prior to this, he was the Executive Vice President of Walden International Investment Group, specialising in private equity investments, and an Executive Director at the private equity investment arm of Citicorp Capital Asia. He is also Chairman of Fubon Asset Management Co., Ltd. and Director of Taipei Fubon Commercial Bank Co., Ltd. and Fubon Insurance Co., Ltd. Mr. Kung holds both a Master of Business Administration in Finance (1988) and a Master in Economics Degree (1982) from New York University. He became a Director of the Bank in February 2004.

David CHANG Kuo-Chun*Non-Executive Director*

Aged 48. Mr. Chang is the Head of Financial Markets Group and Co-Head of Wealth Management Group of Fubon Financial Holding Co., Ltd. He is also the President and Director of Fubon Securities Co., Ltd. since June 2006. Before joining Fubon Financial Holding Co., Ltd., Mr. Chang was responsible for the overall business of Goldman Sachs in Taiwan. He was appointed Regional Manager for Private Wealth Management Department of Goldman Sachs in Hong Kong in 1997 and became a Managing Director in 1998. Mr. Chang became the Head of Investment Banking and Branch Manager for Goldman Sachs Taipei office in June 2000. Mr. Chang is currently a Director of Taipei Fubon Commercial Bank Co., Ltd. and The Taiwan Stock Exchange Inc. Mr. Chang holds a Master of Business Administration Degree from Columbia Business School. He became a Director of the Bank in January 2008.

Robert James KENRICK*Independent Non-executive Director*

Aged 60. 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.

龔天行**非執行董事**

五十一歲。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董事及總經理。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。龔先生亦是富邦證券投資信託股份有限公司之董事長，及台北富邦商業銀行股份有限公司及富邦產物保險股份有限公司之董事。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）。他於二零零四年二月出任本行董事。

張果軍**非執行董事**

四十八歲。張先生現為富邦金融控股股份有限公司之金融市場事業群負責人及財富管理事業群共同負責人。自二零零六年起他亦為富邦綜合證券股份有限公司之總經理及董事。於加入富邦金融控股股份有限公司以前，張先生負責管理高盛集團於台灣之整體業務。他於一九九七年被委任為香港高盛私人財富管理部之區域經理及於一九九八年成為董事總經理。張先生於二零零零年六月成為高盛台北辦事處投資銀行部負責人及分行經理。張先生現為台北富邦銀行股份有限公司及台灣證券交易所之董事。張先生持有哥倫比亞商學院之工商管理學碩士學位。他於二零零八年一月出任本行董事。

甘禮傑**獨立非執行董事**

六十歲。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行董事。

Moses K. TSANG*Independent Non-executive Director*

Aged 59. 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 53. Mr. Shih is the Managing Director of China Renaissance Capital Investment Limited. He was previously a Managing Director and the China Country Head of UBS AG. 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**

五十九歲。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行董事。

石宏**獨立非執行董事**

五十三歲。石先生現為崇德基金投資有限公司董事總經理。在此之前，他是 UBS AG 董事總經理兼中國區域主管。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行董事。

senior management

高級管理層

Jin-Yi LEE

Managing Director and Chief Executive Officer
(Biographical details are set out on page 8)

李晉頤

董事總經理兼行政總裁
(資料詳情見第 8 頁)

James YIP

Executive Vice President and Head of Financial Markets Group
(Biographical details are set out on page 9)

葉強華

執行副總裁兼金融市場部主管
(資料詳情見第 9 頁)



Jin-Yi LEE 李晉頤



Michael CHANG Ming-Yuen 張明遠



James YIP 葉強華



Francis YEUNG Wai Hung 楊偉雄

Michael CHANG Ming-Yuen

Executive Vice President and Head of Support and Risk Management Group
(Biographical details are set out on page 9)

張明遠

執行副總裁兼營運風險及後勤支援部主管
(資料詳情見第 9 頁)

Francis YEUNG Wai Hung

Executive Vice President and Head of SME Division

Aged 52. Mr. Yeung obtained his Master of 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.

楊偉雄

執行副總裁兼中小企業部主管

五十二歲。楊先生持有英國雅斯頓大學工商管理碩士學位。他於一九八九年加入本行前，曾於香港多間主要外資銀行服務，在租購及租賃業務方面具有逾二十年經驗。

Paul AU Chi On

Senior Vice President and Head of Marketing -
Financial Markets

Aged 40. Mr. Au graduated from the University of Illinois at Urbana-Champaign, U.S.A. with a Bachelor of Arts Degree in Economics. He oversees the development of treasury products, formulates marketing strategies and distribution of these products via various channels. Mr. Au has been in the financial industry for over 16 years specialising in spot foreign exchange trading and derivatives across different asset classes. Prior to joining the Bank in 2002, he worked with several major banks including Dah Sing Bank, Fuji Bank, and Royal Bank of Scotland.

區子安

高級副總裁兼金融市場部市場推廣主管

四十歲。區先生畢業於美國伊利諾大學，持有經濟學學士學位。他負責發展財資產品、制定市場策略及透過多種渠道分銷此等產品。區先生於金融界擁有逾十六年的豐富經驗，對現貨外匯交易及衍生工具市場尤為熟悉。他於二零零二年加盟本行前，曾於多間主要銀行工作包括大新銀行、富士銀行及蘇格蘭皇家銀行。



Paul AU Chi On 區子安



Betty CHAN Pik Ha 陳碧霞

Betty CHAN Pik Ha

Senior Vice President and Head of Corporate
Communications

Aged 46. Ms. Chan is responsible for managing the communications function and investor relations for the Bank. Ms. Chan has more than 15 years of experience specialising in corporate and marketing communications while working for several major financial institutions and international accountancy firms in the region. Before joining the Bank, Ms. Chan worked for Ernst & Young China as Director - Marketing. She obtained a Bachelor Degree in Economics from Manchester University in the U.K. and a M. Sc. in Marketing from the University of Manchester, Institute of Science & Technology.

陳碧霞

高級副總裁兼企業傳訊部主管

四十六歲。陳女士專責處理本行的傳訊事務及投資者關係。她曾服務於區內多家主要的金融機構及國際會計師事務所，在企業傳訊及市場推廣方面累積了超過十五年的豐富專業經驗。她在加盟本行前，於安永中國擔任業務拓展總監一職。陳女士持有英國曼徹斯特大學經濟學學士學位及曼徹斯特大學科技學院市場學碩士學位。

Richard C CHEN

Senior Vice President and Head of Wealth Management
Group (Products)

Aged 50. Mr. Chen is responsible for the business of Wealth Management - Products. He joined Fubon Group as the President of Fubon Securities USA and Fubon Asset Management USA, both firms that he set up and managed since 2004, and was transferred to HK in 2007. Mr. Chen has extensive experiences in banking, securities, and investment business. Mr. Chen worked for Core Pacific Securities USA and Lippo Bank where he was Chief Executive Officer and Senior Vice President respectively. Mr. Chen obtained his LLB from National Taiwan University, MCL and MBA from Southern Methodist University, USA.

陳其盛

高級副總裁兼財富管理部（產品）主管

五十歲。陳先生專責財富管理產品。他於二零零四年設立富邦證券（美國）公司及富邦資產管理（美國）公司，並擔任總經理，及至二零零七年調任本行。陳先生在銀行、證券及投資界有廣泛經驗。他曾經擔任京華山一證券（美國）總經理及力寶（美國）銀行高級副總裁。陳先生畢業於國立台灣大學法律系並持有美國南新法大學比較法學碩士學位及商業行政碩士學位。



Richard C CHEN 陳其盛



Edward CHIU Tak Wah 周德華

Edward CHIU Tak Wah

Senior Vice President and Head of Operations Division

Aged 45. Mr. Chiu is responsible for managing all operations functions of the Bank. Mr. Chiu has extensive banking, consultancy and financial services operation experiences in Asia Pacific, Europe and the People's Republic of China while working for several major financial institutions including HSBC and Standard Chartered Bank. Before joining the Bank, Mr. Chiu worked for Dah Sing Bank as Assistant General Manager in charge of operations development and product support areas and was the Head of China Customer Services Group while with AIG - American International Underwriters Limited in the PRC. He obtained a Bachelor Degree from the King's College London - University of London and a Master (Econ) Degree in London School of Economics and Political Science - University of London.

周德華

高級副總裁兼營運部主管

四十五歲。周先生主管本行的營運部。他在銀行營運、管理顧問及金融服務方面擁有豐富經驗，曾任職於亞太區、歐洲及中國等地的多家金融機構包括香港上海滙豐銀行及渣打銀行。他在加入本行前，曾任大新銀行助理總經理兼營運發展及產品服務部主管，以及美國國際集團—美亞保險中國區業務顧客服務營運部主管。他持有英國倫敦大學英皇學院理學士學位及倫敦大學經濟及政治學院經濟學碩士學位。

Dennis HA Yiu Fai

Senior Vice President and Head of Legal Division

Aged 50. Mr. Ha graduated from the University of London with a Bachelor of Laws degree in 1982 (Queen Mary College) and a Master of Laws degree in 1983 (University College). He is a fellow member of the Institute of Chartered Secretaries and Administrators, UK and the Hong Kong Institute of Chartered Secretaries. Mr. Ha has over 20 years' experience practising in England, Australia and Hong Kong, both in private practice and as in-house counsel in international financial institutions like Westpac, HSBC and JPMorgan. Prior to joining the Bank in 2007, he was the company secretary of China Construction Bank.

夏耀輝

高級副總裁兼法律部主管

五十歲。夏先生於倫敦大學法律系畢業，1982年獲法律學士學位 (Queen Mary College)，1983年獲法律碩士學位 (University College)，他亦是英國特許秘書及行政人員公會及香港特許秘書公會的資深會員。夏先生曾在英格蘭、澳大利亞及香港執業逾20年，擔任私人執業律師及 Westpac、滙豐、JP 摩根等國際金融機構內部法律顧問。在2007年加入本行前，他是中國建設銀行的公司秘書。

Eddy LAU Ming Fai

Chief Internal Auditor and Head of Internal Audit Division

Aged 45. Mr. Lau is an experienced professional with over 20 years of solid working experience in external audit, banking supervision and bank internal audit field. He is a member of the Hong Kong Institute of Certified Public Accountants, fellow member of the Association of Chartered Certified Accountants, member of the Hong Kong Securities Institute and a Certified Information Systems Auditor. Mr. Lau has a Master degree in Business Administration from the University of Warwick, U.K. and a Bachelor of Social Science degree from the University of Hong Kong.

柳銘輝

首席內部審核兼內部審核部主管

四十五歲。柳先生擁有超過二十年豐富的外聘審計、銀行監理及銀行內部審核經驗。他為香港會計師公會會員、英國特許公認會計師公會資深會員、香港證券專業學會會員及國際訊息系統審計師。柳先生持有英國華威大學工商管理碩士學位及香港大學社會科學學士學位。



Dennis HA Yiu Fai 夏耀輝



David LAM Yiu Chau 林耀就



Eddy LAU Ming Fai 柳銘輝



Agnes NG Yuen Ming 伍婉明

David LAM Yiu Chau

Senior Vice President and Head of Financial Control Group

Aged 58. Mr. Lam has over 25 years of senior management experience with major international banks. He previously worked in Mantrust (now JP Morgan Chase) and BNP Paribas. During his career with BNP Paribas, he has worked and lived in Paris, London and Singapore in addition to Hong Kong. In Singapore, he was Regional Head of Administration at Paribas Singapore in charge of Finance, Operations, Human Resources and Technology for over 3 years. He holds a Doctor Degree in Business Administration in Hong Kong Polytechnic University and a Master Degree in Financial Management in National University of Ireland, Dublin. He is a member of the Hong Kong Institute of Certified Public Accountants.

林耀就

高級副總裁兼財務管理部主管

五十八歲。林先生具有逾二十五年以上的高層管理經驗，他過去曾工作於 Mantrust（現稱 JP 摩根大通）及法國國家巴黎銀行等主要的國際性銀行。他在法國國家巴黎銀行擔任多項歐洲及亞洲區要職，曾於香港、巴黎、倫敦及新加坡工作。他曾出任新加坡法國國家巴黎銀行區域行政主管逾三年，主要工作為主管財務管理部、營運部、人力資源部及科技部門。他持有香港理工大學的商科管理博士，並持有愛爾蘭國立都柏林大學財務管理碩士學位，他亦為香港會計師公會成員。

Agnes NG Yuen Ming

Senior Vice President and Head of Business Technology Management

Aged 46. Ms. Ng is in charge of the development and formulation of the Bank's information technology strategy and direction to enable and support the Bank's dynamic business growth. Ms. Ng possesses 26 years of solid experience in information technology consulting and outsourcing services. Before joining the Bank in 2006, she was the Managing Director of EDS Hong Kong. She had also held senior management positions in leading international information technology and insurance companies in Hong Kong and the United States. She obtained her MBA in Business Marketing from the City University of New York and her Bachelor Degree in Computer Science and Applied Mathematics from the New York State University at Albany.

伍婉明

高級副總裁兼營運技術管理部主管

四十六歲。伍女士專責發展及制定本行的資訊科技發展策略及方向，以促進及支援本行不斷擴展的業務及營運需要。伍女士擁有二十六年豐富的資訊科技服務經驗，範圍遍及顧問服務及外判系統開發。於二零零六年加盟本行前，她為電子資訊系統（香港）有限公司的董事總經理，並曾經在香港及美國等地多間國際資訊科技及保險公司擔任高級管理職位。她持有紐約市立大學商業市場推廣工商管理碩士學位及奧爾巴尼市紐約州立大學電腦科學及應用數學學士學位。

Aubrey WANG Chih-Wei

Senior Vice President and Head of Corporate Banking

Aged 45. Ms. Wang had been with HSBC in Taiwan for over 10 years where she held senior positions in the areas of multinational portfolios, Commercial Banking and Corporate Relationship Management. Before joining the Bank, Ms. Wang worked for HSBC Hong Kong as Senior Vice President, Taiwan Business Development. Ms. Wang obtained a Master of Business Administration Degree from American Graduate School of International Management, U.S.A.

王之瑋

高級副總裁兼企業金融部主管

四十五歲。王女士於二零零五年加入本行前曾於台灣及香港兩地的滙豐銀行，擁有超過十年跨國投資組合管理、商業銀行及客戶關係管理的豐富管理經驗。王女士持有美國亞里桑那州國際管理學院工商管理碩士學位。

Vivian YOUNG Lai Hau Sau

Senior Vice President and Head of Human Resources

Aged 53. Mrs. Young has worked in the human resources field for over 20 years, primarily with an investment bank in Hong Kong where her last position was Senior Vice President, Head of Human Resources - Greater China. Before joining the Bank in 2005, she had worked for an international consultant firm as a human resources consultant. She holds a Postgraduate Diploma in Personnel Management from Manchester Polytechnic in England.

楊黎孝修

高級副總裁兼人力資源部主管

五十三歲。楊太擁有逾二十年人力資源管理的豐富經驗。她曾是本港一所投資銀行大中華區的人力資源部主管及高級副總裁。她於二零零五年加入本行前，曾任一國際顧問公司的人力資源顧問。楊太持有英國曼徹斯特理工大學人事管理文憑。



Aubrey WANG Chih-Wei 王之瑋



Carmen YIP Ka Man 葉嘉敏



Vivian YOUNG Lai Hau Sau 楊黎孝修

Carmen YIP Ka Man

Senior Vice President and Head of Wealth Management Group (Sales and Distribution)

Aged 43. 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 promoted to Regional Manager and then to her current position overseeing the sales and distribution of wealth management products encompassing Ambassador Banking and general banking business.

葉嘉敏

高級副總裁兼財富管理部（銷售）主管

四十三歲。葉女士持有香港大學社會科學學士學位。她曾任多間本地及外資銀行管理要員，擁有豐富的零售銀行服務經驗。她在二零零零年一月加盟本行，出任中環總行經理，其後獲擢升為分區主管，現掌管財富管理產品的銷售和分銷工作，範圍涵蓋 Ambassador Banking 理財服務及一般銀行業務。

chairman's statement

主席匯報



2007 was a year of continued rapid growth. We have made great progress on our strategic journey and firmly established the Bank as the regional financial platform for Fubon Financial. The Bank will continue to harness the collective strength within the Fubon Group and expand our customer franchise, thereby creating the fundamentals for long-term sustainable growth.

二零零七年為展現增長的一年。本行在策略上取得重大的進展，確立了本行作為富邦金融的區域金融平台。本行將繼續發揮富邦集團的集結力量，加強客戶基礎的優勢，為永續增長奠定良好的基礎。

DELIVERING GROWTH

2007 was a year of continued rapid growth and strong financial performance. We have made great progress on our strategic journey and firmly established the Bank as the regional financial platform for Fubon Financial. We have made great strides in expanding our businesses, enhancing product capabilities and reinforcing infrastructure. Our relentless pursuit of optimising our balance sheet, shifting our business mix toward higher risk-adjusted returns, and building recurring income has produced consistent and sustainable earnings growth. I am very pleased to report that we delivered another year of record income and profits. Net interest income increased 23% to HK\$854 million, underpinned by strong loan growth of 22% and net interest margin expansion from 1.44% to 1.65%. Other operating income demonstrated very strong growth of 32% to HK\$568 million, mainly driven by the wealth management business. Net earnings recorded a satisfactory increase of 41% to HK\$461 million. Earnings per share were up 41% at 39.33 Hong Kong cents.

With the increasing demand for wealth management services in the region, we restructured the Wealth Management Group in March 2007. Our mission is to establish a wealth management platform that can fulfill the increasingly sophisticated needs of our high net worth customers, offer an unmatched customer experience, and ultimately establish ourselves as a leading wealth management service provider in the region. Enhancements were made in our capabilities in product innovation and investment advisory. Customer segmentation strategies were refined to cater for the unique wealth management needs of different customer segments. Cross-selling efforts between our various business divisions were being stepped up. The above initiatives have proven to be successful. Both our customer base and assets under administration grew by 24%.

展現增長

二零零七年為持續迅速增長及財務表現強勁的一年。我們在策略上取得重大的進展，確立了本行作為富邦金控的區域金融平台。我們在業務的擴展、產品能力的提升及基礎設施的加強方面均向前邁進一大步。本行努力優化資產負債表、將業務組合轉化為風險調整後回報較高的組合，以及創造經常性收入，帶來持續、穩定的盈利增長。本人欣然公布本行今年的收入和盈利再刷新紀錄。淨利息收入增加 23% 至 8.54 億港元，此乃受惠於貸款大幅增長 22%，以及淨息差由 1.44% 擴大至 1.65% 所致。受到財富管理業務所帶動，其他營運收入上升 32% 至 5.68 億港元。淨溢利取得令人滿意升幅，達 41% 至 4.61 億港元。每股盈利上升 41% 至 39.33 港仙。

隨著區域內對財富管理服務的需求增加，本行於二零零七年三月對財富管理部門進行重組。我們堅負的使命是建立一個財富管理的平台，以滿足高資產值客戶漸趨複雜的理財需求，提供客戶無與倫比的服務經驗，最終目的將本行打造成為區域內財富管理服務的領導者。為此，本行不斷提升產品創新能力和加強投資顧問服務；同時重新調整客戶分層的策略，以迎合不同客戶層不同的財富管理需要。在各個業務部門之間亦加大了交叉銷售的範圍力度。上述種種措施均見成效，客戶基礎和資產管理總值同告上升 24%。

The Bank's Taiwan-related business continued to deliver robust growth and already contributed 34% of the Bank's pre-provisioning profits. Taiwan-related loans and deposits accounted for 18% and 21% respectively of the Bank's total loans and deposits in 2007, compared to 10% and 16% a year ago. Given the Bank's special niche in serving Taiwanese enterprises and individuals who are working or doing business in the HKSAR and the People's Republic of China, and backed by strong ties from Fubon Financial, the Bank is uniquely positioned to capture growing trade and investment flows between Taiwan, Hong Kong and Mainland China.

During 2007, we continued to improve the way we work, upgrading our infrastructure and processes to improve our services to customers, to achieve greater productivity and to enhance our operational effectiveness. The Internet banking platform has been enhanced to strengthen the system security, capacity and resilience to cater for the rising volume of Internet banking transactions. These investments underpin the Bank's ability to grow consistently at the impressive rate that it has been achieving. To cope with the long-term business strategy, the Bank developed a three-year Information Technology (IT) Roadmap to ensure that IT supports and enables the achievement of its business strategies and objectives. Embedded in the IT Roadmap is the implementation of a CRM platform which will greatly boost the Bank's capability in moving towards a customer-centric organization offering differentiating services to its customers.

While modern technology has helped to transform the banking sector, we are ultimately still a people-driven business. The Bank has long recognized that employees are our most valuable asset. Our ability to attract, retain, develop and engage our talent is firmly on the Bank's agenda. As we expand, our goal is to embed a set of firm values into the organisation so that we will, in time, develop a distinctive customer and business-driven culture. During the year, the Bank launched a bank-wide initiative called "Why Not

本行台灣相關業務持續增長強勁，在末計減值虧損前溢利方面帶來 34% 比重的貢獻。台灣相關貸款及存款於二零零七年分別佔本行總貸款額及存款額 18% 及 21%，高於二零零六年的 10% 及 16%。在與富邦金控緊密聯繫下，本行在服務台灣的企業及服務在中港兩地工作或經商的個人客戶方面均具有特殊優勢，讓本行能充分把握兩岸三地之間不斷增加的貿易及投資流量所帶來的商機。

二零零七年，我們持續在工作方式，基礎設施提升及流程各方面進行改造，以提高服務客戶的水平，達到更高的生產力和強化營運的效率。本行提升了網上銀行的平台，強化系統安全性、容量和彈性，以應付日益增加的網上銀行交易量。這些相關投資令本行能不斷的以顯著成長幅度前進。為了配合長期的業務策略，本行釐定了三年的資訊科技發展藍圖，確保資訊科技足夠支援本行達成預期的業務策略及目標。資訊科技發展藍圖的核心內容是要落實客戶關係管理平台，這將大大提高本行服務客戶的能力，為不同層面的客戶提供不同組合服務，使本行成為一家真正以客為尊的金融機構。

儘管現代的科技已令銀行業轉型，惟我們的基礎仍是以人為本。本行深切明瞭員工是我們最寶貴的資產，因此，如何吸納、挽留和發展好的人才，並使這些人才全情投入工作，絕對是本行的重要事項。隨著業務不斷的擴充，我們的目標是將一套明確的價值觀注入機構內，建立以客為先和業務主導的文化。年內，本行推行了一個命名為「Why Not Campaign」的全行性活動，與品牌對外推廣活動互相配合，強化我們對「所享 超出

Campaign" in line with its external branding campaign to strengthen our commitment to "Value Banking". "Why Not" is about a can-do attitude, a reminder to take steps to overcome obstacles that will block our way to success. An advertising campaign together with a series of exciting internal communications and training programmes were kicked off following a town-hall meeting.

Giving back to the community in which we operate is an important part of the Bank's corporate philosophy. We have chosen to focus our community relations on the fields of promoting art and culture, support for the underprivileged and environmental awareness and protection. In 2007, we set up the "Fubon Caring Ambassador Programme" to encourage our employees to engage in social outreach activities. The Bank was awarded the 2007/08 Caring Company Logo by the Hong Kong Council of Social Service in recognition of its efforts in caring for the community.

The business environment in 2008 will be fairly challenging, as the sub-prime crisis continues to affect the US economy and as a series of austerity measures adopted on the Mainland during 2007 begin to take hold. Going forward, we are determined to harness the collective strength within the Fubon Group as we face the ever-changing competitive landscape. We will continue to drive our business forward, strengthen our customer franchise, and vigorously pursue our expansion into China. By doing so, we will create the fundamentals for long-term sustainable growth.



Ming-Hsing (Richard) TSAI

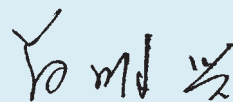
Chairman

March 2008

所想」的服務承諾。「Why Not」精神指的是樂觀進取的態度，提醒大家多走一步，克服阻撓我們邁向成功之路的一切障礙。配合有關主題，本行除了舉行一項全體員工的大型活動，更接著配合一連串的內部溝通和培訓計劃，以及外部廣告宣傳攻勢，落實整個「Why Not Campaign」理念。

「取之社會 · 用之社會」是本行企業理念的重要部分。我們推動的社區關係，尤其著重推廣藝術與文化、扶助弱勢社群，以及倡導環境保護。二零零七年，我們設立了「富邦關懷大使計劃」，鼓勵員工參與社會外展活動。本行榮獲由香港社會服務聯會頒發的二零零七／零八年商界關懷標誌，以表認同本行關懷社會方面所作出的努力。

二零零八年的經營環境頗具挑戰性，次按危機持續影響美國經濟，而中國於二零零七年所推出一系列的宏調措施效用亦逐漸浮現。展望未來，面對著迅速變化的競爭形勢，本行將充分發揮富邦集團的集結力量，繼續驅動業務向前，加強客戶基礎的優勢，以及致力尋求內地市場的拓展機會。本行盼藉此為永續增長奠定良好的基礎。



蔡明興

主席

二零零八年三月

management discussion & analysis

管理層討論及分析

HONG KONG AND CHINA ECONOMIC OVERVIEW AND ECONOMIC FORECAST

Hong Kong's Economy

Hong Kong's economy stayed vibrant in 2007, with real GDP growing by 6.3%. This represented an acceleration from the 6.1% growth in the first half of the year and was distinctly above-trend growth.

Merchandise exports grew notably during the year. Merchandise exports to Mainland China and many other emerging markets performed well, while those to the EU grew further, but exports to the US and Japan were lackluster. Meanwhile, the growth of exports of services accelerated further, reflecting strong inbound tourism, active financial market activities and a continued surge in offshore trade.

Domestic demand played a key role in driving the economy during the year. Private consumption spending grew strongly, supported by an improving job market and rising household income. Overall investment spending expanded further, albeit at a slower pace. Yet business sentiment in almost all sectors remained buoyant.

With the economy sustaining strong growth momentum, the unemployment rate edged down to 3.4% at the end of the year. As labour market conditions tightened, wages and earnings picked up somewhat. Job vacancies continued to surge.

With the full-fledged economic upturn over the year, inflation has been climbing up gradually. The headline CPI inflation averaged 2.0% in 2007, and the underlying inflation at 2.8% after netting out the effects of the rates concession and the waiver of public rentals in February. Higher food prices, the weakness of the US dollar and, along with it, Renminbi appreciation, as well as the recent resurgence in oil prices should also lead to a slight pick-up in inflation in the near term. The fact that the rise in imported inflation is more readily passed through to consumers actually reflects the current strength of local consumption. Yet sustained rapid increase in labour productivity and continued expansion in productive capacity on the supply side would continue to provide an alleviating effect.

香港與中國經濟概覽及預測

香港經濟

二零零七年，香港經濟保持活躍，實質本地生產總值增長 6.3%，顯示下半年較上半年 6.1% 的增長速度更快，並明顯地高於趨勢增長。

年內，本港商品出口顯著上升，其中對中國內地及多個其他新興市場的商品出口表現理想，對歐盟的出口亦進一步增長，但對美國及日本的出口則較為呆滯。同時，服務出口的增長進一步加快，反映入境旅遊業強勁、金融市場活躍及境外貿易持續暢旺。

年內，內部需求成為帶動經濟增長的主力。在就業市場改善、家庭收入上升的支持下，私人消費開支增長強勁。整體投資開支則以較低的幅度進一步擴大。然而，大多數行業的氣氛持續暢旺。

在經濟增長勢頭持續強勁下，失業率於年底下降至 3.4%。勞工市場緊張，令工資與收入有所增長。職位空缺不斷大增。

由於年內經濟全面向好，通脹率逐步上升。二零零七年的消費物價指數平均為 2.0%，扣除二月份寬減差餉及豁免公屋租金的影響後，基本通脹率為 2.8%。食品價格上升、美元疲弱和人民幣升值，以及近期油價再度攀升，亦帶動近期通脹輕微上升。進口通脹升幅較容易轉嫁至消費者，正好反映現時本地消費強勁。然而，勞動生產力持續急升及供應面的產能不斷擴大，將繼續帶來紓緩作用。

除非外圍環境急劇逆轉，二零零八年的經濟料會有進一步的良好增長。內部需求可能繼續成為整

Barring any abrupt adverse changes in the external environment, the economy looks set for further good growth in 2008. Domestic demand is likely to remain as a key driving force in overall economic activity. Consumer spending will continue to hold up well in tandem with upbeat consumption sentiment, rising incomes and strong household financial positions. With activity expansion continuing apace, business investment is poised for further expansion in the months ahead.

The global credit market turbulence, which began in August last year, while causing greater volatility, has begun to affect local financial markets. While the Hong Kong economy was relatively unscathed, the external trading environment has turned more uncertain, and the repercussions of the credit market turbulence have yet to play out fully.

Many external factors will continue to weigh on Hong Kong's future economic performance which will likely result in real GDP growth of 4 - 5% in 2008, with good local demand offsetting in part the negative impact of a weaker US economy.

China's Economy

China's economy was remarkably robust in 2007, with real GDP expanding by 11.4% compared with 11.1% in 2006. Although growth moderated during the year, due to monetary tightening and the introduction of administrative measures, the economy performed well in the face of many challenges both internally and externally.

Growth contributed by domestic demand trended up steadily throughout 2007, with real retail sales peaking at 13.8% in December while nominal urban incomes rose sharply – partially aided by strong investment income. The surge in domestic demand helped offset the diminishing contribution from net exports from the middle of the year. A moderation in industrial production appeared to have reflected a significant deceleration in export demand, while import growth held up well as domestic demand remained strong. Reflecting this trend, the growth rate of industrial sales for exports continued to trend down during the year, widening the gap with

體經濟的主要動力。消費開支將受消費情緒良好、收入上升及家庭經濟狀況強勁帶動而持續向上。在經濟活動不斷擴張下，未來數月的商業投資將進一步擴大。

全球信貸市場自去年八月開始動盪，當引致市況波動加劇時，本地金融市場亦被波及。香港經濟相對所受影響不大，然而對外貿易環境變得更欠明朗，信貸市場動盪的影響尚未完全浮現。

多項外在因素將繼續為香港未來的經濟表現帶來隱憂，預期二零零八年的實質本地生產總值將增長 4 - 5%，本地的穩定需求將抵銷部份美國經濟疲弱所帶來的影響。

中國經濟

中國經濟於二零零七年的表現非常強勁，實質本地生產總值增長 11.4%，二零零六年則為 11.1%。儘管年內當局收緊貨幣政策及推出宏調措施，導致增長放緩，惟中國經濟在面對內外挑戰下仍然表現理想。

二零零七年，中國經濟在內部需求帶動下穩步增長，十二月份的實質零售銷售額增長達 13.8% 的高位，而市區居民的名義收入大幅增加，部分來自強勁的投資收入。內部需求急升有助彌補出口淨額自年中起下降的影響。工業生產放緩，反映出口需求大幅減慢，但內需保持強勁，使進口增長表現堅穩。由於這種趨勢，工業出口銷售的增長率於年內繼續下跌，與工業內部銷售的差距擴大。儘管出口放緩，年內的整體貿易盈餘仍達 2,600 億美元。由於美國經濟不景或會波及全球，影響需求，故二零零八年的出口增長或會明顯放緩，使二零零八年的貿易盈餘可能收窄。

that of industrial sales for domestic use. Despite the deceleration in exports, the trade surplus still reached US\$260 billion for the year as a whole. As export growth will likely slow significantly in 2008, as a US-led global downturn affects demand, the trade surplus could narrow during 2008.

Fixed asset investment slowed markedly throughout 2007 as the authorities prioritised projects and heightened administrative controls. These controls were extended to loan accumulation, which slowed to a 16% pace in December from the peak growth in October of 17.7%. Interest rates were raised six times during the year in an effort to rein in bank lending.

China's inflation rate peaked at an alarming 6.9% in November with food prices accounting for most of the spike. Although inflation may moderate in 2008, due to slower export demand and administrative measures, China's core underlying price inflation will likely remain elevated as the country continues to forge ahead with its economic development.

China will be looking to extend its administrative efforts to engineer a soft landing of the economy in 2008. At the same time, there is a need for caution as the expected slowdown in global economic activity, led by the US, could act as an imported, natural brake on China's vibrant economy in this the year of the Beijing Olympics.

The US economy, overshadowed by the housing market slump, sub-prime mortgage problem and also tightening credit, is likely to slow in the coming months. The economic outlook for EU and Japan is likewise clouded by the uncertainties stemming from the US economy and the evolving global financial market situation, although their economies have continued to expand at a rather solid pace recently. The continuing surge in commodity prices has also added uncertainty to the global trading environment. China's exports are likely to be affected by the external environment. However, good domestic demand should help offset any trade-related weakness and allow real GDP to grow at a 10% pace in 2008.

由於當局定出項目的發展優次並加強宏調，固定資產投資於二零零七年明顯放緩。該等措施已擴展至積存貸款，令貸款額從十月的增長高位 17.7% 放緩至十二月的 16%。年內中國內地共加息六次，以控制銀行貸款增長。

主要受食品價格急升帶動，中國的通脹率於十一月升至 6.9% 的警戒水平。雖然二零零八年的通脹可能因出口需求減弱及宏調措施而放緩，但隨著國家繼續發展經濟，中國的核心基本價格通脹可能保持升勢。

中國擬將加大宏調力度，務使二零零八年的經濟達致軟著陸。同時，二零零八年為舉辦北京奧運的一年，中國必須提防美國觸發的全球經濟放緩，或會衝擊中國的暢旺經濟。

在樓市下滑、次按問題及信貸緊縮的陰霾下，美國經濟於未來數月很可能放緩。雖然歐盟國家及日本的經濟最近持續以較穩定的步伐擴張，但其前景同樣受到美國經濟及全球金融市場變化的不明朗因素困擾。商品價格持續急升，亦令全球貿易環境更趨不明朗。中國的出口可能受外圍環境影響，但穩健的內部需求應有助抵銷外貿相關的影響，令二零零八年的實質本地生產總值可望增長 10%。

經營表現

本行截至 2007 年 12 月底止的全年淨溢利較 2006 年增長 41%，達 4.61 億港元，刷新盈利紀錄。財務表現強勁主要受惠於業務全方位增長及資產組合改善，帶動淨利息收入及費用收入同創新高。業績理想反映本行有效執行業務策略，以及

OPERATING PERFORMANCE

The Bank recorded 41% growth in its full-year 2007 net profit to a record of HK\$461 million. The strong financial performance in 2007 was underpinned by broad-based business growth and improved asset mix which brought net interest income and fee income to new highs. The encouraging results also reflected effective execution of the Bank's business strategies and the tighter integration with its parent company, Fubon Financial. Earnings per share rose to 39.33 Hong Kong cents, compared to 27.91 Hong Kong cents per share in 2006.

Gross interest income rose 12% to HK\$2,826 million for 2007, whereas gross interest expense increased 8% to HK\$1,972 million over the corresponding period. As a result, net interest income grew by HK\$157 million or 23% to HK\$854 million. The increase in net interest income was bolstered by strong demand for advances with better interest margins, such as trade finance and SME loans, improvement in investment yield and enhanced balance sheet mix, which outweighed the unfavourable impact of narrowing Prime-HIBOR spreads. Effective net interest margin ("NIM") improved by 21 bps to 1.65% from 1.44% for 2006, which aptly reflected the Bank's relentless efforts in enhancing its assets and deposits mix, controlling funding costs and improving assets yield.

Other operating income including net fees and commission income reached HK\$658 million, which soared by 53% or HK\$227 million compared to 2006. After taking into account the mark-to-market losses of HK\$90 million for CDOs held on the investment books, other operating income was recorded at HK\$568 million, representing a 32% or HK\$137 million increase compared to 2006. In the past two years, the Bank invested in building out its wealth management platform, enhancing its product capabilities and strengthening its customer franchise. The above initiatives have proven to be successful. A robust growth of 78% or HK\$177 million in wealth management-related fee income to HK\$405 million was recorded from the sales of wealth management products, encompassing financial markets investment and structured products, unit trusts

與母公司富邦金控更緊密的業務結合。2007 年度每股盈利為 39.33 港仙，2006 年為 27.91 港仙。

2007 年度的利息收入總額較 2006 年上升 12% 至 28.26 億港元，利息支出總額增加 8% 至 19.72 億港元。淨利息收入增加 1.57 億港元或 23%，至 8.54 億港元。淨利息收入增加主要由於貸款需求殷切，尤其是息差較佳的貿易融資和中小企貸款，同時投資收益改善及優化資產負債組合亦為淨利息收入帶來增長動力，抵銷了港元最優惠利率與銀行同業拆息息差收窄的不利影響。實際淨息差由 2006 年的 1.44% 擴闊 21 點子至 2007 年的 1.65%，反映本行致力強化資產和存款組合、控制資金成本，以及提高資產收益所帶來的成果。

其他營運收入（包括淨費用及佣金收入）較 2006 年增加 2.27 億港元，至 6.58 億港元，升幅達 53%。計及本行持有的債務抵押債券按市值計算所錄得 9,000 萬港元的虧損後，其他營運收入則為 5.68 億港元，較 2006 年增加 1.37 億港元或 32%。於過去兩年，本行在建立財富管理平台方面積極投資，以提升產品的能力和強化客戶基礎的優勢。事實證明這些策略是有效、成功的。透過銷售財富管理產品，包括金融市場投資及結構性產品、單位信託基金及保險產品，令財富管理相關費用收入大幅上升 78% 或 1.77 億港元，至 4.05 億港元。年內，受惠於本港股市暢旺及頻密的首次公開招股活動，經紀佣金收入飆升 90% 或 5,100 萬港元。

營運支出由 2006 年的 7.17 億港元上升 17% 至 8.35 億港元。支出增加除了因為配合業務發展而增聘員工，引致僱員成本及其他僱員支出增加

and insurance. Benefiting from the buoyant Hong Kong equity market and strong initial public offering (“IPO”) activities, brokerage-related commission income surged 90% or HK\$51 million.

Operating expenses rose 17% from HK\$717 million to HK\$835 million. This increase was primarily due to higher compensation and other staff expenses related to hiring of new staff for supporting business growth and surging wage pressure, higher IT expenses and increased premises costs for renting new office space at Central Tower to support business expansion. Nevertheless, the strong growth in net interest income and other operating income outpaced the increase in operating expenses. The Bank managed to lower its cost to income ratio by 5% to 59% for 2007. Operating profits before gains and impairment losses rose 43% or HK\$176 million to HK\$587 million compared with HK\$411 million in 2006.

In line with continued growth of the domestic economy which supported corporate profitability and household income, the Bank recorded a net charge of impairment losses on advances to customers of HK\$38 million, a decrease of HK\$28 million when compared to HK\$66 million in 2006. Asset quality remained benign as evidenced by the impaired loans ratio declining to 0.55% as of 31 December 2007 from 0.93% as of 31 December 2006. Impairment losses on available-for-sale securities of HK\$162 million were provided for income notes issued by SIVs. The HK\$162 million impairment losses on SIVs represented approximately 60% of our US\$35 million SIVs holdings as at 31 December 2007. Net gains from the disposal of available-for-sale securities rose to HK\$132 million from HK\$47 million in 2006 as conditions were conducive for profit-taking on some equity investments. After accounting for impairment charges, other gains and tax charges, profit attributable to shareholders amounted to HK\$461 million, representing a 41% increase from HK\$327 million for 2006. Return on average assets and return on average equity improved significantly from 0.63% to 0.81% and from 8.47% to 11.43% respectively when compared with 2006.

外，亦由於工資出現上漲壓力，資訊科技支出增加，以及租用中滙大廈作為新辦公室令租金成本上升。儘管如此，淨利息收入和其他營運收入的強勁增幅超過營運支出的升幅，令本行的成本對收入比率下降 5% 至 59%。未計收益及減值虧損前經營溢利增長 43%，或 1.76 億港元，至 5.87 億港元，2006 年為 4.11 億港元。

在本港經濟持續增長，對企業盈利和家庭收入帶來支持下，本行錄得的客戶貸款減值虧損由 2006 年的 6,600 萬港元減少 2,800 萬港元，至 3,800 萬港元。減值貸款比率由 2006 年 12 月底的 0.93% 降至 2007 年 12 月底的 0.55%，反映資產質素維持良好。可供出售證券的減值虧損為 1.62 億港元，此為持有結構投資工具公司所發行的收入票據作出的減值虧損。該筆減值虧損相當於本行截至 2007 年 12 月 31 日所持相關結構投資工具總值 3,500 萬美元的大約 60%。由於市況有利出售部分證券投資，2007 年來自出售可供出售證券的淨額收益由 2006 年的 4,700 萬港元上升至 1.32 億港元。計及減值虧損、其他收益及稅項後，股東應佔溢利由 2006 年的 3.27 億港元增長 41%，至 4.61 億港元。平均資產回報率及平均股本回報率顯著上升，分別由 0.63% 及 8.47% 升至 0.81% 及 11.43%。

分散資金來源及客戶存款增加，令本行截至 2007 年 12 月 31 日的總資產增長 14% 或 73 億港元，達 606 億港元。客戶存款增加 23% 至 415 億港元，貸款組合則增加 22% 或 57 億港元，至 315 億港元。在強勁的商品出口及本地需求下，貿易融資增長 130% 或 12 億港元。在香港以外使用

With diversified sources of funding and growth in customer deposits, the Bank was able to support asset growth of 14% or HK\$7.3 billion to HK\$60.6 billion as at 31 December 2007. Customer deposits grew 23%, reaching HK\$41.5 billion as at 31 December 2007. Net loans portfolio reached HK\$31.5 billion, an increase of 22% or HK\$5.7 billion over 2006 year-end balances. Trade finance increased 130% or HK\$1.2 billion on the back of robust merchandise exports and strong domestic demands. Loans for use outside Hong Kong grew by 63% or HK\$3.4 billion, mainly arising from the strong momentum of Taiwan-related corporate lending and hire purchase loans for use in Mainland China. The Group's capital and liquidity positions remained strong. Consolidated Capital Adequacy Ratio was 14.42% at the end of December 2007 and average liquidity ratio for 2007 was at 44.35%.

Taiwan-related business continued to demonstrate impressive growth during 2007. As at 31 December 2007, the loan and customer deposit balances of Taiwan-related business represented 18% (2006 year-end: 10%) and 21% (2006 year-end: 16%) of the total loan and deposit balances of the Bank respectively. For 2007, Taiwan-related business contributed 34% (2006: 12%) of the Bank's operating profits before gains and impairment losses.

The Bank will vigorously pursue its expansion into the Mainland. Backed by strong ties from Fubon Financial, the Bank is well positioned to capture growing trade and investment flows between Taiwan, Hong Kong and Mainland China. The Bank will continue to harness the collective strength within the Fubon Group, strengthen its customer franchise, and extend and deepen its product range and expertise. All these initiatives will enable the Bank to serve its clients more effectively and create the fundamentals for sustainable growth.

的貸款上升 63% 或 34 億港元，主要是由台灣相關業務的企業貸款及在內地使用的租賃融資強勁增長所帶動。本集團的資本及流動資金狀況穩健，截至 2007 年 12 月底的資本充足比率為 14.42%，2007 年全年平均流動資金比率為 44.35%。

台灣相關業務於 2007 年持續顯著增長。截至 2007 年 12 月底，台灣相關業務的貸款及客戶存款結餘分別佔本行總貸款及總存款結餘 18% (2006 年年底：10%) 及 21% (2006 年年底：16%)。2007 年，本行 34% (2006 年：12%) 的未計收益及減值虧損前經營溢利是來自台灣相關業務。

本行將致力尋求中國內地市場的拓展機會。在與富邦金控緊密聯繫下，本行已作好準備把握兩岸三地之間日益增加的貿易和投資流量所帶來的商機。本行將繼續充分發揮富邦集團的集結力量，強化客戶基礎的優勢，廣化及深化產品的範圍和能力，使本行能更有效地向客戶提供服務，藉此為永續增長奠定良好的基礎。

Our ultimate objective is to create an unmatched customer experience, as well as to grow the wealth management business in the region.

本行的最終目標是讓客戶能夠體驗無與倫比的服務，並壯大區內的財富管理業務。



wealth management

財富管理

With the increasing demand for wealth management services in the region, the Bank restructured the Wealth Management Group in March 2007. The Division's mission is to establish a wealth management platform that can fulfill the increasingly sophisticated needs of its high net worth customers. The Bank's ultimate objective is to create an unmatched customer experience, as well as to grow the wealth management business in the region.

Innovative products, professional advice, and quality staff are the cornerstones of this new wealth management platform. In 2007, the Bank started to enhance its capabilities in these areas.

The Bank has expanded its Unit Trust range to cover over 700 funds. In addition to traditional long-only funds, the Bank has introduced alternative investment funds, including hedge funds, commodity funds, and REITs. The enhancement offers customers both defensive instruments to weather volatile market conditions, as well as offensive instruments to capture market opportunities from different sectors in different markets.

鑑於區內對財富管理服務的需求不斷增加，本行於二零零七年三月重組了財富管理部，以建立財富管理平台，滿足高資產客戶日趨複雜的需要。本行的最終目標是讓客戶能夠體驗無與倫比的服務，並壯大區內的財富管理業務。

創新產品、專業意見及優秀員工是這個新財富管理平台的基石。二零零七年，本行開始提升這些範疇的服務能力。

本行已將單位信託基金範圍擴大，覆蓋的基金數目超過 700 隻。除了傳統的長倉基金外，本行亦推出了另類投資基金，包括對沖基金、商品基金，以及房地產投資信託基金。多元化的基金選擇，既為客戶提供防守型的投資工具，以抵受市況波動的環境，亦有進取型的投資工具，讓客戶可把握不同市場和不同行業中的商機。

Our focus on the Wealth Management business led to a tremendous growth in customer base of

24%

and fee income of over

50%

本行全力發展財富管理業務，令客戶基礎大幅增長 24%，費用收入上升逾 50%。

The offshore business demonstrated very strong growth, with customer base doubled and assets under administration grew by

116%

本行的境外業務增長非常強勁，客戶基礎倍增，管理資產值增長 116%。

Our quality market outlook is published in major local newspapers and frequently quoted in electronic news media.

本行撰寫的優質市場展望獲本地主要報章刊登，並經常為電子傳媒所引述。



In addition to strengthening its third-party product distribution platform, the Bank is establishing its own asset management company, FB Investment Management Limited ("FBIM"). This arm will specialise in providing asset management services for the Bank's customers including investment funds, alternative investment solutions and private mandates. In October 2007, FBIM successfully obtained the approval of the first unit trust umbrella, "FB Investment Trust", from Hong Kong's Securities and Futures Commission. Like other functions within the Bank, FBIM aims at responding to its customers' needs better and faster than its competitors, and eventually becoming another important revenue contributor.

The Bank believes that an informed investor is a better investor. Thus, it has established an Investment Advisory function to provide customers with market outlook information, product advice and portfolio strategies through different channels. A new Wealth Management monthly newsletter was introduced to give customers specific and actionable investment advice, as well as useful wealth management principles. The Division's quality market outlook is published in major local newspapers and is frequently quoted in electronic news media.

To cope with the increasing demand for wealth management services, the Bank has refined its customer segmentation strategies. As it recognises the increasing sophistication of emerging affluent people and their demand for wealth management services, therefore, in addition to Ambassador Banking customers, i.e. those with HK\$1 million and above, the Bank has set up dedicated teams to provide wealth management services to customers with HK\$300,000 to HK\$1 million. As a result, more customers can enjoy better services, products and advice customised to their unique wealth management needs.

除加強第三方產品分銷平台外，本行亦正建立本身的資產管理公司，名為富銀投資管理有限公司（「富銀投資」）。該公司將專門為客戶提供資產管理服務，包括投資基金、另類投資方案及私人委託投資。二零零七年十月，富銀投資成功向香港證券及期貨事務監察委員會取得批准，成立首隻單位信託傘子基金「富銀投資信託基金」。像本行其他服務一樣，富銀投資務求比競爭對手更能妥善、迅速地回應客戶的需求，最終成為另一重要的收入來源。

本行相信掌握資訊的投資者能作出更佳的投资決定。因此，本行成立了投資顧問服務，透過不同渠道向客戶提供市場展望資訊、產品意見及投資組合策略。新推出的財富管理月刊為客戶提供具體及可行的投資意見，以及實用的財富管理方針。該部門所撰寫的優質市場展望獲本地的主要報章刊登，並經常為電子傳媒所引述。

為應付不斷增加的財富管理服務需求，本行已優化了客戶分層策略。本行深明新一代的富裕人士對財富管理服務的要求越來越高。因此，除了資產值達 100 萬港元或以上的 Ambassador Banking 客戶外，本行亦為資產值介乎 30 萬港元至 100 萬港元的客戶設立專責團隊，提供財富管理服務，令到更多客戶能享用更佳的服務、產品和意見，以滿足他們獨特的財富管理需要。



We aim to establish Fubon Bank (Hong Kong) as a well-recognised wealth management service provider to fulfill the growing demand from high net worth individuals in Greater China.

我們旨在建立富邦銀行(香港)為一家廣受認同的財富管理服務機構，以滿足大中華區高資產人士不斷增加的服務需求。

Equipping our sales people with updated market and product knowledge is essential to delivering the best-in-class professional advice to our customers. Consequently, the Division provides both regular and ad hoc market outlook and product briefings to its sales force.

The above initiatives have proven to be successful. The Division's customer base and assets under administration have grown by 24%. Fee income has surged by over 50%. The offshore business demonstrated very strong growth, with customer base doubled and assets under administration grew by 116%. A tremendous 456% growth in fee income was recorded from the offshore business.

Enhanced product range, fuelled by good market sentiment in 2007, has boosted revenue from unit trusts and insurance. Fee income from unit trusts has increased by 197%, and total assets under administration have increased by 206%. Fee income from insurance has grown by 101%.

Going forward, Wealth Management Group will continue to strengthen its platform and capabilities so as to establish the Bank as a well-recognised wealth management service provider for high net worth individuals in Greater China. Understanding our clients' unique wealth management needs, the Bank can help them grow, protect and transfer wealth through professional advice, powerful tools, and innovative product solutions.

要向客戶提供一流的專業意見，本行銷售人員必須掌握最新的市場及產品資訊，所以該部門向銷售團隊提供定期及特定的市場前瞻資訊及產品簡報。

上述措施已見成效。該部門的客戶基礎及管理資產值分別增長 24%，費用收入銳升逾 50%。本行的境外業務增長尤其強勁，客戶基礎倍增，管理資產值增加 116%，費用收入的升幅更達 456%。

擴大的產品範圍，加上二零零七年市場氣氛利好，帶動單位信託基金及保險業務的收入增長。來自單位信託基金的費用收入增加 197%，管理資產總值增加 206%。來自保險業務的費用收入則增長 101%。

展望未來，財富管理部將繼續加強本行的業務平台和服務能力，務求令本行成為大中華區一家廣受認同，為高資產人士提供財富管理服務的金融機構。本行瞭解客戶的獨特財富管理需要，故可透過專業意見、有效工具及創新產品方案，協助他們增加、保障及調動財富。

Our comprehensive financing solutions enable our corporate customers to capture every business opportunities in the region.

本行提供的全面融資及貸款方案，為企業客戶捉緊區內每個商機。



wholesale banking

批發銀行

CORPORATE BANKING

To serve the financing needs of a regional customer base under the ever-challenging market environment, Corporate Banking provides a comprehensive range of banking services to corporate customers through its strong Taiwan and Hong Kong teams.

While economic and market conditions were conducive to asset expansion, the Taiwan and Hong Kong teams reported satisfactory loan growth in 2007; total loans and advances rose by 45%. To mitigate lending risks, the Division continued to diversify its portfolio, both in terms of industries as well as loan types, and to take proactive action to monitor the existing loan portfolio. The Division reported top asset quality during the year.

