



永隆銀行有限公司 WING LUNG BANK LIMITED

(股份代號 Stock code: 96)



Annual Report 2007 年報

75th Anniversary
感謝支持75年
忠誠服務續向前



進展不忘穩健
服務必盡忠誠



Progress with Prudence
Service with Sincerity



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簡介 PROFILE

永隆銀行創立於一九三三年，是香港具悠久歷史華資銀行之一，素持「進展不忘穩健、服務必盡忠誠」之旨向社會提供服務。

本行成立初期規模只屬銀號，隨著戰後香港經濟環境的演變，本行亦日趨成長，逐步拓展現代化銀行業務，為工商業的發展和社會繁榮獻出一分力量。

本行中文名字「永隆」寓意永遠興隆。今後本行同人仍當繼續善用先進資訊科技之輔助，發揚優良服務傳統，以回報社會人士的愛護支持，並加強拓展國內及海外業務，期望與客戶同步前進，共創繁榮。

Wing Lung Bank, founded in 1933, is among the oldest local Chinese banks in Hong Kong. The Bank has at all times followed its motto of “Progress with prudence, service with sincerity” in providing personalised and sincere service to customers.

Originally established as an indigenous Chinese bank, Wing Lung developed and expanded as Hong Kong underwent a remarkable economic transformation after the War. The Bank has since established itself as one with contemporary outlook and comprehensive services, catering to the needs of the business community and playing a part in the generally vibrant economy of Hong Kong.

The Chinese name of the Bank means “Perpetual Prosperity”. With continuous upgrading of advanced information technology, the Bank has every confidence that it will be able to further enhance its traditional quality service to justify the support given to the Bank by the general public. The Bank will further develop its mainland and overseas business to better serve the needs of its customers, thus hoping to contribute to the prosperity of Hong Kong.

WING LUNG BANK LTD

組織摘要

CORPORATE INFORMATION

創辦人

伍宜孫(1904-2005)

名譽董事長

伍潔宜

董事會

董事長

伍步高

副董事長

伍步剛

董事

伍步昌

伍步謙

伍步揚

鍾子森

* 伍兆燦(二〇〇七年四月二十八日退任)

* 梁乃鵬

* 蘇洪亮

伍尚豐

* 曾崇光

* 陳智思(二〇〇七年四月二十八日被委任為獨立非執行董事)

馬毅強(伍步揚之代行董事)

伍尚思(伍步昌之代行董事)

* 獨立非執行董事

秘書

馮蘊蒨

常務董事會

伍步高(主席)

伍步剛

伍步謙

鍾子森

審核委員會

梁乃鵬(主席)

伍兆燦(二〇〇七年四月二十八日退任)

蘇洪亮

曾崇光

陳智思(二〇〇七年四月二十八日被委任)

薪酬委員會

梁乃鵬(主席)

伍兆燦(二〇〇七年四月二十八日退任)

蘇洪亮

陳智思(二〇〇七年四月二十八日被委任)

FOUNDER

Dr Yee-sun WU (1904-2005)

EMERITUS CHAIRMAN

Dr Jieh-yee WU, DCL (Hon), DBA (Hon), FHKIB

BOARD OF DIRECTORS

Chairman

Dr Michael Po-ko WU, BSME, LLD (Hon), PEng (Ontario), FHKIB

Vice-Chairman

Dr Patrick Po-kong WU, HonMBA CSturt, HonDUniv CSturt, Hon DSocSc, FCIB, FHKIB, JP

Directors

Mr Albert Po-cheung WU, BComm

Dr Philip Po-him WU, BA, MBA, PhD, DBA (Hon), FHKIB, BBS, JP

Mr Ivan Po-young WU, BComm, CA (Canada)

Mr Che-shum CHUNG, BA

* Dr Siu-chan NG, BVSc, DBA (Hon) (retired on 28 April 2007)

* Dr Norman Nai-pang LEUNG, GBS, LLD (Hon), BA, JP

* Mr Lincoln Hung-leung SOO, BScChE, MBA, JP

Mr Anthony Shang-fung WU, BAppSc (Computing), MBA, MACS

* Mr Shung-kwong TSANG, BEcon, CPA

* The Hon Bernard Charnwut CHAN, GBS, JP (appointed as Independent Non-executive Director on 28 April 2007)

Mr Kenneth Ngai-keung MA, BMath, MBA (Alternate to Ivan Po-young WU)

Ms Alice Shang-sze WU, BComm, LLB (Alternate to Albert Po-cheung WU)

* Independent Non-executive Director

Secretary

Ms Maria Wan-sin FUNG, BComm, PGDCA, FCS, FCIS

Executive Committee

Dr Michael Po-ko WU, BSME, LLD (Hon), PEng (Ontario), FHKIB (Chairman)

Dr Patrick Po-kong WU, HonMBA CSturt, HonDUniv CSturt, Hon DSocSc, FCIB, FHKIB, JP

Dr Philip Po-him WU, BA, MBA, PhD, DBA (Hon), FHKIB, BBS, JP

Mr Che-shum CHUNG, BA

Audit Committee

Dr Norman Nai-pang LEUNG, GBS, LLD (Hon), BA, JP (Chairman)

Dr Siu-chan NG, BVSc, DBA (Hon) (retired on 28 April 2007)

Mr Lincoln Hung-leung SOO, BScChE, MBA, JP

Mr Shung-kwong TSANG, BEcon, CPA

The Hon Bernard Charnwut CHAN, GBS, JP (appointed on 28 April 2007)

Remuneration Committee

Dr Norman Nai-pang LEUNG, GBS, LLD (Hon), BA, JP (Chairman)

Dr Siu-chan NG, BVSc, DBA (Hon) (retired on 28 April 2007)

Mr Lincoln Hung-leung SOO, BScChE, MBA, JP

The Hon Bernard Charnwut CHAN, GBS, JP (appointed on 28 April 2007)

行政人員

董事長兼常務董事

伍步高

副董事長兼常務董事

伍步剛

常務董事兼行政總裁

伍步謙

常務董事兼總經理

鍾子森

副總經理

吳理存

助理總經理

談葆釗

吳芷薇

吳淑英

張頌強

伍尚豐

高級經理

何啟鴻

周維國

徐炳坤

鄧耀樑

梁健耀

伍尚宗

伍尚敦

伍尚修

註冊行址

香港德輔道中45號

核數師

羅兵咸永道會計師事務所

香港執業會計師

股份登記處

香港中央證券登記有限公司

香港皇后大道東183號

合和中心46樓

EXECUTIVES

Chairman & Executive Director

Dr Michael Po-ko WU, *BSME, LLD (Hon), PEng (Ontario), FHKIB*

Vice-Chairman & Executive Director

Dr Patrick Po-kong WU, *HonMBA CSturt, HonDUniv CSturt, Hon DSocSc, FCIB, FHKIB, JP*

Executive Director & Chief Executive

Dr Philip Po-him WU, *BA, MBA, PhD, DBA (Hon), FHKIB, BBS, JP*

Executive Director & General Manager

Mr Che-shum CHUNG, *BA*

Deputy General Manager

Mr Howard Li-chien WU, *BA (Hons), MBA*

Assistant General Managers

Mr Po-chiu TAM

Ms Christine Chi-mei NG, *BSc, ACA, CISA*

Ms Suk-ying NG, *DMED, FCIB, FHKIB*

Mr Chung-keung CHEUNG, *MSc, MBA, FCCA, CPA, FRM*

Mr Anthony Shang-fung WU, *BAppSc (Computing), MBA, MACS*

Senior Managers

Mr Kai-hung HO

Mr Wai-kwok CHOW, *BSc, MBA, CISA, CISM*

Mr Anthony Ping-kwan TSUI, *DMS, MAppFin, ACIB, AHKIB*

Mr Yiu-leung TANG, *BSocSc, EMBA*

Mr Kin-yiu LEUNG, *DMS, DTM, MBA, MIHRM*

Mr Arthur WU, *BA, LLB, PCLL, MBA*

Mr Mason Shang-tun WU, *BCom, MCom, CA, CPA, CFA*

Mr Samuel Sheung-shau WU, *BA*

REGISTERED OFFICE

45 Des Voeux Road Central, Hong Kong

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants

REGISTRARS

Computershare Hong Kong Investor Services Limited

Hopewell Centre, 46th Floor

183 Queen's Road East

Hong Kong

已故創辦人伍宜孫博士盆景作品。
*Artistic pot plant trained by the late
Dr Yee-sun WU, Founder.*



董事及高層管理人員個人資料

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

名譽董事長

伍絮宜博士

董事會

伍步高博士

董事長兼常務董事

七十一歲，一九七八年加入本行並於同年被委任為常務董事，一九七九年當選為副董事長，一九八二年起當選為董事長；現亦為本行各主要附屬公司、永時實業有限公司、伍宜孫有限公司及宜康有限公司董事，稅務局委員會委員，中國科學院南京分院特約研究員。是伍步揚先生及伍步昌先生之兄，馬毅強先生之舅父，伍尚思小姐之伯父。

伍步剛博士太平紳士

副董事長兼常務董事、替任行政總裁

七十歲，一九六二年加入本行，一九七三年被選任為常務董事，一九七六年至一九八三年任常務董事兼總經理，一九八四年起當選為副董事長；現亦為本行各主要附屬公司、永時實業有限公司、伍絮宜有限公司及宜康有限公司董事；另擔任香港銀行學會副會長、國際商會－中國香港區會主席、香港中華總商會常務會董、當值律師服務理事會理事、嶺南大學諮議會主席、香港童軍總會名譽會長及香港心臟基金會有限公司主席。是伍絮宜博士之子，伍步謙博士之兄，伍尚豐先生之父。

伍步昌先生

非執行董事

六十二歲，曾於一九六八年至一九七九年間任職本行，一九七七年起被選任為董事；現亦為永時實業有限公司及宜康有限公司董事。是伍步高博士及伍步揚先生之弟，伍尚思小姐之父，馬毅強先生之舅父。

EMERITUS CHAIRMAN

Dr Jieh-ye WU, *DCL (Hon), DBA (Hon), FHKIB*

BOARD OF DIRECTORS

Dr Michael Po-ko WU, *BSME, LLD (Hon), PEng (Ontario), FHKIB*

Chairman and Executive Director

Age 71. Joined the Bank in 1978. Appointed an Executive Director in the same year and elected Vice-Chairman in 1979. Chairman since 1982. He sits on the board of all principal subsidiary companies of the Bank, Wings Investment Company Limited, Wu Yee Sun Company Limited and Yee Hong Company Limited. A member of the Board of Inland Revenue and Guest Research Professor of Nanjing Branch of The Chinese Academy of Sciences. Brother of Mr Ivan Po-young WU and Mr Albert Po-cheung WU. Uncle of Mr Kenneth Ngai-keung MA and Ms Alice Shang-sze WU.

Dr Patrick Po-kong WU, *HonMBA CSturt, HonDUniv CSturt, Hon DSocSc, FCIB, FHKIB, JP*

Vice-Chairman and Executive Director, Alternate Chief Executive

Age 70. Joined the Bank in 1962. Elected Managing Director in 1973, Executive Director and General Manager from 1976 to 1983 and Vice-Chairman since 1984. He sits on the board of all principal subsidiary companies of the Bank, Wings Investment Company Limited, Wu Jieh Yee Company Limited and Yee Hong Company Limited. He is a Vice President of the Council of The Hong Kong Institute of Bankers, Chairman of International Chamber of Commerce – Hong Kong, China, Standing Committee Member of The Chinese General Chamber of Commerce, a member of Duty Lawyer Service Council, Chairman of the Court of Lingnan University, an Honorary President of The Scout Association of Hong Kong and Chairman of The Hong Kong Heart Foundation Limited. Son of Dr Jieh-ye WU. Brother of Dr Philip Po-him WU. Father of Mr Anthony Shang-fung WU.

Mr Albert Po-cheung WU, *BComm*

Non-executive Director

Age 62. Worked for the Bank from 1968 to 1979. Elected a Director since 1977. Also a Director of Wings Investment Company Limited and Yee Hong Company Limited. Brother of Dr Michael Po-ko WU and Mr Ivan Po-young WU. Father of Ms Alice Shang-sze WU and uncle of Mr Kenneth Ngai-keung MA.

伍步謙博士太平紳士

常務董事兼行政總裁

六十二歲，一九七五年加入本行，一九八二年起被選任為常務董事，二〇〇五年起被委任為行政總裁；現亦為本行各主要附屬公司、伍絮宜有限公司、銀聯通寶有限公司、銀聯控股有限公司、銀和再保險有限公司、香港人壽保險有限公司及香港資優教育學院有限公司董事；律師紀律委員會及行政上訴委員會委員。是伍絮宜博士之子，伍步剛博士之弟，伍尚豐先生之叔父。

伍步揚先生

非執行董事

六十五歲，一九八二年加入本行並被選任為常務董事，一九八四年至一九八七年兼任總經理，至一九八七年起改任董事；現亦為加拿大東亞銀行董事。是伍步高博士之弟，伍步昌先生之兄，馬毅強先生之舅父，伍尚思小姐之伯父。

鍾子森先生

常務董事兼總經理、替任行政總裁

六十一歲，一九七一年加入本行，一九九〇年獲委任為總經理，一九九一年起被選任為常務董事；現亦為本行各主要附屬公司董事。

梁乃鵬博士太平紳士

獨立非執行董事

六十七歲，二〇〇二年起被委任為本行董事。現為電視廣播有限公司副行政主席及載通國際控股有限公司副主席。另為香港城市大學副校監及前任行政長官及政治委任官員離職後工作諮詢委員會委員。

蘇洪亮太平紳士

獨立非執行董事

六十二歲，二〇〇三年起被委任為本行董事及永隆保險有限公司獨立非執行董事；亦為華廈置業有限公司之獨立非執行董事。現時從事證券業，為蘇佩珩有限公司主席；內幕股票買賣審核委員、香港痙攣協會委員及香港浸會大學英文系諮詢會主席。

Dr Philip Po-him WU, BA, MBA, PhD, DBA (Hon), FHKIB, BBS, JP

Executive Director and Chief Executive

Age 62. Joined the Bank in 1975. Elected an Executive Director since 1982 and appointed Chief Executive since 2005. He sits on the board of all principal subsidiary companies of the Bank, Wu Jieh Yee Company Limited, Joint Electronic Teller Services Limited, Bank Consortium Holding Limited, BC Reinsurance Limited, Hong Kong Life Insurance Limited and The Hong Kong Academy For Gifted Education Limited. Member of the Solicitors Disciplinary Tribunal and the Administrative Appeals Board. Son of Dr Jieh-ye WU. Brother of Dr Patrick Po-kong WU and uncle of Mr Anthony Shang-fung WU.

Mr Ivan Po-young WU, BComm, CA (Canada)

Non-executive Director

Age 65. Joined the Bank and elected an Executive Director in 1982. General Manager from 1984 to 1987. Remains a Director since 1987. Also a Director of The Bank of East Asia (Canada). Brother of Dr Michael Po-ko WU and Mr Albert Po-cheung WU. Uncle of Mr Kenneth Ngai-keung MA and Ms Alice Shang-sze WU.

Mr Che-shum CHUNG, BA

Executive Director and General Manager, Alternate Chief Executive

Age 61. Joined the Bank in 1971. Appointed a General Manager in 1990 and elected an Executive Director since 1991. He sits on the board of all principal subsidiary companies of the Bank.

Dr Norman Nai-pang LEUNG, GBS, LLD (Hon), BA, JP

Independent Non-executive Director

Age 67. Appointed a Director of the Bank since 2002. Executive Deputy Chairman of Television Broadcasts Limited and Deputy Chairman of Transport International Holdings Limited. He is the Pro-Chancellor of City University of Hong Kong and a Member of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials.

Mr Lincoln Hung-leung SOO, BScChE, MBA, JP

Independent Non-executive Director

Age 62. Appointed a Director of the Bank and an Independent Non-executive Director of Wing Lung Insurance Company Limited since 2003. Also an Independent Non-executive Director of Wah Ha Realty Company Limited. He is a stock broker and the chairman of Soo Pei Shao & Co Ltd, Member of the Insider Trading Tribunal, Member of the Committee of the Spastics Association and Chairman of the English Major Advisory Council of Hong Kong Baptist University.

伍尚豐先生

非執行董事

四十三歲，一九九八年起被委任為伍潔宜博士之代行董事，二〇〇〇年起被委任為永隆財務有限公司非執行董事，二〇〇四年起被選任為本行董事，分別於二〇〇四年及二〇〇七年獲委任為高級經理及助理總經理；現亦為永隆資訊科技(深圳)有限公司及新光文儀用品有限公司董事長。是伍潔宜博士之孫，伍步剛博士之子及伍步謙博士之侄。

曾崇光先生

獨立非執行董事

七十一歲，曾於一九七三年至二〇〇一年間任職本行，歷任經理、助理總經理及董事會秘書等職位，二〇〇四年起被選任為本行董事；現時亦為香港人壽保險有限公司、銀和再保險有限公司及永隆保險有限公司獨立非執行董事。

陳智思議員太平紳士

獨立非執行董事

四十三歲，二〇〇七年起被委任為本行董事。現為亞洲金融集團(控股)有限公司及亞洲保險有限公司之執行董事兼總裁，同時出任泰國盤谷銀行香港分行顧問。除了在商界的職務外，亦為香港特別行政區立法會內代表保險界功能界別的議員、行政會議非官守議員及港區全國人大代表。同時也身兼多家香港上市公司之董事職務，包括：震雄集團有限公司、City e-Solutions Limited、新澤控股有限公司、建滔積層板控股有限公司、華潤創業有限公司及有利集團有限公司。

馬毅強先生

伍步揚先生之代行董事

三十九歲，一九九九年九月起被委任為伍步揚先生之代行董事；二〇〇一年起被委任為永隆財務有限公司非執行董事；現時在一家投資銀行擔任財務分析研究。是伍步高博士、伍步揚先生及伍步昌先生之外甥。

伍尚思小姐

伍步昌先生之代行董事

三十二歲，二〇〇五年起被委任為伍步昌先生之代行董事。現為香港高等法院律師，是伍步昌先生之女，伍步高博士及伍步揚先生之姪。

Mr Anthony Shang-fung WU, BAppSc (Computing), MBA, MACS

Non-executive Director

Age 43. Appointed an Alternate Director to Dr Jieh-ye WU in 1998. A Non-executive Director of Wing Lung Finance Limited since 2000. Elected a Director of the Bank since 2004 and appointed a Senior Manager in 2004 and an Assistant General Manager in 2007. Also Chairman of Wing Lung Information Technology (Shenzhen) Limited and Sun Light Office Appliances Limited. Grandson of Dr Jieh-ye WU, son of Dr Patrick Po-kong WU and nephew of Dr Philip Po-him WU.

Mr Shung-kwong TSANG, BEcon, CPA

Independent Non-executive Director

Age 71. Worked for the Bank from 1973 to 2001. Served consecutively as Manager, Assistant General Manager and Secretary to the Board. Elected a Director since 2004. Also an Independent Non-executive Director of Hong Kong Life Insurance Limited, BC Reinsurance Limited and Wing Lung Insurance Company Limited.

The Hon Bernard Charnwut CHAN, GBS, JP

Independent Non-executive Director

Age 43. Appointed a Director of the Bank in 2007. Executive Director and President of Asia Financial Holdings Limited and Asia Insurance Company Limited. An Advisor of Bangkok Bank Public Company Limited, Hong Kong Branch. Apart from the roles in the business community, he also serves as a member of the Legislative Council representing the insurance industry, a non-official member of the Executive Council of the Hong Kong SAR and a Hong Kong Deputy to the National People's Congress. In addition, he holds directorship in a number of listed companies in Hong Kong, including Chen Hsong Holdings Limited, City e-Solutions Limited, New Heritage Holdings Limited, Kingboard Laminates Holdings Limited, China Resources Enterprise, Limited and Yau Lee Holdings Limited.

Mr Kenneth Ngai-keung MA, BMath, MBA

Alternate Director to Mr Ivan Po-young WU

Age 39. Appointed an Alternate Director to Mr Ivan Po-young WU since 1999 and a Non-executive Director of Wing Lung Finance Limited since 2001. An equity research analyst of an investment bank. Nephew of Dr Michael Po-ko WU, Mr Ivan Po-young WU and Mr Albert Po-cheung WU.

Ms Alice Shang-sze WU, BComm, LLB

Alternate Director to Mr Albert Po-cheung WU

Age 32. Appointed an Alternate Director to Mr Albert Po-cheung WU since 2005. A solicitor of the High Court of Hong Kong. Daughter of Mr Albert Po-cheung WU, and niece of Dr Michael Po-ko WU and Mr Ivan Po-young WU.

高層管理人員

吳理存先生

副總經理

六十二歲，一九九二年加入本行任助理總經理，二〇〇七年獲委任為副總經理；現亦為永隆保險有限公司、永隆證券有限公司、永隆期貨有限公司董事。過往曾服務於紐約一國際銀行集團及紐約聯邦儲備銀行。

談葆釗先生

助理總經理

五十七歲，一九六九年加入本行，一九九四年任助理總經理，現亦為永隆證券有限公司、永隆期貨有限公司及銀聯信託有限公司董事。

吳芷薇小姐

助理總經理

四十五歲，特許會計師，一九八九年加入本行，一九九八年任助理總經理，現亦為永隆保險有限公司董事。

吳淑英小姐

助理總經理

五十六歲，一九六八年加入本行，二〇〇六年任助理總經理；另擔任香港銀行學會名譽秘書。

張頌強先生

助理總經理

四十五歲，專業會計師，一九九一年加入本行，二〇〇七年任助理總經理；現亦為永隆資訊科技(深圳)有限公司董事。

伍尚豐先生

助理總經理

四十三歲，一九九八年起被委任為伍絮宜博士之代行董事，二〇〇〇年起被委任為永隆財務有限公司非執行董事，二〇〇四年起被選任為本行董事，分別於二〇〇四年及二〇〇七年獲委任為高級經理及助理總經理；現亦為永隆資訊科技(深圳)有限公司及新光文儀用品有限公司董事長。是伍絮宜博士之孫，伍步剛博士之子及伍步謙博士之侄。

SENIOR MANAGEMENT

Mr Howard Li-chien WU, BA (Hons), MBA

Deputy General Manager

Age 62. Joined the Bank in 1992 as Assistant General Manager. Appointed Deputy General Manager in 2007. Member of board of Wing Lung Insurance Company Limited, Wing Lung Securities Limited and Wing Lung Futures Limited. Previously with a major international banking group in both New York and Hong Kong, and prior to that, the Federal Reserve Bank of New York.

Mr Po-chiu TAM

Assistant General Manager

Age 57. Joined the Bank in 1969. Appointed Assistant General Manager in 1994. Member of board of Wing Lung Securities Limited, Wing Lung Futures Limited and Bank Consortium Trust Company Limited.

Ms Christine Chi-mei NG, BSc, ACA, CISA

Assistant General Manager

Age 45. Chartered Accountant. Joined the Bank in 1989. Appointed Assistant General Manager in 1998. Member of board of Wing Lung Insurance Company Limited.

Ms Suk-ying NG, DMED, FCIB, FHKIB

Assistant General Manager

Age 56. Joined the Bank in 1968. Appointed Assistant General Manager in 2006. Honorary Secretary of The Hong Kong Institute of Bankers.

Mr Chung-keung CHEUNG, MSc, MBA, FCCA, CPA, FRM

Assistant General Manager

Age 45. Certified Public Accountant. Joined the Bank in 1991. Appointed Assistant General Manager in 2007. Director of Wing Lung Information Technology (Shenzhen) Limited.

Mr Anthony Shang-fung WU, BAppSc (Computing), MBA, MACS

Assistant General Manager

Age 43. Appointed an Alternate Director to Dr Jieh-ye WU in 1998. A Non-executive Director of Wing Lung Finance Limited since 2000. Elected a Director of the Bank since 2004 and appointed a Senior Manager in 2004 and an Assistant General Manager in 2007. Also Chairman of Wing Lung Information Technology (Shenzhen) Limited and Sun Light Office Appliances Limited. Grandson of Dr Jieh-ye WU, son of Dr Patrick Po-kong WU and nephew of Dr Philip Po-him WU.

五年財務概況

FIVE-YEAR FINANCIAL SUMMARY

		2003	2004	2005	2006	2007
港幣百萬元	HK\$ million					
客戶貸款	Advances to customers	29,262	31,144	36,856	38,783	41,935
總資產	Total assets	67,788	71,054	74,722	84,981	93,048
客戶存款 ⁽¹⁾	Deposits from customers ⁽¹⁾	51,395	53,196	54,306	62,817	71,119
發行之存款證 ⁽²⁾	Certificates of deposit issued ⁽²⁾	2,668	3,180	4,278	5,005	3,294
總負債	Total liabilities	59,172	61,486	64,585	73,599	80,568
權益	Equity	8,616	9,568	10,137	11,382	12,480
淨溢利	Net profit	<u>859</u>	<u>1,032</u>	<u>1,109</u>	<u>1,606</u>	<u>1,372</u>
港元	HK\$					
每股盈利	Earnings per share	<u>3.70</u>	<u>4.44</u>	<u>4.78</u>	<u>6.92</u>	<u>5.91</u>
百分比	Percent					
貸款對存款比率	Loan to deposit ratio	<u>52.9</u>	<u>54.4</u>	<u>62.6</u>	<u>56.9</u>	<u>56.1</u>

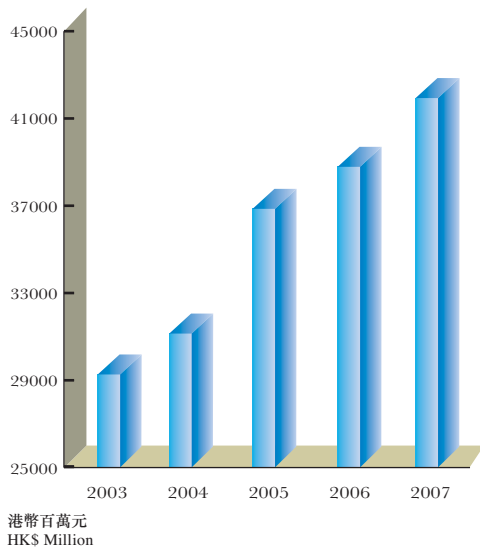
(1) 包括歸納於「以公平價值誌入損益賬之金融負債」內之結構性存款。

(1) Including those structured deposits grouped under “Financial liabilities designated at fair value through profit or loss”.

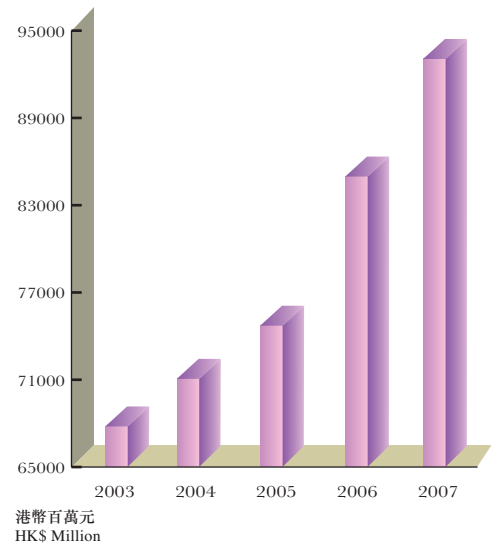
(2) 包括歸納於「以公平價值誌入損益賬之金融負債」內之發行之存款證。

(2) Including those classified under “Financial liabilities designated at fair value through profit or loss”.

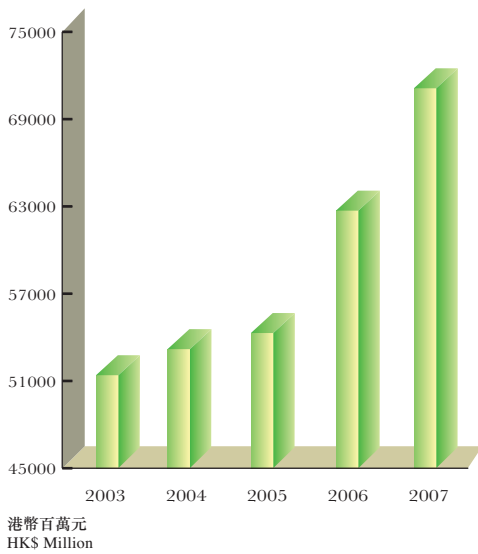
客戶貸款
ADVANCES TO CUSTOMERS



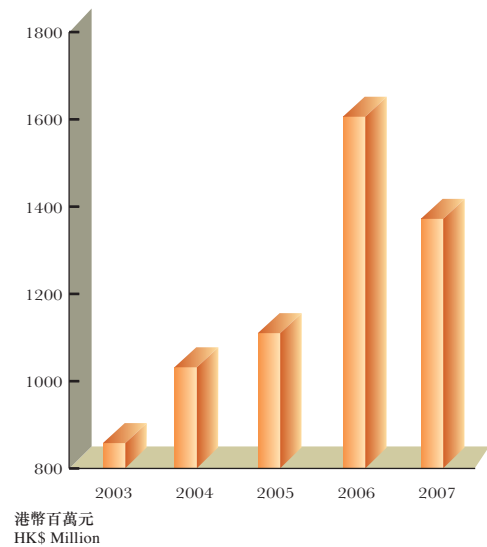
總資產
TOTAL ASSETS

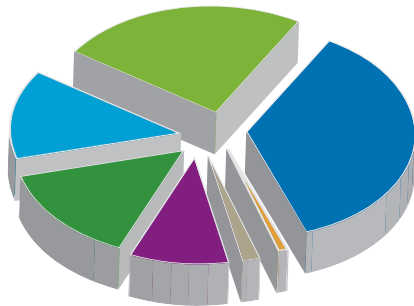


客戶存款
DEPOSITS FROM CUSTOMERS



淨溢利
NET PROFIT





客戶貸款

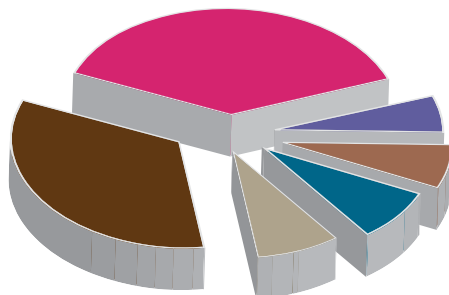
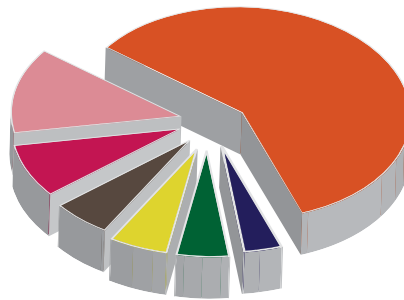
ADVANCES TO CUSTOMERS

- 36.2% 物業投資及發展
Property investment and development
- 24.0% 住宅樓宇按揭
Residential mortgage
- 14.3% 在香港以外使用之貸款
Loans for use outside Hong Kong
- 13.6% 其他工商金融貸款
Other industrial, commercial and financial lending
- 9.5% 其他個人貸款
Other lending to individuals
- 1.7% 貿易融資
Trade finance
- 0.7% 金融企業
Financial concerns

營業支出

OPERATING EXPENSES

- 59.3% 人事費用
Staff costs
- 13.0% 其他
Others
- 8.0% 折舊
Depreciation
- 5.8% 房產及設備支出，不包括折舊
Premises and equipment expenses, excluding depreciation
- 5.4% 電子數據處理
Electronic data processing
- 5.1% 廣告及業務推廣
Advertising and business promotion
- 3.4% 郵遞及通訊
Postage and communications



非利息收入

NON-INTEREST INCOME

- 38.2% 服務費及佣金淨收入
Net fees and commission income
- 33.4% 保險營業收入
Insurance operating income
- 8.0% 淨交易收入
Net trading income
- 8.0% 出售可供出售證券之淨收益
Net gain on disposal of available-for-sale securities
- 6.8% 物業租金淨收益
Net rental income on properties
- 5.6% 其他
Others

董事長致詞

CHAIRMAN'S STATEMENT

二〇〇七年香港經濟持續向好，本行營業收入減除營業支出後有18.7%增長，惟因須為所持結構性投資作減值撥備，致全年稅後盈利下降至港幣1,371,514,000元，較二〇〇六年之港幣1,605,789,000元減少14.6%，即每股盈利港幣5.91元。董事會建議派發末期股息每股港幣1.50元，連同去年九月已派發之中期股息每股港幣0.90元，二〇〇七年全年每股派息港幣2.40元，較二〇〇六年減少29.4%。

二〇〇七年度本行的平均資產回報率及平均股東資金回報率分別為1.54%及11.5%；資本充足比率及平均流動資金比率分別為14.7%及46.8%。

於二〇〇七年十二月三十一日與去年同期比較，總存款港幣71,119,867,000元，增長13.2%；總放款港幣41,934,520,000元，增長8.1%；綜合資產總值港幣93,048,139,000元，上升9.5%。

去年下半年環球經濟開始受美國次按風暴影響而變為不明朗，美國房屋市場下滑，消費信心轉弱，本港貨物出口數據亦呈現放緩。然而內地經濟仍屬向好，香港不斷有資金流入，加上美元持續弱勢，香港跟隨美國減息，進一步刺激投資市場，令股市、樓市持續暢旺。就業情況改善，薪酬上揚，也推動了內部消費，零售業增長蓬勃。惟人民幣持續升值，進口貨品價格上升，引發通脹加劇。

去年非利息收入業務收益增長29.2%，表現理想，當中證券業務受惠於股市暢旺，收益增長尤為顯著；隨著市場對專業理財服務的需求日增，理財業務表現也不俗；保險業務削價競爭依然激烈，營業收入增長5.9%，提撥申索準備後淨收益下跌11.4%。

今年本行將繼續致力開拓非利息收入業務，尤以證券及理財兩項為重點，緊貼市場發展趨勢，把握商機；另嚴謹選擇適合開設分行的位置，吸納地區優質客戶，為其提供切合個人需要的產品及服務。

展望二〇〇八年中國在繼續推行宏觀調控底下，其經濟增長將逐步減慢，惟仍會是帶動亞太地區發展的主要力量，香港背靠祖國，自然亦蒙受其惠。在市場資金仍然充裕下，加上港元追隨美國減息，預期負利率會重臨，通脹加劇，刺激資產價格上升。值得顧慮者是美國的次按危機仍在擴散及深化，可能引發全球經濟衰退。美國樓市下滑及消費萎縮，亦會減少對中國及香港出口產品的需求。這些不穩定的外圍因素，為香港銀行業增添營運上的風險，並帶來更多

Hong Kong's economy remained buoyant in 2007. The Bank's operating income after deducting operating expenses recorded an 18.7% growth; however, with the impairment allowance made for structured investments, the consolidated net profit for the year, after making provision for taxation, was down 14.6% from HK\$1,605,789,000 in 2006 to HK\$1,371,514,000 in 2007. Earnings per share was HK\$5.91. The Board proposes the payment of a final dividend of HK\$1.50 per share which, together with the interim dividend of HK\$0.90 per share already paid in September 2007, make a total dividend for the year 2007 of HK\$2.40 per share, representing a decrease of 29.4% over 2006.

Return on average assets and return on average equity were 1.54% and 11.5% respectively. The capital adequacy ratio and the average liquidity ratio for the year were 14.7% and 46.8% respectively.

As at 31 December 2007, total deposits grew by 13.2% to HK\$71,119,867,000, while total advances to customers expanded by 8.1% to HK\$41,934,520,000. Consolidated total assets amounted to HK\$93,048,139,000, representing a 9.5% increase over 2006.

The US sub-prime turmoil has brought about increased uncertainties to the global economy since the second half of 2007. Adversely affected by the slump in the property market and weak consumer confidence in the US, Hong Kong's export trading activities have shown signs of slowing down. However, the growing Mainland economy, continuing capital inflows, weakening US Dollar and falling local interest rates which tracked the US rate cuts helped reinforce domestic investment impetus and energized the local stock and property markets. Improved unemployment rate, coupled with greater salary hikes, bolstered domestic consumption and nurtured a flourishing retail market. Nevertheless, inflationary pressure intensified as Renminbi continued to appreciate in value, causing prices of imported goods soared.

The Bank's non-interest income businesses recorded a satisfactory growth of 29.2%. Benefiting from the active stock market, securities brokerage business in particular grew robustly. With growing demand for professional wealth management services, wealth management business continued to excel. Operating income from insurance business increased by 5.9% under fierce price competition, while net profit after charging for insurance claims decreased by 11.4%.

For the current year, the Bank will continue to expand its non-interest income businesses, focusing on securities brokerage and wealth management businesses. We will keep our strategy under close monitoring to grasp the vast opportunities that the fast-changing market presents. The Bank will carefully identify strategic locations for new branches in order to service potential customers in different communities.

Looking into 2008, China's economic growth will gradually slow down under its tighter macro control measures. Nevertheless, China will remain a key driving force for economic development of the Asia-Pacific region, and Hong Kong will certainly benefit from Mainland's expanding economy. Hong Kong will likely run into negative real interest rate environment given the ample liquidity within the economy and further local interest rate reductions pursuant to more US rate cuts; these coupled with intensified inflationary pressure will drive up asset prices. The deepening US sub-prime mortgage crisis is worrisome and its subsequent spillover effects would bring profound impacts on global markets. The housing slump and shrinking consumption demands in the US would reduce the demands for exports from China and Hong Kong as well.

的挑戰。本行將堅守一貫穩健方針，加強對各類風險的管理，密切留意市場變化而制訂應對策略，以求業務能繼續穩定進展。

近年中國經濟高速增長，本行在策略上亦已加大力度開拓內地業務，抓緊市場機遇。深圳分行的人民幣業務已於去年底正式展開，上海代表處已獲中國銀行業監督管理委員會批准升格為分行，並於本年二月十八日開業；另已計劃申請將廣州代表處升格為分行；本行已制訂了長遠計劃進一步開拓內地市場，同時積極在內地招聘人才加以培訓，以應未來發展之需。

今年一月本行與山東省烟台市商業銀行簽署入股協議，認購該行百分之四點九九經擴大後股權，如獲其股東大會及監管當局通過，將成為該行主要股東之一。烟台市商業銀行是山東省第二大城市商業銀行，成長於發展迅速的環渤海經濟區，提供各類零售銀行服務、貿易融資、匯款及其他商業銀行服務。本行首次投資於內地銀行，是積極發展內地業務的一環，希望藉此積累更多國內銀行營運的經驗，擴闊內地關係網絡，並對國內銀行業發展出一分力。

These external instabilities would bring about higher operational risk and more challenges for the local banking industry. In light of these developments, the Bank will continue to adopt prudent strategies, strengthen risk management, closely monitor market development and flexibly adjust business strategies in order to achieve steady business progress.

To capitalise on the rapid economic development and the vast business opportunities in the Mainland, the Bank has strengthened its strategic focus on further developing mainland businesses. The Bank's Shenzhen Branch rolled out Renminbi services in late 2007; with the approval of the China Banking Regulatory Commission, the Bank's Shanghai Representative Office was upgraded to a full branch, which started operation on 18 February 2008. Plan is now underway to upgrade the Guangzhou Representative Office to a full branch. The Bank has formulated long-term plans to further expand into the Mainland and will beef up staff recruitment and training to meet future expansion needs.

In January 2008, the Bank signed an agreement with Yantai City Commercial Bank in Shandong to acquire 4.99% of Yantai City Commercial Bank's enlarged capital. Subject to regulatory and its shareholders' approval, our Bank will thus become one of its key shareholders. Yantai City Commercial Bank is the second largest city commercial bank in Shandong Province, operating in the rapidly developing Bohai Economic Zone. It provides comprehensive personal banking services, trade financing, remittances and other commercial banking services. This is the first time that the Bank has invested in a Mainland bank. This investment represents an important step in the Bank's expansion into the Mainland market with the aim of further enhancing the Bank's cumulated operational experience in the Mainland and broadening our liaison and networking. In the process, the Bank is also privileged to contribute towards commercial banking development in the Mainland.



認購烟台市商業銀行股權簽約儀式。
The agreement signing ceremony of the Bank's acquisition of shares in Yantai City Commercial Bank.

今年一月中美國傳統基金公布二〇〇八年「經濟自由度指數」，香港連續第十四年獲評為全球最自由經濟體系，證明香港一向所堅持的自由市場政策及所提供的有利營商環境仍然得到國際社會的認同，這包括了低稅率、少干預、高透明度監管及司法獨立等。相信特區政府會繼續強化這些優勢，以保持本港的領先地位。

In mid-January 2008, the Heritage Foundation of the US announced its 2008 Index of Economic Freedom, and Hong Kong has been rated by the Foundation as the world's freest economy for the past fourteen consecutive years, which proves that the laissez-faire economic policy of Hong Kong and our favourable business environment, including low tax rates, minimum intervention, transparent supervision and judicial independence, are well recognized internationally. The Hong Kong SAR Government will surely continue to strengthen these competitive advantages in order to keep our city's leading position.

現今銀行業務所推出的服務產品日益多元化和複雜化，建構一個完善的風險管理系統係有必要。本行已設有風險管理委員會，負責制訂、檢討本行管理各類風險的政策與程序，並就此等政策及程序的落實執行進行監察。此外，風險管理委員會亦負責對法律及合規風險的監控，確保所有業務運作均依照法例合規進行。

歡迎陳智思先生加入董事會為獨立非執行董事，陳先生是亞洲金融集團(控股)有限公司及亞洲保險有限公司之執行董事兼總裁，亦是香港特別行政區行政會議非官守議員、立法會議代表保險界別議員，另擔任多項社會公職。以陳先生的湛深學識與豐富經驗，對本行今後之發展定有所裨助。另外，欣悉陳先生於本年一月當選為港區第十一屆全國人民代表大會代表，肩負起為香港市民與中央溝通的重任，謹代表同人向陳先生敬致賀忱。

今年是本行成立七十五周年，本行能在香港金融界佔一席位，對經濟建設略有貢獻，全賴社會人士愛護、客戶及股東的支持。今後，本行會繼續恪守「進展不忘穩健，服務必盡忠誠」之旨，以提高營運效率，為股東創富增值，向客戶提供更多優質服務。

本人並擬藉此機會向所有客戶、股東、各界友好、同業先進在過去一年給予本行的支持，尤其是名譽董事長伍潔宜博士的時加匡導，敬致謝忱！對本行管理層暨各級人員的努力工作，忠誠服務，亦謹代表董事會向他們表示衷心感謝！

伍步高
董事長

二〇〇八年三月五日

Nowadays, the products and services offered by banks are increasingly diversified and sophisticated, necessitating the establishment of a comprehensive risk management system. The Bank has in place a risk management committee to formulate and evaluate policies and procedures regarding the management of various types of risks, to supervise the effective implementation of these policies and procedures and to oversee the legal and compliance risks to ensure all business operations are in compliance with applicable laws.

I wish to welcome Mr Bernard Charnwut CHAN to join the Board as an Independent Non-executive Director. Mr CHAN is the Executive Director and President of Asia Financial Holdings Limited and Asia Insurance Company Limited. Mr CHAN also serves as a non-official member of the Executive Council of the Hong Kong SAR and a member of the Legislative Council representing the insurance industry. He has been active in various public services as well. With Mr CHAN's extensive knowledge and experience, his appointment will be of great benefit to the Bank's future development. In addition, I am glad to learn that Mr CHAN was elected as a Hong Kong Deputy in January 2008 to represent Hong Kong at the 11th National People's Congress, shouldering the important responsibility for communicating, on behalf of Hong Kong's citizens, with the central government in the Mainland. On behalf of the management and staff, I wish to express my heartiest congratulations to Mr CHAN.

This year marks the 75th Anniversary of the Bank. The Bank's current market position in Hong Kong's financial industry and its contribution towards the local economy has largely been due to the confidence placed in us by the community and the support given to us by our customers and shareholders. We shall continue to adhere to our philosophy of "Progress with Prudence; Service with Sincerity" in order to improve operating efficiency, create value for shareholders and provide more quality services for customers.

On behalf of the Board, I would like to take this opportunity to express our gratitude to all our customers, shareholders, friends and fellow bankers for their continued support and guidance, to Dr Jieh-ye WU, our Emeritus Chairman, for his wise counsel and to the management and entire staff for their ongoing dedicated service.

Michael Po-ko WU
Chairman

5 March 2008



為慶祝本行成立七十五周年，贊助香港足球總會舉辦2008年賀歲盃比賽。
Sponsoring the 2008 Lunar New Year Cup organized by the Hong Kong Football Association in celebration of the Bank's 75th Anniversary.

財務及業務回顧

FINANCIAL RESULTS AND OPERATION REVIEW

本行截至二〇〇七年十二月三十一日止年度之綜合溢利，經扣除稅項準備後為港幣1,371,514,000元，較二〇〇六年減少14.6%，相等於每股盈利港幣5.91元。是年度本行基本業務有良好增長，惜因所持投資項目部份須作減值準備，投資物業重估盈餘亦較去年為少，致影響了盈利表現。

本行二〇〇七年財務及各項業務與二〇〇六年比較：

是年度淨利息收入增加6.6%，由於同業競爭激烈，令淨息差收窄了7個基點，貸存比率為56.1%。

由於證券業務及理財業務均有強勁增長，而可供出售證券亦錄得溢利，令非利息收入有理想升幅，儘管扣除所持債務抵押證券經重估後出現之虧損港幣131,125,000元，仍有29.2%增長。保險營業收入增長5.9%，惟因保險申索而須提撥之準備亦有所增加，淨保險收益下跌11.4%。

營業支出增加9.4%，大部份因職員人數之增添，租金及電腦相關開支也有所上升。成本對收入比率為26.4%，減少1.6%。

本行貸款資產質素保持良好，年內已減值貸款為港幣110,227,000元，佔總放款0.26%。是年度提撥貸款減值準備港幣40,429,000元。此外，因間接受美國次按問題影響，須為所持之結構性投資工具提撥減值損失港幣463,019,000元。

年內本行的投資物業根據香港會計準則進行重估，錄得港幣305,264,000元的升值，較去年升值減少港幣207,362,000元。

本行綜合資產與二〇〇六年底比較增加9.5%，平均資產回報率為1.54%，平均股東資金回報率為11.5%，集團於二〇〇七年十二月三十一日之資本充足比率為14.7%，年度內平均流動資金比率為46.8%。

存款

二〇〇七年總存款包括結構性存款增長13.2%。

The consolidated net profit for the year ended 31 December 2007, after making provision for taxation, amounted to HK\$1,371,514,000, down 14.6% from 2006 year-end level. Earnings per share was HK\$5.91. The Bank's core businesses recorded satisfactory growth in 2007; however, the impairment allowance made for various investments and a lower revaluation gain on investment properties adversely affected the Bank's profit performance.

Comparing the Bank's financial results and operation for 2007 with 2006:

Net interest income rose by 6.6% in 2007. Net interest margin dropped by 7 basis points under fierce competition. The Bank registered a loan-to-deposit ratio of 56.1%.

Securities business and wealth management business recorded strong growth, and available-for-sale securities also gained handsome profits, contributing to the satisfactory growth of the Bank's non-interest income. Despite the revaluation loss of HK\$131,125,000 recorded on collateralised debt obligations, non-interest income grew by 29.2%. Income from insurance operations increased by 5.9%, whereas allowances made for potential claims also increased, resulting in a decrease of 11.4% in net income from insurance operations.

Operating expenses went up by 9.4% mainly reflecting staff increase and the rise in rentals and computer-related expenses. The cost-to-income ratio was 26.4%, representing a decrease of 1.6%.

The Bank's loan asset quality remained at a satisfactory level with impaired loans amounting to HK\$110,227,000, being 0.26% of gross advances. Charge for impairment allowances on loans and advances was HK\$40,429,000 for the year 2007. In addition, an impairment allowance on the investment in structured investments vehicles of HK\$463,019,000 was made under the indirect impact of sub-prime mortgage problem in the US.

In 2007, the Bank's investment properties were revalued pursuant to the requirement of Hong Kong Accounting Standards and recorded a revaluation gain of HK\$305,264,000, lower than that of 2006 by HK\$207,362,000.

The Bank's consolidated total assets increased by 9.5% from 2006 year-end level. Return on average assets and return on average equity were 1.54% and 11.5% respectively. The Group's capital adequacy ratio at 31 December 2007 was 14.7%, and the average liquidity ratio for the year was 46.8%.

Deposits

In 2007, total deposits, including structured deposits, surged by 13.2%.

各類存款中以港元儲蓄存款、往來存款、「萬利錢」儲蓄存款及人民幣存款的增幅較大。存款有較理想增長，主要由於人們預期香港股市會持續興旺而將資金留駐，人民幣及美元以外之其他主要貨幣存款匯價普遍上升而增值所致，人民幣存款錄得37.7%增長。



截至二〇〇七年底，本行已發行存款證總值港幣3,293,713,000元，較二〇〇六年底下跌34.2%，絕大部份為浮息；小部份為定息結構產品則有相關衍生工具對沖利率風險。

當前市場競爭激烈，本行會密切留意同業動態，設計更多新產品以應客戶需要，以期存款能維持穩定增長。

放款

二〇〇七年總放款增加8.1%。

二〇〇七年樓市暢旺，貸款需求上升，同業對樓宇按揭的競爭仍然激烈，本港銀行跟隨美元減息，進一步令息差收窄。樓宇按揭是本行核心業務之一，當會繼續致力增加市場佔有率。

由於二〇〇七年下半年有相當數量之大額還款，企業融資較去年同期微減2.4%。本行會向客戶提供一站式的融資服務，積極開闢客源及加強與現有客戶的聯繫。由於市場信貸受次按危機影響有緊縮跡象，相信企業融資息差將會逐步被拉闊。本行去年參與銀團貸款融資維持活躍，錄得理想增幅，會繼續留意此一市場發展，作審慎選擇參與。

永隆財務有限公司去年經營的租購及租賃業務表現尚算平穩。

財資

二〇〇七年外匯買賣收益上升7%，外幣找換收益上升23%，整體收益較去年上升15.3%。

去年外匯買賣收益改善，主要因為美元對各主要貨幣弱勢持續，外匯交易量增加，又部份投資者將美元資產轉移別處，令交投活躍，盈利增加。

Among the various kinds of deposits, stronger growth was recorded in Hong Kong Dollar savings account deposits, current account deposits, pleasure savings account deposits and Renminbi deposits. In anticipation of a continuing buoyant local stock market, investors parked their funds in bank deposits, and the appreciation in value of deposits in Renminbi and major foreign currencies other than US Dollar contributed to the strong deposit growth. The Bank's Renminbi deposits recorded an increase of 37.7%.

As at 31 December 2007, certificates of deposit totalling HK\$3,293,713,000 were issued, down 34.2% as compared with that of 2006 year-end. An overwhelming majority of such issues are floating rate. For those fixed rate structured certificates of deposit, the interest rate risk involved is hedged by relevant derivatives.

In response to severe competition, the Bank will closely monitor market development and structure more new products to satisfy customers' needs and steadily grow its deposit base.

Advances to customers

In 2007, loans and advances to customers increased by 8.1%.

The local property market exhibited strong growth in 2007, resulting in an increase in loan demand. However, competition in the residential mortgage business witnessed ever intense rivalry. Interest margin further narrowed as banks in Hong Kong tracked the US Dollar interest rate cuts. As residential mortgage is one of the Bank's core businesses, the Bank will gear up its efforts to enlarge its market share.

Due to large loan repayments in the second half of 2007, corporate lending activities recorded a mild decrease of 2.4% as compared with that of 2006 year-end. The Bank will put more efforts in introducing customised one-stop financial solution to corporate customers, expanding customer base and strengthening the relationships with existing customers. As the credit market tightens under the spectre of the US sub-prime mortgage crisis, interest rate spread for corporate financing is expected to be widened gradually. In 2007, the Bank participated actively in the syndicated loan market and achieved satisfactory results. The Bank will closely monitor market development and selectively participate in related financing activities with prudence.

Wing Lung Finance Limited, the Bank's hire-purchase and leasing subsidiary, performed steadily in 2007.

Treasury

Income from foreign exchange business increased by 7%, whereas income from money exchange business increased by 23%. On aggregate, the Group's gains on foreign exchange trading were up 15.3% compared with 2006.

The continuing weakness of the US Dollar and capital outflow from US Dollar assets caused foreign exchange trading activities and volume to rise, thereby improving foreign exchange income and related earnings in 2007.

理財

理財中心二〇〇七年業務收益大幅增長101.3%。

理財中心會繼續加強對銷售人員的培訓及對產品的分析，並已實行分階段更新所用系統，改善服務質素及加強風險管理，將推出更多新產品吸引客戶採用，同時帶動其他產品銷售以增加收益。



Wealth management

Income from wealth management initiatives increased substantially by 101.3% in 2007.

The Wealth Management Centre will continue to step up sales force training and product analysis. Wealth management system enhancement work will be implemented by stages to upgrade service quality and strengthen risk management. More new products will be rolled out with the aim of absorbing more new customers, driving up sales of other products and bringing in better profit growth for the Wealth Management Centre.

信用卡

信用卡發卡總數較去年增長10.4%，放出賬款亦錄得27.7%增長。

信用卡中心會繼續透過雙卡推廣計劃及白金卡晉升計劃以爭取白金卡客戶，並聯同其他營業單位推動交互銷售，亦會積極鼓勵信用卡客戶於海外簽賬，期望藉此增加收益。

Credit card

The Bank recorded an increase of 10.4% in the total number of credit cards issued in 2007, and total credit cards receivables also increased by 27.7%.

The Credit Card Centre will continue to bolster Platinum Cards issuance through Dual Card Promotion Program and Platinum Card Upgrade Program, collaborate with other business units in cross-selling other banking products and encourage overseas spending with the Bank's credit cards so as to increase income.

證券

二〇〇七年香港證券市場總交投量較去年上升160%，本行證券業務成交量與佣金收益也有理想增長，稅前盈利上升逾一倍，保證金利息收入亦有所增加。

證券部致力擴大服務網絡，以取得更大市場份額。預期未來數年本港證券市場仍將蓬勃發展，本行會相應提升電腦系統以應付業務增長所需，同時會繼續作更多推廣活動，與其他營業單位合作推出不同的服務優惠，交互推銷，從而擴大客源，增加銷售量。

Securities broking

In 2007, the total trading volume of the Hong Kong stock market increased significantly by 160% compared with 2006. The Securities Department recorded satisfactory growth in both trading volume and commission income. Profit before tax more than doubled, and interest income from securities margin lending also increased.

The Securities Department is committed to expanding its securities service network for larger market share. In anticipation of a growing local stock market in the coming years, the Bank will enhance its computer system in order to meet business expansion needs. Also, the Securities Department will continue to launch promotion campaigns and engage in cross-selling activities with other business units to expand customer base and improve sales.

保險

永隆保險有限公司二〇〇七年毛保費收入較去年輕微下跌0.6%，承保盈餘亦較去年下降，主要是在激烈競爭下保費下調及索償數字增加所致。投資方面則有較理想表現，故稅前盈利仍能穩定增長。

保險部代理各類保險佣金收益減少3.3%，代理人壽保險淨佣金收益則錄得15.8%增長。

Insurance

Wing Lung Insurance Company Limited recorded a slight decrease of 0.6% in gross premium in 2007 with underwriting profit declining, mainly attributable to lower premium under fierce competition and higher claims; however, income from investment increased satisfactorily, contributing to a steady growth in profit before tax.

