

2006 年中期业绩报告

Interim Report 2006



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管理层讨论及分析

此部分对集团表现、财务状况和风险管理进行分析，阅读时应结合中期业绩报告及附注部分。

综合财务回顾

集团在 2006 年上半年表现持续理想。提取减值准备前经营溢利创 2002 年上市以来的最高水平。经营收入的改善主要受惠于净利息收入、净服务费及佣金收入以及净交易性收入的增长。尽管贷款减值准备拨回和投资物业重估净增值有所减少，股东应占溢利仍上升 5.09 亿元或 7.8%，达港币 70.04 亿元。

财务表现

港币百万元，百分比除外	半年结算至 2006 年 6 月 30 日	半年结算至 2005 年 12 月 31 日	半年结算至 2005 年 6 月 30 日
提取贷款减值准备前之总经营收入	10,356	9,748	8,220
贷款减值准备拨回	642	1,210	1,435
净经营收入	10,998	10,958	9,655
经营支出	(2,938)	(3,054)	(2,676)
经营溢利	8,060	7,904	6,979
除税前溢利	8,545	8,471	7,896
本银行股东应占溢利	7,004	6,997	6,495
净利息收益率	1.80%	1.83%	1.58%
非利息收入占总经营收入比率	29.44%	28.15%	29.04%
成本对收入比率	28.37%	31.33%	32.55%

集团 2006 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分析和详述。

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 2006 年 6 月 30 日	半年结算至 2005 年 12 月 31 日	半年结算至 2005 年 6 月 30 日
利息收入	19,219	15,810	10,065
利息支出	(11,912)	(8,806)	(4,232)
净利息收入	7,307	7,004	5,833
平均生息资产	820,383	759,550	744,464
净息差	1.42%	1.53%	1.43%
净利息收益率	1.80%	1.83%	1.58%

净利息收入较去年同期增加港币 14.74 亿元或 25.3%至港币 73.07 亿元。平均生息资产增加港币 759.19 亿元或 10.2%至港币 8,203.83 亿元，主要是由平均存款及招股活动资金的增长所带动。净利息收益率上升 22 个基点至 1.80%，净息差却下降了 1 个基点至 1.42%。在利率上升的带动下，净无息资金的贡献增加 23 个基点。

管理层讨论及分析（续）

2006年上半年的利率环境与2005年同期大为不同。在香港特区政府2005年5月实施优化联系汇率制度的措施后，1个月香港银行同业拆息由2005年4月底的1.96%显著上升至2005年12月底的4.10%，至2006年5月达到4.68%的高点。2006年上半年，1个月香港银行同业拆息平均较一年前的2.02%上升了217个基点至4.19%；同期内，1个月美元同业拆息平均上升了197个基点至4.85%。2006年上半年，集团平均最优惠利率相比于去年同期的5.25%上升至8.08%，令今年上半年平均最优惠利率对1个月香港银行同业拆息的息差扩大66个基点至3.89%。

集团平均贷款的毛收益率较去年同期上升了247个基点，这是由于市场利率趋升，以及集团在因为市场竞争激烈而导致的价格压力增加的背景下仍努力维持贷款息差的结果。尽管住宅按揭贷款组合（不包括“居者有其屋”计划）的加权平均毛收益率由一年前的最优惠利率减2.40%下跌了12个基点至最优惠利率减2.52%，随着最优惠利率与香港银行同业拆息之间的息差的扩大，放款利差拓阔。由于集团继续分散投资组合以提高收益，平均债务证券投资毛收益率上升了156个基点。然而，孳息曲线趋平限制了债务证券投资组合收益的改善。集团积极做好资金成本管理，拓宽了存款利差，但存款利率上升及储蓄存款转为定期存款仍导致了资金成本的上升。例如，储蓄存款和定期存款的平均利率分别上升了219和181个基点，同时，定期存款占总存款的平均比率也较2005年上半年上升了8个百分点。

与2005年下半年相比，净利息收入上升港币3.03亿元或4.3%。平均生息资产上升了港币608.33亿元或8.0%。净利息收益率微降3个基点，净息差下降了11个基点，净无息资金贡献上升了8个基点。

随着2005年下半年利率相对的急速上升，2006年上半年市场利率继续上升，但由于市场流动资金充裕，上升速度放缓。与2005年下半年相比，1个月香港银行同业拆息平均只上升了38个基点，净无息资金贡献的改善速度也因此而放缓。集团致力维持贷款收益率，加上最优惠利率对1个月香港银行同业拆息的息差扩阔，令贷款息差得以改善。平均贷款及债务证券投资的毛收益率分别上升了74和66个基点。住宅按揭贷款组合（不包括“居者有其屋”计划）的加权平均毛收益率微跌了3个基点而为最优惠利率减2.52%。尽管2006年上半年市场利率温和上升，定期存款利差仍进一步扩大。

管理层讨论及分析 (续)

下表列示各项资产负债的平均余额和平均年利率。

资产	半年结算至 2006 年 6 月 30 日		半年结算至 2005 年 12 月 31 日		半年结算至 2005 年 6 月 30 日	
	平均余额 港币百万元	平均利率 %	平均余额 港币百万元	平均利率 %	平均余额 港币百万元	平均利率 %
存放银行及其他金融机构的款项	180,955	4.02%	157,831	3.26%	171,557	1.70%
生息证券	283,199	4.44%	250,470	3.78%	233,123	2.88%
客户贷款	330,954	5.58%	330,316	4.84%	320,292	3.11%
其他生息资产	25,275	1.73%	20,933	3.60%	19,492	3.61%
总生息资产	820,383	4.72%	759,550	4.13%	744,464	2.73%
无息资产	79,843		68,736		70,115	
资产总额	900,226	4.30%	828,286	3.79%	814,579	2.49%

负债	半年结算至 2006 年 6 月 30 日		半年结算至 2005 年 12 月 31 日		半年结算至 2005 年 6 月 30 日	
	平均余额 港币百万元	平均利率 %	平均余额 港币百万元	平均利率 %	平均余额 港币百万元	平均利率 %
银行及其他金融机构之存款及结余	39,506	3.38%	32,311	2.63%	33,745	1.90%
往来、储蓄及定期存款	653,254	3.33%	607,534	2.61%	591,506	1.23%
发行之存款证	3,953	3.01%	3,795	3.03%	3,805	2.86%
其他付息负债	31,174	2.62%	28,081	2.23%	26,651	1.99%
总付息负债	727,887	3.30%	671,721	2.60%	655,707	1.30%
无息存款	33,932		33,547		34,969	
股东资金* 及其他无息负债	138,407		123,018		123,903	
负债总额	900,226	2.67%	828,286	2.11%	814,579	1.05%

*股东资金指本银行股本和股东应占储备。

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	半年结算至	半年结算至
	2006年6月30日	2005年12月31日	2005年6月30日
汇票佣金	259	275	257
贷款佣金	116	139	124
投资及保险服务费收入	963	619	624
证券经纪 (股票)	644	384	330
资产管理	167	98	85
人寿保险	123	91	135
债券	29	46	74
一般保险	54	45	58
信托服务	54	58	49
缴款服务	200	202	179
信用卡	375	365	372
其他	436	402	342
服务费及佣金收入	2,457	2,105	2,005
服务费及佣金支出	(587)	(548)	(507)
净服务费及佣金收入	1,870	1,557	1,498

净服务费及佣金收入较去年同期增加了港币 3.72 亿元或 24.8%至港币 18.70 亿元，主要因为代客买卖股票佣金收入上升港币 3.14 亿元或 95.2%及资产管理佣金收入上升港币 0.82 亿元或 96.5%。活跃的债券市场和新股上市活动，使客户交易量和开放式基金买卖量分别增加了 121.6%和 133.6%。另一方面，由于客户在利率上升的市场环境下要求更高的投资回报，债券和结构性票据的销售下降，相关的佣金收入也相应减少港币 0.45 亿元或 60.8%。由于寿险产品的销售下降，使来自于寿险的佣金收入减少港币 0.12 亿元或 8.9%。汇票佣金收入保持不变，贷款佣金收入则因业务量下降而减少港币 0.08 亿元或 6.5%。其他服务费和佣金收入上升港币 0.94 亿元或 27.5%，主要来自于新股上市的服务费收入达港币 0.35 亿元，和与人民币相关的服务费收入显著增加 111.8%以及兑换收入增加 75.9%。随着服务费及佣金收入上升，服务费及佣金支出也相应上升港币 0.80 亿元或 15.8%，主要由于代客买卖股票的费用增加。

与 2005 年下半年比较，随着来自于代客买卖股票及资产管理佣金收入的增加，净服务费及佣金收入相应增加港币 3.13 亿元或 20.1%。

净交易性收入

港币百万元	半年结算至	半年结算至	半年结算至
	2006年6月30日	2005年12月31日	2005年6月30日
外汇交易及外汇交易产品	758	868	596
利率工具	190	17	129
股份权益工具	15	8	4
商品	58	35	17
净交易性收入	1,021	928	746

净交易性收入上升港币 2.75 亿元或 36.9%至港币 10.21 亿元。外汇交易及外汇交易产品的净交易性收入上升港币 1.62 亿元或 27.2%至港币 7.58 亿元，增长主要来自于外汇掉期交易公平值的增加。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他金融资产、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他金融负债所产生的公允价值变化。在 2006 年上半年，利率工具产生的净交易性收入录得港币 1.90 亿元盈利，上升港币 0.61 亿元或 47.3%。主要是因为一些以公允价值变化计入损益之金融资产的公允价值增加。

与 2005 年下半年比较，净交易性收入上升港币 0.93 亿元或 10.0%，主要因为利率工具的公平值的利好变化。

管理层讨论及分析 (续)

经营支出

港币百万元，百分比除外	半年结算至 2006年6月30日	半年结算至 2005年12月31日	半年结算至 2005年6月30日
人事费用	1,808	1,813	1,653
房产及设备支出（不包括折旧）	372	422	321
折旧	322	280	286
其他经营支出	436	539	416
经营支出	2,938	3,054	2,676
成本对收入比率	28.37%	31.33%	32.55%

经营支出与去年同期相比增加港币 2.62 亿元或 9.8%至港币 29.38 亿元，主要由于人事费用随着 2006 年 4 月的加薪及招聘高素质员工而上升港币 1.55 亿元或 9.4%。与 2005 年 6 月底相比，全职员工人数下降 76 人至 2006 年 6 月底的 12,622 人。

相比于 2005 年上半年，自置固定资产折旧上升港币 0.36 亿元或 12.6%至港币 3.22 亿元，主要因为物业重估升值。

贷款减值准备拨回

港币百万元	半年结算至 2006年6月30日	半年结算至 2005年12月31日	半年结算至 2005年6月30日
贷款减值准备拨回 / (提拨)			
个别评估			
- 新提准备	(366)	(609)	(695)
- 拨回	99	834	208
- 收回已撤销账项	676	552	1,087
组合评估			
- 新提准备*	(2)	90	(101)
- 拨回	219	364	915
- 收回已撤销账项*	16	(21)	21
拨回收益账净额	642	1,210	1,435

*半年结算至 2005 年 12 月 31 日的新提准备及收回已撤销账项包括在 2005 年下半年因部分贷款个别评估及综合评估的重新分类而引致的调整。

个别大额且有减值迹象的贷款，是以未来还款现金流量折现法计提贷款减值准备的（个别评估-IA）；其他贷款则按其授信性质进行组合分类，然后采用统计模型综合计提贷款减值准备（组合评估-CA）。集团录得港币 6.42 亿元的贷款减值准备净拨回，较 2005 年上半年下降港币 7.93 亿元或 55.3%，其中，贷款减值准备拨回下降了港币 8.05 亿元或 71.7%而为港币 3.18 亿元。在经济环境好转、借款人偿还能力改善的情况下，集团资产质量在去年显著提高，致令 2006 年贷款迁移率的改善速度有所放缓，贷款减值准备拨回也因而下降。而且，部分拨回被新增提减值准备港币 3.68 亿元所抵销。新的减值准备，是用以保障新形成的减值贷款和现有已减值账户的进一步恶化。

2006 年上半年，集团总共收回港币 6.92 亿元的已撤销账项，较 2005 年上半年下降港币 4.16 亿元或 37.6%，当时集团从一些大额账户收回欠款。

与 2005 年下半年相比，贷款减值拨回显著减少，令贷款减值准备净拨回也减少了港币 5.68 亿元或 46.9%。2005 年下半年的大额拨回，主要是因为收回了一名客户的大额欠款。

管理层讨论及分析 (续)

物业重估

港币百万元	半年结算至	半年结算至	半年结算至
	2006年6月30日	2005年12月31日	2005年6月30日
房产重估净(亏损)/收益	(4)	97	-
公平值调整投资物业之净收益	477	464	918
递延税项	(22)	(184)	(155)
除税后公平值调整投资物业之净收益	455	280	763

2006年上半年，物业重估对收益账的总效益为港币4.73亿元，其中来自投资物业重估的净增值为港币4.77亿元，而银行房产重估则亏损港币0.04亿元。投资物业重估收益的相应递延税项为港币0.22亿元，因此对2006年上半年集团盈利的净影响为港币4.55亿元。

管理层讨论及分析 (续)

财务状况

港币百万元，百分比除外	2006年	2005年
	6月30日	12月31日
库存现金及在银行及其他金融机构的结余	29,029	30,703
银行及其他金融机构存款	107,355	125,662
香港特别行政区政府负债证明书	33,460	32,630
证券投资*	301,216	255,853
贷款及其他账项	337,703	338,394
固定资产及投资物业	27,102	25,855
其他资产**	14,341	13,004
资产总额	850,206	822,101
香港特别行政区流通纸币	33,460	32,630
银行及其他金融机构之存款及结余	46,802	40,655
客户存款	643,851	633,100
发行之存款证	3,935	3,965
其他账项及准备	44,811	36,926
负债总额	772,859	747,276
少数股东权益	1,398	1,298
本银行股东应占股本和储备	75,949	73,527
负债及资本总额	850,206	822,101
贷存比率	50.95%	52.23%

* 投资包括证券投资、交易证券以及其他公允价值变化计入损益之金融资产。

**其他资产包括联营公司权益及衍生金融工具。

管理层讨论及分析 (续)

集团 2006 年 6 月 30 日的总资产额为港币 8,502.06 亿元，较 2005 年底增加港币 281.05 亿元或 3.4%。

- 库存现金及在银行及其他金融机构的结余下降港币 16.74 亿元或 5.5%，同时同业存款下降港币 183.07 亿元或 14.6%。
- 证券投资增加港币 453.63 亿元或 17.7%至港币 3,012.16 亿元。
- 集团持续进行积极的资产负债管理，令短期剩余资金减少，而用于证券投资组合的资金则有所增加。

客户贷款

港币百万元，百分比除外	2006 年		2005 年	
	6 月 30 日	%	12 月 31 日	%
在香港使用之贷款	275,587	82.7%	279,826	83.8%
工商金融业	153,300	46.0%	151,903	45.5%
个人	122,287	36.7%	127,923	38.3%
贸易融资	15,809	4.7%	16,080	4.8%
在香港以外使用之贷款	41,802	12.6%	38,108	11.4%
客户贷款总额	333,198	100.0%	334,014	100.0%

总客户贷款轻微下降港币 8.16 亿元或 0.2%，主要是受到市场竞争加剧的影响，特别是在住宅按揭贷款市场方面。本港企业贷款及在香港以外使用之贷款则有所增长，平衡了贷款余额的降幅。

在香港使用的贷款下降 1.5%：

- 工商金融业贷款增长港币 13.97 亿元或 0.9%，主要由物业投资和制造业贷款所带动。其中，中小企业贷款组合上升港币 14.46 亿元或 3.1%。
- 住宅按揭贷款（不包括政府资助置屋计划下的按揭贷款）下降港币 47.29 亿元或 4.8%，主要是受到价格竞争激烈和市场因素的影响。
- 信用卡贷款下降港币 1.28 亿元或 2.7%。

贸易融资下降港币 2.71 亿元或 1.7%，主要因个别大企业客户还款所致。在香港以外使用的贷款上升港币 36.94 亿元或 9.7%。

在贷款货币分布上，港币和美元客户贷款分别占 82.8%和 13.8%，其他货币贷款占 3.4%。2006 年上半年贷款货币分布没有明显变化。

管理层讨论及分析 (续)

客户存款

港币百万元，百分比除外	2006年		2005年	
	6月30日	%	12月31日	%
即期存款及往来存款	28,376	4.3%	28,949	4.5%
储蓄存款	224,008	34.3%	216,553	33.9%
定期、短期及通知存款	391,467	59.9%	387,598	60.6%
总客户存款	643,851	98.5%	633,100	99.0%
结构性存款	10,103	1.5%	6,373	1.0%
调整后客户存款总额	653,954	100.0%	639,473	100.0%

相比 2005 年底，客户存款上升港币 107.51 亿元或 1.7% 至港币 6,438.51 亿元。集团已积极调控定期存款利率以优化资金成本。即期存款及往来存款下降港币 5.73 亿元或 2.0%，储蓄存款上升港币 74.55 亿元或 3.4%，定期、短期及通知存款微升港币 38.69 亿元或 1.0%。结构性存款集零售存款和衍生产品之特点于一身，可以为存户提供较高的单面利率，因而受到存户欢迎。结构性存款达港币 101.03 亿元，增加了港币 37.30 亿元或 58.5%，占调整后总客户存款的 1.5%。至 2006 年 6 月底，集团的贷存比率为 50.9%。

在货币分布方面，港币和美元客户存款分别占 67.4% 和 21.4%，其他货币占 11.2%。集团的港元贷存比率从 2005 年底的 64.9% 下降到 62.6%，主要由于客户的港元放款下降所造成。

管理层讨论及分析 (续)

资产质素

港币百万元，百分比除外	2006年	2005年
	6月30日	12月31日
客户贷款	333,198	334,014
已减值贷款比率 ^{&}	1.09%	1.28%
减值准备	1,561	1,714
一般银行风险之法定储备	3,519	3,526
总准备及法定储备	5,080	5,240
总准备占客户贷款之比率	0.47%	0.51%
总准备及法定储备 / 准备占客户贷款之比率	1.52%	1.57%
减值准备占已减值贷款比率 [#]	33.01%	29.77%
总覆盖比率 (包括押品价值) ^{##}	100.41%	99.88%
住宅按揭贷款* - 拖欠及经重组贷款比率 ^{**}	0.26%	0.30%
信用卡贷款 - 拖欠比率 ^{**#}	0.33%	0.32%
	半年结算至	半年结算至
	2006年6月30日	2005年6月30日
信用卡贷款 - 撇账比率 [*]	2.64%	2.87%

& 已减值贷款指按照集团贷款分类标准，列作“次级”“呆滞”及“损失”类的贷款。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扣减。

* 住宅按揭贷款不包括“居者有其屋计划”及其他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。

不包括长城卡并按金管局之定义计算。

仅包括按本集团贷款质素定义被列为“次级”“呆滞”及“损失”贷款的减值准备。

已减值贷款之变动

港币十亿元	2006年6月30日	2005年12月31日	2005年6月30日
期初余额	4.3	6.4	9.2
新增已减值贷款	0.4	0.7	1.0
升级之已减值贷款	(0.2)	(0.3)	(0.9)
催理收回	(0.7)	(1.9)	(1.9)
打销	(0.1)	(0.5)	(0.6)
其他	(0.1)	(0.1)	(0.4)
期末余额	3.6	4.3	6.4

2006年上半年，集团已减值贷款下降港币6.46亿元或15.2%，已减值贷款比率下降了0.19个百分点至1.09%，主要是由于贷款质素良好及催理成效显著。催理收回金额为港币7亿元，核销已减值贷款共计港币1亿元。在减少的已减值贷款中，有约港币1亿元来自处理被收回的抵押资产。

个别评估及综合评估的减值准备总额为港币15.61亿元，已减值贷款的准备金覆盖率为33.01%。如果计入押品值，总覆盖率达100.41%。集团另持有法定储备共港币35.19亿元。

管理层讨论及分析 (续)

集团住宅按揭贷款组合素质续有改善，拖欠及经重组贷款的合并比率从 2005 年年底的 0.30% 下降至 0.26%。信用卡贷款的资产素质也续有改善，撇账率由 2.87% 下降至 2.64%。

资本比率及流动资金比率

港币百万元，百分比除外	2006 年 6 月 30 日	2005 年 12 月 31 日
第一级资本	66,079	64,213
第二级资本	2,995	3,991
扣除未综合计算之投资及其他项目	(965)	(1,004)
扣减后的资本基础总额	68,109	67,200
风险加权资产		
资产负债表内	443,191	412,851
资产负债表外	30,825	30,713
扣减项目	(7,693)	(6,450)
风险加权资产总额	466,323	437,114
经调整市场风险后之风险加权资产总额	466,882	438,213
资本充足比率		
未调整市场风险		
第一级比率	14.17%	14.69%
总比率	14.61%	15.37%
经调整市场风险后		
第一级比率*	14.15%	14.65%
总比率 *	14.59%	15.33%
	半年结算至	半年结算至
	2006 年 6 月 30 日	2005 年 6 月 30 日
平均流动资金比率	50.30%	39.15%

* 经调整市场风险后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 2005 年 12 月 31 日进一步上升 1.4% 而达港币 681.09 亿元，主要是留存盈利增加。尽管如此，由于风险加权资产总额增长 6.7%，令综合资本充足比率从 2005 年年底的 15.37% 下降至 14.61%。风险加权资产的增长是由于证券投资增加所致。

平均流动资金比率由 2005 年上半年的 39.15% 上升至 50.30%。集团继续加强资产负债管理，把新流入的存款资金投资到流动性较高的证券，令资金流动性得以增强。

管理层讨论及分析 (续)

业务回顾

本节介绍本集团业务分部的业绩回顾以及财务数据。

零售银行

港币百万元，百分比除外	半年结算至	半年结算至	增加 / (减少)
	2006年6月30日	2005年6月30日	
净利息收入	3,812	3,650	+4.4%
其他经营收入	1,670	1,202	+38.9%
提取贷款减值准备前之总经营收入	5,482	4,852	+13.0%
贷款减值准备拨回	38	85	-55.3%
净经营收入	5,520	4,937	+11.8%
经营支出	(2,326)	(2,142)	+8.6%
经营溢利	3,194	2,795	+14.3%
其他	(5)	-	N/A
除税前溢利	3,189	2,795	+14.1%

	2006年	2005年	增加 / (减少)
	6月30日	12月31日	
分部资产	156,708	158,844	-1.3%
分部负债	539,684	554,244	-2.6%

注：详细分部资料请见财务报表附注 33

业绩

零售银行除税前溢利较 2005 年上半年增长 14.1% 至港币 31.89 亿元。提取贷款减值准备前之总经营收入上升 13.0% 至港币 54.82 亿元，主要源于净利息收入及其他经营收入的增加。

净利息收入增长 4.4% 至港币 38.12 亿元。零售银行贷款资产的主要组成部分是按最优惠利率计算的贷款，其整体收益因最优惠利率与同业拆息利差的扩阔而得以改善，但部分被贷款平均余额减少所抵销。同业拆息上升，加上集团积极调控资金成本，存款利差得以改善，有助增加净利息收入，惟有关增长部分被储蓄存款转往定期存款因而增加的资金成本所抵销。

其他经营收入大幅上升 38.9% 至港币 16.70 亿元，主要是净服务费及佣金收入强劲增长 42.2%，达到港币 13.94 亿元。股票市场畅旺，股票交易量上升，令股票买卖手续费收入增加。此外，销售开放式基金手续费收入的增加，抵销了结构性产品手续费收入下降的影响。

