

## **Press Release**

### **HKMC 2008 Annual Report**

The Hong Kong Mortgage Corporation Limited (HKMC) today (11 June) published its Annual Report for 2008.

“The Hong Kong Mortgage Corporation performed well in 2008 despite the once-in-a-lifetime financial crisis triggered by the US sub-prime mortgage problems. The Corporation has proven to be highly efficient and resilient, carrying out its important policy role of helping to maintain banking stability by purchasing loan assets from local banks. In doing so, the Corporation helps local financial institutions address their liquidity needs and the credit risk arising from their loan portfolios,” said the Hon John C Tsang, Chairman of the Board of Directors of the HKMC.

The Report highlights the following achievements of the HKMC in 2008:

- (a) Record purchase of a total of HK\$26 billion of assets in a year, including HK\$13.6 billion of residential mortgage loans and HK\$0.2 billion of non-mortgage assets in Hong Kong as well as the purchase of HK\$12.2 billion of Korean residential mortgage loans structured as mortgage-backed securities;
- (b) Drawdown of mortgage insurance coverage for newly originated mortgage loans was a record total of HK\$20.4 billion, achieving a market penetration of 16%;
- (c) Issuance of a record of HK\$24.4 billion debt securities in a cost-effective manner, maintaining the HKMC’s position as the most active corporate issuer in the Hong Kong dollar debt market for eight consecutive years; and
- (d) Safeguarding excellent asset quality, with a combined delinquency ratio (above 90-day ratio and rescheduled loan ratio) of 0.02% for the mortgage insurance portfolio, 0.12% for the Hong Kong residential mortgage portfolio (compared to industry average of 0.19%), and 0.07% across all asset classes as at 31 December 2008.

The Corporation achieved profit after tax of HK\$605 million in 2008, with the return on shareholder's equity of 10.5% and cost-to-income ratio of 17.5%. Its capital-to-assets ratio remained strong at 8.7%, well above the guideline of a minimum 5% stipulated by the Financial Secretary. For the fifth consecutive year, the Corporation declared a final dividend of HK\$250 million or HK\$0.125 per share, representing 41.3% of the profit after tax.

The Hong Kong Mortgage Corporation Limited  
11 June 2009



The Hong Kong Mortgage Corporation Limited  
香港按揭證券有限公司

ANNUAL REPORT  
2008 年報

# CONTENTS

|            |  |
|------------|--|
| <b>1</b>   | Financial Highlights   |
| <b>3</b>   | Chairman's Statement   |
| <b>6</b>   | Board of Directors   |
| <b>8</b>   | Management Team  |
| <b>9</b>   | Organisation Structure   |
| <b>10</b>  | Corporate Governance Report  |
| <b>14</b>  | Calendar of Events   |
| <b>17</b>  | Business Overview  |
| <b>37</b>  | Financial Review   |
| <b>85</b>  | Report of the Directors  |
| <b>89</b>  | Independent Auditor's Report   |
| <b>91</b>  | Financial Statements   |
| <b>166</b> | Annex A List of Approved Seller/Service providers as at end of December 2008   |
| <b>168</b> | Annex B List of Mortgage Reinsurers, Primary Dealers and Selling Group Members of Debt Issuance Programme, Placing Banks of Retail Bond Issuance Programme, Programme Arrangers and Dealers of Medium Term Note Programme and Programme Arranger and Dealers of Bauhinia MBS Programme |
| <b>170</b> | Annex C Key Business Statistics  |
| <b>172</b> | Abbreviations Used in This Report  |

# FINANCIAL HIGHLIGHTS

|   | 2008<br>HK\$'000  | 2007<br>HK\$'000 | 2006<br>HK\$'000 |
|---|-------------------|------------------|------------------|
| <b>FOR THE YEAR</b>                             |                   |                  |                  |
| Net interest income                             | <b>709,850</b>    | 649,332          | 717,216          |
| Profit after taxation                           | <b>604,994</b>    | 740,664          | 682,673          |
| Loan purchases                                  | <b>26,037,165</b> | 9,603,916        | 6,443,925        |
| Debt securities issued                          | <b>24,405,704</b> | 16,412,345       | 13,343,663       |
| Mortgage-backed securities issued               | –                 | –                | 2,000,000        |
| Mortgage insurance – net premiums written       | <b>358,579</b>    | 153,901          | 98,588           |
| <b>AT YEAR END</b>                              |                   |                  |                  |
| Loan portfolio, net                             | <b>50,760,112</b> | 34,460,291       | 32,376,452       |
| Total assets                                    | <b>65,628,334</b> | 48,627,923       | 44,822,002       |
| Debt securities issued                          | <b>42,814,988</b> | 33,311,190       | 28,935,470       |
| Mortgage-backed securities issued               | <b>3,225,624</b>  | 4,229,159        | 5,361,260        |
| Mortgage insurance – risk in force <sup>1</sup> | <b>5,713,065</b>  | 3,512,923        | 2,916,950        |
| <b>OTHER STATISTICS</b>                         |                   |                  |                  |
| Net interest margin                             | <b>1.3%</b>       | 1.5%             | 1.7%             |
| Capital-to-assets ratio                         | <b>8.7%</b>       | 11.2%            | 11.2%            |
| Cost-to-income ratio                            | <b>17.5%</b>      | 13.6%            | 13.5%            |
| Return on assets                                | <b>1.1%</b>       | 1.6%             | 1.6%             |
| Return on shareholders' equity                  | <b>10.5%</b>      | 13.7%            | 13.9%            |

<sup>1</sup> The risk in force excludes exposure that has been covered by reinsurance arrangement.



The Hong Kong Mortgage Corporation performed well in 2008 despite the once-in-a-lifetime financial crisis triggered by the US sub-prime mortgage problems. The Corporation has proven to be highly efficient and resilient, carrying out its important policy role of helping to maintain banking stability by purchasing loan assets from local banks. In doing so, the Corporation helps local financial institutions address their liquidity needs and the credit risk arising from their loan portfolios.

## CHAIRMAN'S STATEMENT

---



### Solid Performance in 2008

Despite the difficult economic environment, the Corporation was able to achieve another year of solid financial results after the record set in 2007. Profit after tax in 2008 was HK\$605 million. Although that is 18% lower than in 2007, it still compared well with the performance of the market. The return on shareholders' equity was 10.5%, and the capital-to-assets ratio was 8.7%. The Corporation declared a final dividend of HK\$250 million, the same as in each of the previous four years.

2008 was a landmark year in terms of business diversification for the Corporation. This applies to both local asset purchases and business initiatives in a number of selected overseas markets.

### Asset Acquisition

Like many other economies, Hong Kong experienced liquidity and credit shortages as a result of the global financial crisis, giving the Corporation an opportunity to fulfil, yet again, its role of promoting banking stability by providing liquidity to banks by purchasing their loan assets.

The total asset purchase in 2008 reached a record of HK\$26 billion, with HK\$13.8 billion being assets from banks in Hong Kong and HK\$12.2 billion being overseas mortgage loans. The local purchases are a good illustration of the Corporation's key role in providing liquidity to the Hong Kong banking sector and helping them to manage their balance sheets.

In recognition of the important policy role played by the Corporation and the liquidity squeeze under



the current difficult market conditions, the HKSAR Government increased the size of the Revolving Credit Facility provided by the Exchange Fund to the Corporation from HK\$10 billion to HK\$30 billion. This is to ensure that the Corporation has sufficient back-up liquidity to perform its role of purchasing bank assets to reinforce banking stability in Hong Kong, even in adverse market conditions.

### Mortgage Insurance

The Corporation's Mortgage Insurance Programme ("MIP") continued to provide an effective channel for promoting wider home ownership in Hong Kong. Given the difficulties faced by some homebuyers in obtaining mortgage loans, the Corporation enhanced the MIP by lowering the loan-to-value ("LTV") ratio threshold to 60% to encourage bank credit to flow to the mortgage market.

The Corporation received 21,477 applications under the MIP during 2008, up from 16,323 in 2007. The outstanding risk-in-force under the MIP

increased by about 63% to HK\$5.7 billion, compared with HK\$3.5 billion in 2007. The market penetration of the MIP increased to 16% for 2008, compared with 12% for 2007.

In addition to the local insurance business, the Corporation has also diversified into Malaysia by establishing a joint venture company in partnership with Cagamas Holdings Berhad. In September the joint venture launched the Mortgage Guarantee Programme to cover conventional mortgage loans as well as Islamic mortgage loans originated by banks in Malaysia. The joint venture in Malaysia will provide the HKMC with more insight and experience for the development of Islamic finance in Malaysia, Hong Kong and elsewhere.

### Debt Issuance

The Corporation issued a record total of HK\$24.4 billion of debt securities in 2008. For the eighth year in a row, the HKMC is the most active corporate debt issuer in the Hong Kong dollar market.



The Corporation continued to play a very important role in promoting the development of the local bond market and helped to reinforce Hong Kong's position as an international financial centre. The Corporation's total amount of outstanding debt and mortgage-backed securities issued stood at HK\$46 billion on 31 December.

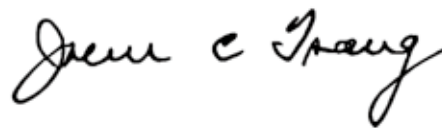
### Outlook for 2009

2009 will be very challenging, given the disruptive and wide-ranging impact of the financial crisis on the global economy and financial markets. I am nevertheless confident that the Corporation will be able to continue to meet its objectives of contributing to banking stability, promoting home ownership and developing the debt and securitisation markets in Hong Kong, even in the face of unprecedented adverse financial market conditions.

The Corporation will focus on satisfying the needs of local financial institutions to offload loan assets in exchange for liquidity. While maintaining a strong

emphasis on risk management, the Corporation will also continue to improve its local product offering and promote its business model and risk-management approach in other jurisdictions such as Mainland China. This will contribute towards the healthy development of the Mainland mortgage market and also promote home ownership and a harmonious society.

Finally, I would like to thank my fellow Directors, the management and all staff of the Corporation for their dedicated work in 2008. I look forward to working with all of my colleagues in navigating through the uncertain and turbulent economic conditions to secure another successful year for the Corporation in 2009.



**John C Tsang**

*Chairman*

# BOARD OF DIRECTORS

---



**The Honourable  
John TSANG Chun-wah, JP**  
Chairman  
*Financial Secretary*



**Mr. Joseph YAM Chi-kwong, GBS, JP**  
Deputy Chairman  
*Chief Executive  
Hong Kong Monetary Authority*



**Professor the Honourable  
K C CHAN, SBS, JP**  
Director  
*Secretary for Financial Services  
and the Treasury*



**The Honourable  
Ms. Eva CHENG, JP**  
Director  
*Secretary for Transport and  
Housing*



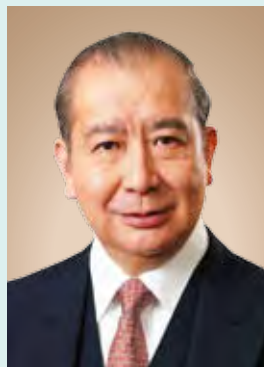
**Mr. Peter PANG Sing-tong, JP**  
Executive Director  
*Deputy Chief Executive  
Hong Kong Monetary Authority*



**Mr. Eddie YUE Wai-man, JP**  
Executive Director  
*Deputy Chief Executive  
Hong Kong Monetary Authority*



**The Honourable  
Ronald Joseph ARCULLI,**  
CVO, GBS, OBE, JP  
Director  
*Member of Executive Council  
Senior Partner, Arculli Fong & Ng  
Chairman, Hong Kong  
Exchanges & Clearing Limited*



**Dr. the Honourable  
David LI Kwok-po,**  
GBM, GBS, LLD (Cantab), JP  
Director  
*Legislative Councillor  
Chairman and Chief Executive  
The Bank of East Asia, Limited*



**The Honourable  
CHAN Kam-lam, SBS, JP**  
Director  
*Legislative Councillor*



**The Honourable  
Abraham SHEK Lai-him**, SBS, JP  
Director  
*Legislative Councillor*



**The Honourable  
Andrew LEUNG Kwan-yuen**,  
SBS, JP  
Director  
*Legislative Councillor  
Chairman, Sun Hing Knitting  
Factory Limited*



**The Honourable  
CHAN Kin-Por**, JP  
Director  
*Legislative Councillor  
Chief Executive  
Munich Reinsurance Company  
Hong Kong Branch*



**The Honourable  
SIN Chung-kai**, SBS, JP  
Director  
*Deputy Chairman of the  
Democratic Party*



**Mr. Geoffrey Jay MANSFIELD**  
Director  
*Chairman, The DTC Association*



**Mr. Eddie TAN Cheng-soo**  
Director  
*Regional Treasurer  
Asia Pacific  
Citibank, N.A.*



**Professor the Honourable  
Anthony CHEUNG Bing-leung**,  
BBS, JP  
Director  
*Chairman, Consumer Council*



**Mr. Eddy FONG Ching**, GBS, JP  
Director  
*Chairman, Securities and Futures  
Commission*



**Mr. David LAM Yim-nam**  
Director  
(appointed on 10 April 2008)  
*Deputy Chief Executive  
Bank of China (Hong Kong)  
Limited*



**Mr. Andy HON Hak-keung**  
Director  
(retired on 10 April 2008)  
*Former Head of Consumer  
Banking  
Standard Chartered Bank  
(Taiwan) Limited*



# MANAGEMENT TEAM

---

➤ *(from left to right)*

Mr. Kenny Fok  
 Mr. James H. Lau Jr., JP  
 Mr. Raymond Liu  
 Ms. Susie Cheung

▼ *(from left to right)*

*Front Row*

Mr. Raymond Luk  
 Ms. Irene Mok  
 Mr. Godfrey Wong  
 Ms. Joyce Wong

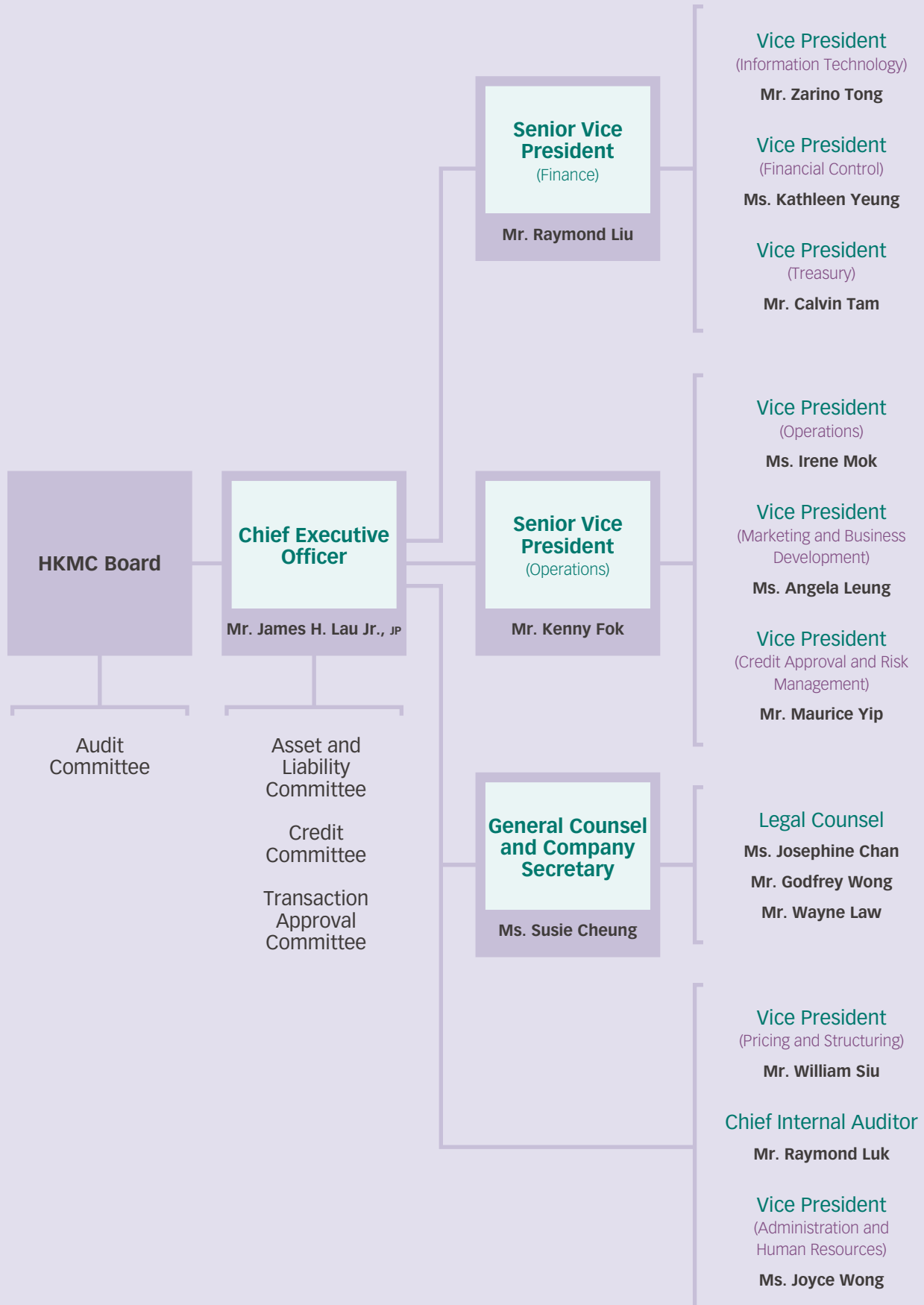
*Second Row*

Mr. Calvin Tam  
 Ms. Angela Leung  
 Mr. William Siu  
 Mr. Wayne Law  
 Ms. Kathleen Yeung  
 Mr. Zarino Tong  
 Mr. Maurice Yip  
 Ms. Josephine Chan



# ORGANISATION STRUCTURE

As at end of March 2009



# CORPORATE GOVERNANCE REPORT

---

## Corporate Governance Practices

Good corporate governance is conducive to improving overall performance and attaining long-term sustainable growth and is essential in modern corporate administration. The Corporation's corporate governance practices are set out in the "Corporate Governance Code" (the "Code") approved by the Board on 14 December 2004. The Code is premised on the principles of fairness, transparency, accountability and responsibility to all stakeholders and has been issued to the shareholders and the Directors. The Code is also available on our website and is accessible by the public.

Throughout 2008, the Corporation has complied with the provisions of the Code. Maintaining a robust and sensible framework of corporate governance for the effective and prudent management of the Corporation has always been a top corporate priority.

## Shareholders

All the shares of the Corporation are beneficially owned by the Financial Secretary of Hong Kong as Controller of the Exchange Fund. Therefore, whilst the Corporation operates under prudent commercial principles, the Board endeavours to ensure that the Corporation delivers its performance based on good corporate governance practices which are commensurate with best international standards.

## The Board

The Board is responsible for leading the Corporation and promoting its success in a responsible and effective manner. In fulfilling its responsibility in terms of providing strategic leadership and effective control of the Corporation, the Board meets in person at least once every three months to oversee the Corporation's business strategy and policies, budgeting and planning, organisational and financial performance, risk management, human resources as well as community relations, and on other occasions whenever a Board decision is required on major issues. In order to ensure that well-balanced decisions are made by the Board, the Directors of the Corporation include officials from the government and regulators, representatives from the political parties, banking sector, insurance sector, industry associations, the accounting and legal professions, and also the Consumer Council. During 2008, the Board held four quarterly meetings.

Directors are requested to declare their direct or indirect interests, if any, in any transactions to be considered by the Board at board meetings and withdraw from the meetings as appropriate. In respect of each financial reporting period, the Corporation will seek confirmation from the Directors in respect of their material interests in transactions involving the Corporation or its subsidiaries. Contracts which are significant to the Corporation's business in which a Director has a material interest and/or material related party transactions are disclosed in the Report of the Directors by reference to Note 33 to the financial statements for the year ended 31 December 2008.

As at 31 December 2008, there were 18 Directors, all of whom had been duly appointed by the Financial Secretary in his capacity as shareholder of the Corporation. Information of the Directors is set out in the Report of the Directors published in the Annual Report. All Directors (with the exception of the four Executive Directors) are non-executive and independent of the Corporation's management team. An updated list of the Directors is published on the Corporation's website ([www.hkmc.com.hk](http://www.hkmc.com.hk)). Whilst not actively involved in the day-to-day management of the Corporation, Non-Executive Directors do play an important role in bringing their independent judgment and considerable knowledge and expertise to the Board's deliberations, which in turn contribute to the effective direction of the Corporation. The Corporation does not remunerate its Directors.

Whenever a Director is newly appointed, the Corporation will provide a briefing to the Director on the business activities and strategies of the Corporation to ensure that he or she is informed of the affairs of the Corporation.

The Corporation maintains appropriate insurance cover for its Directors and officers against legal proceedings and other claims arising in the course of discharge of their duties.

### **Chairman and Chief Executive Officer**

In 2008, the post of Chairman was held by Mr. John C. Tsang. The post of Chief Executive Officer was held by Mr. James H. Lau Jr. The segregation of the posts of

Chairman and Chief Executive Officer ensures a clear division of responsibilities between the Board and the executive functions of the Corporation's management team. The Board is responsible for laying down strategic direction and business guidelines, approving financial objectives and closely monitoring the Corporation's performance on an on-going basis. The Chief Executive Officer, who is accountable to the Board, is responsible for leading the management team in implementing the Board's decisions in a proper and efficient manner.

### **Company Secretary**

The Company Secretary is directly accountable to the Board and her main duty is to ensure that all company secretarial procedures are followed by the Corporation and the Board. In addition, the Company Secretary oversees the preparation of meeting agendas and Board Papers and ensures that they are distributed to Directors in a timely and comprehensive manner prior to each Board meeting and the Annual General Meeting of the Corporation.

In 2008, Board Papers were sent to Directors at least seven days before the relevant Board meeting so that Directors were properly briefed before the Board meeting. The Board Papers typically contain comprehensive background and/or explanatory information about the subject matters and include supporting documents, analyses, research findings, projections, budgets and forecasts, where appropriate. However, any Director adjudged to have a conflict of interests in the subject matter under discussion in a Board Paper will not be provided with the relevant Board Paper.



## Audit Committee

The Audit Committee members during the year were:

- Dr. David Li, Chairman, Director
- Mr. Peter Pang, Executive Director
- Mr. Eddie Yue, Executive Director
- Mr. Ronald Arculli, Director
- Mr. Eddy Fong, Director
- Mr. Chan Kam Lam, Director



Audit Committee Meeting

The Audit Committee is responsible for reviewing the Corporation's financial statements, the composition and accounting principles adopted in such statement, the results of the financial audits and the Corporation's management procedures to ensure the effectiveness of internal systems of accounting and control.

The Audit Committee holds regular meetings with the management team, Chief Internal Auditor and external auditors, and special meetings may be called to review significant control or financial issues. During 2008, the Committee met on two occasions.

### Internal Auditor

The Corporation has an Internal Audit Department which plays a major role in monitoring the internal governance of the Corporation. The Internal Audit Department is led by the Chief Internal Auditor who reports directly to the

Chairman of the Audit Committee on all matters relating to internal control systems. The Chief Internal Auditor also reports to the Chief Executive Officer on the day-to-day functioning of the Internal Audit Department, and is entitled to communicate freely with the Chairman of the Audit Committee without reference to the management team.

Each year, the Audit Committee formally approves the annual Internal Audit Plan. In accordance with such annual Internal Audit Plan, the Internal Audit Department adopts a risk-based audit approach in conducting its periodic independent reviews of the internal control systems. After each review, the Internal Audit Department discusses the findings and recommendations with the relevant department heads and Senior Management. Over the years, the management team has taken an active approach in considering recommendations made by the Internal Audit Department and monitors closely their implementation.

### External Auditors

The Corporation's external auditors are PricewaterhouseCoopers. Detailed information in respect of the Auditors' remuneration is disclosed in the Corporation's financial statements.

### Internal Control

The Board has the overall responsibility for the Corporation's internal control systems and, through the Audit Committee, conducts periodic review on the effectiveness and efficiency of the systems. The other committees set up by the management team to ensure the efficient operation and prudent risk management of the Corporation include the Credit Committee, Transaction Approval Committee,

Asset and Liability Committee and the IT Steering Committee, all of which are chaired by the Chief Executive Officer, and all such committees operate under prudent guidelines and procedures. The internal control systems are designed to provide reasonable assurance against material misstatement or loss, manage risks of failure in the operational systems and the achievement of business objectives, safeguard assets against unauthorised use, ensure the maintenance of proper accounting records for internal use and publication and assure compliance with applicable legislation and regulations.

In February 2009, the Chief Internal Auditor duly conducted an independent review of the self-assessment forms provided by each department in relation to compliance with the Code for the year 2008. Based on the audit findings on the Corporation's internal control systems and the self-assessment forms, the Chief Internal Auditor was satisfied that there had been no material breach of the Code in 2008.

## Code of Conduct

The Corporation requires the highest standards of integrity and conduct from its staff members. The requirements and the relevant legal obligations are clearly set out in a code of conduct ("Code of Conduct") incorporated into the Staff Handbook. The Code of Conduct also sets out, in particular, provisions as regards potential conflict of interests situations which may arise between the staff members and the Corporation of which the staff members should be aware, and other provisions designed to ensure that they carry out their work properly, impartially and free from any suggestion of improper influence.

A copy of the Code of Conduct is posted on the Corporation's intranet to make it readily accessible by all staff members.

Staff members are required to give written confirmation of their compliance with the Code of Conduct on an annual basis. Based on the confirmation received from the staff members, the management team was satisfied that staff members had complied with the Code of Conduct during 2008.

## Communication

The Corporation attaches great importance to communications with the public at large. The Annual Report of the Corporation contains comprehensive information on its business strategies and developments. The Corporation's website ([www.hkmc.com.hk](http://www.hkmc.com.hk)) offers timely access to the Corporation's press releases and other business information. The Corporation also maintains a hotline telephone system to service enquiries from the public.

## Conclusion

The Board was satisfied with the corporate governance practices of the Corporation during 2008. The Board, assisted by the Audit Committee and the management team, will continue to review and, where appropriate, improve those practices in light of ongoing experience, regulatory changes, international trends and developments to enhance the Corporation's efficiency and effective management in achieving its ultimate business objectives.

## CALENDAR OF EVENTS

---

### January 18

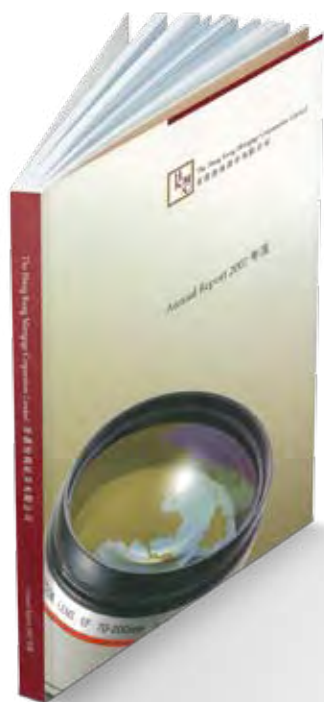
Debut issuance of US dollar fixed rate notes under the Medium Term Note Programme

### April 10

Financial Results for 2007 and Business Performance

### June 2

Annual Report for 2007 published



### June 3

Launch of Retail Bond Issue under the HK\$20 Billion Retail Bond Issuance Programme

### July 4

Cagamas HKMC Berhad Launches Mortgage Guarantee Programme

### July 31

Standard & Poor's upgraded the long-term local and foreign currency ratings of the HKMC to "AA+" from "AA"



## September 18

Half-year Financial Results for 2008

## December 11

Enhancement of the Mortgage Insurance Programme

Increase of the Revolving Credit Facility, provided by the Exchange Fund, to HK\$30 Billion from HK\$10 Billion



2008 was a turbulent year to say the least. No market was immune from the financial tsunami and scores of financial institutions were severely affected by the storm. Under such extreme and volatile market environment, the HKMC acted promptly to fulfil our core mission of promoting financial stability through the purchase of assets from banks in Hong Kong. The HKMA expanded the Revolving Credit Facility provided by the Exchange Fund to the HKMC from HK\$10 billion to HK\$30 billion to ensure that the HKMC would have sufficient standby liquidity to play the all-important role as liquidity provider to the banking sector.



## BUSINESS OVERVIEW

---

### Performance Highlights

As a result of the liquidity crunch, 2008 saw enhanced opportunities for the HKMC to provide liquidity to the banking sector. The Corporation adopted a commercial and arms-length approach in the purchase of assets and no subsidy was involved in such transactions.

The major achievements of the Corporation for the year comprise:

- Record purchase of a total of HK\$26 billion of assets in a year, including HK\$13.6 billion of residential mortgage loans and HK\$0.2 billion of non-mortgage assets in Hong Kong as well as the overseas purchase of HK\$12.2 billion of Korean residential mortgage loans in the form of mortgage-backed securities.
- Drawdown of mortgage insurance coverage for newly originated mortgage loans was a record total of HK\$20.4 billion, achieving a market penetration of 16%.
- Issuance of a record of HK\$24.4 billion debt securities in a cost-effective manner, maintaining the HKMC's position as the most active corporate issuer in the Hong Kong dollar debt market for eight consecutive years.
- Safeguarding excellent asset quality, with a combined delinquency ratio (above 90-day ratio and rescheduled loan ratio) of 0.02% for the mortgage insurance portfolio, 0.12% for the Hong Kong residential mortgage portfolio (compared to industry average of 0.19%), and 0.07% across all asset classes as at 31 December 2008.
- Maintaining long-term foreign and local currency debt ratings of Aaa/AA+ by Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's ("S&P") respectively.

The Corporation registered very solid financial results for 2008:

- Profit after tax of HK\$605 million, which is HK\$136 million or 18% lower than that in 2007.
- Low funding costs from new debt issuances which helped to maintain the net interest spread at 1.1%, better than the 1% achieved in 2007.
- Return on assets of 1.1%, a decrease of 0.5% over 2007.
- Return on shareholder's equity of 10.5%, a decrease of 3.2% over 2007.
- Capital-to-assets ratio remaining strong at 8.7%, well above the minimum requirement of 5%.
- Cost-to-income ratio of 17.5%, significantly lower than the banking industry average of 45.2.

### Operational Highlights

#### Overall Business Strategy

- The primary focus of the HKMC is, and has always been, the local market and banking stability. There was a particularly acute demand for our services in 2008. Our presence is especially valued by banks as other forms of asset sale such as securitisation or other market intermediaries were mostly unavailable due to volatile market conditions.
- Having served the local market, we have also maintained our prudent diversification strategy as endorsed by the Board of Directors to maintain a viable scale of operations so as to perform our strategic role as liquidity provider to the local banking community in an efficient and effective manner. The Corporation therefore implemented a progressive business expansion plan to ensure effective integration of overseas businesses with the existing local lines of businesses.

## Mortgage Insurance

- The Corporation continued with its drive to develop new products under the Mortgage Insurance Programme (“MIP”). As a result of credit crunch and pessimistic market sentiment, towards the latter half of 2008, banks tightened their lending policies with respect to residential mortgage. To cater for the needs of eligible homebuyers to access high LTV ratio mortgages, the Corporation proactively devised an enhancement to the MIP in December 2008 by cascading the insurance coverage threshold downwards from 70% to 60% LTV ratio for mortgages up to 90% LTV ratio.
- The market penetration of the MIP increased by one-third from 12% for 2007 to 16% for 2008. This is a healthy improvement and a good indication of an increasing need for the mortgage insurance product by the public.
- The Corporation continued vigorously with training for frontline staff and credit personnel of MIP participating banks during the year. This is an integral part of the strong partnership between the Corporation and the banks in the promotion of mortgage insurance to the public.
- The Corporation was able to maintain a high degree of processing efficiency for MIP applications through automation and the use of internet platform.

## Fund-raising

- Issuance of a record total of HK\$24.4 billion corporate debts with tenor up to 15 years to support asset purchase activities and redemption of maturing debts in a prudent and cost-effective manner.
- For the eighth year in a row, the Corporation was the most active corporate issuer in the Hong Kong dollar debt market with issuance of HK\$19.2 billion of debt securities in the local institutional market.
- Issuance of high-grade retail bonds for a total of HK\$543 million to promote the local retail bond market development.

- Debut issuance of foreign currency corporate debts amounting HK\$4.7 billion equivalent under the Medium Term Note Programme to raise funds in the international market and to broaden the Corporation’s investor base and funding source.

## Mortgage & Treasury Operations

- Completed the final phase integration between back-end treasury system and SWIFTNet, allowing better security with Public Key Infrastructure and scalability on interfacing with different SWIFT services.
- Implemented systems and operational measures to support the tracking and monitoring of assets acquired from overseas.
- Selected a new treasury system solution to further enhance the operational efficiency, products innovation and integrated risk management of treasury operations.

## Market Overview

### General Economic Conditions

On the back of a prolonged period of robust economic growth in the past few years, the Hong Kong economy still performed relatively well in the first half of 2008. However, with the deepening of the financial crisis in the US in the second half of 2008, economic conditions in Hong Kong were severely affected, particularly following the collapse of Lehman Brothers in September 2008 that triggered a financial tsunami across global markets. For 2008 as a whole, Hong Kong’s Gross Domestic Product grew by 2.5% in real terms, representing a sharp slowdown from a solid growth of 6.4% in 2007. Along with the abrupt deterioration in the business conditions, the labour market was hard hit with unemployment rate rising from a decade-low of 3.2% in mid 2008 to 4.1% in the fourth quarter of year. Consumption spending also slowed appreciably in the latter part of 2008, due to weakening consumer sentiment as a result of deteriorating job prospects as well as the negative wealth effect arising from a nose-dive in the stock market. As a testimony to worsening economic conditions, the number of bankruptcy cases in 2008 has rebounded to a 4-year high since 2004.



Notwithstanding the global financial tsunami, the Hong Kong banking system has remained generally robust with systemic risk well contained. In the face of market turbulence, the Government has introduced a number of timely measures to shore up confidence through alleviating liquidity pressure and stabilising the deposit base in the banking system.

**Interest Rate Environment**

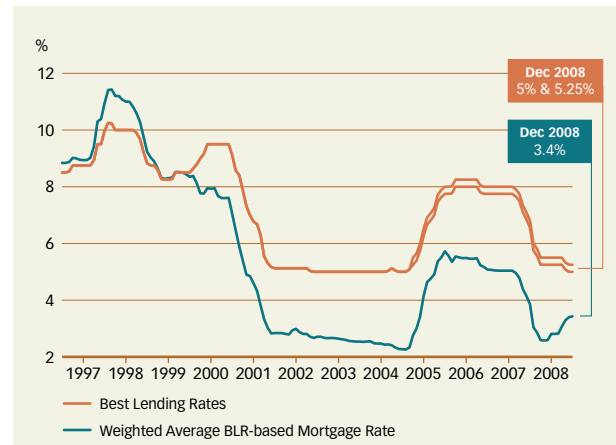
The best lending rates (“BLRs”) in Hong Kong trended downwards on four occasions during the course of 2008 from 6.75%-7% at the start of the year to 5%-5.25% at the year-end. Following the movement in the BLRs, the gross mortgage rates (GMR) for new mortgage loans also went down steadily during the first half of 2008 from 3.5%-4% in January to 2.25%-2.75% in June. Thereafter, the GMR resumed an uptrend, as banks started to tighten their mortgage pricing in the face of deepening financial turmoil and worsening credit market conditions. At the end of the year, the BLR-based GMR stood in the range of 3.25%-3.75% [Figure 1].

**Property Market**

The residential property market remained buoyant in the first quarter of 2008, but the transaction volume began to drop in the second quarter of 2008 whilst property prices started to fall around July. The situation worsened in late 2008, with both residential property prices and transactions tumbling in October and November, and eventually easing off towards the end of the year. According to the Private Domestic Price Index on overall housing published by the Rating and Valuation Department, residential property prices in December 2008 were on average down by 11.4% compared to a year ago, or by 17.5% compared to the peak recorded in June 2008 [Figures 2 and 3].

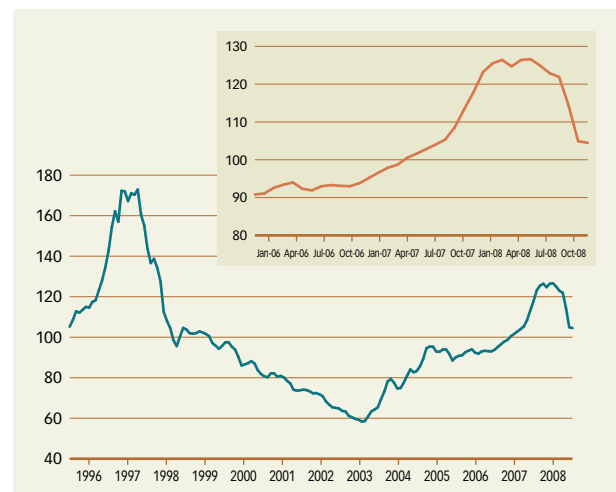
Based on the figures released by the Land Registry, the total volume and value of residential property transactions in 2008 plummeted substantially by 22.4% and 20.8% to about 95,900 cases and HK\$344 billion respectively, compared with a year ago.

**FIGURE 1**  
**Best Lending Rates and Mortgage Rates**



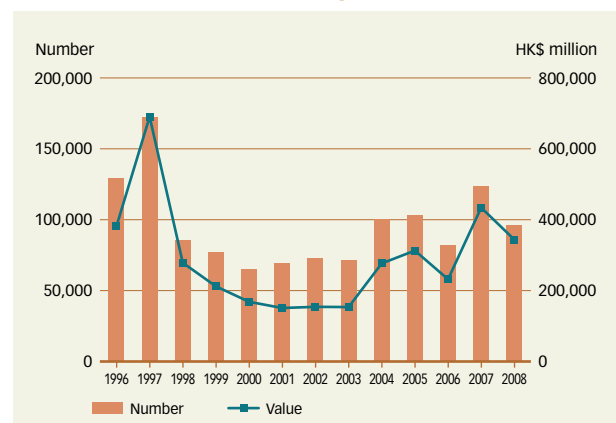
Sources: HKMA and HKMC

**FIGURE 2**  
**Private Domestic Price Index (1999=100)**



Source: Rating and Valuation Department

**FIGURE 3**  
**Agreements of Sale and Purchase of Residential Building Units**



Source: The Land Registry

### Mortgage Market

The global financial turmoil has a strong contagion effect on the residential mortgage market in 2008. In view of the deteriorating financial market conditions, local banks became extremely cautious about the potential credit risk associated with the double impact of declining property values and rising borrowers' default. As a result, banks have notably tightened the pricing for the newly made mortgage loans in the fourth quarter of 2008. According to the HKMA's Monthly Residential Mortgage Survey, the proportion of newly approved mortgage loans priced at more than 2.5% below the BLR plunged from some 90% in the first quarter to 15% and 3.3% in November and December 2008 respectively. Banks are also increasing its product diversification by offering HIBOR-linked and Composite Rate-based mortgage loans to potential mortgage-borrowers [Figure 4].

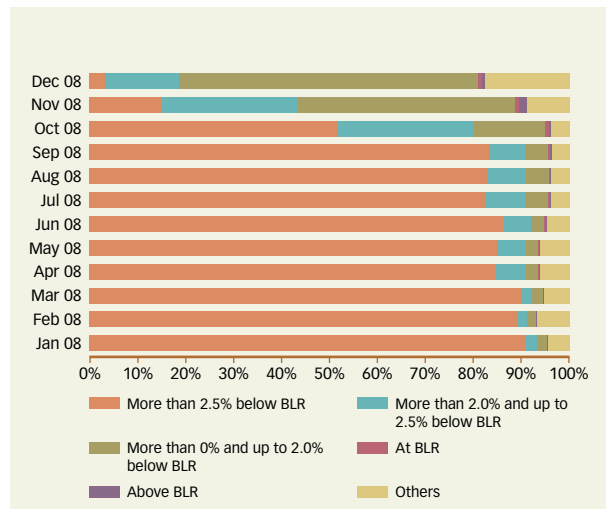
In line with the abrupt shrinkage in property market activities, the growth in mortgage loan origination volume also slowed down significantly. Based on the HKMA Survey, the value of mortgage loan origination in the fourth quarter of 2008 dropped substantially by 57% compared to the first quarter of the year. Nonetheless, the total outstanding value of residential mortgage loans registered an increase to HK\$650 billion at the end of 2008, a moderate growth of 4.4% year on year, largely due to receding prepayment activities [Figure 5].

Despite the volatile market conditions, the asset quality with respect to the residential mortgage loans of the banking sector remained very good in 2008, owing to the prudent underwriting standards adopted in the market. The HKMA Survey showed that the delinquency ratio of mortgage loans overdue for more than 90 days remained stable at a record-low level of 0.05% in the second half of the year, while the combined ratio, which takes account of both delinquent and rescheduled loans, hovered around 0.19% over the same period [Figure 6].

