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財務概要 (未經審核)

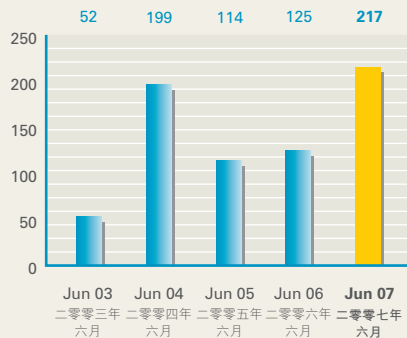
	For the six months ended	
	30 June 2007 截至二零零七年 六月三十日 之六個月	30 June 2006 截至二零零六年 六月三十日 之六個月
HK\$ Million 百萬港元		
Profit Attributable to Shareholders 股東應佔溢利	217	125
Interim dividend (per share) 中期股息(每股)	6.00 cents 仙	6.00 cents 仙
Return on average equity 平均股本回報率	11.30%	6.83%
Return on average assets 平均資產回報率	0.83%	0.49%

	As at	
	30 June 2007 於二零零七年 六月三十日	31 December 2006 於二零零六年 十二月三十一日
HK\$ Million 百萬港元		
Total assets 總資產	54,875	53,347
Advances to customers less impairment allowances 客戶貸款減減值撥備	28,426	25,751
Customer deposits and medium term funding 客戶存款及中期資金	41,010	38,748
Shareholders' funds 股東資金	4,018	3,979
Capital adequacy ratio 資本充足比率	15.37%	16.60%
Core capital ratio 核心資本比率	10.55%	12.84%

	For the six months ended	
	30 June 2007 截至二零零七年 六月三十日 之六個月	30 June 2006 截至二零零六年 六月三十日 之六個月
Liquidity ratio (average for the period) 本期間平均流動資金比率	45.53%	42.91%

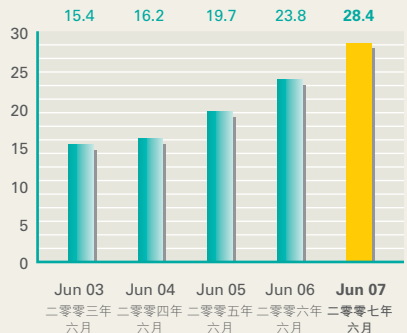
Profit Attributable to Shareholders

股東應佔溢利
HK\$ Million (百萬港元)



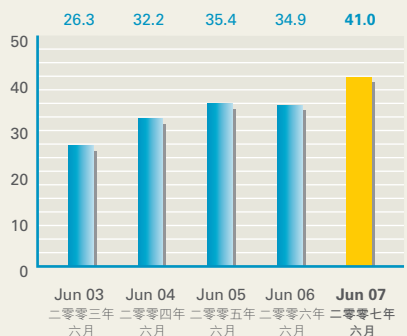
Advances to Customers Less Impairment Allowances

客戶貸款減減值撥備
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)



公司資料

SHAREHOLDERS

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

SOLICITORS

Clifford Chance
Slaughter and May

AUDITORS

KPMG

COMPANY SECRETARY

Juliana CHIU Yuk Ching

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

BOARD OF DIRECTORS

Ming-Hsing (Richard) TSAI

Chairman

Vice Chairman – Fubon Financial Holding Co., Ltd.
Chairman – Fubon Life Assurance Co., Ltd.
Chairman – Taiwan Mobile Co., Ltd.
Chairman – Taiwan Fixed Network Co., Ltd.

Ming-Chung (Daniel) TSAI

Vice Chairman

Chairman and Chief Executive Officer – Fubon Financial Holding Co., Ltd.
Chairman – Taipei Fubon Commercial Bank Co., Ltd.
Chairman – Fubon Land Development Co., Ltd.
Vice Chairman – Taiwan Mobile Co., Ltd.
Vice Chairman – Taiwan Fixed Network Co., Ltd.

Jin-Yi LEE

Executive Director

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

股東

75% – 富邦金融控股股份有限公司
25% – 公眾持有

律師

高偉紳律師行
司力達律師樓

核數師

畢馬威會計師事務所

公司秘書

趙玉貞

註冊辦事處

香港中環
德輔道中 38 號
富邦銀行大廈

董事會

蔡明興

主席

副董事長 – 富邦金融控股股份有限公司
董事長 – 富邦人壽保險股份有限公司
董事長 – 台灣大哥大股份有限公司
董事長 – 台灣固網股份有限公司

蔡明忠

副主席

董事長兼執行長 – 富邦金融控股股份有限公司
董事長 – 台北富邦商業銀行股份有限公司
董事長 – 富邦建設股份有限公司
副董事長 – 台灣大哥大股份有限公司
副董事長 – 台灣固網股份有限公司

李晉頤

執行董事

董事總經理兼行政總裁 – 富邦銀行
(香港)有限公司

Michael CHANG Ming Yuen

Executive Director

Executive Vice President – Fubon Bank
(Hong Kong) Limited

Chairman – Fubon Credit (Hong Kong) Limited

Director – FB Securities (Hong Kong) Limited

Director – Fubon Hong Kong (Taiwan) Co., Ltd.

Director – Net Alliance Co. Limited

Independent Director – Hua Xia Bank Co., Limited

Appointed Member – Deposit-Taking

Companies Advisory Committee

James YIP

Executive Director

Executive Vice President – Fubon Bank
(Hong Kong) Limited

Director – Fubon Credit (Hong Kong) Limited

Director – FB Securities (Hong Kong) Limited

Director – Fubon Bank Vanuatu Limited

Director – Fubon Capital (HK) Limited

Director – iMarkets Limited

Director – iMarkets Structured Products Limited

Victor KUNG

Non-Executive Director

Director and President – Fubon Financial Holding
Co., Ltd.

Chairman – Fubon Asset Management Co., Ltd.

Director – Fubon Insurance Co., Ltd.

Director – World Vision Taiwan

Director – Taiwan After – Care Association

Director – Taipei Fubon Bank Charitable Foundation

Director – Epoch Foundation

Jesse DING

Non-Executive Director

President – Taipei Fubon Commercial Bank Co., Ltd.

Robert James KENRICK

Independent Non-Executive Director

Moses K. TSANG

Independent Non-Executive Director

Chairman and Managing Partner – Ajia Partners

General Manager and Partner – EC Investment

Services Limited

Hung SHIH

Independent Non-Executive Director

Managing Director – China Renaissance Capital
Investment Limited

張明遠

執行董事

執行副總裁 – 富邦銀行(香港)有限公司

主席 – 富邦財務(香港)有限公司

董事 – 富銀證券(香港)有限公司

董事 – 台灣富銀股份有限公司

董事 – 網聯(香港)有限公司

獨立董事 – 華夏銀行股份有限公司

委員 – 接受存款公司諮詢委員會

葉強華

執行董事

執行副總裁 – 富邦銀行(香港)有限公司

董事 – 富邦財務(香港)有限公司

董事 – 富銀證券(香港)有限公司

董事 – Fubon Bank Vanuatu Limited

董事 – 富邦融資(香港)有限公司

董事 – iMarkets Limited

董事 – iMarkets Structured Products Limited

龔天行

非執行董事

董事及總經理 – 富邦金融控股股份
有限公司

董事長 – 富邦證券投資信託股份有限公司

董事 – 富邦產物保險股份有限公司

董事 – 台灣世界展望會

董事 – 台灣更生保護會

董事 – 台北富邦銀行公益慈善基金會

董事 – 時代基金會

丁予康

非執行董事

總裁 – 台北富邦商業銀行股份有限公司

甘禮傑

獨立非執行董事

曾國泰

獨立非執行董事

主席兼管理合夥人 – Ajia Partners

總經理兼合夥人 – EC Investment

Services Limited

石宏

獨立非執行董事

董事總經理 – 崇德基金投資有限公司

HONG KONG AND CHINA ECONOMIC OVERVIEW

In the first half of the year Hong Kong's economy experienced a good measure of follow-through from the strength achieved in 2006, when real GDP increased by 6.8%. As a result, consensus estimates for the full year real GDP growth rate have risen by 1% to a range of 5-6%. This still represents a slight deceleration compared with 2006, but growth is now expected to increase at an above-trend pace.

All aspects of the economy have performed well in the first half of the year, with trade still showing growth despite the potential slowdown in export demand from the US economy, while local consumption has been supported by relatively low real interest rates, high levels of liquidity and buoyant asset markets.

Strong inflows of liquidity into the economy, mostly related to initial public offerings by Chinese companies on the Hong Kong stock exchange, have allowed Hong Kong dollar interest rates to remain steady throughout the first half of the year. As the pipeline of IPOs remains at healthy levels, it is unlikely that Hong Kong dollar interest rates can be lifted in the near term.

Unemployment has steadily fallen to 4.2%, and employment continues to reach record levels. Competition for service sector employees has become particularly acute, with a scarcity of skilled staff noted in the financial sector.

香港及中國經濟概覽

承接二零零六年實質本地生產總值上升了6.8%，香港今年上半年的增長勢頭保持強勁。市場對全年實質本地生產總值的增長率已調高1%到5至6%的水平。雖然增幅與二零零六年相比稍為放緩，但預期增長速度將高於過去的平均水平。

於今年上半年，各個經濟環節均取得不俗表現，即使從美國經濟帶動的出口需求可能放緩，貿易依然錄得升幅。實際利率偏低、流動資金充裕及資產市場暢旺亦同樣對本地消費帶來支持。

多間中資機構在香港進行首次招股上市，導致大量資金流入本港經濟體系，令港元息率於整個上半年維持穩定。鑒於仍有多間公司正在香港輪候上市，港元息率於短期內應不會趨升。

失業率逐步回落至4.2%的水平，就業數字不斷刷新歷史高位。市場上對服務性行業員工的需求競爭尤其激烈，金融業更出現人才短缺的情況。

As the labour market has remained buoyant, Hong Kong's asset markets have experienced good price increases due to strong demand. Residential property prices have risen, on average, by 7% in the first half of the year, and with supply expected to remain at relatively low levels, residential property prices are expected to continue to rise for the rest of the year.

The Hang Seng Index broke the 22,000 level for the first time on 22 June, and has continued to achieve new highs since. Daily turnover has risen in tandem, and an all-time high of HK\$120 billion was achieved on 20 June. Average daily turnover year-to-date has nearly doubled compared with the same period last year to HK\$64 billion. Stock-brokerage income has risen commensurate with this increase in activity.

Despite the strength of the economy inflation has remained relatively subdued, running at an annualised rate of 2.5% aided by housing rates concessions by the HKSAR Government. Concerns about imported inflation as the Chinese Renminbi appreciates have, as yet, been proved unfounded. Headline inflation is still expected to run at 2.5% for the rest of the year.

There are still risks in the economic outlook, with China's efforts to correct imbalances in its economic expansion being a major concern. The impact of a weakening housing market in the US could also have a major impact on Hong Kong's major trading partners. The pace at which the Bank of Japan raises its interest rates could also unravel the so-called global "carry trade". High oil prices remain an ever present risk.

由於就業市場依然蓬勃，香港的資產市場在需求激增下錄得理想的價格升幅。住宅物業的價格於上半年的升幅平均達7%，在供應預料仍會維持在相對匱乏的情況下，預期住宅物業的價格於今年餘下時間將繼續攀升。

恆生指數於六月二十二日首次升穿22,000點水平，隨後更屢創新高。每日成交額亦隨著指數上漲而增加，於六月二十日創下歷來最高水平，成交金額達到1,200億港元。與去年同期的640億港元比較，平均每日成交額按年增加接近一倍。證券經紀收入亦隨著交投增加而銳升。

儘管經濟表現強勁，但受到香港特區政府的減租措施影響，年率化之通脹率為2.5%，反映通脹仍然溫和。至於由國內人民幣升值而可能引起的進口通脹憂慮，至今仍未有根據。預期整體通脹於今年餘下時間仍然會維持在2.5%水平。

然而，本港經濟仍然存在風險。中國如何糾正因經濟擴張而引致的失衡將成為要點。美國房屋市場趨弱，亦可能對香港的主要貿易夥伴造成巨大影響。日本央行調高利率的步伐，亦可能導致全球湧現「套息交易」的拆倉潮。此外，油價高企仍然是一直以來存在的風險。

Overall, Hong Kong's economic activity has surprised on the upside in the first half of the year, and there is reason to be optimistic that the rest of the year will produce similar results, assuming that the risks mentioned earlier are successfully navigated.

FUBON BANK PERFORMANCE

Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries ("the Group") reported a net profit of HK\$217 million for the first six months ended 30 June 2007, representing an impressive growth of 73% over the same period in 2006. Earnings per share rose to 18.54 Hong Kong cents, compared with the corresponding figure of 10.70 Hong Kong cents per share for the first half of 2006. The encouraging results for the first half of 2007 reflect effective execution of the Group's business strategies and tighter business integration with its parent company, Fubon Financial Holding Co., Ltd., supported by buoyant economic conditions.

Gross interest income rose 15% to HK\$1,360 million for the first six months of 2007, whereas gross interest expense increased from HK\$860 million to HK\$950 million over the corresponding period. As a result, net interest income grew by HK\$90 million or 28% to HK\$410 million. The increase was mainly due to strong loan growth and improvement in investment yield, which outweighed the unfavourable effect of narrowing of Prime-HIBOR spreads. Effective net interest margin improved by 27 bps to 1.64% from 1.37% for the first half of 2006.

