



中國工商銀行(亞洲)
I C B C (Asia)

Annual Report
年報 2007

Stock Code 股份代號：349

內外聯動 發揮優勢





二零零七年大事回顧 2007 Event Highlights

三月 MARCH



四月 APRIL



一月 JANUARY

- 與恒基兆業地產有限公司及南豐發展有限公司簽署協議，以分別向「御皇臺」及「立坊」之業主提供特惠按揭貸款計劃。
- Signed agreements with Henderson Land Development Company Limited and Nan Fung Enterprises Limited to provide special mortgage loan plans to homebuyers of "Royal Terrace" and "H Cube" respectively.

二月 FEBRUARY

- 獲香港社會服務聯會頒發「商界展關懷5年Plus」標誌。
- 出任中國石油及天然氣基金之10億美元銀團貸款的其中一家受託牽頭安排行。
- Awarded the "5 Years Plus Caring Company" status by The Hong Kong Council of Social Service.
- Acted as one of the mandated lead arrangers in an US\$1 billion syndicated loan for China Oil and Gas Fund.

三月 MARCH

- 推出「理財金賬戶」品牌，旨在為流動總資產達800,000港元或以上之高端客戶提供財富管理服務。
- 舉辦「投資機遇 勢在中國」研討會。
- 與新鴻基地產集團簽署協議，以向「曼克頓山」之業主提供特惠按揭貸款計劃。
- 出任IFC II Development Limited之170億港元銀團貸款的其中一家受託協調安排行。
- Launched wealth management services "Elite Club", which targeted high net-worth customers with total liquid assets of HK\$800,000 or above.
- Organized Investment Seminar on Investing in Mainland China.
- Signed an agreement with Sun Hung Kai Properties Group to provide special mortgage loan plans to homebuyers of "Manhattan Hill".
- Acted as one of the mandated coordinating arrangers in the HK\$17 billion syndicated loan for IFC II Development Limited.

四月 APRIL

- 美孚分行開幕並設證券服務中心。
- 灣仔道分行開幕並設「理財金賬戶」中心及證券服務中心。
- Opened the new Mei Foo Branch with Securities Service Centre.
- Opened the new Wanchai Road Branch with "Elite Club" Wealth Management Centre and Securities Service Centre.

五月 MAY

- 推出中國工商銀行「理財金賬戶」客戶五月推廣黃金周
- 與周大福集團合作聯合推廣其北京豪華別墅發展項目「麗宮別墅」，及挑選本銀行之一批目標客戶向其提供特惠利率及組合以供購買及按揭融資。
- 與長江實業(集團)有限公司合作為其「城中駅」之業主安排特惠按揭貸款計劃。
- Launched the Golden Week of May Promotion for ICBC "Elite Club" customers.
- Cooperated with the Chow Tai Fook Group to have a joint promotion for a Beijing deluxe villa development - "Shadow Creek", and offered special interest rate and package to our Bank's existing customers for the purchase and mortgage financing.
- Cooperated with Cheung Kong (Holdings) Limited to arrange special mortgage loan plan to homebuyers of "Le Point".

六月 JUNE

- 出任新鴻基地產有限公司之150億港元銀團貸款的其中一家受託協調安排行。
- 舉辦「投資熱點—QDII」講座。
- Acted as one of the mandated coordinating arrangers in the HK\$15 billion syndicated loan for Sun Hung Kai Properties Limited.
- Organized investment seminar on QDII.

十一月 NOVEMBER



七月 JULY



七月 JULY

- 舉辦「清明上河圖」慈善舞蹈表演專場，為香港明愛和香港舞蹈團籌集資金。
- 成功舉辦本銀行第四屆為期八天的遊學團「雲南經濟發展及少數民族文化交流之旅」活動，參加者包括中學生、社會工作者、教師及銀行職員。
- 出任國家開發銀行在中國境外發行之首批人民幣債券，即二年期50億元人民幣債券發行之聯席經辦人之一。
- 向一只私募基金提供1億美元雙邊信貸作為全面強制收購神州數碼控股有限公司之資金。
- Charity Dance Performance “Qingming Riverside” was held to raise funds for Caritas-Hong Kong and Hong Kong Dance Company.
- Organized the Bank's fourth China Study Tour to Yunnan. Participants including secondary school students, social workers, teachers and bank staff joined the 8-day tour and it concluded successfully.
- Acted as one of the Co-Managers for China Development Bank 2-year 5 billion RMB bond issue, which is the first RMB bond issued outside the Mainland China.
- Extended an US\$100 million bilateral facility to finance a private equity fund for a general mandatory offer of Digital China Holdings Limited.

八月 AUGUST

- 參與分銷由中國進出口銀行及中國銀行發行之人民幣零售債券。
- 出任15億美元伊斯蘭融資交易的其中一家受託牽頭安排行，此乃本銀行之首次伊斯蘭融資交易。
- Participated in the distribution of Renminbi Retail Bonds issued by Export-Import Bank of China and Bank of China.
- Acted as one of the mandated lead arrangers in an US\$1.5 billion Islamic financing – the first Islamic financing for our Bank.

九月 SEPTEMBER

- 與信和置業有限公司合作為其「一號銀海」之業主(均為中國工商銀行「理財金賬戶」客戶)安排特惠按揭貸款計劃。
- Cooperated with Sino Land Company Limited to arrange special mortgage loan plan to homebuyers of “One Silver Sea” who are ICBC “Elite Club” customers.

十月 OCTOBER

- 舉辦「北水南調第四季投資機遇」研討會。
- 成立全新紅磡分行並設「理財金賬戶」中心及證券服務中心。
- 出任Dubai World之50億美元銀團貸款的其中一家受託牽頭安排行。
- Organized the “Investment opportunity with the capital inflow from Mainland” seminar.
- Established the brand new Hung Hom Branch with “Elite Club” Wealth Management Centre and Securities Service Centre.
- Acted as one of the mandated lead arrangers in the US\$5 billion syndicated loan for Dubai World.

十一月 NOVEMBER

- 協助由中國工商銀行股份有限公司上海市銀行博物館與康樂及文化事務署轄下之香港歷史博物館合辦之「從錢莊到現代銀行：滬港銀行業發展」展覽。
- 全體員工踴躍支持明愛籌款賣物會及售賣抽獎券活動，為香港明愛籌募經費。
- Assisted in “The Development of Banks in Shanghai and Hong Kong” exhibition, jointly presented by the Shanghai Bank Museum of the Industrial and Commercial Bank of China Limited and the Hong Kong Museum of History under the Leisure and Cultural Services Department.
- Actively participated in the Caritas Raffle Ticket Sales and Bazaar by all level of staff, in order to raise funds for Caritas – Hong Kong.

十二月 DECEMBER

- 與西九龍區最大購物商場西九龍中心聯合推出「西九龍中心萬事達卡」。
- Joined hands with Dragon Centre, the largest shopping mall in West Kowloon district, to launch “Dragon Centre MasterCard”.

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內外聯動 發揮優勢

橋樑是用作連接兩地的活動。透過橋樑作為設計特色，本年報突出了中國工商銀行（亞洲）與其在內地母公司中國工商銀行的緊密聯繫。憑藉母公司的優勢，中國工商銀行（亞洲）搭建了中港一體化的金融服務平臺，全方位為香港及內地的客戶提供服務。

Bridges provide an interlink for activities of two destinations. Using bridges as a symbol, this annual report highlights the strong connection between ICBC (Asia) and its parent company ICBC in the Mainland. With the support of the latter, ICBC (Asia) has built an integrated financial platform for Hong Kong and the Mainland to provide a wide range of services to clients in the two places.

銀行簡介

中國工商銀行(亞洲)有限公司

中國工商銀行(亞洲)有限公司(「中國工商銀行(亞洲)」)，作為中國工商銀行股份有限公司(「中國工商銀行」)集團成員，在融資、清算、資訊科技及信用卡業務等多方面享有強大的支援。

中國工商銀行(亞洲)前身為香港友聯銀行有限公司，於一九六四年在香港成立，並於一九七三年在香港公開上市(股份代號：349)，多年來不斷為客戶開創嶄新及多元化的銀行服務。本銀行於二零零零年八月二十一日易名為中國工商銀行(亞洲)有限公司，正式成為中國工商銀行集團成員。

於二零零一年七月，中國工商銀行向中國工商銀行(亞洲)注入香港分行企業銀行業務，促使中國工商銀行(亞洲)的客戶基礎擴大、改善存款及貸款組合及使服務產品組合更趨多元化。透過此業務轉移，大大提升中國工商銀行(亞洲)的競爭力。中國工商銀行(亞洲)已成為中國工商銀行拓展海外業務的旗艦。

於二零零四年四月三十日，中國工商銀行(亞洲)購入華比富通銀行之零售及商業銀行業務。華比富通銀行隨後易名為華比銀行，成為中國工商銀行(亞洲)的全資附屬公司。至二零零五年十月，中國工商銀行(亞洲)正式將華比銀行香港分行併入。於二零零五年，中國工商銀行(亞洲)完成收購華商銀行，成為其全資附屬公司，重點發展人民幣業務。

至二零零七年六月六日，中國工商銀行(亞洲)獲穆迪投資給予A2/Prime-1長期／短期存款評級及C-級銀行財務實力評級。

中國工商銀行(亞洲)憑藉中國工商銀行的龐大分行網絡優勢、領導地位及豐富經驗，將繼續開拓廣泛之銀行及金融業務，包括各類存款與貸款、貿易融資、匯款、清算、工商業貸款、銀團貸款、出入口押匯、中國業務諮詢及融資、證券業務及黃金買賣之經紀服務及保險代理等。

Company Profile

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

Industrial and Commercial Bank of China (Asia) Limited (“ICBC (Asia)”), being a group member of Industrial and Commercial Bank of China Limited (“ICBC”), enjoys ample support in various areas such as funding, settlement, information technology and credit card business.

ICBC (Asia), formerly known as Union Bank of Hong Kong Limited, was established in Hong Kong in 1964 and publicly listed in 1973 (Stock Code: 349). Over the years, the Bank offered advanced and diversified banking services to its customers. Following the Bank’s change of name to “Industrial and Commercial Bank of China (Asia) Limited” on 21 August 2000, the Bank has become a member of ICBC.

In July 2001, ICBC injected the corporate banking business of its Hong Kong Branch into ICBC (Asia). By doing so, it expanded ICBC (Asia)’s customer base, improved its deposits and loans portfolio and also diversified its product mix. Such transfer of business therefore led to a substantial enhancement of the competitive edge of ICBC (Asia). Since then, the Bank has become the flagship of ICBC in developing overseas business.

ICBC (Asia) acquired Fortis Bank Asia HK’s retail and commercial banking operations on 30 April 2004. Fortis Bank Asia HK was renamed Belgian Bank and became a wholly-owned subsidiary of ICBC (Asia). In October 2005, Belgian Bank, Hong Kong Branch was legally merged into ICBC (Asia). In 2005, ICBC (Asia) acquired Chinese Mercantile Bank which becomes a wholly-owned subsidiary and focuses on RMB banking business.

On 6 June 2007, ICBC (Asia) was assigned A2/Prime-1 long-term/short-term deposit ratings and C- Bank Financial Strength Rating (BFSR) by Moody’s Investors Service.

With the nationwide branch network, leadership and expertise provided by ICBC, ICBC (Asia) will continue to offer a range of banking and financial services, including various types of deposits and loans, trade finance, remittance, settlement, commercial and industrial finance, syndicated loans, inward and outward bills of exchange, China business advisory and financial services, securities business and bullion brokerage services as well as insurance agency services.

公司資料

董事會

姜建清 (主席)
王麗麗 (副主席)
朱 琦 (董事總經理暨行政總裁)
陳愛平 (非執行董事)
黃遠輝 (董事暨副總經理)
張 懿 (董事暨副總經理)
王于漸, S.B.S., 太平紳士 (獨立非執行董事)
徐耀華 (獨立非執行董事)
袁金浩, FHKIoD (獨立非執行董事)

公司秘書

曾美娟

審核委員會

王于漸, S.B.S., 太平紳士 (獨立非執行董事兼主席)
袁金浩, FHKIoD (獨立非執行董事兼替任主席)
徐耀華 (獨立非執行董事)
陳愛平 (非執行董事)

薪酬委員會

袁金浩, FHKIoD (獨立非執行董事兼主席)
王于漸, S.B.S., 太平紳士 (獨立非執行董事)
徐耀華 (獨立非執行董事)
陳愛平 (非執行董事)

提名委員會

徐耀華 (獨立非執行董事兼主席)
袁金浩, FHKIoD (獨立非執行董事)
陳愛平 (非執行董事)

高層管理人員

朱 琦 (董事總經理暨行政總裁)
黃遠輝 (董事暨副總經理)
張 懿 (董事暨副總經理)
馮兆明 (副總經理暨風險總監)
梁銘謙 (財務總監)
鄭堯龍 (營運總監)
姜壹盛 (助理總經理)

律師

史密夫律師事務所
香港皇后大道中十五號
告羅士打大廈二十三樓
電話: 2845 6639
圖文傳真: 2845 9099

核數師

安永會計師事務所
香港中環金融街八號
國際金融中心二期十八樓
電話: 2846 9888
圖文傳真: 2868 4432

股份過戶登記處

卓佳登捷時有限公司
香港灣仔皇后大道東二十八號
金鐘匯中心二十六樓
電話: 2980 1888
圖文傳真: 2810 8185

註冊辦事處

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中國工商銀行大廈三十三樓
電話: 2588 1188
圖文傳真: 2805 1166
電訊: 73264 ICBCA HX
郵箱: 香港郵政總局信箱 872 號
環球銀行金融電信: UBHKHKHH

本年報之中文版可於

http://www.icbcasia.com/big5/investor/report/report_a.shtml
下載

Corporate Information

BOARD OF DIRECTORS

Jiang Jianqing (*Chairman*)

Wang Lili (*Vice Chairman*)

Zhu Qi (*Managing Director & Chief Executive Officer*)

Chen Aiping (*Non-executive Director*)

Wong Yuen Fai

(*Director & Deputy General Manager*)

Zhang Yi (*Director & Deputy General Manager*)

Wong Yue Chim, Richard, S.B.S., J.P.

(*Independent Non-executive Director*)

Tsui Yiu Wa, Alec

(*Independent Non-executive Director*)

Yuen Kam Ho, George, FHKIoD

(*Independent Non-executive Director*)

COMPANY SECRETARY

Tsang Mei Kuen

AUDIT COMMITTEE

Wong Yue Chim, Richard, S.B.S., J.P.

(*Independent Non-executive Director & Chairman*)

Yuen Kam Ho, George, FHKIoD

(*Independent Non-executive Director & Alternate Chairman*)

Tsui Yiu Wa, Alec

(*Independent Non-executive Director*)

Chen Aiping (*Non-executive Director*)

REMUNERATION COMMITTEE

Yuen Kam Ho, George, FHKIoD

(*Independent Non-executive Director & Chairman*)

Wong Yue Chim, Richard, S.B.S., J.P.

(*Independent Non-executive Director*)

Tsui Yiu Wa, Alec

(*Independent Non-executive Director*)

Chen Aiping (*Non-executive Director*)

NOMINATION COMMITTEE

Tsui Yiu Wa, Alec

(*Independent Non-executive Director & Chairman*)

Yuen Kam Ho, George, FHKIoD

(*Independent Non-executive Director*)

Chen Aiping (*Non-executive Director*)

SENIOR MANAGEMENT

Zhu Qi (*Managing Director & Chief Executive Officer*)

Wong Yuen Fai

(*Director & Deputy General Manager*)

Zhang Yi (*Director & Deputy General Manager*)

Fung Siu Ming

(*Deputy General Manager & Chief Risk Officer*)

Leung Ming Hym, Peter

(*Chief Financial Officer*)

Cheng Yiu Lung

(*Chief Operation Officer*)

Jiang Yisheng

(*Assistant General Manager*)

SOLICITORS

Herbert Smith

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AUDITORS

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Central

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REGISTRARS

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REGISTERED OFFICE

33/F., ICBC Tower

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Telex: 73264 ICBCA HX

Post Box: GPO Box 872

SWIFT: UBHKHKHH

English version of this Annual Report can be accessed through the internet at: http://www.icbcasia.com/eng/investor/report/report_a.shtml

財務概況 Financial Performance

二零零七年財務摘要

2007 FINANCIAL HIGHLIGHTS

| 全年(百萬港元) | For the Year (in HK\$ million) | 2007 | 2006 | 變動百分比 % Change |
|-----------------|---|-------|-------|-------------------|
| 淨利息收入 | Net Interest Income | 2,388 | 1,853 | 29% |
| 淨收費及佣金收入 | Net Fee and Commission Income | 676 | 562 | 20% |
| 其他營業收入 | Other Operating Income | 115 | 182 | -37% |
| 營業支出 | Operating Expenses | 1,135 | 945 | 20% |
| 貸款減值回撥／ (損失) | Write-back of/(Charge for) Impairment Losses on Loans and Advances | 115 | (132) | -187% |
| 除稅前溢利 | Profit before Tax | 1,952 | 1,603 | 22% |
| 稅項 | Tax | 343 | 357 | -4% |
| 股東應佔溢利 | Profit Attributable to Equity Holders | 1,609 | 1,246 | 29% |

| 於年結日(百萬港元) | At Year End (in HK\$ million) | 2007 | 2006 | 變動百分比 % Change |
|------------|-------------------------------|---------|---------|-------------------|
| 貸款及墊款 | Loans and Advances | 121,704 | 75,648 | 61% |
| 資產總值 | Total Assets | 192,304 | 146,392 | 31% |
| 存款總額 | Total Deposits | 141,236 | 109,893 | 29% |
| 股東權益總額 | Total Equity | 15,008 | 11,085 | 35% |

| 財務比率 | Financial Ratios | 2007 | 2006 |
|------------|--------------------------------|-------|-------|
| 資本充足比率 | Capital Adequacy | 13.0% | 16.0% |
| 全年平均流動資金比率 | Average Liquidity for the Year | 43.9% | 44.1% |
| 成本對收入比率 | Cost to Income | 35.7% | 36.4% |
| 貸款對存款比率 | Loans to Deposits | 61.9% | 68.6% |

| 財務誌要 | Financial Calendar | | |
|-----------------------|--|---------------------|-----------------------------|
| 公佈末期業績 | Final Results Announcement | 二零零八年三月十三日 | 13 March 2008 |
| 年報寄發日期 | Posting Date for Annual Report | 二零零八年四月二十九日 | 29 April 2008 |
| 暫停辦理股份及認股權證 過戶登記手續 | Closing Period of Register of Members and Register of Warrant Holders | 二零零八年五月十五日至 二十二日 | 15 to 22 May 2008 |
| 股東週年大會日期 | Date of Annual General Meeting | 二零零八年五月二十二日 | 22 May 2008 |
| 股息派發日期 | Dividend Payment Date | 二零零八年六月二十日前後 | on or about 20 June 2008 |

財務概況

Financial Performance

五年財務概況

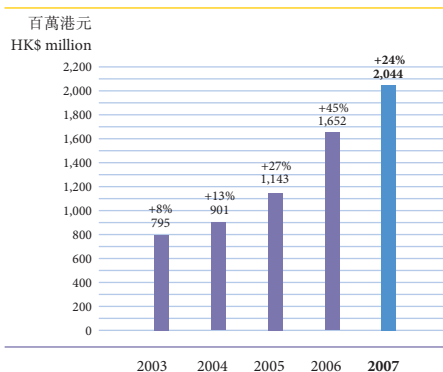
FIVE YEAR SUMMARY

| 全年(百萬港元) | For the Year (in HK\$ million) | 2007 | 2006 | 2005 | 2004 | 2003 |
|-----------------|--|---------|---------|---------|--------|--------|
| 淨利息收入 | Net Interest Income | 2,388 | 1,853 | 1,316 | 1,275 | 823 |
| 淨收費及佣金收入 | Net Fee and Commission Income | 676 | 562 | 403 | 271 | 262 |
| 其他營業收入 | Other Operating Income | 115 | 182 | 314 | 99 | 59 |
| 營業支出 | Operating Expenses | 1,135 | 945 | 890 | 744 | 314 |
| 貸款減值回撥／ (損失) | Write-back of /(Charge for) Impairment Losses on Loans and Advances | 115 | (132) | (6) | 22 | (129) |
| 除稅前溢利 | Profit before Tax | 1,952 | 1,603 | 1,208 | 936 | 645 |
| 稅項 | Tax | 343 | 357 | 227 | 176 | 123 |
| 股東應佔溢利 | Profit Attributable to Equity Holders | 1,609 | 1,246 | 981 | 760 | 522 |
| 每股計(港元) | Per Share (in HK\$) | 2007 | 2006 | 2005 | 2004 | 2003 |
| 每股基本盈利 | Basic Earnings per Share | 1.41 | 1.11 | 0.91 | 0.80 | 0.71 |
| 每股股息 | Dividend per Share | 0.86 | 0.66 | 0.53 | 0.45 | 0.38 |
| 於年結日(百萬港元) | At Year End (in HK\$ million) | 2007 | 2006 | 2005 | 2004 | 2003 |
| 貸款及墊款 | Loans and Advances | 121,704 | 75,648 | 70,406 | 62,740 | 41,811 |
| 資產總額 | Total Assets | 192,304 | 146,392 | 115,782 | 99,344 | 75,320 |
| 存款總額 | Total Deposits | 141,236 | 109,893 | 70,341 | 63,404 | 42,307 |
| 股東權益總額 | Total Equity | 15,008 | 11,085 | 9,870 | 8,541 | 5,917 |
| 財務比率 | Financial Ratios | 2007 | 2006 | 2005 | 2004 | 2003 |
| 資本充足比率 | Capital Adequacy | 13.0% | 16.0% | 15.7% | 17.4% | 16.7% |
| 全年平均流動資金比率 | Average Liquidity for the Year | 43.9% | 44.1% | 36.5% | 37.8% | 41.3% |
| 貸款對存款比率 | Loans to Deposits | 61.9% | 68.6% | 97.4% | 94.9% | 96.0% |
| 貸款對資產總額比率 | Loans to Total Assets | 63.3% | 51.7% | 61.0% | 63.2% | 55.5% |
| 減值貸款／不履約貸款比率 | Impaired Loan/NPL Ratio | 0.5% | 1.2% | 0.9% | 1.3% | 1.7% |
| 組合／一般撥備覆蓋率* | Collective/General Provision Coverage* | 1.1% | 0.8% | 0.8% | 0.8% | 0.8% |
| 成本對收入比率 | Cost to Income | 35.7% | 36.4% | 43.8% | 41.9% | 27.4% |
| 派息比率 | Dividend Payout | 64.3% | 59.5% | 60.6% | 62.0% | 66.4% |
| 平均資產回報率 | Return on Average Assets | 1.0% | 1.0% | 0.9% | 0.9% | 0.8% |
| 平均普通股本回報率 | Return on Average Common Equity | 13.6% | 12.4% | 11.0% | 10.3% | 10.2% |

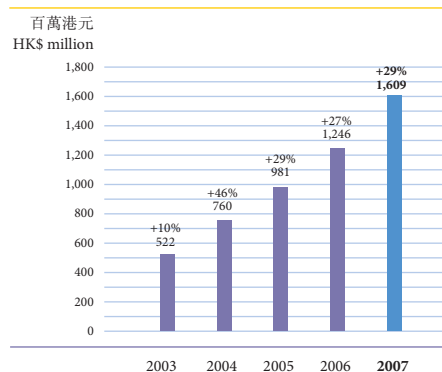
* 包括「法定儲備」

* Including "Regulatory Reserve"

未扣除減值損失／準備之營業溢利
Operating Profit Before Impairment Losses/Provisions



股東應佔溢利
Profit Attributable to Equity Holders



財務概況 Financial Performance

客戶存款

Customer Deposits

| 1. 按類別劃分 | 1. By Type | 2007 | 2006 |
|----------|------------|--------|--------|
| 活期 | Current | 3.9% | 3.6% |
| 儲蓄 | Savings | 12.0% | 12.2% |
| 定期 | Fixed | 84.1% | 84.2% |
| 合計 | Total | 100.0% | 100.0% |

| 2. 按剩餘到期日劃分 | 2. By Remaining Maturity | 2007 | 2006 |
|-------------|---|--------|--------|
| 須於要求時即時償還 | Repayable on Demand | 16.1% | 15.8% |
| 三個月或以下 | Three Months or Less | 82.0% | 81.1% |
| 一年或以下但超過三個月 | One Year or Less, but Over Three Months | 1.7% | 2.8% |
| 五年或以下但超過一年 | Five Years or Less, but Over One Year | 0.2% | 0.3% |
| 合計 | Total | 100.0% | 100.0% |

| 3. 按貨幣劃分 | 3. By Currency | 2007 | 2006 |
|----------|----------------|--------|--------|
| 港元 | HKD | 57.3% | 54.3% |
| 美元 | USD | 36.6% | 43.4% |
| 其他 | Others | 6.1% | 2.3% |
| 合計 | Total | 100.0% | 100.0% |

其他營業收入

Other Operating Income

| | | 2007 | 2006 |
|--|---|--------|--------|
| 淨交易收入及指定以 公平價值經損益表 入賬金融資產及負 債之淨虧損 | Net Trading Income and Net Loss on Financial Assets and Liabilities designated at Fair Value through Profit or Loss | 78.2% | 73.0% |
| 來自金融投資之股息收入 | Dividend Income from Financial Investments | 3.3% | 1.4% |
| 管理費收入 | Management Fee Income | 6.8% | 3.5% |
| 物業租金收入 | Rental Income | 0.8% | 0.8% |
| 投資物業租金收入 | Rental Income from Investment Properties | 0.8% | 0.0% |
| 其他 | Others | 10.1% | 21.3% |
| 合計 | Total | 100.0% | 100.0% |



財務概況

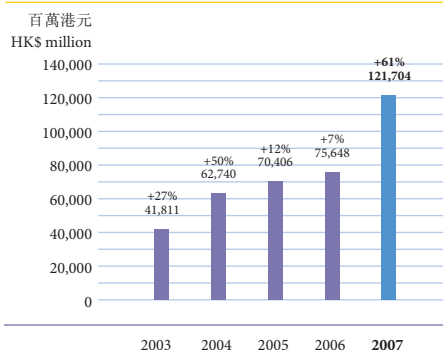
Financial Performance

貸款組合

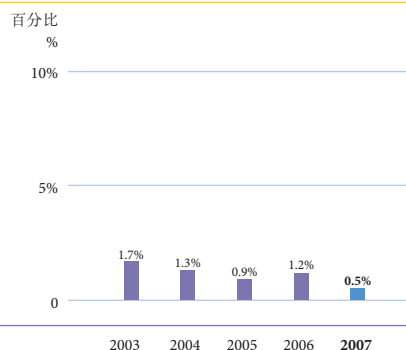
Loan Portfolio

| 1. 按行業劃分 | 1. By Industry Sectors | 2007 | 2006 |
|---------------------------------------|---|--------|--------|
| 在香港使用之貸款 | Loans for Use in Hong Kong | | |
| 工商及金融 | Industry, Commercial and Financial | | |
| 物業發展 | Property Development | 5.7% | 5.8% |
| 物業投資 | Property Investment | 14.4% | 17.6% |
| 金融企業 | Financial Concerns | 4.2% | 5.1% |
| 股票經紀 | Stockbrokers | 0.1% | 0.2% |
| 批發及零售業 | Wholesale and Retail Trade | 3.1% | 2.9% |
| 土木工程 | Civil Engineering Works | 0.3% | 0.6% |
| 製造業 | Manufacturing | 3.2% | 4.3% |
| 運輸及運輸設備 | Transport and Transport Equipment | 6.5% | 10.6% |
| 電力、煤氣及通訊 | Electricity, Gas and Telecommunications | 1.7% | 1.2% |
| 酒店、住宿及飲食 | Hotels, Boarding House & Catering | 0.8% | 1.5% |
| 其他 | Others | 3.9% | 6.3% |
| 個人 | Individuals | | |
| 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇之貸款 | Loans for the purchases of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Schemes | 0.3% | 0.2% |
| 購買其他住宅物業之貸款 | Loans for the purchase of Other Residential Properties | 9.7% | 14.2% |
| 信用卡貸款 | Credit Card Advances | 0.1% | 0.1% |
| 其他 | Others | 1.1% | 1.7% |
| 貿易融資 | Trade Finance | 22.8% | 9.0% |
| 在香港以外使用之貸款 | Loans for Use outside Hong Kong | 22.1% | 18.7% |
| 合計 | Total | 100.0% | 100.0% |
| 2. 按剩餘到期日劃分 | 2. By Remaining Maturity | 2007 | 2006 |
| 須於要求時即時償還 | Repayable on Demand | 7.3% | 9.0% |
| 一年或以下 | One Year or Less | 33.6% | 21.7% |
| 五年或以下但超過一年 | Five Years or Less, but Over One Year | 37.1% | 39.4% |
| 超過五年 | Over Five Years | 21.7% | 29.6% |
| 並無限期 | Undated | 0.3% | 0.3% |
| 合計 | Total | 100.0% | 100.0% |
| 3. 按貨幣劃分 | 3. By Currency | 2007 | 2006 |
| 港元 | HKD | 60.2% | 75.0% |
| 美元 | USD | 31.4% | 20.9% |
| 其他 | Others | 8.4% | 4.1% |
| 合計 | Total | 100.0% | 100.0% |

貸款及墊款總額
Total Loans and Advances



減值貸款／不履約貸款比率
Impaired Loan/NPL Ratio







團結

Unity

實踐本行「扎根香港，內外聯動」的既定經營戰略，我們全力拓展業務領域，全方位為香港及內地的客戶提供服務。在上下團結一心，銳意進取的宗旨下，本行全體員工及管理層共同努力，為集團取得了滿意的經營業績。

Implementing the established strategy of “Deeply rooted in Hong Kong, effectively serving both Hong Kong and the Mainland”, we have been developing our scope of business and providing comprehensive services to our clients in Hong Kong and the Mainland. Working in unity, the management and staff at all levels strive to achieve the best results for the Group.

主席獻辭



姜建清博士 主席

主席獻辭

2007年，中國大陸經濟和香港經濟都保持了良好的發展勢頭，中港兩地的經濟融合也進一步加深，作為中國工商銀行(「工行」)在港的旗艦行，本銀行抓住良好的宏觀經濟環境提供的機遇，秉承「扎根香港，內外聯動」的經營戰略，因應客戶需求，搭建中港一體化的金融服務平臺，全力拓展業務領域，全方位服務於內地在香港客戶，並以特色精品服務於香港客戶，同時，依託全資附屬公司華商銀行，全面加強與母公司工行內地分行的良性互動，通過業務合作，優勢互補，積極開拓大陸市場。

得益於以上戰略的成功實施，在過去的一年，中國工商銀行(亞洲)上下團結一心，銳意進取，在全體員工及管理層的共同努力之下，取得了滿意的經營業績。本集團2007年綜合除稅後盈利為16億9百萬港元，較2006年增加3億6千3百萬港元，增長29%。本集團貫徹執行各項嚴格風險管理政策，2007年的減值貸款比率處於0.5%的低水準。另外，本集團秉承審慎嚴謹原則，為持有的4千萬美元結構性投資工具作出了3千萬美元的撥備。

本集團除繼續維持本地銀團貸款主要牽頭行地位外，因應國內優質企業拓展海外市場，進行全球佈局的需要，積極發展與資本市場相關的業務，為企業收購合併提供諮詢和融資服務，同時，相關的公開上市企業收款銀行業務也繼續得到長足發展。2007年，中國工商銀行(亞洲)成功擔任28家企業在香港首次公開招股上市的收款銀行，使本銀行在該業務的市場地位進一步得到加強。

本集團全面實施以「財富管理」為核心的零售銀行業務轉型，提升零售銀行業務的價值貢獻度。2007年，中國工商銀行(亞洲)已有四份之一的分行採用新式設計與裝修，設立財富管理中心，為零售客戶提供全面的財富管理服務。本行財富管理服務充分發揮本行在內地資訊和人才上的優勢，為客戶舉辦了多期與內地經濟有關的投資講座，協助本港居民通過投資，分享內地經濟成長的成果。其中，本集團與內地工行採用共同的財富管理品牌，專門為高端客戶推出「理財金賬戶」，為兩地「理財金賬戶」客戶提供中港一體化的專有服務，讓客戶享受到跨地域理財的便利，以達成「全球最優秀華人理財品牌」的目標。

全力依託本集團的全資附屬公司華商銀行開拓大陸市場，是本集團的既定戰略。2007年，華商銀行以人民幣銀行業務作為核心，充分發揮與本銀行和內地工行的協同效應，「內內聯動」、「內外聯動」，全面服務於本港和內地的優質客戶，在激烈的市場競爭中成功地實現了跨越式發展，實現稅後盈利7千3百萬港元，比2006年增加2倍，成為本集團新的利潤增長點。2008年，華商銀行將繼續大力開拓內地市場，預期廣州分行於今年年中開業。

同時，本銀行為履行企業社會責任，協助母公司工行誠獻其所屬上海市銀行博物館的珍貴藏品，於2007年11月28日在香港歷史博物館舉辦「從錢莊到現代銀行－滬港銀行業發展」展覽，這是香港首個以銀行業為主題的展覽，敝人有幸與香港特別行政區長官曾蔭權先生一同主持了開幕儀式。是次展覽充分展現了母公司以及本銀行的企業文化，受到了社會各界好評，該展覽展期至2008年5月26日。

展望2008年，雖然面對全球次按危機、內地宏觀調控、企業結構調整、通貨膨脹等不利外部環境，本集團管理層和全體員工充滿信心，將繼續加強與母公司合作，有效發揮內外聯動作用，為客戶提供中港一體化的金融服務，增強客戶的忠誠度；同時，深入推進多元化策略，為客戶提供全方位的金融服務，提升客戶綜合貢獻度，增加中間業務收入；本集團亦會繼續提升電腦平臺、引進新客戶關係管理系統，打造高知名度品牌，不斷提升綜合競爭能力，努力成為香港卓越及領先商業銀行之一，為客戶和股東創造更佳回報。

姜建清博士

主席

香港，二零零八年三月十三日

管理層討論與分析



朱琦先生
Mr. Zhu Qi

董事總經理暨行政總裁
Managing Director & Chief Executive Officer

管理層討論與分析

概覽

於二零零七年七月，我們共同慶祝了香港回歸十週年。同時亦樂見本地經濟繼續全面好轉，民眾消費意欲顯著上升及香港未來經濟環境持續樂觀。雖然股市於二零零七年第四季度遭受一定挫折，但整體物業市道極為蓬勃。總而言之，儘管全球金融市場因美國次按危機而日益波動，但香港銀行業於二零零七年仍保持平穩。

財務回顧

截至二零零七年十二月三十一日止年度，本集團獲得股東應佔綜合溢利16億9百萬港元，與二零零六年之12億4千6百萬港元相比，增長29%。

截至二零零七年十二月三十一日止年度，淨利息收入增加5億3千5百萬港元或29%至23億8千8百萬港元，主要受惠於二零零七年借貸組合的強勁增長，以及綜合淨息差由1.45%輕微改善至1.47%。

淨收費及佣金收入由二零零六年之5億6千2百萬港元增加20%至6億7千6百萬港元，主要受惠於來自證券經紀業務的佣金收入大幅增長及首次公開招股活動收款銀行業務。整體上，淨收費及佣金和其他營業收入總額對營業收入總額之比率較二零零六年之29%下調至25%。

營業支出為11億3千5百萬港元，較二零零六年之9億4千5百萬港元，增加1億9千萬港元或20%。成本對收入比率由36.4%輕微下降至35.7%，主要由於營業收入總額增加，以及年內有效控制成本。

於二零零七年，綜合減值損失減少4百萬港元或3%至1億3千4百萬港元，當中包括貸款和持有至到期證券減值損失1億1千5百萬港元及3百萬港元之回撥，而二零零七年備供銷售金融投資之減值損失為2億5千2百萬港元，其中持有結構性投資工具發行之票據減值虧損為2億3千4百萬港元或3千萬美元。

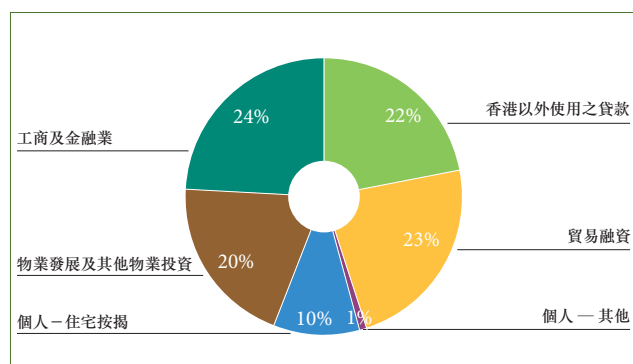
本集團出售投資證券獲利1千7百萬港元，較二零零六年之8千3百萬港元，下跌80%。

應佔聯營公司溢利為1千1百萬港元，較二零零六年之6百萬港元增加83%。當中包括來自中國平安保險(香港)有限公司之溢利貢獻7百60萬港元。

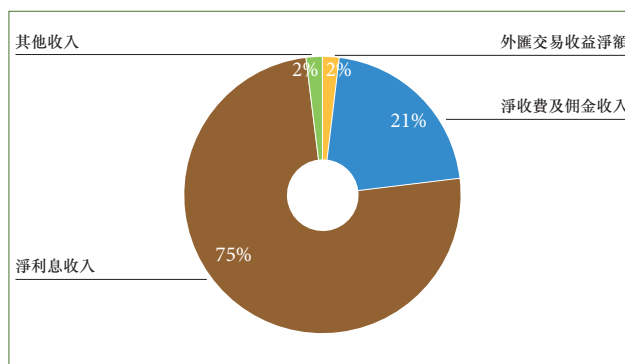
資產負債表

本集團於二零零七年十二月三十一日之綜合資產總額達1千9百23億4百萬港元，較截至二零零六年十二月三十一日止之1千4百63億9千2百萬港元，增加4百59億1千2百萬港元或31%。

貸款組合 二零零七年



收入組合 二零零七年



管理層討論與分析

於二零零七年十二月三十一日，綜合貸款及墊款總額達1千2百17億4百萬港元，較二零零六年十二月三十一日之7百56億4千8百萬港元，大幅增加4百60億5千6百萬港元或61%。

客戶存款總額為1千3百75億3千萬港元，較二零零六年十二月三十一日之9百95億7千1百萬港元增加38%。

已發行存款證總額為37億5百萬港元，較二零零六年十二月三十一日之1百3億2千2百萬港元減少64%。

於二零零七年九月，於聯營公司之投資達1億8千4百萬港元，此乃因收購IEC Investments Limited 40%之股權所致。與二零零六年十二月三十一日之3千4百萬港元比較，增加1億5千萬港元。

資本及流動資金管理

截至二零零七年底，本集團之資本充足比率為13.0%(二零零六年：16.0%)。本集團於二零零七年維持充足資本水平，平均流動資金比率為43.9%(二零零六年：平均為44.1%)。

資產質素

於二零零七年十二月三十一日之綜合減值貸款為6億4千7百萬港元，較二零零六年十二月三十一日之8億9千8百萬港元減少2億5千1百萬港元。因此，綜合減值貸款比率由1.2%驟降至0.5%。

截至二零零七年十二月三十一日，累計貸款減值準備(先前稱為「呆壞賬撥備」)合共為3億3千6百萬港元(二零零六年：4億3千2百萬港元)，當中包括1億2千6百萬港元(二零零六年：2億1百萬港元)個別減值準備及2億1千萬港元(二零零六年：2億3千1百萬港元)集體減值準備。減值準備減少主要是由於資產質素改善及加強風險及信貸控制。

逾期貸款由二零零六年十二月三十一日之2億3百萬港元下降至二零零七年十二月三十一日之1億4百萬港元，佔客戶貸款不足0.1%。

業務回顧

以下概述個別業務於二零零七年之表現，以及其各自於二零零八年之展望。

零售銀行業務

於二零零七年，本銀行之零售銀行業務業績理想。零售客戶存款大幅增加，同時住宅按揭貸款及租購貸款結存亦穩定增長。來自股票經紀及投資業務之佣金收入再創新高。零售銀行業務之溢利貢獻由二零零六年之2億8千4百萬港元增加至二零零七年之3億3千6百萬港元。

香港住宅按揭市場之競爭仍然激烈，為保障其各自之市場佔有率，本地銀行均傾向透過減息提供具吸引力之按揭計劃。由於價格競爭激烈以及銀行同業市場利率高漲，本銀行之按揭貸款息差進一步收窄。這令本銀行全年來自按揭業務之收入(經扣除融資成本後)大幅下跌。然而，本銀行之市場佔有率於二零零七年仍進一步增長，由二零零六年之1.98%增



■ 中國工商銀行(亞洲)推出「理財金賬戶」銀行服務

管理層討論與分析

加至2.7%，而新收購零售按揭業務於二零零七年錄得51億港元，為二零零六年之兩倍多。

於二零零七年，租購及租賃業務錄得穩定增長。本銀行所佔的士及公共小巴融資之市場份額增加至約16%，在市場中排名第四。然而，借貸息率無可避免作出下調，加上資金成本不斷上升，該等因素令整體盈利進一步減少。

於二零零七年內，本銀行利用經擴大之分行網絡積極吸納新目標客戶，尤其是客戶存款相比去年增長25%。資金成本因此得以下降，抵銷部分零售貸款息差收窄之負面影響。受惠於有利之投資環境及本銀行在開拓非利息收入方面不斷作出之努力，本銀行零售銀行業務所賺取之收入及佣金相比二零零六年增長逾100%。包括互惠基金及股票掛鉤產品在內之投資產品銷售亦錄得可觀增長。當中，二零零七年互惠基金之銷售總額為接近二零零六年之三倍，保險銷售相比去年更增長約十倍。

理財服務為本銀行零售銀行業務於二零零七年之策略重點。為配合本銀行之母公司建立國際性知名理財品牌之策略，本銀行於二零零七年三月二十八日推出名為「理財金賬戶」之全新理財服務，讓高資產值客戶享受到獨一無二之高質素跨境服務及在財務管理上更得心應手。本銀行所提供之獨有優惠亦拓展到中國內地，如享用中國工商銀行的私人貴賓室及優先服務櫃檯，而客戶亦可在任何中國工商銀行分行優先選用理財產品。服務推出時，本銀行進行了大規模宣傳推廣活動，並對附設理財中心及專櫃之分行物業進行翻新。高資產值客戶及一般客戶之數目較二零零六年底分別增加21%及34%。

於二零零七年內，本銀行曾擔任28家企業之首次公開招股收款銀行，當中包括中國糧油控股有限公司、味千(中國)控股有限公司、富豪產業信託、中信銀行股份有限公司、大昌行集團有限公司、阿里巴巴網絡有限公司、中國重汽(香港)有限公司、中國中鐵股份有限公司及比亞迪電子(國際)有限公司。該等業務取得成功，進一步鞏固了本銀行作為香港其中一間核心首次公開招股收款銀行之地位。

本銀行繼續推行其分行網絡重整計劃，並自二零零六年來首次開設新分行。為擴大本銀行分行網絡之地域覆蓋面，本銀行新開設了三家分行，即於二零零七年四月開設之美孚分行及灣仔道分行，以及於二零零七年十月開設之紅磡分行。本集團亦於二零零七年對舊式設計之分行進行翻新。旺角分行之翻新工程已於二零零七年十月完成。為提供卓越及專業之金融服務，以下分行均設有「理財金賬戶」中心，即軒尼詩道分行、尖沙咀分行、尖沙咀東分行、中環分行、上環分行、旺角分行、灣仔道分行及紅磡分行。截至二零零七年底，本銀行擁有41家分行，其中約四分之一採用本銀行之新設計風格。

於二零零八年，本銀行將加強市場推廣，吸納新目標客戶及存款，並透過更積極進行交叉銷售業務活動，鞏固本銀行之各項零售銀行業務。本銀行將繼續推行分行網絡重整計劃，以拓展本銀行網絡之地域覆蓋面，改善分行環境，藉以為客戶提供更佳之服務。

就按揭業務而言，本銀行預期，由於「負利率」之影響，本地物業市場於二零零八年將繼續興旺。本銀行將把握此有利市況吸納新造貸款，進一步鞏固本銀行之按揭業務。透過度身訂造之按揭貸款計劃(例如智慧按揭)，本銀行旨在吸引現金充裕之物業買家，並將其當作本公司「理財金賬戶」銀行服務之潛在客戶。



1984年

中國工商銀行成立，接辦原中國人民銀行辦理的工商信貸和儲蓄業務，現成為內地最大的商業銀行。

(此摘錄「從錢莊到現代銀行－滬港銀行業發展」展覽的圖錄)

管理層討論與分析

為提高在理財產品及服務方面之競爭優勢，本銀行將會繼續開發不同種類之投資產品，並繼續與各家金融機構合作，向客戶提供多元化之投資產品。同時，本銀行亦構思不同形式之推廣優惠，藉以維持理財業務的增長。

在電話銀行業務方面，本銀行將致力於達致更高服務標準。在加強客戶電話服務中心以滿足客戶不斷增長之服務需求之外，本公司將進一步關注客戶，藉以開展交叉銷售、追加銷售及轉介服務。本銀行認為，其將為本銀行之客戶及本銀行創造價值。

本銀行將繼續加強電子理財服務，包括改善現有個人網上銀行服務、新增網上證券服務功能、自動化電話證券服務及商業網上銀行服務。

再者，本銀行將不斷對資訊科技系統平台進行升級，改進新的客戶關係管理系統及銷售目標管理系統，以提升本銀行之營銷能力及質素，致力為不同客戶群提供更全面、方便和優質之銀行服務。

財資業務

於二零零七年，本銀行財資部業務溢利貢獻為2億8千萬港元，而二零零六年為3億5千5百萬港元。財資部盈利下跌主要是由於美國次按危機對本銀行之債券組合造成不利影響所致。尤其是本銀行所持有之由結構性投資工具Cullinan Finance Limited發行之票據合共4千萬美元，錄得2億3千4百萬港元或3千萬美元之減值虧損。儘管市況嚴峻，但財資部在淨利息收入方面仍錄得強勁增長。

年內，由於採用新業務模式，財資部訂立之人民幣不交收遠期外匯合約之交易量大幅增長。此外，本銀行擔任國家開發銀行於二零零七年七月發行之2年期50億元人民幣債券(為於中國大陸以外地區首次發行之人民幣債券)之聯席經辦人及配售銀行。憑藉本銀行母公司之實力，以及本銀行在當地市場之穩固根基，財資部矢志成為香港離岸人民幣市場之主要參與者。

於二零零八年內，財資部將重點拓展其債券組合，從而利用當前信貸息差不斷擴大及美國聯邦儲備局預期減息之條件。此外，財資部將繼續利用中國工商銀行及本銀行全資附屬公司華商銀行之支援及銷售網絡，向中國大陸之現有及潛在客戶交叉銷售財資產品，以及提供「一站式」跨境金融服務。

商業銀行

二零零七年對本銀行之商業銀行業務而言又是碩果累累的一年，錄得溢利貢獻7億4千萬港元，而二零零六年為5億8千7百萬港元。整體而言，香港中小型企業從全球及當地經濟蓬勃發展中受惠。由於本銀行之客戶網穩步擴展及多元化，本銀行之批出貸款及存款分別錄得31%及68%之強勁增長。此外，本銀行有能力維持低於市場平均之貸款減值比率，為錄得理想業績之主要因素之一。

2000年

香港友聯銀行易名為中國工商銀行(亞洲)有限公司，成為中國工商銀行拓展海外業務的旗艦。

(此摘錄「從錢莊到現代銀行－滬港銀行業發展」展覽的圖錄)



管理層討論與分析

本銀行繼續集中於向客戶提供廣泛產品及服務，包括商業貸款、貿易融資、賬款保收、外匯及匯款、貨幣掉期及衍生工具、設備及機器融資、網上銀行服務以及鑽石貿易融資部、歐洲銀行業務部及印度銀行業務部之專門服務。尤其是透過本銀行成功之首次公開招股收款銀行業務，本銀行能吸引新商業客戶於其上市後存款以及採用股息派付服務。

展望未來，二零零八年之營商環境正變得日益困難。本銀行將繼續對中小企業客戶提供支援，同時，由於貸款之質素可能在一定程度上受到生產成本不斷上升及海外市場經濟低迷之不利影響，故本銀行將繼續審慎監察相關貸款質素。

透過與華商銀行及中國工商銀行位於中國大陸之各家分行進行合作，本銀行矢志進一步拓展其客戶網，尤其是該等計劃拓展海外業務之中國企業。

企業信貸及投資銀行



■ 中國工商銀行(亞洲)參加貿發局舉辦的中小企國際市場展覽

企業信貸及投資銀行業務於二零零七年之溢利貢獻相比二零零六年之3億3千4百萬港元大幅增長至4億8千8百萬港元。溢利顯著增加乃由於二零零七年淨利息收入大幅增長30%所致。

憑藉物業市場因預期持續減息受到支持而蓬勃發展，本銀行之物業相關借貸之貸款組合錄得可觀增長。主要交易包括擔任新鴻基地產發展有限公司為數152億港元之銀團貸款及IFC II Development Limited為數173億港元之銀團融資之受託協調安排。

本銀行繼續進行策略行動，以將業務拓展至傳統企業銀行業務以外。作為轉型計劃的一部分，本銀行於二零零七年十月正式建立銀團隊伍，以提高及鞏固本銀行之企業銀行及銀團業務實力。儘管銀團及雙邊借貸仍是本銀行之重心，但本銀行亦將更多資源投入結構性融資業務。借貸組合已出現有關變動之跡象，本銀行之結構性融資團隊在其貸款組合之規模方面已錄得強勁增長。該團隊以相對較高之息差處理槓桿式收購及收購融資等本地及離岸交易。主要交易包括擔任Dubai World為數50億美元及伊斯蘭融資交易為數15億美元之受託牽頭安排，以及神州數碼控股有限公司之強制性全面收購而給予跨國私募基金1億美元的雙邊融資。

由於中國大企業不斷進行海外擴張，本銀行預期，本銀行企業信貸及投資銀行業務於二零零八年之前景非常令人鼓舞。

金融機構

於二零零七年，通過銀行交易業務(包括但不限於現金管理、貿易融資及信貸相關產品)之全面多元化，本銀行金融機構業務錄得理想業績。

於二零零六年建立之新業務平台於二零零七年全年全面投入營運。該平台包括三個部門，即銀行金融機構部、非銀行金融機構部及集團內部業務部，各個部門分別處理本銀行多元化客戶群之不同業務需求。由於金融機構行業之競爭十分激烈，三個部門均將繼續改進其各自之銀行交易產品，以滿足本銀行客戶不斷增長之需求。

於二零零八年，本銀行之金融機構業務將主要集中於拓展其現有客戶網，及向本銀行之客戶提供更多增值服務。

管理層討論與分析

信用卡業務

本銀行之信用卡業務於二零零七年持續改善。月平均營業額及月平均未償還結餘分別增長45%及27%。月平均循環貸款結餘增長13%，相對整體信用卡市場之循環貸款結餘則全面下滑。商戶營業額增長70%。業務取得增長乃由於積極舉辦市場推廣活動及宣傳以及推行新業務計劃所致。分級定價(就發卡及商戶業務兩者而言)、按客戶群度身訂造之活動、直銷推廣優惠及新信貸規限政策等服務精簡措施紛紛出台。本銀行之兩幣卡現加入了繳費靈及人民幣自動付款功能。年內，本銀行推出新兩幣商務信用卡。於推出簡化申請程序時，本銀行積極向現有銀行客戶交叉銷售信用卡。中國工商銀行牡丹卡中心已簽署中國大陸與香港共同商戶支持協議，據此本銀行之持卡人及牡丹卡持卡人於中國大陸及香港均享有相同之商戶優惠。



■中國工商銀行(亞洲)推出「西九龍中心萬事達卡」

本銀行預期，於二零零八年，本銀行之信用卡業務將取得進一步增長。新西九龍中心萬事達卡已於二零零七年十二月推出。本銀行正在籌備推出與保險公司合作之聯營卡，亦計劃推出本銀行之首款白金卡以滿足客戶之需求。

華商銀行

於二零零七年，鑑於中國大陸經濟發展強勁，華商銀行加速擴展其人民幣銀行業務。華商銀行於截至二零零七年十二月三十一日止年度錄得之純利為7千3百萬港元，較截至二零零六年十二月三十一日止年度之2千3百萬港元增加5千百萬港元或217%。

華商銀行於二零零七年十二月三十一日之總資產達80億8千5百萬港元，較二零零六年底增加336%。華商銀行於二零零七年十二月三十一日之客戶存款總額為13億5千3百萬港元。華商銀行之現有已繳資本達人民幣10億6千萬元。

華商銀行已於二零零七年初獲發牌照，為中國境內之客戶(中國居民除外)辦理人民幣銀行業務。華商銀行預期於獲得中國銀行業監督管理委員會(「中國銀監會」)批准後，於二零零八年中將在廣州開設一家新分行，華商銀行之整體競爭力將進一步提高。

人力資源

於二零零七年十二月三十一日，本銀行員工人數為1,377名。於二零零七年內，本銀行已制定多項措施，提高本銀行吸引力、培訓及留聘有知識及熟練僱員。該等措施包括積極及靈活之招聘及甄選工作、側重環繞業務之培訓計劃、促進工作技能發展、為僱員提供更理想之工作環境以及與僱員進行更加密切之交流以更深入瞭解僱員之需求。

2003年

中國工商銀行(亞洲)收購華比富通銀行的零售及商業銀行業務。

華比銀行創立於1902年，為比利時在華唯一銀行，總行設於比利時布魯塞爾，同年12月在上海設立分行，並先後在北京、天津、漢口、香港等地設分支機構。該行業務除存放款和匯兌外，還在中國投資鐵路。



(此摘錄「從錢莊到現代銀行－滬港銀行業發展」展覽的圖錄)

管理層討論與分析

與此同時，本銀行還支持康樂委員會舉辦及推廣各種員工康樂及社交聚會活動，包括郊遊、自助餐聚會、興趣班、體育活動及週年晚宴，藉以維持並提升僱主與僱員間之良好關係，以及讓僱員在工作與生活間取得更佳之平衡。

企業社會責任

本銀行獲香港社會服務聯會頒授「商界展關懷5年Plus」獎項標誌，表揚本銀行及職員過去幾年間於社區服務方面所作出之貢獻及堅守之承諾。「商界展關懷」標誌乃為嘉許能肩負起良好企業公民責任之香港商界企業而設。

此外，本銀行很榮幸再度獲委任為二零零七年至二零零八年度香港明愛籌款委員會主席。本銀行及職員義工全力支持香港明愛之各項籌款活動，包括在分行設置捐款箱、參與電視籌款節目、售賣明愛抽獎券及支持賣物會，協助向商業夥伴與客戶籌集捐款。此外，本銀行亦將聯營卡－香港明愛萬事達卡之部分簽賬收益捐予香港明愛。

由本銀行主辦的第四屆遊學團「雲南經濟發展及少數民族文化交流之旅」已於二零零七年七月底順利舉行。32名參與的學生，其經費皆由本銀行、業務夥伴及客戶捐助。學生們藉此機會認識到雲南少數民族的經濟和文化發展。

為慶祝香港特別行政區成立十周年，一場由本銀行贊助、由香港舞蹈團演出之文藝表演－「清明上河圖」於香港文化中心大劇院隆重上演。在本銀行客戶、商業夥伴及公眾支持下，共籌得900,000港元之款項。文藝演出之全部收入均撥捐香港明愛及香港舞蹈團。

本銀行之母公司中國工商銀行股份有限公司與香港特別行政區政府康樂及文化事務署聯合舉辦了名為「從錢莊到現代銀行－滬港銀行業發展」的展覽。這是香港首次舉辦大型銀行業展覽，介紹兩地的銀行業發展及其進行商貿合作的漫長歷程。大部分珍貴展品由中國工商銀行所屬上海市銀行博物館借出。該展覽於二零零七年十一月二十八日至二零零八年五月二十六日期間在香港歷史博物館舉行。

在二零零八年，本銀行會繼續在社區服務方面出一分力，肩負良好企業公民責任，以構建和諧社會。



■ 中國工商銀行(亞洲)舉辦員工週年晚宴



2006年

中國工商銀行於1984年在北京成立，是內地規模最大的商業銀行。2006年10月27日該行在上海及香港同步上市，為香港的證券業開創先河。這次融資額逾200億美元，是全球集資額最高的新股。這次以A股加H股同步上市的模式運作成功，不但深化了內地與本港金融體系的合作關係，更體現了內地金融體系進一步走向國際化。

(此摘錄「從錢莊到現代銀行－滬港銀行業發展」展覽的圖錄)



專業 Professionalism

在高度專業的水平下，我們積極發展與資本市場相關的業務，
為企業收購合併提供諮詢和融資服務。

With a high level of professionalism, we have been actively developing
capital market related businesses and providing consultation and financing
services for corporate mergers and acquisitions.



董事及高層管理人員簡歷

姜建清博士(主席)

姜建清博士，五十五歲，自二零零零年六月起獲委任為本銀行主席及董事。姜建清博士畢業於上海財經大學，先後在上海交通大學碩士、博士研究生畢業，並獲得工學碩士、管理學博士學位。姜建清博士擁有逾二十九年銀行業務經驗，現任中國工商銀行股份有限公司(簡稱中國工商銀行)董事長。

王麗麗女士(副主席)

王女士，五十六歲，自二零零二年十二月起獲委任為本銀行副主席及董事。王女士為現任中國工商銀行副行長，主要負責資產負債管理、公司銀行業務、國際業務、金融市場業務和法律相關事宜。王女士畢業於南開大學，後獲英國伯明翰大學工商管理碩士學位。王女士擁有逾三十二年銀行業務經驗及取得銀行業研究員職稱。王女士亦為中國工商銀行(倫敦)有限公司之主席。

朱琦先生(董事總經理暨行政總裁)

朱先生，四十七歲，自二零零零年六月起獲委任為本銀行董事，並於二零零一年十月獲委任為本銀行董事總經理暨行政總裁。朱先生亦於二零零五年八月獲委任為本銀行全資附屬公司華商銀行之董事長，並為本銀行若干其他全資附屬公司即工銀亞洲金業有限公司、工銀亞洲代理人有限公司及工銀亞洲資產管理有限公司(前稱工銀資產管理有限公司)之董事。朱先生亦為本銀行之聯營公司中國平安保險(香港)有限公司之董事；並為工商東亞金融控股有限公司之副董事長、工商國際金融有限公司之主席及太平保險有限公司之董事。朱先生畢業於中南財經大學，獲學士學位及經濟學碩士學位。朱先生擁有逾二十一年銀行業務經驗。

陳愛平先生(非執行董事)

陳先生，四十九歲，自二零零二年十二月起獲委任為本銀行董事。陳先生持有武漢大學文學士學位及香港大學工商管理碩士學位(國際)。陳先生擁有逾二十二年銀行業務經驗，現為中國工商銀行國際業務部總經理。他亦擔任中國工商銀行盧森堡有限公司之主席，並為廈門國際銀行及工商東亞金融控股有限公司之董事。

黃遠輝先生(董事、副總經理暨替任行政總裁)

黃先生，五十二歲，於二零零四年七月加入本銀行出任副總經理之職，並於同年八月獲委任為本銀行之董事暨替任行政總裁。黃先生亦於二零零四年七月獲委任為本銀行全資附屬公司工銀亞洲金業有限公司及工銀亞洲代理人有限公司以及聯營公司中國平安保險(香港)有限公司之董事。黃先生亦於二零零五年八月獲委任為本銀行全資附屬公司華商銀行之董事。黃先生為英國特許銀行學會及英國特許秘書及行政人員學會之會員。黃先生持有澳大利亞麥加里大學應用金融學碩士學位。黃先生擁有三十四年銀行業務經驗。於加入本銀行前，黃先生自二零零一年一月至二零零三年六月期間出任渣打銀行中國區行政總裁。黃先生現為香港房屋委員會委員、香港城市規劃委員會成員、香港會計師公會紀律小組A成員、銀行諮詢委員會成員及香港地球之友主席。

董事及高層管理人員簡歷

張懿先生(董事、副總經理暨替任行政總裁)

張先生，四十五歲，自二零零三年一月加入本銀行為助理總經理，並於同年十二月擢升為本銀行之副總經理。張先生於二零零五年三月獲委任為本銀行之董事暨替任行政總裁，並擔任本銀行全資附屬公司華商銀行及工銀亞洲投資控股有限公司之董事。張先生亦於二零零七年九月出任本銀行持有40%股份權益的IEC Investments Limited之董事。張先生畢業於上海財經大學，獲貨幣銀行學碩士學位，並取得高級經濟師資格。於加入本銀行前，張先生為中國工商銀行上海市分行計劃財務部總經理。

王于漸教授，S.B.S.，太平紳士(獨立非執行董事)

王教授，五十五歲，自二零零零年七月起獲委任為本銀行獨立非執行董事，為本銀行審核委員會之主席。王教授畢業於美國芝加哥大學，獲經濟學學士及碩士學位及經濟學哲學博士學位。王教授現任香港大學首席副校長及經濟學講座教授，並積極推動有關香港及中國政策問題的經濟研究。王教授於一九九九年獲香港特別行政區政府頒授銀紫荊星章，以表揚其對香港教育、房屋、工業及科技發展所作出之貢獻。

徐耀華先生(獨立非執行董事)

徐先生，五十八歲，自二零零零年八月起獲委任為本銀行獨立非執行董事，為本銀行提名委員會之主席。徐先生畢業於美國田納西州大學，獲理學士及工程學碩士(工業工程學)學位。徐先生於美國哈佛大學甘迺迪政府研究院修畢政府高級經理管理學課程。徐先生現任華高和昇財務顧問有限公司主席，及全國工商聯併購公會副會長。在此之前，徐先生由二零零一年七月至二零零二年六月期間於深圳證券交易所擔任諮詢顧問及理事，並於二零零零年八月至二零零一年二月期間出任香港勵品太平洋集團有限公司之行政總裁，該公司於香港聯合交易所上市。於二零零一年十二月至二零零四年十二月期間，徐先生曾任香港證券專業學會之主席。徐先生於一九九四年加入香港聯合交易所有限公司為財務及運作服務科執行總監，並於一九九七年至二零零零年期間出任行政總裁一職。徐先生於二零零零年三月至二零零零年七月期間出任香港交易及結算所有限公司之集團營運總裁，並於一九八九年至一九九三年期間出任香港證券及期貨事務監察委員會之總經理(財務、資訊及人力資源)、助理總監(發牌科)兼總經理(人力資源)。徐先生過往亦積極參與多項政府及社會活動，其中包括香港盈富基金監督委員會前主席、香港廉政公署證券、期貨及投資界專業道德推廣計劃籌劃委員會前主席、香港公司法改革常務委員會前委員、香港貿易發展局金融服務諮詢委員會前委員、香港公益金商業及僱員募捐計劃籌劃委員會前委員(銀行及金融組別)、香港職業訓練局銀行及金融業訓練委員會前委員及禁毒基金會管理委員會投資小組委員會前委員。

董事及高層管理人員簡歷

袁金浩先生, FHKIoD (獨立非執行董事)

袁先生，六十三歲，自二零零三年四月起獲委任為本銀行獨立非執行董事，為本銀行薪酬委員會主席和審核委員會替任主席。袁先生現為貿易通電子貿易有限公司及利來控股有限公司之獨立非執行董事，該兩家公司均於香港聯合交易所上市。袁先生畢業於香港大學，取得經濟及政治學榮譽學士學位。袁先生分別在美國麻省Cambridge國際市務學院修讀國際市場管理課程，及獲香港政府保薦往英國牛津大學深造公共行政及國際關係，並於法國歐洲商業學院(INSEAD)參與國際工商管理人員培訓計劃。於二零零三年六月，袁先生被邀參與美國哈佛大學肯尼地行政管理學院主辦的領袖發展計劃。於二零零四年六月，袁先生參與美國加州史丹福大學「公司管治」研修會議。在二零零六年初，史丹福大學社會創建學院更邀請袁先生為訪問學者作短期研修。袁先生自一九九七年九月起九年內曾出任「香港明天更好基金」行政總裁。於加入「香港明天更好基金」前，袁先生於香港政府新聞處擔任新聞處助理處長及署理副處長。袁先生積極參與籌組於香港舉行之重要國際商業會議，並曾擔當多項公職，其中包括出任國際發展策略局董事局成員。於二零零三年至二零零七年期間，袁先生曾任香港特別行政區政府中央政策組香港泛珠江三角洲流域研究委員會成員。袁先生現為中國人民政治協商會議廣西壯族自治區委員會委員、中國社會科學院財政與貿易經濟研究所顧問、中國上海社會科學院港澳研究中心顧問、中國廣州市國際投資促進中心顧問，及中國太平洋經濟合作全國委員會特邀顧問。袁先生為香港董事學會之資深會員、英國管理學會及英國市務學會會員，並曾獲現任美國總統布殊親函嘉許其支持世界反恐工作的貢獻。

馮兆明先生 (副總經理暨風險總監)

馮先生，五十五歲，於二零零五年十月十日日本銀行與華比銀行香港分行合併當天獲委任為本銀行風險總監，並於二零零六年一月擢升為本銀行副總經理。馮先生亦為本銀行全資附屬公司ICBC (Asia) Wa Pei Nominees Limited及工銀亞洲信託有限公司之董事。馮先生持有香港大學社會科學系榮譽學位。馮先生擁有逾三十三年本地銀行業務經驗，專注於貸款業務及信貸風險管理。

梁銘謙先生 (財務總監)

梁先生，四十五歲，自二零零一年七月加入本銀行並於二零零七年三月起被委任為助理總經理暨財務總監。梁先生亦為本銀行全資附屬公司工銀亞洲投資控股有限公司、ICBCA (C.I.) Limited及工銀亞洲資產管理有限公司(前稱工銀資產管理有限公司)之董事。梁先生亦出任本銀行持有40%股份權益的IEC Investments Limited之董事。梁先生持有英國紐卡素大學會計及財務分析學士學位和英國倫敦大學法律學士學位。梁先生為香港會計師公會及英國特許公認會計師公會之資深會員，亦為英格蘭及威爾斯特許會計師公會之會員。梁先生擁有逾十六年企業財務之經驗。

董事及高層管理人員簡歷

鄭堯龍先生(營運總監)

鄭先生，五十二歲，自二零零七年三月加入本銀行為助理總經理暨營運總監。鄭先生亦於二零零七年八月出任本銀行全資附屬公司工銀亞洲信託有限公司之董事。鄭先生持有香港公開大學商業管理學士學位。鄭先生擁有逾三十三年銀行業務之經驗，專注於營運管理及監控。於加入本銀行前，鄭先生出任美聯銀行香港分行替任行政總裁。

姜壹盛先生(助理總經理)

姜先生，四十一歲，自二零零七年四月加入本銀行為助理總經理，負責本銀行企業信貸部及債務資本市場部的發展及營運。姜先生畢業於西安交通大學，獲工學學士學位及經濟學碩士學位。姜先生擁有逾十二年銀行業務及融資業務之經驗。



進取 Progressiveness

作為一間積極進取，高瞻遠矚的金融機構，我們將繼續提升電腦平臺、引進新客戶關係管理系統，打造高知名度品牌，努力成為香港卓越及領先商業銀行之一。

As a progressive and forward-looking financial institution, we will continue to upgrade our computer platform, introduce new customer relationship management systems and foster brand loyalty. We will strengthen all efforts to become one of the leading commercial banks in Hong Kong.



Chairman's Statement



Dr. Jiang Jianqing Chairman

Chairman's Statement

The economy in the Mainland and Hong Kong remained buoyant in 2007, with accelerated economic integration between the two territories. As the flagship of Industrial and Commercial Bank of China ("ICBC") in Hong Kong, the Bank capitalized on opportunities provided by the macroeconomic environment. In accordance with our strategy of "Deeply rooted in Hong Kong, effectively serving both Hong Kong and the Mainland", we are committed to build a China and Hong Kong integrated financial services platform to meet the needs of our clients. The Bank will further develop its scope of business and provide comprehensive services in Hong Kong for clients from the Mainland as well as sophisticated services for clients in Hong Kong. Meanwhile, with the support of our wholly-owned subsidiary, Chinese Mercantile Bank, the Bank strengthened cooperation with local branches of its parent company, ICBC, and penetrated into the China market through business cooperation and provision of complementary services.

Benefiting from the successful implementation of the above-mentioned strategies, ICBC (Asia) has worked in unity in the past year. All employees and the management strived to achieve satisfactory operating results. The Group's consolidated profit after tax was HK\$1,609 million in 2007, rising HK\$363 million or 29% over 2006. With strict risk management policies, the Group's impaired loan ratio in 2007 remained at a low level of 0.5%. In addition, the Group made a provision of US\$30 million for US\$40 million worth of structured investment vehicle held, in accordance with our prudent principles.

Apart from maintaining our position as the leading bank in the local corporate syndication finance market, the Group has been actively developing capital market related businesses and providing consultation and financing services for corporate mergers and acquisitions, in view of the needs of Chinese enterprises to develop overseas markets with global positioning. Meanwhile, we successfully served as the receiving bank of Initial Public Offering (IPO) business for 28 corporations in 2007, firmly establishing our expertise in the receiving bank business of IPO issues.

The Group has stepped up its efforts to reshape its retail banking business with focus on the development of "Wealth Management" services to enhance value contribution of the retail banking business. In 2007, a quarter of our branches were redesigned and renovated while wealth management centres were established to provide comprehensive wealth management services for retail customers, leveraging on our edge in information and personnel related to the Mainland. During the year, investment seminars on the economy in China were held to help Hong Kong people to benefit from China's economic growth through investments. The Group shared the same wealth management brand with ICBC, and launched the "Elite Club" designed for high-end clients. We provide our "Elite Club" clients in the Mainland and Hong Kong with integrated and dedicated services to allow them to enjoy the convenience of cross-border financial management, so as to achieve our goal of becoming the "Most Outstanding Chinese Wealth Management Brand in the World".

It is our formulated strategy to develop the Mainland market with the support of our wholly-owned subsidiary, Chinese Mercantile Bank. In 2007, with the core RMB banking business, Chinese Mercantile Bank leveraged on the synergy with the Bank and ICBC to provide comprehensive services for our clients in Hong Kong and China. Chinese Mercantile Bank made considerable progress in the highly competitive market with profit after tax amounting to HK\$73 million in 2007, doubling the amount in 2006, to become one of our key profit contribution subsidiaries. In 2008, Chinese Mercantile Bank will strive to develop the market in the Mainland, with the Guangzhou branch expected to open for business in the middle of this year.

Meanwhile, the Bank has taken an active part in corporate social responsibility activities, assisting our parent company, ICBC, to present invaluable collections from the Shanghai Bank Museum owned by ICBC. An exhibition, "The Development of Banks in Shanghai and Hong Kong", has been held at the Hong Kong Museum of History commencing since 28 November 2007, representing the first of its kind in Hong Kong. I had the honour to host the opening ceremony together with the Chief Executive of the Hong Kong Special Administrative Region, Mr. Donald Tsang. The exhibition shows the corporate culture of our parent company and the Group, and has drawn favourable comments from various walks of the society. Due to the overwhelming response, the exhibition has been extended until 26 May 2008.

Looking forward to 2008, despite the global sub-prime crisis, macroeconomic adjustments in the Mainland, corporate restructuring, inflation and other unfavourable external factors, the management and all employees of the Group firmly believe that through cooperation with our parent company, we will play an even more effective role in Hong Kong to provide integrated financial services for clients in the Mainland and Hong Kong and to enhance client loyalty. Meanwhile, the Group will further promote its strategy for diversification, and provide clients with comprehensive financial services so as to increase our contribution to clients and raise our income from intermediary businesses. The Group will continue to upgrade its computer platform, introduce new customer relationship management systems and enhance its brand image. Furthermore, we will strengthen our overall competitive edge with the ultimate goal of becoming one of the leading commercial banks in Hong Kong, and create better returns for our customers and shareholders.

Dr. Jiang Jianqing
Chairman

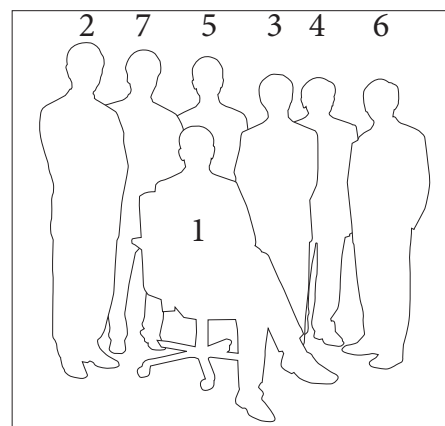
Hong Kong, 13 March 2008

Management's Discussion and Analysis



1. 朱琦先生 (董事總經理暨行政總裁)
2. 黃遠輝先生 (董事暨副總經理)
3. 張懿先生 (董事暨副總經理)
4. 馮兆明先生 (副總經理暨風險總監)
5. 梁銘謙先生 (財務總監)
6. 鄭堯龍先生 (營運總監)
7. 姜壹盛先生 (助理總經理)

1. Mr. Zhu Qi (Managing Director & Chief Executive Officer)
2. Mr. Wong Yuen Fai (Director & Deputy General Manager)
3. Mr. Zhang Yi (Director & Deputy General Manager)
4. Mr. Fung Siu Ming (Deputy General Manager & Chief Risk Officer)
5. Mr. Leung Ming Hym, Peter (Chief Financial Officer)
6. Mr. Cheng Yiu Lung (Chief Operation Officer)
7. Mr. Jiang Yisheng (Assistant General Manager)



Management's Discussion and Analysis

OVERVIEW

In July 2007, we celebrated the 10th Anniversary of the Hong Kong SAR. We also witnessed a continuous improvement in the local economy in general, with a remarkable increase in consumer spending and rising optimism about the future economic environment of Hong Kong. It has also been an exceptionally good year for the property market as a whole, even though the stock market suffered from certain setbacks in the last quarter of 2007. Generally speaking, the banking industry in Hong Kong remained stable in 2007 despite the increasing volatility of the global financial market due to the sub prime crisis in the United States.

FINANCIAL REVIEW

The Group achieved a consolidated profit attributable to equity holders of HK\$1,609 million for the year ended 31 December 2007, representing an increase of 29% as compared to HK\$1,246 million in 2006.

Net interest income for the year ended 31 December 2007 increased by HK\$535 million or 29% to HK\$2,388 million. The improvement was attributable to a strong growth in our loan portfolio during 2007, coupled with the slight improvement of overall net interest margin from 1.45% to 1.47%.

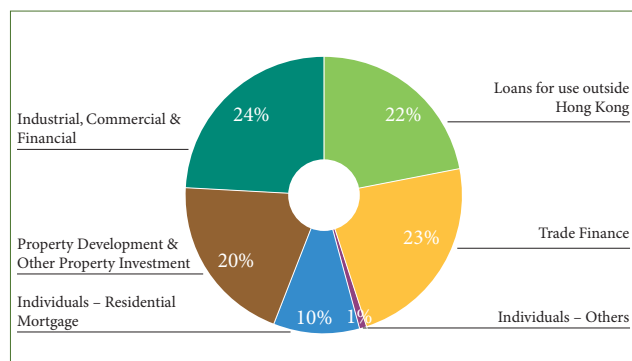
Net fee and commission income increased by 20% to HK\$676 million from HK\$562 million for 2006. The increase was mainly due to a significant growth in our commission income derived from stock brokerage business. Overall, the ratio of total net fee and commission and other operating income to the total operating income decreased to 25%, as compared to 29% in 2006.

Operating expenses increased by HK\$190 million or 20% to HK\$1,135 million from HK\$945 million in 2006. The cost to income ratio dropped slightly from 36.4% to 35.7%, mainly due to the increase in total operating income, together with the effective cost control over the year.

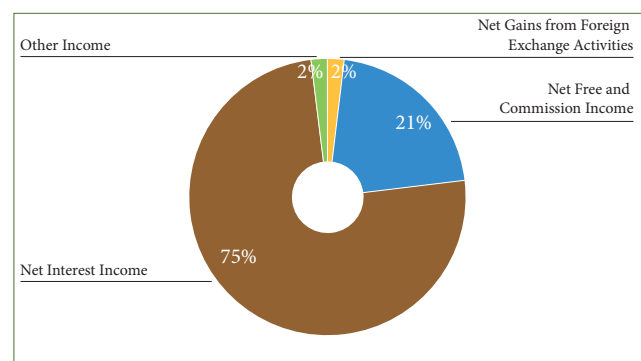
The consolidated impairment losses reduced by HK\$4 million or 3% to HK\$134 million in 2007. This included the write-back of HK\$115 million and HK\$3 million for impairment losses on loans and advances and held-to-maturity securities respectively, while impairment losses on available-for-sale financial investments reached HK\$252 million in 2007. Of this, HK\$234 million or US\$30 million was impairment loss on note issued by a structured investment vehicle.

The Group realized a HK\$17 million gain from disposal of investment securities, a drop of 80% as compared to HK\$83 million in 2006.

Loans Composition 2007



Income Composition 2007



Management's Discussion and Analysis

Share of profits from associates reached HK\$11 million, representing an increase of 83% as compared to HK\$6 million for 2006. This included HK\$7.6 million profit contribution from China Ping An Insurance (Hong Kong) Company Limited.

BALANCE SHEET

The consolidated total assets of the Group reached HK\$192,304 million as at 31 December 2007, representing an increase of HK\$45,912 million or 31% as compared to HK\$146,392 million as at 31 December 2006.

Consolidated total loans and advances increased significantly by HK\$46,056 million or 61% to HK\$121,704 million as at 31 December 2007, as compared to HK\$75,648 million as at 31 December 2006.

Total customer deposits amounted to HK\$137,530 million, representing an increase of 38% as compared to HK\$99,571 million as at 31 December 2006.

Total certificates of deposits issued amounted to HK\$3,705 million, representing a decrease of 64% as compared to HK\$10,322 million as at 31 December 2006.

Investments in associates reached HK\$184 million as a result of the acquisition of a 40% stake in IEC Investments Limited in September 2007. This represents an increase of HK\$150 million, as compared to HK\$34 million as at 31 December 2006.

CAPITAL AND LIQUIDITY MANAGEMENT

At the end of 2007, the capital adequacy ratio for the Group was 13.0% (2006: 16.0%). The Group maintained an adequate level of capital in 2007 and the average liquidity ratio amounted to 43.9% (2006: an average of 44.1%).

ASSET QUALITY

Consolidated impaired loans decreased by HK\$251 million to HK\$647 million as at 31 December 2007, as compared to HK\$898 million as at 31 December 2006. As a result, the consolidated impaired loan ratio was down drastically from 1.2% to 0.5%.

As at 31 December 2007, the cumulative loan impairment allowances (previously referred to as the "provisions for bad and doubtful debts") aggregated to HK\$336 million (2006: HK\$432 million). This included HK\$126 million (2006: HK\$201 million) of individual impairment allowance and HK\$210 million (2006: HK\$231 million) of collective impairment allowances. The decrease of the impairment allowance was mainly due to the improvement of asset quality and the enhancement in risk and credit control.

1984

Industrial and Commercial Bank of China was established to take over the industrial and commercial credit loans and savings business formerly operated by the People's Bank of China. ICBC is the largest commercial bank in Mainland China.

(This is extracted from publication of "The Development of Banks in Shanghai and Hong Kong" Exhibition)



Management's Discussion and Analysis

Overdue loans decreased from HK\$203 million as at 31 December 2006 to HK\$104 million as at 31 December 2007, which represents less than 0.1% of advances to customers.

BUSINESS REVIEW

Below are the summaries of the performance of our individual business operations in 2007 and their respective outlook for 2008.

RETAIL BANKING

Our Retail Banking business achieved satisfactory results in 2007. Retail customer deposit base grew significantly while residential mortgage loans and hire purchase loans increased moderately. Commission income from stock brokerage and investment business reached another record high. Profit contribution from our Retail Banking business grew to HK\$336 million in 2007 as compared to HK\$284 million in 2006.

The residential mortgage market in Hong Kong remained highly competitive. In order to protect their respective market share, local banks tended to offer attractive mortgage plans through rate-cut. Due to the fierce price competition and upsurge of inter-bank market rates, the interest margin of our mortgage loans tightened further. This led to a big draw back in our revenue from mortgage business for the whole year after netting off the funding cost. Nevertheless, our market share stepped further upward from 1.98% in 2006 to 2.7% in 2007 and newly acquired retail mortgage business in 2007 was amounted to HKD5.1 billion which was more than a double from 2006.

Hire purchase and leasing business recorded a stable growth in 2007. Our market share on taxi and public light bus financing further increased to approximately 16% to rank us among the top 4 in the market. However, lending interest rates were squeezed inevitably and the funding cost raised continuously which further reduced the overall profitability.

During 2007, we leveraged on our expanded branch network to actively acquire new target customers. In particular, customer deposits increased 25% as compared to last year. This contributed to a reduction in funding cost, which partially offset the negative effect of tightening margin of retail loans. Benefiting from the favorable investment environment and our continuous effort in developing the non-interest income base, the fee and commission earned from our stock brokerage business grew more than 100% as compared to 2006. Sale of investment products including mutual funds and equity-linked products also grew remarkably. In particular, total sale of mutual funds in 2007 was almost triple of that in 2006. Even better, insurance sale grew about 10 times as compared to last year.



ICBC (Asia) launched the "Elite Club" banking services

Management's Discussion and Analysis

Wealth management is the strategic focus of our Retail Banking business in 2007. The brand new wealth management service “Elite Club” was launched on 28 March 2007 in line with our parent company’s strategy to establish an internationally well-known wealth management brand. It provides high quality service allowing high net-worth customers to enjoy the unique cross-border services and to manage their finance with ease. Our exclusive services are also extended to Mainland China, such as access to private guest rooms and priority counters of ICBC. Customers also enjoy privileges on wealth management product subscription at any ICBC branch. At the service launch, there were large-scale marketing and promotion campaigns and renovation of branch premises with Wealth Management Centre and dedicated counters. The number of customers in the high net-worth customer segment and the general customer segment grew by 21% and 34% respectively, as compared to the end of 2006.

During 2007, we acted as the receiving bank for the IPO of 28 enterprises, including China Agri-Industries Holdings Limited, Ajisen (China) Holdings Limited, Regal REIT, China CITIC Bank, Dah Chong Hong Holdings Limited, Alibaba.com Limited, Sinotruk (Hong Kong) Limited, China Railway Group Limited and BYD Electronic (International) Company Limited. Such success further strengthened our position as one of the core IPO receiving banks in Hong Kong.

We continued our branch network rationalization project and began to set up new branches for the first time since 2006. In order to strengthen the geographic coverage of our branch network, we opened three new branches, namely Mei Foo Branch and Wanchai Road Branch in April 2007, and Hung Hom Branch in October 2007. We have also commenced the renovation project on branches with old design theme in 2007. Our Mongkok Branch renovation project was completed in November 2007. “Elite Club” Wealth Management Centres are set up in the following branches to provide quality and professional financial services, i.e. Hennessy Road Branch, Tsim Sha Tsui Branch, Tsim Sha Tsui East Branch, Central Branch, Sheung Wan Branch, Mongkok Branch, Wanchai Road Branch and Hung Hom Branch. Up to the end of 2007, we had 41 branches in which about one-fourth of them adopted our new design theme.

In 2008, we shall strengthen our marketing effort to acquire new target customers and deposits, and solidify our various retail banking business lines through more active cross-selling activities. We shall continue the branch network rationalization project in order to extend the geographic coverage of our network and to improve the branch environment with a view to provide better service experience to our customers.

For mortgage business, we expect that the local property market will continue its boom in 2008 due to the effect of “negative interest rate”. We shall leverage on this favorable market condition to acquire new loans to further strengthen our mortgage business. Through tailor-made mortgage loan plans (e.g. Wise Mortgage), we aim to attract those cash rich homebuyers, and to introduce them to our “Elite Club” banking services.

2000

Union Bank of Hong Kong Limited was renamed Industrial and Commercial Bank of China (Asia) Limited, which became the flagship of ICBC in developing overseas business.