### Banking Sector Exposure

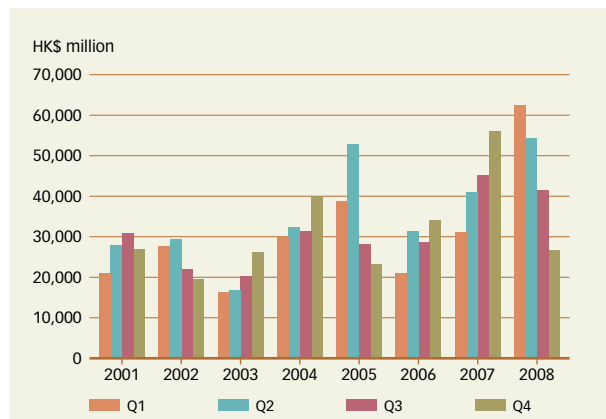
For the banking sector as a whole, mortgage loans for private residential properties amounted to HK\$593 billion at the end of 2008, accounting for 23.5% of the total loans for use in Hong Kong. Adding the loans for property development and investment, property-related loans totaling HK\$1,269 billion on top of this, the combined figure represented 50.3% of the total loan book of the banks. Such a high exposure to

**FIGURE 4**  
Pricing of New Residential Mortgage Loans Approved



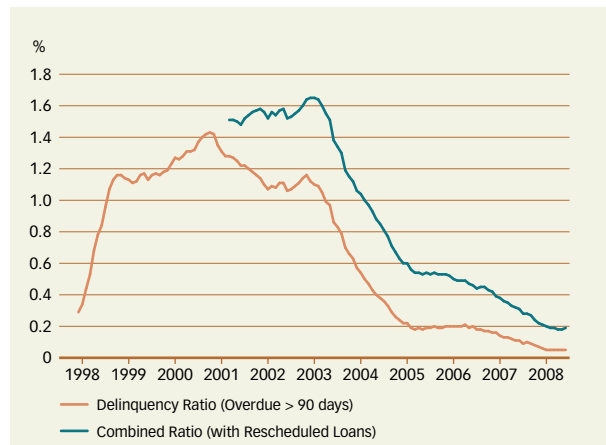
BLR: Best Lending Rate  
Source: HKMA

**FIGURE 5**  
New Residential Mortgage Loans Made



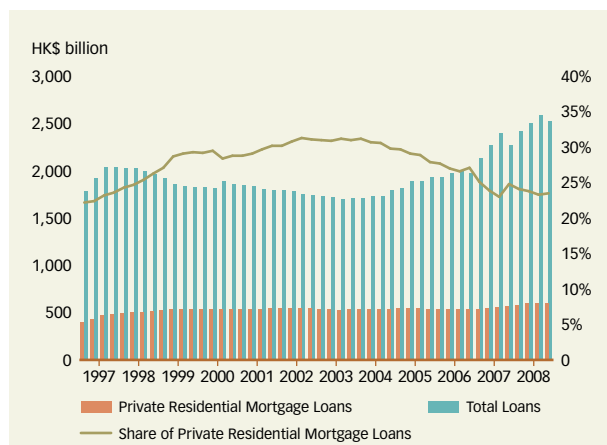
Source: HKMA

**FIGURE 6**  
Delinquency Ratio of Residential Mortgage Loans



Source: HKMA

**FIGURE 7**  
**Total Loans and Private Residential Mortgage Loans of All Authorized Institutions**



Source: HKMA

property-related lending indicated that a sharp downturn in the property market could have an adverse impact on the overall stability of the banking system. Nonetheless, given banks in Hong Kong in general have an adequate capital base, the downside effects of a property downturn are not deemed significant [Figure 7].

### Strategic Positioning

At the instruction of the Board of Directors, the Corporation commissioned a consultancy firm in late 2006 to conduct a strategic review of the Corporation's businesses with the aim of assisting the Corporation in developing a long-term vision and business direction for the future. The consultancy firm concluded that there is an ongoing need for the HKMC to be a liquidity provider to the banking system to contribute to banking and financial stability. The Corporation will have a critical role to perform – in adverse circumstances rather than in "fair weather". This observation turned out to be well fulfilled in year 2008.

The Board accepted the assessment that without substantial asset acquisition by the Corporation, there would be little room for the Corporation to remain a viable entity and continue to provide liquidity to banks when needed and to promote home ownership and debt market development. The Corporation needed to expand its business horizon in light of changes in market conditions. After the Board's endorsement of the consultant's recommendations on the strategic positioning and future development of the Corporation's businesses, the Corporation embarked on the course of broadening its businesses through exploring the purchase of non-mortgage assets in Hong Kong and expanding its businesses activities in other countries. This

move has enabled the Corporation to be financially more robust with a more viable scale of operations.

### Asset Acquisition

The Corporation acquired a total of HK\$13.8 billion of mortgage and non-mortgage assets from local financial institutions in 2008. As the global financial crisis swiftly set in the local financial sector in the second half of 2008, the Corporation performed the important role as a liquidity provider to the local banking sector by providing an essential avenue for our Approved Sellers to satisfy their needs for liquidity and balance sheet management. In December 2008, the Revolving Credit Facility granted by the Exchange Fund to the Corporation was increased from HK\$10 billion to HK\$30 billion. This enhancement has further strengthened the ability of the Corporation to perform its on-going role of maintaining banking and financial stability in Hong Kong, in particular under adverse market conditions.

Following the first cross-border mortgage loan purchase transaction in 2007, the Corporation concluded further mortgage purchase transactions with leading financial institutions in Korea for an aggregate amount of HK\$12.2 billion in 2008. These overseas purchase transactions took the form of private bilateral mortgage-backed securitisation.

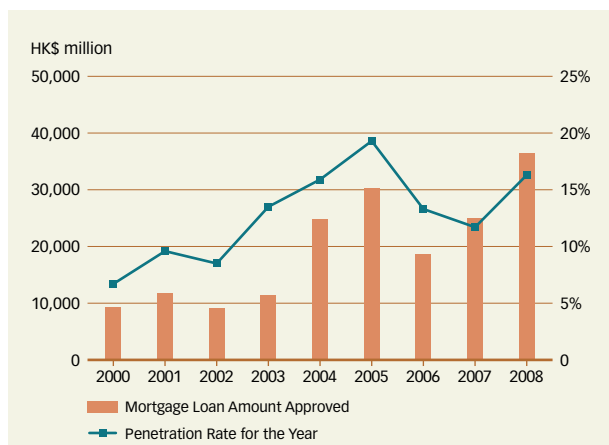
In all the total purchase for year 2008 amounted to a record high of HK\$26 billion.

### Mortgage Insurance

Over the years the MIP has repeatedly demonstrated its effectiveness in assisting potential homebuyers to overcome the hurdle of requiring a substantial down payment for the purchase of a property. From the perspective of the banking industry as a whole, the programme allows the banks to engage in higher LTV lending without incurring additional credit risk and affecting the stability of the banking system. In all, the programme creates a win-win situation for both the homebuyers and the banks.

Since its inception in March 1999, the programme has gained increasing public acceptance and now plays an instrumental role in promoting home ownership in Hong Kong. For 2008 as a whole, the Corporation received a total of 21,477 applications with an aggregate mortgage loan amount of HK\$50 billion. The volume of loans drawn down in 2008 amounted to a record high of HK\$20.4 billion and the market penetration rate increased from 12% for 2007 to 16% in 2008. It is also notable that 93% of MIP loans received is for secondary market properties. The figure goes

**FIGURE 8**  
**Mortgage Loan Amount Approved and Penetration Rate\* of MIP**



Sources: HKMA and HKMC

\* Penetration Rate =  $\frac{\text{Mortgage Loan Amount approved under MIP}}{\text{Total Mortgage Loan Amount approved in the market based on HKMA's Monthly Residential Mortgage Survey}}$

to demonstrate that mortgage insurance provides good assistance to potential buyers of properties in the secondary market [Figure 8].

### Enhancement Scheme

In late 2008, a gap emerged in the local mortgage market as some banks were unwilling to lend above a LTV ratio of 60% for some homebuyers. In response to the market demand for the availability of high LTV mortgage financing, the Corporation launched an enhancement of the MIP in December 2008 to specifically cater for that financing gap.

Under this enhancement, mortgage insurance is offered at above the LTV ratio of 60%, subject to a maximum LTV ratio of 90% and a maximum loan amount of HK\$8 million. It provides banks with a greater degree of flexibility in conducting their mortgage business and thereby helps to lessen the impact of a credit crunch in the mortgage financing to potential homebuyers.

### Training and Marketing

The Corporation has always kept participating banks closely informed of all new developments under the MIP and sought their feedback prior to launch. We have also proactively invited banks and other market players such as estate agents and referral companies to send their staff to attend seminars organised by the Corporation. These seminars serve the purpose of providing thorough training on product features and eligibility criteria so that the attendees are sufficiently equipped to expound the details of various MIP products to their customers.

## Regional and China Development

Since its inception in 1997, the Corporation has established a strong rapport with central banks, regulatory authorities and various mortgage corporations in the Asian region, in particular China. These fruitful interactions have given rise to potential business opportunities between the Corporation and various renowned Asian financial institutions, including research projects on analysis of financial and mortgage markets, regulatory framework, risk management tools and practices in the respective overseas markets, culminating in the eventual establishment of business partnerships.

The successful completion of a consultancy project by the HKMC for the China Development Bank in 2007 on the development of the housing finance market in Mainland China has significantly raised the profile of the Corporation in China. Since then, we have conducted further research studies on business potential and opportunities in the Mainland market. In the latter half of the year, the Corporation has taken active steps to explore the viability of establishing a joint venture company with reputable partner institution(s) in the Mainland. A business joint venture is expected to materialise in 2009, and this will form a good platform for the Corporation to build up its presence in the Mainland.

## Overseas Joint Venture Cooperation

The incorporation of the joint venture company with Cagamas Berhad ("Cagamas"), named as "Cagamas HKMC Berhad" ("JV"), was completed in April 2008. The JV launched a Mortgage Guarantee Programme ("MGP") in July 2008 to provide guarantee coverage to banks in Malaysia for both conventional and Shariah-compliant mortgage loans. The Launch Ceremony in July 2008 was well received by the Malaysian banking sector and signified the commencement of a strategic collaboration between the two government-owned mortgage corporations in the Asian region. Going forward, the JV is expected to provide a robust platform for the development of potential business opportunities in other Islamic countries.

## Funding

Amid the ongoing global credit crunch in 2008, the local and global capital markets were seriously distorted and almost frozen since the bankruptcy of Lehman Brothers in September 2008. The stressed market conditions began to ease somewhat after various liquidity injection

and bailout measures taken by governments worldwide. Notwithstanding the distressed market conditions, the Corporation continued with its prudent pre-funding strategy to make funding available for loan purchase and refinancing. Given the HKMC's strong government background, solid credit ratings and investors' flight-to-quality inclination, the Corporation has continued to be the most active Hong Kong Dollar corporate issuer for the eighth year. A record amount of HK\$24.4 billion of debts were raised in 2008, an increase of 49% compared with 2007. At the end of 2008, the Corporation had a total outstanding debt amounting to HK\$42.8 billion.

The HKMC is committed to developing the local debt market through regular debt issuance as well as introduction of new debt products. As one of Hong Kong's most active bond issuers, the HKMC will continue to issue debts in both local institutional and retail markets, and diversify its funding sources and investor base to overseas institutional markets as well. This will not only help to broaden the Corporation's funding base, but also provide institutional and retail investors with high quality debt instruments to satisfy their need for portfolio diversification and yield enhancement.

The Corporation has three debt issuance programmes which allow the issuance of debt securities in an efficient and effective manner. With the HKMC's strong credit ratings, its debt issues are well received by the investing community such as pension funds, insurance companies, investment funds, charity and government-related funds as well as retail investors. The Corporation adopts pro-active communication to update investors regularly in the local and regional markets such as Mainland China, Japan and Singapore.

### Debt Issuance Programme

The Debt Issuance Programme ("DIP") is the HKMC's major platform for raising Hong Kong dollar funds. The DIP was established in July 1998, targeting institutional investors in the Hong Kong dollar debt market. It was set up with an initial programme size of HK\$20 billion which was subsequently increased to HK\$40 billion in 2003. The DIP provides a flexible and efficient platform for the Corporation to issue debts and transferable loan certificates with tenor up to 15 years. Apart from plain vanilla debts, the HKMC also issued high quality structured products to meet investor demand. A total of 6 Primary Dealers and 15 Selling Group Members appointed under the DIP provided wide distribution channel for both public and private debt issues.

During 2008, the Corporation drew down altogether 86 DIP debt issues for a total amount of HK\$19.2 billion. At the end of 2008, the total outstanding amount of DIP debt securities was HK\$35.0 billion.

### Retail Bond Issuance Programme

The Corporation is committed to promote the local retail bond market along with the objective of broadening the HKMC's investor base outside its already strong institutional investor community. In November 2001, the Corporation successfully pioneered a new offering mechanism for the retail bond market in Hong Kong. To further spur the solid development of the retail bond market, the Corporation established a HK\$20 Billion Retail Bond Issuance Programme and made a debut issue in June 2004. Under this programme, banks acting as Placing Banks use their retail branch networks, telephone and electronic banking facilities to place debt securities issued by the Corporation to retail investors. To ensure the liquidity of such retail bonds, the Placing Banks have committed to making firm bid prices for the bonds in the secondary market. Over the years, the HKMC's retail bonds have gained widespread recognition as a safe and simple investment choice with reasonably attractive returns, giving retail investors an opportunity to invest in high-grade debt securities issued by a wholly-owned Hong Kong SAR Government corporation. The Corporation is committed to launch retail bond issue regularly to provide additional investment tool for the general public in Hong Kong.

The retail bond issue launched by the Corporation in 2008 attracted participation from 17 Placing Banks. The Placing Banks together constituted a network of as many as 880 branches to accept retail investors' applications. An aggregate amount of HK\$543 million was raised in this issue which brought the total amount of HKMC's retail bond issuance to HK\$13.7 billion since 2001. At the end of 2008, the total outstanding amount of retail bonds issued by the Corporation stood at HK\$3.1 billion.

### Medium Term Note Programme

The Corporation established the multi-currency US\$3 Billion Medium Term Note Programme ("MTN") in June 2007 to raise funds in the international market and to broaden its investor base and funding sources. The MTN helps to set a quasi-sovereign benchmark for Hong Kong to further promote the development of the regional bond market. The multi-currency feature of the programme enables the Corporation to issue notes in major currencies including the Hong Kong dollar, US



dollar, euro and yen to meet the demands of both domestic and overseas investors. All foreign currency denominated MTN debts are fully hedged into either US dollar or Hong Kong dollar. The programme also incorporates flexible product features and offering mechanisms that allow public issues as well as private placements, which will increase its appeal to investors with different investment horizons and requirements. An extensive dealer group comprising 10 major international and regional financial institutions has been appointed to support future MTN issuance and provide secondary market liquidity.

The HKMC launched its debut foreign currency debts under the MTN in early 2008. With the global credit crunch that increases investors' demand for high-quality regional investments, the HKMC's MTN issues are popular among regional government entities, pension funds, insurance companies and investment funds due to the Corporation's top credit rating and strong financial performance. During 2008, the Corporation launched 13 MTN debt issues totaling HK\$4.7 billion equivalent, including US dollar, Singapore dollar and Japanese yen.

### Revolving Credit Facility provided by the Exchange Fund

Amidst the onslaught of Asian Financial Crisis, the Exchange Fund through the Hong Kong Monetary Authority extended a HK\$10 billion Revolving Credit Facility to the Corporation in January 1998. The facility is designed to enable the HKMC's smooth operation under exceptional circumstances so that the Corporation can better fulfill its mandate of promoting banking and financial stability of Hong Kong. Whilst the Corporation obtains long-term funding from the local and international debt markets to fund its operation, the facility stands as a liquidity fallback for the HKMC. In light of the global financial crisis in 2008, the facility size was subsequently increased to HK\$30 billion in December 2008, which demonstrated the Government's recognition of the importance of and further support to the HKMC.

At the end of 2008, the Corporation had drawn HK\$8 billion under the Revolving Credit Facility to partially fund the acquisition of Hong Kong residential mortgage assets from local banks amid the distorted debt capital market.

### Credit Ratings

The Corporation's ability to attract investors to invest in our debt securities is underpinned by strong credit ratings accorded by Moody's and S&P.

On 31 July 2008, S&P upgraded the HKMC's long-term local and foreign currency ratings from "AA" to "AA+" with stable outlook, following its upgrade of Hong Kong SAR Government.

### Credit Rating of the HKMC

|                  | Moody's    |           | Standard & Poor's |           |
|------------------|------------|-----------|-------------------|-----------|
|                  | Short-term | Long-term | Short-term        | Long-term |
| Local Currency   | P-1        | Aaa       | A-1+              | AA+       |
| Foreign Currency | P-1        | Aa1*      | A-1+              | AA+       |

\* Long-term foreign currency debt rating assigned by Moody's is "Aaa".

The credit rating agencies have made very positive comments on the credit standing of the HKMC. The following comments are extracts from their credit rating reports after the annual surveillance conducted by Moody's and S&P in May 2008 and rating affirmation report by S&P in December 2008:

#### Moody's

"There is a strong intrinsic economic relationship between HKMC and the HKSAR Government, given the company's status as an important mortgage product provider and the importance of land and property in the Hong Kong economy and Government budget."

"HKMC's asset-liability management is well developed within the constraints of the local markets in terms of the availability of tools and long-term funding. Its ability to assess and manage risk has resulted in risk levels well within its own guidelines and, in some cases, superior to some of its larger international peers."

"Over the years, HKMC has demonstrated a strong ability to secure funding, even when liquidity in the system had shrunk during unexpected circumstances thanks to special exemptions or privileges for its securities and its strong fundamentals."

"HKMC has adopted a Corporate Governance Code that is benchmarked against the Code on Corporate Governance Practices issued by The Stock Exchange of Hong Kong Ltd for listed companies and the Hong Kong Insurance Authority's corporate governance guidelines. This ensures its staff adheres to best practices in corporate governance. Moody's is confident that HKMC will continue to function according to the highest possible international standards."

## S&P

"The rating affirmation reflects S&P's acknowledgement of the increasingly explicit direct and indirect governmental support available to HKMC and the company's sound creditworthiness on a standalone basis."

"The ratings reflect HKMC's prudent credit risk management, solid capital base, and strong financial flexibility."

"HKMC's liquidity position is adequately managed... The Corporation maintains a reasonably high level of liquid assets in the form of marketable debt securities, cash and bank deposits, which provides a liquidity fallback."

"Outlook: The stable outlook on the HKMC reflects the stable outlook on both the HKSAR government and HKMC on a standalone basis. We expect HKMC's credit profile to continue to benefit from the government's support on top of its sound standalone financial profile."

## Mortgage-backed Securitisation

The Corporation has established two mortgage-backed securitisation programmes for issuance of MBS in an efficient and effective manner. These two programmes, the Guaranteed Mortgage-Backed Pass-Through Securitisation Programme and the Bauhinia Mortgage-Backed Securitisation Programme, were the first-ever securitisation programmes set up in the Hong Kong debt market.

MBS are powerful financial instruments that can channel long-term funding from the debt market to supplement the need for the long-term financing generated by mortgage loans. Banks and financial institutions can make use of MBS to manage risks inherent in mortgage loans such as credit, liquidity, interest rate and asset liability maturity mismatch. A deep and liquid MBS market can help to enhance the development of an efficient secondary mortgage market and further promote Hong Kong as an international financial centre.

The Corporation made no MBS issuance in 2008 due to a fall in investor demand and unfavourable market conditions following the global financial crisis.

## Guaranteed Mortgage-backed Pass-through Securitisation Programme

This first MBS securitisation programme of the HKMC was established in October 1999 and targeted banks that did not just want to offload mortgage loans but also wished to enjoy the benefits of holding MBS guaranteed by the HKMC.

The back-to-back structure under this programme allows the HKMC to acquire mortgage loans from a bank and then sell the mortgage loans directly to a bankruptcy remote special purpose entity ("SPE"). The SPE in turn issues MBS to the bank as investor of the security. Through this back-to-back exercise, the bank can convert illiquid mortgage loans into liquid MBS. Furthermore, as far as capital adequacy requirement is concerned, the MBS guaranteed by the HKMC are assigned a 20% risk asset weighting under the Banking (Capital) Rules as opposed to 35%-100% for mortgage loans, thereby allowing the banks to utilise their capital more efficiently. Since the inception of the programme, four series of MBS for a total amount of HK\$2.8 billion have been issued.

## Bauhinia Mortgage-backed Securitisation Programme

The Bauhinia Mortgage-Backed Securitisation Programme established in December 2001 is a US\$3 billion multi-currency mortgage-backed securitisation programme. The programme provides a convenient, flexible and cost-efficient platform to the HKMC for the issuance of MBS with various product structures, credit enhancement and distribution methods. MBS issued under the Bauhinia Mortgage-Backed Securitisation Programme have the trading and settlement characteristics of a eurobond. Trading of the MBS in the secondary market is therefore made more convenient and efficient.

Since the inception of the Bauhinia Mortgage-Backed Securitisation Programme, the Corporation has successfully securitised HK\$10.4 billion of mortgage loans through five public issues and one private placement issue. The debut Bauhinia MBS issue with a size of HK\$2 billion was done in March 2002. The second issue of HK\$3 billion done in November 2003 was the largest ever Hong Kong dollar denominated residential MBS. The third public issue of HK\$2 billion, split into two portions for institutional and retail investors respectively, was done in November 2004. This was the first time in the whole of Asia that retail investors were given the opportunity to invest in MBS. The fourth MBS issue of HK\$1 billion was done in November 2005. The fifth public issue of HK\$2 billion, split into three senior tranches rated "Aaa/AAA" and one subordinated tranche rated "Aaa/AA", was done in November 2006. This was the first-ever partially guaranteed MBS under the Bauhinia Programme.



## Risk Management

Prudent risk management is a fundamental cornerstone of the HKMC's operations. It is a crucial factor in sustaining the continuous growth in corporate earnings and profits. Over the years, the Corporation has made continuous refinements and has managed to establish a robust and time-tested risk management framework. The five major risk areas facing the HKMC comprise credit risk, market risk, operational risk, legal risk and leveraging risk.

### (a) Credit Risk

Credit risk is the primary risk exposure for the Corporation. It represents the risk of default of loan borrowers or counterparties which could lead to potential losses for the Corporation.

#### (i) Default risk

To address default risk effectively, the Corporation adheres to a four-pronged approach to maintain the quality of its asset and MIP portfolios:

- Careful selection of Approved Sellers/Servicers/Reinsurers
- Prudent asset purchasing criteria and insurance eligibility criteria
- Effective due diligence review process
- Adequate protection for higher-risk mortgages or transactions

Losses can be incurred due to the shortfall in the recovery amount for defaulted loans under the Mortgage Purchase Programme ("MPP"). To mitigate against such default risk, the Corporation has adopted a set of prudent loan purchasing criteria and conducts effective due diligence review as part and parcel of the loan purchase process in order to uphold the credit quality of loans purchased. In addition, depending on the projected risk exposure of the underlying loan portfolio, credit enhancement arrangements such as reserve fund for absorbing credit losses will be agreed with the seller on a deal-by-deal basis so as to reduce the potential credit losses arising from borrower's default.

Similarly, losses can also arise from defaulted loans under the insurance coverage of the MIP. Each MIP

application is underwritten by the Corporation in accordance with a set of prudent eligibility criteria and each claim from a participating bank will be audited by the Corporation to ensure the fulfilment of all MIP coverage conditions and to detect any fraud elements. As a result, the default risk for MIP loans is greatly reduced. To mitigate against possible concentration of such default risk, the HKMC transfers a portion of the risk-in-force to Approved Reinsurers by way of a re-insurance risk-sharing arrangement.

#### (ii) Seller/Servicer counterparty risk

Counterparty risk can arise when there is a failure by the Seller/Servicer of an acquired portfolio to remit scheduled payments to the Corporation in a timely and accurate manner. The HKMC adopts a counterparty risk limit framework that limits the aggregate amount of assets that the Corporation can purchase from the Approved Sellers and there are also individual limits on the maximum amount of assets that the Corporation can purchase individually from each of the counterparties. The limit framework acts as a good device for managing the counterparty exposure on the basis of risk profile of each Seller/Servicer and to avoid concentration of acquisition from a few sellers only.

#### (iii) Reinsurer counterparty risk

Reinsurer counterparty risk relates to the failure of an Approved Reinsurer to make claims payment to the Corporation. The HKMC has established a framework for evaluation of a mortgage reinsurer in respect of its financial strength, credit ratings and relevant experience in mortgage insurance, and for mitigation of counterparty risk.

#### (iv) Treasury counterparty risk

Potential losses could be incurred as a result of a delay or failure in payments by a treasury counterparty in respect of the underlying treasury instruments. The Corporation adopts a prudent Treasury Counterparty Limit Framework, under which each potential treasury counterparty is assessed on the basis of its credit ratings, financial strength, capability in treasury products etc. Based on the evaluation results, a treasury counterparty limit will be assigned to specific types of treasury instruments exposure.

#### (v) Control mechanism

Portfolio performance and analysis reports are compiled on a regular basis to provide Management with up-to-date information on critical credit risk indicators such as loan delinquency ratios, equity positions and cumulative credit losses, so as to enable timely review and swift response to changes in the operating environment. Stress tests on the retained portfolio and mortgage insurance portfolio are conducted to analyse the Corporation's financial capability to weather extreme scenarios.

The counterparty limits of all Sellers and Servicers are subject to regular review whereby their financial strength, management capabilities, loan servicing quality and transaction experiences are taken into consideration for renewal and/or adjustment in limit. The limit for each treasury counterparty is reviewed and adjusted on a regular basis based on the financial strength of the counterparty and the capital base of the Corporation. To date, the Corporation has not experienced any loss on a treasury transaction due to credit default by a counterparty. In view of the challenging credit market conditions, the Corporation is in the progress of implementing collateral arrangements with its treasury counterparties by requiring collateral on interest rate and foreign currency derivative contracts in net gain positions based upon the counterparties' credit ratings.

The Corporation also performs annual review of Approved Reinsurers' financial strength, business proposal, reinsurance arrangement and management capability. The result of the review is used for determining the on-going business allocation and risk-sharing portion.

At the heart of the Corporation's credit risk management framework are two committees, Credit Committee and Transaction Approval Committee.

#### Credit Committee

The setting of the Corporation's overall credit policies and eligibility criteria, in particular for asset acquisition and mortgage insurance, is the responsibility of the Credit Committee. The Committee operates under the credit policies approved by the Board. The Committee is the approval authority for accepting applications to become Approved Sellers/Servicers under the MPP and Approved

Reinsurers under the MIP. It is also vested with the authority for the setting of risk exposure limits for the counterparties. In response to significant changes in business and operating environment, credit policies will be immediately subject to ad hoc review and timely changes will be presented to the Credit Committee for approval.

#### Transaction Approval Committee

The Transaction Approval Committee is the forum for in-depth analyses of pricing economics and associated credit risk for business transactions, taking into consideration the latest market conditions and business strategies approved by the Board. Major transactions approved by the Committee are subject to endorsement by an Executive Director.

Both committees are chaired by the CEO and its members include Senior Vice President (Operations), Senior Vice President (Finance), General Counsel and relevant senior staff of the Operations Division and the Finance Division.

#### (b) Market Risk

Market risk consists of interest rate risk, asset-liability maturity mismatch risk, liquidity risk and currency risk.

##### (i) Interest rate risk

Net interest income is the predominant source of the Corporation's earnings. It represents the excess of interest income (from the HKMC's loan portfolio, cash and debt investments) over interest expenses (from debt issuance and other borrowings). Interest rate risk arises when changes in market interest rates affect the interest income or interest expenses associated with the assets and liabilities respectively.

The primary objective of interest rate management is therefore to limit the potential adverse effects arising from interest rate movements on interest income/expenses and, at the same time, achieve a stable growth in earnings. The interest rate risks faced by the Corporation are two-fold – interest rate mismatch risk and basis risk. Interest rate mismatch risk is the most substantial risk affecting the HKMC's net interest income. It arises mainly as a result of the differences in the timing of interest rate re-pricing for the Corporation's interest-earning assets and interest-bearing liabilities. Interest rate mismatch risk is most evident in the loan portfolio where the majority of the loans earn floating interest rate (benchmarked against

the Prime rate, the Hong Kong Interbank Offered Rate (“HIBOR”) or Composite Interest Rate) whilst the majority of HKMC’s liabilities are fixed-rate debt securities. The Corporation therefore makes prudent use of a range of financial instruments such as interest rate swaps, interest rate swaptions, basis swaps, forward rate agreements and the issuance of MBS to manage the interest rate mismatch risk. The proceeds of the fixed-rate debt securities are generally swapped into HIBOR-based funds via interest rate swaps. Through the use of such swaps, interest expenses arising from the issuance of debt securities will be changed from a fixed-rate basis to a floating-rate basis in order to better match the floating-rate income from the mortgage assets.

The Corporation also uses the duration gap as an indicator to monitor, measure and manage interest rate mismatch risk. Duration gap measures the difference in interest rate re-pricing intervals between assets and liabilities. The wider the duration gap, the higher is the interest rate mismatch risk, and vice versa. A positive duration gap means that the duration of assets is longer than that of the liabilities and represents a greater risk exposure to rising interest rates. On the other hand, a negative duration gap indicates a greater risk exposure to declining interest rates. Depending on the prevailing interest rate outlook and market conditions, the Corporation proactively re-balances the duration gap of its asset-liability portfolio under the guidance and supervision of the Asset and Liability Committee (“ALCO”). A cap of three months for the duration gap has been set by ALCO to limit the interest rate mismatch risk. In 2008, the average duration gap has been kept around one month, indicating that the Corporation is handling interest rate mismatch risk in a very prudent manner.

Basis risk represents the difference in basis of the Corporation’s interest-earning assets that are Prime-based and interest-bearing liabilities that are HIBOR-based. There are limited financial instruments currently available in the market to hedge the Prime-HIBOR basis risk fully. In general, basis risk can only be effectively addressed when mortgage assets and non-mortgage assets are based on HIBOR to match the funding base or when related risk management instruments become more prevalent or economical. Over the past few years, the Corporation has consciously adopted the strategy of acquiring more HIBOR-based assets and

as at the end of 2008, about 60% of the Corporation’s mortgage assets and non-mortgage assets are HIBOR-based loans. As a result, the Prime-HIBOR basis risk for the Corporation has been substantially reduced. In addition, the issuance of Prime-based MBS and the use of hedging derivatives have also been deployed to mitigate the basis risk of the Prime-based portion of the Corporation’s loan portfolio.

#### (ii) Asset-liability maturity mismatch risk

While the contractual maturity of a mortgage loan can go up to 30 years, the average life of a portfolio of mortgage loans is in reality much shorter. The average life will depend on the speed of scheduled mortgage repayments and unscheduled prepayments. Higher prepayment rates will shorten the average life of a portfolio of mortgage loans. In Hong Kong, prepayment occurs for two main reasons: (i) housing turnover-borrowers repaying their mortgages upon the sale of the underlying property; and (ii) refinancing-borrowers refinancing their mortgage loans to obtain lower mortgage rates.

Asset-liability maturity mismatch risk can be more specifically characterised as reinvestment risk and refinancing risk. Reinvestment risk refers to the risk of a lower return from the reinvestment of proceeds received by the HKMC from prepayments and repayments of its loan portfolio. Refinancing risk is the risk of refinancing liabilities at a higher level of interest rate or credit spread. The Corporation will be exposed to refinancing risk (in both funding amount and cost of funds) when it uses short-term liabilities to finance long-term floating-rate loan portfolio.

Reinvestment risk is managed through the on-going efforts to purchase new loans to replenish the rundown in the retained portfolio and the investment of surplus cash in debt securities or cash deposits to fine-tune the average life of the overall pool of assets.

Refinancing risk is managed through the issuance of callable bonds and transferable loan certificates. The call option included in callable bonds and transferable loan certificates will allow the Corporation to adjust the average life of its liabilities to match more closely that of the overall pool of assets. In this regard, the Corporation has the flexibility of issuing debt securities on a broad spectrum of maturities ranging from 1 month to 15

years. This will again serve to adjust the average life of the overall liability portfolio in a dynamic fashion. In addition, refinancing risk can be mitigated by adjusting the maturities of assets in the investment portfolio and off-loading mortgage assets through securitisation of mortgage loans as MBS.

Asset-liability maturity gap ratio (ratio of average life of total assets to average life of total liabilities) is used to monitor and manage the maturity mismatch risk, with a target ratio set by ALCO to ensure a proper balance in the average life of the Corporation's assets and liabilities.

### (iii) Liquidity risk

Liquidity risk represents the risk of the Corporation not being able to repay its obligations such as redemption of maturing debt or to fund the committed purchases of loan portfolio. Liquidity risk is managed through monitoring daily the inflow and outflow of funds and projecting longer-term inflows and outflows of funds across a full maturity spectrum. The HKMC measures its liquidity risk with a target liquid asset ratio (ratio of liquid asset to total assets) set by ALCO to monitor and manage the liquidity situation of the Corporation. The HKMC has successfully established well-diversified funding sources to ensure that all foreseeable funding commitments can be met when due, to support the growth of its business and the maintenance of a well-balanced portfolio of liabilities. The diversification allows the Corporation to pursue a strategy of funding business activities at the lowest possible cost and the most favourable terms whilst at the same time offering safeguards against the inability to raise funds in distorted market conditions. The funding sources currently comprise:

- Shareholders' Capital: authorised capital of HK\$3 billion, of which HK\$2 billion is fully paid up. Accumulated shareholders' funds amounted to HK\$5.8 billion as at 31 December 2008.
- HK\$40 Billion Debt Issuance Programme: there are 6 Primary Dealers and 15 Selling Group Members which will underwrite and distribute debts to institutional investors under the DIP. The Transferable Loan Certificate Sub-Programme under the DIP provides a further diversification of funding sources and broadening of investor base.

- HK\$20 Billion Retail Bond Issuance Programme: this debt issuance programme has 19 Placing Banks which will assist in offering retail bonds to investors.
- US\$3 Billion Medium Term Note Programme: there are 10 Dealers which will underwrite and distribute local and foreign currency debts to the international institutional investors under the MTN.
- US\$3 Billion Bauhinia Mortgage-Backed Securitisation Programme: with a total of 8 Dealers, this multi-currency mortgage-backed securitisation programme permits the HKMC to originate MBS in the local and international markets.
- Cash and Debt Investment Portfolio: the Portfolio mainly comprises cash and bank deposits, commercial papers, high-quality certificates of deposit and notes that can be readily converted into cash.
- HK\$30 Billion Revolving Credit Facility: the Exchange Fund commits to provide the Corporation with HK\$30 billion in revolving credit.
- Money Market Lines: the Corporation has procured money market lines from a large number of local and international banks for short-term financing.

With strong government background and solid credit ratings, the Corporation enjoys funding advantage in the debt market with both institutional and retail funding base. This is supplemented by the HKMC's portfolios of highly liquid investments which are held to enable the Corporation to respond quickly and smoothly to unforeseen liquidity requirements. The HK\$30 Billion Revolving Credit Facility from the Exchange Fund further provides the Corporation a liquidity fallback even when the exceptional market strains last for a prolonged period of time.

The Corporation adapts its liquidity risk management framework in response to changes in the market conditions. The HKMC has continuously monitored the impact of recent market events on the Corporation's liquidity positions and has pursued prudent pre-funding strategy, so that the effect of market turmoil on liquidity to the HKMC has been well contained.

**(iv) Currency risk**

Currency risk represents the impact of fluctuations in foreign exchange rates on the Corporation's financial position and cash flows denominated in foreign currency. The HKMC manages its currency risk in strict accordance with the investment guidelines approved by the Board of Directors and under the supervision of ALCO which sets daily monitoring limits on currency exposure. So far, the Corporation has primarily limited its net foreign currency exposure to US dollar only.

The HKMC does not speculate in foreign currencies and all foreign currency exposure in the asset-liability portfolio must be fully hedged into either Hong Kong dollar or US dollar. In accordance with this prudent risk management principle, the foreign currency denominated debts issued under the Medium Term Note Programme and the asset purchase of residential mortgage loans in Korea were fully hedged through cross-currency swaps.

**(v) Control mechanism**

ALCO is established with the CEO as Chairman, and Senior Vice President (Finance), Senior Vice President (Operations), and senior staff of Treasury, Financial Control, Marketing and Business Development, Credit Approval and Risk Management and Pricing and Structuring Departments as members. ALCO performs the important task of managing the Corporation's asset-liability portfolio based on prudent risk management principles. Strategies on interest rate risk management, financing, hedging, investments are formulated by the Committee. Regular meetings are held to review the latest conditions in the financial markets and the asset-liability portfolio mix.

ALCO oversees the implementation of risk management and investment guidelines approved by the Board of Directors. Transaction execution is segregated through front, middle and back offices to ensure adequate checks and balances. The Treasury Department, acting as the front office, is responsible for monitoring financial market movements and executing transactions in the cash, derivatives, debt and securitisation markets in accordance with the strategies laid down by ALCO. The Financial Control Department assumes the middle office role and monitors the compliance of counterparty and

transactions risk limits. The Operations Department, acting as the back office, is responsible for deal verification, confirmation, settlement and payment process.

**(c) Operational Risk**

Operational risk represents the risk of losses arising from inadequacies or failure of internal processes, systems, people or external interruptions.

The Corporation adopts a bottom-up approach in the identification of operational risk by performing in-depth analysis of new products, business activities, processes, system enhancements and due diligence review of new operational flows. Comprehensive validation rules, management information system reports and audit trails are put in place to track and report errors and deficiencies.

The Corporation actively manages operational risk by maintaining comprehensive systems with well-established internal controls, authentication structure and operational procedures. Operational infrastructures are in place to support launch of new products in different business areas, including asset acquisition, mortgage insurance, treasury operations, bond issuance, securitisation and overseas business. It is an established practice of the Corporation to undertake rigorous review to identify possible operational risks and to ensure adequate segregation of duties before the implementation of operational or system infrastructure.

To mitigate against potential human errors and to ensure the efficiency and effectiveness of our daily operations, the Corporation applies extensive technology solutions with robust business logics and controls to its operational activities and business processes. Steps have been taken to ensure the accuracy, availability and security of these systems as they are critical to business operations and risk management.

The Corporation has taken careful steps to institute adequate checks and balances in financial controls to ensure our operations are properly directed and controlled. Effective financial controls also help to minimise the financial risks and contributes to the safeguarding of assets from inappropriate use or loss, including the prevention and detection of fraud.

The Corporation has an Information Security Manual ("ISM") that documents the security standards and practices relating to information and data security for observance by all staff. All system security measures are in compliance and at least



achieve the requirements stated in the ISM. The double firewall protections, the intrusion detection systems, virus alert and quarantine system and vulnerability scanning system are among the security measures the Corporation employs to minimise exposure to external attacks. Internally, the Corporation also has a virtual Local Area Network and workstation security policies to reduce the damages in the event of a successful intrusion. The Corporation retains external consultants for testing out the intrusion vulnerability in order to enhance system security as appropriate.

To ensure that adequate compliance, the Corporation's core operating systems and processes are subject to regular audit and review by both internal and external auditors. Each year, all staff are required to sign an undertaking to comply with requirements in the ISM together with the Code of Conduct. The ISM is kept up-to-date when there is new security measure or new system. Any changes to the ISM need senior management's approval.

To ensure the business recovery procedure is practical and to facilitate continual improvement, business recovery drill is conducted by both IT and user departments every year. Daily backup and offsite storage of backup tapes are also in place to protect the HKMC from a smaller scale disaster.

#### **(d) Legal Risk**

Legal risk is the risk arising from uncertainty in the applicability or interpretation of contracts, laws or regulations, and failure to comply with legal, statutory or regulatory obligations.

In relation to the MPP, Seller/Servicer assessment and annual certification by the Seller/Servicer are reviewed in conjunction with the Legal Office to ensure that the forms of mortgage origination documents are in a form approved by the Corporation and the seller's practice in mortgage origination conform with the required standards. Legal documents for transactions are prudently reviewed by the Legal Office, and where necessary, advice will be sought from external counsel with relevant expertise and experience.

The Memorandum and Articles of Association of the Corporation set out the objects of the Corporation and other internal procedures. The Legal Office checks that the scope of business of the Corporation does not exceed the permitted objects as set out in the Memorandum of Association and that internal procedures as set out in the Articles of Association are adhered to.

For cross-border transactions, external counsel of the relevant countries are engaged to identify potential legal issues and advise the Corporation on local laws and regulations to ensure that the transactions comply with local laws. The Legal Office works closely with external counsel to ensure that legal issues are properly addressed in the transaction documents to the extent possible. On major transactions, the Corporation ensures that its own external counsel advises in the best interest of the Corporation and acts solely for the Corporation; the Corporation does not rely solely on the advice of external counsel acting for other parties.

The Legal Office maintains a monitoring system to ensure that statutory and regulatory requirements are complied with in a timely manner. The Legal Office keeps a checklist of the statutory and other legal requirements to monitor compliance with applicable laws and regulations as regards the work of the Legal Office. The Legal Office advises the Corporation on internal housekeeping matters, for example, legal requirements relating to document retention. The Legal Office also frequently advises the Directors of their statutory and non-statutory duties to help ensure that the Directors are made aware of their statutory duties.

The Corporation maintains a robust framework of corporate governance as contained in a Corporate Governance Code (the "Code") approved by the Board, which is premised on the principles of fairness, transparency, accountability and responsibility to all stakeholders. All departments are required to report annually with a "Self-Assessment Form for Compliance with the Corporate Governance Code" and identify any situation of non-compliance.

Apart from ensuring that all board and shareholders' meetings are properly convened, the Company Secretary also maintains full minutes of meetings and resolutions of the Board, Audit Committee and Shareholders. The Company Secretary ensures that all Board resolutions are properly drafted to clearly record any authority conferred by the Board of Directors.

Staff members are required to abide by the Code of Conduct to comply with legal obligations and other requirements, including those relating to conflict of interests and the obligations under the Prevention of Bribery Ordinance and Copyright Ordinance.

### (e) Leveraging Risk

To ensure the HKMC will not engage in excessive leveraging in expanding its business activities as a proportion to its capital base, the Financial Secretary of the Government of the Hong Kong Special Administrative Region ("Financial Secretary") has issued Guidelines on Capital-to-Assets Ratio ("CAR") of the HKMC. The minimum CAR stipulated in the Guidelines is 5%.

