

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策

(壹) 主要業務

本集團及本銀行之主要業務為提供銀行服務、金融及其他有關服務。

(貳) 編製基準

賬目乃根據歷史成本常規法編製，並就若干行產、投資物業及證券投資之重估價值予以修訂。賬目並根據香港普遍採納之會計原則及遵從由香港會計師公會所頒佈之會計實務準則編製。

於本年度，本集團採納下列由香港會計師公會發出之會計實務準則，該等會計實務準則於二零零三年一月一日或以後開始之會計期間生效：

會計實務準則第十二號(經修訂)：

「利得稅項」

會計實務準則第卅四號(經修訂)：

「僱員福利」

本集團變動之會計政策及因採納這些經修訂政策之影響列載如下。

綜合賬目乃按照香港金融管理局所頒佈之「本地註冊認可機構披露財務資料」指引之要求而編列。

(參) 綜合賬目

綜合賬目包括本銀行及本集團截至十二月三十一日止之賬目。附屬公司指本集團控制其董事會之組成、超過半數投票權或持有過半數發行股本之公司。在年內購入或售出之附屬公司，其業績由收購生效日起計或計至出售生效日止列入綜合損益結算表內。

所有集團內公司間之重大交易及結餘已於綜合賬目時對銷。

1. PRINCIPAL ACCOUNTING POLICIES

(a) Principal activities

The principal activities of the Group and the Bank are the provision of banking, financial and other related services.

(b) Basis of preparation

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain premises, investment properties and investments in securities, and in accordance with accounting principles generally accepted in Hong Kong and comply with Statements of Standard Accounting Practice ("SSAPs") issued by the Hong Kong Society of Accountants ("HKSA").

In the current year, the Group has adopted the following SSAPs issued by the HKSA which are effective for accounting periods commencing on or after 1st January 2003:

SSAP 12 (revised) : Income taxes

SSAP 34 (revised) : Employee benefits

The changes to the Group's accounting policies and the effect of adopting these revised policies are set out below.

The consolidated accounts have been prepared in accordance with the requirements set out in the guideline on "Financial Disclosure by Locally Incorporated Authorized Institutions" issued by the Hong Kong Monetary Authority.

(c) Consolidation

The consolidated accounts include the accounts of the Bank and the Group made up to 31st December. Subsidiaries are those entities in which the Group controls the composition of the board of directors, controls more than half the voting power or holds more than half of the issued share capital. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account 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.

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(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(叁) 綜合賬目 (續)

在本銀行之資產負債表內，附屬公司之投資以成本扣除減值虧損準備入賬。本銀行將附屬公司之業績按已收及應收股息入賬。

(肆) 聯營公司

聯營公司乃本集團持有其權益作為長期投資及對其管理具有重要性影響而又不屬於附屬公司之公司。

綜合損益結算表包括本集團應佔聯營公司當年業績之部份。綜合資產負債表包括本集團所佔聯營公司之淨資產。

本銀行資產負債表內，聯營公司投資是以成本減去減值虧損準備列賬。本銀行將聯營公司之業績按已收及應收股息入賬。

當在聯營公司之投資賬面值減到零時，便不再採用權益會計法，除非集團就該聯營公司負有承擔或有擔保之承擔。

(伍) 共同控制實體

共同控制實體指集團與其他人士以合約協議方式共同進行經濟活動，該活動受合營各方共同控制，任何一方均沒有單方面之控制權。

綜合損益結算表包括集團應佔共同控制實體當年度業績，而綜合資產負債表則包括集團應佔共同控制實體之淨資產。

在本銀行之資產負債表內，共同控制實體之投資以成本減去減值虧損準備列賬。本銀行將共同控制實體之業績按已收及應收股息入賬。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(c) Consolidation (Continued)

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

(d) Associates

An associate is a company, not being a subsidiary, in which an equity interest is held for the long term and significant influence is exercised in its management.

The consolidated profit and loss account includes the Group's share of the results of associates for the year. The consolidated balance sheet includes the Group's share of the net assets of the associates.

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

Equity accounting is discontinued when the carrying amount of the investment in an associate reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associate.

(e) Jointly controlled entities

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

The consolidated profit and loss account includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities.

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

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一、 主要會計政策 (續)

(陸) 收入確認基礎

甲) 利息收入

利息收入乃按應計法於損益賬內確認。當預期貸款最終未能收回，應計利息便會終止。一般情況下，如貸款逾期超過三個月，應計利息將會暫停，除(1)抵押品之可變現淨值足以抵銷未償還本金及應計利息的樓宇按揭貸款；及(2)遵照重組貸款的條款而清還之貸款。

相對(1)，若樓宇按揭貸款已拖欠超過十二個月，則不考慮其抵押品之可變現淨值而暫停應計利息。相對(2)，經重組的貸款必須嚴格遵照重組的條款償還才能計算應計利息。

以組合形式管理的信用卡應收賬或消費貸款，如貸款逾期超過三個月，應計利息將會暫停。在此之前已確認但仍未收回的利息收入便從損益賬中扣除。

乙) 服務費及佣金收入

服務費及佣金收入於應收期間記賬，而預繳之服務費則遞延至有關年期確認。

丙) 股息收入

股息收入在確認收取款項之權利時入賬。

(柒) 各項客戶貸款及其他賬目

各項客戶貸款及其他賬目按未償還結餘扣除壞賬及呆賬準備後列示於資產負債表。與住宅物業貸款有關而授予客戶的現金回贈已被列入其他賬目並按不超過三年的提早付還懲罰期以直線基礎攤銷。

向借款人墊付現金時，貸款即被確認。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(f) Income recognition

i) Interest income

Interest income is recognised in the profit and loss account as it accrues. Interest accrual ceases when the loans have no prospect of eventual recovery. Interest accrual is typically suspended if a loan is overdue for three months except for (1) residential mortgage loans where the net realisable value of collateral is sufficient to cover the outstanding principal and accrued interest; and (2) loans that are restructured and serviced in accordance with revised credit facilities.

For (1), interest accrual is suspended if a residential mortgage loan is in arrears for more than twelve months, irrespective of the net realisable value of the collateral. For (2), interest accrual on the restructured loans will only be made if the relevant loans have been properly serviced in accordance with the terms of the restructured credit facilities.

Interest accrual for credit card receivables and consumer loans managed on a portfolio basis is suspended if the loan is overdue for three months. Any interest previously recognised and remaining uncollected is reversed from the profit and loss account.

ii) Fees and commission income

Fees and commission income are accounted for in the period when receivable, except for fees receivable in advance which are deferred and recognised over the relevant period.

iii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(g) Advances to customers and other accounts

Advances to customers and other accounts are generally reported in the balance sheet at the principal amount outstanding net of provisions for bad and doubtful debts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised on a straight line basis over the prepayment penalty period not exceeding three years.

All advances are recognised when cash is advanced to borrowers.

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(以港幣千元位列示)

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一、 主要會計政策 (續)

(捌) 壞賬及呆賬準備

當信貸委員會對本金或利息最終能否全數收回有所懷疑時，透過由董事會所授予的權力，可對特定的貸款和墊款作出準備。因應信貸委員會對該等已被認明的貸款及墊款潛在損失作出的評估，而作出特殊準備以把資產的賬面值(扣除有關抵押品)減至預期的可變現淨值。倘若不能可靠地估計損失，本集團會根據貸款分類程序而對貸款的無抵押部份按設定撥備要求作出準備。

本集團內部將貸款和墊款分類為五種類別：正常、關注、次級、可疑和損失。貸款和墊款的分類主要是根據對借款人的償還能力和利息及/或本金可回收的懷疑度而決定。利息及/或本金逾期時間的長短乃貸款回收能力的重要指標。

被評定為次級貸款的逾期未償還貸款無抵押部份，會因應貸款的種類作出20%至33%的特殊準備。假如有關貸款的逾期時間延長，或更多的信貸資料顯示信貸變壞而令貸款降級，便要作進一步的特殊準備。被評定為損失貸款的逾期未償還貸款無抵押部份，將會全數作出特殊準備。

凡涉及入稟申請迫令或自願個人破產的借貸者的無抵押私人貸款均全數作出特殊準備並即時核銷其貸款結餘。

此外，亦就呆賬作出一般準備。一般準備並不特別針對任何個別貸款，而是以設定的百分比，按已扣除政府擔保及有現金作抵押的貸款而作出準備。

特殊及一般準備均從資產負債表中之「各項客戶貸款及其他賬目」和「貿易票據」內扣除。

若呆賬並無任何實質預期回收，其餘額將予以核銷。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(h) Provisions for bad and doubtful debts

Provisions are made against specific loans and advances as and when the Credit Committee with authority delegated by the Board of Directors have doubts on the ultimate recoverability of principal or interest in full. Specific provisions are made to reduce the carrying value of an asset, net of any collateral, to the expected net realisable value based on the Credit Committee's assessment of the potential losses on those identified loans and advances on a case-by-case basis. Where it is not possible to reliably estimate the loss, the Group applies predetermined provisioning levels to the unsecured portion of loans and advances based on the Group's loan classification procedures.

The Group internally classifies loans and advances into five broad categories: Pass, Special Mention, Substandard, Doubtful and Loss. The classification of loans and advances is largely based on an assessment of the borrower's capacity to repay and on the degree of doubt about the collectibility of interest and / or principal. One important indicator of collectibility is the period that payments of interest and / or principal have been overdue.