(This is extracted from publication of “The Development of Banks in Shanghai and Hong Kong” Exhibition)



THE DEVELOPMENT OF BANKS IN
SHANGHAI & HONG KONG

Management's Discussion and Analysis

To enhance the competitive edge on wealth management products and services, we shall continue to develop different types of investment products and line up with various financial institutions to offer a diversified range of investment products for our customers. We shall also design different promotion offers in order to sustain the growth of our wealth management business.

In phone banking business, we shall strive to attain higher service standards. In addition to enhancing our call centre to satisfy the growing service expectation of customers, we shall further concern about our customer care so as to cross-sell, up-sell and do referral services. We believe that it will create value to both our customers and the Bank.

We shall enhance the electronic banking services including improving the existing Personal Internet Banking Services and offering new Internet Securities Services functions, Automated Phone Securities Services, and Commercial Internet Banking services.

Furthermore, we shall keep on upgrading our IT system platform, improving the new Customer Relationship Management System and Sales Target Management System in order to raise our marketing capability and quality, and to provide more comprehensive, convenient and quality banking services to our different segments of customers.

TREASURY AND MARKETS

Profit contribution from our Treasury & Markets ("T&M") business amounted to HK\$280 million in 2007 as compared to HK\$355 million in 2006. The decline in profitability of T&M was mainly attributable to the sub-prime crisis in the U.S., which adversely affected the performance of our debt securities portfolio. In particular, an impairment loss of HK\$234 million or US\$30 million was made against our total holding of a US\$40 million note issued by a structured investment vehicle, namely Cullinan Finance Limited. Despite the difficult market conditions, T&M still managed to report a strong growth in net interest income.

The transaction volume for RMB Non-deliverable Forward Contracts executed by T&M rose sharply during the year since a new business model was implemented. In addition, we acted as a co-manager and placing bank for the 2-year 5 billion RMB bond issued by China Development Bank in July 2007, which is the first RMB bond issued outside of Mainland China. Leveraging on our parent company's strength and our solid base in the local market, T&M will strive to become a major player of the offshore RMB market in Hong Kong.

During 2008, T&M will focus on expanding its debt securities portfolio in order to take advantage of the current situation of widening credit spread and the anticipated rate cut by the U.S. Federal Reserve. In addition, T&M will continue to make use of the support and the sales network of ICBC and our wholly-owned subsidiary, Chinese Mercantile Bank, to cross-sell treasury products and provide "one stop" cross-border financial services to existing and potential clients in Mainland China.

COMMERCIAL BANKING

2007 was another very successful year for our Commercial Banking business, which recorded a profit contribution of HK\$740 million as compared to HK\$587 million in 2006. In general, Small and Medium Enterprises (SME) in Hong Kong benefited from the booming global and local economy. Our loan advances and deposits achieved strong growth by 31% and 68% respectively as a result of a steady expansion and diversification of our customer base. In addition, we were able to maintain a below market average loan impairment ratio, which was one of the key factors contributed to the favorable results.

Management's Discussion and Analysis

We continued to focus on providing a wide range of products and services to our customers, including commercial loans, trade finance, factoring, foreign exchanges and remittances, currency swaps and derivatives, equipment and machinery financing, internet banking and other specialised services for Diamond Trade Finance, European Banking and Indian Banking. In particular, through our successful IPO receiving bank business, we were able to attract new commercial clients for deposits as well as dividend payment service following their listing.

Looking ahead, the business environment is getting more challenging in 2008. We shall remain supportive to our SME clients and at the same time, we shall continue to carefully monitor the loan quality since they may be adversely affected to a certain extent by the trend of rising production cost and downturn in the economic conditions of overseas markets.

Through our cooperation with Chinese Mercantile Bank and with various branches of ICBC in Mainland China, we aim to further develop our customer base particularly for those Chinese enterprises planning to expand their business overseas.

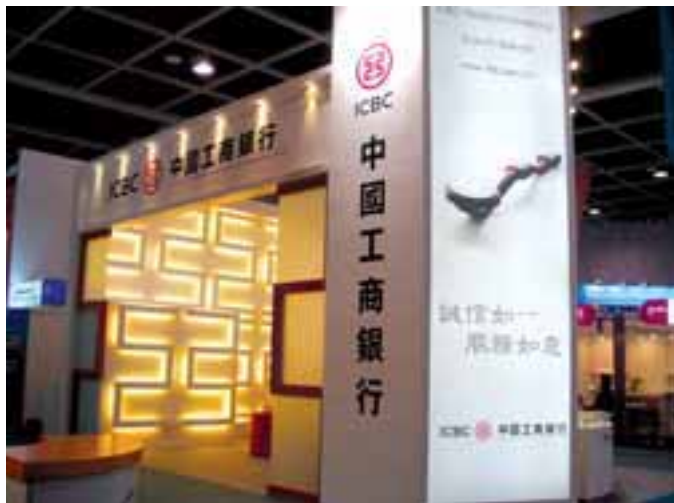
CORPORATE AND INVESTMENT BANKING

Profit contribution from our Corporate and Investment Banking business grew significantly to HK\$488 million in 2007 as compared to HK\$334 million in 2006. The remarkable increase was attributable to a strong growth in the net interest income of around 30% in 2007.

Riding on the property market boom supported by the expectation of continual interest rate cuts, we achieved considerable growth in the loan portfolio for property related lending. Major deals include acting as a mandated coordinating arranger in a HK\$15.2 billion syndicated loan for Sun Hung Kai Properties Limited and a HK\$17.3 billion syndicated facility for IFC II Development Limited.

We continued the strategic move to diversify from traditional corporate banking business. As part of the transformation exercise, a syndication team was officially set up in October 2007 to upgrade and strengthen our corporate banking and syndication capabilities. Although syndication and bilateral lending remain as our focus, we also put more resources in structured finance business. Such change was evidenced in the lending composition where our structured finance team recorded a robust increase in the size of its loan portfolio. This team dealt with local and offshore transactions including leveraged buyout and acquisition financing at relatively higher margins. Major deals include acting as the mandated lead arranger in an US\$5 billion financing for Dubai World and in an US\$1.5 billion Islamic financing transaction. An US\$100 million bilateral facility was also extended to a multinational private equity fund for a general mandatory offer of Digital China Holdings Limited.

As a result of the increasing trend of Chinese big corporations expanding overseas, we expect that the prospects of our Corporate and Investment Banking business will be reasonably encouraging in 2008.



ICBC (Asia) attended World SME Expo organized by TDC

Management's Discussion and Analysis

FINANCIAL INSTITUTIONS

In 2007, our Financial Institutions business achieved satisfactory results through diversification over a full range of transactional banking businesses, including but not limited to cash management, trade finance and credit related products.

The new business platform built in 2006 became fully operational throughout 2007. This platform consists of three sections, namely Bank Financial Institutions, Non-Bank Financial Institutions and Intra-group Business sections, each of which caters for the different business requirements of our diverse client base. Since competition in the financial institutions industry is very intense, all three sections will continue to enhance their respective transactional banking products in order to satisfy the growing needs of our clients.

In 2008, our Financial Institutions business will focus mainly on diversifying its existing client base, and to provide more value-added services to our customers.

CREDIT CARD BUSINESS



ICBC (Asia) launched "Dragon Centre MasterCard"

Our credit card business continued to improve during 2007. Average monthly turnover and average monthly outstanding balance grew by 45% and 27% respectively. Average monthly revolving balance grew by 13% against an overall declining revolving balance in the overall credit card market. Merchant outlets turnover grew by 70%. Such business growth was achieved as the result of vigorous marketing events and promotions and new business initiatives. Services streamlining measures like tier-pricing (for both issuance and merchant business), tailor-made segment events, direct mail promotions, and new credit bearing policies were made. Our Dual Currency Card is now enhanced with PPS and autopay channels for RMB. A new Dual Currency Business Credit Card was introduced

during the year. Cross-selling of credit cards to our existing bank customers was actively pursued at the introduction of simplified application procedure. An agreement for mutual merchant support in Mainland China and Hong Kong has been signed with ICBC Peony Card Centre, under which cardholders of our Bank and Peony Card holders enjoy the same merchant privileges in both Mainland China and Hong Kong.



2003

ICBC (Asia) acquired Fortis Bank Asia HK retail and commercial banking operations.

Established in 1902 in Brussels, the Banque Belge pour l'Etranger was the only Belgian bank ever to set foot in China. Its Shanghai branch opened in December 1902, with the bank soon setting up offices in Beijing, Tianjin, Hankou and Hong Kong. In addition to handling deposits and currency exchange, the bank also invested in China's railroad business.

(This is extracted from publication of "The Development of Banks in Shanghai and Hong Kong" Exhibition)

Management's Discussion and Analysis

We expect to achieve further growth in our credit card business in 2008. A new Dragon Centre MasterCard is launched in December 2007. Further co-branded cards with insurance companies are in the pipeline. We also intend to introduce our first Platinum Card in order to meet customers' need.

CHINESE MERCANTILE BANK

In 2007, Chinese Mercantile Bank ("CMB") accelerated its expansion in RMB banking business on the back of a strong economy in Mainland China. CMB achieved a net profit of HK\$73 million for the year ended 31 December 2007, representing an increase of HK\$50 million or 217%, as compared to HK\$23 million for the year ended 31 December 2006.

Total assets of CMB was HK\$8,085 million as at 31 December 2007, representing an increase of 336% over the end of 2006. Total customer deposit of CMB was HK\$1,353 million as at 31 December 2007. The existing paid-up capital of CMB amounts to RMB1.06 billion.

CMB had been licensed to operate RMB banking business for customers other than Chinese citizens in the Mainland in early 2007. With the expected opening a new branch office in Guangzhou by the middle of 2008 following the approval of China Banking Regulatory Committee (CBRC), the overall competitive edge of CMB will be further enhanced.

HUMAN RESOURCES

The number of staff of the Bank as at 31 December 2007 was 1,377. During 2007, measures were in place to enhance our position to attract, develop, and retain the knowledgeable and skillful employees. These included active and flexible recruitment and selection

effort, emphasis on business-oriented training programs, promotion of job skills development, a more productive work environment for employees, and closer communication with employees to better understand their needs.



ICBC (Asia) organized Staff Annual Dinner

At the same time, we offer support to our Staff Association to organise and promote various recreational and social gathering activities for staff, such as picnics, buffet gatherings, interest classes, sports events and Annual Dinner, in order to maintain and promote good employer-employee relationship and a better work and life balance for employees.

Management's Discussion and Analysis

CORPORATE SOCIAL RESPONSIBILITY

The Hong Kong Council of Social Service awarded the Bank with the “Caring Company 5 Year Plus” Logo in recognition of the Bank and its staff's contribution and commitment to the community over all these years. The Caring Company logo is to recognise private companies with business operations in Hong Kong that demonstrated good corporate citizenship.

The Bank was honored that we were appointed again as the Chairman of the Caritas Fund Raising Committee for the year 2007-2008. The Bank and its staff volunteers were committed to support Caritas-Hong Kong by soliciting donations from business associates and customers through various fund raising activities including donation boxes at branches, television charity show, sales of raffle tickets and bazaars. The Bank also donated to Caritas-Hong Kong part of retail spending revenue from the jointly issued affinity card, Caritas-HK MasterCard.

The Bank hosted the fourth Study Tour entitled “Economic Development & Exchange with Minority Races at Yunnan”. It was successfully held in late July 2007. 32 students were fully sponsored by the Bank, business partners and customers. The students had taken the opportunity to learn the economies and cultural development of minority races in Yunnan.

To celebrate the 10th Anniversary of the HKSAR, the Bank hosted a charity dance performance, ‘Qingming Riverside’, at the Grand Theatre of The Hong Kong Culture Centre whereby Hong Kong Dance Company presented the dance performance. With the support from the Bank's customers, business partners and the public, a donation amount of over HK\$900,000 was raised. All the proceeds from the dance performance go to support Caritas-Hong Kong and the Hong Kong Dance Company.

The Bank's parent company, Industrial and Commercial Bank of China Limited, and the Leisure and Cultural Services Department of the Government of the Hong Kong SAR jointly presented “The Development of Banks in Shanghai and Hong Kong” exhibition. It is the first time for Hong Kong to organise a large-scale banking industry exhibition, in which the story of development of banking industry in both cities and their long history of cooperation in trade and commerce are told. Most of the precious exhibits are provided by ICBC Shanghai Bank Museum. The exhibition is held at the Hong Kong Museum of History from 28 November 2007 to 26 May 2008.

In 2008, the Bank will continue to contribute to the community service and demonstrate good corporate citizenship towards the harmonious society.

2006

ICBC was established in Beijing in 1984 as the largest commercial bank in Mainland China. On 27 October 2006, the bank was listed simultaneously on the Hong Kong and Shanghai stock exchanges. The capital accumulated in this listing reached 20 billion US dollars, the highest for any IPO anywhere in the world. The successful simultaneous launch of A shares and H shares marked an important milestone in the co-operative relationship between the financial markets in Hong Kong and China and further internationalised the financial institutions on the Mainland.

(This is extracted from publication of “The Development of Banks in Shanghai and Hong Kong” Exhibition)







承諾

透過加強與母行合作，有效發揮內外聯動作用，我們承諾繼續拓展本港業務，為客戶提供中港一體化的金融服務，增強客戶的忠誠度。

Through cooperation with branches of our parent company, we are committed to further expanding our presence in Hong Kong, promoting customer loyalty and providing integrated financial services to our clients in Hong Kong and the Mainland.

Commitment

Biographical Details of Directors & Senior Management

Dr. Jiang Jianqing (*Chairman*)

Dr. Jiang, aged 55, was appointed as the Chairman and a Director of the Bank in June 2000. Dr. Jiang graduated from Shanghai University of Finance and Economics, and received a Master's Degree in engineering and a Doctorate Degree in management, respectively after finishing postgraduate and doctorate courses at Shanghai Jiaotong University. Dr. Jiang has over 29 years of banking experience and he is the Chairman of Industrial and Commercial Bank of China Limited.

Ms. Wang Lili (*Vice Chairman*)

Ms. Wang, aged 56, was appointed as the Vice Chairman and a Director of the Bank in December 2002. Ms. Wang is the Senior Executive Vice President of Industrial and Commercial Bank of China Limited, primarily responsible for matters relating to the assets and liabilities management, corporate banking business, international business, financial market business and legal affairs. Ms. Wang graduated from Nankai University and received a MBA Degree from the University of Birmingham of United Kingdom. Ms. Wang has over 32 years of banking experience and was awarded a Certificate of Competence for Professor in the banking field. She is also the Chairman of the Board of Directors of ICBC (London) Limited.

Mr. Zhu Qi (*Managing Director and Chief Executive Officer*)

Mr. Zhu, aged 47, was appointed as a Director of the Bank in June 2000 and the Managing Director and Chief Executive Officer of the Bank in October 2001. He was also appointed as the Chairman of Chinese Mercantile Bank, a wholly-owned subsidiary of the Bank, in August 2005. Mr. Zhu is a Director of certain other wholly-owned subsidiaries of the Bank, namely, ICBC (Asia) Bullion Company Limited, ICBC (Asia) Nominee Limited and ICBC (Asia) Asset Management Company Limited (formerly ICBC Asset Management Company Limited). He is also a Director of China Ping An Insurance (Hong Kong) Company Limited, an associate of the Bank, and the Deputy Chairman of ICEA Finance Holdings Limited, the Chairman of Industrial and Commercial International Capital Limited and a Director of The Tai Ping Insurance Company, Limited. Mr. Zhu graduated from Middle China Economy and Financial University with a Bachelor's Degree and a Master's Degree in Economics. He has over 21 years of banking experience.

Mr. Chen Aiping (*Non-executive Director*)

Mr. Chen, aged 49, was appointed as a Director of the Bank in December 2002. Mr. Chen holds a Bachelor of Arts Degree from Wuhan University and a Master of Business Administration (International) Degree from The University of Hong Kong. He has over 22 years of banking experience and is the General Manager of the International Business Department of Industrial and Commercial Bank of China Limited. He is also the Chairman of Industrial and Commercial Bank of China Luxembourg S.A. and a Director of Xiamen International Bank and ICEA Finance Holdings Limited.

Mr. Wong Yuen Fai (*Director, Deputy General Manager and Alternate Chief Executive*)

Mr. Wong, aged 52, joined the Bank as a Deputy General Manager in July 2004 and was appointed as a Director and an Alternate Chief Executive of the Bank in August 2004. Mr. Wong was also appointed as a Director of ICBC (Asia) Bullion Company Limited and ICBC (Asia) Nominee Limited, wholly-owned subsidiaries of the Bank, and a Director of China Ping An Insurance (Hong Kong) Company Limited, an associate of the Bank, in July 2004. Mr. Wong was also appointed as a Director of Chinese Mercantile Bank, a wholly-owned subsidiary of the Bank in August 2005. Mr. Wong is an associate member of The Chartered Institute of Bankers (UK) and The Institute of Chartered Secretaries and Administrators (UK). He holds a Master's Degree in Applied Finance from the Macquarie University, Australia. Mr. Wong has 34 years of banking experience. Prior to joining the Bank, Mr. Wong was the Chief Executive Officer of Standard Chartered Bank, China from January 2001 to June 2003. Mr. Wong is currently a member of the Hong Kong Housing Authority, a member of the Hong Kong Town Planning Board, a member of the Disciplinary Panel A of the Hong Kong Institute of Certified Public Accountants, a member of the Banking Advisory Committee and the Chairman of Friends of the Earth (HK).

Biographical Details of Directors & Senior Management

Mr. Zhang Yi (*Director, Deputy General Manager and Alternate Chief Executive*)

Mr. Zhang, aged 45, joined the Bank as an Assistant General Manager in January 2003 and was promoted as a Deputy General Manager of the Bank in December 2003. Mr. Zhang was appointed as a Director and an Alternate Chief Executive of the Bank in March 2005. He is also a Director of Chinese Mercantile Bank and ICBC (Asia) Investment Holdings Limited, wholly-owned subsidiaries of the Bank. Mr. Zhang was also appointed as a Director of IEC Investments Limited, a company owned as to 40% by the Bank, in September 2007. Mr. Zhang graduated from Shanghai University of Finance & Economics with a Master's Degree in Money & Banking and qualified as a Senior Economist. Prior to joining the Bank, Mr. Zhang was the General Manager of Financial Planning Department of Industrial and Commercial Bank of China Limited, Shanghai Municipal Branch.

Professor Wong Yue Chim, Richard, S.B.S., J.P. (*Independent Non-executive Director*)

Professor Wong, aged 55, was appointed as an Independent Non-executive Director of the Bank in July 2000. Professor Wong is the Chairman of the Audit Committee of the Bank. Professor Wong graduated from University of Chicago with a Bachelor's and a Master's Degrees in Economics and also a Doctorate in Economics. Professor Wong is the Deputy Vice-Chancellor and Chair of Economics of The University of Hong Kong. He has been active in advancing economic research on policy issues in Hong Kong and the PRC. Professor Wong was awarded the Silver Bauhinia Star in 1999 by the Government of the HKSAR for his contributions in education, housing, industry and technology development.

Mr. Tsui Yiu Wa, Alec (*Independent Non-executive Director*)

Mr. Tsui, aged 58, was appointed as an Independent Non-executive Director of the Bank in August 2000. Mr. Tsui is the Chairman of the Nomination Committee of the Bank. Mr. Tsui graduated from University of Tennessee with a Bachelor of Science Degree and a Master of Engineering Degree in Industrial Engineering. He has completed the Program for Senior Managers in Government at the John F. Kennedy School of Government at Harvard University. Mr. Tsui is currently the Chairman of WAG Worldsec Corporate Finance Limited and also the Vice-Chairman of China Mergers and Acquisition Association. Prior to his current appointment, he was the Adviser and Council Member of the Shenzhen Stock Exchange from July 2001 to June 2002 and was the Chief Executive of Regent Pacific Group Limited, a Hong Kong listed investment company, from August 2000 to February 2001. He was also the Chairman of Hong Kong Securities Institute from December 2001 to December 2004. He joined The Stock Exchange of Hong Kong Limited in 1994 as an Executive Director of the Finance and Operations Services Division and became the Chief Executive from 1997 to 2000. He was also the Chief Operating Officer of Hong Kong Exchanges and Clearing Limited from March 2000 to July 2000 and the General Manager (Finance, Technology & Human Resources), and then Assistant Director (Licensing), and at the same time the General Manager (Human Resources) of the Securities and Futures Commission of Hong Kong from 1989 to 1993. Mr. Tsui also involved in numerous government and community activities, including being a former Chairman of the Supervisory Committee of Tracker Fund of Hong Kong and the Organizing Committee of Independent Commission Against Corruption Professional Ethics Programme for the Securities, Futures and Investments Sectors, a former member of the Standing Committee on Company Law Reform, the Hong Kong Trade Development Council Financial Services Advisory Committee, The Community Chest of Hong Kong Corporate and Employee Contribution Programme Organizing Committee (Banking and Finance Group), the Banking and Finance Industry Training Board of the Vocational Training Council and the Investment Sub-Committee of the Government Committee of the Beat Drugs Fund Association.

Biographical Details of Directors & Senior Management

Mr. Yuen Kam Ho, George, FHKIoD (*Independent Non-executive Director*)

Mr. Yuen, aged 63, was appointed as an Independent Non-executive Director of the Bank in April 2003. Mr. Yuen is the Chairman of Remuneration Committee and the Alternate Chairman of Audit Committee of the Bank. Mr. Yuen is currently an independent non-executive director of Tradelink Electronic Commerce Limited and LeRoi Holdings Limited. Both are Hong Kong listed companies. He graduated from The University of Hong Kong with a Bachelor's Degree (Honors) in Economics and Political Science. Mr. Yuen has attended post-graduate studies in marketing management at the International Marketing Institute, Cambridge, Massachusetts, U.S.A. and has completed the Hong Kong Administrators Course (commissioned by the Hong Kong Government) in public administration and international relations at Oxford University, the United Kingdom, and the International Executive Program in INSEAD, France respectively. In June 2003, Mr. Yuen was admitted to the Leadership in Development Program organized by Kennedy School of Government, Harvard University. In June 2004, Stanford University, California, U.S.A. had also invited Mr. Yuen to participate in its "Corporate Governance" forum and in early 2006 the University awarded a fellowship to Mr. Yuen as a non-profit leader at its Centre for Social Innovation. Mr. Yuen had been Chief Executive of The Better Hong Kong Foundation for nine years since September 1997. Prior to his joining the Foundation, he was the Assistant Director/Acting Deputy Director of the Information Services Department of the Hong Kong Government. Mr. Yuen plays an active role in organizing international business conferences in Hong Kong and also takes part in numerous government and community activities, including being a board member of the East-West Strategic Development Commission. Mr. Yuen was the Panel member of the Central Policy Unit of the HKSAR Government on the Pan-Pearl River Delta between 2003-2007. Mr. Yuen is currently a member of The Chinese People's Political Consultative Conference, Guangxi Autonomous Region, China; an advisor of the Institute of Finance and Trade Economics; Chinese Academy of Social Sciences; an advisor of The Shanghai Academy of Social Sciences, China; an advisor of The Board of International Investment of Guangzhou Municipality, China; and a Special Advisor of the China National Committee for Pacific Economic Cooperation (PECC China). Mr. Yuen is a Fellow of the Hong Kong Institute of Directors, a member of the British Institute of Management and the Institute of Marketing, U.K., and was also commended by the U.S. President, George W. Bush for his efforts in support of coalition's campaign against global terrorism.

Mr. Fung Siu Ming (*Deputy General Manager and Chief Risk Officer*)

Mr. Fung, aged 55, was appointed as the Chief Risk Officer of the Bank on 10 October 2005, the appointed day for the merger of the Bank and Belgian Bank, Hong Kong Branch, and was promoted as a Deputy General Manager of the Bank in January 2006. Mr. Fung is also a Director of ICBC (Asia) Wa Pei Nominees Limited and ICBC (Asia) Trustee Company Limited, wholly-owned subsidiaries of the Bank. Mr. Fung holds a Bachelor's Degree in Social Sciences and Law from The University of Hong Kong. Mr. Fung has over 33 years of local banking experience specialized in bank lending and credit risk management.

Mr. Leung Ming Hym, Peter (*Chief Financial Officer*)

Mr. Leung, aged 45, joined the Bank in July 2001 and was appointed as an Assistant General Manager and the Chief Financial Officer since March 2007. Mr. Leung is also a Director of certain wholly-owned subsidiaries of the Bank, namely, ICBC (Asia) Investment Holdings Limited, ICBCA (C.I.) Limited and ICBC (Asia) Asset Management Company Limited (formerly ICBC Asset Management Company Limited). He was also appointed as a Director of IEC Investments Limited, a company owned as to 40% by the Bank. Mr. Leung holds a Bachelor's Degree in Accounting and Financial Analysis from University of Newcastle upon Tyne, UK and a Bachelor's Degree in Laws from University of London, UK. Mr. Leung is a fellow member of the Hong Kong Institute of Certified Public Accountants and the Association of Chartered Certified Accountants (UK). He is also an associate member of The Institute of Chartered Accountants in England and Wales. Mr. Leung has over 16 years of experience in corporate finance.

Biographical Details of Directors & Senior Management

Mr. Cheng Yiu Lung (*Chief Operation Officer*)

Mr. Cheng, aged 52, joined the Bank as Assistant General Manager and the Chief Operation Officer in March 2007. Mr. Cheng was also appointed as a Director of ICBC (Asia) Trustee Company Limited, a wholly-owned subsidiary of the Bank, in August 2007. Mr. Cheng holds a Bachelor's Degree of Business Administration from The Open University of Hong Kong. Mr. Cheng has over 33 years of banking experience, specialized in operations management and control. Prior to joining the Bank, Mr. Cheng was the Alternate Chief Executive of Wachovia Bank, N.A. Hong Kong Branch.

Mr. Jiang Yisheng (*Assistant General Manager*)

Mr. Jiang, aged 41, joined the Bank as Assistant General Manager in April 2007 and oversees the overall development and operation of Corporate Banking Department and Debt Capital Markets Department of the Bank. Mr. Jiang graduated from Xi'an Jiaotong University with a Bachelor's Degree in Engineering and a Master's degree in Economics. Mr. Jiang has over 12 years of banking and finance experience.

董事會報告 Report of the Directors

中國工商銀行(亞洲)有限公司(「本銀行」)董事會謹此提呈本銀行及本集團(本銀行連同其附屬公司統稱「本集團」)截至二零零七年十二月三十一日止年度之年報及經審核賬目。

主要業務及分部業務分析

本銀行之主要業務為提供銀行、財務及其他財務相關服務，而各附屬公司之主要業務則載於賬目附註36。

本集團於本年度按業務種類及市場劃分之業績分析載於賬目附註5。

業績及分派

本集團截至二零零七年十二月三十一日止年度之業績載於第75頁之綜合損益表。

董事已宣佈並於二零零七年十月十六日派發每股普通股0.23港元之中期股息，股息總額為262,114,000港元。

董事建議派發每股普通股0.63港元之末期股息，於二零零七年十二月三十一日，股息總額約為772,350,000港元，而認股權證持有人行使認股權證而獲配發新股份將令股息數額有所調整。

儲備

本集團及本銀行之儲備於年內之變動詳情載於賬目附註42。

捐款

本集團於本年度內之慈善及其他捐款總額為543,000港元。

投資物業及物業及設備

年內，本集團及本銀行之投資物業及物業及設備變動詳情分別載於賬目附註32及33。

股本及認股權證

本銀行之股本及認股權證變動詳情載於賬目附註41。

可供分派儲備

本銀行於二零零七年十二月三十一日根據香港公司條例第79B條計算之可供分派儲備為2,740,683,000港元。

The Directors of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") have pleasure in submitting their annual report together with the audited accounts of the Bank and the Group (the Bank together with its subsidiaries hereinafter referred to as the "Group") for the year ended 31 December 2007.

PRINCIPAL ACTIVITIES AND SEGMENTAL ANALYSIS OF OPERATIONS

The principal activities of the Bank are the provision of banking, financial and other financial related services. The principal activities of the subsidiaries are shown in Note 36 to the accounts.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 5 to the accounts.

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 75.

The Directors have declared an interim dividend of HK\$0.23 per ordinary share, totaling HK\$262,114,000 which was paid on 16 October 2007.

The Directors recommend the payment of a final dividend of HK\$0.63 per ordinary share, totaling approximately HK\$772,350,000 as at 31 December 2007, subject to adjustments arising from the allotment of new shares upon exercise of warrants by the warrant holders of the Bank.

RESERVES

Movements in the reserves of the Group and the Bank during the year are set out in Note 42 to the accounts.

DONATIONS

Charitable and other donations made by the Group during the year amounted to HK\$543,000.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

Details of the movements in investment properties and property, plant and equipment of the Group and the Bank during the year are set out in Notes 32 and 33 to the accounts respectively.

SHARE CAPITAL AND WARRANTS

Details of the movements in share capital and warrants of the Bank are set out in Note 41 to the accounts.

DISTRIBUTABLE RESERVES

Distributable reserves of the Bank at 31 December 2007 calculated in accordance with the provisions of Section 79B of the Hong Kong Companies Ordinance amounted to HK\$2,740,683,000.

董事會報告 Report of the Directors

五年財務摘要

以下為本集團過去五個財政年度之業績、資產及負債概要。

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out below.

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2005 千港元 HK\$'000 | 2004 千港元 HK\$'000 | 2003 千港元 HK\$'000 |
|--------------|---------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| 業績 | Results | | | | | |
| 股東應佔溢利 | Profit attributable to equity holders | 1,608,788 | 1,245,592 | 980,601 | 760,391 | 522,130 |
| 資產及負債 | Assets and liabilities | | | | | |
| 資產總額 | Total assets | 192,304,060 | 146,391,759 | 115,781,677 | 99,343,650 | 75,319,624 |
| 負債總額 | Total liabilities | 177,295,921 | 135,306,456 | 105,911,823 | 85,454,003 | 65,224,015 |
| 股東權益總額 | Total equity | 15,008,139 | 11,085,303 | 9,869,854 | 13,889,647 | 10,095,609 |
| | | 192,304,060 | 146,391,759 | 115,781,677 | 99,343,650 | 75,319,624 |

購買、出售或贖回本銀行上市證券

本銀行於年內概無贖回任何其上市證券，而本銀行及各附屬公司於年內亦無買賣本銀行之上市證券。

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

During the year, the Bank has not redeemed any of its listed securities. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's listed securities.

董事會

本銀行董事會於本年度及直至本報告刊發日期之成員如下：

姜建清博士(主席)
王麗麗女士(副主席)
朱琦先生(董事總經理暨行政總裁)
陳愛平先生
黃遠輝先生
張懿先生
Damis Jacobus Ziengs 先生(又名 Dennis Jacobus Ziengs)
(於二零零八年一月二十四日辭任)
王于漸教授, S.B.S., 太平紳士*
徐耀華先生*
袁金浩先生*

* 獨立非執行董事

BOARD OF DIRECTORS

The Directors of the Bank during the year and up to the date of this report are:

Dr. Jiang Jianqing (Chairman)
Ms. Wang Lili (Vice-Chairman)
Mr. Zhu Qi (Managing Director & Chief Executive Officer)
Mr. Chen Aiping
Mr. Wong Yuen Fai
Mr. Zhang Yi
Mr. Damis Jacobus Ziengs (also known as Dennis Jacobus Ziengs)
(resigned on 24 January 2008)
Professor Wong Yue Chim, Richard, S.B.S., J.P. *
Mr. Tsui Yiu Wa, Alec *
Mr. Yuen Kam Ho, George *

* Independent Non-executive Director

董事會報告 Report of the Directors

董事會(續)

根據本銀行之組織章程細則第94(1)及94(2)條規定，黃遠輝先生、王于漸教授，S.B.S.，太平紳士及徐耀華先生將於應屆之股東週年大會依章輪值告退。所有退任董事均願意於應屆股東週年大會上膺選連任。

本銀行之非執行董事及獨立非執行董事並無指定任期，但須根據本銀行之組織章程細則於股東週年大會上輪席告退及膺選連任。

獨立非執行董事之獨立性

本銀行已收到各獨立非執行董事根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)第3.13條規定就其有關獨立性發出之年度確認書，本銀行並認為所有獨立非執行董事均屬獨立人士。

董事之服務合約

擬於應屆股東週年大會上膺選連任之董事與本銀行概無訂立或擬訂立於一年內屆滿或終止而須予支付賠償(一般法定賠償除外)之服務合約。

董事之合約權益

本銀行或其控股公司、附屬公司或同系附屬公司並無參與訂立與本集團業務有重大關係而於本年度或本年度任何時間內生效而本銀行董事直接或間接擁有重大權益之重大合約。

關連交易

持續關連交易

年內及於一般業務過程中，本集團曾進行董事認為根據上市規則屬關連交易之多宗交易。該等與本銀行最終控股公司中國工商銀行股份有限公司(「中國工商銀行」)及其同系附屬公司(統稱「中國工商銀行集團」)進行之交易之詳情如下：

1. 銀行同業借貸交易

於中國工商銀行集團存放銀行同業存款及向彼等提供銀行同業貸款，乃本銀行日常業務之一部分。於二零零七年十二月三十一日，本銀行於中國工商銀行集團之銀行同業存款約為2,210,922,000港元(二零零六年：2,046,421,000港元)。於二零零七年，該等存款之利息收入約為64,864,000港元(二零零六年：291,125,000港元)。

DIRECTORS (continued)

Mr. Wong Yuen Fai, Professor Wong Yue Chim, Richard, S.B.S., J.P. and Mr. Tsui Yiu Wa, Alec will retire by rotation at the forthcoming annual general meeting in accordance with Articles 94(1) and 94(2) of the Bank's Articles of Association. All retiring Directors, being eligible, offer themselves for re-election.

The Non-executive Directors and the Independent Non-executive Directors of the Bank are not appointed for specific term but subject to the retirement by rotation and re-election at the annual general meeting in accordance with the Bank's Articles of Association.

STATUS OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Bank has received from each Independent Non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") and the Bank considers all of its Independent Non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors who are proposed for re-election at the forthcoming annual general meeting has any existing or proposed service contract with the Bank which is not expiring or terminable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Bank or any of its holding company, subsidiaries, or fellow 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.

CONNECTED TRANSACTIONS

Continuing connected transactions

During the year and in the normal course of business, the Group entered into a number of transactions which in the opinion of the Directors constitute connected transactions under the Listing Rules. The transactions were with Industrial and Commercial Bank of China Limited ("ICBC"), the ultimate holding company of the Bank, and its fellow subsidiaries (collectively "ICBC Group") and the details of these transactions are as follows:

1. Inter-bank lending and borrowing transactions

As part of the Bank's day-to-day business, inter-bank placements are made to and inter-bank deposits are taken from the ICBC Group. As at 31 December 2007, approximately HK\$2,210,922,000 (2006: HK\$2,046,421,000) of inter-bank placements were made by the Bank to the ICBC Group. The interest income attributable to these placements in 2007 was approximately HK\$64,864,000 (2006: HK\$291,125,000).

董事會報告 Report of the Directors

關連交易(續)

持續關連交易(續)

1. 銀行同業借貸交易(續)

於二零零七年十二月三十一日，中國工商銀行集團於本集團存放之銀行同業存款約為12,117,878,000港元(二零零六年：11,329,369,000港元)。此項結餘包括一筆為數1,560,160,000港元(二零零六年：388,900,000港元)之款項，乃中國工商銀行授予本銀行作營運資金用途之備用信貸3,000,000,000美元(二零零六年：3,000,000,000美元)中已動用之數額。於二零零七年，該等存款之利息支出約為458,562,000港元(二零零六年：692,880,000港元)。

2. 衍生工具交易

本銀行已就資產負債表及／或利率風險管理或對沖以客戶主導之交易，與中國工商銀行集團進行多宗衍生工具交易，包括(但不限於)利率掉期及各類期權合約。

於二零零七年十二月三十一日，本銀行與中國工商銀行集團進行之尚未平倉衍生工具交易名義數值約為8,022,596,000港元(二零零六年：9,695,183,000港元)。於二零零七年，該等交易之應計利息收入及支出分別約為405,116,000港元(二零零六年：454,678,000港元)及508,007,000港元(二零零六年：552,376,000港元)。該等交易於二零零七年之應計期權金支出淨額約為781,000港元(二零零六年：5,000港元)。

3. 外匯交易

本銀行亦已就外匯風險管理及因應以客戶主導之交易，按與上述衍生工具交易類似之方式，與中國工商銀行集團訂立外匯合約。於二零零七年十二月三十一日，本銀行與中國工商銀行集團進行之未平倉外匯交易(包括現貨、遠期及掉期交易)之合約數值總額約為8,663,742,000港元(二零零六年：30,783,747,000港元)。

4. 銀行同業資本市場交易

本銀行已就投資組合及風險管理及遵守有關監管規定而與中國工商銀行集團訂立以下銀行同業資本市場交易。該等交易亦可為本銀行及其附屬公司提供長期資金作一般營運資金：

- (a) 在一手及二手市場與中國工商銀行集團買賣債券(由獨立第三者或中國工商銀行集團發行)；
- (b) 代表中國工商銀行集團買賣債券；及

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

1. Inter-bank lending and borrowing transactions (continued)

As at 31 December 2007, approximately HK\$12,117,878,000 (2006: HK\$11,329,369,000) of inter-bank deposits were placed with the Group by the ICBC Group. Included in this balance is an amount of HK\$1,560,160,000 (2006: HK\$388,900,000) representing utilisation of a standby credit facility of US\$3,000,000,000 (2006: US\$3,000,000,000) granted by ICBC to the Bank for working capital purposes. The interest expense attributable to these deposits in 2007 was approximately HK\$458,562,000 (2006: HK\$692,880,000).

2. Derivatives transactions

The Bank entered into various derivatives transactions with the ICBC Group, including but not limited to interest rate swaps and various options contracts for the purpose of balance sheet and/or interest rate risk management or hedging against customer-driven transactions.

The total notional amount of the outstanding derivatives transactions between the Bank and the ICBC Group as at 31 December 2007 was approximately HK\$8,022,596,000 (2006: HK\$9,695,183,000). The interest income and expense attributable to these transactions in 2007 were approximately HK\$405,116,000 (2006: HK\$454,678,000) and HK\$508,007,000 (2006: HK\$552,376,000) respectively. Net option premium expense attributable to these transactions in 2007 was approximately HK\$781,000 (2006: HK\$5,000).

3. Foreign exchange transactions

The Bank also entered into foreign exchange contracts with the ICBC Group for the purpose of foreign exchange risk management and in response to customer-driven transactions in a similar manner as mentioned above for derivatives transactions. The total contractual amount of the outstanding foreign exchange transactions with the ICBC Group as at 31 December 2007, including spot, forward and swap transactions, was approximately HK\$8,663,742,000 (2006: HK\$30,783,747,000).

4. Inter-bank capital markets transactions

The Bank entered into the following inter-bank capital markets transactions with the ICBC Group for the purpose of portfolio and risk management and compliance with the relevant regulatory requirements. The transactions could also provide long term funding to the Bank and its subsidiaries for general working capital:

- (a) buying and selling debt securities (either issued by independent third parties or the ICBC Group) from and to the ICBC Group in the primary and secondary markets;
- (b) buying and selling debt securities on behalf of the ICBC Group; and

董事會報告 Report of the Directors

關連交易(續)

持續關連交易(續)

4. 銀行同業資本市場交易(續)

(c) 銷售由本銀行及其附屬公司發行之債券

於二零零七年，本銀行於一手及二手市場向中國工商銀行集團出售之債券約為277,532,000港元(二零零六年：436,571,000港元)。另一方面，本銀行向中國工商銀行集團購買之債券約為6,433,000港元(二零零六年：38,857,000港元)。

本銀行向中國工商銀行發行供其認購名義數值100,000,000美元(二零零六年：500,000,000美元)之定息存款證。有關存款證於二零零七年之利息開支約為179,458,000港元(二零零六年：200,423,000港元)。

此外，本銀行發行合共775,000,000美元及1,500,000,000港元(二零零六年：775,000,000美元及1,500,000,000港元)之後償浮息票據，並由中國工商銀行全數認購。有關票據於二零零七年之利息支出約為424,241,000港元(二零零六年：348,560,000港元)。

5. 資本市場交易

本銀行與中國工商銀行集團訂立各類資本市場交易，其中包括安排、參與／從屬參與貸款、買賣銀團或個別貸款、認購及／或發行債券及節稅型融資。於二零零七年，本銀行向中國工商銀行集團出售之貸款(包括銀團貸款)權益約為405,138,954,000港元(二零零六年：47,829,544,000港元)，及本銀行向中國工商銀行集團購買之貸款(包括銀團貸款)權益約為112,357,231,000港元(二零零六年：31,364,597,000港元)。於二零零七年，本銀行就上述交易向中國工商銀行集團支付費用約10,858,000港元(二零零六年：6,143,000港元)。

6. 貿易融資交易

本銀行與中國工商銀行集團訂立貿易融資交易，其中包括買賣以信用證抵押之匯票之若干貿易融資產品權益、進出口代收及貿易貸款。於二零零七年與中國工商銀行集團訂立上述貿易融資交易約為24,533,036,000港元(二零零六年：852,945,000港元)。

聯交所已於二零零七年十一月授出豁免，批准本銀行與中國工商銀行集團訂立之上述第2至6項所列之持續關連交易毋須嚴格遵守上市規則之披露規定。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

4. Inter-bank capital markets transactions (continued)

(c) selling debt securities issued by the Bank and its subsidiaries

Approximately HK\$277,532,000 (2006: HK\$436,571,000) of debt securities were sold to the ICBC Group, in primary and secondary markets in 2007. On the other hand, approximately HK\$6,433,000 (2006: HK\$38,857,000) debt securities were purchased from the ICBC Group.

The Bank issued and subscribed by ICBC fixed rate certificates of deposit with nominal value of US\$100,000,000 (2006: US\$500,000,000). The interest expense attributable to these certificates of deposit in 2007 was approximately HK\$179,458,000 (2006: HK\$200,423,000).

In addition, the Bank issued subordinated floating rate notes totaling US\$775,000,000 and HK\$1,500,000,000 (2006: US\$775,000,000 and HK\$1,500,000,000) and were fully subscribed by ICBC. The interest expense attributable to these notes in 2007 was approximately HK\$424,241,000 (2006: HK\$348,560,000).

5. Capital markets transactions

The Bank entered into various capital markets transactions with the ICBC Group, which include arranging of, participation/sub-participation in loans, acquiring and disposing interests in syndicated or individual loans, subscription and/or issuance of debt securities and tax efficient financing. Approximately HK\$405,138,954,000 (2006: HK\$47,829,544,000) of the Bank's interest in loans including syndicated loans were disposed to the ICBC Group and approximately HK\$112,357,231,000 (2006: HK\$31,364,597,000) of the ICBC Group's interest in loans including syndicated loans were purchased by the Bank in 2007. Fee attributable to the above transactions of approximately HK\$10,858,000 (2006: HK\$6,143,000) was paid to the ICBC Group in 2007.

6. Trade finance transactions

The Bank entered into trade finance transactions with the ICBC Group which included buying and selling interests in certain trade finance products only in relation to bills of exchange secured under letters of credit, inwards and outwards collection, and trade loans. Approximately HK\$24,533,036,000 of the above trade finance transactions with ICBC Group were entered into in 2007 (2006: HK\$852,945,000).

A waiver from strict compliance of the Listing Rules for disclosure requirements for the continuing connected transactions as listed under items 2 to 6 above between the Bank and the ICBC Group have been granted by the Stock Exchange in November 2007.

董事會報告 Report of the Directors

關連交易(續)

持續關連交易(續)

7. 股息代理

於二零零七年六月四日，工銀亞洲信託有限公司(「工銀亞洲信託」，本銀行之全資附屬公司)與中國工商銀行訂立代理協議，據此，工銀亞洲信託獲中國工商銀行委任，就中國工商銀行為其每股面值人民幣1.00元之H股(「工商銀行股份」)持有人提供股息分派及付款服務，該等服務包括(但不限於)促使中國工商銀行透過本銀行之銀行戶口向工商銀行股份持有人支付股息，以及處理工商銀行股份不時發生之尚未領取的股息派付。

工銀亞洲信託所提供服務之代價將按照以下合併基準計算：

1. 初步一次性之費用；
2. 就中國工商銀行每次宣派之股息派付(包括特別股息、中期股息、末期股息及尚未領取股息)之基本服務費；及
3. 根據中國工商銀行所派付股息予中國工商銀行股份持有人數目計算之費用。

於二零零七年十二月三十一日，工銀亞洲信託從中國工商銀行收取之服務費總額約為319,000港元。

8. 託管代理服務

於二零零七年九月四日，本銀行與中國工商銀行訂立託管代理協議，據此，本銀行獲中國工商銀行委任為中國工商銀行之客戶就有關中華人民共和國(「中國」)合資格境內機構投資者計劃於中國境外投資之若干投資產品提供託管、結算及交收服務。

本銀行所提供服務之代價將根據本銀行所提供託管、結算及交收服務之資產金額按不時之現行市場收費率計算(不包括於提供該等服務期內產生之其他費用償付)。

中國工商銀行根據託管代理協議支付予本銀行之每年服務費總額將不超過2,000,000港元。

於二零零七年十二月三十一日，本銀行向中國工商銀行收取之服務費總額約為961,000港元。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

7. Dividend services

On 4 June 2007, ICBC (Asia) Trustee Company Limited ("ICBCA Trustee", a wholly-owned subsidiary of the Bank), entered into a dividend services agreement with ICBC under which ICBCA Trustee was appointed by ICBC to provide services in relation to distribution and payment of dividends payable by ICBC to the holders of its H shares of RMB1.00 each ("ICBC Shares") and such services include, but not limited to, facilitating the payment of dividends by ICBC to the holders of the ICBC Shares through the bank accounts of the Bank and handling any unclaimed dividend payments in respect of the ICBC Shares that arise from time to time.

The consideration of the services provided by ICBCA Trustee will be calculated on the basis of a combination of the following:

1. an initial one-off fee payment;
2. basic service fee in respect of payment of each dividend announced by ICBC (including special dividend, interim dividend, final dividend and unclaimed dividend); and
3. a fee based on the number of holders of ICBC Shares to which dividend payments are made by ICBC.

As at 31 December 2007, the total services fee received by ICBCA Trustee from ICBC was approximately HK\$319,000.

8. Custodian and trustee services

On 4 September 2007, the Bank entered into a custodian and trustee services agreement with ICBC under which the Bank was appointed by ICBC to provide custodian, settlement and clearing services in relation to the investments outside the People's Republic of China ("PRC") in certain investment products by the customers of ICBC in connection with the Qualified Domestic Institutional Investor scheme of the PRC.

The consideration of the services provided by the Bank will be calculated on the basis of the amount(s) of the assets for which custodian, settlement and clearing services are provided by the Bank at the prevailing market rates from time to time (excluding reimbursement of other expenses incurred during the course of the provision of such services).

The annual aggregate services fee paid to the Bank by ICBC under the custodian and trustee services agreement will not exceed the sum of HK\$2,000,000.

As at 31 December 2007, the total services fee received by the Bank from ICBC was approximately HK\$961,000.

董事會報告 Report of the Directors

關連交易(續)

持續關連交易(續)

9. 管理服務、物業收入、物業支出及費用支出

本銀行與中國工商銀行集團訂立以下各類協議：

- (a) 向中國工商銀行香港分行提供會計及預算、內部審核、市場推廣及後台交收及結算等服務；
- (b) 就中國工商銀行之信用卡業務提供管理、行政及市場推廣等服務；
- (c) 接受中國工商銀行提供之銀行網絡、系統及電腦操作等服務；
- (d) 接受中國工商銀行分行提供有關協助中國內地銀行貸款業務之服務；
- (e) 提供中國工商銀行大廈2501-2單位、26樓及28樓之部分樓面面積予中國工商銀行集團使用；
- (f) 本銀行中環分行租用香港皇后大道中9號1樓之部分樓面；及

於二零零七年，本銀行就上文(a)及(b)向中國工商銀行集團收取之總服務費收入約為6,375,000港元(二零零六年：6,300,000港元)。於二零零七年，就上文(c)及(d)向中國工商銀行支付之服務費支出約為13,156,000港元(二零零六年：10,283,000港元)。就上文(e)而言，本銀行向中國工商銀行集團收取之總物業收入約為16,443,000港元(二零零六年：8,104,000港元)。就上文(f)而言，於二零零七年，本銀行向中國工商銀行集團支付之物業及管理費用支出總額約為6,431,000港元(二零零六年：3,966,000港元)。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

9. Management services, premises income, premises expense and fee expense

The Bank entered into the following types of agreements with the ICBC Group:

- (a) providing services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing to the Hong Kong Branch of ICBC;
- (b) providing services such as management, administrative and marketing functions in respect of credit card business of ICBC;
- (c) receiving services such as banking network, system and computer operations from ICBC;
- (d) receiving services rendered by ICBC branches for assisting the Bank in PRC loan business.
- (e) suites 2501-2, 26th floor and portion of floor area of 28th floor of ICBC Tower used by the ICBC Group; and
- (f) portion of the first floor of No. 9 Queen's Road Central, Hong Kong rented by the Central Branch of the Bank.

The total service fee incomes received from the ICBC Group in respect of (a) and (b) above in 2007 were approximately HK\$6,375,000 (2006: HK\$6,300,000). The service fee expenses paid to ICBC in respect of (c) and (d) above in 2007 were approximately HK\$13,156,000 (2006: HK\$10,283,000). In respect of (e) above, the total premises incomes received from the ICBC Group were HK\$16,443,000 (2006: HK\$8,104,000). In respect of (f) above, the total premise and management fee expenses paid to the ICBC Group in 2007 were approximately HK\$6,431,000 (2006: HK\$3,966,000).

董事會報告 Report of the Directors

關連交易(續)

持續關連交易(續)

獨立非執行董事已審閱項下已披露之關連交易，並確認該等交易乃以下列方式進行：

- (1) 該等交易乃：
 - (i) 由本銀行在一般及日常業務過程中訂立；
 - (ii) 按公平基準(如適用)訂立；
 - (iii) (a)按一般商業條款；或(b)如無可供比較之交易以判斷該等交易是否按一般商業條款訂立，則按對本銀行及獨立股東而言屬公平合理之條款進行；及
 - (iv) (a)按規管該等交易之協議條款；或(b)(倘無上述協議)按不遜於給予獨立第三者或獲獨立第三者授予之條款(如適用)訂立。
- (2) 各相關類別之關連交易之年度總值並未超過年度上限或指定限額(如適用)。

本銀行核數師已確認年內進行之持續關連交易：

- (1) 已獲本銀行之董事會批准；
- (2) 倘若該等交易涉及本銀行提供之商品或服務，該等交易已遵守本銀行之定價政策；
- (3) 乃根據有關該等交易之協議進行；及
- (4) 無超逾先前公告中披露之上限。

CONNECTED TRANSACTIONS (continued)

Continuing connected transactions (continued)

The Independent Non-executive Directors have reviewed and confirmed that the connected transactions as disclosed herein were conducted in the following manner:

- (1) Such transactions were:
 - (i) entered into by the Bank in the ordinary and usual course of its business;
 - (ii) entered into on an arm's length basis, as applicable;
 - (iii) conducted either (a) on normal commercial terms; or (b) if there are no sufficient comparable transactions to judge whether they are on normal commercial terms, on terms that are fair and reasonable so far as the Bank and the independent shareholders are concerned; and
 - (iv) entered into either (a) in accordance with the terms of the agreements governing such transactions; or (b) (where there are no such agreements) on terms that are no less favourable than those available to or from independent third parties, as applicable.
- (2) The annual aggregate value of each of the relevant categories of the connected transactions had not exceeded the annual upper limit or specified threshold, as applicable.

The auditors of the Bank have confirmed that the continuing connected transactions carried out during the year:

- (1) have received the approval of the Directors of the Bank;
- (2) are in accordance with the pricing policies of the Bank if the transactions involve provision of goods or services by the Bank;
- (3) have been entered into in accordance with the relevant agreements governing the transactions; and
- (4) have not exceeded the cap disclosed in the previous announcements.

董事會報告 Report of the Directors

根據上市規則第13.20條之披露

年內，本集團已於其日常銀行業務過程中向中國工商銀行集團授出有關貸款，有關貸款合共超出上市規則第14.07(1)條所界定之資產比率8%，而產生一般披露責任。因此，本銀行須履行一般責任披露有關貸款之詳情，故此遵照上市規則第13.20條作出以下披露。

於二零零七年十二月三十一日，有關貸款之類別及應收中國工商銀行集團之有關未償還金額之結餘及代表中國工商銀行集團提供之所有擔保如下：

| | | 千港元 HK\$'000 |
|---------------------|---|-----------------|
| 有關貸款類別 | Type of the Relevant Advances | |
| 授予中國工商銀行之貿易貸款(未償還) | Trade Loan to ICBC outstanding | 20,045,203 |
| 保兌中國工商銀行備用信用證(未償還) | Confirmed ICBC Standby Letter of Credit outstanding | 26,270 |
| 授予中國工商銀行貨幣市場產品(未償還) | Money Market to ICBC outstanding | 1,946,183 |
| 向中國工商銀行集團授出之有關貸款總額 | Total Relevant Advances to ICBC Group | 22,017,656 |

根據上市規則第13.14條，本集團向中國工商銀行集團作出之有關貸款自先前於公佈中作出披露以來，一經超過上市規則第14.07(1)條所界定之資產比率3%，則本銀行須作出披露。本銀行曾刊發公告有關本集團根據上市規則第13.14條向中國工商銀行集團作出之有關貸款數額。有關進一步貸款詳情載於附加財務資料附註10。

有關貸款主要按基於現行銀行同業拆借息率之浮動息率計息，惟貨幣市場型貸款之息率乃由中國工商銀行集團按現行銀行同業拆入息率釐定。有關貸款須於到期時悉數償還，有關貸款之屆滿期限一般為隔夜至一年，或多於一年(就資本市場工具而言)。授予中國工商銀行集團之有關貸款並無任何抵押物作抵押。

授予中國工商銀行集團之有關貸款乃由本集團於其日常銀行業務過程中，按與具有類似信用評級或財務實力之本集團客戶相稱之正常商業條款授出。

DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

During the year, the Group had made Relevant Advances to ICBC Group in the ordinary course of the Group's banking business which, in aggregate, exceed 8% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules. Accordingly, the Bank is under a general obligation to disclose the details of the Relevant Advances and therefore the disclosure below is made in compliance with Rule 13.20 of the Listing Rules.

As at 31 December 2007, the types of Relevant Advances and the balance of the relevant outstanding amounts due from, and all guarantees given on behalf of, the ICBC Group were as follows:

Pursuant to Rule 13.14 of the Listing Rules, the Bank is required to make disclosure once the Relevant Advances made by the Group to the ICBC Group had exceeded 3% under the assets ratio as defined under Rule 14.07(1) of the Listing Rules since the previous disclosure made in an announcement. The Bank had subsequently made further announcements in respect of the amounts of the Relevant Advances made by the Group to the ICBC Group pursuant to Rule 13.14 of the Listing Rules. Further details of the Relevant Advances are set out in Note 10 of the Supplementary Financial Information.

The interest rates charged for the Relevant Advances mostly are floating interest rates based on the prevailing interbank offer rate, except for money market placement whose interest rates are set by the ICBC Group and based on the prevailing interbank bid rate. The Relevant Advances are repayable in full at maturity, and the maturity date for the Relevant Advances generally ranges from overnight to 1 year, or longer than 1 year on capital market instruments. The Relevant Advances to the ICBC Group are not secured by any collateral.

The Relevant Advances to the ICBC Group were made by the Group in the ordinary course of the Group's banking business, and on normal commercial terms commensurate with customers of the Group having similar credit ratings or financial strengths.

董事會報告 Report of the Directors

董事及最高行政人員持有股份、相關股份及債券之權益及淡倉

於二零零七年十二月三十一日，根據本銀行按證券及期貨條例(「證券及期貨條例」)第352條存置之登記冊所載，或本銀行及聯交所根據上市規則《上市發行人董事進行證券交易的標準守則》(「標準守則」)所得悉，本銀行董事及最高行政人員於本銀行及其相聯法團(定義見證券及期貨條例第XV部)(「相聯法團」)之股份、有關股份及債券中擁有之權益如下：

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2007, the interests of the Directors and chief executives of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) (the "Associated Corporations") as recorded in the register required to be kept under Section 352 of the SFO, or as otherwise notified to the Bank and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") of the Listing Rules were as follows:-

| | | | | 持有股份／ 相關股份數目 Number of shares/ underlying shares held | | | 佔全部已發行 股本概約百分比 Approximate % of total issued share capital |
|-------|-------------------------|-------------|---|--|--|--------------------------|--|
| 董事名稱 | Name of Director | 持有權益 之身份 | Capacity in which interests are held | 股份權益 Number of shares held | 認股權證 ⁽¹⁾ Warrants ⁽¹⁾ | 總數 Total Interests | |
| 姜建清博士 | Dr. Jiang Jianqing | 實益擁有人 | Beneficial owner | 14,547 | 1,596 ⁽²⁾ | 16,143 | 0.0013% |
| 朱琦先生 | Mr. Zhu Qi | 實益擁有人 | Beneficial owner | 51,954 | 5,700 ⁽³⁾ | 57,654 | 0.0047% |
| 張懿先生 | Mr. Zhang Yi | 實益擁有人 | Beneficial owner | 2,078 | 228 ⁽⁴⁾ | 2,306 | 0.0002% |
| 袁金浩先生 | Mr. Yuen Kam Ho, George | 實益擁有人 | Beneficial owner | 26,041 | 1,850 ⁽⁵⁾ | 27,891 | 0.0023% |

附註：

- 該等相關股份乃指本銀行之記名認股權證。本銀行之每份認股權證賦予其持有人權利以現金認購一股股份，初步認購價為每股普通股(即本銀行已發行股本中每股面值2.00港元之普通股)20港元(可予調整)，並可自二零零七年十一月七日起至二零零八年十一月六日止(包括首尾兩日)期間內任何時間行使。
- 指於1,596份記名認股權證之權益，而可產生1,596股相關股份之權益。
- 指於5,700份記名認股權證之權益，而可產生5,700股相關股份之權益。
- 指於228份記名認股權證之權益，而可產生228股相關股份之權益。
- 指於1,850份記名認股權證之權益，而可產生1,850股相關股份之權益。

上述全部權益皆為好倉。根據本銀行按證券及期貨條例第352條而存置之登記冊所示，於二零零七年十二月三十一日，並無淡倉記錄。

除上述所披露者外，於二零零七年十二月三十一日，本銀行各董事或最高行政人員或彼等之配偶或18歲以下之子女概無獲授或行使可認購本銀行或其任何相聯法團之任何股份或債券之權利，而須載於根據證券及期貨條例第352條須予存置之登記冊或根據標準守則須通知本銀行及聯交所。

Notes:

- The underlying shares represent registered warrants of the Bank. Each warrant of the Bank entitles the holder thereof to subscribe in cash for one share, at an initial subscription price of HK\$20 per ordinary share (subject to adjustment) of HK\$2.00 each in the issued share capital of the Bank, at any time during the period from 7 November 2007 to 6 November 2008 (both days inclusive).
- This represented an interest in 1,596 units of registered warrants giving rise to an interest in 1,596 underlying shares.
- This represented an interest in 5,700 units of registered warrants giving rise to an interest in 5,700 underlying shares.
- This represented an interest in 228 units of registered warrants giving rise to an interest in 228 underlying shares.
- This represented an interest in 1,850 units of registered warrants giving rise to an interest in 1,850 underlying shares.

All the interests stated above represent long positions. As at 31 December 2007, no short positions were recorded in the register required to be kept under Section 352 of the SFO.

Save as disclosed above, as at 31 December 2007, none of the Directors or chief executives of the Bank or their spouses or children under 18 years of age were granted, or had exercised, any rights to subscribe for any equity or debt securities of the Bank or any of its Associated Corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Bank and the Stock Exchange pursuant to the Model Code.

董事會報告 Report of the Directors

董事認購股份之權利

本銀行、其控股公司、各附屬公司或各同系附屬公司於年內任何時間概無訂立任何安排，致使本銀行董事可藉認購本銀行或任何其他法人團體之股份或債券而獲益。

主要股東及其他人士持有股份及相關股份之權益及淡倉

於二零零七年十二月三十一日，就董事會所知，下列人士（本銀行董事或最高行政人員除外）擁有本銀行5%或以上之已發行股本或根據證券及期貨條例第XV部第2及3分部須向本銀行作出披露或根據證券及期貨條例第336條須存置之本銀行股份或相關股份之淡倉：

DIRECTORS' RIGHTS TO ACQUIRE SHARES

At no time during the year was the Bank or any of its holding company, or its subsidiaries, or fellow 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' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2007, so far as the Directors were aware, the following persons (other than Directors or chief executives of the Bank) were interested in 5% or more of the issued share capital or short positions in shares or underlying shares of the Bank which would fall to be disclosed to the Bank under Divisions 2 and 3 of Part XV of the SFO or which were required to be kept under Section 336 of the SFO:-

| 股東名稱 Name of shareholder | 持有權益之身份 Capacity in which interests are held | 持有股份／ 相關股份數目 Number of shares/ underlying shares held | | | 佔全部已發行 股本概約百分比 Approximate % of total issued share capital |
|--|--|--|--|--------------------------|--|
| | | 股份權益 Number of shares held | 認股權證 ⁽¹⁾ Warrants ⁽¹⁾ | 總數 Total interests | |
| 中國工商銀行股份 有限公司 ⁽²⁾ Industrial and Commercial Bank of China Limited ⁽²⁾ | 實益擁有人 Beneficial owner | 772,112,228 | – | 772,112,228 | 62.98% |
| 中央滙金投資有限 責任公司 ⁽²⁾ Central SAFE Investments Limited ⁽²⁾ | 受控法團之權益 Interest of controlled corporation | 772,112,228 | – | 772,112,228 | 62.98% |
| 中華人民共和國財政部 ⁽²⁾ Ministry of Finance of the People's Republic of China ⁽²⁾ | 受控法團之權益 Interest of controlled corporation | 772,112,228 | – | 772,112,228 | 62.98% |
| Fortis Bank SA/NV ⁽³⁾ | 實益擁有人 Beneficial Owner | 100,913,330 | 11,212,592 ⁽⁴⁾ | 112,125,922 | 9.15% |
| Fortis N.V. ⁽³⁾ | 受控法團之權益 Interest of controlled corporation | 100,913,330 | 11,212,592 ⁽⁴⁾ | 112,125,922 | 9.15% |
| Fortis SA/NV ⁽³⁾ | 受控法團之權益 Interest of controlled corporation | 100,913,330 | 11,212,592 ⁽⁴⁾ | 112,125,922 | 9.15% |
| Fortis Brussels SA/NV ⁽³⁾ | 受控法團之權益 Interest of controlled corporation | 100,913,330 | 11,212,592 ⁽⁴⁾ | 112,125,922 | 9.15% |

董事會報告 Report of the Directors

主要股東及其他人士持有股份及相關股份之權益及淡倉 (續)

附註：

1. 該等相關股份乃指本銀行之記名認股權證。本銀行之每份認股權證賦予其持有人權利以現金認購一股股份，初步認購價為每股普通股(即本銀行已發行股本中每股面值2.00港元之普通股)20港元(可予調整)，並可自二零零七年十一月七日起至二零零八年十一月六日止(包括首尾兩日)期間內任何時間行使。
2. 中國工商銀行股份有限公司(「中國工商銀行」)為本銀行772,112,228股普通股之合法擁有人。由於中央滙金投資有限責任公司(「中央滙金」)及中華人民共和國財政部(「財政部」)各自有權於中國工商銀行之股東大會上行使或控制行使三分之一或以上之投票權，故中央滙金及財政部持有該等股份之權益。
3. Fortis Bank SA/NV為本銀行100,913,330股普通股及11,212,592份記名認股權證之合法擁有人。由於Fortis N.V.及Fortis SA/NV各自有權於Fortis Brussels SA/NV之股東大會上行使或控制行使三分之一或以上之投票權，而Fortis Brussels SA/NV有權於Fortis Bank SA/NV之股東大會上行使或控制行使三分之一或以上之投票權，故Fortis N.V.、Fortis SA/NV及Fortis Brussels SA/NV持有該等股份及相關股份之權益。
4. 指於11,212,592份記名認股權證之權益，而可產生11,212,592股相關股份之權益。

上述全部權益皆為好倉。根據本銀行按證券及期貨條例第336條而存置之登記冊所示，於二零零七年十二月三十一日，並無淡倉記錄。

除上述所披露者外，於二零零七年十二月三十一日，概無任何人士(本銀行之董事及最高行政人員除外)曾知會本銀行，擁有根據證券及期貨條例第XV部之條文須向本銀行披露或記載於本銀行按證券及期貨條例第336條存置之登記冊內之本銀行股份或相關股份之權益或淡倉。

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES (continued)

Notes:

1. The underlying shares represent registered warrants of the Bank. Each warrant of the Bank entitles the holder thereof to subscribe in cash for one share, at an initial subscription price of HK\$20 per ordinary share (subject to adjustment) of HK\$2.00 each in the issued share capital of the Bank, at any time during the period from 7 November 2007 to 6 November 2008 (both days inclusive).
2. Industrial and Commercial Bank of China Limited ("ICBC") is the legal owner of 772,112,228 ordinary shares of the Bank. Each of Central SAFE Investments Limited ("Central SAFE") and Ministry of Finance of the People's Republic of China ("Ministry of Finance") is interested in such shares as a result of Central SAFE and Ministry of Finance being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of ICBC.
3. Fortis Bank SA/NV is the legal owner of 100,913,330 ordinary shares and 11,212,592 registered warrants of the Bank. Each of Fortis N.V., Fortis SA/NV and Fortis Brussels SA/NV is interested in such shares and underlying shares as a result of Fortis N.V. and Fortis SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Brussels SA/NV and Fortis Brussels SA/NV being entitled to exercise, or control the exercise of, one-third or more of the voting power at general meetings of Fortis Bank SA/NV.
4. This represented an interest in 11,212,592 units of registered warrants giving rise to an interest in 11,212,592 underlying shares.

All the interests stated above represent long positions. As at 31 December 2007, no short positions were recorded in the register required to be kept under Section 336 of the SFO.

Save as disclosed above, as at 31 December 2007, the Bank had not been notified by any persons (other than Directors and chief executives of the Bank) who had interests or short positions in the shares or underlying shares of the Bank which would fall to be disclosed to the Bank under the provisions of Part XV of the SFO or which were recorded in the register required to be kept under Section 336 of the SFO.

董事會報告 Report of the Directors

認股權計劃

以下為根據上市規則披露之認股權計劃概要：

1. 目的

旨在為對本銀行作出貢獻及持續推動本銀行利益之合資格者作出鼓勵及回饋，從而令本集團能夠招攬及挽留優秀僱員。

2. 參與者

本銀行之行政總裁及本銀行或其附屬公司之董事及任何全職僱員。

3. 可根據認股權計劃發行之股份總數以及於本年報刊發日期佔已發行股本之百分比

因根據認股權計劃及本銀行任何其他認股權計劃（如有）將予授出之所有認股權獲行使而可能發行之股份總數，合共不得超過於二零零七年五月十日（有關批准認股權計劃之決議案獲得通過當日）已發行股份總數之10%，即112,125,921股股份（佔本年報刊發日期已發行股本約9.15%）。

4. 每位參與者之最高配額

於任何十二個月期間內因行使根據認股權計劃及本銀行任何其他認股權計劃所有已授出及將予授出之認股權（不論已行使、已註銷或尚未行使）而向每位參與者發行及將予發行之股份總數，不得超過當時本銀行已發行股本之1%。

5. 須根據認股權認購股份之期限

該期限由董事向每位承授人訂明，倘並無該決定，則於授出認股權之要約獲得接納當日起計，惟於任何情況下，行使期須於授出認股權當日起計十年內屆滿。

6. 認股權行使前必須持有的最短期限

董事於向參與者授出認股權時，可全權酌情釐定於認股權行使前必須持有之任何最短期限、必須達致之任何表現目標及必須履行之任何其他條件。

7. 於申請或接納認股權時須付之金額以及付款或通知付款的期限或償還申請認股權貸款的期限

於接納授出認股權之要約須支付1.00港元代價。

參與者可由授出認股權要約當日起計28日內接納認股權。

SHARE OPTION SCHEME

The following is a summary of the Share Option Scheme, disclosed in accordance with the Listing Rules:

1. Purpose

To provide incentive or reward to eligible participants for their contribution to, and continuing efforts to promote the interests of the Bank and to enable the Group to recruit and retain high-calibre employees.

2. Participants

The chief executive officer of the Bank, the directors and any full-time employees of the Bank or its subsidiaries.

3. Total number of shares available for issue under the Share Option Scheme together with the percentage of the issued share capital as at the date of the annual report

The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Bank, if any, must not in aggregate exceed 10% of the total number of shares in issue on 10 May 2007 (the date of the passing of the resolution approving the Share Option Scheme), that is, 112,125,921 shares (representing approximately 9.15% of the issued share capital as at the date of the annual report).

4. Maximum entitlement of each participant

The total number of shares issued and to be issued upon exercise of all options (granted and to be granted, whether exercised, cancelled or outstanding) under the Share Option Scheme and any other share option schemes of the Bank to each participant in any 12-month period must not exceed 1% of the share capital of the Bank then in issue.

5. Period within which the shares must be taken up under an option

Such period as shall be prescribed by the directors to each grantee, and in the absence of such determination from the date upon which the offer for the grant of option is accepted but shall end in any event not later than 10 years from the date of grant of the option subject to the provisions for early termination thereof.

6. Minimum period for which an option must be held before it can be exercised

Directors may, at their absolute discretion, fix any minimum period for which an option must be held, any performance targets that must be achieved and any other conditions that must be fulfilled before the options can be exercised upon the grant of an option to a participant.

7. Amount payable on application or acceptance of the option and the period within which payments or calls must be made or loans for such purposes must be repaid

A consideration of HK\$1.00 is payable on acceptance of the offer of the grant of an option.

An option may be accepted by a participant within 28 days from the date of the offer of grant of the option.

董事會報告 Report of the Directors

認股權計劃(續)

8. 認購價的釐定基準

根據認股權計劃授出之任何認股權之股份認購價須由董事會釐定，且必須至少為下列之最高者：(i)於授出認股權當日(須為交易日)在聯交所每日報價表所列之收市價；(ii)於緊接授出認股權當日前五個交易日在聯交所每日報價表所列之股份平均收市價；及(iii)股份面值。

9. 餘下年期

在提早終止及中國工商銀行股東的批核所規限下，認股權計劃由本銀行股東在其股東大會上通過決議案採納認股權計劃當日起十年期間內有效。

認股權計劃於二零零七年五月十日舉行之股東週年大會上獲本銀行之股東通過。採納認股權計劃須待本銀行之控股公司中國工商銀行之股東批准後，方可作實。

管理合約

年內並無訂立或訂有任何涉及本銀行全部或大部分業務之管理及行政合約。

主要客戶

本集團本年度最大五名客戶佔本集團之利息收入及其他營業收入總和少於30%。

公眾持股量

根據本銀行從公開途徑所得之資料及據本銀行董事會所知悉，本銀行截至本報告日期一直維持上市規則所訂明之公眾持股量。

企業管治

本銀行致力維持高標準之企業管治常規，並遵守香港金融管理局於二零零一年九月二十一日頒佈之《本地註冊認可機構的企業管治》監管政策手冊所載之標準。本銀行企業管治常規之詳情載於二零零七年年報第63至72頁之企業管治報告。

遵守銀行業(披露)規則

本銀行需符合已於二零零七年一月一日生效的《銀行業(披露)規則》，此《銀行業(披露)規則》已取締香港金融管理局所頒佈的《監管政策手冊》中有關財務資料披露之要求。《銀行業(披露)規則》規定本地註冊認可機構需將其損益表、財務狀況及資本充足作公開披露的最低要求。截至二零零七年十二月三十一日止年度之賬目已完全符合《銀行業(披露)規則》中所適用的披露規定。

SHARE OPTION SCHEME (continued)

8. Basis of determining the subscription price

The subscription price of a share in respect of any option granted under the Share Option Scheme is determined by the directors but it must be at least the highest of (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the option, which must be a business day; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of the shares.

9. Remaining life

Subject to early termination and approval of the shareholders of ICBC, the Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date on which the Share Option Scheme is adopted by resolutions of the shareholders of the Bank in its general meeting.

The Share Option Scheme was approved by the shareholders of the Bank at the annual general meeting held on 10 May 2007. The adoption of the Share Option Scheme is subject to the approval of the shareholders of ICBC, the holding company of the Bank.

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.

MAJOR CUSTOMERS

During the year, the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group.

PUBLIC FLOAT

As at the date of this report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors of the Bank.

CORPORATE GOVERNANCE

The Bank is committed to maintain high standards of corporate governance practices and also follows the module set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority on 21 September 2001. Details of the Bank's corporate governance practices are set out in the Corporate Governance Report on pages 63 to 72 of its 2007 Annual Report.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

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

董事會報告 Report of the Directors

董事酬金

於截至二零零七年十二月三十一日之年度，本銀行各董事(包括執行董事及非執行董事)之酬金以具名方式詳列於本賬目第161頁內。

董事於競爭性業務之權益

下列本銀行董事根據上市規則第8.10(2)條作出申報，於年內在下述本銀行以外機構佔有權益，而該等機構之業務被視為與本銀行業務直接或間接構成競爭或可能構成競爭：

姜建清博士為中國工商銀行股份有限公司之董事長。

王麗麗女士為中國工商銀行(倫敦)有限公司之主席。

朱琦先生為工商東亞金融控股有限公司之副董事長及工商國際金融有限公司之主席。

陳愛平先生為中國工商銀行盧森堡有限公司之主席，亦為廈門國際銀行及工商東亞金融控股有限公司之董事。

上述公司提供一系列金融服務。

Damis Jacobus Ziengs先生為富通保險之亞洲區行政總裁，該公司從事保險業務。Ziengs先生於二零零八年一月二十四日辭任本銀行之非執行董事職務。

本銀行董事會包括獨立非執行董事對董事會所作之決定提供獨立意見。本銀行之審核委員會由三位獨立非執行董事組成，定期開會檢討本銀行及各附屬公司之財務表現、內部監控及條例監察事宜，是以本銀行與上述董事所申報之業務，可基於各自利益獨立經營。

核數師

本銀行本年度之綜合賬目已由安永會計師事務所審核完竣，彼等現遵章告退，惟願意接受重聘。安永會計師事務所由本銀行董事委聘為核數師，以填補於二零零六年羅兵咸永道會計師事務所辭任後之臨時空缺。除此以外，在過去三年內，沒有更換核數師。

承董事會命
主席
姜建清博士

香港，二零零八年三月十三日

DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank (including executive Directors and Non-executive Directors) on named basis are set out on page 161 of the Bank's accounts for the year ended 31 December 2007.

DIRECTORS' INTEREST IN COMPETING BUSINESS

Pursuant to Rule 8.10(2) of the Listing Rules, the following Directors of the Bank had declared interests in the following entities of which businesses are considered to compete or are likely to compete, either directly or indirectly, with the businesses of the Bank during the year:

Dr. Jiang Jianqing is the Chairman of Industrial and Commercial Bank of China Limited.

Ms. Wang Lili is the Chairman of ICBC (London) Limited.

Mr. Zhu Qi is the Deputy Chairman of ICEA Finance Holdings Limited and the Chairman of Industrial and Commercial International Capital Limited.

Mr. Chen Aiping is the Chairman of Industrial and Commercial Bank of China Luxembourg S.A., the Director of each of Xiamen International Bank and ICEA Finance Holdings Limited.

All of the above companies provide an extensive range of financial services.

Mr. Damis Jacobus Ziengs is the Chief Executive Officer, Asia of Fortis Insurance International, which is engaged in insurance activities. Mr. Ziengs resigned as Non-executive Director of the Bank on 24 January 2008.

The Board of the Bank, including three Independent Non-executive Directors, provides independent views to the Board in making the Board's decisions. The Audit Committee of the Bank, which consists of three Independent Non-executive Directors, meets regularly to assist the Board in reviewing the financial performance, internal controls and compliance systems of the Bank and its subsidiaries. The Bank is, therefore, capable of carrying on its businesses independently of, and at arm's length from, the businesses in which Directors have declared interests.

AUDITORS

The consolidated accounts have been audited by Ernst & Young who retire and, being eligible, offer themselves for re-appointment. Ernst & Young were appointed as auditors of the Bank by the Directors to fill the casual vacancy following the resignation of PricewaterhouseCoopers in 2006. There have been no other changes of auditors in the past three years.

On behalf of the Board
Dr. Jiang Jianqing
Chairman

Hong Kong, 13 March 2008

企業管治報告 Corporate Governance Report

本銀行致力維持高水平之企業管治常規，並遵循香港金融管理局於二零零一年九月二十一日發出之《本地註冊認可機構的企業管治》監管政策手冊之規定。本銀行於截至二零零七年十二月三十一日止財政年度內一直遵守上市規則附錄十四所載之企業管治常規守則(「守則」)之守則條文，惟以下有關段落內所解釋偏離守則條文第A.4.1條及E.1.2條之情況除外。

A. 董事會

A.1 董事會

董事會成員集體負責本銀行之整體領導及管治，並共同承擔指引及監督本銀行事務之責任，藉以推動本銀行成功發展。董事會制定本銀行之策略，並監察高級管理層之表現及運作。

董事會最低限度每季舉行一次會議，該等定期董事會會議一般由過半數有權出席之董事親身或透過電子通訊方式積極參與。董事會於有需要時將舉行特別會議。

本銀行之董事會於二零零七年舉行了五次會議，個別董事之出席記錄如下：

The Bank is committed to maintain high standards of corporate governance practices and also follows the module set out in the Supervisory Policy Manual entitled "Corporate Governance of Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority on 21 September 2001. The Bank has complied with the code provisions set out in the Code on Corporate Governance Practices (the "Code") contained in Appendix 14 of the Listing Rules throughout the financial year ended 31 December 2007, except for the deviations from Code Provisions A.4.1 and E.1.2 which are explained in the relevant paragraphs below.

A. BOARD OF DIRECTORS

A.1 The Board

The Board of Directors has the collective responsibility for leadership and control of the Bank and be collectively responsible for promoting the success of the Bank by directing and supervising the Bank's affairs. The Board sets strategies for the Bank and monitors the performance and activities of the senior management.

The Board meetings are held at least once every quarter, such regular Board meetings will normally involve the active participation, either in person or through other electronic means of communication, of a majority of Directors entitled to be present. Special Board meetings will be held when necessary.

The Board of the Bank held five meetings in 2007. The attendance records of individual Directors are as follows:

| 董事姓名 | Name of Director | 出席會議次數 Number of Meetings Attended |
|------------------------------------|--|--|
| 姜建清博士 (主席兼非執行董事) | Dr. Jiang Jianqing (Chairman, Non-executive Director) | 5 |
| 王麗麗女士 (副主席兼非執行董事) | Ms. Wang Lili (Vice Chairman, Non-executive Director) | 3 |
| 朱琦先生 (董事總經理暨行政總裁) | Mr. Zhu Qi (Managing Director and Chief Executive Officer) | 5 |
| 陳愛平先生 (非執行董事) | Mr. Chen Aiping (Non-executive Director) | 4 |
| 黃遠輝先生 (執行董事) | Mr. Wong Yuen Fai (Executive Director) | 5 |
| 張懿先生 (執行董事) | Mr. Zhang Yi (Executive Director) | 5 |
| Damis Jacobus Ziengs 先生 (非執行董事) | Mr. Damis Jacobus Ziengs (Non-executive Director) | 2 |
| 王于漸教授，S.B.S.，太平紳士 (獨立非執行董事) | Professor Wong Yue Chim, Richard, S.B.S., J.P. (Independent Non-executive Director) | 4 |
| 徐耀華先生 (獨立非執行董事) | Mr. Tsui Yiu Wa, Alec (Independent Non-executive Director) | 5 |
| 袁金浩先生 (獨立非執行董事) | Mr. Yuen Kam Ho, George (Independent Non-executive Director) | 5 |

企業管治報告 Corporate Governance Report

本銀行董事會定期會議之議程經諮詢董事後擬定。董事於合適時可尋求獨立專業意見，以協助彼等履行本銀行之職務。董事亦可獲得公司秘書之意見及服務，確保董事會程序及所有適用規則及規例均獲得遵守。

公司秘書於舉行會議日期最少兩星期前向全體董事發出會議通告，以讓所有董事獲得充裕之通知期，方便安排時間出席。或遇特殊情況，公司秘書將盡快以電話通知所有董事有關會議日期。

董事會及其轄下委員會之會議紀錄，已對會議上董事會及委員會所考慮事項及達致之決定作足夠詳細之記錄，其中包括董事提出之任何疑慮或所表達之異議意見。會議紀錄之初稿及最終定稿會發送全體董事，以供彼等發表意見及存檔之用。

本銀行董事會、審核委員會、提名委員會及風險管理委員會之會議紀錄由公司秘書備存。董事會轄下其他委員會(列於本報告第D.2段下)之會議紀錄，則由每個委員會委任之秘書負責備存。在發出合理通知之情況下，董事可在任何合理時段查閱董事會及其轄下所有委員會之會議紀錄。

A.2 主席及行政總裁

姜建清博士為本銀行非執行董事兼董事會主席，朱琦先生則為本銀行行政總裁。在經驗豐富之高級管理層之支持下，朱先生履行監督本銀行日常管理及營運之職責，包括執行董事會不時採納之主要策略及措施。董事會主席及本銀行行政總裁之角色互相分立，各自有明確之職責區分。

A.3 董事會之組成

於本報告刊發日期，本銀行之董事會由九名董事組成，當中包括三名執行董事、三名非執行董事及三名獨立非執行董事。所有載有董事姓名之公司通訊中，已按董事類別明確說明各董事身份。所有獨立非執行董事均符合上市規則第3.13條評估其獨立性之指引。

本銀行受惠於各董事豐富之業務、銀行及專業經驗。有關董事履歷之詳情載於本銀行二零零七年年報「董事及高層管理人員簡歷」一節。

The Directors of the Bank are consulted to include matters in the agenda of its regular Board meetings. The Director(s) may seek independent professional advice in appropriate circumstances to assist him/her in discharging his/her duties to the Bank. The Directors also have access to advice and services of the Company Secretary to ensure due compliance of the Board procedures, and all applications rules and regulations.

Notice of meeting shall be given to all Directors by the Company Secretary at least two weeks before the date of the meeting to provide sufficient notice to give all Directors an opportunity to attend. Under special circumstances, the Company Secretary will promptly contact all Directors by way of telephone.

Minutes of the meetings of the Board and the Board committees have been recorded in sufficient detail the matters considered by the Board and the committees, decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of the minutes of the Board are sent to all Directors for their comment and records respectively.

Minutes of the meetings of the Board, the Audit Committee, the Nomination Committee and the Risk Management Committee of the Bank are kept by the Company Secretary. Minutes of the meetings of the other Board committees (as listed under Section D.2 of this report) are kept by the appointed secretary of each committee. Minutes of the meetings of the Board and all the Board committees are open for inspection at any reasonable time on reasonable notice by any Director.

A.2 Chairman and Chief Executive Officer

Dr. Jiang Jianqing is a Non-executive Director and the Chairman of the Board. Mr. Zhu Qi is the Chief Executive Officer of the Bank. With the support of the experienced senior management, Mr. Zhu assumes the responsibility to supervise the daily management and operations of the Bank, including the implementation of major strategies and initiatives adopted by the Board of Directors from time to time. The roles of Chairman of the Board and Chief Executive Officer of the Bank are segregated, with a clear division of responsibilities.