The growth of deposits remained strong. The combined results of the Hong Kong and Taiwan teams reflected a remarkable year-on-year growth of 42% compared to 2006. This surge also helped to reduce the funding costs of loan expansion. Improvement in overall balance sheet quality was evidenced by a high rise in ROA.

It is worth noting that the Taiwan team continued to expand remarkably since its establishment in 2005, with 175% growth in loans and 50% growth in deposits respectively in 2007.

Net income before operating expenses grew by 63%. The fee income derived from cross-selling also rose sharply compared to 2006. These encouraging achievements were a result of competitive product offerings and the unflagging marketing efforts of the relationship managers and Financial Markets Group specialists.

企業金融

在充滿挑戰的市場環境下，企業金融部透過台灣和香港兩個小組，向地區企業客戶提供全面的銀行服務，以切合他們的融資需要。

由於經濟及市場環境有利於資產擴張，港、台兩個小組於二零零七年錄得令人滿意的貸款增長，合計貸款總額增長 45%。該部門持續分散貸款行業及種類，並採取積極行動監控現有貸款組合，以減低貸款風險。年內，該部門的資產質素達到最高水平。

存款增長維持強勁。香港及台灣小組的合併業績與二零零六年比較，按年增幅達 42%。存款顯著增長有助減輕擴張貸款組合的資金成本。資產回報率大幅上升，反映資產負債表整體質素有所改善。

值得一提的是，台灣小組自二零零五年成立以來，業務持續迅速擴展，二零零七年的貸款及存款額分別增長 175% 及 50%。

未計營運支出的淨收入增長 63%，來自交叉銷售的費用收入亦較二零零六年大幅上升。企業金融團隊能取得如此令人鼓舞的績效，除了因產品具競爭力外，亦有賴客戶經理和金融市場部專才努力不懈地推廣。



Total loans and advances of Corporate Banking posted a year-on-year strong growth of 45% while deposits rose by 42%.

企業金融部合計貸款總額增長強勁，按年增幅達 45%，而存款增幅則達 42%。



The overall SME financing business exhibited very strong growth in 2007. Its loan portfolio grew by 30%, while customer deposits increased by 131%.

中小企業部的整體融資業務於二零零七年強勁增長，其貸款組合規模增長 30%，客戶存款額躍增 131%。

Going forward, Corporate Banking will continue to capitalise on the Bank's commitment to Greater China and to expand its franchise through a wider product range, customer-centric services and seamless team efforts. The region's long-term prospects are robust and the Division is committed to capturing any appropriate business opportunities wherever they may arise.

SME FINANCE

The SME Division was formally set up in 2005 by consolidating the equipment finance and the commercial banking businesses to provide comprehensive financial services for small and medium enterprise ("SME") customers.

The overall SME financing business exhibited very strong growth in 2007. Its loan portfolio grew by 30%, while customer deposits increased by 131%. Despite intense competition, the Division was able to achieve a decent net interest margin, which was 14 basis points higher than that in 2006. The SME portfolio is highly diversified and alongside active business expansion, the Division continued to maintain sound asset quality by exercising stringent credit approval and reviewing processes. In addition, the amalgamation of the SME financing business with Financial Markets and Wealth Management Groups has proven to be very successful. The Bank's fee income from SME customers grew by 150%. As a result, the revenue and ROA of SME finance went up 44% and 29% respectively year-on-year.

Leveraging on the strong foothold in the SME market through equipment financing, the Commercial Banking department continued to expand very quickly. The team has more than doubled in size in three years, and its loan portfolio grew by 89%. Revenue growth was even more impressive, soaring by more than 2.5 times owing to the strong rise in fee income.

The Bank's equipment finance business continued to secure a

展望未來，企業金融部將繼續履行本行對大中華地區的服務承諾，透過更多元化的產品、以客為先的服務方針和合作無間的團隊精神，擴展其專長的業務。區內的長遠前景穩健，企業金融部將努力把各地出現的合適商機。

中小企融資

本行於二零零五年將設備融資與商業銀行業務結合，正式成立中小企業部，為中小型企業（「中小企」）客戶提供全面的融資服務。

中小企業部的整體融資業務於二零零七年強勁增長，其貸款組合規模增長 30%，客戶存款額躍增 131%。面對劇烈競爭，該部門仍能取得較二零零六年高出 14 個基點的淨息差。本行的中小企融資組合高度分散，在不斷擴展業務之餘，亦執行嚴格的信貸審批及監控程序，以繼續保持良好的資產質素。此外，中小企融資業務與金融市場部及財富管理部的團隊合作無間，成功地產生強大的協同效應，來自中小企客戶的費用收入增長 150%，使中小企融資的收益及資產回報率按年增長分別為 44% 及 29%。

憑藉本行透過設備融資在中小企市場奠定的穩固根基，商業銀行部得以繼續迅速擴展。該團隊的規模於三年內增長逾倍，其貸款組合增長 89%。由於費用收入強勁增長，收益增長更為可觀，幅度逾 2.5 倍。

本行設備融資業務在市場繼續穩佔領導地位。為



The Syndication and Structured Finance team demonstrated strong capabilities in delivering a record growth in 2007, with new assets booked exceeded HK\$2.5 billion.

聯貸及結構融資團隊於二零零七年刷新增長紀錄，新增資產值超過 25 億港元。

leading position in the market. The Taiwan specialised team dedicated to providing equipment financing services for Taiwanese SMEs continued to expand, and registered a strong growth in its loan portfolio of over 30% in 2007.

SYNDICATION AND STRUCTURED FINANCE

Despite overall roller coaster market conditions, 2007 turned out to be another exciting and fruitful year for the Syndication and Structured Finance team, as growth in new business accelerated with both revenues and profits setting new highs. The team provides corporate and institutional clients with custom designed debt financing solutions to best achieve their financing objectives. The Bank works closely with large and medium sized corporations, publicly listed or privately owned, on financings for corporate funding needs and acquisitions, as well as with international and regional financial sponsors on leveraged and management buy-out transactions.

The first half of 2007 continued the momentum from 2006 with healthy deal flows in an active market. The Bank provided its clients from industrial, real estate and infrastructure sectors with new debt financing through its leadership roles in syndication and club-based loans. During the second half of the year, the Bank achieved financial close for a highly complex management buy-out transaction. For this transaction, the Bank stepped up to provide its expertise and commitment to a management-led sponsor group supported by a major international private equity company in completing the leveraged buy-out of an Asia-based luxury jewellery brand and maker with a leading position in the U.S.

The team demonstrated its strong capabilities by delivering a record year of growth in 2007 with both high profitability and deal completion rate. Notably, its 2007 fee revenue jumped by over three times and net profit more than 10 times compared to 2006. Moreover, new assets booked exceeded HK\$2.5 billion.

台資中小企提供設備融資服務的台灣專責小組繼續擴展，其貸款組合於二零零七年強勁增長逾 30%。

聯貸及結構融資

雖然整體市況大幅波動，但對聯貸及結構融資部來說，二零零七年仍然是令人振奮、成果豐碩的一年，其新業務加速增長，收入及溢利均創新高。該部門為企業及機構客戶提供度身設計的債務融資方案，以助實現融資目標。本行與大中型企業，包括上市及私人公司緊密合作，提供企業融資及收購所需的資金，以及就槓桿式收購及管理層收購與國際及地區知名融資保薦人合作。

承接二零零六年的走勢，融資市場於二零零七年上半年保持活躍，交易量穩定。本行為工業類、房地產及基建行業的客戶提供新的債務融資，並在多項銀團貸款中擔任安排角色。於下半年，本行為一項高度複雜的管理層收購專案完成融資安排。在該交易中，一個由管理層領導的保薦人小組在一間大型的國際私募股權公司的支持下，收購一家以亞洲為基地並於美國佔有領導地位的高級珠寶品牌及製造商，本行向該保薦人小組提供專業知識及支援，成功完成這項槓桿式收購。

聯貸及結構融資團隊於二零零七年展現雄厚實力，刷新多項增長紀錄，其中盈利和交易完成率均表現驕人，費用收入及淨溢利較二零零六年分別急升逾三倍及逾十倍，新增資產值超過 25 億港元。

Our Financial Markets Group was able to meet the challenges and produced strong results under the hectic market conditions.

在熾熱的市況下，本行的金融市場部迎接了各項挑戰，並錄得強勁的業績。



financial markets

金融市場

2007 was a year of tremendous growth for the Financial Markets Group ("FMG"). Spurred by the booming stock market, our businesses took on new dimensions both in terms of products and services, as well as client coverage.

FURTHER IMPROVEMENT IN BALANCE SHEET STRENGTH

The size of the Bank has increased by almost 14% in 2007, thanks to both the significant increase in the number of customers and the resultant increase in the amounts of loans and deposits, which grew 22% and 22.7% respectively.

The increase in the size of the balance sheet has allowed Treasury to reallocate resources to increase its investment activities. Hence our various returns and ratios such as Net Interest Margin, ROA and ROE have all improved significantly.

Unfortunately, due to the credit dislocations in the global marketplace late in the year, the availability of liquidity in the credit markets was significantly impaired, which in turn forced the widening of credit spreads for all types of debt instruments. We were thus advised by our auditors to prudently write down the value of our investments in our relatively small CDO and SIV investments. This somewhat marred the overall result of Treasury, although the overall credit quality of our investments has been stable and even improved at the end of 2007.

金融市場部於二零零七年錄得強勁增長。在股市熱潮帶動下，我們的業務無論在產品、服務，以至客戶層面，均踏上了一個新方向。

資產負債表現進一步改善

隨著客戶數目顯著增加，貸款及存款額分別上升 22% 及 22.7%，使本行的規模於二零零七年增大接近 14%。

資產負債規模的擴大，讓財資部能夠重新分配資源來增加投資活動。因此，本行各項回報及比率，例如淨息差、資產回報率及股本回報率均大幅改善。

然而，由於年底時全球市場爆發信貸危機，信貸市場的流動資金大幅減少，以致各種債務工具的信貸息差擴大，故此本行核數師建議本行審慎地就抵押債務債券及結構性投資工具較少規模的投資作出減值撥備。儘管本行投資組合的整體信貸質素保持穩定，甚至於二零零七年底有所提高，但有關撥備在某程度上拖累了財資部的整體業績。

FMG has located, packaged and launched a much wider selection of financial products that covered not just the local market, but also that of the U.S. and other Asian countries.

金融市場部已選定、包裝及推出種類更為廣泛的金融產品，不僅覆蓋本地市場，同時亦包括美國及亞洲其他國家的市場。

FMG is delighted to see its hard work has resulted in a more than

44%

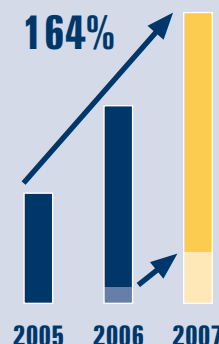
improvement in the profitability of the entire marketing department.

憑藉金融市場部的努力，整個市場推廣部的盈利能力增長逾 44%。



Total marketing revenue grew 164% in 2 years.
兩年內總營銷收入增加 164%。

Corporate derived revenue tripled in 2007.
二零零七年來自企業客戶的收入增加兩倍。



The larger balance sheet size also allowed the FMG to become more active in all areas of the financial markets. For example, in 2007 we were able to take advantage of the rise in the stock market to sell some investments to generate almost HK\$100 million in realised profits.

We continued to operate actively in the local government bills / bonds markets, and maintained our status as one of the 12 eligible market-makers of both the Hong Kong Exchange Fund Bills and the Exchange Fund Notes and thus were also designated by the Hong Kong Monetary Authority as one of the primary dealers that can bid for any new Exchange Fund Bills / Notes issues.

CONTINUED GROWTH IN FEE INCOME

The marketing area of FMG was also extremely active in 2007. The demand for our products by the ever-growing Wealth Management Group continued unabated.

In response, we have located, packaged and launched a much wider selection of financial products that covered not just the local market, but also that of the U.S. and other Asian countries. The underlying instruments were upgraded to include commodities; base metals; foreign currencies; interest rates-based investment opportunities, in addition to equity-based products. This helped fuel a rise in turnover of 150%, with the number of transactions also increasing by 132%.

Our Corporate Banking and SME Divisions were also vigilant in taking advantage of improved financial market conditions in Hong Kong. As a consequence, our corporate client base increased by 55%. In order to serve this growing client pool, FMG also expanded the team that covered this group by more than double.

憑著較大的資產負債規模，金融市場部在金融市場的每個範疇更為活躍，例如能於二零零七年把握股市升勢出售部分投資，套現接近 1 億港元的利潤。

本行繼續活躍於本地政府票據 / 債券市場，並仍然是香港外匯基金票據及外匯基金債券 12 個合資格市場莊家之一。本行亦為香港金融管理局指定的一級市場交易商之一，可標投任何新發行的外匯基金票據 / 債券。

費用收入持續增長

二零零七年，金融市場部亦積極進行市場推廣。財富管理部不斷增長，對金融市場部產品的需求絲毫不減。

因此，該部門已選定、包裝及推出種類更為廣泛的金融產品，不僅覆蓋本地市場，同時亦包括美國及亞洲其他國家的市場。除了以股票為基礎的產品外，本行亦將基本投資工具的範圍提升至包括商品、基本金屬、外匯，和以利率為基礎的投資工具。此舉令營業額提高 150%，交易宗數亦增加 132%。

本行的企業金融部及中小企業部亦密切留意市場發展，以把握因香港金融市場改善而帶來的機會。本行的企業客戶數目因此增加 55%。為服務這個正在增長的客戶群，金融市場部已將有關服務團隊的人手增加逾倍。



Wider selection of financial products fuelled a rise in turnover of 150%, with the number of transactions increasing by 132%.

更廣泛的金融產品令營業額提高 150%，交易宗數亦增加 132%。

Consequently, our business volume also increased significantly. For example, in 2007 we tripled the amount of Non-Deliverable currencies contracts (including currencies other than Renminbi) compared to that of the previous couple of years combined. We even had to expand our services to become 24 x 7 in order to ensure our clients always have the most up-to-date market information.

Our goal is to expand our corporate coverage to become a significant portion of revenue, so that it will ensure that our overall growth strategy will be more balanced and sustainable. In 2007 our strategy paid off, with corporate-based revenue increasing to more than 23% of the total marketing revenue, with the trend expected to increase to even 50% in the coming year.

We are delighted to see our hard work has resulted in a more than 44% improvement in the profitability of the entire marketing department.

MEETING THE CHALLENGE OF THE HONG KONG STOCK MARKET

The performance of the local stock market in 2007 was unprecedented. The exceptional price movements of H-shares, as well as some of the large local stocks offered a rare window of opportunity, where investors felt confident to take on larger positions. The Securities Services Division consequently was at the forefront of the strong performance of the FMG in 2007. The unit took up the challenge to meet the sudden and large increase in customers' needs.

We were well-prepared because we had begun the process of overhauling the operations of the Division in 2006, and therefore in 2007, we managed to scale up our business and significantly

該部門的業務量亦因而大幅增加。例如，該部門於二零零七年的不交收貨幣合約（包括人民幣以外的貨幣）金額，較過往數年的總和增加兩倍。本行甚至需要延長服務時間至每周 7 天每天 24 小時，以確保客戶隨時取得最新的市場資訊。

該部門的目標是擴大企業客戶層面，使其成為重要的收入來源，以平衡及維持本行的整體增長策略。二零零七年，該部門的策略取得成果，來自企業客戶的收入佔總營銷收入的比例增至逾 23%，預計這個趨勢將會持續，來年的比例可望升至 50%。

憑藉該部門的努力，整個市場推廣部的盈利能力增長逾 44%。

面對香港股市的挑戰

本港股市於二零零七年的表現是前所未見的。H 股及若干大型本地股的價格急劇波動，帶來難得的投資機遇，而投資者對規模較大的持倉亦感信心。證券投資服務部克服各種挑戰，滿足了驟然大增的客戶需求，成為二零零七年金融市場部強勁表現的表表者。

本行準備充足，早於二零零六年便已開始整頓證券投資服務部的業務運作，因此能於二零零七年擴大業務規模及大幅提升服務能力。舉例說，本行跟香港交易所的聯繫能力已提高近 10 倍；電話



Our corporate-based revenue increased to more than 23% of the total marketing revenue.

來自企業客戶的收入佔
總營銷收入的比例
增至逾 23%。

boosted our capacity. We have, for example, increased the connectivity capacity with the Stock Exchange by almost 10 times; our telephone system was also upgraded by more than double to improve the capacity of handling incoming calls. In addition, the trading systems were enhanced to achieve continuous operations in volatile market conditions by means of creating hot standbys, and reconfiguration of the inherent system architecture to reach better scalability and improve response time. We also introduced Interactive Voice Trading Systems later in the year to ensure our customers could access the market in the most active trading hours, as well as being kept informed of the market's movements. However, these various system enhancements also needed to be augmented by people, and, as a result, the number of staff in the Division increased by almost double in 2007. To accommodate all of these expansions, the Division moved to a renovated dealing room which is much better equipped to provide the enhanced products and services to our clients.

The unprecedented stock market movements also attracted many overseas investors, and as a Taiwanese-owned financial institution, we had an advantage in this particular area. In 2007 our Taiwanese-based customers more than doubled and our overseas customers' contribution to commission-earned grew from 7% to 15%. More importantly we have seen this trend continue as the Hong Kong and Chinese markets continue to gain global prominence.

OVERALL PERFORMANCE

2007 was an important year for the FMG. The often hectic market conditions and increased activities have been exceptional. FMG successfully achieved a higher service level and scalability, and was able to meet a range of challenges and produced strong results.

系統的運作水平亦已提升逾倍來改善處理來電的能力。此外，交易系統得到提升，以熱備份方式於市況波動時保持持續營運，以及重新配置固有系統架構，達致較佳的擴容能力及加快反應時間。該部門亦於年內推出互動話音交易系統，確保客戶能於最活躍的交易時段接觸市場，以及掌握市場動態。然而，多個系統的提升亦需人手配合；因此，該部門的人手於二零零七年增加近倍。為配合擴展需要，部門已遷至新裝修的交易室，以更好的設備為客戶提供更佳的产品及服務。

本港股市空前的異動亦吸引很多海外投資者。作為一家台資金融機構，本行於這方面擁有優勢。二零零七年，本行的台灣客戶增加逾倍，而該部門的海外客戶對佣金收入的貢獻亦由 7% 增至 15%。最重要的是，由於香港及中國市場將仍為全球所注目，本行預期這個升勢將會持續。

整體表現

二零零七年為金融市場部重要的一年。熾熱的市況及活躍的交投亦屬罕見。金融市場部成功達致更高的服務水平及擴容能力，並能面對各項挑戰，締造佳績。

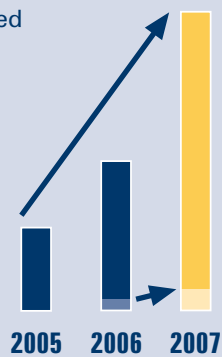
金融市場部經常檢討業務流程、提升營運水平，並強化風險管理及監控能力。此外，該部門亦將

Brokerage commission earned nearly doubled in 2007.

二零零七年經紀佣金收入增加近一倍。

Overseas commission earned grew from 7% to 15%.

海外佣金收入由 7% 增加至 15%。



We are constantly reviewing our business processes, enhancing our operations and risk management capabilities and controls, providing more training to our staff to further improve our professionalism, as well as widening our engagement in the financial markets, so that we can remain competitive and deliver the best products and services to our clients. We will continue to do so in the future.

加強培訓以進一步提升員工的專業水平，並同時加大參與金融市場，以維持競爭力，為客戶提供最佳的產品及服務。展望未來，該部門將繼續朝著這個方向努力不懈。

Our Consumer Banking team demonstrated growth momentum in terms of overall fee income and loan receivables.

個人銀行的整體費用收入及貸款應收賬額之增長動力強勁。



consumer banking

個人銀行

Consumer Banking continued to deliver a good performance in 2007. Highlights included outstanding mortgage business, the successful personal loans programmes, an increase in the Platinum card customer portfolio, and upgrading programmes from the mass market segment to the affluent group. All drove positive growth momentum in terms of overall fee income and loan receivables.

Facing the challenging and dynamic market of the mortgage business, the Bank maintained its competitive position and sustained strong growth by expanding sales channels to capture new business and retaining its existing portfolio. By adopting a focused strategy, two important initiatives were accomplished. First, the Bank further expanded the size of its mortgage direct sales team and a mortgage sales office was established in mid-2007. Comparing to 2006, the amount of new mortgages booked under the direct sales team increased by 320%. Second, the Bank also made vigorous efforts to improve the run-off ratio by setting up a dedicated team in the Call Centre specifically for customer retention. The Bank successfully retained 80% of customers who had the intention of withdrawing loans during the year. The mortgage business had great momentum with the new loan booked amount and loan receivables increasing by 107% and 9%, respectively.

個人銀行業務於二零零七年續創佳績。重點發展包括樓宇按揭業務表現出色、個人貸款計劃推廣成功、白金卡客戶迅速擴展，以及策略性地透過交叉銷售活動，有效提升低資產值客戶晉身為財富管理客戶。這些發展為整體費用收入及貸款應收賬額帶來增長動力。

面對充滿挑戰、急速變化的按揭市場，本行一方面加速拓展銷售渠道以增強競爭力，另一方面積極減低客戶流失率以鞏固業務組合。於二零零七年，本行完成兩個重要項目。第一，進一步擴展按揭直銷隊伍，招攬優質員工加入之餘，更於年中設立直銷隊伍辦事處，有效提升工作效率，其新造按揭貸款額較二零零六年增長320%。第二，首創於電話中心成立專責挽留客戶小組，竭力改善客戶流失情況。年內，本行成功挽留80%有意取消貸款的客戶，成效顯著。經過這兩方面的努力，本行成功保持競爭優勢及發展動力，新造按揭貸款額及貸款應收賬額分別增長107%及9%。

2007

2006

117% ↗

The Bank successfully acquired high quality customers and established an affluent platform as the Platinum card base showed a 117% growth rate.

透過白金信用卡成功建立高資產值客戶服務平台，吸納優質客戶，白金信用卡數量較去年增長達117%。

The new mortgage loan booked amount

doubled.

Sales generated by the direct sales team quadrupled.

新造按揭貸款額

增長一倍，

其中來自直銷隊伍的銷售額更為二零零六年四倍。



The Bank continued to reinforce the corporate image and “Value Banking” platform by launching a new TV commercial that communicated our message of “Why Not” spirit.

繼續強化富邦銀行「所享 超出所想」的企業形象，創作全新一輯以「Why Not」精神為主題的電視廣告。

Credit Cards also had positive growth in the number of credit card customers with the increase of our customer base and our continuous card utilisation programmes. Credit card spending grew 9% compared to the previous year and the total fee income related to credit card sales increased by 13%. The Bank issued over 46,000 new cards in 2007 and successfully established an affluent platform and acquired high quality customers in which the Platinum card base increased by 117%. The launch of the Elite Platinum card successfully acquired a group of high net worth customers in which over 35% are cross-selling other investment products.

The personal loans business also demonstrated good momentum with 27% growth in the new loan booked amount. Regarding personal installment loans, the Bank rolled out a personal loan campaign by incorporating a fixed term loan and revolving credit, which generated great noise and market awareness. In October, the Bank launched another tax loan programme by employing a flat pricing strategy to customers and the new communications platform “Why can’t we celebrate this tax season?” This initiative created high media exposure and positive results.

The Bank continued to reinforce the corporate image of “Value Banking” in 2007, while employing a new communication platform, “Why Not”, to further substantiate the message. A new corporate image campaign was rolled out in May 2007 explaining the Bank’s rationale and belief on providing “Value Banking” services, and we communicated our “Why Not” spirit which always pushes us to think out-of-the-box, be innovative and go one step further. The new corporate image campaign included a TV commercial, print ad, branch billboard signage and posters. A town hall session was also held to target all staff, encouraging them to share this value. This was followed by a series of workshops and training in 2007.

信用卡業務方面，本行致力擴張客戶基礎，於二零零七年發行逾 46,000 張新卡，其中白金信用卡數量增長 117%。在推廣業務方面，信用卡銷售額增長 9%，而銷售費用收入增幅更達 13%。此外本行所推出的 Elite Platinum 白金信用卡，成功建立高資產值客戶服務平台以吸納優質客戶，透過交叉銷售，當中超過 35% 的 Elite Platinum 白金信用卡客戶於本行擁有其他投資產品。

個人貸款業務的發展動力同樣強勁，新造貸款額增長 27%。個人分期貸款業務方面，本行推出一項結合分期定額貸款及循環貸款的個人貸款產品，市場反應熱烈。繼往開來，本行於十月中旬再度推出劃一息率的稅務貸款，並以「慶賀新稅！點解唔可以？」為題推出新一輪的廣告攻勢，成功取得傳媒廣泛報導，成績理想。

二零零七年，本行繼續強化企業形象，並創新以「Why Not」精神作為宣傳平台，全新角度去演繹「所享 超出所想」的服務理念，就是憑著「Why Not」精神，推動每一位富邦員工打破框框、勇於創新及多走一步去為客戶服務。新一輯的企業形象推廣於二零零七年五月推出，活動範圍涵蓋電視廣告、平面廣告、分行廣告板及海報。為隆重其事及徹底推行「Why Not」精神，本行於內部更為全體員工舉辦連串推廣活動及工作坊，鼓勵他們一同分享這個服務理念，上下一心貫徹執行。



We focused on the personal installment loan business by launching a series of product campaigns, resulting in the new loan booked amount increasing by 27%.

推出連串產品推廣活動，致力發展個人分期付款業務，令新造貸款額增長 27%。



Going forward, Consumer Banking will drive customer growth by taking advantage of the Bank's new business model on customer segmentation, namely mass market, emerging affluent and high net worth customers. New initiatives and dedicated efforts have been put on upgrading potential mass market customers to other customer segments by means of cross-selling and referral programmes.

展望未來，個人銀行業務將採用新的客戶分層（即將客戶分為大眾、新晉富裕及高資產值三個層面）經營模式，進一步強化業務平台。本行將加強推行多項新計劃，致力擴張客戶基礎，透過交叉銷售及業務推介，發掘並提升潛質優厚的大眾客戶成為財富管理客戶。

Enhancement of our infrastructure, systems and risk control framework will further strengthen our capability in providing the best support to implement our business initiatives.

基建、系統及風險控制架構的提升有助強化本行各支援部門的能力，令多個業務發展項目得以落實。



support & risk management

營運支援及風險管理

BUSINESS TECHNOLOGY MANAGEMENT

The Bank continues to invest significantly in Information Technology ("IT") systems, in particular on new hardware and infrastructure upgrades, and revamping functionalities of applications systems in order to cope with the long-term business strategy of the Bank. In addition, the Bank has developed a three-year IT Roadmap to ensure that IT continues to support and enable the achievement of the Bank's business strategies and objectives. The IT Roadmap will move the Bank's IT to the Service Oriented Architecture ("SOA") and progressively retire the legacy solutions. The SOA will enhance the Bank with faster delivery time frames for new products and services, and to seize new market opportunities.

CRM System and Data Warehouse Replacement

Included in the IT Roadmap is the implementation of a technology platform with an industry standard data model to support the delivery of enterprise-wide single 360° view of customer, enterprise reporting and corporate data warehousing. This demand is primarily driven by a need for enterprise-wide single 360° view of customer to support more comprehensive solutions for customers, drive targeting activities for acquisition, retention and cross-selling / up-selling, and for delivery of differentiated customer services. This capability will allow the Bank to move towards a customer-centric culture and organisation which offers differentiating services to its customers. The Bank has partnered with IBM to implement the Customer Relationship Management ("CRM") / data warehouse replacement project with target completion in end of 2008.

Electronic Channel Enhancements

The Bank believes that electronic channels are a fundamental customer service channel and are vital to the growth of the

營運技術管理

本行繼續對資訊科技系統作出重大投資，尤其在配置新硬件和提升基礎設施，及改進應用系統功能方面，以配合本行長期業務策略的需要。此外，本行已訂立為期三年的資訊科技藍圖，確保資訊科技繼續支援本行實現業務策略和目標。資訊科技藍圖將引領本行邁向服務為本的資訊科技架構，並逐步取代傳統方案。這將有助本行加快推出新產品及服務的時間表，以爭取新的市場商機。

更換客戶關係管理系統及數據庫

資訊科技藍圖包括落實一個科技平台，當中採用業內標準的數據模式，支援整個企業的客戶全面資料總覽、企業報告及企業數據儲存。建立該平台的主要目的，是希望利用客戶全面資料總覽功能，支援更全面的客戶服務方案；針對性地吸納客戶、保留客戶及交叉銷售／順勢推銷，以及提供與眾不同的客戶服務。上述功能可使本行發展成為一家具備以客為尊文化的機構，向客戶提供卓爾不凡的服務。本行已與 IBM 合作，進行客戶關係管理／數據庫的更換項目，預期於二零零八年底完成。

提升電子服務功能

本行相信電子渠道是服務客戶的基本渠道，對本行擴展策略性的計劃非常重要。

The Bank's three-year IT Roadmap will move the Bank's IT to the Service Oriented Architecture ("SOA") which will enhance the Bank with faster delivery time frames for new products and services, and to seize new market opportunities.

本行的三年資訊科技藍圖，將引領本行邁向服務為本的資訊科技架構，藉此加快本行新產品及服務的推出，以爭取新的市場商機。

The Bank has invested substantially to replace the existing unsecured loan underwriting system with a new one that has a more sophisticated and flexible engine capable of a multi-dimensional credit decision matrix.

本行投放大量資源，更換現有的無抵押貸款處理系統。新系統的機制更加精密靈活，能作出多維信貸決策矩陣。

In 2007, the number of Internet banking customers increased by 71%, while transaction volume increased by 84%.

二零零七年，網上銀行客戶數目增加 71%，交易量則增加 84%。



Bank's strategic initiatives. In 2007, the Bank continued to invest in the various electronic channels and upgraded the overall infrastructure of the Internet banking platform. The upgrade, including both the hardware and software, will further strengthen system security, capacity and resilience to cater for our rapid growth in Internet banking customers and transaction volume. In 2007, the number of Internet banking customers increased by 71%, while transaction volume increased by 84%.

The Bank has also completed various functional enhancements including alphanumeric username and password and online Internet banking account opening. In 2008, the Bank will continue to revamp its Corporate and Personal Internet banking platform, enhancing both the functionalities and user experience. In 2007, the Internet Stock Trading ("IST") system of the Bank also underwent substantial enhancements to improve its capacity and stability. In 2008, Internet banking will also provide single sign-on convenience with our IST system.

Business Systems and Infrastructure Upgrade

The Bank continued to revamp the functionalities of the stock trading system in 2007, including replacement of the old hardware with more powerful computers with a resilience mechanism, as well as upgrades of the network speed and throttle rate to ensure all our customers' instructions via phone or Internet are handled and processed promptly.

The Bank also started the replacement of the old lending systems from Corporate, Hire Purchase and Personal Loan applications, to approval, processing and repayment to cope with the Bank's business and customers' needs. Upon completion of the lending system revamp project, the overall processing time of loan applications will be greatly improved, with greater flexibility for customers for lending and repayment while enhancing the Bank's speed to launch new lending products to the market. The project is designed for implementation in different stages with completion dates during 2008.

二零零七年，本行繼續投資於多項電子渠道，並提升網上銀行平台的整體基礎設施。軟硬件的提升將進一步加強系統保安、容量及彈性，以應付網上銀行客戶及交易量的急速增長。二零零七年，網上銀行客戶數目增加 71%，交易量則增加 84%。

本行亦完成多方面的功能提升，包括字母與數字並用的用戶名稱及密碼，以及網上銀行開戶服務。二零零八年，本行將繼續改進企業及個人網上銀行平台，以提升功能，讓用戶體驗更佳的服務。二零零七年，本行網上股票交易系統進行的重大升級提高了該系統的容量及穩定性。二零零八年，本行的網上銀行亦將為網上股票交易系統提供便利的單一登入功能。

業務系統及基建升級

二零零七年，本行繼續改進股票交易系統的功能，包括以兼具彈性、效能更強的電腦取代舊有硬件，以及提升網絡速度及節流率，確保能及時處理本行客戶透過電話或互聯網發出的指示。

本行亦開始更換舊有的貸款系統，由企業、租購及個人貸款的申請以至審批、處理及還款程序均作出改良，以配合本行的業務運作及客戶需要。在完成貸款系統改進項目後，貸款申請的整體處理時間將大大得到改善，客戶的貸款及還款將更具彈性，並有助本行於市場加快推出新的貸款產品。該項目將分階段實行，並於二零零八年內完成。

The implementation of the new Customer Relationship Management system will allow the Bank to move towards a customer-centric culture and organisation which offers differentiating services to its customers.

透過新的客戶關係管理系統，本行能發展成為一家以客為尊的機構，向客戶提供卓爾不凡的服務。



As part of the business strategy, the Bank has decided to revamp the existing trade finance application by replacing it with a new one that will meet the requirements of customers who have a presence in Hong Kong, Taiwan and Mainland China. The installation of the new system is scheduled to be completed in Q4 2008.

In addition, the Bank will continue to invest in the IT system for office automation and further enhance its business application systems to cope with the fast changing market and improve services to customers. Upon completion of these planned activities, the Bank will significantly enhance the functionalities of its existing systems, automate back office operations and provide greater flexibility to launch new products and ease access of customer relationship information by management, and the front and back office staff.

OPERATIONS

The Bank's business and customer transaction volume grew substantially in 2007. Business momentum related to investment and wealth management was particularly strong, with unit trust transactions soaring by 400% compared to 2006. Also, transactions relating to new and structured financial markets products increased over 200%, and over 77 IPO services were launched in 2007. Various key centralised processing departments' transactions increased over 300%, and the flexibility of our operations model successfully responded to dynamic market changes and business growth.

In 2007, the Bank initiated over 30 service quality management programmes and training for our front and back office staff, coupled with regular benchmarking on branch services, to further improve our services. Although customer transaction volume and complexity of our products increased, the operations risk and error rate remained well under control, thanks to the Bank's traditionally prudent risk management practices.

作為業務策略的一部分，本行決定更換新的貿易融資應用系統，以改進現有的系統及滿足在香港、台灣及中國內地經營業務的客戶需求。新系統的安裝工程預計將於二零零八年第四季完成。

此外，本行將繼續在資訊科技系統上作出投資，以推行辦公室自動化，並進一步加強業務應用系統，應付市場的急速轉變及改善客戶服務。完成這些計劃後，本行將大幅提升現有系統的功能，令後勤運作自動化，並為新產品的推出提供更大的靈活性，以及讓管理層、前線及後勤員工更容易取得客戶關係資料。

營運支援

於二零零七年，本行的業務及客戶交易量大幅增長。投資及財富管理相關業務的增長動力尤其強勁，單位信託基金交易量較二零零六年增加400%，而與新增及結構性金融市場產品相關的交易量增長亦逾200%。本行亦於二零零七年內為逾77項首次上市招股提供服務。多個主要的中央處理部門的交易量增長逾300%，而憑著靈活的營運模式，本行能成功回應市場的急速變化及業務增長的需要。

二零零七年，本行為前線及後勤員工開辦超過30項服務質素管理計劃並提供培訓，同時定期對分行服務進行基準比較，以進一步提升服務水平。儘管客戶交易量持續增長、產品日益複雜，本行仍堅守一貫審慎的風險管理作風，確保妥善控制營運風險及誤差率。



In 2007, the Bank initiated over 30 service quality management programmes and training for our front and back office staff, coupled with regular benchmarking on branch services, to further improve our services.

二零零七年，本行為前線及後勤員工開辦超過 30 項服務質素管理計劃並提供培訓，同時定期對分行服務進行基準比較，以進一步提升服務水平。

At the same time, the Bank continued to expand and improve its products and services while enhancing its operations efficiency. The Bank worked with a leading document management vendor to implement multi-functional devices in all branches and offices in Q4 2007. This laid the foundation for implementing a Document Management System in 2008 to enhance operations efficiency and provide cost-effective document management and imaging solutions within the Bank. The Bank also enhanced its investment product back office system in early 2008, resulting in greater capacity, improved customer service, and lower long term running costs.

The Division not only provides timely services and products, but also ensures that internal departments work together effectively. In 2007, it successfully relocated the Bank's business units to a new office in Central Tower in Central. Also, in Q4 2007, several other departments such as Securities Services, Human Resources, SME Commercial Banking and Channel Management were relocated to the Bank's self-owned premises Fubon Bank Building in Central to maximise operations efficiency.

Finally, successful cost control and greater use of technology solutions combined with prudent risk management will continue to be the Division's key focus throughout 2008.

CHANNEL MANAGEMENT

In order to focus on building up the Bank's customer franchise, enhancing channel operational effectiveness and efficiency, and making a difference in the customer experience, Channel Management was restructured in 2007 to achieve these goals. Under the new structure, Branch Services and Support, Call Centre, Customer Experience & Process Re-engineering, and E-Banking work together as an integrated platform to foster effective channel services and facilitate business acquisition strategy by customer segmentation.

同時，本行繼續拓展及改善產品和服務，以及提高營運效率。本行與一家具領導地位的文件處理公司合作，於二零零七年第四季在全線分行及辦公室設置多功能的系統設備，為二零零八年推出的文件處理系統奠定基礎。該系統將提高銀行內部的營運效率，以及提供節省成本的文件處理及圖像解決方案。本行亦於二零零八年初提升投資產品的後勤系統，以加強處理能力、改善客戶服務，以及減低長期運作成本。

營運部不僅提供及時的服務及產品，亦確保內部部門通力合作。二零零七年，本行成功將其業務部門遷往中環中環大廈的新辦公室。此外，於二零零七年第四季，若干其他部門，如證券服務、人力資源、中小企商業銀行及營銷網絡管理部亦已遷往本行於中環的自置物業富邦銀行大廈，以達致最高的營運效率。

展望二零零八年，營運部仍將繼續著重嚴格控制成本、加強運用先進科技，以及貫徹執行審慎的風險管理。

營銷網絡管理

營銷網絡管理部於二零零七年進行重組，以專注強化客戶服務、提升銷售渠道的營運效益及效率，以及提供與別不同的客戶體驗。在新架構下的分行營運部、電話中心、客戶體驗及業務流程改進部，以及電子銀行綜合運作如同一個平台，並按客戶分層提供有效的渠道服務和促進業務的吸納。

A new outbound telemarketing team was established to provide dedicated support to the mass market segment in terms of servicing, cross-selling and upgrading customers.

電話中心成立了對外電話市場推廣團隊，為大眾市場提供服務、交叉銷售及客戶升級方面的支援。



Aligning with the Bank's growth strategy, Call Centre has reinforced its role as a revenue contributor instead of only a supporting function. A new outbound telemarketing team was established to provide dedicated support to the mass market segment in terms of servicing, cross-selling and upgrading customers. For E-banking, in close collaboration with the Bank's product teams, online marketing programmes were scheduled to be launched in 2008 to generate revenue through online channels.

Creating synergy and consistency across channels is the Department's another goal. Selected ATMs are being replaced by the latest multi-functional models, while market leading 2-in-1 ATMs, facilitating instant cash deposits and other advanced ATM functions, were introduced at major branches as an alternative banking channel for customers. The E-banking system enhancement was implemented to provide hassle-free online banking functions with heightened security measures. The Interactive Voice Response System was enhanced to give our customers greater convenience and satisfaction at their fingertips.

Channel Management will continue to deliver growth in the long run by maximising customer value with consistent quality services through various channels (ATMs, branches, E-banking and phone banking) and optimise channel usage and productivity to meet the ever-growing demand of one-stop banking services anytime, anywhere and anyhow.

RISK MANAGEMENT

Enterprise Credit Risk Management

The Enterprise Credit Risk Management Department continues to provide credit function support for the corporate, commercial and retail banking business units of the Bank. Credit officers team up with marketing officers to visit and evaluate credit customers, with the view of enhancing the effectiveness and efficiency of business acquisition and financing undertaking.

為配合本行的發展策略，電話中心已加強其作為收入貢獻者的角色，不再是單單提供支援的功能。該中心成立了對外電話市場推廣團隊，為大眾市場提供服務、交叉銷售及客戶升級方面的支援。電子銀行方面，為緊密配合本行產品銷售隊伍的運作，本行計劃於二零零八年推出網上銀行推廣計劃，透過網上渠道為本行帶來收益。

營銷網絡管理部的另一目標為發揮不同渠道的協同效應，使運作協調一致。為提供另一銀行服務渠道，部分自動櫃員機正換上最新的多功能型號，而主要分行已安裝先進的二合一自動櫃員機，提供即時現金存款及其他先進的自動櫃員機功能。此外，本行已提升電子銀行系統的水平，提供簡易網上銀行功能及強化保安措施。本行亦同時提升互動話音回答系統，為客戶提供更方便、更稱心的服務。

營銷網絡管理部將透過多個渠道，包括自動櫃員機、分行、電子銀行及電話銀行提供一貫的優質服務，為客戶帶來最大的價值，從而保持長期的業務增長。該部門亦將優化渠道的使用率及生產力，隨時隨地滿足市場對一站式銀行服務與日俱增的需求。

風險管理

企業風險管理

企業風險管理部繼續為本行的企業金融、商業及零售銀行業務部提供信貸功能方面的支援。該部門的信貸人員與業務推廣人員一起探訪及評估主要客戶，務求以更具效益和效率的方式吸納業務或提供融資。

Enterprise Credit Risk Management will continue to sharpen its risk management capability through continued staff development and recruitment of professionals.

企業風險管理部將繼續不斷培訓人才及增聘專業人員，以強化風險管理的能力。



After taking the lead role in implementing Basel II in 2006, the Department continued to strengthen its credit risk management capability in 2007. The Department again took an active role in the preparation of various stress tests on the loan assets of the Bank to ensure the Bank's resilience to adverse situations. The Department also continued to conduct on a regular bank-wide basis in-house credit seminars and training in order to share its professional experience in credit evaluation and problem account handling. The Department will continue to sharpen its risk management capability through continued staff development and recruitment of professionals in line with the Bank's "Why Not" concept and growth objective.

In 2008, the Department will undertake an active role together with other support and risk management departments in the establishment of the Bank's framework for the "Capital Adequacy Assessment Process" (CAAP).

Consumer Finance Risk Management

Consumer Finance Risk Management manages the overall credit risk and credit operations functions of all consumer finance products in the Bank. It operates on an automated platform following a framework of pre-determined criteria and rules. This has been put to good use as the Bank utilises its internal risk scoring models for new unsecured loans and credit card acquisitions, as well as in portfolio management. During the year, the asset quality of the Bank's unsecured loan portfolio remained sound. All credit quality indicators exhibited satisfactory performances, and the Bank's credit card write-off performance was in line with the market.

To further improve the Bank's effectiveness and operating efficiencies, and to maintain its position in an increasingly competitive market, the Bank has invested substantially to replace the existing unsecured loan underwriting system with a new one that has a more sophisticated and flexible engine capable of a multi-dimensional

繼本行率先於二零零六年引進《新巴塞爾資本充足標準》（《資本協定二》）後，該部門於二零零七年繼續加強其信貸風險管理能力。該部門並積極準備對貸款資產質素進行各項壓力測試，確保本行能抵禦惡劣的環境。同時，該部門繼續定期舉辦銀行內部信貸講座及培訓，與本行各部門分享信貸評估及處理問題賬戶的專業經驗。為配合本行「敢想、敢問，凡事皆可能」的理念及貫徹促進業務增長的原則，該部門將繼續不斷培訓人才及增聘專業人員，以強化風險管理的能力。

二零零八年，企業風險管理部將積極與其他風險管理部門合作，為本行建立「資本充足評估程序」的基礎及架構。

消費信貸風險管理

消費信貸風險管理部管理本行所有消費信貸產品的整體信貸風險及信貸營運功能。該部門的自動化營運平台，按預設的標準及規則所訂立的架構操作。本行善用該平台的內部風險評分模式，處理新造無抵押貸款及信用卡申請，以及管理貸款組合。年內，本行無抵押貸款組合的資產質素維持良好，所有信貸質素指標均錄得滿意的表現，其中信用卡撇賬率與市場水平相若。

為進一步提高本行的效益及營運效率，並於競爭劇烈的市場中保持優勢，本行投放大量資源，更換現有的無抵押貸款處理系統。新系統的機制更加精密靈活，能作出多維信貸決策矩陣。除此之外，信貸政策的制訂及更新亦較前顯得更加靈活及有效率。轉換新系統的工作預期於二零零八年完成。

Through adequate human resources and technical advancements, Treasury Risk Management contributed to the success of Financial Markets Group by facilitating the product development process and analysing a wide spectrum of bank investments.

財資風險管理部透過投入充足的人力資源及提升技術水平，加快產品開發流程和分析多樣的銀行投資途徑，為金融市場部的成功作出貢獻。



credit decision matrix. Apart from the revamp of the processing engine, the credit policy strategy setting and revision are more flexible and efficient than the previous platform. The migration to the new system is expected to be completed in 2008.

Treasury Risk Management

The Bank's Treasury Risk Management enhanced its risk management capabilities by streamlining the market risk management process and strengthening the risk control framework, which paved the way for significant growth in the treasury business during 2007. Through adequate human resources and technical advancements, the Department contributed to the success of Financial Markets Group by facilitating the product development process and analysing a wide spectrum of bank investments.

During 2007, the Department grew both in numbers and talent. Now the team is composed of Financial Risk Managers, Chartered Financial Analysts, Certified Public Accountants, Quantitative Mathematicians, as well as Information Technologists, who help to secure the risk management framework of the Bank.

Technologically, the Department is empowered to build a strong and standardised risk management structure through the acquisition of state-of-the-art financial systems and the use of renowned IT technologies. Not only is the pricing capacity noticeably improved in terms of productivity and efficiency, but also the routine risk management processes such as portfolio assessment and limit reporting are enhanced through automation. The Bank's exposure to risk is being monitored and measured in a timely fashion.

Going forward, the Department will strive to support the Bank in outperforming its competitors through the best risk management practices. The Department will also make the necessary contributions to the Bank's business expansion plans by complementing them with new market risk exposures.

財資風險管理

本行的財資風險管理部透過簡化市場風險管理程序及強化風險控制架構，提升風險管理的能力，為二零零七年的財資業務大幅增長作好準備。該部門透過投入充足的人力資源及提升技術水平，加快產品開發流程和分析多樣的銀行投資途徑，為金融市場部的成功作出貢獻。

二零零七年，該部門增聘人手，令人才實力更強。部門的成員包括財務風險經理、特許財務分析師、執業會計師、定量數學家，以及資訊科技人員，以確保本行的風險管理架構穩健。

技術層面上，該部門購入先進的財務系統及採用著名的資訊科技技術，成功建立強大及標準化的風險管理架構。這不單提高了生產力和效率，大大改進定價能力，並以自動化運作，加強日常風險管理程序，例如組合評估及限額報告。因此，本行所承受的風險獲得適時的監控及評估。

展望未來，該部門將以最佳的風險管理運作，致力使本行的表現更勝同業。該部門亦會因應新的市場風險予以配合，為本行的業務拓展計劃作出所需的貢獻。

people development 人才管理及發展



The Bank's headcount rose 20.86% during the year in line with the growth and expansion of its business. The recruitment net has also been extended to encompass candidates from Taiwan and the PRC.

為配合業務增長及擴張，員工人數於年內升了 20.86%，招聘網絡亦擴展至台灣與中國內地。

Fubon Bank has long recognised that employees are its most valuable asset, and the best way to provide high-quality professional service is to recruit a high-calibre workforce. Consequently, the Bank's recruitment policies are focused on achieving this goal. In 2007, the Bank started to identify and recruit high-calibre people not just within Hong Kong, but also in Taiwan and PRC. This underlies the Management's strong belief in overcoming all obstacles, and its readiness to venture into uncharted areas to take on new challenges. Recruitment efforts were stepped up in 2007 to cope with the Bank's business needs and future development. At the end of the year, staff strength stood at 1,101, representing a 20.86% increase over the previous year.

To develop talent and cultivate a customer-driven culture, the Bank implemented and followed up on numerous programmes and initiatives in 2007. Since the introduction of the Management Associate Program in 2005, two batches of graduates have now become an integral part of the organisation. With a view to building a more customer and business-driven culture, the Bank launched a bank-wide initiative called "Why Not Campaign" in line with its public marketing campaign in 2007. All staff with or without a leadership role had to attend a one-day training programme specifically tailored to their job situations.

富邦銀行一向深明員工是我們最寶貴的資產，而羅致優秀人才，正是提供優質專業服務的不二法門。因此，本行的招聘方針以達致此目標為重心。二零零七年，本行除了在香港物色和招攬優秀人才外，亦把招攬地域擴展至台灣及中國內地。這凸顯了管理層克服障礙的堅定信心，並準備開拓新領域，接受新挑戰。為配合業務需要和未來發展，本行於二零零七年年底，員工人數達至 1,101 人，較二零零六年同期增加 20.86%。

為培育人才及建立以客為尊的文化，本行於二零零七年實行及跟進多項計劃與活動。自二零零五年推出「見習管理人員計劃」以來，目前已有兩批畢業生成為本行的核心分子。為建立更鮮明的以客為尊及業務主導文化，本行於二零零七年在全行上下推出「Why Not Campaign」，與市場推廣活動作出配合。不論是否擔任領導角色，所有員工必須參加一個與他們工作環境相關的培訓課程。



The Bank implemented and followed up on numerous programmes and initiatives in 2007 to develop talent, cultivate a customer-driven culture and formulate strategies to face the fast-growing competitive environment.

本行於二零零七年實行及跟進多項計劃與活動，以培育人才、建立以客為尊的文化和制訂策略，以面對競爭日趨激烈的經營環境。

Fubon Bank has played the role of a caring employer by providing a balanced work-life to its employees. The Bank was a forerunner in the banking industry to provide paternity leave for the male employees.

富邦銀行為員工提供平衡的工作與生活環境，展現關顧員工的精神。本行亦開創銀行業先河，讓男性員工享有陪產假期。

For talent strategy, the “War of Talent” and “Making Fubon a Caring Organisation” campaigns were launched and major planning and commitments were formulated for the Bank. All supervisors were required to conduct a casual one-on-one pre-appraisal meeting with their respective subordinates to address their personal and career development needs. A bank-wide staff survey was also conducted to gauge staff satisfaction levels in their jobs. Parameters were then set for divisions and departments to follow up.

Over the past years, the Bank has never relaxed its efforts to make its staff compensation and benefits package competitive. The Bank was a forerunner in the banking industry to provide paternity leave for its male employees. In 2007, the annual leave policy was enhanced so that the Bank’s employees could sustain higher productivity after holiday breaks. The physical and emotional well-being of the staff are also extremely important. To ensure that staff have a balanced work-life, a five-day work week was implemented in 2006. To enhance staff morale and the cohesiveness of the organisation as a whole, the popular “Staff Recreation Committee” has continued to develop, organise and implement a host of leisure and recreational activities for staff at all levels.

為訂立重要策略與承諾，本行推出了「War of Talent」及「Making Fubon a Caring Organisation」活動。所有主管人員均需在進行年度工作表現評估前，與下屬進行一對一的「輕談會議」，透過輕鬆的氣氛了解他們個人及事業發展需要。本行亦對全體員工進行了一項意見調查，了解他們對工作的滿意程度，調查所得資料經匯總後交由各部門跟進。

過去數年，本行不遺餘力地務使員工的薪酬與福利緊貼市場。我們亦開創銀行業先河，為男性員工提供陪產假期。在二零零七年，本行提升了年假福利，希望員工在充分的休息後能提高生產力。員工的身心健康亦一直受本行高度重視。本行自二零零六年起實施五天工作週，以確保員工在工作與生活中獲得平衡。為提高員工的士氣和凝聚力，廣受歡迎的「員工福利委員會」將繼續為各級員工籌劃、舉辦和推行一連串的清閒康樂活動。

corporate social responsibility

企業社會責任



Fubon Bank is dedicated to fulfilling its duties as a good corporate citizen, in particular, taking a proactive approach that furthers its deep commitment in bringing art to the community.