Specific provisions ranging from 20% to 33% of the unsecured exposure of an overdue loan classified as Substandard is made depending on the type of loans. Further specific provisions are made if the relevant loans' overdue period lengthens, or if additional credit information indicates that more severe credit deterioration requires downgrading of the loans. Full specific provision is normally made against the outstanding unsecured exposure of an overdue loan classified as Loss.

In the case of unsecured personal bankruptcy loans, 100% specific provision is made whenever bankruptcy petitions are filed against or by the borrowers and the loan balance is immediately written off.

In addition, amounts have been set aside as a general provision for doubtful debts. General provision is not specifically earmarked against any individual loan and is provided based on a predetermined percent of the loan book after excluding Government guaranteed loans and cash collateralised lending.

Both specific and general provisions are deducted from "Advances to customers and other accounts" and "Trade bills" in the balance sheet.

When there is no realistic prospect of recovery, the outstanding debt is written off.

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(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(玖) 融資租賃及租購貸款

融資租賃及租購客戶之結欠均列入「各項客戶貸款」內，並以投資淨額列賬，以定息作計算基礎的合約所得收入均按逐期數字合計法入賬。

於往年，租購貸款時付予交易商的佣金按貸款期以直線法攤銷。攤銷費用包括在損益賬內之服務費及佣金支出。由二零零三年一月一日起此等佣金以收入相配法，按相關貸款每期的利息收入金額攤銷。攤銷的金額包括在淨利息收入以跟隨市場做法。此等攤銷方法及會計分類的變更對二零零二年的賬目並無重大影響，故此去年的數字並無重列。

(拾) 收回資產

已收回抵押品之貸款仍然被視作客戶貸款。於收回抵押之資產後，有關貸款將調整至該收回資產之變現淨值，此等抵押品之價值定時被重估。集團已為有關抵押品之預期變現所得款項及貸款餘額之虧額作出特殊撥備。

(拾壹) 外幣換算

外幣交易按交易日之匯率換算為港元。以外幣結算之貨幣性資產及負債均依資產負債表結算日之匯率換算。所有外幣兌換之差異已於損益賬內處理。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(i) Finance leases and hire purchase loans

The amounts due from finance lease and hire purchase customers are included in "Advances to customers" and are stated at net investment. Income on contracts determined on a fixed interest rate basis is accrued and earned using the sum of digits method.

In previous years, commissions paid to dealers on hire purchase loans were amortised using a straight line basis over the term of the loan. The amortisation charge was included as part of fees and commission expense in the profit and loss account. With effect from 1st January 2003, such commissions are amortised using an income-matching method which matches the amortisation charge with the amount of interest income earned from the underlying loans in each period. The amortisation charge is included as part of net interest income in line with market practice. The effect of this change in amortisation basis and accounts classification to the 2002 accounts is not significant and accordingly, no restatement of the amounts reported in last year is made.

(j) Repossessed assets

Advances with repossessed collateral assets will continue to be accounted for as customer advances. Upon the repossession of collateral assets for realisation in recovering customer advances, the advances are adjusted to the net realisable value of the repossessed assets, which are revalued periodically. Specific provisions are made on the shortfall between the expected sales proceeds from realisation of the repossessed assets and the outstanding advances.

(k) Translation of foreign currencies

Transactions in foreign currencies are translated at exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾貳) 遞延稅項

遞延稅項採用負債法就資產及負債之稅基與它們在賬目之賬面值兩者之暫時差異作全數確認。遞延稅項採用在結算日前已頒佈或實質頒佈之稅率釐定。

遞延稅項資產按未來可能有應課稅溢利抵銷暫時差異的程度確認。

就附屬公司及聯營公司投資所引致的暫時差異，除非此等差異回撥的時間可以控制，並很有可能在可預見將來不會撥回，否則均確認為遞延稅項負債。

於往年，遞延稅項按為課稅而計算之溢利與賬目所示之溢利二者間之時差，根據預期於可預見將來須要支付負債或可收回資產的程度，以現行稅率計提。採納經修訂之會計實務準則第十二號構成會計政策之變動並已追溯至前期應用，故比較數字已重列以符合經修訂之政策。

如賬目附註卅一所詳述，二零零二年及二零零三年一月一日之年初股東資金已分別減少14,485,000港元及5,393,000港元，此為未確認之遞延稅項負債淨額。是項調整導致二零零三年十二月三十一日之遞延稅項資產及遞延稅項負債總額分別為56,303,000港元及63,207,000港元(2002: 50,840,000港元及71,411,000港元)。本集團及本銀行截至二零零二年十二月三十一日之溢利已增加23,351,000港元，在本集團及本銀行的權益中註銷數額為14,259,000港元。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(I) Deferred taxation

Deferred taxation is recognised in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts. Taxation rates enacted or substantively enacted by the balance sheet date are used to determine deferred taxation.

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

Deferred tax liabilities are recognised on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

In the prior year, deferred taxation was accounted for at the current taxation rate in respect of timing differences between profit as computed for taxation purposes and profit as stated in the accounts to the extent that a liability or an asset was expected to be payable or recoverable in the foreseeable future. The adoption of the revised SSAP 12 represents a change in accounting policy, which has been applied retrospectively so that the comparatives presented have been restated to conform to the changed policy.

As detailed in note 31 to the accounts, opening shareholders' funds at 1st January 2002 and 2003 have been reduced by HK\$14,485,000 and HK\$5,393,000 respectively, which represent the unrecognised net deferred tax liabilities. This change has resulted in deferred tax assets and deferred tax liabilities totalling HK\$56,303,000 and HK\$63,207,000 at 31st December 2003 (2002: HK\$50,840,000 and HK\$71,411,000 respectively). For the year ended 31st December 2002, the profit of the Group and the Bank had been increased by HK\$23,351,000 and the amount charged to equity of the Group and the Bank was HK\$14,259,000.

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一、 主要會計政策 (續)

(拾叁) 固定資產

甲) 行產

行產以成本或估值減累積減值虧損和折舊入賬，折舊是以直線法按其估計可用年期以折舊率撇銷其值，方法如下：

- 租賃土地乃按照餘下之租期或至二零四七年六月三十日之餘下租約期折舊，以較短者為準。
- 樓宇均按五十年之估計總可用年期折舊。於估值時，重估之數額則以直線法按餘下之可用年期折舊。

行產的公平價值按需要由獨立專業估值師作出最少每三年一次之評估。估值是以個別物業的公開市值作為計算基準。估值會被包括於年度賬目內。重估之增值會撥入「行產重估儲備」。重估增值如用作抵銷同一資產因過去重估減值而被確認為支出的數額，則會被列作收入。減值則由先前的同一資產的估值盈餘首先抵銷，尚餘部份則於損益賬內扣除。在出售行產時，有關物業之重估儲備會由「行產重估儲備」轉撥到「保留盈利」內。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) Fixed assets

i) Premises

Premises are stated at cost or valuation less accumulated impairment losses and depreciation calculated to write off the assets over their estimated useful lives on a straight line basis as follows: –

- Leasehold land is depreciated over the remaining period of the lease or up to 30th June 2047 whichever is shorter.
- Buildings are depreciated over a total estimated useful life of 50 years. On revaluation, the revalued amount is depreciated on a straight line basis over the remaining portion of the useful life.

Premises are valued as necessary at fair value, and in any case at intervals of not more than three years by independent professional valuers. The valuations are on an open market value basis related to individual properties. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the "Premises revaluation reserve". However, a revaluation increase is recognised as income only to the extent that it reverses a revaluation decrease of the same asset previously recognised as an expense. Decreases are first set off against increases on previous valuations of the same asset and thereafter are debited to the profit and loss account. Upon disposal of the premises, the relevant portion of the revaluation reserve realised in respect of previous valuations is released and transferred from the "Premises revaluation reserve" to "Retained earnings".

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾叁) 固定資產 (續)

乙) 投資物業

投資物業乃在建築工程已完成之土地及樓宇中所佔之權益，因其具有投資價值而持有，任何租金收入均按公平原則磋商。

持有之投資物業，若其租約尚餘年期超過二十年，皆由獨立專業估值師每年估值一次。估值是以個別物業的公開市值為計算基準，而土地及樓宇並不會分開估值。估值會被包括於年度賬目內。重估之增值會撥入「投資物業重估儲備」，減值則首先以整個組合為基礎與先前之增值對銷，然後從損益賬內扣除。其後任何增值將撥入損益賬，惟以先前扣減之金額為限。

租約尚餘二十年或以下年期之投資物業均按租約尚餘年期折舊。

在出售投資物業時，重估儲備中與先前估值有關之已變現部份，將從「投資物業重估儲備」轉撥至損益賬。

丙) 傢俬、裝置、設備及汽車

傢俬、裝置、設備及汽車以成本減累積減值虧損及折舊入賬，折舊是以直線法按一般介乎五至十年之估計可用年期撇銷。

丁) 減值與出售盈虧

在每年結算日，均須考慮內外資料以評估其行產、傢俬、裝置、設備及汽車之賬面值是否出現減值。如有跡象顯示資產出現減值，則估計資產之可收回價值，及將減值虧損入賬以將資產之賬面成本減至其可收回價值。此等減值虧損在損益表入賬。但假若資產乃按估值列賬，而減值虧損不超過該資產之重估盈餘，在此情況下則視為重估減值。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) Fixed assets (Continued)

ii) Investment properties

Investment properties are interests in land and buildings in respect of which construction work and development have been completed and which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties held on leases with unexpired periods greater than 20 years are valued annually by independent professional valuers. The valuations are on an open market value basis related to individual properties and separate values are not attributed to land and buildings. The valuations are incorporated in the annual accounts. Increases in valuation are credited to the "Investment properties revaluation reserve". Decreases in valuation are first set off against increases on previous valuations on a portfolio basis and thereafter are debited to the profit and loss account. Any subsequent increases in valuation are credited to the profit and loss account to the extent of the deficit previously charged.