A.3 Board Composition

As at the date of this report, the Board of the Bank consisted of nine Directors comprising three Executive Directors, three Non-executive Directors and three Independent Non-executive Directors. All the Directors are expressly identified by such categories in all corporate communications that disclose their names. All the Independent Non-executive Directors meet the guidelines for assessment of their independence as set out in Rule 3.13 of the Listing Rules.

The Bank benefits from the substantial business, banking and professional experience of its Directors. Biography of the Directors is set out in the "Biographical Details of Directors and Senior Management" section under the Bank's 2007 Annual Report.

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A.4 委任、重選和罷免

本銀行之非執行董事及獨立非執行董事並無指定任期，但須根據本銀行之組織章程細則於股東週年大會上輪值告退及膺選連任。除本銀行之董事總經理外，於每屆股東週年大會上當時三分之一之董事（若董事數目並非三之倍數，則取其最近者，但不能超過三分之一）須輪席告退，及為填補臨時空缺而被委任或被委任擔任新增董事之任何董事之任期，將直至下屆股東週年大會為止。所有退任董事均符合資格膺選連任。

為遵守守則條文第A.4.2條，本銀行之董事總經理朱琦先生已於本銀行二零零五年股東週年大會上自願退任，並已膺選連任為本銀行董事。

為遵守守則條文第A.4.2條及本銀行之組織章程細則第94(1)及94(2)條的規定，黃遠輝先生、王于漸教授，S.B.S.，太平紳士及徐耀華先生將於本銀行應屆股東週年大會上自願退任，並符合資格膺選連任。

除此項上述退任董事將於本銀行應屆股東週年大會上膺選連任外，截至本報告日期，並無董事在任超過三年。

提名委員會於二零零五年一月二十日成立，並以書面訂明具體之職權範圍，清楚說明委員會之職權及責任。提名委員會之職權範圍已包括載於守則第A.4.5(a)至(d)段所列明之責任，惟因應需要而作出適當修改。提名委員會負責就本銀行新委任董事及高級行政人員（例如行政總裁、替任行政總裁、財務總監等）評估候選人之合適性及向董事會作出該等委任之推薦建議。委員會直接向董事會匯報並每年至少開會一次。

於本報告刊發日期，提名委員會由三名委員組成，分別為兩名獨立非執行董事徐耀華先生（主席）及袁金浩先生，以及非執行董事陳愛平先生。

A.4 Appointments, Re-election and Removal

The Non-executive Directors and the Independent Non-executive Directors of the Bank are not appointed for specific term but subject to the retirement by rotation at and re-election at the annual general meetings in accordance with the Bank's Articles of Association. Save for the Managing Director of the Bank, at each annual general meeting one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest but not exceeding one-third, shall retire from office by rotation and any Director appointed by the Directors to fill a casual vacancy or as an addition shall hold office only until the next following annual general meeting. All the retiring Directors are eligible for re-election.

In compliance with the Code Provision A.4.2, Mr. Zhu Qi, the Managing Director of the Bank, had offered himself for retirement at the 2005 Annual General Meeting of the Bank and was re-elected Director of the Bank.

In compliance with the requirement of Code Provision A.4.2 and Articles of 94(1) and 94(2) of Articles of Association of the Bank, Mr. Wong Yuen Fai, Professor Wong Yue Chim, Richard, S.B.S., J.P. and Mr. Tsui Yiu Wa, Alec will offer themselves for retirement at the forthcoming annual general meeting of the Bank and being eligible, will offer themselves for re-election.

Save for the retiring directors as mentioned above under this item, who will offer themselves for re-election at the forthcoming annual general meeting of the Bank, as at the date of this report, no Director held office for over three years.

The Nomination Committee was established on 20 January 2005 with specific Terms of Reference, which state clearly with its authority and duties. The Terms of Reference of the Nomination Committee have included the specific duties set out in paragraphs A.4.5(a) to (d) of the Code, with appropriate modifications when necessary. It is responsible for assessing the suitability of the candidates and recommending to the Board all new appointments of Directors and senior executives (such as chief executive officer, alternate chief executive, chief financial officer). The Committee reports directly to the Board of Directors and meets at least once a year.

As at the date of this report, the current members of the Nomination Committee consists of three members, comprising two Independent Non-executive Directors, namely Mr. Tsui Yiu Wa, Alec (Chairman) and Mr. Yuen Kam Ho, George, and a Non-executive Director, namely Mr. Chen Aiping.

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本銀行之提名委員會於二零零七年舉行了一次會議，個別委員之出席記錄如下：

The Nomination Committee of the Bank held one meeting in 2007 and the attendance records of the individual members are as follows:

| 委員會成員姓名 | Name of Committee Member | 出席會議次數 Number of Meeting Attended |
|-----------------------|--|--------------------------------------|
| 徐耀華先生 (獨立非執行董事兼主席) | Mr. Tsui Yiu Wa, Alec (Independent Non-executive Director and Chairman) | 1 |
| 袁金浩先生 (獨立非執行董事) | Mr. Yuen Kam Ho, George (Independent Non-executive Director) | 1 |
| 陳愛平先生 (非執行董事) | Mr. Chen Aiping (Non-executive Director) | 0 |

年內，本銀行之提名委員會考慮了本銀行財務總監之替任人選。

During the year, the Nomination Committee of the Bank considered the replacement for the Bank's Chief Financial Officer.

A.5 董事之職責

本銀行定期提示全體董事其職能及責任，並向彼等提供有關法律及法規最新發展之資料。透過定期舉行之董事會會議及定期向全體董事發出財務報告及其他文件(例如董事會轄下其他委員會會議紀錄)，所有董事均獲知會本銀行之業務營運及財務狀況。

A.5 Responsibilities of Directors

The Bank regularly reminds all Directors of their functions and responsibilities and updates them of the legal and regulatory developments. Through regular Board meetings and circulation of regular financial reports and other materials (such as the minutes of the meetings of the other Board committees), all Directors are informed of the business operation and financial situation of the Bank.

董事會之職權範圍內列明本銀行非執行董事之職能，包括守則第A.5.2(a)至(d)條之守則條文所列明之職能(惟因應需要而作出修改)。

The functions of the Non-executive Directors of the Bank as set out in the Terms of Reference of the Board of Directors include the functions as specified in Code Provision A.5.2 (a) to (d) of the Code (with appropriate modifications when necessary).

本銀行已採納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」)，作為本銀行董事進行證券交易之操守守則。經向所有董事作出特定查詢後，本銀行確認，各董事於截至二零零七年十二月三十一日止年度一直遵守標準守則所載之規定準則。

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules as its own code of conduct regarding Directors' securities transactions. The Bank confirms that, having made specific enquiry of all Directors, the Directors have complied with the required standard set out in the Model Code for the year ended 31 December 2007.

A.6 資料提供及使用

董事可全面及及時地獲得與本銀行有關之所有資料，以使彼等在履行作為董事之職務及職責上可作出知情之決定。董事會及每名董事有自行接觸本銀行高級管理人員之獨立途徑。

A.6 Supply of and Access to Information

The Directors have full and timely access to all relevant information of the Bank so that they can make an informed decision in discharging their duties and responsibilities as Directors. The Board and each Director has separate and independent access to the management of the Bank.

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B. 董事及高級管理層之薪酬

B.1 薪酬及披露之水平及組成

本銀行於二零零五年一月二十日成立薪酬委員會，並書面制定其職權範圍，清楚列明其職權及職責。該委員會負責監督本銀行董事及高級管理人員之薪酬，以確保彼等之薪酬與其職務相稱，並與本銀行之文化、策略及監控環境配合一致。該委員會亦負責就本銀行之薪酬政策架構向董事會作出推薦建議。該委員會直接向董事會匯報，並每年至少開會一次。

於本報告刊發日期，薪酬委員會之現有委員為四名，包括三名獨立非執行董事袁金浩先生（主席）、王于漸教授，S.B.S.，太平紳士，及徐耀華先生，以及一名非執行董事陳愛平先生。年內，Damis Jacobus Ziengs 曾任薪酬委員會委員，並於二零零八年一月二十四日辭任。

本銀行之薪酬委員會於二零零七年舉行了一次會議，個別委員之出席記錄如下：

| 委員會成員姓名 | Name of Committee Member | 出席會議次數 Number of Meeting Attended |
|------------------------------------|--|--------------------------------------|
| 袁金浩先生 (獨立非執行董事及主席) | Mr. Yuen Kam Ho, George (Independent Non-executive Director and Chairman) | 1 |
| 王于漸教授，S.B.S.，太平紳士 (獨立非執行董事) | Professor Wong Yue Chim, Richard, S.B.S., J.P. (Independent Non-executive Director) | 1 |
| 徐耀華先生 (獨立非執行董事) | Mr. Tsui Yiu Wa, Alec (Independent Non-executive Director) | 1 |
| 陳愛平先生 (非執行董事) | Mr. Chen Aiping (Non-executive Director) | 0 |
| Damis Jacobus Ziengs 先生 (非執行董事) | Mr. Damis Jacobus Ziengs (Non-executive Director) | 1 |

有關各董事於二零零七年之薪酬資料，載於本銀行二零零七年年報賬目附註 17。

年內，薪酬委員會考慮及向董事會推薦本集團截至二零零六年十二月三十一日止年度之表現分紅（包括執行董事之表現分紅）。該委員會亦考慮及向董事會推薦應向高級管理層人員派發截至二零零六年十二月三十一日止年度之表現分紅。

B. REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

B.1 The Level and Make-up of Remuneration and Disclosure

The Remuneration Committee of the Bank was established on 20 January 2005 with specific Terms of Reference, which state clearly with its authority and duties. It oversees the remuneration of the Directors and senior management of the Bank to ensure that their remuneration is appropriate for their duties and consistent with the Bank's culture, strategy and control environment. The Committee is also responsible for recommending to the Board on the Bank's remuneration policy framework. The Committee reports directly to the Board of Directors and meets at least once a year.

As at the date of this report, the current members of the Remuneration Committee consists of four members, comprising three Independent Non-executive Directors, namely Mr. Yuen Kam Ho, George (Chairman), Professor Wong Yue Chim, Richard, S.B.S., J.P., and Mr. Tsui Yiu Wa, Alec, and one Non-executive Director, namely Mr. Chen Aiping. Mr. Damis Jacobus Ziengs, who was a member of the Remuneration Committee during the year 2007, has resigned on 24 January 2008.

The Remuneration Committee of the Bank held one meeting in 2007 and the attendance records of the individual members are as follows:

Information relating to the remuneration of each Director for 2007 is set out in Note 17 to the Notes to Accounts of the 2007 Annual Report of the Bank.

During the year, the Remuneration Committee considered and recommended to the Board the allocation of performance bonus of the Group (including that of the Executive Directors) for the year ended 31 December 2006. The Committee also considered and recommended to the Board the performance bonus of senior management for the year ended 31 December 2006.

企業管治報告 Corporate Governance Report

C. 問責及審計

C.1 財務報告

董事會每月獲提呈財務業績報告，供董事會持續進行監察。於每次召開董事會會議時將向董事會匯報本銀行之業務表現及財務狀況，以協助董事會對本銀行之表現、狀況及前景達致平衡、清晰及全面之評估。

各董事知悉彼等有編製本銀行賬目之責任。於二零零七年十二月三十一日，董事並不知悉有任何重大不明朗因素與可能導致本銀行按持續基準經營構成疑問之事件或情況。董事已按持續經營基準編製本銀行之賬目。

外聘核數師就其財務申報責任發出之聲明載於本銀行二零零七年年報第73頁及第74頁獨立核數師報告書。

C.2 內部監控

董事會負責本銀行之內部監控系統，並透過本銀行穩健妥善之程序、政策及系統，審閱本銀行及其附屬公司之效率。評估涵蓋所有重要之監控方面，包括財務監控、營運監控及合規監控以及風險管理功能。

內部稽核部持續評估本銀行之內部監控，並每年至少四次向審核委員會匯報有關內部監控之重要審閱結果。審核委員會之會議紀錄之副本亦會送呈董事會以供參閱。

C.3 審核委員會

本銀行已成立審核委員會，並以書面訂明具體之職權範圍，清楚說明委員會之職權及責任。審核委員會之職權範圍已包括守則條文第C.3.3條所載之職責，惟因應需要而作適當修改。該委員會審閱外部及內部審核以及內部監控及風險評估之有效性。

於本報告刊發日期，審核委員會之現有委員為四名，包括三名獨立非執行董事王于漸教授，S.B.S.，太平紳士（主席）、徐耀華先生及袁金浩先生，以及非執行董事陳愛平先生。

C. ACCOUNTABILITY AND AUDIT

C.1 Financial Reporting

Monthly reports on financial results are submitted to the Board for ongoing monitoring. Business performance and financial situation of the Bank are reported to the Board at each Board meeting to assist the Board to have a balanced, clear and comprehensive assessment of the Bank's performance, position and prospects.

The Directors acknowledge their responsibility for preparing the accounts of the Bank. As at 31 December 2007, the Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Bank's ability to continue as a going concern. The Directors have prepared the accounts of the Bank on a going concern basis.

A statement by the external auditors with respect to their financial reporting responsibilities is included in the Independent Auditors' Report on pages 73 and 74 of the Bank's 2007 Annual Report.

C.2 Internal Controls

The Board is responsible for the system of the internal controls and the review of the effectiveness of the Bank and its subsidiaries through well-established procedures, policies and systems of the Bank. The review covers all material controls, including financial, operational and compliance controls and risk management functions.

The Internal Audit Department evaluates the Bank's internal controls on an on-going basis and reports to the Audit Committee at least 4 times each year on significant findings on internal controls. Copy of the minutes of the Audit Committee meetings will also be sent to the Board for information.

C.3 Audit Committee

The Bank has established an Audit Committee with specific written Terms of Reference set out clearly its authority and responsibilities. The Terms of Reference of the Audit Committee have included the duties set out in Code Provision C.3.3 of the Code, with appropriate modifications when necessary. It reviews the effectiveness of both the external and internal audit and of internal controls and risk evaluation.

As at the date of this report, the current members of the Audit Committee consists of four members, comprising three Independent Non-executive Directors, namely Professor Wong Yue Chim, Richard, S.B.S., J.P. (Chairman), Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George, and a Non-executive Director, namely Mr. Chen Aiping.

企業管治報告 Corporate Governance Report

本銀行之審核委員會於二零零七年舉行了四次會議，本銀行之外聘核數師列席全部會議。審核委員會之個別委員出席記錄如下：

The Audit Committee of the Bank held four meetings in 2007 and all the meetings were with the participation of the external auditors of the Bank. The attendance records of the individual members at the Audit Committee are as follows:

| 委員會委員姓名 | Name of Committee Member | 出席會議次數 Number of Meetings Attended |
|-----------------------------------|---|---------------------------------------|
| 王于漸教授，S.B.S.，太平紳士 (獨立非執行董事及主席) | Professor Wong Yue Chim, Richard, S.B.S., J.P. (Independent Non-executive Director and Chairman) | 4 |
| 袁金浩先生 (獨立非執行董事及替任主席) | Mr. Yuen Kam Ho, George (Independent Non-executive Director and Alternate Chairman) | 4 |
| 徐耀華先生 (獨立非執行董事) | Mr. Tsui Yiu Wa, Alec (Independent Non-executive Director) | 4 |
| 陳愛平先生 (非執行董事) | Mr. Chen Aiping (Non-executive Director) | 2 |

年內，支付予本集團之外聘核數師提供核數服務與非核數服務之費用分別為4,598,000港元及2,115,000港元。重大非核數服務及支付費用之詳情如下：

During the year, the fees paid to the external auditors of the Group for the audit services and non-audit services amounted to HK\$4,598,000 and HK\$2,115,000 respectively. Details of the significant non-audit service assignments and the fees paid were as follows:

| 非核數服務性質 | Nature of Non-audit Service | 所付費用 Fees Paid |
|----------|-----------------------------|-------------------|
| 稅務服務 | Tax service | HK\$231,000 |
| 審閱中期報告 | Review of interim accounts | HK\$850,000 |
| 監管者要求的審閱 | Regulatory review | HK\$175,000 |
| 其他服務 | Other services | HK\$859,000 |

本銀行審核委員會在年內所履行之工作摘要如下：

During the year, the work performed by the Audit Committee of the Bank is summarized as follows:

- | | |
|---|---|
| <ul style="list-style-type: none"> — 會見外聘核數師以商討其核數工作之一般範圍； — 審閱致管理層之外聘核數師審核情況說明函件及管理層之回應； — 審閱二零零七年度外聘核數師之審核計劃； — 審閱外聘核數師報告及發現以及管理層之回應； — 審閱二零零七年度之內部稽核計劃； — 審閱內部稽核報告，包括內部監控評估； — 審閱對本銀行內部監控系統成效的獨立評估報告； — 審閱二零零六年度經審核賬目及年度業績公告； — 審閱截至二零零七年六月三十日止六個月之中期報告及中期業績公告。 | <ul style="list-style-type: none"> — Met with external auditors to discuss the general scope of their audit work; — Reviewed external auditors' management letter and management response; — Reviewed the external auditors' 2007 audit plan; — Reviewed the external auditors' reports and findings and the management response; — Reviewed the internal audit plan for the year of 2007; — Reviewed the internal audit reports covering the evaluation of internal controls; — Reviewed the independent assessment report on the effectiveness of the Bank's internal control system; — Reviewed the audited accounts and final results announcement for the year of 2006; — Reviewed the Interim Report and the interim results announcement for the six months ended 30 June 2007. |
|---|---|

企業管治報告 Corporate Governance Report

D. 董事會權力之轉授

D.1 管理功能

董事會承擔領導及監控本銀行之責任，並將其管理及行政功能方面之權力轉授予管理層。董事會就管理層之權力制定清晰之指引，特別是報告機制及須經董事會批准之事項(例如管理層結構、業務目標、策略及業務計劃、政策以及規定出現重大變動以致可能對本銀行之財務及風險管理產生重大影響之事宜)。

D.2 董事會轄下之委員會

除審核委員會(詳情於C.3段披露)、薪酬委員會(詳情於B.1段披露)及提名委員會(詳情於A.4段披露)外，董事會亦設立以下四個專責委員會，該等委員會之委員包括董事及(在適當之情況下)其他有關方面之高級行政人員：

1. 管理委員會

管理委員會於二零零一年九月二十四日成立，負責監督本集團之整體營運。該委員會之主席由行政總裁擔任，其他委員會委員則為副總經理及由行政總裁指派之助理總經理。於本年度，該委員會共召開十六次會議。

2. 信貸委員會

信貸委員會制定與信貸相關之政策、指引及程序，以維持本銀行信貸組合質量。該委員會審閱及審批大額信貸風險、管理信貸風險集中、接納或否決新信貸策略，以及就不良信貸作出反應。該委員會由信貸分析及信貸管理行政部主管(主席)、風險總監及業務部門之副總經理或助理總經理組成。

3. 資產及負債管理委員會

資產及負債管理委員會於一九九九年七月十二日成立，負責密切監察各種流動資產及資金來源之組合以及利率及外匯變動風險。該委員會委員亦因應內部需求及週邊市場指數審閱及釐定最佳流動資金水平。該委員會由財務總監(該委員會之主席及秘書)、所有副總經理、負責業務部門之指定助理總經理、風險總監、風險管理部之市場風險主管及財資部主管組成。該委員會每月舉行一次例會。

D. DELEGATION OF THE BOARD

D.1 Management Functions

The Board assumes the responsibility for leadership and control of the Bank and delegates aspects of its management and administration functions to the Management. The Board sets up clear guidelines as to the powers to the Management, in particular, with respect to reporting mechanism and the matters that shall be subject to the approval of the Board (such as substantial changes in the management structure, the business objectives, strategies and business plans, the policies and manuals which may substantially affect the financial and risk management of the Bank).

D.2 Board Committees

Apart from the Audit Committee (particulars are disclosed under C.3), the Remuneration Committee (particulars are disclosed under B.1) and the Nomination Committee (particulars are disclosed under A.4), the Board has also established the following four specialised committees which comprise Directors and where appropriate, other senior executives from relevant areas:

1. General Management Committee

The General Management Committee was established on 24 September 2001 to supervise the overall operation of the Group. The Chairman of the Committee is the Chief Executive Officer, and the other committee members are the Deputy General Managers and the Assistant General Managers designated by the Chief Executive Officer. 16 meetings were held during the year.

2. Credit Committee

The Credit Committee sets up credit related policies, guidelines and procedures in order to maintain the quality of the credit portfolio of the Bank. It reviews and approves large credit exposures, manages credit risk concentration, accepts or rejects new credit strategies and responds to deteriorating credits. The Committee consists of the Head of Credit Analysis and Administration Department (Chairman), the Chief Risk Officer and the Deputy General Managers or Assistant General Managers in charge of business lines.

3. Asset and Liability Management Committee

The Asset and Liability Management Committee was established on 12 July 1999 to closely monitor the mix of liquid assets and funding channels, and the exposure to movements in interest rate and foreign exchange. The Committee members also meet to review the optimal liquidity level in response to internal requirements and external market indicators. It comprises the Chief Financial Officer (the Chairman and Secretary of the Committee), all Deputy General Managers, the designated Assistant General Managers in charge of business units, the Chief Risk Officer, the Head of Market Risk of Risk Management Department and the Head of Treasury & Markets Department. The Committee meets on a monthly basis.

企業管治報告 Corporate Governance Report

4. 風險管理委員會

風險管理委員會於二零零二年九月五日成立，負責審閱及向董事會報告本集團風險管理程序、政策及體制之充分性及效率。該委員會專注於信貸風險、利率風險、市場風險、流動資金風險、營運風險、信譽風險及法律風險。該委員會由風險總監(主席)、行政總裁、本銀行一名獨立非執行董事、負責財資部之副總經理、負責零售銀行業務部之副總經理、財務總監、營運總監、財資部主管、信貸分析及信貸管理行政部主管、風險管理部之市場風險主管、電腦系統部主管及法律及合規部主管組成。該委員會每個季度舉行一次會議。

根據本集團之資產組合結構及風險，本集團推行壓力測試計劃作為持續風險監察之一部分，並定期向風險管理委員會匯報壓力測試結果以作檢討。有關風險辨悉、衡量及監控之政策及抵禦力的調整將直接向集團內受影響之部門反映。

5. 營運風險委員會

營運風險委員會於二零零七年七月二十五日成立，旨在專注於營運風險管理。營運風險委員會對本銀行營運風險管理政策、程序及系統之涵蓋範圍進行檢討並向風險管理委員會匯報，亦須評估現有政策之成效，以及其他風險監控工具以減低營運風險；同時就本銀行是否需要修訂／增加／減少其營運監控政策、程序及措施提出推薦建議或作出決定。營運風險委員會由風險總監(主席)、營運總監、人力資源部主管(或副主管)、內部稽核部主管(或副主管)、營運風險主管及零售銀行業務部門之代表組成。該委員會每個季度舉行一次會議。

此等委員會均有特定之書面職權範圍，清晰列明其職權與職責。審核委員會、薪酬委員會及提名委員會向董事會報告其決策或建議。重大事宜須按該等委員會之職權範圍所訂明留待董事會審批。

4. Risk Management Committee

The Risk Management Committee was established on 5 September 2002 to review and report to the Board of Directors on the adequacy and efficiency of risk management procedures, policies and systems of the Group. It focuses on credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk and legal risk. The Committee comprises the Chief Risk Officer (Chairman), the Chief Executive Officer, an Independent Non-executive Director of the Bank, the Deputy General Manager in charge of Treasury & Markets, the Deputy General Manager in charge of Retail Banking, the Chief Financial Officer, the Chief Operation Officer, the Head of Treasury & Markets Department, the Head of Credit Analysis and Administration Department, the Head of Market Risk of Risk Management Department, the Head of Systems & IT Department and the Head of Legal and Compliance. The Committee meets on a quarterly basis.

In accordance with the Group's asset portfolio structure and risk profile, the stress-testing program as part of an on-going risk monitoring exercise has been implemented. The stress test results are regularly reported to the Risk Management Committee for review. Policies and tolerances addressing risk identification, measurement, monitoring and control will be directly communicated to those areas affected throughout the Group.

5. Operational Risk Committee

The Operational Risk Committee was established on 25 July 2007 to focus on operational risk management. It reviews and reports to the Risk Management Committee on the adequacy of operational risk management policies, procedures and systems for the Bank. It also evaluates the effectiveness of existing policies, and the need for other risk control tools as to mitigating operational risks; makes recommendations or decides on amended/increased/decreased operational control policies, procedures and measures of the Bank. It comprises the Chief Risk Officer (Chairman), Chief Operation Officer, Head (or Deputy Head) of Human Resources Department, Head (or Deputy Head) of Internal Audit Department, Operational Risk Head and representative from Retail Banking Department. The Committee meets on a quarterly basis.

Each of these committees has specific written terms of reference which clearly sets out its authorities and duties. The Audit Committee, the Remuneration Committee and the Nomination Committee are required to report their decisions or recommendations to the Board. Material matters are reserved for the approval of the Board according to the terms of reference of such committees.

企業管治報告 Corporate Governance Report

E. 與股東之間之溝通

E.1 有效溝通

會議主席於二零零六年股東週年大會上就每項議題個別提出決議案，包括重選退任董事之獨立決議案。本銀行舉行新聞發佈會及分析員會議，詳盡解釋其年度及中期業績。本銀行之網站 www.icbcasia.com 設有「投資者關係」及「關於我們」之網頁，提供有關本銀行公佈、新聞發佈及其他業務之最新訊息。

由於主席有其他重要事務安排，未能出席二零零六年股東週年大會。各審核委員會、薪酬委員會及提名委員會的主席及／或其委員出席本銀行二零零六年股東週年大會，並回應股東之提問。

E.2 以投票方式表決

於二零零七年寄發予本銀行股東之每份通函內，均載有符合上市規則及本銀行組織章細則之投票方式表決程序。本銀行須定期知會股東以投票方式表決之程序，並確保符合上市規則及本銀行組織章程細則所載有關以投票方式表決之規定。

E. COMMUNICATION WITH SHAREHOLDERS

E.1 Effective Communication

A separate resolution was proposed by the Chairman of the Meeting of the 2006 Annual General Meeting in respect of each separate issue including the re-election of the retiring Directors. The Bank organises press conferences and analysts' meetings to explain its annual and interim results in detail. The website of the Bank www.icbcasia.com contains the "Investor Relations" and "About Us" sections which offer timely access to the Bank's publications, press releases and other business information.

The Chairman was unable to attend the 2006 Annual General Meeting due to other important business engagements. The Chairman and/or its members of each of the Audit Committee, the Remuneration Committee and the Nomination Committee attended the 2006 Annual General Meeting of the Bank to answer questions from shareholders.

E.2 Voting by Poll

The procedures for voting by poll, which comply with the Listing Rules and the Articles of Association of the Bank, are set out in every circular sent to shareholders of the Bank during the year of 2007. The Bank shall regularly inform shareholders of the procedures for voting by poll and ensure compliance with the requirements about voting by poll contained in the Listing Rules and the Articles of Association of the Bank.

獨立核數師報告書 Independent Auditors' Report

致：中國工商銀行(亞洲)有限公司 全體股東

(於香港註冊成立的有限公司)

我們已完成審核載於第75至220頁的中國工商銀行(亞洲)有限公司(「貴銀行」)賬目，此賬目包括於二零零七年十二月三十一日的綜合資產負債表及銀行資產負債表與截至該日止年度的綜合損益表、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。

董事就賬目須承擔的責任

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

核數師的責任

我們的責任是根據我們的審核對賬目作出意見。按照香港公司條例第141條的規定，我們只向作為法人團體的股東報告。除此以外，我們的報告書不可用作其他用途。我們概不會就本報告書的內容，對任何其他人士負責或承擔法律責任。

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

TO THE SHAREHOLDERS OF INDUSTRIAL AND COMMERCIAL BANK OF CHINA (ASIA) LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the accounts of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") set out on pages 75 to 220, which comprise the consolidated and 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 ACCOUNTS

The directors of the Bank are responsible for the preparation and the true and fair presentation of these accounts 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 accounts 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.

AUDITORS' RESPONSIBILITY

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

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

獨立核數師報告書 Independent Auditors' Report

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

我們相信，我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

意見

我們認為，該等賬目已根據香港財務報告準則真實而公平地反映貴銀行與貴集團於二零零七年十二月三十一日的財務狀況及截至該日止年度的溢利及現金流量，並已按照香港公司條例妥為編製。

安永會計師事務所
執業會計師

香港中環
金融街8號
國際金融中心
2期18樓

香港
二零零八年三月十三日

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the accounts 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 accounts.

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 accounts 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.

Ernst & Young
Certified Public Accountants

18th Floor
Two International Finance Centre
8 Finance Street
Central Hong Kong

Hong Kong
13 March 2008

綜合損益表 Consolidated Income Statement

截至二零零七年十二月三十一日止年度
For the year ended 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---|---|-------------------------|-------------------------|
| 利息收入 | Interest income (6) | 8,845,058 | 6,926,521 |
| 利息支出 | Interest expense (6) | (6,457,053) | (5,073,952) |
| 淨利息收入 | Net interest income (6) | 2,388,005 | 1,852,569 |
| 收費及佣金收入 | Fee and commission income (7) | 719,362 | 582,596 |
| 收費及佣金支出 | Fee and commission expense (7) | (43,647) | (20,484) |
| 收費及佣金收入淨額 | Net fee and commission income (7) | 675,715 | 562,112 |
| 淨交易收入 | Net trading income (8) | 185,592 | 216,031 |
| 指定以公平價值經損益表入賬之 金融資產及負債淨虧損 | Net loss on financial assets and liabilities designated at fair value through profit or loss (9) | (95,708) | (82,882) |
| 來自金融投資之股息收入 | Dividend income from financial investments (10) | 3,800 | 2,619 |
| 其他營業收入 | Other operating income (11) | 21,281 | 46,713 |
| 營業收入 | Operating income | 3,178,685 | 2,597,162 |
| 營業支出 | Operating expenses (12) | (1,134,895) | (945,359) |
| 未扣除減值損失之營業溢利 | Operating profit before impairment losses | 2,043,790 | 1,651,803 |
| 貸款減值回撥／(支銷) | Write-back of/(charge for) impairment losses on loans and advances (14) | 114,866 | (132,171) |
| 持有至到期金融投資 減值回撥／(損失) | Write-back of/(charge for) impairment losses on held-to-maturity financial investments (29) | 3,131 | (5,666) |
| 備供銷售金融投資減值損失 | Charge for impairment losses on available-for-sale financial investments (28) | (251,929) | – |
| 扣除減值損失之營業溢利 | Operating profit after impairment losses | 1,909,858 | 1,513,966 |
| 重估投資物業淨溢利 | Net revaluation gains on investment properties (32) | 2,761 | – |
| 出售／撥回物業及設備和 租賃土地及土地使用權之 重估虧絀之收益／(虧損) 淨額 | Net gain/(loss) from disposal/reversal of revaluation deficits of property, plant and equipment and leasehold land and land use rights (15) | 11,102 | (15) |
| 出售備供銷售金融投資溢利淨額 | Net gain on disposal of available-for-sale financial investments | 16,616 | 83,271 |
| 營業溢利 | Operating profit | 1,940,337 | 1,597,222 |
| 應佔聯營公司溢利 | Share of profits of associates (30) | 11,297 | 5,739 |
| 除稅前溢利 | Profit before tax | 1,951,634 | 1,602,961 |
| 稅項 | Income tax expense (16) | | |
| – 香港 | – Hong Kong | (326,172) | (277,687) |
| – 海外 | – Overseas | (17,594) | (90,754) |
| – 遞延稅項 | – Deferred tax | 920 | 11,072 |
| 股東應佔溢利 | Profit attributable to equity holders | 1,608,788 | 1,245,592 |
| 股息 – 中期 | Dividends – Interim dividend declared during the year (19) | 262,114 | 224,252 |
| – 擬派末期股息 | – Final dividend proposed after the balance sheet date (19) | 772,350 | 515,779 |
| | | 1,034,464 | 740,031 |
| 每股盈利 – 基本 | Earnings per share – Basic (20) | HK\$1.41 | HK\$1.11 |

綜合資產負債表 Consolidated Balance Sheet

二零零七年十二月三十一日
As at 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-------------------------|--|-------------------------|-------------------------|
| 資產 | Assets | | |
| 現金及在銀行與 其他金融機構之結存 | Cash and balances with banks and other financial institutions (22) | 43,666,354 | 45,495,112 |
| 銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions (23) | 1,005,234 | 5,015,135 |
| 持作交易用途金融資產 | Financial assets held for trading (24) | 54,256 | 56,468 |
| 指定以公平價值經 損益表入賬之金融資產 | Financial assets designated at fair value through profit or loss (25) | 1,754,742 | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments (26) | 1,213,738 | 713,202 |
| 客戶、銀行及其他 金融機構之貸款 | Loans and advances to customers, banks and other financial institutions (27) | 121,703,671 | 75,647,756 |
| 金融投資： | Financial investments: | 18,640,728 | 15,185,290 |
| — 備供銷售 | – Available-for-sale (28) | 15,326,911 | 11,052,318 |
| — 持有至到期 | – Held-to-maturity (29) | 3,313,817 | 4,132,972 |
| 於聯營公司之投資 | Investments in associates (30) | 184,054 | 34,485 |
| 商譽及其他無形資產 | Goodwill and other intangible assets (31) | 1,043,582 | 1,050,773 |
| 投資物業 | Investment properties (32) | 40,624 | – |
| 物業及設備 | Property, plant and equipment (33) | 257,753 | 249,417 |
| 租賃土地及土地使用權 | Leasehold land and land use rights (34) | 44,604 | 61,427 |
| 其他資產 | Other assets (35) | 2,694,720 | 1,178,345 |
| 資產總額 | Total assets | 192,304,060 | 146,391,759 |
| 負債 | Liabilities | | |
| 銀行及其他 金融機構之存款及結餘 | Deposits from banks and other financial institutions | 20,235,806 | 12,007,678 |
| 衍生金融工具 | Derivative financial instruments (26) | 1,351,698 | 773,116 |
| 客戶存款 | Deposits from customers (37) | 137,530,227 | 99,570,557 |
| — 指定以公平價值經損益表入賬 | – Designated at fair value through profit or loss | 298,274 | 385,298 |
| — 以攤銷成本 | – At amortised cost | 137,231,953 | 99,185,259 |
| 已發行存款證 | Certificates of deposit issued (37) | 3,705,396 | 10,322,035 |
| — 指定以公平價值經損益表入賬 | – Designated at fair value through profit or loss | 3,105,399 | 5,350,864 |
| — 以攤銷成本 | – At amortised cost | 599,997 | 4,971,171 |
| 指定以公平價值經損益表入賬 之已發行債券 | Debt securities in issue designated at fair value through profit or loss (37) | 3,119,872 | 2,997,804 |
| 現行稅項負債 | Current income tax liabilities | 134,378 | 171,787 |
| 遞延稅項負債 | Deferred income tax liabilities (38) | 336,256 | 115,885 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost (39) | 7,545,620 | 7,527,950 |
| 其他負債 | Other liabilities (40) | 3,336,668 | 1,819,644 |
| 負債總額 | Total liabilities | 177,295,921 | 135,306,456 |
| 股東權益 | Equity | | |
| 股本 | Share capital (41) | 2,451,904 | 2,242,518 |
| 保留溢利 | Retained earnings (42) | 3,481,533 | 2,734,266 |
| 其他儲備 | Other reserves (42) | 9,074,702 | 6,108,519 |
| 股東權益總額 | Total equity | 15,008,139 | 11,085,303 |
| 股東權益及負債總額 | Total equity and liabilities | 192,304,060 | 146,391,759 |

| | | | | | | | |
|-----------|----------------------|--------------------|-------------|----------------------------|--|---|-------------------------------------|
| 姜建清 主席 | 朱琦 董事總經理 暨行政總裁 | 黃遠輝 董事暨 副總經理 | 曾美媚 公司秘書 | Jiang Jianqing Chairman | Zhu Qi Managing Director & Chief Executive Officer | Wong Yuen Fai Director & Deputy General Manager | Tsang Mei Kuen Company Secretary |
|-----------|----------------------|--------------------|-------------|----------------------------|--|---|-------------------------------------|

資產負債表 Balance Sheet

二零零七年十二月三十一日
As at 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|------------------------|---|-------------------------|-------------------------|
| 資產 | Assets | | |
| 現金及在銀行與 其他金融機構之結存 | Cash and balances with banks and other financial institutions (22) | 43,160,520 | 44,926,368 |
| 銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions (23) | 1,620,813 | 5,779,578 |
| 持作交易用途金融資產 | Financial assets held for trading (24) | 54,256 | 56,468 |
| 指定以公平價值經 損益表入賬之金融資產 | Financial assets designated at fair value through profit or loss (25) | 1,754,742 | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments (26) | 1,226,446 | 713,202 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions (27) | 114,877,082 | 74,651,076 |
| 金融投資： | Financial investments: | 18,640,065 | 15,184,581 |
| — 備供銷售 | – Available-for-sale (28) | 15,326,248 | 11,051,609 |
| — 持有至到期 | – Held-to-maturity (29) | 3,313,817 | 4,132,972 |
| 於聯營公司之投資 | Investments in associates (30) | 152,646 | 14,508 |
| 於附屬公司之投資 | Investments in subsidiaries (36) | 1,874,432 | 1,417,707 |
| 商譽及其他無形資產 | Goodwill and other intangible assets (31) | 681,744 | 711,335 |
| 投資物業 | Investment properties (32) | 26,000 | – |
| 物業及設備 | Property, plant and equipment (33) | 166,690 | 152,581 |
| 租賃土地及土地使用權 | Leasehold land and land use rights (34) | 44,604 | 61,427 |
| 其他資產 | Other assets (35) | 3,279,274 | 1,265,007 |
| 資產總額 | Total assets | 187,559,314 | 146,638,187 |
| 負債 | Liabilities | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 16,230,140 | 12,009,483 |
| 衍生金融工具 | Derivative financial instruments (26) | 1,351,698 | 773,116 |
| 客戶存款 | Deposits from customers (37) | 139,973,358 | 103,000,988 |
| — 指定以公平價值經損益表入賬 | – Designated at fair value through profit or loss | 298,274 | 3,375,296 |
| — 以攤銷成本 | – At amortised cost | 139,675,084 | 99,625,692 |
| 已發行存款證 | Certificates of deposit issued (37) | 3,705,396 | 10,322,035 |
| — 指定以公平價值經損益表入賬 | – Designated at fair value through profit or loss | 3,105,399 | 5,350,864 |
| — 以攤銷成本 | – At amortised cost | 599,997 | 4,971,171 |
| 現行稅項負債 | Current income tax liabilities | 108,597 | 132,343 |
| 遞延稅項負債 | Deferred income tax liabilities (38) | 324,717 | 115,885 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost (39) | 7,545,620 | 7,527,950 |
| 其他負債 | Other liabilities (40) | 3,719,621 | 1,822,474 |
| 負債總額 | Total liabilities | 172,959,147 | 135,704,274 |
| 股東權益 | Equity | | |
| 股本 | Share capital (41) | 2,451,904 | 2,242,518 |
| 保留溢利 | Retained earnings (42) | 3,282,967 | 2,634,070 |
| 其他儲備 | Other reserves (42) | 8,865,296 | 6,057,325 |
| 股東權益總額 | Total equity | 14,600,167 | 10,933,913 |
| 股東權益及負債總額 | Total equity and liabilities | 187,559,314 | 146,638,187 |

| | | | | | | | |
|-----------|----------------------|--------------------|-------------|----------------------------|--|---|-------------------------------------|
| 姜建清 主席 | 朱琦 董事總經理 暨行政總裁 | 黃遠輝 董事暨 副總經理 | 曾美娟 公司秘書 | Jiang Jianqing Chairman | Zhu Qi Managing Director & Chief Executive Officer | Wong Yuen Fai Director & Deputy General Manager | Tsang Mei Kuen Company Secretary |
|-----------|----------------------|--------------------|-------------|----------------------------|--|---|-------------------------------------|

綜合權益變動表 Consolidated Statement of Changes in Equity

截至二零零七年十二月三十一日止年度
For the year ended 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|------------------------------------|--|-------------------------|-------------------------|
| 於一月一日之股東權益總額 | Total equity as at 1 January | 11,085,303 | 9,869,854 |
| 銀行物業重估盈餘 | Revaluation surplus on bank premises (42) | 22,666 | 11,332 |
| 重估儲備於出售 銀行物業時轉回 | Reversal of revaluation reserve upon disposal of bank premises (42) | - | (30) |
| 備供銷售金融投資 之公平值儲備變動 | Changes in fair value reserve of available-for-sale financial investments (42) | 951,098 | 697,382 |
| 因應減值損失由備供 銷售金融投資儲備 轉入損益表 | Transfer from available-for-sale financial investments reserve to the income statement on impairment (42) | 234,024 | - |
| 從銀行物業和備供 銷售金融投資重估儲備 確認遞延稅項負債 | Recognition of deferred tax liabilities in revaluation reserves on bank premises and available-for-sale financial investments (42) | (221,319) | (122,158) |
| 換算海外附屬公司產生 之匯兌差額 | Exchange differences arising from translation of results of a foreign subsidiary (42) | 74,319 | 24 |
| 未於損益表內確認之溢利淨額 | Net profits not recognised in the income statement | 1,060,788 | 586,550 |
| 股東應佔溢利 | Profit attributable to equity holders (42) | 1,608,788 | 1,245,592 |
| 股息 | Dividends (42) | (777,893) | (616,693) |
| 以股代息發行的股份 | Shares issued in lieu of dividends (41) | 504,816 | - |
| 行使認股權證發行的股份 | Shares issued on exercise of warrants (41) | 1,526,826 | - |
| 發行股份支出 | Share issue expenses (41), (42) | (489) | - |
| 於十二月三十一日之股東權益總額 | Total equity as at 31 December | 15,008,139 | 11,085,303 |

綜合現金流量表 Consolidated Cash Flow Statement

截至二零零七年十二月三十一日止年度
For the year ended 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|----------------|---|-------------------------|-------------------------|
| 營業活動 | Operating activities | | |
| 除稅前溢利 | Profit before tax | 1,951,634 | 1,602,961 |
| 持有至到期金融投資 | (Write-back of)/charge for impairment | | |
| 減值(回撥)/損失 | losses on held-to-maturity financial investments (29) | (3,131) | 5,666 |
| 貸款減值(回撥)/損失 | (Write-back of)/charge for impairment losses on loans and advances (14) | (114,866) | 132,171 |
| 備供銷售金融投資減值損失 | Charge for impairment losses on available-for-sale financial investments (28) | 251,929 | - |
| 無形資產攤銷 | Amortisation of intangible assets (12) | 48,629 | 45,006 |
| 租賃土地攤銷 | Amortisation of leasehold land (12) | 734 | 1,137 |
| 折舊 | Depreciation (12) | 43,243 | 35,970 |
| 後償債項利息支出 | Interest paid on subordinated debts | 424,241 | 348,560 |
| 收回已撇銷貸款 | Recoveries of loans and advances written off (14) | 63,719 | 44,028 |
| 出售/撥回物業及設備 | Net gain from disposal/reversal of revaluation | | |
| 重估虧絀之收益淨額 | deficits of property, plant and equipment (15) | (10,249) | (859) |
| 租賃土地及土地使用權 | (Write-back of)/charge for impairment losses on leasehold land and land use rights (15) | (853) | 874 |
| 減值(回撥)/損失 | Net revaluation gain on investment properties (32) | (2,761) | - |
| 重估投資物業淨溢利 | Net gain on disposal of available-for-sale financial investments (30) | (16,616) | (83,271) |
| 出售備供銷售金融投資溢利淨額 | Share of net profits of associates (30) | (11,297) | (5,739) |
| 應佔聯營公司溢利 | Dividend income from listed financial assets | | |
| 來自上市並持作交易用途 | held for trading (10) | (409) | - |
| 金融資產之股息收入 | Dividend income from unlisted | | |
| 來自非上市備供銷售 | available-for-sale financial investments (10) | (3,391) | (2,619) |
| 金融投資之股息收入 | | | |
| | | 2,620,556 | 2,123,885 |
| 營業資產(增加)/減少： | (Increase)/decrease in operating assets: | | |
| 為期三個月以上之庫券 | Treasury bills maturing beyond three months | (1,508,330) | 491,006 |
| 為期三個月以上之銀行 | Placements with and advances to banks and other | | |
| 及其他金融機構之存款 | financial institutions maturing beyond three months | (327,407) | 1,938,776 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 819,134 | 929,506 |
| 持作交易用途金融資產 | Financial assets held for trading | 2,212 | (56,221) |
| 指定以公平價值經損益表 | Financial assets designated | | |
| 入賬之金融資產 | at fair value through profit or loss | (50,393) | (14,339) |
| 備供銷售金融投資 | Available-for-sale financial investments | (5,357,314) | (2,029,436) |
| 客戶、銀行及其他金融機構之 | Loans and advances to customers, banks and other financial | | |
| 貸款及其他資產 | institutions and other assets | (47,517,853) | (5,843,284) |
| 衍生金融工具 | Derivative financial instruments | (443,970) | (103,365) |

綜合現金流量表 Consolidated Cash Flow Statement (continued)

截至二零零七年十二月三十一日止年度
For the year ended 31 December 2007

| | 附註 Notes | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------------------|--|-------------------------|-------------------------|
| 營業活動(續) 營業負債增加/(減少)： | Operating activities (continued) Increase/(decrease) in operating liabilities: | | |
| 為期三個月以上之銀行及 其他金融機構之存款及結存 | Deposits from banks and other financial institutions maturity beyond three months | 6,080,482 | (11,539,885) |
| 客戶存款 | Deposits from customers | 39,507,492 | 37,032,587 |
| 已發行存款證 | Certificates of deposit issued | (6,616,639) | 970,730 |
| 指定以公平價值經損益表 入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | 122,068 | 19,189 |
| 其他負債 | Other liabilities | 1,454,496 | 371,402 |
| 衍生金融工具 | Derivative financial instruments | 522,016 | 50,197 |
| 除稅前營業活動 之現金(流出)/流入淨額 | Net cash (outflow)/inflow from operating activities before tax | (10,693,450) | 24,340,748 |
| 已繳香港利得稅淨額 | Net Hong Kong profits tax paid | (334,870) | (197,070) |
| 海外稅款繳付淨額 | Net overseas tax paid | (46,401) | (7,901) |
| 營業活動之現金(流出)/流入淨額 | Net cash (outflow)/inflow from operating activities | (11,074,721) | 24,135,777 |
| 投資活動 | Investing activities | | |
| 購買聯營公司 | Purchase of an associate | (138,138) | – |
| 購買無形資產 | Purchase of intangible assets | (32,217) | (2,625) |
| 購買物業及設備 | Purchase of property, plant and equipment | (33) (50,803) | (67,539) |
| 出售物業及設備所得款項 | Proceeds from disposal of property, plant and equipment | 8,542 | 57,365 |
| 出售備供銷售金融投資所得款項 | Proceeds from disposal of available-for-sale financial investments | 2,032,530 | 1,895,582 |
| 來自上市並持作交易用途 金融資產之股息收入 | Dividend income from listed financial assets held for trading | (10) 409 | – |
| 來自非上市備供銷售 金融投資之股息收入 | Dividend income from unlisted available-for-sale financial investments | (10) 3,391 | 2,619 |
| 投資活動之現金流入淨額 | Net cash inflow from investing activities | 1,823,714 | 1,885,402 |
| 融資活動 | Financing activities | | |
| 發行後償債項 | Issuance of subordinated debts | – | 2,175,012 |
| 行使認股權証發行的股份 | Issuance of shares on exercise of warrants | (41) 1,526,826 | – |
| 發行股份支出 | Share issue expenses | (41),(42) (489) | – |
| 後償債項利息支出 | Interest paid on subordinated debts | (424,241) | (348,560) |
| 支付普通股之股息 | Dividends paid on ordinary shares | (41),(42) (273,077) | (616,693) |
| 融資活動之現金流入淨額 | Net cash inflow from financing activities | 829,019 | 1,209,759 |
| 匯兌差額之影響 | Effects of foreign exchange differences | 94,616 | 13,546 |
| 現金及等同現金項目 之(減少)/增加淨額 | Net (decrease)/increase in cash and cash equivalents | (8,327,372) | 27,244,484 |
| 於一月一日之現金及等同現金項目 | Cash and cash equivalents at 1 January | 52,021,729 | 24,777,245 |
| 於十二月三十一日之現金 及等同現金項目 | Cash and cash equivalents at 31 December | (43) 43,694,357 | 52,021,729 |

賬目附註 Notes to the Accounts

1 主要業務

本銀行之主要業務為提供銀行、財務及其他財務相關服務。各附屬公司之主要業務載於賬目附註36。

2 主要會計政策概述

編製本綜合賬目採用之主要會計政策載列如下。除另有說明外，該等政策與以往所採用者一致。

2.1 編製基準

本集團之綜合賬目依照由香港會計師公會(「香港會計師公會」)頒佈之香港財務報告準則(「香港財務報告準則」)，此詞包括所有香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港公認之會計原則，以及香港公司條例之規定編製。本賬目亦符合香港聯合交易所有限公司證券上市規則之適用披露條文。

本綜合賬目乃按歷史成本慣例編製，並已就若干經重估修訂之樓房、備供銷售金融資產、持作買賣用途之金融資產及金融負債，以公平價值經損益表入賬之金融資產及金融負債，以及按公平價值計量之衍生金融工具作出調整。

按香港財務報告準則編製賬目時需採用若干重要之會計估計，亦要求管理層於採用本集團會計政策之過程中作出判斷。涉及較多判斷或複雜性之方面，或對本綜合賬目而言屬重要之假設及估計，已在附註3內披露。

2.2 新增及經修訂香港財務報告準則之影響

本集團已於本年度之賬目中首次採納以下新增及經修訂香港財務報告準則。除在若干情況下導致適用新增及經修訂會計政策及作出相應披露，採納該等新增及經修訂準則及詮釋對該等賬目並無重大影響：

| | |
|---|---|
| 香港財務報告準則第7號 香港(國際財務報告詮釋 委員會)－詮釋第8號 香港會計準則第1號修訂本 香港(國際財務報告詮釋 委員會)－詮釋第9號 香港(國際財務報告詮釋 委員會)－詮釋第10號 | 金融工具：披露 香港財務報告準則 第2號之範圍 資本披露 內含衍生工具之 重新評估 中期財務報告 及減值 |
|---|---|

1 PRINCIPAL ACTIVITIES

The principal activities of the Bank are the provision of banking, financial and other financial related services. The principal activities of the subsidiaries are shown in Note 36 to the accounts.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated accounts are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated accounts of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") (which include all 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 Hong Kong Companies Ordinance. These accounts also comply with the applicable disclosures provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated accounts have been prepared under the historical cost convention, except for certain buildings modified by the revaluation, available-for-sale financial assets, financial assets and financial liabilities held for trading, financial assets and financial liabilities at fair value through profit or loss and derivative financial instruments which have been measured at fair value.

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

2.2 Impact of new and revised Hong Kong Financial Reporting Standards

The Group has adopted the following new and revised HKFRSs for the first time for the current year's accounts. Except for in certain cases, giving rise to new and revised accounting policies and additional disclosures, the adoption of these new and revised standards and interpretations has had no material effect on these accounts.

| | |
|-------------------------------------|---|
| HKFRS 7 HK(IFRIC)-Int 8 | Financial Instruments: Disclosures Scope of HKFRS 2 |
| HKAS 1 Amendment HK(IFRIC)-Int 9 | Capital Disclosures Reassessment of Embedded Derivatives |
| HK(IFRIC)-Int 10 | Interim Financial Reporting and Impairment |

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.2 新增及經修訂香港財務報告準則之影響 (續)

採納該等新增及經修訂香港財務報告準則之主要影響如下：

- (a) 香港財務報告準則第7號 *金融工具：披露*
該準則規定須作出披露讓賬目使用者可評估本集團金融工具之重要性，以及上述金融工具所產生風險之性質及範圍。有關新增披露之資料已載入賬目中。儘管該準則並無對本集團之財務狀況或經營業績產生影響，但可比較資料已載入／修訂(如適合)。
- (b) 香港會計準則修訂本第1號 *財務報表之呈列－資本披露*
該修訂規定本集團須作出披露，讓賬目使用者可評估本集團管理資本之目標、政策及方式。新增披露資料載於該等賬目之附註4.7及補充財務資料附註1。
- (c) 香港(國際財務報告詮釋委員會)－詮釋第8號 *香港財務報告準則第2號之範圍*
該詮釋規定，香港財務報告準則第2號應用於任何安排，而在該安排中本集團未能特等地識別某些或所有已收取之貨品或服務，就此需要本集團授予權益工具或產生負債(基於本集團權益工具之價值)作為代價，且其價值低於所授予之權益工具或所產生之負債之公平價值。由於本集團沒有向其僱員發行任何權益工具，因此該詮釋對此等賬目並無影響。
- (d) 香港(國際財務報告詮釋委員會)－詮釋第9號 *內含衍生工具之重新評估*
該詮釋規定，當本集團首次成為訂約方之日期，即為評估內含衍生工具是否須要與主合約分開而作為衍生工具列賬之日期，並僅當合約出現修改致使現金流量重大變動時方才進行重估。由於本集團現時之衍生工具會計政策符合詮釋之規定，故該詮釋並未對該等賬目產生影響。
- (e) 香港(國際財務報告詮釋委員會)－詮釋第10號 *中期財務報告及減值*
本集團已於二零零七年一月一日起採納該詮釋，而該詮釋規定於前一個中期就商譽確認之減值虧損或分歸類為備供銷售之股本工具或按以成本列賬之金融資產之投資確認之減值虧損，在其後不得撥回。由於本集團於過往並無就該等資產撥回修訂之減值虧損，故該詮釋並未對本集團之財務狀況或經營業績產生影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Impact of new and revised Hong Kong Financial Reporting Standards (continued)

The principal effects of adopting these new and revised HKFRSs are as follows:

- (a) HKFRS 7 *Financial Instruments: Disclosures*
This standard requires disclosures that enable users of the accounts to evaluate the significance of the Group's financial instruments and the nature and extent of risks arising from those financial instruments. The new disclosures are included throughout the accounts. While there has been no effect on the financial position or results of operations of the Group, comparative information has been included/revised where appropriate.
- (b) Amendment to HKAS 1 *Presentation of Financial Statements – Capital Disclosures*
This amendment requires the Group to make disclosures that enable users of the accounts to evaluate the Group's objectives, policies and processes for managing capital. These new disclosures are shown in Note 4.7 and Note 1 of Supplementary Financial Information to these accounts.
- (c) HK(IFRIC)-Int 8 *Scope of HKFRS 2*
This interpretation requires HKFRS 2 to be applied to any arrangement in which the Group cannot identify specifically some or all of the goods or services received, for which equity instruments are granted or liabilities (based on a value of the Group's equity instruments) are incurred by the Group for a consideration, and which appears to be less than the fair value of the equity instruments granted or liabilities incurred. As the Group has not issued any equity instruments to its employee, the interpretation has had no effect on these accounts.
- (d) HK(IFRIC)-Int 9 *Reassessment of Embedded Derivatives*
This interpretation requires that the date to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative is the date that the Group first becomes a party to the contract, with reassessment only if there is a change to the contract that significantly modifies the cash flows. As the Group's existing policy of accounting for derivatives complies with the requirements of the interpretation, the interpretation has had no effect on these accounts.
- (e) HK(IFRIC)-Int 10 *Interim Financial Reporting and Impairment*
The Group has adopted this interpretation as of 1 January 2007, which requires that an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument classified as available-for-sale or a financial asset carried at cost is not subsequently reversed. As the Group had no impairment losses previously reversed in respect of such assets, the interpretation has had no impact on the financial position or results of operations of the Group.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.3 已頒佈但尚未生效之香港財務報告準則

於該等賬目內，本集團並未採用以下已頒佈但尚未生效之新增及經修訂之香港財務報告準則：

| | |
|------------------------|---|
| 香港財務報告準則第8號 | 經營分部 ¹ |
| 香港會計準則第1號(經修訂) | 財務報表之呈列 ¹ |
| 香港會計準則第23號(經修訂) | 借貸成本 ¹ |
| 香港(國際財務報告詮釋委員會)－詮釋第11號 | 香港財務報告準則第2號－集團及庫存股份交易 ² |
| 香港(國際財務報告詮釋委員會)－詮釋第12號 | 服務特許安排 ⁴ |
| 香港(國際財務報告詮釋委員會)－詮釋第13號 | 客戶忠誠計劃 ³ |
| 香港(國際財務報告詮釋委員會)－詮釋第14號 | 香港會計準則第19號－界定利益資產之限制、最低資金要求及彼等間之互動關係 ⁴ |

- ¹ 於二零零九年一月一日或之後開始之年度期間生效。
- ² 於二零零七年三月一日或之後開始之年度期間生效。
- ³ 於二零零八年七月一日或之後開始之年度期間生效。
- ⁴ 於二零零八年一月一日或之後開始之年度期間生效。

香港財務報告準則第8號將取代香港會計準則第14號分部報告，訂明按照實體各組成部分之資料呈報其經營分部資料之方式，該等組成部分之資料可供主要經營決策者向有關分部分配資源及評估績效。該準則同時要求披露各分部提供之產品和服務、本集團營運地區及與來自本集團主要顧客收入之資訊。本集團預計於二零零九年一月一日開始採用香港財務報告準則第8號。

經修訂之香港會計準則第1號財務報表之呈列已於二零零七年十二月頒佈。該準則將擁有者與非擁有者之權益變動分開。權益變動表僅載有與擁有者進行交易之詳情，並於同一行呈列所有非擁有者之權益變動。此外，該準則亦引入綜合收益表：呈列所有確認為溢利或虧損之收入及開支，及其他所有已確認收入及開支項目（無論以單一報表或以兩個相連報表呈列）。本集團正在評估採用一個或兩個報表。

經修訂後之香港會計準則第23號規定將收購、建造或生產符合條件之資產直接相關之借款成本予以資本化。本集團目前關於借款成本之政策符合修訂後準則之規定，該經修訂之準則將不會對本集團產生任何財務影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these accounts.

| | |
|-------------------|---|
| HKFRS 8 | Operating Segments ¹ |
| HKAS 1 (Revised) | Presentation of Financial Statements ¹ |
| HKAS 23 (Revised) | Borrowing Costs ¹ |
| HK(IFRIC)-Int 11 | HKFRS 2 – Group and Treasury Share Transactions ² |
| HK(IFRIC)-Int 12 | Service Concession Arrangements ⁴ |
| HK(IFRIC)-Int 13 | Customer Loyalty Programmes ³ |
| HK(IFRIC)-Int 14 | HKAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction ⁴ |

- ¹ Effective for annual periods beginning on or after 1 January 2009
- ² Effective for annual periods beginning on or after 1 March 2007
- ³ Effective for annual periods beginning on or after 1 July 2008
- ⁴ Effective for annual periods beginning on or after 1 January 2008

HKFRS 8, which will replace HKAS 14 *Segment Reporting*, specifies how an entity should report information about its operating segments, based on information about the components of the entity that is available to the chief operating decision maker for the purposes of allocating resources to the segments and assessing their performance. The standard also requires the disclosure of information about the products and services provided by the segments, the geographical areas in which the Group operates, and revenue from the Group's major customers. The Group expects to adopt HKFRS 8 from 1 January 2009.

The revised HKAS 1 *Presentation of Financial Statements* was issued in December 2007. The standard separates owner and non-owner changes in equity. The statement of changes in equity will include only details of transactions with owners, with all non-owner changes in equity presented as a single line. In addition, the standard introduces the statement of comprehensive income: it presents all items of income and expense recognised in profit or loss, together with all other items of recognised income and expense, either in one single statement, or in two linked statements. The Group is still evaluating whether it will have one or two statements.

HKAS 23 has been revised to require capitalisation of borrowing costs when such costs are directly attributable to the acquisition, construction or production of a qualifying asset. As the Group's current policy for borrowing costs aligns with the requirements of the revised standard, the revised standard is unlikely to have any financial impact on the Group.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.3 已頒佈但尚未生效之香港財務報告準則(續)

香港(國際財務報告詮釋委員會)－詮釋第11號規定僱員所獲授本集團權益工具權利之安排須列為權益結算計劃，即使該等工具乃由本集團向其他人士購買或由股東提供。香港(國際財務報告詮釋委員會)－詮釋第11號亦規定本集團內涉及兩個或以上實體的股份結付交易的會計方法。由於本集團現時並無進行該等交易，因此該詮釋不會對本集團產生任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第12號規定公共對私人服務特許安排經營商根據合約安排將換取建築服務之已收代價或應收代價確認為金融資產及／或無形資產。香港(國際財務報告詮釋委員會)－詮釋第12號亦規定經營商應如何應用現有香港財務報告準則處理服務特許安排所產生之責任及權利，而政府及公營機構乃根據該等安排批出適用於提供公共服務及／或供應公共服務的基礎設施的合約。由於本集團目前並無該等安排，因此該詮釋不會對本集團產生任何財務影響。

香港(國際財務報告詮釋委員會)－詮釋第13號規定，作為銷售交易一部分而授予客戶之忠誠獎勵積分應列為銷售交易之單獨項目處理。於銷售交易收取之代價在忠誠獎勵積分及其他銷售項目之間作出分配。分配予忠誠獎勵積分之金額應參考其公平值釐定，並遞延至換領獎勵或償清負債之時。採納香港(國際財務報告詮釋委員會)－詮釋第13號不會對本集團之經營業績及財務狀況造成重大影響。

香港(國際財務報告詮釋委員會)－詮釋第14號規定如何評估香港會計準則第19號僱員福利有關可確認為資產之界定福利計劃之未來供款之退款或扣減限額(尤其在有最低供款要求時)。由於本集團現時並無界定福利計劃，因此香港(國際財務報告詮釋委員會)－詮釋第14號對本集團並不適用，故不會對本集團產生任何財務影響。

本集團現正進行評估初次採用上述新增及經修訂之香港財務報告準則之影響。至今，總括而言，雖然採納香港財務報告準則第8號可導致新增或經修訂之披露，但該等新增及經修訂之香港財務報告準則不會對本集團之經營業績及財務狀況造成重大影響。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 Impact of issued but not yet effective Hong Kong Financial Reporting Standards (continued)

HK(IFRIC)-Int 11 requires arrangements whereby an employee is granted rights to the Group's equity instruments to be accounted for as an equity-settled scheme, even if the Group acquires the instruments from another party, or the shareholders provide the equity instruments needed. HK(IFRIC)-Int 11 also addresses the accounting for share-based payment transactions involving two or more entities within the Group. As the Group currently has no such transactions, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 12 requires an operator under public-to-private service concession arrangements to recognise the consideration received or receivable in exchange for the construction services as a financial asset and/or an intangible asset, based on the terms of the contractual arrangements. HK(IFRIC)-Int 12 also addresses how an operator shall apply existing HKFRSs to account for the obligations and the rights arising from service concession arrangements by which a government or a public sector entity grants a contract for the construction of infrastructure used to provide public services and/or for the supply of public services. As the Group currently has no such arrangements, the interpretation is unlikely to have any financial impact on the Group.

HK(IFRIC)-Int 13 requires that loyalty award credits granted to customers as part of a sales transaction are accounted for as a separate component of the sales transaction. The consideration received in the sales transaction is allocated between the loyalty award credits and the other components of the sale. The amount allocated to the loyalty award credit is determined by reference to their fair value and is deferred until the awards are redeemed or the liability is otherwise extinguished. The adoption of HK(IFRIC)-Int 13 is unlikely to have a significant impact on the Group's results of operations and financial position.

HK(IFRIC)-Int 14 addresses how to assess the limit under HKAS 19 Employee Benefits, on the amount of a refund or a reduction in future contributions in relation to a defined benefit scheme that can be recognised as an asset, in particular, when a minimum funding requirement exists. As the Group currently has no defined benefit scheme, HK(IFRIC)-Int 14 is not applicable to the Group and therefore is unlikely to have any financial impact on the Group.

The Group is in the process of making an assessment of the impact of these new and revised HKFRSs upon initial application. So far, it has concluded that while the adoption of HKFRS 8 may result in new or amended disclosures, these new and revised HKFRSs are unlikely to have a significant impact on the Group's results of operations and financial position.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.4 綜合賬目

綜合賬目包括本銀行及其附屬公司及應佔其聯營公司之業績及儲備(統稱「本集團」)截至二零零七年十二月三十一日止年度之賬目。

(a) 附屬公司

附屬公司為本銀行直接或間接控制董事會之組成，超過半數投票權或持有過半數已發行股本，或本銀行有權對財務與經營政策實施主導性影響之公司。年內所收購或出售之附屬公司之業績已自收購生效日起或截至出售生效日為止(如適用)計入綜合損益表內。

本集團成員公司間所有重大交易及結餘已在綜合賬目內對銷。

出售附屬公司之盈虧乃指出售所得款項與本集團應佔資產淨值及任何計入儲備而未曾於綜合損益表扣除或確認之商譽或負商譽之差額。

附屬公司之業績以已收及應收股息計入本銀行之損益表。本銀行於附屬公司之投資按成本減任何減值損失列賬。

(b) 聯營公司

聯營公司為附屬公司或共同控制實體以外，且本集團一般持有其股本投票權不少於20%權益作長期投資而對其管理有重大影響力之公司。

本集團於聯營公司之投資按本集團根據權益會計法分佔之資產淨值減任何減值損失，計入綜合資產負債表。本集團分佔聯營公司之收購後業績及儲備分別計入綜合損益表及綜合儲備內。因本集團與其聯營公司進行之交易而產生之未變現收益及虧損以本集團於聯營公司之投資為限予以對銷，以便如未變動虧損有證據證明所轉讓資產出現減值則除外。因收購聯營公司產生之商譽計入為本集團於聯營公司之權益之一部分。

聯營公司之業績以已收及應收股息計入本銀行之損益表。本銀行於聯營公司之投資視為非流動資產及按成本減任何減值損失列賬。

就規管申報而言，綜合基準載於「附加財務資料」之附註1內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Basis of consolidation

The consolidated accounts include the accounts of the Bank and its subsidiaries and attributable share of results and reserves of its associates (collectively referred to as the "Group") for the year ended 31 December 2007.

(a) Subsidiaries

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; or over which the Bank has a contractual right to exercise a dominant influence with respect to that entity's financial and operating policies. The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group are eliminated on consolidation.

The gain or loss on the disposal of a subsidiary represents the difference between the proceeds of the sale and the Group's share of its net assets together with any goodwill or negative goodwill taken to reserves and which was not previously charged or recognised in the consolidated income statement.

The results of subsidiaries are included in the Bank's income statement to the extent of dividends received and receivable. The Bank's investments in subsidiaries are stated at cost less any impairment losses.

(b) Associates

An associate is an entity, not being a subsidiary or a jointly-controlled entity, in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it is in a position to exercise significant influence.

The Group's investments in associates are stated in the consolidated balance sheet at the Group's share of net assets under the equity method of accounting, less any impairment losses. The Group's share of the post-acquisition results and reserves of associates is included in the consolidated income statement and consolidated reserves, respectively. Unrealised gains and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's investments in the associates, except where unrealised losses provide evidence of an impairment of the asset transferred. Goodwill arising from the acquisition of associates is included as part of the Group's interests in associates.

The results of associates are included in the Bank's income statement to the extent of dividends received and receivable. The Bank's investments in associates are treated as non-current assets and are stated at cost less any impairment losses.

For regulatory reporting, the basis of consolidation is set out in Note 1 of the "Supplementary Financial Information" section.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.5 收益確認－利息收入及支出

所有附息金融工具之利息收入及支出乃採用實際利率法於損益表確認。

實際利率法是一種計算金融資產或金融負債攤銷成本，以及分配利息收入及利息支出於相關期間之方法。實際利率是可準確將金融工具在預計年內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融資產或金融負債賬面值之利率（如適用）。當計算實際利率時，本集團在估計現金流時須考慮金融工具（例如預付選擇權）之所有合約條款，但不包括未來信貸損失。實際利率組成部分之計算包括所有合約對手之間之收費及點子支出或收入、交易成本及其他所有溢價或折扣。

若金融資產或一組相類之金融資產之價值因減值損失而被撇減，計算利息收入時則以計算減值損失時用以折現未來現金流量之利率確認。

2.6 收益確認－非利息收入

費用及佣金收入及支出

費用及佣金一般當提供有關服務時按應計基準確認。有關可能被提取之貸款之承擔費用予以遞延（連同相關直接成本）及確認為對該貸款實際利率之調整。銀團貸款費是在銀團貸款完成後，而本集團沒有為本身保留任何該貸款組合，或所保留之部分貸款與其他參與方之實際利率相同時，確認為收入。組合及其他管理諮詢及服務費一般按時間比例基準，根據適用服務合約確認。

淨交易收入

淨交易收入包括所有分類為持作交易用途的金融資產及金融負債公平值變動之損益。衍生工具公平價值變動產生之損益，以附註2.10所載之會計政策所述者為限列報為「淨交易收入淨額」。

外匯買賣及其他交易之損益亦列報為「淨交易收入淨額」，惟根據載於附註2.15之會計政策於匯兌儲備確認之外幣換算之損益除外。

2.7 金融資產

於香港會計準則第39號範疇之金融資產分類為以公平價值經損益表入賬之金融資產、貸款及應收款項、持有至到期金融投資及可供銷售金融資產（如適用）。當金融資產初步確認時按公平價值計量，而如屬並非以公平價值經損益表入賬之投資，則按公平價值另加直接應佔交易成本計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.5 Revenue recognition - interest income and expenses

Interest income and expense are recognised in the income statement for all interest-bearing financial instruments 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 or a group of similar financial assets has been written down as a result of an impairment loss, an interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.6 Revenue recognition – non-interest income

Fee and commission income and expense

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognised as an adjustment to the effective interest rate on the loan. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate as the other participants. Portfolio and other management advisory and service fees are recognised based on the applicable service contracts, usually on a time-apportionate basis.

Net trading income

Net trading income comprises all gains and losses from changes in the fair value of financial assets and financial liabilities classified as held for trading. Gains or losses arising from changes in fair value of derivatives to the extent as described in the accounting policy set out in Note 2.10 are reported as “Net trading income”.

Gains and losses on foreign exchange trading and other transactions are also reported as “Net trading income” except for those gains and losses on translation of foreign currencies recognised in foreign exchange reserve in accordance with the accounting policy set out in Note 2.15.

2.7 Financial assets

Financial assets in the scope of HKAS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity financial investments and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.7 金融資產(續)

本集團考慮在首次成為合約一方時評估該合約是否載有內含衍生工具，及當內含衍生工具之經濟性質及風險與主合約之經濟性質及風險並無密切關係時，評估該等內含衍生工具是否需與主要合約分開處理。只有當該合約之條款出現變動以致大幅修訂另行根據該合約所需之現金流量時，方會進行重新評估。

於初步確認後，本集團決定其金融資產之分類，如許可及適宜，將於結算日重新評估此項指定。

當非上市股本證券之公平價值因(i)合理公平價值估計之波幅對該項投資而言過闊或(ii)於此範圍內各項估計之盈利能力於估計公平價值時不能可靠地予以評估及使用，而不能可靠地計量時，該等證券按成本減任何減值損失列賬。

金融資產之所有定期買賣按交易日期即本集團買賣該項資產之日期確認。金融資產之定期買賣指買賣須於有關市場規則或慣例設定之時限內交付之金融資產。

(a) 以公平價值經損益表入賬之金融資產

以公平價值經損益表入賬之金融資產包括持作交易用途之金融資產及於初步確認時指定為以公平價值經損益表入賬之金融資產。倘購入之金融資產主要為近期持作交易用途，則歸類為持作交易用途之金融資產。衍生工具，包括分開處理之內含衍生工具亦歸類為持作交易用途，除非已指定作為實際對沖工具。該等金融資產之收益或虧損在損益表中確認。就該等金融資產賺取之任何股息或利息乃在損益表內分別確認為「來自金融投資之股息收入」及「利息收入」。

倘若一項合約包含一種以上的衍生工具，則整個混合合約可指定為以公平價值經損益表入賬之金融資產，除非內含衍生工具不會對現金流量造成太大變動或明確禁止分開處理內含衍生工具。

符合下列準則之金融資產可歸類為於初步確認時指定為以公平價值經損益表入賬之金融資產：(i) 此分類將抵銷或大幅減少因按不同基準計量資產或確認收益或虧損而另行產生之不一致處理；(ii) 該等資產為一組經管理金融資產之一部分且其表現根據明文訂明之風險管理策略以公平價值估計；或(iii) 此金融資產包含需單獨入賬之內含衍生工具。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

The Group assesses whether a contract contains an embedded derivative when the Group first becomes a party to it and assesses whether an embedded derivative is required to be separated from the host contract when the analysis shows that the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the balance sheet date.

When the fair value of unlisted equity securities cannot be reliably measured because (i) the variability in the range of reasonable fair value estimates is significant for that investment or (ii) the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value, such securities are stated at cost less any impairment losses.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on these financial assets are recognised in the income statement. Any dividends or interest earned on these financial assets are recognised in the income statement as "Dividend income from financial investments" and "Interest income" respectively.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial asset at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

Financial assets may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or recognising gains or losses on them on a different basis; (ii) the assets are part of a group of financial assets which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial asset contains an embedded derivative that would need to be separately recorded.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.7 金融資產(續)

(b) 貸款及應收款項

貸款及應收款項(包括現金及短期資金、在銀行及其他金融機構之存款及貸款、商業票據以及客戶、銀行及其他金融機構之貸款)為有固定或可確定付款之非衍生金融資產,此等資產並沒有在活躍市場報價。該等資產其後按使用實際利息法之已攤銷成本減任何減值撥備列賬。當貸款及應收款項取消確認或減值以及透過攤銷程序時,收益及虧損於損益表確認。

(c) 持有至到期金融投資

付款金額固定或可以確定及有固定到期日且本集團管理層有明確意向及能力持有至到期非衍生金融資產乃分類為持有至到期金融投資。持有至到期金融投資其後按已攤銷成本減任何減值撥備計量。已攤銷成本按初步確認之金額減本金償還額計算,另加或減去初步確認金額與至到期金額之任何差額之累計攤銷(使用實際利息法)。此計算包括所有合約內交易雙方所支付或收取之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。如本集團出售或重新分類(持有至到期金融投資金額可忽略不計則除外),則整個類別將受影響並重新分類為備供銷售。

(d) 備供銷售金融資產

備供銷售金融資產為被指定為備供銷售之非衍生金融資產,或並非分類為其他三個類別之金融資產。於初步確認後,備供銷售金融資產按公平價值計量,而收益或虧損在投資取消確認或投資釐定為減值前確認為權益之獨立組成部分,此時先前於權益內呈報之累計收益或虧損計入損益表。所賺取之利息或股息分別呈報為利息收入及股息收入,並於損益表確認為「淨利息收入」及「來自金融投資之股息收入」。因該等投資減值而產生之虧損於損益表確認為「備供銷售金融投資減值損失」並撥自備供銷售金融投資重估儲備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(b) *Loans and receivables*

Loans and receivables, including cash and short-term funds, placements with and advances to banks and other financial institutions, trade bills and loans and advances to customers, banks and other financial institutions, are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are subsequently carried at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(c) *Held-to-maturity financial investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Held-to-maturity financial investments are subsequently measured at amortised cost less any allowance for impairment. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This 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 and discounts. Gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process. Were the Group to sell or reclassify other than an insignificant amount of held-to-maturity financial investments, the entire category would be tainted and reclassified as available-for-sale.

(d) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the other three categories. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is included in the income statement. Interest and dividends earned are reported as interest income and dividend income, respectively and are recognised in the income statement as "Net interest income" and "Dividend income from financial investments". Losses arising from the impairment of such investments are recognised in the income statement as "Impairment losses on available-for-sale financial investments" and are transferred from the investment revaluation reserve.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.7 金融資產(續)

(e) 取消確認金融資產

金融資產在以下情況下取消確認：

- 從該資產取得現金流量之權利已到期；
- 本集團保留從該資產收取現金流量之權利，但根據一項「通過」安排，在未有嚴重延緩第三方之情況下，已就有關權利悉數承擔付款之責任；及
- 本集團已轉讓從該資產收取現金流量之權利，且(a)已轉讓資產之絕大部分風險及回報，或(b)未轉讓或承擔資產之絕大部分風險及回報，但已轉讓資產之控制權。

倘若本集團已轉讓其取得某項資產的現金流的權利，但未轉讓該項資產之絕大部分風險及回報，亦未轉讓對該項資產之控制權，則該項資產以本集團於其中持續參與之部分為限予以確認。以所轉讓的資產設立的擔保為表現形式的持續參與，按該項資產原有賬面值與本集團可被要求償付之最高代價金額兩者中較低者計量。

如以書面及／或購買期權(包括現金結算權或類似方式)之已轉讓資產持續參與，本集團之持續參與只為本集團可回購該已轉讓資產之數額，除非已就以公平價值計量之資產而訂立書面認沽期權(包括以現金結算權或類似方式)，本集團之持續參與則只限於該已轉讓資產之公平價值或期權行使價(以較低者為準)計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(e) *Derecognition of financial assets*

A financial asset is derecognised where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a “pass-through” arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Where continuing involvement takes the form of a written and/or purchased option (including cash-settled option or similar provision on the transferred asset, the extent of the Group’s continuing involvement is the amount of the transferred asset, that the Group may repurchase, except in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, where the extent of the Group’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.7 金融資產(續)

(f) 公平價值

上市投資公平值乃按現行買入價計算。倘金融資產之市場並不活躍(及就非上市證券而言)，本集團會採用估值方法訂出公平值，包括採用近期按公平原則進行之交易、參考其他大致相同的工具、現金流量折現分析及經改進以反映發行人特殊情況之期權定價模式釐定公平值。

2.8 金融資產減值

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金融資產組別出現減值。減值之客觀證明為因應一宗或多宗於初步確認資產後產生之事件(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組金融資產之估計未來現金流量構成之影響可以可靠地作出估計，有關之金融資產方被視為減值及產生減值損失。

證明某項或某組金融資產減值之客觀證據，包括本集團得悉有關以下虧損事件之可觀察資料：

- 發行人或義務人出現重大財政困難；
- 違反合約，例如逾期支付或拖欠利息或本金；
- 本集團為著與借款人之財政困難有關之經濟或法律理由，給予借款人一項借款人在其他情況下不會考慮之優惠；
- 借款人可能會破產或進行其他財務重組；
- 因為出現財政困難而導致該金融資產失去活躍市場；
- 抵押品價值縮減；
- 降低至投資級別水平以下；或
- 可察覺之資料顯示一組金融資產自首次確認入賬後，其估計未來現金流量出現可計量之下跌，儘管尚未能確認組合內導致有關下跌之個別金融資產，包括該組別之借款人付款狀況出現逆轉；或與該組別資產拖欠情況有關之國家或當地經濟狀況。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 Financial assets (continued)

(f) Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes the 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, a discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.8 Impairment of financial assets

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. Objective evidence of impairment is 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 a group of financial assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- the Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties;
- deterioration in the value of collateral;
- downgrading below the investment grade level; or
- 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 assets in the Group.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(a) 以攤銷成本列賬之資產

若有客觀證據證明按攤銷成本列賬之貸款及應收款項或持有至到期金融投資出現減值損失，則以資產之賬面值，與按金融資產原來之實際利率折現估計未來現金流量(不包括未產生之未來信貸虧損)之現值兩者之間之差額計算虧損之金額。資產之賬面值透過在準備賬內扣減，虧損金額則於損益表內確認。貸款及應收款項連同任何相關撥備乃當預期將來不可能收回及所有抵押品已被變賣時撇銷。倘貸款、應收款或持有至到期金融投資按浮動利率計息，計量減值損失之折現率為合約下釐定之現行實際利率。本集團可實際上以觀察所得市價按工具之公平值計量減值。

已抵押金融資產之估計日後現金流量之現值減去獲取及出售抵押品之成本，反映取消贖回權可能產生之現金流量，不論是否可能取消贖回權。

按組合基準進行減值評估時，金融資產按類同信貸風險特點(即集團考慮資產類別、行業、地區、抵押類別、過往逾時情況及其他相關因素)分類。該等特點反映債務人根據受評估資產之合約條款於所有債務到期時還款之能力，因而與估計該等資產組別之日後現金流量有關。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(a) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity financial investments 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. Loans and receivables together with any associated allowance are written off when there is no realistic prospect of future recovery and all collateral has been realised. If a loan, a receivable or held-to-maturity financial investment has a variable interest rate, the discount rate for measuring 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 present value of the estimated future cash flows of a collateralised financial asset less costs for obtaining and selling the collateral, reflects the cash flows that may result from foreclosure whether or not the foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, industry, geographical location, collateral type, overdue status and other relevant factors). Those characteristics are relevant to the estimation of future cash flows from groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(a) 以攤銷成本列賬之資產(續)

一組按組合基準進行減值評估之金融資產之日後現金流量，乃按該組別資產之合約現金流量及與該組別資產具相若信貸風險特質之資產過往虧損經驗作出估計。過往虧損經驗會根據現時可觀察之資料作調整，以反映並沒有對過往經驗所依據之該期間產生影響之現有狀況之影響，以及消除於過往期間出現但現時並不存在之條件之影響。

賬目內必須反映資產組別日後現金流量之預期改變，並須與不同期間相關之可觀察資料之變動(如失業率、物業價格、付款情況，或其他可顯示該組別損失之可能性及損失程度之改變)方向一致。本集團定期檢討用作預計日後現金流量之方法及假設，以減低虧損估計與實際虧損之間之差距。

未能收回之貸款將在貸款減值相關之準備中予以撇銷。該等貸款將於完成所有必須程序及確定虧損金額後予以撇銷。倘日後收回過往所撇銷之金額，將在損益表中扣除貸款減值準備。

倘於某一將來之期間，減值損失金額減少，同時該等減少客觀地與確認減值後發生之事項相關(例如債務人信貸評級改善)，則透過調整準備賬將過往確認之減值損失撥回。撥回之金額以該項資產之賬面值於撥回之日並未超過其攤銷成本為限於損益表中確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(a) 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 of the Group and the historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of current observable data 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 from groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes 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 uncollectable, it is written off against the related allowances for loan impairment. Such loan is 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 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 to the extent that the carrying value of the assets does not exceed its amortised cost at the reversal date.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.8 金融資產減值(續)

(b) 分類為可供銷售之資產

如屬分類為可供銷售之股本投資，於釐定證券有否出現減值時，會考慮證券公平價值是否大幅或長時間下跌至低於其成本。釐定「重大」或「延長」需要作出判斷。如存在任何證據顯示可供銷售金融資產出現減值，則其累計虧損(按收購成本與當時公平價值之差額，減該金融資產以往於損益表內確認之任何減值虧損計量)會自權益中撤銷，並於損益表內確認。於損益表內就股本工具確認之減值虧損不會透過損益表撥回。如於其後期間分類為可供銷售之債務工具之公平價值增加，且該增加能夠客觀上涉及於減值虧損在損益表確認後發生之事件，則減值虧損透過損益表撥回。

2.9 金融負債

金融負債歸類為兩個類別：以公平價值經損益表入賬之金融負債及其他金融負債。所有金融負債均於訂立時歸類，並初步以公平值確認。

(a) 以公平價值經損益表入賬之金融負債

此歸類細分為兩個類別：持作買賣用途之金融負債，以及於訂立時指定以公平價值經損益表入賬之金融負債。

指定以公平價值經損益表入賬之金融負債，包括本集團本身已發行之債券及若干衍生工具之客戶存款，於訂立時被指定為以公平價值經損益表入賬之金融負債。指定以公平價值經損益表入賬之金融負債按公平值列示，任何因公平值變動產生之盈虧均於損益表內確認。

倘所訂立之金融負債主要為短期持有作銷售用途，則歸類為持有作買賣用途。衍生工具(包括獨立內含衍生工具)亦分類為持作買賣，除非彼等指定為實際對沖工具。就該等金融負債收取之任何利息均計入損益表內「利息支出」項下。此分類金融負債按公平值列值，而任何因公平值變動產生之盈虧均於損益表內確認。

倘若合約包括一種以上的內含衍生工具，則整個混合合約可指定為以公平價值經損益表入賬之金融負債，除非內含之衍生工具不對現金流造成太大變動或明確禁止分開處理內含衍生工具。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Impairment of financial assets (continued)

(b) Assets classified as available-for-sale

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 asset is impaired. The determination of what is "significant" or "prolonged" requires judgement. 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 equity 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.