整體而言，香港的經濟活動於今年上半年出乎意料地呈現強勢。假如上述各項風險能成功地得到紓緩，相信今年下半年的經濟表現將會同樣樂觀。

富邦銀行業績表現

富邦銀行(香港)有限公司(「本銀行」)及其附屬公司(「本集團」)截至二零零七年六月三十日止六個月的淨溢利較二零零六年同期增長 73%，達 2.17 億港元。每股盈利為 18.54 港仙，而二零零六年上半年的每股盈利為 10.70 港仙。蓬勃的經濟環境、有效的業務策略及與母公司富邦金融控股股份有限公司更緊密的業務整合，令本集團於二零零七年上半年取得令人鼓舞的業績。

與二零零六年上半年比較，二零零七年首六個月利息收入總額增長 15% 至 13.6 億港元，利息支出總額則由 8.6 億港元上升至 9.5 億港元。淨利息收入增加 9,000 萬港元，相等於 28% 的升幅至 4.1 億港元。淨利息收入增加主要是由於貸款增長強勁及投資收益有所改善蓋過港元最優惠利率與同業拆息息差收窄帶來的不利影響。實際淨息差由二零零六年上半年的 1.37% 改善至 1.64%，上升了 27 個基點。

Other operating income including net fees and commission income reached HK\$272 million, which represented a 31% or HK\$64 million increase compared to the same period of last year. In the past two years, the Group has invested in expanding both the product and the customer platform of its wealth management business. This growth strategy is paying off and has resulted in robust growth of 42% or HK\$48 million in commission income from sales of wealth management products, encompassing financial markets investment and structured products, unit trust and insurance. Benefiting from the buoyant Hong Kong equity market and strong initial public offering ("IPO") activity, brokerage-related commission income surged 55% or HK\$16 million.

Operating expenses rose 28% from HK\$315 million to HK\$405 million. This increase was primarily due to higher compensation and other staff expenses related to the hiring of new staff to support business growth. Nevertheless, the strong growth in net interest income and other operating income has slightly outpaced the increase in operating expenses and the Group was able to maintain its cost to income ratio at 59%. Operating profits before gains and impairment losses rose 30% or HK\$65 million to HK\$277 million compared with HK\$212 million in the first half of 2006.

其他營運收入(包括淨費用及佣金收入)較去年同期增長 31% 或 6,400 萬港元, 達 2.72 億港元。於過去兩年, 本集團積極拓展財富管理業務的產品及客戶平台, 此增長策略亦已取得回報。銷售財富管理產品的佣金錄得 42% 或 4,800 萬港元的增幅, 當中包括金融市場相關投資及結構性產品、單位基金及保險產品的佣金收入。此外, 股票市場暢旺及頻繁的首次公開招股活動亦帶動經紀佣金收入飆升 55% 或 1,600 萬港元。

營運支出由 3.15 億港元上升 28% 至 4.05 億港元。該支出增長主要是為了配合業務發展而增聘員工, 以致僱員成本及其他僱員開支增加。儘管如此, 由於淨利息收入及其他營運收入的增幅略高於營運支出, 令本集團的成本對收入比率維持在 59% 的水平。未計收益及減值虧損前的經營溢利由二零零六年上半年的 2.12 億港元增長 30%, 或 6,500 萬港元, 至 2.77 億港元。

In line with continued growth of the domestic economy which has supported corporate profitability and household income, the Group recorded a net charge for impairment losses on advances to customers of HK\$31 million, a decrease of HK\$48 million when compared to HK\$79 million in the first half of 2006. Asset quality remained good as evidenced by the impaired loans ratio declining to 0.59% as of 30 June 2007 from 0.93% as of 31 December 2006. After accounting for these impairment charges, other gains and tax charge, profit attributable to shareholders of HK\$217 million was recorded, representing a 73% increase from HK\$125 million for the first half of 2006. Return on average assets and return on average equity improved significantly from 0.49% to 0.83% and from 6.83% to 11.30% respectively when compared with the first half of 2006.

With diversified sources of funding and growth in customer deposits, the Group was able to support asset growth of 3% to HK\$54.9 billion as at 30 June 2007. Customer deposits grew 3%, reaching HK\$34.7 billion as at 30 June 2007. To diversify its funding sources, the Group successfully raised HK\$0.8 billion through notes issuances under its US\$1 billion Euro Medium Term Note Program launched in March 2006 and HK\$0.7 billion through issuance of certificates of deposit in the first half of 2007. This has further strengthened the Group's asset and liability management capabilities and reduced the Group's reliance on rate sensitive funding. The loan portfolio reached HK\$28.4 billion, an increase of 10% or HK\$2.7 billion over 2006 year-end balances. Trade finance increased by 73% or HK\$0.7 billion on the back of robust merchandise exports and strong domestic demand. Loans for use outside Hong Kong grew by 31% or HK\$1.7 billion, mainly arising from strong momentum of Taiwan-related corporate lending and hire purchase loans for use in Mainland China.

本地經濟持續增長，帶動企業盈利及家庭收入增加，本集團錄得客戶貸款之減值虧損由二零零六年上半年的 7,900 萬港元降至 3,100 萬港元，減少了 4,800 萬港元。截至二零零七年六月三十日，減值貸款比率由二零零六年十二月三十一日的 0.93% 降至 0.59%，反映了資產質素良好。計及上述減值虧損、其他收益及稅項，股東應佔溢利由二零零六年上半年的 1.25 億港元飆升 73%，達 2.17 億港元。與二零零六年同期比較，平均資產回報率及平均股本回報率均錄得顯著增長，平均資產回報率由 0.49% 上升至 0.83%，平均股本回報率則由 6.83% 上升至 11.30%。

分散的資金來源及客戶存款增加令本集團截至二零零七年六月三十日之總資產錄得 3% 的升幅至 549 億港元。客戶存款增長 3%，達 347 億港元。為分散資金來源，本集團於二零零七年上半年透過二零零六年三月推出的 10 億美元「歐元中期票據計劃」及發行存款證，分別成功地籌集了 8 億港元及 7 億港元的資金。此舉進一步增強了本集團管理資產及負債的能力，並降低本集團對利率敏感資金之依賴。貸款組合較二零零六年年底上升了 10%，或 27 億港元達 284 億港元。在強勁的商品出口及本地需求增加的影響下，貿易融資增長了 73%，或 7 億港元。於香港以外運用之貸款亦增長了 31%，或 17 億港元，這主要是由於台灣相關的企業貸款及在中國內地運用的租購融資增長強勁所致。

Taiwan-related business continued to demonstrate impressive growth during the first half of 2007. The corporate loans portfolio increased by 62% or HK\$1.6 billion and the deposits portfolio grew 19% or HK\$1 billion as compared to 2006 year-end balances. Furthermore, assets under management grew by more than 50% to HK\$6.5 billion. As at 30 June 2007, the loan and customer deposit balances of Taiwan-related business represented 14% (2006 year-end: 10%) and 19% (2006 year-end: 16%) of the total loan and deposit balances of the Group respectively. For the first half of 2007, Taiwan-related business contributed 24% (first half of 2006: 9%) of the Group's operating profits before gains and impairment losses.

台灣相關業務於二零零七年上半年持續錄得可觀的增長。與二零零六年年底比較，企業貸款組合增長了 62%，或 16 億港元，存款組合則增長了 19%，或 10 億港元。此外，所託管的資產亦攀升超過 50% 至 65 億港元。截至二零零七年六月三十日，台灣相關的貸款及客戶存款結餘分別佔本集團總貸款及存款結餘的 14%（二零零六年年底：10%）及 19%（二零零六年年底：16%）。於二零零七年上半年，本集團 24% 之未計收益及減值虧損前的經營溢利來自台灣相關業務（二零零六年上半年：9%）。

The Directors have pleasure in presenting the unaudited interim consolidated financial report of Fubon Bank (Hong Kong) Limited (the "Bank") and its subsidiaries (collectively the "Group") for the six months ended 30 June 2007.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The unaudited interim financial report on pages 17 to 66 together with the unaudited supplementary financial information on pages 67 to 95 comply with the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Group is committed to the highest standards of corporate governance including but not limited to strict adherence to the principles and all Code provisions 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") throughout the accounting period for the six months ended 30 June 2007.

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

董事會欣然提呈富邦銀行(香港)有限公司(「本銀行」)及其附屬公司(統稱「本集團」)截至二零零七年六月三十日止六個月之未經審核中期業績。

遵守銀行(披露)規則

載於第17至66頁之未經審核中期財務報告連同載於第67至95頁之未經審核補充財務資料均遵守香港金融管理局頒佈之銀行披露規則。

遵守企業管治常規守則

本集團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」)所載原則及所有守則條文。截至二零零七年六月三十日止六個月期間，本集團嚴格遵守載於守則內之原則及全部守則。

遵守董事進行證券交易之守則

本集團已採納上市規則附錄十刊載之《上市公司董事進行證券交易之標準守則》(「標準守則」)，作為本集團董事進行證券交易之操守準則。

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (continued)

The Group has made specific enquiries with all Directors regarding any non-compliance with the Model Code during the accounting period for the six months ended 30 June 2007, and received confirmations from all Directors that they have fully complied with the required standards set out in the Model Code.

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

The Directors and Chief Executive of the Bank who held office at 30 June 2007 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial"), at that date as recorded in the register of Director's and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance:

遵守董事進行證券交易之守則(續)

本集團已就於截至二零零七年六月三十日止六個月之會計期間任何未遵守標準守則之事宜詳細向各董事作出查詢，並獲董事確認，彼等已完全遵守標準守則刊載之規定標準。

董事及行政總裁於股份、相關股份及債券的權益和淡倉

於二零零七年六月三十日在任之本銀行董事及行政總裁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(「富邦金融」)股份權益如下：

Ordinary shares in Fubon Financial of NT\$1 each 富邦金融每股面值一元新台幣普通股股份

Name	Personal	Family	Corporate	Total number of shares held	Percentage of total issued shares
姓名	個人	家族	法團	所持股份總數	佔全部發行股權之百分比
Ming-Chung (Daniel) Tsai 蔡明忠	229,536,304	32,254,166	1,819,101,232 ⁽¹⁾	2,080,891,702	26.96
Ming-Hsing (Richard) Tsai 蔡明興	209,591,280	28,026,879	1,819,101,232 ⁽¹⁾	2,056,719,391	26.64
Jin-Yi Lee 李晉頤	520,000 ⁽²⁾	-	-	520,000	0.01
Jesse Ding 丁予康	2,021,531	-	-	2,021,531	0.03
Victor Kung 龔天行	665,571	-	-	665,571	0.01

DIRECTOR'S AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Notes:

- (1) 1,819,101,232 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 pursuant to Fubon Financial's treasury shares programme which invited the Directors and certain senior management of the Group to acquire Fubon Financial's shares at a discounted price.

Apart from the foregoing, none of the Directors and Chief Executive of the Bank or any of their spouses or children under eighteen years of age has any interests or short positions in the shares, underlying shares or debentures of the Bank, its holding company, subsidiaries or fellow subsidiaries.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 30 June 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 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)

附註：

- (1) 1,819,101,232 股股份由多個法團持有，而蔡明忠先生、蔡明興先生及其他蔡氏家族成員於上述法團均享有受惠權益。
- (2) 該等股份是透過富邦金控庫存股份計劃所認購。該計劃邀請本集團董事及若干高級管理層成員以折讓價認購富邦金控股份。

除上述者外，本銀行董事及行政總裁或彼等之配偶或任何十八歲以下之子女，概無於本銀行、其控股公司、附屬公司或同系附屬公司之股份、相關股份或債券中擁有權益或淡倉。

主要股東及其他人士

於二零零七年六月三十日，本銀行已從主要股東登記冊內獲悉下列人士擁有本銀行已發行股本 5% 或以上的權益。

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

DIRECTORS

The Directors in office during the six months ended 30 June 2007 and at the date of this report were:

Executive Directors

Jin-Yi Lee (Managing Director and Chief Executive Officer)

Chang Ming-Yuen, Michael
James Yip

Non-Executive Directors

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

Independent Non-Executive Directors

Robert James Kenrick
Moses Tsang
Hung Shih

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

The Bank has not redeemed any of its listed shares during the six months ended 30 June 2007. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the period.

董事

於截至二零零七年六月三十日止六個月期間及本報告日期之在任董事為：

執行董事

李晉頤(董事總經理
兼行政總裁)

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
丁予康

獨立非執行董事

甘禮傑
曾國泰
石宏

購入、出售或贖回本銀行上市股份

截至二零零七年六月三十日止六個月期間，本銀行並無贖回其任何上市股份。期內，本銀行或其任何附屬公司並無購買或出售本銀行之任何股份。



REVIEW REPORT TO THE BOARD OF DIRECTORS OF FUBON BANK (HONG KONG) LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 17 to 66, which comprises the consolidated balance sheet of Fubon Bank (Hong Kong) Limited as of 30 June 2007 and the related consolidated statements of income and changes in equity, and condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

審閱報告

致富邦銀行(香港)有限公司董事會
(於香港註冊成立的有限公司)

引言

我們已審閱列載於第17頁至第66頁富邦銀行(香港)有限公司的中期財務報告，此中期財務報告包括於二零零七年六月三十日的合併資產負債表與截至該日止六個月期間的合併收益表、權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須符合上市規則中的相關規定和香港會計師公會頒佈的《香港會計準則》第34號「中期財務報告」的規定編製中期財務報告。董事須負責根據《香港會計準則》第34號編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協定的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔法律責任。

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity" issued by the HKICPA. A review of the interim financial report consists of making enquires, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2007 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

KPMG

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

Hong Kong, 14 August 2007

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則》第2410號「獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港審計準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於二零零七年六月三十日的中期財務報告在所有重大方面沒有按照《香港會計準則》。第34號「中期財務報告」的規定編製。

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，二零零七年八月十四日

Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2007

綜合收益表 (未經審核)

截至二零零七年六月三十日之六個月

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000	截至二零零六年 六月三十日 之六個月 HK\$'000
		千港元	千港元
	Note 附註		
Interest income	利息收入	1,359,951	1,179,433
Interest expense	利息支出	(950,307)	(860,071)
Net interest income	淨利息收入	409,644	319,362
Fee and commission income	費用及佣金收入	169,991	109,572
Fee and commission expense	費用及佣金支出	(42,849)	(20,305)
Net fees and commission income	淨費用及佣金收入	127,142	89,267
Other operating income	其他營運收入	144,443	118,570
Operating income	營運收入	681,229	527,199
Operating expenses	營運支出	(404,518)	(315,031)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利	276,711	212,168
Net gains from disposals of available-for-sale securities	出售可供出售證券之淨收益	7,541	19,878
Impairment losses on advances to customers	客戶貸款之減值虧損	(31,005)	(79,339)
Reversal / (charge) of impairment losses on investments and assets acquired under lending agreements	投資及根據貸款協議所得資產減值虧損之回撥 / (扣除)	1,060	(105)
Loss on disposals of fixed assets	出售固定資產之虧損	(120)	-
Profit before taxation	除稅前溢利	254,187	152,602
Taxation	稅項	(36,849)	(27,202)
Profit attributable to shareholders	股東應佔溢利	217,338	125,400
Interim dividend of 6.00 Hong Kong cents per share proposed after the balance sheet date (2006: 6.00 Hong Kong cents)	於結算日後建議派付之中期股息每股 6.00 港仙 (二零零六年: 6.00 港仙)	(70,330)	(70,330)
Earnings per share (Hong Kong cents)	每股盈利(港仙)	18.54	10.70

The notes on pages 21 to 66 form part of these financial statements.