The Insurance Department registered a decline of 3.3% in commission income in 2007 from all insurance classes. However, net commission income from life insurance products increased by 15.8%.

今年政府將啓動多項較大型的基建工程，為本港保險業創造更多商機，本行當著力爭取各類相關保險生意，把握良機。現時保險業市場削價競爭日益嚴峻，本行會繼續密切留意市場變化，採取較靈活價格政策去應對，以擴大市場佔有率，期能均衡及可持續地發展。

The HKSAR Government will launch several large-scale infrastructure projects this year, creating more business opportunities for the insurance underwriters. The Bank will strive for relevant insurance businesses in this favourable setting. Amid fierce price competition in the insurance industry, the Bank will continue to monitor market development closely and adopt a more flexible pricing strategy in order to enlarge its market share and achieve sustainable growth.

分行

二〇〇八年一月十五日本行在藍田匯景廣場增設了一間分行，現時設於本地分行共有35間；在國內深圳市設有分行及支行各一間，而上海代表處亦於今年一月獲中國銀行業監督管理委員會批准升格為分行，已於二月十八日開業；在美國羅省及開曼群島各設有海外分行一間。各分行均運作如常，業務和盈利表現平穩。

Branch

The Bank's Lam Tin Branch, situated at Sceneway Plaza, opened for business on 15 January 2008. The Bank now operates a network of 35 local branches. In addition, the Bank operates Shenzhen Branch and Nanshan Sub-Branch in China and, with the approval of the China Banking Regulatory Commission in January 2008, the Bank's Shanghai Representative Office was upgraded to a full branch, which started operation on 18 February 2008. The Bank operates two overseas branches, being Los Angeles Branch in the US and Cayman Islands Branch. All the branches performed solidly in both business and returns.



藍田匯景廣場分行(左)及上海分行(右)開業。
The opening of Lam Tin Sceneway Plaza Branch (left) and Shanghai Branch (right).

深圳分行已於二〇〇七年正式推出人民幣業務。對進一步開發內地業務，新開業的上海分行將積極聯絡同業建立往來網絡，並致力拓展長三角地區貿易融資及外匯分期付款。

Shenzhen Branch rolled out Renminbi services in 2007. To further cultivate the Mainland market, the Bank's newly operated Shanghai Branch will step up its efforts to build up more contacts with peer banks and to develop trade finance and instalment loan in foreign currencies businesses in the Yangtze Delta Region.

今年一月本行與山東省之烟台市商業銀行簽署入股協議，認購該行百分之四點九九經擴大後股權，成為其主要股東之一。此項交易仍須得其股東大會及監管機構批准方可作實。



In January 2008, the Bank signed an agreement with Yantai City Commercial Bank in Shandong Province to acquire 4.99% of Yantai City Commercial Bank's enlarged capital and thus becomes one of its key shareholders. The transaction has still to be approved by Yantai City Commercial Bank's shareholders and the relevant regulatory bodies.

羅省分行年內積極進行推廣活動吸納新客戶，業務基礎已逐步加固和擴大。

資訊科技

二〇〇七年內，資訊科技部繼續提升了各風險管理系統的功能，以配合業務發展及作更深入監管；並已訂定多項計劃，增加各系統(包括軟件及硬件)的容量及穩定性，以支援多項業務的快速增長。

自動服務渠道

最近幾年本行一直有擴大及加強電子化自動服務系統的能量和效率，以方便客戶。根據統計顯示，本行客戶進行業務交易，經由自動服務渠道者佔74.4%，直接在櫃檯交收者佔25.6%。

人力資源

在二〇〇七年十二月底，本行僱員總人數為1,660人(二〇〇六年為1,450人)，其中香港佔1,596人，國內佔52人，海外佔12人。

人力資源部經常開設或安排一些與業務及新產品有關之課程，也不時舉辦一些實務課程予前線職員；另本行鼓勵及資助職員考取一些特定資格考試，協助他們持續進修及登記專業資格；也不時與外地及國內同業互派人員彼此學習、交流。此外，人力資源部會安排職員參與監管機構舉辦之相關講座、研討會，並會就一些受規管項目之有關法例、守則、指引或規則，製作訓練影片以提供定期性訓練予職員，提高職員意識，使其能按標準合規經營相關業務。



In 2007, Los Angeles Branch stepped up its marketing efforts to draw in potential customers, thus consolidating the branch's business foundation for further expansion.

Information technology

In 2007, the Information Technology Department continued to upgrade various risk management computer systems to support business development and tighter supervision. Plans have been put in place to enhance the capacity and stability of various systems (both software and hardware) in order to support rapid business expansion.

Automated service channels

The Bank has been committed to expanding and strengthening the capacity and efficiency of its automated service channels in recent years to provide more convenient services to customers. Statistics show that by 2007 year-end, 74.4% of customers' transactions were conducted through automated service channels, while 25.6% were conducted over the counter.

Human resources

At the end of December 2007, the workforce of the Bank totalled 1,660 (2006: 1,450), including 1,596 locally, 52 in China and 12 overseas.

The Bank's Human Resource Department has been actively organising or arranging seminars and training sessions related to bank operations, product knowledge and specialised topics for frontline staff. The Bank also encourages and sponsors staff members to attend various training programmes so that they can obtain the required

professional qualifications. Exchange visits have been arranged with overseas and Mainland correspondents in the sharing of experience in different aspects of business operations. Furthermore, the Department arranges for the staff to attend talks and seminars organised by regulatory authorities and produces training videos related to the relevant laws, codes, guidelines or regulations of various regulated businesses in order to provide staff training on a regular basis and ensure staff members' understanding and observance of those laws, codes, guidelines and regulations.

董事會報告書

REPORT OF THE DIRECTORS

董事會同人現謹向各股東發表截至二〇〇七年十二月三十一日止年度之報告書及已審核之財務報表。

主要業務

本行及其附屬公司之主要業務為銀行及有關之金融服務。附屬公司之業務見財務報表註釋27。

本集團是年度按業務及地域劃分之表現分析詳載於財務報表註釋41。

業績及分配

本集團是年度之溢利連同有關溢利分配說明列於本年財務報表第三十七頁之綜合收益表內。

董事會已宣派中期股息每股普通股港幣九角，並於二〇〇七年九月二十七日派發，總額為港幣二億零八百九十七萬一千元。董事會建議派發末期股息每股普通股港幣一元五角，總額為港幣三億四千八百二十八萬五千元。

儲備

本集團及本行儲備之變動詳載於財務報表註釋39。

捐款

是年度本集團之慈善捐款共為港幣十八萬九千元。

其他物業及設備

本集團及本行其他物業及設備之變動詳載於財務報表註釋32。

股本

本行之股本詳載於財務報表註釋38，是年度並無變動。

The directors have pleasure in presenting their report together with the audited financial statements for the year ended 31 December 2007.

Principal activities

The Bank and its subsidiaries are engaged in the provision of banking and related financial services. The principal activities of the subsidiaries are set out in note 27 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segment is set out in note 41 to the financial statements.

Results and appropriations

The results of the Group for the year ended 31 December 2007 are set out in the consolidated income statement on page 37 together with particulars of the appropriations therefrom which have been made or which are recommended.

The directors have declared an interim dividend of HK\$0.90 per ordinary share, totalling HK\$208,971,000, which was paid on 27 September 2007. The directors recommend the payment of a final dividend of HK\$1.50 per ordinary share, totalling HK\$348,285,000.

Reserves

Details of the movements in the Group's and the Bank's reserves are set out in note 39 to the financial statements.

Donations

Charitable and other donations made by the Group during the year amounted to HK\$189,000.

Other properties and equipment

Details of the movements in the Group's and the Bank's other properties and equipment are set out in note 32 to the financial statements.

Share capital

Details of share capital of the Bank are set out in note 38 to the financial statements. There were no movements during the year.

董事

本年度內及截至本財務報表日期止之董事芳名，詳載於本年報第四頁。

董事伍尚豐先生、曾崇光先生及鍾子森先生按照本行註冊章程第一百條，於股東年會例應告退，但均願應選連任。

董事陳智思議員按照本行註冊章程第一百零六條，於股東年會例應告退，但願應選連任。

在即將舉行之股東年會上擬應選連任之董事，均無與本行訂立不能由本行於一年內毋須作出補償（法定補償除外）而終止之服務合約。

非執行董事須根據本行註冊章程之規定在股東年會上輪值告退及應選連任。

董事之股本權益

據本行遵照香港《證券及期貨條例》第XV部份第三五二條而設之登記冊所記錄，或據本行接獲各董事及行政總裁之通知，於二〇〇七年十二月三十一日彼等持有本行之股本權益如下：

Directors

The directors during the year and up to the date of the financial statements are listed on page 4.

In accordance with Article 100 of the Bank's Articles of Association, Mr Anthony Shang-fung WU, Mr Shung-kwong TSANG and Mr Che-shum CHUNG retire by rotation at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election.

In accordance with Article 106 of the Bank's Articles of Association, The Hon Bernard Charnwut CHAN retires at the forthcoming Annual General Meeting and, being eligible, offers himself for re-election.

None of the directors proposed for re-election at the forthcoming Annual General Meeting has a service contract with the Bank which is not determinable by the Bank within one year without payment of compensation (other than statutory compensation).

Non-executive directors are subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles of Association of the Bank.

Directors' interests in shares

At 31 December 2007, the interests of the directors and chief executive in the shares of the Bank as recorded in the register maintained under section 352 of Part XV of the Hong Kong Securities and Futures Ordinance or as notified to the Bank were as follows:

		所持普通股股數每股港幣五元 Number of ordinary shares of HK\$5 each			總數 Total	佔已發行股 份之百分比 Percentage of issued share capital
		個人權益 Personal interests	家族權益 Family interests	其他權益 Other interests		
伍步高	Dr Michael Po-ko WU	263,740	84,166	–	347,906	0.15
伍步剛	Dr Patrick Po-kong WU	387,704	9,990	–	397,694	0.17
伍步昌	Mr Albert Po-cheung WU	–	–	–	–	–
伍步謙 (行政總裁)	Dr Philip Po-him WU (Chief Executive)	241,115	–	–	241,115	0.10
伍步揚	Mr Ivan Po-young WU	–	–	–	–	–
鍾子森	Mr Che-shum CHUNG	3,373	–	–	3,373	0.00
梁乃鵬	Dr Norman Nai-pang LEUNG	–	–	–	–	–
蘇洪亮	Mr Lincoln Hung-leung SOO	–	–	–	–	–
伍尚豐	Mr Anthony Shang-fung WU	30,474	–	–	30,474	0.01
曾崇光	Mr Shung-kwong TSANG	4,665	9,126	–	13,791	0.01
陳智思	The Hon Bernard Charnwut CHAN	–	–	–	–	–
馬毅強 (伍步揚之代行董事)	Mr Kenneth Ngai-keung MA (Alternate to Mr Ivan Po-young WU)	–	–	–	–	–
伍尚思 (伍步昌之代行董事)	Ms Alice Shang-sze WU (Alternate to Mr Albert Po-cheung WU)	–	–	–	–	–

上述全部權益皆為長倉。據本行遵照香港《證券及期貨條例》第三五二條而設之登記冊，於二〇〇七年十二月三十一日並無淡倉記錄。

並無任何董事獲授予認購本行股份之權利，亦無任何董事行使該等權利。

除上述所載外，本行概無董事或彼等配偶或任何未滿十八歲子女，於本行、其任何附屬公司或其他聯營公司的股份、相關股份或債券中擁有根據香港《證券及期貨條例》第三五二條須存置登記冊中或根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十所載之《上市發行人董事進行證券交易的標準守則》，須知會本行的權益或淡倉。

是財務年度內本行或其任何附屬公司概無參與任何安排，致令本行董事持有本行或其他個體公司之任何股本權益，或持有其債券而獲得利益。

主要股東之股本權益

據本行遵照香港《證券及期貨條例》第三三六條而設之主要股東登記冊顯示，於二〇〇七年十二月三十一日本行已接獲下列股東通知持有本行已發行股本百分之五或以上權益：

伍絮宜有限公司
伍宜孫有限公司
宜康有限公司
永時實業有限公司
Penta Investment Advisers Limited
John Zwaanstra
及時企業有限公司

註：

- (1) 此數包括伍宜孫有限公司持有控制性股權之宜康有限公司所持股份在內。
- (2) 此數包括永時實業有限公司持有控制性股權之及時企業有限公司所持股份在內。
- (3) John Zwaanstra 先生透過其於 Penta Investment Advisers Limited 之百分之一百權益而被視為擁有本行 13,997,000 股之權益。

上述全部權益皆為長倉。據本行遵照香港《證券及期貨條例》第三三六條而設之登記冊，於二〇〇七年十二月三十一日並無淡倉記錄。

All the interests stated above represent long positions. No short positions were recorded in the register maintained under section 352 of the Hong Kong Securities and Futures Ordinance as at 31 December 2007.

None of the directors has been granted, or have exercised, any rights to subscribe for shares of the Bank.

Apart from the foregoing, none of the directors of the Bank or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Bank, or any of its subsidiaries or other associated corporations, as recorded in the register required to be kept under section 352 of the Hong Kong Securities and Futures Ordinance or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

At no time during the financial year was the Bank, or any of its subsidiaries a party to any arrangement to enable the directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

Substantial shareholders' interests in shares

At 31 December 2007, the register of substantial shareholders maintained under section 336 of the Hong Kong Securities and Futures Ordinance showed that the Bank had been notified of the following substantial shareholders' interests, being 5% or more of the Bank's issued share capital:

	所持普通股股數 每股港幣五元 Number of ordinary shares of HK\$5 each	佔已發行股 份之百分比 Percentage of issued share capital
Wu Jieh Yee Company Limited	65,524,929	28.22
Wu Yee Sun Company Limited	57,811,241 ⁽¹⁾	24.90
Yee Hong Company Limited	25,571,406	11.01
Wings Investment Company Limited	21,926,910 ⁽²⁾	9.44
Penta Investment Advisers Limited	13,997,000	6.03
John Zwaanstra	13,997,000 ⁽³⁾	6.03
Hopes Enterprises Limited	11,638,204	5.01

Notes:

- (1) This includes the shares held by Yee Hong Company Limited in which Wu Yee Sun Company Limited holds a controlling interest.
- (2) This includes the shares held by Hopes Enterprises Limited in which Wings Investment Company Limited holds a controlling interest.
- (3) Mr John Zwaanstra is deemed to have interests in 13,997,000 shares of the Bank through his 100% interest in Penta Investment Advisers Limited.

All the interests stated above represent long positions. No short positions were recorded in the register maintained under section 336 of the Hong Kong Securities and Futures Ordinance as at 31 December 2007.

董事之合約權益

本行向永時實業有限公司租用永恒商業大廈部份寫字樓，與該公司訂有兩份租約，租期分別為二〇〇五年一月起計三年及二〇〇二年十二月起計六年，租值均經專業人士獨立評估後訂定。伍步高博士、伍步剛博士、伍步昌先生、伍步謙博士、伍尚豐先生及伍尚思小姐（伍步昌先生之代行董事）均直接或間接擁有永時實業有限公司之股東權益。

此外，是年度內及至是年終結日止，本行或其附屬公司並無訂立任何與本行業務有關而董事直接或間接享有重大權益之其他重要合約。

買入、出售或贖回股份

是年度本行並無贖回本行之股份，本行及各附屬公司均無買入或出售本行之股份。

管理合約

是年度內，本行並無就全盤或其中重大部份業務簽訂或存有任何管理合約。

董事及高層管理人員個人資料

本行董事及高層管理人員個人資料詳列於第六頁至第九頁。

主要客戶

是年度本集團從五位最大客戶所賺取之收入佔本集團總收入少於百分之三十。

足夠公眾持股量

根據本行從公開途徑所取得的資訊及就各董事所知，確認本行在發行年報前最實際可行的一個交易日維持多於本行已發行股份百分之二十五之公眾持股量。

遵從《銀行業（披露）規則》

本行於二〇〇七年一月一日起須遵從《銀行業（披露）規則》，該規則是取代香港金融管理局發出之監管政策手冊。《銀行業（披露）規則》對認可機構之公開披露如收益表、事務狀況及資本充足訂下最低標準。截至二〇〇七年十二月三十一日止之財政年度之財務報表已全面遵從《銀行業（披露）規則》所適用之披露規定。

Directors' interests in contracts

The Bank rents from Wings Investment Company Limited certain office space in Wings Building under two tenancy agreements, for terms of three years commencing January 2005 and six years commencing December 2002, at rentals based on independent professional valuations. Dr Michael Po-ko WU, Dr Patrick Po-kong WU, Mr Albert Po-cheung WU, Dr Philip Po-him WU, Mr Anthony Shang-fung WU and Ms Alice Shang-sze WU (Alternate to Mr Albert Po-cheung WU) are directly or indirectly interested in Wings Investment Company Limited as shareholders.

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

Purchase, sale or redemption of shares

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

Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Bank were entered into or existed during the year.

Biographical details of directors and senior management

Brief biographical details in respect of the directors and senior management of the Bank are set out on pages 6 to 9.

Major customers

The percentage of the Group's income for the year attributable to the five largest customers of the Group is less than 30%.

Sufficiency of public float

Based on the information that is publicly available to the Bank and within the knowledge of the Directors, it is confirmed that there is sufficient public float of more than 25% of the Bank's issued shares at the latest practicable date prior to the issue of the annual report.

Compliance with the Banking (Disclosure) Rules

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

退休計劃

本集團為其職員設有退休計劃。該等退休計劃之詳情載於財務報表註釋13。

五年財務概要

本集團於過往五個財政年度之業績，資產及負債之概要載於本財務報表第十頁。

核數師

本財務報表經由羅兵咸永道會計師事務所審核，該核數師亦照章告退，但願意應聘續任。

承董事會命
董事長 伍步高 謹啟

香港 二〇〇八年三月五日

Retirement schemes

The Group operates retirement schemes for its employees. Details of the Group's retirement schemes are set out in note 13 to the financial statements.

Five-year financial summary

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 10 of the financial statements.

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment.

By Order of the Board
Michael Po-ko Wu
Chairman

Hong Kong, 5 March 2008

本行致力維持高水準企業管治，為提升本行整體的管理質素，董事會已推行企業管治措施，且特別重視一個有效的董事會，去領導和監控銀行，確保所有業務活動合乎誠信及優良商業道德操守，增加對股東的透明度和問責程度。

截至二〇〇七年十二月三十一日止之年度內，本行已符合載於上市規則附錄十四之企業管治常規守則所有守則條文，並已遵循香港金融管理局於二〇〇一年九月發出的「本地註冊認可機構的企業管治」有關指引。

董事進行證券交易

本行已採納一套有關本行董事進行證券交易之行為守則（「行為守則」），該守則的要求不低於上市規則附錄十所載之「上市發行人董事進行證券交易的標準守則」（「標準守則」）內的規定。

本行向所有董事作出具體查詢後，確認各董事在截至二〇〇七年十二月三十一日止之年度內均已遵守標準守則內的規定及有關本行董事進行證券交易之行為守則。

董事會

董事會以盡責的態度和有效的方式領導本行，並已採納正式而詳列其職能及責任的職權範圍。董事會主要責任包括但不限於確保管理層有足夠能力執行管理；審批目標、策略和業務計劃；確保日常運作審慎進行及依循法律和既定政策；確保及監察本行事務符合道德規範。所有董事會成員，對於為銀行制訂正確方針和作適當管理共同分擔責任。

董事會現時由十一位成員組成，四位為常務董事，其餘七位為非執行董事，當中四位為獨立非執行董事，佔全體董事會成員三分之一以上。部分成員來自銀行業，部分來自其他行業，結集不同背景及豐富經驗。獨立非執行董事均具備適當的專業資格，或會計或相關的財務管理專長。本行向所有獨立非執行董事作出具體查詢後，確認他們均已符合上市規則第3.13條有關獨立性評估指引所列的條件。董事的姓名、個人資料及董事之間的關係見本年報第六至九頁。

The Bank is committed to maintaining high standards of corporate governance. To enhance the overall management quality of the Bank, the Board has put in place governance practices with special emphasis on an effective Board for leadership and control, sound business ethics and integrity in all business activities, and transparency and accountability to shareholders.

Throughout the year ended 31 December 2007, the Bank has complied with all the code provisions set out in the Code on Corporate Governance Practices contained in Appendix 14 of the Listing Rules and followed the guidelines set out in the “Corporate Governance of Locally Incorporated Authorised Institutions” issued by the Hong Kong Monetary Authority in September 2001.

Directors' Securities Transactions

The Bank has adopted a code for securities transactions by directors (the “Code of Conduct”) on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 of the Listing Rules.

Following specific enquiry made with all directors, the Bank has confirmed that during the year ended 31 December 2007 each of the directors complied with the required standard set out in the Model Code and the Code of Conduct regarding securities transactions by the directors.

Board of Directors

The Board of Directors (the “Board”) is charged with leading the Bank in a responsible and effective manner. The Board has adopted formal terms of reference which detail its functions and responsibilities. Its main responsibilities include, but not limited to, ensuring competent management, approving objectives, strategies and business plans, ensuring prudent conduct of operations within laws and approved policies, ensuring and monitoring integrity in the Bank’s conduct of affairs. Directors, as members of the Board, jointly share responsibility for the proper direction and management of the Bank.

The Board currently comprises eleven members, consisting of four executive directors and the remaining seven non-executive directors, four of whom are independent non-executive directors, representing more than one-third of the membership of the Board. The individuals who make up the Board draw on a rich and diverse background of experience from both within and outside of the banking community. The independent non-executive directors possess appropriate professional qualifications, or accounting or related financial management expertise. Pursuant to specific enquiries made with all independent non-executive directors, all such directors confirmed that they have met the criteria of Rule 3.13 of the Listing Rules regarding the guidelines for the assessment of independence. The names, brief biographical details of the directors and relationship among them are shown on pages 6 to 9 in this Annual Report.

所有董事須根據本行註冊章程輪值於股東年會告退，但可應選連任。

董事會已訂有一套辦事規則，每年最少召開四次常會，如有需要會另加安排會議。公司秘書協助董事長草擬會議議程。開會通知最少於常會前十四天發送至各董事，董事可要求在議程內加插討論事項。在正常情況下，董事於會議前三天會收到一套完整的開會資料，包括議程、上期議案、由常務董事會擬製的詳細業務報告及其他討論事項有關資料，俾於會議前知悉將會討論之事項以便作出決定。

每次會議由公司秘書負責記錄，於會後合理時間內送交各董事覽閱，在下次會議時由董事會核准。會議記錄由公司秘書保存，如董事要求會開放給予查閱。公司秘書向董事會負責確保董事會依循程序及遵守適用法律及規例。各董事均可獲取公司秘書的意見及服務。

新獲委任董事會收到一套導向資料，包括所有重要法例要求、本行的組織大綱及註冊章程、董事會政策及指引等。常務董事將會見新任董事，讓其更詳細了解本行業務運作。如董事認為有需要，本行會贊助其參加專業的研討會。為使非執行董事正確了解本行業務，常務董事會於每次會議前發送詳盡業務報告予非執行董事，當中載有管理層的業務策略和目標、各項業務的最新發展及行動計劃等。

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

The Bank has in place established Board process. Regular Board meetings are held at least four times a year, and, if necessary, additional meetings would be arranged. The Company Secretary assists the Chairman in establishing the meeting agenda. Notice of meeting will be sent to directors at least fourteen days prior to a regular Board meeting, and each director may request inclusion of matters in the agenda for Board meetings. The directors will receive a comprehensive information package, including the agenda, minutes of the previous meeting, detailed business reports prepared by the Executive Committee and other information on matters to be discussed at the meeting normally three days in advance of Board meetings to facilitate informed discussion and decision-making.

The Company Secretary is responsible for taking minutes of the Board meetings, which will be sent to all directors for their comments within a reasonable time after each meeting before being approved by the Board, at the immediate following meeting. The minute books are kept by the Company Secretary and will be opened for inspection by the directors upon request. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that the procedures are followed and that all applicable laws and regulations are complied with.

On appointment, new directors will be given an orientation package, including all key legal requirements, the Bank's Memorandum and Articles of Association and Board policies and guidelines. Executive Directors will meet with the new directors to give them more detailed knowledge of the Bank's business and activities. The Bank will sponsor directors to attend professional development seminars if they consider it necessary. To ensure that non-executive directors have a proper understanding of the Bank's operations, the Executive Committee provides them with detailed business reports on the management's business strategies and objectives, updates on different lines of business, action plans, etc before each Board meeting.

全體董事會於二〇〇七年內共召開五次會議，董事出席率詳列如下：

During 2007, the full Board held five meetings, and details of directors' attendance record are set out below:

會議次數	Number of meetings		
董事	Director	出席會議次數 Board meetings attended	出席率 Attendance rate
常務董事	Executive Directors		
伍步高	Michael Po-ko WU	5	100%
伍步剛	Patrick Po-kong WU	4	80%
伍步謙	Philip Po-him WU	5	100%
鍾子森	Che-shum CHUNG	5	100%
非執行董事	Non-executive Directors		
伍步昌	Albert Po-cheung WU	5	100%
伍步揚 (代行董事：馬毅強)	Ivan Po-young WU (Kenneth Ngai-keung MA, Alternate)	2 (2次由代行董事出席) (2 by alternate)	40% (40%由代行董事出席) (40% by alternate)
伍尚豐	Anthony Shang-fung WU	5	100%
獨立非執行董事	Independent Non-executive Directors		
伍兆燦 ^(註一)	Siu-chan NG ^(Note 1)	—	—
梁乃鵬	Norman Nai-pang LEUNG	5	100%
蘇洪亮	Lincoln Hung-leung SOO	4	80%
曾崇光	Shung-kwong TSANG	5	100%
陳智思 ^(註二)	Bernard Charnwut CHAN ^(Note 2)	3	60%

註：

- (一) 伍兆燦博士於二〇〇七年四月二十八日
退任。
(二) 陳智思議員於二〇〇七年四月二十八日
獲委任為獨立非執行董事。

Notes:

- (1) Dr Siu-chan NG retired on 28 April 2007.
(2) The Hon Bernard Charnwut CHAN was appointed as an independent
non-executive director on 28 April 2007.

董事會以下另有成立委員會協助履行其職責，現已委任了三個委員會，即是：常務董事會、審核委員會及薪酬委員會，藉此監察本行有關方面的事務。每個委員會有特定職權範圍，訂明其職責、權力及功能。委員會定期向董事會匯報，適當時就所討論事項提出建議。董事會除擔當起全面監督的角色外，同時會執行一些指定職務，如核准聘任特定高層人員；審閱財務賬目、建議派發股息及核准有關董事會合規的政策等。

The Board establishes committees to assist it in carrying out its responsibilities. The Board has appointed three Board committees, viz, the Executive Committee, Audit Committee and Remuneration Committee to oversee particular aspects of the Bank's affairs. Each of the committees has defined terms of reference setting out its duties, powers and functions. The committees report regularly to the Board and, where appropriate, make recommendations on matters discussed. The Board, in addition to its overall supervisory role, retains specific responsibilities such as approving specific senior appointments, approving financial accounts, recommending dividend payments, approving policies relating to the Board's compliance, etc.

董事袍金由董事會提議，於股東年會上投票決定。

Directors' fees are proposed by the Board and determined at the annual general meeting.

董事長與行政總裁

董事長與行政總裁的職位由不同人擔任。

董事長伍步高博士為董事會之領導人，負責確保董事會有效地運作，適時及建設性地處理所有重要和合適的事項。董事長如獲董事會委任為常務董事，他亦為常務董事會成員，按常務董事會職權範圍履行責任。於二〇〇七年內，董事長與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。

行政總裁伍步謙博士聯同常務董事會，獲授予權力和責任管理本行業務運作及推行業務發展策略。

伍步高博士與伍步謙博士為堂兄弟。

常務董事會

常務董事會成員由董事會委任，現時由四位成員組成，分別為伍步高博士（董事長）、伍步剛博士（副董事長）、伍步謙博士（行政總裁）及鍾子森先生（總經理）。常務董事會每年最少召開十二次會議，根據其職權範圍及董事會不時訂下的方針，就本行的管理和日常營運，行使董事會授予的權力和酌情權。常務董事會負責執行董事會核定之政策及業務計劃，協助董事會規劃本集團之可接受風險程度及策略以管理本集團業務所承受之各類風險；以及執行和維持本集團整體業務風險管理架構。常務董事會同時參與評估大額信貸申請及批核超越授信審核委員會權限之信貸申請，並省視資產負債管理委員會及風險管理委員會的工作。後者提及的三個專責委員會乃由常務董事會設立並直接管轄之主要委員會。

常務董事會定期向董事會呈送詳盡業務報告，內容包括管理層的業務策略和目標、各項業務的發展及行動計劃等，以便在董事會議上討論。常務董事會適時提供適當和足夠的資料予董事會其他成員，讓其知悉本行最新動向，以執行其職務。

Chairman and Chief Executive

The positions of chairman of the Board and chief executive are separated.

The Chairman, Dr Michael Po-ko WU, provides leadership for the Board. He is responsible for ensuring that the Board works effectively and that all key and appropriate issues are discussed by the Board in a timely and constructive manner. The Chairman, if appointed by the Board as an executive director, will also serve on the Executive Committee and perform duties within the Executive Committee's terms of reference. During 2007, the Chairman held a meeting with the non-executive directors (including independent non-executive directors) without the executive directors present.

The Chief Executive, Dr Philip Po-him WU, is, in conjunction with the Executive Committee, delegated with the authority and responsibility for running the Bank's business and implementing the Bank's strategies.

Dr Michael Po-ko WU and Dr Philip Po-him WU are cousins.

Executive Committee

Membership of the Executive Committee is appointed by the Board, and the current composition consists of four members, namely, Dr Michael Po-ko WU (Chairman), Dr Patrick Po-kong WU (Vice-Chairman), Dr Philip Po-him WU (Chief Executive) and Mr Che-shum CHUNG (General Manager). The Executive Committee meets at least twelve times a year and exercises the powers, authorities and discretions of the Board relating to the management and day-to-day running of the Bank in accordance with its terms of reference and directions as the Board may determine from time to time. The Executive Committee is responsible for the implementation of the policies and execution of the business plans as approved by the Board, assisting the Board to formulate the Group's risk appetite and strategies for managing the various types of risks to which the Group's businesses are exposed, and the implementation and maintenance of the overall risk management framework across the Group's businesses. The Committee also participates in evaluating large credit applications and making credit decisions for those requiring approval in excess of the Credit Committee's authorities, and oversees the Asset and Liability Management Committee and Risk Management Committee. The latter three specialised committees are the main committees established by and under the direct supervision of the Executive Committee.

The Executive Committee presents to the Board regularly by way of detailed business reports on management's business strategies and objectives, updates on different lines of business, action plans, etc for discussion at each Board meeting. The Committee also provides appropriate and sufficient information to the other members of the Board in a timely manner to keep them apprised of the latest development of the Bank so as to enable them to discharge their duties.

常務董事會於二〇〇七年內共召開十五次會議，各常務董事出席率詳列如下：

There were fifteen meetings of the committee during 2007, and details of attendance record of individual members of the Executive Committee are set out below:

會議次數	Number of meetings	15	
董事	Director	出席會議次數 Executive Committee meetings attended	出席率 Attendance rate
伍步高 (董事長)	Michael Po-ko WU (Chairman)	15	100%
伍步剛 (副董事長)	Patrick Po-kong WU (Vice-Chairman)	15	100%
伍步謙 (行政總裁)	Philip Po-him WU (Chief Executive)	15	100%
鍾子森 (總經理)	Che-shum CHUNG (General Manager)	15	100%

薪酬委員會

常務董事的薪酬和每年獎勵金由薪酬委員會釐訂，常務董事不參與訂定本身的酬金。

薪酬委員會成員由董事會委任，現時由三位獨立非執行董事組成，分別為梁乃鵬博士(主席)、蘇洪亮先生和陳智思議員。薪酬委員會之主要職責是對各常務董事及總經理之個人薪酬進行檢討及向董事會作出建議。薪酬委員會每年最少召開一次會議，其職權範圍登載於本行網頁。董事會已採用了一常務董事薪酬政策，目的是因應本行業務策略，支付合理薪酬吸引、獎勵以留住高質素人才。薪酬委員會從內部及外間資訊，掌握市場薪酬狀況和同業水平等指標，然後根據本行整體表現，釐訂常務董事的薪酬。

Remuneration Committee

The salary and annual incentive of executive directors are determined by the Remuneration Committee. No executive director is involved in deciding his own remuneration.

Membership of the Remuneration Committee is appointed by the Board, and the current composition consists of three independent non-executive directors, namely, Dr Norman Nai-pang LEUNG (Chairman), Mr Lincoln Hung-leung SOO and The Hon Bernard Charnwut CHAN. The principal duties of the Remuneration Committee are to review and make recommendations to the Board for the individual remuneration packages for the Executive Directors and the General Manager. The Remuneration Committee meets at least once a year, and its terms of reference are posted on the Bank's website. The Board has adopted a policy for the remuneration of executive directors with the objective to provide, in the context of the Bank's business strategy, remuneration in form and amount which will attract, motivate and retain high calibre executives. The Remuneration Committee obtains benchmark information from internal and external sources relating to market pay conditions, comparable data of other banks and overall performance of the Bank for determination of the executive directors' emolument.

薪酬委員會於二〇〇七年內召開了一次會議，評核常務董事的表現，檢討常務董事的薪酬升幅和按表現而發放的獎勵金。薪酬委員會各成員出席率詳列如下：

In 2007, the Remuneration Committee held one meeting, during which the committee assessed the performance of the executive directors and reviewed the pay increases and performance bonus for the executive directors. Details of attendance record of individual members of the Remuneration Committee are set out below:

會議次數	Number of meeting		
董事	Director	出席會議次數 Remuneration Committee meeting attended	出席率 Attendance rate
梁乃鵬 (主席)	Norman Nai-pang LEUNG (Chairman)	1	100%
伍兆燦 (註三)	Siu-chan NG (Note 3)	—	—
蘇洪亮	Lincoln Hung-leung SOO	1	100%
陳智思 (註四)	Bernard Charnwut CHAN (Note 4)	不適用 N/A	不適用 N/A

註：

(三) 伍兆燦博士於二〇〇七年四月二十八日
退任。

(四) 陳智思議員於二〇〇七年四月二十八日
獲委任為薪酬委員會成員。

Notes:

(3) Dr Siu-chan NG retired on 28 April 2007.

(4) The Hon Bernard Charnwut CHAN was appointed as a member of the
Remuneration Committee on 28 April 2007.

董事提名

本行無成立提名委員會。全體董事會負責核准新成員之委任及在股東年會上提名合適的人選應選，以填補董事空缺或增添董事名額。

在年度內獲董事會委任的董事將出任董事直至隨後之股東年會時再應選連任。

董事應選連任程序依循本行註冊章程辦理，除在年度內委任之董事外，三分之一現任董事（若董事人數不足三或不是三的倍數，則以最接近的數字計算，但不能超過三分之一）須於每年股東年會時輪值告退，但可再應選連任。

股東年會通函載有選舉董事的詳細資料，包括擬參與選舉或再應選連任董事的個人簡歷，以便股東參考後作出決定投票。

Nomination of Directors

The Bank does not have a Nomination Committee. The Board as a whole is responsible for the procedure of agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the annual general meeting, either to fill a casual vacancy or as an addition to the existing directors.

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

The process for re-election of a director is in accordance with the Bank's constitution, which requires that, other than those directors appointed during the year, one-third of the directors for the time being, or, if the number is not three or a multiple of three, then the number nearest to but not exceeding one-third, are required to retire by rotation at each annual general meeting and are eligible to stand for re-election.

The annual general meeting circular contains detailed information on election of directors including detailed biography of all directors standing for election or re-election to ensure shareholders to make an informed decision on their election.

審核委員會

審核委員會成員由董事會委任，現時由四位獨立非執行董事組成，分別為梁乃鵬博士（主席）、蘇洪亮先生、曾崇光先生和陳智思議員，均具備合適的學歷和專業資格或相關的財務管理才能。審核委員會具備充足資源履行職務。審核委員會之主要責任包括檢討本集團之財務表現，有關稽核檢討之性質及範圍，以及內部控制和法規遵守制度之效果。審核委員會亦會討論由內部稽核、外聘核數師及監管機構所提出之各項建議，以確保所有合適的審核建議均已實行。審核委員會每年最少召開三次會議，其職權範圍登載於本行網頁。

審核委員會於二〇〇七年內召開了三次會議，外聘核數師、內部稽核和公司秘書（不包括管理層）亦有出席，評核和檢討集團內部監控、審核工作範疇、集團財務報表、稽核部審核各部門工作的結果和建議、外聘核數師的審計安排、監管機構（特別是香港金融管理局）的建議，向董事會建議委任外聘核數師。審核委員會各成員出席率詳列如下：

會議次數	Number of meetings		
董事	Director	出席會議次數 Audit Committee meetings attended	出席率 Attendance rate
梁乃鵬（主席）	Norman Nai-pang LEUNG (Chairman)	3	100%
伍兆燦 ^(註五)	Siu-chan NG ^(Note 5)	—	—
蘇洪亮	Lincoln Hung-leung SOO	3	100%
曾崇光	Shung-kwong TSANG	3	100%
陳智思 ^(註六)	Bernard Charnwut CHAN ^(Note 6)	2	67%

註：

(五) 伍兆燦博士於二〇〇七年四月二十八日
退任。

(六) 陳智思議員於二〇〇七年四月二十八日
獲委任為審核委員會成員。

Audit Committee

Membership of the Audit Committee is appointed by the Board, and the current composition consists of four independent non-executive directors, namely, Dr Norman Nai-pang LEUNG (Chairman), Mr Lincoln Hung-leung SOO, Mr Shung-kwong TSANG and The Hon Bernard Charnwut CHAN. They possess appropriate academic and professional qualifications or related financial management expertise. The Audit Committee is provided with sufficient resources to discharge its duties. The principal duties of the Audit Committee include the review of the Group's financial reporting, the nature and scope of audit review as well as the effectiveness of the system of internal control and compliance. It will also discuss matters raised by the internal auditor, external auditors and regulatory bodies to ensure that appropriate recommendations are implemented. The Audit Committee meets at least three times a year, and its terms of reference are posted on the Bank's website.

In 2007, the Audit Committee met three times, and the meetings were attended by external and internal auditors and the Company Secretary (in the absence of management) for the purpose of assessing and reviewing the Group's internal control, the scope of audit work, the Group's financial statements, the findings and recommendations of Internal Audit Department on the work of various units, the external auditors' audit plan, the recommendations of the regulators (in particular the Hong Kong Monetary Authority) and recommending to the Board the appointment of external auditors. Details of attendance record of individual members of the Audit Committee are set out below:

Notes:

(5) Dr Siu-chan NG retired on 28 April 2007.

(6) The Hon Bernard Charnwut CHAN was appointed as a member of the Audit Committee on 28 April 2007.

內部監控

董事會及高層管理人員負責設立、維持及執行一有效的內部監控系統。本集團的內部監控系統包括一個完善的組織架構和全面的政策及準則。董事會對各部門的職務、責任和誠信的期望，已清晰地列於各政策文件內，包括行為守則、內部監控政策聲明及合規政策聲明等。董事會並已清楚界定各業務及營運部門的權責，以確保有效之制衡。

本集團之內部監控系統涵蓋每一個業務及營運部門，以保障本集團資產免受損失或被盜用；妥善保存會計紀錄以提供可靠的財務資料；就欺詐及重大錯誤合理地作出防範，惟不能確保其絕對不會發生。本集團已訂立政策和程序，確保遵照有關法律、規例和行業標準。為了應付監管機構日益嚴謹的法例要求以及瞬息萬變的營商環境，董事會已投放更多資源及努力進一步強化本集團之管理層架構及監察，並已成立內部監控委員會，協助管理層監察本集團之內部監控系統。該委員會定期舉行會議，並會每半年向常務董事會匯報其工作情況。

本集團已訂定不同的風險管理政策和程序，並由特定的委員會及單位負責識別、評估、監察及管理本集團所面對的各種風險。風險管理政策及藉以控制主要風險的規限由董事會或常務董事會擬定及批准。有關管理主要風險（包括信貸、市場、流動資金及營運風險）的政策及程序，詳列在財務報表註釋2「金融風險管理」一欄。

內部稽核為本集團內部監控架構重要的一環，向董事會提供客觀保證，透過對所有業務及營運部門的定期全面審查以確保完善的內部監控系統得以維持及依循既定的程序和標準。所有內部稽核報告均會提交審核委員會審閱。外聘核數師致管理層函件及監管機構報告內的重要事項均提呈審核委員會審閱，確保能及時採取補救行動，並跟進所有建議，確保能在合理時間內執行。稽核部每年根據風險為本之原則，將稽核資源重點擺放於較高風險之範疇上，去制訂其內部稽核時間表。稽核計劃會提交常務董事會及審核委員會批核。為確保稽核之獨立性，本行內部稽核主管會直接向常務董事會及審核委員會報告。

Internal Control

The Board and senior management are responsible for establishing, maintaining and operating an effective system of internal control. The internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Board's expectations regarding duty, responsibility and integrity are clearly spelled out in formal policy statements, which include Code of Conduct, Internal Control Policy Statement and Compliance Policy Statement, etc. The Board has clearly defined the lines of authority and responsibilities of each business and operational unit to ensure adequate checks and balances.

Our internal control system covers every business and operational function of the Group. Our system is designed to safeguard the Group's assets against loss and misappropriation; to maintain proper accounting records for producing reliable financial information; to provide reasonable, but not absolute, assurance against material fraud and errors. Policies and procedures are established to ensure compliance with applicable laws, regulations and industry standards. To cope with the increasingly stringent requirements from relevant regulatory authorities together with ever changing business environment, the Board has dedicated more resources and efforts to further strengthen the Group's management structure and oversight. An Internal Control Committee has been established with the primary objective to assist management to oversee the internal control system of the Group. Regular Internal Control Committee meetings are held and the Committee reports its work to the Executive Committee on a semi-annual basis.

The Group has had in place various risk management policies and procedures. There are specific committees and units that are responsible for identifying, assessing, monitoring and managing the risks that the Group faces. Risk management policies and major risk control limits are established and approved by the Board or Executive Committee. A more detailed discussion of the policies and procedures for management of each of the major types of risk the Group is facing, including credit, market, liquidity and operational risk, is included in note 2 to the financial statements "Financial Risk Management" section.

The Group's internal audit function plays an important role in the Group's internal control framework. It provides objective assurance to the Board that a sound internal control system is maintained and operated in compliance with the established processes and standards through regular and comprehensive audits on all business and operational functions. All internal audit reports will be submitted to the Audit Committee for review. Significant issues in the management letters from external auditors and reports from regulatory authorities will be brought to the attention of the Audit Committee to ensure that prompt remedial action is taken. All recommendations will be properly followed up to ensure they are implemented within a reasonable period of time. Pursuant to a risk-based methodology, the Internal Audit Department plans its internal audit schedules annually with audit resources being focused on higher risk areas. The Internal Audit Plan is submitted to the Executive Committee and Audit Committee for review and approval. To preserve the audit independence, the Head of Internal Audit Department of the Bank reports directly to the Executive Committee and Audit Committee.

董事會負責本集團之內部監控系統，並對有關系統之有效性作出檢討。本集團之內部監控系統涵蓋所有重要的監控範圍，包括財務、營運及合規風險之監控，而內部稽核及管理人員會就此等系統之有效性作出檢討。透過常務董事會和審核委員會，董事會每年均檢討內部稽核及管理人員的報告和意見，從而評估本集團內部監控系統之有效性。

截至二〇〇七年十二月三十一日止之年度內，董事會認為上述之內部監控系統有效而充足，並無發現任何可能影響股東之重大內部監控缺失、懷疑欺詐及不正當行為。

問責及稽核

董事負責監督編製每個財政期間的財務報表，使賬目能真實和公平地反映集團在該段期間的業務狀況、業績及現金流量表現。於編製截至二〇〇七年十二月三十一日止年度之財務報表時，董事已採用適當之會計政策並貫徹應用，已批准採納符合國際財務報告準則的全部香港財務報告準則，及作出審慎合理判斷及估計，並按持續經營之基準編製財務報表。

本行已按照上市規則的規定，在有關期間完結後的四個月及三個月限期內，分別適時地發表全年業績公佈及中期業績公佈。

核數師酬金

羅兵咸永道會計師事務所在二〇〇七年股東年會獲繼續委任為本行外聘核數師，直至今屆股東年會為止。

本行給予羅兵咸永道會計師事務所作為二〇〇七年度提供審核服務的酬金為港幣3,628,000元。同年度，羅兵咸永道會計師事務所向本集團提供其他服務，所得酬金如下：

稅務合規
內部監控及系統審閱
合規報告
其他
總計

The Board is responsible for the Group's internal control system and for reviewing its effectiveness. Internal audit and management conduct reviews of the effectiveness of the Group's internal control system which covers all material controls including financial, operational and compliance controls and risk management function. The Board, through the Executive Committee and Audit Committee, reviews the findings and opinion of internal audit and management on the effectiveness of the Group's internal control system on an annual basis.

In respect of the year ended 31 December 2007, the Board considered the internal control system effective and adequate. No significant internal control deficiencies, suspected fraud and irregularities which might affect shareholders were identified.

Accountability and Audit

The directors are responsible for overseeing the preparation of financial statements of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing the financial statements for the year ended 31 December 2007, the directors have selected suitable accounting policies and applied them consistently, approved adoption of all Hong Kong Financial Reporting Standards which are in conformity to the International Financial Reporting Standards, made judgements and estimates that are prudent, and prepared the financial statements on the going concern basis.

The Bank has announced its annual and interim results in a timely manner within the limits of 4 months and 3 months respectively after the end of the relevant period, as laid down in the Listing Rules.

Auditors' Remuneration

PricewaterhouseCoopers has been reappointed as the Bank's external auditors at the 2007 Annual General Meeting until the conclusion of the next Annual General Meeting.

A remuneration of HK\$3,628,000 was paid to PricewaterhouseCoopers for the provision of audit services in 2007. During the same period, the following remunerations were paid to PricewaterhouseCoopers for the provision of non-audit related services to the Group.

	酬金 Remuneration HK\$'000
Tax compliance fee	637
Internal controls and system reviews	263
Regulatory reporting	771
Others	375
Total	<u>2,046</u>

與股東溝通

本行設立不同渠道保持與股東溝通，包括刊印年報、中期報告及新聞稿，該等資料亦上載於本行的網頁。本行亦在網頁設有「投資者通訊」欄上載有關本行資訊。

股東年會是一個良好的平台讓股東與董事會交流意見。二〇〇七年股東年會時，董事會主席及審核委員會主席兼薪酬委員會主席均有在場回答股東的提問。

股東大會上亦會就每一獨立重大事項提呈決議案，包括選舉董事。

附於年報寄予股東之通函，詳載了投票表決的程序和股東可要求以投票方式表決之權利，亦詳述了提呈決議案的有關詳情，包括每位候選董事及再應選連任董事的個人簡歷。

於本行二〇〇七年股東年會上，所有決議案均以舉手表決。當中除了一項決議案乃關於授權董事會發行及處理為數不超過已發行股本百分之二十之新股有一票反對之外，全部決議案均無異議通過。每項決議案舉手表決後，主席均有向與會股東宣佈每一決議案所收到投票代表書的贊成票和反對票的票數。

根據本行從公開途徑所取得的資訊及就各董事所知，本行於二〇〇七年內及至本年報刊登日期間，有維持上市規則所定的公眾持股量。

Communication with Shareholders

The Bank establishes and maintains different communication channels with its shareholders through the publication of annual and interim reports and press release. Such information is also available on the Bank's website. The Bank has also set up on its website an "Investor Communication" section containing useful information about the Bank.

The annual general meeting provides a useful forum for shareholders to exchange views with the Board. At the Bank's 2007 Annual General Meeting, Chairman of the Board as well as Chairman of the Audit Committee and Remuneration Committee were present to answer shareholders' questions.

Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of directors.

Details of the poll voting procedures and the rights of shareholders to demand a poll were included in the circular to shareholders dispatched together with the annual report. The circular also included relevant details of proposed resolutions, including biography of each candidate standing for election and re-election.

At the Bank's 2007 Annual General Meeting, all the resolutions were dealt with on a show of hands. All resolutions were unanimously passed, with the exception of one resolution, which is related to the granting of a general mandate to the directors to issue and dispose of additional shares not exceeding 20% of the aggregate nominal amount of the share capital, and one opposition vote was recorded. The Chairman also indicated to the meeting the level of proxies lodged on each resolution after it had been dealt with on a show of hands.

Based on the information that is publicly available to the Bank and within the knowledge of the directors, the Bank has maintained the prescribed amount of public float during the year 2007 and up to the date of this Annual Report as required by the Listing Rules.

獨立核數師報告書

INDEPENDENT AUDITOR'S REPORT

致永隆銀行有限公司全體股東
(於香港註冊成立之有限公司)

本核數師(以下簡稱「我們」)已審核列載於第三十七頁至第一百六十五頁永隆銀行有限公司(「銀行」)及其附屬公司(合稱「集團」)之綜合財務報表,此綜合財務報表包括於二〇〇七年十二月三十一日之綜合資產負債表,及銀行之資產負債表,與截至該日止年度之綜合收益表、綜合權益變動表及綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔之責任

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

核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見並按照香港《公司條例》第一四一條僅向整體股東報告,除此之外本報告別無其他目的。我們不會就本報告之內容向任何其他人士負責或承擔任何責任。

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

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

我們相信,我們所獲得之審核憑證是充足和適當為我們之審核意見提供基礎。

意見

我們認為,該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴行與 貴集團於二〇〇七年十二月三十一日之事務狀況及截至該日止年度 貴集團之溢利及現金流量,並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
執業會計師

香港 二〇〇八年三月五日

TO THE SHAREHOLDERS OF WING LUNG BANK LIMITED
(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Wing Lung Bank Limited (the "Bank") and its subsidiaries (together, the "Group") set out on pages 37 to 165, which comprise the consolidated and the Bank's balance sheets as at 31 December 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

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

Auditor's responsibility

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

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

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

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

Opinion

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 5 March 2008

綜合收益表

CONSOLIDATED INCOME STATEMENT

截至二〇〇七年十二月三十一日止之年度 For the year ended 31 December 2007

		註釋 Note	2007 HK\$'000	2006 HK\$'000
利息收入	Interest income	4	4,441,066	4,039,523
利息支出	Interest expense	5	(2,949,477)	(2,640,498)
淨利息收入	Net interest income		1,491,589	1,399,025
服務費及佣金收入	Fees and commission income		556,258	346,566
服務費及佣金支出	Fees and commission expense		(56,140)	(58,077)
服務費及佣金淨收入	Net fees and commission income	6	500,118	288,489
保險營業收入	Insurance operating income	7	436,213	411,898
淨交易收入	Net trading income	8	104,511	219,310
	Net gain on disposal of available-for-sale securities		104,130	6,154
出售可供出售證券之淨收益	Other operating income	9	162,091	85,649
其他營業收入				
營業收入	Operating income		2,798,652	2,410,525
營業支出	Operating expenses	10	(738,479)	(674,757)
信貸損失之減值調撥	Impairment charge for credit losses	11	(503,448)	(44,254)
保險申索準備	Charge for insurance claims	7	(354,258)	(319,401)
	Net loss on disposal of other properties and equipment		(994)	(1,417)
出售其他物業及設備之淨虧損				
其他投資收益前之營業溢利	Operating profit before gain on certain investments		1,201,473	1,370,696
投資物業公平價值調整	Fair value adjustments on investment properties	30	305,264	512,626
應佔共同控制實體之淨溢利	Share of net profits of jointly controlled entities		67,637	36,749
應佔聯營公司之淨溢利	Share of net profits of associates		1,707	3,216
除稅前溢利	Profit before taxation		1,576,081	1,923,287
稅項	Income tax	14	(204,567)	(317,498)
股東應佔溢利	Profit attributable to shareholders	15	1,371,514	1,605,789
股息	Dividends	16	557,256	789,446
			HK\$	HK\$
每股盈利	Earnings per share	17		
— 基本	— Basic		5.91	6.92
— 攤薄	— Diluted		5.91	6.92

載於第四十二頁至第一百六十五頁之註釋為此等財務報表之一部份。

The notes on pages 42 to 165 form part of these financial statements.

綜合資產負債表

CONSOLIDATED BALANCE SHEET

二〇〇七年十二月三十一日 As at 31 December 2007

		註釋 Note	2007 HK\$'000	2006 HK\$'000
資產	Assets			
庫存現金及短期資金	Cash and short-term funds	18	26,384,235	23,497,914
同業定期存放及貸款	Placements with and loans and advances to banks	19	3,602,908	4,285,310
持作買賣用途之證券	Trading securities	20	2,218,841	2,051,203
衍生金融工具	Derivative financial instruments	21	35,813	26,413
以公平價值誌入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	22	2,934,803	3,445,781
可供出售之證券	Available-for-sale securities	23	3,240,308	3,698,471
持至到期證券	Held-to-maturity securities	24	6,883,979	4,353,813
貸款及其他賬項	Advances and other accounts	25	44,531,182	40,845,270
共同控制實體權益	Interests in jointly controlled entities	28	224,018	140,497
聯營公司權益	Interests in associates	29	6,184	5,879
投資物業	Investment properties	30	2,254,600	1,966,160
租賃土地權益	Interests in leasehold land	31	241,345	245,516
其他物業及設備	Other properties and equipment	32	424,420	412,394
可回收稅項	Tax recoverable		58,704	1,244
遞延稅項資產	Deferred tax assets	37	6,799	4,763
總資產	Total assets		93,048,139	84,980,628
負債	Liabilities			
同業存款	Deposits and balances from banks		1,157,049	637,177
交易賬項下之負債	Trading liabilities	33	351,210	1,211,449
衍生金融工具	Derivative financial instruments	21	601,692	284,225
以公平價值誌入損益賬 之金融負債	Financial liabilities designated at fair value through profit or loss	34	2,159,028	3,230,093
客戶存款	Deposits from customers	35	70,481,358	62,709,121
發行之存款證	Certificates of deposit issued		1,773,194	1,882,628
當期稅項	Current taxation		40,547	77,174
遞延稅項負債	Deferred tax liabilities	37	470,958	406,103
其他賬項及預提	Other accounts and accruals	36	3,533,000	3,160,873
總負債	Total liabilities		80,568,036	73,598,843
權益	Equity			
股本	Share capital	38	1,160,951	1,160,951
儲備	Reserves	16, 39	11,319,152	10,220,834
權益總額	Total equity		12,480,103	11,381,785
權益及負債總額	Total equity and liabilities		93,048,139	84,980,628

伍步高	董事長	Michael Po-ko WU	Chairman
伍步剛	副董事長	Patrick Po-kong WU	Vice-Chairman
伍步謙	董事兼行政總裁	Philip Po-him WU	Director and Chief Executive
鍾子森	董事兼總經理	Che-shum CHUNG	Director and General Manager

載於第四十二頁至第一百六十五頁之註釋為此等財務報表之一部份。
The notes on pages 42 to 165 form part of these financial statements.

