



中信嘉華銀行
CITIC
KA WAH
BANK

DRIVING
GROWTH
茁壯成長 創造價值
CREATING
VALUE

DRIVING GROWTH 茁壯成長 創造價值 CREATING VALUE

中信嘉華銀行有限公司已開展打造「中信」中國金融服務品牌的工作，務求令「中信」在環球市場上成為具競爭力及知名度的品牌。我們於堅實的業務基礎上，開拓嶄新優勢及跨境實力，致力把握大中華及以外地區的商機，茁壯成長，為我們的股東、客戶及員工創造真正的價值。

CITIC Ka Wah Bank Limited has embarked on its journey to establish CITIC as a PRC financial services brand that is globally competitive and recognised. By building new competencies on our solid business foundations and cross-border capabilities, we are pursuing growth opportunities in the Greater China region and beyond, and creating genuine value for our shareholders, customers and staff.

目錄 Contents

企業背景	01	Corporate Profile
企業資料	02	Corporate Information
綜合收益表	03	Consolidated Income Statement
綜合資產負債表	05	Consolidated Balance Sheet
綜合權益變動表	06	Consolidated Statement of Changes in Equity
簡明綜合現金流量表	07	Condensed Consolidated Cash Flow Statement
中期財務報告附註	08	Notes to the Interim Financial Report
未經審核財務資料補充	39	Unaudited Supplementary Financial Information
獨立審閱報告	56	Independent Review Report
行政總裁報告	57	Report of Chief Executive Officer

企業背景

Corporate Profile

中信嘉華銀行有限公司（「本行」）為中信國際金融控股有限公司（「中信國際金融」）的全資附屬公司，中國中信集團公司持有中信國際金融約百分之五十六權益。

本行期望透過為大中華及海外客戶提供方案，創造價值，將財富管理和國際商業服務提升到超越客戶期望的嶄新水平，成為擁有最佳國際水平及實力的首選中資銀行。

本行在香港擁有三十一間分行，其他中國網點包括上海分行、澳門分行、北京代辦處及全資擁有的中國國際財務有限公司（深圳），海外分行網絡則遍及紐約及洛杉磯。穆迪投資及惠譽國際分別給予本行「Baa2」及「BBB+」的信貸評級。

CITIC Ka Wah Bank Limited (the “Bank”) is a wholly-owned subsidiary of CITIC International Financial Holdings Limited, which in turn is approximately 56%-owned by CITIC Group.

By providing value-creating financial solutions to define and exceed both the wealth management and international business objectives of our Greater China and overseas customers, the Bank aspires to be the PRC bank of choice, with the best international standards and capabilities.

The Bank operates 31 branches in Hong Kong and also has an established presence in China through its branches in Shanghai and Macau, its representative office in Beijing, and its wholly-owned finance company, China International Finance Company Limited (Shenzhen). The Bank's overseas branch network covers New York and Los Angeles. The Bank is rated “Baa2” by Moody's Investors Service and “BBB+” by FITCH.

企業資料

Corporate Information

董事會

董事長

孔丹先生

副董事長

竇建中先生

執行董事

陳許多琳女士
總裁兼行政總裁

施柏雅先生
替任行政總裁

趙盛彪先生

非執行董事

陳小憲先生

居偉民先生

盧永逸先生

獨立非執行董事

席伯倫先生

林廣兆先生

曾耀強先生

審核委員會

曾耀強先生
主席

席伯倫先生

居偉民先生

林廣兆先生

註冊辦事處

香港德輔道中二三二號

電話：(852) 3603 6633

傳真：(852) 3603 4000

www.citickawahbank.com

核數師

畢馬威會計師事務所

Board of Directors

Chairman

Mr. Kong Dan

Vice Chairman

Mr. Dou Jianzhong

Executive Directors

Mrs. Chan Hui Dor Lam Doreen
President and Chief Executive Officer

Mr. Roger Clark Spyer
Alternate Chief Executive Officer

Mr. Zhao Shengbiao Peter

Non-executive Directors

Mr. Chen Xiaoxian

Mr. Ju Weimin

Mr. Lo Wing Yat Kelvin

Independent Non-executive Directors

Mr. Gil-Tienda Rafael

Mr. Lam Kwong Siu

Mr. Tsang Yiu Keung Paul

Audit Committee

Mr. Tsang Yiu Keung Paul
Chairman

Mr. Gil-Tienda Rafael

Mr. Ju Weimin

Mr. Lam Kwong Siu

Registered Office

232 Des Voeux Road Central, Hong Kong

Tel : (852) 3603 6633

Fax : (852) 3603 4000

www.citickawahbank.com

Auditors

KPMG

綜合收益表

Consolidated Income Statement

截至二零零六年六月三十日止六個月－未經審核(以港幣為單位)

for the six months ended 30 June 2006 – Unaudited (Expressed in Hong Kong dollars)

中信嘉華銀行有限公司(「本行」)董事會欣然宣佈，本行及其附屬公司(統稱「本集團」)截至二零零六年六月三十日止六個月未經審核的中期綜合業績及本集團於該日的財政狀況及其比較數字如下：

The Board of Directors of CITIC Ka Wah Bank Limited (the "Bank") is pleased to announce the unaudited consolidated results of the Bank and its subsidiaries (the "Group") for the six months ended 30 June 2006 and the Group's state of affairs as at that date together with the comparative figures as follows:

截至六月三十日止六個月 Six months ended 30 June					
		附註 Note	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 (重報) (restated) 港幣千元 HK\$'000	變化 Variance %
利息收入	Interest income	2	1,956,938	1,278,444	53.07
利息支出	Interest expense		(1,464,780)	(707,930)	106.91
淨利息收入	Net interest income		492,158	570,514	(13.73)
費用及佣金收入	Fee and commission income	3	253,637	199,577	27.09
費用及佣金支出	Fee and commission expense		(6,916)	(5,920)	16.82
淨費用及佣金收入	Net fee and commission income		246,721	193,657	27.40
淨交易收入	Net trading income	4	201,678	96,782	108.38
指定為通過損益 以反映公平價值之 金融工具的淨收入	Net income from financial instruments designated at fair value through profit or loss	5	30,844	53,047	(41.86)
淨對沖收入	Net hedging income	6	1,465	91	1,509.89
其他經營收入	Other operating income	7	15,470	11,442	35.20
經營收入	Operating income		988,336	925,533	6.79
經營支出	Operating expenses	8	(508,660)	(477,590)	6.51
貸款及墊款減值 虧損(撥備)/ 回撥	Impairment losses (charged)/ written back on loans and advances		479,676	447,943	7.08
持有至到期投資減值 虧損回撥	Impairment losses written back on held-to-maturity investments		(13,118)	96,709	(113.56)
物業減值虧損	Impairment losses on properties		146	2,254	(93.52)
			—	(354)	不適用 N/A
減值虧損(撥備)/ 回撥	Impairment losses (charged)/ written back		(12,972)	98,609	(113.15)
出售可供出售證券 淨溢利	Net profit on disposal of available-for-sale securities		18,870	—	不適用 N/A
經營溢利	Operating profit		485,574	546,552	(11.16)
出售聯營公司虧損	Loss on disposal of associates		—	(6,155)	不適用 N/A
出售物業及設備淨 (虧損)/溢利	Net (loss)/profit on disposal of property and equipment	17	(47,008)	243,545	(119.30)
投資物業重估 收益	Revaluation gain on investment properties		6,867	—	不適用 N/A
所佔聯營公司溢利 減虧損	Share of profits less losses of associates		—	(10,501)	不適用 N/A

綜合收益表

Consolidated Income Statement

截至二零零六年六月三十日止六個月－未經審核(以港幣為單位)

for the six months ended 30 June 2006 – Unaudited (Expressed in Hong Kong dollars)

		截至六月三十日止六個月 Six months ended 30 June		
		二零零六年 2006	二零零五年 2005 (重報) (restated)	變化 Variance
	附註 Note	港幣千元 HK\$'000	港幣千元 HK\$'000	%
稅前溢利	Profit before taxation	445,433	773,441	(42.41)
稅項	Income tax	(80,965)	(89,937)	(9.98)
稅後溢利	Profit after taxation	364,468	683,504	(46.68)
期內歸屬於 本行股東 之股息：	Dividends payable to equity shareholders of the Bank attributable to the period:			
宣派中期股息	Interim dividend declared	246,000	373,253	

第8頁至第38頁的附註屬本中期財務報告一部分。

The notes on pages 8 to 38 form part of this interim financial report.

綜合資產負債表

Consolidated Balance Sheet

二零零六年六月三十日－未經審核（以港幣為單位）

at 30 June 2006 – Unaudited (Expressed in Hong Kong dollars)

			二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
	附註 Note			
資產		Assets		
現金及在銀行及其他 金融機構的結存	10	Cash and balances with banks and other financial institutions	838,456	990,454
在銀行及其他 金融機構的存款	11	Placements with banks and other financial institutions	10,303,993	5,214,691
貿易票據		Trade bills	372,181	406,364
交易用途資產	12	Trading assets	6,384,732	6,199,473
指定為通過損益以反映 公平價值的證券	13	Securities designated at fair value through profit or loss	806,580	1,117,542
客戶墊款及 其他賬項	14	Advances to customers and other accounts	47,354,621	43,617,341
可供出售證券	15	Available-for-sale securities	5,870,797	5,864,658
持有至到期投資	16	Held-to-maturity investments	13,237,149	17,194,283
物業及設備	17	Property and equipment		
－投資物業		－ Investment property	168,725	64,994
－其他物業 及設備		－ Other property and equipment	940,886	1,102,815
遞延稅項資產	22	Deferred tax assets	7,122	4,521
資產總額		Total assets	86,285,242	81,777,136
權益及負債		Equity and liabilities		
在銀行及其他金融機構 的存款及結存	18	Deposits and balances of banks and other financial institutions	4,258,309	4,157,446
客戶存款	19	Deposits from customers	60,543,910	54,786,566
交易用途負債	20	Trading liabilities	516,778	661,137
已發行存款證	21	Certificates of deposit issued	6,263,059	7,467,961
已發行債務證券		Debt securities issued	2,241,122	2,245,435
現行稅項	22	Current taxation	98,506	53,598
遞延稅項負債	22	Deferred tax liabilities	41,477	45,466
其他負債		Other liabilities	1,034,903	1,087,382
債務資本		Loan capital	4,275,599	4,352,351
負債總額		Total liabilities	79,273,663	74,857,342
權益		Equity		
股本		Share capital	3,083,341	3,083,341
儲備	24	Reserves	3,928,238	3,836,453
歸屬於本行股東 權益總額		Total equity attributable to equity shareholders of the Bank	7,011,579	6,919,794
權益及負債總額		Total equity and liabilities	86,285,242	81,777,136

第8頁至第38頁的附註屬本中期財務報告一部分。

The notes on pages 8 to 38 form part of this interim financial report.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零零六年六月三十日止六個月－未經審核(以港幣為單位)

for the six months ended 30 June 2006 – Unaudited (Expressed in Hong Kong dollars)

		截至六月三十日止六個月 Six months ended 30 June			
		二零零六年 2006		二零零五年 2005	
		附註 Note	港幣千元 HK\$'000	港幣千元 HK\$'000	港幣千元 HK\$'000
於1月1日權益總額：	Total equity at 1 January:				
歸屬於本行 股東權益	Attributable to equity shareholders of the Bank		6,919,794		6,460,986
於權益內直接確認 的期內淨收入：	Net income recognized directly in equity:				
匯兌差額：	Exchange differences on translation of:				
－於換算海外分行、 附屬及聯營公司 財務報表	－ financial statements of overseas branches, subsidiaries and associates	24	2,052	(964)	
－於出售聯營公司	－ on disposal of an associate	24	–	627	
重新分類其他物業 為投資物業 除遞延稅項後 重估的盈餘	Surplus on revaluation of other premises upon reclassification to investment properties, net of deferred tax	24	2,052		(337)
現金流量對沖 －公平價值變動 的有效部分 －轉至遞延稅項	Cash flow hedge － effective portion of changes in fair value － transfer to deferred tax		–	11,869 (2,077)	17,031
公平價值的變動 －可供出售證券 －轉至遞延稅項	Changes in fair value － of available-for-sale securities － transfer to deferred tax	24 24	(36,923) 6,462	(32,103) 5,624	9,792
期內淨溢利	Net profit for the period		(30,461)		(26,479)
期內確認的收入 及支出總額	Total recognized income and expense for the period		364,468		683,504
期內已宣派 股息	Dividends declared during the period		336,059		683,511
進行資本交易所產生 的權益變動：	Movements in equity arising from capital transactions:		(246,000)		(373,253)
以股權償付的股份 交易，除稅項	Equity settled share-based transactions, net of tax	24	1,726		2,221
於6月30日權益總額	Total equity at 30 June		7,011,579		6,773,465

第8頁至第38頁的附註屬本中期財務報告一部分。

The notes on pages 8 to 38 form part of this interim financial report.

簡明綜合現金流量表

Condensed Consolidated Cash Flow Statement

截至二零零六年六月三十日止六個月－未經審核(以港幣為單位)

for the six months ended 30 June 2006 – Unaudited (Expressed in Hong Kong dollars)

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
源自經營業務之現金	Cash generated from operations	4,921,796	35,814
已繳稅項	Tax paid	(36,188)	(358)
源自經營業務之 現金淨額	Net cash generated from operating activities	4,885,608	35,456
源自投資業務之 現金淨額	Net cash generated from investing activities	23,274	447,673
用於融資業務之 現金淨額	Net cash used in financing activities	(224,559)	(519,266)
現金及現金等值項目 增加/(減少)淨額	Net increase/(decrease) in cash and cash equivalents	4,684,323	(36,137)
於1月1日的現金及 現金等值項目	Cash and cash equivalents at 1 January	5,843,346	8,016,990
於6月30日的現金 及現金等值項目	Cash and cash equivalents at 30 June	10,527,669	7,980,853

第8頁至第38頁的附註屬本中期財務報告一部分。

The notes on pages 8 to 38 form part of this interim financial report.