2.9 Financial liabilities

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

(a) Financial liabilities at fair value through profit or loss

This category has two sub-categories: financial liabilities held for trading and those designated at fair value through profit or loss at inception.

Financial liabilities designated as at fair value through profit or loss, including our own debt securities in issue and deposits received from customers that are embedded with certain derivatives, are designated as such at inception. Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

A financial liability is classified as held for trading if it is incurred principally for the purpose of sale in the short term. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Any interests charged on these financial liabilities are included in the income statement under "Interest expense". It is carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.9 金融負債(續)

- (a) 以公平價值經損益表入賬之金融負債(續)
符合下列條件之金融負債一般歸類為於訂立時指定以公平價值經損益表入賬：

- 該指定剔除或重大地減低或以不同基準計量之金融負債或確認金融負債損益上不一致之計量或確認情況(或稱為「會計錯配」)；
- 該等負債為根據明文訂明之風險管理策略以公平價值基準進行管理及衡量其表現之一組金融負債之一部分；或
- 該項金融負債包含將需分開記錄之內含衍生工具。

- (b) 其他金融負債
其他金融負債初步按公平價值扣除所產生之交易成本確認，及其後以攤銷成本列賬。扣除交易成本後所得款項與贖回價值兩者之差額，均按實際利率法於其他金融負債年期內於損益表確認。除非折現影響極微，於此情況下彼等乃按成本列賬。相關利息支出於損益表內確認為「利息支出」。

- (c) 取消確認金融負債
金融負債於負債承擔被解除或取消或到期時即取消確認。

倘現有金融負債被來自同一貸款人條款基本不同之其他金融負債取代，或現有負債之條款被大幅修訂，則該等變動或修訂被當作不再確認原負債及確認新負債處理，原負債與新負債各自賬面值之差額於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Financial liabilities (continued)

- (a) *Financial liabilities at fair value through profit or loss (continued)*
A financial liability is designated as fair value through profit or loss 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 liability or recognising the gains and losses on the financial liability on a different bases;
- the liability is part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or
- the financial liability contains an embedded derivative that would need to be separately recorded.

- (b) *Other financial liabilities*
Other financial liabilities are recognised initially at fair value net of transaction costs incurred and are subsequently stated 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 unless the effect of discounting would be immaterial, in which case they are stated at cost. The related interest expense is recognised within “Interest expense” in the income statement.

- (c) *Derecognition of financial liabilities*
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the income statement.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.10 衍生金融工具及對沖會計處理

衍生工具最初於訂立衍生工具合約之日按公平價值確認，其後按公平價值重新計量。公平價值乃根據活躍市場所報之市價釐定，包括最近市場交易及估值方法(包括現金流量折現模式及期權定價模式)。當衍生工具之公平價值為正數時，均作為資產入賬；當公平價值為負數時，則作為負債入賬。

首次確認衍生工具之公平價值以交易價格(即所給或所收代價之公平價值)為最佳方法，除非該衍生工具之公平價值可按從現有市場上其他相同衍生工具之交易(即無經修訂或改動)比較更好證明或根據變數僅包括從可觀察市場中資料之估值方法計算。如有關證據存在，本集團將於首日確認溢利。

當其他金融工具內含之若干衍生工具之經濟性質及風險與主合約並無密切關係時，而主合約並非以公平價值經損益表入賬，則作為個別衍生工具處理。該等內含衍生工具以公平價值計量，而公平價值變動則於損益表確認，除非本集團選擇指定為以公平價值經損益表入賬之混合合約。

符合作對沖會計處理之衍生工具

衍生工具之公平價值收益或虧損結果之確認方法取決於衍生工具是否指定為對沖工具，如屬者則須取決對沖項目性質。本集團指定若干衍生工具為：(i) 已確認資產或負債或未確認落實承擔之公平價值之對沖(公平價值對沖)；或(ii) 歸屬於已確認資產或負債極有可能之未來現金流或預期交易之對沖(現金流對沖)。以此方法指定之衍生工具採納對沖會計方式處理，惟須符合若干條件。

本集團於訂立交易時將訂立文據，訂明對沖工具與所對沖項目之關係，以及其風險管理目標及進行若干對沖交易之策略。本集團亦於開始對沖時持續將其就用於對沖交易之衍生工具是否對抵銷公平價值變動或所對沖項目的現金流量有顯著成效所進行之評估記錄。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 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 remeasured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e. the fair value of the consideration given or received), unless the fair value of that instrument is better evidenced by comparison with other observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on a valuation technique whose variables include only data from observable markets. When such evidence exists, the Group recognises profits on day one.

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. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement unless the Group chooses to designate the hybrid contracts at fair value through profit or loss.

Derivatives that qualify for hedge accounting

The method of recognising the resulting fair value gain or loss on a derivative 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: (i) hedges of the fair value of recognised assets or liabilities or unrecognised firm commitments (fair value hedge); or (ii) 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 that 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 the hedged items.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.10 衍生金融工具及對沖會計處理(續)

(a) 公平值對沖

被指定及適合作公平值對沖之衍生工具之公平值變動，連同與對沖風險相關之對沖資產或負債之任何公平值變動，於損益表中入賬。

倘對沖不再符合對沖會計處理之標準，則採用實際利率法釐定對沖項目賬面值之調整，於到期前期間在損益表攤銷，而對沖股本證券賬面值之調整則於出售前一直保存於保留盈利中。

(b) 現金流對沖

指定並合資格成為現金流量對沖之衍生工具之公平價值如有任何變動，其有效部份均在權益中確認。涉及無效部份之損益則在損益表中確認。

在權益中累積之金額於對沖項目將會影響損益之期間(例如進行已對沖之預測銷售)在損益表中再次重新處理。

當某項對沖工具到期或出售時，或當對沖安排不再符合對沖會計之條件時，當時存在於權益中之任何累計損益依舊列作權益，並在預計交易最終在損益表中確認始予入賬。當預計某項預測交易不再進行時，在權益當中呈報之累計損益須即時轉撥至損益表。

不符合作對沖會計處理之衍生工具

若干衍生工具並不符合作對沖會計處理。任何不符合作對沖會計處理之衍生工具之公平值變動即時於損益表內確認。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Derivative financial instruments and hedge accounting (continued)

(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 asset or liability that are attributable to the hedged risk.

If a hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of the 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.

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity. The gain or 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 (for example, when the forecast sale that is hedged takes place).

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.

Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.11 抵銷金融工具

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

2.12 買賣協議

倘承讓人有權根據合約或慣例出售或轉按抵押品時，根據購回協議(「購回協議」)售出之證券在賬目內歸類為抵押資產；對手方之負債列入在銀行及其他金融機構之存款或客戶存款(視乎適合而定)。根據轉售協議(「轉售協議」)購入之證券列為向客戶、銀行或其他金融機構作出之貸款及墊款(視乎適合而定)。售價與購回價之差額作為利息處理，並採用實際利率法於協議之年期內計算。借予對手方之證券亦保留在賬目內。

借入之證券不在賬目內確認，除非該等證券出售給第三方(在該情況下，買賣及盈虧包含於交易收益內)。歸還該等證券之責任作為交易負債按公平值記錄。

2.13 收回資產

已收回抵押資產列作資產負債表外項目並按公平價值列值。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2.8(a)所載的會計政策，計算減值貸款及墊款之減值準備已計及抵押品資產之可變現淨值。於將收回資產出售後，所收取款額將首次用於沖銷貸款及墊款，直至貸款及墊款全數收回為止，而任何餘額將退還予借款人。

2.14 分部報告

業務分部為一組從事提供產品或服務之資產及業務，而所承擔之風險及回報與其他分部不同。地區分部為在某一經濟地區從事提供產品或服務，而所承擔之風險及回報與其他經濟地區之營運不同。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Offsetting financial instruments

Financial assets and liabilities 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.

2.12 Sale and Repurchase agreements

Securities sold subject to repurchase agreements ("Repos") are reclassified in the accounts as pledged assets when the transferee has the right by contract or custom to sell or repledge the collateral; the counterparty liability is included in deposits from banks and other financial institutions or deposits from customers, as appropriate. Securities purchased under agreements to resell ("Reverse Repos") are recorded as loans and advances to customers, banks or other financial institutions, as appropriate. The difference between sale and repurchase prices is treated as an interest and is accrued over the life of the agreements using the effective interest method. Securities lent to counterparties are also retained in the accounts.

Securities borrowed are not recognised in the accounts, unless they are sold to third parties, in which case the purchase and sale are recorded with the gain or loss included in the trading income. The obligation to return them is recorded at fair value as a trading liability.

2.13 Repossessed assets

Reposessed collateral assets are reported as off-balance sheet items and are stated at fair value. In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2.8(a), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets. On a sale transaction of repossessed assets, the amount received will be used to offset the loans and advances first until they are fully recovered, and any remaining amount will be released to the borrowers.

2.14 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of the other business segments. A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and returns that are different from those of the segments operating in other economic environments.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.15 外幣換算

(a) 功能及呈列貨幣

本集團旗下各機構之賬目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(「功能貨幣」)計量。綜合賬目乃以港元呈列。港元乃本銀行之功能及呈列貨幣。

(b) 交易及結餘

外幣交易按交易日現行之匯率換算為功能貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年終日之匯率換算所產生之匯兌收益及虧損，將於損益表內確認，惟於股本中遞延為合資格現金流量對沖或合資格淨投資對沖除外。

非貨幣性項目，如持有以公平值列入損益表的股本工具之換算差額將作為公平值收益或虧損之一部分所呈報。非貨幣性項目(如歸類為可供銷售之金融資產之證券)之換算差額則列入投資重估儲備。

(c) 集團旗下公司

本集團所有功能與呈列貨幣不同的機構(均非高通脹經濟之功能貨幣)之業績及財務狀況按以下方式換算為呈列貨幣：

- 各資產負債表所呈列之資產及負債按結算日之收市匯率換算；
- 各損益表之收入及支出按平均匯率換算(如果此平均值並非該等交易日期通行匯率的累積效果之合理約數，收入及支出將於交易日期換算)；及
- 所有兌換之差額將確認為權益內一個獨立項目。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Foreign currency translation

(a) Functional and presentation currency

Items included in the accounts 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 accounts are presented in Hong Kong dollars, which is the Bank's functional and presentation currency.

(b) Transactions and balances

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 translations at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary items, such as equity held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items, such as equities classified as available-for-sale financial assets, are included in the investment revaluation reserve in equity.

(c) Group companies

The results and financial positions of all the group entities (none of which has a functional currency which is the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates prevailing at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.15 外幣換算(續)

(c) 集團旗下公司(續)

於合併賬目時，換算外國機構淨投資及指定作為對沖該等投資之貸款及其他貨幣工具所產生之兌換差額，分別單獨列入股東權益。倘外國業務被售出，該等兌換差額列作出售所得盈利或虧損之部分在損益表內確認。

因收購外國機構產生之商譽及公平值調整，被當作該外國機構之資產及負債處理，並按於結算日之匯率換算。

(d) 綜合現金流量表

就綜合現金流量表而言，海外附屬公司之現金流乃按現金流產生當日之匯率換算為港元。海外附屬公司於整個年度之經常性循環現金流按年內之加權平均匯率換算為港元。

2.16 物業及設備

銀行房產及物業主要包括分行及辦事處。銀行房產及物業按公平值(公平值乃根據外部獨立估值師至少每三年一次定期進行之估值減後續折舊後得出)列示。於重估日期，任何累積折舊乃按資產之賬面總值的變動比例重列，以使資產於重估後之賬面值等於其重估金額。所有其他物業及設備按歷史成本減折舊及減值損失載列。歷史成本包括收購該等項目直接應佔之支出。成本亦可包括來自因外幣購買物業及設備之合資格現金流量對沖而產生之任何盈利／虧損自權益轉出之部分。

只有當與該項目相關連之未來經濟利益可能流向本集團，以及該項目之成本可以可靠地釐定價值時，後續成本列於資產之賬面值中或作為單獨資產確認(視乎適合而定)。所有其他維修及保養開支均於該些維修及保養產生之財政期間之損益表內扣除。

因重估銀行房產及物業產生之賬面值增加計入股東權益下其他儲備中。用作抵銷同一資產過往增加之減值，乃直接於權益中與銀行房產重估儲備抵銷；所有其他減值於損益表內扣除。每年，以損益表內扣除之資產之重估賬面值為基準之折舊與以該資產之原始成本為基準之折舊金額之差額由銀行房產重估儲備轉撥到保留盈利內。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Foreign currency translation (continued)

(c) Group companies (continued)

On consolidation, the exchange differences arising from the translation of a net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investment, are included in a separate component of equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(d) Consolidated cash flow statement

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.

2.16 Property, plant and equipment

Bank premises and properties comprise mainly branches and offices. Bank premises and properties are shown at fair value, based on periodic, but at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of the revaluation is restated proportionately with the change in the gross carrying amount of the asset so that the carrying amount of the asset after revaluation equals its revalued amount. All other items of property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of bank premises and properties are credited to other reserves in shareholders' equity. Decreases that offset previous increases of the same asset are charged against bank premises revaluation reserves directly in equity; all other decreases are expensed in the income statement. Each year the difference between the depreciation amount based on the revalued carrying amount of the asset expensed in the income statement and the depreciation amount based on the asset's original cost is transferred from the bank premises revaluation reserve to retained earnings.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.16 物業及設備(續)

物業及設備之折舊採用直線法計算，以按下文所示之年期內將成本或重估金額撥入其於估計使用年期之剩餘價值：

| | |
|---------|---------------------------|
| 銀行房產及物業 | 於物業所在土地之剩餘租賃年期或五十年，以較短者為準 |
| 租賃物業裝修 | 於租賃樓房之租賃年期或十年，以較短者為準 |
| 傢俬及設備 | 四至十年 |

於每年結算日將需檢討剩餘價值，使用年期及折舊方法，並在合適之情況下作調整。

倘資產之賬面值大於其估計可收回金額，則該資產之賬面值立即減值至其可收回金額，而減值金額直接計入損益表。

物業及設備於出售之後或預期其使用或出售將不會產生未來經濟利益時即取消確認。於資產取消確認年度之損益表內確認之出售或報廢之任何盈虧，乃銷售所得款項淨額與相關資產賬面值之差額。於出售重估資產時，就上次估值已變現之儲備相關部分轉撥至保留盈利，列為儲備變動。

2.17 投資物業

持作收取長期收益或資本增值或兩者並行而非由本綜合集團公司佔用之物業分類為投資物業。

投資物業包括根據經營租約持有之土地及根據融資租約持有之樓宇。

根據經營租約持有之土地若符合投資物業其他定義，則列為並按投資物業入賬。經營租約按融資租約方式入賬。

投資物業按步按成本(包括相關交易成本)確認。於初步確認後，投資物業以公平價值列賬。公平價值乃根據活躍市場價格計算，並按相關資產之性質、位置或狀況之任何差異作出必要調整。如此資料不可用，本集團使用替代估值方法如活躍度降低之市場之近期價格或已折現現金流量預期。該等估值根據國際估值準則委員會頒佈之指引進行，並由外界估值師每年予以檢討。再發展以持續作投資物業用途之投資物業，或市場活躍度降低之投資物業將繼續以公平值計量。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

| | |
|------------------------------|--|
| Bank premises and properties | Over the remaining lease period of the land on which the properties are situated or 50 years, whichever is shorter |
| Leasehold improvements | Over the lease term of the leased premises or 10 years, whichever is shorter |
| Furniture and equipment | 4 to 10 years |

The residual values, useful lives and the depreciation method 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, with the amount charged directly to income statement.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the income statement in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset. On disposal of a revalued asset, the relevant portion of the reserve realised in respect of previous valuations is transferred to retained earnings as a movement in reserves.

2.17 Investment properties

Property that is held for long-term yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment properties.

Investment properties comprise land held under operating leases and buildings held under finance leases.

Land held under operating leases are classified and accounted for as an 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 properties are measured initially at its cost, including related transaction costs. After initial recognition, investment properties are carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment properties that are being redeveloped for continuing use as investment properties, or for which the market has become less active, continue to be measured at fair value.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.17 投資物業(續)

投資物業之公平價值反映(其中包括)即期租賃之租金收入以及根據現時市況所作有關未來租賃租金收入之假設。

公平價值亦按相似基準反映物業預期可產生之任何現金流出。此等流出之若干部分確認為負債，包括與分類作投資物業之土地有關之融資租約負債；包括或然租金之其他現金流出則不會於財務報表中確認。

其後開支僅於當與項目有關之未來經濟利益很有可能會流入本集團，而項目成本能夠可靠地計量，方會增加資產之賬面值。所有其他維修及保養成本於產生之財政期間自損益表扣除。

公平值變動於損益表確認。

如投資物業由擁有人佔用，則重新列為物業及設備，而就會計處理而言，其於重新分類當日之公平值將變為成本。建設中或發展中以供未來用作投資物業之物業列為物業及設備，並以成本列賬，直至建設或發展工作完成為止，此時重新分類為投資物業及其後按此入賬。

倘物業及設備項目因用途改變而成為投資物業，該等物業於轉變當日之賬面值與公平值之差額，將根據香港會計準則第16號「物業及設備」於權益內確認為物業及設備重估儲備。然而，如公平價值收益抵銷先前減值虧損，則該項收益將於損益表內確認。

2.18 租賃土地及土地使用權

租約業權持有的自用土地，若於本集團獲取租約時能可靠地分攤土地及房屋的公平價值，則該租約業權持有的土地視作以經營租賃形式擁有。所攤分的地價按成本扣除減值損失列示於資產負債表，且按剩餘租賃期於損益結算表直線攤銷。

2.19 商譽

商譽指一項收購之成本超過本集團分佔所收購附屬公司於收購日期之可識別資產及負債及所承擔之或然負債之公平值之部分。收購附屬公司之商譽列入無形資產。收購聯營公司產生之商譽計入「於聯營公司之投資」。商譽的賬面值每年檢討減值，或如發生事件或情況改變顯示賬面值可能已減值，則更經常地進行減值檢討。商譽按成本減累計減值損失列賬。就商譽確認之減值損失於其後之期間不予撥回。出售實體之盈虧包括與所出售實體有關之商譽之賬面值。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.17 Investment properties (continued)

The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

The fair value also reflects, on a similar basis, any cash outflows that could be expected in respect of the properties. Some of those outflows are recognised as liabilities, including finance lease liabilities in respect of land classified as investment properties; others, including contingent rent payments, are not recognised in the accounts.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes. Properties that are being constructed or developed for future use as investment properties is classified as property, plant and equipment and stated at cost until construction or development is completed, at which time they are reclassified and subsequently accounted for as investment properties.

If an item of property, plant and equipment becomes an investment property because its use has changed, any difference between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of property, plant and equipment under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

2.18 Leasehold land and land use rights

Leasehold interest in the land held for own use is accounted for as being held under an operating lease where the fair value of the interest in any buildings situated on the leasehold land could be measured separately from the fair value of the leasehold interest in land at the time the lease was first entered into by the Group. The interest in leasehold land is stated at cost less impairment loss in the balance sheet and is amortised to the income statement on a straight-line basis over the remaining lease term.

2.19 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets and liabilities and contingent liabilities assumed of the acquired subsidiaries at the date of acquisition. Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill on acquisition of an associate is included in "Investments in associates". The carrying amount of goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Goodwill is carried at cost less accumulated impairment losses. An impairment loss recognised for goodwill is not reversed in a subsequent period. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.19 商譽(續)

商譽就減值測試目的被分配至各現金產生單位。每一該等現金產生單位由每一主要呈報業務分類代表。

2.20 無形資產

無形資產之使用年期經評估分為有限期及無限期兩類。具有有限期年期之無形資產於使用經濟年內攤銷，並於有跡象顯示無形資產可能減值時進行減值評估。

具有有限期使用年期之無形資產之攤銷期及攤銷方法至少於每一結算日進行評估。

取消確認無形資產之盈虧乃按出售所得款項淨額與資產賬面值之差額計算，並於取消確認該項資產時於損益表內確認。

(a) 電腦軟件

所購入之電腦軟件許可按收購所產生之成本及將軟件達致使用狀況為基準予以資本化。此等成本於估計可使用年內(四年)攤銷。

與開發或維護電腦軟件程式有關之成本，於產生時確認為開支。直接與製造可辨認及由本集團控制之獨有軟件產品有關，並且很可能於一年後產生超出其成本之經濟利益之成本，乃確認為無形資產。直接成本包括軟件開發人員之成本及於有關雜項開支之應佔部分。

確認為無形資產之電腦軟件開發成本，乃於其估計可使用年內(不超過四年)攤銷。

(b) 交易權

交易權指符合資格在香港聯合交易所有限公司或透過其進行交易之權利，具有無限使用年期，並每年進行減值測試。該類無形資產不予攤銷。使用年期每年進行評估，以確定無限期年期之判定是否繼續有合理支持，如否，則由無限期轉變為有限期之使用年期評估按預先基準計算。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.19 Goodwill (continued)

Goodwill is allocated to cash-generating units for the purpose of impairment testing. Each of those cash-generating units is represented by a primary reporting business segment.

2.20 Intangible assets

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

Gains or losses from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

(a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of four years.

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the production of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include the costs of software development employee and an appropriate portion of relevant overheads.

Computer software development costs recognised as intangible assets are amortised over their estimated useful lives (not exceeding four years).

(b) Trading rights

Trading rights represent eligibility rights with indefinite useful lives to trade on or through The Stock Exchange of Hong Kong Limited and are tested for impairment annually. Such intangible assets are not amortised. The useful life is reviewed annually to determine whether indefinite life assessment continues to be supportable, and if not, the change in the useful life assessment from indefinite to infinite is accounted for on a prospective basis.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.21 非金融資產減值

具有無限期使用年期之資產毋需攤銷，但須每年進行減值測試。須作出攤銷之資產於出現其賬面值可能不能收回之事件或環境變動時需進行減值評估。減值損失按資產之賬面金額超出其回收金額之部分確認。可收回金額為資產之公平值減出售成本，以及使用價值兩者中之較高者。就評估減值而言，資產乃於現金流可分開辨識(現金產生單位)之最基本層分類。於評估使用價值時，估計未來現金流按可反映目前市場對貨幣時間值及資產特定風險之評估之稅前折現率折現至其現值。減值損失於其產生期間自損益表內扣除，惟資產以重估金額列賬時，其減值損失按該重估資產之有關會計原則入賬。只有在用以釐定資產之可收回金額之估計發生改變時，該資產除商譽外先前已確認之減值損失方予以撥回，惟數額不得高於假設於過往年度並無就資產確認減值損失之情況下原應已釐定之賬面值(減任何減值／攤銷)。被撥回之減值損失於撥回期間計入損益表。

2.22 所得稅

所得稅包括當期及遞延稅項。所得稅於損益表內確認，或倘其與在相同或其他期間直接於權益內確認之項目有關，則於權益內確認。

當前及過往期間之當期稅項資產及負債，按預期將由稅務部門收回或付予稅務部門之數額計量。

遞延稅項乃就綜合賬目中資產及負債之稅基與賬目上彼等賬面值之間於結算日產生之所有暫時差額，以負債法作出撥備。然而，倘遞延稅項乃來自初步確認交易(並非業務合併)之資產或負債，且交易時並不影響會計溢利及應課稅溢利或虧損，則不入賬列為遞延稅項。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(及稅務法律)釐定。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.21 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation, but are tested for impairment annually. 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the income statement in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to the income statement in the period in which it arises.

2.22 Income tax

Income tax comprises current and deferred tax. Income tax is recognised in the income statement, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

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

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.22 所得稅(續)

遞延稅項資產乃於未來將有可能產生應課稅溢利以動用暫時差額以作抵銷時方予確認。

遞延稅項須就投資於附屬公司及聯營公司而產生之暫時差異作出撥備，除非暫時差異之撥回由本集團控制及該暫時差異很可能不會在可見未來撥回。

與備供銷售金融投資及現金流量對沖之公平值重新計量相關之遞延稅項，亦直接在權益中扣除或計入權益，其後連同遞延損益在損益表中確認。

遞延稅項之賬面值於每一結算日進行評估，並在不再可能產生足夠應課稅溢利以動用全部或部分遞延稅項資產作抵銷時予以削減。相反，先前未確認之遞延稅項資產於每一結算日重新進行評估，並於將有可能產生足夠應課稅溢利以動用全部或部分遞延稅項資產作抵銷時方予確認。

遞延稅項資產及負債乃根據於結算日已實施或基本已實施之稅率(及稅法)，按預期將適用於資產變現或負債清償期間之稅率計量。

遞延稅項資產及負債於擁有合法權利以即期稅項資產抵銷即期稅項負債及遞延稅項與同一應課稅實體及同一稅務部門有關時予以互相抵銷。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Income tax (continued)

Deferred income 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 income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax related to fair value re-measurement of available-for-sale financial investments 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.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.23 僱員福利

- (a) *僱員假期*
僱員應享有之年假及長期服務假期會於確立時確認。根據僱員截至結算日已提供的服務而估算的未享年假及長期服務假期已作撥備。
- (b) *退休金責任*
本集團分別根據職業退休計劃條例及強制性公積金計劃條例為合資格及選擇參與之集團員工提供定額供款退休金計劃(「職業退休計劃」)及強制性公積金計劃(「強積金計劃」)。本集團經職業退休計劃之供款乃根據合資格員工基本薪金之一個百分比計算，而於強積金計劃之供款則根據合資格員工有關收入(定義見強制性公積金計劃條例)計算。該等供款會於產生時列作支出。此等供款於產生時列作支出，並可按本集團僱員在全數取得僱主供款前離開計劃而被沒收之供款扣減。上述計劃之資產乃由獨立管理之基金持有，與本集團之資產分開管理。

2.24 撥備

倘本集團因(i)過往事件而產生現時法律或推定責任；(ii)可能須就解除責任而導致經濟資源流出之可能性高於不會導致經濟流出之可能性；及(iii)可就責任之款額作出可靠估計時，則需確認重組成本及法律索償之撥備。重組撥備包括租約終止罰則及僱員終止付款。未來經營虧損不會確認撥備。

倘有多項相似之責任時，解除該等責任所需導致流出之可能性按責任之類別從整體予以釐定。即使在同一類別責任內任何一項目導致流出之可能性可能細微，亦需就此確認撥備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.23 Employee benefits

- (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.
- (b) *Pension obligations*
The Group operates a defined contribution retirement scheme under the Occupational Retirement Schemes Ordinance (the "ORSO Scheme") and another defined contribution retirement scheme under the Mandatory Provident Fund Schemes Ordinance (the "MPF Scheme") for those employees of the Group who are eligible and have elected to participate in the schemes. The Group's contributions to the ORSO Scheme are made based on a percentage of the eligible employees' basic salaries and those made to the MPF Scheme are made based on a percentage of the eligible employees' relevant income as defined in the MPF Scheme. These contributions are expensed as incurred and are reduced by contributions forfeited by those employees of the Group who leave the schemes prior to the contributions vesting fully. The assets of the schemes are held separately from those of the Group in independently administered funds.

2.24 Provisions

Provisions for restructuring costs and legal claims are recognised when (i) the Group has a present legal or constructive obligation as a result of past events; (ii) it is more likely than not that an outflow of resources will be required to settle the obligation; and (iii) the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.25 經營租賃

擁有權的絕大部分風險及回報皆由出租公司承擔的租約歸類為經營租賃。租約款項在扣除自出租公司收取之任何獎勵金後，於租約期內以直線法在損益表中支銷。本集團於租賃土地及土地使用權之權益亦計作經營租賃。

根據經營租賃，倘本集團為出租人時，訂約出租之資產在資產負債表列為物業及設備。該等資產按相類之自有物業及設備之基準，於其預計使用年期中折舊。租金收入(扣除任何給予承租人之獎勵)按租約年期以直線基準確認。

根據經營租賃預付之土地租賃款最初按成本列賬，其後以直線基準於租期內確認。

2.26 現金及等同現金項目

就綜合現金流量表而言，現金及等同現金項目包括於購入時起計三個月內到期的結餘，包括現金及在銀行與其他金融機構之結存、庫務票據、其他合資格票據及存款證。

2.27 或然負債及或然資產

或然資產指因為已發生之事件而可能產生之資產，此等資產只能就本集團不能完全控制之一宗或多宗未來不確定事件之出現與否才能確認。

或然負債是指由過去已發生的事件引起的可能需要履行的責任，其存在將由一宗或多宗本集團所不能完全控制的未來不確定事件出現與否來確認，或是由於過去已發生事件而引致的現有責任，但由於估計不會導致用作償還責任之經濟利益的流出或因不能足夠和可靠地估量責任金額，故未有被確認。

或然資產不會被確認，但如有可能收到經濟利益時，會在賬目附註中披露。若將會收到之經濟利益可被實質確定時，將確認為資產。

或然負債不會被確認為準備，但會在賬目附註中加以披露。如情況發生變化，使經濟利益的流出變得很有可能時，則會將其確認為準備。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.25 Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease. The Group's interests in leasehold land and land use rights are also accounted for as operating leases.

Where the Group is a lessor under operating leases, assets leased out are included in property, plant and equipment in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned property, plant and equipment. Rental income (net of any incentives given to lessees) is recognised on the straight-line basis over the lease term.

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms.

2.26 Cash and cash equivalents

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

2.27 Contingent liabilities and contingent assets

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the Group's control.

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the Group's control, or a present obligation arising from past events that is not recognised either because an outflow of resources embodying economic benefits will be required to settle the obligation is not probable or the amount of obligation cannot be measured with sufficient reliability.

Contingent assets are not recognised but are disclosed in the notes to the accounts when an inflow of economic benefits is probable. When the inflow is virtually certain, it will be recognised as an asset.

A contingent liability is not recognised as a provision but is disclosed in the notes to the accounts. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.28 關連人士

於下列情況下，有關人士被認為與本集團發生關連：

- (a) 該人士直接或間接透過一間或多間中介機構(i)控制本集團、被本集團控制或與本集團受到共同控制；(ii)於本集團擁有使其可對本集團形成重大影響之權益；或(iii)共同控制本集團；
- (b) 該人士為聯營公司；
- (c) 該人士為共同控制實體；
- (d) 該人士為本集團或其母公司之主要管理人員；
- (e) 該人士為(a)或(d)內所指任何個人之親屬；
- (f) 該人士為直接或間接受(d)或(e)內所指任何個人控制、共同控制或受到該名個人重大影響或其重大投票權屬於該名個人之實體；或
- (g) 該人士為就本集團或屬本集團關連人士之任何實體之僱員福利的退休福利計畫中的一方。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.28 Related parties

A party is considered to be related to the Group if:

- (a) the party, directly or indirectly through one or more intermediaries, (i) controls, is controlled by, or is under common control with, the Group; (ii) has an interest in the Group that gives it significant influence over the Group; or (iii) has joint control over the Group;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Group or its parent;
- (e) the party is a close member of the family of any individual referred to in (a) or (d);
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Group, or of any entity that is a related party of the Group.

賬目附註 Notes to the Accounts

2 主要會計政策概述(續)

2.29 股息

董事擬派之末期股息歸類為資產負債表權益部分中保留溢利之單獨分配，直至獲股東於股東大會上批准為止。該等股息於獲股東批准並獲宣派時確認為負債。

因本行公司章程及細則授權董事宣派中期股息，中期股息同一時間建議及宣派。因此，中期股息在建議及宣派時即時確認為負債。

2.30 受託人業務

本集團一般擔任受託人及其他受託人身份，導致代表個別人士、信託、退休福利計劃及其他機構持有或配售資產。由此產生之資產及收入因並非屬本集團所有而不計入該等財務報表。

3 關鍵會計估計及假設

本集團估計及就影響下一財政年度之資產及負債所呈報金額作出假設。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之預期，持續評估所作出之估計及判斷。

(a) 貸款減值準備

本集團每月檢討其貸款組合，以評估減值。對於應否於損益表內列入減值損失，本集團會判斷是否有明顯數據，反映貸款組合之預計現金流量是否有可量化之減值(在找出導致該等減值之個別貸款前)。此等證據可能包括有可觀察數據顯示某一組別借款人之還款狀況出現逆轉，或出現與某一組別借款人之資產拖欠相關之國家或地區性經濟狀況。管理層就未來現金流量作出估計時，會基於貸款和持有至到期證券的風險特點及客觀減值證據與有關組合內之資產相若之資產過往虧損經驗作出評估。用以預算未來現金流量之金額及時間之方法及假設將定期進行檢討，以拉近預計及實際虧損經驗之差別。

(b) 衍生工具之公平值

不在活躍市場報價之金融工具之公平值，根據金融工具之性質採用多種估值方法釐定。該等方法包括第三方報價、折現現金流量法及認股權定價模式。該等模式由知名系統供應商建立及廣泛被市場應用。該等模式經獨立於建立此等模式之領域之合資格人士審閱及調整。此等系統使用相關現時市場參數得出估值結果，採用作財務報告目的前經核實。

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

2.29 Dividends

Final dividends proposed by the directors are classified as a separate allocation of retained profits within the equity section of the balance sheet, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the Bank's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

2.30 Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements 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.

(a) Impairment allowances on loans and advances

The Group reviews its loan portfolios to assess impairment on a monthly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgements 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 a group of borrowers, or in the national or local economic conditions that correlate with defaults on assets in the group of borrowers. 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 both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

(b) Fair value of derivatives

The fair values of financial instruments that are not quoted in active markets are determined by using various valuation techniques according to the nature of the financial instruments. These include third party price quotation, a discounted cash flow and option pricing models. These models are built by reputable system suppliers and are widely used in the market. They are reviewed and calibrated by qualified personnel independent of the area that created them. Valuation outputs are generated from these systems using the relevant current observable market parameters and are verified before they are used for financial reporting purposes.

賬目附註 Notes to the Accounts

3 關鍵會計估計及假設(續)

(c) 備供銷售金融投資減值

若備供銷售金融投資之公平價值明顯或持續地低於其成本，本集團即判定其價值已有所減值。釐定重大及持續之定義需要作出判斷。於作出該等判斷時，本集團評估(包括其他因素)股價之日常波動。此外，倘被投資公司之財務穩健程度、行業及類別表現惡化、技術、營運及融資現金流量出現變動，可能適宜作出減值。

(d) 持有至到期金融投資

本集團遵循香港會計準則第39號之指引分類具有固定或可確定付款及固定到期日之非衍生金融資產為持有至到期。此一分類須作出重大判斷。在作出判斷時，本集團評估其持有該等資產至到期之意向及能力。倘本集團未能持有此等投資至到期(不包括特別情況，例如在接近到期時出售少量部分該等投資)，則其將須重新分類整個類別為備供銷售金融投資。該等投資將因而按其公平值而非攤銷成本計量。

(e) 銀行物業之公平值

銀行物業之公平值根據由獨立專業估值師以公平市場基準作出之估值估計。

(f) 估計商譽減值

本集團按會計政策每年測試是否存在任何商譽減值。現金產生單位之可收回金額已按使用基準計算。此等計算需要對折現率及長遠增長率作出估計。

(g) 所得稅

本集團在多個司法權區均須繳納所得稅。釐定世界各地之所得稅撥備時需作出重大估計。於日常業務過程中進行之很多交易及計算最終之稅項無法確定。本集團按是否有應繳之額外稅項之估計，就預期之稅務審計事宜確認負債。如此等事宜之最終稅務結果有別於原先記錄之金額，該等差別將影響所得稅，並將在釐定之期間內就遞延稅項作出撥備。

3 CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS (continued)

(c) Impairment of available-for-sale financial investments

The Group determines that available-for-sale financial investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgement. In making this judgement, the Group evaluates, among other factors, the normal volatility in share prices. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operating and financing cash flows.

(d) Held-to-maturity financial investments

The Group follows the guidance of HKAS 39 to classify non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, 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 financial investments. The investments would therefore be measured at fair value and not at amortised cost.

(e) Fair value of bank premises and properties

The fair value of the bank premises and properties is estimated based on the valuation made by an independent professional valuer on an open market basis.

(f) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on the value-in-use calculations. These calculations require the use of estimates of discount rate and long-term growth rate.

(g) Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimates are required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

賬目附註 Notes to the Accounts

4 財務風險管理

4.1 整體風險管理

由於新巴塞爾資本協定自二零零七年一月起施行，本集團在與新協定之原則及規定日趨一致方面實施風險管理。董事會負責監管本集團之風險管理架構、產品規劃、流程、政策及內部監控並就此採取一套嚴密的組織管理方法。至於其業務計劃及活動，本集團確定、評估、監察、控制、報告及審閱有關主要風險以確保資本充足及符合監管指引及董事會之風險預期。

風險管理架構及原則

本銀行已建立一套架構，促進董事會及高級管理層監督及自下而上匯報本集團在實施其業務計劃時所面臨之各種風險變化。日常風險管理由風險管理部門整體負責，風險管理部門由本集團之風險總監牽頭，下設三個分部，分別負責信貸、市場及營運風險。風險管理部及其三個風險管理分部依次對三個職能委員會負責。信貸委員會、資產與負債委員會及營運風險委員會分別負責監督本集團之信貸、市場及營運風險方面之政策、慣例及監控。連同法律及合規部門及本銀行之一般管理委員會，彼等負責監控本集團在與新巴塞爾協定支柱一及二相符方面之主要風險。此等三個委員會向風險管理部門及董事會匯報，並由內部審核委員會及審核委員會協助監督，從而確保足夠之風險監察、內部監控、企業管治及監管遵例。

風險管理委員會每三個月舉行一次會議，由本集團之風險總監任主席及由兩名董事(包括一名獨立非執行董事)擔任該委員會之成員。此委員會之其他成員包括本集團之財務總監、營運總監、資訊科主管、信貸主管以及業務部門與風險管理部門之受委代表。

最終，風險管理委員會須確保並無超出監管及董事會規定以外之額外風險。然而，倘若出現無法預料之額外風險，高級管理層及董事會必須及時知悉有關情況並決定是否需要調整任何措施。

本銀行之新產品將透過開發流程之基本步驟進行，以確保其商業可行性、操守適用性及法定合規。該流程通常分為四步即(i)評估；(ii)開發；(iii)商業化；及(iv)推出。

於推出前應編製產品建議(包括產品介紹、風險評估、業務規劃及暫定推出日期)，並尋求新產品及業務委員會或其指定機構之批准。該委員會由業務、營運、電腦系統、財務、風險、審核及合規等各部門人員組成，以確保新產品在各職能部門之監督下得以開發及推出。

4 FINANCIAL RISK MANAGEMENT

4.1 Overall risk management

Pursuant to the implementation of Basel II New Accord since January 2007, the Group practices risk management in increasing congruence with the principles and requirements of the New Accord. The Board oversight and a top-down approach permeate through the Group's risk management structure, product design, processes, policies and internal control. For its business plan and activities, the Group identifies, assesses, monitors, controls, reports and reviews the major risks to ensure capital adequacy and compliance with regulatory guidelines and the Board's risk expectation.

Risk management structure and principles

A structure is built, facilitating the Board and senior management oversight and bottom-up reporting of the evolution of various risk as the Group implements its business plan. Overall daily risk management is in the hand of the Risk Management Department (RMD), which is headed by the Group's Chief Risk Officer (CRO), with three sections responsible respectively for credit, market and operational risks. The RMD and its three risk management sections are, in turn, answerable to three Functional Committees. The Credit Committee, the Asset & Liability Committee and the Operational Risk Committee oversee respectively the Group's policies, practice and control of the Group's credit, market and operational risks. Together with the Legal & Compliance Department and the Bank's General Management Committee, they control the Group's major risks in conformity with Basel II Pillar I and II. These three Committees report to the Risk Management Committee and the Board, with surveillance alongside by the Internal Audit and Audit Committee in ensuring sufficient risk monitoring, internal control, corporate governance and regulatory compliance.

The Risk Management Committee, which meets once every three months, is chaired by the Group's Chief Risk Officer (CRO) and participated by two Directors, including an independent non-executive Director. Other members of this Committee are the Group's Chief Financial Officer (CFO), Chief Operation Officer (COO), Head of IT, Head of Credit and delegates from Business Lines and Risk Management Department.

Ultimately, the Risk Management Committee is to ensure no excessive risk beyond regulatory and Board stipulation. If, however, the excessive risk does unexpectedly come about, senior management and the Board must know about it and decide if any rectifying measures are needed.

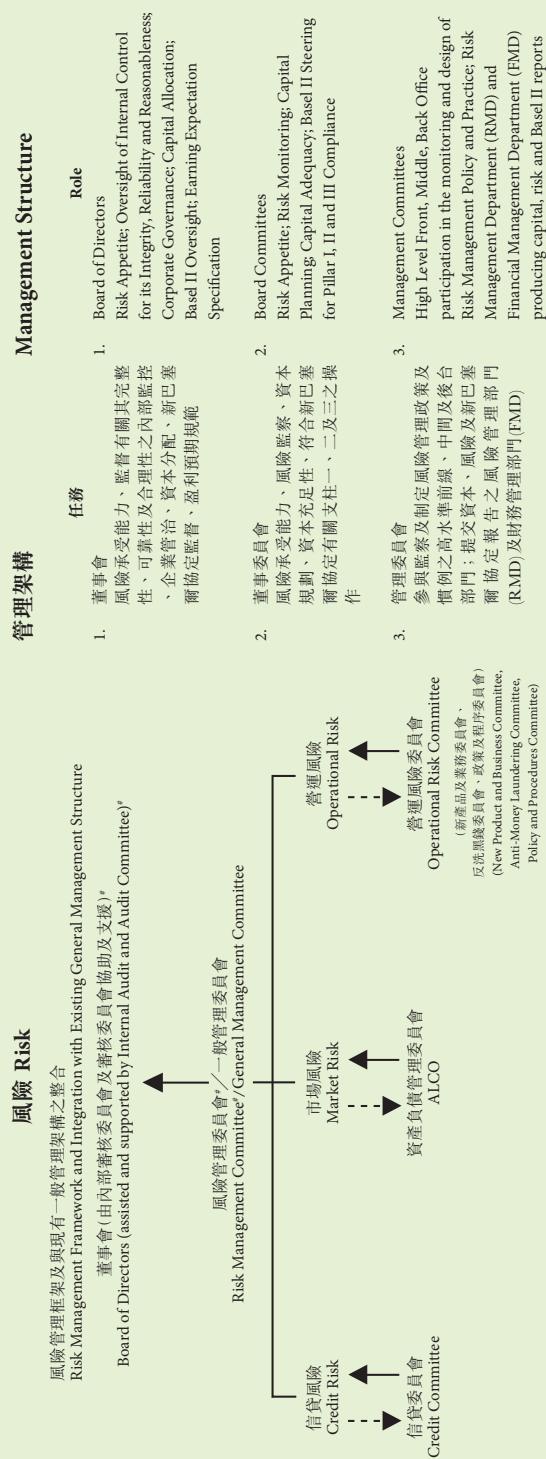
The Bank's new product will go through the essential steps of development process to ensure its commercial viability, ethical suitability and statutory compliance. Usually there are four steps in the process namely (i) Evaluation, (ii) Development (iii) Commercialization and (iv) Launch.

A product proposal consists of sections of product introduction, risk assessment, business plan, and tentative launch date should be prepared for the approval of New Product & Business Committee or its delegated authority before launch. The Committee comprises members from business, operations, IT, finance, risk, audit and compliance to ensure the new product is developed and launched under the surveillance of various functions.

4 財務風險管理(續)

4.1 整體風險管理(續)

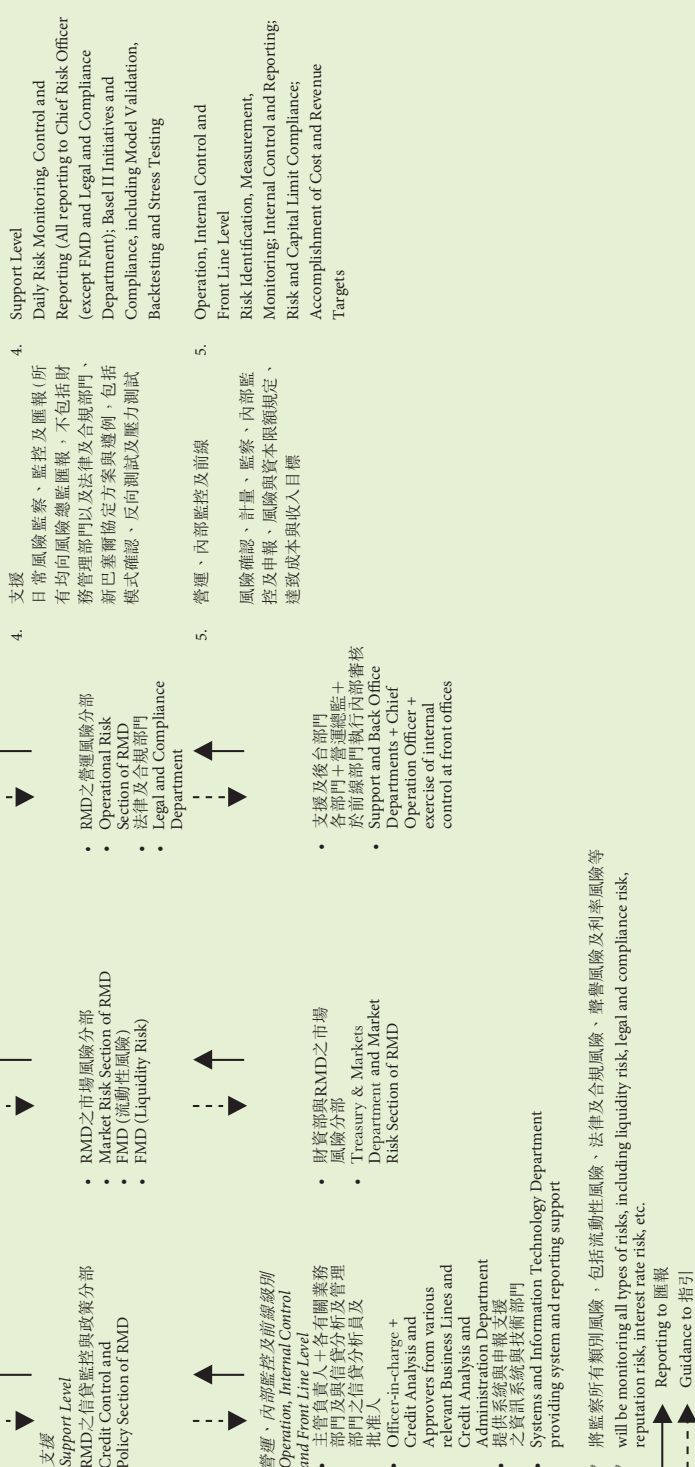
風險管理架構及原則(續)



4 FINANCIAL RISK MANAGEMENT (continued)

4.1 Overall risk management (continued)

Risk management structure and principles (continued)



賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險

信貸風險為因客戶無法履行其到期之財務責任而產生之損失風險。本集團就巴塞爾協定信貸風險採納標準化方法，與本集團之營運規模及複雜性相適應。本集團之信貸職能部由以下各部門組成：

- (a) 信貸分析部，如評估信貸風險、核查信貸遵例、信貸評級及建議／決定下一個信貸審閱日期。所有非銀行實體之循環信貸額度(不包括由現金存款全額擔保之貸款)須至少每年審閱一次。
- (b) 信貸管理部，如本集團確保所有所需信貸條件、抵押品及安全文件已於提取貸款前妥為履行。
- (c) 信貸監控部，如進行批准後遵例審閱、執行逾期及額外監控、分析不履約貸款(NPL)貸款人以及制定、審閱、修訂及實施信貸政策。此職能部門亦編製信貸統計報告及就遵例進行新巴塞爾協定信貸數據收集。

信貸職能由其主管獨立管理，而主管擁有數項直接業務聯絡並向主管風險之副總經理(亦為本集團之風險總監)匯報。信貸監控部門屬於風險管理部門，由風險總監直接牽頭。

除小額客戶及機械貸款由信貸職能部之高級管理人員預先設定有關信貸評級或批准參數外，所有其他貸款一直由信貸職能部處理。信貸職能部透過執行遵例核查進行，或通常根據信貸委員會之建議以董事會委派之信貸授權作出之最終信貸批准方式進行。信貸授權代表負責信貸評級、安全、加權風險數額及所屬信貸融資類型之職能。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk

Credit risk is the risk of loss arising from a customer's inability to honour its financial obligations as and when they fall due. The Group adopts the Standardised Approach for Basel II credit risk purpose, which is apposite to the Group's scale and complexity of operation. The Group's credit function is made up of:

- (a) Credit analysis, where credit risks are assessed, credit compliance is checked, credit rating and the next credit review date are recommended/decided. All revolving credit lines for non-bank entities other than loans fully collateralised by cash deposit are subject to review at least once yearly.
- (b) Credit administration, where the Group ensures that all required credit conditions, collateral and security documentation have been properly fulfilled before loan drawdown.
- (c) Credit control, where post-approval compliance review is performed, overdue and excess control is enforced, non-performing loan (NPL) borrowers are analysed, and, credit policies are designed, reviewed, revised and put into practice. This function also prepares credit statistical reports and participates in Basel II credit data collection for compliance purpose.

The credit function is independently managed by its head who has few direct business contact and who reports to the Deputy General Manager (DGM) in charge of risk and also to the Group's CRO. The credit control unit belongs to the RMD, headed directly by the CRO.

Except for small amount consumer and machine loans for which credit scoring or approval parameters are pre-set by senior management of the credit function, the handling of all other loans always entails the credit function. The credit function intervenes either by performing compliance checking, or, much more often, in the form of final credit approval according to the credit authority delegated by the Board on the basis of the Credit Committee's recommendation. The credit authority delegation is a function of credit rating, security, weighted risk amount and the type of credit facility in question.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

信貸委員會制定政策及批准所有大額信貸申請。信貸政策一般需要董事會作出進一步批准，同時行政總裁須負責簽署超出若干加權風險數額之信貸申請，但只在彼等已獲信貸委員會批准之後。信貸委員會由其主管任主席，亦包括業務部門各主管及主管風險之副總經理。信貸職能部必須與信貸委員會所作出之任何批准保持同步執行。

信貸職能部擁有信貸評級之最終決定權，包括根據本集團之信貸手冊或有關香港金融管理局之監管政策指引將個別客戶之信用調低至NPL級別或關注級別。

信貸職能部、特別資產部門及主管風險之副總經理須根據本集團與香港會計準則第39號規定相符之內部模式指引釐定本集團之個別及集體減值。

董事會所同意之物業估值及重估政策須嚴格予以執行。本集團會就有關估值事宜列出認可外界測量師名單。

本集團之具體政策是將其信貸風險予以分散，為此董事會設定區域國家風險限額、行業限額、非銀行交易對手集群限額及放債產品限額。信貸職能部或信貸委員會管理有抵押風險，及一般制定政策，根據非銀行交易對手各自之信貸評級及業務經營規模監控彼等之無抵押信貸風險。

本集團承擔信貸風險，該風險指交易對手未能履行責任而造成本集團財務損失之風險。信貸風險主要因本集團資產組合中之貸款及債券而產生，亦有資產負債表外財務安排(如貸款承諾)產生之信貸風險。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

The Credit Committee sets credit policies and approves all large size credit applications. Credit policies generally require further approval by the Board, while Chief Executive Officer (CEO) has to endorse credit applications which are above a certain weighted risk amount, but only after they have been approved by the Credit Committee, chaired by the Head of Credit. The Credit Committee includes the heads of business lines, and the DGM in charge of risk. The concurrence of the credit function shall be mandatory to any approval that is required from the Credit Committee.

The credit function has the final decision in credit rating, including the downgrading of individual customer to NPL grade or to special mention grade according to the Group's credit manual or the relevant HKMA supervisory policy guidelines.

The credit function, the Special Assets Department and the DGM in charge of risk have a role to play in the determination of the Group's individual and collective impairment according to its internal model derivation in line with HKAS 39 specifications.

A property valuation and revaluation policy agreed by the Board is strictly adhered to. The Group resorts to a list of approved external surveyors for such valuation exercises.

It is a concrete part of the Group's policy to diversify its credit risk, for which geographical country risk limit, industry sector limit, non-bank counterparty cluster limit and lending product limits are set by the Board. The credit function or the Credit Committee favours secured risk and generally respects a policy which caps the unsecured credit risk exposure to non-bank counterparties according to their respective credit rating and scale of business operation.

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 and debt securities in the Group's asset portfolio. There is also credit risk arising from off-balance sheet financial arrangement such as loan commitments.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(a) 於持有抵押品或其他信貸加強措施前之最大信貸風險

| | | 本集團 Group | | 本銀行 Bank | |
|-------------------------------|---|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 |
| 有關資產負債表內之 信貸風險計有： | Credit risk exposures relating to on-balance sheet assets are as follows: | | | | |
| 現金及在銀行與其他 金融機構之結存 | Cash and balances with banks and other financial institutions | 43,666,354 | 45,495,112 | 43,160,520 | 44,926,368 |
| 在銀行及其他金融機構之 存款及貸款 | Placements with and advances to banks and other financial institutions | 1,005,234 | 5,015,135 | 1,620,813 | 5,779,578 |
| 持作交易用途金融資產 | Financial assets held for trading | 54,256 | 56,468 | 54,256 | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 1,754,742 | 1,704,349 | 1,754,742 | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments | 1,213,738 | 713,202 | 1,226,446 | 713,202 |
| 客戶、銀行及其他 金融機構之貸款 | Loans and advances to customers, bank and other financial institutions | 121,703,671 | 75,647,756 | 114,877,082 | 74,651,076 |
| 備供銷售金融投資 | Available-for-sale financial investments | 15,326,911 | 11,052,318 | 15,326,248 | 11,051,609 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 3,313,817 | 4,132,972 | 3,313,817 | 4,132,972 |
| 有關資產負債表以外之 信貸風險計有： | Credit risk exposures relating to off- balance sheet items are as follows: | | | | |
| 貸款承諾及其他信貸有關承諾 | Loan commitments and other credit related commitments | 90,836,109 | 49,038,494 | 89,765,349 | 48,961,972 |
| 財務擔保及其他信貸相關或然負債 | Financial guarantees and other credit related contingent liabilities | 6,573,592 | 4,661,635 | 6,530,247 | 4,561,635 |
| 於結算日 | At balance sheet date | 285,448,424 | 197,517,441 | 277,629,520 | 196,539,229 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

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

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素 貸款總額

- (i) 按信貸質素分類之貸款總額概述如下：

| | | 本集團 Group | | 本銀行 Bank | |
|----------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 |
| 客戶之貸款總額： | Gross loans and advances to customers: | | | | |
| 既未逾期亦未減值 | Neither past due nor impaired | 99,331,362 | 73,491,511 | 92,578,451 | 72,483,476 |
| 已逾期但未減值 | Past due but not impaired | 808,227 | 1,355,796 | 808,227 | 1,355,796 |
| 已減值 | Impaired | 646,603 | 898,389 | 646,603 | 898,389 |
| 總計 | Total | 100,786,192 | 75,745,696 | 94,033,281 | 74,737,661 |

| | | 本集團 Group | | 本銀行 Bank | |
|---------------------|--|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 |
| 銀行及其他金融機構 之貸款總額： | Gross loans and advances to banks and other financial institutions: | | | | |
| 既未逾期亦未減值 | Neither past due nor impaired | 20,641,536 | - | 20,588,784 | - |
| 已逾期但未減值 | Past due but not impaired | - | - | - | - |
| 已減值 | Impaired | - | - | - | - |
| 總計 | Total | 20,641,536 | - | 20,588,784 | - |

於二零零六年十二月三十一日，並無任何未償還之銀行及其他金融機構之貸款結存。

- (ii) 既未逾期亦未減值之貸款總額分類

於結算日既未逾期亦未減值之貸款組合之信貸質素可參照本集團所採納之內部評級系統進行評估。

There was no outstanding balance of loans and advances to banks and other financial institutions as at 31 December 2006.

- (ii) Distribution of gross loans and advances that were neither past due nor impaired

The credit quality of the portfolio of loans and advances that were neither past due nor impaired at the balance sheet dates can be assessed by reference to the internal rating system adopted by the Group.

| | | 本集團 Group | | 本銀行 Bank | |
|---------------|--------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 |
| 信評級 | 內部評級 | 相當於標準 普爾之評級 | | | |
| Credit rating | Internal rating | S&P's Equivalent | | | |
| 通過級別 | Pass Grade | A至E A-E | 38,227,539 | 12,201,561 | 37,961,197 |
| | | F至H F-H | 59,275,277 | 42,526,596 | 55,345,444 |
| | | I至J I-J | 14,020,010 | 17,394,092 | 11,410,522 |
| 關注級別 | Special Mention | K至L K-L | 8,450,072 | 1,369,262 | 8,450,072 |
| | | B至CCC- B to CCC- | | | |
| 總計 | Total | | 119,972,898 | 73,491,511 | 113,167,235 |
| | | | | | 72,483,476 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續) 貸款總額(續)

(ii) 既未逾期亦未減值之貸款總額分類(續)

就統計及監管而言，各類內部及外界評級標準及標度乃標回至一個單一內部信貸評級範圍。內部級別相對應之標準普爾評級乃根據標出之各內部級別與相應之標準普爾評級之個別違約概率計算。

信貸職能部與信貸委員會決定個別借款人之信貸評級。信貸評級為定量函數及管理屬性。經濟前景、賬目指引及行業風險亦為考慮因素。本集團就大型公司及中小企業設置不同評級範圍。標準普爾、穆迪及惠譽之外界評級將在可用情況下予以採納。

下表乃本集團按信貸評級分類之貸款總額。本集團將其借款客戶分類為A至O級，並自二零零五年起作出彼等各自之加權平均違約概率(PD)及違約損失率(LGD)。

| | | | | |
|------------------|---|---|---|---|
| 通過級別 | A | 至 | H | 及 |
| | I | 至 | J | |
| 關注級別 | K | 至 | L | |
| 不履約貸款 (NPL)級別 | M | 至 | O | |

A — J級：借款人目前在應付承諾及悉數償還利息及本金方面沒有問題之貸款。執行類別分為A至J共10個級別。

K — L級：逾期貸款超過一個月之所有級別戶口須調低至關注級別或以下，除非有很強理據而不論內部評級。按照香港金融管理局之關注級別或不履約級別定義顯示一個或以上特徵之借款人亦將由信貸部門決定調低至關注或以下級別。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued) Gross loans and advances (continued)

(ii) Distribution of gross loans and advances that were neither past due nor impaired (continued)

The various internal and external rating criteria and calibration are mapped back to one single internal credit rating scale for statistical and regulatory purposes. The Standard & Poor's (S&P) ratings are based on mapping the individual probability of default of each internal grade with that of the Standard & Poor's ratings.

The credit function and the Credit Committee decide an individual borrower's credit rating. Credit rating is a function of quantitative and management attributes. Economic outlook, account conduct and industry risk are also the considering factors. The Group has different rating scales for large corporates and small to medium enterprises (SMEs). The external rating of S&P, Moodys and Fitch will be adopted, if available.

The following table gives a distribution of the Group's total loans and advances by credit rating. The Group calibrates its borrowing customers into Grade A – Grade O and works out their respective weighted average probability of default (PD) and loss given default (LGD) since 2005.

| | | | | |
|------------------------------------|---|----|---|---|
| Pass Grades | A | to | H | & |
| | I | to | J | |
| Special Mention Grades | K | to | L | |
| Non-Performing Loan (NPL) Grade | M | to | O | |

Grades A – J: Loans where borrowers are currently in meeting commitment, and full repayment of interest and principal is not in doubt. There are 10 grades within the performing categories from A to J.

Grades K – L: All pass grade accounts which have overdue loans for a period exceeding one month are subject to being downgraded to the special mention rating or below, unless with strong justification irrespective of the internal ratings. Borrowers exhibiting one or more of the characteristics per the HKMA's special mention or non-performing grades definition will also be subjected to downgrading to special mention or below as decided by the Credits Department.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續)
貸款總額(續)

(iii) 已逾期但未減值之貸款總額

以下分析列示於結算日期已逾期但未減值之客戶、銀行及其他金融機構之貸款總額：

| | | 本集團 Group | | 本銀行 Bank | |
|------------|--------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| | | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 | 二零零七年 2007 千港元 HK\$'000 | 二零零六年 2006 千港元 HK\$'000 |
| 逾期不超過 30 日 | Past due up to 30 days | 717,548 | 1,192,483 | 717,548 | 1,192,483 |
| 逾期 31-60 日 | Past due 31-60 days | 72,717 | 135,841 | 72,717 | 135,841 |
| 逾期 61-90 日 | Past due 61-90 days | 12,530 | 15,849 | 12,530 | 15,849 |
| 逾期 90 日以上 | Past due over 90 days | 5,432 | 11,623 | 5,432 | 11,623 |
| 總計 | Total | 808,227 | 1,355,796 | 808,227 | 1,355,796 |
| 抵押品之公平價值 | Fair value of collateral | 624,871 | 916,112 | 624,871 | 916,112 |

除貸款總額外，於二零零七年及二零零六年之結算日，並無任何金融資產為已逾期但未減值。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)
Gross loans and advances (continued)

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

The analysis below shows the gross loans and advances to customers, banks and other financial institutions that were past due but not impaired at the balance sheet date:

Other than gross loans and advances, no financial assets were past due but not impaired at the balance sheet dates in 2007 and 2006.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續)
貸款總額(續)

(iv) 個別已減值之貸款(續)

本集團已有制定政策，將逾期超過90日之客戶調低至NPL級別。逾期120日以上之未償還貸款仍保留在通過級別而非屬已減值乃非常少。已減值賬項一般轉至由特別資產部門管理，以便回收之前景及方式能夠更加獨立地予以評估、決定及實施。倘可懷疑客戶被視為能夠恢復且抵押品時該客戶之持續營運當屬重要，特別資產部門可能不會採取即時回收行動或協助。本集團有時會加入仍處一致立場之其他債權人銀行或尋求與彼等達成協議。否則，本集團將採取適當措施，以保護客戶之資產、盡量收回，及定期透過私人出售或公開拍賣以與數項外界估值之平均值近似之價格盡快變現物業抵押品。

本集團採納一項客觀個別減值政策以符合香港會計準則第39號之規定。減值規定(如有)可一直追回到合理預期已折現償還現金流量及／或經評估之抵押品可變現值。

(v) 將另行逾期或減值之重新磋商貸款

改組活動包括已延期之付款安排、經批准之外界管理計劃、修訂及延期付款。於改組後，先前逾期客戶賬項乃重新設定為一般狀況並與其他類似賬項進行管理。改組政策及慣例乃根據管理層預示付款將極有可能繼續之預期或標準進行。該等政策乃按持續審閱維持。改組通常應用於有期貸款尤其是客戶融資貸款。於二零零七年十二月三十一日，將另行逾期或減值之重新磋商貸款共計2,333,013港元(二零零六年：266,002,823港元)。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)
Gross loans and advances (continued)

(iv) Loans and advances individually impaired (continued)

The Group has a policy of downgrading customers to the NPL grade when overdue is longer than 90 days. Very seldom would outstandings for over 120 days be retained in the pass grade instead of the impaired. Impaired accounts are typically transferred to management by the Special Assets Department, so that the prospect and means of recovery can be more independently evaluated, decided and implemented. The Special Assets Department may not take any immediate recovery action or even in help in circumstances where the customer in question is deemed to be able to be rehabilitated and the collateral is important to the customer's continued business operation. The Group may at times join or seek agreement with other creditor banks to stand still in concert. Otherwise, the Group will take appropriate measures to preserve the customer's assets, to maximise recovery and to realise property collaterals in a timely manner either by private sale or by public auction at prices that are in acceptable proximity with the average of several external valuations.

The Group adopts an objective individual impairment policy in compliance with the HKAS39 requirements. Impairment requirement, if any, can always be traceable back to reasonably expected discounted repayment cash flow and/or the assessed net realisable value of collateral.

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

Restructuring activities include extended payment arrangements, approved external management plans, modification and deferral of payments. Following restructuring, a previously overdue customer account is reset to a normal status and managed together with other similar accounts. Restructuring policies and practices are based on indicators or criteria which, in the judgment of management, indicate that payment will most likely continue. These policies are kept under continuous review. Restructuring is most commonly applied to term loans, in particular customer finance loans. Renegotiated loans that would otherwise be past due or impaired totalled HK\$2,333,013 as at 31 December 2007 (2006: HK\$266,002,823).

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續)
債券及股本證券

按評級代理指定劃分之金融工具

下表列示於十二月三十一日按評級代理指定劃分之金融投資分析，乃根據標準普爾之評級或彼等相當於各自之金融投資類別進行。在沒有該等發行評級之情況下，採用有關發行人所採納之評級等級。

| | | 持有至到期投資 | | | |
|---------|---------------|-------------------|-----------------------------|-----------------------------------|-------------------------------------|
| | | 交易資產 | 指定以 公平價值 | 備供 銷售投資 | |
| | | Trading assets | Designated at fair value | Available-for-sale investments | Held-to- maturity investments |
| 本集團 | Group | 千港元 | 千港元 | 千港元 | 千港元 |
| 二零零七年 | 2007 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| AAA | AAA | - | - | 432,060 | - |
| AA-至AA+ | AA- to AA+ | 14,553 | 303,416 | 2,824,413 | 2,266,860 |
| A-至A+ | A- to A+ | 39,703 | 522,790 | 6,159,406 | 965,314 |
| 低於A- | Lower than A- | - | 928,536 | 5,312,941 | 81,643 |
| 未評級 | Unrated | - | - | 598,091 | - |
| 總計 | Total | 54,256 | 1,754,742 | 15,326,911 | 3,313,817 |
| | | | | | 20,449,726 |

| | | | 持有至到期投資 | | | |
|-------------|--------------------------|-------------------|-----------------------------|-----------------------------------|----------------------|------------|
| | | 交易資產 | 指定以 公平價值 | 備供 銷售投資 | Held-to- maturity | 總計 |
| | | Trading assets | Designated at fair value | Available-for-sale investments | investments | Total |
| 本集團 | Group | 千港元 | 千港元 | 千港元 | 千港元 | 千港元 |
| 二零零六年 | 2006 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 |
| AAA | AAA | - | - | 252,060 | - | 252,060 |
| AA-至AA+ | AA- to AA+ | 13,868 | 197,231 | 1,736,948 | 2,167,084 | 4,115,131 |
| A-至A+ | A- to A+ | - | 504,936 | 5,750,898 | 1,702,083 | 7,957,917 |
| 低於A- 未評級 | Lower than A- Unrated | 42,600 | 1,002,182 | 2,829,026 | 263,805 | 4,137,613 |
| | | - | - | 483,386 | - | 483,386 |
| 總計 | Total | 56,468 | 1,704,349 | 11,052,318 | 4,132,972 | 16,946,107 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)
Debt and equity securities

Financial investments by rating agency designation

The table below presents an analysis of financial investments by rating agency designation at 31 December, based on Standard & Poor's ratings or their equivalent to the respective categories of financial investments. In the absence of such issue ratings, the rating scale adopted by the issuers are used.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續) 債券及股本證券(續)

| | | 交易資產 Trading assets 千港元 HK\$'000 | 指定以 公平價值 Designated at fair value 千港元 HK\$'000 | 備供 銷售投資 Available-for-sale investments 千港元 HK\$'000 | 持有至到期 投資 Held-to- maturity investments 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|--------------------------|--|---|--|---|--------------------------------|
| 本銀行 二零零七年 | Bank 2007 | | | | | |
| AAA | AAA | - | - | 432,060 | - | 432,060 |
| AA-至AA+ | AA- to AA+ | 14,553 | 303,416 | 2,824,413 | 2,266,860 | 5,409,242 |
| A-至A+ | A- to A+ | 39,703 | 522,790 | 6,159,406 | 965,314 | 7,687,213 |
| 低於A- 未評級 | Lower than A- Unrated | - | 928,536 | 5,312,941 | 81,643 | 6,323,120 |
| | | - | - | 597,428 | - | 597,428 |
| 總計 | Total | 54,256 | 1,754,742 | 15,326,248 | 3,313,817 | 20,449,063 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued) Debt and equity securities (continued)

| | | 交易資產 Trading assets 千港元 HK\$'000 | 指定以 公平價值 Designated at fair value 千港元 HK\$'000 | 備供 銷售投資 Available-for-sale investments 千港元 HK\$'000 | 持有至到期 投資 Held-to- maturity investments 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|--------------------------|--|---|--|---|--------------------------------|
| 本銀行 二零零六年 | Bank 2006 | | | | | |
| AAA | AAA | - | - | 252,060 | - | 252,060 |
| AA-至AA+ | AA- to AA+ | 13,868 | 197,231 | 1,736,948 | 2,167,084 | 4,115,131 |
| A-至A+ | A- to A+ | - | 504,936 | 5,750,898 | 1,702,083 | 7,957,917 |
| 低於A- 未評級 | Lower than A- Unrated | 42,600 | 1,002,182 | 2,829,026 | 263,805 | 4,137,613 |
| | | - | - | 482,677 | - | 482,677 |
| 總計 | Total | 56,468 | 1,704,349 | 11,051,609 | 4,132,972 | 16,945,398 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(b) 信貸質素(續)
債券及股本證券(續)

投資組合

於二零零七年十二月三十一日，本銀行之債務證券組合為160.1億港元，較二零零六年之135.5億港元增長18.15%，其中25.3億港元或債券組合總額之15.79%將於二零零八年到期。債券組合總額之大部分以美元及港元計值，而餘額以歐元、澳元及日元等其他貨幣計值。就賬戶而言，逾90%之未償還貸款風險以備供銷售及公平價值賬戶存置。該等債券組合之質素仍非常好。該組合總額逾90%屬於投資級別類加內。本銀行之債券組合根據嚴格及審慎之風險管理框架經營，並符合所有預先釐定之內部投資指引，該等內部投資指引由董事會每年進行一次審批。值得注意的是本銀行並無持有抵押債務債券(CDO)及美國次級按揭證券，但持有若干結構投資工具(「SIV」)。本銀行於二零零七年第四季度就SIV投資撤減2.34億港元或撤減75%，至年底於減值後剩餘之SIV投資為7千8百萬港元。本銀行將在其債券投資方面繼續實行多樣化政策及質素政策。

(c) 衍生工具

本集團對未平倉衍生合約金額嚴格控制。於任何時間，承受信貸風險之金額以有利於本集團之工具(即公平值為正數之該等資產)現行公平價值十分有限，就衍生工具而言只佔合約之一個小部分，或受限於用以表達未償還工具之數量之名義金額。由衍生工具交易所生的信貸風險是綜合於該交易對手按名義金額的整體放貸限額內一併管理。此等工具之信貸風險並不是經常獲得抵押品或其他抵押，惟本集團要求對手方提供保證按金之情況除外。

(d) 總淨額結算安排

本集團與進行大量交易的交易對方訂立總淨額結算安排，藉此進一步減少信貸風險。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消，原因是交易通常按總額結算。然而，有關之信貸風險會借著總淨額結算安排而降低，於拖欠發生時交易對方所有借貸將被停止及按淨額結算。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(b) Credit quality (continued)
Debt and equity securities (continued)

Investment portfolio

As at 31 December 2007, the bank's debt securities portfolio amounted to HK\$16.01 billion, with a 18.15% increase over the HK\$13.55 billion in 2006. HK\$2.53 billion or 15.79% of total bond portfolio will mature in 2008. The majority of total bond portfolio are denominated in US\$ and HK\$ whereas the rest are in other currencies, such as €, AU\$ and ¥. In term of booking, over 90% of the outstanding exposures are kept in the available-for-sale and fair value book category. The quality of these debt securities portfolios is still very good. Over 90% of total portfolio falls within the investment grade category. The Bank's debt securities portfolio operates under a strict and prudent risk management framework and is in compliance with all pre-determined internal investment guidelines, which are reviewed and approved by the Board of Directors annually. It is noteworthy that the bank has no exposure to collateralised debt obligations (CDO) and U.S. subprime mortgages but has some exposures to structured-investment vehicles (SIV). The Bank took HK\$234 million or 75% write-downs for SIV investment in the fourth quarter of 2007 and ended the year with HK\$78 million of SIV exposure remaining after impairment. The Bank will continue its diversification policy and quality policy in its debt securities investment.

(c) Derivatives

The Group maintains strict control limits on open derivative positions. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e. assets where their fair values are positive), which is only a small fraction of the contracts in relation to derivatives, or is limited to the notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with counterparties on nominal amounts. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

(d) Master netting arrangements

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 offsetting of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk 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.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(e) 信貸有關承諾

該等工具之主要目的是確保資金足夠供應給客戶在有需要應付其債務時提取。擔保及備用信用證乃本集團所作出不能撤回的保證，確認本集團將會在客戶未能向第三方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。跟單及商業信用證為本集團書面承諾代表客戶授權第三方按訂明之條款及條件向本集團提取某一訂明金額之款項，這些付款承諾乃以相關之付運貨物作為抵押，因此較直接借貸之風險為低。

發出信貸之承諾代表以貸款、擔保書及信用證等形式確認已批核信貸之未動用部分。有關所發出信貸承擔之信貸風險，本集團面對之潛在損失風險應相當於未動用承諾之總額。然而，即使是最壞的情況下，實際需償付之金額，因為客戶大多還是未能滿足一些特定信貸要求，而往往低於未動用承諾的總金額。本集團會控制信貸承諾之時間長短，因較長年期之承諾一般較短期承諾存在較大程度的信貸風險。

(f) 抵押品及其他改善信貸條件

本集團以物業按揭、資產的其他註冊證券、現金存款及擔保書之形式持有客戶貸款及墊款之抵押品。銀行同業貸款及墊款通常並不持有抵押品，除非證券作為購回及證券買賣活動之一部分。貸款及墊款以外作為金融資產持有之抵押品乃由該工具之性質決定。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(e) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer to settle his obligations as required. Guarantees and standby letters of credit which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties carry the same credit risk as loans. Documentary and commercial letters of credit which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions are collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct lending.

Commitments to extend credit represent unused portions of authorisations to extend credit 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, even the worst scenario, loss is likely to be 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.

(f) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of the reverse repurchase and securities borrowing activity. Collaterals held as security for financial assets other than loans and advances is determined by the nature of the instrument.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.2 信貸風險(續)

(g) 信貸風險壓力測試

根據香港金融管理局監管政策指引，本集團定期在估計輕微、溫和及嚴重危機情況之可能信貸損失方面，對交易對手進行信貸風險壓力測試。本集團根據二零零零年至二零零四年之亞洲金融危機期間(包括二零零三年沙士疫症)內之經驗數據進行信貸風險壓力測試。風險管理委員會審閱壓力測試、其參數及其對本集團規定資本充足率之影響。如認為有必要，將採取臨時措施以控制可能的不利情況。

下表概述本集團之最近其交易對手信貸風險壓力測試之結果。

4 FINANCIAL RISK MANAGEMENT (continued)

4.2 Credit risk (continued)

(g) Credit risk stress test

In accordance with the HKMA supervisory policy guidelines, the Group runs counterparty credit risk stress test periodically in estimation of the probable credit loss in a mild, moderate and severe crisis scenario. The Group performs credit risk stress test on the basis of the empirical data during the Asian financial crisis spanning 2000 and 2004, including the 2003 SARS epidemic. The Risk Management Committee reviews the stress test, its parameters and its impact on the Group's regulatory CAR. Contingent measures will be devised to control possible adversities, if deemed necessary.

The following table summarises the result of the Group's latest credit risk stress tests for counterparties.

| 危機情況 | | Crisis scenario | | 31/12/2007 二零零七年 十二月三十一日 | 31/12/2006 二零零六年 十二月三十一日 |
|------|--------------|-----------------|------------------------------|--------------------------------|--------------------------------|
| 輕微 | 不履約貸款(百萬港元) | Mild | NPL (HK\$m) | 4,242 | 3,461 |
| | 不履約貸款比率(%) | | NPL ratio (%) | 4.22% | 4.20% |
| | 預期信貸損失(百萬港元) | | Expected credit loss (HK\$m) | 551 | 533 |
| 溫和 | 不履約貸款(百萬港元) | Moderate | NPL (HK\$m) | 4,876 | 4,038 |
| | 不履約貸款比率(%) | | NPL ratio (%) | 4.85% | 4.90% |
| | 預期信貸損失(百萬港元) | | Expected credit loss (HK\$m) | 766 | 742 |
| 嚴重 | 不履約貸款(百萬港元) | Severe | NPL (HK\$m) | 5,450 | 4,615 |
| | 不履約貸款比率(%) | | NPL ratio (%) | 5.47% | 5.60% |
| | 預期信貸損失(百萬港元) | | Expected credit loss (HK\$m) | 1,020 | 989 |

所有上述信貸風險報告每月由信貸委員會進行審閱或每季度由風險管理委員會進行審閱。警告信號或政策偏離(如有)將予以調查、討論、調整或處理，及如有必要會於適當時候向董事會匯報以獲取有關資料、指示或批准。

All the above credit risk reports are reviewed monthly by the Credit Committee or quarterly by the Risk Management Committee. Warning signals or policy deviations, if any, will be investigated, discussed, rectified or dealt with, and, if necessary, be reported to the Board in due course for information, instruction or approval.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險

市場風險為市場利率及資產、負債與資產負債表外項目之倉盤變化而引起溢利或虧損之風險。本集團承擔來自外匯、貨幣市場、債券及衍生工具產生之市場風險。本集團亦可能面對主要於彼等各自之首次公開招股程序時之股本證券之私有市場風險倉盤。亦承擔有關股本之管理倉盤，於此情況下其成為一項投資項目，不時自本銀行之股本中扣減。大部分資產負債表以外之衍生倉盤產生自執行客戶相關指令及為對沖進行之交易。私有交易活動於目前階段相對並不大。

本集團之市場風險管理目標是以與本集團作為金融產品及服務首選提供商之地位以及本集團之風險情況相一致之方式優化回報及控制市場風險。

本集團將承擔之市場風險分類為交易或非交易組合。交易組合包括做市商產生之倉盤、進行之私有倉盤及其他如此指定之市場對市場倉盤。非交易組合主要因本集團之零售、公司及商業銀行資產及負債之實際利率管理而產生。

(a) 市場風險管理框架

董事會審批有關管理市場風險之政策。風險管理委員會(「RMC」)透過於本集團內審閱及指導市場風險活動，協助董事進行市場風險管理。此任務亦由資產與負債管理委員會(「ALCO」)負責，此外，負責批准非日常市場風險活動以及參與政策及限額設定。ALCO通過風險管理委員會(「RMC」)向董事會匯報本集團之市場風險管理政策、程序及系統之充足性及效率。

市場風險之日常基本監控、管理及假設主要在財資部根據董事會批准之風險限額及指引進行。監察該等經批准限額之運用情況乃由風險管理部門之獨立市場風險小組定期進行。本集團之內部審核部門亦協助確保遵守經批准之政策及程序。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change, thus causing profits or losses. The Group takes on the exposure to market risk that arises from open positions in foreign exchange, money market, debt securities and derivatives. The Group may also take proprietary market risk positions in equity securities mainly at the time of their respective IPO process. Management position on equities is also assumed, in which case it becomes an investment item, deducted at times from the Bank's equity. Most off-balance sheet derivative positions arise from the execution of customer-related orders and transactions taken for hedging purpose. Proprietary trading activities are relatively not sizeable at this stage.

The objective of the Group's market risk management is to optimise return and control market risk in ways consistent with the Group's status as a premier provider of financial products and services as well as the Group's risk profile.

The Group classifies exposures to market risk into either trading or non-trading portfolios. Trading portfolios include those positions arising from market-making, proprietary position taking and other marked-to-market positions so designated. Non-trading portfolios primarily arise from the effective interest rate management of the Group's retail, corporate and commercial banking assets and liabilities.

(a) Market risk management framework

The Board of Directors reviews and approves policies for the management of market risk. The Risk Management Committee ("RMC") assists the Board on market risk management by reviewing and guiding market risk activities within the Group. This role is also played by the Asset and Liability Management Committee ("ALCO"), which, in addition, approves other than routine market risk activities as well as participates in policy and limit setting. ALCO reports to the Board of Directors via the RMC for the adequacy and efficiency of market risk management policies, procedures and systems of the Group.

The daily primary control, management and assumption of market risk are principally undertaken by Treasury & Markets within risk limits and guidelines approved by the Board of Directors. Monitoring of the utilisation of these approved limits is performed on a regular basis by an independent market risk unit of the Risk Management Department. The Group's Internal Audit Department also helps to ensure compliance with the approved policies and procedures.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(b) 市場風險計量

為量化因本集團之交易及非交易活動而產生之市場風險所使用之計量技術包括敏感度分析及壓力測試。敏感度措施、集中及止損限額乃使用作為風險管理工具。限額乃就每個組合、產品及風險類型進行設定。壓力測試乃定期進行以評估在極端情況下之潛在虧損。RMC及ALCO會定期審閱壓力測試結果。

(c) 利率風險

利率風險乃本集團之財務表現可能受到市場利率變動不利影響之風險。利率風險主要因計息資產與負債之到期日錯配及收益率曲線變動而產生。

利率風險按董事會批准之風險限額進行管理。該等限額乃就每個到期組別進行設定，此外，至於總限額，乃就全部債券組合進行設定。敏感度措施、集中及止損限額乃使用作為風險管理工具。壓力測試亦予以進行以概述可能因極端情況產生之潛在風險。日常利率風險管理由財資部執行並受ALCO監督及指示。

本集團透過訂立資產負債表內或以外之利率風險對沖工具方式管理其利率風險。對沖活動之效力乃定期根據香港會計準則第39號進行評估。

下表概述本集團所面臨之利率風險，並按賬面值列示本集團之資產及負債，而資產及負債則按重定息日或到期日(以較早者為準)分類。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(b) Measurement of market risk

The measurement techniques used to quantify the market risk arising from our trading and non-trading activities include sensitivity analysis and stress testing. Sensitivity measures, concentration and stop-loss limits are used as the risk management tools. Limits are set for each portfolio, product and risk type. Stress tests are performed regularly to assess the potential losses under extreme circumstances. The RMC and ALCO reviews stress test results on a regular basis.

(c) Interest rate risks

Interest rate risk is the risk that the Group's financial performance may be adversely affected by a change in market interest rates. Interest rate risk arises mainly from the maturity mismatch of interest bearing assets and liabilities and yield curve movement.

Interest rate risk is managed within risk limits approved by the Board of Directors. Limits are set for each maturity band, in addition, to an aggregate limit, for the entire investment securities portfolio. Sensitivity measures, concentration and stop-loss limits are used as the risk management tools. Stress testing is also performed to highlight potential risks that may arise from extreme circumstances. The day-to-day interest rate risk management is performed by Treasury & Markets and subject to ALCO supervision and direction.