資產負債表

BALANCE SHEET

二〇〇七年十二月三十一日 As at 31 December 2007

		註釋 Note	2007 HK\$'000	2006 HK\$'000
資產	Assets			
庫存現金及短期資金	Cash and short-term funds	18	26,259,873	23,376,316
同業定期存放及貸款	Placements with and loans and advances to banks	19	3,699,769	4,351,239
持作買賣用途之證券	Trading securities	20	2,030,704	1,913,756
衍生金融工具	Derivative financial instruments	21	35,800	26,570
以公平價值誌入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	22	2,591,119	2,925,176
可供出售之證券	Available-for-sale securities	23	2,031,308	3,079,405
持至到期證券	Held-to-maturity securities	24	6,614,787	4,137,805
貸款及其他賬項	Advances and other accounts	25	43,312,051	40,560,733
附屬公司權益	Interests in subsidiaries	27	300,231	300,197
共同控制實體權益	Interests in jointly controlled entities	28	97,264	57,300
投資物業	Investment properties	30	2,324,700	2,021,160
租賃土地權益	Interests in leasehold land	31	241,345	245,516
其他物業及設備	Other properties and equipment	32	343,121	325,972
可回收稅項	Tax recoverable		58,704	–
總資產	Total assets		89,940,776	83,321,145
負債	Liabilities			
同業存款	Deposits and balances from banks		1,182,817	752,837
交易賬項下之負債	Trading liabilities	33	351,210	1,211,449
衍生金融工具	Derivative financial instruments	21	601,692	284,225
以公平價值誌入損益賬 之金融負債	Financial liabilities designated at fair value through profit or loss	34	2,242,681	3,420,278
客戶存款	Deposits from customers	35	71,159,167	63,658,431
發行之存款證	Certificates of deposit issued		1,773,194	1,882,628
當期稅項	Current taxation		–	61,544
遞延稅項負債	Deferred tax liabilities	37	450,182	393,841
其他賬項及預提	Other accounts and accruals	36	1,659,124	2,268,713
總負債	Total liabilities		79,420,067	73,933,946
權益	Equity			
股本	Share capital	38	1,160,951	1,160,951
儲備	Reserves	16, 39	9,359,758	8,226,248
權益總額	Total equity		10,520,709	9,387,199
權益及負債總額	Total equity and liabilities		89,940,776	83,321,145

伍步高 董事長
伍步剛 副董事長
伍步謙 董事兼行政總裁
鍾子森 董事兼總經理

Michael Po-ko WU Chairman
Patrick Po-kong WU Vice-Chairman
Philip Po-him WU Director and Chief Executive
Che-shum CHUNG Director and General Manager

載於第四十二頁至第一百六十五
頁之註釋為此等財務報表之一部
份。

The notes on pages 42 to 165 form part of these financial statements.

綜合權益變動表

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二〇〇七年十二月三十一日止之年度 For the year ended 31 December 2007

		註釋 Note	2007 HK\$'000	2006 HK\$'000
於一月一日之權益總額	Total equity as at 1 January		11,381,785	10,136,467
於權益中直接確認之淨收入：	Net income recognised directly in equity:			
重估房產之盈餘	Surplus on revaluation of bank premises	39	—	40,883
可供出售證券之公平價值改變	Changes in fair value of available-for-sale securities	39	226,000	286,904
遞延稅項之影響	Effect of deferred taxation on			
— 房產之重估	— revaluation of bank premises	39	—	(7,155)
— 可供出售證券之公平價值調整	— fair value adjustments on available-for-sale securities	39	(8,426)	(14,237)
應佔聯營公司之儲備	Share of associates' reserves	39	(67)	339
本年度於權益中直接確認之淨收入	Net income for the year recognised directly in equity		217,507	306,734
於出售可供出售證券時轉入收益表	Transfer to income statement on disposal of available-for-sale securities	39	(104,130)	13,112
於可供出售證券減值時轉入收益表	Transfer to income statement on impairment of available-for-sale securities	39	426,092	—
本年度淨溢利	Net profit for the year	39	1,371,514	1,605,789
本年度已確認之淨收入	Total net income recognised for the year		1,910,983	1,925,635
本年度已宣派或已批核之股息	Dividends declared or approved during the year	39	(812,665)	(680,317)
於十二月三十一日之權益總額	Total equity as at 31 December		12,480,103	11,381,785

載於第四十二頁至第一百六十五頁之註釋為此等財務報表之一部份。

The notes on pages 42 to 165 form part of these financial statements.

綜合現金流量表

CONSOLIDATED CASH FLOW STATEMENT

截至二〇〇七年十二月三十一日止之年度 For the year ended 31 December 2007

		註釋 Note	2007 HK\$'000	2006 HK\$'000
營業活動之現金流入額	Cash generated from operations	44(a)	5,752,335	6,564,665
支付香港利得稅	Hong Kong profits tax paid		(169,996)	(169,874)
支付海外稅項	Overseas tax paid		(9,199)	(6,940)
營業活動之現金流入淨額	Net cash generated from operating activities		5,573,140	6,387,851
投資活動	Investing activities			
購入可供出售之證券及 持至到期證券	Purchase of available-for-sale securities and held-to-maturity securities		(15,487,118)	(16,387,432)
共同控制實體之貸款	New loans to jointly controlled entity		(39,964)	–
聯營公司權益	Interest in associates		(691)	–
收取共同控制實體及聯營公司 之股息	Dividends received from jointly controlled entities and an associate		26,106	3,046
出售及贖回可供出售之證券及 持至到期證券所得之款項	Proceeds from sale and redemption of available-for-sale securities and held-to-maturity securities		13,751,091	16,680,925
購入投資物業	Payment for purchase of investment properties		–	(30,996)
購入其他物業及設備	Payment for purchase of other properties and equipment		(56,150)	(68,390)
出售其他物業及設備所得之 款項	Proceeds from disposal of other properties and equipment		1,024	73
投資活動之現金(流出)/流入淨額	Net cash (used in)/generated from investing activities		(1,805,702)	197,226
融資活動	Financing activities			
已派股息	Dividends paid		(812,665)	(680,317)
融資活動之現金流出淨額	Net cash used in financing activities		(812,665)	(680,317)
現金及等同現金項目之淨增加	Net increase in cash and cash equivalents		2,954,773	5,904,760
於一月一日現金及等同現金項目	Cash and cash equivalents at 1 January		23,442,574	17,537,920
外幣匯率變動之影響	Effects of foreign exchange rate changes		(252)	(106)
於十二月三十一日現金及 等同現金項目	Cash and cash equivalents at 31 December	44(b)	26,397,095	23,442,574

載於第四十二頁至第一百六十五頁之註釋為此等財務報表之一部份。

The notes on pages 42 to 165 form part of these financial statements.

1 主要會計政策

1.1 編製基礎

本綜合財務報表乃根據香港會計師公會所頒佈之香港財務報告準則(此乃所有適用之個別香港財務報告準則、香港會計準則及詮釋之統稱)、香港普遍採納之會計準則及香港《公司條例》之要求而編製。本綜合財務報表亦同時符合香港聯合交易所有限公司證券上市規則所適用之披露規定。

本綜合財務報表以歷史成本常規法編製，並就可供出售之金融資產、持作買賣用途之金融資產及負債，以公平價值計入損益賬之金融資產及負債(包括衍生金融工具)及投資物業之重估作出修訂。

編製符合香港財務報告準則之財務報表須使用多項重要之會計估計，亦須管理層在應用本集團會計政策之過程中作出判斷。涉及較大幅度之判斷及較高複雜性、或其假設及估計對本綜合財務報表有重大影響之範疇，已詳列於註釋3。

香港會計師公會已頒佈多項新增/經修訂之香港財務報告準則，並於二〇〇七年一月一日或以後之會計年度開始生效。本集團已採納下列與其業務相關之新增/經修訂之香港財務報告準則，該等準則制定了一些新的財務報表披露要求：

- 香港財務報告準則第七號
 - 金融工具之披露
- 香港會計準則第一號(修訂)
 - 財務報表之呈列：資本披露

該等香港財務報告準則主要是要求多些關於公平價值之計算及風險管理的質量化及數量化的披露。這些準則對本集團之業績及財務狀況並無任何影響。

除此之外，香港金融管理局根據《銀行業(披露)規則》推薦之額外資料披露已於本綜合財務報表內應用。

1 Summary of significant accounting policies

1.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”, a collective term which includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and financial liabilities held for trading, financial assets and financial liabilities (including derivative financial instruments) designated at fair value through profit or loss and investment properties.

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgments in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 3.

The HKICPA has issued a number of new/revised HKFRSs, which are effective for accounting periods beginning on or after 1 January 2007. The Group adopted the following new/revised HKFRSs which introduce certain new disclosures relating to financial statements and are relevant to its operations:

- HKFRS 7
 - Financial instruments: disclosures
- HKAS 1 (Amendment)
 - Presentation of financial statements: capital disclosures

The key impacts of the above HKFRSs are more qualitative and quantitative disclosures primarily related to fair value measurement and risk management. Accordingly the adoption of this standard has no effect on the Group’s results of operations or financial position.

In addition, the Hong Kong Monetary Authority (the “HKMA”) has recommended additional disclosures under the Banking (Disclosure) Rules, which have been adopted in these consolidated financial statements.

1 主要會計政策(續)

1.1 編製基礎(續)

截至本年度財務報表發佈日止，香港會計師公會公佈了若干新增/經修訂之香港財務報告準則，該等準則尚未於截至二〇〇七年一月一日開始之會計年度生效，本集團並未有提早採納該等準則。本集團正評估該等新增/經修訂之香港財務報告準則在首個應用期產生的影響，至今本集團認為採納該等準則及資料披露不大可能對本集團的業績和財政狀況有重大影響。香港會計準則第一號(經修訂)-財務報表之呈列及香港財務報告準則第八號-營業分部將於二〇〇九年一月一日或以後之會計年度開始生效，這些準則可能引致新增或修改財務報表的披露。

1.2 綜合財務報表

綜合財務報表包括本行與各附屬公司截至十二月三十一日止之財務報表。

附屬公司乃本行直接或間接地控制其董事會之組成、控制其多於半數投票權或擁有多於半數其已發行股本之公司。

附屬公司自控制權轉移予本集團當日起於財務報表作綜合計算，並自該控制權終止之日起不再綜合計算。

集團內公司間之交易、結餘及未變現交易收益已於綜合財務報表內完全抵銷。未變現虧損也同時會被抵銷，除非有證據顯示該等資產出現減值。附屬公司之會計政策已作必要之變更以確保與本集團採納之政策一致。

在本行之資產負債表內，附屬公司權益乃按其成本值減除減值虧損準備列賬。本行將附屬公司之業績按已收及應收股息入賬。

1.3 共同控制實體

共同控制實體指本集團與其他人士以合約協議方式共同進行經濟活動，該活動受雙方共同控制，任何一方均沒有單獨控制權。

綜合收益表包括本集團應佔共同控制實體之本年度業績，而綜合資產負債表則包括本集團應佔共同控制實體之資產淨值。

1 Summary of significant accounting policies (continued)

1.1 Basis of preparation (continued)

Up to the date of issue of these financial statements, the HKICPA has also issued certain new/revised HKFRSs which are not yet effective for accounting period beginning on 1 January 2007 and have not been early adopted by the Group. The Group is in the process of making an assessment of what the impact of these new/revised HKFRSs is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's result of operations and financial position. HKAS 1 (Revised): Presentation of Financial Statements and HKFRS 8, Operating segments which are effective for annual periods beginning on or after 1 January 2009, may result in new or amended disclosures in the financial statements.

1.2 Consolidation

The consolidated financial statements include the financial statements of the Bank and all of its subsidiaries made up to 31 December.

Subsidiaries are those entities in which the Bank, directly or indirectly, controls the composition of the Board of Directors, controls more than half of the voting power or holds more than half of the issued share capital.

Subsidiaries are consolidated into the financial statements from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Bank's balance sheet, the interests in subsidiaries are stated at cost less provision for impairment losses. The results of subsidiaries are accounted for by the Bank on the basis of dividends received and receivable.

1.3 Jointly controlled entities

A jointly controlled entity is an entity which operates under a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The consolidated income statement includes the Group's share of the results of jointly controlled entities for the year and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities.

1 主要會計政策(續)**1.3 共同控制實體(續)**

在本行之資產負債表內，共同控制實體權益乃按其成本值減除減值虧損準備列賬。本行將共同控制實體之業績按已收及應收股息入賬。

1.4 聯營公司

聯營公司是指本集團可對其管理發揮重大影響力但不在控制下之公司，一般是指持有20%-50%股本投票權者。

綜合收益表包括本集團應佔聯營公司之本年度業績，而綜合資產負債表則包括本集團應佔聯營公司之資產淨值。

在本行之資產負債表內，聯營公司權益乃按其成本值減除減值虧損準備列賬。本行將聯營公司之業績按已收及應收股息入賬。

1.5 收入認算**(a) 利息收入及支出**

所有金融工具之利息收入及支出乃採用實際利息方法列入收益表內。

實際利息方法乃是一種用以計算金融資產或金融負債之攤銷成本及於其相關期內攤分利息收入或利息支出之方法。實際利率指能將預計未來之現金付賬或收入，從相關金融工具之預計年期(或較短之年期，如適用)折算至與金融資產或金融負債之賬面值之利率。在計算實際利率時，本集團乃按金融工具之所有合約條款(如提早清還之行使權)而估計其現金流量，但不考慮未發生之信貸損失。此計算包括所有合約內交易雙方所收取或支付能構成整體實際利息之費用及利率差價、交易成本及所有其他溢價或折讓。

若金融資產價值因減值虧損被調低，其利息收入則以計算有關減值虧損時所採用來折算未來現金流量之利率來確認。

(b) 保險費收入

保險費收入乃承保之毛保費總額，扣除分出之再保險費用並就未滿期保費作出調整。所承保之毛保費收入在承擔相關風險時確認。

1 Summary of significant accounting policies (continued)**1.3 Jointly controlled entities (continued)**

In the Bank's balance sheet, the interests in jointly controlled entities are stated at cost less provision for impairment losses. The results of jointly controlled entities are accounted for by the Bank on the basis of dividends received and receivable.

1.4 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

The consolidated income statement includes the Group's share of the results of associates for the year and the consolidated balance sheet includes the Group's share of the net assets of the associates.

In the Bank's balance sheet, the interests in associates are stated at cost less provision for impairment losses. The results of associates are accounted for by the Bank on the basis of dividends received and receivable.

1.5 Income recognition**(a) Interest income and expense**

Interest income and expense for all financial instruments are recognised in the income statement using the effective interest method.

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

Once a financial asset has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

(b) Premium income

Premium income represents gross insurance premium written less reinsurance ceded, as adjusted for unearned premium. Gross premiums written are recognised at date of risk inception.

1 主要會計政策(續)

1.5 收入認算(續)

(c) 服務費及佣金收入

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

(d) 股息收入

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

1.6 金融資產

本集團之金融資產分為以下類別：貸款及應收賬項、持作買賣用途之證券、以公平價值誌入損益賬之金融資產、持至到期證券及可供出售證券。此等分類乃按購入投資時之目的而歸類，並由管理層在最初確認投資時決定其分類。

(a) 貸款及應收賬項

貸款及應收賬項包括庫存現金及短期資金、同業定期存放及貸款、商業票據及客戶貸款，此等項目為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產。此乃本集團直接為債務人提供金錢、貨品或服務並在無意把其應收賬項用作買賣用途之情況下產生。

貸款及應收賬項採用實際利息方法計算攤銷成本減除減值虧損列賬。

(b) 持作買賣用途之證券

擬在短期內出售而購入之金融資產被分類為持作買賣用途。除被指定作為對沖用途外，衍生工具亦分類為持作買賣用途。

持作買賣用途之證券按其公平價值列賬。其公平價值之變動，將於收益表內確認為「持作買賣用途之證券淨收益/虧損」。

1 Summary of significant accounting policies (continued)

1.5 Income recognition (continued)

(c) Fee and commission income

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

(d) Dividend income

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

1.6 Financial assets

The Group classifies its financial assets under the following categories: loans and receivables, trading securities, financial assets designated at fair value through profit or loss, held-to-maturity securities, and available-for-sale securities. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(a) Loans and receivables

Loans and receivables, including cash and short term funds, placement with and loans and advances to banks, trade bills and loans and advances to customers, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable.

Loans and receivables are carried at amortised cost using the effective interest method less impairment losses.

(b) Trading securities

A financial asset is classified as trading if it is acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges.

Trading securities are stated at fair value. Changes in fair value are recognised as "Net gain/loss from trading securities" in the income statement as they arise.

1 主要會計政策(續)**1.6 金融資產(續)****(c) 以公平價值誌入損益賬之金融資產**

以公平價值誌入損益賬之金融資產乃不擬於短期內出售而購入之證券，但在符合下列條件下由管理層在起初所指定列入此類別：

- 該指定能消除或主要地減低以不同基礎上計量金融資產或確認其損益而出現不一致之計量或確認之情況(或稱為「會計錯配」)；
- 根據列明之風險管理或投資策略管理的一組金融資產，並以公平價值為基礎評估其表現，及按相同基準向管理層提供有關資產的內部資訊；或
- 一些包含固有衍生工具之金融工具，因其衍生工具可重大調整由金融工具於合約上產生之現金流量。

此等金融資產首先以公平價值確認，其交易成本直接列入收益表內。公平價值變動均在其產生之期間列入收益表作為「以公平價值誌入損益賬之金融工具淨收益/虧損」。

(d) 持至到期證券

持至到期證券乃本集團之管理層有肯定意向及能力持至期滿之固定或可確定付款金額及有固定年期之非衍生金融資產。若本集團出售持至到期資產，除不屬重大數額外，整個類別均被禁止使用並須重新分類為可供出售用途。

持至到期證券以實際利息方法計算其攤銷成本減除減值虧損列賬。

(e) 可供出售證券

可供出售證券乃被指定列入此類別或並無歸入其他類別之非衍生金融資產。可供出售證券是指有意作無期限持有但可因應流動資金所需或利率、匯率或股票價格變動而可供出售之證券。

1 Summary of significant accounting policies (continued)**1.6 Financial assets (continued)****(c) Financial assets designated at fair value through profit or loss**

Financial assets designated at fair value through profit or loss are not those financial assets acquired principally for the purpose of selling in the short term but designated by management as such at inception if it meets the following criteria:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring the financial assets or recognising the gains and losses on them on different bases;
- A group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about these assets is provided internally to the management; or
- It relates to those financial instruments embedded with derivatives which significantly modify the cash flows that would otherwise be required under the contract.

These financial assets are recognised initially at fair value and transaction costs taken directly to the income statement. Changes in fair value are recognised as “Net gain/loss arising from financial instruments designated at fair value through profit or loss” in the income statement in the period in which they arise.

(d) Held-to-maturity securities

Held-to-maturity securities are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group’s management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity assets, the entire category would be tainted and reclassified as available-for-sale.

Held-to-maturity securities are carried at amortised cost using the effective interest method less impairment losses.

(e) Available-for-sale securities

Available-for-sale securities are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale securities are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

1 主要會計政策(續)

1.6 金融資產(續)

(e) 可供出售證券(續)

可供出售證券以公平價值列示。公平價值變動所產生之未變現損益會直接在重估投資儲備內確認，直至金融資產在賬項中沖銷或減值，於其時在重估投資儲備內之前已確認之累計損益將於收益表內確認。

持作買賣用途之證券、以公平價值誌入損益賬之金融資產，持至到期及可供出售證券之購入與出售，按其交易日期，即本集團承諾購入或出售資產之日期列賬。貸款則在有關現金貸予借款人時列賬。

1.7 金融資產減值

(a) 以攤銷成本列賬之金融資產

本集團會於各個結算日評估是否存在客觀證據證明某項金融資產或某一組合金融資產出現減值情況。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值情況出現(「虧損事件」)，而該宗或該等虧損事件對該項或該一組合金融資產於估計未來現金流量構成可合理估計的影響，有關金融資產才算出現減值及產生減值損失。證明某項或某一組合金融資產已出現減值的客觀證據包括集團察覺到有關以下虧損事件的明顯證據：

- (i) 發行人或承擔人出現重大財政困難；
- (ii) 違反合約如逾期交付或拖欠利息或本金；
- (iii) 本集團就借款人因經濟或法律理由而出現的財政困難給予借款人在一般情況下放款人不予考慮的優惠條件；
- (iv) 借款人有可能破產或進行其他財務重組；
- (v) 因財政困難而導致某項金融資產失去活躍市場；或

1 Summary of significant accounting policies (continued)

1.6 Financial assets (continued)

(e) Available-for-sale securities (continued)

Available-for-sale securities are stated at fair value. Unrealised gains and losses arising from changes in the fair value are recognised directly in the investment revaluation reserve until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in the investment revaluation reserve is recognised in the income statement.

Purchases and sales of trading securities, financial assets designated at fair value through profit or loss, held-to-maturity and available-for-sale securities are recognised on trade-date – the date on which the Group commits to purchase or sell the asset. Loans are recognised when cash is advanced to the borrowers.

1.7 Impairment of financial assets

(a) Financial assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a “loss event”) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- (i) significant financial difficulty of the issuer or obligor;
- (ii) a breach of contract, such as a default or delinquency in interest or principal payments;
- (iii) the Group granting to the borrower, for economic or legal reasons relating to the borrower’s financial difficulty, a concession that the lender would not otherwise consider;
- (iv) it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- (v) the disappearance of an active market for that financial asset because of financial difficulties; or

1 主要會計政策(續)**1.7 金融資產減值(續)****(a) 以攤銷成本列賬之金融資產(續)**

- (vi) 可觀察的資料顯示某一組合金融資產自首次確認入賬後，其估計之未來現金流量出現重大跌幅，儘管未能認定有關跌幅是來自組別內哪項個別金融資產。資料包括：
- 組別內借款人的付款狀況出現逆轉；或
 - 組別內資產拖欠情況與有關的國家或當地經濟狀況配合。

本集團首先評估是否有客觀證據證明個別重大的金融資產出現減值，或非個別重大的金融資產個別或整體出現減值。若本集團確定不存在任何客觀證據證明個別評估的金融資產(不論是否屬重大)出現減值，有關資產將撥入具類同信貸風險特質的金融資產組合內，以作綜合評估。綜合評估並不包括已被個別評估為需減值或需繼續減值的資產。

若有客觀證據證明按攤銷成本列賬的金融資產出現減值損失，則以資產的賬面值與按金融資產原來的實際利率折算估計之未來現金流量(不包括日後未產生的信貸損失)所得的現值差額計算減值損失。此損失會透過減值準備賬在資產之賬面值內扣除並於收益表內確認。倘金融資產按浮動利率計息，用於計算任何減值損失之折現率則為合約下釐定的即期實際利率。在實際運作上，本集團可採用可觀察之市場價值為公平價值來計算其減值。

計算有抵押之金融資產的預計未來現金流量的現值反映因收回抵押品後扣除取得及出售抵押品(不論抵押品是否可能被收回)之成本所可能產生的現金流量。

在進行綜合減值評估時，金融資產是按類同信貸風險特質作出分類。這些特質與預測該等組別資產之未來現金流量有關，可顯示所評估資產在合約條款下其債務人償還所有到期債務的能力。

1 Summary of significant accounting policies (continued)**1.7 Impairment of financial assets (continued)****(a) Financial assets carried at amortised cost (continued)**

- (vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
- adverse changes in the payment status of borrowers in the group; or
 - national or local economic conditions that correlate with defaults on the assets in the group.

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

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtor's ability to pay all amounts due according to the contractual terms of the assets are considered.

1 主要會計政策(續)

1.7 金融資產減值(續)

(a) 以攤銷成本列賬之金融資產(續)

同一類別之金融資產，其未來現金流量乃根據該類別資產之合約現金流量及相同信貸特質資產之過往損失經驗作出評估。過往損失經驗會因應就觀察所得之經濟及信貸環境資料數據而作調整，以反映未有影響過往損失經驗之近期市況及除去該等現時不存在但令致過往損失之因素。

估計某些資產之未來現金流量的改變，需反映並應與期間相關可觀察數據(如失業率、物業價格、付款情況，或其他可顯示該組別損失機會及損失程度的改變)的改變趨勢一致。本集團會定期檢討用作估計未來現金流量的方法及假設，以減少預計損失及實際損失的差異。

當貸款無法收回時，將與其相關之貸款減值準備撇除。該等貸款會在完成所有必須程序及能在確定損失金額後才撇除。如日後收回過往已撇除之款項，將會用作減低收益表內的貸款減值撥備。

如日後減值損失金額減少，而該減少可客觀地與減值獲確認後發生的事項相關(例如債務人信貸評級改善)，以往確認的減值損失透過調整撥備賬目撥回，撥回的金額於收益表中確認。

(b) 以公平價值列賬之資產

本集團會於各結算日評估是否存在客觀證據證明某項金融資產或某一組合金融資產出現減值情況。對被歸類為可供出售之股權投資，本集團會考慮其公平價值是否重大或持續下跌至低於其成本值來釐定該資產有否出現減值。倘存在證據顯示可供出售金融資產出現減值，其累計損失(購入成本與現時公平價值之差額)減除該金融資產以往於收益表內確認之任何減值會於重估投資儲備內撇除，並於收益表內確認。於收益表內確認的股權工具減值損失不會透過收益表撥回。如日後被分類為可供出售的債務工具的公平價值增加，而該增值可客觀地與減值損失於收益表確認後出現的事件有關，則減值損失將於收益表中撥回。

1 Summary of significant accounting policies (continued)

1.7 Impairment of financial assets (continued)

(a) Financial assets carried at amortised cost (continued)

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data on economic and credit environment to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, change in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

When a loan is uncollectible, it is written off against the related allowances for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowances for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Financial assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement is removed from the investment revaluation reserve and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in the income statement, the impairment loss is reversed through the income statement.

1 主要會計政策(續)**1.8 金融負債**

本集團之金融負債分為以下類別：交易賬項下之負債、以公平價值誌入損益賬之金融負債、存款、發行之存款證及其他負債。所有金融負債均於開始時歸類，並初步以公平價值確認。

(a) 交易賬項下之負債

若金融負債主要為短期持有作購回用途，則歸類為交易賬項下之負債。此分類之負債按公平價值列示，而任何因公平價值變動而產生之收益或虧損均於收益表內確認。

(b) 以公平價值誌入損益賬之金融負債

金融負債可於交易時被指定歸類為以公平價值誌入損益賬之金融負債。以公平價值誌入損益賬之金融負債，包括若干已發行之存款證及包含衍生工具的客戶存款。符合下列條件之金融負債一般在產生時歸類為以公平價值誌入損益賬之類別入賬：

- 該指定能消除或主要地減低以不同基礎上計量金融負債或確認其損益而出現不一致之計量或確認之情況(或稱為「會計錯配」)；
- 根據列明之風險管理或投資策略管理一組金融負債，並以公平價值為基礎評估其表現，及按相同基準向管理層提供有關負債的內部資訊；或
- 一些包含固有衍生工具之金融工具，因其衍生工具可重大調整由金融工具於合約上產生之現金流量。

此等金融負債以公平價值列賬。任何因公平價值變動而產生之收益或虧損會列入收益表作為「以公平價值誌入損益賬之金融工具淨收益/虧損」。

(c) 存款、發行之存款證及其他負債

除該等交易賬項下之負債或指定為以公平價值列賬之負債外，存款及發行之存款證，及其他負債均以經攤銷成本列賬。扣除交易費用後所得款項與贖回價值兩者之差額，均按實際利息方法於其他負債年內於收益表確認。

1 Summary of significant accounting policies (continued)**1.8 Financial liabilities**

The Group classifies its financial liabilities under the following categories: trading liabilities, financial liabilities designated at fair value through profit or loss, deposits, certificates of deposit issued and other liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

(a) Trading liabilities

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains and losses arising from changes in fair value are recognised in the income statement.

(b) Financial liabilities designated at fair value through profit or loss

A financial liability is designated as fair value through profit or loss if it is so designated at inception. Financial liabilities so designated include certain certificates of deposit issued and certain deposits received from customers that are embedded with derivatives. A financial liability is typically so designated if it meets the following criteria:

- The designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring the financial liabilities or recognising the gains and losses on them on different bases;
- A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about these liabilities is provided internally to the management; or
- It relates to those financial instruments embedded with derivatives which significantly modify the cash flows that would otherwise be required under the contract.

Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses arising from changes in fair value are recognised as “Net gain/loss arising from financial instruments designated at fair value through profit or loss” in the income statement.

(c) Deposits, certificates of deposit issued and other liabilities

Deposits and certificates of deposit issued, other than those classified as trading liabilities or designated at fair value through profit or loss, together with other financial liabilities are carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the other financial liabilities using the effective interest method.

1 主要會計政策(續)

1.9 衍生金融工具及對沖會計處理方法

衍生工具先按其合約生效日期之公平價值確認，其後以公平價值重新計算。隱含於其他金融工具內之固有衍生工具，如其經濟特質及風險與主合約工具之特質及風險並非密切連繫，而主合約工具亦非以公平價值誌入損益賬，此等衍生工具則會與主合約分開列賬。若衍生工具之公平價值為正數值，均以資產列賬，若為負數值，則確認為負債。其後公平價值之變動，將視乎該衍生工具之目的而確認。

所產生的公平價值收益或虧損之確認方法，將視乎該衍生工具是否被指定為對沖工具及所要對沖之項目的性質。本集團指定若干衍生工具為(1)以對沖資產、負債或確實承擔之公平價值(公平價值對沖)；(2)以對沖確認資產、負債或預測交易相關之現金流量(現金流量對沖)。若符合某些特定條件，將應用對沖會計處理方法入賬。

於交易開始時，本集團記錄對沖工具及被對沖之項目兩者間之關係，其風險管理目的及進行各項對沖交易之策略。本集團同時於對沖交易開始及往後持續地記錄其對用於對沖交易之衍生工具是否能有效地抵銷被對沖項目所產生之公平價值或現金流量變動而作出之評估。

(a) 公平價值對沖

被指定及符合條件作為公平價值對沖的衍生工具之公平價值變動，將連同對沖風險相關之對沖資產或負債之公平價值變動一起列入收益表內。

若對沖交易一旦未能符合對沖會計處理方法之要求，按實際利息方法入賬之所對沖項目的賬面值須作出調整，其改變乃按照計算至到期日之年期，於收益表內攤銷。就被對沖股權證券之賬面值而作出之調整將保留於保留溢利內，直至出售該股權證券。

1 Summary of significant accounting policies (continued)

1.9 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Certain derivatives embedded in other financial instruments are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. Subsequent changes in fair value are recognised depending on the purpose of the derivatives.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as either: (1) hedges of the fair value of recognised assets or liabilities or firm commitments (fair value hedge); or, (2) hedges of highly probable future cash flows attributable to a recognised asset or liability, or a forecasted transaction (cash flow hedge). Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged assets or liabilities that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to the income statement over the period to maturity. The adjustment to the carrying amount of a hedged equity security remains in retained earnings until the disposal of the equity security.

1 主要會計政策(續)

1.9 衍生金融工具及對沖會計處理方法(續)

(b) 現金流量對沖

當衍生金融工具被指定及符合條件作為現金流量對沖，其有對沖果效部份之公平價值變動在權益內確認。而其無對沖果效部份之收益及虧損將直接於收益表內確認。

累計於權益內之公平價值變動，將於相關之對沖項目對損益產生影響時撥入收益表內。

若對沖工具到期或已出售，或對沖交易一旦未能符合對沖會計處理方法之要求，於屆時累計於權益賬內之收益或虧損將仍保留於權益內，直至所預期之交易最終於收益表確認時予以確認。若所預期之交易不再發生，已列入權益賬內之累計收益或虧損將即時轉撥於收益表內。

持作買賣用途之衍生金融工具及該等不符合對沖會計處理方法之對沖工具，以公平價值誌賬及其公平價值變動在收益表內列示。

若本集團擁有具法律約束力之行使權去抵銷已確認之金額，及有意向就該等交易作淨額結算，或本集團能同時變現資產及償付負債，衍生工具交易將互相抵銷並以淨額列於資產負債表內。

1.10 證券及衍生工具之估值

金融工具之公平價值乃根據於結算日之市場價格並未計及扣除將來估計之銷售成本計算。金融資產以當時之買盤價釐定，而金融負債則以當時之賣盤價釐定。若是非上市證券或金融工具於市場內不活躍，本集團會以估值方法釐定公平價值，包括運用當時之公平市場交易、參考其他類似之金融工具當時之公平價值、折算現金流量分析及期權定價模式並作適當調整以反映發行者之特定情況。

1 Summary of significant accounting policies (continued)

1.9 Derivative financial instruments and hedge accounting (continued)

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges are recognised in equity. The gain and loss relating to the ineffective portion is recognised immediately in the income statement.

Amounts accumulated in equity are recycled to the income statement in the periods in which the hedged item will affect profit or loss.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to the income statement.

Derivative financial instruments held for trading and those that do not qualify for hedge accounting will be accounted for with changes in fair value reported through the income statement.

Derivative transactions are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.10 Valuation of securities and derivatives

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices while financial liabilities are priced at current asking prices. For unlisted securities and where the market for a financial instrument is not active, the Group estimates fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

1 主要會計政策(續)

1.11 投資物業

投資物業乃指持有作長期租金收益、及/或作資本升值用途之物業，而該等物業並非由本集團之公司所佔用。投資物業包括以營業租約持有之土地及以融資租賃持有之房屋。若符合投資物業其餘之定義，以營業租約持有之土地將被歸類為投資物業並以此列賬。其營業租約亦被視為融資租賃列賬。

投資物業最先以成本價包括交易費用列賬。經初步確認後，投資物業以公平價值列賬。任何因公平價值之變更或出售投資物業而產生之收益或虧損會於收益表內確認。

當物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額會根據香港會計準則第十六條《物業、廠房及設備》確認為重估房產儲備。若重估增值用作抵銷同一資產因過去重估減值而被確認為支出的數額，則會被列作收入。減值則由先前同一資產的估值盈餘首先抵銷，尚餘部份則於收益表內扣除。在出售房產時，有關物業之重估儲備會由重估房產儲備撥入保留溢利內。

若投資物業被轉作自用，該物業須重新歸類為房產。以重新歸類日的公平價值作為成本值，並用作日後會計之用。

1.12 其他物業及設備

(a) 房產

房產乃指持有之自用物業，按成本值減除累積折舊後列示。以租賃持有之自用物業，若能可靠地以其租約開始當日分攤土地及房屋之價值，則土地部份視作營業租約，所攤分之租賃地價或其他租賃費用，將按其租約年期以直線法從收益表內扣除。若物業出現減值，此減值亦會在收益表內扣除。任何位於此租賃土地上之房屋均被視為房產的一部份，須按成本值減除累積折舊後列示。若未能可靠地以其租約開始當日分攤土地及房屋之價值，則整體將繼續視為融資租賃並以房產列賬。

1 Summary of significant accounting policies (continued)

1.11 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property. Investment property comprises land held under operating leases and buildings held under finance leases. Land held under operating leases is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in the income statement.

When a property is transferred to investment property following a change in its use, any difference arising at the date of transfer between the carrying amount of the property immediately prior to the transfer and its fair value is recognised in the bank premises revaluation reserve in accordance with HKAS 16 "Property, plant and equipment". However, a revaluation increase is recognised as income only to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense. Decreases are first set off against increases on previous valuations of the same asset and thereafter are debited to the income statement. Upon disposal of the property, the relevant portion of the bank premises revaluation reserve is released and transferred from the bank premises revaluation reserve to retained earnings.

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

1.12 Other properties and equipment

(a) Premises

Premises represent those properties held for own use and are stated at cost less accumulated depreciation. Where the land and building elements of the leasehold properties held for own use can be allocated reliably at the inception of the lease, the land element is accounted for as operating lease. As such, any leasehold land premiums for acquiring the land leases, or other lease payments, are charged to the income statement on a straight line basis over the period of the lease or where there is impairment, the impairment is charged to the income statement. Any buildings which are situated on such land leases continue to be presented as part of premises. Where the land and building elements of the leasehold properties cannot be allocated reliably at the inception of the lease, the land and building elements will continue to be treated as finance lease and classified as premises.

1 主要會計政策 (續)**1.12 其他物業及設備 (續)****(a) 房產 (續)**

房產折舊乃按照資產之估計可用年期以直線折舊法計算如下：

- 租約土地按租約尚餘年期予以折舊。
- 樓宇及其改良部份乃按四十年或租約尚餘年期之較短者予以折舊。

(b) 傢俬及設備

傢俬及設備均按照成本值減除折舊後列示，計算方法乃按照其估計可用年期，以餘額遞減法用年率百分之二十至百分之三十計算。

資產之剩餘價值及使用年期均會在每年結算日被評估，並在合適之情況下作出調整。

如資產之賬面值超過其估計可收回價值時，其賬面值將即時被減值至其可收回價值。

1.13 其他資產的減值

未能確定可使用年期的資產將不會予以攤銷，而於每年檢視其減值，如因某些事故或情況改變而顯示該等資產之賬面值未能收回，須評估其減值。如因某些事故或情況改變而顯示賬面值未能收回，予以攤銷之資產亦須評估其減值。若資產之賬面值超過其可收回價值，其部份將被確認為減值損失。可收回價值指該資產之公平價值減去變賣成本及其使用價值之較高者。

1.14 收回資產

收回抵押品之資產被列於「貸款及其他賬項」內之「其他賬項」，而相關之貸款已被終止確認。已收回抵押資產按賬面值及可變現淨值較低者列賬。

1 Summary of significant accounting policies (continued)**1.12 Other properties and equipment (continued)****(a) Premises (continued)**

Depreciation of premises is calculated on a straight line basis to write off the assets over their estimated useful lives as follows:

- Leasehold land is depreciated over the unexpired terms of the leases.
- Building and improvements thereto are depreciated over the lesser of 40 years or the unexpired terms of the leases.

(b) Furniture and equipment

Furniture and equipment is stated at cost less depreciation and impairment losses. Depreciation is calculated on a reducing balance basis to write off the assets over their estimated useful lives, at annual rates ranging from 20% to 30%.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.13 Impairment of other assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested annually for impairment and are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

1.14 Repossessed assets

Reposessed collateral assets are reported as "Other accounts" under "Advances and other accounts" and the relevant loans are derecognised. The reposessed collateral assets are measured at the lower of the carrying amount and net realisable value.

1 主要會計政策(續)

1.15 外幣換算

本集團旗下各機構之財務報表中所載項目乃採用該機構營運之主要經濟環境所使用之貨幣(「運作貨幣」)計量。綜合財務報表乃以港幣呈列。港幣乃本銀行之運作及呈列貨幣。

外幣交易按交易日現行之匯率換算為運作貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年結日之匯率換算所產生之匯兌收益及虧損，乃於收益表內確認。

非貨幣性項目，如歸類為買賣用途之股權證券，其換算差額將作為公平價值收益或虧損之一部分於收益表內確認。非貨幣性項目，如歸類為可供出售之權益證券，其換算差額則列入權益內之公平價值儲備。

1.16 遞延稅項

遞延稅項採用負債法就資產負債之稅基與它們在賬目內之賬面值兩者間之短暫差額，作全數確認。但如初次確認之資產或負債(除在商業合併中產生以外)所產生之遞延稅項，並不影響任何賬面上或應課稅溢利或虧損，此等遞延稅項則不需列賬。遞延稅項採用於結算日已經或基本已經實施及預計於相關遞延稅項資產變現或遞延稅項負債清償時將適用之稅率釐定。

遞延稅項資產乃就有可能將未來應課稅溢利與可動用之短暫差額抵銷而確認。

遞延稅項負債乃就附屬公司、聯營公司及共同控制實體投資所產生之短暫差額而確認，但假若可以控制短暫差額之撥回，並有可能在可預見未來不會撥回則除外。

根據各經營業務地區之現行稅法計算之應付利得稅會於溢利發生當期確認為支出。結轉稅項虧損所產生之遞延稅項資產已按未來可能出現之應課溢利變現之程度予以確認。

可供出售證券及現金流量對沖之公平價值重估乃直接於權益賬轉撥或回撥，其相關遞延稅項亦須直接於權益賬轉撥或回撥；其後與該等遞延收益或虧損一併於收益表確認。

1 Summary of significant accounting policies (continued)

1.15 Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Bank's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items such as equities held for trading are recognised in the income statement as part of the fair value gain or loss. Translation differences on non-monetary items such as equities classified as available-for-sale securities are included in the fair value reserve in equity.

1.16 Deferred taxation

Deferred taxation is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred taxation is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred taxation is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred taxation is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred taxation related to fair value re-measurement of available-for-sale securities and cash flow hedges, which are charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement together with the deferred gain or loss.

1 主要會計政策(續)**1.17 保險申索準備**

所有保險之申索已作全數撥備。未決之保險申索乃就個別索償而作出評估，包括於年結日就已承付但未具報之索償作出估計。雖然未能就此準備金作出精確的評估，但已根據現存之資料並考慮到有關之了結申索的開支及可向其他各方追討之款項。

1.18 撥備

倘本集團因過往事件而產生現時法律或推定責任，可能須就解除責任而導致經濟資源流失之可能性高於不會導致資源流失之可能性；及可就責任之款額作出可靠估計時，則須確認責任索償之撥備。

撥備乃按履行責任所需開支之現值計算，該現值是以能反映市場對時間價值之評估及該責任之特定風險之稅前利率折算。因時間推移而增加之撥備，則確認為利息支出。

1.19 金融擔保合約

金融擔保合約是指合約持有人可因某特定債務人未能根據債務工具條款在到期日作出支付產生損失而可向合約發行人要求作出補償之合約。

擔保之公平價值(即擔保費用收入)於最初在擔保給予當日在財務報表內確認為遞延收入。其後，本集團對此等擔保之負債是根據註釋1.18所確定之價值及已確認之擔保額減除已確認之累計攤銷，兩者以較高者計算。金融擔保負債之變動於收益表內確認。

1.20 僱員福利

僱員福利包括以下短期僱員應享假期及長期僱員退休福利：

(a) 僱員應享假期

僱員在年假和長期服務休假之權利在僱員應享有時確認。本集團為截至結算日止僱員已提供之服務而產生之年假及長期服務休假之估計負債作出撥備。

僱員之病假及產假不作確認，直至僱員正式休假為止。

1 Summary of significant accounting policies (continued)**1.17 Charge for insurance claims**

Full provision is made for all insurance claims. Outstanding insurance claims are assessed by reviewing individual claims and include an estimate for claims incurred but not reported at the balance sheet date. This provision, although not capable of precise assessment, has been made in the light of available information and after taking into account the related claims settling expenses and possible recoveries from other parties.

1.18 Provisions

Provisions for restructuring costs and legal claims are recognised when the Group has a present legal or constructive obligation as a result of past events. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as interest expense.

1.19 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument.

The fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income in the financial statements on the date that the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount determined in accordance with note 1.18 and the amount initially recognised less cumulative amortisation recognised. Any changes in the liability relating to financial guarantees are recognised in the income statement.

1.20 Employee benefits

Employee benefits include short-term leave entitlements and long-term staff retirement benefits as follows:

(a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

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

1 主要會計政策(續)

1.20 僱員福利(續)

(b) 退休福利

本集團設有五項職員退休福利計劃，其資產均與本集團之資產分開，由獨立信託基金管理。

本集團含有界定供款安排之退休福利計劃及強制性公積金(簡稱「強積金」)計劃之供款作為費用支銷。

含有界定福利安排之退休福利計劃每年之供款，是由精算師定期評估該等計劃之資產負債而釐定。含有界定福利安排之退休福利計劃是採用預計單位貸記法評估。根據精算師的建議，將有關退休福利成本在收益表扣除，令定期成本分攤至僱員服務年期。退休界定福利責任為估計未來現金流出量之現值，利用到期日與相關條款類似之政府債券之息率計算。

所有超過退休福利計劃資產或界定福利義務兩者中較大者之百分之十的累積未實現精算盈虧，乃按照僱員平均尚餘服務年期確認。

1.21 營業租約

任何租約，如因持有該資產所得之絕大部份風險及報酬仍保留在出租人內，該等租約以營業租約列賬。該等營業租約租金(扣除從出租人所收取之優惠)，按租約年期以直線法從收益表內扣除。除符合條件而被界定為房產或投資物業外，本集團之租賃土地權益均以營業租約列賬。

若本集團或本行為營業租約之出租人，有關出租資產主要包括物業及設備，除投資物業外，其他資產乃根據本集團之折舊政策予以折舊。租金收入(扣除向承租人支付之任何優惠)以直線法在租期內入賬。

1 Summary of significant accounting policies (continued)

1.20 Employee benefits (continued)

(b) Retirement benefits

The Group operates five staff retirement schemes. The assets of these schemes are all held separately from those of the Group in independently administered funds.

The Group's contributions to schemes with defined contribution arrangements and the mandatory provident fund ("MPF") schemes are expensed as incurred.

Annual contributions to the retirement benefit schemes with defined benefit arrangements are determined based on periodic valuations of the assets and liabilities of such schemes by qualified actuaries using the projected unit credit method. Under this method, the cost of providing retirement benefits is charged to the income statement so as to spread the regular cost over the service lives of employees in accordance with the advice of qualified actuaries. The defined benefit obligation is measured as the present value of the estimated future cash outflows using interest rates of government securities which have terms to maturity approximating the terms of the related liabilities.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions in excess of the 10% of the greater of these schemes' assets and the defined benefit obligations are recognised in the income statement over the average expected future working lifetime of the members of the schemes.

1.21 Operating leases

Leases where substantially all of the risks and rewards of ownership of the asset remain with the lessor are accounted for as operating leases. Rentals applicable to such operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight line basis over the lease term. The Group's interests in leasehold land except those qualified to be classified as premises and investment properties are also accounted for as operating lease.

Where the Group or the Bank is a lessor under operating leases, assets leased out mainly included properties and equipment and are depreciated in accordance with the Group's depreciation policies except where the asset is classified as investment properties. Rental income (net of any incentives given to lessees) is recognised on a straight line basis over the lease term.

1 主要會計政策(續)

1.22 租購合約及融資租賃

應收客戶之租購合約及融資租賃賬款按投資淨額列入「貸款及其他賬項」內，該投資淨額包括租購合約及融資租賃之應收租金總額減未賺取之財務收入。應收租金隱含之財務收入於租賃期間列入收益表內，使每個會計期間為投資結欠淨額取得近乎穩定之收益率。

1.23 分部報告

分部指本集團在提供貨品或服務(業務分部)或在某個特定經濟領域提供貨品或服務(地區分部)而從事之某個可識別部份，其所承擔之風險及回報與其他分部不同。按照本集團之內部財務申報方式，業務分部資料已被定作為主要報告形式。

分部收益、開支、業績、資產及負債均包括直接劃分入該分部之項目或可合理劃分為該分部之項目。分部收益、開支、資產及負債乃於集團內公司間結算前釐定，集團內公司間交易則予以抵銷作為綜合處理之部分，惟集團實體間之有關集團內公司間結餘及交易乃為單一分項。分部間定價乃按給予外間人士之相約條款釐定。

分部資本開支指在年內購買分部資產(有形及無形)而產生之所有成本，但此等資產預期可在多於一個財政年度內使用。

1.24 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起計三個月內到期之結餘包括庫存現金、存放同業、國庫券及存款證。

1 Summary of significant accounting policies (continued)

1.22 Hire purchase contracts and finance leases

The amounts due from customers in respect of hire purchase contracts and finance leases are included in “Advances and other accounts” at net investment which represents the total rentals receivable under hire purchase contracts and finance leases less unearned finance income. Finance income implicit in the rental receivable is credited to the income statement over the lease period or hire period so as to produce an approximately constant periodic rate of return on the net investment outstanding for each accounting period.

1.23 Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment) or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments. In accordance with the Group’s internal financial reporting, business segment is chosen as the primary reporting format.

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between Group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

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

1.24 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition including cash, balances with banks, treasury bills and certificates of deposit.

2 金融風險管理

本集團的經營活動面對着各類金融風險，這些活動亦包括分析、評估、採納及管理各類風險的部份或風險之組合。本集團了解承擔風險乃金融業務營運的特點亦是不可避免的。因此本集團之目標是將風險與回報達至適當的平衡及將其對本集團財務表現的可能影響減至最低。

本集團已制定政策及程序，用以識別、量度、控制及監管營運的內在風險。這些風險主要包括信貸風險、市場風險、流動資金風險及營運風險。市場風險包括外匯、利率及其他價格風險。常務董事會就此等風險管理政策及程序之充分性及果效而作定期檢視；而稽核部門亦會進行定期稽核及檢查，以確保該等政策及程序得以落實及被遵從。

2.1 信貸風險

本集團承擔著信貸風險，該風險乃指交易對手未能履行責任而引致本集團財務上之損失。信貸風險主要從本集團資產組合內之貸款、債務證券、衍生金融工具、國庫券及資產負債表內給予交易對手的信貸金額而產生。此外，資產負債表外的財務安排（如貸款承諾）亦會帶來信貸風險。經濟上有重大轉變或個別行業呈現衰退，將導致損失與結算日已提之減值準備產生偏差。

本集團已制定信貸政策確定授出信貸之標準、信貸批核、審閱及監控程序，以及內部信貸評級系統及減值準備之評估程序。本集團信貸風險管理及控制集中於信貸管理部，並定時向常務董事會匯報。

(a) 信貸風險量度

(i) 貸款

在評估客戶、同業及其他交易對手貸款之信貸風險時，會採用有效之系統來量度及監控信貸風險作為信貸評估程序的一部份。本集團之信貸評級系統會考慮交易對手之信譽，包括保證人（如適用）之財政能力，抵押品及特別交易的風險，並就相關業務單位的資產組合之信貸風險作出區分及管理。

2 Financial risk management

The Group's activities expose it to a variety of financial risks and those activities involve analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group recognises that taking risk is core to its financial business and the operational risks are an inevitable consequence of being in business. The Group's aim is therefore to achieve an appropriate balance between risk and return and minimise potential adverse effects on the Group's financial performance.

The Group has established policies and procedures for the identification, measurement, control and monitoring of the inherent risk of the operations. The most important risks are credit risk, market risk, liquidity risk and operational risk. Market risk includes currency risk, interest rate risk and other price risk. The adequacy and effectiveness of risk management policies and procedures are regularly reviewed by the Executive Committee of the Board of Directors (the "Executive Committee"). The Internal Audit Department also performs regular audits to ensure compliance with policies and procedures.

2.1 Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will cause a financial loss for the Group by failing to discharge an obligation. Credit exposures arise principally from loans and advances, debt securities, derivative financial instruments, treasury bills, and other on-balance sheet exposures to counterparties in the Group's asset portfolio. There is also credit risk in off-balance sheet financial arrangements such as loan commitments. Significant changes in the economy, or in the health of a particular industry segment that represents a concentration in the Group's portfolio, could result in losses that are different from those provided for at the balance sheet date.

The Group has established credit policies that govern credit extension criteria, credit approval, review and monitoring processes, the internal credit rating system and impairment assessment processes. The Group's credit risk management and control are centralised in a credit management department which reports to the Executive Committee regularly.

(a) Credit risk measurement

(i) Loans and advances

In assessing credit risk of loans and advances to customers and to banks and other counterparties, effective systems are adopted for measurement and monitoring of the credit risk as part of the credit assessment process. The Group's credit grading system, which in general, takes into account the underlying credit-worthiness of the counterparties, including the financial strengths of the guarantors (as the case may be), collateral pledged and the risk of specific transactions, allows differentiation and management of credit risk for asset portfolios of respective business units.

2 金融風險管理 (續)

2.1 信貸風險 (續)

(a) 信貸風險量度 (續)

(ii) 債務證券及國庫券

於評估債務證券之風險時，主要採用認可的外部信貸評級機構之評級來評估及管理信貸風險。投資於此等證券使本集團於相關的風險下達到合理回報水平，並同時保持有效的資金來源以應付資金需求。

(b) 信貸限額控制及緩和政策

當本集團發現信貸風險，特別是過分集中於個別交易對手、集團、行業或國家時，便會作出管理及控制。

為避免過於集中而引致風險，各個客戶、交易對手及行業之信貸風險均按規定限額小心管理及監控。所有信貸風險之限額由常務董事會核准，該會同時負責檢討及批核最大額度之授信及管理較高之集中風險。信貸批核授權授信審核委員會及其他信貸業務管理人員負責。信貸管理部存有以每一相關集團的中央負債記錄，對實際信貸風險（包括資產負債表以內及以外之風險）、限額及資產質素均作出定期監管及控制，並受內部稽核之審查。

任何單一借款人（包括銀行）之信貸風險，已制定分級限額以限制資產負債表以內及以外之風險，及制定每日交易風險限額以限制持作買賣用途之項目如遠期外匯合約。而每日會將實際授信與限額對照，藉以監察風險水平。

2 Financial risk management (continued)

2.1 Credit risk (continued)

(a) Credit risk measurement (continued)

(ii) Debt securities and treasury bills

For debt securities, external ratings from recognised external credit assessment institution are used for assessing and managing credit risk exposures. The investments in these securities allow the Group to achieve an appropriate level of returns commensurate with the risks and to maintain a readily available source to meet the funding requirement at the same time.

(b) Risk limit control and mitigation policies

The Group manages and controls concentration of credit risk wherever they are identified, in particular, to individual counterparties and groups, and to industries and countries.

To avoid concentration risk, credit exposures to individual customers, counterparties and industry sectors are carefully managed and monitored by the use of limits. All credit risk limits are approved by the Executive Committee. The Executive Committee is also responsible for the review and approval of the largest credit exposures and portfolio management of risk concentrations. Approval authorities are delegated to the Group's Credit Committee and other lending officers. Actual credit exposures, including on- and off-balance sheet exposures, limits and asset quality are regularly monitored and controlled by the Credit Management Department by keeping a central liability record for each group of related counterparties and subject to checks by the internal audit function.

The exposure to any one borrower including banks is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

2 金融風險管理(續)

2.1 信貸風險(續)

(b) 信貸限額控制及緩和政策(續)

一些特定控制及風險緩和措施概述如下：

(i) 抵押品

本集團會嘗試取得抵押品以將信貸風險減低至可接受水平。對於所有信貸的批核，無論是否有抵押保證，均基於交易對手之償還能力而決定。本集團履行既有之指引以區分不同類別抵押品之可接受性及信貸風險轉移能力。主要抵押品分類為：

- 住宅物業及其他物業之按揭；
- 商業資產之抵押，如現金存款、物業、機器、存貨及應收賬款；及
- 金融工具之抵押，如股權證券及債務證券。

本集團訂有政策以管理確定合格資產作為抵押品以減低信貸風險。資產的市場價值須要能夠確定或合理地建立，才能考慮為有效的風險轉移。該資產還須要有市場銷路並有既存的二手市場作出售。此外，於有需要時，本集團能取得該資產的控制權。根據抵押品的類別，其價值將會作每日至每年不等的定時重估。已逾期貸款所持抵押品主要類別為現金存款及物業。

(ii) 總淨額結算安排

本集團會與進行大量交易的對手訂立總淨額結算安排，藉以進一步限制信貸風險。總淨額結算安排不一定會導致資產負債表上資產及債務的對銷，原因是交易通常按總額結算。然而，關於有利合約之信貸風險會在出現不能償還情況時藉著總淨額結算安排而減少，所有與該交易對手之款項會終止及以淨額結算。

2 Financial risk management (continued)

2.1 Credit risk (continued)

(b) Risk limit control and mitigation policies (continued)

Some specific control and risk mitigation measures are outlined below:

(i) Collateral

The Group seeks to obtain collateral to mitigate credit risk to an acceptable level. All credit decisions, whether or not secured by collateral, are based on counterparties' repayment capacity. The Group implements guidelines on the acceptability of specific classes of collateral or credit risk mitigation. The principal types of collateral in credit risk mitigation include:

- Mortgages over residential properties and other properties;
- Charges over business assets such as cash deposits, premises, machineries, inventory and accounts receivables; and
- Charges over financial instruments such as equities and debt securities.