经营支出上升 8.6% 至港币 23.26 亿元，主要是 2006 年 4 月份员工薪酬增加令人事费用上升，以及电脑处理费用上升所致。

贷款及其他账项，包括按揭贷款及信用卡贷款，较 2005 年年底下跌 2.0% 至港币 1,258.73 亿元。客户存款下跌 3.3% 至港币 5,160.43 亿元。

管理层讨论及分析（续）

投资及保险业务有所增长

投资及保险业务是集团的业务发展策略重点之一，在2006年上半年录得令人鼓舞的成绩。尽管竞争激烈，集团的财富管理客户数量及管理资产分别增长24.7%及20.1%。在炽热的市场投资气氛推动下，集团的股票买卖业务量显著增长121.6%。母行中国银行成功上市，使集团接收及处理的认购申请及新股融资业务量创下了新的纪录。开放式基金的销售额增长了133.6%，其中，中国股票基金及新兴市场股票基金为销量最佳的基金。在今年上半年，集团推出了一系列全新的保险产品，包括“升息俱全06五年期储蓄保险”、“享丰收储蓄保险”及“智息创富储蓄保险计划”，皆广受客户欢迎。

按揭贷款

2006年上半年，集团的住宅按揭贷款业务受到市场竞争激烈及住宅物业市场放缓的影响。面对这一情况，集团积极推广固定息按揭贷款计划及同业拆息按揭贷款计划，以迎合客户的需要。受惠于经济环境改善，住宅按揭贷款的资产质量持续改善，拖欠及经重组贷款的合并比率进一步下降至0.26%。

提供高增值服务予高资产价值客户群

通过与母行中国银行合作，集团在2005年12月推出全新服务，在整个亚太地区指定的中银香港和中国银行分行，为财富管理客户提供尊贵及优越的银行服务。此外，集团更为内地客户提供在港投资管理、财务策划和预约银行服务等一系列增值服务。目前，集团已设立96家中银理财中心和18家中银理财尊贵荟理财中心。

信用卡业务

2006年上半年，集团的信用卡业务持续增长。信用卡卡户消费额及商户收单总额分别录得7.2%和15.0%的增长。集团于2006年上半年推出“长城国际卡-英镑卡”，并成为香港首家合格的EMV收单行。

保持个人人民币银行业务的领先地位

集团在个人人民币银行业务市场继续保持领先地位，并在各类人民币相关业务上取得理想成绩。人民币存款在2006上半年轻微增长至港币86.17亿元。集团在人民币信用卡的发行市场仍位居前列，业务量增长60.3%。截至2006年6月底，提供人民币提取服务的自动柜员机数目增至236台。2005年12月，集团成为首批推出扩大人民币服务的银行。2006年3月，集团推出全新的人民币交收系统（RSS），为香港扩大后的人民币业务提供清算服务。该系统为人民币业务提供了一个优质的清算平台，并且为香港人民币业务的进一步发展奠定了坚实的基础。与此同时，集团推出个人人民币支票服务，让客户以支票支付在广东省地区的消费。

电子渠道的发展

集团继续通过加强及扩大智达网上银行的功能，重点开发投资服务，使电子渠道得到进一步的发展。2006年上半年，集团的智达网上银行客户数量上升了8.9%，智达网上银行交易量比2005年上半年增长了58.4%。

管理层讨论及分析 (续)

企业银行

港币百万元，百分比除外	半年结算至	半年结算至	增加 / (减少)
	2006年6月30日	2005年6月30日	
净利息收入	1,981	1,777	+11.5%
其他经营收入	535	505	+5.9%
提取贷款减值准备前之总经营收入	2,516	2,282	+10.3%
贷款减值准备拨回	604	1,350	-55.3%
净经营收入	3,120	3,632	-14.1%
经营支出	(675)	(601)	+12.3%
除税前溢利	2,445	3,031	-19.3%

	2006年	2005年	增加 / (减少)
	6月30日	12月31日	
分部资产	212,688	211,834	+0.4%
分部负债	131,392	101,719	+29.2%

注：详细分部资料请见财务报表附注 33

业绩

企业银行除税前溢利较 2005 年上半年减少港币 5.86 亿元或 19.3%至港币 24.45 亿元，主要由于贷款减值准备拨回减少所致。提取贷款减值准备前之总经营收入却增长 10.3%至港币 25.16 亿元。净利息收入及其他经营收入分别增长 11.5%及 5.9%，抵销了因贷款减值准备拨回减少对分部盈利所带来的部分负面影响。

净利息收入的增加主要受惠于存放款利差拓阔。经营支出增加 12.3%至港币 6.75 亿元。

贷款减值准备拨回为港币 6.04 亿元，减少了 55.3%，主要由于不良贷款迁移率的改善速度有所放慢。尽管有少数客户的贷款质量下降，但整体上企业贷款组合的资产质量持续理想。

企业银行分部的贷款资产于 2006 年上半年持平，贷款及其他账项上升 1.5%至港币 2,113.02 亿元。客户存款强劲增长 28.6%至港币 1,279.36 亿元。

保持银团贷款的领先地位

集团继续积极发展银团贷款业务，在香港、澳门及内地银团贷款市场保持安排行的领先地位。集团被 Basis Point（一份知名的亚洲债务市场杂志）评定为香港/澳门市场的第二大银团贷款安排行以及香港/内地市场的第三大银团贷款安排行。

扩大中小企业客户基础，增强业务竞争能力

2006 年集团致力调整业务结构和客户组合，加大力度发展中小企业业务。集团制定了中小企业业务五年发展计划，进一步改善中小企业业务模型、优化授信审批流程、简化现行操作模式和提高对客户的服务效率。2006 年上半年，集团成功推出了一系列针对中小企业客户的新产品，包括「设备通」、「专业通」、「贸易季季通」等。同时，集团特设「商盈尊贵荟」，为特选客户提供更快捷及尊贵的银行服务。

管理层讨论及分析（续）

提升电子银行服务，扩展现金管理业务

为了拓展现金管理业务，集团不断完善现金管理服务平台，扩大业务覆盖面、延展与中国银行海外分行系统连通的区域，以及进一步提高为大型企业量身订造服务方案，为中小企业提供标准化现金管理产品及服务的能力。这些措施有助于集团把握业务机会，加强交叉销售。

集团继续加强电子银行功能，提升中银企业网上银行（CBS Online）服务。2006年上半年中银企业网上银行用户数目底上升40.6%。

准备迎接内地金融市场的开放

集团致力加强与海内外金融同业的业务往来关系，为内地进一步开放金融市场做好准备。同时，集团积极推动与“境内合格机构投资者”（QDII）及“境外合格机构投资者”（QFII）相关的各项业务，做好相关的准备工作。

2006年上半年，由于招股活动频仍，令招股融资金额大幅增加。

内地分行

2006年上半年，内地分行提取贷款减值准备前之经营溢利上升5.6%至港币1.50亿元，主要因平均贷款规模有所扩大。然而，由于内地流动资金充裕、融资活动活跃，提供了低成本的再融资机会，令个别大型企业客户提前偿还贷款。所以，内地分行客户贷款只轻微增长0.1%至港币152.01亿元，客户存款则增长20.7%至港币28.03亿元。

2006年6月底，集团再有两家分行获批准经营人民币业务，使集团可提供人民币业务的内地分支行增至11家；而获准经营衍生工具业务的则有12家。此外，全线14家分支行都已获准经营保险代理服务。集团并已把财富管理产品推介至内地市场。有鉴于内地市场对投资产品的需求大增，集团继2005年推出与货币挂钩的存款产品后，在2006年推出与商品挂钩的存款产品。同时，集团已申请经营海外财资管理业务，为QDII作好准备。

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	半年结算至	增加 / (减少)
	2006年6月30日	2005年6月30日	
净利息收入	2,076	568	+265.5%
其他经营收入	719	491	+46.4%
总经营收入	2,795	1,059	+163.9%
经营支出	(189)	(92)	+105.4%
除税前溢利	2,606	967	+169.5%

	2006年	2005年	增加 / (减少)
	6月30日	12月31日	
分部资产	455,588	426,791	+6.8%
分部负债	95,407	82,381	+15.8%

注：详细分部资料请见财务报表附注 33

业绩

2006年上半年，财资业务录得港币26.06亿元的除税前溢利，增长达169.5%，主要因为净利息收入显著增加。

净利息收入显著增加港币15.08亿元或265.5%，主要由于来自净无息资金的贡献增加，以及债务证券组合的回报有所提高。

其他经营收入增加港币2.28亿元或46.4%，主要来自外汇掉期合约公平值的利好变化。

投资组合多元化以提高收益率

集团进一步分散投资，包括将资金投放到按揭抵押债券、抵押债券及公司债券等，藉以提高剩余资金的整体收益率及减低风险集中度。

财资产品及客户交易的发展情况

因应市场上具有稳定收益的投资产品渐趋普及，集团推出了一系列分别与利率、汇价及贵金属挂钩的结构性存款产品。为积极推动与零售银行及企业银行的交叉销售，集团在2005年年底成立了专业的财资业务营销团队，为本地及内地客户提供度身订造的服务。该团队更为其他营销队伍提供培训及顾问建议。这不但有助增强各业务单位的营销能力，而且进一步拓展集团的客户基础，以及丰富客户的投资组合。2006年上半年，财资客户数目增长了12.3%。

管理层讨论及分析（续）

风险管理

总览

集团深信良好的风险管理是企业成功的重要元素，因此，在日常经营管理工作中高度重视风险管理，并强调风险控制与业务增长及发展要取得有机平衡。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。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

集团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。集团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可能出现的各类风险。集团亦定期重检及更新风险管理政策及程序，以配合市场及业务策略的转变。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，对风险管理负最终责任。董事会在其属下委员会的协助下，负责确定集团的总体风险管理策略，并确保集团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。

总裁负责根据董事会制订的风险管理策略，监督日常经营管理，确保各类风险的有效管控，落实各类风险管理政策、程序和限额。风险总监和财务总监协助总裁管理各类风险：风险总监为整体风险管理架构及集团其他风险作总体领导、明晰愿景及订定方向，并负责监督信誉风险、法律及合规风险、信贷风险、市场风险及操作风险；财务总监则负责管理策略风险、利率风险和流动资金风险。

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

信誉风险指集团承受负面消息的风险，不论是否属实，可能引致业务流失或支付高昂诉讼费用。信誉风险潜藏于银行每项业务运作中，涵盖层面广泛。

为减低信誉风险，集团制订了信誉风险管理政策。此政策订立标准规范集团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，紧密监察对外的信誉风险事故，并从金融业界已公开的信誉风险事件中汲取经验。

法律及合规风险管理

法律风险指因不可执行合约、诉讼或不判判决而可能使集团的运作或财务状况出现混乱或负面影响的风险。合规风险指因未有遵守所有适用法例、规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。风险总监领导法律及合规部，负责制订及维护相应的政策指引，主动识别和管理这些风险。

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集团的盈利和市场地位的风险。集团制定了策略风险管理政策，以明确界定有关风险的管理和监督。

信贷风险管理

信贷风险指客户或交易对手不能履行与集团约定承诺而引致银行财务损失的风险。信贷风险主要来自集团的借贷、贸易融资及财资业务。

本集团信贷风险的综合管理事宜由风险总监领导的风险管理部负责。集团董事会及其风险委员会审批由风险管理部制定的集团信贷风险管理政策与程序。有关政策载有集团对客户及集团户授信总额的控制规定，以及对特定市场、行业及产品的风险集中度要求。集团参考风险取向的变化定期检讨及更新信贷风险管理政策与程序，作为业务部门的指引。

管理层讨论及分析（续）

风险管理部负责对前线业务单位提出的授信申请进行独立审核及客观评估。集团对不同客户或交易采用不同的审批及控制程序。现时，零售授信交易(包括住宅按揭贷款、私人贷款及信用卡)采取信贷评分系统。集团授信和其他业务专家组成的信贷评审委员会对所有大额授信申请进行独立风险评审后送交副总裁级或以上审批。

集团按金管局的贷款分类制度，实施八级信贷评级系统。风险管理部定期提供信贷风险管理报告，并按董事会、风险委员会、稽核委员会或管理委员会的特别要求，提供专题报告。

市场风险管理

市场风险是指因为汇率、利率或股票和商品的价格波动导致集团承受损失的风险。集团的市场风险包括来自客户业务及自营持仓。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。

风险管理部下设市场风险管理处，负责集团日常市场风险管理。该处确保整体和个别的市场风险持仓均控制在集团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，估量可能对风险持仓所造成的潜在损失。集团采用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，计算组合及个别涉险值。

以下表格详述本银行自营市场风险持仓的涉险值。

港币百万元		6月30日	上半年 最低数值	上半年 最高数值	上半年 平均数值
所有市场风险持仓之涉险值	- 2006	2.9	1.7	5.0	3.4
	- 2005	2.8	1.7	4.7	2.9
汇率风险持仓之涉险值	- 2006	3.7	1.3	5.3	3.3
	- 2005	1.9	1.2	4.0	2.1
利率风险持仓之涉险值	- 2006	1.5	1.0	3.0	1.9
	- 2005	2.1	1.6	3.7	2.5
股票风险持仓之涉险值	- 2006	0.6	0.1	0.8	0.3
	- 2005	0.1	0.0	0.5	0.1

2006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260万元（2005年上半年：港币220万元），其标准差为港币170万元（2005年上半年：港币210万元）。

风险管理部负责每日监察外汇风险、相关止蚀限额及外汇交易中产生的信贷风险。

利率风险管理

集团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可能出现错配

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会在同一重订价格期间以不同的幅度变化。

管理层讨论及分析（续）

集团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。集团每日识别及衡量利率风险。司库部根据既定政策对利率风险进行管理，财务部密切监察有关风险并将有关结果定期向风险委员会及资产负债管理委员会汇报。

缺口分析是集团用来量度利率重订风险的工具之一。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资料。集团乃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。

盈利及经济价值对利率变化的敏感度（涉险盈利及涉险经济价值）乃利用模拟的孳息曲线平衡移动 200 个基点的利率震荡来测度。涉险盈利及涉险经济价值分别控制在经风险委员会核定的当年预算净利息收入及最新资本基础百分比水平之内。有关结果定期向资产负债管理委员会及风险委员会报告。

集团透过情景分析，监察利率基准风险因收益率及成本率不同步变化对净利息收入所产生的影响，及设定相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集团即使在恶劣市况下，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。

集团的业务资金主要来自零售及企业客户的存款。此外，集团亦可发行存款证以获取长期资金或透过调整集团资产组合内的投资组合获取资金。集团将资金大部分用于贷款、投资债务证券或拆放同业。

集团透过现金流分析和检视存款稳定性、风险集中性、错配比率、贷存比率及投资组合的流动资金状况，藉以监察其流动资金风险。集团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，争取最佳回报。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。司库部根据既定政策对流动资金风险进行管理。财务部负责监察集团的流动资金风险，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损失的风险。风险管理部辖下设置操作风险管理处，负责监察本银行整体的操作风险管理框架。

集团建立了有效的内部控制程序，对所有重大活动订下详细的政策及监控措施。设置适当的职责分工和独立授权乃集团紧守的基本原则。各业务部门透过识别、评估及控制潜在于业务流程、活动及产品内的风险，负责其内部操作风险的日常管理及汇报，风险管理部对其变化进行定期监督及持续检查。风险管理部制定企业层面的操作风险管理政策及程序，由风险委员会审批。风险管理部对操作风险状况进行评价，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操作风险事项。

为支援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，备有充足的后备设施及定期进行演练。本银行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。

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。集团会定期检讨其资本结构，并在有需要时考虑调节资本组合，以达致整体最低的资本成本。资产负债管理委员会负责监控集团的资本充足性。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。

压力测试

集团以压力测试辅助各项风险的分析工作。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。集团定期进行压力测试，并向风险委员会汇报测试结果。

Management's Discussion and Analysis

This section provides an analysis of the performance, financial position and risk management of the Group. The following analysis should be read in conjunction with the financial statements included in the Interim Report.

Consolidated Financial Review

The Group continued to deliver strong results in the first half of 2006. Total operating income before loan impairment allowances reached the highest level since its IPO in 2002. Improvement in total operating income was underpinned by strong growth in net interest income, net fees and commission income and net trading income. Notwithstanding a reduction in both loan impairment allowances write-back and investment property revaluation gain, attributable profit reached HK\$7,004 million, up HK\$509 million or 7.8%.

Financial Highlights

HK\$m except percentage amounts	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Total operating income before loan impairment allowances	10,356	9,748	8,220
Reversal of loan Impairment allowances on advances	642	1,210	1,435
Net operating Income	10,998	10,958	9,655
Operating expenses	(2,938)	(3,054)	(2,676)
Operating profit	8,060	7,904	6,979
Profit before taxation	8,545	8,471	7,896
Profit attributable to equity holders of the Bank	7,004	6,997	6,495
Net interest margin	1.80%	1.83%	1.58%
Non-interest income ratio	29.44%	28.15%	29.04%
Cost to income ratio	28.37%	31.33%	32.55%

Analyses of the financial performance, business operations and risk management of the Group for the first half of 2006 are set out in the following sections.

Management's Discussion and Analysis (continued)

Net Interest Income and Margin

HK\$m, except percentage amounts	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Interest income	19,219	15,810	10,065
Interest expense	(11,912)	(8,806)	(4,232)
Net interest income	7,307	7,004	5,833
Average interest-earning assets	820,383	759,550	744,464
Net interest spread	1.42%	1.53%	1.43%
Net interest margin	1.80%	1.83%	1.58%

Net interest income increased by HK\$1,474 million, or 25.3%, year-on-year to HK\$7,307 million. Average interest-earning assets grew by HK\$75,919 million, or 10.2%, to HK\$820,383 million, mainly due to the increase in average deposits and funds from IPO subscriptions. Net interest margin increased by 22 basis points to 1.80% while net interest spread dropped by 1 basis point to 1.42%. Contribution from net free fund rose by 23 basis points as a result of rising interest rates.

The interest rate environment in the first half of 2006 was very different from that in the same period in 2005. After the refinement of the operation of the linked exchange rate mechanism by HKSAP government in May 2005, one-month HIBOR increased noticeably from 1.96% at end-April 2005 to 4.10% at end-Dec 2005, culminating in 4.68% in May 2006. Average one-month HIBOR increased by 217 basis points to 4.19% for the first half of 2006 as compared to 2.02% a year ago while average one-month USD LIBOR increased by 197 basis points to 4.85% during the same period. At the same time, the Group's average prime rose to 8.08% for the first half of 2006, compared to 5.25% in the same period last year, widening the average prime-to-one-month HIBOR spread by 66 basis points to 3.89% in the first half of 2006.

The Group's gross yield on average loans increased by 247 basis points year-on-year. This was attributable to higher market interest rates and the Group's conscious efforts in maintaining loan spreads despite pricing pressure arising from keen market competition. Although weighted average yield on residential mortgage portfolio, excluding Government Home Ownership Scheme (GHOS) mortgages, declined by 12 basis points to 2.52% from 2.40% below best lending rates a year ago, loan spread widened with the prime-to-HIBOR spread. Gross yield on debt securities increased by 156 basis points as the Group continued to diversify its investment portfolio to enhance yield. However, improvements in net contribution from the debt securities portfolio were held back by the flattening yield curve. While deposit spread was widened as a result of the Group's effort in managing funding costs, higher deposit rates, coupled with a shift of savings to fixed deposits, led to higher overall funding cost. For instance, average interest rates on savings and fixed deposits increased by 219 basis points and 181 basis points respectively. At the same time, average fixed deposits as a percentage of total deposits increased by 8 percentage points when compared to the first half of 2005.

Compared to the second half of 2005, net interest income increased by HK\$303 million, or 4.3%. Average interest-earning assets grew by HK\$60,833 million, or 8.0%. Net interest margin decreased slightly by 3 basis points while net interest spread dropped by 11 basis points. Contribution from net free fund increased by 8 basis points.

Following the relatively steep rise in the second half of 2005, market interest rates continued to move upward but at a slower pace in the first half of 2006 due to abundant market liquidity. Average one-month HIBOR increased by only 38 basis points vis-à-vis the second half of 2005. Consequently, improvement in the contribution of net free fund slowed down. As a result of the Group's effort to maintain loan yield and widening prime-to-HIBOR spread, loan spread improved. Gross yields on average loans and debt securities rose by 74 and 66 basis points respectively. Weighted average yield on residential mortgage portfolio, excluding GHOS mortgages, declined slightly by 3 basis points to 2.52% below best lending rates. Although the rise in market rates was moderate in the first half 2006, fixed deposit spread was further widened.

Management's Discussion and Analysis (continued)

The summary below shows the average balances and average interest rates of individual assets and liabilities:

ASSETS	Half-year ended 30 June 2006		Half-year ended 31 December 2005		Half-year ended 30 June 2005	
	Average balance	Average Yield	Average balance	Average Yield	Average balance	Average Yield
	HK\$m	%	HK\$m	%	HK\$m	%
Loans to banks	180,955	4.02%	157,831	3.26%	171,557	1.70%
Interest-earning securities	283,199	4.44%	250,470	3.78%	233,123	2.88%
Loans & advances to customers	330,954	5.58%	330,316	4.84%	320,292	3.11%
Other interest-earning assets	25,275	1.73%	20,933	3.60%	19,492	3.61%
Total interest-earning assets	820,383	4.72%	759,550	4.13%	744,464	2.73%
Non Interest-earning assets	79,843		68,736		70,115	
Total assets	900,226	4.30%	828,286	3.79%	814,579	2.49%

LIABILITIES	Half-year ended 30 June 2006		Half-year ended 31 December 2005		Half-year ended 30 June 2005	
	Average balance	Average Rate	Average balance	Average Rate	Average balance	Average Rate
	HK\$m	%	HK\$m	%	HK\$m	%
Deposits and balances of banks and other financial institutions	39,506	3.38%	32,311	2.63%	33,745	1.90%
Current, savings and fixed deposits	653,254	3.33%	607,534	2.61%	591,506	1.23%
Certificate of deposits issued	3,953	3.01%	3,795	3.03%	3,805	2.86%
Other interest-bearing liabilities	31,174	2.62%	28,081	2.23%	26,651	1.99%
Total interest-bearing liabilities	727,887	3.30%	671,721	2.60%	655,707	1.30%
Non interest-bearing deposits	33,932		33,547		34,969	
Shareholders' funds* & non interest-bearing liabilities	138,407		123,018		123,903	
Total liabilities	900,226	2.67%	828,286	2.11%	814,579	1.05%

* Shareholders' funds represent capital and reserves attributable to the equity holders of the Bank.

