

2005 中期业绩报告 Interim Report



中國銀行(香港)有限公司
BANK OF CHINA (HONG KONG) LIMITED

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管理层讨论及分析

综合财务回顾

由 2005 年 1 月 1 日起，集团之财务报告需按照新增及经修订的香港财务报告准则和香港会计准则(以下统称“新会计准则”)编制。由于会计准则有所转变，故部分 2004 年之比较数据并非严格可比较。

集团股东应占溢利较上年同期上升 16.4%至港币 64.95 亿元。集团表现改善主要受经营收入增加带动，同时经营支出能保持于去年水平。提取贷款减值准备前经营溢利亦相应较去年同期理想。股东应占溢利同比上扬，主要得益大幅于贷款减值准备拨回，以及投资物业重估出现的大额盈利。后者反映了我们会计政策的改变，因为在 2004 年 6 月 30 日我们并未进行物业重估。

财务表现

港币百万元，百分比除外	半年结算至 2005 年 6 月 30 日	半年结算至 2004 年 12 月 31 日	半年结算至 2004 年 6 月 30 日
经营收入	8,198	7,827	8,025
经营支出	(2,676)	(2,836)	(2,668)
提取贷款减值准备 / 拨备前经营溢利	5,522	4,991	5,357
贷款减值准备 / 拨备拨回	1,435	388	1,240
其它	939	2,121	180
除税前溢利	7,896	7,500	6,777
本公司股东应占溢利	6,495	6,410	5,582
净利息收益率	1.58%	1.54%	1.56%
非利息收入占总经营收入比率	28.85%	27.41%	31.35%
成本对收入比率	32.64%	36.23%	33.25%

集团 2005 年上半年的财务表现、业务经营及风险管理状况将于以下章节作出详述。

会计政策的主要转变

对经营业绩产生重要财务影响的新会计准则如下所示。

准则及诠释	2005 年上半年对财务产生之重大影响
<ul style="list-style-type: none"> 香港会计准则第 39 号：「金融工具之确认和计量」 	<ul style="list-style-type: none"> 对利息收入、服务费及佣金收入、净交易性收入及减值准备产生影响 影响资产及负债的分类
<ul style="list-style-type: none"> 香港会计准则第 40 号：「投资物业」 	<ul style="list-style-type: none"> 投资物业的重估储备在期初结余调整时转移至留存盈利项目 投资物业公允价值之改变直接在损益账确认
<ul style="list-style-type: none"> 香港会计准则第 12 号：「利得税项」 - 香港会计准则诠释第 21 号 	<ul style="list-style-type: none"> 提取投资物业重估增值的递延税项

在管理层及讨论分析中，将对新会计准则之影响适当地作出叙述。中期业绩报告附注部份对会计政策之改变有详细的叙述。

管理层讨论及分析 (续)

净利息收入及净利息收益率

港币百万元，百分比除外	半年结算至 2005年6月30日	半年结算至 2004年12月31日	半年结算至 2004年6月30日
利息收入	10,065	8,374	7,304
利息支出	(4,232)	(2,692)	(1,795)
净利息收入	5,833	5,682	5,509
净利息收入 (可比基础)	5,872	5,682	5,509
平均生息资产	744,464	734,174	708,490
净息差	1.43%	1.43%	1.49%
净利息收益率	1.58%	1.54%	1.56%
净利息收益率 (可比基础)	1.59%	1.54%	1.56%

净利息收入较去年同期增加港币 3.24 亿元或 5.9%至港币 58.33 亿元。平均生息资产增加港币 359.74 亿元或 5.1%至港币 7,444.64 亿元。净息差及净利息收益率分别为 1.43%及 1.58%。若剔除新会计准则的影响，可比较的净利息收入为港币 58.72 亿元，较去年同期上升 6.6%或港币 3.63 亿元。同样，可比较的净利息收益率则为 1.59%，较 2004 年上半年上升 3 个基点。

执行新会计准则对集团净利息收入产生约港币 0.39 亿元的负面影响，主要影响因素如下：

- 减值之贷款的利息收入需根据实际利率方法确认，但过往会计准则并不确认呆账利息。
- 过往计入利息收入的外汇掉期合约之掉期点子，现根据新会计准则计入交易性收入。
- 贷款产生的直接服务费及支出过至于手续费收入及支出确认，现需使用实际利率方式反映为利息收入。

2005 年上半年，港元利率仍维持于较低水平。但至 5 月香港金管局推出优化联系汇率制度后，港元利率反弹，大幅收窄了与美元利率的差距。平均 1 个月香港银行同业拆息由 2004 年上半年的 0.11%上升至 2.02%。平均 1 个月美元同业拆息由 1.13%上升至 2.88%。

平均贷款毛收益率上升 51 个基点。但 2005 年上半年的住宅按揭贷款组合加权平均定价较去年同期下跌 25 个基点，由 2004 年上半年的最优惠利率减 2.12%下跌至本年度的最优惠利率减 2.37%。面对截然不同的利率环境，集团在第二季度调整了按揭利率策略，提高新做贷款的实际利率及减少现金回赠。由于集团继续分散投资组合以提高收益，平均债务证券毛收益率上升 76 个基点。然而，孳息率曲线趋平限制了债务证券投资组合收益贡献的改善。集团积极管理资金成本拓宽了存款利差，但资金成本仍因储蓄存款及定期存款的平均利率分别上升了 33 个基点及 97 个基点而有所增加。

在可比基础上与 2004 年下半年比较，净利息收入上升港币 1.90 亿元或 3.3%。净息差基本持平。净利息收益率则拓宽了 5 个基点，主要因净无息资金的贡献增加。平均贷款及债务证券的毛收益率分别上升 48 及 51 个基点。但在激烈的市场竞争下，住宅按揭贷款收益率持续收窄，限制了贷款收益率的改善。住宅按揭贷款组合加权平均定价较 2004 年下半年下降 12 个基点。

管理层讨论及分析 (续)

净服务费及佣金收入

港币百万元	半年结算至 2005年6月30日	半年结算至 2004年12月31日	半年结算至 2004年6月30日
汇票佣金收入	257	277	270
贷款佣金收入	124	256	234
财富管理收入			
股票买卖	330	374	462
资产管理	85	58	175
人寿保险	135	67	127
零售债券及结构性票据	74	58	40
一般保险	58	68	52
信托服务	49	43	32
缴款服务	179	184	165
信用卡	372	350	316
其它	342	350	348
服务费及佣金收入	2,005	2,085	2,221
服务费及佣金支出	(507)	(575)	(508)
净服务费及佣金收入	1,498	1,510	1,713
净服务费及佣金收入 (可比基础)	1,602	1,510	1,713

由于代客买卖股票及销售投资基金佣金收入减少,加之执行新会计准则的影响,净服务费及佣金收入减少港币 2.15 亿元或 12.6% 至港币 14.98 亿元。新会计准则令净服务费及佣金收入减少港币 1.04 亿元,主要是贷款佣金的减少。若剔除新会计准则的影响,净服务费及佣金收入下跌幅度缩减至港币 1.11 亿元或 6.5%。

因利率攀升,以及 2004 年上半年表现强劲造成基数较高,2005 年上半年代客买卖股票及销售投资基金的收入分别较 2004 年同期减少港币 1.32 亿元或 28.6%及港币 0.90 亿元或 51.4%。随着利率的上升,客户的投资需求转向有更高潜在投资回报的产品。因此,保本基金的销售量在上半年直线下降,占总基金销售的比例由 2004 年上半年的逾 50%减少至 2005 年上半年的不及 10%。然而,结构性产品和开放式基金备受市场欢迎,集团妥善地把握了市场增长机会,促使销售分别增长 87.4%及 12.0%。但上半年市场交易量下跌,拖累集团股票买卖手续费收入相应减少。

贷款佣金收入下跌港币 1.10 亿元或 47.0%。在执行新会计准则后,于贷款产生的港币 1.33 亿元直接服务费,已按预计之贷款年期摊销至利息收入,作为计算贷款有效利息的一部份。剔除新会计准则的影响,贷款服务费将录得轻微的增长。汇票佣金收入减少港币 0.13 亿元或 4.8%,反映激烈的市场竞争令收益率收窄。

信用卡业务的收入录得 17.7%的增长,主要由卡户消费额及商户收单业务总额分别增长 20.4%及 21.5%所带动。

在可比基础上与 2004 年下半年比较,净服务费及佣金收入应增加港币 0.92 亿元或 6.1%,主要受财富管理收入增长所带动。人寿保险及投资基金销售佣金收入分别取得 101.5%及 46.6%的强劲增长。

管理层讨论及分析 (续)

净交易性收入

港币百万元	半年结算至 2005年6月30日	半年结算至 2004年12月31日	半年结算至 2004年6月30日
外汇交易及外汇交易产品	596	482	610
利率工具	129	(12)	(1)
股份权益工具	4	7	21
商品	17	22	32
净交易性收入	746	499	662
净交易性收入 (可比基础)	510	499	662

净交易性收入较 2004 年上半年上升港币 0.84 亿元或 12.7%至港币 7.46 亿元。执行香港会计准则第 39 号增加净交易性收入的波动性。在可比基础上，剔除新会计准则的影响后，净交易性收入减少 23.0%。

外汇交易及外汇交易产品的净交易性收入减少港币 0.14 亿元或 2.3%至港币 5.96 亿元。剔除在新会计准则下外汇掉期交易因公允价值变动而录得港币 0.87 亿元的溢利，可比跌幅为 16.6%。此类收入过往是以摊销基础计入利息收入。外汇交易业务收入的下落，主要是因为在美国弱势下投资者对外汇交易的投资意欲下降。此外，由于担心人民币升值将令港元转强，进一步压抑市场对持有其它货币的兴趣。

利率工具产生的净交易性收入主要包括交易性证券、公允价值变化计入损益的其它金融资产、作对冲之用的可供出售证券、利率衍生工具及以公允价值变化计入损益的其它金融负债所产生的公允价值变化。期内利率工具净交易性收入增长主要源自公允价值变化计入损益的利率衍生工具和零售存款证的公允价值变化所产生的溢利。在可比基础上，若以摊销基础之对冲会计惯常地实行，2004 年上、下半年及 2005 年上半年由利率工具产生的盈利将会很小。

在可比基础上与 2004 年下半年比较，净交易性收入则持平，主要因为期内市场环境相对平静。

经营支出

港币百万元，百分比除外	半年结算至 2005年6月30日	半年结算至 2004年12月31日	半年结算至 2004年6月30日
人事费用	1,653	1,662	1,625
房产及设备支出	321	379	346
自置固定资产之折旧	286	292	293
其它经营支出	416	503	404
经营支出	2,676	2,836	2,668
经营支出 (可比基础)	2,797	2,836	2,668
成本对收入比率	32.64%	36.23%	33.25%
成本对收入比率 (可比基础)	34.51%	36.23%	33.25%

经营支出微增港币 0.08 亿元或 0.3%至港币 26.76 亿元。2005 年上半年，集团调整了房产的预计可用年限，由于香港物业的价值主要取决于其占用的土地，故参考土地租赁期限以确定折旧年限。在旧会计准则下，集团按照 50: 50 划分土地及房产之价值，并根据各自使用年限提取折旧。在现有处理方法下采用统一可用年限，令折旧支出下降。实际上，折旧支出本应增加港币 1.21 亿元至港币 4.07 亿元，由于 2004 年录得高额物业重估增值。

人事费用轻微上升港币 0.28 亿元或 1.7%，主要是员工薪酬自本年 4 月起调整。截至 2005 年 6 月底，全职员工为 12,698 人，较 2004 年 6 月底减少 257 人。

管理层讨论及分析 (续)

贷款减值准备拨回

港币百万元	半年结算至	半年结算至	半年结算至
	2005年6月30日	2004年12月31日	2004年6月30日
贷款减值准备拨回/(提拨)			
- 新提准备	(796)	-	-
- 拨回	1,123	-	-
- 收回已撤销账项	1,108	-	-
特别准备			
- 新提拨	-	(709)	(811)
- 拨回	-	524	1,327
- 收回已撤销账项	-	623	733
一般准备	-	(50)	(9)
拨回损益账净额	1,435	388	1,240

在新会计准则及会计政策要求下，对金额重大的有减值迹象之贷款是以未来还款现金流量折现法计提按个别评估之贷款减值准备。其它贷款则以组合形式按其风险特性分类，采用统计模型计提按组合评估之贷款减值准备。集团2005年上半年录得减值准备拨回港币11.23亿元，改善原因是在经济环境好转下，资产质素普遍改善、贷款降级比率下跌及抵押品价格回升。然而部分回拨被减值准备新增加港币7.96亿元所抵销。

2005年上半年，物业市场活跃加速了收回押品的处置，收回已撤销账项增加港币3.75亿元或51.2%至港币11.08亿元。

投资物业重估

执行香港会计准则第40号后，确认至损益账之投资物业重估盈利为港币9.18亿元。提取的相关递延税款为港币1.55亿元。

2005年1月1日总储备期初结余的调整

2005年1月1日总储备期初结余的调整项目列示于下表。

港币百万元	留存盈利	其它储备	总计	附注
于2004年12月31日	16,954	3,271	20,225	
期初结余调整:				
香港会计准则第39号				
- 债务证券的重新分类及计量	953	-	953	i
- 衍生工具以公允价值确认	(924)	-	(924)	
- 呆账损失准备拨回	3,800	-	3,800	ii
- 税项	(657)	-	(657)	iii
- 其它	26	-	26	
香港会计准则第40号 - 投资物业重估储备转移至留存盈利	623	(623)	-	iv
香港会计准则第40号 - 税项	(1)	-	(1)	
香港会计准则诠释第21号 - 递延税项	(636)	-	(636)	v
转移至法定储备	(3,410)	3,410	-	
于2005年1月1日	16,728	6,058	22,786	

i. 于2005年1月1日，部份持有至到期日证券重新分类为可供出售证券，以及公允价值变化计入损益之证券，并以公允价值计量。

期初结余调整反映公允价值与摊余成本之差异。

ii. 将高于贷款减值准备的一般准备及特别准备转移至留存盈利。

iii. 期初结余调整需计算递延税项及本期税项。

iv. 转移投资物业之重估储备至留存盈利。

v. 投资物业重估增值需计算递延税项。

管理层讨论及分析 (续)

执行新会计准则影响的估计

下表主要分析新会计准则对截至 2005 年 6 月 30 日 6 个月损益账的影响。由于计算上的复杂性，故此只能在最佳估算基础上作出分析。

港币百万元	半年结算至	
	2005 年 6 月 30 日	附注
有效收益率及其它	86	i
风险对冲及资产分类	(179)	ii
减值准备	(1,006)	iii
投资物业重估	(918)	iv
税项	382	
总计	(1,635)	

大部份差异是因执行香港会计准则第 39 号及第 40 号而产生，现总结如下：

- 由于按香港会计准则第 39 号要求，贷款产生的直接服务费及支出，需使用实际利率方式确认利息收入。此影响主要在净利息收入及净手续费收入方面。
- 在香港会计准则第 39 号下，部份过往非无需按市场划价的衍生金融工具现时需以公允价值列账。在 2005 年 1 月 1 日，集团将部份持有至到期日证券重新分类为可供出售证券，以及公允价值变化计入损益之金融工具。同时，集团亦将部分负债界定为公允价值变化计入损益的金融负债，此等负债亦需以公允价值列账。2005 年上半年，此类金融工具的公允价值改变已于损益账反映。此风险对冲及资产分类产生之影响主要在净利息收入及净交易性收入方面。
- 在香港会计准则第 39 号下，需采用个别评估及组合评估方法以计算贷款之减值准备。根据新方法，2005 年上半年所需总减值准备较年初总准备金为低，因此产生净拨回。贷款组合资产质量的持续改善亦令减值准备减少。而在旧会计准则下，即使资产质量有所改善，一般准备金仍会增加。
- 香港会计准则第 40 号要求投资物业之公允价值变化直接反映于损益账内。在旧会计准则下，投资物业之价值改变是以整体投资物业为基础并反映在投资物业重估储备之变动。因此，由于集团于 2004 年 12 月 31 日持有投资物业重估储备，故投资物业重估增值本不应损益构成影响。

财务状况

港币百万元	2005 年 6 月 30 日	2004 年 12 月 31 日
库存现金及短期资金	113,792	102,647
一至十二个月内到期之银行及其它金融机构存款	60,196	107,581
持有之存款证	19,440	22,338
香港特别行政区政府负债证明书	33,900	34,760
证券投资*	214,376	189,388
衍生金融工具	4,711	-
贷款及其它账项	336,290	309,211
固定资产及投资物业	22,195	21,877
递延税项资产	8	12
其它资产**	8,425	8,961
资产总额	813,333	796,775
香港特别行政区流通纸币	33,900	34,760
银行及其它金融机构之存款及结余	38,471	34,440
客户存款	628,398	632,496
交易性负债及公允价值变化计入损益的其它金融工具	8,339	-
衍生金融工具	3,619	-
发行之存款证	3,746	3,788
递延税项负债	2,407	947
其它账项及准备	23,259	25,837
负债总额	742,139	732,268
少数股东权益	1,294	1,239
股东资金	69,900	63,268
负债及资本来源总额	813,333	796,775

管理层讨论及分析 (续)

* 根据新会计准则对投资证券的分类, 2005年6月30日, 集团的投资证券包括持有至到期日证券、可供出售证券、交易性证券以及其它公允价值变化计入损益之证券。2004年12月31日, 集团的投资证券包括持有至到期日证券、其它证券投资和投资证券。

**贸易票据及投资联营公司包括在其它资产内。

至2005年6月30日, 集团资产总额为港币8,133.33亿元, 较2004年底增加港币165.58亿元或2.1%。

- 一至十二个月内到期之银行及其它金融机构存款下跌了港币473.85亿元或44.0%。
- 证券投资增加港币249.88亿元或13.2%至港币2,143.76亿元。
- 集团持续进行灵活的资产负债管理。期内短期剩余资金减少, 而贷款业务和证券投资业务的资金使用量则相应增加。

客户贷款

集团在客户贷款方面录得强劲增长, 较2004年底上升港币244.28亿元或7.8%至港币3,376.54亿元。

港币百万元, 百分比除外	2005年 6月30日	%	2004年 12月31日	%
工商金融业	156,225	46.3%	148,034	47.3%
个人	132,531	39.2%	124,687	39.8%
在香港使用之贷款	288,756	85.5%	272,721	87.1%
贸易融资	16,049	4.8%	13,279	4.2%
在香港以外使用之贷款	32,849	9.7%	27,226	8.7%
总客户贷款	337,654	100.0%	313,226	100.0%

在香港使用的贷款上升5.9%。

- 工商金融业贷款录得强劲的增长, 较2004年底增加港币81.91亿元或5.5%。特别是中小企业贷款上升9.1%。
- 住宅按揭贷款(不包括政府资助置屋计划下的按揭贷款)增长港币77.96亿元或8.2%至港币1,034.11亿元。
- 信用卡贷款较2004年底增加港币0.93亿元或2.2%, 主要受惠于经济环境良好令卡户消费增加。

贸易融资增长港币27.70亿元或20.9%, 主要受本地活跃的进出口业务带动。此外, 在香港以外使用之贷款增长20.7%, 主要来自集团内地分行企业贷款业务的强劲增长。

客户存款

港币百万元, 百分比除外	2005年 6月30日	%	2004年 12月31日	%
即期存款及往来存款	29,481	4.7%	32,474	5.1%
储蓄存款	241,270	38.1%	296,463	46.9%
定期、短期及通知存款	357,647	56.4%	303,559	48.0%
结构性存款	5,248	0.8%	-	-
总客户存款	633,646	100.0%	632,496	100.0%

客户存款较2004年底上升港币11.50亿元或0.2%至港币6,336.46亿元。定期存款上升港币540.88亿元或17.8%, 而储蓄存款则下跌港币551.93亿元或18.6%。由于期内利率显著上升, 令部分储蓄存款转移至定期存款。

管理层讨论及分析 (续)

资产质素			
港币百万元, 百分比除外	2005年 6月30日	2005年 1月1日	2004年 12月31日
客户贷款	337,654		313,226
特定分类减值贷款比率*	1.89%		2.95%
减值准备	2,976	3,942	-
一般银行风险之法定储备	3,584	3,410	-
总准备及法定储备	6,560	7,352	-
一般准备	-	-	5,465
特别准备	-	-	2,320
总准备	-	-	7,785
总准备占客户贷款之比率	0.88%		2.49%
总准备及法定储备 / 准备占客户贷款之比率	1.94%		2.49%
住宅按揭贷款 - 拖欠及经重组贷款比率**	0.47%		0.61%
信用卡贷款 - 拖欠比率**#	0.35%		0.38%
	半年结算至 2005年 6月30日		半年结算至 2004年 6月30日
信用卡贷款 - 撇账比率#	2.87%		4.67%

* 特定分类减值贷款比率指按照香港金管局贷款分类标准, 次级、可疑及损失类贷款的占比。在执行香港财务报告准则第5号后, 被收回之抵押资产按其收回日之公允价值或有关贷款之摊余成本之较低者列账。有关贷款需从客户贷款中予以扣减。有关会计政策的详细说明请参考中期报告账目附注。

** 住宅按揭贷款不包括“居者有其屋计划”及其它政府资助置屋计划下的按揭贷款。拖欠比率指逾期超过3个月之贷款总额占未偿还贷款总额之比率。

不包括长城卡及按金管局的定义计算。

集团特定分类减值贷款大幅下降港币 28.76 亿元或 31.1%。特定分类减值贷款比率下降 1.06 个百分点至 1.89%。在经济环境好转及物业市场复苏下, 我们取得了可喜的催理成绩, 催理回收金额达致港币 17 亿元。核销特定分类减值贷款共计港币 6 亿元。而在香港财务报告准则第 5 号下, 被收回抵押资产之有关贷款需予以扣减, 故令特定分类减值贷款下降约港币 4 亿元。

在独立及综合减值准备共计港币 29.76 亿元以外, 集团另持有法定储备共计港币 35.84 亿元。该法定储备主要来自期初留存盈利港币 34.10 亿元及本年度首 6 个月增加港币 1.74 亿元。总减值准备及法定储备共占总客户贷款的 1.94%, 或集团特定分类减值贷款的 103.0%。

集团住宅按揭贷款组合的质素持续好转。拖欠及经重组贷款的合并比率由 2004 年底的 0.61% 下降至 0.47%。负资产比率由 2004 年底的 3.93% 下降至 1.00%。信用卡贷款的资产质素亦进一步改善, 拖欠比率及撇账比率分别由 0.38% 及 4.67% 下降至 0.35% 及 2.87%。

管理层讨论及分析 (续)

资本比率及资金流动性

港币百万元，百分比除外	2005年 6月30日	2004年 12月31日
第一级资本	63,425	60,905
第二级资本	4,724	5,049
扣除未综合计算之投资及其它项目	(1,019)	(1,257)
扣减后的资本基础总额	67,130	64,697
风险加权资产		
资产负债表内	396,597	369,875
资产负债表外	33,186	34,045
扣减项目	(3,421)	(3,091)
风险加权资产总额	426,362	400,829
经调整市场风险后之风险加权资产总额	427,186	400,977
资本充足比率		
未调整市场风险		
第一级比率	14.88%	15.19%
总比率	15.74%	16.14%
经调整市场风险后		
第一级比率*	14.85%	15.19%
总比率*	15.71%	16.13%
	半年结算至 2005年 6月30日	半年结算至 2004年 6月30日
平均流动资金比率	39.15%	34.64%

* 计入市场风险之资本充足比率乃根据金管局相关指引计算。

集团经扣减后的资本基础总额较2004年12月31日进一步增加3.8%至港币671.30亿元，主要是留存盈利增加。由于资产负债表内的风险加权资产增加，综合资本充足比率下跌0.40个百分点至2005年6月30日的15.74%。期内企业贷款及住宅按揭贷款大幅增长，惟部分被拆放同业减少抵销。

新会计准则的采用对资本基础的影响并不显著。根据香港金管局《新颁布香港会计准则对认可机构之资本基础及按监管规定呈报之影响》之有关指引，本行于采纳香港会计准则第39号后，从留存盈利中所划拨的法定储备港币35.84亿元，连同本行之组合减值准备港币12.22亿元，已包括于第二级资本内。于2004年12月底，可计入第二级资本的一般准备金最高限额港币50.49亿元。

管理层讨论及分析 (续)

业务回顾

下述业务分部分析中按年比较之数据并非严格可比较。

零售银行

港币百万元，百份比除外	半年结算至	半年结算至	增加 / (减少)
	2005年6月30日	2004年6月30日	
净利息收入	3,656	2,724	34.2%
其它经营收入	1,229	1,444	(14.9%)
经营收入	4,885	4,168	17.2%
经营支出	(1,898)	(1,864)	1.8%
提取贷款减值准备/拨备前经营溢利	2,987	2,304	29.6%
减值准备拨回/呆坏账(提拨)	85	(29)	不适用
除税前溢利	3,072	2,275	35.0%

	2005年	2004年	增加 / (减少)
	6月30日	12月31日	
分部资产	136,206	132,791	2.6%
分部负债	552,823	567,313	(2.6%)

注：详细分类资料请见账目附注 31。

经营业绩

零售银行除税前溢利较2004年上半年上升35.0%至港币30.72亿元，主要源自净利息收入增长。

净利息收入增加34.2%至港币36.56亿元。港元利率上升以及我们积极的资金成本管理策略，直接促进了存款利差的拓宽。但由于期内最优惠贷款利率和香港银行同业拆息息差收窄，令住宅按揭贷款利差收紧，部分抵销了上述利好因素的正面影响。

其它经营收入同比缩减14.9%至港币12.29亿元。利率上升令客户投资需求转向具有较高潜在回报的投资产品。结构性投资产品和开放式基金销售量分别增长87.4%及12.0%，部份抵销了保本基金销售的显著下降。但股市交易量萎缩，影响股票买卖手续费收入。在美元转弱及市场环境波动较小的情况下，外汇交易收入亦有所下跌。

包括按揭贷款及信用卡应收账款在内，贷款和其它账项较去年底上升6.8%至港币1,301.08亿元。客户存款轻微下降2.0%至港币5,325.69亿元。

财富管理

财富管理业务是零售银行的策略发展重点之一。继2004年12月推出财富管理服务—“中银理财晋富集”后，集团于1月份推出全新的“中银理财尊贵荟”服务，向拥有港币200万元或以上资产的客户提供更贴身、更专业和更个人化的一站式财富管理。至2005年6月底，集团管理的理财客户及资产分别较2004年底增长30%及23%。

住宅按揭

物业市场兴旺，加上有效的营销策略，令集团按揭业务表现卓越。集团的按揭贷款余额较2004年底上升8.2%至港币1,034.11亿元。虽然市场价格竞争依然激烈，在最优惠利率与香港银行同业拆息息差收窄下，银行着手提高定价。期内，集团适度提高了新做按揭贷款的价格及减少现金回赠。受惠于物业价格回升及信贷风险管理的改善，按揭贷款的资产素质持续改善。

管理层讨论及分析 (续)

个人人民币银行业务

集团提供全面的个人人民币服务。期内，集团人民币存款显著增长63.8%至人民币84.38亿元。提供人民币提款服务的自动柜员机亦由2004年底的232部增至241部。我们亦维持了在发行人民币信用卡方面的市场领先地位，已发行的人民币信用卡较2004年底增长23.3%。

信用卡业务

信用卡业务的客户基础及服务范围进一步扩大，并于上半年延续了良好的增长势头。信用卡应收账款较2004年底增长2.2%，发卡量上升3.2%。信用卡卡户消费额及商户收单业务总额均录得双位数字增长，较2004年上半年分别增长20.4%及21.5%。

集团于1月份在泰国成功推出中国银联收单业务，并在新加坡与中国银行新加坡分行合作计划发行中银信用卡。我们推出的全新的VISA验证短讯缴费服务，令客户可透过流动电话快速缴付账单。而万事达卡"SecureCode"服务，为卡户提供了安全方便的网上付款及购物服务。5月份双重认证服务投放市场，确保客户网上交易更加安全可靠、方便快捷。

集团卓越的经营表现及服务质素得到市场的充分肯定。年内，我们获取了多个由万事达国际及香港贸易发展局与国际专利授权业者协会颁发的奖项：

- 万事达卡亚太区市场推广领导大奖 - 2005年最佳新卡项目推出金奖
- 万事达卡亚太区市场推广领导大奖 - 2005年度最佳白金卡推广金奖
- 由香港贸易发展局及国际授权业者协会合办的「亚洲专利授权业大奖」卡公司获颁发「香港杰出市场推广大奖」

企业银行

港币百万元，百份比除外	半年结算至	半年结算至	增加 / (减少)
	2005年6月30日	2004年6月30日	
净利息收入	1,768	1,779	(0.6%)
其它经营收入	505	614	(17.8%)
经营收入	2,273	2,393	(5.0%)
经营支出	(506)	(522)	(3.1%)
提取贷款减值准备/拨备前经营溢利	1,767	1,871	(5.6%)
减值准备拨回 / 呆坏账拨回	1,350	1,269	6.4%
除税前溢利	3,117	3,140	(0.7%)

	2005年	2004年	增加 / (减少)
	6月30日	12月31日	
分部资产	208,645	187,946	11.0%
分部负债	98,164	91,215	7.6%

注：详细分类资料请见账目附注 31。

经营业绩

企业银行除税前溢利较 2004 年上半年轻微下跌 0.7%至港币 31.17 亿元。

净利息收入与去年同期持平。存款利差拓宽的正面作用被贷款利差的收窄所抵销，市场竞争激烈令贷款收益率持续受压。其它经营收入减少港币 1.09 亿元，主要是在香港会计准则第 39 号下，贷款产生的直接服务费需使用实际利率方式摊入利息收入。

贷款减值回拨为港币 13.50 亿元。得益于贷款降级比率的改善和押品价值的上升，企业贷款组合的资产质量持续改善。而良好的市场环境亦令催理回收效果显著。

管理层讨论及分析 (续)