Investment properties held on leases with unexpired periods of 20 years or less are depreciated over the remaining portion of the leases.

Upon the disposal of an investment property, the relevant portion of the revaluation reserve realised in respect of previous valuations is released from the "Investment properties revaluation reserve" to the profit and loss account.

iii) Furniture, fixtures, equipment and motor vehicles

Furniture, fixtures, equipment and motor vehicles are stated at cost less accumulated impairment losses and depreciation calculated to write off the assets on a straight line basis over their estimated useful lives, which are generally between 5 and 10 years.

iv) Impairment and gain or loss on sale

At each balance sheet date, both internal and external sources of information are considered to assess whether there is any indication that the book value of premises, furniture, fixtures, equipment and motor vehicles are impaired. If any such indication exists, the recoverable amount of the asset is estimated and where relevant, an impairment loss is recognised to reduce the carrying cost of the asset to its recoverable amount. Such impairment losses are recognised in the profit and loss account except where the asset is carried at valuation and the impairment loss does not exceed the revaluation surplus for that same asset, in which case it is treated as a revaluation decrease.

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾叁) 固定資產 (續)

丁) 減值與出售盈虧 (續)

出售固定資產(投資物業除外)之收益或虧損指出售所得收入淨額與資產賬面值之差額，並於損益賬確認。有關資產之重估儲備結餘均轉撥至保留盈利，並列作儲備變動。

(拾肆) 證券投資

甲) 持至到期證券

持至到期證券乃本集團有清晰意向及有能力持至到期之有限期債務證券。該等證券按成本扣除非暫時性的減值準備列賬，而成本乃就收購時產生之溢價或折讓按至到期日期間作攤銷而調整。如集團預期未能收回賬面值，則撥出準備，並於產生時在損益賬中列作開支賬目。

有限期債務證券產生之溢價或折讓之攤銷已包括在利息收入中。變賣持至到期證券時之溢利或虧損，將會在產生時列於損益賬內。

乙) 持作買賣用途的證券

持作買賣用途的證券為用作在短期價格波動中賺取溢利而購入之證券，此等證券按公平值入賬。公平值乃在流動市場上活躍買賣之證券的交易市價。買賣不活躍或非上市證券，其公平值是透過向活躍證券交投的非關連金融機構取得之報價而估計。買賣用途的證券之公平值之變動在產生時確認於損益賬內。出售持作買賣用途的證券之溢利或虧損指出售所得款項淨額與賬面值之差額，並在產生時確認於損益賬內。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(m) Fixed assets (Continued)

iv) Impairment and gain or loss on sale (Continued)

The gain or loss on disposal of a fixed asset other than investment properties is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in the profit and loss account. Any revaluation reserve balance remaining attributable to the relevant asset is transferred to retained earnings and is shown as a movement in reserves.

(n) Investments in securities

i) Held-to-maturity securities

Held-to-maturity securities are dated debt securities which the Group has the expressed intention and ability to hold to maturity. These securities are stated at cost adjusted for the amortisation of premiums or discounts arising on acquisition over the periods to maturity, less provision for diminution in their value other than temporary. Provisions are made for the amount of the carrying value which the Group does not expect to recover and are recognised as an expense in the profit and loss account as they arise.

The amortisation of premiums or discounts arising on acquisition of dated debt securities is included as part of interest income. Profits or losses on realisation of held-to-maturity securities are accounted for in the profit and loss account as they arise.

ii) Trading securities

Trading securities are securities which are acquired for the purpose of generating a profit from short-term fluctuations in price and are stated at fair value. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by seeking quotations from unrelated financial institutions actively dealing in the securities. Changes in the fair value of trading securities are recognised in the profit and loss account as they arise. Profits and losses on disposal of trading securities, representing the difference between the net sales proceeds and the carrying amounts, are recognised in the profit and loss account as they arise.

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾肆) 證券投資 (續)

丙) 非持作買賣用途的證券

非持作買賣用途的證券包括持有作流動資產用途之債務證券(主要為維持香港銀行業條例第四附表所界定之流動資產比率)，及其他非持作買賣用途之債務與權益性證券及於投資基金之權益。非持作買賣用途的證券以公平值於資產負債表內列賬。公平值乃在流動市場上活躍買賣之證券的交易市價。買賣不活躍或非上市證券，其公平值是透過向活躍證券交投的非關連金融機構取得之報價及以各種內部定價技術作估計。

非持作買賣用途的證券公平值之變動在「投資重估儲備」中列賬，直至有關證券出售或被界定為減值為止，其累計收益或虧損即出售所得款項淨額與有關證券賬面值之差額，連同轉撥自投資重估儲備任何增值/減值，皆包括在損益賬內。

(拾伍) 經營租約

經營租約是指擁有資產之所有回報及風險基本上全部由出租公司保留之租約。根據經營租約作出之租金支出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賬中撇銷。

如本集團為出租人，租賃資產在資產負債表中列為固定資產，並與同類型自置固定資產相同的基準按可使用年期折舊。租金收入在租約期內以直線法確認。因賺取租金收入而需支出的直接前期成本於產生時在損益賬中列作開支。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(n) Investments in securities (Continued)

iii) Non-trading securities

Non-trading securities include debt securities held for liquidity purposes which are held primarily to maintain the liquidity ratio as defined in the Fourth Schedule of the Hong Kong Banking Ordinance and other debt and equity securities and interests in investment funds which are not held for trading purposes. Non-trading securities are stated at fair value on the balance sheet. Fair value represents the quoted market price for securities that are actively traded in a liquid market. For securities which are not actively traded or are unlisted, fair value is estimated by seeking quotations from unrelated financial institutions actively dealing in the securities or by way of various pricing techniques generated internally.

Changes in the fair value of non-trading securities are recognised in the "Investment revaluation reserve" until the security is sold or determined to be impaired, at which time the cumulative gain or loss representing the difference between the net sales proceeds or the expected recoverable amount and the carrying amount of the relevant security, together with any surplus / deficit transferred from the investment revaluation reserve, is included in the profit and loss account.

(o) Operating leases

Leases where substantially all of the rewards and risks of ownership of the asset remain with the leasing company are accounted for as operating leases. Rentals applicable to such operating leases net of any incentives received from the lessor are charged to the profit and loss account on a straight line basis over the lease term.

Where the Group is the lessor, the assets subject to the lease are included in fixed assets in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned fixed assets. Rental income from operating leases is recognised on a straight line basis over the lease term. Initial direct costs incurred specifically to earn revenue from an operating lease are recognised as an expense in the profit and loss account in the period in which they are incurred.

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾陸) 資產負債表外金融工具

資產負債表外金融工具乃來自集團在外匯、股票及利率市場上進行之期貨、遠期、掉期、及期權交易。

此等工具之記賬方法乃視乎該等交易的目的而定。

作買賣用途之交易是以其公平值重新釐定價值。公平值是定期取自各種的渠道，包括市場報價、現金流量折讓模型及期權評價模型。買賣外匯工具產生之損益已包括在損益賬「外匯買賣淨收益/(虧損)」內。買賣利率及其他金融工具所產生之損益已包括在損益賬之其他營運收入。本集團在評估用作買賣用途的衍生工具公平值所採用之主要方法及假設已列於附註卅五(丙)。

按市值計算買賣之未變現收益已記入資產負債表「各項客戶貸款及其他賬目」內。按市值計算買賣之未變現虧損則包括於「其他賬目及預提」內。

在訂立衍生工具合約當日，本集團或會指定某些交易為對沖交易。被分類為對沖交易的衍生工具，必須與被對沖的項目有正式的聯繫，並在交易發生時已被清楚地確定及記錄。集團風險部不時檢討及監控對沖工具對減免風險的有效性。指定為對沖交易的衍生工具是根據其所對沖之資產、負債或持倉淨額之相同基準計算價值。而所產生之盈虧亦根據相關資產、負債或持倉淨額產生盈虧之相同基準計入損益賬內。

當衍生工具交易不再符合以上作為對沖的條件時，則此等衍生工具將被視為持作買賣用途，並循以上所述方法入賬。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(p) Off-balance sheet financial instruments

Off-balance sheet financial instruments arise from futures, forward, swap and option transactions undertaken by the Group in the foreign exchange, equity and interest rate markets.

Accounting for these instruments is dependent upon the purpose for which the transactions are undertaken.

Transactions undertaken for trading purposes are re-measured to their fair value. Fair values are obtained periodically from various sources, including quoted market prices, discounted cash flow models and option pricing models as appropriate. The gains and losses arising from trading in foreign exchange instruments are recognised in the profit and loss account as "Net gain / (loss) from foreign exchange trading". The gains and losses arising from trading in interest rate and other financial instruments are recognised in the profit and loss account and included as part of other operating income. The major methods and assumptions used by the Group in estimating the fair value of trading derivatives are set out in note 35(c) to the accounts.