The Group has established policies to govern the determination of eligibility of assets taken as collateral for credit risk mitigation. In order for an asset to be considered as effective risk mitigation, the market value of the asset should be readily determinable or can be reasonably established. The asset is marketable and there exists a readily available secondary market for disposal of the asset. In addition, the Group is able to secure control over the asset if necessary. The collateral is revalued periodically ranging from daily to annually, depending on the type of collateral. As for those past due exposures, the main types of collateral held are cash deposits and properties.

(ii) Master netting agreements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

2 金融風險管理(續)

2.1 信貸風險(續)

(b) 信貸限額控制及緩和政策(續)

(iii) 衍生工具

本集團所採用的衍生工具主要為利率及外幣匯率相關之合約，大部份為通過櫃台交易之衍生工具。而本集團之衍生工具持倉盤，大部份是為應客戶需求並作為對沖該等客戶盤及其他買賣持倉盤而持有。常務董事會制定交易限額包括隔夜及即日市場限額。除指定對沖安排外，有關外匯及利率風險之衍生工具乃用作日常業務上對沖持倉盤，藉此控制流動資金水平以應付市場需求。基於此等衍生工具交易的性質，除本集團要求交易對手繳付保證金存款外，抵押品及其他抵押品並不常用於此等信貸風險。

(iv) 信貸承擔

本集團提供信貸承諾，包括發出擔保書及信用證。該等工具之主要目的是確保在有需要時有資金供應給客戶。該等工具乃不可撤銷的保證，表示本集團將會在客戶未能向第三者履行責任時作出償付。該等工具帶有與貸款相同之信貸風險。

作出信貸承諾乃代表以放款、擔保書及信用證等形式授權未使用部份的信貸額度。有關作出信貸承諾之信貸風險，本集團等同擁有一項與未使用承擔相同的潛在損失。由於大部份作出信貸承諾乃客戶擬維持其特定信貸水平，是或然的，因此，此等可能出現的虧損應少於未使用之承擔總額。本集團會控制信貸承擔之期限，因長期承擔一般會比短期承擔存在較大程度的信貸風險。

2 Financial risk management (continued)

2.1 Credit risk (continued)

(b) Risk limit control and mitigation policies (continued)

(iii) Derivatives

The principal derivatives used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. Most of the Group's derivative positions have been entered to meet customer demand and to hedge these and other trading positions. The Executive Committee places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. With the exception of specific hedging arrangements, foreign exchange and interest rate exposures associated with these derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions. Given the purpose for entering into such derivative transaction, collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

(iv) Credit related commitments

The Group has issued credit related commitments including guarantees and letters of credit. The primary purpose of these instruments is to ensure that funds are available to a customer as required. These instruments represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties. These instruments carry similar level of the same credit risk as loans.

Commitments to extend credit represent unused portions of authorised facility limits in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

2 金融風險管理(續)

2.1 信貸風險(續)

(c) 減值準備政策

本集團會持續地進行信貸組合之信用分析及監控，以及最少每年對個別超過已定金額之金融資產進行評估，或對於個別情況增加定期審核的次數。減值準備於結算日被確認為損失乃基於如註釋1.7所述之減值客觀證據而作出。內部信貸評級系統幫助管理層判定該等減值客觀證據之存在性。

對個別評估賬戶之減值準備乃根據於結算日就個別戶口是否出現損失之評估而判定，並應用於所有重大賬戶。個別評估通常會考慮所持有之抵押品及該賬戶預期將來可能收回之現金流，按照相關的折現率折現。

綜合評估減值準備乃對(i)個別低於已定金額而又性質相似的資產；及(ii)已產生損失而未被個別確認而提供，會依據過往損失經驗之數據，經濟狀況，統計分析並以經驗判斷作補充。

(d) 考慮抵押品及其他信貸風險管理前之最高信貸風險

2 Financial risk management (continued)

2.1 Credit risk (continued)

(c) Impairment allowance policies

The Group undertakes ongoing credit analysis and monitoring of its credit portfolios, and requires the review of individual financial assets that are above preset thresholds at least annually or more regularly when individual circumstances require. Impairment allowances are recognised for losses that have been incurred at the balance sheet date based on objective evidence of impairment as described in note 1.7. The internal credit rating system assists management to determine whether objective evidence of impairment exists.

Impairment allowances on individually assessed accounts are determined by an evaluation of the incurred loss at balance sheet date on a case-by-case basis, and are applied to all individually significant accounts. The assessment normally encompasses commitment of collateral held and the anticipated cash flows for that individual account adjusted at the relevant discount rates.

Collectively assessed impairment allowances are provided for (i) portfolios of homogenous assets that are individually below preset thresholds; and (ii) losses that have been incurred but have not yet been individually identified, using available data on historical loss experience, and economic conditions, statistical analysis and supplemented by experienced judgment.

(d) Maximum exposure to credit risk before collateral held or other credit enhancements

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
短期資金	25,749,291	23,008,096	25,624,929	22,886,498
同業定期存放及貸款	3,602,908	4,285,310	3,699,769	4,351,239
持作買賣用途之證券	2,218,841	2,051,203	2,030,704	1,913,756
衍生金融工具	35,813	26,413	35,800	26,570
以公平價值誌入損益賬之金融資產	2,934,803	3,445,781	2,591,119	2,925,176
金融投資	10,124,287	8,052,284	8,646,095	7,217,210
貸款及其他賬項	44,531,182	40,845,270	43,312,051	40,560,733
共同控制實體貸款	72,264	32,300	72,264	32,300
信貸承擔	23,003,679	17,876,039	22,980,192	17,778,299
	112,273,068	99,622,696	108,992,923	97,691,781

2 金融風險管理(續)

2 Financial risk management (continued)

2.1 信貸風險(續)

2.1 Credit risk (continued)

(e) 客戶貸款總額

(e) Gross loans and advances to customers

(i) 客戶貸款總額信貸質素

(i) Gross loans and advances to customers by credit quality

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
未逾期及無減值	Neither past due nor impaired	40,259,648	36,508,225	39,948,166	36,243,456
逾期但無減值	Past due but not impaired	1,564,645	2,094,253	1,527,665	2,027,531
已減值	Impaired	110,227	180,503	93,300	147,386
		41,934,520	38,782,981	41,569,131	38,418,373

(ii) 未逾期及無減值之客戶貸款總額

(ii) Gross loans and advances to customers that are neither past due nor impaired

本集團

The Group

		物業抵押	其他		合計
			Others		
		Real estate mortgage	企業	個人	Total
		HK\$'000	Corporate	Individual	HK\$'000
二〇〇七年十二月三十一日	At 31 December 2007				
級別一	Grade 1	15,511,134	22,164,615	2,364,305	40,040,054
級別二	Grade 2	53,531	98,301	14,525	166,357
級別三	Grade 3	6,452	46,195	590	53,237
		15,571,117	22,309,111	2,379,420	40,259,648

本行

The Bank

		物業抵押	其他		合計
			Others		
		Real estate mortgage	企業	個人	Total
		HK\$'000	Corporate	Individual	HK\$'000
二〇〇七年十二月三十一日	At 31 December 2007				
級別一	Grade 1	15,511,134	21,857,545	2,364,305	39,732,984
級別二	Grade 2	53,531	98,301	14,525	166,357
級別三	Grade 3	6,452	41,783	590	48,825
		15,571,117	21,997,629	2,379,420	39,948,166

2 金融風險管理(續)

2.1 信貸風險(續)

(e) 客戶貸款總額(續)

- (ii) 未逾期及無減值之客戶貸款總額(續)

本集團

二〇〇六年十二月三十一日

級別一
級別二
級別三

本行

二〇〇六年十二月三十一日

級別一
級別二
級別三

下列為上述級別分析之界定：

級別一為「滿意」，代表借款人能承擔債務，本金及利息能全數償還。

級別二為「特別監控」，代表借款人經歷困難，可能影響本集團的利益。

級別三為「未達標準」，代表借款人表露出疲態而很可能危及其還款能力；或如不將抵押品變賣，則不能將貸款全數收回。

2 Financial risk management (continued)

2.1 Credit risk (continued)

(e) Gross loans and advances to customers (continued)

- (ii) Gross loans and advances to customers that are neither past due nor impaired (continued)

The Group

物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
	企業 Corporate HK\$'000	個人 Individual HK\$'000	
At 31 December 2006			
Grade 1	15,164,419	1,627,634	36,118,394
Grade 2	82,850	12,547	309,567
Grade 3	16,647	6,710	80,264
	<u>15,263,916</u>	<u>1,646,891</u>	<u>36,508,225</u>

The Bank

物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
	企業 Corporate HK\$'000	個人 Individual HK\$'000	
At 31 December 2006			
Grade 1	15,164,419	1,627,634	35,853,665
Grade 2	82,850	12,547	309,567
Grade 3	16,647	6,710	80,224
	<u>15,263,916</u>	<u>1,646,891</u>	<u>36,243,456</u>

The following definitions have been adopted for the purpose of the above analysis:

Grade 1 “satisfactory” represents loans for which borrowers are currently meeting commitments and for which full repayment of interest and principle is not in doubt.

Grade 2 “special monitoring” represents loans with which borrowers are experiencing difficulties and which may threaten the Group’s position.

Grade 3 “sub-standard” represents loans in which borrowers are displaying a definable weakness that is likely to jeopardize repayment; or collection in full is improbable without realisation of available collateral.

2 金融風險管理(續)

2.1 信貸風險(續)

(e) 客戶貸款總額(續)

(iii) 逾期但無減值之客戶貸款總額

本集團

二〇〇七年十二月三十一日
三個月或以下

三個月以上至六個月
六個月以上

本行

二〇〇七年十二月三十一日
三個月或以下

三個月以上至六個月
六個月以上

本集團

二〇〇六年十二月三十一日
三個月或以下

三個月以上至六個月
六個月以上

2 Financial risk management (continued)

2.1 Credit risk (continued)

(e) Gross loans and advances to customers (continued)

(iii) Gross loans and advances to customers which were past due but not impaired

The Group

At 31 December 2007
Three months or less
Six months or less but over
three months
Over six months

The Bank

At 31 December 2007
Three months or less
Six months or less but over
three months
Over six months

The Group

At 31 December 2006
Three months or less
Six months or less but over
three months
Over six months

物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
	企業 Corporate HK\$'000	個人 Individual HK\$'000	
1,110,984	294,524	68,663	1,474,171
2,849	26,346	106	29,301
2,658	58,455	60	61,173
1,116,491	379,325	68,829	1,564,645

物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
	企業 Corporate HK\$'000	個人 Individual HK\$'000	
1,110,984	257,822	68,663	1,437,469
2,849	26,346	106	29,301
2,658	58,177	60	60,895
1,116,491	342,345	68,829	1,527,665

物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
	企業 Corporate HK\$'000	個人 Individual HK\$'000	
1,448,250	468,938	61,322	1,978,510
22,826	41,059	1,621	65,506
10,200	39,965	72	50,237
1,481,276	549,962	63,015	2,094,253

2 金融風險管理(續)

2.1 信貸風險(續)

(e) 客戶貸款總額(續)

- (iii) 逾期但無減值之客戶貸款總額(續)

本行

二〇〇六年十二月三十一日

三個月或以下

三個月以上至六個月

六個月以上

2 Financial risk management (continued)

2.1 Credit risk (continued)

(e) Gross loans and advances to customers (continued)

- (iii) Gross loans and advances to customers which were past due but not impaired (continued)

The Bank

	物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
		企業 Corporate HK\$'000	個人 Individual HK\$'000	
At 31 December 2006				
Three months or less	1,448,250	408,944	61,322	1,918,516
Six months or less but over three months	22,826	39,521	1,621	63,968
Over six months	10,200	34,775	72	45,047
	<u>1,481,276</u>	<u>483,240</u>	<u>63,015</u>	<u>2,027,531</u>

- (iv) 個別已減值之客戶貸款總額

已減值之客戶貸款總額是該等個別貸款於首次入賬後，因發生損失事項並存在減值之客觀證據，而該損失事項對貸款的預計未來現金流量造成影響。其分析如下：

- (iv) Gross loans and advances to customers individually impaired

The gross amount of impaired loans, which represents those individual advances where there is objective evidence of impairment resulting from loss events occurring after the initial recognition of the advances and where these loss events have an impact on the estimated future cash flows of the advances, is analysed as follows:

	物業抵押 Real estate mortgage HK\$'000	其他 Others		合計 Total HK\$'000
		企業 Corporate HK\$'000	個人 Individual HK\$'000	
已減值貸款				
本集團				
二〇〇七年	<u>49,178</u>	<u>36,899</u>	<u>24,150</u>	<u>110,227</u>
二〇〇六年	<u>81,312</u>	<u>79,754</u>	<u>19,437</u>	<u>180,503</u>
本行				
二〇〇七年	<u>49,178</u>	<u>19,972</u>	<u>24,150</u>	<u>93,300</u>
二〇〇六年	<u>81,312</u>	<u>46,637</u>	<u>19,437</u>	<u>147,386</u>

2 金融風險管理(續)

2.1 信貸風險(續)

(e) 客戶貸款總額(續)

(iv) 個別已減值之客戶貸款總額(續)

已減值貸款

佔客戶貸款總額之百分比

對上述貸款提撥之
個別減值準備

評估上述個別減值準備已
考慮之抵押品之總額

於二〇〇七年十二月三十一日，同業貸款中並無已減值貸款（二〇〇六年為零）。

上述個別減值準備已考慮有關貸款之抵押品價值。

(v) 重議已逾期或已減值貸款

2 Financial risk management (continued)

2.1 Credit risk (continued)

(e) Gross loans and advances to customers (continued)

(iv) Gross loans and advances to customers individually impaired (continued)

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Impaired loans	110,227	180,503	93,300	147,386
Percentage of total advances to customers	0.26%	0.47%	0.22%	0.38%
Individual impairment allowances made in respect of such advances	48,166	61,028	33,472	43,541
Total value of collateral taken into account in respect of the assessment of individual impairment allowances	52,439	111,891	50,122	100,745

At 31 December 2007, there were no impaired loans in respect of advances to banks (2006: Nil).

The above individual impairment allowances were made after taking into account the value of collateral in respect of such advances.

(v) Renegotiated loans that would otherwise be past due or impaired

重議已逾期或已減值貸款

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Renegotiated loans that would otherwise be past due or impaired	9,936	43,957	5,524	43,957

2 金融風險管理(續)

2.1 信貸風險(續)

(f) 同業貸款信貸質素

同業貸款總額
– 未逾期或無減值
(級別一)

級別一為「滿意」，代表借款人能承擔債務，本金及利息能全數償還。

(g) 收回資產

是年度本集團收回屬擔保之抵押品如下：

住宅物業
工商物業
其他

於二〇〇七年十二月三十一日，本集團及本行之收回資產為港幣一千零八十萬零七千元(二〇〇六年為港幣一千三百零四萬九千元)。

收回物業會在可行的情況下盡快出售，所收款項將用以減低債務結欠。

2 Financial risk management (continued)

2.1 Credit risk (continued)

(f) Gross balance with banks by credit quality

	本集團 The Group		本行 The Bank	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Gross balance with banks – Neither past due nor impaired (Grade 1)	29,352,199	27,293,406	29,324,698	27,237,737

Grade 1 “satisfactory” represents loans for which borrowers are currently meeting commitments and for which full repayment of interest and principle is not in doubt.

(g) Repossessed assets

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

	本集團 The Group		本行 The Bank	
	2007	2006	2007	2006
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Residential properties	23,645	21,860	23,645	21,860
Commercial and industrial properties	3,337	31,983	3,337	31,983
Others	188	5,717	188	135
	27,170	59,560	27,170	53,978

At 31 December 2007, the repossessed assets of the Group and the Bank amounted to HK\$10,807,000 (2006: HK\$13,049,000).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness.

2 金融風險管理(續)

2.1 信貸風險(續)

(h) 債務證券

- (i) 債務證券及其他票據之信貸質素

債務證券及其他票據
– 未逾期及無減值
– 已減值

- (ii) 未逾期及無減值之債務證券及其他票據

下列表格乃根據外在信貸評級機構之評級分析本集團債務證券及其他票據之信貸風險：

本集團

於二〇〇七年十二月三十一日

AA- 至 AAA
A- 至 A+
BBB- 至 BBB+
低於 BBB-
無評級

其發行人為：

– 中央政府及中央銀行
– 其他公營機構
– 銀行及其他金融機構
– 企業

其分類為：

– 持作買賣用途之證券
– 以公平價值誌入損益賬之金融資產
– 可供出售之證券
– 持至到期證券

2 Financial risk management (continued)

2.1 Credit risk (continued)

(h) Debt securities

- (i) Debt securities and other bills by credit quality

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
債務證券及其他票據				
– Neither past due nor impaired	13,299,368	12,608,031	12,686,492	11,871,418
– Impaired	311,515	–	311,515	–
	13,610,883	12,608,031	12,998,007	11,871,418

- (ii) Debt securities and other bills that are neither past due nor impaired

The tables below present an analysis of debt securities and other bills by rating agency designation based on the external credit assessment institutions' ratings that the Group has used in relation to credit risk exposures:

The Group

	國庫券 Treasury bills HK\$'000	債務證券 Debt securities HK\$'000	合計 Total HK\$'000
At 31 December 2007			
AA- to AAA	1,216,881	3,490,949	4,707,830
A- to A+	–	4,372,069	4,372,069
BBB- to BBB+	–	2,498,915	2,498,915
Lower than BBB-	–	78,238	78,238
Unrated	–	1,642,316	1,642,316
	1,216,881	12,082,487	13,299,368
of which issued by:			
– central governments and central banks	1,216,881	554,381	1,771,262
– other public sector entities	–	502,637	502,637
– banks and other financial institutions	–	6,744,310	6,744,310
– corporate entities	–	4,281,159	4,281,159
	1,216,881	12,082,487	13,299,368
of which classified by:			
– trading securities	1,216,881	813,823	2,030,704
– financial assets designated at fair value through profit or loss	–	2,934,803	2,934,803
– available-for-sale securities	–	1,490,959	1,490,959
– held-to-maturity securities	–	6,842,902	6,842,902
	1,216,881	12,082,487	13,299,368

2 金融風險管理(續)

2.1 信貸風險(續)

(h) 債務證券(續)

- (ii) 未逾期及無減值之債務證券及其他票據(續)

本行

於二〇〇七年十二月三十一日

AA-至AAA

A-至A+

BBB-至BBB+

低於BBB-

無評級

其發行人為：

- 中央政府及中央銀行
- 其他公營機構
- 銀行及其他金融機構
- 企業

其分類為：

- 持作買賣用途之證券
- 以公平價值誌入損益賬之金融資產
- 可供出售之證券
- 持至到期證券

2 Financial risk management (continued)

2.1 Credit risk (continued)

(h) Debt securities (continued)

- (ii) Debt securities and other bills that are neither past due nor impaired (continued)

The Bank

At 31 December 2007

AA- to AAA

A- to A+

BBB- to BBB+

Lower than BBB-

Unrated

of which issued by:

- central governments and central banks
- other public sector entities
- banks and other financial institutions
- corporate entities

of which classified by:

- trading securities
- financial assets designated at fair value through profit or loss
- available-for-sale securities
- held-to-maturity securities

國庫券 Treasury bills HK\$'000	債務證券 Debt securities HK\$'000	合計 Total HK\$'000
1,216,881	3,276,950	4,493,831
-	4,067,070	4,067,070
-	2,437,177	2,437,177
-	78,238	78,238
-	1,610,176	1,610,176
1,216,881	11,469,611	12,686,492
1,216,881	507,535	1,724,416
-	480,889	480,889
-	6,505,001	6,505,001
-	3,976,186	3,976,186
1,216,881	11,469,611	12,686,492
1,216,881	813,823	2,030,704
-	2,591,119	2,591,119
-	1,490,959	1,490,959
-	6,573,710	6,573,710
1,216,881	11,469,611	12,686,492

2 金融風險管理(續)

2 Financial risk management (continued)

2.1 信貸風險(續)

2.1 Credit risk (continued)

(h) 債務證券(續)

(h) Debt securities (continued)

(ii) 未逾期及無減值之債務證券及其他票據(續)

(ii) Debt securities and other bills that are neither past due nor impaired (continued)

本集團

The Group

		國庫券 Treasury bills HK\$'000	債務證券 Debt securities HK\$'000	合計 Total HK\$'000
於二〇〇六年十二月三十一日	At 31 December 2006			
AA-至AAA	AA- to AAA	1,243,725	4,084,162	5,327,887
A-至A+	A- to A+	–	3,204,267	3,204,267
BBB-至BBB+	BBB- to BBB+	–	2,068,608	2,068,608
低於BBB-	Lower than BBB-	–	89,478	89,478
無評級	Unrated	–	1,917,791	1,917,791
		<u>1,243,725</u>	<u>11,364,306</u>	<u>12,608,031</u>
其發行人為：	of which issued by:			
– 中央政府及中央銀行	– central governments and central banks	1,243,725	657,515	1,901,240
– 其他公營機構	– other public sector entities	–	1,040,729	1,040,729
– 銀行及其他金融機構	– banks and other financial institutions	–	5,590,528	5,590,528
– 企業	– corporate entities	–	4,075,534	4,075,534
		<u>1,243,725</u>	<u>11,364,306</u>	<u>12,608,031</u>
其分類為：	of which classified by:			
– 持作買賣用途之證券	– trading securities	1,243,725	670,031	1,913,756
– 以公平價值計入損益賬之 金融資產	– financial assets designated at fair value through profit or loss	–	3,445,781	3,445,781
– 可供出售之證券	– available-for-sale securities	–	2,894,681	2,894,681
– 持至到期證券	– held-to-maturity securities	–	4,353,813	4,353,813
		<u>1,243,725</u>	<u>11,364,306</u>	<u>12,608,031</u>

2 金融風險管理(續)

2.1 信貸風險(續)

(h) 債務證券(續)

- (ii) 未逾期及無減值之債務證券及其他票據(續)

本行

於二〇〇六年十二月三十一日

AA-至AAA

A-至A+

BBB-至BBB+

低於BBB-

無評級

其發行人為：

- 中央政府及中央銀行
- 其他公營機構
- 銀行及其他金融機構
- 企業

其分類為：

- 持作買賣用途之證券
- 以公平價值誌入損益賬之金融資產
- 可供出售之證券
- 持至到期證券

2 Financial risk management (continued)

2.1 Credit risk (continued)

(h) Debt securities (continued)

- (ii) Debt securities and other bills that are neither past due nor impaired (continued)

The Bank

At 31 December 2006

AA- to AAA

A- to A+

BBB- to BBB+

Lower than BBB-

Unrated

of which issued by:

- central governments and central banks
- other public sector entities
- banks and other financial institutions
- corporate entities

of which classified by:

- trading securities
- financial assets designated at fair value through profit or loss
- available-for-sale securities
- held-to-maturity securities

	國庫券 Treasury bills HK\$'000	債務證券 Debt securities HK\$'000	合計 Total HK\$'000
	1,243,725	3,789,630	5,033,355
	-	2,913,395	2,913,395
	-	2,029,036	2,029,036
	-	82,089	82,089
	-	1,813,543	1,813,543
	<u>1,243,725</u>	<u>10,627,693</u>	<u>11,871,418</u>
	1,243,725	619,866	1,863,591
	-	1,009,803	1,009,803
	-	5,033,177	5,033,177
	-	3,964,847	3,964,847
	<u>1,243,725</u>	<u>10,627,693</u>	<u>11,871,418</u>
	1,243,725	670,031	1,913,756
	-	2,925,176	2,925,176
	-	2,894,681	2,894,681
	-	4,137,805	4,137,805
	<u>1,243,725</u>	<u>10,627,693</u>	<u>11,871,418</u>

2 金融風險管理(續)

2 Financial risk management (continued)

2.1 信貸風險(續)

2.1 Credit risk (continued)

(i) 資產、負債及資產負債表外項目的地區分佈

(i) Geographical concentrations of assets, liabilities and off-balance sheet items

本集團

The Group

		總資產 Total assets HK\$'000	總負債 Total liabilities HK\$'000	信貸承擔 Credit commitments HK\$'000
於二〇〇七年十二月三十一日	At 31 December 2007			
香港	Hong Kong	91,964,190	80,102,466	22,657,156
美國	United States of America	1,596,555	1,323,041	293,055
中華人民共和國	People's Republic of China	2,051,429	1,720,531	53,468
開曼群島	Cayman Islands	775,985	750,317	—
分部互相抵銷	Inter-segment elimination	(3,340,020)	(3,328,319)	—
		<u>93,048,139</u>	<u>80,568,036</u>	<u>23,003,679</u>

本行

The Bank

		總資產 Total assets HK\$'000	總負債 Total liabilities HK\$'000	信貸承擔 Credit commitments HK\$'000
於二〇〇七年十二月三十一日	At 31 December 2007			
香港	Hong Kong	88,856,153	78,954,723	22,633,669
美國	United States of America	1,585,528	1,322,815	293,055
中華人民共和國	People's Republic of China	2,051,429	1,720,531	53,468
開曼群島	Cayman Islands	775,985	750,317	—
分部互相抵銷	Inter-segment elimination	(3,328,319)	(3,328,319)	—
		<u>89,940,776</u>	<u>79,420,067</u>	<u>22,980,192</u>

2 金融風險管理(續)

2.1 信貸風險(續)

(i) 資產、負債及資產負債表外項目的地區分佈(續)

本集團

於二〇〇六年十二月三十一日

香港
美國
中華人民共和國
開曼群島
分部互相抵銷

2 Financial risk management (continued)

2.1 Credit risk (continued)

(i) Geographical concentrations of assets, liabilities and off-balance sheet items (continued)

The Group

At 31 December 2006

Hong Kong
United States of America
People's Republic of China
Cayman Islands
Inter-segment elimination

總資產 Total assets HK\$'000	總負債 Total liabilities HK\$'000	信貸承擔 Credit commitments HK\$'000
84,216,826	73,321,737	17,419,486
1,371,870	1,116,336	378,034
1,269,064	1,050,976	78,519
1,540,124	1,515,383	—
(3,417,256)	(3,405,589)	—
<u>84,980,628</u>	<u>73,598,843</u>	<u>17,876,039</u>

本行

於二〇〇六年十二月三十一日

香港
美國
中華人民共和國
開曼群島
分部互相抵銷

The Bank

At 31 December 2006

Hong Kong
United States of America
People's Republic of China
Cayman Islands
Inter-segment elimination

總資產 Total assets HK\$'000	總負債 Total liabilities HK\$'000	信貸承擔 Credit commitments HK\$'000
82,557,001	73,656,889	17,321,746
1,360,545	1,116,287	378,034
1,269,064	1,050,976	78,519
1,540,124	1,515,383	—
(3,405,589)	(3,405,589)	—
<u>83,321,145</u>	<u>73,933,946</u>	<u>17,778,299</u>

總資產、總負債及信貸承擔均按本集團業務之所在國家/地區計算。本集團的主要業務在香港。

Total assets, total liabilities and credit commitments are based on the country/region in which the Group's operations are located. The Group operates predominantly in Hong Kong.

2 金融風險管理 (續)

2.1 信貸風險 (續)

(i) 資產、負債及資產負債表外項目的地區分佈 (續)

風險集中之客戶貸款按地區分佈如下：

本集團

香港
美國
中華人民共和國

本行

香港
美國
中華人民共和國

2 Financial risk management (continued)

2.1 Credit risk (continued)

(i) Geographical concentrations of assets, liabilities and off-balance sheet items (continued)

Geographical sector risk concentrations within the customer loan portfolio are as follows:

The Group

	2007	2007	2006	2006
	HKS'000	%	HKS'000	%
Hong Kong	39,801,055	94.9	37,178,669	95.9
United States of America	1,086,923	2.6	795,892	2.0
People's Republic of China	1,046,542	2.5	808,420	2.1
	41,934,520	100.0	38,782,981	100.0

The Bank

	2007	2007	2006	2006
	HKS'000	%	HKS'000	%
Hong Kong	39,413,662	94.8	36,791,907	95.8
United States of America	1,108,927	2.7	818,046	2.1
People's Republic of China	1,046,542	2.5	808,420	2.1
	41,569,131	100.0	38,418,373	100.0

2.2 市場風險

本集團所承擔之市場風險，乃指由於市場價格變動而引致金融工具之公平價值或未來現金流量改變的風險。市場風險主要源自其對息率、外幣及股權產品等的持倉淨盤，全部都面對一般及特定之市場變更及市場息率或價格如利率、匯率及股票價格等波幅的改變而影響。本集團之市場風險主要源自其外匯持倉和持作買賣用途及在銀行賬內之證券及衍生工具。

2.2 Market risk

The Group takes on exposure to market risk, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices. The Group's market risk primarily arises from its positions in foreign exchange, securities and derivatives in its trading and banking books.

2 金融風險管理(續)

2.2 市場風險(續)

(a) 市場風險量度

常務董事會透過制定各項交易限額以管理本集團從不同活動而面對之市場風險。風險乃以合約或名義數值及未償還結餘之基準衡量及監察。該等限額由組合、產品及風險種類，以綜合風險衡量法，包括持倉限額、敏感度限額及止蝕限額而製定。財資部每日均會按市價估值、監察及管理所有與市場風險有關之交易持倉。獨立監察、檢查及確認交易均由另一獨立部門進行。而本集團之稽核部門亦會定時進行審核及檢查，以確保能遵照既定之風險限額進行交易。所有超越限額之項目須由相關之管理階層及常務董事會審核及批准。實際持倉由風險管理委員會監察。

本集團亦運用廣泛之壓力測試以極端化之事件來評估市場風險對本集團財務狀況之影響。壓力測試之結果由風險管理委員會審核。

(b) 市場風險敏感度分析

(i) 貨幣風險

本集團之貨幣風險主要源自外匯買賣、商業銀行運作及結構性外匯持倉。

於二〇〇七年十二月三十一日，在其他因素不變下，如美元對港元在固定聯繫匯率範圍內下跌0.64%，本集團及本行之除稅後溢利將相對地分別減少港幣八百九十四萬三千元(二〇〇六年為港幣一千六百五十三萬七千元)及港幣四百七十一萬四千元(二〇〇六年為港幣一千二百二十八萬五千元)。與二〇〇六年比較，二〇〇七年之外匯風險敏感度較低，主要原因為存放同業的美元減少。

2 Financial risk management (continued)

2.2 Market risk (continued)

(a) Market risk measurement

The Group's market risk exposures in different activities are managed by way of limits established by the Executive Committee. Exposures are measured and monitored on the basis of contractual or notional amount and outstanding balances. Limits are set by portfolio, product and risk type, using a combination of risk measurement techniques, including position limits, sensitivity limits, as well as stop loss limits. All market risk trading positions are subject to daily mark-to-market valuation, monitored and managed by the Treasury Department. Independent monitoring, checking and trade confirmation are undertaken by a department independent of the Treasury Department. Regular checking and reviews are also conducted by the Group's internal audit function to ensure compliance with risk limits. All exceptions are reviewed and approved by the appropriate level of management and the Executive Committee. Actual positions are monitored by the Risk Management Committee.

The Group also applies a wide range of stress testing to assess the financial impact of more extreme events on the market risk exposure of the Group. The results of the stress testing are reviewed by the Risk Management Committee.

(b) Market risk sensitivity analysis

(i) Currency risk

The Group's currency risk positions mainly arise from foreign exchange dealings, commercial banking operations and structural foreign currency exposures.

At 31 December 2007, if USD had weakened within the pegged range of 0.64% against HKD with all other variables held constant, the Group's and the Bank's profit after taxation for the year would have been HK\$8,943,000 (2006: HK\$16,537,000) and HK\$4,714,000 (2006: HK\$12,285,000) lower respectively. The lower foreign currency exchange rate sensitivity in 2007 compared with 2006 was attributable to a reduction in USD denominated bank placements.

2 金融風險管理(續)

2.2 市場風險(續)

(b) 市場風險敏感度分析(續)

(ii) 利率風險

本集團之利率風險主要源自因持有附息資產、負債及資產負債表以外項目在重訂息率時有時間差異所引起。

任何利率改變會影響以公平價值誌入損益賬之金融資產及金融負債之價值。於二〇〇七年十二月三十一日，在其他因素不變下，如利率於當日下跌100點子，本集團及本行之除稅後溢利將相對地分別增加港幣四千五百五十一萬六千元(二〇〇六年為港幣五千七百萬零二千元)及港幣四千一百一十九萬四千元(二〇〇六年為港幣四千九百六十二萬五千元)，主要由持作買賣用途之證券及以公平價值誌入損益賬之金融資產之公平價值重估所引致。本集團及本行之重估投資儲備盈餘將相對地增加港幣四百五十一萬五千元(二〇〇六年為港幣二千三百零一萬八千元)，主要由重估可出售之證券所致。

(iii) 股權風險

本集團之股權風險主要源自持有若干本港上市之股權證券。其主要部份乃持作長期投資用途。

於二〇〇七年十二月三十一日，在其他因素不變下，如恆生指數於當日下跌10%，本集團之除稅後溢利將減少港幣一千三百三十四萬三千元(二〇〇六年為港幣九百二十二萬元)。本集團及本行重估投資儲備盈餘將分別減少港幣一億二千八百一十七萬九千元(二〇〇六年為港幣六千九百七十七萬元)及港幣一千六百零六萬三千元(二〇〇六年為港幣一千二百二十六萬三千元)。與二〇〇六年比較，二〇〇七年之股權敏感度較高，主要由於所持之股權證券價值上升所致。

2 Financial risk management (continued)

2.2 Market risk (continued)

(b) Market risk sensitivity analysis (continued)

(ii) Interest rate risk

The Group's interest rate risk mainly arises from the timing differences in the repricing of interest bearing assets, liabilities and off-balance sheet positions.

Any changes in interest rates would affect the value of those financial assets and liabilities carried at fair value. At 31 December 2007, if interest rates at that date had been 100 basis points lower with all other variables held constant, the Group's and the Bank's profit after taxation for the year would have been HK\$45,516,000 (2006: HK\$57,002,000) and HK\$41,194,000 (2006: HK\$49,625,000) higher respectively, mainly as a result of revaluation of trading securities and financial assets designated as fair value through profit or loss. The Group's and the Bank's surplus in investment revaluation reserve would have been HK\$4,515,000 (2006: HK\$23,018,000) higher due to the revaluation of those available-for-sale securities.

(iii) Equity risk

The Group's equity risk position mainly arises from the holdings of certain equity securities listed in Hong Kong. Majority of this position is held for long term investment purpose.

At 31 December 2007, if Hang Seng Index at that date had been 10% lower with all other variables held constant, the Group's profit after taxation for the year would have been HK\$13,343,000 (2006: HK\$9,220,000) lower, and the Group's and the Bank's surplus in investment revaluation reserve would have been HK\$128,179,000 (2006: HK\$69,770,000) and HK\$16,063,000 (2006: HK\$12,263,000) lower respectively. The higher equity sensitivity in 2007 compared with 2006 was attributable to an increase in the value of equity holdings.

2 金融風險管理(續)

2.2 市場風險(續)

(b) 市場風險敏感度分析(續)

(iv) 市場風險收入每日分佈情況

本集團及圍內數間附屬公司於二〇〇七年內，從事與市場風險有關活動所賺取之每日平均收入(包括與買賣有關之淨利息收入或其他收入)為港幣九十八萬一千元(二〇〇六年為港幣八十四萬五千元)。該等每日平均收入之標準差為港幣二百六十六萬三千元(二〇〇六年為港幣一百一十三萬九千元)。

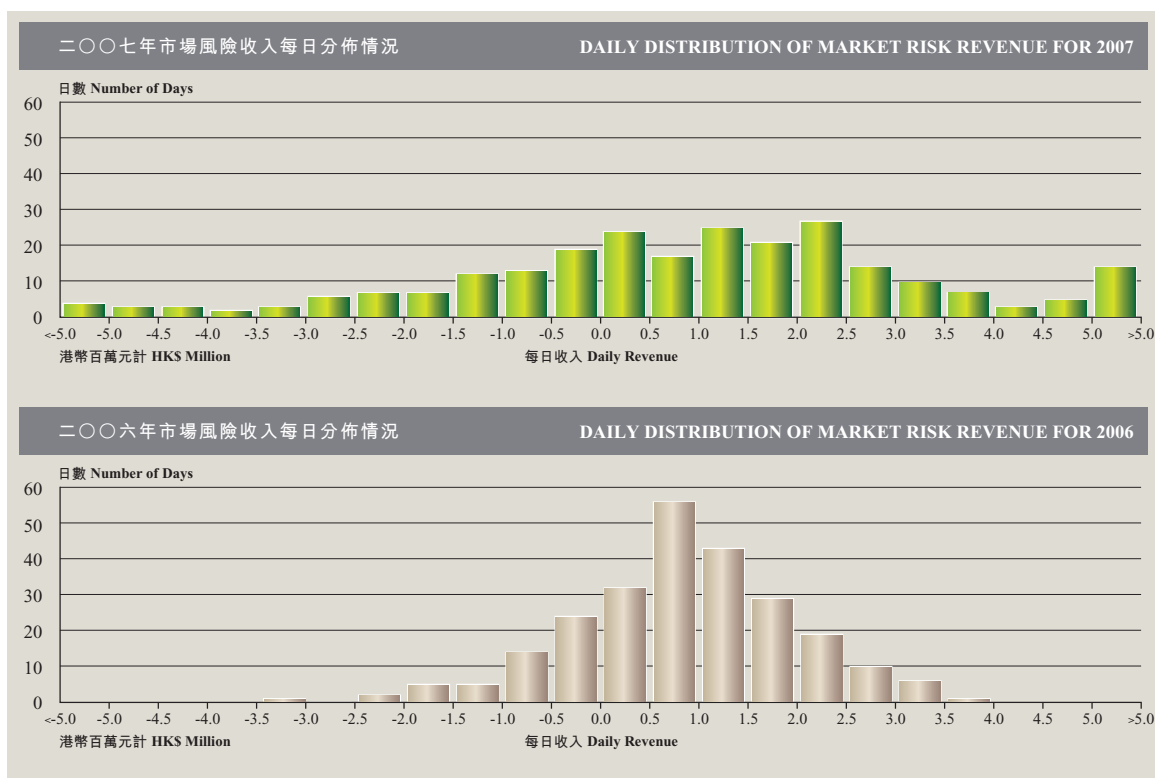
2 Financial risk management (continued)

2.2 Market risk (continued)

(b) Market risk sensitivity analysis (continued)

(iv) Daily distribution of market risk revenue

The average daily revenue in 2007 earned from market risk-related activities by the Bank and certain subsidiaries, including trading-related net interest income and other revenue was HK\$981,000 (2006: HK\$845,000). The standard deviation of this daily revenue was HK\$2,663,000 (2006: HK\$1,139,000).



2 金融風險管理(續)

2.2 市場風險(續)

(c) 貨幣風險

現行市場外幣匯率的波動會影響本集團的財務狀況和現金流量。本集團之外匯風險主要包括財資部之外匯買賣及源自商業銀行業務之外幣持倉風險。

常務董事會以貨幣及總額為基礎，制定隔夜及即日之持倉限額。此等風險每日均由財資部按常務董事會核定之外匯持倉限額集中管理，並由另一部門獨立監察。

由客戶交易而產生之外匯風險(包括附設在某些客戶存款內之貨幣期權)，一般會與其他客戶交易或市場交易對銷。用以購買港元資產之外匯資金均會採用掉期或遠期貨幣兌換合約對沖外匯風險。

下頁表格概述本集團於十二月三十一日之外幣匯率風險。本集團的資產及負債以貨幣作分類並按其賬面值呈列。資產負債表外之差距乃主要用作減低本集團因市場變動的貨幣風險之外幣衍生金融工具的名義金額淨額。

2 Financial risk management (continued)

2.2 Market risk (continued)

(c) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's exposures mainly comprise foreign exchange dealings by the Treasury Department and currency exposures originated by its commercial banking businesses.

The Executive Committee sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. All exposures are centrally managed by the Treasury Department and independently monitored by a separate department on a daily basis.

Foreign currency exposures arising from customer transactions, including currency options embedded in certain customer deposits, are normally offset against other customer transactions or transactions with the market. Foreign currency funding used to fund Hong Kong dollar assets is hedged using currency swaps or forward exchange contracts to mitigate the foreign exchange risk.

The tables on the following pages summarise the Group's exposure to foreign currency exchange rate risk at 31 December. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by currency. The off-balance sheet gap represents the net notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements.

2 金融風險管理(續)

2.2 市場風險(續)

(c) 貨幣風險(續)

資產、負債及資產負債表外項目的分佈

本集團

於二〇〇七年十二月三十一日

資產

庫存現金及短期資金
同業定期存放及貸款 持作買賣用途之證券 衍生金融工具
以公平價值誌入損益賬之 金融資產
可供出售之證券
持至到期證券
貸款及其他賬項 (包括可回收稅項及 遞延稅項資產)
共同控制實體權益
聯營公司權益
投資物業
租賃土地權益
其他物業及設備
總資產

負債

同業存款
交易賬項下之負債
衍生金融工具
以公平價值誌入損益賬之 金融負債
客戶存款
發行之存款證
其他賬項及預提 (包括當期稅項及 遞延稅項負債)
總負債
資產負債表內持倉淨額
資產負債表外名義持倉淨額
信貸承擔

2 Financial risk management (continued)

2.2 Market risk (continued)

(c) Currency risk (continued)

Concentration of assets, liabilities and off-balance sheet items

The Group

At 31 December 2007

Assets

Cash and short-term funds
Placements with and loans and advances to banks
Trading securities
Derivative financial instruments
Financial assets designated at fair value through profit or loss
Available-for-sale securities
Held-to-maturity securities
Advances and other accounts (including tax recoverable and deferred tax assets)
Interests in jointly controlled entities
Interests in associates
Investment properties
Interests in leasehold land
Other properties and equipment
Total assets

Liabilities

Deposits and balances from banks
Trading liabilities
Derivative financial instruments
Financial liabilities designated at fair value through profit or loss
Deposits from customers
Certificates of deposit issued
Other accounts and accruals (including current taxation and deferred tax liabilities)
Total liabilities
Net on-balance sheet position
Off-balance sheet net notional position
Credit commitments

港元 HK\$	美元 US\$	澳元 A\$	其他 Others	合計 Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

4,194,606	8,473,852	5,569,053	8,146,724	26,384,235
915,761	2,497,230	157,881	32,036	3,602,908
1,907,999	67,738	102,950	140,154	2,218,841
29,572	3,392	1	2,848	35,813
1,378,182	1,459,599	18,533	78,489	2,934,803
1,371,380	1,554,568	68,658	245,702	3,240,308
4,557,640	1,750,240	412,199	163,900	6,883,979
40,697,059	2,666,161	806,625	426,840	44,596,685
224,018	—	—	—	224,018
6,184	—	—	—	6,184
2,254,600	—	—	—	2,254,600
241,345	—	—	—	241,345
387,010	34,994	—	2,416	424,420
58,165,356	18,507,774	7,135,900	9,239,109	93,048,139
381,194	413,452	26,087	336,316	1,157,049
351,210	—	—	—	351,210
362,983	237,896	80	733	601,692
2,007,116	151,912	—	—	2,159,028
38,768,232	16,139,940	6,971,382	8,601,804	70,481,358
1,679,592	93,602	—	—	1,773,194
3,645,280	142,322	36,040	220,863	4,044,505
47,195,607	17,179,124	7,033,589	9,159,716	80,568,036
10,969,749	1,328,650	102,311	79,393	12,480,103
(365,834)	365,122	(40,260)	39,979	(993)
21,693,183	1,097,231	—	213,265	23,003,679

2 金融風險管理(續) 2 Financial risk management (continued)

2.2 市場風險(續) 2.2 Market risk (continued)

(c) 貨幣風險(續) (c) Currency risk (continued)

資產、負債及資產負債
表外項目的分佈(續)

Concentration of assets, liabilities and off-balance sheet items (continued)

本行

The Bank

於二〇〇七年十二月三十一日

At 31 December 2007

資產

Assets

庫存現金及短期資金

Cash and short-term funds

港元 HK\$	美元 US\$	澳元 A\$	其他 Others	合計 Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000

4,070,590	8,473,506	5,569,053	8,146,724	26,259,873
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同業定期存放及貸款
持作買賣用途之證券

Placements with and loans and
advances to banks

1,023,474	2,486,377	157,882	32,036	3,699,769
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衍生金融工具

Trading securities

1,721,087	66,513	102,950	140,154	2,030,704
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以公平價值誌入損益賬之
金融資產

Derivative financial instruments

29,559	3,392	1	2,848	35,800
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可供出售之證券

Financial assets designated at
fair value through
profit or loss

1,290,806	1,221,824	–	78,489	2,591,119
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持至到期證券

Available-for-sale securities

369,762	1,347,186	68,658	245,702	2,031,308
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貸款及其他賬項
(包括可回收稅項)

Held-to-maturity securities

4,466,384	1,572,304	412,199	163,900	6,614,787
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附屬公司權益

Advances and other accounts
(including tax recoverable)

39,448,838	2,688,391	806,686	426,840	43,370,755
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共同控制實體權益

Interests in subsidiaries

288,530	11,701	–	–	300,231
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投資物業

Interests in jointly controlled
entities

97,264	–	–	–	97,264
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租賃土地權益

Investment properties

2,324,700	–	–	–	2,324,700
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其他物業及設備

Interests in leasehold land

241,345	–	–	–	241,345
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總資產

Other properties and equipment

338,520	2,185	–	2,416	343,121
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負債

Total assets

55,710,859	17,873,379	7,117,429	9,239,109	89,940,776
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同業存款

Liabilities

406,962	413,452	26,087	336,316	1,182,817
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交易賬項下之負債

Deposits and balances from banks

351,210	–	–	–	351,210
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衍生金融工具

Trading liabilities

362,983	237,896	80	733	601,692
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以公平價值誌入損益賬之
金融負債

Derivative financial instruments

2,076,091	166,590	–	–	2,242,681
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客戶存款

Financial liabilities designated at
fair value through
profit or loss

39,251,389	16,291,950	7,001,702	8,614,126	71,159,167
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發行之存款證

Deposits from customers

1,679,592	93,602	–	–	1,773,194
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其他賬項及預提
(包括遞延稅項
負債)

Certificates of deposit issued

1,710,114	142,228	36,101	220,863	2,109,306
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總負債

Other accounts and accruals
(including deferred tax
liabilities)

45,838,341	17,345,718	7,063,970	9,172,038	79,420,067
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資產負債表內持倉淨額

Total liabilities

9,872,518	527,661	53,459	67,071	10,520,709
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資產負債表外名義持倉淨額

Net on-balance sheet position

(365,834)	365,122	(40,260)	39,979	(993)
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信貸承擔

Off-balance sheet
net notional position

21,781,691	985,236	–	213,265	22,980,192
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2 金融風險管理(續)

2.2 市場風險(續)

(c) 貨幣風險(續)

資產、負債及資產負債
表外項目的分佈(續)

本集團

於二〇〇六年十二月三十一日

資產

庫存現金及短期資金

同業定期存放及貸款

持作買賣用途之證券

衍生金融工具

以公平價值誌入損益賬之

金融資產

可供出售之證券

持至到期證券

貸款及其他賬項

(包括可回收稅項及

遞延稅項資產)

共同控制實體權益

聯營公司權益

投資物業

租賃土地權益

其他物業及設備

總資產

負債

同業存款

交易賬項下之負債

衍生金融工具

以公平價值誌入損益賬之

金融負債

客戶存款

發行之存款證

其他賬項及預提

(包括當期稅項及

遞延稅項負債)

總負債

資產負債表內持倉淨額

資產負債表外名義持倉淨額

信貸承擔

2 Financial risk management (continued)

2.2 Market risk (continued)

(c) Currency risk (continued)

Concentration of assets, liabilities and off-balance sheet items (continued)

The Group

	港元 HK\$'000	美元 US\$ HK\$'000	澳元 A\$ HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
At 31 December 2006					
Assets					
Cash and short-term funds	2,164,393	10,117,877	4,193,801	7,021,843	23,497,914
Placements with and loans and advances to banks	519,722	3,550,824	214,764	–	4,285,310
Trading securities	1,948,224	102,979	–	–	2,051,203
Derivative financial instruments	8,359	15,734	214	2,106	26,413
Financial assets designated at fair value through profit or loss	913,683	2,455,572	5,523	71,003	3,445,781
Available-for-sale securities	945,764	2,482,567	98,169	171,971	3,698,471
Held-to-maturity securities	2,081,338	1,790,159	444,245	38,071	4,353,813
Advances and other accounts (including tax recoverable and deferred tax assets)	37,378,925	2,290,015	952,984	229,353	40,851,277
Interests in jointly controlled entities	140,497	–	–	–	140,497
Interests in associates	5,879	–	–	–	5,879
Investment properties	1,966,160	–	–	–	1,966,160
Interests in leasehold land	245,516	–	–	–	245,516
Other properties and equipment	373,482	36,536	–	2,376	412,394
Total assets	48,691,942	22,842,263	5,909,700	7,536,723	84,980,628
Liabilities					
Deposits and balances from banks	59,995	484,483	7,408	85,291	637,177
Trading liabilities	1,211,449	–	–	–	1,211,449
Derivative financial instruments	141,295	142,182	214	534	284,225
Financial liabilities designated at fair value through profit or loss	2,240,755	989,338	–	–	3,230,093
Deposits from customers	33,298,637	16,394,807	5,854,989	7,160,688	62,709,121
Certificates of deposit issued	1,789,299	93,329	–	–	1,882,628
Other accounts and accruals (including current taxation and deferred tax liabilities)	3,213,390	272,638	25,377	132,745	3,644,150
Total liabilities	41,954,820	18,376,777	5,887,988	7,379,258	73,598,843
Net on-balance sheet position	6,737,122	4,465,486	21,712	157,465	11,381,785
Off-balance sheet net notional position	1,351,824	(1,333,553)	43,368	(62,330)	(691)
Credit commitments	15,928,261	1,717,496	737	229,545	17,876,039

2 金融風險管理(續) 2 Financial risk management (continued)

2.2 市場風險(續) 2.2 Market risk (continued)

(c) 貨幣風險(續) (c) Currency risk (continued)

資產、負債及資產負債
表外項目的分佈(續)

Concentration of assets, liabilities and off-balance sheet items (continued)

本行

The Bank

	港元 HK\$'000	美元 US\$ HK\$'000	澳元 A\$ HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
於二〇〇六年十二月三十一日	At 31 December 2006				
資產	Assets				
庫存現金及短期資金	2,053,048	10,107,624	4,193,801	7,021,843	23,376,316
同業定期存放及貸款	613,041	3,523,434	214,764	–	4,351,239
持作買賣用途之證券	1,810,777	102,979	–	–	1,913,756
衍生金融工具	8,510	15,734	214	2,112	26,570
以公平價值誌入損益賬之 金融資產	725,049	2,129,124	–	71,003	2,925,176
可供出售之證券	485,639	2,323,626	98,169	171,971	3,079,405
持至到期證券	2,007,249	1,648,240	444,245	38,071	4,137,805
貸款及其他賬項	37,070,390	2,308,085	952,905	229,353	40,560,733
附屬公司權益	288,530	11,667	–	–	300,197
共同控制實體權益	57,300	–	–	–	57,300
投資物業	2,021,160	–	–	–	2,021,160
租賃土地權益	245,516	–	–	–	245,516
其他物業及設備	320,643	2,953	–	2,376	325,972
總資產	47,706,852	22,173,466	5,904,098	7,536,729	83,321,145
負債	Liabilities				
同業存款	175,655	484,483	7,408	85,291	752,837
交易賬項下之負債	1,211,449	–	–	–	1,211,449
衍生金融工具	141,295	142,182	214	534	284,225
以公平價值誌入損益賬之 金融負債	2,350,690	1,069,588	–	–	3,420,278
客戶存款	34,191,449	16,438,927	5,855,324	7,172,731	63,658,431
發行之存款證	1,789,299	93,329	–	–	1,882,628
其他賬項及預提 (包括當期稅項及 遞延稅項負債)	2,293,011	272,946	25,377	132,764	2,724,098
總負債	42,152,848	18,501,455	5,888,323	7,391,320	73,933,946
資產負債表內持倉淨額	5,554,004	3,672,011	15,775	145,409	9,387,199
資產負債表外名義持倉淨額	1,399,084	(1,345,382)	10,676	(65,952)	(1,574)
信貸承擔	15,972,152	1,575,865	737	229,545	17,778,299

2 金融風險管理(續)

2.2 市場風險(續)

(d) 利率風險

現行市場利率的波動會影響本集團的公平價值利率風險及現金流量利率風險。公平價值利率風險乃指金融工具之價值將隨著市場利率改變而波動的風險。現金流量利率風險乃指金融工具之將來現金流量將隨著市場利率改變而波動的風險。

由於利率變動，息差可能會增加，但若利率出現不可預計的波動，則息差可能會減少或引致虧損。本集團已制定政策及制度以監察其較易受利率影響之倉盤及重定息率淨差距，以確保其在常務董事會所核定之限額以內獲妥善管理。實際持倉額會按月與核定限額作比較並由風險管理委員會監察。

儘管利率風險管理之主要目的在於限制利率變動對淨利息收入之潛在不利影響，亦可在風險限額內增持利率倉盤以提高收益。

下頁表格概述了本集團的利率風險，並按賬面值列示了本集團的資產及負債，而資產及負債則按重定息日或到期日(以較早者為準)分類。

2 Financial risk management (continued)

2.2 Market risk (continued)

(d) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow interest rate risks. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest margin may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Group has established policies and systems to monitor its interest-sensitive positions and net repricing gap to ensure that they are all properly managed under the limits approved by the Executive Committee. Actual positions are compared with the approved limits and monitored by the Risk Management Committee on a monthly basis.

While the primary objective of interest rate risk management is to limit potential adverse effects of interest rate movements on net interest income, interest rate positions may be taken for yield enhancement within the risk limits.