集团于2005年上半年的贷款余额取得显著增长。企业银行贷款较2004年底上升8.9%至港币2,028.55亿元。客户存款增长7.7%至港币958.29亿元。

企业及中小企业务

企业银行部充分利用经济复苏所带来的商机，以致力发展中小企和贸易融资业务为策略重点。

尽管市场价格竞争依然激烈，但我们在贸易融资和押汇业务量方面均取得良好增长。6月份，我们欣然得悉著名的国际应收帐款联盟 Factors Chain International 将我们于该组织的会员级别从准会员提升至正式会员。

期内我们推出了新产品“中小企快达钱”，以迎合中小企客户的需求。截至2005年6月底，中小企总贷款较上年底上升9.1%至港币488.15亿元。

银团贷款方面，我们继续稳居市场前列位置。根据知名的亚洲债务市场杂志《基点》公布的2005年上半年银团贷款安排行排名，在香港本地市场以及香港、中国和澳门综合市场排名中集团均以第二大安排行名列前茅。

3月份，我们被中国外汇交易中心安排为港元的结算行。

期内，我们理顺了内部管理、简化了工作流程，提高了整体营运效率，最终目标乃提高产品交付及客户服务素质。6月份，我们在企业银行内部成立了信贷管理处，旨在通过改善信贷分析程序和加快审批以提高对中小企的服务质量。

内地分行

内地经济的迅速发展和巨大的业务潜力为银行业提供了无限商机。我们亦坚持不懈地推动在香港的零售银行和企业银行业务与内地网络的有效整合，充分发挥集团的竞争优势。

2005年上半年，集团内地分行继续扩阔业务发展。贷款上升40%，提取拨备前经营溢利增长94.5%。

期内，南商深圳分行获准扩大人民币业务范围至中资企业。此外，集团九家内地分行获得提供保险代理业务许可证。为进一步丰富产品种类，2005年上半年集团在内地推出结构性存款产品。自第二季起，集团亦开始筹备推出财富管理服务和期权宝。

管理层讨论及分析 (续)

财资业务

港币百万元, 百分比除外	半年结算至		增加 / (减少)
	2005年6月30日	2004年6月30日	
净利息收入	568	1,014	(44.0%)
其它经营收入	468	321	45.8%
经营收入	1,036	1,335	(22.4%)
经营支出	(198)	(177)	11.9%
提取减值准备/拨备前经营溢利	838	1,158	(27.6%)
其它	18	1	1700.0%
除税前溢利	856	1,159	(26.1%)

	2005年 6月30日	2004年 12月31日	增加 / (减少)
分部资产	445,495	453,457	(1.8%)
分部负债	84,141	68,485	22.9%

注: 详细分类资料请见账目附注 31

经营业绩

2005年上半年, 财资业务除税前溢利下跌 26.1%至港币 8.56 亿元, 主要受净利息收入减少影响。孳息率曲线趋平及短期利率上升, 缩减了集团剩余资金的净利息收入。这主要反映在零售及企业银行存款业务利息支出大幅增加, 而债务证券投资增加的利息收入仅能予以部分抵销。

其它经营收入的增长主要来自外汇掉期合约溢利、衍生利率工具和其它金融工具公平价值的利好变化。

投资组合管理

2005年上半年, 货币市场和资本市场挑战与机遇并存。美国联储局于期内持续加息。对此, 资金部灵活调整集团投资组合, 以争取更高收益。在风险允许范围内, 资金部进一步分散投资组合, 适度增加了资产抵押债券和企业债券的投资比重。

代客交易业务

上半年外汇市场、贵金属及股市较去年同期相对平静。因此市场整体投资意欲低迷, 对集团代客业务直接带来负面影响。

虽然如此, 我们积极开发度身订造的投资产品, 挖掘与零售及企业银行的交叉销售机会。这些措施令我们在提升零售结构性存款产品方面取得了可喜成绩, 并为日后进一步开发其它产品塑造了一个坚实的平台。

管理层讨论及分析 (续)

风险管理

总览

风险管理是本集团管治架构中不可缺少的一环，我们深信良好的风险管理是企业成功的重要元素，因此，我们在日常经营管理工作**中强调风险管理对于业务健康发展的保障作用，实现风险控制与业务增长的有机平衡。**本集团业务的主要内在风险包括信誉风险、法律及合规风险、策略风险、信贷风险、市场风险、利率风险、流动资金风险及操作风险。本集团的风险管理目标是提高股东价值，同时确保风险控制在可接受的水平之内。

风险管理管治架构

本银行风险管理管治架构覆盖业务发展的全部过程，以保证所有环节的各类风险都能得到有效控制及管理。本银行有健全的风险管理组织体系，不同层面的风险承担者分别承担其相对应的风险管理责任。

董事会代表着股东的利益，是本公司风险管理的最高决策机构，并对风险管理负最终责任。董事会在其属下委员会的协助下，负责确定本公司的总体风险管理策略，并确保本公司具备有效的风险管理体系，促使风险管理策略得到落实执行。董事会下设常设委员会，即风险委员会负责审批重大的风险管理政策及程序，以及各项重要资产负债管理政策。

管理层包括总裁及其辖下的委员会，负责根据董事会核准的风险管理策略，在日常经营管理中，落实各类风险管理政策、程序和限额，并实施管理，确保各类风险的有效管控。风险总监和财务总监协助总裁管理各类风险：风险总监领导并监察风险管理部、法律及合规部和特殊资产管理部的运作，负责管理信誉风险、法律及合规风险、信贷风险、市场风险及操作风险；财务总监领导并监察发展规划部和财务部，负责管理策略风险、利率风险和流动资金风险。

本银行有一套全面性的风险管理政策及程序，用以识别、量度、监督及控制整个机构内的各类风险，并设定适当的风险限额，同时透过管理程序及信息系统持续监察这些风险及限额。本银行不断改良和提升其风险管理政策及程序，以配合市场及产品业务策略的转变。本银行稽核部负责直接向董事会和稽核委员会报告风险管理政策及程序的执行情况。

本银行的主要附属银行，南商及集友，亦采用与集团一致的风险管理策略及政策。这些附属公司独立执行风险管理策略，并定期向本银行管理层汇报。

信誉风险管理

信誉风险是因银行经营手法产生的负面消息，不论是否属实，可能引致客户流失、支付高昂诉讼费用或令收入减少的风险。信誉风险潜藏于银行每项业务运作中，涵盖层面广泛。市场传言或公众印象都是决定这类风险水平的重要因素。

为减低信誉风险，本银行制订及实施信誉风险管理政策。此政策订立标准规范本银行信誉风险的管理方式，以尽早识别和积极防范信誉风险事故，紧密监察外界的信誉风险事故，并从金融业界已公开的信誉风险例子中汲取经验。为消除或减轻对本银行的负面影响，当发生信誉风险事故时，本银行会根据紧急应变机制及特殊情况快速通报制度予以尽速处理。

法律及合规风险管理

法律风险指因不可执行合约、诉讼或不利判决而可能使本银行的运作或财务状况出现混乱或负面影响的风险。法律及合规部负责主动识别、评估和管理本银行在日常业务运作中所面对的法律风险。

合规风险指因未有遵守所有适用法例、规则、国际惯例、当地行业准则、行为守则及良好的实务准则，而可能导致银行须承受遭法律或监管机构制裁、引致财务损失或信誉损失的风险。法律及合规部透过制订与维护适当的政策及指引，确保本银行经营业务时遵守有关的法律法规要求。

策略风险管理

策略风险是策略制订和实施过程中失当，或未能对市场变化作出及时的调整，从而影响现在或未来本银行的盈利、资本、信誉和市场地位的风险。本银行制定了策略风险管理政策，以明确董事会和管理层在执行此类风险管理时的责任。

管理层讨论及分析 (续)

信贷风险管理

信贷风险指客户或交易对手将不能或不愿意履行与本银行达成的承诺。信贷风险主要来自银行的借贷、贸易融资及财资业务。

本银行对高风险和低风险的贷款采用不同的审批程序。

符合有关信贷类别、贷款目的、贷款金额、担保、押品覆盖及抵押足够的若干低风险信贷交易，可以采用低风险审批程序处理。授信申请单位的信贷授权人员可以依据这些程序批核申请而毋须由风险管理部预先审核。风险管理部内相应的审核人员会对这些低风险信贷交易作贷后独立检查，并评估最初的信贷决定是否按照既定程序执行。

至于高风险贷款，授信申请单位的信贷人员只能够接受及审阅贷款申请，并作出初步贷款决定。然后，信贷申请须经由风险管理部的审核人员对该申请是否符合政策程序规定、信贷风险评估是否足够及数据是否充足等作出独立评估。风险管理部有权依据评估结果行使否决权。

本银行开发了私人无抵押授信申请评分卡，用以分析借款人资料及与信用状况有关的特征项，预测借款人未来的还款表现。评分卡可让银行根据信贷评分结果作出信贷决策，本银行正陆续开发其它各类私人零售信贷产品的评分卡。

对于属副总裁或以上审批权限的贷款，则需要由信贷评审委员会进行独立的风险评审。信贷评审委员会，是本行授信和其它业务专家组成的专责委员会。信贷评审委员会负责对重大授信申请进行独立风险评审，其评审结论是风险总监、副总裁及总裁进行授信决定的重要依据。信贷评审委员会没有授信审批权。

如贷款超越总裁的审批权限，须由风险委员会审批。

本银行对全行贷款进行贷后监察，以保障贷款组合符合既定的信贷政策与程序。

为确保改善贷款质素，本银行建立了一套内部控制指标，以控制问题贷款的数量。风险管理部负责定期向银行高层提供贷款质量报告。

市场风险管理

市场风险是指因为利率或市场价格波动导致资产负债表内及外持仓出现亏损的风险。本银行的市场风险包括来自客户业务及自营持仓。与市场风险有关的自营持仓每日均会按市值计价基准评估。

市场风险透过由风险委员会批核的风险限额进行管理。整体风险限额参照不同的风险因素，例如利率、汇率、商品及股票价格，细分为更具体的限额。在考虑有关产品的不同性质后，采用多种风险计算技术，包括持仓限额及敏感度限额，制订具体管理措施。

风险管理部下设市场风险管理处，负责本银行日常市场风险管理。该处透过既定的限额及监察程序，确保整体和个别的市场风险均控制在本银行可接受的风险水平之内。

涉险值是一种统计学方式，用以在一段特定时间内，按指定的置信度，估量由于利率、汇率、商品及股票价格波动而可能对风险持仓所造成的潜在损失。本银行以方差 / 共变方差基准方法，计算投资组合及个别涉险值，并采用了市场利率及价格的历史变动、99%置信水平及 1 天持有期等基准，同时考虑不同市场及价格的相互影响关系。

管理层讨论及分析 (续)

以下表格详述本银行自营市场风险持仓的涉险值。

涉险值 (港币百万元)	2005年 6月30日	2005年上半年 最低数值	2005年上半年 最高数值	2005年上半年 平均数值
所有市场风险持仓之涉险值	2.8	1.7	4.7	2.9
汇率之风险持仓之涉险值	1.9	1.2	4.0	2.1
利率之风险持仓之涉险值	2.1	1.6	3.7	2.5

涉险值 (港币百万元)	2004年 6月30日	2004年上半年 最低数值	2004年上半年 最高数值	2004年上半年 平均数值
所有市场风险持仓之涉险值	2.2	0.9	5.6	3.3
汇率之风险持仓之涉险值	1.4	0.6	5.0	2.1
利率之风险持仓之涉险值	1.8	0.5	4.4	2.6

截至 2005 年上半年，本银行从市场风险相关的自营活动赚得的每日平均收益为港币 220 万元（2004 年上半年：港币 250 万元），其标准差为港币 210 万元（2004 年上半年：港币 250 万元）。最多出现的每日交易收益界乎港币 100 万元至 300 万元之间（2004 年上半年：港币 200 万元至 400 万元）。最高单日交易收益为港币 1,100 万元（2004 年上半年：港币 900 万元）。

本银行向客户提供外币存款、孖展买卖及远期交易等服务。本银行在外币市场上的交易活动令其须承担汇率风险。本银行透过同业市场活动管理汇率风险。其中，本银行透过设定持仓限额及整体外汇交易亏损限额，减低外汇风险。所有限额均经风险委员会批准。风险管理部负责每日监察外汇风险、相关亏损限额及外汇交易中产生的信贷风险。

利率风险管理

本银行的利率风险主要是结构性风险。结构性持仓的主要利率风险类别为：

- 利率重订风险 - 由于资产及负债到期日或重订价格期限出现错配
- 利率基准风险 - 不同交易的不同定价基准，令资产的收益率和负债的成本率可能以不同的幅度变化，即使在同一重订价格期间，亦会产生利率风险。

本银行的资产负债管理委员会主责利率风险管理；委员会制订的利率风险管理政策须由风险委员会审批。财务部执行经批准的利率风险管理政策，及发展风险管理系统以识别、衡量及监察利率风险。

缺口分析是本银行用来量度利率风险的工具之一。这项分析提供资产负债状况的到期情况及重订价格特点的静态数据。差额或缺口的幅度显示了新订或重订价格的资产和负债引致息差方面的潜在变动风险。本银行会采用利率衍生工具来对冲利率风险，在一般情况下会利用简单的利率互换合约对冲有关风险。

在利率重订风险评估方面，盈利及经济价值对利率变化的敏感度可利用仿真的孳息曲线平衡上移或下移 200 个基点的利率震荡来测度。本银行需按经风险委员会通过的政策将盈利及经济价值的利率风险分别控制在当年预算的净利息收入及最近的资本基础的核定百分比水平之内。财务部定期向资产负债管理委员会及风险委员会报告有关结果。

在利率基准风险评估方面，透过情景分析，监察利率基准不同步变化对未来净利息收入的增减影响，及设定不同订息基准的资产负债比例以作监控。

另外，亦对利率重订风险及利率基准风险定期进行压力测试。资产负债管理委员会负责在政策所设定限额规范下监察压力测试的结果，并决定是否需要采取补救措施。

流动资金风险管理

流动资金管理的目标是令本银行即使在恶劣市况下，仍能按时应付所有到期债务，以及为其资产增长和投资机会提供所需资金，避免要在紧急情况下出售资产套现。

管理层讨论及分析 (续)

本银行的业务资金主要来自零售及企业客户的存款。此外，本银行亦可发行存款证以获取长期资金或因需要透过出售投资筹集资金。本银行将所得资金大部分用于贷款、投资债务证券或拆放同业。

本银行透过保持稳健的流动资金比率、观察存户的稳定性及集中程度、监察贷存比率、持有具高度流动性和高质素的证券组合及定期进行压力测试，藉以管理及量度其流动资金。本银行亦会透过同业市场短期拆入，辅助管理其流动资金。同业市场一般可按市况调整的利率提供足够的流动资金。

本银行资产负债管理策略的主要目标是要保持足够的流动性和资本金水平，在有效的风险管理机制内及合理的融资成本要求下，争取最佳回报。本银行的资产负债管理委员会负责制订政策方针（包括流动风险应变计划），委员会制订的流动性管理政策须由风险委员会审批；财务部负责密切监察本银行流动资金风险，定期向管理层及资产负债管理委员会汇报。

操作风险管理

操作风险涉及因操作流程不完善或失效、人为过失、电脑系统故障或外部突发事件等因素造成的损失。本银行以业内最佳实践水平作为管理操作风险的目标。

本银行透过识别、评估、监督、控制及减缓等方法管理操作风险，并对业务流程、活动及产品之内在风险进行检讨。本银行对操作风险状况进行监控，记录操作风险损失数据，并向风险委员会及高级管理层汇报。作为有效的内部控制，本银行建立完整的规章制度体系、监察业务交易及定期进行对帐，并强调对各项业务操作进行适当的职责分工和独立授权。

为支持灾难事件突发时的业务运作，本集团备有紧急事故应变方案及充足的后备设施，并会定期进行演练。本公司的控股公司已购买保险，以减低因操作风险可能引致的损失。

压力测试

本银行以压力测试补充各项的风险分析。压力测试是一种风险管理工具，用以评估当市场或宏观经济因素急剧变化并产生极端不利的经营环境时，银行风险暴露的情况。本银行定期进行压力测试，并向董事会、风险委员会及资产负债管理委员会汇报测试结果。

资本管理

资本管理的主要目标是维持充裕的资本实力，同时为股东带来最大回报。本银行在有需要时会考虑调节资本结构，以达致整体最低的资本成本。现有资本基础较市场相对为高，主要为集团未来业务拓展作好准备。资产负债管理委员会在财务部协助下，以资本充足比率作为主要量度标准，监控本银行的资本充足性。在报表披露的经营期间，本集团的资本水平符合各项法定要求。

Management's Discussion and Analysis

CONSOLIDATED FINANCIAL REVIEW

With effect from 1 January 2005, the Group is required to prepare its financial statements in accordance with new and revised HKFRSs and HKASs (thereafter collectively refer to as the "new accounting standards"). Due to the change in accounting standards, certain 2004 comparative figures are not strictly comparable.

Compared to the same period last year, the Group's profit attributable to shareholders increased by 16.4% to HK\$6,495 million. The improvement in the Group's results was attributable to higher operating income, while operating expenses were kept at last year's level. Operating profit before impairment was correspondingly better than the same period last year. Attributable profit was also boosted by a substantial loan impairment allowance write-back and a large investment property revaluation gain. The latter represents a change in our accounting policies as no investment property revaluation was performed on 30 June 2004.

Financial Performance

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Operating income	8,198	7,827	8,025
Operating expenses	(2,676)	(2,836)	(2,668)
Operating profit before impairment/provisions on advances	5,522	4,991	5,357
Reversal of impairment allowances/write-back of provisions	1,435	388	1,240
Others	939	2,121	180
Profit before taxation	7,896	7,500	6,777
Profit attributable to equity holders of the Company	6,495	6,410	5,582
Net interest margin	1.58%	1.54%	1.56%
Non-interest income ratio	28.85%	27.41%	31.35%
Cost to income ratio	32.64%	36.23%	33.25%

Analysis of the financial performance, business operations and risk management of the Group for the first half of 2005 is set out in the coming sections.

Significant Changes in Accounting Policies

Following are the new accounting standards that had the most financial impact on the results.

Standards and interpretation	Significant financial impact for the first half of 2005
<ul style="list-style-type: none"> • HKAS 39: "Financial Instruments - Recognition and Measurement" 	<ul style="list-style-type: none"> • Affected interest income, fees and commission income, net trading income and impairment allowances • Affected classification of assets and liabilities
<ul style="list-style-type: none"> • HKAS 40: "Investment Property" 	<ul style="list-style-type: none"> • Movement of revaluation reserve of investment properties to retained earnings in the opening balance adjustment • Change in fair value of investment properties was recognised directly in the profit and loss account
<ul style="list-style-type: none"> • HKAS 12: "Income Taxes" - HKAS Interpretation 21 	<ul style="list-style-type: none"> • Provision of deferred tax on the revaluation surplus of investment properties

In this management's discussion and analysis, the impact of adoption of the new accounting standards is described where appropriate. The notes to the accounts set out the changes in accounting policies in detail.

Management's Discussion and Analysis (continued)

Net Interest Income and Margin

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Interest income	10,065	8,374	7,304
Interest expense	(4,232)	(2,692)	(1,795)
Net interest income	5,833	5,682	5,509
<i>Net interest income - comparable basis</i>	5,872	5,682	5,509
Average interest-earning assets	744,464	734,174	708,490
Net interest spread	1.43%	1.43%	1.49%
Net interest margin	1.58%	1.54%	1.56%
<i>Net interest margin - comparable basis</i>	1.59%	1.54%	1.56%

Net interest income increased by HK\$324 million, or 5.9%, to HK\$5,833 million on a year-on-year basis. Average interest-earning assets grew by HK\$35,974 million, or 5.1%, to HK\$744,464 million. Net interest spread and net interest margin were 1.43% and 1.58% respectively. If the impact of the new accounting standards was removed, the comparable net interest income was HK\$5,872 million, HK\$363 million or 6.6% higher than the same period last year. Similarly, net interest margin was 1.59%, or 3 basis points higher than that of the first half in 2004 on a comparable basis.

The total negative impact of applying new accounting standards on the Group's net interest income amounted to approximately HK\$39 million. Net interest income was affected in the following ways:

- Interest accrued on impaired loans using effective interest rate was not recognised under the previous accounting regime.
- Swap points of foreign exchange swap contracts previously accounted for as interest was reported as net trading income under the new accounting standards.
- Directly attributable loan fees and costs previously recognised as commission income and expenses were reported as interest income using the effective interest calculation.

In the first half of 2005, the Hong Kong dollar interest rate remained at a low level. However, subsequent to the introduction of refinement to the operation of the Linked Exchange Rate System by the HKMA in May 2005, the Hong Kong dollar interest rate rebounded, substantially narrowing the differential with US dollar interest rate. Average one-month HIBOR increased to 2.02% as compared to 0.11% for the first half of 2004. Average one-month LIBOR also rose steadily to 2.88% from 1.13%.

Gross yield on average loans increased by 51 basis points. However, the weighted average pricing on the residential mortgage portfolio declined by 25 basis points compared to the same period last year, dropping from 2.12% below best lending rate for the first half of 2004 to 2.37% in the current period. Facing a substantially different interest rate environment, the Group adjusted the mortgage pricing strategy by raising the effective interest rate and reducing cash rebate incentives on new loans in the second quarter. Gross yield on debt securities increased by 76 basis points as the Group continued to diversify its investment portfolio for yield enhancement. However, the improvement in net contribution from the debt securities portfolio was held back by the flattening yield curve. Deposit spread widened as a result of the Group's conscious effort in managing funding costs. However, cost of funding rose as average interest rates on savings and time deposits increased by 33 basis points and 97 basis points respectively.

Compared to the second half of 2004, on a comparable basis, net interest income increased by HK\$190 million, or 3.3%. Net interest spread was flat. Net interest margin rose by 5 basis points mainly due to the increase in contribution of net free funds. Gross yields on average loans and debt securities rose by 48 and 51 basis points respectively. The improvement in loan spread was limited as the yield on residential mortgages continued to narrow in a very competitive environment. The weighted average pricing on residential mortgages was 12 basis points lower than that in the second half of 2004.

Management's Discussion and Analysis (continued)

Net Fees and Commission Income

HK\$m	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Bills commissions	257	277	270
Loan commissions	124	256	234
Wealth management income			
Stockbroking	330	374	462
Asset management	85	58	175
Life insurance	135	67	127
Retail bonds and structured notes	74	58	40
General insurance	58	68	52
Trust services	49	43	32
Payment services	179	184	165
Credit cards	372	350	316
Others	342	350	348
Fees and commission income	2,005	2,085	2,221
Fees and commission expenses	(507)	(575)	(508)
Net fees and commission income	1,498	1,510	1,713
<i>Net fees and commission income – comparable basis</i>	1,602	1,510	1,713

Net fees and commission income fell by HK\$215 million, or 12.6%, to HK\$1,498 million, primarily due to the decreases in commissions from stockbroking, sales of investment funds and the impact from the adoption of the new accounting standards. The new accounting standards resulted in a reduction of net fees and commission income, primarily in the form of loan fees, by HK\$104 million. Excluding the impact of the new accounting standards, net fees and commission income would have registered a smaller drop of HK\$111 million, or 6.5%.

Against the backdrop of raising interest rates and the strong performance in the first half of 2004, income from stockbroking and sales of investment funds declined by HK\$132 million or 28.6%, and HK\$90 million or 51.4%, respectively in the first half of 2005 compared to the same period in 2004. Customers demanded investments with higher potential returns amid a rising interest rate environment. Consequently sales of capital guaranteed funds dropped significantly from over 50% of total fund sales in the first half of 2004 to less than 10% in the first half of 2005. Nevertheless, structured products and open-ended funds became more popular in the market and the Group was able to capture the growth opportunities resulting in 87.4% and 12.0% increases in sales volume. Commissions from stockbroking reduced as a result of the decline in market transaction volume.

Loan commissions fell by HK\$110 million, or 47.0%. Upon adoption of the new accounting standards, directly attributable loan fees of HK\$133 million were amortised to interest income over the expected life of the loans as part of the effective interest calculation. Excluding the impact of the new accounting standards, loan fees would have registered a modest increase. Bills commission dropped by HK\$13 million, or 4.8%, due to keen pricing competition.

Fees from card business recorded growth of 17.7%, driven by the increases in cardholder spending and merchant acquiring volumes by 20.4% and 21.5% respectively.

Compared to the second half of 2004, on a comparable basis, net fees and commission income increased by HK\$92 million or 6.1%, mainly attributable to the growth of wealth management income. The income from sales of life insurance and investment funds showed the strongest growth of 101.5% and 46.6% respectively.

Management's Discussion and Analysis (continued)

Net Trading Income

HK\$m	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Foreign exchange and foreign exchange products	596	482	610
Interest rate instruments	129	(12)	(1)
Equity instruments	4	7	21
Commodities	17	22	32
Net trading income	746	499	662
<i>Net trading income – comparable basis</i>	510	499	662

Net trading income increased by HK\$84 million, or 12.7%, to HK\$746 million as compared to the first half of 2004. The adoption of HKAS 39 increased the volatility of the revenue recognition in the trading activities. On a comparable basis, after exclusion of the impact from the adoption of HKAS 39, net trading income declined by 23.0%.

Net trading income from foreign exchange and foreign exchange products decreased by HK\$14 million, or 2.3%, to HK\$596 million. Excluding about HK\$87 million gains derived from the changes in fair value of foreign exchange swap contracts recognised under the new accounting standards, the comparable decline was 16.6%. Previously these contracts were accounted for as interest income on an accruals basis. The lower income from foreign exchange business was attributable to a lack of customer interest in currency trading as a result of a weak US dollar. There were also concerns that pressure on the RMB to appreciate might also put pressure for a stronger Hong Kong dollar, which further dampened public interest in holding other currencies.

Net trading income from interest rate instruments mainly included changes in fair value relating to trading securities, other financial assets at fair value through profit or loss, available-for-sale securities designated in fair value hedges, interest rate derivatives and financial liabilities at fair value through profit or loss. The increase in income was mainly derived from the changes in fair value of interest rate derivatives and retail certificate of deposits designated at fair value through profit or loss. On a comparable basis, when hedge accounting on accruals basis was usually applied in previous years, the net gain from interest rate instruments was minimal for the first half of 2005 and two halves of 2004.

Compared to the second half of 2004, on a comparable basis, net trading income stayed flat amid a quiet market environment.

Operating Expenses

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Staff costs	1,653	1,662	1,625
Premises and equipment expenses	321	379	346
Depreciation on owned fixed assets	286	292	293
Other operating expenses	416	503	404
Operating expenses	2,676	2,836	2,668
<i>Operating expenses – comparable basis</i>	2,797	2,836	2,668
Cost to income ratio	32.64%	36.23%	33.25%
<i>Cost to income ratio – comparable basis</i>	34.51%	36.23%	33.25%

Operating expenses rose slightly by HK\$8 million, or 0.3%, to HK\$2,676 million.

In the first half of 2005, the Group adjusted the estimated useful life of the premises by referring to the lease terms of the land element as the depreciable period on the basis that the major portion of property values in Hong Kong rests with the land element. Under the previous accounting standards, the Group separated the land and building elements using a 50 : 50 split and depreciated according to the corresponding lives of the two elements. The use of one common life under the current treatment has led to a lower depreciation charge. Depreciation should have been increased by HK\$121 million to HK\$407 million in view of the substantial upward revaluation of premises in 2004.

Management's Discussion and Analysis (continued)

Staff costs slightly increased by HK\$28 million, or 1.7%, mainly attributable to upward adjustment of staff salaries in April 2005. Headcount measured in full time equivalents was 12,698 at the end of June 2005, a decrease of 257 from 30 June 2004.

Loan impairment release

HK\$m	Half-year ended 30 June 2005	Half-year ended 31 December 2004	Half-year ended 30 June 2004
Loan impairment release/(charge)			
- New and additional	(796)	-	-
- Releases	1,123	-	-
- Recoveries of loans previously written off	1,108	-	-
Specific provisions			
- New provisions	-	(709)	(811)
- Releases	-	524	1,327
- Recoveries of loans previously written off	-	623	733
General provisions	-	(50)	(9)
Credit to profit and loss account	1,435	388	1,240

Under the new accounting standards and accounting policies, impairment allowances of individually significant loans and advances showing objective evidence of impairment are calculated using discounted future cash flow analysis. For the remaining loans and advances, impairment allowances are collectively assessed by using statistical models on portfolios of loans and advances grouped by similar credit characteristics. The Group reported a release of allowances of HK\$1,123 million in the first half of 2005. The release was the result of improvement in asset quality due to a solid growth in economy, lower bad debt migration rate and rise in collateral values. This release was partially offset by an increase of HK\$796 million in new impairment allowances.

For the first half of 2005, the active property market also facilitated disposals of collateral. As a result, recoveries of loans previously written off increased by HK\$375 million, or 51.2%, to HK\$1,108 million.

Revaluation of investment properties

Revaluation gains on investment properties of HK\$918 million was recognised through the profit and loss account on the adoption of HKAS 40. The related deferred tax charge amounted to HK\$155 million.

Adjustments to the opening balance of total reserves at 1 January 2005

The following table displays the adjustments to the opening balance of total reserves at 1 January 2005.

HK\$m	Retained earnings	Other reserves	Total	Note
At 31 December 2004	16,954	3,271	20,225	
Opening adjustments:				
HKAS 39				
- Reclassification and remeasurement of debt securities	953	-	953	i
- Recognition of derivatives at fair value	(924)	-	(924)	
- Loan loss provision write-back	3,800	-	3,800	ii
- Taxation	(657)	-	(657)	iii
- Others	26	-	26	
HKAS 40 – transfer of investment properties revaluation reserve	623	(623)	-	iv
HKAS 40 – taxation	(1)	-	(1)	
HKAS Interpretation 21 – deferred tax	(636)	-	(636)	v
Transfer to regulatory reserve	(3,410)	3,410	-	
At 1 January 2005	16,728	6,058	22,786	

Management's Discussion and Analysis (continued)

- i. Certain held-to-maturity securities were classified as available-for-sale securities and securities at fair value through profit or loss at 1 January 2005 and were remeasured at fair value. The opening adjustment represents the difference between the fair value and the amortised cost.
- ii. Transfer general provisions and specific provisions in excess of loan impairment allowances into retained earnings.
- iii. Provision of deferred tax and current tax on the opening adjustments.
- iv. Transfer of revaluation reserve of investment properties to retained earnings.
- v. Provision of deferred tax on the revaluation surplus of investment properties.