Unrealised gains on transactions which are marked to market are included in "Advances to customers and other accounts" in the balance sheet. Unrealised losses on transactions which are marked to market are included in "Other accounts and accruals".

On the date a derivative contract is entered into, the Group may designate certain derivative transactions as hedges. Derivatives are classified as a hedge when a formal linkage between the hedging instruments and the hedged items is clearly identified and documented at the inception of the hedging transactions. The risk mitigation effectiveness of the hedging instruments is reviewed by the Group Risk Division and is monitored on an on-going basis. Transactions designated as hedges are valued on an equivalent basis to the assets, liabilities or net positions that they are hedging. Any profit or loss is recognised on the same basis as that arising from the related assets, liabilities or net positions.

If the derivative transaction no longer meets the criteria for a hedge set out above, the derivative is deemed to be held for trading purposes and is accounted for as set out above.

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾陸) 資產負債表外金融工具 (續)

衍生工具交易只會在本集團有能力堅持以淨額方式結算時(如達成總體性的對銷協議或其他具有法律效力的安排)，才互相對銷。要求淨額結算的或然性權力的確認，只有在本集團有能力於交易對手所有違約的情況下(包括合約中任何一方資不抵債)堅持以淨額結算，並毫不存疑的可以行使此等權力時才被考慮。

除非相關的結算貨幣均相同，或交易以在活躍市場中能夠提供到自由兌換貨幣作價，否則衍生工具交易不作互相抵銷。

(拾柒) 準備

當本集團因過往事件須承擔現有之法律或推定責任，而在解除責任時有可能令到資源流出及可靠地估計其金額時，則會確認準備。

當本集團重組業務之正式詳細計劃已在執行中或其詳情已向受影響之人仕展述，本集團會為相關的成本作出準備。重組撥備主要包括解僱員工之遣散費。當經濟利益有可能流出的情況產生，而金額又能夠可靠地被估計時，則會悉數作出準備。

(拾捌) 僱員福利

甲) 僱員應享假期

僱員應享年假和長期服務休假福利已在僱員提供服務時確認。集團於截至結算日止僱員已提供之服務而應得之年假及長期服務休假的估計負債已撥出準備。

乙) 獎金計劃

當本集團因為僱員已提供服務而產生的即時或推定應付獎金責任，而有關金額須在年結後十二個月內償付及又能可靠地估計時，則將預期獎金計劃之負債入賬。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(p) Off-balance sheet financial instruments (Continued)

Derivative transactions are offset only when the Group has the ability to insist on net settlement such as by means of entering into a master netting agreement or other legally enforceable arrangements. Any right to insist on a net settlement that is contingent is only taken into account when the Group is able to enforce net settlement in all situations of default by the other party or parties including insolvency of any parties to the contract, and the ability to insist on a net settlement is assured beyond doubt.

Derivative transactions are not offset unless the related settlement currencies are the same, or are denominated in freely convertible currencies for which quoted exchange rates are available in an active market.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation which, as a result of past events, makes it probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

The Group provides for costs related to restructuring of the Group's operations which are subject to detailed formal plans that are under implementation or have been communicated to those affected by the plans. Restructuring provisions mainly comprise employee termination payments. Provision is made when it is probable that an outflow of economic benefits will arise and the amounts can be reliably estimated.

(r) Employee benefits

i) 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.

ii) Bonus plans

Liabilities for bonus plans due wholly within twelve months after the balance sheet date are recognised when the Group has a present or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(拾捌) 僱員福利 (續)

丙) 退休金責任

集團提供一項強制性公積金及多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。退休金計劃由集團相關公司與員工供款。

集團向強制性公積金計劃及界定供款退休計劃支付之供款在已付時作為費用支銷。除向強制性公積金供款外，集團可將員工在未全數取得既得之利益前退出計劃而被沒收之僱主供款用作扣減供款。

丁) 權益補償福利

本公司根據行政人員優先認股計劃授予董事及高級行政人員最終控股公司的認股權。

按低於可向第三者發行票據之公平值向集團僱員發行認股權所得之權益補償福利，不在集團賬目中確認。

(拾玖) 或然負債及或然資產

或然負債指因為過往事件而可能引起之承擔，而其存在只能就集團控制範圍以外之一宗或多宗不確定未來事件之出現而被確認。或然負債亦可能是因為過往事件引致之現有承擔，但由於可能不需要有經濟資源流出，或承擔金額未能可靠衡量而未有記賬。

或然負債不會被確認，但會在賬目附註中披露。假若資源流出之可能性改變而導致資源可能流出，則被確認為負債。

或然資產指因為過往事件而可能產生之資產，而其存在只能就集團控制範圍以外之一宗或多宗不確定事件之出現而被確認。

或然資產不會被確認，但會於經濟收益有可能流入時在賬目附註中披露。若實質確定有收益流入，則被確認為資產。

1. PRINCIPAL ACCOUNTING POLICIES (Continued)

(r) Employee benefits (Continued)

iii) Pension obligations

The Group offers a mandatory provident fund scheme and a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. These pension plans are generally funded by payments from employees and by the relevant Group companies.

The Group's contributions to the mandatory provident fund schemes and defined contribution retirement schemes are expensed as incurred. Other than mandatory provident fund contribution, the Group's contributions may be reduced by contributions forfeited by those employees who leave prior to vesting fully in the contributions.

iv) Equity compensation benefits

Share options of the ultimate holding company are granted to directors and senior executives under the Executive Share Option Scheme.

Equity compensation benefits resulting from the issue of share options to the Group's employees at less than the fair value at which those instruments would be issued to a third party are not recognised in the Group's accounts.

(s) Contingent liabilities and contingent assets

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 control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised 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.

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 control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the accounts when an inflow of economic benefits is probable. When such inflow is virtually certain, an asset is recognised.

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

一、 主要會計政策 (續)

(貳拾) 現金及等同現金項目

就綜合現金流量結算表而言，現金及等同現金項目包括持作買賣用途的國庫債券及由購買日起三個月內到期之款項，包括現金、銀行及金融機構結存、國庫債券及存款證。

二、 利息收入

		2003	2002
上市投資利息收入	Interest income on listed investments	214,443	164,873
非上市投資利息收入	Interest income on unlisted investments	404,949	416,155
其他利息收入	Other interest income	1,680,405	1,928,177
		2,299,797	2,509,205

三、 其他營運收入

		2003	2002
服務費及佣金收入	Fees and commission income	419,077	440,481
減除：服務費及佣金支出(附註)	Less: Fees and commission expense (Note)	(50,814)	(81,649)
淨服務費及佣金收入	Net fees and commission income	368,263	358,832
外匯買賣淨收益	Net gain from foreign exchange trading	24,869	33,968
持作買賣用途的證券及衍生工具淨收益	Net gain from trading securities and derivatives	56,317	90,447
在股票投資之股息收入	Dividend income from investments in securities		
上市投資	Listed investments	161	327
非上市投資	Unlisted investments	8,988	13,611
投資物業之租金收入總額	Gross rental income from investment properties	11,900	13,709
其他租金收入	Other rental income	5,417	4,669
其他	Others	5,806	5,790
		481,721	521,353

附註：

於往年，租購貸款時付予交易商的佣金是按貸款期以直線法攤銷。二零零二年的攤銷金額26,990,000港元已包括在服務費及佣金支出內。由二零零三年一月一日起此等佣金以收入相配法，按相關貸款每期的利息收入金額攤銷。攤銷的金額包括在淨利息收入以跟隨市場做法。此等攤銷方法及會計分類的變更對二零零二年的賬目並無重大影響，故此去年的數字並無重列。

Note:

In previous years, commissions paid to dealers on hire purchase loans were amortised using a straight line basis over the term of the loan. The amortisation charge in 2002 of HK\$26,990,000 was included as part of fees and commission expense. With effect from 1st January 2003, such commissions are amortised using an income-matching method which matches the amortisation charge with the amount of interest income earned from the underlying loans in each period. The amortisation charge is included as part of net interest income in line with market practice. The effect of this change in amortisation basis and accounts classification to the 2002 accounts is not significant and accordingly, no restatement of the amounts reported in last year is made.

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

四、 營運支出

4. OPERATING EXPENSES

		2003	2002
人事費用(包括董事酬金)(附註五)	Staff costs (including directors' remuneration) (Note 5)	440,820	467,476
行產及其他固定資產	Premises and other fixed assets		
行產之租金	Rental of premises	41,512	40,436
其他	Others	53,423	54,715
折舊(附註廿三)	Depreciation (Note 23)	60,756	56,577
核數師酬金	Auditors' remuneration	1,672	1,767
其他營運支出	Other operating expenses	118,400	158,141
		716,583	779,112

經營租約內行產之租金已減除分租予第三者時所收回之租金。

Rental of premises under operating leases is stated net of rental income received from sub-lease agreements with third parties.