Management's Discussion and Analysis (continued)

Net Fees and Commission Income

HK\$m	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Bills commissions	259	275	257
Loan commissions	116	139	124
Investment and insurance fee income	963	619	624
Securities brokerage (Stockbroking)	644	384	330
Asset management	167	98	85
Life insurance	123	91	135
Bonds	29	46	74
General Insurance	54	45	58
Trust services	54	58	49
Payment services	200	202	179
Credit cards	375	365	372
Others	436	402	342
Fees and commission income	2,457	2,105	2,005
Fees and commission expenses	(587)	(548)	(507)
Net fees and commission income	1,870	1,557	1,498

Net fees and commission income increased by HK\$372 million or 24.8% year-on-year to HK\$1,870 million, primarily due to the increases in commissions from stockbroking of HK\$314 million or 95.2% and asset management of HK\$82 million or 96.5%. The buoyant equity market and IPO activities helped boost the volume of customer transaction and the sales of open-end funds by 121.6% and 133.6% respectively. On the other hand, as customers demanded investments with higher potential returns under the prevailing interest rate environment, sales of bonds and structured notes dropped and related commission income decreased by HK\$45 million or 60.8%. Commission income from life insurance decreased by HK\$12 million, or 8.9%, mainly due to lower sales of insurance products. Loan commissions fell by HK\$8 million or 6.5% due to lower business volume while bills commission remained flat. Other fees and commission income increased by HK\$94 million or 27.5% mainly due to fee income from IPO activities amounting to HK\$35 million and the robust growth of fee income from RMB-related services by 111.8% and exchanges by 75.9%. In line with the increment of fees and commission income, fees and commission expenses rose by HK\$80 million or 15.8% because of higher stockbroking expenses.

Compared to the second half of 2005, net fees and commission income increased by HK\$313 million or 20.1% with the growth of income from stockbroking and asset management.

Management's Discussion and Analysis (continued)

Net Trading Income

HK\$m	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Foreign exchange and foreign exchange products	758	868	596
Interest rate instruments	190	17	129
Equity instruments	15	8	4
Commodities	58	35	17
Net trading income	1,021	928	746

Net trading income increased by HK\$275 million, or 36.9%, to HK\$1,021 million. Net trading income from foreign exchange and foreign exchange products grew to HK\$758 million, representing an increase of HK\$162 million or 27.2%. This growth was mainly attributable to the rise in the fair value of foreign exchange swap contracts. Net trading income from interest rate instruments included changes in the fair value of trading securities, other financial assets at fair value through profit or loss, available-for-sale securities designated as fair value hedges, interest rate derivatives and financial liabilities at fair value through profit or loss. In the first half of 2006, net trading income from interest rate instruments posted a net gain of HK\$190 million, up HK\$61 million or 47.3%. The major reason was the increase in the fair value of certain financial assets at fair value through profit or loss.

Compared to the second half of 2005, net trading income rose by HK\$93 million or 10.0%, mainly due to positive change in the fair value of interest rate instruments.

Operating Expenses

HK\$m, except percentage amounts	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Staff costs	1,808	1,813	1,653
Premises and equipment expenses (excluding depreciation)	372	422	321
Depreciation	322	280	286
Other operating expenses	436	539	416
Operating expenses	2,938	3,054	2,676
Cost to income ratio	28.37%	31.33%	32.55%

Operating expenses rose by HK\$262 million, or 9.8%, year-on-year to HK\$2,938 million due mainly to an increase in staff cost of HK\$155 million or 9.4% following the pay rise in April 2006 and the recruitment of qualified staff. Compared to the end of June 2005, headcount measured in full time equivalent decreased by 76 to 12,622 at the end of June 2006.

Depreciation on owned fixed assets increased by HK\$36 million, or 12.6%, to HK\$322 million as compared to the first half of 2005, largely due to the rise in the value of premises.

Management's Discussion and Analysis (continued)

Reversal of loan impairment allowances on advances

HK\$m	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Reversal of/(Charge for) loan impairment allowances			
Individual assessment			
- new allowances	(366)	(609)	(695)
- releases	99	834	208
- recoveries	676	552	1,087
Collective assessment			
- new allowances*	(2)	90	(101)
- releases	219	364	915
- recoveries*	16	(21)	21
Net Credit to Income Statement	642	1,210	1,435

* New allowances and recoveries for the half-year ended 31 December 2005 included adjustments resulted from change in classification of individual assessment and collective assessment of certain loans in the second half of 2005.

Loan impairment allowances of individually significant loans and advances showing objective evidence of impairment are calculated using discounted cash flow method (Individual Assessment – IA). 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 (Collective Assessment – CA). Compared to the first half of 2005, the Group recorded net release of loan impairment allowances of HK\$642 million, down HK\$793 million or 55.3%. Release of allowances fell by HK\$805 million or 71.7% to HK\$318 million. The reduction in the release reflected a slowdown in the improvement in the bad debt migration rate, after the Group's significant improvement in asset quality last year on the back of improved economic conditions and borrowers' debt servicing capability. This release was offset by new impairment allowances amounting to HK\$368 million. Additional allowances were needed to cover the formation of new impaired loans and further deterioration of existing impaired accounts.

In the first half of 2006, recoveries totaled HK\$692 million, down HK\$416 million or 37.6% when compared to the first half of 2005, which included recoveries of certain large accounts.

Compared to the second half of 2005, net release of loan impairment allowances decreased by HK\$568 million or 46.9% as a result of lesser release of loan impairment allowances. The significant release in the second half of 2005 was mainly attributable to the recovery of advances to a customer.

Property Revaluation

HK\$m	Half-year ended 30 June 2006	Half-year ended 31 December 2005	Half-year ended 30 June 2005
Net (loss)/gain on revaluation of premises	(4)	97	-
Net gain on fair value adjustments on investment properties	477	464	918
Deferred tax	(22)	(184)	(155)
Net gain on fair value adjustments on investment properties, after tax	455	280	763

The aggregate impact of property revaluation on the income statement was HK\$473 million, of which HK\$477 million came from the revaluation of investment properties. Loss on revaluation of premises was HK\$4 million. The related deferred tax charge on revaluation of investment properties amounted to HK\$22 million. As a result, the net impact on the Group's attributable profit in the first half of 2006 was HK\$455 million.

Management's Discussion and Analysis (continued)

Financial Position

HK\$m, except percentage amount	At 30 June 2006	At 31 December 2005
Cash and balances with banks and other financial institutions	29,029	30,703
Placements with banks and other financial institutions	107,355	125,662
Hong Kong SAR Government certificates of indebtedness	33,460	32,630
Securities investments*	301,216	255,853
Advances and other accounts	337,703	338,394
Fixed assets & investment properties	27,102	25,855
Other assets **	14,341	13,004
Total assets	850,206	822,101
Hong Kong SAR currency notes in circulation	33,460	32,630
Deposits and balances of banks and other financial institutions	46,802	40,655
Deposits from customers	643,851	633,100
Certificates of deposit issued	3,935	3,965
Other accounts and provisions	44,811	36,926
Total liabilities	772,859	747,276
Minority interests	1,398	1,298
Capital and reserves attributable to the equity holders of the Bank	75,949	73,527
Total liabilities and equity	850,206	822,101
Loan to deposit ratio	50.95%	52.23%

* Securities investments comprise investment in securities, trading securities and other financial instruments at fair value through profit or loss.

** Investments in associates and derivative financial instruments are included in other assets.

Management's Discussion and Analysis (continued)

The Group's total assets were HK\$850,206 million as at 30 June 2006, up HK\$28,105 million or 3.4%, from the end of 2005:

- Cash and balances with banks and other financial institutions dropped by HK\$1,674 million or 5.5%, while interbank placements fell by HK\$18,307 million, or 14.6%.
- Securities investments rose by HK\$45,363 million, or 17.7%, to HK\$301,216 million.
- The Group continued to actively manage the balance sheet. As a result, short-term surplus funds were reduced and uses of funds by securities investment portfolio increased.

Advances to customers

HK\$m, except percentage amounts	At 30 June		At 31 December	
	2006	%	2005	%
Loans for use in Hong Kong	275,587	82.7%	279,826	83.8%
Industrial, commercial and financial	153,300	46.0%	151,903	45.5%
Individuals	122,287	36.7%	127,923	38.3%
Trade finance	15,809	4.7%	16,080	4.8%
Loans for use outside Hong Kong	41,802	12.6%	38,108	11.4%
Total advances to customers	333,198	100.0%	334,014	100.0%

Total advances to customers declined marginally by HK\$816 million or 0.2%. This was the result of intensified market competition particularly in the residential mortgage market. The decrease was counterbalanced by the growth in corporate loans in Hong Kong and loans for use outside Hong Kong.

Loans for use in Hong Kong decreased by 1.5%:

- Lending to industrial, commercial and financial sectors grew by HK\$1,397 million, or 0.9%, driven by loans for property investment and manufacturing. In particular, our SME loan portfolio increased by HK\$1,446 million or 3.1%.
- Residential mortgage loan (excluding those under the government-sponsored Home Ownership Scheme) declined by HK\$4,729 million or 4.8% primarily due to price competition and market conditions.
- Card advances decreased by HK\$128 million, or 2.7%.

Trade finance decreased by HK\$271 million or 1.7%, primarily due to repayments by large corporate customers. Meanwhile, loans for use outside Hong Kong grew by HK\$3,694 million or 9.7%.

In terms of currency mix, HK dollar and US dollar advances to customers accounted for 82.8% and 13.8% respectively. Other currency advances to customers accounted for 3.4% only. There was no significant change in currency mix in the first half of 2006.

Management's Discussion and Analysis (continued)

Deposits from customers

HK\$m, except percentage amounts	At 30 June 2006	%	At 31 December 2005	%
Demand deposits and current accounts	28,376	4.3%	28,949	4.5%
Savings deposits	224,008	34.3%	216,553	33.9%
Time, call and notice deposits	391,467	59.9%	387,598	60.6%
Total deposits from customers	643,851	98.5%	633,100	99.0%
Structured deposits	10,103	1.5%	6,373	1.0%
Adjusted total deposits from customers	653,954	100.0%	639,473	100.0%

Deposits from customers increased by HK\$10,751 million, or 1.7%, to HK\$643,851 million from the end of 2005. The Group has been optimising funding costs by actively controlling interest rates on fixed deposits. Demand deposits and current accounts declined by HK\$573 million or 2.0%. Savings deposits rose by HK\$7,455 million or 3.4% and time, call and notice deposits rose marginally by HK\$3,869 million or 1.0%. There was a growing popularity in structured deposits, a hybrid of retail deposit and derivatives that gives a higher nominal interest rate to depositors. Structured deposits amounted to HK\$10,103 million, up HK\$3,730 million or 58.5%, representing about 1.5% of the adjusted total deposits from customers. The Group's loan to deposit ratio was 50.9% at end of June 2006.

In terms of currency mix, HK dollar and US dollar deposits from customers accounted for 67.4% and 21.4% respectively. Other currency deposits from customers accounted for 11.2%. The Group's HK dollar loan to deposit ratio was 62.6%, down from 64.9% at end-2005, mainly due to the decline in HK dollar advances to customers.

Management's Discussion and Analysis (continued)

Asset Quality

HK\$m, except percentage amounts	At 30 June 2006	At 31 December 2005
Advances to customers	333,198	334,014
Impaired loan ratio ^{&}	1.09%	1.28%
Impairment allowances	1,561	1,714
Regulatory reserve for general banking risks	3,519	3,526
Total allowances and regulatory reserve	5,080	5,240
Total allowances as a percentage of advances to customers	0.47%	0.51%
Total allowances and regulatory reserve as a percentage of advances to customers	1.52%	1.57%
Impairment allowances on impaired loan ratio ^{##}	33.01%	29.77%
Total coverage (including collateral values) ^{##}	100.41%	99.88%
Residential mortgage loans* - delinquency and rescheduled loan ratio**	0.26%	0.30%
Card advances - delinquency ratio** [#]	0.33%	0.32%
	Half-year ended 30 June 2006	Half-year ended 30 June 2005
Card advances - charge-off ratio [#]	2.64%	2.87%

[&] Impaired loans represent advances which have been classified as "substandard", "doubtful" and "loss" under the Group's classification of loan quality. 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.

* 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 total amount of overdue loans (more than three months) to total outstanding loans.

[#] Excludes Great Wall cards and is computed according to the HKMA's definition.

^{##} Only includes impairment allowances on loans classified as "substandard", "doubtful" and "loss" under the Group's classification of loan quality.

Movement of gross impaired advances to customers

In HK\$ bln	At 30 June 2006	At 31 December 2005	At 30 June 2005
Beginning balance	4.3	6.4	9.2
New impaired loans	0.4	0.7	1.0
Upgraded impaired loans	(0.2)	(0.3)	(0.9)
Collection	(0.7)	(1.9)	(1.9)
Write-off	(0.1)	(0.5)	(0.6)
Others	(0.1)	(0.1)	(0.4)
Ending balance	3.6	4.3	6.4

In the first half of 2006, the Group's impaired loans decreased by HK\$646 million or 15.2%. Impaired loan ratio improved by 0.19 percentage point to 1.09% due to benign credit quality, strong collection and recovery efforts. Total collections amounted to approximately HK\$0.7 billion. Write-off of impaired loans amounted to HK\$0.1 billion. About HK\$0.1 billion of the reduction in impaired loans was due to the treatment of repossessed assets as a direct offset against the impaired loans outstanding.

Management's Discussion and Analysis (continued)

Total impairment allowances, including both IA and CA, amounted to HK\$1,561 million. Impairment allowances for impaired loan ratio was 33.01%. If the value of underlying collateral was included, the total coverage ratio would increase to 100.41%. The Group also held a regulatory reserve amounting to HK\$3,519 million.

The quality of the Group's residential mortgage loans continued to improve. The combined delinquency and rescheduled loan ratio decreased from 0.30% at end-2005 to 0.26%. The quality of card advances also improved, with the charge-off ratio dropping from 2.87% to 2.64%.

Capital and Liquidity Ratios

HK\$m, except percentage amounts	At 30 June 2006	At 31 December 2005
Tier 1 capital	66,079	64,213
Tier 2 capital	2,995	3,991
Unconsolidated investment and other deductions	(965)	(1,004)
Total capital base after deductions	68,109	67,200
Risk-weighted assets		
On-balance sheet	443,191	412,851
Off-balance sheet	30,825	30,713
Deductions	(7,693)	(6,450)
Total risk-weighted assets	466,323	437,114
Total risk-weighted assets adjusted for market risk	466,882	438,213
Capital adequacy ratios		
Before adjusting for market risk		
Tier 1	14.17%	14.69%
Total	14.61%	15.37%
After Adjusting for market risk		
Tier 1*	14.15%	14.65%
Total *	14.59%	15.33%
	Half-year ended 30 June 2006	Half-year ended 30 June 2005
Average liquidity ratio	50.30%	39.15%

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

Total capital base of the Group after deduction further increased to HK\$68,109 million or 1.4% over the balance at 31 December 2005, representing an increase in retained earnings. Despite this, the consolidated capital adequacy ratio fell to 14.61% from 15.37% at end-2005 because of the 6.7% increase in total risk-weighted assets. This was the result of the growth of securities investment.

Average liquidity ratio rose to 50.30%, compared to 39.15% in the first half of 2005. The Group continued to actively manage the balance sheet. Consequently, new funds from deposits were invested in liquefiable securities, which helped strengthen the liquidity position.

Management's Discussion and Analysis (continued)

Business Review

This section covers the review of the Group's business lines together with their respective financial results.

Retail Banking

HK\$m, except percentage amounts	Half-year ended 30 June 2006	Half-year ended 30 June 2005	Increase/ (decrease)
Net interest income	3,812	3,650	+4.4%
Other operating income	1,670	1,202	+38.9%
Total operating income before loan impairment allowances	5,482	4,852	+13.0%
Release of loan impairment allowances	38	85	-55.3%
Net operating income	5,520	4,937	+11.8%
Operating expenses	(2,326)	(2,142)	+8.6%
Operating profit	3,194	2,795	+14.3%
Others	(5)	-	N/A
Profit before taxation	3,189	2,795	+14.1%

	At 30 June 2006	At 31 December 2005	Increase/ (decrease)
Segment assets	156,708	158,844	-1.3%
Segment liabilities	539,684	554,244	-2.6%

Note: For additional segmental information, see Note 33 to the Financial Statements.

Results

Retail Banking posted an 14.1% growth in profit before taxation to HK\$3,189 million as compared to the first half of 2005. Total operating income before loan impairment allowances increased by 13.0% to HK\$5,482 million. The growth was driven by the increase of both net interest income and other operating income.

Net interest income rose by 4.4% to HK\$3,812 million. The overall profitability of prime-based loans, which formed the majority of Retail Banking's loan assets, improved due to widened prime-HIBOR spread. However, it was partially offset by the decrease in average balance. The surge in interbank rates and the Group's efforts in managing funding cost improved the deposit spread and contributed to the increase in net interest income, which was partially offset by the shift in savings to time deposits.

Other operating income soared by 38.9% to HK\$1,670 million, primarily driven by strong growth of net fees and commission income by 42.2% to HK\$1,394 million. The active stock market accelerated the growth of transaction volume, thereby increasing the commissions from stockbroking. This, coupled with the growth of commissions from the sales of open-end investment fund, outweighed the decline in commissions from the sales of structured products.

Operating expenses rose by 8.6% to HK\$2,326 million mainly because of the rise of staff cost after the salary increase in April 2006 and the increase in computer processing costs.

Advances and other accounts, including mortgage loans and card advances, decreased by 2.0% to HK\$125,873 million from end-2005. Customer deposits decreased by 3.3% to HK\$516,043 million.

Management's Discussion and Analysis (continued)

Growth of investment and insurance business

Investment and insurance business, which was one of the top priorities in the Group's business development strategies, recorded encouraging results in the first half of 2006. Despite intense competition, the Group's wealth management customers and assets under management grew by 24.7% and 20.1% respectively. An active local stock market boosted the Group's stock brokerage business volume by a substantial increase of 121.6%. The IPO of Bank of China set new records in terms of both the number of applications received and processed as well as the volume of IPO financing. The sales volume of open-end funds also increased by 133.6% of which China Equity Funds and Emerging Market Equity Funds were among the best selling funds. During the first half of the year, the Group launched a series of new insurance products such as "Supreme Saver 06- 5 Year Life Endowment Plan", "Reward Plus Insurance Plan" and "Prudent Saver 5-year Life Endowment Plan", which were well received by customers.

Residential mortgages

The Group's residential mortgage business in the first half of 2006 was affected by keen competition and a relatively lacklustre residential property market. Against this backdrop, the Group actively promoted fixed-rate mortgage plans and HIBOR-based mortgage plans to meet customers' needs. Benefiting from the basically positive economic conditions, the credit quality of residential mortgage continued to improve as the delinquency and rescheduled loan ratio dropped further to 0.26%.

Value-added services for high net worth customers

In collaboration with BOC, in December 2005 the Group launched a new service which enables wealth management customers to access priority and privileged banking services at BOC branches in the whole Asia Pacific region. In addition, versatile value-added banking solutions covering investment management, financial planning and pre-arranged banking services were tailored for Mainland customers. Currently, 96 Wealth Management Prime and 18 Wealth Management VIP centres are in operation.

Credit card business

The Group's card business maintained its growth momentum in the first half of 2006. Cardholder spending volume and merchant acquiring volume registered growth of 7.2% and 15.0% respectively. During the first half of 2006, the Group launched "GBP Greatwall International Card" and it was the first EMV certificate acquirer in Hong Kong.

Leadership in personal RMB banking business

The Group remained the market leader in the Renminbi (RMB) personal banking services in Hong Kong and continued to achieve satisfactory results in RMB-related businesses. RMB deposits increased marginally to HK\$8,617 million by end-June 2006. The Group maintained its leading position in RMB card issuing business, increasing its volume by 60.3%. At the end of June 2006, the number of ATMs providing RMB withdrawal service amounted to 236. The Group was among the first batch of the banks in Hong Kong to launch expanded RMB services in December 2005. In March 2006, the Group launched Renminbi Settlement System (RSS) to provide clearing services for expanded RMB business in Hong Kong. The newly launched RSS served as a quality clearing platform and provided a solid foundation for the further expansion of RMB business. At the same time, Personal RMB Cheque Service was launched to enable customers to make payment for consumer spending in Guangdong Province by cheque.

E-Channel development

Continuous progress was made on e-channel development by enhancing and expanding iTS internet banking functions, especially in the area of investment services. As a result, the number of iTS customers increased by 8.9% in the first half of 2006. Compared to the first half of 2005, the number of iTS transactions increased by 58.4%.

Management's Discussion and Analysis (continued)

Corporate Banking

HK\$m, except percentage amounts	Half-year ended 30 June 2006	Half-year ended 30 June 2005	Increase/ (decrease)
Net interest income	1,981	1,777	+11.5%
Other operating income	535	505	+5.9%
Total operating income before loan impairment allowances	2,516	2,282	+10.3%
Release of loan impairment allowances	604	1,350	-55.3%
Net operating income	3,120	3,632	-14.1%
Operating expenses	(675)	(601)	+12.3%
Profit before taxation	2,445	3,031	-19.3%

	At 30 June 2006	At 31 December 2005	Increase/ (decrease)
Segment assets	212,688	211,834	+0.4%
Segment liabilities	131,392	101,719	+29.2%

Note: For additional segmental information, see Note 33 to the Financial Statements.

Results

Corporate Banking reported a profit before taxation of HK\$2,445 million, down by HK\$586 million or 19.3% as compared to the first half of 2005. The decline was mainly attributable to a significant decrease in net release of loan impairment allowances. Total operating income before loan impairment allowances, however, increased by 10.3% to HK\$2,516 million. Net interest income and other operating income grew by 11.5% and 5.9% respectively, partially offsetting the impact of the reduction in the release of loan impairment allowances on the segment's profit.

The rise in net interest income was achieved by widening loan spread and deposit spread. Operating expenses were up 12.3% to HK\$675 million.

Release of loan impairment allowances was HK\$604 million, down 55.3%, as marginal improvement in bad debt migration rate slowed down. The asset quality of the corporate loan portfolio remained strong despite the deterioration of a small number of accounts.

Loan assets in the Corporate Banking sector were stable in the first half of 2006. Advances and other accounts increased by 1.5% to HK\$211,302 million. Customer deposits registered a robust growth of 28.6% to HK\$127,936 million.

Market leadership in loan syndication

The Group continued to develop its syndicated loan business and remained as the leader in the Hong Kong, Macau and China market. According to *Basis Point*, a leading Asian debt market magazine, the Group was ranked second in the Hong Kong/Macau market and third in the Hong Kong/China market on the top-tier arrangers' list.

Management's Discussion and Analysis (continued)

Enlargement of SME customer base and enhancement of business competitiveness

In 2006, the Group focused on adjusting its business and customer structures and devoted much effort in developing its SME business. The Group's 5-year SME business plan focuses on further improving the SME business model, optimizing credit approval procedures for SME loans, simplifying existing workflow, and increasing efficiency of customer service. In the first half of 2006, the Group launched a series of new products to better serve SME customers, such as Equipment Link, Professional Firms Link, Trade Peak Season Link, etc. Meanwhile, the Group also promoted the Corporate Privilege Club to provide quicker and more prestigious banking services to VIP corporate customers.

Enhancement of e-banking services and cash management business

In order to improve cash management business, the Group continued to refine the related service platform, extend the service coverage, broaden the areas of system connection to BOC's overseas branches, and further enhance its tailor-made service plan to large corporations and provide standardised cash management products and services to SME customers. Such improvements were meant to create more business opportunities and enhance cross-selling.

The Group continued to strengthen its e-banking functions and promote CBS Online services. The number of CBS Online customers increased by 40.6% in the first half of 2006.

Preparation for opening of Mainland financial market

To prepare for the opening of the financial market in the Mainland, the Group continued to strengthen its business relationship with local and overseas financial institutions. Meanwhile, the Group actively promoted QDII/QFII-related business, and all related preparations are ready to go.

Owing to the considerable number of IPO activities in the first half of 2006, the volume of IPO financing increased significantly.