The tables on the following pages summarise the Group's exposure to interest rate risks. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

2 金融風險管理(續) 2 Financial risk management (continued)

2.2 市場風險(續) 2.2 Market risk (continued)

(d) 利率風險(續) (d) Interest rate risk (continued)

資產及負債之利率敏感度—重定息率分析

Interest sensitivity of assets and liabilities – repricing analysis

本集團

The Group

		一個月 或以下 Up to 1 month	一個月 以上至 三個月 1-3 months	三個月以 上至一年 3-12 months	一年以上 至五年 1-5 years	五年以上 五年以上 Over 5 years	不計息 Non- interest bearing	合計 Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇七年十二月三十一日	At 31 December 2007							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	25,024,442	—	—	—	—	1,359,793	26,384,235
同業定期存放及貸款	Placements with and loans and advances to banks	326,867	2,698,195	577,846	—	—	—	3,602,908
持作買賣用途之證券	Trading securities	139,898	771,390	727,565	376,273	15,578	188,137	2,218,841
衍生金融工具	Derivative financial instruments	—	—	—	—	—	35,813	35,813
以公平價值計入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	21,675	91,446	422,775	2,385,747	13,160	—	2,934,803
可供出售之證券	Available-for-sale securities	488,692	882,684	346,807	—	43,214	1,478,911	3,240,308
持至到期證券	Held-to-maturity securities	2,791,227	2,488,771	1,133,156	448,105	22,720	—	6,883,979
貸款及其他賬項 (包括可回收稅項及 遞延稅項資產)	Advances and other accounts (including tax recoverable and deferred tax assets)	35,857,252	4,167,765	1,414,639	337,248	138,967	2,680,814	44,596,685
共同控制實體權益	Interests in jointly controlled entities	—	41,857	23,840	—	—	158,321	224,018
聯營公司權益	Interests in associates	—	—	—	—	—	6,184	6,184
投資物業	Investment properties	—	—	—	—	—	2,254,600	2,254,600
租賃土地權益	Interests in leasehold land	—	—	—	—	—	241,345	241,345
其他物業及設備	Other properties and equipment	—	—	—	—	—	424,420	424,420
總資產	Total assets	64,650,053	11,142,108	4,646,628	3,547,373	233,639	8,828,338	93,048,139
負債	Liabilities							
同業存款	Deposits and balances from banks	777,952	15,882	76,887	—	—	286,328	1,157,049
交易賬項下之負債	Trading liabilities	251,025	100,185	—	—	—	—	351,210
衍生金融工具	Derivative financial instruments	—	—	—	—	—	601,692	601,692
以公平價值計入損益賬 之金融負債	Financial liabilities designated at fair value through profit or loss	345,882	751,429	100,509	961,208	—	—	2,159,028
客戶存款	Deposits from customers	55,658,009	8,444,181	3,132,131	75,671	—	3,171,366	70,481,358
發行之存款證	Certificates of deposit issued	93,602	1,679,592	—	—	—	—	1,773,194
其他賬項及預提 (包括當期稅項及 遞延稅項負債)	Other accounts and accruals (including current taxation and deferred tax liabilities)	—	—	—	—	—	4,044,505	4,044,505
總負債	Total liabilities	57,126,470	10,991,269	3,309,527	1,036,879	—	8,103,891	80,568,036
利息敏感度差距總額	Total interest sensitivity gap	7,523,583	150,839	1,337,101	2,510,494	233,639	—	—

2 金融風險管理(續)

2 Financial risk management (continued)

2.2 市場風險(續)

2.2 Market risk (continued)

(d) 利率風險(續)

(d) Interest rate risk (continued)

資產及負債之利率敏感度—重定息率分析(續)

Interest sensitivity of assets and liabilities – repricing analysis (continued)

本行

The Bank

		一個月					不計息 Non- interest bearing	合計 Total
		一個月 或以下 Up to 1 month	以上至 三個月 1-3 months	三個月以 上至一年 3-12 months	一年以上 至五年 1-5 years	五年以上 Over 5 years		
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
於二〇〇七年十二月三十一日	At 31 December 2007							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	24,905,360	—	—	—	1,354,513	26,259,873	
同業定期存放及貸款	Placements with and loans and advances to banks	326,867	2,625,056	747,846	—	—	3,699,769	
持作買賣用途之證券	Trading securities	139,898	771,390	727,565	376,273	15,578	2,030,704	
衍生金融工具	Derivative financial instruments	—	—	—	—	—	35,800	
以公平價值計入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	—	—	358,572	2,232,547	—	2,591,119	
可供出售之證券	Available-for-sale securities	488,692	882,684	346,807	—	43,214	2,031,308	
持至到期證券	Held-to-maturity securities	2,791,227	2,480,773	1,087,623	255,164	—	6,614,787	
貸款及其他賬項 (包括可回收稅項)	Advances and other accounts (including tax recoverable)	35,777,133	4,136,325	1,291,295	191,602	136,767	43,370,755	
附屬公司權益	Interests in subsidiaries	—	—	—	—	—	300,231	
共同控制實體權益	Interests in jointly controlled entities	—	41,857	23,840	—	—	31,567	
投資物業	Investment properties	—	—	—	—	—	2,324,700	
租賃土地權益	Interests in leasehold land	—	—	—	—	—	241,345	
其他物業及設備	Other properties and equipment	—	—	—	—	—	343,121	
總資產	Total assets	64,429,177	10,938,085	4,583,548	3,055,586	195,559	89,940,776	
負債	Liabilities							
同業存款	Deposits and balances from banks	777,952	15,882	76,887	—	—	312,096	
交易賬項下之負債	Trading liabilities	251,025	100,185	—	—	—	351,210	
衍生金融工具	Derivative financial instruments	—	—	—	—	—	601,692	
以公平價值計入損益賬 之金融負債	Financial liabilities designated at fair value through profit or loss	387,983	792,981	100,509	961,208	—	2,242,681	
客戶存款	Deposits from customers	56,122,745	8,447,940	3,136,416	76,819	—	3,375,247	
發行之存款證	Certificates of deposit issued	93,602	1,679,592	—	—	—	1,773,194	
其他賬項及預提 (包括遞延稅項 負債)	Other accounts and accruals (including deferred tax liabilities)	—	—	—	—	—	2,109,306	
總負債	Total liabilities	57,633,307	11,036,580	3,313,812	1,038,027	—	79,420,067	
利息敏感度差距總額	Total interest sensitivity gap	6,795,870	(98,495)	1,269,736	2,017,559	195,559		

2 金融風險管理(續) 2 Financial risk management (continued)

2.2 市場風險(續) 2.2 Market risk (continued)

(d) 利率風險(續) (d) Interest rate risk (continued)

資產及負債之利率敏感度－重定息率分析(續)

Interest sensitivity of assets and liabilities – repricing analysis (continued)

本集團

The Group

		一個月					不計息	合計
		一個月 或以下	以上至 三個月	三個月以 上至一年	一年以上 至五年	五年以上		
		Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non- interest bearing	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇六年十二月三十一日	At 31 December 2006							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	22,253,785	–	–	–	–	1,244,129	23,497,914
	Placements with and loans							
同業定期存放及貸款	and advances to banks	73,891	2,041,168	2,170,251	–	–	–	4,285,310
持作買賣用途之證券	Trading securities	38,890	1,131,889	546,710	184,582	11,685	137,447	2,051,203
衍生金融工具	Derivative financial instruments	–	–	–	–	–	26,413	26,413
	Financial assets designated							
以公平價值誌入損益賬	at fair value through							
之金融資產	profit or loss	56,954	437,171	699,194	2,206,716	45,746	–	3,445,781
可供出售之證券	Available-for-sale securities	612,968	1,249,209	192,430	757,313	82,761	803,790	3,698,471
持至到期證券	Held-to-maturity securities	1,027,257	2,238,376	619,845	453,074	15,261	–	4,353,813
貸款及其他賬項	Advances and other accounts							
(包括可回收稅項及	(including tax recoverable							
遞延稅項資產)	and deferred tax assets)	33,616,513	3,903,611	634,088	440,825	136,226	2,120,014	40,851,277
	Interests in jointly controlled							
共同控制實體權益	entities	–	–	–	–	–	140,497	140,497
聯營公司權益	Interests in associates	–	–	–	–	–	5,879	5,879
投資物業	Investment properties	–	–	–	–	–	1,966,160	1,966,160
租賃土地權益	Interests in leasehold land	–	–	–	–	–	245,516	245,516
其他物業及設備	Other properties and equipment	–	–	–	–	–	412,394	412,394
總資產	Total assets	57,680,258	11,001,424	4,862,518	4,042,510	291,679	7,102,239	84,980,628
負債	Liabilities							
同業存款	Deposits and balances from banks	588,454	5,402	–	–	–	43,321	637,177
交易賬項下之負債	Trading liabilities	553,076	598,135	59,641	597	–	–	1,211,449
衍生金融工具	Derivative financial instruments	–	–	–	–	–	284,225	284,225
	Financial liabilities designated							
以公平價值誌入損益賬	at fair value through							
之金融負債	profit or loss	739,104	1,941,970	498,028	50,991	–	–	3,230,093
客戶存款	Deposits from customers	50,840,698	7,064,779	1,847,906	106,137	–	2,849,601	62,709,121
發行之存款證	Certificates of deposit issued	173,308	1,709,320	–	–	–	–	1,882,628
其他賬項及預提	Other accounts and accruals							
(包括當期稅項及	(including current taxation							
遞延稅項負債)	and deferred tax liabilities)	–	–	–	–	–	3,644,150	3,644,150
總負債	Total liabilities	52,894,640	11,319,606	2,405,575	157,725	–	6,821,297	73,598,843
利息敏感度差距總額	Total interest sensitivity gap	4,785,618	(318,182)	2,456,943	3,884,785	291,679		

2 金融風險管理(續)

2 Financial risk management (continued)

2.2 市場風險(續)

2.2 Market risk (continued)

(d) 利率風險(續)

(d) Interest rate risk (continued)

資產及負債之利率敏感度—重定息率分析(續)

Interest sensitivity of assets and liabilities – repricing analysis (continued)

本行

The Bank

		一個月					不計息 Non- interest bearing	合計 Total
		一個月 或以下 Up to 1 month	一個月 以上至 三個月 1-3 months	三個月以 上至一年 3-12 months	一年以上 至五年 1-5 years	五年以上 五年以上 Over 5 years		
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
於二〇〇六年十二月三十一日	At 31 December 2006							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	22,138,030	—	—	—	—	1,238,286 23,376,316	
	Placements with and loans							
同業定期存放及貸款	and advances to banks	73,891	1,717,096	2,560,252	—	—	4,351,239	
持作買賣用途之證券	Trading securities	38,890	1,131,889	546,710	184,582	11,685	1,913,756	
衍生金融工具	Derivative financial instruments	—	—	—	—	—	26,570 26,570	
	Financial assets designated							
以公平價值計入損益賬	at fair value through							
之金融資產	profit or loss	—	310,707	580,158	2,034,311	—	— 2,925,176	
可供出售之證券	Available-for-sale securities	612,968	1,249,209	192,430	757,313	82,761	184,724 3,079,405	
持至到期證券	Held-to-maturity securities	1,027,257	2,235,478	550,510	324,560	—	— 4,137,805	
貸款及其他賬項	Advances and other accounts	33,551,931	3,870,651	502,591	264,835	136,226	2,234,499 40,560,733	
附屬公司權益	Interests in subsidiaries	—	—	—	—	—	300,197 300,197	
	Interests in jointly controlled							
共同控制實體權益	entities	—	—	—	—	—	57,300 57,300	
投資物業	Investment properties	—	—	—	—	—	2,021,160 2,021,160	
租賃土地權益	Interests in leasehold land	—	—	—	—	—	245,516 245,516	
其他物業及設備	Other properties and equipment	—	—	—	—	—	325,972 325,972	
總資產	Total assets	57,442,967	10,515,030	4,932,651	3,565,601	230,672	6,634,224 83,321,145	
負債	Liabilities							
同業存款	Deposits and balances from banks	704,114	5,402	—	—	—	43,321 752,837	
交易賬項下之負債	Trading liabilities	553,076	598,135	59,641	597	—	— 1,211,449	
衍生金融工具	Derivative financial instruments	—	—	—	—	—	284,225 284,225	
	Financial liabilities designated							
以公平價值計入損益賬	at fair value through							
之金融負債	profit or loss	791,879	2,030,963	508,851	88,585	—	— 3,420,278	
客戶存款	Deposits from customers	51,554,826	7,090,996	1,859,605	106,976	—	3,046,028 63,658,431	
發行之存款證	Certificates of deposit issued	173,308	1,709,320	—	—	—	— 1,882,628	
其他賬項及預提	Other accounts and accruals							
(包括當期稅項及	(including current taxation							
遞延稅項負債)	and deferred tax liabilities)	—	—	—	—	—	2,724,098 2,724,098	
總負債	Total liabilities	53,777,203	11,434,816	2,428,097	196,158	—	6,097,672 73,933,946	
利息敏感度差距總額	Total interest sensitivity gap	3,665,764	(919,786)	2,504,554	3,369,443	230,672		

2 金融風險管理(續) 2 Financial risk management (continued)

2.2 市場風險(續) 2.2 Market risk (continued)

(d) 利率風險(續) (d) Interest rate risk (continued)

下表概述貨幣金融工具中(不以公平價值誌入損益賬內)幾種主要貨幣的實際利率:

The table below summarises the effective interest rate by major currencies of monetary financial instruments not carried at fair value through profit or loss:

本集團

The Group

		港元 HK\$ %	美元 US\$ %	澳元 A\$ %	其他 Others %	合計 Total %
於二〇〇七年十二月三十一日	At 31 December 2007					
資產	Assets					
庫存現金及短期資金	Cash and short-term funds	3.30	4.97	6.78	5.84	5.36
同業定期存放及貸款	Placements with and loans and advances to banks	4.20	5.20	7.30	3.22	5.02
可供出售之證券	Available-for-sale securities	0.55	3.93	7.64	4.97	2.81
持至到期證券	Held-to-maturity securities	4.13	5.45	7.30	4.32	4.67
客戶貸款	Advances to customers	4.55	6.68	7.36	7.95	4.72
負債	Liabilities					
同業存款	Deposits and balances from banks	0.27	3.49	6.51	2.60	2.24
客戶存款	Deposits from customers	2.37	4.23	6.35	5.28	3.54
發行之存款證	Certificates of deposit issued	3.81	5.34	—	—	3.89
於二〇〇六年十二月三十一日	At 31 December 2006					
資產	Assets					
庫存現金及短期資金	Cash and short-term funds	3.53	5.16	6.19	5.11	5.18
同業定期存放及貸款	Placements with and loans and advances to banks	3.95	5.36	6.31	—	5.24
可供出售之證券	Available-for-sale securities	1.40	5.10	6.73	3.05	4.12
持至到期證券	Held-to-maturity securities	4.07	4.98	6.60	5.28	4.72
客戶貸款	Advances to customers	5.42	7.43	6.76	6.74	5.54
負債	Liabilities					
同業存款	Deposits and balances from banks	3.35	5.18	6.01	5.54	5.06
客戶存款	Deposits from customers	2.92	4.78	5.78	4.66	3.87
發行之存款證	Certificates of deposit issued	4.11	5.47	—	—	4.18

2 金融風險管理(續)

2.3 流動資金風險

流動資金風險乃指本集團未能於金融負債到期日履行其償還責任，或是客戶提取資金後未能補充資金。此可能會引致資金未能應付存戶提取的需求或貸款未能按承諾發放。本集團每天運用可動用的現金資源，以應付來自隔夜存款、活期賬戶、到期存款、貸款支付、與保證書的需求，以及來自保證金及其他現金結算衍生工具的需求。

(a) 流動資金風險管理程序

本集團已定下政策及制度以監察及控制每日流動資金狀況。財資部通過監察未來之現金量以控制本集團每日的資金營運，包括存款到期或客戶借貸之資金補充。本集團活躍於貨幣市場使之能夠實行，並且持有一系列組合之優質流動資產，於遇有緊急資金需要時能即時變現。本集團亦對資產負債表以外之現金流量活動，如貸款承諾、擔保或備用額度之或有負債作出監察作為流動資金風險管理程序的一部份。財資部亦會經常檢查流動資金來源，以維持貨幣、地域、提供者、產品及條款都能多樣化。

本集團有制定流動資金比率、貸存比率及到期錯配金額之限額，以確保本集團有能力應付其資金需求。所有限額均由常務董事會核准。實際風險水平與核定限額之比較和監察，則由資產負債管理委員會執行。本集團亦定期對在正常業務運作、機構特殊危機及一般市場危機情況下作出壓力狀況分析。流動資金管理程序須定期向常務董事會及董事會報告。

(b) 到期分析

下頁表格按資產負債表日至合約到期日餘下期間分析本集團之資產與負債。

2 Financial risk management (continued)

2.3 Liquidity risk

Liquidity risk is the risk that the Group is unable to meet its payment obligations associated with its financial liabilities when they fall due and to replace funds when they are withdrawn. The consequence may be the failure to meet obligations to repay depositors and fulfill commitments to lend. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, matured deposits, loan draw-downs and guarantees, and from margin and other calls on cash-settled derivatives.

(a) Liquidity risk management process

The Group has established policies and systems to monitor and control its liquidity position on a daily basis. The Treasury Department manages the Group's day-to-day funding by monitoring future cash flow to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers. The Group maintains an active presence in money markets to enable this to happen and a portfolio of high quality liquid assets that can easily be liquidated to meet emergency funding needs. The Group also monitors the off-balance sheet cash flow activities, such as loan commitments, contingent liabilities under guarantees and standby facilities received, as part of its liquidity risk management process. Sources of liquidity are regularly reviewed by the Treasury Department to maintain diversification in currency, geography, provider, product and term.

Limits for liquidity ratio, loan-to-deposit ratio and maturity mismatch amount have been set to ensure that the Group is able to meet its funding requirements. All limits are approved by the Executive Committee. Actual positions are compared with the approved limits and monitored by the Asset and Liability Management Committee. Stress scenario analysis for normal business conditions, an institution-specific crisis and a general market crisis are also conducted on a regular basis to assess the liquidity risk of the Group. The liquidity management process is regularly reported to the Executive Committee and the Board of Directors.

(b) Maturity analysis

The tables on the following pages analyse the Group's assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

2 金融風險管理(續) 2 Financial risk management (continued)

2.3 流動資金風險(續) 2.3 Liquidity risk (continued)

(b) 到期分析(續) (b) Maturity analysis (continued)

本集團	The Group						無註明日期	合計	
		即時償還	一個月或以上	三個月以上至一年	一年至五年	五年以上			
		Repayable on demand	Up to 1 month	1 – 3 months	3 – 12 months	1 – 5 years	Over 5 years	Undated	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇七年十二月三十一日	At 31 December 2007								
資產	Assets								
庫存現金及短期資金	Cash and short-term funds	1,584,485	24,799,750	–	–	–	–	–	26,384,235
同業定期存放及貸款	Placements with and loans and advances to banks	–	–	2,642,478	548,959	411,471	–	–	3,602,908
持作買賣用途之證券	Trading securities	–	139,899	618,414	777,591	479,222	15,578	188,137	2,218,841
衍生金融工具	Derivative financial instruments	–	14,798	6,455	1,301	13,259	–	–	35,813
以公平價值計入損益賬之金融資產	Financial assets designated at fair value through profit or loss	–	–	4,415	215,573	2,668,642	46,173	–	2,934,803
可供出售之證券	Available-for-sale securities	–	90,631	–	415,965	1,105,106	149,695	1,478,911	3,240,308
持至到期證券	Held-to-maturity securities	–	2,467,461	1,216,525	1,365,505	1,686,504	147,984	–	6,883,979
貸款及其他賬項 (包括可回收稅項及遞延稅項資產)	Advances and other accounts (including tax recoverable and deferred tax assets)	1,479,580	2,292,494	2,351,917	5,427,110	17,815,627	14,688,961	540,996	44,596,685
共同控制實體權益	Interests in jointly controlled entities	–	–	–	5,267	65,697	–	153,054	224,018
聯營公司權益	Interests in associates	–	–	–	–	–	–	6,184	6,184
投資物業	Investment properties	–	–	–	–	–	–	2,254,600	2,254,600
租賃土地權益	Interests in leasehold land	–	–	–	–	–	–	241,345	241,345
其他物業及設備	Other properties and equipment	–	–	–	–	–	–	424,420	424,420
總資產	Total assets	3,064,065	29,805,033	6,840,204	8,757,271	24,245,528	15,048,391	5,287,647	93,048,139
負債	Liabilities								
同業存款	Deposits and balances from banks	287,508	776,772	15,882	76,887	–	–	–	1,157,049
交易賬項下之負債	Trading liabilities	–	251,025	100,185	–	–	–	–	351,210
衍生金融工具	Derivative financial instruments	–	13,511	6,707	38,615	542,859	–	–	601,692
以公平價值計入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	–	–	220,013	734,765	1,204,250	–	–	2,159,028
客戶存款	Deposits from customers	21,397,045	37,432,331	8,444,181	3,132,131	75,670	–	–	70,481,358
發行之存款證	Certificates of deposit issued	–	–	–	1,388,432	384,762	–	–	1,773,194
其他賬項及預提 (包括當期稅項及遞延稅項負債)	Other accounts and accruals (including current taxation and deferred tax liabilities)	553,318	1,439,180	182,371	534,548	577,218	470,958	286,912	4,044,505
總負債	Total liabilities	22,237,871	39,912,819	8,969,339	5,905,378	2,784,759	470,958	286,912	80,568,036
流動資金差距淨額	Net liquidity gap	(19,173,806)	(10,107,786)	(2,129,135)	2,851,893	21,460,769	14,577,433	5,000,735	12,480,103

2 金融風險管理(續) 2 Financial risk management (continued)

2.3 流動資金風險(續) 2.3 Liquidity risk (continued)

(b) 到期分析(續) (b) Maturity analysis (continued)

本行	The Bank	即時償還	一個月	三個月	一年	五年	無註明日期	合計
			一個月或以下	以上至三個月	以上至一年			
Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total	
HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
於二〇〇七年十二月三十一日	At 31 December 2007							
資產	Assets							
庫存現金及短期資金	Cash and short-term funds	1,579,205	24,680,668	-	-	-	-	26,259,873
同業定期存放及貸款	Placements with and loans and advances to banks	-	-	2,569,339	718,959	411,471	-	3,699,769
持作買賣用途之證券	Trading securities	-	139,899	618,414	777,591	479,222	15,578	2,030,704
衍生金融工具	Derivative financial instruments	-	14,750	6,490	1,301	13,259	-	35,800
以公平價值誌入	Financial assets designated at fair value through profit or loss	-	-	-	159,254	2,431,865	-	2,591,119
損益賬之金融資產	Available-for-sale securities	-	90,631	-	415,965	1,105,106	149,695	2,031,308
可供出售之證券	Held-to-maturity securities	-	2,467,461	1,208,528	1,319,972	1,493,562	125,264	6,614,787
持至到期證券	Advances and other accounts (including tax recoverable)	1,561,993	1,682,666	2,272,901	5,135,250	17,590,188	14,681,648	446,109
貸款及其他賬項	Interests in subsidiaries	-	-	-	-	-	-	300,231
(包括可回收稅項)	Interests in jointly controlled entities	-	-	-	5,267	65,697	-	26,300
附屬公司權益	Investment properties	-	-	-	-	-	-	2,324,700
共同控制實體權益	Interests in leasehold land	-	-	-	-	-	-	241,345
投資物業	Other properties and equipment	-	-	-	-	-	-	343,121
租賃土地權益	Total assets	3,141,198	29,076,075	6,675,672	8,533,559	23,590,370	14,972,185	3,951,717
其他物業及設備								89,940,776
總資產								
負債	Liabilities							
同業存款	Deposits and balances from banks	313,276	776,772	15,882	76,887	-	-	1,182,817
交易賬項下之負債	Trading liabilities	-	251,025	100,185	-	-	-	351,210
衍生金融工具	Derivative financial instruments	-	13,511	6,707	38,615	542,859	-	601,692
以公平價值誌入	Financial liabilities designated at fair value through profit or loss	-	-	234,316	782,167	1,226,198	-	2,242,681
損益賬之金融負債	Deposits from customers	21,737,289	37,760,703	8,447,940	3,136,416	76,819	-	71,159,167
客戶存款	Certificates of deposit issued	-	-	-	1,388,432	384,762	-	1,773,194
發行之存款證	Other accounts and accruals (including deferred tax liabilities)	541,469	832,792	93,545	160,708	18,698	450,182	11,912
其他賬項及預提	Total liabilities	22,592,034	39,634,803	8,898,575	5,583,225	2,249,336	450,182	11,912
(包括遞延稅項負債)								79,420,067
總負債								
流動資金差距淨額	Net liquidity gap	(19,450,836)	(10,558,728)	(2,222,903)	2,950,334	21,341,034	14,522,003	3,939,805
								10,520,709

2 金融風險管理(續) 2 Financial risk management (continued)

2.3 流動資金風險(續) 2.3 Liquidity risk (continued)

(b) 到期分析(續) (b) Maturity analysis (continued)

本集團	The Group							無註明日期	合計
		即時償還	一個月或以上	一個月以上至三個月	三個月以上至一年	一年以上至五年	五年以上		
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇六年十二月三十一日	At 31 December 2006								
資產	Assets								
庫存現金及短期資金	Cash and short-term funds	1,204,718	22,293,196	-	-	-	-	-	23,497,914
	Placements with and loans								
同業定期存放及貸款	and advances to banks	-	-	1,985,611	2,155,806	143,893	-	-	4,285,310
持作買賣用途之證券	Trading securities	-	-	1,081,906	546,710	234,567	50,573	137,447	2,051,203
衍生金融工具	Derivative financial instruments	-	2,179	3,781	5,632	9,641	5,180	-	26,413
以公平價值誌入	Financial assets designated at								
損益賬之金融資產	fair value through profit or loss	-	-	142,455	1,152,521	2,098,452	52,353	-	3,445,781
可供出售之證券	Available-for-sale securities	-	101,012	275,283	432,695	1,955,481	130,210	803,790	3,698,471
持至到期證券	Held-to-maturity securities	-	592,694	1,019,151	821,845	1,829,352	90,771	-	4,353,813
貸款及其他賬項	Advances and other accounts								
(包括可回收稅項及遞延稅項資產)	(including tax recoverable and deferred tax assets)	1,624,070	1,306,487	1,951,919	5,427,623	15,259,048	14,665,158	616,972	40,851,277
	Interests in jointly controlled								
共同控制實體權益	entities	-	-	-	-	-	-	140,497	140,497
聯營公司權益	Interests in associates	-	-	-	-	-	-	5,879	5,879
投資物業	Investment properties	-	-	-	-	-	-	1,966,160	1,966,160
租賃土地權益	Interests in leasehold land	-	-	-	-	-	-	245,516	245,516
其他物業及設備	Other properties and equipment	-	-	-	-	-	-	412,394	412,394
總資產	Total assets	2,828,788	24,295,568	6,460,106	10,542,832	21,530,434	14,994,245	4,328,655	84,980,628
負債	Liabilities								
同業存款	Deposits and balances from banks	78,627	553,148	5,402	-	-	-	-	637,177
交易賬項下之負債	Trading liabilities	-	553,076	598,135	59,641	597	-	-	1,211,449
衍生金融工具	Derivative financial instruments	-	3,335	4,146	158,883	117,861	-	-	284,225
以公平價值誌入	Financial liabilities designated at								
損益賬之金融負債	fair value through profit or loss	-	739,104	1,378,151	825,445	287,393	-	-	3,230,093
客戶存款	Deposits from customers	18,607,387	35,072,522	7,075,169	1,847,906	106,137	-	-	62,709,121
發行之存款證	Certificates of deposit issued	-	-	149,986	179,937	1,552,705	-	-	1,882,628
其他賬項及預提	Other accounts and accruals								
(包括當期稅項及遞延稅項負債)	(including current taxation and deferred tax liabilities)	362,404	1,326,440	196,526	490,128	565,932	405,163	297,557	3,644,150
總負債	Total liabilities	19,048,418	38,247,625	9,407,515	3,561,940	2,630,625	405,163	297,557	73,598,843
流動資金差距淨額	Net liquidity gap	(16,219,630)	(13,952,057)	(2,947,409)	6,980,892	18,899,809	14,589,082	4,031,098	11,381,785

2 金融風險管理(續) 2 Financial risk management (continued)

2.3 流動資金風險(續) 2.3 Liquidity risk (continued)

(b) 到期分析(續) (b) Maturity analysis (continued)

本行	The Bank							無註明日期	合計
		即時償還	一個月或以上	一個月以上至三個月	三個月以上至一年	一年以上至五年	五年以上		
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇六年十二月三十一日	At 31 December 2006								
資產	Assets								
庫存現金及短期資金	Cash and short-term funds	1,198,874	22,177,442	-	-	-	-	-	23,376,316
	Placements with and loans								
同業定期存放及貸款	and advances to banks	-	-	1,661,539	2,545,807	143,893	-	-	4,351,239
持作買賣用途之證券	Trading securities	-	-	1,081,906	546,710	234,567	50,573	-	1,913,756
衍生金融工具	Derivative financial instruments	-	2,267	3,849	5,632	9,642	5,180	-	26,570
以公平價值誌入	Financial assets designated at								
損益賬之金融資產	fair value through profit or loss	-	-	124,034	1,087,398	1,713,744	-	-	2,925,176
可供出售之證券	Available-for-sale securities	-	101,012	275,283	432,695	1,955,481	130,210	184,724	3,079,405
持至到期證券	Held-to-maturity securities	-	592,694	1,016,253	752,510	1,700,837	75,511	-	4,137,805
貸款及其他賬項	Advances and other accounts	1,728,118	1,642,817	1,865,584	5,129,585	15,021,063	14,676,072	497,494	40,560,733
附屬公司權益	Interests in subsidiaries	-	-	-	-	-	-	300,197	300,197
	Interests in jointly controlled								
共同控制實體權益	entities	-	-	-	-	-	-	57,300	57,300
投資物業	Investment properties	-	-	-	-	-	-	2,021,160	2,021,160
租賃土地權益	Interests in leasehold land	-	-	-	-	-	-	245,516	245,516
其他物業及設備	Other properties and equipment	-	-	-	-	-	-	325,972	325,972
總資產	Total assets	2,926,992	24,516,232	6,028,448	10,500,337	20,779,227	14,937,546	3,632,363	83,321,145
負債	Liabilities								
同業存款	Deposits and balances from banks	124,286	623,148	5,403	-	-	-	-	752,837
交易賬項下之負債	Trading liabilities	-	553,076	598,135	59,641	597	-	-	1,211,449
衍生金融工具	Derivative financial instruments	-	3,335	4,146	158,883	117,861	-	-	284,225
以公平價值誌入	Financial liabilities designated at								
損益賬之金融負債	fair value through profit or loss	-	791,879	1,475,986	863,350	289,063	-	-	3,420,278
客戶存款	Deposits from customers	18,859,884	35,730,579	7,101,387	1,859,605	106,976	-	-	63,658,431
發行之存款證	Certificates of deposit issued	-	-	149,986	179,937	1,552,705	-	-	1,882,628
其他賬項及預提	Other accounts and accruals								
(包括當期稅項及遞延稅項負債)	(including current taxation and deferred tax liabilities)	353,943	1,671,218	113,835	137,297	34,343	393,841	19,621	2,724,098
總負債	Total liabilities	19,338,113	39,373,235	9,448,878	3,258,713	2,101,545	393,841	19,621	73,933,946
流動資金差距淨額	Net liquidity gap	(16,411,121)	(14,857,003)	(3,420,430)	7,241,624	18,677,682	14,543,705	3,612,742	9,387,199

2 金融風險管理 (續)**2.3 流動資金風險 (續)****(b) 到期分析 (續)**

資產與負債的到期日和利率的相配和受控下的錯配對本集團的管理層至關重要。由於所敘做的業務期限經常不確定，且類型也不盡相同，因此要做到完全相配情況並不普遍。不相配的情況既可能提高盈利能力，也可能增加虧損風險。

資產與負債的到期日相配和以可接受的成本取代到期計息負債的能力，是評估本集團流動資金狀況及其利率和外匯變動風險的重要因素。

應付保證書和信用證項下所需款項的流動資金需求遠少於承諾的金額，因為本集團一般不預期第三者會根據該等協議動用有關資金。由於很多信貸承諾在毋須動用資金下已告屆滿或終止，因此提供信貸承擔的尚未償付合同總金額未必等同日後的現金需求。

(c) 合約到期日之未折現現金流量

下頁表格分析本集團於資產負債表日至合約到期日的非衍生金融負債和衍生金融負債按剩餘到期日的現金流出金額。鑑於本集團乃根據預測的未經折現現金流量來管理內在流動資金風險，在表格內所披露之數據為協定之未經折現的現金流量。

2 Financial risk management (continued)**2.3 Liquidity risk (continued)****(b) Maturity analysis (continued)**

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities is fundamental to the management of the Group. It is unusual for banks to be completely matched, as transacted business is often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and currency risks.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

(c) Undiscounted cash flows by contractual maturities

The tables on the following pages analyse the cash flow payable by the Group in respect of non-derivative financial liabilities and derivative financial instruments by remaining contractual maturities at the balance sheet date. The amounts disclosed in the tables are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash flows.

2 金融風險管理(續)

2 Financial risk management (continued)

2.3 流動資金風險(續)

2.3 Liquidity risk (continued)

(c) 合約到期日之未折現現金流量(續) (c) Undiscounted cash flows by contractual maturities (continued)

本集團	The Group							無註明日期	合計
		即時償還	一個月或以上	三個月以上	一年以上	五年以上	五年以上		
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇七年十二月三十一日	At 31 December 2007								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	21,400,943	37,606,503	8,548,223	3,229,716	81,735	-	-	70,867,120
同業存款	Deposits and balances from banks	287,508	777,638	16,118	79,240	-	-	-	1,160,504
交易賬項下之負債	Trading liabilities	-	274,725	100,609	-	-	-	-	375,334
以公平價值計入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	3,501	238,169	791,295	1,233,450	-	-	2,266,415
發行之存款證	Certificates of deposit issued	-	1,250	15,985	1,428,170	398,171	-	-	1,843,576
其他負債	Other liabilities	550,459	1,328,354	121,949	508,275	575,670	470,958	286,912	3,842,577
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	1,701,543	596,579	28,206	22,566	-	-	2,348,894
		22,238,910	41,693,514	9,637,632	6,064,902	2,311,592	470,958	286,912	82,704,420
於二〇〇六年十二月三十一日	At 31 December 2006								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	18,611,974	35,184,277	7,108,640	1,912,428	113,589	-	-	62,930,908
同業存款	Deposits and balances from banks	78,627	554,254	5,462	-	-	-	-	638,343
交易賬項下之負債	Trading liabilities	-	553,500	600,509	60,527	609	-	-	1,215,145
以公平價值計入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	748,597	1,410,086	850,454	305,672	-	-	3,314,809
發行之存款證	Certificates of deposit issued	-	2,118	167,547	233,336	1,613,152	-	-	2,016,153
其他負債	Other liabilities	360,214	1,213,846	116,856	462,673	564,545	405,163	297,557	3,420,854
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	2,567,975	602,054	58,579	41,905	-	-	3,270,513
		19,050,815	40,824,567	10,011,154	3,577,997	2,639,472	405,163	297,557	76,806,725

2 金融風險管理(續)

2 Financial risk management (continued)

2.3 流動資金風險(續)

2.3 Liquidity risk (continued)

(c) 合約到期日之未折現現金流量(續) (c) Undiscounted cash flows by contractual maturities (continued)

本行	The Bank							無註明日期	合計
		即時償還	一個月或以下	一個月以上至三個月	三個月以上至一年	一年以上至五年	五年以上		
		Repayable on demand	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Undated	Total
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
於二〇〇七年十二月三十一日	At 31 December 2007								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	21,741,188	37,935,761	8,552,153	3,234,182	82,884	-	-	71,546,168
同業存款	Deposits and balances from banks	313,275	777,638	16,118	79,240	-	-	-	1,186,271
交易賬項下之負債	Trading liabilities	-	274,725	100,609	-	-	-	-	375,334
以公平價值計入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	3,934	252,919	840,041	1,255,620	-	-	2,352,514
發行之存款證	Certificates of deposit issued	-	1,250	15,985	1,428,170	398,171	-	-	1,843,576
其他負債	Other liabilities	538,610	721,520	32,688	134,212	17,150	450,182	11,912	1,906,274
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	1,701,543	596,579	28,206	22,566	-	-	2,348,894
		<u>22,593,073</u>	<u>41,416,371</u>	<u>9,567,051</u>	<u>5,744,051</u>	<u>1,776,391</u>	<u>450,182</u>	<u>11,912</u>	<u>81,559,031</u>
於二〇〇六年十二月三十一日	At 31 December 2006								
非衍生現金流量負債	Non-derivative cash flow liabilities								
客戶存款	Deposits from customers	18,864,472	35,887,378	7,187,237	1,924,501	114,493	-	-	63,978,081
同業存款	Deposits and balances from banks	124,286	624,254	5,462	-	-	-	-	754,002
交易賬項下之負債	Trading liabilities	-	553,500	600,509	60,527	609	-	-	1,215,145
以公平價值計入損益賬之金融負債	Financial liabilities designated at fair value through profit or loss	-	802,543	1,509,343	888,802	307,434	-	-	3,508,122
發行之存款證	Certificates of deposit issued	-	2,118	167,547	233,336	1,613,152	-	-	2,016,153
其他負債	Other liabilities	351,753	1,557,410	33,865	109,679	32,928	393,841	19,621	2,499,097
衍生現金流量	Derivative cash flow								
衍生金融工具	Derivative financial instruments	-	2,627,788	602,054	58,579	41,905	-	-	3,330,326
		<u>19,340,511</u>	<u>42,054,991</u>	<u>10,106,017</u>	<u>3,275,424</u>	<u>2,110,521</u>	<u>393,841</u>	<u>19,621</u>	<u>77,300,926</u>

2 金融風險管理(續)

2.3 流動資金風險(續)

(d) 資產負債表以外項目

本集團

於二〇〇七年十二月三十一日

放款承擔
擔保書、授信證及
其他金融設施
— 授信證

— 擔保書及備用信用狀

— 信用狀
信貸違責掉期
營業租約承擔
資本承擔

合計

2 Financial risk management (continued)

2.3 Liquidity risk (continued)

(d) Off-balance sheet items

The Group

As at 31 December 2007

Loan commitments
Guarantees, acceptances and
other financial facilities
— Acceptances
— Guarantees and standby
letters of credit
— Documentary and
commercial letters of credit
Credit default swap
Operating lease commitments
Capital commitments

Total

	一年或以下 Not later than 1 year HK\$'000	一年以上 至五年 1-5 years HK\$'000	合計 Total HK\$'000
	21,844,563	—	21,844,563
	144,496	—	144,496
	432,063	—	432,063
	265,532	—	265,532
	317,025	—	317,025
	23,649	24,199	47,848
	33,840	80	33,920
	<u>23,061,168</u>	<u>24,279</u>	<u>23,085,447</u>

於二〇〇六年十二月三十一日

放款承擔
擔保書、授信證及
其他金融設施
— 授信證

— 擔保書及備用信用狀

— 信用狀
信貸違責掉期
營業租約承擔
資本承擔

合計

As at 31 December 2006

Loan commitments
Guarantees, acceptances and
other financial facilities
— Acceptances
— Guarantees and standby
letters of credit
— Documentary and
commercial letters of credit
Credit default swap
Operating lease commitments
Capital commitments

Total

	16,660,174	—	16,660,174
	153,537	—	153,537
	378,868	—	378,868
	265,056	—	265,056
	418,404	—	418,404
	8,403	5,623	14,026
	15,041	—	15,041
	<u>17,899,483</u>	<u>5,623</u>	<u>17,905,106</u>

2 金融風險管理(續)

2.3 流動資金風險(續)

(d) 資產負債表以外項目(續)

本行

於二〇〇七年十二月三十一日

放款承擔
擔保書、授信證及
其他金融設施
— 授信證

— 擔保書及備用信用狀

— 信用狀
信貸違責掉期
營業租約承擔
資本承擔

合計

2 Financial risk management (continued)

2.3 Liquidity risk (continued)

(d) Off-balance sheet items (continued)

The Bank

As at 31 December 2007

Loan commitments
Guarantees, acceptances and
other financial facilities
— Acceptances
— Guarantees and standby
letters of credit
— Documentary and
commercial letters of credit
Credit default swap
Operating lease commitments
Capital commitments

Total

	一年或以下 Not later than 1 year HK\$'000	一年以上 至五年 1-5 years HK\$'000	合計 Total HK\$'000
	21,982,093	—	21,982,093
	144,496	—	144,496
	432,063	—	432,063
	265,532	—	265,532
	156,008	—	156,008
	22,654	23,005	45,659
	29,178	80	29,258
	<u>23,032,024</u>	<u>23,085</u>	<u>23,055,109</u>

於二〇〇六年十二月三十一日

放款承擔
擔保書、授信證及
其他金融設施
— 授信證

— 擔保書及備用信用狀

— 信用狀
信貸違責掉期
營業租約承擔
資本承擔

合計

As at 31 December 2006

Loan commitments
Guarantees, acceptances and
other financial facilities
— Acceptances
— Guarantees and standby
letters of credit
— Documentary and
commercial letters of credit
Credit default swap
Operating lease commitments
Capital commitments

Total

	16,755,275	—	16,755,275
	153,537	—	153,537
	378,868	—	378,868
	265,056	—	265,056
	225,563	—	225,563
	8,403	5,623	14,026
	14,417	—	14,417
	<u>17,801,119</u>	<u>5,623</u>	<u>17,806,742</u>

2 金融風險管理(續)

2.4 營運風險

營運風險指因內部程序不完善或失效、人為過失、系統故障或由外來事故引致損失的風險。

本集團訂立營運風險管理架構以識別、量度、監控及控制營運風險。由常務董事會核准之營運風險管理政策，已界定各委員會、業務單位及支援部門的職責，以多樣工具包括自我控制評估、危機事項管理及以主要風險指標來促進對營運風險的量度及評估。本集團亦依靠各營業單位的內部監控機制，加上內部審核環節管理及控制營運風險。

本集團之內部監控系統乃由建立完善之組織架構、詳盡的政策及標準所組成。董事會所期望之職能、責任及誠信已清楚地列明於政策文件上。每個業務及操作單位的權限及責任亦清楚列明，確保有足夠之查核及平衡。內部監控機程序包括風險評估、職能分工、使用權限、培訓及定期核實以及核對交易及賬戶之資料。

風險評估範圍亦包括外判、新產品及新系統之履行。持續業務計劃之訂立，減低系統故障或自然災害對業務運作之影響及干擾。此外，本集團已購有足夠的保險以覆蓋合理程度的營運風險。

風險管理委員會負責定期對營運風險情況進行檢討，本集團之內部稽核功能在營運風險架構裏亦十分重要。透過對所有業務及操作功能的定期及深入的審核，為董事會提供客觀證據，確保穩健內部監控系統的維持及操作已依從既定的程序及準則。

2.5 金融資產及負債之公平價值

在市場上交易活躍的金融工具(如公開買賣之衍生工具與持作買賣用途及可供出售之證券)，其公平價值乃根據結算當日市場價格而計算。本集團持有之金融資產以市場買價為市值報價；而金融負債則以市場賣價作為合適之市值報價。

2 Financial risk management (continued)

2.4 Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events.

The Group has established operational risk management framework to identify, measure, monitor and control operational risk. The Operational Risk Management Policy, approved by the Executive Committee, defines responsibilities of various committees, business units and supporting departments and encompasses various tools including control self-assessment, risk event management and key risk indicator to facilitate measurement and assessment of operational risk. The Group also relies on internal control mechanisms within the business lines, supplemented by the internal audit function to manage and control operational risk.

The internal control system of the Group comprises a well-established organisational structure and comprehensive policies and standards. The Board's expectations regarding duty, responsibility and integrity are clearly spelled out in formal policy statements. The lines of authority and responsibilities of each business and operational unit have been clearly defined to ensure adequate checks and balances. Procedures including risk assessments, segregation of duties, use of limit, training and regular verification and reconciliation of transactions and accounts are used in the internal control mechanism.

Risk assessment will be conducted on the outsourcing services, new products and new system implementation. Business continuity plans are in place to mitigate the impact and interruptions to business activities caused by system failure or natural disaster. Adequate insurance is made to cover a reasonable extent of operational risk.

The Risk Management Committee is responsible for regular review of the operational risk profile and the Group's internal audit function plays an important role in the Group's operational risk framework. It provides an objective assurance to the Board that a sound internal control system is maintained and operated in compliance with the established processes and standards through regular and comprehensive audits on all business and operational functions.

2.5 Fair value of financial assets and liabilities

The fair value of financial instruments traded in an active market (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

2 金融風險管理(續)

2.5 金融資產及負債之公平價值(續)

未有在活躍市場上交易的金融工具(如通過櫃台交易之衍生工具)，其公平價值乃透過估值決定。本集團根據於結算當日存在之市場情況，採用各種方法作出估計。其他技術如估計現金流量折算法，則用以釐定其餘金融工具的公平價值。利率掉期之公平價值則以預計未來現金流量之現值計算。外匯遠期合約則按結算日之市場外幣遠期兌換率釐定。

未於本集團資產負債表內按公平價值呈列之金融資產及負債之公平價值估計如下：

(a) 同業存放及貸款

存放同業的浮息存款和隔夜錢存款的公平價值即其賬面值。固定利率存款(存款期通常少於一年)的估計公平價值，是基於貼現現金流量按具同類信貸風險和剩餘到期日債務的通行貨幣市場利率計算。因此，公平價值約等於其賬面值。

(b) 貸款及其他賬項

貸款及其他賬項在扣除減值撥備後列賬。除小部份外，絕大部份客戶貸款均以浮動利率計息。本集團計算客戶貸款及商業票據之公平價值時已考慮相關之市場利率，並注意到公平價值總額與賬面值總額並無重大差別。

(c) 同業存款及客戶存款

同業存款及客戶存款(未註明到期日，包括不帶利息之存款)的估計公平價值為即時償還的金額。該等浮息結餘的公平價值即其賬面值。

定息同業存款及客戶存款而無市場報價，其估計公平價值是基於貼現現金流量按具同類剩餘到期日的新債務利率計算。由於該等結餘期限通常少於一年，因此，其公平價值約等於其賬面值。

2 Financial risk management (continued)

2.5 Fair value of financial assets and liabilities (continued)

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

The fair values of financial assets and liabilities not presented at fair value in the Group's balance sheet are estimated as follows:

(a) Balances, placement with and loans and advances to banks

The fair value of floating rate placements and overnight deposits is their carrying amounts. The estimated fair value of fixed interest bearing deposits, which is normally less than one year, is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Therefore the fair value is approximately equal to its carrying value.

(b) Advances and other accounts

Advances and other accounts are net of allowances for impairment. All except a very insignificant portion of loans and advances to customers bear interest at a floating rate. The Group has assessed the fair value of advances to customers and trade bills, after taking into account the relevant market interest rates and noted that the total fair value is not materially different from the total carrying value.

(c) Deposits and balances from banks and customers

The estimated fair value of deposits and balances with no stated maturity, which include non-interest bearing deposits, is the amount repayable on demand. The fair value of those balances having an interest at a floating rate is their carrying value.

The estimated fair value of fixed interest-bearing deposits from banks and deposits from customers without quoted market price is based on discounted cash flows using interest rates for new debts with similar remaining maturity. As they are normally less than one year, their fair values are approximately equal to their carrying values.

2 金融風險管理(續)

2.5 金融資產及負債之公平價值(續)

(d) 發行之存款證

發行之存款證公平價值乃根據市場上公開報價。若未能得到公開報價，以類似其尚餘年期之近期交易所用的息率以貼現現金模式計算其公平價值。本集團計算發行之存款證之公平價值時已考慮相關之市場利率，並注意到公平價值總額與賬面值總額並無重大差別。

(e) 其他賬項及預提

其他賬項及預提一般為不帶利息之結餘，因此，其公平價值為其賬面值。

除上述資產負債表項目外，下表概述未於本集團資產負債表內按公平價值呈列的有關金融資產和負債的賬面值和公平價值。

本集團

金融資產

持至到期證券

本行

金融資產

持至到期證券

持至到期證券之公平價值是根據市價或經紀/經銷商之報價。若未能得到此等資料，則參考有類似信用、年期及回報率之證券的公開市價作為公平價值。

2 Financial risk management (continued)

2.5 Fair value of financial assets and liabilities (continued)

(d) Certificates of deposit issued

The fair value of certificates of deposit issued is based on quoted market prices. For those where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity. The Group has assessed the fair value of certificates of deposit after taking into account the relevant yield curve and noted that the total fair value is not materially different from the total carrying value.

(e) Other accounts and accruals

The estimated fair value of other accounts and accruals, which are normally non-interest bearing balances, is their carrying value.

Except for the above balance sheet items, the following table summarises the carrying amounts and fair values of other financial assets and liabilities not presented on the Group's balance sheet at their fair value.

The Group

	賬面值		公平價值	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
Financial assets				
Held-to-maturity securities	6,883,979	4,353,813	6,893,695	4,370,148

The Bank

	賬面值		公平價值	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
Financial assets				
Held-to-maturity securities	6,614,787	4,137,805	6,624,446	4,154,948

Fair value for held-to-maturity securities is based on market prices or broker/dealer price quotations. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

2 金融風險管理(續)

2.6 資本管理

本集團對資本管理之目的如下：

- 遵從香港《銀行業條例》當中《銀行業(資本)規則》的資本要求；
- 保證本集團之持續營運能力可以持續提供股東之回報及其他外在關係者之利益；
- 維持本集團之穩定及發展；及
- 維持強大資本基礎以支持業務發展。

香港《銀行業條例》要求各銀行或銀行集團維持法定資本對風險比重資產的比率(資本充足比率)不少於百分之八。本集團之附屬公司亦需符合其他法定機構如證券及期貨事務監察委員會和保險業監理處之法定資本要求。

風險比重資產乃根據《銀行業(資本)規則》所規定的風險比重等級制度而計算，是根據每一資產及交易對手之性質及其聯繫着的估計信貸、市場及其他風險，並已考慮合格的抵押品及擔保在內。資產負債表以外之風險計算類同，再加上一些調整以反映其為或然之損失。

本集團之管理層須每日監控資本足夠與否及資本的用途。本集團引用內部定立的資本充足觸發比率作為資本充足管理之指標，該比率比最低法定資本充足比率之要求為高。除此之外，本集團亦會對新產品、新投資及其他重要交易評估其對資本充足比率之影響。

下列表格簡述於十二月三十一日年結日各比率及本集團法定資本之組成。於這兩年裏，本集團內所有公司及本集團已遵從所有由香港金融管理局所訂定之要求。

資本比率

- 資本充足比率
- 核心資本比率

2 Financial risk management (continued)

2.6 Capital management

The Group's objectives when managing capital are as follows:

- To comply with the capital requirements under the Banking (Capital) Rule of the Hong Kong Banking Ordinance;
- To safeguard the Group's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To support the Group's stability and growth; and
- To maintain a strong capital base to support the development of its business.

The Hong Kong Banking Ordinance requires each bank or banking group to maintain a ratio of total regulatory capital to the risk-weighted assets (the capital adequacy ratio) at or above the minimum of 8%. Subsidiaries of the Group are also subject to statutory capital requirements from other regulatory authorities, such as Securities and Futures Commission and Office of the Commissioner of Insurance.

The risk-weighted assets are measured by means of a hierarchy of risk weights as defined in the Banking (Capital) Rules according to the nature of and reflecting an estimate of credit, market and other risks associated with each asset and counterparty, taking into account any eligible collateral or guarantees. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

Capital adequacy and the use of capital are monitored daily by the Group's management. The Group applies an internal trigger capital adequacy ratio which is well above the minimum statutory requirement as an indicator for managing the capital adequacy. In addition, the Group will assess the impact on its capital adequacy ratio when there are new products, new investments or any significant transactions.

The table below summarises the ratios and the composition of regulatory capital of the Group for the year ended 31 December. During those two years, the individual entities within the Group and the Group complied with all of the externally imposed capital requirements set by the HKMA.

	2007	2006
Capital ratios		
— Capital adequacy ratio	14.7%	16.0%
— Core capital ratio	12.3%	14.2%

2 金融風險管理(續)

2.6 資本管理(續)

用於計算上述十二月三十一日之資本比率的資本基礎減除扣減項目分析如下：

核心資本：
繳足股款的普通股本
儲備
損益賬
扣除：遞延稅項資產
核心資本
減：核心資本的扣減項目
扣減項目後的核心資本總額
附加資本：
因按公平價值重估持有土地及樓宇而產生收益的儲備
因按公平價值重估持有可供出售股權證券及債務證券而產生收益的儲備
因按公平價值重估以公平價值誌入損益賬之股權證券及債務證券而產生之未實現收益
一般銀行業風險的法定儲備
綜合評估減值準備
附加資本
減：附加資本的扣減項目
扣減項目後的附加資本總額
減：總資本基礎的扣減項目
扣減項目後的資本基礎總額

2 Financial risk management (continued)

2.6 Capital management (continued)

The capital base after deductions used in the calculation of the above capital ratios as at 31 December is analysed as follows:

	2007 HK\$'000	2006 HK\$'000
Core capital:		
Paid up ordinary share capital	1,160,951	1,160,951
Reserves	5,722,608	5,744,957
Profit and loss account	177,665	16,780
Less: Deferred tax assets	(6,799)	–
Core capital	7,054,425	6,922,688
Less: Deductions from core capital	(352,541)	–
Total core capital after deductions	6,701,884	6,922,688
Supplementary capital:		
Reserves attributable to fair value gains on revaluation of holdings of land and buildings	824,416	824,416
Reserves attributable to fair value gains on revaluation of holdings of available-for-sale equities and debt securities	45,291	53,406
Unrealised fair value gains arising from holdings of equities and debt securities designated at fair value through profit or loss	198,408	–
Regulatory reserve for general banking risks	509,086	281,826
Collective impairment allowances	108,437	106,632
Supplementary capital	1,685,638	1,266,280
Less: Deductions from supplementary capital	(352,541)	–
Total supplementary capital after deductions	1,333,097	1,266,280
Less: Deductions from total capital base	–	(397,997)
Total capital base after deductions	8,034,981	7,790,971

2 金融風險管理(續)

2.6 資本管理(續)

本行於二〇〇七年十二月三十一日之資本比率，乃按照香港金融管理局所發出之《銀行業(資本)規則》計算。該規則乃根據香港《銀行業條例》第九十八A條而制定，並於二〇〇七年一月一日生效。根據《銀行業(資本)規則》，本行選擇採納「標準方法」計算信貸風險及市場風險之風險比重資產，以及採用「基本指標方法」計算營運風險。

於二〇〇六年十二月三十一日之資本比率，乃根據香港《銀行業條例》附表三(「附表三」)計算。

於二〇〇七年十二月三十一日及二〇〇六年十二月三十一日，所計算資本比率之綜合基礎乃跟隨財務報表之綜合基礎，但撇除列於本財務報表註釋48之若干附屬公司。因此，該等未綜合之附屬公司之投資成本會從資本基礎中扣除。

由於《銀行業(資本)規則》及附表三的要求及在計算資本基礎及風險比重資產方面的要求有重大分別，因此資本比率不能作直接比較。

3 主要會計估計及判斷

本集團作出估計及假設，會於下一財政年度內影響資產及負債已列報之金額。本集團會根據過往經驗及其他因素，包括在此等情況下，對未來事項作出相信是合理的預期，持續地評估所作出之估計及判斷。

2 Financial risk management (continued)

2.6 Capital management (continued)

The capital ratios at 31 December 2007 were calculated in accordance with the Banking (Capital) Rules issued by the HKMA under section 98A of the Hong Kong Banking Ordinance, which became effective on 1 January 2007. In accordance with the Banking (Capital) Rules, the Bank has adopted the “standardised approach” for the calculation of the risk-weighted assets for credit risk and market risk, and the “basic indicator approach” for the calculation of operational risk.

The capital ratios at 31 December 2006 were calculated in accordance with the Third Schedule (the “Third Schedule”) of the Hong Kong Banking Ordinance.

