

綜合收益表

截至二零零七年十二月三十一日止年度

Consolidated Income Statement

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	2,339,433	2,294,607
利息支出	Interest expense	7	(1,690,101)	(1,577,391)
淨利息收入	Net interest income		649,332	717,216
其他收入	Other income	8	296,459	154,410
經營收入	Operating income		945,791	871,626
經營支出	Operating expenses	9	(129,038)	(117,799)
未計貸款減值前 的經營溢利	Operating profit before impairment		816,753	753,827
貸款減值撥備 的撥回	Write-back of loan impairment allowances	12	4,457	8,473
除稅前溢利	Profit before taxation		821,210	762,300
稅項	Taxation	13(a)	(80,546)	(79,627)
本年度溢利	Profit for the year		740,664	682,673
擬派股息	Proposed dividend	16	250,000	250,000

第110至177頁所載附註為綜合財務報表的一部分。

The notes on pages 110 to 177 are an integral part of these consolidated financial statements.

綜合資產負債表

於二零零七年十二月三十一日

Consolidated Balance Sheet

as at 31 December 2007

	附註 Notes	2007 千港元 HK\$'000	2006 千港元 HK\$'000	
資產	ASSETS			
現金及短期資金	Cash and short-term funds	17	2,666,505	1,914,806
應收利息及匯款	Interest and remittance receivables	18	882,107	556,107
預付款項、按金 及其他資產	Prepayments, deposits and other assets	19	41,028	31,011
衍生金融工具	Derivative financial instruments	20	657,486	262,760
貸款組合淨額	Loan portfolio, net	21	34,460,291	32,376,452
證券投資	Investment securities:			
– 可供出售	– available-for-sale	22(a)	4,038,250	4,614,519
– 持有至到期	– held-to-maturity	22(b)	5,500,024	4,673,090
固定資產	Fixed assets	23	15,849	19,356
再保險資產	Reinsurance assets	26	366,383	373,901
			48,627,923	44,822,002
負債	LIABILITIES			
應付利息	Interest payable		471,993	349,973
應付賬項、應付開支及 其他負債	Accounts payable, accrued expenses other liabilities	25	4,151,506	4,204,591
衍生金融工具	Derivative financial instruments	20	122,642	162,952
應付稅項	Tax payable	13(b)	21,275	16,511
遞延稅項負債	Deferred tax liabilities	13(b)	28,542	27,810
保險負債	Insurance liabilities	26	661,386	624,856
已發行債務證券	Debt securities issued	27	33,311,190	28,935,470
已發行按揭證券	Mortgage-backed securities issued	28	4,229,159	5,361,260
			42,997,693	39,683,423
股東資金	SHAREHOLDERS' EQUITY			
股本	Share capital	30	2,000,000	2,000,000
保留溢利	Retained profits	31	3,151,567	2,678,722
風險儲備	Contingency reserve	31	102,497	84,678
公平值儲備	Fair value reserve	31	120,673	125,179
對沖儲備	Hedging reserve	31	5,493	–
擬派股息	Proposed dividend	16	250,000	250,000
			5,630,230	5,138,579
			48,627,923	44,822,002

董事局已於二零零八年四月十日批准及授權刊行。

Approved and authorized for issue by the Board of Directors on 10 April 2008.

任志剛 Yam Chi Kwong, Joseph
副主席 Deputy Chairman

彭醒榮 Pang Sing Tong, Peter
執行董事 Executive Director

第110至177頁所載附註為綜合財務報表的一部分。

The notes on pages 110 to 177 are an integral part of these consolidated financial statements.

資產負債表

於二零零七年十二月三十一日

Balance Sheet

as at 31 December 2007

	附註 Notes	2007 千港元 HK\$'000	2006 千港元 HK\$'000	
資產	ASSETS			
現金及短期資金	Cash and short-term funds	17	2,354,108	1,529,323
應收利息及匯款	Interest and remittance receivables	18	866,260	535,112
預付款項、按金 及其他資產	Prepayments, deposits and other assets	19	59,600	61,464
衍生金融工具	Derivative financial instruments	20	631,129	254,069
貸款組合淨額	Loan portfolio, net	21	31,516,597	28,552,854
證券投資	Investment securities:			
– 可供出售	– available-for-sale	22(a)	4,038,250	4,614,519
– 持有至到期	– held-to-maturity	22(b)	5,500,024	4,673,090
附屬公司投資	Investment in a subsidiary	24	151,766	32,180
固定資產	Fixed assets	23	15,849	19,356
再保險資產	Reinsurance assets	26	366,383	373,901
			45,499,966	40,645,868
負債	LIABILITIES			
應付利息	Interest payable		457,798	329,418
應付賬項、應付開支 及其他負債	Accounts payable, accrued expenses other liabilities	25	5,160,093	5,422,358
衍生金融工具	Derivative financial instruments	20	121,961	148,269
應付稅項	Tax payable	13(b)	21,275	16,511
遞延稅項負債	Deferred tax liabilities	13(b)	28,746	28,019
保險負債	Insurance liabilities	26	661,386	624,856
已發行債務證券	Debt securities issued	27	33,417,081	28,935,470
			39,868,340	35,504,901
股東資金	SHAREHOLDERS' EQUITY			
股本	Share capital	30	2,000,000	2,000,000
保留溢利	Retained profits	31	3,152,963	2,681,110
風險儲備	Contingency reserve	31	102,497	84,678
公平值儲備	Fair value reserve	31	120,673	125,179
對沖儲備	Hedging reserve	31	5,493	–
擬派股息	Proposed dividend	16	250,000	250,000
			5,631,626	5,140,967
			45,499,966	40,645,868

董事局已於二零零八年四月十日批准及授權刊行。

Approved and authorized for issue by the Board of Directors on 10 April 2008.

任志剛 Yam Chi Kwong, Joseph
副主席 Deputy Chairman

彭醒榮 Pang Sing Tong, Peter
執行董事 Executive Director

第110至177頁所載附註為綜合財務報表的一部分。

The notes on pages 110 to 177 are an integral part of these consolidated financial statements.

綜合權益變動表

截至二零零七年十二月三十一日止年度

Consolidated Statement of Changes in Equity

for the year ended 31 December 2007

		附註 Notes	股本 Share capital 千港元 HK\$'000	保留溢利 Retained profits 千港元 HK\$'000	其他儲備 Other reserves 千港元 HK\$'000	合計 Total 千港元 HK\$'000
於二零零六年一月一日結餘	Balance as at 1 January 2006		2,000,000	2,519,002	155,664	4,674,666
扣除稅項後的公平值收益 – 可供出售證券	Fair value gains, net of tax – available-for-sale securities	31	–	–	31,240	31,240
本年度溢利	Profit for the year		–	682,673	–	682,673
由保留溢利撥入 風險儲備已滿期 風險保費淨額的50%	Transfer of 50% of net risk premium earned from retained profits to contingency reserve	31	–	(22,953)	22,953	–
已付二零零五年股息	Dividend paid relating to 2005		–	(250,000)	–	(250,000)
於二零零六年十二月三十一日結餘	Balance as at 31 December 2006		2,000,000	2,928,722	209,857	5,138,579
扣除稅項後的公平值收益 – 可供出售證券	Fair value gains, net of tax – available-for-sale securities	31	–	–	14,193	14,193
– 現金流量對沖	– cash flow hedges	31	–	–	5,493	5,493
於出售可供出售 投資時撥回， 扣除稅項	Release upon disposal of available-for-sale investment, net of tax	31	–	–	(18,699)	(18,699)
本年度溢利	Profit for the year		–	740,664	–	740,664
由保留溢利撥入 風險儲備已滿期 風險保費淨額的50%	Transfer of 50% of net risk premium earned from retained profits to contingency reserve	31	–	(18,489)	18,489	–
風險儲備撥回至保留溢利	Release of contingency reserve to retained profits	31	–	670	(670)	–
已付二零零六年股息	Dividend paid relating to 2006	16	–	(250,000)	–	(250,000)
於二零零七年十二月三十一日結餘	Balance as at 31 December 2007		2,000,000	3,401,567	228,663	5,630,230

第110至177頁所載附註為綜合財務報表的一部分。

The notes on pages 110 to 177 are an integral part of these consolidated financial statements.

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
經營業務所得現金流量	Cash flows from operating activities		
除稅前溢利	Profit before taxation	821,210	762,300
就以下各項作出的調整：	Adjustment for:		
折舊	Depreciation	10,147	10,594
固定資產出售虧損	Loss on disposal of fixed assets	-	2
已發行債務證券折讓攤銷	Amortisation of discount on debt securities issued	46,392	42,116
貸款減值撥備的撥回	Write-back of loan impairment allowances	(4,457)	(8,473)
扣除收回貸款後撇銷的貸款組合	Loan portfolio written off net of recoveries	(5,846)	(23,141)
證券投資折讓攤銷	Amortisation of discount on investment securities	(107,323)	(102,042)
出售可供出售證券收益淨額	Net gain on disposal of available-for-sale securities	(922)	-
金融工具公平值變動	Change in fair value of financial instruments	(56,090)	25,487
		703,111	706,843
於三個月後到期的定期存款增加	Increase in time deposits with more than three months' maturity	(42,981)	(197,283)
應收利息及匯款增加	Increase in interest and remittance receivables	(326,000)	(166,279)
預付款項、按金及其他資產增加	Increase in prepayments, deposits and other assets	(10,017)	(15,354)
貸款組合(增加)/減少	(Increase)/decrease in loan portfolio	(2,073,536)	1,204,020
應付利息增加	Increase in interest payables	122,020	92,040
應付賬項、應付開支及其他負債減少	Decrease in accounts payable, accrued expenses and other liabilities	(53,085)	(160,750)
保險負債淨額增加/(減少)	Increase/(decrease) in insurance liabilities, net	44,048	(4,079)
外幣匯兌差額	Exchange differences	(17,686)	(17,413)
經營業務(所用)/所得現金	Cash (used in)/generated from operation	(1,654,126)	1,441,745
已付香港利得稅	Hong Kong profits tax paid	(75,346)	(58,570)
經營業務(所用)/所得現金淨額	Net cash (used in)/generated from operating activities	(1,729,472)	1,383,175
投資活動所得現金流量	Cash flows from investing activities		
購買固定資產	Purchase of fixed assets	23	(7,794)
購買可供出售證券	Purchase of available-for-sale securities	22(a)	(23,476,586)
購買持有至到期證券	Purchase of held-to-maturity securities	22(b)	(4,014,805)
出售或贖回可供出售證券所得款項	Proceeds from sale or redemption of available-for-sale securities		24,137,931
贖回持有至到期證券所得款項	Proceeds from redemption of held-to-maturity securities	22(b)	3,202,554
投資活動所用現金淨額	Net cash used in investing activities	(157,546)	(2,604,238)
融資前現金流出淨額	Net cash outflows before financing	(1,887,018)	(1,221,063)

綜合現金流量表

截至二零零七年十二月三十一日止年度

Consolidated Cash Flow Statement

for the year ended 31 December 2007

	附註 Notes	2007 千港元 HK\$'000	2006 千港元 HK\$'000
融資活動所得現金流量	Cash flows from financing activities		
發行債務證券所得款項	Proceeds from issue of debt securities	27 16,356,005	13,222,900
贖回已發行債務證券	Redemption of debt securities issued	27 (12,346,500)	(12,699,326)
發行按揭證券所得款項	Proceeds from issue of mortgage-backed securities	28 -	2,000,000
已發行按揭證券還款	Repayment of mortgage-backed securities issued	28 (1,163,769)	(1,830,315)
已付股息	Dividend paid	16 (250,000)	(250,000)
融資活動所得現金淨額	Net cash generated from financing activities	2,595,736	443,259
現金及等同現金項目 增加／(減少)淨額	Net increase/(decrease) in cash and cash equivalents	708,718	(777,804)
年初的現金及等同現金項目	Beginning cash and cash equivalents	1,717,523	2,495,327
年終的現金及等同現金項目	Ending cash and cash equivalents	17 2,426,241	1,717,523

第110至177頁所載附註為綜合財務報表的一部分。

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綜合財務報表附註

1. 編製基準

香港按揭證券有限公司(「本公司」)及其附屬公司(統稱「本集團」)的綜合財務報表乃按照由香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則(「香港財務報告準則」)，此詞包括所有適用的個別香港財務報告準則(「香港財務報告準則」)、香港會計準則(「香港會計準則」)及詮釋、香港公認的會計原則，以及香港公司條例的規定編製。

本綜合財務報表乃按歷史成本慣例編製，並已就可供出售證券投資、以公平值列賬的金融資產及金融負債(包括衍生金融工具)的重估作出調整。

除另行陳述者外，編製此等綜合財務報表所應用的主要會計政策與以往呈報的所有年度所應用的貫徹一致。

按香港財務報告準則編製財務報表時需採用若干重要的會計估計，亦要求管理層於採用本集團會計政策的過程中作出判斷。涉及較多判斷或複雜性的方面，或對本綜合財務報表而言屬重要的假設及估計，已在附註4內披露。

2. 主要會計政策

2.1 採納香港財務報告準則

於二零零七年，本集團採納下列與本集團業務相關的新增／經修訂之香港財務報告準則。二零零六年的比較數字已按有關規定的要求作出修訂。

- 香港財務報告準則第7號，金融工具：披露以及對香港會計準則第1號，財務報表之呈報：資本披露的修訂於自二零零七年一月一日或其後開始的年度會計期間生效。香港財務報告準則第7號涵蓋香港會計準則第32號的多項規定，同時亦引入與金融工具有關的若干新披露事項。香港財務報告準則第7號取代香港會計準則第30號銀行及類似金融機構財務報表的披露以及香港會計準則第32號金融工具：披露與呈列的規定。本集團已採納香港財務報告準則第7號及對香港會計準則第1號的修訂，主要影響為增加與公平值計量及風險管理相關的計量及質量披露。因此，採納該項準則對本集團的經營業績或財務狀況概無任何影響。

Notes to the Consolidated Financial Statements

1. Basis of preparation

The consolidated financial statements of The Hong Kong Mortgage Corporation Limited (the “Company”) and its subsidiaries (collectively the “Group”) have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs” is a collective term which includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRS”), Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale investment securities, financial assets and financial liabilities (including derivative financial instruments) carried at fair value.

The principal accounting policies applied in the preparation of these consolidated financial statements are consistently applied to all the years presented, unless otherwise stated.

The preparation of financial statements 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 financial statements, are disclosed in Note 4.

2. Significant accounting policies

2.1 Adoption of HKFRSs

In 2007, the Group adopted the new/revised HKFRSs below, which are relevant to its operations. The 2006 comparatives have been amended as required, in accordance with the relevant requirements.

- HKFRS 7, Financial Instruments: Disclosures and the Amendment to HKAS 1, Presentation of Financial Statements: Capital Disclosures are effective for annual accounting periods beginning on or after 1 January 2007. HKFRS 7 introduces certain new disclosures relating to financial instruments while incorporating many of the requirements in HKAS 32. HKFRS 7 supersedes HKAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and the disclosure requirements of HKAS 32 Financial Instruments: Disclosure and Presentation. The Group has adopted HKFRS 7 and the amendment to HKAS 1 and the key impact are more qualitative and quantitative disclosures primarily related to fair value measurement and risk management. Accordingly the adoption of this standard has no effect on the Group’s results of operations or financial position.

- 香港(國際財務報告詮釋委員會)詮釋第9號,重估嵌入衍生工具於自二零零六年六月一日或其後開始的年度期間生效。該項詮釋須對公司首次成為合約訂約方時嵌入衍生工具是否應與主合約分開並作為衍生工具列賬進行評估。其後不得進行重估,惟合約條款出現重大變動因而對合約原需現金流量形成重大限制時則須作重估。本集團已自二零零七年一月一日起應用香港(國際財務報告詮釋委員會)一詮釋第9號,其對本集團財務報表概無任何重大影響。
- 香港(國際財務報告詮釋委員會)詮釋第10號,中期財務申報與減值於自二零零六年十一月一日或其後開始的年度期間生效。該項詮釋禁止於中期期間就商譽、對股本證券投資及對按成本列賬的金融資產投資確認的減值虧損於其後的結算日撥回。採納香港(國際財務報告詮釋委員會)詮釋第10號概無引致對本集團財務報表的任何重大影響。
- HK(IFRIC) Interpretation 9, Reassessment of Embedded Derivatives is effective for the annual periods beginning on or after 1 June 2006. This interpretation requires an assessment of whether embedded derivatives are required to be separated from the host contracts and accounted for as derivatives when the entity first becomes a party to the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group has applied HK(IFRIC) – INT 9 from 1 January 2007, and it has no material impact on the Group's financial statements.
- HK(IFRIC) Interpretation 10, Interim Financial Reporting and Impairment is effective for the annual periods beginning on or after 1 November 2006. This interpretation prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. There is no material impact on the Group's financial statements arising from the adoption of HK(IFRIC) Interpretation 10.

本集團已選擇不予提早採納下列已頒佈且與本集團業務有關但於自二零零七年一月一日開始的會計期間尚未生效的準則。

於自二零零九年一月一日或其後開始的年度期間生效的香港財務報告準則第8號,經營分類將取代香港會計準則第14號分類呈報。根據香港會計準則第14號,先前乃按風險及回報分析確定及呈報分類。各項目先前乃按外部申報採用的會計政策呈報。根據香港財務報告準則第8號,分類指公司主要經營決策者定期審查的公司組成部分。各項目按內部申報方式呈報。本集團已對香港財務報告準則第8號的影響作出評估,並確定主要影響將為分類確定、分類資料的計量須與用於決策的管理資料相符;及增加與分類有關披露的質量及計量。因此採納該項準則不會對本集團經營業績或財務狀況產生任何影響。

香港會計準則第1號(修訂),財務報表之呈報於自二零零九年一月一日或其後開始的年度期間生效。經修訂準則主要對呈報規定作出修訂。採納該項準則不會對本集團經營業績或財務狀況產生任何影響。

The Group has chosen not to early adopt the following standard that was issued and relevant to the Group's operation but not yet effective for accounting periods beginning on 1 January 2007.

HKFRS 8, Operating Segments which is effective for annual periods beginning on or after 1 January 2009, will supersede HKAS 14 Segment Reporting, under which segments were identified and reported on risk and return analysis. Items were reported on the accounting policies used for external reporting. Under HKFRS 8, segments are components of an entity regularly reviewed by an entity's chief operating decision-maker. Items are reported based on internal reporting. The Group has assessed the impact of HKFRS 8 and concluded that the key impact will be on the identification of segments, measurement of segment information to be in line with the management information for decisions making; and more qualitative and quantitative disclosures related to segments. Accordingly the adoption of the standard will have no effect on the Group's results of operations or financial position.

HKAS 1 (Revised), Presentation of Financial Statements is effective from the annual period beginning on or after 1 January 2009. The revised standard primarily amends the presentation requirements. The adoption of the standard will have no effect on the Group's results of operations or financial position.

綜合財務報表附註

Notes to the Consolidated Financial Statements

2.2 綜合賬目

綜合財務報表包括本公司及其附屬公司截至十二月三十一日的財務報表。

附屬公司為所有本集團有權控制其財務及營運政策的公司(包括特設公司)，一般為擁有該公司達過半數投票權的持股量。評估本集團是否控制另一公司時，會考慮是否存在現時可行使或轉換的潛在投票權以及其影響。附屬公司自控制權轉讓予本集團之日起全面綜合入賬，並自該控制權終止之日起終止綜合入賬。

本集團成員公司間的交易、結餘及未實現收益已對銷。除非交易能提供證據證明所轉讓的資產出現減值，否則未實現虧損亦應予以沖銷。如有需要，附屬公司的會計政策需作出調整，以確保與本集團採納的政策的一致性。

在本公司的資產負債表中，於附屬公司的投資按成本扣減任何減值撥備列賬。附屬公司之業績已由本公司按已收及應收股息之基準列入本公司賬目。

2.3 利息收入及支出

除指定為以公平值變化計入損益者外，所有付息金融工具，其利息收入及支出均採用實際利息法於收益表內確認。

實際利息法是一種計算金融資產或金融負債之攤銷成本，以及在有關期內攤分利息收入或利息支出之方法。實際利率是指準確地將估計未來現金支出或收入，在金融工具之預計年期或較短的時間(如適用)內折現至金融資產或金融負債的賬面淨值的利率。當計算實際利率時，本集團會考慮金融工具的一切合約條款，以估計現金流量，但不會計及未來信貸虧損。計算範圍包括訂約雙方所支付或所收取而屬於實際利率不可分割一部分的一切費用，以及交易成本及所有其他溢價或折讓。

當一項金融資產或一組同類的金融資產因出現減值虧損而折減其價值時，會按照計算減值虧損時用以折現未來現金流量的利率，按折減後之價值確認利息收入。

2.2 Consolidation

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

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

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

In the Company's balance sheet, the investment in the subsidiary is stated at cost less provision for impairment allowances. The results of the subsidiary are accounted for by the Company on the basis of dividends received and receivable.

2.3 Interest income and expense

Interest income and expense are recognised in the income statement for all interest bearing financial instruments using the effective interest method except for those designated at fair value through profit or loss.

The effective interest method, 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 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, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.4 非利息收入

(a) 費用及佣金收入

費用及佣金一般是當提供服務時以應計基準確認。屬於實際利率不可分割一部分的一次性前期安排手續費作為對釐定貸款利息收入的實際利率的調整確認。

(b) 股息收入

股息收入於取得獲派股息權利時確認。

2.5 金融資產

本集團按以下類別對金融資產進行分類：以公平值變化計入損益的金融資產、貸款及應收款、持有至到期的投資及可供出售金融資產。該分類取決於持有目的作分類。管理層於初始確認時決定其投資之分類。

(a) 以公平值變化計入損益的金融資產

此類別可細分為持作買賣用途的金融資產及於初始分類時指定為以公平值變化計入損益的金融資產。倘購入的金融資產是旨在短期內出售，或倘此資產為集合管理的可識別金融工具組合其中一部分及有證據顯示近期有實際短期獲利情況，則歸類為持作買賣用途。衍生工具，除非已指定作為對沖用途，否則亦歸類為持作買賣用途。

符合以下條件之金融資產，一般會於初始時被界定為以公平值變化計入損益類別：

- (i) 若該界定能消除或大幅減少因按不同基準計量金融資產或金融負債之價值或確認其盈利或虧損，而出現不一致的計量或確認情況（有時稱為「會計錯配」）；或
- (ii) 若根據明文規定的風險管理或投資策略，有一組金融資產及／或金融負債需按公平值基準管理及評估表現，而內部亦根據該基準向管理層呈報有關該組金融資產及／或金融負債。
- (iii) 含有一項或多項對現金流量形成重大影響的嵌入衍生工具的所持有債務證券等金融資產指定為以公平值變化計入損益。

2.4 Non interest income

(a) Fee and commission income

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Upfront arrangement fees that are an integral part of the effective interest rate are recognised as an adjustment to the effective interest rate in determining interest income on the loans.