中期財務報告附註－未經審核

Notes to the Interim Financial Report – Unaudited

(除特別列明外以港幣為單位)

(Expressed in Hong Kong dollars unless otherwise indicated)

1. 編製基礎

本中期財務報告是完全符合香港金融管理局(「金管局」)所發出的監管政策手冊《本地註冊認可機構披露中期財務資料》指引及根據香港會計師公會《香港會計準則》第34號－「中期財務報告」編製而成。該中期財務報告已於二零零六年八月十七日獲核准並授權發佈。

中期財務報告的編制採用了與二零零五年度財務報告相同的會計政策。

根據《香港會計準則》第34條編制的中期財務報告，管理層需要對會計政策的應用及截至報表日的資產及負債、收入及支出等作出判斷、估計及假設。而實際的結果可能與該些估計有差異。

中期財務報告包含了簡明綜合財務報告及附註摘要。附註包括那些於二零零五年年報後對集團的財務狀況及業績有重大改變的事件和交易。基於此，簡明綜合資產負債表及有關附註不包括依照香港財務報告準則所準備的報表內應包括的全部資訊。

本中期財務報告乃未經審核，惟已由畢馬威會計師事務所根據香港會計師公會頒佈的《核數準則》第700號－「中期財務報告的審閱」進行審閱。而畢馬威會計師事務所致董事會的獨立審閱報告刊於第56頁。

就中期財務報告所載截至二零零五年十二月三十一日止財政年度的財務資料，由於本行已按照新定和已修訂的會計準則中調整以往期間財務資料的規定，對以往期間的財務資料作出修訂，所以該等資料雖源自有關的財務報表，但並不構成本行該財政年度的法定財務報表。截至二零零五年十二月三十一日止年度之法定賬項可於本行的註冊辦事處索取。核數師於二零零六年三月九日發出的核數報告書中，已對此等賬項表示不附帶條件的意見。

1. Basis of Preparation

The interim financial report complies fully with the recommendations in the Guideline on “Interim Financial Disclosure by Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority (the “HKMA”) and Hong Kong Accounting Standard (“HKAS”) 34, Interim financial reporting, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorized for issuance on 17 August 2006.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2005 annual financial statements.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year-to-date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2005 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Statement of Auditing Standards 700, “Engagements to Review Interim Financial Reports”, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 56.

The financial information relating to the financial year ended 31 December 2005 that is included in the interim financial report as being previously reported information does not constitute the Bank’s statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2005 are available from the Bank’s registered office. The auditors have expressed an unqualified opinion on those financial statements in their report dated 9 March 2006.

2. 利息收入

2. Interest Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
上市投資	Listed securities	256,964	184,656
非上市投資	Unlisted securities	236,784	288,553
其他	Others	1,463,190	805,235
		1,956,938	1,278,444

截至二零零六年六月三十日止期間，其他利息收入包括減值金融資產的應計利息收入港幣5,501,000元(二零零五年：無)及貸款減值準備折現撥回的利息收入港幣15,291,000元(二零零五年：港幣9,346,000元)。

Other interest income includes the amount of interest income accrued on impaired financial assets of HK\$5,501,000 (2005: NIL) and interest income on unwinding of discount on impairment loan of HK\$15,291,000 (2005: HK\$9,346,000) for the period ended 30 June 2006.

3. 費用及佣金收入

3. Fee and Commission Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
票據佣金	Bills commission	22,542	19,250
信用咭相關收入	Cards related income	16,122	16,051
一般銀行服務	General banking services	21,299	17,611
保險	Insurance	35,582	33,455
投資及結構性 投資產品	Investment and structured investment products	54,958	37,819
貸款、透支及融資費用	Loans, overdrafts and facility fee	102,829	75,197
其他	Others	305	194
		253,637	199,577

4. 淨交易收入

4. Net Trading Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
買賣外匯溢利減虧損	Gains less losses from dealing in foreign currencies	65,989	31,357
買賣交易用途證券溢利減虧損	Gains less losses from trading securities	44,663	39,951
其他買賣活動溢利減虧損	Gains less losses from other dealing activities	(19,893)	(37,506)
交易用途資產利息收入	Interest income on trading assets		
－上市	– Listed	29,918	13,362
－非上市	– Unlisted	66,971	47,257
交易用途負債利息支出	Interest expense on trading liabilities	(2,089)	(3,085)
非上市交易用途證券股息收入	Dividend income from unlisted trading securities	16,119	5,446
		201,678	96,782

5. 指定為通過損益以反映公平價值金融工具的淨收入

5. Net Income from Financial Instruments Designated at Fair Value Through Profit or Loss

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
淨溢利	Net gains	57,384	84,356
利息收入	Interest income		
－上市	– Listed	18,110	16,177
利息支出	Interest expense	(44,650)	(47,486)
		30,844	53,047

6. 淨對沖收入

6. Net Hedging Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
公平價值對沖	Fair value hedge	1,465	91

7. 其他經營收入

7. Other Operating Income

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
由可供出售證券 股息收入 — 非上市投資	Dividend income from available-for-sale financial assets – Unlisted investments	3,097	4,107
投資物業租金收入總額 港幣1,741,000元 (二零零五年：港幣463,000元)	Gross rental income from investment properties of HK\$1,741,000 (2005: HK\$463,000) less direct		
減支出港幣12,000元 (二零零五年：港幣27,000元)	outgoings of HK\$12,000 (2005: HK\$27,000)	1,729	436
其他	Others	10,644	6,899
		15,470	11,442

8. 經營支出

8. Operating Expenses

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
(a) 員工成本	(a) Staff costs		
薪金及其他員工成本	Salaries and other staff costs	269,121	248,686
退休金成本	Retirement costs	18,926	17,756
以股權償付的支出	Share-based payment expenses		
－以股權償付的股份支出	－ Equity-settled share-based payment expenses	1,726	2,220
－以現金償付的股份支出	－ Cash-settled share-based payment expenses	4,279	2,959
		294,052	271,621
(b) 折舊	(b) Depreciation		
物業及設備折舊	Depreciation of property and equipment		
－根據經營租賃持有的資產	－ Assets held for use under operating leases	3,357	920
－其他資產	－ Other assets	52,216	59,400
		55,573	60,320
(c) 其他經營支出	(c) Other operating expenses		
物業及設備支出 (不包括折舊)	Property and equipment expenses, excluding depreciation		
－物業租金	－ Rental of property	36,012	26,133
－其他	－ Others	29,775	33,959
核數師酬金	Auditors' remuneration	1,639	1,357
廣告費	Advertising	16,739	26,793
通訊費、印刷及文儀用品	Communication, printing and stationery	27,123	23,550
法律及專業費用	Legal and professional fee	3,744	7,102
其他	Others	44,003	26,755
		159,035	145,649
經營支出總額	Total operating expenses	508,660	477,590

經營支出中包括的最低應付租賃支出，分別為設備租賃支出總額港幣466,000元（二零零五年：港幣466,000元）及其他資產租賃支出（包括物業租金）總額港幣35,796,000元（二零零五年：港幣25,806,000元）。

Included in operating expenses are minimum lease payment under operating leases of HK\$466,000 (2005: HK\$466,000) for hire of equipment and HK\$35,796,000 (2005: HK\$25,806,000) for hire of other assets (including property rentals).

9. 綜合收益表內的稅項

綜合收益表內列報的稅項為：

9. Income Tax in the Consolidated Income Statement

Taxation in the consolidated income statement represents:

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 (重報) (restated) 港幣千元 HK\$'000
本期稅項－香港利得稅	Current tax - Hong Kong Profits Tax		
期內準備	Provision for the period	77,787	87,748
過往年度稅項準備增加	Under provision in respect of prior years	1,429	–
		79,216	87,748
本期稅項－海外稅項	Current tax - Overseas		
期內準備	Provision for the period	1,877	701
遞延稅項	Deferred tax		
暫時性差額回轉 及增加	Origination and reversal of temporary differences	(128)	1,488
稅項合計	Total income tax expense	80,965	89,937

香港利得稅稅款以期內預計應課稅溢利按稅率17.5%計算(截至二零零五年六月三十日止：17.5%)。海外分行及附屬公司的稅款，則按照業務經營所在地區的適當現行稅率提撥稅項準備。

根據《香港會計準則》第1號，二零零五年六月三十日之所佔聯營公司稅項重新分類為所佔聯營公司溢利減虧損。

The provision of Hong Kong Profits Tax is calculated at 17.5% (six months ended 30 June 2005: 17.5%) of the estimated assessable profits for the period. Taxation for branches and subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

Share of an associate's taxation for the period ended 30 June 2005 was reclassified to share of profits less losses of associates in compliance with HKAS 1.

10. 現金及在銀行及其他金融機構的結存

10. Cash and Balances with Banks and Other Financial Institutions

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
現金	Cash in hand	127,634	140,549
中央銀行結存	Balances with the central bank	18,158	3,826
在銀行及認可機構的結存	Balances with banks and authorized institutions	692,664	846,079
		838,456	990,454

11. 銀行及其他金融機構存款

11. Placements with Banks and Other Financial Institutions

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
到期日	Maturing		
— 一個月內	— within one month	6,927,054	4,514,362
— 一個月至一年內	— between one month and one year	3,376,939	700,329
		10,303,993	5,214,691

12. 交易用途資產

12. Trading Assets

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
債務證券	Debt securities	2,924,956	2,630,327
股票	Equity securities	1	20,184
投資基金	Investment funds	3,126,292	3,320,818
國庫券	Treasury bills	99,339	–
交易用途證券	Trading securities	6,150,588	5,971,329
衍生工具的正公平價值 (附註27(b))	Positive fair value of derivatives (note 27(b))	234,144	228,144
		6,384,732	6,199,473
以上證券的發行機構如下：	Issued by:		
中央政府及中央銀行	Central governments and central banks	100,525	557,841
公營機構	Public sector entities	16,488	16,525
銀行及其他金融機構	Banks and other financial institutions	403,400	174,301
企業實體	Corporate entities	5,630,175	5,222,662
		6,150,588	5,971,329
上市地點：	Place of listing:		
於香港上市	Listed in Hong Kong	1,948	116,041
於香港以外地區上市	Listed outside Hong Kong	1,278,096	1,245,415
		1,280,044	1,361,456
非上市	Unlisted	4,870,544	4,609,873
總額	Total	6,150,588	5,971,329

13. 指定為通過損益以反映公平價值的證券

13. Securities Designated at Fair Value Through Profit or Loss

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
債務證券	Debt securities	768,455	1,117,542
投資基金	Investment funds	38,125	–
		806,580	1,117,542
以上證券的發行機構如下：	Issued by:		
企業實體	Corporate entities	806,580	1,117,542
		806,580	1,117,542
上市地點：	Place of listing:		
於香港上市	Listed in Hong Kong	545,943	656,545
於香港以外地區上市	Listed outside Hong Kong	222,512	460,997
		768,455	1,117,542
非上市	Unlisted	38,125	–
總額	Total	806,580	1,117,542

被指定為通過損益以反映公平價值的金融資產包括連同內含衍生工具或相關衍生金融工具乃以公平價值列賬的金融資產。此外，投資基金被指定以公平價值列賬藉以照應有關已發行並與該基金相連的債務證券，作為減除或大幅減低會計錯配。

Financial assets are designated at fair value including financial assets with embedded derivatives or financial assets with the corresponding derivative financial instrument. Also, investment funds are designated at fair value through profit or loss as they are held for backing certain fund linked debt securities issued, thus eliminating or significantly reducing the accounting mismatch.

14. 客戶墊款及其他賬項

(a) 客戶墊款及其他賬項減減值撥備

14. Advances to Customers and Other Accounts

(a) Advances to customers and other accounts less impairment allowances

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
客戶墊款總額	Gross advances to customers	46,059,949	42,545,914
減：減值撥備	Less: Impairment allowances		
— 個別評估	— Individually assessed	(113,395)	(114,778)
— 綜合評估	— Collectively assessed	(248,852)	(294,544)
銀行及其他金融機構墊款	Advances to banks and other financial institutions	45,697,702	42,136,592
應計利息及其他賬項減減值撥備	Accrued interest and other accounts less impairment allowances	389,228	327,521
		1,267,691	1,153,228
		47,354,621	43,617,341

14. 客戶墊款及其他賬項 (續)

(b) 按行業劃分的客戶墊款分析

按經濟行業劃分的客戶墊款分析是根據香港金融管理局(「金管局」)使用的分類及定義作出。

14. Advances to Customers and Other Accounts

(cont'd)

(b) Advances to customers analyzed by industry sectors

The following economic sector analysis is based on categories and definitions used by the Hong Kong Monetary Authority (the "HKMA").

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
用於香港的貸款	Loans for use in Hong Kong		
工商及金融界	Industrial, commercial and financial		
— 物業發展	– Property development	294,287	324,704
— 物業投資	– Property investment	5,064,323	5,033,111
— 金融界	– Financial concerns	3,066,029	2,348,129
— 股票經紀	– Stockbrokers	130,782	45,606
— 批發及零售貿易	– Wholesale and retail trade	2,059,098	1,946,786
— 製造業	– Manufacturing	2,752,262	2,813,124
— 運輸及運輸設備	– Transport and transport equipment	4,360,892	4,280,529
— 其他	– Others	2,508,820	3,093,252
個人	Individuals		
— 購入居者有其屋計劃、私人 發展商參與興建居屋計劃 及租者置其屋計劃單位 的貸款	– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	17,513	18,409
— 購入其他住宅物業 的貸款	– Loans for the purchase of other residential properties	11,565,542	11,416,704
— 信用咭墊款	– Credit card advances	491,657	586,781
— 其他	– Others	1,375,968	1,256,345
貿易融資	Trade finance	3,223,079	2,628,660
用於香港以外地區的貸款	Loans for use outside Hong Kong	9,149,697	6,753,774
		46,059,949	42,545,914

(c) 減值客戶貸款及墊款

(c) Impaired loans and advances to customers

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
減值客戶貸款及墊款總額	Gross impaired loans and advances to customers	865,048	803,892
個別減值撥備評估	Impairment allowance – individually assessed	(113,395)	(114,778)
		751,653	689,114
佔客戶貸款及墊款 總額的百分比	As a % of total loans and advances to customers		
— 貸款及墊款減值總額	– Gross impaired loans and advances	1.88%	1.89%

14. 客戶墊款及其他賬項 (續)

(c) 減值客戶貸款及墊款 (續)

減值貸款及墊款主要是個別具有減值的客觀證據的個別評估貸款。

個別評估減值準備乃根據有關貸款日後估計折現後可收回數額(包括抵押品變現值)與賬面值之扣減金額。

於二零零六年六月三十日及二零零五年十二月三十一日，本集團並無銀行及其他金融機構墊款的減值貸款及墊款。

14. Advances to Customers and Other Accounts

(cont'd)

(c) Impaired loans and advances to customers (cont'd)

Impaired loans and advances are mainly individually assessed loans with objective evidence of impairment on an individual basis.