In accordance with the capital requirement laid down in the Guidelines, the maximum leverage of the HKMC is to be maintained at a healthy and low level. The Corporation currently has a capital base of HK\$5.6 billion and is required to maintain a minimum CAR of 5%.

Capital adequacy and prudent use of regulatory capital are monitored daily by Management in accordance with the Guidelines issued by the Financial Secretary. The CEO is required to submit a quarterly report to Directors by reference to the Guidelines. An early warning system alerts Management when the ratio drops below 6%. Any breach or likely breach of the Guidelines must be reported to the Financial Secretary.

### Process Management and Information Technology

A well-tested operational framework supported by robust and innovative business processes, systems automation and control are the key to ensure efficiency and effectiveness in the Corporation's daily operations. Since inception, the Corporation has continuously devoted resources and attention in developing and upgrading its business operations and application systems.

In line with the strategy of the Corporation, resources have been devoted to develop the operations and system infrastructure to support its business expansion outside Hong Kong. The Corporation has completed a feasibility study to enhance its core operation systems to support multi-currency application. The treasury system has also been upgraded to support various financial products such as USD zero coupon bonds, HKD extendable range accrual notes, USD callable range accrual notes, debt issuance and ancillary hedging under the Medium Term Note Programme, floating-rate notes and amortised cross currency swaps.

On the asset acquisition front, a new monitoring framework has been drawn up to manage mortgage assets acquired from overseas markets. To support this framework, the final phase of development of a Portfolio Information Processing System ("PIPS") was completed in June 2008. Going forward, in 2009 the Corporation will continue to devote efforts and resources to further enhance this monitoring framework to cater for deal-specific or market-specific needs.

Utilising our know-how and expertise on document imaging and paperless operations adopted for MIP operations, the Corporation has completed a feasibility study to extend such usage to streamline treasury operations in order to cope with the anticipated increase in volume and sophistication. This automation on indexing, filing and retrieval of vast amount of paper documents received from counterparts should provide a reliable platform for timely settlement and operational risk control. It also provides the added benefit of unifying the filing and retrieval process of the straight-through-processing of trade confirmations, securities settlement and payment authentication. A scalable design will be adopted for this new document imaging module to apply to other business areas where appropriate.

In light of the increasing sophistication of treasury products and corresponding risk management, the Corporation conducted a study to replace the existing treasury operation system with the latest market technology and more robust system solution. Following approved tendering and evaluation procedures, Management completed the evaluation of the new solution and finally signed an implementation contract with a software vendor. The new solution would bring in further enhancement on the timeliness of developing new treasury and hedging products, well-integrated risk management across various products, counterparts and regions, better integration and more reliable collaboration between front, middle and back offices, and more robust and responsive adaptations to meet future regulatory and reporting requirements. It is expected that the new treasury system would be launched, after adequate testing, in the 3rd quarter of 2010.

### Business Continuity Plan

The Corporation has put in place a comprehensive disaster recovery plan and business continuity plan, including the establishment of an offsite back-up and disaster recovery



centre, to ensure that its information technology systems can continue to operate even in the event of a core system failure or other unexpected major disruptions. To cater for a contingency situation that restricts staff access to the office, arrangements have also been made for certain staff members to work from home with computer access to maintain key operations of the Corporation. Such operational risk mitigation measures are tested periodically with staff participation by rotation so as to strengthen staff awareness and operational robustness.

## Corporate Social Responsibility

In recognition of the HKMC's community involvement and commitment to fulfilling corporate social responsibility in the past year, the Hong Kong Council of Social Service has awarded the HKMC the Caring Organisation 2008/09 under its Caring Company Scheme.



As a socially responsible organisation, the Corporation cares for both its staff and the community. The HKMC has underlined its commitment to corporate social responsibility by caring for its employees' well-being, staff's involvement in charity and its environmental protection measures.

## Care for Employees

### Staffing and Remuneration

As the HKMC promotes the development of the secondary mortgage market, it attracts and also trains up professionals with expertise in its key business areas of mortgage purchase, mortgage insurance and debt issuance. The HKMC provides employees with appropriate remuneration,



Caring Company Recognition Ceremony

staff benefits, development opportunities, a healthy and safe work place. The Corporation also adopts family friendly practices by offering a five-day week which has considerably improved employees' balanced life of work, and by providing comprehensive insurance on medical and dental which covers the employees and their family members.

Through system automation and process re-engineering, the Corporation maintains a lean and efficient workforce, notwithstanding the increase in the scope of purchase and the complexity of the products offered by the Corporation. The permanent establishment was 134 in 2008. For 2008, the HKMC recorded a staff turnover rate of 8.7%.

## Training and Development

The HKMC devotes considerable training resources to equip its staff with professional knowledge and skills. During the year, the HKMC arranged both in-house and external courses to improve the managerial and technical competence of the staff. In-house training sessions on credit rating and securitisation, structured communication workshops and practical Putonghua lessons were arranged. The Corporation also arranged staff to attend external courses



Credit Rating and Securitisation Training



Putonghua Lesson

covering mortgage-related issues, credit management, risk management, finance and accounting, corporate governance, information technology and management skills. In addition, new staff attended an induction programme which gave them an overview of the Corporation's operations as well as their own area of work.

### Health and Safety

As a caring employer, the HKMC continued to look after the health and emotional well-being of its staff. An Employee Support Programme is in place to provide confidential external counseling and consultation services to the employees and their family members. A vaccination programme for prevention of influenza and medical check-up programme at special rates were also arranged for employees.

The HKMC has further reviewed and strengthened its contingency plans to prepare for and respond to a possible outbreak of pandemic influenza including a split-team arrangement, to prevent the spread of communicable diseases among the employees and to minimise unexpected or sudden disruptions to business operations. Periodic drills were organised for staff to be conversant with the activation of the back-up facilities, the contingency plans and communication arrangements in case of emergency.

### Employee Relations and Staff Activities

The HKMC Staff Club, which is composed of members from various departments, organised a number of staff activities to cultivate better employee relationships and communication. The activities, which include bowling fun day, scenic tour and gathering, are all well received by staff. The HKMC also participated in friendly table tennis and soccer games with other public organisations for the enjoyment of staff and building team solidarity.

To further enhance effective communication within the Corporation, the Staff Homepage was regularly updated to facilitate sharing of useful information among departments. The HKMC also offered Staff Suggestion Scheme to encourage staff to suggest ways to improve the work flow or the work place.



Dress Special Day



Soccer Game



Bowling Competition



Scenic Tour to the Hong Kong Wetland Park



Voluntary Service – Wish Challenge Day

## Care for the Community

### Charity and Social Activities

The HKMC strongly encouraged staff to support various charitable and fund-raising activities. In 2008, the HKMC staff made donation for the victims of Myanmar Cyclone disaster and Sichuan earthquake. Charity donation campaigns were also organised for the Community Chest through the Dress Special Day and for education projects in Mainland China. Same as previous years, Blood Donation Day for the Hong Kong Red Cross was also held to support the community.

To fulfill our corporate social responsibility the HKMC, in partnership with some social service organisations, has organised volunteer activities with keen staff participation during the year. To show our concern for children in need and the elderly, the HKMC volunteer team gave a hand to the fund-raising event “The Wish Challenge Day” organised by Make-A-Wish Hong Kong and joined the voluntary services organised by Hong Kong Family Welfare Society to visit the home of the elderly.

To nurture talents within the community, the HKMC took on board a secondary school student under a Work Experience Programme during the year. The student had the opportunity to work in various departments under the guidance of staff assigned as mentors. In addition, a number of undergraduates were employed as summer interns, winter interns or as one-year placement student trainee. All the students were pleased with the learning opportunities offered and valuable working experiences gained with the HKMC.



Voluntary Service – Visiting the Elderly

### Environmental Protection

The HKMC continued to support and implement green office measures to make the office more environmentally friendly. Staff awareness was raised through increased use of electronic communications, recycling of waste paper and used toner cartridge. Since 2006, the Corporation has adopted new measures in setting office temperature in the interest of energy efficiency. The HKMC also encouraged its staff to make suggestions for a greener office and its suppliers to use or offer more environmentally friendly products whenever possible.

## 2009 Outlook

2008 was an exceptional year which turned out to be a good demonstration of the unique policy role played by the HKMC in helping to maintain banking and financial stability. As it seems likely that the challenging economic and market environment would continue well into 2009, the HKMC will stay vigilant to opportunities for the Corporation to play its proper role, especially under adverse and volatile market conditions. Local banking institutions can count on the Corporation being there to provide them with a readily available avenue to meet their liquidity and risk management needs. The Corporation will continue to seek diversification of its businesses both locally and overseas in order to maintain a viable scale of operations so that the Corporation will have the necessary capacity to continue to provide liquidity to banks and contribute to banking stability, promote homeownership and facilitate the development of the local debt and securitisation markets.





Despite the once-in-a-century financial crisis, the Corporation was able to achieve another year of solid financial results. The Corporation has proven to be highly efficient and resilient, carrying out its important policy role of helping to maintain banking and financial stability by purchasing loan assets from local banks. The HKMC Group recorded a profit after tax of HK\$605 million, only 18% lower than the record set in 2007.

# FINANCIAL REVIEW

## Income Statement

### Financial Performance

The growth of the Hong Kong economy slowed remarkably in the second half of 2008, as the external sector slackened amid the outbreak of the global financial crisis causing significant asset de-leveraging and further credit tightening. A series of unprecedented economic stimulus packages and measures undertaken by various governments and central banks to counter the increasing risk of global recession have lowered the market interest rates, but signs of returning stability and easing of credit crunch were yet to be seen.

While the local stock market was entangled in the full-blown global financial crisis, domestic demand suffered greatly and consumer spending turned more cautious in the wake of highly uncertain global financial and economic environment. Along with the economic slowdown, the unemployment rate bottomed out at 3.2% in May to July and edged up to 4.1% in the last quarter of 2008. However, the local property price adjustment seemed to be just beginning. Residential property price was declined notably since September and secondary housing turnover shrank to a very low level in the 4th quarter, though in general the property market appeared to be relatively resilient as the general affordability and leverage were healthier than a decade ago.

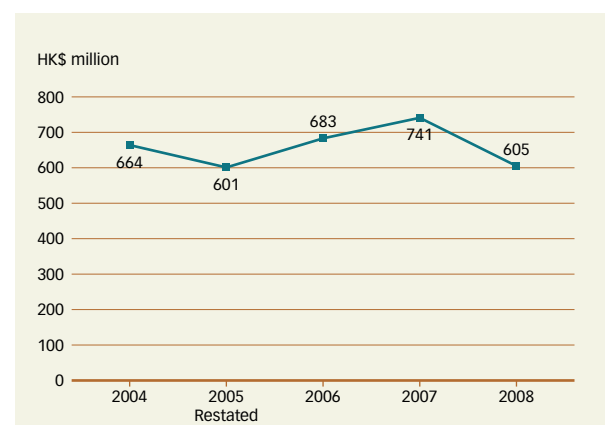
**FIGURE 1**  
Summary of financial performance

|                                    | 2008<br>HK\$ million | 2007<br>HK\$ million |
|------------------------------------|----------------------|----------------------|
| Operating profit before impairment | 670                  | 817                  |
| Profit before tax                  | 634                  | 821                  |
| Profit after tax                   | 605                  | 741                  |
| Return on shareholders' equity     | 10.5%                | 13.7%                |
| Return on assets                   | 1.1%                 | 1.6%                 |
| Cost-to-income ratio               | 17.5%                | 13.6%                |
| Capital-to-assets ratio            | 8.7%                 | 11.2%                |

In the midst of deepening financial crisis and uncertain economic environment, the HKMC Group achieved a profit after tax of HK\$605 million in 2008 (Figures 1 and 2), 18.3% below that of 2007, attributable by an increase in loan provisioning and a swing of fair value changes that offset the rebound of net interest income. The Corporation has maintained its strong commitment to risk management in pursuing its business diversification in Hong Kong and overseas, and has not purchased any sub-prime mortgages or invested in sub-prime related products. The asset quality of the loan portfolio and MIP business, which are subject to the stringent loan purchasing and underwriting criteria, both remained at a healthy level. Upheld by the prudent investment guidelines and asset and liability management, the asset quality of the investment portfolio remained resilient in this full-blown credit crunch and risk migration. No impairment in respect of investment portfolio was required.

Operating profit before impairment decreased by HK\$147 million, or 17.9% to HK\$670 million. The significant decrease in other income by 65.6% and the increase of 9.9% in operating expenses outweighed the 9.3% improvement in net interest income.

**FIGURE 2**  
Profit after tax





The return on shareholders' equity remained strong at 10.5% (2007: 13.7%), while the return on assets slid to 1.1% due to the pre-funding strategies resulting in a general expansion of balance sheet in 2008 (2007: 1.6%). The increase in staffing to enhance risk management lifted up the operating expenses by 9.9%, combined with a fall in operating income by 14.2%, leading to the increase in the cost-to-income ratio to 17.5% (2007: 13.6%). The capital-to-assets ratio maintained at 8.7% (2007: 11.2%), well above the guideline of a minimum of 5% stipulated by the Financial Secretary.

The significant increase in the loan portfolio by HK\$16.3 billion has attributed to an increase in the average interest earning assets in 2008, which improved the net interest income for the year by 9.3% from HK\$649 million to HK\$710 million (Figure 3). The net interest spread was maintained at 1.1%, compared to 1% for 2007. Taking into account the shareholders' equity, the net interest margin remained healthy at 1.3%.

### Other Income

Other income reported a fall of 65.6% to HK\$102 million in 2008 (2007: HK\$296 million). The reduction was underpinned mainly by a swing of change in fair value on hedging financial instruments and revaluation loss of US dollar net exposures, which were partially offset by the increase in dividend income from the investment portfolio, and net gain on disposal of available-for-sale investment securities. (Figure 4)

Change in fair value of financial instruments recorded a loss of HK\$43 million in 2008 as compared to a gain of HK\$116 million in 2007, mainly attributable to the mark-to-market loss on hedging instruments and increase in hedging costs amid volatile interest rates environment. The hedging operations had contributed substantially to the net interest income during the period but were not sufficient to offset the mark-to-market loss. The hedging instruments were derivatives (principally interest rate swaps and foreign exchange contracts), used for hedging purposes in the management of the Corporation's assets and liability portfolios to mitigate the interest rate volatilities and shrinkage of net interest income. After a series of rate cuts and quantitative easing adopted by central banks in the second half of 2008, the interest rate volatility has been reduced significantly and would stabilize the change in fair value of the hedging financial instruments.

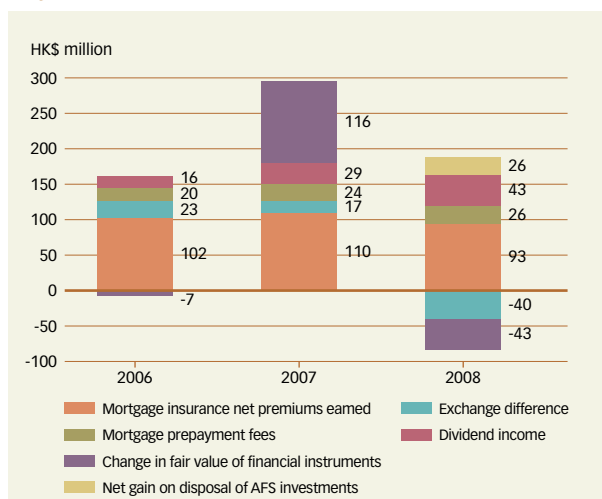
Dividend income of HK\$43 million from listed investment securities equivalent to a dividend yield of about 5% was received in 2008, 47.2% or HK\$14 million higher than 2007 (2007: HK\$29 million), mainly due to the increase in investments in bond fund and real estate investment trust.

**FIGURE 3**  
**Net interest income**

|  | 2008<br>HK\$'000 | 2007<br>HK\$'000 |
|--|------------------|------------------|
| Interest income  | 1,825,214        | 2,339,433        |
| Interest expense   | (1,115,364)      | (1,690,101)      |
| Net interest income  | 709,850          | 649,332          |
| Average interest-earning assets                                  | 53,515,092       | 44,005,195       |
| Net interest margin  | 1.3%             | 1.5%             |
| Net interest spread on interest-bearing liabilities <sup>1</sup> | 1.1%             | 1.0%             |

<sup>1</sup> Net interest spread on interest-bearing liabilities = Return on interest-earning assets – Funding cost on interest-bearing liabilities

**FIGURE 4**  
**Major source of other income**



The Corporation operates the MIP business on a risk-sharing basis with approved reinsurers. With the increase in new residential mortgage loans drawn down in the market from HK\$173.5 billion in 2007 to HK\$184.8 billion in 2008, our new business underwritten under MIP rose from HK\$13.2 billion to HK\$20.4 billion amid a significant improvement in market penetration rate from 12% to 16%. The risk-in-force borne by the Corporation grew by 62.6% to HK\$5.7 billion in 2008. As a result, the net premiums earned before claims incurred for the year increased by 22.5% from HK\$110 million to HK\$135 million. After reserving the provisions for outstanding claims of HK\$41 million, the net premiums earned after provisions decreased by 14.8% from HK\$110 million to HK\$93 million.

Early prepayment fees were HK\$26 million, or 10.3% or HK\$2 million higher than 2007 (2007: HK\$24 million), reflecting the increase in mortgage refinancing activities in the first half of 2008.

An exchange loss of HK\$40 million was recorded as compared to a gain of HK\$17 million in 2007, primarily due to the revaluation on US dollar net exposures.

## Operating Expenses

The Corporation continued to maintain stringent cost controls to contain expenses while seeking to expand the scope of business. Operating expenses recorded an increase by 9.9% to HK\$142 million as compared to 2007. Staff costs rose by 10% to HK\$97 million, for expansion of risk management functions, accounted for 68.5% of total operating expenses (2007: HK\$88 million and 68.4%). Premises rental and the related costs increased slightly by HK\$1 million to HK\$13 million, mainly attributable to the increase in rates on the rise of rateable value of existing office premises. Depreciation charges on assets fell by 11.9% to HK\$9 million (2007: HK\$10 million). (Figure 5)

## Allowance for Loan Impairment

Asset quality remained strong, with the delinquency ratio falling from 0.09% to 0.04%. Collective assessment for loan impairment of HK\$36 million was charged to the income statement of 2008 to provide for the credit migration risk in light of the rising unemployment rate and decline in property prices as a result of the outbreak of financial crisis, as compared to the release of HK\$4 million in 2007. (Figure 6)

In respect of the mortgage loan portfolio in Korea, the asset quality remained healthy as a result of stringent purchasing criteria and prudent risk mitigation, no collective assessment for loan impairment was necessary for 2008 (2007: nil).

Total allowance for loan impairment accounted for 0.1% of the outstanding principal balance (HK\$50.8 billion) of the loan portfolio as at end-2008. (Figure 7)

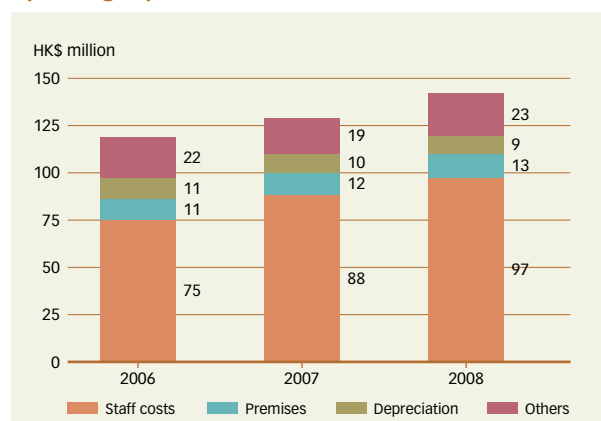
## Balance Sheet

Total assets rose by HK\$17 billion to HK\$65.6 billion (2007: HK\$48.6 billion), mainly due to the surge in loan portfolio by HK\$16.3 billion to HK\$50.8 billion and the reduction in investment securities portfolio from HK\$9.5 billion to HK\$7.7 billion (Figure 8)

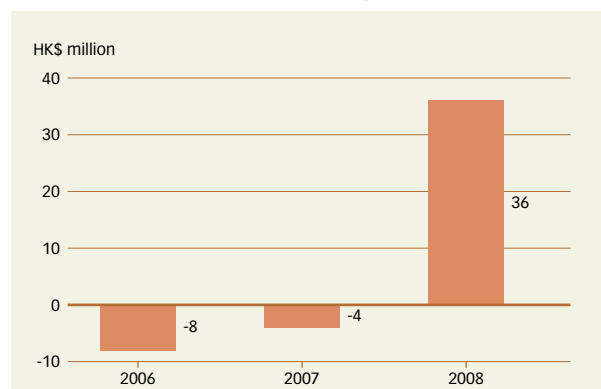
## Loan Portfolio

The Corporation achieved a record purchase of HK\$26 billion loan assets in 2008 (2007: HK\$9.6 billion), including HK\$13.6 billion residential mortgage loans and HK\$0.2 billion hire purchase assets in Hong Kong; and HK\$12.2 billion of residential mortgage portfolio in Korea. Following the prolonged global financial crisis and tightened liquidity in the local banking sector, the Corporation made a significant purchase of loans assets in Hong Kong to fulfil its core policy role to address the liquidity needs as well as balance sheet

**FIGURE 5**  
Operating expenses



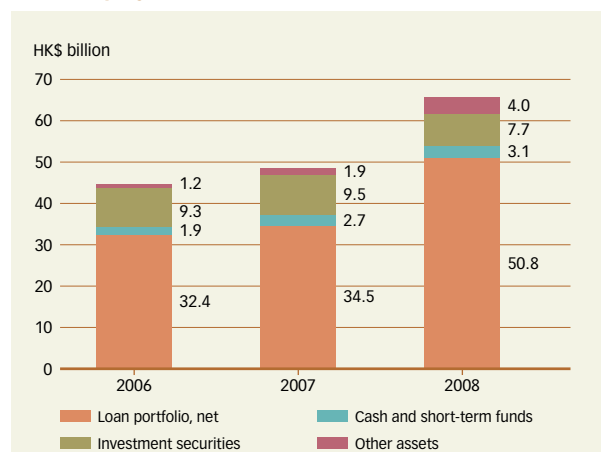
**FIGURE 6**  
Provisions/(Write-back) of loan impairment allowances



**FIGURE 7**  
Ratios

|   | 2008  | 2007  |
|---|-------|-------|
| Delinquency ratio for loan portfolio overdue for more than 90 days              | 0.04% | 0.09% |
| Total allowance for loan impairment as a percentage of the gross loan portfolio | 0.10% | 0.04% |

**FIGURE 8**  
Asset Deployment



management of the local banking sector. Amid the distorted debt capital market, the purchase was partially funded by active pre-funding and the advance drawn under the revolving credit facility provided by the Exchange Fund.

As approved by the Board in 2006 as one of the strategic moves to seek developing new business in overseas markets, the Corporation made further overseas mortgage acquisition of HK\$12.2 billion equivalent of Korean residential mortgages portfolio in the form of mortgage-backed securities in 2008. The income contribution from overseas residential mortgages to profit after tax was HK\$75 million for 2008.

After accounting for the prepayment and repayment during the year, the outstanding balance of residential mortgage portfolio and securitised portfolio, being the residential mortgages situated in Hong Kong, stood at HK\$27.6 billion and HK\$1.9 billion respectively. The outstanding balance of Korean residential mortgages was HK\$15.9 billion. For commercial mortgage portfolio, which was backed by local commercial buildings, maintained at the same level as 2007 at HK\$4 billion at the end of 2008.

The average prepayment rate of the loan portfolio (including those securitised mortgages) increased from 13.7% in 2007 to 13.8% for 2008. Taking into account of the normal run-off of the loan portfolio and the significant loan purchases in 2008, the loan portfolio recorded a net increase by HK\$16.3 billion to HK\$50.8 billion. (Figure 9)

**FIGURE 9**  
**Loan Portfolio, Net**

|                               | 2008<br>HK\$'000  | 2007<br>HK\$'000 |
|-------------------------------|-------------------|------------------|
| Mortgage portfolio            |                   |                  |
| Residential                   |                   |                  |
| – Hong Kong                   | 27,624,099        | 20,413,884       |
| – Overseas                    | 15,905,032        | 5,458,180        |
| Commercial                    | 4,000,000         | 4,000,000        |
| Securitised portfolio         | 1,878,761         | 2,796,551        |
| Non-mortgage portfolio        | 1,402,756         | 1,805,606        |
|                               | <b>50,810,648</b> | 34,474,221       |
| Allowance for loan impairment | (50,536)          | (13,930)         |
| Loan portfolio, net           | <b>50,760,112</b> | 34,460,291       |

### Investment Securities

The Corporation's investment portfolio is mainly made up of bank deposits, short-term commercial papers, certificates of deposit, bonds, yield-based government bond funds and real

estate investment trust. The liquid investment portfolio serves as a liquidity buffer to support the Corporation's business operations, enabling it to respond quickly and smoothly to unforeseen liquidity requirements. The Corporation adopts a prudent and low-risk approach in managing its surplus funds and investment activities in accordance with the approved investment guidelines. As at 31 December 2008, the total investment portfolio decreased from HK\$9.5 billion in 2007 to HK\$7.7 billion which included HK\$2.1 billion of available-for-sale investments and HK\$5.6 billion of held-to-maturity investments. The decrease in investment portfolio was in response to the funding needs of the significant mortgage purchases in 2008. With the prudent investment guidelines and asset and liability management, the Corporation did not directly or indirectly hold any sub-prime investment, special investment vehicles, collateralized debt obligations or debt securities issued by the failed financial institutions in its portfolios. No impairment of assets was required.

### Debt Securities Issued

The Corporation issued a record total of HK\$24.4 billion of debts in 2008, comprising HK\$19.2 billion debts under the DIP, HK\$4.7 billion equivalent of non-HK dollar debts including Australian dollar, Singapore dollar, Japanese Yen and US dollar debts under the MTN and HK\$0.5 billion retail bonds under the RBIP. All the non-HK dollar debts were swapped into HK dollars liability using hedging financial derivatives. As at 31 December 2008, the total outstanding balance of the debts issued rose by 28.5% or HK\$9.5 billion to HK\$42.8 billion as compared with 2007. The rise reflected the net increase after redemption of HK\$16.5 billion debts matured in 2008 and the resulting change in fair value of debt securities issued. Before taking into account of full and partial prepayments, the average life of the loan portfolio was 9 years on a contractual basis while the Corporation issues debts from 1-month to 15-year horizon, 84.1% of Corporation's outstanding debts would mature in the range of 1 to 5 years.

### Mortgage-backed Securities Issued

During the year, both of the special purpose entities did not issue any mortgage-backed securities. As at 31 December 2008, the total outstanding balance of the mortgage-backed securities issued decreased by 23.7% or HK\$1 billion to HK\$3.2 billion compared with 2007. The decrease in outstanding balance of mortgage-backed securities issued purely reflected the redemption of mortgage-backed securities in 2008.

## Advance from the Exchange Fund

The Exchange Fund through the HKMA has provided the Corporation with a HK\$30 billion revolving credit facility as a back-up liquidity for the Corporation to fulfil its objective of better contributing to the banking stability. At the end of 2008, the Corporation had drawn HK\$8 billion under the revolving credit facility to partially fund the acquisition of Hong Kong residential mortgages assets from local banks amid the distorted debt capital market.

## Capital Management

The Financial Secretary has approved the following capital adequacy framework to account for different levels of risk embedded in the financial products under the Mortgage Purchase Programme, the two MBS Programmes, non-residential mortgage loans, the MIP and non-mortgage loans. (Figure 10)

The capital base, defined as shareholders' equity excluding hedging reserve plus the allowance for loan impairment under collective assessment, grew by 4.5% from HK\$5.4

billion to HK\$5.6 billion in 2008. At the end of 2008, the aggregate amount of Corporation's on-balance sheet assets and off-balance sheet exposure was HK\$64.9 billion, which mainly consisted of HK\$40.2 billion and HK\$2.2 billion of risk-weighted mortgage loans and hire purchase assets respectively, HK\$7.7 billion investment securities, HK\$3.1 billion of cash and bank balances, HK\$5.7 billion risk-weighted mortgage insurance exposure, HK\$3.9 billion of replacement costs and potential future credit exposures of derivative contracts, HK\$0.4 billion risk-weighted guarantee exposure under the MBS programmes and HK\$1.7 billion other assets. The capital-to-assets ratio ("CAR") stood well above the minimum level of 5% stipulated by the Financial Secretary, at a healthy level of 8.7% (2007: 11.2%).

## Dividend

At the Annual General Meeting held on 16 April 2009, Shareholders approved a final dividend of HK\$0.125 (2007: HK\$0.125) per share, totalling HK\$250 million, representing a 41.3% of the profit after tax.

**FIGURE 10**

| Product  | Minimum Capital-to-Assets Ratio   |
|--|---|
| Mortgage Purchase Programme  |   |
| (i) regular mortgage loans   | 5% of regular mortgage loan portfolio<br>(based on outstanding principal balance or committed amount plus accrued interest)   |
| (ii) loans originated under the Home Starter Loan Scheme ("HSLs") and Sandwich Class Housing Loan Scheme ("SCHLS")   | 2% of HSLs and SCHLS loans<br>(based on outstanding principal balance or committed amount plus accrued interest)  |
| Mortgage-Backed Securities ("MBS")   | 2% of MBS portfolio<br>(based on outstanding principal balance plus accrued interest)   |
| Mortgage Insurance Programme   | 0% of risk-in-force value of exposure covered by the reinsurance arrangement with Approved Reinsurers<br>5% of risk-in-force value of exposure not covered by the reinsurance arrangement |
| Securitised mortgage loans transferred from the Corporation to the special purpose entities ("SPE") that are qualified for derecognition from the Corporation's balance sheet before account consolidation of the SPE                          | 0% of securitised mortgage loans  |
| Securitised mortgage loans transferred from the Corporation to the SPE that are not qualified for derecognition from the Corporation's balance sheet before account consolidation of the SPE, where the mortgage-backed securities issued are: |   |
| (i) guaranteed by the Corporation  | 2% of securitised mortgage loans  |
| (ii) not guaranteed by the Corporation   | 5% of securitised mortgage loans  |
| Non-residential mortgage loans   | 8% of the non-residential mortgage loan portfolio   |
| Non-mortgage loans   | 8% of the non-mortgage loan portfolio   |
| Overseas residential mortgage loans  | The capital requirement applicable to the jurisdiction in which the overseas residential property is situated to adjust for the 5% requirement on regular mortgage loan portfolio         |

## 目錄 – 財務報表

## CONTENTS – FINANCIAL STATEMENTS

|           |          |           |  |
|-----------|----------|-----------|--|
| <b>85</b> | 董事局報告書   | <b>85</b> | Report of the Directors                        |
| <b>89</b> | 獨立核數師報告書 | <b>89</b> | Independent Auditor's Report                   |
| <b>91</b> | 綜合收益表    | <b>91</b> | Consolidated Income Statement                  |
| <b>92</b> | 綜合資產負債表  | <b>92</b> | Consolidated Balance Sheet                     |
| <b>93</b> | 資產負債表    | <b>93</b> | Balance Sheet                                  |
| <b>94</b> | 綜合權益變動表  | <b>94</b> | Consolidated Statement of Changes in Equity    |
| <b>95</b> | 綜合現金流量表  | <b>95</b> | Consolidated Cash Flow Statement               |
| <b>97</b> | 綜合財務報表附註 | <b>97</b> | Notes to the Consolidated Financial Statements |



# 董事局報告書

## REPORT OF THE DIRECTORS

董事局欣然提呈董事局報告書及本公司及其附屬公司（就本報告而言，包括用以發行按揭證券的特設公司）（統稱「本集團」）截至二零零八年十二月三十一日止年度經審核財務報表。

The Directors have pleasure in presenting their report together with the audited financial statements of the Company and its subsidiaries (for the purpose of this report, including the special purpose entities used for issuing mortgage-backed securities) (together the "Group") for the year ended 31 December 2008.

### 主要業務

本公司的主要業務包括：

- (1) 向有關批授人、發行人、擁有人或賣方購買在香港或其他地區的以物業或其他抵押品作抵押的按揭或貸款組合，或收購汽車及其他資產租購或租賃安排下的權利、權益及利益，或其他債權證、應收款項、金融資產及任何類別的據法權產；
- (2) 透過購買或其他方式向政府當局與機構及相關組織、法定團體及公營機構收購任何資產，並持有、出售、轉讓、處置及處理任何該等購買或收購回來的資產；
- (3) 透過特設公司向投資者發行按揭證券，將按揭組合證券化；及
- (4) 就認可機構所批出以住宅物業作抵押的按揭貸款，提供按揭保險。

本公司全資附屬公司、共同控制實體及用以發行按揭證券的特設公司的公司資料及主要業務分別載於財務報表附註22、23及34。

### 業績及分配

本集團截至二零零八年十二月三十一日止年度的業績連同擬派股息詳情載於第91頁的綜合收益表。

### 儲備

本集團於年內的儲備變動詳情載於第94頁的綜合權益變動表。

### Principal Activities

The principal activities of the Company are:

- (1) to purchase portfolios of mortgages or loans secured on properties or other collateral situated in Hong Kong or elsewhere, to acquire rights, interest and benefits under hire purchase or leasing arrangements made in respect of motor vehicles and other assets, or other debentures, receivables, financial assets and choses in action of all kinds from their originators, issuers, owners or vendors;
- (2) to acquire, by purchase or otherwise, any assets from government bodies and agencies and related organisations, statutory bodies and public bodies and to hold, sell, transfer, dispose of and deal in any such assets so purchased or acquired;
- (3) to securitise mortgage portfolios through special purpose entities by way of issuing mortgage-backed securities to investors; and
- (4) to provide mortgage insurance cover to Authorized Institutions in respect of mortgage loans originated by such Authorized Institutions and secured by residential properties.

The corporate information and principal activities of the wholly-owned subsidiary and jointly controlled entity of the Company and the special purpose entities used for issuing mortgage-backed securities are shown in Notes 22, 23 and 34 respectively to the financial statements.

### Results and Appropriations

The results of the Group for the year ended 31 December 2008 are set out in the consolidated income statement on page 91 together with particulars of the proposed dividend.

### Reserves

Movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 94.

## 固定資產

本年度本集團及本公司的固定資產變動詳情載於財務報表附註24。

## 債券發行

截至二零零八年十二月三十一日止年度，本公司根據其總額400億港元債務工具發行計劃及總額30億美元中期債券發行計劃向銀行及機構投資者發行債券，並按照零售債券發行計劃透過各配售銀行向零售投資者招售債券的金額合共24,405,704,000港元，以提供一般營運資金及再融資，發行價合共為24,377,642,000港元。債券發行及贖回業務的概要載於財務報表附註29。

## 按揭證券發行

特設公司於二零零八年概無根據有擔保按揭通遞證券化計劃或30億美元Bauhinia按揭證券化計劃發行任何按揭證券。按揭證券發行及贖回業務的概要載於附註30。

## 董事

於年內出任董事的本公司董事局成員名單如下：

**曾俊華先生**，太平紳士  
主席兼執行董事

**任志剛先生**，GBS，太平紳士  
副主席兼執行董事

**彭醒棠先生**，太平紳士  
執行董事

**余偉文先生**，太平紳士  
執行董事

**夏佳理先生**，CVO，GBS，OBE，太平紳士  
董事

**陳家強教授**，SBS，太平紳士  
董事

**陳鑑林先生**，SBS，太平紳士  
董事

**陳健波先生**，太平紳士  
董事

## Fixed Assets

Details of the movements in fixed assets of the Group and of the Company during the year are set out in Note 24 to the financial statements.

## Debt Securities Issued

The Company issued notes to banks and institutional investors under its HK\$40 Billion Debt Issuance Programme, US\$ 3 billion Medium Term Note Programme and also offered notes to retail investors through various placing banks under its Retail Bond Issuance Programme during the year ended 31 December 2008, totalling HK\$24,405,704,000 for the purposes of providing general working capital and refinancing, at the total consideration of HK\$24,377,642,000. A summary of the debt securities issuance and redemption activities is set out in Note 29 to the financial statements.

## Mortgage-backed Securities Issued

The special purpose entities did not issue any mortgage-backed securities under the Guaranteed Mortgage-backed Pass-through Securitisation Programme or the US\$3 Billion Bauhinia Mortgage-backed Securitisation Programme in 2008. A summary of the mortgage-backed securities redemption activities is set out in Note 30.

## Directors

The Directors of the Company who served during the year were as follows:

**The Honourable John TSANG Chun Wah, JP**  
Chairman and Executive Director

**Mr. Joseph YAM Chi Kwong, GBS, JP**  
Deputy Chairman and Executive Director

**Mr. Peter PANG Sing Tong, JP**  
Executive Director

**Mr. Eddie YUE Wai Man, JP**  
Executive Director

**The Honourable Ronald Joseph ARCULLI, CVO, GBS, OBE, JP**  
Director

**Professor the Honourable K C CHAN, SBS, JP**  
Director

**The Honourable CHAN Kam Lam, SBS, JP**  
Director

**The Honourable CHAN Kin Por, JP**  
Director

**鄭汝樺女士**，太平紳士

董事

**張炳良教授**，BBS，太平紳士

董事

**方正先生**，GBS，太平紳士

董事

**韓克強先生**

董事 (於二零零八年四月十日辭任)

**林炎南先生**

董事 (於二零零八年四月十日獲委任)

**梁君彥先生**，SBS，太平紳士

董事

**李國寶博士**，GBM，GBS，LLD (Cantab)，太平紳士

董事

**萬志輝先生**

董事

**石禮謙先生**，SBS，太平紳士

董事

**單仲偕先生**，SBS，太平紳士

董事

**陳清賜先生**

董事

按照本公司的公司組織章程細則第109條，全體董事(執行董事除外)於下屆股東週年大會退任，惟可參選連任。

## 董事於交易及合約中的權益

本公司財務報表附註33載列本公司年內與有關人士訂立的重重大交易詳情。附註33所披露權益亦屬董事在本公司或其附屬公司的重大合約中所擁有的重大權益。除附註33所披露者外，本公司或其任何附屬公司概無參與訂立任何董事可能被視為直接或間接於其中擁有重大權益且於年底或年內任何時間維持有效的重大合約。

於本年度內本公司亦無作出任何安排，使任何董事或管理層成員能透過收購本公司或任何其他法人團體的股份或債券而獲取利益。

**The Honourable Ms. Eva CHENG, JP**

Director

**Professor the Honourable Anthony CHEUNG Bing Leung, BBS, JP**

Director

**Mr. Eddy FONG Ching, GBS, JP**

Director

**Mr. Andy HON Hak Keung**

Director (retired on 10 April 2008)

**Mr. David LAM Yim Nam**

Director (appointed on 10 April 2008)

**The Honourable Andrew LEUNG Kwan Yuen, SBS, JP**

Director

**Dr. the Honourable David LI Kwok Po, GBM, GBS, LLD (Cantab), JP**

Director

**Mr. Geoffrey Jay MANSFIELD**

Director

**The Honourable Abraham SHEK Lai Him, SBS, JP**

Director

**The Honourable SIN Chung Kai, SBS, JP**

Director

**Mr. Eddie TAN Cheng Soo**

Director

In accordance with Article 109 of the Company's Articles of Association, all those Directors who are not Executive Directors shall retire but shall be eligible for re-election at the next annual general meeting.

## Directors' Interests in Transactions and Contracts

Note 33 to the financial statements of the Company sets out details of material related party transactions entered into by the Company during the year. The interests disclosed in Note 33 also constitute material interests of Directors in relation to contracts which were significant to the Company or its subsidiaries. Save as disclosed in Note 33, there was no contract of significance, to which the Company or any of its subsidiaries was a party and in which a Director could be deemed to have a material interest, either directly or indirectly, which subsisted at the end of the year or at any time during the year.

At no time during the year was the Company a party to any arrangement to enable any of its Directors or members of its Management to acquire benefits by means of the acquisition of shares in, or debt securities of, the Company or any body corporate.

## 遵照《保險公司條例》的條文額外作出的披露

年內，根據《保險公司條例》對控權人的定義，曾俊華先生及劉怡翔先生（本公司總裁）為本公司的控權人。截至二零零八年十二月三十一日止年度，劉先生於本公司所訂立的交易或合約中概無擁有任何權益。

年內，本公司經營的保險業務，並無涉及根據香港任何條例的規定須予投保的責任或風險。

本公司已與下列核准按揭再保險公司訂立再保險安排：亞洲保險有限公司、恒生財險（香港）有限公司、滙豐保險（亞洲）有限公司、柏偉（亞洲）按揭保險有限公司及美國國際集團聯合保險（亞洲）有限公司。年內，本公司以風險分攤方式經營按揭保險業務，根據本公司對各核准再保險公司信用評級及財務能力的評估，向各核准再保險公司就不超過按揭保險 50% 的風險購買再保險，其餘風險則由本公司承保。

## 核數師

財務報表已由羅兵咸永道會計師事務所審核，其任期屆滿，惟有資格並願參選連任。

承董事局命

### 曾俊華

主席

香港

二零零九年四月十六日

## Additional Disclosures in Compliance with the Provisions of the Insurance Companies Ordinance (“ICO”)

During the year, the Controllers of the Company as defined in the ICO were the Hon. John Tsang and Mr. James H. Lau Jr. (Chief Executive Officer of the Company). Mr. Lau did not have any interests in the transactions or the contracts which the Company had entered into during the year ended 31 December 2008.

