

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the Company									
	Share capital HK\$'m	Premises revaluation reserve HK\$'m	Reserve for fair value changes of available- for-sale securities HK\$'m	Regulatory reserve* HK\$'m	Merger reserve** HK\$'m	Translation reserve HK\$'m	Retained earnings HK\$'m	Total HK\$'m	Minority interests HK\$'m	Total equity HK\$'m
At 1 January 2005										
As previously reported	52,864	2,498	-	3,410	-	(5)	12,315	71,082	1,276	72,358
Effect of merger of a common controlled entity	-	13	-	-	443	-	(62)	394	380	774
At 1 January 2005, restated	52,864	2,511	-	3,410	443	(5)	12,253	71,476	1,656	73,132
Net profit for the first half of 2005	-	-	-	-	-	-	6,546	6,546	96	6,642
2004 final dividend paid	-	-	-	-	-	-	(4,176)	(4,176)	(55)	(4,231)
Revaluation of premises	-	5	-	-	-	-	-	5	-	5
Change in fair value of available-for-sale securities taken to equity	-	-	(70)	-	-	-	-	(70)	-	(70)
Release upon disposal of premises	-	(205)	-	-	-	-	205	-	-	-
Release from deferred tax liabilities	-	31	12	-	-	-	-	43	-	43
Release of reserve upon derecognition of available-for-sale securities	-	-	-	-	-	-	(35)	(35)	-	(35)
Transfer from retained earnings	-	-	-	174	-	-	(174)	-	-	-
At 30 June 2005	52,864	2,342	(58)	3,584	443	(5)	14,619	73,789	1,697	75,486
Company and subsidiaries	52,864	2,342	(58)	3,584	443	(5)	14,653	73,823		
Associates	-	-	-	-	-	-	(34)	(34)		
	52,864	2,342	(58)	3,584	443	(5)	14,619	73,789		
At 1 July 2005	52,864	2,342	(58)	3,584	443	(5)	14,619	73,789	1,697	75,486
Net profit for the second half of 2005	-	-	-	-	-	-	7,050	7,050	164	7,214
Currency translation difference	-	-	-	-	-	1	-	1	-	1
2005 interim dividend paid	-	-	-	-	-	-	(3,468)	(3,468)	(111)	(3,579)
Revaluation of premises	-	3,320	-	-	-	-	-	3,320	33	3,353
Change in fair value of available-for-sale securities taken to equity	-	-	(223)	-	-	-	-	(223)	-	(223)
Release upon disposal of premises	-	(64)	-	-	-	-	64	-	-	-
Release (to)/from deferred tax liabilities	-	(538)	31	-	-	-	-	(507)	(5)	(512)
Amortisation with respect to available-for-sale securities transfer to held-to-maturity securities	-	-	5	-	-	-	(33)	(28)	-	(28)
Release of reserve upon derecognition of available-for-sale securities	-	-	-	-	-	-	1	1	-	1
Transfer to retained earnings	-	-	-	(58)	-	-	58	-	-	-
At 31 December 2005	52,864	5,060	(245)	3,526	443	(4)	18,291	79,935	1,778	81,713
Company and subsidiaries	52,864	5,060	(245)	3,526	443	(4)	18,320	79,964		
Associates	-	-	-	-	-	-	(29)	(29)		
	52,864	5,060	(245)	3,526	443	(4)	18,291	79,935		



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	(Unaudited)									
	Attributable to equity holders of the Company									
	Share capital HK\$'m	Premises revaluation reserve HK\$'m	Reserve for fair value changes of available- for-sale securities HK\$'m	Regulatory reserve* HK\$'m	Merger reserve** HK\$'m	Translation reserve HK\$'m	Retained earnings HK\$'m	Total HK\$'m	Minority interests HK\$'m	Total equity HK\$'m
At 1 January 2006										
As previously reported	52,864	5,043	(245)	3,526	-	(4)	18,251	79,435	1,298	80,733
Effect of merger of a common controlled entity	-	17	-	-	443	-	40	500	480	980
At 1 January 2006, restated	52,864	5,060	(245)	3,526	443	(4)	18,291	79,935	1,778	81,713
Net profit for the first half of 2006	-	-	-	-	-	-	7,093	7,093	136	7,229
Currency translation difference	-	-	-	-	-	1	-	1	-	1
2005 final dividend paid	-	-	-	-	-	-	(5,075)	(5,075)	-	(5,075)
Revaluation of premises	-	1,068	-	-	-	-	-	1,068	4	1,072
Change in fair value of available-for-sale securities taken to equity	-	-	(977)	-	-	-	-	(977)	-	(977)
Release upon disposal of premises	-	(76)	-	-	-	-	76	-	-	-
Release (to)/from deferred tax liabilities	-	(149)	163	-	-	-	-	14	(1)	13
Amortisation with respect to available-for-sale securities transfer to held-to-maturity securities	-	-	30	-	-	-	(153)	(123)	-	(123)
Release of reserve upon derecognition of available-for-sale securities	-	-	-	-	-	-	(2)	(2)	-	(2)
Transfer to retained earnings	-	-	-	(7)	-	-	7	-	-	-
Distribution of cash	-	-	-	-	(900)	-	-	(900)	-	(900)
At 30 June 2006	52,864	5,903	(1,029)	3,519	(457)	(3)	20,237	81,034	1,917	82,951
Company and subsidiaries	52,864	5,903	(1,029)	3,519	(457)	(3)	20,266	81,063		
Associates	-	-	-	-	-	-	(29)	(29)		
	52,864	5,903	(1,029)	3,519	(457)	(3)	20,237	81,034		
Representing:										
2006 interim dividend proposed							4,240			
Others							15,997			
Retained earnings as at 30 June 2006							20,237			

* 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.

** Merger reserve represents capitalised reserve arising on the acquisition of BOC Life. On 1 June 2006, the Group acquired 51% shareholding of BOC Life with a total consideration of HK\$900 million (Please refer to Note 1).