Individually assessed impairment allowances were made to write down the carrying value of the advances to the discounted value of future recoverable amounts, including the realization of collateral.

There were no impaired loans and advances to banks and other financial institution as at 30 June 2006 and 31 December 2005.

15. 可供出售證券

15. Available-for-sale Securities

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
債務證券	Debt securities	5,602,186	5,785,023
股票	Equity securities	48,499	61,269
投資基金	Investment funds	77,674	77,551
國庫券	Treasury bills	198,218	–
		5,926,577	5,923,843
減值撥備－個別評估	Impairment allowance – individually assessed	(55,780)	(59,185)
		5,870,797	5,864,658
以上證券的發行機構如下：	Issued by:		
中央政府及中央銀行	Central governments and central banks	198,218	–
銀行及其他金融機構	Banks and other financial institutions	833,915	873,121
企業實體	Corporate entities	4,838,664	4,991,537
		5,870,797	5,864,658
上市地點：	Place of listing:		
於香港以外地區上市	Listed outside Hong Kong	4,587,614	4,731,439
非上市	Unlisted	1,283,183	1,133,219
總額	Total	5,870,797	5,864,658

16. 持有至到期投資

16. Held-to-maturity Investments

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
國庫券	Treasury bills	107,653	247,669
持有的存款證	Certificates of deposit held	352,955	499,913
債務證券	Debt securities	12,786,378	16,456,684
		13,246,986	17,204,266
減值撥備－個別評估	Impairment allowance – individually assessed	(9,837)	(9,983)
		13,237,149	17,194,283
以上證券的發行機構如下：	Issued by:		
中央政府及中央銀行	Central governments and central banks	603,666	821,634
公營機構	Public sector entities	796,890	1,136,047
銀行及其他金融機構	Banks and other financial institutions	9,903,653	13,269,677
企業實體	Corporate entities	1,932,940	1,966,925
		13,237,149	17,194,283
上市地點：	Place of listing:		
於香港上市	Listed in Hong Kong	1,173,461	1,383,224
於香港以外地區上市	Listed outside Hong Kong	4,241,579	3,478,078
		5,415,040	4,861,302
非上市	Unlisted	7,822,109	12,332,981
總額	Total	13,237,149	17,194,283
上市證券市值	Market value of listed securities	5,247,457	4,826,519

17. 物業及設備

本集團於二零零五年一月完成出售中環德輔道中232號嘉華銀行中心，並以港幣351,000,000元售出。此項出售所產生約港幣226,700,000元的溢利在二零零五年六月三十日期內之本集團收益表內確認。

本集團於二零零六年五月完成出售筲箕灣耀興道3號東匯廣場地下9A單位、1樓、2樓及3樓所有單位及低層地下的8個泊車位（「東匯廣場」），並以港幣128,200,000元售出。此項出售所產生約港幣44,900,000元的虧損在二零零六年六月三十日期內之本集團收益表內確認。另一方面，本集團之最終控股公司中信國際金融控股有限公司（「中信國際金融」）之綜合收益表內，此項出售則產生港幣46,500,000元的收益，因為中信國際金融於二零零二年收購香港華人銀行有限公司時，所確認的東匯廣場之公平價值較該物業的賬面值低港幣102,000,000元，然而，在本集團的綜合資產負債表內，東匯廣場仍以成本減累計折舊列賬。

同年五月本行以港幣122,100,000元購入金鐘力寶中心一座8樓。

17. Property and Equipment

In January 2005, the disposal of Ka Wah Bank Centre, 232 Des Voeux Road, Central, with sales proceeds of HK\$351,000,000 was completed. The Group recognized a gain of HK\$226,700,000 in its income statement for the six months ended 30 June 2005.

In May 2006, the disposal of Unit 9A on G/F, all units on 1/F, 2/F, 3/F and 8 car parking spaces on LG/F of Eastern Central Plaza at 3 Yiu Hing Road, Shaukeiwan ("ECP"), with sales proceeds of HK\$128,200,000 was completed. The Group recognized a loss of HK\$44,900,000 in its income statement for the six months ended 30 June 2006. On the other hand, for such a disposal of property, a net disposal gain of HK\$46,500,000 was recognized in the consolidated income statement of CITIC International Financial Holdings Limited ("CIFH"), the ultimate holding company of the Bank. CIFH had recognized a revaluation deficit of HK\$102,000,000 for ECP to reflect its fair value at the acquisition of The Hongkong Chinese Bank, Limited in 2002, while in the consolidated balance sheet of the Bank, ECP was carried at cost less accumulated depreciation.

In May 2006, the Bank purchased 8/F, Tower 1, Lippo Centre, Admiralty, with a purchase price of HK\$122,100,000.

18. 銀行及其他金融機構的存款及結存

18. Deposits and Balances of Banks and Other Financial Institutions

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
銀行的存款及結存	Deposits and balances from banks	128,693	326,198
其他金融機構的存款 及結存	Deposits and balances from other financial institutions	4,129,616	3,831,248
		4,258,309	4,157,446

19. 客戶存款

19. Deposits from Customers

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
活期及往來賬戶存款	Demand deposits and current deposits	5,023,252	4,214,468
儲蓄存款	Savings deposits	7,177,583	8,096,593
定期、即期及短期通知存款	Time, call and notice deposits	48,343,075	42,475,505
		60,543,910	54,786,566

20. 交易用途負債

20. Trading Liabilities

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
證券空倉	Short positions in securities	–	217,904
衍生工具的負公平價值 (附註27(b))	Negative fair value of derivatives (note 27(b))	516,778	443,233
		516,778	661,137

21. 已發行存款證

21. Certificates of Deposit Issued

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
指定為通過損益以反映公平價值	Designated at fair value through		
非交易用途	profit or loss Non-trading	2,478,952 3,784,107	2,785,924 4,682,037
		6,263,059	7,467,961

22 於資產負債表內的稅項

22. Income Tax in the Balance Sheet

(a) 於資產負債表內的本期稅項為：

(a) Current taxation in the balance sheet represents:

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
本期香港利得稅準備	Provision for Hong Kong Profits		
已付暫繳利得稅	Tax for the period Provisional Profits Tax paid	77,787 (34,203)	123,709 (116,149)
以往年度的利得稅 準備結餘	Balance of Profits Tax provision relating to prior years	43,584 52,433	7,560 44,219
海外稅項準備	Provision for overseas taxation	96,017 2,489	51,779 1,819
		98,506	53,598

22. 於資產負債表內的稅項 (續)

(b) 已確認的遞延稅項資產及負債

已確認於綜合資產負債表中遞延稅項(資產)/
負債的組合及於本期之變動如下：

22. Income Tax in the Balance Sheet (cont'd)

(b) Deferred tax assets and liabilities recognized

The components of deferred tax (assets)/liabilities recognized in the consolidated balance sheet and the movements during the period are as follows:

		折舊免稅額 超過有關折舊 Depreciation allowances in excess of related depreciation 港幣千元 HK\$'000	貸款 減值撥備 Impairment allowances for loans 港幣千元 HK\$'000	物業及其他 資產的公平 價值調整 Fair value adjustments for properties and other assets 港幣千元 HK\$'000	可供出售 證券的公平 價值調整 Fair value adjustments for available- for-sale securities 港幣千元 HK\$'000	現金 流量對沖 Cash flow hedge 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
遞延稅項源自：	Deferred tax arising from:							
於2005年1月1日	At 1 January 2005	30,787	(57,023)	—	78,191	(1,639)	—	50,316
綜合收益表內 撇銷/(撥回)	Charged/(credited) to consolidated income statement	(13,947)	10,401	—	—	—	—	(3,546)
儲備內 撇銷/(撥回)	Charged/(credited) to reserves	—	—	2,939	(10,403)	1,639	—	(5,825)
於2005年12月31日	At 31 December 2005	16,840	(46,622)	2,939	67,788	—	—	40,945
於2006年1月1日	At 1 January 2006	16,840	(46,622)	2,939	67,788	—	—	40,945
綜合收益表 內撇銷/ (撥回)	Charged/(credited) to consolidated income statement	(6,497)	6,623	—	—	—	(254)	(128)
儲備內撇銷/ (撥回)	Charged/(credited) to reserves	—	—	—	(6,462)	—	—	(6,462)
於2006年6月30日	At 30 June 2006	10,343	(39,999)	2,939	61,326	—	(254)	34,355
					二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000		二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000	
在資產負債表確認的 淨遞延稅項(資產)		Net deferred tax (assets) recognized on the balance sheet			(7,122)		(4,521)	
在資產負債表確認的 淨遞延稅項負債		Net deferred tax liabilities recognized on the balance sheet			41,477		45,466	
					34,355		40,945	

22. 於資產負債表內的稅項 (續)

(c) 未確認的遞延稅項資產

由於有關稅務司法權區及公司不可能會有可使用稅項虧損來抵銷的日後應課稅溢利，故本集團並未確認累計稅項虧損的遞延稅項資產為港幣47,516,000元(二零零五年：港幣58,768,000元)。根據現行稅務條例，該等稅項虧損的到期日如下：

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
於5年內到期	Expiring within 5 years	38,774	50,026
無到期日	No expiry date	8,742	8,742
		47,516	58,768

22. Income Tax in the Balance Sheet (cont'd)

(c) Deferred tax assets not recognized

The Group has not recognized deferred tax assets in respect of tax losses of HK\$47,516,000 (2005: HK\$58,768,000), as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses are as follows:

23. 到期日分析

以下到期日分析是按照於結算日至合約到期日的餘下期間：

23. Maturity Profile

The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date:

		二零零六年六月三十日 As at 30 June 2006						
		總額 Total 港幣千元 HK\$'000	即時償還 Repayable on demand 港幣千元 HK\$'000	3個月內 但無須 即時償還 3 months or less but not repayable on demand 港幣千元 HK\$'000	3個月以上 至1年 or less but over 3 months 港幣千元 HK\$'000	1年以上 至5年 or less but over 1 year 港幣千元 HK\$'000	5年以上 After 5 years 港幣千元 HK\$'000	無註明 日期 Undated 港幣千元 HK\$'000
資產	Assets							
現金及在銀行及其他金融機構的結存	Cash and balances with banks and other financial institutions	838,456	838,456	-	-	-	-	-
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	10,303,993	-	9,858,425	445,568	-	-	-
貿易票據	Trade bills	372,181	-	240,941	131,240	-	-	-
交易用途資產	Trading assets	6,384,732	234,144	109,127	1,475	2,125,401	783,138	3,131,447
指定為通過損益以反映公平價值的證券	Securities designated at fair value through profit or loss	806,580	-	-	23,973	662,162	82,320	38,125
客戶墊款及其他賬項	Advances to customers and other accounts	47,354,621	1,406,921	5,077,608	5,481,756	18,663,828	14,631,202	2,093,306
可供出售證券	Available-for-sale securities	5,870,797	-	198,218	255,566	5,019,241	327,379	70,393
持有至到期投資	Held-to-maturity investments	13,237,149	-	735,549	4,007,828	6,701,775	1,785,951	6,046
無註明日期資產	Undated assets	1,116,733	-	-	-	-	-	1,116,733
資產總額	Total assets	86,285,242	2,479,521	16,219,868	10,347,406	33,172,407	17,609,990	6,456,050
負債	Liabilities							
在銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	4,258,309	128,693	-	4,114,616	15,000	-	-
客戶存款	Deposits from customers	60,543,910	12,200,835	46,849,668	911,337	582,070	-	-
交易用途負債	Trading liabilities	516,778	516,778	-	-	-	-	-
已發行存款證	Certificates of deposit issued	6,263,059	-	604,984	1,987,159	3,670,916	-	-
已發行債務證券	Debt securities issued	2,241,122	-	-	38,125	2,202,997	-	-
債務資本	Loan capital	4,275,599	-	2,330,389	-	-	1,945,210	-
無註明日期負債	Undated liabilities	1,174,886	-	-	-	-	-	1,174,886
負債總額	Total liabilities	79,273,663	12,846,306	49,785,041	7,051,237	6,470,983	1,945,210	1,174,886
資產－負債差距	Asset - liability gap		(10,366,785)	(33,565,173)	3,296,169	26,701,424	15,664,780	

23. 到期日分析 (續)

23. Maturity Profile (cont'd)

二零零五年十二月三十一日
As at 31 December 2005

		總額 Total 港幣千元 HK\$'000	即時償還 Repayable on demand 港幣千元 HK\$'000	3個月內 但無須 即時償還 3 months or less but not repayable on demand 港幣千元 HK\$'000	3個月以上 至1年 1 year or less but over 3 months 港幣千元 HK\$'000	1年以上 至5年 5 years or less but over 1 year 港幣千元 HK\$'000	5年以上 After 5 years 港幣千元 HK\$'000	無註明日期 Undated 港幣千元 HK\$'000
資產	Assets							
現金及在銀行及 其他金融機構 的結存	Cash and balances with banks and other financial institutions	990,454	990,454	—	—	—	—	—
在銀行及其他 金融機構的存款	Placements with banks and other financial institutions	5,214,691	—	5,157,491	57,200	—	—	—
貿易票據	Trade bills	406,364	—	275,102	131,262	—	—	—
交易用途資產	Trading assets	6,199,473	228,144	—	12,574	2,209,584	402,947	3,346,224
指定為通過損益 以反映公平 價值的證券	Securities designated at fair value through profit or loss	1,117,542	—	—	227,165	808,187	82,190	—
客戶墊款及 其他賬項	Advances to customers and other accounts	43,617,341	1,439,841	4,101,392	6,135,882	15,259,293	14,700,716	1,980,217
可供出售證券	Available-for-sale securities	5,864,658	—	—	—	4,017,971	1,767,051	79,636
持有至到期投資	Held-to-maturity investments	17,194,283	—	640,998	5,774,696	8,802,617	1,969,999	5,973
無註明日期資產	Undated assets	1,172,330	—	—	—	—	—	1,172,330
資產總額	Total assets	81,777,136	2,658,439	10,174,983	12,338,779	31,097,652	18,922,903	6,584,380
負債	Liabilities							
在銀行及其他 金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	4,157,446	326,198	3,816,248	15,000	—	—	—
客戶存款	Deposits from customers	54,786,566	12,311,061	40,814,896	1,429,019	231,590	—	—
交易用途負債	Trading liabilities	661,137	443,233	217,904	—	—	—	—
已發行存款證	Certificates of deposit issued	7,467,961	—	368,968	1,856,231	5,242,762	—	—
已發行債務證券	Debt securities issued	2,245,435	—	—	—	2,245,435	—	—
債務資本	Loan capital	4,352,351	—	—	—	—	4,352,351	—
無註明日期負債	Undated liabilities	1,186,446	—	—	—	—	—	1,186,446
負債總額	Total liabilities	74,857,342	13,080,492	45,218,016	3,300,250	7,719,787	4,352,351	1,186,446
資產－負債差距	Asset - liability gap		(10,422,053)	(35,043,033)	9,038,529	23,377,865	14,570,552	