載於第 21 頁至第 66 頁之附註為本未經審核財務報表之一部分。

Extracts from Consolidated Balance Sheet (Unaudited)

As at 30 June 2007

綜合資產負債表概要 (未經審核)

於二零零七年六月三十日

		As at		
		30 June 2007	31 December 2006	
		於二零零七年 六月三十日	於二零零六年 十二月三十一日	
		HK\$'000	HK\$'000	
		千港元	千港元	
ASSETS	資產	Note	附註	
Cash and balances with banks	現金及銀行同業結存	14	6,660,803	7,818,671
Placements with banks maturing between one and twelve months	一至十二個月到期之銀行同業放款	15	1,000,678	1,684,201
Trading securities	持作交易用途之證券	16	511,453	469,030
Other financial instruments designated as at fair value through profit or loss	按公平價值訂值 納入損益賬之 其他金融工具	17	552,911	558,791
Derivative financial instruments	衍生金融工具	18	819,975	537,855
Advances to customers less impairment allowances	客戶貸款減 減值撥備	19	28,426,095	25,751,160
Accrued interest and other accounts	應計利息及其他賬目		1,204,831	1,141,748
Available-for-sale securities	可供出售證券	20	14,545,355	14,257,154
Investments in associated companies	聯營公司投資	21	12,102	6,547
Fixed assets	固定資產	22	1,134,543	1,119,256
Deferred tax assets	遞延稅項資產	30	5,808	2,463
			54,874,554	53,346,876
LIABILITIES	負債			
Deposits and balances from banks	銀行同業之存款及結餘	23	843,697	961,515
Deposits from customers	客戶存款	24	34,737,411	33,810,833
Certificates of deposit issued	已發行存款證	25	4,190,163	3,523,347
Debt securities issued	已發行債務證券	26	2,082,229	1,414,162
Derivative financial instruments	衍生金融工具	18	662,816	425,047
Trading liabilities	交易賬項之負債	27	478,992	445,695
Other accounts and liabilities	其他賬目及負債	28	6,305,649	7,208,234
Deferred tax liabilities	遞延稅項負債	30	26	8,858
Subordinated notes issued	已發行後償票據	31	1,555,115	1,570,155
			50,856,098	49,367,846
CAPITAL RESOURCES	資本來源			
Share capital	股本	32	1,172,160	1,172,160
Share premium	股份溢價	33	749,778	749,778
Reserves	儲備	34	2,096,518	2,057,092
Shareholders' funds	股東資金		4,018,456	3,979,030
			54,874,554	53,346,876

Approved and authorised for issue by the Board of Directors on 14 August 2007.

Robert J. Kenrick
Director
甘禮傑
董事

Victor Kung
Director
龔天行
董事

Jin-Yi Lee
Director
李晉頤
董事

經董事會於二零零七年八月十四日通過及授權頒佈。

The notes on pages 21 to 66 form part of these financial statements.

載於第21頁至第66頁之附註為本未經審核財務報表之一部分。

Consolidated Statement of Changes in Equity (Unaudited)

For the six months ended 30 June 2007

股本變動之綜合報告表 (未經審核)

截至二零零七年六月三十日止之六個月

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000 千港元	截至二零零六年 六月三十日 之六個月 HK\$'000 千港元
	Note 附註		
Shareholders' equity as at 1 January	於一月一日 股東股本	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)/虧絀變現	34 (27,241)	18,722
Net change in fair value of available-for-sale securities	可供出售證券公平價值變動淨額	34 (21,851)	(30,723)
Deferred taxation	遞延稅項	34 11,839	2,100
Net losses not recognised in the income statement	未在收益表內確認之虧損淨額	(37,253)	(9,901)
Net profit for the period	期內淨盈利	217,338	125,400
Dividend paid during the period	期內股息派發	(140,659)	(128,938)
Shareholders' equity	股東股本	4,018,456	3,735,477

The notes on pages 21 to 66 form part of these financial statements.

載於第21頁至第66頁之附註為本未經審核財務報表之一部分。

Condensed Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2007

綜合現金流動表摘要 (未經審核)

截至二零零七年六月三十日止之六個月

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000 千港元	截至二零零六年 六月三十日 之六個月 HK\$'000 千港元
Net cash used in operating activities	營運活動所用之現金淨額	(2,649,854)	(6,379,683)
Net cash used in investing activities	投資活動所用之現金淨額	(46,381)	(19,965)
Net cash generated from financing activities	融資活動產生之現金淨額	701,911	2,534,279
Net decrease in cash and cash equivalents	現金及等同現金項目之減少淨額	(1,994,324)	(3,865,369)
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 30 June	於六月三十日之現金及等同現金項目	7,790,051	6,241,549
Analysis of cash and cash equivalents	現金及等同現金項目之分析		
Cash on hand and at banks	現金及銀行同業結餘	1,428,199	380,121
Money at call and short notice	通知及短期存款	4,951,163	4,602,366
Treasury bills with original maturity within three months	原定到期期限為三個月之國庫券	1,332,511	895,321
Placements with banks maturing between one and twelve months from acquisition date	自獲得之日起一至十二個月到期之銀行同業放款	78,178	363,741
		7,790,051	6,241,549

The notes on pages 21 to 66 form part of these financial statements.

載於第21頁至第66頁之附註為本未經審核財務報表之一部分。

1 ACTIVITIES AND CORPORATE AFFILIATION

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

The Directors consider the Group's ultimate holding company at 30 June 2007 to be Fubon Financial Holding Co., Ltd. ("Fubon Financial") which is incorporated in the Republic of China and operates as a financial conglomerate.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and in compliance with Hong Kong Accounting Standard ("HKAS") 34, Interim Financial Reporting, and other relevant HKASs, Hong Kong Financial Reporting Standards ("HKFRSs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), and the disclosure requirements of the Banking (Disclosure) Rules issued by the Hong Kong Monetary Authority ("HKMA").

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2006 annual financial statements, except for the accounting policy changes and the adoption of new accounting policies that are expected to be reflected in the 2007 annual financial statements. Details of these changes are set out in note 4.

1 業務及公司附屬集團

本銀行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

董事會認為，本集團於二零零七年六月三十日的最終控股公司為富邦金融控股股份有限公司（「富邦金控」）。該公司於中華民國註冊成立，為一家金融企業集團。

2 報告之編製基準

本財務報告乃根據香港聯合交易所有限公司證券上市規則的適用披露規定及香港會計師公會頒佈的香港會計準則第 34 號「中期財務報告」以及其他相關香港會計準則、香港財務報告準則（「香港財務報告準則」）及詮譯以及香港金融管理局頒佈之銀行（披露）規則之披露規定而編製。

於編製本中期財務報告時，除採納若干預計將於二零零七年度財務報告內反映之新會計政策變動外，本中期財務報告已應用與二零零六年度賬目內所採納之相同會計政策。此等變動詳情已載列於附註 4。

2 BASIS OF PREPARATION (continued)

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2006 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with the HKFRSs.

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity", issued by the HKICPA. KPMG's review report to the Board of Directors is included on page 15.

The financial information relating to the financial year ended 31 December 2006 that is included in the interim financial report as being previously reported information does not constitute the Bank's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2006 are available from the Bank's registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 6 March 2007.

2 報告之編製基準(續)

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

本中期財務報告包括簡明綜合財務報告及部份說明性附註。附註所載的解釋，有助於了解自本集團編製二零零六年度財務報告以來，對財務狀況和業績表現方面的變動構成重要影響的事件和交易。上述簡明綜合中期財務報告及部份說明性附註並未包括根據香港財務報告準則而編製之全份財務報告之所有資料。

此中期財務報告為未經審核，惟已由畢馬威會計師事務所根據香港會計師公會頒佈之有關審閱委聘的香港準則第 2410 號「由獨立核數師審閱中期財務資料」進行審閱。畢馬威會計師事務所向董事會提供之審閱報告載於第 15 頁。

本中期財務報告內所載有關截至二零零六年十二月三十一日止財政年度之財務資料並不構成本銀行於該財政年度之法定財務報告，惟乃源自該等財務報告。截至二零零六年十二月三十一日止年度之法定財務報告可於本銀行之註冊辦事處索取。核數師已於二零零七年三月六日就該等財務報告發表無保留意見。

3 BASIS OF CONSOLIDATION

This interim financial report covers the consolidated positions of Fubon Bank (Hong Kong) Limited and all its subsidiaries, unless otherwise stated. For regulatory reporting, the bases of consolidation are set out in notes (A) and (C) in the supplementary financial information.

4 CHANGES IN ACCOUNTING POLICIES AND NEW ACCOUNTING POLICIES ADOPTED

The HKICPA has issued a number of new HKFRSs, HKASs and Interpretations that are generally effective for accounting periods beginning on or after 1 January 2007. The Board of Directors has determined the accounting policies expected to be adopted in the preparation of the Group's annual financial statements for the year ending 31 December 2007, on the basis of HKFRSs currently in issue.

The changes in the Group's accounting policies resulting from the adoption of new HKFRSs are attributable to the adoption of the amendments to HKAS 1, "Presentation of Financial Statements: Capital Disclosures" and HKFRS 7, "Financial Instruments: Disclosures". The adoption of these amendments and new HKFRSs has no material effect on the results and the financial position of the Group.

3 綜合之基準

除另有說明外，本中期財務報告包括富邦銀行(香港)有限公司及其所有附屬公司之綜合狀況。為監管報告目的，其綜合之基準則載於補充財務資料附註(A)和(C)。

4 會計政策變動及採納新會計政策

香港會計師公會已頒佈多項新香港財務報告準則、香港會計準則及詮釋，該等準則一般於二零零七年一月一日或以後開始的會計期間生效。董事會根據現時已發出的香港財務報告準則為基礎，釐定於編製本集團截至二零零七年十二月三十一日止年度之年度財務報表時預期採納之會計政策。

由於採納新香港財務報告準則而導致本集團會計政策變動，該等修訂包括香港會計準則第 1 號「財務報告之呈列：資本披露」及香港財務報告準則第 7 號「金融工具：披露」。採用此等修訂及新香港財務報告準則對本集團之業績及財務狀況並無重大影響。

5 INTEREST INCOME AND EXPENSE

(a) Interest income

5 利息收入及支出

(a) 利息收入

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000 千港元	截至二零零六年 六月三十日 之六個月 HK\$'000 千港元
Listed investments	上市投資	88,410	52,297
Others	其他	1,227,874	1,082,491
Interest income on financial assets that are not at fair value through profit or loss	非按公平價值訂值納入損益賬之金融資產之利息收入	1,316,284	1,134,788
Interest income on trading assets	交易賬項下資產之利息收入		
– listed investments	– 上市投資	63	44
– unlisted investments	– 非上市投資	23,973	28,361
Interest income on financial assets designated at fair value through profit or loss	按公平價值訂值納入損益賬之金融資產之利息收入	19,631	16,240
		1,359,951	1,179,433

5 INTEREST INCOME AND EXPENSE (continued)

(b) Interest expense

5 利息收入及支出 (續)

(b) 利息支出

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000 千港元	截至二零零六年 六月三十日 之六個月 HK\$'000 千港元
Deposits from customers, banks and other financial institutions and certificates of deposit issued	客戶、銀行同業及其他 金融機構之存款及已 發行存款證	842,144	674,983
Other financial liabilities	其他金融負債	84,961	133,535
Interest expense on financial liabilities that are not at fair value through profit or loss	非按公平價值訂值納入 損益賬之金融負債之 利息支出	927,105	808,518
Interest expense on trading liabilities	交易賬項下負債之利息 支出	23,202	51,553
		950,307	860,071

**6 FEE AND COMMISSION INCOME
AND EXPENSE**

(a) Fee and commission income

6 費用及佣金收入及支出

(a) 費用及佣金收入

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Credit related fees and commissions	信貸相關費用及佣金	12,164	8,641
Trade finance	貿易融資	10,775	7,371
Credit card	信用卡	31,247	27,978
Securities brokerage and investment services	證券經紀及投資服務	44,691	28,667
Insurance	保險	13,867	8,352
Unit trust commission	信託基金佣金	47,725	20,338
Other fees	其他費用	9,522	8,225
		169,991	109,572
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	– 非按公平價值訂值 納入損益賬之金融 資產或金融負債	56,082	45,925
– Trust or other fiduciary activities	– 信託或其他受託業務	729	825

**6 FEE AND COMMISSION INCOME
AND EXPENSE (continued)**

(b) Fee and commission expense

6 費用及佣金收入及支出 (續)

(b) 費用及佣金支出

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Handling fees and commission	手續費及佣金	31,270	14,035
Other fees paid	其他已付費用	11,579	6,270
		42,849	20,305
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	– 非按公平價值訂值 納入損益賬之金融 資產或金融負債	14,538	10,740

7 OTHER OPERATING INCOME

7 其他營運收入

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Dividend income from listed available-for-sale securities	上市可供出售證券之股息收入	3,019	2,534
Dividend income from unlisted available-for-sale securities	非上市可供出售證券之股息收入	13,071	8,992
Gains less losses from dealing in foreign currencies	外匯交易之收益減虧損	5,957	15,225
Gains less losses from dealing in trading securities	持作交易用途之證券之收益減虧損	2,301	(2,003)
Gains less losses from other dealing activities *	其他買賣交易之收益減虧損 *	110,208	87,358
Gains less losses from short selling activities	賣空交易之收益減虧損	737	896
Gains less losses from other financial liabilities	其他金融負債之收益減虧損	1,400	(4,752)
Revaluation loss on other financial instruments designated at fair value through profit or loss	按公平價值訂值納入損益賬之其他金融工具之重估虧損	(5,880)	(22,102)
Revaluation gain on derivative financial instruments	衍生金融工具之重估收益	2,519	21,998
Rental income on properties	物業租金收入	174	679
Others	其他	10,937	9,745
		144,443	118,570

* Other dealing activities refer to customer dealing in derivative financial instruments which include equity linked notes, options and structured deposit products.