During the year, the Company did not carry on insurance business relating to liabilities or risks in respect of which persons were required by any Ordinance to be insured.

The Company had entered into reinsurance arrangements with the following approved reinsurers: Asia Insurance Company, Limited, Hang Seng General Insurance (Hong Kong) Company Limited, HSBC Insurance (Asia) Limited, PMI Mortgage Insurance Asia Limited and AIG United Guaranty Insurance (Asia) Limited. During the year, the Company operated its mortgage insurance business on a risk-sharing basis, and ceded up to 50% of the risk exposure under its mortgage insurance to each approved reinsurer, according to its credit rating and financial strength as assessed by the Company, with the remaining risk exposure being retained by the Company.

## Auditors

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

On behalf of the Board of Directors

### John C Tsang

Chairman

Hong Kong,

16 April 2009.

# 獨立核數師報告書

## INDEPENDENT AUDITOR'S REPORT

### 致香港按揭證券有限公司股東

(於香港註冊成立的有限公司)

本核數師已審核刊於第91至165頁香港按揭證券有限公司(「公司」)及其附屬公司(統稱「集團」)的綜合財務報表,包括於二零零八年十二月三十一日的綜合及公司資產負債表,以及截至該日止年度的綜合收益表、綜合權益變動表及綜合現金流量表,連同主要會計政策概要及其他說明附註。

### 董事對財務報表的責任

公司董事須負責按照香港會計師公會所頒佈香港財務報告準則及香港《公司條例》編製及真實公平地呈報綜合財務報表,包括設計、實行及維持有關編製及真實公平地呈報財務報表的內部監控,確保財務報表並無任何出於欺詐或錯誤的重要錯誤陳述、選用合適的會計政策及對有關情況作出合理的會計估計。

### 核數師的責任

我們的責任是根據我們審核工作的結果,對該等綜合財務報表作出意見,並根據香港《公司條例》第141條僅向身為團體的股東報告我們的意見,而不作其他用途。我們概不就本報告的內容對任何其他人士負責或承擔任何責任。

我們按照香港會計師公會頒佈的《香港核數準則》進行審核工作。該等準則規定我們須遵守操守規定並計劃及進行審核工作,以合理確定財務報表是否無重大錯誤陳述。

### To the shareholders of The Hong Kong Mortgage Corporation Limited

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of The Hong Kong Mortgage Corporation Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 91 to 165, which comprise the consolidated and company balance sheets as at 31 December 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### Directors' responsibility for the financial statements

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

### Auditor's responsibility

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

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



審核工作涉及執程序以取得與財務報表所載數額及披露事項有關的審核憑證。所選用程序按核數師的判斷作出，包括就財務報表是否含有出於欺詐或錯誤的重大錯誤陳述作出風險評估。作出該等風險評估時，核數師會考慮由該公司編製及真實公平呈報的財務報表相關的內部監控，以及因應有關情況而制定合適的審核程序，但不會對該公司內部監控的效能發表意見。審核工作亦包括評估該公司所用的會計政策是否適宜，董事所作出的會計估計是否合理，以及評估財務報表的整體呈列方式。

我們相信，我們已獲得充足和合適的審核憑證，為審核意見提供合理的基礎。

## 意見

我們認為，綜合財務報表已根據香港財務報告準則真實而公平地反映公司及集團於二零零八年十二月三十一日的財政狀況及集團截至該日止年度的溢利和現金流量，並已按照香港《公司條例》適當編製。

## 羅兵咸永道會計師事務所

執業會計師

香港

二零零九年四月十六日

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

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

## Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

## PricewaterhouseCoopers

Certified Public Accountants

Hong Kong,

16 April 2009.

# 綜合收益表

## CONSOLIDATED INCOME STATEMENT

截至二零零八年十二月三十一日止年度  
for the year ended 31 December 2008

|              |   | 附註<br>Notes | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|--------------|---|-------------|-------------------------|-------------------------|
| 利息收入         | Interest income   | 6           | <b>1,825,214</b>        | 2,339,433               |
| 利息支出         | Interest expense  | 7           | <b>(1,115,364)</b>      | (1,690,101)             |
| <b>淨利息收入</b> | <b>Net interest income</b>  |             | <b>709,850</b>          | 649,332                 |
| 其他收入         | Other income  | 8           | <b>102,100</b>          | 296,459                 |
| <b>經營收入</b>  | <b>Operating income</b>   |             | <b>811,950</b>          | 945,791                 |
| 經營支出         | Operating expenses  | 9           | <b>(141,749)</b>        | (129,038)               |
| 未計減值前的經營溢利   | Operating profit before impairment                                |             | <b>670,201</b>          | 816,753                 |
| 貸款減值(撥備)/回撥  | (Loan impairment charge)/write-back of loan impairment allowances | 12          | <b>(36,225)</b>         | 4,457                   |
| 經營溢利         | Operating profit  |             | <b>633,976</b>          | 821,210                 |
| 應佔合營公司虧損     | Share of loss of a joint venture                                  | 23          | <b>(8)</b>              | –                       |
| <b>除稅前溢利</b> | <b>Profit before taxation</b>                                     |             | <b>633,968</b>          | 821,210                 |
| 稅項           | Taxation  | 13(a)       | <b>(28,974)</b>         | (80,546)                |
| <b>本年度溢利</b> | <b>Profit for the year</b>  |             | <b>604,994</b>          | 740,664                 |
| <b>擬派股息</b>  | <b>Proposed dividend</b>  | 16          | <b>250,000</b>          | 250,000                 |

# 綜合資產負債表

## CONSOLIDATED BALANCE SHEET

於二零零八年十二月三十一日  
as at 31 December 2008

|                    |   | 附註<br>Notes | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|--------------------|---|-------------|-------------------------|-------------------------|
| <b>資產</b>          | <b>ASSETS</b>   |             |                         |                         |
| 現金及短期資金            | Cash and short-term funds                                   | 17          | <b>3,093,258</b>        | 2,666,505               |
| 應收利息及匯款            | Interest and remittance receivables                         | 18          | <b>1,334,485</b>        | 882,107                 |
| 衍生金融工具             | Derivative financial instruments                            | 19          | <b>2,237,526</b>        | 657,486                 |
| 貸款組合淨額             | Loan portfolio, net   | 20          | <b>50,760,112</b>       | 34,460,291              |
| 證券投資：              | Investment securities:                                      |             |                         |                         |
| – 可供出售             | – available-for-sale  | 21(a)       | <b>2,052,552</b>        | 4,038,250               |
| – 持有至到期            | – held-to-maturity  | 21(b)       | <b>5,614,666</b>        | 5,500,024               |
| 合營公司投資             | Investment in a joint venture                               | 23          | <b>113,532</b>          | –                       |
| 固定資產               | Fixed assets  | 24          | <b>14,302</b>           | 15,849                  |
| 預付款項、按金及其他資產       | Prepayments, deposits and other assets                      | 25          | <b>30,555</b>           | 41,028                  |
| 遞延稅項資產             | Deferred tax assets   | 13(b)       | <b>28,904</b>           | –                       |
| 再保險資產              | Reinsurance assets  | 27          | <b>348,442</b>          | 366,383                 |
|                    |   |             | <b>65,628,334</b>       | 48,627,923              |
| <b>負債</b>          | <b>LIABILITIES</b>  |             |                         |                         |
| 應付利息               | Interest payable  |             | <b>469,965</b>          | 471,993                 |
| 應付賬項、應付開支及<br>其他負債 | Accounts payable, accrued expenses and<br>other liabilities | 26          | <b>4,183,693</b>        | 4,151,506               |
| 衍生金融工具             | Derivative financial instruments                            | 19          | <b>214,994</b>          | 122,642                 |
| 應付稅項               | Tax payable   | 13(b)       | <b>47,866</b>           | 21,275                  |
| 遞延稅項負債             | Deferred tax liabilities                                    | 13(b)       | –                       | 28,542                  |
| 保險負債               | Insurance liabilities                                       | 27          | <b>908,740</b>          | 661,386                 |
| 外匯基金墊款             | Advance from Exchange Fund                                  | 28          | <b>8,000,000</b>        | –                       |
| 已發行債務證券            | Debt securities issued                                      | 29          | <b>42,814,988</b>       | 33,311,190              |
| 已發行按揭證券            | Mortgage-backed securities issued                           | 30          | <b>3,225,624</b>        | 4,229,159               |
|                    |   |             | <b>59,865,870</b>       | 42,997,693              |
| <b>股東權益</b>        | <b>SHAREHOLDERS' EQUITY</b>                                 |             |                         |                         |
| 股本                 | Share capital   | 31          | <b>2,000,000</b>        | 2,000,000               |
| 保留溢利               | Retained profits  |             | <b>3,485,513</b>        | 3,151,567               |
| 風險儲備               | Contingency reserve   | 32          | <b>123,545</b>          | 102,497                 |
| 公平值儲備              | Fair value reserve  | 32          | <b>(21,371)</b>         | 120,673                 |
| 對沖儲備               | Hedging reserve   | 32          | <b>(66,666)</b>         | 5,493                   |
| 匯兌儲備               | Translation reserve   | 32          | <b>(8,557)</b>          | –                       |
| 擬派股息               | Proposed dividend   | 16          | <b>250,000</b>          | 250,000                 |
|                    |   |             | <b>5,762,464</b>        | 5,630,230               |
|                    |   |             | <b>65,628,334</b>       | 48,627,923              |

董事局已於二零零九年四月十六日批准及授權刊行。 Approved and authorized for issue by the Board of Directors on 16 April 2009.

**任志剛 Yam Chi Kwong, Joseph**  
副主席 Deputy Chairman

**彭醒棠**  
執行董事

**Pang Sing Tong, Peter**  
Executive Director

# 資產負債表

## BALANCE SHEET

於二零零八年十二月三十一日  
as at 31 December 2008

|                    |   | 附註<br>Notes | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|--------------------|---|-------------|-------------------------|-------------------------|
| <b>資產</b>          | <b>ASSETS</b>   |             |                         |                         |
| 現金及短期資金            | Cash and short-term funds                                   | 17          | <b>3,054,735</b>        | 2,354,108               |
| 應收利息及匯款            | Interest and remittance receivables                         | 18          | <b>1,322,591</b>        | 866,260                 |
| 衍生金融工具             | Derivative financial instruments                            | 19          | <b>2,159,479</b>        | 631,129                 |
| 貸款組合淨額             | Loan portfolio, net   | 20          | <b>46,678,285</b>       | 31,516,597              |
| 證券投資：              | Investment securities:                                      |             |                         |                         |
| – 可供出售             | – available-for-sale  | 21(a)       | <b>2,052,552</b>        | 4,038,250               |
| – 持有至到期            | – held-to-maturity  | 21(b)       | <b>5,614,666</b>        | 5,500,024               |
| 附屬公司投資             | Investment in a subsidiary                                  | 22          | <b>2,210,981</b>        | 151,766                 |
| 合營公司投資             | Investment in a joint venture                               | 23          | <b>113,540</b>          | –                       |
| 固定資產               | Fixed assets  | 24          | <b>14,302</b>           | 15,849                  |
| 預付款項、按金及其他資產       | Prepayments, deposits and other assets                      | 25          | <b>38,118</b>           | 59,600                  |
| 遞延稅項資產             | Deferred tax assets   | 13(b)       | <b>28,889</b>           | –                       |
| 再保險資產              | Reinsurance assets  | 27          | <b>348,442</b>          | 366,383                 |
|                    |   |             | <b>63,636,580</b>       | 45,499,966              |
| <b>負債</b>          | <b>LIABILITIES</b>  |             |                         |                         |
| 應付利息               | Interest payable  |             | <b>462,518</b>          | 457,798                 |
| 應付賬項、應付開支及<br>其他負債 | Accounts payable, accrued expenses and<br>other liabilities | 26          | <b>4,979,510</b>        | 5,160,093               |
| 衍生金融工具             | Derivative financial instruments                            | 19          | <b>214,994</b>          | 121,961                 |
| 應付稅項               | Tax payable   | 13(b)       | <b>47,866</b>           | 21,275                  |
| 遞延稅項負債             | Deferred tax liabilities                                    | 13(b)       | –                       | 28,746                  |
| 保險負債               | Insurance liabilities                                       | 27          | <b>908,740</b>          | 661,386                 |
| 外匯基金墊款             | Advance from Exchange Fund                                  | 28          | <b>8,000,000</b>        | –                       |
| 已發行債務證券            | Debt securities issued                                      | 29          | <b>43,260,323</b>       | 33,417,081              |
|                    |   |             | <b>57,873,951</b>       | 39,868,340              |
| <b>股東權益</b>        | <b>SHAREHOLDERS' EQUITY</b>                                 |             |                         |                         |
| 股本                 | Share capital   | 31          | <b>2,000,000</b>        | 2,000,000               |
| 保留溢利               | Retained profits  |             | <b>3,485,678</b>        | 3,152,963               |
| 風險儲備               | Contingency reserve   | 32          | <b>123,545</b>          | 102,497                 |
| 公平值儲備              | Fair value reserve  | 32          | <b>(21,371)</b>         | 120,673                 |
| 對沖儲備               | Hedging reserve   | 32          | <b>(66,666)</b>         | 5,493                   |
| 匯兌儲備               | Translation reserve   | 32          | <b>(8,557)</b>          | –                       |
| 擬派股息               | Proposed dividend   | 16          | <b>250,000</b>          | 250,000                 |
|                    |   |             | <b>5,762,629</b>        | 5,631,626               |
|                    |   |             | <b>63,636,580</b>       | 45,499,966              |

董事局已於二零零九年四月十六日批准及授權刊行。 Approved and authorized for issue by the Board of Directors on 16 April 2009.

**任志剛 Yam Chi Kwong, Joseph**  
副主席 Deputy Chairman

**彭醒棠**  
執行董事

**Pang Sing Tong, Peter**  
Executive Director

## 綜合權益變動表

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

截至二零零八年十二月三十一日止年度  
for the year ended 31 December 2008

|                                   | 附註<br>Notes | 股本<br>Share<br>capital<br>千港元<br>HK\$'000 | 保留溢利<br>Retained<br>Profits *<br>千港元<br>HK\$'000 | 其他儲備<br>Other<br>reserves<br>千港元<br>HK\$'000 | 合計<br>Total<br>千港元<br>HK\$'000 |
|-----------------------------------|-------------|---|--|--|--------------------------------|
| <b>於二零零七年一月一日結餘</b>               |             | 2,000,000                                 | 2,928,722  | 209,857                                      | 5,138,579                      |
| 由保留溢利撥入已滿期<br>風險保費淨額的50%<br>至風險儲備 | 32          | –   | (18,489)   | 18,489                                       | –                              |
| 撥回風險儲備至保留溢利                       | 32          | –   | 670  | (670)  | –                              |
| 可供出售證券公平值變動：                      |             |   |  |  |                                |
| – 計入權益                            | 32          | –   | –  | 17,203                                       | 17,203                         |
| – 於出售時轉撥至收益表                      | 32          | –   | –  | (22,578)                                     | (22,578)                       |
| – 稅項(附註13(b))                     | 32          | –   | –  | 869  | 869                            |
| 現金流對沖                             |             |   |  |  |                                |
| – 計入權益                            | 32          | –   | –  | 6,658  | 6,658                          |
| – 稅項(附註13(b))                     | 32          | –   | –  | (1,165)                                      | (1,165)                        |
| 本年度溢利                             |             | –   | 740,664  | –  | 740,664                        |
| 已付二零零六年股息                         |             | –   | (250,000)  | –  | (250,000)                      |
| <b>於二零零七年十二月三十一日結餘</b>            |             | 2,000,000                                 | 3,401,567  | 228,663                                      | 5,630,230                      |
| 由保留溢利撥入已滿期<br>風險保費淨額的50%<br>至風險儲備 | 32          | –   | (26,330)   | 26,330                                       | –                              |
| 撥回風險儲備至保留溢利                       | 32          | –   | 5,282  | (5,282)                                      | –                              |
| 可供出售證券公平值變動：                      |             |   |  |  |                                |
| – 計入權益                            | 32          | –   | –  | (147,960)                                    | (147,960)                      |
| – 於出售時轉撥至收益表                      | 32          | –   | –  | (24,329)                                     | (24,329)                       |
| – 稅項(附註13(b))                     | 32          | –   | –  | 29,907                                       | 29,907                         |
| – 攤銷 **                           | 32          | –   | –  | 338  | 338                            |
| 現金流對沖                             |             |   |  |  |                                |
| – 計入權益                            | 32          | –   | –  | (86,497)                                     | (86,497)                       |
| – 稅項(附註13(b))                     | 32          | –   | –  | 14,338                                       | 14,338                         |
| 本年度溢利                             |             | –   | 604,994  | –  | 604,994                        |
| 貨幣兌換差額                            |             |   |  |  |                                |
| – 合營公司                            | 32          | –   | –  | (8,557)                                      | (8,557)                        |
| 已付二零零七年股息                         | 16          | –   | (250,000)  | –  | (250,000)                      |
| <b>二零零八年十二月三十一日結餘</b>             |             | 2,000,000                                 | 3,735,513  | 26,951                                       | 5,762,464                      |

\* 截至二零零八年十二月三十一日，已從保留溢利中劃撥250,000,000港元(二零零七年：250,000,000港元)作為擬派末期股息。

\*\* 未變現虧損於可供出售證券轉撥至持有至到期證券時於收益表攤銷。

\* As at 31 December 2008, HK\$250 million (2007: HK\$250 million) was earmarked as proposed final dividend from retained earnings profits.

\*\* Amortization of unrealised loss to income statement on available-for-sale securities transferred to held-to-maturity securities.

# 綜合現金流量表

## CONSOLIDATED CASH FLOW STATEMENT

截至二零零八年十二月三十一日止年度  
for the year ended 31 December 2008

|                          | 附註<br>Notes   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|--------------------------|---|-------------------------|-------------------------|
| <b>經營業務所得現金流量</b>        | <b>Cash flows from operating activities</b>   |                         |                         |
| 除稅前溢利                    | Profit before taxation  | <b>633,968</b>          | 821,210                 |
| 就以下各項作出的調整：              | Adjustment for:   |                         |                         |
| 利息收入                     | Interest income   | <b>(1,750,116)</b>      | (2,232,110)             |
| 利息支出                     | Interest expense  | <b>1,071,035</b>        | 1,643,709               |
| 股息收入                     | Dividend income   | <b>(42,867)</b>         | (29,131)                |
| 折舊                       | Depreciation  | <b>8,936</b>            | 10,147                  |
| 應佔合營公司虧損                 | Share of loss of a joint venture  | <b>8</b>                | –                       |
| 已發行債務證券折讓攤銷              | Amortisation of discount on debt securities issued  | <b>44,329</b>           | 46,392                  |
| 貸款減值撥備/(回撥)              | Loan impairment charge/(write-back of loan impairment allowances)   | <b>36,225</b>           | (4,457)                 |
| 扣除收回貸款後撇銷的貸款組合           | Loan portfolio written off net of recoveries  | <b>716</b>              | (5,068)                 |
| 減值折現回撥                   | Unwind of discount on impairment  | <b>(335)</b>            | (778)                   |
| 可供出售證券轉作持有至到期證券時的未變現虧損攤銷 | Amortisation of unrealised loss on available-for-sale securities transferred to held-to-maturity securities | <b>338</b>              | –                       |
| 證券投資折讓攤銷                 | Amortisation of discount on investment securities   | <b>(75,436)</b>         | (107,323)               |
| 出售可供出售證券收益淨額             | Net gain on disposal of available-for-sale securities   | <b>(26,026)</b>         | (922)                   |
| 金融工具公平值變動                | Change in fair value of financial instruments   | <b>50,993</b>           | (56,090)                |
| 根據現金流對沖換算金融資產變動          | Change in translation of financial assets under cash flow hedge   | <b>(94,542)</b>         | (1,820)                 |
| 已收利息                     | Interest received   | <b>1,776,266</b>        | 2,095,813               |
| 已付利息                     | Interest paid   | <b>(1,073,063)</b>      | (1,521,689)             |
|                          |   | <b>560,429</b>          | 657,883                 |
| 於三個月後到期的定期存款增加           | Increase in time deposits with more than three month's maturity   | <b>(88,386)</b>         | (42,981)                |
| 應收匯款增加                   | Increase in remittance receivables  | <b>(478,528)</b>        | (189,703)               |
| 預付款項、按金及其他資產增加           | Decrease in prepayments, deposits and other assets  | <b>11,827</b>           | 1,489                   |
| 貸款組合增加                   | Increase in loan portfolio  | <b>(16,336,427)</b>     | (2,073,536)             |
| 應付賬項、應付開支及其他負債項增加/(減少)   | Increase/(decrease) in accounts payable, accrued expenses and other liabilities                             | <b>32,187</b>           | (53,085)                |
| 保險負債淨額增加                 | Increase in insurance liabilities, net  | <b>265,295</b>          | 44,048                  |
| 外幣匯兌差額                   | Exchange differences  | <b>29,515</b>           | (15,866)                |
| 經營所用現金                   | Cash used in operation  | <b>(16,004,088)</b>     | (1,671,751)             |
| 已付香港利得稅                  | Hong Kong profits tax paid  | <b>(15,584)</b>         | (75,346)                |
| 經營業務所用現金淨額               | Net cash used in operating activities   | <b>(16,019,672)</b>     | (1,747,097)             |



|                      |   | 附註<br>Notes | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|----------------------|---|-------------|-------------------------|-------------------------|
| <b>投資活動所得現金流量</b>    | <b>Cash flows from investing activities</b>                       |             |                         |                         |
| 購買固定資產               | Purchase of fixed assets  | 24          | (7,389)                 | (6,640)                 |
| 購買可供出售證券             | Purchase of available-for-sale securities                         | 21(a)       | (17,311,387)            | (23,476,586)            |
| 購買持有至到期證券            | Purchase of held-to-maturity securities                           | 21(b)       | (3,036,106)             | (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 |             | 18,565,927              | 24,137,931              |
| 贖回持有至到期證券所得款項        | Proceeds from redemption of held-to-maturity securities           | 21(b)       | 3,518,682               | 3,202,554               |
| 合營公司投資               | Investment in a joint venture                                     |             | (122,097)               | –                       |
| 已收可供出售證券股息           | Dividend received from available-for-sale securities              |             | 41,513                  | 17,625                  |
| 投資活動所得/(所用)現金淨額      | Net cash generated from/(used in) investing activities            |             | 1,649,143               | (139,921)               |
| <b>融資前現金流出淨額</b>     | <b>Net cash outflows before financing</b>                         |             | <b>(14,370,529)</b>     | <b>(1,887,018)</b>      |
| <b>融資活動所得現金流量</b>    | <b>Cash flows from financing activities</b>                       |             |                         |                         |
| 外匯基金墊款所得款項           | Proceeds from advance from Exchange Fund                          | 28          | 8,000,000               | –                       |
| 發行債務證券所得款項           | Proceeds from issue of debt securities                            | 29          | 24,377,642              | 16,356,005              |
| 贖回已發行債務證券            | Redemption of debt securities issued                              | 29          | (16,362,840)            | (12,346,500)            |
| 已發行按揭證券還款            | Repayment of mortgage-backed securities issued                    | 30          | (1,055,906)             | (1,163,769)             |
| 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                      |             | 14,708,896              | 2,595,736               |
| <b>現金及等同現金項目增加淨額</b> | <b>Net increase in cash and cash equivalents</b>                  |             | <b>338,367</b>          | <b>708,718</b>          |
| <b>年初現金及等同現金項目</b>   | <b>Beginning cash and cash equivalents</b>                        |             | <b>2,426,241</b>        | <b>1,717,523</b>        |
| <b>年終現金及等同現金項目</b>   | <b>Ending cash and cash equivalents</b>                           | 17          | <b>2,764,608</b>        | <b>2,426,241</b>        |

## 綜合財務報表附註

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 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」（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。

編製符合香港財務報告準則的財務報表時須採用若干重大會計估計，而管理層應用本集團會計政策時亦須自行作出判斷。需要較多判斷或較複雜的範疇，或假設及估計對綜合財務報表屬重要的範疇已在附註4披露。

### 2. 主要會計政策

#### 2.1 採納香港財務報告準則

於二零零八年，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。

- 香港會計準則第39號 — 金融工具：確認及計量修訂重新分類金融資產，准許若干屬持作交易及可供出售類別的金融資產符合指定條件時重新分類。香港財務報告準則第7號 — 金融工具：披露的相關修訂引入有關自持作交易及可供出售類別重新分類的金融資產披露規定，自二零零八年七月一日起生效。由於本集團並無重新分類此金融資產，故該修訂對本集團財務報表並無影響。

本集團已選擇不提早採納下列已頒佈且與本集團業務有關但於自二零零八年一月一日開始的年度期間尚未生效的準則。

### 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 2008, the Group adopted the new/revised HKFRS below, which is relevant to its operations.

- HKAS 39 – Financial Instruments: Recognition and Measurement amendment on reclassification of financial assets permits reclassification of certain financial assets out of the held-for-trading and available-for-sale categories if specified conditions are met. The related amendment to HKFRS 7 – Financial Instruments: Disclosures, introduces disclosure requirements with respect to financial assets reclassified out of the held-for-trading and available-for-sale categories. The amendment is effective prospectively from 1 July 2008. This amendment does not have any impact on the Group's financial statements, as the Group has not reclassified the financial assets.

The Group has chosen not to early adopt the following standards and amendments to existing standards that were issued and relevant to the Group's operation but not yet effective for annual periods beginning on 1 January 2008.

- 香港財務報告準則第8號 — 經營分類於自二零零九年一月一日或其後開始的年度期間生效，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。本集團已評估香港財務報告準則第8號的影響，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。經修訂準則禁止於權益變動表內呈列收入及開支項目（即「非所有者權益變動」），規定「非所有者權益變動」須與所有者權益變動分開呈列。所有非所有者權益變動須於業績報表中呈列，惟實體可選擇以一份業績報表（綜合收益表）或兩份報表（收益表及綜合收益表）呈列。如公司重列或重新分類比較數字，則除須按現時規定呈列當期和比較期間結束時之資產負債表外，亦須呈列比較期間開始時的經重列資產負債表。採納該項經修訂準則預期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27號（修訂） — 「綜合及獨立財務報表」（自二零零九年七月一日起生效）。經修訂準則規定，如控制權不變，而此等交易將不再產生商譽或損益，則附有非控制性權益之所有交易影響必須在權益中呈列。該準則亦指明失去控制權時之會計處理方式。持有該公司之餘下權益按公平值重新計量，而損益於損益賬中確認。本集團預期將自二零一零年一月一日起應用香港會計準則第27號（經修訂）處理附有非控制性權益之交易。
- 香港會計師公會於二零零八年十月頒佈的香港財務報告準則修訂。
- 香港會計準則第1號（修訂本） — 財務報表之呈報（自二零零九年一月一日起
- 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 periods beginning on or after 1 January 2009. The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The adoption of this revised standard is not expected to have any impact on the Group's results of operations or financial position.
- HKAS 27 (Revised) – Consolidated and Separate Financial Statements (effective from 1 July 2009). This revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value and a gain or loss is recognised in profit or loss. The Group will apply HKAS 27 (Revised) prospectively to transactions with non-controlling interests from 1 January 2010.
- HKICPA's improvements to HKFRS published in October 2008.
- HKAS 1 (Amendment) – Presentation of Financial Statements (effective from 1 January 2009). The amendment clarifies that

生效)。該修訂指明若干(而非所有)根據香港會計準則第39號金融工具: 確認及計量分類為持作交易之金融資產及負債分別屬於流動資產及負債。本集團將自二零零九年一月一日起應用香港會計準則第1號(修訂本), 預期不會對本集團之財務報表產生任何影響。

- 香港會計準則第19號(修訂本) — 僱員福利(自二零零九年一月一日起生效)。
  - 短期及長期僱員福利的區別將以該等福利是否在僱員提供服務12個月內或之後結算為基準。
  - 香港會計準則第37號撥備、或然負債及或然資產規定必須披露(而非確認)或然負債。為保持一致, 香港會計準則第19號已作出相應修訂。

本集團將自二零零九年一月一日起應用香港會計報告準則第19條(修訂本)。

- 香港會計準則第36號(修訂本) — 資產減值(自二零零九年一月一日起生效)。倘公平值減銷售成本基於折現現金流量計算, 則須作出與使用價值計算方式相若之披露。本集團將自二零零九年一月一日起應用香港會計準則第36號(修訂本), 並按規定提供適用於減值測試之披露。
- 香港會計準則第38號(修訂本) — 無形資產(自二零零九年一月一日起生效)。預付款項僅會在獲得使用貨品之權利或收到服務前先行付款之情況下確認。本集團將自二零零九年一月一日起應用香港會計準則第38號(修訂本)。
- 香港會計準則第39號(修訂本) — 金融工具: 確認及計量(自二零零九年一月一日起生效)。
  - 該修訂闡明, 倘衍生工具開始或不再符合現金流或淨投資對沖的對沖工具資格, 則可以歸入或剔出以公平值計入損益的類別。
  - 按公平值計入損益之金融資產或財務負債因與持作交易項目相關, 故亦修訂其定義。該修訂闡明, 若金融資產或負債屬於有證據顯示近期確實為短期套利財務工具組合的一部分, 則在初次確認時列入該組合。

some rather than all financial assets and liabilities classified as held for trading in accordance with HKAS 39 Financial Instruments: Recognition and Measurement are examples of current assets and liabilities respectively. The Group will apply HKAS 1 (Amendment) from 1 January 2009. It is not expected to have a material impact on the Group's financial statements.

- HKAS 19 (Amendment) – Employee Benefits (effective from 1 January 2009).
  - The distinction between short term and long term employee benefits will be based on whether benefits are due to be settled within or after 12 months of employee service being rendered.
  - HKAS 37 Provisions, Contingent Liabilities and Contingent Assets requires contingent liabilities to be disclosed, not recognised. HKAS 19 has been amended to be consistent.

The Group will apply HKAS 19 (Amendment) from 1 January 2009.

- HKAS 36 (Amendment) – Impairment of Assets (effective from 1 January 2009). Where fair value less costs to sell is calculated on the basis of discounted cash flows, disclosures equivalent to those for value-in-use calculation should be made. The Group will apply HKAS 36 (Amendment) and provide the required disclosure where applicable for impairment tests from 1 January 2009.
- HKAS 38 (Amendment) – Intangible Assets (effective from 1 January 2009). A prepayment may only be recognised in the event that payment has been made in advance of obtaining right of access to goods or receipt of services. The Group will apply the HKAS 38 (Amendment) from 1 January 2009.
- HKAS 39 (Amendment) – Financial Instruments: Recognition and Measurement (effective from 1 January 2009).
  - This amendment clarifies that it is possible for there to be movements into and out of the fair value through profit or loss category where a derivative commences or ceases to qualify as a hedging instrument in cash flow or net investment hedge.
  - The definition of financial asset or financial liability at fair value through profit or loss as it relates to items that are held for trading is also amended. This clarifies that a financial asset or liability that is part of a portfolio of financial instruments managed together with evidence of an actual recent pattern of short-term profit-taking is included in such a portfolio on initial recognition.

– 現時劃分及記錄對沖項目之指引指明對沖工具須有呈報公司以外之一方參與，並舉引一個分部作為呈報公司之例子，即為在分部層次採用對沖會計法，有關的分部目前必須符合對沖會計法之規定。該修訂刪除此項規定，使香港會計準則第39號與香港財務報告準則第8號經營分部一致，後者規定分部披露須基於呈報予主要經營決策者的資料。現時，各附屬公司的分部報告乃按公平值或現金流對沖劃分，並記錄（包括成效檢測）與集團財務部訂立的合約，使該等對沖在與對沖項目有關之分部列示，與呈交主要營運決策者審閱的資料一致。該修訂生效後，對沖會繼續在與對沖項目有關之分部（及提供予主要營運決策者之資料）列示，但本集團不會正式記錄亦不會檢測該對沖關係。

– 該修訂闡明，終止使用公平值對沖會計法而重新計量債務工具賬面值時，須採用經修訂之實際利率（於終止採用公平值對沖會計法當日計算）。

本集團將自二零零九年一月一日起應用香港會計準則第39號（修訂本），預期對本集團之綜合收益表不會有影響。

- 香港財務報告準則第7號金融工具：披露、香港會計準則第8號會計政策、會計估計改變及誤差、香港會計準則第10號結算日後事項、香港會計準則第18號收益及香港會計準則第34號中期財務報告均有細微修訂，但並無在上文陳述。該等修訂不大可能對本集團之財務報表造成影響，因此並無作詳細分析。
- 香港會計準則第31號（修訂本）— 於合營公司之權益（及香港會計準則第32號及香港財務報告準則第7號之相應修訂）（自二零零九年一月一日起生效）。倘根據香港會計準則第39號確認對合營公司的投資，除根據香港會計準則第32號金融工具：呈報及香港財務報告準則第7號金融工具：披露作出披露外，僅須遵照香港會計準則第31號的若干（而非全部）披露規定作出披露。本集團將自二零零九年一月一日起應用香港會計準則第31號（修訂本）且該修訂不會對本集團的營運產生任何影響。

– The current guidance on designating and documenting hedges states that a hedging instrument needs to involve a party external to the reporting entity and cites a segment as an example of a reporting entity. This means that in order for hedge accounting to be applied at segment level, the requirements for hedge accounting are currently required to be met by the applicable segment. The amendment removes this requirement so that HKAS 39 is consistent with HKFRS 8 Operating Segments which requires disclosure for segments to be based on information reported to the chief operating decision maker. Currently for segment reporting purposes, each subsidiary designates and documents (including effectiveness testing) contracts with group treasury as fair value or cash flow hedges so that the hedges are reflected in the segment to which the hedged items relate. This is consistent with the information viewed by the chief operating decision maker. After the amendment is effective, the hedge will continue to be reflected in the segment to which the hedged items relate (and information provided to the chief operating decisions maker) but the Group will not formally document and test this hedging relationship.

– When remeasuring the carrying amount of a debt instrument on cessation of fair value hedge accounting, the amendment clarifies that a revised effective interest rate (calculated at the date fair value hedge accounting ceases) are used.

The Group will apply the HKAS 39 (Amendment) from 1 January 2009. It is not expected to have an impact on the Group's income statement.

- There are a number of minor amendments to HKFRS 7 Financial Instruments: Disclosures, HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, HKAS 10 Events after the Reporting Period, HKAS 18 Revenue and HKAS 34 Interim Financial Reporting, which are not addressed above. These amendments are unlikely to have an impact on the Group's financial statements and have therefore not been analysed in details.
- HKAS 31 (Amendment) – Interests in Joint Ventures (and consequential amendments to HKAS 32 and HKFRS 7) (effective from 1 January 2009). Where an investment in joint venture is accounted for in accordance with HKAS 39, only certain rather than all disclosure requirements in HKAS 31 need to be made in addition to disclosures required by HKAS 32 Financial instruments: Presentation and HKFRS 7 Financial instruments: Disclosures. The Group will apply the HKAS 31 (Amendment) from 1 January 2009 and the amendment will not have an impact on the Group's operations.



## 2.2 綜合賬目

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日的財務報表。

### (a) 附屬公司

附屬公司指本集團有權控制其財務及營運政策的所有公司(包括特設公司)，一般為擁有該公司過半數投票權之股權。評估本集團是否控制另一公司時，會考慮現時是否存在可行使或可轉換的潛在投票權及其影響。附屬公司自控制權轉移至本集團當日起全面綜合入賬，並自該控制權終止當日終止綜合入賬。

本集團成員公司間的交易、結餘及未變現收益會相互對銷。除非有證據顯示交易所轉讓資產出現減值，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，以確保與本集團的政策一致。

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。附屬公司之業績由本公司按已收及應收股息入本公司賬目。

### (b) 共同控制實體

共同控制實體指涉及成立獨立公司且各合營方對其經濟活動有共同控制權的共同合營安排。對共同控制公司的投資以權益會計法入賬，首先以成本確認。

本集團應佔共同控制實體之溢利或虧損於收益表確認，而應佔儲備之增減則於儲備確認。投資賬面值會根據累積增減調整。倘本集團應佔共同控制實體之虧損等於或超過所持共同控制實體之權益(包括任何其他無抵押應收款項)，則本集團不會再確認額外虧損，除非本集團有責任或已經代表合營公司付款。

本公司資產負債表內，於共同控制實體的投資按成本扣除減值撥備列賬。共同控制實體之業績由本公司按已收及應收股息入賬。

## 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，所有付息金融工具之利息收入及支出均採用實際利息法於收益表內確認。

## 2.2 Consolidation

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

### (a) Subsidiaries

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.

### (b) Jointly controlled entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity are referred as jointly controlled entities. Investments in jointly controlled entities are accounted for using the equity method of accounting and are initially recognised at cost.

The Group's share of its jointly controlled entities' profits or losses is recognised in the income statement, and its share of movements in reserves is recognised in reserves. The cumulative movements are adjusted against the carrying amount of the investment. When the Group's share of losses in a jointly controlled entity equals or exceeds its interest in the entity, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the entity.

In the Company's balance sheet, the investment in the jointly controlled entity is stated at cost less provision for impairment allowances. The results of the jointly controlled entity 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.

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攤分有關期間之利息收入或支出的方法。實際利率指於金融工具之預計年期或較短時間（如適用）內將估計未來現金支出或收入準確折現至金融資產或金融負債賬面淨值的利率。計算實際利率時，本集團會考慮金融工具的所有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已支付或已收取且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金融資產因出現減值虧損而撇減其價值時，會按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。

## 2.4 非利息收入

### (a) 費用及佣金收入

費用及佣金通常於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過前期安排手續費作為對釐定貸款利息收入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

本集團將金融資產分為：以公平值變化計入損益的金融資產、貸款及應收款、持至到期的投資及可供出售金融資產。分類方式視乎購入投資的目的而定。管理層於初始確認時決定投資分類。

### (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的金融資產及於首次分類時指定為以公平值變化計入損益的金融資產。倘金融資產主要為在短期內出售而購入，或該資產為集合管理的可識別金融工具組合之一部分及有證據顯示近期曾實際短期獲利，則歸類為持作買賣用途。除已指定作對沖用途外，否則衍生工具亦歸類為持作買賣用途。

符合以下條件之金融資產，一般會初始時被界定為以公平值變化計入損益類別：

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument 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 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) 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有重大影響的嵌入式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。

**(b) 貸款及應收款項**

貸款及應收款項為有固定或可確定還款額、並無活躍市場報價之非衍生金融資產，且本集團無意買賣有關貸款及應收款項。

**(c) 持至到期投資**

持至到期投資為有固定或可確定還款額及還款期的非衍生金融資產，且本集團管理層有明確意向及能力持至到期。若本集團出售非重大數額之持至到期資產，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**

可供出售投資為指定為此類別或並無歸入任何其他類別的非衍生金融投資。可供出售投資為無限定持有時間的投資，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初始時按公平值加上交易成本確認。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權的全部風險及回報時，會終止對該等金融資產之確認。

- (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) 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.

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，則將先前已於權益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股息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權益確認。

於交投活躍市場報價之投資公平值乃按現時買入價計算。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有無客觀證據顯示個別金融資產或一組金融資產出現減值。於初始確認資產後發生一個或多個損失事件（「損失事件」）以致出現減值之客觀證據，且該宗（或該等）損失事件對有關金融資產或一組金融資產之未來現金流量的影響可準確估計，則該金融資產或一組金融資產將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有關可供觀察資料之以下損失事件：

- 發行人或欠債人出現嚴重財政困難；
- 違約，例如延遲支付或拖欠利息或本金；

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 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;

- 因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；
  - 借款人可能面臨破產或其他財務重組；
  - 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產生時未來預計現金流量將較最初確認有可量度下降，即使有關下降尚未能識別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
    - 與該組合資產之逾期還款相關之經濟狀況。
- 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
    - economic conditions that correlate with defaults on the assets in the group.

本集團會首先評估有否客觀證據顯示金額重大之個別金融資產出現減值，以及個別或組合地評估金額非重大之個別金融資產。若本集團確定並無客觀證據顯示所評估個別金融資產（不論金額是否屬重大）出現減值，則須將該資產包含於信貸風險特徵相若組合中，以作出組合減值評估。組合減值評估不包括已經個別評估為有減值虧損或將繼續確認減值虧損之資產。

如有客觀證據顯示以攤銷成本列賬之貸款及應收款或持至到期投資出現減值虧損，則虧損額將以資產賬面值與預計未來現金流量（不包括尚未產生的未來信貸虧損），並按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確認。倘一項貸款或持至到期投資按浮動利率計算，則計量減值虧損的折現率為合約釐定的現行實際利率。倘有實際需要，則本集團可採用可供觀察的市價按金融工具公平值計量減值。

對有抵押金融資產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歸類，該等特徵

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



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記錄為基準估量。過往虧損記錄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。

估計一組資產未來現金流量的變動時須反映各期間的相關可觀察數據（顯示該組資產虧損之可能性及程度的變動），並調整至與其一致。本集團定期檢討用於估計未來現金流量的方法及假設，以縮減虧損估計與實際虧損間的差距。

倘貸款無法收回，則信貸委員會將酌情決定自相關貸款減值虧損撥備撇銷貸款。該等貸款會於完成所有必需程序及確定虧損金額後撇銷。如日後收回以往已撇銷的款項，將用於減低收益表中之減值虧損。

如日後減值虧損撥備減少，且與確認減值後發生的事件有客觀聯繫，則以往確認的減值虧損會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有否客觀證據顯示個別金融資產或一組金融資產出現減值虧損。如可供出售金融資產存在該等減值證據，其累計虧損（即收購成本與現時公平值之差額扣減原先已於收益表確認之金融資產減值虧損）需自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，並與確認減值後發生之事件有客觀聯繫，則有關減值虧損將於收益表回撥。

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.