(b) Dividend Income

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

2.5 Financial assets

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

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

This category has two sub-categories: financial assets held for trading, and those designated as at fair value through profit or loss at inception. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of recent actual pattern of short-term profit-making. Derivatives are also categorised as held for trading unless they are designated as hedges.

A financial asset is typically classified as fair value through profit or loss at inception if it meets the following criteria:

- (i) the designation eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring the financial assets or financial liabilities or recognising the gains and losses on them on different bases; or
- (ii) a group of financial assets and/or financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about the financial assets and/or financial liabilities is provided internally to the key management personnel.
- (iii) Financial assets, such as debt securities held, containing one or more embedded derivatives significantly modify the cash flows, are designated at fair value through profit or loss.

(b) 貸款及應收款項

貸款及應收款項是擁有固定或可確定之還款額及沒有於活躍市場上定價之非衍生金融資產，且本集團無意將有關的貸款及應收款項作買賣交易。

(c) 持有至到期投資

持有至到期投資為擁有固定或可確定之還款額及還款期的非衍生金融資產，以及本集團管理層有明確意向及能力持有至到期。若本集團出售其持有至到期的資產中多於不重大部分，則整個資產類別將受影響並重新分類至可供出售資產。

(d) 可供出售投資

可供出售投資為被指定為此類者或並無歸入任何其他類別者的非衍生金融投資。可供出售投資為沒有限定持有時間的投資，並可因應流動資金需要或利率、匯率或市價變動而出售。可供出售投資初步按公平值（包括直接及遞增交易成本）確認，其後按公平值持有。

金融資產的買賣於交收日確認。所有並非以公平值變化計入損益的金融資產於初始時按公平值加上交易成本一併確認。以公平值變化計入損益的金融資產初步按公平值確認，而交易成本則在收益表列作支出。在該等金融資產取得現金流量的權利完結或本集團已轉讓所有風險及回報時，則撤銷對該等金融資產之確認。

可供出售金融資產及以公平值變化計入損益的金融資產其後以公平值列賬。貸款及應收款項及持有至到期的投資則採用實際利息法以攤銷成本列賬。「以公平值變化計入損益的金融資產」類別的公平值的變動所產生的收益及虧損，於產生時列入該期間的收益表。可供出售金融資產公平值變動產生的未變現收益及虧損於權益儲備中直接確認，直至有關金融資產被註銷或減值時，則將在權益儲備內以前已確認之累計盈虧撥轉至收益表。然而，使用實際利息法計算的利息乃於收益表中確認。可供出售股權工具之所得股息則於有關公司取得獲派股息權利時於收益表確認。

以外幣列值及分類為可供出售的貨幣證券的公平值變動按有關證券的攤銷成本與證券賬面值的其他變動之間產

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which the Group has no intention of trading.

(c) Held-to-maturity

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

(d) Available-for-sale

Available-for-sale investments are non-derivative financial investments that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rate, exchange rate or market prices. They are initially recognised at fair value including direct and incremental transaction costs. They are subsequently held at fair value.

Purchases and sales of financial assets are recognised on settlement date. Financial assets are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in income statement. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the entity's right to receive payment is established.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised

生的換算差額計算。貨幣證券的換算差額於收益表確認，非貨幣證券的換算差額於股東權益確認。歸類為可供出售的貨幣及非貨幣證券的公平值於股東權益確認。

於交投活躍市場報價之投資公平值乃按現行買入價計算。倘金融資產的市場並不活躍，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的交易、參考其他大致相同的工具、現金流量折現分析及市場參與者廣泛採用的其他估值方法釐定公平值。

2.6 金融資產減值

(a) 以攤銷成本列賬之資產

本集團於每個結算日評估個別金融資產或一組金融資產是否存在減值之客觀證據。於初始確認資產後，必須要發生一個或多個損失事件（「損失事件」）以產生減值之客觀證據，而該宗（或該等）損失事件需可靠地估量對該金融資產或一組金融資產之未來現金流量構成影響，則該金融資產或一組金融資產將被視作減值及出現減值虧損。顯示個別或一組金融資產減值之客觀證據包括本集團已注意到相關可供觀察資料之以下損失事件：

- 發行人或欠債人遇到嚴重財政困難；
- 違約，例如逾期或拖欠利息或本金還款；
- 因應與借款人之財政困難有關之經濟或法律理由，本集團給予借款人在一般情況下放款人不予考慮之優惠條件；
- 借款人有可能破產或進行其他財務重組；
- 因財政困難至使金融資產之活躍市場消失；或
- 可察覺的資料顯示某一金融資產組合所產生之未來預計現金流量將較最初確認時有可量度之下降，雖然有關下降並未能明確為該組合內之個別金融資產。資料包括：
 - 該組合的供款人之還款狀況有不利轉變；或

cost of the securities and other changes in the carrying amount of the securities. The translation differences on monetary securities are recognised in income statement; translation differences on non-monetary securities are recognised in equity. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in equity.

The fair value of quoted investments in active markets are based on current bid prices. If there is no active market for a financial asset, the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis and other valuation techniques commonly used by market participants.

2.6 Impairment of financial assets

(a) Assets carried at amortised cost

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

- 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 granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the Group would not otherwise consider;
- it becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; 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

- 與該組合資產之逾期還款相關之經濟狀況。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，以及個別地或組合地評估金額不重大之個別金融資產。若本集團確定被評估之個別金融資產並沒有存在減值之客觀證據，不論是否屬重大，則需將該資產包含於信貸風險特徵相若組合中，以作出組合評估。組合評估並不包括已被個別評估為需減值或需繼續減值之資產。

如有客觀證據證明以攤銷成本列賬之貸款及應收款或持有至到期日投資出現減值虧損，損失額將以資產賬面值，與預計未來現金流量（不包括未產生的未來信貸損失），並經該金融資產原有實際利率的折現差額計算。資產的賬面值通過撥備賬目而調減，虧損金額則於收益表內確認。倘一項貸款或持有至到期日的投資按變動利率計算，計量任何減值虧損的折現率為合約下釐定的現行實際利率。實務上，本集團可採用可供觀察的市價作為金融工具之公平值基準並計算減值。

對有抵押金融資產之預計未來現金流量之現值計算，可反映因收回抵押品後扣除取得及出售抵押品之成本所可能產生的現金流量，不論是否可能取消贖回權。

就整體之組合減值評估而言，金融資產是按相若信貸風險特徵為基準歸類，這些特徵與預測該等資產群組之未來現金流量有關，可顯示所評估資產在合約條款下其債務人清還所有到期債務的能力。

一組共同進行減值評估的金融資產的未來現金流量，是按群組內資產的合約現金流量，及與其具相若信貸風險特徵的資產之以往虧損經驗為基準估量。過往虧損經驗會根據現時可觀察的資料作調整，以反映並沒有對過往經驗所依據的該期間產生影響的現有狀況的影響，以及消除於過往期間出現但現時並不存在的條件的影響。

- economic conditions that correlate with defaults on the assets in the group.

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

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity 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. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics which are relevant to the estimation of future cash flows for 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.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the Group and historical loss experience for assets with credit risk characteristics similar to those in the Group. Historical loss experience is adjusted on the basis of current observable data 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.

預期一組資產未來現金流量的改變，並須反映與期間相關的可觀察數據顯示該組資產損失的可能性及損失程度的變動一致。本集團定期檢討用作預計未來現金流量的方法及假設，以減低虧損估計與實際虧損間的差距。

如果貸款無法收回，則由信貸委員會酌情決定從相關貸款減值損失撥備內將貸款撇銷。這些貸款會於完成所有必需程序及確定損失金額後撇銷。如日後收回以往已撇銷的金額，將用作減低收益表中之減值虧損。

如日後減值虧損準備減少，並與減值獲確認後發生的事件存有客觀關係，以往確認的減值虧損則透過調整撥備賬目回撥。回撥的金額於收益表內確認。

(b) 以公平值列賬的資產

本集團在每個結算日評估個別金融資產或一組金融資產有否出現減值之客觀證據。如可供出售金融資產存在此類減值證據時，其累計虧損即其購入成本與現時公平值之差額，扣減之前已記入收益表內之累計減值虧損，需從權益儲備撥轉至收益表。如日後被分類為可供出售金融資產之債務工具的公平值增加，並與減值獲確認後發生之事項存有客觀關係，有關之減值虧損將於收益表內回撥。

(c) 已重組的貸款

須作組合減值評估或屬個別重大的貸款如其條款已重作談判則不再視為逾期，惟須作為已重組的貸款處理。

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period which are 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 allowance for loan impairment at the discretion of the Credit Committee. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowance 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, the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. 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 income statement – is removed from equity and recognised in 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 income statement, the impairment loss is reversed through the income statement.

(c) Renegotiated loans

Loans that are either subject to collective impairment assessment or individually significant and whose terms have been renegotiated are no longer considered to be past due but are treated as renegotiated loans.

2.7 金融負債

金融負債劃分為兩個分類：按公平值變化計入損益的金融負債及其他金融負債。所有金融負債於初始時分類，並初步按公平值確認。

根據債務工具發行計劃（「債務工具計劃」）發行的債券及可轉讓貸款證（「可轉讓貸款證」），以及透過配售銀行於獨立零售債券發行及根據零售債券發行計劃（「零售債券發行計劃」）向零售投資者發售的債券，於資產負債表列賬為已發行債務證券。特設公司透過按揭證券化計劃及 Bauhinia 按揭證券化計劃發行的按揭證券（「按揭證券」）於綜合處理特設公司時在資產負債表列賬為已發行按揭證券。該等債券（包括按揭證券）初步指定為金融負債：(i) 按公平值變化計入損益或 (ii) 其他金融負債。

當債券（包括已發行嵌入衍生工具的債券）被界定為以公平值對沖下之被對沖項目及初始分類時以公平值變化計入損益，以公平值確認，而公平值變動則記錄於收益表。

指定為其他金融負債的債券按成本計量，即所收取代價的公平值減所產生的交易成本淨額。債券其後按攤銷成本列賬，扣除交易成本後的所得款項淨額與贖回價值間的任何差額，於債務證券期間以實際利息法在收益表確認。

凡贖回或回購債券時所得的收益或虧損，即所贖回或回購債券的金額與票面面值之間的差額，均於贖回或回購發生的期間於收益表入賬確認。

2.8 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值確認，其後按公平值重新計量。公平值乃根據活躍市場的報價釐定，包括最近市場交易及通過使用估值方法（包括現金流量折現模型及期權定價模型）。當衍生工具的公平值為正數時，均作為資產入賬；當公平值為負數時，則作為負債入賬。

2.7 Financial liabilities

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

The notes and Transferable Loan Certificates (“TLC”) issued under the Debt Issuance Programme (“DIP”) and the notes offered to retail investors through the placing banks in standalone retail bond issues and under the Retail Bond Issuance Programme (“RBIP”) are recorded as debt securities issued on the balance sheet. The Mortgage-Backed Securities (“MBS”) issued by the SPEs through the MBS Programme and Bauhinia MBS Programme are recorded as mortgage-backed securities issued in the balance sheet on consolidation of the SPEs. These notes (including MBS) are initially designated as financial liabilities either (i) at fair value through profit or loss or (ii) other financial liabilities.

The notes (including those issued with embedded derivative instruments) designated as hedged items under a fair value hedge and at fair value through profit or loss upon initial recognition are carried at fair value, with changes in fair value being recorded in the income statement.

The notes designated as other financial liabilities are measured at cost, which is the fair value of the consideration received, net of transaction costs incurred. The notes are subsequently stated at amortised costs; any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the debt securities using the effective interest method.

On redemption/repurchase of the notes, the resulting gains or losses, being the difference between the redemption/repurchase amount and the carrying amount, are recognised in the income statement in the period in which the redemption/repurchase takes place.

2.8 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.

除非在通過與相同工具（不經修改或重新包裝）之其他可觀察當前市場交易加以比較，或根據一項變數只包括可觀察市場數據的估值方法，以證明一項工具的公平值。否則，於初始確認時，最佳顯示該衍生工具之公平值應為其交易價值（即已付或已收代價之公平值）。當有該顯示時，本集團會即日確認溢利。

若干嵌藏於其他金融工具之衍生工具，其經濟特徵及所具風險與所屬的主合約沒有密切關係，且主合約並非以公平值變化計入損益計量，則該嵌入衍生工具會作為獨立衍生工具處理。該類嵌藏的衍生工具以公平值計量，而公平值之變動則確認於收益表內。

公平值收益或虧損確認方法取決於衍生工具是否指定為對沖工具，如屬對沖工具則須取決對沖項目性質。本集團指定若干衍生工具為：(1) 對沖已確認資產或負債或落實承擔的公平值（公平值對沖）；或(2) 對沖已確認資產或負債所產生極有可能的未來現金流或預期交易（現金流對沖）。在符合若干條件下，以此方法指定的衍生工具採納對沖會計方式處理。

本集團於交易發生時會記錄對沖工具與相關被對沖項目之關係，風險管理目的和進行各類對沖交易時所採取策略。本集團並於對沖活動發生時及期間，評估有關衍生工具能否高度有效地抵銷相關被對沖項目之公平值或現金流量變動，並作出記錄。

(a) 公平值對沖

被指定為合資格之公平值對沖，其衍生工具之公平值變動，連同被對沖之資產或負債之公平值變動，一併於收益表內記錄。

倘對沖不再符合對沖會計處理的標準，被對沖項目按實際利息法計算賬面值上所作之調整，將於直至到期日之期間攤銷至收益表。

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 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 1.

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.

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

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

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualified 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 the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used, is amortised to income statement over the period to maturity.

(b) 現金流對沖

指定為及符合條件可列為現金流對沖的衍生工具，其公平值改變的有效對沖部分，將於股東權益中列賬。無效部分的損益即時在收益表中確認。

股東權益內累積的損益金額，將於相關之對沖項目影響收益表時從股東權益轉出並撥入收益表。

當對沖工具到期或出售時，或對沖工具不再符合對沖會計的條件時，股東權益中的任何累計損益仍會留在股東權益內，直至預計進行的交易最終於收益表確認時始撥入收益表內。如預計進行的交易不會落實進行，股東權益所列的累計損益將隨即撥入收益表。

(c) 按公平值變化計入損益的衍生工具

凡不符合採用對沖會計處理作經濟對沖的衍生工具以按公平值變動計入損益。其公平值變動即時於收益表內確認。

(b) Cash flow hedge

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedges are 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 income statement.

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.

(c) Derivatives at fair value through profit or loss

Derivative instruments entered into as economic hedges that do not qualify for hedge accounting are held at fair value through profit or loss. Changes in the fair value of any derivative instrument are recognised immediately in the income statement.

2.9 對銷金融工具

如金融資產和金融負債具法定權利可抵銷確認金額及有計劃以淨額基準作結算，或同時變賣資產以清償負債，則該金融資產和金融負債可互相抵銷，而兩者之淨額列於資產負債表內。

2.10 收回資產

收回抵押資產作為持作出售資產列賬，並於「其他資產」項下呈報，相關貸款則終止確認。收回抵押資產按賬面值與公平值減銷售成本兩者中之較低者計量。

2.11 分類呈報

一項業務分類指從事提供產品或服務的一組資產及營運業務，其風險及回報與其他業務分類相異。地區分類指從事在某一特定經濟環境中提供產品或服務，其風險及回報與在其他經濟環境中營運的分類相異。

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount 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.

2.10 Repossessed assets

Reposessed collateral assets are accounted as assets held for sale and reported in "Other assets" and the relevant loans are derecognised. The reposessed collateral assets are measured at lower of carrying amount and fair value less costs to sell.

2.11 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 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 segments operating in other economic environments.

2.12 外幣換算

(a) 功能及呈列貨幣

本集團旗下各公司的財務報表中所載項目乃採用該公司營運的主要經濟環境所使用的貨幣(「功能貨幣」)計量。綜合財務報表乃以港元呈列。港元乃本公司之功能及呈列貨幣。

(b) 交易及結餘

外幣交易按交易當日之匯率換算為功能貨幣。貨幣性資產或負債按年終日的匯率換算，該等以外幣交易結算所產生的匯兌收益及虧損，將於收益表內確認，惟遞延至股東資金內合資格現金流對沖除外。

持有以公平值變化計入損益的非貨幣性項目的換算差額作為公平值收益或虧損的一部分呈報。非貨幣性項目的換算差額分類為可供出售金融資產則列入股東資金的公平值儲備內。

2.13 固定資產

固定資產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的直接支出。

只有當與該項目相關連的未來經濟利益可能流入本集團，以及該項目的成本可以可靠地計量的情況下，本集團才會將其後成本計入為資產賬面值之一部分或確認為獨立資產項目(如適用)。被替換部分的賬面值終止確認。其他所有修理及保養開支均於產生時於當時的收益表內確認。

折舊採用直線法計算，將成本按剩餘價值及估計使用年期攤銷：

租賃物業裝修	按租約尚未屆滿的期間
傢俬及裝置	按租約尚未屆滿的期間
電腦	三年
辦公室設備	三年
汽車	四年

2.12 Foreign currency translation

(a) Functional and presentation currency

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

Translation differences on non-monetary items 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 classified as available-for-sale financial assets, are included in the fair value reserve in equity.

2.13 Fixed assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or are 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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives.

Leasehold improvements	over the unexpired period of the lease
Furniture and fixtures	over the unexpired period of the lease
Computer	3 years
Office equipment	3 years
Motor vehicle	4 years

於每年結算日將需檢討資產的剩餘價值及使用年期，並在合適的情況下作調整。

出售固定資產的損益均以所得款項與賬面值差價計算並於收益表中確認。

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

Gain and loss on disposal is determined by comparing proceeds with carrying amount. It is included in the income statement.

2.14 於附屬公司的投資及非金融資產減值

具無限定可使用年期或尚未可投入運作的資產不作攤銷，但會每年檢測有否減值。須作出攤銷的資產於出現其賬面值可能不能收回的事件或環境變動時需要進行損失評估。倘若資產的賬面值超出其可收回金額，則資產的賬面值即時撇減至其可收回金額。可收回金額為資產的公平值減出售成本，以及使用價值兩者中的較高者。

2.15 遞延所得稅

所有綜合財務報表中資產及負債的稅務基礎與其賬面值之暫時性差異而產生之遞延稅項，均全數以負債法提撥。遞延稅項是按結算日已執行或實際會執行之稅率，及預期於相關之遞延稅項資產實現時或遞延稅項負債需清付時所適用之稅率計算。

遞延稅項資產乃於未來將有可能產生應課稅溢利以致可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而產生的暫時差異作出撥備，除非暫時差異的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。

應付所得稅是按所產生利潤當期確認為支出。結轉所得稅虧損的稅務影響於該等虧損可用於抵銷日後應課稅利潤時確認為資產。

與可供出售的投資及現金流對沖的公平值重新計量相關的遞延稅項，亦直接在權益中扣除或計入權益，其後連同遞延損益在收益表中確認。

2.14 Impairment of investment in subsidiaries and non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortisation, but are tested annually for impairment. 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 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. The recoverable amount is the higher of the asset's fair value less costs to sell and value in use.

2.15 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised where 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 from investment in the subsidiary, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the difference will not reverse in the foreseeable future.

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

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

2.16 僱員福利

(a) 僱員假期享有權

僱員年假及長期服務假期享有權在累計予僱員時予以確認。僱員提供服務所得，截至資產負債表結算日的年假及長期服務假期的估計負債，已列為應計項目。

僱員可享的病假、產假及陪產假，於僱員休假時確認。

(b) 花紅計劃

本公司根據一項程式考慮到若干調整後所得溢利以確認花紅開支及負債。本公司根據合約責任或過往經驗建立推定性責任時，有關花紅撥備予以確認。

(c) 退休金承擔

本公司為僱員提供強制性公積金計劃及界定供款計劃，有關計劃之資產一般由獨立信託人所管理之基金持有。這些退休金計劃一般由僱員及本公司作出供款。

本公司對強制性公積金計劃及界定供款計劃的供款，於作出供款時列作支出。僱員於全數享有其應得之僱主供款部分前退出此計劃，因而被沒收僱主供款部分，會被用作扣減僱主目前供款負擔。

(d) 終止利益

當在正式退休日期前終止僱傭關係，或當僱員接受自願離職換取利益時，本公司應付終止利益。當本公司明確地承諾根據一個不可能撤回周詳正式計劃終止僱用現有僱員，或為鼓勵自願離職而提供終止利益，則本公司確認終止利益。於結算日後超過十二個月到期的利益需折現至現值。

2.16 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.

Employee entitlements to sick leave, maternity or paternity leave are recognised when the absence occurs.

(b) Bonus plans

The Company recognises a liability and an expense for bonuses, based on a formula that takes into consideration the profit after certain adjustments. The Company recognises a provision where contractually obliged or where there is a past practice that has created constructive obligations.

(c) Pension obligations

The Company offers a mandatory provident fund scheme and a defined contribution scheme, 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 Company.