* 其他買賣活動乃屬客戶買賣的衍生金融工具(包括股本掛鈎票據、期權及結構性存款產品)。

8 OPERATING EXPENSES

8 營運支出

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Salaries and other staff costs	薪金及其他僱員成本	222,553	168,833
Premises and other fixed assets	房地產及其他固定資產		
Rental of premises	房地產租金	21,435	12,940
Depreciation	折舊	29,374	32,327
Others	其他	10,044	7,742
Auditors' remuneration	核數師酬金	1,020	770
Other operating expenses	其他營運支出		
Business promotion	業務推廣	31,904	16,796
Legal and professional fees	法律顧問費用	10,706	10,965
Communication	通訊	13,310	10,918
Electronic data processing and computer systems	電子資料處理及 電腦系統	34,303	32,669
Others	其他	29,869	21,071
		404,518	315,031

9 NET GAINS FROM DISPOSALS OF AVAILABLE-FOR-SALE SECURITIES

9 出售可供出售證券之淨收益

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Realisation of revaluation surplus / (deficit) previously recognised in revaluation reserve (Note 34)	過往於重估儲備內確認之重估盈餘／(虧絀)變現(附註 34)	27,241	(18,722)
Net (losses) / gains arising in current period	期內淨(虧損)／收益	(19,700)	38,600
		7,541	19,878

10 IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

10 客戶貸款之減值虧損

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
Impairment losses (charged) / released on advances to customers	已(扣除)／撥回之客戶貸款減值虧損		
– Additions	– 增加	(45,816)	(81,714)
– Releases	– 撥回	14,811	18,030
Provision for loss from obligation under standby credit facility	備用信貸承擔虧損撥備	–	(15,655)
		(31,005)	(79,339)

11 TAXATION

(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 six months ended 30 June 2007.

11 稅項

(a) 綜合收益表之稅項

香港二零零七年利得稅撥備乃根據截至二零零七年六月三十日止六個月之估計應課稅溢利按 17.5% 之稅率(二零零六年: 17.5%) 計算。

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年 六月三十日 之六個月 HK\$'000 千港元	截至二零零六年 六月三十日 之六個月 HK\$'000 千港元
Current tax-Hong Kong Profits Tax	即期稅項－香港利得稅		
Tax for the period	期內稅項	37,769	32,343
– (Over) / under-provision in respect of prior years	– 過往年度 (超額準備) / 準備不足	(582)	154
		37,187	32,497
Deferred tax	遞延稅項		
– Origination and reversal of temporary differences (Note 30 (a))	– 暫時性差異產生 及撥回(附註 30 (a))	(338)	(5,295)
Total income tax expense	所得稅支出總額	36,849	27,202

11 TAXATION (continued)

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

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，以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

11 稅項(續)

(b) 稅項支出與適用應課稅率計算之會計溢利間之對賬

For the six months ended			
30 June 2007	30 June 2006		
截至二零零七年	截至二零零六年		
六月三十日	六月三十日		
之六個月	之六個月		
HK\$'000	HK\$'000		
千港元	千港元		
254,187	152,602		
44,483	26,705		
(8,385)	(2,659)		
1,333	3,002		
(582)	154		
36,849	27,202		

12 EARNINGS PER SHARE

The earnings per share is calculated on profit attributable to shareholders of HK\$217,338,000 (2006: HK\$125,400,000) and 1,172,160,000 (2006: 1,172,160,000) ordinary shares in issue during the period. There are no convertible loan capital, options or warrants outstanding which would cause a dilution effect on the earnings per share.

12 每股盈利

每股盈利乃按期內股東應佔溢利 217,338,000 港元(二零零六年: 125,400,000 港元)及於期內已發行普通股份 1,172,160,000 股(二零零六年: 1,172,160,000 股)計算。本集團並無任何可兌換之資本貸款、期權或尚未行使之認股權證以致對每股盈利構成攤薄之影響。

13 SEGMENT REPORTING

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

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

Business segments

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

Wholesale Banking comprises the Small and Medium Enterprise businesses and the Corporate Banking Business. Small and Medium Enterprise businesses 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 centralized cash management for deposit taking and lending, management of trading securities, execution of management's investment strategies in money market investment instruments and the overall funding of the Group.

13 分項資料

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

本銀行及其附屬公司之主要業務為銀行經營及有關之財務服務。

業務分項

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

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

金融市場業務主要包括證券買賣、外匯交易服務及存款和借貸的中央現金管理、證券交易活動管理、以貨幣市場投資工具執行管理層之投資策略及本集團的整體資金管理。

13 SEGMENT REPORTING (continued)

Business segments (continued)

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

(a) Operating income

Retail Banking	零售銀行
Wholesale Banking	批發銀行
Financial Markets	金融市場
Real Estate	房地產
Unallocated*	未分類項目*

13 分項資料(續)

業務分項(續)

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。

(a) 營運收入

For the six months ended

30 June 2007	30 June 2006
截至二零零七年	截至二零零六年
六月三十日	六月三十日
之六個月	之六個月
HK\$'000	HK\$'000
千港元	千港元
278,904	221,886
210,185	157,897
203,261	154,350
(1,489)	(1,534)
(9,632)	(5,400)
681,229	527,199

13 SEGMENT REPORTING (continued)

Business segments (continued)

(b) Profit before taxation

Retail Banking	零售銀行
Wholesale Banking	批發銀行
Financial Markets	金融市場
Real Estate	房地產
Unallocated*	未分類項目*

* *Unallocated items mainly comprise interest income derived from shareholders' funds not used by the business segments, staff housing loans and the related interest income and funding costs, staff deposits and the related interest expenses and the head office premises, furniture, fixtures and equipment and the related depreciation.*

13 分項資料 (續)

業務分項 (續)

(b) 除稅前溢利

For the six months ended

30 June 2007	30 June 2006
截至二零零七年	截至二零零六年
六月三十日	六月三十日
之六個月	之六個月
HK\$'000	HK\$'000
千港元	千港元
78,182	37,249
116,053	19,121
148,676	121,302
(1,110)	(2,589)
(87,614)	(22,481)
254,187	152,602

* 未分類項目主要包涵未被各業務所使用之股東資金所產生之利息收入、員工按揭貸款及有關利息收入及資金開支、員工存款和有關利息支出，以及總辦事處物業、傢俬、裝置及設備和有關之折舊。

13 SEGMENT REPORTING (continued)

Geographical segments

The geographical segmental analysis is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the periods ended 30 June 2007 and 2006, all of the Group's operating income and profit before taxation were generated by assets booked by the principal operations of the branches and subsidiaries of the Bank located in Hong Kong. More than 85% of assets were either located in Hong Kong or were extended to companies and individuals domiciled in Hong Kong. The balance of the assets were extended to companies and individuals domiciled outside Hong Kong where no single geographical segment accounts for more than 10% of assets.

14 CASH AND BALANCES WITH BANKS

13 分項資料(續)

區域分項

區域分項之資料分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入賬之本銀行分行位置、客戶位置及資產位置予以披露。於截至二零零七年及二零零六年六月三十日期間，本集團之所有營運收入及除稅前溢利均是從位於香港的本銀行分行及附屬公司入賬之資產所產生。本集團超過85%的資產是位於香港或借給以香港為基地的公司及個人客戶，而剩餘的資產是借給位於香港以外的公司及個人客戶。除香港之區域分項以外，沒有任何一個區域分項多於資產之10%。

14 現金及銀行同業結存

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Cash in hand	現金	86,879	87,444
Balances with the Hong Kong Monetary Authority	香港金融管理局結餘	1,138,315	-
Balances with banks and other financial institutions	銀行同業及其他金融機構之結餘	203,005	207,841
Money at call and short notice *	通知及短期存款*	5,232,604	7,523,386
		6,660,803	7,818,671

* 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。

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

15 一至十二個月到期之銀行同業放款

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Maturing within	於以下期間到期		
– 3 months or less but over 1 month	– 三個月或以下惟一個月 以上	1,000,678	1,023,029
– 1 year or less but over 3 months	– 一年或以下惟三個月以上	–	661,172
		1,000,678	1,684,201

16 TRADING SECURITIES

16 持作交易用途之證券

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Trading securities at fair value	持作交易用途證券之公平價值		
Debt securities	債務證券		
– Listed in Hong Kong	– 於香港上市	2,258	2,548
– Unlisted	– 非上市	11,038	10,914
Treasury bills (including Exchange Fund Bills) – Unlisted	國庫券(包括外匯基金 票據)–非上市	498,157	455,568
Total	總值	511,453	469,030
The trading securities are issued by:	持作交易用途之證券由以下 機構發行:		
– Central government and central banks	– 中央政府及中央銀行	499,295	456,710
– Public sector entities	– 公營機構	12,158	12,320
		511,453	469,030

**17 OTHER FINANCIAL INSTRUMENTS
DESIGNATED AS AT FAIR VALUE THROUGH
PROFIT OR LOSS**

**17 按公平價值訂值納入損益賬之其他
金融工具**

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Debt securities at fair value	按公平價值訂值之債務證券		
– Listed in Hong Kong	– 於香港上市	479,614	484,068
– Listed outside Hong Kong	– 香港以外上市	73,297	74,723
Total	總值	552,911	558,791

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
The other financial instruments designated as at fair value through profit or loss are issued by:	按公平價值訂值納入損益賬 之其他金融工具由以下 機構發行：		
– Public sector entities	– 公營機構	473,466	478,405
– Corporate entities	– 企業實體	79,445	80,386
		552,911	558,791

18 DERIVATIVE FINANCIAL INSTRUMENTS

(a) Notional amounts of derivative financial instruments

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

18 衍生金融工具

(a) 衍生金融工具之名義金額

衍生工具指價值取決於一項或多項相關資產或指數之價值而定之金融合約。以下為本集團已訂立之各項主要類別衍生工具之名義金額之概要：

		As at					
		30 June 2007			31 December 2006		
		於二零零七年六月三十日			於二零零六年十二月三十一日		
		Trading	Hedging	Total	Trading	Hedging	Total
		交易	對沖	總額	交易	對沖	總額
		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
Exchange rate derivatives	匯率衍生工具						
- Forwards	- 遠期	6,447,599	-	6,447,599	2,616,621	-	2,616,621
- Swaps	- 掉期	14,514,361	-	14,514,361	11,527,646	-	11,527,646
- Options purchased	- 購入期權	20,107,584	-	20,107,584	11,881,004	-	11,881,004
- Options written	- 沽出期權	20,102,981	-	20,102,981	11,880,492	-	11,880,492
		61,172,525	-	61,172,525	37,905,763	-	37,905,763
Interest rate derivatives	利率衍生工具						
- Swaps	- 掉期	17,040,848	1,876,272	18,917,120	12,656,871	1,866,840	14,523,711
- Options purchased	- 購入期權	391,450	-	391,450	492,650	-	492,650
- Options written	- 沽出期權	200,000	-	200,000	300,000	-	300,000
		17,632,298	1,876,272	19,508,570	13,449,521	1,866,840	15,316,361
Equity derivatives	股票衍生工具						
- Swaps	- 掉期	1,451,447	-	1,451,447	462,882	-	462,882
- Options purchased	- 購入期權	1,199,367	-	1,199,367	127,419	-	127,419
- Options written	- 沽出期權	1,199,367	-	1,199,367	127,419	-	127,419
		3,850,181	-	3,850,181	717,720	-	717,720
Commodity derivatives	商品衍生工具						
- Options purchased	- 購入期權	90,686	-	90,686	39,173	-	39,173
- Options written	- 沽出期權	90,686	-	90,686	39,173	-	39,173
		181,372	-	181,372	78,346	-	78,346
Total	總額	82,836,376	1,876,272	84,712,648	52,151,350	1,866,840	54,018,190

18 DERIVATIVE FINANCIAL INSTRUMENTS
(continued)

(a) Notional amounts of derivative financial instruments (continued)

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. The contract amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and do not represent amounts at risk.

Trading transactions include positions arising from the execution of trade orders from customers and transactions undertaken to hedge these positions which are not designated as hedges under HKAS 39. Derivatives used for hedging represent hedging instruments designated as hedges under HKAS 39.