五、 人事費用

5. STAFF COSTS

		2003	2002
薪酬及工資	Wages and salaries	417,148	437,688
解僱補償	Termination benefits	-	3,393
退休金—界定供款計劃	Pension costs – defined contribution plans	23,672	26,395
		440,820	467,476

六、 壞賬及呆賬準備調撥

6. CHARGE FOR BAD AND DOUBTFUL DEBTS

		2003	2002
壞賬及呆賬淨準備調撥	Net charge for bad and doubtful debts		
特殊準備調撥	Specific provisions charged		
— 新增準備	— new provisions	568,320	693,476
— 回撥	— releases	(27,862)	(14,440)
— 收回	— recoveries	(40,472)	(27,591)
		499,986	651,445
一般準備(撥回)/支出	General provisions (written back) / charged	(5,092)	17,037
損益賬中淨支出(附註十八)	Net charge to profit and loss account (Note 18)	494,894	668,482

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

七、 出售固定資產及固定資產 重估減值淨虧損

7. NET LOSS ON DISPOSAL AND DEFICIT ON REVALUATION OF FIXED ASSETS

		2003	2002
投資物業重估減值	Deficit on revaluation of investment properties	19,022	32,528
行產重估減值	Deficit on revaluation of premises	45,187	–
出售投資物業收益	Gain on disposal of investment properties	(590)	–
出售其他固定資產虧損	Loss on disposal of other fixed assets	860	4,313
		64,479	36,841

八、 出售非持作買賣用途及持 至到期的證券淨收益

8. NET GAIN ON DISPOSAL OF NON-TRADING AND HELD-TO-MATURITY SECURITIES

		2003	2002
出售非持作買賣用途的證券淨收益	Net gain on disposal of non-trading securities	195,938	5,734
出售持至到期證券淨虧損	Net loss on disposal of held-to-maturity securities	–	(3,221)
將持至到期證券轉換至非持作買賣用途的 證券淨收益(附註)	Net gain on transfers of held-to-maturity securities to non-trading securities (note)	–	74,230
		195,938	76,743

附註：

本集團在考慮市場情況之變化後，因改變投資策略而重整投資組合，以致改變其持有證券至到期的意向，而出售及轉移持至到期證券。除於短期銀行同業市場賬中所持之持至到期證券(反映在「現金及短期資金」(附註十三)中之國庫債券)，所有在轉移時在投資賬中剩留之持至到期證券，已重新指定為非持作買賣用途的證券。

Note:

The disposal and transfer of held-to-maturity securities in 2002 were brought about by changes in the Group's intention of holding the securities to maturity as a result of restructuring of the investment portfolio due to change in investment strategy, after taking into consideration changes in market conditions. All remaining holdings in the held-to-maturity securities portfolio kept in the investment book but excluding those held in the short-term money market book (as reflected in Treasury bills under "Cash and short-term funds" (Note 13)) were redesignated as non-trading securities at the time of transfer.

九、 董事酬金

9. DIRECTORS' EMOLUMENTS

		2003	2002
袍金	Fees	300	210
薪金、房屋、實物利益 及其他津貼	Salaries, housing, benefits in kind and other allowances	48,326	50,876
退休金福利	Pensions	1,560	1,634
		50,186	52,720

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

九、董事酬金 (續)

上述的實物利益包括行使認股權之獲益，並按大新金融集團有限公司(「大新金融」)股份之行使認股權當日之收市價與認股權之設定行使價之差額釐定。本年內，本集團四位(2002：三位)董事獲得金額共6,593,000港元(2002：10,395,000港元)股份認購權利益。

除上述董事酬金外，若干董事二零零零年四月三日獲授予認購大新金融股份之認股權，於二零零三年十二月三十一日，仍有可認購股份243,750股(2002：550,000股)之認股權未獲行使。此等認股權可於獲授予日起計之第一至第五個周歲日期間按不同數額行使，而該等認股權之行使價為每股26.28港元。

十、稅項

香港利得稅乃按照本年度估計應課稅溢利依稅率17.5%(2002：16%)提撥準備。於二零零三年，香港政府立法把利得稅率自16%更改為二零零三年/二零零四年年度的17.5%。

於綜合損益賬中支出之稅項指：

9. DIRECTORS' EMOLUMENTS (Continued)

The benefits arising from the exercise of share options are included in the above as benefits in kind and are determined based on the difference between the closing market price of shares of Dah Sing Financial Holdings Limited ("DSFH") upon exercise of the options and the predetermined exercise price of the option shares. During the year, share option benefits amounting to HK\$6,593,000 (2002: HK\$10,395,000) had been received by four (2002: three) Directors.

In addition to the above emoluments, options to purchase 243,750 (2002: 550,000) shares of DSFH granted to certain Directors on 3rd April 2000 remained outstanding as at 31st December 2003. These options are exercisable at various amounts between the first and fifth anniversaries of the dates of grant and have an exercise price of HK\$26.28 per share.

10. TAXATION

Hong Kong profits tax has been calculated at the rate of 17.5% (2002:16%) on the estimated assessable profit for the year. In 2003, the Hong Kong Government enacted a change in the profits tax rate from 16% to 17.5% for the fiscal year 2003/2004.

The amount of taxation charged to the consolidated profit and loss account represents:

		2003	2002
本年度估計應課香港利得稅	Hong Kong profits tax on estimated assessable profit for the year	149,839	116,603
應佔合夥投資之估計香港利得稅虧損	Attributable share of estimated Hong Kong profits tax losses arising from investments in partnerships	(69,591)	(116,264)
		80,248	339
合夥投資撇銷	Investments in partnerships written off	53,287	91,248
		133,535	91,587
於往年度超額撥備	Over-provision in prior years	(6)	(15,178)
遞延稅項(附註廿六)	Deferred taxation (Note 26)		
— 關於暫時差異的產生及撥回	— relating to the origination and reversal of temporary differences	(7,619)	(8,173)
— 稅率上升所致	— resulting from an increase in the tax rate	(4,139)	—
		121,771	68,236

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十、 稅項 (續)

本集團之合夥投資將於獲取及運用來自該等投資之稅務利益之同年撇銷。

本集團除稅前溢利之稅項有別於運用香港適用稅率計算之理論數目如下：

10. TAXATION (Continued)

The Group's investments in partnerships are written off in the same year as the taxation benefits resulting from those investments are received and utilised.

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the taxation rate of Hong Kong as follows:

	2003	2002
除稅前溢利	989,595	875,562
以稅率17.5% (2002 : 16%) 計算		
稅務影響源於：		
無需徵稅之收入	(58,722)	(58,519)
不能作稅務扣減的支出	20,738	21,720
未確認之稅務虧損	45	83
運用前期未確認之稅務虧損	-	(323)
由稅率上升而引致之期初遞延稅項		
資產淨值增加	(4,139)	-
於往年度超額撥備	(6)	(15,178)
合夥投資終結回報	6,980	5,379
應佔合夥投資估計香港利得稅虧損		
合夥投資撇銷	(69,591)	(116,264)
合夥投資撇銷	53,287	91,248
稅項	121,771	68,236

十一、 股東應佔溢利

列於本銀行賬內之股東應佔溢利達868,970,000港元(2002 : 816,992,000港元)。

11. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders is dealt with in the accounts of the Bank to the extent of HK\$868,970,000 (2002: HK\$816,992,000).

十二、 股息

已派第一期中期股息，每股25.00港元
(2002 : 25.00港元)
已派第二期中期股息，每股12.50港元
(2002 : 無)
二零零四年三月一日擬派末期股息，
每股20.00港元(2002 : 二零零三年
三月三日擬派末期股息每股30.00港元)

12. DIVIDENDS

	2003	2002
First Interim, paid, of HK\$25.00 (2002: HK\$25.00) per share	200,000	200,000
Second interim, paid, of HK\$12.50 (2002: Nil) per share	100,000	-
Final, proposed on 1st March 2004, of HK\$20.00 per share (2002: proposed on 3rd March 2003, of HK\$30.00 per share)	200,000	240,000
	500,000	440,000

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十三、 現金及短期資金

13. CASH AND SHORT-TERM FUNDS

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
現金及在銀行及其他 金融機構的結餘	Cash and balances with banks and other financial institutions	390,555	394,876	390,464	394,768
通知及短期存款	Money at call and short notice	4,748,488	2,645,305	4,748,488	2,645,305
國庫債券(包括外匯基金 票據)(附註卅二)	Treasury bills (including Exchange Fund Bills) (Note 32)	5,390,931	5,595,710	5,390,931	5,595,710
		10,529,974	8,635,891	10,529,883	8,635,783

集團及銀行		Group and Bank	
		2003	2002
持有之國庫債券分析如下：	An analysis of treasury bills held is as follows:		
持作買賣用途的證券，按公平值 — 非上市	Trading securities, at fair value – Unlisted	1,391,323	248,680
非持作買賣用途的證券，按公平值 — 非上市	Non-trading securities, at fair value – Unlisted	3,999,608	–
持至到期證券，按攤銷成本 — 非上市	Held-to-maturity securities, at amortised cost – Unlisted	–	5,347,030
		5,390,931	5,595,710

十四、 貿易票據

14. TRADE BILLS

集團及銀行		Group and Bank	
		2003	2002
貿易票據	Trade bills	744,998	582,268
一般準備(附註十八)	General provision (Note 18)	(7,450)	(5,822)
		737,548	576,446

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十五、 持有的存款證

15. CERTIFICATES OF DEPOSIT HELD

集團及銀行	Group and Bank	2003	2002
非持作買賣用途的證券，按公平值 (附註卅二)	Non-trading securities, at fair value (Note 32)		
– 非上市	– Unlisted	204,400	455,137