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) 已重組貸款**

須作組合減值評估或屬個別重大的貸款如已重新協商條款則不再視為逾期，而作為已重組貸款處理。

**2.7 金融負債**

金融負債分為兩類：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」）、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以及根據中期債券計劃發行的債券（「中期債券」），於資產負債表入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入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（包括已發行嵌入式衍生工具的債券）被界定為以公平值對沖之對沖項目及初始分類時以公平值變化計入損益並按公平值確認，且公平值變動記錄於收益表。

指定為其他金融負債的債券按成本計量，即所收代價的公平值扣減產生的交易成本。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，於債務證券期間按實際利息法在收益表確認。

凡贖回/回購債券時所得的收益或虧損，即贖回/回購債券的金額與賬面值的差額，均於贖回/回購發生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；而當公平值為負數時，則作為負債入賬。

**(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 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") and the notes issued under the Medium Term Note Programme ("MTN") 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相比較，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。

若干嵌入其他金融工具之衍生工具之經濟特徵及風險與所屬主合約並無密切關係，且主合約並非以公平值變化計入損益計量，則該等嵌入式衍生工具會作為獨立衍生工具處理。該等嵌入式衍生工具以公平值計量，而公平值之變動則於收益表確認。

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）。在符合若干條件的情況下，以此方法指定的衍生工具採納對沖會計方式處理。

本集團會於交易發生時記錄對沖工具與相關對沖項目之關係、風險管理目的以及進行各類對沖交易時所採取策略。本集團亦於對沖活動發生時及所涉期間內評估有關衍生工具能否高度有效地抵銷相關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

指定為且合資格之公平值對沖之衍生工具的公平值變動連同對沖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，則會按實際利息法計算對沖項目之賬面值調整，將於直至到期日之間攤銷至收益表。

#### (b) 現金流對沖

指定為且合資格列為現金流對沖之衍生工具的公平值變動的有效對沖部分將於權益中列賬。無效部分的損益即時於收益表確認。

權益的累積數額將於相關對沖項目影響收益表時轉出並撥入至收益表。

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) 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.

於對沖工具到期或出售或不再符合對沖會計處理的條件時，權益中的任何累計損益仍會留權益內，直至預計進行的交易最終於收益表確認時始撥入收益表。當預計進行的交易不會落實時，權益所呈報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**

凡不合資格採用對沖會計處理作經濟對沖的衍生工具均按公平值變動計入損益。衍生工具的公平值變動即時於收益表確認。

**2.9 對銷金融工具**

如金融資產及負債具法定權利可抵銷確認金額及有計劃按淨額結算，或同時變賣資產以清償負債，則該金融資產及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或公平值減銷售成本之較低者計量。

**2.11 分類呈報**

業務分類指提供產品或服務的一組資產及業務，其風險及回報與其他業務分類不同。地區分類指在特定經濟環境中提供產品或服務，且其風險及回報與在其他經濟環境中營運的分類不同。

**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所在主要經濟環境所用的貨幣（「功能貨幣」）計量。綜合財務報表以本公司之功能及呈列貨幣港元呈列。

**(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。結算該等交易產生之匯兌盈虧以及結算以年終匯率換算的外幣計值貨幣資產及負債而產生的匯兌盈虧在收益表確認，惟在權益中遞延入賬之合資格現金流對沖除外。

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 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 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.

持有以公平值變化計入損益的非貨幣項目的換算差額呈報為公平值收益或虧損的一部分。非貨幣項目（分類為可供出售金融資產）的換算差額計入權益的公平值儲備。

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 固定資產

固定資產按歷史成本減累計折舊及減值虧損列賬。歷史成本包括收購該等項目的直接支出。

該項目的其後成本僅在本集團有可能獲得有關項目之未來經濟利益，且能準確計量項目成本時，方計入資產賬面值或確認為獨立資產（倘適用）。遭替換部分的賬面值終止確認。所有其他維修及保養開支均於產生之財務期間的收益表確認。

折舊採用直線法按下列估計可使用年期將成本減剩餘價值計算：

|        |            |
|--------|------------|
| 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         |

資產的剩餘價值及可使用年期於各結算日檢討並於適當時調整。

出售損益相當於所得款項與賬面值的差額，於收益表確認。

### 2.14 於附屬公司的投資及非金融資產減值

未釐定可使用年期或尚不可使用的資產毋須攤銷，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無法收回的事件或環境變動時，則會評估資產有否減值。倘資產賬面值超出其可收回金額，則資產賬面值即時撇減至其可收回金額。可收回金額以資產公平值扣除銷售成本或使用價值之較高者為準。

### 2.15 遞延所得稅

遞延稅項採用負債法按資產及負債的稅基與綜合財務報表所呈列賬面值之暫時差額作全數撥備。遞延稅項採用結算日前已頒佈或實際頒佈並在相關遞延所得稅資產變現或遞延所得稅負債結算時預期會適用之稅率釐定。

### 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                                |

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 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.



倘可能有未來應課稅溢利與可動用暫時差額抵銷，則確認遞延稅項資產。遞延所得稅就投資附屬公司而產生的暫時差額而撥備，除非暫時差異的撥回由本集團控制，並有可能在可預見將來不會撥回暫時差額則除外。

應付所得稅於溢利產生當期確認為支出。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溢利時確認為資產。

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

## 2.16 僱員福利

### (a) 僱員可享有的假期

僱員所享年假及長期服務假期於計算僱員有關假期時確認。按截至結算日應向僱員就所提供服務而估計享有的年假及長期服務假期列為應計項目。

僱員可享的病假、產假及陪產假，於僱員休假時方會確認。

### (b) 花紅計劃

本公司根據一項程式以考慮若干調整後所得溢利確認花紅負債及開支。本公司根據合約責任或過往經驗建立推定性責任時，會確認有關花紅撥備。

### (c) 退休金承擔

本公司為僱員設立強制性公積金計劃及界定供款計劃，計劃相關資產通常由獨立信託人所管理之基金持有。該等退休金計劃通常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時列作支出。僱員於全數享有應得僱主供款前退出該計劃而被沒收的僱主供款部分會用於扣減僱主目前供款負擔。

### (d) 終止利益

倘於正式退休日期前終止僱傭關係，或倘僱員接受自願離職換取利益，則本公司應付終止利益。倘本公司明確承諾根據一項不可撤回周詳正式計

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 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



劃終止僱用現有僱員，或為鼓勵自願離職而提供終止利益，則確認終止利益。於結算日後超過十二個月到期的利益會折現至現值。

## 2.17 撥備

倘本集團現時因過往事件而涉及法律或推定責任，而履行責任很可能須耗用資源，且可合理估計款項，則確認撥備。

撥備按預期償付責任所需開支以除稅前比率（反映當前市場對責任特定之貨幣時間值及風險之評估）計算之現值計量。

## 2.18 租賃

### (a) 經營租約

經營租賃指由出租人承擔資產擁有權絕大部分風險及回報之租約。本集團主要以承租人身份訂立經營租約。經營租約租金（扣除出租人給予的任何優惠後）於租期內以直線法自收益表扣除。

倘經營租約於租約期滿前終止，則任何須付予出租人的罰款將於結束發生期間確認為開支。

### (b) 融資租約

融資租約指實質由本集團承擔擁有權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份訂立融資租約。融資租約於租賃開始時按租賃物業公平值或最低租金現值之較低者撥作應收款項。應收款項總額與應收款項現值的差額確認為未賺取融資收入。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。

## 2.19 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之日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。

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 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 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 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。依照年度會計處理方法，本集團按未來收入及支出的可靠預測作出撥備，釐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。

於各期末，就未決申索、已申索但未報告及虧損儲備作撥備。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。該等資產包括從再保險公司可收回的申索及應收款項（根據有關再保險合約所預期的申索及利息）。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。

## 2.21 財務擔保合約

財務擔保合約指本集團須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。

## 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 and maintained 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 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.

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」釐定的金額或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

於結算日後擬派或宣派的股息作為股東權益獨立組成部分披露。

## 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。

本集團的業務面對多種財務風險，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。本集團於維持財務表現過程中審慎管理風險。

本集團風險管理政策及主要限額均經董事局批准。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監察經董事會批准的風險管理及投資指引的執行情況。此外，內部審核部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（包括貨幣風險及利率風險）。

### 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。流動資金及投資證券的信貸風險有限，主要因為對手是主權國、半主權國機構、信貸評級極高的銀行及公司。

本集團的信貸風險主要來自其貸款組合，即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。

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 risks 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.

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.

經濟及本港物業市場出現的重大轉變可能導致虧損有別於結算日之撥備。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) 有效的核查程序；及 (iv) 確保較高風險的資產或交易有足夠的保障。本集團信貸風險並沒有高度集中，而分攤於眾多客戶、交易對手及分佈於不同地區的相關抵押品。

本集團尤其注重對問題貸款進行持續信貸審查。各業務部門將監控該等貸款，並為盡力收回款項採取如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自收益表扣除。

#### 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。無論於何時，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）的現有公平值，就衍生工具而言，公平現值僅佔合約價值或用於反映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，與市場波動的潛在風險一併管理。

結算風險存在於任何以現金、證券或股本支付並期望收取相當現金、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，對每名交易對手均設有每日結算限額。

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.

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<br>The Group   |  | 本公司<br>The Company   |  |
|----------------------------|--|--|--|--|--|
|                            |  | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 |
| 資產：                        | Assets:  |  |  |  |  |
| 現金及短期資金                    | Cash and short-term funds  | 3,093,258  | 2,666,505  | 3,054,735  | 2,354,108  |
| 利息及匯款<br>應收款項              | Interest and remittance<br>receivables                                   | 1,334,485  | 882,107  | 1,322,591  | 866,260  |
| 衍生金融工具                     | Derivative financial instruments   | 2,237,526  | 657,486  | 2,159,479  | 631,129  |
| 貸款組合淨額                     | Loan portfolio, net  | 50,760,112   | 34,460,291   | 46,678,285   | 31,516,597   |
| 投資證券：                      | Investment securities:   |  |  |  |  |
| – 可供出售債券                   | – available-for-sale debt<br>securities                                  | 1,209,825  | 3,256,375  | 1,209,825  | 3,256,375  |
| – 持有至到期債券                  | – held-to-maturity debt<br>securities                                    | 5,614,666  | 5,500,024  | 5,614,666  | 5,500,024  |
| 預付款項、按金及<br>其他資產           | Prepayments, deposits and<br>other assets                                | 30,555   | 41,028   | 38,118   | 59,600   |
| 再保險資產                      | Reinsurance assets   | 348,442  | 366,383  | 348,442  | 366,383  |
| 資產負債表外風險：                  | Off-balance sheet exposures:   |  |  |  |  |
| 財務擔保<br>(按揭證券化計劃<br>的合約金額) | Financial guarantees<br>(contractual amount under<br>the MBS programmes) | –  | –  | 1,717,540  | 2,772,621  |
| 風險投保                       | Risk-in-force  | 9,830,573  | 8,683,100  | 9,830,573  | 8,683,100  |
|                            |  | 74,459,442   | 56,513,299   | 71,974,254   | 56,006,197   |

## (b) 信貸質素

貸款組合分析如下：

## (b) Credit quality

The loan portfolio is analysed as follows:

|         |                               | 本集團<br>The Group   |  | 本公司<br>The Company   |  |
|---------|-------------------------------|--|--|--|--|
|         |                               | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 |
| 未逾期亦未減值 | Neither past due nor impaired | 49,761,406   | 33,191,365   | 45,740,512   | 30,437,253   |
| 逾期但未減值  | Past due but not impaired     | 1,026,708  | 1,242,446  | 965,174  | 1,051,904  |
| 已減值     | Impaired                      | 22,534   | 40,410   | 22,372   | 40,410   |
| 貸款組合總額  | Gross loan portfolio          | 50,810,648   | 34,474,221   | 46,728,058   | 31,529,567   |
| 貸款減值撥備  | Allowance for loan impairment | (50,536)   | (13,930)   | (49,773)   | (12,970)   |
|         |                               | 50,760,112   | 34,460,291   | 46,678,285   | 31,516,597   |



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<br>The Group   |  | 本公司<br>The Company   |  |
|------|---------|--|--|--|--|
|      |         | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 |
| 級別：  | Grades: |  |  |  |  |
| 1至3級 | 1 to 3  | <b>49,725,637</b>  | 33,142,145   | <b>45,705,432</b>  | 30,391,346   |
| 4級   | 4       | <b>2,409</b>   | 7,722  | <b>2,409</b>   | 7,722  |
| 5級   | 5       | <b>33,360</b>  | 41,498   | <b>32,671</b>  | 38,185   |
|      |         | <b>49,761,406</b>  | 33,191,365   | <b>45,740,512</b>  | 30,437,253   |

1至3級包括無信貸風險或無先前逾期記錄的貸款，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級包括有先前逾期記錄，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級包括有先前逾期記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

(c) Loan portfolio past due but not impaired

以下為於結算日已逾期但未減值的貸款組合總額分析：

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

|                            |  | 本集團<br>The Group   |  | 本公司<br>The Company   |  |
|----------------------------|--|--|--|--|--|
|                            |  | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 | 於二零零八年<br>十二月三十一日<br>As at<br>31 December<br>2008<br>千港元<br>HK\$'000 | 於二零零七年<br>十二月三十一日<br>As at<br>31 December<br>2007<br>千港元<br>HK\$'000 |
| 逾期時間：                      | Past due:  |  |  |  |  |
| 三個月或以下                     | Three months or less                                     | <b>1,021,165</b>   | 1,225,188  | <b>959,955</b>   | 1,035,409  |
| 六個月或以下，<br>但超過三個月          | Six months or less but over<br>three months              | <b>3,746</b>   | 11,888   | <b>3,611</b>   | 11,386   |
| 超過六個月                      | Over six months  | <b>1,797</b>   | 5,370  | <b>1,608</b>   | 5,109  |
| 總額                         | Total  | <b>1,026,708</b>   | 1,242,446  | <b>965,174</b>   | 1,051,904  |
| 抵押品及其他信貸<br>安排加強措施的<br>公平值 | Fair value of collateral and other<br>credit enhancement | <b>2,173,979</b>   | 2,857,918  | <b>2,015,777</b>   | 2,373,058  |

**(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22,534,000港元(二零零七年: 40,410,000港元)。

相關持有作抵押品及本集團及本公司信貸安排加強措施的公平值為26,602,000港元(二零零七年: 50,725,000港元)。

**(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二零零八年十二月三十一日為9,811,000港元(二零零七年: 22,986,000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。

**(f) 收回抵押品**

本集團及本公司收取作為擔保的抵押品的資產如下：

**(d) Loan portfolio individually impaired**

The individually impaired loans of the Group and the Company before taking into account the cash flows from collateral held and credit enhancement is HK\$22,534,000 (2007: HK\$40,410,000).

The fair value of related collateral held and credit enhancement of the Group and the Company is HK\$26,602,000 (2007: HK\$50,725,000).

**(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\$9,811,000 as at 31 December 2008 (2007: HK\$22,986,000). 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) Repossessed collateral**

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

|      |                      | 賬面值<br>Carrying Amount |                 |
|------|----------------------|------------------------|-----------------|
|      |                      | 2008                   | 2007            |
|      |                      | 千港元<br>HK\$'000        | 千港元<br>HK\$'000 |
| 住宅物業 | Residential property | <b>3,149</b>           | 10,651          |

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特定最低信貸評級債務證券。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。

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 (Standard and Poor's、Moody's and Fitch)。如證券本身沒有評級，則採用證券發行人的評級。

| 本集團及本公司<br>於二零零八年十二月三十一日<br>The Group and the Company<br>As at 31 December 2008 |                       | 可供出售證券<br>Available-for-sale securities<br>千港元<br>HK\$'000 | 持有至<br>到期證券<br>Held-to-maturity<br>securities<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|---|-----------------------|--|--|--------------------------------|
| AAA/Aaa   | AAA/Aaa               | –  | 506,613  | 506,613                        |
| AA- 至 AA+/Aa3 至 Aa1   | AA- to AA+/Aa3 to Aa1 | 1,209,825  | 4,558,827  | 5,768,652                      |
| A- 至 A+/A3 至 A1   | A- to A+/A3 to A1     | –  | 549,226  | 549,226                        |
| <b>總額</b>   | <b>Total</b>          | <b>1,209,825</b>   | <b>5,614,666</b>   | <b>6,824,491</b>               |

| 本集團及本公司<br>於二零零七年十二月三十一日<br>The Group and the Company<br>As at 31 December 2007 |                       | 可供出售證券<br>Available-for-sale securities<br>千港元<br>HK\$'000 | 持有至<br>到期證券<br>Held-to-maturity<br>securities<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|---|-----------------------|--|--|--------------------------------|
| AAA/Aaa   | AAA/Aaa               | 204,246  | 1,163,513  | 1,367,759                      |
| 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                        |
| <b>總額</b>   | <b>Total</b>          | <b>3,256,375</b>   | <b>5,500,024</b>   | <b>8,756,399</b>               |

## 3.3 市場風險

本集團面對市場風險。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。所有該等合約均面對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。本集團所面對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。

## (g) Investment securities

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

The table below presents an analysis of debt securities by rating designation as at balance sheet dates, based on external credit agency's ratings (Standard and Poor's, Moody's and Fitch). In the absence of issue-specific ratings, the ratings for the issuers are reported.

## 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.

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。定期舉行會議對金融市場及資產一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。利率曲線於二零零八年十二月三十一日平行下移50個基點（二零零七年：100個基點）將使未來12個月的利息收入淨額增加5,700,000港元（二零零七年：5,300,000港元），反之則將使未來12個月的利息收入淨額減少5,700,000港元（二零零七年：5,300,000港元）。

於二零零八年十二月三十一日，倘該日利率平行下移50個基點（二零零七年：100個基點），年內除稅前溢利將增加5,900,000港元（二零零七年：22,200,000港元），於二零零八年十二月三十一日的公平值儲備則將下降8,900,000港元（二零零七年：增加400,000港元）。倘利率平行上移50個基點（二零零七年：100個基點），年內除稅前溢利將減少15,200,000港元（二零零七年：16,700,000港元），於二零零八年十二月三十一日的公平值儲備則將增加8,800,000港元（二零零七年：減少400,000港元）。

於二零零八年十二月三十一日，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20,000,000港元（二零零七年：6,600,000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20,000,000港元（二零零七年：6,600,000港元）。

於二零零八年十二月三十一日，在所有其他可變因素保持不變的情況下，港元兌其他外幣匯率下跌或上漲100點子對年內除稅前溢利並無重大影響。

上升或下降50個基點（二零零七年：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。

The management of market risk is principally undertaken by the Treasury Department using risk limits approved by the Board of Directors. Strategies on interest rate risk management, financing, hedging, investments are formulated by ALCO. A regular 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 50 basis points (2007: 100 basis points) parallel downward shift of the interest rate curve as at 31 December 2008 would increase the future net interest income for the next 12 months by HK\$5.7 million (2007: HK\$5.3 million) and decrease by HK\$5.7 million (2007: HK\$5.3 million) for an upward parallel shift.

As at 31 December 2008, if interest rates at that date had been 50 basis points (2007: 100 basis points) parallel shift downwards, profit before tax for the year would have been HK\$5.9 million (2007: HK\$22.2 million) higher and the fair value reserve would have been HK\$8.9 million lower (2007: HK\$0.4 million higher) as at 31 December 2008. If interest rates had been 50 basis points (2007: 100 basis points) parallel shift upwards, profit before tax for the year would have been HK\$15.2 million (2007: HK\$16.7 million) lower and the fair value reserve would have been HK\$8.8 million higher (2007: HK\$0.4 million lower).

As at 31 December 2008, 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\$20 million (2007: HK\$6.6 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\$20 million (2007: HK\$6.6 million) lower.

As at 31 December 2008, with all other variable held constant, the weakening or strengthening of HK dollar by 100 price interest points against other foreign currencies would have very insignificant impact on the profit before tax for the year.

The 50 basis points (2007: 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) 貨幣風險

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。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. 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<br>The Group          |  | 港元<br>HK Dollar | 美元<br>US Dollar | 其他外幣<br>Other foreign<br>currencies | 總額<br>Total     |
|---------------------------|--|-----------------|-----------------|-------------------------------------|-----------------|
|                           |  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                     | 千港元<br>HK\$'000 |
| <b>於二零零八年<br/>十二月三十一日</b> | <b>As at 31 December 2008</b>                            |                 |                 |                                     |                 |
| <b>資產</b>                 | <b>Assets</b>  |                 |                 |                                     |                 |
| 現金及短期資金                   | Cash and short-term funds                                | 1,715,931       | 1,376,710       | 617                                 | 3,093,258       |
| 應收利息及匯款                   | Interest and remittance receivables                      | 1,100,888       | 228,400         | 5,197                               | 1,334,485       |
| 衍生金融工具                    | Derivative financial instruments                         | 2,147,270       | 90,256          | –                                   | 2,237,526       |
| 貸款組合淨額                    | Loan portfolio, net                                      | 36,086,528      | 14,673,584      | –                                   | 50,760,112      |
| 證券投資：                     | Investment securities:                                   |                 |                 |                                     |                 |
| – 可供出售                    | – available-for-sale                                     | 456,874         | 1,595,678       | –                                   | 2,052,552       |
| – 持有至到期                   | – held-to-maturity                                       | 2,887,746       | 2,640,087       | 86,833                              | 5,614,666       |
| 合營公司投資                    | Investment in a joint venture                            | 1,543           | –               | 111,989                             | 113,532         |
| 固定資產                      | Fixed assets   | 14,302          | –               | –                                   | 14,302          |
| 預付款項、按金及其他資產              | Prepayments, deposits and other assets                   | 30,555          | –               | –                                   | 30,555          |
| 遞延稅項資產                    | Deferred tax assets                                      | 28,904          | –               | –                                   | 28,904          |
| 再保險資產                     | Reinsurance assets                                       | 348,442         | –               | –                                   | 348,442         |
| 總資產                       | Total assets   | 44,818,983      | 20,604,715      | 204,636                             | 65,628,334      |
| <b>負債</b>                 | <b>Liabilities</b>                                       |                 |                 |                                     |                 |
| 應付利息                      | Interest payable   | 280,832         | 183,973         | 5,160                               | 469,965         |
| 應付賬款、應付開支及其他負債            | Accounts payable, accrued expenses and other liabilities | 4,183,693       | –               | –                                   | 4,183,693       |
| 衍生金融工具                    | Derivative financial instruments                         | 128,374         | 86,620          | –                                   | 214,994         |
| 應付稅項                      | Tax payable  | 47,866          | –               | –                                   | 47,866          |
| 保險負債                      | Insurance liabilities                                    | 908,740         | –               | –                                   | 908,740         |
| 外匯基金墊款                    | Advance from Exchange Fund                               | 8,000,000       | –               | –                                   | 8,000,000       |
| 已發行債務證券                   | Debt securities issued                                   | 37,697,553      | 3,816,602       | 1,300,833                           | 42,814,988      |
| 已發行按揭證券                   | Mortgage-backed securities issued                        | 3,225,624       | –               | –                                   | 3,225,624       |
| 總負債                       | Total liabilities  | 54,472,682      | 4,087,195       | 1,305,993                           | 59,865,870      |
| 持倉淨額                      | Net position   | (9,653,699)     | 16,517,520      | (1,101,357)                         | 5,762,464       |
| 資產負債表外淨名義持倉 <sup>#</sup>  | Off-balance sheet net notional position <sup>#</sup>     | (97,119)        | (1,006,850)     | 1,196,717                           | 92,748          |

<sup>#</sup> 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額。

<sup>#</sup> 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<br>The Company           |   | 港元              | 美元              | 其他外幣                     | 總額              |
|------------------------------|---|-----------------|-----------------|--------------------------|-----------------|
|                              |   | HK Dollar       | US Dollar       | Other foreign currencies | Total           |
|                              |   | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000          | 千港元<br>HK\$'000 |
| <b>於二零零八年<br/>十二月三十一日</b>    | <b>As at 31 December 2008</b>                               |                 |                 |                          |                 |
| <b>資產</b>                    | <b>Assets</b>   |                 |                 |                          |                 |
| 現金及短期資金                      | Cash and short-term funds                                   | 1,677,408       | 1,376,710       | 617                      | 3,054,735       |
| 應收利息及匯款                      | Interest and remittance receivables                         | 1,088,994       | 228,400         | 5,197                    | 1,322,591       |
| 衍生金融工具                       | Derivative financial instruments                            | 2,069,223       | 90,256          | –                        | 2,159,479       |
| 貸款組合淨額                       | Loan portfolio, net   | 32,004,701      | 14,673,584      | –                        | 46,678,285      |
| 證券投資：                        | Investment securities:                                      |                 |                 |                          |                 |
| – 可供出售                       | – available-for-sale  | 456,874         | 1,595,678       | –                        | 2,052,552       |
| – 持有至到期                      | – held-to-maturity  | 2,887,746       | 2,640,087       | 86,833                   | 5,614,666       |
| 附屬公司投資                       | Investment in a subsidiary                                  | 2,210,981       | –               | –                        | 2,210,981       |
| 合營公司投資                       | Investment in a joint venture                               | 1,543           | –               | 111,997                  | 113,540         |
| 固定資產                         | Fixed assets  | 14,302          | –               | –                        | 14,302          |
| 預付款項、按金及<br>其他資產             | Prepayments, deposits and<br>other assets                   | 38,118          | –               | –                        | 38,118          |
| 遞延稅項資產                       | Deferred tax assets   | 28,889          | –               | –                        | 28,889          |
| 再保險資產                        | Reinsurance assets  | 348,442         | –               | –                        | 348,442         |
| 總資產                          | Total assets  | 42,827,221      | 20,604,715      | 204,644                  | 63,636,580      |
| <b>負債</b>                    | <b>Liabilities</b>  |                 |                 |                          |                 |
| 應付利息                         | Interest payable  | 273,385         | 183,973         | 5,160                    | 462,518         |
| 應付賬款、應付開支<br>及其他負債           | Accounts payable, accrued<br>expenses and other liabilities | 4,979,510       | –               | –                        | 4,979,510       |
| 衍生金融工具                       | Derivative financial instruments                            | 128,374         | 86,620          | –                        | 214,994         |
| 應付稅項                         | Tax payable   | 47,866          | –               | –                        | 47,866          |
| 保險負債                         | Insurance liabilities                                       | 908,740         | –               | –                        | 908,740         |
| 外匯基金墊款                       | Advance from Exchange Fund                                  | 8,000,000       | –               | –                        | 8,000,000       |
| 已發行債務證券                      | Debt securities issued                                      | 38,142,888      | 3,816,602       | 1,300,833                | 43,260,323      |
| 總負債                          | Total liabilities   | 52,480,763      | 4,087,195       | 1,305,993                | 57,873,951      |
| 持倉淨額                         | Net position  | (9,653,542)     | 16,517,520      | (1,101,349)              | 5,762,629       |
| 資產負債表外<br>淨名義持倉 <sup>#</sup> | Off-balance sheet net notional<br>position <sup>#</sup>     | (97,119)        | (1,006,850)     | 1,196,717                | 92,748          |

<sup>#</sup> 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額。

<sup>#</sup> 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<br>The Group         |   | 港元          | 美元          | 總額         |
|--------------------------|---|-------------|-------------|------------|
|                          |   | HK Dollar   | US Dollar   | Total      |
|                          |   | 千港元         | 千港元         | 千港元        |
|                          |   | HK\$'000    | HK\$'000    | HK\$'000   |
| 於二零零七年<br>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    |
| 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     |
| 預付款項、按金及其他資產             | Prepayments, deposits and other assets                      | 41,028      | –           | 41,028     |
| 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<br>其他負債       | Accounts payable, accrued expenses<br>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 <sup>#</sup> | Off-balance sheet net notional position <sup>#</sup>        | 4,711,159   | (4,708,523) | 2,636      |

<sup>#</sup> 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額。

<sup>#</sup> 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.

|                          |   | 港元<br>HK Dollar | 美元<br>US Dollar | 美元<br>Total     |
|--------------------------|---|-----------------|-----------------|-----------------|
| 本公司<br>The Company       |   | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
| 於二零零七年<br>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         |
| 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          |
| 預付款項、按金及其他資產             | Prepayments, deposits and other assets                      | 59,600          | –               | 59,600          |
| 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<br>其他負債       | Accounts payable, accrued expenses<br>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 <sup>#</sup> | Off-balance sheet net notional position <sup>#</sup>        | 4,711,159       | (4,708,523)     | 2,636           |

<sup>#</sup> 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額。

<sup>#</sup> 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.

#### (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，但倘發生未能預計的波動，則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對的利率風險，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新定息日或到期日（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".

| 本集團<br>The Group                   |  | 一個月內<br>Up to<br>1 month  | 一個月以上<br>至三個月<br>Over 1 month<br>to 3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上<br>Over 5 years | 不計息<br>Non-interest<br>bearing | 總額<br>Total |
|------------------------------------|--|---|--|---|--|----------------------|--------------------------------|-------------|
|                                    |  |   |  |   |  |                      |                                |             |
| <b>於二零零八年<br/>十二月三十一日</b>          |  | <b>As at 31 December 2008</b>   |  |   |  |                      |                                |             |
| <b>資產</b>                          |  | <b>Assets</b>   |  |   |  |                      |                                |             |
| 現金及短期資金                            | Cash and short-term funds                                | 2,681,817   | 164,800                                      | 206,150                                       | -  | -                    | 40,491                         | 3,093,258   |
| 應收利息及匯款                            | Interest and remittance receivables                      | -   | -  | -   | -  | -                    | 1,334,485                      | 1,334,485   |
| 衍生金融工具                             | Derivative financial instruments                         | -   | -  | -   | -  | -                    | 2,237,526                      | 2,237,526   |
| 貸款組合淨額                             | Loan portfolio, net                                      | 34,856,337  | 15,878,446                                   | 14,041  | 11,288                                   | -                    | -                              | 50,760,112  |
| 證券投資：                              | Investment securities:                                   |   |  |   |  |                      |                                |             |
| - 可供出售                             | - available-for-sale                                     | -   | 1,209,825                                    | -   | -  | -                    | 842,727                        | 2,052,552   |
| - 持有至到期                            | - held-to-maturity                                       | 875,431   | 387,550                                      | 1,401,822                                     | 2,556,293                                | 393,570              | -                              | 5,614,666   |
| 合營公司投資                             | Investment in a joint venture                            | -   | -  | -   | -  | -                    | 113,532                        | 113,532     |
| 固定資產                               | Fixed assets   | -   | -  | -   | -  | -                    | 14,302                         | 14,302      |
| 預付款項、按金及其他資產                       | Prepayments, deposits and other assets                   | -   | -  | -   | -  | -                    | 30,555                         | 30,555      |
| 遞延稅項資產                             | Deferred tax assets                                      | -   | -  | -   | -  | -                    | 28,904                         | 28,904      |
| 再保險資產                              | Reinsurance assets                                       | -   | -  | -   | -  | -                    | 348,442                        | 348,442     |
| 總資產                                | Total assets   | 38,413,585  | 17,640,621                                   | 1,622,013                                     | 2,567,581                                | 393,570              | 4,990,964                      | 65,628,334  |
| <b>負債</b>                          |  | <b>Liabilities</b>  |  |   |  |                      |                                |             |
| 應付利息                               | Interest payable   | -   | -  | -   | -  | -                    | 469,965                        | 469,965     |
| 應付賬款、應付開支及其他負債                     | Accounts payable, accrued expenses and other liabilities | 4,088,880   | -  | -   | -  | -                    | 94,813                         | 4,183,693   |
| 衍生金融工具                             | Derivative financial instruments                         | -   | -  | -   | -  | -                    | 214,994                        | 214,994     |
| 應付稅項                               | Tax payable  | -   | -  | -   | -  | -                    | 47,866                         | 47,866      |
| 保險負債                               | Insurance liabilities                                    | -   | -  | -   | -  | -                    | 908,740                        | 908,740     |
| 外匯基金墊款                             | Advance from Exchange Fund                               | 8,000,000   | -  | -   | -  | -                    | -                              | 8,000,000   |
| 已發行債務證券                            | Debt securities issued                                   | 10,079,026  | 5,244,478                                    | 5,791,690                                     | 14,969,795                               | 6,729,999            | -                              | 42,814,988  |
| 已發行按揭證券                            | Mortgage-backed securities issued                        | 1,257,577   | -  | 990,027                                       | 978,020                                  | -                    | -                              | 3,225,624   |
| 總負債                                | Total liabilities  | 23,425,483  | 5,244,478                                    | 6,781,717                                     | 15,947,815                               | 6,729,999            | 1,736,378                      | 59,865,870  |
| <b>利息敏感度缺口總額*</b>                  |  | <b>Total interest sensitivity gap*</b>                                      |  |   |  |                      |                                |             |
|                                    |  | 14,988,102  | 12,396,143                                   | (5,159,704)                                   | (13,380,234)                             | (6,336,429)          |                                |             |
| <b>利率衍生工具<br/>(持倉淨額的<br/>名義金額)</b> |  | <b>Interest rate derivatives<br/>(notional amounts of<br/>net position)</b> |  |   |  |                      |                                |             |
|                                    |  | (16,562,510)  | (8,723,435)                                  | 6,172,000                                     | 13,974,060                               | 5,139,885            |                                |             |

\* 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<br>The Company                 |   | 一個月內                | 一個月以上<br>至三個月               | 三個月以上<br>至一年                  | 一年以上<br>至五年               | 五年以上               | 不計息                     | 總額                |
|------------------------------------|---|---------------------|-----------------------------|-------------------------------|---------------------------|--------------------|-------------------------|-------------------|
|                                    |   | Up to<br>1 month    | Over 1 month<br>to 3 months | Over<br>3 months<br>to 1 year | Over 1 year<br>to 5 years | Over 5 years       | Non-interest<br>bearing | Total             |
|                                    |   | 千港元<br>HK\$'000     | 千港元<br>HK\$'000             | 千港元<br>HK\$'000               | 千港元<br>HK\$'000           | 千港元<br>HK\$'000    | 千港元<br>HK\$'000         | 千港元<br>HK\$'000   |
| <b>於二零零八年<br/>十二月三十一日</b>          | <b>As at 31 December 2008</b>   |                     |                             |                               |                           |                    |                         |                   |
| <b>資產</b>                          | <b>Assets</b>   |                     |                             |                               |                           |                    |                         |                   |
| 現金及短期資金                            | Cash and short-term funds   | 2,662,755           | 164,800                     | 187,400                       | -                         | -                  | 39,780                  | 3,054,735         |
| 應收利息及匯款                            | Interest and remittance<br>receivables                                      | -                   | -                           | -                             | -                         | -                  | 1,322,591               | 1,322,591         |
| 衍生金融工具                             | Derivative financial instruments  | -                   | -                           | -                             | -                         | -                  | 2,159,479               | 2,159,479         |
| 貸款組合淨額                             | Loan portfolio, net   | 30,776,325          | 15,878,446                  | 13,191                        | 10,323                    | -                  | -                       | 46,678,285        |
| 證券投資：                              | Investment securities:  |                     |                             |                               |                           |                    |                         |                   |
| – 可供出售                             | – available-for-sale  | -                   | 1,209,825                   | -                             | -                         | -                  | 842,727                 | 2,052,552         |
| – 持有至到期                            | – held-to-maturity  | 875,431             | 387,550                     | 1,401,822                     | 2,556,293                 | 393,570            | -                       | 5,614,666         |
| 附屬公司投資                             | Investment in a subsidiary  | 2,208,160           | -                           | 854                           | 967                       | -                  | 1,000                   | 2,210,981         |
| 合營公司投資                             | Investment in a joint venture   | -                   | -                           | -                             | -                         | -                  | 113,540                 | 113,540           |
| 固定資產                               | Fixed assets  | -                   | -                           | -                             | -                         | -                  | 14,302                  | 14,302            |
| 預付款項、按金及<br>其他資產                   | Prepayments, deposits and<br>other assets                                   | -                   | -                           | -                             | -                         | -                  | 38,118                  | 38,118            |
| 遞延稅項資產                             | Deferred tax assets   | -                   | -                           | -                             | -                         | -                  | 28,889                  | 28,889            |
| 再保險資產                              | Reinsurance assets  | -                   | -                           | -                             | -                         | -                  | 348,442                 | 348,442           |
| <b>總資產</b>                         | <b>Total assets</b>   | <b>36,522,671</b>   | <b>17,640,621</b>           | <b>1,603,267</b>              | <b>2,567,583</b>          | <b>393,570</b>     | <b>4,908,868</b>        | <b>63,636,580</b> |
| <b>負債</b>                          | <b>Liabilities</b>  |                     |                             |                               |                           |                    |                         |                   |
| 應付利息                               | Interest payable  | -                   | -                           | -                             | -                         | -                  | 462,518                 | 462,518           |
| 應付賬款、應付開支<br>及其他負債                 | Accounts payable, accrued<br>expenses and other liabilities                 | 4,831,846           | -                           | -                             | -                         | -                  | 147,664                 | 4,979,510         |
| 衍生金融工具                             | Derivative financial instruments  | -                   | -                           | -                             | -                         | -                  | 214,994                 | 214,994           |
| 應付稅項                               | Tax payable   | -                   | -                           | -                             | -                         | -                  | 47,866                  | 47,866            |
| 保險負債                               | Insurance liabilities   | -                   | -                           | -                             | -                         | -                  | 908,740                 | 908,740           |
| 外匯基金墊款                             | Advance from Exchange Fund  | 8,000,000           | -                           | -                             | -                         | -                  | -                       | 8,000,000         |
| 已發行債務證券                            | Debt securities issued  | 10,524,361          | 5,244,478                   | 5,791,690                     | 14,969,795                | 6,729,999          | -                       | 43,260,323        |
| <b>總負債</b>                         | <b>Total liabilities</b>  | <b>23,356,207</b>   | <b>5,244,478</b>            | <b>5,791,690</b>              | <b>14,969,795</b>         | <b>6,729,999</b>   | <b>1,781,782</b>        | <b>57,873,951</b> |
| <b>利息敏感度缺口總額*</b>                  | <b>Total interest sensitivity gap*</b>                                      | <b>13,166,464</b>   | <b>12,396,143</b>           | <b>(4,188,423)</b>            | <b>(12,402,212)</b>       | <b>(6,336,429)</b> |                         |                   |
| <b>利率衍生工具<br/>(持倉淨額的<br/>名義金額)</b> | <b>Interest rate derivatives<br/>(notional amounts of net<br/>position)</b> | <b>(14,672,510)</b> | <b>(8,723,435)</b>          | <b>5,432,000</b>              | <b>12,824,060</b>         | <b>5,139,885</b>   |                         |                   |

\* 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<br>The Group          |  | 一個月內             | 一個月以上<br>至三個月               | 三個月以上<br>至一年                  | 一年以上<br>至五年               | 五年以上            | 不計息                     | 總額              |
|---------------------------|--|------------------|-----------------------------|-------------------------------|---------------------------|-----------------|-------------------------|-----------------|
|                           |  | Up to<br>1 month | Over 1 month<br>to 3 months | Over<br>3 months<br>to 1 year | Over 1 year<br>to 5 years | Over 5 years    | Non-interest<br>bearing | Total           |
|                           |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000             | 千港元<br>HK\$'000               | 千港元<br>HK\$'000           | 千港元<br>HK\$'000 | 千港元<br>HK\$'000         | 千港元<br>HK\$'000 |
| 於二零零七年十二月<br>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                        | -                         | -               | 32,440                  | 2,666,505       |
| 應收利息及匯款                   | Interest and remittance<br>receivables                             | -                | -                           | -                             | -                         | -               | 882,107                 | 882,107         |
| 衍生金融工具                    | Derivative financial instruments                                   | -                | -                           | -                             | -                         | -               | 657,486                 | 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                       | -                         | -               | 781,875                 | 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                  | 15,849          |
| 預付款項、按金及<br>其他資產          | Prepayments, deposits and<br>other assets                          | -                | -                           | -                             | -                         | -               | 41,028                  | 41,028          |
| 再保險資產                     | Reinsurance assets   | -                | -                           | -                             | -                         | -               | 366,383                 | 366,383         |
| 總資產                       | Total assets   | 29,946,581       | 5,977,485                   | 6,378,820                     | 2,551,141                 | 996,728         | 2,777,168               | 48,627,923      |
| 負債                        | Liabilities  |                  |                             |                               |                           |                 |                         |                 |
| 應付利息                      | Interest payable   | -                | -                           | -                             | -                         | -               | 471,993                 | 471,993         |
| 應付賬款、應付開支<br>及其他負債        | Accounts payable, accrued<br>expenses and other liabilities        | 4,054,545        | -                           | -                             | -                         | -               | 96,961                  | 4,151,506       |
| 衍生金融工具                    | Derivative financial instruments                                   | -                | -                           | -                             | -                         | -               | 122,642                 | 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   | 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       | 1,402,799               | 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<br>(持倉淨額的<br>名義金額) | Interest rate derivatives<br>(notional amounts of net<br>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.

|                           |   | 一個月內<br>Up to<br>1 month | 一個月以上<br>至三個月<br>Over 1 month<br>to 3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上            | 不計息<br>Non-interest<br>bearing | 總額<br>Total     |
|---------------------------|---|--------------------------|--|---|--|-----------------|--------------------------------|-----------------|
| 本公司<br>The Company        |   | 千港元<br>HK\$'000          | 千港元<br>HK\$'000                              | 千港元<br>HK\$'000                               | 千港元<br>HK\$'000                          | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                | 千港元<br>HK\$'000 |
| 於二零零七年<br>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  | –   | –  | –               | 30,963                         | 2,354,108       |
| 應收利息及匯款                   | Interest and remittance receivables                             | –                        | –  | –   | –  | –               | 866,260                        | 866,260         |
| 衍生金融工具                    | Derivative financial instruments                                | –                        | –  | –   | –  | –               | 631,129                        | 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                                       | –  | –               | 781,875                        | 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           | 1,000                          | 151,766         |
| 固定資產                      | Fixed assets  | –                        | –  | –   | –  | –               | 15,849                         | 15,849          |
| 預付款項、按金及<br>其他資產          | Prepayments, deposits and other<br>assets                       | –                        | –  | –   | –  | –               | 59,600                         | 59,600          |
| 再保險資產                     | Reinsurance assets  | –                        | –  | –   | –  | –               | 366,383                        | 366,383         |
| 總資產                       | Total assets  | 27,014,741               | 5,894,223                                    | 6,289,970                                     | 2,551,211                                | 996,762         | 2,753,059                      | 45,499,966      |
| 負債                        | Liabilities   |                          |  |   |  |                 |                                |                 |
| 應付利息                      | Interest payable  | –                        | –  | –   | –  | –               | 457,798                        | 457,798         |
| 應付賬款、應付開支<br>及其他負債        | Accounts payable, accrued<br>expenses and other liabilities     | 4,980,316                | –  | –   | –  | –               | 179,777                        | 5,160,093       |
| 衍生金融工具                    | Derivative financial instruments                                | –                        | –  | –   | –  | –               | 121,961                        | 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  | 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       | 1,470,943                      | 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<br>(持倉淨額的<br>名義金額) | Interest rate derivatives (notional<br>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.