The Group manages its interest rate risk by way of entering into on or off balance sheet interest rate risk hedging instruments. The effectiveness of the hedging activities is assessed regularly in accordance with the HKAS 39.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

| | | 一個月內 Up to 1 month 千港元 HK\$'000 | 一至三個月 1-3 months 千港元 HK\$'000 | 三至十二個月 3-12 months 千港元 HK\$'000 | 一至五年 1-5 years 千港元 HK\$'000 | 五年以上 Over 5 years 千港元 HK\$'000 | 不計息 Non-interest Bearing 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|-------------------------|---|---|---|---|---|--|---|--------------------------------|
| 本集團 二零零七年十二月三十一日 | Group 31 December 2007 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 現金及在銀行及其他 金融機構之結存 | Cash and balances with banks and other financial institutions | 42,984,966 | - | - | - | - | 681,388 | 43,666,354 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | - | 42,826 | 962,408 | - | - | - | 1,005,234 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | 14,139 | 2,517 | - | 37,600 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 100,006 | - | - | 372,348 | 1,282,388 | - | 1,754,742 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 1,213,738 | 1,213,738 |
| 客戶、銀行及其他 金融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 74,035,240 | 27,390,941 | 16,982,279 | 2,927,774 | 294,317 | 73,120 | 121,703,671 |
| 備供銷售金融投資 | Available-for-sale financial investments | 2,776,506 | 3,586,122 | 1,800,886 | 3,070,317 | 1,619,352 | 2,473,728 | 15,326,911 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 1,054,165 | 1,373,291 | 804,718 | 81,643 | - | - | 3,313,817 |
| 其他資產 | Other assets | 287,308 | - | - | - | - | 3,978,029 | 4,265,337 |
| 總資產 | Total assets | 121,238,191 | 32,393,180 | 20,564,430 | 6,454,599 | 3,196,057 | 8,457,603 | 192,304,060 |
| 負債 | Liabilities | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 10,370,899 | 6,294,755 | 2,827,990 | - | - | 742,162 | 20,235,806 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 1,351,698 | 1,351,698 |
| 客戶存款 | Deposits from customers | 109,808,760 | 20,642,716 | 2,645,960 | 30,816 | 10,141 | 4,391,834 | 137,530,227 |
| 已發行存款證 | Certificates of deposit issued | 544,084 | 357,823 | 1,389,505 | 1,413,984 | - | - | 3,705,396 |
| 指定以公平價值經損益表 入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | 3,119,872 | - | - | - | - | 3,119,872 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 2,021,156 | 3,730,280 | 1,794,184 | - | - | - | 7,545,620 |
| 其他負債 | Other liabilities | 194,760 | - | - | - | - | 3,612,542 | 3,807,302 |
| 負債總額 | Total liabilities | 122,939,659 | 34,145,446 | 8,657,639 | 1,444,800 | 10,141 | 10,098,236 | 177,295,921 |
| 利率敏感度缺口總額 | Total interest sensitivity gap | (1,701,468) | (1,752,266) | 11,906,791 | 5,009,799 | 3,185,916 | (1,640,633) | 15,008,139 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 市場風險(續)

4.3 Market risk (continued)

(c) 利率風險(續)

(c) Interest rate risks (continued)

| | | 一個月內 Up to 1 month 千港元 HK\$'000 | 一至三個月 1-3 months 千港元 HK\$'000 | 三至十二個月 3-12 months 千港元 HK\$'000 | 一至五年 1-5 years 千港元 HK\$'000 | 五年以上 Over 5 years 千港元 HK\$'000 | 不計息 Non-interest Bearing 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|-------------------------|---|---|---|---|---|--|---|--------------------------------|
| 本集團 二零零六年十二月三十一日 | Group 31 December 2006 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 45,280,373 | - | - | - | - | 214,739 | 45,495,112 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | - | 5,015,135 | - | - | - | - | 5,015,135 |
| 持作交易用途金融資產 | Financial assets held for trading | - | 13,868 | - | - | - | 42,600 | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | - | - | 206,057 | 501,415 | 996,877 | - | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 713,202 | 713,202 |
| 客戶、銀行及其他 金融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 55,366,407 | 16,377,634 | 3,056,038 | 594,639 | 176,825 | 76,213 | 75,647,756 |
| 備供銷售金融投資 | Available-for-sale financial investments | 1,486,495 | 2,494,582 | 1,102,922 | 3,944,875 | 969,995 | 1,053,449 | 11,052,318 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,040,724 | 1,264,600 | 623,216 | 204,432 | - | - | 4,132,972 |
| 其他資產 | Other assets | 85,645 | - | - | - | - | 2,488,802 | 2,574,447 |
| 總資產 | Total assets | 104,259,644 | 25,165,819 | 4,988,233 | 5,245,361 | 2,143,697 | 4,589,005 | 146,391,759 |
| 負債 | Liabilities | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 11,509,143 | 206,241 | - | - | - | 292,294 | 12,007,678 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 773,116 | 773,116 |
| 客戶存款 | Deposits from customers | 81,463,561 | 11,717,383 | 3,037,996 | 12,319 | 10,111 | 3,329,187 | 99,570,557 |
| 已發行存款證 | Certificates of deposit issued | 649,585 | 1,539,640 | 6,151,374 | 1,981,436 | - | - | 10,322,035 |
| 指定以公平價值經損益表 入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | 2,997,804 | - | - | - | - | 2,997,804 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,516,710 | 4,222,300 | 1,788,940 | - | - | - | 7,527,950 |
| 其他負債 | Other liabilities | 36,433 | - | - | - | - | 2,070,883 | 2,107,316 |
| 負債總額 | Total liabilities | 95,175,432 | 20,683,368 | 10,978,310 | 1,993,755 | 10,111 | 6,465,480 | 135,306,456 |
| 利率敏感度缺口總額 | Total interest sensitivity gap | 9,084,212 | 4,482,451 | (5,990,077) | 3,251,606 | 2,133,586 | (1,876,475) | 11,085,303 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

| | | 一個月內 Up to 1 month 千港元 HK\$'000 | 一至三個月 1-3 months 千港元 HK\$'000 | 三至十二個月 3-12 months 千港元 HK\$'000 | 一至五年 1-5 years 千港元 HK\$'000 | 五年以上 Over 5 years 千港元 HK\$'000 | 不計息 Non-interest Bearing 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|------------------------|--|---|---|---|---|--|---|--------------------------------|
| 本銀行 二零零七年十二月三十一日 | Bank 31 December 2007 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 現金及在銀行及其他 金融機構之結存 | Cash and balances with banks and other financial institutions | 42,479,132 | - | - | - | - | 681,388 | 43,160,520 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | - | 42,826 | 1,577,987 | - | - | - | 1,620,813 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | 14,139 | 2,517 | - | 37,600 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 100,006 | - | - | 372,348 | 1,282,388 | - | 1,754,742 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 1,226,446 | 1,226,446 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 72,717,490 | 26,378,942 | 15,227,859 | 336,237 | 143,434 | 73,120 | 114,877,082 |
| 備供銷售金融投資 | Available-for-sale financial investments | 2,776,506 | 3,586,122 | 1,800,886 | 3,070,317 | 1,619,352 | 2,473,065 | 15,326,248 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 1,054,165 | 1,373,291 | 804,718 | 81,643 | - | - | 3,313,817 |
| 其他資產 | Other assets | 287,308 | - | - | - | - | 5,938,082 | 6,225,390 |
| 總資產 | Total assets | 119,414,607 | 31,381,181 | 19,425,589 | 3,863,062 | 3,045,174 | 10,429,701 | 187,559,314 |
| 負債 | Liabilities | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 9,541,717 | 5,594,194 | 321,082 | - | - | 773,147 | 16,230,140 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 1,351,698 | 1,351,698 |
| 客戶存款 | Deposits from customers | 109,408,954 | 20,612,716 | 2,164,784 | 3,102,982 | 10,141 | 4,673,781 | 139,973,358 |
| 已發行存款證 | Certificates of deposit issued | 544,084 | 357,823 | 1,389,505 | 1,413,984 | - | - | 3,705,396 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 2,021,156 | 3,730,280 | 1,794,184 | - | - | - | 7,545,620 |
| 其他負債 | Other liabilities | 194,760 | - | - | - | - | 3,958,175 | 4,152,935 |
| 負債總額 | Total liabilities | 121,710,671 | 30,295,013 | 5,669,555 | 4,516,966 | 10,141 | 10,756,801 | 172,959,147 |
| 利率敏感度缺口總額 | Total interest sensitivity gap | (2,296,064) | 1,086,168 | 13,756,034 | (653,904) | 3,035,033 | (327,100) | 14,600,167 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

| | | 一個月內 Up to 1 month 千港元 HK\$'000 | 一至三個月 1-3 months 千港元 HK\$'000 | 三至十二個月 3-12 months 千港元 HK\$'000 | 一至五年 1-5 years 千港元 HK\$'000 | 五年以上 Over 5 years 千港元 HK\$'000 | 不計息 Non-interest Bearing 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|------------------------|--|---|---|---|---|--|---|--------------------------------|
| 本銀行 二零零六年十二月三十一日 | Bank 31 December 2006 | | | | | | | |
| 資產 | Assets | | | | | | | |
| 現金及在銀行及其他 金融機構之結存 | Cash and balances with banks and other financial institutions | 44,711,629 | - | - | - | - | 214,739 | 44,926,368 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | - | 5,199,081 | 277,138 | - | - | 303,359 | 5,779,578 |
| 持作交易用途金融資產 | Financial assets held for trading | - | 13,868 | - | - | - | 42,600 | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | - | - | 206,057 | 501,415 | 996,877 | - | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 713,202 | 713,202 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 55,301,061 | 15,843,082 | 2,659,256 | 594,639 | 176,825 | 76,213 | 74,651,076 |
| 備供銷售金融投資 | Available-for-sale financial investments | 1,486,495 | 2,494,582 | 1,102,922 | 3,944,875 | 969,995 | 1,052,740 | 11,051,609 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,040,724 | 1,264,600 | 623,216 | 204,432 | - | - | 4,132,972 |
| 其他資產 | Other assets | 85,645 | - | - | - | - | 3,536,920 | 3,622,565 |
| 總資產 | Total assets | 103,625,554 | 24,815,213 | 4,868,589 | 5,245,361 | 2,143,697 | 5,939,773 | 146,638,187 |
| 負債 | Liabilities | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 11,510,246 | 206,241 | - | - | - | 292,996 | 12,009,483 |
| 衍生金融工具 | Derivative financial instruments | - | - | - | - | - | 773,116 | 773,116 |
| 客戶存款 | Deposits from customers | 81,802,191 | 14,707,381 | 3,037,996 | 12,319 | 10,111 | 3,430,990 | 103,000,988 |
| 已發行存款證 | Certificates of deposit issued | 649,585 | 1,539,640 | 6,151,374 | 1,981,436 | - | - | 10,322,035 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,516,710 | 4,222,300 | 1,788,940 | - | - | - | 7,527,950 |
| 其他負債 | Other liabilities | 36,433 | - | - | - | - | 2,034,269 | 2,070,702 |
| 負債總額 | Total liabilities | 95,515,165 | 20,675,562 | 10,978,310 | 1,993,755 | 10,111 | 6,531,371 | 135,704,274 |
| 利率敏感度缺口總額 | Total interest sensitivity gap | 8,110,389 | 4,139,651 | (6,109,721) | 3,251,606 | 2,133,586 | (591,598) | 10,933,913 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

交易組合

本集團對利率風險之監控乃根據有關屬於市場風險限額內交易之受限個別營運及一系列董事會授權之可允許工具進行。尤其是，衍生產品之交易受到活躍之監控系統支持，而更為複雜之衍生工具主要以背靠背基準進行交易。敏感度措施、集中及止損限額乃使用風險管理工具。風險限額乃每日進行獨立監察。

非交易組合

非交易組合(亦稱為「銀行賬戶」)之利率風險管理之主要目標是優化淨投資收入，這由財資部進行，並在ALCO監督下每日管理非庫務業務之利率風險。當產品之行為特徵與其合同特徵不同時，則對行為特徵進行評估以釐定彼等之實際相關利率風險。ALCO監察所有該等行為假設及利率風險狀況以確保彼等符合董事會所確定之利率風險限額。利率風險限額乃就規管因非交易組合之利率風險而設定。該等限額乃定期進行計量及獨立監察。該銀行賬戶之利率風險乃按月向ALCO匯報。

本集團就其銀行賬戶面對之利率風險主要包括以下四個形式：重新定價(或到期日錯配)風險、收益率曲線風險、基準風險及期權風險。利率風險乃就有關盈利／經濟價值之利率變動而計量，並假設所有其他因素維持不變，如財資部或其他業務部門中並無採取任何行動以減低此利率風險之影響，所有到期項目之利率按同一金額計算。預付款、提早退回客戶貸款或存款通常不予接受或支付費用。

淨利息收入

本集團管理非交易組合之利率風險之主要部分是監察預期淨利息收入在不利利率情況(模擬模型)下之敏感度。額外影響(如有)將進行分析及調整。

對銀行賬戶風險之壓力測試乃每月進行，以評估在極端情況下之盈利或經濟價值。有關分析乃根據以下假設進行：

- (i) 收益率曲線及利率出現平行移動；
- (ii) 組合並無其他變動；
- (iii) 假設沒有提早償還貸款；及
- (iv) 假設沒有固定到期日的存款於翌日再定息。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

Trading portfolio

The Group's control of interest rate risk is based on restricting individual operations to trading within the market risk limits, and a list of permissible instruments authorised by the Board of Directors. In particular, trading in derivative products is supported by robust control systems whereas more complicated derivatives are mainly traded on the back-to-back basis. Sensitivity measures, concentration and stop-loss limits are used as risk management tools. Risk limits are independently monitored on a daily basis.

Non-trading portfolio

The principal objective of interest rate risk management of non-trading portfolios (also known as the "banking book") is to optimise net interest income. This is done on a daily basis by Treasury & Markets taking over the interest rate risk in non-treasury business under the supervision of ALCO. When the behavioural characteristics of a product differ from its contractual characteristics, the behavioural characteristics are assessed to determine their actual underlying interest rate risk. ALCO monitors all such behavioural assumptions and interest rate risk positions to ensure that they comply with interest rate risk limits established by the Board. Interest rate risk limits are set for the purpose of governing the interest rate risk arising from non-trading portfolios. The limits are measured and independently monitored on a regular basis. Interest rate risk exposures of the banking book are reported to the ALCO on a monthly basis.

There are four primary forms of interest rate risk faced by the Group with regard to its banking book: re-pricing (or maturity mismatch) risk, yield curve risk, basis risk and option risk. Interest rate risk is measured in relation to the impact of changes in interest rates on earnings or economic value assuming all other factors to remain constant, e.g. no action was taken by Treasury & Markets or other business units to mitigate the impact of this interest rate risk, interest rates of all maturities move by the same amount. Prepayment, early withdrawal of customer loans or deposits are usually not entertained or with fees paid.

Net interest income

A principal part of the Group's management of interest rate risk in non-trading portfolios is to monitor the sensitivity of projected net interest income under varying interest rate scenarios (simulation modelling). Excess impact, if any, will be analysed and rectified.

Stress testing on banking book exposures is performed on a monthly basis to assess the impact on earnings or economic value under extreme circumstances. The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) no loan prepayment is assumed; and
- (iv) deposits without fixed maturity dates are assumed to be repriced on next day.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

淨利息收入之壓力測試
下表顯示本集團於截至二零零七年及二零零六年十二月三十一日止年度之壓力測試結果。

| 對盈利之影響 Impact on earnings | | 於未來十二個月對盈利之影響 (如利率變動200個基點) Impact on earnings over the next 12 months (if interest rates change by 200 basis points) | |
|------------------------------|----------|--|----------------------------------|
| 貨幣 | Currency | 二零零七年 千港元 2007 HK\$'000 | 二零零六年 千港元 2006 HK\$'000 |
| | | | |
| 美元 | US\$ | 176,804 | 148,232 |
| 港元 | HK\$ | 141,775 | 30,846 |

| 對經濟價值之影響 Impact on economic value | | 對經濟價值之影響 (如利率變動200個基點) Impact on economic value (if interest rates change by 200 basis points) | |
|--------------------------------------|----------|--|----------------------------------|
| 貨幣 | Currency | 二零零七年 千港元 2007 HK\$'000 | 二零零六年 千港元 2006 HK\$'000 |
| | | | |
| 美元 | US\$ | 353,599 | 173,043 |
| 港元 | HK\$ | 39,282 | 57,673 |

| 對盈利之影響 Impact on earnings | | 有關計息資產之利率 (固定及經管理利率除外) 變動200個基準點之影響 Impact of changes in rates (except for fixed and managed rates) on interest bearing assets, by 200 basis points | | 有關計息資產之經管理利率 變動200個基點之影響， 而其他利率維持不變 Impact of changes in managed rates on interest bearing assets change by 200 basis points, while other rates remain unchanged | |
|------------------------------|----------|--|----------------------------------|---|----------------------------------|
| 貨幣 | Currency | 二零零七年 千港元 2007 HK\$'000 | 二零零六年 千港元 2006 HK\$'000 | 二零零七年 千港元 2007 HK\$'000 | 二零零六年 千港元 2006 HK\$'000 |
| | | | | | |
| 美元 | US\$ | 1,506,552 | 1,334,835 | 59,527 | 57,940 |
| 港元 | HK\$ | 1,545,541 | 1,232,608 | 1,086,763 | 971,673 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

Stress testing of net interest income
The tables below show the stress testing results on our banking book for the years ended 31 December 2007 and 2006.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(c) 利率風險(續)

敏感度分析

下表顯示有關利率合理可能變動對本集團銀行賬戶之盈利與虧損及淨利息收入(NII)之敏感度分析，即於美元和港元收益率曲線方面100個基點並行增加，而所有其他變量維持不變：

| 年度 | Year | 預期淨利息 收入變化 (千港元) (附註 i) Change in projected net interest income (HK\$'000) (Note i) | 對盈利及 虧損之影響 (千港元) (附註 ii) Impact on profit or loss (HK\$'000) (Note ii) |
|-------|------|---|---|
| 二零零七年 | 2007 | 17,515 | 6,997 |
| 二零零六年 | 2006 | 58,693 | 2,758 |

i) 預期淨利息收入之敏感度分析

上表所載之利率敏感度乃根據簡化情況進行，並假設所有其他變量維持不變。該等數據指淨利息收入備考變量之影響，乃根據預期收益率曲線情況及本集團目前之利率風險情況計算。

ii) 溢利或虧損之敏感度

以上敏感度僅顯示因「公平價值賬項」及「交易賬項」而產生之該等利率風險。假設於美元和港元收益率曲線方面有即時並行變化。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(c) Interest rate risks (continued)

Sensitivity analysis

The table below show the sensitivity analysis on net interest income (NII), and profit or loss of a reasonably possible movement in interest rates on our banking book, i.e. a 100 basis points parallel increase in US\$ and HK\$ yield curves, with all other variables held constant:

i) Sensitivity of projected net interest income

The interest rate sensitivities set out in the table above are based on simplified scenarios assuming all other variables remain constant. The figures represent the effect of the pro forma movements in net interest income based on the projected yield curve scenarios and the Group's current interest rate risk profile.

ii) Sensitivity of profit or loss

The sensitivities above show only those interest rate risk exposures arising from the "fair-value book" and the "trading book". Instantaneous parallel change in US\$ and HK\$ yield curves are assumed.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險

貨幣風險乃金融工具之價值因外匯變化而將出現波動之風險。

本集團之外匯風險主要包括財資部門進行之外匯交易及源自於本集團銀行業務之貨幣風險。因非交易業務產生之貨幣風險乃轉至財資部門，以按董事會所批准之外匯倉盤限額進行集中化管理。董事會按貨幣對倉盤設定限額。倉盤乃每日按經批准限額進行獨立監察。

下表概述本集團及本銀行面對之外匯風險。該表包括本集團及本銀行按賬面值列賬之資產及負債，按貨幣進行分類。資產負債表外項目缺口指外幣衍生金融工具名義金額之間的差額，並主要用於減低本集團及本銀行面對之貨幣變動風險及彼等之公平價值。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) *Currency risk*

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group's foreign exchange exposures mainly comprise foreign exchange dealing by Treasury & Markets and currency exposures originated from the Group's banking business. Currency exposures arising from non-trading businesses are transferred to Treasury & Markets for centralised management within the foreign exchange position limits approved by the Board of Directors. The Board has set limits on positions by currency. Positions are independently monitored against the approved limits on a daily basis.

The table below summarises the Group's and the Bank's exposure to foreign currency exchange risk. Included in the table are the Group's and the Bank's assets and liabilities at carrying amounts, categorised by currency. The off-balance sheet gap represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's and the Bank's exposure to currency movements and their fair values.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險(續)

| 本集團 二零零七年十二月三十一日 | Group 31 December 2007 | 港元 HK\$ 千港元 HK\$'000 | 美元 US\$ 千港元 HK\$'000 | 其他 Other 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|-------------------------|---|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 資產 | Assets | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 2,448,553 | 37,729,764 | 3,488,037 | 43,666,354 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | 50,000 | 955,234 | - | 1,005,234 |
| 持作交易用途金融資產 | Financial assets held for trading | 38,014 | 14,139 | 2,103 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 466,939 | 1,287,803 | - | 1,754,742 |
| 衍生金融工具 | Derivative financial instruments | 879,585 | 276,862 | 57,291 | 1,213,738 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 73,259,040 | 38,259,605 | 10,185,026 | 121,703,671 |
| 備供銷售金融投資 | Available-for-sale financial investments | 3,592,240 | 9,182,063 | 2,552,608 | 15,326,911 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,197,620 | 986,054 | 130,143 | 3,313,817 |
| 於聯營公司之投資 | Investments in associates | 184,054 | - | - | 184,054 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | 1,042,775 | - | 807 | 1,043,582 |
| 投資物業 | Investment properties | 26,000 | - | 14,624 | 40,624 |
| 物業及設備 | Property, plant and equipment | 166,690 | - | 91,063 | 257,753 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | 44,604 | - | - | 44,604 |
| 其他資產 | Other assets | 1,604,909 | 324,208 | 765,603 | 2,694,720 |
| 總資產 | Total assets | 86,001,023 | 89,015,732 | 17,287,305 | 192,304,060 |
| 負債 | Liabilities | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 7,532,994 | 8,865,384 | 3,837,428 | 20,235,806 |
| 衍生金融工具 | Derivative financial instruments | 983,297 | 308,438 | 59,963 | 1,351,698 |
| 客戶存款 | Deposits from customers | 78,763,080 | 50,322,632 | 8,444,515 | 137,530,227 |
| 已發行存款證 | Certificates of deposit issued | 2,426,154 | 1,279,242 | - | 3,705,396 |
| 指定以公平價值經損益表 入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | 3,119,872 | - | 3,119,872 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,500,000 | 6,045,620 | - | 7,545,620 |
| 其他負債，包括流動及 遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 2,565,493 | 996,568 | 245,241 | 3,807,302 |
| 負債總額 | Total liabilities | 93,771,018 | 70,937,756 | 12,587,147 | 177,295,921 |
| 資產負債表內倉盤淨額 | Net on-balance sheet position | (7,769,995) | 18,077,976 | 4,700,158 | 15,008,139 |
| 資產負債表外名義倉盤淨額 | Off-balance sheet net notional position | (1,343,075) | 964,502 | 378,573 | - |
| 信貸承諾 | Credit commitments | 79,186,501 | 15,893,347 | 2,329,853 | 97,409,701 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) Currency risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險(續)

| 本集團 二零零六年十二月三十一日 | Group 31 December 2006 | 港元 HK\$ 千港元 HK\$'000 | 美元 US\$ 千港元 HK\$'000 | 其他 Other 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|-------------------------|---|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 資產 | Assets | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 2,029,470 | 41,345,978 | 2,119,664 | 45,495,112 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | 290,000 | 4,725,135 | – | 5,015,135 |
| 持作交易用途金融資產 | Financial assets held for trading | 42,700 | 13,768 | – | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 199,593 | 1,298,699 | 206,057 | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments | 336,192 | 295,835 | 81,175 | 713,202 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 56,758,065 | 15,832,216 | 3,057,475 | 75,647,756 |
| 備供銷售金融投資 | Available-for-sale financial investments | 2,542,552 | 6,986,456 | 1,523,310 | 11,052,318 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,615,784 | 1,298,588 | 218,600 | 4,132,972 |
| 於聯營公司之投資 | Investments in associates | 34,485 | – | – | 34,485 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | 1,050,773 | – | – | 1,050,773 |
| 物業及設備 | Property, plant and equipment | 152,582 | 96,814 | 21 | 249,417 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | 61,427 | – | – | 61,427 |
| 其他資產 | Other assets | 558,254 | 546,786 | 73,305 | 1,178,345 |
| 總資產 | Total assets | 66,671,877 | 72,440,275 | 7,279,607 | 146,391,759 |
| 負債 | Liabilities | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 6,165,452 | 5,691,071 | 151,155 | 12,007,678 |
| 衍生金融工具 | Derivative financial instruments | 340,494 | 351,502 | 81,120 | 773,116 |
| 客戶存款 | Deposits from customers | 54,016,732 | 43,243,782 | 2,310,043 | 99,570,557 |
| 已發行存款證 | Certificates of deposit issued | 5,058,658 | 5,263,377 | – | 10,322,035 |
| 指定以公平價值經損益表 入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | – | 2,997,804 | – | 2,997,804 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,500,000 | 6,027,950 | – | 7,527,950 |
| 其他負債，包括流動及 遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 1,212,226 | 783,243 | 111,847 | 2,107,316 |
| 負債總額 | Total liabilities | 68,293,562 | 64,358,729 | 2,654,165 | 135,306,456 |
| 資產負債表內倉盤淨額 | Net on-balance sheet position | (1,621,685) | 8,081,546 | 4,625,442 | 11,085,303 |
| 資產負債表外名義倉盤淨額 | Off-balance sheet net notional position | (1,572,767) | 1,273,225 | 299,542 | – |
| 信貸承諾 | Credit commitments | 45,213,801 | 7,180,743 | 1,305,585 | 53,700,129 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) Currency risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險(續)

| 本銀行 二零零七年十二月三十一日 | Bank 31 December 2007 | 港元 HK\$ 千港元 HK\$'000 | 美元 US\$ 千港元 HK\$'000 | 其他 Other 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|------------------------|--|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 資產 | Assets | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 2,454,280 | 37,557,607 | 3,148,633 | 43,160,520 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | 329,784 | 1,291,029 | – | 1,620,813 |
| 持作交易用途金融資產 | Financial assets held for trading | 38,014 | 14,139 | 2,103 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 466,939 | 1,287,803 | – | 1,754,742 |
| 衍生金融工具 | Derivative financial instruments | 879,585 | 289,570 | 57,291 | 1,226,446 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 72,792,243 | 37,655,378 | 4,429,461 | 114,877,082 |
| 備供銷售金融投資 | Available-for-sale financial investments | 3,591,577 | 9,182,063 | 2,552,608 | 15,326,248 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,197,620 | 986,054 | 130,143 | 3,313,817 |
| 於聯營公司之投資 | Investments in associates | 152,646 | – | – | 152,646 |
| 於附屬公司之投資 | Investments in subsidiaries | 1,481,160 | 393,272 | – | 1,874,432 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | 681,744 | – | – | 681,744 |
| 投資物業 | Investment properties | 26,000 | – | – | 26,000 |
| 物業及設備 | Property, plant and equipment | 166,690 | – | – | 166,690 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | 44,604 | – | – | 44,604 |
| 其他資產 | Other assets | 2,079,451 | 381,294 | 818,529 | 3,279,274 |
| 總資產 | Total assets | 87,382,337 | 89,038,209 | 11,138,768 | 187,559,314 |
| 負債 | Liabilities | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 7,414,977 | 8,775,160 | 40,003 | 16,230,140 |
| 衍生金融工具 | Derivative financial instruments | 983,297 | 308,438 | 59,963 | 1,351,698 |
| 客戶存款 | Deposits from customers | 79,032,628 | 53,409,960 | 7,530,770 | 139,973,358 |
| 已發行存款證 | Certificates of deposit issued | 2,426,154 | 1,279,242 | – | 3,705,396 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,500,000 | 6,045,620 | – | 7,545,620 |
| 其他負債，包括流動 及遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 3,001,188 | 1,028,024 | 123,723 | 4,152,935 |
| 負債總額 | Total liabilities | 94,358,244 | 70,846,444 | 7,754,459 | 172,959,147 |
| 資產負債表內倉盤淨額 | Net on-balance sheet position | (6,975,907) | 18,191,765 | 3,384,309 | 14,600,167 |
| 資產負債表外名義倉盤淨額 | Off-balance sheet net notional position | (34,229) | (125,984) | 160,213 | – |
| 信貸承諾 | Credit commitments | 79,004,700 | 15,834,478 | 1,456,418 | 96,295,596 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) Currency risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險(續)

| 本銀行 二零零六年十二月三十一日 | Bank 31 December 2006 | 港元 HK\$ 千港元 HK\$'000 | 美元 US\$ 千港元 HK\$'000 | 其他 Other 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|------------------------|--|-------------------------------|-------------------------------|--------------------------------|--------------------------------|
| 資產 | Assets | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 2,056,441 | 40,870,726 | 1,999,201 | 44,926,368 |
| 在銀行及其他金融機構 之存款及貸款 | Placements with and advances to banks and other financial institutions | 380,000 | 5,399,578 | – | 5,779,578 |
| 持作交易用途金融資產 | Financial assets held for trading | 42,700 | 13,768 | – | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | 199,593 | 1,298,699 | 206,057 | 1,704,349 |
| 衍生金融工具 | Derivative financial instruments | 336,192 | 295,835 | 81,175 | 713,202 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 56,579,519 | 15,014,082 | 3,057,475 | 74,651,076 |
| 備供銷售金融投資 | Available-for-sale financial investments | 2,541,843 | 6,986,456 | 1,523,310 | 11,051,609 |
| 持有至到期金融投資 | Held-to-maturity financial investments | 2,615,784 | 1,298,588 | 218,600 | 4,132,972 |
| 於聯營公司之投資 | Investments in associates | 14,508 | – | – | 14,508 |
| 於附屬公司之投資 | Investments in subsidiaries | 1,417,707 | – | – | 1,417,707 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | 711,335 | – | – | 711,335 |
| 物業及設備 | Property, plant and equipment | 152,581 | – | – | 152,581 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | 61,427 | – | – | 61,427 |
| 其他資產 | Other assets | 594,868 | 553,365 | 116,774 | 1,265,007 |
| 總資產 | Total assets | 67,704,498 | 71,731,097 | 7,202,592 | 146,638,187 |
| 負債 | Liabilities | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 6,166,156 | 5,692,172 | 151,155 | 12,009,483 |
| 衍生金融工具 | Derivative financial instruments | 340,494 | 351,502 | 81,120 | 773,116 |
| 客戶存款 | Deposits from customers | 54,143,659 | 43,232,895 | 5,624,434 | 103,000,988 |
| 已發行存款證 | Certificates of deposit issued | 5,058,658 | 5,263,377 | – | 10,322,035 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 1,500,000 | 6,027,950 | – | 7,527,950 |
| 其他負債：包括流動及 遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 1,235,149 | 782,391 | 53,162 | 2,070,702 |
| 負債總額 | Total liabilities | 68,444,116 | 61,350,287 | 5,909,871 | 135,704,274 |
| 資產負債表內倉盤淨額 | Net on-balance sheet position | (739,618) | 10,380,810 | 1,292,721 | 10,933,913 |
| 資產負債表外名義倉盤淨額 | Off-balance sheet net notional position | (587,717) | 592,456 | (4,739) | – |
| 信貸承諾 | Credit commitments | 45,057,502 | 7,160,520 | 1,305,585 | 53,523,607 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) Currency risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(d) 貨幣風險(續)

外幣風險包括因交易倉盤產生之風險。期權盤淨額按對沖值等值方式計算。

於二零零七年及二零零六年十二月三十一日，並無佔總外幣結構性持盤淨額總額不少於10%之各種外幣結構性持盤淨額(按絕對額計算)。

敏感度分析
敏感度分析計算貨幣匯率分別於二零零七年及二零零六年之合理可能變動之影響，而所有其他變量維持不變。

i) 於二零零七年十二月三十一日之外幣倉盤

| 本集團 相等於千港元 | Group Equivalent in HK\$'000 | 美元 US\$ |
|------------------|---|--|
| 敏感度分析 | Sensitivity analysis | |
| 假設貨幣匯率變化百分比 | Assumed % change in currency rate | 升值1%(兌港元) 1% appreciation (vs. HK\$) |
| 對溢利或虧損之潛在影響(千港元) | Potential effect on profit or loss (HK\$'000) | 90,286 |
| 對權益之潛在影響(千港元) | Potential effect on equity (HK\$'000) | 91,821 |

ii) 於二零零六年十二月三十一日之外幣倉盤

| 相等於千港元 | Equivalent in HK\$'000 | 美元 US\$ |
|------------------|---|--|
| 敏感度分析 | Sensitivity analysis | |
| 假設貨幣匯率變化百分比 | Assumed % change in currency rate | 升值1%(兌港元) 1% appreciation (vs. HK\$) |
| 對溢利或虧損之潛在影響(千港元) | Potential effect on profit or loss (HK\$'000) | 34,500 |
| 對權益之潛在影響(千港元) | Potential effect on equity (HK\$'000) | 69,865 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(d) Currency risk (continued)

Foreign currency exposures include those rising from trading position. The net option position is calculated using the delta equivalent approach.

There was no net structural position in a particular foreign currency constitutes (in absolute terms) not less than 10% at its total net structural position in all currencies as at 31 December 2007 and 2006.

Sensitivity analysis
A sensitivity analysis calculates the effect of a reasonable possible movement of the currency rate for the year 2007 and 2006 respectively, with all other variables held constant.

i) Foreign currency position as at 31 December 2007

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.3 市場風險(續)

(e) 股票價格風險

股本價格風險乃股本組合之公平價值因股票指數水平及個別股票價值變化而下降之風險。自二零零六年下半年起，本集團已開始在彼等各自之首次公開招股過程中監察股份之市場風險狀況。集中限額及止損限額乃就個別股份進行設定。股票之市場風險狀況於目前階段相對並不大。

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。

為計算資本充足比率，本銀行將因關係及策略性理由而持有之股本從核心及附加資本內扣減，及將因其他理由而持有之股本包括在風險加權資產內。

4 FINANCIAL RISK MANAGEMENT (continued)

4.3 Market risk (continued)

(e) Equity price risk

Equity price risk is the risk that the fair values of the equities portfolio decrease as the result of changes in the levels of equity indices and the value of individual stocks. Since the second half of 2006, the Group has begun to take market risk positions in shares at the time of their respective IPO process. Concentration limits and stop-loss limits are set for individual share. Market risk positions on equity are relatively not sizeable at this stage.

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.

For capital adequacy ratio purpose, the Bank deducts those equity holdings taken for relationship and strategic reasons from the core and supplementary capital and includes those equity holdings taken for other reasons in the risk-weighted assets.

| | | 本集團及本銀行 Group and Bank | |
|-------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 減值後之股票公平價值： | Fair value of equity securities after impairment: | | |
| — 上市 | — Listed | 2,425,131 | 991,903 |
| — 非上市 | — Unlisted | 79,473 | 97,378 |

| | | 本集團及本銀行 Group and Bank | |
|--|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 來自出售和兌現持有股權的 累積實現收益或(虧損) | Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure | 370 | 75,313 |
| 在儲備內確認，但沒有經損益表 入賬的未實現收益或 (虧損)的總計 | Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement | 1,883,398 | 581,161 |
| 為計算資本充足比率而包括在 附加資本內的任何未實現收益 的數額或(從該附加資本中扣減 的未實現虧損的數額) | Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose | 145,544 | — |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險

本集團每天須運用可動用的現金資源，以應付來自隔夜存款、活期存戶、到期存款、貸款支取、擔保與來自保證金的需求，以及來自其他現金結算衍生工具的需求。本集團並未維持現金資源以滿足所有該等需求，因為經驗顯示，到期資金再續存的水平相對穩定。董事會就應付未預期的資金需要，定下最少的備用拆借融資限額。本集團實施流動資金風險管理政策以規管其流動資金活動及參數，並每季進行一次壓力測試。

資產與負債期限及利率的相配和受控的錯配對本集團管理層而言至關重要。由於交易經常期限不定，且類型也不常相同，因此銀行做到完全相配的情況並不普遍。不相配的情況既可能提高實體溢利能力，也會增加虧損和流動性風險。

資產與負債的到期日匹配和再融資的資金成本，是評估本集團流動資金狀況及其利率及匯率變動風險的重要因素。

應付擔保和備用信用證項下所需款項的流動資金需求遠少於彼等承諾的金額，因為本集團一般不預期第三方會根據該協議要求兌現。而且很多信貸承諾毋須動用資金即告屆滿或終止，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。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk

The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturing deposits, loan draw-downs and guarantees, and from margin and other calls on cash-settled derivatives. The Group does not maintain cash resources to meet all of these needs, as experience shows that the rollover of a certain level of maturing funds can be predicted with a high level of certainty. The Board sets control on the funds available to meet such calls and on the minimum level of inter-bank and other borrowing facilities that should be in place to cover unexpected withdrawals. A liquidity risk management policy is in place to govern the Group's liquidity initiatives and parameters. Stress tests are done quarterly.

The matching and controlled mismatching of the maturity 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 transactions often entail uncertain terms and are often of different types. While an unmatched position potentially enhances profitability, it increases the risk of losses and the liquidity risk of an entity.

The maturity 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 exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitments themselves because the Group does not generally expect its third parties to draw funds under the agreements. 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.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

下表按結算日至合約到期日餘下年期計算之到期日分析本集團及本銀行之資產與負債。

| 本集團 | Group | 須要求時 即時償還 Repayable on demand | 一個月 或以下 Up to 1 month | 一至 三個月 1-3 months | 三至 十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 無限期 Indefinite | 總計 Total |
|-------------------------|---|--|--------------------------------|----------------------------|------------------------------|----------------------|-------------------------|-------------------|--------------------|
| 二零零七年 十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 資產 | Assets | | | | | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 1,598,983 | 42,067,371 | - | - | - | - | - | 43,666,354 |
| 在銀行及其他金融機 構之存款及貸款 | Placements with and advances to banks and other financial institutions | - | - | 42,826 | 962,408 | - | - | - | 1,005,234 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | 14,139 | - | 2,517 | - | 37,600 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | | | | | | | | |
| — 所持有之存款證 | — certificates of deposit held | - | 100,006 | - | - | - | - | - | 100,006 |
| — 其他債券 | — other debt securities | - | - | - | - | 372,348 | 1,282,388 | - | 1,654,736 |
| 衍生金融工具 | Derivative financial instruments | - | 153,575 | 101,442 | 444,175 | 289,959 | 224,587 | - | 1,213,738 |
| 客戶、銀行及其他 金融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 8,938,589 | 6,000,707 | 13,685,754 | 21,232,446 | 45,102,686 | 26,402,701 | 340,788 | 121,703,671 |
| 備供銷售金融投資 | Available-for-sale financial investments | | | | | | | | |
| — 股本證券 | — equity securities | - | - | - | - | - | - | 2,467,004 | 2,467,004 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 296,085 | - | 25,364 | - | 321,449 |
| — 其他債券 | — other debt securities | - | 224,185 | 100,010 | 1,347,441 | 8,414,379 | 2,445,719 | 6,724 | 12,538,458 |
| 持有至到期金融投資 | Held-to-maturity financial investments | | | | | | | | |
| — 庫務票據 | — treasury bills | 1,983,493 | - | - | - | - | - | - | 1,983,493 |
| — 其他債券 | — other debt securities | - | - | - | 481,339 | 734,650 | 114,335 | - | 1,330,324 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | - | - | 184,054 | 184,054 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | - | - | - | - | - | - | 1,043,582 | 1,043,582 |
| 投資物業 | Investment properties | - | - | - | - | - | - | 40,624 | 40,624 |
| 物業及設備 | Property, plant and equipment | - | - | - | - | - | - | 257,753 | 257,753 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | - | - | - | - | - | - | 44,604 | 44,604 |
| 其他資產 | Other assets | 23,042 | 1,534,632 | 871,203 | 165,266 | 54,536 | 199 | 45,842 | 2,694,720 |
| 總資產 | Total assets | 12,544,107 | 50,080,476 | 14,815,374 | 24,929,160 | 54,971,075 | 30,495,293 | 4,468,575 | 192,304,060 |
| 負債 | Liabilities | | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 2,121,774 | 8,760,248 | 6,438,863 | 2,860,880 | 54,041 | - | - | 20,235,806 |
| 衍生金融工具 | Derivative financial instruments | - | 176,866 | 126,138 | 430,345 | 382,882 | 235,467 | - | 1,351,698 |
| 客戶存款 | Deposits from customers | 22,081,366 | 92,119,154 | 20,642,724 | 2,347,686 | 329,156 | 10,141 | - | 137,530,227 |
| 已發行存款證 | Certificates of deposit issued | - | 471,804 | 418,308 | 1,301,300 | 1,513,984 | - | - | 3,705,396 |
| 指定以公平價值經損益 表入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | - | - | - | 3,119,872 | - | - | 3,119,872 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost | 500,000 | - | - | - | 4,549,364 | 2,496,256 | - | 7,545,620 |
| 其他負債，包括即期及 遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 107,859 | 1,724,887 | 1,130,586 | 407,176 | 428,805 | 4,566 | 3,423 | 3,807,302 |
| 負債總額 | Total liabilities | 24,810,999 | 103,252,959 | 28,756,619 | 7,347,387 | 10,378,104 | 2,746,430 | 3,423 | 177,295,921 |
| 流動資金缺口淨額 | Net liquidity gap | (12,266,892) | (53,172,483) | (13,941,245) | 17,581,773 | 44,592,971 | 27,748,863 | 4,465,152 | 15,008,139 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The tables below summarise the Group's and the Bank's assets and liabilities by maturity based on the remaining period at balance sheet date to the contractual maturity date.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本集團 | Group | 須要求時 即時償還 Repayable on demand | 一個月 或以下 Up to 1 month | 一至 三個月 1-3 months | 三至 十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 無限期 Indefinite | 總計 Total |
|-------------------------|---|--|--------------------------------|----------------------------|------------------------------|----------------------|-------------------------|-------------------|-----------------|
| 二零零六年 十二月三十一日 | 31 December 2006 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 資產 | Assets | | | | | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 1,180,089 | 44,315,023 | - | - | - | - | - | 45,495,112 |
| 在銀行及其他金融 機構之存款及貸款 | Placements with and advances to banks and other financial institutions | - | - | 5,015,135 | - | - | - | - | 5,015,135 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | - | - | 13,868 | - | 42,600 | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | - | - | - | - | 99,704 | - | - | 99,704 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | - | 401,711 | 996,877 | - | 1,604,645 |
| — 其他債券 | — other debt securities | - | - | - | 206,057 | 146,670 | 307,911 | - | 713,202 |
| 衍生金融工具 | Derivative financial instruments | - | 41,809 | 44,337 | 172,475 | 22,406,174 | 206,919 | - | 75,647,756 |
| 客戶、銀行及其他金融 機構之貸款 | Loans and advances to customers, banks and other financial institutions | 6,783,548 | 2,438,667 | 5,450,068 | 8,526,432 | 29,835,948 | 22,406,174 | 206,919 | 75,647,756 |
| 備供銷售金融投資 | Available-for-sale financial investments | - | - | - | - | - | - | 1,046,681 | 1,046,681 |
| — 股本證券 | — equity securities | - | - | - | - | 297,555 | 41,680 | - | 439,225 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 99,990 | 5,912,208 | 2,079,131 | 6,768 | 9,566,412 |
| — 其他債券 | — other debt securities | - | 62,174 | 277,775 | 1,228,356 | 1,204,457 | 180,439 | - | 1,913,661 |
| 持有至到期金融投資 | Held-to-maturity financial investments | - | - | - | - | - | - | - | 1,986,645 |
| — 庫務票據 | — treasury bills | - | 850,564 | 660,918 | 475,163 | - | - | - | 232,666 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 232,666 | - | - | - | 1,913,661 |
| — 其他債券 | — other debt securities | - | 199,422 | - | 329,343 | 1,204,457 | 180,439 | - | 34,485 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | - | - | 34,485 | 1,050,773 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | - | - | - | - | - | - | 1,050,773 | 1,050,773 |
| 物業及設備 | Property, plant and equipment | - | - | - | - | - | - | 249,417 | 249,417 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | - | - | - | - | - | - | 61,427 | 61,427 |
| 其他資產 | Other assets | 28,118 | 481,017 | 458,496 | 151,121 | 50,152 | - | 9,441 | 1,178,345 |
| 總資產 | Total assets | 7,991,755 | 48,388,676 | 11,906,729 | 11,421,603 | 37,962,273 | 26,012,212 | 2,708,511 | 146,391,759 |
| 負債 | Liabilities | | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,224,831 | 10,576,606 | 206,241 | - | - | - | - | 12,007,678 |
| 衍生金融工具 | Derivative financial instruments | - | 59,459 | 36,956 | 173,626 | 249,788 | 253,287 | - | 773,116 |
| 客戶存款 | Deposits from customers | 15,774,822 | 6,746,995 | 73,988,174 | 2,750,613 | 299,842 | 10,111 | - | 99,570,557 |
| 已發行存款證 | Certificates of deposit issued | - | 107,377 | 500,744 | 7,073,098 | 2,640,816 | - | - | 10,322,035 |
| 指定以公平價值經損益 表入賬之已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | - | - | - | 2,997,804 | - | - | 2,997,804 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost | - | - | 544,460 | 500,000 | 2,994,530 | 3,488,960 | - | 7,527,950 |
| 其他負債，包括即期及 遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 93,640 | 605,459 | 780,162 | 413,659 | 78,506 | - | 135,890 | 2,107,316 |
| 負債總額 | Total liabilities | 17,093,293 | 18,095,896 | 76,056,737 | 10,910,996 | 9,261,286 | 3,752,358 | 135,890 | 135,306,456 |
| 流動資金缺口淨額 | Net liquidity gap | (9,101,538) | 30,292,780 | (64,150,008) | 510,607 | 28,700,987 | 22,259,854 | 2,572,621 | 11,085,303 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本銀行 | Bank | 須要求時 即時償還 Repayable on demand | 一個月 或以下 Up to 1 month | 一至 三個月 1-3 months | 三至 十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 無限期 Indefinite | 總計 Total |
|------------------------|--|--|--------------------------------|----------------------------|------------------------------|----------------------|-------------------------|-------------------|--------------------|
| 二零零七年 十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 資產 | Assets | | | | | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 1,271,553 | 41,888,967 | - | - | - | - | - | 43,160,520 |
| 在銀行及其他金融 機構之存款及貸款 | Placements with and advances to banks and other financial institutions | - | - | 42,826 | 1,577,987 | - | - | - | 1,620,813 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | 14,139 | - | 2,517 | - | 37,600 | 54,256 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | - | - | - | - | - | - | - | - |
| — 所持有之存款證 | — certificates of deposit held | - | 100,006 | - | - | - | - | - | 100,006 |
| — 其他債券 | — other debt securities | - | - | - | - | 372,348 | 1,282,388 | - | 1,654,736 |
| 衍生金融工具 | Derivative financial instruments | - | 153,575 | 101,442 | 444,175 | 302,667 | 224,587 | - | 1,226,446 |
| 客戶、銀行及其他金 融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 8,938,589 | 4,715,316 | 12,632,826 | 19,480,655 | 42,517,091 | 26,251,817 | 340,788 | 114,877,082 |
| 備供銷售金融投資 | Available-for-sale financial investments | | | | | | | | |
| — 股本證券 | — equity securities | - | - | - | - | - | - | 2,467,004 | 2,467,004 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 296,085 | - | 25,364 | - | 321,449 |
| — 其他債券 | — other debt securities | - | 224,185 | 100,010 | 1,347,441 | 8,414,379 | 2,445,719 | 6,061 | 12,537,795 |
| 持有至到期金融投資 | Held-to-maturity financial investments | | | | | | | | |
| — 庫務票據 | — treasury bills | 1,983,493 | - | - | - | - | - | - | 1,983,493 |
| — 其他債券 | — other debt securities | - | - | - | 481,339 | 734,650 | 114,335 | - | 1,330,324 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | - | - | 152,646 | 152,646 |
| 於附屬公司之投資 | Investments in subsidiaries | - | - | - | - | - | - | 1,874,432 | 1,874,432 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | - | - | - | - | - | - | 681,744 | 681,744 |
| 投資物業 | Investment properties | - | - | - | - | - | - | 26,000 | 26,000 |
| 物業及設備 | Property, plant and equipment | - | - | - | - | - | - | 166,690 | 166,690 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | - | - | - | - | - | - | 44,604 | 44,604 |
| 其他資產 | Other assets | 18,005 | 1,093,778 | 1,878,319 | 168,011 | 74,361 | - | 46,800 | 3,279,274 |
| 總資產 | Total assets | 12,211,640 | 48,175,827 | 14,769,562 | 23,795,693 | 52,418,013 | 30,344,210 | 5,844,369 | 187,559,314 |
| 負債 | Liabilities | | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,554,616 | 8,760,248 | 5,594,194 | 321,082 | - | - | - | 16,230,140 |
| 衍生金融工具 | Derivative financial instruments | - | 176,866 | 126,138 | 430,345 | 382,882 | 235,467 | - | 1,351,698 |
| 客戶存款 | Deposits from customers | 21,913,573 | 92,169,089 | 20,612,724 | 1,866,509 | 3,401,322 | 10,141 | - | 139,973,358 |
| 已發行存款證 | Certificates of deposit issued | - | 471,804 | 418,308 | 1,301,300 | 1,513,984 | - | - | 3,705,396 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost | 500,000 | - | - | - | 4,549,364 | 2,496,256 | - | 7,545,620 |
| 其他負債，包括即期 及遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 81,691 | 1,276,355 | 1,988,763 | 394,532 | 408,171 | - | 3,423 | 4,152,935 |
| 負債總額 | Total liabilities | 24,049,880 | 102,854,362 | 28,740,127 | 4,313,768 | 10,255,723 | 2,741,864 | 3,423 | 172,959,147 |
| 流動資金缺口淨額 | Net liquidity gap | (11,838,240) | (54,678,535) | (13,970,565) | 19,481,925 | 42,162,290 | 27,602,346 | 5,840,946 | 14,600,167 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本銀行 | Bank | 須要求時 即時償還 Repayable on demand | 一個月 或以下 Up to 1 month | 一至 三個月 1-3 months | 三至 十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 無限期 Indefinite | 總計 Total |
|------------------------|--|--|--------------------------------|----------------------------|------------------------------|----------------------|-------------------------|-------------------|-----------------|
| 二零零六年 十二月三十一日 | 31 December 2006 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 資產 | Assets | | | | | | | | |
| 現金及在銀行及 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 1,119,887 | 43,806,481 | - | - | - | - | - | 44,926,368 |
| 在銀行及其他金融 機構之存款及貸款 | Placements with and advances to banks and other financial institutions | - | - | 5,199,081 | 580,497 | - | - | - | 5,779,578 |
| 持作交易用途金融資產 | Financial assets held for trading | - | - | - | - | 13,868 | - | 42,600 | 56,468 |
| 指定以公平價值經損益表 入賬之金融資產 | Financial assets designated at fair value through profit or loss | - | - | - | - | 99,704 | - | - | 99,704 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | - | 401,711 | 996,877 | - | 1,604,645 |
| — 其他債券 | — other debt securities | - | - | - | 206,057 | 401,711 | 996,877 | - | 1,604,645 |
| 衍生金融工具 | Derivative financial instruments | - | 41,809 | 44,337 | 172,475 | 146,670 | 307,911 | - | 713,202 |
| 客戶、銀行及其他金 融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 6,783,548 | 2,372,577 | 4,849,947 | 8,207,257 | 29,824,654 | 22,406,174 | 206,919 | 74,651,076 |
| 備供銷售金融投資 | Available-for-sale financial investments | | | | | | | | |
| — 股本證券 | — equity securities | - | - | - | - | - | - | 1,046,681 | 1,046,681 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 99,990 | 297,555 | 41,680 | - | 439,225 |
| — 其他債券 | — other debt securities | - | 62,174 | 277,775 | 1,228,356 | 5,912,208 | 2,079,131 | 6,059 | 9,565,703 |
| 持有至到期金融投資 | Held-to-maturity financial investments | | | | | | | | |
| — 庫務票據 | — treasury bills | - | 850,564 | 660,918 | 475,163 | - | - | - | 1,986,645 |
| — 所持有之存款證 | — certificates of deposit held | - | - | - | 232,666 | - | - | - | 232,666 |
| — 其他債券 | — other debt securities | - | 199,422 | - | 329,343 | 1,204,457 | 180,439 | - | 1,913,661 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | - | - | 14,508 | 14,508 |
| 於附屬公司之投資 | Investments in subsidiaries | - | - | - | - | - | - | 1,417,707 | 1,417,707 |
| 商譽及其他無形資產 | Goodwill and other intangible assets | - | - | - | - | - | - | 711,335 | 711,335 |
| 物業及設備 | Property, plant and equipment | - | - | - | - | - | - | 152,581 | 152,581 |
| 租賃土地及土地使用權 | Leasehold land and land use rights | - | - | - | - | - | - | 61,427 | 61,427 |
| 其他資產 | Other assets | 28,118 | 479,586 | 500,462 | 153,108 | 49,275 | - | 54,458 | 1,265,007 |
| 總資產 | Total assets | 7,931,553 | 47,812,613 | 11,532,520 | 11,684,912 | 37,950,102 | 26,012,212 | 3,714,275 | 146,638,187 |
| 負債 | Liabilities | | | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,226,636 | 10,576,606 | 206,241 | - | - | - | - | 12,009,483 |
| 衍生金融工具 | Derivative financial instruments | - | 59,459 | 36,956 | 173,626 | 249,788 | 253,287 | - | 773,116 |
| 客戶存款 | Deposits from customers | 16,166,939 | 67,518,262 | 13,265,223 | 2,750,613 | 3,289,840 | 10,111 | - | 103,000,988 |
| 已發行存款證 | Certificates of deposit issued | - | 107,377 | 500,744 | 7,073,098 | 2,640,816 | - | - | 10,322,035 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost | - | - | 544,460 | 500,000 | 2,994,530 | 3,488,960 | - | 7,527,950 |
| 其他負債，包括即期 及遞延稅項負債 | Other liabilities, including current and deferred tax liabilities | 93,640 | 601,166 | 766,992 | 412,968 | 78,506 | - | 117,430 | 2,070,702 |
| 負債總額 | Total liabilities | 17,487,215 | 78,862,870 | 15,320,616 | 10,910,305 | 9,253,480 | 3,752,358 | 117,430 | 135,704,274 |
| 流動資金缺口淨額 | Net liquidity gap | (9,555,662) | (31,050,257) | (3,788,096) | 774,607 | 28,696,622 | 22,259,854 | 3,596,845 | 10,933,913 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

下表呈列於結算日至到期日非衍生金融負債、將以淨基準結算的衍生金融負債及將以總額基準結算的衍生金融工具項下本集團應付現金流。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，在表內所披露之數據為合約未經折現的現金流量。

將以淨額基準結算的本集團衍生工具包括：

- 外匯衍生工具：場外交易貨幣期權；及
- 利率衍生工具：利率掉期、遠期利率協議及場外交易利率期權

將以總額基準結算的本集團衍生工具包括：

- 外匯衍生工具：貨幣遠期買賣、貨幣掉期；及
- 利率衍生工具：交叉貨幣利率掉期。

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

The table below presents the cash flows payable by the Group under non-derivative financial liabilities, derivative financial liabilities that will be settled on a net basis and derivative financial instruments that will be settled on gross basis by the remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows, whereas the Group manages the inherent liquidity risk based on expected undiscounted cash inflows.

The Group's derivatives that will be settled on a net basis include:

- Foreign exchange derivatives: over-the-counter currency options; and
- Interest rate derivatives: interest rate swaps, forward rate agreements and OTC interest rate options

The Group's derivatives that will be settled on a gross basis include:

- Foreign exchange derivatives: currency forward, currency swaps; and
- Interest rate derivatives: cross currency interest rate swaps.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本集團 | Group | 須要求時 即時償還 Repayable on demand | 三個月或以下 3 months or less | 三至十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|-----------------------------|--|--|-------------------------------|--------------------------|----------------------|-------------------------|--------------------|
| 二零零七年 十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 負債 | Liabilities | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 2,125,190 | 15,329,423 | 2,986,476 | 57,058 | - | 20,498,147 |
| 客戶存款 | Deposits from customers | 22,094,024 | 113,306,575 | 2,426,802 | 562,533 | 13,430 | 138,403,364 |
| 已發行存款證 | Certificates of deposit issued | - | 921,715 | 1,392,838 | 1,513,984 | - | 3,828,537 |
| 指定以公平價值 經損益表入賬之 已發行債券 | Debt securities in issue designated at fair value through profit or loss | - | 69,284 | 96,535 | 3,211,044 | - | 3,376,863 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 500,000 | 83,418 | 318,061 | 4,549,364 | 2,496,256 | 7,947,099 |
| 其他金融負債 | Other financial liabilities | 89,467 | 2,022,687 | 254,275 | 345,043 | 4,700 | 2,716,172 |
| 金融負債總額 | Total financial liabilities | 24,808,681 | 131,733,102 | 7,474,987 | 10,239,026 | 2,514,386 | 176,770,182 |
| 衍生現金流 | Derivative cash flow | | | | | | |
| 以淨額結算的衍生 金融工具 | Derivative financial instruments settled on net basis | - | 8,438 | (159,022) | 72,474 | (4,883) | (82,993) |
| 流入總額 | Total inflow | - | 12,880,686 | 21,209,424 | 6,131,133 | 1,158,617 | 41,379,860 |
| 流出總額 | Total outflow | - | (12,872,248) | (21,368,446) | (6,058,659) | (1,163,500) | (41,462,853) |
| 以總額結算的衍生 金融工具 | Derivative financial instruments settled on gross basis | | | | | | |
| 流入總額 | Total inflow | - | 37,989,537 | 19,463,768 | 228,327 | - | 57,681,632 |
| 流出總額 | Total outflow | - | (37,925,294) | (19,305,485) | (230,324) | - | (57,461,103) |

資產負債表外項目

Off-balance sheet items

| 本集團 | Group | 一年或以下 No later than 1 year | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|----------------|---|-------------------------------|-------------------|----------------------|-------------------|
| 二零零七年十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 貸款承擔 | Loan commitments | 67,906,657 | 14,847,747 | - | 82,754,404 |
| 擔保書、授信證及其他財務融通 | Guarantees, acceptances and other financial facilities | 6,573,592 | - | - | 6,573,592 |
| 遠期資產購置 | Forward asset purchases | 270,000 | - | - | 270,000 |
| 已存遠期有期存款 | Forward deposits placed | 7,811,705 | - | - | 7,811,705 |
| 合計 | Total | 82,561,954 | 14,847,747 | - | 97,409,701 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本集團 | Group | 須要求時 即時償還 Repayable on demand | 三個月或以下 3 months or less | 三至十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|----------------------------|---|--|--------------------------------------|---|--------------------------------|-------------------------|-----------------|
| 二零零六年 十二月三十一日 | 31 December 2006 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 負債 | Liabilities | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,233,188 | 10,794,231 | – | – | – | 12,027,419 |
| 客戶存款 | Deposits from customers | 15,802,319 | 81,107,029 | 2,835,434 | 518,205 | 10,114 | 100,273,101 |
| 已發行存款證 | Certificates of deposit issued | – | 658,213 | 7,452,408 | 2,640,816 | – | 10,751,437 |
| 指定以公平值 經損益表入賬 之已發行債券 | Debt securities in issue designated at fair value through profit or loss | – | 69,113 | 96,253 | 3,217,046 | – | 3,382,412 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | – | 631,316 | 836,712 | 2,994,530 | 3,488,960 | 7,951,518 |
| 其他金融負債 | Other financial liabilities | 60,648 | 852,908 | 229,338 | 8,402 | 134,842 | 1,286,138 |
| 金融負債總額 | Total financial liabilities | 17,096,155 | 94,112,810 | 11,450,145 | 9,378,999 | 3,633,916 | 135,672,025 |
| 衍生現金流 | Derivative cash flow | | | | | | |
| 以淨額結算的衍生 金融工具 | Derivative financial instruments settled on net basis | – | (29,182) | (141,890) | (339,935) | (176,011) | (687,018) |
| 流出總額 | Total outflow | – | 4,346,467 | 14,997,703 | 3,914,282 | 739,255 | 23,997,707 |
| 流入總額 | Total inflow | – | (4,375,649) | (15,139,593) | (4,254,217) | (915,266) | (24,684,725) |
| 以總額結算的衍生 金融工具 | Derivative financial instruments settled on gross basis | | | | | | |
| 流出總額 | Total outflow | – | 52,912,964 | 6,806,875 | 262,615 | – | 59,982,454 |
| 流入總額 | Total inflow | – | (52,900,792) | (6,737,369) | (257,482) | – | (59,895,643) |
| 資產負債表外項目 | Off-balance sheet items | | | | | | |
| 本集團 | Group | 一年或以下 No later than 1 year 千港元 HK\$'000 | 一至五年 1-5 years 千港元 HK\$'000 | 五年以上 Over 5 years 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 | | |
| 二零零六年十二月三十一日 | 31 December 2006 | HK\$'000 | HK\$'000 | HK\$'000 | HK\$'000 | | |
| 貸款承擔 | Loan commitments | 32,424,706 | 16,493,896 | – | 48,918,602 | | |
| 擔保書、授信證及其他財務融通 | Guarantees, acceptances and other financial facilities | 4,661,645 | – | – | 4,661,645 | | |
| 已存遠期有期存款 | Forward deposits placed | 119,892 | – | – | 119,892 | | |
| 合計 | Total | 37,206,243 | 16,493,896 | – | 53,700,139 | | |

賬目附註

Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本銀行 | Bank | 須要求時 即時償還 Repayable on demand | 三個月或以下 3 months or less | 三至十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|---------------------|--|--|-------------------------------|--------------------------|----------------------|-------------------------|--------------------|
| 二零零七年 十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 負債 | Liabilities | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,558,032 | 14,455,144 | 329,386 | - | - | 16,342,562 |
| 客戶存款 | Deposits from customers | 21,926,231 | 113,326,241 | 1,928,454 | 3,629,943 | 13,430 | 140,824,299 |
| 已發行存款證 | Certificates of deposit issued | - | 921,715 | 1,392,838 | 1,513,984 | - | 3,828,537 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | 500,000 | 83,418 | 318,061 | 4,549,364 | 2,496,256 | 7,947,099 |
| 其他金融負債 | Other financial liabilities | 63,299 | 2,541,278 | 258,641 | 324,409 | 134 | 3,187,761 |
| 金融負債總額 | Total financial liabilities | 24,047,562 | 131,327,796 | 4,227,380 | 10,017,700 | 2,509,820 | 172,130,258 |
| 衍生現金流 | Derivative cash flow | | | | | | |
| 以淨額結算的衍生 金融工具 | Derivative financial instruments settled on net basis | - | 8,438 | (168,242) | 75,504 | (4,883) | (89,183) |
| 流入總額 | Total inflow | - | 12,880,686 | 21,212,304 | 6,142,143 | 1,158,617 | 41,393,750 |
| 流出總額 | Total outflow | - | (12,872,248) | (21,380,546) | (6,066,639) | (1,163,500) | (41,482,933) |
| 以總額結算的衍生 金融工具 | Derivative financial instruments settled on gross basis | | | | | | |
| 流入總額 | Total inflow | - | 37,989,537 | 19,463,768 | 228,327 | - | 57,681,632 |
| 流出總額 | Total outflow | - | (37,925,294) | (19,305,485) | (230,324) | - | (57,461,103) |

資產負債表外項目

Off-balance sheet items

| 本銀行 | Bank | 一年或以下 No later than 1 year | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|----------------|---|-------------------------------|-------------------|----------------------|-------------------|
| 二零零七年十二月三十一日 | 31 December 2007 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 貸款承擔 | Loan commitments | 67,210,076 | 14,473,568 | - | 81,683,644 |
| 擔保書、授信證及其他財務融通 | Guarantees, acceptances and other financial facilities | 6,530,247 | - | - | 6,530,247 |
| 遠期資產購置 | Forward asset purchases | 270,000 | - | - | 270,000 |
| 已存遠期存款 | Forward deposits placed | 7,811,705 | - | - | 7,811,705 |
| 合計 | Total | 81,822,028 | 14,473,568 | - | 96,295,596 |

4 FINANCIAL RISK MANAGEMENT (continued)

4.4 Liquidity risk (continued)

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.4 流動資金風險(續)

| 本銀行 | Bank | 須要求時 即時償還 Repayable on demand | 三個月或以下 3 months or less | 三至十二個月 3-12 months | 一至五年 1-5 years | 五年以上 Over 5 years | 總計 Total |
|---------------------|--|--|-------------------------------|--------------------------|----------------------|-------------------------|-----------------|
| 二零零六年 十二月三十一日 | 31 December 2006 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 負債 | Liabilities | | | | | | |
| 銀行及其他金融 機構之存款及結餘 | Deposits from banks and other financial institutions | 1,234,993 | 10,794,231 | – | – | – | 12,029,224 |
| 客戶存款 | Deposits from customers | 16,194,387 | 81,155,345 | 2,835,434 | 3,508,203 | 10,114 | 103,703,483 |
| 已發行存款證 | Certificates of deposit issued | – | 658,213 | 7,452,408 | 2,640,816 | – | 10,751,437 |
| 以攤銷成本入賬之 後償債項 | Subordinated debts measured at amortised cost | – | 631,316 | 836,712 | 2,994,530 | 3,488,960 | 7,951,518 |
| 其他金融負債 | Other financial liabilities | 60,648 | 874,023 | 228,647 | 8,402 | 116,382 | 1,288,102 |
| 金融負債總額 | Total financial liabilities | 17,490,028 | 94,113,128 | 11,353,201 | 9,151,951 | 3,615,456 | 135,723,764 |
| 衍生現金流 | Derivative cash flow | | | | | | |
| 以淨額結算的衍生 金融工具 | Derivative financial instruments settled on net basis | – | (29,182) | (151,537) | (342,687) | (176,011) | (699,417) |
| 流出總額 | Total outflow | – | 4,346,467 | 15,000,575 | 3,936,209 | 739,255 | 24,022,506 |
| 流入總額 | Total inflow | – | (4,375,649) | (15,152,112) | (4,278,896) | (915,266) | (24,721,923) |
| 以總額結算的衍生 金融工具 | Derivative financial instruments settled on gross basis | | | | | | |
| 流出總額 | Total outflow | – | 52,912,964 | 6,806,875 | 262,615 | – | 59,982,454 |
| 流入總額 | Total inflow | – | (52,900,792) | (6,737,369) | (257,482) | – | (59,895,643) |
| 資產負債表外項目 | Off-balance sheet items | | | | | | |
| 本銀行 | Bank | | 一年或以下 No later than 1 year | 一至五年 1-5 years | 五年以上 Over 5 years | | 總計 Total |
| | | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | | 千港元 HK\$'000 |
| 二零零六年十二月三十一日 | 31 December 2006 | | HK\$'000 | HK\$'000 | HK\$'000 | | HK\$'000 |
| 貸款承擔 | Loan commitments | | 32,424,706 | 16,417,374 | – | | 48,842,080 |
| 擔保書、授信證及其他財務融通 | Guarantees, acceptances and other financial facilities | | 4,561,635 | – | – | | 4,561,635 |
| 已存遠期存款 | Forward deposits placed | | 119,892 | – | – | | 119,892 |
| 合計 | Total | | 37,106,233 | 16,417,374 | – | | 53,523,607 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.5 採用金融工具策略

根據其性質，本集團之業務主要與使用金融工具(包括衍生工具)有關。本集團按定息或浮息及不同年期接受客戶存款，以及透過將資金投資於高質素之資產優化息差收入。本集團尋求透過整合短期資金及按較高利率借出年期較長之款項增加此等息差收入，同時在過程中維持足夠流動資金應付可能須付之所有索償。

本集團亦透過向多家不同信貸級別之商業及零售借款人貸款，以獲取減除撥備後較高之息差，藉此提高息差收入。此等活動風險不只牽涉資產負債表內之貸款及墊款。本集團亦訂立擔保及其他承擔，例如信用證及其他債券。

本集團亦通過持有場外工具之倉盤買賣金融工具，藉貨幣、利率及證券價格之短期波動以賺取利潤。董事會就所買賣之產品制定交易限額。

(a) 公平價值對沖

本集團亦透過利率及交叉貨幣利率掉期，對沖其定息資產之部分現有港元及外幣利率風險。此等掉期於二零零七年十二月三十一日之公平淨值為300,000港元(二零零六年：29,000,000港元)。

(b) 現金流對沖

年內並無進行該等交易(二零零六年：無)。

4.6 金融資產及負債之公平值

使用估值以公平值計量之金融工具

在市場上交易活躍的金融工具其公平值乃根據於本年度年結日當天的市場價格而計算。本集團持有之金融資產以市場買價為當天市場價格；而金融負債則以市場賣價作為當天的市場價格。

未有在活躍市場上交易的金融工具(如場外交易之衍生工具)，其公平值乃透過估值而決定。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。債券及結構性衍生工具之公平值則以市場報價來釐定。利率掉期之公平值則以預計未來現金流量之現值計算。遠期外匯合約則按本年度年結日之市場外幣兌換率而釐定。

4 FINANCIAL RISK MANAGEMENT (continued)

4.5 Strategy in using financial instruments

By their nature, the Group's activities are principally related to the use of financial instruments including derivatives. The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to optimise the interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins generally by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity in the process to meet all claims that might fall due.

The Group also seeks to raise its interest margins, net of allowances, through lending to commercial and retail borrowers with a range of credit standing. Such exposures involve not just on-balance sheet loans and advances but also guarantees and other commitments such as letters of credit and performance and other bonds.

The Group also trades in financial instruments by taking positions in over-the-counter ("OTC") instruments to take advantage of short-term market movements in currencies, interest rates and securities prices. The Board places trading limits on the level of exposure for trading products.

(a) Fair value hedges

The Group hedges part of the existing Hong Kong dollar and foreign currency interest rate risk in its fixed rate assets by means of interest rate and cross-currency interest rate swaps. The net fair value of these swaps at 31 December 2007 was HK\$0.3 million (2006: HK\$29 million).

(b) Cash flow hedges

There were no such transactions during the year (2006: Nil).

4.6 Fair values of financial assets and liabilities

Financial instruments measured at fair value using a valuation technique

The fair value of financial instruments traded in active markets 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.

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 observable on market conditions existing at each balance sheet date. Dealer quotes are used for debt securities and structured derivatives. 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.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.6 金融資產及負債之公平值(續)

倘非活躍市場之交易價與相同工具之可觀察之現時市場交易或基於估值(其變量僅包括可觀察市場之數據)之公平值有所不同，本集團即時確認於「淨交易收入」中確認交易價格與公平值之差額(「首日」溢利)。倘使用不可觀察之數據，交易價與標準值之差額僅於輸入成為可觀察或該工具被撤銷確認時在損益表內確認。

並非以公平值計量之金融工具

金融資產及負債之公平值估計如下：

(a) 銀行及其他金融機構之餘額及存款

存放同業的浮息存款和隔夜存款的公平值即其帳面值，固定利率存款(存款期少於一年)的估計公平值，是基於貼現現金流量按貨幣市場利率及剩餘年期計算。因此，其公平值約等於其帳面值。

(b) 商業票據及客戶、銀行及其他金融機構之貸款

商業票據及客戶、銀行及其他金融機構之貸款在扣除減值準備後列賬。除小部分客戶貸款外，其餘額均以浮動利率計息。本集團計算商業票據及客戶及同業貸款之公平價值時已考慮相關之市場利率，並注意到公平值總額與帳面值總額並無重大差異。

(c) 持有至到期金融投資

持有至到期債券之公平價值乃參照可用市價釐定。如市場報價並不可用，則公平價值根據定價模式或按計及未來盈利來源及等同報價證券估值之折現現金流量估計。

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets, the Group immediately recognises the difference between the transaction price and fair value (a "Day 1" profit) in "Net trading income". In cases where data which is not observable is used, the difference between the transaction price and model value is only recognised in the income statement when the inputs become observable, or when the instrument is derecognised.

Financial instruments not measured at fair value

The fair values of financial assets and liabilities are estimated as follows:

(a) Balances and placements with banks and other financial institutions

The fair values of floating rate placements and overnight deposits are their carrying amounts. The estimated fair value of fixed interest-bearing deposits, all of which are due in less than one year, is based on the discounted cash flows using the prevailing money-market interest rates and the remaining maturity. Therefore their fair values are approximately equal to their carrying values.

(b) Trade bills and loans and advances to customers, bank and other financial institutions

Trade bills and loans and advances to customers, banks and other financial institutions are net of allowances for impairment. All items, except for a very insignificant portion of loans and advances to customers, bear interest at a floating rate. The Group has assessed the fair value of trade bills and loans and advances to customers, bank and other financial institutions, after taking into account the relevant market interest rates, and has noted that the total fair value is not materially different from the total carrying value.

(c) Held-to-maturity financial investments

The fair value of held-to-maturity debt securities are determined with reference to the available market values. If quoted market prices are not available, then fair values are estimated on the bases of pricing models or discounted cash flows that take into consideration future earnings streams and valuations of equivalent quoted securities.

| | | 賬面值 Carrying value | | 公平價值 Fair Value | |
|-----------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 本集團及本銀行 | Group and Bank | | | | |
| 金融資產 | Financial asset | | | | |
| 持有至到期金融投資 | Held-to-maturity financial investments | 3,313,817 | 4,132,972 | 3,315,275 | 4,134,900 |

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.6 金融資產及負債之公平值(續)

(d) 客戶、銀行及其他金融機構存款及結餘

未註明到期日的存款及結餘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為賬面值。

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同類剩餘到期日的債務利率計算，由於該等結餘期限自結算日起計通常少於一年，因此，其公平值約等於其賬面值。

(e) 已發行存款證及後償債項

本集團計算發行之存款證公平值時已考慮相關之市場利率，並注意到公平值總額與賬面值總額並無重大差異。

(f) 其他資產及其他負債

其他資產及其他負債一般為不帶利息之結餘，因此其估計公平價值為其賬面值。

4.7 資本管理

本集團之資本管理目標是以基於有效及風險之方法調撥資本，以優化給予股東之經調整風險回報。本集團定期審閱其資本架構及維持堅實之資本基礎以支持其業務長遠發展。

香港金融管理局要求本銀行維持監管資本總額與加權風險資產之比例(資本充足比率)在最低8%或以上。本集團之附屬公司亦須其他監管機構如證券及期貨事務監察委員會所制定之法定資本規定。資本充足狀況及法定資本之運用由本集團管理層以資本規則所訂定之方法執行緊密之監察。所需資料將按季度以統計數據報表形式提交予香港金融管理局。資本充足狀況及資本基礎之披露載於附加財務資料附註(1)。

以下列示本銀行於新巴塞爾協定支柱一下按綜合基準之監管資本充足率。本集團將於適當時候執行資本規劃及分配，以符合新巴塞爾協定支柱二下之準則。於此兩年內，本集團遵守了香港金融管理局對外頒佈之所有資本規定。

| | | 2007 | 2006 |
|-------|------------------------|-------|-------|
| 資本充足率 | Capital adequacy ratio | 13.0% | 16.0% |

4.8 營運風險

營運風險是指因內部程序有不足之處或未能發揮、人的行為及系統或外在事件而引致損失的風險。

4 FINANCIAL RISK MANAGEMENT (continued)

4.6 Fair values of financial assets and liabilities (continued)

(d) Deposits and balances from customers, banks and other financial institutions.

The estimated fair value of deposits and balances with no stated maturity is the amount repayable on demand. The fair values of those balances bearing floating rates are their carrying values.

The estimated fair value of fixed interest-bearing deposits of banks and deposits from customers without quoted market price is based on discounted cash flows using the interest rates for new debts with similar remaining maturity. As their maturity is normally less than one year from the balance sheet date, their fair values are approximately equal to their carrying values.

(e) Certificates of deposit issued and subordinated debts

The Group has assessed the fair value of certificates of deposit after taking into account the relevant yield curve, and has noted that the total fair value is not materially different from the total carrying value.

(f) Other assets and other liabilities

The estimated fair value of the other assets and other liabilities, which are normally non-interest-bearing, is their carrying value.

4.7 Capital management

The Group's objective for managing capital is to allocate capital in an efficient and risk based approach to optimise risk adjusted return to the shareholders. The Group periodically reviews its capital structure and maintains a strong capital base to support the development of its business.

The HKMA requires the Bank to maintain a ratio of total regulatory capital to the risk-weighted asset (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 the Securities and Futures Commission. Capital adequacy and the use of regulatory capital are closely monitored by the Group's management, employing techniques based on the Capital Rules. The required information is filed with the HKMA on quarterly basis. The disclosure of capital adequacy and capital base are shown in Note (1) of Supplementary Financial Information.

The following exhibits the Bank's Basel II Pillar I Regulatory Capital Adequacy Ratio (CAR) on consolidated basis. The Group will perform capital planning and allocation in due course to fulfill Basel II Pillar II standards. During those two years, the Group complied with all of the externally imposed capital requirements by the HKMA.

4.8 Operational risk

Operational risk is the risk of losses resulting from inadequate systems, process failure, fraud, people problem and external events.

賬目附註 Notes to the Accounts

4 財務風險管理(續)

4.8 營運風險(續)

風險管理部下之營運風險部門乃指定處理營運風險之單位。

營運風險部門鑒別程序中的主要風險，並參考彼等各自之估計影響及頻率通過相關檢討及自我評估對相關營運風險進行評估。董事會給定風險承擔後，該部門設立主要風險指數及收集集團業務的實際虧損數據，以監督相關或剩餘風險。營運風險報告及有關最佳控制之推薦建議會提呈至營運風險委員會，及隨後提呈至風險管理委員會，該等委員會均會每季舉行會議，並於需要時向董事會作出最終報告。

4.9 法律及合規風險

法律及規管風險乃本集團因違反或不符合所有與經營業務有關之適用法律、規則、內部政策而可能遭受之法律及法規制裁、財務虧損或名譽損失。

法律及合規職員就法律及法規發展給予管理層意見及協助其建立政策、程序及監控系統以確保符合法律及法規要求。該等職員會執行定期合規檢查，以使本集團能識別任何潛在違規事項並及時採取補救措施。該等職員亦每月發佈公告及至少每季度安排培訓以豐富全體職員法律及法規規定之知識，並就違規事項及法律及法規發展向管理委員會作出定期報告。

5 分部報告

(a) 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收入、溢利、資產、負債、或然負債或承擔少於百分之十。

(b) 業務種類

本集團包括五個業務分部。商業銀行業務指商業借貸及貿易融資。零售銀行業務指零售銀行分期付款購入及租賃以及信用卡業務。財資業務指外匯、貨幣市場及資本市場業務。企業與投資銀行業務主要包括企業銀行、提供債務資本市場及投資銀行。未分類項目主要包括中央管理部、銀行物業及不能合理分配至特定業務分部的任何項目。

4 FINANCIAL RISK MANAGEMENT (continued)

4.8 Operational risk (continued)

The operational risk section within the Risk Management Department is the designated unit in charge of operational risk.

The operational risk section identifies key risk points in processes and evaluates the underlying operational risks by reference to their respective estimated impact and frequency via relevant interviews and self-assessment exercises. Given the risk appetite that the Board endorses, the Section sets up key risk indicators and collects actual loss data across the Group's business lines for monitoring the underlying or remaining operational risks. Operational risk reports and recommendations for better control are submitted to the Operational Risk Committee, and then the Risk Management Committee, both of which meet quarterly, for final reporting to the Board if needed.

4.9 Legal and compliance risk

Legal and compliance risk is the prospective risk of legal and regulatory sanctions, financial loss, or reputation loss that the Group may suffer as a result for violations of, or non-compliance with, all applicable laws, regulations, internal policies with respect to the conduct of business.

Legal and compliance staff members advise the management on the legal and regulatory developments and assist them in establishing policies, procedures and monitoring program to ensure compliance with the legal and regulatory requirements. They conduct regular compliance checking so that the Group can identify any potential non-compliance issue and take remedial action on a timely basis. They also issue monthly bulletin and arrange training at least quarterly to enrich the knowledge of all staff in the legal and regulatory requirements. Furthermore, regular reports on non-compliance issues and the legal and regulatory developments are made to the General Management Committee.

5 SEGMENT REPORTING

(a) 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 overseas operations.

(b) Class of business

The Group comprises five business segments. Commercial banking represents commercial lending and trade financing. Retail banking represents retail banking, hire purchase and leasing, and credit card business. Treasury and markets represents foreign exchange, money market and capital market activities. Corporate and investment banking mainly comprise corporate banking, the provision of debt capital market and investment banking. Unallocated items mainly comprise the central management unit, bank premises and any items which cannot be reasonably allocated to a particular business segment.