本行致力履行企業社會責任，積極建立商業機構關懷社群藝術文化生活的典範。

CONTRIBUTING TO THE COMMUNITY

Giving back to the community in which we operate is an important part of Fubon Bank's corporate philosophy. Our community relations focuses on art and culture, support for the underprivileged, and environmental awareness and protection. In particular, we take a proactive approach that furthers our deep commitment in bringing art to the community.

In 2007, the Hong Kong Council of Social Service awarded the Caring Company Logo to the Bank for the first time to recognise its efforts in establishing initiatives for Corporate Social Responsibility ("CSR"). In August 2007, the Bank set up "Fubon Caring Ambassadors", a team of volunteer staff, and successfully organised a variety of social outreach programmes. Looking ahead, the Bank will extend its volunteer programmes to benefit a larger group of people in need by organising more diversified activities and encouraging its employees and their families to participate.

回饋社會

富邦銀行以「取之社會·用之社會」的企業理念，積極建立商業機構關懷社群藝術文化生活的典範，尤其在推廣藝術文化發展、扶助貧弱，以及倡導環境保護三個範疇上不遺餘力。

年內，本行首次獲得香港社會服務聯會頒發「商界展關懷」標誌，以確定本行在實踐企業公民責任的努力。本行於二零零七年八月成立「富邦關懷大使」義工隊伍，並成功舉辦了多項推展企業社會責任的活動。展望未來，本行將繼續積極履行社會責任，並舉辦更多元化的義務活動予員工及其家人參與，讓社會上更多有需要之人士受惠。





PROMOTING ART APPRECIATION

Fubon Bank embraces the corporate culture of its parent company, Fubon Financial, to promote art and culture through the sponsorship of art programmes inspired by the motto of "making life into art, and art into life".

The Bank first sponsored the 2006 Hong Kong Art Buffet "me2" Contemporary Art Exhibition which was well received by the public. Following this successful initiative, the Bank brought the 2007 Hong Kong Art Buffet "one more, please" Contemporary Art Exhibition to Hong Kong in December 2007. The two-and-a-half-month exhibition was organised by Fubon Art Foundation, and curated and technically supported by the Department of Cultural and Religious Studies at The Chinese University of Hong Kong. The exhibition was on a larger scale and showed greater diversity compared to the previous year. Artists from Taiwan, Hong Kong, Korea, Japan, Britain, Italy and the Netherlands created art pieces which expressed child-like innocence and fun. These art pieces were displayed at Hong Kong City Hall, Fubon Bank Building and Central Tower in Hong Kong's Central business district. Admission was free, allowing the public to experience the warmth, fun and creativity of art appreciation.



推廣藝術欣賞活動

本行秉承母公司富邦金控推動藝術發展的企業文化，透過贊助多項藝術項目，實踐「生活藝術化，藝術生活化」的理念。

繼 2006 香港藝術小餐車《同感童感》當代藝術展大受市民歡迎後，本行於年內再次贊助該項目。為期兩個半月的 2007 香港藝術小餐車《同心童心》當代藝術展於二零零七年十二月推出。該展覽由富邦藝術基金會主辦，香港中文大學文化及宗教研究系策劃及提供技術支援，展覽規模比去年更大、內容更豐富。藝術展在香港大會堂、富邦銀行大廈及中滙大廈舉行，以童真稚趣為主題，展示來自台灣、香港、韓國、日本、英國、義大利及荷蘭藝術工作者的作品，並且讓市民免費參觀，感受藝術帶來的溫馨與歡樂。



The Bank was awarded the 2007/08 Caring Company Logo by the Hong Kong Council of Social Service.

本行獲香港社會服務聯會頒發 2007/08「商界展關懷」標誌。



The Bank established "Fubon Caring Ambassadors" in August 2007.

本行於二零零七年八月成立「富邦關懷大使」。

To promote the development of art in Hong Kong, the Bank sponsored the 2007 Hong Kong Art Buffet "one more, please" Contemporary Art Exhibition.

為推動藝術發展，本行贊助 2007 香港藝術小餐車《同心童心》當代藝術展。

To enhance the cultural exchange between Hong Kong and Taiwan, the Bank sponsored *Sword of Wisdom* – a key programme of the Taiwan Art Festival, and donated tickets to charitable organisations.

為促進港台兩地文化交流，本行贊助「台灣藝術月」的重點劇目《勇者之劍》，並捐贈門票予慈善團體。



To encourage participation from staff, the Bank's CEO led a group of 40 employees to join the artist Yu Wen-fu in creating the first art piece of the "Bamboo Transformation Series". The art piece was exhibited at Hong Kong City Hall during the exhibition period. To promote art education, a series of education programmes were organised which included: inviting students from 18 secondary and primary schools to join the "Create Your Own Pop Ball" Workshop, in which the resulting art pieces were displayed at Hong Kong City Hall during the exhibition; and holding a School Fun Day and Certificate Presentation Ceremony attended by over 300 teachers, students and parents of the participating schools. Education kits and docent guided tours were also provided to the public at Hong Kong City Hall during the exhibition period.



為鼓勵員工參與其中，本行的行政總裁帶領四十名員工，與藝術家游文富一起創作「竹變系列」的第一件作品，製成品更於展覽期間在香港大會堂擺放。為了促進藝術教育，於展覽期間更舉辦了一連串的教育活動，包括邀請十八間中、小學的學生參與「普普彩球」工作坊，並舉行學校同樂日證書頒贈禮，當天出席的參與學校教師、學生及家長共三百多人。此外，於展期內更在香港大會堂派發教育小錦囊及安排導覽團為公眾作專業導覽。



In our effort to help foster a cultural exchange between Hong Kong and Taiwan, the Bank supported the *Taiwan Art Festival* organised by the Kwang Hwa Information and Culture Center. The Bank sponsored one of the key programmes – the internationally acclaimed U-Theatre's premiere of *Sword of Wisdom*, and donated the tickets of the performance to charitable organisations. To make this event accessible to the public, admission to the performances was free.

The Bank will continue to bring more diversified activities of art and culture to Hong Kong in response to the general public's support of these initiatives.

為促進港台兩地文化交流，本行大力支持由光華新聞文化中心籌辦的「台灣藝術月」，並贊助了其中的一個重點劇目，由享譽國際的表演團體「優人神鼓」作全球首演的《勇者之劍》。為了讓大眾可一起感受「優人神鼓」的精彩演出，除市民可免費索取入場券外，部份門票亦捐贈予慈善團體。

本行將繼續為香港帶來更多元化的藝術文化活動，回饋市民對本行推廣藝術文化工作的支持。





扶助貧弱

於本年度，本行除了繼續透過捐贈及協助志願機構寄發募捐表格外，更與歷史悠久的社會服務機構聖雅各福群會合作，籌辦了多個義工外展活動，服務對象為家庭收入較低的學童，透過當中的活動積極推廣藝術及倡導環境保護，進一步呈現本行在推展企業社會責任活動之核心方向。

HELPING THE UNDERPRIVILEGED

During 2007, the Bank continued to support charitable organisations through donations or by helping them to distribute donation forms through bank statements to customers. We also partnered with an established NGO – St. James' Settlement – to organise volunteer outreach programmes for promoting art appreciation and environmental protection which benefit students from lower-income families.

ADVOCATING ENVIRONMENTAL PROTECTION

To inculcate in young people a respect for the environment, the Bank organised a Mai Po outing and DIY workshop during the year. "Fubon Caring Ambassadors" brought students from lower-income families to visit Mai Po and arranged a session where they learned to make paper out of weeds. Through the activity, both the volunteers and the students were being familiarised with the concept of environmental protection. Looking ahead, the Bank will organise more programmes related to environmental protection to encourage our employees and the young generation to be aware of this very important cause.



環境保護

為增強年青一代的環保意識，本行於年內舉辦了米埔自然保育區工作坊，由「富邦關懷大使」帶領家庭收入偏低的學童參觀米埔自然保育區，並安排學習製造蘆葦紙的工作坊，灌輸環保訊息予義工及學童。

展望未來，本行將舉辦更多與保護環境有關的活動，提升員工及年青一代對愛護環境這一個重要概念的認識。



bank network

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Taikoo Shing 太古城 *

Unit 3 - 4, Cityplaza II, Taikoo Shing
太古城中心第二期地下 3 - 4 號舖
Tel 電話：2885 4577

Wanchai 灣仔

G/F., 113 Wanchai Road
灣仔道 113 號地下
Tel 電話：2891 7968

KOWLOON 九龍

Cheung Sha Wan 長沙灣

Shops D & E, G/F, Wing Lung Building,
220 - 240A, Castle Peak Road
青山道 220 - 240A 號永隆大廈地下 D 及 E 舖
Tel 電話：2387 0338

Hunghom 紅磡 *

Shop A3, G/F, 13 Tak Man Street,
Wong Po Sun Tsuen
黃埔新邨德民街 13 號地下 A3 號舖
Tel 電話：2954 2331

Jordan 佐敦

Shop A, G/F, Ka Woo Building,
131 - 137 Woo Sung Street
吳松街 131 - 137 號嘉和大廈地下 A 舖
Tel 電話：2302 1502

Kowloon Main Branch 九龍總行 *

G/F. & 1/F., 731 Nathan Road
彌敦道 731 號地下及 1 樓
Tel 電話：2390 2882

Kwun Tong 觀塘

Shop K, G/F, Kwun Tong Lap Shing Building,
325 Ngau Tau Kok Road
牛頭角道 325 號觀塘立成大廈地下 K 舖
Tel 電話：2344 6991

Mei Foo 美孚 *

G/F., 26B Nassau Street
蘭秀道 26 號 B 地下
Tel 電話：2742 9911

Mongkok 旺角

G/F., President Commercial Center,
602 Nathan Road
彌敦道 602 號總統商業中心地下
Tel 電話：2385 6033

Richland Gardens 麗晶花園

Shops 111 - 112 & 117 - 118,
Richland Gardens, Commercial Complex,
Wang Kwong Road
宏光道麗晶花園商場 111 - 112 及 117 - 118 號舖
Tel 電話：2796 2575

Tsimshatsui 尖沙咀 *

G/F., Grand Right Center,
10 - 10A Cameron Road
金馬倫道 10 - 10A 宏威中心地下
Tel 電話：2721 6102

NEW TERRITORIES 新界

Shatin 沙田 *

Shop 31L, Shatin Center,
2 - 16 Wang Pok Street
橫壩街 2 - 16 號沙田中心商場 31L 號舖
Tel 電話：2605 6389

Tai Po 大埔

Shop 28, G/F, Jade Plaza, On Chee Road
安慈路翠屏花園地下 28 號舖
Tel 電話：2667 1517

Tsuen Wan 荃灣 *

G/F. & 1/F., Wing On Mansion,
22 - 28 Tai Ho Road
大河道 22 - 28 號榮安大廈地下及 1 樓
Tel 電話：2402 1006

Tuen Mun 屯門

Shop 11, G/F., Mei Hang Building,
15 - 45 Kai Man Path
啟民徑 15 - 45 號美恒樓地下 11 號舖
Tel 電話：2440 3039

Yuen Long 元朗 *

G/F., Hing Fat House, 9 Kau Yuk Road
教育路 9 號興發大廈地下
Tel 電話：2479 0236

* 附設 Ambassador Banking 優先專櫃
With Ambassador Banking Counter

SECURITIES SERVICES CENTRES

證券投資服務中心

Central 中環

1/F., Fubon Bank Building,
38 Des Voeux Road Central
德輔道中 38 號富邦銀行大廈 1 樓
Tel 電話：2842 7575

Mei Foo 美孚

Shop N94, 1/F., Mount Sterling Mall
萬事達廣場 1 樓 N94 號舖
Tel 電話：2620 0383

Yuen Long 元朗

Rooms 603 & 604, HSBC Building,
150 - 160 Castle Peak Road
青山公路 150 - 160 號
元豐中心 603 及 604 室
Tel 電話：2869 6389

products & services

產品及服務

DEPOSIT PRODUCTS

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

LOAN PRODUCTS

Mortgage Loan
Deposit-Linked Mortgage Account
HIBOR Mortgage Loan
Property for Sale Services
Personal Installment Loan
Tax Loan
Privileged Cash Card
“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
Elite Platinum VISA
Co-branded / Affinity Cards
VISA Debit Card
Corporate Card
Any-can-do Purchase Installment Plan
Interest-free Purchase Installment Plan

存款產品

Magic Money Manager 港元有息支票戶口
Magic Money Manager 美元有息支票戶口
「Magic 兒同樂」儲蓄計劃
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

貸款產品

按揭貸款
「按揭存款聯繫」戶口
「同業拆息」按揭貸款
物業待售服務
私人分期貸款
稅務貸款
富邦現金卡
「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
Elite Platinum VISA 白金卡
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

Interest-free Cash Installment Plan
“Cash Ready” Plan
Balance Transfer Services
Credit Card Bonus Point Program
Year-round Purchase Discount Offers
Octopus Automatic Add Value Services
Merchant Business Services

RENMINBI (RMB) SERVICES

RMB Savings Account
RMB Fixed Deposit Account
RMB Exchange Services
RMB Remittance Services

CORPORATE BANKING

Working Capital Loans
Import-Export Trade Financing
Account Receivable Financing
Syndicated Loans
Construction Loans
Commercial Loans
Project Financing
Structured Financing
China Business
Taiwan Business

SME COMMERCIAL BANKING

Overdraft Facilities
Working Capital Loans
Import-Export Trade Financing
Account Receivable Financing
Commercial / Industrial Property Financing
Shop Financing
SME Guarantee Financing Schemes

AMBASSADOR BANKING

Wealth Management Services
Investment Portfolio Management
Deposit Services
Mortgage Loan Services

0 息分期零用錢
「備用錢」兌現信用額計劃
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
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
出入口貿易融資
應收賬融資
銀團貸款
建造貸款
商業貸款
項目融資
結構融資
中國業務
台灣業務

中小企商業銀行

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

AMBASSADOR BANKING

財富管理服務
投資組合管理
存款服務
樓宇按揭服務

Personal Credit Facilities
Insurance Services
Offshore Ambassador Banking

個人信貸服務
保險服務
Ambassador 境外理財服務

INVESTMENT SERVICES

Securities Services
- Securities Trading
- Internet Stock Trading Service
- Share Margin Financing
- Nominees and Custodian Services
Unit Trusts
- Unit Trusts Investment Services

投資服務

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

TREASURY PRODUCTS

Spot Foreign Exchange
Forward Foreign Exchange Services
Foreign Exchange Margin Trading Services
Third Party Retail Note
Currency-Linked Deposit
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

財資產品

現貨外匯交易
遠期外匯服務
外匯孖展交易服務
零售票據
「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

INSURANCE SERVICES

Life Insurance
General Insurance

保險服務

人壽保險
一般保險

MPF SERVICES

MPF

強積金服務

強積金

FINANCIAL INSTITUTIONS

Correspondent Banking

金融機構業務

代理銀行服務

ELECTRONIC BANKING

ATM Service
e-banking Service
Internet Stock Trading Service
Phone Banking Service

電子銀行

自動櫃員機服務
網上理財服務
網上證券交易服務
電話銀行服務

SAFE DEPOSIT BOX SERVICES

保管箱服務

FUBON CREDIT

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

富邦財務

租購及租賃
- 生產機械
- 文儀器材
- 醫療儀器
- 躉船、拖船及遊艇
- 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
中小企商業貸款
私人貸款

corporate governance report

企業管治報告

A. CORPORATE GOVERNANCE PRACTICES

The Bank is committed to the highest standards of corporate governance including but not limited to strict adherence to the principles set forth in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Bank has complied with all Code provisions throughout the financial year ended 31 December 2007.

The Bank, being a licensed bank incorporated in Hong Kong, also follows the principles and best practices in corporate governance as set forth in the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority (the "HKMA").

B. DIRECTORS' SECURITIES TRANSACTIONS

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

The Bank has made specific enquiries of all Directors regarding any non-compliance with the Model Code during the period, and received confirmations from all Directors that they have fully complied with the required standards set out in the Model Code.

C. BOARD OF DIRECTORS

- (1) The Board of Directors ("the Board") of the Bank comprises 10 Directors. Details in relation to the Board have been set out in the Corporate Information. During the financial year, four Board meetings have been held. Each Director's attendance at these Board meetings is set out below:

DIRECTORS	ATTENDANCE
Executive Directors	
Jin-Yi LEE	4 / 4
(Managing Director and Chief Executive Officer)	
Michael CHANG Ming-Yuen	4 / 4
James YIP	4 / 4
Non-Executive Directors	
Ming-Hsing (Richard) TSAI	4 / 4
(Chairman)	
Ming-Chung (Daniel) TSAI	4 / 4
(Vice Chairman)	
Victor KUNG	4 / 4
Jesse DING	3 / 4
(resigned on 28 November 2007)	

A. 企業管治常規

本行致力實行最高水準之企業管治，包括但不限於嚴格遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四之《企業管治常規守則》（「守則」）所載原則。截至二零零七年十二月三十一日止之財政年度，本行嚴格遵守載於守則內之全部守則。

本行作為香港成立之持牌銀行，亦會致力遵守載於香港金融管理局（「金管局」）頒佈之監管政策手冊內「本地註冊認可機構之企業管治」指引之原則及企業管治最佳常規。

B. 董事之證券交易

本行已採納「上市規則」附錄十所列之「上市公司董事進行證券交易的標準守則」（「標準守則」），作為本行董事進行證券交易之行為守則。

本行已向所有董事作出有關於本期間任何違反「標準守則」之特定查詢，而彼等皆確認已完全遵守「標準守則」所列之要求。

C. 董事會

- (1) 本行董事會（「董事會」）包括 10 名董事。公司資料中載有董事會之詳情。於本財政年度內，董事會已舉行四次會議。各董事出席該等董事會會議之情況載列如下：

董事	出席次數
執行董事	
李晉頤	4 / 4
(董事總經理兼行政總裁)	
張明遠	4 / 4
葉強華	4 / 4
非執行董事	
蔡明興	4 / 4
(主席)	
蔡明忠	4 / 4
(副主席)	
龔天行	4 / 4
丁予康	3 / 4
(於二零零七年十一月二十八日辭任)	

Independent Non-Executive Directors

Robert James KENRICK	4 / 4
Moses K. TSANG	4 / 4
Hung SHIH	4 / 4

Full regular Board meetings are held at least four times a year, with one in each quarter. Notice of each Board meeting will be given to all Directors at least 14 days in advance and the agenda will be sent to the Directors at least 7 days before the date of each Board meeting for all Directors to review.

The Articles of Association of the Bank provide that a Director shall not be entitled to vote or be counted in the quorum in respect of any contract or arrangement in which he or any of his associates has a material interest.

Minutes of each Board meeting are circulated to all Directors for their comment prior to their confirmation at the following Board meeting. Minutes of Board meetings are kept by the Company Secretary and are open for inspection by Directors.

Directors may have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures and all applicable rules and regulations, are followed.

- (2) In meeting its overall duties and responsibilities to shareholders, depositors, creditors, employees and other stakeholders, the Board is responsible to ensure that there is a competent executive management which is able to run the Bank in a sound and efficient manner.

The Board is also responsible for establishing the overall business objectives of the Bank and to approve and review the corresponding business strategies and plans (including annual budgets) from time to time. The Board is also required to ensure that the operations of the Bank are conducted prudently and within the laws and regulations of the Hong Kong Special Administrative Region and thus establishes, approves and reviews such policies, codes of conduct, guidelines and systems as the Board may think necessary and appropriate from time to time.

The Board also ensures that the Bank observes a high standard of integrity in its dealings with the public and particular care is taken to comply with applicable laws and regulations (such as the Personal Data (Privacy) Ordinance, Prevention of Bribery Ordinance etc), prevention of money laundering legislation, industry standards (such as the Code of Banking Practice) and regulatory guidelines issued by the HKMA, the Securities and Futures Commission and other relevant regulatory authorities.

In addition, the Board regularly establishes, approves and reviews risk management strategies and policies of the Bank as it may think necessary and appropriate from time to time to identify, measure, monitor and

獨立非執行董事

甘禮傑	4 / 4
曾國泰	4 / 4
石宏	4 / 4

每年至少舉行四次定期董事會會議，每季度一次。每次董事會會議通知會於至少 14 天前發給全體董事，而會議議程會於各董事會會議日期至少七天前發給全體董事以供審閱。

本行之章程細則規定，就任何合約或安排而言，倘董事或董事之聯繫人士於其擁有重大權益，則該董事無權投票或計為法定人數。

每次董事會會議之會議記錄會於下次董事會會議確認前交由全體董事傳閱及提出意見。董事會會議記錄會交由公司秘書保存並供董事公開查閱。

全體董事皆可獲得公司秘書的意見及服務以確保董事會程序及所有適用規則及條例均獲遵守。

- (2) 董事會有責任確保行政管理層有能力以合理及有效的方式經營本行，以履行其對股東、存戶、債權人、僱員及其他相關人士之義務及責任。

董事會亦有責任建立本行之全盤業務目標，並不時批核及檢討相應之業務策略及計劃（包括年度財政預算）。董事會亦須確保本行謹慎營運並遵守香港特別行政區之法例及法規，從而於董事會認為有必要及適當時建議、批准及審核該等政策、行為守則、指引及系統。

董事會亦須確保本行於其對公眾之交易中遵循高標準誠信準則，並特別留意須遵守法例及法規（例如「個人資料（私隱）條例」、「防止賄賂條例」等）、防止清洗黑錢法例、行業標準（例如「銀行營運守則」），以及由金管局、證券及期貨事務監察委員會及其他相關監管機構頒佈之規管指引。

此外，董事會於其認為有必要及適當時不時定期建立、批准及審核本行之風險管理策略及政策，以找出、計算、監察及控制各類本行所面對之風險，其中包括惟不僅限於信貸、營運、市場、聲譽及流動資金風險。董事會亦監察本行之物業、股權或債券等全盤資產之投資，惟一般之銀行及證券業務除外。

control the various types of risk with which the Bank is faced, such as but not limited to credit, operational, market, reputational and liquidity risks. It also oversees the overall investments (other than in the ordinary course of its banking and securities business) of the Bank in assets such as property, equities or bonds.

The Board also ensures that the staff of the Bank fully understands and complies with the provisions of Section 83 of the Banking Ordinance on connected lending and has established a policy on such lending.

The Board also focuses on effectively overseeing and managing the business of the Bank including delegating duties and responsibilities to the Managing Director and Chief Executive Officer or through the appointment of Directors to specialised Board committees with all decisions and approvals being subject to review and ratification by the Board.

D. CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Details of the Chairman, Ming-Hsing (Richard) TSAI, and the Chief Executive Officer, Jin-Yi LEE, have been set out in the Corporate Information. They have no relationship with each other. The roles of the Chairman and the Chief Executive Officer are segregated, with a clear division of responsibilities.

The Chairman is a Non-Executive Director and is responsible for the leadership and effective running of the Board, and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner.

The Managing Director and Chief Executive Officer is an Executive Director and is responsible without interference from individual Directors for the day to day general management and control of the Bank's business and operation under delegated power and authority of the Board. However the Managing Director and Chief Executive Officer has discretion to consult and obtain guidance from the other Directors or the Board when he considers necessary.

E. BOARD COMPOSITION

The Board comprises three Executive Directors, four Non-Executive Directors and three Independent Non-Executive Directors. More than one of the Independent Non-Executive Directors hold appropriate professional qualifications or accounting or related financial management expertise which exceeds the minimum requirements of the Listing Rules.

Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules.

董事會亦確保本行職員完全理解及遵守「銀行條例」第 83 條之有關關連借貸之條文，並就該等借貸訂立政策。

董事會亦專注於有效監察及管理本行之業務，包括透過授權董事總經理及行政總裁，或委任董事加入專責委員會，再經由董事會審核及批准所有決定。

D. 主席及行政總裁

公司資料載有主席蔡明興及行政總裁李晉頤之詳細資料。彼等相互並無關係。主席及行政總裁之職能互相獨立及職責明晰。

主席為非執行董事及負責董事會之領導和運作，並確保所有重大及需要處理的事務得以有效及有建設性地進行商議。

董事總經理及行政總裁為執行董事及可根據董事會之授權，負責日常管理及本行之業務營運，而不受任何個別董事之影響。然而，董事總經理及行政總裁可於必要時酌情向任何董事或董事會進行諮詢及獲取指引。

E. 董事會組成

董事會包括三位執行董事、四位非執行董事及三位獨立非執行董事。不止一位獨立非執行董事擁有適當之專業資格或具備會計或相關財務管理專長，超過了上市規則之最低規定。

各獨立非執行董事已根據「上市規則」第 3.13 條之規定提交其獨立性週年確認書。

本行認為所有獨立非執行董事均保持獨立並符合「上市規則」第 3.13 條所載之獨立性指引。

在董事會成員當中，副主席蔡明忠乃主席蔡明興之胞兄，而兩位均為本行之大股東富邦金融控股股份有限公司之代表。

The Bank is of the view that all Independent Non-Executive Directors are independent and meet the independence guidelines set out in Rules 3.13 of the Listing Rules.

Among the members of the Board, Ming-Chung (Daniel) TSAI, Vice Chairman is the brother of Ming-Hsing (Richard) TSAI, Chairman, both of whom represent the substantial shareholder of the Bank, Fubon Financial Holding Co., Ltd.

F. APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Bank.

The Board has not established a nomination committee. As a substantial shareholder holding 75% of the shares of the Bank, Fubon Financial Holding Co., Ltd is involved in the process of nominating new Directors. The appointment of new Directors will be considered and approved by the full Board of Directors or Shareholders in accordance with the Articles of Association of the Bank. Approval from the HKMA will also be obtained in accordance with the Banking Ordinance.

Those directors appointed by the Board during the year shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

G. REMUNERATION COMMITTEE

The Remuneration Committee comprises the Board's Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors. The Committee meets as required to review and approve the remuneration packages for senior executives which include the Chief Executive Officer, Executive Directors, and Executive Vice Presidents. Executive Directors do not play a part in decisions on their own remuneration. During the financial year, one meeting was held. Each Director's attendance at the meeting is set out below:

DIRECTORS	ATTENDANCE
Ming-Hsing (Richard) TSAI (Chairman)	1 / 1
Ming-Chung (Daniel) TSAI (Vice Chairman)	1 / 1
Robert James KENRICK	1 / 1
Moses K. TSANG	1 / 1
Hung SHIH	1 / 1

During the financial year, the Remuneration Committee discussed the average staff salary increase for 2008 and the 2007 staff bonuses and recommended its decision to the Board for approval. The Committee

F. 委任及重選董事

根據本行之章程細則，所有董事均需於股東周年常會上應選輪任及連任。

董事會並未成立提名委員會。持有本行 75% 權益之大股東富邦金融控股股份有限公司會參與提名新董事之程序。根據本行之章程細則，委任新董事將由全體董事會成員或股東審核及批准。根據銀行條例，亦須獲得金管局之批准。

董事會於年度內所委任之董事只任職至下屆股東周年常會，並於其時有資格再度當選連任。

G. 薪酬委員會

薪酬委員會由董事會之非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以審閱及批核高級行政人員（包括行政總裁、執行董事及執行副總裁）之薪酬方案。執行董事並無參與與其相關之薪酬決策討論。於本財政年度內，薪酬委員會曾經舉行一次會議。各董事出席會議之情況如下：

董事	出席
蔡明興 (主席)	1 / 1
蔡明忠 (副主席)	1 / 1
甘禮傑	1 / 1
曾國泰	1 / 1
石宏	1 / 1

於本財政年度內，薪酬委員會就職員二零零八年之平均薪金增幅及二零零七年之花紅進行討論並向董事會提出批准之建議。該委員會亦批准執行副總裁二零零八年之薪金增幅及二零零七年之花紅。該委員會亦批准擢升一位高級副總裁為執行副總裁。

also approved 2008 salary increases and 2007 bonuses for the Executive Vice Presidents. The Committee also approved the promotion of a Senior Vice President to an Executive Vice President.

H. AUDIT COMMITTEE

The Bank has complied with Rule 3.21 of the Listing Rules in relation to the composition of the Audit Committee. The Audit Committee comprises three members, one Non-Executive Director and two Independent Non-Executive Directors. The Audit Committee is chaired by Robert James Kenrick, an Independent Non-Executive Director who has appropriate accounting professional qualifications. It meets at least four times a year and additionally when deemed necessary. During the financial year, four meetings have been held and each Director's attendance at the meeting is set out below:

DIRECTORS	ATTENDANCE
Robert James KENRICK	4 / 4
Victor KUNG	3 / 4
Hung SHIH	4 / 4

The Audit Committee ensures adequate supervision of the Bank's financial reporting processes, reviews the internal audit programme and reports, ensures co-ordination between the internal and external auditors, and monitors the compliance with internal policies, statutory regulations and recommendations made by the external auditors.

During the financial year, the Audit Committee has reviewed the Bank's financial reporting process and the systems of internal control, including reviews of the internal audit functions and the risk management process. In particular, the reviews undertaken by Audit Committee on the internal audit function include reviews of the internal audit program, the internal audit reports issued, the major findings from any investigation and remedial actions taken by the relevant departments in response to the findings.

The Audit Committee also reviewed the appointment of the external auditors and discussed with them the nature and scope of their audits. In addition, any issues arising from their audits together with the follow up actions taken by the Bank to address these issues have also been examined by the Audit Committee. The Audit Committee also reviewed the interim and annual financial statements before recommending them to the Board for approval. It also reviewed the Bank's statement on internal control systems in the annual report prior to the endorsement by the Board.

I. EXECUTIVE CREDIT COMMITTEE

The Executive Credit Committee comprises the Chairman, Vice Chairman and two Executive Directors. This committee serves as the Credit Committee of the Board to review and approve credit proposals within limits assigned by the Board.

H. 審核委員會

本行就審核委員會之組成已遵守「上市規則」第 3.21 條之規定。審核委員會由三位成員組成，包括一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當會計專業資格之獨立非執行董事甘禮傑任主席。該委員會每年舉行四次會議，並在有需要時舉行特別會議。於本財政年度內，該委員會已舉行四次會議。各董事出席會議之情況如下：

董事	出席次數
甘禮傑	4 / 4
龔天行	3 / 4
石宏	4 / 4

審核委員會確保對本行之財務申報程序進行足夠之監管、檢討內部審核程序及報告、確保內部及外聘核數師互相協調，以及監控遵守內部政策、法規及由外聘核數師所提出之建議。

於本財政年度內，審核委員會已就本行之財務報告編制程序及內部監控系統作出檢討，其中包括內部審核職能及風險管理程序。在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核方案、已發佈之內部審核報告、任何調查所發現之主要問題，以及相關部門就有關問題所採取之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。此外，審核委員會亦就審計所發現之問題及本行所採取之相應解決行動進行審核。審核委員會亦於向董事會建議批准中期及年度財務報告之前審閱有關報告，並在建議董事會批准年報所載之本行有關內部監控系統之聲明之前，審閱有關聲明。

I. 執行信貸委員會

執行信貸委員會由主席、副主席及兩位執行董事組成。委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批核信貸建議。

J. MANAGEMENT COMMITTEE

The Management Committee comprises the Bank's Chief Executive Officer and senior managers as appointed by the Chief Executive Officer. The Committee is the key decision making body for the Bank and is responsible mainly for formulation of the Bank's business strategies and bank wide initiatives. The Committee also coordinates among business and support units during the implementation process, monitors the implementation of the approved business strategies and bank wide initiatives and reviews the achievement of business targets and objectives.

K. ASSET AND LIABILITY COMMITTEE

The Asset and Liability Committee comprises the Bank's Chief Executive Officer, Executive Directors and senior managers as appointed by the Chief Executive Officer. The Committee meets at least bi-weekly with the Head of Internal Audit Division and Head of Compliance Division attending the meeting as observers to ensure overall compliance with the Bank's 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 applications 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 new products proposed by business units and approves new products.

L. AUDITORS' REMUNERATION

An analysis of the remuneration in respect of audit and non-audit services provided by the auditors to the Bank is set out below:

	2007
	HK\$000
Statutory audit, including interim review	2,254
Tax compliance	87
Advisory	342
	<u>2,683</u>

J. 管理委員會

管理委員會由本行的行政總裁以及行政總裁所委任的高級管理人員組成。委員會乃本行重要的決策組織，主要職責是制定本行的業務策略及銀行首創計劃。同時，委員會在業務策略的推行過程中，亦負責協調業務及後勤部門的工作，監察已批准業務策略及銀行首創計劃的實施進度及檢討工作是否合乎業務目標及預期表現。

K. 資產負債委員會

資產負債委員會由本行的行政總裁、執行董事以及行政總裁所委任的高級管理人員組成。委員會最少每兩星期舉行一次會議，並由內部審核部門主管及合規部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付債務的能力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，以上呈予董事會批准。委員會亦制定獲得及應用資金的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。此外，資產及負債委員會亦會評估業務部門所建議新產品涉及的風險及盈利能力，並審批有關產品。

L. 核數師之薪酬

就由核數師向本行提供之審計及非審計服務之薪酬分析如下：

	二零零七年
	千港元
法定審計（包括中期審閱）	2,254
稅務諮詢	87
顧問	342
	<u>2,683</u>

M. INTERNAL CONTROLS

The Board is responsible for the Bank's system of internal control and for reviewing its effectiveness.

The Bank's internal control systems comprise the following key measures and provide reasonable assurance of effective and efficient operations, quality internal and external reporting and compliance with applicable laws and regulations.

Functional committees are established to monitor risks and controls in specific areas of potential risk.

A clear organization structure with well defined authority and responsibilities enables effective checks and balances. It includes a clear division of responsibility between the operating and reporting roles.

All major Bank policies are set and approved by the Board. Detailed processes are defined and documented. These procedures include specific operational, financial and compliance controls which facilitate segregation of duties, accuracy of reporting and proper control over assets and risk exposure.

Comparisons of actual performance against budgets and business analysis are reviewed by the Board on a quarterly basis reflecting monitoring, assessment and control of performance of business, state of its affairs and potential risk.

There are policies and procedures in place to identify possible risk the Bank may face. Appropriate risk management policies and risk limits and guidelines have been established by the Board to monitor and control the risk identified. Risk management reports are submitted regularly to the respective committees assigned for monitoring and assessment of risks associated with the Bank's business and operations.

The internal audit function of the Bank conducts independent reviews and tests to evaluate the effectiveness of internal control and risk management systems on a continuous basis. All findings are reported to the Audit Committee on a quarterly basis. Measures to implement improvement are reviewed and monitored periodically. The Audit Committee reviews and assesses material findings and submits quarterly reports to the Board.

The internal audit function of the Bank conducted the review of effectiveness of the Bank's internal control system for the year of 2007 and has submitted its report to the Audit Committee and the Board. Measures have been taken to implement control recommendations.

M. 內部監控

董事會亦負責本行的內部監控系統及檢討其有效性。

本行的內部監控系統包括下列主要措施，並提供有效營運的合理保證、優質內外申報以及遵照適用法例和法規。

功能委員會乃為了替特定潛在風險範疇進行監察風險和監控而成立。

一個具有妥善界定的權限和職責的清晰組織架構，將有利於有效的牽制與平衡。該架構明確區分營運及彙報職能的責任。

本行所有主要政策均由董事會制定和批准，並界定和仔細記錄詳盡的程序。此等程序包括特定的營運、財務及法規監控，以方便分工、準確申報及對資產和風險度的適當監控。

董事會每季均會審閱實際表現與預算的比較以及業務分析，而該等比較及分析乃反映對業務表現、其事務狀況和潛在風險的監察、評估及監控。

為識別本行可能面對的風險，亦已制定政策和程序。董事會已建立合適的風險管理政策以及風險限度和指引，以對所識別的風險加以監察和監控。有關風險管理報告會定期呈交予獲指派監察及評估與本行業務及營業有關的風險的各有關委員會。

本行的內部審核部門進行獨立檢討和測試，從而持續地評估內部監控和風險管理系統的有效性。於每個季度，向審核委員會呈交報告，而改善措施的執行則會定期進行檢討及審監。審核委員會檢討及評估重大發現，並按季向董事會匯報情況。

本行的內部審核部門已替本行於二零零七年的內部監控系統進行有效性檢討，並已將其報告提交至審核委員會及董事會，另亦已採取措施實踐對於監控的建議。

N. FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements and are not aware of any material uncertainty that may cast significant doubt upon the Group's or the Bank's ability to continue as a going concern. The Audit Committee has conducted a review of the effectiveness of the Group's system of internal control, including financial, operational and compliance controls and risk management functions and reported significant matters identified in the review to the Board. The Audit Committee has recommended to the Board the re-appointment of the auditors, which has been accepted by the Board.

The auditors are responsible for forming an independent opinion on whether the financial statements give a true and fair view of the state of affairs of the Bank and the Group as at 31 December 2007 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.

N. 財務報告

董事負責編制財務報告，且並不知悉任何可能會對本集團或本行繼續發展構成重要影響之重大不明朗因素。審核委員會已檢討本集團之內部監控系統（包括財務、營運及規管遵從控制及風險管理職能），並向董事會呈報於審核中發現之重大事件。審核委員會已就重新委任核數師事宜向董事會提交建議，且獲董事會接納。

核數師負責就財務報告是否真實及公平反映本行及本集團截至二零零七年十二月三十一日之財務狀況及本集團截至該日止年度之溢利及現金流量，以及有關財務報告是否根據《香港公司條例》妥為編制提供獨立意見。

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The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2007.

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 2007 are set out in Note 25 to the financial statements.

PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2007 is set out in the consolidated income statement on page 82. The state of the Bank's and Group's affairs as at 31 December 2007 are set out in the financial statements on pages 82 to 209.

During the year, the Bank paid an interim dividend of 6 Hong Kong cents per ordinary share, totalling HK\$70,329,600 (2006: 6 Hong Kong cents, HK\$70,329,600).

The Directors recommend the payment of a final dividend of 13 Hong Kong cents per ordinary share in respect of the year ended 31 December 2007, totalling HK\$152,381,000 (2006: 12 Hong Kong cents, HK\$140,659,000).

DIRECTORS

The Directors in office during the financial year were:

Executive Directors

Jin-Yi LEE (*Managing Director and Chief Executive Officer*)
Michael CHANG Ming-Yuen
James YIP

Non-Executive Directors

Ming-Hsing (Richard) TSAI (*Chairman*)
Ming-Chung (Daniel) TSAI (*Vice Chairman*)
Victor KUNG
David CHANG Kuo-Chun (*appointed on 18 January 2008*)
Jesse DING (*resigned on 28 November 2007*)

董事會欣然提呈其報告連同富邦銀行(香港)有限公司(「本行」)及其附屬公司(統稱「本集團」)截至二零零七年十二月三十一日止年度的經審核財務報告。

主要業務

本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。

附屬公司

本行的主要附屬公司於二零零七年十二月三十一日的詳情載於財務報告附註25。

主要營業地點

本行為於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中三十八號。

業績及分派

本集團截至二零零七年十二月三十一日止年度的業績載於第82頁綜合收益表。有關本行及本集團於二零零七年十二月三十一日的業務狀況載於第82頁至第209頁的財務報告。

於本年度，本行派付中期股息每股普通股6港仙，合共70,329,600港元(二零零六年：6港仙，70,329,600港元)。

董事建議派付截至二零零七年十二月三十一日止年度末期股息每股普通股13港仙，合共152,381,000港元(二零零六年：12港仙，140,659,000港元)。

董事

本財政年度之在任董事為：

執行董事

李晉頤(*董事總經理兼行政總裁*)
張明遠
葉強華

非執行董事

蔡明興(*主席*)
蔡明忠(*副主席*)
龔天行
張果軍(*於二零零八年一月十八日委任*)
丁予康(*於二零零七年十一月二十八日辭任*)

DIRECTORS (continued)**Independent Non-Executive Directors**

Robert James KENRICK
Moses TSANG
Hung SHIH

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Robert James KENRICK, Ming-Hsing (Richard) TSAI and Jin-Yi LEE retire and, being eligible, offer themselves for re-election.

In accordance with Article 77 of the Bank's Articles of Association, David CHANG Kuo-Chun will hold office until the 2008 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.

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.

董事(續)**獨立非執行董事**

甘禮傑
曾國泰
石宏

於下屆股東週年常會上的董事輪任

根據本行組織章程細則第八十一條，甘禮傑、蔡明興及李晉頤輪值告退，並合資格膺選連任。

根據本行組織章程細則第七十七條，張果軍將任至二零零八年股東週年常會，然後告退並合資格膺選連任。

董事的服務合約

非執行董事按照本行組織章程細則第七十七條及第八十一條委任條款於股東週年常會上獲本行股東委任。

於下屆股東週年常會擬膺選連任的董事並無與本行或其任何附屬公司訂立可由本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，本行、其控股公司、附屬公司或同系附屬公司並無訂立與本行業務有關連，而本行董事直接或間接擁有重大權益的重要合約。

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 2007 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") and the Bank, 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 ("SFO"):

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本行於二零零七年十二月三十一日的在任董事及行政總裁，在當日根據《證券及期貨條例》第352條須存置的董事及行政總裁的權益及淡倉登記冊中，擁有其最終控股公司富邦金融控股股份有限公司（「富邦金控」）股份中的權益如下：

Ordinary shares in Fubon Financial of NT\$10 each 富邦金控每股面值 10 元新台幣普通股					
Name	Personal Interests	Family Interests	Corporate Interests	Total number of shares held	Percentage of total issued shares
姓名	個人 權益	家族 權益	法團 權益	所持股份 總數	佔全部已發行 股份百分比
Ming-Hsing (Richard) TSAI 蔡明興	209,591,280	28,446,879	1,822,876,232 ⁽¹⁾	2,060,914,391	26.70
Ming-Chung (Daniel) TSAI 蔡明忠	229,536,304	32,674,166	1,822,876,232 ⁽¹⁾	2,085,086,702	27.01
Jin-Yi LEE 李晉頤	450,000 ⁽²⁾	—	—	450,000	0.01
Victor KUNG 龔天行	645,571	—	—	645,571	0.01

Notes:

附註：

- (1) 1,822,876,232 shares were held through corporations in which Mr. Ming-Chung (Daniel) TSAI, Mr. Ming-Hsing (Richard) TSAI and other TSAI family members have beneficial interest.
- (2) The shares were acquired during 2004 pursuant to Fubon Financial's treasury shares programme which invited the Directors and certain senior management of the Group to acquire Fubon Financial's shares at discounted price.

- (1) 該 1,822,876,232 股股份由多個法團持有，而蔡明忠先生、蔡明興先生及其他蔡氏家族成員於上述法團均享有實益權益。
- (2) 該等股份是於二零零四年透過富邦金控的庫存股份計劃所認購。該計劃邀請本集團之董事及若干高級管理層以折讓價認購富邦金控股份。

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

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

OPTIONS

認股權

At 31 December 2007, the Directors and Chief Executive of the Bank mentioned below held unlisted physically settled options to acquire the number of ordinary shares of par value NT\$10 each in Fubon Financial set against their respective names. These options were granted for nil consideration by Fubon Financial during the year.

於二零零七年十二月三十一日，下列本行董事及行政總裁持有每股面值10元新台幣之非上市而實股結算之富邦金控普通股之優先認股權。該等認股權乃富邦金控於年內無代價授予該等董事及行政總裁。

Name	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 行使期間	Exercise price per share (NT\$) 每股行使價(新台幣)
Jin-Yi LEE 李晉頤	–	1,400,000	–	–	1,400,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009* to 30 Jul 2012 二零零九年* 七月三十一日至 二零一二年七月三十日	30.5
	–	2,825,000	–	–	2,825,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009* to 6 Dec 2012 二零零九年* 十二月七日至 二零一二年十二月六日	28.2
					4,225,000			
Michael CHANG Ming-Yuen 張明遠	–	1,085,000	–	–	1,085,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009* to 30 Jul 2012 二零零九年* 七月三十一日至 二零一二年七月三十日	30.5
	–	1,416,000	–	–	1,416,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009* to 6 Dec 2012 二零零九年* 十二月七日至 二零一二年十二月六日	28.2
					2,501,000			

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

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

OPTIONS (continued)

認股權(續)

Name	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 行使期間	Exercise price per share (NT\$) 每股行使價(新台幣)
James YIP 葉強華	–	1,085,000	–	–	1,085,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009* to 30 Jul 2012 二零零九年* 七月三十一日至 二零一二年七月三十日	30.5
	–	1,411,000	–	–	1,411,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009# to 6 Dec 2012 二零零九年# 十二月七日至 二零一二年十二月六日	28.2
					2,496,000			
Victor KUNG 龔天行	–	1,410,000	–	–	1,410,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009* to 30 Jul 2012 二零零九年* 七月三十一日至 二零一二年七月三十日	30.5
	–	2,830,000	–	–	2,830,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009# to 6 Dec 2012 二零零九年# 十二月七日至 二零一二年十二月六日	28.2
					4,240,000			

* 50% of granted options are exercisable between 31 Jul 2009 and 30 Jul 2010
75% of granted options are exercisable between 31 Jul 2010 and 30 Jul 2011
100% of granted options are exercisable between 31 Jul 2011 and 30 Jul 2012

* 已授予認股權的50%可於二零零九年七月三十一日至二零一零年七月三十日期間行使
已授予認股權的75%可於二零一零年七月三十一日至二零一一年七月三十日期間行使
已授予認股權的100%可於二零一一年七月三十一日至二零一二年七月三十日期間行使

50% of granted options are exercisable between 7 Dec 2009 and 6 Dec 2010
75% of granted options are exercisable between 7 Dec 2010 and 6 Dec 2011
100% of granted options are exercisable between 7 Dec 2011 and 6 Dec 2012

已授予認股權的50%可於二零零九年十二月七日至二零一零年十二月六日期間行使
已授予認股權的75%可於二零一零年十二月七日至二零一一年十二月六日期間行使
已授予認股權的100%可於二零一一年十二月七日至二零一二年十二月六日期間行使

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

OPTIONS (continued)

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 under section 352 of the SFO or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code") in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS INTERESTS AND SHORT POSITIONS IN SHARE AND UNDERLYING SHARES

As at 31 December 2007, 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.

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

認股權(續)

除上述者外，本行概無其他董事及行政總裁或彼等的配偶或任何未滿十八歲子女在本行、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，擁有在根據《證券及期貨條例》的第352條須存置的登記冊中已記錄，或根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十之《上市公司董事進行證券交易的標準守則》(「標準守則」)而須知會本行的權益或淡倉。

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零零七年十二月三十一日，主要股東登記冊內顯示，本行已獲悉下列公司擁有本行已發行股本5%或以上的權益。

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

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 26 to the financial statements.

DONATIONS

Donations made by the Group during the year amounted to HK\$48,800 (2006: HK\$20,000).

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Bank and within the knowledge of the Directors of the Bank as at the date of this annual report, the Bank has maintained a public float of 25% during the year.

購入、出售或贖回本行之上市股份

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

固定資產

本行及本集團的固定資產變動載於財務報告附註26。

慈善捐款

本集團於年內捐出48,800港元作慈善用途(二零零六年：20,000港元)。

足夠公眾持股量

截至本年報刊發日期為止，根據本行可從公開途徑獲得的資料及據本行董事所知悉，本行於年內維持25%的公眾持股量。

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 4 to 5 of the annual report.

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which covers 68% of the Group's employees, and a Mandatory Provident Fund scheme. Particulars of these retirement schemes are set out in Note 40 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Bank has received from each of the Independent Non-Executive Directors an annual confirmation of his independence pursuant to Chapter 3.13 of the Listing Rules. The Bank considers all the Independent Non-Executive Directors to be independent.

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.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Bank is required to comply with the Banking (Disclosure) Rules effective from 1 January 2007, which have superseded the Supervisory Policy Manual "Financial Disclosure by Locally Incorporated Authorised Institutions" issued by the Hong Kong Monetary Authority ("HKMA"). The Banking (Disclosure) Rules set out the minimum standards for public disclosure which authorised institutions must make in respect of the income statement, state of affairs and capital adequacy. The financial statements for the year ended 31 December 2007 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

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 order of the Board

Juliana CHIU Yuk Ching
Secretary

Hong Kong, 11 March 2008

五個年度之財務概要

本集團於過往五個財政年度之業績及資產與負債之概要載於本年報第4頁至第5頁。

退休計劃

本集團推行一項界定利益退休福利計劃（範圍涵蓋本集團68%的僱員）及一項強制性公積金計劃。該等退休計劃的詳情載於財務報告附註40。

確認獨立性

本行已接獲各獨立非執行董事根據上市規則第3.13章之規定就其獨立性作出之年度確認書。本行認為所有獨立非執行董事均為獨立人士。

審核委員會

審核委員會由三位非執行董事組成，大部分為獨立人士。該委員會附屬董事會，負責監督本集團內部核數師之工作，並監察本集團的內部監控系統能否有效地運作並且遵從由董事會批准的政策及監管機構的規定。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。

遵守《銀行業（披露）規則》

本行須遵守香港金融管理局（「金管局」）頒佈並自二零零七年一月一日起生效之《銀行業（披露）規則》，以取代監管政策手冊內「本地註冊認可機構披露財務資料」所載的指引。《銀行業（披露）規則》載列獲授權機構就收益表、事態狀況及資本充足比率須作出公開披露之最低準則。截至二零零七年十二月三十一日止年度之財務報告完全遵守《銀行業（披露）規則》之適用披露條例。

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。於應屆股東週年常會上，一項決議案將予以提呈，以續聘畢馬威會計師事務所為本行的核數師。

承董事會命

趙玉貞
秘書

香港，二零零八年三月十一日



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUBON BANK (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") set out on pages 82 to 209, which comprise the consolidated and the Bank balance sheet as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Bank are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

獨立核數師報告

致富邦銀行(香港)有限公司各股東
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第82至209頁致富邦銀行(香港)有限公司(「貴行」)的綜合財務報告，此等財務報告包括 貴行於二零零七年十二月三十一日的綜合及銀行資產負債表與截至該日止年度的綜合收益表、股本變動的綜合報告表和綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述；選擇和應用適當的會計政策；及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們是按照香港《公司條例》第141條的規定，僅向整體股東報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執行政序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Bank and of the Group as at 31 December 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

Hong Kong, 11 March 2008

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映 貴行及 貴集團於二零零七年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

香港，二零零八年三月十一日

Consolidated Income Statement

綜合收益表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Interest income	利息收入	4	2,826,055	2,523,124
Interest expense	利息支出	4	(1,972,382)	(1,826,345)
Net interest income	淨利息收入		853,673	696,779
Fee and commission income	費用及佣金收入	5	362,777	194,244
Fee and commission expense	費用及佣金支出	5	(77,009)	(51,385)
Net fees and commission income	淨費用及佣金收入		285,768	142,859
Revaluation loss on collateralised debt obligations	債務抵押證券之重估虧損	23	(90,401)	–
Other operating income	其他營運收入	6	372,437	287,717
Operating income	營運收入		1,421,477	1,127,355
Operating expenses	營運支出	7	(834,773)	(716,709)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利		586,704	410,646
Impairment losses on advances to customers	客戶貸款之減值虧損	10	(37,613)	(65,537)
Impairment losses on available-for-sale securities	可供出售證券之減值虧損	23	(162,433)	–
Impairment losses on investment in associated company	投資聯營公司之減值虧損	24	(8,255)	(26)
Write back of / (charge for) impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥／(扣除)		3,301	(490)
Impairment losses	減值虧損		(205,000)	(66,053)
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益	11	132,476	46,882
Net gains on disposals of fixed assets	出售固定資產之淨收益		2,887	22
Profit before taxation	除稅前溢利		517,067	391,497
Taxation	稅項	12	(56,179)	(64,329)
Profit for the year	本年度溢利		460,888	327,168
Attributable to:	歸屬於：			
– Equity holders of the Bank	– 本行股東	37	460,998	327,168
– Minority interests	– 少數股東權益	38	(110)	–
Profit for the year	本年度溢利		460,888	327,168
Interim dividend declared during the year	年內宣派中期股息	13	(70,330)	(70,330)
Final dividend proposed after the balance sheet date	於結算日後建議之末期股息	13	(152,381)	(140,659)
			(222,711)	(210,989)
Earnings per share (Hong Kong cents)	每股盈利(港仙)	14	39.33	27.91

The notes on pages 88 to 209 form part of these financial statements.