The basis of consolidation for calculation of the capital ratios at 31 December 2007 and 31 December 2006 follows the basis of consolidation for financial reporting but excludes certain subsidiaries as set out in note 48 of these financial statements. The investment costs of these subsidiaries are therefore deducted from capital.

As there are significant differences between the Banking (Capital) Rules and the Third Schedule on requirements and calculation of capital base and risk-weighted assets, the capital ratios are not directly comparable.

3 Critical accounting estimates and judgments in applying accounting policy

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3 主要會計估計及判斷(續)

(a) 貸款減值準備

本集團至少每季檢視其貸款組合以評估其減值。對於減值虧損應否紀錄於收益表上，本集團會評估有無顯著數據指出貸款組合在預計之現金流量以確認個別貸款減少前有可量化之減少。這顯示可能包括有可觀察數據指示出對本集團的借款人之負債狀況有不良影響，或全國性或地區性經濟情況與集團之資產拖欠相關。當估計將來現金流量時，管理層會基於過往有相關貸款風險特性的資產損失經驗，及與類似貸款組合作客觀評估。這個用以預算未來現金流量的總額及時間的方法及假設將被定期重新檢視，以減少預計及實際損失之差別。改變所採用的假設會影響已列報的貸款減值準備。

(b) 金融工具之公平價值

在活躍市場沒有報價的金融工具以估值方法去評定其公平價值。當採用估值方法(例如模型)去評定公平價值時，該等方法須由獨立於交易部門並具有相關資格的人去確認及定期檢視，使能反映出真實數據及相對市場價格。在可行之範圍內，模型只會採用可觀察之數據，但某些範疇如信貸風險(包括自己及交易對手)，波幅及相互關係，管理層必須作出一些估計。改變關於這些因素之假設會影響所列報的金融工具之公平價值。

(c) 可供出售證券之減值

本集團遵從香港會計準則第三十九號指引以決定可供出售證券減值的發生，此決定須要判斷。在作出該等判斷時，本集團評估(但不限於)該投資的公平價值低於其成本價的持久性及幅度；以及被投資者的財務狀況及短期營業前景，包括其行業及區域表現，科技、營業活動及融資活動之現金流量的改變。

如認為公平價值嚴重或持續低於其成本價，本集團將會在財務報表承受額外虧損，其以往於重估投資儲備中之累計公平價值之調整將轉至收益表內。

3 Critical accounting estimates and judgments in applying accounting policy (continued)

(a) Impairment allowances on loans and advances

The Group reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience. Changes in the assumptions used would affect the reported impairment allowances on loans and advances.

(b) Fair value of financial instruments

The fair values of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the department that created them to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors would affect the reported fair value of financial instruments.

(c) Impairment of available-for-sale securities

The Group follows the guidance of HKAS 39 to determine when available-for-sale securities are impaired. This determination requires judgment. In making this judgment, the Group evaluates among other factors, the duration and extent to which the fair value of an investment is less than its cost; and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, changes in technology and operational and financing cash flows.

If the declines in fair value below cost were considered significant or prolonged, the Group would suffer an additional loss in its financial statements, being the transfer of the accumulated fair value adjustments recognised in investment revaluation reserve to the income statement.

3 主要會計估計及判斷(續)**(d) 持至到期證券**

本集團遵從香港會計準則第三十九號指引，將有固定或確定付款金額及有固定期限的非衍生金融資產分類為持至到期證券。此分類方法需要作出重大判斷。在作出該等判斷時，本集團評估其持有該等投資至到期日的意向及能力。除在特殊情況下(如出售快將到期而投資金額並不重大的投資)，如本集團不能將該等投資持至到期，則須將整項持至到期投資重新分類為可供出售證券。因此，該等投資將按公平價值而非攤銷成本列賬。

(e) 投資物業公平價值之估計

投資物業之公平價值乃根據獨立專業估值師按公開市值作基準而估計。此公平價值之估計乃採用投資估值方法，將物業之淨收入資本化而計算。合約租金及預計未來的市場租金收入，扣除開支及維修成本後，均以就觀察所得之市場回報率予以資本化。估計市值時所採用之主要假設包括：所收到的合約租金、對未來市值租金之預測、空置期、維修保養需要、及就觀察所得之市場回報率。

此外，估值師亦會以相關市場上相若地區之類似市場實際交易報告作參考，並就該等物業相關的因素，如地點的差別、樓齡、交易的時間、商舖的座向及人流等作出適當的調整。

任何用於估值上的假設如有所改變均會影響投資物業的公平價值。

3 Critical accounting estimates and judgments in applying accounting policy (continued)**(d) Held-to-maturity securities**

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value not amortised cost.

(e) Estimate of fair value of investment properties

The fair values of investment properties are estimated based on the valuation made by an independent professional valuer on an open market basis. The fair values are assessed based on the capitalisation of the net income for the properties using Investment Method of Valuation. The contractual rental income and the expected future market rental income after allowing for outgoings and maintenance requirements are capitalised at observed market yields. The principal assumptions underlying the estimation of market value are those related to: the receipt of contractual rentals; expected future market rentals; void periods; maintenance requirements; and observed market yields.

In addition, the valuations are also assessed by reference to comparable market transactions as reported in the relevant market at similar locations. Appropriate adjustments have been made on the values of the subject properties for relevant factors, such as location difference, building age, time of transaction, shop frontage and pedestrian flow, etc.

Changes in the assumptions used in the valuation would affect the fair value of investment properties.

4 利息收入

庫存現金及存放同業
證券投資
— 上市公司
— 非上市公司
客戶貸款
其他

利息收入按金融資產類別分析如下：

未以公平價值誌入損益賬之金融資產
持作買賣用途之證券

以公平價值誌入損益賬之金融資產
利率掉期合約

包括在利息收入內計有減值貸款折扣
轉回利息收入港幣六百一十萬零六千
元(二〇〇六年為港幣九百九十二萬
元)。

5 利息支出

同業存款/客戶存款
發行之存款證
其他

利息支出按金融負債類別分析如下：

未以公平價值誌入損益賬之金融負債
交易賬項下之負債

以公平價值誌入損益賬之金融負債
利率掉期合約

4 Interest income

	2007 HK\$'000	2006 HK\$'000
Cash and balances with banks	1,513,407	1,218,957
Investments in securities		
– listed	174,586	192,583
– unlisted	443,666	373,718
Advances to customer	2,228,564	2,171,455
Others	80,843	82,810
	4,441,066	4,039,523

Interest income is analysed by types of financial assets as follows:

	2007 HK\$'000	2006 HK\$'000
Financial assets that are not at fair value through profit or loss	4,173,539	3,765,630
Trading securities	102,040	77,167
Financial assets designated at fair value through profit or loss	100,082	125,040
Interest rate swaps	65,405	71,686
	4,441,066	4,039,523

Included in interest income is unwinding of discount on impaired loans of
HK\$6,106,000 (2006: HK\$9,920,000).

5 Interest expense

	2007 HK\$'000	2006 HK\$'000
Banks/deposits from customers	2,653,500	2,331,007
Certificates of deposit issued	224,429	234,743
Others	71,548	74,748
	2,949,477	2,640,498

Interest expense is analysed by types of financial liabilities as follows:

	2007 HK\$'000	2006 HK\$'000
Financial liabilities that are not at fair value through profit or loss	2,798,412	2,461,111
Trading liabilities	32,920	24,812
Financial liabilities designated at fair value through profit or loss	89,252	112,752
Interest rate swaps	28,893	41,823
	2,949,477	2,640,498

6 服務費及佣金淨收入

	2007 HK\$'000	2006 HK\$'000
服務費及佣金收入		
證券經紀及投資服務	373,022	167,135
信用卡業務	69,691	72,176
有關信貸業務之服務費及佣金	46,960	46,583
貿易融資	16,167	17,588
其他零售銀行業務	20,075	17,740
其他服務費收入	30,343	25,344
	556,258	346,566
服務費及佣金支出		
信用卡業務	(35,790)	(43,734)
其他服務費支出	(20,350)	(14,343)
	(56,140)	(58,077)
服務費及佣金淨收入	500,118	288,489
其中：		
由非持作買賣用途或指定以公平價值計入損益賬之金融資產或負債所產生之服務費及佣金淨收入（不包括用作計算實際利率之金額）		
－服務費及佣金收入	98,329	96,731
－服務費及佣金支出	(27,363)	(35,480)
本集團代表客戶持有或投資之託管或其他受託業務所產生之服務費及佣金淨收入		
－服務費及佣金收入	7,823	6,581
－服務費及佣金支出	(1,803)	(615)

6 Net fees and commission income

	2007 HK\$'000	2006 HK\$'000
Fees and commission income		
Securities brokerage and investment services	373,022	167,135
Credit card	69,691	72,176
Credit related fees and commission	46,960	46,583
Trade finance	16,167	17,588
Other retail banking service	20,075	17,740
Other fees income	30,343	25,344
	556,258	346,566
Fees and commission expenses		
Credit card	(35,790)	(43,734)
Other fees paid	(20,350)	(14,343)
	(56,140)	(58,077)
Net fees and commission income	500,118	288,489
Of which:		
Net fees and commission income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss		
－ fees and commission income	98,329	96,731
－ fees and commission expenses	(27,363)	(35,480)
Net fees and commission income on trust and other fiduciary activities where the Group holds or invests on behalf of its customers		
－ fees and commission income	7,823	6,581
－ fees and commission expenses	(1,803)	(615)

7 保險營業收入及保險申索準備

	2007 HK\$'000	2006 HK\$'000
保險營業收入		
承保之毛利保費總額	666,843	670,657
分出之再保險費	(104,688)	(141,357)
未滿期保費之調整	(5,542)	(11,527)
保險費收入	556,613	517,773
佣金收入	6,829	5,847
其他收入	1,267	1,363
佣金支出	(128,496)	(113,085)
	436,213	411,898
保險申索準備（註釋）	(354,258)	(319,401)
	81,955	92,497

7 Insurance operating income and charge for insurance claims

	2007 HK\$'000	2006 HK\$'000
Insurance operating income		
Gross insurance premium written	666,843	670,657
Reinsurance premium outward	(104,688)	(141,357)
Adjustment for unearned premium	(5,542)	(11,527)
Premium income	556,613	517,773
Commission income	6,829	5,847
Other income	1,267	1,363
Commission expenses	(128,496)	(113,085)
	436,213	411,898
Charge for insurance claims (note)	(354,258)	(319,401)
	81,955	92,497

註釋：保險申索準備乃本集團之保險業務所承擔之賠償淨額及其有關之了結申索的開支。

Note: Charge for insurance claims represents net claims incurred on the Group's insurance business and the related claims settlement expenses.

8 淨交易收入

持作買賣用途之證券淨收益
以公平價值誌入損益賬之 金融工具淨收益
衍生金融工具買賣淨虧損 外匯買賣淨收益

8 Net trading income

	2007 HK\$'000	2006 HK\$'000
Net gain from trading securities	102,758	62,127
Net gain arising from financial instruments designated at fair value through profit or loss	144,691	175,625
Net loss arising from derivative financial instruments	(260,336)	(120,253)
Net gain from foreign exchange trading	117,398	101,811
	104,511	219,310

9 其他營業收入

股息收入
– 上市股權證券
– 非上市股權證券
投資物業之租金收入減除直接開支港幣 三千一百五十六萬二千元(二〇〇 六年為港幣三千二百一十六萬元)
保管箱租金淨收益
其他

9 Other operating income

	2007 HK\$'000	2006 HK\$'000
Dividend income		
– Listed equity securities	29,517	17,360
– Unlisted equity securities	2,898	1,936
Rental income from investment properties less direct outgoings of HK\$31,562,000 (2006: HK\$32,160,000)	88,771	33,063
Net rental income on safe deposit boxes	23,059	22,373
Others	17,846	10,917
	162,091	85,649

10 營業支出

人事費用
– 薪金及其他人事費用
– 退休福利支出(註釋13)
房產及設備支出，不包括折舊
– 物業租金
– 其他
折舊(註釋32)
租賃土地之溢價攤銷(註釋31)
廣告及業務推廣
電子數據處理
郵遞及通訊
文具及印刷
核數師酬金
水電費
法律及專業費用
保險費
證券相關費用
其他

10 Operating expenses

	2007 HK\$'000	2006 HK\$'000
Staff costs		
– Salaries and other costs	432,258	392,668
– Retirement benefit costs (note 13)	6,065	6,072
Premises and equipment expenses, excluding depreciation		
– Rental of premises	13,360	10,500
– Others	29,401	30,707
Depreciation (note 32)	59,194	53,248
Amortisation of land lease premium (note 31)	4,171	4,172
Advertising and business promotion	37,300	39,575
Electronic data processing	39,650	35,432
Postage and communications	24,979	21,694
Printing and stationery	11,428	10,982
Auditors' remuneration	3,628	3,109
Water and electricity	10,857	9,151
Legal and professional fee	8,375	10,854
Insurance	8,724	5,329
Securities related expenses	10,368	7,475
Others	38,721	33,789
	738,479	674,757

11 信貸損失之減值調撥

11 Impairment charge for credit losses

		2007 HK\$'000	2006 HK\$'000
減值損失	Impairment losses on		
– 貸款	– loans and advances	40,429	44,254
– 可供出售之證券	– available-for-sale securities	426,092	–
– 持至到期證券	– held-to-maturity securities	36,927	–
		<u>503,448</u>	<u>44,254</u>
(a) 貸款減值虧損	(a) Impairment losses on loans and advances		
		2007 HK\$'000	2006 HK\$'000
個別評估	Individually assessed		
– 新增	– new allowances	49,177	66,974
– 撥回	– releases	(6,284)	(8,966)
– 收回(註釋26)	– recoveries (note 26)	(4,217)	(4,717)
		<u>38,676</u>	<u>53,291</u>
綜合評估	Collectively assessed		
– 新增/(撥回)(註釋26)	– new allowances/(releases) (note 26)	1,753	(9,037)
		<u>40,429</u>	<u>44,254</u>
支取收益表淨額(註釋26)	Net charge to the income statement (note 26)		
		<u>40,429</u>	<u>44,254</u>
(b) 可供出售之證券減值虧損	(b) Impairment losses on available-for-sale securities		
		2007 HK\$'000	2006 HK\$'000
個別評估	Individually assessed		
– 新增	– new allowances	426,092	–
(c) 持至到期證券減值虧損	(c) Impairment losses on held-to-maturity securities		
		2007 HK\$'000	2006 HK\$'000
個別評估	Individually assessed		
– 新增	– new allowances	36,927	–

12 董事及高層管理人員酬金

(a) 董事酬金

根據香港《公司條例》第161條規定披露各董事之酬金如下：

二〇〇七年

2007

董事名稱	Name of director
常務董事	
伍步高	Dr Michael Po-ko WU
伍步剛	Dr Patrick Po-kong WU
伍步謙 (行政總裁)	Dr Philip Po-him WU (Chief Executive)
鍾子森	Mr Che-shum CHUNG
非執行董事	
伍步昌	Mr Albert Po-cheung WU
伍步揚	Mr Ivan Po-young WU
伍兆燦*	Dr Siu-chan NG *
梁乃鵬*	Dr Norman Nai-pang LEUNG *
蘇洪亮*	Mr Lincoln Hung-leung SOO *
伍尚豐	Mr Anthony Shang-fung WU
曾崇光*	Mr Shung-kwong TSANG *
陳智思*	The Hon Bernard Charnwut CHAN *
馬毅強 (伍步揚之代行董事)	Mr Kenneth Ngai-keung MA (Alternate to Mr Ivan Po-young WU)
伍尚思 (伍步昌之代行董事)	Ms Alice Shang-sze WU (Alternate to Mr Albert Po-cheung WU)

* 獨立非執行董事

* Independent non-executive directors

12 Directors' and senior management emoluments

(a) Directors' remuneration

The remuneration of every director disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is set out below:

董事袍金 Directors' fees HK\$'000	薪金、津貼 及實物收益 Salaries, allowances and benefits in kind HK\$'000	酌情花紅 Discretionary bonuses HK\$'000	退休金 計劃供款 Retirement scheme contributions HK\$'000	合計 Total HK\$'000
120	5,380	3,655	–	9,155
100	4,829	3,281	–	8,210
80	4,261	2,901	12	7,254
80	3,744	2,550	334	6,708
80	–	–	–	80
80	–	–	–	80
–	–	–	–	–
140	–	–	–	140
120	–	–	–	120
80	1,060	257	99	1,496
120	–	–	–	120
120	–	–	–	120
–	–	–	–	–
–	–	–	–	–
1,120	19,274	12,644	445	33,483

12 董事及高層管理人員酬金(續)

12 Directors' and senior management emoluments (continued)

(a) 董事酬金(續)

(a) Directors' remuneration (continued)

二〇〇六年	2006	薪金、津貼 及實物收益 Salaries, allowances and benefits in kind	酌情花紅 Discretionary bonuses	退休金 計劃供款 Retirement scheme contributions	合計 Total
董事名稱	Name of director	Director's fees HK\$'000	HK\$'000	HK\$'000	HK\$'000
常務董事 <i>Executive directors</i>					
伍步高	Dr Michael Po-ko WU	120	4,991	2,481	7,592
伍步剛	Dr Patrick Po-kong WU	100	4,480	2,227	6,807
伍步謙 (行政總裁)	Dr Philip Po-him WU (Chief Executive)	80	3,961	1,905	6,299
鍾子森	Mr Che-shum CHUNG	80	3,482	1,681	5,555
非執行董事 <i>Non-executive directors</i>					
伍步昌	Mr Albert Po-cheung WU	80	–	–	80
伍步揚	Mr Ivan Po-young WU	80	–	–	80
伍兆燦*	Dr Siu-chan NG *	120	–	–	120
梁乃鵬*	Dr Norman Nai-pang LEUNG *	140	–	–	140
蘇洪亮*	Mr Lincoln Hung-leung SOO *	120	–	–	120
伍尚豐	Mr Anthony Shang-fung WU	80	912	91	1,174
曾崇光*	Mr Shung-kwong TSANG *	120	–	–	120
馬毅強 (伍步揚之代行董事)	Mr Kenneth Ngai-keung MA (Alternate to Mr Ivan Po-young WU)	–	–	–	–
伍尚思 (伍步昌之代行董事)	Ms Alice Shang-sze WU (Alternate to Mr Albert Po-cheung WU)	–	–	–	–
		1,120	17,826	8,385	28,087

* 獨立非執行董事

* Independent non-executive directors

(b) 五位薪酬最高者之酬金

(b) The emoluments of the five highest paid individuals

本集團五位薪酬最高者包括四位董事(二〇〇六年為四位)，其酬金已於上文註釋(a)披露。五位薪酬最高者的薪酬總額(包括各董事)分類如下：

Of the five individuals with the highest emoluments, four (2006: four) are directors whose emoluments are disclosed in note (a) above. The aggregate of the emoluments in respect of the five highest paid individuals (including the directors) is as follows:

	2007 HK\$'000	2006 HK\$'000
董事袍金、薪金、津貼及實物收益	20,532	19,417
酌情花紅	13,763	9,128
退休金計劃供款	524	1,304
	34,819	29,849

12 董事及高層管理人員酬金(續)

(b) 五位薪酬最高者之酬金(續)

五位薪酬最高者之酬金，歸納入下列薪酬範圍：

薪酬範圍

港幣

3,000,001 - 3,500,000
3,500,001 - 4,000,000
5,500,001 - 6,000,000
6,000,001 - 6,500,000
6,500,001 - 7,000,000
7,000,001 - 7,500,000
7,500,001 - 8,000,000
8,000,001 - 8,500,000
9,000,001 - 9,500,000

12 Directors' and senior management emoluments (continued)

(b) The emoluments of the five highest paid individuals (continued)

The emoluments of the five highest paid individuals fell within the following bands:

Emoluments band	人數	
	2007	2006
HK\$		
3,000,001 - 3,500,000	1	—
3,500,001 - 4,000,000	—	1
5,500,001 - 6,000,000	—	1
6,000,001 - 6,500,000	—	1
6,500,001 - 7,000,000	1	1
7,000,001 - 7,500,000	1	—
7,500,001 - 8,000,000	—	1
8,000,001 - 8,500,000	1	—
9,000,001 - 9,500,000	1	—
	5	5

13 職員退休福利計劃

本集團為本行之職員設有四項職員退休福利計劃，另為本行一間附屬公司之職員設有一項強積金計劃。該四項職員退休福利計劃，其中主要的計劃(簡稱為「該計劃」)包括一個界定福利計劃部份及一個界定供款計劃部份，其他計有一項為界定福利退休計劃、一項為海外僱員而設之界定供款計劃及一項為強積金計劃。凡新入職之成員均可作一次性的選擇，參加該計劃的界定供款部份或參加強積金計劃。

在該計劃的界定供款部份中，本集團每月需按選擇此計劃之成員的月薪百分之十作出供款。本集團對該計劃界定供款部份之供款額可能因員工於獲得全數供款前離開該計劃而放棄其既有利益而減少。本年度已使用之放棄供款總額為港幣三百三十一萬七千元(二〇〇六年為港幣一百七十八萬四千元)。於年結日，未使用之放棄供款可作為減低將來之供款總額為港幣四十八萬五千元(二〇〇六年為港幣五十七萬七千元)。於年結日，並無應付供款(二〇〇六年為零)。

本集團對強積金計劃之供款乃按照香港《強制性公積金計劃條例》，根據每位成員每月之有關入息之百分之五計算，而有關入息則以港幣二萬元為上限。

13 Staff retirement schemes

The Group operates four staff retirement schemes for the staff of the Bank and an MPF scheme for the staff of a subsidiary of the Bank. The four staff retirement schemes comprise a principal scheme (the "Scheme") which includes a defined benefit ("DB") section and a defined contribution ("DC") section, a defined benefit pension scheme, a defined contribution scheme for overseas employees and an MPF scheme. All new staff members who join the Bank are offered a one-off choice between the DC section of the Scheme and the MPF scheme.

Under the DC section of the Scheme, the Group is required to contribute 10% of the monthly salary of the members who opted for the DC arrangement. The Group's contributions to the DC section of this Scheme may be reduced by contributions forfeited by those employees who leave the Scheme prior to vesting fully in the contributions. Forfeited contributions totaling HK\$3,317,000 (2006: HK\$1,784,000) were utilised during the year. The unutilised forfeited contributions at the year end amounted to HK\$485,000 (2006: HK\$577,000) which are available to reduce future contributions. No contributions were payable at the year end (2006: Nil).

The Group's contributions to the MPF schemes are based on 5% of the monthly relevant income of each employee up to a maximum monthly relevant income of HK\$20,000 in accordance with the Hong Kong Mandatory Provident Fund Schemes Ordinance.

13 職員退休福利計劃(續)

於年內對該等有界定供款成份之計劃及強積金計劃之供款共為港幣一千五百五十二萬零二千元(二〇〇六年為港幣一千四百八十萬零三千元)。

該計劃的界定福利部份及另一界定福利退休計劃(共同參照為「該等退休計劃」)之供款,是由精算師定期評估該等退休計劃之資產負債而釐定。該等退休計劃根據成員之最後薪金作為計算福利之基準,由本集團承擔所有成本。

該等退休計劃最近期一次之精算估值於二〇〇七年十二月三十一日,由專業精算師華信惠悅顧問有限公司根據香港會計師公會所頒佈之香港會計準則第十九號作評估,該等退休計劃之界定福利義務的現值及服務成本均以預計單位貸記法計算。於估值日,該等退休計劃之注資水平達159%(二〇〇六年為167%)。

於二〇〇七年十二月三十一日資產負債表內確認之金額分析如下:

該等退休計劃資產之公平價值
已累積界定福利義務之現值
未確認之精算收益
於資產負債表內確認之資產淨額

於收益表內確認之金額如下:

服務成本
利息成本
預期該等退休計劃資產之回報
已確認之精算虧損淨額
包括在年內退休福利成本之收入淨額

截至二〇〇七年十二月三十一日止之年度,該等退休計劃資產之實際回報為港幣六千八百三十六萬七千元(二〇〇六年為港幣七千八百一十一萬七千元)。

13 Staff retirement schemes (continued)

The contributions to schemes with defined contribution arrangements and the MPF schemes during the year amounted to HK\$15,522,000 (2006: HK\$14,803,000) in aggregate.

For the DB section of the Scheme and the defined benefit pension scheme (collectively referred to as the “Plan”), the contributions are determined based on periodic valuations by qualified actuaries of the assets and liabilities of the Plan. The Plan provides benefits based on members’ final salary. The costs are solely funded by the Group.

The latest actuarial valuation of the Plan was performed in accordance with HKAS 19 issued by the Hong Kong Institute of Certified Public Accountants as at 31 December 2007 by Watson Wyatt Hong Kong Limited, a professional actuarial firm. The present value of the defined benefit obligation and current service cost of the Plan are calculated based on the projected unit credit method. At the valuation date, the Plan had a funding level of 159% (2006: 167%).

The amounts recognised in the balance sheet as at 31 December 2007 are analysed as follows:

	2007 HK\$'000	2006 HK\$'000
Fair value of Plan assets	583,807	523,329
Present value of the funded defined benefit obligation	(367,859)	(312,993)
Unrecognised actuarial gains	(12,686)	(16,531)
Net asset recognised in the balance sheet	<u>203,262</u>	<u>193,805</u>

The amounts recognised in the income statement are as follows:

	2007 HK\$'000	2006 HK\$'000
Current service cost	(15,154)	(11,945)
Interest cost	(11,578)	(10,293)
Expected return on Plan assets	36,335	31,100
Net actuarial losses recognised	(146)	(131)
Net income for the year included in retirement benefit costs	<u>9,457</u>	<u>8,731</u>

The actual return on Plan assets for the year ended 31 December 2007 was HK\$68,367,000 (2006: HK\$78,117,000).

13 職員退休福利計劃(續)

年內界定福利義務之變動如下：

於一月一日之界定福利義務現值
服務成本
利息成本
實際福利支出
精算虧損
於十二月三十一日之
實際界定福利義務

年內該等退休計劃資產公平價值之變動如下：

於一月一日該等退休計劃資產之公平價值
預期該等退休計劃資產之回報
實際福利支出
精算收益
於十二月三十一日該等退休計劃資產之
公平價值

該等退休計劃資產主要分類如下：

股權證券
債券證券
現金
總額

該等退休計劃之資產包括本行之普通股股票，市值為港幣二千六百六十九萬五千元(二〇〇六年為港幣二千二百六十六萬九千元)及存放在本行之存款總值為港幣一億四千三百零七萬五千元(二〇〇六年為港幣一億四千九百五十一萬五千元)。

13 Staff retirement schemes (continued)

The movements in the defined benefit obligation during the year are as follows:

	2007 HK\$'000	2006 HK\$'000
Present value of obligation at 1 January	312,993	249,687
Current service cost	15,154	11,945
Interest cost	11,578	10,293
Actual benefits paid	(7,889)	(6,584)
Actuarial losses	36,023	47,652
Actual obligation at 31 December	367,859	312,993

The movements in the fair value of the Plan assets during the year are as follows:

	2007 HK\$'000	2006 HK\$'000
Fair value of Plan assets at 1 January	523,329	451,796
Expected return on Plan assets	36,335	31,100
Actual benefits paid	(7,889)	(6,584)
Actuarial gains	32,032	47,017
Fair value of Plan assets at 31 December	583,807	523,329

The major categories of the Plan assets are as follows:

	2007 HK\$'000	%	2006 HK\$'000	%
Equities	320,309	54.9	262,757	50.2
Bonds	105,490	18.0	98,708	18.9
Cash	158,008	27.1	161,864	30.9
Total	583,807	100.0	523,329	100.0

The amount of the Plan assets included ordinary shares issued by the Bank with a market value of HK\$26,695,000 (2006: HK\$22,669,000) and deposits with the Bank of HK\$143,075,000 (2006: HK\$149,515,000).

13 職員退休福利計劃(續)

在評估時所採用之主要精算假設如下：

折算率
 一 退休供款計劃
 一 供款計劃
 該等退休計劃之長期平均資產回報率
 該計劃之界定福利部份之
 長期平均薪酬升幅
 界定福利退休計劃之退休金增長幅度

截至二〇〇七年十二月三十一日及二〇〇六年十二月三十一日止年度並無對削減或結算作出影響。

14 稅項

(a) 於綜合收益表支銷之稅項如下：

當期稅項：
 一 香港利得稅
 一 應佔投資合夥公司之
 估計香港利得稅虧損
 一 投資合夥公司撇除
 一 海外稅項
 遞延稅項：
 一 有關短暫差額之產生及轉回

香港利得稅已按本年度估計應評稅溢利以稅率百分之十七點五(二〇〇六年為百分之十七點五)計算。海外稅項已按本年度估計應評稅溢利以本集團業務所在地現行適用之稅率計算。

13 Staff retirement schemes (continued)

The principal actuarial assumptions adopted in the valuation are as follows:

	2007 %	2006 %
Discount rate		
– Retirement benefit scheme	3.5	3.8
– Pension scheme	3.0	3.8
Long-term average return on Plan assets	7.0	7.0
Long-term average rate of salary increase for the DB section of the Scheme	6.0	6.0
Pension increase rate for the defined benefit pension scheme	3.0	3.0

There was no curtailment or settlement impact for the years ended 31 December 2007 and 2006.

14 Income tax

(a) Taxation charged in the consolidated income statement represents:

	2007 HK\$'000	2006 HK\$'000
Current taxation:		
– Hong Kong profits tax	172,363	219,734
– Attributable share of estimated Hong Kong profits tax losses arising from investments in partnerships	(84,004)	–
	88,359	219,734
– Investments in partnerships written off	52,329	–
	140,688	219,734
– Overseas taxation	9,486	6,090
Deferred taxation:		
– Relating to the origination and reversal of temporary differences	54,393	91,674
	204,567	317,498

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

14 稅項 (續)

- (b) 本集團有關除稅前溢利之稅項與假若採用香港之稅率而計算之理論稅額之差額如下：

除稅前溢利
以稅率百分之十七點五(二〇〇六年為百分之十七點五)計算
不可扣稅之支出對稅項之影響
無需課稅之收入對稅項之影響
使用以往未有確認之稅項虧損對稅項之影響
與其他國家不同稅率之影響
往年度準備(剩餘)/不足
終止投資合夥公司回報
應佔投資合夥公司稅務虧損
投資合夥公司撇除
其他
稅項

14 Income tax (continued)

- (b) The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2007 HK\$'000	2006 HK\$'000
Profit before taxation	1,576,081	1,923,287
Calculated at a taxation rate of 17.5% (2006: 17.5%)	275,814	336,575
Tax effect of expenses not deductible for taxation purposes	10,640	7,548
Tax effect of income not subject to taxation	(55,289)	(34,736)
Tax effect of utilisation of tax losses not previously recognised	(76)	(6,527)
Effect of different taxation rates in other tax jurisdictions	3,127	1,855
(Over)/under provision of taxation in respect of prior years	(3,186)	8,977
Terminal return on investments in partnerships	4,729	—
Attributable share of estimated Hong Kong profits tax losses arising from investments in partnerships	(84,004)	—
Investments in partnerships written off	52,329	—
Others	483	3,806
Income tax	204,567	317,498

15 股東應佔溢利

股東應佔溢利中計有港幣十九億二千二百九十一萬元乃列於本行收益表內(二〇〇六年為港幣十二億九千六百四十一萬四千元)。

15 Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the financial statements of the Bank to the extent of HK\$1,922,910,000 (2006: HK\$1,296,414,000).

16 股息

已派中期股息，每股普通股港幣九角(二〇〇六年派每股普通股港幣八角)
擬派末期股息，每股普通股港幣一元五角(二〇〇六年派每股普通股港幣二元六角)

16 Dividends

	2007 HK\$'000	2006 HK\$'000
Interim dividend paid of HK\$0.90 (2006: HK\$0.80) per ordinary share	208,971	185,752
Proposed final dividend of HK\$1.50 (2006: HK\$2.60) per ordinary share	348,285	603,694
	557,256	789,446

於二〇〇八年三月五日舉行之會議上，董事會擬派末期股息每股普通股港幣一元五角。此項擬派股息並無於本財務報表中列作應付股息，惟將於截至二〇〇八年十二月三十一日止年度列作保留溢利分派。

At a meeting held on 5 March 2008 the directors proposed a final dividend of HK\$1.50 per ordinary share. This proposed dividend is not reflected as a dividend payable in these financial statements, but will be reflected as an appropriation of retained earnings for the year ending 31 December 2008.

17 每股盈利

每股基本盈利乃按本集團之股東應佔溢利港幣十三億七千一百五十一萬四千元(二〇〇六年為港幣十六億零五百七十八萬九千元)及是年度已發行普通股股份二億三千二百一十九萬零一百一十五股(二〇〇六年為二億三千二百一十九萬零一百一十五股)計算。截至二〇〇六年十二月三十一日及二〇〇七年十二月三十一日止之年度，並無潛在攤薄現有之股份。

17 Earnings per share

The calculation of basic earnings per share is based on the Group's profit attributable to the shareholders of HK\$1,371,514,000 (2006: HK\$1,605,789,000) and the weighted average number of 232,190,115 (2006: 232,190,115) ordinary shares in issue during the year. There were no dilutive potential shares in existence during the years ended 31 December 2007 and 2006.

18 庫存現金及短期資金

庫存現金及存放同業
短期存放同業

18 Cash and short-term funds

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Cash and balances with banks	1,589,339	1,249,972	1,584,059	1,244,127
Money at call and short notice	24,794,896	22,247,942	24,675,814	22,132,189
	26,384,235	23,497,914	26,259,873	23,376,316

19 同業定期存放及貸款

同業定期存放
同業貸款

19 Placements with and loans and advances to banks

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Placements with banks	3,191,437	4,133,639	3,288,298	4,199,568
Gross loans and advances to banks	411,471	151,671	411,471	151,671
	3,602,908	4,285,310	3,699,769	4,351,239

20 持作買賣用途之證券

20 Trading securities

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
公平價值：	At fair value:				
債務證券	Debt securities				
– 香港上市	– Listed in Hong Kong	508,038	518,571	508,038	518,571
– 海外上市	– Listed outside Hong Kong	–	51,728	–	51,728
– 非上市	– Unlisted	1,522,666	1,343,457	1,522,666	1,343,457
		<u>2,030,704</u>	<u>1,913,756</u>	<u>2,030,704</u>	<u>1,913,756</u>
股權證券	Equity securities				
– 香港上市	– Listed in Hong Kong	186,032	137,447	–	–
– 海外上市	– Listed outside Hong Kong	1,225	–	–	–
		<u>187,257</u>	<u>137,447</u>	<u>–</u>	<u>–</u>
股權投資基金	Equity investment fund				
– 香港上市	– Listed in Hong Kong	880	–	–	–
		<u>2,218,841</u>	<u>2,051,203</u>	<u>2,030,704</u>	<u>1,913,756</u>

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
債務證券包括：	Included within debt securities are:				
持有之存款證	Certificates of deposit held				
餘下期間至到期日	Remaining maturity				
– 三個月以上至一年	– 3-12 months	50,026	–	50,026	–
– 一年以上至五年	– 1-5 years	–	49,985	–	49,985
		<u>50,026</u>	<u>49,985</u>	<u>50,026</u>	<u>49,985</u>
國庫券(包括外匯基金票據)	Treasury bills (including Exchange Fund Bills)	1,216,881	1,243,725	1,216,881	1,243,725
其他債務證券	Other debt securities	763,797	620,046	763,797	620,046
		<u>2,030,704</u>	<u>1,913,756</u>	<u>2,030,704</u>	<u>1,913,756</u>

持作買賣用途之證券，其發行人為：

Trading securities are analysed by issuer as follows:

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
中央政府及中央銀行 公營機構	Central governments and central banks	1,724,416	1,813,631	1,724,416	1,813,631
銀行和其他金融機構 企業	Public sector entities	29,620	21,333	12,059	10,360
	Banks and other financial institutions	262,828	126,570	190,180	49,985
	Corporate entities	201,977	89,669	104,049	39,780
		<u>2,218,841</u>	<u>2,051,203</u>	<u>2,030,704</u>	<u>1,913,756</u>

21 衍生金融工具

下列為各項重大衍生金融工具之未經雙邊淨額結算安排之名義或合約金額、公平價值及信貸風險比重金額：

21 Derivative financial instruments

The following is a summary of the notional or contractual amounts, fair values and credit risk weighted amounts of each significant type of derivatives, without taking into account the effects of bilateral netting arrangements:

本集團	The Group	名義/ 合約金額		公平價值		名義/ 合約金額		公平價值	
		Notional/ contractual amount	2007 HK\$'000	資產 Assets 2007 HK\$'000	負債 Liabilities 2007 HK\$'000	Notional/ contractual amount	2006 HK\$'000	資產 Assets 2006 HK\$'000	負債 Liabilities 2006 HK\$'000
持作買賣用途之 衍生工具	Derivatives held for trading								
外匯合約	Exchange rate contracts								
遠期合約	Forward contracts	616,419	2,257	1,581	270,829	2,262	134		
貨幣掉期	Currency swaps	–	–	–	1,554,730	–	1,638		
沽出期權	Options written	519,387	–	2,965	511,552	–	2,466		
購入期權	Options purchased	600,038	3,281	–	539,163	2,384	–		
		1,735,844	5,538	4,546	2,876,274	4,646	4,238		
利率合約	Interest rate contracts								
利率掉期	Interest rate swaps	326,057	74	1,981	286,230	4,465	–		
股權合約	Equity contracts								
沽出期權	Options written	490,325	–	15,920	313,206	–	2,341		
購入期權	Options purchased	455,468	15,933	–	265,108	2,271	–		
		945,793	15,933	15,920	578,314	2,271	2,341		
信貸衍生工具合約	Credit derivative contracts	936,048	–	138,714	544,460	5,180	–		
連接以公平價值 誌入損益賬 之金融工具 之衍生工具	Derivatives managed in conjunction with the financial instruments designated at fair value through profit or loss								
利率合約	Interest rate contracts								
利率掉期	Interest rate swaps	4,064,999	14,268	440,531	5,699,113	9,851	277,646		
		8,008,741	35,813	601,692	9,984,391	26,413	284,225		

21 衍生金融工具(續)

21 Derivative financial instruments (continued)

本行

The Bank

		公平價值			公平價值		
		名義/ 合約金額 Notional/ contractual amount	Fair values		名義/ 合約金額 Notional/ contractual amount	Fair values	
			資產 Assets	負債 Liabilities		資產 Assets	負債 Liabilities
2007 HK\$'000	2007 HK\$'000	2007 HK\$'000	2006 HK\$'000	2006 HK\$'000	2006 HK\$'000		
持作買賣用途之 衍生工具	Derivatives held for trading						
外匯合約	Exchange rate contracts						
遠期合約	Forward contracts	616,419	2,257	1,581	270,829	2,262	
貨幣掉期	Currency swaps	–	–	–	1,554,730	–	
沽出期權	Options written	519,387	–	2,965	511,552	–	
購入期權	Options purchased	600,038	3,281	–	598,974	2,471	
		<u>1,735,844</u>	<u>5,538</u>	<u>4,546</u>	<u>2,936,085</u>	<u>4,733</u>	
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	326,057	74	1,981	286,230	4,465	
股權合約	Equity contracts						
沽出期權	Options written	490,325	–	15,920	313,206	–	
購入期權	Options purchased	490,330	15,920	–	313,208	2,341	
		<u>980,655</u>	<u>15,920</u>	<u>15,920</u>	<u>626,414</u>	<u>2,341</u>	
信貸衍生工具合約	Credit derivatives contracts	936,048	–	138,714	544,460	5,180	
連接以公平價值 誌入損益賬 之金融工具 之衍生工具	Derivatives managed in conjunction with the financial instruments designated at fair value through profit or loss						
利率合約	Interest rate contracts						
利率掉期	Interest rate swaps	4,064,999	14,268	440,531	5,699,113	9,851	
		<u>8,043,603</u>	<u>35,800</u>	<u>601,692</u>	<u>10,092,302</u>	<u>26,570</u>	

買賣交易包括為執行客戶買賣指令或對沖該等持倉量而持有的金融工具盤。

The trading transactions include positions arising from the execution of trade orders from customers or transactions taken to hedge these positions.

21 衍生金融工具(續) 21 Derivative financial instruments (continued)

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
信貸風險比重金額	Credit risk weighted amount				
外匯合約	Exchange rate contracts	13,398	8,625	13,398	8,967
利率合約	Interest rate contracts	11,220	8,442	11,220	8,442
股權合約	Equity contracts	43,231	8,091	45,310	10,567
信貸衍生工具合約	Credit derivatives contracts	117,006	—	117,006	—
		184,855	25,158	186,934	27,976

此等工具之合約金額只顯示於結算日未完成之交易量，並不代表風險大小。由於市場利率、匯率或股權價格波動，衍生工具可能形成有利(資產)或不利(負債)。衍生金融資產及負債之公平價值總額可隨時有重大的波動。

The contractual amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and they do not represent amounts at risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates or equity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

二〇〇七年十二月三十一日之信貸風險比重是根據香港金融管理局於二〇〇七年一月一日所頒佈之《銀行業(資本)規則》計算。二〇〇六年十二月三十一日之比較數值是根據香港《銀行業條例》第三附表及香港金融管理局之指引而計算。所計算之金額視乎另一訂約方之狀況及每類合約之到期情況而定。

The credit risk-weighted amounts at 31 December 2007 were computed in accordance with the Banking (Capital) Rules issued by the HKMA, which became effective on 1 January 2007. The corresponding amounts at 31 December 2006 were calculated in accordance with the Third Schedule of the Hong Kong Banking Ordinance and guideline issued by the HKMA, the amounts calculated are dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

22 以公平價值誌入損益賬之金融資產

22 Financial assets designated at fair value through profit or loss

	本集團		本行	
	The Group		The Bank	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
公平價值：	At fair value:			
債務證券	Debt securities			
– 香港上市	1,463,063	1,198,781	1,436,683	1,173,013
– 海外上市	420,436	1,214,341	419,651	1,213,568
– 非上市	1,051,304	1,032,659	734,785	538,595
	2,934,803	3,445,781	2,591,119	2,925,176

以公平價值誌入損益賬之金融資產，其發行人為：

Financial assets designated at fair value through profit or loss are analysed by issuer as follows:

	本集團		本行	
	The Group		The Bank	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
公營機構	329,769	331,019	329,769	331,019
銀行和其他金融機構	488,441	1,104,678	381,849	673,062
企業	2,116,593	2,010,084	1,879,501	1,921,095
	2,934,803	3,445,781	2,591,119	2,925,176

23 可供出售之證券

23 Available-for-sale securities

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
公平價值：	At fair value:				
債務證券	Debt securities				
— 香港上市	— Listed in Hong Kong	78,548	78,560	78,548	78,560
— 海外上市	— Listed outside Hong Kong	518,123	501,820	518,123	501,820
— 非上市	— Unlisted	1,164,726	2,314,301	1,164,726	2,314,301
		<u>1,761,397</u>	<u>2,894,681</u>	<u>1,761,397</u>	<u>2,894,681</u>
股權證券	Equity securities				
— 香港上市	— Listed in Hong Kong	1,151,052	579,003	157,737	152,829
— 非上市	— Unlisted	51,032	9,824	43,177	3,192
		<u>1,202,084</u>	<u>588,827</u>	<u>200,914</u>	<u>156,021</u>
股權投資基金	Equity investment fund				
— 香港上市	— Listed in Hong Kong	28,371	56,022	27,923	28,703
— 非上市	— Unlisted	248,456	158,941	41,074	—
		<u>276,827</u>	<u>214,963</u>	<u>68,997</u>	<u>28,703</u>
		<u>3,240,308</u>	<u>3,698,471</u>	<u>2,031,308</u>	<u>3,079,405</u>
上市證券公平價值	Fair value of listed securities	<u>1,776,094</u>	<u>1,218,347</u>	<u>782,331</u>	<u>764,854</u>
債務證券包括：	Included within debt securities are:				
持有之存款證	Certificates of deposit held				
剩餘到期日	Remaining maturity				
— 一個月或以下	— Up to 1 month	—	23,334	—	23,334
— 一個月以上至三個月	— 1-3 months	—	50,000	—	50,000
— 三個月以上至一年	— 3-12 months	29,991	240,265	29,991	240,265
— 一年以上至五年	— 1-5 years	100,069	31,112	100,069	31,112
— 五年以上	— Over 5 years	—	47,448	—	47,448
		<u>130,060</u>	<u>392,159</u>	<u>130,060</u>	<u>392,159</u>
其他債券	Other debt securities	<u>1,631,337</u>	<u>2,502,522</u>	<u>1,631,337</u>	<u>2,502,522</u>
		<u>1,761,397</u>	<u>2,894,681</u>	<u>1,761,397</u>	<u>2,894,681</u>

23 可供出售之證券(續)

可供出售之證券，其發行人為：

公營機構
銀行及其他金融機構
企業

23 Available-for-sale securities (continued)

Available-for-sale securities are analysed by issuer as follows:

		本集團 The Group		本行 The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
	Public sector entities	121,491	600,638	121,491	600,638
	Banks and other financial institutions	928,457	1,546,251	820,669	1,474,679
	Corporate entities	2,190,360	1,551,582	1,089,148	1,004,088
		3,240,308	3,698,471	2,031,308	3,079,405

可供出售之證券變動分析如下：

The movement in available-for-sale securities is summarised as follows:

		本集團 The Group		本行 The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
於一月一日	At 1 January	3,698,471	4,200,923	3,079,405	3,902,542
匯率變動	Exchange difference	41,810	43,809	41,463	43,519
增置	Additions	1,709,681	1,860,975	1,574,030	1,721,933
	Gain from changes in fair value	226,000	286,904	(353,420)	36,413
公平價值改變之溢利出售 (出售及贖回)	Disposals (sale and redemption)	(2,437,409)	(2,691,360)	(2,311,925)	(2,622,222)
攤銷	Amortisation	1,755	(2,780)	1,755	(2,780)
於十二月三十一日	At 31 December	3,240,308	3,698,471	2,031,308	3,079,405

24 持至到期證券

24 Held-to-maturity securities

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
上市債務證券之攤銷成本：	Listed debt securities, at amortised cost:				
— 香港上市	— Listed in Hong Kong	182,723	209,870	76,073	148,911
— 海外上市	— Listed outside Hong Kong	461,122	290,706	318,225	154,741
		643,845	500,576	394,298	303,652
非上市債務證券之攤銷成本	Unlisted debt securities, at amortised cost	6,277,061	3,853,237	6,257,416	3,834,153
		6,920,906	4,353,813	6,651,714	4,137,805
減除：減值準備	Less: Impairment allowances	(36,927)	—	(36,927)	—
		6,883,979	4,353,813	6,614,787	4,137,805
上市債務證券之公平價值	Fair value of listed debt securities	607,125	500,409	357,382	303,835

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
債務證券包括：	Included within debt securities are:				
持有之存款證 剩餘到期日	Certificates of deposit held Remaining maturity				
— 一個月或以下	— Up to 1 month	56,163	77,780	56,163	77,780
— 一個月以上至三個月	— 1-3 months	—	56,002	—	56,002
— 三個月以上至一年	— 3-12 months	—	185,000	—	185,000
		56,163	318,782	56,163	318,782
其他債務證券	Other debt securities	6,827,816	4,035,031	6,558,624	3,819,023
		6,883,979	4,353,813	6,614,787	4,137,805

24 持至到期證券(續)

持至到期證券，其發行人為：

中央政府及中央銀行
公營機構

銀行和其他金融機構
企業

24 Held-to-maturity securities (continued)

Held-to-maturity securities are analysed by issuer as follows:

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Central governments and central banks	46,846	87,609	–	49,960
Public sector entities	39,319	98,712	17,570	67,786
Banks and other financial institutions	5,359,410	3,012,039	5,226,693	2,886,304
Corporate entities	1,438,404	1,155,453	1,370,524	1,133,755
	6,883,979	4,353,813	6,614,787	4,137,805

持至到期證券變動分析如下：

The movement in held-to-maturity securities is summarised as follows:

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
於一月一日	4,353,813	3,706,678	4,137,805	3,551,451
匯率變動	72,927	47,032	72,556	46,736
增置	13,712,012	14,500,847	13,581,219	14,333,003
贖回	(11,313,682)	(13,989,565)	(11,235,813)	(13,882,505)
攤銷	95,836	88,821	95,947	89,120
減值準備	(36,927)	–	(36,927)	–
於十二月三十一日	6,883,979	4,353,813	6,614,787	4,137,805

持至到期證券之虧損準備賬
項之對賬表如下：

The reconciliation of the allowance account for losses on held-to-maturity securities is as follows:

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
於一月一日	–	–	–	–
減值準備	36,927	–	36,927	–
於十二月三十一日	36,927	–	36,927	–

25 貸款及其他賬項

25 Advances and other accounts

(a) 貸款及其他賬項

(a) Advances and other accounts

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
客戶貸款	Advances to customers	41,934,520	38,782,981	41,569,131	38,418,373
減值準備(註釋26)	Impairment allowances (note 26)				
— 綜合	— Collective	(108,194)	(106,004)	(79,760)	(81,778)
— 個別	— Individual	(48,166)	(61,028)	(33,472)	(43,541)
		41,778,160	38,615,949	41,455,899	38,293,054
商業票據	Trade bills	176,370	171,385	176,370	171,385
減值準備(註釋26)	Impairment allowances (note 26)				
— 綜合	— Collective	(242)	(630)	(242)	(630)
		176,128	170,755	176,128	170,755
應計利息	Accrued interest	314,904	335,683	313,784	336,234
減值準備(註釋26)	Impairment allowances (note 26)				
— 個別	— Individual	(3,676)	—	(3,633)	—
		311,228	335,683	310,151	336,234
其他賬項	Other accounts				
— 應收保費	— Insurance receivable	160,690	180,610	6,703	9,988
— 應收賬項	— Accounts receivable	407,370	238,403	286,789	139,625
— 其他	— Others	1,698,778	1,304,872	1,077,354	1,611,880
		2,266,838	1,723,885	1,370,846	1,761,493
減值準備(註釋26)	Impairment allowances (note 26)				
— 個別	— Individual	(1,172)	(1,002)	(973)	(803)
		2,265,666	1,722,883	1,369,873	1,760,690
		44,531,182	40,845,270	43,312,051	40,560,733

25 貸款及其他賬項(續)

(a) 貸款及其他賬項(續)

應計利息以金融資產類別作分析如下：

	本集團 The Group	2007 HK\$'000	2006 HK\$'000
短期資金	Short-term funds	92,992	66,980
同業定期存放及貸款 持作買賣用途之證券	Placements with and loans and advances to banks Trading securities	24,257 5,499	22,902 4,392
衍生金融工具	Derivative financial instruments	16,808	40,405
以公平價值誌入 損益賬之金融資產	Financial assets designated at fair value through profit or loss	14,220	25,898
可供出售之證券	Available-for-sale securities	19,088	23,530
持至到期證券	Held-to-maturity securities	13,684	13,492
客戶貸款	Advances to customers	128,356	138,084
		314,904	335,683

(b) 融資租賃及租購合約

客戶貸款內包括融資租賃及租購合約之投資，其分析如下：

	本集團 The Group	2007 HK\$'000	2006 HK\$'000
應收投資總額	Gross investment, receivable		
— 一年內	— Within one year	257,572	262,567
— 一年以上至五年	— After one year but within five years	200,254	231,368
— 五年以上	— After five years	17,530	2,278
		475,356	496,213
未賺取之財務收入	Unearned finance income	(32,890)	(34,809)
投資淨額	Net investment	442,466	461,404

25 Advances and other accounts (continued)

(a) Advances and other accounts (continued)

Accrued interest is analysed by types of financial assets as follows:

	本集團 The Group	2007 HK\$'000	2006 HK\$'000	本行 The Bank	2007 HK\$'000	2006 HK\$'000
短期資金	Short-term funds	92,992	66,980	92,291	66,711	
同業定期存放及貸款 持作買賣用途之證券	Placements with and loans and advances to banks Trading securities	24,257 5,499	22,902 4,392	30,640 5,499	30,827 4,392	
衍生金融工具	Derivative financial instruments	16,808	40,405	16,808	40,405	
以公平價值誌入 損益賬之金融資產	Financial assets designated at fair value through profit or loss	14,220	25,898	12,189	22,628	
可供出售之證券	Available-for-sale securities	19,088	23,530	18,930	23,530	
持至到期證券	Held-to-maturity securities	13,684	13,492	10,761	11,328	
客戶貸款	Advances to customers	128,356	138,084	126,666	136,413	
		314,904	335,683	313,784	336,234	

(b) Finance leases and hire purchase contracts

Advances to customers include investment in finance lease receivables and hire purchase contracts, analysed as follows:

	本集團 The Group	2007 HK\$'000	2006 HK\$'000
應收投資總額	Gross investment, receivable		
— 一年內	— Within one year	257,572	262,567
— 一年以上至五年	— After one year but within five years	200,254	231,368
— 五年以上	— After five years	17,530	2,278
		475,356	496,213
未賺取之財務收入	Unearned finance income	(32,890)	(34,809)
投資淨額	Net investment	442,466	461,404

25 貸款及其他賬項(續) 25 Advances and other accounts (continued)

(b) 融資租賃及租購合約(續) (b) Finance leases and hire purchase contracts (continued)

融資租賃及租購合約之投資淨額分析如下：

The net investment in finance lease receivables and hire purchase contracts is analysed as follows:

		本集團 The Group	
		2007 HK\$'000	2006 HK\$'000
一年內	Within one year	236,159	239,353
一年以上至五年	After one year but within five years	188,777	219,773
五年以上	After five years	17,530	2,278
		442,466	461,404

上述融資租賃及租購合約之投資總額並無包括不受保證之剩餘價值(二〇〇六年為零)。

No unguaranteed residual values were included in the gross investment in finance lease receivables and hire purchase contracts above (2006: Nil).

包括在已減值資產之減值準備金內為不可收回融資租賃及租購合約之準備金總額為港幣四千二百六十五萬三千元(二〇〇六年為港幣三千四百九十三萬五千元)。

The allowance for uncollectible finance lease receivables and hire purchase contracts included in the impairment allowances for impaired assets amounted to HK\$42,653,000 (2006: HK\$34,935,000).