24. 儲備

24. Reserves

		歸屬於本行股東權益 Attributable to equity shareholders of the Bank			
		股份溢價 Share premium 港幣千元 HK\$'000	資本儲備 Capital reserve 港幣千元 HK\$'000	一般儲備 General reserve 港幣千元 HK\$'000	匯兌儲備 Exchange differences reserve 港幣千元 HK\$'000
於2005年1月1日	At 1 January 2005	282,930	6,589	100,000	(458)
除遞延稅項後重估的盈餘	Revaluation surplus, net of deferred tax	-	-	-	-
出售物業時轉出至保留溢利	Transfer to retained profits upon disposal of property	-	-	-	-
換算的匯兌差額	Exchange difference on translation	-	-	-	3,407
出售聯營公司後扣除以股權償付的股份交易	Release on disposal of an associate Equity settled share-based transactions	-	-	-	627
可供出售證券	Available-for-sale securities	-	-	-	-
－公平價值變動	－ change in fair value	-	-	-	-
－遞延稅項	－ deferred tax	-	-	-	-
現金流量對沖	Cash flow hedge	-	-	-	-
－公平價值變動的 有效部分	－ effective portion of changes in fair value	-	-	-	-
－遞延稅項	－ deferred tax	-	-	-	-
本年度溢利	Profit for the year	-	-	-	-
已宣派及派發本年度股息	Dividends declared and paid in respect of the current year	-	-	-	-
於2005年12月31日	At 31 December 2005	282,930	6,589	100,000	3,576
於2006年1月1日	At 1 January 2006	282,930	6,589	100,000	3,576
換算的匯兌差額	Exchange difference on translation	-	-	-	2,052
以股權償付的股份交易	Equity settled share-based transactions	-	-	-	-
可供出售證券	Available-for-sale securities	-	-	-	-
－公平價值變動	－ change in fair value	-	-	-	-
－遞延稅項	－ deferred tax	-	-	-	-
本期溢利	Profit for the period	-	-	-	-
已宣派本期股息	Dividends declared during the period	-	-	-	-
於2006年6月30日	At 30 June 2006	282,930	6,589	100,000	5,628

* 本集團已按照金管局之要求須維持超過香港會計準則所規定的減值準備。於二零零六年六月三十日，留存溢利中包括可派發予本行股東之金額港幣322,300,000元（二零零五年六月三十日：港幣233,800,000元），但派發前須諮詢金管局。

24. 儲備 (續)

24. Reserves (cont'd)

歸屬於本行股東權益 Attributable to equity shareholders of the Bank					
其他物業 重估儲備 Other property revaluation reserve 港幣千元 HK\$'000	公平價值儲備 Fair value reserve 港幣千元 HK\$'000	對沖儲備 Hedging reserve 港幣千元 HK\$'000	購股權儲備 Share option reserve 港幣千元 HK\$'000	保留溢利* Retained profits* 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
11,945	368,612	(7,725)	3,640	2,612,112	3,377,645
14,091	—	—	—	—	14,091
(12,180)	—	—	—	12,180	—
—	—	—	—	—	3,407
—	—	—	—	—	627
—	—	—	5,207	—	5,207
—	(59,442)	—	—	—	(59,442)
—	10,403	—	—	—	10,403
—	—	9,364	—	—	9,364
—	—	(1,639)	—	—	(1,639)
—	—	—	—	1,047,043	1,047,043
—	—	—	—	(570,253)	(570,253)
13,856	319,573	—	8,847	3,101,082	3,836,453
13,856	319,573	—	8,847	3,101,082	3,836,453
—	—	—	—	—	2,052
—	—	—	1,726	—	1,726
—	(36,923)	—	—	—	(36,923)
—	6,462	—	—	—	6,462
—	—	—	—	364,468	364,468
—	—	—	—	(246,000)	(246,000)
13,856	289,112	—	10,573	3,219,550	3,928,238

- * The Group complies with the HKMA's requirement to maintain minimum impairment allowances in excess of those required under Hong Kong Accounting Standards. As at 30 June 2006, an amount of HK\$322,300,000 (30 June 2005: HK\$233,800,000) was included in the retained profits in this respect which was distributable to equity shareholders of the Bank subject to consultation with the HKMA.

25. 銷售及購回的資產

以下資產及負債將供銷售及購回：

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
已記入持有至到期投資賬項中	Included in held-to-maturity investments	2,643,141	2,205,403
已記入可供出售證券賬項中	Included in available-for-sale securities	878,785	–
已記入交易用途資產賬項中	Included in trading assets	–	462,254
		3,521,926	2,667,657
已記入在銀行及其他金融機構的 存款及結存賬項中	Included in deposits and balances from banks and other financial institutions	3,305,018	2,665,226

26. 重大關連人仕交易

除在本中期財務報告其他部分披露的交易及結餘外，本集團進行了以下重大關連人仕交易：

(a) 與集團公司的交易

本期內，本集團在其日常銀行業務過程中與關連人仕進行了多項交易，其中特別包括借貸、接受及存放同業存款、參與銀團貸款、往來銀行交易和外匯交易。這些交易的合約定價是按照每次進行交易時的相關市場利率而定，並與提供給本集團其他交易方及客戶的條款相同。董事認為，這些交易是按正常商業條款進行。

25. Assets Subject to Sale and Repurchase Transactions

The following assets and liabilities are subject to sale and repurchase transactions:

26. Material Related Party Transactions

In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group entered into the following material related party transactions:

(a) Transactions with group companies

During the period, the Group entered into a number of transactions with related parties, in the ordinary course of its banking business including, inter alia, lending, acceptance and placement of inter-bank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The contracts were priced based on relevant market rates at the time of each transaction, and were under the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

26. 重大關連人仕交易 (續)

(a) 與集團公司的交易 (續)

本期內，關連人仕交易的數額及於結算日的結欠如下：

26. Material Related Party Transactions (cont'd)

(a) Transactions with group companies (cont'd)

The amount of related party transactions during the period and outstanding balances at the end of the period are set out below:

		最終控股公司 Ultimate holding company		直接控股公司 Immediate holding company		同系附屬公司 Fellow subsidiaries		聯營公司 Associates	
截至六月三十日止六個月 Six months ended 30 June									
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
利息收入	Interest income	-	-	-	-	1,019	2,382	4,705	1,487
利息支出	Interest expense	(6,917)	(1,451)	(1,484)	(512)	(44,390)	(16,266)	(10,537)	(1,691)
其他經營收入	Other operating income	-	-	-	-	-	-	10,858	8,663
經營支出	Operating expenses	(503)	-	-	-	(694)	-	(216)	(6,473)
		(7,420)	(1,451)	(1,484)	(512)	(44,065)	(13,884)	4,810	1,986

26. 重大關連人仕交易 (續)

(a) 與集團公司的交易 (續)

		最終控股公司 Ultimate holding company		直接控股公司 Immediate holding company		同系附屬公司 Fellow subsidiaries		聯營公司 Associates	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
貸款活動：	Lending activities:								
於1月1日	At 1 January	-	-	-	-	152,264	218,609	200,000	134,187
於2006年6月30日/ 2005年12月31日	At 30 June 2006/ 31 December 2005	-	-	-	-	90,490	152,264	200,000	200,000
本期/上年度 平均金額	Average for the period/ for the year	-	-	-	-	230,209	256,379	200,000	171,171
其他應收賬項：	Other receivables:								
於1月1日	At 1 January	-	-	1	-	4,800	13,529	2,385	211
於2006年6月30日/ 2005年12月31日	At 30 June 2006/ 31 December 2005	-	-	-	1	585	4,800	2,403	2,385
本期/上年度 平均金額	Average for the period/ for the year	-	-	-	-	3,071	6,111	6,366	37,057
接受存款：	Acceptance of deposits:								
於1月1日	At 1 January	72,392	190,667	75,583	54,602	2,515,483	1,257,545	876,868	1,383,378
於2006年6月30日/ 2005年12月31日	At 30 June 2006/ 31 December 2005	443,200	72,392	90,308	75,583	1,816,147	2,515,483	842,665	876,868
本期/上年度 平均金額	Average for the period/ for the year	354,500	229,389	83,766	66,079	1,901,648	1,785,465	905,124	1,089,156
其他應付賬款：	Other payables:								
於1月1日	At 1 January	-	9	177	252,603	12,066	10,826	885	20
於2006年6月30日/ 2005年12月31日	At 30 June 2006/ 31 December 2005	600	-	229	177	4,226	12,066	916	885
本期/上年度 平均金額	Average for the period/for the year	400	40	215	177,563	3,311	11,494	2,703	341

並無就上述關連人仕貸款及存款作出減值撥備。

No impairment allowance was made in respect of the above loans to and placements with related parties.

26. 重大關連人仕交易 (續)

(b) 主要管理人員酬金

主要管理人員酬金(包括已付予董事及若干僱員之最高薪金)如下：

		截至六月三十日止六個月 Six months ended 30 June	
		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
短期僱員福利 以股份償付	Short-term employee benefits Share-based payments	17,105 1,521	17,846 1,875
		18,626	19,721

酬金總額已包括在員工成本內(附註8(a))。

Total remuneration is included in staff costs (note 8(a)).

(c) 主要管理人員信貸融資

本期內，本行向本行及其控股公司的主要管理人員，包括已付予董事及若干僱員之最高薪金的款項，及彼等的近親家庭成員及由彼等控制或受彼等重大影響的公司提供信貸融資。信貸融資是在日常業務過程中提供，並與類似地位人仕或(如適用)與其他僱員進行可資比較交易的條款大致相同。

(c) Credit facilities to key management personnel

During the period, the Bank provided credit facilities to key management personnel, including amounts paid to directors and certain employees with the highest emoluments, of the Bank and its holding companies and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with persons of a similar standing or, where applicable, with other employees.

		二零零六年 2006 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000
於1月1日的結餘	Balance at 1 January	17,750	3,604
於2006年6月30日/ 2005年12月31日	As at 30 June 2006/ 31 December 2005	20,051	17,750
期內/年內最高結欠總額	Maximum amount during the period/year	24,184	24,516

27. 衍生工具

(a) 衍生工具的名義金額

衍生工具是指根據一項或多項基本資產或指數的價值來釐定其價值的財務合約。

以下是本集團各種主要衍生工具的名義金額概要：

27. Derivatives

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

		二零零六年六月三十日 As at 30 June 2006			二零零五年十二月三十一日 As at 31 December 2005		
		交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	交易 Trading 港幣千元 HK\$'000	對沖 Hedging 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
匯率合約	Exchange rate contracts						
遠期交易	Forwards	31,028,925	–	31,028,925	18,941,850	–	18,941,850
掉期交易	Swaps	10,977,114	–	10,977,114	11,521,138	–	11,521,138
買入期權	Options purchased	157,035	–	157,035	91,471	–	91,471
賣出期權	Options written	146,829	–	146,829	84,553	–	84,553
利率合約	Interest rate contracts						
遠期交易及 期貨交易	Forwards and futures	1,635,028	–	1,635,028	3,032,254	–	3,032,254
掉期交易	Swaps	12,377,446	6,819,880	19,197,326	6,897,921	12,074,747	18,972,668
買入期權	Options purchased	1,116,556	–	1,116,556	1,298,984	–	1,298,984
賣出期權	Options written	1,116,556	–	1,116,556	1,298,984	–	1,298,984
		58,555,489	6,819,880	65,375,369	43,167,155	12,074,747	55,241,902

以上的交易由本集團在外匯、利率及證券市場進行。這些工具的名義金額是指仍未平倉的交易額，並非風險金額。

於二零零六年六月三十日及二零零五年十二月三十一日被指定為作對沖之衍生工具，已符合《香港會計準則》第39號規定之對沖會計。

The above transactions are undertaken by the Group in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding and do not represent amounts at risk.

Derivatives used for hedging purpose as at 30 June 2006 and 31 December 2005 represented hedging instruments that were qualified for hedging accounting under HKAS 39.

27. 衍生工具 (續)

(b) 衍生工具的公平價值及信貸風險加權金額

		二零零六年六月三十日 As at 30 June 2006			二零零五年十二月三十一日 As at 31 December 2005		
		公平價值 Fair value		信貸風險 加權金額 Credit risk- weighted amount	公平價值 Fair value		信貸風險 加權金額 Credit risk- weighted amount
		資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	港幣千元 HK\$'000	資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	120,882	384,936	62,385	157,286	387,765	74,175
匯率衍生工具	Currency derivatives	113,262	131,842	130,526	70,858	55,468	85,145
		234,144	516,778	192,911	228,144	443,233	159,320

信貸風險加權金額是指按照香港《銀行業條例》有關資本充足比率的附表三所計算的金額，取決於合約另一方的財務狀況及到期的情況。或有負債及承擔的風險加權由0%至100%不等，而匯率、利率及其他衍生工具合約則由0%至50%不等。

以上衍生工具資產及負債，乃各衍生工具合約按市值重估後之正數值或負數值之總額，及代表該等合約之重置成本總額，而該等合約並無任何雙邊淨額結算之安排。

Credit risk-weighted amount refers to the amount as computed in accordance with the Third Schedule to the Hong Kong Banking Ordinance on capital adequacy and depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100% for contingent liabilities and commitments, and from 0% to 50% for exchange rate, interest rate and other derivatives contracts.