(b) Fair values of derivatives held for trading

18 衍生金融工具(續)

(a) 衍生金融工具之名義金額(續)

於以上所列出之合約中，並無任何合約受雙邊淨值額結算安排之影響，以上金額以總額顯示已包括所有嵌入式衍生工具。該等工具之合約金額顯示於結算日尚未平倉之交易量，並不代表涉及風險之金額。

買賣交易包括為客戶執行買賣指示之倉盤及用以對沖根據香港會計準則第 39 號並未指定作為對沖之該等倉盤之交易。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。

(b) 持作交易用途之衍生工具之公平價值

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		Fair value asset	Fair value liabilities	Fair value asset	Fair value liabilities
		公平價值資產	公平價值負債	公平價值資產	公平價值負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Exchange rate derivatives	匯率衍生工具	401,013	(233,925)	261,368	(152,915)
Interest rate derivatives	利率衍生工具	249,061	(253,481)	245,613	(252,657)
Equity derivatives	股票衍生工具	165,867	(165,867)	16,418	(16,418)
Commodity derivatives	商品衍生工具	810	(810)	-	-
		816,751	(654,083)	523,399	(421,990)

**18 DERIVATIVE FINANCIAL INSTRUMENTS
(continued)**

**(c) Fair values of derivatives designated as
hedging instruments**

18 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**

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		Fair value asset	Fair value liabilities	Fair value asset	Fair value liabilities
		公平價值資產	公平價值負債	公平價值資產	公平價值負債
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Interest rate derivatives	利率衍生工具	3,224	(8,733)	14,456	(3,057)

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 and certain fixed-rate bonds due to movements in market interest rates.

公平價值對沖

公平價值對沖包括用作保障本銀行的後償票據及若干定息債券因市場利率變動而出現變化的利率掉期。

18 DERIVATIVE FINANCIAL INSTRUMENTS
(continued)

18 衍生金融工具(續)

(d) Contractual amount, credit equivalent amount and risk weighted amount

(d) 合約金額、信貸價值金額及風險加權金額

		As at					
		30 June 2007			31 December 2006		
		於二零零七年六月三十日			於二零零六年十二月三十一日		
		Contractual amount	Credit equivalent amount	Risk weighted amount	Contractual amount	Credit equivalent amount	Risk weighted amount
		合約金額	信貸價值金額	風險加權金額	合約金額	信貸價值金額	風險加權金額
		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
Exchange rate derivatives	匯率衍生工具	60,924,398	876,275	507,488	37,555,279	444,604	140,391
Interest rate derivatives	利率衍生工具	15,809,101	238,818	128,680	12,045,503	242,515	59,970
Equity derivatives	股票衍生工具	3,070,061	180,834	45,845	397,772	27,105	3,535
Commodity derivatives	商品衍生工具	181,372	9,069	1,814	78,346	3,917	783
		79,984,932	1,306,996	683,827	50,076,900	718,141	204,679

Derivatives arise from forward, swap and option transactions undertaken by the Group in the foreign exchange, interest rate, commodity and equity markets. The contractual amounts of these instruments disclosed in this note indicate the volume of transactions outstanding as at 30 June 2007 and 31 December 2006; they do not represent amounts at risk. Embedded derivatives are not included in the above tables.

衍生工具乃因本集團在外匯、利率、商品及股本市場進行遠期、掉期及期權交易而產生。本附註披露之該等工具合約金額顯示出於二零零七年六月三十日及二零零六年十二月三十一日之未平倉交易量，惟並不代表涉及風險之金額。嵌入式衍生工具未列於上表內。

**19 ADVANCES TO CUSTOMERS LESS
IMPAIRMENT ALLOWANCES**

**(a) Advances to customers less impairment
allowances**

Gross advances to customers	客戶貸款總額
Impairment allowances	減值撥備
– Collective impairment allowances	– 綜合減值撥備
– Individual impairment allowances	– 個別減值撥備

19 客戶貸款減減值撥備

(a) 客戶貸款減減值撥備

As at			
30 June 2007	31 December 2006		
於二零零七年	於二零零六年		
六月三十日	十二月三十一日		
HK\$'000	HK\$'000		
千港元	千港元		
28,588,802	25,914,351		
(93,091)	(81,404)		
(69,616)	(81,787)		
28,426,095	25,751,160		

**(b) Movement in impairment allowances on
advances to customers**

At 1 January 2007	於二零零七年一月一日
Impairment allowances charged to income statement	於收益表扣除之減值 撥備
Amounts written off	撇賬金額
Recoveries of advances written off in previous years	過去年度已撇賬 貸款之收回
At 30 June 2007	於二零零七年六月三十日

(b) 客戶貸款減值撥備變動

For the six months ended			
30 June 2007			
截至二零零七年六月三十日			
止六個月			
Individual impairment allowances	Collective impairment allowances		
個別減值撥備	綜合減值撥備		
HK\$'000	HK\$'000		
千港元	千港元		
81,787	81,404		
19,318	11,687		
(40,136)	–		
8,647	–		
69,616	93,091		

**19 ADVANCES TO CUSTOMERS LESS
IMPAIRMENT ALLOWANCES (continued)****19 客戶貸款減值撥備(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 is based on the categories and definitions used by the HKMA:

以下經濟行業分析乃根據金管局使用的組別及定義：

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		% of gross loans covered by collateral		% of gross loans covered by collateral	
		Gross loans and advances	有抵押之貸款	Gross loans and advances	有抵押之貸款
		貸款及墊款總額	佔貸款總額之百分比	貸款及墊款總額	佔貸款總額之百分比
		HK\$'000	百分比	HK\$'000	百分比
		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	23,735	15.74	29,392	31.47
- Property investment	- 物業投資	5,315,397	67.46	4,900,296	67.96
- Financial concerns	- 金融企業	336,457	14.53	484,250	11.19
- Stockbrokers	- 股票經紀	157,937	95.31	157,371	100
- Wholesale and retail trade	- 批發及零售業	171,914	34.48	202,404	19.68
- Manufacturing	- 製造業	1,388,973	21.60	1,059,535	32.94
- Transport and transport equipment	- 運輸及運輸設備	731,575	85.98	756,247	84.63
- Information technology	- 資訊科技	3,270	96.09	61,663	8.49
- Others	- 其他	2,956,131	42.98	3,185,770	45.67
Individuals	個人				
- Loans for the purchase of flats in the Home Ownership Scheme and Private Sector Participation Scheme	- 購買「居者有其屋計劃」及「私人參建居屋計劃」樓宇的貸款	5,994	100	3,275	100
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	6,919,868	96.94	6,946,882	94.73
- Credit card advances	- 信用卡貸款	499,453	-	504,157	-
- Others	- 其他	1,398,463	69.48	1,299,707	66.67
		19,909,167		19,590,949	
Trade finance	貿易融資	1,628,600	12.93	943,406	13.30
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	7,051,035	50.30	5,379,996	59.09
Gross advances to customers	客戶貸款總額	28,588,802	61.19	25,914,351	64.81

**19 ADVANCES TO CUSTOMERS LESS
IMPAIRMENT ALLOWANCES (continued)**

**(c) Advances to customers analysed by
industry sector (continued)**

Analysis of impaired advances by loan usage categories which account for 10% or more of gross advances to customers:

19 客戶貸款減減值撥備 (續)

(c) 按行業分類的客戶貸款 (續)

按貸款用途分析佔客戶貸款總額10%或以上之減值貸款如下：

	As at					
	30 June 2007			31 December 2006		
	於二零零七年六月三十日			於二零零六年十二月三十一日		
	Impaired advances	Individual impairment allowances	Collective impairment allowances	Impaired advances	Individual impairment allowances	Collective impairment allowances
減值貸款	個別減值撥備	綜合減值撥備	減值貸款	個別減值撥備	綜合減值撥備	
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	
- Property investment	18,144	4,483	4	12,029	542	10
- Others (industrial, commercial and financial sectors)	8,204	4,128	4,746	8,210	3,128	6,216
- Loans for the purchase of other residential properties	8,233	334	2,700	10,147	106	3,381
- Gross advances for use outside Hong Kong	71,178	39,432	42,970	100,290	46,649	32,715

**19 ADVANCES TO CUSTOMERS LESS
IMPAIRMENT ALLOWANCES (continued)**

19 客戶貸款減值撥備(續)

(d) Impaired advances to customers

(d) 客戶減值貸款

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		HK\$'000	ⁱ %	HK\$'000	ⁱ %
		千港元	ⁱ 百分比	千港元	ⁱ 百分比
Gross impaired advances	減值貸款總額	167,351	0.59	239,884	0.93
Individual impairment allowances made against impaired loans	就減值貸款作出之個別減值撥備	(69,616)		(81,787)	
		97,735		158,097	
Amount of collateral held in respect of impaired loans ⁱⁱ	就減值貸款持有之抵押品價值	100,360		131,362	

- i. As a percentage of gross advances to customers.
ii. Including expected recoveries of HK\$15.5 million (2006: HK\$73.5 million) from companies in liquidation.

- i. 佔客戶總貸款總額之百分比。
ii. 包括預期可從清盤公司收回之 15,500,000 港元(二零零六年：73,500,000 港元)。

Impaired advances are those advances where objective evidence exists that full repayment of principal or interest is unlikely.

減值貸款為存在客觀證據顯示獲悉數償還本金或利息之可能性很低之貸款。

20 AVAILABLE-FOR-SALE SECURITIES

20 可供出售證券

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Listed debt securities at fair value	上市債務證券之按公平價值		
– Listed in Hong Kong	– 於香港上市	2,666,718	3,536,368
– Listed outside Hong Kong	– 於香港以外上市	940,013	477,808
		3,606,731	4,014,176
Unlisted debt securities at fair value	非上市債務證券 – 按公平價值		
– Treasury bills (including Exchange Fund Bills)	– 國庫券(包括外匯基金 票據)	4,278,562	4,827,763
– Certificates of deposit	– 存款證	350,843	86,741
– Debt securities	– 債務證券	6,082,446	5,134,353
		10,711,851	10,048,857
		14,318,582	14,063,033
		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Equity shares at fair value	股票 – 按公平價值		
– Listed in Hong Kong	– 於香港上市	76,999	68,173
– Unlisted	– 非上市	149,774	125,948
		226,773	194,121
Total available-for-sale securities	可供出售證券總值	14,545,355	14,257,154

20 AVAILABLE-FOR-SALE SECURITIES (continued)

20 可供出售證券(續)

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
The available-for-sale securities are issued by:	可供出售證券由以下 機構發行：		
– Central governments and central banks	– 中央政府及 中央銀行	6,685,102	8,001,169
– Public sector entities	– 公營機構	134,038	153,000
– Banks and other financial institutions	– 銀行及其他 金融機構	6,450,664	4,969,122
– Corporate entities	– 企業實體	1,275,551	1,133,863
		14,545,355	14,257,154

21 INVESTMENTS IN ASSOCIATED COMPANIES

21 聯營公司投資

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本值	10,761	5,761
Advances	貸款	9,470	8,882
Less: Impairment allowances on unlisted shares	減：非上市股份之 減值虧損	(5,761)	(5,761)
Impairment allowances for advances to an associated company	向一間聯營公司 貸款之減值 撥備	(2,368)	(2,335)
		12,102	6,547

The Bank owns 40% (2006: 40%) of the issued share capital of IBA Finance Corporation, which is incorporated in the Philippines. The principal activity of the IBA Finance Corporation is the provision of financing and leasing services in the Philippines. An investment of HK\$5 million in Fubon Capital (HK) Limited (formerly known as FB Gemini Capital Limited) is included in the cost of unlisted shares. The Group has not equity accounted for the investments in the associated companies in view of the immaterial amount involved.

本銀行擁有在菲律賓註冊成立之 IBA Finance Corporation 40% (二零零六年：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。於富邦融資(香港)有限公司(前稱富耀融資有限公司)之投資五百萬港元列入非上市股份之成本。由於投資額並不重大，故本集團並無於賬目中按權益法計算其於該等聯營公司之投資。

22 FIXED ASSETS

22 固定資產

		Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值			
At 1 January 2007	於二零零七年一月一日	1,132,743	450,964	1,583,707
Additions	添置	-	44,780	44,780
Disposals	出售	-	(3,399)	(3,399)
At 30 June 2007	於二零零七年六月三十日	1,132,743	492,345	1,625,088
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 period	期內折舊	6,423	22,951	29,374
Released on disposal	出售之抵免	-	(3,280)	(3,280)
At 30 June 2007	於二零零七年六月三十日	133,982	356,563	490,545
Net book value	賬面淨值			
At 30 June 2007	於二零零七年六月三十日	998,761	135,782	1,134,543
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

23 DEPOSITS AND BALANCES FROM BANKS

23 銀行同業之存款及結餘

		As at 30 June 2007 於二零零七年 六月三十日 HK\$'000 千港元	31 December 2006 於二零零六年 十二月三十一日 HK\$'000 千港元
Deposits and balances from banks	銀行同業之存款及結餘	843,617	936,677
Deposits and balances with the Hong Kong Monetary Authority	於香港金融管理局之存款 及結餘	80	24,838
		843,697	961,515

24 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

24 客戶存款

		As at	
		30 June 2007	31 December 2006
		於二零零七年	於二零零六年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		5,319,635	5,410,210
		879,068	833,204
		2,371,915	2,247,328
		26,166,793	25,320,091
		34,737,411	33,810,833

25 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

25 已發行存款證

		As at	
		30 June 2007	31 December 2006
		於二零零七年	於二零零六年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		2,638,113	1,047,847
		1,060,650	1,983,600
		491,400	491,900
		4,190,163	3,523,347

26 DEBT SECURITIES ISSUED

26 已發行債務證券

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Floating rate notes	浮息票據	1,172,670	1,166,775
Variable coupon rate notes	多個息率之票據	659,560	247,387
Zero coupon bond	零息債券	249,999	-
		2,082,229	1,414,162

The debt securities issued represent the notes issued by the Bank under the Bank's Euro Medium Term Note Programme.

債務證券指本銀行根據其歐元中期票據計劃發行之票據。

The floating rate notes of face values and carrying amounts of USD150 million (equivalent to HK\$1,173 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.