Estimation of the effect on adoption of new accounting standards

The following table provides differences in the profit had the previous accounting standards and accounting policies still been applied for the six months ended 30 June 2005. Due to the complexity of the calculation, the analysis is on a best estimate basis.

HK\$m	Half-year ended 30 June 2005	Note
Effective yield and others	86	i
Hedging and asset classification	(179)	ii
Impairment	(1,006)	iii
Revaluation of investment properties	(918)	iv
Taxation	382	
Total	(1,635)	

Most differences were attributable to the adoption of HKAS 39 and HKAS 40. The key impacts are summarised in the following notes:

- i. HKAS 39 requires the use of effective yield on interest income recognition for directly attributable loan fees and costs. Effective yield difference affected both net interest income and net fees and commission income.
- ii. Certain derivative financial instruments that were previously not marked to market were now stated at fair value under HKAS 39. On 1 January 2005, the Group reclassified certain held-to-maturity securities to available-for-sale securities and to financial instruments at fair value through profit or loss. The Group also designated certain financial liabilities at fair value through profit or loss such that they were stated at fair value. For the first half of 2005, the changes in fair value of these financial instruments were reflected in the profit and loss account. Differences arising from hedging and asset classification mainly affected net interest income and net trading income.
- iii. Under HKAS 39, individual and collective assessment models are used to determine the impairment allowances for loans and advances. Using this new methodology, the total impairment allowances required for the first half of 2005 was lower than the total allowances established at the beginning of the year resulting in a net write-back. The reduction of the loan impairment allowances was made possible by the continual improvement in the quality of the loan portfolio. Under the previous accounting standards, there would have been an increase in general provisions regardless of the improvement in asset quality.
- iv. HKAS 40 requires fair value changes of investment properties to be reported directly in the profit and loss account. In previous accounting standards, changes in the value of investment properties were treated as a movement in the investment properties revaluation reserve on a portfolio basis. As the Group held an investment properties revaluation reserve as at 31 December 2004, there would have been no impact in the profit and loss account arising from investment property revaluation.

Management's Discussion and Analysis (continued)

Financial Position

HK\$m	At 30 June 2005	At 31 December 2004
Cash and short-term funds	113,792	102,647
Placements with banks and other financial institutions maturing between one and twelve months	60,196	107,581
Certificates of deposit held	19,440	22,338
Hong Kong SAR Government certificates of indebtedness	33,900	34,760
Securities investments [*]	214,376	189,388
Derivative financial instruments	4,711	-
Advances and other accounts	336,290	309,211
Fixed assets and investment properties	22,195	21,877
Deferred tax assets	8	12
Other assets ^{**}	8,425	8,961
Total assets	813,333	796,775
Hong Kong SAR currency notes in circulation	33,900	34,760
Deposits and balances of banks and other financial institutions	38,471	34,440
Deposits from customers	628,398	632,496
Trading liabilities and other financial instruments at fair value through profit or loss	8,339	-
Derivative financial instruments	3,619	-
Certificates of deposit issued	3,746	3,788
Deferred tax liabilities	2,407	947
Other accounts and provisions	23,259	25,837
Total liabilities	742,139	732,268
Minority interests	1,294	1,239
Shareholders' funds	69,900	63,268
Total liabilities and capital resources	813,333	796,775

* At 30 June 2005, securities investments include held-to-maturity securities, available-for-sale securities, trading securities and other financial instruments at fair value through profit or loss based on the classification required under the new accounting standards. At 31 December 2004, securities investments include held-to-maturity securities, other investment in securities and investment securities.

**Trade bills and investments in associates are included in other assets.

The Group's total assets as at 30 June 2005 were HK\$813,333 million, up HK\$16,558 million, or 2.1%, from end-2004.

- Interbank placings maturing between one and twelve months dropped by HK\$47,385 million, or 44.0%.
- Securities investments rose by HK\$24,988 million, or 13.2%, to HK\$214,376 million.
- The Group continued to actively manage the balance sheet. As a result, short-term surplus funds were reduced and uses of funds by our lending business and securities investment portfolios increased.

Advances to customers

The Group registered a strong growth in advances to customers by HK\$24,428 million, or 7.8%, to HK\$337,654 million from end-2004.

HK\$m, except percentage amounts	At 30 June 2005	%	At 31 December 2004	%
Industrial, commercial and financial	156,225	46.3%	148,034	47.3%
Individuals	132,531	39.2%	124,687	39.8%
Loans for use in Hong Kong	288,756	85.5%	272,721	87.1%
Trade finance	16,049	4.8%	13,279	4.2%
Loans for use outside Hong Kong	32,849	9.7%	27,226	8.7%
Total advances to customers	337,654	100.0%	313,226	100.0%

Management's Discussion and Analysis (continued)

Loans for use in Hong Kong rose by 5.9%.

- Lending to industrial, commercial and financial sectors recorded a robust expansion by HK\$8,191 million, or 5.5%, from end-2004. In particular, our SME loan portfolio increased by 9.1%.
- Residential mortgage loans (excluding those under the government-sponsored home purchasing schemes) increased by HK\$7,796 million, or 8.2%, to HK\$103,411 million.
- Card advances grew by HK\$93 million, or 2.2%, from end-2004 as a result of an increase in cardholder spending encouraged by a favorable economic environment.

Trade finance increased by HK\$2,770 million or 20.9%. This was largely a result of strong import and export performance in Hong Kong. Loans for use outside Hong Kong was up 20.7%, mainly propelled by the strong growth of corporate lending business in our Mainland branches.

Deposits from customers

HK\$m, except percentage amounts	At 30 June 2005	%	At 31 December 2004	%
Demand deposits and current accounts	29,481	4.7%	32,474	5.1%
Savings deposits	241,270	38.1%	296,463	46.9%
Time, call and notice deposits	357,647	56.4%	303,559	48.0%
Structured deposits	5,248	0.8%	-	-
Total deposits from customers	633,646	100.0%	632,496	100.0%

Deposits from customers were HK\$633,646 million, up HK\$1,150 million or 0.2% from end-2004. Time deposits increased by HK\$54,088 million or 17.8%, whereas savings deposits declined by HK\$55,193 million or 18.6%. Owing to a substantial increase in interest rates, we saw a shift of funds from savings deposits to time deposits.

Asset Quality

HK\$m, except percentage amounts	At 30 June 2005	At 1 January 2005	At 31 December 2004
Advances to customers	337,654		313,226
Classified impaired loan ratio*	1.89%		2.95%
Impairment allowances	2,976	3,942	-
Regulatory reserve for general banking risks	3,584	3,410	-
Total allowances and regulatory reserve	6,560	7,352	-
General provisions	-	-	5,465
Specific provisions	-	-	2,320
Total provisions	-	-	7,785
Total allowances/provisions as a percentage of advances to customers	0.88%		2.49%
Total allowances and regulatory reserve/provision as a percentage of advances to customers	1.94%		2.49%
Residential mortgage loans - delinquency and rescheduled loan ratio**	0.47%		0.61%
Card advances - delinquency ratio**#	0.35%		0.38%
	Half-year ended 30 June 2005		Half-year ended 30 June 2004
Card advances - charge-off ratio#	2.87%		4.67%

Management's Discussion and Analysis (continued)

*Percentage of loans that are classified as substandard, doubtful or loss under the HKMA's loan classification system. Upon adoption of HKFRS 5, repossessed assets are initially recognised at the lower of their fair value or the amortised cost of the related outstanding loans on the date of repossession. The related loans and advances are deducted from loans and advances. Details of the accounting policies are set out in the notes to the interim report.

**Residential mortgage loans exclude those under the Home Ownership Scheme and other government-sponsored home purchasing schemes. Delinquency ratio is measured by a ratio of the total amount of overdue loans (more than three months) to total outstanding loans.

Exclude Great Wall cards and computed according to the HKMA's definition.

The Group's classified impaired loans decreased significantly by HK\$2,876 million or 31.1%. Classified impaired loan ratio improved by 1.06 percentage points to 1.89%. We achieved good results in our collection and recovery efforts helped by an improving economy and property market. Total collections amounted to approximately HK\$1.7 billion. Write-offs of classified impaired loans amounted to HK\$0.6 billion. About HK\$0.4 billion of the reduction in classified impaired loans was due to deduction of the loans and advances related to repossessed assets upon the adoption of HKFRS 5.

Impairment allowances amounted to HK\$2,976 million under the categories of individual and collective assessments. The Group also held a regulatory reserve amounting to HK\$3,584 million. This regulatory reserve balance was created by a transfer of HK\$3,410 million from retained earnings at the beginning of the financial year plus an increase of HK\$174 million in the first six months of this year. Total allowances and regulatory reserve represents 1.94% of total advances to customers, or 103.0% coverage of the classified impaired loans.

The quality of the Group's residential mortgage loans continued to improve. The combined delinquency and rescheduled loan ratio decreased from 0.61% at end-2004 to 0.47%. The negative equity ratio dropped from 3.93% at end-2004 to 1.00%. The quality of card advances also improved, with the delinquency ratio and charge-off ratio dropping from 0.38% and 4.67% to 0.35% and 2.87% respectively.

Capital and Liquidity Ratios

HK\$m, except percentage amounts	At 30 June 2005	At 31 December 2004
Tier 1 capital	63,425	60,905
Tier 2 capital	4,724	5,049
Unconsolidated investments and other deductions	(1,019)	(1,257)
Total capital base after deductions	67,130	64,697
Risk-weighted assets		
On-balance sheet	396,597	369,875
Off-balance sheet	33,186	34,045
Deductions	(3,421)	(3,091)
Total risk-weighted assets	426,362	400,829
Total risk-weighted assets adjusted for market risk	427,186	400,977
Capital adequacy ratios		
Before adjusting for market risk		
Tier 1	14.88%	15.19%
Total	15.74%	16.14%
After adjusting for market risk		
Tier 1*	14.85%	15.19%
Total*	15.71%	16.13%
	Half-year ended 30 June 2005	Half-year ended 30 June 2004
Average liquidity ratio	39.15%	34.64%

*The capital adequacy ratios take into account market risks and are calculated in accordance with the relevant HKMA guidelines.

Management's Discussion and Analysis (continued)

Total capital base after deductions of the Group further increased to HK\$67,130 million, or a 3.8% increase over the balance at 31 December 2004. The increase was primarily due to the increase in retained earnings. The consolidated capital adequacy ratio declined by 0.40 percentage point to 15.74% as at 30 June 2005, mainly due to expansion of on-balance sheet risk-weighted assets. This was attributable to the strong growth in corporate loans and residential mortgage loans, partially offset by the reduction in interbank placements.

The impact of adoption of new accounting standards on the capital base was not significant. In accordance with the HKMA guideline "Impact of the New Hong Kong Accounting Standards on Authorised Institutions' Capital Base and Regulatory Reporting", collective assessment allowances of HK\$1,222 million and regulatory reserve of HK\$3,584 million appropriated from retained earnings was included in Tier 2 capital subsequent to the adoption of HKAS 39. At 31 December 2004, general provisions eligible to Tier 2 capital were capped to HK\$5,049 million.

BUSINESS REVIEW

Certain year-on-year figures in the following business segment analysis are not strictly comparable.

Retail Banking

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 30 June 2004	Increase/ (decrease)
Net interest income	3,656	2,724	34.2%
Other operating income	1,229	1,444	(14.9%)
Operating income	4,885	4,168	17.2%
Operating expenses	(1,898)	(1,864)	1.8%
Operating profit before impairment/provisions on advances	2,987	2,304	29.6%
Loan impairment release/(charge) for bad and doubtful debts	85	(29)	NM
Profit before taxation	3,072	2,275	35.0%
	At 30 June 2005	At 31 December 2004	Increase/ (decrease)
Segment assets	136,206	132,791	2.6%
Segment liabilities	552,823	567,313	(2.6%)

Note: For additional segmental information, see Note 31 to the accounts.
NM: Not meaningful

Results

Retail Banking recorded a growth in profit before taxation by 35.0% to HK\$3,072 million as compared to the first half in 2004, mainly due to an increase in net interest income.

Net interest income improved by 34.2% to HK\$3,656 million. Rising Hong Kong dollar interest rate and our efforts in managing funding cost directly contributed to a widening of deposit spread. This was partially offset by narrowing residential mortgage loan spread as Prime – HIBOR spread contracted substantially during the period.

Other operating income declined by 14.9% to HK\$1,229 million. Customers demanded investment products with higher potential returns as interest rate moved up. Increase in sales of structured products and open-ended investment funds by 87.4% and 12.0% respectively partially offset the drop from sales of capital guaranteed funds. Commissions from stockbroking were affected by a decline in market transaction volume. Income from foreign exchange also dropped amid a weaker US dollar and less volatile market conditions.

Advances and other accounts, including mortgage loans and card advances, increased by 6.8% to HK\$130,108 million from end-2004. Customer deposits decreased slightly by 2.0% to HK\$532,569 million.

Management's Discussion and Analysis (continued)

Wealth management

Wealth management is one of the key strategic focuses of our Retail Banking activities. After launching Wealth Management Prime service in December 2004, the Group introduced the brand-new Wealth Management VIP service in January 2005, a professional and personalised wealth management service for customers with an asset position of HK\$2 million or above. By end of June 2005, the number of Wealth Management customers and assets under management grew by 30% and 23% respectively when compared to end-2004.

Residential mortgage

A buoyant property market and effective marketing contributed to the strong growth in our mortgage business. The Group's mortgage loan balance increased by 8.2% to HK\$103,411 million from end-2004. The pricing competition in the market remained intense but as the Prime – HIBOR spread narrowed, banks began raising their pricing. During the period, the Group also raised the pricing of new mortgage loans and reduced cash rebate. Benefiting from the property price appreciation and improved credit risk management, the asset quality of mortgage loans continued to improve.

Personal RMB banking business

The Group provides comprehensive personal RMB banking services. We recorded remarkable growth of 63.8% in RMB deposits to RMB8,438 million. The number of ATM that provides RMB withdrawal service also increased from 232 at end-2004 to 241. We also maintained our leading position in RMB credit card issuance. The total number of RMB cards issued increased by 23.3% from end-2004.

Credit cards

Card business continued to expand in terms of customer base and service range. The Group's card business sustained its growth momentum in the first half of 2005. Card advances increased by 2.2% and the number of cards issued grew by 3.2% from end-2004. Cardholder spending volume and merchant acquiring volume registered double-digit growth of 20.4% and 21.5% respectively as compared to the first half of 2004.

The Group successfully launched China UnionPay merchant acquiring business in Thailand in January and introduced a new BOC credit card in Singapore with BOC Singapore. We launched new Visa SMS-based Bill Payment Service, which enables cardholders to pay bills via mobile phone, and MasterCard SecureCode, which provides secure and easy-to-use online payment and shopping services to cardholders. In May, we introduced the Two-factor Authentication Service, which provides more secure and convenient online services to our cardholders.

The Group's outstanding performance and service quality were duly recognised by the market. During the year, we won a number of awards from MasterCard International, The Hong Kong Trade Development Council and The International Licensing Industry Merchandisers:

- 2005 Gold prize of MasterCard Asia/Pacific Marketing Leadership Awards Best Program Launch
- 2005 Gold prize of MasterCard Asia/Pacific Marketing Leadership Awards Best Platinum Marketing
- 2005 Premier Asian Licensing Awards - Best Marketing Campaign in Hong Kong

Management's Discussion and Analysis (continued)

Corporate Banking

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 30 June 2004	Increased/ (decrease)
Net interest income	1,768	1,779	(0.6%)
Other operating income	505	614	(17.8%)
Operating income	2,273	2,393	(5.0%)
Operating expenses	(506)	(522)	(3.1%)
Operating profit before impairment/provisions on advances	1,767	1,871	(5.6%)
Loan impairment release/write-back of bad and doubtful debts	1,350	1,269	6.4%
Profit before taxation	3,117	3,140	(0.7%)

	At 30 June 2005	At 31 December 2004	Increased/ (decrease)
Segment assets	208,645	187,946	11.0%
Segment liabilities	98,164	91,215	7.6%

Note: For additional segmental information, see Note 31 to the accounts.

Results

Corporate Banking reported a small decline in profit before taxation by 0.7% to HK\$3,117 million as compared to the first half of 2004.

Net interest income stayed flat. The benefit from widened deposit spread was offset by a narrower loan spread as keen market competition continued to exert pressure on the yield. Other operating income dropped by HK\$109 million mainly due to amortisation of directly attributable loan fees into interest income using the effective interest calculation upon the adoption of HKAS 39.

Loan impairment release amounted to HK\$1,350 million. Asset quality of our corporate loan portfolio continued to solidify as a result of an improving bad debt migration rate and higher collateral value. Recoveries remained strong amid favourable market conditions.

The Group achieved significant growth in loans and advances in the first half of 2005. Advances and other accounts increased by 8.9% to HK\$202,855 million from end-2004. Customer deposits increased by 7.7% to HK\$95,829 million.

Corporate and SMEs

Leveraging on the revitalised economy, Corporate Banking's business strategy is to grow small and medium-sized enterprises, and trade financing.

Despite intense pricing competition, we achieved a decent growth in trade financing and bills processing volume. In June, Factors Chain International, a global network of leading factoring companies, upgraded the Group's membership status from Associate Member to Full Member.

A new product, SME Quick Loan was launched to cater for our SME customers. By the end of June 2005, the total amount of loans to SMEs increased by 9.1% to about HK\$48,815 million from end-2004.

Our Corporate Banking continued to maintain its leading position in the syndication loan market. The Group was ranked as the second largest arranger in the local syndicated market and the combined syndicated loan market of Hong Kong, China and Macau in the first half of 2005 by Basis Point, a leading Asian debt market magazine.

In March, we were appointed by the China Foreign Exchange Trade System as the clearing bank for Hong Kong dollar.

Management's Discussion and Analysis (continued)

During the period, we improved our internal management mechanism, simplified workflow, and increased overall operational efficiency, with the ultimate goal of enhancing our product delivery and customer service quality. In June, a new credit management division within Corporate Banking was set up to enhance our SME business serving capability by improving credit analysis process and speeding up approval.

Mainland branches

The rapidly expanding economy and enormous business potential in the Mainland market provides increasing opportunities for banks. Persistent efforts have been put to integrate the business operations of Retail Banking and Corporate Banking in Hong Kong with our Mainland network in order to capitalise on the Group's competitive edge.

In the first half of 2005, the Group's Mainland branches continued to expand our business. Loans and advances rose by 40.0% while operating profit before impairment grew by 94.5%.

During the period, Nanyang's Shenzhen branch was approved to extend its RMB services to domestic companies. Furthermore, nine branches have obtained permission to commence insurance agency business. To further broaden its range of products, the Group rolled out structured deposits in the Mainland. We have been preparing for the introduction of wealth management services and option-linked deposits since the second quarter of this year.

Treasury

HK\$m, except percentage amounts	Half-year ended 30 June 2005	Half-year ended 30 June 2004	Increase/ (decrease)
Net interest income	568	1,014	(44.0%)
Other operating income	468	321	45.8%
Operating income	1,036	1,335	(22.4%)
Operating expenses	(198)	(177)	11.9%
Operating profit before impairment/provisions on advances	838	1,158	(27.6%)
Others	18	1	1700.0%
Profit before taxation	856	1,159	(26.1%)
	At 30 June 2005	At 31 December 2004	Increase/ (decrease)
Segment assets	445,495	453,457	(1.8%)
Segment liabilities	84,141	68,485	22.9%

Note: For additional segmental information, see Note 31 to the accounts.

Results

Treasury reported a profit of HK\$856 million, down 26.1% in the first half of 2005, mainly due to a decline in net interest income. Flattening yield curve with rising short-term interest rates squeezed the net interest income from managing residual funds. This was largely reflected in the large increase in interest expenses to Retail Banking and Corporate Banking for their deposit-taking business, partially offset by the increase in interest income from debt securities investments.

Increase in other operating income was mainly due to the gains in foreign exchange swap contracts, favorable changes in fair value of interest rate derivatives and other financial instruments.

Management's Discussion and Analysis (continued)

Investment portfolio management

The money market and capital market environments in the first half of 2005 were both encouraging and challenging. As the US Federal Reserve continued to raise interest rate, Treasury actively reallocated the Group's investment portfolio for better returns. Under an acceptable risk level, we further diversified our investment portfolios by investing in asset-backed debt securities and corporate bonds.

Customer trades

The foreign exchange, precious metals and equity market were less volatile than the same period last year. Customer investment sentiment was affected and this directly had a negative impact on the turnover of our customer-driven business.

Despite this, we put strong emphasis on developing tailor-made products and on exploring cross-selling opportunities in our Retail Banking and Corporate Banking. As a result, we have achieved great success in promoting retail structured deposits and this built a solid platform for offering other structured products in the future.

Risk Management

Overview

Risk management is vital to our corporate governance process. We believe that sound risk management is a key success factor of an organisation. As such, in our daily operational management, we emphasise that risk management is the foundation of healthy business development in achieving a balance between risk control and business growth. The principal types of risk inherent in the Group's business are reputation risk, legal and compliance risk, strategic risk, credit risk, market risk, interest rate risk, liquidity risk and operational risk. The Group's risk management objective is to enhance shareholder value, while maintaining risk exposures within acceptable limits.

Risk Management Governance Structure

The Bank's risk management governance structure is designed to cover the whole process of all businesses and ensure various risks are properly managed and controlled when carrying out business. The Bank has a sound risk management organisational structure. Various groups of risk takers assume their respective responsibilities for risk management.

The Board of Directors, representing the interest of the shareholders, is the highest decision making authority and has the ultimate responsibility for risk management. The Board with the assistance of its sub-committees has the primary responsibility for the determination of risk management strategies, and ensures that the Bank has established an effective risk management system to implement those risk management strategies. The Risk Committee ("RC"), established by the Board of Directors as a standing committee, is responsible for approving the Bank's major risk management policies and procedures and major asset and liability management policies.

Management includes Chief Executive ("CE") and committees which have the responsibility to implement the policies and procedures and various risk limits in accordance with the risk management strategies set by the Board, and to oversee the effectiveness of managing and controlling risk in the day-to-day management. The Chief Risk Officer ("CRO") and the Chief Financial Officer ("CFO") assist the CE to manage various types of risks. The CRO oversees the operation of the Risk Management Department ("RMD"), Legal and Compliance Department ("LCD") and Special Asset Management Department ("SAMD") and is responsible for reputation risk, legal and compliance risk, credit risk, market risk and operational risk. The CFO oversees the operation of the Economics and Strategic Planning Department and Finance Department and is responsible for strategic risk, interest rate risk and liquidity risk.

The Bank has comprehensive policies and procedures to identify, measure, monitor and control various risks across the organisation, to set appropriate risk limits, and to continually monitor these risks and limits by means of administrative procedures and information systems. The Bank continually modifies and enhances its risk management policies and procedures to reflect changes in markets and business strategies.

The Bank's principal banking subsidiaries, Nanyang and Chiyu, are managed consistently with the policies of the Group. These subsidiaries execute their risk management strategy independently and report to the Bank's management on a regular basis.

Management's Discussion and Analysis (continued)

Reputation Risk Management

Reputation risk is the risk that negative publicity regarding the Bank's business practices, whether genuine or not, will cause a potential decline in the customer base or lead to costly litigation or revenue erosion. Reputation risk is inherent in every aspect of our business operation and covers a wide spectrum of issues. Market rumors or public perceptions are significant factors in determining the level of risk in this category.

In order to mitigate reputation risk, the Bank has formulated and implemented a Reputation Risk Management Policy. This policy establishes standards to prevent and to manage reputation risk proactively at an early stage. It requires constant monitoring of external reputation risk incidents and published failures of risk incidents within the financial industry. In order to eliminate or alleviate the negative impact on the Bank's reputation, incidents related to reputation risk are handled promptly in accordance with the Emergency Contingency Plan and Special Reporting System for Special Incidents.

Legal and Compliance Risk Management

Legal risk is the risk that unenforceable contracts, lawsuits or adverse judgments may disrupt or otherwise negatively affect the operations or financial condition of the Bank. LCD is responsible for proactively identifying, assessing and managing legal risk faced by the Bank in the ordinary course of its business.

Compliance risk is the risk of legal and regulatory sanctions, financial loss, or loss to reputation that the Bank may suffer as a result of its failure to comply with all applicable laws, regulations, international practices, local trade standards, codes of conduct and standards of good practice. By establishing and maintaining appropriate policies and guidelines, LCD ensures that the Bank conducts its business in compliance with the requirements of relevant laws and regulations.

Strategic Risk Management

Strategic risk generally refers to the risks that may induce some current or future negative impacts on the earnings, capital, reputation or market position of the Bank because of poor strategic decisions, improper implementation of strategies and lack of response to the market. The Bank has developed its Strategic Risk Management Policy that defines the responsibilities of the Board and the Management when implementing its desired strategies.

Credit Risk Management

Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Bank. Credit risk arises principally from the Bank's lending, trade finance and treasury activities.

The Bank follows different approval procedures for high-risk and low-risk loans.

Low-risk credit transactions that fulfill certain requirements relating to credit types, loan purposes, loan amounts, guarantees, collateral coverage and security adequacy can be processed using low-risk loan approval procedures. Under these procedures, authorised credit officers in credit initiation units may approve this type of credit application without prior review by the RMD. A loan review officer in the RMD conducts independent post-approval reviews of such pre-approved low-risk credit transactions and assesses if initial credit decisions have been made in accordance with the established procedures.

For high-risk loans, credit officers in credit initiation units can only accept and review loan applications and make the initial lending decisions. These credit applications are then independently evaluated by review officers in the RMD in respect of compliance with policies and procedures, adequacy of credit risk assessment, and information sufficiency. The RMD is authorised to exercise the right of veto based on the review conclusions.

Management's Discussion and Analysis (continued)

The Bank has developed an application scorecard for personal unsecured credit facilities. The scorecard is used to analyse applicants' demographic and credit characteristics and to predict future repayment performance. With scorecards, credit decisions are made based on credit scoring results. Several other scorecards for different types of personal lending products are being developed.

For loans reaching the approval authority of Deputy Chief Executives ("DCE") or above, independent risk assessment by the Credit Risk Assessment Committee ("CRAC") is required. The CRAC is a specialised committee, which consists of experts from the lending and other areas of the Bank. The CRAC is responsible for making independent risk assessment of significant credit applications. The decision of CRAC will be an important basis for the CRO, DCE and CE to make their credit decisions. The CRAC itself has no credit approval authority.

Loans that exceed the approval authority of CE have to be approved by the RC.

The Bank conducts post-disbursement reviews to ensure compliance with established credit policies and procedures in the loan portfolio.

To improve loan quality, the Bank has set up internal targets to control the amount of criticised loans. The RMD regularly reports loan quality to senior management for high-level oversight.

Market Risk Management

Market risk is the risk that the movements in interest rates or market prices will result in losses in on- and off-balance sheet positions. The Bank's market risk arises from customer-related business and from position taking. Market risk trading positions are subject to daily mark-to-market valuation.

Market risk is managed within the risk limits approved by the RC. The overall risk limits are divided into sub-limits by reference to different risk factors, including interest rate, foreign exchange rate, commodity price and equity price. Considering the different nature of the products involved, limits are set by using a combination of risk measurement techniques, including position limits and sensitivity limits.

Having set up the monitoring limits and supervisory procedures, the Market Risk Division in the RMD is responsible for the daily oversight of the Bank's market risk to ensure that the overall and individual market risks are within the Bank's risk tolerance.

VaR is a statistical technique which estimates the potential losses that could occur on risk positions taken due to movements in interest rates, foreign exchange rates, commodity prices and equity prices over a specified time horizon and to a given level of confidence. The model used by the Bank to calculate portfolio and individual VaR on a variance/co-variance basis uses historical movements in market rates and prices, a 99% confidence level and a 1-day holding period and generally takes account of correlations between different markets and rates.

The following table set out the VaR for all trading market risk exposure of the Bank.

HK\$m	At 30 June 2005	Minimum for the first half of 2005	Maximum for the first half of 2005	Average for the first half of 2005
VAR for all market risk	2.8	1.7	4.7	2.9
VAR for foreign exchange risk	1.9	1.2	4.0	2.1
VAR for interest rate risk	2.1	1.6	3.7	2.5

HK\$m	At 30 June 2004	Minimum for the first half of 2004	Maximum for the first half of 2004	Average for the first half of 2004
VAR for all market risk	2.2	0.9	5.6	3.3
VAR for foreign exchange risk	1.4	0.6	5.0	2.1
VAR for interest rate risk	1.8	0.5	4.4	2.6

Management's Discussion and Analysis (continued)

For the first half of 2005, the average daily revenue of the Bank earned from market risk related trading activities was HK\$2.2 million (first half of 2004: HK\$2.5 million). The standard deviation of these daily trading revenues was HK\$2.1 million (first half of 2004: HK\$2.5 million). The most frequent result was a daily trading revenue of between HK\$1.0 million to HK\$3.0 million (first half of 2004: HK\$2.0 million to HK\$4.0 million). The highest daily revenue was HK\$11.0 million (first half of 2004: HK\$9.0 million).

The Bank provides foreign exchange deposit, margin trading and forward transaction services to its customers. The Bank's trading activities in the foreign currency markets expose it to exchange rate risk. The Bank manages exchange rate risk through its interbank market activities. In particular, the Bank mitigates exchange rate risk by establishing position limits and limits on the loss of the whole foreign exchange trading floor. All these limits are approved by the RC. The RMD is responsible for monitoring foreign exchange exposure and related stop-loss limits on a day-to-day basis as well as credit risk exposure arising from foreign exchange transactions.

Interest Rate Risk Management

The Bank's interest rate risk exposures mainly comprise structural positions. The major types of structural positions are:

- repricing risk – mismatches in the maturity or repricing periods of assets and liabilities
- basis risk – different pricing basis for different transactions so that yield on assets and cost of liabilities may change by different amounts within the same repricing period

The Bank's Asset and Liability Management Committee ("ALCO") maintains oversight of interest rate risk and the RC sanctions the interest rate risk management policies formulated by the ALCO. The Finance Department carries out approved policies and develops systems and metrics to identify, measure and monitor interest rate risk.