### 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未能為已承諾購買的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 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.

## (a) 未折現現金流量分析

下表列示本集團於結算日按剩餘合約年期根據非衍生金融負債、以淨額基準結算的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。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以及按總額基準結算的貨幣間掉期及遠期貨幣合約。

| 本集團<br>The Group    |  | 一個月內<br>Up to<br>1 month      | 一個月以上<br>至三個月<br>Over 1 month<br>to 3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上<br>Over 5 years | 總額<br>Total  |                 |                 |                 |                 |                 |                 |
|---------------------|--|-------------------------------|--|---|--|----------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                     |  |                               |  |   |  |                      |              | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
|                     |  |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
|                     | <b>於二零零八年<br/>十二月三十一日</b>                | <b>As at 31 December 2008</b> |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 非衍生現金流出             | Non-derivative cash outflows             |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 負債                  | Liabilities                              |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 已發行債務證券             | Debt securities issued                   | (6,660,320)                   | (2,078,979)                                  | (3,709,327)                                   | (25,822,304)                             | (7,530,588)          | (45,801,518) |                 |                 |                 |                 |                 |                 |
| 已發行按揭證券             | Mortgage-backed securities issued        | (13,068)                      | (44,943)                                     | (1,136,283)                                   | (2,183,220)                              | -                    | (3,377,514)  |                 |                 |                 |                 |                 |                 |
|                     |  | (6,673,388)                   | (2,123,922)                                  | (4,845,610)                                   | (28,005,524)                             | (7,530,588)          | (49,179,032) |                 |                 |                 |                 |                 |                 |
| 衍生現金流入/(流出)         | Derivative cash inflows/(outflows)       |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 按下列基準結算的<br>衍生金融工具： | Derivative financial instrument settled: |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| - 淨額基準              | - on net basis                           | 8,616                         | 6,225  | (64,687)                                      | (106,946)                                | 170                  | (156,622)    |                 |                 |                 |                 |                 |                 |
| - 總額基準              | - on gross basis                         |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 流出總額                | Total outflow                            | (821,700)                     | (4,146,870)                                  | (2,294,685)                                   | (9,463,556)                              | (1,053,100)          | (17,779,911) |                 |                 |                 |                 |                 |                 |
| 流入總額                | Total inflow                             | 786,236                       | 4,141,430                                    | 2,240,134                                     | 9,425,543                                | 1,046,124            | 17,639,467   |                 |                 |                 |                 |                 |                 |
|                     |  | (26,848)                      | 785  | (119,238)                                     | (144,959)                                | (6,806)              | (297,066)    |                 |                 |                 |                 |                 |                 |

| 本公司<br>The Company  |  | 一個月內<br>Up to<br>1 month      | 一個月以上<br>至三個月<br>Over 1 month<br>to 3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上<br>Over 5 years | 總額<br>Total  |                 |                 |                 |                 |                 |                 |
|---------------------|--|-------------------------------|--|---|--|----------------------|--------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                     |  |                               |  |   |  |                      |              | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
|                     |  |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
|                     | <b>於二零零八年<br/>十二月三十一日</b>                | <b>As at 31 December 2008</b> |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 非衍生現金流出             | Non-derivative cash outflows             |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 負債                  | Liabilities                              |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 已發行債務證券             | Debt securities issued                   | (7,106,009)                   | (2,078,979)                                  | (3,709,327)                                   | (25,822,304)                             | (7,530,588)          | (46,247,207) |                 |                 |                 |                 |                 |                 |
| 衍生現金流入/(流出)         | Derivative cash inflows/(outflows)       |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 按下列基準結算的<br>衍生金融工具： | Derivative financial instrument settled: |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| - 淨額基準              | - on net basis                           | 8,616                         | 6,225  | (64,687)                                      | (106,946)                                | 170                  | (156,622)    |                 |                 |                 |                 |                 |                 |
| - 總額基準              | - on gross basis                         |                               |  |   |  |                      |              |                 |                 |                 |                 |                 |                 |
| 流出總額                | Total outflow                            | (821,700)                     | (4,146,870)                                  | (2,294,685)                                   | (9,463,556)                              | (1,053,100)          | (17,779,911) |                 |                 |                 |                 |                 |                 |
| 流入總額                | Total inflow                             | 786,236                       | 4,141,430                                    | 2,240,134                                     | 9,425,543                                | 1,046,124            | 17,639,467   |                 |                 |                 |                 |                 |                 |
|                     |  | (26,848)                      | 785  | (119,238)                                     | (144,959)                                | (6,806)              | (297,066)    |                 |                 |                 |                 |                 |                 |

## (a) Undiscounted cash flows analysis

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<br>The Group    |  | 一個月內             | 一個月以上<br>至三個月               | 三個月以上<br>至一年                  | 一年以上<br>至五年               | 五年以上            | 總額              |
|---------------------|--|------------------|-----------------------------|-------------------------------|---------------------------|-----------------|-----------------|
|                     |  | Up to<br>1 month | Over 1 month<br>to 3 months | Over<br>3 months<br>to 1 year | Over 1 year<br>to 5 years | Over 5 years    | Total           |
|                     |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000             | 千港元<br>HK\$'000               | 千港元<br>HK\$'000           | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
| 於二零零七年<br>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)     | (37,428,163)    |
| 已發行按揭證券             | Mortgage-backed securities issued        | (12,241)         | (47,485)                    | (827,797)                     | (3,538,042)               | (269,479)       | (4,695,044)     |
|                     |  | (201,819)        | (1,685,107)                 | (11,450,448)                  | (23,873,801)              | (4,912,032)     | (42,123,207)    |
| 衍生現金流入/(流出)         | Derivative cash inflows/(outflows)       |                  |                             |                               |                           |                 |                 |
| 按下列基準結算的<br>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)        | (99,293)        |
| – 總額基準              | – on gross basis                         |                  |                             |                               |                           |                 |                 |
| 流出總額                | Total outflow                            | –                | (595)                       | (59,425)                      | –                         | –               | (60,020)        |
| 流入總額                | Total inflow                             | –                | 1,195                       | 59,649                        | –                         | –               | 60,844          |
|                     |  | 20,657           | (1,531)                     | (12,779)                      | (92,811)                  | (12,005)        | (98,469)        |
| 本公司<br>The Company  |  |                  |                             |                               |                           |                 |                 |
| 於二零零七年<br>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                   | (295,470)        | (1,637,622)                 | (10,622,651)                  | (20,335,759)              | (4,642,553)     | (37,534,055)    |
| 衍生現金流入/(流出)         | Derivative cash inflows/(outflows)       |                  |                             |                               |                           |                 |                 |
| 按下列基準結算的<br>衍生金融工具： | Derivative financial instrument settled: |                  |                             |                               |                           |                 |                 |
| – 淨額基準              | – on net basis                           | 21,545           | (815)                       | (15,034)                      | (92,811)                  | (12,005)        | (99,120)        |
| – 總額基準              | – on gross basis                         |                  |                             |                               |                           |                 |                 |
| 流出總額                | Total outflow                            | –                | (595)                       | (59,425)                      | –                         | –               | (60,020)        |
| 流入總額                | Total inflow                             | –                | 1,195                       | 59,649                        | –                         | –               | 60,844          |
|                     |  | 21,545           | (215)                       | (14,810)                      | (92,811)                  | (12,005)        | (98,296)        |

## (b) 到期日分析

下表為本集團按結算日至合約到期日剩餘期間分類之資產及負債分析。

## (b) Maturity analysis

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

|                                  |                                   | 即時到期<br>Repayable<br>on demand | 一個月內<br>Up to<br>1 month | 一個月以上<br>至三個月<br>Over<br>1 month to<br>3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上<br>Over 5 years | 無限期<br>Undated  | 總額<br>Total     |
|----------------------------------|-----------------------------------|--------------------------------|--------------------------|---|---|--|----------------------|-----------------|-----------------|
|                                  |                                   | 千港元<br>HK\$'000                | 千港元<br>HK\$'000          | 千港元<br>HK\$'000                                 | 千港元<br>HK\$'000                               | 千港元<br>HK\$'000                          | 千港元<br>HK\$'000      | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
| <b>本集團</b><br><b>The Group</b>   |                                   |                                |                          |   |   |  |                      |                 |                 |
| <b>於二零零八年</b><br><b>十二月三十一日</b>  |                                   | <b>As at 31 December 2008</b>  |                          |   |   |  |                      |                 |                 |
| <b>資產</b><br><b>Assets</b>       |                                   |                                |                          |   |   |  |                      |                 |                 |
| 現金及短期資金                          | Cash and short-term Funds         | 38,444                         | 2,683,864                | 164,800   | 206,150                                       | -  | -                    | -               | 3,093,258       |
| 貸款組合                             | Loan portfolio                    | 8,729                          | 1,006,930                | 1,425,123                                       | 5,169,544                                     | 27,003,734                               | 16,136,222           | 60,366          | 50,810,648      |
| 證券投資                             | Investment securities             |                                |                          |   |   |  |                      |                 |                 |
| - 可供出售                           | - available-for-sale              | -                              | 696,856                  | 512,969   | -   | -  | -                    | 842,727         | 2,052,552       |
| - 持有至到期                          | - held-to-maturity                | -                              | 452,472                  | 355,433   | 1,401,822                                     | 2,996,067                                | 408,872              | -               | 5,614,666       |
| 再保險資產                            | Reinsurance assets                | -                              | -                        | -   | -   | -  | -                    | 348,442         | 348,442         |
|                                  |                                   | 47,173                         | 4,840,122                | 2,458,325                                       | 6,777,516                                     | 29,999,801                               | 16,545,094           | 1,251,535       | 61,919,566      |
| <b>負債</b><br><b>Liabilities</b>  |                                   |                                |                          |   |   |  |                      |                 |                 |
| 已發行債務證券                          | Debt securities issued            | -                              | 6,842,666                | 2,387,257                                       | 5,835,259                                     | 20,922,519                               | 6,827,287            | -               | 42,814,988      |
| 已發行按揭證券                          | Mortgage-backed securities issued | -                              | 99,301                   | 87,224  | 830,998                                       | 2,208,101                                | -                    | -               | 3,225,624       |
| 保險負債                             | Insurance liabilities             | -                              | -                        | -   | -   | -  | -                    | 908,740         | 908,740         |
|                                  |                                   | -                              | 6,941,967                | 2,474,481                                       | 6,666,257                                     | 23,130,620                               | 6,827,287            | 908,740         | 46,949,352      |
| <b>本公司</b><br><b>The Company</b> |                                   |                                |                          |   |   |  |                      |                 |                 |
| <b>於二零零八年</b><br><b>十二月三十一日</b>  |                                   | <b>As at 31 December 2008</b>  |                          |   |   |  |                      |                 |                 |
| <b>資產</b><br><b>Assets</b>       |                                   |                                |                          |   |   |  |                      |                 |                 |
| 現金及短期資金                          | Cash and short-term funds         | 36,342                         | 2,666,193                | 164,800   | 187,400                                       | -  | -                    | -               | 3,054,735       |
| 貸款組合                             | Loan portfolio                    | 7,869                          | 937,317                  | 1,248,549                                       | 4,791,178                                     | 25,265,027                               | 14,422,538           | 55,580          | 46,728,058      |
| 證券投資                             | Investment securities             |                                |                          |   |   |  |                      |                 |                 |
| - 可供出售                           | - available-for-sale              | -                              | 696,856                  | 512,969   | -   | -  | -                    | 842,727         | 2,052,552       |
| - 持有至到期                          | - held-to-maturity                | -                              | 452,472                  | 355,433   | 1,401,822                                     | 2,996,067                                | 408,872              | -               | 5,614,666       |
| 再保險資產                            | Reinsurance assets                | -                              | -                        | -   | -   | -  | -                    | 348,442         | 348,442         |
|                                  |                                   | 44,211                         | 4,752,838                | 2,281,751                                       | 6,380,400                                     | 28,261,094                               | 14,831,410           | 1,246,749       | 57,798,453      |
| <b>負債</b><br><b>Liabilities</b>  |                                   |                                |                          |   |   |  |                      |                 |                 |
| 已發行債務證券                          | Debt securities issued            | -                              | 7,288,001                | 2,387,257                                       | 5,835,259                                     | 20,922,519                               | 6,827,287            | -               | 43,260,323      |
| 保險負債                             | Insurance liabilities             | -                              | -                        | -   | -   | -  | -                    | 908,740         | 908,740         |
|                                  |                                   | -                              | 7,288,001                | 2,387,257                                       | 5,835,259                                     | 20,922,519                               | 6,827,287            | 908,740         | 44,169,063      |



|                    |                                   | 即時到期<br>Repayable<br>on demand | 一個月內<br>Up to<br>1 month | 一個月以上<br>至三個月<br>Over<br>1 month to<br>3 months | 三個月以上<br>至一年<br>Over<br>3 months<br>to 1 year | 一年以上<br>至五年<br>Over 1 year<br>to 5 years | 五年以上            | 無限期<br>Undated  | 總額<br>Total     |
|--------------------|-----------------------------------|--------------------------------|--------------------------|---|---|--|-----------------|-----------------|-----------------|
|                    |                                   | 千港元<br>HK\$'000                | 千港元<br>HK\$'000          | 千港元<br>HK\$'000                                 | 千港元<br>HK\$'000                               | 千港元<br>HK\$'000                          | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 | 千港元<br>HK\$'000 |
| 本集團<br>The Group   |                                   |                                |                          |   |   |  |                 |                 |                 |
| 於二零零七年<br>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         | 68,620                         | 2,417,756                | 91,223  | 88,906  | -  | -               | -               | 2,666,505       |
| 貸款組合               | Loan portfolio                    | 1,328                          | 227,706                  | 627,214   | 3,931,419                                     | 19,070,807                               | 10,584,853      | 30,894          | 34,474,221      |
| 證券投資               |                                   | Investment securities          |                          |   |   |  |                 |                 |                 |
| - 可供出售             | - available-for-sale              | -                              | 1,704,000                | 657,294   | 100,190                                       | 779,600                                  | 15,291          | 781,875         | 4,038,250       |
| - 持有至到期            | - held-to-maturity                | -                              | 442,593                  | 531,916   | 1,001,622                                     | 2,529,009                                | 994,884         | -               | 5,500,024       |
| 再保險資產              | Reinsurance assets                | -                              | -                        | -   | -   | -  | -               | 366,383         | 366,383         |
|                    |                                   | 69,948                         | 4,792,055                | 1,907,647                                       | 5,122,137                                     | 22,379,416                               | 11,595,028      | 1,179,152       | 47,045,383      |
| 負債                 |                                   | Liabilities                    |                          |   |   |  |                 |                 |                 |
| 已發行債務證券            | Debt securities issued            | -                              | 599,766                  | 1,458,308                                       | 13,180,606                                    | 14,116,936                               | 3,955,574       | -               | 33,311,190      |
| 已發行按揭證券            | Mortgage-backed securities issued | -                              | 79,160                   | 84,317  | 723,156                                       | 3,082,135                                | 260,391         | -               | 4,229,159       |
| 保險負債               | Insurance liabilities             | -                              | -                        | -   | -   | -  | -               | 661,386         | 661,386         |
|                    |                                   | -                              | 678,926                  | 1,542,625                                       | 13,903,762                                    | 17,199,071                               | 4,215,965       | 661,386         | 38,201,735      |
| 本公司<br>The Company |                                   |                                |                          |   |   |  |                 |                 |                 |
| 於二零零七年<br>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         | 66,316                         | 2,278,192                | 9,600   | -   | -  | -               | -               | 2,354,108       |
| 貸款組合               | Loan portfolio                    | 1,141                          | 157,109                  | 442,343   | 3,554,105                                     | 17,226,096                               | 10,118,495      | 30,278          | 31,529,567      |
| 證券投資               |                                   | Investment securities          |                          |   |   |  |                 |                 |                 |
| - 可供出售             | - available-for-sale              | -                              | 1,704,000                | 657,294   | 100,190                                       | 779,600                                  | 15,291          | 781,875         | 4,038,250       |
| - 持有至到期            | - held-to-maturity                | -                              | 442,593                  | 531,916   | 1,001,622                                     | 2,529,009                                | 994,884         | -               | 5,500,024       |
| 再保險資產              | Reinsurance assets                | -                              | -                        | -   | -   | -  | -               | 366,383         | 366,383         |
|                    |                                   | 67,457                         | 4,581,894                | 1,641,153                                       | 4,655,917                                     | 20,534,705                               | 11,128,670      | 1,178,536       | 43,788,332      |
| 負債                 |                                   | Liabilities                    |                          |   |   |  |                 |                 |                 |
| 已發行債務證券            | Debt securities issued            | -                              | 705,657                  | 1,458,308                                       | 13,180,606                                    | 14,116,936                               | 3,955,574       | -               | 33,417,081      |
| 保險負債               | Insurance liabilities             | -                              | -                        | -   | -   | -  | -               | 661,386         | 661,386         |
|                    |                                   | -                              | 705,657                  | 1,458,308                                       | 13,180,606                                    | 14,116,936                               | 3,955,574       | 661,386         | 34,078,467      |

### 3.5 按揭保險風險

本集團為核准賣方/管理供款機構提供按揭保險，就信貸虧損風險提供的保險額最高可達按揭貸款的物業價值的25%至30%，惟批出貸款時貸款額與物業價值比率不得超過95%。

任何保險合約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予定價及撥備時，本集團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估計金額時，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每年均或有不同，同時亦可能有異於與使用統計方法得出的估計數字。

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，越是多元化的組合，越是不會由於組合內任何一組分支變動而使整體受影響。本集團已制定業務策略，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影響。最主要因素為經濟衰退及本港物業市場下滑。經濟衰退可能引致拖欠付款增加，影響申索次數。物業價格下跌，會使抵押品價值低於按揭貸款未償還餘額，因而增加索償金額。

本集團採納一套審慎的保險資格準則管理有關風險。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，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，致力限制面對的風險。本集團進行綜合評估，包括按信貸委員會制定的核准篩選架構，評估按揭再保險公司的財力及信貸評級。本集團會定期檢討核准再保險公司。

截至二零零八年十二月三十一日，倘總承保虧損率增加1%，則本年度除稅前溢利減少130萬港元（二零零七年：110萬港元）。倘總承保虧損率下降1%，則本年度除稅前溢利增加130萬港元（二零零七年：110萬港元）。

### 3.5 Mortgage insurance risk

The Group offers mortgage insurance which provides cover to the Approved Seller/Service providers for first credit losses of up to 25% – 30% of the property value of a mortgage loan with loan-to-value ratio below 95% 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.

As at 31 December 2008, if total loss ratio had increased by 1%, profit before tax for the year would have been HK\$1.3 million (2007: HK\$1.1 million) lower. If total loss ratio had decreased by 1%, profit before tax for the year would have been HK\$1.3 million (2007: HK\$1.1 million) higher.

### 3.6 金融資產及負債的公平值

公平值估計基於相關市場資料及金融工具特性在指定時間作出。

下表概述並未於本集團資產負債表按公平值悉數呈列的金融資產及負債的賬面值與公平值。買入價用於估計資產的公平值，而賣出價則用於估計負債。

|             |                                   | 賬面值               |            | 公平值               |            |
|-------------|-----------------------------------|-------------------|------------|-------------------|------------|
|             |                                   | Carrying value    |            | Fair value        |            |
|             |                                   | 2008              | 2007       | 2008              | 2007       |
|             |                                   | 千港元               | 千港元        | 千港元               | 千港元        |
|             |                                   | HK\$'000          | HK\$'000   | HK\$'000          | HK\$'000   |
| <b>金融資產</b> | <b>Financial assets</b>           |                   |            |                   |            |
| 現金及短期資金     | Cash and short-term funds         | <b>3,093,258</b>  | 2,666,505  | <b>3,093,258</b>  | 2,666,505  |
| 貸款組合淨額      | Loan portfolio, net               | <b>50,760,112</b> | 34,460,291 | <b>50,760,112</b> | 34,460,291 |
| 證券投資        | Investment securities             |                   |            |                   |            |
| – 持有至到期     | – held-to-maturity                | <b>5,614,666</b>  | 5,500,024  | <b>5,644,179</b>  | 5,537,121  |
| <b>金融負債</b> | <b>Financial liabilities</b>      |                   |            |                   |            |
| 其他負債        | Other liabilities                 | <b>4,088,880</b>  | 4,054,545  | <b>4,088,880</b>  | 4,054,545  |
| 已發行債務證券     | Debt securities issued            | <b>42,814,988</b> | 33,311,190 | <b>42,821,500</b> | 33,315,354 |
| 已發行按揭證券     | Mortgage-backed securities issued | <b>3,225,624</b>  | 4,229,159  | <b>3,211,027</b>  | 4,218,230  |

估計金融工具公平值時已使用下列方法及假設：

#### (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，乃基於按貨幣市場同類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，存款的公平值約等於其賬面值。

#### (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。

#### (c) 證券投資

證券投資包括持有至到期計息資產，而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。倘本集團未能取得有關資料，則採用信貸、到期日及收益率等特點相近之證券所報市價估計公平值。

### 3.6 Fair values of financial assets and liabilities

Fair value estimate are made at a specific point in time based on relevant market information and the characteristics of the financial instruments.

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        |            |
|             |                                   | 2008              | 2007       | 2008              | 2007       |
|             |                                   | 千港元               | 千港元        | 千港元               | 千港元        |
|             |                                   | HK\$'000          | HK\$'000   | HK\$'000          | HK\$'000   |
| <b>金融資產</b> | <b>Financial assets</b>           |                   |            |                   |            |
| 現金及短期資金     | Cash and short-term funds         | <b>3,093,258</b>  | 2,666,505  | <b>3,093,258</b>  | 2,666,505  |
| 貸款組合淨額      | Loan portfolio, net               | <b>50,760,112</b> | 34,460,291 | <b>50,760,112</b> | 34,460,291 |
| 證券投資        | Investment securities             |                   |            |                   |            |
| – 持有至到期     | – held-to-maturity                | <b>5,614,666</b>  | 5,500,024  | <b>5,644,179</b>  | 5,537,121  |
| <b>金融負債</b> | <b>Financial liabilities</b>      |                   |            |                   |            |
| 其他負債        | Other liabilities                 | <b>4,088,880</b>  | 4,054,545  | <b>4,088,880</b>  | 4,054,545  |
| 已發行債務證券     | Debt securities issued            | <b>42,814,988</b> | 33,311,190 | <b>42,821,500</b> | 33,315,354 |
| 已發行按揭證券     | Mortgage-backed securities issued | <b>3,225,624</b>  | 4,229,159  | <b>3,211,027</b>  | 4,218,230  |

The following methods and assumptions have been used to estimate the fair values of financial instruments:

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

Loan portfolio is stated net of impairment allowance. An 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) Investment securities

Investment securities include only interest-bearing assets held to maturity, 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**

公平值總額乃基於市價報價計算。至於未有市場報價的債券，本集團基於到期前剩餘期限的現時收益率曲線並採用現金流量貼現模型計算。

**(e) 根據 Bauhinia 按揭證券計劃發行的按揭證券**

公平值總額乃基於市價報價計算。至於未有市價報價的債券，本集團基於到期前剩餘期限的現時收益率曲線並採用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。其他負債的公平值與賬面值相若。

**(g) 於財務報表以公平值估量的金融工具**

以公平值估量的金融工具並無（二零零七年：無）使用無法以明顯市場數據佐證的估值方法。

**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）的目的如下：

- 符合香港特別行政區政府財政司司長（「財政司司長」）制定的資本規定；
- 確保本集團持續營運的能力，繼續為股東創造回報；
- 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報回報；及
- 維持雄厚的資本基礎支持業務發展。

本集團管理層根據財政司司長頒佈的指引每日監控資本充足程度及監管資金的用途。指引規定資本對資產比率最低為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。

**(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 approximates the carrying amount.

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

There is no (2007: 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.

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.

總裁須根據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指引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、保留溢利及調撥保留溢利產生的風險儲備、以組合形式評估貸款減值所作撥備以及其他儲備。

資本充足架構計及嵌入資產風險的不同水平。經計及任何合資格抵押品或擔保後，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採取同類處理方法，並作出若干調整以反映更難以預計的潛在虧損。

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

|                    |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|--------------------|--|-------------------------|-------------------------|
| 股本                 | Share capital  | <b>2,000,000</b>        | 2,000,000               |
| 保留溢利               | Retained profits   | <b>3,485,513</b>        | 3,151,567               |
| 風險儲備               | Contingency reserve  | <b>123,545</b>          | 102,497                 |
| 其他儲備               | Other reserve  | <b>(29,928)</b>         | 120,673                 |
| 組合形式評估貸款減值<br>所作撥備 | Allowance for loan impairment under<br>collective assessment | <b>50,536</b>           | 13,930                  |
| 資本總額               | Total capital base   | <b>5,629,666</b>        | 5,388,667               |
| 資本對資產比率            | CAR  | <b>8.7%</b>             | 11.2%                   |

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 other reserve.

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.

## 4. 關鍵會計估計及假設

本集團採用對下一個財政年度的資產及負債列賬額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，對未來事項作出合理預期），持續評估所作估計及判斷。

### 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評估減值。釐定減值虧損是否應計入收益表時，本集團會判斷有否觀察可得數據，在可識別出貸款組合個別貸款的預計未來現金流減少前，反映組合有關下跌的可計量數額。此等證據或包括有可觀察數據顯示某一組借款人的還款狀況轉差，或出現與個別資產組別拖欠相關的經濟狀況。管理層

## 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 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



估計未來現金流時，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過往虧損經驗。將定期檢討估計未來現金流金額及時間的方法及假設，以縮小估計虧損及實際虧損經驗的差異。

#### 4.2. 衍生工具的公平值

並無活躍市場報價的金融工具公平值採用估值方法釐定。使用估值方法（如模型）釐定公平值時，該等方法經獨立於建立此等模型相關範疇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及調整以確保結果反映實際數據及可比較市價。在可行情況下，此等模型僅使用觀察所得數據，然而，信貸風險、波幅及相關系數等若干方面則需管理層作出估計。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跌至低於其成本，本集團即判定可供出售投資減值。釐定是否重大及持續需運用判斷。判斷時，本集團評估（其中包括）上市價格日常波動。此外，倘投資的財務穩健程度、行業及類別表現向下，技術、營運及融資現金流量出現變動，亦顯示可能出現減值。

#### 4.4. 持有至到期投資

本集團依照香港會計準則第39號之指引，運用重大判斷，將具有既定或確定付款額及還款期的若干非衍生工具金融資產分類為持有至到期投資。判斷時，本集團會評估持有投資之目的及持有該資產至到期之能力。除香港會計準則第39號所指明的特定情況外，倘本集團未能持有該等投資至到期，則須將全部資產重新分類為可供出售投資並以公平值，而非攤銷成本計量。

#### 4.5. 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。日常業務過程中進行的多項交易及計算的最終稅項無法確定。本集團基於估計有否到期應繳的額外稅項確認預期稅務事宜的負債。倘該等事項的最終稅務結果有別於原來記錄的金額，則有關差額將於釐定期間影響所得稅及遞延稅項撥備。

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 Held-to-maturity investments

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgement. In making this judgement, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances defined in HKAS 39, it will be required to reclassify the entire class as available-for-sale and measured at fair value, not amortised cost.

#### 4.5 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發行債務工具及再投資按揭貸款收取款項產生的盈餘資金等其他業務視為按揭業務的附屬業務。本集團亦可從單一按揭業務分類在集團層面計量其表現的方式組成。

雖然按揭業務作為單一分類管理，惟按揭資產位於香港及韓國兩個地區。分類呈報時，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.

|                          |                                     | 香港<br>Hong Kong<br>千港元<br>HK\$'000 | 亞洲<br>Asia<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
|--------------------------|-------------------------------------|------------------------------------|-------------------------------|--------------------------------|
| <b>截至二零零八年十二月三十一日止年度</b> | <b>Year ended 31 December 2008</b>  |                                    |                               |                                |
| 經營收入                     | Operating income                    | 736,679                            | 75,271                        | 811,950                        |
| 分類業績                     | Segment result                      | 558,938                            | 75,038                        | 633,976                        |
| 應佔合營公司虧損                 | Share of loss of a joint venture    | -                                  | (8)                           | (8)                            |
| 除稅前溢利                    | Profit before tax                   | 558,938                            | 75,030                        | 633,968                        |
| 本年度資本開支                  | Capital expenditure during the year | 7,389                              | -                             | 7,389                          |
| <b>截至二零零七年十二月三十一日止年度</b> | <b>Year ended 31 December 2007</b>  |                                    |                               |                                |
| 經營收入                     | Operating income                    | 945,516                            | 275                           | 945,791                        |
| 除稅前溢利                    | Profit before tax                   | 820,935                            | 275                           | 821,210                        |
| 本年度資本開支                  | Capital expenditure during the year | 6,640                              | -                             | 6,640                          |
|                          |                                     | 香港<br>Hong Kong<br>千港元<br>HK\$'000 | 亞洲<br>Asia<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
| <b>於二零零八年十二月三十一日</b>     | <b>As at 31 December 2008</b>       |                                    |                               |                                |
| 分類資產                     | Segment assets                      | 49,496,237                         | 16,018,565                    | 65,514,802                     |
| 合營公司投資                   | Interest in a joint venture         | -                                  | 113,532                       | 113,532                        |
| 總資產                      | Total assets                        | 49,496,237                         | 16,132,097                    | 65,628,334                     |
| 分類負債                     | Segment liabilities                 | 43,847,305                         | 16,018,565                    | 59,865,870                     |
| <b>於二零零七年十二月三十一日</b>     | <b>As at 31 December 2007</b>       |                                    |                               |                                |
| 分類資產                     | Segment assets                      | 43,165,762                         | 5,462,161                     | 48,627,923                     |
| 分類負債                     | Segment liabilities                 | 37,535,532                         | 5,462,161                     | 42,997,693                     |

## 6. 利息收入

## 6. Interest income

|            |                                  | 本集團<br>The Group |                 |
|------------|----------------------------------|------------------|-----------------|
|            |                                  | 2008             | 2007            |
|            |                                  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 貸款組合       | Loan portfolio                   | <b>1,311,680</b> | 1,640,335       |
| 現金及短期資金    | Cash and short-term funds        | <b>147,117</b>   | 246,785         |
| 證券投資 – 上市  | Investment securities – listed   | <b>68,731</b>    | 92,505          |
| 證券投資 – 非上市 | Investment securities – unlisted | <b>297,686</b>   | 359,808         |
|            |                                  | <b>1,825,214</b> | 2,339,433       |

本年度利息收入包括690,000港元(二零零七年：228,000港元)個別已減值貸款的應計利息收入。

Included within interest income is HK\$690,000 for the year (2007: HK\$228,000) with respect to interest income accrued on individually impaired loans.

## 7. 利息支出

## 7. Interest expense

|                           |   | 本集團<br>The Group |                 |
|---------------------------|---|------------------|-----------------|
|                           |   | 2008             | 2007            |
|                           |   | 千港元<br>HK\$'000  | 千港元<br>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 | <b>887,654</b>   | 1,156,970       |
| 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         | <b>227,710</b>   | 533,131         |
|                           |   | <b>1,115,364</b> | 1,690,101       |

本年度利息支出內包括399,300,000港元(二零零七年：180,400,000港元)並非以公平值變化計入損益的金融負債。

Included within interest expenses are HK\$399.3 million (2007: HK\$180.4 million) for financial liabilities that are not at fair value through profit and loss.

## 8. 其他收入

## 8. Other income

|                     |  | 本集團<br>The Group |                 |
|---------------------|--|------------------|-----------------|
|                     |  | 2008             | 2007            |
|                     |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 提早還款費用及過期罰款         | Early prepayment fees and late charges                           | <b>26,289</b>    | 23,837          |
| 已滿期保費淨額(附註14)       | Net insurance premiums earned (Note 14)                          | <b>93,365</b>    | 109,524         |
| 匯兌差額                | Exchange difference  | <b>(40,455)</b>  | 16,555          |
| 金融工具公平值變動           | Change in fair value of financial instruments                    | <b>(43,108)</b>  | 116,059         |
| 可供出售上市投資的股息收入       | Dividend income from available-for-sale listed investments       | <b>42,867</b>    | 29,131          |
| 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) | <b>26,026</b>    | 922             |
| 其他                  | Others   | <b>(2,884)</b>   | 431             |
|                     |  | <b>102,100</b>   | 296,459         |

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公平值收益 1,482,200,000 港元（二零零七年：331,000,000 港元）及被對沖項目公平值虧損 1,482,200,000 港元（二零零七年：333,000,000 港元）；及 (ii) 指定以公平值變化計入損益的衍生工具公平值收益 5,400,000 港元（二零零七年：155,500,000 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 48,500,000 港元（二零零七年：37,400,000 港元）。於二零零八年，收益表內概無確認任何因現金流對沖而產生的無效項目（二零零七年：無）。

Change in fair value of financial instruments represents the aggregate of (i) HK\$1,482.2 million (2007: HK\$331 million) fair value gain on hedging instruments designated as fair value hedge and HK\$1,482.2 million (2007: HK\$333 million) fair value loss on hedged item; and (ii) HK\$5.4 million (2007: HK\$155.5 million) fair value gain on derivatives designated as at fair value through profit or loss and HK\$48.5 million (2007: HK\$37.4 million) fair value loss on debt securities issued designated as at fair value through profit or loss. In 2008, there is no ineffectiveness recognised in income statements that arises from cash flow hedges (2007: nil).

## 9. 經營支出

## 9. Operating expenses

|                |  | 本集團<br>The Group |                 |
|----------------|--|------------------|-----------------|
|                |  | 2008             | 2007            |
|                |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 僱員成本           | Staff costs                                |                  |                 |
| 薪金及福利          | Salaries and benefits                      | <b>91,855</b>    | 83,579          |
| 退休金成本 — 界定供款計劃 | Pension costs – defined contribution plans | <b>5,216</b>     | 4,668           |
| 辦公室            | Premises                                   |                  |                 |
| 租金             | Rental                                     | <b>6,368</b>     | 6,368           |
| 其他             | Others                                     | <b>6,333</b>     | 5,585           |
| 董事酬金           | Directors' emoluments                      | –                | –               |
| 折舊（附註 24）      | Depreciation (Note 24)                     | <b>8,936</b>     | 10,147          |
| 財經資訊服務         | Financial information services             | <b>5,164</b>     | 4,791           |
| 顧問費            | Consultancy fees                           | <b>6,327</b>     | 2,614           |
| 其他經營支出         | Other operating expenses                   | <b>11,550</b>    | 11,286          |
|                |  | <b>141,749</b>   | 129,038         |

## 10. 核數師酬金

## 10. Auditor's remuneration

|      |                | 本集團<br>The Group |                 |
|------|----------------|------------------|-----------------|
|      |                | 2008             | 2007            |
|      |                | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 審核服務 | Audit services | <b>690</b>       | 670             |
| 其他服務 | Other services | <b>901</b>       | 579             |
|      |                | <b>1,591</b>     | 1,249           |

## 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<br>The Group        |                         |
|---------------------------------|---|-------------------------|-------------------------|
|                                 |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>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 recognised in reserves up to 1 January   | 24,329                  | 22,578                  |
| - 年內產生收益淨額                      | - net gain arising in current year  | 1,697                   | 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)                |
|                                 |   | <b>26,026</b>           | 922                     |

## 12. 貸款減值(撥備)/回撥

## 12. (Loan impairment charge)/write-back of loan impairment allowances

|                                |   | 本集團<br>The Group        |                         |
|--------------------------------|---|-------------------------|-------------------------|
|                                |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 貸款減值(撥備)/回撥<br>- 組合評估(附註20(b)) | (Loan impairment charge)/write-back of loan impairment allowances - collective assessment (Note 20 (b)) | <b>(36,225)</b>         | 4,457                   |

## 13. 稅項

## 13. Taxation

(a) 於綜合收益表內扣除的稅項為：

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

|                       |  | 本集團<br>The Group        |                         |
|-----------------------|--|-------------------------|-------------------------|
|                       |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 香港利得稅                 | Hong Kong profits tax                              |                         |                         |
| - 本年度撥備               | - Provision for current year                       | 39,933                  | 87,025                  |
| - 過往年度撥備不足/<br>(超額撥備) | - Underprovision/(overprovision)<br>in prior years | 2,242                   | (6,915)                 |
|                       |  | <b>42,175</b>           | 80,110                  |
| 遞延稅項                  | Deferred taxation                                  |                         |                         |
| - 本年度(抵免)/支出          | - (Credit)/charge for current year                 | <b>(13,201)</b>         | 436                     |
|                       |  | <b>28,974</b>           | 80,546                  |

就本年度產生的估計應課稅溢利按16.5% (二零零七年：17.5%) 的稅率撥備香港利得稅。遞延稅項以負債法按16.5% (二零零七年：17.5%) 的主要稅率計算全部的時差額。

Hong Kong profits tax has been provided at the rate of 16.5% (2007: 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 16.5% (2007: 17.5%).

本集團的除稅前溢利的稅項與採用香港稅率計算的理論金額的差異如下：

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<br>The Group        |                         |
|-------------------------------|--|-------------------------|-------------------------|
|                               |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 除稅前溢利                         | Profit before taxation                               | 633,968                 | 821,210                 |
| 按 16.5% (二零零七年 : 17.5%) 的稅率計算 | Calculated at a taxation rate of 16.5% (2007: 17.5%) | 104,605                 | 143,712                 |
| 應佔合營公司虧損的稅務影響                 | Tax effect of share of loss of a joint venture       | 1                       | -                       |
| 毋須繳稅的收入                       | Income not subject to taxation                       | (138,820)               | (114,321)               |
| 不可扣稅的開支                       | Expenses not deductible for taxation purposes        | 60,946                  | 58,070                  |
| 過往年度撥備不足/(超額撥備)               | Underprovision/(overprovision) in prior years        | 2,242                   | (6,915)                 |
| 稅項開支                          | Taxation charge                                      | 28,974                  | 80,546                  |

(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<br>The Group        |                         | 本公司<br>The Company      |                         |
|-------------|-------------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|             |                                     | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 香港利得稅撥備     | Provision for Hong Kong profits tax | 47,866                  | 21,275                  | 47,866                  | 21,275                  |
| 遞延稅項(資產)/負債 | Deferred tax (assets)/liabilities   | (28,904)                | 28,542                  | (28,889)                | 28,746                  |
|             |                                     | 18,962                  | 49,817                  | 18,977                  | 50,021                  |

於二零零八年及二零零七年十二月三十一日，概無任何重大未撥備遞延稅項。

There was no significant unprovided deferred taxation as at 31 December 2008 and 2007.