Mainland branches

In the first half of 2006, Mainland branches' operating profit before loan impairment allowances increased by 5.6% to HK\$150 million due mainly to the increase in average loan size. Nevertheless, abundant liquidity and active financing activities in the Mainland resulted in low cost refinancing and hence early repayments by certain large corporate clients. Total advances to customers of our Mainland branches rose only marginally by 0.1% to HK\$15,201 million while customer deposits increased by 20.7% to HK\$2,803 million.

At the end of June 2006 when two more branches obtained approval to offer RMB business, the Group had a total of 11 Mainland branches and sub-branches permitted to participate in RMB business and 12 branches and sub-branches allowed to conduct derivatives business. All 14 branches and sub-branches are now licensed to provide insurance agency services and the coverage of wealth management products has been extended in the China market. In view of the high demand for investment products in the market, the Group launched commodity-linked deposits in 2006 as an extension to the series of currency-linked deposits since 2005. It has also applied for permission to conduct overseas treasury management business to prepare for the implementation of QDII.

Management's Discussion and Analysis (continued)

Treasury

HK\$m, except percentage amounts	Half-year ended 30 June 2006	Half-year ended 30 June 2005	Increase/ (decrease)
Net interest income	2,076	568	+265.5%
Other operating income	719	491	+46.4%
Total operating income	2,795	1,059	+163.9%
Operating expenses	(189)	(92)	+105.4%
Profit before taxation	2,606	967	+169.5%

	At 30 June 2006	At 31 December 2005	Increase/ (decrease)
Segment assets	455,588	426,791	+6.8%
Segment liabilities	95,407	82,381	+15.8%

Note: For additional segmental information, see Note 33 to the Financial Statements.

Results

In the first half of 2006, Treasury reported a profit before taxation of HK\$2,606 million, up 169.5%, largely because of the hefty increase in net interest income.

Net interest income increased substantially by HK\$1,508 million or 265.5%. The increase was mainly driven by higher contribution of net free fund and better return on debt securities portfolio.

Other operating income rose by HK\$228 million or 46.4%, reflecting an increase in the fair value of foreign exchange swap contracts.

Investment portfolio diversification to enhance yield

The Group continued to diversify its investments with mortgage-backed securities, covered bonds and corporate bonds to maximise the return on residual funds. This diversification also helped in reducing concentration risks.

Development in treasury products and customer trades

In view of the growing popularity of steady-income investment products, the Group introduced a series of structured deposits linked with interest rates, foreign exchange rates and bullion prices. To further enhance cross-selling activities with retail and corporate banking units, a professional treasury marketing unit providing customised services to local and Mainland customers was set up in end-2005. The team also provided training and consulting support to other marketing teams. This not only enhanced the marketing capability of different business units, but also helped broaden the Group's client base and enrich clients' portfolio. In the first half of 2006, the number of treasury customers increased by 12.3%.

Management's Discussion and Analysis (continued)

Risk Management

Overview

The Group believes that sound risk management is a key success factor for any organisation. In its daily operation, the Group attaches a high degree of importance to risk management and emphasises that a balance must be struck between risk control and business growth and development. The principal types of risk inherent in the Group's businesses 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 by maintaining risk exposures within acceptable limits.

Risk Management Governance Structure

The Group's risk management governance structure is designed to cover the whole process of all businesses and ensure various risks are properly managed and controlled in the course of conducting business. The Group has a sound risk management organisational structure as well as comprehensive policies and procedures to identify, measure, monitor and control various risks that may arise for the organisation. These risk management policies and procedures are regularly reviewed and modified to reflect changes in markets and business strategies. Various groups of risk takers assume their respective responsibilities for risk management.

The Board of Directors, representing the interests of shareholders, has the ultimate responsibility for risk management. The Board, with the assistance of its committees, has the primary responsibility for the determination of risk management strategies and for ensuring that the Group has an effective risk management system to implement these risk management strategies. The Risk Committee ("RC"), a standing committee established by the Board of Directors, is responsible for approving major risk management policies and procedures and major asset and liability management policies.

The Chief Executive's ("CE") responsibility is to ensure the proper implementation of 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 risks 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 provides overall leadership, vision and direction for the entire risk management framework and for all other aspects of risks across the group as well as oversees the management of reputation risk, legal and compliance risk, credit risk, market risk and operational risk. The CFO is responsible for the management of strategic risk, interest rate risk and liquidity risk.

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

Reputation Risk Management

Reputation risk is the risk that negative publicity regarding the Group's activities, factual or otherwise, may cause a potential decline in the Group's business or lead to costly litigation. Reputation risk is inherent in every aspect of the Group's business operation and covers a wide spectrum of issues.

In order to mitigate reputation risk, the Group has formulated its Reputation Risk Management Policy that is diligently implemented. 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.

Management's Discussion and Analysis (continued)

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 Group. Compliance risk is the risk of legal and regulatory sanctions, which may directly result in financial loss, or affect the reputation of the Group caused by non-compliance to applicable laws, regulations and best industry practices. By establishing and maintaining appropriate policies and guidelines, the CRO, working through the Legal and Compliance Department, is responsible for proactively identifying and managing these risks.

Strategic Risk Management

Strategic risk generally refers to the risks that may induce immediate or future negative impact on the financial and market positions of the Group because of poor strategic decisions, improper implementation of strategies and lack of response to the market. The Group has developed a Strategic Risk Management Policy that clearly defines the management and oversight of such risks.

Credit Risk Management

Credit risk is the risk that financial loss arises from the failure of a customer or counterparty to meet its obligations under a contract that it has entered into with the Group. Credit risk arises principally from the Group's lending, trade finance and treasury activities.

The Risk Management Department (RMD), under the supervision of CRO, provides centralised management of credit risk within the Group. Credit policies and procedures are formulated by RMD and are approved by the RC and the Board of Directors. Such policies include setting controls over the maximum level of the Group's exposure to customers and customer groups and other risk concentrations in selected market sectors, industries and products. These credit policies and procedures are regularly updated and serve as guidance to business units as to the risk appetite of the Group from time to time.

RMD also undertakes independent review and objective assessment of credit facilities originated by business units. Different credit approval and control procedures are adopted according to the level of risk associated with the customer or transaction. Currently, a credit scoring system is used to process retail credit transactions, including residential mortgage loans, personal loans and credit cards. The Credit Risk Assessment Committee comprising experts from credit and other functions of the Group is responsible for making an independent assessment of all credit facilities which require the approval of Deputy Chief Executives or above.

The Group adopts an eight-grade facility grading structure according to HKMA's loan classification requirement. RMD provides regular credit management information reports and ad hoc reports to members of Management Committee, RC, AC and Board of Directors.

Market Risk Management

Market risk is the risk associated with the movements of foreign exchange rates, interest rates or equity and commodity prices on the earnings of the Group. The Group's market risk arises from customer-related business and from position taking. Trading positions are subject to daily marked-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.

The Market Risk Division in RMD is responsible for the daily oversight of the Group's market risk. The Division ensures that the overall and individual market risk positions are within the Group's risk tolerance.

VaR is a statistical technique which estimates the potential losses that could occur on risk positions taken over a specified time horizon within a given level of confidence. The Group uses historical movements in market rates and prices, a 99% confidence level and a 1-day holding period to calculate portfolio and individual VaR.

Management's Discussion and Analysis (continued)

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

HK\$m		At 30 June	Minimum for the first half of the year	Maximum for the first half of the year	Average for the first half of the year
VAR for all market risk	- 2006	2.9	1.7	5.0	3.4
	- 2005	2.8	1.7	4.7	2.9
VAR for foreign exchange risk	- 2006	3.7	1.3	5.3	3.3
	- 2005	1.9	1.2	4.0	2.1
VAR for interest rate risk	- 2006	1.5	1.0	3.0	1.9
	- 2005	2.1	1.6	3.7	2.5
VAR for equity risk	- 2006	0.6	0.1	0.8	0.3
	- 2005	0.1	0.0	0.5	0.1

For the first half of 2006, the average daily revenue of the Bank earned from market risk-related trading activities was HK\$2.6 million (first half of 2005: HK\$2.2 million). The standard deviation of these daily trading revenues was HK\$1.7 million (first half of 2005: HK\$2.1 million).

RMD is also responsible for monitoring foreign exchange exposure and related stop-loss limits on a day-to-day basis as well as the credit risk exposure arising from foreign exchange transactions.

Interest Rate Risk Management

The Group's interest rate risk exposures are mainly structural driven. 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 Group's Asset and Liability Management Committee ("ALCO") maintains oversight of interest rate risk and RC sanctions the interest rate risk management policies formulated by ALCO. The interest rate risk is identified and measured on a daily basis. The Treasury Department manages the interest rate risk according to the established policies. The Finance Department closely monitors the related risks and the results are reported to RC and ALCO regularly.

Gap analysis is one of the tools used to measure the Group's exposure to repricing risk. This provides the Group with a static view of the maturity and repricing characteristics of its balance sheet positions. The Group uses interest rate derivatives to hedge its interest rate exposures and in most cases, plain vanilla interest rate swaps are used.

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 RC. The results are reported to ALCO and 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 assets to liabilities with similar pricing basis are established to monitor such risk.

Management's Discussion and Analysis (continued)

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

Liquidity Risk Management

The aim of liquidity management is to enable the Group, 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 Group funds its operations principally by accepting deposits from retail and corporate depositors. In addition, the Group may issue certificates of deposit to secure long-term funds. Funding may also be secured through adjusting the asset mix in the Group's investment portfolio. The Group uses the majority of funds raised to extend loans, to purchase debt securities or to conduct interbank placements.

The Group monitors the liquidity risks using cash flow analysis and by examining deposit stability, concentration risk, mismatch ratios, loan-to-deposit ratio and liquidity profile of the investment portfolio. The primary objective of the Group'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 ALCO is responsible for establishing these policy directives (including the liquidity contingency plan), and RC sanctions the liquidity management policies. The Treasury Department manages the liquidity risk according to the established policies. The Finance Department monitors the Group's liquidity risks and reports to the management and ALCO regularly.

Operational Risk Management

Operational risk relates to the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. An Operational Risk Management Division is set up within RMD to oversee the entire operational risk management framework of the Bank.

The Group has put in place an effective internal control process which requires the establishment of detailed policies and control procedures for all the key activities. Proper segregation of duties and independent authorisation are the fundamental principles followed by the Group. Business line management is responsible for managing and reporting operational risks specific to their business units on a day-to-day basis by identifying, assessing and controlling the risks inherent in business processes, activities and products. These are followed by periodic monitoring and ongoing review of changes by RMD. RMD formulates corporate-level policies and procedures concerning operational risk management which are approved by RC. RMD evaluates the operational risk profile, records operational risk data and reports operational risk issues to RC and senior management.

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

Capital Management

The major objective of capital management is to maximise total shareholders' return while maintaining a strong capital position. The Group periodically reviews its capital structure and adjusts the capital mix where appropriate to achieve the lowest overall cost of capital. ALCO monitors the Group's capital adequacy. The Group has complied with all the statutory capital standards for all the periods presented in the report.

Stress Testing

The Group supplements the analysis of various types of risks with stress testing. Stress testing is a risk management tool for estimating the Group'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 RC.

綜合收益賬

Consolidated Income Statement

			(未经审核) (Unaudited)	(未经审核) (Unaudited)
			半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
		附注 Notes	港币百万元 HK\$'m	港币百万元 HK\$'m
利息收入	Interest income		19,219	10,065
利息支出	Interest expense		(11,912)	(4,232)
净利息收入	Net interest income	3	7,307	5,833
服务费及佣金收入	Fees and commission income		2,457	2,005
服务费及佣金支出	Fees and commission expenses		(587)	(507)
净服务费及佣金收入	Net fees and commission income	4	1,870	1,498
净交易性收入	Net trading income	5	1,021	746
证券投资之净(亏损)/收益	Net (loss)/gain on investments in securities	6	(8)	18
其他经营收入	Other operating income	7	166	125
提取贷款减值准备前之总经营收入	Total operating income before loan impairment allowances		10,356	8,220
贷款减值准备拨回	Reversal of loan impairment allowances on advances	8	642	1,435
净经营收入	Net operating income		10,998	9,655
经营支出	Operating expenses	9	(2,938)	(2,676)
经营溢利	Operating profit		8,060	6,979
出售/重估物业、厂房及设备之净亏损	Net loss from disposal/revaluation of properties, plant and equipment	10	(9)	(9)
出售/公平值调整投资物业之净收益	Net gain from disposal of/fair value adjustments on investment properties	11	494	927
应占联营公司之溢利扣减亏损	Share of profits less losses of associates		-	(1)
除税前溢利	Profit before taxation		8,545	7,896
税项	Taxation	12	(1,444)	(1,328)
本期溢利	Profit for the period		7,101	6,568
应占溢利:	Attributable to:			
本银行股东权益	Equity holders of the Bank		7,004	6,495
少数股东权益	Minority interests		97	73
			7,101	6,568
股息	Dividends	13	4,563	2,367

綜合資產負債表
Consolidated Balance Sheet

	附注 Notes	(未经审核) (Unaudited)	(经审核) (Audited)
		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		港币百万元 HK\$'m	港币百万元 HK\$'m
资产			
ASSETS			
库存现金及在银行及其他金融机构的结余	14	29,029	30,703
银行及其他金融机构存款	15	107,355	125,662
交易性证券及公允价值变化计入损益的其他金融资产	16	13,937	12,009
衍生金融工具	17	5,829	5,184
香港特别行政区政府负债证明书		33,460	32,630
贷款及其他账项	18	337,703	338,394
证券投资			
- 可供出售证券	19	97,916	52,243
- 持有至到期日证券	20	164,516	178,521
- 贷款及应收款	21	24,847	13,080
联营公司权益		57	61
物业、厂房及设备		19,458	18,316
投资物业		7,644	7,539
递延税项资产	25	1	4
其他资产		8,454	7,755
资产总额		850,206	822,101
负债			
LIABILITIES			
香港特别行政区流通纸币		33,460	32,630
银行及其他金融机构之存款及结余		46,802	40,655
交易性负债及公允价值变化计入损益的其他金融工具	22	13,272	7,924
衍生金融工具	17	3,266	4,193
客户存款	23	643,851	633,100
发行之存款证			
- 按公允价值变化计入损益	22	3,800	3,829
- 按摊销成本		135	136
递延税项负债	25	3,177	3,055
其他账项及准备	26	25,096	21,754
负债总额		772,859	747,276

综合资产负债表（续） Consolidated Balance Sheet (continued)

			(未经审核) (Unaudited)	(经审核) (Audited)
			2006年 6月30日 At 30 June	2005年 12月31日 At 31 December
		附注 Notes	2006 港币百万元 HK\$'m	2005 港币百万元 HK\$'m
资本	EQUITY			
少数股东权益	Minority interests		<u>1,398</u>	<u>1,298</u>
股本	Share capital	27	<u>43,043</u>	43,043
储备	Reserves	28	<u>32,906</u>	<u>30,484</u>
本银行股东应占股本和储备	Capital and reserves attributable to the equity holders of the Bank		<u>75,949</u>	<u>73,527</u>
资本总额	Total equity		<u>77,347</u>	<u>74,825</u>
负债及资本总额	Total liabilities and equity		<u>850,206</u>	<u>822,101</u>

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

		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	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*	换算储备 Translation 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 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	港币百万元 HK\$m
于 2005 年 1 月 1 日	At 1 January 2005	43,043	2,653	-	3,410	(5)	16,728	65,829	1,276	67,105
2005 年上半年之净溢利	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	-	-	-
由股东权益贷记递延税 项负债	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	<u>43,043</u>	<u>2,484</u>	<u>(58)</u>	<u>3,584</u>	<u>(5)</u>	<u>20,852</u>	<u>69,900</u>	<u>1,294</u>	<u>71,194</u>
本银行及附属公司	Bank and subsidiaries	43,043	2,484	(58)	3,584	(5)	20,886	69,934		
联营公司	Associates	-	-	-	-	-	(34)	(34)		
		<u>43,043</u>	<u>2,484</u>	<u>(58)</u>	<u>3,584</u>	<u>(5)</u>	<u>20,852</u>	<u>69,900</u>		
于 2005 年 7 月 1 日	At 1 July 2005	43,043	2,484	(58)	3,584	(5)	20,852	69,900	1,294	71,194
2005 年下半年之净溢利	Net profit for the second half of 2005	-	-	-	-	-	6,997	6,997	91	7,088
货币换算差额	Currency translation difference	-	-	-	-	1	-	1	-	1
2004 年中期股息	2004 interim dividend	-	-	-	-	-	-	-	(55)	(55)
2005 年中期股息	2005 interim dividend	-	-	-	-	-	(5,897)	(5,897)	(56)	(5,953)
房产重估	Revaluation of premises	-	3,282	-	-	-	-	3,282	29	3,311
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	-	-	(223)	-	-	-	(223)	-	(223)
因房产出售之重估储备 转拨	Release upon disposal of premises	-	(64)	-	-	-	64	-	-	-
由股东权益(计入)/贷 记递延税项负债	Release (to)/from deferred tax liabilities	-	(537)	31	-	-	-	(506)	(5)	(511)
由可供出售证券转至持 有至到期日证券产生 之摊销	Amortisation with respect to available-for-sale securities transfer to held-to-maturity securities	-	-	5	-	-	(33)	(28)	-	(28)
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	-	-	-	-	-	1	1	-	1
留存盈利转拨	Transfer to retained earnings	-	-	-	(58)	-	58	-	-	-
于 2005 年 12 月 31 日	At 31 December 2005	<u>43,043</u>	<u>5,165</u>	<u>(245)</u>	<u>3,526</u>	<u>(4)</u>	<u>22,042</u>	<u>73,527</u>	<u>1,298</u>	<u>74,825</u>
本银行及附属公司	Bank and subsidiaries	43,043	5,165	(245)	3,526	(4)	22,071	73,556		
联营公司	Associates	-	-	-	-	-	(29)	(29)		
		<u>43,043</u>	<u>5,165</u>	<u>(245)</u>	<u>3,526</u>	<u>(4)</u>	<u>22,042</u>	<u>73,527</u>		

综合权益变动结算表 (续) **Consolidated Statement of Changes in Equity (continued)**

		(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	可供出售 证券公平 价值变动 储备 Reserve for fair value changes of available-for- sale securities	法定储备* Regulatory reserve*	换算储备 Translation reserve	留存盈利 Retained earnings	少数股东 权益 Minority interests	资本总额 Total equity	
		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	
于2006年1月1日	At 1 January 2006	43,043	5,165	(245)	3,526	(4)	22,042	73,527	1,298	74,825
2006年上半年之净溢利	Net profit for the first half of 2006	-	-	-	-	-	7,004	7,004	97	7,101
货币换算差额	Currency translation difference	-	-	-	-	1	-	1	-	1
2006年中期股息	2006 interim dividend	-	-	-	-	-	(4,563)	(4,563)	-	(4,563)
房产重估	Revaluation of premises	-	1,068	-	-	-	-	1,068	4	1,072
可供出售证券之公平价值变化计入股东权益	Change in fair value of available-for-sale securities taken to equity	-	-	(977)	-	-	-	(977)	-	(977)
因房产出售之重估储备转拨	Release upon disposal of premises	-	(59)	-	-	-	59	-	-	-
由股东权益(计入)/贷记递延税项负债	Release (to)/from deferred tax liabilities	-	(149)	163	-	-	-	14	(1)	13
由可供出售证券转至持有至到期日证券产生之摊销	Amortisation with respect to available-for-sale securities transfer to held-to-maturity securities	-	-	30	-	-	(153)	(123)	-	(123)
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	-	-	-	-	-	(2)	(2)	-	(2)
留存盈利转拨	Transfer to retained earnings	-	-	-	(7)	-	7	-	-	-
于2006年6月30日	At 30 June 2006	<u>43,043</u>	<u>6,025</u>	<u>(1,029)</u>	<u>3,519</u>	<u>(3)</u>	<u>24,394</u>	<u>75,949</u>	<u>1,398</u>	<u>77,347</u>
本银行及附属公司	Bank and subsidiaries	43,043	6,025	(1,029)	3,519	(3)	24,423	75,978		
联营公司	Associates	-	-	-	-	-	(29)	(29)		
		<u>43,043</u>	<u>6,025</u>	<u>(1,029)</u>	<u>3,519</u>	<u>(3)</u>	<u>24,394</u>	<u>75,949</u>		

* 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(包括未来损失或其他不可预期风险)。

* In accordance with the requirements of the 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)	(未经审核)
		(Unaudited)	(Unaudited)
		半年结算至	半年结算至
		2006年	2005年
		6月30日	6月30日
		Half-year ended	Half-year ended
		30 June	30 June
		2006	2005
		港币百万元	港币百万元
		HK\$'m	HK\$'m
经营业务之现金流量	Cash flows from operating activities		
除税前经营现金之(流出)/流入	Operating cash (outflow)/inflow before taxation 29(a)	(36,370)	9,121
支付香港利得税	Hong Kong profits tax paid	(514)	(359)
支付海外利得税	Overseas profits tax paid	(24)	(10)
		<u>(36,908)</u>	<u>8,752</u>
经营业务之现金(流出)/流入净额	Net cash (outflow)/inflow from operating activities		
		<u>(36,908)</u>	<u>8,752</u>
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	15	13
购入物业、厂房及设备	Purchase of properties, plant and equipment	(287)	(164)
出售物业、厂房及设备所得款项	Proceeds from disposal of properties, plant and equipment	10	432
出售投资物业所得款项	Proceeds from disposal of investment properties	265	51
出售联营公司所得款项	Proceeds from disposal of an associate	2	-
联营公司清盘分派所得款项	Proceeds from dissolution of associates	-	6
收取联营公司股息	Dividend received from an associate	2	2
		<u>7</u>	<u>340</u>
投资业务之现金流入净额	Net cash inflow from investing activities		
		<u>7</u>	<u>340</u>
融资业务之现金流量	Cash flows from financing activities		
支付本银行股东股息	Dividends paid to equity holders of the Bank	(6,801)	(4,089)
支付少数股东股息	Dividends paid to minority shareholders	-	(55)
		<u>(6,801)</u>	<u>(4,144)</u>
融资业务之现金流出现净额	Net cash outflow from financing activities		
		<u>(6,801)</u>	<u>(4,144)</u>
现金及等同现金项目(减少)/增加	(Decrease)/increase in cash and cash equivalents	(43,702)	4,948
于1月1日之现金及等同现金项目	Cash and cash equivalents at 1 January	82,814	62,908
于6月30日之现金及等同现金项目	Cash and cash equivalents at 30 June 29(b)	<u>39,112</u>	<u>67,856</u>

财务报表附注

Notes to the Financial Statements

1. 编制基准及会计政策

1. Basis of preparation and accounting policies

此未经审核之中期报告，乃按照香港会计师公会所颁布之香港会计准则第 34 号「中期财务报告」而编制，并需连同本集团 2005 年之年度报告一并阅览。

The 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 2005.

此未经审核之中期报告所采用之会计政策及计算办法，均与截至 2005 年 12 月 31 日止之本集团财务报表之编制基础一致。

The accounting policies and methods of computation used in the preparation of the unaudited interim report are consistent with those used in the Group’s financial statements for the year ended 31 December 2005.