Gap analysis is one of the tools used to measure the Bank's exposure to interest rate risk. It provides the Bank with a static view of the maturity and repricing characteristics of its balance sheet positions. The magnitude of the gaps indicates the extent to which the Bank is exposed to the risk of potential changes in the margins on new or repriced assets and liabilities. The Bank uses interest rate derivatives to hedge its interest rate exposures and in most cases, plain vanilla interest rate swaps are used.

With respect to repricing risk, sensitivities of earnings and economic value to interest rate changes (Earnings at Risk and Economic value at Risk) are assessed through hypothetical interest rate shock of 200 basis points across the yield curve on both sides. Earnings at Risk and Economic value at Risk are respectively controlled within an approved percentage of the projected net interest income for the year and the latest capital base as sanctioned by the RC. The Finance Department reports the results to the ALCO and the RC on a regular basis.

The impact of basis risk is gauged by the projected change in net interest income under scenarios of imperfect correlation in the adjustment of the rates earned and paid on different instruments. Ratios of asset and liability of different pricing basis are set to monitor such risk.

Stress tests on repricing risk and basis risk are conducted regularly. The ALCO monitors the results of stress tests against limits and decides whether remedial action should be taken.

Management's Discussion and Analysis (continued)

Liquidity Risk Management

The goal of liquidity management is to enable the Bank, even under adverse market conditions, to meet all its maturing repayment obligations on time and to fund all of its asset growth and strategic opportunities, without forced liquidation of its assets at short notice.

The Bank funds its operations principally by accepting deposits from retail and corporate depositors. In addition, the Bank may issue certificates of deposit to secure a long-term financing source or may raise funds through the sale of investments. The Bank uses the majority of funds raised to extend loans, to purchase debt securities or to conduct interbank placements.

The Bank manages and measures its liquidity through maintaining strong liquidity ratios, examining the stability of depositors and the respective concentration risk, monitoring the loan to deposit ratio, maintaining a portfolio of high quality liquid securities and conducting regular stress tests. The Bank also smoothens its liquidity by borrowing in the interbank markets on a short-term basis. The interbank markets generally provide an adequate amount of liquidity at borrowing rates that are subject to market conditions.

The primary goal of the Bank's asset and liability management strategy is to achieve optimal return while ensuring adequate levels of liquidity and capital within an effective risk control framework and at reasonable cost of funding. The Bank's ALCO is responsible for establishing these policy directives (including the liquidity contingency plan), and the RC sanctions the liquidity management policies. The Finance Department closely monitors the liquidity risk of the Bank and reports to the Management and ALCO regularly.

Operational Risk Management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. The Bank aims to manage this risk in line with the best practices of the industry.

The Bank manages operational risk by identifying, assessing, monitoring, controlling and mitigating the risks, and reviews the risks inherent in business processes, activities and products. The Bank monitors operational risk profile, records operational risk data and reports to the RC and senior management. As part of our effective internal control environment, the Bank establishes detailed internal policies and control procedures, monitors transactions and conducts reconciliation of accounts regularly. The Bank also emphasises the need for appropriate segregation of duties and independent authorisation in all business activities.

The Business Continuity Plan is in place to support business operations in the event of disasters. Adequate backup facilities are maintained and periodic drills are conducted. The Bank also arranges insurance cover by the immediate holding company to reduce potential losses in respect of operational risk.

Stress Testing

The Bank supplements the analysis of various types of risks with stress testing. Stress testing is a risk management tool for estimating the Bank's risk exposures under stressed conditions arising from extreme but plausible market or macroeconomic movements. These tests are conducted on a regular basis and the results are reported to the Board, the RC and the ALCO on a regular basis.

Capital Management

The major objective of capital management is to maximise the return to shareholders while maintaining a strong capital position. The Bank would consider the adjustment of capital mix when appropriate to achieve the lowest overall cost of capital. The existing capital base, while may be high relative to the market, is considered appropriate to support the future business expansion of the Group. The ALCO, with the assistance of the Finance Department, monitors the adequacy of the Bank's capital using the capital adequacy ratio as one of the major measurements. The Group complied with all the statutory capital standards for all the periods presented in the report.

综合损益账
Consolidated Profit and Loss Account

			(未经审核) (Unaudited)	(未经审核) (Unaudited)
			半年结算至 2005年 6月30日 Half-year ended 30 June 2005	半年结算至 2004年 6月30日 Half-year ended 30 June 2004
		附注 Notes	港币百万元 HK\$'m	港币百万元 HK\$'m
利息收入	Interest income		10,065	7,304
利息支出	Interest expense		<u>(4,232)</u>	<u>(1,795)</u>
净利息收入	Net interest income	3	5,833	5,509
服务费及佣金收入	Fees and commission income		2,005	2,221
服务费及佣金支出	Fees and commission expenses		<u>(507)</u>	<u>(508)</u>
净服务费及佣金收入	Net fees and commission income	4	1,498	1,713
净交易性收入	Net trading income	5	746	662
其它经营收入	Other operating income	6	<u>121</u>	<u>141</u>
经营收入	Operating income		8,198	8,025
经营支出	Operating expenses	7	<u>(2,676)</u>	<u>(2,668)</u>
提取贷款减值准备 / 拨备前 经营溢利	Operating profit before impairment/provisions on advances		5,522	5,357
贷款减值准备拨回	Reversal of loan impairment allowances on advances	8	1,435	-
呆坏账拨回	Write-back of bad and doubtful debts	9	<u>-</u>	<u>1,240</u>
经营溢利	Operating profit		6,957	6,597
出售 / 重估固定资产之 净(亏损) / 收益	Net (loss)/gain from disposal/revaluation of fixed assets	10	(9)	22
出售 / 重估投资物业之 净收益	Net gain from disposal/revaluation of investment properties	11	927	26
回购 / 出售持有至到期日 证券之净(亏损) / 收益	Net (loss)/gain from redemption/disposal of held-to-maturity securities		(3)	1
出售可供出售证券之净收益	Net gain from disposal of available-for-sale securities		21	-
联营公司权益之减值拨备 拨回	Write-back of provision for impairment on interests in associates		4	150
应占联营公司之溢利扣减 亏损	Share of profits less losses of associates		<u>(1)</u>	<u>(19)</u>
除税前溢利	Profit before taxation		7,896	6,777
税项	Taxation	12	<u>(1,328)</u>	<u>(1,119)</u>
本期溢利	Profit for the period		6,568	5,658
应占溢利:	Attributable to:			
本银行股东权益	Equity holders of the Bank		6,495	5,582
少数股东权益	Minority interests		<u>73</u>	<u>76</u>
			6,568	5,658
股息	Dividend	13	<u>2,367</u>	<u>3,874</u>

综合资产负债表
Consolidated Balance Sheet

		(未经审核)	(经审核)
		(Unaudited)	(Audited)
		2005年	2004年
		6月30日	12月31日
	附注	At 30 June	At 31 December
	Notes	2005	2004
		港币百万元	港币百万元
		HK\$m	HK\$m
资产	ASSETS		
库存现金及短期资金	Cash and short-term funds	113,792	102,647
一至十二个月内到期之银行及其它 金融机构存款	Placements with banks and other financial institutions maturing between one and twelve months	60,196	107,581
贸易票据	Trade bills	1,251	1,086
持有之存款证	Certificates of deposit held	19,440	22,338
香港特别行政区政府负债证明书	Hong Kong SAR Government certificates of indebtedness	33,900	34,760
可供出售证券	Available-for-sale securities	14	-
持有至到期日证券	Held-to-maturity securities	15	181,050
投资证券	Investment securities	16	50
其它证券投资	Other investments in securities	17	8,288
交易性证券及公允价值变化计入损益 的其它金融资产	Trading securities and other financial instruments at fair value through profit or loss	18	-
衍生金融工具	Derivative financial instruments	19	-
贷款及其它账项	Advances and other accounts	20	309,211
联营公司权益	Interests in associates	57	62
固定资产	Fixed assets	15,802	16,496
投资物业	Investment properties	6,393	5,381
递延税项资产	Deferred tax assets	24	12
其它资产	Other assets	7,117	7,813
资产总额	Total assets	813,333	796,775
负债	LIABILITIES		
香港特别行政区流通纸币	Hong Kong SAR currency notes in circulation	33,900	34,760
银行及其它金融机构之存款及结余	Deposits and balances of banks and other financial institutions	38,471	34,440
客户存款	Deposits from customers	21	632,496
交易性负债及公允价值变化计入损益 的其它金融工具	Trading liabilities and other financial instruments at fair value through profit or loss	22	-
衍生金融工具	Derivative financial instruments	19	-
发行之存款证	Certificates of deposit issued	3,746	3,788
递延税项负债	Deferred tax liabilities	24	947
其它账项及准备	Other accounts and provisions	25	25,837
负债总额	Total liabilities	742,139	732,268
资本来源	CAPITAL RESOURCES		
少数股东权益	Minority interests	1,294	1,239
股本	Share capital	26	43,043
储备	Reserves	27	20,225
股东资金	Shareholders' funds	69,900	63,268
资本来源总额	Total capital resources	71,194	64,507
负债及资本来源总额	Total liabilities and capital resources	813,333	796,775

综合权益变动结算表 Consolidated Statement of Changes in Equity

		Unaudited (未经审核)									
		归属于本银行股东									
		Attributable to equity holders of the Bank									
		股本 Share capital	房产重估 储备 Premises revaluation reserve	投资物业 重估储备 Investment properties revaluation reserve	换算储备 Translation reserve	可供出售 证券公平值 变动储备 Reserve for fair value changes of available-for- sale securities	法定储备* Regulatory reserve*	留存盈利 Retained earnings	总计 Total	少数 股东权益 Minority interests	资本总额 Total equity
		港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元	港币 百万 元
		HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m
于 2004 年 1 月 1 日	At 1 January 2004	43,043	261	-	(10)	-	-	12,908	56,202	1,156	57,358
2004 年上半年之净溢利	Net profit for the first half of 2004	-	-	-	-	-	-	5,582	5,582	76	5,658
货币换算差额	Currency translation difference	-	-	-	(6)	-	-	-	(6)	-	(6)
2004 年第一次中期股息	2004 first interim dividend	-	-	-	-	-	-	(3,874)	(3,874)	(55)	(3,929)
房产重估	Revaluation of premises	-	3	-	-	-	-	-	3	-	3
因房产出售之重估储备 转拨	Release upon disposal of premises	-	(9)	-	-	-	-	9	-	-	-
于 2004 年 6 月 30 日	At 30 June 2004	43,043	255	-	(16)	-	-	14,625	57,907	1,177	59,084
本银行及附属公司	Bank and subsidiaries	43,043	255	-	(16)	-	-	14,665	57,947	-	-
联营公司	Associates	-	-	-	-	-	-	(40)	(40)	-	-
		43,043	255	-	(16)	-	-	14,625	57,907	-	-
于 2004 年 7 月 1 日	At 1 July 2004	43,043	255	-	(16)	-	-	14,625	57,907	1,177	59,084
2004 年下半年之净溢利	Net profit for the second half of 2004	-	-	-	-	-	-	6,410	6,410	82	6,492
货币换算差额	Currency translation difference	-	-	-	11	-	-	-	11	-	11
2004 年第二次中期股息	2004 second interim dividend	-	-	-	-	-	-	(4,089)	(4,089)	(44)	(4,133)
物业重估	Revaluation of properties	-	2,863	629	-	-	-	-	3,492	29	3,521
因物业出售之重估储备 转拨	Release upon disposal of properties	-	(8)	(6)	-	-	-	8	(6)	-	(6)
由股东权益计入递延税 项	Release to deferred tax liabilities	-	(457)	-	-	-	-	-	(457)	(5)	(462)
于 2004 年 12 月 31 日	At 31 December 2004	43,043	2,653	623	(5)	-	-	16,954	63,268	1,239	64,507
本银行及附属公司	Bank and subsidiaries	43,043	2,653	623	(5)	-	-	16,987	63,301	-	-
联营公司	Associates	-	-	-	-	-	-	(33)	(33)	-	-
		43,043	2,653	623	(5)	-	-	16,954	63,268	-	-
于 2005 年 1 月 1 日	At 1 January 2005	43,043	2,653	623	(5)	-	-	16,954	63,268	1,239	64,507
早期列账	As previously reported	43,043	2,653	623	(5)	-	-	16,954	63,268	1,239	64,507
期初调整 (附注 2)	Opening adjustments (Note 2)	-	-	(623)	-	-	3,410	(226)	2,561	37	2,598
期初调整后余额	Balance after opening adjustments	43,043	2,653	-	(5)	-	3,410	16,728	65,829	1,276	67,105
2005 年上半年度之 净溢利	Net profit for the first half of 2005	-	-	-	-	-	-	6,495	6,495	73	6,568
2005 年中期股息	2005 interim dividend	-	-	-	-	-	-	(2,367)	(2,367)	(55)	(2,422)
房产重估	Revaluation of premises	-	5	-	-	-	-	-	5	-	5
可供出售证券之公平值 变化计入股东权益	Change in fair value of available-for-sale securities taken to equity	-	-	-	-	(70)	-	-	(70)	-	(70)
因房产出售之重估储备 转拨	Release upon disposal of premises	-	(205)	-	-	-	-	205	-	-	-
由递延税项计入股东权 益	Release from deferred tax liabilities	-	31	-	-	12	-	-	43	-	43
因撤销确认可供出售证 券之储备转拨	Release of reserve upon derecognition of available-for-sale securities	-	-	-	-	-	-	(35)	(35)	-	(35)
留存盈利转拨	Transfer from retained earnings	-	-	-	-	-	174	(174)	-	-	-
于 2005 年 6 月 30 日	At 30 June 2005	43,043	2,484	-	(5)	(58)	3,584	20,852	69,900	1,294	71,194
本银行及附属公司	Bank and subsidiaries	43,043	2,484	-	(5)	(58)	3,584	20,886	69,934	-	-
联营公司	Associates	-	-	-	-	-	-	(34)	(34)	-	-
		43,043	2,484	-	(5)	(58)	3,584	20,852	69,900	-	-

* 除按香港会计准则第 39 号对贷款提取减值准备外，按金管局要求拨转部分留存盈利至法定储备用作银行一般风险之用（包括未来损失或其它不可预期风险）。

* In accordance with the requirements of HKMA, the amounts are set aside for general banking risks, including future losses or other unforeseeable risks, in addition to the loan impairment allowances on advances recognised under HKAS 39.

综合现金流量表

Consolidated Cash Flow Statement

		(未经审核) (Unaudited) 半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$'m	(未经审核) (Unaudited) 半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$'m
经营业务之现金流量	Cash flows from operating activities		
除税前经营现金之流入 / (流出)	Operating cash inflow/(outflow) before taxation	9,121	(9,759)
支付香港利得税	Hong Kong profits tax paid	(359)	(160)
支付海外利得税	Overseas profits tax paid	(10)	-
经营业务之现金流入 / (流出) 净额	Net cash inflow/(outflow) from operating activities	8,752	(9,919)
投资业务之现金流量	Cash flows from investing activities		
收取证券投资之股息	Dividends received from investments in securities	13	13
购入固定资产	Purchase of fixed assets	(164)	(87)
出售固定资产所得款项	Proceeds from disposal of fixed assets	432	122
出售投资物业所得款项	Proceeds from disposal of investment properties	51	161
联营公司清盘分派所得款项	Proceeds from dissolution of an associate	6	-
收取联营公司股息	Dividend received from an associate	2	5
贷款予联营公司	Loans to associates	-	(9)
联营公司偿还之贷款	Loans repaid by associates	-	283
投资业务之现金流入净额	Net cash inflow from investing activities	340	488
融资业务之现金流量	Cash flows from financing activities		
支付股息	Dividend paid	(4,089)	(3,874)
支付少数股东股息	Dividend paid to minority shareholders	(55)	(55)
融资业务之现金流出净额	Net cash outflow from financing activities	(4,144)	(3,929)
现金及等同现金项目增加 / (减少)	Increase/(decrease) in cash and cash equivalents	4,948	(13,360)
于1月1日之现金及等同现金项目	Cash and cash equivalents at 1 January	62,908	73,165
于6月30日之现金及等同现金项目	Cash and cash equivalents at 30 June	67,856	59,805

账目附注

Notes to the Accounts

1. 编制基准及会计政策

本未经审计之中期报告乃按照香港会计师公会颁布之香港会计准则第34号“中期财务报告”而编制，并须与2004年度本集团年报一并阅读。

于2005年，本集团采纳了以下与本集团营运相关之新增 / 经修订之香港财务报告准则：

香港会计准则第1号
财务报表之呈报
香港会计准则第7号
现金流量表
香港会计准则第8号
会计政策、会计估量之转变及误差
香港会计准则第10号
资产负债表日后事项
香港会计准则第16号
固定资产
香港会计准则第17号
租赁
香港会计准则第21号
外汇汇率转变之影响
香港会计准则第24号
有关连人士披露
香港会计准则第27号
综合及独立财务报告
香港会计准则第28号
于联营公司之投资
香港会计准则第30号
银行及类似财务机构之财务报告披露
香港会计准则第32号
金融工具 - 披露和呈报
香港会计准则第33号
每股盈利
香港会计准则第36号
资产减值
香港会计准则第38号
无形资产
香港会计准则第39号
金融工具 - 确认和计量
香港会计准则第40号
投资物业
香港会计准则诠释第21号
利得税项 - 经重新估值之非折旧资产之回收
香港财务报告准则第5号
待售非流动资产及已终止业务

1. Basis of preparation and accounting policies

This unaudited interim report has been prepared in accordance with HKAS 34 “Interim Financial Reporting” issued by the HKICPA and should be read in conjunction with the Group’s Annual Report for 2004.

In 2005, the Group adopted the new/revised standards of Hong Kong Financial Reporting Standards as set out below, which are relevant to its operations:

HKAS 1	Presentation of Financial Statements
HKAS 7	Cash Flow Statements
HKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors
HKAS 10	Events after the Balance Sheet Date
HKAS 16	Property, Plant and Equipment
HKAS 17	Leases
HKAS 21	The Effects of Changes in Foreign Exchange Rates
HKAS 24	Related Party Disclosures
HKAS 27	Consolidated and Separate Financial Statements
HKAS 28	Investments in Associates
HKAS 30	Disclosures in the Financial Statements of Banks and Similar Financial Institutions
HKAS 32	Financial Instruments: Disclosures and Presentation
HKAS 33	Earnings per Share
HKAS 36	Impairment of Assets
HKAS 38	Intangible Assets
HKAS 39	Financial Instruments: Recognition and Measurement
HKAS 40	Investment Property
HKAS-Int 21	Income Taxes – Recovery of Revalued Non-Depreciable Assets
HKFRS 5	Non-current Assets Held for Sale and Discontinued Operations

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

除因于2005年1月1日起采纳新增及经修订之香港财务报告准则及香港会计准则而需更改之会计政策外, 本中期报告所采用之各项会计政策及计算办法, 均与截至2004年12月31日之集团账目所采用者一致。

The accounting policies and methods of computation used in the preparation of this interim report are consistent with those used in the Group's accounts for the year ended 31 December 2004 except for the changes in accounting policies on 1 January 2005 following the adoption of the new and revised HKFRSs and HKASs.

除以下所列外, 新增/经修订之香港财务报告准则对集团之会计政策并没有构成重大转变。

Except for the following, the new/revised Hong Kong Financial Reporting Standards did not result in substantial changes to the Group's accounting policies.

**香港财务报告准则第5号:
「待售非流动资产及已终止业务」(「香港财务报告准则第5号」)**

**HKFRS 5: Non-current Assets Held for Sale and Discontinued Operations
(‘HKFRS 5’)**

由2004年1月1日至2004年12月31日

From 1 January 2004 to 31 December 2004

任何收回资产, 在催收无望及该资产被售出前, 均会继续以不履约贷款列账。于变卖收回资产前, 将考虑其市场价值, 并计提减值准备, 以使贷款之账面值减至预期之可变现净值。

Reposessed assets continued to be reported as non-performing loans and advances until all collection efforts were exhausted and the reposessed assets were realised. Before realisation, loan impairment allowances were made after taking into account the market value of the reposessed assets to adjust the carrying value of related loans and advances to their net realisable value.

由2005年1月1日起

From 1 January 2005 onward

在采纳香港财务报告准则第5号后, 收回资产按其收回日之公平值或有关贷款之摊余成本之较低者列账。有关贷款及有关已提准备于资产负债表中予以注销。其后, 收回资产取其成本或可变现净值中之较低者计量, 并于“其它资产”项下之“待售非流动资产”列账。

Upon adoption of HKFRS 5, reposessed assets are initially recognised at the lower of their fair value or the amortised cost of the related outstanding loans on the date of repossession. The related loans and advances together with the related impairment allowances are then derecognised from the balance sheet. Subsequently, reposessed assets are measured at the lower of their cost or net realisable value and are reported as ‘Non-current assets held for sale’ under ‘Other assets’

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

香港会计准则第17号:

「租赁」(「香港会计准则第17号」)

由2004年1月1日至2004年12月31日

以租约业权型式拥有之物业乃经由董事参考独立专业估价师之估值列账。土地与房产之价值并没有划分。

由2005年1月1日起

在采纳香港会计准则第17号后,以租约业权型式拥有之自用物业,若租约开始当日能可靠地分摊其土地及房产之价值,则土地租约业权及其使用权将由「固定资产」转变分类为「经营租赁」。购置租约业权土地及其使用权之预付费用或有关其它成本,将按租赁期限以直线法摊销记入损益账。如以上之预付费用出现减值,须实时于损益账内确认。若租约开始当日未能可靠地划分其土地及房产之价值,则土地与房产部分均继续被视为融资租赁,以公平值列账。

根据中国银行(香港)有限公司(合并)条例(“合并条例”)2001,被指定分行及附属公司之所有资产及负债,以及在香港之中银集团所遗留下之若干实体之股权,均被有效地转移到中银香港,而中银香港乃由新成立之中银香港(控股)有限公司所直接拥有(下称“合并”)。此乃本集团之重大事件,本集团因此采用了合并时之估值,作为以租约业权型式拥有自用物业之设定成本,以反映合并当时之情况。

HKAS 17: Leases ('HKAS 17')

From 1 January 2004 to 31 December 2004

Leasehold properties were stated at valuation determined by the directors with reference to a valuation conducted by independent professional valuers. No apportionment of the value between the land and buildings elements was made.

From 1 January 2005 onward

Upon adoption of HKAS 17, where the land and buildings elements of leasehold properties held for own use can be split reliably as at inception of the lease, this results in a change in the classification of leasehold land and land use rights from fixed assets to operating leases. The up-front prepayments made or other costs incurred for acquiring the leasehold land and land use rights are expensed in the profit and loss account on a straight-line basis over the period of the lease. Where there is impairment of the up-front prepayments, the impairment is expensed in the profit and loss account immediately. Where the land and building cannot be split reliably as at the inception of the lease, the land and building elements will continue to be treated as finance leases and carried at fair value.

Pursuant to the Bank of China (Hong Kong) Limited (Merger) Ordinance ("Merger Ordinance") 2001, all assets and liabilities of the designated branches and subsidiaries, and the shares of certain entities of the legacy Bank of China Group in Hong Kong were effectively transferred to BOCHK, which was immediately owned by the newly formed BOC Hong Kong (Holdings) Limited ("the Merger"). This was a significant event and the Group has therefore adopted the valuation at the date of the Merger as the deemed cost for its leasehold properties held for own use to reflect the circumstances at the time of the Merger.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

于合并时采纳设定成本后，本集团参考独立专业估价师为合并而于2001年8月31日所进行之估值，当时并没有对以租约业权型式拥有之自用物业按土地与房产部分所占之价值进行划分。任何其后对合并时之租约业权型式拥有之自用物业所作之土地与房产部分之划分，均属于假设性，并不能反映具可靠性之资料。因此，本集团之租约业权型式拥有之自用物业，因不能可靠地划分土地及房产之价值，而整体被视为融资租赁。本集团亦根据香港会计准则第16号，采用了重估模式，对此等被列为融资租赁之资产以公平值减累计折旧及累计减值亏损列账。

香港会计准则第39号：
「金融工具 - 确认和计量」
(「香港会计准则第39号」)

(a) 利息收入及支出、服务费及佣金收入及支出

由2004年1月1日至2004年12月31日

利息收入及支出在应计期间于损益账内确认，惟呆坏账利息则会被拨入暂记账，并与资产负债表上之相关结余项目对销。服务费及佣金收入在集团赚取时确认，惟假若有关交易涉及之利率或其它风险超逾本会计期间，则按交易限期摊销。持有之债务证券或已发行之债务工具之溢价及折让，均作为部分之利息收入或支出，于购买日起至到期日止之期间内分摊入账。

1. Basis of preparation and accounting policies (continued)

On adoption of the deemed cost at the date of Merger, the Group made reference to the independent property valuation conducted as at 31 August 2001 for the purpose of the Merger, which did not split the values of the leasehold properties held for own use between the land and building elements. Any means of subsequent allocation of the valuation of the leasehold properties held for own use at the date of Merger between the land and building elements would be notional and therefore do not represent reliable information. It is determined that the values of the land and building elements of the Group's leasehold properties held for own use cannot be reliably split and the leasehold properties held for own use are treated as finance leases. The Group has also adopted the revaluation model under HKAS 16 by which assets arising under these finance leases are carried at fair value less any accumulated depreciation and impairment losses.

HKAS 39: Financial Instruments – Recognition and Measurement ('HKAS 39')

(a) Interest income and expense and fees and commission income and expense

From 1 January 2004 to 31 December 2004

Interest income and expense was recognised in the profit and loss account as it accrued, except in the case of doubtful debts, where interest was credited to a suspense account which was netted in the balance sheet against the relevant balances. Fees and commission income were recognised in the period when earned unless they related to transactions involving an interest rate risk or other risks which extended beyond the then current period, in which case they were amortised over the period of the transaction as commission. Premiums or discounts of debt securities held, or debt instruments in issue, were amortised over the period from the date of purchase or issue to the date of maturity, as part of interest income or interest expense.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

由2005年1月1日起

附息金融资产或金融负债之利息收入及支出乃按时间比例基准采用实际利息法确认。持有之债务证券、已发行之债务工具之溢价及折让，以及贷款贷出时产生而属于整体有效收益一部分之相关服务费及支出，将作为实际利率计算之一部分，于预期贷款期限内摊销。

From 1 January 2005 onward

Interest income and expense on interest-bearing financial assets or financial liabilities is recognised on a time-proportion basis using the effective interest method. Premiums or discounts of debt securities held, or debt instruments in issue, and directly attributable origination fees and costs which represent an integral part of the effective yield are amortised over the expected life of the financial instrument as part of the effective interest calculation.

当贷款需要减值时，本集团将贷款之账面值减至其可收回价值，即以原来实际利率对预计未来现金流量折现值。日后释出之贴现准备将确认为利息收入。

When a loan is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument. Subsequent unwinding of the discount allowance is recognised as interest income.

可供出售证券及以公允价值变化计入损益之金融工具，以实际利息法计算所产生之利息及摊销部分，仍于损益账上确认为利息收入或利息支出。

Interest and amortisation derived using the effective interest method for available-for-sale securities and financial instruments at fair value through profit or loss continue to be recognised as interest income or interest expense in the profit and loss account.

(b) 衍生金融工具

由2004年1月1日至2004年12月31日

衍生金融工具的会计处理方法取决于本集团在发生衍生交易合约时，该交易之目的属买卖或风险对冲用途。用作买卖而进行之交易均以公允价值列账。交易所挂牌买卖之合约之公允价值按市场报价厘定，非交易所挂牌买卖之合约之公允价值按交易员之报价、定价模型或具相似性质金融工具之报价厘定。因按市值列账而产生之未实现盈利/亏损分别列账于“其它资产”或“其它账项及准备”内。因公允价值转变而产生的盈利或亏损于损益账内确认。

(b) Derivative financial instruments

From 1 January 2004 to 31 December 2004

The treatment for derivatives depended on whether the transactions were undertaken for dealing or hedging purposes when the Group entered into a derivative contract. Transactions undertaken for dealing purposes were marked to market at fair value based primarily on quoted market prices or, if an active market was absent, on dealers' quotes, pricing models or quoted prices for instruments with similar characteristics. Unrealised gains/losses on transactions which were marked to market were included in "Other assets" or "Other accounts and provisions" respectively. Gains or losses from changes in fair value were recognised through the profit and loss account.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

用作风险对冲之交易须于发生时清楚界定, 并需展示此等风险对冲工具于整段对冲期间内, 均能高度有效地达到抵销所需对冲风险之目的。用作风险对冲之交易按所对冲之资产、负债或持仓净额等同之基准而估值。任何损益均按有关之资产、负债或持仓净额所产生损益之等同基准确认于损益账内。

Transactions undertaken for hedging purposes were designated at inception and the hedging instrument was required to be highly effective in accomplishing the objective of offsetting the risk being hedged throughout the life of the hedge. Hedging instruments were valued on an equivalent basis to the assets, liabilities or net positions that they were hedging. Any profit or loss was recognised in the profit and loss account on the same basis as that arising from the related assets, liabilities or net positions.

由2005年1月1日起

From 1 January 2005 onward

所有衍生工具均以公允价值进行初始确认, 若其公允价值为正值, 将被列为资产; 若其公允价值为负值, 将被列为负债。之后, 其公允价值变动之确认方法, 需依据该衍生工具是否符合对冲会计, 以及其对冲关系之种类而定。

All derivatives are initially recognised at fair value and carried as assets when the fair value is positive and as liabilities when the fair value is negative. Subsequent changes in fair value are recognised dependent on whether the derivatives are qualified for hedge accounting and the type of hedging relationships.

对冲关系可被界定为以下其中一项: (1) 为已确认之资产、负债或确切承担之公允价值作对冲(公允价值对冲); (2) 为将来具相当可能发生之交易作对冲(现金流量对冲); 或(3) 为外地运作之净投资作对冲。现时, 本集团只为已确认之资产、负债之公允价值进行公允价值对冲。

Hedge relationships can be designated as either: (1) hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedge); (2) hedges of highly probable forecasted transactions (cash flow hedges); or (3) hedges of net investments in foreign operations. Currently, the Group only engages in fair value hedges that are hedged against the fair value of recognised assets or liabilities.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

本集团于交易发生时将记录对冲工具与相关被对冲项目之关系、风险管理目的和进行各类对冲活动时所采取之策略。本集团并记录对冲活动发生时及期间，有关衍生工具能否高度有效地抵销相关被对冲项目之公平值及现金流量变动之评估。

The Group documents at inception 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 the 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.