十六、 持作買賣用途的證券

16. TRADING SECURITIES

集團及銀行	Group and Bank	2003	2002
按公平值：	At fair value:		
債務證券(附註卅二)	Debt securities (Note 32)		
– 香港上市	– Listed in Hong Kong	2,173,363	1,198,309
– 非上市	– Unlisted	613,968	1,299,554
		2,787,331	2,497,863
權益性證券	Equity securities		
– 香港上市	– Listed in Hong Kong	1,883	74
		2,789,214	2,497,937
持作買賣用途的證券按發行機構類別 分析如下：	Trading securities are analysed by issuer as follows:		
– 中央政府和中央銀行	– Central governments and central banks	2,242,304	1,188,628
– 公營機構	– Public sector entities	488,592	1,219,997
– 銀行及其他金融機構	– Banks and other financial institutions	56,527	89,312
– 企業	– Corporate entities	1,791	–
		2,789,214	2,497,937

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十七、各項客戶貸款及其他賬目

(甲) 各項客戶貸款及其他賬目：

17. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS

(a) Advances to customers and other accounts:

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
各項客戶貸款(附註卅二)	Advances to customers (Note 32)	27,424,042	27,661,272	27,424,042	27,661,272
壞賬及呆賬準備	Provisions for bad and doubtful debts				
特殊(附註十八)	Specific (Note 18)	(231,520)	(219,380)	(231,520)	(219,380)
一般(附註十八)	General (Note 18)	(269,213)	(275,967)	(269,213)	(275,967)
		26,923,309	27,165,925	26,923,309	27,165,925
應計利息	Accrued interest	408,920	402,492	408,920	402,492
其他賬目	Other accounts	1,227,436	1,218,900	1,221,307	1,214,370
其他賬目準備	Provisions against other accounts				
一般(附註十八)	General (Note 18)	(120)	(86)	-	-
		1,636,236	1,621,306	1,630,227	1,616,862
		28,559,545	28,787,231	28,553,536	28,782,787

(乙) 客戶的不履行貸款分析如下：

(b) Non-performing loans to customers are analysed as follows:

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
客戶的不履行貸款	Non-performing loans to customers	427,971	461,661	427,971	461,661
特殊準備	Specific provisions	(206,694)	(199,844)	(206,694)	(199,844)
		221,277	261,817	221,277	261,817
撥入懸欠利息	Amount of interest in suspense	24,169	34,338	24,169	34,338

不履行貸款乃客戶的貸款及墊款之利息已撥入懸欠或已停止累計利息的貸款。

Non-performing loans are loans and advances to customers on which interest is being placed in suspense or on which interest accrual has ceased.

客戶的不履行貸款佔本集團及本銀行之各項客戶貸款總額1.56% (2002 : 1.67 %)。

Non-performing loans to customers represent 1.56% (2002: 1.67%) of total advances to customers of the Group and of the Bank.

以上特殊準備已考慮有關貸款之抵押品於十二月三十一日之價值。

The above specific provisions were made after taking into account the value of collateral in respect of such advances as at 31st December.

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十七、各項客戶貸款及其他賬目 (續)

17. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (Continued)

(丙) 各項客戶貸款包括融資租賃應收賬，分析如下：

(c) Advances to customers include finance lease receivables, analysed as follows:

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
投資在融資租賃之應收賬總額：	Gross investment in finance leases, receivable:				
一年以內	Not later than one year	1,344,141	1,400,569	1,344,141	1,400,569
一年以上至五年	Later than one year and not later than five years	1,545,659	1,677,620	1,545,659	1,677,620
五年以上	Later than five years	1,576,555	1,774,732	1,576,555	1,774,732
		4,466,355	4,852,921	4,466,355	4,852,921
融資租賃之遞延未來融資收入	Unearned future finance income on finance leases	(830,789)	(999,260)	(830,789)	(999,260)
融資租賃淨投資	Net investment in finance leases	3,635,566	3,853,661	3,635,566	3,853,661
融資租賃淨投資期限之分析如下：	The maturity of net investment in finance leases is analysed as follows:				
一年以內	Not later than one year	1,180,353	1,197,423	1,180,353	1,197,423
一年以上至五年	Later than one year and not later than five years	1,263,323	1,339,191	1,263,323	1,339,191
五年以上	Later than five years	1,191,890	1,317,047	1,191,890	1,317,047
		3,635,566	3,853,661	3,635,566	3,853,661

於二零零三年十二月三十一日包括在以上的融資租賃之投資總額內並無擔保剩餘價值(2002：無)。

There is no unguaranteed residual value included in the gross investment in finance leases above as at 31st December 2003 (2002: Nil).

二零零三年十二月三十一日本集團及本銀行之貸款虧損準備包括為融資租賃不可收回的應收賬作的準備分別合計為29,673,000港元(2002：29,166,000港元)及29,673,000港元(2002：29,166,000港元)。

The allowance for uncollectable finance lease receivables included in the provision for loan losses as at 31st December 2003 for the Group and the Bank amounted to HK\$29,673,000 (2002: HK\$29,166,000) and HK\$29,673,000 (2002: HK\$29,166,000) respectively.

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十八、 壞賬及呆賬準備

18. PROVISIONS FOR BAD AND DOUBTFUL DEBTS

集團	Group	壞賬及呆賬準備			懸欠利息 Suspended Interest
		特殊 Specific	一般 General	合計 Total	
二零零三年一月一日	At 1st January 2003	219,380	281,875	501,255	34,338
撇除額	Amounts written off	(528,318)	–	(528,318)	(19,524)
收回已於往年撇銷 之貸款	Recoveries of advances written off in previous years	40,472	–	40,472	–
於損益賬內支出/(撥回) (附註六)	Charge/ (write-back) to profit and loss account (Note 6)	499,986	(5,092)	494,894	–
年內懸欠利息	Interest suspended during the year	–	–	–	9,355
二零零三年十二月三十一日	At 31st December 2003	231,520	276,783	508,303	24,169
扣減於：	Deducted from:				
貿易票據(附註十四)	Trade bills (Note 14)	–	7,450	7,450	
各項客戶貸款 (附註十七(甲))	Advances to customers (Note 17(a))	231,520	269,213	500,733	
應計利息及其他賬目 (附註十七(甲))	Accrued interest and other accounts (Note 17(a))	–	120	120	
		231,520	276,783	508,303	

銀行	Bank	壞賬及呆賬準備			懸欠利息 Suspended Interest
		特殊 Specific	一般 General	合計 Total	
二零零三年一月一日	At 1st January 2003	219,380	281,789	501,169	34,338
撇除額	Amounts written off	(528,236)	–	(528,236)	(19,524)
收回已於往年撇銷 之貸款	Recoveries of advances written off in previous years	40,472	–	40,472	–
於損益賬內支付/(撥回)	Charge/ (write-back) to profit and loss account	499,904	(5,126)	494,778	–
年內懸欠利息	Interest suspended during the year	–	–	–	9,355
二零零三年十二月三十一日	At 31st December 2003	231,520	276,663	508,183	24,169
扣減於：	Deducted from:				
貿易票據(附註十四)	Trade bills (Note 14)	–	7,450	7,450	
各項客戶貸款 (附註十七(甲))	Advances to customers (Note 17(a))	231,520	269,213	500,733	
		231,520	276,663	508,183	

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

十九、 持至到期證券

19. HELD-TO-MATURITY SECURITIES

集團及銀行	Group and Bank	2003	2002
一月一日結存	Balance as at 1st January	–	4,433,955
折讓攤銷	Amortisation of discount	737	8,270
增購	Additions	80,917	3,827,848
償還	Repayments	–	(685,806)
本年內出售的證券	Securities sold during the year	–	(7,584,267)
十二月三十一日結存	Balance as at 31st December	81,654	–
非上市證券，按攤銷成本	Unlisted securities, at amortised cost	81,654	–
持至到期證券按發行機構類別 分析如下：	Held-to-maturity securities are analysed by issuer as follows:		
– 銀行及其他金融機構	– Banks and other financial institutions	81,654	–

二十、 非持作買賣用途的證券

20. NON-TRADING SECURITIES

集團及銀行	Group and Bank	2003	2002
按公平值：	At fair value:		
債務證券(附註卅二)	Debt securities (Note 32)		
– 香港上市	– Listed in Hong Kong	1,384,656	2,343,957
– 香港以外上市	– Listed outside Hong Kong	7,650,441	6,146,886
– 非上市	– Unlisted	7,681,483	7,366,438
		16,716,580	15,857,281
權益性證券	Equity securities		
– 香港上市	– Listed in Hong Kong	71,515	2,879
– 非上市	– Unlisted		
– 於投資基金之權益	– Interests in investment funds	292,633	–
– 其他非上市公司之股票	– Shares in other unlisted companies	875	814
		365,023	3,693
		17,081,603	15,860,974

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

二十、 非持作買賣用途的證券 (續)

20. NON-TRADING SECURITIES (Continued)

集團及銀行	Group and Bank	2003	2002
非持作買賣用途的證券按 發行機構類別分析如下：	Non-trading securities are analysed by issuer as follows:		
— 中央政府和中央銀行	— Central governments and central banks	3,940,712	6,729,179
— 公營機構	— Public sector entities	2,600,245	1,740,652
— 銀行及其他金融機構	— Banks and other financial institutions	6,428,781	4,404,462
— 企業	— Corporate entities	4,110,412	2,985,228
— 其他	— Others	1,453	1,453
		<u>17,081,603</u>	<u>15,860,974</u>