The above derivative assets and liabilities, being the positive or negative marked-to-market value of the respective derivative contracts, represent gross replacement costs, as none of these contracts are subject to any bilateral netting arrangements.

(c) 指定為對沖工具的衍生工具的公平價值

以下是本集團各種持作對沖用途的衍生工具的公平價值概要：

(c) Fair value of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type entered into by the Group:

		二零零六年六月三十日 As at 30 June 2006		二零零五年十二月三十一日 As at 31 December 2005	
		資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000
利率合約	Interest rate contracts	33,060	144,509	104,174	214,693

公平價值對沖主要包括用作保障若干固定利率資產或負債因市場利率變動而出現變化的利率掉期。

The fair value hedges principally consist of interest rate swaps that are used to protect against changes in the fair value of certain fixed rate assets or liabilities due to movements in the market interest rates.

27. 衍生工具 (續)

(d) 衍生工具的餘下年期

下表提供本集團根據有關到期類別(按於結算日的餘下結算期間計算)劃分的衍生工具名義金額分析：

		二零零六年六月三十日 餘下年期的名義金額 As at 30 June 2006 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	23,065,466	9,168,257	11,644,677	2,252,532
匯率衍生工具	Currency derivatives	42,309,903	42,231,903	–	78,000
		65,375,369	51,400,160	11,644,677	2,330,532

		二零零五年十二月三十一日 餘下年期的名義金額 As at 31 December 2005 Notional amounts with remaining life of			
		總額 Total 港幣千元 HK\$'000	1年或以下 1 year or less 港幣千元 HK\$'000	Over 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000
利率衍生工具	Interest rate derivatives	24,602,890	8,169,222	12,905,087	3,528,581
匯率衍生工具	Currency derivatives	30,639,012	30,561,012	–	78,000
		55,241,902	38,730,234	12,905,087	3,606,581

28. 或有負債及承擔

(a) 提供信貸的或有負債及承擔

以下是每類主要或有負債及承擔的合約金額概要：

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
直接信貸代替品	Direct credit substitutes	1,384,373	958,516
與貿易有關的或有項目	Trade-related contingencies	1,269,539	1,058,462
遠期有期存款	Forward forward deposits placed	530,000	–
其他承擔：	Other commitments:		
– 原到期日在1年以下或 可無條件撤銷	– with an original maturity of under 1 year or which are unconditionally cancellable	13,125,114	12,846,765
– 原到期日在1年或以上	– with an original maturity of 1 year or over	1,648,353	350,146
		17,957,379	15,213,889
信貸風險加權金額	Credit risk-weighted amounts	1,756,997	991,061

或有負債及承擔是與信貸相關的工具，當中包括承兌票據、信用證、提供信貸的擔保及承擔。涉及的風險基本上與向客戶提供貸款信貸額涉及的信貸風險相同。合約金額是指在合約全數提取後發生客戶拖欠而需承擔風險的金額。由於信貸額可能在到期時仍未動用，故合約金額並非預期未來現金流量。

用於計算信貸風險加權金額的風險加權由0%至100%不等。

28. Contingent Liabilities and Commitments

(a) Contingent liabilities and commitments to extend credit

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

Contingent liabilities and commitments are credit-related instruments which include acceptance, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. As the facilities may expire without being drawn upon, the contractual amounts do not represent expected future cash flows.

The risk weights used in the computation of credit risk-weighted amounts range from 0% to 100%.

28. 或有負債及承擔 (續)

(b) 資本承擔

於六月三十日因購入設備而引起未償付而又未在財務報表內提撥準備的資本承擔如下：

28. Contingent Liabilities and Commitments (cont'd)

(b) Capital commitments

Capital commitments for purchase of equipment outstanding at 30 June not provided for in the financial statements are as follows:

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
已授權及訂約：	Authorized and contracted for:		
物業及設備	Property and equipment	3,227	16,610
已授權但未訂約：	Authorized but not contracted for:		
物業及設備	Property and equipment	—	1,352
		3,227	17,962

29. 比較數字

根據《香港會計準則》第1號，二零零五年六月三十日之所佔聯營公司稅項重新分類為所佔聯營公司溢利減虧損。部份比較數字已重新分類，以符合是期之賬項編排。

29. Comparative Figures

Share of an associate's taxation for the period ended 30 June 2005 was reclassified to share of profits less losses of associates in compliance with HKAS 1. The comparative figures have been restated accordingly to conform with the current period's presentation.

30. 結算日後事項

由本行全資附屬公司 CKWB (Cayman Islands) Ltd. 於二零零一年七月五日所發行年息率7.625%的後償票據，其面值為美金300,000,000元(港幣等值2,330,206,000元)，提前於二零零六年七月六日贖回。

30. Post Balance Sheet Event

Subordinated note with a coupon of 7.625% per annum and with face value of US\$300,000,000 (HK\$ equivalent 2,330,206,000) issued on 5 July 2001 by CKWB (Cayman Islands) Ltd., a wholly owned subsidiary of the Bank, was early redeemed on 6 July 2006.

未經審核財務資料補充

Unaudited Supplementary Financial Information

(除特別列明外以港幣為單位)

(Expressed in Hong Kong dollars unless otherwise indicated)

1. 財務狀況摘要

1. Summary of Financial Position

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000	變化 Variance %
客戶墊款及貿易票據	Advances to customers and trade bills	46,432,130	42,952,278	8.10
減值撥備	Impairment allowances	362,247	409,322	(11.50)
資產總值	Total assets	86,285,242	81,777,136	5.51
存款總額	Total deposits	66,806,969	62,254,527	7.31
權益總額	Total equity attributable to equity shareholders of the Bank	7,011,579	6,919,794	1.33
財務比率	Financial ratios			
未經調整資本充足比率*	Unadjusted capital adequacy ratio*	15.22%	16.44%	
經調整資本充足比率**	Adjusted capital adequacy ratio**	14.57%	15.66%	
截至6月30日/12月31日止 平均流動資金比率***	Average liquidity ratio for the period/ year ended***	45.72%	51.07%	
貸存比率	Loans to deposits	69.50%	68.99%	
貸款對資產總值比率	Loans to total assets	53.81%	52.52%	
成本對收入比率	Cost to income	51.47%	55.24%	
資產回報率	Return on assets	0.93%	1.29%	
平均權益回報率	Return on average total equity attributable to equity shareholders of the Bank	11.24%	16.23%	

* 未經調整資本充足比率是根據香港金融管理局(「金管局」)為監管目的所規定，按本行及其若干附屬公司的合併基準，並且符合香港《銀行業條例》附表三的基準計算。

** 經調整資本充足比率已考慮結算日的市場風險，並按照金管局頒佈的《就市場風險維持足夠資本》指引與未經調整資本充足比率相同的合併基準計算。

*** 平均流動資金比率根據金管局為監管目的所規定，按本行及若干附屬公司的合併基準，並且符合香港《銀行業條例》附表四的基準計算。

* The unadjusted capital adequacy ratio is computed on the consolidated basis covering the Bank and certain of its subsidiaries as required by the Hong Kong Monetary Authority (the "HKMA") for its regulatory purposes, and is in accordance with the Third Schedule to the Hong Kong Banking Ordinance.

** The adjusted capital adequacy ratio which takes into account market risks as at the balance sheet date is computed in accordance with the Guideline, "Maintenance of Adequate Capital Against Market Risks" issued by the HKMA and on the same consolidated basis as for unadjusted capital adequacy ratio.

*** The average liquidity ratio is computed on the consolidated basis covering the Bank and certain of its subsidiaries as required by the HKMA for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

2. 扣除減項後資本基礎

2. Capital Base After Deductions

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
核心資本	Core capital		
實繳普通股本	Paid up ordinary share capital	3,083,341	3,083,341
股份溢價	Share premium	282,930	282,930
儲備	Reserves	2,782,672	2,811,120
核心資本總額	Total core capital	6,148,943	6,177,391
合格補助資本	Eligible supplementary capital		
就所持有的非作交易用途證券 的價值重估而計出的儲備	Reserves on revaluation of holding of securities not held for trading purposes	350,971	332,076
減值資產的綜合減值撥備及 法定儲備	Collective impairment allowances for impaired assets and regulatory reserve	571,500	528,790
永久後償債項	Perpetual subordinated debt	1,945,210	2,016,390
有期後償債項	Term subordinated debt	466,078	467,192
合格補助資本總額	Total eligible supplementary capital	3,333,759	3,344,448
扣除減項前總資本基礎	Total capital base before deductions	9,482,702	9,521,839
總資本基礎減項	Deductions from total capital base	(12,156)	(12,156)
扣除減項後總資本基礎	Total capital base after deductions	9,470,546	9,509,683

3. 分部資料

(a) 按地區劃分

根據本集團的主要營業地點或倘屬本行，則根據負責匯報業績或將資產記賬的分行地點而言，本集團主要在香港經營業務，本集團90%以上的經營收入、稅前溢利、總資產、總負債、或有負債及承擔均源自香港或屬香港業務賬目。

3. Segmental Information

(a) By geographical areas

On the basis of the location of the principal operations of the Group or, in the case of the Bank, on the location of the branches responsible for reporting the results or booking the assets, the Group operates predominantly in Hong Kong with over 90% of the Group's operating income, profit before taxation, total assets, total liabilities, contingent liabilities and commitments arising therefrom or booked therein.

		二零零六年六月三十日 As at 30 June 2006			二零零五年十二月三十一日 As at 31 December 2005		
		客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 Impaired loans 港幣千元 HK\$'000	客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 Impaired loans 港幣千元 HK\$'000
香港	Hong Kong	36,832,424	303,342	386,032	34,276,715	233,908	267,297
中國	Mainland China	6,659,096	656,992	469,252	6,429,148	465,307	465,307
美國	USA	1,060,564	—	—	743,396	—	—
其他	Others	1,507,865	9,764	9,764	1,096,655	—	71,288
		46,059,949	970,098	865,048	42,545,914	699,215	803,892

上述有關地區分析的資料已按交易另一方所在地劃分，風險轉移已考慮在內。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。

逾期貸款及墊款是指逾期超過三個月的貸款。

減值貸款是個別出現客觀減值證據而須個別評估的貸款。

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor.

Overdue loans and advances are loans that have been overdue more than three months.

Impaired loans are individually assessed loans with objective evidence of impairment on an individual basis.

3. 分部資料 (續)

(b) 按業務劃分

本集團主要從事提供銀行及相關金融服務。以下是本集團主要業務組成部份：

零售銀行業務：主要包括存款戶口服務、住宅物業貸款、其他消費借貸、信用卡服務及租賃。

企業銀行業務：主要包括貿易融資、銀團貸款及其他企業借貸。

財資業務：包括提供外匯交易服務、資金市場活動、管理投資證券及中央現金管理。

基金投資業務：主要包括銀行經外界基金經理管理之基金投資。

未分配業務：主要包括銀行物業及不能合理地列入特定業務分部的任何項目。

就分部匯報而言，經營收入的分配是根據內部轉讓價格機制反映資金的利益分配到業務分部上。

成本的分配是根據各業務分部的直接成本及合理基準分配經常費用予各業務分部。而使用銀行物業產生的市值租金會反映於「未分配業務」之分部間經營收入內及各業務部之分部間經營支出中。

3. Segmental Information (cont'd)

(b) By business segments

The Group is principally engaged in the provision of banking and related financial services. The Group comprises the following main business segments:

Retail banking business: It mainly comprises deposit account services, residential mortgage, other consumer lendings, credit card services and finance leases.

Wholesale banking business: It mainly comprises trade financing, syndicated loans and other corporate lendings.

Treasury: It covers provision of foreign exchange services, money market activities, management of investment securities and central cash management.

Fund investment: It mainly comprises all fund investments made by the Bank that are managed by external fund managers.

Unallocated: It mainly comprises the Bank's premises and any items which cannot be reasonably allocated to specific business segments.

For the purpose of segment reporting, the allocation of operating income reflects the benefits of funding resources allocated to the business segments based on internal funds transfer pricing mechanism.

Cost allocation is based on the direct costs incurred by the respective business segments and apportionment of overheads on a reasonable basis to the business segments. Rental charges at market rate for usage of bank premises are reflected as inter-segment income for the "unallocated" segment and inter-segment expenses for the respective business segments.

3. 分部資料 (續)

(b) 按業務劃分 (續)

3. Segmental Information (cont'd)

(b) By business segments (cont'd)

截至六月三十日止六個月
Six months ended 30 June

		二零零六年 2006 正常業務的 稅前溢利/ (虧損) Profit/ (loss) from ordinary activities before taxation 港幣千元 HK\$'000	二零零五年 2005 正常業務的 稅前溢利 Profit from ordinary activities before taxation (重報) (restated) 港幣千元 HK\$'000	二零零六年 2006 經營收入 Operating income 港幣千元 HK\$'000	二零零五年 2005 經營收入 Operating income 港幣千元 HK\$'000
零售銀行業務	Retail banking business	188,099	130,272	474,892	398,379
企業銀行業務	Wholesale banking business	299,791	320,495	393,134	325,031
財資業務	Treasury	47,971	112,715	90,815	154,709
基金投資業務	Fund investment	9,771	34,686	9,771	34,686
未分配業務	Unallocated	(100,199)	175,273	19,724	12,728
		445,433	773,441	988,336	925,533

於二零零五年，來自「未分配業務」的溢利包括所佔聯營公司虧損港幣10,501,000元。

根據《香港會計準則》第1號，二零零五年六月三十日之所佔聯營公司稅項重新分類為所佔聯營公司溢利減虧損。

於二零零五年，財資業務分部成立，而基金投資業務亦就內部匯報而重新分類。業務分部因應本集團的組織及內部匯報架構而重新分類，能提供更佳的分部分析。該等比較數字已重新呈列於此附註以符合重新分類後的業務分部。

Profit for the period ended 30 June 2005 from "Unallocated" included share of losses of associates amounting to HK\$10,501,000.

Share of an associate's taxation for the period ended 30 June 2005 was reclassified to share of profits less losses of associates in compliance with HKAS 1.

In 2005, fund investment segment was established and treasury segment has been reallocated among the business segments for internal reporting. The reclassification of the business segments with reference to the Group's organization and internal reporting structure can provide a better segmental analysis. The comparative figures disclosed in this note have been reclassified accordingly to conform with the new business segments classification.