賬目附註 Notes to the Accounts

5 分部報告(續)

5 SEGMENT REPORTING (continued)

| | | 商業銀行 Commercial banking 千港元 HK\$'000 | 零售銀行 Retail banking 千港元 HK\$'000 | 財資 Treasury and markets 千港元 HK\$'000 | 企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000 | 未分類 Unallocated 千港元 HK\$'000 | 分部間撇銷 Inter-segment elimination 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|---|---|--|--|---|--|---------------------------------------|--|--------------------------------|
| 二零零七年 2007 | | | | | | | | |
| 淨利息收入 | Net interest income | 810,496 | 527,977 | 576,057 | 321,141 | 152,334 | - | 2,388,005 |
| 收費及佣金收入 | Fee and commission income | 262,792 | 285,181 | 8,478 | 149,192 | 13,719 | - | 719,362 |
| 收費及佣金(支出)/收入 | Fee and commission (expense)/income | (11,178) | (25,826) | 952 | (4,965) | (2,630) | - | (43,647) |
| 收費及佣金收入淨額 | Net fee and commission income | 251,614 | 259,355 | 9,430 | 144,227 | 11,089 | - | 675,715 |
| 淨交易收入 | Net trading income | 7,172 | 10,215 | 38,215 | 2,104 | 127,886 | - | 185,592 |
| 指定以公平價值經損益表 入賬之金融資產及負債 收益/(虧損)淨額 | Net gain/(loss) on financial assets and liabilities designated at fair value through profit or loss | - | - | 41,989 | - | (137,697) | - | (95,708) |
| 來自金融投資之股息收入 | Dividend income from financial investments | - | 500 | - | 164 | 3,136 | - | 3,800 |
| 其他營業收入 | Other operating income | 5,449 | 3,860 | 1,459 | 352 | 10,161 | - | 21,281 |
| 分部間收入 | Inter-segment income | - | 312,070 | - | - | 831 | (312,901) | - |
| 營業收入 | Operating income | 1,074,731 | 1,113,977 | 667,150 | 467,988 | 167,740 | (312,901) | 3,178,685 |
| 營業支出 | Operating expenses | (310,729) | (485,704) | (156,353) | (52,186) | (129,923) | - | (1,134,895) |
| 分部間支出 | Inter-segment expenses | - | - | - | - | (312,901) | 312,901 | - |
| 未扣除減值損失 之營業溢利/(虧損) | Operating profit/(loss) before impairment losses | 764,002 | 628,273 | 510,797 | 415,802 | (275,084) | - | 2,043,790 |
| 貸款減值損失 回撥/(支銷) | Write-back of/(charge for) impairment losses on loans and advances | (22,343) | 19,273 | (14,777) | 72,137 | 60,576 | - | 114,866 |
| 持有至到期金融投資減值 損失回撥 | Write-back of impairment losses on held-to-maturity financial investments | - | - | 3,131 | - | - | - | 3,131 |
| 備供銷售金融投資 減值損失 | Charge for impairment losses on available-for-sale financial investments | - | - | (234,024) | - | (17,905) | - | (251,929) |
| 扣除減值損失 之營業溢利/(虧損) | Operating profit/(loss) after impairment losses | 741,659 | 647,546 | 265,127 | 487,939 | (232,413) | - | 1,909,858 |
| 重估投資物業淨溢利 出售/撥回 | Net revaluation gains on investment properties Net gain/(loss) from disposal/reversal | 2,461 | - | - | - | 300 | - | 2,761 |
| 物業及設備和租賃土地及 土地使用權之重估虧蝕 之收益/(虧損)淨額 | of revaluation deficits of property, plant and equipment and leasedhold land and land use rights | (3,944) | 634 | (1) | - | 14,413 | - | 11,102 |
| 出售備供銷售金融投資 溢利淨額 | Net gain on disposal of available- for-sale financial investments | - | - | 15,270 | - | 1,346 | - | 16,616 |
| 營業溢利/(虧損) | Operating profit/(loss) | 740,176 | 648,180 | 280,396 | 487,939 | (216,354) | - | 1,940,337 |
| 應佔聯營公司溢利 | Share of profits of associates | - | - | - | - | 11,297 | - | 11,297 |
| 除稅前溢利/(虧損) | Profit/(loss) before tax | 740,176 | 648,180 | 280,396 | 487,939 | (205,057) | - | 1,951,634 |
| 分部資產 | Segment assets | 44,118,104 | 23,832,969 | 83,969,158 | 35,273,131 | 215,456 | - | 187,408,818 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | 184,054 | - | 184,054 |
| 未分類資產 | Unallocated assets | - | - | - | - | 4,711,188 | - | 4,711,188 |
| 總資產 | Total assets | 44,118,104 | 23,832,969 | 83,969,158 | 35,273,131 | 5,110,698 | - | 192,304,060 |
| 分部負債 | Segment liabilities | 47,119,378 | 46,445,828 | 22,856,188 | 45,311,917 | 285,485 | - | 162,018,796 |
| 未分類負債 | Unallocated liabilities | - | - | - | - | 15,277,125 | - | 15,277,125 |
| 負債總額 | Total liabilities | 47,119,378 | 46,445,828 | 22,856,188 | 45,311,917 | 15,562,610 | - | 177,295,921 |
| 資本支出 | Capital expenditure | 3,774 | 31,102 | 2,691 | 79 | 32,962 | - | 70,608 |
| 折舊及攤銷費用 | Depreciation and amortisation charges | 10,573 | 18,221 | 1,832 | 314 | 61,666 | - | 92,606 |

賬目附註 Notes to the Accounts

5 分部報告(續)

5 SEGMENT REPORTING (continued)

| | | 商業銀行 Commercial banking 千港元 HK\$'000 | 零售銀行 Retail banking 千港元 HK\$'000 | 財資 Treasury and markets 千港元 HK\$'000 | 企業與 投資銀行 Corporate and investment banking 千港元 HK\$'000 | 未分類 Unallocated 千港元 HK\$'000 | 分部間撇銷 Inter-segment elimination 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--|---|--|--|---|--|---------------------------------------|--|--------------------------------|
| 二零零六年 | 2006 | | | | | | | |
| 淨利息收入 | Net interest income | 684,990 | 576,564 | 335,086 | 243,883 | 12,046 | - | 1,852,569 |
| 收費及佣金收入 | Fee and commission income | 196,219 | 171,192 | 12,848 | 201,295 | 1,042 | - | 582,596 |
| 收費及佣金支出 | Fee and commission expense | (8,169) | (11,774) | - | (411) | (130) | - | (20,484) |
| 收費及佣金收入淨額 | Net fee and commission income | 188,050 | 159,418 | 12,848 | 200,884 | 912 | - | 562,112 |
| 淨交易收入 | Net trading income | 20,486 | 7,315 | 101,236 | (35,605) | 122,599 | - | 216,031 |
| 指定以公平價值經損益表 入賬之金融資產 及負債虧損淨額 | Net loss on financial assets and liabilities designated at fair value through profit or loss | - | - | (28,132) | - | (54,750) | - | (82,882) |
| 來自金融投資之股息收入 | Dividend income from financial investments | - | 451 | - | 207 | 1,961 | - | 2,619 |
| 其他營業收入 | Other operating income | 1,653 | 3,061 | 495 | 45 | 41,459 | - | 46,713 |
| 分部間收入 | Inter-segment income | - | 40,882 | - | - | 830 | (41,712) | - |
| 營業收入 | Operating income | 895,179 | 787,691 | 421,533 | 409,414 | 125,057 | (41,712) | 2,597,162 |
| 營業支出 | Operating expenses | (267,545) | (455,051) | (82,958) | (45,751) | (94,054) | - | (945,359) |
| 分部間支出 | Inter-segment expenses | - | - | - | - | (41,712) | 41,712 | - |
| 未扣除減值損失 之營業溢利/(虧損) | Operating profit/(loss) before impairment losses | 627,634 | 332,640 | 338,575 | 363,663 | (10,709) | - | 1,651,803 |
| 貸款減值損失 回撥/(支銷) | Write-back of/(charge for) impairment losses on loans and advances | (38,542) | (3,642) | 519 | (90,105) | (401) | - | (132,171) |
| 持有至到期金融投資減值 損失回撥/(支銷) | Write-back of/(charge for) impairment losses on held-to-maturity financial investments | - | - | (5,666) | - | - | - | (5,666) |
| 扣除減值損失 之營業溢利/(虧損) | Operating profit/(loss) after impairment losses | 589,092 | 328,998 | 333,428 | 273,558 | (11,110) | - | 1,513,966 |
| 出售/撥回 物業及設備和租賃土地及 土地使用權之重估虧蝕 之收益/(虧損)淨額 | Net gain/(loss) from disposal/reversal of revaluation deficits of property, plant and equipment and leasehold land and land use rights | (2,108) | (4,346) | (353) | (1) | 6,793 | - | (15) |
| 出售備供銷售金融投資 之收益淨額 | Net gain on disposal of available- for-sale financial investments | - | - | 22,345 | 60,926 | - | - | 83,271 |
| 營運溢利/(虧損) | Operating profit/(loss) | 586,984 | 324,652 | 355,420 | 334,483 | (4,317) | - | 1,597,222 |
| 應佔聯營公司溢利 | Share of profits of associates | - | - | - | - | 5,739 | - | 5,739 |
| 除稅前溢利 | Profit before tax | 586,984 | 324,652 | 355,420 | 334,483 | 1,422 | - | 1,602,961 |
| 分部資產 | Segment assets | 29,241,176 | 21,514,131 | 66,522,447 | 26,462,469 | 280,560 | - | 144,020,783 |
| 於聯營公司之投資 | Investments in associates | - | - | - | - | 34,485 | - | 34,485 |
| 未分類資產 | Unallocated assets | - | - | - | - | 2,336,491 | - | 2,336,491 |
| 總資產 | Total assets | 29,241,176 | 21,514,131 | 66,522,447 | 26,462,469 | 2,651,536 | - | 146,391,759 |
| 分部負債 | Segment liabilities | 24,859,221 | 36,920,999 | 14,498,113 | 38,862,466 | 285,822 | - | 115,426,621 |
| 未分類負債 | Unallocated liabilities | - | - | - | - | 19,879,835 | - | 19,879,835 |
| 負債總額 | Total liabilities | 24,859,221 | 36,920,999 | 14,498,113 | 38,862,466 | 20,165,657 | - | 135,306,456 |
| 資本支出 | Capital expenditure | 10,689 | 56,383 | 38 | 77 | 12,273 | - | 79,460 |
| 折舊及攤銷費用 | Depreciation and amortisation charges | 8,637 | 14,956 | 1,341 | 65 | 57,114 | - | 82,113 |

賬目附註 Notes to the Accounts

6 淨利息收入

6 NET INTEREST INCOME

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------|--|-------------------------|-------------------------|
| 以下項目之利息收入： | Interest income on: | | |
| 現金及銀行與 | Cash and balances with banks and | | |
| 其他金融機構之結存 | other financial institutions | 1,964,141 | 1,408,186 |
| 銀行與其他金融機構 | Placements with and advances to | | |
| 之存款及貸款 | banks and other financial institutions | 445,676 | 603,495 |
| 客戶、銀行及其他 | Loans and advances to customers, | | |
| 金融機構之貸款 | banks and other financial institutions | 5,589,240 | 4,155,868 |
| 金融投資－備供銷售 | Financial investments – available-for-sale | 586,293 | 472,063 |
| 金融投資－持有至到期 | Financial investments – held-to-maturity | 164,922 | 174,642 |
| | | 8,750,272 | 6,814,254 |
| 持作交易用途之金融資產 | Financial assets held for trading | 652 | 359 |
| 指定以公平價值經損益表入賬 | Financial assets designated | | |
| 之金融資產 | at fair value through profit or loss | 94,134 | 111,908 |
| | | 8,845,058 | 6,926,521 |
| 以下項目之利息支出： | Interest expense on: | | |
| 銀行及其他金融機構之存款及結餘 | Deposits from banks and other financial institutions | 748,146 | 789,524 |
| 客戶存款 | Deposits from customers | 4,700,536 | 3,139,040 |
| 已發行存款證 | Certificates of deposit issued | 186,649 | 249,077 |
| 以攤銷成本入賬之後償債項 | Subordinated debts measured at amortised cost | 424,241 | 348,560 |
| 其他 | Others | 50,868 | 63,845 |
| | | 6,110,440 | 4,590,046 |
| 指定以公平價值經損益表入賬 | Financial liabilities designated | | |
| 之金融負債 | at fair value through profit or loss | 346,613 | 483,906 |
| | | 6,457,053 | 5,073,952 |
| 淨利息收入 | Net interest income | 2,388,005 | 1,852,569 |

截至二零零七年十二月三十一日止年度，客戶、銀行及其他金融機構之貸款利息收入包括貸款減值損失之利息折扣轉回915,000港元(二零零六年：14,203,229港元)(附註27)。

The amount of interest income on loans and advances to customers, banks and other financial institutions includes the interest income on unwinding of discount on loan impairment losses of HK\$915,000 for the year ended 31 December 2007 (2006: HK\$14,203,229) (Note 27).

賬目附註 Notes to the Accounts

7 收費及佣金收入淨額

7 NET FEE AND COMMISSION INCOME

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---|--|-------------------------|-------------------------|
| 貸款、透支及擔保 | Loans, overdrafts and guarantees | 245,433 | 253,810 |
| 證券及經紀 | Securities and brokerage | 182,803 | 77,148 |
| 貿易融資 | Trade finance | 140,820 | 119,162 |
| 信用卡 | Credit card | 32,951 | 20,512 |
| 匯款 | Remittance | 22,837 | 19,821 |
| 保險 | Insurance | 11,538 | 9,083 |
| 其他零售及商業銀行服務 | Other retail and commercial banking services | 31,693 | 28,887 |
| 其他 | Others | 51,287 | 54,173 |
| 收費及佣金收入 | Fee and commission income | 719,362 | 582,596 |
| 收費及佣金支出 | Fee and commission expense | (43,647) | (20,484) |
| 收費及佣金收入淨額 | Net fee and commission income | 675,715 | 562,112 |
| 其中： | Of which: | | |
| 收費收入淨額(於釐定實際利率時已計入、因並非持作買賣用途或指定以公平價值經損益表入賬之金融資產或金融負債而產生之款項除外) | Net fee 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 | 386,253 | 372,973 |
| 因本集團代表其客戶持有資產或投資之信託及其他受託人業務而產生之淨收費收入 | Net fee income on trust and other fiduciary activities where the Group holds or invests on behalf of its customers | 9,020 | 7,075 |

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---------------------------------|--|-------------------------|-------------------------|
| 其中： | Of which: | | |
| 按產品組成之收費及佣金收入不少於收費及佣金總額百分之十，如下： | Fee and commission income by product line constitutes not less than 10% of the total amount of fees and commission income, as follows: | | |
| — 證券及經紀 | — securities and brokerage | 182,803 | 77,148 |
| — 銀團貸款 | — syndication loan | 137,385 | 131,181 |
| — 進口匯票 | — inwards bill | 82,895 | 82,619 |
| — 分期貸款 | — instalment loan | — | 77,612 |

8 淨交易收入

8 NET TRADING INCOME

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---------|--------------------------|-------------------------|-------------------------|
| 股權投資 | Equity investments | (976) | 14,387 |
| 債券 | Debt securities | 65,259 | (27,480) |
| 衍生工具 | Derivatives | 56,161 | 100,546 |
| 外匯 | Foreign exchange | 65,213 | 128,578 |
| 其他 | Others | (65) | — |
| 淨交易收入總額 | Total net trading income | 185,592 | 216,031 |

淨交易收入總額包含以攤銷成本入賬之金融負債收益413,000港元。

Included in total net trading income is the gain on financial liabilities measured at amortised cost of HK\$413,000.

賬目附註 Notes to the Accounts

9 指定以公平價值經損益表入賬之金融資產及負債虧損淨額

9 NET LOSS ON FINANCIAL ASSETS AND LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|------------------------------|--|-------------------------|-------------------------|
| 指定以公平價值經損益表入賬之金融資產 | Financial assets designated at fair value through profit or loss | 51,867 | (16,763) |
| 指定以公平價值經損益表入賬之金融負債 | Financial liabilities designated at fair value through profit or loss | (147,575) | (66,119) |
| 指定以公平價值經損益表入賬之金融資產及負債虧損淨額之總額 | Total net loss on financial assets and liabilities designated at fair value through profit or loss | (95,708) | (82,882) |

10 來自金融投資之股息收入

10 DIVIDEND INCOME FROM FINANCIAL INVESTMENTS

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|--------------------|--|-------------------------|-------------------------|
| 持作買賣用途之上市金融資產之股息收入 | Dividend income from listed financial assets held for trading | 409 | – |
| 非上市備供銷售金融投資之股息收入 | Dividend income from unlisted available-for-sale financial investments | 3,391 | 2,619 |
| 來自金融投資之股息收入總額 | Total dividend income from financial investments | 3,800 | 2,619 |

11 其他營業收入

11 OTHER OPERATING INCOME

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|------------------------|---|-------------------------|-------------------------|
| 管理費收入 | Management fee income | 7,857 | 6,300 |
| 租金收入 | Rental income | 887 | 1,535 |
| 投資物業之租金收入 | Rental income from investment properties | 963 | – |
| 減：年內產生租金收入之投資物業之直接營業支出 | Less: Direct operating expenses arising from investment properties that generated rental income during the year | (118) | – |
| 其他 | Others | 11,692 | 38,878 |
| 其他營業收入總額 | Total other operating income | 21,281 | 46,713 |

賬目附註 Notes to the Accounts

12 營業支出

12 OPERATING EXPENSES

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------------|---|-------------------------|-------------------------|
| 員工支出 | Staff costs: | | |
| — 薪金及其他支出 | — Salaries and other costs | 526,392 | 494,359 |
| — 遣散費 | — Redundancy payments | 1,125 | 401 |
| — 退休金支出 | — Retirement benefit costs | 30,384 | 29,225 |
| | | 557,901 | 523,985 |
| 物業及設備支出 (不包括折舊及攤銷) | Premises and equipment expenses, excluding depreciation and amortisation: | | |
| — 物業租金 | — Rental of premises | 151,888 | 97,449 |
| — 其他 | — Others | 65,818 | 75,896 |
| | | 217,706 | 173,345 |
| 折舊及攤銷支出 | Depreciation and amortisation expenses | 92,606 | 82,113 |
| 核數師酬金 | Auditors' remuneration | 4,598 | 3,564 |
| 行政費用 | General administration expenses | 28,062 | 27,907 |
| 推廣費用 | Business promotion expenses | 39,648 | 28,127 |
| 通訊費用 | Communication expenses | 42,390 | 32,910 |
| 其他營業支出 | Other operating expenses | 151,984 | 73,408 |
| 營業支出總額 | Total operating expenses | 1,134,895 | 945,359 |

13 退休金支出

自損益表扣除之退休金支出指本集團根據職業退休金計劃條例計劃及強積金計劃(「計劃」)須作出之供款。

根據計劃，本集團之員工在符合資格全數取得僱主供款前退出計劃，本集團可沒收供款以扣減應付之供款。年內已動用合共4,380,000港元(二零零六年：3,050,000港元)之沒收供款，於結算日尚餘141,000港元(二零零六年：166,000港元)留作日後扣減供款之用。

於結算日並無應付之計劃供款(二零零六年：無)。計劃之資產由基金獨立持有與本集團之資產分開管理。

13 RETIREMENT BENEFIT COSTS

The retirement benefit scheme cost charged to the income statement represents contributions payable by the Group to the ORSO Scheme and the MPF Scheme (the "Schemes").

Under the Schemes, the Group's contributions are reduced by contributions forfeited by those employees who leave the Schemes prior to the contributions vesting fully. Forfeited contributions totalling HK\$4,380,000 (2006: HK\$3,050,000) were utilised during the year, leaving HK\$141,000 (2006: HK\$166,000) available at the year-end to reduce future contributions.

No contributions were payable to the Schemes at the year end (2006: Nil). The assets of the Schemes are held separately from those of the Group in independently administered funds.

14 貸款減值損失(回撥)/支銷

14 (WRITE-BACK OF)/CHARGE FOR IMPAIRMENT LOSSES ON LOANS AND ADVANCES

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-------------------------------|--|-------------------------|-------------------------|
| 貸款減值損失(回撥)/支銷 | (Write-back of)/charge for impairment losses on loans and advances | | |
| 個別評估 | Individually assessed | | |
| — 新增撥備 | — New allowances | 115,352 | 213,395 |
| — 撥回 | — Releases | (145,243) | (56,181) |
| — 收回(附註27) | — Recoveries (Note 27) | (63,719) | (44,028) |
| 個別評估貸款減值損失 (回撥)/支銷淨額(附註27) | Net (write-back of)/charge for impairment losses on individually assessed loans and advances (Note 27) | (93,610) | 113,186 |
| 組合評估 | Collectively assessed | | |
| — 新增撥備 | — New allowances | 45,988 | 27,513 |
| — 撥回 | — Releases | (67,244) | (8,528) |
| — 收回(附註27) | — Recoveries (Note 27) | — | — |
| 組合評估貸款減值損失 (回撥)/支銷淨額(附註27) | Net (write-back of)/charge for impairment losses on collectively assessed loans and advances (Note 27) | (21,256) | 18,985 |
| 於損益表(回撥)/支銷淨額 | Net (write-back of)/charge to the income statement | (114,866) | 132,171 |

賬目附註 Notes to the Accounts

15 出售／撥回物業及設備和租賃土地及土地 使用權之重估虧絀之收益／(虧損)淨額

15 NET GAIN/(LOSS) FROM DISPOSAL/REVERSAL OF REVALUATION DEFICITS OF PROPERTY, PLANT AND EQUIPMENT AND LEASEHOLD LAND AND LAND USE RIGHTS

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---------------------------------|---|-------------------------|-------------------------|
| 出售物業及設備之收益淨額 | Net gain on disposal of property, plant and equipment | 7,328 | 1,989 |
| 撥回／(支銷)銀行物業重估虧絀 | Write-back of/(charge for) reversal of revaluation deficits of bank premises | 2,921 | (1,130) |
| 租賃土地及土地使用權減值損失 回撥／(支銷)(附註34) | Write-back of/(charge for) impairment losses on leasehold land and land use rights. (Note 34) | 853 | (874) |
| | | 11,102 | (15) |

16 稅項

香港利得稅乃根據本年度來自香港之估計應課稅溢利按稅率17.5%(二零零六年:17.5%)準備。有關海外分行及附屬公司應課稅溢利的稅項根據相關現行法規、詮釋及常規按本集團營運所在國家的現行稅率計算。

於綜合損益表支銷的稅項為：

16 TAX

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable for overseas branches and subsidiaries have been calculated at the rates of tax prevailing in the countries in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

The amount of tax charged to the consolidated income statement represents:

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------------------|---|-------------------------|-------------------------|
| 本年稅項－香港利得稅準備 | Current tax – provision for Hong Kong profits tax | | |
| 年內稅項 | Tax for the year | 318,115 | 269,322 |
| 過往年度準備不足 | Underprovision in respect of prior years | 8,057 | 8,365 |
| | | 326,172 | 277,687 |
| 本年稅項－海外稅項準備 | Current tax – provision for overseas tax | | |
| 年內稅項 | Tax for the year | 17,594 | 5,907 |
| 過往年度撥備不足 | Underprovision in respect of prior years | – | 84,847 |
| | | 17,594 | 90,754 |
| 因出現及撤銷暫時差額產生 之遞延稅項(附註38) | Deferred taxation relating to the origination and reversal of temporary differences (Note 38) | (920) | (11,072) |
| | | 342,846 | 357,369 |

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：

The difference between the tax expense for the Group's profit before tax and the theoretical amount that would arise using the current tax rate is as follows:

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------|---|-------------------------|-------------------------|
| 除稅前溢利 | Profit before tax | 1,951,634 | 1,602,961 |
| 按稅率17.5% | Calculated at a tax rate of 17.5% | | |
| (二零零六年:17.5%)計算 | (2006: 17.5%) | 341,536 | 280,519 |
| 其他國家不同稅率之影響 | Effect of different tax rates in other countries | 2,791 | (1,210) |
| 無須課稅之收入 | Income not subject to tax | (81,764) | (39,645) |
| 就稅務而言不可扣減之支出 | Expenses not deductible for tax purposes | 74,203 | 27,700 |
| 過往年度稅項調整 | Adjustments in respect of current tax of previous years | 8,057 | 93,212 |
| 使用過往年度稅項虧損 | Utilisation of tax losses from previous years | – | (2,203) |
| 分佔聯營公司稅項 | Share of tax of associates | (1,977) | (1,004) |
| 稅項支出 | Tax charge | 342,846 | 357,369 |

賬目附註 Notes to the Accounts

17 董事及高層管理人員酬金

(a) 董事酬金

各董事於截至二零零七年十二月三十一日止年度的薪酬載列如下：

| 董事姓名 | Name of director | 袍金 Fees 千港元 HK\$'000 | 薪金及津貼 Salaries and allowances 千港元 HK\$'000 | 酌情花紅 Discretionary bonuses 千港元 HK\$'000 | 公積金供款 (定義見附註13) Contributions to the Schemes (as defined in Note 13) 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|-------------------------|--|-------------------------------|--|---|---|--------------------------------|
| 姜建清博士 | Dr. Jiang Jianqing | 190 | - | - | - | 190 |
| 王麗麗女士 | Ms. Wang Lili | 140 | - | - | - | 140 |
| 朱琦先生 | Mr. Zhu Qi | - | 2,347 | 1,600 | 217 | 4,164 |
| 陳愛平先生 | Mr. Chen Aiping | 90 | - | - | - | 90 |
| 黃遠輝先生 | Mr. Wong Yuen Fai | - | 3,310 | 1,550 | 305 | 5,165 |
| 張懿先生 | Mr. Zhang Yi | - | 1,723 | 1,300 | 159 | 3,182 |
| Damis Jacobus Ziengs 先生 | Mr. Damis Jacobus Ziengs | 90 | - | - | - | 90 |
| 王于漸教授，S.B.S.，太平紳士* | Prof. Wong Yue Chim, Richard, S.B.S. J.P.* | 250 | - | - | - | 250 |
| 徐耀華先生* | Mr. Tsui Yiu Wa, Alec* | 250 | - | - | - | 250 |
| 袁金浩先生* | Mr. Yuen Kam Ho, George* | 250 | - | - | - | 250 |
| | | 1,260 | 7,380 | 4,450 | 681 | 13,771 |

* 獨立非執行董事

各董事於截至二零零六年十二月三十一日止年度的薪酬載列如下：

| 董事姓名 | Name of director | 袍金 Fees 千港元 HK\$'000 | 薪金及津貼 Salaries and allowances 千港元 HK\$'000 | 酌情花紅 Discretionary bonuses 千港元 HK\$'000 | 公積金供款 (定義見附註13) Contributions to the Schemes (as defined in Note 13) 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|-------------------------|--|-------------------------------|--|---|---|--------------------------------|
| 姜建清博士 | Dr. Jiang Jianqing | 190 | - | - | - | 190 |
| 王麗麗女士 | Ms. Wang Lili | 140 | - | - | - | 140 |
| 朱琦先生 | Mr. Zhu Qi | - | 2,300 | 1,400 | 212 | 3,912 |
| 陳愛平先生 | Mr. Chen Aiping | 90 | - | - | - | 90 |
| 黃遠輝先生 | Mr. Wong Yuen Fai | - | 3,952 | 500 | 291 | 4,743 |
| 張懿先生 | Mr. Zhang Yi | - | 1,690 | 1,100 | 156 | 2,946 |
| Damis Jacobus Ziengs 先生 | Mr. Damis Jacobus Ziengs | 90 | - | - | - | 90 |
| 王于漸教授，S.B.S.，太平紳士* | Prof. Wong Yue Chim, Richard, S.B.S. J.P.* | 220 | - | - | - | 220 |
| 徐耀華先生* | Mr. Tsui Yiu Wa, Alec* | 220 | - | - | - | 220 |
| 袁金浩先生* | Mr. Yuen Kam Ho, George* | 220 | - | - | - | 220 |
| | | 1,170 | 7,942 | 3,000 | 659 | 12,771 |

* 獨立非執行董事

年內並無董事放棄或同意放棄任何酬金之安排。

17 DIRECTOR'S AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The remuneration of every director for the year ended 31 December 2007 is set out below:

* Independent non-executive directors

The remuneration of every director for the year ended 31 December 2006 is set out below:

* Independent non-executive directors

There was no arrangement under which any director waived or agreed to waive any remuneration during the year.

賬目附註 Notes to the Accounts

17 董事及高層管理人員酬金(續)

(b) 五名最高薪酬人士

本集團年內酬金最高的五名人士包括三名董事(二零零六年:三名),其酬金於以上分析中反映。年內已付及應付另兩名(二零零六年:兩名)人士的酬金如下:

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-------------------------|--|-------------------------|-------------------------|
| 基本薪金、房屋津貼、 其他津貼及實物利益 | Basic salaries, housing allowances, other allowances and benefits in kind | 4,439 | 4,244 |
| 花紅 | Bonuses | 1,660 | 1,600 |
| 公積金計劃供款 | Contributions to the Schemes | 492 | 435 |
| | | 6,591 | 6,279 |

酬金幅度如下:

The emoluments fall within the following bands:

| 酬金幅度 | Emolument bands | 2007 | 2006 |
|----------------------------|--------------------------------|------|------|
| 2,000,001 港元至 2,500,000 港元 | HK\$2,000,001 to HK\$2,500,000 | - | - |
| 2,500,001 港元至 3,000,000 港元 | HK\$2,500,001 to HK\$3,000,000 | 1 | 1 |
| 3,000,001 港元至 3,500,000 港元 | HK\$3,000,001 to HK\$3,500,000 | - | - |
| 3,500,001 港元至 4,000,000 港元 | HK\$3,500,001 to HK\$4,000,000 | 1 | 1 |

18 股東應佔溢利

本集團股東應佔之綜合溢利中已包括本銀行賬目之溢利1,468,387,000港元(二零零六年:1,225,939,000港元)。

18 PROFIT ATTRIBUTABLE TO EQUITY HOLDERS

The consolidated profit attributable to equity holders of the Group includes a gross profit of HK\$1,468,387,000 (2006: HK\$1,225,939,000) which has been dealt with in the accounts of the Bank.

19 股息

19 DIVIDENDS

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|--------------------------------------|--|-------------------------|-------------------------|
| 已派付中期股息每股普通股0.23港元 (二零零六年:0.20港元) | Paid interim dividend of HK\$0.23 (2006: HK\$0.20) per ordinary share | 262,114 | 224,252 |
| 擬派付末期股息每股普通股0.63港元 (二零零六年:0.46港元) | Proposed final dividend of HK\$0.63 (2006: HK\$0.46) per ordinary share | 772,350 | 515,779 |
| | | 1,034,464 | 740,031 |

於二零零八年三月十三日舉行的會議上,董事建議派付末期股息每股普通股0.63港元。有關擬派股息未於本賬目內列作應付股息,但將列作截至二零零七年十二月三十一日止年度之保留溢利分派。

At a meeting held on 13 March 2008, the directors proposed a final dividend of HK\$0.63 per ordinary share. The proposed final dividend was not reflected as dividend payable in these accounts, but will be reflected as an appropriation of retained earnings for the year ended 31 December 2007.

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Notes to the Accounts

20 每股盈利

每股基本盈利乃按股東應佔年內溢利，除以年內已發行普通股之加權平均數計算。

20 EARNINGS PER SHARE

Basic earnings per share amount is calculated by dividing the profit for the year attributable to equity holders by the weighted average number of ordinary shares in issue during the year.

| | | 2007 | 2006 |
|-------------------|---|-----------|-----------|
| 股東應佔溢利 (千港元) | Profit attributable to equity holders (HK\$'000) | 1,608,788 | 1,245,592 |
| 已發行普通股之加權平均數 (千股) | Weighted average number of ordinary shares in issue (thousands) | 1,139,221 | 1,121,259 |
| 每股基本盈利 (每股港元) | Basic earnings per share (HK\$ per share) | 1.41 | 1.11 |

於二零零七年十二月三十一日共有 50,284,049 份未行使認股權證（二零零六年：無）。由於未行使認股權證對於年內每股基本盈利具有反攤薄效應，故未予以披露截至二零零七年十二月三十一日止年度的每股攤薄盈利。

There were 50,284,049 warrants outstanding as at 31 December 2007 (2006: Nil). Diluted earnings per share amount for the year ended 31 December 2007 has not been disclosed as the warrants outstanding had an anti-dilutive effect on the basic earnings per share for the year.

21 會計分類

21 ACCOUNTING CLASSIFICATIONS

[illegible]

21 ACCOUNTING CLASSIFICATIONS (continued)

[illegible]

帳目附註

Notes to the Accounts

21 會計分類(續)

21 ACCOUNTING CLASSIFICATIONS (continued)

[illegible]

21 ACCOUNTING CLASSIFICATIONS (continued)

[illegible]

賬目附註 Notes to the Accounts

22 現金及在銀行與其他金融機構之結存

22 CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS

| | | 本集團 Group | | 本銀行 Bank | |
|----------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 現金 | Cash in hand | 214,809 | 214,739 | 214,809 | 214,739 |
| 中央銀行之結存 | Balances with central banks | 394,824 | 113,780 | 249,426 | 98,015 |
| 其他銀行及金融機構之結存 | Balances with other banks and financial institutions | 989,350 | 851,570 | 807,318 | 807,133 |
| 於一個月以內到期之銀行及其他金融機構存款 | Placements with banks and other financial institutions with maturity within one month | 42,067,371 | 44,315,023 | 41,888,967 | 43,806,481 |
| | | 43,666,354 | 45,495,112 | 43,160,520 | 44,926,368 |

23 在銀行及其他金融機構之存款及貸款

23 PLACEMENTS WITH AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

| | | 本集團 Group | | 本銀行 Bank | |
|-----------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一到十二個月到期之銀行及其他金融機構存款 | Placements with banks and other financial institutions maturing between one and twelve months | 955,234 | 5,015,135 | 1,570,813 | 5,779,578 |
| 銀行及其他金融機構貸款總額 | Gross advances to banks and other financial institutions | 50,000 | — | 50,000 | — |
| | | 1,005,234 | 5,015,135 | 1,620,813 | 5,779,578 |

賬目附註 Notes to the Accounts

24 持作交易用途金融資產

24 FINANCIAL ASSETS HELD FOR TRADING

| | | 本集團及本銀行 Group and Bank | |
|--------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 債券，按公平價值： | Debt securities, at fair value: | | |
| 在香港上市 | Listed in Hong Kong | 255 | 100 |
| 非上市 | Unlisted | 16,401 | 13,768 |
| | | 16,656 | 13,868 |
| 股本證券，按公平價值： | Equity securities, at fair value: | | |
| 在香港上市 | Listed in Hong Kong | 37,600 | 42,600 |
| 持作交易用途金融資產總值 | Total financial assets held for trading | 54,256 | 56,468 |
| 持作交易用途之金融資產 | Financial assets held for trading are analysed by | | |
| 按發行人類別如下： | category of issuer as follows: | | |
| 公營機構 | Public sector entities | 14,553 | 13,868 |
| 銀行及其他金融機構 | Banks and other financial institutions | 39,703 | 42,600 |
| | | 54,256 | 56,468 |

25 指定以公平價值經損益表入賬之金融資產

25 FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 本集團及本銀行 Group and Bank | |
|-------------------------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 債券，按公平價值： | Debt securities, at fair value: | | |
| 於香港上市 | Listed in Hong Kong | 80,983 | 75,524 |
| 於香港以外地區上市 | Listed outside Hong Kong | 715,974 | 751,039 |
| 非上市 | Unlisted | 957,785 | 877,786 |
| 指定以公平價值經損益表入賬之金融資產總值 | Total financial assets designated at fair value through profit or loss | 1,754,742 | 1,704,349 |
| 指定以公平價值經損益表入賬之金融資產包括以下項目： | Financial assets designated at fair value through profit or loss are comprised of the following items: | | |
| 所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 | 100,006 | — |
| — 一年以上至五年 | — 1-5 years | — | 99,704 |
| | | 100,006 | 99,704 |
| 其他債券 | Other debt securities | 1,654,736 | 1,604,645 |
| | | 1,754,742 | 1,704,349 |
| 指定以公平價值經損益表入賬之金融資產按以下發行人類別分析： | Financial assets designated at fair value through profit or loss are analysed by category of issuer as follows: | | |
| 中央政府及中央銀行 | Central governments and central banks | 209,143 | 208,116 |
| 公營機構 | Public sector entities | 203,410 | 197,231 |
| 銀行及其他金融機構 | Banks and other financial institutions | 480,758 | 483,121 |
| 企業 | Corporate entities | 861,431 | 815,881 |
| | | 1,754,742 | 1,704,349 |

賬目附註 Notes to the Accounts

26 衍生金融工具

本集團訂立下列股份權益、匯率及利率相關的衍生金融工具合約用作買賣及風險管理之用：

遠期外匯合約是指於未來某一日期買或賣外幣的承諾。

貨幣及利率掉期是指交換不同現金流量的承諾。掉期的結果是不同貨幣、利率(如固定利率與浮動利率)或以上的所有組合(如交叉貨幣利率掉期)。除某些貨幣掉期合約外，該等交易無需交換本金。

外匯、利率及股份權益合約期權是指期權的賣方(出讓方)為買方(持有方)提供在未來某一特定日期或未來一定時期內按約定的價格買進(認購期權)或賣出(認沽期權)一定數量的金融工具的權利(而非承諾)的一種協定。考慮到外匯和利率風險，期權的賣方從購買方收取一定的期權費。本集團期權合約是與對手方在場外協商達成協定的或透過交易所進行(如於交易所進行買賣之期權)。

本集團之衍生金融工具合約／名義合約數額及其公平值詳列於下表。資產負債表日各類型金融工具的合約／名義金額僅顯示了於資產負債表日之未完成交易量，而若干金融工具之合約／名義合約數額則提供了一個與綜合資產負債表內所確認的公平值資產或負債的對比基礎。但是，這並不代表所涉及的未來的現金流量或當前的公平值，因而也不能反映本集團所面臨的信用風險或市場風險。隨著與衍生金融工具合約條款相關的市場利率、匯率和股份權益的波動，衍生金融工具的估值可能產生對銀行有利(資產)或不利(負債)的影響。衍生金融工具之資產及負債之公平價值總額會不時大幅波動。

本集團進行場外及場內衍生產品交易的主要目的是開展客戶業務。集團欲做的所有對客戶及對同業市場的衍生產品交易均需嚴格遵從本集團的各相關風險管理政策及規定。

衍生產品亦應用於管理銀行賬的利率風險，只有獲批准之產品名單上載有的衍生產品方可進行交易。由衍生產品交易產生的風險承擔名義數額以設限控制，並制訂交易的最長期限及其損益之管理預警限額。每宗衍生產品交易必須記錄於相應的系統，以進行結算、市場劃、報告及監控。

26 DERIVATIVE FINANCIAL INSTRUMENTS

The Group enters into the following equity, foreign exchange and interest rate related derivative financial instruments for trading and risk management purposes:

Currency forwards represent commitments to purchase and sell foreign currency on a future date.

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an exchange of currencies, interest rates (for example, fixed rate for floating rate), or a combination of all these (i.e. cross-currency interest rate swaps). Except for certain currency swap contracts, no exchange of principal takes place.

Foreign currency, interest rate and equity options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of the financial instrument at a predetermined price. In consideration for the assumption of foreign exchange and interest rate risk, the seller receives a premium from the purchaser. Options are negotiated over-the-counter ("OTC") between the Group and its counterparty or traded through the stock exchange (for example, exchange-traded stock option).

The contractual/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contractual/notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet dates and certain of them provide a basis for comparison with fair value instruments recognised on the consolidated balance sheet. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates and equity relative to their terms. The aggregate fair values of derivative financial instruments assets and liabilities can fluctuate significantly from time to time.

The Group trades derivative products (both exchange-traded or OTC) mainly for customer business. The Group strictly follows risk management policies in providing derivative products to our customers and in trading of derivative products in the interbank market.

Derivatives are also used to manage the interest rate risk of the banking book. A derivative instrument must be included in the approved product list before any transactions for that instrument can be made. There are limits to control the notional amount of exposure arising from derivative transactions, and the maximum tenor of the deal and management alert limit in profit or loss is set. Every derivative transaction must be input into the relevant system for settlement, mark to market revaluation, reporting and control.

賬目附註 Notes to the Accounts

26 衍生金融工具(續)

以下為衍生金融工具中每項重要類別於十二月三十一日之合約／名義合約數額之摘要：

26 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The following tables summaries the contractual/notional amounts of each significant type of derivative financial instrument as at 31 December:

| | | 合約／名義金額 Contractual/ notional amount 千港元 HK\$'000 | 本集團 Group 公平值 資產 Fair value assets 千港元 HK\$'000 | 公平值 負債 Fair value liabilities 千港元 HK\$'000 |
|---------------------------|---|--|--|---|
| 二零零七年 | 2007 | | | |
| 1) 持作買賣用途之衍生工具 | 1) Derivatives held for trading | | | |
| a) 外匯衍生工具 | a) Foreign exchange derivatives | | | |
| — 貨幣遠期 | — Currency forwards | 93,761,244 | 674,483 | (705,905) |
| — 場外貨幣期權買賣 | — OTC currency options bought and sold | 28,466,452 | 97,606 | (106,461) |
| 外匯衍生工具總額 | Total foreign exchange derivatives | | 772,089 | (812,366) |
| b) 利率衍生工具 | b) Interest rate derivatives | | | |
| — 利率掉期 | — Interest rate swaps | 30,493,902 | 401,033 | (498,197) |
| — 場外利率期權 | — OTC interest rate options | 7,484,940 | 5,171 | (5,357) |
| — 其他利率合約 | — Other interest rate contracts | 600,000 | 1,505 | (1,505) |
| 利率衍生工具總額 | Total interest rate derivatives | | 407,709 | (505,059) |
| c) 股本衍生工具 | c) Equity derivatives | | | |
| — 股本期權 | — Equity options | 80,852 | 1,873 | (1,873) |
| 持作買賣用途衍生工具資產／ (負債) 總額 | Total derivative assets/(liabilities) held for trading | | 1,181,671 | (1,319,298) |
| 2) 持作對沖用途衍生工具 | 2) Derivatives held for hedging | | | |
| a) 指定為公平值對沖之衍生工具 | a) Derivatives designated as fair value hedges | | | |
| — 利率掉期 | — Interest rate swaps | 2,266,544 | 32,067 | (32,400) |
| 持作對沖用途之衍生工具 資產／(負債) 總額 | Total derivative assets/(liabilities) held for hedging | | 32,067 | (32,400) |
| 已確認衍生工具金融資產／ (負債) 總額 | Total recognised derivative assets/(liabilities) | | 1,213,738 | (1,351,698) |

賬目附註 Notes to the Accounts

26 衍生金融工具(續)

26 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

| 二零零七年 | 2007 | 合約／名義金額 Contractual/ notional amount 千港元 HK\$'000 | 本銀行 Bank 公平值 資產 Fair value assets 千港元 HK\$'000 | 公平值 負債 Fair value liabilities 千港元 HK\$'000 |
|---------------------------|---|--|---|---|
| 1) 持作買賣用途之衍生工具 | 1) Derivatives held for trading | | | |
| a) 外匯衍生工具 | a) Foreign exchange derivatives | | | |
| －貨幣遠期 | － Currency forwards | 93,761,244 | 674,483 | (705,905) |
| －場外貨幣期權買賣 | － OTC currency options bought and sold | 28,466,452 | 97,606 | (106,461) |
| 外匯衍生工具總額 | Total foreign exchange derivatives | | 772,089 | (812,366) |
| b) 利率衍生工具 | b) Interest rate derivatives | | | |
| －利率掉期 | － Interest rate swaps | 33,614,222 | 413,741 | (498,197) |
| －場外利率期權 | － OTC interest rate options | 7,484,940 | 5,171 | (5,357) |
| －其他利率合約 | － Other interest rate contracts | 600,000 | 1,505 | (1,505) |
| 利率衍生工具總額 | Total interest rate derivatives | | 420,417 | (505,059) |
| c) 股本衍生工具 | c) Equity derivatives | | | |
| －股本期權 | － Equity options | 80,852 | 1,873 | (1,873) |
| 持作買賣用途之衍生工具 資產／(負債) 總額 | Total derivative assets/(liabilities) held for trading | | 1,194,379 | (1,319,298) |
| 2) 持作對沖用途之衍生工具 | 2) Derivatives held for hedging | | | |
| a) 指定為公平值對沖之衍生工具 | a) Derivatives designated as fair value hedges | | | |
| －利率掉期 | － Interest rate swaps | 2,266,544 | 32,067 | (32,400) |
| 持作對沖用途之衍生工具 資產／(負債) 總額 | Total derivative assets/(liabilities) held for hedging | | 32,067 | (32,400) |
| 已確認衍生工具 資產／(負債) 總額 | Total recognised derivative assets/(liabilities) | | 1,226,446 | (1,351,698) |

賬目附註 Notes to the Accounts

26 衍生金融工具(續)

26 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

| | | 合約／名義金額 Contractual/ notional amount 千港元 HK\$'000 | 本集團及本銀行 Group and Bank 公平值 資產 Fair value assets 千港元 HK\$'000 | 公平值 負債 Fair value liabilities 千港元 HK\$'000 |
|---------------------------|--|--|---|---|
| 二零零六年 | 2006 | | | |
| 1) 持作買賣用途之衍生工具 | 1) Derivatives held for trading | | | |
| a) 外匯衍生工具 | a) Foreign exchange derivatives | | | |
| — 貨幣遠期 | — Currency forwards | 78,090,202 | 275,436 | (278,276) |
| — 場外貨幣期權買賣 | — OTC currency options bought and sold | 10,926,410 | 20,773 | (19,724) |
| 外匯衍生工具總額 | Total foreign exchange derivatives | | 296,209 | (298,000) |
| b) 利率衍生工具 | b) Interest rate derivatives | | | |
| — 利率掉期 | — Interest rate swaps | 25,819,500 | 366,340 | (453,771) |
| — 場外利率期權 | — OTC interest rate options | 7,229,572 | 3,294 | (3,341) |
| — 其他利率合約 | — Other interest rate contracts | 905,561 | 1,222 | (474) |
| 利率衍生工具總額 | Total interest rate derivatives | | 370,856 | (457,586) |
| c) 股本衍生工具 | c) Equity derivatives | | | |
| — 股本期權 | — Equity options | 74,678 | 292 | (292) |
| 持作買賣用途衍生工具資產／ (負債) 總額 | Total derivative assets/(liabilities) held for trading | | 667,357 | (755,878) |
| 2) 持作對沖用途衍生工具 | 2) Derivatives held for hedging | | | |
| a) 指定為公平值對沖之衍生工具 | a) Derivatives designated as fair value hedges | | | |
| — 利率掉期 | — Interest rate swaps | 2,423,452 | 45,845 | (17,238) |
| 持作對沖用途之衍生工具 資產／(負債) 總額 | Total derivative assets/(liabilities) held for hedging | | 45,845 | (17,238) |
| 已確認衍生工具金融資產／ (負債) 總額 | Total recognised derivative assets/(liabilities) | | 713,202 | (773,116) |

或然負債及承擔以及衍生金融工具的合約或名義金額
僅表示於結算日的未完成業務量，與風險承擔的相關
風險則無甚關連。

The contractual or notional amounts of contingent liabilities and commitments and
derivative financial instruments provide only an indication of the volume of
business outstanding at the balance sheet date and bear little relation to the
underlying risks of the exposures.

賬目附註 Notes to the Accounts

26 衍生金融工具(續)

上述衍生金融工具當中之若干項目被指定用作公平值對沖工具。

本集團採用公平值對沖以保障其免受市場利率變動導致的金融資產公平值變動產生的影響。其利率風險獲予以對沖的金融工具主要包括備供銷售債券。本銀行採用利率掉期對沖利率風險。

根據因年內已於損益表確認的衍生工具及獲對沖風險的相關獲對沖項目公平值變動作出的對沖有效性分析列示如下：

| | | 本集團及本銀行 Group and Bank | |
|---------------------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 公平價值對沖收益／(虧損)， 扣減以下項目： | Gain/(loss) arising from fair value hedge, net: | | |
| －對沖工具 | － Hedging instruments | (56,415) | 2,623 |
| －獲對沖風險之相關獲對沖項目 | － Hedged items attributable to the hedged risk | 57,786 | (2,420) |
| | | 1,371 | 203 |

上述或然負債及承擔以及衍生金融工具的總重置成本及信貸風險加權金額為：

26 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Among the above derivative financial instruments, certain of them were designated as hedging instruments for the fair value hedge purpose.

Fair value hedges are used by the Group to protect it against changes in the fair values of financial assets due to movements in market interest rates. The financial instruments hedged for interest rate risk mainly include available-for-sale debt securities. The Bank uses interest rate swaps to hedge interest rate risk.

The effectiveness of the hedges based on changes in fair values of the derivatives and the hedged items attributable to the hedged risk recognised in the income statement during the year is presented as follows:

| | | 本集團及本銀行 Group and Bank | | | |
|-------------|---|---|---|---|---|
| | | 2007 | | 2006 | |
| | | 重置成本 Replacement cost 千港元 HK\$'000 | 加權平均 信貸風險 Credit risk weighted amount 千港元 HK\$'000 | 重置成本 Replacement cost 千港元 HK\$'000 | 加權平均 信貸風險 Credit risk weighted amount 千港元 HK\$'000 |
| 或然負債 及承擔 | Contingent liabilities and commitments | – | 11,309,108 | – | 9,808,957 |
| 外匯合約 | Exchange rate contracts | | | | |
| －遠期 | － Forwards | 583,692 | 753,118 | 271,310 | 222,591 |
| －換期 | － Swaps | 49,096 | 67,133 | 3,015 | 6,751 |
| －購入貨幣期權 | － Currency options purchased | 43,161 | 32,808 | 9,665 | 481 |
| －售出貨幣期權 | － Currency options written | 53,876 | 224,124 | 3,365 | 1,199 |
| | | 729,825 | 1,077,183 | 287,355 | 231,022 |
| 利率合約 | Interest rate contracts | | | | |
| －換期 | － Swaps | 384,005 | 335,603 | 409,220 | 117,057 |
| －購入貨幣期權 | － Currency options purchased | 5,171 | 17,204 | 3,227 | 555 |
| －售出貨幣期權 | － Currency options written | 1,830 | 3,544 | 540 | 258 |
| | | 391,006 | 356,351 | 412,987 | 117,870 |
| 其他合約 | Other contracts | 1,873 | 872 | 292 | – |
| | | 1,122,704 | 12,743,514 | 700,634 | 10,157,849 |

上述風險項目之重置成本及加權平均信貸風險之數額並未計入雙邊淨額結算安排。

The aggregate replacement costs and credit risk weighted amounts of the contingent liabilities and commitments and derivative financial instruments are:

The replacement costs and credit risk weighted amounts of the exposures do not take into account the effects of bilateral netting arrangements.

賬目附註 Notes to the Accounts

27 客戶、銀行及其他金融機構之貸款

(a) 客戶、銀行及其他金融機構之貸款

| | | 本集團 Group | | 本銀行 Bank | |
|-------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 客戶貸款 | Advances to customers | 99,220,723 | 74,481,405 | 92,468,796 | 73,473,370 |
| 銀行及其他金融機構之貸款 | Advances to banks and other financial institutions | 20,641,536 | – | 20,588,784 | – |
| 商業票據 | Trade bills | 1,565,469 | 1,264,291 | 1,564,485 | 1,264,291 |
| 客戶、銀行及其他金融機構之貸款總額 | Gross loans and advances to customers, banks and other financial institutions | 121,427,728 | 75,745,696 | 114,622,065 | 74,737,661 |
| 應計利息 | Accrued interest | 611,505 | 334,697 | 590,579 | 328,492 |
| | | 122,039,233 | 76,080,393 | 115,212,644 | 75,066,153 |
| 減：減值準備 | Less: Impairment allowances | | | | |
| 一個別評估 | – Individually assessed | (125,293) | (201,112) | (125,293) | (201,112) |
| 一組合評估 | – Collectively assessed | (210,269) | (231,525) | (210,269) | (213,965) |
| | | 121,703,671 | 75,647,756 | 114,877,082 | 74,651,076 |

| | | 本集團 Group | | 本銀行 Bank | |
|-----------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 減值貸款總額 | Gross impaired loans and advances | 646,602 | 898,389 | 646,602 | 898,389 |
| 個別減值準備 | Impairment allowances made in respect of such loans | 125,293 | 201,112 | 125,293 | 201,112 |
| 減值貸款總額佔貸款總額之百分比 | Gross impaired loans and advances as a percentage of total gross loans and advances | 0.5% | 1.2% | 0.6% | 1.2% |
| 抵押品市值 | Market value of collateral | 772,453 | 435,021 | 772,453 | 435,021 |

減值貸款是因於首次確認資產後出現一件或多件對可以可靠估計未來現金流量有影響之事件(「虧損事件」)，而導致個別確定存在客觀減值證據而須個別評估的貸款。

於二零零七年及二零零六年十二月三十一日，本集團貸予銀行及其他金融機構的款項中，沒有減值貸款，亦沒有就該等貸款提供減值準備。

27 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS

(a) Loans and advances to customers, banks and other financial institutions

Impaired loans and advances are defined as those loans which are individually determined to have 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 has an impact on the estimated future cash flows of the loans that can be reliably estimated.

There were no impaired advances to banks and other financial institutions as at 31 December 2007 and 2006 nor were there any individual impairment allowances made for them on these two dates.

賬目附註 Notes to the Accounts

27 客戶、銀行及其他金融機構貸款(續)

27 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

(b) 客戶、銀行及其他金融機構貸款總額之貸款減值準備

(b) Impairment allowances against gross loans and advances to customers, banks and other financial institutions

| | | 個別評估 Individual assessment 千港元 HK\$'000 | 本集團 組合評估 Group Collective assessment 千港元 HK\$'000 | 總額 Total 千港元 HK\$'000 |
|--------------------------|---|---|---|--------------------------------|
| 二零零七年 | | 2007 | | |
| 貸款減值準備變動： | Movements in impairment allowances on loans and advances: | | | |
| 於二零零七年一月一日餘額 | Balance at 1 January 2007 | 201,112 | 231,525 | 432,637 |
| 減值損失(附註14) | Impairment losses (Note 14) | (93,610) | (21,256) | (114,866) |
| 撇銷不能收回之貸款 | Loans written off as uncollectible | (45,022) | - | (45,022) |
| 確認為利息收入的貸款減值準備折現值撥回(附註6) | Unwind of discount of loan impairment allowances recognised as interest income (Note 6) | (915) | - | (915) |
| 收回過往年度已撇銷貸款(附註14) | Recoveries of advances written off in previous years (Note 14) | 63,719 | - | 63,719 |
| 匯兌及其他調整 | Exchange and other adjustments | 9 | - | 9 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 125,293 | 210,269 | 335,562 |
| 扣除自： | Deducted from: | | | |
| 客戶貸款 | Advances to customers | 123,845 | 191,968 | 315,813 |
| 銀行及其他金融機構貸款 | Advances to banks and other financial institutions | - | 15,050 | 15,050 |
| 商業票據 | Trade bills | 1,448 | 3,251 | 4,699 |
| | | 125,293 | 210,269 | 335,562 |
| 二零零六年 | | 2006 | | |
| 貸款減值準備變動： | Movements in impairment allowances on loans and advances: | | | |
| 於二零零六年一月一日餘額 | Balance at 1 January 2006 | 267,418 | 209,583 | 477,001 |
| 轉撥自收購中國工商銀行香港分行 | Transferred from acquisition of ICBC, Hong Kong Branch | 514 | 2,948 | 3,462 |
| 減值損失(附註14) | Impairment losses (Note 14) | 113,186 | 18,985 | 132,171 |
| 撇銷不能收回之貸款 | Loans written off as uncollectible | (209,831) | - | (209,831) |
| 確認為利息收入的貸款減值準備折現值撥回(附註6) | Unwind of discount of loan impairment allowances recognised as interest income (Note 6) | (14,203) | - | (14,203) |
| 收回過往年度已撇銷貸款(附註14) | Recoveries of advances written off in previous years (Note 14) | 44,028 | - | 44,028 |
| 匯兌及其他調整 | Exchange and other adjustments | - | 9 | 9 |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 201,112 | 231,525 | 432,637 |
| 扣除自： | Deducted from: | | | |
| 客戶貸款 | Advances to customers | 199,271 | 227,880 | 427,151 |
| 銀行及其他金融機構貸款 | Advances to banks and other financial institutions | - | - | - |
| 商業票據 | Trade bills | 1,841 | 3,645 | 5,486 |
| | | 201,112 | 231,525 | 432,637 |

賬目附註 Notes to the Accounts

27 客戶、銀行及其他金融機構貸款 (續)

27 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

(b) 客戶、銀行及其他金融機構貸款總額之貸款減值準備 (續)

(b) Impairment allowances against gross loans and advances to customers, banks and other financial institutions (continued)

| | | 個別評估 Individual assessment 千港元 HK\$'000 | 本銀行 Bank 組合評估 Collective assessment 千港元 HK\$'000 | 總額 Total 千港元 HK\$'000 |
|---------------------|--|---|--|--------------------------------|
| 二零零七年 | 2007 | | | |
| 貸款減值準備變動： | Movements in impairment allowances on loans and advances: | | | |
| 於二零零七年一月一日餘額 | Balance at 1 January 2007 | 201,112 | 213,965 | 415,077 |
| 減值損失 | Impairment losses | (33,966) | (3,696) | (37,662) |
| 撇銷不能收回之貸款 | Loans written off as uncollectible | (45,022) | – | (45,022) |
| 確認為利息收入之貸款減值準備折現值撥回 | Unwind of discount of loan impairment allowances recognised as interest income | (915) | – | (915) |
| 收回過往年度已撇銷貸款 | Recoveries of advances written off in previous years | 4,075 | – | 4,075 |
| 匯兌及其他調整 | Exchange and other adjustments | 9 | – | 9 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 125,293 | 210,269 | 335,562 |
| 扣除自： | Deducted from: | | | |
| 客戶貸款 | Advances to customers | 123,845 | 191,968 | 315,813 |
| 銀行及其他金融機構貸款 | Advances to banks and other financial institutions | – | 15,050 | 15,050 |
| 商業票據 | Trade bills | 1,448 | 3,251 | 4,699 |
| | | 125,293 | 210,269 | 335,562 |

| | | 個別評估 Individual assessment 千港元 HK\$'000 | 本銀行 Bank 組合評估 Collective assessment 千港元 HK\$'000 | 總額 Total 千港元 HK\$'000 |
|---------------------|--|---|--|--------------------------------|
| 二零零六年 | 2006 | | | |
| 貸款減值準備變動： | Movements in impairment allowances on loans and advances: | | | |
| 於二零零六年一月一日餘額 | Balance at 1 January 2006 | 185,304 | 198,972 | 384,276 |
| 轉撥自收購中國工商銀行香港分行 | Transferred from acquisition of ICBC, Hong Kong Branch | 514 | 2,948 | 3,462 |
| 減值損失 | Impairment losses | 128,147 | 12,045 | 140,192 |
| 撇銷不能收回之貸款 | Loans written off as uncollectible | (128,505) | – | (128,505) |
| 確認為利息收入之貸款減值準備折現值撥回 | Unwind of discount of loan impairment allowances recognised as interest income | (14,203) | – | (14,203) |
| 收回過往年度已撇銷貸款 | Recoveries of advances written off in previous years | 29,855 | – | 29,855 |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 201,112 | 213,965 | 415,077 |
| 扣除自： | Deducted from: | | | |
| 客戶貸款 | Advances to customers | 199,271 | 210,320 | 409,591 |
| 銀行及其他金融機構貸款 | Advances to banks and other financial institutions | – | – | – |
| 商業票據 | Trade bills | 1,841 | 3,645 | 5,486 |
| | | 201,112 | 213,965 | 415,077 |

賬目附註 Notes to the Accounts

27 客戶、銀行及其他金融機構之貸款(續)

(c) 逾期客戶、銀行及其他金融機構之貸款 (不包括商業票據及應收款項)

本集團及本銀行已逾期的客戶、銀行及其他金融機構之貸款總額(不包括商業票據及應收款項)分析如下:

| 本集團及本銀行 | Group and Bank | 貸款總額 Gross advances 千港元 HK\$'000 | 客戶貸款 所佔百分比 % of advances to customers | 抵押品市值 Market value of collateral 千港元 HK\$'000 | 有抵押結餘金額 Amount of secured balance 千港元 HK\$'000 | 無抵押結餘金額 Amount of unsecured balance 千港元 HK\$'000 | 個別減值準備 Individual impairment allowance 千港元 HK\$'000 |
|--------------|---|---|--|---|--|--|--|
| 二零零七年 | 2007 | | | | | | |
| 六個月或以下但超過三個月 | Six months or less but over three months | 44,540 | 0.0 | 39,209 | 33,079 | 11,461 | 10,857 |
| 一年或以下但超過六個月 | One year or less but over six months | 43,207 | 0.0 | 27,340 | 20,284 | 22,923 | 21,881 |
| 超過一年 | Over one year | 14,554 | 0.0 | 9,238 | 4,365 | 10,189 | 13,215 |
| | | 102,301 | 0.0 | 75,787 | 57,728 | 44,573 | 45,953 |
| 二零零六年 | 2006 | | | | | | |
| 六個月或以下但超過三個月 | Six months or less but over three months | 95,707 | 0.1 | 104,466 | 68,006 | 27,701 | 17,174 |
| 一年或以下但超過六個月 | One year or less but over six months | 71,967 | 0.1 | 39,934 | 32,872 | 39,095 | 24,575 |
| 超過一年 | Over one year | 31,716 | 0.0 | 11,903 | 7,848 | 23,868 | 25,921 |
| | | 199,390 | 0.2 | 156,303 | 108,726 | 90,664 | 67,670 |

合資格抵押品標準如下:

- 抵押品市值易於釐定或可合理地確定及驗證;
- 抵押品可予銷售,且易於覓得二級市場出售抵押品;
- 本銀行收回抵押品的權利可依法強制執行且概無任何阻礙;及
- 倘抵押品為可移動資產,則其應由本銀行保管,或本銀行擁有可確定其所處位置。

合資格抵押品主要為物業、存款及股票。

The criteria for eligible collateral are as follows:

- The market value of the collateral is readily determinable or can be reasonably established and verified;
- The collateral is marketable and there exists a readily available secondary market for disposing of the collateral;
- The Bank's right to repossess the collateral is legally enforceable and without impediment; and
- If the collateral is a moveable asset, it should be under the Bank's custody, or its whereabouts can be located by the Bank.

The eligible collateral is mainly properties, deposits and shares.

賬目附註 Notes to the Accounts

27 客戶、銀行及其他金融機構之貸款(續)

(d) 其他逾期資產

| | | 本集團及本銀行 Group and Bank | | | |
|--------------|--|---|---|---|---|
| | | 2007 應計利息 Accrued interest 千港元 HK\$'000 | 2007 其他資產 Other assets 千港元 HK\$'000 | 2006 應計利息 Accrued interest 千港元 HK\$'000 | 2006 其他資產 Other assets 千港元 HK\$'000 |
| 六個月或以下但超過三個月 | Six months or less but over three months | 25 | - | 320 | 2,361 |
| 一年或以下但超過六個月 | One year or less but over six months | - | - | 1 | - |
| 超過一年 | Over one year | 1 | 1,448 | 1 | 1,444 |
| 重組資產 | Rescheduled assets | 26 2 | 1,448 - | 322 12 | 3,805 - |
| | | 28 | 1,448 | 334 | 3,805 |

其他資產指商業票據及應收款項。

Other assets refer to trade bills and receivables.

(e) 重組貸款

| | | 本集團及本銀行 Group and Bank | |
|---------------------|--|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 重組貸款(不包括超過三個月之逾期貸款) | Rescheduled advances (excluding overdue loans over three months) | 109,883 | 43,044 |
| | | 2007 | 2006 |
| 客戶貸款所佔百分比 | As % of advances to customers | 0.1 | 0.1 |

根據經修訂償還條款已逾期超過三個月的重組貸款屬上文(c)段對逾期貸款的分析範圍。

Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included in the analysis of overdue advances in (c) above.

於二零零七年及二零零六年十二月三十一日，概無任何銀行及其他金融機構貸款逾期超過三個月；亦無任何銀行及其他金融機構的重組貸款。

There were no advances to banks and other financial institutions which were overdue for over 3 months; nor were there any rescheduled advances to banks and other financial institutions as at 31 December 2007 and 2006.

(f) 收回資產

於二零零七年十二月三十一日，本集團收回資產的估計市值為34,360,000港元(二零零六年十二月三十一日：37,065,000港元)。該等資產僅包括本集團已取得(如透過法律行動或相關借款人自願行動)全面或部分解除借款人責任之取用或控制權之物業。

(f) Repossessed assets

At 31 December 2007, the estimated market value of the repossessed assets of the Group amounted to HK\$34,360,000 (2006: HK\$37,065,000). They only comprise properties which the Group has acquired access or control (e.g. through legal actions or voluntary actions by the borrowers concerned) for releasing in full or in part on the obligations of the borrowers.

賬目附註 Notes to the Accounts

28 備供銷售金融投資

28 AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS

| | | 本集團 Group | |
|----------------|--|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 債券： | Debt securities: | | |
| 於香港上市 | Listed in Hong Kong | 914,530 | 650,589 |
| 於香港以外地區上市 | Listed outside Hong Kong | 5,232,720 | 4,084,988 |
| 非上市 | Unlisted | 6,946,681 | 5,270,060 |
| | | 13,093,931 | 10,005,637 |
| 股本證券： | Equity securities: | | |
| 於香港上市 | Listed in Hong Kong | 2,387,531 | 949,303 |
| 非上市 | Unlisted | 97,378 | 97,378 |
| | | 2,484,909 | 1,046,681 |
| 減：減值損失－債券 | Less: Impairment loss – debt securities | (234,024) | – |
| －股本證券 | – equity securities | (17,905) | – |
| 備供銷售金融投資總額 | Total available-for-sale financial investments | 15,326,911 | 11,052,318 |
| 上市證券之市值 | Market value of listed securities | 8,300,756 | 5,684,880 |
| 經計入減值損失之 | Debt securities after taking into account of impairment loss are | | |
| 債券包括以下項目： | comprised of the following items: | | |
| 所持有之存款證剩餘到期日 | Certificates of deposit held remaining maturity | | |
| －三個月以上至一年 | – 3-12 months | 296,085 | 99,990 |
| －一年以上至五年 | – 1-5 years | – | 297,555 |
| －五年以上 | – Over 5 years | 25,364 | 41,680 |
| | | 321,449 | 439,225 |
| 其他債券 | Other debt securities | 12,538,458 | 9,566,412 |
| | | 12,859,907 | 10,005,637 |
| 備供銷售金融投資按發行人類別 | Available-for-sale financial investments are analysed by | | |
| 分析如下： | category of issuer as follows: | | |
| 中央政府及中央銀行 | Central governments and central banks | 576,654 | 405,059 |
| 公營機構 | Public sector entities | 811,415 | 739,595 |
| 銀行及其他金融機構 | Banks and other financial institutions | 6,495,092 | 3,884,102 |
| 企業 | Corporate entities | 7,442,304 | 6,022,069 |
| 其他 | Others | 1,446 | 1,493 |
| | | 15,326,911 | 11,052,318 |

賬目附註 Notes to the Accounts

28 備供銷售金融投資(續)

28 AVAILABLE-FOR-SALE FINANCIAL INVESTMENTS (continued)

| | | 本銀行 Bank | |
|----------------|--|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 債券： | Debt securities: | | |
| 於香港上市 | Listed in Hong Kong | 914,530 | 650,589 |
| 於香港以外地區上市 | Listed outside Hong Kong | 5,232,720 | 4,084,988 |
| 非上市 | Unlisted | 6,946,018 | 5,269,351 |
| | | 13,093,268 | 10,004,928 |
| 股本證券： | Equity securities: | | |
| 於香港上市 | Listed in Hong Kong | 2,387,530 | 949,303 |
| 非上市 | Unlisted | 97,379 | 97,378 |
| | | 2,484,909 | 1,046,681 |
| 減：減值損失－債券 | Less: Impairment loss – debt securities | (234,024) | – |
| －股本證券 | － equity securities | (17,905) | – |
| 備供銷售金融投資總額 | Total available-for-sale financial investments | 15,326,248 | 11,051,609 |
| 上市證券之市值 | Market value of listed securities | 8,300,756 | 5,684,880 |
| 經計入減值損失之債券 | Debt securities after taking into account of impairment loss are | | |
| 包括以下項目： | comprised of the following items: | | |
| 所持有之存款證剩餘到期日 | Certificates of deposit held remaining maturity | | |
| －三個月以上至一年 | – 3-12 months | 296,085 | 99,990 |
| －一年以上至五年 | – 1-5 years | – | 297,555 |
| －五年以上 | – Over 5 years | 25,364 | 41,680 |
| | | 321,449 | 439,225 |
| 其他債券 | Other debt securities | 12,537,795 | 9,565,703 |
| | | 12,859,244 | 10,004,928 |
| 備供銷售金融投資按發行人類別 | Available-for-sale financial investments are analysed by | | |
| 分析如下： | category of issuer as follows: | | |
| 中央政府及中央銀行 | Central governments and central banks | 576,654 | 405,059 |
| 公營機構 | Public sector entities | 811,415 | 739,595 |
| 銀行及其他金融機構 | Banks and other financial institutions | 6,495,092 | 3,884,090 |
| 企業 | Corporate entities | 7,442,291 | 6,022,069 |
| 其他 | Others | 796 | 796 |
| | | 15,326,248 | 11,051,609 |

備供銷售金融投資之減值準備變動

Movement in impairment allowances on available-for-sale financial investments

| | | 本集團及本銀行 Group and Bank | |
|----------|------------------------------|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 | At 1 January | – | – |
| 減值損失支銷 | Charge for impairment losses | 251,929 | – |
| 於十二月三十一日 | At 31 December | 251,929 | – |

賬目附註 Notes to the Accounts

29 持有至到期金融投資

29 HELD-TO-MATURITY FINANCIAL INVESTMENTS

| | | 本集團及本銀行 Group and Bank | |
|----------------------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 債券： | Debt securities: | | |
| — 於香港以外地區上市 | Listed outside Hong Kong | 562,630 | 666,950 |
| — 非上市證券 | Unlisted | 2,753,722 | 3,471,688 |
| | | 3,316,352 | 4,138,638 |
| 減值準備 | Less: Impairment loss | (2,535) | (5,666) |
| 持有至到期金融投資總額 | Total held-to-maturity financial investments | 3,313,817 | 4,132,972 |
| 上市證券之市值 | Market value of listed securities | 560,972 | 668,878 |
| 經計入減值損失之債券 包括以下項目： | Debt securities after taking into account of impairment loss are comprised of the following items: | | |
| 所持有之存款證剩餘到期日 — 三個月以上至一年 | Certificates of deposit held remaining maturity — 3-12 months | — | 232,666 |
| | | — | 232,666 |
| 庫務票據 | Treasury bills | 1,983,493 | 1,986,645 |
| 其他債券 | Other debt securities | 1,330,324 | 1,913,661 |
| | | 3,313,817 | 4,132,972 |
| 持有至到期金融投資按發行者 之分析如下： | Held-to-maturity financial investments are analysed by category of issuer as follows: | | |
| — 中央政府及中央銀行 | Central governments and central banks | 2,143,923 | 2,152,436 |
| — 公營機構 | Public sector entities | 114,335 | 180,439 |
| — 銀行及其他金融機構 | Banks and other financial institutions | 326,911 | 907,262 |
| — 企業 | Corporate entities | 728,648 | 892,835 |
| | | 3,313,817 | 4,132,972 |

持有至到期金融投資之減值準備變動

Movement in impairment allowances on held-to-maturity financial investments

| | | 本集團及本銀行 Group and Bank | |
|-------------|--|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 | At 1 January | 5,666 | — |
| 減值損失(回撥)/支銷 | (Write-back of)/charge for impairment losses | (3,131) | 5,666 |
| 於十二月三十一日 | At 31 December | 2,535 | 5,666 |

賬目附註 Notes to the Accounts

30 於聯營公司之投資

30 INVESTMENTS IN ASSOCIATES

| | | 本集團 Group | |
|-------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 應佔淨資產 | Share of net assets | 154,268 | 34,485 |
| 商譽 | Goodwill on acquisition | 29,786 | – |
| | | 184,054 | 34,485 |

| | | 本銀行 Bank | |
|---------------|--------------------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 投資按成本列值，非上市股份 | Investments at cost, unlisted shares | 152,646 | 14,508 |

本集團於其主要聯營公司之權益，該些聯營公司為非上市，如下：

The Group's interests in its associates which are unlisted are as follows:

| | 註冊成立地點 Place of incorporation | 資產 Assets 千港元 HK\$'000 | 負債 Liabilities 千港元 HK\$'000 | 收入 Revenues 千港元 HK\$'000 | 溢利 Profit 千港元 HK\$'000 | 持有權益 百分比 % of interest held |
|--|-------------------------------------|---------------------------------|--------------------------------------|-----------------------------------|---------------------------------|--------------------------------------|
| 2007 | | | | | | |
| 中國平安保險(香港)有限公司 China Ping An Insurance (Hong Kong) Company Limited | 香港 Hong Kong | 56,828 | 14,569 | 12,885 | 7,640 | 25 |
| IEC Investments Limited | 香港 Hong Kong | 179,960 | 67,951 | 5,182 | 3,657 | 40 |
| 2006 | | | | | | |
| 中國平安保險(香港)有限公司 China Ping An Insurance (Hong Kong) Company Limited | 香港 Hong Kong | 47,675 | 13,190 | 10,743 | 5,739 | 25 |

中國平安保險(香港)有限公司在香港從事一般保險業務。本集團擁有 275,000 股每股面值 100 港元之普通股。

China Ping An Insurance (Hong Kong) Company Limited engages in general insurance business in Hong Kong. The Group held 275,000 ordinary shares of HK\$100 each of this associate.

IEC Investments Limited 在香港從事投資控股。本集團擁有 40,000 股每股面值 1 港元之普通股。

IEC Investments Limited engages in investment holding in Hong Kong. The Group held 40,000 ordinary shares of HK\$1 each of this associate.

賬目附註 Notes to the Accounts

31 商譽及其他無形資產

31 GOODWILL AND OTHER INTANGIBLE ASSETS

| 本集團 | Group | 商譽 Goodwill 千港元 HK\$'000 | 電腦軟件 Computer software 千港元 HK\$'000 | 交易權 Trading rights 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|----------------|--------------------------------|-----------------------------------|---|---|--------------------------------|
| 成本值或賬面淨值： | Cost or net carrying amount: | | | | |
| 於二零零七年一月一日 | At 1 January 2007 | 953,172 | 183,544 | 1,895 | 1,138,611 |
| 添置(附註(i)及(ii)) | Additions (Notes (i) and (ii)) | 21,633 | 19,805 | – | 41,438 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 974,805 | 203,349 | 1,895 | 1,180,049 |
| 累積攤銷： | Accumulated amortisation: | | | | |
| 於二零零七年一月一日 | At 1 January 2007 | – | 87,838 | – | 87,838 |
| 年內攤銷 | Charge for the year | – | 48,629 | – | 48,629 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | – | 136,467 | – | 136,467 |
| 賬面淨值： | Net book value: | | | | |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 974,805 | 66,882 | 1,895 | 1,043,582 |

| 本集團 | Group | 商譽 Goodwill 千港元 HK\$'000 | 電腦軟件 Computer software 千港元 HK\$'000 | 交易權 Trading rights 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|----------------|--------------------------------|-----------------------------------|---|---|--------------------------------|
| 成本值或賬面淨值： | Cost or net carrying amount: | | | | |
| 於二零零六年一月一日 | At 1 January 2006 | 937,906 | 183,885 | 1,895 | 1,123,686 |
| 添置(附註(i)及(ii)) | Additions (Notes (i) and (ii)) | 15,266 | 1,570 | – | 16,836 |
| 出售 | Disposal | – | (1,911) | – | (1,911) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 953,172 | 183,544 | 1,895 | 1,138,611 |
| 累積攤銷： | Accumulated amortisation: | | | | |
| 於二零零六年一月一日 | At 1 January 2006 | – | 42,832 | – | 42,832 |
| 年內攤銷 | Charge for the year | – | 45,006 | – | 45,006 |
| 於二零零六年十二月三十一日 | At 31 December 2006 | – | 87,838 | – | 87,838 |
| 賬面淨值： | Net book value: | | | | |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 953,172 | 95,706 | 1,895 | 1,050,773 |

賬目附註 Notes to the Accounts

31 商譽及其他無形資產(續)

31 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

| 本銀行 | Bank | 商譽 Goodwill 千港元 HK\$'000 | 電腦軟件 Computer software 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|---------------|------------------------------|-----------------------------------|---|--------------------------------|
| 成本值或賬面淨值： | Cost or net carrying amount: | | | |
| 於二零零七年一月一日 | At 1 January 2007 | 615,669 | 183,503 | 799,172 |
| 添置(附註(i)) | Additions (Note (i)) | - | 19,010 | 19,010 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 615,669 | 202,513 | 818,182 |
| 累積攤銷： | Accumulated amortisation: | | | |
| 於二零零七年一月一日 | At 1 January 2007 | - | 87,837 | 87,837 |
| 年內攤銷 | Charge for the year | - | 48,601 | 48,601 |
| 於二零零七年十二月三十一日 | At 31 December 2007 | - | 136,438 | 136,438 |
| 賬面淨值： | Net book value: | | | |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 615,669 | 66,075 | 681,744 |

| 本銀行 | Bank | 商譽 Goodwill 千港元 HK\$'000 | 電腦軟件 Computer software 千港元 HK\$'000 | 合計 Total 千港元 HK\$'000 |
|---------------|------------------------------|-----------------------------------|---|--------------------------------|
| 成本值或賬面淨值： | Cost or net carrying amount: | | | |
| 於二零零六年一月一日 | At 1 January 2006 | 615,669 | 183,885 | 799,554 |
| 添置(附註(i)) | Additions (Note (i)) | - | 1,529 | 1,529 |
| 出售 | Disposal | - | (1,911) | (1,911) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 615,669 | 183,503 | 799,172 |
| 累積攤銷： | Accumulated amortisation: | | | |
| 於二零零六年一月一日 | At 1 January 2006 | - | 42,832 | 42,832 |
| 年內攤銷 | Charge for the year | - | 45,005 | 45,005 |
| 於二零零六年十二月三十一日 | At 31 December 2006 | - | 87,837 | 87,837 |
| 賬面淨值： | Net book value: | | | |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 615,669 | 95,666 | 711,335 |

賬目附註 Notes to the Accounts

31 商譽及其他無形資產(續)

附註：

- (i) 綜合業務網絡系統於二零零五年十月進行升級，直接成本包括軟件開發顧問費及僱員成本，並分別確認為於二零零七年及二零零六年十二月三十一日之無形資產。
- (ii) 於收購華比銀行香港分行之買賣協議第7.13節，當中協定買方(本銀行)須向賣方(富通銀行)支付於稅務契據生效期間華比銀行之債項之債務人所付款額與買方所付金額之差額。稅務契據第2.1.2條訂明賣方將向買方支付於完成日期或之前所賺取、應計或收取之收入、溢利或收益所產生之稅務負債。商譽為華比銀行之債項支付之金額，與根據稅務契據收取之金額之間之差額。

- (iii) 包含商譽的現金生產單位之減值測試

本集團按業務分部分配商譽予可辨別的現金生產單位如下：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|---------|----------------------------------|-------------------------|-------------------------|
| 企業及投資銀行 | Corporate and Investment Banking | 585,715 | 585,715 |
| 商業銀行 | Commercial Banking | 215,053 | 201,682 |
| 零售銀行 | Retail Banking | 132,873 | 124,611 |
| 其他 | Others | 41,164 | 41,164 |
| | | 974,805 | 953,172 |

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的一年財務預算的現金流估計。超過一年期間的現金流按下述的估計利率作推斷。按一年期應用於現金流預期之增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的折扣率為4%至10%(二零零六年：10%至20%)。

管理層根據過往及預計市場發展以決定預算財務表現。加權平均增長率與行業報告內所作預測是一致的。

32 投資物業

31 GOODWILL AND OTHER INTANGIBLE ASSETS (continued)

Notes:

- (i) The core banking system was upgraded in October 2005 with direct costs including software development consultancy fees and employee costs recognised as an intangible asset as at 31 December 2007 and 2006 respectively.
- (ii) In section 7.13 of the sale and purchase agreement of the acquisition of Belgian Bank, Hong Kong Branch, it was agreed that the purchaser (the Bank) shall pay to the seller (Fortis Bank) the difference between the payment by the debtor of Belgian Bank's debt and the amount paid by the purchaser during the period while the tax deed is in effect. The clause 2.1.2 of the tax deed stipulated that the seller will pay to the purchaser the tax liability which has arisen in respect of income, profits or gains earned, accrued or received on or before the completion date. The goodwill represents the difference between the amount paid on Belgian Bank's debts and the amount received from the tax deeds.

- (iii) Impairment tests for cash-generating units containing goodwill

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

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

The discount rates used for value-in-use calculations are ranging from 4% to 10% (2006: 10% to 20%).

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

32 INVESTMENT PROPERTIES

| | | 本集團 Group | | 本銀行 Bank | |
|------------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日之賬面值 | Carrying amount at 1 January | - | - | - | - |
| 轉撥自物業及設備 以及租賃 土地及土地使用權 | Transfer from property, plant and equipment and leasehold land and land use rights | 37,770 | - | 25,700 | - |
| 重估收益淨額 | Net revaluation gain | 2,761 | - | 300 | - |
| 匯兌及其他調整 | Exchange and other adjustments | 93 | - | - | - |
| 於十二月三十一日之賬面值 | Carrying amount at 31 December | 40,624 | - | 26,000 | - |

賬目附註 Notes to the Accounts

32 投資物業(續)

本集團之投資物業位於香港及內地，其賬面淨值按以下租期持有：

| 租借地 | Leaseholds | 本集團 Group | | 本銀行 Bank | |
|----------------|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 在香港持有 | Held in Hong Kong | | | | |
| 長期租賃 (50 年以上) | Long term leases (over 50 years) | 26,000 | – | 26,000 | – |
| 中期租賃 (10-50 年) | Medium term leases (10-50 years) | – | – | – | – |
| 在香港以外地區持有 | Held outside Hong Kong | | | | |
| 中期租賃 (10-50 年) | Medium term lease (10-50 years) | 14,624 | – | – | – |
| | | 40,624 | – | 26,000 | – |

本銀行的投資物業於二零零七年十二月三十一日由獨立專業合資格測量師韋堅信產業測計師行按公開市場及當前用途基準重新估定為 26,000,000 港元。本銀行附屬公司的投資物業於二零零七年十二月三十一日由獨立專業合資格測量師深圳市國眾聯資產評估土地房地產估價諮詢有限公司按公開市場及當前用途基準重新估定為 14,624,000 港元。

投資物業資料
二零零七年十二月三十一日

32 INVESTMENT PROPERTIES (continued)

The Group's investment properties are situated in Hong Kong and Mainland China and its net book value are held under the following lease terms:

The Bank's investment property was revalued on 31 December 2007 by A.G. Wilkinson & Associates, an independent professionally qualified valuer, at HK\$26,000,000 on an open market, existing use basis. The investment properties of the Bank's subsidiaries were revalued on 31 December 2007 by Shenzhen GuoZhongLian Asset and Real Estate Appraisal Consulting Co., Ltd., an independent professionally qualified valuer, at HK\$14,624,000 on an open market, existing use basis.