The Company's contributions to the mandatory provident fund scheme and defined contribution scheme are expensed as incurred and are reduced by the portion of employer contributions being forfeited by those employees who leave the scheme prior to full vesting of the employer contributions.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

2.17 撥備

當本集團因已發生之事件而須承擔法律性或推定性之現有責任，而解除責任導致經濟資源流出的可能性高於不會導致經濟流出的可能性，需在責任金額能夠可靠作出估計之情況下，為有關責任確認撥備。

撥備按預期就解除責任所需開支以反映責任金額的時間價值當前市場評估與有關責任的特定風險的稅前折現率所計算得出的現值計量。

2.18 租賃

(a) 經營租約

經營租賃是指由出租人保留資產擁有權的絕大部分風險及回報之租賃。本集團主要以承租人身分訂立經營租約。經營租約下的租約款項(扣除出租人給予的任何優惠後)於租約期內以直線法在收益表中計賬。

若經營租約於租約期滿前終止，任何需繳付予出租人之罰款將於結束發生期間確認為開支。

(b) 融資租約

融資租約是指實質上由本集團擁有資產的絕大部分風險及回報之資產租約。本集團主要以出租人身分訂立融資租約。融資租約於租約開始時按租賃物業公平值與最低租約款項現值之較低金額資本化為應收款項。應收款項總額與應收款項現值之間的差額按未賺取融資收入確認。租約收入按租期以反映固定回報率的淨投資法確認。具有融資租約特性的租購合約按融資租約相同方式列賬。減值撥備按附註2.6所載會計政策列賬。

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events where it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

2.18 Leases

(a) 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. The Group entered into operating leases primarily as lessee. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) Finance leases

Leases of assets where the Group has substantially all the risks and rewards of ownership are classified as finance leases. The Group entered into finance leases primarily as lessor. Finance leases are capitalised as receivables at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method, which reflects a constant periodic rate of return. Hire purchase contracts having the characteristics of a finance lease are accounted for in the same manner as finance leases. Impairment allowances are accounted for in accordance with the accounting policies set out in Note 2.6.

2.19 現金及等同現金項目

就現金流量表而言，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、銀行及其他金融機構的結存。

2.20 按揭保險合約

本集團的按揭保險業務根據年度會計基準入賬。依照年度會計的方法，本集團按未來收入及支出的可靠預測作出撥備，決定本會計年度的承保業績。承保業績包括更正過往估計而作出的修訂。

毛保費指本會計年度透過認可機構參與直接承保業務的保費。扣除折扣後的毛保費包括向再保險公司支付再保險保費、本集團應收風險保費及供款管理費。保險費淨額按保險生效期間之時間比例確認為收入。

未滿期保費為結算日後估計承擔風險及提供服務所需保險費淨額部分。

於每期末，就未決申索、已申索但未報告及損失儲備作撥備。至於分擔風險業務方面，根據有關監管指引及在董事認為適當的情況下，將一年內已滿期風險保費淨額的50%，於一段合理時間內，預留作為風險儲備。期內可隨時自風險儲備撤回款項以應付超額申索。於期末，風險儲備的未動用結餘可撥回至一般儲備。

再保險合約指本集團與再保險公司訂立的合約，據此本集團就本集團發出的一份或以上保險合約獲賠償損失。本集團在再保險合約下所獲得的利益，確認為再保險資產。這些資產包括從再保險公司可收回的申索及應收款項，該申索及應收款項是根據有關再保險合約所預期的申索及利益。從再保險公司可收回款項或應付再保險公司與再保險合約相關金額的計量，與每份再保險合約的條款貫徹一致。再保險負債主要為再保險合約的應付保費，於到期時確認為開支。

2.19 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash, balances with banks and other financial institutions.

2.20 Mortgage insurance contracts

The mortgage insurance business of the Group is accounted for on the annual accounting basis. Under the annual accounting approach, the Group makes provisions based on credible estimates of future income and outgoings to determine the underwriting result for the current accounting period. The underwriting result includes any adjustments arising from the correction of the previous estimates.

Gross premiums represent direct business written through the Authorized Institutions during an accounting period. The gross premiums after deduction of discounts, include the reinsurance premiums to be paid to the approved reinsurers, the risk premiums and servicing fees earned by the Group. The net premiums are recognised as income on a time-apportioned basis during the time the insurance coverage is effective.

Unearned premiums represent that portion of net premiums written which are estimated to relate to risks and services subsequent to the balance sheet date.

Provisions are made for outstanding claims, claims incurred but not reported and loss reserve at the end of each period. For risk-sharing business, 50% of the net risk premiums earned in a year is set aside as a Contingency Reserve for a reasonable period of time in accordance with relevant regulatory guidelines and as considered by directors to be appropriate. Withdrawals from the Contingency Reserve can be made to meet excess claims at any time during the period. At the end of the period, the unutilised balance of the Contingency Reserve can be released to general reserve.

Reinsurance contracts refer to contracts entered into by the Group with reinsurers under which the Group is compensated for losses on one or more insurance contracts issued by the Group. Benefits to which the Group is entitled under its reinsurance contracts held are recognised as reinsurance assets. These assets consist of claims recoverable from reinsurers and receivables that are dependent on the expected claims and benefits arising under the related reinsured insurance contracts. Amounts recoverable from or due to reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract. Reinsurance liabilities are primarily premiums payable for reinsurance contracts and are recognised as an expense when due.

2.21 財務擔保合約

財務擔保合約指本集團需要向持有人支付定額款項以補償指定欠款人未能按債務工具條款支付到期款項所產生損失的合約。財務擔保於發行按揭證券時向投資者作出。

財務擔保初步按作出擔保當日的公平值於財務報表確認。初步確認後，本集團根據有關擔保的責任以按照香港會計準則第37號「撥備、或然負債及或然資產」釐定的金額與初步確認金額減已確認累計攤銷的較高者計量。與財務擔保有關的責任之任何變動會於收益表處理。

2.22 股息

於結算日後建議或擬派的股息作為股東資金獨立組成部分披露。

3. 財務風險管理

3.1 採用金融工具策略

本集團的主要業務為(i)購買按揭或貸款組合；(ii)透過發行債券為購買資產籌集資金；(iii)透過特設公司將按揭組合證券化發行按揭證券；及(iv)向認可機構所承造以香港住宅物業作抵押的按揭貸款，提供按揭保險。根據其性質，本集團的業務主要與使用金融工具有關，金融工具包括現金、貸款、債務及衍生工具。

本集團因其業務而面臨多種財務風險，該等業務涉及分析、評估、承擔及管理一定程度的風險或風險組合。本集團於持續其財務表現過程中審慎地管理風險。

本集團的風險管理政策及主要限額乃經董事局批准。信貸委員會監察資產收購及按揭保險的信貸政策及標準。資產負債管理委員會（「資產負債管理委員會」）監察經董事批准的風險管理及投資指引的執行情況。此外，內部審核負責獨立審查風險管理及監控狀況。最重要的風險類型為信貸風險、流動資金風險及市場風險（包括匯率風險及利率風險）。

3.2 信貸風險

本集團主要金融資產為其貸款組合、證券投資、現金及短期資金。流動資金及投資的信貸風險有限，主要因為對手是主權國、半主權國機構、極高信貸評級的銀行及公司。

2.21 Financial guarantee contracts

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Financial guarantees are given to investors of mortgage-backed securities issued.

Financial guarantees are initially recognised in the financial statements at fair value on the date that the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised. Any changes in the liability relating to financial guarantees are taken to the income statement.

2.22 Dividend

Dividend proposed or declared after the balance sheet date is disclosed as a separate component of shareholders' equity.

3. Financial risk management

3.1 Strategy in using financial instruments

The principal activities of the Group are (i) to purchase portfolios of mortgages or loans; (ii) to raise financing for its purchase of assets through issuance of debt securities; (iii) to securitise mortgage portfolios through special purpose entities by way of issuing mortgage-backed securities ("MBS"); and (iv) to provide mortgage insurance cover to Authorized Institutions in respect of mortgage loans originated by such Authorized Institutions and secured by residential properties in Hong Kong. By their nature, the Group's activities are principally related to the use of financial instruments including cash, loans, debts and derivatives.

The Group's activities expose it to a variety of financial risks and those activities involve the analysis, evaluation, acceptance and management of some degree of risk or combination of risks. The Group manages the risks in a prudent manner in sustaining the Group's financial performance.

The Group's risk management policies and major limits are approved by the Board of Directors. The Credit Committee oversees the credit policies and standards for asset acquisition and mortgage insurance. The Asset and Liability Committee ("ALCO") oversees the implementation of risk management and investment guidelines approved by the Board of Directors. In addition, Internal Audit is responsible for the independent review of risk management and the control environment. The most important types of risk are credit risk, liquidity risk and market risk which includes currency risk and interest rate risk.

3.2 Credit risk

The Group's principal financial assets are its loan portfolio, investment securities, cash and short-term funds. The credit risk on liquid funds and investment securities is limited because the counterparties are mainly sovereigns, quasi-sovereign agencies, banks and companies with very high credit ratings.

本集團的信貸風險主要來自其貸款組合，即是借款人於款項到期時未能全數償還的風險。本集團就於結算日已產生的虧損作出減值撥備。

經濟及本港物業市場出現的重大轉變，可能導致有別於結算日已撥備之虧損。本集團因此就管理信貸風險訂下審慎政策。

為維持貸款及按揭保險組合的資產質素，本集團採取四路策略：(i) 謹慎挑選核准賣方；(ii) 審慎的資產購買準則及保險申請標準；(iii) 進行有效的核實程序；及(iv) 加強較高風險交易的管理。本集團信貸風險並不集中，所承擔的信貸風險分攤於眾多客戶、交易對手及分佈於香港不同地區的相關抵押品。

本集團尤其著重於對問題貸款進行持續的信貸審查。各業務部門將對該等貸款進行監控，並為盡力收回款項而採取與借款人制定寬減計劃等收款行動。貸款定期進行減值評估，減值撥備根據信貸委員會批准的指引從收益表內扣除。

抵押品及其他信貸安排加強措施

本集團已實施關於接受用以減低信貸風險的特定類別的抵押品的指引。該等指引定期進行審查。貸款組合的主要抵押品類型為用於加強信貸安排的物業按揭、儲備金及遞延代價。

作為除貸款組合之外的金融資產擔保持有的抵押品按工具性質確定。債務證券一般無抵押，惟抵押證券及類似工具以金融資產組合作為抵押。

至於金融工具，如衍生工具，本集團按照其投資指引及信貸風險政策為交易對手制定的風險限額予以監察。交易對手風險限額由信貸風險委員會每半年定期檢討。於任何時候，信貸風險的上限為對本集團有利的工具（即公平值為正數的資產）現有公平值，就衍生工具而言，這只佔合約價值，或用於表達未平倉工具數量的估算價值的小部分。信貸風險作為交易對手整體信貸限額的一部分，連同市場波動的潛在風險予以管理。

結算風險存在於任何支付現金、證券或股本並期望收取相應現金、證券或股本的情況。為涵蓋本集團於任何單一日期因市場交易產生的所有結算風險的總額，每名交易對手均設有每日結算限額。

The Group's credit risk is primarily attributable to its loan portfolio, which is the risk that a loan borrower will be unable to pay amounts in full when due. Allowance for impairment is provided for losses that have been incurred at the balance sheet date.

Significant changes in the economy and local property market could result in losses that are different from those provided for at the balance sheet date. The Group therefore has a prudent policy for managing its exposure to credit risk.

To maintain the quality of the asset and mortgage insurance portfolios, the Group adheres to a four-pronged approach to (i) select Approved Sellers carefully, (ii) adopt prudent asset purchasing criteria and insurance eligibility criteria, (iii) conduct effective due diligence reviews and (iv) ensure adequate protection for higher-risk assets or transactions. The Group has no significant concentration of credit risk. Risk exposure is spread over a large number of customers, counterparties and a diversified geographic distribution of underlying collateral in Hong Kong.

The Group undertakes ongoing credit review with special attention paid to problem loans. Operation units will monitor these loans and take recovery action such as establishing relief plan with borrowers in order to maximise recoveries. Loan impairment assessment is performed regularly and impairment allowance is charged to income statement in accordance with the guidelines approved by the Credit Committee.

Collateral and other credit enhancements

The Group has implemented guidelines on the acceptability of specific classes of collateral on credit risk mitigation, which are subject to regular review. The principal collateral types for loan portfolio are mortgages over properties, reserve funds and deferred consideration used for credit enhancement.

Collateral held as security for financial assets other than loan portfolio is determined by the nature of the instrument. Debt securities are generally unsecured, with the exception of asset-backed securities and similar instruments, which are secured by portfolios of financial assets.

For financial instruments such as derivatives, exposures are monitored against counterparty risk limits established in accordance with the investment guidelines and credit risk policy of the Group. These counterparty risk limits are subject to regular review by the Credit Committee on a semi-annual basis. 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 value is positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall credit limits with counterparties, together with potential exposures from market movements.

Settlement risk arises in any situation where a payment in cash, securities or equities is made in the expectation of a corresponding receipt in cash, securities or equities. Daily settlement limits are established for each counterparty to cover the aggregate of all settlement risk arising from the Group's market transactions on any single day.

(a) 未計所持有抵押品或其他信貸安排加強措施的最高信貸風險

未計與資產負債表外再保險安排及資產的抵押品或其他信用提升的最高信貸風險分析如下：

(a) Maximum exposure to credit risk before taking account of collateral held or other credit enhancements

Maximum exposure to credit risk before taking account of collateral held or other credit enhancements for assets and reinsurance arrangements for the off balance sheet exposures are analysed as follows:

		本集團 The Group		本公司 The Company	
		於二零零七年 十二月三十一日	於二零零六年 十二月三十一日	於二零零七年 十二月三十一日	於二零零六年 十二月三十一日
		As at 31 December 2007 千港元 HK\$'000	As at 31 December 2006 千港元 HK\$'000	As at 31 December 2007 千港元 HK\$'000	As at 31 December 2006 千港元 HK\$'000
資產：	Assets:				
現金及短期資金	Cash and short-term funds	2,666,505	1,914,806	2,354,108	1,529,323
利息及匯款應收款項	Interest and remittance receivables	882,107	556,107	866,260	535,112
預付款項、按金及其他資產	Prepayments, deposits and other assets	41,028	31,011	59,600	61,464
衍生金融工具	Derivative financial instruments	657,486	262,760	631,129	254,069
貸款組合淨額	Loan portfolio, net	34,460,291	32,376,452	31,516,597	28,552,854
投資證券：	Investment securities:				
– 可供出售	– available-for-sale	4,038,250	4,614,519	4,038,250	4,614,519
– 持有至到期	– held-to-maturity	5,500,024	4,673,090	5,500,024	4,673,090
附屬公司投資	Investment in a subsidiary	-	-	151,766	32,180
固定資產	Fixed assets	15,849	19,356	15,849	19,356
再保險資產	Reinsurance assets	366,383	373,901	366,383	373,901
資產負債表外風險：	Off-balance sheet exposures:				
財務擔保(按揭證券化計劃的合約金額)	Financial guarantees (contractual amount under the MBS programmes)	-	-	2,772,621	3,639,796
風險投保	Risk-in-force	8,683,100	8,139,395	8,683,100	8,139,395
		57,311,023	52,961,397	56,955,687	52,425,059

(b) 信貸質素

(b) Credit quality

貸款組合分析如下：

The loan portfolio is analysed as follows:

		本集團 The Group		本公司 The Company	
		於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000	於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000
未逾期亦未減值	Neither past due nor impaired	33,191,365	30,120,769	30,437,253	26,478,320
逾期但未減值	Past due but not impaired	1,242,446	2,209,483	1,051,904	2,026,473
已減值	Impaired	40,410	70,433	40,410	70,433
貸款組合總額	Gross loan portfolio	34,474,221	32,400,685	31,529,567	28,575,226
貸款減值撥備	Allowance for loan impairment	(13,930)	(24,233)	(12,970)	(22,372)
		34,460,291	32,376,452	31,516,597	28,552,854

於結算日未逾期亦未減值的貸款組合的信貸質素可參考本集團採納的內部評級系統進行評估。

The credit quality of loan portfolio that were neither past due nor impaired as at balance sheet dates can be assessed by reference to the internal rating system adopted by the Group.

		本集團 The Group		本公司 The Company	
		於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000	於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000
級別：	Grades:				
1至3級	1 to 3	33,142,145	30,066,882	30,391,346	26,427,745
4級	4	7,722	8,389	7,722	8,389
5級	5	41,498	45,498	38,185	42,186
		33,191,365	30,120,769	30,437,253	26,478,320

1至3級包括無信貸風險或無先前逾期紀錄的貸款；並持有不同水平的信貸安排加強措施及抵押品。

Grades 1 to 3 include loans with either no credit risk or no previous past due history; and with different levels of credit enhancement in addition to the collateral.

4級包括有先前逾期紀錄、並持有不同水平的信貸安排加強措施及抵押品的貸款。

Grade 4 includes loans with previous past due history and with different levels of credit enhancement in addition to the collateral held as security.

5級包括有先前逾期紀錄及持有抵押品作為擔保的貸款。

Grade 5 includes loans with previous past due history and with collateral held as security.

(c) 逾期但未減值的貸款組合

以下為於結算日已逾期但未減值的貸款組合總額分析：

(c) Loan portfolio past due but not impaired

The analysis below shows the gross loan portfolio that were past due but not impaired at the balance sheet date:

		本集團 The Group		本公司 The Company	
		於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000	於二零零七年 十二月三十一日 As at 31 December 2007 千港元 HK\$'000	於二零零六年 十二月三十一日 As at 31 December 2006 千港元 HK\$'000
逾期時間：	Past due:				
三個月或以下	Three months or less	1,225,188	2,178,433	1,035,409	1,996,540
六個月或以下， 但超過三個月	Six months or less but over three months	11,888	23,660	11,386	22,907
超過六個月	Over six months	5,370	7,390	5,109	7,026
總額	Total	1,242,446	2,209,483	1,051,904	2,026,473
抵押品及其他信貸安排 加強措施的公平值	Fair value of collateral and other credit enhancement	2,857,918	3,959,398	2,373,058	3,605,444

(d) 已個別減值的貸款組合

未計所持有抵押品及信貸安排加強措施產生的現金流量的個別減值貸款為40,410,000港元(二零零六年：70,433,000港元)。

(d) Loan portfolio individually impaired

The individually impaired loans before taking into account the cash flows from collateral held and credit enhancement is HK\$40,410,000 (2006: HK\$70,433,000).

相關持有作抵押品及信貸安排加強措施的公平值為50,725,000港元(二零零六年：72,614,000港元)。

The fair value of related collateral held and credit enhancement is HK\$50,725,000 (2006: HK\$ 72,614,000).

(e) 已重組的貸款組合

已重組的貸款指由於借款人財政狀況惡化而作出調整的貸款，本集團已就該等貸款作出在其他情況下不予考慮的讓步。於調整後，先前已逾期的客戶賬戶回復正常狀態，並與其他類似賬戶共同管理。調整政策及應用乃根據表明極有可能繼續支付款項的指標或標準作出。該等政策會持續進行審查。原本已逾期或減值的已重組的貸款於二零零七年十二月三十一日為22,986,000港元(二零零六年：31,350,000港元)。除非已遵照重訂條款運行六個月，否則已重組的貸款將繼續照此方式披露。

(e) Loan portfolio renegotiated

Renegotiated loans are those that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. 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 indicate that payment will most likely continue. These policies are kept under continuous review. Renegotiated loans that would otherwise be past due or impaired totalled HK\$22,986,000 as at 31 December 2007 (2006: HK\$ 31,350,000). A renegotiated loan will continue to be disclosed as such unless the loan has been performing in accordance with the rescheduled terms for a period of six months.

(f) 收回抵押品

本集團透過佔有作為擔保持有的抵押品取得資產如下：

(f) Repossessed collateral

The Group obtained assets by taking possession of collateral held as security, as follows:

本集團及本公司 The Group and the Company		賬面值 Carrying Amount	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
住宅物業	Residential property	10,651	17,640

收回物業將在實際可行情況下盡快出售，所得款項用於減少未償還債項。收回物業於資產負債表內歸類於其他資產項下。

Reposessed properties are sold as soon as practicable, with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the balance sheet within other assets.

(g) 投資證券

根據董事局批准的投資指引，香港按揭僅可投資於最低信貸評級為A-或以上的債務證券。資產負債管理委員會對按級別劃分的投資比例進行檢察及審查。

(g) Investment securities

According to the Investment Guidelines approved by the Board of Directors, the HKMC can only invest in debt securities with minimum credit rating of single-A or above. The proportion of investment according to rating categories is monitored and reviewed by ALCO.

下表列示於結算日按評定級別對債務證券所作分析(根據外部信貸機構的評級方法或類似機制)：

The table below presents an analysis of debt securities by rating designation as at balance sheet dates, based on external credit agency's ratings or their equivalents:

本集團及本公司 The Group and the Company 於二零零七年十二月三十一日 As at 31 December 2007		可供出售 證券 Available -for-sale securities 千港元 HK\$'000	持有至到期 證券 Held-to- maturity securities 千港元 HK\$'000	總額 Total 千港元 HK\$'000
		AAA/Aaa	AAA/Aaa	204,246
AA- 至 AA+/Aa3 至 Aa1	AA-to AA+/Aa3 to Aa1	2,861,513	4,274,703	7,136,216
A- 至 A+/A3 至 A1	A-to A+/A3 to A1	190,616	61,808	252,424
總額	Total	3,256,375	5,500,024	8,756,399

本集團及本公司 The Group and the Company 於二零零六年十二月三十一日 As at 31 December 2006		可供出售 證券 Available -for-sale securities 千港元 HK\$'000	持有至到期 證券 Held-to- maturity securities 千港元 HK\$'000	總額 Total 千港元 HK\$'000
		AAA/Aaa	AAA/Aaa	1,031,106
AA- 至 AA+/Aa3 至 Aa1	AA-to AA+/Aa3 to Aa1	2,878,365	3,871,770	6,750,135
A- 至 A+/A3 至 A1	A-to A+/A3 to A1	163,039	42,185	205,224
總額	Total	4,072,510	4,673,090	8,745,600

3.3 市場風險

本集團面臨市場風險。市場風險指金融工具的公平值或未來現金流量因市價變動而波動的風險。市場風險乃因利率、貨幣及股本產品的未平倉合約而產生。所有該等合約均面臨一般及特定市場變動及市場比率或市價（如利率、信貸息差、匯率及股價）波動水平變動的風險。本集團所面臨市場風險主要因對實體的具有不同價格重訂特性的金融工具的利率管理而產生。本集團亦採用公平值對沖，透過利率掉期對沖定息債券發行大部分現有利率風險，將浮息資金與浮息資產互調以作出更好配對。

市場風險主要由庫務部採用董事局批准的風險限額進行管理。關於利率風險管理、融資、對沖、投資的策略由資產負債管理委員會制定。每週舉行會議對金融市場及資產－負債組合的近期狀況進行檢討。庫務部負責監察金融市場變動以及根據資產負債管理委員會制定的策略在現金、衍生工具及債務市場執行交易。中間部門監察對風險限額的遵守情況及實施壓力測試以評估在極端狀況下可能產生的虧損規模。壓力測試結果由資產負債管理委員會進行檢討。

利率風險管理主要指對利息收入淨額對不同利率的敏感度進行監察，並透過對沖措施減低不利影響。利率曲線於二零零七年十二月三十一日平行下移100個基點將使未來12個月的利息收入淨額增加5,300,000港元（二零零六年：8,100,000港元），反之則將使未來12個月的利息收入淨額減少5,300,000港元（二零零六年：8,100,000港元）。

於二零零七年十二月三十一日，倘該日利率平行下移100個基點，年內除稅前溢利將增加22,200,000港元（二零零六年：46,900,000港元），於二零零七年十二月三十一日的公平值儲備則將增加400,000港元（二零零六年：30,300,000港元）。倘利率平行上移100個基點，年內除稅前溢利將減少16,700,000港元（二零零六年：44,500,000港元），於二零零七年十二月三十一日的公平值儲備則將減少400,000港元（二零零六年：29,000,000港元）。

於二零零七年十二月三十一日，在所有其他可變因素保持不變的情況下，倘港元兌美元匯率下跌100點子，年內除稅前溢利將增加6,600,000港元（二零零六年：1,600,000港元）。反之，倘港元兌美元匯率上升100點子，則年內除稅前溢利將減少6,600,000港元（二零零六年：1,600,000港元）。

上升或下降100個基點及100點子反映管理層對利率及匯率於直至下一結算日止期間可能的合理變動所作評估。

3.3 Market risk

The Group takes on exposure to market risks, which is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks arise from open positions in interest rate, currency and equity products, all of which are exposed to general and specific market movements and changes in the level of volatility of market rates or prices such as interest rates, credit spreads, foreign exchange rates and equity prices. The Group's exposures to market risk primarily arise from the interest rate management of the entity's financial instruments of different repricing characteristics. The Group hedges a major proportion of its existing interest rate risk of the fixed-rate bond issuance using fair value hedges in the form of interest rate swaps by swapping into floating-rate funding to better match the floating-rate assets.

