

CONTENTS

	PAGE
Financial Highlights	3
Chairman's Statement	4
Chief Executive's Report	6
Management's Discussion and Analysis	10
Consolidated Income Statement	35
Consolidated Balance Sheet	36
Consolidated Statement of Changes in Equity	37
Consolidated Cash Flow Statement	39
Notes to the Financial Statements	
1. Basis of preparation and accounting policies	40
2. Critical accounting estimates and judgements in applying accounting policies	45
3. Financial risk management	46
4. Net interest income	52
5. Net fees and commission income	53
6. Net trading income	54
7. Net (loss)/gain on investments in securities	54
8. Net insurance premium income	54
9. Other operating income	55
10. Net insurance benefits and claims	55
11. Reversal of loan impairment allowances on advances	56
12. Operating expenses	56
13. Net loss from disposal/revaluation of properties, plant and equipment	57
14. Net gain from disposal of/fair value adjustments on investment properties	57
15. Taxation	57
16. Dividends	58
17. Earnings per share for profit attributable to the equity holders of the Company	58
18. Retirement benefit costs	59
19. Share option schemes	59
20. Cash and balances with banks and other financial institutions	61
21. Placements with banks and other financial institutions	61
22. Trading securities and other financial instruments at fair value through profit or loss	62
23. Derivative financial instruments	63
24. Advances and other accounts	66
25. Available-for-sale securities	67
26. Held-to-maturity securities	68
27. Loans and receivables	68
28. Trading liabilities and other financial instruments at fair value through profit or loss	69
29. Deposits from customers	69
30. Assets pledged as security	70
31. Insurance contract liabilities	70
32. Deferred taxation	71
33. Other accounts and provisions	72
34. Share capital	73
35. Reserves	73
36. Notes to consolidated cash flow statement	74
37. Contingent liabilities and commitments	75



CONTENTS

	PAGE
38. Capital commitments	76
39. Operating lease commitments	76
40. Segmental reporting	77
41. Significant related party transactions	80
42. Ultimate holding company	94
43. Comparative amounts	95
44. Statutory accounts	95
 Supplementary Financial Information	
1. Capital adequacy ratio	96
2. Components of capital base after deductions	96
3. Liquidity ratio	97
4. Currency concentrations	97
5. Segmental information	98
6. Cross-border claims	100
7. Overdue and rescheduled assets	102
8. Repossessed assets held	103
 Additional Information	
1. Corporate information	104
2. Dividend and closure of register of members	105
3. Substantial interests in share capital	105
4. Directors' rights to acquire shares	106
5. Directors' and Chief Executive's interests in shares, underlying shares and debentures	106
6. Purchase, sale or redemption of the Company's shares	106
7. Audit Committee	107
8. Compliance with the Code on Corporate Governance Practices of the Listing Rules	107
9. Compliance with the Codes for Securities Transactions by Directors	107
10. Compliance with the guideline on "Interim Financial Disclosure by Locally Incorporated Authorized Institutions"	107
11. Compliance with HKAS 34	107
12. Interim Report	108
13. Reconciliation between HKFRSs vs IFRS/PRC GAAP	108
 Independent Review Report	 113
 Definitions	 114