新采纳之香港财务报告准则

Newly adopted HKFRS

于 2006 年，本集团采纳了以下与业务相关之经修订之香港财务报告准则。

In 2006, the Group adopted the revised HKFRSs as set out below, which are relevant to its operations :

香港会计准则第 39 号 (经修订)
- 财务担保合约
香港会计准则第 39 号 (经修订)
- 公允价值法之选择

HKAS 39 (Amendment)
- Financial Guarantee Contracts
HKAS 39 (Amendment)
- The Fair Value Option

采用以上经修订之准则并无导致本集团之会计政策出现重大变动，亦未对本集团之业绩及财务状况构成重大影响，因涉及金额并不重大，故并未重新列示比较数字。

The adoption of the above revised standards did not result in substantial changes to the Group’s accounting policies and have no significant impact on its results of operations and financial position. No restatement of comparative figures was made as the amounts were immaterial.

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理
2. Financial risk management

此附注列示了有关本集团使用金融工具的风险暴露之财务资料。有关风险控制之详细资料，请参阅第 17 至 19 页之管理层讨论及分析内「风险管理」部分。

This note presents financial information about the Group's exposure to the use of financial instruments. For further details of the control of risk, please refer to the section "Risk Management" in the Management's Discussion and Analysis on pages 36 to 39

A) 汇率风险
A) Currency risk

下表概述了本集团于 2006 年 6 月 30 日及 2005 年 12 月 31 日之外币汇率风险暴露。表内以折合港元账面值列示本集团之资产及负债，并按原币分类。

Tables below summarise the Group's exposure to foreign currency exchange rate risk as at 30 June 2006 and 31 December 2005. Included in the tables are the Group's assets and liabilities at carrying amounts in HK\$ equivalent, categorised by the original currency.

		2006 年 6 月 30 日 At 30 June 2006							
	人民币 Renminbi 港币 百万元 HK\$m	美元 US Dollars 港币 百万元 HK\$m	港元 HK Dollars 港币 百万元 HK\$m	欧元 EURO 港币 百万元 HK\$m	日圆 Japanese Yen 港币 百万元 HK\$m	英镑 Pound Sterling 港币 百万元 HK\$m	其他 Others 港币 百万元 HK\$m	总计 Total 港币 百万元 HK\$m	
资产	Assets								
库存现金及在银行及其他金融机构的结余	Cash and balances with banks and other financial institutions	22,993	3,146	2,304	128	227	81	150	29,029
银行及其他金融机构存款	Placements with banks and other financial institutions	595	30,286	68,603	170	1,083	1,411	5,207	107,355
交易性证券及公允价值变化计入损益的其他金融资产	Trading securities and other financial instruments at fair value through profit or loss	-	5,477	6,260	1,003	-	-	1,197	13,937
衍生金融工具	Derivative financial instruments	-	208	5,621	-	-	-	-	5,829
香港特别行政区政府负债证明书	Hong Kong SAR Government certificates of indebtedness	-	-	33,460	-	-	-	-	33,460
贷款及其他账项	Advances and other accounts	2,347	50,419	275,604	3,834	2,428	1,121	1,950	337,703
可供出售证券	Available-for-sale securities	-	58,616	26,501	3,661	-	2,372	6,766	97,916
持有至到期日证券	Held-to-maturity securities	-	97,142	48,786	3,451	-	1,279	13,858	164,516
贷款及应收款	Loans and receivables	-	3,861	19,846	-	-	276	864	24,847
联营公司权益	Interests in associates	-	-	57	-	-	-	-	57
物业、厂房及设备	Properties, plant and equipment	58	1	19,399	-	-	-	-	19,458
投资物业	Investment properties	-	-	7,644	-	-	-	-	7,644
其他资产 (包括递延税项资产)	Other assets (including deferred tax assets)	41	421	7,836	18	53	4	82	8,455
资产总额	Total assets	26,034	249,577	521,921	12,265	3,791	6,544	30,074	850,206

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
A) 汇率风险 (续) A) Currency risk (continued)

		2006年6月30日 At 30 June 2006							
		人民币 Renminbi 港币 百万元 HK\$m	美元 US Dollars 港币 百万元 HK\$m	港元 HK Dollars 港币 百万元 HK\$m	欧元 EURO 港币 百万元 HK\$m	日圆 Japanese Yen 港币 百万元 HK\$m	英镑 Pound Sterling 港币 百万元 HK\$m	其他 Others 港币 百万元 HK\$m	总计 Total 港币 百万元 HK\$m
负债	Liabilities								
香港特别行政区流通纸币	Hong Kong SAR currency notes in circulation	-	-	33,460	-	-	-	-	33,460
银行及其他金融机构之存款及结余	Deposits and balances of banks and other financial institutions	14,648	11,617	15,838	110	2,991	66	1,532	46,802
交易性负债及公允价值变化计入损益的其他金融工具	Trading liabilities and other financial instruments at fair value through profit or loss	-	3,198	10,074	-	-	-	-	13,272
衍生金融工具	Derivative financial instruments	-	336	2,930	-	-	-	-	3,266
客户存款	Deposits from customers	9,628	136,842	433,660	6,263	2,737	12,693	42,028	643,851
发行之存款证	Certificates of deposit issued	-	1,318	2,617	-	-	-	-	3,935
其他账项及准备 (包括递延税项负债)	Other accounts and provisions (including deferred tax liabilities)	570	5,823	20,299	224	141	268	948	28,273
负债总额	Total liabilities	24,846	159,134	518,878	6,597	5,869	13,027	44,508	772,859
资产负债表头寸净值	Net on-balance sheet position	1,188	90,443	3,043	5,668	(2,078)	(6,483)	(14,434)	77,347
表外资产负债头寸净值*	Off-balance sheet net notional position*	1	(85,824)	71,357	(5,741)	2,017	6,390	14,451	2,651
或然负债及承担	Contingent liabilities and commitments	1,929	38,537	123,556	2,274	616	106	1,490	168,508

* 表外资产负债头寸净值指外汇衍生金融工具的名义合约净额净值。外汇衍生金融工具主要用来减低本集团之汇率变动风险。

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

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
A) 汇率风险 (续)
A) Currency risk (continued)

2005年12月31日

At 31 December 2005

	人民币 Renminbi	美元 US Dollars	港元 HK Dollars	欧元 EURO	日圆 Japanese Yen	英镑 Pound Sterling	其他 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	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								
库存现金及在银行及其他金融机构的结余	Cash and balances with banks and other financial institutions	22,730	4,752	2,696	153	154	103	115	30,703
银行及其他金融机构存款	Placements with banks and other financial institutions	262	35,832	82,190	371	-	3,064	3,943	125,662
交易性证券及公允价值变化计入损益的其他金融资产	Trading securities and other financial instruments at fair value through profit or loss	-	5,422	3,870	1,209	-	-	1,508	12,009
衍生金融工具	Derivative financial instruments	-	874	4,310	-	-	-	-	5,184
香港特别行政区政府负债证明书	Hong Kong SAR Government certificates of indebtedness	-	-	32,630	-	-	-	-	32,630
贷款及其他账项	Advances and other accounts	1,961	47,896	279,033	3,738	2,423	831	2,512	338,394
可供出售证券	Available-for-sale securities	-	26,033	19,283	2,414	-	1,011	3,502	52,243
持有至到期日证券	Held-to-maturity securities	-	101,694	57,640	4,003	243	1,288	13,653	178,521
贷款及应收款	Loans and receivables	-	1,704	9,778	-	-	-	1,598	13,080
联营公司权益	Interests in associates	-	-	61	-	-	-	-	61
物业、厂房及设备	Properties, plant and equipment	61	-	18,255	-	-	-	-	18,316
投资物业	Investment properties	-	-	7,539	-	-	-	-	7,539
其他资产 (包括递延税项资产)	Other assets (including deferred tax assets)	19	744	6,952	-	-	9	35	7,759
资产总额	Total assets	25,033	224,951	524,237	11,888	2,820	6,306	26,866	822,101

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
A) 汇率风险 (续) A) Currency risk (continued)

2005年12月31日

At 31 December 2005

	人民币 Renminbi	美元 US Dollars	港元 HK Dollars	欧元 EURO	日圆 Japanese Yen	英镑 Pound Sterling	其他 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	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
负债	Liabilities							
香港特别行政区流通纸币								
Hong Kong SAR currency notes in circulation	-	-	32,630	-	-	-	-	32,630
银行及其他金融机构之存款及结余								
Deposits and balances of banks and other financial institutions	14,150	9,245	12,507	247	3,389	63	1,054	40,655
交易性负债及公允价值变化计入损益的其他金融工具								
Trading liabilities and other financial instruments at fair value through profit or loss	-	2,746	5,178	-	-	-	-	7,924
衍生金融工具								
Derivative financial instruments	-	840	3,353	-	-	-	-	4,193
客户存款								
Deposits from customers	9,210	132,214	427,493	6,787	2,693	13,199	41,504	633,100
发行之存款证								
Certificates of deposit issued	-	1,325	2,640	-	-	-	-	3,965
其他账项及准备 (包括递延税项负债)								
Other accounts and provisions (including deferred tax liabilities)	629	5,879	16,766	222	131	196	986	24,809
负债总额	23,989	152,249	500,567	7,256	6,213	13,458	43,544	747,276
资产负债表头寸净值								
Net on-balance sheet position	1,044	72,702	23,670	4,632	(3,393)	(7,152)	(16,678)	74,825
表外资产负债头寸净值								
Off-balance sheet net notional position	(5)	(68,875)	48,257	(4,575)	3,392	7,146	16,811	2,151
或然负债及承担								
Contingent liabilities and commitments	1,558	34,600	121,428	1,945	812	50	1,294	161,687

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
B) 流动性风险
B) Liquidity risk

下表为本集团之资产及负债于 2006 年 6 月 30 日及 2005 年 12 月 31 日的到期日分析,并按于结算日时,资产及负债相距合约到期日的剩余期限分类。

Tables below analyse assets and liabilities of the Group as at 30 June 2006 and 31 December 2005 into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

		2006 年 6 月 30 日						
		At 30 June 2006						
	即期 On demand	一个月 Up to 1 month	一至 三 个月 1-3 months	三至 十二 个月 3-12 months	一至 五年 1-5 years	五年 以上 Over 5 years	无注明 日期 Undated	总计 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	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
资产	Assets							
库存现金及在银行及其他 金融机构的结余	Cash and balances with banks and other financial institutions	29,029	-	-	-	-	-	29,029
银行及其他金融机构存款	Placements with banks and other financial institutions	-	51,362	39,172	16,821	-	-	107,355
交易性证券及公允价值变化 计入损益的其他金融资 产	Trading securities and other financial instruments at fair value through profit or loss	-	-	-	-	-	-	-
- 债务证券	- debt securities	-	-	-	-	-	-	-
- 持有之存款证	- certificates of deposit held	-	-	-	318	429	-	747
- 其他	- others	-	1,747	1,545	2,607	6,409	855	13,163
- 股份证券	- equity securities	-	-	-	-	-	27	27
衍生金融工具	Derivative financial instruments	5,010	376	106	101	141	95	5,829
香港特别行政区政府负债 证明书	Hong Kong SAR Government certificates of indebtedness	33,460	-	-	-	-	-	33,460
贷款及其他账项	Advances and other accounts	-	-	-	-	-	-	-
- 客户贷款	- advances to customers	27,963	4,380	22,446	33,400	127,779	114,436	1,233
- 贸易票据	- trade bills	2	1,333	1,113	247	-	-	2,695
- 银行及其他金融机构贷 款	- advances to banks and other financial institutions	101	-	-	666	2,604	-	3,371
可供出售证券	Available-for-sale securities	-	-	-	-	-	-	-
- 债务证券	- debt securities	-	-	-	-	-	-	-
- 持有之存款证	- certificates of deposit held	-	103	1,554	1,881	4,367	200	8,105
- 其他	- others	-	2,946	2,495	3,140	29,637	51,540	89,758
- 股份证券	- equity securities	-	-	-	-	-	-	53
持有至到期日证券	Held-to-maturity securities	-	-	-	-	-	-	-
- 债务证券	- debt securities	-	-	-	-	-	-	-
- 持有之存款证	- certificates of deposit held	-	1,216	2,686	2,818	4,026	-	10,746
- 其他	- others	-	4,520	9,013	28,976	96,591	14,670	153,770
贷款及应收款	Loans and receivables	-	2,290	9,593	12,964	-	-	24,847
联营公司权益	Interests in associates	-	-	-	-	-	57	57
物业、厂房及设备	Properties, plant and equipment	-	-	-	-	-	19,458	19,458
投资物业	Investment properties	-	-	-	-	-	7,644	7,644
其他资产 (包括递延税项 资产)	Other assets (including deferred tax assets)	4,327	3,703	2	247	34	142	8,455
资产总额	Total assets	99,892	73,976	89,725	104,186	272,017	181,796	850,206

财务报表附注 (续) Notes to the Financial Statements (continued)

2. 金融风险管理 (续) 2. Financial risk management (continued)

B) 流动性风险 (续) B) Liquidity risk (continued)

2006年6月30日

At 30 June 2006

		即期 On demand	一个月内 Up to 1 month	一至 三个月 1-3 months	三至 十二个月 3-12 months	一至五年 1-5 years	五年以上 Over 5 years	无注明 日期 Undated	总计 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	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
负债	Liabilities								
香港特别行政区流通纸币	Hong Kong SAR currency notes in circulation	33,460	-	-	-	-	-	-	33,460
银行及其他金融机构之存款及结余	Deposits and balances of banks and other financial institutions	19,282	26,224	559	737	-	-	-	46,802
交易性负债及公允价值变化计入损益的其他金融工具	Trading liabilities and other financial instruments at fair value through profit or loss	-	2,685	1,782	5,746	2,570	489	-	13,272
衍生金融工具	Derivative financial instruments	1,928	497	186	181	444	30	-	3,266
客户存款	Deposits from customers	254,946	277,546	88,214	22,023	1,071	51	-	643,851
发行之存款证	Certificates of deposit issued	-	483	1,576	411	1,465	-	-	3,935
其他账项及准备(包括递延税项负债)	Other accounts and provisions (including deferred tax liabilities)	14,526	7,053	785	4,735	1,133	-	41	28,273
负债总额	Total liabilities	324,142	314,488	93,102	33,833	6,683	570	41	772,859
流动性缺口	Net liquidity gap	(224,250)	(240,512)	(3,377)	70,353	265,334	181,226	28,573	77,347

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
B) 流动性风险 (续) B) Liquidity risk (continued)

2005年12月31日

At 31 December 2005

	即期 On demand	一个月 Up to 1 month	一至 三 个月 1-3 months	三至 十二 个月 3-12 months	一至 五年 1-5 years	五年 以上 Over 5 years	无注 明 日期 Undated	总计 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	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
资产	Assets							
库存现金及在银行及其他 金融机构的结余	Cash and balances with banks and other financial institutions	30,703	-	-	-	-	-	30,703
银行及其他金融机构存款	Placements with banks and other financial institutions	-	78,051	40,145	7,466	-	-	125,662
交易性证券及公允价值变化 计入损益的其他金融资 产	Trading securities and other financial instruments at fair value through profit or loss							
- 债务证券	- debt securities							
- 持有之存款证	- certificates of deposit held	-	-	113	60	587	47	807
- 其他	- others	-	140	1,207	1,676	6,917	1,244	11,184
- 股份证券	- equity securities	-	-	-	-	-	18	18
衍生金融工具	Derivative financial instruments	3,706	1,068	227	54	98	31	5,184
香港特别行政区政府负债 证明书	Hong Kong SAR Government certificates of indebtedness	32,630	-	-	-	-	-	32,630
贷款及其他账项	Advances and other accounts							
- 客户贷款	- advances to customers	25,359	6,710	16,133	31,534	132,520	118,015	2,029
- 贸易票据	- trade bills	101	1,125	1,460	353	-	-	3,039
- 银行及其他金融机构贷 款	- advances to banks and other financial institutions	102	164	267	376	2,146	-	3,055
可供出售证券	Available-for-sale securities							
- 债务证券	- debt securities							
- 持有之存款证	- certificates of deposit held	-	101	200	356	3,521	-	4,178
- 其他	- others	-	1,609	2,598	1,673	23,680	18,449	48,009
- 股份证券	- equity securities	-	-	-	-	-	56	56
持有至到期日证券	Held-to-maturity securities							
- 债务证券	- debt securities							
- 持有之存款证	- certificates of deposit held	-	884	3,846	4,430	5,117	202	14,479
- 其他	- others	-	1,005	6,088	27,278	111,417	18,254	164,042
贷款及应收款	Loans and receivables	-	3,466	3,351	6,263	-	-	13,080
联营公司权益	Interests in associates	-	-	-	-	-	61	61
物业、厂房及设备	Properties, plant and equipment	-	-	-	-	-	18,316	18,316
投资物业	Investment properties	-	-	-	-	-	7,539	7,539
其他资产 (包括递延税项 资产)	Other assets (including deferred tax assets)	6,014	1,389	-	234	48	74	7,759
资产总额	Total assets	98,615	95,712	75,635	81,753	286,051	156,242	822,101

财务报表附注 (续) Notes to the Financial Statements (continued)
2. 金融风险管理 (续) 2. Financial risk management (continued)
B) 流动性风险 (续) B) Liquidity risk (continued)

 2005年12月31日
 At 31 December 2005

		即期 On demand	一个月内 Up to 1 month	一至 三个月 1-3 months	三至 十二个月 3-12 months	一至五年 1-5 years	五年以上 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	港币 百万元 HK\$m
负债	Liabilities								
香港特别行政区流通纸币	Hong Kong SAR currency notes in circulation	32,630	-	-	-	-	-	-	32,630
银行及其他金融机构之存款及结余	Deposits and balances of banks and other financial institutions	21,112	15,479	1,049	3,015	-	-	-	40,655
交易性负债及公允价值变化计入损益的其他金融工具	Trading liabilities and other financial instruments at fair value through profit or loss	-	641	1,411	1,750	3,560	562	-	7,924
衍生金融工具	Derivative financial instruments	1,767	1,261	146	239	616	164	-	4,193
客户存款	Deposits from customers	247,548	229,893	131,900	22,253	1,506	-	-	633,100
发行之存款证	Certificates of deposit issued	-	-	-	2,336	1,629	-	-	3,965
其他账项及准备(包括递延税项负债)	Other accounts and provisions (including deferred tax liabilities)	17,931	1,602	1,032	3,971	205	1	67	24,809
负债总额	Total liabilities	320,988	248,876	135,538	33,564	7,516	727	67	747,276
流动性缺口	Net liquidity gap	<u>(222,373)</u>	<u>(153,164)</u>	<u>(59,903)</u>	<u>48,189</u>	<u>278,535</u>	<u>155,515</u>	<u>28,026</u>	<u>74,825</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

2. 金融风险管理 (续) 2. Financial risk management (continued)

B) 流动性风险 (续)

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财务资料》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。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。其他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」。上述列示之资产已扣除任何相关准备（如有）。

按尚余到期日对证券资产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财务资料》指引而披露的。所作披露不代表此等证券将持有至到期日。

B) Liquidity risk (continued)

The above maturity classifications have been prepared in accordance with the guideline on "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". 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 after deduction of provisions, if any.

The analysis of debt securities by remaining period to maturity is disclosed in order to comply with the guideline on "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.

财务报表附注 (续) Notes to the Financial Statements (continued)

3. 净利息收入

3. Net interest income

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income		
现金及存放于同业和其他金融 机构的款项	Cash and due from banks and other financial institutions	3,607	1,411
客户贷款	Advances to customers	9,155	5,034
上市证券投资	Listed investments	1,161	948
非上市证券投资	Unlisted investments	5,078	2,379
其他	Others	218	293
		<u>19,219</u>	<u>10,065</u>
利息支出	Interest expense		
同业、客户及其他金融机构存 放的款项	Due to banks, customers and other financial institutions	(11,447)	(3,915)
债务证券发行	Debt securities in issue	(60)	(54)
其他	Others	(405)	(263)
		<u>(11,912)</u>	<u>(4,232)</u>
净利息收入	Net interest income	<u>7,307</u>	<u>5,833</u>

2006年上半年之利息收入包括港币5.1千万元(2005年上半年:港币5.7千万元)被界定为减值贷款的确认利息。

Included within interest income is HK\$51 million (first half of 2005: HK\$57 million) of interest with respect to income recognised on advances classified as impaired for the first half of 2006.

财务报表附注 (续) Notes to the Financial Statements (continued)

4. 净服务费及佣金收入 4. Net fees and commission income

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$'m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 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	673	404
信用卡	Credit cards	375	372
汇票佣金	Bills commissions	259	257
缴款服务	Payment services	200	179
保险	Insurance	177	193
资产管理	Asset management	167	85
贷款佣金	Loan commissions	116	124
信托服务	Trust services	54	49
担保	Guarantees	25	21
其他	Others		
- 保管箱	- safe deposit box	94	85
- 买卖货币	- currency exchange	51	29
- 人民币业务	- RMB business	36	17
- 小额存户	- low deposit balance accounts	22	23
- 资讯调查	- information search	22	22
- 中银卡	- BOC cards	15	16
- 代理行	- correspondent banking	15	9
- 邮电	- postage and telegrams	14	12
- 不动户口	- dormant accounts	12	12
- 代理业务	- agency services	8	6
- 其他	- sundries	122	90
		2,457	2,005
服务费及佣金支出	Fees and commission expenses	(587)	(507)
净服务费及佣金收入	Net fees and commission income	1,870	1,498

财务报表附注 (续) Notes to the Financial Statements (continued)

5. 净交易性收入

5. Net trading income

	半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
净收益源自:		
- 外汇交易及外汇交易产品	758	596
- 利率工具	190	129
- 股份权益工具	15	4
- 商品	58	17
	1,021	746

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. 证券投资之净(亏损)/收益

6. Net (loss)/gain on investments in securities

	半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
提早赎回持有至到期日证券之净亏损	(1)	(3)
出售可供出售证券之净(亏损)/收益	(7)	21
	(8)	18

财务报表附注 (续) Notes to the Financial Statements (continued)

7. 其他经营收入 7. Other operating income

	半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
	港币百万元 HK\$m	港币百万元 HK\$m
证券投资股息收入		
- 非上市证券投资	15	13
投资物业之租金总收入	94	93
减: 有关投资物业之支出	(28)	(27)
联营公司权益之减值拨备拨回	-	4
其他	85	42
	166	125

「有关投资物业之支出」包括港币 7 百万元 (2005 年上半年: 港币 8 百万元) 关于未出租投资物业之直接经营支出。

Included in the "Outgoings in respect of investment properties" were HK\$7 million (first half of 2005: HK\$8 million) of direct operating expenses related to investment properties that were not let during the period.