The management of market risk is principally undertaken by the Treasury Department using risks limits approved by the Board of Directors. Strategies on interest rate risk management, financing, hedging, investments are formulated by ALCO. A weekly meeting is held to review the latest conditions in the financial markets and the asset-liability portfolio mix. The Treasury Department is responsible for monitoring financial market movements and executing transactions in the cash, derivatives and debt markets in accordance with the strategies laid down by ALCO. The middle office monitors the compliance of risk limits and performs stress tests to assess the potential size of losses that could arise in extreme conditions. The results of the stress tests are reviewed by ALCO.

A principal part of the interest rate risk management is to monitor the sensitivity of projected net interest income under different interest rate scenarios and to mitigate the negative impact through hedging operations. A 100 basis points parallel downward shift of the interest rate curve as at 31 December 2007 would increase the future net interest income for the next 12 months by HK\$5.3 million (2006: HK\$8.1 million) and decrease by HK\$5.3 million (2006: HK\$8.1 million) for an upward parallel shift.

As at 31 December 2007, if interest rates at that date had been 100 basis points parallel shift downwards, profit before tax for the year would have been HK\$22.2 million (2006: HK\$46.9 million) higher and the fair value reserve would have been HK\$0.4 million (2006: HK\$30.3 million) higher as at 31 December 2007. If interest rates had been 100 basis points parallel shift upwards, profit before tax for the year would have been HK\$16.7 million (2006: HK\$44.5 million) lower and the fair value reserve would have been HK\$0.4 million (2006: HK\$29 million) lower.

As at 31 December 2007, with all other variable held constant, if the HK dollar had weakened by 100 price interest points against the US dollar, profit before tax for the year would have been HK\$ 6.6 million (2006: HK\$1.6 million) higher. Conversely, if the HK dollar had been strengthened by 100 price interest points against the US dollar, profit before tax for the year would have been HK\$6.6 million (2006: HK\$1.6 million) lower.

The 100 basis points and 100 price interest points increase or decrease represent management's assessment of a reasonably possible change in interest rate and exchange rates over the period until the next balance sheet date.

(a) 匯率風險

本集團因現行外幣市場匯率波動對其財務狀況及現金流量的影響而承擔風險。董事局設定可准許用於投資目的的外幣。現時，本集團的外幣風險承擔只限於美元。資產負債管理委員會設定可承受外幣風險承擔的限額，並每日進行監察。

下表概列本集團的外幣匯率風險。表內所載為本集團按賬面值列值的資產與負債，並按貨幣種類分類。

(a) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rate on its financial position and cash flows. The Board sets allowable currencies for investment purposes. Currently, the Group's foreign currency exposure is limited to US dollar only. The ALCO sets limits on the currency exposure that may be undertaken, which is monitored daily.

The tables below summarise the Group's exposure to foreign currency exchange rate risk. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by currency.

本集團	The Group	港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零七年十二月三十一日	As at 31 December 2007			
資產	Assets			
現金及短期資金	Cash and short-term funds	2,638,771	27,734	2,666,505
應收利息及匯款	Interest and remittance receivables	814,930	67,177	882,107
預付款項、按金及 其他資產	Prepayments, deposits and other assets	41,028	-	41,028
衍生金融工具	Derivative financial instruments	559,703	97,783	657,486
貸款組合淨額	Loan portfolio, net	29,002,111	5,458,180	34,460,291
證券投資：	Investment securities:			
— 可供出售	— available-for-sale	1,414,599	2,623,651	4,038,250
— 持有至到期	— held-to-maturity	3,061,442	2,438,582	5,500,024
固定資產	Fixed assets	15,849	-	15,849
再保險資產	Reinsurance assets	366,383	-	366,383
總資產	Total assets	37,914,816	10,713,107	48,627,923
負債	Liabilities			
應付利息	Interest payable	443,708	28,285	471,993
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,151,226	280	4,151,506
衍生金融工具	Derivative financial instruments	24,859	97,783	122,642
應付稅項	Tax payable	21,275	-	21,275
遞延稅項負債	Deferred tax liabilities	28,542	-	28,542
保險負債	Insurance liabilities	661,386	-	661,386
已發行債務證券	Debt securities issued	32,554,735	756,455	33,311,190
已發行按揭證券	Mortgage-backed securities issued	4,229,159	-	4,229,159
總負債	Total liabilities	42,114,890	882,803	42,997,693
持倉淨額	Net position	(4,200,074)	9,830,304	5,630,230
資產負債表外淨名義持倉 [#]	Off-balance sheet net notional position [#]	4,711,159	(4,708,523)	2,636

資產負債表外淨名義持倉指外幣衍生金融工具（主要用以減低本集團於貨幣波動的風險）的名義金額與其公平值的差異。

Off-balance sheet net notional position represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements, and their fair values.

本公司	The Company	港元 HK\$ 千港元 HK\$'000	美元 US\$ 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零七年十二月三十一日	As at 31 December 2007			
資產	Assets			
現金及短期資金	Cash and short-term funds	2,326,374	27,734	2,354,108
應收利息及匯款	Interest and remittance receivables	799,083	67,177	866,260
預付款項、按金及 其他資產	Prepayments, deposits and other assets	59,600	-	59,600
衍生金融工具	Derivative financial instruments	533,346	97,783	631,129
貸款組合淨額	Loan portfolio, net	26,058,417	5,458,180	31,516,597
證券投資：	Investment securities:			
– 可供出售	– available-for-sale	1,414,599	2,623,651	4,038,250
– 持有至到期	– held-to-maturity	3,061,442	2,438,582	5,500,024
附屬公司投資	Investment in a subsidiary	151,766	-	151,766
固定資產	Fixed assets	15,849	-	15,849
再保險資產	Reinsurance assets	366,383	-	366,383
總資產	Total assets	34,786,859	10,713,107	45,499,966
負債	Liabilities			
應付利息	Interest payable	429,513	28,285	457,798
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	5,159,813	280	5,160,093
衍生金融工具	Derivative financial instruments	24,178	97,783	121,961
應付稅項	Tax payable	21,275	-	21,275
遞延稅項負債	Deferred tax liabilities	28,746	-	28,746
保險負債	Insurance liabilities	661,386	-	661,386
已發行債務證券	Debt securities issued	32,660,626	756,455	33,417,081
總負債	Total liabilities	38,985,537	882,803	39,868,340
持倉淨額	Net position	(4,198,678)	9,830,304	5,631,626
資產負債表外淨名義持倉 [#]	Off-balance sheet net notional position [#]	4,711,159	(4,708,523)	2,636

資產負債表外淨名義持倉指外幣衍生金融工具(主要用以減低本公司於貨幣波動的風險)的名義金額與其公平值的差異。

Off-balance sheet net notional position represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Company's exposure to currency movements, and their fair values.

本集團	The Group	港元	美元	總額
		HK\$	US\$	Total
		千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000
於二零零六年十二月三十一日	As at 31 December 2006			
資產	Assets			
現金及短期資金	Cash and short-term funds	1,069,268	845,538	1,914,806
應收利息及匯款	Interest and remittance receivables	493,901	62,206	556,107
預付款項、按金及 其他資產	Prepayments, deposits and other assets	31,011	-	31,011
衍生金融工具	Derivative financial instruments	234,711	28,049	262,760
貸款組合淨額	Loan portfolio, net	32,376,452	-	32,376,452
證券投資：	Investment securities:			
– 可供出售	– available-for-sale	793,444	3,821,075	4,614,519
– 持有至到期	– held-to-maturity	2,261,866	2,411,224	4,673,090
固定資產	Fixed assets	19,356	-	19,356
再保險資產	Reinsurance assets	373,901	-	373,901
總資產	Total assets	37,653,910	7,168,092	44,822,002
負債	Liabilities			
應付利息	Interest payable	343,059	6,914	349,973
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,204,591	-	4,204,591
衍生金融工具	Derivative financial instruments	117,968	44,984	162,952
應付稅項	Tax payable	16,511	-	16,511
遞延稅項負債	Deferred tax liabilities	27,810	-	27,810
保險負債	Insurance liabilities	624,856	-	624,856
已發行債務證券	Debt securities issued	28,454,325	481,145	28,935,470
已發行按揭證券	Mortgage-backed securities issued	5,361,260	-	5,361,260
總負債	Total liabilities	39,150,380	533,043	39,683,423
持倉淨額	Net position	(1,496,470)	6,635,049	5,138,579
資產負債表外淨名義持倉 [#]	Off-balance sheet net notional position [#]	5,419,876	(5,419,883)	(7)

資產負債表外淨名義持倉指外幣衍生金融工具(主要用以減低本集團於貨幣波動的風險)的名義金額與其公平值的差異。

Off-balance sheet net notional position represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements, and their fair values.

本公司	The Company	港元	美元	總額
		HK\$	US\$	Total
		千港元	千美元	千港元
		HK\$'000	HK\$'000	HK\$'000
於二零零六年十二月三十一日	As at 31 December 2006			
資產	Assets			
現金及短期資金	Cash and short-term funds	683,785	845,538	1,529,323
應收利息及匯款	Interest and remittance receivables	472,906	62,206	535,112
預付款項、按金及 其他資產	Prepayments, deposits and other assets	61,464	-	61,464
衍生金融工具	Derivative financial instruments	226,020	28,049	254,069
貸款組合淨額	Loan portfolio, net	28,552,854	-	28,552,854
證券投資：	Investment securities:			
– 可供出售	– available-for-sale	793,444	3,821,075	4,614,519
– 持有至到期	– held-to-maturity	2,261,866	2,411,224	4,673,090
附屬公司投資	Investment in a subsidiary	32,180	-	32,180
固定資產	Fixed assets	19,356	-	19,356
再保險資產	Reinsurance assets	373,901	-	373,901
總資產	Total assets	33,477,776	7,168,092	40,645,868
負債	Liabilities			
應付利息	Interest payable	322,504	6,914	329,418
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	5,422,358	-	5,422,358
衍生金融工具	Derivative financial instruments	103,285	44,984	148,269
應付稅項	Tax payable	16,511	-	16,511
遞延稅項負債	Deferred tax liabilities	28,019	-	28,019
保險負債	Insurance liabilities	624,856	-	624,856
已發行債務證券	Debt securities issued	28,454,325	481,145	28,935,470
總負債	Total liabilities	34,971,858	533,043	35,504,901
持倉淨額	Net position	(1,494,082)	6,635,049	5,140,967
資產負債表外淨名義持倉*	Off-balance sheet net notional position #	5,419,876	(5,419,883)	(7)

資產負債表外淨名義持倉指外幣衍生金融工具(主要用以減低本集團於貨幣波動的風險)的名義金額與其公平值的差異。

Off-balance sheet net notional position represents the difference between the notional amounts of foreign currency derivative financial instruments, which are principally used to reduce the Group's exposure to currency movements, and their fair values.

(b) 現金流量及公平值利率風險

現金流量利率風險乃指金融工具的未來現金流量將隨著市場利率改變而波動的風險。公平值利率風險乃指金融工具的價值將隨著市場利率改變而波動的風險。現行市場利率水平的波動會造成本集團的公平值利率風險及現金流量利率風險。由於利率變動，息差可能會擴闊，但倘若發生未能預計的波動，亦會收窄或引致虧損。資產負債管理委員會設定息率錯配水平的限額，並定期對該限額進行監控。

(b) Cash flow and fair value interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks. Interest margins may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The ALCO sets limits on the level of interest rate mismatch that may be undertaken, which is monitored regularly.

下表概述本集團所面臨的利率風險，並按賬面值列示本集團的資產及負債，而資產及負債則按重定息日或到期日（以較早者為準）分類。衍生金融工具（主要用於減低本集團於利率波動承擔的風險）的賬面值列於「不計息」項目中。

The tables below summarise the Group's exposure to interest rate risks. Included in the tables are the Group's assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates. The carrying amounts of derivative financial instruments, which are principally used to reduce the Group's exposure to interest rate movements, are included under the heading "Non-interest bearing".

預計重定息日或到期日將不會與合約日期有重大差別。

Expected repricing and maturity dates do not differ significantly from the contract dates.

本集團	The Group	一個月	三個月	一年	五年以上	不計息	總額
		以上至 三個月	以上至 一年	以上至 五年			
		一個月內	Over 1	Over 3	Over	Non-	
		Up to 1 month	month to 3 months	months to 1 year	1 year to 5 years	interest bearing	Total
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零七年十二月三十一日	As at 31 December 2007						
資產	Assets						
現金及短期資金	Cash and short-term funds	2,453,936	91,223	88,906	-	-	2,666,505
應收利息及匯款	Interest and remittance receivables	-	-	-	-	-	882,107
預付款項、按金及其他資產	Prepayments, deposits and other assets	-	-	-	-	-	41,028
衍生金融工具	Derivative financial instruments	-	-	-	-	-	657,486
貸款組合淨額	Loan portfolio, net	24,889,351	4,046,548	5,493,037	29,511	1,844	34,460,291
證券投資：	Investment securities:						
– 可供出售	– available-for-sale	2,050,701	1,105,484	100,190	-	-	4,038,250
– 持有至到期	– held-to-maturity	552,593	734,230	696,687	2,521,630	994,884	5,500,024
固定資產	Fixed assets	-	-	-	-	-	15,849
再保險資產	Reinsurance assets	-	-	-	-	-	366,383
總資產	Total assets	29,946,581	5,977,485	6,378,820	2,551,141	996,728	48,627,923
負債	Liabilities						
應付利息	Interest payable	-	-	-	-	-	471,993
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,054,545	-	-	-	-	4,151,506
衍生金融工具	Derivative financial instruments	-	-	-	-	-	122,642
應付稅項	Tax payable	-	-	-	-	-	21,275
遞延稅項負債	Deferred tax liabilities	-	-	-	-	-	28,542
保險負債	Insurance liabilities	-	-	-	-	-	661,386
已發行債務證券	Debt securities issued	1,947,720	3,858,305	10,480,612	13,068,979	3,955,574	33,311,190
已發行按揭證券	Mortgage-backed securities issued	1,663,483	-	653,842	1,911,834	-	4,229,159
總負債	Total liabilities	7,665,748	3,858,305	11,134,454	14,980,813	3,955,574	42,997,693
利息敏感度缺口總額*	Total interest sensitivity gap*	22,280,833	2,119,180	(4,755,634)	(12,429,672)	(2,958,846)	
利率衍生工具 (持有淨額的名義金額)	Interest rate derivatives (notional amounts of net position)	(23,499,482)	(5,877,045)	11,145,583	14,539,200	3,691,744	

* 未計入衍生金融工具重定息對已發行債務證券及已發行按揭證券的影響。

* before the repricing effect of derivative financial instruments on the debt securities and the mortgage-backed securities issued.

本公司	The Company	一個月	三個月	一年	五年以上	不計息	總額
		以上至 三個月	以上至 一年	以上至 五年		Non- interest bearing	
		一個月內 Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
		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
於二零零七年十二月三十一日	As at 31 December 2007						
資產	Assets						
現金及短期資金	Cash and short-term funds	2,313,545	9,600	-	-	-	2,354,108
應收利息及匯款	Interest and remittance receivables	-	-	-	-	-	866,260
預付款項、按金及其他資產	Prepayments, deposits and other assets	-	-	-	-	-	59,600
衍生金融工具	Derivative financial instruments	-	-	-	-	-	631,129
貸款組合淨額	Loan portfolio, net	21,956,120	4,044,909	5,489,934	25,634	-	31,516,597
證券投資：	Investment securities:						
– 可供出售	– available-for-sale	2,050,701	1,105,484	100,190	-	-	4,038,250
– 持有至到期	– held-to-maturity	552,593	734,230	696,687	2,521,630	994,884	5,500,024
附屬公司投資	Investment in a subsidiary	141,782	-	3,159	3,947	1,878	151,766
固定資產	Fixed assets	-	-	-	-	-	15,849
再保險資產	Reinsurance assets	-	-	-	-	-	366,383
總資產	Total assets	27,014,741	5,894,223	6,289,970	2,551,211	996,762	45,499,966
負債	Liabilities						
應付利息	Interest payable	-	-	-	-	-	457,798
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,980,316	-	-	-	-	5,160,093
衍生金融工具	Derivative financial instruments	-	-	-	-	-	121,961
應付稅項	Tax payable	-	-	-	-	-	21,275
遞延稅項負債	Deferred tax liabilities	-	-	-	-	-	28,746
保險負債	Insurance liabilities	-	-	-	-	-	661,386
已發行債務證券	Debt securities issued	2,053,611	3,858,305	10,480,612	13,068,979	3,955,574	33,417,081
總負債	Total liabilities	7,033,927	3,858,305	10,480,612	13,068,979	3,955,574	39,868,340
利息敏感度缺口總額*	Total interest sensitivity gap*	19,980,814	2,035,918	(4,190,642)	(10,517,768)	(2,958,812)	
利率衍生工具 (持倉淨額的名義金額)	Interest rate derivatives (notional amounts of net position)	(20,959,482)	(5,877,045)	10,496,565	12,648,218	3,691,744	

* 未計入衍生金融工具重定息對已發行債務證券的影響。

* before the repricing effect of derivative financial instruments on the debt securities issued.

本集團	The Group	一個月	三個月	一年	五年以上	不計息	總額
		以上至 三個月	以上至 一年	以上至 五年		Non- interest bearing	
		一個月內 Up to 1 month 千港元 HK\$'000	Over 1 month to 3 months 千港元 HK\$'000	Over 3 months to 1 year 千港元 HK\$'000	Over 1 year to 5 years 千港元 HK\$'000	Over 5 years 千港元 HK\$'000	HK\$'000
於二零零六年十二月三十一日	As at 31 December 2006						
資產	Assets						
現金及短期資金	Cash and short-term funds	1,562,244	110,245	197,283	-	-	45,034 1,914,806
應收利息及匯款	Interest and remittance receivables	-	-	-	-	-	556,107 556,107
預付款項、按金及其他資產	Prepayments, deposits and other assets	-	-	-	-	-	31,011 31,011
衍生金融工具	Derivative financial instruments	-	-	-	-	-	262,760 262,760
貸款組合淨額	Loan portfolio, net	28,219,551	4,049,776	68,894	36,347	1,884	- 32,376,452
證券投資：	Investment securities:						
– 可供出售	– available-for-sale	2,475,848	455,640	140,602	763,489	236,931	542,009 4,614,519
– 持有至到期	– held-to-maturity	241,768	370,086	641,668	2,256,445	1,163,123	- 4,673,090
固定資產	Fixed assets	-	-	-	-	-	19,356 19,356
再保險資產	Reinsurance assets	-	-	-	-	-	373,901 373,901
總資產	Total assets	32,499,411	4,985,747	1,048,447	3,056,281	1,401,938	1,830,178 44,822,002
負債	Liabilities						
應付利息	Interest payable	-	-	-	-	-	349,973 349,973
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	4,120,474	-	-	-	-	84,117 4,204,591
衍生金融工具	Derivative financial instruments	-	-	-	-	-	162,952 162,952
應付稅項	Tax payable	-	-	-	-	-	16,511 16,511
遞延稅項負債	Deferred tax liabilities	-	-	-	-	-	27,810 27,810
保險負債	Insurance liabilities	-	-	-	-	-	624,856 624,856
已發行債務證券	Debt securities issued	2,798,933	5,789,542	4,942,558	13,045,490	2,358,947	- 28,935,470
已發行按揭證券	Mortgage-backed securities issued	2,127,252	-	696,315	2,537,693	-	- 5,361,260
總負債	Total liabilities	9,046,659	5,789,542	5,638,873	15,583,183	2,358,947	1,266,219 39,683,423
利息敏感度缺口總額*	Total interest sensitivity gap*	23,452,752	(803,795)	(4,590,426)	(12,526,902)	(957,009)	
利率衍生工具 (持倉淨額的名義金額)	Interest rate derivatives (notional amounts of net position)	(31,993,054)	7,174,042	7,694,050	15,011,079	2,113,883	

* 未計入衍生金融工具重定息對已發行債務證券及已發行按揭證券的影響。

* before the repricing effect of derivative financial instruments on the debt securities and the mortgage-backed securities issued.