廿一、 共同控制實體投資

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

集團	Group	2003	2002
非上市股份，按成本	Unlisted shares, at cost	20,000	20,000
共同控制實體之貸款應收賬	Loan receivable from a jointly controlled entity	31,000	31,000
		51,000	51,000
應佔收購後儲備	Share of post-acquisition reserves	(28,015)	(26,000)
		<u>22,985</u>	<u>25,000</u>
銀行	Bank	2003	2002
非上市股份，按成本	Unlisted shares, at cost	20,000	20,000
減值虧損準備	Provision for impairment loss	(20,000)	(20,000)
		-	-
共同控制實體之貸款應收賬	Loan receivable from a jointly controlled entity	31,000	31,000
壞賬及呆賬準備	Provision for bad and doubtful debts	(8,015)	(6,000)
		<u>22,985</u>	<u>25,000</u>

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿一、 共同控制實體投資 (續)

21. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (Continued)

於二零零三年十二月三十一日的共同控制實體如下：

The following are the jointly controlled entities as at 31st December 2003:

名稱 Name	註冊地點 Place of incorporation	主要業務及經營地點 Principal activities and place of operation	佔擁有權之百分比 Percentage of interest in ownership
銀聯控股有限公司 Bank Consortium Holding Limited	香港 Hong Kong	投資控股，香港 Investment holding, Hong Kong	13.333%
銀聯信託有限公司 Bank Consortium Trust Company Limited	香港 Hong Kong	受托人及退休金福利之代管人服務，香港 Trustee and custodian services for retirement fund schemes, Hong Kong	13.333%

本集團在銀聯控股有限公司之權益由本銀行直接持有，而銀聯信託有限公司乃銀聯控股有限公司之全資附屬公司。

The Group's interest in Bank Consortium Holding Limited is directly held by the Bank. Bank Consortium Trust Company Limited is a wholly owned subsidiary of Bank Consortium Holding Limited.

廿二、 附屬公司投資

22. INVESTMENTS IN SUBSIDIARIES

銀行 Bank	2003	2002
非上市股份，按成本	19,077	19,077
應收附屬公司款項	9,927	9,068
應付附屬公司款項	(17,819)	(18,019)
	11,185	10,126

應收/應付附屬公司之款項均為無抵押，免息及無既定還款條件。

The amounts due from / to subsidiaries are unsecured, interest free and have no fixed repayment terms.

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿二、 附屬公司投資 (續)

於二零零三年十二月三十一日之主要全資附屬公司如下：

22. INVESTMENTS IN SUBSIDIARIES (Continued)

The following is a list of the principal wholly-owned subsidiaries as at 31st December 2003:

公司名稱 Name of company	主要業務 Principal activity	註冊 / 經營地點 Place of incorporation / operation	已發行普通股股本 Particulars of issued ordinary shares
大新財務有限公司 Dah Sing Finance Limited	暫無營業 Dormant	香港 Hong Kong	HK\$25,000,000
大新物業有限公司 Dah Sing Properties Limited	投資控股 Investment holding	香港 Hong Kong	HK\$10,000
大新信託有限公司 Dah Sing Nominees Limited	代理人服務 Nominee services	香港 Hong Kong	HK\$100,000
大新物業代理有限公司 Dah Sing Property Agency Limited	物業代理 Property agency	香港 Hong Kong	HK\$100,000
大新保險代理有限公司 Dah Sing Insurance Agency Limited	保險代理 Insurance agency	香港 Hong Kong	HK\$500,000
大新電腦系統有限公司 Dah Sing Computer Systems Limited	暫無營業 Dormant	香港 Hong Kong	HK\$20
大新保險顧問有限公司 Dah Sing Insurance Brokers Limited	保險經紀 Insurance broking	香港 Hong Kong	HK\$200,000
域寶投資有限公司 Vanishing Border Investment Services Limited	物業投資 Property investment	香港 Hong Kong	HK\$20
大新MTN融資有限公司 Dah Sing MTN Financing Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	US\$1
大新SAR融資有限公司 Dah Sing SAR Financing Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	US\$1

以上公司均直接由本銀行持有。

The above companies are all directly held by the Bank.

賬目附註

Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿三、 固定資產

23. FIXED ASSETS

集團	Group	投資物業 Investment Properties	行產 Premises	傢俬、裝置 及設備 Furniture, Fixtures & Equipment	汽車 Motor Vehicles	合計 Total
成本或估值	Cost or valuation					
二零零三年一月一日	At 1st January 2003	200,747	672,750	220,907	2,328	1,096,732
增置	Additions	-	-	50,564	239	50,803
重新分類	Reclassification	21,646	(21,646)	-	-	-
出售/撇銷	Disposals / written off	(5,600)	-	(32,919)	-	(38,519)
重估減值	Deficit on revaluation	(19,022)	(79,519)	-	-	(98,541)
二零零三年十二月三十一日	At 31st December 2003	197,771	571,585	238,552	2,567	1,010,475
累積折舊	Accumulated depreciation					
二零零三年一月一日	At 1st January 2003	-	17,305	111,051	1,242	129,598
是年度折舊(附註四)	Charge for the year (Note 4)	-	15,863	44,381	512	60,756
出售/撇銷	Disposals / written off	-	-	(31,931)	-	(31,931)
重估回撥	Written back on revaluation	-	(33,168)	-	-	(33,168)
二零零三年十二月三十一日	At 31st December 2003	-	-	123,501	1,754	125,255
賬面淨值	Net book value					
二零零三年十二月三十一日	At 31st December 2003	197,771	571,585	115,051	813	885,220
二零零二年十二月三十一日	At 31st December 2002	200,747	655,445	109,856	1,086	967,134
以上資產之成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:					
二零零三年十二月三十一日	At 31st December 2003					
按成本	At cost	-	-	238,552	2,567	241,119
按專業估值	At professional valuation					
二零零三年	In 2003	197,771	571,585	-	-	769,356
		197,771	571,585	238,552	2,567	1,010,475
二零零二年十二月三十一日	At 31st December 2002					
按成本	At cost	-	-	220,907	2,328	223,235
按專業估值	At professional valuation					
二零零二年	In 2002	200,747	-	-	-	200,747
二零零一年	In 2001	-	672,750	-	-	672,750
		200,747	672,750	220,907	2,328	1,096,732

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿三、 固定資產 (續)

23. FIXED ASSETS (Continued)

銀行	Bank	投資物業 Investment Properties	行產 Premises	傢俬、裝置 及設備 Furniture, Fixtures & Equipment	汽車 Motor Vehicles	合計 Total
成本或估值	Cost or valuation					
二零零三年一月一日	At 1st January 2003	200,131	671,915	220,907	2,328	1,095,281
增置	Additions	-	-	50,564	239	50,803
重新分類	Reclassification	21,646	(21,646)	-	-	-
出售/撇銷	Disposals / written off	(5,600)	-	(32,919)	-	(38,519)
重估減值	Deficit on revaluation	(19,022)	(79,492)	-	-	(98,514)
二零零三年十二月三十一日	At 31st December 2003	197,155	570,777	238,552	2,567	1,009,051
累積折舊	Accumulated depreciation					
二零零三年一月一日	At 1st January 2003	-	17,265	111,050	1,242	129,557
是年度折舊	Charge for the year	-	15,837	44,379	512	60,728
出售/撇銷	Disposals / written off	-	-	(31,931)	-	(31,931)
重估回撥	Write back on revaluation	-	(33,102)	-	-	(33,102)
二零零三年十二月三十一日	At 31st December 2003	-	-	123,498	1,754	125,252
賬面淨值	Net book value					
二零零三年十二月三十一日	At 31st December 2003	197,155	570,777	115,054	813	883,799
二零零二年十二月三十一日	At 31st December 2002	200,131	654,650	109,857	1,086	965,724
以上資產之成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:					
二零零三年十二月三十一日	At 31st December 2003					
按成本	At cost	-	-	238,552	2,567	241,119
按專業估值	At professional valuation					
二零零三年	In 2003	197,155	570,777	-	-	767,932
		197,155	570,777	238,552	2,567	1,009,051
二零零二年十二月三十一日	At 31st December 2002					
按成本	At cost	-	-	220,907	2,328	223,235
按專業估值	At professional valuation					
二零零二年	In 2002	200,131	-	-	-	200,131
二零零一年	In 2001	-	671,915	-	-	671,915
		200,131	671,915	220,907	2,328	1,095,281

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿三、 固定資產 (續)

投資物業及行產由獨立專業特許測量師萊坊(香港)有限公司於二零零三年十二月三十一日按公開市值作出重估。

假若本集團及本銀行之行產以成本值減累積折舊列賬，其賬面值應分別為430,892,000港元(2002：472,457,000港元)及428,130,000港元(2002：469,739,000港元)。

投資物業及行產之賬面淨值包括：

23. FIXED ASSETS (Continued)

Investment properties and premises were revalued on 31st December 2003 on an open market value basis by an independent professional chartered surveyor, Knight Frank Hong Kong Limited.

Had the premises of the Group and the Bank been stated at cost less accumulated depreciation, the carrying amount of the premises would have been HK\$430,892,000 (2002: HK\$472,457,000) and HK\$428,130,000 (2002: HK\$469,739,000) respectively.