8. 贷款减值准备拨回 8. Reversal of loan impairment allowances on advances

	半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
	港币百万元 HK\$m	港币百万元 HK\$m
贷款减值准备净拨回额		
- 个别评估	409	600
- 组合评估	233	835
	642	1,435
其中		
- 新提准备	(368)	(796)
- 拨回	318	1,123
- 收回已撤销账项	692	1,108
拨回收益账净额	642	1,435

财务报表附注 (续) Notes to the Financial Statements (continued)

9. 经营支出

9. Operating expenses

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$'m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$'m
人事费用 (包括董事酬金)	Staff costs (including directors' emoluments)		
- 薪酬及其他费用	- salaries and other costs	1,667	1,530
- 补偿费用	- termination benefit	7	1
- 退休成本	- pension cost	134	122
		<u>1,808</u>	<u>1,653</u>
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	149	122
- 资讯科技	- information technology	124	108
- 其他	- others	99	91
		<u>372</u>	<u>321</u>
折旧	Depreciation	322	286
审计师酬金	Auditors' remuneration		
- 审计服务	- audit services	4	4
- 非审计服务	- non-audit services	5	3
其他经营支出	Other operating expenses	427	409
		<u>2,938</u>	<u>2,676</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

10. 出售 / 重估物业、厂房及设备之净亏损 10. Net loss from disposal/revaluation of properties, plant and equipment

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
		港币百万元 HK\$m	港币百万元 HK\$m
出售物业之净收益 / (亏损)	Net gain/(loss) on disposal of properties	4	(2)
出售其他固定资产之净亏损	Net loss on disposal of other fixed assets	(5)	(7)
重估物业之净亏损	Net loss on revaluation of properties	(4)	-
其他固定资产之减值准备	Impairment losses on other fixed assets	(4)	-
		<u>(9)</u>	<u>(9)</u>

11. 出售 / 公平值调整投资物业之净收益 11. Net gain from disposal of/fair value adjustments on investment properties

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
		港币百万元 HK\$m	港币百万元 HK\$m
出售投资物业之净收益	Net gain on disposal of investment properties	17	9
公平值调整投资物业之净收益	Net gain on fair value adjustments on investment properties	477	918
		<u>494</u>	<u>927</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

12. 税项

12. Taxation

收益账内之税项组成如下:

Taxation in the income statement represents:

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
		港币百万元 HK\$m	港币百万元 HK\$m
香港利得税	Hong Kong profits tax		
- 本年税项	- current year taxation	1,275	1,032
- 往年不足拨备	- under-provision in prior years	3	-
计入递延税项	Deferred tax charge	<u>138</u>	<u>283</u>
香港利得税	Hong Kong profits tax	1,416	1,315
海外税项	Overseas taxation	<u>28</u>	<u>13</u>
		<u>1,444</u>	<u>1,328</u>

香港利得税乃按照截至2006年上半年估计应课税溢利依税率17.5% (2005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% (2005: 17.5%) on the estimated assessable profits arising in Hong Kong for the first half of 2006. Taxation on overseas profits has been calculated on the estimated assessable profits for the first half of 2006 at the rates of taxation prevailing in the countries in which the Group operates.

财务报表附注 (续) Notes to the Financial Statements (continued)

12. 税项 (续) 12. Taxation (continued)

本集團除稅前溢利產生的實際稅項，與根據香港利得稅率計算的稅項差異如下：

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

		半年結算至 2006年 6月30日 Half-year ended 30 June 2006 港幣百萬元 HK\$m	半年結算至 2005年 6月30日 Half-year ended 30 June 2005 港幣百萬元 HK\$m
除稅前溢利	Profit before taxation	<u>8,545</u>	<u>7,896</u>
按稅率 17.5% (2005 : 17.5%) 計算的稅項	Calculated at a taxation rate of 17.5% (2005: 17.5%) 計的稅項	1,495	1,382
其他國家稅率差異的影響	Effect of different taxation rates in other countries	(4)	(12)
無需課稅之收入	Income not subject to taxation	(153)	(384)
稅務上不可扣減之開支	Expenses not deductible for taxation purposes	102	334
未確認的稅務虧損	Tax losses not recognised	1	8
往年不足撥備	Under-provision in prior years	<u>3</u>	<u>-</u>
計入稅項	Taxation charge	<u>1,444</u>	<u>1,328</u>
實際稅率	Effective tax rate	<u>16.9%</u>	<u>16.8%</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

13. 股息

13. Dividends

		半年结算至 2006年6月30日 Half-year ended 30 June 2006		半年结算至 2005年6月30日 Half-year ended 30 June 2005	
		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	0.106	4,563	0.055	2,367

14. 库存现金及在银行及其他金融机构的结余

14. Cash and balances with banks and other financial institutions

		2006年 6月30日 30 June 2006 港币百万元 HK\$m	2005年 12月31日 31 December 2005 港币百万元 HK\$m
库存现金	Cash	2,746	3,032
银行及其他金融机构的结余	Balances with banks and other financial institutions	26,283	27,671
		29,029	30,703

财务报表附注 (续) Notes to the Financial Statements (continued)

15. 银行及其他金融机构存款 15. Placements with banks and other financial institutions

		2006年 6月30日 30 June 2006	2005年 12月31日 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
一个月内到期之银行及其他金融机构存款	Placements with banks and other financial institutions maturing within one month	51,362	78,051
一至十二个月内到期之银行及其他金融机构存款	Placements with banks and other financial institutions maturing between one and twelve months	55,993	47,611
		107,355	125,662
		2006年 6月30日 30 June 2006	2005年 12月31日 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
库存现金及在银行及其他金融机构的结余 (附注14)	Cash and balances with banks and other financial institutions (note 14)	29,029	30,703
一个月内到期之银行及其他金融机构存款	Placements with banks and other financial institutions maturing within one month	51,362	78,051
库券	Treasury bills	10,111	6,821
库存现金及短期资金	Cash and short-term funds	90,502	115,575

财务报表附注 (续) Notes to the Financial Statements (continued)

16. 交易性证券及公允价值变化计入损益的其他金融资产 **16. Trading securities and other financial instruments at fair value through profit or loss**

		交易性证券 Trading securities		公允价值变化计入损益 的其他金融资产 Other financial instruments at fair value through profit or loss		总计 Total	
		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005	2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005	2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		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	- Listed in Hong Kong	252	409	778	609	1,030	1,018
- 于海外上市	- Listed outside Hong Kong	3,997	4,181	685	931	4,682	5,112
		4,249	4,590	1,463	1,540	5,712	6,130
- 非上市	- Unlisted	6,760	4,569	1,438	1,292	8,198	5,861
		11,009	9,159	2,901	2,832	13,910	11,991
股份证券	Equity securities						
- 于香港上市	- Listed in Hong Kong	23	18	4	-	27	18
总计	Total	11,032	9,177	2,905	2,832	13,937	12,009

交易性证券及公允价值变化计入损益的其他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:

		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
中央政府及中央银行	Central governments and central banks	3,858	2,359
公共机构	Public sector entities	1,625	1,620
银行及其他金融机构	Banks and other financial institutions	6,908	6,528
公司企业	Corporate entities	1,546	1,502
		13,937	12,009

财务报表附注 (续) Notes to the Financial Statements (continued)

16. 交易性证券及公允价值变化计入损益的其他金融资产 (续) 16. Trading securities and other financial instruments at fair value through profit or loss (continued)

交易性证券及公允价值变化计入损益的其他金融资产分类如下:

Trading securities and other financial instruments at fair value through profit or loss are classified as follows in:

	2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
	港币百万元 HK\$m	港币百万元 HK\$m
国库券	3,323	1,550
持有之存款证	747	807
其他交易性证券及公允价值变化计入损益的其他金融资产	9,867	9,652
	13,937	12,009

17. 衍生金融工具

17. Derivative financial instruments

本集团订立下列股份权益、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:

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

远期外汇合约是指于未来某一日期买或卖外币的承诺。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。

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.

财务报表附注 (续) Notes to the Financial Statements (continued)

17. 衍生金融工具 (续) 17. Derivative financial instruments (continued)

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）的交换或以上的所有组合（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。

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）的一种协定。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定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、汇率或股份权益和贵金属价格的波动，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。

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 swap contracts, no exchange of principal takes place.

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, foreign exchange rates or equity and metal prices relative to their terms. The aggregate fair values of derivative financial instruments assets and liabilities can fluctuate significantly from time to time.

财务报表附注 (续) Notes to the Financial Statements (continued)
17. 衍生金融工具 (续) 17. 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:

		2006年6月30日 At 30 June 2006			2005年12月31日 At 31 December 2005		
		买卖 Trading	风险对冲 Hedging	总计 Total	买卖 Trading	风险对冲 Hedging	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
汇率合约	Exchange rate contracts						
即期及远期	Spot and forward	142,897	-	142,897	113,672	-	113,672
掉期	Swaps	179,901	-	179,901	177,871	-	177,871
外汇交易期权合 约	Foreign currency option contracts						
-买入期权	- Options purchased	1,125	-	1,125	2,227	-	2,227
-卖出期权	- Options written	2,565	-	2,565	1,315	-	1,315
		326,488	-	326,488	295,085	-	295,085
利率合约	Interest rate contracts						
期货	Futures	109	-	109	194	-	194
掉期	Swaps	32,523	231	32,754	29,310	194	29,504
利率期权合约	Interest rate option contracts						
-卖出掉期期权	- Swaptions written	803	-	803	1,153	-	1,153
其他合约	Other contracts						
-卖出债券期权	- Bond options written	854	-	854	465	-	465
		34,289	231	34,520	31,122	194	31,316
贵金属合约	Bullion contracts	6,854	-	6,854	17,808	-	17,808
股份权益合约	Equity contracts	694	-	694	567	-	567
总计	Total	368,325	231	368,556	344,582	194	344,776

注: 持有作为风险
对冲之衍生金
融工具全部属
公平值风险对
冲。

Note: All derivatives held for hedging are designated as fair value hedges.

财务报表附注 (续) Notes to the Financial Statements (continued)

17. 衍生金融工具 (续) 17. Derivative financial instruments (continued)

以下为各类衍生金融工具于2006年6月30日及2005年12月31日之公平值摘要:

The following table summarises the fair values of each class of derivative financial instrument as at 30 June 2006 and 31 December 2005:

		2006年6月30日 At 30 June 2006			2005年12月31日 At 31 December 2005		
		买卖 Trading	风险对冲 Hedging	总计 Total	买卖 Trading	风险对冲 Hedging	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
公平值资产	Fair value assets						
汇率合约	Exchange rate contracts	5,343	-	5,343	4,167	-	4,167
利率合约	Interest rate contracts	257	13	270	138	3	141
贵金属合约	Bullion contracts	212	-	212	873	-	873
股份权益合约	Equity contracts	4	-	4	3	-	3
		5,816	13	5,829	5,181	3	5,184
公平值负债	Fair value liabilities						
汇率合约	Exchange rate contracts	2,332	-	2,332	2,329	-	2,329
利率合约	Interest rate contracts	619	3	622	1,028	1	1,029
贵金属合约	Bullion contracts	310	-	310	833	-	833
股份权益合约	Equity contracts	2	-	2	2	-	2
		3,263	3	3,266	4,192	1	4,193

财务报表附注 (续) Notes to the Financial Statements (continued)

17. 衍生金融工具 (续) 17. Derivative financial instruments (continued)

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:

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:

		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005	2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		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	469	415	392	246
利率合约	Interest rate contracts	67	49	180	85
贵金属合约	Bullion contracts	19	11	212	873
股份权益合约	Equity contracts	12	9	4	3
		567	484	788	1,207

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。计算之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及按金管局指引计算, 因而应收利息并不计算在内。

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 and is calculated in accordance with the guidelines issued by the HKMA. Accrued interest has been excluded in the calculation.

本集团约 66% 的衍生金融工具交易是与其他金融机构签订的。

The Group undertakes approximately 66% of its transactions in derivative financial instruments contracts with other financial institutions.

财务报表附注 (续)

Notes to the Financial Statements (continued)

18. 贷款及其他账项

18. Advances and other accounts

		2006 年 6 月 30 日 At 30 June 2006 港币百万元 HK\$m	2005 年 12 月 31 日 At 31 December 2005 港币百万元 HK\$m
公司贷款	Corporate loans and advances	210,215	205,705
个人贷款	Personal loans and advances	122,983	128,309
客户贷款	Advances to customers	333,198	334,014
贷款减值准备	Loan impairment allowances		
- 按个别评估	- Individually assessed	(1,059)	(983)
- 按组合评估	- Collectively assessed	(502)	(731)
		331,637	332,300
贸易票据	Trade bills	2,695	3,039
银行及其他金融机构贷款	Advances to banks and other financial institutions	3,371	3,055
总计	Total	337,703	338,394

于 2006 年 6 月 30 日, 客户贷款包括总贷款应计利息港币 11.97 亿元(2005 年 12 月 31 日: 港币 12.03 亿元)。

As at 30 June 2006, advances to customers include accrued interest on gross advances of HK\$1,197 million (31 December 2005: HK\$1,203 million).

财务报表附注 (续) Notes to the Financial Statements (continued)

18. 贷款及其他账项 (续) 18. Advances and other accounts (continued)

减值之客户贷款分析如下:

Impaired advances to customers are analysed as follows:

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
减值之客户贷款总额 (附注)	Gross impaired advances to customers (Note)	<u>3,617</u>	<u>4,263</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>1,194</u>	<u>1,269</u>
总减值贷款对总客户贷款比率	Gross impaired advances to customers as a percentage of gross advances to customers	<u>1.09%</u>	<u>1.28%</u>

上述贷款减值准备之拨备已考虑有关贷款之抵押品价值。

The above loan impairment allowances were made after taking into account the value of collateral in respect of such advances.

于2006年6月30日及2005年12月31日,对贸易票据及对银行及其他金融机构之贷款并无作出任何贷款减值准备。

As at 30 June 2006 and 31 December 2005, no impairment allowance was made in respect of trade bills and advances to banks and other financial institutions.

附注:

减值之客户贷款乃指未必能全部偿还本金和/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。

Note:

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.

财务报表附注 (续)

Notes to the Financial Statements (continued)

19. 可供出售证券

19. Available-for-sale securities

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
债务证券	Debt securities		
- 于香港上市	- Listed in Hong Kong	4,392	3,540
- 于海外上市	- Listed outside Hong Kong	12,778	8,361
		<u>17,170</u>	<u>11,901</u>
- 非上市	- Unlisted	80,693	40,286
		<u>97,863</u>	<u>52,187</u>
股份证券	Equity securities		
- 于海外上市	- Listed outside Hong Kong	3	6
- 非上市	- Unlisted	50	50
		<u>53</u>	<u>56</u>
总计	Total	<u>97,916</u>	<u>52,243</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	12,754	9,130
公共机构	Public sector entities	5,001	4,506
银行及其他金融机构	Banks and other financial institutions	33,246	22,876
公司企业	Corporate entities	46,915	15,731
		<u>97,916</u>	<u>52,243</u>

可供出售证券分类如下:

Available-for-sale securities are classified as follows in:

库券	Treasury bills	6,688	5,271
持有之存款证	Certificates of deposit held	8,105	4,178
其他可供出售证券	Other available-for-sale securities	83,123	42,794
		<u>97,916</u>	<u>52,243</u>

财务报表附注 (续)

Notes to the Financial Statements (continued)

20. 持有至到期日证券

20. Held-to-maturity securities

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
上市, 按摊销成本入账	Listed, at amortised cost		
- 于香港上市	- in Hong Kong	3,956	4,281
- 于海外上市	- outside Hong Kong	26,537	29,889
		30,493	34,170
非上市, 按摊销成本入账	Unlisted, at amortised cost	134,023	144,351
总计	Total	164,516	178,521
上市证券之市值	Market value of listed securities	29,663	33,637
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	1,981	2,740
公共机构	Public sector entities	27,534	30,741
银行及其他金融机构	Banks and other financial institutions	111,110	118,851
公司企业	Corporate entities	23,891	26,189
		164,516	178,521
持有至到期日证券分类如下:	Held-to-maturity securities are classified as follows in:		
库券	Treasury bills	100	-
持有之存款证	Certificates of deposit held	10,746	14,479
其他持有至到期日证券	Other held-to-maturity securities	153,670	164,042
		164,516	178,521

财务报表附注 (续) Notes to the Financial Statements (continued)

21. 贷款及应收款

21. Loans and receivables

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
非上市, 按摊销成本入账	Unlisted, at amortised cost	24,847	13,080
贷款及应收款按发行机构 分析如下:	Loans and receivables are analysed by issuers as follows:		
公共机构	Public sector entities	-	100
银行及其他金融机构	Banks and other financial institutions	24,847	12,980
		24,847	13,080

**22. 交易性负债及公允价值
变化计入损益的其他
金融工具**

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

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
结构性存款 (附注 23)	Structured deposits (Note 23)	10,103	6,373
外汇基金票据短盘 (附注 24)	Short positions in Exchange Fund Bills (Note 24)	3,169	1,551
于资产负债表 发行之存款证 - 以公平值 变化计入损益 (于资产负 债表)	Per balance sheet Certificates of deposit issued - at fair value through profit or loss (per balance sheet)	13,272	7,924
		3,800	3,829
		17,072	11,753

本集团于初始确认之指定公允价值变化计入损益的金融负债为港币 139.03 亿元 (2005 年 12 月 31 日: 港币 102.02 亿元), 其公允价值变化源于标准利率之变动。相关的账面值与本集团于到期日约定支付予此等金融负债持有人的差额为港币 1.7 亿元 (2005 年 12 月 31 日: 港币 1.4 亿元)。

The Group designated on initial recognition HK\$13,903 million (31 December 2005: HK\$10,202 million) of financial liabilities at fair value through profit or loss. The amount of change in their fair values is attributable to changes in a benchmark interest rate. The difference between the carrying amount and the amount that the Group would be contractually required to pay at maturity to the holder of these financial liabilities is HK\$170 million (31 December 2005: HK\$140 million).

财务报表附注 (续) Notes to the Financial Statements (continued)

23. 客户存款

23. Deposits from customers

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
往来、储蓄及其他存款 (于资产负债表)	Current, savings and other deposit accounts (per balance sheet)	643,851	633,100
列为交易性负债及公允价值变化计入损益的其他金融工具之结构性存款 (附注 22)	Structured deposits reported as trading liabilities and other financial instruments at fair value through profit or loss (Note 22)	10,103	6,373
		653,954	639,473
分类:	Analysed by:		
即期存款及往来存款	Demand deposits and current accounts		
- 公司客户	- corporate customers	23,094	23,855
- 个人客户	- individual customers	5,282	5,094
		28,376	28,949
储蓄存款	Savings deposits		
- 公司客户	- corporate customers	61,344	60,988
- 个人客户	- individual customers	162,664	155,565
		224,008	216,553
定期、短期及通知存款	Time, call and notice deposits		
- 公司客户	- corporate customers	102,175	103,094
- 个人客户	- individual customers	299,395	290,877
		401,570	393,971
		653,954	639,473

财务报表附注 (续) **Notes to the Financial Statements (continued)**

24. 已抵押资产

截至 2006 年 6 月 30 日，本集团之负债港币 31.69 亿元(2005 年 12 月 31 日：港币 15.51 亿元)是以存放于中央保管系统以便利结算之资产作抵押。此外，本集团以债务证券抵押之售后回购协议负债为港币 30.12 亿元(2005 年 12 月 31 日：港币 4.73 亿元)。本集团为担保此等负债而质押之资产金额为港币 71.64 亿元(2005 年 12 月 31 日：港币 37.02 亿元)，并于「交易性证券」及「可供出售证券」内列账。

24. Assets pledged as security

As at 30 June 2006, liabilities of the Group amounting to HK\$3,169 million (31 December 2005: HK\$1,551 million) were secured by assets deposited with central depositories to facilitate settlement operations. In addition, the liabilities of the Group amounting to HK\$3,012 million (31 December 2005: HK\$473 million) were secured by debt securities related to sale and repurchase arrangements. The amount of assets pledged by the Group to secure these liabilities was HK\$7,164 million (31 December 2005: HK\$3,702 million) included in "Trading securities" and "Available-for-sale securities".

财务报表附注 (续) Notes to the Financial Statements (continued)
25. 递延税项

递延税项是根据香港会计准则第12号「所得税」计算，就资产负债之税务基础与其在财务报表内账面值两者之暂时性差额作提拨。

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2006年上半年及于截至2005年12月31日止年度之变动如下：

25. Deferred Taxation

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 financial statements in accordance with HKAS 12 "Income taxes".

The major components of deferred tax assets and liabilities recorded in the consolidated balance sheet, and the movements during the first half of 2006 and the year ended 31 December 2005 are as follows:

		2006					
		加速折旧 免税额 Accelerated tax depreciation	资产重估 Asset revaluation	亏损 Losses	准备 Provisions	其他 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 2006 年 1 月 1 日	At 1 January 2006	357	2,941	(8)	(127)	(112)	3,051
于收益账内支取 / (拨回)	Charged/ (credited) to income statement	28	64	6	43	(3)	138
借记 / (贷记) 权益	Charged/ (credited) to equity	-	150	-	-	(163)	(13)
于 2006 年 6 月 30 日	At 30 June 2006	<u>385</u>	<u>3,155</u>	<u>(2)</u>	<u>(84)</u>	<u>(278)</u>	<u>3,176</u>
		2005					
		加速折旧 免税额 Accelerated tax depreciation	资产重估 Asset revaluation	亏损 Losses	准备 Provisions	其他 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	315	2,215	(16)	(348)	(7)	2,159
于收益账内支取 / (拨回)	Charged/ (credited) to income statement	42	215	8	221	(62)	424
借记 / (贷记) 权益	Charged/ (credited) to equity	-	511	-	-	(43)	468
于 2005 年 12 月 31 日	At 31 December 2005	<u>357</u>	<u>2,941</u>	<u>(8)</u>	<u>(127)</u>	<u>(112)</u>	<u>3,051</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

25. 递延税项 (续)

25. 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:

		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
递延税项资产	Deferred tax assets	(1)	(4)
递延税项负债	Deferred tax liabilities	<u>3,177</u>	<u>3,055</u>
		<u>3,176</u>	<u>3,051</u>

		2006年 6月30日 At 30 June 2006	2005年 12月31日 At 31 December 2005
		港币百万元 HK\$m	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	(135)	(174)
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	<u>384</u>	<u>357</u>
		<u>249</u>	<u>183</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

26. 其他账项及准备

26. Other accounts and provisions

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
本期税项 (附注)	Current taxation (Note)	1,657	889
应付股息	Dividend payable	3,659	5,897
应计及其他应付款项	Accruals and other payables	19,780	14,968
		25,096	21,754

附注:

Note:

本期税项

Current taxation

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$m	港币百万元 HK\$m
香港利得税	Hong Kong profits tax	1,629	865
海外税项	Overseas taxation	28	24
		1,657	889

财务报表附注 (续) Notes to the Financial Statements (continued)

27. 股本

27. Share capital

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$m	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	<u>100,000</u>	<u>100,000</u>
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	<u>43,043</u>	<u>43,043</u>

28. 储备

28. Reserves

本集团本期及往期度的储备金额及变动情况载于第 43 至 44 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 pages 43 to 44 of the financial statements.