26 貸款減值準備

二〇〇七年

本集團

一月一日
匯率調整
年內撇除
收回往年已撇除之
貸款[註釋11(a)]
支取收益表[註釋11(a)]
準備的折現值撥回

十二月三十一日

於下列賬項內扣除：
商業票據(註釋25)
客戶貸款(註釋25)
應付利息及其他
賬項(註釋25)

本行

一月一日
匯率調整
年內撇除
收回往年已撇除之貸款
支取/(撥回)收益表
準備的折現值撥回

十二月三十一日

於下列賬項內扣除：
商業票據(註釋25)
客戶貸款(註釋25)
應付利息及其他
賬項(註釋25)

26 Impairment allowances on loans and advances

2007

The Group

At 1 January
Exchange adjustments
Amounts written off
Recoveries of advances written off
in previous years [note 11 (a)]
Charged to income statement [note 11 (a)]
Unwind of discount on allowance

At 31 December

Deducted from:
Trade bills (note 25)
Advances to customers (note 25)
Accrued interest and
other accounts (note 25)

The Bank

At 1 January
Exchange adjustments
Amounts written off
Recoveries of advances
written off in previous years
Charged/(credited) to income statement
Unwind of discount on allowance

At 31 December

Deducted from:
Trade bills (note 25)
Advances to customers (note 25)
Accrued interest and
other accounts (note 25)

	個別評估 Individual assessment HK\$'000	綜合評估 Collective assessment HK\$'000	合計 Total HK\$'000
At 1 January	62,030	106,634	168,664
Exchange adjustments	–	49	49
Amounts written off	(45,803)	–	(45,803)
Recoveries of advances written off in previous years [note 11 (a)]	4,217	–	4,217
Charged to income statement [note 11 (a)]	38,676	1,753	40,429
Unwind of discount on allowance	(6,106)	–	(6,106)
At 31 December	53,014	108,436	161,450
Deducted from:			
Trade bills (note 25)	–	242	242
Advances to customers (note 25)	48,166	108,194	156,360
Accrued interest and other accounts (note 25)	4,848	–	4,848
	53,014	108,436	161,450

	個別評估 Individual assessment HK\$'000	綜合評估 Collective assessment HK\$'000	合計 Total HK\$'000
At 1 January	44,344	82,408	126,752
Exchange adjustments	–	50	50
Amounts written off	(19,190)	–	(19,190)
Recoveries of advances written off in previous years	4,160	–	4,160
Charged/(credited) to income statement	13,177	(2,456)	10,721
Unwind of discount on allowance	(4,413)	–	(4,413)
At 31 December	38,078	80,002	118,080
Deducted from:			
Trade bills (note 25)	–	242	242
Advances to customers (note 25)	33,472	79,760	113,232
Accrued interest and other accounts (note 25)	4,606	–	4,606
	38,078	80,002	118,080

26 貸款減值準備(續)

26 Impairment allowances on loans and advances (continued)

二〇〇六年

2006

本集團

The Group

		個別評估 Individual assessment HK\$'000	綜合評估 Collective assessment HK\$'000	合計 Total HK\$'000
一月一日	At 1 January	80,033	115,609	195,642
匯率調整	Exchange adjustments	–	62	62
年內撇除	Amounts written off	(66,091)	–	(66,091)
收回往年已撇除之 貸款[註釋11(a)]	Recoveries of advances written off in previous years [note 11 (a)]	4,717	–	4,717
支取/(撥回)收益表 [註釋11(a)]	Charged/(credited) to income statement [note 11 (a)]	53,291	(9,037)	44,254
準備的折現值撥回	Unwind of discount on allowance	(9,920)	–	(9,920)
十二月三十一日	At 31 December	<u>62,030</u>	<u>106,634</u>	<u>168,664</u>
於下列賬項內扣除：	Deducted from:			
商業票據(註釋25)	Trade bills (note 25)	–	630	630
客戶貸款(註釋25)	Advances to customers (note 25)	61,028	106,004	167,032
應付利息及其他 賬項(註釋25)	Accrued interest and other accounts (note 25)	1,002	–	1,002
		<u>62,030</u>	<u>106,634</u>	<u>168,664</u>

本行

The Bank

		個別評估 Individual assessment HK\$'000	綜合評估 Collective assessment HK\$'000	合計 Total HK\$'000
一月一日	At 1 January	56,996	93,748	150,744
匯率調整	Exchange adjustments	–	62	62
年內撇除	Amounts written off	(39,900)	–	(39,900)
收回往年已撇除之貸款	Recoveries of advances written off in previous years	4,677	–	4,677
支取/(撥回)收益表 準備的折現值撥回	Charged/(credited) to income statement Unwind of discount on allowance	30,084 (7,513)	(11,402) –	18,682 (7,513)
十二月三十一日	At 31 December	<u>44,344</u>	<u>82,408</u>	<u>126,752</u>
於下列賬項內扣除：	Deducted from:			
商業票據(註釋25)	Trade bills (note 25)	–	630	630
客戶貸款(註釋25)	Advances to customers (note 25)	43,541	81,778	125,319
應付利息及其他 賬項(註釋25)	Accrued interest and other accounts (note 25)	803	–	803
		<u>44,344</u>	<u>82,408</u>	<u>126,752</u>

27 附屬公司權益

27 Interests in subsidiaries

		本行 The Bank	
		2007	2006
		HK\$'000	HK\$'000
非上市證券之成本值	Unlisted shares, at cost	300,231	300,197

下列為本行於二〇〇七年十二月三十一日，全資直屬擁有之主要附屬公司：

The following is a list of the principal subsidiaries wholly and directly owned by the Bank at 31 December 2007:

		已發行及已繳足之股本 Issued and paid up share capital					
名稱	Name	註冊 及營業 地點	Place of incorporation and operation	股數 Number of shares	每股面值 Nominal value	主要業務	Principal activities
永隆保險有限公司	Wing Lung Insurance Company Limited	香港	Hong Kong	29,000,000	HK\$10	保險業務	Insurance underwriting
永隆財務有限公司	Wing Lung Finance Limited	香港	Hong Kong	2,500,000	HK\$10	接受存款	Deposit-taking
永隆授信有限公司	Wing Lung Credit Limited	香港	Hong Kong	1,000,000	HK\$10	投資業務	Investment holding
永隆期貨有限公司	Wing Lung Futures Limited	香港	Hong Kong	800,000	HK\$10	期貨經紀服務	Futures broking
永隆證券有限公司	Wing Lung Securities Limited	香港	Hong Kong	700,000	HK\$10	證券經紀服務	Securities broking
永隆銀行信託有限公司	Wing Lung Bank (Trustee) Limited	香港	Hong Kong	300,000	HK\$10	信託業務	Trustee services
永隆保險顧問有限公司	Wing Lung Insurance Brokers Limited	香港	Hong Kong	250,000	HK\$10	投資業務及保險顧問	Investment trading and insurance broking
永隆代理有限公司	Wing Lung Agency Limited	香港	Hong Kong	50,000	HK\$10	保險代理	Insurance agency
永隆銀行受託代管有限公司	Wing Lung Bank (Nominees) Limited	香港	Hong Kong	1,000	HK\$10	受託代管服務	Nominee services
永隆管業有限公司	Wing Lung Property Management Limited	香港	Hong Kong	1,000	HK\$10	物業管理	Property management
Wingspan Incorporated	Wingspan Incorporated	美國	U.S.A.	1,500,000	US\$1	物業持有	Property holding

28 共同控制實體權益

28 Interests in jointly controlled entities

		本集團 The Group		本行 The Bank	
		2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
非上市證券之成本值	Unlisted shares, at cost	—	—	25,000	25,000
應佔資產淨額	Share of net assets	151,754	108,197	—	—
		151,754	108,197	25,000	25,000
貸款予共同 控制實體 (註釋 a)	Loans to jointly controlled entities (note a)	72,264	32,300	72,264	32,300
		224,018	140,497	97,264	57,300

28 共同控制實體權益(續)

於二〇〇七年十二月三十一日之主要共同控制實體如下:

名稱	Name	註冊及 經營地點	Place of incorporation and operation	擁有權益 Ownership interest	投票權 之百分比 Proportion of voting power	主要業務	Principal activities
銀聯控股 有限公司*	Bank Consortium Holding Limited *	香港	Hong Kong	13.33%	14.29%	提供退休計劃 之信託、行政 及保管服務	Provision of trustee, administration and custodian services for retirement schemes
銀聯通寶 有限公司*	Joint Electronic Teller Services Limited *	香港	Hong Kong	(註釋 b) (note b)	(註釋 b) (note b)	提供自動櫃員 機之網絡服務	Provision of ATM network services
香港人壽保險 有限公司	Hong Kong Life Insurance Limited	香港	Hong Kong	16.67%	16.67%	人壽保險業務	Life insurance business
銀和再保險 有限公司	BC Reinsurance Limited	香港	Hong Kong	21.00%	21.00%	再保險業務	Reinsurance business
i-Tech Solutions Limited*	i-Tech Solutions Limited *	香港	Hong Kong	50.00%	50.00%	電子文件處理	Electronic document processing

* 由本行直接持有之共同控制實體

- (a) 貸款予共同控制實體之款項包括一筆為港幣六百五十六萬七千元(二〇〇六年為港幣三千二百三十萬元)之貸款,為無抵押及免息。餘額為附息抵押並以正常商業利率計算。
- (b) 本行乃五位創辦成員之一,並共同擁有該公司之控制權益。本行持有該公司發行予其創辦成員普通股'A'股之百分之二十及擁有該公司宣派股息之百分之二點八八權益。

29 聯營公司權益

應佔資產淨額

28 Interests in jointly controlled entities (continued)

The following is a list of the principal jointly controlled entities at 31 December 2007:

名稱	Name	註冊及 經營地點	Place of incorporation and operation	擁有權益 Ownership interest	投票權 之百分比 Proportion of voting power	主要業務	Principal activities
銀聯控股 有限公司*	Bank Consortium Holding Limited *	香港	Hong Kong	13.33%	14.29%	提供退休計劃 之信託、行政 及保管服務	Provision of trustee, administration and custodian services for retirement schemes
銀聯通寶 有限公司*	Joint Electronic Teller Services Limited *	香港	Hong Kong	(註釋 b) (note b)	(註釋 b) (note b)	提供自動櫃員 機之網絡服務	Provision of ATM network services
香港人壽保險 有限公司	Hong Kong Life Insurance Limited	香港	Hong Kong	16.67%	16.67%	人壽保險業務	Life insurance business
銀和再保險 有限公司	BC Reinsurance Limited	香港	Hong Kong	21.00%	21.00%	再保險業務	Reinsurance business
i-Tech Solutions Limited*	i-Tech Solutions Limited *	香港	Hong Kong	50.00%	50.00%	電子文件處理	Electronic document processing

* Jointly controlled entities held directly by the Bank

- (a) The loans to jointly controlled entities include an amount of HK\$6,567,000 (2006: HK\$32,300,000) which is unsecured and interest free. The remaining balance is secured and interest-bearing at normal commercial terms.
- (b) The Bank is one of the five founding members which together have a controlling interest in the company. The Bank holds 20% of the 'A' ordinary shares issued by the company to its founding members, and is entitled to 2.88% of dividends declared.

29 Interests in associates

Share of net assets

本集團 The Group	
2007	2006
HK\$'000	HK\$'000
6,184	5,879

29 聯營公司權益(續)

於二〇〇七年十二月三十一日，由本行一間附屬公司所持有之聯營公司非上市證券之成本值為港幣二百九十八萬三千元(二〇〇六年為港幣二百二十九萬一千元)，其資料如下：

名稱	Name	註冊及 經營地點	Place of incorporation and operation	主要業務	Principal activities	持有之已發 行股份詳情	Particulars of issued shares held	間接持 有權益	Interest held indirectly
專業責任 保險代理 有限公司	Professional Liability Underwriting Services Limited	香港	Hong Kong	保險代理	Insurance agency	非上市之普 通股每股港 幣一元	Unlisted ordinary shares of HK\$1 each	27%	27%
加安保險 代理有限公司	Equity Underwriters Limited	香港	Hong Kong	保險代理	Insurance agency	非上市之普 通股每股港 幣一元	Unlisted ordinary shares of HK\$1 each	40%	40%

29 Interests in associates (continued)

The cost of the unlisted shares in the associates at 31 December 2007 held by a subsidiary of the Bank amounted to HK\$2,983,000 (2006: HK\$2,291,000). The particulars of the Group's interests in associates are as follows:

30 投資物業

	At 1 January	本集團 The Group	本行 The Bank
	At 1 January	2007 HK\$'000	2006 HK\$'000
於一月一日	At 1 January	1,966,160	1,401,640
增置	Additions	–	30,996
轉賬淨額	Reclassifications, net	(16,824)	20,898
	Fair value gains on		
重估公平價值收益	revaluation	305,264	512,626
於十二月三十一日 (經專業估值列賬)	At 31 December (professional valuation)	2,254,600	1,966,160

30 Investment properties

	At 1 January	本集團 The Group	本行 The Bank
	At 1 January	2007 HK\$'000	2006 HK\$'000
於一月一日	At 1 January	1,966,160	1,401,640
增置	Additions	–	30,996
轉賬淨額	Reclassifications, net	(16,824)	20,898
	Fair value gains on		
重估公平價值收益	revaluation	305,264	512,626
於十二月三十一日 (經專業估值列賬)	At 31 December (professional valuation)	2,254,600	1,966,160

	At 1 January	本集團 The Group	本行 The Bank
	At 1 January	2007 HK\$'000	2006 HK\$'000
位於香港之租約物業：	Leasehold properties in Hong Kong:		
– 長期租約(五十年以上)	– Long-term leases (over 50 years)	2,146,700	1,860,650
– 中期租約(十至五十年)	– Medium-term leases (between 10 to 50 years)	107,900	105,510
		2,254,600	1,966,160

30 投資物業(續)

所有投資物業最新之估值於二〇〇七年十二月三十一日，以重估投資法將淨租金收入資本化，再以比較方法(如適用)，與相關市場交易資料作比較而釐定。是次重估經由獨立測量公司韋堅信產業測量師行進行，其僱員具香港測量師學會會士資歷及對估價物業的所在地點及類別有近期估值經驗。

本集團及本行以經營租賃形式租出投資物業。租賃年期通常不長於四年。所有租約並不包括或有租金。

於十二月三十一日，不可撤銷之營業租賃之未來最低應收租賃款項總額如下：

土地及樓宇：
 - 一年以內
 - 一年以後至五年內
 - 五年以上

30 Investment properties (continued)

All investment properties were revalued as at 31 December 2007 by capitalising the net rental income using the Investment Method of Valuation or as appropriate, by making reference to comparable market transactions using the Comparison Method. The valuations were carried out by an independent firm of surveyors, A.G. Wilkinson & Associates, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The Group and the Bank lease out investment properties under operating leases. The leases typically run for an initial period of up to 4 years. None of the leases includes contingent rentals.

At 31 December, the total future minimum lease payments receivable under non-cancellable operating leases are as follows:

		本集團及本行 The Group and the Bank	
		2007	2006
		HK\$'000	HK\$'000
Land and buildings			
- Within one year		102,601	106,235
- After one year but within five years		151,352	115,986
- After five years		3,399	-
		257,352	222,221

31 租賃土地權益

本集團及本行之租賃土地權益為預繳土地溢價，其賬面淨值分析如下：

在香港持有：
 - 長期租約(五十年以上)
 - 中期租約(十至五十年)

於一月一日
 攤銷預繳之
 土地溢價(註釋10)

於十二月三十一日

31 Interests in leasehold land

The Group's and the Bank's interests in leasehold land represent prepaid land lease premium and their net book value are analysed as follows:

		本集團及本行 The Group and the Bank	
		2007	2006
		HK\$'000	HK\$'000
In Hong Kong held on:			
- Long-term leases (over 50 years)		135,696	136,761
- Medium-term leases (between 10 to 50 years)		105,649	108,755
		241,345	245,516
At 1 January		245,516	249,688
Amortisation of prepaid land lease premium (note 10)		(4,171)	(4,172)
At 31 December		241,345	245,516

32 其他物業及設備

二〇〇七年

本集團

32 Other properties and equipment

2007

The Group

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
成本或估值	Cost or valuation			
二〇〇七年一月一日	At 1 January 2007	381,852	516,490	898,342
匯率調整	Exchange adjustments	98	266	364
增置	Additions	–	56,150	56,150
出售	Disposals	–	(31,913)	(31,913)
轉賬淨額	Reclassifications, net	16,824	–	16,824
二〇〇七年十二月三十一日	At 31 December 2007	398,774	540,993	939,767
累積折舊	Accumulated depreciation			
二〇〇七年一月一日	At 1 January 2007	93,904	392,044	485,948
匯率調整	Exchange adjustments	1	99	100
本年度折舊 (註釋 10)	Charge for the year (note 10)	14,102	45,092	59,194
出售回撥	Written back on disposal	–	(29,895)	(29,895)
二〇〇七年十二月三十一日	At 31 December 2007	108,007	407,340	515,347
賬面淨值	Net book value			
二〇〇七年十二月三十一日	At 31 December 2007	290,767	133,653	424,420

32 其他物業及設備(續) 32 Other properties and equipment (continued)

二〇〇六年

2006

本集團

The Group

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
成本或估值	Cost or valuation			
二〇〇六年一月一日	At 1 January 2006	353,372	473,949	827,321
匯率調整	Exchange adjustments	60	80	140
增置	Additions	13,220	55,170	68,390
出售	Disposals	–	(12,709)	(12,709)
轉賬淨額	Reclassifications, net	(20,898)	–	(20,898)
重估盈餘	Surplus on revaluation	40,883	–	40,883
減：累積折舊抵銷重估	Less: elimination of accumulated depreciation on revaluation	(4,785)	–	(4,785)
二〇〇六年十二月三十一日	At 31 December 2006	<u>381,852</u>	<u>516,490</u>	<u>898,342</u>
累積折舊	Accumulated depreciation			
二〇〇六年一月一日	At 1 January 2006	85,927	362,744	448,671
匯率調整	Exchange adjustments	–	33	33
本年度折舊(註釋10)	Charge for the year (note 10)	12,762	40,486	53,248
出售回撥	Written back on disposal	–	(11,219)	(11,219)
重估後撇除	Elimination on revaluation	(4,785)	–	(4,785)
二〇〇六年十二月三十一日	At 31 December 2006	<u>93,904</u>	<u>392,044</u>	<u>485,948</u>
賬面淨值	Net book value			
二〇〇六年十二月三十一日	At 31 December 2006	<u>287,948</u>	<u>124,446</u>	<u>412,394</u>

32 其他物業及設備(續) 32 Other properties and equipment (continued)

上列資產之成本或估值分析如下：

The analysis of cost or valuation of the above assets is as follows:

本集團

The Group

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
二〇〇七年	2007			
成本值	At cost	154,696	540,993	695,689
	Reclassification from investment			
由投資物業轉賬為房產， 並以專業估值列示	properties stated at professional valuation			
—一九九五年	— 1995	50,560	—	50,560
—一九九八年	— 1998	64,726	—	64,726
—二〇〇一年	— 2001	13,326	—	13,326
—二〇〇二年	— 2002	12,600	—	12,600
—二〇〇三年	— 2003	11,540	—	11,540
—二〇〇五年	— 2005	46,592	—	46,592
—二〇〇六年	— 2006	27,910	—	27,910
—二〇〇七年	— 2007	16,824	—	16,824
		398,774	540,993	939,767
二〇〇六年	2006			
成本值	At cost	154,598	516,490	671,088
	Reclassification from investment			
由投資物業轉賬為房產， 並以專業估值列示	properties stated at professional valuation			
—一九九五年	— 1995	50,560	—	50,560
—一九九八年	— 1998	64,726	—	64,726
—二〇〇一年	— 2001	13,326	—	13,326
—二〇〇二年	— 2002	12,600	—	12,600
—二〇〇三年	— 2003	11,540	—	11,540
—二〇〇五年	— 2005	46,592	—	46,592
—二〇〇六年	— 2006	27,910	—	27,910
		381,852	516,490	898,342

32 其他物業及設備(續) 32 Other properties and equipment (continued)

二〇〇七年

2007

本行

The Bank

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
成本或估值	Cost or valuation			
二〇〇七年一月一日	At 1 January 2007	295,496	488,012	783,508
匯率調整	Exchange adjustments	–	266	266
增置	Additions	–	54,913	54,913
出售	Disposals	–	(31,394)	(31,394)
轉賬淨額	Reclassifications, net	16,824	–	16,824
二〇〇七年十二月三十一日	At 31 December 2007	312,320	511,797	824,117
累積折舊	Accumulated depreciation			
二〇〇七年一月一日	At 1 January 2007	83,939	373,597	457,536
匯率調整	Exchange adjustments	–	100	100
本年度折舊	Charge for the year	10,966	41,928	52,894
出售回撥	Written back on disposal	–	(29,534)	(29,534)
二〇〇七年十二月三十一日	At 31 December 2007	94,905	386,091	480,996
賬面淨值	Net book value			
二〇〇七年十二月三十一日	At 31 December 2007	217,415	125,706	343,121

32 其他物業及設備(續) 32 Other properties and equipment (continued)

二〇〇六年

2006

本行

The Bank

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
成本或估值	Cost or valuation			
二〇〇六年一月一日	At 1 January 2006	280,296	450,179	730,475
匯率調整	Exchange adjustments	–	79	79
增置	Additions	–	50,089	50,089
出售	Disposals	–	(12,335)	(12,335)
轉賬淨額	Reclassifications, net	(20,898)	–	(20,898)
重估盈餘	Surplus on revaluation	40,883	–	40,883
減：累積折舊抵銷重估值	Less: elimination of accumulated depreciation on revaluation	(4,785)	–	(4,785)
二〇〇六年十二月三十一日	At 31 December 2006	<u>295,496</u>	<u>488,012</u>	<u>783,508</u>
累積折舊	Accumulated depreciation			
二〇〇六年一月一日	At 1 January 2006	78,542	347,941	426,483
匯率調整	Exchange adjustments	–	33	33
本年度折舊	Charge for the year	10,182	36,492	46,674
出售回撥	Written back on disposal	–	(10,869)	(10,869)
重估後撇除	Elimination on revaluation	(4,785)	–	(4,785)
二〇〇六年十二月三十一日	At 31 December 2006	<u>83,939</u>	<u>373,597</u>	<u>457,536</u>
賬面淨值	Net book value			
二〇〇六年十二月三十一日	At 31 December 2006	<u>211,557</u>	<u>114,415</u>	<u>325,972</u>

32 其他物業及設備(續) 32 Other properties and equipment (continued)

上列資產之成本或估值分析如下：

The analysis of cost or valuation of the above assets is as follows:

本行

The Bank

		房產 Premises HK\$'000	傢俬及設備 Furniture and equipment HK\$'000	合計 Total HK\$'000
二〇〇七年	2007			
成本值	At cost	111,619	511,797	623,416
	Reclassification from investment			
由投資物業轉賬為房產， 並以專業估值列示	properties stated at professional valuation			
—一九九五年	— 1995	43,200	—	43,200
—一九九八年	— 1998	42,771	—	42,771
—二〇〇一年	— 2001	13,326	—	13,326
—二〇〇二年	— 2002	6,840	—	6,840
—二〇〇三年	— 2003	11,540	—	11,540
—二〇〇五年	— 2005	38,290	—	38,290
—二〇〇六年	— 2006	27,910	—	27,910
—二〇〇七年	— 2007	16,824	—	16,824
		312,320	511,797	824,117
二〇〇六年	2006			
成本值	At cost	111,619	488,012	599,631
	Reclassification from investment			
由投資物業轉賬為房產， 並以專業估值列示	properties stated at professional valuation			
—一九九五年	— 1995	43,200	—	43,200
—一九九八年	— 1998	42,771	—	42,771
—二〇〇一年	— 2001	13,326	—	13,326
—二〇〇二年	— 2002	6,840	—	6,840
—二〇〇三年	— 2003	11,540	—	11,540
—二〇〇五年	— 2005	38,290	—	38,290
—二〇〇六年	— 2006	27,910	—	27,910
		295,496	488,012	783,508

32 其他物業及設備(續)

房產之賬面淨值包括：

位於香港之租約物業：

- 長期租約(五十年以上)
- 中期租約(十至五十年)

位於海外之租約物業：

- 永久
- 長期租約(五十年以上)
- 中期租約(十至五十年)

32 Other properties and equipment (continued)

The net book value of premises comprises:

Leasehold properties in Hong Kong:

- Long-term leases (over 50 years)
- Medium-term leases (between 10 to 50 years)

Leasehold properties outside Hong Kong:

- Freehold
- Long-term leases (over 50 years)
- Medium-term leases (between 10 to 50 years)

本集團 The Group		本行 The Bank	
2007	2006	2007	2006
HK\$'000	HK\$'000	HK\$'000	HK\$'000
206,311	208,288	172,631	172,532
44,784	39,025	44,784	39,025
251,095	247,313	217,415	211,557
32,809	33,584	–	–
3,344	3,420	–	–
3,519	3,631	–	–
290,767	287,948	217,415	211,557

33 交易賬項下之負債

沽空之外匯基金票據及債券
公平價值：
— 上市
— 非上市

33 Trading liabilities

Short positions in Exchange
Fund Bills and Notes, at fair value:
– Listed
– Unlisted

本集團及本行 The Group and the Bank	
2007	2006
HK\$'000	HK\$'000
251,626	1,097
99,584	1,210,352
351,210	1,211,449

34 以公平價值誌入損益賬之金融負債

發行之存款證
結構性存款(註釋35)

34 Financial liabilities designated at fair value through profit or loss

Certificates of deposit issued
Structured deposits (note 35)

本集團 The Group		本行 The Bank	
2007	2006	2007	2006
HK\$'000	HK\$'000	HK\$'000	HK\$'000
1,520,519	3,121,624	1,572,867	3,310,491
638,509	108,469	669,814	109,787
2,159,028	3,230,093	2,242,681	3,420,278

35 客戶存款

35 Deposits from customers

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
客戶存款	Deposits from customers				
– 如資產負債表列示	– As stated in the balance sheets	70,481,358	62,709,121	71,159,167	63,658,431
– 列於以公平價值誌入損益賬之金融負債項內之結構性存款(註釋34)	– Structured deposits reported as financial liabilities designated at fair value through profit or loss (note 34)	638,509	108,469	669,814	109,787
		71,119,867	62,817,590	71,828,981	63,768,218
分析如下：	Analysed by:				
– 活期存款及往來賬戶	– Demand deposits and current accounts	3,651,083	2,977,553	3,854,964	3,173,980
– 儲蓄存款	– Savings deposits	17,368,435	15,349,190	17,493,439	15,398,805
– 定期存款及通知存款	– Time, call and notice deposits	50,100,349	44,490,847	50,480,578	45,195,433
		71,119,867	62,817,590	71,828,981	63,768,218

36 其他賬項及預提

36 Other accounts and accruals

		本集團		本行	
		The Group		The Bank	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
應付利息	Interest payable	201,929	223,294	203,031	225,002
保費負債	Insurance liabilities	1,309,570	1,293,527	–	–
應付賬項	Account payable	551,514	476,534	528,364	456,286
其他	Others	1,469,987	1,167,518	927,729	1,587,425
		3,533,000	3,160,873	1,659,124	2,268,713

36 其他賬項及預提 (續)

應付利息以金融負債類別作分析如下：

36 Other accounts and accruals (continued)

Interest payable is analysed by types of financial liabilities as follows:

	本集團		本行	
	The Group		The Bank	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
同業定期存放及貸款	867	6,682	867	6,682
衍生金融工具	10,836	39,607	10,836	39,607
以公平價值誌入 損益賬之金融負債	5,974	21,167	5,974	21,167
客戶存款	171,016	147,360	172,118	149,068
發行之存款證	13,236	8,478	13,236	8,478
	201,929	223,294	203,031	225,002

37 遞延稅項

已於資產負債表內確認之遞延稅項資產/(負債)之組成部份，及年內之變動如下：

37 Deferred taxation

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

本集團

The Group

		加速	物業重估	退休	貸款	其他	合計
		稅項折舊	on	福利義務	減值準備		
		Accelerated	Revaluation	Retirement	Impairment	Others	Total
		tax	properties	benefit	on loans	HKS'000	HKS'000
		depreciation	and advances	obligation	and advances		
		HKS'000	HKS'000	HKS'000	HKS'000		
二〇〇七年一月一日	At 1 January 2007	(10,011)	(368,273)	(33,916)	19,215	(8,355)	(401,340)
在收益表(扣除)/記賬	(Charged)/credited to the income statement	(76)	(53,421)	(1,655)	(438)	1,197	(54,393)
在儲備扣除(註釋39)	Charged to reserves (note 39)	-	-	-	-	(8,426)	(8,426)
二〇〇七年十二月三十一日	At 31 December 2007	(10,087)	(421,694)	(35,571)	18,777	(15,584)	(464,159)

37 遞延稅項(續) 37 Deferred taxation (continued)

本行

The Bank

		加速 稅項折舊 Accelerated tax depreciation HK\$'000	物業重估 Revaluation on properties HK\$'000	退休 福利義務 Retirement benefit obligation HK\$'000	貸款 減值準備 Impairment allowances on loans and advances HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
二〇〇七年一月一日	At 1 January 2007	(8,224)	(367,989)	(33,916)	14,975	1,313	(393,841)
在收益表記賬/(扣除)	Credited/(charged) to the income statement	1,365	(53,421)	(1,655)	(1,174)	–	(54,885)
在儲備扣除(註釋39)	Charged to reserves (note 39)	–	–	–	–	(1,456)	(1,456)
二〇〇七年十二月三十一日	At 31 December 2007	(6,859)	(421,410)	(35,571)	13,801	(143)	(450,182)

本集團

The Group

		加速 稅項折舊 Accelerated tax depreciation HK\$'000	物業重估 Revaluation on properties HK\$'000	退休 福利義務 Retirement benefit obligation HK\$'000	貸款 減值準備 Impairment allowances on loans and advances HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
二〇〇六年一月一日	At 1 January 2006	(9,431)	(271,409)	(32,388)	21,100	3,854	(288,274)
在收益表(扣除)/記賬	(Charged)/credited to the income statement	(580)	(89,709)	(1,528)	(1,885)	2,028	(91,674)
在儲備扣除(註釋39)	Charged to reserves (note 39)	–	(7,155)	–	–	(14,237)	(21,392)
二〇〇六年十二月三十一日	At 31 December 2006	(10,011)	(368,273)	(33,916)	19,215	(8,355)	(401,340)

本行

The Bank

		加速 稅項折舊 Accelerated tax depreciation HK\$'000	物業重估 Revaluation on properties HK\$'000	退休 福利義務 Retirement benefit obligation HK\$'000	貸款 減值準備 Impairment allowances on loans and advances HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
二〇〇六年一月一日	At 1 January 2006	(8,709)	(271,125)	(32,388)	17,274	4,733	(290,215)
在收益表記賬/(扣除)	Credited/(charged) to the income statement	485	(89,709)	(1,528)	(2,299)	–	(93,051)
在儲備扣除(註釋39)	Charged to reserves (note 39)	–	(7,155)	–	–	(3,420)	(10,575)
二〇〇六年十二月三十一日	At 31 December 2006	(8,224)	(367,989)	(33,916)	14,975	1,313	(393,841)

37 遞延稅項(續)

於資產負債表內確認之
遞延稅項資產淨額

於資產負債表內確認之
遞延稅項負債淨額

遞延稅項資產乃因應相關稅務利益可透過未來應課稅溢利變現而就所結轉之稅項虧損予以確認。於二〇〇七年十二月三十一日，本集團並無未確認之稅項虧損(二〇〇六年為零)，可結轉以抵銷未來應課稅收入。所有的遞延稅項資產及負債將於十二個月後取得或結清。

38 股本

註冊股本：

三億股(二〇〇六年為三億股)
普通股，每股港幣五元

已發行及已繳足股本：

二億三千二百一十九萬零一百一十五股(二〇〇六年為二億三千二百一十九萬零一百一十五股)普通股，每股港幣五元

37 Deferred taxation (continued)

	本集團 The Group		本行 The Bank	
	2007 HK\$'000	2006 HK\$'000	2007 HK\$'000	2006 HK\$'000
Net deferred tax assets recognised in the balance sheets	6,799	4,763	—	—
Net deferred tax liabilities recognised in the balance sheets	(470,958)	(406,103)	(450,182)	(393,841)
	(464,159)	(401,340)	(450,182)	(393,841)

Deferred tax assets are recognised for tax losses carried forward to the extent that realisation of the deferred tax benefit through future profits is probable. At 31 December 2007, the Group had no unrecognised tax losses (2006: NIL) to be carried forward to set off against future taxable profits. All the deferred tax assets and liabilities are to be recovered or settled after more than 12 months.

38 Share capital

Authorised:

300,000,000 (2006: 300,000,000)
ordinary shares of HK\$5 each

Issued and fully paid:

232,190,115 (2006: 232,190,115)
ordinary shares of HK\$5 each

	2007 HK\$'000	2006 HK\$'000
	1,500,000	1,500,000
	1,160,951	1,160,951

39 儲備

39 Reserves

本集團

The Group

		重估 房產儲備 Bank premises revaluation reserve HK\$'000	重估 投資儲備 Investment revaluation reserve HK\$'000	普通儲備 General reserve HK\$'000	保留溢利 Retained earnings HK\$'000	合計 Total HK\$'000	
二〇〇七年一月一日	At 1 January 2007	57,500	35,069	433,074	1,003,730	8,691,461	10,220,834
可供出售之證券	Available-for-sale securities						
– 公平價值改變	– Changes in fair value	–	–	226,000	–	–	226,000
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	–	(104,130)	–	–	(104,130)
– 於減值時轉入收益表	– Transfer to income statement on impairment	–	–	426,092	–	–	426,092
應佔聯營公司儲備	Share of associate's reserve	–	–	(67)	–	–	(67)
公平價值調整對遞延 稅項之影響(註釋37)	Effect of deferred taxation on fair value adjustments (note 37)	–	–	(8,426)	–	–	(8,426)
是年度溢利	Profit for the year	–	–	–	–	1,371,514	1,371,514
已派二〇〇六年末期股息	2006 Final dividend paid	–	–	–	–	(603,694)	(603,694)
已派二〇〇七年中期股息	2007 Interim dividend paid	–	–	–	–	(208,971)	(208,971)
二〇〇七年十二月三十一日	At 31 December 2007	57,500	35,069	972,543	1,003,730	9,250,310	11,319,152

本行

The Bank

		重估 房產儲備 Bank premises revaluation reserve HK\$'000	重估 投資儲備 Investment revaluation reserve HK\$'000	普通儲備 General reserve HK\$'000	保留溢利 Retained earnings HK\$'000	合計 Total HK\$'000	
二〇〇七年一月一日	At 1 January 2007	33,728	69,535	1,003,730	7,119,255	8,226,248	
可供出售之證券	Available-for-sale securities						
– 公平價值改變	– Changes in fair value	–	–	(353,420)	–	–	(353,420)
– 於出售時轉入收益表	– Transfer to income statement on disposal	–	–	(47,951)	–	–	(47,951)
– 於減值時轉入收益表	– Transfer to income statement on impairment	–	–	426,092	–	–	426,092
公平價值調整對遞延 稅項之影響(註釋37)	Effect of deferred taxation on fair value adjustments (note 37)	–	–	(1,456)	–	–	(1,456)
是年度溢利	Profit for the year	–	–	–	–	1,922,910	1,922,910
已派二〇〇六年末期股息	2006 Final dividend paid	–	–	–	–	(603,694)	(603,694)
已派二〇〇七年中期股息	2007 Interim dividend paid	–	–	–	–	(208,971)	(208,971)
二〇〇七年十二月三十一日	At 31 December 2007	33,728	92,800	1,003,730	8,229,500	9,359,758	

39 儲備 (續)

本集團

		資本儲備 Capital reserve HK\$'000	重估 房產儲備 Bank premises revaluation reserve HK\$'000	重估 投資儲備 Investment revaluation reserve HK\$'000	普通儲備 General reserve HK\$'000	保留溢利 Retained earnings HK\$'000	合計 Total HK\$'000
二〇〇六年一月一日	At 1 January 2006	57,500	1,341	146,956	1,003,730	7,765,989	8,975,516
可供出售之證券	Available-for-sale securities						
— 公平價值改變	— Changes in fair value	—	—	286,904	—	—	286,904
— 於出售時轉入收益表	— Transfer to income statement on disposal	—	—	13,112	—	—	13,112
重估盈餘	Surplus on revaluation	—	40,883	—	—	—	40,883
應佔聯營公司儲備	Share of associate's reserve	—	—	339	—	—	339
公平價值調整對遞延 稅項之影響 (註釋37)	Effect of deferred taxation on fair value adjustments (note 37)	—	(7,155)	(14,237)	—	—	(21,392)
是年度溢利	Profit for the year	—	—	—	—	1,605,789	1,605,789
已派二〇〇五年末期股息	2005 Final dividend paid	—	—	—	—	(494,565)	(494,565)
已派二〇〇六年中期股息	2006 Interim dividend paid	—	—	—	—	(185,752)	(185,752)
二〇〇六年十二月三十一日	At 31 December 2006	57,500	35,069	433,074	1,003,730	8,691,461	10,220,834

本行

The Bank

		Bank premises revaluation reserve HK\$'000	重估 房產儲備 Bank premises revaluation reserve HK\$'000	重估 投資儲備 Investment revaluation reserve HK\$'000	普通儲備 General reserve HK\$'000	保留溢利 Retained earnings HK\$'000	合計 Total HK\$'000
二〇〇六年一月一日	At 1 January 2006	—	—	22,259	1,003,730	6,503,158	7,529,147
可供出售之證券	Available-for-sale securities						
— 公平價值改變	— Changes in fair value	—	—	36,413	—	—	36,413
— 於出售時轉入收益表	— Transfer to income statement on disposal	—	—	14,283	—	—	14,283
重估盈餘	Surplus on revaluation	—	40,883	—	—	—	40,883
公平價值調整對遞延 稅項之影響 (註釋37)	Effect of deferred taxation on fair value adjustments (note 37)	—	(7,155)	(3,420)	—	—	(10,575)
是年度溢利	Profit for the year	—	—	—	—	1,296,414	1,296,414
已派二〇〇五年末期股息	2005 Final dividend paid	—	—	—	—	(494,565)	(494,565)
已派二〇〇六年中期股息	2006 Interim dividend paid	—	—	—	—	(185,752)	(185,752)
二〇〇六年十二月三十一日	At 31 December 2006	—	33,728	69,535	1,003,730	7,119,255	8,226,248

39 儲備(續)

- (a) 本集團之資本儲備是由若干附屬公司將其保留溢利資本化並發行新股予本行時所成立。
- (b) 重估房產儲備乃根據載於(註釋1.11)的會計政策而成立。
- (c) 重估投資儲備乃可供出售證券在出售或減值前之公平價值變動之累計淨差額並根據載於(註釋1.6及1.7)的會計政策確認。
- (d) 普通儲備是往年度從保留溢利及內部儲備轉撥之金額。
- (e) 本集團已於二〇〇七年十二月三十一日之保留溢利中保留港幣五億零九百零八萬六千元(二〇〇六年為港幣二億八千一百八十二萬六千元)作為法定儲備。法定儲備乃為審慎監督目的按照香港《銀行業條例》之條款保留,而是項儲備之變動直接記於保留溢利內,並須諮詢香港金融管理局。
- (f) 按照香港《公司條例》第79B條計算,本行於二〇〇七年十二月三十一日之可分派儲備總額為港幣六十四億五千五百三十七萬六千元(二〇〇六年為港幣六十億四千七百二十萬六千元)。
- (g) 董事會擬派末期股息港幣三億四千八百二十八萬五千元(二〇〇六年為港幣六億零三百六十九萬四千元),此項擬派股息將於截至二〇〇八年十二月三十一日止年度內保留溢利中分派(註釋16)。

39 Reserves (continued)

- (a) The Group's capital reserve was set up in relation to the capitalisation by certain subsidiaries of their retained earnings for the issue of new shares to the Bank.
- (b) Bank premises revaluation reserve has been set up and is dealt with in accordance with the accounting policies set out in note 1.11.
- (c) Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities until the securities are derecognised or impaired and is dealt with in accordance with the accounting policies set out in notes 1.6 and 1.7.
- (d) General reserve comprises previous years' transfers from retained earnings and inner reserve.
- (e) At 31 December 2007, included in retained earnings is an amount of HK\$509,086,000 (2006: HK\$281,826,000) which was earmarked as regulatory reserve. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong 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.
- (f) Distributable reserves of the Bank at 31 December 2007, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK\$6,455,376,000 (2006: HK\$6,047,206,000).
- (g) The directors proposed a final dividend of HK\$348,285,000 (2006: HK\$603,694,000) after the year end which will be deducted as an appropriation of retained earnings in the year ending 31 December 2008 (note 16).

40 附屬公司欠款/存款

包括在下列各資產負債表項目內計有附屬公司結餘如下：

附屬公司欠款：
— 同業定期存放及貸款
— 貸款及其他賬項

附屬公司存款：
— 同業存款
— 客戶存款
— 以公平價值誌入損益賬之金融負債
— 其他賬項及預提

40 Amounts due from/to subsidiaries

Included in the following balance sheet headings are balances with subsidiaries:

	本行 The Bank	
	2007 HK\$'000	2006 HK\$'000
Amounts due from subsidiaries:		
— Placements with and loans and advances to banks	270,000	390,000
— Advances and other accounts	93,359	525,768
	363,359	915,768
Amounts due to subsidiaries:		
— Deposits and balances from banks	25,768	115,660
— Deposits from customers	680,641	952,053
— Financial liabilities designated at fair value through profit or loss	83,653	190,185
— Other accounts and accruals	25,546	418,530
	815,608	1,676,428

41 分部報告

(a) 按業務劃分

本集團主要從事商業銀行業務，業務類別可分為零售及企業銀行、財資、保險、經紀及其他業務。零售及企業銀行業務包括提供零售銀行服務、商業借貸及貿易融資。財資業務包括外匯、金融市場及資本市場等活動。保險業務包括承保、保險代理及其他相關業務。經紀業務包括證券及期貨經紀服務。其他業務主要包括物業投資。

未分類項目主要包括中央管理層及其他共同分享服務之支出、資產及負債、稅項、以及其他未能合理分配予特定業務分部的項目。

41 Segment reporting

(a) Business segments

The Group operates predominantly in commercial banking which comprises retail and corporate banking, treasury, insurance, brokerage and other activities. Retail and corporate banking includes retail banking, commercial lending and trade finance. Treasury activities include foreign exchange, money market and capital market activities. Insurance activities include insurance underwriting, insurance agency and other related businesses. Brokerage activities include securities and future brokerage services. Other activities mainly comprise investment properties holding.

Unallocated items mainly comprise expenses, assets and liabilities of the central management unit and other shared services, taxation and any items which cannot be reasonably allocated to specific business segments.

41 分部報告 (續)

41 Segment reporting (continued)

(a) 按業務劃分 (續)

(a) Business segments (continued)

		零售及 企業銀行 Retail and corporate banking	財資 Treasury	保險 Insurance	經紀 Brokerage	其他 Others	未分類 業務 Unallocated	本集團 Group
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
二〇〇七年	2007							
利息收入源自	Interest income from							
– 外界客戶	– external customers	2,382,524	1,932,341	70,054	56,135	12	–	4,441,066
– 其他業務	– other segments	2,315,519	1,218,620	19,329	21,668	1,383	–	3,576,519
利息支出給予	Interest expense to							
– 外界客戶	– external customers	(2,580,263)	(369,214)	–	–	–	–	(2,949,477)
– 其他業務	– other segments	(1,200,954)	(2,332,113)	–	(43,452)	–	–	(3,576,519)
淨利息收入	Net interest income	916,826	449,634	89,383	34,351	1,395	–	1,491,589
源自外界客戶之 服務費及佣金淨收入	Net fees and commission income from external customers	129,146	(6,128)	–	304,037	73,063	–	500,118
源自外界客戶之 保險營業收入	Insurance operating income from external customers	–	–	436,213	–	–	–	436,213
源自外界客戶之 其他營業(支出)/收入	Other operating (expenses to)/ income from external customers	(63,049)	68,983	67,678	11,547	285,573	–	370,732
營業收入	Operating income	982,923	512,489	593,274	349,935	360,031	–	2,798,652
營業支出	Operating expenses	(408,771)	(25,179)	(35,887)	(55,449)	(55,293)	(157,900)	(738,479)
信貸損失之減值調撥	Impairment charge for credit losses	(40,429)	(463,019)	–	–	–	–	(503,448)
保險申索準備	Charge for insurance claims	–	–	(354,258)	–	–	–	(354,258)
出售其他物業及設備 之淨虧損	Net loss on disposal of other properties and equipment	(3)	–	–	(156)	(1)	(834)	(994)
其他投資收益前之營業 溢利/(虧損)	Operating profit/(loss) before gain on certain investments	533,720	24,291	203,129	294,330	304,737	(158,734)	1,201,473
投資物業公平價值調整	Fair value adjustments on investment properties	–	–	–	–	305,264	–	305,264
應佔共同控制實體及 聯營公司之淨溢利	Share of net profits of jointly controlled entities and associates	–	–	57,242	–	12,102	–	69,344
除稅前溢利/(虧損)	Profit/(loss) before taxation	533,720	24,291	260,371	294,330	622,103	(158,734)	1,576,081
資本開支	Capital expenditure	28,885	4,284	1,408	1,745	6,087	13,742	56,151
折舊及攤銷費用	Depreciation and amortisation charge	35,003	2,284	1,558	3,497	9,131	11,892	63,365

41 分部報告(續)

(a) 按業務劃分(續)

41 Segment reporting (continued)

(a) Business segments (continued)

		零售及 企業銀行 Retail and corporate banking HK\$'000	財資 Treasury HK\$'000	保險 Insurance HK\$'000	經紀 Brokerage HK\$'000	其他 Others HK\$'000	未分類 業務 Unallocated HK\$'000	本集團 Group HK\$'000
二〇〇七年	2007							
分部資產	Segment assets	47,823,485	38,095,622	1,688,015	1,691,687	3,261,880	-	92,560,689
聯營公司權益	Interests in associates	-	-	6,184	-	-	-	6,184
共同控制實體權益	Interests in jointly controlled entities	65,697	-	123,971	-	34,350	-	224,018
未能分類之資產	Unallocated assets	-	-	-	-	-	257,248	257,248
總資產	Total assets	<u>47,889,182</u>	<u>38,095,622</u>	<u>1,818,170</u>	<u>1,691,687</u>	<u>3,296,230</u>	<u>257,248</u>	<u>93,048,139</u>
分部負債	Segment liabilities	71,829,807	5,118,413	1,355,777	668,569	1,120,386	-	80,092,952
未能分類之負債	Unallocated liabilities	-	-	-	-	-	475,084	475,084
總負債	Total liabilities	<u>71,829,807</u>	<u>5,118,413</u>	<u>1,355,777</u>	<u>668,569</u>	<u>1,120,386</u>	<u>475,084</u>	<u>80,568,036</u>

41 分部報告(續)

41 Segment reporting (continued)

(a) 按業務劃分(續)

(a) Business segments (continued)

		零售及 企業銀行 Retail and corporate banking HK\$'000	財資 Treasury HK\$'000	保險 Insurance HK\$'000	經紀 Brokerage HK\$'000	其他 Others HK\$'000	未分類 業務 Unallocated HK\$'000	本集團 Group HK\$'000
二〇〇六年	2006							
利息收入源自	Interest income from							
– 外界客戶	– external customers	2,326,445	1,643,277	55,453	14,306	42	–	4,039,523
– 其他業務	– other segments	1,832,517	1,054,021	20,256	11,939	1,353	–	2,920,086
利息支出給予	Interest expense to							
– 外界客戶	– external customers	(2,235,135)	(405,363)	–	–	–	–	(2,640,498)
– 其他業務	– other segments	(1,075,107)	(1,827,652)	–	(17,327)	–	–	(2,920,086)
淨利息收入	Net interest income	848,720	464,283	75,709	8,918	1,395	–	1,399,025
	Net fees and commission							
源自外界客戶之 服務費及佣金淨收入	income from external customers	121,395	(6,190)	–	150,994	22,290	–	288,489
源自外界客戶之 保險營業收入	Insurance operating income from external customers	–	–	411,898	–	–	–	411,898
源自外界客戶之 其他營業收入	Other operating income from external customers	46,654	88,481	24,629	6,126	145,223	–	311,113
營業收入	Operating income	1,016,769	546,574	512,236	166,038	168,908	–	2,410,525
營業支出	Operating expenses	(391,387)	(22,579)	(30,567)	(49,684)	(50,244)	(130,296)	(674,757)
信貸損失之減值 (調撥)/撥回	Impairment (charge for)/ write back on credit losses	(44,262)	–	8	–	–	–	(44,254)
保險申索準備	Charge for insurance claims	–	–	(319,401)	–	–	–	(319,401)
出售其他物業及設備 之淨虧損	Net loss on disposal of other properties and equipment	(1)	–	–	(22)	(3)	(1,391)	(1,417)
其他投資收益前之營業 溢利/(虧損)	Operating profit/(loss) before gain on certain investments	581,119	523,995	162,276	116,332	118,661	(131,687)	1,370,696
投資物業公平價值調整	Fair value adjustments on investment properties	–	–	–	–	512,626	–	512,626
應佔共同控制實體及 聯營公司之淨溢利	Share of net profits of jointly controlled entities and associates	–	–	31,917	–	8,048	–	39,965
除稅前溢利/(虧損)	Profit/(loss) before taxation	581,119	523,995	194,193	116,332	639,335	(131,687)	1,923,287
資本開支	Capital expenditure	37,314	1,629	790	5,471	42,392	11,790	99,386
折舊及攤銷費用	Depreciation and amortisation charge	32,121	1,570	1,654	4,267	8,878	8,930	57,420

41 分部報告(續)

(a) 按業務劃分(續)

二〇〇六年	2006	零售及	財資	保險	經紀	其他	未分類	本集團
		企業銀行						
		Retail and corporate banking	Treasury	Insurance	Brokerage	Others	Unallocated	Group
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
分部資產	Segment assets	43,951,991	35,122,585	1,866,577	1,016,922	2,485,676	-	84,443,751
聯營公司權益	Interests in associates	-	-	5,879	-	-	-	5,879
共同控制實體權益	Interests in jointly controlled entities	-	-	91,535	-	48,962	-	140,497
未能分類之資產	Unallocated assets	-	-	-	-	-	390,501	390,501
總資產	Total assets	<u>43,951,991</u>	<u>35,122,585</u>	<u>1,963,991</u>	<u>1,016,922</u>	<u>2,534,638</u>	<u>390,501</u>	<u>84,980,628</u>
分部負債	Segment liabilities	63,213,569	7,221,727	1,314,466	471,961	897,848	-	73,119,571
未能分類之負債	Unallocated liabilities	-	-	-	-	-	479,272	479,272
總負債	Total liabilities	<u>63,213,569</u>	<u>7,221,727</u>	<u>1,314,466</u>	<u>471,961</u>	<u>897,848</u>	<u>479,272</u>	<u>73,598,843</u>

(b) 按地域劃分

本集團主要在香港經營業務，本集團之海外業務佔本集團之收入、溢利、資產、負債、或有債務或承擔少於百分之十。

41 Segment reporting (continued)

(a) Business segments (continued)

二〇〇六年	2006	零售及	財資	保險	經紀	其他	未分類	本集團
		企業銀行						
		Retail and corporate banking	Treasury	Insurance	Brokerage	Others	Unallocated	Group
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
分部資產	Segment assets	43,951,991	35,122,585	1,866,577	1,016,922	2,485,676	-	84,443,751
聯營公司權益	Interests in associates	-	-	5,879	-	-	-	5,879
共同控制實體權益	Interests in jointly controlled entities	-	-	91,535	-	48,962	-	140,497
未能分類之資產	Unallocated assets	-	-	-	-	-	390,501	390,501
總資產	Total assets	<u>43,951,991</u>	<u>35,122,585</u>	<u>1,963,991</u>	<u>1,016,922</u>	<u>2,534,638</u>	<u>390,501</u>	<u>84,980,628</u>
分部負債	Segment liabilities	63,213,569	7,221,727	1,314,466	471,961	897,848	-	73,119,571
未能分類之負債	Unallocated liabilities	-	-	-	-	-	479,272	479,272
總負債	Total liabilities	<u>63,213,569</u>	<u>7,221,727</u>	<u>1,314,466</u>	<u>471,961</u>	<u>897,848</u>	<u>479,272</u>	<u>73,598,843</u>

(b) Geographical area

The Group operates predominantly in Hong Kong. Less than 10% of the Group's income, profit, assets, liabilities, contingent liabilities or commitments are attributable to the Group's operations outside Hong Kong.

42 或有債務及承擔

下列為或有債務及承擔之每個主要類別之合約金額，及信貸風險比重金額總計：

42 Contingent liabilities and commitments

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

		本集團		本行	
		2007	2006	2007	2006
		HKS'000	HKS'000	HKS'000	HKS'000
合約金額	Contractual amount				
直接信貸替代品	Direct credit substitutes	681,723	754,811	520,706	561,970
交易項目有關之或有債務	Transaction-related contingencies	67,365	42,462	67,365	42,462
商業項目有關之或有債務	Trade-related contingencies	410,028	418,592	410,028	418,592
可以無條件取消之其他承擔	Other commitments which are unconditionally cancellable	13,786,201	10,783,013	13,923,731	10,879,886
原本期為一年或以下之其他承擔	Other commitments with an original maturity of one year or less	2,268,990	919,031	2,268,990	917,259
原本期為一年以上之其他承擔	Other commitments with an original maturity of over one year	5,789,372	4,958,130	5,789,372	4,958,130
		23,003,679	17,876,039	22,980,192	17,778,299
信貸風險比重金額	Credit risk weighted amount	4,082,220	3,921,512	3,711,972	3,307,551

43 資本及租約承擔

- (a) 於十二月三十一日，不包括於財務報表內之資本承擔如下：

已簽合約但未作準備

已授權但未簽合約

- (b) 本集團及本行以營業租賃租用一些物業。租約基本年期為一至六年。此等租約並不包括或有租金收入。

於十二月三十一日，不可撤銷之營業租賃之未來最低應付租賃款項總額如下：

土地及樓宇

— 第一年內

— 第二至第五年內

43 Capital and lease commitments

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

	本集團		本行	
	The Group		The Bank	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
Contracted but not provided for	32,856	15,041	28,194	14,417
Authorised but not contracted for	1,064	—	1,064	—

- (b) The Group and the Bank lease certain properties under operating leases. The leases typically run for an initial period of 1 to 6 years. None of the leases include contingent rentals.