本公司	The Company	一個月	三個月	一年	五年以上	不計息	總額
		以上至 三個月	以上至 一年	以上至 五年		Non-	
		一個月內	Over 1	Over 3	Over	interest	
		Up to 1 month	month to 3 months	months to 1 year	1 year to 5 years	Over 5 years	bearing
		千港元	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零六年十二月三十一日	As at 31 December 2006						
資產	Assets						
現金及短期資金	Cash and short-term funds	1,485,284	-	-	-	44,039	1,529,323
應收利息及匯款	Interest and remittance receivables	-	-	-	-	535,112	535,112
預付款項、按金及其他資產	Prepayments, deposits and other assets	-	-	-	-	61,464	61,464
衍生金融工具	Derivative financial instruments	-	-	-	-	254,069	254,069
貸款組合淨額	Loan portfolio, net	24,407,768	4,047,262	67,738	30,086	-	28,552,854
證券投資：	Investment securities:						
– 可供出售	– available-for-sale	2,475,848	455,640	140,602	763,489	236,931	542,009
– 持有至到期	– held-to-maturity	241,768	370,086	641,668	2,256,445	1,163,123	-
附屬公司投資	Investment in a subsidiary	21,307	-	1,227	6,646	2,000	1,000
固定資產	Fixed assets	-	-	-	-	-	19,356
再保險資產	Reinsurance assets	-	-	-	-	-	373,901
總資產	Total assets	28,631,975	4,872,988	851,235	3,056,666	1,402,054	40,645,868
負債	Liabilities						
應付利息	Interest payable	-	-	-	-	329,418	329,418
應付賬款、應付開支及 其他負債	Accounts payable, accrued expenses and other liabilities	5,202,563	-	-	-	219,795	5,422,358
衍生金融工具	Derivative financial instruments	-	-	-	-	148,269	148,269
應付稅項	Tax payable	-	-	-	-	16,511	16,511
遞延稅項負債	Deferred tax liabilities	-	-	-	-	28,019	28,019
保險負債	Insurance liabilities	-	-	-	-	624,856	624,856
已發行債務證券	Debt securities issued	2,798,933	5,789,542	4,942,558	13,045,490	2,358,947	-
總負債	Total liabilities	8,001,496	5,789,542	4,942,558	13,045,490	2,358,947	35,504,901
利息敏感度缺口總額*	Total interest sensitivity gap*	20,630,479	(916,554)	(4,091,323)	(9,988,824)	(956,893)	
利率衍生工具 (持倉淨額的名義金額)	Interest rate derivatives (notional amounts of net position)	(28,753,054)	7,174,042	6,998,051	12,467,078	2,113,883	

* 未計入衍生金融工具重定息對已發行債務證券的影響。

* before the repricing effect of derivative financial instruments on the debt securities issued.

3.4 流動資金風險

流動資金風險指本集團未能償還其支付債項或為已承諾購買的按揭貸款提供資金的風險。本集團每日監測資金流入及流出，並在所有工具到期期限的基礎上預計遠期資金流入及流出。本集團從不同資金來源支持其業務增長及維持負債的均衡組合。資產負債管理委員會定期對流動資金來源進行審查。

3.4 Liquidity risk

Liquidity risk represents the risk of the Group not being able to repay its payment obligations or to fund committed purchases of mortgage loans. Liquidity risk is managed by monitoring the actual inflow and outflow of funds on a daily basis and projecting longer-term inflows and outflows of funds across a full maturity spectrum. The Group has established diversified funding sources to support the growth of its business and the maintenance of a balanced portfolio of liabilities. Source of liquidity are regularly reviewed by ALCO.

下表列示本集團根據於結算日按剩餘合約年期以淨額基準結算的非衍生金融負債、衍生金融負債及以總額基準結算的衍生金融工具應付的現金流量。於表內披露的金額為預測合約未折現現金流量，包括根據最早的可能合約到期日計算的未來利息支付款項。本集團的衍生工具包括按淨額基準結算的利率掉期；及按總額基準結算的貨幣間掉期及遠期貨幣合約。

The table below presents 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 remaining contractual maturities as at the balance sheet date. The amounts disclosed in the table are the projected contractual undiscounted cash flows including future interest payments on the basis of their earliest possible contractual maturity. The Group's derivatives include interest rate swaps that will be settled on net basis; and cross currency swaps, currency forward contracts that will be settled on gross basis.

本集團	The Group	一個月以上	三個月以上	一年以上	五年以上	總額
		一個月內	Over	Over		
		Up to	1 month to	3 months to	1 year to	Over
		1 month	3 months	1 year	5 years	5 years
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零七年十二月三十一日	As at 31 December 2007					
非衍生現金流出	Non-derivative cash outflows					
負債	Liabilities					
已發行債務證券	Debt securities issued	(189,578)	(1,637,622)	(10,622,651)	(20,335,759)	(4,642,553)
已發行按揭證券	Mortgage-backed securities issued	(12,241)	(47,485)	(827,797)	(3,538,042)	(269,479)
		(201,819)	(1,685,107)	(11,450,448)	(23,873,801)	(4,912,032)
衍生現金流入/(流出)	Derivative cash inflows/(outflows)					
按下列基準結算的衍生金融工具：	Derivative financial instrument settled:					
—淨額基準	— on net basis	20,657	(2,131)	(13,003)	(92,811)	(12,005)
—總額基準	— on gross basis					
流出總額	Total outflow	-	(595)	(59,425)	-	-
流入總額	Total inflow	-	1,195	59,649	-	-
		20,657	(1,531)	(12,779)	(92,811)	(12,005)
						(98,469)
於二零零六年十二月三十一日	As at 31 December 2006					
非衍生現金流出	Non-derivative cash outflows					
負債	Liabilities					
已發行債務證券	Debt securities issued	(1,070,778)	(4,782,593)	(7,067,622)	(16,350,825)	(2,887,416)
已發行按揭證券	Mortgage-backed securities issued	(20,653)	(69,866)	(971,681)	(4,222,056)	(860,719)
		(1,091,431)	(4,852,459)	(8,039,303)	(20,572,881)	(3,748,135)
衍生現金流入/(流出)	Derivative cash inflows/(outflows)					
按下列基準結算的衍生金融工具：	Derivative financial instrument settled:					
—淨額基準	— on net basis	(19,640)	(21,011)	27,777	(38,818)	(17,714)
—總額基準	— on gross basis					
流出總額	Total outflow	(10,829,043)	(3,575)	(5,002,983)	(332,689)	-
流入總額	Total inflow	10,817,136	9,029	5,044,962	339,615	-
		(31,547)	(15,557)	69,756	(31,892)	(17,714)
						(26,954)

3.5 按揭保險風險

本公司為核准賣方／管理供款機構提供按揭保險，當貸款額逾訂立按揭貸款時物業價值的70%時，獲提供的信貸虧損風險保險額最高可達按揭貸款的物業價值的25%。

任何一份保險合約下的風險為已投保事件發生的可能性及所引致的申索金額的不確定性。根據保險合約本身的特質，此類風險屬隨機，因此不能預計。

對一組保險合約而言，當機會率的理論應用到定價及撥備時，本集團在保險合約面對的主要風險為實際申索超出保險負債賬面值。當申索的次數及金額超過所估計的金額，上述情況便可能發生。保險事件為隨機，而申索及利益的實際次數及金額，將與使用統計方法得出的估計數字，每年有所差別。

經驗顯示類似保險合約的組合越大，預期後果的相對可變性則越低。此外，組合越多元化，越是不會由於組合內任何一組分支的變動而影響整個組合。本集團所發展的業務策略，為分散所接納按揭保險風險種類，並在每個主要類別內歸納足夠宗數的風險，從而降低預期後果的可變性。

申索的次數及金額可受多項因素所影響。最重大的因素為出現經濟衰退及本港物業市場下滑的情況。經濟衰退可能引致拖欠付款的個案增加，影響申索的次數。物業價格下跌，會使抵押品價值低於按揭貸款未償還餘額，因而帶動索償金額上升。

本集團採納一套審慎的保險資格準則管理此等風險。為確保預留充足撥備應付未來索償付款，本集團以審慎負債估值假設及按監管指引內規定的方法計算技術儲備。本集團亦向核准再保險公司按比例投保攤分再保險，致力限制其承擔的風險。本集團進行全面的評估，包括按照信貸委員會制定的核准挑選架構，對按揭再保險公司的財力及信貸評級進行評估。本集團會定期檢討核准再保險公司。

3.5 Mortgage insurance risk

The Company offers mortgage insurance which provides cover to the Approved Seller/Servicers for credit losses of up to 25% of the property value of a mortgage loan where the loan amount has exceeded 70% of the property value at origination.

The risk under any one insurance contract is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Group faces under its insurance contracts is that the actual claims exceed the carrying amount of the insurance liabilities. This could occur because the frequency or severity of claims are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the estimate established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. The Group has developed a business strategy to diversify the type of mortgage insurance risks accepted and within each of the key categories to achieve a sufficiently large population of risks to reduce the variability of the expected outcome.

The frequency and severity of claims can be affected by several factors. The most significant are a downturn of the economy and a slump in the local property market. Economic downturn, which may cause a rise in defaulted payment, affects the frequency of claims. A drop in property prices, where the collateral value falls below the outstanding balance of the mortgage loan, will increase the severity of claims.

The Group manages these risks by adopting a set of prudent insurance eligibility criteria. To ensure sufficient provision is set aside for meeting future claim payments, the Group calculates technical reserves on prudent liability valuation assumptions and the method prescribed in the regulatory guidelines. The Group also takes out quota-share reinsurance from its approved mortgage reinsurers in an effort to limit its risk exposure. The Group conducts comprehensive assessment including the financial strength and credit ratings of the mortgage reinsurers in accordance with the approved selection framework set by the Credit Committee. The approved mortgage reinsurers are subject to periodic reviews.

3.6 金融資產及負債的公平值

下表概述並未於本集團資產負債表內全部按公平值呈列的金融資產及負債的賬面值和公平值。買入價用於估計資產的公平值，而賣出價則用於負債。

3.6 Fair values of financial assets and liabilities

The following table summarises the carrying amounts and fair values of those financial assets and liabilities not wholly presented on the Group's balance sheet at their fair value. Bid prices are used to estimate fair values of assets, whereas offer prices are applied for liabilities.

		賬面值		公平值	
		Carrying value		Fair value	
		於二零零七年 十二月三十一日	於二零零六年 十二月三十一日	於二零零七年 十二月三十一日	於二零零六年 十二月三十一日
		As at 31 December 2007 千港元 HK\$'000	As at 31 December 2006 千港元 HK\$'000	As at 31 December 2007 千港元 HK\$'000	As at 31 December 2006 千港元 HK\$'000
金融資產	Financial assets				
現金及短期資金	Cash and short-term funds	2,666,505	1,914,806	2,666,505	1,914,806
貸款組合淨額	Loan portfolio, net	34,460,291	32,376,452	34,460,291	32,376,452
證券投資	Investment securities				
– 持有至到期	– held-to-maturity	5,500,024	4,673,090	5,537,121	4,634,046
金融負債	Financial liabilities				
其他負債	Other liabilities	4,054,545	4,120,474	4,054,545	4,120,474
已發行債務證券	Debt securities issued	33,311,190	28,935,470	33,315,354	28,955,238
已發行按揭證券	Mortgage-backed securities issued	4,229,159	5,361,260	4,218,230	5,354,783

(a) 現金及短期資金

現金及短期資金包括銀行存款。浮息存款的公平值即其賬面值，定息存款（存款期通常少於三個月）的估計公平值，是基於按貨幣市場類似信貸風險債務的利率及剩餘年期計算之折現現金流量。因此，公平值約等於其賬面值。

(a) Cash and short-term funds

Cash and short-term funds include bank deposits. The fair value of floating-rate deposits is the carrying amount. The estimated fair value of fixed-rate deposits, which are normally less than 3 months, is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and remaining maturity. Therefore, the fair value of the deposits is approximately equal to their carrying value.

(b) 貸款組合淨額及根據按揭通遞證券化計劃發行的按揭證券

貸款組合於扣除減值撥備後列賬。小部分貸款組合以定息計息。因此，貸款組合及已發行按揭證券的賬面值為公平值的合理估計。

(b) Loan portfolio, net, and mortgage-backed securities issued under the MBS Pass-Through Programme

Loan portfolio is stated net of impairment allowance. A very insignificant portion of loan portfolio bears interest at fixed rate. Therefore, the carrying value of loan portfolio and the mortgage-backed securities issued is a reasonable estimate of the fair value.

(c) 證券投資

證券投資只包括持有至到期計息資產，分類為可供出售的資產按公平值計量。持有至到期資產之公平值以市價或經紀／交易商報價為基礎。當本集團未能取得這項資料時，公平值使用信貸、到期日及收益率特點相近之證券的市價報價予以估計。

(c) Investment securities

Investment securities include only interest-bearing assets held to maturity, as assets classified as available-for-sale are measured at fair value. Fair value for held-to-maturity assets is based on market prices or broker/dealer price quotations. Where this information is not available, fair value has been estimated using quoted market prices for securities with similar credit, maturity and yield characteristics.

(d) 已發行債務證券

公平值總額以市價報價為基礎計算。至於未有取得市價報價的債券，本集團採用以現時收益率曲線及相關之剩餘限期為基礎的現金流量貼現模型計算。

(e) 根據 Bauhinia 按揭證券化計劃發行的按揭證券

公平值總額以市價報價為基礎計算。至於未有取得市價報價的債券，本集團採用以現時收益率曲線及相關之剩餘限期為基礎的現金流量貼現模型計算。

(f) 其他負債

其他負債指二零零三年十二月及二零零四年一月自香港特別行政區（「香港特區」）政府購買的按揭貸款加強信貸安排的遞延代價。其他負債的公平值為賬面值。

(g) 於財務報表以公平值估量的金融工具

於本年度使用估值方法估計，並在收益表確認的公平值變動總額為56,090,000 港元（二零零六年：25,263,000 港元）。以公平值估量的金融工具並無（二零零六年：無）使用不獲明顯市場數據所證明的估值方法。

3.7 資本管理

本集團管理資本（其涵蓋範圍較列於資產負債表賬面的「資金」為廣）如下：

- 符合香港特別行政區政府財政司司長（「財政司司長」）制定的資金規定；
- 確保本集團持續營運的能力，以持續為股東創造回報；
- 維持本集團的穩定及發展；
- 按有效及基於風險的方法分配資本，最優化提供予股東的經風險調整回報；及
- 維持雄厚的資本基礎以支持其業務發展。

(d) Debt securities issued

The aggregate fair values are calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(e) Mortgage-backed securities issued under the Bauhinia MBS Programme

The aggregate fair values are calculated based on quoted market prices. For those notes where quoted market prices are not available, a discounted cash flow model is used based on a current yield curve appropriate for the remaining term to maturity.

(f) Other liabilities

Other liabilities represent the deferred consideration used for credit enhancement on the mortgage loans purchased from the Government of the Hong Kong Special Administrative Region (“HKSAR”) in December 2003 and January 2004. The fair value of other liabilities is the carrying amount.

(g) Financial instruments measured at fair value in the financial statements

The total amount of the change in fair value estimated using a valuation technique that was recognised in income statement during the year is HK\$56,090,000 (2006: HK\$25,263,000). There is no (2006: nil) financial instrument measured at fair value using a valuation technique that is not supported by observable market data.

3.7 Capital management

The Group’s objectives when managing capital, which is a broader concept than the ‘equity’ on the face of balance sheet, are:

- To comply with the capital requirements set by the Financial Secretary of the Government of the Hong Kong Special Administrative Region (“Financial Secretary”);
- To safeguard the Group’s ability to continue as a going concern so that it can continue to provide returns for shareholders;
- To support the Group’s stability and growth;
- To allocate capital in an efficient and risk based approach to optimise risk adjusted return to the shareholders; and
- To maintain a strong capital base to support the development of its business.

本集團管理層根據財政司司長頒佈的指引每日對資本充足程度及監管資金的用途進行監控。指引內對資本對資產比率的規定最低為5%。資本對資產比率為本集團資本總額與其資產負債表內及資產負債表外加權風險值總額之間的比率，以百分比表示。

總裁須參考財政司司長頒佈的指引每季度向董事局提交報告。任何違反或可能違反資本對資產比率的情況均須向財政司司長報告。

本集團資本基礎包括股本、股份溢價、保留溢利及透過調撥保留溢利形成的風險儲備、根據組合評估對貸款減值所作撥備以及因對持作可供出售投資證券進行公平估值而產生的公平值儲備。

資本充足架構計及嵌入資產的風險的不同水平。經計及任何合資格抵押品或擔保，根據資產性質應用不同兌換因素，並反映對相關風險的估計。對資產負債表外風險亦採取類似處理方法，並作出若干調整以反映潛在虧損更具或然性質。

下表概述本集團於結算日的資本基礎構成及比率。年內，本集團已遵守財政司司長制定的所有資本規定。

Capital adequacy and the use of regulatory capital are monitored daily by the Group's management in accordance with the guidelines issued by the Financial Secretary. The minimum Capital-to-Assets ratio ("CAR") stipulated in the guidelines is 5%. The CAR is calculated as a ratio, expressed as a percentage, of the Group's total capital base to the sum of its total on-balance sheet and total off-balance sheet risk-weighted exposures.

The Chief Executive Officer is required to submit a report to the Board of Directors on a quarterly basis by reference to the guidelines issued by the Financial Secretary. Any breach or likely breach of the CAR guidelines must be reported to the Financial Secretary.

The Group's capital base comprises share capital, share premium, retained profits and contingency reserve created by appropriations of retained profits, allowance for loan impairment under collective assessment and fair value reserve arising on the fair valuation of investment securities held as available-for-sale.

The capital adequacy framework takes into account different levels of risk embedded in assets. Conversion factors are applied to assets according to their nature and reflecting an estimate of underlying risks, taking into account any eligible collateral or guarantee. A similar treatment is adopted for off-balance sheet exposure, with some adjustments to reflect the more contingent nature of the potential losses.

The table below summarises the composition of capital base and the ratios of the Group as at balance sheet dates. During the year, the Group complied with all of the capital requirement set by the Financial Secretary.

		2007 千港元 HK\$'000	2006 千港元 HK\$'000
股本	Share capital	2,000,000	2,000,000
保留溢利	Retained profits	3,151,567	2,678,722
風險儲備	Contingency reserve	102,497	84,678
公平值儲備	Fair value reserve	120,673	125,179
根據組合評估對 貸款減值所作 撥備	Allowance for loan impairment under collective assessment	13,930	24,233
資本總額	Total capital base	5,388,667	4,912,812
資本對資產比率	CAR	11.2%	11.2%

4. 關鍵會計估計及假設

本集團採用對下一財政年度的資產及負債列賬額具有影響之估計及假設。本集團會根據過往經驗及其他因素(包括於有關情況下，對未來事項作出被認為合理的預期)，持續評估所作出的估計及判斷。

4. 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.

4.1 貸款組合的減值撥備

本集團至少每季檢討其貸款組合一次，以評估減值。對於應否於收益表內列入減值虧損，（在找出導致減值的個別貸款前）本集團會判斷是否有明顯數據，反映貸款組合的預計現金流量出現可量化的下降。此等證據包括有可觀察數據顯示某一組別借款人的還款狀況出現逆轉，或出現與某一組別資產拖欠相關的經濟狀況。管理層就未來現金流量作出估計時，會依據貸款風險特徵及客觀減值證據與有關組合相若的資產的過往虧損經驗作出評估。用以預算未來現金流量的金額及時間的方法及假設將定期進行檢討，以拉近預計及實際虧損經驗的差別。

4.2 衍生工具的公平值

不在活躍市場報價的金融工具的公平值採用估值方法釐定。當使用估值方法（例如模型）釐定公平值時，該等方法經獨立於建立此等模型的合資格人士核實及定期檢討。所有模型於使用前均被核實，並調整至確保結果反映實際數據及可比較市價。在可行的情況下，此等模型只使用可觀察數據，然而，一些範疇如信貸風險、波幅及相關系數，需要管理層作出估計。此等因素假設的轉變可能影響金融工具所呈報的公平值。敏感度分析載於附註3.3。

4.3 可供出售投資減值

若可供出售投資的公平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。釐定重大及持續的定義需要作出判斷。於作出該等判斷時，本集團評估包括上市價格日常波動的其他因素。此外，倘投資的財務穩健程度、行業及類別表現惡化，技術、營運及融資現金流量出現變動，亦顯示可能適宜作出減值。

4.4 利得稅

本集團在香港須繳納利得稅。釐定利得稅撥備時需作出重大估計。於日常業務過程中進行的很多交易及計算，其最終的稅項無法確定。本集團會按是否有應繳的額外稅項，就預期的稅務事宜確認負債。如此等事宜的最終稅務結果有別於原先記錄的金額，該等差別將在釐定的期間影響所得稅及遞延稅項撥備。

4.1 Impairment allowances on loan portfolio

The Group reviews its loan portfolio to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes 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 borrowers in a group or economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when scheduling its future cash flows. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

4.2 Fair value of derivatives

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, models) are used to determine fair value, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are validated before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk, volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments. Sensitivity analysis is set out in Note 3.3.

4.3 Impairment of available-for-sale investments

The Group determines that available-for-sale 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 listed price. In addition, impairment may be appropriate when there is evidence of a deterioration in the financial health of the investment, industry and sector performance, changes in technology, and operational and financing cash flows.

4.4 Profits tax

The Group is subject to profits tax in Hong Kong. Significant estimates are required in determining the provision for profits tax. 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 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 on the income tax and deferred tax provisions in the period in which such determination is made.

5. 分類分析

本集團主要從事按揭業務。為提供資金以購入按揭貸款而進行的債務工具發行及再投資於按揭收取款項產生的盈餘資金等其他業務被視為按揭業務的附屬業務。本集團亦可以可按單一按揭業務分類在集團層面計量其表現的方式組成。

雖然按揭業務乃作為單一分類進行管理，惟按揭資產位於兩個地區（即香港及韓國）。就分類呈報而言，乃按地區分類提供資料。

5. Segment analysis

The Group is principally engaged in mortgage business. Other activities such as debt issuance to fund the mortgage purchase and investment to reinvest the surplus funds from mortgage receipt are considered ancillary to mortgage business. The Group is also organised in such a way that performance is measured at Group level in single segment for mortgage business.

Although the mortgage business is managed as a single segment, the mortgage assets are located in two geographical areas, namely Hong Kong and Korea. For segmental reporting purpose, information is provided in respect of geographical segments.