财务报表附注 (续) Notes to the Financial Statements (continued)
29. 综合现金流量表附注 29. Notes to consolidated cash flow statement
(a) 经营溢利与除税前经营现金之(流出)/流入对账:
(a) Reconciliation of operating profit to operating cash (outflow)/inflow before taxation:

	半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$'m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$'m
经营溢利	8,060	6,979
证券投资股息收入	(15)	(13)
折旧	322	286
提早赎回持有至到期日证券之净亏损	1	3
出售可供出售证券之净亏损/(收益)	7	(21)
联营公司权益之减值拨备拨回	-	(4)
贷款减值准备拨回	(642)	(1,435)
折现减值回拨	(51)	-
已撤销之贷款(扣除收回款额)	541	469
原到期日超过3个月之银行及其他金融机构存款之变动	(16,207)	43,186
交易性证券及公允价值变化计入损益的其他金融资产之变动	(655)	(4,610)
衍生金融工具之变动	(1,572)	(1,563)
贷款及其他账项之变动	843	(25,004)
可供出售证券之变动	(47,529)	(25,970)
持有至到期日证券之变动	14,237	9,982
贷款及应收款之变动	(11,767)	-
其他资产之变动	(699)	788
还款期超过3个月之银行及其他金融机构之存款及结余之变动	(2,126)	1,855
交易性负债及公允价值变化计入损益的其他金融工具之变动	5,348	4,547
客户存款之变动	10,751	(2,741)
发行之存款证之变动	(30)	(105)
其他账项及准备之变动	4,812	2,492
汇兑差额	1	-
除税前经营现金之(流出)/流入	(36,370)	9,121

财务报表附注 (续) Notes to the Financial Statements (continued)

29. 综合现金流量表附注 (续) 29. 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

	2006 年 6 月 30 日 At 30 June 2006 港币百万元 HK\$'m	2005 年 6 月 30 日 At 30 June 2005 港币百万元 HK\$'m
库存现金及在银行及其他金融机构的结余	29,029	28,285
原到期日在 3 个月内之 银行及其他金融机构 存款	50,472	68,304
原到期日在 3 个月内之 库券	4,081	3,690
原到期日在 3 个月内之 持有之存款证	952	714
原到期日在 3 个月内之 银行及其他金融机构 之存款及结余	(45,422)	(33,137)
	39,112	67,856

财务报表附注 (续)

Notes to the Financial Statements (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:

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
直接信贷替代项目	Direct credit substitutes	1,110	1,027
与交易有关之或然负债	Transaction-related contingencies	6,750	5,982
与贸易有关之或然负债	Trade-related contingencies	18,898	18,936
其他承担, 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	113,576	105,988
- 1年及以上	- one year and over	28,174	29,754
		168,508	161,687
信贷风险加权数额	Credit risk weighted amount	20,668	21,415

信贷风险加权数额的计算基础已于附注 17 说明。

The calculation basis of credit risk weighted amount has been set out in Note 17 to the financial statements.

31. 资本承担

31. Capital commitments

本集团未于财务报表中拨备之资本承担金额如下:

The Group has the following outstanding capital commitments not provided for in the financial statements:

		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
已批准及签约但未拨备	Authorised and contracted for but not recorded	214	185
已批准但未签约	Authorised but not contracted for	25	16
		239	201

以上资本承担大部分为将购入之电脑硬件及软件, 及本集团之楼宇装修工程之承担。

The above capital commitments mainly relate to commitments to purchase computer equipment and software, and to renovate the Group's premises.

财务报表附注 (续) Notes to the Financial Statements (continued)

32. 经营租赁承担

32. Operating lease commitments

(a) 本集团作为承租人

(a) The Group as lessee

根据不可撤销之经营租赁合同，下列为本集团未来有关租赁承担所须支付之最低租金：

The Group has commitments to make the following future minimum lease payments under non-cancellable operating leases:

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$'m	港币百万元 HK\$'m
土地及楼宇	Land and buildings		
- 不超过 1 年	- not later than one year	245	205
- 1 年以上至 5 年内	- later than one year but not later than five years	250	192
- 5 年以上	- later than five years	<u>2</u>	<u>2</u>
		<u>497</u>	<u>399</u>
电脑设备	Computer equipment		
- 不超过 1 年	- not later than one year	<u>1</u>	<u>1</u>

上列若干不可撤销之经营租约可再商议及参照协议日期之市值而作租金调整。

Certain non-cancellable operating leases included in the tables above were subject to renegotiation and rent adjustment with reference to market rates prevailing at specified agreed dates.

财务报表附注 (续) Notes to the Financial Statements (continued)

32. 经营租赁承担 (续) 32. Operating lease commitments (continued)

(b) 本集团作为出租人

根据不可撤销之经营租赁合同，下列为本集团与租客签订合同之未来有关租赁之最低应收租金：

土地及楼宇
 - 不超过 1 年
 - 1 年以上至 5 年内

本集团以经营租赁形式租出投资物业；租赁年期通常由 1 年至 3 年。租约条款一般要求租客提交保证金及因应租务市况之状况而调整租金。所有租约并不包括或有租金。

(b) The Group as lessor

The Group has contracted with tenants for the following future minimum lease receivables under non-cancellable operating leases:

Land and buildings

- not later than one year
 - later than one year but not later than five years

The Group leases its investment properties under operating lease arrangements, with leases typically for a period from one to three years. The terms of the leases generally require the tenants to pay security deposits and provide for periodic rent adjustments according to the prevailing market conditions. None of the leases includes contingent rentals.

	2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
	港币百万元 HK\$'m	港币百万元 HK\$'m
	214	151
	255	162
	469	313

财务报表附注 (续) Notes to the Financial Statements (continued)

33. 分类报告

本集团在多个地区经营许多业务。但在分类报告中，只按业务分类提供资料，没有列示地区分类资料，此乃由于本集团的收入、税前利润和资产，超过 90% 来自香港。

本集团提供五个业务分类资料，它们分别是零售银行业务、企业银行业务、财资业务、投资活动和未分配项目。

零售银行和企业银行业务线均会提供全面的银行服务；零售银行业务线主要服务个人客户和小型公司，企业银行业务线主要负责中型和大型公司。至于财资业务线，除了自营买卖，还负责管理本集团的资本、流动资金、利率和外汇敞口。投资活动包括本集团持有房地产、投资物业、联营公司权益等等。“未分配项目”这一个业务线，涵盖有关本集团整体、但独立于其余四个业务线的活动。

一个业务线的收入、支出、资产和负债，主要包括直接归属于该业务线的项目；如占用本集团的物业，按占用面积以市场租值内部计收租金；至于管理费用，会根据合理基准分摊。期间，集团修订了分摊的基准，若干比较数字已重新分类，以符合本年的呈报方式。这些调整将不会对集团的收益账和资产负债表产生影响。关于业务线之间资金调动流转的价格，则按集团内部资金转移价格机制厘定，主要是参照对应的同业拆放市场利率定价。

33. Segmental reporting

The Group engages in many businesses in several regions. For segmental reporting purposes, information is solely provided in respect of business segments. Geographical segment information is not presented because over 90% of the Group's revenues, profits before tax and assets are derived from Hong Kong.

Information about five business segments is provided in segmental reporting. They are Retail Banking, Corporate Banking, Treasury, Investment Activities and Unallocated.

Both Retail Banking and Corporate Banking segments provide general banking services. Retail Banking mainly serves individual customers and small companies. Corporate Banking mainly manages medium to large companies. Treasury segment is responsible for managing the capital, liquidity, and the interest rate and foreign exchange positions of the Group in addition to proprietary trades. Investment Activities include the Group's holdings of premises, investment properties and interests in associates. The segment "Unallocated" refers to those items related to the Group as a whole but independent of the other four business segments.

Revenues, expenses, assets and liabilities of any business segment mainly include items directly attributable to the segment. Regarding occupation of the Group's premises, rentals are internally charged on market rates according to the areas occupied. For management overheads, allocations are made on reasonable bases. During the period, the Group has revised the allocation bases and comparative amounts have been reclassified to conform with the current year's presentation. There is no impact on the Group's income statement and balance sheet. Inter-segment fund flows are charged according to the internal funds transfer pricing mechanism of the Group. The charge on any such flow is mainly made by reference to the corresponding money market rate.

财务报表附注 (续)
Notes to the Financial Statements (continued)
33. 分类报告 (续)
33. Segmental reporting (continued)

 半年结算至 2006 年 6 月 30 日
 Half-year ended 30 June 2006

		零售银行 Retail	企业银行 Corporate	财资业务 Treasury	投资 Investment	未分配项目 Unallocated	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
净利息收入 / (支出)	Net interest income/(expenses)	3,812	1,981	2,076	(661)	99	7,307	-	7,307
净服务费及佣金收入 / (支出)	Net fees and commission income/(expenses)	1,394	487	(9)	22	(18)	1,876	(6)	1,870
净交易性收入	Net trading income	250	48	722	-	-	1,020	1	1,021
证券投资之净(亏损) / 收益	Net (loss)/gain on investments in securities	-	-	(11)	3	-	(8)	-	(8)
其他经营收入	Other operating income	26	-	17	353	348	744	(578)	166
提取贷款减值准备前之总经营收入	Total operating income before loan impairment allowances	5,482	2,516	2,795	(283)	429	10,939	(583)	10,356
贷款减值准备拨回	Reversal of loan impairment allowances on advances	38	604	-	-	-	642	-	642
净经营收入 / (支出)	Net operating income/(expenses)	5,520	3,120	2,795	(283)	429	11,581	(583)	10,998
经营支出	Operating expenses	(2,326)	(675)	(189)	(219)	(112)	(3,521)	583	(2,938)
经营溢利 / (亏损)	Operating profit/(loss)	3,194	2,445	2,606	(502)	317	8,060	-	8,060
出售 / 重估物业、厂房及设备之净亏损	Net loss from disposal/ revaluation of properties, plant and equipment	(5)	-	-	(4)	-	(9)	-	(9)
出售 / 公平值调整投资物业之净收益	Net gain from disposal of/ fair value adjustments on investment properties	-	-	-	494	-	494	-	494
除税前溢利 / (亏损)	Profit/(loss) before taxation	3,189	2,445	2,606	(12)	317	8,545	-	8,545

财务报表附注 (续)
Notes to the Financial Statements (continued)
33. 分类报告 (续)
33. Segmental reporting (continued)

		半年结算至 2006 年 6 月 30 日 Half-year ended 30 June 2006							
		零售银行 Retail	企业银行 Corporate	财资业务 Treasury	投资 Investment	未分配项目 Unallocated	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
于 2006 年	At 30 June 2006								
6 月 30 日									
资产	Assets								
分部资产	Segment assets	156,708	212,688	455,588	25,987	625	851,596	(1,931)	849,665
联营公司权益	Interests in associates	-	-	-	57	-	57	-	57
未分配公司资产	Unallocated corporate assets	-	-	-	-	484	484	-	484
		156,708	212,688	455,588	26,044	1,109	852,137	(1,931)	850,206
负债	Liabilities								
分部负债	Segment liabilities	539,684	131,392	95,407	3,846	-	770,329	(1,931)	768,398
未分配公司负债	Unallocated corporate liabilities	-	-	-	-	4,461	4,461	-	4,461
		539,684	131,392	95,407	3,846	4,461	774,790	(1,931)	772,859
半年结算至 2006 年	Half-year ended								
6 月 30 日	30 June 2006								
其他资料	Other information								
增置物业、厂房及设备	Additions of properties, plant and equipment	-	-	-	287	-	287	-	287
折旧	Depreciation	89	28	14	171	20	322	-	322
证券摊销	Amortisation of securities	-	-	856	-	-	856	-	856

财务报表附注 (续)
Notes to the Financial Statements (continued)
33. 分类报告 (续)
33. Segmental reporting (continued)

半年结算至 2005 年 6 月 30 日

Half-year ended 30 June 2005

		零售银行 Retail	企业银行 Corporate	财资业务 Treasury	投资 Investment	未分配项目 Unallocated	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
净利息收入 / (支出)	Net interest income/(expenses)	3,650	1,777	568	(176)	14	5,833	-	5,833
净服务费及佣金收入 / (支出)	Net fees and commission income/(expenses)	980	482	(10)	69	(16)	1,505	(7)	1,498
净交易性收入 / (支出)	Net trading income/(expenses)	244	21	483	(2)	-	746	-	746
证券投资之净收益	Net gain on Investments in securities	-	-	18	-	-	18	-	18
其他经营 (支出) / 收入	Other operating (expenses)/income	(22)	2	-	321	275	576	(451)	125
提取贷款减值准备前之总经营收入	Total operating income before loan impairment allowances	4,852	2,282	1,059	212	273	8,678	(458)	8,220
贷款减值准备拨回	Reversal of loan impairment allowances on advances	85	1,350	-	-	-	1,435	-	1,435
净经营收入	Net operating income	4,937	3,632	1,059	212	273	10,113	(458)	9,655
经营支出	Operating expenses	(2,142)	(601)	(92)	(222)	(77)	(3,134)	458	(2,676)
经营溢利 / (亏损)	Operating profit/(loss)	2,795	3,031	967	(10)	196	6,979	-	6,979
出售 / 重估物业、厂房及设备之净亏损	Net loss from disposal/revaluation of properties, plant and equipment	-	-	-	(9)	-	(9)	-	(9)
出售 / 公平值调整投资物业之净收益	Net gain from disposal of/fair value adjustment on investment properties	-	-	-	927	-	927	-	927
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	Profit before taxation	2,795	3,031	967	907	196	7,896	-	7,896

财务报表附注 (续)
Notes to the Financial Statements (continued)
33. 分类报告 (续)
33. Segmental reporting (continued)

		半年结算至 2005 年 6 月 30 日 Half-year ended 30 June 2005							
		零售银行	企业银行	财资业务	投资	未分配项目	小计	合并抵销	综合
		Retail	Corporate	Treasury	Investment	Unallocated	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
于 2005 年	At 31 December								
12 月 31 日	2005								
资产	Assets								
分部资产	Segment assets	158,844	211,834	426,791	24,887	662	823,018	(1,152)	821,866
联营公司权益	Interests in associates	-	-	-	61	-	61	-	61
未分配公司资产	Unallocated corporate assets	-	-	-	-	174	174	-	174
		<u>158,844</u>	<u>211,834</u>	<u>426,791</u>	<u>24,948</u>	<u>836</u>	<u>823,253</u>	<u>(1,152)</u>	<u>822,101</u>
负债	Liabilities								
分部负债	Segment liabilities	554,244	101,719	82,381	6,542	-	744,886	(1,152)	743,734
未分配公司负债	Unallocated corporate liabilities	-	-	-	-	3,542	3,542	-	3,542
		<u>554,244</u>	<u>101,719</u>	<u>82,381</u>	<u>6,542</u>	<u>3,542</u>	<u>748,428</u>	<u>(1,152)</u>	<u>747,276</u>
半年结算至 2005 年	Half-year ended								
6 月 30 日	30 June 2005								
其他资料	Other information								
增置物业、厂房及 设备	Additions of properties, plant and equipment	-	-	-	164	-	164	-	164
折旧	Depreciation	73	16	22	172	3	286	-	286

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关连人士交易 34. 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，亦被视为有关连人士。有关连人士可为个人或其他公司。

本集团与有关连人士于期内进行之交易摘要如下：

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. Related parties may be individuals or other entities.

Transactions with related parties, which the Group entered into during the period are summarised as follows:

(a) 向有关连人士出售若干资产

出售联营公司

中银香港于2006年3月以总额港币2百万元卖出朝晖置业有限公司40%股份权益予中银投资。

出售证券投资

中银香港于2006年3月以总额港币8百万元卖出宜汉有限公司10%股份权益予中银投资。

(a) Sale of certain assets to related parties

Sale of an associate

In March 2006, BOCHK completed the disposal of a 40% equity interest in Charleston Investments Company Limited to BOC Group Investment Limited at a total consideration of HK\$2 million.

Sale of investment security

In March 2006, BOCHK completed the disposal of a 10% equity interest in Yithan Company Limited to BOC Group Investment Limited at a total consideration of HK\$8 million.

(b) 中国银行集团公司提供担保之第三者贷款

截至2006年6月30日，间接控股公司中国银行及其附属公司为本集团给予若干第三者之贷款港币39.82亿元（2005年12月31日：港币32.55亿元）提供担保。中国银行及其附属公司拥有该等第三者不超过20%之股份权益。

(b) Advances to third parties guaranteed by BOC group companies

As at 30 June 2006, BOC, the intermediate holding company, and its subsidiaries provided guarantees for loans in favour of the Group amounting to HK\$3,982 million (31 December 2005: HK\$3,255 million) to certain third parties. BOC and its subsidiaries held equity interests of not more than 20% in these third parties.

财务报表附注 (续) Notes to the Financial Statements (continued)
34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)
(c) 与中国银行集团公司在正常业务范围内进行之交易摘要

与本银行之直接控股公司、间接控股公司、本银行之联营公司及中国银行之附属公司和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:

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies

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

		半年结算至 2006 年 6 月 30 日 Half-year ended 30 June 2006		
		直接及间接控股 公司 Immediate and intermediate holding companies	联营公司 Associates	其他有关连人士 ¹ Other related parties ¹
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
收益账项目:	Income statement items:	附注 Notes		
利息收入	Interest income	(i)	325	-
利息支出	Interest expense	(ii)	(386)	(2)
已收保险佣金 (净额)	Insurance commission received (net)	(iii)	-	-
已收 / 应收行政 服务费用	Administrative services fees received/ receivable	(iv)	17	-
已收 / 应收租金	Rental fees received/receivable	(iv)	-	-
已付 / 应付信用卡 佣金 (净额)	Credit card commission paid/payable (net)	(v)	(46)	-
已付 / 应付证券经 纪佣金 (净额)	Securities brokerage commission paid/payable (net)	(v)	-	-
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)	-	-
已收基金销售佣金	Funds selling commission received	(vi)	-	-
已收代理银行业务 费用	Correspondent banking fee received	(vii)	5	-
净交易性收益 / (亏损)	Net trading gains/(losses)		73	-
			73	(2)

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要 (续)

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

		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	联营公司 Associates	其他有关人士 ¹ Other related parties ¹
		港币百万元 HK\$m	港币百万元 HK\$m	港币百万元 HK\$m
收益账项目:	附注 Notes			
利息收入	(i)	144	-	2
利息支出	(ii)	(197)	(1)	(40)
已收保险佣金 (净额)	(iii)	-	-	64
已收 / 应收行政服务费用	(iv)	2	-	2
已收 / 应收租金	(iv)	-	-	7
已付 / 应付信用卡佣金 (净额)	(v)	(34)	-	-
已付 / 应付证券经纪佣金 (净额)	(v)	-	-	(41)
已付 / 应付租务、物业管理及租务代理费用	(v)	(1)	-	(38)
已收基金销售佣金	(vi)	-	-	26
已收代理银行业务费用	(vii)	5	-	-
净交易性亏损		(61)	-	(4)

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要 (续)

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

		2006年6月30日 At 30 June 2006		
		直接及间接控股公司 Immediate and intermediate holding companies	联营公司 Associates	其他有关连人士 ¹ Other related parties ¹
		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:	附注 Notes			
资产				
库存现金及在银行及其他金融机构的结余	(i)	5,115	-	6
银行及其他金融机构存款	(i)	9,773	-	2
衍生金融工具资产	(viii)	29	-	-
贷款及其他账项	(i)	42	-	-
其他资产	(ix)	90	-	1,912
银行及其他金融机构之存款及结余	(ii)	21,791	-	1,096
客户存款	(ii)	951	74	7,510
衍生金融工具负债	(viii)	24	-	1
其他账项及准备	(ix)	3,705	-	1,160

财务报表附注 (续) Notes to the Financial Statements (continued)
34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要 (续)

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

		2005年12月31日 At 31 December 2005		
		直接及间接控股公司 Immediate and intermediate holding companies	联营公司 Associates	其他有关人士 ¹ Other related parties ¹
		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:			
库存现金及在银行及其他金融机构的结余	Cash and balances with banks and other financial institutions	(i) 4,851	-	19
银行及其他金融机构存款	Placements with banks and other financial institutions	(i) 12,328	-	-
衍生金融工具资产	Derivative financial instruments assets	(viii) 4	-	2
贷款及其他账项	Advances and other accounts	(i) 20	-	-
其他资产	Other assets	(ix) 33	-	574
银行及其他金融机构之存款及结余	Deposits and balances of banks and other financial institutions	(ii) 19,596	-	857
客户存款	Deposits from customers	(ii) 112	91	4,601
衍生金融工具负债	Derivative financial instruments liabilities	(viii) 78	-	-
其他账项及准备	Other accounts and provisions	(ix) 5,952	-	978

¹ 其他有关人士包括中国银行之附属公司和联营公司及提供本银行员工福利之退休福利计划, 而若干其他有关人士为国有企业。

¹ Subsidiaries and associates of BOC and post-employment benefit plans for the benefit of employees of the Bank are collectively disclosed as other related parties and certain of which are state-controlled entities.

财务报表附注（续） Notes to the Financial Statements (continued)

34. 主要之有关连人士交易（续） 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要（续）

附注：

(i) 利息收入

本集团在正常业务中与中国银行、中国银行之附属公司及联营公司进行多种交易，包括接受现金及在银行及其他金融机构的结余及存款及提供贷款和信贷融资。此等交易与本集团跟其他第三者交易所订定的价格与条款相比，并无享有特别优惠。

(ii) 利息支出

本集团在正常业务中接受本银行之直接控股公司、间接控股公司和中国银行之附属公司及联营公司之同业存款及往来、定期、储蓄及其他存款，均按当时之市场价格进行。

(iii) 已收保险佣金（净额）

本集团在正常业务中向中国银行之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。

(iv) 已收 / 应收行政服务费及租金

本集团在正常业务中向间接控股公司及中国银行之附属公司提供内部稽核、科技、人力资源支援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，本集团向中国银行之附属公司按当时之市场价格收取写字楼物业租金。

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

Notes:

(i) Interest income

In the ordinary course of business, the Group enters into various transactions with BOC and its subsidiaries and associates including deposit of cash and balances with banks and other financial institutions, 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) Interest expense

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 subsidiaries and associates of BOC at the relevant market rates at the time of the transactions.

(iii) Insurance commission received (net)

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

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

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 subsidiaries of BOC mainly on the basis of cost plus a margin of 5%, and receives office premises rental fees from the subsidiaries of BOC at the relevant market rates at the time of the transactions.

财务报表附注（续） Notes to the Financial Statements (continued)

34. 主要之有关人士交易（续） 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要（续）

附注：（续）

(v) 已付 / 应付佣金、物业管理、租务代理费用及租务费用

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中国银行及其附属公司，并向中国银行之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。

(vi) 已收基金销售佣金

本集团在正常业务中会向本集团客户推广和销售一间中国银行之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。

(vii) 已收代理银行业务费用

中国银行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。本集团与中国银行双方按不时议定之比例分摊客户所付费用。

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

Notes: (continued)

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

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 BOC and its subsidiaries. The Group also pays rental fees to subsidiaries of BOC. 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) Funds selling commission received

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

(vii) Correspondent banking fee received

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

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(c) 与中国银行集团公司在正常业务范围内进行之交易摘要 (续)

(c) Summary of transactions entered into during the ordinary course of business with BOC group companies (continued)

附注: (续)

Notes: (continued)

(viii) 衍生金融工具资产 / 负债

本集团在正常业务中与中国银行及其附属公司订立了外汇合约及利率合约。于2006年6月30日, 该等衍生交易之名义数额总值为港币321.85亿元。而于该日相关之衍生金融工具资产及负债分别为港币2.9千万元及港币2.5千万元。此等交易按当时之市场价格进行。

(viii) Derivative financial instruments assets/liabilities

In the ordinary course of business, the Group enters into foreign exchange contracts and interest rate contracts with BOC and its subsidiaries. The aggregate notional amount of such derivative transactions amounted to HK\$32,185 million as at 30 June 2006 whilst the corresponding derivative financial instruments assets and liabilities amounted to HK\$29 million and HK\$25 million respectively as at that date. These transactions are executed at the relevant market rates at the time of the transactions.

(ix) 其他资产及其他账项及准备

「其他资产」及「其他账项及准备」包括了向间接控股公司及中国银行之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中国银行之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。

(ix) Other assets and other accounts and provisions

Included within "Other assets" and "Other accounts and provisions" are receivables from and payables to intermediate holding companies and subsidiaries of BOC. The amounts mainly represent the accounts receivables from and payables to a subsidiary of BOC 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.