載於第88頁至209頁之附註為此等財務報告之一部分。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2007

於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	17	7,024,601	7,818,671
Placements with banks maturing between one and twelve months	一至十二個月內到期之 銀行同業放款	18	740,990	1,684,201
Trading securities	持作交易用途之證券	19	32,544	469,030
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融資產	20	878,955	558,791
Derivative financial instruments	衍生金融工具	21	955,904	537,855
Advances to customers less impairment	客戶貸款減減值	22	31,478,804	25,751,160
Accrued interest and other accounts	應計利息及其他賬目		1,115,597	1,141,748
Available-for-sale securities	可供出售證券	23	17,230,441	14,257,154
Investments in associated company	聯營公司投資	24	–	6,547
Fixed assets	固定資產	26	1,142,320	1,119,256
Deferred tax assets	遞延稅項資產	33	22,723	2,463
			60,622,879	53,346,876
LIABILITIES	負債			
Deposits and balances of banks	銀行同業之存款及結餘	27	1,457,845	961,515
Deposits from customers	客戶存款	28	41,473,991	33,810,833
Trading liabilities	交易賬項下之負債	29	11,673	445,695
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融負債	31	220,446	–
Certificates of deposit issued	已發行存款證	30	2,161,650	3,523,347
Debt securities issued	已發行債務證券	31	1,593,177	1,414,162
Derivative financial instruments	衍生金融工具	21	804,740	425,047
Other accounts and liabilities	其他賬目及負債	32	7,155,151	7,208,234
Deferred tax liabilities	遞延稅項負債	33	90	8,858
Subordinated notes issued	已發行後償票據	34	1,622,652	1,570,155
			56,501,415	49,367,846
EQUITY	權益			
Share capital	股本	35	1,172,160	1,172,160
Share premium	股份溢價	36	749,778	749,778
Reserves	儲備	37	2,195,816	2,057,092
Equity attributable to equity holders of the Bank	本行股東權益		4,117,754	3,979,030
Minority interests	少數股東權益	38	3,710	–
Total Equity	股東權益總額		4,121,464	3,979,030
			60,622,879	53,346,876

Approved and authorised for issue by the Board of Directors on 11 March 2008.

經董事會於二零零八年三月十一日通過及授權頒佈。

Ming-Chung (Daniel) TSAI

Director

蔡明忠

董事

Robert James KENRICK

Director

甘禮傑

董事

Jin-Yi LEE

Director

李晉頤

董事

The notes on pages 88 to 209 form part of these financial statements.

載於第88頁至209頁之附註為此等財務報告之一部分。

Balance Sheet

As at 31 December 2007

資產負債表

於二零零七年十二月三十一日

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	17	7,023,909	7,818,179
Placements with banks maturing between one and twelve months	一至十二個月內到期之 銀行同業放款	18	740,990	1,684,201
Trading securities	持作交易用途之證券	19	32,195	469,030
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融資產	20	878,955	558,791
Derivative financial instruments	衍生金融工具	21	955,904	537,855
Advances to customers less impairment	客戶貸款減值	22	26,835,845	22,425,774
Accrued interest and other accounts	應計利息及其他賬目		948,409	935,137
Available-for-sale securities	可供出售證券	23	17,230,441	14,257,083
Investments in associated company	聯營公司投資	24	–	6,547
Investments in subsidiaries	附屬公司投資	25	144,863	118,751
Amounts due from subsidiaries	應收附屬公司款項		4,259,323	2,835,225
Fixed assets	固定資產	26	1,109,007	1,086,083
Deferred tax assets	遞延稅項資產	33	18,862	–
			60,178,703	52,732,656
LIABILITIES	負債			
Deposits and balances of banks	銀行同業之存款及結餘	27	1,457,840	961,507
Deposits from customers	客戶存款	28	41,399,581	33,410,322
Trading liabilities	交易賬項下之負債	29	11,673	445,695
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融負債	31	220,446	–
Certificates of deposit issued	已發行存款證	30	2,161,650	3,523,347
Debt securities issued	已發行債務證券	31	1,593,177	1,414,162
Derivative financial instruments	衍生金融工具	21	804,740	425,047
Other accounts and liabilities	其他賬目及負債	32	6,874,106	6,918,445
Deferred tax liabilities	遞延稅項負債	33	–	8,851
Subordinated notes issued	已發行後償票據	34	1,622,652	1,570,155
Amounts due to subsidiaries	應付附屬公司款項		500,452	583,672
			56,646,317	49,261,203
EQUITY	權益			
Share capital	股本	35	1,172,160	1,172,160
Share premium	股份溢價	36	749,778	749,778
Reserves	儲備	37	1,610,448	1,549,515
Shareholders' funds	股東資金		3,532,386	3,471,453
			60,178,703	52,732,656

Approved and authorised for issue by the Board of Directors on 11 March 2008

經董事會於二零零八年三月十一日通過及授權頒佈。

Ming-Chung (Daniel) TSAI

Director

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李晉頤

董事

The notes on pages 88 to 209 form part of these financial statements.

載於第88頁至209頁之附註為此等財務報告之一部分。

Consolidated Statement of Changes in Equity

綜合股東權益變動報告表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

		Note 附註	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total equity as at 1 January	於一月一日股東權益總額		3,979,030	3,748,916
Realisation of revaluation (surplus) / deficit of available-for-sale securities on disposal	出售可供出售證券之重估(盈餘)/虧損變現	37	(36,104)	36,250
Net change in fair value of available-for-sale securities	可供出售證券公平價值變動淨額	37	(270,692)	80,871
Transfer to income statement on impairment of available-for-sale securities	可供出售證券減值虧損撥入收益表	37	162,433	–
Deferred taxation	遞延稅項	37	33,078	(14,907)
Net (loss) / income recognised directly in equity	直接於權益內確認之(虧損)/收入淨額		(111,285)	102,214
Net profit for the year	本年度溢利			
Attributable to:	歸屬於:			
– Equity holders of the Bank	– 本行股東	37	460,998	327,168
– Minority interests	– 少數股東權益	38	(110)	–
			460,888	327,168
Dividend paid during the year	年內股息派發		(210,989)	(199,268)
			249,899	127,900
Movement in minority interests:	少數股東權益之變動:			
– Purchase of interests in businesses	– 購入商業權益	38	3,820	–
Total equity as at 31 December	於十二月三十一日股東權益總額		4,121,464	3,979,030

The notes on pages 88 to 209 form part of these financial statements.

載於第88頁至209頁之附註為此等財務報告之一部分。

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Note 附註	2007 二零零七年		2006 二零零六年	
		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	517,067		391,497	
Adjustments for non-cash items:	非現金項目之調整：				
Impairment allowance for advances to associated company	向一間聯營公司貸款之減值撥備	8,255		26	
Depreciation	折舊	59,114		72,026	
Gains on disposals of fixed assets	出售固定資產之淨收益	(2,887)		(22)	
Charge for impairment losses on loans and advances	客戶貸款之減值虧損之扣除	37,613		65,537	
Charge for impairment losses on available-for-sale investments	可供出售證券減值虧損之扣除	162,433		-	
(Reversal) / charge of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之(回撥)/扣除	(3,301)		490	
Revaluation loss on collateralised debt obligations	抵押債務證券之重估虧損	90,401		-	
Exchange difference and other non-cash items	匯兌差額及其他非現金項目	21,817		(103)	
			890,512		529,451
(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(原本期限為三個月以上)	-		538,294	
Treasury bills with original maturity of over three months	國庫券(原本期限為三個月以上)	(873,194)		2,775,439	
Placements maturing between one and twelve months with original maturity of over three months	一至十二個月內到期之同業放款(原本期限為三個月以上)	231,323		601,626	
Certificates of deposit held	所持存款證	(182,161)		286,434	
Gross advances to customers	客戶貸款總額	(5,765,257)		(4,425,476)	
Accrued interest and other accounts	應計利息及其他賬目	(381,790)		(690,706)	
Trading securities	持作交易用途之證券	193,141		13,254	
Other financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值之其他金融工具	(320,164)		87,916	
Available-for-sale securities	可供出售證券	(3,111,452)		(3,014,603)	
			(10,209,554)		(3,827,822)
Increase / (decrease) in operating liabilities:	營運負債之增加/(減少)：				
Deposits and balances of banks	銀行同業之存款及結餘	496,330		(234,276)	
Deposits from customers	客戶存款	7,987,158		943,723	
Certificates of deposit redeemed	已贖回存款證	(1,361,697)		(281,994)	
Trading liabilities	交易賬項下之負債	(434,022)		(679,839)	
Other accounts and liabilities	其他賬目及負債	356,011		203,795	
			7,043,780		(48,591)

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31 December 2007

截至二零零七年十二月三十一日止年度

	Note 附註	2007 二零零七年		2006 二零零六年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Net cash used in operations	營運之現金支出淨額		(2,275,262)		(3,346,962)
Hong Kong Profits Tax paid	已付香港利得稅		(88,043)		(27,241)
Hong Kong Profits Tax refunded	已退回香港利得稅		-		755
Net cash used in operating activities	營運活動之現金支出淨額		(2,363,305)		(3,373,448)
Investing activities	投資活動				
Payments for purchases of fixed assets	購買固定資產		(94,724)		(40,502)
Net proceeds from disposals of fixed assets	出售固定資產所得款項淨額		15,433		80
Cash inflow from acquisition of subsidiary	收購附屬公司之現金淨流入	43	2,946		-
Net cash used in investing activities	投資活動之現金支出淨額		(76,345)		(40,422)
Financing activities	融資項目				
Dividends paid	已付股息		(210,989)		(199,268)
Debt securities issued	發行債務證券		179,015		1,414,162
Subordinated notes issued	發行後償票據		-		1,552,433
Zero coupon bond issued	發行零息債券		249,998		-
Deposits accepted from fellow subsidiaries	接受同系附屬公司之存款		8,300,195		3,052,610
Deposits repaid to fellow subsidiaries	償還同系附屬公司之存款		(8,624,195)		(2,728,610)
Net cash (used in) / generated from financing activities	融資項目之現金(支出)/收入淨額		(105,976)		3,091,327
Net decrease in cash and cash equivalents	現金及等同現金項目之減少淨額		(2,545,626)		(322,543)
Cash and cash equivalents as at 1 January	於一月一日之現金及等同現金項目		9,784,375		10,106,918
Cash and cash equivalents as at 31 December	於十二月三十一日之現金及等同現金項目	39	7,238,749		9,784,375
Cash flows from operating activities include:	營運活動之現金流量包括:				
Interest received	已收利息		2,759,597		2,374,255
Interest paid	已付利息		(1,896,721)		(1,727,438)
Dividends received	已收股息		26,114		35,606

The notes on pages 88 to 209 form part of these financial statements.

載於第88頁至209頁之附註為此等財務報告之一部分。

1 ACTIVITIES

Fubon Bank (Hong Kong) Limited ("The Bank") is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

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

2 SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2007 comprise those of the Bank and its subsidiaries (together referred to as the "Group") and the Group's interest in an associated company.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. 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 disclosure requirements of the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority ("HKMA") under section 60A of the Banking Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

(b) New and revised HKFRSs

The HKICPA has issued a number of new and revised HKFRSs, HKASs and Interpretations that are first effective or available for early adoption for the current accounting period of the Bank and the Group.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, "Financial instruments: Disclosures" and the amendment to HKAS 1, "Presentation of financial statements: Capital disclosures", there have been some additional disclosures provided as follows:

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group's financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 30, "Disclosures in the Financial Statements of Banks and similar financial institutions", and HKAS 32, "Financial Instruments: Disclosure and Presentation". These disclosures are provided throughout these financial statements, in particular in Note 47.

1 業務

富邦銀行(香港)有限公司(「本行」)為一間於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中三十八號。

本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。

2 主要會計政策

截至二零零七年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司(合稱為「本集團」)及本集團於一間聯營公司之權益之財務報告。

(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(「香港財務報告準則」，該統稱包括一切適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)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(「金管局」)根據《銀行業條例》第60A節頒佈的《銀行業(披露)規則》之披露規定而編製。本集團所採納的主要會計政策概要載於下文。

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈多項於本行及本集團本會計期間首次生效或可被提早採用之新增及經修訂香港財務報告準則、香港會計準則及詮釋。

並無因此等發展而令本財務報告中就所呈列年度採用之會計政策出現重大變動。然而，因採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號「呈列財務報告：資本披露」之修訂，以下提供若干額外披露資料：

由於採納香港財務報告準則第7號，財務報表包括有關本集團金融工具重要性及來自該等工具的性質和風險程度的披露，較過往根據香港會計準則第30號「金融工具：銀行及類似金融機構的財務報表披露」規定及香港會計準則第32號「金融工具：披露及列報」披露的資料詳盡。該等披露於本財務報告內多處提供，尤其附註47。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) New and revised HKFRSs (continued)**

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Bank's and the Group's objectives, policies and processes for managing capital. These new disclosures are set out in Note 47(e).

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurement of the amounts recognised in the financial statements.

The Group has not applied any new / revised standards or interpretation that is not yet effective for the current accounting period (See Note 52).

(c) Basis of preparation of the financial statements

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

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (see Note 2(g)(ii));
- derivative financial instruments (see Note 2(g)); and
- certain of the Group's owned properties (see Note 2(j)).

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

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in Note 51.

2 主要會計政策 (續)**(b) 新訂及經修訂香港財務報告準則 (續)**

香港會計準則第1號(經修訂)提出額外披露規定，須提供有關資本水平與本行及本集團管理資本的目標、政策及程序的資料。該等新披露載於附註47(e)。

香港財務報告準則第7號及香港會計準則第1號(經修訂)均並無對財務報表內確認的金額的分類、確認及計量造成任何重大影響。

本集團並無應用任何於本會計期間尚未生效的新增/經修訂準則或詮釋(見附註52)。

(c) 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，但下列以公平價值計量的資產及負債(如下文的會計政策所闡釋)除外：

- 分類為交易用途、以公平價值訂值納入損益賬及可供出售之金融工具(見附註2(g)(ii))；
- 衍生金融工具(見附註2(g))；及
- 若干本集團擁有之物業(見附註2(j))。

編製此等符合香港財務報告準則之財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成對目前未能從其他來源得出的資產及負債賬面值所作估計之基準。實際數字或會有別於估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動之當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

管理層應用對財務報告及估計構成重大影響的香港財務報告準則所作出之判斷，對來年的財務報告及估計構成重大調整之風險於附註51中詳述。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Investment in subsidiaries and minority interest**

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

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.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Bank, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Bank. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the total profit or loss for the year between minority interests and the equity shareholders of the Bank.

Where losses applicable to minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

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

2 主要會計政策(續)**(d) 附屬公司投資及少數股東權益**

附屬公司為本集團控制之實體。於集團有能力監管實體之財務及營運政策以從其活動獲益時，即存在控制權。於評估控制權時，會計入可予行使之潛在投票權。

自控制開始日期直至控制結束日期，於受控制附屬公司之投資會併入綜合財務報告內。

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任何未變現溢利，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與未變現溢利以相同方式抵銷，惟僅限於無證據顯示已出現減值的情況。

少數股東權益指非由本行擁有的權益（不論是直接或透過附屬公司間接地）應佔附屬公司的淨資產部分，而集團未與該權益持有者達成任何附加協議，以使集團整體上對該等權益產生符合金融負債定義的合約義務。少數股東權益在綜合資產負債表內的股東權益列賬，但與本行股東應佔權益分開呈列。本集團業績內呈列的少數股東權益在綜合收益表內列作少數股東權益與本行股東之間就本年度損益之分配。

倘少數股東應佔虧損超過少數股東權益應佔附屬公司之權益，則超出之部分加上少數股東應佔之任何其他進一步虧損乃於本集團之權益中扣除，惟倘少數股東須承擔具約束力之責任及有能力作出進一步投資以彌補虧損則作別論。如果該附屬公司日後錄得溢利，本集團將獲分配所有該等溢利，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

於本行之資產負債表中，其於附屬公司的投資乃按成本值減去減值虧損（如有）列賬（見附註2(m)）。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Associated companies**

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

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 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.

(f) Goodwill

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

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see Note 2(m)). On disposal of a cash generating unit or an associated company during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Financial instruments*(i) Initial recognition*

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

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

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets and financial liabilities at fair value through profit or loss and available-for-sale is recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting. From these dates, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

2 主要會計政策(續)**(e) 聯營公司**

聯營公司為本集團或本行可對其管理(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)之實體。

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，而於本集團及本行之資產負債表中按成本值扣除減值虧損列賬。聯營公司之業績以已收及應收的股息於本集團及本行的收益表中列賬。

(f) 商譽

商譽是指企業合併或於聯營公司之投資的成本超過本集團在被收購方的可辨別資產、負債和或有負債的公平價值淨值中所佔份額的部分。

商譽是按成本減去任何累計減值虧損後列賬。商譽會分配至現金產生單位，並且每年接受減值測試(見附註2(m))。於年內出售現金產生單位或聯營公司時，所購入商譽應佔的任何金額均列入出售盈虧的計算中。

(g) 金融工具*(i) 初始確認*

本集團視乎購入資產或產生負債之目的，最初將金融工具分為以下類別：通過損益以反映公平價值、貸款和應收賬款、可供出售金融資產和其他金融負債。

金融工具最初按公平價值計量，而公平價值一般將與交易價相同。此外，如金融資產或金融負債不屬於指定為通過損益以反映公平價值訂值納入損益賬時，更需加上購入金融資產或發行金融負債所直接涉及之交易成本。指定為通過損益以反映公平價值的金融資產及金融負債的交易成本，需即時在損益賬支銷。

本集團在成為金融工具合約條文其中一方當日會確認金融資產和金融負債。以定期方式購買或出售之指定為通過損益以反映公平價值及可供出售之金融資產及金融負債使用交易日會計法予以確認。其他金融資產和金融負債按結算日會計法確認。因該等金融資產或金融負債的公平價值變動所產生的任何盈利和虧損由該日起計算。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(ii) Categorisation*

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Financial instruments are designated at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract; or
- the separation of the embedded derivatives from the financial instrument is not prohibited.

Financial assets and liabilities under this category are carried at fair value and are not allowed to be reclassified into or out of this category while held or issued. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

Loans and receivables

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

2 主要會計政策(續)**(g) 金融工具(續)***(ii) 分類*

通過損益以反映公平價值

此類別包括持作交易用途和初始確認時被指定為通過損益以反映公平價值的金融資產及金融負債。

持作交易用途之金融工具是收購或產生之主要目的為用作交易用途，或屬於一個整體管理的可識別金融工具組合的一部分，並且有證據顯示短期內出售以賺取利潤的交易模式。不符合對沖會計法之交易工具，亦分類為持作交易用途之工具入賬。

於下列情況下，金融工具於初始確認時被指定為通過損益以反映公平價值：

- 資產或負債以公平價值基準作內部管理、評估及匯報；
- 有關的指定可消除或大幅減少會計錯配的發生；
- 資產或負債包含一項嵌入衍生工具，該衍生工具可大幅改變合同規定的現金流量；或
- 嵌入衍生工具可以從金融工具分離。

屬於此類別的金融資產和負債按公平價值入賬且於所持或發行時並不可重新分類入此類別或自此類別中重新分類。公平價值變動計入在發生期內的收益表。於出售或購回時，出售所得淨款項或償付淨額與賬面值的差額計入收益表。

貸款和應收賬款

貸款和應收賬款為具固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃即時或於短期內出售而被區分為持作交易用途；(b)於初始確認時已被本集團指定為通過損益以反映公平價值或可供出售；或(c)本集團可能無法收回大部分初始投資而將分類為可供出售資產，但不包括因信用惡化的原因而納入此項類別之資產。貸款和應收賬款主要包括向客戶所提供及存放於銀行及金融機構之貸款和墊款。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(ii) Categorisation (continued)**Loans and receivables (continued)*

Loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (see Note 2(m)). Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the income statement over their expected life.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as available-for-sale or are not classified in any of the other two categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are carried at cost less impairment losses, if any (see Note 2(m)).

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised directly in the available-for-sale investment revaluation reserve, except for impairment losses and foreign exchange gains and losses on monetary items such as debt securities which are recognised in the income statement.

When the available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments in equity which are released from the revaluation reserve.

Other financial liabilities

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

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange or a price from a broker / dealer for non-exchange-traded financial instruments, or if the market for it is not active, the fair value of the instrument is estimated using a valuation technique that provide a reliable estimate of the price which could be obtained in an actual market transaction.

2 主要會計政策 (續)**(g) 金融工具 (續)***(ii) 分類 (續)**貸款和應收賬款 (續)*

貸款和應收賬款均採用實際利率方法在減去減值虧損(如有)後按攤銷成本列賬(見附註2(m))。現金回贈予住宅按揭貸款予以資本化,並以其預計期限在收益表內作出攤銷。

可供出售金融資產

可供出售金融資產為指定為可供出售,或是上述任何其他兩個類別以外之非衍生金融資產。彼等包括無固定持有限期之金融資產,但亦可因應流動資金之需要或市場環境變化而出售。在活躍市場沒有市價及其公平價值是不能可靠計算的股本投資工具,及與該等沒有市價的股本工具掛鉤以及必須透過交付該等工具進行交收之衍生工具,均按成本減去減值虧損(如有)列賬(見附註2(m))。

可供出售金融資產以公平價值列賬。因公平價值變動引致之未變現盈利和虧損直接在可供出售投資重估儲備內確認,惟債務證券等貨幣項目之減值虧損及外匯盈利和虧損須於收益表內確認。

當出售可供出售金融資產時,出售盈利或虧損包括出售所得淨款項與賬面值的差額,及股本中來自重估儲備之累計公平價值調整。

其他金融負債

除交易賬項下負債及該等被指定為通過損益以反映公平價值之負債外,其他金融負債採用實際利率方法計算攤銷成本入賬。

(iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。金融資產按買入現價作價,而金融負債則按賣出現價作價。

如並沒有認可交易所的最新公開成交價或市場報價,經紀/交易商亦無作出非交易所買賣金融工具的報價,或若其市場並不流通,此工具的公平價值按估值模式計算,而該估值模式可根據市場實際交易而提供可靠的估計價格。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(iii) Fair value measurement principles (continued)*

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

(iv) Derecognition

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

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

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

(v) Offsetting

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

(vi) Embedded derivatives

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

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies for financial instruments. The embedded derivative is classified as a derivative financial instrument in the financial statements.

2 主要會計政策(續)**(g) 金融工具(續)***(iii) 計量公平價值之原則(續)*

當採用現金流折算計價模式，需依據管理層對日後現金流量之估計，並採用在結算日具相近條款及條件的工具所適用之市場利率作為折算率。當採用其他計價模式時，輸入資料是在結算日的市場數據。

(iv) 終止確認

當收取金融資產現金流量之合約權利到期時或者該金融資產連同擁有權之所有風險或回報已被轉移時，金融資產將被終止確認。

本集團採用加權平均法來釐定在終止確認時將於溢利或虧損內確認之已實現盈利和虧損。

當合約的義務已被履行、取消或期滿，本集團終止確認該金融負債。

(v) 對銷

若存在一項可依法強制執行的權利可對銷列賬金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均予對銷，並把淨金額列入資產負債表內。

(vi) 嵌入式衍生工具

嵌入式衍生工具是組成混合工具的一部分，而該工具同時包括衍生工具及主合約，其影響是組合工具之部分現金流量與獨立之衍生工具以相近之方式變動。當嵌入式衍生工具符合下列條件時，則需與主合約分開，並將其作為衍生工具入賬：(i) 嵌入式衍生工具的經濟特徵和風險與主合約的經濟特徵和風險沒有密切關係；及(ii) 混合工具並不是按公平價值計量，公平價值的變動亦不是在收益表內確認。

當嵌入式衍生工具被分開時，主合約根據金融工具之會計政策入賬。嵌入式衍生工具分類為衍生金融工具列入財務報告。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(h) Repurchase and reverse repurchase transactions**

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreement) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Interest incurred on repurchase agreements is recognised as interest expense, over the life of each agreement using the effective interest method.

(i) Hedging

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instruments and the hedged items. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. Under HKAS 39 hedge accounting is classified into three categories: (a) fair value hedges; (b) cash flow hedges and (c) net investment hedges. The Group only applies hedge accounting to the fair value hedges of its subordinated notes programme (Note 34) and certain fixed rate bond investments.

The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of the recognised assets and liabilities that will give rise to a gain or loss being recognised in the income statement.

The hedging instruments are measured at fair value, with fair value changes recognised in the income statement. The carrying amounts of the hedged items are adjusted by the amount of the changes in fair value of the hedging instruments attributable to the risk being hedged. These adjustments are recognised in the income statement to offset the effect of gains or losses in the hedging instruments.

2 主要會計政策 (續)**(h) 回購交易和反向回購交易**

在售出後某特定時間需以固定價格回購該等證券即為根據回購協議售出之證券。此等證券會保留在財務報告內並根據該等證券之原來計量原則計量。出售所得款項乃列作負債並列入報告及以攤銷成本列賬。

回購協議產生之利息於各個協議有效期間採用實際利息法確認為利息開支。

(i) 對沖

對沖會計處理確認對沖工具及對沖項目之公平價值變動對溢利或虧損之抵銷效應。本集團於對沖交易開始時及於日後繼續評估對沖交易中採用之對沖工具是否能高度有效地抵銷對沖項目因應指定利率風險所引致之公平價值變動，並將有關評估記錄。根據香港會計準則第39號，對沖會計處理分為三類：(a) 公平價值對沖；(b) 現金流量對沖及(c) 投資淨額對沖。本集團僅對其後償票據計劃(附註34)及若干定息債券的公平價值對沖應用對沖會計處理。

倘(a)對沖工具到期或被出售、終止或行使；(b)對沖不再符合對沖會計處理的準則；或(c)本集團撤回指定，本集團便會分別終止對沖會計處理。

(i) 公平價值對沖

公平價值對沖目的是為抵銷已確認資產及負債的公平價值變動之風險(該等變動將導致須在收益表內確認損益)。

對沖工具按公平價值列賬，其公平價值變動於收益表內確認。對沖項目之賬面數額按所對沖之風險所導致對沖工具公平價值變動之金額作出調整。此等調整在收益表內確認，以抵銷對沖工具所產生之損益之影響。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Hedging (continued)***(ii) Hedge effectiveness testing*

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method as effectiveness testing methodology. For prospective effectiveness, the hedging instruments must be expected to be highly effective in achieving offsetting changes in fair value attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value must offset each other in the range of 80 per cent to 125 percent for the hedge to be deemed effective.

(j) Other property and equipment

The Group's leasehold land and buildings are held under operating leases and, in the absence of reliable information to allow separation of the land and buildings components under the leases, the land and buildings are accounted for as properties under HKAS 16, 'Property, Plant and Equipment' issued by the HKICPA.

In addition, 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 1991 and 1992.

In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80A of HKAS 16 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.

2 主要會計政策(續)**(i) 對沖(續)***(ii) 對沖有效性測試*

為符合對沖會計法，本集團於初始訂立對沖時指定對沖工具，亦於初始訂立對沖時及於其整段年內進行預計有效性評估測試，以證明該項對沖交易能高度有效地發揮預期對沖功能。本集團亦持續地為對沖之實際有效性進行追溯有效性測試。

每項對沖關係均備有詳細文件載列該項對沖有效性之評估方法。本集團就評估對沖的有效性而採用的方法取決於其風險管理策略。

就公平價值對沖關係而言，本集團使用累計價值抵銷法測試有效性。就預計有效性而言，對沖工具必須被預期為在指定對沖期間內能高度有效地抵銷所對沖風險而導致之公平價值變動。就實際有效性而言，公平價值之變動抵銷比率須在百分之八十至百分之一百二十五的範圍內才被視為有效。

(j) 其他物業及設備

本集團之租賃土地及樓宇根據經營租約及持有，在無可靠資料以允許根據租約分開土地和樓宇之組成部分情況下，土地及樓宇根據香港會計師公會頒佈之香港會計準則第16號「物業、廠房及設備」作為物業入賬。

此外，本集團有若干租賃土地及物業已包括在董事編製之估值（已考慮於一九八九年十一月進行之獨立專業估值）。因重新估值而產生之盈餘已撥入估值儲備。獲重估之物業於重新估值後按成本包括在內。毋須重估之物業按成本包括在內。當本行於一九九一年和一九九二年贖回「A」類和「B」類優先股後，因一九八九年十一月重新估值而產生之重估儲備已轉撥至資本贖回儲備內。

在編製此等財務報告時，本集團已應用香港會計準則第16號第80A段之過渡性條文，其影響為物業於結算日並無被重新估值為公平價值。董事現時無意將來對物業進行重新估值。

倘若該筆後續費用能產生未來經濟收益（超出現有資產之初始評定之表現標準）予本集團，該筆後續費用會附加在相關並已被確認資產之賬面值。所有其他後續費用於其產生期間被確認為開支。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Other property and equipment (continued)**

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

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- Furniture and equipment are generally depreciated over between three to ten years.

Where parts of an item of property and equipment have different useful lives, each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leases and hire purchase contracts**(i) Classification of leased assets**

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as loans and advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy for impairment.

(iii) Operating leases

Where the Group has the use of assets held 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 terms, except where an alternative basis is more representative of the pattern of benefits to be delivered from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregated net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

2 主要會計政策 (續)**(j) 其他物業及設備 (續)**

固定資產報廢或出售固定資產的盈虧乃根據有關資產出售所得款項淨額與其賬面數額之差額而釐定，並於報廢或出售當日於收益表內確認。

物業和設備項目於預計可用期限內以直線法撇銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之間折舊。

當物業和設備項目之部件有不同使用期限時，每個部件須分開折舊。資產之使用期限及其殘值(如有)均須每年進行複核。

(k) 租約及租購合約**(i) 租賃資產分類**

凡將擁有權之絕大部分風險與回報轉移至出租人之租約均列為融資租約。未將擁有權之絕大部分風險與回報轉由承租人承擔之租約列為經營租約。

(ii) 融資租約

凡本集團根據融資租約為承租人時，相當於租約中投資淨額之款項作為貸款及客戶貸款包括於資產負債表內。具有融資租約特徵之租購合約以同樣方式列賬為融資租約。減值虧損根據減值之會計政策入賬。

(iii) 經營租約

凡本集團根據經營租約擁有持資產之使用權時，則根據租約作出的付款會在租賃期所涵蓋的會計期間內，以相同的分期款項在收益表扣除；惟倘有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃協議所涉及的鼓勵措施均在收益表中確認為租賃淨付款總額的組成部分。或然租金在其產生的會計期間內在收益表扣除。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Repossessed assets**

In the recovery of impaired loans and advances, the Group may take repossession of the assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Accrued interest and other accounts" and the relevant loans and advances are derecognised. The Group does not hold the repossessed assets for its own use.

Reposessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and subsequent remeasurement are recognised in the income statement.

(m) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows on the assets that can be estimated reliably:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- Disappearance of an active market for financial assets because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the income statement.

2 主要會計政策(續)**(l) 收回資產**

在收回減值貸款及墊款時，本集團可能透過法院訴訟或由借方自願交付財產收回持作抵押之資產。倘預期減值資產將有秩序地變現及本集團不再尋求借方還款時，收回資產在報告內呈列為「應計利息及其他賬目」，而相關貸款及墊款則撤銷確認。本集團並無收回資產作自用。

收回資產按相關貸款及墊款之款額及公平價值減出售成本之較低者於交易日期記錄，且並不折舊或攤銷。

初始分類之減值虧損以及其後之重新計量於收益表內確認。

(m) 資產減值

本集團之資產賬面值於每個結算日進行審閱，以釐定是否有減值之客觀證據。金融資產減值的客觀證據包括本集團注意到以下一項或多項對可以可靠估計資產的未來現金流量有影響的虧損事項的可觀察數據：

- 發行人或借款人有重大財務困難；
- 違反合約，如拖欠或無法償還利息或本金；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大的改變而對借款人有不利影響；
- 金融資產的活躍市場由於財務困難而消失；及
- 於股本工具之投資大幅下跌或長時間下跌至低於其成本值。

倘存在任何該證據，賬面值須透過在收益表扣除款項之方式減至估計可收回數額。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)**

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of loans and receivables, which are measured at amortised cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against loans and receivables directly and any amounts held in the allowance account relating to that borrower are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in the income statement.

(i) Loans and receivables

Impairment losses on loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

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

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

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

2 主要會計政策 (續)**(m) 資產減值 (續)**

因按攤銷成本計量的貸款及應收賬款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撤銷。在此情況下，減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會直接從貸款及應收賬款中撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬的款項在其後收回，則相關的撥備會予以撥回。撥備賬的其他變動及其後收回之前直接撤銷的款項均計入收益表。

(i) 貸款和應收賬款

貸款和應收賬款的減值虧損是資產賬面值，與按其原本實際利率（即初始確認該等資產所用之實際利率）折算預計未來現金流量現值之差額。倘折現之影響屬輕微，短期之應收賬款不予折現。

信貸損失撥備總額包括兩個組成部分：個別減值撥備，及綜合減值撥備。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並個別或綜合地評估金額不重大之個別金融資產。若本集團認定被評估之個別金融資產並沒有存在減值之客觀證據，無論該金融資產重大與否，均需將該金融資產包含於信貸風險特徵相近之組別中作出綜合減值評估。綜合減值評估並不包括已被個別評估為需確認減值或需繼續確認減值之金融資產。

個別減值撥備乃根據管理層對現金流量現值之最佳估計，即按原實際利率折現預期將獲得之款項。在估計該等現金流量時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。每項減值資產均按照其理據進行評估。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(i) Loans and receivables (continued)*

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

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

Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

When there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due.

(ii) Available-for-sale financial assets

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

2 主要會計政策(續)**(m) 資產減值(續)***(i) 貸款和應收賬款(續)*

於評估所需的綜合貸款虧損撥備時，管理層須考慮的因素包括信貸素質、組合規模、信貸集中、及經濟因素。為估計所需的撥備，本集團根據過往經驗和現時之經濟情況去釐定潛在風險及輸入變數。

減值撥備之準確性須視乎本集團能否在評估個別減值撥備時準確估計交易對手的未來現金流量及在釐定綜合減值撥備時所採用的標準假設及參數。雖然此須視乎判斷而定，本集團相信客戶貸款之減值撥備是合理和足夠的。

在較後期間，任何因估計未來現金流量的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致貸款和應收賬款之減值撥備亦需改變，該轉變會支銷或計入收益表。所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。

於再無合理預期可收回貸款時，貸款及相關懸欠利息將會予以撇銷。

具有經重新磋商條件之貸款及應收賬款是指由於借款人的財務狀況惡化而獲重新議定原來不會獲考慮的特別寬鬆償還款條件的貸款。重新磋商的貸款及應收賬款須接受持續監測，以釐定彼等是否仍減值或已逾期。

(ii) 可供出售金融資產

倘有客觀證據顯示可供出售金融資產已經出現減值，早前直接於權益內確認的任何累計損失須從權益內轉回，並在收益表內確認。在收益表內確認的累計損失數額等於購入成本(已扣除任何本金還款和攤銷)與當期公平價值之間的差額，減去早前已在收益表內確認的該資產的任何減值虧損。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(ii) Available-for-sale financial assets (continued)*

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

Impairment losses recognised in the income statement in respect of other available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly in equity.

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

(iii) Goodwill and other assets

Goodwill is tested annually by comparing the carrying amount of the relevant cash-generating unit with its recoverable amount.

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

- property and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investments in subsidiaries and associates.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

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

2 主要會計政策 (續)**(m) 資產減值 (續)***(ii) 可供出售金融資產 (續)*

就沒有市價而按成本列賬之可供出售股本證券而言，如折現的影響屬重大，減值虧損是按股本證券的賬面值與按類似金融資產的現行市場回報率折算估計未來現金流量的現值之間的差額計算。

在收益表所確認有關可供出售股本證券之減值虧損不會透過收益表撥回。該等資產其後之任何公平價值增加直接在權益內確認。

倘可供出售債務證券之公平價值在日後增加，而有關的增加可以客觀地與確認減值虧損後發生的事件聯繫起來，便會將減值虧損轉回。在該等情況下，減值虧損轉回須在收益表內確認。

(iii) 商譽及其他資產

商譽乃透過比較有關現金產生單位的賬面值與可回收金額按年度基準進行測試。

於結算日，本公司審閱內部及外來資料以辨認以下資產可有減值跡象或先前已確認之減值虧損已不再存在或可能已減少：

- 物業及設備；
- 預付租賃土地權益分類為按經營租約持有；及
- 附屬公司及聯營公司投資。

如果出現減值跡象，資產的可收回數額便會作估計。

計算可收回數額

資產的可收回數額以其銷售淨價和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折算率將估計未來現金流量折算至現值。該折算率須反映市場當時所評估的金錢時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別釐定可收回數額。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(iii) Goodwill and other assets (continued)**Recognition of impairment losses*

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

Reversals of impairment losses

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

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

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34, Interim financial reporting, in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (see Notes 2(m)(i) to (iii)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates.

(n) Cash equivalents

Cash equivalents are 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.

2 主要會計政策(續)**(m) 資產減值(續)***(iii) 商譽及其他資產(續)**確認減值虧損*

倘資產或其所屬之賺取現金業務之賬面值超過其可收回數額，則於收益表確認減值虧損。就賺取現金業務確認之減值虧損首先分配作為減少分配至賺取現金業務(或業務類別)之任何商譽之賬面數額，繼而按比例基準作為減少業務(或業務類別)之其他資產之賬面數額，惟資產之賬面值將不會減少至低於其個別公平價值減出售成本或使用價值(倘能計算)。

減值虧損轉回

就除商譽以外的資產而言，倘若用以釐定可收回數額的估計發生有利的變化，便會將減值虧損轉回。有關商譽之減值虧損不予轉回。

所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。所轉回的減值虧損在確認轉回的年度計入收益表。

(iv) 中期財務報告及減值

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就年度首六個月編製中期財務報告。於中期完結時，本集團採用於年度完結時應採用之同一減值測試、確認及撥回條件(見附註2(m)(i)至(iii))。

於中期內就商譽及按成本列賬的可供出售股本證券所確認的減值虧損不可在往後期間撥回。假設在中期相關年度完結時才評估該等減值，即使毋需確認虧損或確認較少虧損，亦不可撥回減值虧損。

(n) 等同現金項目

等同現金項目為短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，而所須承受的價值變動風險甚小，並在購入後三個月內到期。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(o) Employee benefits**

Short term employee benefits include salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost 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 values.

The Group's obligations in respect of defined benefit retirement scheme are calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. In calculating the Group's obligations, to the extent that any cumulative unrecognised gains or losses exceed 10% of the present value of the obligation at the balance sheet date, that portion is recognised in the income statement. Otherwise, the gain or loss is not recognised.

(p) Income tax

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.

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.

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

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

2 主要會計政策(續)**(o) 僱員福利**

短期僱員福利包括薪酬、每年花紅、有薪年假、界定供款退休計劃供款及非現金福利成本，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，該等數額須按現值列賬。

本集團界定退休福利計劃的責任以精算方式估計本集團對員工承諾支付其未來退休後的福利的金額計算。在計算本集團之責任時，任何累計超過在資產負債表此現行價值10%的未確認損益會在收益表內予以確認，否則該損益不予確認。

(p) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於收益表確認，惟與直接在權益確認之項目相關者除外，在該情況下，該等變動須在權益內確認。

即期稅項乃預期於本年度就應課稅收入應付之稅項（按於結算日已頒佈或實質頒佈之稅率計算），以及過往年度應繳稅項之任何調整。

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賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

除若干有限情況外，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。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利，包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可轉回或結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未可抵扣虧損和未利用稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能使用可抵扣虧損和未利用稅項抵減撥回的同一期間內轉回。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Income tax (continued)**

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

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

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

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 the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

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

2 主要會計政策(續)**(p) 所得稅(續)**

不確認遞延稅項資產和負債的暫時差異產生自以下少數例外情況：不可在稅務方面獲得扣減的商譽、不影響會計或應課稅溢利的資產或負債的初始確認（如屬業務合併的一部分則除外）；以及與投資附屬公司有關的暫時差異（如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回該等差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異）。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於結算日已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各結算日，遞延稅項資產之賬面值均進行複核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。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。

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。如本行或本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，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，被同一稅務機關對以下實體徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額變現即期稅項資產及清償即期稅項負債或兩者同時進行。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Financial guarantees issued, provisions and contingent liabilities***(i) Financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income within other liabilities. Where the Bank issues a financial guarantee to its subsidiaries, the fair value of the guarantee is estimated and capitalised as the cost of investment in subsidiaries and deferred income within other liabilities.

The deferred income is amortised in the income statement over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Bank 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 can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

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

2 主要會計政策 (續)**(q) 已發出財務擔保、撥備及或然負債***(i) 已發出財務擔保*

財務擔保乃要求發行人(即擔保人)因特定債務人未能根據債務文據的條款於到期時付款而蒙受的損失，而向擔保的受益人(持有人)支付特定款項以作出償付的合約。

倘本集團向客戶發出財務擔保，該擔保的公平價值(即已收擔保費用)最初確認為其他負債內的遞延收入。倘本行向其附屬公司發出財務擔保，該擔保的公平價值須予估計及轉為附屬公司之投資成本上，遞延收入則撥歸其他負債內。

遞延收入按擔保年期於收益表內攤銷為已發出財務擔保的收入。此外，倘(i)擔保的持有人可能根據擔保向本集團催收款項；及(ii)預期向本集團提出的申索款額高於現時就該擔保列於其他負債項下的數額(即最初確認的金額)，扣除累計攤銷後的撥備，即須按照附註2(q)(ii)確認。

(ii) 其他撥備及或然負債

撥備乃本集團或本行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履行有關義務及能作出可靠估計時，就未能確定之時間或數額之其他負債確認。倘金錢時間價值乃屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟效益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性是極微。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(r) Revenue recognition**

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

(i) Interest income

Interest income from all interest-bearing financial instruments is recognised in the income statement on an accrual basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar option) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, together with transaction costs and all other premiums or discounts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to the income statement over their expected life.

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

(ii) Fee and commission income

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

2 主要會計政策(續)**(r) 收益確認**

當經濟利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，收益會按下列方式在收益表確認：

(i) 利息收入

所有計息金融工具之利息收入均採用實際利率法按應計基準於收益表內確認。

實際利息法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃按金融工具預計年期折讓估計日後現金付款或收入(或適當時按較短期間折讓金融資產之賬面淨值)之比率。計算實際利率時，本集團估計現金流量時，考慮到金融工具之一切合約條款(例如提前還款，認購或類似期權)，而並無計及未來信貸虧損。計算範圍包括實際利率為主體部分訂約各方所付或所收之一切費用及代價，交易成本及其他所有溢價或折讓。住宅按揭貸款之現金回贈會予以資本化，並以其預計期限在收益表內攤銷。

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損，以及該等金融工具應佔之利息收入及開支以及股息收入。

(ii) 費用及佣金收入

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、證券服務、投資銀行服務、項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，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風險之會計期間確認為收入或作為利息收入入賬。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(r) Revenue recognition (continued)***(ii) Fee and commission income (continued)*

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

(iii) Finance income from finance lease and hire purchase contract

Finance income implicit in finance lease and hire purchase payments is recognised as interest income 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. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

(iv) Dividend income

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

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates 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 dealt with in the income statement.

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

2 主要會計政策 (續)**(r) 收益確認 (續)***(ii) 費用及佣金收入 (續)*

本集團已收因增設或購入金融資產而產生之辦理或承擔費用，須作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，該費用於期滿時確認為收入。

(iii) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於賺取之會計期間確認為收入。

(iv) 股息收入

非上市投資之股息收入於股東收取款項之權利確立時予以確認。上市投資之股息收入於投資項目之股價為除息時確認。

(s) 外幣換算

本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以結算日之匯率換算為港元。所有外幣換算之損益均撥入收益表內處理。

以歷史成本列帳並以以外幣定值之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列帳的非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Translation of foreign currencies (continued)**

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain / (loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of available-for-sale equity instruments are recognised in reserves.

(t) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2 主要會計政策(續)**(s) 外幣換算(續)**

通過損益以反映公平價值計入損益賬之投資及衍生金融工具的匯兌差額分別包括於投資損益及衍生工具淨溢利／(虧損)。其他有關貨幣性資產及負債的匯兌差額則於收益表內呈列為外幣買賣淨盈虧。換算可供出售股本工具之差額確認為儲備。

(t) 關連各方

就此等財務報告而言，被視為與本集團有關連的一方是指：

- (i) 該方有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該方均互相控制；
- (iii) 該方屬本集團的聯營公司；
- (iv) 該方屬本集團或本集團母公司主要管理人員的成員，或屬該人士的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；
- (v) 該方屬(i)所指一方的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；或
- (vi) 該方屬提供福利予本集團僱員的離職後福利計劃或與屬本集團關連方的任何實體。

個人的近親家庭成員指預料可影響(或受該個人影響)他們與該實體交易的家庭成員。

2 SIGNIFICANT ACCOUNTING POLICIES (continued)**(u) Segment reporting**

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

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

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. 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 entities 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 period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses to the extent that they have not been allocated to specific business segments.

3 BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of Fubon Bank (Hong Kong) Limited and all its subsidiaries, unless otherwise stated. For regulatory reporting, the basis of consolidation is set out in notes (A) and (B) in the Unaudited Supplementary Financial Information.

2 主要會計政策 (續)**(u) 分項報告**

分項乃指本集團可區分之部分，包括從事提供產品或服務(業務分項)或在特定經濟環境(區域分項)內提供產品或服務，而且其風險及回報均有別於其他分項。

根據本集團之內部財務報告系統，本集團就此等財務報告選擇業務分項資料為主要報告形式，而區域分項資料為次選報告形式。

分項收益、開支、業績、資產及負債包括直接劃分入該分項之項目及可合理劃分為該分項之項目。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程序之部分，惟集團實體間之集團內公司間結餘及交易為單一分項者除外。分項間定價按給予外間人士之類似條款釐定。

分項資本開支指期內因收購預計可使用超過一個期間之分項資產(包括有形及無形資產)所產生之總成本。

未分配項目主要包括金融和企業資產、計息貸款、借款、稅項結餘、企業及融資開支(倘彼等未被分配至特定業務分部)。

3 綜合基準

除另有指明外，該等綜合財務報告包括富邦銀行(香港)有限公司及其所有附屬公司的綜合狀況。為監管報告目的，其綜合基準載列於未經審核補充財務資料附註(A)及(B)內。

4 INTEREST INCOME AND EXPENSE

(a) Interest income

Listed investments
Other

**Interest income on financial assets
that are not at fair value through
profit or loss**

Interest income on trading assets
– listed investments
– unlisted investments
Interest income on financial assets
designated at fair value through
profit or loss

上市投資
其他

非指定為通過損益以反映公平價值
之金融資產之
利息收入

持作交易用途之資產之利息收入
– 上市投資
– 非上市投資
指定為通過損益以反映公平價值
之金融資產之
利息收入

4 利息收入及支出

(a) 利息收入

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
175,531	174,286
2,573,271	2,259,374
2,748,802	2,433,660
394	112
36,664	53,237
40,195	36,115
2,826,055	2,523,124

(b) Interest expense

Deposits from customers, banks
and other financial institutions
and certificates of deposit issued
Other borrowings

**Interest expense on financial
liabilities that are not at fair
value through profit or loss**

Interest expense on trading
liabilities
Interest expense on financial
liabilities designated at fair
value through profit or loss

客戶、銀行同業及
其他金融機構之
存款及已發行存款證
其他借款

非指定為通過損益以反映公平價值
之金融負債之
利息支出

交易賬項下負債之
利息支出
指定為通過損益以反映公平價值
之金融負債之
利息支出

(b) 利息支出

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1,800,309	1,463,567
129,973	267,589
1,930,282	1,731,156
35,909	95,189
6,191	–
1,972,382	1,826,345

5 FEE AND COMMISSION INCOME AND EXPENSE**(a) Fee and commission income**

Credit related fees and commissions	信貸相關費用及佣金
Trade finance	貿易融資
Credit card	信用卡
Securities brokerage and investment services	證券經紀及投資服務
Insurance	保險
Unit trust commission	單位信託佣金
Other fees	其他費用
of which:	其中：
Fee and commission income arising from:	費用及佣金收入來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非指定為通過損益以反映公平價值之金融資產或金融負債
– Trust or other fiduciary activities	– 信託及其他受託業務

(b) Fee and commission expense

Handling fees and commissions	手續費及佣金
Other fees paid	其他已付費用
of which:	其中：
Fee and commission expense arising from:	費用及佣金支出來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非指定為通過損益以反映公平價值之金融資產或金融負債

5 費用及佣金收入及支出**(a) 費用及佣金收入**

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
14,201	8,825
23,472	17,176
42,153	37,250
107,172	56,553
33,367	16,602
122,059	41,165
20,353	16,673
362,777	194,244
72,921	57,911
1,496	1,521

(b) 費用及佣金支出

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
57,298	37,967
19,711	13,418
77,009	51,385
32,632	19,967

6 OTHER OPERATING INCOME

6 其他營運收入

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Gains less losses from dealing	交易收益減虧損		
– Foreign exchange	– 外匯	26,928	33,809
– Trading securities	– 持作交易用途之證券	2,900	(370)
– Other dealing activities*	– 其他買賣交易*	249,429	170,057
– Short selling activities	– 賣空交易	(1,952)	687
		277,305	204,183
Net hedging income from fair value hedges	公平價值對沖之淨對沖收入		
Net loss on hedged items attributable to the hedged risk	與對沖風險相關之被對沖項目之淨虧損	(41,698)	(11,398)
Net gain on hedging instruments	對沖工具之淨收益	41,698	11,398
		—	—
Revaluation gain / (loss) on other financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值之其他金融工具之重估收益／(虧損)	42,751	(10,907)
Gains less losses from other financial liabilities	其他金融負債之收益減虧損	(13,221)	(9,895)
Revaluation (loss) / gain on derivative financial instruments	衍生金融工具之重估(虧損)／收益	(27,360)	16,326
Dividend income from listed available-for-sale securities	可供出售上市證券之股息收入	6,137	4,593
Dividend income from unlisted available-for-sale securities	可供出售非上市證券之股息收入	19,977	31,013
Rental income	租金收入	281	870
Others	其他	66,567	51,534
		372,437	287,717

* Other dealing activities refers to customer-driven dealing in derivative financial instruments including equity linked notes, options and structured deposit products.