		資產總值 Total assets 千港元 HK\$'000	負債總額 Total liabilities 千港元 HK\$'000	年內 資本開支 Capital expenditure incurred during the year 千港元 HK\$'000
於二零零七年十二月三十一日	As at 31 December 2007			
香港	Hong Kong	43,165,762	37,535,532	6,640
韓國	Korea	5,462,161	5,462,161	-
總額	Total	48,627,923	42,997,693	6,640

本集團位於韓國的資產指於二零零七年近年末時購入的按揭證券組合（附註21），年內產生除稅前溢利275,000港元（二零零六年：無）。

The Group's assets located in Korea represented MBS portfolio purchased near the end of 2007 (Note 21) which contributed HK\$275,000 of profit before tax for the year (2006: nil).

本集團所有資產於二零零六年十二月三十一日均位於香港。

All the Group's assets were located in Hong Kong as at 31 December 2006.

6. 利息收入

6. Interest income

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
貸款組合	Loan portfolio	1,640,335	1,783,988
現金及短期資金	Cash and short-term funds	246,785	129,553
證券投資－上市	Investment securities – listed	92,505	119,691
證券投資－非上市	Investment securities – unlisted	359,808	261,375
		2,339,433	2,294,607

本年度利息收入內包括228,000港元（二零零六年：1,317,000港元）個別已減值貸款的應計利息收入。

Included within interest income is HK\$228,000 for the year (2006: HK\$1,317,000) with respect to interest income accrued on individually impaired loans.

7. 利息支出

7. Interest expense

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
須於五年內悉數償還的銀行貸款、已發行債務及按揭證券	Bank loans, debt and MBS issued wholly repayable within 5 years	1,156,970	1,153,444
毋須於五年內悉數償還的已發行債務及按揭證券	Debt and MBS issued not wholly repayable within 5 years	533,131	423,947
		1,690,101	1,577,391

8. 其他收入

8. Other income

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
提早還款費用及過期罰款	Early prepayment fees and late charges	23,837	19,560
已滿期保費淨額(附註14)	Net insurance premiums earned (Note 14)	109,524	102,394
匯兌差額	Exchange difference	16,555	23,216
金融工具公平值變動	Change in fair value of financial instruments	116,059	(7,459)
可供出售上市投資的股息收入	Dividend income from available-for-sale listed investments	29,131	15,998
出售可供出售投資的收益淨額(附註11)	Net gain on disposal of available-for-sale investments (Note 11)	922	-
其他	Others	431	701
		296,459	154,410

金融工具公平值變動相當於以下各項的總和：
(i) 指定為公平值對沖的對沖工具的公平值收益331,000,000港元(二零零六年：335,000,000港元)及被對沖項目公平值虧損333,000,000港元(二零零六年：333,000,000港元)；及(ii) 指定以公平值變化計入損益的衍生工具的公平值收益155,500,000港元(二零零六年：39,600,000港元)及指定以公平值變化計入損益的已發行債務證券公平值虧損37,400,000港元(二零零六年：49,100,000港元)。於二零零七年，收益表內概無確認任何因現金流對沖而產生的無效項目(二零零六年：無)。

Change in fair value of financial instruments represents the aggregate of (i) HK\$331 million (2006: HK\$335 million) fair value gain on hedging instruments designated as fair value hedge and HK\$333 million (2006: HK\$333 million) fair value loss on hedged item; and (ii) HK\$155.5 million (2006: HK\$39.6 million) fair value gain on derivatives designated as at fair value through profit or loss and HK\$37.4 million (2006: HK\$49.1 million) fair value loss on debt securities issued designated as at fair value through profit or loss. In 2007, there is no ineffectiveness recognised in income statements that arises from cash flow hedges (2006: nil).

9. 經營支出

9. Operating expenses

		本集團 The Group	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
僱員成本	Staff costs		
薪金及福利	Salaries and benefits	83,579	70,222
退休金成本－界定供款 積金計劃	Pension costs-defined contribution plans	4,668	4,504
辦公室	Premises		
租金	Rental	6,368	6,368
其他	Others	5,585	4,603
董事酬金	Directors' emoluments	-	-
折舊	Depreciation	10,147	10,594
財經資訊服務	Financial information services	4,791	4,330
顧問費	Consultancy fees	2,614	6,817
其他經營支出	Other operating expenses	11,286	10,361
		129,038	117,799

10. 核數師酬金

10. Auditor's remuneration

		本集團 The Group	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
審核服務	Audit services	670	600
其他服務	Other services	579	479
		1,249	1,079

11. 出售可供出售投資的收益淨額

11. Net gain on disposal of available-for-sale investments

		本集團 The Group	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
出售可供出售投資的收益淨額：	Net gain on disposal of available-for-sale investments:		
－於一月一日變現先前於 儲備內確認的款項	－realisation of amounts previously recognised in reserves as at 1 January	22,578	-
－一年內產生收益淨額	－net gain arising in the year	20,464	-
－終止用於對沖採用公平值 對沖的可供出售投資的 利率掉期虧損淨額	－net losses on termination of interest rate swap for hedging available-for-sale investments under fair value hedge	(42,120)	-
		922	-

12. 貸款減值撥備的撥回

12. Write-back of loan impairment allowances

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
貸款減值撥備的撥回	Write-back of loan impairment allowances		
– 組合評估 (附註 21(b))	– collective assessment (Note 21 (b))	4,457	8,473

13. 稅項

13. Taxation

(a) 於綜合收益表內扣除的稅項包括：

(a) Taxation charge in the consolidated income statement represents:

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
香港利得稅	Hong Kong profits tax		
– 本年度撥備	– Provision for current year	87,025	78,201
– 往年度 (超額撥備) / 撥備不足	– (Overprovision)/underprovision in prior years	(6,915)	1,933
		80,110	80,134
遞延稅項	Deferred taxation		
– 本年度支出 / (抵免)	– Charge/(credit) for current year	436	(507)
		80,546	79,627

香港利得稅撥備就本年度產生的估計應課稅溢利按 17.5% (二零零六年：17.5%) 的稅率計算。遞延稅項是以負債法按 17.5% (二零零六年：17.5%) 的主要稅率計算悉數的暫時差異。

Hong Kong profits tax has been provided at the rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the year. Deferred taxation is calculated in full on temporary differences under the liability method using a principal taxation rate of 17.5% (2006: 17.5%).

本集團的除稅前溢利的稅項與採用香港稅率而產生的理論金額的分別如下：

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:

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
除稅前溢利	Profit before taxation	821,210	762,300
按 17.5% 的稅率計算	Calculated at a taxation rate of 17.5%	143,712	133,403
毋須繳稅的收入	Income not subject to taxation	(114,321)	(85,091)
不可供扣稅的開支	Expenses not deductible for taxation purposes	58,070	29,382
往年度 (超額撥備) / 撥備不足	(Overprovision)/underprovision in prior years	(6,915)	1,933
稅項開支	Taxation charge	80,546	79,627

(b) 資產負債表內的稅項撥備包括：

(b) Provision for taxation in the balance sheet represents:

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
香港利得稅撥備	Provision for Hong Kong profits tax	21,275	16,511	21,275	16,511
遞延稅項負債	Deferred tax liabilities	28,542	27,810	28,746	28,019
		49,817	44,321	50,021	44,530

於二零零七年及二零零六年十二月三十一日，概無任何重大未撥備遞延稅項。

There was no significant unprovided deferred taxation as at 31 December 2007 and 2006.

遞延稅項(資產)/負債的主要部分及本年度變動如下：

The major components of deferred tax (assets)/liabilities and the movements during the year are as follows:

		本集團 The Group					
		加速 稅項折舊 Accelerated tax depreciation	減值撥備 Impairment allowances	稅項虧損 Tax losses	公平值 變動 Fair value changes	現金流 對沖 Cash flow hedges	總額 Total
		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
於二零零六年一月一日	As at 1 January 2006	3,412	(1,525)	(123)	19,927	-	21,691
計入收益表	Credit to income statement	(347)	(84)	(76)	-	-	(507)
於權益內扣除(附註31)	Charged to equity (Note 31)	-	-	-	6,626	-	6,626
於二零零六年十二月三十一日	As at 31 December 2006	3,065	(1,609)	(199)	26,553	-	27,810
於收益表內(計入)/扣除	(Credit)/charged to the income statement	(389)	825	-	-	-	436
於權益內(計入)/扣除 (附註31)	(Credit)/charged to equity (Note 31)	-	-	-	(869)	1,165	296
於二零零七年十二月三十一日	As at 31 December 2007	2,676	(784)	(199)	25,684	1,165	28,542

		本公司 The Company				
		加速 稅項折舊 Accelerated tax depreciation 千港元 HK\$'000	減值撥備 Impairment allowances 千港元 HK\$'000	公平值 變動 Fair value changes 千港元 HK\$'000	現金流 對沖 Cash flow hedges 千港元 HK\$'000	總額 Total 千港元 HK\$'000
於二零零六年一月一日	As at 1 January 2006	3,412	(1,515)	19,927	-	21,824
計入收益表	Credit to the income statement	(347)	(84)	-	-	(431)
於權益內扣除(附註31)	Charged to equity (Note 31)	-	-	6,626	-	6,626
於二零零六年十二月三十一日	As at 31 December 2006	3,065	(1,599)	26,553	-	28,019
於收益表內(計入)/扣除	(Credit)/charged to the income statement	(389)	820	-	-	431
於權益內(計入)/扣除 (附註31)	(Credit)/charged to equity (Note 31)	-	-	(869)	1,165	296
於二零零七年十二月三十一日	As at 31 December 2007	2,676	(779)	25,684	1,165	28,746

14. 按揭保險業務的收益賬

14. Revenue account for mortgage insurance business

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
毛保費	Gross premiums written	304,546	211,479
再保險保費	Reinsurance premiums	(150,645)	(112,891)
保險費淨額	Net premiums written	153,901	98,588
未滿期保費的(增加)/減少 淨額	(Increase)/decrease in unearned premiums, net	(44,042)	4,400
已滿期保費淨額	Net premiums earned	109,859	102,988
未決申索及已招致但未申報 申索的撥備(附註29)	Provisions for outstanding claims and claims incurred but not reported (Note 29)	(335)	(594)
撥備後已滿期保費淨額 (附註8)	Net premiums earned after provisions (Note 8)	109,524	102,394
管理開支(附註a)	Management expenses (Note a)	(7,227)	(7,529)
承保收益	Underwriting gains	102,297	94,865
附註	Note		
(a) 管理開支已構成附註9 經營支出的一部分。	(a) The management expenses formed part of the operating expenses in Note 9.		

15. 本年度溢利

本公司財務報表所載本年度溢利為739,672,000港元(二零零六年: 681,767,000港元)。

15. Profit for the year

The profit for the year is dealt with in the financial statements of the Company to the extent of HK\$739,672,000 (2006: HK\$681,767,000).

16. 股息

16. Dividend

	本公司 The Company	
	2007 千港元 HK\$'000	2006 千港元 HK\$'000
擬派股息每股普通股0.125港元 (二零零六年: 0.125港元)	250,000	250,000

Proposed dividend of HK\$0.125

(2006: HK\$0.125) per ordinary share

於二零零七年已付二零零六年度股息250,000,000港元。於二零零八年四月十日，董事建議就二零零七年派發末期股息每股普通股0.125港元。此項建議股息並無列為於二零零七年十二月三十一日的應付股息。

The dividend paid in 2007 in respect of 2006 was HK\$250 million. The directors proposed a final dividend in respect of 2007 of HK\$0.125 per ordinary share on 10 April 2008. The proposed dividend is not reflected as a dividend payable as at 31 December 2007.

17. 現金及短期資金

17. Cash and short-term funds

	本集團 The Group		本公司 The Company	
	2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
銀行現金 Cash at banks	68,620	47,081	66,316	45,430
銀行定期存款 Time deposits with banks	2,597,885	1,867,725	2,287,792	1,483,893
	2,666,505	1,914,806	2,354,108	1,529,323

就現金流量表而言，現金及等同現金項目包括以下自購入日期起計三個月內到期的結餘。

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of transaction.

	本集團 The Group		本公司 The Company	
	2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
銀行現金 Cash at banks	68,620	47,081	66,316	45,430
銀行定期存款 Time deposits with banks	2,357,621	1,670,442	2,287,792	1,483,893
現金及等同現金項目 Cash and cash equivalents	2,426,241	1,717,523	2,354,108	1,529,323

18. 應收利息及匯款

18. Interest and remittance receivables

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
以下各項的應收利息：	Interest receivable from				
– 利率掉期合約	– interest rate swap contracts	500,921	339,240	498,765	337,137
– 證券投資	– investment securities	115,635	107,254	115,635	107,255
– 銀行定期存款	– time deposits with banks	4,262	6,435	1,278	2,270
貸款組合的應收利息及 分期付款	Interest receivable and instalments, in transit from loan portfolio	261,289	103,178	250,582	88,450
		882,107	556,107	866,260	535,112

19. 預付款項、按金及其他資產

19. Prepayments, deposits and other assets

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
收回資產	Reposessed assets	10,651	17,640	10,651	17,640
公司會籍債券	Corporate club debentures	750	750	750	750
應收可供出售 (上市) 投資股息	Dividend receivable from available-for-sale investments (listed)	11,506	–	11,506	–
其他	Others	18,121	12,621	36,693	43,074
		41,028	31,011	59,600	61,464

20. 衍生金融工具

20. Derivative financial instruments

(a) 應用衍生工具

(a) Use of derivative

本集團應用下列衍生工具對沖本集團的金融風險。就會計目的而言，衍生工具指定以公平值變化計入損益或指定為香港會計準則第39號金融工具：按公平值或現金流對沖的對沖工具。

The Group uses the following derivative instruments to hedge the Group's financial risks. For accounting purposes, derivative instrument are designated as at fair value through profit or loss or hedging instruments under fair value or cashflow hedges as defined in HKAS 39 Financial Instruments: Recognition and Measurement.

貨幣遠期為購買外幣及本地貨幣的承諾。

Currency forwards represents commitments to purchase foreign and domestic currency.

貨幣及利率掉期為轉換一組現金流量為另一組現金流量的承諾。掉期導致貨幣或利率或兩者組合的經濟轉換。除若干貨幣掉期外，該等交易不會轉換本金。本集團的信貸風險為交易對手未能履行其責任而重置掉期合約的潛在成本。本集團參考現行公平值、名義合約數額的某一比例，及市場的流通量以持續監測此風險。

Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates or a combination of all these. No exchange of principal takes place except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligations. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market.

若干種類金融工具的名義金額，為於資產負債表確認的工具提供一個比較的基準，但這並不一定反映涉及的未來現金流量的金額或工具當前的公平值，因此，並不能顯示本集團所承受的信貸或價格風險。隨著市場利率及匯率相對其條款的波動，衍生工具可能對本集團產生有利（資產）或不利（負債）的影響。衍生工具的合約或名義金額總額、上述之有利或不利影響幅度，及衍生金融資產及負債之公平值總額，可不時有較大的波動。本集團及本公司所持有衍生工具的公平值載於下文。

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group's exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time. The fair values of derivative instruments held are set out below.

		本集團 The Group					
		2007			2006		
		合約/ 名義金額		公平值	合約/ 名義金額		公平值
		Contract/ notional amount	資產	負債	Contract/ notional amount	資產	負債
		千港元	Assets	Liabilities	千港元	Assets	Liabilities
		HK\$'000	千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
(i) 指定以公平值變化計入 損益的衍生工具	(i) Derivatives designated as at fair value through profit or loss						
利率掉期	Interest rate swaps	50,712,734	191,061	(119,903)	49,752,948	45,158	(48,441)
貨幣掉期	Currency swaps	58,467	-	(57)	58,467	-	(974)
貨幣遠期	Currency forwards	-	-	-	15,752,300	-	(20,189)
			191,061	(119,960)		45,158	(69,604)
(ii) 指定為公平值對沖的 衍生工具	(ii) Derivatives designated as fair value hedge						
利率掉期	Interest rate swaps	25,799,223	450,951	(2,682)	25,198,946	217,579	(93,217)
貨幣掉期	Currency swaps	690,374	6,996	-	424,663	23	(131)
			457,947	(2,682)		217,602	(93,348)
(iii) 指定為現金流對沖的 衍生工具	(iii) Derivatives designated as cash flow hedge						
貨幣掉期	Currency swaps	5,460,000	8,478	-	-	-	-
			8,478	-		-	-
已確認衍生資產/ (負債) 總額	Total recognised derivative assets/(liabilities)		657,486	(122,642)		262,760	(162,952)

		本公司 The Company					
		2007			2006		
		合約/ 名義金額 Contract/ notional amount 千港元 HK\$'000	公平值 資產 負債 Fair values Assets Liabilities 千港元 千港元 HK\$'000 HK\$'000		合約/ 名義金額 Contract/ notional amount 千港元 HK\$'000	公平值 資產 負債 Fair values Assets Liabilities 千港元 千港元 HK\$'000 HK\$'000	
(i) 指定以公平值變化計入 損益的衍生工具	(i) Derivatives designated as at fair value through profit or loss						
利率掉期	Interest rate swaps	50,712,734	191,061	(119,903)	49,752,948	45,158	(48,441)
貨幣掉期	Currency swaps	58,467	-	(57)	58,467	-	(974)
貨幣遠期	Currency forwards	-	-	-	15,752,300	-	(20,189)
			191,061	(119,960)		45,158	(69,604)
(ii) 指定為公平值對沖的 衍生工具	(ii) Derivatives designated as fair value hedge						
利率掉期	Interest rate swaps	23,259,223	424,594	(2,001)	21,958,946	208,888	(78,534)
貨幣掉期	Currency swaps	690,374	6,996	-	424,663	23	(131)
			431,590	(2,001)		208,911	(78,665)
(iii) 指定為現金流對沖的 衍生工具	(iii) Derivatives designated as cash flow hedge						
貨幣掉期	Currency swaps	5,460,000	8,478	-	-	-	-
			8,478	-		-	-
已確認衍生資產/ (負債)總額	Total recognised derivative assets/(liabilities)		631,129	(121,961)		254,069	(148,269)

(b) 對沖活動

衍生工具倘為公平值對沖或現金流對沖則就會計目的而言符合對沖資格。

(i) 公平值對沖

本集團的公平值對沖重要包括用於保障因定息金融工具公平值的任何潛在變動引致的利率風險的利率及貨幣掉期。

(ii) 現金流對沖

本集團按現金流對沖使用貨幣掉期對沖外幣金融工具現金流量的變動產生的部分外匯風險。

(b) Hedging activities

Derivatives may qualify as hedges for accounting purposes if they are fair value hedges or cash flow hedges.

(i) Fair value hedges

The Group's fair value hedge principally consists of interest rate and currency swaps that are used to protect interest rate risk resulting from any potential change in fair value of fixed rate financial instruments.

(ii) Cash flow hedges

The Group hedges a portion of foreign exchange risks arising from variability of cash flows from foreign currency denominated financial instruments using currency swaps under cash flow hedge.

(c) 重置成本及潛在未來信貸支出

重置成本為重置所有按市價估值後其價值為正數的衍生工具合約的成本。潛在未來信貸風險指根據資本對資產比率指引(附註3.7)計算的金額。本集團從未遇到交易對手不履約的情形。

衍生工具合約的重置成本及潛在未來信貸風險金額如下。此等金額並無計入與交易對手進行雙邊淨額結算安排的影響。

(c) Replacement costs and potential future credit expenses

The replacement costs represent the cost of replacing all derivative contracts that have a positive value when marked to market. The potential future credit exposure amounts refer to the amount as computed in accordance with the Capital-to-Assets ratio guidelines (Note 3.7). The Group has not experienced any non-performance by its counterparties.

The replacement costs and potential future credit exposure amounts of the derivative contracts are as follows. These amounts do not take into account the effects of bilateral netting arrangements with the counterparties.

		本集團 The Group			
		2007		2006	
		重置成本 Replacement cost 千港元 HK\$'000	潛在未來 信貸風險 Potential future credit exposure 千港元 HK\$'000	重置成本 Replacement cost 千港元 HK\$'000	潛在未來 信貸風險 Potential future credit exposure 千港元 HK\$'000
利率合約	Interest rate contracts	1,113,669	205,940	598,804	149,434
匯率合約	Exchange rate contracts				
– 貨幣掉期	– Currency swaps	25,084	292,084	5,300	24,156
– 貨幣遠期	– Currency forwards	-	-	-	157,523
		25,084	292,084	5,300	181,679
		1,138,753	498,024	604,104	331,113

		本公司 The Company			
		2007		2006	
		重置成本 Replacement cost 千港元 HK\$'000	潛在未來 信貸風險 Potential future credit exposure 千港元 HK\$'000	重置成本 Replacement cost 千港元 HK\$'000	潛在未來 信貸風險 Potential future credit exposure 千港元 HK\$'000
利率合約	Interest rate contracts	1,085,620	196,490	589,993	136,734
匯率合約	Exchange rate contracts				
– 貨幣掉期	– Currency swaps	25,084	292,084	5,300	24,156
– 貨幣遠期	– Currency forwards	-	-	-	157,523
		25,084	292,084	5,300	181,679
		1,110,704	488,574	595,293	318,413

21. 貸款組合淨額

21. Loan portfolio, net

(a) 貸款組合減撥備

(a) Loan portfolio less allowance

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
按揭貸款組合	Mortgage portfolio				
住宅	Residential				
– 香港	– Hong Kong	20,413,884	23,313,605	20,265,781	23,284,194
– 海外	– Overseas	5,458,180	–	5,458,180	–
商業	Commercial	4,000,000	4,000,000	4,000,000	4,000,000
證券化組合 (附註33)	Securitised portfolio (Note 33)	2,796,551	3,796,048	–	–
非按揭貸款組合	Non-mortgage portfolio	1,805,606	1,291,032	1,805,606	1,291,032
		34,474,221	32,400,685	31,529,567	28,575,226
貸款減值撥備	Allowance for loan impairment	(13,930)	(24,233)	(12,970)	(22,372)
		34,460,291	32,376,452	31,516,597	28,552,854

於二零零七年十二月三十一日，以貸款合約為基準計算，本公司按揭貸款組合的加權平均年期為八年（二零零六年：九年），惟並未有考慮到按揭貸款任何提早還款的情況。按揭貸款組合最遲於二零四七年到期。

As at 31 December 2007, the mortgage portfolio had a weighted average remaining term of 8 years (2006: 9 years) on a contractual basis, without taking into account any prepayment of the mortgage loans. Final maturity of the mortgage portfolio is in the year 2047.