(d) 或然负债及承担

本集团在正常业务中按市场之一般商业条款为中国银行、中国银行之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2006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12.48亿元(2005年12月31日: 港币11.48亿元)。

(d) Contingent liabilities and commitments

In the ordinary course of business, the Group provides loan facilities and trade finance services to, and guarantees for the obligations of BOC and its subsidiaries and associates on normal commercial terms. As at 30 June 2006, the total undrawn loan commitments, trade finance-related contingencies and guarantees amounted to HK\$1,248 million (31 December 2005: HK\$1,148 million).

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(e) 与附属公司之结余

(e) Balances with subsidiaries

	2006 年 6 月 30 日 At 30 June 2006 港币百万元 HK\$m	2005 年 12 月 31 日 At 31 December 2005 港币百万元 HK\$m
库存现金及在银行及其他金融机构的结余	6	3
银行及其他金融机构存款	322	143
衍生金融工具资产	14	15
贷款及其他账项	942	954
其他资产	1,063	1,691
银行及其他金融机构之存款及结余	1,058	975
客户存款	234	267
衍生金融工具负债	5	4
其他账项及准备	225	122
	6	3

(f) 主要高层人员

(f) Key management personnel

主要高层人员是指某些能直接或间接拥有权力及责任来计划、指导及掌管集团业务之人士，包括董事及高层管理人员。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。

Key management are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including Directors and Senior Management. 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.

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(f) 主要高层人员 (续)

(f) Key management personnel (continued)

主要高层人员于半年
结算至 2006 年及
2005 年 6 月 30 日之
薪酬如下:

The key management compensation for the six months ended 30 June 2006 and 2005 is detailed as follows:

	半年结算至 2006 年 6 月 30 日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005 年 6 月 30 日 Half-year ended 30 June 2005 港币百万元 HK\$m
薪酬及其他短期员工福利	21	13
退休福利	-	1
	21	14

财务报表附注 (续) Notes to the Financial Statements (continued)
34. 主要之有关连人士交易 (续) 34. Significant related party transactions (continued)
(g) 与财政部及中国人民银行进行的交易

本集团在正常业务中与该企业进行银行业务交易, 包括买入及赎回库券及货币市场交易, 其于结算日之结余及于期内相关的收入及支出摘要如下:

(g) Transactions with Ministry of Finance and The People's Bank of China

The Group enters into banking transactions with these entities in the normal course of business. These include purchases and redemption of treasury bonds and money market transactions. The outstanding balances at the period/year end, and the related income and expense for the period are as follows:

(i) 客户 / 银行及其他金融机构贷款
(i) Advances to customers/banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>5</u>	<u>-</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>-</u>	<u>-</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>190</u>	<u>-</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(g) 与财政部及中国人民银行进行的交易
(续)

(g) Transactions with Ministry of Finance and The People's Bank of China
(continued)

(ii) 库券

(ii) Treasury bonds

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	52	67
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	2,630	2,523
期 / 年末结余	Outstanding balance at end of the period/year	1,798	2,630

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(g) 与财政部及中国人民银行进行的交易
(续)

(g) Transactions with Ministry of Finance and The People's Bank of China
(continued)

(iii) 存放银行及其他
金融机构

(iii) Due from banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>112</u>	<u>75</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>21,846</u>	<u>11,648</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>22,498</u>	<u>21,846</u>

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关连人士交易 (续) 34. Significant related party transactions (continued)

(g) 与财政部及中国人民银行进行的交易
(续)

(g) Transactions with Ministry of Finance and The People's Bank of China
(continued)

(iv) 银行及其他金融机构之存款

(iv) Due to banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息支出	Interest expense	-	(5)
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	-	-
期 / 年末结余	Outstanding balance at end of the period/year	-	-

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关连人士交易 (续) 34. Significant related party transactions (continued)

(h) 与汇金及其他汇金控制之公司进行的交易

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，并为中国银行之主要控股公司。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。

于半年结算至2006年及2005年6月30日本集团与汇金没有任何结余及没有进行任何交易。

汇金于某些内地银行均拥有控制权益。本集团在正常业务中与该公司进行银行业务交易，包括贷款、投资证券及货币市场交易，其于结算日之结余及于期/年内相关的收入及支出摘要如下：

(h) Transactions with Central SAFE and other companies controlled by Central SAFE

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

The Group did not have any balances and enter into any transactions with Central SAFE for the six months ended 30 June 2006 and 2005 respectively.

Central SAFE has controlling equity interests in certain other banks in the PRC. The Group enters into banking transactions with these companies in the normal course of business. These include loans, investment securities and money market transactions. The outstanding balances at the period/year end, and the related income and expense for the period are as follows:

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(h) 与汇金及其他汇金控制之公司进行的交易 (续)

(h) Transactions with Central SAFE and other companies controlled by Central SAFE (continued)

(i) 客户 / 银行及其他金融机构贷款

(i) Advances to customers/banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	-	-
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	11	-
期 / 年末结余	Outstanding balance at end of the period/year	-	11

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(h) 与汇金及其他汇金控制之公司进行的交易 (续)

(h) Transactions with Central SAFE and other companies controlled by Central SAFE (continued)

(ii) 投资证券

(ii) Investment securities

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>38</u>	<u>20</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>2,043</u>	<u>1,743</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>1,701</u>	<u>2,043</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(h) 与汇金及其他汇金控制之公司进行的交易 (续)

(h) Transactions with Central SAFE and other companies controlled by Central SAFE (continued)

(iii) 存放银行及其他金融机构

(iii) Due from banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>9</u>	<u>12</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>1,034</u>	<u>2,115</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>325</u>	<u>1,034</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(h) 与汇金及其他汇金控制之公司进行的交易 (续)

(h) Transactions with Central SAFE and other companies controlled by Central SAFE (continued)

(iv) 银行及其他金融机构之存款

(iv) Due to banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息支出	Interest expense	-	-
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	15	14
期 / 年末结余	Outstanding balance at end of the period/year	16	15

财务报表附注 (续) Notes to the Financial Statements (continued)

34. 主要之有关人士交易 (续) 34. Significant related party transactions (continued)

(i) 与其他国有企业进行的交易

除汇金、其他汇金控制之公司、间接控股公司中国银行及其附属公司外，国有企业指由中华人民共和国政府透过政府机构、代理及附属成员直接或间接持有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。因此，本集团与其他国有企业有大量交易。这些交易在正常业务中进行，包括但不限于下列各项：

- 借贷、提供贷项及担保和接受存款；
- 银行同业之存放及结余；
- 售卖、购买、包销及赎回由其他国有企业所发行之债券；
- 提供外汇、汇款及相关投资服务；
- 提供信托业务；及
- 购买公共事业、交通工具、电信及邮政服务。

公共事务、交通工具、电信及邮政服务是由服务提供者按市场价格收费。管理层相信按其评估，于期内该等有关人士交易之数额并不重大，故没有在以下披露。其他交易之详尽资料如下：

本集团在正常业务中与其他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，其于结算日之结余及期/年内相关的准备金、相关的收入及支出摘要如下：

(i) Transactions with other state-controlled entities

The state-controlled entities are those, other than BOC (the intermediate holding company and its subsidiaries) and Central SAFE and its controlled companies 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 through its government authorities, agencies and affiliates. Accordingly, the Group has extensive transactions with other state controlled entities. These transactions, conducted in the ordinary course of business, may include, but are not limited to, the following:

- lending, provision of credits and guarantees and deposit taking;
- inter-bank balance taking and placing;
- sale, purchase, underwriting and redemption of bonds issued by other state-controlled entities;
- rendering of foreign exchange, remittance, investment related services;
- provision of fiduciary activities; and
- purchase of utilities, transport, telecommunication and postal services.

Utilities, transport, telecommunication and postal services are charged by service providers at market rates. Management believes that, based on their assessment, the amounts of such related party transactions are insignificant for the period and therefore are not disclosed below. Details of other transactions are set forth below.

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 expenses for the period are as follows:

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(i) 与其他国有企业进行的交易 (续) **(i) Transactions with other state-controlled entities (continued)**

(i) 客户 / 银行及其他金融机构贷款

(i) Advances to customers/banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>943</u>	<u>492</u>
按个别评估贷款 减值准备拨回	Reversal of individually assessed loan impairment allowances	<u>47</u>	<u>20</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期/年初结余	Outstanding balance at beginning of the period/year	<u>41,543</u>	<u>31,870</u>
期/年末结余	Outstanding balance at end of the period/year	36,800	41,543
减: 按个别评估贷 款减值准备	Less: individually assessed loan impairment allowances	<u>(375)</u>	<u>(469)</u>
		<u>36,425</u>	<u>41,074</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(i) 与其他国有企业进行的交易 (续) **(i) Transactions with other state-controlled entities (continued)**

(ii) 投资证券

(ii) **Investment securities**

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>179</u>	<u>190</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>6,977</u>	<u>6,086</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>7,931</u>	<u>6,977</u>

投资证券包括持有至到期日证券及可供出售证券。

Investment securities include held-to-maturity securities and available-for-sale securities.

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(i) 与其他国有企业进行的交易 (续)

(i) 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他金融资产

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

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>9</u>	<u>13</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>738</u>	<u>117</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>540</u>	<u>738</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(i) 与其他国有企业进行的交易 (续) **(i) Transactions with other state-controlled entities (continued)**

(iv) 存放银行及其他金融机构

(iv) Due from banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息收入	Interest income	<u>129</u>	<u>43</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>4,839</u>	<u>4,418</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>5,821</u>	<u>4,839</u>

财务报表附注 (续) **Notes to the Financial Statements (continued)**

34. 主要之有关连人士交易 (续) **34. Significant related party transactions (continued)**

(i) 与其他国有企业进行的交易 (续) **(i) Transactions with other state-controlled entities (continued)**

(v) 银行及其他金融机构之存款

(v) Due to banks and other financial institutions

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息支出	Interest expense	(83)	(46)
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	6,434	7,463
期 / 年末结余	Outstanding balance at end of the period/year	6,457	6,434

财务报表附注 (续) Notes to the Financial Statements (continued)
34. 主要之有关连人士交易 (续) 34. Significant related party transactions (continued)

(i) 与其他国有企业进行的交易 (续)

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

(vi) 客户存款

(vi) Deposit from customers

		半年结算至 2006年 6月30日 Half-year ended 30 June 2006 港币百万元 HK\$m	半年结算至 2005年 6月30日 Half-year ended 30 June 2005 港币百万元 HK\$m
利息支出	Interest expense	<u>(761)</u>	<u>(296)</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
期 / 年初结余	Outstanding balance at beginning of the period/year	<u>44,652</u>	<u>39,161</u>
期 / 年末结余	Outstanding balance at end of the period/year	<u>36,692</u>	<u>44,652</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
(vii) 或然负债及承担 (包括担保)	(vii) Contingent liabilities and commitments (including guarantees)	<u>26,819</u>	<u>26,852</u>
		2006年 6月30日 At 30 June 2006 港币百万元 HK\$m	2005年 12月31日 At 31 December 2005 港币百万元 HK\$m
(viii) 未结算之衍生工具 (名义合约数额)	(viii) Derivative transactions unsettled (notional amount)	<u>513</u>	<u>4,020</u>

财务报表附注 (续)

Notes to the Financial Statements (continued)

35. 比较数字

35. Comparative amounts

若干比较数字已重新分类，
以符合本期之呈报方式。

Certain comparative amounts have been reclassified to conform with the current period's presentation.

36. 法定账目

36. 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 2005 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 2006 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 2005 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 2006.

补充财务资料

1. 资本充足比率

Supplementary Financial Information

1. Capital adequacy ratio

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
资本充足比率	Capital adequacy ratio	14.61%	15.37%
经调整之资本充足比率	Adjusted capital adequacy ratio	14.59%	15.33%

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。

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

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.

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

2. 扣减后的资本基础成份 2. Components of capital base after deductions

用于计算以上 2006 年 6 月 30 日及 2005 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 2006 and 31 December 2005 and reported to the HKMA is analysed as follows:

		2006 年 6 月 30 日 At 30 June 2006 港币百万元 HK\$'m	2005 年 12 月 31 日 At 31 December 2005 港币百万元 HK\$'m
核心资本:	Core capital:		
缴足股款的普通股股本	Paid up ordinary share capital	43,043	43,043
储备	Reserves	19,948	16,096
损益账	Profit and loss account	2,040	4,065
少数股东权益	Minority interests	1,048	1,009
		<u>66,079</u>	<u>64,213</u>
附加资本:	Supplementary capital:		
非交易性证券重估储备	Reserves on revaluation of holding of securities not held for trading purposes	(1,149)	(311)
按组合评估之客户贷款 减值准备	Collective loan impairment allowances	502	731
法定储备	Regulatory reserve	3,642	3,571
资本基础总额	Total capital base	<u>69,074</u>	<u>68,204</u>
资本基础总额的扣减项目:	Deduction from total capital base :		
持有附属公司或控股公司 的股份	Shareholdings in subsidiaries or holding company	(319)	(337)
对有连系公司的风险承担	Exposures to connected companies	(593)	(597)
持有非附属公司 20%或以上 的股权投资	Equity investments of 20% or more in non-subsidiary companies	(50)	(64)
在其他银行或金融机构的 股本投资	Investments in the capital of other banks or other financial institutions	(3)	(6)
		<u>(965)</u>	<u>(1,004)</u>
扣减后的资本基础总额	Total capital base after deductions	<u>68,109</u>	<u>67,200</u>

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 2006年 6月30日 Half-year ended 30 June 2006	半年结算至 2005年 6月30日 Half-year ended 30 June 2005
平均流动资金比率	Average liquidity ratio	<u>50.30%</u>	<u>39.15%</u>

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 the Bank 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

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”申报表所载之最保守情况计算。

4. Currency concentrations

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.

		2006年6月30日 At 30 June 2006							
		港币百万元等值 Equivalent in million of HK\$							
		美元	日圆	欧元	澳元	澳门币	人民币	其他货币	总计
		US Dollars	Japanese Yen	Euro	Australian Dollars	Macau Pataca	Renminbi Yuan	Others	Total
现货资产	Spot assets	266,915	3,825	12,524	22,222	192	26,448	15,812	347,938
现货负债	Spot liabilities	(174,835)	(5,900)	(6,804)	(24,844)	(21)	(25,730)	(34,252)	(272,386)
远期买入	Forward purchases	122,850	12,891	14,449	10,327	-	4	63,790	224,311
远期卖出	Forward sales	(210,123)	(10,853)	(20,290)	(7,758)	-	-	(45,542)	(294,566)
期权盘净额	Net options position	1,686	(21)	(151)	(9)	-	-	2	1,507
长 / (短) 盘净额	Net long/(short) position	6,493	(58)	(272)	(62)	171	722	(190)	6,804
结构仓位净额	Net structural position	83	-	-	-	-	288	-	371

		2005年12月31日 At 31 December 2005							
		港币百万元等值 Equivalent in million of HK\$							
		美元	日圆	欧元	澳元	澳门币	人民币	其他货币	总计
		US Dollars	Japanese Yen	Euro	Australian Dollars	Macau Pataca	Renminbi Yuan	Others	Total
现货资产	Spot assets	239,190	2,835	12,011	21,345	198	24,955	13,448	313,982
现货负债	Spot liabilities	(165,815)	(6,230)	(7,417)	(25,837)	(9)	(24,323)	(33,006)	(262,637)
远期买入	Forward purchases	123,450	11,936	15,117	13,897	-	2	59,196	223,598
远期卖出	Forward sales	(194,998)	(8,545)	(19,794)	(9,452)	-	(7)	(39,668)	(272,464)
期权盘净额	Net options position	836	-	4	91	-	-	(153)	778
长 / (短) 盘净额	Net long/(short) position	2,663	(4)	(79)	44	189	627	(183)	3,257
结构仓位净额	Net structural position	109	-	-	-	-	234	-	343

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货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:

	2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
	港币百万元 HK\$'m	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	19,922	19,665
- 物业投资	54,042	52,703
- 金融业	12,141	11,873
- 股票经纪	124	167
- 批发及零售业	12,538	13,258
- 制造业	15,875	13,710
- 运输及运输设备	11,660	12,046
- 其他	26,998	28,481
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	15,049	15,983
- 购买其他住宅物业之贷款	94,450	99,179
- 信用卡贷款	4,540	4,668
- 其他	8,248	8,093
在香港使用之贷款总额	275,587	279,826
贸易融资	15,809	16,080
在香港以外使用之贷款	41,802	38,108
客户贷款总额	333,198	334,014

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

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$'m	港币百万元 HK\$'m
香港	Hong Kong	296,444	300,456
中国内地	Mainland China	18,825	17,743
其他	Others	17,929	15,815
		333,198	334,014

**(ii) 逾期超过三个月之
贷款**

(ii) Advances overdue for over three months

		2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
		港币百万元 HK\$'m	港币百万元 HK\$'m
香港	Hong Kong	2,469	2,742
中国内地	Mainland China	41	72
其他	Others	29	31
		2,539	2,845

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

跨国债权资料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:

6. Cross-border claims

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:

		银行及其他 金融机构 Banks and other financial institutions	公共机构 Public sector entities	其他 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 2006 年 6 月 30 日	At 30 June 2006				
亚洲, 不包括香港	Asia, other than Hong Kong				
- 中国内地	- Mainland China	31,527	24,304	17,501	73,332
- 其他	- Others	56,963	615	14,812	72,390
		<u>88,490</u>	<u>24,919</u>	<u>32,313</u>	<u>145,722</u>
北美洲	North America				
- 美国	- United States	6,005	30,900	61,326	98,231
- 其他	- Others	8,999	278	33	9,310
		<u>15,004</u>	<u>31,178</u>	<u>61,359</u>	<u>107,541</u>
西欧	Western Europe				
- 德国	- Germany	28,955	-	3,186	32,141
- 其他	- Others	133,356	115	16,669	150,140
		<u>162,311</u>	<u>115</u>	<u>19,855</u>	<u>182,281</u>
总计	Total	<u>265,805</u>	<u>56,212</u>	<u>113,527</u>	<u>435,544</u>

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

		银行及其他 金融机构 Banks and other financial institutions	公共机构 Public sector entities	其他 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 12 月 31 日	At 31 December 2005				
亚洲, 不包括香港	Asia, other than Hong Kong				
- 中国内地	- Mainland China	33,928	25,116	15,818	74,862
- 其他	- Others	62,836	851	10,936	74,623
		<u>96,764</u>	<u>25,967</u>	<u>26,754</u>	<u>149,485</u>
北美洲	North America				
- 美国	- United States	8,202	29,856	35,728	73,786
- 其他	- Others	12,372	296	19	12,687
		<u>20,574</u>	<u>30,152</u>	<u>35,747</u>	<u>86,473</u>
西欧	Western Europe				
- 德国	- Germany	32,415	-	3,399	35,814
- 其他	- Others	116,724	412	15,830	132,966
		<u>149,139</u>	<u>412</u>	<u>19,229</u>	<u>168,780</u>
总计	Total	<u>266,477</u>	<u>56,531</u>	<u>81,730</u>	<u>404,738</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

	2006年6月30日		2005年12月31日	
	At 30 June 2006		At 31 December 2005	
	占客户贷款总额		占客户贷款总额	
	百分比		百分比	
	% of gross		% of gross	
	advances to		advances to	
	customers		customers	
	金额		金额	
	Amount		Amount	
	港币百万元		港币百万元	
	HK\$m		HK\$m	
客户贷款总额, 已逾期:	Gross advances		Gross advances	
	to customers		to customers	
	which have		which have	
	been overdue		been overdue	
	for:		for:	
- 超过3个月但不超	- six months or		- six months or	
过6个月	less but		less but	
	over three		over three	
	months	312	months	329
		0.09%		0.10%
- 超过6个月但不超	- one year or		- one year or	
过1年	less but		less but	
	over six		over six	
	months	228	months	595
		0.07%		0.18%
- 超过1年	- over one year	1,999	- over one year	1,921
		0.60%		0.57%
逾期超过3个月之贷款	Advances overdue		Advances overdue	
	for over three		for over three	
	months	2,539	months	2,845
		0.76%		0.85%

于2006年6月30日及2005年12月31日, 没有逾期超过3个月之银行及其他金融机构贷款。

As at 30 June 2006 and 31 December 2005, there were no advances to banks and other financial institutions that were overdue for over three months.

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。

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.

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

(b) Rescheduled advances to customers

	2006年6月30日 At 30 June 2006		2005年12月31日 At 31 December 2005	
	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	278	0.08%	310	0.09%

于2006年6月30日及2005年12月31日，没有经重组之银行及其他金融机构贷款。

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。

As at 30 June 2006 and 31 December 2005, there were no rescheduled advances to banks and other financial institutions.

Rescheduled advances are those advances that have been restructured or renegotiated because of 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.

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

8. 收回资产

8. Repossessed assets held

	2006 年 6 月 30 日 At 30 June 2006	2005 年 12 月 31 日 At 31 December 2005
	港币百万元 HK\$'m	港币百万元 HK\$'m
收回资产之估计市值	<u>475</u>	<u>431</u>

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资料》指引

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

截至 2006 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资料》指引内所载的规定。

The interim report for the first half of 2006 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 2006 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 2006 complies with HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

独立审阅报告

致**中國銀行(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**中國銀行(香港)有限公司**及其附属公司(贵集团)指示,审阅第40至119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,并按照双方所协定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他目的。本所不会就本报告的内容向任何其他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2006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, 2006年8月29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 40 to 119.

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 2006.



PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 29 August 2006

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
「董事会」	本银行董事会
「中银香港（控股）董事会」	中国银行香港（控股）有限公司的董事会
「中国银行」	中国银行股份有限公司，一家根据中国法例成立之商业银行及股份制有限责任公司
「中银（BVI）」	BOC Hong Kong (BVI) Limited，根据英属处女群岛法例注册成立之公司，并为中银香港（集团）之全资附属公司
「中银投资」	中银集团投资有限公司，根据香港法例注册成立之公司，并为中国银行之全资附属公司
「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
「中银香港（控股）」	中银香港（控股）有限公司，根据香港法例注册成立之公司
「汇金」	中央汇金投资有限责任公司
「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
「上市规则」	香港联合交易所有限公司证券上市规则
「内地」或「中国内地」	中华人民共和国内地
「强积金」	强制性公积金
「强积金条例」	强制性公积金计划条例，香港法例第 485 章（修订）
「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
「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
「中国」	中华人民共和国
「人民币」	人民币，中国法定货币
「认股权计划」	中银香港（控股）股东于 2002 年 7 月 10 日有条件地批准及采纳的认股权计划

释义 (续)

词汇	涵义
「股份储蓄计划」	中银香港（控股）股东于 2002 年 7 月 10 日有条件地批准及采纳的股份储蓄计划
「联交所」	香港联合交易所有限公司
「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
“Board” or “Board of Directors”	The Board of Directors of BOCHK
“BOC”	Bank of China Limited, a joint stock commercial bank with limited liability established under the laws of the PRC
“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 BOCHK (Holdings)
“BOCHK (Holdings)”	BOC Hong Kong (Holdings) Limited, a company incorporated under the laws of Hong Kong
“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
“Central SAFE”	Central SAFE Investments Limited
“Group”	The Bank and its subsidiaries collectively referred as the Group
“HKAS(s)”	Hong Kong Accounting Standard(s)
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s)
“HKICPA”	Hong Kong Institute of Certified Public Accountants
“HKMA”	Hong Kong Monetary Authority
“Hong Kong” or “Hong Kong SAR”	Hong Kong Special Administrative Region
“Mainland China”	The mainland of the PRC
“PRC”	The People’s Republic of China
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US”	The United States of America