* 其他買賣交易指客戶引致之衍生金融工具買賣，包括股票掛鈎票據、期權及結構性存款產品。

7 OPERATING EXPENSES

7 營運支出

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	2,951	1,183
Defined benefit scheme expenses (Note 40(b))	定額福利計劃支出 (附註 40(b))	22,163	19,978
Retirement scheme costs	退休計劃成本	25,114	21,161
Salaries and other staff costs	薪金及其他僱員成本	451,322	359,672
		476,436	380,833
Premises and other fixed assets	房地產及其他固定資產		
Rental of premises	房地產租金	45,556	26,655
Depreciation (Note 26)	折舊 (附註 26)	59,114	72,026
Others	其他	20,032	16,448
Auditors' remuneration	核數師酬金	2,254	2,113
Other operating expenses	其他營運支出		
Business promotion	業務推廣	55,056	56,759
Legal and professional fees	法律顧問費用	15,096	27,963
Communication	通訊	17,763	13,758
Electronic data processing and computer systems	電子資料處理及電腦系統	75,203	67,731
Others	其他	68,263	52,423
		834,773	716,709

8 DIRECTORS' REMUNERATION

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

8 董事酬金

根據香港《公司條例》第161條規定披露之董事酬金如下：

		The Group 本集團				
		Directors' Fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼及其他福利 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Retirement scheme contributions 退休計劃供款 HK\$'000 千港元	2007 Total 二零零七年總額 HK\$'000 千港元
Executive Directors	執行董事					
Jin-Yi LEE	李晉頤	455	5,302	3,200	265	9,222
Michael CHANG Ming-Yuen	張明遠	455	3,134	2,000	157	5,746
James YIP	葉強華	380	2,276	2,200	210	5,066
Non-Executive Directors	非執行董事					
Ming-Hsing (Richard) TSAI	蔡明興	596	—	—	—	596
Ming-Chung (Daniel) TSAI	蔡明忠	531	—	—	—	531
Victor KUNG	龔天行	530	—	—	—	530
Jesse DING	丁予康	333	—	—	—	333
Independent Non-Executive Directors	獨立非執行董事					
Robert James KENRICK	甘禮傑	666	—	—	—	666
Moses TSANG	曾國泰	426	—	—	—	426
Hung SHIH	石 宏	596	—	—	—	596
		4,968	10,712	7,400	632	23,712

8 DIRECTORS' REMUNERATION (continued)

8 董事酬金(續)

				The Group 本集團		
		Directors' Fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	2006 Total
		董事袍金	薪金、津貼及其他福利	酌情花紅	退休計劃供款	二零零六年總額
		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
Executive Directors						
Jin-Yi LEE	李晉頤	455	5,148	2,000	224	7,827
Horace FAN Sheung Yam	范上欽	226	1,037	—	95	1,358
Michael CHANG Ming-Yuen	張明遠	305	3,043	1,400	124	4,872
James YIP	葉強華	191	1,156	1,200	102	2,649
Non-Executive Directors						
Ming-Hsing (Richard) TSAI	蔡明興	596	—	—	—	596
Ming-Chung (Daniel) TSAI	蔡明忠	511	—	—	—	511
Victor KUNG	龔天行	530	—	—	—	530
Jesse DING	丁予康	340	—	—	—	340
Independent Non-Executive Directors						
Robert James KENRICK	甘禮傑	646	—	—	—	646
Moses TSANG	曾國泰	406	—	—	—	406
Hung SHIH	石 宏	569	—	—	—	569
		4,775	10,384	4,600	545	20,304

During the year, Jin-Yi LEE, Michael CHANG Ming-Yuen, James YIP and Victor KUNG were granted unlisted physically settled options under share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. for the service rendered to the Group. The share based payment expense for the current year is not material.

於年內，根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，李晉頤、張明遠、葉強華及龔天行因向本集團提供服務而被授予非上市而實股結算之認股權。本年度以股份形式的付款開支並不重大。

9 INDIVIDUAL WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2006: two) are Directors whose emoluments are disclosed in Note 8 above. The aggregate of the emoluments in respect of the other two (2006: three) individuals are as follows:

Basic salaries and other allowances	底薪及其他津貼
Contributions to pension scheme	退休計劃供款
Bonuses	花紅

The emoluments of the two (2006: three) individuals with the highest emoluments are within the following bands:

HK\$2,500,001 – HK\$3,000,000	2,500,001 港元 – 3,000,000 港元
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

9 薪酬最高人士

本集團薪酬最高之5位人士中，3位(二零零六年：2位)為董事，其薪酬已於上文附註8披露。其餘2位(二零零六年：3位)人士之酬金總額如下：

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
3,838	6,110
353	530
2,900	1,656
7,091	8,296

2位(二零零六年：3位)薪酬最高人士之酬金介乎以下範圍：

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
–	3
1	–
1	–

10 IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

Impairment losses (charged) / released on advances to customers (Note 22)	已(扣除)／撥回之客戶貸款減值虧損(附註22)
– Additions	– 增加
– Releases	– 撥回
Provision for loss from obligation under standby credit facility	備用信貸虧損撥備承擔

10 客戶貸款減值虧損

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(79,793)	(107,186)
42,180	57,304
–	(15,655)
(37,613)	(65,537)

11 NET GAINS ON DISPOSALS OF AVAILABLE-FOR-SALE SECURITIES

Realisation of revaluation surplus / (deficit) previously recognised in revaluation reserve (Note 37)	過往於重估儲備內確認之重估盈餘／(虧絀)之變現(附註37)
Net gains arising in current year	年內淨收益

11 出售可供出售證券之淨收益

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
36,104	(36,250)
96,372	83,132
132,476	46,882

12 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT**(a) Taxation in the consolidated income statement**

The provision for Hong Kong Profits Tax for 2007 is calculated at 17.5% (2006: 17.5%) of the estimated assessable profits for the year.

12 綜合收益表內的所得稅**(a) 綜合收益表內的稅項**

二零零七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%(二零零六年: 17.5%)計算。

Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅
Tax for the year	年內稅項
(Over) / under-provision in respect of prior years	過往年度(超額準備)／準備不足

Current tax – Overseas Tax	即期稅項 – 海外稅項
Under-provision in respect of prior years	過往年度準備不足

Deferred tax	遞延稅項
Origination and reversal of temporary differences (Note 33(b))	暫時性差異產生及撥回(附註33(b))

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
54,486	66,932
(2,357)	1,390
52,129	68,322
–	1,847
–	1,847
4,050	(5,840)
56,179	64,329

12 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

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

Profit before taxation	除稅前溢利
Notional tax on profit before taxation, calculated at the applicable rates in Hong Kong	除稅前溢利之估計稅項，按香港適用之應課稅率計算
Tax effect of non-taxable revenue	非應課稅項收入之稅項影響
Tax effect of non-deductible expenses	非可扣減支出之稅項影響
(Over) / under-provision in respect of prior years	過往年度(超額準備)/準備不足
Actual tax expense	實質稅項支出

12 綜合收益表內的所得稅(續)

(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
517,067	391,497
90,486	68,512
(36,119)	(10,550)
4,169	3,130
(2,357)	3,237
56,179	64,329

13 DIVIDENDS

(a) Dividends declared and proposed attributable to the financial year

Interim dividend declared and paid of 6 cents (2006: 6 cents) per share	已宣派及派發中期股息每股6仙(二零零六年：每股6仙)
Final dividend of 13 cents (2006: 12 cents) per share proposed after the balance sheet date	於結算日後建議派發末期股息每股13仙(二零零六年：每股12仙)

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

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

Final dividend in respect of the previous financial year, approved and paid during the year of 12 cents (2006: 11 cents) per share	年內通過及派付上一財政年度之末期股息每股12仙(二零零六年：11仙)
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13 股息

(a) 已宣派及建議派發本財政年度之股息

The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
70,330	70,330
152,381	140,659
222,711	210,989

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) 年內已通過及派付上一財政年度之股息

The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
140,659	128,938

14 EARNINGS PER SHARE

The earnings per share is calculated on profit attributable to shareholders of HK\$460,998,000 (2006: HK\$327,168,000) and 1,172,160,000 (2006: 1,172,160,000) ordinary shares in issue during the year. There is no convertible loan capital, options or warrants outstanding which would cause a dilution effect on the earnings per share.

15 PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The consolidated profit attributable to shareholders of the Bank includes a profit of HK\$383,207,000 (2006: HK\$252,199,000) which has been dealt with in the financial statements of the Bank.

16 SEGMENT REPORTING

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

(a) Business segments

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

Retail Banking comprises credit card merchant acquiring, provision of credit card advances, insurance and unit trust wealth management services, 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 include 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 Markets mainly provides securities brokerage, foreign exchange services and centralised 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.

Real Estate is responsible for the management and orderly realisation 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.

14 每股盈利

每股盈利乃按年內股東應佔溢利460,998,000港元(二零零六年: 327,168,000港元)及於年內已發行普通股1,172,160,000股(二零零六年: 1,172,160,000股)計算。本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影響。

15 股東應佔溢利

本行股東應佔綜合溢利包括已計入本行財務報告內之溢利383,207,000港元(二零零六年: 252,199,000港元)。

16 分項資料

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

(a) 業務分項

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。

零售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財富管理服務、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金融業務。中小企業業務包括私人及企業設備借貸、中小企業商業借貸、汽車及其他消費租賃合約及借貸業務。企業金融業務涵蓋貿易融資、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，按管理層的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。

房地產業務包括管理及有秩序地出售本集團收回及根據貸款協議所得的物業。

未分配項目主要包括控制管理單位、證券投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

16 SEGMENT REPORTING (continued)

(a) Business segments (continued)

16 分項資料(續)

(a) 業務分項(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 Markets 金融市場 HK\$'000 千港元	Real Estate 房地產 HK\$'000 千港元	Unallocated 未分類業務 HK\$'000 千港元	Inter-segment elimination 跨業務轉賬 HK\$'000 千港元	Consolidated 總額 HK\$'000 千港元
2007	二零零七年							
Interest income from external customers	源自外界客戶利息收入	629,446	1,059,327	1,127,351	–	9,931		2,826,055
Interest expense to external customers	給予外界客戶利息支出	(1,025,126)	(366,945)	(574,621)	–	(5,690)		(1,972,382)
Inter-segment income	跨業務收入	692,567	–	–	–	–	(692,567)	–
Inter-segment expense	跨業務支出	–	(308,756)	(377,976)	(2,157)	(3,678)	692,567	–
Net interest income	淨利息收入	296,887	383,626	174,754	(2,157)	563		853,673
Other operating income from external customers	源自外界客戶其他營運溢利	395,595	111,032	130,305	(468)	8,349		644,813
Inter-segment revenue	跨業務溢利	–	–	–	–	43,991	(43,991)	–
Fee and commission expense	費用及佣金支出	(46,374)	(4,402)	(23,524)	–	(2,709)		(77,009)
Other operating income	其他營運收入	349,221	106,630	106,781	(468)	49,631		567,804
Operating income	營運收入	646,108	490,256	281,535	(2,625)	50,194		1,421,477
Operating expenses	營運支出	(367,173)	(136,174)	(133,278)	(1,501)	(196,647)		(834,773)
Inter-segment expenses	跨業務支出	(33,333)	(5,825)	(4,705)	(128)	–	43,991	–
Operating profit / (loss) before gains and provisions	未計收益及撥備前經營溢利／（虧損）	245,602	348,257	143,552	(4,254)	(146,453)		586,704
Write back / (charge) for collective impairment allowance	綜合減值撥備之撥回／（扣除）	3,233	(3,979)	19	–	5		(722)
Write back / (charge) for individual impairment allowance	個別減值撥備之撥回／（扣除）	(22,818)	(35,113)	–	–	–		(57,931)
Recovery of loans previously written off	收回已被撇賬之貸款	12,443	6,871	–	1,726	–		21,040
Impairment loss on available-for-sale securities	可供出售證券之減值虧損	–	–	(162,433)	–	–		(162,433)
Impairment loss on investments in associated company	於聯營公司之投資之減值虧損	–	–	–	–	(8,255)		(8,255)
Impairment loss on acquired assets	所得資產之減值虧損	–	–	–	3,301	–		3,301
Gains less losses from disposal of available-for-sale assets	出售可供出售資產之收益減虧損	–	–	103,108	–	29,368		132,476
Gains less losses from disposal of fixed assets	出售固定資產之收益減虧損	–	–	–	–	2,887		2,887
Profit / (loss) before taxation	除稅前溢利／（虧損）	238,460	316,036	84,246	773	(122,448)		517,067
Income tax	所得稅	–	–	–	–	(56,179)		(56,179)
Minority interest	少數股東權益	–	–	–	–	110		110
Profit / (loss) attributable to shareholders	股東應佔溢利／（虧損）	238,460	316,036	84,246	773	(178,517)		460,998
Operating expenses – depreciation	營運支出－折舊	(15,300)	(1,428)	(6,534)	–	(35,852)		(59,114)
Segment assets	業務資產	12,071,255	19,802,548	27,454,458	57,378	1,237,240		60,622,879
Segment liabilities	業務負債	29,505,347	12,161,146	14,450,889	–	384,033		56,501,415
Capital expenditure incurred during the year	年度內資本開支	19,302	31,665	43,757	–	–		94,724

16 SEGMENT REPORTING (continued)

(a) Business segments (continued)

		The Group 本集團						Consolidated 總額 HK\$'000 千港元
		Retail Banking 零售銀行 HK\$'000 千港元	Wholesale Banking 批發銀行 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	Real Estate 房地產 HK\$'000 千港元	Unallocated 未分類業務 HK\$'000 千港元	Inter-segment elimination 跨業務轉賬 HK\$'000 千港元	
2006	二零零六年							
Interest income from external customers	源自外界客戶利息收入	635,407	774,454	1,106,061	–	7,202		2,523,124
Interest expense to external customers	給予外界客戶利息支出	(952,143)	(220,801)	(645,631)	–	(7,770)		(1,826,345)
Inter-segment income	跨業務收入	559,653	–	–	–	3,486	(563,139)	–
Inter-segment expense	跨業務支出	–	(274,861)	(285,256)	(3,022)	–	563,139	–
Net interest income	淨利息收入	242,917	278,792	175,174	(3,022)	2,918		696,779
Other operating income from external customers	源自外界客戶其他營運盈利	238,211	62,046	177,782	(149)	4,071		481,961
Inter-segment revenue	跨業務溢利	–	–	–	–	39,971	(39,971)	–
Fee and commission expense	費用及佣金支出	(28,818)	(2,925)	(19,038)	–	(604)		(51,385)
Other operating income	其他營運收入	209,393	59,121	158,744	(149)	43,438		430,576
Operating income	營運收入	452,310	337,913	333,918	(3,171)	46,356		1,127,355
Operating expenses	營運支出	(336,141)	(121,394)	(105,127)	(1,740)	(152,307)		(716,709)
Inter-segment expenses	跨業務支出	(33,501)	(3,970)	(2,342)	(158)	–	39,971	–
Operating profit / (loss) before gains and provisions	未計收益及撥備前經營溢利 / (虧損)	82,668	212,549	226,449	(5,069)	(105,951)		410,646
Write back / (charge) for collective impairment allowance	綜合減值撥備之撥回 / (扣除)	13,297	(18,610)	–	–	24		(5,289)
Charges less releases for individual impairment losses	個別減值虧損減撥回	(23,001)	(59,566)	–	–	–		(82,567)
Recovery of loans previously written off	收回已被撇賬之貸款	14,989	7,191	–	139	–		22,319
Impairment loss on available-for-sale securities	可供出售證券之減值虧損	–	–	–	–	–		–
Impairment loss on investments in associated company	於聯營公司之投資之減值虧損	–	–	–	–	–		–
Impairment loss on acquired assets	所得資產之減值虧損	–	–	–	(490)	(26)		(516)
Gains from disposal of available-for-sale securities	出售可供出售證券之收益	–	–	46,882	–	–		46,882
Gains less losses from disposal of fixed assets	出售固定資產之收益減虧損	–	–	–	–	22		22
Profit / (loss) before taxation	除稅前溢利 / (虧損)	87,953	141,564	273,331	(5,420)	(105,931)		391,497
Income tax	所得稅	–	–	–	–	(64,329)		(64,329)
Minority interest	少數股東權益	–	–	–	–	–		–
Profit / (loss) attributable to shareholders	股東應佔溢利 / (虧損)	87,953	141,564	273,331	(5,420)	(170,260)		327,168
Operating expenses – depreciation	營運支出 – 折舊	(19,028)	(1,937)	(6,247)	–	(44,814)		(72,026)
Segment assets	業務資產	12,472,653	14,308,670	25,593,804	65,280	906,469		53,346,876
Segment liabilities	業務負債	27,003,438	8,028,698	13,938,314	–	397,396		49,367,846
Capital expenditure incurred during the year	年度內資本開支	9,645	11,065	19,792	–	–		40,502

16 SEGMENT REPORTING (continued)**(b) 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 years ended 31 December 2006 and 2007, 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. No single country or geographic segment other than Hong Kong contributes 10% or more of the Group's assets, liabilities, profit or loss before taxation, total operating income or contingent liabilities and commitments.

17 CASH AND SHORT-TERM FUNDS

Cash in hand	現金
Balances with the Hong Kong Monetary Authority	香港金融管理局結餘
Balances with banks	銀行同業之結餘
Money at call and short notice *	通知及短期存款 *

16 分項資料(續)**(b) 區域分項**

區域分項之資料分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零零六年及二零零七年十二月三十一日止年度，本集團之所有營運收入及除稅前溢利均是從位於香港的本行分行及附屬公司入賬之資產所產生。本集團沒有在香港以外的單一國家或地區佔有10%或以上的資產、負債、除稅前溢利或虧損、總營運收入或或然負債及承擔。

17 現金及短期資金

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
94,286	87,444	94,276	87,436
208,275	—	208,275	—
344,359	207,841	343,677	207,357
6,377,681	7,523,386	6,377,681	7,523,386
7,024,601	7,818,671	7,023,909	7,818,179

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

* 通知及短期存款指由結算日起計最長一個月到期之存款。

18 PLACEMENTS WITH BANKS MATURING BETWEEN ONE AND TWELVE MONTHS

Maturing within	以下期間內到期
– 3 months or less but over 1 month	– 三個月或以下惟一個月以上
– 1 year or less but over 3 months	– 一年或以下惟三個月以上

18 一至十二個月到期之銀行同業放款

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
584,992	1,023,029
155,998	661,172
740,990	1,684,201

19 TRADING SECURITIES

19 持作交易用途之證券

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<i>Trading securities at fair value</i>	<i>持作交易用途之證券公平價值</i>				
Treasury bills (including Exchange Fund Bills), unlisted	國庫券(包括外匯基金票據)－非上市	14,981	455,568	14,981	455,568
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	5,266	2,548	5,266	2,548
– Unlisted	– 非上市	11,948	10,914	11,948	10,914
Equity securities	股份證券				
– Listed in Hong Kong	– 於香港上市	349	–	–	–
Total	總值	32,544	469,030	32,195	469,030
<i>The trading securities are issued by:</i>	<i>持作交易用途之證券由以下機構發行：</i>				
– Central government and central banks	– 中央政府及中央銀行	17,378	456,710	17,378	456,710
– Public sector entities	– 公營機構	14,817	12,320	14,817	12,320
– Banks	– 銀行	66	–	–	–
– Corporate entities	– 企業實體	283	–	–	–
		32,544	469,030	32,195	469,030

20 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

20 指定為通過損益以反映公平價值之金融資產

		The Group and the Bank 本集團及本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
<i>Debt securities at fair value</i>	<i>按公平價值訂值按公平價值訂值之債務證券</i>		
– Listed in Hong Kong	– 於香港上市	486,932	484,068
– Listed outside Hong Kong	– 於香港以外上市	392,023	74,723
Total	總值	878,955	558,791
<i>The other financial instruments designated at fair value through profit or loss are issued by:</i>	<i>指定為通過損益以反映公平價值之其他金融工具由以下機構發行：</i>		
– Public sector entities	– 公營機構	481,735	478,405
– Other financial institutions	– 其他金融機構	315,350	–
– Corporate entities	– 企業實體	81,870	80,386
		878,955	558,791

21 DERIVATIVE FINANCIAL INSTRUMENTS

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

(a) Notional amounts of derivatives

These derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

21 衍生金融工具

在自營交易中使用衍生工具及向客戶出售衍生工具以作為風險管理產品為本集團其中一項業務。該等工具亦用以管理本集團所承受的市場風險，作為其資產負債管理的程序一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦參與交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤而訂立。就會計目的而言，衍生工具被分類為持作交易或持作對沖類別。

(a) 衍生工具之名義金額

此等衍生工具指價值視乎一項或多項掛鈎資產或指數之價值而定之金融合約。此等工具之名義金額顯示於結算日未平倉之交易量，而並非代表風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

21 衍生金融工具 (續)

(a) 衍生工具之名義金額 (續)

		The Group and the Bank 本集團及本行		
		2007 二零零七年		
		Managed in conjunction with financial instruments designated at fair value through profit or loss 就指定為通過損益 以反映公平價值 之金融工具 而進行管理	Others, including held for trading 其他，包括 持作交易用途	Total 總額
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具			
– Forwards	– 遠期	–	–	7,641,398
– Swaps	– 掉期	–	–	56,693,546
– Options purchased	– 購入期權	–	–	16,242,010
– Options written	– 沽出期權	–	–	16,241,669
		–	–	96,818,623
Interest rate derivatives	利率衍生工具			
– Swaps	– 掉期	1,793,977	857,989	17,323,252
– Options purchased	– 購入期權	–	–	302,200
– Options written	– 沽出期權	–	–	200,000
		1,793,977	857,989	17,825,452
Equity derivatives	股票衍生工具			
– Swaps	– 掉期	–	–	861,691
– Options purchased	– 購入期權	–	–	125,099
– Options written	– 沽出期權	–	–	125,099
– Other equity derivatives	– 其他股票衍生工具	–	–	3,179,754
		–	–	4,291,643
Other derivatives	其他衍生工具	–	–	84,492
Total	總額	1,793,977	857,989	119,020,210
				121,672,176

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

		The Group and the Bank 本集團及本行			
		2006 二零零六年			
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	Managed in conjunction with financial instruments designated at fair value through profit or loss 就指定為通過損益 以反映公平價值 之金融工具 而進行管理 HK\$'000 千港元	Others, including held for trading 其他，包括 持作交易用途 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具				
– Forwards	– 遠期	–	–	2,616,621	2,616,621
– Swaps	– 掉期	–	–	11,527,646	11,527,646
– Options purchased	– 購入期權	–	–	11,881,004	11,881,004
– Options written	– 沽出期權	–	–	11,880,492	11,880,492
		–	–	37,905,763	37,905,763
Interest rate derivatives	利率衍生工具				
– Swaps	– 掉期	1,866,840	544,495	12,112,376	14,523,711
– Options purchased	– 購入期權	–	–	492,650	492,650
– Options written	– 沽出期權	–	–	300,000	300,000
		1,866,840	544,495	12,905,026	15,316,361
Equity derivatives	股票衍生工具				
– Swaps	– 掉期	–	–	462,882	462,882
– Options purchased	– 購入期權	–	–	88,507	88,507
– Options written	– 沽出期權	–	–	88,507	88,507
– Other equity derivatives	– 其他股票衍生工具	–	–	38,912	38,912
		–	–	678,808	678,808
Other derivatives	其他衍生工具	–	–	78,346	78,346
Total	總額	1,866,840	544,495	51,567,943	53,979,278

The above amounts are shown on a gross basis as none of these contracts are subject to any bilateral netting arrangements, and include all embedded derivatives.

Derivatives used for hedging represent hedging instruments designated as hedges under HKAS 39.

上述金額以總額顯示，因該等合約概無任何雙邊淨額結算安排之影響，但已包括所有嵌入式衍生工具。

用作對沖之衍生工具指根據香港會計準則第39號指定作為對沖之對沖工具。

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(b) Fair values and credit risk weighted amounts of derivatives**

Credit risk-weighted amount as at 31 December 2007 refers to the amount as computed in accordance with the Banking (Capital) Rules of the Banking Ordinance and credit risk-weighted amount as at 31 December 2006 refers to amount computed in accordance with the Third Schedule of the Banking Ordinance. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 150%. Embedded derivatives are not included for calculation of credit risk-weighted amount.

The amounts below are shown on a gross basis without taking into account the effect of bilateral netting arrangements.

21 衍生金融工具 (續)**(b) 衍生工具之公平價值及信貸風險加權金額**

於二零零七年十二月三十一日之信貸風險加權金額指根據《銀行業條例》下之《銀行業(資本)規則》計算之金額，而於二零零六年十二月三十一日之信貸風險加權金額指根據《銀行條例》附表三計算之金額。此等金額須視乎交易對手之現況及到期期限特點而定。所採用之信貸風險加權比率介乎0%至150%，而嵌入式衍生工具並未計入信貸風險加權金額。

以下金額以總額顯示，並無計及雙邊淨額結算安排之影響。

		The Group and the Bank 本集團及本行					
		2007 二零零七年			2006 二零零六年		
		Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元	Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具						
– Forwards	– 遠期	212,784	53,636	68,956	122,251	1,052	17,239
– Swaps	– 掉期	238,281	175,839	170,514	69,815	82,611	31,623
– Options purchased	– 購入期權	81,767	–	221,205	69,302	–	91,529
– Options written	– 沽出期權	–	81,768	–	–	69,252	–
		532,832	311,243	460,675	261,368	152,915	140,391
Interest rate derivatives	利率衍生工具						
– Swaps	– 掉期	244,789	219,135	165,354	256,564	252,913	58,451
– Options purchased	– 購入期權	530	–	30	3,505	–	1,519
– Options written	– 沽出期權	–	149	–	–	2,801	–
		245,319	219,284	165,384	260,069	255,714	59,970
Equity derivatives	股票衍生工具						
– Swaps	– 掉期	38,792	38,792	18,510	14,461	14,461	3,535
– Options purchased	– 購入期權	2,306	–	2,079	1,785	–	–
– Options written	– 沽出期權	–	2,307	–	–	1,785	–
– Other equity derivatives	– 其他股票衍生工具	134,328	134,328	251,353	172	172	–
		175,426	175,427	271,942	16,418	16,418	3,535
Other derivatives	其他衍生工具	2,327	98,786	5,535	–	–	783
Total	總額	955,904	804,740	903,536	537,855	425,047	204,679

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(c) Fair values of derivatives designated as hedging instruments***Fair value hedges*

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of the Bank's subordinated notes issued and certain fixed-rate bond investments due to movements in market interest rates.

The following is a summary of the fair values of derivatives held for hedging purposes by product type entered into by the Group and the Bank:

21 衍生金融工具(續)**(c) 指定作為對沖工具之衍生工具之公平價值***公平價值對沖*

公平價值對沖包括用作保障本行的已發行後償票據及若干定息債券投資因市場利率變動而出現變化的利率掉期。

本集團及本行訂立之持作對沖目的之衍生工具之公平價值，按產品類型摘要如下：

		The Group and the Bank 本集團及本行			
		2007 二零零七年		2006 二零零六年	
		Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元	Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元
Interest rate derivatives	利率衍生工具	62,672	8,343	14,456	3,057

(d) Remaining life of derivatives instruments

The following table provides an analysis of the notional amounts of derivatives of the Group and the Bank by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

(d) 衍生工具之剩餘期限

下表為本集團及本行之衍生工具名義金額，按於結算日時直至交收剩餘期限劃分之到期組別。

		The Group and the Bank 本集團及本行			
		Notional amounts with remaining life of 屬以下剩餘年期之名義金額			
2007	二零零七年	Total 總額 HK\$'000 千港元	1 year or less 一年或以下 HK\$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具	96,818,623	92,351,568	4,467,055	—
Interest rate derivatives	利率衍生工具	20,477,418	7,591,850	11,454,090	1,431,478
Equity derivatives	股票衍生工具	4,291,643	3,614,351	677,292	—
Other derivatives	其他衍生工具	84,492	84,492	—	—

21 DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(d) Remaining life of derivatives instruments (continued)**

		The Group and the Bank 本集團及本行			
		Notional amounts with remaining life of 屬以下剩餘年期之名義金額			
2006	二零零六年	Total 總額 HK\$'000 千港元	1 year or less 一年或以下 HK\$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具	37,905,763	34,705,725	3,200,038	–
Interest rate derivatives	利率衍生工具	15,316,361	2,831,384	11,648,011	836,966
Equity derivatives	股票衍生工具	678,808	299,946	378,862	–
Other derivatives	其他衍生工具	78,346	78,346	–	–

22 ADVANCES TO CUSTOMERS LESS IMPAIRMENT**(a) Advances to customers less impairment:****22 客戶貸款減減值****(a) 客戶貸款減減值：**

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Gross advances to customers	客戶貸款總額	31,633,012	25,914,351	26,933,980	22,537,950
Less: Impairment allowances	減：減值撥備				
– Collective impairment allowance	– 綜合減值撥備	(82,126)	(81,404)	(55,134)	(62,601)
– Individual impairment allowance	– 個別減值撥備	(72,082)	(81,787)	(43,001)	(49,575)
		31,478,804	25,751,160	26,835,845	22,425,774

22 ADVANCES TO CUSTOMERS LESS IMPAIRMENT (continued)

22 客戶貸款減減值(續)

(b) Movement in impairment allowances on advances to customers:

(b) 客戶貸款減值撥備變動：

		The Group 本集團		The Bank 本行	
		Individual Impairment allowance 個別減值 撥備 HK\$'000 千港元	Collective Impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual Impairment allowance 個別減值 撥備 HK\$'000 千港元	Collective Impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2007	於二零零七年一月一日	81,787	81,404	49,575	62,601
Impairment losses charged to income statement (Note 10)	於收益表扣除之減值撥備(附註10)	71,604	8,189	47,430	—
Impairment allowance released back to income statement (Note 10)	於收益表撥回之減值撥備(附註10)	(34,713)	(7,467)	(27,711)	(7,467)
Amounts written off	撇賬金額	(67,636)	—	(43,607)	—
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	21,040	—	17,314	—
At 31 December 2007	於二零零七年十二月三十一日	72,082	82,126	43,001	55,134

		The Group 本集團		The Bank 本行	
		Individual Impairment allowance 個別減值 撥備 HK\$'000 千港元	Collective Impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual Impairment allowance 個別減值 撥備 HK\$'000 千港元	Collective Impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	92,701	76,115	68,222	58,537
Impairment losses charged to income statement (Note 10)	於收益表扣除之減值撥備(附註10)	101,897	5,289	75,581	4,064
Impairment allowance released back to income statement (Note 10)	於收益表撥回之減值撥備(附註10)	(57,304)	—	(46,863)	—
Amounts written off	撇賬金額	(77,826)	—	(63,496)	—
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	22,319	—	16,131	—
At 31 December 2006	於二零零六年十二月三十一日	81,787	81,404	49,575	62,601

22 ADVANCES TO CUSTOMERS LESS IMPAIRMENT (continued)**22 客戶貸款減減值(續)****(c) Advances to customers analysed by industry sector****(c) 按行業分類的客戶貸款**

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

以下客戶貸款總額之經濟行業分析乃根據金管局使用的組別及定義。

As at 31 December**於十二月三十一日**

		The Group		The Bank	
		2007	2006	2007	2006
		二零零七年	二零零六年	二零零七年	二零零六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	59,453	29,392	59,453	28,866
– Property investment	– 物業投資	5,874,005	4,900,296	5,863,087	4,883,717
– Financial concerns	– 金融企業	678,349	484,250	677,982	484,145
– Stockbrokers	– 股票經紀	144,323	157,371	144,323	157,371
– Wholesale and retail trade	– 批發及零售業	221,630	202,404	210,556	187,771
– Manufacturing	– 製造業	1,634,110	1,059,535	1,433,723	830,368
– Transport and transport equipment	– 運輸及運輸設備	699,036	756,247	42,312	99,864
– Information technology	– 資訊科技	14,395	61,663	12,518	61,302
– Others	– 其他	2,649,604	3,185,770	2,362,483	2,943,683
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	7,300	3,275	7,300	3,275
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	7,272,919	6,946,882	7,257,397	6,931,526
– Credit card advances	– 信用卡貸款	533,187	504,157	533,187	504,157
– Others	– 其他	894,852	1,299,707	740,311	1,169,256
Trade finance	貿易融資	20,683,163	19,590,949	19,344,632	18,285,301
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	2,169,800	943,406	2,169,800	943,406
		8,780,049	5,379,996	5,419,548	3,309,243
Gross advances to customers	客戶貸款總額	31,633,012	25,914,351	26,933,980	22,537,950

22 ADVANCES TO CUSTOMERS LESS IMPAIRMENT (continued)**(d) Impaired advances to customers**

Gross impaired advances	減值貸款總額
Individual impairment allowances made against impaired loans	就減值貸款作出的個別減值撥備
Amount of collateral held in respect of impaired loans ⁱⁱ	就減值貸款持有的抵押品金額 ⁱⁱ

22 客戶貸款減減值(續)**(d) 客戶減值貸款**

The Group 本集團			
2007 二零零七年		2006 二零零六年	
HK\$'000 千港元	i% 百分比	HK\$'000 千港元	i% 百分比
172,403	0.55	239,884	0.93
(72,082)		(81,787)	
100,321		158,097	
108,530		131,362	

The Bank 本行			
2007 二零零七年		2006 二零零六年	
HK\$'000 千港元	i% 百分比	HK\$'000 千港元	i% 百分比
105,113	0.39	179,645	0.80
(43,001)		(49,575)	
62,112		130,070	
74,519		106,413	

- i. As a percentage of gross advances to customers.
- ii. The collateral mainly comprised of mortgage interest over residential properties, debt securities and cash deposits with the Group. Including expected recovery of HK\$16.4 million (2006: HK\$73.5 million) from companies in liquidation.

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

- i. 估客戶貸款總額之百分比。
- ii. 該等抵押品主要包括居住物業之按揭利益、債務證券以及存放於本集團之現金存款。包括清盤中公司之預期可回收金額16,400,000港元(二零零六年：73,500,000港元)。

減值貸款是按個別基準在具備客觀的減值證據下而須個別評估的貸款。

22 ADVANCES TO CUSTOMERS LESS IMPAIRMENT (continued)**22 客戶貸款減減值(續)****(e) Net investment in finance leases and hire purchase contracts****(e) 融資租賃及租購合約之投資淨額**

Advances to customers includes the 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:

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的投資淨額。合約一般初步為期三至五年，附帶按賬面值購買所租用資產之選擇權。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 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額				
	之到期期限為：				
– within 1 year	— 一年以內	3,095,811	1,728,677	448,426	495,201
– after 1 year but within 5 years	— 一年以後惟五年以內	2,406,166	3,145,963	145,633	856,377
– after 5 years	— 五年以後	305,709	406,454	–	–
		5,807,686	5,281,094	594,059	1,351,578
Interest income relating to future periods	與未來期間有關之利息收入	(588,179)	(745,333)	(36,476)	(157,484)
Present value of the minimum lease payment receivable	應收最低租賃還款之現值	5,219,507	4,535,761	557,583	1,194,094
Collective impairment allowance	綜合減值撥備	(30,273)	(25,400)	(3,234)	(6,687)
Individual impairment allowance	個別減值撥備	(48,236)	(45,561)	(19,155)	(13,349)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	5,140,998	4,464,800	535,194	1,174,058

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

減值撥備前最低租賃還款現值之期限組別如下：

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Within 1 year	一年以內	2,765,976	1,410,133	417,786	402,269
After 1 year but within 5 years	一年以後惟五年以內	2,226,139	2,846,434	139,797	791,825
After 5 years	五年以後	227,392	279,194	–	–
		5,219,507	4,535,761	557,583	1,194,094

23 AVAILABLE-FOR-SALE SECURITIES

23 可供出售證券

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Listed debt securities at fair value	上市債務證券之公平價值				
– Listed in Hong Kong	– 於香港上市	2,868,782	3,536,368	2,868,782	3,536,368
– Listed outside Hong Kong	– 於香港以外上市	3,626,868	477,808	3,626,868	477,808
		6,495,650	4,014,176	6,495,650	4,014,176
Unlisted debt securities at fair value	非上市債務證券之公平價值				
– Treasury bills (including Exchange Fund Bills)	– 國庫券 (包括外匯基金票據)	4,863,805	4,827,763	4,863,805	4,827,763
– Certificates of deposit	– 存款證	268,901	86,741	268,901	86,741
– Other debt securities	– 其他債務證券	5,224,503	5,134,353	5,224,503	5,134,353
		10,357,209	10,048,857	10,357,209	10,048,857
Total debt securities	債務證券總值	16,852,859	14,063,033	16,852,859	14,063,033
Equity shares at fair value	股票之公平價值				
– Listed in Hong Kong	– 於香港上市	138,442	68,173	138,442	68,102
– Unlisted	– 非上市	239,140	125,948	239,140	125,948
		377,582	194,121	377,582	194,050
Total available-for-sale securities	可供出售證券總值	17,230,441	14,257,154	17,230,441	14,257,083
<i>The available-for-sale securities are issued by:</i>					
Central governments and central banks	中央政府及中央銀行	7,633,735	8,001,169	7,633,735	8,001,169
Public sector entities	公營機構	84,991	153,000	84,991	153,000
Banks	銀行	7,866,010	4,892,537	7,866,010	4,892,515
Other financial institutions	其他金融機構	729,669	76,585	729,669	76,585
Corporate entities	企業實體	916,036	1,133,863	916,036	1,133,814
		17,230,441	14,257,154	17,230,441	14,257,083

Included in "Other debt securities" as at 31 December 2007 were investments in structured investment vehicles ("SIVs") with a fair value of HK\$110.6 million which were individually determined to be impaired as a result of difficulties in raising senior funding. Impairment losses on these investments of HK\$162.4 million have been recognised in the income statement in accordance with the accounting policy set out in note 2(m). As detailed in Note 48 one of the investments has been restructured subsequent to the balance sheet date.

於二零零七年十二月三十一日，列賬於「其他債務證券」包括公平值為110,600,000港元之結構性投資工具，本行已因該等結構性投資工具難以籌集高級融資而將該等投資工具個別釐定為減值。該等投資的減值虧損162,400,000港元已根據載於附註2(m)的會計政策於收益表內確認。如附註48所述，該等投資之其中一項已於結算日後重組。

23 AVAILABLE-FOR-SALE SECURITIES (continued)

In addition, the Bank had investments in collateralised debt obligations ("CDOs") with a nominal value of USD30 million which is included in "Other debt securities" as at 31 December 2007. The embedded derivatives are bifurcated and marked to market with a revaluation loss of HK\$90.4 million charged to the income statement.

24 INVESTMENTS IN ASSOCIATED COMPANY

Unlisted shares, at cost	非上市股份，按成本值
Advances	貸款
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備
Impairment allowance for advances to an associated company	向一間聯營公司 貸款之減值撥備

The Bank owns 40% (2006: 40%) of the issued shares 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.

25 INVESTMENTS IN SUBSIDIARIES

Unlisted shares, at cost	非上市股份，按成本值
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23 可供出售證券 (續)

此外，本行擁有面值為30,000,000美元之債務抵押證券，並已計入二零零七年十二月三十一日之「其他債務證券」。其中嵌入式衍生工具與主合約分開並分類為衍生金融工具列帳，並按重估虧損90,400,000港元（已於損益表內扣除）計至市值。

24 聯營公司投資

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
5,761	5,761
10,590	8,882
(5,761)	(5,761)
(10,590)	(2,335)
—	6,547

本行擁有在菲律賓註冊成立之IBA Finance Corporation之40%（二零零六年：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。由於投資額並不重大，故本集團並無於賬目中按權益法計入於該聯營公司之投資。

25 附屬公司投資

The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
144,863	118,751

25 INVESTMENTS IN SUBSIDIARIES (continued)

All principal subsidiaries, which principally affected the results, assets or liabilities of the Group, are directly owned by the Bank. Details of principal subsidiaries as of 31 December 2007 are as follows:

25 附屬公司投資(續)

主要影響本集團業績、資產或負債之全部主要附屬公司均由本行直接擁有。關於各主要附屬公司於二零零七年十二月三十一日之資料詳述如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足 之普通股股本	% of ownership interest held 所持 股權百分比	Net profit for the year 年度淨溢利	Principal activities 主要業務
Incorporated and operating in Hong Kong		於香港註冊成立及運作			
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000 港元	100% 100%	HK\$109,693,000 109,693,000 港元	Deposit taking and finance 接受存款及財務
Fubon (Hong Kong) Trustee Limited	富邦(香港)信託有限公司	HK\$5,000,000 5,000,000 港元	100% 100%	HK\$187,000 187,000 港元	Trustee services 信託服務
FB Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK\$8,000,000 8,000,000 港元	100% 100%	HK\$81,008,000 81,008,000 港元	Securities broking 證券經紀
FB Investment Management Limited	富銀投資管理有限公司	HK\$8,000,000 8,000,000 港元	100% 100%	HK\$1,297,000 1,297,000 港元	Fund management 資金管理
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK\$200 200 港元	100% 100%	HK\$11,000 11,000 港元	Nominees service 代理人服務
Incorporated and operating in Vanuatu		於瓦魯圖註冊成立及運作			
Fubon Bank Vanuatu Limited	Fubon Bank Vanuatu Limited	US\$4,000,000 4,000,000 美元	100% 100%	US\$246,000 246,000 美元	Finance 財務

26 FIXED ASSETS

26 固定資產

		The Group 本集團 Furniture, fixtures and equipment 傢俬、裝置 及設備		
		Premises 物業 HK\$'000 千港元	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 2007	於二零零七年一月一日	1,132,743	450,964	1,583,707
Additions	添置	–	94,724	94,724
Disposals	出售	(12,573)	(6,050)	(18,623)
At 31 December 2007	於二零零七年十二月三十一日	1,120,170	539,638	1,659,808
Representing:	代表：			
Cost	成本值	1,047,557	539,638	1,587,195
Valuation – 1991	估值——一九九一年	72,613	–	72,613
		1,120,170	539,638	1,659,808
Accumulated depreciation	累計折舊			
At 1 January 2007	於二零零七年一月一日	127,559	336,892	464,451
Charge for the year	年內折舊	12,837	46,277	59,114
Released on disposal	出售之抵免	(293)	(5,784)	(6,077)
At 31 December 2007	於二零零七年十二月三十一日	140,103	377,385	517,488
Net book value	賬面淨值			
At 31 December 2007	於二零零七年十二月三十一日	980,067	162,253	1,142,320
At 31 December 2006	於二零零六年十二月三十一日	1,005,184	114,072	1,119,256

26 FIXED ASSETS (continued)**26 固定資產(續)**

		Premises 物業 HK\$'000 千港元	The Group 本集團 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 2006	於二零零六年一月一日	1,132,743	415,418	1,548,161
Additions	添置	–	40,502	40,502
Disposals	出售	–	(4,956)	(4,956)
At 31 December 2006	於二零零六年十二月三十一日	1,132,743	450,964	1,583,707
Representing:	代表：			
Cost	成本值	1,060,130	450,964	1,511,094
Valuation – 1991	估值——一九九一年	72,613	–	72,613
		1,132,743	450,964	1,583,707
Accumulated depreciation	累計折舊			
At 1 January 2006	於二零零六年一月一日	114,714	282,609	397,323
Charge for the year	年內折舊	12,845	59,181	72,026
Released on disposal	出售之抵免	–	(4,898)	(4,898)
At 31 December 2006	於二零零六年十二月三十一日	127,559	336,892	464,451
Net book value	賬面淨值			
At 31 December 2006	於二零零六年十二月三十一日	1,005,184	114,072	1,119,256
At 31 December 2005	於二零零五年十二月三十一日	1,018,029	132,809	1,150,838

26 FIXED ASSETS (continued)

26 固定資產(續)

		Premises 物業 HK\$'000 千港元	The Bank 本行 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 2007	於二零零七年一月一日	1,095,994	449,135	1,545,129
Additions	添置	–	94,197	94,197
Disposals	出售	(12,573)	(6,050)	(18,623)
At 31 December 2007	於二零零七年十二月三十一日	1,083,421	537,282	1,620,703
Representing:	代表：			
Cost	成本值	1,010,808	537,282	1,548,090
Valuation – 1991	估值——一九九一年	72,613	–	72,613
		1,083,421	537,282	1,620,703
Accumulated depreciation	累計折舊			
At 1 January 2007	於二零零七年一月一日	123,833	335,213	459,046
Charge for the year	年內折舊	12,512	46,215	58,727
Released on disposal	出售之抵免	(293)	(5,784)	(6,077)
At 31 December 2007	於二零零七年十二月三十一日	136,052	375,644	511,696
Net book value	賬面淨值			
At 31 December 2007	於二零零七年十二月三十一日	947,369	161,638	1,109,007
At 31 December 2006	於二零零六年十二月三十一日	972,161	113,922	1,086,083

26 FIXED ASSETS (continued)**26 固定資產(續)**

		Premises 物業 HK\$'000 千港元	The Bank 本行 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 2006	於二零零六年一月一日	1,095,994	413,680	1,509,674
Additions	添置	–	40,411	40,411
Disposals	出售	–	(4,956)	(4,956)
At 31 December 2006	於二零零六年十二月三十一日	1,095,994	449,135	1,545,129
Representing:	代表：			
Cost	成本值	1,023,381	449,135	1,472,516
Valuation – 1991	估值——一九九一年	72,613	–	72,613
		1,095,994	449,135	1,545,129
Accumulated depreciation	累計折舊			
At 1 January 2006	於二零零六年一月一日	111,313	281,074	392,387
Charge for the year	年內折舊	12,520	59,037	71,557
Released on disposal	出售之抵免	–	(4,898)	(4,898)
At 31 December 2006	於二零零六年十二月三十一日	123,833	335,213	459,046
Net book value	賬面淨值			
At 31 December 2006	於二零零六年十二月三十一日	972,161	113,922	1,086,083
At 31 December 2005	於二零零五年十二月三十一日	984,681	132,606	1,117,287

26 FIXED ASSETS (continued)

The net book value of those 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:

Net book value at 31 December 於十二月三十一日的賬面淨值

The analysis of net book value of premises is as follows:

Premises held in Hong Kong 於香港持有的物業
 – Long term leases (over 50 years) – 長期租約(超過五十年)
 – Medium term leases (10-50 years) – 中期租約(十年至五十年)

26 固定資產(續)

按重估值列入資產負債表內之物業之賬面淨值若以成本值減累計折舊列賬，其賬面淨值如下：

該等物業的賬面淨值分析如下：

The Group and the Bank 本集團及本行			
2007 二零零七年 HK\$'000 千港元		2006 二零零六年 HK\$'000 千港元	
15,188		15,594	

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
646,962	663,107	614,264	630,084
333,105	342,077	333,105	342,077
980,067	1,005,184	947,369	972,161

27 DEPOSITS AND BALANCES OF BANKS

Deposits and balances of banks 銀行同業之存款及結餘
 Deposits and balances with the Hong Kong Monetary Authority 於香港金融管理局之存款及結餘

27 存款及銀行結餘

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1,130,598	936,677	1,130,593	936,669
327,247	24,838	327,247	24,838
1,457,845	961,515	1,457,840	961,507

28 DEPOSITS FROM CUSTOMERS

Demand deposits and current accounts	活期及往來存款
Savings deposits	儲蓄存款
Call deposits	通知存款
Time deposits	定期存款

28 客戶存款

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
6,438,831	5,410,210	6,438,831	5,410,210
957,426	833,204	957,426	833,204
2,881,912	2,247,328	2,881,454	2,246,888
31,195,822	25,320,091	31,121,870	24,920,020
41,473,991	33,810,833	41,399,581	33,410,322

29 TRADING LIABILITIES

Short positions in Exchange Fund Bills / Notes	外匯基金票據／債券 之短倉
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29 交易賬項下之負債

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
11,673	445,695

30 CERTIFICATES OF DEPOSIT ISSUED

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

30 已發行存款證

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
549,750	1,047,847
1,611,900	1,983,600
—	491,900
2,161,650	3,523,347

All certificates of deposit issued are measured at amortised cost.

所有已發行存款證均按攤銷成本列賬。

31 DEBT SECURITIES ISSUED

Financial liabilities stated at amortised cost

Floating rate notes
Variable coupon rate notes

按攤銷成本列賬之金融負債

浮息票據
多個息率之票據

Financial liabilities designated at fair value through profit or loss

Zero coupon bond issued

指定為通過損益以反映公平價值之金融負債

已發行零息債券

The debt securities issued represent the notes issued by the Bank under the Bank's Euro Medium Term Note Programme.

The floating rate notes of face values and carrying amounts of USD150 million (equivalent to HK\$1,170 million) were issued by the Bank on 4 April 2006 bearing interest at the rate of three-month USD LIBOR plus 0.22% per annum, payable quarterly. The maturity date for the notes is 6 April 2009.

The variable coupon rate notes issued by the Bank are denominated in HKD and USD, and mature at various dates through 2017.

31 已發行債務證券

The Group and the Bank
本集團及本行

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1,169,985	1,166,775
423,192	247,387
1,593,177	1,414,162
220,446	—
1,813,623	1,414,162

債務證券指本行根據其歐元中期票據計劃發行之票據。

本行於二零零六年四月四日發行票面值及賬面金額為150,000,000美元(相當於1,170,000,000港元)的浮息票據，該等票據之年息率為倫敦銀行同業對三個月美元拆息利率加0.22%，須每季付息一次。該等票據的到期日為二零零九年四月六日。

本行發行多個息率的票據，以港元及美元定值並有多個不同到期日，至二零一七年。

31 DEBT SECURITIES ISSUED (continued)

The zero coupon bond with a face value of HK\$520 million and issue price of 48.076615% was issued by the Bank on 12 April 2007. The maturity date for the bond is 12 April 2022 but it can be called by 12 April 2017 on the 10th anniversary of issuance. At the same time, the Bank entered into an interest rate swap to hedge the interest rate risk associated with the bond. Under the terms of the interest rate swap, the Bank makes quarterly floating rate interest payments and receives fixed rate interest income.

The carrying amount of financial liabilities designated at fair value through profit or loss at 31 December 2007 was HK\$299.6 million (2006: Nil) lower than the contractual amount at maturity for the Group and the Bank.

The zero coupon bond issued is measured at fair value using valuation techniques based on observable market conditions existing at balance sheet date; however, data in respect of the Bank's credit risk volatilities and correlations require management's estimation. The total amount of the change in the fair value of the zero coupon bond recognised in the income statement during the year is HK\$35.7 million, of which HK\$51.5 million is attributable to widening of credit spread in line with the overall market conditions. (2006: HK\$Nil).

To the extent the Bank's credit risk volatilities that are not supported by observable market prices on rates, are altered by 10% in either direction, the fair value of the zero coupon bond would be either higher by HK\$6.8 million or lower by HK\$6.7 million.

31 已發行債務證券(續)

本行於二零零七年四月十二日發行票面值為520,000,000港元的零息債券，發行價為票面值之48.076615%。債券於二零二二年四月十二日到期，惟可於發行第十週年，即二零一七年四月十二日被贖回。同時，本行為對沖與債券有關之利率風險訂立利率掉期合約。根據利率掉期合約之條款，本行每季按浮動利率支付利息，並按固定利率收取利息。

於二零零七年十二月三十一日，指定為通過損益以反映公平價值之金融負債之賬面值299,600,000港元(二零零六年：零)低於本集團及本行之合約於到期日之金額。

已發行零息債券乃透過基於於結算日的可觀察的市場狀況而使用估值法按公平值計算，然而，有關銀行信貸風險變動之數據及相關性需管理層作出估計。本年度於收益表內確認的零息債券的公平值變動總額為35,700,000港元(二零零六年：零)。其中51,500,000港元乃因與整體市況一致的信貸擴大所致。

倘非由顯著市價或比率支持的銀行信貸風險在任何方向變動達10%，零息債券的公平值可能高於6,800,000港元或低於6,700,000港元。

32 OTHER ACCOUNTS AND LIABILITIES

32 其他賬目及負債

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Other financial liabilities *	其他金融負債 *	6,080,278	6,194,642	6,080,278	6,194,642
Accounts payable and other liabilities	應付賬項及其他負債	1,074,873	1,013,592	793,828	723,803
		7,155,151	7,208,234	6,874,106	6,918,445

* Other financial liabilities represent funds obtained from financial institutions in respect of government bills and notes sold but not yet purchased.