遞延稅項(資產)/負債的主要部分及本年度變化如下：

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

|                       |  | 本集團<br>The Group  |  |                                       |   |   |                                |
|-----------------------|--|---|--|---------------------------------------|---|---|--------------------------------|
|                       |  | 加速稅項折舊<br>Accelerated<br>tax<br>depreciation<br>千港元<br>HK\$'000 | 減值撥備<br>Impairment<br>allowances<br>and<br>provisions<br>千港元<br>HK\$'000 | 稅項虧損<br>Tax losses<br>千港元<br>HK\$'000 | 公平值變動<br>Fair value<br>changes<br>千港元<br>HK\$'000 | 現金流對沖<br>Cash flow<br>hedges<br>千港元<br>HK\$'000 | 總額<br>Total<br>千港元<br>HK\$'000 |
| 於二零零七年一月一日            | As at 1 January 2007                     | 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<br>(附註32) | (Credit)/charged to equity (Note 32)     | -   | -  | -                                     | (869)   | 1,165   | 296                            |
| 於二零零七年<br>十二月三十一日     | As at 31 December 2007                   | 2,676   | (784)  | (199)                                 | 25,684  | 1,165   | 28,542                         |
| 於收益表內(計入)/扣除          | (Credit)/charged to the income statement | (179)   | (13,211)   | 189                                   | -   | -   | (13,201)                       |
| 計入權益內(附註32)           | Credit to equity (Note 32)               | -   | -  | -                                     | (29,907)  | (14,338)  | (44,245)                       |
| 於二零零八年<br>十二月三十一日     | As at 31 December 2008                   | 2,497   | (13,995)   | (10)                                  | (4,223)   | (13,173)  | (28,904)                       |

|                           |  | 本公司<br>The Company                           |   |                                |                              |                 |
|---------------------------|--|--|---|--------------------------------|------------------------------|-----------------|
|                           |  | 加速稅項折舊<br>Accelerated<br>tax<br>depreciation | 減值撥備<br>Impairment<br>allowances<br>and<br>provisions | 公平值變動<br>Fair value<br>changes | 現金流對沖<br>Cash flow<br>hedges | 總額<br>Total     |
|                           |  | 千港元<br>HK\$'000                              | 千港元<br>HK\$'000                                       | 千港元<br>HK\$'000                | 千港元<br>HK\$'000              | 千港元<br>HK\$'000 |
| 於二零零七年一月一日                | As at 1 January 2007                     | 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<br>(附註32)     | (Credit)/charged to equity (Note 32)     | –  | –   | (869)                          | 1,165                        | 296             |
| 於二零零七年<br>十二月三十一日         | As at 31 December 2007                   | 2,676  | (779)   | 25,684                         | 1,165                        | 28,746          |
| 計入收益表                     | Credit to the income statement           | (179)  | (13,211)  | –                              | –                            | (13,390)        |
| 計入權益內(附註32)               | Credit to equity (Note 32)               | –  | –   | (29,907)                       | (14,338)                     | (44,245)        |
| <b>於二零零八年<br/>十二月三十一日</b> | <b>As at 31 December 2008</b>            | <b>2,497</b>                                 | <b>(13,990)</b>                                       | <b>(4,223)</b>                 | <b>(13,173)</b>              | <b>(28,889)</b> |

## 14. 按揭保險業務的收益賬

## 14. Revenue account for mortgage insurance business

|                 |   | 本集團<br>The Group        |                         |
|-----------------|---|-------------------------|-------------------------|
|                 |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 毛保費             | Gross premiums written                        | <b>477,843</b>          | 304,546                 |
| 再保險保費           | Reinsurance premiums                          | <b>(119,264)</b>        | (150,645)               |
| 保險費淨額           | Net premiums written                          | <b>358,579</b>          | 153,901                 |
| 未滿期保費的增加淨額      | Increase in unearned premiums, net            | <b>(224,009)</b>        | (44,042)                |
| 已滿期保費淨額         | Net premiums earned                           | <b>134,570</b>          | 109,859                 |
| 產生的申索(附註27(b))  | Claims incurred (Note 27(b))                  | <b>(41,205)</b>         | (335)                   |
| 撥備後已滿期保費淨額(附註8) | Net premiums earned after provisions (Note 8) | <b>93,365</b>           | 109,524                 |
| 管理開支(附註a)       | Management expenses (Note a)                  | <b>(10,144)</b>         | (7,227)                 |
| 承保收益            | Underwriting gains                            | <b>83,221</b>           | 102,297                 |

附註

(a) 管理開支為附註9經營支出的一部分。

Note:

(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603,763,000港元(二零零七年: 739,672,000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\$603,763,000 (2007: HK\$739,672,000).



## 16. 股息

## 16. Dividend

|                                     |  | 本公司<br>The Company |                 |
|-------------------------------------|--|--------------------|-----------------|
|                                     |  | 2008               | 2007            |
|                                     |  | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 擬派股息每股普通股0.125港元<br>(二零零七年：0.125港元) | Proposed dividend of HK\$0.125 (2007: HK\$0.125)<br>per ordinary share | <b>250,000</b>     | 250,000         |

於二零零八年已付二零零七年度股息2.5億港元。於二零零九年四月十六日，董事建議就二零零八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二零零八年十二月三十一日的應付股息。

The dividend paid in 2008 in respect of 2007 was HK\$250 million. The directors proposed a final dividend in respect of 2008 of HK\$ 0.125 per ordinary share on 16 April 2009. The proposed dividend is not reflected as a dividend payable as at 31 December 2008.

## 17. 現金及短期資金

## 17. Cash and short-term funds

|        |                          | 本集團<br>The Group |                 | 本公司<br>The Company |                 |
|--------|--------------------------|------------------|-----------------|--------------------|-----------------|
|        |                          | 2008             | 2007            | 2008               | 2007            |
|        |                          | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 銀行現金   | Cash at banks            | <b>38,444</b>    | 68,620          | <b>36,342</b>      | 66,316          |
| 銀行定期存款 | Time deposits with banks | <b>3,054,814</b> | 2,597,885       | <b>3,018,393</b>   | 2,287,792       |
|        |                          | <b>3,093,258</b> | 2,666,505       | <b>3,054,735</b>   | 2,354,108       |

就現金流量表而言，現金及等同現金項目包括以下自交易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<br>The Group |                 | 本公司<br>The Company |                 |
|-----------|---------------------------|------------------|-----------------|--------------------|-----------------|
|           |                           | 2008             | 2007            | 2008               | 2007            |
|           |                           | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 銀行現金      | Cash at banks             | <b>38,444</b>    | 68,620          | <b>36,342</b>      | 66,316          |
| 銀行定期存款    | Time deposits with banks  | <b>2,726,164</b> | 2,357,621       | <b>2,708,493</b>   | 2,287,792       |
| 現金及等同現金項目 | Cash and cash equivalents | <b>2,764,608</b> | 2,426,241       | <b>2,744,835</b>   | 2,354,108       |

## 18. 應收利息及匯款

## 18. Interest and remittance receivables

|                |  | 本集團<br>The Group |                 | 本公司<br>The Company |                 |
|----------------|--|------------------|-----------------|--------------------|-----------------|
|                |  | 2008             | 2007            | 2008               | 2007            |
|                |  | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 以下各項的應收利息：     | Interest receivable from   |                  |                 |                    |                 |
| – 利率掉期合約       | – interest rate swap contracts   | <b>379,353</b>   | 500,921         | <b>374,374</b>     | 498,765         |
| – 證券投資         | – investment securities  | <b>89,956</b>    | 115,635         | <b>89,956</b>      | 115,635         |
| – 銀行定期存款       | – time deposits with banks   | <b>2,589</b>     | 4,262           | <b>2,554</b>       | 1,278           |
| 貸款組合的應收利息及分期付款 | Interest receivable and instalments,<br>in transit from loan portfolio | <b>862,587</b>   | 261,289         | <b>855,707</b>     | 250,582         |
|                |  | <b>1,334,485</b> | 882,107         | <b>1,322,591</b>   | 866,260         |

## 19. 衍生金融工具

### (a) 應用衍生工具

本集團應用下列衍生工具對沖本集團的金融風險。就會計處理而言，根據香港會計準則第39號金融工具：確認及計量，衍生工具分類為以公平值變化計入損益或按公平值或現金流對沖的對沖工具。

**貨幣遠期**為購買外幣及本地貨幣的承諾。

**貨幣及利率掉期**為以一組現金流量換取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，該等交易不涉及轉換本金。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、名義合約數額比例，及市場的流通量持續監測有關風險。

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，惟未必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，並不能反映本集團面臨的信貸或價格風險。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。衍生金融工具的合約或名義金額總額、上述有利或不利影響幅度，及衍生金融資產及負債之公平總值，可能不時大幅波動。所持有的衍生工具公平值載於下文。

## 19. Derivative financial instruments

### (a) Use of derivative

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 cash flow hedges as defined in HKAS 39 Financial Instruments: Recognition and Measurement.

**Currency forwards** represents commitments to purchase foreign and domestic currency.

**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.

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<br>The Group                               |           |                    |  |                 |                    |                   |
|-----------------------|--|--|-----------|--------------------|--|-----------------|--------------------|-------------------|
|                       |  | 2008   |           |                    | 2007   |                 |                    |                   |
|                       |  | 合約/<br>名義金額<br>Contract/<br>notional<br>amount |           | 公平值<br>Fair values | 合約/<br>名義金額<br>Contract/<br>notional<br>amount |                 | 公平值<br>Fair values |                   |
|                       |  |  |           | 資產<br>Assets       | 負債<br>Liabilities                              | 資產<br>Assets    |                    | 負債<br>Liabilities |
|                       |  |  |           | 千港元<br>HK\$'000    | 千港元<br>HK\$'000                                | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>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  | 40,867,628                                     | 217,361   | (149,931)          | 50,712,734                                     | 191,061         | (119,903)          |                   |
| 貨幣掉期                  | Currency swaps   | -  | -         | -                  | 58,467   | -               | (57)               |                   |
| 貨幣遠期                  | Currency forwards  | 9,915,468                                      | 1,375     | (230)              | -  | -               | -                  |                   |
|                       |  |  | 218,736   | (150,161)          |  | 191,061         | (119,960)          |                   |
| (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  | 25,357,353                                     | 1,866,586 | (318)              | 25,799,223                                     | 450,951         | (2,682)            |                   |
| 貨幣掉期                  | Currency swaps   | 4,952,742                                      | 123,655   | (52,490)           | 690,374  | 6,996           | -                  |                   |
|                       |  |  | 1,990,241 | (52,808)           |  | 457,947         | (2,682)            |                   |
| (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   | 14,769,947                                     | 28,549    | (12,025)           | 5,460,000                                      | 8,478           | -                  |                   |
|                       |  |  | 28,549    | (12,025)           |  | 8,478           | -                  |                   |
| 已確認衍生資產/(負債)總額        | Total recognised derivative assets/(liabilities)                   |  | 2,237,526 | (214,994)          |  | 657,486         | (122,642)          |                   |
|                       |  | 本公司<br>The Company                             |           |                    |  |                 |                    |                   |
|                       |  | 2008   |           |                    | 2007   |                 |                    |                   |
|                       |  | 合約/<br>名義金額<br>Contract/<br>notional<br>amount |           | 公平值<br>Fair values | 合約/<br>名義金額<br>Contract/<br>notional<br>amount |                 | 公平值<br>Fair values |                   |
|                       |  |  |           | 資產<br>Assets       | 負債<br>Liabilities                              | 資產<br>Assets    |                    | 負債<br>Liabilities |
|                       |  |  |           | 千港元<br>HK\$'000    | 千港元<br>HK\$'000                                | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>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  | 40,867,628                                     | 217,361   | (149,931)          | 50,712,734                                     | 191,061         | (119,903)          |                   |
| 貨幣掉期                  | Currency swaps   | -  | -         | -                  | 58,467   | -               | (57)               |                   |
| 貨幣遠期                  | Currency forwards  | 9,915,468                                      | 1,375     | (230)              | -  | -               | -                  |                   |
|                       |  |  | 218,736   | (150,161)          |  | 191,061         | (119,960)          |                   |
| (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  | 23,467,353                                     | 1,788,539 | (318)              | 23,259,223                                     | 424,594         | (2,001)            |                   |
| 貨幣掉期                  | Currency swaps   | 4,952,742                                      | 123,655   | (52,490)           | 690,374  | 6,996           | -                  |                   |
|                       |  |  | 1,912,194 | (52,808)           |  | 431,590         | (2,001)            |                   |
| (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   | 14,769,947                                     | 28,549    | (12,025)           | 5,460,000                                      | 8,478           | -                  |                   |
|                       |  |  | 28,549    | (12,025)           |  | 8,478           | -                  |                   |
| 已確認衍生資產/(負債)總額        | Total recognised derivative assets/(liabilities)                   |  | 2,159,479 | (214,994)          |  | 631,129         | (121,961)          |                   |

## (b) 對沖活動

倘衍生工具為公平值對沖或現金流對沖，就會計處理而言，入賬時符合對沖資格。

## (b) Hedging activities

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

## (i) 公平值對沖

本集團的公平值對沖主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

本集團使用屬現金流對沖的貨幣掉期對沖外幣金融工具現金流變動產生的部分外匯風險。

## (c) 重置成本及潛在未來信貸支出

重置成本為重置所有市價估值為其正值的衍生工具合約成本。潛在未來信貸風險金額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載於下文。該等金額並無計入與交易對手進行雙向結算安排的影響。

## (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) 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<br>The Group                            |  |   |  |
|--------|-------------------------|---|--|---|--|
|        |                         | 2008  |  | 2007  |  |
|        |                         | 重置成本<br>Replacement cost<br>千港元<br>HK\$'000 | 潛在未來<br>信貸風險<br>Potential future<br>credit exposure<br>千港元<br>HK\$'000 | 重置成本<br>Replacement cost<br>千港元<br>HK\$'000 | 潛在未來<br>信貸風險<br>Potential future<br>credit exposure<br>千港元<br>HK\$'000 |
| 利率合約   | Interest rate contracts | 2,428,610                                   | 203,271  | 1,113,669                                   | 205,940  |
| 匯率合約   | Exchange rate contracts |   |  |   |  |
| – 貨幣掉期 | – Currency swaps        | 177,630                                     | 980,171  | 25,084                                      | 292,084  |
| – 貨幣遠期 | – Currency forwards     | 1,375                                       | 99,155   | –   | –  |
|        |                         | 179,005                                     | 1,079,326  | 25,084                                      | 292,084  |
|        |                         | 2,607,615                                   | 1,282,597  | 1,138,753                                   | 498,024  |

|        |                         | 本公司<br>The Company                          |  |   |  |
|--------|-------------------------|---|--|---|--|
|        |                         | 2008  |  | 2007  |  |
|        |                         | 重置成本<br>Replacement cost<br>千港元<br>HK\$'000 | 潛在未來<br>信貸風險<br>Potential future<br>credit exposure<br>千港元<br>HK\$'000 | 重置成本<br>Replacement cost<br>千港元<br>HK\$'000 | 潛在未來<br>信貸風險<br>Potential future<br>credit exposure<br>千港元<br>HK\$'000 |
| 利率合約   | Interest rate contracts | 2,345,583                                   | 197,521  | 1,085,620                                   | 196,490  |
| 匯率合約   | Exchange rate contracts |   |  |   |  |
| – 貨幣掉期 | – Currency swaps        | 177,630                                     | 980,171  | 25,084                                      | 292,084  |
| – 貨幣遠期 | – Currency forwards     | 1,375                                       | 99,155   | –   | –  |
|        |                         | 179,005                                     | 1,079,326  | 25,084                                      | 292,084  |
|        |                         | 2,524,588                                   | 1,276,847  | 1,110,704                                   | 488,574  |

## 20. 貸款組合淨額

## (a) 貸款組合減撥備

|                 |                                 | 本集團<br>The Group        |                         | 本公司<br>The Company      |                         |
|-----------------|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|                 |                                 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 按揭貸款組合          | Mortgage portfolio              |                         |                         |                         |                         |
| 住宅              | Residential                     |                         |                         |                         |                         |
| – 香港            | – Hong Kong                     | <b>27,624,099</b>       | 20,413,884              | <b>25,420,270</b>       | 20,265,781              |
| – 海外            | – Overseas                      | <b>15,905,032</b>       | 5,458,180               | <b>15,905,032</b>       | 5,458,180               |
| 商業              | Commercial                      | <b>4,000,000</b>        | 4,000,000               | <b>4,000,000</b>        | 4,000,000               |
| 證券化組合<br>(附註34) | Securitized portfolio (Note 34) | <b>1,878,761</b>        | 2,796,551               | –                       | –                       |
| 非按揭貸款組合         | Non-mortgage portfolio          | <b>1,402,756</b>        | 1,805,606               | <b>1,402,756</b>        | 1,805,606               |
|                 |                                 | <b>50,810,648</b>       | 34,474,221              | <b>46,728,058</b>       | 31,529,567              |
| 貸款減值撥備          | Allowance for loan impairment   | <b>(50,536)</b>         | (13,930)                | <b>(49,773)</b>         | (12,970)                |
|                 |                                 | <b>50,760,112</b>       | 34,460,291              | <b>46,678,285</b>       | 31,516,597              |

於二零零八年十二月三十一日，以貸款合約為基準計算，按揭貸款組合的加權平均年期尚餘九年（二零零七年：八年），惟並未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二零四零年到期。

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：

As at 31 December 2008, the mortgage portfolio had a weighted average remaining term of 9 years (2007: 8 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 2040.

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

|                             |   | 本集團<br>The Group |       | 本公司<br>The Company |       |
|-----------------------------|---|------------------|-------|--------------------|-------|
|                             |   | 2008             | 2007  | 2008               | 2007  |
| 貸款減值撥備<br>總額佔貸款組合<br>總額的百分比 | Total allowance for loan<br>impairment as a percentage<br>of the gross loan portfolio | <b>0.10%</b>     | 0.04% | <b>0.11%</b>       | 0.04% |

## (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<br>The Group        |                         | 本公司<br>The Company      |                         |
|-------------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
|                         |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| <b>組合評估</b>             | <b>Collective assessment</b>                       |                         |                         |                         |                         |
| 於一月一日                   | As at 1 January                                    | <b>13,930</b>           | 24,233                  | <b>12,970</b>           | 22,372                  |
| 撇銷貸款                    | Loans written off                                  | <b>(4,227)</b>          | (14,218)                | <b>(4,227)</b>          | (14,218)                |
| 於收益表內扣除/<br>(撥回) (附註12) | Charge/(released) to income<br>statement (Note 12) | <b>36,225</b>           | (4,457)                 | <b>36,422</b>           | (3,556)                 |
| 收回已撇銷貸款                 | Recoveries of loans previously<br>written off      | <b>4,943</b>            | 9,150                   | <b>4,943</b>            | 9,150                   |
| 撥備折現值撥回                 | Unwind of discount on allowance                    | <b>(335)</b>            | (778)                   | <b>(335)</b>            | (778)                   |
| 於十二月三十一日                | As at 31 December                                  | <b>50,536</b>           | 13,930                  | <b>49,773</b>           | 12,970                  |

作出貸款減值撥備時，已考慮拖欠貸款的抵押品的目前市值。概無就海外及商業按揭貸款組作出減值撥備。貸款減值撥備3,563,000港元（二零零七年：4,828,000港元）已轉撥至附註25的收回資產。

以組合形式評估的個別已減值貸款分析如下：

|                             |  | 本集團<br>The Group        |                         | 本公司<br>The Company      |                         |
|-----------------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
|                             |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 減值貸款組合總額                    | Gross impaired loan portfolio  | <b>22,534</b>           | 40,410                  | <b>22,534</b>           | 40,410                  |
| 貸款減值撥備                      | Allowance for loan impairment  | <b>(6,636)</b>          | (9,450)                 | <b>(6,636)</b>          | (9,450)                 |
|                             |  | <b>15,898</b>           | 30,960                  | <b>15,898</b>           | 30,960                  |
| 貸款減值撥備<br>佔減值貸款組合<br>總額的百分比 | Allowance for loan impairment<br>as a percentage of gross<br>impaired loan portfolio | <b>29.4%</b>            | 23.4%                   | <b>29.4%</b>            | 23.4%                   |
| 減值貸款組合總額<br>佔貸款組合總額<br>的百分比 | Gross impaired loan portfolio<br>as a percentage of gross<br>loan portfolio          | <b>0.04%</b>            | 0.12%                   | <b>0.05%</b>            | 0.13%                   |

以組合形式評估不可獨立識別的貸款所作貸款減值撥備為43,900,000港元（二零零七年：4,480,000港元）。

(c) 貸款組合內的融資租賃投資淨額

|            |  | 本集團及本公司<br>The Group and the Company   |  |  |
|------------|--|--|--|--|
|            |  | 2008   |  |  |
|            |  | 最低應收租約<br>款項現值<br>Present value<br>of minimum<br>lease payments<br>receivable<br>千港元<br>HK\$'000 | 未來期間的<br>利息收入<br>Interest income<br>relating to<br>future periods<br>千港元<br>HK\$'000 | 最低應收租約<br>款項總額<br>Total minimum<br>lease payments<br>receivable<br>千港元<br>HK\$'000 |
| 於以下期間應收款項： | Amounts receivable:                    |  |  |  |
| – 一年內      | – within one year                      | <b>110,808</b>   | <b>26,884</b>  | <b>137,692</b>   |
| – 一年後但五年內  | – after one year but within five years | <b>419,158</b>   | <b>85,251</b>  | <b>504,409</b>   |
| – 五年後      | – after five years                     | <b>872,790</b>   | <b>100,757</b>   | <b>973,547</b>   |
|            |  | <b>1,402,756</b>   | <b>212,892</b>   | <b>1,615,648</b>   |

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\$3,563,000 (2007: HK\$4,828,000) has been transferred to repossessed assets in Note 25.

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

Allowance for loan impairment under collective assessment for loans not individually identified are HK\$43,900,000 (2007:HK\$4,480,000).

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



|            |  | 本集團及本公司<br>The Group and the Company  |   |   |
|------------|--|---|---|---|
|            |  | 2007  |   |   |
|            |  | 最低應收租約<br>款項現值<br>Present value<br>of minimum<br>lease payments<br>receivable | 未來期間的<br>利息收入<br>Interest income<br>relating to<br>future periods | 最低應收租約<br>款項總額<br>Total minimum<br>lease payments<br>receivable |
|            |  | 千港元<br>HK\$'000   | 千港元<br>HK\$'000   | 千港元<br>HK\$'000   |
| 於以下期間應收款項： | Amounts receivable:                    |   |   |   |
| – 一年內      | – within one year                      | 127,044   | 65,238  | 192,282   |
| – 一年後但五年內  | – after one year but within five years | 484,317   | 213,410   | 697,727   |
| – 五年後      | – after five years                     | 1,194,245   | 285,651   | 1,479,896   |
|            |  | 1,805,606   | 564,299   | 2,369,905   |

於二零零八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賃應收款項作出減值撥備。

There is no impairment allowance for finance lease receivable as at 31 December 2008 and 31 December 2007 of the Group and the Company.

## 21. 證券投資

### (a) 可供出售證券

## 21. Investment securities

### (a) Available-for-sale securities

|             |                                     | 本集團及本公司<br>The Group and the Company |                 |
|-------------|-------------------------------------|--------------------------------------|-----------------|
|             |                                     | 2008                                 | 2007            |
|             |                                     | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000 |
| 按公平值列賬的債務證券 | Debt securities at fair value       |                                      |                 |
| 非上市         | Unlisted                            | 1,160,924                            | 2,665,849       |
| 於香港上市       | Listed in Hong Kong                 | 48,901                               | 461,947         |
| 於香港以外地區上市   | Listed outside Hong Kong            | –                                    | 128,579         |
|             |                                     | 1,209,825                            | 3,256,375       |
| 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                 | 842,727                              | 781,875         |
| 可供出售證券總額    | Total available-for-sale securities | 2,052,552                            | 4,038,250       |

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.

按發行機構類別分析可供出售證券如下：

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

|           |  | 本集團及本公司<br>The Group and the Company |                 |
|-----------|--|--------------------------------------|-----------------|
|           |  | 2008                                 | 2007            |
|           |  | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000 |
| 銀行及其他金融機構 | Banks and other financial institutions | 1,160,924                            | 2,998,568       |
| 公司企業      | Corporate entities                     | –                                    | 38,270          |
| 公營機構      | Public sector entities                 | 48,901                               | –               |
| 其他        | Others                                 | 842,727                              | 1,001,412       |
|           |  | 2,052,552                            | 4,038,250       |

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<br>The Group and the Company |                         |
|----------------|--|--------------------------------------|-------------------------|
|                |  | 2008<br>千港元<br>HK\$'000              | 2007<br>千港元<br>HK\$'000 |
| 於一月一日          | As at 1 January                                      | 4,038,250                            | 4,614,519               |
| 增加             | Additions  | 17,311,387                           | 23,476,586              |
| 重新分類為持有至到期債務證券 | Reclassification to held-to-maturity debt securities | (641,322)                            | –                       |
| 處置(出售及贖回)      | Disposals (sale and redemption)                      | (18,564,231)                         | (24,178,564)            |
| 攤銷             | Amortisation   | 72,357                               | 100,151                 |
| 公平值變動          | Change in fair value                                 | (147,960)                            | 17,203                  |
| 外幣匯兌差額         | Exchange difference                                  | (15,929)                             | 8,355                   |
| 於十二月三十一日       | As at 31 December                                    | 2,052,552                            | 4,038,250               |

## (b) 持有至到期證券

## (b) Held-to-maturity securities

|                 |  | 本集團及本公司<br>The Group and the Company |                         |
|-----------------|--|--------------------------------------|-------------------------|
|                 |  | 2008<br>千港元<br>HK\$'000              | 2007<br>千港元<br>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                                  | 1,147,001                            | 620,188                 |
| 於香港境外上市         | Listed outside Hong Kong                             | 1,138,537                            | 756,848                 |
|                 |  | 2,285,538                            | 1,377,036               |
| 非上市             | Unlisted   | 3,329,128                            | 4,122,988               |
| 持有至到期證券總額       | Total held-to-maturity securities                    | 5,614,666                            | 5,500,024               |
| 上市證券的市值 – 持有至到期 | Market value of listed securities – held-to-maturity | 2,291,021                            | 1,389,293               |

按發行機構類別分析持有至到期證券如下：

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

|           |  | 本集團及本公司<br>The Group and the Company |                         |
|-----------|--|--------------------------------------|-------------------------|
|           |  | 2008<br>千港元<br>HK\$'000              | 2007<br>千港元<br>HK\$'000 |
| 銀行及其他金融機構 | Banks and other financial institutions | 3,664,530                            | 3,695,830               |
| 公司企業      | Corporate entities                     | 561,422                              | 439,638                 |
| 公營機構      | Public sector entities                 | 771,730                              | 1,018,714               |
| 中央政府      | Central governments                    | 343,610                              | 345,842                 |
| 其他        | Others                                 | 273,374                              | –                       |
|           |  | 5,614,666                            | 5,500,024               |

持有至到期證券的變動概述如下：

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

|              |  | 本集團及本公司<br>The Group and the Company |                         |
|--------------|--|--------------------------------------|-------------------------|
|              |  | 2008<br>千港元<br>HK\$'000              | 2007<br>千港元<br>HK\$'000 |
| 於一月一日        | As at 1 January  | 5,500,024                            | 4,673,090               |
| 增加           | Additions  | 3,036,106                            | 4,014,805               |
| 重新分類可供出售債務證券 | Reclassification from available-for-sale debt securities | 641,322                              | —                       |
| 贖回           | Redemption   | (3,518,682)                          | (3,202,554)             |
| 攤銷           | Amortisation   | 3,079                                | 7,172                   |
| 外幣匯兌差額       | Exchange difference                                      | (47,183)                             | 7,511                   |
| 於十二月三十一日     | As at 31 December  | 5,614,666                            | 5,500,024               |

本年內，本集團重新分類轉讓時總市值為641,322,000港元（二零零七年：零）的可供出售債務證券為持有至到期證券，反映本集團改為擬持有該等證券至到期。

During the year, the Group reclassified available-for-sale debt securities with a total market value at the time of transfer of HK\$641,322,000 as held-to-maturity securities (2007: Nil), reflecting a change in the Group's intention on holding these securities to maturity.

## 22. 附屬公司投資

## 22. Investment in a subsidiary

|           |                          | 本公司<br>The Company      |                         |
|-----------|--------------------------|-------------------------|-------------------------|
|           |                          | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>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    | 2,209,981               | 150,766                 |
|           |                          | 2,210,981               | 151,766                 |

附屬公司所欠款項無抵押及無固定還款期，並按市場利率計息。

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

於二零零八年十二月三十一日，附屬公司的詳情如下：

The details of the subsidiary as at 31 December 2008 are:

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

## 23. 合營公司投資

## 23. Investment in a joint venture

|                 |                                | 本集團<br>The Group |                 |
|-----------------|--------------------------------|------------------|-----------------|
|                 |                                | 2008             | 2007            |
|                 |                                | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 |
| 於一月一日           | As at 1 January                | -                | -               |
| 注資              | Capital injection              | 120,554          | -               |
| 扣除稅項後應佔的虧損      | Share of loss, net of tax      | (8)              | -               |
| 合營公司所欠款項        | Due from a joint venture       | 1,543            | -               |
| 外幣匯兌差額(附註32)    | Exchange differences (Note 32) | (8,557)          | -               |
| <b>於十二月三十一日</b> | <b>As at 31 December</b>       | <b>113,532</b>   | -               |

|           |                          | 本公司<br>The Company |                 |
|-----------|--------------------------|--------------------|-----------------|
|           |                          | 2008               | 2007            |
|           |                          | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 非上市股份，成本值 | Unlisted shares, at cost | 111,997            | -               |
| 合營公司所欠款項  | Due from a joint venture | 1,543              | -               |
|           |                          | <b>113,540</b>     | -               |

合營公司所欠款項無抵押、不計息及無固定還款期。

The amount due from a joint venture is unsecured, non-interest bearing and has no fixed term of repayment.

於二零零八年十二月三十一日，合營公司的詳情如下：

The details of the joint venture as at 31 December 2008 are:

| 名稱<br>Name          | 註冊成立地點<br>Place of incorporation | 主要業務<br>Principal activities | 已發行股本的面值<br>Nominal value of issued capital | 所持股份類別<br>Class of shares held | 直接持有<br>普通股百分比<br>% of ordinary shares directly held |
|---------------------|----------------------------------|------------------------------|---|--------------------------------|--|
| Cagamas HKMC Berhad | 馬來西亞                             | 按揭貸款擔保業務                     | 馬幣1億元                                       | 普通股                            | 50%  |
| Cagamas HKMC Berhad | Malaysia                         | Mortgage guaranty business   | 每股面值馬幣1元<br>RM100 million of RM1 each       | Ordinary                       | 50%  |

## 24. 固定資產

## 24. Fixed assets

本集團及本公司  
The Group and the Company

|                      |                               | 租賃物業<br>裝修<br>Leasehold<br>improvement | 辦公室設備、<br>傢俬及裝置<br>Office<br>equipment,<br>furniture and<br>fixtures | 電腦<br>Computers | 汽車<br>Motor<br>vehicle | 總額<br>Total     |
|----------------------|-------------------------------|--|--|-----------------|------------------------|-----------------|
|                      |                               | 千港元<br>HK\$'000                        | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000        | 千港元<br>HK\$'000 |
| 成本值                  | Cost                          |  |  |                 |                        |                 |
| 於二零零八年一月一日           | As at 1 January 2008          | 7,935                                  | 6,059  | 104,834         | 226                    | 119,054         |
| 添置                   | Additions                     | 103                                    | 336  | 6,950           | –                      | 7,389           |
| 出售/撇銷                | Disposal/write-offs           | –                                      | –  | –               | –                      | –               |
| <b>於二零零八年十二月三十一日</b> | <b>As at 31 December 2008</b> | <b>8,038</b>                           | <b>6,395</b>   | <b>111,784</b>  | <b>226</b>             | <b>126,443</b>  |
| 累計折舊                 | Accumulated depreciation      |  |  |                 |                        |                 |
| 於二零零八年一月一日           | As at 1 January 2008          | 4,023                                  | 4,832  | 94,256          | 94                     | 103,205         |
| 本年度折舊(附註9)           | Charge for the year (Note 9)  | 1,308                                  | 452  | 7,119           | 57                     | 8,936           |
| 出售/撇銷                | Disposal/write-offs           | –                                      | –  | –               | –                      | –               |
| <b>於二零零八年十二月三十一日</b> | <b>As at 31 December 2008</b> | <b>5,331</b>                           | <b>5,284</b>   | <b>101,375</b>  | <b>151</b>             | <b>112,141</b>  |
| 賬面淨值                 | Net book value                |  |  |                 |                        |                 |
| <b>於二零零八年十二月三十一日</b> | <b>As at 31 December 2008</b> | <b>2,707</b>                           | <b>1,111</b>   | <b>10,409</b>   | <b>75</b>              | <b>14,302</b>   |
| 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          |

## 25. 預付款項、按金及其他資產

## 25. Prepayments, deposits and other assets

|                    |  | 本集團<br>The Group        |                         | 本公司<br>The Company      |                         |
|--------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
|                    |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 收回資產               | Repossessed assets   | <b>3,149</b>            | 10,651                  | <b>3,149</b>            | 10,651                  |
| 公司會籍債券             | Corporate club debentures  | <b>750</b>              | 750                     | <b>750</b>              | 750                     |
| 應收可供出售(上市)<br>投資股息 | Dividend receivable from<br>available-for-sale<br>investments (listed) | <b>12,860</b>           | 11,506                  | <b>12,860</b>           | 11,506                  |
| 其他                 | Others   | <b>13,796</b>           | 18,121                  | <b>21,359</b>           | 36,693                  |
|                    |  | <b>30,555</b>           | 41,028                  | <b>38,118</b>           | 59,600                  |

## 26. 應付賬項、應付開支及其他負債

## 26. Accounts payable, accrued expenses and other liabilities

|           |                                       | 本集團<br>The Group |                 | 本公司<br>The Company |                 |
|-----------|---------------------------------------|------------------|-----------------|--------------------|-----------------|
|           |                                       | 2008             | 2007            | 2008               | 2007            |
|           |                                       | 千港元<br>HK\$'000  | 千港元<br>HK\$'000 | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 應付賬項及應付開支 | Accounts payable and accrued expenses | <b>81,475</b>    | 83,671          | <b>134,464</b>     | 166,622         |
| 其他應付款項    | Other payable                         | –                | –               | <b>742,966</b>     | 925,771         |
| 其他負債      | Other liabilities                     | <b>4,088,880</b> | 4,054,545       | <b>4,088,880</b>   | 4,054,545       |
| 其他撥備      | Other provisions                      | <b>13,338</b>    | 13,290          | <b>13,200</b>      | 13,155          |
|           |                                       | <b>4,183,693</b> | 4,151,506       | <b>4,979,510</b>   | 5,160,093       |

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.

截至二零零八年十二月三十一日，本公司向 Bauhinia MBS Limited 出售 30 億港元按揭貸款以證券化，就此，本公司繼續為擔保及持續參與於「貸款組合淨額」中確認按揭貸款，以及於「其他應付款項」確認一筆應付 Bauhinia MBS Limited 的負債。於二零零八年十二月三十一日，本公司資產負債表中的其他應付款為 742,966,000 港元（二零零七年：925,771,000 港元）。

Up to 31 December 2008, 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 2008, other payable was HK\$742,966,000 (2007: HK\$925,771,000) in the Company’s balance sheet.

## 27. 保險負債及再保險資產

## 27. Insurance liabilities and reinsurance assets

|              |                                    | 本集團及本公司<br>The Group and the Company |                    |                 | 本集團及本公司<br>The Group and the Company |                    |                 |
|--------------|------------------------------------|--------------------------------------|--------------------|-----------------|--------------------------------------|--------------------|-----------------|
|              |                                    | 2008                                 |                    |                 | 2007                                 |                    |                 |
|              |                                    | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       |
|              |                                    | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 未滿期保費撥備      | Provision for unearned premium     | <b>829,370</b>                       | <b>311,253</b>     | <b>518,117</b>  | 658,569                              | 364,461            | 294,108         |
| 未決申索撥備       | Provision for outstanding claims   |                                      |                    |                 |                                      |                    |                 |
| – 已申報/(收回)申索 | – claims reported/(recovery)       | <b>188</b>                           | <b>(41)</b>        | <b>229</b>      | 50                                   | (29)               | 79              |
| – 已產生但未申報申索  | – claims incurred but not reported | <b>79,182</b>                        | <b>37,230</b>      | <b>41,952</b>   | 2,767                                | 1,951              | 816             |
|              |                                    | <b>79,370</b>                        | <b>37,189</b>      | <b>42,181</b>   | 2,817                                | 1,922              | 895             |
|              |                                    | <b>908,740</b>                       | <b>348,442</b>     | <b>560,298</b>  | 661,386                              | 366,383            | 295,003         |



## (a) 未滿期保費撥備變動分析如下

## (a) Analysis of movements in provision for unearned premiums

|          |                                  | 本集團及本公司<br>The Group and the Company |                    |                 | 本集團及本公司<br>The Group and the Company |                    |                 |
|----------|----------------------------------|--------------------------------------|--------------------|-----------------|--------------------------------------|--------------------|-----------------|
|          |                                  | 2008                                 |                    |                 | 2007                                 |                    |                 |
|          |                                  | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       |
|          |                                  | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 於一月一日    | As at 1 January                  | 658,569                              | 364,461            | 294,108         | 622,959                              | 372,893            | 250,066         |
| 年內已收取保費  | Premiums written during the year | 477,843                              | 119,264            | 358,579         | 304,546                              | 150,645            | 153,901         |
| 年內已滿期保費  | Premiums earned during the year  | (307,042)                            | (172,472)          | (134,570)       | (268,936)                            | (159,077)          | (109,859)       |
| 於十二月三十一日 | As at 31 December                | 829,370                              | 311,253            | 518,117         | 658,569                              | 364,461            | 294,108         |

## (b) 未決申索撥備變動分析如下

## (b) Analysis of movements in provision for outstanding claims

|             |                                    | 本集團及本公司<br>The Group and the Company |                    |                 | 本集團及本公司<br>The Group and the Company |                    |                 |
|-------------|------------------------------------|--------------------------------------|--------------------|-----------------|--------------------------------------|--------------------|-----------------|
|             |                                    | 2008                                 |                    |                 | 2007                                 |                    |                 |
|             |                                    | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       | 毛額<br>Gross                          | 再保險<br>Reinsurance | 淨額<br>Net       |
|             |                                    | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000    | 千港元<br>HK\$'000 |
| 於一月一日       | As at 1 January                    | 2,817                                | 1,922              | 895             | 1,897                                | 1,008              | 889             |
| 已付申索        | Claims paid                        | (486)                                | (400)              | (86)            | (826)                                | (250)              | (576)           |
| 已收回申索       | Claims recovery                    | 477                                  | 310                | 167             | 966                                  | 719                | 247             |
| 已產生申索(附註14) | Claims incurred (Note 14)          |                                      |                    |                 |                                      |                    |                 |
| – 已申報申索     | – claims reported                  | 146                                  | 78                 | 68              | (624)                                | (491)              | (133)           |
| – 已產生但未申報申索 | – claims incurred but not reported | 76,416                               | 35,279             | 41,137          | 1,404                                | 936                | 468             |
| 於十二月三十一日    | As at 31 December                  | 79,370                               | 37,189             | 42,181          | 2,817                                | 1,922              | 895             |

## c) 負債充足測試

進行負債充足測試時，考慮全部合約現金流量及申索處理費用等相關現金流量的現時估計，測試顯示於二零零八年及二零零七年十二月三十一日，本集團有足夠保險負債。

## (c) Liability adequacy test

The liability adequacy test considers current estimates of all contractual cash flows, and of related cash flows such as claims handling costs, the test shows that, as at 31 December 2008 and 2007, the Group's insurance liabilities are adequate.

## 28. 外匯基金墊款

## 28. Advance from exchange fund

|          |                      | 本集團及本公司<br>The Group and the Company |                 |
|----------|----------------------|--------------------------------------|-----------------|
|          |                      | 2008                                 | 2007            |
|          |                      | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000 |
| 於一月一日    | As at 1 January      | –                                    | –               |
| 本年度墊款    | Advance for the year | 8,000,000                            | –               |
| 於十二月三十一日 | As at 31 December    | 8,000,000                            | –               |

外匯基金透過香港金管局向本公司提供300億港元(二零零七年:100億港元)的循環信貸。外匯基金墊款無抵押及無固定還款期，按市場利率計息。

The Exchange Fund through the HKMA has provided the Company with a HK\$30 billion (2007: HK\$10 billion) revolving credit facility. Advance from the Exchange Fund is unsecured and has no fixed term of repayment. Interest is charged at market rate.

## 29. 已發行債務證券

## 29. Debt securities issued

|                                 |  | 本集團<br>The Group        |                         | 本公司<br>The Company      |                         |
|---------------------------------|--|-------------------------|-------------------------|-------------------------|-------------------------|
|                                 |  | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| <b>按攤銷成本列賬的債務證券</b>             | <b>Debt securities carried at amortised cost</b>   |                         |                         |                         |                         |
| 債務工具計劃債券                        | DIP notes  | 8,123,942               | 3,947,378               | 8,569,277               | 4,053,269               |
| 零售債券發行計劃及其他債券                   | RBIP and other notes   | 86,980                  | –                       | 86,980                  | –                       |
| 按攤銷成本列賬的債務證券總額                  | Total debt securities carried at amortised cost  | 8,210,922               | 3,947,378               | 8,656,257               | 4,053,269               |
| <b>指定為公平值對沖的債務證券</b>            | <b>Debt securities designated as fair value hedge</b>  |                         |                         |                         |                         |
| 債務工具計劃債券                        | DIP notes  | 22,517,865              | 20,163,824              | 22,517,865              | 20,163,824              |
| 零售債券發行計劃及其他債券                   | RBIP and other notes   | 2,619,612               | 4,228,537               | 2,619,612               | 4,228,537               |
| 中期債券發行計劃債券                      | MTN notes  | 4,753,174               | –                       | 4,753,174               | –                       |
| 指定為公平值對沖的債務證券總額                 | Total debt securities designated as fair value hedge   | 29,890,651              | 24,392,361              | 29,890,651              | 24,392,361              |
| <b>於初始確認時指定為以公平值變化計入損益的債務證券</b> | <b>Debt securities designated as at fair value through profit or loss upon initial recognition</b> |                         |                         |                         |                         |
| 債務工具計劃債券                        | DIP notes  | 4,358,210               | 4,484,748               | 4,358,210               | 4,484,748               |
| 零售債券發行計劃及其他債券                   | RBIP and other notes   | 355,205                 | 486,703                 | 355,205                 | 486,703                 |
| 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  | 4,713,415               | 4,971,451               | 4,713,415               | 4,971,451               |
| 已發行債務證券總額                       | Total debt securities issued   | 42,814,988              | 33,311,190              | 43,260,323              | 33,417,081              |

於年內，本集團於初始確認時指定該等金融負債的4,113,450,000港元（二零零七年：3,533,823,000港元）名義價值以公平值變化計入損益。該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改變。於初始確認時指定為以公平值變化計入損益的金融負債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多10,465,000港元（二零零七年：少43,727,000港元）。

該等指定為以公平值列賬的金融負債信貸風險變動概無產生任何重大盈虧。

During the year, the Group designated on initial recognition HK\$4,113,450,000 (2007: 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\$10,465,000 (2007: HK\$43,727,000 lower) higher than the amount that the Group would be contractually required to pay at maturity to the note holders.