本銀行於二零零六年四月四日發行票面值及賬面金額為一億五千萬美元(相當於十一億七千三百萬港元)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。

The variable coupon rate notes were issued by the Bank in the second half of 2006, which are denominated in HKD and USD and mature at various dates through to 2016.

本銀行於二零零六年下半年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，至二零一六年。

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.

本銀行於二零零七年四月十二日發行票面值為五億二千萬港元的零息債券，而發行價為票面值之 48.076615%。債券於二零二二年四月十二日到期，惟可於發行第 10 年，即二零一七年四月十二日可獲通知償還。同時，本銀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，本銀行每季按浮動利率支付利息，並按固定利率收取利息。

27 TRADING LIABILITIES

Short positions in Exchange
Fund Bills / Notes

外匯基金票據／債券之
短倉

27 交易賬項之負債

		As at	
30 June 2007	31 December 2006		
於二零零七年	於二零零六年		
六月三十日	十二月三十一日		
HK\$'000	HK\$'000		
千港元	千港元		
478,992	445,695		

28 OTHER ACCOUNTS AND LIABILITIES

Other financial liabilities *
Accounts payable and
other liabilities

其他金融負債*
應付賬項及其他負債

28 其他賬目及負債

		As at	
30 June 2007	31 December 2006		
於二零零七年	於二零零六年		
六月三十日	十二月三十一日		
HK\$'000	HK\$'000		
千港元	千港元		
5,177,284	6,194,642		
1,128,365	1,013,592		
6,305,649	7,208,234		

* Other financial liabilities represent funds obtained from financial institutions in respect of government bills and notes short sold.

* 其他金融負債指就賣空之政府票據及債券從金融機構所獲得的資金。

29 INCOME TAX IN THE BALANCE SHEET

Current taxation in the balance sheet represents:

Provision for Hong Kong Profits Tax for the period	本期之香港利得稅撥備
Provisional Hong Kong Profits Tax paid	已付暫繳香港利得稅
Balance of Hong Kong Profits Tax provision relating to prior years	承過往年度香港利得稅撥備結餘
Representing: Provision for Hong Kong Profits Tax*	代表： 香港利得稅撥備*

* The amount of taxation payable is expected to be settled within 1 year and is included in the "Other accounts and liabilities".

29 資產負債表內之所得稅

計入資產負債表之本期稅項為：

As at			
30 June 2007	31 December 2006		
於二零零七年	於二零零六年		
六月三十日	十二月三十一日		
HK\$'000	HK\$'000		
千港元	千港元		
37,770	66,932		
(6,735)	(17,008)		
31,035	49,924		
43,153	(6,189)		
74,188	43,735		
74,188	43,735		

* 應繳稅項金額預計於一年內清算。此等項目列入「其他賬目及負債」內。

30 DEFERRED TAX ASSETS AND LIABILITIES

30 遞延稅項資產及負債

		As at	
		30 June 2007	31 December 2006
		於二零零七年	於二零零六年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Net deferred tax asset recognised on the consolidated balance sheet	於綜合資產負債表內 確認之遞延稅項 資產淨額	5,808	2,463
Net deferred tax liability recognised on the consolidated balance sheet	於綜合資產負債表內 確認之遞延稅項 負債淨額	(26)	(8,858)
		5,782	(6,395)

30 DEFERRED TAX ASSETS AND LIABILITIES
(continued)

30 遞延稅項資產及負債(續)

(a) Recognised

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

(a) 已確認

於綜合資產負債表內確認之遞延稅項資產/(負債)之各組成部份及期內之變動如下：

		Depreciation allowances in excess of related depreciation	Defined benefit assets	Collective impairment allowances	Cash rebate adjustment	Revaluation of available-for-sale securities	Revaluation of premises	Other	Total
	超過有關折舊的折舊免稅額	HK\$'000	定額福利計劃資產	綜合減值撥備	現金回贈之調整	可供出售證券重估	物業重估	其他	總額
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2006	於二零零六年一月一日	(8,371)	(2,899)	13,320	(3,278)	10,571	(7,032)	361	2,672
(Charged) / credited to consolidated income statement	綜合收益表之(支出)/進賬	2,336	-	927	2,606	-	121	(150)	5,840
(Charged) to reserves (Note 34)	儲備(支出)(附註34)	-	-	-	-	(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	於二零零七年一月一日	(6,035)	(2,899)	14,247	(672)	(4,336)	(6,911)	211	(6,395)
(Charged) / credited to consolidated income statement	綜合收益表之(支出)/進賬	(2,393)	-	2,045	672	-	60	(46)	338
Credited to reserves (Note 34)	儲備進賬(附註34)	-	-	-	-	11,839	-	-	11,839
At 30 June 2007	於二零零七年六月三十日	(8,428)	(2,899)	16,292	-	7,503	(6,851)	165	5,782

(b) Unrecognised

The Group has no material unrecognised deferred tax asset or liability as at 30 June 2007 (2006: HK\$Nil).

(b) 未確認

本集團於二零零七年六月三十日並未有重大未確認之遞延稅項資產或負債(二零零六年：零港元)。

31 SUBORDINATED NOTES ISSUED

Subordinated notes with face value of USD 200 million (equivalent to HK\$1,564 million) and carrying amount of HK\$1,555 million qualifying as tier two 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 to 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\$9 million due to application of fair value hedge accounting.

32 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.

31 已發行後償票據

本銀行於二零零六年四月二十五日發行票面值二億美元(相當於十五億六千四百萬港元)及賬面金額十五億五千五百萬港元符合二級資本準則之後償票據。該等後償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，每半年付息一次。該等後償票據附帶一次性贖回選擇權，可由本銀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，該等後償票據之利率將由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重訂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九百萬港元之調整。

32 股本

普通股持有人有權不時收取股息及有權於本銀行之股東大會上就每股投一票。所有普通股對本銀行之剩餘資產享有同等地位。

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Authorised	法定股本		
1,406,592,000 (2006: 1,406,592,000)	1,406,592,000 股 (二零零六年： ordinary shares of HK\$1 each		
	1,406,592,000 股) 每股面值 1 港元 之普通股	1,406,592	1,406,592
Ordinary shares, issued and fully paid At 1 January and at the end of the period	已發行及繳足之普通股本 於一月一日及於期末	1,172,160	1,172,160

33 SHARE PREMIUM

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

33 股份溢價

股份溢價賬之應用受香港《公司條例》第 48B 條監管。

34 RESERVES

34 儲備

		Capital redemption reserve	Regulatory reserve	Investment revaluation reserve	Retained earnings	Total
		資本贖回儲備	法定儲備	投資 重估儲備	保留溢利	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
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 surplus of available-for-sale securities	可供出售證券之重估盈餘變現	-	-	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 30)	遞延稅項(附註 30)	-	-	(14,907)	-	(14,907)
Dividend paid in respect of the previous financial year	已派付之上一財政年度股息	-	-	-	(128,938)	(128,938)
Interim dividend paid	已派付中期股息	-	-	-	(70,330)	(70,330)
Transfer to regulatory reserve	轉撥至法定儲備	-	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 period	期內除稅後溢利	-	-	-	217,338	217,338
Realisation of revaluation deficit of available-for-sale securities (Note 9)	可供出售證券之重估虧蝕變現(附註 9)	-	-	(27,241)	-	(27,241)
Net change in fair value of available-for-sale securities	可供出售證券淨公平價值變動	-	-	(21,851)	-	(21,851)
Deferred taxation (Note 30)	遞延稅項(附註 30)	-	-	11,839	-	11,839
Dividend paid in respect of the previous financial year	已派付之上一財政年度股息	-	-	-	(140,659)	(140,659)
Transfer to regulatory reserve	轉撥至法定儲備	-	13,372	-	(13,372)	-
At 30 June 2007	於二零零七年六月三十日	372,000	142,944	15,120	1,566,454	2,096,518

34 RESERVES (continued)

- (a) The capital redemption reserve arose from the redemption of the Bank's "A" and "B" preference shares in 1991 and 1992 out of its retained earnings. The capital redemption reserve is undistributable under the Hong Kong Companies Ordinance section 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.
- (b) Subsequent to the balance sheet date, the Directors have proposed an interim dividend of 6 Hong Kong cents per share (2006: 6 Hong Kong cents per share) amounting to HK\$70,329,600 (2006: HK\$70,329,600). This dividend has not been recognised as a liability at the balance sheet date.
- (c) Regulatory reserve

At 1 January
Transfer from
retained earnings

於一月一日
從保留溢利轉撥

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.

34 儲備(續)

- (a) 資本贖回儲備因在一九九一年及一九九二年自本銀行之保留溢利撥款贖回其「A」及「B」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，但可由本銀行用以繳付將配發予其股東之未發行股份之股款作為繳足紅股。
- (b) 於結算日後，董事已建議派付中期股息每股 6 港仙，合共 70,329,600 港元(二零零六年：每股 6 港仙，合共 70,329,600 港元)。此等股息並未於結算日確認為負債。
- (c) 法定儲備

		As at	
		30 June 2007	31 December 2006
		於二零零七年	於二零零六年
		六月三十日	十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
		129,572	107,722
		13,372	21,850
		142,944	129,572

已根據《銀行業條例》的規定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。

**35 ANALYSIS OF ASSETS AND LIABILITIES BY
REMAINING MATURITY (continued)**

35 按剩餘期限分析之資產及負債(續)

		As at 31 December 2006 於二零零六年十二月三十一日						
		Repayable	Over 3	Over 1	Over	Undated		
		on	months	to 1 year	5 years	5 years	or overdue	
		demand	or less	three months	or more	or more	or overdue	
		即時	三個月	以上	以上	五年	無定期	
		總額	或以下	至一年	至五年	以上	或逾期	
		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	
ASSETS	資產							
Cash and balances with banks	現金及銀行同業結餘	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	-	258,575	197,641	9,804	3,010	
Other financial instruments designated as at fair value through profit or loss	按公平價值計值納入損益賬之其他金融工具	558,791	-	-	-	403,682	155,109	
Derivative financial instruments	衍生金融工具	537,855	-	-	-	-	537,855	
Advances to customers less impairment allowances	客戶貸款減值撥備	25,751,160	860,688	5,748,449	3,847,986	7,547,045	7,656,293	
Other assets	其他資產	550,871	-	496,139	52,269	2,463	-	
Available-for-sale securities	可供出售證券	14,257,154	-	1,711,595	6,629,624	4,474,611	1,217,280	
Undated assets	無定期資產	1,719,143	-	-	-	-	1,719,143	
		53,346,876	1,155,973	16,761,173	11,388,692	12,437,605	9,031,692	
		2,571,741						
LIABILITIES	負債							
Deposits and balances from banks	銀行同業存款及結餘	961,515	101,024	860,491	-	-	-	
Deposits from customers	客戶存款	33,810,833	8,490,742	23,418,093	1,018,763	743,222	140,013	
Certificates of deposit issued	已發行存款證	3,523,347	-	1,047,847	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	
Trading liabilities	交易賬項之負債	445,695	-	248,956	185,765	7,966	3,008	
Other liabilities	其他負債	6,808,249	-	5,578,136	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	31,153,523	3,858,354	4,773,291	157,022	
		833,890						
Net liquidity gap	流動資金缺口淨額	(7,435,793)	(14,392,350)	7,530,338	7,664,314	8,874,670		

36 MATERIAL RELATED PARTY TRANSACTIONS

During the period, the Group entered into a number of transactions with its ultimate holding company and related parties, including Taipei Fubon Commercial Bank 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 contracts were priced based on 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 period and balances outstanding as at the balance sheet date is set out below:

(a) Income and 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

36 重大關連各方交易

本期內本集團分別與其最終控股公司及其關連各方，包括台北富邦商業銀行股份有限公司進行交易。上述交易乃按本集團之銀行業務（其中包括借貸、接納銀行同業存款、參與銀團貸款、代理銀行交易及外匯交易）之一般程序進行。有關合約按各項交易當時之相關市況釐訂價格，並根據與本集團同業及客戶所訂立之相同條款而訂立。董事認為，上述交易乃按一般商業條款進行。

有關期內關連各方交易所產生之收支及於結算日尚未償還餘額之資料載列如下：

(a) 收入及支出

		For the six months ended	
		30 June 2007	30 June 2006
		截至二零零七年	截至二零零六年
		六月三十日	六月三十日
		之六個月	之六個月
		HK\$'000	HK\$'000
		千港元	千港元
		105	-
		3,269	263
		2,397	420

**36 MATERIAL RELATED PARTY TRANSACTIONS
(continued)**

36 重大關連各方交易(續)

(d) Acceptance of deposits

(d) 接納存款

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
<i>Ultimate holding company</i>	<i>最終控股公司</i>		
At 1 January	於一月一日	3,919	3,722
Acceptance during the period / year	期/年內接納	475,581	917,875
Repayments during the period / year	期/年內償還	(475,456)	(917,678)
		4,044	3,919
<i>Fellow subsidiaries</i>	<i>同系附屬公司</i>		
At 1 January	於一月一日	324,000	-
Acceptance during the period / year	期/年內接納	3,067,232	3,052,610
Repayments during the period / year	期/年內償還	(3,391,232)	(2,728,610)
		-	324,000
<i>Fellow subsidiaries</i>	<i>同系附屬公司</i>		
Other accounts and liabilities	其他賬目及負債	42,181	110,509

(e) Financial Instruments

(e) 金融工具

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	千港元
Exchange rate contracts (notional principal)	匯率合約 (名義本金額)	2,507,251	-
Equity Swap (notional principal)	股票掉期(名義本金額)	-	97,231

37 CONTINGENT LIABILITIES AND COMMITMENTS

(a) Credit related commitments and contingencies

Credit related commitments and contingencies include 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.