Particulars of investment properties
31 December 2007

| 地點 Location | 用途 Use | 租期 Lease term | 本集團之歸屬利益 Attributable interest of the Group |
|---|-------------------------|---|---|
| 香港銅鑼灣高士威道 8 號 B 號舖 Shop B on the Ground Floor No. 8 Causeway Road Hong Kong | 商業用途 Office building | 長期租賃 (50 年以上) Long term lease (over 50 years) | 100% 100% |
| 深圳市福田區深南中路 2010 號 東風大廈 23 層 23/F, Dongfeng Building No.2010 Shennan Central Road Futian District, Shenzhen | 商業用途 Office building | 中期租賃 (10 至 50 年) Medium term lease (10-50 years) | 100% 100% |
| 深圳市福田區振興路賽格科技工業園 四棟二樓 A、B 座 Unit A&B, 2/F, 4 Blocks SEG Technology Park Zhenxing Road, Futian District, Shengzhen | 商業用途 Office building | 中期租賃 (10 至 50 年) Medium term lease (10-50 years) | 100% 100% |

賬目附註 Notes to the Accounts

33 物業及設備

本集團

33 PROPERTY, PLANT AND EQUIPMENT

Group

| | | 銀行房產及物業 Bank premises and properties 千港元 HK\$'000 | 租賃物業裝修 Leasehold improvements 千港元 HK\$'000 | 傢俬及設備 Furniture and equipment 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------------|---|--|--|---|--------------------------------|
| 於二零零六年十二月三十一日及 二零零七年一月一日： | At 31 December 2006 and 1 January 2007: | | | | |
| 成本值或估值 | Cost or valuation | 144,745 | 169,425 | 233,841 | 548,011 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (41,006) | (83,820) | (173,768) | (298,594) |
| 於二零零六年十二月三十一日及 二零零七年一月一日之賬面淨值 | Net book value at 31 December 2006 and 1 January 2007 | 103,739 | 85,605 | 60,073 | 249,417 |
| 轉撥至投資物業 | Transfer to investment properties | (12,716) | - | - | (12,716) |
| 添置 | Additions | - | 26,055 | 24,748 | 50,803 |
| 出售 | Disposals | (6,323) | (51) | (505) | (6,879) |
| 重估 (附註 i) | Revaluation (Note (i)) | 13,623 | - | - | 13,623 |
| 年內扣除 | Charge for the year | (7,430) | (20,916) | (14,897) | (43,243) |
| 匯兌及其他調整 | Exchange rate and other adjustments | 6,095 | 541 | 112 | 6,748 |
| 於二零零七年十二月三十一日之 賬面淨值 | Net book value at 31 December 2007 | 96,988 | 91,234 | 69,531 | 257,753 |
| 於二零零七年十二月三十一日： | At 31 December 2007: | | | | |
| 成本值或估值 | Cost or valuation | 139,411 | 192,153 | 251,664 | 576,947 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (42,423) | (100,919) | (182,133) | (319,194) |
| 於二零零七年十二月三十一日 之賬面淨值 | Net book value at 31 December 2007 | 96,988 | 91,234 | 69,531 | 257,753 |
| 上述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: | | | | |
| 於二零零七年十二月三十一日： | At 31 December 2007: | | | | |
| 按成本值 | At cost | - | 192,153 | 251,664 | 443,817 |
| 按估值 | At valuation | 133,130 | - | - | 133,130 |
| | | 133,130 | 192,153 | 251,664 | 576,947 |

賬目附註 Notes to the Accounts

33 物業及設備(續)

本集團(續)

33 PROPERTY, PLANT AND EQUIPMENT (continued)

Group (continued)

| | | 銀行房產及物業 Bank premises and properties 千港元 HK\$'000 | 租賃物業裝修 Leasehold improvements 千港元 HK\$'000 | 傢俬及設備 Furniture and equipment 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------------|---|--|--|---|--------------------------------|
| 於二零零五年十二月三十一日及 二零零六年一月一日： | At 31 December 2005 and 1 January 2006: | | | | |
| 成本值或估值 | Cost or valuation | 138,236 | 144,613 | 219,014 | 501,863 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (34,195) | (88,233) | (168,093) | (290,521) |
| 於二零零五年十二月三十一日及 二零零六年一月一日之賬面淨值 | Net book value at 31 December 2005 and 1 January 2006 | 104,041 | 56,380 | 50,921 | 211,342 |
| 重新分類 | Reclassification | – | 5,356 | – | 5,356 |
| 自中國工商銀行香港分行收購 | Acquired from ICBC, Hong Kong Branch | – | – | 2,183 | 2,183 |
| 添置 | Additions | – | 40,411 | 24,945 | 65,356 |
| 出售 | Disposals | (3,309) | (3,267) | (2,384) | (8,960) |
| 重估 | Revaluation | 9,941 | – | – | 9,941 |
| 年內扣除 | Charge for the year | (7,100) | (13,273) | (15,597) | (35,970) |
| 匯兌及其他調整 | Exchange rate and other adjustments | 166 | (2) | 5 | 169 |
| 於二零零六年十二月三十一日之 賬面淨值 | Net book value at 31 December 2006 | 103,739 | 85,605 | 60,073 | 249,417 |
| 於二零零六年十二月三十一日： | At 31 December 2006: | | | | |
| 成本值或估值 | Cost or valuation | 144,745 | 169,425 | 233,841 | 548,011 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (41,006) | (83,820) | (173,768) | (298,594) |
| 於二零零六年十二月三十一日 之賬面淨值 | Net book value at 31 December 2006 | 103,739 | 85,605 | 60,073 | 249,417 |
| 上述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: | | | | |
| 於二零零六年十二月三十一日： | At 31 December 2006: | | | | |
| 按成本值 | At cost | – | 169,425 | 233,841 | 403,266 |
| 按估值 | At valuation | 144,745 | – | – | 144,745 |
| | | 144,745 | 169,425 | 233,841 | 548,011 |

賬目附註 Notes to the Accounts

33 物業及設備(續)

本銀行

33 PROPERTY, PLANT AND EQUIPMENT (continued)

Bank

| | | 銀行房產及物業 Bank premises and properties 千港元 HK\$'000 | 租賃物業裝修 Leasehold improvements 千港元 HK\$'000 | 傢俬及設備 Furniture and equipment 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------------|---|--|--|---|--------------------------------|
| 於二零零六年十二月三十一日及 二零零七年一月一日： | At 31 December 2006 and 1 January 2007: | | | | |
| 成本值或估值 | Cost or valuation | 17,057 | 160,875 | 228,071 | 406,003 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (1,335) | (82,380) | (169,707) | (253,422) |
| 於二零零六年十二月三十一日及 二零零七年一月一日之賬面淨值 | Net book value at 31 December 2006 and 1 January 2007 | 15,722 | 78,495 | 58,364 | 152,581 |
| 轉撥至投資物業 | Transfer to investment properties | (646) | - | - | (646) |
| 添置 | Additions | - | 25,503 | 23,291 | 48,794 |
| 出售 | Disposals | (421) | (51) | (475) | (947) |
| 重估(附註i) | Revaluation (Note (i)) | 1,204 | - | - | 1,204 |
| 年內扣除 | Charge for the year | (736) | (19,080) | (14,471) | (34,287) |
| 匯兌及其他調整 | Exchange rate and other adjustments | (1) | (9) | 1 | (9) |
| 於二零零七年十二月三十一日之 賬面淨值 | Net book value at 31 December 2007 | 15,122 | 84,858 | 66,710 | 166,690 |
| 於二零零七年十二月三十一日： | At 31 December 2007: | | | | |
| 成本值或估值 | Cost or valuation | 17,261 | 182,290 | 244,769 | 444,150 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (2,139) | (97,432) | (178,059) | (277,460) |
| 於二零零七年十二月三十一日之 賬面淨值 | Net book value at 31 December 2007 | 15,122 | 84,858 | 66,710 | 166,690 |
| 上述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: | | | | |
| 於二零零七年十二月三十一日： | At 31 December 2007: | | | | |
| 按成本值 | At cost | - | 182,290 | 244,769 | 427,059 |
| 按估值 | At valuation | 17,091 | - | - | 17,091 |
| | | 17,091 | 182,290 | 244,769 | 444,150 |

賬目附註 Notes to the Accounts

33 物業及設備(續)

本銀行(續)

| | | 銀行房產及物業 Bank premises and properties 千港元 HK\$'000 | 租賃物業裝修 Leasehold improvements 千港元 HK\$'000 | 傢俬及設備 Furniture and equipment 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------------|---|--|--|---|--------------------------------|
| 於二零零五年十二月三十一日及 二零零六年一月一日： | At 31 December 2005 and 1 January 2006: | | | | |
| 成本值或估值 | Cost or valuation | 19,495 | 144,613 | 213,414 | 377,522 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (885) | (88,233) | (163,857) | (252,975) |
| 於二零零五年十二月三十一日及 二零零六年一月一日之賬面淨值 | Net book value at 31 December 2005 and 1 January 2006 | 18,610 | 56,380 | 49,557 | 124,547 |
| 自中國工商銀行香港分行收購 | Acquired from ICBC, Hong Kong Branch | – | – | 2,183 | 2,183 |
| 添置 | Additions | – | 37,217 | 24,327 | 61,544 |
| 出售 | Disposals | (3,309) | (3,267) | (2,365) | (8,941) |
| 重估 | Revaluation | 1,254 | – | – | 1,254 |
| 年內扣除 | Charge for the year | (833) | (11,833) | (15,338) | (28,004) |
| 匯兌及其他調整 | Exchange rate and other adjustments | 0 | (2) | 0 | (2) |
| 於二零零六年十二月三十一日之 賬面淨值 | Net book value at 31 December 2006 | 15,722 | 78,495 | 58,364 | 152,581 |
| 於二零零六年十二月三十一日： | At 31 December 2006: | | | | |
| 成本值或估值 | Cost or valuation | 17,057 | 160,875 | 228,071 | 406,003 |
| 累計折舊及減值 | Accumulated depreciation and impairment | (1,335) | (82,380) | (169,707) | (253,422) |
| 於二零零六年十二月三十一日之 賬面淨值 | Net book value at 31 December 2006 | 15,722 | 78,495 | 58,364 | 152,581 |
| 上述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: | | | | |
| 於二零零六年十二月三十一日： | At 31 December 2006: | | | | |
| 按成本值 | At cost | – | 160,875 | 228,071 | 388,946 |
| 按估值 | At valuation | 17,057 | – | – | 17,057 |
| | | 17,057 | 160,875 | 228,071 | 406,003 |

33 PROPERTY, PLANT AND EQUIPMENT (continued)

Bank (continued)

賬目附註 Notes to the Accounts

33 物業及設備(續)

本銀行(續)

附註：

- (i) 銀行物業於二零零七年十二月三十一日根據由獨立專業估值師韋堅信測量師行所作出之公開市場估值進行重估。本集團附屬公司之房產已於二零零七年十二月三十一日根據由中國內地獨立專業合資格測量師深圳市國眾聯資產評估土地房地產估價諮詢有限公司所作出之公開市場估值進行重估。重估盈餘(扣除適用遞延所得稅)乃計入股東權益中之銀行物業重估儲備內。如本集團及本銀行之銀行房產及物業按成本減累計折舊列賬，則彼等之賬面值將分別為49,446,000港元(二零零六年：50,436,000港元)及10,120,000港元(二零零六年：10,519,000港元)。

本集團之物業位於香港及內地，其賬面淨值按以下租期持有：

33 PROPERTY, PLANT AND EQUIPMENT (continued)

Bank (continued)

Note:

- (i) The bank premises were revalued at 31 December 2007 based on the open market value by A.G. Wilkinson & Associates, an independent professional valuer. The premises of the Group's subsidiary were revalued at 31 December 2007 based on the open market value by Shenzhen GuoZhongLian Asset and Real Estate Appraisal Consulting Co., Ltd, independent professionally qualified valuer of the Mainland China. The revaluation surplus net of applicable deferred income taxes was credited to bank premise revaluation reserve in shareholders' equity. The carrying amount of the bank premises and properties of the Group and the Bank would have been HK\$49,446,000 (2006: HK\$50,436,000) and HK\$10,120,000 (2006: HK\$10,519,000) respectively had they been stated at cost less accumulated depreciation.

The Group's properties are situated in Hong Kong and Mainland China and its net book value are held under the following lease terms:

| 租借地 | Leaseholds | 本集團 Group | | 本銀行 Bank | |
|--------------|----------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 在香港持有 | Held in Hong Kong | | | | |
| 長期租賃(50年以上) | Long term leases (over 50 years) | 4,519 | 5,853 | 4,519 | 5,853 |
| 中期租賃(10-50年) | Medium term leases (10-50 years) | 10,603 | 9,869 | 10,603 | 9,869 |
| 在香港以外地區持有 | Held outside Hong Kong | | | | |
| 中期租賃(10-50年) | Medium term leases (10-50 years) | 81,866 | 88,017 | - | - |
| | | 96,988 | 103,739 | 15,122 | 15,722 |

賬目附註 Notes to the Accounts

34 租賃土地及土地使用權

34 LEASEHOLD LAND AND LAND USE RIGHTS

| | | 本集團及本銀行 Group and Bank 千港元 HK\$'000 |
|---------------|--|--|
| 賬面淨值： | Carrying amount: | |
| 於二零零七年一月一日 | At 1 January 2007 | 71,658 |
| 轉撥至投資物業 | Transfer to investment properties | (15,990) |
| 出售 | Disposal | (1,219) |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 54,449 |
| 累計攤銷及減值： | Accumulated amortisation and impairment: | |
| 於二零零七年一月一日 | At 1 January 2007 | 10,231 |
| 轉撥至投資物業 | Transfer to investment properties | (233) |
| 年內攤銷 | Amortisation for the year | 734 |
| 減值回撥(附註15) | Write-back of impairment (Note 15) | (853) |
| 出售 | Disposal | (34) |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 9,845 |
| 賬面淨值： | Net carrying amount: | |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 44,604 |
| | | 本集團及本銀行 Group and Bank 千港元 HK\$'000 |
| 賬面淨值： | Carrying amount: | |
| 於二零零六年一月一日 | At 1 January 2006 | 108,736 |
| 出售 | Disposal | (37,078) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 71,658 |
| 累計攤銷及減值： | Accumulated amortisation and impairment: | |
| 於二零零六年一月一日 | At 1 January 2006 | 17,032 |
| 年內攤銷 | Amortisation for the year | 1,137 |
| 減值損失支銷(附註15) | Charge for impairment losses (Note 15) | 874 |
| 出售 | Disposal | (8,812) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 10,231 |
| 賬面淨值： | Net carrying amount: | |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 61,427 |

賬目附註 Notes to the Accounts

34 租賃土地及土地使用權(續)

本集團於租賃土地及土地使用權之權益相當於經營租約及其賬面淨值分析如下：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-------------------|---------------------------------|-------------------------|-------------------------|
| 在香港，按下列年期持有 | In Hong Kong, held on | | |
| — 租期超過 50 年 | – Leases over 50 years | 29,748 | 47,070 |
| — 租期在 10 至 50 年之間 | – Leases between 10 to 50 years | 14,856 | 14,357 |
| | | 44,604 | 61,427 |

34 LEASEHOLD LAND AND LAND USE RIGHTS (continued)

The Group's interests in leasehold land and land use rights represent operating leases and their net book values are analysed as follows:

35 其他資產

| | | 本集團 Group | | 本銀行 Bank | |
|------|---------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 應收利息 | Interest receivable | 599,164 | 568,287 | 659,927 | 567,999 |
| 預付款項 | Prepayments | 123,155 | 109,283 | 122,117 | 108,318 |
| 結算賬戶 | Settlement accounts | 851,106 | 255,516 | 851,106 | 278,618 |
| 其他 | Others | 1,121,295 | 245,259 | 1,646,124 | 310,072 |
| | | 2,694,720 | 1,178,345 | 3,279,274 | 1,265,007 |

35 OTHER ASSETS

36 於附屬公司之投資

| | | 本銀行 Bank | |
|--------------|--------------------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 投資，按成本值非上市股份 | Investments at cost, unlisted shares | 1,874,432 | 1,417,707 |

36 INVESTMENTS IN SUBSIDIARIES

賬目附註 Notes to the Accounts

36 於附屬公司之投資(續)

以下為本銀行於二零零七年十二月三十一日持有之附屬公司：

36 INVESTMENTS IN SUBSIDIARIES (continued)

The following is a list of subsidiaries held by the Bank at 31 December 2007:

| 公司名稱 Name | 註冊成立地點 Place of incorporation | 主要業務 Principal activities | 持有已發行股份／ 註冊資本之詳情 Particulars of issued shares held/registered capital | 持有之權益 Interest held | |
|---|----------------------------------|--|--|------------------------|------|
| | | | | 2007 | 2006 |
| 華商銀行* | 中華人民共和國 | 銀行業務 | 人民幣1,110,784,516元 | 100% | 100% |
| Chinese Mercantile Bank* | People's Republic of China | Banking business | RMB1,110,784,516 | | |
| 工銀亞洲金業有限公司 | 香港 | 不活躍 | 6,000,000股每股面值1港元之普通股 | 100% | 100% |
| ICBC (Asia) Bullion Company Limited | Hong Kong | Inactive | 6,000,000 ordinary shares of HK\$1 each | | |
| 工銀亞洲投資控股有限公司 | 香港 | 管理本銀行之內地減值貸款組合 | 26,000,000股每股面值1港元之普通股 | 100% | 100% |
| ICBC (Asia) Investment Holdings Limited | Hong Kong | Management of the Bank's PRC impaired loan-portfolio | 26,000,000 ordinary shares of HK\$1 each | | |
| 工銀亞洲代理人有限公司 | 香港 | 提供代理人服務 | 100股每股面值100港元之普通股 | 100% | 100% |
| ICBC (Asia) Nominee Limited | Hong Kong | Provision of nominee services | 100 ordinary shares of HK\$100 each | | |
| 工銀亞洲証券有限公司 | 香港 | 提供證券經紀服務 | 100,000,000股每股面值1港元之普通股 | 100% | 100% |
| ICBC (Asia) Securities Limited | Hong Kong | Provision of securities brokerage services | 100,000,000 ordinary shares of HK\$1 each | | |
| 工銀亞洲信託有限公司 | 香港 | 提供信託服務 | 30,000股每股面值100港元之普通股 | 100% | 100% |
| ICBC (Asia) Trustee Company Limited | Hong Kong | Provision of trustee services | 30,000 ordinary shares of HK\$100 each | | |
| ICBC (Asia) Wa Pei Nominees Limited | 香港 | 不活躍 | 100股每股面值1港元之普通股 | 100% | 100% |
| | Hong Kong | Inactive | 100 ordinary shares of HK\$1 each | | |
| ICBC Asia Wa Pei Limited ^d | 比利時 | 清盤中 | 415,879股每股面值72.14歐元之普通股 | 100% | 100% |
| | Belgium | In liquidation | 415,879 ordinary shares of EUR72.14 each | | |
| 工銀資產管理有限公司** | 香港 | 提供資產管理服務 | 1,000,000股每股面值1港元之普通股 | 100% | — |
| ICBC Asset Management Company Limited** | Hong Kong | Provision of asset management services | 1,000,000 ordinary shares of HK\$1 each | | |
| ICBCA (C.I.) Limited | 開曼群島 | 發行債券之特設公司 | 1股每股面值1美元之普通股 | 100% | 100% |
| | Cayman Islands | Being a special-purpose vehicle for bond issuance | 1 ordinary share of US\$1 each | | |
| 友聯中國業務管理有限公司 | 英屬維爾京群島 | 不活躍 | 1股每股面值1美元之普通股 | 100% | 100% |
| UB China Business Management Co. Ltd. ("UBCBM") | British Virgin Islands | Inactive | 1 ordinary share of US\$1 each | | |

* 並非由安永會計師事務所或安永會計師事務所網絡成員審核之公司

** 外商獨資企業

** 根據於二零零八年一月十一日其股東通過之特別決議案，工銀資產管理有限公司的名稱更改為工銀亞洲資產管理有限公司，於二零零八年一月二十五日生效。

* Not audited by Ernst & Young Hong Kong or other member firm of the Ernst & Young global network firms

** Foreign-owned enterprise

** ICBC Asset Management Company Limited has changed its name to ICBC (Asia) Asset Management Company Limited effective on 25 January 2008, pursuant to a special resolution passed by its shareholders on 11 January 2008.

賬目附註 Notes to the Accounts

37 指定以公平價值經損益表入賬之金融負債

37 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

| | | 本集團 Group | |
|-------------|-------------------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 客戶存款 (i) | Deposits from customers (i) | 137,530,227 | 99,570,557 |
| 已發行存款證 (ii) | Certificates of deposit issued (ii) | 3,705,396 | 10,322,035 |
| 已發行債券 (iii) | Debt securities in issue (iii) | 3,119,872 | 2,997,804 |

| | | 本銀行 Bank | |
|--------|--------------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 客戶存款 | Deposits from customers | 139,973,358 | 103,000,988 |
| 已發行存款證 | Certificates of deposit issued | 3,705,396 | 10,322,035 |

附註：

Notes:

- (i) 客戶存款於二零零七年十二月三十一日的公平價值較到期合約金額低400萬港元(二零零六年：低1,400萬港元)。因信貸風險變動造成金融負債公平價值於呈報年度之變動金額以及於二零零七年及二零零六年十二月三十一日之累計變動金額均認為並不重大。指定以公平價值經損益表入賬之客戶存款分類如下：

- (i) The fair value of deposits from customer at 31 December 2007 was HK\$4 million lower (2006: HK\$14 million lower) than the contractual amount at maturity. The amounts of changes in the fair value of the financial liabilities that were attributable to changes in credit risk were considered not significant during the year presented and cumulatively as at 31 December 2007 and 2006. The breakdown of deposits from customers designated at fair value through profit or loss is as follows:

| | | 本集團 Group | | 本銀行 Bank | |
|-----------|--------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 活期存款及往來戶口 | Demand deposits and current accounts | 5,347,433 | 3,586,664 | 4,874,797 | 3,654,181 |
| 儲蓄存款 | Savings deposits | 16,564,063 | 12,110,797 | 16,927,904 | 12,435,397 |
| 定期及通知存款 | Time, call and notice deposits | 115,618,731 | 83,873,096 | 118,170,657 | 86,911,410 |
| | | 137,530,227 | 99,570,557 | 139,973,358 | 103,000,988 |

- (ii) 存款證於二零零七年十二月三十一日的公平價值較到期合約金額高出1,900萬港元(二零零六年：低1,100萬港元)。因信貸風險變動造成金融負債公平價值於呈報年度之變動金額以及於二零零七年及二零零六年十二月三十一日之累計變動金額均認為並不重大。

- (ii) The fair value of certificates of deposit issued at 31 December 2007 was HK\$19 million higher (2006: HK\$11 million lower) than the contractual amount at maturity. The amounts of changes in the fair value of the financial liabilities that were attributable to changes in credit risk were considered not significant during the year presented and cumulatively as at 31 December 2007 and 2006.

- (iii) 債券為總本金額400,000,000美元之票據，並於二零零四年九月由ICBCA (C.I.) Limited (本銀行的全資附屬公司)發行，票息為每年4.125%，於二零零九年九月十六日到期。公平價值與本集團於到期時根據合約須支付予該等票據的持有人之金額之間差額於二零零七年十二月三十一日為447,000港元(二零零六年：114,000,000港元)。因信貸風險變動造成金融負債公平價值於呈報年度之變動金額以及於二零零七年及二零零六年十二月三十一日之累計變動金額均認為並不重大。

- (iii) The debt securities, which represented notes with an aggregate principal amount of US\$400,000,000, were issued in September 2004 by ICBCA (C.I.) Limited, a wholly-owned subsidiary of the Bank, at a coupon rate of 4.125% per annum and maturing on 16 September 2009. The differences between the fair value and the amount that the Group would be contractually required to pay upon maturity to the holders of these notes amounted to HK\$447,000 as at 31 December 2007 (2006: HK\$114 million). The amounts of changes in the fair value of the financial liabilities that were attributable to changes in credit risk were considered not significant during the year presented and cumulatively as at 31 December 2007 and 2006.

賬目附註 Notes to the Accounts

37 指定以公平價值經損益表入賬之金融負債 (續)

(iii) 已發行債券分類如下：

| | | 本集團 Group | |
|---------------|--|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 美元固定利率票據 | US\$ fixed rate note | | |
| — 按公平價值經損益表入賬 | – At fair value through profit or loss | 3,119,872 | 2,997,804 |

因信貸風險變動產生之金融負債公平價值變動之金額乃按並非引起市場風險之市場條件變動之金融負債公平價值變動之金額釐定。信貸分佈並沒有變化，而金融負債之公平價值變動乃歸因於其他市場因素成分變動而產生。

The amounts of changes in the fair value of the financial liabilities that are attributable to changes in credit risk is determined as the amounts of changes in the fair value of the financial liabilities that are not attributable to changes in market conditions that give rise to market risk. The credit spread has not changed and the changes in fair value of the financial liabilities are attributable to the changes in other market factor components.

38 遞延稅項

遞延稅項採用負債法就暫時差額按主要稅率 17.5% 計算 (二零零六年：17.5%)。

遞延稅項資產／(負債) 之變動如下：

37 FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(iii) The breakdown of debt securities in issue is as follows:

38 DEFERRED INCOME TAX

Deferred income tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2006: 17.5%).

The movements in the deferred tax asset/(liability) accounts are as follows:

| | | 本集團 Group | | 本銀行 Bank | |
|----------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 | At 1 January | (115,885) | (4,799) | (115,885) | (4,799) |
| 在損益表記賬 (附註 16) | Credited to income statement (Note 16) | 920 | 11,072 | 189 | 11,072 |
| 在權益支賬 (附註 42) | Debited to equity (Note 42) | (221,319) | (122,158) | (209,021) | (122,158) |
| 匯兌差額 | Exchange difference | 28 | – | – | – |
| 於十二月三十一日 | At 31 December | (336,256) | (115,885) | (324,717) | (115,885) |

賬目附註 Notes to the Accounts

38 遞延稅項(續)

年內權益記賬／(支賬)之遞延稅項如下：

| | | 本集團 Group | | 本銀行 Bank | |
|---------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 股東權益之公平值儲備 | Fair value reserves in shareholders' equity | | | | |
| －銀行物業(附註42) | － Bank premises (Note 42) | (13,922) | (116) | (1,624) | (116) |
| －可供銷售金融投資 (附註42) | － Available-for-sale financial investments (Note 42) | (207,397) | (122,042) | (207,397) | (122,042) |
| | | (221,319) | (122,158) | (209,021) | (122,158) |

年內遞延稅項資產及負債(與同一稅務機關之結餘抵銷前)之變動如下：

The deferred income tax credited/(debited) to equity during the year is as follows:

The movements in deferred income tax assets and liabilities (prior to the offsetting of balances within the same taxation jurisdiction) during the year are as follows:

遞延稅項資產

Deferred income tax assets

本集團

Group

| | | 組合減值準備 Collective impairment losses | | 投資重估儲備 Investment revaluation reserves | | 加速稅項折舊 Accelerated tax depreciation | | 總額 Total | |
|-----------------------------|---|---|-------------------------|--|-------------------------|---|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日，重報 在損益表 (支賬)／記賬 | At 1 January (Charged)/credited to income statement | 15,233 | 11,618 | － | 16,798 | － | － | 15,233 | 28,416 |
| 在權益記賬／(支賬) | Credited/(debited) to equity | (1,195) | 3,615 | － | － | 1,347 | － | 152 | 3,615 |
| 匯兌差額 | Exchange difference | － | － | 16,954 | (16,798) | － | － | 16,954 | (16,798) |
| | | － | － | － | － | 51 | － | 51 | － |
| 於十二月三十一日 | At 31 December | 14,038 | 15,233 | 16,954 | － | 1,398 | － | 32,390 | 15,233 |

本銀行

Bank

| | | 組合減值準備 Collective impairment losses | | 投資重估儲備 Investment revaluation reserves | | 總額 Total | |
|--------------------------|---|---|-------------------------|--|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 在損益表 (支賬)／記賬 | At 1 January (Charged)/credited to income statement | 15,233 | 11,618 | － | 16,798 | 15,233 | 28,416 |
| 在權益記賬／ (支賬) | Credited/(debited) to equity | (1,195) | 3,615 | － | － | (1,195) | 3,615 |
| | | － | － | 16,954 | (16,798) | 16,954 | (16,798) |
| 於十二月三十一日 | At 31 December | 14,038 | 15,233 | 16,954 | － | 30,992 | 15,233 |

賬目附註 Notes to the Accounts

38 遞延稅項(續)

遞延稅項負債

本集團

Group

| | | 銀行物業重估儲備 Bank premises revaluation reserve | | 投資重估儲備 Investment revaluation reserves | | 加速稅項折舊 Accelerated tax depreciation | | 總額 Total | |
|----------|---|--|-------------------------|--|-------------------------|---|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 | At 1 January | 415 | 299 | 105,244 | – | 25,459 | 32,916 | 131,118 | 33,215 |
| 在損益表 | Charged/(credited) to income statement | 616 | – | – | – | (1,384) | (7,457) | (768) | (7,457) |
| 在權益支賬 | Debited to equity | 13,922 | 116 | 224,351 | 105,244 | – | – | 238,273 | 105,360 |
| 匯兌差額 | Exchange difference | 23 | – | – | – | – | – | 23 | – |
| 於十二月三十一日 | At 31 December | 14,976 | 415 | 329,595 | 105,244 | 24,075 | 25,459 | 368,646 | 131,118 |

本銀行

Bank

| | | 銀行物業重估儲備 Bank premises revaluation reserve | | 投資重估儲備 Investment revaluation reserves | | 加速稅項折舊 Accelerated tax depreciation | | 總額 Total | |
|----------|---|--|-------------------------|--|-------------------------|---|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 於一月一日 | At 1 January | 415 | 299 | 105,244 | – | 25,459 | 32,916 | 131,118 | 33,215 |
| 在損益表 | Charged/(credited) to income statement | – | – | – | – | (1,384) | (7,457) | (1,384) | (7,457) |
| 在權益支賬 | Debited to equity | 1,624 | 116 | 224,351 | 105,244 | – | – | 225,975 | 105,360 |
| 於十二月三十一日 | At 31 December | 2,039 | 415 | 329,595 | 105,244 | 24,075 | 25,459 | 355,709 | 131,118 |

38 DEFERRED INCOME TAX (continued)

Deferred income tax liabilities

賬目附註 Notes to the Accounts

38 遞延稅項(續)

本集團在香港產生之稅項虧損506,466港元(二零零六年: 5,552,325港元), 可無限期用以抵銷產生該等虧損之公司之未來應課稅溢利。由於該等虧損乃來自部分長期虧蝕之附屬公司, 不大可能有應課稅溢利可供動用該等稅項虧損以作抵銷, 故並無就此等虧損確認遞延稅項資產。

於二零零七年十二月三十一日, 倘若本集團若干附屬公司之未來盈利已收到本集團亦無額外應付之稅項負債, 故本集團並無應付之重大未確認遞延稅項負債(二零零六年: 無)。

本銀行向其股東支付之股息並不附帶任何所得稅後果。

於資產負債表列賬之金額包括:

遞延稅項資產及負債只有對現行稅項資產及負債有合法權利抵銷及遞延稅項為同一稅務機關下, 才作出抵銷。以下是在綜合資產負債表抵銷後之金額。

38 DEFERRED INCOME TAX (continued)

The Group has tax losses arising in Hong Kong of HK\$506,466 (2006: HK\$5,552,325) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

At 31 December 2007, there was no significant unrecognised deferred tax liability (2006: Nil) for taxes that would be payable on the future earnings of certain of the Group's subsidiaries as the Group has no liability to additional tax should such amounts be received.

There are no income tax consequences attaching to the payment of dividends by the Bank to its shareholders.

The amounts shown in the balance sheet include the following:

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

| | | 本集團 Group | | 本銀行 Bank | |
|-----------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 遞延稅項資產: | Deferred income tax assets: | | | | |
| 超過十二個月後收回 | to be recovered after more than 12 months | 32,390 | 15,233 | 30,992 | 15,233 |
| 十二個月內收回 | to be recovered within 12 months | - | - | - | - |
| | | 32,390 | 15,233 | 30,992 | 15,233 |
| 遞延稅項負債: | Deferred income tax liabilities: | | | | |
| 超過十二個月後償還 | to be settled after more than 12 months | (358,000) | (119,509) | (345,063) | (119,509) |
| 十二個月內償還 | to be settled within 12 months | (10,646) | (11,609) | (10,646) | (11,609) |
| | | (368,646) | (131,118) | (355,709) | (131,118) |
| 遞延稅項負債淨額 | Deferred income tax liabilities, net | (336,256) | (115,885) | (324,717) | (115,885) |

賬目附註 Notes to the Accounts

39 以攤銷成本入賬之後償債項

39 SUBORDINATED DEBTS MEASURED AT AMORTISED COST

| | | 本集團及本銀行 Group and Bank | | | |
|---|--|---------------------------|--------------------------|-----------------|--------------------------|
| | | 2007 | | 2006 | |
| | | 千港元 HK\$'000 | 利率 Interest rate % | 千港元 HK\$'000 | 利率 Interest rate % |
| 後償息票據 | Subordinated floating rate notes | | | | |
| — 最終於二零一一年七月二日到期 | — with a final maturity on 2 July 2011 | 585,060 | 4.8500% | 583,350 | 5.5719% |
| — 最終於二零一一年十二月十二日到期 | — with a final maturity on 12 December 2011 | 624,064 | 4.8463% | 622,240 | 5.6200% |
| — 最終於二零一二年三月二十六日到期 | — with a final maturity on 26 March 2012 | 546,056 | 4.8463% | 544,460 | 5.6200% |
| — 最終於二零一二年十二月八日到期 (可於二零零七年十二月十日贖回) | — with a final maturity on 8 December 2012 (callable on 10 December 2007) | 500,000 | 4.3507% | 500,000 | 4.8040% |
| — 最終於二零一四年四月二十八日到期 (可於二零零九年四月二十八日贖回) | — with a final maturity on 28 April 2014 (callable on 28 April 2009) | 1,170,120 | 5.5963% | 1,166,700 | 6.3700% |
| — 最終於二零一六年六月二十九日到期 (可於二零一一年六月三十日贖回) | — with a final maturity on 29 June 2016 (callable on 30 June 2011) | 624,064 | 5.7025% | 622,240 | 6.3600% |
| — 永久(可於二零一二年十二月十日贖回) | — perpetual (callable on 10 December 2012) | 1,000,000 | 3.9507% | 1,000,000 | 4.4040% |
| — 永久(可於二零一三年七月九日贖回) | — perpetual (callable on 9 July 2013) | 936,096 | 5.2025% | 933,360 | 5.8600% |
| — 永久(可於二零一六年六月三十日贖回) | — perpetual (callable on 30 June 2016) | 1,560,160 | 6.3025% | 1,555,600 | 6.9600% |
| | | 7,545,620 | | 7,527,950 | |

後償債項乃由本銀行籌集作業務拓展用途，並由最終控股公司及其分行全數認購。根據資本規則，該等票據合資格並已列入本銀行之附加資本。

Subordinated debts were raised by the Bank for the development and expansion of business and have been fully subscribed by the ultimate holding company and its branch. These notes have been qualified and included as the Bank's supplementary capital in accordance with the Capital Rules.

賬目附註 Notes to the Accounts

40 其他負債

40 OTHER LIABILITIES

| | | 本集團 Group | | 本銀行 Bank | |
|---------|------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 應付利息 | Interest payable | 942,930 | 780,929 | 965,175 | 782,600 |
| 應付薪金及福利 | Salaries and welfare payable | 83,234 | 95,835 | 83,234 | 83,525 |
| 交割賬戶 | Settlement accounts | 478,768 | 256,644 | 881,407 | 281,591 |
| 其他 | Others | 1,831,736 | 686,236 | 1,789,805 | 674,758 |
| | | 3,336,668 | 1,819,644 | 3,719,621 | 1,822,474 |

本集團及本銀行於年內就其負債並無任何拖欠本金、利息或其他違約(二零零六年:無)

The Group and the Bank have not had any defaults of principal or interest or any other breaches with respect to their liabilities during the year (2006: Nil).

41 股本

41 SHARE CAPITAL

| | | 股份數目 Number of shares 千股 thousands | 普通股 Ordinary shares 千港元 HK\$'000 | 普通股溢價 Ordinary share premium 千港元 HK\$'000 | 優先股溢價 Preference share premium 千港元 HK\$'000 |
|-----------------------------------|---|--|--|--|--|
| 於二零零七年一月一日 | At 1 January 2007 | 1,121,259 | 2,242,518 | 5,323,893 | 16,126 |
| 就截至二零零六年十二月三十一日止年度末期股息之以股代息計劃配發新股 | Allotment of new shares regarding the scrip dividend scheme of final dividend for the year ended 31 December 2006 | 18,368 | 36,736 | 287,281 | – |
| 就截至二零零七年六月三十日止期間中期股息之以股代息計劃配發新股 | Allotment of new shares regarding the scrip dividend scheme of interim dividend for the period ended 30 June 2007 | 9,983 | 19,966 | 160,833 | – |
| 已行使認股權證 | Warrants exercised | 76,342 | 152,684 | 1,374,142 | – |
| 股份發行支出(附註42) | Share issue expenses (Note 42) | – | – | (489) | – |
| 由優先股溢價轉至普通股溢價(附註42) | Transfer of preference share premium to ordinary share premium (Note 42) | – | – | 16,126 | (16,126) |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 1,225,952 | 2,451,904 | 7,161,786 | – |
| 於二零零六年一月一日及二零零六年十二月三十一日 | At 1 January 2006 and 31 December 2006 | 1,121,259 | 2,242,518 | 5,323,893 | 16,126 |

賬目附註 Notes to the Accounts

41 股本(續)

法定普通股總數為20億股(二零零六年:20億股),每股面值2港元(二零零六年:每股面值2港元)。所有已發行股份均已繳足股款。

可轉換非累計優先股總數為2.32億股(二零零六年:2.32億股),每股面值5港元(二零零六年:每股面值5港元)。於二零零七年十二月三十一日概無任何已發行可轉換非累計優先股(二零零六年:無)。

本銀行採納一項以股代息計劃(「計劃」),使股東有權選擇(1)以現金收取股息;或(2)收取派發的新股份以替代現金;或(3)收取部分現金與部分新股份。若干股東已選擇收取新股份作為股息共5.048億港元。

認股權證

年內,按於二零零七年十月十五日名列股東名冊的股東每持有九股股份獲發一份認股權證的比例發行紅利認股權證,從而發行126,625,283份認股權證。認股權證持有人自發行日期至二零零八年十一月六日可按每股20港元之認購價以每份認股權證認購一股面值2港元的普通股。

年內,共76,341,234份認股權證獲行使權,以每股20港元之價格認購76,341,234股每股面值2港元的股份。於結算日,本銀行尚有50,284,049份未獲行使認股權證。根據本銀行現時資本架構,該等認股權證如獲悉數行使將引致發行50,284,049股每股面值2港元的額外股份。

認股權

認股權計劃

年內並無授出認股權,而於二零零七年十二月三十一日,並無任何尚未行使之認股權。

認股權計劃於二零零七年五月十日舉行之股東週年大會上獲本銀行之股東通過。

採納認股權計劃須待本銀行之控股公司中國工商銀行之股東批准後,方可作實。

41 SHARE CAPITAL (continued)

The total number of the authorised ordinary shares is 2,000 million shares (2006: 2,000 million shares) with a par value of HK\$2 per share (2006: HK\$2 per share). All issued shares are fully paid.

The total number of the convertible non-cumulative preference shares is 232 million shares (2006: 232 million shares) with a par value of HK\$5 per share (2006: HK\$5 per share). There was no convertible non-cumulative preference share in issue as at 31 December 2007 (2006: Nil).

The Bank adopted a scrip dividend scheme (the "Scheme") allowing the shareholders to have the options to receive (1) dividends in cash; or (2) an allotment of new shares in lieu of cash; or (3) a combination of cash and new shares. Certain shareholders have selected to receive new shares as dividends amounted to HK\$504.8 million.

Warrants

During the year, a bonus issue of warrants was made in the proportion of one warrant for every nine shares held by members on the Register of Members on 15 October 2007, resulting in 126,625,283 warrants being issued. Each warrant entitles the holder thereof to subscribe for one ordinary share of HK\$2 per share at a subscription price of HK\$20 per share, from the date of issue to 6 November 2008.

During the year, 76,341,234 warrants were exercised for subscription of 76,341,234 shares of HK\$2 each at a price of HK\$20 per share. At the balance sheet date, the Bank had 50,284,049 warrants outstanding. The exercise in full of such warrants would, under the present capital structure of the Bank, result in the issue of 50,284,049 additional shares of HK\$2 each.

Share options

Share Option Scheme

During the year, no option has been granted and at 31 December 2007, there was no option outstanding.

The Share Option Scheme was approved by the shareholders of the Bank at the general meeting held on 10 May 2007.

The adoption of the Share Option Scheme is subject to the approval of the shareholders of ICBC, the holding company of the Bank.

賬目附註 Notes to the Accounts

42 儲備

42 RESERVES

本集團

Group

| | | 普通股 溢價 Ordinary share premium 千港元 HK\$'000 | 可轉換非累計 優先股溢價 non-cumulative preference share premium 千港元 HK\$'000 | 銀行物業 重估儲備 Bank premise revaluation reserve 千港元 HK\$'000 | 投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000 | 匯兌儲備 Exchange reserve 千港元 HK\$'000 | 一般儲備 General reserve 千港元 HK\$'000 | 保留溢利 Retained earnings 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------|--|--|--|--|---|--|---|---|--------------------------------|
| 於二零零七年一月一日 | At 1 January 2007 | 5,323,893 | 16,126 | 38,142 | 495,344 | - | 235,014 | 2,734,266 | 8,842,785 |
| 發行股份(附註41) | Issue of shares (Note 41) | 1,822,256 | - | - | - | - | - | - | 1,822,256 |
| 股份溢價轉移(附註41) | Transfer of share premium (Note 41) | 16,126 | (16,126) | - | - | - | - | - | - |
| 股份發行支出(附註41) | Share issue expenses (Note 41) | (489) | - | - | - | - | - | - | (489) |
| 備供銷售金融投資之 公平值變動 | Change in fair value of available-for-sale financial investments | - | - | - | 965,978 | - | - | - | 965,978 |
| 出售備供銷售金融投資 之已變現儲備 | Reserve realised on disposal of available-for-sale financial investments | - | - | - | (14,880) | - | - | - | (14,880) |
| 因應減值損失由備供銷售 金融投資儲備轉入損益表 | Transfer from available-for-sale financial investments reserve to the income statement on impairment | - | - | - | 234,024 | - | - | - | 234,024 |
| 出售銀行物業 | Disposal of bank premise | - | - | (51) | - | - | - | 51 | - |
| 銀行物業重估盈餘 | Revaluation surplus on bank premises | - | - | 22,666 | - | - | - | - | 22,666 |
| 匯兌差額 | Exchange differences | - | - | - | 1 | 69,129 | 372 | 4,817 | 74,319 |
| 轉撥部份保留溢利至 一般儲備(附註a) | Partial transfer of retained earnings to general reserve (Note a) | - | - | - | - | - | 88,496 | (88,496) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | - | - | 1,608,788 | 1,608,788 |
| 遞延稅項變動(附註38) | Change in deferred tax (Note 38) | - | - | (13,922) | (207,397) | - | - | - | (221,319) |
| 已付二零零六年末期股息 (附註19) | 2006 final dividend paid (Note 19) | - | - | - | - | - | - | (515,779) | (515,779) |
| 已付二零零七年中期股息 (附註19) | 2007 interim dividend paid (Note 19) | - | - | - | - | - | - | (262,114) | (262,114) |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 7,161,786 | - | 46,835 | 1,473,070 | 69,129 | 323,882 | 3,481,533 | 12,556,235 |

(a) 本集團之一般儲備包括：

- 轉撥可供分派予本集團股東之保留溢利；及
- 附屬公司之法定盈餘儲備(相當於按中國法律及規例所規定之除稅後溢利撥款之10%)。此儲備用於沖銷累計虧損或增加資本。

(b) 董事於年結日後建議派發末期股息772,350,000港元，有關事項將反映作為截至二零零七年十二月三十一日止年度保留盈餘之分配(附註19)。

(c) 於二零零七年十二月三十一日，本集團從保留溢利撥出819,332,000港元作「法定儲備」(二零零六年：378,728,000港元)。法定儲備是為應付香港銀行業條例中訂明之審慎監察目的而設。該儲備之變動在向香港金融管理局作出徵詢後，直接透過保留溢利作出。

(a) The general reserve of the Group comprised of:

- the transfer of retained earnings which is distributable to the shareholders of the Group; and
- a statutory surplus reserve of a subsidiary represents 10% of the profit after tax appropriation as required by law and regulation in PRC. This reserve is used to offset accumulated losses or increase in capital.

(b) The directors proposed a final dividend of HK\$772,350,000 after the year end which will be reflected as an appropriation of retained earnings for the year ended 31 December 2007 (Note 19).

(c) As at 31 December 2007, the Group has earmarked a “Regulatory Reserve” of HK\$819,332,000 (2006: HK\$378,728,000) from the retained earnings. The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purpose. Movements in the reserve are made directly through retained earnings and in consultation with the Hong Kong Monetary Authority.

賬目附註 Notes to the Accounts

42 儲備(續)

42 RESERVES (continued)

本集團

Group

| | | 普通股 溢價 Ordinary share premium 千港元 HK\$'000 | 可轉換非累計 優先股溢價 Convertible non-cumulative preference share premium 千港元 HK\$'000 | 銀行物業 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000 | 投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000 | 一般儲備 General reserve 千港元 HK\$'000 | 保留溢利 Retained earnings 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------|---|--|---|---|---|---|---|--------------------------------|
| 於二零零六年一月一日 | At 1 January 2006 | 5,323,893 | 16,126 | 26,955 | (79,998) | 234,020 | 2,106,340 | 7,627,336 |
| 備供銷售金融投資之 公平值變動 | Change in fair value of available-for-sale financial investments | - | - | - | 702,898 | - | - | 702,898 |
| 出售備供銷售金融投資 之已變現儲備 | Reserve realised on disposal of available-for-sale financial investments | - | - | - | (5,516) | - | - | (5,516) |
| 出售銀行物業 | Disposal of bank premise | - | - | (30) | - | - | - | (30) |
| 銀行物業重估盈餘 | Revaluation surplus on bank premises | - | - | 11,332 | - | - | - | 11,332 |
| 匯兌差額 | Exchange differences | - | - | 1 | 2 | - | 21 | 24 |
| 轉撥部份保留溢利至 一般儲備(附註42(a)) | Partial transfer of retained earnings to general reserve (Note 42(a)) | - | - | - | - | 994 | (994) | - |
| 本年度溢利 | Profit for the year | - | - | - | - | - | 1,245,592 | 1,245,592 |
| 遞延稅項變動(附註38) | Change in deferred tax (Note 38) | - | - | (116) | (122,042) | - | - | (122,158) |
| 已付二零零五年末期股息 | 2005 final dividend paid | - | - | - | - | - | (392,441) | (392,441) |
| 已付二零零六年中期股息 (附註19) | 2006 interim dividend paid (Note 19) | - | - | - | - | - | (224,252) | (224,252) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 5,323,893 | 16,126 | 38,142 | 495,344 | 235,014 | 2,734,266 | 8,842,785 |

賬目附註 Notes to the Accounts

42 儲備(續)

42 RESERVES (continued)

本銀行

Bank

| | | 普通股 溢價 Ordinary share premium 千港元 HK\$'000 | 可轉換非累計 優先股溢價 non-cumulative preference share premium 千港元 HK\$'000 | 銀行物業 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000 | 投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000 | 匯兌儲備 Exchange reserve 千港元 HK\$'000 | 一般儲備 General reserve 千港元 HK\$'000 | 保留溢利 Retained earnings 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|----------------------------|--|--|--|---|---|--|---|---|--------------------------------|
| 於二零零七年一月一日 | At 1 January 2007 | 5,323,893 | 16,126 | 1,954 | 496,152 | - | 219,200 | 2,634,070 | 8,691,395 |
| 發行股份(附註41) | Issue of shares (Note 41) | 1,822,256 | - | - | - | - | - | - | 1,822,256 |
| 股份溢價轉移(附註41) | Transfer of share premium (Note 41) | 16,126 | (16,126) | - | - | - | - | - | - |
| 股份發行支出(附註41) | Share issue expenses (Note 41) | (489) | - | - | - | - | - | - | (489) |
| 備供銷售金融投資之 公平值變動 | Change in fair value of available-for-sale financial investments | - | - | - | 965,978 | - | - | - | 965,978 |
| 出售備供銷售金融投資 之已變現儲備 | Reserve realised on disposal of available-for-sale financial investments | - | - | - | (14,880) | - | - | - | (14,880) |
| 因應減值損失由備供銷售 金融投資儲備轉入損益表 | Transfer from available-for-sale financial investments reserve to the income statement on impairment | - | - | - | 234,024 | - | - | - | 234,024 |
| 出售銀行物業 | Disposal of bank premise | - | - | (51) | - | - | - | 51 | - |
| 銀行物業重估盈餘 | Revaluation surplus on bank premises | - | - | 9,332 | - | - | - | - | 9,332 |
| 匯兌差額 | Exchange differences | - | - | - | - | 822 | - | (1) | 821 |
| 本年度溢利 | Profit for the year | - | - | - | - | - | - | 1,426,740 | 1,426,740 |
| 遞延稅項變動(附註38) | Change in deferred tax (Note 38) | - | - | (1,624) | (207,397) | - | - | - | (209,021) |
| 已付二零零六年末期股息 (附註19) | 2006 final dividend paid (Note 19) | - | - | - | - | - | - | (515,779) | (515,779) |
| 已付二零零七年中期股息 (附註19) | 2007 interim dividend paid (Note 19) | - | - | - | - | - | - | (262,114) | (262,114) |
| 於二零零七年十二月三十一日 | At 31 December 2007 | 7,161,786 | - | 9,611 | 1,473,877 | 822 | 219,200 | 3,282,967 | 12,148,263 |

賬目附註 Notes to the Accounts

42 儲備(續)

本銀行

Bank

| | | 普通股 溢價 Ordinary share premium 千港元 HK\$'000 | 可轉換非累計 優先股溢價 Convertible non-cumulative preference share premium 千港元 HK\$'000 | 銀行物業 重估儲備 Bank premises revaluation reserve 千港元 HK\$'000 | 投資 重估儲備 Investment revaluation reserve 千港元 HK\$'000 | 一般儲備 General reserve 千港元 HK\$'000 | 保留溢利 Retained earnings 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|-------------------------------------|---|--|---|---|---|---|---|--------------------------------|
| 於二零零六年一月一日 | At 1 January 2006 | 5,323,893 | 16,126 | 1,411 | (79,188) | 219,200 | 1,826,641 | 7,308,083 |
| 備供銷售金融投資之 公平值變動 | Change in fair value of available-for-sale financial investments | - | - | - | 702,898 | - | - | 702,898 |
| 出售備供銷售金融投資之 已變現儲備 | Reserve realised on disposal of available-for-sale financial investments | - | - | - | (5,516) | - | - | (5,516) |
| 出售銀行物業 | Disposal of bank premise | - | - | (30) | - | - | - | (30) |
| 銀行物業重估盈餘 | Revaluation surplus on bank premises | - | - | 689 | - | - | - | 689 |
| 來自ICBC Asia Wa Pei Limited 之股息收入 | Dividend income from ICBC Asia Wa Pei Limited | - | - | - | - | - | 231,025 | 231,025 |
| 本年度溢利 | Profit for the year | - | - | - | - | - | 1,193,097 | 1,193,097 |
| 遞延稅項變動(附註38) | Change in deferred tax (Note 38) | - | - | (116) | (122,042) | - | - | (122,158) |
| 已付二零零五年末期股息 | 2005 final dividend paid | - | - | - | - | - | (392,441) | (392,441) |
| 已付二零零六年中期股息(附註19) | 2006 interim dividend paid (Note 19) | - | - | - | - | - | (224,252) | (224,252) |
| 於二零零六年十二月三十一日 | At 31 December 2006 | 5,323,893 | 16,126 | 1,954 | 496,152 | 219,200 | 2,634,070 | 8,691,395 |

43 現金及等同現金項目

- (a) 於綜合現金流量之現金及現金等同項目之組成部分：

就綜合現金流量表而言，現金及現金等同項目包括下列由收購日期起計三個月內到期之結餘。

43 CASH AND CASH EQUIVALENTS

- (a) Components of cash and cash equivalents in the consolidated cash flow statement:

For the purposes of the consolidated cash flow statement, cash and cash equivalents comprises the following balances with original maturity of three months or less:

| | | 本集團 Group 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|----------------------------------|--|---|-------------------------|
| 現金及在銀行同業及 其他金融機構之結存 (附註22) | Cash and balances with banks and other financial institutions (Note 22) | 1,598,983 | 1,180,089 |
| 在銀行及其他 金融機構之存款 | Placements with banks and other financial institutions | 42,095,374 | 49,330,158 |
| 庫務票據(包括外匯基金票據) | Treasury bills (including exchange fund bills) | - | 1,511,482 |
| | | 43,694,357 | 52,021,729 |

賬目附註 Notes to the Accounts

43 現金及等同現金項目(續)

(b) 綜合資產負債表之調節：

| | | 本集團 Group | |
|--------------------------|---|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 現金及在銀行同業及其他金融機構之結存(附註22) | Cash and balances with banks and other financial institutions (Note 22) | 1,598,983 | 1,180,089 |
| 在銀行及其他金融機構之存款(附註22及23) | Placements with banks and other financial institutions (Note 22 and 23) | 43,022,605 | 49,330,158 |
| 庫務票據(附註29) | Treasury bills (Note 29) | 1,983,493 | 1,986,645 |
| | | 46,605,081 | 52,496,892 |
| 減：原到期日超過三個月之款額 | Less: amounts with an original maturity of beyond three months | | |
| — 在銀行及其他金融機構之存款 | — Placements with banks and other financial institutions | (927,231) | — |
| — 庫務票據 | — Treasury bills | (1,983,493) | (475,163) |
| 於綜合現金流量表之現金及現金等同項目 | Cash and cash equivalent in the consolidated cash flow | 43,694,357 | 52,021,729 |

44 給予行政人員之貸款

根據香港公司條例第161B(4B)條之規定，行政人員獲授之貸款披露如下：

44 LOANS TO OFFICERS

Particulars of loans made to officers and disclosed pursuant to Section 161B(4B) of the Hong Kong Companies Ordinance are as follows:

| | | 於十二月三十一日之未償還餘額 Balance outstanding at 31 December | | 年內最高結餘 Maximum balance during the year | |
|------------|---|---|-------------------------|--|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 未償還本金及利息總額 | Aggregate amount outstanding in respect of principal and interest | 6,562 | 5,447 | 16,570 | 5,995 |

賬目附註 Notes to the Accounts

45 與集團成員公司之結餘

- (a) 以下為資產負債表項目中與最終控股公司的結餘：

| | | 本集團 Group | | 本銀行 Bank | |
|----------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 資產負債表項目 | On-balance sheet | | | | |
| 現金及在銀行同業與其他金融機構之結存 | Cash and balances with banks and other financial institutions | 1,789,679 | 1,736,976 | 1,603,156 | 1,281,662 |
| 一至十二個月內到期之在銀行及其他金融機構之存款及貸款 | Placements with and advances to banks and other financial institutions maturing between one and twelve months | 343,235 | 309,445 | 343,235 | 309,445 |
| 客戶、銀行及其他金融機構之貸款 | Loans and advances to customers, banks and other financial institutions | 20,045,203 | – | 20,045,203 | – |
| 其他資產 | Other assets | 67,452 | 91,120 | 67,452 | 89,660 |
| | | 22,245,569 | 2,137,541 | 22,059,046 | 1,680,767 |
| 銀行同業及其他金融機構之存款及結餘 | Deposits from banks and other financial institutions | 11,678,919 | 10,993,263 | 8,192,159 | 10,993,263 |
| 已發行存款證 | Certificates of deposit issued | 780,080 | 3,891,878 | 780,080 | 3,891,878 |
| 其他負債 | Other liabilities | 147,282 | 194,050 | 142,435 | 194,050 |
| 以攤銷成本入賬之後償債項(附註39) | Subordinated debts measured at amortised cost (Note 39) | 7,545,620 | 7,527,950 | 7,545,620 | 7,527,950 |
| | | 20,151,901 | 22,607,141 | 16,660,294 | 22,607,141 |

附註：

銀行同業及其他金融機構之存款及結餘包括一筆為數1,560,160,000港元(二零零六年：388,900,000港元)之款項，乃最終控股公司授予本銀行作營運資金用途之備用信貸3,000,000,000美元(二零零六年：3,000,000,000美元)中已被動用之數額。

45 BALANCES WITH GROUP COMPANIES

- (a) Included in the following balance sheet items are balances with the ultimate holding company:

Note:

Included in deposits from banks and other financial institutions is an amount of HK\$1,560,160,000 (2006: HK\$388,900,000) representing the utilisation of a standby credit facility of US\$3,000,000,000 (2006: US\$3,000,000,000) granted by the ultimate holding company to the Bank for working capital purposes.

賬目附註 Notes to the Accounts

45 與集團成員公司之結餘 (續)

(a) 以下為資產負債表項目中與最終控股公司的結餘：(續)

| | | 本集團及本銀行 Group and Bank | |
|-----------------|---|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 資產負債表外項目 | Off-balance sheet | | |
| 外匯合約－合約金額 | Foreign exchange contracts – contractual amount | 8,461,947 | 30,783,747 |
| 利率掉期－名義本金 | Interest rate swaps – notional principal | 6,195,955 | 7,179,306 |
| 利率期權－合約金額 | Interest rate options – contractual amounts | | |
| －買入期權 | － options purchased | 22,500 | 784,209 |
| －出售期權 | － options written | 1,570,117 | 1,568,330 |
| | | 1,592,617 | 2,352,539 |
| 一年內到期之其他承擔 | Other commitments with maturity within one year | | |
| －透支信貸 | － overdraft facility | 2,770,283 | 2,660,076 |

(b) 以下為資產負債表項目中與同系附屬公司之結餘：

45 BALANCES WITH GROUP COMPANIES (continued)

(a) Included in the following balance sheet items are balances with the ultimate holding company: (continued)

(b) Included in the following balance sheet items are balances with fellow subsidiaries:

| | | 本集團及本銀行 Group and Bank | |
|------------------------|--|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 資產負債表項目 | On-balance sheet | | |
| 現金及在銀行同業與 其他金融機構之結存 | Cash and balances with banks and other financial institutions | 78,008 | – |
| 其他資產 | Other assets | 3,878 | 2,276 |
| | | 81,886 | 2,276 |
| 銀行同業及其他金融機構存款 | Deposits from banks and other financial institutions | 438,959 | 336,106 |
| 之結餘 | | | |
| 客戶存款 | Deposits from customers | 1,040,266 | 6,139,631 |
| 其他負債 | Other liabilities | 9,815 | 8,223 |
| | | 1,489,040 | 6,483,960 |
| 資產負債表外項目 | Off-balance sheet | | |
| 外匯合約－合約金額 | Foreign exchange contracts – contractual amount | 201,795 | – |
| 利率掉期－名義本金 | Interest rate swaps – notional principal | 234,024 | 163,338 |

賬目附註 Notes to the Accounts

45 與集團成員公司之結餘 (續)

- (c) 以下為資產負債表項目中與一名對最終控股公司具重大影響力之股東之關連交易之結餘：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|----------------|--|-------------------------|-------------------------|
| 資產負債表項目 | On-balance sheet | | |
| 備供銷售金融投資 | Available-for-sale financial investments | 438,086 | 258,822 |
| 其他資產 | Other assets | 5,103 | 2,687 |
| | | 443,189 | 261,509 |
| 客戶存款 | Deposits from customers | 499,251 | 1,547,822 |
| 其他負債 | Other liabilities | 61 | 680 |
| | | 499,312 | 1,548,502 |

- (d) 以下為資產負債表項目中與本銀行附屬公司之結餘：

45 BALANCES WITH GROUP COMPANIES (continued)

- (c) Included in the following balance sheet items are related party transaction balances with a shareholder with a significant influence over the ultimate holding company:

- (d) Included in the following balance sheet items are balances with subsidiaries of the Bank:

| | | 本集團及本銀行 Group and Bank | |
|-----------------|--|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 資產負債表項目 | On-balance sheet | | |
| 在銀行及其他金融機構之存款 | Placements with banks and other financial institutions | 1,251,768 | 1,014,450 |
| 其他資產 | Other assets | 645,489 | 83,929 |
| | | 1,897,257 | 1,098,379 |
| 銀行同業及其他金融機構存款 | Deposits from banks and other financial institutions | 57,772 | 1,805 |
| 客戶存款 | Deposits from customers | 3,795,648 | 3,464,935 |
| 其他負債 | Other liabilities | 483,731 | 49,914 |
| | | 4,337,151 | 3,516,654 |
| 資產負債表外項目 | Off-balance sheet | | |
| 利率掉期－名義本金 | Interest rate swaps – notional principal | 3,120,320 | – |

賬目附註 Notes to the Accounts

45 與集團成員公司之結餘 (續)

(e) 以下為資產負債表項目中與聯營公司之結餘：

| | | 本集團及本銀行 Group and Bank | |
|-----------------|--|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 資產負債表項目 | On-balance sheet | | |
| 其他資產 | Other assets | 1,401 | – |
| | | 1,401 | – |
| 客戶存款 | Deposits from customers | 51,127 | 120 |
| 其他負債 | Other liabilities | 18 | – |
| | | 51,145 | 120 |
| 資產負債表外項目 | Off-balance sheet | | |
| 利率掉期—名義本金 | Interest rate swaps – notional principal | 100,000 | – |

46 資產負債表外風險

(a) 或然負債及承擔

以下為每個主要類別的或然負債及承擔的合約金額：

| | | 2007 | | 2006 | |
|-----------------------|---|--------------------|-----------------------------|--------------------|-----------------------------|
| 本集團 | Group | 合約金額 | 信貸風險加權額 | 合約金額 | 信貸風險加權額 |
| | | Contractual amount | Credit risk weighted amount | Contractual amount | Credit risk weighted amount |
| | | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 | 千港元 HK\$'000 |
| 直接信貸代替品 | Direct credit substitutes | 2,746,878 | 1,161,243 | 1,360,327 | 988,349 |
| 與交易有關之或然負債 | Transaction-related contingencies | 370,190 | 79,906 | 275,079 | 39,251 |
| 與貿易有關之或然負債 | Trade-related contingencies | 3,456,524 | 588,696 | 3,026,229 | 510,431 |
| 其他承擔 | Other commitments | | | | |
| — 原到期日少於1年 或可無條件撤銷 | – With original maturity of less than 1 year or which are unconditionally cancellable | 67,906,657 | 223,738 | 32,424,706 | – |
| — 原到期日在1年及以上 | – With original maturity of over one year | 14,847,747 | 7,423,184 | 16,493,896 | 8,246,948 |
| 遠期資產購置 | Forward assets purchased | 270,000 | 270,000 | – | – |
| 遠期存款 | Forward deposits placed | 7,811,705 | 1,562,341 | 119,892 | 23,978 |
| | | 97,409,701 | 11,309,108 | 53,700,129 | 9,808,957 |

45 BALANCES WITH GROUP COMPANIES (continued)

(e) Included in the following balance sheet items are balances with associates:

46 OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

The following are the summaries of the contractual amounts of each of the significant classes of contingent liabilities and commitments:

賬目附註 Notes to the Accounts

46 資產負債表外風險 (續)

(a) 或然負債及承擔 (續)

| 本銀行 | Bank | 2007 | | 2006 | |
|-----------------------|---|--|--|--|--|
| | | 合約金額 Contractual amount 千港元 HK\$'000 | 信貸風險加權額 Credit risk weighted amount 千港元 HK\$'000 | 合約金額 Contractual amount 千港元 HK\$'000 | 信貸風險加權額 Credit risk Weighted amount 千港元 HK\$'000 |
| 直接信貸代替品 | Direct credit substitutes | 2,703,533 | 1,139,570 | 1,260,327 | 888,349 |
| 與交易有關之或然負債 | Transaction-related contingencies | 370,190 | 79,906 | 275,079 | 39,251 |
| 與貿易有關之或然負債 | Trade-related contingencies | 3,456,524 | 588,696 | 3,026,229 | 510,431 |
| 其他承擔 | Other commitments | | | | |
| — 原到期日少於1年或 可無條件撤銷 | — With original maturity of less than 1 year or which are unconditionally cancellable | 67,210,076 | 84,422 | 32,424,706 | — |
| — 原到期日在1年及以上 | — With original maturity of over one year | 14,473,568 | 7,236,095 | 16,417,374 | 8,208,687 |
| 遠期資產購置 | Forward assets purchased | 270,000 | 270,000 | — | — |
| 遠期存款 | Forward deposits placed | 7,811,705 | 1,562,341 | 119,892 | 23,978 |
| | | 96,295,596 | 10,961,030 | 53,523,607 | 9,670,696 |

(b) 資本承擔

於十二月三十一日之未於賬目內撥備的物業及
設備資本承擔餘額如下：

| | | 本集團 Group | | 本銀行 Bank | |
|------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 已訂約惟未撥備之支出 | Expenditure contracted but not provided for | 3,685 | 13,581 | 3,606 | 13,383 |
| 已授權而未訂約之支出 | Expenditure authorised but not contracted for | 24 | — | 24 | — |
| | | 3,709 | 13,581 | 3,630 | 13,383 |

46 OFF-BALANCE SHEET EXPOSURES (continued)

(a) Contingent liabilities and commitments (continued)

(b) Capital commitments

Capital commitments for property, plant and equipment outstanding as
at 31 December not provided for in the accounts were as follows:

賬目附註 Notes to the Accounts

46 資產負債表外風險 (續)

(c) 經營租約承擔

於二零零七年十二月三十一日本集團及本銀行根據不可撤銷的經營租約於未來應付的最低租金總額如下：

| | | 本集團 Group | | 本銀行 Bank | |
|-------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 土地及樓宇 | Land and buildings | | | | |
| — 一年以內 | – Not later than one year | 207,100 | 121,131 | 207,031 | 121,076 |
| — 一年以上及五年以內 | – Later than one year and not later than five years | 611,810 | 233,906 | 611,787 | 233,906 |
| — 五年以上 | – More than five years | 160,048 | 97,768 | 160,036 | 97,768 |
| | | 978,958 | 452,805 | 978,854 | 452,750 |

(d) 經營租約安排

本集團根據經營租約安排按商定年期為二至八年之租約出租其投資物業(賬目附註32)。租約條款一般規定承租人須支付抵押押金，並訂明定期根據當時市況對租金作出調整。

於二零零七年十二月三十一日，本集團按以下到期期限根據不可撤銷的經營租約於未來應收其承租人的最低租金總額如下：

| | | 本集團 Group | | 本銀行 Bank | |
|--------------|---|-------------------------|-------------------------|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 一年內 | Within one year | 2,253 | – | 480 | – |
| 二至五年(包括首尾兩年) | In the second to fifth years, inclusive | 4,194 | – | 320 | – |
| 五年以上 | After five years | 549 | – | – | – |
| | | 6,996 | – | 800 | – |

年內，本集團概無任何未確認應收或然租金(二零零六年：無)。

46 OFF-BALANCE SHEET EXPOSURES (continued)

(c) Operating lease commitments

At 31 December 2007, the Group and the Bank had future aggregate minimum lease payments under non-cancellable operating leases as follows:

(d) Operating lease arrangements

The Group leases its investment properties (Note 32 to the accounts) under operating lease arrangements, with leases negotiated for terms ranging from two to eight years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

At 31 December 2007, the Group had total future minimum lease receivables under non-cancellable operating leases with its tenants falling due as follows:

During the year, the Group has no unrecognised contingent rentals receivable (2006: Nil).

賬目附註 Notes to the Accounts

47 關連交易

於本年度，本集團曾於日常業務過程中與關連各方(包括最終控股公司、同系附屬公司及聯營公司)達成多宗交易。

(a) 於一般業務過程中與關連各方達成之交易概要

與最終控股公司、同系附屬公司及聯營公司之關連交易應計之收入及支出總額概列如下：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|--------------------------|---|-------------------------|-------------------------|
| 利息收入 | Interest income | | |
| — 放款 (附註 (i)) | — Placement (Note (i)) | 64,864 | 291,125 |
| — 利率掉期 (附註 (ii)) | — Interest rate swaps (Note (ii)) | 405,116 | 454,678 |
| — 貸款 (附註 (iii)) | — Loans and advances (Note (iii)) | 17,501 | 3,831 |
| 利息支出 | Interest expense | | |
| — 存款 (附註 (iv)) | — Deposits (Note (iv)) | (458,562) | (692,880) |
| — 利率掉期 (附註 (ii)) | — Interest rate swaps (Note (ii)) | (508,007) | (552,376) |
| — 已發行存款證 (附註 (v)) | — Certificates of deposit issued (Note (v)) | (179,458) | (200,423) |
| — 以攤銷成本入賬之後償債項 (附註 (vi)) | — Subordinated debts measured at amortised cost (Note (vi)) | (424,241) | (348,560) |
| 期權溢價支出淨額 (附註 (vii)) | Net option premium expense (Note (vii)) | (781) | (5) |
| 管理費收入 (附註 (viii)) | Management fee income (Note (viii)) | 6,375 | 6,000 |
| 服務費收入 (附註 (ix)) | Service fee income (Note (ix)) | — | 300 |
| 物業收入 (附註 (x) 及 (xi)) | Premises income (Notes (x) & (xi)) | 16,443 | 8,104 |
| 佣金收入 (附註 (xii)) | Commission income (Note (xii)) | 7,039 | — |
| 佣金支出 (附註 (xiii)) | Commission expense (Note (xiii)) | (4,955) | — |
| 數據處理服務費支出 (附註 (xiv)) | Data processing service fee expense (Note (xiv)) | (13,079) | (10,064) |
| 物業支出 (附註 (xv)) | Premises expense (Note (xv)) | (6,431) | (3,966) |
| 內地貸款服務費支出 (附註 (xvi)) | Mainland China loan service fee expense (Note (xvi)) | (77) | (219) |
| 附屬參與貸款之費用開支 (附註 (xvii)) | Fee expense on sub-participation of loans (Note (xvii)) | (10,858) | (6,143) |

附註：

- (i) 此為本銀行存放於最終控股公司及同系附屬公司之銀行同業存款按現行市場利率而收取之利息收入。
- (ii) 此為本銀行就利率掉期交易向最終控股公司及同系附屬公司收取及支付之利息收入及支出。該等交易包括按背對背基準與最終控股公司及同系附屬公司訂立之利率掉期。
- (iii) 此為本銀行收取同系附屬公司及聯營公司之貸款利息收入。
- (iv) 此為本銀行支付最終控股公司、同系附屬公司及聯營公司之存款之利息支出。
- (v) 此為本銀行發行並由最終控股公司全數認購之總面值為100,000,000美元(二零零六年：500,000,000美元)之定息存款證而向最終控股公司支付之利息支出。

47 RELATED PARTY TRANSACTIONS

During the year, the Group entered into various transactions in the normal course of business with related parties, including the ultimate holding company, fellow subsidiaries and associates.

(a) Summary of transactions entered into during the ordinary course of business with related parties

The aggregated incomes and expenses arising from related party transactions with the ultimate holding company, fellow subsidiaries and associates are summarised as follows:

Notes:

- (i) Interest income was received on inter-bank deposits placed with the ultimate holding company and fellow subsidiaries at prevailing market rates.
- (ii) Interest income and expense were received from and paid to the ultimate holding company and fellow subsidiaries on the interest rate swaps at prevailing market rates. These transactions included interest rate swaps entered on a back-to-back basis with the ultimate holding company and fellow subsidiaries.
- (iii) Interest income was received from loans and advances to fellow subsidiaries and associates.
- (iv) Interest expense was paid on the deposits taken from the ultimate holding company, fellow subsidiaries and associates.
- (v) Interest expense was paid to the ultimate holding company for fixed rate certificates of deposit issued by the Bank which were fully subscribed by the ultimate holding company and its branches with a total nominal value of US\$100,000,000 (2006: US\$500,000,000).

賬目附註 Notes to the Accounts

47 關連交易 (續)

(a) 於一般業務過程中與關連各方達成之交易概要 (續)

附註：(續)

- (vi) 利息支出乃就本銀行發行而最終控股公司認購面值合共775,000,000美元及1,500,000,000港元之後償浮息票據而支付予最終控股公司(附註39)。
- (vii) 期權溢價支出淨額乃本銀行就各類期權合約按現行市場價格支付最終控股公司之款項。
- (viii) 根據二零零一年七月三日訂立之合作協議及二零零五年二月四日訂立之補充合作協議，管理費收入乃本銀行就提供會計與預算、內部稽核、市場推廣及後台清算及結算等服務而向中國工商銀行之香港分行(「分行」)收取之費用。根據二零零七年九月二十八日訂立之合作協議，管理費收入乃本銀行就提供管理、行政及市場推廣等信用卡服務而向最終控股公司收取之費用。
- (ix) 根據二零零二年十二月十八日訂立之外判協議及二零零五年二月四日訂立之補充外判協議，服務費收入乃就本銀行為分行於二零零二年十二月十八日開始在香港推出信用卡業務而提供之管理、行政及市場推廣服務向分行收取之款項。此項收入自收購分行信用卡業務後，於二零零六年四月一日起終止。
- (x) 根據二零零四年十二月三十一日訂立之許可使用協議，分行就使用香港中環花園道3號中國工商銀行大廈28樓部份樓面向本銀行支付物業支出款項。
- (xi) 根據二零零四年十二月三十一日及二零零五年四月一日分別訂立之兩份許可使用協議，ICEA Services Limited就使用香港中環花園道3號中國工商銀行大廈25樓2501-2室及26樓全層向本銀行支付物業支出款項。
- (xii) 佣金收入乃因向最終控股公司、同系附屬公司及聯營公司提供銀行服務而收取。
- (xiii) 佣金支出乃就一間聯營公司提供的保險業務而支付。
- (xiv) 根據二零零二年二月二十一日訂立之服務協議、二零零五年二月四日訂立之補充服務協議及二零零六年九月二十八日訂立之第二份補充服務協議，服務費支出乃就最終控股公司向本銀行提供之數據處理服務而向最終控股公司支付之款項。
- (xv) 根據二零零一年七月三日訂立之合作協議、二零零五年二月四日訂立之補充合作協議及於二零零一年十二月二十七日訂立之特許協議，物業支出乃就本銀行佔用分行所租用部份樓面向分行支付之款項。此項收入自收購分行信用卡業務後，於二零零六年四月一日起終止。根據二零零六年七月三十一日訂立的租賃協議，物業及管理費用支出乃就本銀行中環分行租用香港中環皇后大道中9號1樓之部份樓面向同系附屬公司支付之款項。
- (xvi) 服務費支出乃就相關中國工商銀行分行向本銀行提供協助辦理內地貸款業務。
- (xvii) 費用支出乃就分行參與銀團貸款而支付。

47 RELATED PARTY TRANSACTIONS (continued)

(a) Summary of transactions entered into during the ordinary course of business with related parties (continued)

Notes: (continued)

- (vi) Interest expense was paid to the ultimate holding company for subordinated floating rate notes issued by the Bank which are subscribed by the ultimate holding company and its branch with nominal amounts of US\$775,000,000 and HK\$1,500,000,000 (Note 39).
- (vii) Net option premium expense was paid to the ultimate holding company on the various option contracts at prevailing market rates.
- (viii) In accordance with the collaboration agreement dated 3 July 2001 and the supplemental collaboration agreement dated 4 February 2005, management fee income was received from the Hong Kong Branch of ICBC (the "Branch") for the provision of services such as accounting and budgeting, internal audit, marketing and back office settlement and clearing. In accordance with the Collaboration Agreement dated 28 September 2007, management fee income was received from the ultimate holding company for the provision of management, administrative and marketing services of its credit card business.
- (ix) In accordance with an outsourcing agreement dated 18 December 2002, and the supplemental outsourcing agreement dated 4 February 2005, service fee income was received from the Branch for the provision of management, administrative and marketing services in respect of credit card business of the Branch launched in Hong Kong commencing from 18 December 2002. This transaction was expired from 1 April 2006 followed the acquisition of the credit card business of the Branch.
- (x) In accordance with the licence agreement dated 31 December 2004, premises expense was paid by the Branch to the Bank for using a portion of floor area on the 28th floor, ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (xi) In accordance with a licence agreements dated 31 December 2004 and 1 April 2005 respectively, premises expenses was paid by ICEA Services Limited to the Bank for using Suites 2501-2 and the 26th floor, ICBC Tower, 3 Garden Road, Central, Hong Kong.
- (xii) Commission income was received from banking services provided to the ultimate holding company, fellow subsidiaries and associates.
- (xiii) Commission expense was paid on insurance services rendered by an associate.
- (xiv) In accordance with a service levels agreement dated 21 February 2002, a supplemental services levels agreement dated 4 February 2005 and a second supplemental services levels agreement dated 28 September 2006, service fee expense was paid to the ultimate holding company for the provision of data processing services to the Bank.
- (xv) In accordance with a collaboration agreement dated 3 July 2001, a supplemental collaboration agreement dated 4 February 2005 and a licence agreement dated 27 December 2001, premises expense was paid to the Branch for using a portion of floor area rented by the Branch. This transaction was expired from 1 April 2006 followed the acquisition of the credit card business of the Branch. In accordance with a tenancy agreement dated 31 July 2006, premises expense was paid to a fellow subsidiary for using a portion of the first floor of No.9 Queen's Road Central, Hong Kong.
- (xvi) Service fee was paid to related ICBC branches for assisting the Bank in the Mainland China loan business.
- (xvii) Fee was paid to the Branch on sub-participation of syndicated loans.

賬目附註 Notes to the Accounts

47 關連交易 (續)

(b) 向關連各方買賣若干資產

從屬參與貸款

於本年度，本銀行與最終控股公司、最終控股公司之分行(「分行」)及同系附屬公司訂立多宗資本市場交易。該等交易包括分行從屬參與本銀行之貸款，涉及金額合共為405,138,954,000港元(二零零六年：47,829,544,000港元)，以及本銀行以類似方式從屬參與分行、最終控股公司及該分行之貸款，涉及金額合共為112,357,231,000港元(二零零六年：31,364,597,000港元)。上述交易應佔費用10,858,000港元(二零零六年：6,143,000港元)乃於二零零七年支付。該等交易乃按相關貸款協議之條款(如適用)或可供比較之現行市場價格定價，或以不遜於給予其他獨立銀團貸款成員之條款定價。

買賣債券

年內，本銀行向最終控股公司及分行購買債券6,433,000港元(二零零六年：38,857,000港元)。本銀行向分行及同系附屬公司出售之債券賬面值為277,532,000港元(二零零六年：436,571,000港元)。此等交易乃參考現行市場價格按正常商業條款訂立。

(c) 最終控股公司作出之承諾

為表示對本銀行之支持，最終控股公司於二零零一年七月三日發出信心保證書。據此，最終控股公司將向本銀行提供所需資金，以確保其維持充足資本及流動資金水平。

於二零零一年七月三日，最終控股公司及本銀行訂立一份擔保協議。據此，最終控股公司同意就根據業務轉讓協議轉讓予本銀行之「大額風險」作出高達9,000,000,000港元之擔保，並就該等客戶一旦違約所產生損失對本銀行作出賠償保證。於二零零七年十二月三十一日，本銀行就該項擔保大額風險所保障之資產負債表項目之金額達39,444,000港元(二零零六年：140,315,000港元)。

47 RELATED PARTY TRANSACTIONS (continued)

(b) Purchase and sale of certain assets from/to related parties

Sub-participation of loans

During the year, the Bank entered into various capital market transactions with the ultimate holding company, the branches of the ultimate holding company ("the Branches") and fellow subsidiaries. These transactions included sub-participation in loans of the Bank by the Branch, the ultimate holding company and the Branches for a total of HK\$405,138,954,000 (2006: HK\$47,829,544,000) and similar sub-participation in loans of the Branches, the ultimate holding company and the Branch by the Bank for a total of HK\$112,357,231,000 (2006: HK\$31,364,597,000). Fee attributable to the above transactions of HK\$10,858,000 was paid in 2007 (2006: HK\$6,143,000). These transactions were priced based either on the terms of the underlying loan agreements, if applicable, or prevailing market rates if such comparable rates were available, or on terms that were no less favourable than those available to other independent loan members.

Purchase and sale of debt securities

During the year, the Bank purchased debt securities of HK\$6,433,000 (2006: HK\$38,857,000) from the ultimate holding company and the Branches. Debt securities with total carrying value of HK\$277,532,000 (2006: HK\$436,571,000) were sold by the Bank to the Branch and the fellow subsidiaries. These transactions were entered into on normal commercial terms with reference to prevailing market rates.

(c) Undertaking from the ultimate holding company

To demonstrate its support to the Bank, a Letter of Comfort dated 3 July 2001 was issued by the ultimate holding company, pursuant to which it will provide the Bank with such funding as may be required by the Bank to ensure that it will maintain sufficient capital and liquidity levels.

Simultaneously on 3 July 2001, the ultimate holding company and the Bank entered into a guarantee agreement pursuant to which the ultimate holding company agreed to guarantee to the extent of HK\$9,000,000,000 the payment obligations of certain customers whose "large exposures" were transferred to the Bank pursuant to a business transfer agreement and to indemnify the Bank in respect of any losses incurred if any obligation of such customers becomes unenforceable. The amount of such on-balance sheet large exposures of the Bank covered by this guarantee as at 31 December 2007 was HK\$39,444,000 (2006: HK\$140,315,000).

賬目附註 Notes to the Accounts

47 關連交易 (續)

- (d) 以下為損益表項目中與最終控股公司的具重大影響力之股東的關連交易：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|--------------|---|-------------------------|-------------------------|
| 損益表 | Income statement | | |
| 備供銷售金融投資利息收入 | Interest income from available-for-sale financial investments | 10,785 | 27,189 |
| 存款利息支出 | Interest expense from deposits | 55,924 | 8,268 |

(e) 與其他國家控制實體之交易

隨著最終控股公司於二零零六年在聯交所上市後，本集團遵從最終控股公司採納關連人士的定義，並只認為下列受國家控制實體為關連人士：

- 中國財政部 (「財政部」)
- 中央滙金投資有限責任公司 (「滙金」)
- 滙金依照中國政府指示擁有股本權益之若干其他銀行及金融機構。
- 本集團於正常業務過程中按正常商業條款達成交易之關連人士。該等交易包括貸款、存款、投資證券、貨幣市場交易及資產負債表外風險項目。該等交易於進行交易時按相關市場利率進行。

47 RELATED PARTY TRANSACTIONS (continued)

- (d) Included in the following income statement items are related party transactions with a shareholder with a significant influence over the ultimate holding company:

(e) Transactions with other state-controlled entities

Following the listing of the ultimate holding company on the Stock Exchange, in 2006, the Group follows the definitions of related parties adopted by the ultimate holding company and only the following state-controlled entities are considered as related parties:

- The Ministry of Finance PRC ("MOF")
- Central SAFE Investments Limited ("Huijin")
- Banks and financial institutions under the direction of the PRC government in which Huijin has equity interests
- Related parties which the Group enters into transactions with in the Group's ordinary course of business on normal commercial terms. These transactions include loans, deposits, investment securities, money market transactions and off-balance sheet exposures and they are executed at the relevant market rates at the time of the transactions.

賬目附註 Notes to the Accounts

47 關連交易 (續)

(e) 與其他國家控制實體之交易 (續)

年末之關連交易之主要結餘，以及年內之主要關連收入及／或開支載列如下：

(i) 客戶、銀行同業及其他金融機構之貸款

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|-----------|--|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | 30 | – |
| 年內已確認利息收入 | Interest income recognised during the year | 49 | 10 |

(ii) 投資證券

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|---------------------|--|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | | |
| — 持作買賣用途之金融資產 | – financial assets held for trading | 61 | 43 |
| 本年度出售可供銷售金融 投資收益 | Gain on disposal of available-for-sale financial investments recognised during the year | – | 1 |
| 本年度其他營業(支出)／收入 | Other operating (expense)/income recognised during the year | (5) | 13 |

(iii) 在銀行及其他金融機構之存款及貸款

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|----------|--|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | 1,499 | 2,007 |
| 本年度利息總收入 | Interest income recognised during the year | 56 | 58 |

47 RELATED PARTY TRANSACTIONS (continued)

(e) Transactions with other state-controlled entities (continued)

The significant outstanding balances of related party transactions at the year end, and the related major incomes and/or expenses for the year are as follows:

(i) Loans and advances to customers, banks and other financial institutions

(ii) Investment securities

(iii) Placements with and advances to banks and other financial institutions

賬目附註 Notes to the Accounts

47 關連交易 (續)

(e) 與其他國家控制實體之交易 (續)

(iv) 銀行及其他金融機構之存款及結餘

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|----------|---|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | 1,926 | – |
| 本年度利息總支出 | Interest expense recognised during the year | 59 | 99 |

(v) 客戶存款

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|----------|---|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | 2,000 | 421 |
| 本年度利息總支出 | Interest expense recognised during the year | 32 | 6 |

(vi) 其他

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|-----------|---|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | – | 931 |
| 本年度利息總支出 | Interest expense recognised during the year | – | 27 |
| 本年度其他營業收入 | Other income recognised during the year | – | 2 |

(vii) 資產負債表外風險

| | | 2007 百萬港元 HK\$'million | 2006 百萬港元 HK\$'million |
|------|--|------------------------------|------------------------------|
| 年末結餘 | Outstanding balance at the end of the year | 435 | 41 |

(f) 主要行政人員酬金

主要行政人員酬金，包括披露於附註17(a)之本銀行董事酬金及附註17(b)之五名最高薪酬人士之酬金，如下：

47 RELATED PARTY TRANSACTIONS (continued)

(e) Transactions with other state-controlled entities (continued)

(iv) Deposits from banks and other financial institutions

(v) Deposits from customers

(vi) Others

(vii) Off-balance sheet exposures

(f) Key management personnel remuneration

Remuneration for key management personnel, including the Bank's director emoluments as disclosed in Note 17(a) and the emoluments of the five highest paid individuals as disclosed in Note 17(b), is as follow:

| | | 本集團及本銀行 Group and Bank | |
|------|-------------------|---------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| 僱員福利 | Employee benefits | 22,713 | 26,811 |

賬目附註 Notes to the Accounts

47 關連交易 (續)

(g) 與主要行政人員之重大交易

於本年度內，本集團與關連人士在正常商業活動下進行之銀行交易，包括貸款，存款及其他金融相關交易，關連人士包括本銀行之主要行政人員，其家庭成員及受其控制或重大影響之公司。

與本集團及本銀行之主要人員及其有關連人士的重大交易如下：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|------|--------------------|-------------------------|-------------------------|
| 貸款 | Loans and advances | 6,562 | 5,447 |
| 存款 | Deposits | 26,734 | 22,747 |
| 利息收入 | Interest income | 362 | 220 |
| 利息支出 | Interest expense | 1,216 | 809 |

48 最終控股公司

於中華人民共和國註冊成立之中國工商銀行股份有限公司乃本銀行之最終控股公司。

49 結算日後事項

於二零零七年十二月二十七日，本銀行之最終控股公司與Fortis Bank SA/NV訂立一份協議，以代價合共約19.2億港元收購本銀行之100,913,330股股份及11,212,592份認股權證。該項收購於二零零八年一月二十四日完成，其後最終控股公司於本銀行之股本權益增持至約71.21%。

50 比較金額

如賬目附註2.2所進一步解釋，由於本年度內採納新訂及經修訂香港財務報告準則，因此已對若干比較數額作出調整以符合本年度之呈報方式，並就二零零七年首次披露之項目單獨呈列比較數額。

51 賬目之批准

本賬目於二零零八年三月十三日經董事會批准及授權發出。

47 RELATED PARTY TRANSACTIONS (continued)

(g) Material transactions with key management personnel

During the year, the Group entered into certain banking transactions consisting of loans and advances, deposits and other financial related transactions with related parties in the normal course of business. The related parties include key management personnel of the Bank, their close family members and companies controlled or significantly influenced by them.