被界定为有效之公平值对冲，其衍生工具之公平值变动，连同被对冲之资产或负债之公平值变动，将在损益账内确认。

Changes in the fair value of derivatives that are designated and qualified as effective fair value hedges are recorded in the profit and loss account, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

持作买卖用途之衍生金融工具，以及不符合对冲会计要求之对冲工具，其公平值变动实时于损益账内确认。

For derivative instruments held for trading and those that do not qualify for hedge accounting, changes in their fair value are recognised immediately in the profit and loss account.

(c) 金融资产

(c) Financial assets

由2004年1月1日至2004年12月31日

From 1 January 2004 to 31 December 2004

除“其它证券投资”及持作买卖用途之衍生工具资产以公平值计量外，所有金融资产均以扣除摊销及减值准备后之成本值列账。公平值变动所产生之盈利或亏损，于损益账内确认。

All financial assets were carried at cost less amortisation and impairment allowances, except for “Other investment in securities” and derivative assets held for trading which were measured at fair value. Gains and losses from changes in fair value were recognised in the profit and loss account.

由2005年1月1日起

From 1 January 2005 onward

本集团按以下对金融资产进行分类：以公平值变化计入损益的金融资产、贷款及应收款、持有至到期日投资、以及可供出售金融资产。金融资产是按持有目的作分类。所有金融资产乃于交易发生时或过渡至新香港财务报告准则时界定其分类，并以公平值进行初始确认。除公平值变化计入损益的金融资产外，其它金融资产之交易成本均已包含于公平值内。

The Group classifies its financial assets under 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 financial assets were held. All financial assets are classified at inception or date of transition to the new HKFRS and are recognised initially at fair value. Except for financial assets carried at fair value through profit or loss, all transaction costs of financial assets are included in their fair value.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

(1) 以公允价值变化计入损益的金融资产

此类别金融资产可再分为两个细类：持作交易用途之金融资产、以及于交易时界定之以公允价值变化计入损益的金融资产。持作交易用途之金融资产为旨在短期内出售之金融资产。金融资产可于交易时或过渡至新香港财务报告准则时被界定为以公允价值变化计入损益的金融资产。该界定旨在消除或减低如非作此处理，将会因不一致之计量或确认方法而出现之以下情况：

- 存在若干经济关系，惟需应用不同计量及确认方法之金融资产及负债；或
- 此类资产及负债以公允价值为基准被共同管理，惟其会计结果与其根本之经济情况并不一致。

作如此界定之金融资产，其交易成本将直接确认于损益账。

(2) 贷款及应收款

贷款及应收款是拥有固定及确定付款额及没有于活跃市场上定价之非衍生工具金融资产。此类资产是因本集团直接向客户提供金融及融资服务而产生，且无意持作买卖用途。贷款及应收款以扣除减值准备后之摊余成本列账。

(3) 持有至到期日投资

持有至到期日投资是拥有固定及确定之付款额及还款期，以及本集团管理层有意向及有能力持有至到期之非衍生工具金融资产。持有至到期日投资是以扣除减值准备后之摊余成本列账。

(4) 可供出售金融资产

可供出售金融资产是指债务或股票证券，并有意作无期限持有，但因应流动资金所需或金融市场环境变化而出售之投资。可供出售金融资产以公允价值列账，如属未能于活跃市场中可靠地计量之股票投资，则可以成本值减累计减值亏损列账。公允价值与摊余成本之差异在权益储备内确认，直至该金融资产在账项中冲销或减值，则在权益储备内先前已确认之累计盈亏将会拨转至损益账内。之前曾于损益账内确认之股票投资减值亏损，日后将不可透过损益账进行回拨。

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

This category is further divided into two sub-categories: financial assets held for trading, and financial assets designated as at fair value through profit or loss at inception or date of transition to the new HKFRS. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. A financial asset can be designated as at fair value through profit or loss if it is so designated as at inception. The designation is intended to eliminate or reduce the inconsistency in measurement or recognition that would otherwise arise when:

- there is an economic relationship between particular financial assets and liabilities to which different measurement and recognition requirements apply; or
- such assets and liabilities are managed together on a fair value basis and the accounting results may differ from the underlying economics.

Transaction costs of financial assets so designated are taken directly to the profit and loss account.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market. They arise when the Group provides finances or financial services directly to a borrower with no intention of trading the receivable. Loans and receivables are measured at amortised cost after netting impairment allowances.

(3) Held-to-maturity investments

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. Held-to-maturity investments are measured at amortised cost after netting impairment allowances.

(4) Available-for-sale financial assets

Available-for-sale financial assets are those debt or equity securities intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in the financial market environment. Available-for-sale financial assets are measured at fair value or at cost less impairment allowance when the fair value of equity investments cannot be reliably measured in an active market. The difference between fair value and amortised cost is recognised in the equity reserve directly until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity reserve should be transferred to the profit and loss account. Impairment losses recognised in the profit and loss account for equity investments shall not be reversed through the profit and loss account thereafter.

賬目附注 (續)

Notes to the Accounts (continued)

1. 編制基準及會計政策 (續)

(d) 金融負債

由2004年1月1日至2004年12月31日

除買賣證券短盤及用作買賣之衍生工具負債外，所有金融負債均以成本或攤余成本列賬。買賣證券短盤及用作買賣之衍生工具負債以公平值列賬，任何由公平值變動所產生之盈利或虧損將確認於損益賬內。

由2005年1月1日起

本集團按以下對金融負債進行分類：交易性負債、界定為以公平值變化計入損益的金融負債、存款、已發行債務證券及其它負債。金融負債乃於交易發生時界定其分類及以公平值進行初始確認。

(1) 交易性負債

交易性負債以公平值列賬。公平值之變動所產生之盈利或虧損確認於損益賬內。

(2) 界定為以公平值變化計入損益的金融負債

界定為以公平值變化計入損益的金融負債包括自行發行之債務證券及若干嵌藏有衍生工具之客戶存款，於交易發生時或過渡至新香港財務報告準則時被如此界定。界定為以公平值變化計入損益的金融負債以公平值列賬，公平值改變而產生之盈利或虧損，會確認於損益賬內。

(3) 存款、已發行債務證券及其它負債

除交易性負債或界定為以公平值變化計入損益的金融負債外，其它存款、已發行債務證券及其它金融負債均以攤余成本列賬。

(d) Financial liabilities

From 1 January 2004 to 31 December 2004

All financial liabilities except short positions in trading securities and derivative liabilities held for trading were carried at cost or amortised cost. Short positions in trading securities and derivative liabilities held for trading were carried at fair value and any gains and losses from changes in fair value were recognised in the profit and loss account.

From 1 January 2005 onward

The Group classifies its financial liabilities under the following categories: trading liabilities, financial liabilities designated as at fair value through profit or loss, deposits, debt securities in issue and other liabilities. All financial liabilities are classified at inception and recognized initially at fair value.

(1) Trading liabilities

Trading liabilities are carried at fair value and any gains and losses from changes in fair value are recognised in the profit and loss account.

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

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

(3) Deposits, debt securities in issue and other liabilities

Deposits and debt securities in issue, other than those classified as trading liabilities or designated as at fair value through profit or loss, and other financial liabilities are carried at amortised cost.

賬目附注 (續)

Notes to the Accounts (continued)

1. 編制基準及會計政策
(續)

1. Basis of preparation and accounting policies (continued)

(e) 證券及衍生工具之估值

(e) Valuation of securities and derivatives

由2004年1月1日至2004年12月31日

From 1 January 2004 to 31 December 2004

具報價之投資及金融負債之公平值，乃根據結算當天之活躍市場中位價或收市價格厘定計算。

The fair values of quoted investments and financial liabilities in active markets were based on current market mid prices or closing prices as at the balance sheet date.

由2005年1月1日起

From 1 January 2005 onward

用作計量本集團于資產負債表結算當日所持有金融資產之市場價值，為當時之活躍市場買盤價；而用作厘定金融負債之市場價值則為當時之活躍市場賣盤價。

The quoted market price at the balance sheet date used for financial assets held by the Group is the current bid price in active markets; the appropriate quoted market price for financial liabilities is the current ask price in active markets.

(f) 金融資產減值

(f) Impairment of financial assets

由2004年1月1日至2004年12月31日

From 1 January 2004 to 31 December 2004

在個別評估的基準下，當貸款本息能否全數收回存有疑慮時，會針對個別相關貸款作出特殊準備。特殊準備將使資產之賬面值減至預期之可收回價值。當未能合理估計損失時，本集團則採用集團貸款分類程序所預設之撥備水平，對貸款中未有押品擔保之部分進行計提。此外，本集團亦按預設之撥備水平，對履約貸款計提一般呆壞賬準備金。撥備在計提時于損益賬內確認。

Provisions are made against specific loans and advances as and when there were doubt on the ultimate recoverability of principal and interest in full on an individually assessed basis. Specific provision was made to reduce the carrying value of the assets to their recoverable amount. Where it was not possible to reliably estimate the loss, the Group applied pre-determined provisioning levels to the unsecured portion of loans and advances based on the Group's loan classification procedures. In addition, amounts were set aside as a general provision for performing loans on pre-determined provisioning levels. Provisions were charged to the profit and loss account when provided.

貸款以外之其他金融資產，其賬面值會於結算日作出檢討，以評估有否出現減值之跡象。如預計可收回價值將低於其賬面值，資產之賬面值須調減至其可收回價值，減值虧損於損益賬內確認。

Financial assets other than loans and advances were reviewed on each balance sheet date to determine whether there was any indication of impairment. If the recoverable amount of the asset was estimated to be less than its carrying amount, the carrying amount of the asset was reduced to its recoverable amount and the impairment loss was recognised in the profit and loss account.

账目附注 (续) Notes to the Accounts (continued)

1. 编制基准及会计政策 (续) 1. Basis of preparation and accounting policies (continued)

由 2005 年 1 月 1 日起

From 1 January 2005 onward

(1) 贷款

本集团于每个资产负债表结算日评估个别贷款或一组贷款是否存在减值之客观证据。于初始确认贷款后，必须要发生单一或多个损失事件以产生减值之客观证据，而该等损失事件需对可靠地估量该等贷款之未来现金流量构成影响，则该等贷款将被视作减值及出现减值损失。

本集团会首先评估金额重大之个别贷款有否出现客观之减值证据，并个别或组合地评估金额不重大之个别贷款。若本集团确定被评估之个别贷款并没有存在减值之客观证据，无论该贷款重大与否，均需将该贷款包含于信贷风险特征相若之组合中作出组合评估。组合评估并不包括已被个别评估为需减值或需继续减值之贷款。

贷款减值准备是贷款之账面价值，与按其原本实际利率折现计算之预计未来现金流量现值之差额。贷款减值损失在损益账内确认。

(2) 其它金融资产

本集团在每个资产负债表结算日评估个别金融资产或一组之金融资产有否出现减值之客观证据。对被分类为可供出售之股权投资，其公允价值是否重大而长时间地低于其成本值，将是评估该等资产有否出现减值的考虑因素。如可供出售金融资产存在此类减值证据时，其累计亏损 - 即其购入成本与现时公允价值之差额，减除之前已记入损益账内之累计减值亏损 - 需从权益储备拨转至损益账内。之前已确认于损益账内之股权投资减值损失，不可透过损益账回拨。

(1) Loans and advances

The Group assesses at each balance sheet date whether there is objective evidence that a loan or group of loans is impaired. Loans are 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 loans (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the loans that can be reliably estimated.

The Group first assesses whether objective evidence of impairment exists individually for loans that are individually significant, and individually or collectively for loans that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed loan, whether significant or not, it includes the loan in a group of loans with similar credit risk characteristics and collectively assesses them for impairment. Loans 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.

The amount of the impairment allowance is the difference between the loans' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the impairment allowance is recognised in the profit and loss account.

(2) Other financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of an equity investment below its cost is considered in determining whether this equity investment 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 the profit and loss account - is removed from equity reserve and recognised in the profit and loss account. Impairment losses recognised in the profit and loss account on equity instruments are not reversed through the profit and loss account.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

1. Basis of preparation and accounting policies (continued)

香港会计准则第40号：
「投资物业」(「香港会计
准则第40号」)
香港会计准则诠释第21

HKAS40 :Investment Property ('HKAS40')
HKAS -Int 21:Income Taxes – Recovery of Revalued Non-Depreciable Assets
('HKAS-Int 21')

号：

「利得税项 - 经重新估值
之非折旧资产之回收」
(「香港会计准则诠释第
21号」)

From 1 January 2004 to 31 December 2004

由2004年1月1日至2004年
12月31日

投资物业由专业估价师以公
开市值为计算基准估值。投
资物业按组合为基础之价值
转变反映为投资物业重估储
备之变动。若投资物业之重
估储备不足以抵销有关之亏
损，亏损高于投资物业重估
储备之部分将从损益账中扣
除。若曾于损益账中扣除之
亏损日后出现重估盈余，有
关盈余将可贷记损益账，但
以之前曾在损益账扣减之金
额为限。投资物业重估增值
并无计算递延税项。

Investment properties were carried at valuation assessed by professional valuers on the basis of open market value. Changes in the value of investment properties were treated as a movement in the investment properties revaluation reserve on a portfolio basis. Unless the total of the reserve was insufficient to cover a deficit, then the deficit exceeded the total revaluation reserve was charged to the profit and loss account. Any subsequent revaluation surplus was credited to the profit and loss account to the extent of the deficit previously charged. No deferred tax was provided on revaluation surpluses of investment properties.

Properties leased out within consolidated group companies were classified as premises in both the individual companies' accounts and consolidated accounts.

出租予本集团内公司之物
业，于个别公司之账目及合
并账目中均分类为自用物
业。

From 1 January 2005 onward

由2005年1月1日起
投资物业以公平值列账，而
其公平值之变动将直接于损
益账内反映。根据香港会计
准则第12号 - 诠释第21号，
投资物业重估增值需计算递
延税项。

Investment properties are carried at fair value with the changes in fair value reported directly in the profit and loss account. Deferred tax is provided on revaluation surpluses of investment properties in accordance with HKAS Int 21 on HKAS 12.

出租予本集团内公司之物
业，于个别公司之账目中分
类为投资物业，及于合并账
目中分类为自用物业。

Properties leased out within consolidated group companies are classified as investment properties in individual companies' accounts and as premises in consolidated accounts.

账目附注 (续)

Notes to the Accounts (continued)

1. 编制基准及会计政策 (续)

所有会计政策之改变, 均参照了相关会计准则内适用之过渡性条文。除以下所列外, 本集团按追溯调整法采纳其它新增 / 经修订之会计准则:

香港财务报告准则第5号

按照此会计准则, 本集团无须将比较数字重新列示, 任何调整于2005年1月1日进行, 包括将扣除减值准备后之贷款重新分类为收回资产。

香港会计准则第 39 号

此会计准则不容许以追溯生效之基准确认、注销及计量金融资产及负债。本集团是采用以往之香港会计实务准则第 24 号“证券投资会计”列示 2004 年之证券投资及对冲关系之比较数字。因香港会计实务准则第 24 号及香港会计准则第 39 号不相同而需要作出之调整, 已于 2005 年 1 月 1 日评定及确认。

香港会计准则第40号

香港会计准则诠释第21号

因本集团一直采用公允价值模式, 所以无须将比较数字重新列示, 任何留存盈利之调整于2005年1月1日进行, 包括将投资物业之重估储备重新分类。

1. Basis of preparation and accounting policies (continued)

All changes in the accounting policies have been made in accordance with the transitional provisions in the respective standards, where applicable. All new/revised standards adopted by the Group require retrospective application other than:

HKFRS 5

In accordance with this standard, there is no requirement for the Group to restate the comparative information, any adjustment should be made as at 1 January 2005, including the reclassification of any amount held in loans and advances net of impairment allowances to repossessed assets.

HKAS 39

The standard does not permit the recognition, derecognition and measurement of financial assets and liabilities on a retrospective basis. The Group applied the previous SSAP 24 “Accounting for investments in securities” to investments in securities and also to hedge relationships for the 2004 comparative information. The adjustments required for the accounting differences between SSAP 24 and HKAS 39 are determined and recognised at 1 January 2005.

HKAS 40

HKAS-Int 21

Since the Group has adopted the fair value model, there is no requirement for the Group to restate the comparative information, any adjustment was made to the retained earnings at 1 January 2005, including the reclassification of any amount held in revaluation reserve of investment properties.

账目附注 (续)

Notes to the Accounts (continued)

2. 采纳新香港会计准则之影响

2. Effect of adopting new HKASs

(a) 采纳新会计准则对于2005年1月1日的期初资产负债表之影响摘要如下:

(a) The effect of adopting these new accounting standards on the opening balance sheet as at 1 January 2005 are summarised as follows:

	增加 / (减少) Increase/ (Decrease) 港币百万元 HK\$m
(i) 香港会计准则第 39 号 (i) HKAS 39	
资产:	Assets:
- 库存现金及短期资金	- Cash and short-term funds (1,350)
- 一至十二个月内到期之银行及其它金融机构存款	- Placements with banks and other financial institutions maturing between one and twelve months 319
- 持有之存款证	- Certificates of deposit held 45
- 可供出售证券	- Available-for-sale securities 21,968
- 持有至到期日证券	- Held-to-maturity securities (22,821)
- 投资证券	- Investment securities (50)
- 其它证券投资	- Other investments in securities (8,288)
- 交易性证券及公允价值变化计入损益的其它金融资产	- Trading securities and other financial instruments at fair value through profit or loss 11,594
- 贷款及其它账项	- Advances and other accounts 1,274
- 递延税项资产	- Deferred tax assets 1
- 其它资产	- Other assets 92
	2,784
负债:	Liabilities:
- 银行及其它金融机构之存款及结余	- Deposits and balances of banks and other financial institutions 16
- 客户存款	- Deposits from customers (1,357)
- 交易性负债及公允价值变化计入损益的其它金融工具	- Trading liabilities and other financial instruments at fair value through profit or loss 3,792
- 衍生金融工具 (净额)	- Derivative financial instruments (net) 471
- 发行之存款证	- Certificates of deposit issued 63
- 递延税项负债	- Deferred tax liabilities 588
- 其它账项及准备	- Other accounts and provisions (4,024)
	(451)
资本来源:	Capital resources:
- 少数股东权益	- Minority interests 37
- 法定储备	- Regulatory reserve 3,410
- 留存盈利	- Retained earnings (212)
	3,235
(ii) 香港会计准则第 40 号及香港会计准则诠释第 21 号 (ii) HKAS 40 and HKAS-Int 21	
负债:	Liabilities:
- 递延税项负债	- Deferred tax liabilities 637
资本来源:	Capital resources:
- 投资物业重估储备	- Investment properties revaluation reserve (623)
- 留存盈利	- Retained earnings (14)
	(637)
对权益的影响包括:	Total effect on equity including:
- 投资物业重估储备	- Investment properties revaluation reserve (623)
- 法定储备	- Regulatory reserve 3,410
- 留存盈利	- Retained earnings (226)
	2,561

账目附注 (续) Notes to the Accounts (continued)

2. 采纳新香港会计准则之影响 (续) 2. Effect of adopting new HKASs (continued)

(b) 采纳新会计准则对截止2005年6月30日止的损益账之主要项目估计影响摘要如下:

(b) The estimated effect of adopting new accounting standards on key components of profit and loss account for the six months ended 30 June 2005 are summarised as follows:

		增加 / (减少)
		<u>Increase/ (Decrease)</u>
		港币百万元
		HK\$m
<u>(i) 香港会计准则第 39 号</u>	<u>(i) HKAS 39</u>	
- 净利息收入	- Net interest income	(39)
- 净服务费及佣金收入	- Net fees and commission income	(104)
- 净交易性收入	- Net trading income	236
- 贷款减值准备拨回	- Reversal of loan impairment allowances on advances	1,006
- 税项	- Taxation	(227)
		<u>872</u>
<u>(ii) 香港会计准则第 40 号及香港会计准则诠释第 21 号</u>	<u>(ii) HKAS 40 and HKAS-Int 21</u>	
- 重估投资物业之净收益	- Net gain from revaluation of investment properties	918
- 税项	- Taxation	(155)
		<u>763</u>
期内的影响总额:	Total effect for the period:	<u><u>1,635</u></u>

账目附注 (续)

Notes to the Accounts (continued)

3. 净利息收入

3. Net interest income

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
利息收入	Interest income		
现金及存放于同业和其它金融 机构的款项	Cash and due from banks and other financial institutions	1,411	1,105
客户贷款	Advances to customers	5,034	3,967
上市证券投资	Listed investments	948	836
非上市证券投资	Unlisted investments	2,379	1,257
其它	Others	293	139
		10,065	7,304
利息支出	Interest expense		
同业、客户及其它金融机构存 放的款项	Due to banks, customers and other financial institutions	(3,915)	(1,516)
债务证券发行	Debt securities in issue	(54)	(31)
其它借入资金	Other borrowed funds	-	(1)
其它	Others	(263)	(247)
		(4,232)	(1,795)
净利息收入	Net interest income	5,833	5,509

利息收入包括港币 5.7 千万
元之减值贷款之应收利息收
入。

Interest income includes HK\$57 million of interest accrued on impaired advances.

账目附注 (续)

Notes to the Accounts (continued)

4. 净服务费及佣金收入

4. Net fees and commission income

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
服务费及佣金收入	Fees and commission income		
证券经纪	Securities brokerage	404	502
信用卡	Credit cards	372	316
汇票佣金	Bills commissions	257	270
贷款佣金	Loan commissions	124	234
缴款服务	Payment services	179	165
保险	Insurance	193	179
资产管理	Asset management	85	175
信托服务	Trust services	49	32
担保	Guarantees	21	21
其它	Others		
- 保管箱	- safe deposit box	85	82
- 小额存户	- low deposit balance accounts	23	35
- 买卖货币	- currency exchange	29	24
- 中银卡	- BOC cards	16	18
- 不动户口	- dormant accounts	12	15
- 代理业务	- agency services	6	11
- 邮电	- postage and telegrams	12	12
- 信息调查	- information search	22	18
- 代理行	- correspondent banking	9	8
- 人民币业务	- RMB business	17	13
- 其它	- sundries	90	91
		2,005	2,221
服务费及佣金支出	Fees and commission expenses	(507)	(508)
净服务费及佣金收入	Net fees and commission income	1,498	1,713

账目附注 (续)

Notes to the Accounts (continued)

5. 净交易性收入

5. Net trading income

	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
净收益源自:		
- 外汇交易及外汇交易产品	596	610
- 利率工具	129	(1)
- 股份权益工具	4	21
- 商品	17	32
	746	662

外汇净交易性收入包括远期及期货合约、期权、掉期及外币资产和负债换算而产生的收益和亏损。

Foreign exchange net trading income includes gains and losses from forward and futures contracts, options, swaps and translation of foreign currency assets and liabilities.

6. 其它经营收入

6. Other operating income

	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
证券投资股息收入		
- 非上市证券投资	13	13
投资物业之租金总收入	93	108
减: 有关投资物业之支出	(27)	(32)
其它	42	52
	121	141

账目附注 (续)

Notes to the Accounts (continued)

7. 经营支出

7. Operating expenses

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
人事费用 (包括董事酬金)	Staff costs (including directors' emoluments)		
- 薪酬及其它费用	- salaries and other costs	1,530	1,503
- 补偿费用	- termination benefit	1	-
- 退休成本	- pension cost	122	122
		1,653	1,625
房产及设备支出 (不包括折旧)	Premises and equipment expenses (excluding depreciation)		
- 房产租金	- rental of premises	122	117
- 信息科技	- information technology	108	134
- 其它	- others	91	95
		321	346
自置固定资产之折旧	Depreciation on owned fixed assets	286	293
审计师酬金	Auditors' remuneration		
- 审计服务	- audit services	4	4
- 非审计服务	- non-audit services	3	9
其它经营支出	Other operating expenses	409	391
		2,676	2,668

账目附注 (续)

Notes to the Accounts (continued)

8. 贷款减值准备拨回

8. Reversal of loan impairment allowances on advances

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
贷款减值准备净拨回额	Net release of loan impairment allowances on advances		
个别评估	Individually assessed	600	-
组合评估	Collectively assessed	835	-
		<u>1,435</u>	<u>-</u>
其中	Of which		
- 新提准备	- new allowances	(796)	-
- 拨回	- releases	1,123	-
- 收回已撤销账项	- recoveries	1,108	-
		<u>1,435</u>	<u>-</u>
拨回损益账净额	Net credit to profit and loss account	<u>1,435</u>	<u>-</u>

9. 呆坏账拨回

9. Write-back of bad and doubtful debts

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
呆坏账净拨回额	Net credit for bad and doubtful debts		
特别准备	Specific provisions		
- 新提拨	- new provisions	-	(811)
- 拨回	- releases	-	1,327
- 收回已撤销账项	- recoveries	-	733
		<u>-</u>	<u>1,249</u>
一般准备	General provisions	<u>-</u>	<u>(9)</u>
拨回损益账净额	Net credit to profit and loss account	<u>-</u>	<u>1,240</u>

账目附注 (续)

Notes to the Accounts (continued)

10. 出售 / 重估固定资产
之净 (亏损) / 收益

10. Net (loss)/gain from disposal/revaluation of fixed assets

	半年结算至 2005 年 6 月 30 日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004 年 6 月 30 日 Half-year ended 30 June 2004 港币百万元 HK\$m
出售固定资产之净 (亏损) / 收益	(9)	20
重估房产之净收益	-	2
	<u>(9)</u>	<u>22</u>

于 2005 年 6 月 30 日, 房产由独立特许测量师卓德测计师行有限公司于 2004 年 10 月 31 日以公开市值为基准所进行之专业估值列于综合资产负债表内。

As at 30 June 2005, the premises are included in the consolidated balance sheet at valuation carried out as at 31 October 2004 on the basis of their open market value by an independent firm of chartered surveyors, Chesterton Petty Limited.

11. 出售 / 重估投资物业
之净收益

11. Net gain from disposal/revaluation of investment properties

	半年结算至 2005 年 6 月 30 日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004 年 6 月 30 日 Half-year ended 30 June 2004 港币百万元 HK\$m
出售投资物业之净收益	9	26
重估投资物业之净收益	918	-
	<u>927</u>	<u>26</u>

账目附注 (续)

Notes to the Accounts (continued)

12. 税项

12. Taxation

损益账内之税项组成如下:

Taxation in the profit and loss account represents:

	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
香港利得税	Hong Kong profits tax	
- 本期税项	- current period taxation	1,184
- 往年超额拨备	- over-provision in prior years	(5)
计入 / (贷记) 递延税项	Deferred tax charge/(credit)	(65)
香港利得税	Hong Kong profits tax	1,114
海外税项	Overseas taxation	5
	1,328	1,119

香港利得税乃按照截至 2005 年上半年估计应课税溢利依税率 17.5% (2004 年: 17.5%) 提拨准备。海外溢利之税款按照同期估计应课税溢利依集团经营业务所在国家之现行税率计算。

Hong Kong profits tax has been provided at the rate of 17.5% (2004: 17.5%) on the estimated assessable profits arising in Hong Kong for the first half of 2005. Taxation on overseas profits has been calculated on the estimated assessable profits for the first half of 2005 at the rates of taxation prevailing in the countries in which the Group operates.

本集团订立多项飞机租赁及息票分拆交易, 涉及特别用途合伙企业。于 2005 年 6 月 30 日, 本集团于此等企业之投资列于综合资产负债表的“其它资产”内, 共达港币 3.28 亿元 (2004 年 12 月 31 日: 港币 6.13 亿元)。本集团于此等合伙企业之投资, 按投资所得税务利益之比例, 在合伙企业年期内摊销。

The Group has entered into a number of aircraft leasing and coupon strip transactions involving special purpose partnerships. As at 30 June 2005, the Group's investments in such partnerships, which are included in "Other assets" in the consolidated balance sheet, amounted to HK\$328 million (31 December 2004: HK\$613 million). The Group's investments in partnerships are amortised over the life of the partnerships in proportion to the taxation benefits resulting from those investments.

账目附注 (续)

Notes to the Accounts (continued)

12. 税项 (续)

12. Taxation (continued)

本集团除税前溢利产生的实际税项，与根据香港利得税率计算的税项差异如下：

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

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
除税前溢利	Profit before taxation	<u>7,896</u>	<u>6,777</u>
按税率 17.5% (2004 : 17.5%) 计算的税项	Calculated at a taxation rate of 17.5% (2004: 17.5%)	1,382	1,186
其它国家税率差异的影响	Effect of different taxation rates in other countries	(12)	(20)
无需课税之收入	Income not subject to taxation	(384)	(123)
税务上不可扣减之开支	Expenses not deductible for taxation purposes	334	145
未确认的税务亏损	Tax losses not recognised	8	1
未确认的暂时性差额	Temporary differences not recognised	-	(65)
往年超额拨备	Over-provision in prior years	-	(5)
计入税项	Taxation charge	<u>1,328</u>	<u>1,119</u>
实际税率	Effective tax rate	<u>16.8%</u>	<u>16.5%</u>

13. 股息

13. Dividend

		半年结算至 2005年6月30日 Half-year ended 30 June 2005		半年结算至 2004年6月30日 Half-year ended 30 June 2004	
		每股 港币 Per share HK\$	总额 港币百万元 Total HK\$m	每股 港币 Per share HK\$	总额 港币百万元 Total HK\$m
中期股息	Interim dividend	<u>0.055</u>	<u>2,367</u>	<u>0.090</u>	<u>3,874</u>

账目附注 (续)

Notes to the Accounts (continued)

14. 可供出售证券

14. Available-for-sale securities

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
债务证券, 按公允价值入账	Debt securities, at fair value		
- 于香港上市	- Listed in Hong Kong	5,260	-
- 于海外上市	- Listed outside Hong Kong	11,136	-
		<u>16,396</u>	-
- 非上市	- Unlisted	32,982	-
		<u>49,378</u>	-
股份证券, 按公允价值入账	Equity securities, at fair value		
- 于海外上市	- Listed outside Hong Kong	5	-
股份证券, 按成本值入账	Equity securities, at cost		
- 非上市	- Unlisted	50	-
		<u>55</u>	-
总计	Total	<u><u>49,433</u></u>	-

可供出售证券按发行机构
分析如下:

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

中央政府及中央银行	Central governments and central banks	3,536	-
公共机构	Public sector entities	8,351	-
银行及其它金融机构	Banks and other financial institutions	28,237	-
公司企业	Corporate entities	9,309	-
		<u>49,433</u>	-

由于本集团持有的若干
非上市股份证券尚未有
已公开的报价, 也没有同
类金融工具基准计量, 因
此本集团把该类非上市
股份证券按成本减除减
值列账。

Where published quoted prices for certain unlisted equity securities held by the Group are not available and their value would not be benchmarked with similar financial instruments, the Group states such unlisted equity securities at cost less impairment.