4. 逾期客戶墊款

4. Overdue Advances to Customers

		二零零六年六月三十日 As at 30 June 2006		二零零五年十二月三十一日 As at 31 December 2005	
		港幣千元 HK\$'000	佔客戶墊款 總額% % on total advances to customers	港幣千元 HK\$'000	佔客戶墊款 總額% % on total advances to customers
逾期客戶墊款總額	The gross amount of advances				
已逾期達：	has been overdue for periods of:				
– 3個月以上至6個月	– 6 months or less but over 3 months	49,141	0.11	40,244	0.09
– 6個月以上至1年	– 1 year or less but over 6 months	285,615	0.62	82,213	0.19
– 1年以上	– over 1 year	635,342	1.38	576,758	1.36
總額	Total	970,098	2.11	699,215	1.64
有抵押逾期墊款	Secured overdue advances	880,167		640,526	
無抵押逾期墊款	Unsecured overdue advances	89,931		58,689	
		970,098		699,215	
持有有抵押逾期墊款抵押品的市值	Market value of collateral held against the secured overdue advances	1,550,516		1,014,444	
個別減值撥備	Individual impairment allowance made	82,125		58,707	

於二零零六年六月三十日及二零零五年十二月三十一日，本集團並無逾期超過三個月的銀行及其他金融機構墊款。

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 30 June 2006 and 31 December 2005.

5. 其他逾期資產

5. Other Overdue Assets

		二零零六年六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
貿易票據總額已逾期達：	The gross amount of trade bills which has been overdue for:		
– 6個月以上至1年	– 1 year or less but over 6 months	–	2,725
– 1年以上	– over 1 year	1,197	–
		1,197	2,725
持有至到期證券已逾期達：	Held-to-maturity securities which have been overdue for:		
– 1年以上	– over 1 year	15,535	15,510

6. 重整貸款

		二零零六年六月三十日 As at 30 June 2006		二零零五年十二月三十一日 As at 31 December 2005	
		佔客戶墊款 總額% % on total advances to customers		佔客戶墊款 總額% % on total advances to customers	
		港幣千元 HK\$'000		港幣千元 HK\$'000	
重整貸款	Rescheduled loans	14,434	0.03	25,077	0.06

重整貸款乃指借款人因為財政困難或無能力如期還款而經雙方同意達成重整還款的墊款，這些經修訂的還款條件對本集團而言並非一般商業條款。客戶重整貸款已扣除其後逾期超過三個月並於附註(4)匯報的逾期客戶墊款。

於二零零六年六月三十日及二零零五年十二月三十一日，本集團並無重整的銀行及其他金融機構墊款。

Rescheduled loans are those advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans to customers are stated net of any advances that have subsequently become overdue for over 3 months and reported as overdue advances in note (4).

There were no advances to banks and other financial institutions which were rescheduled as at 30 June 2006 and 31 December 2005.

7. 取回資產

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
已計入客戶墊款及 其他賬項中	Included in advances to customers and other accounts	182,988	192,128

未經審核財務資料補充 Unaudited Supplementary Financial Information

8. 匯率風險

本集團來自買賣、非買賣及結構性外匯盤的匯率風險的資料披露如下。向金管局申報的期權盤淨額是按照該局的銀行持有「外匯盤申報表」(MA(BS)6)中所載的方式計算。

於結算日的重大外匯風險如下：

		二零零六年六月三十日 As at 30 June 2006			
相等於 港幣千元	Equivalent in HK\$'000	美元 US dollars	人民幣 Renminbi	其他 Others	總額 Total
現貨資產	Spot assets	32,699,918	1,085,337	4,054,457	37,839,712
現貨負債	Spot liabilities	(33,029,463)	(771,347)	(5,656,619)	(39,457,429)
遠期買入	Forward purchases	20,789,836	–	6,184,780	26,974,616
遠期賣出	Forward sales	(20,416,789)	–	(4,586,675)	(25,003,464)
期權盤淨額	Net options position	1,887	–	(1,887)	–
長/(短) 盤淨額	Net long/(short) position	45,389	313,990	(5,944)	353,435

		二零零五年十二月三十一日 As at 31 December 2005			
相等於 港幣千元	Equivalent in HK\$'000	美元 US dollars	人民幣 Renminbi	其他 Others	總額 Total
現貨資產	Spot assets	27,583,413	850,714	5,440,145	33,874,272
現貨負債	Spot liabilities	(29,820,124)	(540,794)	(5,080,855)	(35,441,773)
遠期買入	Forward purchases	16,617,043	104,658	3,758,734	20,480,435
遠期賣出	Forward sales	(13,674,662)	(104,573)	(4,122,558)	(17,901,793)
期權盤淨額	Net options position	(179)	–	179	–
長/(短) 盤淨額	Net long/(short) position	705,491	310,005	(4,355)	1,011,141

期權盤淨額是按照模式使用者方法計算。

8. Currency Risk

The information concerning the foreign currency exposures of the Group arising from trading, non-trading and structural positions is disclosed as follows. The net options position reported is calculated in accordance with the methods set out in the banking return "Foreign Currency Position" (MA(BS)6) submitted to the HKMA.

Significant foreign currency exposures at the balance sheet date are as follows:

The net options position is calculated using the model user approach.

9. 跨境債權

跨境債權資料是資產負債表上呈示考慮了風險轉移按交易另一方所在地計算的交易另一方風險。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。銀行或其他金融機構分行的債權風險則轉至其總部所在國家的賬項中。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

9. Cross-border Claims

Cross-border claims are on-balance sheet exposures of counterparties based on the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross-border claims are shown as follows:

		銀行及其他 金融機構 Banks and other financial institutions 港幣千元 HK\$'000	公營機構 Public sector entities 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
二零零六年六月三十日	At 30 June 2006				
香港以外亞太區	Asia and Pacific excluding Hong Kong	9,387,417	312,438	7,635,760	17,335,615
其中澳洲	of which Australia	2,901,205	411	12,975	2,914,591
其中中國	of which Mainland China	3,322,682	311,242	6,681,479	10,315,403
加勒比海	Caribbean	—	—	4,443,360	4,443,360
其中開曼群島	of which Cayman Islands	—	—	3,827,131	3,827,131
西歐	Western Europe	11,087,671	1,125	4,820,309	15,909,105
其中法國	of which France	1,462,898	—	777,732	2,240,630
其中德國	of which Germany	1,827,070	—	3,989	1,831,059
其中荷蘭	of which Netherlands	872,217	—	766,995	1,639,212
其中瑞士	of which Switzerland	1,349,159	—	523,670	1,872,829
其中英國	of which United Kingdom	2,604,426	332	1,396,648	4,001,406
二零零五年十二月三十一日	At 31 December 2005				
香港以外亞太區	Asia and Pacific excluding Hong Kong	7,553,502	441,975	7,534,359	15,529,836
其中澳洲	of which Australia	3,000,177	763	70,118	3,071,058
其中中國	of which Mainland China	2,425,439	391,052	6,801,933	9,618,424
加勒比海	Caribbean	—	—	4,208,681	4,208,681
其中開曼群島	of which Cayman Islands	—	—	3,575,271	3,575,271
西歐	Western Europe	11,118,604	1,791	4,861,642	15,982,037
其中法國	of which France	1,257,160	—	812,763	2,069,923
其中德國	of which Germany	1,423,132	—	113,916	1,537,048
其中荷蘭	of which Netherlands	1,061,821	—	821,618	1,883,439
其中英國	of which United Kingdom	2,492,175	623	1,224,905	3,717,703

10. 風險管理

透過隸屬董事局的信貸及風險管理委員會的密切監督，本行的風險管理部是處理各種類型風險的主要部門。信貸及風險管理委員會在訂定風險批核內容和權力的同時，亦將個別權責授予不同的風險管理委員會，包括資產及負債管理委員會、信貸委員會和呆壞賬委員會。這些委員會的成員包括行政總裁、風險管理部署理主管、各營業部門主管和其他高級管理人員。本行持續不斷更新和改進其風險管理政策和系統，務使其能及時反映市場、產品、優質管治及監管機構要求的改變。

於二零零五年底，本行成功改進信貸風險評級系統，並落實推行專業風險審評模式。藉著這系統，本行能準確地細分不同信貸風險的水平及在技術上能夠計算客戶不履行其財務責任的可能性。本行同時把信貸風險政策、產品及投資批核、風險監控、信貸資料系統和風險系統的基礎建設等各功能重新整合為政策及組合風險管理部，並由該部負責管理新的風險評級系統。隨著新評級模式的落實，本行已於二零零六年六月滿意地完成對商業客戶重新評定風險等級的工作。

經過好幾年對巴塞爾新資本協定的努力，本行現已就在二零零六年底符合新的標準作好準備，並成立專責工作委員統籌信貸風險、市場風險、營運風險等各部門之合作，落實需要推行的措施及作出系統上的完善工作。此外，本行已採用於二零零五年自行開發的評估模式，根據香港會計師公會頒佈之香港會計準則第32及39號的要求對金融資產虧損減值作全面的評估。

10. Risk Management

The Bank manages various types of risks mainly through the Risk Management Group under the close supervision of the board-level Credit and Risk Management Committee ("CRMC"). The CRMC defines and delegates risk approval authorities to different risk committees including the Asset and Liability Management Committee ("ALCO"), the Credit Committee and the Non-Performing Loan ("NPL") Committee which comprises the Chief Executive Officer, the Acting Risk Management Group Head, business heads and other senior management. The Bank continually modifies and enhances its risk management policies and systems to reflect changes in markets, products, best practice and regulatory requirements.

In end-2005, Risk Management Group successfully revamped its risk grading system and rolled out an expert judgement model that can quantitatively differentiate various levels of credit risk and technically capable of calibrating probability of customer default. Sections of credit risk policy, product and investment risk underwriting, exposure control, management information systems and risk infrastructure were also realigned into a newly formed Policy & Portfolio Risk Management Unit to take ownership of the new risk grading system. Subsequent to the installation of the new grading system, the Bank satisfactorily completed in June 2006 the conversion process in which all corporate customers were regraded via the expert judgement model.

With the preparation done in the past few years for Basel II, the Bank is ready to meet the requirements of the Standardised Approach by the end of 2006. A Basel II working committee has been formed to coordinate credit risk, market risk and operational risk, implement necessary measures and institute system enhancements. Meanwhile, the Bank has assessed impairment losses of financial assets in accordance with the requirements of sections 32 and 39 of the new Hong Kong Accounting Standards via an unique model implemented in 2005.

10. 風險管理 (續)

本行所需管理的風險主要包括以下各類：

(i) 信貸風險管理

信貸風險的管理主要是藉著對客戶或交易對手能不能履行其財務責任作出經常的分析。本行因其放貸、交易及資本市場營運而承受信貸風險。本行對單一客戶的信貸風險定義為所有因對該客戶營運而可能招致的最大金額損失。這些風險不僅由表內業務產生，也包括表外業務，如包括尚待履行的貸款承諾、信用證、財務擔保等。

信貸管理之成效在於是否有效監控信貸政策、風險分類、借貸申請及決策等程序之確切執行。本行對或有負債採用和表內業務相同的信貸政策，皆根據貸款批核程序和設立額度以減低風險和進行監控。本行亦要求借貸人或第三者提供抵押品和擔保，藉以使信貸風險盡量減低。

本行亦制定信貸風險管理操作守則，其目的是確保風險評估過程的獨立性和完整性。本行一般依據借款人的風險特徵、還款來源及抵押品特性，以進行信貸風險評估，同時亦充分考慮當時借款人所面對的事件和市場的發展。本行亦根據資產組合的標準以借款人的風險評級、抵押品、產品、行業及地理分佈來作信貸資產組合上的風險管理，以避免風險的過份集中。

10. Risk Management (cont'd)

The Bank manages the following main types of risks:

(i) Credit risk management

Credit risk is managed by regular analyses of the current and potential risk of loss arising from a customer's or counterparty's inability to meet financial obligations. The Bank is exposed to credit risk through its lending, trading and capital markets activities. The Bank defines the credit exposure to a customer as the amount of maximum potential loss arising from all these activities. These exposures include both on- and off-balance sheet transactions, including unfunded lending commitments such as loan commitments, letters of credit and financial guarantees.

Credit risk management is effected by monitoring implementation of adopted credit policies that determine the borrower's creditworthiness, credit risks classification, loan application procedure and procedures for making lending decisions. The Bank applies the same credit policy in respect of contingent liabilities as in respect of financial instruments recorded on the balance sheet, based on loan approval procedures, use of limits to reduce risk and monitoring. Credit risk is also minimized by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

The Bank's credit risk management practices are designed to preserve the independence and integrity of the risk assessment process. The Bank assesses credit risk based upon the risk profile of the borrower, the source of repayment and the nature of the underlying collateral after giving consideration to current events and market developments. Credit risk is also managed at portfolio levels in terms of obligor's credit rating, collateral, product, industry and geography to manage concentration risk.