貸款減值撥備總額佔貸款組合尚未償還本金結餘的百分比如下：

Total allowance for loan impairment as a percentage of the outstanding principal balances of the loan portfolio is as follows:

		本集團 The Group		本公司 The Company	
		2007	2006	2007	2006
貸款減值撥備總額佔 貸款組合總額的 百分比	Total allowance for loan impairment as a percentage of the gross loan portfolio	0.04%	0.07%	0.04%	0.08%

(b) 按揭貸款組合的貸款減值撥備

(b) Allowance for loan impairment on mortgage portfolio

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
組合評估	Collective assessment				
於一月一日	As at 1 January	24,233	55,847	22,372	52,714
撇銷貸款	Loans written off	(14,996)	(26,284)	(14,996)	(26,284)
撥回收益表 (附註12)	Released to income statement (Note 12)	(4,457)	(8,473)	(3,556)	(7,201)
收回已撇銷貸款	Recoveries of loans previously written off	9,150	3,143	9,150	3,143
於十二月三十一日	As at 31 December	13,930	24,233	12,970	22,372

作出貸款減值撥備時，已考慮到拖欠貸款的抵押品的目前市價。概無就海外及商業按揭組合作出減值撥備。貸款減值撥備4,828,000港元已轉撥至附註19的收回資產(二零零六年：5,995,000港元)。

Allowance for loan impairment was made after taking into account the current market value of the collateral of the delinquent loan. There is no impairment provided for overseas and commercial mortgage portfolio. Allowance for loan impairment of HK\$4,828,000 has been transferred to repossessed assets (2006: HK\$5,995,000) in Note 19.

按組合基準評估的個別已減值貸款分析如下：

Individually impaired loans collectively assessed under portfolio basis are analysed as follows:

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
減值貸款組合總額	Gross impaired loan portfolio	40,410	70,433	40,410	70,433
貸款減值撥備	Allowance for loan impairment	(9,450)	(13,212)	(9,450)	(13,212)
		30,960	57,221	30,960	57,221
貸款減值撥備佔減值 貸款組合總額的 百分比	Allowance for loan impairment as a percentage of gross impaired loan portfolio	23.4%	18.8%	23.4%	18.8%
減值貸款組合總額佔 貸款組合總額的 百分比	Gross impaired loan portfolio as a percentage of gross loan portfolio	0.1%	0.2%	0.1%	0.2%

根據組合評估就不可個別識別的貸款所作貸款減值撥備為4,480,000港元(二零零六年：11,021,000港元)。

Allowance for loan impairment under collective assessment for loans not individually identified are HK\$4,480,000 (2006:HK\$11,021,000).

(c) 貸款組合內的融資租約投資淨額

(c) Net investments in finance leases included in loan portfolio

本集團及本公司 The Group and the Company 2007			
最低應收租約 款項現值 Present value of minimum lease payments receivable 千港元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低應收租 約款項總額 Total minimum lease payments receivable 千港元 HK\$'000	
於以下期間應收款項： Amounts receivable:			
– 一年內	– within one year	127,044	65,238
– 一年後但五年內	– after one year but within five years	484,317	213,410
– 五年後	– after five years	1,194,245	285,651
		1,805,606	564,299
			2,369,905

本集團及本公司 The Group and the Company 2006			
最低應收租約 款項現值 Present value of minimum lease payments receivable 千港元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 千港元 HK\$'000	最低應收租 約款項總額 Total minimum lease payments receivable 千港元 HK\$'000	
於以下期間應收款項： Amounts receivable:			
– 一年內	– within one year	121,613	60,105
– 一年後但五年內	– after one year but within five years	408,729	188,306
– 五年後	– after five years	760,690	200,581
		1,291,032	448,992
			1,740,024

於二零零六年十二月三十一日及二零零七年十二月三十一日，本集團及本公司並無就融資租約應收款項作出減值撥備。

There is no impairment allowance for finance lease receivable as at 31 December 2006 and 31 December 2007 of the Group and the Company.

22. 證券投資

22. Investment securities

(a) 可供出售證券

(a) Available-for-sale securities

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
按公平值列賬的債務證券	Debt securities at fair value		
非上市	Unlisted	2,665,849	3,625,784
於香港上市	Listed in Hong Kong	461,947	163,039
於香港以外地區上市	Listed outside Hong Kong	128,579	283,687
		3,256,375	4,072,510
按公平值列賬的其他證券	Other securities at fair value		
於香港上市	Listed in Hong Kong	781,875	542,009
可供出售證券總額	Total available-for-sale securities	4,038,250	4,614,519

其他證券指交易所買賣基金及房地產投資信託。

Other securities refer to exchange-traded funds and real estate investment trust.

以下為按發行機構類別分析可供出售證券：

Available-for-sale securities are analysed by categories of issuers as follows:

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
銀行及其他金融機構	Banks and other financial institutions	2,998,568	2,916,136
公司企業	Corporate entities	38,270	436,278
公營機構	Public sector entities	-	553,694
其他	Others	1,001,412	708,411
		4,038,250	4,614,519

可供出售證券的變動摘要如下：

The movement in available-for-sale securities is summarised as follows:

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
於一月一日	As at 1 January	4,614,519	1,989,973
增加	Additions	23,476,586	21,051,103
處置(出售及贖回)	Disposals (sale and redemption)	(24,178,564)	(18,602,056)
攤銷	Amortisation	100,151	108,549
公平值變動	Change in fair value	17,203	56,843
外幣匯兌差額	Exchange difference	8,355	10,107
於十二月三十一日	As at 31 December	4,038,250	4,614,519

(b) 持有至到期證券

(b) Held-to-maturity securities

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
按攤銷成本列賬的債務證券	Debt securities at amortised cost		
於香港上市	Listed in Hong Kong	620,188	586,009
於香港以外地區上市	Listed outside Hong Kong	756,848	1,012,062
		1,377,036	1,598,071
非上市	Unlisted	4,122,988	3,075,019
持有至到期證券總額	Total held-to-maturity securities	5,500,024	4,673,090
上市證券的市值－ 持有至到期	Market value of listed securities-held-to-maturity	1,389,293	1,579,872

以下為按發行機構類別分析持有至到期證券：

Held-to-maturity securities are analysed by categories of issuers as follows:

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
銀行及其他金融機構	Banks and other financial institutions	3,695,830	2,347,894
公司企業	Corporate entities	439,638	1,108,615
公營機構	Public sector entities	1,018,714	871,082
中央政府	Central governments	345,842	345,499
		5,500,024	4,673,090

持有至到期證券的變動如下：

The movement in held-to-maturity securities is summarised as follows:

		本集團及本公司 The Group and the Company	
		2007	2006
		千港元	千港元
		HK\$'000	HK\$'000
於一月一日	As at 1 January	4,673,090	4,524,894
增加	Additions	4,014,805	357,028
贖回	Redemption	(3,202,554)	(209,631)
攤銷	Amortisation	7,172	(6,507)
外幣匯兌差額	Exchange difference	7,511	7,306
於十二月三十一日	As at 31 December	5,500,024	4,673,090

23. 固定資產

23. Fixed assets

		本集團及本公司 The Group and the Company				
		租賃物業 裝修 Leasehold improvement	辦公室 設備、傢俬 及裝置 Office equipment, furniture and fixtures	電腦 Computers	汽車 Motor vehicle	總額 Total
		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
成本值	Cost					
於二零零七年一月一日	As at 1 January 2007	7,728	6,070	99,366	226	113,390
添置	Additions	207	306	6,127	-	6,640
出售／撇銷	Disposal/write-offs	-	(317)	(659)	-	(976)
於二零零七年十二月三十一日	As at 31 December 2007	7,935	6,059	104,834	226	119,054
累計折舊	Accumulated depreciation					
於二零零七年一月一日	As at 1 January 2007	2,782	4,377	86,837	38	94,034
本年度折舊 (附註9)	Charge for the year (Note 9)	1,241	772	8,078	56	10,147
出售／撇銷	Disposal/write-offs	-	(317)	(659)	-	(976)
於二零零七年十二月三十一日	As at 31 December 2007	4,023	4,832	94,256	94	103,205
賬面淨值	Net book value					
於二零零七年十二月三十一日	As at 31 December 2007	3,912	1,227	10,578	132	15,849
於二零零六年十二月三十一日	As at 31 December 2006	4,946	1,693	12,529	188	19,356

24. 附屬公司投資

24. Investment in a subsidiary

		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
非上市股份，成本值	Unlisted shares, at cost	1,000	1,000
附屬公司所欠款項	Due from a subsidiary	150,766	31,180
		151,766	32,180

附屬公司所欠款項為無抵押及無固定還款期。利息乃按市場利率收取。

The amount due from a subsidiary is unsecured and has no fixed term of repayment. Interest is charged at market rate.

於二零零七年十二月三十一日，附屬公司的詳情如下：

The details of the subsidiary as at 31 December 2007 are:

名稱 Name	註冊成立地點 Place of incorporation	主要業務 Principal Activities	已發行股本 的面值 Nominal value of issued capital	所持股份 類別 Class of shares held	直接持有 普通股百分比 % of ordinary shares directly held
香港按揭管理有限公司	香港	購入及管理 按揭貸款	1,000,000 港元 每股面值 1 港元	普通股	100%
HKMC Mortgage Management Limited	Hong Kong	Mortgage purchases and servicing	HK\$1,000,000 of HK\$1 each	Ordinary	100%

25. 應付賬項、應付開支及其他負債

25. Accounts payable, accrued expenses and other liabilities

		本集團 The Group		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000	2007 千港元 HK\$'000	2006 千港元 HK\$'000
應付賬項及 應付開支	Accounts payable and accrued expenses	83,671	77,962	166,622	213,764
其他應付款項	Other payable	-	-	925,771	1,082,089
其他負債	Other liabilities	4,054,545	4,120,474	4,054,545	4,120,474
其他撥備	Other provisions	13,290	6,155	13,155	6,031
		4,151,506	4,204,591	5,160,093	5,422,358

其他負債是指用於二零零三年十二月及二零零四年一月自香港特別行政區（「香港特區」）政府購買的按揭貸款加強信貸安排的遞延代價。

Other liabilities represented the deferred consideration used for credit enhancement on the mortgage loans purchased from the Government of the Hong Kong Special Administrative Region (“HKSAR”) in December 2003 and January 2004.

截至二零零七年十二月三十一日，本公司向 Bauhinia MBS Limited 出售 30 億港元按揭貸款供證券化，就此，本公司繼續就擔保及持續參與於「貸款組合淨額」中確認按揭貸款。「其他應付款項」中所示一筆應付 Bauhinia MBS Limited 的負債亦已確認。於二零零七年十二月三十一日，本公司資產負債表中的其他應付款為 925,771,000 港元（二零零六年：1,082,089,000 港元）。

Up to 31 December 2007, the Company sold HK\$3 billion of mortgage loans to Bauhinia MBS Limited for securitisation, in which, the Company continues to recognise the mortgage loans in “Loan portfolio, net” to the extent of the guarantee and continuing involvement. A liability due to Bauhinia MBS Limited shown as “Other payable” has also been recognised. As at 31 December 2007, other payable was HK\$ 925,771,000 (2006: HK\$1,082,089,000) in the Company’s balance sheet.

26. 保險負債及再保險資產

26. Insurance liabilities and reinsurance assets

		本集團及本公司 The Group and the Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
毛額	Gross		
未期滿保費	Unearned premiums	658,569	622,959
已申報及未決申索	Claims reported and outstanding	50	534
已產生但未申報申索	Claims incurred but not reported	2,767	1,363
保障負債總額，毛額	Total insurance liabilities, gross	661,386	624,856
再保險	Reinsurance		
未期滿保費	Unearned premiums	364,461	372,893
已申報及未決申索	Claims reported and outstanding	(29)	(7)
已產生但未申報申索	Claims incurred but not reported	1,951	1,015
再保險公司應佔保險負債總額	Total reinsurers' share of insurance liabilities	366,383	373,901
淨額	Net		
未期滿保費	Unearned premiums	294,108	250,066
已申報及未決申索	Claims reported and outstanding	79	541
已產生但未申報申索	Claims incurred but not reported	816	348
保險負債總額，淨額	Total insurance liabilities, net	295,003	250,955

27. 已發行債務證券

27. Debt securities issued

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
按攤銷成本列賬的債務證券	Debt securities carried at amortised cost		
債務工具計劃債券	DIP notes	3,947,378	3,848,817
按攤銷成本列賬的債務證券總額	Total debt securities carried at amortised cost	3,947,378	3,848,817
指定為公平值對沖的債務證券	Debt securities designated as fair value hedge		
債務工具計劃債券	DIP notes	20,163,824	17,694,653
零售債券發行計劃及其他債券	RBIP and other notes	4,228,537	4,410,475
指定為公平值對沖的債務證券總額	Total debt securities designated as fair value hedge	24,392,361	22,105,128
於初始確認時指定為以公平值變化計入損益的債務證券	Debt securities designated as at fair value through profit or loss upon initial recognition		
債務工具計劃債券	DIP notes	4,484,748	2,159,916
零售債券發行計劃及其他債券	RBIP and other notes	486,703	821,609
於初始確認時指定為以公平值變化計入損益的債務證券總額	Total debt securities designated as at fair value through profit or loss upon initial recognition	4,971,451	2,981,525
已發行債務證券總額	Total debt securities issued	33,311,190	28,935,470

		本公司 The Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
按已攤銷成本列賬的債務證券	Debt securities carried at amortised cost		
債務工具計劃債券	DIP notes	4,053,269	3,848,817
按已攤銷成本列賬的債務證券總額	Total debt securities carried at amortised cost	4,053,269	3,848,817
指定為公平值對沖的債務證券	Debt securities designated as fair value hedge		
債務工具計劃債券	DIP notes	20,163,824	17,694,653
零售債券發行計劃及其他債券	RBIP and other notes	4,228,537	4,410,475
指定為公平值對沖的債務證券總額	Total debt securities designated as fair value hedge	24,392,361	22,105,128
於初始確認時指定為以公平值變化計入損益的債務證券	Debt securities designated as at fair value through profit or loss upon initial recognition		
債務工具計劃債券	DIP notes	4,484,748	2,159,916
零售債券發行計劃及其他債券	RBIP and other notes	486,703	821,609
於初始確認時指定為以公平值變化計入損益的債務證券總額	Total debt securities designated as at fair value through profit or loss upon initial recognition	4,971,451	2,981,525
已發行債務證券總額	Total debt securities issued	33,417,081	28,935,470

於年內，本集團於初始確認時指定此等金融負債的 3,533,823,000 港元名義價值以公平值變化計入損益。此等金融負債之公平值變動源於指定為以公平值變化計入損益的債務證券的基準利率的變動。於初始確認時指定為以公平值變化計入損益的金融負債的賬面值較本集團根據合約規定於到期時向債券持有人支付的金額少 43,727,000 港元（二零零六年：87,482,000 港元）。

During the year, the Group designated on initial recognition HK\$3,533,823,000 nominal value of such financial liabilities as at fair value through profit or loss. The fair value changes are attributable to changes in benchmark interest rates for the debt securities designated as at fair value through profit or loss. The carrying amount of the financial liabilities designated as at fair value through profit or loss upon initial recognition is HK\$43,727,000 (2006: HK\$87,482,000) lower than the amount that the Group would be contractually required to pay at maturity to the note holders.

該等指定為以公平值列賬的金融負債的信貸風險變動概無產生任何重大盈虧。

There were no significant gains or losses attributable to changes in the credit risk for those financial liabilities designated as at fair value.

		本集團 The Group		本公司 The Company	
		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	As at 1 January	28,892,340	28,248,003	28,892,340	28,248,003
於本年度發行	Issuance for the year	16,412,345	13,343,663	18,896,408	13,343,663
減：本年度贖回	Less: Redemption for the year	(12,346,500)	(12,699,326)	(14,724,672)	(12,699,326)
名義價值總額	Total nominal value	32,958,185	28,892,340	33,064,076	28,892,340
折讓未攤銷部分	Unamortised portion of discount	(99,937)	(89,989)	(99,937)	(89,989)
公平值調整	Fair value adjustment	452,942	133,119	452,942	133,119
於十二月三十一日	As at 31 December	33,311,190	28,935,470	33,417,081	28,935,470

本年度發行的債券：

Notes issued during the year comprise:

		本集團 The Group		本公司 The Company	
		債務工具 計劃 DIP 千港元 HK\$'000	零售債券 發行計劃 RBIP 千港元 HK\$'000	債務工具 計劃 DIP 千港元 HK\$'000	零售債券 發行計劃 RBIP 千港元 HK\$'000
已發行金額面值	Amount issued at nominal value	15,487,500	924,845	17,971,563	924,845
已收取款項	Consideration received	15,448,188	907,817	17,932,251	907,817

所有已發行的債務證券構成本集團的無抵押責任，而發行這些債務證券旨在提供一般營運資金及作再融資用途。

All the debt securities issued are unsecured obligations of the Group, and are issued for the purposes of providing general working capital and refinancing.

28. 已發行按揭證券

28. Mortgage-backed securities issued

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
按攤銷成本列賬的按揭證券	MBS at amortised cost		
按揭證券化計劃	MBS Programme	114,321	277,844
Bauhinia 按揭證券化計劃	Bauhinia MBS Programme	1,549,162	1,849,408
		1,663,483	2,127,252
指定為公平值對沖的按揭證券	MBS designated at fair value hedge		
Bauhinia 按揭證券化計劃	Bauhinia MBS Programme	2,565,676	3,234,008
已發行按揭證券總額	Total MBS issued	4,229,159	5,361,260
於一月一日	As at 1 January	5,367,252	5,197,567
本年度發行	Issuance for the year	-	2,000,000
減：年內贖回	Less: Redemption for the year	(1,163,769)	(1,830,315)
總名義價值	Total nominal value	4,203,483	5,367,252
公平值調整	Fair value adjustment	25,676	(5,992)
於十二月三十一日	As at 31 December	4,229,159	5,361,260

所有按揭證券均為特設公司的抵押責任，並是為了提供資金向本公司購買按揭貸款組合而發行。按揭貸款組合中3,722,322,000港元（二零零六年：4,878,137,000港元）已作為所發行按揭證券的抵押品（附註36）。已發行按揭證券總額中2,763,483,000港元（二零零六年：3,627,252,000港元）由本公司擔保。

All the MBS are collateralised obligation of the SPEs and are issued for the purpose of providing funds to purchase mortgage portfolios from the Company. HK\$3,722,322,000 (2006: HK\$4,878,137,000) of mortgage portfolio are collateralised for the MBS issued (Note 36). Out of the total MBS issued, HK\$ 2,763,483,000 (2006: HK\$3,627,252,000) are guaranteed by the Company.

29. 按揭保險業務撥備

按揭保險業務的未決申索撥備已扣除核准按揭再保險公司已付賠償金，截至二零零七年十二月三十一日止年度，就承擔風險業務的申索撥備於本集團收益表扣除468,000港元（二零零六年：撥回201,000港元）。於本集團收益表內撥回申索金額（已扣除核准按揭再保險公司及核准機構的已付賠償金）133,000港元（二零零六年：扣除795,000港元）。

29. Provisions for mortgage insurance business

Provisions for outstanding claims under the mortgage insurance business are recorded net of recoveries from the approved reinsurers. For the year ended 31 December 2007, provision for claims of HK\$468,000 (2006: HK\$201,000 written back) for risk-sharing business was charged to the income statement of the Group. The amount of claim of HK\$133,000 (2006: charge of HK\$795,000) (net of recovery from approved reinsurers and Authorized Institutions) was written back in the income statement of the Group.