本集团采用利率掉期或
交叉货币利率掉期对冲
持有的可供出售债务证
券之利率风险。

The Group uses interest rate swaps or cross-currency interest rate swaps to hedge the interest rate risk of available-for-sale debt securities.

账目附注 (续)

Notes to the Accounts (continued)

15. 持有至到期日证券

15. Held-to-maturity securities

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
上市, 按摊销成本入账	Listed, at amortised cost	27,881	56,108
减: 减值准备	Less: Provision for impairment in value	(12)	(12)
		<u>27,869</u>	<u>56,096</u>
非上市, 按摊销成本入账	Unlisted, at amortised cost	<u>126,043</u>	<u>124,954</u>
总计	Total	<u>153,912</u>	<u>181,050</u>
上市, 按摊销成本减除减值入账	Listed, at amortised cost less impairment		
- 香港	- in Hong Kong	1,706	4,443
- 海外	- outside Hong Kong	26,163	51,653
		<u>27,869</u>	<u>56,096</u>
上市证券之市值	Market value of listed securities	<u>27,569</u>	<u>56,480</u>
持有至到期日证券按发行机构分析如下:	Held-to-maturity securities are analysed by issuers as follows:		
中央政府及中央银行	Central governments and central banks	2,063	3,377
公共机构	Public sector entities	24,304	31,730
银行及其它金融机构	Banks and other financial institutions	109,091	124,906
公司企业	Corporate entities	18,454	21,037
		<u>153,912</u>	<u>181,050</u>

账目附注 (续)

Notes to the Accounts (continued)

16. 投资证券

16. Investment securities

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
股份证券, 按成本值入账	Equity securities, at cost		
- 于海外上市	- Listed outside Hong Kong	-	1
- 非上市	- Unlisted	-	49
总计	Total	-	50
上市股份证券之市值	Market value of listed equity securities	-	5
投资证券按发行机构 分析如下:	Investment securities are analysed by issuers as follows:		
银行及其它金融机构	Banks and other financial institutions	-	1
公司企业	Corporate entities	-	49
		-	50

账目附注 (续)

Notes to the Accounts (continued)

17. 其它证券投资

17. Other investments in securities

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
按公平值入账	At fair value		
债务证券	Debt securities		
- 于香港上市	- Listed in Hong Kong	-	321
- 于海外上市	- Listed outside Hong Kong	-	4,655
		-	4,976
- 非上市	- Unlisted	-	3,291
		-	8,267
股份证券	Equity securities		
- 于香港上市	- Listed in Hong Kong	-	20
- 非上市	- Unlisted	-	1
		-	21
总计	Total	-	8,288
其它证券投资按发行机构 分析如下：	Other investments in securities are analysed by issuers as follows:		
中央政府及中央银行	Central governments and central banks	-	759
公共机构	Public sector entities	-	1,387
银行及其它金融机构	Banks and other financial institutions	-	5,732
公司企业	Corporate entities	-	410
		-	8,288

账目附注 (续) Notes to the Accounts (continued)

18. 交易性证券及公允价值变化计入损益的其它金融资产
18. Trading securities and other financial instruments at fair value through profit or loss

	交易性证券		公允价值变化 计入损益的其它金融资产		总计	
	Trading securities		Other financial instruments at fair value through profit or loss		Total	
	2005年 6月30日	2004年 12月31日	2005年 6月30日	2004年 12月31日	2005年 6月30日	2004年 12月31日
	At 30 June	At 31 December	At 30 June	At 31 December	At 30 June	At 31 December
	2005	2004	2005	2004	2005	2004
	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
按公允价值入账	At fair value					
债务证券	Debt securities					
- 于香港上市	480	-	567	-	1,047	-
- 于海外上市	4,517	-	1,572	-	6,089	-
	4,997	-	2,139	-	7,136	-
- 非上市	2,965	-	909	-	3,874	-
	7,962	-	3,048	-	11,010	-
股份证券	Equity securities					
- 于香港上市	21	-	-	-	21	-
总计	7,983	-	3,048	-	11,031	-

交易性证券及公允价值变化
计入损益的其它金融资
产按发行机构分析如下:

Trading securities and other financial instruments at fair value through profit or loss are analysed
by issuers as follows:

	2005年 6月30日	2004年 12月31日
	At 30 June	At 31 December
	2005	2004
	港币百万元 HK\$m	港币百万元 HK\$m
中央政府及中央银行	906	-
公共机构	1,616	-
银行及其它金融机构	6,309	-
公司企业	2,200	-
	11,031	-

账目附注 (续)

Notes to the Accounts (continued)

19. 衍生金融工具

19. Derivative financial instruments

本集团进行下列股份权益合约、汇率、利率及贵金属相关的衍生金融工具合约用作买卖及风险管理之用：

远期外汇合约表示买卖外币的承诺。利率期货是指根据合约按照利率的变化收取或支付一个净金额的合约，或者在交易所管理的金融市场上按约定价格在未来的某一日期买进或卖出利率金融工具的合约。远期利率合同是经单独协商而达成的利率期货合约，要求在未来某一日期根据合约利率与市场利率的差异及名义本金的金额进行计算及现金交割。

货币、利率及贵金属掉期是指交换不同现金流量或商品的承诺。掉期的结果是不同货币、利率（如固定利率与浮动利率）或贵金属（如白银掉期）的交换或两者皆有的组合（如交叉货币利率掉期）。除某些货币掉期合约外，该等交易无需交换本金。

The Group enters into the following equity, foreign exchange, interest rate and precious metal related derivative financial instruments for trading and risk management purposes:

Currency forward represent commitments to purchase and sell foreign currency on a future date. Interest rate futures are contractual obligations to receive or pay a net amount based on changes in interest rates or buy or sell interest rate financial instruments on a future date at an agreed price in the financial market under the administration of the stock exchange. Forward rate agreements are individually negotiated interest rate futures that call for a cash settlement at a future date for the difference between a contracted rate of interest and the current market rate, based on a notional principal amount.

Currency, interest rate and precious metal swaps are commitments to exchange one set of cash flows or commodity for another. Swaps result in an exchange of currencies, interest rates (for example, fixed rate for floating rate), or precious metals (for example, silver swaps) or a combination of all these (i.e. cross-currency interest rate swaps). Except for certain currency swaps contracts, no exchange of principal takes place.

账目附注（续）

Notes to the Accounts (continued)

19. 衍生金融工具（续） 19. Derivative financial instruments (continued)

外汇、利率、股份权益合约及贵金属期权是指期权的卖方（出让方）为买方（持有方）提供在未来某一特定日期或未来一定时期内按约定的价格买进（认购期权）或卖出（认沽期权）一定数量的金融工具的权利（而非承诺）的一种协议。考虑到外汇和利率风险，期权的卖方从购买方收取一定的期权费。本集团期权合约是与对手方在场外协商达成协议的或透过交易所进行（如于交易所进行买卖之期权）。

本集团之衍生金融工具合约 / 名义合约数额及其公平值详列于下表。资产负债表日各类型金融工具的合约 / 名义合约数额仅显示了于资产负债表日之未完成交易量，而若干金融工具之合约 / 名义合约数额则提供了一个与综合资产负债表内所确认的公平值资产或负债的对比基础。但是，这并不代表所涉及的未来的现金流量或当前的公平值，因而也不能反映本集团所面临的信用风险或市场风险。随着与衍生金融工具合约条款相关的市场利率或汇率的波动，衍生金融工具的估值可能产生对银行有利（资产）或不利（负债）的影响，这些影响可能在不同期间有较大的波动。

Foreign currency, interest rate, equity and precious metal options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of the financial instrument at a predetermined price. In consideration for the assumption of foreign exchange and interest rate risk, the seller receives a premium from the purchaser. Options are negotiated over-the-counter ("OTC") between the Group and its counterparty or traded through the stock exchange (for example, exchange-traded stock option).

The contract/notional amounts and fair values of derivative financial instruments held by the Group are set out in the following tables. The contract/notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet dates and certain of them provide a basis for comparison with fair value instruments recognised on the consolidated balance sheet. However, they do not necessarily indicate the amounts of future cash flows involved or the current fair values of the instruments and, therefore, do not indicate the Group's exposure to credit or market risks. The derivative financial instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates or foreign exchange rates relative to their terms. The aggregate fair values of derivative financial instruments assets and liabilities can fluctuate significantly from time to time.

账目附注 (续) Notes to the Accounts (continued)
19. 衍生金融工具 19. Derivative financial instruments (continued)

以下为衍生金融工具中
 每项重要类别之合约 /
 名义合约数额之摘要:

The following is a summary of the contract/notional amounts of each significant type of derivative financial instruments:

		2005年6月30日			2004年12月31日		
		At 30 June 2005			At 31 December 2004		
		买卖	风险对冲	总计	买卖	风险对冲	总计
	Trading	Hedging	Total	Trading	Hedging	Total	
	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	
	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	HK\$m	
汇率合约	Exchange rate contracts						
即期及远期	Spot and forward	123,523	-	123,523	15,840	-	15,840
掉期	Swaps	162,677	-	162,677	200,862	3,715	204,577
外汇交易期权合约	Foreign currency option contracts						
- 买入期权	- Options purchased	2,384	-	2,384	1,415	-	1,415
- 卖出期权	- Options written	2,994	-	2,994	2,851	-	2,851
		291,578	-	291,578	220,968	3,715	224,683
利率合约	Interest rate contracts						
期货	Futures	78	-	78	389	-	389
掉期	Swaps	17,342	8,715	26,057	5,349	17,166	22,515
利率期权合约	Interest rate option contracts						
- 买入掉期期权	- Swaptions purchased	330	-	330	469	-	469
- 卖出掉期期权	- Swaptions written	2,522	-	2,522	2,206	-	2,206
		20,272	8,715	28,987	8,413	17,166	25,579
贵金属合约	Bullion contracts						
黄金期权合约	Gold option contracts						
- 买入期权	- Options purchased	3	-	3	98	-	98
- 卖出期权	- Options written	-	-	-	65	-	65
其它贵金属合约	Other bullion contracts	8,102	-	8,102	929	-	929
		8,105	-	8,105	1,092	-	1,092
股份权益合约	Equity contracts						
股票期权合约	Equity option contracts						
- 买入期权	- Options purchased	320	-	320	564	-	564
- 卖出期权	- Options written	246	-	246	450	-	450
恒生指数期权合约	Hang Seng Index option contracts						
- 卖出期权	- Options written	3	-	3	-	-	-
		569	-	569	1,014	-	1,014
总计	Total	320,524	8,715	329,239	231,487	20,881	252,368

账目附注 (续) Notes to the Accounts (continued)

19. 衍生金融工具 (续) 19. Derivative financial instruments (continued)

以下为衍生金融工具中各类别于 2005 年 6 月 30 日之公平值摘要:

The following table summarises the fair values of each class of derivative financial instruments as at 30 June 2005:

	公平值资产			公平值负债			
	Fair value assets			Fair value liabilities			
	买卖	风险对冲	总计	买卖	风险对冲	总计	
Trading	Hedging	Total	Trading	Hedging	Total		
	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	
	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	
汇率合约	Exchange rate contracts	4,481	-	4,481	2,178	-	2,178
利率合约	Interest rate contracts	58	21	79	657	701	1,358
贵金属合约	Bullion contracts	149	-	149	82	-	82
股份权益合约	Equity contracts	2	-	2	1	-	1
		4,690	21	4,711	2,918	701	3,619

账目附注 (续) Notes to the Accounts (continued)

19. 衍生金融工具 (续)

上述衍生金融工具之重置成本及信贷风险加权数额(并未计及双边净额结算安排之影响)如下:

19. Derivative financial instruments (continued)

The replacement costs and credit risk weighted amounts of the above derivative financial instruments, which do not take into account the effects of bilateral netting arrangements are as follows:

		2005年 6月30日 At 30 June 2005	2004年 12月31日 At 31 December 2004	2005年 6月30日 At 30 June 2005	2004年 12月31日 At 31 December 2004
		信贷风险加权数额 Credit risk weighted amount		重置成本 Replacement cost	
		港币百万元 HK\$'m	港币百万元 HK\$'m	港币百万元 HK\$'m	港币百万元 HK\$'m
汇率合约	Exchange rate contracts	512	694	826	1,264
利率合约	Interest rate contracts	46	57	61	97
贵金属合约	Bullion contracts	6	10	6	12
股份权益合约	Equity contracts	7	16	1	6
		571	777	894	1,379

信贷风险加权数额是根据银行业条例附表三及金管局发出之指引计算。计算金额与交易对手之情况及各类合约之期限特征有关。

The credit risk weighted amounts are the amounts that have been calculated in accordance with the Third Schedule of the Banking Ordinance and guidelines issued by the HKMA. The amounts calculated are dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

重置成本是指重置所有按市值计算而其价值为正数的合约的成本(假设交易对手不履行责任),并根据该等合约的市值计算。重置成本是该等合约于结算日之信贷风险近似值。

Replacement cost is the cost of replacing all contracts that have a positive value when marked to market (should the counterparty default on its obligations) and is obtained by marking contracts to market. Replacement cost is a close approximation of the credit risk for these contracts at the balance sheet dates.

账目附注 (续)

Notes to the Accounts (continued)

20. 贷款及其它账项

20. Advances and other accounts

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
客户贷款	Advances to customers	337,654	313,226
应计利息	Accrued interest	-	2,480
		<u>337,654</u>	<u>315,706</u>
贷款减值准备 (附注 a)	Loan impairment allowances (Note a)	(2,976)	-
呆坏账准备 (附注 b)	Provision for bad and doubtful debts (Note b)	-	(7,785)
		<u>(2,976)</u>	<u>(7,785)</u>
		<u>334,678</u>	307,921
银行及其它金融机构贷款	Advances to banks and other financial institutions	<u>1,612</u>	1,290
总计	Total	<u><u>336,290</u></u>	<u><u>309,211</u></u>

于 2005 年 6 月 30 日, 客户贷款包括总贷款应计利息港币 7.49 亿元。

As at 30 June 2005, advances to customers include accrued interest on gross advances of HK\$749 million.

于 2005 年 6 月 30 日, 减值之客户贷款分析如下:

As at 30 June 2005, impaired advances to customers are analysed as follows:

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m
减值之客户贷款总额	Gross impaired advances to customers	<u>6,370</u>
就上述减值之客户贷款作出之贷款减值准备	Loan impairment allowances made in respect of such advances	<u>2,420</u>
总减值贷款对总客户贷款	Gross impaired advances to customers as a percentage of gross advances to customers	<u>1.89%</u>

于 2004 年 12 月 31 日, 不履约贷款分析如下:

As at 31 December 2004, non-performing loans were analysed as follows:

		2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
不履约贷款	Non-performing loans	<u><u>9,239</u></u>
就上述不履约贷款作出之特别准备	Specific provisions made in respect of such advances	<u><u>2,269</u></u>
占客户贷款总额之百分比	As a percentage of total advances to customers	<u>2.95%</u>

账目附注 (续) Notes to the Accounts (continued)

20. 贷款及其它账项 (续) 20. Advances and other accounts (continued)

于 2005 年 6 月 30 日, 对银行及其它金融机构之贷款并无作出任何贷款减值准备。

减值之客户贷款乃指未必能全部偿还本金或利息之个别贷款, 而当此情况明显地出现时即被列作减值之客户贷款处理。据此, 减值贷款为按本集团放款质量分类的“次级”、“呆滞”和“亏损”贷款。

As at 30 June 2005, no loan impairment allowances were made in respect of advances to banks and other financial institutions.

Impaired advances to customers are those individual advances where full repayment of principal and/or interest is considered unlikely and are classified as such when such a situation becomes apparent. Accordingly, impaired advances represented advances which have been classified as “substandard”, “doubtful” and “loss” under the Group’s classification of loan quality.

附注:

Notes:

(a) 贷款减值准备

(a) Loan impairment allowances

按个别评估
按组合评估

Individually assessed
Collectively assessed

2005 年
6 月 30 日
At 30 June
2005
港币百万元
HK\$’m

(1,818)
(1,158)

(2,976)

(b) 呆坏账准备

(b) Provision for bad and doubtful debts

一般
特别

General
Specific

2004 年
12 月 31 日
At 31 December
2004
港币百万元
HK\$’m

(5,465)
(2,320)

(7,785)

账目附注 (续)

Notes to the Accounts (continued)

21. 客户存款

21. Deposits from customers

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
即期、储蓄及其它存款 (于综合资产负债表) 列为交易性负债及公平 值变化计入损益的其 它金融工具之结构性 存款 (附注 22)	Current, savings and other deposit accounts (per consolidated balance sheet) Structured deposits reported as trading liabilities and other financial instruments at fair value through profit or loss (Note 22)	628,398	632,496
		<u>5,248</u>	<u>-</u>
		<u>633,646</u>	<u>632,496</u>
类别	By type		
即期存款及往来存款	Demand deposits and current accounts	29,481	32,474
储蓄存款	Savings deposits	241,270	296,463
定期、短期及通知存款	Time, call and notice deposits	<u>362,895</u>	<u>303,559</u>
		<u>633,646</u>	<u>632,496</u>

22. 交易性负债及公平值
变化计入损益的其它
金融工具

22. Trading liabilities and other financial instruments at fair value
through profit or loss

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
结构性存款	Structured deposits	5,248	-
外币债务证券短盘 (附注 23)	Short positions in foreign currency debt securities (Note 23)	465	-
外汇基金票据短盘 (附注 23)	Short positions in Exchange Fund Bills (Note 23)	<u>2,626</u>	<u>-</u>
		<u>8,339</u>	<u>-</u>

23. 已抵押资产

23. Assets pledged as security

截至 2005 年 6 月 30 日，本集团之负债港币 30.91 亿元 (2004 年 12 月 31 日：港币 19.82 亿元) 是以存放于中央保管系统以利便结算之资产作抵押。本集团为担保此等负债而质押之资产金额为港币 34.20 亿元 (2004 年 12 月 31 日：港币 21.70 亿元)，并于“库存现金及短期资金”内列账。

As at 30 June 2005, liabilities of the Group amounting to HK\$3,091 million (31 December 2004: HK\$1,982 million) were secured by assets deposited with central depositories to facilitate settlement operations. The amount of assets pledged by the Group to secure these liabilities was HK\$3,420 million (31 December 2004: HK\$2,170 million) included in “Cash and short-term funds”.

账目附注 (续)

Notes to the Accounts (continued)

24. 递延税项

24. Deferred taxation

本期递延税项是根据香港会计准则第12号计算,就资产负债之税务基础与其在账目内账面值两者之暂时性差额作提拨。

In the current period, deferred tax is recognised in respect of the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the accounts according to HKAS 12.

综合资产负债表内之递延税项资产及负债主要组合, 以及其在2005年上半年及于截至2004年12月31日止年度之变动如下:

The major components of deferred tax assets and liabilities recorded in the consolidated balance sheet, and the movements during the first half of 2005 and the year ended 31 December 2004 are as follows:

		2005					
		加速折旧 免税额 Accelerated tax depreciation	资产重估 Asset revaluation	亏损 Losses	准备 Provisions	其它 暂时性差额 Other temporary differences	总计 Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
于 2005 年 1 月 1 日	At 1 January 2005						
早期列账	As previously reported	278	1,615	(16)	(935)	(7)	935
期初调整 (附注 2)	Opening adjustments (Note 2)	37	600	-	587	-	1,224
期初调整后余额	Balance after opening adjustments	315	2,215	(16)	(348)	(7)	2,159
于损益账内 (拨回) / 支取	(Credited)/charged to profit and loss account	(4)	117	5	166	(1)	283
贷记权益	Credited to equity	-	(31)	-	-	(12)	(43)
于 2005 年 6 月 30 日	At 30 June 2005	311	2,301	(11)	(182)	(20)	2,399
		2004					
		加速折旧 免税额 Accelerated tax depreciation	资产重估 Asset revaluation	亏损 Losses	准备 Provisions	其它 暂时性差额 Other temporary differences	总计 Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
于 2004 年 1 月 1 日	At 1 January 2004	262	984	(3)	(936)	18	325
于损益账内支取 / (拨回)	Charged/(credited) to profit and loss account	16	169	(13)	1	(25)	148
借记权益及少数股东权益	Charged to equity and minority interests	-	462	-	-	-	462
于 2004 年 12 月 31 日	At 31 December 2004	278	1,615	(16)	(935)	(7)	935

账目附注 (续)

Notes to the Accounts (continued)

24. 递延税项 (续)

24. Deferred taxation (continued)

当有法定权利可将现有税项资产与现有税项负债抵销，而递延税项涉及同一财政机关，则可将个别法人的递延税项资产与递延税项负债互相抵销。下列在综合资产负债表内列账之金额，已计入适当抵销：

Deferred tax assets and liabilities are offset on an individual entity basis when there is a legal right to set off current tax assets against current tax liabilities and when the deferred taxation relates to the same authority. The following amounts, determined after appropriate offsetting, are shown in the consolidated balance sheet:

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
递延税项资产	Deferred tax assets	(8)	(12)
递延税项负债	Deferred tax liabilities	2,407	947
		<u>2,399</u>	<u>935</u>
		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
递延税项资产 (超过 12 个月后收回)	Deferred tax assets to be recovered after more than twelve months	(207)	(971)
递延税项负债 (超过 12 个月后支付)	Deferred tax liabilities to be settled after more than twelve months	317	282
		<u>110</u>	<u>(689)</u>

账目附注 (续) **Notes to the Accounts (continued)**

25. 其它账项及准备 **25. Other accounts and provisions**

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
应付利息	Interest payable	-	959
本期税项	Current taxation	1,655	901
外汇基金票据短盘 (附注 23)	Short positions in Exchange Fund Bills (Note 23)	-	1,982
应付股息	Dividend payable	2,367	4,089
应计及其它应付款项	Accruals and other payables	19,237	17,906
		23,259	25,837

26. 股本 **26. Share capital**

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
法定: 100,000,000,000 股每股 面值港币 1.00 元之普通股	Authorised: 100,000,000,000 ordinary shares of HK\$1.00 each	100,000	100,000
已发行及缴足: 43,042,840,858 股每股 面值港币 1.00 元之普通股	Issued and fully paid: 43,042,840,858 ordinary shares of HK\$1.00 each	43,043	43,043

27. 储备 **27. Reserves**

本集团本期及以往期度的储备金额及变动情况载于第 38 页之综合权益变动结算表。

The amounts of the Group's reserves and the movements therein for the current and prior periods are presented in the consolidated statement of changes in equity on page 38 of the accounts.

账目附注 (续)

Notes to the Accounts (continued)

28. 综合现金流量表附注 28. Notes to consolidated cash flow statement

(a) 经营溢利与除税前
经营现金之流入 /
(流出) 对账:

(a) Reconciliation of operating profit to operating cash inflow/
(outflow) before taxation:

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年 6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
经营溢利	Operating profit	6,957	6,597
证券投资股息收入	Dividend income from investments in securities	(13)	(13)
折旧	Depreciation	286	293
贷款减值准备拨回	Reversal of loan impairment allowances on advances	(1,435)	-
呆坏账拨回	Write-back of bad and doubtful debts	-	(1,240)
已撤销之贷款 (扣除 收回款额)	Advances written off net of recoveries	469	(848)
原到期日超过3个月 之即期及短期通知 结余之变动	Change in money at call and short notice with original maturity over three months	(3,770)	(146)
原到期日超过3个月 之库券之变动	Change in treasury bills with original maturity over three months	(75)	3,813
原到期日超过3个月 之银行及其它金融 机构存款之变动	Change in placements with banks and other financial institutions with original maturity over three months	46,956	2,175
贸易票据之变动	Change in trade bills	(165)	(300)
原到期日超过3个月 之持有之存款证之 变动	Change in certificates of deposit held with original maturity over three months	2,149	470
可供出售证券之变动	Change in available-for-sale securities	(27,549)	-
持有至到期日证券之 变动	Change in held-to-maturity securities	4,314	(55,628)
其它证券投资之变动	Change in other investments in securities	-	63,201
交易性证券及公平值 变化计入损益的其 它金融资产之变动	Change in trading securities and other financial instruments at fair value through profit or loss	563	-
衍生金融工具之变动	Change in derivative financial instruments	(1,563)	-
贷款及其它账项之 变动	Change in advances and other accounts	(24,839)	(253)
其它资产之变动	Change in other assets	788	2,090
还款期超过3个月之 银行及其它金融机 构之存款及结余之 变动	Change in deposits and balances of banks and other financial institutions repayable over three months	1,855	9,964
客户存款之变动	Change in deposits from customers	(2,741)	(36,006)
交易性负债及公平值 变化计入损益的其 它金融工具之变动	Change in trading liabilities and other financial instruments at fair value through profit or loss	4,547	-
发行之存款证之变动	Change in certificates of deposit issued	(105)	(9)
其它账项及准备之 变动	Change in other accounts and provisions	2,492	(3,919)
除税前经营现金之 流入 / (流出)	Operating cash inflow/(outflow) before taxation	9,121	(9,759)

账目附注 (续)

Notes to the Accounts (continued)

28. 综合现金流量表附注
(续)

28. Notes to consolidated cash flow statement (continued)

(b) 现金及等同现金项目结
存分析

(b) Analysis of the balances of cash and cash equivalents

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 6 月 30 日 At 30 June 2004 港币百万元 HK\$m
库存现金及银行及其它 金融机构结余	Cash and balances with banks and other financial institutions	28,285	26,145
原到期日在 3 个月内之 即期及短期通知结余	Money at call and short notice with original maturity within three months	56,803	49,969
原到期日在 3 个月内之 库券	Treasury bills with original maturity within three months	3,690	12,754
原到期日在 3 个月内之 银行及其它金融机构 存款	Placements with banks and other financial institutions with original maturity within three months	11,501	19,452
原到期日在 3 个月内之 持有之存款证	Certificates of deposit held with original maturity within three months	714	2,116
还款期在 3 个月内之 银行及其它金融机构之 存款及结余	Deposits and balances of banks and other financial institutions repayable within three months	<u>(33,137)</u>	<u>(50,631)</u>
		<u>67,856</u>	<u>59,805</u>

賬目附注 (續)

Notes to the Accounts (continued)

29. 到期日分析

29. Maturity profile

由2005年6月30日及2004年12月31日起至合約到期日之剩餘期限之資產及負債之到期日分析如下：

The maturity profile of assets and liabilities analysed by the remaining period as at 30 June 2005 and 31 December 2004 to the contractual maturity dates is as follows:

		2005年6月30日 At 30 June 2005						
		即期	3个月 或以下	3个月以上 但1年内 1 year or less but over 3 months	1年以上 但5年内 5 years or less but over 1 year	5年 以上 Over 5 years	无注明日期 Undated	总计 Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
资产	Assets							
库券	Treasury bills	-	6,768	2,905	-	-	-	9,673
库存现金及其它短期资金	Cash and other short-term funds	28,292	75,475	352	-	-	-	104,119
银行及其它金融机构存款	Placements with banks and other financial institutions	-	43,108	17,088	-	-	-	60,196
持有之存款证	Certificates of deposit held	-	2,736	6,198	10,207	299	-	19,440
债务证券，含于：	Debt securities included in:							
- 可供出售证券	- available-for-sale securities	-	3,142	12,494	27,891	5,851	-	49,378
- 持有至到期日证券	- held-to-maturity securities	-	10,455	16,607	110,465	16,365	32	153,924
- 交易性证券及公允价值变化计入损益的其它金融资产	- trading securities and other financial instruments at fair value through profit or loss	218	574	1,625	7,234	1,359	-	11,010
客户贷款	Advances to customers	24,817	30,220	26,493	137,143	112,447	6,534	337,654
银行及其它金融机构贷款	Advances to banks and other financial institutions	-	-	-	1,612	-	-	1,612
负债	Liabilities							
银行及其它金融机构之存款及结余	Deposits and balances of banks and other financial institutions	17,891	19,553	1,027	-	-	-	38,471
客户存款	Customer accounts	273,086	332,605	18,790	8,758	407	-	633,646
发行之存款证	Certificates of deposit issued	-	883	1	2,862	-	-	3,746

客戶存款包括客戶之存款及列於綜合資產負債表的“交易性負債及公平值變化計入損益的其它金融工具”內的結構性存款。

Customer accounts represent deposits from customers and structured deposits included in “Trading liabilities and other financial instruments at fair value through profit or loss” on the face of the consolidated balance sheet.

账目附注 (续)

Notes to the Accounts (continued)

29. 到期日分析 (续)

29. Maturity profile (continued)

		2004年12月31日 At 31 December 2004						
		即期	3个月 或以下	3个月以上 但1年内	1年以上 但5年内	5年 以上	无注明日期	总计
		Repayable on demand	3 months or less	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated	Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
资产	Assets							
库券	Treasury bills	-	7,812	2,967	-	-	-	10,779
库存现金及其它短期资金	Cash and other short-term funds	20,976	70,892	-	-	-	-	91,868
银行及其它金融机构存款	Placements with banks and other financial institutions	16	47,849	59,716	-	-	-	107,581
持有之存款证	Certificates of deposit held	-	5,242	5,695	11,085	316	-	22,338
债务证券, 含于	Debt securities included in:							
- 持有至到期日证券	- held-to-maturity securities	-	31,479	36,755	101,053	11,743	32	181,062
- 其它证券投资	- other investments in securities	-	506	730	6,150	881	-	8,267
客户贷款	Advances to customers	19,548	24,254	28,995	128,816	102,356	9,257	313,226
银行及其它金融机构贷款	Advances to banks and other financial institutions	-	-	-	1,290	-	-	1,290
负债	Liabilities							
银行及其它金融机构之存款及结余	Deposits and balances of banks and other financial institutions	14,990	16,818	2,632	-	-	-	34,440
客户存款	Deposits from customers	332,198	274,742	20,768	4,476	312	-	632,496
发行之存款证	Certificates of deposit issued	-	-	891	2,897	-	-	3,788

除若干递延税项资产及负债外, 大部分的其它资产和其它账项及准备均属1年内到期。

Apart from certain deferred tax assets and liabilities, the majority of other assets and other accounts and provisions are due within one year.