37 或然負債及承擔

(a) 與信貸有關之承擔及或然項目

與信貸有關之承擔及或然項目包括用以提供信貸之承兌票據、信用證、擔保書和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約數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。由於該等備用貸款可能在未經提取前已到期，故合約總額並不代表預計未來現金流量。

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		Contractual amounts		Contractual amounts	
		Credit risk weighted amounts		Credit risk weighted amounts	
		信貨風險加權金額		信貨風險加權金額	
		HK\$'000		HK\$'000	
		千港元		千港元	
Direct credit substitutes	直接信貸替代項目	488,986	488,986	452,051	452,051
Transaction-related contingencies	與交易有關之或然項目	118,714	59,357	122,334	61,167
Trade-related contingencies	與貿易有關之或然項目	718,389	143,678	599,497	119,899
Undrawn loan facilities	未提取之備用貸款				
– with an original maturity of under 1 year or which are unconditionally cancellable	– 原訂到期期限少於一年或可無條件地取消	9,781,322	–	10,008,753	–
– with an original maturity of 1 year or over	– 原訂到期期限為一年或以上	826,126	413,063	784,352	392,176
Forward forward deposits placed	遠期預約放款	666,336	133,267	1,288,015	257,603
		12,599,873	1,238,351	13,255,002	1,282,896

**37 CONTINGENT LIABILITIES AND
COMMITMENTS (continued)**

(b) Lease commitments

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

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

(c) Capital commitments

Capital commitments for the purchase of participation in investment funds and equipment outstanding at 30 June 2007 not provided for in the unaudited interim financial report were as follows:

Contracted for	已訂合約
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37 或然負債及承擔 (續)

(b) 租賃承擔

不可取消營運租賃下之未來最低應付租金總額如下：

As at	
30 June 2007	31 December 2006
於二零零七年 六月三十日	於二零零六年 十二月三十一日
HK\$'000 千港元	HK\$'000 千港元
33,438	31,223
37,526	39,946
70,964	71,169

(c) 資本承擔

於二零零七年六月三十日未於未經審核中期財務報告內提撥之有關購買參與投資基金及設備之未兌現資本承擔如下：

As at	
30 June 2007	31 December 2006
於二零零七年 六月三十日	於二零零六年 十二月三十一日
HK\$'000 千港元	HK\$'000 千港元
155,124	132,319

(A) Capital adequacy ratio

Capital adequacy ratio	資本充足比率
Core capital ratio	核心資本比率

The capital adequacy ratio and core capital ratio at 30 June 2007 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, and are compiled in accordance with the Banking (Capital) Rules issued by the HKMA under section 98A of the Hong Kong Banking Ordinance for the implementation of the "Basel II" capital accord. In accordance with the 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 two capital ratios at 31 December 2006 were compiled in accordance with the then Third Schedule of the Hong Kong Banking Ordinance under the "Basel I" capital accord.

(A) 資本充足比率

	As at	
	30 June 2007	31 December 2006
	於二零零七年	於二零零六年
	六月三十日	十二月三十一日
	%	%
	百分率	百分率
Capital adequacy ratio	15.37	16.60
Core capital ratio	10.55	12.84

於二零零七年六月三十日之資本充足比率及核心資本比率是根據綜合基準計算，該基準包含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、Fubon Bank Vanuatu Limited及台灣富銀股份有限公司之狀況，以及按照金管局為執行「巴塞爾II資本協議」而根據《香港銀行業條例》第98A條發出之《銀行業(資本)規則》計算。按照資本規則，本集團已就信貸風險及市場風險而對風險加權資產採用「標準化方法」以及就計算營運風險而採用「基本指標方法」。

於二零零六年十二月三十一日該兩項資本比率乃遵照「巴塞爾I資本協議」之規定按照當時之《香港銀行業條例》附表三計算。

(B) Capital base

The components of the total capital base after deductions as reported under Part I of the banking return “Capital Adequacy Return” (MA(BS)3) are analysed as follows:

(B) 資本基礎

在「資本充足比率申報表」(MA(BS)3) 第 I 部中申報的資本基礎總額在扣減後的組成部份分析如下：

		As at	
		30 June 2007	31 December 2006
		於二零零七年 六月三十日	於二零零六年 十二月三十一日
		HK\$'000	HK\$'000
		千港元	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
Share premium	股份溢價	749,778	749,778
Reserves	儲備	1,604,142	1,528,953
Profit and loss account	溢利及虧損賬	113,710	122,104
Total deductions from core capital	自核心資本扣減總額	(316,063)	-
		3,323,727	3,572,995
Eligible supplementary capital	合資格附加資本		
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 securities not held for trading purposes	非持作交易用途證券價值重估儲備	3,427	3,118
Collective impairment allowances	綜合減值撥備	93,091	81,404
Regulatory reserve	法定儲備	142,944	129,572
Term subordinated notes	有期後償票據	1,563,560	1,555,700
Total deductions from eligible supplementary capital	自合資格附加資本扣減總額	(310,255)	-
		1,516,468	1,806,662
Total deductions from 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	4,840,195	4,677,690

(C) Liquidity ratio*Average liquidity ratio*

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

The ratio for the period 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.

(C) 流動資金比率

For the six months ended	
30 June 2007	30 June 2006
截至二零零七年	截至二零零六年
六月三十日	六月三十日
%	%
百分率	百分率
45.53	42.91

平均流動資金比率

期內平均流動資金比率是按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。

期內之平均流動資金比率乃按綜合基準計算，該基準包括金管局為其監管目的規定之富邦銀行(香港)有限公司、富邦財務(香港)有限公司及 Fubon Bank Vanuatu Limited 之狀況。

(D) Overdue advances to customers**(D) 逾期客戶貸款**

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		% of total advances		% of total advances	
		HK\$'000	佔貸款總額之百分比	HK\$'000	佔貸款總額之百分比
		千港元	百分比	千港元	百分比
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	以下期間的本金或利息逾期之客戶貸款總額：				
- 6 months or less but over 3 months	- 六個月或以下 惟三個月以上	25,791	0.09	22,120	0.09
- 1 year or less but over 6 months	- 一年或以下 惟六個月以上	33,160	0.12	24,958	0.10
- Over 1 year	- 超過一年	36,535	0.13	108,084	0.42
		95,486	0.34	155,162	0.61
- Covered portion of overdue loans and advances	- 逾期貸款及墊款的有抵押部分	47,483		95,015	
- Uncovered portion of overdue loans and advances	- 逾期貸款及墊款的無抵押部分	48,003		60,147	
		95,486		155,162	
Current market value of collateral held against the covered portion of overdue loans and advances	就逾期貸款及墊款的有抵押部分所持有的抵押品的現行市價	33,665		22,811	
Amount of expected recoveries from companies in liquidation in respect of the covered portion of overdue loans and advances	就逾期貸款及墊款的有抵押部分中預期從清盤公司收回之金額	15,538		73,459	
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	48,076		63,612	

Overdue assets of the Group comprise advances to customers only as at 30 June 2007 and 31 December 2006.

本集團之逾期資產僅包括截至二零零七年六月三十日及二零零六年十二月三十一日之客戶貸款。

(E) Rescheduled advances to customers**(E) 重定還款期之客戶貸款**

		As at			
		30 June 2007		31 December 2006	
		於二零零七年六月三十日		於二零零六年十二月三十一日	
		% of total advances		% of total advances	
		HK\$'000	佔貸款總額之百分比	HK\$'000	佔貸款總額之百分比
		千港元	百分比	千港元	百分比
Rescheduled advances to customers	重定還款期之客戶貸款	45,144	0.16	52,792	0.20

(F) Non-bank Mainland exposures**(F) 內地非銀行業之風險**

		As at 30 June 2007			
		於二零零七年六月三十日			
Type of counterparties	交易對手之類型	On-balance sheet exposure	Off-balance sheet exposure	Individually assessed impairment allowances	
		資產負債表內之風險	資產負債表外之風險	Total	個別評估減值撥備
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Mainland entities	內地機構	160,591	19,787	180,378	494
Companies and individuals outside Mainland where the credit is granted for use in Mainland	撥出之信貸用於內地之內地以外公司及個人	5,739,405	1,282,356	7,021,761	45,791
Total	總額	5,899,996	1,302,143	7,202,139	46,285

(F) Non-bank Mainland exposures (continued)**(F) 內地非銀行業之風險(續)**

		As at 31 December 2006 於二零零六年十二月三十一日			
Type of counterparties	交易對手之類型	On-balance sheet exposure 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposure 資產負債表外 之風險 HK\$'000 千港元	Total 總計 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 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
Total	總額	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 the 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) Foreign exchange exposures

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

(G) 外匯風險

有關外幣之倉盤淨額或結構性倉盤淨額之披露如下：

		As at 30 June 2007 於二零零七年六月三十日						
		US		New Zealand	Australian	Chinese	Others	Total
<i>Equivalent in HK\$ Million 百萬港元等值</i>		Dollars	Euros	Dollars	Dollars	Renminbi	其他	總額
		美元	歐元	紐元	澳元	人民幣		
Spot assets	現貨資產	16,458	647	685	429	137	670	19,026
Spot liabilities	現貨負債	(15,581)	(546)	(920)	(1,055)	(138)	(1,322)	(19,562)
Forward purchase	遠期買入	12,874	4,483	423	963	629	2,828	22,200
Forward sales	遠期賣出	(14,013)	(4,585)	(161)	(332)	(422)	(2,174)	(21,687)
Net option position	期權盤淨額	(6)	2	-	-	-	-	(4)
Net long/(short) position	長/(短)盤淨額	(268)	1	27	5	206	2	(27)
		US		New Zealand	Australian	Chinese	Others	Total
<i>Equivalent in HK\$ Million 百萬港元等值</i>		Dollars	Euros	Dollars	Dollars	Renminbi	其他	總額
		美元	歐元	紐元	澳元	人民幣		
Net structural position	結構性倉盤淨額	31	-	-	-	-	-	31
		US		New Zealand	Australian	Chinese	Others	Total
<i>Equivalent in HK\$ Million 百萬港元等值</i>		Dollars	Euros	Dollars	Dollars	Renminbi	其他	總額
		美元	歐元	紐元	澳元	人民幣		
Spot assets	現貨資產	15,199	622	826	651	139	1,365	18,802
Spot liabilities	現貨負債	(14,739)	(636)	(899)	(1,139)	(139)	(1,289)	(18,841)
Forward purchase	遠期買入	9,627	4,269	156	663	200	800	15,715
Forward sales	遠期賣出	(10,073)	(4,255)	(83)	(171)	(1)	(869)	(15,452)
Net option position	期權盤淨額	(4)	-	-	-	-	-	(4)
Net long/(short) position	長/(短)盤淨額	10	-	-	4	199	7	220
		US		New Zealand	Australian	Chinese	Others	Total
<i>Equivalent in HK\$ Million 百萬港元等值</i>		Dollars	Euros	Dollars	Dollars	Renminbi	其他	總額
		美元	歐元	紐元	澳元	人民幣		
Net structural position	結構性倉盤淨額	31	-	-	-	-	-	31

(H) Cross-border claims

The information on cross-border claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate cross-border claims are disclosed.

(H) 跨境債權

跨境債權資料披露於外資金融機構（最終風險所在）之風險，並根據經計及任何轉移風險後該等機構所在地而得出。一般而言，倘該等債權由該機構所屬國家以外之其他國家之任何人士作出擔保或倘該等債權乃由一家總辦事處位於另一國家之海外分行持有，便會實行轉移風險。構成總跨境債權 10% 或以上之地區才會作出披露。

As at 30 June 2007

於二零零七年六月三十日

Figures in HK\$ Million	百萬港元	Banks and other financial institutions 銀行及 其他金融機構	Public sector entities 公營機構	Others 其他	Total 總額	Gross advances overdue for 6 months but less than 3 months 逾期六個月 但少於三個月之 貸款總額		Individually assessed impairment allowances 個別評估 減值撥備
						Impaired loans included 已列賬之 減值貸款	months but less than 3 months 逾期六個月 但少於三個月之 貸款總額	
Asia Pacific excluding Hong Kong of which South Korea of which Taiwan	亞洲太平洋地區 (不包括香港) 南韓 台灣	4,936 2,187 586	4 - -	2,731 79 1,649	7,671 2,266 2,235	4	4	4
North America	北美洲	296	2	286	584			
Western Europe of which Germany of which United Kingdom	西歐 德國 英國	6,537 2,721 1,162	- - -	888 - 658	7,425 2,721 1,820			

(H) Cross-border claims (continued)**(H) 跨境債權 (續)**

As at 31 December 2006

於二零零六年十二月三十一日

(Restated)

(經重列)

Figures in HK\$ Million	百萬港元	Banks and other financial institutions	Public sector entities	Others	Total	Impaired loans included	Gross advances overdue for 6 months but less than 3 months	Individually assessed impairment allowances
		銀行及 其他金融機構	公營機構	其他	總計	已列賬之 減值貸款	逾期六個月 但少於三個月之 貸款總額	個別評估 減值撥備
Asia Pacific excluding Hong Kong	亞洲太平洋地區 (不包括香港)	5,061	4	1,668	6,733	4	4	4
of which South Korea	南韓	1,885	-	-	1,885			
of which Taiwan	台灣	828	-	1,173	2,001			
North America	北美洲	281	1	317	599			
Western Europe	西歐	8,009	-	435	8,444			
of which Germany	德國	3,223	-	-	3,223			

The Bank revised its cross border claims as at 31 December 2006 in accordance with an update of the place of operations for those claims.

本銀行根據最新的業務地點而作出於二零零六年十二月三十一日跨境債權之調整。

(I) Repossessed assets and assets acquired under lending agreements

The total repossessed assets and assets acquired under lending agreements of the Group as at 30 June 2007 amounted to HK\$57,378,000 (2006: HK\$65,280,000).