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<br>The Group        |                         | 本公司<br>The Company      |                         |
|----------|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|          |                                 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| 於一月一日    | As at 1 January                 | 32,958,185              | 28,892,340              | 33,064,076              | 28,892,340              |
| 於本年度發行   | Issuance for the year           | 24,405,704              | 16,412,345              | 28,065,344              | 18,896,408              |
| 減：本年度贖回  | Less: Redemption for the year   | (16,362,840)            | (12,346,500)            | (19,683,036)            | (14,724,672)            |
| 外幣匯兌差額   | Exchange difference             | (33,597)                | –                       | (33,597)                | –                       |
| 名義價值總額   | Total nominal value             | 40,967,452              | 32,958,185              | 41,412,787              | 33,064,076              |
| 折讓未攤銷部分  | Unamortised portion of discount | (83,670)                | (99,937)                | (83,670)                | (99,937)                |
| 公平值調整    | Fair value adjustment           | 1,931,206               | 452,942                 | 1,931,206               | 452,942                 |
| 於十二月三十一日 | As at 31 December               | 42,814,988              | 33,311,190              | 43,260,323              | 33,417,081              |

本年度發行的債券：

Notes issued during the year comprise:

|         |                                | 本集團<br>The Group  |                      |                     | 本公司<br>The Company |                      |                     |
|---------|--------------------------------|-------------------|----------------------|---------------------|--------------------|----------------------|---------------------|
|         |                                | 債務工具<br>計劃<br>DIP | 零售債券<br>發行計劃<br>RBIP | 中期債券<br>發行計劃<br>MTN | 債務工具<br>計劃<br>DIP  | 零售債券<br>發行計劃<br>RBIP | 中期債券<br>發行計劃<br>MTN |
|         |                                | 千港元<br>HK\$'000   | 千港元<br>HK\$'000      | 千港元<br>HK\$'000     | 千港元<br>HK\$'000    | 千港元<br>HK\$'000      | 千港元<br>HK\$'000     |
| 已發行金額面值 | Amount issued at nominal value | 19,176,000        | 542,673              | 4,687,031           | 22,835,640         | 542,673              | 4,687,031           |
| 已收取款項   | Consideration received         | 19,154,733        | 537,813              | 4,685,096           | 22,814,373         | 537,813              | 4,685,096           |

所有已發行的債務證券均屬本集團無抵押責任，而發行該等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.

### 30. 已發行按揭證券

### 30. Mortgage-backed securities issued

|                      |   | 本集團<br>The Group        |                         |
|----------------------|---|-------------------------|-------------------------|
|                      |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| <b>按攤銷成本列賬的按揭證券</b>  | <b>MBS at amortised cost</b>              |                         |                         |
| 按揭證券化計劃              | MBS Programme                             | 83,522                  | 114,321                 |
| Bauhinia 按揭證券化計劃     | Bauhinia MBS Programme                    | 1,174,055               | 1,549,162               |
|                      |   | <b>1,257,577</b>        | 1,663,483               |
| <b>指定為公平值對沖的按揭證券</b> | <b>MBS designated at fair value hedge</b> |                         |                         |
| Bauhinia 按揭證券化計劃     | Bauhinia MBS Programme                    | 1,968,047               | 2,565,676               |
| 已發行按揭證券總額            | Total MBS issued                          | <b>3,225,624</b>        | 4,229,159               |
| 於一月一日                | As at 1 January                           | 4,203,483               | 5,367,252               |
| 減：年內贖回               | Less: Redemption for the year             | (1,055,906)             | (1,163,769)             |
| 總名義價值                | Total nominal value                       | 3,147,577               | 4,203,483               |
| 公平值調整                | Fair value adjustment                     | 78,047                  | 25,676                  |
| 於十二月三十一日             | As at 31 December                         | <b>3,225,624</b>        | 4,229,159               |

所有按揭證券均為特設公司的抵押責任，並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2,621,727,000港元（二零零七年3,722,322,000港元）已作為所發行按揭證券的抵押品（附註37）。已發行按揭證券總額中1,707,577,000港元（二零零七年：2,763,483,000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\$2,621,727,000 (2007: HK\$3,722,322,000) of mortgage portfolio are collateralised for the MBS issued (Note 37). Out of the total MBS issued, HK\$ 1,707,577,000 (2007: HK\$2,763,483,000) are guaranteed by the Company.

### 31. 股本

### 31. Share capital

|                 |   | 二零零八年及<br>二零零七年<br>2008 and 2007<br>千港元<br>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   |

## 32. 其他儲備

## 32. Other reserves

|                               |   | 本集團及本公司<br>The Group and the Company |                                |                            |                                |                 |
|-------------------------------|---|--------------------------------------|--------------------------------|----------------------------|--------------------------------|-----------------|
|                               |   | 風險儲備<br>Contingency<br>reserve       | 公平值儲備<br>Fair value<br>reserve | 對沖儲備<br>Hedging<br>reserve | 匯兌儲備<br>Translation<br>reserve | 總額<br>Total     |
|                               |   | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000                | 千港元<br>HK\$'000            | 千港元<br>HK\$'000                | 千港元<br>HK\$'000 |
| 於二零零七年一月一日                    | As at 1 January 2007  | 84,678                               | 125,179                        | –                          | –                              | 209,857         |
| 由保留溢利轉撥已滿期風險<br>保費淨額的50%至風險儲備 | Transfer of 50% of net risk<br>premium earned from retained<br>profits to contingency reserve | 18,489                               | –                              | –                          | –                              | 18,489          |
| 由風險儲備撥回至保留溢利                  | Release of contingency reserve to<br>retained profits   | (670)                                | –                              | –                          | –                              | (670)           |
| 可供出售證券的公平值變動：                 | Change in fair value of available-<br>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<br>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)         |
| 於二零零七年十二月三十一日/<br>二零零八年一月一日   | As at 31 December 2007/<br>1 January 2008   | 102,497                              | 120,673                        | 5,493                      | –                              | 228,663         |
| 由保留溢利轉撥已滿期風險<br>保費淨額的50%至風險儲備 | Transfer of 50% of net risk<br>premium earned from retained<br>profits to contingency reserve | 26,330                               | –                              | –                          | –                              | 26,330          |
| 由風險儲備撥回至保留溢利                  | Release of contingency reserve to<br>retained profits   | (5,282)                              | –                              | –                          | –                              | (5,282)         |
| 可供出售證券的公平值變動：                 | Change in fair value of available-<br>for-sale securities:                                    |                                      |                                |                            |                                |                 |
| – 計入權益                        | – taken to equity   | –                                    | (147,960)                      | –                          | –                              | (147,960)       |
| – 於出售時轉至收益表                   | – transferred to income<br>statement on disposal  | –                                    | (24,329)                       | –                          | –                              | (24,329)        |
| – 稅項(附註13(b))                 | – tax effect (Note 13(b))   | –                                    | 29,907                         | –                          | –                              | 29,907          |
| – 攤銷*                         | – amortization *  | –                                    | 338                            | –                          | –                              | 338             |
| 現金流對沖                         | Cash flow hedges  |                                      |                                |                            |                                |                 |
| – 計入權益                        | – taken to equity   | –                                    | –                              | (86,497)                   | –                              | (86,497)        |
| – 稅項(附註13(b))                 | – tax effect (Note 13(b))   | –                                    | –                              | 14,338                     | –                              | 14,338          |
| 貨幣匯兌差額                        | Currency translation difference   |                                      |                                |                            |                                |                 |
| – 合營公司(附註23)                  | – joint venture (Note 23)   | –                                    | –                              | –                          | (8,557)                        | (8,557)         |
| <b>於二零零八年十二月三十一日</b>          | <b>As at 31 December 2008</b>   | <b>123,545</b>                       | <b>(21,371)</b>                | <b>(66,666)</b>            | <b>(8,557)</b>                 | <b>26,951</b>   |

\* 未變現虧損於可供出售證券轉撥至持有至到期證券時於收益表攤銷。

\* amortization of unrealised loss to income statement on available-for-sale securities transferred to held-to-maturity securities.

## 33. 與有關人士訂立的重大交易

## 33. Material related party transactions

(a) 有關人士指有能力直接或間接控制另一人士或對另一人士財務及經營決策有重大影響力的人士，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。

(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.

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：

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<br>Name  | 職銜<br>Interests   | 有關交易的性質－<br>見下文附註<br>Nature of related<br>transaction –<br>see the notes below |
|---|---|--|
| 曾俊華先生，太平紳士<br>The Honourable<br>John TSANG Chun Wah, JP   | 財政司司長<br>外匯基金的管理人<br>Financial Secretary<br>Controller of the Exchange Fund   | (2) (9) (13)   |
| 任志剛先生，GBS，太平紳士<br>Joseph YAM Chi Kwong, GBS, JP   | 香港金融管理局總裁<br>Chief Executive of the<br>Hong Kong Monetary Authority   | (1) (2) (9)  |
| 彭醒棠先生，太平紳士<br>Peter PANG Sing Tong, JP  | 香港金融管理局副總裁<br>Deputy Chief Executive of the<br>Hong Kong Monetary Authority   | (1) (2) (9)  |
| 余偉文先生，太平紳士<br>Eddie YUE Wai Man, JP   | 香港金融管理局副總裁<br>Deputy Chief Executive of the<br>Hong Kong Monetary Authority   | (1) (2) (9)  |
| 陳家強教授，SBS，太平紳士<br>Professor the Honourable<br>K C CHAN, SBS, JP   | 財經事務及庫務局局長<br>香港房屋委員會官方委員<br>(至二零零八年三月三十一日)<br>Secretary for Financial Services and the Treasury<br>Official member of The Hong Kong<br>Housing Authority (up to 31 March 2008) | (3) (13)   |
| 陳鑑林先生，SBS，太平紳士<br>The Honourable<br>CHAN Kam Lam, SBS, JP   | 立法會議員<br>香港房屋委員會委員<br>Legislative Councillor<br>Member of The Hong Kong Housing Authority   | (3)  |
| 鄭汝樺女士，太平紳士<br>The Honourable<br>Ms. Eva CHENG, JP   | 運輸及房屋局局長<br>香港房屋委員會主席<br>Secretary for Transport and Housing<br>Chairman of The Hong Kong Housing Authority   | (3) (13)   |
| 張炳良教授，BBS，太平紳士<br>Professor the Honourable<br>Anthony CHEUNG Bing Leung, BBS, JP                          | 香港房屋委員會委員<br>Member of The Hong Kong Housing Authority  | (3)  |
| 韓克強先生<br>(於二零零八年四月十日退任)<br>Andy HON Hak Keung<br>(retired on 10 April 2008)                               | 渣打國際商業銀行股份有限公司<br>消費金融處董事總經理<br>Head of Consumer Banking<br>Standard Chartered Bank (Taiwan) Limited  | (10) (11)  |
| 林炎南先生<br>(於二零零八年四月十日獲委任)<br>David LAM Yim Nam<br>(appointed on 10 April 2008)                             | 中國銀行(香港)有限公司副總裁<br>Deputy Chief Executive<br>Bank of China (Hong Kong) Limited  | (3) (4) (5) (6)  |
| 李國寶博士，<br>GBM，GBS，LLD (Cantab)，太平紳士<br>Dr. the Honourable<br>David LI Kwok Po, GBM, GBS, LLD (Cantab), JP | 東亞銀行有限公司主席兼行政總裁<br>Chairman and Chief Executive of<br>The Bank of East Asia, Limited  | (3) (4) (5) (6) (14)   |
| 單仲偕先生，SBS，太平紳士<br>The Honourable<br>SIN Chung Kai, SBS, JP  | 香港房屋委員會委員<br>Member of The Hong Kong Housing Authority  | (3)  |
| 陳清賜先生<br>Eddie TAN Cheng Soo  | 花旗銀行亞太區資金部總監(駐新加坡)<br>Regional Treasurer, Asia Pacific,<br>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。於二零零八年，本公司就該等服務向香港金管局支付110萬港元（二零零七年：110萬港元）。
  - (2) 外匯基金透過香港金管局向本公司提供300億港元的循環信貸。於二零零八年十二月三十一日，未償還餘額為80億港元（二零零七年：無）且相關利息為470萬港元（二零零七年：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，其相關職責見上述「職銜」欄內。
  - (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，其相關職責見上述「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，其相關職責見上述「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，其相關職責見上述「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，其相關職責見上述「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，其相關職責見上述「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 2008, the Company paid HK\$1.1 million (2007: HK\$1.1 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\$30 billion revolving credit facility. As at 31 December 2008, there was HK\$8 billion outstanding balance (2007: nil) and the interest thereon was HK\$4.7 million (2007: 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) 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) 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。於二零零八年，本公司已支付合共640萬港元（二零零七年：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（包括下文(11)段所述之公司）已與本公司就第(3)、(5)、(6)、(8)及(11)段所載事宜訂立協議。

(11) 本公司與（其中包括）Korea First Mortgage No. 9 Limited（作為發行人）、Standard Chartered First Bank Korea Limited（「SCFBK」）（作為按揭貸款的批授人）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9億美元票據。

(12) 花旗集團成員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。於二零零八年，本公司向花旗銀行（香港）有限公司購買約14億港元按揭貸款（二零零七年：零）。

(13) 於二零零八年，本公司向財政司司長法團購買約7,100萬港元按揭貸款（二零零七年：6,400萬港元）。

(14) 於二零零八年，本公司及其全資附屬公司向東亞銀行有限公司購買約93億港元按揭貸款（二零零七年：20億港元）。

#### (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、指揮及控制本集團業務的人士，包括董事及高級管理人員。

(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 2008, the Company paid a total of HK\$6.4 million (2007: 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 (including those referred to in paragraph (11) below) have entered into agreements with the Company in respect of the matters set out in paragraphs (3), (5), (6), (8) and (11).

(11) The Company entered into a purchase agreement with, inter alia, Korea First Mortgage No. 9 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\$900 million note backed by mortgage loans originated by SCFBK.

(12) Members of the Citi group have entered into agreements with the Company in respect of the matters set out in paragraphs (3), (4), (5), (6), (7) and (8) above. In 2008, the Company purchased about HK\$1.4 billion of mortgage loans from Citibank Hong Kong Limited (2007: nil).

(13) In 2008, the Company purchased about HK\$71 million of mortgage loans from the FSI (2007: HK\$64 million).

(14) In 2008, the Company and its wholly owned subsidiary purchased about HK\$9.3 billion of mortgage loans from The Bank of East Asia, Limited (2007: HK\$2 billion).

#### (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.

本年度主要管理層人員的薪酬包括：

Key management personnel compensation for the year comprises:

|             |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|-------------|---|-------------------------|-------------------------|
| 薪金及其他短期僱員福利 | Salaries and other short-term employee benefits | 13,036                  | 11,876                  |
| 離職後福利       | Post-employment benefits                        | 817                     | 789                     |
|             |   | <b>13,853</b>           | 12,665                  |

### 34. 特設公司及證券化

本公司通過兩家特設公司（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工作，因而向該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於本公司資產負債表內終止確認。

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

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，則會局部終止確認按揭貸款組合。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，初步分配列入在轉讓日期被終止確認部分及繼續確認部分的金融資產公平值。

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的關係實質上反映特設公司由申報公司控制，則須綜合計入特設公司，因此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於本公司資產負債表終止確認，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。

### 34. 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.

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.

|                           |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
|---------------------------|---|-------------------------|-------------------------|
| 香港按揭證券融資（第一）有限公司          | HKMC Funding Corporation (1) Limited                    | 82,702                  | 111,442                 |
| Bauhinia MBS Limited      | Bauhinia MBS Limited                                    | 1,796,059               | 2,685,109               |
| 已轉讓予特設公司的按揭貸款組合（附註 20(a)） | Mortgage portfolio transferred to the SPEs (Note 20(a)) | <b>1,878,761</b>        | 2,796,551               |

## 35. 承擔

(a) 資本

|         |                                   | 本集團及本公司<br>The Group and the Company |                 |
|---------|-----------------------------------|--------------------------------------|-----------------|
|         |                                   | 2008                                 | 2007            |
|         |                                   | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000 |
| 已批准但未訂約 | Authorized but not contracted for | <b>19,616</b>                        | 9,191           |

(b) 經營租約

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：

(b) Operating lease

The Group leases the office premises under operating lease. The lease 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 lease at the balance sheet date are analysed as follows:

|            |   | 本集團及本公司<br>The Group and the Company |                 |
|------------|---|--------------------------------------|-----------------|
|            |   | 2008                                 | 2007            |
|            |   | 千港元<br>HK\$'000                      | 千港元<br>HK\$'000 |
| 辦公室物業      | Office premises                                   |                                      |                 |
| 不多於一年      | not later than one year                           | <b>6,368</b>                         | 6,368           |
| 多於一年但不多於五年 | later than one year and not later than five years | <b>6,368</b>                         | 12,735          |
|            |   | <b>12,736</b>                        | 19,103          |

## 36. 按揭保險業務

本公司與核准再保險公司互相分擔風險，經營按揭保險業務。

於二零零八年十二月三十一日，風險投保總額約為98.3億港元（二零零七年：86.8億港元），其中41.2億港元（二零零七年：51.7億港元）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57.1億港元（二零零七年：35.1億港元）。

## 36. Mortgage insurance business

The Company operates its mortgage insurance business on a risk-sharing basis with its approved reinsurers.

As at 31 December 2008, the total risk-in-force was approximately HK\$9.83 billion (2007: HK\$8.68 billion) of which HK\$4.12 billion (2007: HK\$5.17 billion) was ceded to the approved reinsurers and the balance of HK\$5.71 billion (2007: HK\$3.51 billion) was retained by the Company.

### 37. 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。證券化計劃委任的抵押信託人將於有關特設公司（就有擔保按揭證券而言，則本公司作為擔保人）就任何一批按揭證券拖欠付款或違約時，行使該等作為已抵押資產的抵押品。

### 37. 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<br>The Group        |                         |
|---------------|---|-------------------------|-------------------------|
|               |   | 2008<br>千港元<br>HK\$'000 | 2007<br>千港元<br>HK\$'000 |
| <b>已抵押資產</b>  | <b>Assets pledged</b>                       |                         |                         |
| 銀行定期存款        | Time deposits with banks                    | 36,420                  | 310,093                 |
| 投資證券          | Investment securities                       | 445,335                 | 105,891                 |
| 按揭貸款組合        | Mortgage portfolio                          | 2,621,727               | 3,722,322               |
| 應收利息          | Interest receivable                         | 653                     | 5,526                   |
|               |   | <b>3,104,135</b>        | 4,143,832               |
| <b>有抵押負債</b>  | <b>Secured liabilities</b>                  |                         |                         |
| 已發行按揭證券（附註30） | Mortgage-backed securities issued (Note 30) | 3,225,624               | 4,229,159               |

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34），已轉讓按揭貸款組合按擔保及持續參與度繼續於「貸款組合淨額」確認為資產（附註26）。

Mortgage portfolio pledged included securitised mortgage portfolio recorded in the SPE's book (Note 34) 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 26).

### 38. 通過財務報表

董事局於二零零九年四月十六日通過本財務報表。

### 38. Approval of financial statements

The financial statements were approved by the Board of Director on 16 April 2009.

## 附註甲 ANNEX A

### 核准賣方 / 管理供款機構 (於2008年12月底)

1. 荷蘭銀行
2. 美國國際信貸(香港)有限公司
3. 中國銀行(香港)
4. 交通銀行股份有限公司
5. 東亞銀行
6. 中國建設銀行(亞洲)股份有限公司
7. 集友銀行
8. 創興銀行
9. 花旗銀行(香港)有限公司
10. 中信嘉華銀行
11. 大新銀行
12. 星展銀行(香港)有限公司
13. 富邦銀行(香港)有限公司
14. 美國通用金融(香港)有限公司
15. 香港特別行政區政府
16. 恒生銀行
17. 恒生存款有限公司

### List of Approved Seller/Serviceers as at end of December 2008

1. ABN AMRO Bank N.V.
2. AIG Finance (Hong Kong) Limited
3. Bank of China (Hong Kong) Limited
4. Bank of Communications Co., Ltd.
5. The Bank of East Asia, Limited
6. China Construction Bank (Asia) Corporation Limited
7. Chiyu Banking Corporation Limited
8. Chong Hing Bank Limited
9. Citibank (Hong Kong) Limited
10. CITIC Ka Wah Bank Limited
11. Dah Sing Bank, Limited
12. DBS Bank (Hong Kong) Limited
13. Fubon Bank (Hong Kong) Limited
14. GE Capital (Hong Kong) Limited
15. The Government of the Hong Kong Special Administrative Region
16. Hang Seng Bank Limited
17. Hang Seng Credit Limited

|                              |  |
|------------------------------|--|
| 18. 恒生財務有限公司                 | 18. Hang Seng Finance Limited                              |
| 19. 香港房屋委員會                  | 19. The Hong Kong Housing Authority                        |
| 20. 香港房屋協會                   | 20. Hong Kong Housing Society                              |
| 21. 香港上海滙豐銀行                 | 21. The Hongkong and Shanghai Banking Corporation Limited  |
| 22. 英利信用財務有限公司               | 22. Inchroy Credit Corporation Limited                     |
| 23. 中國工商銀行(亞洲)               | 23. Industrial and Commercial Bank of China (Asia) Limited |
| 24. The Link Finance Limited | 24. The Link Finance Limited                               |
| 25.* 港鐵儲蓄互助社                 | 25.* Metro Credit Union                                    |
| 26. 豐明銀行                     | 26. MEVAS Bank Limited                                     |
| 27. 南洋商業銀行                   | 27. Nanyang Commercial Bank, Limited                       |
| 28. 歐力士(亞洲)有限公司              | 28. ORIX Asia Limited                                      |
| 29.* 歐力士財務服務香港有限公司           | 29.* ORIX Finance Services Hong Kong Limited               |
| 30. 大眾銀行(香港)有限公司             | 30. Public Bank (Hong Kong) Limited                        |
| 31. 上海商業銀行                   | 31. Shanghai Commercial Bank Limited                       |
| 32. 渣打銀行(香港)有限公司             | 32. Standard Chartered Bank (Hong Kong) Limited            |
| 33. 永亨銀行                     | 33. Wing Hang Bank, Limited                                |
| 34. 永隆銀行                     | 34. Wing Lung Bank Limited                                 |

\* 只核准為賣方機構

\* Approved as Seller only



## 附註乙 ANNEX B

按揭保險計劃核准再保險公司、債務工具發行計劃的主要交易商和銷售團成員、零售債券發行計劃的配售銀行、中期債券發行計劃的計劃安排行和證券交易商及 Bauhinia 按揭證券化計劃的計劃安排行和證券交易商名單

### 再保險公司

美國國際集團聯合保險(亞洲)有限公司  
亞洲保險有限公司  
恒生財險(香港)有限公司  
匯豐保險(亞洲)有限公司  
昆士蘭按揭保險(亞洲)有限公司

### 債務工具發行計劃

#### 主要交易商

中國銀行(香港)  
星展銀行(香港)有限公司  
香港上海滙豐銀行  
美林集團亞太區有限公司  
三菱日聯證券(香港)資本有限公司  
瑞士銀行

#### 銷售團成員

荷蘭銀行  
東亞銀行  
巴克萊銀行  
法國巴黎銀行  
中銀國際融資有限公司  
花旗國際有限公司  
澳洲聯邦銀行  
東方滙理銀行  
德意志銀行香港分行  
高盛(亞洲)有限責任公司  
恒生銀行  
摩根大通證券(亞太)有限公司  
法國興業亞洲有限公司  
Standard Bank Asia Limited  
渣打銀行(香港)有限公司

### 零售債券發行計劃

#### 配售銀行

中國銀行(香港)  
交通銀行股份有限公司香港分行

List of Mortgage Reinsurers, Primary Dealers and Selling Group Members of Debt Issuance Programme, Placing Banks of Retail Bond Issuance Programme, Programme Arrangers and Dealers of Medium Term Note Programme and Programme Arranger and Dealers of Bauhinia MBS Programme

### Mortgage Reinsurers

AIG United Guaranty Insurance (Asia) Limited  
Asia Insurance Company, Limited  
Hang Seng General Insurance (Hong Kong) Company Limited  
HSBC Insurance (Asia) Limited  
QBE Mortgage Insurance (Asia) Limited

### Debt Issuance Programme

#### Primary Dealers

Bank of China (Hong Kong) Limited  
DBS Bank (Hong Kong) Limited  
The Hongkong and Shanghai Banking Corporation Limited  
Merrill Lynch Far East Limited  
Mitsubishi UFJ Securities (HK) Capital, Limited  
UBS AG

#### Selling Group Members

ABN AMRO Bank N.V.  
The Bank of East Asia, Limited  
Barclays Bank PLC  
BNP PARIBAS  
BOCI Capital Limited  
Citicorp International Limited  
Commonwealth Bank of Australia  
Calyon  
Deutsche Bank AG, Hong Kong Branch  
Goldman Sachs (Asia) L.L.C.  
Hang Seng Bank Limited  
J. P. Morgan Securities (Asia Pacific) Limited  
Société Générale Asia Limited  
Standard Bank Asia Limited  
Standard Chartered Bank (Hong Kong) Limited

### Retail Bond Issuance Programme

#### Placing Banks

Bank of China (Hong Kong) Limited  
Bank of Communications Co., Ltd. Hong Kong Branch

東亞銀行  
 中國建設銀行(亞洲)股份有限公司  
 集友銀行  
 創興銀行  
 花旗銀行(香港)有限公司  
 中信嘉華銀行  
 大新銀行  
 星展銀行(香港)有限公司  
 富邦銀行(香港)有限公司  
 恒生銀行  
 香港上海滙豐銀行  
 中國工商銀行(亞洲)  
 南洋商業銀行  
 上海商業銀行  
 渣打銀行(香港)有限公司  
 永亨銀行  
 永隆銀行

The Bank of East Asia, Limited  
 China Construction Bank (Asia) Corporation Limited  
 Chiyu Banking Corporation Limited  
 Chong Hing Bank Limited  
 Citibank (Hong Kong) Limited  
 CITIC Ka Wah Bank Limited  
 Dah Sing Bank, Limited  
 DBS Bank (Hong Kong) Limited  
 Fubon Bank (Hong Kong) Limited  
 Hang Seng Bank Limited  
 The Hongkong and Shanghai Banking Corporation Limited  
 Industrial and Commercial Bank of China (Asia) Limited  
 Nanyang Commercial Bank, Limited  
 Shanghai Commercial Bank Limited  
 Standard Chartered Bank (Hong Kong) Limited  
 Wing Hang Bank, Limited  
 Wing Lung Bank Limited

### 中期債券發行計劃

#### 計劃安排行

香港上海滙豐銀行  
 J. P. Morgan Securities Ltd.

#### 證券交易商

巴克萊銀行  
 法國巴黎銀行  
 Citigroup Global Markets Limited  
 德意志銀行新加坡分行  
 高盛(亞洲)有限責任公司  
 香港上海滙豐銀行  
 J. P. Morgan Securities Ltd.  
 野村國際  
 渣打銀行  
 瑞士銀行

### Bauhinia 按揭證券化計劃

#### 計劃安排行

美林國際

#### 證券交易商

巴克萊銀行  
 花旗國際有限公司  
 星展銀行(香港)有限公司  
 德意志銀行香港分行  
 香港上海滙豐銀行  
 摩根大通證券(亞太)有限公司  
 美林國際  
 瑞士銀行

### Medium Term Note Programme

#### Programme Arrangers

The Hongkong and Shanghai Banking Corporation Limited  
 J. P. Morgan Securities Ltd.

#### Dealers

Barclays Bank PLC  
 BNP PARIBAS  
 Citigroup Global Markets Limited  
 Deutsche Bank AG, Singapore Branch  
 Goldman Sachs (Asia) L.L.C.  
 The Hongkong and Shanghai Banking Corporation Limited  
 J. P. Morgan Securities Ltd.  
 Nomura International plc  
 Standard Chartered Bank  
 UBS AG

### Bauhinia MBS Programme

#### Programme Arranger

Merrill Lynch International

#### Dealers

Barclays Bank PLC  
 Citicorp International Limited  
 DBS Bank (Hong Kong) Limited  
 Deutsche Bank AG, Hong Kong Branch  
 The Hongkong and Shanghai Banking Corporation Limited  
 J. P. Morgan Securities (Asia Pacific) Limited  
 Merrill Lynch International  
 UBS AG

## 附註丙 ANNEX C

### 主要業務統計數字

### Key Business Statistics

|                          |   | 二零零八年<br>一月<br>Jan-08 | 二零零八年<br>二月<br>Feb-08 | 二零零八年<br>三月<br>Mar-08 |
|--------------------------|---|-----------------------|-----------------------|-----------------------|
| <b>資產購買計劃</b>            | <b>Asset Purchase Programme</b>                               |                       |                       |                       |
| 核准賣方 / 管理供款機構數目          | Number of Approved Sellers/ Servicers                         | 34                    | 34                    | 34                    |
| 活躍賣方數目                   | Number of Active Sellers                                      | 21                    | 21                    | 21                    |
| 住宅按揭貸款數目                 | Number of Residential Mortgage Loans                          | 65,088                | 64,604                | 63,645                |
| 未償還本金餘額 (百萬港元)           | Outstanding Principal Balance (HK\$ million)                  | 22,327                | 22,026                | 21,534                |
| 90日以上拖欠率 (%)             | > 90-Day Delinquency Ratio (%)                                | 0.15%                 | 0.14%                 | 0.13%                 |
| 每月提前還款 (%)               | Monthly Prepayment Rate (%)                                   | 2.16%                 | 1.76%                 | 1.91%                 |
| <b>加權平均數**</b>           | <b>Weighted Average**</b>                                     |                       |                       |                       |
| 批出貸款時的貸款額與<br>物業價值比率 (%) | Loan-to-Value Ratio at Origination (%)                        | 66.9                  | 66.8                  | 66.8                  |
| 估計現有貸款額與物業價值比率 (%)       | Estimated Current Loan-to-Value Ratio (%)                     | 46.2                  | 44.3                  | 42.8                  |
| 批出貸款時的債務對收入比率 (%)        | Debt-to-Income Ratio at Origination (%)                       | 37.2                  | 37.2                  | 37.2                  |
| 合約剩餘年期 (月)               | Remaining Contractual Term to Maturity (months)               | 149                   | 148                   | 145                   |
| 已供款期數 (月)                | Seasoning (months)  | 82                    | 83                    | 84                    |
| 合約年期 (月)                 | Contractual Life (months)                                     | 231                   | 231                   | 229                   |
| 宗數                       | Number  | 1,036                 | 1,021                 | 997                   |
| 未償還本金餘額 (百萬港元)           | Outstanding Principal Balance (HK\$ million)                  | 5,769                 | 5,738                 | 5,702                 |
| 總宗數                      | Total Number  | 66,124                | 65,625                | 64,642                |
| 未償還本金總餘額 (百萬港元)          | Total Outstanding Principal Balance (HK\$ million)            | 28,096                | 27,764                | 27,236                |
| <b>按揭保險計劃</b>            | <b>Mortgage Insurance Programme</b>                           |                       |                       |                       |
| 參與銀行數目                   | Number of Participating Banks                                 | 26                    | 26                    | 26                    |
| <b>累計總額</b>              | <b>Accumulated Aggregate</b>                                  |                       |                       |                       |
| 已收取申請                    | Applications Received   |                       |                       |                       |
| 申請宗數                     | Number of Applications  | 98,490                | 100,266               | 101,965               |
| 按揭貸款總額 (百萬港元)            | Total Amount of Mortgage Loans (HK\$ million)                 | 192,789               | 197,214               | 201,523               |
| 按揭貸款平均金額 (百萬港元)          | Average Size of Mortgage Loan (HK\$ million)                  | 2.0                   | 2.0                   | 2.0                   |
| 物業交易類型                   | Types of Property Transaction                                 |                       |                       |                       |
| 一手 (%)                   | Primary (%)   | 19                    | 19                    | 18                    |
| 二手 (%)                   | Secondary (%)   | 81                    | 81                    | 82                    |
| <b>未到期證券金額 (票面值)</b>     | <b>Outstanding Treasury Securities<br/>(in nominal value)</b> |                       |                       |                       |
| 債務工具發行計劃 (百萬港元)          | Debt Issuance Programme (HK\$ million)                        | 29,924                | 29,983                | 31,633                |
| 中期債券發行計劃 (百萬港元)          | Medium Term Note Programme (HK\$ million)                     | 780                   | 778                   | 2,608                 |
| 零售債券 (百萬港元)              | Retail Bonds (HK\$ million)                                   | 4,758                 | 4,756                 | 4,723                 |
| Bauhinia 按揭證券 (百萬港元)     | Bauhinia MBS (HK\$ million)                                   | 4,074                 | 4,049                 | 4,030                 |

註：

Note:

\*\* 不包括有共同融資及特別安排之按揭貸款

\*\* Excluding mortgage loans with co-financing and special arrangements

| 二零零八年<br>四月<br>Apr-08  | 二零零八年<br>五月<br>May-08 | 二零零八年<br>六月<br>Jun-08 | 二零零八年<br>七月<br>Jul-08 | 二零零八年<br>八月<br>Aug-08 | 二零零八年<br>九月<br>Sep-08 | 二零零八年<br>十月<br>Oct-08 | 二零零八年<br>十一月<br>Nov-08 | 二零零八年<br>十二月<br>Dec-08 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|------------------------|------------------------|
| 34   | 34                    | 34                    | 33                    | 33                    | 34                    | 34                    | 34                     | 34                     |
| 21   | 21                    | 21                    | 20                    | 20                    | 22                    | 23                    | 24                     | 27                     |
| 香港住宅按揭貸款(包括已證券化的按揭貸款)<br>Hong Kong Residential Mortgage Loans (including Securitised Mortgage Loans) |                       |                       |                       |                       |                       |                       |                        |                        |
| 62,773   | 62,119                | 61,340                | 60,711                | 60,009                | 59,462                | 59,115                | 58,383                 | 67,322                 |
| 21,075   | 20,833                | 20,455                | 20,346                | 20,160                | 19,802                | 19,443                | 19,139                 | 29,905                 |
| 0.13%  | 0.11%                 | 0.11%                 | 0.10%                 | 0.09%                 | 0.10%                 | 0.09%                 | 0.08%                  | 0.06%                  |
| 1.95%  | 1.56%                 | 1.47%                 | 1.69%                 | 1.05%                 | 1.20%                 | 1.16%                 | 0.85%                  | 0.70%                  |
| 66.8   | 66.7                  | 66.6                  | 66.6                  | 66.6                  | 66.7                  | 66.7                  | 66.7                   | 69.2                   |
| 42.5   | 41.6                  | 41.0                  | 41.4                  | 42.1                  | 42.6                  | 43.8                  | 47.1                   | 59.3                   |
| 37.2   | 37.1                  | 37.1                  | 37.1                  | 37.1                  | 37.1                  | 37.1                  | 37.1                   | 36.3                   |
| 146  | 145                   | 144                   | 150                   | 149                   | 148                   | 148                   | 148                    | 190                    |
| 85   | 86                    | 87                    | 84                    | 85                    | 86                    | 87                    | 88                     | 45                     |
| 231  | 231                   | 231                   | 234                   | 234                   | 234                   | 235                   | 236                    | 235                    |
| 香港非住宅按揭貸款和非按揭資產<br>Hong Kong Non-Residential Mortgage and Non-Mortgage Assets                        |                       |                       |                       |                       |                       |                       |                        |                        |
| 980  | 944                   | 923                   | 903                   | 893                   | 879                   | 859                   | 851                    | 846                    |
| 5,674  | 5,600                 | 5,551                 | 5,514                 | 5,494                 | 5,465                 | 5,432                 | 5,416                  | 5,403                  |
| 整體香港資產組合<br>Overall Hong Kong Portfolio  |                       |                       |                       |                       |                       |                       |                        |                        |
| 63,753   | 63,063                | 62,263                | 61,614                | 60,902                | 60,341                | 59,974                | 59,234                 | 68,168                 |
| 26,749   | 26,433                | 26,006                | 25,860                | 25,654                | 25,267                | 24,875                | 24,555                 | 35,308                 |
| 二零零八年<br>四月<br>Apr-08  | 二零零八年<br>五月<br>May-08 | 二零零八年<br>六月<br>Jun-08 | 二零零八年<br>七月<br>Jul-08 | 二零零八年<br>八月<br>Aug-08 | 二零零八年<br>九月<br>Sep-08 | 二零零八年<br>十月<br>Oct-08 | 二零零八年<br>十一月<br>Nov-08 | 二零零八年<br>十二月<br>Dec-08 |
| 26   | 26                    | 26                    | 25                    | 25                    | 25                    | 25                    | 25                     | 24                     |
| 104,153  | 106,338               | 108,216               | 109,943               | 111,227               | 112,946               | 114,635               | 116,038                | 117,830                |
| 206,870  | 212,008               | 216,369               | 220,268               | 223,189               | 227,010               | 230,738               | 233,905                | 237,707                |
| 2.0  | 2.0                   | 2.0                   | 2.0                   | 2.0                   | 2.0                   | 2.0                   | 2.0                    | 2.0                    |
| 18   | 18                    | 18                    | 17                    | 17                    | 17                    | 17                    | 17                     | 17                     |
| 82   | 82                    | 82                    | 83                    | 83                    | 83                    | 83                    | 83                     | 83                     |
| 二零零八年<br>四月<br>Apr-08  | 二零零八年<br>五月<br>May-08 | 二零零八年<br>六月<br>Jun-08 | 二零零八年<br>七月<br>Jul-08 | 二零零八年<br>八月<br>Aug-08 | 二零零八年<br>九月<br>Sep-08 | 二零零八年<br>十月<br>Oct-08 | 二零零八年<br>十一月<br>Nov-08 | 二零零八年<br>十二月<br>Dec-08 |
| 30,653   | 30,846                | 32,961                | 33,946                | 33,821                | 31,801                | 31,661                | 31,601                 | 33,261                 |
| 3,680  | 3,785                 | 4,330                 | 4,327                 | 4,301                 | 4,644                 | 4,632                 | 4,628                  | 4,684                  |
| 4,724  | 4,725                 | 4,618                 | 4,616                 | 4,242                 | 3,146                 | 3,127                 | 3,126                  | 3,018                  |
| 4,016  | 3,999                 | 3,989                 | 3,977                 | 3,968                 | 3,958                 | 3,754                 | 3,498                  | 3,064                  |

## ABBREVIATIONS USED IN THIS REPORT

|                  |   |   |
|------------------|---|---|
| ALCO             | – | Asset and Liability Committee                       |
| BLRs             | – | Best Lending Rates                                  |
| Cagamas          | – | Cagamas Berhad                                      |
| CAR              | – | Capital-to-Assets Ratio                             |
| Code             | – | Corporate Governance Code                           |
| DIP              | – | Debt Issuance Programme                             |
| FSI              | – | Financial Secretary Incorporated                    |
| GMR              | – | Gross Mortgage Rates                                |
| HIBOR            | – | Hong Kong Interbank Offered Rate                    |
| HKASs            | – | Hong Kong Accounting Standards                      |
| HKFRSs           | – | Hong Kong Financial Reporting Standards             |
| HKICPA           | – | Hong Kong Institute of Certified Public Accountants |
| HKMA             | – | Hong Kong Monetary Authority                        |
| HKMC/Corporation | – | The Hong Kong Mortgage Corporation Limited          |
| HK SAR           | – | Hong Kong Special Administrative Region             |
| HSLs             | – | Home Starter Loan Scheme                            |
| ICO              | – | Insurance Companies Ordinance                       |
| ISM              | – | Information Security Manual                         |
| JV               | – | Cagamas HKMC Berhad                                 |
| LTV              | – | Loan-to-Value                                       |
| MBS              | – | Mortgage-Backed Securities                          |
| MGP              | – | Mortgage Guarantee Programme                        |
| MIP              | – | Mortgage Insurance Programme                        |
| Moody's          | – | Moody's Investors Service, Inc                      |
| MPP              | – | Mortgage Purchase Programme                         |
| MTN              | – | Medium Term Note Programme                          |
| PIPS             | – | Portfolio Information Processing System             |
| RBIP             | – | Retail Bond Issuance Programme                      |
| S&P              | – | Standard & Poor's                                   |
| SCFBK            | – | Standard Chartered First Bank Korea Limited         |
| SCHLS            | – | Sandwich Class Housing Loan Scheme                  |
| SPE              | – | Special Purpose Entity                              |
| TLC              | – | Transferable Loan Certificates                      |





**The Hong Kong Mortgage Corporation Limited**

80th Floor, Two International Finance Centre

8 Finance Street, Central, Hong Kong

Tel: (852) 2536 0000 Fax: (852) 2536 0999

Website: [www.hkmc.com.hk](http://www.hkmc.com.hk)

**香港按揭證券有限公司**

香港中環金融街8號

國際金融中心2期80樓

電話：(852) 2536 0000 圖文傳真：(852) 2536 0999

網址：[www.hkmc.com.hk](http://www.hkmc.com.hk)