账目附注（续）

Notes to the Accounts (continued)

29. 到期日分析（续）

29. Maturity profile (continued)

上述到期日分类乃按照金管局颁布之监管政策手册规定之《本地注册认可机构披露中期财务数据》指引而编制。根据该指引，本集团将逾期不超过1个月之贷款及债务证券申报为“即期”资产，并将不履行资产或逾期超过1个月之资产申报为“无注明日期”资产。对于按不同款额或分期偿还之资产，只有该资产中实际逾期之部分被视作逾期。其它未到期之部分仍继续根据剩余期限申报，但假若对该资产之偿还能力有疑虑，则将该等款项列为“无注明日期”。上述列示之资产并未扣除任何相关准备（如有）。

按尚余到期日对其他证券投资之分析是为符合金管局颁布之监管政策手册规定之《本地注册认可机构披露中期财务数据》指引而披露的。所作披露不代表此等证券将持有至到期日。

The above maturity classifications have been prepared in accordance with the guideline on “Interim Financial Disclosure by Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the HKMA. In accordance with the guideline, the Group has reported assets such as advances and debt securities which have been overdue for not more than one month as “Repayable on demand” and assets which are non-performing or which are overdue for more than one month as “Undated”. In the case of an asset that is repayable by different payments or instalments, only that portion of the asset that is actually overdue is reported as overdue. Any part of the asset that is not due is reported according to the residual maturity unless the repayment of the asset is in doubt in which case the amount is reported as “Undated”. The above assets are stated before deduction of provisions, if any.

The analysis of other investments in securities by remaining period to maturity is disclosed in order to comply with the guideline on “Interim Financial Disclosure by Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the HKMA. The disclosure does not imply that the securities will be held to maturity.

账目附注 (续)

Notes to the Accounts (continued)

30. 或然负债及承担

30. Contingent liabilities and commitments

或然负债及承担中每项重要类别之合约数额及相对之总信贷风险加权数额摘要如下:

The following is a summary of the contractual amounts of each significant class of contingent liability and commitment and the corresponding aggregate credit risk weighted amount:

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
直接信贷替代项目	Direct credit substitutes	1,043	1,132
与交易有关之或然负债	Transaction-related contingencies	5,172	4,647
与贸易有关之或然负债	Trade-related contingencies	18,648	16,266
其它承担, 原到期日为	Other commitments with an original maturity of		
- 1 年以下或可无条件撤销	- under one year or which are unconditionally cancellable	93,436	90,947
- 1 年及以上	- one year and over	38,601	41,460
		<u>156,900</u>	<u>154,452</u>
信贷风险加权数额	Credit risk weighted amount	<u>25,142</u>	<u>26,303</u>

信贷风险加权数额的计算基础已于附注 19 说明。

The calculation basis of credit risk weighted amount has been set out in Note 19 to the accounts.

账目附注（续）

Notes to the Accounts (continued)

31. 分类报告

31. Segmental reporting

分部为集团可辨认之组成部分，可以从所提供的产品及服务（业务分部）或于某单一经济地区提供产品及服务的所在地（地区分部）区分，而各分部所得之风险与回报均有分别。本集团采用业务分部为基本报告形式，而地区分部为次要报告形式。

分部收入、支出、业绩、资产和负债包括可直接地归属于一分部及所有可以合理地分配予该分部之项目。收入分配反映以内部资本分配及资金转移机制将资本及其它资金来源之利益分配予业务或地区分部。

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

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment and those that can be allocated on a reasonable basis to that segment. The allocation of revenue reflects the benefits of capital and other funding resources allocated to the business or geographical segments by way of internal capital allocations and fund transfer mechanisms.

账目附注 (续) Notes to the Accounts (continued)
31. 分类报告 (续) 31. Segmental reporting (continued)
(a) 按业务划分
(a) By class of business

		零售银行	企业银行	财资业务	投资	其它	小计	合并抵销	综合
		Retail	Corporate	Treasury	Investment	Others	Subtotal	Eliminations	Consolidated
		港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元	港币百万元
		HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m	HK\$'m
半年结算至 2005 年 6 月 30 日	Half-year ended 30 June 2005								
净利息收入	Net interest income	3,656	1,768	568	(172)	13	5,833	-	5,833
净服务费及佣金收入	Net fees and commission income	981	482	(17)	68	(16)	1,498	-	1,498
净交易性收入	Net trading income	243	21	484	(2)	-	746	-	746
其它经营收入	Other operating income	5	2	1	343	1	352	(231)	121
经营收入 / (亏损)	Operating income/(loss)	4,885	2,273	1,036	237	(2)	8,429	(231)	8,198
经营支出	Operating expenses	(1,898)	(506)	(198)	(228)	(77)	(2,907)	231	(2,676)
提取贷款减值准备前经营溢利 / (亏损)	Operating profit/(loss) before impairment on advances	2,987	1,767	838	9	(79)	5,522	-	5,522
贷款减值准备拨回	Reversal of loan impairment allowances on advances	85	1,350	-	-	-	1,435	-	1,435
经营溢利 / (亏损)	Operating profit/(loss)	3,072	3,117	838	9	(79)	6,957	-	6,957
出售固定资产之净亏损	Net loss from disposal of fixed assets	-	-	-	(9)	-	(9)	-	(9)
出售 / 重估投资物业之净收益	Net gain from disposal/ revaluation of investment properties	-	-	-	927	-	927	-	927
回购 / 出售持有至到期日证券之净亏损	Net loss from redemption/ disposal of held-to-maturity securities	-	-	(3)	-	-	(3)	-	(3)
出售可供出售证券之净收益	Net gain from disposal of available-for-sale securities	-	-	21	-	-	21	-	21
联营公司权益之减值拨备拨回	Write-back of provision for impairment on interests in associates	-	-	-	4	-	4	-	4
应占联营公司之溢利扣减亏损	Share of profits less losses of associates	-	-	-	(1)	-	(1)	-	(1)
除税前溢利 / (亏损)	Profit/(loss) before taxation	3,072	3,117	856	930	(79)	7,896	-	7,896
于 2005 年 6 月 30 日 资产	At 30 June 2005 Assets								
分部资产	Segment assets	136,206	208,645	445,495	22,376	-	812,722	-	812,722
联营公司权益	Interests in associates	-	-	-	57	-	57	-	57
未分配公司资产	Unallocated corporate assets	-	-	-	-	554	554	-	554
		136,206	208,645	445,495	22,433	554	813,333	-	813,333
负债	Liabilities								
分部负债	Segment liabilities	552,823	98,164	84,141	1,447	-	736,575	-	736,575
未分配公司负债	Unallocated corporate liabilities	-	-	-	-	5,564	5,564	-	5,564
		552,823	98,164	84,141	1,447	5,564	742,139	-	742,139
半年结算至 2005 年 6 月 30 日 其它资料	Half-year ended 30 June 2005 Other information								
增置固定资产	Additions of fixed assets	-	-	-	164	-	164	-	164
折旧	Depreciation	73	16	22	172	3	286	-	286

账目附注 (续) Notes to the Accounts (continued)
31. 分类报告 (续) 31. Segmental reporting (continued)
(a) 按业务划分 (续) (a) By class of business (continued)

		零售银行 Retail	企业银行 Corporate	财资业务 Treasury	投资 Investment	其它 Others	小计 Subtotal	合并抵销 Eliminations	综合 Consolidated
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
半年结算至 2004 年 6 月 30 日	Half-year ended 30 June 2004								
净利息收入	Net interest income	2,724	1,779	1,014	(5)	(3)	5,509	-	5,509
净服务费及佣金收入	Net fees and commission income	1,136	568	(22)	38	(7)	1,713	-	1,713
净交易性收入	Net trading income	279	44	342	(3)	-	662	-	662
其它经营收入	Other operating income	29	2	1	344	14	390	(249)	141
经营收入	Operating income	4,168	2,393	1,335	374	4	8,274	(249)	8,025
经营支出	Operating expenses	(1,864)	(522)	(177)	(268)	(86)	(2,917)	249	(2,668)
提取贷款拨备前经营溢利 / (亏损)	Operating profit/(loss) before provisions on advances	2,304	1,871	1,158	106	(82)	5,357	-	5,357
呆坏账 (拨备) / 拨回	(Charge for)/write-back of bad and doubtful debts	(29)	1,269	-	-	-	1,240	-	1,240
经营溢利 / (亏损)	Operating profit/(loss)	2,275	3,140	1,158	106	(82)	6,597	-	6,597
出售 / 重估固定资产之净收益	Net gain from disposal/ revaluation of fixed assets	-	-	-	22	-	22	-	22
出售投资物业之净收益	Net gain from disposal of investment properties	-	-	-	26	-	26	-	26
出售持有至到期日证券之净收益	Net gain from disposal of held-to-maturity securities	-	-	1	-	-	1	-	1
联营公司权益之减值拨备拨回	Write-back of provision for impairment on interests in associates	-	-	-	150	-	150	-	150
应占联营公司之溢利扣减亏损	Share of profits less losses of associates	-	-	-	(19)	-	(19)	-	(19)
除税前溢利 / (亏损)	Profit/(loss) before taxation	<u>2,275</u>	<u>3,140</u>	<u>1,159</u>	<u>285</u>	<u>(82)</u>	<u>6,777</u>	<u>-</u>	<u>6,777</u>
于 2004 年 12 月 31 日	At 31 December 2004								
资产	Assets								
分部资产	Segment assets	132,791	187,946	453,457	22,291	-	796,485	-	796,485
联营公司权益	Interests in associates	-	-	-	62	-	62	-	62
未分配公司资产	Unallocated corporate assets	-	-	-	-	228	228	-	228
		<u>132,791</u>	<u>187,946</u>	<u>453,457</u>	<u>22,353</u>	<u>228</u>	<u>796,775</u>	<u>-</u>	<u>796,775</u>
负债	Liabilities								
分部负债	Segment liabilities	567,313	91,215	68,485	655	-	727,668	-	727,668
未分配公司负债	Unallocated corporate liabilities	-	-	-	-	4,600	4,600	-	4,600
		<u>567,313</u>	<u>91,215</u>	<u>68,485</u>	<u>655</u>	<u>4,600</u>	<u>732,268</u>	<u>-</u>	<u>732,268</u>
半年结算至 2004 年 6 月 30 日	Half-year ended 30 June 2004								
其它资料	Other information								
增置固定资产	Additions of fixed assets	-	-	-	87	-	87	-	87
折旧	Depreciation	71	14	17	187	4	293	-	293
持有至到期日证券之溢价 / 折让摊销	Amortisation of premium/discount of held-to-maturity securities	-	-	76	-	-	76	-	76

账目附注 (续) **Notes to the Accounts (continued)**

31. 分类报告 (续) **31. Segmental reporting (continued)**

(a) 按业务划分 (续)

(a) **By class of business (continued)**

今年本集团采用新的方法编制分类报告, 当中把“商业银行业务”划分成“零售银行业务”和“企业银行业务”, 把“未分配项目”分解为“投资活动”和“其它”。

零售银行业务和企业银行业务均会提供全面的银行服务, 其中零售银行主要服务个人客户和小型公司, 企业银行则服务中型和大型的公司和企业, 而中国内地和海外业务均纳入企业银行业务。

The Group adopts a new approach this year in preparing segmental report. Commercial Banking business is divided into Retail Banking business and Corporate Banking business. Unallocated items are categorised as “Investment Activities” and “Others”.

Both Retail Banking business and Corporate Banking business provide general banking services. Retail Banking mainly serves individual customers and small companies. Corporate Banking serves medium sized and large companies and enterprises. Mainland and overseas businesses are included in Corporate Banking business.

账目附注 (续)

Notes to the Accounts (continued)

31. 分类报告 (续)

31. Segmental reporting (continued)

(a) 按业务划分 (续)

(a) By class of business (continued)

财资业务包括资金市场、外汇买卖和资本市场业务。财资业务部门管理本集团的融资活动和资本，为其它业务线提供资金，并接收从零售银行和企业银行业务线的吸收存款活动中所取得的资金。这些业务线之间的资金交易主要按照交易当时的同货币、同期限市场拆入利率定价，押汇业务和其它交易（例如有关占用设备的资金成本）则按照同货币的平均一周市场拆入利率或平均一个月市场拆入利率定价。在本附注呈列的财资业务损益数据，已包括上述业务线之间的收支交易，但其资产负债数据并未反映业务线之间的借贷（换言之，不可以把财资业务的损益数据与其资产负债数据比较）。

投资活动包括持有本集团的房地产、在联营企业的投资和支持单位所使用的设备。对于占用本集团的物业，其它业务线需要按照每平方米的价格向投资业务线支付费用。对于投资联营企业所占用的资金，投资活动业务线需要按照平均的一个月港元拆入利率向财资业务线支付利息。

Treasury business includes money market, foreign exchange dealings and capital market activities. Treasury manages funding and capital of the Group. It provides funds to other business segments and receives funds from deposit taking activities of Retail Banking and Corporate Banking. These inter-segment funding transactions are mainly priced at market bid rates matched with the currencies and the tenors of the transactions. Bills and other transactions (such as funding for the equipments employed) are priced at average one-week market bid rates or average one-month market bid rates matched with the currency. The profit and loss information about Treasury business presented in this note includes the above inter-segment charging/income transactions. The assets and liabilities of Treasury have not been adjusted to reflect the effect of inter-segment borrowing and lending (i.e. the profit and loss information in relation to Treasury is not comparable to the assets and liabilities information about Treasury).

Investment activities include holding bank premises, interests in associates and equipments used by supporting units. Charges are paid to this segment from other business segments based on predefined rates per square footage for their occupation of the Group's premises. Investment Activities segment pays inter-segment interest to Treasury, priced at average one-month HIBID, for holding the investments in associates.

账目附注 (续) **Notes to the Accounts (continued)**

31. 分类报告 (续) **31. Segmental reporting (continued)**

(a) 按业务划分 (续)

“其它”这一个业务线, 主要包括有关本集团整体但与其余四个业务线无关的项目。

一个职能单位的经营支出, 划入使用该单位所提供的服务的主要使用方。对于支持本集团整体业务的职能单位, 其经营支出是以合理的摊分准则分摊到除“其它”以外的四个业务线; 与该四个业务线完全无关的经营支出, 则纳入“其它”。

(a) By class of business (continued)

“Others” segment mainly comprises of items related to the Group as a whole and totally independent of the other four business segments.

Operating expenses of a functional unit are allocated to the relevant business segment that is the predominant user of the services provided by the unit. For those functional units supporting the Group’s business as a whole, their operating expenses are allocated to the four business segments other than “Others” by reasonable allocation rules. Operating expenses which are totally independent of the four business segments are grouped under “Others”.

(b) 按地理区域划分

由于本集团超过90%以上之收入来自香港, 且本集团超过90%之资产乃来自于香港之商业决策及业务, 故未按地域进行划分。

(b) By geographical area

No geographical reporting is provided as over 90% of the Group’s revenues are derived from Hong Kong and over 90% of the Group’s assets are originated from business decisions and operations based in Hong Kong.

账目附注（续）

Notes to the Accounts (continued)

32. 主要之有关连人士交易

32. Significant related party transactions

有关连人士指有能力直接或间接控制另一方，或可在财政及经营决策方面向另一方行使重大影响之人士。倘有关方受共同控制或共同重大影响，亦被视为有关连人士。有关连人士可为个人或其它公司。

Related parties are those parties that 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.

于2005年1月1日，本集团采纳香港会计准则第24号“有关连人士披露”而有关准则影响了有关连人士之定义及其它有关连人士之披露。有关准则需披露主要高层人员的薪酬，亦规定本集团披露与国有企业进行之有关连人士交易，因为与该等以盈利为导向之国有企业进行之有关连人士交易不再获豁免披露。有关额外披露详见以下(e)及(f)。

On 1 January 2005, the Group has adopted HKAS 24 “Related Party Disclosures” which has affected the identification of related parties and some other related-party disclosures. This HKAS requires the disclosure of the compensation of key management personnel. In addition, it requires the Group to disclose related party transactions with state-controlled entities as these profit-oriented state-controlled entities are no longer exempted from disclosures. The additional disclosures have been detailed in (e) and (f) below.

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

本集团与其有关连人士于期内进行多种交易摘要如下:

The various transactions with related parties which the Group were entered into during the period are summarised as follows:

(a) 有关连人士提供担保之第三者贷款

于2005年6月30日, 间接控股公司中国银行及同系附属公司为本集团给予若干第三者之贷款港币42.01亿元(2004年12月31日: 港币45.12亿元)提供担保。间接控股公司及同系附属公司拥有该等第三者不超过20%之股份权益。

(a) Advances to third parties guaranteed by related parties

As at 30 June 2005, BOC, the intermediate holding company and fellow subsidiaries provided guarantees for loans in favour of the Group amounting to HK\$4,201 million (31 December 2004: HK\$4,512 million) to certain third parties. The intermediate holding company and fellow subsidiaries held equity interests of not more than 20% in these third parties.

(b) 与有关连人士在正常业务范围内进行交易摘要

与本银行之直接控股公司、间接控股公司、同系附属公司和联营公司及间接控股公司之联营公司达成之有关连人士交易所产生之总收入及支出摘要如下:

(b) Summary of transactions entered into during the ordinary course of business with related parties

The aggregate income and expenses arising from related party transactions with the immediate holding company, intermediate holding companies, fellow subsidiaries and associates of the Bank as well as associates of an intermediate holding company are summarised as follows:

		半年结算至2005年6月30日 Half-year ended 30 June 2005		
		直接及间接控股公司 Immediate and intermediate holding companies ¹	联营公司 Associates	其它有关连人士 Other related parties ²
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
附注 Notes	损益项目: Profit and loss items:			
	利息收入 Interest income	(i) 144	-	2
	利息支出 Interest expense	(ii) (197)	(1)	(40)
	已收保险佣金 (净额) Insurance commission received (net)	(iii) -	-	64
	已收/应收行政 服务费用 Administrative services fees received/receivable	(iv) 2	-	2
	已收/应收租金 Rental fees received/receivable	(iv) -	-	7
	已付/应付信用 卡佣金(净额) Credit card commission paid/payable (net)	(v) (34)	-	-
	已付/应付证券 经纪佣金(净额) Securities brokerage commission paid/payable (net)	(v) -	-	(41)
	已付/应付租务、 物业管理及租务 代理费用 Rental, property management and letting agency fees paid/payable	(v) (1)	-	(38)
	已收基金销售佣 金 Funds selling commission received	(vi) -	-	26
	已收代理银行业 务费用 Correspondent banking fee received	(vii) 5	-	-

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(b) 与有关连人士在正常业务范围内进行之交易摘要 (续)

(b) Summary of transactions entered into during the ordinary course of business with related parties (continued)

		半年结算至 2004 年 6 月 30 日 Half-year ended 30 June 2004		
		直接及间接控股公司 Immediate and intermediate holding companies ¹	联营公司 Associates	其它 有关连人士 Other related parties ²
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
损益项目:	Profit and loss items:			
利息收入	Interest income	(i) 67	-	5
利息支出	Interest expense	(ii) (60)	-	(3)
已收保险佣金 (净额)	Insurance commission received (net)	(iii) -	-	74
已收 / 应收行政服务费用	Administrative services fees received/receivable	(iv) 5	-	5
已收 / 应收租金	Rental fees received/receivable	(iv) -	-	13
已付 / 应付信用卡佣金 (净额)	Credit card commission paid/payable (net)	(v) (24)	-	(1)
已付 / 应付证券经纪佣金 (净额)	Securities brokerage commission paid/payable (net)	(v) -	-	(61)
已付 / 应付租务、物业管理及租务代理费用	Rental, property management and letting agency fees paid/payable	(v) -	-	(33)
呆坏账拨回	Write-back of bad and doubtful debts	-	137	22
已收基金销售佣金	Funds selling commission received	(vi) -	-	56
已收代理银行业务费用	Correspondent banking fee received	(vii) 4	-	-
已收贷款服务费	Loan services fees received	(viii) 2	-	3

		2005 年 6 月 30 日 At 30 June 2005		
		直接及间接控股公司 Immediate and intermediate holding companies ¹	联营公司 Associates	其它 有关连人士 Other related parties ²
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
资产负债表项目:	Balance sheet items:			
库存现金及短期资金	Cash and short-term funds	(i) 12,556	-	95
银行及其它金融机构存款	Placements with banks and other financial institutions	(i) 10,153	-	-
衍生金融工具资产	Derivative financial instruments assets	(ix) 31	-	-
其它资产	Other assets	(x) 17	-	799
银行及其它金融机构之存款及结余	Deposits and balances of banks and other financial institutions	(ii) 17,414	-	823
客户存款	Deposits from customers	(ii) 1,159	80	5,232
衍生金融工具负债	Derivative financial instruments liabilities	(ix) 125	-	3
其它账项及准备	Other accounts and provisions	(x) 2,378	-	948

账目附注 (续)
Notes to the Accounts (continued)
32. 主要之有关连人士交易 (续)
32. Significant related party transactions (continued)
(b) 与有关连人士在正常业务范围内进行之交易摘要 (续)
(b) Summary of transactions entered into during the ordinary course of business with related parties (continued)

		2004年12月31日 At 31 December 2004			
资产负债表项目:	Balance sheet items:	附注 Notes	直接及间接控股公司 Immediate and intermediate holding companies ¹	联营公司 Associates	其它 有关连人士 Other related parties ²
			港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
库存现金及短期资金	Cash and short-term funds	(i)	11,534	-	53
银行及其它金融机构存款	Placements with banks and other financial institutions	(i)	22,673	-	53
贷款及其它账项	Advances and other accounts	(i)	15	-	338
其它资产	Other assets	(x)	41	-	1,302
银行及其它金融机构之存款及结余	Deposits and balances of banks and other financial institutions	(ii)	18,536	-	1,013
客户存款	Deposits from customers	(ii)	1,250	110	4,984
其它账项及准备	Other accounts and provisions	(x)	24	-	1,159

¹ 直接及间接控股公司为国有企业。于半年结算至2004年6月30日内与中国银行所进行之交易亦披露为与直接及间接控股公司之交易以确保可比性。虽然中国银行于该日为本银行之最终控股公司。自中国银行于2004年8月改制后，汇金便代表国家拥有中国银行全部股份权益。因此，改制后，汇金代表国家通过其在中国银行的权益而成为本银行的最终控股公司，而中国银行随之成为本银行之间接控股公司。

² 其它有关连人士包括同系附属公司及间接控股公司之联营公司，而若干其它有关连人士为国有企业。

¹ Immediate and intermediate holding companies are state-controlled entities. Transactions with BOC for the six months ended 30 June 2004 have been disclosed as transactions with immediate and intermediate holding companies to ensure comparability notwithstanding that BOC was the Bank's ultimate holding company as at that date. Following the reorganisation of BOC in August 2004, China SAFE holds the entire equity capital of BOC on behalf of the State. Accordingly, China SAFE, acting on behalf of the State has become the ultimate holding company of the Bank whilst BOC became the Bank's intermediate holding company.

² Fellow subsidiaries of the Bank and associates of an intermediate holding company are collectively disclosed as other related parties and certain of which are state-controlled entities.

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(b) 与有关连人士在正常业务范围内进行之交易摘要 (续)

(b) Summary of transactions entered into during the ordinary course of business with related parties (continued)

附注:

Notes:

(i) 利息收入

(i) Interest income

本集团在正常业务中与间接控股公司、同系附属公司及联营公司进行多种交易, 包括接受现金及短期资金存款、存放同业存款及提供贷款和信贷融资。此等交易与本集团跟其它第三者交易所订定的价格与条款相比, 并无享有特别优惠。

In the ordinary course of business, the Group enters into various transactions with an intermediate holding company, fellow subsidiaries and associates including deposit of cash and short-term funds, placement of interbank deposits and provision of loans and credit facilities. The transactions were conducted at prices and terms that are no more favourable than those charged to and contracted with other third party customers of the Group.

(ii) 利息支出

(ii) Interest expense

本集团在正常业务中接受本银行之直接控股公司、间接控股公司和同系附属公司及间接控股公司之联营公司之同业存款及往来、定期、储蓄及其它存款, 均按当时之市场价格进行。

In the ordinary course of business, the Group accepts interbank deposits and current, fixed, savings and other deposits from the immediate holding company, intermediate holding companies and fellow subsidiaries of the Bank as well as associates of an intermediate holding company at the relevant market rates at the time of the transactions.

(iii) 已收保险佣金 (净额)

(iii) Insurance commission received (net)

本集团在正常业务中向同系附属公司提供保险代理服务及购买一般及人寿保险单, 均按当时之市场价格进行。

In the ordinary course of business, the Group provides insurance agency services to and purchases general and life insurance policies from fellow subsidiaries at the relevant market rates at the time of the transactions.

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(b) 与有关连人士在正常业务范围内进行之交易摘要 (续)

(b) Summary of transactions entered into during the ordinary course of business with related parties (continued)

附注: (续)

Notes: (continued)

(iv) 已收 / 应收行政服务费及租金

(iv) Administrative services fees and rental fees received/receivable

本集团在正常业务中向间接控股公司及同系附属公司提供内部稽核、科技、人力资源支持及培训等各项行政服务, 主要按成本加5%的基础来收取费用。此外, 本集团向同系附属公司按当时之市场价格收取写字楼物业租金。

In the ordinary course of business, the Group receives administrative services fees for the provision of various administrative services including internal audit, technology, human resources support and training to the intermediate holding companies and fellow subsidiaries mainly on the basis of cost plus a margin of 5%, and receives office premises rental fees from the fellow subsidiaries at the relevant market rates at the time of the transactions.

(v) 已付 / 应付佣金、物业管理、租务代理费用及租务费用

(v) Commission, property management, letting agency fee and rental fees paid/ payable

本集团在正常业务中就信用卡之行政管理及推广服务、证券经纪服务、物业管理及租务代理支付佣金予间接控股公司及同系附属公司, 并向同系附属公司支付租务费用。此等交易均按当时之市场价格进行。

In the ordinary course of business, the Group pays commission fees for credit card administrative and promotional services, securities brokerage services, property management and letting agency fees to an intermediate holding company and fellow subsidiaries. The Group also pays rental fees to fellow subsidiaries. These transactions have been entered into in the ordinary course of business and were priced at the relevant market rates at the time of the transactions.

(vi) 已收基金销售佣金

(vi) Funds selling commission received

本集团在正常业务中会向本集团客户推广和销售一间同系附属公司的基金产品并收取佣金, 此等业务均按当时之市场价格进行。

In the ordinary course of business, the Group receives commission for engaging in promotion and sale of fund products of a fellow subsidiary to customers of the Group at the relevant market rates at the time of the transactions.

(vii) 已收代理银行业务费用

(vii) Correspondent banking fee received

间接控股公司在正常业务中向本集团客户提供代理银行服务, 其中包括汇款及通知和托收本集团向客户发出之信用证。本集团与间接控股公司双方按不时议定之比例分摊客户所付费用。

In the ordinary course of business, an intermediate holding company provides services to the Group's customers including the remittance services and advising on and collecting letters of credit issued by the Group. The Group shares the fees paid by its customers with the intermediate holding company on the basis agreed between the parties from time to time.

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(b) 与有关连人士在正常业务范围内进行之交易摘要 (续)

(b) Summary of transactions entered into during the ordinary course of business with related parties (continued)

附注: (续)

Notes: (continued)

(viii) 已收贷款服务费

(viii) Loan services fees received

本集团在正常业务中,对转让予同系附属公司及间接控股公司之贷款及相关抵押品提供管理服务,本集团在往年收取按各方不时议定之服务费用。在2004年6月,当有关贷款出售后,是项贷款服务也随之终止。

In the ordinary course of business, the Group undertook to service and administer the loans and the related securities transferred to fellow subsidiaries and an intermediate holding company in prior years at a fee agreed among the parties from time to time. Such loan service was ended in June 2004 when the loans were sold.

(ix) 衍生金融工具资产 / 负债

(ix) Derivative financial instruments assets/liabilities

本集团在正常业务中与间接控股公司及同系附属公司订立了外汇合约及利率合约。于2005年6月30日,该等衍生交易之名义数额总值为港币176.64亿元。而于该日相关之衍生金融工具资产及负债分别为港币0.31亿元及港币1.28亿元。此等交易按当时之市场价格进行。

In the ordinary course of business, the Group enters into foreign exchange contracts and interest rate contracts with an intermediate holding company and fellow subsidiaries. The aggregate notional amount of such derivative transactions amounted to HK\$17,664 million as at 30 June 2005 whilst the corresponding derivative financial instruments assets and liabilities amounted to HK\$31 million and HK\$128 million respectively as at that date. These transactions are executed at the relevant market rates at the time of the transactions.

(x) 其它资产及其它账项及准备

(x) Other assets and other accounts and provisions

其它资产及其它账项及准备包括了向间接控股公司及同系附属公司之应收及应付账款,主要是由于代本集团客户买卖股票而对一间同系附属公司所产生的应收及应付账款。此等应收及应付账款从正常业务范围进行之交易所产生。

Included within "Other assets" and "Other accounts and provisions" are receivables from and payables to intermediate holding companies and fellow subsidiaries. The amounts mainly represent the accounts receivables from and payables to a fellow subsidiary in relation to dealing securities trading transactions on behalf of the Group's customers. The receivables and payables arose from transactions carried out in the normal course of business.