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

	本集團		本行	
	The Group		The Bank	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
Land and buildings				
— Within one year	23,649	8,403	22,654	8,403
— After one year but within five years	24,199	5,623	23,005	5,623
	47,848	14,026	45,659	14,026

44 綜合現金流量表註釋

44 Notes to consolidated cash flow statement

(a) 營業溢利與除稅前營業活動
之現金流入淨額對賬表

(a) Reconciliation of operating profit to cash generated from operations

		2007 HK\$'000	2006 HK\$'000
除稅前溢利	Profit before taxation	1,576,081	1,923,287
調整項目：	Adjustments for:		
應佔聯營公司淨溢利	Share of net profits of associates	(1,707)	(3,216)
應佔共同控制實體淨溢利	Share of net profits of jointly controlled entities	(67,637)	(36,749)
出售可供出售證券之淨收益	Net gain on disposal of available-for-sale securities	(104,130)	(6,154)
出售其他物業及設備之淨虧損	Net loss on disposal of other properties and equipment	994	1,417
投資物業公平價值調整	Fair value adjustments on investment properties	(305,264)	(512,626)
信貸虧損減值調撥	Impairment charge for credit losses	503,448	44,254
折舊	Depreciation	59,194	53,248
租賃土地之溢價攤銷	Amortisation of land lease premium	4,171	4,172
攤銷可供出售證券及 持至到期證券之溢價	Amortisation of premium on available-for-sale securities and held-to-maturity securities	(97,591)	(87,400)
營運資金變動前之營業溢利	Operating profit before changes in working capital	1,567,559	1,380,233
營業資產(增加)/減少：	(Increase)/decrease in operating assets:		
庫存現金及短期資金	Money at call and short notice	(261,096)	(528,018)
同業定期存放及貸款	Placements with and loans and advances to banks maturing beyond three months	1,266,941	(1,729,419)
持作買賣用途證券	Trading securities	(634,599)	(739,903)
以公平價值誌入損益賬 之金融資產	Financial assets designated at fair value through profit or loss	500,555	406,199
貸款及其他賬項	Advances and other accounts	(3,791,419)	(2,734,111)
營業負債增加/(減少)：	Increase/(decrease) in operating liabilities:		
衍生金融負債淨額	Net derivative financial liabilities	308,067	158,955
同業存款(三個月以後到期)	Deposits and balances from banks maturing beyond three months	75,400	(74,805)
客戶存款	Deposits from customers	7,772,237	8,403,081
發行之存款證	Certificates of deposit issued	(109,434)	(34,425)
以公平價值誌入損益賬 之金融負債	Financial liabilities designated at fair value through profit or loss	(1,071,065)	869,199
交易賬項下之負債	Trading liabilities	(242,938)	242,454
其他賬項及預提	Other accounts and accruals	372,127	945,225
營業活動之現金流入淨額	Cash generated from operations	5,752,335	6,564,665

44 綜合現金流量表註釋(續)

44 Notes to consolidated cash flow statement (continued)

(b) 現金及等同現金項目之結餘分析

(b) Analysis of the balance of cash and cash equivalents

		2007 HK\$'000	2006 HK\$'000
庫存現金及存放同業	Cash and balances with banks	1,589,339	1,249,972
短期存放同業	Money at call and short notice	23,928,231	21,642,373
同業定期存放及貸款 (原到期日在三個月內)	Placements with and loans and advances to banks with original maturity within three months	2,103,416	1,518,877
國庫券 (原到期日在三個月內)	Treasury bills with original maturity within three months	149,458	633,693
持有之存款證 (原到期日在三個月內)	Certificate of deposit held with original maturity within three months	56,163	-
沽空之外匯基金票據及債券	Short positions in Exchange Fund Bills and Notes	(350,609)	(967,910)
同業存款 (原到期日在三個月內)	Deposits and balances from banks with original maturity within three months	(1,078,903)	(634,431)
		26,397,095	23,442,574

45 已作抵押品之資產

45 Assets pledged as security

(a) 一筆為數值美元七百二十萬元(等同港幣五千六百一十六萬三千元;二〇〇六年為美元七百二十萬元,等同港幣五千六百萬零二千元)之存款證含於持至到期證券內,已抵押予美國貨幣審計部,作為本行羅省分行之法定存款。

(a) A certificate of deposit of US\$7,200,000 (equivalent to HK\$56,163,000; 2006: US\$7,200,000 equivalent to HK\$56,002,000) included in held-to-maturity securities has been pledged to the Office of the Comptroller of Currency of the United States of America as a statutory deposit for the Bank's branch in Los Angeles.

(b) 於二〇〇七年十二月三十一日,總額合共港幣三億六千三百零八萬九千元(二〇〇六年為港幣十二億一千三百三十二萬一千元)的外匯基金票據及債券,已因應本行根據銷售及回購協議對沽空外匯基金票據及債券而作抵押,此等協議乃按市場之正常商業條款進行。相關的外匯基金票據及債券主要包括在「持作買賣用途證券」內。

(b) As at 31 December 2007, Hong Kong Exchange Fund Bills and Notes totalling HK\$363,089,000 (2006: HK\$1,213,321,000) which are included in "Trading securities" have been pledged to secure the Bank's short positions in Exchange Fund Bills and Notes under sale and repurchase agreements entered into by the Bank in the normal course of its business.

46 高級人員貸款

按照香港《公司條例》第161B條之規定，本行貸款予高級人員之詳情公佈如下：

46 Loans to officers

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

	於十二月三十一日 之結欠額		全年最高結欠額	
	Balance outstanding at 31 December		Maximum balance during the year	
	2007	2006	2007	2006
	HKS'000	HKS'000	HKS'000	HKS'000
Aggregate amount outstanding in respect of principal and interest				
本金及利息之結欠總額	1,913	3,261	3,611	5,554

47 重大有關連人士之交易

是年度內，本集團在正常商業活動下與有關連人士進行之銀行交易，包括放款、存款、保險及其他金融相關交易。該等有關連人士為本行之主要行政人員及其直系親屬，並包括受本集團及該等人士所控制或可對其行使重大影響力之公司。除在本財務報表其他地方所披露之交易及結餘外，本集團所參與的一切其他重大有關連人士之交易詳列如下：

47 Material related party transactions

During the year, the Group entered into certain banking transactions with related parties in the normal course of business, which include loans, deposits, insurance and other financial related transactions. These related parties are key management personnel of the Bank, close members of their families and companies controlled or significantly influenced by the Group or by them. In addition to the transactions and balances disclosed elsewhere in the financial statements, other material related party transactions entered into by the Group are as follows:

二〇〇七年

2007

	共同 控制實體 Jointly controlled entities HKS'000	聯營公司 Associates HKS'000	主要 行政人員 Key management personnel HKS'000	其他有關 連人士 Other related parties HKS'000	合計 Total HKS'000
本集團及本行	The Group and the Bank				
於年結日結餘總額	Aggregate amounts outstanding at the year end				
	(註釋 a) (note a)				
- 貸款	72,264	-	7,527	6,936	86,727
- 存款	609,718	2,094	279,143	1,757,236	2,648,191

47 重大有關連人士之交易(續)

47 Material related party transactions (continued)

二〇〇七年

2007

	共同 控制實體 Jointly controlled entities HK\$'000	聯營公司 Associates HK\$'000	主要 行政人員 Key management personnel HK\$'000	其他有關 連人士 Other related parties HK\$'000	合計 Total HK\$'000
本集團	The Group				
是年度收取有關連人士之收入	Income for the year received from related parties				
– 利息收入	328	–	477	4,877	5,682
– 其他營業收入	6,929	459	–	739	8,127
	<u>7,257</u>	<u>459</u>	<u>477</u>	<u>5,616</u>	<u>13,809</u>
是年度支付予有關連人士之費用	Expenses for the year paid to related parties				
– 利息支出	25,859	75	11,355	68,643	105,932
– 營業支出	2,099	–	–	6,900	8,999
– 保險營業淨支出	2,730	24,664	–	–	27,394
	<u>30,688</u>	<u>24,739</u>	<u>11,355</u>	<u>75,543</u>	<u>142,325</u>

二〇〇六年

2006

	The Group and the Bank				
於年結日結餘總額	Aggregate amounts outstanding at the year end				
	(註釋 a) (note a)				
– 貸款	32,300	–	10,633	218,221	261,154
– 存款	502,327	2,456	291,930	1,091,145	1,887,858
	<u>534,627</u>	<u>2,456</u>	<u>302,563</u>	<u>1,309,366</u>	<u>2,149,012</u>
本集團	The Group				
是年度收取有關連人士之收入	Income for the year received from related parties				
– 利息收入	–	–	616	12,016	12,632
– 其他營業收入	3,563	310	–	739	4,612
	<u>3,563</u>	<u>310</u>	<u>616</u>	<u>12,755</u>	<u>17,244</u>
是年度支付予有關連人士之費用	Expenses for the year paid to related parties				
– 利息支出	22,075	130	10,519	46,290	79,014
– 營業支出	2,066	–	–	6,900	8,966
– 保險營業淨支出	4,686	25,159	–	–	29,845
	<u>28,827</u>	<u>25,289</u>	<u>10,519</u>	<u>53,190</u>	<u>117,825</u>

47 重大有關連人士之交易 (續)

主要行政人員報酬

本集團內主要行政人員，包括本行董事(註釋12)之報酬分析如下：

薪酬及其他短期福利
退休福利

- (a) 貸款予共同控制實體之款項為港幣六百五十六萬七千元(二〇〇六年為港幣三千二百三十萬元)之貸款，為無抵押及免息。餘額為附息抵押並以正常商業利率計算。
- (b) 本集團並無為上述授予有關連人士之貸款確認任何減值準備(二〇〇六年為零)。

47 Material related party transactions (continued)

Key management personnel remuneration

Remuneration for key management personnel of the Group including amounts paid to the Bank's directors as disclosed in note 12 is as follows:

	2007 HK\$'000	2006 HK\$'000
Salaries and other short-term benefits	48,126	39,760
Retirement benefits	2,107	1,844
	50,233	41,604

- (a) The loans to jointly controlled entities include an amount of HK\$6,567,000 (2006: HK\$32,300,000) which is unsecured and interest free. The remaining balance is secured and interest-bearing at normal commercial terms.
- (b) No impairment allowances have been recognised in respect of loans granted to related parties (2006: Nil).

48 財務報表綜合基礎之附屬公司

- # * 康令有限公司
時永投資有限公司
永隆代理有限公司
- # * 永隆銀行受託代管有限公司
- # * 永隆銀行信託有限公司
永隆授信有限公司
永隆財務有限公司
- # * 永隆期貨有限公司
- # 永隆保險顧問有限公司
- # * 永隆保險有限公司
- # * 永隆管業有限公司
- # * 永隆證券有限公司
- # Wingspan Incorporated
- * 為法定報表計算二〇〇七年十二月三十一日之綜合資本比率，並不包括此等公司。
- # 為法定報表計算二〇〇六年十二月三十一日之綜合資本比率，並不包括此等公司。

48 List of subsidiaries for financial reporting consolidation

- # * Hongnet Limited
Sea Wing Investments Limited
Wing Lung Agency Limited
- # * Wing Lung Bank (Nominees) Limited
- # * Wing Lung Bank (Trustee) Limited
Wing Lung Credit Limited
Wing Lung Finance Limited
- # * Wing Lung Futures Limited
- # Wing Lung Insurance Brokers Limited
- # * Wing Lung Insurance Company Limited
- # * Wing Lung Property Management Limited
- # * Wing Lung Securities Limited
- # Wingspan Incorporated
- * Companies excluded in the computation of the consolidated capital ratios at 31 December 2007 for regulatory reporting purposes
- # Companies excluded in the computation of the consolidated capital ratios at 31 December 2006 for regulatory reporting purposes

49 比較數字

若干比較數字已重新分類以符合本年度之呈報方式。

49 Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.

50 資產負債表日後事項

於二〇〇八年一月三十一日，本行與內地烟台市商業銀行簽署協定，認購該銀行百分之四點九九經擴大後股本，作價合共人民幣二億元。是項認購股權及有關協議之條款須得到中國銀行業監督管理委員會、其他有關監管機構及烟台市商業銀行股東之批准。

51 通過財務報表

本財務報表經已於二〇〇八年三月五日由董事會通過。

50 Events after the balance sheet date

On 31 January 2008, the Bank signed an agreement with Yantai City Commercial Bank (“YCCB”) to acquire a 4.99% interest in YCCB’s enlarged capital in Mainland China for a total consideration of RMB200 million. The share subscription and the terms of the agreement are subject to the approval of the China Banking Regulatory Commission, other relevant regulatory authorities, and shareholders of YCCB.

51 Approval of financial statements

The financial statements were approved and authorised for issue by the board of directors on 5 March 2008.

補充財務資料

SUPPLEMENTARY FINANCIAL INFORMATION

以下公佈之資料為財務報表補充資料，此等資料並不屬於經審核財務報表之一部份。

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

1 流動資金比率

流動資金比率

流動資金比率是根據香港《銀行業條例》附表四就本行及由香港金融管理局指定之一間附屬公司在本年度內每個曆月之綜合平均流動資金比率而計算之簡單平均數。

2 信貸風險、市場風險及營運風險之資本要求

財務報表註釋2.6之資本比率乃根據《銀行業(資本)規則》為法定要求而計算之本行及其若干附屬公司於十二月三十一日之綜合比率。財務報表註釋48描述了為會計要求之綜合基礎。

各類風險承擔之資本規定如下：

(a) 信貸風險之資本要求

本集團以標準方法計算信貸風險。

1 Liquidity ratio

Liquidity ratio

The liquidity ratio is calculated as the simple average of each calendar month's average consolidated liquidity ratio for the year calculated for the Bank and a subsidiary as specified by the HKMA during the year in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

2 Capital charge for credit, market and operational risks

The capital ratios in note 2.6 to the financial statements represent the consolidated ratio that comprises the positions of the Bank and subsidiaries for regulatory purposes as at 31 December computed in accordance with the Banking (Capital) Rules. For accounting purposes, the basis of consolidation is described in note 48 to the financial statements.

The capital requirements for each class of exposures are summarised as follows:

(a) Capital charge for credit risk

The Group uses the standardised approach for calculation of credit risk.

	資本規定 Capital requirement 2007 HK\$'000
官方實體風險承擔	62
公營機構風險承擔	40,153
同業風險承擔	683,676
企業風險承擔	2,095,931
現金項目	13,338
法定零售風險承擔	124,059
住宅按揭貸款	353,999
其他未逾期風險承擔	447,629
逾期風險承擔	8,020
資產負債表內風險承擔之總資本要求	3,766,867
直接信貸代替品	29,586
交易項目有關之或有債務	2,512
商業項目有關之或有債務	5,972
其他承擔	252,648
外匯合約	852
利率合約	1,115
股權合約	2,534
資產負債表外風險承擔之總資本要求	295,219
信貸風險之總資本要求	4,062,086

2 信貸風險、市場風險及營運風險之資本要求(續)

(a) 信貸風險之資本要求(續)

資本要求乃將本集團從有關計算方法所得之風險比重金額乘以百分之八計算，並非本集團之真正「法定資本」。

(b) 市場風險之資本要求

本集團以標準方法計算市場風險。

利率風險承擔(包括期權)
 股權風險承擔(包括期權)
 外匯風險承擔(包括黃金及期權)
 市場風險之總資本要求

(c) 營運風險之資本要求

本集團以基本指標方法計算營運風險。

營運風險之總資本要求

3 貨幣集中

本集團所有外幣持倉盤中，美元貨幣持倉佔淨盤總額的百分之十或以上，現以港幣等值列報如下：

現貨資產
 現貨負債
 遠期買入
 遠期賣出
 期權淨額
 長盤淨額

期權持倉淨額是根據香港金融管理局於「外幣持倉」申報表所載之「模式使用者」方式計算。

2 Capital charge for credit, market and operational risks (continued)

(a) Capital charge for credit risk (continued)

This disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Group's actual "regulatory capital".

(b) Capital charge for market risk

The Group uses the standardised approach for calculation of market risk.

Interest rate exposures (including options)
 Equity exposures (including options)
 Foreign exchange exposures (including gold and options)
 Capital charge for market risk

(c) Capital charge for operational risk

The Group uses the basic indicator approach for calculating operational risk.

Capital charge for operational risk

資本要求
Capital charge
2007
HK\$'000

18,926

30,617

6,702

56,245

2007

HK\$'000

295,678

3 Currency concentrations

The US dollar net position constitutes 10% or more of the total net position in all foreign currencies and is reported in Hong Kong dollar equivalent as follows:

本集團
The Group

2007 2006

HK\$'000 HK\$'000

Spot assets	18,439,911	22,774,594
Spot liabilities	(17,179,125)	(18,376,778)
Forward purchases	2,334,698	194,122
Forward sales	(2,080,305)	(1,543,393)
Net option position	(3,279)	21,541
Net long position	1,511,900	3,070,086

The net option position is calculated based on the model user approach set out in the prudential return "Foreign Currency Position" issued by the Hong Kong Monetary Authority.

3 貨幣集中(續)

本集團所有外幣結構性倉盤中，人民幣及美元貨幣結構性倉盤佔淨結構性倉盤總額的百分之十或以上，現以港幣等值列報如下：

3 Currency concentrations (continued)

The RMB and US dollar net structural position constitutes 10% or more of the total net structural position in all foreign currencies and is reported in Hong Kong dollar equivalent as follows:

		本集團 The Group	
		2007	2006
		HK\$'000	HK\$'000
結構性倉盤淨額	Net structural position		
美元	US dollar	67,864	67,671
人民幣	RMB	106,890	—
		174,754	67,671

4 分類資料

(a) 按行業分類之客戶貸款總額

4 Segmental information

(a) Gross advances to customers by industry sectors

		2007		2006	
		抵押品佔 客戶貸款之 百分比 % of gross advances covered by collateral		抵押品佔 客戶貸款之 百分比 % of gross advances covered by collateral	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
在香港使用之貸款	Loans for use in Hong Kong				
工商金融	Industrial, commercial and financial				
物業發展	Property development	3,190,372	35.9	4,297,457	21.3
物業投資	Property investment	12,003,588	91.7	10,480,987	93.4
金融企業	Financial concerns	285,407	99.7	435,258	76.9
股票經紀	Stockbrokers	361	100.0	1,573	100.0
批發及零售業	Wholesale and retail trade	622,891	96.8	400,041	94.9
製造業	Manufacturing	523,713	73.6	484,165	78.7
運輸及運輸設備	Transport and transport equipment	1,690,921	15.5	1,454,530	14.0
娛樂活動	Recreational activities	19,770	100.0	21,764	100.0
資訊科技	Information technology	2,941	69.9	2,296	40.7
其他	Others	2,847,782	63.7	2,906,450	83.4
個人	Individuals				
購買「居者有其屋計劃」、 「私人參建居屋計劃」 與「租者置其屋計劃」 樓宇之貸款	Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,952,277	100.0	2,008,692	100.0
購買其他住宅物業的貸款	Loans for the purchase of other residential properties	10,070,949	99.8	9,659,397	99.6
信用卡貸款	Credit card advances	660,328	—	516,956	—
其他	Others	1,356,995	90.9	1,370,950	82.2
貿易融資	Trade finance	725,104	62.1	664,439	69.5
		35,953,399	81.2	34,704,955	79.7
在香港以外使用之貸款	Loans for use outside Hong Kong	5,981,121	38.2	4,078,026	36.8
		41,934,520	75.1	38,782,981	75.2

4 分類資料(續)

(a) 按行業分類之客戶貸款總額(續)

按行業分類之客戶貸款不少於客戶貸款總額百分之十的類別，其已減值貸款、減值準備、新增減值準備調撥至收益表及已減值貸款撇除之總額分析如下：

二〇〇七年

在香港使用之貸款
 工商金融
 物業發展
 物業投資
 個人
 購買其他住宅物業的貸款
 在香港以外使用之貸款

二〇〇六年

在香港使用之貸款
 工商金融
 物業發展
 物業投資
 個人
 購買其他住宅物業的貸款
 在香港以外使用之貸款

4 Segmental information (continued)

(a) Gross advances to customers by industry sectors (continued)

The gross amount of impaired loans, impairment allowances, amount of new impairment allowances charged to income statement and the amount of impaired loans written off for those industry sectors which constitute not less than 10% of gross advances to customers is analysed as follows:-

	已減值貸款 Impaired loans HK\$'000	個別 減值準備 Individual impairment allowance HK\$'000	綜合 減值準備 Collective impairment allowance HK\$'000	新增減值 準備調撥 至收益表 New impairment allowances charged to income statement HK\$'000	撇除已 減值貸款 之金額 Amount of impaired loans written off HK\$'000
2007					
Loans for use in Hong Kong					
Industrial, commercial and financial					
Property development	-	-	5,619	-	-
Property investment	7,697	5,043	21,131	1,683	3,130
Individuals					
Loans for the purchase of other residential properties	11,860	2,061	17,719	11,726	-
Loans for use outside Hong Kong	15,319	13,005	25,520	12,955	8,349
	34,876	20,109	69,989	26,364	11,479
2006					
Loans for use in Hong Kong					
Industrial, commercial and financial					
Property development	-	-	10,430	2,834	-
Property investment	14,622	7,920	25,401	5,132	366
Individuals					
Loans for the purchase of other residential properties	30,718	3,340	7,283	870	2,113
Loans for use outside Hong Kong	14,743	9,777	23,956	20,015	18,125
	60,083	21,037	67,070	28,851	20,604

4 分類資料(續)

(b) 按區域分類之客戶貸款、逾期貸款、已減值貸款及減值準備

以下按區域分類之客戶貸款、逾期貸款、已減值貸款及減值準備是根據交易對手之所在地作分析，並已適當考慮有關貸款之風險轉移。

4 Segmental information (continued)

(b) Geographical analysis of gross advances to customers, overdue advances, impaired loans and impairment allowances

The following geographical analysis of gross advances to customers, overdue advances, impaired loans and impairment allowances is based on the location of the counterparty, after taking into account the transfer of risk in respect of such advances where appropriate.

		貸款總額 Gross advances to customers HK\$'000	逾期貸款 Overdue advances HK\$'000	已減值 貸款 Impaired loans HK\$'000	個別減值準備 Individual impairment allowance		綜合 減值準備 Collective impairment allowance HK\$'000
					逾期貸款 Overdue advances HK\$'000	已減值貸款 Impaired loans HK\$'000	
二〇〇七年	2007						
香港	Hong Kong	38,165,714	152,810	110,227	39,346	48,166	101,661
其他	Others	3,768,806	-	-	-	-	6,533
		<u>41,934,520</u>	<u>152,810</u>	<u>110,227</u>	<u>39,346</u>	<u>48,166</u>	<u>108,194</u>
二〇〇六年	2006						
香港	Hong Kong	36,389,798	213,213	180,503	49,561	61,028	101,554
其他	Others	2,393,183	-	-	-	-	4,450
		<u>38,782,981</u>	<u>213,213</u>	<u>180,503</u>	<u>49,561</u>	<u>61,028</u>	<u>106,004</u>

(c) 跨越邊界的申索

本集團以外地交易對手最終承擔風險之所在地，及根據交易對手經風險轉移後衍生出之區域，作為跨越邊界申索之分析。若一個交易對手之申索是由另一個在不同國家的人士作出保證或申索是對於一間銀行之外地分行，而其總公司是位於一個不同的國家，風險便確認為由一個國家轉移到另一個國家。該等區域佔跨越邊界申索總額的百分之十或以上者，詳列於下頁。

(c) Cross-border claims

The Group analyses cross-border claims by 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. The transfer of risk from one country to another is recognised if the claims against a counterparty are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country. Those areas which contribute 10% or more of the aggregate cross-border claims are set out on the following page.

4 分類資料(續)

(c) 跨越邊界的申索(續)

二〇〇七年

亞太區(不包括香港)
北美及南美
歐洲

二〇〇六年

亞太區(不包括香港)
北美及南美
歐洲

4 Segmental information (continued)

(c) Cross-border claims (continued)

2007

Asia Pacific excluding
Hong Kong
North and South America
Europe

2006

Asia Pacific excluding
Hong Kong
North and South America
Europe

本集團
The Group
公營機構
Public
sector
entities
其他
Others
合計
Total
銀行
Banks
HK\$'000
HK\$'000
HK\$'000
HK\$'000

	銀行 Banks HK\$'000	公營機構 Public sector entities HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
Asia Pacific excluding Hong Kong	13,515,818	61,793	3,872,264	17,449,875
North and South America	1,946,704	123,674	1,847,298	3,917,676
Europe	18,259,143	–	690,328	18,949,471

Asia Pacific excluding Hong Kong	12,015,086	118,158	1,998,315	14,131,559
North and South America	2,341,402	645,627	1,596,825	4,583,854
Europe	16,129,657	–	638,262	16,767,919

5 逾期及經重組資產

(a) 逾期貸款

本集團之客戶逾期貸款
分析如下：

5 Overdue and rescheduled assets

(a) Overdue advances

The Group's overdue advances to customers are analysed as follows:

	2007 估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	2006 估客戶貸款 總額之百分比 % of total advances to customers HK\$'000
貸款總額，其逾期：		
– 三個月以上至六個月	37,311	84,728
– 六個月以上至一年	34,873	63,863
– 一年以上	80,626	64,622
	152,810	213,213
有抵押之逾期貸款	111,960	157,863
無抵押之逾期貸款	40,850	55,350
	152,810	213,213
有抵押之逾期貸款所持 之抵押品市值	130,789	197,541
已撥個別減值準備	39,346	49,561

於二〇〇七年十二月三十一日，同業貸款中並無逾期三個月以上(二〇〇六年為零)。

At 31 December 2007, there were no advances to banks which were overdue for over three months (2006: Nil).

5 逾期及經重組資產(續) 5 Overdue and rescheduled assets (continued)

(b) 其他逾期資產

本集團之其他逾期資產分析如下：

(b) Other overdue assets

The Group's other overdue assets are analysed as follows:

		2007		2006	
		商業票據 Trade bills HK\$'000	應付利息 Accrued interest HK\$'000	商業票據 Trade bills HK\$'000	應付利息 Accrued interest HK\$'000
其他資產總額，其逾期：	Gross amount of other assets which have been overdue for:				
— 三個月以上至六個月	– Six months or less, but over three months	3,541	4,511	5,356	1,067
— 六個月以上至一年	– One year or less, but over six months	–	745	–	949
— 一年以上	– Over one year	8,507	4,871	–	4,839
		12,048	10,127	5,356	6,855

(c) 經重組貸款

本集團之經重組貸款(已減除逾期超過三個月並在上述(a)項內列明之貸款)分析如下：

(c) Rescheduled advances

The Group's rescheduled advances (net of those which have been overdue for over three months and reported in item (a) above) are as follows:

		2007		2006	
		估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000
經重組客戶貸款	Rescheduled advances to customers	38,351	0.09	97,843	0.25

於二〇〇七年十二月三十一日，同業貸款中並無經重組之貸款(二〇〇六年為零)。

At 31 December 2007, there were no rescheduled advances to banks (2006: Nil).

6 國內非銀行風險

根據《銀行業(披露)規則》，以下對非銀行交易對手的內地相關授信風險額之分析乃參照香港金融管理局有關報表所列之機構類別及直接風險之類別以分類。此報表僅計及本行及其海外分行所貸出之授信風險額。

二〇〇七年

國內機構
對非國內公司及個人所批出之貸款，其貸款於國內使用
其他交易對手而獲本行認為是國內非銀行風險
合計

二〇〇六年

國內機構
對非國內公司及個人所批出之貸款，其貸款於國內使用
其他交易對手而獲本行認為是國內非銀行風險
合計

6 Non-bank Mainland exposures

The analysis of non-bank Mainland exposures is based on the categories of non-bank counterparties and the type of direct exposures defined by the HKMA under the Banking (Disclosure) Rules with reference to the HKMA return for non-bank Mainland exposures, these include exposures extended by the Bank and its overseas branches only.

2007

Mainland entities
Companies and individuals outside Mainland where the credit is granted for use in Mainland
Other counterparties where the exposure is considered by the Bank to be non-bank Mainland exposure
Total

資產負債表 以內之風險額 On-balance sheet exposure HK\$'000	資產負債表 以外之風險額 Off-balance sheet exposure HK\$'000	總風險額 Total HK\$'000	個別 減值準備 Individual impairment allowance HK\$'000
3,533,882	887,603	4,421,485	–
1,983,753	663,777	2,647,530	7,564
48,979	712	49,691	–
5,566,614	1,552,092	7,118,706	7,564

2006

Mainland entities
Companies and individuals outside Mainland where the credit is granted for use in Mainland
Other counterparties where the exposure is considered by the Bank to be non-bank Mainland exposure
Total

資產負債表 以內之風險額 On-balance sheet exposure HK\$'000	資產負債表 以外之風險額 Off-balance sheet exposure HK\$'000	總風險額 Total HK\$'000	個別 減值準備 Individual impairment allowance HK\$'000
2,272,707	1,136,749	3,409,456	–
1,041,933	529,943	1,571,876	4,847
27,457	–	27,457	–
3,342,097	1,666,692	5,008,789	4,847

7 風險管理

(a) 信貸風險

(i) 信貸風險承擔

本集團使用標準普爾評級服務、穆迪投資者服務及惠譽評級為外部信用評估機構，以計算信貸風險承擔。本集團使用《銀行業(資本)規則》第四部份所述之程序以配對外部信用評估機構發債人評級或外部信用評估機構特定債項評級與銀行賬內之風險承擔。

二〇〇七年 2007

本集團 The Group

風險承擔分類	Class of exposure	已確認減低信貸風險後之風險承擔					風險比重金額總額 Total risk-weighted amounts	已確認之擔保或信貸衍生工具合約可抵銷之風險承擔	
		Exposures after recognised credit risk mitigation		Risk-weighted amounts		Total exposure covered by collateral		Total exposure covered by recognised guarantees or credit derivative contracts	
		已評級 Rated	無評級 Unrated	已評級 Rated	無評級 Unrated				
Total exposures	已評級 Rated	無評級 Unrated	已評級 Rated	無評級 Unrated	Total risk-weighted amounts	Total exposure covered by collateral	Total exposure covered by recognised guarantees or credit derivative contracts		
		HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
資產負債表以內	On-balance sheet								
官方實體	Sovereign	63,693	63,693	-	775	-	775	-	
公營機構	Public sector entity	499,179	551,862	1,949,548	112,005	389,910	501,915	-	
銀行同業	Bank	35,780,810	35,163,372	1,062,181	8,228,701	317,248	8,545,949	-	
企業	Corporate	28,333,012	3,005,831	24,634,474	1,564,659	24,634,474	26,199,133	237,743	
現金項目	Cash items	634,547	-	928,590	-	166,721	166,721	-	
法定零售	Regulatory retail	2,074,986	-	2,067,647	-	1,550,736	1,550,736	7,339	
住宅物業貸款	Residential mortgage loan	13,400,985	-	11,408,976	-	4,424,993	4,424,993	-	
	Other exposures which are								
其他未逾期風險承擔	not past due exposures	5,644,328	129,798	5,465,568	129,798	5,465,568	5,595,366	48,961	
逾期風險承擔	Past due exposures	155,804	-	155,804	-	100,244	100,244	133,860	
資產負債表以外	Off-balance sheet								
資產負債表以外風險承擔	Off-balance sheet exposures other than								
(場外衍生工具交易或信貸衍生工具合約除外)	OTC derivative transactions or credit derivative contracts	3,828,871	849,704	2,979,167	654,313	2,862,649	3,516,962	105,905	
場外衍生工具交易	OTC derivative transactions	88,903	44,353	44,550	12,281	43,991	56,272	-	
信貸衍生工具合約	Credit derivative contracts	234,012	234,012	-	117,006	-	117,006	-	
		90,739,130	40,042,625	50,696,505	10,819,538	39,956,534	50,776,072	533,808	
資本基礎扣除風險承擔	Exposures deducted from capital base	390,292							

7 Risk Management

(a) Credit risk

(i) Credit risk exposures

Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings are the External Credit Assessment Institutions ("ECAIs") that the Group has used in relation to the credit risk exposures below. The process it used to map ECAI issuer ratings or ECAI issue specific ratings to exposures booked in its banking book is a process as prescribed in Part 4 of the Banking (Capital) Rules.

7 風險管理 (續)

(a) 信貸風險 (續)

(ii) 交易對手之信貸風險承擔

本集團由場外衍生工具交易及信貸衍生工具合約所產生之主要信貸風險承擔簡列如下：

本集團

場外衍生工具交易及信貸
衍生工具合約：
公平價值總額
信貸相等金額

風險比重金額

信貸相等金額或淨信貸風險承擔
及風險加權數額之細分如下：

本集團

名義金額：
銀行
企業
其他

信貸相等金額：
銀行
企業
其他

風險比重金額：
銀行
企業
其他

7 Risk management (continued)

(a) Credit risk (continued)

(ii) Counterparty credit risk exposures

The following table summarises the Group's main credit exposures arising from OTC derivative transactions and credit derivative contracts:

The Group

	2007	
	場外衍生 工具交易 OTC derivative transactions HK\$'000	信貸衍生 工具交易 Credit derivative transactions HK\$'000
OTC derivative and credit derivative:		
Gross total positive fair value	33,579	–
Credit equivalent amount	88,903	234,012
Risk-weighted amounts	56,272	117,006

The breakdown of the credit equivalent amounts or net credit exposures, and the risk-weighted amount is summarised as follows:

The Group

	2007	
	場外衍生 工具交易 OTC derivative transactions HK\$'000	信貸衍生 工具交易 Credit derivative transactions HK\$'000
Notional amounts:		
Banks	3,520,192	52,003
Corporates	1,430,864	26,001
Others	1,126,285	–
	6,077,341	78,004
Credit equivalent amounts:		
Banks	34,850	156,008
Corporates	18,480	78,004
Others	35,573	–
	88,903	234,012
Risk-weighted amounts:		
Banks	10,716	78,004
Corporates	9,983	39,002
Others	35,573	–
	56,272	117,006

7 風險管理 (續)

(a) 信貸風險 (續)

(ii) 交易對手之信貸風險承擔 (續)

信貸衍生工具合約

本集團

用作銀行信貸組合
信貸違責掉期出售保障
出售保障

本集團根據《銀行業(資本)規則》使用往常風險法以提供資金用作交易對手的風險承擔。本集團內部使用按市價計值承擔法來衡量交易對手之信貸承擔並作出適當增加以應付於未來潛在之風險承擔。

本集團對交易對手之場外衍生工具合約及信貸衍生工具合約之風險承擔均設有限額。當限額達到預設水平時，高層管理人員將採取適當行動包括減低持倉。

7 Risk management (continued)

(a) Credit risk (continued)

(ii) Counterparty credit risk exposures (continued)

Credit derivative contracts

The Group

Used for the Bank's credit portfolio
Credit default swap protection sold
Protection sold

The Group currently uses the current exposure method for purpose of providing capital for counterparty exposures in accordance with the Banking (Capital) Rules. Internally, the Group measures counterparty credit exposure using the marked-to-market exposure with appropriate add-on for future potential exposures.

The Group has internal limit for counterparty exposure with respect to OTC derivative contracts and credit derivative contracts. When the limit is reached, the senior management will take appropriate action including reduction of the position.

合約 / 名義金額
Contractual/
notional
amount
2007
HK\$'000

78,004

7 風險管理(續)

(b) 資產證券化

本集團使用標準(證券化)方法以計算證券化風險承擔之信貸風險。本集團對下述所有風險分類皆為投資機構。

本集團使用標準普爾評級服務、穆迪投資者服務及惠譽評級為外部信用評估機構，以計算證券化之風險承擔。

二〇〇七年
本集團

證券化類別風險承擔

傳統證券化

金融
證券化投資
學生貸款
信用卡
官方實體
汽車
房屋淨值信用額貸款
其他

合成證券化

金融
企業

7 Risk management (continued)

(b) Asset securitisation

The Group uses the standardised (securitisation) approach to calculate the credit risk for securitisation exposures. It is an investing institution for all classes of exposures below.

Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings are the ECAIs that the Group has used in relation to the securitisation exposures below.

2007
The Group

Securitisation exposures

Traditional securitisations

Financial
Securitised investments
Student loan
Credit cards
Sovereign
Auto
Home equity lines of credit
Others

Synthetic securitisations

Financial
Corporate

Outstanding amounts HK\$'000	風險 比重金額 Risk-weighted amount HK\$'000	資本規定 Capital requirements HK\$'000	扣減風險承擔從 Exposures deducted from its	
			核心資本 Core capital HK\$'000	附加資本 Supplementary capital HK\$'000
174,563	-	-	87,281	87,281
98,307	-	-	49,153	49,153
17,528	-	-	8,764	8,764
14,431	-	-	7,216	7,216
4,126	-	-	2,063	2,063
2,902	-	-	1,451	1,451
1,851	-	-	926	926
1,082	-	-	541	541
314,790	-	-	157,395	157,395
167,266	118,809	9,505	-	-
692,511	467,416	37,393	-	-
859,777	586,225	46,898	-	-

7 風險管理(續)

(c) 於銀行賬目內的股權風險承擔

策略性股權投資乃指本集團與交易投資者進行策略性合作，以各方之長處而提高本集團之業務而進行之投資。其他股權投資乃為資本收益之目的而持有。

於銀行賬目內的股權風險承擔最初以公平價值加上交易成本認算，其後以公平價值列示。公平價值變動所產生之未變現損益會直接在重估投資儲備內確認。直至金融資產在賬項中沖銷或減值，於其時在重估投資儲備內之前已確認之累計損益將於收益表內確認。

在市場上交易之上市投資，其公平價值乃根據市場之買盤價釐定。非上市股權證券並未有活躍市場價格提供，其公平價值以近期相近交易或其他適用於市場參與者之估值模式計算。

本集團

銷售/清盤所產生之已實現收益

未變現重估收益/虧損
包括在儲備內但並非由
收益表轉入之儲備總額

包括在附加資本內之總額

7 Risk management (continued)

(c) Equity exposures in banking book

Investments that are held for the purpose of entering into a strategic cooperation with the investee with a view to leveraging the respective strengths to enhance the Group's business are classified by the Group as strategic investments. Other equity investments are held for capital gain purposes.

Equity exposures in the banking book are initially recognised at fair value plus transaction costs and subsequently carried at fair value. Unrealised gains and losses arising from changes in fair value are recognised directly in the investment revaluation reserve, until the equity exposure is derecognised or impaired. At this time the cumulative gain or loss previously recognised in the investment revaluation reserve is recognised in the income statement.

The fair values of quoted investments in active markets are based on current bid prices. For unquoted equity holdings with no active market, the Group establishes fair value by the use of recent arm's length transactions or other valuation techniques commonly used by market participants.

The Group

	2007 HK\$'000	2006 HK\$'000
Realised gains from sales/liquidations	32,282	1,394
Unrealised revaluation gain/loss Amount included in reserves but not through income statement	93,213	82,484
Amount included in supplementary capital	43,806	57,739

7 風險管理(續)

(d) 於銀行賬目內的利率風險承擔

本集團按月評估孳息曲線上每一百基點之上下波幅所帶來對銀行收益所造成之影響。

計算對本集團收益所造成之影響是假設利率變動維持十二個月和利率重置在每個時段之中間點位置。

二〇〇七年
本集團

利率風險
(+ 100 基點)
– 收益減少
– 收益增加

利率風險
(– 100 基點)
– 收益減少
– 收益增加

二〇〇六年
本集團

利率風險
(+ 100 基點)
– 收益減少
– 收益增加

利率風險
(– 100 基點)
– 收益減少
– 收益增加

7 Risk management (continued)

(d) Interest rate exposures in banking book

The Group monitors the interest rate risk exposures on a monthly basis by assessing the impact on earnings in banking book due to parallel movements of plus or minus 100 basis points in all yield curves.

The impact on earnings of the Group is calculated by assuming that the changes in interest rates last for a period of 12 months and all positions are repriced at the mid-point of each time band.

2007
The Group

Interest rate risk
(+100 basis points)
– Decline in earnings
– Increase in earnings

Interest rate risk
(–100 basis points)
– Decline in earnings
– Increase in earnings

2006
The Group

Interest rate risk
(+100 basis points)
– Decline in earnings
– Increase in earnings

Interest rate risk
(–100 basis points)
– Decline in earnings
– Increase in earnings

貨幣 Currency				
港幣 HK\$	美元 US\$	澳元 A\$	其他 Others	合計 Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
–	(14,841)	–	(7,381)	(22,222)
92,001	–	1,336	–	93,337
<u>92,001</u>	<u>(14,841)</u>	<u>1,336</u>	<u>(7,381)</u>	<u>71,115</u>
(92,001)	–	(1,336)	–	(93,337)
–	14,841	–	7,381	22,222
<u>(92,001)</u>	<u>14,841</u>	<u>(1,336)</u>	<u>7,381</u>	<u>(71,115)</u>

貨幣 Currency				
港幣 HK\$	美元 US\$	澳元 A\$	其他 Others	合計 Total
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
–	(3,220)	(913)	(6,373)	(10,506)
61,582	–	–	–	61,582
<u>61,582</u>	<u>(3,220)</u>	<u>(913)</u>	<u>(6,373)</u>	<u>51,076</u>
(61,582)	–	–	–	(61,582)
–	3,220	913	6,373	10,506
<u>(61,582)</u>	<u>3,220</u>	<u>913</u>	<u>6,373</u>	<u>(51,076)</u>

重大物業投資

SIGNIFICANT INVESTMENT PROPERTIES

二〇〇七年十二月三十一日 As at 31 December 2007

物業 Property	批租期 Tenure	類型 Type	集團擁有 Group's ownership
香港德輔道中45號 永隆銀行大廈 7樓部份，8樓，9樓部份，11-12樓， 14樓部份，15-17樓，19樓	由一九〇〇年起 為期999年	商業	100%
Portion of 7/F, the whole of 8/F, portion of 9/F, the whole of 11/F to 12/F, portion of 14/F, the whole of 15/F to 17/F, the whole of 19/F, Wing Lung Bank Building, 45 Des Voeux Road Central, Hong Kong	Crown lease for 999 years from 1900	Commercial	100%
九龍旺角彌敦道636號 銀行中心 地下-5樓，7樓部份，8樓， 9-12樓部份，13樓，16樓部份， 18樓部份，19樓，20-21樓部份	由一九一〇年起 為期150年	商業	100%
The whole of G/F to 5/F, portion of 7/F, the whole of 8/F, portion of 9/F to 12/F, the whole of 13/F, portion of 16/F, portion of 18/F, the whole of 19/F, portion of 20/F to 21/F, Bank Centre, 636 Nathan Road, Mongkok, Kowloon	Crown lease for 150 years from 1910	Commercial	100%

總分行及附屬公司

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西區	皇后大道西262號	Western District	262 Queen's Road West	2546 6211
跑馬地	景光街44號	Happy Valley	44 King Kwong Street	2573 8395
銅鑼灣	渣甸街45號	Causeway Bay	45 Jardine's Bazaar	2890 9753
灣仔	軒尼詩道383號	Wan Chai	383 Hennessy Road	2891 7371
鯉魚涌	華蘭路1號A	Quarry Bay	1A Westlands Road	2564 7666
會展廣場	港灣道1號	Convention Plaza	1 Harbour Road	2802 4822
波斯富街	波斯富街62號	Percival Street	62 Percival Street	2881 6028
香港仔	香港仔大道201號	Aberdeen	201 Aberdeen Main Road	2552 7688
莊士敦道	莊士敦道118號	Johnston Road	118 Johnston Road	2834 0208
堅尼地城	吉席街28號	Kennedy Town	28 Catchick Street	2816 0028
西灣河	筲箕灣道123號	Sai Wan Ho	123 Shaukeiwan Road	2513 1771

九龍

Kowloon

荔枝角道	荔枝角道17號	Lai Chi Kok Road	17 Lai Chi Kok Road	2380 2281
深水埗	大埔道111號	Sham Shui Po	111 Tai Po Road	2720 4135
新蒲崗	崇齡街8號	San Po Kong	8 Shung Ling Street	2325 0271
旺角	彌敦道636號銀行中心	Mongkok	Bank Centre, 636 Nathan Road	2780 6221
觀塘	牛頭角道339號	Kwun Tong	339 Ngau Tau Kok Road	2342 2117
尖沙咀	加拿分道4號	Tsim Sha Tsui	4 Carnarvon Road	2369 9255
土瓜灣	土瓜灣道64號	To Kwa Wan	64 To Kwa Wan Road	2363 6237
慈雲山	鳳德道25號	Tsz Wan Shan	25 Fung Tak Road	2327 0208
佐敦	吳淞街123號	Jordan	123 Woo Sung Street	2770 7117
九龍灣	臨樂街19號	Kowloon Bay	19 Lam Lok Street	2753 8328
南昌街	南昌街85號	Nam Cheong Street	85 Nam Cheong Street	2728 3993
紅磡	蕪湖街28號	Hunghom	28 Wuhu Street	2333 6088
藍田匯景廣場	匯景道8號	Lam Tin Sceneway Plaza	8 Sceneway Road	2727 6200

新界

New Territories

荃灣	沙咀道251號	Tsuen Wan	251 Sha Tsui Road	2493 4161
沙田	大圍道8號	Sha Tin	8 Tai Wai Road	2697 6202
元朗	安寧路37號	Yuen Long	37 On Ning Road	2479 0181
葵涌	和宜合道128號	Kwai Chung	128 Wo Yi Hop Road	2428 4211
屯門	屯門鄉事會路42號	Tuen Mun	42 Tuen Mun Heung Sze Wui Road	2459 7061
上水	新豐路128號	Sheung Shui	128 San Fung Avenue	2670 1298
大埔	安慈路1號	Tai Po	1 On Chee Road	2663 2277
粉嶺	聯興街15號	Fanling	15 Luen Hing Street	2677 7888
沙田廣場	沙田正街21號	Shatin Plaza	21 Shatin Centre Street	2606 1783

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附屬公司

永隆銀行受託代管有限公司
永隆銀行信託有限公司
永隆財務有限公司
永隆保險有限公司
永隆授信有限公司
永隆代理有限公司
永隆保險顧問有限公司
永隆證券有限公司
永隆期貨有限公司
康令有限公司
時永投資有限公司
永隆管業有限公司
Wingspan Incorporated
永隆資訊科技(深圳)有限公司

SUBSIDIARIES

Wing Lung Bank (Nominees) Limited
Wing Lung Bank (Trustee) Limited
Wing Lung Finance Limited
Wing Lung Insurance Company Limited
Wing Lung Credit Limited
Wing Lung Agency Limited
Wing Lung Insurance Brokers Limited
Wing Lung Securities Limited
Wing Lung Futures Limited
Hongnet Limited
Sea Wing Investments Limited
Wing Lung Property Management Limited
Wingspan Incorporated
Wing Lung Information Technology (Shenzhen) Limited

本行簡史

A BRIEF HISTORY OF THE BANK



1933

永隆於一九三三年二月二十五日在香港文咸東街三十七號開業，定名永隆銀號，資本港幣四萬四千五百元，經營找換、匯兌、存款、各埠來往、代客買賣股票、黃金及國內公債等業務，成績按年遞增。

Wing Lung Ngan Ho, as the indigenous bank was then called, opened for business on 25 February 1933 at 37 Bonham Strand East, Hong Kong with an initial capital of HK\$44,500. The business of the Bank then comprised money exchange, remittances, deposits, and the buying and selling of stocks and shares, gold bullion and Chinese Government bonds for customers. The business of the Bank grew with the years.

1937

為擴充營業，遷至香港皇后大道中一一二號。

In order to cope with the Bank's growing business, the Bank moved to more spacious premises at 112 Queen's Road Central, Hong Kong.

1941

太平洋戰事爆發，香港淪陷。本行為安頓同人，轉往澳門繼續經營銀業，及在廣西柳州設立「永隆金號」，並在澳門、柳州兩地積極清理舊賬，備受客戶稱許。

The Pacific War broke out and Hong Kong was occupied by the Japanese. The Bank evacuated Hong Kong, and some of the staff moved to Macau where the Bank continued its business; the rest of the staff moved to Liuzhou, Guangxi, China where the "Wing Lung Jewelry & Gold Dealers" was established. In these two places the Bank continued to repay its depositors, whose confidence in the Bank was maintained.

1945

戰事結束，回港復業。

The Bank resumed operations in Hong Kong after the conclusion of the War.



1950

參加票據交換。

The Bank joined the Hong Kong Bankers' Clearing House.

1952

經營押匯業務；同年舊總行行址重建落成。

The Bank began to engage in documentary bill operations. In the same year the redevelopment of the Bank's old head office building was completed.

1953

成為紐西蘭國民保險有限公司的香港、澳門總代理。

The Bank became the general agent of The National Insurance Company of New Zealand Ltd for Hong Kong and Macau.

1956

註冊為有限公司。由於業務發展，職員增多，原有行址已不敷用，乃將預置的右鄰和店後舖位重建，擴大營業。

The Bank was incorporated as a limited company. To cope with expanding business and the increase in staff members, the Bank premises were extended to adjacent premises previously purchased for redevelopment purposes.



1960

中文名稱由「永隆銀號有限公司」改稱「永隆銀行有限公司」。

The Chinese name of the Bank was changed to “永隆銀行有限公司”.

1965

為配合業務發展，將原總行行址作第三次重建。

The Bank's old head office building was redeveloped the third time to meet the expansion of its business activities.

1973

位於德輔道中連貫干諾道中之總行新大廈落成，適值本行成立四十周年。總行大廈樓高三百呎，共二十五層，總面積十四萬五千餘呎。是年改為公共有限公司。渣打銀行加入為本行股東。

A joint celebration for the opening of the new head office building situated between Des Voeux Road Central through Connaught Road Central and the 40th Anniversary of the Bank was held. The 25-storey Head Office Building stands 300 ft with a total floor area of over 145,000 sq ft. In the same year, the Bank was reorganized as a public limited company and The Chartered Bank participated as a shareholder.



1975

本行另一物業—旺角彌敦道之銀行中心亦告落成，大廈樓高三百呎，共二十五層，總面積二十四萬五千餘呎，同時設「旺角分行」於該廈。本行亦於是年開始使用電腦處理存款業務，初期主機附搭電腦公司，至一九八一年自行設立電腦中心，陸續將各項業務電腦化。

The Bank's another property, “Bank Centre”, a 25-storey office building in Mongkok, Kowloon was completed. The “Bank Centre”, standing 300 ft with a total floor area of more than 245,000 sq ft, also houses our Mongkok Branch. In the same year the Bank installed an on-line computer system and its deposit operations have been computerised since then. At first the Bank used the services of a computer company. In 1981 the Bank set up a Computer Centre of its own, and since then operations of all the departments have gradually been computerised.



1980

年初，本行股份上市，將百分之二十五股份公開發售與社會人士，並在證券交易所掛牌買賣。

Early in the year 25% of the Bank's share capital was offered for sale to the public, and shares in the Bank began to be traded on the stock exchanges in Hong Kong.

1982

本行聯同另外四間華資銀行組成銀聯通寶有限公司，向客戶提供自動櫃員機服務。

The Bank joined forces with four other local Chinese banks to set up Joint Electronic Teller Services Ltd — a cooperative network to provide automated teller machine service to customers.



1984

在美國羅省開設首家海外分行。

The Bank's first overseas branch was set up in Los Angeles, California, USA.

1986

全資附屬之永隆保險有限公司獲政府授權經營保險業務。

The Bank's wholly-owned subsidiary, Wing Lung Insurance Company Limited, was authorised by the Government to engage in insurance business.

1987

渣打銀行因改變投資政策，退出為本行股東，將所持百分之十股權轉讓與伍氏家族控制之公司。

成立康令有限公司（現改名為永隆證券有限公司），向客戶提供證券投資服務。

Standard Chartered Bank withdrew its interest in the Bank and transferred 10% of the Bank's capital to the companies controlled by the Wu family as a result of its change in investment policy.

The Bank's wholly-owned subsidiary, Hongnet Limited (now known as Wing Lung Securities Limited) was established to provide securities broking services to customers.

1992

新加坡發展銀行從伍氏家族控制之公司承讓百分之十本行股權，加入為股東。

The Development Bank of Singapore Limited acquired 10% of the Bank's share capital from the companies controlled by the Wu family and participated as a shareholder.



1994

在廣州市設立代表處，為本行在國內首個業務據點。

The Bank set up its Guangzhou Representative Office, its first presence in China.

1995

開始經營信用卡業務。

The Bank began to engage in credit card operation.

1996

成立服務後勤中心，將各部及各分行多項業務工序集中在該中心處理。

增設開曼群島分行，向客戶提供離岸銀行服務。

The Bank set up an operation centre to centralize various back-office services and tasks previously handled by individual departments and branches.

A branch office was set up in the Cayman Islands, BWI to provide off-shore banking services for customers.

1998

透過全資附屬之永隆財務有限公司經營租購貸款業務。

推出「永隆網上銀行」，利用互聯網向客戶提供自動化服務。

The Bank started to provide hire-purchase and leasing services through its wholly-owned subsidiary, Wing Lung Finance Limited.

Wing Lung NET Banking was launched to deliver banking service to customers via internet.



1999

在上海市設立代表處。

本行聯同幾家同業組成銀聯信託有限公司，開拓強制性公積金服務。

推出電子證券交易系統「永隆電話買賣證券」及「永隆網上買賣證券」服務。

The Bank set up a Representative Office in Shanghai.

The Bank joined in a partnership with other banks to set up the Bank Consortium Trust Company Limited to tap the Mandatory Provident Fund business.

The Bank introduced securities trading service through electronic channels, “Wing Lung Automated Securities” and “Wing Lung NET Banking” Services.



2000

與同業組成銀和再保險有限公司及香港人壽保險有限公司，進一步拓展保險業務。

To expand the insurance operation, the Bank partnered with other banks to set up BC Reinsurance Limited and Hong Kong Life Insurance Limited.

2001

向國際商業機器中國香港有限公司引進一套高智能櫃員平台系統，加強對客戶的服務。

成立理財中心，拓展理財業務。

The Bank purchased from IBM China/Hong Kong Limited the state-of-the-art teller terminal system to enhance its service to customers.

The Bank set up Wealth Management Centre to expand its wealth management service.

2004

年初本行在深圳設立第一家內地分行，是內地與香港簽訂更緊密經貿關係安排(CEPA)後，首家獲准在內地設行的銀行。

星展銀行退出為本行股東，將所持之百分之十本行股權轉讓與本行主要股東之一伍潔宜有限公司。

向國際商業機器中國香港有限公司購置的新櫃員平台發展工程完成並開始操作，資訊科技部繼續致力提升電腦系統的應用能量，以配合市場對服務及產品自動化的需求，並加強對各類風險的管理。

Being the first bank approved to set up a branch on the Mainland after the signing of the Closer Economic Partnership Arrangement (CEPA) between Mainland China and Hong Kong, the Bank opened its first Mainland branch in Shenzhen in early 2004.

DBS Bank Limited withdrew its interest in the Bank and transferred 10% of the Bank's capital to Wu Jieh Yee Company Limited, one of the Bank's substantial shareholders.

The new teller platform acquired from IBM China/Hong Kong Limited commenced operations upon completion of system development. Continuous efforts have been placed on the application of computer systems to meet customers' demand for automated service channels as well as to strengthen management of various risks.

2005

在深圳南山區增設南山支行。

The Bank set up a sub-branch in Nanshan, Shenzhen.



2006

美國羅省分行在亞罕布拉市自行購置土地興建新行址落成啓用。

The Bank celebrated the opening of the new building for Los Angeles Branch on a plot of land purchased by the Bank in the City of Alhambra, USA.



2007

深圳分行及轄下之南山支行獲中國銀行業監督管理委員會批准經營人民幣業務。

於二〇〇七年十二月三十一日，本行資產總值為港幣九百三十億元。

Shenzhen Branch and Shenzhen Nanshan Sub-branch started to provide Renminbi services after obtaining approval from the China Banking Regulatory Commission.

At 31 December 2007, the total assets of the Bank stood at HK\$93 billion.

2008

本行與山東省第二大城市商業銀行烟台市商業銀行簽署入股協議，認購該行百分之四點九九經擴大後股權，成為該行主要股東之一。（此項交易仍須得其股東大會及監管機構批准方可作實。）

上海代表處獲中國銀行業監督管理委員會批准升格為分行。上海分行於年初開業。

成立七十五周年。

本行現有分行行處共四十二間，職員總數逾一千六百人。

The Bank signed an agreement with Yantai City Commercial Bank, the second largest city commercial bank in Shandong Province, to acquire 4.99% of Yantai City Commercial Bank's enlarged capital and became one of the key shareholders. (The transaction has still to be approved by Yantai City Commercial Bank's shareholders and the relevant regulatory bodies.)

The Bank has upgraded its Shanghai Representative Office to a full branch after obtaining approval from the China Banking Regulatory Commission. Shanghai Branch opened for business in early 2008.

The Bank commemorates its 75th Anniversary.

At present the Bank has altogether 42 banking offices and a total staff of more than 1,600.



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