(I) 收回資產及根據貸款協議所得資產

於二零零七年六月三十日，本集團之收回資產及根據貸款協議所得資產總額為57,378,000港元(二零零六年：65,280,000港元)。

(J) Investments in subsidiaries

All principal subsidiaries are directly owned by the Bank. Details of principal subsidiaries at 30 June 2007 are as follows:

(J) 附屬公司投資

全部主要附屬公司均由本銀行直接擁有。關於二零零七年六月三十日各主要附屬公司之資料如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足之 普通股股本	% of ownership interest held 所持 股權百分比	Net profit for the period 期內淨溢利	Principal activities 主要業務
<i>Incorporated and operating in Hong Kong</i>		<i>於香港註冊成立及運作</i>			
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000 港元	100% 100%	HK\$46,153,000 46,153,000 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\$98,000 98,000 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\$32,589,000 32,589,000 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\$603,000 603,000 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\$7,000 7,000 港元	Nominees service 代理人服務
<i>Incorporated and operating in Vanuatu</i>		<i>於瓦努圖註冊成立及運作</i>			
Fubon Bank Vanuatu Limited	Fubon Bank Vanuatu Limited	US\$4,000,000 4,000,000 美元	100% 100%	US\$140,000 140,000 美元	Finance 財務

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

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

(K) Corporate governance

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

(L) 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 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 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.

(K) 企業管治

本集團致力實行高水平企業管治，並於期內一直遵守金管局頒佈之監管政策手冊之其中章節「本地註冊認可機構之企業管治」。

(L) 主要專責委員會

董事會已成立若干管治委員會，包括執行信貸委員會、管理委員會、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、副主席及兩位執行董事組成。委員會以董事局信貸委員會的身分，按董事局授予的權限，審閱及批核信貸建議。

(ii) 管理委員會

管理委員會由本銀行的行政總裁、執行董事、財務總監、法律部主管，以及行政總裁所委任的高級管理人員組成。委員會乃本銀行的重要的決策組織，主要職責是制定本銀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，亦負責協調各部門的工作、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。

(L) 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 managers 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.

(L) 主要專責委員會(續)*(iii) 資產負債委員會*

資產負債委員會由本銀行的行政總裁、執行董事、財務總監、司庫主管，以及行政總裁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，並由合規部主管列席旁聽，以確保全面符合本銀行既有的管治政策。委員會的主要職責，包括定期檢討本銀行涉及利率風險及流動資金風險的業務，特別針對本銀行應付債務的能力及遵守法定流動資金及資本充足要求事宜。委員會定期審閱及批核本銀行有關資產及負債管理、投資及其他風險管理事宜的政策，以上呈予董事局批准。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。

(L) Key specialised committees (continued)*(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 three members, 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.

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 period, 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.

(L) 主要專責委員會(續)*(iv) 審核委員會*

本銀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之會計專業資格之獨立非執行董事甘禮傑任主席。該委員會每年最少舉行四次會議，並在有需要時舉行特別會議。

審核委員會確保對本銀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。

於本期內，審核委員會已就本銀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。

(L) Key specialised committees (continued)*(iv) Audit Committee (continued)*

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 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.

(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 play a part in decisions on their own remuneration.

(L) 主要專責委員會(續)*(iv) 審核委員會(續)*

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銀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銀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。

(M) Management of risks

The Group has established policies and procedures for the control and monitoring of credit risk, liquidity, capital and market risk. The risk management policy is formulated by the Board, which also monitors risk and regularly reviews the effectiveness of the Group's risk management policies.

(i) 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 credit policy delegates credit approval to the following in descending order of authority: the Executive Credit Committee, the Chief Executive Officer and the Credit Committee.

(M) 風險管理

本集團已制定管理及監察信貸風險、流動資金、資本及市場風險的政策及程序。風險管理政策由董事會制定，委員會亦實行風險監察，並定期檢討本集團風險管理政策之有效性。

(i) 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。

信貸政策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。

(M) Management of risks (continued)*(i) 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 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.

(M) 風險管理(續)*(i) 信貸風險管理(續)*

信貸委員會負責本銀行之信貸風險管理工作。該委員會每星期舉行兩次會議，專責根據信貸授權限額就信貸風險批核信貸建議；並向行政總裁提供意見及推薦建議。信貸委員會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。

(M) Management of risks (continued)*(i) Credit risk management (continued)*

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:

(a) 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.

(M) 風險管理(續)*(i) 信貸風險管理(續)*

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：

(a) 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。

(M) Management of risks (continued)*(i) Credit risk management (continued)**(a) 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 Internal Control Department for their reviews.

(M) 風險管理(續)*(i) 信貸風險管理(續)**(a) 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內部審核部門審閱。

(M) Management of risks (continued)*(i) Credit risk management (continued)*

(b) 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.

(c) 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, credit risk for derivatives is the positive replacement cost together with an estimate for the potential future change in its market value. The credit risk exposure on derivatives is disclosed in note 18(d) of this interim financial report.

(M) 風險管理(續)*(i) 信貸風險管理(續)*

(b) 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。

(c) 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值之未來潛在變動之估計。衍生工具之信貸風險於本附註18(d)內披露。

(M) Management of risks (continued)*(i) Credit risk management (continued)***(d) 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.

(e) 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 industry and product sectors.

(ii) Capital management

The Group's policy is to maintain a strong capital base to support the development of the Group's operations prudently, with the aim of diversifying its business activities, including the future expansion of the branch network, increasing the customer base, introducing new financial products and meeting the statutory capital adequacy ratio. As disclosed in note (a) above, both the Group's capital adequacy ratio of 15.37% and core capital ratio of 10.55% as at 30 June 2007 were well above the statutory minimum ratio.

(M) 風險管理(續)*(i) 信貸風險管理(續)***(d) 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。

(e) 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已經分散至多個行業及產品類別。

(ii) 資本管理

本集團擬維持雄厚的資本來支持本集團審慎地開拓業務，務求使本集團之業務更多元化，其中包括在未來擴大分行網絡、增強客戶基礎，以及提供更多全新金融產品等，及符合法定之資本充足比率。在附註(a)中披露，本集團於二零零七年六月三十日之資本充足比率為 15.37% 及核心資本比率則為 10.55%，實已遠高於法定最低要求。

(M) Management of risks (continued)*(ii) Capital management (continued)*

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

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

(iii) Liquidity management

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

Liquidity is managed on a daily basis by the treasury department under the direction of the Asset and Liability 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.

(M) 風險管理(續)*(ii) 資本管理(續)*

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

資本充足比率及資本基礎組成部分分別於附註(A)及(B)披露。

(iii) 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。

(M) Management of risks (continued)*(iii) Liquidity management (continued)*

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and balances with banks 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 also 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.

As disclosed in note (C) above, the Group's consolidated average liquidity ratio of 45.53% for the six months period ended June 2007 was well above the statutory minimum ratio of 25%.

(iv) 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, but merely executes customer orders.

(M) 風險管理(續)*(iii) 流動資金風險管理(續)*

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,本銀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。

如上文附註(C)所披露,本集團截至二零零七年六月止六個月期間之綜合平均流動資金比率為 45.53% 均遠超於法定的 25% 之最低比率。

(iv) 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,以及資產負債表或架構狀況。

本銀行於產生市場風險之貨幣市場、外匯市場、股票市場及資本市場進行交易。由於執行客戶指令、進行莊家活動及為對沖本銀行之未平倉合約,故有需要持有各種倉盤。本銀行並無從事重大外匯自營買賣,但純粹為執行客戶指令的外匯買賣除外。

(M) Management of risks (continued)*(iv) Market risk management (continued)*

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.

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

The Board reviews and approves the 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 view 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 risk management policies to address currency risk and interest rate risk are set out in the following relevant sections.

(M) 風險管理 (續)*(iv) 市場風險管理 (續)*

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申之風險。

衍生工具為其價值按有關合約內界定之一項或多項相關金融工具或指數釐定之合約，包括掉期、遠期匯率協議、期貨、期權及該等工具之組合。衍生工具作為本銀行資產及負債管理程序之一部分，用於管理其本身之市場風險。本銀行使用之主要衍生工具為利率、股票及外匯匯率相關合約，主要為場外交易衍生工具。本銀行多數衍生工具持倉乃為滿足客戶需求及對沖該等及其他交易持倉而訂立。

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銀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得以達成。針對貨幣風險及利率風險而制定之風險管理政策在下列有關部份詳述。

(M) Management of risks (continued)*(iv) Market risk management (continued)*

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.

(a) 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 associated companies. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

(M) 風險管理(續)*(iv) 市場風險管理(續)*

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

(a) 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。

(M) Management of risks (continued)*(iv) Market risk management (continued)*

(b) 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.

(c) Risk management tools

One of the 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.

(M) 風險管理(續)*(iv) 市場風險管理(續)*

(b) 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。

(c) 風險管理工具

風險值是本集團為監控及限制市場風險所採用之一種工具。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。計算方法為採用方差與協方差模式對統計信心水平進行估計。

(M) Management of risks (continued)*(iv) Market risk management (continued)***(c) Risk management tools (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.

The Group estimates the VaR of its investment portfolios with a confidence level of 95% and 99%. In addition, stress testing is performed on the portfolios and on a consolidated basis to assess the potential income statement impact as a result of extreme movements in market prices. The 95% and 99% VaR for the Bank's investment portfolio, including Hong Kong Exchange Fund bills, at 30 June 2007 were HK\$11,529,538 (2006: HK\$6,189,581) and HK\$16,306,441 (2006: HK\$8,754,039) respectively. The average VaR at 95% and 99% confidence levels for the first six months of 2007 were HK\$8,455,004 (2006: HK\$4,051,465) and HK\$11,902,648 (2006: HK\$5,730,360) respectively.

(M) 風險管理(續)*(iv) 市場風險管理(續)***(c) 風險管理工具(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。

本銀行預期其投資組合的風險值的信心水平為95%及99%。此外，投資組合須接受壓力測試，並以綜合基準評估因市場價格劇變對收益表的潛在影響。於二零零七年六月三十日，本銀行投資組合(包括香港外匯基金票據)之95%及99%信心水平風險值分別為11,529,538港元(二零零六年：6,189,581港元)及16,306,441港元(二零零六年：8,754,039港元)。二零零七年首六個月95%及99%信心水平之平均風險值分別為8,455,004港元(二零零六年：4,051,465港元)及11,902,648港元(二零零六年：5,730,360港元)。

(M) Management of risks (continued)*(iv) Market risk management (continued)***(d) Market risk exposure**

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

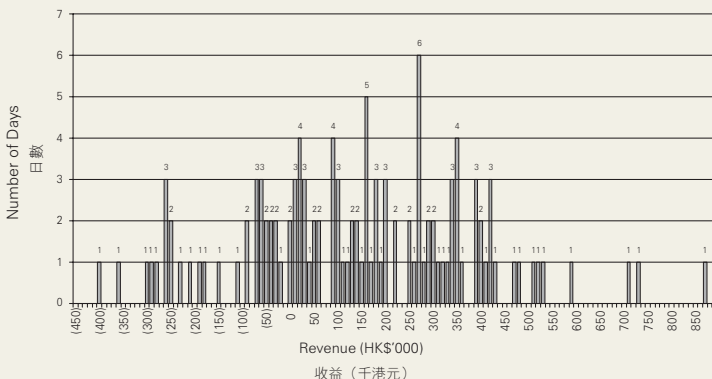
The Group's maximum market risk exposures are set by the Asset and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the period was HK\$146,298 (2006: HK\$86,641) and the standard deviation was HK\$238,146 (2006: HK\$144,549). An analysis of the Group's trading revenue is shown below:

(M) 風險管理(續)*(iv) 市場風險管理(續)***(d) 市場風險承擔**

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、證券、商品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。期內由財資交易活動獲得的平均每日收益為146,298港元（二零零六年：86,641港元），標準偏差為238,146港元（二零零六年：144,549港元）。本集團之交易收益分析如下：

Daily Distribution of Trading Revenue for the Period ended 30 June 2007
截至二零零七年六月三十日止期間每日交易收益分佈



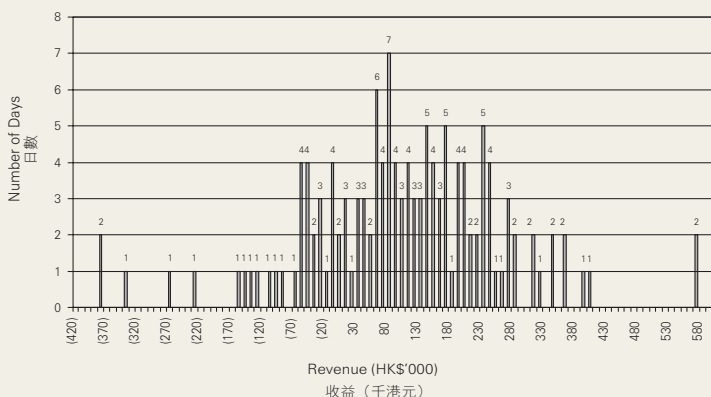
(M) Management of risks (continued)*(iv) Market risk management (continued)*

(d) Market risk exposure (continued)

(M) 風險管理(續)*(iv) 市場風險管理(續)*

(d) 市場風險承擔(續)

Daily Distribution of Trading Revenue for the Period ended 30 June 2006
截至二零零六年六月三十日止期間每日交易收益分佈



This shows a maximum daily loss of HK\$392,446 (2006: HK\$370,458) with 31 days (2006: 27 days) out of 121 days (2006: 136 days) showing losses. The most frequent results were observed in daily revenue falling between HK\$270,000 to HK\$280,000 (2006: HK\$80,000 to HK\$90,000) with 6 occurrences (2006: 7 occurrences). The highest daily revenue was HK\$877,142 (2006: HK\$589,426).

以上圖表顯示於121天(二零零六年：136天)成交日中，31天(二零零六年：27天)錄得虧損，最高每日虧損392,446港元(二零零六年：370,458港元)。最常見交易成績介乎於每日收益為270,000港元至280,000港元(二零零六年：80,000港元至90,000港元)，並於每一組別出現6次(二零零六年：出現7次)。最高每日收益為877,142港元(二零零六年：589,426港元)。

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