

CONTENTS

	PAGE
Financial Highlights	1
Chairman's Statement	2
Chief Executive's Report	4
Management's Discussion and Analysis	9
Consolidated Income Statement	39
Consolidated Balance Sheet	40
Consolidated Statement of Changes in Equity	41
Consolidated Cash Flow Statement	43
Notes to the Financial Statements	
1. Basis of preparation and accounting policies	44
2. Critical accounting estimates and judgements in applying accounting policies	44
3. Financial risk management	45
4. Net interest income	51
5. Net fees and commission income	52
6. Net trading income	53
7. Net loss on financial instruments designated at fair value through profit or loss	53
8. Net gain/(loss) on investments in securities	53
9. Net insurance premium income	54
10. Other operating income	54
11. Net insurance benefits and claims	54
12. Reversal of loan impairment allowances	55
13. Operating expenses	55
14. Net gain from disposal of/fair value adjustments on investment properties	56
15. Net gain/(loss) from disposal/revaluation of properties, plant and equipment	56
16. Taxation	56
17. Dividends	57
18. Earnings per share for profit attributable to the equity holders of the Company	57
19. Retirement benefit costs	58
20. Share option schemes	58
21. Cash and balances with banks and other financial institutions	60
22. Financial assets at fair value through profit or loss	60
23. Derivative financial instruments	61
24. Advances and other accounts	64
25. Investment in securities	66
26. Investment properties	68
27. Properties, plant and equipment	68
28. Other assets	69
29. Financial liabilities at fair value through profit or loss	70
30. Deposits from customers	70
31. Other accounts and provisions	71
32. Assets pledged as security	71
33. Deferred taxation	71
34. Insurance contract liabilities	73

CONTENTS

	PAGE
35. Share capital	73
36. Reserves	73
37. Notes to consolidated cash flow statement	74
38. Contingent liabilities and commitments	75
39. Capital commitments	76
40. Operating lease commitments	76
41. Segmental reporting	77
42. Significant related party transactions	80
43. Ultimate holding company	94
44. Comparative amounts	94
45. Statutory accounts	94
 Supplementary Financial Information	
1. Capital adequacy ratio	95
2. Components of capital base after deductions	95
3. Liquidity ratio	96
4. Currency concentrations	96
5. Segmental information	97
6. Cross-border claims	101
7. Non-bank Mainland China exposures	102
8. Overdue and rescheduled assets	103
9. Repossessed assets held	105
 Additional Information	
1. Corporate information	106
2. Dividend and closure of register of members	107
3. Substantial interests in share capital	107
4. Directors' rights to acquire shares	108
5. Directors' and Chief Executive's interests in shares, underlying shares and debentures	108
6. Purchase, sale or redemption of the Company's shares	108
7. Audit Committee	109
8. Compliance with the Code on Corporate Governance Practices of the Listing Rules	109
9. Compliance with the Codes for Securities Transactions by Directors	109
10. Compliance with HKAS 34	109
11. Interim Report	110
12. Reconciliation between HKFRSs vs IFRS/CAS	110
 Independent Review Report	
	114
 Appendix	
Subsidiaries of the Company	115
 Definitions	
	120