Material transactions conducted with key management personnel and related parties of the Group and the Bank are as follows:

48 THE ULTIMATE HOLDING COMPANY

In the opinion of the directors, the ultimate holding company of the Bank is Industrial and Commercial Bank of China Limited, which is incorporated in the People's Republic of China.

49 POST BALANCE SHEET EVENT

On 27 December 2007, the ultimate holding company of the Bank has entered into an agreement on acquiring 100,913,330 ordinary shares and 11,212,592 warrants of the Bank from Fortis Bank SA/NV at a consideration of approximately HK\$1.92 billion in aggregate. The acquisition was completed on 24 January 2008, and the ultimate holding company's equity interest in the Bank increased to approximately 71.21% thereafter.

50 COMPARATIVE AMOUNTS

As further explained in Note 2.2 to the accounts, due to the adoption of the new and revised HKFRSs during the current year, certain comparative amounts have been adjusted to conform with the current year's presentation and to show separately comparative amounts in respect of items disclosed for the first time in 2007.

51 APPROVAL OF ACCOUNTS

The accounts were approved and authorised for issue by the Board of Directors on 13 March 2008.

附加財務資料 Supplementary Financial Information

下列資料僅為賬目附加資料之部份，並不構成經審核賬目任何部份。

The following information is disclosed as part of the accompanying information to the accounts and does not form part of the audited accounts.

1 資本充足比率及資本基礎

本銀行於二零零七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(資本)規則(「資本規則」)計算。此資本規則乃根據香港銀行業條例第98A條因應實施巴塞爾資本協定二而制定，並於二零零七年一月一日生效。本銀行因資本規則而選擇採納「標準(信貸風險)計算法」計算信貸風險之風險加權資產、採納「基本指標計算法」計算運作風險及採納「標準(市場風險)計算法」計算市場風險。根據資本規則，計算資本比率之綜合基礎乃跟隨財務報告之綜合基礎，但撇除資本規則界定為受規管金融實體(即保險及證券公司)之附屬公司。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。該等未綜合附屬公司概無任何資金短缺。未綜合附屬公司包括友聯中國業務管理有限公司、工銀亞洲投資控股有限公司、工銀亞洲金業有限公司、工銀亞洲證券有限公司、工銀亞洲信託有限公司、工銀亞洲資產管理有限公司、ICBC (Asia) Wa Pei Nominees Limited。

於二零零六年十二月三十一日的資本比率乃按香港金融管理局為監管目的規定的包括本銀行及其附屬公司狀況的經綜合基礎計算。經綜合基礎根據「就市場風險維持充足資本」之指引計入於結算日的市場風險，並遵守銀行條例附表三(「附表三」)。

鑒於資本規則與附表三之間在資本基礎及風險加權資產的綜合及計算標準方面的重大差異，資本比率不可直接進行比較。

1 CAPITAL ADEQUACY AND CAPITAL BASE

The capital ratios as at 31 December 2007 were computed in accordance with the Banking (Capital) Rules (the “Capital Rules”) issued by the Hong Kong Monetary Authority under Section 98A of the Hong Kong Banking Ordinance for the implementation of the “Basel II” with effect from 1 January 2007. In view of the Capital Rules, the Bank has adopted the “standardised (credit risk) approach” for the calculation of the risk-weighted assets for credit risk, “basic indicator approach” for the calculation of the operational risk and the “standardised (market risk) approach” for the calculation of market risk. Under the Capital Rules, the basis of consolidation in calculating the capital ratios follows that of the financial reporting with the exclusion of subsidiaries which are “regulated financial entities” (e.g., insurance and securities companies) as defined by the Capital Rules. Accordingly the investment costs of these unconsolidated subsidiaries are deducted from the capital base. There is no capital shortfall of these unconsolidated subsidiaries. Unconsolidated subsidiaries include UB China Business Management Co. Ltd, ICBC (Asia) Investment Holdings Limited, ICBC (Asia) Bullion Company Limited, ICBC (Asia) Securities Limited, ICBC (Asia) Trustee Company Limited, ICBC (Asia) Asset Management Company Limited and ICBC (Asia) Wa Pei Nominees Limited.

The capital ratios as at 31 December 2006 were computed on the consolidated basis which comprises the positions of the Bank and its subsidiaries as required by the Hong Kong Monetary Authority for its regulatory purposes, which takes into account market risks as at the balance sheet date in accordance with the Guideline “Maintenance of Adequate Capital Against Market Risks” and is in accordance with the Third Schedule to the Banking Ordinance (the “Third Schedule”).

In view of the significant differences of the basis of consolidation and the calculation of the capital base and risk-weighted assets between the Capital Rules and the Third Schedule, the capital ratios are not comparable directly.

| | | 2007 | 2006 |
|--------|------------------------|-------|-------|
| 核心資本比率 | Core capital ratio | 7.3% | 8.5% |
| 資本充足比率 | Capital adequacy ratio | 13.0% | 16.0% |

附加財務資料 Supplementary Financial Information

1 資本充足比率及資本基礎 (續)

扣減後的資本基礎總額的組成部分包括以下項目：

| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
|-----------------------------|---|-------------------------|-------------------------|
| 核心資本： | Core capital: | | |
| 繳足普通股股本 | Paid-up ordinary share capital | 2,451,904 | 2,242,518 |
| 股份溢價 | Share premium | 7,161,786 | 5,340,019 |
| 儲備 | Reserves | 1,476,433 | 1,286,434 |
| 損益表 | Income statement | 545,763 | 556,376 |
| 扣除：商譽 | Deduct: Goodwill | (973,419) | (951,787) |
| 其他無形資產 | Other intangible assets | (66,882) | – |
| 未綜合投資總額之 50% | 50% of total unconsolidated investments | | |
| 及其他扣減項目 | and other deductions | (459,898) | – |
| | | 10,135,687 | 8,473,560 |
| 合資格附加資本： | Eligible supplementary capital: | | |
| 土地及樓宇之重估公平值收益 | Fair value gains on the revaluation of land and buildings | 5,378 | 1,368 |
| 備供銷售證券及債權 | Fair value gains on the revaluation of available-for-sale equities and debt securities | 21,899 | 33,346 |
| 重估公平值收益 | Unrealised fair value gains arising from equities and debt securities designated at fair value through profit or loss | 37,330 | – |
| 指定以公平價值經損益表入賬之證券及債權未變現公平值收益 | Collective impairment allowances and regulatory reserve | 1,032,136 | 615,919 |
| 組合減值準備及法定儲備 | Perpetual subordinated debts | 3,496,256 | 3,488,960 |
| 永久後償債項 | Subordinated debts measured at amortised cost | 3,807,539 | 4,038,990 |
| 以攤銷成本入賬之後償債項 | Deduct: 50% of total unconsolidated investments and other deductions | (459,898) | – |
| 扣除：未綜合投資總額之 50%及其他扣減項目 | | | |
| | | 7,940,640 | 8,178,583 |
| 扣減前之資本基礎總額 | Total capital base before deductions | 18,076,327 | 16,652,143 |
| 自資本基礎總額內扣除 | Deductions from total capital base | – | (610,686) |
| 扣減後之資本基礎總額 | Total capital base after deductions | 18,076,327 | 16,041,457 |
| 風險加權資產： | Risk-weighted assets: | | |
| 信貸風險 | Credit risk | 130,839,560 | 99,376,679 |
| 市場風險 | Market risk | 3,120,400 | 883,113 |
| 運作風險 | Operational risk | 4,914,788 | – |
| 風險加權資產總值 | Total risk-weighted assets | 138,874,748 | 100,259,792 |

2 流動資金比率

本年度流動資金比率乃各歷月平均流動資金比率的簡單平均數，其乃按香港金融管理局的規定以綜合基準計算，且符合香港《銀行條例》第四附表。

1 CAPITAL ADEQUACY AND CAPITAL BASE (continued)

The components of the total capital base after deductions include the following items:

2 LIQUIDITY RATIO

The average liquidity ratio for the year is the simple average of each calendar month, which is computed on a consolidated basis as required by the Hong Kong Monetary Authority for its regulatory purposes, and is computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

| | | 本集團 Group | |
|-------------|--------------------------------------|--------------|-------|
| | | 2007 | 2006 |
| 本年度平均流動資金比率 | Average liquidity ratio for the year | 43.9% | 44.1% |

附加財務資料 Supplementary Financial Information

3 信貸風險、營運風險及市場風險之資本支出

(a) 信貸風險

- (i) 本集團使用下列外部信貸評級機構(「外部信貸評級機構」)根據資本規則規定的標準(信貸風險)計算法計算其資本充足要求：

- 穆迪投資服務
- 標準普爾及
- 惠譽國際

每一類風險於結算日根據標準(信貸風險)計算法計算的資本要求概要如下：

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS

(a) Credit risk

- (i) The Group uses the following external credit assessment institutions (“ECAIs”) to calculate its capital adequacy requirements under the standardised (credit risk) approach prescribed in the Capital Rules:

- Moody’s Investors Service
- Standard & Poor’s Ratings Services and
- Fitch Ratings

The capital requirements on each class of exposures under the standardised (credit risk) approach at the balance sheet date are summarised as follows:

| | | 2007 千港元 HK\$'000 |
|-------------------|---|-------------------------|
| 資產負債表項目 | On-balance sheet | |
| 主權風險 | Sovereign exposures | 35,594 |
| 公營機構風險 | Public sector entity exposures | 26,003 |
| 多邊發展銀行風險 | Multilateral development bank exposures | — |
| 銀行風險 | Bank exposures | 1,865,951 |
| 證券公司風險 | Securities firm exposures | 4,642 |
| 企業風險 | Corporate exposures | 6,286,855 |
| 組合投資計劃風險 | Collective investment scheme exposures | — |
| 現金項目 | Cash items | 10,982 |
| 規管性零售業風險 | Regulatory retail exposures | 431,024 |
| 住宅按揭貸款 | Residential mortgage loans | 370,091 |
| 其他並非逾期之風險 | Other exposures which are not past due | 398,256 |
| 逾期風險 | Past due exposures | 12,552 |
| 資本負債表風險項目之資本支出總額 | Total capital charge for on-balance sheet exposures | 9,441,950 |
| 資產負債表外項目 | Off-balance sheet | |
| 直接信貸代替品 | Direct credit substitutes | 92,899 |
| 與交易有關之或然負債 | Transaction-related contingencies | 6,392 |
| 與貿易有關之或然負債 | Trade-related contingencies | 47,096 |
| 遠期資產購置 | Forward asset purchases | 21,600 |
| 部分繳足之股份及證券 | Partly paid-up shares and securities | — |
| 遠期對遠期存款 | Forward deposits placed | 124,987 |
| 可無條件撤銷之承擔 | Unconditionally cancellable commitments | — |
| 其他承擔 | Other commitments | 611,754 |
| 匯率合約 | Exchange rate contracts | 86,175 |
| 利率合約 | Interest rate contracts | 28,508 |
| 股本權益合約 | Equity contracts | 70 |
| 根據有效雙邊淨額結算協議達成之 | OTC derivative transactions and credit derivative contracts | — |
| 場外衍生工具交易及信貸衍生工具合約 | subject to valid bilateral netting agreements | — |
| 本報告其他部分未予列出之 | Other off-balance exposures which are not elsewhere specified | — |
| 其他資產負債表外風險 | | |
| 資產負債表外風險之資本支出總額 | Total capital charge for off-balance sheet exposures | 1,019,481 |
| 信貸風險之資本支出總額 | Total capital charge for credit risk | 10,461,431 |

資本要求乃以本集團由相關計算法得出之風險加權額乘以8%計算，並不反映本集團的實際監管資本。

The capital requirement is made by multiplying the Group’s risk-weighted amount derived from the relevant calculation approach by 8%. It does not reflect the Group’s actual regulatory capital.

附加財務資料 Supplementary Financial Information

3 信貸風險、營運風險及市場風險之資本支出 (續)

(a) 信貸風險 (續)

- (ii) 由上述外部信貸評級機構評估的風險按下列風險類別分類：

- 主權風險
- 公營機構風險
- 多邊發展銀行風險
- 銀行風險
- 證券公司風險
- 企業風險
- 組合投資計劃風險

- (iii) 本集團銀行簿冊內用以列示外部信貸評級機構發行人評級或外部信貸評級機構發行特定評級的程序與資本規則內之規定一致。

(b) 營運風險

香港金融管理局已根據資本規則第24(1)(a)條批准本集團使用巴塞爾資本協定二之基本指標計算法以計算其營運風險。因此，本集團於管理營運風險方面應用此方法，但同時採納香港金融管理局之有關監管指引。於二零零七年十二月三十一日，營運風險之資本支出為393,183,040港元。本集團擬於二零零八年最後季度應用香港金融管理局之標準化方法計算營運風險。

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

(a) Credit risk (continued)

- (ii) Where exposures have been rated by the above-mentioned ECAIs, they are categorised under the following class of exposures:

- Sovereign exposures
- Public sector entity exposures
- Multilateral development bank exposures
- Bank exposures
- Securities firm exposures
- Corporate exposures
- Collective investment scheme exposures

- (iii) The process used to map the ECAI issuer ratings or the ECAIs issue specific ratings in the Group's banking book is consistent with those prescribed in the Capital Rules.

(b) Operational risk

The Hong Kong Monetary Authority has granted approval under section 24(1)(a) of the Capital Rules for the Group to use the Basel II Basic Indicator Approach to calculate its operational risk. The Group thus applies this approach in managing operational risk, but is simultaneously adopting the relevant supervising guidelines of the HKMA. As at 31 December 2007, the capital charge for operational risk amounted to HK\$393,183,040. The Group targets to apply to HKMA by the last quarter of 2008 for switching into the Standardised Approach to calculate its operational risk.

附加財務資料 Supplementary Financial Information

3 信貸風險、營運風險及市場風險之資本支出 (續)

(c) 市場風險

目前由交易業務進行之市場風險活動基本上可劃分為「交易賬項」及「非交易賬項」。

交易賬項：

交易賬項包括於備供銷售或交易意向為自實際及／或預期短期價格或利息變動中獲益而認購之金融工具及衍生工具之私有倉盤。私有交易活動於目前階段相對並不大。

本集團於新巴塞爾資本協定二規則中為其市場風險採用「標準計算法」。於二零零七年十二月三十一日之交易賬項倉盤及彼等之資本支出為249,632,000港元。於二零零七年十二月三十一日有關交易賬項之市場風險資本規定如下：

| 風險類型 | Risk type | 市場風險資本支出 Market risk capital charges (千港元) (HK\$'000) |
|-------------|--|--|
| 利率風險－特定風險 | Interest rate exposure – specific risk | 63 |
| 利率風險－一般市場風險 | Interest rate exposure – general market risk | 91,330 |
| 股本風險 | Equity exposures | 6,016 |
| 外匯風險 | Foreign exchange exposures | 152,223 |
| 商品風險 | Commodity exposures | – |
| 總計 | Total | 249,632 |

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

(c) Market risk

Market risk activities currently undertaken by trading businesses can basically be divided into “Trading Book” and “Non-Trading Book”.

Trading book:

It consists of proprietary positions in financial instruments and derivatives which are held for re-sale or which are taken on with the trading intention of benefiting from actual and/or expected short-term price or interest movements. Proprietary trading activities are relatively not sizeable at this stage.

The Group applies the “standardised approach” for its market risk in BASEL II Capital Rules. The trading book positions as at 31 December 2007 and their capital consumptions are as HK\$249,632,000. The market risk capital requirement for trading books as at 31 December 2007 was:

附加財務資料 Supplementary Financial Information

3 信貸風險、營運風險及市場風險之資本支出(續)

(c) 市場風險(續)

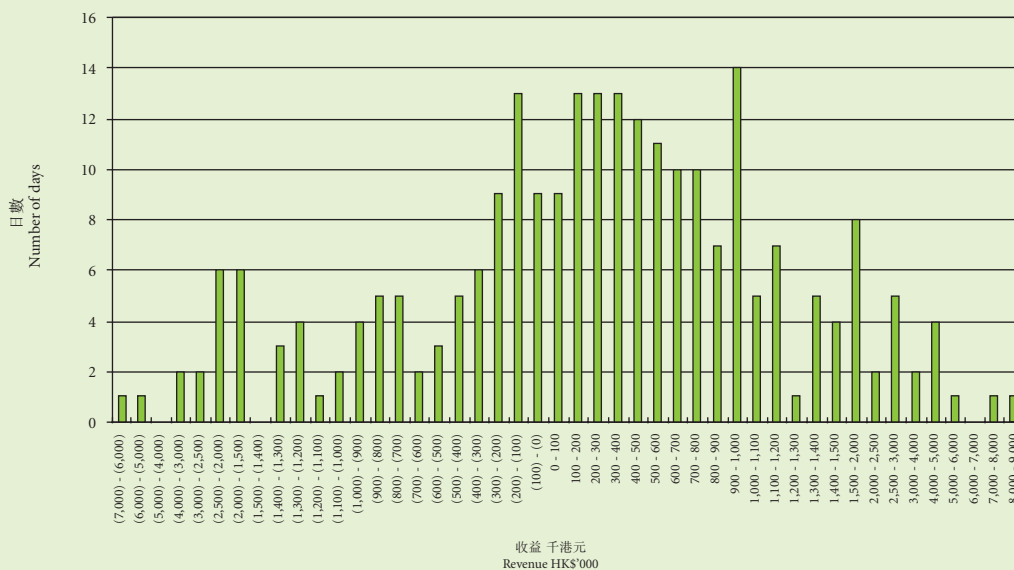
以下柱狀圖顯示截至二零零七年及二零零六年十二月三十一日年度本集團之市場風險活動有關之每日收入頻率分類。

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

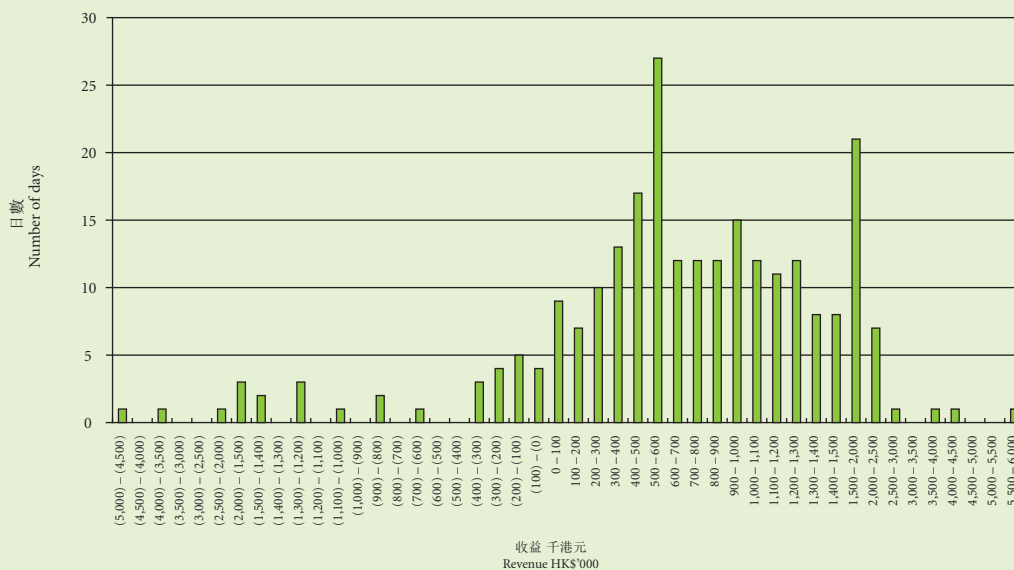
(c) Market risk (continued)

The following histograms show the frequency distribution of daily revenues related to market risk activities of the Group for years ended 31 December 2007 and 2006.

截至二零零七年十二月三十一日止年度
For the year ended 31 December 2007



截至二零零六年十二月三十一日止年度
For the year ended 31 December 2006



附加財務資料 Supplementary Financial Information

3 信貸風險、營運風險及市場風險之資本支出(續)

4.3 市場風險(續)

(c) 市場風險(續)

非交易賬項

非交易賬項包括因資金及流動資金活動產生之ALM利率風險倉盤以及債券投資及自非庫務業務之資產負債表活動。由財資部進行之債券活動大部分作投資及流動資金用途。

4 資產證券化

年內，本銀行於所有證券化風險中均僅為投資者。穆迪投資者服務、標準普爾及惠譽國際的評級方法獲採納用於評定證券化風險。由於本銀行所持證券化風險均由資本規則指定的認可外部信貸評級機構進行評估，本銀行採用標準(證券化)計算法計算加權信貸風險。本銀行密切監控相關風險。

下表列示所有證券化風險於二零零七年十二月三十一日：

3 CAPITAL CHARGE FOR CREDIT, OPERATIONAL AND MARKET RISKS (continued)

4.3 Market risk (continued)

(c) Market risk (continued)

Non-trading Book

It consists of ALM interest rate risk positions arising from funding and liquidity management as well as debt securities investment and balance sheet activities from non-treasury business. Debt securities activities undertaken by Treasury & Markets are largely for investment and liquidity management purpose.

4 ASSET SECURITISATION

During the year, the Bank only acts as an investor in all securitisation exposure. Ratings from Moody's Investors Service, Standard & Poor's and Fitch Ratings are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Bank are all rated by recognised ECAI designated by the Capital Rules, the Bank uses the standardised (securitisation) approach to calculate the weighted credit risk for the exposures. The Bank closely monitors the risk arising from these exposures.

The following table indicates the securitisation exposures as at 31 December 2007:

| 證券化類別風險承擔 | Securitisation exposures | 餘額 Outstanding amounts 千港元 HK\$'000 | 風險加權金額 Risk-weighted amounts 千港元 HK\$'000 | 資本規定 Capital requirements 千港元 HK\$'000 | 扣減風險承擔從 Exposures deducted from its | |
|-----------|-----------------------------|---|---|--|--|---|
| | | | | | 核心資本 Core capital 千港元 HK\$'000 | 附加資本 Supplementary capital 千港元 HK\$'000 |
| 傳統證券化 | Traditional securitisations | | | | | |
| 分期貸款 | Instalment loan | 101,895 | 20,379 | 1,630 | - | - |
| 零售購物中心物業 | Retail mall properties | 98,046 | 19,609 | 1,569 | - | - |
| 經銷權 | Franchise | 63,347 | 31,674 | 2,534 | - | - |
| 其他 | Others | 78,546 | - | - | 39,273 | 39,273 |
| | | 341,834 | 71,662 | 5,733 | 39,273 | 39,273 |

於二零零七年十二月三十一日根據標準(證券化)方法計算的證券化風險資本要求為5,723,926港元。於二零零七年十二月三十一日根據資產證券化的核心及附加附本的可扣減項目為78,546,385港元。

The capital requirement of securitisation exposure under standardised (securitisation) approach at 31 December 2007 was HK\$5,732,926. The deductible items from core and supplementary capital under asset securitisation at 31 December 2007 amounted to HK\$78,546,385.

附加財務資料 Supplementary Financial Information

5 與對手方信貸風險有關之風險承擔

本銀行已採納現行風險承擔法釐定銀行及交易簿冊內的場外衍生工具交易對手方信貸風險的風險承擔額。於二零零七年十二月三十一日，本銀行概無任何回購交易或信貸衍生工具合約。於二零零七年十二月三十一日，概無持有任何包括已確認信貸衍生工具合約的已確認抵押品作為與對手方信貸風險有關的風險承擔的信貸保障。

下表列示按標準計算法計算的與對手方信貸風險有關的風險承擔相關資料：

| | | 總正數公平價值 Gross total positive fair value 千港元 HK\$'000 | 信貸等值 Credit equivalent 千港元 HK\$'000 | 風險加權額 Risk weighted amount 千港元 HK\$'000 |
|-----------|------------------------------|--|---|---|
| 二零零七年 | 2007 | | | |
| 場外衍生工具交易： | OTC derivative transactions: | | | |
| 銀行 | Bank | 776,997 | 1,935,964 | 804,720 |
| 其他 | Others | 345,707 | 681,282 | 629,686 |
| | | 1,122,704 | 2,617,246 | 1,434,406 |

雙邊淨額結算安排對衍生工具交易信貸等值數額並沒有影響。

6 減低信貸風險

(a) 管理及確認減低信貸風險之程序

本銀行已就按標準計算法計算的所有類別信貸風險承擔(包括有場外衍生工具交易產生的與對手方信貸風險有關的風險承擔)制定經信貸委員會批准之管理及確認減低信貸風險的政策。本銀行審慎評估抵押品是否符合資格及其質素。可接納的減低信貸風險方法由信貸委員會及／或監管機構所界定。本銀行亦就抵押品指定安全的託管人，並定期重新評估及密切監控。有價證券每日按市價調整，如未能進行每日重新評估／按市價調整，最少每月一次進行重估，而物業須定期作出重估。

就監管資本的計算而言，只有資本規則界定的獲確認抵押品及擔保方可視為獲確認信貸風險減低措施。本銀行於確定信貸風險減低時應用資本規則規定的簡單標準。

5 COUNTERPARTY CREDIT RISK-RELATED EXPOSURE

The Bank has adopted current exposure method (CEM) to determine the exposure amount for inter-bank counterparty credit risk which arises from OTC derivative transactions in banking and trading books. At 31 December 2007, there are no repo-style transactions nor credit derivative contracts in the Bank. No recognised collateral including recognised credit derivative contracts is held as credit protection for counterparty credit risk related exposure at 31 December 2007.

The following table indicates the information of counterparty credit risk-related exposures under standardised approach:

6 CREDIT RISK MITIGATION

(a) Process of managing and recognising credit risk mitigation

The Bank has established policies on managing and recognising credit risk mitigation, which are approved by credit committee, for all types of credit exposure under standardised approach including counterparty credit risk related exposure which arises from OTC derivative transactions. The Bank applies prudent assessments of eligibility and quality of collateral. Acceptable credit risk mitigations are as defined by Credit Committee and/or regulatory authorities. The Bank also adheres to safe custodian of collateral, regular re-valuation and close monitoring. Marketable securities are marked to market on a daily basis or, if daily revaluation/marked to market is unavailable, a minimum of once a month, whilst properties are revalued periodically.

For regulatory capital calculation, only recognised collaterals and guarantee defined in the Capital Rules are considered as recognised credit risk mitigations. The Bank applies the simple approach criteria as stipulated in the Capital Rules in ascertaining credit risk mitigation.

附加財務資料 Supplementary Financial Information

6 減低信貸風險 (續)

(a) 管理及確認減低信貸風險之程序 (續)

獲認可抵押品包括合資格擔保、現金存款、黃金、股份、債券及可轉讓證券的滙集投資，商業不動產、住宅不動產、汽車及設備。減低後的風險承擔額以抵押品採用資本規則規定的標準監督扣減率的現值釐定。獲確認擔保人為風險權重低於借方的任何主權機構、公營機構、銀行及受規管證券公司或其內部評定級別等同於 A- 或以上的外部評級的公司。

於二零零七年十二月三十一日，擔保人主要類型及其外部評級分析如下：

| 擔保人類別 Class of guarantors | 標準普爾等同 S & P's equivalent | | 保證金額 Guaranteed amount 千港元 HK\$'000 |
|------------------------------|------------------------------|------------------|--|
| 銀行 | Bank | AAA/AA- A+/A- | 21,531 2,526,378 |
| 主權機構 | Sovereign | AAA/AA- | 118,790 |
| | | | 2,666,699 |

本集團使用的信貸風險減低措施(獲確認抵押品及擔保)之信貸及市場風險集中，惟房產除外，其風險減低措施廣泛參照借款予非銀行機構及非機構客戶。

6 CREDIT RISK MITIGATION (continued)

(a) Process of managing and recognising credit risk mitigation (continued)

Recognised collateral include eligible guarantee, cash deposit, gold, shares, debt securities and collective investments in transferable securities, commercial real estate, residential real estate, vehicles and equipments. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down by the Capital Rules to the current collateral value. Recognised guarantor is any sovereign entity, public sector entity, bank and regulated securities firm with a lower risk weight than that of the borrower, or company that are internally rated with a rating equivalent to external rating of A- or better.

The main types of guarantor and their external ratings as at 31 December 2007 are analysed as follows:

There are limited credit and market risks concentrations within the credit risk mitigants (recognised collateral and guarantees) used by the Group, except for real estate which is extensively relied on for risk mitigation in lending to non-bank corporate and non-corporate customers.

附加財務資料 Supplementary Financial Information

6 減低信貸風險(續)

(b) 信貸風險承擔

標準普爾評級服務、穆迪投資者服務及惠譽評級為本集團就以下各類及所有類別風險承擔使用的外部信貸評級機構。其用以列示外部信貸評級機構對其銀行簿冊內所載風險承擔發行人評級的程序為資本規則第4部分所規定的程序。

6 CREDIT RISK MITIGATION (continued)

(b) Credit risk exposures

Standard & Poor's Ratings Services, Moody's Investors Service and Fitch Ratings are the ECAIs that the Group uses in relation to each and all classes of exposures below. The process it used to map the ECAI issuer ratings of the exposures booked in its banking book is a process as prescribed in Part 4 of the Capital Rules.

| 風險承擔類別 Class of exposures | 風險承擔總額* Total Exposures* | 經獲確認為信貸風險減低措施調整後的風險承擔 Exposures after recognised credit risk mitigation | | 風險加權額 Risk weighted amounts | | 風險加權總額 Total risk weighted amounts | 抵押品可擔保的風險承擔 Exposure covered by collateral | 擔保可擔保的風險承擔 Exposure covered by guarantees |
|---|---|--|--|--|--|---------------------------------------|---|--|
| | | 已評定 [†] Rated [†] | 未評定 [@] Unrated [@] | 已評定 [†] Rated [†] | 未評定 [@] Unrated [@] | | | |
| 資產負債表項目 On-balance sheet | | | | | | | | |
| 主權 | Sovereign | 3,145,652 | 3,145,652 | 112,881 | 444,930 | - | 444,930 | - |
| 公營機構 | Public sector entity | 1,467,868 | 1,467,868 | 325 | 324,978 | 65 | 325,043 | - |
| 多邊發展銀行 | Multilateral development bank | - | - | - | - | - | - | - |
| 銀行 | Bank | 71,726,306 | 28,959,483 | 45,283,915 | 7,381,481 | 15,942,904 | 23,324,385 | - |
| 證券公司 | Securities firm | 116,051 | - | 116,051 | - | 58,026 | 58,026 | - |
| 企業 | Corporate | 86,202,352 | 11,376,255 | 69,952,096 | 8,649,532 | 69,936,154 | 78,585,686 | 2,345,118 |
| 組合投資計劃 | Collective investment scheme | - | - | - | - | - | - | - |
| 現金項目 | Cash items | 219,397 | - | 3,170,619 | - | 137,273 | 137,273 | - |
| 受規管零售業務 | Regulatory retail | 7,591,577 | - | 7,183,732 | - | 5,387,800 | 5,387,800 | 376,085 |
| 住址按揭貸款 | Residential mortgage loans | 12,025,731 | - | 11,988,229 | - | 4,626,138 | 4,626,138 | 37,501 |
| 其他並非逾期的風險承擔 | Other exposures which are not past due | 5,240,377 | - | 4,978,203 | - | 4,978,203 | 4,978,203 | 262,174 |
| 逾期風險承擔 | Past due exposures | 138,928 | - | 138,928 | - | 156,901 | 156,901 | 77,297 |
| 資產負債表外項目 Off-balance Sheet | | | | | | | | |
| 除場外衍生工具交易或 信貸衍生工具合約以外的 資產負債表外風險承擔 | Exposures other than OTC derivative transactions or credit derivative contracts | 19,353,569 | 666,527 | 18,687,042 | 666,415 | 10,642,693 | 11,309,108 | 1,655,811 |
| 場外衍生工具交易 | OTC derivative transactions | 2,617,246 | 453,933 | 2,163,313 | 106,420 | 1,327,986 | 1,434,406 | - |
| 信貸衍生工具合約 | Credit derivative contracts | - | - | - | - | - | - | - |
| 本報告其他部分未予列出的 其他資產負債表外風險承擔 | Other off-balance sheet exposures not elsewhere specified | - | - | - | - | - | - | - |
| 自資本基礎扣除的風險承擔 | Exposures deducted from capital base | 919,796 | - | - | - | - | - | - |

* 代表扣除個別減值後的本金額或信貸等值數額(如適當)

[†] 包括具有外部信貸評級機構發行特定評級的風險承擔及具有推定評級的風險承擔(即並無發行特定評級但其風險權值已根據資本規則釐定的風險承擔參考外部信貸評級機構就風險承擔給予債務人的發行人評級或外部信貸評級機構就債務人的任何其他風險承擔作出的發行評級)

[@] 代表既無外部信貸評級機構發行特定評級亦無推定評級的風險承擔

* Representing principal amount or credit equivalent amount, as applicable, net of individual impairments

[†] Including exposures with the ECAI issue specific rating and exposures which have an inferred rating (i.e. exposures which do not have an issue-specific rating but whose risk-weights are determined under the Capital Rules by reference to an ECAI issuer rating assigned to the obligor of the exposure or to an ECAI issue rating of any other exposures of the obligor)

[@] Representing exposures which do not have the ECAI issue specific rating nor inferred rating

附加財務資料 Supplementary Financial Information

7 分部資料

(a) 客戶、銀行及其他金融機構之貸款

客戶、銀行及其他金融機構之貸款—按地域劃分

本集團經計及任何風險轉移因素後按國家或地區劃分的客戶、銀行及其他金融機構之貸款總額如下：

| | | 客戶、銀行及其他 金融機構之貸款總額 Gross advances to customers, banks and other financial institutions 千港元 HK\$'000 | 逾期三個月 以上貸款 Overdue advances for over three months 千港元 HK\$'000 | 減值貸款 Impaired loans and advances 千港元 HK\$'000 | 個別減值準備 Individual impairment allowance 千港元 HK\$'000 | 組合減值準備 Collective impairment allowance 千港元 HK\$'000 |
|--------------------------|---|--|--|--|--|--|
| 二零零七年 | 2007 | | | | | |
| 香港 | Hong Kong | 80,072,327 | 98,122 | 640,984 | 119,703 | 168,449 |
| 內地 | Mainland China | 25,100,485 | 5,557 | 5,548 | 5,590 | 15,688 |
| 澳門 | Macau | 796,440 | 70 | 70 | - | 1,366 |
| 亞太區 (不包括香港、 內地及澳門) | Asia Pacific region (excluding Hong Kong, Mainland China and Macau) | 5,461,426 | - | - | - | 10,353 |
| 英國 | United Kingdom | 1,188,098 | - | - | - | 1,527 |
| 其他 | Others | 8,808,952 | - | - | - | 12,886 |
| | | 121,427,728 | 103,749 | 646,602 | 125,293 | 210,269 |

| | | 客戶、銀行及其他 金融機構之貸款總額 Gross advances to customers, banks and other financial institutions 千港元 HK\$'000 | 逾期三個月 以上貸款 Overdue advances for over three months 千港元 HK\$'000 | 減值貸款 Impaired loans and advances 千港元 HK\$'000 | 個別減值準備 Individual impairment allowance 千港元 HK\$'000 | 組合減值準備 Collective impairment allowance 千港元 HK\$'000 |
|--------------------------|---|--|--|--|--|--|
| 二零零六年 | 2006 | | | | | |
| 香港 | Hong Kong | 64,910,957 | 195,540 | 513,501 | 113,457 | 186,678 |
| 內地 | Mainland China | 2,118,439 | - | - | - | 20,770 |
| 澳門 | Macau | 608,717 | 7,655 | 7,655 | 7,655 | 1,737 |
| 亞太區 (不包括香港、 內地及澳門) | Asia Pacific Region (excluding Hong Kong, Mainland China and Macau) | 2,718,003 | - | 377,233 | 80,000 | 6,765 |
| 英國 | United Kingdom | 883,871 | - | - | - | 2,554 |
| 其他 | Others | 4,505,709 | - | - | - | 13,021 |
| | | 75,745,696 | 203,195 | 898,389 | 201,112 | 231,525 |

僅於申索獲其所在國家不同於對手方的人士擔保或申索乃向其總部位於另一國家的銀行的海外分行作出的情況下會轉移風險。

Risk transfers are only made if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

附加財務資料
Supplementary Financial Information

7 分部資料 (續)

(b) 跨境申索

本集團按地區分析跨境申索。編撰本分析時，本集團已計及與交易方處於不同國家之另一方所作擔保之轉移風險。佔總跨境申索10%以上之地區列示如下：

| | | 銀行及 其他金融機構 Banks and other financial institutions 百萬港元 HK\$' million | 公營機構 Public sector entities 百萬港元 HK\$' million | 其他 Others 百萬港元 HK\$' million | 總計 Total 百萬港元 HK\$' million |
|-------------|------------------------------------|--|--|---------------------------------------|--------------------------------------|
| 二零零七年 | 2007 | | | | |
| 亞太區 | Asia Pacific | | | | |
| (不包括香港) | (excluding Hong Kong) | 25,857 | 2,889 | 15,323 | 44,069 |
| 歐洲 | Europe | 40,875 | – | 884 | 41,759 |
| 二零零六年 | 2006 | | | | |
| 亞太區 (不包括香港) | Asia Pacific (excluding Hong Kong) | 12,843 | 894 | 8,094 | 21,831 |
| 北美及南美洲 | North and South America | 2,444 | 434 | 6,495 | 9,373 |
| 歐洲 | Europe | 38,425 | – | 2,228 | 40,653 |

7 SEGMENTAL INFORMATION (continued)

(b) Cross-border claims

The Group analyses cross-border claims by geographical area. In determining this analysis, the Group has taken into account of the transfers of risk with respect to claims guaranteed by a party in a country different from that of the counterparty. Those areas that constitute 10% or more of the aggregate cross-border claims are as follows:

附加財務資料 Supplementary Financial Information

7 分部資料 (續)

(c) 內地非銀行風險承擔

內地非銀行風險承擔乃按非銀行對手方類別及依據香港金融管理局銀行業(披露)規則內界定的直接風險承擔類別經參考附註(6)「貸款、墊款及準備金分析季報表—MA(BS)2A」的填報說明進行分析，包括本銀行及其海外附屬公司及分行填報的內地風險承擔。

7 SEGMENTAL INFORMATION (continued)

(c) Non-bank Mainland exposures

The analysis of non-bank Mainland exposure is based on the categories of non-bank counterparties and the types of direct exposures defined by the Hong Kong Monetary Authority under the Banking (Disclosure) Rules with reference to the completion instructions in note 6 of the “Returns of Quarterly Analysis of Loans and Advances and Provisions – MA(BS)2A”, which includes the Mainland exposures extended by the Bank and its overseas subsidiary and branch.

| | | 資產負債表 風險承擔 On-balance sheet exposure 千港元 HK\$'000 | 資產負債表外 風險承擔 Off-balance sheet exposure 千港元 HK\$'000 | 風險 承擔總額 Total exposure 千港元 HK\$'000 | 經個別 評估之準備 Individually assessed allowances 千港元 HK\$'000 |
|------------------------------------|--|---|---|--|---|
| 二零零七年 | 2007 | | | | |
| 內地實體 | Mainland entities | 16,100,628 | 1,329,091 | 17,429,719 | – |
| 其獲授信貸於內地使用的 內地以外地區公司及個人 | Companies and individuals outside Mainland where the credit is granted for use in Mainland | 7,660,219 | 1,093,919 | 8,754,138 | 74,657 |
| 本銀行認為其風險承擔屬 內地非銀行風險承擔 之其他對手方 | Other counterparties whose exposure is considered by the Bank to be non-bank Mainland exposure | 2,039,396 | 629,079 | 2,668,475 | 5,558 |
| | | 25,800,243 | 3,052,089 | 28,852,332 | 80,215 |
| 二零零六年 | 2006 | | | | |
| 內地實體 | Mainland entities | 6,436,075 | 421,926 | 6,858,001 | – |
| 其獲授信貸於內地使用的 內地以外地區公司及個人 | Companies and individuals outside Mainland where the credit is granted for use in Mainland | 6,753,983 | – | 6,753,983 | 45,203 |
| 本銀行認為其風險承擔屬 內地非銀行風險承擔 之其他對手方 | Other counterparties whose exposure is considered by the Bank to be non-bank Mainland exposure | 951,076 | 10,970 | 962,046 | – |
| | | 14,141,134 | 432,896 | 14,574,030 | 45,203 |

附加財務資料 Supplementary Financial Information

8 客戶、銀行及其他金融機構之貸款(續)

客戶、銀行及其他金融機構之貸款總額 – 按業務範圍

8 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

Gross loans and advances to customers, banks and other financial institutions by industry sector

| | | 本集團 Group | | | |
|--|--|--|--|--|--|
| | | 2007 貸款總額 Gross loans and advances 千港元 HK\$'000 | 2007 有抵押貸款 所佔百分比 % of secured advances | 2006 貸款總額 Gross loans and advances 千港元 HK\$'000 | 2006 有抵押貸款 所佔百分比 % of secured advances |
| 於本港使用之貸款 | Loans for uses in Hong Kong | | | | |
| 工業、商業及金融 | Industrial, commercial and financial | | | | |
| – 物業發展 | – Property development | 6,932,715 | 29.30% | 4,422,104 | 13.87% |
| – 物業投資 | – Property investment | 17,544,326 | 65.74% | 13,304,411 | 66.18% |
| – 與財務及金融有關 | – Financial concerns | 5,044,113 | 2.60% | 3,860,244 | 2.05% |
| – 證券經紀商 | – Stockbrokers | 115,996 | 98.87% | 147,042 | 17.35% |
| – 批發及零售業 | – Wholesale and retail trade | 3,730,013 | 54.47% | 2,194,440 | 66.01% |
| – 土木工程 | – Civil engineering works | 380,307 | 31.23% | 409,532 | 25.19% |
| – 製造業 | – Manufacturing | 3,854,159 | 45.91% | 3,255,617 | 42.88% |
| – 運輸及運輸設備 | – Transport and transport equipment | 7,865,445 | 59.99% | 8,036,027 | 56.51% |
| – 電力、燃氣及電訊 | – Electricity, gas and telecommunications | 2,091,023 | 2.94% | 936,168 | 2.69% |
| – 酒店、公寓及餐飲業 | – Hotels, boarding houses and catering | 937,490 | 9.18% | 1,121,759 | 22.08% |
| – 其他 | – Others | 4,746,507 | 26.23% | 4,796,105 | 32.05% |
| 個別人士 | Individuals | | | | |
| – 購買「居者有其屋」、 「私人機構參與計劃」及 「租者置其屋」單位 | – Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | 310,275 | 84.49% | 155,421 | 71.42% |
| – 購買其他住宅樓宇 | – Loans for the purchase of other residential properties | 11,789,246 | 97.84% | 10,736,652 | 99.55% |
| – 信用卡貸款 | – Credit card advances | 100,844 | 0.00% | 104,831 | 0.00% |
| – 其他 | – Others | 1,501,626 | 96.02% | 1,246,530 | 94.86% |
| 貿易融資 | Trade finance | 27,688,336 | 9.92% | 6,838,910 | 52.37% |
| 在本港以外使用之貸款 | Loans for uses outside Hong Kong | 26,795,307 | 18.04% | 14,179,903 | 18.26% |
| | | <u>121,427,728</u> | <u>36.78%</u> | <u>75,745,696</u> | <u>48.81%</u> |

附加財務資料 Supplementary Financial Information

8 客戶、銀行及其他金融機構之貸款(續)

客戶、銀行及其他金融機構之貸款總額 – 按業務範圍(續)

8 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

Gross loans and advances to customers, banks and other financial institutions by industry sector (continued)

| | | 本銀行 Bank | | | |
|--|--|--|--|--|--|
| | | 2007 貸款總額 Gross loans and advances 千港元 HK\$'000 | 2007 有抵押貸款 所佔百分比 % of secured advances | 2006 貸款總額 Gross loans and advances 千港元 HK\$'000 | 2006 有抵押貸款 所佔百分比 % of secured advances |
| 於本港使用之貸款 | Loans for uses in Hong Kong | | | | |
| 工業、商業及金融 | Industrial, commercial and financial | | | | |
| – 物業發展 | – Property development | 6,932,715 | 29.30% | 4,422,104 | 13.87% |
| – 物業投資 | – Property investment | 17,544,326 | 65.74% | 13,304,411 | 66.18% |
| – 與財務及金融有關 | – Financial concerns | 5,044,113 | 2.60% | 3,860,244 | 2.05% |
| – 證券經紀商 | – Stockbrokers | 115,996 | 98.87% | 147,042 | 17.35% |
| – 批發及零售業 | – Wholesale and retail trade | 3,730,013 | 54.47% | 2,180,527 | 66.43% |
| – 土木工程 | – Civil engineering works | 380,307 | 31.23% | 409,532 | 25.19% |
| – 製造業 | – Manufacturing | 3,854,159 | 45.91% | 3,255,617 | 42.88% |
| – 運輸及運輸設備 | – Transport and transport equipment | 7,865,445 | 59.99% | 8,036,027 | 56.51% |
| – 電力、燃氣及電訊 | – Electricity, gas and telecommunications | 2,091,023 | 2.94% | 936,168 | 2.69% |
| – 酒店、公寓及餐飲業 | – Hotels, boarding houses and catering | 937,490 | 9.18% | 1,121,759 | 22.08% |
| – 其他 | – Others | 4,746,507 | 26.23% | 4,756,105 | 32.32% |
| 個別人士 | Individuals | | | | |
| – 購買「居者有其屋」、 「私人機構參與計劃」及 「租者置其屋」單位 | – Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme | 310,275 | 84.49% | 155,421 | 71.42% |
| – 購買其他住宅樓宇 | – Loans for the purchase of other residential properties | 11,789,246 | 97.84% | 10,736,652 | 99.55% |
| – 信用卡貸款 | – Credit card advances | 100,844 | 0.00% | 104,831 | 0.00% |
| – 其他 | – Others | 1,501,626 | 96.02% | 1,246,530 | 94.86% |
| 貿易融資 | Trade finance | 27,688,336 | 9.92% | 6,838,910 | 52.37% |
| 在本港以外使用之貸款 | Loans for uses outside Hong Kong | 19,989,644 | 13.77% | 13,225,781 | 14.08% |
| | | 114,622,065 | 37.15% | 74,737,661 | 48.50% |

附加財務資料 Supplementary Financial Information

8 客戶、銀行及其他金融機構之貸款(續)

客戶、銀行及其他金融機構之貸款總額 – 按業務範圍(續)

客戶、銀行及其他金融機構之貸款總額10%或以上的業務類別的個別減值貸款及個別減值準備如下：

8 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

Gross loans and advances to customers, banks and other financial institutions by industry sector (continued)

Individually impaired loans and individual impairment allowances in respect of industry sectors that constitute 10% or more of the total advances to customers, banks and other financial institutions are as follows:

| | | 本集團 Group | |
|--------------|--|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| (a) 物業投資 | (a) Property investment | | |
| 個別減值貸款 | Individually impaired loans | 186,068 | 28,743 |
| 個別減值準備 | Individual impairment allowances | 3,035 | 2,187 |
| 組合減值準備 | Collective impairment allowances | 36,460 | 38,398 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 21,509 | 25,828 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 503 | – |
| (b) 購買其他住宅樓宇 | (b) Loans for the purchase of other residential properties | | |
| 個別減值貸款 | Individually impaired loans | 111,715 | 119,453 |
| 個別減值準備 | Individual impairment allowances | 5,166 | 8,102 |
| 組合減值準備 | Collective impairment allowances | 24,508 | 30,940 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 8,239 | 9,247 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 1,496 | 1,321 |
| (c) 貿易融資 | (c) Trade finance | | |
| 個別減值貸款 | Individually impaired loans | 70,209 | 109,694 |
| 個別減值準備 | Individual impairment allowances | 31,636 | 49,140 |
| 組合減值準備 | Collective impairment allowances | 29,830 | 19,490 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 51,643 | 48,426 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 30,366 | 85,011 |

附加財務資料 Supplementary Financial Information

8 客戶、銀行及其他金融機構之貸款(續)

客戶、銀行及其他金融機構之貸款總額 – 按業務範圍(續)

8 LOANS AND ADVANCES TO CUSTOMERS, BANKS AND OTHER FINANCIAL INSTITUTIONS (continued)

Gross loans and advances to customers, banks and other financial institutions by industry sector (continued)

| | | 本銀行 Bank | |
|--------------|--|-------------------------|-------------------------|
| | | 2007 千港元 HK\$'000 | 2006 千港元 HK\$'000 |
| (a) 物業投資 | (a) Property investment | | |
| 個別減值貸款 | Individually impaired loans | 186,068 | 28,743 |
| 個別減值準備 | Individual impairment allowances | 3,035 | 2,187 |
| 組合減值準備 | Collective impairment allowances | 36,460 | 38,398 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 21,509 | 25,828 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 503 | – |
| (b) 購買其他住宅樓宇 | (b) Loans for the purchase of other residential properties | | |
| 個別減值貸款 | Individually impaired loans | 111,715 | 119,453 |
| 個別減值準備 | Individual impairment allowances | 5,166 | 8,102 |
| 組合減值準備 | Collective impairment allowances | 24,508 | 30,940 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 8,239 | 9,247 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 1,496 | 1,321 |
| (c) 貿易融資 | (c) Trade finance | | |
| 個別減值貸款 | Individually impaired loans | 70,209 | 109,694 |
| 個別減值準備 | Individual impairment allowances | 31,636 | 49,140 |
| 組合減值準備 | Collective impairment allowances | 29,830 | 19,490 |
| 於損益表支銷之新減值準備 | New impairment allowances charged to income statement | 51,643 | 48,426 |
| 年內撇銷減值貸款 | Impaired loans and advances written off during the year | 30,366 | 82,036 |

附加財務資料 Supplementary Financial Information

9. 外幣持盤量

下表概述本集團及本銀行之外幣倉盤淨額。外幣倉盤淨額乃當該貨幣構成所有外幣倉盤淨額總額之10%或以上時予以披露。敏感度分析在所有其他變數於損益表及權益維持不變下，計算貨幣匯率對港元之合理可能變動之影響。

9 CURRENCY CONCENTRATIONS

Currency concentration – the table below summarises the net foreign currency positions of the Group and the Bank. The net position in a foreign currency is disclosed when the currency constitutes 10% or more of the total net position of all foreign currencies. A sensitivity analysis calculates the effect of a reasonable possible movement in a currency rate against Hong Kong dollar, with all other variables in income statement and equity held constant.

| 本集團 二零零七年 | Group 2007 | 美元 US\$ 千港元 HK\$'000 | 日圓 JPY 千港元 HK\$'000 | 人民幣 RMB 千港元 HK\$'000 | 其他貨幣 Other foreign currencies 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|---------------------------|-------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| 非結構倉盤： | Non-structural position: | | | | | |
| 現貨資產 | Spot assets | 89,116,280 | 1,272,890 | 6,525,871 | 8,698,779 | 105,613,820 |
| 現貨負債 | Spot liabilities | (70,308,657) | (177,033) | (5,781,351) | (6,701,047) | (82,968,088) |
| 遠期買入 | Forward purchases | 36,820,381 | 1,507,977 | 20,766,501 | 2,902,692 | 61,997,551 |
| 遠期賣出 | Forward sales | (55,872,158) | (2,207,743) | (20,650,376) | (4,853,668) | (83,583,945) |
| 期權盤淨額 | Net option position | 1,113,220 | (931,660) | - | 20,746 | 202,306 |
| 長盤／(短盤)淨額 | Net long/(short) position | 869,066 | (535,569) | 860,645 | 67,502 | 1,261,644 |

| 本集團 二零零六年 | Group 2006 | 美元 US\$ 千港元 HK\$'000 | 日圓 JPY 千港元 HK\$'000 | 人民幣 RMB 千港元 HK\$'000 | 其他貨幣 Other foreign currencies 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|--------------------------|-------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| 非結構倉盤： | Non-structural position: | | | | | |
| 現貨資產 | Spot assets | 72,055,601 | 770,773 | 296,608 | 6,132,707 | 79,255,689 |
| 現貨負債 | Spot liabilities | (60,871,421) | (344,128) | (214,685) | (4,951,150) | (66,381,384) |
| 遠期買入 | Forward purchases | 35,505,948 | 1,523,062 | 13,141,674 | 4,332,062 | 54,502,746 |
| 遠期賣出 | Forward sales | (45,486,539) | (1,821,707) | (13,022,646) | (5,472,047) | (65,802,939) |
| 期權盤淨額 | Net option position | 69,636 | (31,481) | - | (39,501) | (1,346) |
| 長盤淨額 | Net long position | 1,273,225 | 96,519 | 200,951 | 2,071 | 1,572,766 |

附加財務資料 Supplementary Financial Information

9. 外幣持盤量(續)

9 CURRENCY CONCENTRATIONS (continued)

| 本銀行 二零零七年 | Bank 2007 | 美元 US\$ 千港元 HK\$'000 | 日圓 JPY 千港元 HK\$'000 | 人民幣 RMB 千港元 HK\$'000 | 其他貨幣 Other foreign currencies 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|---------------------------|-------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| 非結構倉盤： | Non-structural position: | | | | | |
| 現貨資產 | Spot assets | 89,072,749 | 1,272,878 | 456,783 | 8,635,346 | 99,437,756 |
| 現貨負債 | Spot liabilities | (70,255,387) | (177,021) | (406,473) | (7,065,342) | (77,904,223) |
| 遠期購入 | Forward purchases | 36,820,381 | 1,507,977 | 20,766,501 | 2,902,692 | 61,997,551 |
| 遠期賣出 | Forward sales | (55,872,158) | (2,207,743) | (20,650,376) | (4,853,668) | (83,583,945) |
| 期權盤淨額 | Net option position | 1,113,220 | (931,660) | - | 20,746 | 202,306 |
| 長盤/(短盤)淨額 | Net long/(short) position | 878,805 | (535,569) | 166,435 | (360,226) | 149,445 |

| 本銀行 二零零六年 | Bank 2006 | 美元 US\$ 千港元 HK\$'000 | 日圓 JPY 千港元 HK\$'000 | 人民幣 RMB 千港元 HK\$'000 | 其他貨幣 Other foreign currencies 千港元 HK\$'000 | 總計 Total 千港元 HK\$'000 |
|--------------|---------------------------|-------------------------------|------------------------------|-------------------------------|--|--------------------------------|
| 非結構倉盤： | Non-structural position: | | | | | |
| 現貨資產 | Spot assets | 71,364,070 | 770,762 | 283,230 | 6,069,693 | 78,487,755 |
| 現貨負債 | Spot liabilities | (60,807,431) | (344,117) | (223,384) | (5,244,646) | (66,619,578) |
| 遠期購入 | Forward purchases | 35,505,948 | 1,523,062 | 13,141,674 | 4,332,062 | 54,502,746 |
| 遠期賣出 | Forward sales | (45,486,539) | (1,821,707) | (13,022,646) | (5,472,047) | (65,802,939) |
| 期權盤淨額 | Net option position | 69,636 | (31,481) | - | (39,501) | (1,346) |
| 長盤/(短盤)淨額 | Net long/(short) position | 645,684 | 96,519 | 178,874 | (354,439) | 566,638 |

外幣風險包括因交易倉盤產生之風險。期權盤淨額按對沖值等值方式計算。

Foreign currency exposures include those arising from trading position. The net option position is calculated using the delta equivalent approach.

於二零零七年及二零零六年十二月三十一日，並無佔總外幣結構性持盤淨額總額10%或以上之各種外幣結構性持盤淨額(按絕對額計算)。

There was no net structural position in a particular foreign currency that constitutes (in absolute terms) 10% or more of the net structural position in all foreign currencies as at 31 December 2007 and 2006.

附加財務資料 Supplementary Financial Information

10. 根據上市規則第13.20條之披露

於二零零八年一月十一日，有關貸款之類別及應收中國工商銀行集團之有關未償還金額之結餘及代表中國工商銀行集團提供之所有擔保如下：

| | | 千港元 HK\$'000 |
|---------------------------|---|-------------------|
| 有關貸款類別 | Type of the Relevant Advances | |
| 授予中國工商銀行之貿易貸款(未償還) | Trade Loan to ICBC outstanding | 22,308,500 |
| 保兌中國工商銀行之備用信用證(未償還) | Confirmed ICBC Standby Letter of Credit outstanding | 57,800 |
| 授予中國工商銀行集團之貨幣市場產品(未償還) | Money Market to ICBC outstanding | 3,870,100 |
| 向中國工商銀行集團授出之有關貸款總額 | Total Relevant Advances to ICBC Group | 26,236,400 |

於二零零八年四月一日，有關貸款之類別及應收中國工商銀行集團之有關未償還金額之結餘及代表中國工商銀行集團提供之所有擔保如下：

| | | 千港元 HK\$'000 |
|----------------------------|---|-------------------|
| 有關貸款類別 | Type of the Relevant Advances | |
| 授予中國工商銀行之貿易貸款(未償還) | Trade Loan to ICBC outstanding | 24,927,400 |
| 保兌中國工商銀行之備用信用證／ 保證(未償還) | Confirmed ICBC Standby Letter of Credit/ Guarantee outstanding | 784,300 |
| 授予中國工商銀行集團之貨幣市場產品(未償還) | Money Market to ICBC Group outstanding | 2,253,200 |
| 授予中國工商銀行集團之銀團貸款(未償還) | Syndication Loan to ICBC Group outstanding | 390,000 |
| 向中國工商銀行集團授出之有關貸款總額 | Total Relevant Advances to ICBC Group | 28,354,900 |

有關貸款主要按基於現行銀行同業拆借息率之浮動息率計息，惟貨幣市場型貸款之息率乃由中國工商銀行集團按現行銀行同業拆入息率釐定。有關貸款須於到期時悉數償還，有關貸款之屆滿期限一般為隔夜至一年，或多於一年(就資本市場工具及備用信用證／保證(如適用)而言)。授予中國工商銀行集團之有關貸款並無任何抵押物作抵押。

授予中國工商銀行集團之有關貸款乃由本集團於其日常銀行業務過程中，按與具有類似信用評級或財務實力之本集團客戶相稱之正常商業條款授出。

10 DISCLOSURES PURSUANT TO RULE 13.20 OF THE LISTING RULES

As at 11 January 2008, the types of Relevant Advances and the balance of the relevant outstanding amounts due from, and all guarantees given on behalf of, the ICBC Group were as follows:

As at 1 April 2008, the types of Relevant Advances and the balance of the relevant outstanding amounts due from, and all guarantees given on behalf of, the ICBC Group were as follows:

The interest rates charged for the Relevant Advances mostly are floating interest rates based on the prevailing interbank offer rate, except for money market placement whose interest rates are set by the ICBC Group and based on the prevailing interbank bid rate. The Relevant Advances are repayable in full at maturity, and the maturity date for the Relevant Advances generally ranges from overnight to 1 year, or longer than 1 year on capital market instruments and standby letter of credit/guarantee (if applicable). The Relevant Advances to the ICBC Group are not secured by any collateral.

The Relevant Advances to the ICBC Group were made by the Group in the ordinary course of the Group's banking business, and on normal commercial terms commensurate with customers of the Group having similar credit ratings or financial strengths.

股東週年大會通告 NOTICE OF ANNUAL GENERAL MEETING

茲通告中國工商銀行(亞洲)有限公司(「本銀行」)定於二零零八年五月二十二日(星期四)上午十時正假座香港中環花園道三號中國工商銀行大廈三十三樓舉行股東週年大會，以討論下列事項：

- 一、 省覽截至二零零七年十二月三十一日止年度之經審核賬項及董事會與核數師之報告書。
- 二、 宣佈派發末期股息。
- 三、 重選董事。
- 四、 通過截至二零零七年十二月三十一日止年度之董事袍金。
- 五、 重選安永會計師事務所為本銀行之核數師，並授權董事釐定其酬金。

考慮及酌情以特別事項方式通過下列普通決議案(不論是否予以修訂)：

六、 「動議

- (a) 在本決議案下文之規限下，一般及無條件地批准本銀行董事會於有關期間(按下文之定義)內，行使本銀行一切權力以配發、發行及處理本銀行股本中之額外股份，及作出或授出將須或可能須行使上述權力之售股建議、協議或認股權(包括債券、票據、認股權證、公司債券及其他可轉換為本銀行股份之其他證券)；
- (b) 上文(a)段授予本銀行董事會於有關期間作出或授出將須或可能須於有關期間結束後行使上述權力之售股建議、協議或認股權(包括債券、票據、認股權證、公司債券及其他可轉換為本銀行股份之其他證券)；
- (c) 本銀行董事會根據上文第(a)段所述之批准而配發或同意有條件或無條件配發或處理(不論是否根據認股權或其他方式)本銀行股本中之股份總額(根據(i)供股(按下文之定義)；(ii)因根據本銀行任何認股權證或可轉換為本銀行股份之證券之條款行使認購權或換股權；(iii)根據本銀行之組織章程細則不時進行之任何以股代息或類似安排，以配發股份代替股份的全部或部分股息；或(iv)根據任何認股權計劃或當時授納之類似安排，以向本銀行及／或其附屬公司之僱員授予或發行本銀行股份或認購本銀行股份權利除外)，不得超過本銀行於本決議案通過之日已發行股本面值總額之20%，而上述批准亦須受此數額限制；及

NOTICE IS HEREBY GIVEN that the Annual General Meeting of the Members of Industrial and Commercial Bank of China (Asia) Limited (the "Bank") will be held at 33/F., ICBC Tower, 3 Garden Road, Central, Hong Kong on Thursday, 22 May 2008 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited Statement of Accounts and the Reports of the Directors and of the Auditors for the year ended 31 December 2007.
2. To declare a final dividend.
3. To re-elect Directors.
4. To approve the payment of Directors' fees for the year ended 31 December 2007.
5. To re-appoint Ernst & Young as the Auditors of the Bank and to authorize the Directors to fix their remuneration.

To consider and, if thought fit, pass with or without amendments the following Ordinary Resolutions by way of special business:

6. "THAT

- (a) subject to the following provisions of this Resolution, the exercise by the Board of Directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to allot, issue and deal with additional shares in the capital of the Bank, and to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and other securities convertible into shares of the Bank) which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorize the Board of Directors of the Bank during the Relevant Period to make or grant offers, agreements or options (including bonds, notes, warrants, debentures and other securities convertible into shares of the Bank) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of shares in the capital of the Bank allotted or agreed conditionally or unconditionally to be allotted or dealt with (whether pursuant to an option or otherwise) by the Board of Directors of the Bank pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of rights of subscription or conversion under the terms of any warrants of the Bank or any securities which are convertible into shares of the Bank; (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Bank pursuant to the Articles of Association of the Bank from time to time; or (iv) any option scheme or similar arrangement for the time being adopted for the grant or issue to employees of the Bank, and/or any of its subsidiaries of shares or rights to acquire shares of the Bank, shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Bank as at the date of passing of this Resolution and the said approval shall be limited accordingly; and

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(d) 就本決議案而言：

「有關期間」乃指由本決議案通過之日起至下列任何一項較早發生之期間：

- (i) 本銀行下屆股東週年大會結束時；
- (ii) 依照本銀行之組織章程細則或公司條例規定本銀行須召開下屆股東週年大會期限屆滿之日；或
- (iii) 本決議案所授予之權力經由本銀行股東在股東大會上通過普通決議案將之撤銷或修訂之日。

「供股」乃指於本銀行董事會在指定之期間內，向某一指定記錄日期名列於股東名冊內之本銀行股份持有人，按其當時持股比例或股份類別提呈發售本銀行股份（惟本銀行董事可在必要或權宜時就零碎股權或經考慮適用於本銀行之任何海外地區之法例所定之任何限制或責任，或任何認可管制機構或證券交易所之規定，取消此方面之權利或另作安排）。

七、「動議

(a) 在下文(b)段之規限下，一般及無條件地批准本銀行董事會於有關期間（按下文之定義）內，在符合所有適用法例及不時修訂之香港聯合交易所有限公司證券上市規則之規定下，行使本銀行一切權力購回本銀行股本中之股份；

(b) 本銀行根據上文(a)段所述之批准可能購回之本銀行股本中之股份面值總額，不得超過本銀行於本決議案通過之日已發行股本面值總額之10%，而上述批准亦須受此數額限制；及

(c) 就本決議案而言：

「有關期間」乃指由本決議案通過之日起至下列任何一項較早發生之期間：

- (i) 本銀行下屆股東週年大會結束時；
- (ii) 依照本銀行之組織章程細則或公司條例規定本銀行須召開下屆股東週年大會期限屆滿之日；或
- (iii) 本決議案所授予之權力經由本銀行股東在股東大會上通過普通決議案將之撤銷或修訂之日。」

(d) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by the Articles of Association of the Bank or the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Bank in general meeting.

“Rights Issue” means an offer of shares of the Bank open for a period fixed by the Board of Directors of the Bank to holders of shares of the Bank whose names appear on the register of members of the Bank on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors of the Bank may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory outside Hong Kong applicable to the Bank).”

7. “THAT

(a) subject to paragraph (b) below, the exercise by the Board of Directors of the Bank during the Relevant Period (as defined below) of all the powers of the Bank to repurchase shares in the capital of the Bank, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited as amended from time to time, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares in the capital of the Bank which may be repurchased by the Bank pursuant to the approval in paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of passing of this Resolution, and the said approval shall be limited accordingly; and

(c) for the purpose of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next Annual General Meeting of the Bank;
- (ii) the expiration of the period within which the next Annual General Meeting of the Bank is required by the Articles of Association of the Bank or the Companies Ordinance to be held; or
- (iii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the shareholders of the Bank in general meeting.”

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八、「動議待載列於召開本大會之通告(「本通告」)(本決議案為其一部份)內之第六及第七項普通決議案獲通過後，擴大根據本通告所載列之第六項普通決議案所授予本銀行董事根據其時生效之一般性授權，以配發、發行及處理本銀行額外股份之權力，將相當於本銀行根據本通告所載列之第七項普通決議案所授出之授權而購回之本銀行股本之股份總面值納入其中，惟購回股份之數額不得超過本銀行於普通決議案通過之日已發行股本面值總額之10%。」

承董事會命
公司秘書
曾美媚

香港，二零零八年四月二十二日

附註：

- (a) 有權出席大會並於會上投票之股東均有權委派一名或最多兩名受委代表代其出席及投票表決。倘超過一名受委代表獲委任，則須就獲委任之每名受委代表列明股份之數目及類別。受委代表毋須為本銀行之股東。
- (b) 代表委任表格，連同經簽署之授權書或其他授權文件(如有)或經由公證人簽署證明之有關授權書，須於大會或其任何續會指定舉行時間四十八小時前交回本銀行之股份過戶登記處，卓佳登捷時有限公司，地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓，方為有效。填妥及交回代表委任表格後，股東仍可親自出席大會或其任何續會，並於會上投票。
- (c) 本銀行將於二零零八年五月十五日(星期四)至二零零八年五月二十二日(星期四)(包括首尾兩天)期間，暫停辦理股份及認股權證過戶登記手續。為符合資格享有建議的末期股息，所有過戶文件連同有關股票(如屬認股權證持有人，則所有認購表格連同有關認股權證證書及行使款項)，須於二零零八年五月十四日(星期三)下午四時正前送抵本銀行之股份過戶登記處，卓佳登捷時有限公司，地址為香港灣仔皇后大道東二十八號金鐘匯中心二十六樓，以辦理登記手續。
- (d) 一份載有關於第三、第六及第七項普通決議案之說明函件，將寄發予本銀行之股東及認股權證持有人。
- (e) 就上述第六及第七項普通決議案，本銀行現正按照公司條例及香港聯合交易所有限公司證券上市規則徵求股東批准一般授權，以便本銀行有需要發行新股份或購回本銀行任何現有股份時，本銀行董事會可靈活運用酌權配發及發行最多達本銀行已發行股本20%之股份，連同本銀行根據第七項普通決議案所述之一般授權購回之股份數目(詳情載述於第六、第七及第八項普通決議案)。

於本報告刊發日期，董事會成員包括執行董事朱琦先生、黃遠輝先生及張懿先生，非執行董事姜建清博士、王麗麗女士及陳愛平先生，以及獨立非執行董事王于漸教授，S.B.S.，太平紳士、徐耀華先生及袁金浩先生。

- 8. “THAT, conditional upon the passing of the Ordinary Resolution Nos. 6 and 7 as set out in the notice convening this Meeting of which this Resolution forms part (the “Notice”), the general mandate granted to the Directors of the Bank and for the time being in force to exercise the powers of the Bank to allot, issue and deal with additional shares pursuant to the Ordinary Resolution No. 6 set out in the Notice be and is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of shares in the capital of the Bank repurchased by the Bank under the authority granted to the Board of Directors of the Bank pursuant to the Ordinary Resolution No. 7 set out in the Notice, provided that such amount of shares so repurchased shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Bank as at the date of the said Ordinary Resolution.”

By Order of the Board
Tsang Mei Kuen
Company Secretary

Hong Kong, 22 April 2008

Notes:

- (a) A member entitled to attend and vote at the meeting is entitled to appoint one or a maximum of two proxies to attend and, on a poll, to vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed. A proxy need not be a member of the Bank.
- (b) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be lodged with the Bank's Share Registrars, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the meeting (or any adjournment thereof) and in default the proxy shall not be treated as valid. Completion and return of a form of proxy will not preclude members from attending in person and voting at the meeting or any adjournment thereof should they so wish.
- (c) The register of members and the register of warrant holders of the Bank will be closed from Thursday, 15 May 2008 to Thursday, 22 May 2008, both days inclusive, during which period no transfers of shares or warrants will be registered. In order to qualify for the proposed final dividends, all transfer documents, accompanied by the relevant share certificates or in the case of warrant holders, all subscription forms accompanied by the relevant warrant certificates and exercise money must be lodged for registration with the Bank's Share Registrars, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong before 4:00 p.m. on Wednesday, 14 May 2008.
- (d) A circular containing details in respect of the Ordinary Resolutions Nos. 3, 6 and 7 will be sent to the Bank's shareholders and warrant holders.
- (e) In connection with the Ordinary Resolution Nos. 6 and 7 above, approval is being sought from members, as a general mandate in compliance with the Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, so that in the event it becomes desirable for the Bank to issue any new shares or to repurchase any existing shares of the Bank, the Board of Directors of the Bank are given the flexibility and discretion to allot and issue new shares up to 20% of the issued share capital of the Bank, together with such number of shares as may be repurchased by the Bank pursuant to the general mandate under the Ordinary Resolution No. 7, as more particularly described in the Ordinary Resolution Nos. 6, 7 and 8.

As at the date of this report, the Board of Directors comprises Mr. Zhu Qi, Mr. Wong Yuen Fai and Mr. Zhang Yi as executive directors, Dr. Jiang Jianqing, Ms. Wang Lili and Mr. Chen Aiping as non-executive directors and Professor Wong Yue Chim, Richard, S.B.S., J.P., Mr. Tsui Yiu Wa, Alec and Mr. Yuen Kam Ho, George as independent non-executive directors.

分行、附屬及聯營公司 Branches, Subsidiaries and Associates

總辦事處

香港中環花園道3號
中國工商銀行大廈33樓
電話：2588 1188
圖文傳真：2805 1166
電訊：73264 ICBCA HX
郵箱：香港郵政總局信箱872號
環球銀行金融電信：UBHKHKHH
網址：<http://www.icbcasia.com>

投資服務中心

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啓德商業大廈2樓
電話：3471 8688

分行 — 香港島區

西環分行
香港西營盤皇后大道西242-244號
電話：2559 8166

上環分行
香港上環德輔道中317-319號
啓德商業大廈地下F舖
電話：2543 3866

皇后大道中分行
香港中環皇后大道中122-126號
電話：2534 3333

中環分行
香港皇后大道中9號1字樓
電話：2840 5840

堅道分行
香港堅道22號廣堅大廈地下
電話：2526 6278

灣仔分行
香港灣仔軒尼詩道117-123號
電話：2527 3711

灣仔道分行
香港灣仔道103-103A號地下
電話：2259 7800

軒尼詩道分行
香港銅鑼灣軒尼詩道468號
金聯商業中心地下2A號舖
電話：2834 6148

HEADQUARTERS

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Facsimile: 2805 1166
Telex: 73264 ICBCA HX
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Website: <http://www.icbcasia.com>

INVESTMENT SERVICE CENTRE

2/F., Kai Tak Commercial Building,
317-319 Des Voeux Road Central, Sheung Wan,
Hong Kong
Telephone: 3471 8688

BRANCHES – HONG KONG ISLAND

West Point Branch
242-244 Queen's Road West, Sai Ying Pun,
Hong Kong
Telephone: 2559 8166

Sheung Wan Branch
Shop F, G/F., Kai Tak Commercial Building,
317-319 Des Voeux Road Central, Sheung Wan,
Hong Kong
Telephone: 2543 3866

Queen's Road Central Branch
122-126 Queen's Road Central, Central,
Hong Kong
Telephone: 2534 3333

Central Branch
1/F., 9 Queen's Road Central,
Hong Kong
Telephone: 2840 5840

Caine Road Branch
G/F., Caine Building, 22 Caine Road,
Hong Kong
Telephone: 2526 6278

Wanchai Branch
117-123 Hennessy Road, Wanchai,
Hong Kong
Telephone: 2527 3711

Wanchai Road Branch
G/F., 103-103A Wan Chai Road,
Hong Kong
Telephone: 2259 7800

Hennessy Road Branch
Shop 2A, G/F. & Basement, Cameron Commercial Centre,
468 Hennessy Road, Causeway Bay,
Hong Kong
Telephone: 2834 6148

分行、附屬及聯營公司

Branches, Subsidiaries and Associates

跑馬地分行

香港跑馬地景光街 23 號
電話：2575 5720

銅鑼灣分行

香港銅鑼灣渣甸街 50 號
渣甸中心 A 舖
電話：2504 5888

電氣道分行

香港電氣道 113-115 號
電話：2570 0388

城市花園分行

香港北角電氣道 233 號
城市中心商場 23 號舖
電話：2887 3811

北角分行

香港北角英皇道 436-438 號地下
電話：2503 2993

鯉魚涌分行

香港鯉魚涌英皇道 1036-1040 號地下
電話：2563 8724

筲箕灣分行

香港筲箕灣道 195 號
電話：2568 5730

香港仔分行 (將於 2008 年 5 月開業)

香港香港仔中心第一期
地下 7A 舖
電話：2518 5000

分行 — 九龍區

尖沙咀東分行

九龍尖沙咀漆咸道南 39 號
鐵路大廈地下 B 舖
電話：3510 1000

尖沙咀分行

九龍尖沙咀漢口道 5-15 號
漢口中心地下 6-7 號舖
電話：2369 5329

佐敦分行

九龍佐敦柯士甸道 83 號
柯士甸廣場地下 1C 及 1D 號舖
電話：2376 1822

Happy Valley Branch

23 King Kwong Street, Happy Valley,
Hong Kong
Telephone: 2575 5720

Causeway Bay Branch

Shop A, G/F., Jardine Center,
50 Jardine's Bazaar, Causeway Bay,
Hong Kong
Telephone: 2504 5888

Electric Road Branch

113-115 Electric Road, Tin Hau,
Hong Kong
Telephone: 2570 0388

City Garden Branch

Shop Unit 23, G/F., Maximall, City Garden,
233 Electric Road, North Point,
Hong Kong
Telephone: 2887 3811

North Point Branch

G/F., 436-438 King's Road, North Point,
Hong Kong
Telephone: 2503 2993

Quarry Bay Branch

G/F., 1036-1040 King's Road, Quarry Bay,
Hong Kong
Telephone: 2563 8724

Shau Kei Wan Branch

195 Shau Kei Wan Road,
Hong Kong
Telephone: 2568 5730

Aberdeen Branch (To be opened in May 2008)

Shop 7A, G/F., Site 1, Aberdeen Centre,
Hong Kong
Telephone: 2518 5000

BRANCHES – KOWLOON

Tsimshatsui East Branch

Shop B, G/F., Railway Plaza,
39 Chatham Road South, Tsimshatsui,
Kowloon
Telephone: 3510 1000

Tsim Sha Tsui Branch

Shop 6-7, G/F., Hankow Centre,
5-15 Hankow Road, Tsimshatsui,
Kowloon
Telephone: 2369 5329

Jordan Branch

Shop 1C & 1D, G/F., Austin Plaza,
83 Austin Road, Jordan,
Kowloon
Telephone: 2376 1822

分行、附屬及聯營公司 Branches, Subsidiaries and Associates

油麻地分行

九龍油麻地彌敦道 542 號
電話：2771 6060

旺角分行

九龍旺角彌敦道 721-725 號
華比銀行大廈地下
電話：2309 7700

太子分行

九龍旺角彌敦道 777 號
電話：2380 3008

深水埗分行

九龍深水埗荔枝角道 290 號地下
電話：2725 5133

荔枝角分行

九龍荔枝角長沙灣道 833 號
長沙灣廣場地下 G06 號舖
電話：2741 8787

美孚分行

九龍美孚新村
萬事達廣場一樓 N95A 舖
電話：2266 4600

愛民分行

九龍何文田愛民邨商場 F18-F19 號舖
電話：2713 9261

紅磡分行

九龍紅磡德民街 2-34E 號
紅磡商場地下 2A 舖
電話：2627 7168

木廠街分行

九龍土瓜灣木廠街 12-14 號
電話：2714 5151

新蒲崗分行

九龍新蒲崗寧遠街 3-23 號
越秀廣場 G10 號舖
電話：2325 5387

康寧道分行

九龍觀塘康寧道 58 號
電話：2797 2683

觀塘分行

九龍觀塘開源道 50 號
利寶時中心地下
電話：2342 0103

Yaumatei Branch

542 Nathan Road, Yaumatei,
Kowloon
Telephone: 2771 6060

Mongkok Branch

G/F., Belgian Bank Building,
721-725 Nathan Road, Mongkok,
Kowloon
Telephone: 2309 7700

Prince Edward Branch

777 Nathan Road, Mongkok,
Kowloon
Telephone: 2380 3008

Shamshuipo Branch

G/F., 290 Lai Chi Kok Road, Shamshuipo,
Kowloon
Telephone: 2725 5133

Lai Chi Kok Branch

Shop G06, G/F., Cheung Sha Wan Plaza,
833 Cheung Sha Wan Road, Lai Chi Kok,
Kowloon
Telephone: 2741 8787

Mei Foo Branch

Shop N95A, 1/F., Mount Sterling Mall,
Mei Foo Sun Chuen,
Kowloon
Telephone: 2266 4600

Oi Man Branch

Shop F18 & F19, Oi Man Commercial Complex,
Oi Man Estate, Homantin,
Kowloon
Telephone: 2713 9261

Hung Hom Branch

Shop 2A, G/F., Hung Hom Shopping Mall,
2-34E Tak Man Street, Hung Hom,
Kowloon
Telephone: 2627 7168

Mok Cheong Street Branch

12-14 Mok Cheong Street, Tokwawan,
Kowloon
Telephone: 2714 5151

San Po Kong Branch

Shop G10, Yue Xiu Plaza,
3-23 Ning Yuen Street, San Po Kong,
Kowloon
Telephone: 2325 5387

Hong Ning Road Branch

58 Hong Ning Road, Kwun Tong,
Kowloon
Telephone: 2797 2683

Kwun Tong Branch

G/F., Lemmi Centre,
50 Hoi Yuen Road, Kwun Tong,
Kowloon
Telephone: 2342 0103

分行、附屬及聯營公司

Branches, Subsidiaries and Associates

分行 — 新界區

將軍澳分行

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新都城中心2期商場2樓2011-2012號舖
電話：3194 3382

葵芳分行

新界葵芳葵涌廣場
二字樓C63A-C66號舖
電話：2485 8000

葵涌分行

新界葵涌和宜合道63號
麗晶中心A座G02
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荃灣青山公路分行

新界荃灣青山道423-427號地下
電話：2492 0167

沙咀道分行

新界荃灣沙咀道297-313號
眾安大廈地下4號舖
電話：2439 9278

屯門分行

新界屯門天后路18號
南豐工業城中央服務大樓217號A-F
電話：2466 8161

大興分行

新界屯門大興邨商場21-23號舖
電話：2462 2400

元朗分行

新界元朗青山道197-199號地下
電話：2442 5005

太和分行

新界大埔太和商場2樓216號舖
電話：2650 2986

BRANCHES – NEW TERRITORIES

Tseung Kwan O Branch

Shop Nos. 2011-2012, Level 2, Metro City, Plaza II,
8 Yan King Road, Tseung Kwan O,
New Territories
Telephone: 3194 3382

Kwai Fong Branch

C63A-C66, 2F., Kwai Chung Plaza,
Kwai Fong,
New Territories
Telephone: 2485 8000

Kwai Chung Branch

Unit G02, Tower A, Regent Centre,
63 Wo Yi Hop Road, Kwai Chung,
New Territories
Telephone: 2420 9288

Tsuen Wan Castle Peak Road Branch

G/F., 423-427 Castle Peak Road, Tsuen Wan,
New Territories
Telephone: 2492 0167

Sha Tsui Road Branch

Shop 4, G/F., Chung On Building,
297-313 Sha Tsui Road, Tsuen Wan,
New Territories
Telephone: 2439 9278

Tuen Mun Branch

217 A-F Central Services Building,
Nan Fung Industrial City,
18 Tin Hau Road, Tuen Mun,
New Territories
Telephone: 2466 8161

Tai Hing Branch

Shop 21-23 Tai Hing Commercial Complex,
Tai Hing Estate, Tuen Mun,
New Territories
Telephone: 2462 2400

Yuen Long Branch

G/F., 197-199 Castle Peak Road, Yuen Long,
New Territories
Telephone: 2442 5005

Tai Wo Branch

Shop 216, 2/F., Tai Wo Shopping Centre,
Tai Wo Estate, Tai Po,
New Territories
Telephone: 2650 2986

分行、附屬及聯營公司 Branches, Subsidiaries and Associates

大埔分行

新界大埔廣福道9號
電話：2638 3199

沙田分行

新界沙田中心3樓22J號舖
電話：2693 3330

海外分行

開曼群島分行

P.O. Box 1034
4/F, Harbour Place,
103 South Church Street
Grand Cayman KY1-1102
Cayman Islands

附屬公司

華商銀行

工銀亞洲資產管理有限公司
工銀亞洲金業有限公司
工銀亞洲投資控股有限公司
工銀亞洲代理人有限公司
工銀亞洲証券有限公司
工銀亞洲信託有限公司
ICBC (Asia) Wa Pei Nominees Limited
ICBC Asia Wa Pei Limited (清盤中)
ICBCA (C.I.) Limited
友聯中國業務管理有限公司

聯營公司

中國平安保險(香港)有限公司
IEC Investments Limited

Tai Po Branch

9 Kwong Fuk Road, Tai Po,
New Territories
Telephone: 2638 3199

Shatin Branch

Shop 22J, Level 3, Shatin Centre,
New Territories
Telephone: 2693 3330

OVERSEAS BRANCH

Cayman Islands Branch

P.O. Box 1034
4/F, Harbour Place,
103 South Church Street
Grand Cayman KY1-1102
Cayman Islands

SUBSIDIARIES

Chinese Mercantile Bank

ICBC (Asia) Asset Management Company Limited
ICBC (Asia) Bullion Company Limited
ICBC (Asia) Investment Holdings Limited
ICBC (Asia) Nominee Limited
ICBC (Asia) Securities Limited
ICBC (Asia) Trustee Company Limited
ICBC (Asia) Wa Pei Nominees Limited
ICBC Asia Wa Pei Limited (in liquidation)
ICBCA (C.I.) Limited
UB China Business Management Co. Ltd.

ASSOCIATES

China Ping An Insurance (Hong Kong) Company Limited
IEC Investments Limited

中國工商銀行(亞洲)有限公司
Industrial and Commercial Bank of China (Asia) Limited

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