10. 風險管理 (續)

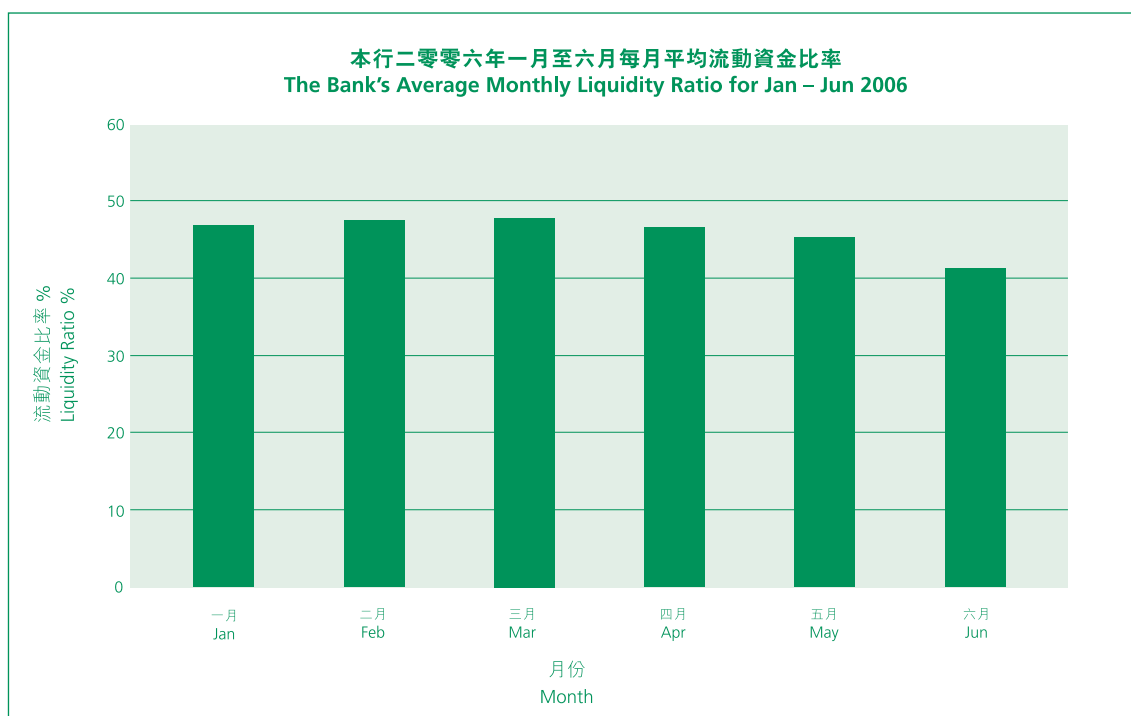
(ii) 流動資金風險管理

本行時常維持高流動資金比率，為求可以滿足所有客戶不能預計的現金需求。在二零零六年，本行的平均流動資金比率為45.72%（於二零零五年為51.07%）。除符合所有監管要求和遵行法定之流動資金比率以外，本行亦會定期作壓力測試。為此，本行採取了主動性的流動資金管理，經常性地發行遠期存款證，及為其流動投資組合安排了證券回購協議，用以增加流動資金。於二零零六年六月三十日本行已發行之存款證共港幣六十二億六千萬元，佔總存款額9.37%。

10. Risk Management (cont'd)

(ii) Liquidity risk management

The Bank always maintains a high liquidity ratio in order to meet unexpected increases in customer demand on cash. In 2006, the Bank's average liquidity ratio was 45.72% (2005: 51.07%). Apart from compliance to statutory ratio requirement, stress tests are performed regularly. The Bank invests its surplus funds in a portfolio of high-grade securities, which can generate liquidity if necessary either through re-purchase arrangements or out-right selling in the secondary market. The Bank is also active in wholesale funding by issuing long-term certificates of deposit so as to secure a stable source of funding. The total amount of certificates of deposit issued by the Bank was HK\$6.26 billion, constituting 9.37% of its total deposits as at 30 June 2006.



10. 風險管理 (續)

(iii) 市場風險管理

市場風險是指因外匯、利率、證券及商品之市場價格的變動而引起的損失風險。本行之市場風險主要源自短期交易盤及長期策略業務。

本行之風險管理委員會、資產及負債管理委員會及獲其授權之委員會，建立了一套風險限額架構，以管理其市場風險。該架構由三個等級的限額組成，分別為政策、商務及交易等級限額。各級架構對一系列的風險量度指標設定限額，如溢利/虧損限額、交易盤限額及敏感度限額。限額被超越時，將發出提示訊息或觸發各管理層作出適當行動。

本行財資部是承接市場風險的中心點，並在預設的架構、產品及特定的風險限額內管理市場風險。

風險管理部門轄下之市場風險管理部，負責每日監察及報告市場風險事宜，確保本行所承受之市場風險均在預設限額之內。

本行以風險價值量度其持倉交易盤的整體市場風險。風險價值是一種按特定置信水平而估計投資組合於某一時期內的損失。本行採用99%置信水平下的一天風險價值，並以歷史模擬的方法計算風險價值。該模擬過程反映不同市場價格之間的歷史關係。本行於二零零五及二零零六的上半年持倉交易盤的平均風險價值分別為港幣1,453,205元及3,294,516元。

10. Risk Management (cont'd)

(iii) Market risk management

Market risk is the risk of loss arising from the movements in market variables such as foreign exchange rates, interest rates, equity and commodity prices. The Bank mainly derives its market risk exposure from short-term trading positions and long-term strategic businesses.

The Bank manages its market risk within a hierarchy of limits approved by the Bank's Credit and Risk Management Committee ("CRMC"), Asset and Liability Management Committee ("ALCO") and its delegated sub-committees. The hierarchy is composed of limits at three levels: policy, business and transaction. Each level in the hierarchy consists of limits on a series of risk measurements, including profit and loss limits, position limits and sensitivity limits. Limit excesses will set off alert signals or trigger adequate actions at different management levels.

The Bank's Treasury is the central point to take and manage market risk exposure within the prescribed limit hierarchy.

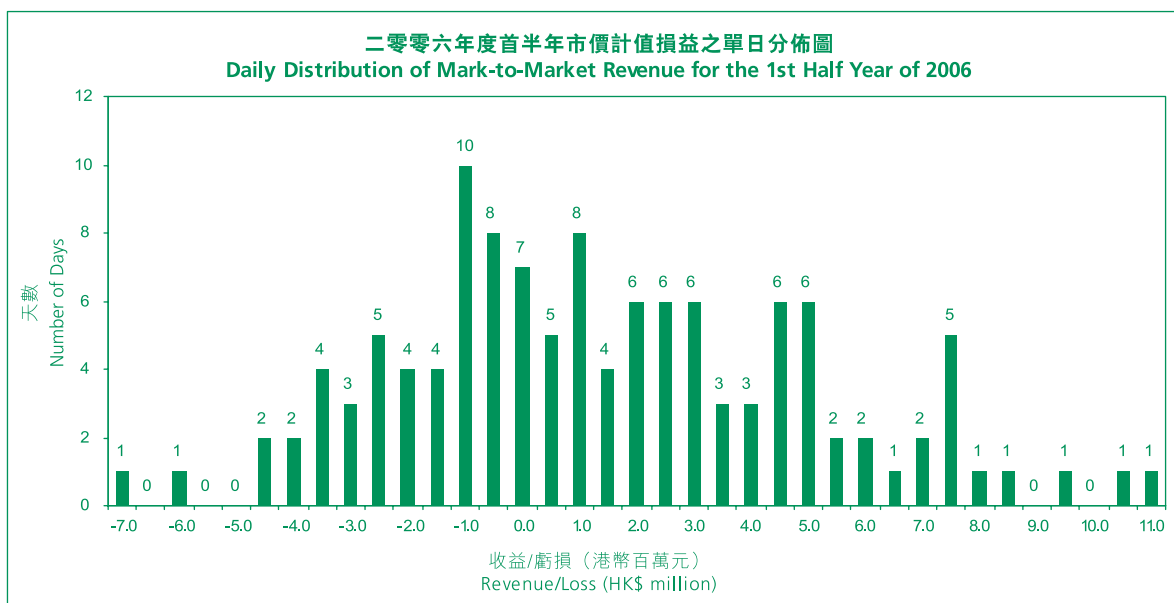
Operating as a unit under the Risk Management Group, Market Risk Management is responsible for the daily monitoring and reporting functions of market risk exposure to ensure that the Bank's market risk exposure is within the prescribed limits.

The Bank measures the overall market risk of its trading portfolio in terms of VaR. VaR is a statistical tool to estimate the potential loss of an investment portfolio over a selected time horizon and given a confidence level. The Bank adopts a 99% 1-day VaR and implements historical simulation to compute the VaR figure. The simulating process reflects the historical relationships among different market variables. The Bank's average VaRs for the trading portfolio were HK\$1,453,205 and HK\$3,294,516 during the first half-year of 2005 and 2006, respectively.

10. 風險管理 (續)

(iii) 市場風險管理 (續)

截至二零零六年六月三十日止的半年度，本行持倉交易盤及基金投資之單日平均收入為港幣1,177,136元。下圖顯示本行按市價計值的單日損益分佈圖。



從上圖可見，最大單日收益為港幣10,705,809元及最大單日虧損為港幣7,134,278元。以121天之買賣操作天為期，共有70天錄得收益，51天錄得虧損。在分佈圖中之最常見單日市價計值的損益區間為港幣負1,500,000元至港幣負1,000,000元之間，共出現10天。

10. Risk Management (cont'd)

(iii) Market risk management (cont'd)

For the half-year ended 30 June 2006, the average daily mark-to-market revenue from the Bank's trading portfolio and fund investment was HK\$1,177,136. The graph below shows the histogram of the Bank's daily mark-to-market revenues.

From the graph above, the maximum daily mark-to-market revenue was HK\$10,705,809 and the maximum daily mark-to-market loss was HK\$7,134,278. Out of the 121 trading days for the period, there were 70 days with mark-to-market gains and 51 days with mark-to-market losses. The most frequent range of daily mark-to-market revenue was between -HK\$1,500,000 and -HK\$1,000,000, with the highest occurrence of 10 days.

(iv) 資本充足管理

本行的政策是維持一個雄厚的資本基礎以支持本行的業務發展，並符合法定的資本充足比率。如上述附註(1)所披露，本行於二零零六年六月三十日未經調整及經調整資本充足比率分別為15.22%及14.57%，遠高於法定最低比率。

本行的資金是根據各營業部門所承擔的風險分配予各個不同的業務。根據金管局的規定，若干財務附屬公司須受金管局資本要求規限方面的監管。

(iv) Capital adequacy management

The Bank has structured and maintained a strong capital base to support the development of the Bank's businesses and to meet statutory capital adequacy ratios. As disclosed in note (1) above, the Bank's unadjusted capital adequacy ratio and adjusted capital adequacy ratio were 15.22% and 14.57% respectively as at 30 June 2006, well above the statutory minimum ratios.

The Bank allocates its capital to various banking activities depending on the risk taken by each business division. Certain financial subsidiaries, as specified by the HKMA, are subject to the HKMA's capital requirements for its regulatory supervision purposes.

10. 風險管理 (續)

(v) 外匯風險管理

本行的外匯風險源自外匯買賣、商業交易、外匯證券投資、海外分行及附屬公司的營運。所有外匯買賣盤持倉限額均由資產及負債委員會核准。截至二零零六年六月三十日止半年度，外匯買賣的平均單日損益為虧損港幣8,439元。

(vi) 利率風險管理

本行之資產及負債管理委員會監控所有源於資產及負債利率分佈的利率風險。此利率風險包括期限差距、息率基點風險、收入率曲線風險、重訂息率風險和內嵌期權風險。資產及負債管理委員會根據息率/期限差距報告、息率敏感度分析和各種壓力測試等方法覆核本行的利率風險。為緩和利率風險，本行使用了利率衍生工具如利率掉期等，對沖可供出售證券(AFS)和非交易負債(NTL)。本行更進一步採納會計對沖原則，讓AFS/NTL證券和對沖之衍生工具的市場價值變化能互相抵銷。本行有關利率之持倉交易盤收入把每日累積利息計算在內。截至二零零六年六月三十日止的半年度，本行涉及利率風險的買賣之平均單日損益為收益港幣72,510元。

(vii) 其他買賣盤及投資活動

本行把部份剩餘流動資金投資基金以提升回報。截至二零零六年六月三十日止半年度，基金之平均單日收入為港幣1,113,064元。

10. Risk Management (cont'd)

(v) Foreign currency risk management

The Bank's foreign exchange risk stems from taking foreign exchange positions, commercial dealings, investments in foreign currency securities and operations of overseas branches and subsidiary. All foreign exchange positions are subject to exposure limits approved by ALCO. The Bank's average daily foreign exchange trading profit and loss for the half-year ended 30 June 2006 was a loss of HK\$8,439.

(vi) Interest rate risk management

The Bank's ALCO oversees all interest rate risks arising from the interest rate profile of the Bank's assets and liabilities. These interest rate risks are comprised of maturity gaps, basis risks among different interest rate benchmarks, yield curve movements, interest rate re-pricing risk and embedded options, if any. ALCO supervises the interest rate risks of the banking book through gap mismatch reports, sensitivity analyses and various stress testings. To mitigate interest rate risks, the Bank has used interest rate derivatives, mainly interest rate swaps, to hedge both assets and liabilities such as available-for-sale securities (AFS) and non-trading liabilities (NTL). The Bank has adopted hedge accounting principles, under which the fair value changes between the AFS/NTL securities and the corresponding hedging derivative instruments are offset with each other. The Bank's trading profit and loss in interest rate risk includes accrued interests. The Bank's average daily profit and loss on interest rate risk for the half-year ended 30 June 2006 was a gain of HK\$72,510.

(vii) Other trading and investment activities

For the half-year ended 30 June 2006, the Bank has invested part of its excess liquidity in external funds to enhance its return. During the period, the average daily mark-to-market revenue from these funds was HK\$1,113,064.

10. 風險管理 (續)

(viii) 業務操作風險管理

本行透過營運及監控委員會處理其業務操作風險。營運及監控委員會的成員包括作為委員會主席的業務操作總監及各營業部門和支援部門的高級職員。營運及監控委員會的其中一個要務是週期性地覆核、更新和需要時測試本行的業務操作政策、業務操作程序和針對突發事件的應變計劃。

本行的業務操作風險是因內部程序的不完善或失效、科技、系統、人員或外在因素所導致的損失。對銀行而言，業務操作風險並不陌生。近年的重大業務操作風險事件均突顯了須採取更寬闊和更全面的觀點，以更有效處理業務操作風險的需要。科技與業務操作問題固然非常重要，但其他可導致營運損失的地方需要管理得宜。

現時，本行透過不同的方法管理其業務操作風險，當中包括：

- 每年覆核及更新業務操作科技政策和程序手冊，以確保所有的程序皆經過充份的考慮和定義。
- 訂定人力資源政策和實踐，為員工正確的營運工作行為作出定義和鼓勵，並確保員工擁有所需的資歷和培訓。
- 評估新產品和服務，以確保在推出前，該新產品或服務能充份得到相關員工、程序及科技上的支援。
- 每年設定和測試突發事件的應變計劃。測試事項包括如因失火所導致的資料庫故障、業務操作地點倒塌及由市場傳聞或其他原因而引致的突然擠提等。

10. Risk Management (cont'd)

(viii) Operational risk management

The Bank manages its operational risk through the Operations and Control Committee ("OCC") that comprises the Chief Operating Officer as the chairman and other senior staff from various business lines and support functions. One of its key responsibilities is to periodically review, update, and test as necessary the operational policies, procedures and contingency plans of the Bank.