* 其他金融負債指就已出售但尚未購回的政府票據及債券從金融機構所獲得的資金。

33 INCOME TAX IN THE BALANCE SHEET

33 資產負債表內之所得稅

(a) Current taxation in the balance sheet represents:

(a) 計入資產負債表之本年度稅項為：

		The Group 本集團		The Bank 本行	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅撥備	54,486	66,932	13,106	32,137
Provisional Profits Tax paid	已付暫繳利得稅	(49,901)	(17,008)	(21,711)	(2,608)
		4,585	49,924	(8,605)	29,529
Balance of Profits Tax provision relating to prior years	承過往年度利得稅撥備結餘	3,237	(6,189)	3,190	(3,906)
		7,822	43,735	(5,415)	25,623
Representing:	代表：				
Hong Kong Profits Tax recoverable*	可收回之已付香港利得稅*	(5,415)	—	(5,415)	—
Provision for Hong Kong Profits Tax*	香港利得稅撥備*	13,237	43,735	—	25,623
		7,822	43,735	(5,415)	25,623

* The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other accounts" and "Other accounts and liabilities" respectively.

* 可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他賬目」以及「其他賬目及負債」內。

33 INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised**

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

33 資產負債表內之所得稅(續)**(b) 已確認遞延稅項資產及負債**

於綜合資產負債表內確認之遞延稅項資產／(負債)之各組成部分及年內之變動如下：

		The Group 本集團							
		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合減值撥備 HK\$'000 千港元	Cash rebate adjustment 現金回贈之調整 HK\$'000 千港元	Revaluation of available-for-sale securities 可供出售證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2006 (Charged) / credited to consolidated income statement (note 12(a))	於二零零六年一月一日 綜合收益表之(支出)/進賬(附註 12a)	(8,371)	(2,899)	13,320	(3,278)	10,571	(7,032)	361	2,672
Credited to reserves (Note 37)	儲備進賬(附註 37)	2,336	–	927	2,606	–	121	(150)	5,840
		–	–	–	–	(14,907)	–	–	(14,907)
At 31 December 2006	於二零零六年十二月三十一日	(6,035)	(2,899)	14,247	(672)	(4,336)	(6,911)	211	(6,395)
At 1 January 2007 (Charged) / credited to consolidated income statement (note 12(a))	於二零零七年一月一日 綜合收益表之(支出)/進賬(附註 12a)	(6,035)	(2,899)	14,247	(672)	(4,336)	(6,911)	211	(6,395)
Charged to reserves (Note 37)	儲備支出(附註 37)	(4,851)	–	126	672	–	121	(118)	(4,050)
		–	–	–	–	33,078	–	–	33,078
At 31 December 2007	於二零零七年十二月三十一日	(10,886)	(2,899)	14,373	–	28,742	(6,790)	93	22,633

33 INCOME TAX IN THE BALANCE SHEET (continued)

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

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

33 資產負債表內之所得稅(續)

(b) 已確認遞延稅項資產及負債(續)

年內，於資產負債表內確認之遞延稅項資產／(負債)之各組成部分之變動如下：

		The Bank 本行							
		Depreciation allowances in excess of related depreciation 超過有關折舊的折舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合減值撥備 HK\$'000 千港元	Cash rebate adjustment 現金回贈之調整 HK\$'000 千港元	Revaluation of available-for-sale securities 可供出售證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2006 (Charged) / credited to income statement Credited to reserves (Note 37)	於二零零六年一月一日 收益表之(支出)/進賬 儲備進賬 (附註 37)	(7,563)	(2,899)	10,244	(3,278)	10,571	(7,032)	361	404
		2,363	–	712	2,606	–	121	(150)	5,652
		–	–	–	–	(14,907)	–	–	(14,907)
At 31 December 2006	於二零零六年十二月三十一日	(5,200)	(2,899)	10,956	(672)	(4,336)	(6,911)	211	(8,851)
At 1 January 2007 (Charged) / credited to income statement Charged to reserves (Note 37)	於二零零七年一月一日 收益表之(支出)/進賬 儲備支出 (附註 37)	(5,200)	(2,899)	10,956	(672)	(4,336)	(6,911)	211	(8,851)
		(4,733)	–	(1,307)	672	–	121	(118)	(5,365)
		–	–	–	–	33,078	–	–	33,078
At 31 December 2007	於二零零七年十二月三十一日	(9,933)	(2,899)	9,649	–	28,742	(6,790)	93	18,862

33 INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised (continued)**

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
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

33 資產負債表內之所得稅 (續)**(b) 已確認遞延稅項資產及負債 (續)**

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
22,723	2,463	18,862	-
(90)	(8,858)	-	(8,851)
22,633	(6,395)	18,862	(8,851)

(c) Deferred tax assets and liabilities unrecognised

The Group has no material unrecognised deferred tax asset or liability as at 31 December 2007 (2006: HK\$Nil).

(c) 未確認之遞延稅項資產及負債

於二零零七年十二月三十一日，本集團並無重大未確認之遞延稅項資產或負債（二零零六年：零）。

34 SUBORDINATED NOTES ISSUED

Subordinated notes of face value of USD 200 million (equivalent to HK\$1,560 million) and carrying amount of HK\$1,623 million qualifying as supplementary capital were issued by the Bank on 25 April 2006. The notes bear interest at 6.125% per annum for the period from the issuance date to 26 April 2011, payable semi-annually. The notes carry a one-time call option exercisable by the Bank on 26 April 2011. If the call option is not exercised, the interest rate for the subordinated notes will be reset at the United States treasury rate plus 1.93875% for the period from 27 April 2011 to the final maturity date on 26 April 2016, payable semi-annually.

The carrying amount of the subordinated notes includes an adjustment of HK\$62.7 million (2006: HK\$14 million) due to application of fair value hedge accounting.

34 已發行後償票據

本行於二零零六年四月二十五日發行票面值200,000,000美元（相當於1,560,000,000港元）及賬面金額1,623,000,000港元符合二級資本準則之後償票據。該等票據由發行日期起至二零一一年四月二十六日止期間按年息率6.125%計息，須每半年付息一次。該等票據附帶一次性贖回選擇權，可由本行於二零一一年四月二十六日行使。倘該項贖回選擇權未獲行使，該等後償票據於二零一一年四月二十七日起至最終到期日二零一六年四月二十六日止期間之利率將重定為美國國庫債券利率加1.93875%，並維持每半年付息一次。

上述後償票據之賬面金額已計入因採用公平價值對沖會計法而作出之調整62,700,000港元（二零零六年：14,000,000港元）。

35 SHARE CAPITAL

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

Authorised:
1,406,592,000 (2006: 1,406,592,000)
ordinary shares of HK\$1 each

Ordinary shares, issued and fully paid
at 1 January and 31 December

法定股本：
1,406,592,000 股（二零零六年：
1,406,592,000 股）每股面值
1 港元之普通股

已發行及繳足之普通股本於
一月一日及十二月三十一日

2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
1,406,592	1,406,592
1,172,160	1,172,160

35 股本

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

36 SHARE PREMIUM

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

36 股份溢價

股份溢價賬之應用受香港《公司條例》第48B條監管。

37 RESERVES

37 儲備

		The Group 本集團				
		Capital redemption reserve 資本贖回 儲備 HK\$'000 千港元	Regulatory reserve 法定 儲備 HK\$'000 千港元	Investment revaluation reserve 投資重估 儲備 HK\$'000 千港元	Retained earnings 保留 溢利 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2006	於二零零六年一月一日	372,000	107,722	(49,841)	1,397,097	1,826,978
Profit after tax for the year	年內除稅後溢利	–	–	–	327,168	327,168
Realisation of revaluation deficit of available-for-sale securities (Note 11)	可供出售證券之重估虧絀變現 (附註 11)	–	–	36,250	–	36,250
Net change in fair value of available-for-sale securities	可供出售證券淨公平 價值變動	–	–	80,871	–	80,871
Deferred taxation (Note 33(b))	遞延稅項(附註 33(b))	–	–	(14,907)	–	(14,907)
Dividend paid in respect of the previous financial year (Note 13(b))	已派付之上一財政年度股息 (附註 13(b))	–	–	–	(128,938)	(128,938)
Interim dividend paid (Note 13(a))	已派付中期股息(附註 13(a))	–	–	–	(70,330)	(70,330)
Transfer to / from regulatory reserve	轉撥至/自法定儲備	–	21,850	–	(21,850)	–
At 31 December 2006	於二零零六年十二月三十一日	372,000	129,572	52,373	1,503,147	2,057,092
Profit after tax for the year	年內除稅後溢利	–	–	–	460,998	460,998
Realisation of revaluation surplus of available-for-sale securities (Note 11)	可供出售證券之重估盈餘 變現(附註 11)	–	–	(36,104)	–	(36,104)
Net change in fair value of available-for-sale securities	可供出售證券淨公平 價值變動	–	–	(270,692)	–	(270,692)
Revaluation deficit transfer to consolidated income statement on impairment of available-for-sale securities	可供出售證券減值的重估 虧絀轉撥至綜合收益表	–	–	162,433	–	162,433
Deferred taxation (Note 33(b))	遞延稅項(附註 33(b))	–	–	33,078	–	33,078
Dividend paid in respect of the previous financial year (Note 13(b))	已派付之上一財政年度股息 (附註 13(b))	–	–	–	(140,659)	(140,659)
Interim dividend paid (Note 13(a))	已派付中期股息(附註 13(a))	–	–	–	(70,330)	(70,330)
Transfer to / from regulatory reserve	轉撥至/自法定儲備	–	83,875	–	(83,875)	–
At 31 December 2007	於二零零七年十二月三十一日	372,000	213,447	(58,912)	1,669,281	2,195,816

37 RESERVES (continued)

37 儲備(續)

		Capital redemption reserve 資本贖回儲備 HK\$'000 千港元	Regulatory reserve 法定儲備 HK\$'000 千港元	The Bank 本行 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 2006	於二零零六年一月一日	372,000	91,774	(49,841)	980,437	1,394,370
Profit after tax for the year	年內除稅後溢利	-	-	-	252,199	252,199
Realisation of revaluation deficit of available-for-sale securities	可供出售證券之重估虧蝕變現	-	-	36,250	-	36,250
Net change in fair value of available-for-sale securities	可供出售證券淨公平價值變動	-	-	80,871	-	80,871
Deferred taxation (Note 33(b))	遞延稅項(附註33(b))	-	-	(14,907)	-	(14,907)
Dividend paid in respect of the previous financial year (Note 13(b))	已派付之上一財政年度股息(附註13(b))	-	-	-	(128,938)	(128,938)
Interim dividend paid (Note 13(a))	已派付中期股息(附註13(a))	-	-	-	(70,330)	(70,330)
Transfer to / from regulatory reserve	轉撥至/自法定儲備	-	20,927	-	(20,927)	-
At 31 December 2006	於二零零六年十二月三十一日	372,000	112,701	52,373	1,012,441	1,549,515
Profit after tax for the year	年內除稅後溢利	-	-	-	383,207	383,207
Realisation of revaluation surplus of available-for-sale securities	可供出售證券之重估盈餘變現	-	-	(36,104)	-	(36,104)
Net change in fair value of available-for-sale securities	可供出售證券淨公平價值變動	-	-	(270,692)	-	(270,692)
Revaluation deficit transfer to income statement on impairment of available-for-sale securities	可供出售證券減值之重估虧蝕轉撥至收益表	-	-	162,433	-	162,433
Deferred taxation (Note 33(b))	遞延稅項(附註33(b))	-	-	33,078	-	33,078
Dividend paid in respect of the previous financial year (Note 13(b))	已派付之上一財政年度股息(附註13(b))	-	-	-	(140,659)	(140,659)
Interim dividend paid (Note 13(a))	已派付中期股息(附註13(a))	-	-	-	(70,330)	(70,330)
Transfer to / from regulatory reserve	轉撥至/自法定儲備	-	77,264	-	(77,264)	-
At 31 December 2007	於二零零七年十二月三十一日	372,000	189,965	(58,912)	1,107,395	1,610,448

(a) Capital redemption reserve

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 79 C(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.

(a) 資本贖回儲備

資本贖回儲備因在一九九一年及一九九二年自本行之保留溢利撥款贖回其「A」及「B」類優先股而產生。根據香港《公司條例》第79C(2)條，資本贖回儲備乃不可分派，但可由本行用以繳付將配發予其股東之未發行股份之股款作繳足紅股。

37 RESERVES (continued)**(b) Regulatory reserve**

At 1 January	於一月一日
Transfer from retained earnings	從保留溢利轉撥
At 31 December	於十二月三十一日

The regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.

(c) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(g).

(d) Distributability of reserves

At 31 December 2007, the aggregate amount of reserves available for distribution to equity shareholders of the Bank was HK\$1,107,395,000 (2006: HK\$1,012,441,000).

Subsequent to the balance sheet date, the Directors have proposed a final dividend of 13 Hong Kong cents per share (2006: 12 Hong Kong cents per share) amounting to HK\$152,381,000 (2006: HK\$140,659,000). This dividend has not been recognised as a liability at the balance sheet date.

38 儲備 (續)**(b) 法定儲備**

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
129,572	107,722	112,701	91,774
83,875	21,850	77,264	20,927
213,447	129,572	189,965	112,701

為根據《銀行業條例》的規定而保留法定儲備以嚴謹監管。該儲備之變動乃在諮詢香港金融管理局之意見後直接透過保留溢利作出。

(c) 投資重估儲備

投資重估儲備包括於結算日持有之可供出售證券之公平價值之累計變動淨額，乃按附註2(g)中之會計政策處理。

(d) 可供分派儲備

於二零零七年十二月三十一日，本行可供分派予股東之儲備總額為1,107,395,000港元(二零零六年：1,012,441,000港元)。

於結算日後，董事建議派發末期股息每股13港仙(二零零六年：每股12港仙)，總額152,381,000港元(二零零六年：140,659,000港元)。於結算日該股息未確認為負債。

38 MINORITY INTERESTS

At 1 January	於一月一日
Loss for the year	年內虧損
Acquisition of subsidiary	收購附屬公司
At 31 December	於十二月三十一日

38 少數股東權益

2007
二零零七年
HK\$'000
千港元

-
(110)
3,820
3,710

39 CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

Cash and balances with banks	現金及於銀行同業之結餘
Money at call and short notice	通知及短期存款
Treasury bills with original maturity within three months	原於三個月內到期之國庫券
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業及其他金融機構放款

39 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
646,920	295,285
6,377,681	7,523,386
214,148	1,253,816
-	711,888
7,238,749	9,784,375

(b) Reconciliation to the consolidated balance sheet

Cash and short-term funds and treasury bills	現金及短期資金及國庫券
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Amount shown in the consolidated balance sheet	綜合資產負債表內之金額
Less: Amount with an original maturity of over three months	減：原於三個月以後到期的金額
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目

(b) 綜合資產負債表之對賬

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
11,944,215	13,102,002
740,990	1,684,201
12,685,205	14,786,203
(5,446,456)	(5,001,828)
7,238,749	9,784,375

40 EMPLOYEE RETIREMENT BENEFITS**(a) Defined benefit retirement plans**

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefits plan for all its full time employees. The Scheme is administered 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 2007 and was prepared by Kevin Davey, Fellow of the Institute of Actuaries of England, of Mercer (Hong Kong) Limited using the projected unit credit method. The actuarial valuation indicates that the Group's obligations under the Scheme are 81.09% (2006: 90.65%) covered by the plan assets held by the trustee.

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

The Scheme's assets include ordinary shares issued by the Bank with a fair value of HK\$9,074,000 (2006: HK\$6,749,000).

40 僱員退休福利**(a) 定額福利退休計劃**

本集團推行一項退休計劃，名為富邦銀行（香港）有限公司退休計劃（「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。該計劃乃由本集團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作出供款。該計劃最新的獨立精算估值乃於二零零七年十二月三十一日進行，由 Mercer (Hong Kong) Limited 的 Kevin Davey（英國精算師學會會員）以預計單位元信貸方式編製。該精算估值顯示，本集團根據該計劃所承擔之責任中之81.09%（二零零六年：90.65%），可透過受託人所持有的計劃資產獲得保障。

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2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
(244,040)	(200,815)
197,898	182,029
59,300	34,287
13,158	15,501

該計劃的資產包括本行發行，公平價值為9,074,000港元的普通股（二零零六年：6,749,000港元）。

40 EMPLOYEE RETIREMENT BENEFITS (continued)**(b) Movements in 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 7)	於綜合收益表內已獲確認的支出(附註7)
At 31 December	於十二月三十一日

(c) 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	所承擔責任之利息成本
Amortisation of actuarial loss	攤薄精算虧損
Expected return on Scheme's 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 2007 amounted to approximately HK\$14,501,000 (2006: HK\$4,783,000).

40 僱員退休福利(續)**(b) 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 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
15,501	15,863
19,820	19,616
(22,163)	(19,978)
13,158	15,501

(c) 於綜合收益表內「營運支出－僱員成本」一項已獲確認的支出如下：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
22,399	21,350
7,674	7,546
1,589	51
(9,499)	(8,969)
22,163	19,978

截至二零零七年十二月三十一日止年度，該計劃資產的實際回報約達14,501,000港元(二零零六年：4,783,000港元)。

40 EMPLOYEE RETIREMENT BENEFITS (continued)

(d) The principal actuarial assumptions used as at 31 December 2007 are as follows:

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

40 僱員退休福利(續)

(d) 於二零零七年十二月三十一日，所用主要精算假設如下：

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2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

3.4% p.a.	4.0% p.a.
每年 3.4%	每年 4.0%
5.0% p.a.	5.0% p.a.
每年 5.0%	每年 5.0%
5.0% p.a.	5.0% p.a.
每年 5.0%	每年 5.0%
4.5% p.a.	4.0% p.a.
每年 4.5%	每年 4.0%

(e) 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 participates in an approved MPF Scheme with the Bank Consortium Trust Company Limited to provide scheme choices 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.

(e) 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。一經對計劃作出供款，供款即予以歸屬。

41 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

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
– which are unconditionally cancellable	– 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

41 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

The Group 本集團			
2007 二零零七年		2006 二零零六年	
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
514,567	514,567	452,051	452,051
121,492	60,746	122,334	61,167
928,081	185,616	599,497	119,899
10,900,414	–	10,008,753	–
377,481	188,741	784,352	392,176
309,549	61,910	1,288,015	257,603
13,151,584	1,011,580	13,255,002	1,282,896

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
– which are unconditionally cancellable	– 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

The Bank 本行			
2007 二零零七年		2006 二零零六年	
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
522,067	522,067	459,551	459,551
121,492	60,746	122,334	61,167
928,081	174,632	599,497	110,814
10,752,392	–	9,826,535	–
377,481	188,741	784,352	392,176
309,549	61,910	1,288,015	257,603
13,011,062	1,008,096	13,080,284	1,281,311

41 CONTINGENT LIABILITIES AND COMMITMENTS (continued)**(a) Credit related commitments and contingencies (continued)**

Credit related commitments and contingencies include forward deposit placed, acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

(b) Lease commitments

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

Properties:	物業：
– Within one year	– 一年內
– After 1 year but within 5 years	– 一至五年間

41 或然負債及承擔 (續)**(a) 與信貸有關之承擔及或然項目 (續)**

與信貸有關之承擔及或然項目包括用以提供信貸之承兌項目、信用證、擔保和承擔款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流量。

用於計算信貸風險加權金額之風險加權比率介乎0%至100%。

(b) 租賃承擔

於十二月三十一日，不可取消營運租賃下之未來最低應付租金總額如下：

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
40,672	31,223	40,140	31,223
30,324	39,946	30,058	39,946
70,996	71,169	70,198	71,169

(c) Capital commitments

Capital commitments for purchase of equipment and available-for-sale investments outstanding at 31 December not provided for in the financial statements were as follows:

Contracted for	已訂合約
Authorised but not contracted for	已授權但未訂合約

(c) 資本承擔

於十二月三十一日未於財務報告內提撥之有關購買設備及可供出售投資之未兌現資本承擔如下：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
166,780	132,319
—	—
166,780	132,319

42 TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as the Group does not control the assets.

43 ACQUISITION OF SUBSIDIARY

During the year, the Group acquired 87.04% of the share capital of Fubon Capital (HK) Limited ("Fubon Capital"), a company principally engaged in advising in corporate finance and securities underwriting. The Bank acquired 50% of the share capital on 16 February 2007 for HK\$5million. On 30 November 2007, Fubon Capital enlarged its capital from HK\$10million to HK\$30million by issuing 20million ordinary shares at HK\$1 par value. The Bank subscribed all these new shares for HK\$20million and acquired 1.1million ordinary shares from Fubon Capital's existing shareholder at HK\$1.1million. The Group holds 87.04% of share capital of Fubon Capital after these transactions.

The profit and loss of the Group includes a HK\$1.3million loss incurred by the acquired company for the period since acquisition. If the acquisition had occurred on 1 January 2007, the Group would have included a HK\$1.7million loss attributable to the acquired company.

Details of fair value of the assets and liabilities acquired and goodwill arising are as follows:

Net asset	資產淨值
Share of net assets	應佔資產淨值
Share of capital increase	應佔股本增加
Consideration paid (by cash)	已付代價(現金)
Goodwill	商譽
Total goodwill	商譽總額
Cash and cash equivalents in subsidiary acquired	已收購附屬公司的現金及等同現金項目
Less: Cost of acquisition	減：收購成本
Cash inflow on acquisition	收購事項的現金流入

The goodwill of HK\$514,000 has been included in "Accrued interest and other accounts".

42 存託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於該等資產及其所產生之收入並非本集團之資產，故不會於此等財務報告中列賬。

43 收購附屬公司

於年內，本集團收購富邦融資(香港)有限公司(「富邦融資」)之一間主要從事企業融資及證券包銷的公司)股本87.04%。本行於二零零七年二月十六日以5,000,000港元收購股本50%。於二零零七年十一月三十日，富邦融資透過發行20,000,000股每股面值1港元的普通股將其資本由10,000,000港元擴大至30,000,000港元。本行以20,000,000港元認購全部該等新股份，並以1,100,000港元自富邦融資的現有股東收購1,100,000股普通股。於該等交易後，本集團持有富邦融資股本87.04%。

本集團的溢利及虧損包括自收購事項起期間被收購公司產生的1,300,000港元虧損。倘收購事項於二零零七年一月一日發生，本集團則可能會計入應佔被收購公司虧損1,700,000港元。

所收購資產及負債的公平值及所產生的商譽的詳情如下：

16 February 2007 二零零七年 二月十六日 HK\$'000 千港元	30 November 2007 二零零七年 十一月三十日 HK\$'000 千港元
9,903	28,743
4,952	3,238
—	17,407
5,000	21,111
48	466
	514
	29,057
	(26,111)
	2,946

商譽514,000港元已計入「應計利息及其他賬項」。

43 ACQUISITION OF SUBSIDIARY (continued)

There is no material difference between fair value of the assets and liabilities acquired and their carrying amounts immediately before the acquisition.

44 FAIR VALUES OF FINANCIAL INSTRUMENTS**(a) Estimation of fair values**

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

All valuation models are validated before they are used as a basis for financial reporting by qualified personnel. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models. These techniques involve uncertainties and values are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected losses and other factors. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could not be realised in an immediate sale of the instruments.

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table set out in Note (b) below:

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

43 收購附屬公司(續)

所收購資產及負債的公平值與彼等緊貼收購事項前的賬面值無重大差異。

44 金融工具之公平價值**(a) 公平價值之估計**

公平價值之估計一般帶主觀因素，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。如有可能，公平價值之最佳測量為市場報價。但大多金融工具，尤其是貸款、存款及非上市衍生工具，皆缺乏有組織之第二市場，因而沒有直接市價。該等金融工具之公平價值乃透過已廣泛使用之估值方法並利用現時市場參數計算。公平價值乃被視作既定報告日之理論價值，因此僅可作為未來出售時可變現價值之指標。

所有估值模式在被合資格人士用作財務報告之基準前均已確認為有效。本集團於一切可能之情況下將由計價模式得出之估值與相若金融工具之報價及變現時之實際價值進行比較，以進一步對計價模式進行修改，藉此提高其有效性。該等計價方法包含不確定性，並受到因應各金融工具之風險特性、折扣率、未來現金流量估計、未來預計損失及其他因素而所作出之假設及判斷而影響。變動有關假設可影響該等計算及估值結果。所得公平價值未必能跟有獨立市場所釐定之價值作比較而予以確認，且在許多情況下不能立即在金融工具之銷售中變現。

以下方法及重大假設已用於釐定附註(b)表中所列金融工具之公平價值。

- (i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於結算日可要求還款之金額；
- (ii) 假設浮息金融工具之公平價值接近其賬面金額，因此，由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及備抵金額予以確認，貸款並不反映其信貸質量之變化；

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(a) Estimation of fair values (continued)**

- (iii) the fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value;
- (iv) the fair value of unquoted equity investments is estimated using the net asset value as reported by management of the companies;
- (v) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds;
- (vi) the fair value of forward exchange contracts and interest rate swaps is estimated either using broker quotes or by discounting future cash flows.

(b) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 December 2007 and 2006 except as follows:

44 金融工具之公平價值(續)**(a) 公平價值之估計(續)**

- (iii) 有關定息貸款及按攤銷成本列賬之按揭的公平價值是透過將貸款時之市場利率與相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及備抵金額予以確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；
- (iv) 沒有市價之股本投資之公平價值乃使用該等被投資公司管理層申報的資產淨值進行估計；
- (v) 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計；
- (vi) 遠期外匯期貨合同及利率掉期之公平價值是以經紀人報價或透過貼現未來現金流量所估計。

(b) 公平價值

於二零零七年及二零零六年十二月三十一日，所有金融工具均按公平價值或與公平價值無重大差異之金額呈列，惟以下所列除外：

		The Group 本集團			
		2007 二零零七年		2006 二零零六年	
		Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
<i>Financial assets</i>	<i>金融資產</i>				
Advances to customers	客戶貸款	5,337,535	5,344,504	4,380,024	4,269,530
<i>Financial liabilities</i>	<i>金融負債</i>				
Other accounts and liabilities	其他賬目及負債	6,080,278	6,082,415	6,194,635	6,196,401

44 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(b) Fair value (continued)**

<i>Financial assets</i>	金融資產
Advances to customers	客戶貸款
<i>Financial liabilities</i>	金融負債
Other accounts and liabilities	其他賬目及負債

44 金融工具之公平價值(續)**(b) 公平價值(續)**

The Bank 本行			
2007 二零零七年		2006 二零零六年	
Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
1,298,050	1,296,508	1,725,691	1,674,636
6,080,278	6,082,415	6,194,635	6,196,401

45 MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and related parties, including Taipei Fubon Commercial Bank Co., Ltd. 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 transactions were priced at the relevant market rates at the time of each transaction, and were on 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.

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:

(a) Income / expenses

<i>Ultimate holding company</i>	最終控股公司
Interest expense	利息支出
<i>Fellow subsidiaries</i>	同系附屬公司
Interest income	利息收入
Interest expense	利息支出

45 重大關連各方交易

年內，本集團與其最終控股公司及關連方訂立多項交易，包括台北富邦商業銀行股份有限公司。該等交易在本集團銀行業務之日常業務過程中訂立，包括(不限於)借貸、銀行同業拆借與存款、參與銀團貸款、相關銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

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：

(a) 收入／支出

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
354	190
4,744	3,330
4,926	1,775

45 MATERIAL RELATED PARTY TRANSACTIONS (continued)**(b) Commission and services charges***Fellow subsidiaries***同系附屬公司**

* The amount represents aggregate customer referral and support service fees paid to Taipei Fubon Commercial Bank Co., Ltd., Fubon Securities Co., Ltd. and Fubon Life Assurance Co., Ltd. by the Group's entities during 2007 pursuant to the amended business co-operation agreements dated 20 March 2006. These transactions constitute continuing connected transactions of the Group under Rule 14A.14 of the Listing Rules.

(c) Placement of deposits*Fellow subsidiaries*

At 1 January

Placements during the year
Repayments during the year

At 31 December

同系附屬公司

於一月一日

年內放款
年內償還

於十二月三十一日

Fellow subsidiaries

Accrued interest and other accounts

同系附屬公司

應計利息及其他賬目

There was no impairment allowance made against the above placement of deposits with related parties.

45 重大關連各方交易 (續)**(b) 佣金及服務費****The Group****本集團****2007**

2006

二零零七年

二零零六年

HK\$'000**HK\$'000**

千港元

千港元

23,163

10,050

* 該款額乃本集團機構於二零零七年內根據於二零零六年三月二十日訂立之業務合作協議，向台北富邦商業銀行股份有限公司、富邦綜合證券股份有限公司及富邦人壽保險股份有限公司支付之轉介客戶及服務費用總額。該合作協議乃屬於上市規則第14A.14條內所提及之持續關連交易。

(c) 放款**The Group and the Bank****本集團及本行****2007**

2006

二零零七年

二零零六年

HK\$'000**HK\$'000**

千港元

千港元

—

—

8,127,039

787,526

(8,127,039)

(787,526)

—

—

—

—

該等款項並無就上述關連各方的放款作減值撥備。

45 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(d) Acceptance of deposits

<i>Ultimate holding company</i>	最終控股公司
At 1 January	於一月一日
Acceptance during the year	年內接納
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	同系附屬公司
At 1 January	於一月一日
Acceptance during the year	年內接納
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	同系附屬公司
Other accounts and liabilities	其他賬目及負債

(e) Financial Instruments

<i>Fellow subsidiary</i>	同系附屬公司
Exchange rate contracts (notional principal)	匯率合約 (名義本金額)
Equity Swap (notional principal)	股票掉期(名義本金額)

45 重大關連各方交易(續)

(d) 接納存款

The Group 本集團	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
3,919	3,722
966,435 (966,217)	917,875 (917,678)
4,137	3,919
324,000	—
8,300,195 (8,624,195)	3,052,610 (2,728,610)
—	324,000
81,782	110,509

(e) 金融工具

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
3,695,427	—
—	97,231

45 MATERIAL RELATED PARTY TRANSACTIONS (continued)**(f) Loans to officers**

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

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	– 本行
– by a subsidiary	– 一間附屬公司
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	– 本行
– by a subsidiary	– 一間附屬公司

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2007.

45 重大關連各方交易(續)**(f) 高級職員貸款**

本行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
32,181 –	31,613 –
32,181	31,613
35,019 –	32,410 –
35,019	32,410

於二零零七年十二月三十一日，此等貸款並無逾期未償付利息，或就有關貸款進行任何減值撥備。

45 MATERIAL RELATED PARTY TRANSACTIONS (continued)**(g) Key management personnel remuneration**

Remuneration for key management personnel, including amounts paid to the Bank's Directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

Salaries and short-term employee benefits 薪金及短期僱員福利

Total remuneration is included in "staff costs" (see Note 7).

During the year, several key management personnel were granted unlisted physically settled share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. with various vesting periods for the service rendered to the Group. The share based payment expense for the current year is not material.

45 重大關連各方交易 (續)**(g) 主要管理人員酬金**

主要管理人員之酬金(包括附註8所披露付予本行董事之款項及附註9所披露付予最高薪僱員之款項)如下:

The Group and the Bank
本集團及本行

2007	2006
二零零七年	二零零六年
HK\$'000	HK\$'000
千港元	千港元

51,879	48,238
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酬金總額計入「員工成本」(參閱附註7)。

於年內，根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，若干主要管理人員因向本集團提供服務而被授予於多個期間歸屬的非上市而實股結算之認股權。本年度以股份為基礎的付款開支並不重大。

45 MATERIAL RELATED PARTY TRANSACTIONS (continued)**(h) Credit facilities to key management personnel**

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees.

Loans	貸款
At 1 January	於一月一日
Additional loans made during the year	年內作出之額外貸款
Repayment during the year	年內償還
At 31 December	於十二月三十一日
Interest income	利息收入
Credit facilities	信貸
At 1 January	於一月一日
Additional facilities extended during the year	年內批出之信貸額度
Facilities withdrawn during the year	年內收回之信貸額度
At 31 December	於十二月三十一日

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no individually assessed impairment allowance been made on the above balances at the year end.

The Bank's policies for lending to related parties take into account the requirements under the Hong Kong Banking Ordinance, the guidelines of the Hong Kong Monetary Authority and the Listing Rules. The Group sets internal limits – individual and aggregate group limits for individual, group, secured and unsecured exposures – and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, Managing Director and / or the Executive Credit Committee.

45 重大關連各方交易 (續)**(h) 主要管理人員信貸服務**

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
Loans	
At 1 January	9,189
Additional loans made during the year	39,859
Repayment during the year	(1,916)
At 31 December	47,132
Interest income	1,027
Credit facilities	
At 1 January	4,780
Additional facilities extended during the year	500
Facilities withdrawn during the year	(1,250)
At 31 December	4,030

並無就年內主要管理人員的未償還餘額記錄減值虧損，且於年底並無就上述餘額作出個別估計減值撥備。

本行向關連方貸款的政策已計及香港銀行條例、香港金融管理局指引及上市規則之規定。本集團設定內部限額-對個人、集團、有抵押及無抵押風險的個人及集團限額總額，審慎監督控管各關連借貸之風險。信用委員會、董事總經理及／或執行信用委員會已予批准。

46 ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for own liabilities at balance sheet date:

Secured liabilities	已抵押負債
Assets pledged:	已質押資產：
Trading securities	持作交易用途之證券
Available-for-sale securities	可供出售證券

The following balances with banks have been pledged as collateral for margin deposits of derivatives at balance sheet date:

Margin accounts for derivative contracts	衍生工具合約的保證金賬戶款項
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These transactions are conducted under usual and customary terms.

The Group has restated its prior year comparative figures for more appropriate presentation.

46 質押作為抵押品之資產

下列資產已於結算日為本集團及本行之抵押負債予以質押：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
6,091,951	6,640,337
–	425,575
6,168,375	6,252,328
6,168,375	6,677,903

下列銀行結餘已於結算日作為衍生工具保證金的抵押品予以抵押：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
32,978	38,270

該等交易乃按照標準借貸與證券借貸活動之一般及慣用條款進行。

為更合理呈報，本集團已重列其上一年度的可比較數字。

47 FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Group has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

(a) Credit risk management

This category includes credit and counterparty risks from loans and advances, issuer risks from the securities business, counterparty risks from trading activities and country risks. 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 identifies and manages credit risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures. These policies and procedures are documented in the Group's credit policy which defines the credit extension criteria, the credit approval authorities delegated from the Board, the credit monitoring processes, the loan grading system and provisioning policy.

The Board of Directors delegates credit approval to the following in descending order of authority: the Executive Credit Committee, the Chief Executive Officer and the Credit Committee.

47 財務風險管理

本節呈列有關本集團所面臨之風險及風險管理，特別是下列與其採用金融工具有關之主要風險及其對該等風險之管理及控制之資料：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如息率、匯率及股市等。
- 流動資金及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續地在市場上以無抵押或甚至有抵押的方式按可接受之成本借入資金，藉此為實際或建議之承擔提供所需的資金。
- 營運風險：由未遵守制度及程序等事項而引致之風險或由欺詐致使財務或聲譽受損而引致之風險。

本集團已設有相關政策及程序以識別及分析該等風險、制定適當之風險限額及控制措施，以及憑藉可靠及先進之管理及資料系統持續監控該等風險及限額。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合政策及程序。

此一附註呈列有關本集團就上述各項風險所承擔之風險、本集團計量及管理風險之目標、政策及程序，以及本集團之資本管理。

(a) 信貸風險管理

此類風險包括貸款及墊款之信貸及交易對手風險、證券交易之發行人風險、貿易融資之交易對手風險及國家風險。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。本集團透過(a)目標市場定位、(b)信貸審批流程、(c)付款後監控及(d)補救管理程序來識別及管理信貸風險。該等政策及程序記錄於本集團之信貸政策內，而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明確的界定。

董事會授權以下人士依次審批信貸：執行信貸委員會、行政總裁及信貸委員會。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)**

The Credit Committee carries out the Bank's credit risk management functions. It meets twice a week and is responsible for approving, advising and recommending to the Chief Executive the approval of credit exposures in accordance with the credit authority limits. The Credit Committee also reviews and implements measures on credit risk management and controls and plays a key role in credit monitoring. In addition, 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.

The credit departments, Enterprise Credit 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 other 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.

In addition, the Group has also established guidelines to ensure that each new product is designed and reviewed by a product committee with respect to the risks involved, including credit risk. All relevant departments are required to put in place the appropriate processes, systems and controls before the product is approved by the New Product and Commitment Committee.

Specific policies and measures to address different kinds of credit related activities are set out below:

(i) Corporate lending

Corporate lending is generally concentrated among middle market borrowers. In addition to compliance with the Group's underwriting standards, credit risk is managed by conducting a thorough credit evaluation and obtaining proper approval for the proposed credit transactions. Subject to the size of the facility and the risk grading of the borrower, different extents of credit evaluation and levels of credit approval are required to ensure the proper credit risk management measures are exercised. Credit approval also takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

47 財務風險管理(續)**(a) 信貸風險管理(續)**

信貸委員會負責本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。信貸委員會亦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。此外，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。

信貸部門、企業信貸風險管理部及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、風險評審及息差分析；
- 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；
- 更新貸款評級系統；及
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及壞賬撥備程度等資料。

此外，本集團亦已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涉及之風險(包括信貸風險)。所有有關之部門必須於產品獲得新產品及承擔委員會批准前，制定有關工作流程、系統及監控措施。

針對不同類型信貸相關業務之特定政策及措施載列如下：

(i) 企業借貸

企業借貸一般集中於中型市場借款公司。除遵守本集團之貸款標準外，信貸風險亦透過就信貸申請所進行詳盡之信貸評估及經適當審批而加以控制。視乎貸款規模及借款人之風險評級，必須進行不同程度之信貸評估及不同級別之信貸審批，以確保適當之信貸風險管理措施得以實施。審批信貸時亦會考慮貸款種類、貸款年期、有關借款申請人之還款能力及有否提供抵押擔保。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(i) Corporate lending (continued)*

The Group has established limits for exposures to individual industries and for borrowers and groups of borrowers, regardless of whether the credit exposure is in the form of loans or non-funded exposures. The Group also undertakes ongoing credit analysis and monitoring at several levels. The policies and procedures also take into account the requirements under the Hong Kong Banking Ordinance and the guidelines issued by the HKMA with respect to large exposures and provisioning requirements.

The credit risk management procedures are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The Enterprise Credit Risk Management Unit monitors overall portfolio risk as well as individual problem loans and potential problem loans on a regular basis. Relevant management reports are submitted to the Chief Executive Officer as well as the relevant internal risk management committee for their review.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed to address high volumes of relatively homogeneous, small value lending transactions in each retail loan category. Because of the nature of retail banking, the credit policies are based primarily on statistical analyses of risks with respect to different products and types of customers. The Consumer Finance Risk Management Unit is responsible for conducting regular monitoring of the retail credit risks. They are also responsible for determination and revision of product terms and desired customer profiles on a regular basis. In addition, they also review the existing policies on underwriting, loan classification, provisioning, and write off on a regular basis.

(iii) Credit risk for treasury transactions

The credit risk of the Group's treasury transactions is managed the same way as the Group manages its corporate lending risk. The Group sets individual limits to its counterparties based on its risk assessment.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value or the notional amount, credit risk for derivatives is the positive replacement cost together with an estimate for the potential exposure from changes in its market value. These credit exposures, together with potential exposures from market movements, are managed as part of the overall lending limits to the counterparties. The credit risk exposure on derivatives is disclosed in Note 21(b) of this annual report. The Group currently uses the current exposure method for the purpose of providing capital for such counterparty exposures.

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(i) 企業借貸 (續)*

本集團已制定個別行業之風險限額以及貸款人及貸款人團體之風險限額，無論信貸風險是由於貸款或非借貸交易而產生。本集團亦在不同層次持續開展信貸分析及監控。該等政策及程式亦參考香港《銀行業條例》內之規定及金管局就大額放款限度及撥備規定頒佈之指引。

信貸風險管理程序旨在促進提早發現需要特別監控之交易對手、行業或產品。企業信貸風險管理部定期監控貸款組合整體風險及個別問題貸款及潛在問題貸款。有關管理報告提交行政總裁及有關內部風險管理委員會審閱。

(ii) 零售銀行信貸風險

本集團之零售銀行信貸政策及審批流程乃針對每個零售貸款類別中之大量同類型但價值較小之貸款交易而設計。由於零售銀行之性質，信貸政策主要依據不同產品及客戶類型之風險統計分析結果而釐定。消費信貸風險管理部負責對零售銀行信貸風險進行定期監控。他們亦負責定期釐定及修訂產品條款及理想的客戶組別。此外，他們還定期審閱有關貸款、貸款分類、撥備及回撥之政策。

(iii) 財資交易之信貸風險

本集團財資交易信貸風險之管理方式與本集團管理其企業借貸風險之方式相同。本集團根據風險評估對其交易對手設定個別風險限額。

有別於資產負債表內項目（通常以本金價值或面值來表示信貸風險），衍生工具之信貸風險為正重置成本連同以其市價之未來潛在變動之估計。該等信貸風險連同市場變動之潛在風險乃作為有關方整體貸款限額的一部分進行管理。衍生工具之信貸風險於本年報附註21(b)內披露。本集團現時僅用即期風險法為該等有關係風險提供資本。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(iv) Credit-related commitments*

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

(v) Concentration of credit risk

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

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 19 to 23.

(vi) Credit risk mitigation

The Group's credit assessment primarily relies on an evaluation of the obligor's repayment ability based on the obligor's cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate credit structuring, and posting of collateral and / or third party support as well as transfer risk to other third parties from an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

Collateral

The Group holds collateral against loans and advances to customers in the form of cash deposits, marketable securities, mortgage interest over property, inventory, equipment and other physical collateral, and guarantees. The Group has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of eligible collateral. For collateral taken to secure corporate and retail loans, the collateral is revalued periodically ranging from daily to semi-annually depending on the type of collateral taken. For treasury operations, any collateral taken is marked to market on a periodic basis that is mutually agreed with the counterparty.

47 財務風險管理(續)**(a) 信貸風險管理(續)***(iv) 與信貸有關之承擔*

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶提供貸款之信貸風險相同。因此，該等交易須遵守與客戶申請貸款相同之信貸申請、該等貸款組合要求及抵押品規定。

(v) 信貸風險過份集中

當地域、經濟或行業因素之變動對不同類別之交易對手產生類似影響，而彼等之信貸風險加起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融資產組合經已分散至多個行業及產品類別。

有關各類金融資產之信貸風險集中情況之分析於附註 19 至 23 內披露。

(vi) 減低信貸風險

本集團的信貸評估主要依賴基於債務人的現金流量及財務狀況對債務人的還款能力的估計。此外，本集團採用如適當信貸結構的不同信貸風險減低技術及給予抵押及／或第三方支持，以及將風險轉移至其他第三方，這是信貸風險管理流程的組成部分。本集團採用的減低信貸風險並無產生重大集中於信貸及市場風險。最常用的信貸風險減低措施載列如下：

抵押品

本集團就客戶借貸及貸款而持有抵押品，形式為現金存款、可流通證券、物業、廠房及設備的按揭利息、存貨、設備及其他實物抵押品，以及擔保。本集團已制定監管合資格抵押品的評估、接納及定時估值的政策及程序。就擔保公司及零售貸款的抵押品而言，抵押品乃定時被重估，週期介乎每日至每半年一次不等，這取決於抵押品的類型。就財資業務而言，任何抵押品乃以與交易對手相互協定的週期以市場情況重估。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(vi) Credit risk mitigation (continued)***Master netting agreements**

Collateral generally is not held over loans and advances extended to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. However, where applicable, the Group manages its credit exposure to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results to the settlement of counterparty exposure on a net basis in the event a default occurs. The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding positions.

Other credit risk mitigation measures

The Group also uses guarantees for credit risk mitigation. While the Group may accept guarantees from any counterparty, it sets a threshold internally for considering eligible guarantors.

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(vi) 減低信貸風險 (續)***淨額結算總協議**

抵押品一般並非就給予銀行的貸款及借貸而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算總協議導致於違約時結算交易對手的風險承擔。本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外交易產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件(「CSA」)，此乃普遍的做法。根據CSA，抵押品會由交易其中一方轉交另一方，以減低未平倉交易的市場或有交易對手風險。

其他信貸風險減低措施

本集團亦適用擔保以減低信貸風險。當本集團可能接受任何交易對手的擔保時，其在內部設定考慮合資格擔保人的限制。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(vii) Maximum exposure to credit risk*

The maximum exposure to credit risk at the balance sheet date without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the balance sheet, contingencies and commitments is as follows:

<i>Credit risk exposures relating to on-balance sheet assets:</i>	<i>與資產負債表內資產有關之信貸風險：</i>
Cash and balances with banks	現金及銀行同業之結存
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers	客戶貸款
Accrued interest and other accounts	應計利息及其他賬目
Available-for-sale securities	可供出售證券
 <i>Credit risk exposures relating to off-balance sheet items:</i>	 <i>與資產負債表外項目有關之信貸風險：</i>
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸相關之或然負債
Loan commitments and other credit related commitments	貸款承擔及其他信貸相關之承擔

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(vii) 最高信貸風險*

於結算日最高的信貸風險 (不計及所持有之任何抵押品或其他信貸保證) 為資產負債表內各項金融資產扣除任何減值準備後之賬面值。資產負債表、或然負債及承擔的各部分之最高風險概要如下：

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
6,930,315	7,731,227	6,929,633	7,730,743
740,990	1,684,201	740,990	1,684,201
32,544	469,030	32,195	469,030
878,955	558,791	878,955	558,791
955,904	537,855	955,904	537,855
31,478,804	25,751,160	26,835,845	22,425,774
1,115,597	1,141,748	948,409	935,137
17,230,441	14,257,154	17,230,441	14,257,083
 1,564,140	 1,173,882	 1,571,640	 1,181,382
11,587,444	12,081,120	11,439,422	11,898,902
72,515,134	65,386,168	67,563,434	61,678,898

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(viii) Credit quality of loans and advances*

Loans and advances to banks are only made on exceptional cases to international banks with good credit standing. At 31 December 2007 and 2006, no loans and advances to banks were impaired. The credit quality of advances to customers can be analysed as follows:

Neither past due nor impaired	並無逾期或減值
Past due but not impaired	已逾期但並無減值
Impaired	已減值
Of which:	其中：
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之貸款及墊款總額
– Grade 1: Pass	– 第一級：通過
– Grade 2: Special mention	– 第二級：特別提及

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the Hong Kong Monetary Authority.

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(viii) 貸款及墊款之信貸質素*

銀行同業間之貸款及墊款只會於特殊情況下向具有良好信貸狀況之國際銀行授出。於二零零七年及二零零六年十二月三十一日，向銀行同業授出之貸款及墊款均並無減值。向客戶作出之墊款之信貸質素可分析如下：

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
31,360,390	25,588,789	26,802,106	22,324,206
100,219	85,678	26,761	34,099
172,403	239,884	105,113	179,645
31,633,012	25,914,351	26,933,980	22,537,950
31,310,200	25,513,619	26,762,243	22,264,409
50,190	75,170	39,863	59,797
31,360,390	25,588,789	26,802,106	22,324,206

本集團根據為向香港金融管理局呈報而須採納之貸款分級制度就貸款及墊款進行分類。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(viii) Credit quality of loans and advances (continued)*

The ageing analysis of advances to customers that are past due but not impaired is as follows:

Gross loans and advances to customers that are past due but not impaired	向客戶授出而已逾期但並無減值之貸款及墊款總額
– Overdue 3 months or less	– 逾期三個月或以下
– Overdue 6 months or less but over 3 months	– 逾期六個月或以下惟三個月以上
– Overdue 1 year or less but over 6 months	– 逾期一年或以下惟六個月以上
– Overdue over 1 year	– 逾期超過一年

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$231,018,000 as at 31 December 2007 (2006: HK\$197,983,000).

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(viii) 貸款及墊款之信貸質素 (續)*

向客戶授出而已逾期但並無減值之墊款賬齡分析如下：

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
92,937	79,980	26,252	31,268
5,485	213	348	–
235	1,103	25	–
1,562	4,382	136	2,831
100,219	85,678	26,761	34,099

於二零零七年十二月三十一日，倘條款不予重新磋商即為已逾期或已減值之貸款及墊款金額為231,018,000港元（二零零六年：197,983,000港元）。

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)**

(ix) *Credit quality of financial assets other than loans and advances*

Credit risk that arises from investments in financial assets or debt securities is managed in the same way as the Group manages its corporate lending risk with the exposure being part of the overall lending limits to the counterparties. It is the Group's credit policy not to invest in debt securities that are below the grading of BBB+ from Standard & Poor's Rating Services or A-3 from Moody's Investors Services at the time of investing. Analysis of debt securities by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

AAA	AAA
AA- to AA+	AA-至AA+
A- to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

47 財務風險管理 (續)**(a) 信貸風險管理 (續)**

(ix) *貸款及墊款以外之金融資產之信貸質素*

本集團按管理其公司借貸風險相同之方式管理金融資產或債務證券投資產生之信貸風險，所承擔之風險為交易對手整體借貸限額之一部分。本集團之信貸政策為，對於投資時，評級在標準普爾評級服務公司之評級BBB+以下或在穆迪投資者服務公司之評級A-3以下之債務證券，不予投資。以標準普爾之評級標準或相應之評級標準為基準按信貸評級對債務證券於十二月三十一日進行之分析如下：

The Group 本集團 2007 二零零七年			
Designated at fair value through			
Trading securities 持作交易 用途之證券 HK\$'000 千港元	profit or loss 指定為通過 損益以反映 公平價值 HK\$'000 千港元	Available- for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
-	-	158,338	158,338
32,195	641,282	11,192,714	11,866,191
-	237,673	4,425,823	4,663,496
-	-	1,051,535	1,051,535
349	-	402,031	402,380
32,544	878,955	17,230,441	18,141,940

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)**

(ix) Credit quality of financial assets other than loans and advances (continued)

AAA	AAA
AA- to AA+	AA-至AA+
A- to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

47 財務風險管理 (續)**(a) 信貸風險管理 (續)**

(ix) 貸款及墊款以外之金融資產之信貸質素 (續)

The Group 本集團 2006 二零零六年			
Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過損益以反映 公平價值 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
–	–	590,118	590,118
469,030	478,405	9,938,347	10,885,782
–	80,386	2,556,014	2,636,400
–	–	948,631	948,631
–	–	224,044	224,044
469,030	558,791	14,257,154	15,284,975

47 FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of financial assets other than loans and advances (continued)

AAA
AA- to AA+
A- to A+
Lower than A-
Unrated

AAA
AA-至AA+
A-至A+
A-以下
無評級

47 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 貸款及墊款以外之金融資產之信貸質素(續)

The Bank 本行 2007 二零零七年			
Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過 損益以反映 公平價值 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
-	-	158,338	158,338
32,195	641,282	11,192,714	11,866,191
-	237,673	4,425,823	4,663,496
-	-	1,051,535	1,051,535
-	-	402,031	402,031
32,195	878,955	17,230,441	18,141,591

2006 二零零六年			
Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過 損益以反映 公平價值 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
-	-	590,118	590,118
469,030	478,405	9,938,347	10,885,782
-	80,386	2,556,014	2,636,400
-	-	948,631	948,631
-	-	223,973	223,973
469,030	558,791	14,257,083	15,284,904

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)**

(ix) Credit quality of financial assets other than loans and advances (continued)

There are no overdue debt securities in the year (2006: Nil).

As at 31 December 2007, investments in structured investment vehicle ("SIV") with nominal value of HK\$273 million (2006: Nil) were individually determined to be impaired. No collateral is held by the Group for these investments.

The collateralised debt obligations ("CDOs") and SIVs held by the Bank were purchased according to the Bank's investment guidelines. As at 31 December 2007, carrying amount of CDOs and SIVs amounted to HK\$143.6 million and HK\$110.6 million respectively.