30. 股本

30. Share Capital

		2007 and 2006 千港元 HK\$'000
法定	Authorized	
每股面值1港元的30億股普通股	3 billion ordinary shares of HK\$1 each	3,000,000
已發行及繳足	Issued and fully paid	
每股面值1港元的20億股普通股	2 billion ordinary shares of HK\$1 each	2,000,000

31. 儲備

31. Reserves

		本集團 The Group				
		保留溢利	風險儲備	公平值儲備	對沖儲備	總額
		Retained Profits	Contingency reserve	Fair value reserve	Hedging reserve	Total
		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
於二零零六年一月一日	As at 1 January 2006	2,519,002	61,725	93,939	-	2,674,666
本年度溢利	Profit for the year	682,673	-	-	-	682,673
由保留溢利轉撥已滿期 風險保費淨額的50% 至風險儲備	Transfer of 50% of net risk premium earned from retained profits to contingency reserve	(22,953)	22,953	-	-	-
計入權益的可供出售證券 的公平值變動	Change in fair value of available-for-sale securities taken to equity	-	-	37,866	-	37,866
稅項(附註13(b))	Tax effect (Note 13(b))	-	-	(6,626)	-	(6,626)
已派二零零五年股息	Dividend paid relating to 2005	(250,000)	-	-	-	(250,000)
於二零零六年十二月三十一日 ／二零零七年一月一日	As at 31 December 2006/ 1 January 2007	2,928,722	84,678	125,179	-	3,138,579
本年度溢利	Profit for the year	740,664	-	-	-	740,664
由保留溢利轉撥已滿期 風險保費淨額的50% 至風險儲備	Transfer of 50% of net risk premium earned from retained profits to contingency reserve	(18,489)	18,489	-	-	-
撥回風險儲備至保留溢利	Release of contingency reserve to retained profits	670	(670)	-	-	-
可供出售證券的公平值變動：	Change in fair value of available-for-sale securities:					
— 計入權益	— taken to equity	-	-	17,203	-	17,203
— 於出售時轉至收益表	— transferred to income statement on disposal	-	-	(22,578)	-	(22,578)
— 稅項(附註13(b))	— tax effect (Note 13(b))	-	-	869	-	869
現金流對沖	Cash flow hedges					
— 計入權益	— taken to equity	-	-	-	6,658	6,658
— 稅項(附註13(b))	— tax effect (Note 13(b))	-	-	-	(1,165)	(1,165)
已派二零零六年股息	Dividend paid relating to 2006	(250,000)	-	-	-	(250,000)
於二零零七年十二月三十一日	As at 31 December 2007	3,401,567	102,497	120,673	5,493	3,630,230

		本公司 The Company				
		保留溢利	風險儲備	公平值儲備	對沖儲備	總額
		Retained Profits	Contingency reserve	Fair value reserve	Hedging reserve	Total
		千港元	千港元	千港元	千港元	千港元
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
於二零零六年一月一日	As at 1 January 2006	2,522,296	61,725	93,939	-	2,677,960
本年度溢利	Profit for the year	681,767	-	-	-	681,767
由保留溢利轉撥已滿期 風險保費淨額的50%	Transfer of 50% of net risk premium earned from retained profits	(22,953)	22,953	-	-	-
計入權益的可供出售證券 的公平值變動	Change in fair value of available-for-sale securities taken to equity	-	-	37,866	-	37,866
稅項(附註13(b))	Tax effect (Note 13(b))	-	-	(6,626)	-	(6,626)
已派二零零五年股息	Dividend paid relating to 2005	(250,000)	-	-	-	(250,000)
於二零零六年十二月三十一日/ 二零零七年一月一日	As at 31 December 2006/ 1 January 2007	2,931,110	84,678	125,179	-	3,140,967
本年度溢利	Profit for the year	739,672	-	-	-	739,672
由保留溢利轉撥已滿期 風險保費淨額的50%	Transfer of 50% of net risk premium earned from retained profits	(18,489)	18,489	-	-	-
撥回風險儲備至保留溢利	Release of contingency reserve to retained profits	670	(670)	-	-	-
可供出售證券的公平值變動：	Change in fair value of available-for-sale securities:					
— 計入權益	— taken to equity	-	-	17,203	-	17,203
— 於出售時轉至收益表	— transferred to income statement on disposal	-	-	(22,578)	-	(22,578)
— 稅項(附註13(b))	— tax effect (Note 13(b))	-	-	869	-	869
現金流對沖	Cash flow hedges					
— 計入權益	— taken to equity	-	-	-	6,658	6,658
— 稅項(附註13(b))	— tax effect (Note 13(b))	-	-	-	(1,165)	(1,165)
已派二零零六年股息	Dividend paid relating to 2006	(250,000)	-	-	-	(250,000)
於二零零七年十二月三十一日	As at 31 December 2007	3,402,963	102,497	120,673	5,493	3,631,626

32. 與有關人士訂立的重大交易

- (a) 有關人士指有能力直接或間接控制或重大影響另一人士制定財務及經營決策的人士。受共同控制或受共同重大影響的人士亦被視為有關人士。有關人士可為個人或其他實體。

年內，本公司與有關人士按公平原則及商業基準進行多項交易，交易的性質載列如下：

32. Material related party transactions

- (a) Related parties are those parties which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the year, the Company entered into various transactions with related parties on an arm's length and commercial basis. The nature of the relationship is set out in the following table:

姓名 Name	職銜 Interests	有關交易的性質— 見下文附註 Nature of related transaction-see the notes below
曾俊華先生，太平紳士 (於二零零七年七月一日獲委任) The Honourable John TSANG Chun Wah, JP (appointed on 1 July 2007)	財政司司長 外匯基金的管理人 Financial Secretary Controller of the Exchange Fund	(2) (9) (13)
唐英年先生，GBS，太平紳士 (於二零零七年七月一日辭任) The Honourable Henry TANG Ying Yen, GBS, JP (resigned on 1 July 2007)	財政司司長 (至二零零七年六月三十日) 外匯基金的管理人 (至二零零七年六月三十日) Financial Secretary (until 30 June 2007) Controller of the Exchange Fund (until 30 June 2007)	(2) (9)
任志剛先生，GBS，太平紳士 Joseph YAM Chi Kwong, GBS, JP	香港金融管理局總裁 Chief Executive of the Hong Kong Monetary Authority	(1) (2) (9)
彭醒棠先生，太平紳士 Peter PANG Sing Tong, JP	香港金融管理局副總裁 Deputy Chief Executive of the Hong Kong Monetary Authority	(1) (2) (9)
蔡耀君先生，太平紳士 (於二零零七年八月三十一日辭任) CHOI Yiu Kwan, JP (resigned on 31 August 2007)	香港金融管理局副總裁 Deputy Chief Executive of the Hong Kong Monetary Authority	(1) (2) (9)
余偉文先生，太平紳士 (於二零零七年九月一日獲委任) Eddie YUE Wai Man, JP (appointed on 1 September 2007)	香港金融管理局副總裁 (於二零零七年九月一日獲委任) Deputy Chief Executive of the Hong Kong Monetary Authority (appointed on 1 September 2007)	(1) (2) (9)
陳家強教授，SBS，太平紳士 Professor the Honourable K C CHAN, SBS, JP	財經事務及庫務局局長 (於二零零七年七月一日獲委任) 香港房屋委員會官方委員 (於二零零七年七月一日獲委任) Secretary for Financial Services and the Treasury (appointed on 1 July 2007) Official member of The Hong Kong Housing Authority (appointed on 1 July 2007)	(3) (13)

姓名 Name	職銜 Interests	有關交易的性質— 見下文附註 Nature of related transaction-see the notes below
陳鑑林先生，SBS，太平紳士 The Honourable CHAN Kam Lam, SBS, JP	立法會議員 香港房屋委員會委員 Legislative Councillor Member of The Hong Kong Housing Authority	(3)
鄭汝樺女士，太平紳士 (於二零零七年七月一日獲委任) The Honourable Ms. Eva CHENG, JP (appointed on 1 July 2007)	運輸及房屋局局長 (於二零零七年七月一日獲委任) 香港房屋委員會主席 (於二零零七年七月一日獲委任) Secretary for Transport and Housing (appointed on 1 July 2007) Chairman of The Hong Kong Housing Authority (appointed on 1 July 2007)	(3) (13)
張炳良教授，BBS，太平紳士 (於二零零七年七月十九日獲委任) Professor the Honourable Anthony CHEUNG Bing Leung, BBS, JP (appointed on 19 July 2007)	香港房屋委員會委員 Member of The Hong Kong Housing Authority	(3)
韓克強先生 (於二零零七年四月二十六日獲委任) Andy HON Hak Keung (appointed on 26 April 2007)	渣打國際商業銀行股份有限公司 消費金融處董事總經理 Head of Consumer Banking Standard Chartered Bank (Taiwan) Limited	(10) (11)
李國寶博士，GBM，GBS，LLD (Cantab)， 太平紳士 Dr. the Honourable David LI Kwok Po, GBM, GBS, LLD (Cantab), JP	東亞銀行有限公司主席兼行政總裁 Chairman and Chief Executive of The Bank of East Asia, Limited	(3) (4) (5) (6) (14)
馬時亨先生，太平紳士 (於二零零七年七月一日辭任) The Honourable Frederick MA Si Hang, JP (resigned on 1 July 2007)	財經事務及庫務局局長 (至二零零七年六月三十日) 香港房屋委員會官方委員 (至二零零七年六月三十日) Secretary for Financial Services and the Treasury (until 30 June 2007) Official member of The Hong Kong Housing Authority (until 30 June 2007)	(3)
邵柏寧先生 (於二零零七年四月二十六日退任) Nicholas John SIBLEY (retired on 26 April 2007)	香港上海滙豐銀行有限公司 亞太區個人理財業務主管 滙豐保險(亞洲)有限公司董事 Head of Personal Financial Services Asia-Pacific of The Hongkong and Shanghai Banking Corporation Limited Director of HSBC Insurance (Asia) Limited	(3) (4) (5) (6) (7) (8)

姓名 Name	職銜 Interests	有關交易的性質— 見下文附註 Nature of related transaction-see the notes below
單仲偕先生，SBS，太平紳士 The Honourable SIN Chung Kai, SBS, JP	立法會議員 香港房屋委員會委員 Legislative Councillor Member of The Hong Kong Housing Authority	(3)
孫明揚先生，GBS，太平紳士 (於二零零七年七月一日辭任) The Honourable Michael SUEN Ming Yeung, GBS, JP (resigned on 1 July 2007)	房屋及規劃地政局局長 (至二零零七年六月三十日) 香港房屋委員會主席 (至二零零七年六月三十日) Secretary for Housing, Planning and Lands (until 30 June 2007) Chairman of The Hong Kong Housing Authority (until 30 June 2007)	(3)
陳清賜先生 Eddie TAN Cheng Soo	花旗銀行環球個人金融部 亞太區資金部總監(駐新加坡) Regional Treasurer of Global Consumer Bank – Asia Pacific, Citibank, N.A. (based in Singapore)	(12)

(1) 本公司為香港金融管理局(「香港金管局」)所營運的債務工具中央結算系統服務的成員，債務工具中央結算系統為本公司的債務證券提供託管及結算代理服務。二零零七年，本公司就該等服務向香港金管局支付110萬港元(二零零六年：80萬港元)。

(2) 外匯基金透過香港金管局向本公司提供100億港元的循環信貸。於二零零七年十二月三十一日，本公司並無未償還餘額(二零零六年：無)。

(3) 參與購買按揭貸款計劃，不時就購買按揭貸款與本公司訂立協議的金融機構或組織的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。

(1) The Company is a member of the Central Moneymarkets Unit Service operated by the Hong Kong Monetary Authority (“HKMA”) which provides custodian and clearing agent services for the debt securities issued by the Company. In 2007, the Company paid HK\$1.1million (2006: HK\$0.8 million) by way of fees to the HKMA for such services.

(2) The Exchange Fund through the HKMA has provided the Company with a HK\$10 billion revolving credit facility. As at 31 December 2007, there was no outstanding balance (2006: nil).

(3) Being an executive director or senior officer of a financial institution or organisation as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company in respect of the purchase of mortgage loans by the Company from time to time under the Mortgage Purchase Programme.

- (4) 參與按揭保險計劃，不時就申請按揭保險保障與本公司訂立協議的金融機構或組織的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。
- (5) 曾就400億港元債務工具發行計劃與本公司訂立協議的主要交易商或銷售銀團成員的金融機構的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。
- (6) 曾就200億港元零售債券發行計劃與本公司訂立協議的配售銀行的金融機構的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。
- (7) 曾作為安排人或牽頭經辦人／聯席牽頭經辦人，參與本公司一項或多項按揭證券發行（包括30億美元Bauhinia按揭證券化計劃）與本公司訂立協議的金融機構的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。
- (8) 曾作為30億美元中期債券發行計劃的安排人或交易商與本公司訂立協議的金融機構的執行董事或高級管理人員，其相關職責見前列「職銜」欄內。
- (9) 二零零四年四月二十一日，本公司與財政司司長法團訂立一項租約，由二零零五年一月一日起計，為期六年。據此，財政司司長法團向本公司出租香港中環金融街8號國際金融中心二期79樓7902室及80樓全層。按財政司司長法團的指示，本公司將租金支付予香港金管局。於二零零七年，本公司已支付合共640萬港元（二零零六年：640萬港元）予香港金管局。
- (10) 渣打國際商業銀行股份有限公司為渣打集團有限公司的附屬公司。渣打集團有限公司的附屬公司已與本公司就第(3)、(5)、(6)、(8)及(11)段所載事宜訂立協議。
- (4) Being an executive director or senior officer of a financial institution or organisation as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company in respect of the application for mortgage insurance cover from time to time under the Mortgage Insurance Programme.
- (5) Being an executive director or senior officer of a financial institution as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company, as primary dealer or selling group member in the HK\$40 Billion Debt Issuance Programme.
- (6) Being an executive director or senior officer of a financial institution as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company, as a placing bank in the HK\$20 Billion Retail Bond Issuance Programme.
- (7) Being an executive director or senior officer of a financial institution as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company, as arranger or lead manager/co-lead manager in one or more of the Company’s MBS issues, including the US\$3,000,000,000 Bauhinia Mortgage-Backed Securitisation Programme.
- (8) Being an executive director or senior officer of a financial institution as specified under the column headed “Interests” in the above table which has entered into an agreement with the Company, as arranger or dealer in the US\$3,000,000,000 Medium Term Note Programme.
- (9) On 21 April 2004, the Company entered into a lease for a period of 6 years commencing on 1 January 2005 with The Financial Secretary Incorporated (“FSI”) by which the FSI let to the Company Suite 7902 on 79th Floor and the whole of the 80th Floor, Two International Finance Centre, 8 Finance Street, Central, Hong Kong. At the direction of the FSI, the Company paid rental to the HKMA. In 2007, the Company paid a total of HK\$6.4 million (2006: HK\$6.4 million) of rental to the HKMA.
- (10) Standard Chartered Bank (Taiwan) Limited is a subsidiary of Standard Chartered PLC. The subsidiaries of Standard Chartered PLC have entered into agreements with the Company in respect of the matters set out in paragraphs (3), (5), (6), (8) and (11).

(11) 本公司與(其中包括) Korea First Mortgage No. 8 Limited (作為發行人)、Standard Chartered First Bank Korea Limited (「SCFBK」)(作為按揭貸款的批受人)及渣打銀行(作為安排人)訂立購買協議,據此,本公司向發行人購買以SCFBK承造的按揭貸款所支持的7億美元票據。

(12) 花旗及/或其附屬公司已與本公司就上文第(3)、(4)、(5)、(6)、(7)及(8)段所載事宜訂立協議。

(13) 於二零零七年,本公司向財政司司長法團購買約6,400萬港元按揭貸款(二零零六年:1.07億港元)。

(14) 於二零零七年,本公司向東亞銀行有限公司購買約20億港元按揭貸款(二零零六年:無)。

(b) 主要管理層人員

主要管理層為直接或間接有權力及負責策劃、指導及控制本集團業務的人士,包括董事及高級管理人員。

本年度主要管理層人員的薪酬包括:

(11) The Company entered into a purchase agreement with, inter alia, Korea First Mortgage No. 8 Limited (as issuer), Standard Chartered First Bank Korea Limited (“SCFBK”) (as originator of the mortgage loans) and Standard Chartered Bank (as arranger) pursuant to which the Company purchased from the issuer a US\$700,000,000 note backed by mortgage loans originated by SCFBK.

(12) Citi and/or its subsidiaries have entered into agreements with the Company in respect of the matters set out in paragraphs (3), (4), (5), (6), (7) and (8) above.

(13) In 2007, the Company purchased about HK\$64 million of mortgage loans from the FSI (2006: HK\$107 million).

(14) In 2007, the Company purchased about HK\$2 billion of mortgage loans from The Bank of East Asia, Limited (2006: nil).

(b) Key management personnel

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors and senior officers.

Key management personnel compensation for the year comprises:

		2007 千港元 HK\$'000	2006 千港元 HK\$'000
薪金及其他短期 僱員福利	Salaries and other short-term employee benefits	11,876	11,260
離職後福利	Post-employment benefits	789	784
		12,665	12,044

33. 特設公司及證券化

本公司使用兩家特設公司(即香港按揭證券融資(第一)有限公司及Bauhinia MBS Limited)進行按揭貸款組合證券化的工作,因而向兩家特設公司轉讓按揭貸款組合。該等轉讓可能導致有關按揭貸款組合須全面或局部終止於本公司資產負債表內之確認。

當本公司轉讓其自按揭貸款組合收取現金流的合約權利及其擁有權絕大部分風險及回報時,會全面終止確認。

當本公司出售或以其他方式轉讓按揭貸款組合,以致轉讓擁有權中某一部分(而非絕大部分風險及回報),但仍保留控制權,則會局部終止確認。該等按揭貸款組合按持續參與程度在資產負債表確認。

大部分轉讓予特設公司而不符合全面終止確認條件的按揭貸款組合,為本公司擔保的按揭證券。

本公司因繼續參與證券化活動而仍保留的權利及責任,初步分配列於被終止確認部分及在轉讓日期繼續確認部分的金融資產公平值。本公司持續參與符合於本公司資產負債表局部終止確認條件的已終止按揭貸款賬面值分析如下:

33. Special purpose entities and securitisations

The Company uses two special purpose entities (“SPE”) namely HKMC Funding Corporation (1) Limited and Bauhinia MBS Limited to securitise mortgage portfolio that result in the transfer of mortgage portfolio to two SPEs. These transfers may give rise to full or partial derecognition of the mortgage portfolio concerned from the Company’s balance sheet.

Full derecognition occurs when the Company transfers its contractual right to receive cash flows from the mortgage portfolio and substantially all the risks and rewards of ownership.

Partial derecognition occurs when the Company sells or otherwise transfers mortgage portfolio in such a way that some but not substantially all of the risks and rewards of ownership are transferred but control is retained. These mortgage portfolio are recognised on the balance sheet to the extent of continuing involvement.

The majority of mortgage portfolio transferred to the SPEs, that do not qualify for full derecognition, are MBS guaranteed by the Company.

The rights and obligations that the Company retains from its continuing involvement in securitisations are initially recorded as an allocation of the fair value of the financial asset between the part that is derecognised and the part that continues to be recognised on the date of transfer. The following analyses the carrying amount of mortgage loans derecognised to the extent of the Company’s continuing involvement, that qualified for partial derecognition from the Company’s balance sheet.

		已終止按揭貸款的賬面值 Carrying amount of mortgage loans derecognised 千港元 HK\$'000	未終止按揭貸款的賬面值 Carrying amount of mortgage loans not derecognised 千港元 HK\$'000
按揭證券化 截至下列日期止年度 二零零七年十二月三十一日	Mortgage-backed securitisation For the year ended: 31 December 2007	-	-
二零零六年十二月三十一日	31 December 2006	1,740,000	260,000

香港(準則詮釋委員會)詮釋第12號綜合賬目—特設公司規定,當特設公司與申報公司之間的關係實質上反映出特設公司由申報公司控制,則須綜合計入特設公司。此導致須於綜合資產負債表重新綜合計入已轉讓的資產。下表概述轉讓予特設公司而已終止於本公司資產負債表確認,但因香港(準則詮釋委員會)詮釋第12號而重新綜合計入綜合資產負債表的按揭貸款組合未償還本金結餘。

HK(SIC) INT-12 Consolidation – Special Purpose Entities requires consolidation of SPEs when the substance of the relationships between the SPE and the reporting entity indicates that the SPE is controlled by the reporting entity. This results in consolidating back the transferred assets to the consolidated balance sheet. The following summarises the outstanding principal balances of the mortgage portfolio transferred to the SPEs that were derecognised from the Company’s balance sheet but were consolidated back to the consolidated balance sheet as a result of HK(SIC) INT-12.

		2007 千港元 HK\$'000	2006 千港元 HK\$'000
香港按揭證券融資(第一)有限公司	HKMC Funding Corporation (1) Limited	111,442	273,496
Bauhinia MBS Limited	Bauhinia MBS Limited	2,685,109	3,522,552
已轉讓予特設公司的按揭貸款組合(附註21(a))	Mortgage portfolio transferred to the SPEs (Note 21(a))	2,796,551	3,796,048

34. 承擔

34. Commitments

(a) 資本

(a) Capital

		本集團及本公司 The Group and the Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
已批准但未訂約	Authorized but not contracted for	9,191	6,638

(b) 經營租約

(b) Operating leases

本集團按經營租約租賃辦公室物業。辦公室物業租約初步為期六年，附有選擇權按當時現行的公開市場租金續約。於結算日，根據不可註銷的經營租約而須作出的未來最低租金付款總額分析如下：

The Group leases the office premises under operating leases. The leases of the office premises run for an initial period of six years and include an option to renew at the then current open market rent. Total future minimum lease payments under non-cancellable operating leases at the balance sheet date are analysed as follows:

		本集團及本公司 The Group and the Company	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
辦公室物業	Office premises		
不多於一年	not later than one year	6,368	6,368
多於一年但不多於五年	later than one year and not later than five years	12,735	19,103
		19,103	25,471

35. 按揭保險業務

本公司按分擔風險方式經營其按揭保險業務，就按揭保險自行承擔最多達50%的擔保風險，而其餘的擔保風險則向核准再保險公司購買再保險。

於二零零七年十二月三十一日，風險投保總額約為86.8億港元(二零零六年：81.4億港元)，其中51.7億港元(二零零六年：52.2億港元)已向核准按揭再保險公司購買再保險，而本公司則自行承擔餘下風險35.1億港元(二零零六年：29.2億港元)。

36. 已抵押資產

特設公司已將其資產抵押作擔保或透過抵押方式進行轉讓，以根據有關證券化計劃規定發行有擔保或無擔保按揭證券。有關證券化計劃下委任的抵押信託人將於有關特設公司(及就有擔保按揭證券，則本公司作為擔保人)拖欠支付任何一批按揭證券或就任何一批按揭證券發生失責事件時，行使該等作為已抵押資產的抵押品。

35. Mortgage insurance business

The Company operates its mortgage insurance business on a risk-sharing basis, and retains up to 50% of the risk exposure under its mortgage insurance covers with the remaining risk exposure being ceded to its approved reinsurers.

As at 31 December 2007, the total risk-in-force was approximately HK\$8.68 billion (2006: HK\$8.14 billion) of which HK\$5.17 billion (2006: HK\$5.22 billion) was ceded to the approved reinsurers and the balance of HK\$3.51 billion (2006: HK\$2.92 billion) was retained by the Company.

36. Pledged assets

SPEs have charged their assets as securities or otherwise transferred by way of security for issuing guaranteed or non-guaranteed MBS in accordance with the provisions under the relevant securitisation programmes. The security trustee appointed under the relevant securitisation programmes will enforce the securities over the relevant pledged assets when the relevant SPE (and, in the case of guaranteed MBS, the Company as guarantor) defaults in payment under any series of MBS or otherwise on the occurrence of an event of default in respect of any series of MBS.

		本集團 The Group	
		2007 千港元 HK\$'000	2006 千港元 HK\$'000
已抵押資產	Assets pledged		
銀行定期存款	Time deposits with banks	310,093	383,833
投資證券	Investment securities	105,891	-
按揭貸款組合	Mortgage portfolio	3,722,322	4,878,137
應收利息	Interest receivable	5,526	8,605
		4,143,832	5,270,575
有抵押負債	Secured liabilities		
已發行按揭證券(附註28)	Mortgage-backed securities issued (Note 28)	4,229,159	5,361,260

已抵押按揭貸款組合包括特設公司賬冊所載的證券化按揭貸款組合(附註33)，和已轉讓按揭貸款組合按擔保及持續參與程度繼續於「貸款組合淨額」確認為資產(附註25)。

Mortgage portfolio pledged included securitised mortgage portfolio recorded in the SPE's book (Note 33) and the transferred mortgage portfolio continued to be recognised as assets in "Loan portfolio, net" to the extent of the guarantee and continuing involvement (Note 25).

37. 通過財務報表

董事局於二零零八年四月十日通過本財務報表。

37. Approval of financial statements

The financial statements were approved by the Board of Director on 10 April 2008.