(c) 或然负债及承担

(c) Contingent liabilities and commitments

本集团在正常业务中按市场之一般商业条款为间接控股公司、同系附属公司及联营公司提供贷款融资、贸易融资服务及为其责任作出担保。于2005年6月30日,该等未提取之贷款承担、与贸易有关之或然负债及担保数额为港币11.39亿元(2004年12月31日:港币12.83亿元)。

In the ordinary course of business, the Group provides loan facilities and trade finance services to, and guarantees for the obligations of an intermediate holding company, fellow subsidiaries and associates on normal commercial terms. As at 30 June 2005, the total undrawn loan commitments, trade finance-related contingencies and guarantees amounted to HK\$1,139 million (31 December 2004: HK\$1,283 million).

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(d) 与附属公司之结余

(d) Balances with subsidiaries

	2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$m
库存现金及短期资金	1,444	1,003
银行及其它金融机构存款		
衍生金融工具资产	-	129
贷款及其它账项	8	-
其它资产	852	816
银行及其它金融机构之存款及结余	970	871
客户存款	1,619	1,045
其它账项及准备	185	274
	53	135

(e) 主要高层人员

(e) Key management personnel

本集团在正常业务中会接受主要高层人员存款及向其提供贷款及信贷融资。于期内及去年，本集团并没有与中银香港及其控股公司之主要高层人员或其有关连人士进行重大交易。

The Group accepts deposits from and grants loans and credit facilities to key management personnel in the ordinary course of business. During both the current and prior periods, no material transaction was conducted with key management personnel of BOCHK, its holding companies and parties related to them.

主要高层人员于半年结算至 2005 年及 2004 年 6 月 30 日之薪酬如下：

The key management compensation for the six months ended 30 June 2005 and 2004 is detailed as follows:

	半年结算至 2005 年 6 月 30 日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004 年 6 月 30 日 Half-year ended 30 June 2004 港币百万元 HK\$m
薪酬及其它短期员工福利	13	11
退休福利	1	1
	14	12

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易

(f) Transactions with other state-controlled entities

汇金是经中华人民共和国国务院批准代表国家行使出资人权力，并拥有中国银行全部股份权益。因此，汇金代表国家通过其在中国银行的权益而成为本银行的最终控股公司。

China SAFE is the owner of the entire equity interest in BOC. China SAFE is approved by State Council of the PRC to assume the rights and obligations of the equity owner on behalf of the State. Accordingly, China SAFE, acting on behalf of the State, has become the ultimate holding company of the Bank by virtue of its interest in BOC.

除间接控股公司中国银行及其同系附属公司外，国有企业指由中华人民共和国政府直接或间接持有50%以上股权或投票权、能控制或有权支配企业的财务或营运政策之企业。须注意与中国公司进行之银行业务，中国政府对这些公司皆普遍具影响力。故此，中国政府间接持有许多公司。而这些权益可能于其本身，或其它间接权益合并，形成具控制力之权益，其中于某些公司的权益和其它间接权益成为控股权，但这些权益可能并不为银行所知且并未于下列交易中反映出来。

The state-controlled entities are those, other than BOC (the intermediate holding company and its fellow subsidiaries) over which the PRC government directly or indirectly holds over 50% of the outstanding shares or voting rights, and has the ability to control or the power to govern their financial or operational policies. It should be noted, however, that for those business activities of the Group which are conducted with the PRC companies, the influence of the PRC government with these companies is pervasive. In this regard, the PRC government indirectly holds interests in many companies. Some of these interests may, in themselves or when combined with other indirect interests, be controlling interests. Such interests, however, would not be known to the Group and are not reflected below.

本集团在正常业务中与其它国有企业进行银行交易，包括提供贷款、接受存款、证券投资、货币市场交易及资产负债表外风险项目。期内有关连人士于结算日之结余及相关的准备金、相关的利息收入及利息支出摘要如下：

The Group enters into banking transactions with other state-controlled entities in the ordinary course of business. These include loans, deposits, investment securities, money market transactions and off-balance sheet exposures. The outstanding balances and related provisions at the period/year end, and the related income and expense for the period are as follows:

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易
(续)

(f) Transactions with other state-controlled entities (continued)

(i) 客户贷款

(i) Advances to customers

		半年结算至 2005年6月30日 Half-year ended 30 June 2005	半年结算至 2004年6月30日 Half-year ended 30 June 2004
		港币百万元 HK\$m	港币百万元 HK\$m
利息收入	Interest income	<u>335</u>	<u>174</u>
按个别评估贷款减值准备(拨备)/呆坏账拨回	(Charge for) loan impairment allowances/write-back of bad and doubtful debts	<u>(118)</u>	<u>144</u>
		2005年6月30日 At 30 June 2005	2004年12月31日 At 31 December 2004
		港币百万元 HK\$m	港币百万元 HK\$m
期/年初结余	Outstanding balance at beginning of the period/ year	<u>22,335</u>	<u>20,770</u>
期/年末结余	Outstanding balance at end of the period/ year	26,756	22,335
减:按个别评估减值准备	Less: individually assessed loan impairment allowances	(424)	-
减:特别准备	Less: Specific provisions	-	(197)
		<u>26,332</u>	<u>22,138</u>

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易
(续)

(f) Transactions with other state-controlled entities (continued)

(ii) 投资证券

(ii) Investment securities

		半年结算至 2005年6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
利息收入	Interest income	<u>210</u>	<u>110</u>
		2005年6月30日 At 30 June 2005 港币百万元 HK\$m	2004年12月31日 At 31 December 2004 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>7,829</u>	<u>4,118</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>8,272</u>	<u>7,880</u>

投资证券包括为持有至到期日证券及可供出售证券。除前述证券外,于2004年6月30日亦包括其它证券投资。

Investment securities includes held-to-maturity securities and available-for-sale securities. The balance of investment securities as at 30 June 2004 included other investments in securities in addition to the aforementioned.

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易
(续)

(f) Transactions with other state-controlled entities (continued)

(iii) 交易性证券及公允价值变化
计入损益的其它金融资产

(iii) Trading securities and other financial instruments at fair value
through profit or loss

		半年结算至 2005年6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m	半年结算至 2004年6月30日 Half-year ended 30 June 2004 港币百万元 HK\$m
利息收入	Interest income	<u>13</u>	<u>-</u>
		2005年6月30日 At 30 June 2005 港币百万元 HK\$m	2004年12月31日 At 31 December 2004 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>117</u>	<u>-</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>1,072</u>	<u>-</u>

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易
(续)

(f) Transactions with other state-controlled entities (continued)

(iv) 存放银行及其它金融机构

(iv) Due from banks and other financial institutions

		半年结算至 2005年6月30日 Half-year ended 30 June 2005	半年结算至 2004年6月30日 Half-year ended 30 June 2004
		港币百万元 HK\$m	港币百万元 HK\$m
利息收入	Interest income	<u>54</u>	<u>10</u>
		2005年6月30日 At 30 June 2005	2004年12月31日 At 31 December 2004
		港币百万元 HK\$m	港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>18,100</u>	<u>4,733</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>26,196</u>	<u>18,100</u>

账目附注 (续)
Notes to the Accounts (continued)
32. 主要之有关连人士交易 (续) 32. Significant related party transactions (continued)
(f) 与其它国有企业进行的交易 (续)
(f) Transactions with other state-controlled entities (continued)
(v) 银行及其它金融机构之存款及结余
(v) Due to banks and other financial institutions

		半年结算至 2005年6月30日 Half-year ended 30 June 2005	半年结算至 2004年6月30日 Half-year ended 30 June 2004
		港币百万元 HK\$'m	港币百万元 HK\$'m
利息支出	Interest expense	<u>(50)</u>	<u>(54)</u>
		2005年6月30日 At 30 June 2005	2004年12月31日 At 31 December 2004
		港币百万元 HK\$'m	港币百万元 HK\$'m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>7,478</u>	<u>15,014</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>7,320</u>	<u>7,478</u>

(vi) 客户存款
(vi) Deposit from customers

		半年结算至 2005年6月30日 Half-year ended 30 June 2005	半年结算至 2004年6月30日 Half-year ended 30 June 2004
		港币百万元 HK\$'m	港币百万元 HK\$'m
利息支出	Interest expense	<u>(138)</u>	<u>(24)</u>
		2005年6月30日 At 30 June 2005	2004年12月31日 At 31 December 2004
		港币百万元 HK\$'m	港币百万元 HK\$'m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>19,156</u>	<u>11,237</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>15,410</u>	<u>19,156</u>

账目附注 (续)

Notes to the Accounts (continued)

32. 主要之有关连人士交易 (续)

32. Significant related party transactions (continued)

(f) 与其它国有企业进行的交易
(续)

(f) Transactions with other state-controlled entities (continued)

(vii) 资产负债表外之风险

(vii) Off-balance sheet exposures

		2005年6月30日 At 30 June 2005	2004年12月31日 At 31 December 2004
		港币百万元 HK\$m	港币百万元 HK\$m
或然负债及承担 (包括担保)	Contingent liabilities and commitments (including guarantees)	<u>12,553</u>	<u>12,079</u>
未结算之衍生工具 (名义合约数额)	Derivative transactions unsettled (notional amount)	<u>4,225</u>	<u>5,075</u>

33. 比较数字

33. Comparative amounts

诚如本账目附注 1 所述, 由于本期采纳若干新香港财务报告准则、香港会计准则及诠释, 账目若干项目及结余之会计处理以及呈报方式已经加以修订, 以符合新规定。因此, 已就往年作出若干调整, 且若干比较数字已重新分类, 以符合本期之呈报方式。

As further explained in Note 1 to the accounts, due to the adoption of certain new HKFRSs, HKASs and Interpretations during the current period, the accounting treatment and presentation of certain items and balances in the accounts have been prepared to comply with the new requirements. Accordingly, certain opening adjustments have been made and certain comparative amounts have been reclassified to conform with the current period's presentation.

34. 法定账目

34. Statutory accounts

此中期业绩报告所载为未经审核资料, 并不构成法定账目。截至 2004 年 12 月 31 日止之法定账目, 已送呈公司注册处及金管局。该法定账目载有于 2005 年 3 月 23 日发出之无保留意见的审计师报告。

The information in this interim report is unaudited and does not constitute statutory accounts. The statutory accounts for the year ended 31 December 2004 have been delivered to the Registrar of Companies and the HKMA. The auditors expressed an unqualified opinion on those statutory accounts in their report dated 23 March 2005.

补充财务资料

Supplementary Financial Information

1. 资本充足比率

1. Capital adequacy ratio

	2005年 6月30日 At 30 June 2005	2004年 12月31日 At 31 December 2004
资本充足比率	15.74%	16.14%
经调整之资本充足比率	15.71%	16.13%

资本充足比率乃根据银行业条例附表三及按金管局就监管规定要求以综合基准计算本银行及其指定之附属公司财务状况的比率。

The CAR is computed on the consolidated basis that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Third Schedule of the Banking Ordinance.

经调整资本充足比率乃根据金管局颁布的监管手册内之《就市场风险维持充足资本》指引，计入在资产负债表日期之市场风险，按照未经调整之资本充足比率之相同基准计算。

The adjusted CAR taking into account market risk exposure as at the balance sheet date is computed in accordance with the guideline on "Maintenance of Adequate Capital Against Market Risks" under the Supervisory Policy Manual issued by the HKMA and on the same basis as for the unadjusted CAR.

2. 扣减后的资本基础成份

2. Components of capital base after deductions

用于计算以上 2005 年 6 月 30 日及 2004 年 12 月 31 日之资本充足比率及已汇报金管局之扣减后的综合资本基础分析如下：

The consolidated capital base after deductions used in the calculation of the above capital adequacy ratios as at 30 June 2005 and 31 December 2004 and reported to the HKMA is analysed as follows:

	2005年 6月30日 At 30 June 2005 港币百万元 HK\$m	2004年 12月31日 At 31 December 2004 港币百万元 HK\$m
核心资本：		
缴足股款的普通股股本	43,043	43,043
储备	16,006	12,408
损益账	3,395	4,491
少数股东权益	981	963
	63,425	60,905
附加资本：		
非交易性证券重估储备	(82)	-
按组合评估之客户贷款减值准备	1,222	-
法定储备	3,584	-
一般呆账准备金	-	5,049
资本基础总额	68,149	65,954
资本基础总额的扣减项目：		
持有附属公司或控股公司的股份	(337)	(351)
对有连系公司的风险承担	(617)	(845)
持有非附属公司 20%或以上的股权投资	(60)	(60)
在其它银行或金融机构的股本投资	(5)	(1)
	(1,019)	(1,257)
扣减后的资本基础总额	67,130	64,697

补充财务资料(续) Supplementary Financial Information (continued)

3. 流动资金比率 3. Liquidity ratio

		半年结算至 2005年 6月30日 Half-year ended 30 June 2005	半年结算至 2004年 6月30日 Half-year ended 30 June 2004
平均流动资金比率	Average liquidity ratio	39.15%	34.64%

平均流动资金比率是以本银行期内每月平均流动资金比率的简单平均值计算。

The average liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of BOCHK for the period.

流动资金比率是根据银行业条例附表四及以单独基准(即只包括香港办事处)计算。

The liquidity ratio is computed on the solo basis (the Hong Kong offices only) and is in accordance with the Fourth Schedule of the Banking Ordinance.

补充财务资料 (续)
Supplementary Financial Information (continued)
4. 货币风险
4. Currency concentrations

下表列出因外汇自营交易、非自营交易及结构性仓位而产生之主要外币风险额。期权盘净额之计算是根据金管局于“外币持仓”申报表所載之最保守情况计算。

The following is a summary of the major foreign currency exposures arising from trading, non-trading and structural positions. The net options position is calculated based on the worst-case approach set out in the prudential return “Foreign Currency Position” issued by the HKMA.

		2005年6月30日 At 30 June 2005							
		港币百万元等值 Equivalent in million of HK\$							
		美元 US Dollars	日圆 Japanese Yen	欧元 Euro	澳元 Australian Dollars	澳门币 Macau Pataca	人民币 Renminbi Yuan	其它货币 Others	总计 Total
现货资产	Spot assets	207,530	8,408	12,469	19,431	175	22,344	10,551	280,908
现货负债	Spot liabilities	(163,269)	(2,954)	(7,176)	(22,610)	(11)	(21,663)	(31,667)	(249,350)
远期买入	Forward purchases	128,522	19,274	12,380	12,294	-	89	55,872	228,431
远期卖出	Forward sales	(173,409)	(24,751)	(17,899)	(9,182)	-	(34)	(34,897)	(260,172)
期权盘净额	Net options position	78	(8)	85	189	-	-	47	391
长 / (短) 盘净额	Net long/(short) position	(548)	(31)	(141)	122	164	736	(94)	208
结构仓位净额	Net structural position	111	-	-	-	-	226	-	337

		2004年12月31日 At 31 December 2004							
		港币百万元等值 Equivalent in million of HK\$							
		美元 US Dollars	日圆 Japanese Yen	欧元 Euro	澳元 Australian Dollars	澳门币 Macau Pataca	人民币 Renminbi Yuan	其它货币 Others	总计 Total
现货资产	Spot assets	228,593	21,041	16,581	21,532	181	13,129	14,189	315,246
现货负债	Spot liabilities	(161,784)	(2,893)	(7,086)	(23,701)	(2)	(12,282)	(28,630)	(236,378)
远期买入	Forward purchases	112,090	12,153	12,348	14,892	-	92	38,179	189,754
远期卖出	Forward sales	(178,122)	(30,661)	(21,972)	(12,945)	-	(54)	(23,902)	(267,656)
期权盘净额	Net options position	(319)	8	32	53	-	-	238	12
长 / (短) 盘净额	Net long/(short) position	458	(352)	(97)	(169)	179	885	74	978
结构仓位净额	Net structural position	-	-	-	-	-	94	-	94

补充财务资料 (续) **Supplementary Financial Information (continued)**

5. 分类资料

5. Segmental information

(a) 按行业分类之客户贷款
总额

(a) Sectoral analysis of gross advances to customers

根据在香港境内或境外以及借贷人从事之业务作出分类之客户贷款总额资料分析如下:

The information concerning gross advances to customers has been analysed into loans used inside or outside Hong Kong by industry sectors of the borrowers as follows:

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
在香港使用之贷款	Loans for use in Hong Kong		
工商金融业	Industrial, commercial and financial		
- 物业发展	- Property development	22,614	21,323
- 物业投资	- Property investment	52,475	47,809
- 金融业	- Financial concerns	12,097	9,956
- 股票经纪	- Stockbrokers	156	124
- 批发及零售业	- Wholesale and retail trade	14,946	15,243
- 制造业	- Manufacturing	13,468	11,767
- 运输及运输设备	- Transport and transport equipment	11,429	11,777
- 其它	- Others	29,040	30,035
个人	Individuals		
- 购买居者有其屋计划、私人机构参建居屋计划及租者置其屋计划楼宇之贷款	- Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	16,768	17,430
- 购买其它住宅物业之贷款	- Loans for purchase of other residential properties	103,411	95,615
- 信用卡贷款	- Credit card advances	4,349	4,256
- 其它	- Others	8,003	7,386
在香港使用之贷款总额	Total loans for use in Hong Kong	288,756	272,721
贸易融资	Trade finance	16,049	13,279
在香港以外使用之贷款	Loans for use outside Hong Kong	32,849	27,226
客户贷款总额	Gross advances to customers	337,654	313,226

补充财务资料 (续)

Supplementary Financial Information (continued)

5. 分类资料 (续)

5. Segmental information (continued)

(b) 按地理区域分类之客户贷款总额及逾期贷款

下列关于客户贷款总额及逾期超过三个月之贷款之地理区域分析是根据交易对手之所在地,并已顾及有关贷款之风险转移因素。

(b) Geographical analysis of gross advances to customers and overdue advances

The following geographical analysis of gross advances to customers and advances overdue for over three months is based on the location of the counterparties, after taking into account the transfer of risk in respect of such advances where appropriate.

(i) 客户贷款总额

(i) Gross advances to customers

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
香港	Hong Kong	306,360	286,768
中国内地	Mainland China	15,132	11,166
其它	Others	16,162	15,292
		<u>337,654</u>	<u>313,226</u>

(ii) 逾期超过三个月之贷款

(ii) Advances overdue for over three months

		2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
香港	Hong Kong	3,885	5,066
中国内地	Mainland China	185	264
其它	Others	35	39
		<u>4,105</u>	<u>5,369</u>

补充财务资料 (续)
Supplementary Financial Information (continued)
6. 跨国债权
6. Cross-border claims

跨国债权数据显示对海外交易对手之最终风险之地区分布, 并会按照交易对手所在地计入任何风险转移。一般而言, 假如债务之担保人所处国家与借贷人不同, 或债务由某银行之海外分行作出而其总公司位处另一国家, 则会确认跨国债权风险之转移。占总跨国债权 10%或以上之地区方作分析及披露如下:

The information on cross-border claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate cross-border claims are analysed by geographical areas and disclosed as follows:

		银行及其它 金融机构 Banks and other financial institutions	公共机构 Public sector entities	其它 Others	总计 Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
于 2005 年 6 月 30 日	At 30 June 2005				
亚洲, 不包括香港	Asia, other than Hong Kong				
- 中国内地	- Mainland China	36,692	23,257	16,090	76,039
- 其它	- Others	57,611	993	9,148	67,752
		<u>94,303</u>	<u>24,250</u>	<u>25,238</u>	<u>143,791</u>
北美洲	North America				
- 美国	- United States	5,851	26,467	25,374	57,692
- 其它	- Others	8,908	380	19	9,307
		<u>14,759</u>	<u>26,847</u>	<u>25,393</u>	<u>66,999</u>
西欧	Western Europe				
- 德国	- Germany	30,776	-	3,322	34,098
- 其它	- Others	135,015	737	15,265	151,017
		<u>165,791</u>	<u>737</u>	<u>18,587</u>	<u>185,115</u>
总计	Total	<u>274,853</u>	<u>51,834</u>	<u>69,218</u>	<u>395,905</u>

补充财务资料 (续)

Supplementary Financial Information (continued)

6. 跨国债权 (续)

6. Cross-border claims (continued)

		银行及其它 金融机构 Banks and other financial institutions	公共机构 Public sector entities	其它 Others	总计 Total
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
于 2004 年 12 月 31 日	At 31 December 2004				
亚洲, 不包括香港	Asia, other than Hong Kong				
- 中国内地	- Mainland China	48,234	14,338	12,103	74,675
- 其它	- Others	54,183	915	7,142	62,240
		<u>102,417</u>	<u>15,253</u>	<u>19,245</u>	<u>136,915</u>
北美洲	North America				
- 美国	- United States	6,043	26,051	15,886	47,980
- 其它	- Others	11,731	395	16	12,142
		<u>17,774</u>	<u>26,446</u>	<u>15,902</u>	<u>60,122</u>
西欧	Western Europe				
- 德国	- Germany	40,020	-	4,415	44,435
- 其它	- Others	147,474	743	15,238	163,455
		<u>187,494</u>	<u>743</u>	<u>19,653</u>	<u>207,890</u>
总计	Total	<u>307,685</u>	<u>42,442</u>	<u>54,800</u>	<u>404,927</u>

补充财务资料 (续) Supplementary Financial Information (continued)

7. 逾期及经重组资产 7. Overdue and rescheduled assets

(a) 逾期贷款 (a) Gross amount of overdue loans

	2005年6月30日 At 30 June 2005		2004年12月31日 At 31 December 2004	
	金额 Amount 港币百万元 HK\$'m	占客户贷款总额 百分比 % of gross advances to customers	金额 Amount 港币百万元 HK\$'m	占客户贷款总额 百分比 % of gross advances to customers
客户贷款总额， 已逾期：				
- 超过3个月但不 超过6个月	659	0.20%	489	0.16%
- 超过6个月但不 超过1年	310	0.09%	395	0.13%
- 超过1年	3,136	0.93%	4,485	1.43%
逾期超过3个月之 贷款	4,105	1.22%	5,369	1.72%

于2005年6月30日及2004年12月31日，没有逾期超过3个月之银行及其它金融机构贷款。

As at 30 June 2005 and 31 December 2004, there were no advances to banks and other financial institutions that were overdue for over three months.

(b) 经重组客户贷款 (b) Rescheduled advances to customers

	2005年6月30日 At 30 June 2005		2004年12月31日 At 31 December 2004	
	金额 Amount 港币百万元 HK\$'m	占客户贷款总额 百分比 % of gross advances to customers	金额 Amount 港币百万元 HK\$'m	占客户贷款总额 百分比 % of gross advances to customers
经重组客户贷款	419	0.12%	974	0.31%

补充财务资料 (续)

Supplementary Financial Information (continued)

7. 逾期及经重组资产 (续)

7. Overdue and rescheduled assets (continued)

(b) 经重组客户贷款 (续)

(b) Rescheduled advances to customers (continued)

有明确到期日之贷款，若其本金或利息已逾期及仍未偿还，则列作逾期贷款。须定期分期偿还之贷款，若其中一次分期还款已逾期及仍未偿还，则列作逾期处理。须即期偿还之贷款若已向借款人送达还款通知，但借款人未按指示还款，或贷款一直超出借款人获通知之批准贷款限额，亦列作逾期处理。

经重组贷款乃指客户因为财政困难或无能力如期还款而经双方同意达成重整还款计划之贷款，而经修订之还款条款（例如利率或还款期）并非一般商业条款。修订还款计划后之经重组贷款如仍逾期超过 3 个月，则包括在逾期贷款内。列示之经重组贷款并未扣除减值准备。

于 2005 年 6 月 30 日及 2004 年 12 月 31 日，没有经重组之银行及其它金融机构贷款。

Advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid. Advances repayable by regular instalments are classified as overdue when an instalment payment is overdue and remains unpaid. Advances repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the instruction or when the advances have remained continuously outside the approved limit that was advised to the borrower.

Rescheduled advances are those advances that have been restructured or renegotiated because of a deterioration in the financial position of the borrower or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms, either of interest or of repayment period, are non-commercial. Rescheduled advances, which have been overdue for more than three months under the revised repayment terms, are included in overdue advances. Rescheduled advances are stated before deduction of loan impairment allowances.

As at 30 June 2005 and 31 December 2004, there were no rescheduled advances to banks and other financial institutions.

补充财务资料 (续)

Supplementary Financial Information (continued)

8. 收回资产

8. Repossessed assets held

	2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m	2004 年 12 月 31 日 At 31 December 2004 港币百万元 HK\$'m
收回资产之估计市值	595	1,185

收回资产是指集团为解除贷款人部分或全部债务而得以存取或控制的资产，包括物业及证券（例如透过法庭程序或有关贷款人的自愿行动）。

Repossessed assets are properties or securities in respect of which the Group has acquired access or control (e.g. through court proceedings or voluntary actions by the borrowers concerned) for release in full or in part of the obligations of the borrowers.

9. 符合《本地注册认可机构披露中期财务数据》指引

9. Compliance with the guideline on “Interim Financial Disclosure by Locally Incorporated Authorized Institutions”

截至 2005 年上半年止的中期业绩报告完全符合金管局颁布之监管政策手册《本地注册认可机构披露中期财务数据》指引内所载的规定。

The interim report for the first half of 2005 fully complies with the requirements set out in the guideline on “Interim Financial Disclosure by Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the HKMA.

10. 符合香港会计准则第 34 号

10. Compliance with HKAS 34

截至 2005 年上半年止的中期业绩报告符合香港会计师公会颁布之香港会计准则第 34 号“中期财务报告”之要求。

The interim report for the first half of 2005 complies with HKAS 34 “Interim Financial Reporting” issued by the HKICPA.

独立审阅报告

致中银国银行（香港）有限公司董事会
(在香港注册成立的有限公司)

引言

本所已按中国银行（香港）有限公司及其附属公司（贵集团）指示，审阅第 36 至 105 页所载的中期财务报告。

董事及审计师各自之责任

董事须负责编制符合香港会计师公会颁布的香港会计准则第 34 号“中期财务报告”及其相关规定的中期财务报告。董事须对中期财务报告负责，而该报告亦已经董事会批准。

本所之责任是根据审阅之结果，对中期财务报告出具独立结论，并按照双方所协议的应聘书条款仅向整体董事会报告，除此之外本报告别无其它目的。本所不会就本报告的内容向任何其它人士负上或承担任何责任。

已执行的审阅工作

本所已按照香港会计师公会所颁布的审计准则第 700 号“审阅中期财务报告的委聘”进行审阅工作。审阅工作主要包括向贵集团管理层作出查询，及对中期财务报告进行分析程序，然后根据结果评估贵集团之会计政策及呈报方式是否贯彻应用（惟已另作披露则除外）。审阅工作并不包括监控测试及核证资产、负债及交易等审计程序。由于审阅的范围远较审计为小，故所提供的保证程度较审计为低。因此，本所不会对中期财务报告发表审计意见。

审阅结论

按照本所审阅的结果，但此审阅并不作为审计之一部分，本所并无发现任何须在截至 2005 年 6 月 30 日止六个月的中期财务报告作出重大修订之事项。

罗兵咸永道会计师事务所
执业会计师

香港，2005 年 8 月 18 日

Independent Review Report

**TO THE BOARD OF DIRECTORS OF
BANK OF CHINA (HONG KONG) LIMITED**
(incorporated in Hong Kong with limited liability)

Introduction

We have been instructed by Bank of China (Hong Kong) Limited and its subsidiaries ("the Group") to review the interim financial report set out on pages 36 to 105.

Respective responsibilities of directors and auditors

The directors are responsible for the preparation of an interim financial report to be in compliance with Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants and the relevant provisions thereof. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Review work performed

We conducted our review in accordance with SAS 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of the Group's management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30 June 2005.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 18 August 2005

释义

在本中期业绩报告中，除非文义另有所指，否则下列词汇具有以下涵义：

词汇	涵义
“中银香港”或“本银行”	中国银行（香港）有限公司，根据香港法例注册成立之公司，并为中银香港（控股）有限公司之全资附属公司
“董事会”	本银行董事会
“中国银行”	中国银行，根据中国法例成立之国有商业银行
“集友”	集友银行有限公司，根据香港法例注册成立之公司，中银香港占其 70.49% 股权
“本集团”	本银行及其附属公司
“金管局”	香港金融管理局
“内地”或“中国内地”	中华人民共和国内地
“不履约贷款”	将利息拨入暂记账或停止累计利息的客户贷款及垫款
“南商”	南洋商业银行有限公司，根据香港法例注册成立之公司，并为中银香港之全资附属公司
“中国”	中华人民共和国
“人民币”	人民币，中国法定货币
“会计准则”	会计实务准则
“涉险值”	风险持仓涉险值

Definitions

In this Interim Report, unless the context otherwise requires, the following terms shall have the meanings set out below:

Terms	Meanings
“ATM”	Automated Teller Machine
“BOCHK” or “The Bank”	Bank of China (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of BOC Hong Kong (Holdings) Limited
“Board” or “ Board of Directors”	the Board of Directors of BOCHK
“BOC”	Bank of China, a state-owned commercial bank established under the laws of the PRC
“CAR”	Capital Adequacy Ratio, computed on the consolidated basis that comprises the positions of BOCHK and certain subsidiaries specified by the HKMA for its regulatory purposes and in accordance with the Third Schedule of the Banking Ordinance
“Chiyu”	Chiyu Banking Corporation Limited, a company incorporated under the laws of Hong Kong, in which BOCHK holds an equity interest of 70.49%
“Group”	the Bank and its subsidiaries collectively referred to as the Group
“HIBID”	Hong Kong Interbank Bid Rate
“HIBOR”	Hong Kong Interbank Offered Rate
“HKAS(s)”	Hong Kong Accounting Standard(s)
“HKAS-Int”	HKAS Interpretation
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“HKMA”	Hong Kong Monetary Authority
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“Hong Kong SAR” or “Hong Kong”	Hong Kong Special Administrative Region
“LIBOR”	London Interbank Offered Rate
“The Mainland” or “Mainland China” or “The Mainland of China”	The mainland of the PRC
“Nanyang”	Nanyang Commercial Bank, Limited, a company incorporated under the laws of Hong Kong and a wholly owned subsidiary of BOCHK
“PRC”	The People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SME”	Small and medium-sized enterprises
“SSAP”	Statement of Standard Accounting Practice
“VaR”	Value at Risk