(x) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

Fair value of collateral and other credit enhancements held against financial assets that are:

- Neither past due nor impaired
- Past due but not impaired
- Impaired

以下列金融資產持有之抵押品及其他信貸提升措施之公平價值：

- 並無逾期或減值
- 已逾期但並無減值
- 已減值

47 財務風險管理(續)**(a) 信貸風險管理(續)**

(ix) 貸款及墊款以外之金融資產之信貸質素(續)

年內並無逾期之債務證券(二零零六年：無)。

於二零零七年十二月三十一日，於結構投資工具("SIV")之面值為273,000,000港元(二零零六年：無)之投資乃個別釐定為減值。本集團並無就該等投資持有抵押品。

本行持有之債務抵押證券(CDOs)及SIVs乃根據銀行投資指引而購入。於二零零七年十二月三十一日，CDOs及SIVs的賬面值分別達143,600,000港元及110,600,000港元。

(x) 抵押品及其他信貸提升措施

以金融資產持有之抵押品及其他信貸提升措施之估計公平價值如下：

The Group 本集團		The Bank 本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元	2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
45,208,299	37,742,966	35,933,104	30,772,311
55,614	54,409	14,182	19,950
108,530	131,362	74,519	106,413
45,372,443	37,928,737	36,021,805	30,898,674

47 FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(xi) Collateral and other credit enhancements obtained*

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

Carrying amount of assets obtained: 所獲得之資產之賬面值：
– Residential property 住宅物業

As at 31 December 2007, total repossessed assets and assets acquired under lending agreements of the Group and the Bank amounted to HK\$34,002,000 (2006: HK\$65,280,000).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the balance sheet within other assets.

(b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The Bank transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, market making activities, and positions taken in order to hedge the Bank's open position. The Bank does not engage in significant proprietary trading of foreign exchange.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

47 財務風險管理 (續)**(a) 信貸風險管理 (續)***(xi) 已取得之抵押品及其他信貸提升措施*

年內，本集團透過接管持作擔保之抵押品獲取之資產如下：

The Group and the Bank 本集團及本行	
2007 二零零七年 HK\$'000 千港元	2006 二零零六年 HK\$'000 千港元
3,483	18,724

於二零零七年十二月三十一日，根據本集團及本行之借貸協議獲得之收回資產和資產總值為34,002,000港元(二零零六年：65,280,000港元)。

收回物業會盡快予以出售，所得之款項將用以削減未償還之債項。於資產負債表內，收回物業分類為其他資產。

(b) 市場風險管理

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股本及衍生工具，以及資產負債表或結構性倉盤。本行在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本行就執行客戶指令、市場莊家活動，以及為對沖本行之未平倉盤而持有倉盤。本行並無參與重大自營外匯交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引伸之風險。

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)**

The Board reviews and approves policies for the management of market risks and dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee. This committee articulates the interest rate review of the Bank and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

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

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

One of the principal tools used by the Group to monitor and limit market risk exposure is Value-at-risk (VAR). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level.

47 財務風險管理(續)**(b) 市場風險管理(續)**

董事會檢討及審批有關市場風險管理之政策及處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本行對利率之走勢預測，而決定有關業務策略。該委員會亦審閱及制訂融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。

運用衍生工具進行自營性交易及向客戶出售作為風險管理產品之衍生工具是本集團業務活動之一個重要組成部分。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易買賣衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖彼等和其他交易倉盤而訂立。

風險值(VAR)是本集團為監控及限制市場風險所主要採用之一種工具。風險值是一種按一既定信心水平估計由於市場利率及價格在特定持盤時間內之變動而使持倉盤可能出現虧損的估計數字。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。

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)**

The Group augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

*(i) Sensitivity analysis of market risk exposures***Trading market risk***Currency risk*

At 31 December 2007, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$1.5million lower (2006: HK\$1.1million higher), mainly as a result of foreign exchange gains on translation of non-HKD denominated financial assets compensated by foreign exchange losses on translation of non-HKD denominated financial liabilities.

Conversely, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$1.5million higher (2006: HK\$1.1million lower).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point (PVBp). PVBp is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group adopts a sensitivity test of 25 basis points movement. At 31 December 2007, 25 basis points upward movement in interest rate would result in a downward profit movement of HK\$22,460 (2006: HK\$21,161). Conversely, 25 basis points downward movement in interest rate would result in an upward profit movement of HK\$22,460 (2006: HK\$21,161).

47 財務風險管理 (續)**(b) 市場風險管理 (續)**

本集團結合持倉盤及敏感性限額及風險值限額。此外，本集團對個人貸款組合及本集團之綜合狀況應用較廣範圍之敏感性分析，以評估市價之極端變動對本集團盈利之潛在影響。

*(i) 市場風險敏感度分析***交易市場風險***貨幣風險*

於二零零七年十二月三十一日，如港元兌其他貨幣貶值0.5%並假設所有其他參數不變，本年度之除稅前溢利將減少1,500,000港元(二零零六年：增加1,100,000港元)，主要由於非港元計值之金融資產之匯兌收益抵銷非港元計值之金融負債之匯兌虧損所致。

相反地，如港元兌其他貨幣升值0.5%，並假設所有其他參數不變，本年度之除稅前溢利將增加1,500,000港元(二零零六年：減少1,100,000港元)。

利率風險

本集團透過基點現值法計量交易賬利率風險。基點現值法是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團採用25個基點變動之敏感度測試。於二零零七年十二月三十一日，利率調升25個基點將導致溢利下降22,460港元(二零零六年：21,161港元)。相反地，如果利率下調25個基點，溢利將上升22,460港元(二零零六年：21,161港元)。

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)***(i) Sensitivity analysis of market risks exposures (continued)**Equity risk*

At 31 December 2007, if Hang Seng Index had increased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$46,127 higher (2006: HK\$Nil).

Conversely, at 31 December 2007, if Hang Seng Index had decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$46,127 lower (2006: HK\$Nil).

Non-trading market risk*Interest rate risk*

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed by the treasury department within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

47 財務風險管理 (續)**(b) 市場風險管理 (續)***(i) 市場風險敏感度分析 (續)**股票風險*

於二零零七年十二月三十一日，如果恒生指數上升10%並假設所有其他參數不變及所有股本工具根據與指數之歷史掛鈎關係變動，本年度盈利為增加46,127港元(二零零六年：無)。

相反地，於二零零七年十二月三十一日，如果恒生指數下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史掛鈎關係變動，本年度之盈利為減少46,127港元(二零零六年：無)。

非交易市場風險*利率風險*

利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由資金部門管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)***(i) Sensitivity analysis of market risks exposures (continued)***Non-trading market risk (continued)***Interest rate risk (continued)*

At 31 December 2007, if other market variables including prime rate were held constant, an increase in HKD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$13.5 million (2006: HK\$13.6 million), or a decrease in economic value of HK\$23.6 million (2006: HK\$34.4 million); while an increase in USD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$5.5 million (2006: HK\$6.4 million), or a decrease in economic value of HK\$14 million (2006: HK\$14.1 million).

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$13.5 million (2006: HK\$13.6 million), or an increase in economic value of HK\$23.6 million (2006: HK\$34.4 million); while a decrease in USD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$5.5 million (2006: HK\$6.4 million), or an increase in economic value of HK\$14 million (2006: HK\$14.1 million).

Equity risk

At 31 December 2007, if Hang Seng Index had increased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$13.5 million higher (2006: HK\$3.2 million).

Conversely, at 31 December 2007, if Hang Seng Index had decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$13.5 million lower (2006: HK\$3.2 million).

The method and assumptions used in the above sensitivity analysis on interest rate risk, foreign exchange risk and equity risk are performed on the same basis for both 2006 and 2007.

47 財務風險管理 (續)**(b) 市場風險管理 (續)***(i) 市場風險敏感度分析 (續)***非交易市場風險 (續)***利率風險 (續)*

於二零零七年十二月三十一日，假設其他市場參數(包括最優惠利率)維持不變，如果港元利率調升25個基點，將導致接下來12個月盈利減少13,500,000港元(二零零六年：13,600,000港元)，或經濟值減少23,600,000港元(二零零六年：34,400,000港元)；如果美元市場利率調升25個基點，將導致接下來12個月盈利減少5,500,000港元(二零零六年：6,400,000港元)，或經濟值減少14,000,000港元(二零零六年：14,100,000港元)。

相反地，假設其他市場參數(包括最優惠利率)維持不變，如果港元利率下調25個基點，將導致接下來12個月盈利增加13,500,000港元(二零零六年：13,600,000港元)，或經濟值增加23,600,000港元(二零零六年：34,400,000港元)；如果美元市場利率下調25個基點，將導致接下來12個月盈利增加5,500,000港元(二零零六年：6,400,000港元)，或經濟值增加14,000,000港元(二零零六年：14,100,000港元)。

股票風險

於二零零七年十二月三十一日，如果恒生指數上升10%並假設所有其他參數不變及所有股本工具根據與指數之歷史掛鈎關係變動，本年度之盈利為增加13,500,000港元(二零零六年：3,200,000港元)。

相反地，於二零零七年十二月三十一日，如果恒生指數下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史掛鈎關係變動，本年度之盈利為減少13,500,000港元(二零零六年：3,200,000港元)。

上述對利率風險、外匯風險及股票風險之敏感度分析所採用之方法及假設，就二零零六年及二零零七年而言所採用者乃屬相同。

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)***(ii) Currency risk*

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the treasury department within limits approved by the Board. Structural foreign currency positions arise mainly on foreign currency investments in the Group's subsidiaries and an associated company. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

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

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment	客戶貸款減減值
Accrued interest and other accounts	應計利息及其他賬目
Available-for-sale securities	可供出售證券
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Debt securities issued	已發行債務證券
Other account and liabilities	其他賬目及負債
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

47 財務風險管理 (續)**(b) 市場風險管理 (續)***(ii) 貨幣風險*

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由資金部管理，並維持在董事會所訂定之範圍內。結構性外幣持倉主要源自本集團於附屬公司及聯營公司之外幣投資。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

下表列示於結算日之貨幣風險：

The Group 本集團 2007 二零零七年			
US Dollars 美元	Chinese Renminbi 人民幣	Euros 歐元	Other currencies 其他貨幣
5,496,400	143,294	183,085	836,485
740,990	-	-	-
156	-	-	-
878,955	-	-	-
6,033,828	-	41,977	168,552
291,255	-	13,469	23,466
6,763,137	-	925,472	1,424,521
20,204,721	143,294	1,164,003	2,453,024
24,657	-	682,852	194,880
14,296,350	145,696	1,186,351	3,697,156
1,362,877	-	-	-
231,660	5	13,544	18,451
1,622,652	-	-	-
17,538,196	145,701	1,882,747	3,910,487
2,666,525	(2,407)	(718,744)	(1,457,463)
(3,415,851)	215,076	648,489	1,556,465
(749,326)	212,669	(70,255)	99,002
2,106,912	-	29,380	489,352

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

		The Group 本集團 2006 二零零六年			
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Euros 歐元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	4,956,944	138,710	6,550	1,988,301
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	1,439,023	—	—	245,178
Trading securities	持作交易用途之證券	151	—	—	—
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融資產	558,791	—	—	—
Advances to customers less impairment	客戶貸款減減值	2,890,870	—	511,958	585,330
Accrued interest and other accounts	應計利息及其他賬目	190,770	—	902	14,940
Available-for-sale securities	可供出售證券	5,188,951	—	101,611	—
Investment in associated company	聯營公司投資	—	—	—	6,547
Spot assets	現貨資產	15,225,500	138,710	621,021	2,840,296
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	66,828	—	164,220	373,063
Deposits from customers	客戶存款	11,543,042	138,536	470,361	2,937,101
Certificates of deposit issued	已發行存款證	32,747	—	—	—
Debt securities issued	已發行債務證券	1,279,952	—	—	—
Other account and liabilities	其他賬目及負債	188,552	—	1,065	16,068
Subordinated notes issued	已發行後償票據	1,570,155	—	—	—
Spot liabilities	現貨負債	14,681,276	138,536	635,646	3,326,232
Net on-balance sheet position	資產負債表內持倉淨額	544,224	174	(14,625)	(485,936)
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(445,803)	199,181	13,832	496,455
Net aggregate position	總持倉淨額	98,421	199,355	(793)	10,519
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸 承擔及其他或然負債	3,301,728	—	14,266	273,946

47 財務風險管理 (續)

(b) 市場風險管理 (續)

(ii) 貨幣風險 (續)

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment	客戶貸款減減值
Accrued interest and other accounts	應計利息及其他賬目
Available-for-sale securities	可供出售證券
Investment in subsidiaries	附屬公司投資
Amounts due from subsidiaries	應收附屬公司款項
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Debt securities issued	已發行債務證券
Other account and liabilities	其他賬目及負債
Subordinated notes issued	已發行後償票據
Amounts due to subsidiaries	應付附屬公司款項
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

47 財務風險管理 (續)

(b) 市場風險管理 (續)

(ii) 貨幣風險 (續)

The Bank 本行 2007 二零零七年			
US Dollars 美元	Chinese Renminbi 人民幣	Euros 歐元	Other currencies 其他貨幣
5,496,340	143,294	182,970	836,016
740,990	—	—	—
156	—	—	—
878,955	—	—	—
6,033,828	—	41,977	168,552
291,255	—	13,469	23,466
6,763,137	—	925,472	1,424,521
31,056	—	—	247
—	—	115	212
20,235,717	143,294	1,164,003	2,453,014
24,657	—	682,852	194,880
14,278,393	145,696	1,125,106	3,697,156
1,362,877	—	—	—
230,970	5	13,544	18,194
1,622,652	—	—	—
51,538	—	61,327	590
17,571,087	145,701	1,882,829	3,910,820
2,664,630	(2,407)	(718,826)	(1,457,806)
(3,415,851)	215,076	648,489	1,556,465
(751,221)	212,669	(70,337)	98,659
2,106,912	—	29,380	489,352

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

		The Bank 本行 2006 二零零六年			
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Euros 歐元	Other currencies 其他貨幣
ASSETS	資產				
Cash and short-term funds	現金及短期資金	4,956,885	138,710	6,447	1,987,712
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	1,439,023	—	—	245,178
Trading securities	持作交易用途之證券	151	—	—	—
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融資產	558,791	—	—	—
Advances to customers less impairment	客戶貸款減減值	2,890,870	—	511,958	585,330
Accrued interest and other accounts	應計利息及其他賬目	190,770	—	902	14,940
Available-for-sale securities	可供出售證券	5,188,951	—	101,611	—
Investment in associated company	聯營公司投資	—	—	—	6,547
Investment in subsidiaries	附屬公司投資	31,056	—	—	247
Amounts due from subsidiaries	應收附屬公司款項	—	—	103	162
Spot assets	現貨資產	15,256,497	138,710	621,021	2,840,116
LIABILITIES	負債				
Deposits and balances of banks	銀行同業之存款及結餘	66,828	—	164,220	373,063
Deposits from customers	客戶存款	11,387,885	138,536	395,436	2,797,708
Certificates of deposit issued	已發行存款證	32,747	—	—	—
Debt securities issued	已發行債務證券	1,279,952	—	—	—
Other account and liabilities	其他賬目及負債	188,815	—	974	15,796
Subordinated notes issued	已發行後償票據	1,570,155	—	—	—
Amounts due to subsidiaries	應付附屬公司款項	185,965	—	75,017	139,795
Spot liabilities	現貨負債	14,712,347	138,536	635,647	3,326,362
Net on-balance sheet position	資產負債表內持倉淨額	544,150	174	(14,626)	(486,246)
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(445,803)	199,181	13,832	496,455
Net aggregate position	總持倉淨額	98,347	199,355	(794)	10,209
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸 承擔及其他或然負債	3,301,728	—	14,266	273,946

47 FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)***(iii) Interest rate risk*

The Group's interest rate positions mainly arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and available-for-sale portfolios. Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed by the treasury department within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the balance sheet date. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

47 財務風險管理(續)**(b) 市場風險管理(續)***(iii) 利率風險*

本集團之利率風險主要源自財資及商業銀行業務。利率風險由交易證券組合及可供出售證券組合所產生。利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由資金部門管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

下表列示於結算日付息資產與負債於相關期間之實際利率及於預期利息調整日期之錯配。由於預付及行使期權，實際重訂價格日期可能不同於合約日期。

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

47 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險 (續)

		The Group 本集團 2007 二零零七年					
		Average effective interest rate	3 months or less (include overdue)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- interest bearing
		平均 實際利率	三個月 或以下 (包括逾期 部份)	三個月以上 至一年	一年以上 至五年	五年以上	不計息
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
ASSETS							
Cash and short-term funds	現金及短期資金	4.59%	7,024,601	6,377,681	-	-	646,920
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	5.12%	740,990	584,992	155,998	-	-
Trading securities	持作交易用途之證券	2.38%	32,544	15,137	8,975	3,873	4,210
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值 之金融資產	6.56%	878,955	-	-	564,610	314,345
Derivative financial instruments	衍生金融工具	0%	955,904	-	-	-	955,904
Advances to customers less impairment	客戶貸款減減值	5.74%	31,478,804	25,387,760	3,403,550	2,253,792	416,456
Other assets	其他資產	6.33%	649,647	78,350	-	-	571,297
Available-for-sale securities	可供出售證券	3.73%	17,230,441	6,045,057	6,229,994	4,160,713	392,645
Undated assets	無定期資產	0%	1,630,993	-	-	-	1,630,993
			60,622,879	38,488,977	9,798,517	6,982,988	1,127,656
							4,224,741
LIABILITIES							
Deposits and balances of banks	銀行同業之存款及結餘	3.85%	1,457,845	1,077,732	-	-	380,113
Deposits from customers	客戶存款	3.78%	41,473,991	39,853,053	1,299,324	-	321,614
Trading liabilities	交易賬項下之負債	3.94%	11,673	-	7,035	1,033	3,605
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值 之金融負債	5.84%	220,446	-	-	-	220,446
Certificates of deposit issued	已發行存款證	4.21%	2,161,650	1,169,800	439,050	552,800	-
Debt securities issued	已發行債務證券	5.16%	1,593,177	1,593,177	-	-	-
Derivative financial instruments	衍生金融工具	0%	804,740	-	-	-	804,740
Other liabilities	其他負債	1.62%	6,718,976	5,620,525	459,753	-	638,698
Subordinated notes issued	已發行後償票據	5.65%	1,622,652	-	-	1,622,652	-
Undated liabilities	無定期負債	0%	436,265	-	-	-	436,265
			56,501,415	49,314,287	2,205,162	2,176,485	224,051
							2,581,430
Interest rate sensitivity gap			(10,825,310)	7,593,355	4,806,503	903,605	

Note: Effect of off-balance sheet derivatives on the above table is immaterial.

備註：資產負債表外衍生工具對上表並無重大影響。

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

	Average effective interest rate	Total	3 months or less (include overdue)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- interest bearing
	平均 實際利率	總額 HK\$'000 千港元	三個月 或以下 (包括逾期 部份) HK\$'000 千港元	三個月以上 至一年 HK\$'000 千港元	一年以上 至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	不計息 HK\$'000 千港元
ASSETS							
Cash and short-term funds							
Placements with banks maturing between one and twelve months							
Trading securities							
Financial assets designated at fair value through profit or loss							
Derivative financial instruments							
Advances to customers less impairment							
Other assets							
Available-for-sale securities							
Undated assets							

資產	
現金及短期資金	
一至十二個月到期之 銀行同業放款	
持作交易用途之證券	
指定為通過損益以反映公平價值 之金融資產	
衍生金融工具	
客戶貸款減減值	
其他資產	
可供出售證券	
無定期資產	

The Group 本集團 2006 二零零六年						
Average effective interest rate	Total	3 months or less (include overdue)	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- interest bearing
平均 實際利率	總額 HK\$'000 千港元	三個月 或以下 (包括逾期 部份) HK\$'000 千港元	三個月以上 至一年 HK\$'000 千港元	一年以上 至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	不計息 HK\$'000 千港元
5.35%	7,818,671	7,523,386	-	-	-	295,285
5.50%	1,684,201	1,023,029	661,172	-	-	-
3.51%	469,030	258,575	197,641	9,804	3,010	-
6.88%	558,791	-	-	403,682	155,109	-
0%	537,855	-	-	-	-	537,855
5.83%	25,751,160	21,517,300	1,974,776	1,844,653	334,968	79,463
0%	550,871	-	-	-	-	550,871
4.49%	14,257,154	1,711,595	6,629,624	4,474,611	1,217,280	224,044
0%	1,719,143	-	-	-	-	1,719,143
	53,346,876	32,033,885	9,463,213	6,732,750	1,710,367	3,406,661

LIABILITIES

Deposits and balances of banks
Deposits from customers
Trading liabilities
Certificates of deposit issued
Debt securities issued
Derivative financial instruments
Other liabilities
Subordinated notes issued
Undated liabilities

負債

銀行同業之存款及結餘
客戶存款
交易賬項下之負債
已發行存款證
已發行債務證券
衍生金融工具
其他負債
已發行後償票據
無定期負債

2.43%	961,515	860,491	-	-	-	101,024
3.63%	33,810,833	32,704,817	842,912	23	-	263,081
3.47%	445,695	248,956	185,765	7,966	3,008	-
3.85%	3,523,347	2,050,000	374,550	1,098,797	-	-
4.89%	1,414,162	1,414,162	-	-	-	-
0%	425,047	-	-	-	-	425,047
3.48%	6,808,249	5,001,884	590,862	601,897	-	613,606
6.13%	1,570,155	-	-	1,570,155	-	-
0%	408,749	-	-	-	-	408,749
	49,367,752	42,280,310	1,994,089	3,278,838	3,008	1,811,507

Interest rate sensitivity gap

利率敏感度差距

(10,246,425)	7,469,124	3,453,912	1,707,359
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Note: Effect of off-balance sheet derivatives on the above table is immaterial.

備註：資產負債表外衍生工具對上表並無重大影響。

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

ASSETS

Cash and short-term funds	現金及短期資金
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment	客戶貸款減減值
Other assets	其他資產
Available-for-sale securities	可供出售證券
Amount due from subsidiaries	應收附屬公司款項
Undated assets	無定期資產

LIABILITIES

Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Other liabilities	其他負債
Subordinated notes issued	已發行後償票據
Amounts due to subsidiaries	應付附屬公司款項
Undated liabilities	無定期負債

Interest rate sensitivity gap

資產

負債

利率敏感度差距

47 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險 (續)

The Bank
本行
2007
二零零七年

Average effective interest rate	Total	3 months or less (include overdue 三個月或以下 (包括逾期部份))	Over 3 months to 1 year 三個月以上至一年	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上	Non-interest bearing 不計息
平均實際利率	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元
4.59%	7,023,909	6,377,681	-	-	-	646,228
5.12%	740,990	584,992	155,998	-	-	-
2.38%	32,195	15,137	8,975	3,873	4,210	-
6.56%	878,955	-	-	564,610	314,345	-
0%	955,904	-	-	-	-	955,904
5.22%	26,835,845	24,160,782	1,842,710	412,535	416,456	3,362
6.33%	610,560	78,350	-	-	-	532,210
3.73%	17,230,441	6,045,057	6,229,994	4,160,713	392,645	402,032
4.38%	4,259,323	4,123,455	-	-	-	135,868
0%	1,610,581	-	-	-	-	1,610,581
	60,178,703	41,385,454	8,237,677	5,141,731	1,127,656	4,286,185
3.85%	1,457,840	1,077,732	-	-	-	380,108
3.60%	41,399,581	39,778,643	1,299,324	-	-	321,614
3.94%	11,673	-	7,035	1,033	3,605	-
5.84%	220,446	-	-	-	220,446	-
4.21%	2,161,650	1,169,800	439,050	552,800	-	-
5.16%	1,593,177	1,593,177	-	-	-	-
0%	804,740	-	-	-	-	804,740
1.62%	6,445,561	5,620,525	459,753	-	-	365,283
5.65%	1,622,652	-	-	1,622,652	-	-
3.39%	500,452	458,483	24,176	-	-	17,793
0%	428,545	-	-	-	-	428,545
	56,646,317	49,698,360	2,229,338	2,176,485	224,051	2,318,083
		(8,312,906)	6,008,339	2,965,246	903,605	

Note: Effect of off-balance sheet derivatives on the above table is immaterial.

備註：資產負債表外衍生工具對上表並無重大影響。

47 FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

		The Bank 本行 2006 二零零六年						
		Average effective interest rate	Total	3 months or less (include overdue) 三個月 或以下 (包括逾期 部份)	Over 3 months to 1 year 三個月以上 至一年	Over 1 year to 5 years 一年以上 至五年	Over 5 years 五年以上	Non- interest bearing 不計息
		平均 實際利率	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元	總額 HK\$'000 千港元
ASSETS								
Cash and short-term funds	現金及短期資金	5.35%	7,818,179	7,523,386	—	—	—	294,793
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	5.50%	1,684,201	1,023,029	661,172	—	—	—
Trading securities	持作交易用途之證券	3.51%	469,030	258,575	197,641	9,804	3,010	—
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值 之金融資產	6.88%	558,791	—	—	403,682	155,109	—
Derivative financial instruments	衍生金融工具	0%	537,855	—	—	—	—	537,855
Advances to customers less impairment	客戶貸款減減值	5.19%	22,425,774	21,341,033	486,972	194,685	334,968	68,116
Other assets	其他資產	0%	521,836	—	—	—	—	521,836
Available-for-sale securities	可供出售證券	4.49%	14,257,083	1,711,595	6,629,624	4,474,611	1,217,280	223,973
Amount due from subsidiaries	應收附屬公司款項	4.56%	2,835,225	687,160	2,030,000	—	—	118,065
Undated assets	無定期資產	0%	1,624,682	—	—	—	—	1,624,682
			52,732,656	32,544,778	10,005,409	5,082,782	1,710,367	3,389,320
LIABILITIES								
Deposits and balances of banks	銀行同業之存款及結餘	2.43%	961,507	860,491	—	—	—	101,016
Deposits from customers	客戶存款	3.68%	33,410,322	32,303,865	842,912	23	—	263,522
Trading liabilities	交易賬項下之負債	3.47%	445,695	248,956	185,765	7,966	3,008	—
Certificates of deposit issued	已發行存款證	3.85%	3,523,347	2,050,000	374,550	1,098,797	—	—
Debt securities issued	已發行債務證券	4.89%	1,414,162	1,414,162	—	—	—	—
Derivative financial instruments	衍生金融工具	0%	425,047	—	—	—	—	425,047
Other liabilities	其他負債	3.48%	6,650,422	5,001,884	590,862	601,897	—	455,779
Subordinated notes issued	已發行後償票據	6.13%	1,570,155	—	—	1,570,155	—	—
Amounts due to subsidiaries	應付附屬公司款項	4.50%	583,672	492,679	23,322	—	—	67,671
Undated liabilities	無定期負債	0%	276,874	—	—	—	—	276,874
			49,261,203	42,372,037	2,017,411	3,278,838	3,008	1,589,909
Interest rate sensitivity gap		利率敏感度差距		(9,827,259)	7,987,998	1,803,944	1,707,359	

Note: Effect of off-balance sheet derivatives on the above table is immaterial.

備註：資產負債表外衍生工具對上表並無重大影響。

47 FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk management**

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

Liquidity is managed on a daily basis by the treasury department under the direction of the Asset and Liability Committee. The treasury department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified source of liquidity, reserving necessary funding capacity and contingent planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short-term funds and securities) of appropriate quality to ensure that short-term funding requirements are covered within prudent limits. In order to lengthen the duration of the funding, the Bank periodically issues certificates of deposit with maturities of not more than 5 years. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Group regularly performs stress tests on its liquidity position.

The Group's consolidated average liquidity ratio for the year ended 31 December 2007 was well above the statutory minimum ratio of 25%.

47 財務風險管理 (續)**(c) 流動資金風險管理**

流動資金風險管理旨在確保足夠現金流量以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時因償還貸款、為符合法定流動資金比率所需保持資金流動性及當新貸款及投資機會出現時所需資金。

資金部門在資產負債委員會指導下每日對流動資金進行管理。資金部門負責確保本集團擁有所有營運活動所需之充足流動資金、確保資金之適當組合以避免期限錯配並在存在年期差距時防止價格及再投資利率風險並為確保充足資金及流動資金監控相關市場。

作為其流動資金風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、拓闊流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產（如現金及短期基金與證券）確保短期資金需求在審慎限額內來管理流動資金風險。為延長資金之持續期，本行定期發行五年內期滿之存款證。維持適當之備用貸款以提供策略性流動資金應付正常業務過程中可能出現之突然及重大現金流出。本集團定期對其流動資金狀況進行壓力測試。

本集團於截至二零零七年十二月三十一日止年度之綜合平均流動資金比率遠高於法定最低比率25%。

47 FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk management (continued)***(i) Analysis of assets and liabilities by remaining maturity*

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date.

ASSETS

Cash and short-term funds
Placements with banks maturing between one and twelve months
Trading securities
Financial assets designated at fair value through profit or loss
Derivative financial instruments
Advances to customers less impairment
Other assets
Available-for-sale securities
Undated assets

資產

現金及短期資金
一至十二個月到期之
銀行同業放款
持作交易用途之證券
指定為透過損益以反映
公平價值之金融資產
衍生金融工具
客戶貸款減減值
其他資產
可供出售證券
無定期資產

LIABILITIES

Deposits and balances of banks
Deposits from customers
Trading liabilities
Financial liabilities designated at fair value through profit or loss
Certificates of deposit issued
Debt securities issued
Derivative financial instruments
Other liabilities
Subordinated notes issued
Undated liabilities

負債

銀行同業之存款及結餘
客戶存款
交易賬項下之負債
指定為透過損益以反映
公平價值之金融負債
已發行存款證
已發行債務證券
衍生金融工具
其他負債
已發行後償票據
無定期負債

Net liquidity gap**流動資金缺口淨額****47 財務風險管理 (續)****(c) 流動資金風險管理 (續)***(i) 按剩餘期限分析之資產及負債*

下列期限組別乃基於結算日至合約訂明到期日之剩餘期限：

		The Group 本集團 2007 二零零七年						
	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Indefinite
	總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上	無期限
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS								
Cash and short-term funds	7,024,601	646,920	6,377,681	-	-	-	-	-
Placements with banks maturing between one and twelve months	740,990	-	-	584,992	155,998	-	-	-
Trading securities	32,544	-	14,981	156	8,975	3,873	4,210	349
Financial assets designated at fair value through profit or loss	878,955	-	-	-	-	564,610	314,345	-
Derivative financial instruments	955,904	-	-	-	-	-	-	955,904
Advances to customers less impairment	31,478,804	1,101,486	4,845,212	2,660,556	4,610,404	9,749,840	8,479,364	31,942
Other assets	649,647	-	499,137	60,729	67,058	22,723	-	-
Available-for-sale securities	17,230,441	-	230,967	255,233	7,115,365	5,614,917	3,611,927	402,032
Undated assets	1,630,993	-	-	-	-	-	-	1,630,993
	60,622,879	1,748,406	11,967,978	3,561,666	11,957,800	15,955,963	12,409,846	3,021,220
LIABILITIES								
Deposits and balances of banks	1,457,845	380,113	1,077,732	-	-	-	-	-
Deposits from customers	41,473,991	10,278,169	25,208,409	4,033,857	1,280,682	510,012	162,862	-
Trading liabilities	11,673	-	-	-	7,035	1,033	3,605	-
Financial liabilities designated at fair value through profit or loss	220,446	-	-	-	-	-	220,446	-
Certificates of deposit issued	2,161,650	-	306,450	243,300	1,611,900	-	-	-
Debt securities issued	1,593,177	-	-	-	92,200	1,438,890	62,087	-
Derivative financial instruments	804,740	-	-	-	-	-	-	804,740
Other liabilities	6,718,976	-	5,331,512	868,827	518,637	-	-	-
Subordinated notes issued	1,622,652	-	-	-	-	-	1,622,652	-
Undated liabilities	436,265	-	-	-	-	-	-	436,265
	56,501,415	10,658,282	31,924,103	5,145,984	3,510,454	1,949,935	2,071,652	1,241,005
Net liquidity gap		8,909,876	19,956,125	1,584,318	(8,447,346)	(14,006,028)	(10,338,194)	

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團 2007 二零零七年						
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上 無期限
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Of which:	其中：							
Certificates of deposit held	持有存款證							
- Included in available-for-sale securities	- 納入可供出售證券	268,901	-	-	120,124	-	148,777	-
Debt securities held*	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	32,195	-	14,981	156	8,975	3,873	4,210
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	878,955	-	-	-	-	564,610	314,345
- Included in available-for-sale securities	- 納入可供出售證券	16,852,859	-	230,967	255,233	7,115,365	5,614,917	3,611,927
		17,764,009	-	245,948	255,389	7,124,340	6,183,400	3,930,482
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	2,161,650	-	306,450	243,300	1,611,900	-	-

* The amount of debt securities held included certificates of deposit held.

* 持有債務證券的金額已計入持有存款證。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團 2006 二零零六年							
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months 一個月以上 三個月以內	Over 3 months but within 1 year 三個月以上 一年以內	Over 1 year but within 5 years 五年以上 五年以內	Over 5 years 五年以上	Indefinite
		總額 HK\$'000 千港元	即時還款 HK\$'000 千港元	一個月內 HK\$'000 千港元	三個月以內 HK\$'000 千港元	一年以內 HK\$'000 千港元	五年以內 HK\$'000 千港元	五年以上 HK\$'000 千港元	無期限 HK\$'000 千港元
ASSETS									
Cash and short-term funds	現金及短期資金	7,818,671	295,285	7,523,386	-	-	-	-	-
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	1,684,201	-	-	1,023,029	661,172	-	-	-
Trading securities	持作交易用途之證券	469,030	-	29,993	228,582	197,641	9,804	3,010	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映 公平價值之金融資產	558,791	-	-	-	-	403,682	155,109	-
Derivative financial instruments	衍生金融工具	537,855	-	-	-	-	-	-	537,855
Advances to customers less impairment	客戶貸款減減值	25,751,160	860,688	3,551,279	2,197,170	3,847,986	7,547,045	7,656,293	90,699
Other assets	其他資產	550,871	-	453,117	43,022	52,269	2,463	-	-
Available-for-sale securities	可供出售證券	14,257,154	-	305,181	1,406,414	6,629,624	4,474,611	1,217,280	224,044
Undated assets	無定期資產	1,719,143	-	-	-	-	-	-	1,719,143
		53,346,876	1,155,973	11,862,956	4,898,217	11,388,692	12,437,605	9,031,692	2,571,741
LIABILITIES									
Deposits and balances of banks	銀行同業之存款及結餘	961,515	101,024	488,220	372,271	-	-	-	-
Deposits from customers	客戶存款	33,810,833	8,490,742	20,588,746	2,829,347	1,018,763	743,222	140,013	-
Trading liabilities	交易賬項下之負債	445,695	-	149,616	99,340	185,765	7,966	3,008	-
Certificates of deposit issued	已發行存款證	3,523,347	-	344,197	703,650	1,983,600	491,900	-	-
Debt securities issued	已發行債務證券	1,414,162	-	-	-	42,010	1,358,151	14,001	-
Derivative financial instruments	衍生金融工具	425,047	-	-	-	-	-	-	425,047
Other liabilities	其他負債	6,808,249	-	4,422,674	1,155,462	628,216	601,897	-	-
Subordinated notes issued	已發行後償票據	1,570,155	-	-	-	-	1,570,155	-	-
Undated liabilities	無定期負債	408,843	-	-	-	-	-	-	408,843
		49,367,846	8,591,766	25,993,453	5,160,070	3,858,354	4,773,291	157,022	833,890
Net liquidity gap	流動資金缺口淨額		7,435,793	14,130,497	261,853	(7,530,338)	(7,664,314)	(8,874,670)	

The prior year comparative figures have been restated for more appropriate presentation.

為更適當地作出呈列，故已重列上年
度之比較數字。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團 2006 二零零六年						
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上 無期限
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Of which:	其中：							
Certificates of deposit held	持有存款證							
- Included in available-for-sale securities	- 納入可供出售證券	86,741	-	-	-	86,741	-	-
Debt securities held*	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	469,030	-	29,993	228,582	197,641	9,804	3,010
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映之金融資產	558,791	-	-	-	-	403,682	155,109
- Included in available-for-sale securities	- 納入可供出售證券	14,063,033	-	305,181	1,406,414	6,629,624	4,474,611	1,217,280
		15,090,854	-	335,174	1,634,996	6,827,265	4,888,097	1,375,399
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	3,523,347	-	344,197	703,650	1,983,600	491,900	-

* The amount of debt securities held included certificates of deposit held.

* 持有債務證券的金額已計入持有存款證。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

	資產
ASSETS	
Cash and short-term funds	現金及短期集資
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment	客戶貸款減減值
Other assets	其他資產
Available-for-sale securities	可供出售證券
Amounts due from subsidiaries	應收附屬公司款項
Undated assets	無定期資產

	負債
LIABILITIES	
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Other liabilities	其他負債
Subordinated notes issued	已發行從價票據
Amounts due to subsidiaries	應付附屬公司款項
Undated liabilities	無定期負債

Net liquidity gap 流動資金缺口淨額

47 財務風險管理 (續)

(c) 流動資金風險管理 (續)

(i) 按剩餘期限分析之資產及負債 (續)

		The Bank 本行 2007 二零零七年						
	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Indefinite
	總額	即時還款	一個月內	三個月以上	一年以上	五年以上	五年以上	無期限
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
現金及短期集資	7,023,909	646,228	6,377,681	-	-	-	-	-
一至十二個月到期之銀行同業放款	740,990	-	-	584,992	155,998	-	-	-
持作交易用途之證券	32,195	-	14,981	156	8,975	3,873	4,210	-
指定為透過損益以反映公平價值之金融資產	878,955	-	-	-	-	564,610	314,345	-
衍生金融工具	955,904	-	-	-	-	-	-	955,904
客戶貸款減減值	26,835,845	1,057,401	4,625,555	2,224,689	2,941,960	7,720,995	8,252,807	12,438
其他資產	610,560	-	470,637	60,574	60,487	18,862	-	-
可供出售證券	17,230,441	-	230,967	255,233	7,115,365	5,614,917	3,611,927	402,032
應收附屬公司款項	4,259,323	50,161	434,668	681,245	3,090,836	-	-	2,413
無定期資產	1,610,581	-	-	-	-	-	-	1,610,581
	60,178,703	1,753,790	12,154,489	3,806,889	13,373,621	13,923,257	12,183,289	2,983,368
銀行同業之存款及結餘	1,457,840	380,108	1,077,732	-	-	-	-	-
客戶存款	41,399,581	10,277,711	25,134,457	4,033,857	1,280,682	510,012	162,862	-
交易賬項下之負債	11,673	-	-	-	7,035	1,033	3,605	-
指定為透過損益以反映公平價值之金融負債	220,446	-	-	-	-	-	220,446	-
已發行存款證	2,161,650	-	306,450	243,300	1,611,900	-	-	-
已發行債務證券	1,593,177	-	-	-	92,200	1,438,890	62,087	-
衍生金融工具	804,740	-	-	-	-	-	-	804,740
其他負債	6,445,561	-	5,058,098	868,827	518,636	-	-	-
已發行從價票據	1,622,652	-	-	-	-	-	1,622,652	-
應付附屬公司款項	500,452	71,116	393,977	7,012	24,264	-	-	4,083
無定期負債	428,545	-	-	-	-	-	-	428,545
	56,646,317	10,728,935	31,970,714	5,152,996	3,534,717	1,949,935	2,071,652	1,237,368
流動資金缺口淨額	8,975,145	19,816,225	1,346,107	(9,838,904)	(11,973,322)	(10,111,637)		

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行 2007 二零零七年						
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Indefinite						
		總額	即時還款	一個月內	三個月以上 一個月以內	三個月以上 一年以內	五年以上 五年以內	無期限
		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
Of which:	其中：							
Certificates of deposit held	持有存款證							
- Included in available-for-sale securities	- 納入可供出售證券	268,901	-	-	120,124	-	148,777	-
Debt securities held*	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	32,195	-	14,981	156	8,975	3,873	4,210
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	878,955	-	-	-	-	564,610	314,345
- Included in available-for-sale securities	- 納入可供出售證券	16,852,859	-	230,967	255,233	7,115,365	5,614,917	3,611,927
		17,764,009	-	245,948	255,389	7,124,340	6,183,400	3,930,482
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	2,161,650	-	306,450	243,300	1,611,900	-	-

* The amount of debt securities held included certificates of deposit held.

* 持有債務證券的金額已計入持有存款證。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行 2006 二零零六年							
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months 一個月以上 三個月以內	Over 3 months but within 1 year 三個月以上 一年以內	Over 1 year but within 5 years 一年以上 五年以內	Over 5 years 五年以上	Indefinite 無期限
		總額 HK\$'000 千港元	即時還款 HK\$'000 千港元	一個月內 HK\$'000 千港元	三個月以內 HK\$'000 千港元	一年以內 HK\$'000 千港元	五年以內 HK\$'000 千港元	五年以上 HK\$'000 千港元	無期限 HK\$'000 千港元
ASSETS									
Cash and short-term funds	現金及短期資金	7,818,179	294,793	7,523,386	—	—	—	—	—
Placements with banks maturing between one and twelve months	一至十二個月到期之 銀行同業放款	1,684,201	—	—	1,023,029	661,172	—	—	—
Trading securities	持作交易用途之證券	469,030	—	29,993	228,582	197,641	9,804	3,010	—
Financial assets designated at fair value through profit or loss	指定為透過損益以反映 公平價值之金融資產	558,791	—	—	—	—	403,682	155,109	—
Derivative financial instruments	衍生金融工具	537,855	—	—	—	—	—	—	537,855
Advances to customers less impairment	客戶貸款減減值	22,425,774	833,108	3,393,783	1,884,469	2,716,475	6,149,365	7,375,503	73,071
Other assets	其他資產	521,836	—	431,977	42,810	47,049	—	—	—
Available-for-sale securities	可供出售證券	14,257,083	—	305,181	1,406,414	6,629,624	4,474,611	1,217,280	223,973
Amounts due from subsidiaries	應收附屬公司款項	2,835,225	54,905	228,831	482,939	2,066,328	—	—	2,222
Undated assets	無定期資產	1,624,682	—	—	—	—	—	—	1,624,682
		52,732,656	1,182,806	11,913,151	5,068,243	12,318,289	11,037,462	8,750,902	2,461,803
LIABILITIES									
Deposits and balances of banks	銀行同業之存款及結餘	961,507	101,016	488,220	372,271	—	—	—	—
Deposits from customers	客戶存款	33,410,322	8,490,302	20,188,675	2,829,347	1,018,763	743,222	140,013	—
Trading liabilities	交易賬項下之負債	445,695	—	149,616	99,340	185,765	7,966	3,008	—
Certificates of deposit issued	已發行存款證	3,523,347	—	344,197	703,650	1,983,600	491,900	—	—
Debt securities issued	已發行債務證券	1,414,162	—	—	—	42,010	1,358,151	14,001	—
Derivative financial instruments	衍生金融工具	425,047	—	—	—	—	—	—	425,047
Other liabilities	其他負債	6,650,422	—	4,264,847	1,155,462	628,216	601,897	—	—
Subordinated notes issued	已發行後償票據	1,570,155	—	—	—	—	1,570,155	—	—
Amounts due to subsidiaries	應付附屬公司款項	583,672	45,319	499,781	10,947	23,418	—	—	4,207
Undated liabilities	無定期負債	276,874	—	—	—	—	—	—	276,874
		49,261,203	8,636,637	25,935,336	5,171,017	3,881,772	4,773,291	157,022	706,128
Net liquidity gap	流動資金缺口淨額	7,453,831	14,022,185	102,774	(8,436,517)	(6,264,171)	(8,593,880)		

The prior year comparative figures have been restated for more appropriate presentation.

為更適當地作出呈列，故已重列上年度之比較數字。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行 2006 二零零六年						
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Indefinite						
		總額	即時還款	一個月內	三個月以上 一個月以內	三個月以上 一年以內	五年以上 一年以內	無期限
		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
Of which:	其中：							
Certificates of deposit held	持有存款證							
- Included in available-for-sale securities	- 納入可供出售證券	86,741	-	-	-	86,741	-	-
Debt securities held*	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	469,030	-	29,993	228,582	197,641	9,804	3,010
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	558,791	-	-	-	-	403,682	155,109
- Included in available-for-sale securities	- 納入可供出售證券	14,063,033	-	305,181	1,406,414	6,629,624	4,474,611	1,217,280
		15,090,854	-	335,174	1,634,996	6,827,265	4,888,097	1,375,399
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	3,523,347	-	344,197	703,650	1,983,600	491,900	-

* The amount of debt securities held included certificates of deposit held.

* 持有債務證券的金額已計入持有存款證。

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities

The following contractual cash flow projections of the Group's financial liabilities, derivatives and off-balance sheet exposures analysed by the remaining period as at balance sheet dates to the contractual maturity dates. The balances in the tables below will not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future coupon payments.

Financial liabilities

Deposits and balances of banks

Deposits from customers

Trading liabilities

Financial liabilities

designated at fair value through profit or loss

Certificates of deposit issued

Debt securities issued

Subordinated notes issued

Other liabilities

金融負債

銀行同業之存款及結餘

客戶存款

交易賬項下之負債

指定為透過損益以反映公平價值之金融資產

已發行存款證

已發行債務證券

已發行後償票據

其他負債

Off-balance sheet exposures

- Contingent liabilities

- Commitments

資產負債表外項目

- 或然負債

- 承擔

47 財務風險管理(續)

(c) 流動資金風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下列為按結算日至合約到期日之剩餘期限分析之本集團金融負債、衍生工具及資產負債表外項目之合約現金流預期。下表結餘將不會直接等同於綜合資產負債表之結餘，因為下表包含與全部未來息票付款之本金及相關款項有關之所有現金流（根據未折現基準）。

		The Group 本集團 2007 二零零七年					
	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
	總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上
	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
Financial liabilities							
Deposits and balances of banks	1,462,505	380,113	1,082,392	-	-	-	-
Deposits from customers	41,754,111	10,278,169	25,317,334	4,085,691	1,340,156	559,023	173,738
Trading liabilities	12,526	-	-	82	7,278	1,601	3,565
Financial liabilities designated at fair value through profit or loss	520,000	-	-	-	-	-	520,000
Certificates of deposit issued	2,243,399	-	319,626	253,619	1,654,394	15,760	-
Debt securities issued	1,743,577	-	17,804	3,167	153,147	1,495,628	73,831
Subordinated notes issued	1,857,746	-	7,836	14,203	67,340	208,387	1,559,980
Other liabilities	6,878,396	-	5,355,719	860,536	650,881	11,260	-
	56,472,260	10,658,282	32,100,711	5,217,298	3,873,196	2,291,659	2,331,114
Off-balance sheet exposures							
- Contingent liabilities	1,564,140	-	1,564,140	-	-	-	-
- Commitments	11,587,444	11,277,895	309,549	-	-	-	-
	13,151,584	11,277,895	1,873,689	-	-	-	-

47 FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

		The Group 本集團 2006 二零零六年					
	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
	總額	即時還款	一個月內	三個月以上 一個月以內	三個月以上 一年以內	五年以上 一年以內	五年以上
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Financial liabilities							
Deposits and balances of banks							
Deposits from customers							
Trading liabilities							
Certificates of deposit issued							
Debt securities issued							
Subordinated notes issued							
Other liabilities							
	49,787,650	8,605,801	26,297,927	5,223,202	4,179,576	5,306,914	174,230
Off-balance sheet exposures							
- Contingent liabilities							
- Commitments							
	13,255,002	10,793,105	2,461,897	-	-	-	-

(d) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risks arise from the Group's daily operation and fiduciary activities. An appropriate and robust Operational Risk Management Policy and related framework has been developed, based on the HKMA guidelines, to facilitate the timely identification, effective assessment and mitigation of material and relevant risks. Through this framework, the management oversight for risk exposures, especially in the prioritisation and allocation of limited risk mitigating resources, can further be strengthened.

47 財務風險管理 (續)

(c) 流動資金風險管理 (續)

(ii) 按合約到期日作出之非衍生負債分析 (續)

		The Group 本集團 2006 二零零六年					
	Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
	總額	即時還款	一個月內	三個月以上 一個月以內	三個月以上 一年以內	五年以上 一年以內	五年以上
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
金融負債							
銀行同業之存款及結餘							
客戶存款							
交易賬項下之負債							
已發行存款證							
已發行債務證券							
已發行後償票據							
其他負債							
	49,787,650	8,605,801	26,297,927	5,223,202	4,179,576	5,306,914	174,230
資產負債表外項目							
- 或然負債							
- 承擔							
	13,255,002	10,793,105	2,461,897	-	-	-	-

(d) 營運風險管理

營運風險來自不充足或缺乏效率之內部程序、人員或制度或來自外在事故。營運風險產生自本集團之日常營運及信託業務。為提升察覺時間性、有效地評估及減低重大和相關風險，已根據金管局之指引建立適當及健全之營運風險管理政策及相關框架。透過該框架，管理層對風險之監察，尤其是對有限之減低風險資源之優先取捨及分配便能夠進一步加強。

47 FINANCIAL RISK MANAGEMENT (continued)**(d) Operational risk management (continued)**

The Board of Directors, through the Risk Management Committee, is aware of the major aspects of the Bank's operational risks as a distinct risk category that should be managed. The Committee performs regular review and approves the operational risk framework, risk profiles, policies and guidelines. The Committee also plays an active role in monitoring the progress of implementation of mitigating measures for the risk events identified, including Business Continuity Planning, Key Risk Indicator monitoring and Basel II implementation.

Internal controls, an integral part of a sound operational risk management framework, are maintained by the established departmental operational manuals which provide guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product or service introduced is subject to a rigorous risk review and sign-off process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Variations of existing products or services are also subject to a similar process. Departments are required to report any risk events and failings promptly through a reporting mechanism, as well as to review their control procedures regularly to ensure compliance of the regulatory and industry requirements.

The Bank's internal audit and compliance departments plays an essential role in monitoring and limiting the Group's operational risk. The primary focus of internal audit and compliance is:

- to independently evaluate the adequacy of all internal controls;
- to ensure adherence to the operating guidelines, including regulatory and legal requirements; and
- to pro-actively recommend improvements.

In order to ensure total independence, the internal audit reports directly to the Audit Committee of the Board as well as indirectly to the Chief Executive.

(e) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

47 財務風險管理(續)**(d) 營運風險管理(續)**

透過風險管理委員會，董事會已注意到本行作為一項單獨之風險類別而進行管理之營運風險主要情況。該委員會定期審閱及批准營運風險框架、風險簡述、政策及指引。對於所發現之風險事故所採取之緩和措施(包括業務延續性規劃、主要風險指標監察、巴塞爾新資本協定之落實)方面，該委員會在監察實施進度上亦發揮積極之作用。

內部控制作為穩健營運風險管理框架之重要部分，已按照所建立之部門營運手冊(載有基本控制之指引，確保一個受控制且穩健的營運環境)而實施。各新產品或服務須進行嚴格風險檢討，並於建議該產品或服務之獨立風險管理部門定義及評估所有相關風險完成後，方可引進。更改現有產品或服務亦須受類似程序限制。部門須透過匯報機制迅速報告任何風險事故及不善之處，同時定期檢討其控制程序，以確保符合監管及行業規定。

本集團之內部審核及監察部門在監察及限定本集團營運風險方面具重要作用。內部審核及監察主要專注於：

- 獨立評估所有內部控制是否適當；
- 確保遵守營運準則，包括監管機構之規定及法例規定；及
- 主動提出改善建議。

為確保完全之獨立性，內部審核部門直接向董事會審核委員會與或間接向行政總裁負責。

(e) 資本管理

香港金管局設立及監管本集團之整體資本規定。為達至監管規定外，本集團管理資本之主要目標為透過與風險水平相當之產品與服務及確保能夠以合理成本融資保證本集團之持續經營能力，從而透過持續提供股東回報及其他權益持有人之利益。

本集團積極及定期審閱及管理其資本結構，以維持高水平借貸與可能因此產生之高股東回報之平衡，以及良好資本狀況可提供之優勢與擔保，並就經濟狀況之變動對資本結構作出調整。

47 FINANCIAL RISK MANAGEMENT (continued)**(e) Capital management (continued)**

The process of allocating capital to specific operations and activities is undertaken by Asset and Liability Committee and are reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year, except for a change in the calculation methodology in the capital adequacy ratios.