The net book value of investment properties and premises comprises:

集團	Group	2003		2002	
		投資物業 Investment Properties	行產 Premises	投資物業 Investment Properties	行產 Premises
租約業權	Leaseholds				
在香港中期租約 (十至五十年)	Held in Hong Kong on medium-term lease (between 10 – 50 years)	197,155	570,801	200,131	654,671
在香港以外中期租約 (十至五十年)	Held outside Hong Kong on medium-term lease (between 10 – 50 years)	616	784	616	774
		197,771	571,585	200,747	655,445
銀行	Bank	2003		2002	
		投資物業 Investment Properties	行產 Premises	投資物業 Investment Properties	行產 Premises
租約業權	Leaseholds				
在香港中期租約 (十至五十年)	Held in Hong Kong on medium-term lease (between 10 – 50 years)	197,155	570,777	200,131	654,650

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿四、 客戶存款

24. DEPOSITS FROM CUSTOMERS

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
活期存款及往來存款	Demand deposits and current account	3,201,319	2,048,117	3,219,219	2,066,195
儲蓄存款	Savings deposits	6,858,001	5,327,772	6,858,001	5,327,772
定期、通知及短期存款	Time, call and notice deposits	26,591,658	27,155,396	26,599,058	27,164,396
		36,650,978	34,531,285	36,676,278	34,558,363

廿五、 其他賬目及預提

25. OTHER ACCOUNTS AND ACCRUALS

於二零零三年十二月三十一日本集團及本銀行之「其他賬目及預提」內包括沽空國庫債券、國庫票據及其他公營債券總數為6,379,969,000港元(2002: 5,290,428,000港元)(附註廿八)。

Included in "Other accounts and accruals" as at 31st December 2003 is a short position in treasury bills, treasury notes and other public sector debt securities totalling HK\$6,379,969,000 for the Group and the Bank (2002: HK\$5,290,428,000) (Note 28).

廿六、 即期及遞延稅項負債

26. CURRENT AND DEFERRED TAX LIABILITIES

		集團 Group		銀行 Bank	
		2003	2002	2003	2002
即期稅項	Current tax	53,712	(11,032)	53,737	(11,069)
遞延稅項	Deferred tax	6,904	20,571	6,904	20,571
		60,616	9,539	60,641	9,502

遞延稅項是就暫時差異，根據主要稅率17.5% (2002: 16%) 按負債法計算。

Deferred tax is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2002:16%)

遞延稅項負債/(資產)變動如下：

The movement on the deferred tax liabilities/(assets) account is as follows:

集團及銀行	Group and Bank	2003	2002
一月一日	At 1st January	20,571	14,485
於損益賬內撥回的遞延稅項 (附註十)	Deferred taxation credited to profit and loss account (Note 10)	(11,758)	(8,173)
於權益中(撥回)/扣除的稅項(附註卅一)	Taxation (credited)/ charged to equity (Note 31)	(1,909)	14,259
十二月三十一日	At 31st December	6,904	20,571

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿六、即期及遞延稅項負債(續)

在年內，於權益中(撥回)/扣除之遞延稅項如下：

集團及銀行	Group and Bank	2003	2002
在股東權益內之公平值儲備	Fair value reserve in shareholders' equity		
— 行產(附註卅一)	— premises (Note 31)	1,369	(524)
— 非持作買賣用途的證券(附註卅一)	— non-trading securities (Note 31)	(3,278)	14,783
		(1,909)	14,259

在年內，遞延稅項資產及負債變動(未對銷於同一課稅地域之結餘)如下：

26. CURRENT AND DEFERRED TAX LIABILITIES (Continued)

The deferred tax (credited) / charged to equity during the year is as follows:

The movements in deferred tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

遞延稅項負債：

Deferred tax liabilities:

集團及銀行	Group and Bank	加速稅務折舊		行產重估		投資重估		合計	
		Accelerated tax depreciation		Premises revaluation		Investment revaluation		Total	
		2003	2002	2003	2002	2003	2002	2003	2002
一月一日	At 1st January	6,694	9,060	48,773	49,297	15,944	1,161	71,411	59,518
於損益賬內撥回	Credited to profit and loss account	(6,295)	(2,366)	-	-	-	-	(6,295)	(2,366)
於權益內支出/(撥回)	Charged / (credited) to equity	-	-	1,369	(524)	(3,278)	14,783	(1,909)	14,259
十二月三十一日	At 31st December	399	6,694	50,142	48,773	12,666	15,944	63,207	71,411

遞延稅項資產：

Deferred tax assets:

集團及銀行	Group and Bank	準備		其他		合計	
		Provisions		Others		Total	
		2003	2002	2003	2002	2003	2002
一月一日	At 1st January	49,246	45,465	1,594	(432)	50,840	45,033
於損益賬內撥回	Credited to profit and loss account	4,455	3,781	1,008	2,026	5,463	5,807
十二月三十一日	At 31st December	53,701	49,246	2,602	1,594	56,303	50,840

遞延稅項資產及負債的對銷只在具有合法執行權對銷即期稅項資產和即期稅項負債時及遞延利得稅項與同一稅務機構有關時方可進行。以下金額，經合適的對銷後，於綜合資產負債表內列示。

Deferred 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 fiscal authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet.

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿六、 即期及遞延稅項負債(續)

26. CURRENT AND DEFERRED TAX LIABILITIES (Continued)

集團及銀行	Group and Bank	2003	2002
遞延稅項資產	Deferred tax assets	(56,303)	(50,840)
遞延稅項負債	Deferred tax liabilities	63,207	71,411
		6,904	20,571
資產負債表內包括以下各項：			
在十二個月之後可收回之 遞延稅項資產	Deferred tax assets to be recovered after more than 12 months	(56,303)	(50,840)
在十二個月之後應償還之 遞延稅項負債	Deferred tax liabilities to be settled after more than 12 months	63,207	71,411
		6,904	20,571

廿七、 已發行的債務證券

27. ISSUED DEBT SECURITIES

於二零零三年十一月十二日，本銀行透過其歐洲市場中期票據計劃，私人配售及發行價值四百萬美元之結構性票據（「票據」）。該票據為無抵押，其成本透過利息掉期後轉為浮息基準。該票據之最後到期日為二零零八年十一月十二日，但當付予票據持有之累計利息支出到達該票據面值之百分之五後，本銀行有權贖回。此等可贖回安排的最早行使日期為二零零四年十一月十二日。

On 12th November 2003, the Bank issued a US\$4,000,000 structured note (the "Note") under its Euro Medium Term Note Program by way of a private placement. The Note is unsecured and through an interest rate swap, the cost of the Note is determined on floating rate basis. The Note has a final maturity date on 12th November 2008 but is callable by the Bank when the cumulative interest paid to noteholders reaches 5% of the Note amount. The earliest date on which such callable arrangement may be triggered is 12th November 2004.

廿八、 已作抵押之資產

28. ASSETS PLEDGED

以下為資產負債表項目中由本集團及本銀行因應銷售及回購協議而沽空國庫債券及其他公營機構債券用作抵押之資產(附註廿五)：

Included in the following balance sheet captions are assets pledged by the Group and the Bank to secure short positions of treasury bills and other public sector debt securities of the Group and the Bank which are subject to sale and repurchase agreements (Note 25):

集團及銀行	Group and Bank	2003	2002
現金及短期資金(附註十三)	Cash and short-term funds (Note 13)	5,328,118	240,189
持作買賣用途的證券(附註十六)	Trading securities (Note 16)	1,857,013	1,843,696
非持作買賣用途的證券(附註二十)	Non-trading securities (Note 20)	289,384	5,344,741
		7,474,515	7,428,626

賬目附註 Notes to the Accounts

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

廿九、 借貸資本

集團及銀行

年息7.5%於2011年到期的後償票據

由本銀行籌集的原本期限在五年以上的借貸資本乃用於發展及開拓其業務。

借貸資本是本銀行於二零零一年三月二十八日發行年息七點五厘125,000,000美元在盧森堡交易所上市並被界定為二級資本的後償票據。此等票據將於二零一一年三月二十八日到期。選擇性贖還日為二零零六年三月二十九日。由發行日至選擇性贖還日，年息為七點五厘，每年付息一次。如票據並未在選擇性贖還日贖回，往後五年的年利息會重訂為當時美元五年國庫債券息率加三百六十九點七五點子。若獲得香港金融管理局預先批准，本銀行可於選擇性贖還日或因稅務理由以票面價贖回所有(但非部份)票據。本銀行亦已與一國際銀行成立利息掉期合約以將票據的固定利息掉換為以美元銀行同業拆息為基礎的浮動利息付款債務。

三十、 股本

集團及銀行

法定已發行及繳足股本：

8,000,000股普通股，每股面值100港元

29. LOAN CAPITAL

Group and Bank

7.5% fixed rate subordinated bonds due 2011

The loan capital having an original maturity of more than five years is raised by the Bank for the development and expansion of its businesses.

Loan capital represents US\$125,000,000 7.5% subordinated bonds qualifying as Tier 2 capital of the Bank issued on 28th March 2001 which are listed on the Luxembourg Stock Exchange. The bonds will mature on 28th March 2011 with an optional redemption date falling on 29th March 2006. Interest at 7.5% is payable annually from the issue date to the optional redemption date. Thereafter, if the bonds are not redeemed, the interest rate will be reset and the bonds will bear interest at the then prevailing 5-years US Treasury rate plus 369.75 basis points. The Bank may, subject to the prior approval of the Hong Kong Monetary Authority, redeem the bonds in whole but not in part, at par either on the optional redemption date or for taxation reasons. An interest rate swap contract to swap the fixed interest rate payment liability of the bonds to floating interest rate based on LIBOR has been entered into with an international bank.

30. SHARE CAPITAL

Group and Bank

Authorised, issued and fully paid:

8,000,000 ordinary shares of HK\$100 each

於二零零三年及
二零零二年十二月三十一日
At 31st December
2003 and 2002

800,000