The capital adequacy ratios as at 31 December 2007 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1 January 2007. The capital adequacy ratios as at 31 December 2006 were computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance and adjusted in accordance with the guideline on "Maintenance of Adequate Capital Against Market Risks" issued by the HKMA. Accordingly, the capital adequacy ratios of the two years are not directly comparable.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2007 and 2006, and were well above the minimum required ratio set by the HKMA.

48 NON-ADJUSTING POST BALANCE SHEET EVENTS

As at 31 December 2007, the Bank held an income note issued by Cullinan Finance Limited ("Cullinan") with a carrying value of HK\$30.1 million. In January 2008, the managers of Cullinan, HSBC Bank plc, announced a restructuring whereby Cullinan's income note would be exchanged for income notes newly issued by Mazarin Funding Limited ("Mazarin") and Barion Funding Limited ("Barion"). Under the exchange offer, the Bank's income note was exchanged for a Mazarin income note and a Barion income note with nominal amounts of USD10.7 million and USD4.3 million respectively on 21 February 2008. The exchange was accounted for at the fair value of the notes received as at the date of the exchange which was estimated as HK\$23.3 million.

Fair value of the remaining structured investment vehicle investment held by the Bank at 29 February 2008 further decreased by HK\$47.3 million since the balance sheet date.

49 COMPARATIVE FIGURES

As a result of adopting HKFRS 7, "Financial instruments: Disclosures", the amendments to HKAS 1, "Presentation of financial statements: Capital disclosures", and complying with the Banking (Disclosure) Rules, certain comparative figures have been adjusted to conform with disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007.

47 財務風險管理 (續)**(e) 資本管理 (續)**

分配資本予特殊業務與活動之過程由資產及負債委員會進行，並由董事會定期審查。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動，惟資本充足比率之計算方法出現變動。

於二零零七年十二月三十一日之資本充足比率乃根據本行及其由香港金管局作監管用途而指定之若干附屬公司之綜合基準計算，並遵守自二零零七年一月一日起生效之《香港銀行業條例》之《銀行業(資本)規則》。於二零零六年十二月三十一日之資本充足比率乃根據香港銀行業條例附表三計算，並按香港金管局頒佈之「就市場風險維持充足資本」指引進行調整。因此，兩年之資本充足比率不可直接比較。

截至二零零七年及二零零六年十二月三十一日止年度本集團及其自主監管業務符合全部外在施加之資本規定，並遠高於香港金管局頒佈之最低比率規定。

48 非調整性結算日後事項

於二零零七年十二月三十一日，本行持有 Cullinan Finance Limited (「Cullinan」) 發出的收入票據，賬面值為 30,100,000 港元。於二零零八年一月，Cullinan 的經理與香港上海滙豐銀行宣佈重組，據此，Cullinan 收入票據將交換為 Mazarin Funding Limited (「Mazarin」) 及 Barion Funding Limited (「Barion」) 新發出的收入票據。根據換股收購建議，本行的收入票據已於二零零八年二月二十一日被交換為面值分別為 10,700,000 美元及 4,300,000 美元的 Mazarin 收入票據及 Barion 收入票據。是次交換乃以於交換日期接獲的票據的公平值 23,300,000 港元列賬。

本行於二零零八年二月二十九日所持有之汽車投資之餘下結構性投資之公平價值自結算日後進一步減少 47,300,000 港元。

49 比較數字

由於採納香港財務報告準則第 7 號「金融工具：資本披露」、香港會計準則第 1 號的修訂本「呈列財務報表：資本披露」及遵守《銀行(披露)規則》，已對若干比較數字進行調整，以符合本年度的披露規定，以及就二零零七年首次披露的比較金額獨立列示。

50 IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2007, the Directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Company Limited, which is incorporated in the Republic of China.

51 ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

Note 44 contains information about the assumptions and their risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment losses*Advances to customers*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. Management makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence of impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data of local or economic conditions that correlate with defaults on the assets in the group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of the current observable data.

Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

50 直接母公司及最終控股公司

於二零零七年十二月三十一日，董事認為，本集團的直接及最終控股方為富邦金融控股股份有限公司。該公司於中華人民共和國註冊成立。

51 會計估計及判斷

本集團於編製此等財務報告時作出若干假設及估計。管理層參照實際業務、歷史經驗及包括未來現金流入及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計管理及可接受。

附註44載有有關該等假設及與金融工具的公平值有關的風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(a) 減值虧損*客戶貸款*

貸款組合定期進行檢討以評估是否存在減值虧損。本集團就是否存在客觀證據表面貸款組合已減值，即估計之未來現金流量是否減少，作出判斷。減值之客觀證據包括表明客戶群中借款人付款狀況出現不利變化之可觀測數據，亦可包括造成拖欠本集團資產之當地或經濟條件之可觀測數據。倘管理層基於其判斷確定存在減值之客觀證據，則對預計之未來現金流量基於與本集團資產信貸風險特點相若之資產之過往實際損失進行估計。該損失則基於現時可觀察之數據再進行調整。

管理層定期對估計未來現金流量所使用之方法及假設進行檢討以減少虧損估計與實際損失之間之差異。

51 ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**(a) Impairment losses (continued)***Available-for-sale equity securities*

The Group determines that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value below cost is not recoverable within a reasonable time period is judgemental by nature, so profit and loss could be affected by differences in this judgement.

(b) Fair value determination

The Group determines the fair values for the financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and / or implied option volatilities, currency rates, prices of the underlying instruments, and the net assets of the obligors. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

52 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2007

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments, new standards and interpretations and the HKMA has recommended additional disclosures, which are not yet effective for the accounting year ended 31 December 2007 and which have not been adopted in these financial statements.

The Group is in the process of making assessment of the expected impact of these amendments, new standards, new interpretations and additional disclosures in the period of initial application. So far it has concluded that their adoption is unlikely to have a significant impact on the Group's results of operations and financial position.

In addition, HKFRS 8, Operating Segments, which is effective for annual periods beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

51 會計估計及判斷(續)**(a) 減值虧損(續)***可供出售股本證券*

於公平值低於成本數額出現重大或持續下跌時，本集團確定可供出售股本證券減值。確定何時公平值低於成本數額的下跌於合理時期內不可收回則須按其性質予以判斷，故溢利及虧損可能因所作判斷之差異而受到影響。

(b) 公平價值釐定

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價之公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關金融產品之價格等市場參數並利用內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之方差均可影響該等金融工具公平價值之估計。

52 已公佈但於截至二零零七年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之有可能的影響

於此等財務報告公佈日，香港會計師公會已公佈以下修訂、新準則及詮釋，而金管局已建議披露額外資料。該等修訂、準則、詮釋及額外披露於截至二零零七年十二月三十一日止會計年度尚未生效，此等財務報告亦未予採納。

本集團現正評估於期間首次採用該等修訂、新準則、新詮釋及額外披露之預期影響。迄今為止，本集團認為採納彼等應不會對本集團之營運業績及財務狀況帶來重大影響。

此外，香港財務報告準則第8號「經營分部」(將於二零零九年一月一日或之後開始的年度期間生效)可能導致在財務報告中作出新訂或經修訂披露。

(A) Capital adequacy ratio

Capital adequacy ratio as at 31 December	於十二月三十一日 資本充足比率
Core capital adequacy ratio as at 31 December	於十二月三十一日 核心資本充足比率

As mentioned in note 47(e) on the capital management of the Bank, new approaches are used in the calculation of the regulatory capital and capital charges following the adoption of the Banking (Capital) Rules effective from 1 January 2007. Accordingly, the capital adequacy ratios for the two years are not directly comparable. The comparative quantitative information concerned is also not required to be presented.

The capital adequacy ratio and core capital adequacy ratio are computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Bank Vanuatu Limited and Fubon Hong Kong (Taiwan) Co., Ltd. as required by the HKMA for its regulatory purposes.

In accordance with the Banking (Capital) Rules, the Group has adopted the “standardised approach” for the risk-weighted assets for credit risk and market risk and the “basic indicator approach” for the calculation of operational risk.

The Group’s capital adequacy is managed by Asset and Liability Committee. Key tools adopted by the Group to assess its capital adequacy include capital budgeting, monitoring and stress testing. Annual capital budget is prepared during annual budgeting process to assess adequacy of the Group’s capital to support current and future business activities taking into account of projected business growth and also any new business activities. The annual budget is approved by the Board of Directors. Actual capital adequacy and also return on capital of individual business units and also bankwide basis is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed on capital adequacy.

(A) 資本充足比率

The Group 本集團	
2007 二零零七年 %	2006 二零零六年 %
14.42	16.60
9.77	12.84

如本行有關資本管理之附註47(e)所述，繼採用自二零零七年一月一日起生效的銀行業資本規則後，法定資本及資本需求乃採用新方法予以計算。因此，兩個年度的資本充足比率乃不可直接比較。有關可資比較定量資料亦不必呈列。

資本充足比率及核心資本比率是根據綜合基準計算，該基準包括金管局為其監管目的所須之富邦銀行(香港)有限公司、富邦財務(香港)有限公司、富邦貼現(香港)有限公司、台灣富銀股份有限公司之狀況。

按照《銀行業(資本)規則》，本集團已採用「標準化方法」信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

本集團之資本充足性乃由資產負債管理委員會管理。本集團評估其資本充足性而採用之主要方法包括資本預算、監控及壓力測試。年度資本預算乃於評估本集團之資本充足性之年度預算過程中編製，以支持現有及未來業務活動，並計及預計業務增長及任何新業務活動。年度預算乃由董事會批准。定期於全行範圍內計量實際資本充足性及各個業務部門之資本回報率並將彼等與獲批准預算作比較。此外，本集團定期對資本充足性及本集團所面對之主要風險來源進行壓力測試及情況分析。

(A) Capital adequacy ratio (continued)*(i) Capital base*

The components of the total capital base after deductions used in the calculation of the above capital adequacy ratios as at 31 December and reported under Part II of the banking return "Capital Adequacy Return" (MA(BS)3) are analysed as follows:

(A) 資本充足比率 (續)*(i) 資本基礎*

用於計算上述於十二月三十一日之資本充足比率及在「資本充足比率申報表」(MA(BS)3)第II部中申報的資本基礎總額在扣減後的組成部分分析如下：

		The Group 本集團	
		2007 二零零七年 HK\$'000 千港元	2006 二零零六年 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(包括保留盈利)	1,533,639	1,528,953
Share premium	股份溢價	749,778	749,778
Profit and loss account	溢利及虧損帳	229,145	122,104
Total deduction from core capital	自核心資本扣減總額	(116,355)	—
Core capital after deduction	扣減後的核心資本	3,568,367	3,572,995
Eligible supplementary capital	可計算的附加資本		
Reserves on revaluation of land and interest in land	土地及土地權益價值重估儲備	23,701	36,868
Reserves on revaluation of holdings of available-for-sale securities	持作可供出售證券價值重估儲備	(87,656)	3,118
Collective impairment allowance	綜合減值撥備	82,126	81,404
Regulatory reserve	法定儲備	213,447	129,572
Term subordinated notes	有期後償票據	1,559,980	1,555,700
Total deduction from eligible supplementary capital	可計算的附加資本扣減總額	(93,633)	—
Supplementary capital after deduction	扣減後的附加資本	1,697,965	1,806,662
Total deductions from the core capital and supplementary capital	自核心資本及附加資本扣減總額		(701,967)
Total capital base after deductions	扣減後的資本基礎總額	5,266,332	4,677,690
Total deductions from the core capital and supplementary capital	自核心資本及附加資本扣減總額	(209,988)	

(A) Capital adequacy ratio (continued)*(i) Capital base (continued)*

The comparatives of the components of the core capital and supplementary capital were not restated on the ground that different approaches were used to calculate its regulatory capital in years ended 31 December 2007 and 2006.

All of the Bank's investments in subsidiaries except for Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Bank Vanuatu Limited and Fubon Hong Kong (Taiwan) Co., Ltd. are deducted from the core capital and supplementary capital.

(B) Liquidity ratio

Average liquidity ratio for the year

年內平均流動資金比率

The average liquidity ratio 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 Forth Schedule to the Hong Kong Banking Ordinance.

The ratio for the year is computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited and Fubon Bank Vanuatu Limited as required by the HKMA for its regulatory purposes.

(A) 資本充足比率(續)*(i) 資本基礎(續)*

由於截至二零零七年及二零零六年十二月三十一日止年度內採用不同方法計算其法定資本，並無重列核心資本及附加資本的組成部分的比較數字。

本行於附屬公司(不包括富邦財務(香港)有限公司、富邦貼現(香港)有限公司、Fubon Bank Vanuatu Limited及台灣富銀股份有限公司)之所有投資乃扣減自核心資本及附加資本。

(B) 流動資金比率

The Group 本集團	
2007 二零零七年 %	2006 二零零六年 %
44.35	44.51

平均流動資金比率是以每個曆月平均比率的簡單平均數計算。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。

年內比率是根據綜合基準計算，該基準包括金管局為其監管目的所須之富邦銀行(香港)有限公司、富邦財務(香港)有限公司及Fubon Bank Vanuatu Limited之狀況。

(C) Further analysis on advances to customers analysed by industry sector

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(C) 按行業分析的客戶貸款的進一步分析

按行業及有抵押貸款百分比分析的客戶貸款如下。經濟行業分析乃基於金管局所採用的類別及定義。

		The Group 本集團			
		2007 二零零七年		2006 二零零六年	
		% of		% of	
		Gross loans and advances	gross loans covered by collateral	Gross loans and advances	gross loans covered by collateral
		借貸及貸款總額	有抵押之貸款佔貸款總額之百分比	借貸及貸款總額	有抵押之貸款佔貸款總額之百分比
		HK\$'000 千港元	百分比	HK\$'000 千港元	百分比
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	59,453	66.36	29,392	31.47
– Property investment	– 物業投資	5,874,005	69.51	4,900,296	67.96
– Financial concerns	– 金融企業	678,349	6.44	484,250	11.19
– Stockbrokers	– 股票經紀	144,323	97.79	157,371	100.00
– Wholesale and retail trade	– 批發及零售業	221,630	12.54	202,404	19.68
– Manufacturing	– 製造業	1,634,110	23.04	1,059,535	32.94
– Transport and transport equipment	– 運輸及運輸設備	699,036	88.01	756,247	84.63
– Information technology	– 資訊科技	14,395	94.45	61,663	8.49
– Others	– 其他	2,649,604	40.32	3,185,770	45.67
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	7,300	100.00	3,275	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	7,272,919	95.36	6,946,882	94.73
– Credit card advances	– 信用卡貸款	533,187	–	504,157	–
– Others	– 其他	894,852	52.53	1,299,707	66.67
Trade finance	貿易融資	20,683,163		19,590,949	
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	2,169,800	13.69	943,406	13.30
		8,780,049	44.08	5,379,996	59.09
Gross advances to customers	客戶貸款總額	31,633,012	56.87	25,914,351	64.81

(C) Further analysis on advances to customers analysed by industry sector (continued)

Analysis of the Group's impaired advances in respect of industry sectors which account for 10% or more of gross advances to customers:

(C) 按行業分析的客戶貸款的進一步分析(續)

按行業分析佔客戶貸款總額 10% 或以上的本集團減值貸款如下：

		The Group 本集團					
		Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowances	New provisions charged to income statement during the year	Loans written off during the year
		逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	年內於收益表內 扣除之新撥備	年內撇賬 之貸款
		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
As at 31 December 2007	於二零零七年十二月三十一日						
- Property investment	- 物業投資	9,988	12,429	2,286	3,287	1,747	14,823
- Loans for the purchase of other residential properties	- 購買其他住宅物業的 貸款	1,683	7,928	597	2,264	597	-
- Gross advances for use outside Hong Kong	- 在香港以外使用 的貸款總額	76,436	109,458	44,170	38,272	31,515	23,179
		The Group 本集團					
		Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowances	New provisions charged to income statement during the year	Loans written off during the year
		逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	年內於收益表內 扣除之新撥備	年內撇賬 之貸款
		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
As at 31 December 2006	於二零零六年十二月三十一日						
- Property investment	- 物業投資	75,961	86,439	15,369	2,104	473	-
- Loans for the purchase of other residential properties	- 購買其他住宅物業的 貸款	1,408	10,147	106	3,377	1,269	1,163
- Gross advances for use outside Hong Kong	- 在香港以外使用 的貸款總額	53,118	100,290	46,509	31,952	44,152	3,423

(D) Overdue and rescheduled assets

(i) Overdue advances to customers

Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款之本金或利息有逾期：
- 6 months or less but over 3 months	- 六個月或以下惟三個月以上
- 1 year or less but over 6 months	- 一年或以下惟六個月以上
- Over 1 year	- 超過一年
Current market value of collateral held against the covered portion of overdue loans and advances	就逾期借貸及貸款的有抵押部分所持有的抵押品的現行市價
Covered portion of overdue loans and advances	逾期借貸及貸款的有抵押部分
Uncovered portion of overdue loans and advances	逾期借貸及貸款的無抵押部分
Amount of expected recoveries from companies in liquidation in respect of the covered portion of overdue loans and advances	就逾期借貸及貸款的有抵押部分中預期從清盤公司收回之價值
Individually assessed impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別評估減值撥備

Collateral held with respect to overdue loans and advances are mainly residential properties, cash deposits with the Group, and equipments against hire purchase and leasing loans.

(D) 逾期及經重組資產

(i) 逾期客戶貸款

The Group 本集團			
2007 二零零七年		2006 二零零六年	
HK\$'000 千港元	% of total advances 佔貸款總額 之百分比	HK\$'000 千港元	% of total advances 佔貸款總額 之百分比
32,948	0.10	22,120	0.09
32,926	0.10	24,958	0.10
47,703	0.15	108,084	0.42
113,577	0.36	155,162	0.60
37,379		22,811	
50,859		95,015	
62,718		60,147	
113,577		155,162	
16,432		73,459	
58,642		63,612	

就逾期借貸及貸款而持有之抵押品主要為住宅物業、存放於本集團的現金存款及就租購及租賃貸款而抵押之設備。

(D) Overdue and rescheduled assets (continued)*(i) Overdue advances to customers (continued)*

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and / or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

Overdue assets of the Group comprise advances to customers only as at 31 December 2007 and 2006.

(ii) Rescheduled advances to customers

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans and advances to customers are stated net of any loans and advances that have subsequently become overdue for over 3 months and can be analysed as follows:

Rescheduled advances to customers 重定還款期的客戶貸款

(D) 逾期及經重組資產 (續)*(i) 逾期客戶貸款 (續)*

有指定還款期的借貸及貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及/或在貸款已持續超出已知會借款人的獲批准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長時分類為已逾期。

僅於二零零七年及二零零六年十二月三十一日，本集團的逾期資產只包括客戶貸款。

(ii) 重定還款期的客戶貸款

重定還款期的貸款及借貸是指由於借款人財政狀況轉壞或無法按原定還款期還款，而被重定還款期的或重新議定的客戶借貸及貸款，而經修訂的還款計劃對於本集團屬非商業條款。重定還款期的借貸及貸款乃扣除已隨後逾期超過三個月的任何借貸及貸款列賬，並可分析如下：

The Group 本集團			
2007 二零零七年		2006 二零零六年	
HK\$'000 千港元	% of total advances 佔貸款總額 之百分比	HK\$'000 千港元	% of total advances 佔貸款總額 之百分比
42,779	0.14	52,792	0.20

(D) Overdue and rescheduled assets (continued)(iii) *Geographical analysis of overdue loans and advances to customers***(D) 逾期及經重組資產(續)**(iii) *按地區分析的已逾期借款及客戶貸款*

		The Group 本集團			
		As at 31 December 2007 於二零零七年十二月三十一日			
		Gross loans and advances 借貸及 貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期 借貸及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
Hong Kong	香港	25,741,152	112,295	171,121	71,160
Other	其他地區	5,891,860	1,282	1,282	922
		31,633,012	113,577	172,403	72,082

		The Group 本集團			
		As at 31 December 2006 於二零零六年十二月三十一日			
		Gross loans and advances 借貸及 貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期 借貸及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
Hong Kong	香港	23,066,870	151,563	235,514	80,139
Other	其他地區	2,847,481	3,599	4,370	1,648
		25,914,351	155,162	239,884	81,787

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

No collective impairment allowance is allocated to any geographical segment as at 31 December 2007 and 2006.

以上地區分析按借款所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手方不同，則風險轉移至擔保人的所在地區。

於二零零七年及二零零六年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(E) Cross border claims

Cross border claims are on-balance sheet exposures of counterparties based on the location of counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross border claims are shown as follows:

(E) 跨境債權

跨境債權資料是資產負債表上呈示考慮了風險轉移後按交易另一方所在地計算的風險。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。銀行或其他金融機構分行的債權風險則轉至其總部所在國家的賬項中。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

		The Group 本集團 As at 31 December 2007 於二零零七年十二月三十一日				
		Banks	Other financial institutions	Public sector entities	Others	Total
		銀行	其他金融機構	公營機構	其他	總額
Figures in HK\$Million	百萬港元					
Asia Pacific excluding Hong Kong of which Taiwan	亞州太平洋地區 (不包括香港) 台灣	4,078	78	7	4,700	8,863
		628	—	—	1,833	2,461
North America	北美洲	1,137	898	161	251	2,447
Western Europe of which Germany	西歐 德國	9,454	80	—	134	9,668
		2,411	—	—	—	2,411

		The Group 本集團 As at 31 December 2006 於二零零六年十二月三十一日				
		Banks	Other financial institutions	Public sector entities	Others	Total
		銀行	其他金融機構	公營機構	其他	總額
Figures in HK\$Million	百萬港元					
Asia Pacific excluding Hong Kong of which South Korea of which Taiwan	亞州太平洋地區 (不包括香港) 南韓 台灣	5,061	—	4	1,668	6,733
		1,885	—	—	—	1,885
		828	—	—	1,173	2,001
North America	北美洲	281	—	1	317	599
Western Europe of which Germany	西歐 德國	7,685	324	—	435	8,444
		3,223	—	—	—	3,223

(E) Cross border claims (continued)

The Group revised its cross border claims as at 31 December 2006 in accordance with an update of the place of operations for those claims.

(E) 跨境債權(續)

本集團於二零零六年十二月三十一日按照該等債權經營地點的更新，對其跨境債權進行修訂。

(F) Non-bank Mainland exposures

The analysis of non-bank Mainland exposures includes the exposures of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

(F) 內地非銀行業之風險

內地非銀行業之風險按金管局協議包括本行及其若干附屬公司風險而分析。

		The Group 本集團 2007 二零零七年			
		On-balance sheet exposures 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
Mainland entities	內地機構	85,196	24,751	109,947	448
Companies and individuals outside the Mainland where the credit is granted for use in Mainland	授出之信貸用於內地之內地 以外公司及個人	6,342,272	2,197,299	8,539,571	42,855
		6,427,468	2,222,050	8,649,518	43,303

		The Group 本集團 2006 二零零六年			
		On-balance sheet exposures 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
Mainland entities	內地機構	157,489	19,687	177,176	413
Companies and individuals outside the Mainland where the credit is granted for use in Mainland	授出之信貸用 於內地之內地以外 公司及個人	4,272,751	1,469,202	5,741,953	45,937
		4,430,240	1,488,889	5,919,129	46,350

Note: The balances of exposures reported above include gross advances and other claims on customers.

註：以上呈列之風險結餘包括貸款總額及其他客戶之債權。

(G) Currency concentration

The Group's net positions or net structural positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies:

(G) 外幣持盤量

本集團個別外幣的淨持有額或淨結構性倉盤若佔所持有外匯淨盤總額或結構性倉盤總額的10%或以上，便作出如下披露：

		The Group 本集團 As at 31 December 2007 於二零零七年十二月三十一日				
<i>Equivalent in HK\$ Million</i>		US dollars	Chinese Renminbi	Euros	Other foreign currencies	Total foreign currencies
百萬港元等值		美元	人民幣	歐元	其他外幣	外幣總額
Spot assets	現貨資產	20,267	143	1,205	2,474	24,089
Spot liabilities	現貨負債	(17,461)	(146)	(1,906)	(3,965)	(23,478)
Forward purchase	遠期買入	36,956	1,566	4,363	8,290	51,175
Forward sales	遠期賣出	(40,372)	(1,350)	(3,714)	(6,734)	(52,170)
Net option position	期權盤淨額	-	-	-	-	-
Net long / (short) position	長／(短)盤淨額	(610)	213	(52)	65	(384)
Net structural position	結構性倉盤淨額	31	-	-	-	31

		The Group 本集團 As at 31 December 2006 於二零零六年十二月三十一日				
<i>Equivalent in HK\$ Million</i>		US dollars	Chinese Renminbi	Euros	Other foreign currencies	Total foreign currencies
百萬港元等值		美元	人民幣	歐元	其他外幣	外幣總額
Spot assets	現貨資產	15,199	139	622	2,842	18,802
Spot liabilities	現貨負債	(14,739)	(139)	(636)	(3,327)	(18,841)
Forward purchase	遠期買入	9,627	200	4,269	1,619	15,715
Forward sales	遠期賣出	(10,073)	(1)	(4,255)	(1,123)	(15,452)
Net option position	期權盤淨額	(4)	-	-	-	(4)
Net long / (short) position	長／(短)盤淨額	10	199	-	11	220
Net structural position	結構性倉盤淨額	31	-	-	-	31

The net option position is calculated on the basis of the delta-weighted position of options contracts. Net structural position includes the structural positions of the Bank's overseas subsidiaries involved in foreign exchange.

期權倉盤淨額乃根據所有外匯期權合約的「得爾塔加權持倉」為基準計算。結構性淨倉盤包括涉及外匯的本行海外分行的機構性淨倉盤。

(H) Capital charge for credit, market and operational risks*(i) Capital requirement for credit risk*

The capital requirements on each class of exposures calculated under the standardised (credit risk) approach at the balance sheet date can be analysed as follows:

Classes of exposures	風險類型	
Public sector entity	公營機構	
Bank	銀行	
Securities firm	證券公司	
Corporate	企業	
Collective Investment Scheme	集體投資計劃	
Regulatory retail exposures	監管零售風險	
Residential mortgage loans	住宅按揭貸款	
Other exposures which are not past due	並未過期之其他風險	
Past due	過期	
Total capital requirements for on-balance sheet exposures	資產負債表內之風險之資本需求總額	
Direct credit substitutes	直接信貸替代品	
Transaction-related contingencies	與交易有關的或然項目	
Trade-related contingencies	與貿易有關之或然項目	
Forward forward deposits placed	遠期預約放款	
Other commitments	其他承擔	
Exchange rate contracts	匯率合約	
Interest rate contracts	利率合約	
Equity contracts	股票合約	
Debt security contracts or other commodity contracts	債務證券合約或其他商品合約	
Total capital requirements for off-balance sheet exposures	資產負債表外之風險之資本需求總額	
Total capital requirement for credit risk	信貸風險之資本需求總額	

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

(H) 信貸、市場及營運風險的資本需求*(i) 信貸風險的資本需求*

於結算日，根據標準（信貸風險）方法計算的各類型風險的資本需求分析如下：

The Group
本集團
2007
二零零七年
HK\$'000
千港元
8,349
326,790
12,028
1,228,092
12,234
305,428
281,247
368,719
9,406
2,552,293
41,765
4,860
14,849
4,953
20,155
36,854
13,231
21,755
443
158,865
2,711,158

有關披露乃由相關計算方法得出的本集團風險加權金額乘以8%而作出，而並非本行的實際「法定資本」。

**(H) Capital charge for credit, market and operational risks
(continued)***(ii) Capital requirement for market risk*

The Bank uses the standardised (market risk) approach for calculation of capital requirement for market risk. Positions covered by the approach include:

- the Bank's positions held in foreign exchange, exchange rate-related derivative contracts, commodities and commodity-related derivative contracts; and
- the Bank's trading book positions held in debt securities, debt-related derivative contracts, interest rate derivative contracts, equities and equity-related derivative contracts.

Capital requirement at the balance sheet date can be analysed as follows:

Exchange rate exposures	匯率風險
Interest rate exposures	利率風險
Equity exposures	股份風險
Commodity exposures	商品風險
Total capital requirement for market risk	市場風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

(iii) Capital requirement for operational risk

The capital charge for operational risk calculated in accordance with the basic indicator approach at the balance sheet date is:

Capital charge for operational risk	營運風險之資本需求
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The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

(H) 信貸、市場及營運風險的資本需求(續)*(ii) 市場風險之資本需求*

本行使用標準(市場風險)方法計算市場風險之資本需求。該方法所涵蓋的情況包括：

- 本行於外匯、與匯率相關的衍生工具合約、商品及與商品相關的衍生工具合約的持倉；及
- 本行於債務證券、與債務相關的衍生工具合約、利率衍生工具合約、股本及與股本相關的衍生工具合約持有的交易賬面狀況。

結算日之資本需求分析如下：

The Group
本集團
2007
二零零七年
HK\$'000
千港元

22,560
3,188
–
–

25,748

該披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出。它並不代表集團的真實「法定資本」。

(iii) 營運風險之資本需求

於結算日，按照基本指標方法計算之營運風險之資本需求：

The Group
本集團
2007
二零零七年
HK\$'000
千港元

167,793

該披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出。它並不代表集團的真實「法定資本」。

(I) Additional disclosures on credit risk management

(i) Credit risk exposures

Credit ratings from Standard & Poor's Rating Services and Moody's Investors Services are used for all classes of credit exposures mentioned below. The Bank follows the process prescribed in Part 4 of the Banking (Capital) Rules to map the ratings to the exposures booked in the Bank's banking book.

(II) 信貸風險之其他披露

(i) 信貸風險承擔

標準普爾評級服務公司及穆迪投資者服務公司發出之信貸評級乃用於下文所述之各類型信貸風險。本行按照銀行業(資本)規則第4部分訂明之程序將評級與本行之銀行賬戶內登記之風險匹配。

		The Group 本集團 2007 二零零七年						Total exposures covered by recognised guarantees or recognised credit derivative contracts 由獲認可擔保人或獲認可信貸衍生工具合約擔保之風險總額	
		Total Exposures 風險總額 HK\$'000 千港元	Exposures after recognised credit risk mitigation 經已確認之信貸風險減低後之風險	Risk-weighted amounts 風險加權金額		Total risk-weighted amounts 總金額	Total credit exposures covered by recognised collateral 由獲認可抵押品之風險總額		
			Rated 已評級 HK\$'000 千港元	Unrated 未評級 HK\$'000 千港元	Rated 已評級 HK\$'000 千港元	Unrated 未評級 HK\$'000 千港元			
On-balance sheet	資產負債表內								
Sovereign	主權國	1,789,355	1,789,355	440,192	-	-	-	-	440,192
Public sector entity	公營機構	521,822	521,822	-	104,364	-	104,364	-	-
Bank	銀行	14,193,463	14,193,463	-	4,084,870	-	4,084,870	-	-
Securities firm	證券公司	198,985	-	150,345	-	150,345	150,345	48,640	-
Corporate	企業	16,667,797	814,376	14,948,281	402,864	14,948,281	15,351,145	755,236	579,512
Collective Investment Scheme	集體投資計劃	152,927	-	152,927	-	152,927	152,927	-	-
Cash items	現金項目	94,285	-	94,285	-	-	-	-	-
Regulatory retail exposures	監管零售風險	5,519,492	-	5,090,473	-	3,817,855	3,817,855	138,731	290,288
Residential mortgage loans	住宅按揭貸款	9,035,805	-	9,033,204	-	3,515,587	3,515,587	2,601	-
Other exposure which are not past due	並無逾期之其他風險	4,847,558	2,408,096	2,200,893	2,408,096	2,200,893	4,608,989	238,569	-
Past due	逾期	123,850	-	123,950	-	117,572	117,572	25,385	60,552
		53,145,339	19,727,112	32,234,550	7,000,194	24,903,460	31,903,654	1,209,162	1,370,544
Off-balance sheet	資產負債表外								
Off-balance sheet exposures other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信貸衍生工具合約以外之資產負債表外之風險	1,329,919	309,549	1,020,370	61,910	1,020,370	1,082,280	-	-
OTC derivative transactions	場外衍生工具交易	1,911,713	1,311,839	599,874	303,662	599,874	903,536	-	-
		3,241,632	1,621,388	1,620,244	365,572	1,620,244	1,985,816	-	-
Exposures deducted from capital base	自資本基礎扣除之風險	110,765							

(I) Additional disclosures on credit risk management (continued)*(ii) Counterparty credit risk-related exposures*

- (1) The analysis of the major classes of exposures by counterparty type is as follows:

Notional amounts:

Bank
Corporate
Others

名義金額：

銀行
企業
其他

Credit equivalent amounts / net exposures:

Bank
Corporate
Others

信貸等值金額／風險淨額：

銀行
企業
其他

Risk-weighted amounts:

Bank
Corporate
Others

風險加權金額：

銀行
企業
其他

(II) 信貸風險之其他披露(續)*(ii) 交易對手信貸風險相關之風險*

- (1) 交易對手類別之主要類別風險分析如下：

The Group
本集團
2007
二零零七年
OTC
derivative
transactions
場外衍生
工具交易
HK\$'000
千港元

80,231,142

13,157,231

4,484,123

97,872,496

1,311,839

310,778

289,096

1,911,713

303,662

310,778

289,096

903,536

(I) Additional disclosures on credit risk management (continued)*(ii) Counterparty credit risk-related exposures (continued)*

- (2) The analysis of counterparty credit risk exposures is as follows:

Non-repo type transactions:	非收回類別交易：
Gross total positive fair value	正公平值總額
Credit equivalent amounts	信貸等值金額
Recognised collateral held:	持有的獲認可抵押品：
Cash on deposit with the Bank	存放於本行的現金存款
Credit equivalent amounts or net credit exposures net of recognised collateral held	信貸等值金額或扣除持有的獲認可抵押品之信貸風險淨額
Risk-weighted amounts:	風險加權金額：

There was no outstanding repo-style transactions and credit derivative contracts as at 31 December 2007.

(II) 信貸風險之其他披露 (續)*(ii) 交易對手信貸風險相關之風險 (續)*

- (2) 交易對手信貸風險分析如下：

The Group
本集團
2007
二零零七年
OTC
derivative
transactions
場外衍生
工具交易
HK\$'000
千港元

747,370
1,911,713
1,516
1,910,197
903,536

於二零零七年十二月三十一日，並無收回類別交易及信貸衍生工具合約。

(J) Additional disclosures on risk management on asset securitisation

The Bank uses the standardised (securitisation) approach to calculate the credit risk for securitisation exposures. There was no asset securitisation for which the Group is an originating institution at 31 December 2007. It is an investing institution for all classes of exposures below.

(J) 資產證券化之風險管理之其他披露

本行就證券化風險採用標準(證券化)方法計算信貸風險。於二零零七年十二月三十一日，本集團並無作為資產證券化發行機構。其為下文全部類型風險之投資機構。

(J) Additional disclosures on risk management on asset securitisation (continued)

Standard and Poor's Rating Services and Moody's Investors Services are the external credit agency institutions that the bank has used in relation to the each and all classes of securitisation exposures below:

(J) 資產證券化之風險管理之其他披露(續)

標準普爾評級服務公司及穆迪投資者服務公司為本行就下文各項及全部類型證券化風險而委聘之外聘信貸評級機構：

		The Group 本集團			Exposures deducted from its 自其扣減之風險	
		As at 31 December 2007 於二零零七年十二月三十一日				
		Outstanding Amounts 未付金額 HK\$'000 千港元	Risk- weighted amount 風險加權金額 HK\$'000 千港元	Capital requirements 資本需求 HK\$'000 千港元	Core capital 核心資本 HK\$'000 千港元	Supplementary capital 附加資本 HK\$'000 千港元
Traditional securitisations	傳統證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	209,902	99,137	7,931	55,382	55,383
		209,902	99,137	7,931	55,382	55,383
Synthetic securitisations	合成證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	234,501	117,251	9,380	-	-
		234,501	117,251	9,380	-	-
		444,403	216,388	17,311	55,382	55,383

The above capital requirement is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

以上資本需求是相關計算方法得出的本集團風險加權金額乘以8%而得出。它並不代表本集團的實際「法定資本」。

(K) Additional disclosures on equity exposures in banking book

Equity holdings taken by the Group are differentiated between those taken for strategic reasons and those for long term investment for capital gains. Equity holdings taken for strategic reasons include the Group's investment in companies providing financial services which nourish spectrum of the Bank's banking services. These include provident fund services provision, electronic payment services provision, and e-banking infrastructure and platform provision. On the other hand, equity holdings in listed companies are taken for enhancing the medium-term liquidity and yield of the Bank's assets over time. All these investments are classified as "available-for-sale securities" and measured at fair value as described in Notes 2(g) and 44.

(K) 銀行賬戶內之股票風險管理之其他披露

本集團持有之股權有別於以策略原因持有者及以長期投資以獲取資本收益而持有者。以策略原因持有之股權包括集團於提供金融服務之公司之投資，這可壯大本行之銀行服務範圍。該等服務包括提供公積金服務、電子付款服務及電子銀行基礎設施及平臺。另一方面，在一段時間內，持有上市公司之股權乃為提高中期流動資金及資產收益率。所有該等投資乃分類為「可供出售證券」及按公平值計量（如附註2(g)及44所述）。

Cumulative realised gains from sales and liquidations

來自於出售及清盤之
累積變現收益

The Group
本集團
2007
二零零七年
HK\$'000
千港元

99,252

Unrealised gains / (losses)

未變現收益／(虧損)

– Amount recognised in reserve but not through income statement

– 於儲備內確認但未
透過收益表之金額

60,082

– Amount included in / (deducted from) supplementary capital

– 計入／(扣減自)附加資本
之金額

60,082

(L) Additional disclosures on risk management on interest rate exposures in banking book

In accordance with the prudential return "Interest Rate Risk Exposures" issued by the Hong Kong Monetary Authority, the Bank calculates, on a quarterly basis, the impact on earnings over the next 12 months under a scenario of which all interest rates other than prime rises 200 basis points.

As at 31 December 2007, the 200 basis points interest rate rises would reduce earnings over the next 12 months on the HKD and USD interest risk positions by HK\$108 million (2006: HK\$109 million) and HK\$44 million (2006: HK\$51 million) respectively.

(L) 銀行賬戶內之利率風險管理之其他披露

按照香港金融管理局發出的申報表「利率風險承擔」，本行按季度基準根據除最優惠利率外的全部利率上升200個基點之情況計算對下一個十二月之盈利之影響。

於二零零七年十二月三十一日，利率上升200個基點將下一個十二月之港元及美元利率風險持倉分別減少108,000,000港元（二零零六年：109,000,000港元）及44,000,000港元（二零零六年：51,000,000港元）。

(M) Repossessed assets and assets acquired under lending agreements

The total repossessed assets and assets acquired under lending agreements of the Group as at 31 December 2007 amounted to HK\$34,002,000 (2006: HK\$65,280,000).

(N) Corporate governance

The Bank is committed to high standards of corporate governance, and has fully complied throughout the year with the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" issued by the HKMA.

(O) Key specialised committees

The Board of Directors has established a number of governing committees including the Executive Credit Committee, Management Committee, Asset and Liability Committee, Audit Committee, and Remuneration Committee. Compositions and functions of these committees are set out below:

(i) Executive Credit Committee

The Executive Credit Committee comprises the Chairman, Vice Chairman and two Executive Directors. This Committee serves as the Credit Committee of the Board of Directors to review and approve credit proposals within limits assigned by the Board.

(ii) Management Committee

The Management Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer, Head of Legal Division and senior management personnel as appointed by the Chief Executive Officer. 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.

(M) 收回資產及根據借貸協議所得資產

於二零零七年十二月三十一日，本集團之收回及根據信貸協議所得資產總額為34,002,000港元（二零零六年：65,280,000港元）。

(N) 企業管治

本行致力實行高水平企業管治，並於本年度一直遵守金管局頒佈之「本地註冊認可機構之企業管治」指引。

(O) 主要專責委員會

董事委員會已成立若干管治委員會，包括執行信貸委員會、管理委員會、資產及負債委員會、審核委員會以及薪酬委員會。該等委員會之構成及職能載列如下：

(i) 執行信貸委員會

執行信貸委員會由主席、副主席及兩名執行董事組成。該委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批准信貸建議。

(ii) 管理委員會

管理委員會由本行的行政總裁及行政總裁、執行董事、財務總監及法律部主管所委任的高級管理人員組成。委員會乃本行重要的決策組織，主要職責是制定本行所有主要部門的業務策略。同時，委員會在業務策略的推行過程中，亦負責協調業務部門的工作、監察已批准業務策略的實施進度，以及檢討工作是否合乎業務目標與預期表現。

(O) Key specialised committees (continued)*(iii) Asset and Liability Committee*

The Asset and Liability Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer, Head of Treasury and senior management personnel as appointed by the Chief Executive Officer. The Committee meets at least bi-weekly with the internal auditor and compliance officer attending the meeting as observers to ensure overall compliance with the Bank's 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 new products proposed by business units and approves new products.

(iv) Audit Committee

The Bank has complied with Rule 3.21 of the Listing Rule in relation to the composition of the Audit Committee. The Audit Committee comprises one Non-Executive Director and two Independent Non-Executive Directors. The Audit Committee is chaired by Mr. Robert James KENRICK, an Independent Non-Executive Director who has appropriate accounting professional qualifications. It meets at least four times a year and additionally when deemed necessary.

(O) 董事委員會 (續)*(iii) 資產負債委員會*

資產負債委員會由本行的行政總裁、執行董事、財務總監、司庫主管及行政總裁所委任的高級管理人員組成。委員會與內部核數師最少每兩星期舉行一次會議，並由合規分部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付債務的能力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，以上呈予董事局批准。委員會亦制定資源及資金運用的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。此外，資產及負債委員會亦評估業務部門所建議新產品涉及的風險及盈利能力，並審批有關產品。

(iv) 審核委員會

本行就審核委員會之組成已遵守「上市規則」第3.21條之規定。審核委員會包括一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當之會計專業資格之獨立非執行董事甘禮傑先生任主席。該委員會每年最少舉行四次會議，並在有需要時舉行特別會議。

O) Key specialised committees (continued)*(iv) Audit Committee (continued)*

The Audit Committee ensures adequate supervision of the Bank's financial reporting processes, reviews the internal audit programmes and reports, ensures coordination between the internal and external auditors, and monitors compliance with internal policies, statutory regulations and recommendations made by the external auditors.

During the financial year, the Audit Committee has reviewed the Bank's financial reporting process and the systems of internal control, including reviews of the internal audit functions and the risk management process. In particular, the reviews undertaken by Audit Committee on the internal audit function include reviews of the internal audit program, the internal audit reports issued, the major findings from any investigation and remedial actions taken by the relevant departments in response to the findings.

The Audit Committee also reviews the appointment of the external auditors and discusses with them the nature and scope of their audits. In addition, any issues arising from their audits together with the follow up actions taken by the Bank to address those issues have also been examined by the Audit Committee. The Audit Committee also reviewed the interim and annual financial statements before recommending them to the Board for approval. It also reviewed the Bank's statement on internal control systems in the annual report prior to the endorsement by the Board.

(v) Remuneration Committee

The Remuneration Committee comprises the Board's Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors. The Committee meets as required to review and approve the remuneration packages for senior executives which include the Chief Executive Officer, Executive Directors, and Executive Vice Presidents. Executive Directors do not take part in decisions on their own remuneration.

(O) 董事委員會 (續)*(iv) 薪酬委員會 (續)*

審核委員會確保對本行之財務申報程序進行足夠之監管、檢討內部審核程序及報告、確保內部及外聘核數師互相協調，以及監控遵守內部政策、法規及由外聘核數師所提出之建議。

於本財政年度內，審核委員會已就本行之財務報告編製程序及內部監控系統作出檢討，其中包括內部審核職能及風險管理程序。在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核方案、已發佈之內部審核報告、任何調查所發現之主要問題，以及相關部門就有關問題所採取之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。此外，審核委員會亦就審計所發現之問題及本行所採取之相應解決行動進行審核。審核委員會亦於向董事會建議批准中期及年度財務報告之前審閱有關報告，並在建議董事會批准年報所載之本行有關內部監控系統之聲明之前，審閱有關聲明。

(v) 薪酬委員會

薪酬委員會由董事會之非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以審閱及批核高級行政人員(包括行政總裁、執行董事及執行副總裁)之薪酬方案。執行董事並無參與與其相關之薪酬決策討論。

(P) Market risk management

Details of the Group's market risk management policies and measures have been set out in Note 47(b).

The Group calculates VAR with a confidence level of 99% and a holding period of one trading day. The VAR model adopted by the Group is predominantly based on parametric model. This model is assumes a normal symmetric distribution of risk variables.

The Group has measured VAR for all material trading portfolios. The VAR results as shown in the below table are calculated independently according to the underlying positions, correlations and historical market movements.

At 31 December**於十二月三十一日**

<i>VAR by risk type:</i>	<i>按風險種類劃分之風險值：</i>
Foreign exchange risk	外匯風險
Interest rate risk	利率風險
Equities risk	股票風險
Total VAR	總風險值

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

The Group's maximum market risk exposures are set by the Assets 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\$166,676 (2006: HK\$102,948) and the standard deviation was HK\$380,512 (2006: HK\$182,557). An analysis of the Group's trading revenue is shown below:

(P) 市場風險管理

本集團之市場風險管理政策及措施之詳情載於附註47(b)。

本集團對信心水平為99%及持有期為一個交易日的風險值予以計算。本集團所採用的風險值模式乃優先基於參數模式。該模式乃假設風險變數一般對稱分派。

本集團已計量所有重大貿易組合的風險值。下表所列示的風險值結果乃按照相關持倉、相互關係及過往市場變動進行獨立計算。

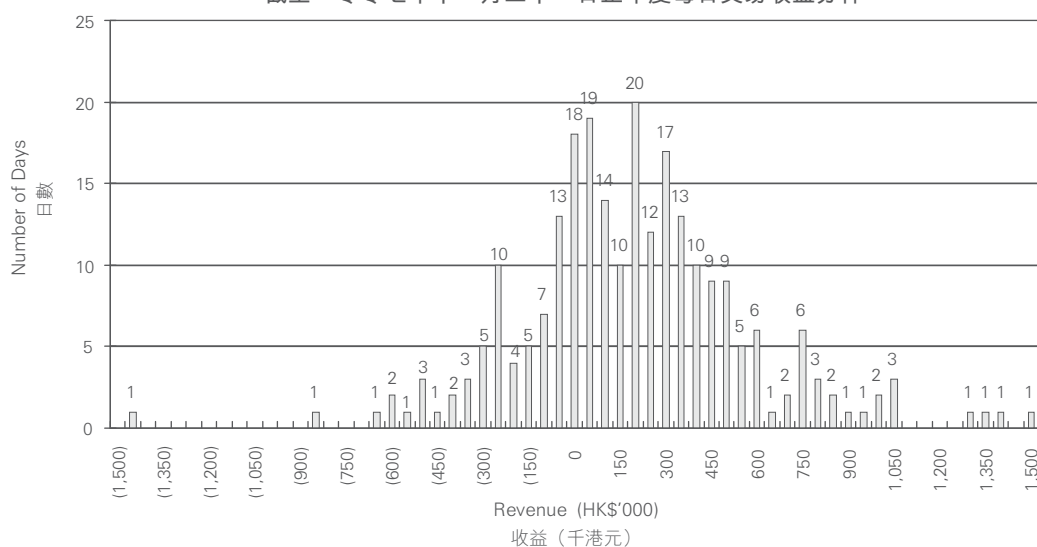
	2007	2006
	二零零七年	二零零六年
	HK\$'000	HK\$'000
	千港元	千港元
	804	378
	32	9
	15	1
	815	378

本集團採納一套謹慎的方法管理其交易組合，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，而這些皆是因應客戶的交易指示、自營買賣及對沖活動而產生的持倉。

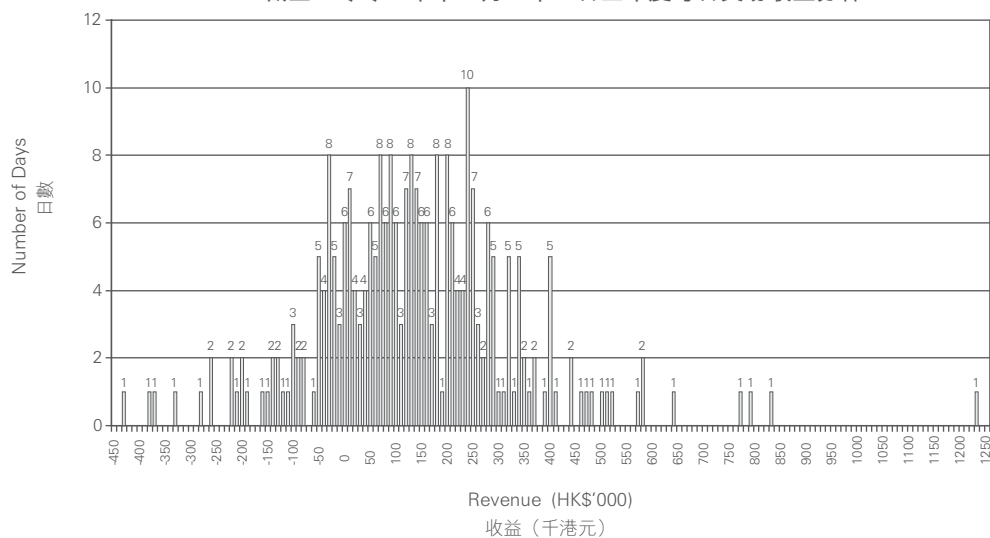
本集團之最高市場風險承擔由資產負債委員會訂定，並定期受到監控及須向管理層匯報。年內由財資交易活動獲得的平均每日收益為166,676港元(二零零六年：102,948港元)，標準偏差為380,512港元(二零零六年：182,557港元)。本集團之交易收益分析如下：

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

**Daily Distribution of Trading Revenue
for the Year Ended 31st December 2007**
截至二零零七年十二月三十一日止年度每日交易收益分佈



**Daily Distribution of Trading Revenue
for the Year Ended 31st December 2006**
截至二零零六年十二月三十一日止年度每日交易收益分佈



This shows a maximum daily loss of HK\$1,470,254 (2006: HK\$424,567) with 77 days (2006: 54 days) out of 246 days (2006: 262 days) showing losses. The most frequent results were observed in daily revenue falling from HK\$150,000 to HK\$200,000 (2006: HK\$240,000 to HK\$250,000) with 20 occurrences (2006: 10 occurrences in the range). The highest daily revenue was HK\$1,486,068 (2006: HK\$1,230,394).

以上圖表顯示於246天(二零零六年: 262天)交易日中, 77天(二零零六年: 54天)錄得虧損, 最高每日虧損1,470,254港元(二零零六年: 424,567港元)。最常見交易成績為每日收益介乎150,000港元至200,000港元(二零零六年: 240,000港元至250,000港元), 並於每一組別出現20次(二零零六年: 於每一組別出現10次)。最高每日收益為1,486,068港元(二零零六年: 1,230,394港元)。



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