Operational risk is the risk of losses which the Bank may incur as a result of inadequate or failed processes, technology, infrastructure, personnel or from external events. Operational risk is not new to banks. Significant operational risk events in recent years have highlighted the need to manage operational risk more effectively by taking a broader and more comprehensive view. Technology and operational issues remain critically important, but other areas, which could lead to operational losses, must be managed as well.

The Bank currently manages its operational risk through a number of ways:

- Operations and technology policies and manuals are developed and reviewed annually to ensure processes are adequately considered and defined.
- Human resources policies and practices are established to define and encourage proper staff behaviour, and to ensure that staff are qualified and trained for their roles.
- New products and services are evaluated to ensure that staff, processes, and technology can adequately support prior to launching.
- Disaster recovery and business continuity plans are set up and tested annually for major events such as major failure of data centre caused by fire or other events; loss of operating site and sudden and massive customer withdrawal due to market rumors or other reasons.

10. 風險管理 (續)

(ix) 法律風險管理

本行緊貼所有適用於其管治及營運的最新法律和監管規條，不斷致力培育員工，以及提升系統和程序，以建立警覺意識、監督和推行必要的變動。我們並經常就政策和程序進行檢討。繼續為員工就本行政策、程序及適用的相關法例及規則方面進行持續的培訓是本行法律風險管理不可缺少的部份。

本行的法律及合規部為各部門提供法律與合規的意見及支援，一直是商務發展的重要夥伴。在二零零六年上半年，法律及合規部積極參與各項新產品及業務的開展工作、重要的策略性交易及商業合約、外判安排，以及為本行處理其遍及不同地域及範疇商業活動的日常事務。在二零零六年，我們將繼續支持法律及合規部，發揮其在本行肩負重要任務的功能。

(x) 策略及聲譽風險管理

為求與不斷變化的營運及監管環境同步並進，本行董事會認為當前要務是確保我們能妥善制定及執行業務和營運策略，並以專業手法及按合適時機進行。我們致力保護本行的聲譽和充份善用品牌資產，管理委員會定期開會，監察和管理本行的策略及聲譽風險，並負責執行董事會通過的政策，以識別及評估上述風險，以及改善監控。

10. Risk Management (cont'd)

(ix) Legal risk management

The Bank remains abreast of all legal and regulatory requirements applicable to its governance and operations, and continuously seeks to develop its people, to enhance its systems and processes to create awareness, monitoring and to implement necessary changes. Policies and procedures remain under constant review. Continuous training of our people in the areas of the Bank's policies and procedures as well as applicable laws, rules and regulations remained essential to the management of the Bank's legal risks.

Our Legal and Compliance Department ("LCD") has been a key partner in the business, providing legal and compliance advice and support to all parts of the Bank. In the first half year of 2006, LCD was actively involved in launching new products and new business, strategically important transactions and commercial agreements, outsourcing arrangement as well as day-to-day matters arising from the business that is diverse both geographically and in scope. In 2006, we will continue to support LCD as a critical mission-important function of the Bank.

(x) Strategic and reputational risk management

In order to keep pace with the ever-evolving operating and regulatory environment of the Bank, senior management places a high priority on ensuring that our business and operational strategies are appropriately defined and executed in a professional and time-relevant manner. Great care is taken to protect our reputation and maximize our brand equity. The Management Committee of the Bank meets regularly to monitor and manage the Bank's strategic and reputational risks, and is responsible for enforcing high-level policies approved by the Board to identify and assess such risks, as well as to improve controls.

獨立審閱報告

Independent Review Report



致中信嘉華銀行有限公司董事會

引言

本核數師（以下簡稱「我們」）已根據貴集團要求審閱刊載於第3頁至第38頁的中期財務報告。

董事及核數師各自的責任

中期財務報告由董事負責，並由董事核准通過。

我們的責任是根據我們審閱工作的結果，對中期財務報告提出獨立結論，並按照我們雙方所協定的應聘條款，僅向整體董事會報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

審閱工作

我們是按照香港會計師公會所頒佈的《核數準則》第700號——「中期財務報告的審閱」進行審閱。審閱工作主要包括向集團管理層作出查詢及分析中期財務報告、評估財務報告中會計政策是否貫徹運用及賬項編列是否一致，惟賬項中另有說明的特別情況則除外。審閱工作並不包括控制測試及資產、負債和交易驗證等審核程序。由於審閱的範圍遠較審核小，所給予的保證程度也較審核低，因此，我們不會對中期財務報告發表審核意見。

結論

根據這項不構成審核的審閱工作，我們並沒有察覺截至二零零六年六月三十日止六個月的中期財務報告需要作出任何重大的修訂。

畢馬威會計師事務所

執業會計師

香港，二零零六年八月十七日

To the board of directors of CITIC Ka Wah Bank Limited

Introduction

We have been instructed by the Group to review the interim financial report set out on pages 3 to 38.

Respective Responsibilities of Directors and Auditors

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 Statement of Auditing Standards 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 group 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.

KPMG

Certified Public Accountants

Hong Kong, 17 August 2006

行政總裁報告

Report of Chief Executive Officer

1.0 經營情況

去年中信嘉華銀行有限公司(「本行」)致力創造增長條件，積極鞏固及擴大具核心競爭優勢的服務領域，為核心業務表現及盈利注入新的增長動力。有關舉措在今年開始已見成效，各主要業務部門於二零零六年上半年均創下佳績。

2.0 業績

2.1 盈利

本行於期內佔中信國際金融控股有限公司(「中信國際金融」)純利約74.1%，故業績表現與中信國際金融整體相若。截至二零零六年六月底止上半年度，本行利息收入顯著按年上升53.1%，但期內資金成本因市場利率大幅攀升而倍增，令淨利息收入下跌13.7%。不過，由於非利息收入持續強勁增長，上半年錄得高達39.8%的按年升幅，抵銷淨利息收入下跌及經營支出上升的影響，帶動未計減值撥備前經營溢利較去年同期上升7.1%至四億八千萬港元。減值虧損方面，二零零六年上半年錄得一千三百萬港元淨撥備，相對去年同期錄得的九千九百萬港元淨回撥，引致經營溢利按年比較下降11.2%至四億八千六百萬港元。在財務會計準則下，本行二零零六年上半年股東應佔溢利較去年同期下跌46.7%至三億六千四百萬港元，除了基於上述原因及去年業績包括出售嘉華銀行中心的二億二千七百萬港元一次性收益外，本年度業績亦受到出售銀行物業錄得的

1.0 Operating Environment

CITIC Ka Wah Bank Limited (the "Bank") focused on strengthening its fundamentals and building competencies last year in order to enhance its competitive advantages and to drive future business expansion. The results of such efforts were evident in the strong performances delivered by all its major business departments in the first half of 2006.

2.0 Business Performance

2.1 Earnings

The Bank accounted for 74.1% of CITIC International Financial Holdings Limited's ("CIFH") net profit, as such its overall results performance was similar to that of CIFH. For the first half of 2006, the Bank's interest income grew by a significant 53.1% year-on-year, but soaring funding costs saw its net interest income reduced by 13.7%. Nevertheless, a strong 39.8% non-interest income growth helped to offset the decline in net interest income and the rise in operating expenses. As a result, it reported a 7.1% rise over the same period last year in operating profit before impairment allowances to HK\$480 million. A net provision of HK\$13 million in impairment losses was recorded in the first half of 2006 as compared to a net release of HK\$99 million in the corresponding period last year. As a result, operating profit dropped 11.2% over the same period last year to HK\$486 million. The Bank's profit attributable to shareholders for the first half of 2006 dropped 46.7% to HK\$364 million on a financial accounting basis as compared to the same period last year; apart from reasons cited above and the fact that the previous year's results included a one-off gain of HK\$227 million from the sale of Ka Wah Bank Centre, the current year's results also carried a net book loss of HK\$47 million from the sale of bank premises.

四千七百萬港元賬面淨虧損所影響。但須要注意的是，該物業交易本身並無造成實質損失，相反地，透過在二零零二年成立的物業估值儲備中回撥，它為中信國際金融綜合賬目帶來四千五百萬港元出售資產淨收益。若全面考慮並計及期內出售銀行物業的影響後，本行對中信國際金融的股東應佔溢利貢獻為四億七千一百萬港元。

2.2 淨利息收入

在本行提升核心業務實力的努力下，企業及零售貸款方面均有理想表現，加上最優惠利率與同業拆息之間息差擴闊，刺激利息收入增加53.1%。惟受到資金成本因市場利率大幅攀升而倍增所影響，二零零六年上半年本行淨利息收入按年減少13.7%至四億九千二百萬港元。經調整基金投資的資金成本後，上半年的淨息差為1.76%，而按相同基準計算的二零零五年中期數字為1.81%。

It should be noted, however, that the property transaction itself did not create a real loss, and it was instead carried as a net disposal gain of HK\$45 million in CIFH's consolidated accounts due to the release of a property valuation reserve created in 2002. If the gains from the sale of bank premises had been fully taken into account, the Bank's contribution to CIFH's profit attributable to shareholders would have been HK\$471 million.

2.2 Net Interest Income

The Bank's efforts to strengthen its core business fundamentals have resulted in strong performances in both its wholesale and retail loan portfolios. This, coupled with the widening of the Prime Lending Rate ("Prime") and the Hong Kong Interbank Offer Rate ("HIBOR") spread, helped push interest income up by 53.1% during the period. However, the sharp rise in market interest rates doubled its funding costs, resulting in a 13.7% year-on-year contraction in its net interest income to HK\$492 million in the first half of 2006. After adjusting for the funding cost on its fund investments, the Bank's net interest margin stood at 1.76% for the first half of 2006 as compared to 1.81% restated on the same basis for the first half of 2005.

2.3 非利息收入

二零零六年上半年本行各項核心業務均錄得理想表現，令非利息收入持續表現卓越，較去年同期大幅上升39.8%至四億九千六百萬港元。其中基金投資總收益上升48.4%，企業貸款費用收入增加42.7%，零售銀行費用及佣金收入上升31.3%，而外匯買賣收益上升110.5%。非利息收入佔經營收入的比例，由去年中的38.4%大幅提升至50.2%，本行於可見將來會繼續致力保持這個比率在40%以上水平。

2.4 經營支出

二零零六年上半年本行經營支出按年上升6.5%，除了僱員成本因素外，亦包括本行在重整寫字樓計劃中，把零售銀行及後勤營運部門遷往鰂魚涌常盛大廈所涉及的一次過支出所致。成本對收入比率由二零零五年中的51.6%輕微下跌至51.5%，並較二零零五年底的55.2%有所改善。本行已實施嚴格的成本控制措施，力求令這比率在今年底進一步回落。

2.3 Non-Interest Income

For the first half of 2006, strong performances by the Bank's core businesses contributed to a significant 39.8% growth in its non-interest income to HK\$496 million compared to the same period last year. The growth was mainly derived from a 48.4% increase in gross income from fund investments, a 42.7% increase in corporate loans related fees, a 31.3% increase in retail banking fee and commission income as well as a 110.5% increase in foreign exchange trading gains. The share of non-interest income in its operating profit rose significantly to 50.2% for the first half of 2006 from 38.4% for the corresponding period last year. The Bank will strive to maintain this ratio above 40% for the foreseeable future.

2.4 Operating Expenses

The Bank's operating expenses for the first half of 2006 rose by 6.5% year-on-year, primarily due to the rise in staff-related costs as well as one-time relocation expenses related to the consolidation of its retail and back-office operations in Somerset House in Quarry Bay under its office premise rationalisation plan. Its cost to income ratio fell slightly to 51.5% from 51.6% for the first half of 2005, but was better compared to 55.2% recorded at 2005 year-end. With prudent cost control measures in place, the Bank will strive to further reduce this ratio by the end of 2006.

2.5 減值撥備

本行一向審慎借貸，不斷致力提升風險管理及資產素質。隨著二零零六年上半年信貸週期逐步正常化，錄得貸款減值撥備一千三百萬港元，其中個別評估貸款錄得四千九百萬港元淨撥備，而綜合評估貸款淨回撥則為三千六百萬港元。計及其他資產的減值撥備後，本行仍錄得一千三百萬港元減值淨撥備，去年同期為九千九百萬港元淨回撥。

3.0 資產素質

3.1 資產、貸款及存款規模

隨著核心業務不斷增長，本行的資產規模亦顯著擴大。於二零零六年六月底，總資產為八百六十三億港元，較二零零五年底增加5.5%；總貸款較二零零五年底上升8.1%至四百六十四億港元，主要貸款金額的增長來自用於香港以外貸款、金融業貸款以及貿易融資；總存款則為六百六十八億港元，較二零零五年底上升7.3%。

3.2 資產素質指標

本行期內資產素質指標持續表現良好。於二零零六年六月底，覆蓋率由去年底的87.8%擴大至97.4%。此外，二零零六年六月的按揭貸款拖欠比率由去年底的0.14%進一步降低至0.13%；信用咭撇賬率亦由二零零五年底的1.36%持續下跌至1.33%。

2.5 Impairment Allowances

The Bank lent conservatively and strived to continually improve its risk management and asset quality. With the credit cycle normalising in the first half of 2006, the Bank recorded a HK\$49 million charge for individually assessed loans and a HK\$36 million release for collectively assessed loans, resulting in a HK\$13 million net charge in loan impairment allowances in the first half of 2006. Including impairment on other assets, the Bank still registered a HK\$13 million net charge in impairment allowances, compared to a net release of HK\$99 million in the corresponding period last year.

3.0 Asset Quality

3.1 Asset, Loan, and Deposit Sizes

In tandem with the continuous growth in the Bank's core businesses, its asset size has also expanded significantly. As at 30 June 2006, the Bank's total assets were HK\$86.3 billion, representing a 5.5% increase from 2005 year-end. Total loans rose 8.1% from 2005 year-end to HK\$46.4 billion, driven mainly by a rise in loans for use outside Hong Kong as well as financial sector related loans and trade finance. Total deposits grew by 7.3% from 2005 year-end to HK\$66.8 billion.

3.2 Asset Quality Indicators

The Bank reported improvements in its asset quality indicators during the period. Its coverage expanded from 87.8% as at 2005 year-end to 97.4% as at 30 June 2006. Its mortgage delinquency ratio in June 2006 fell further from 0.14% as at 2005 year-end to 0.13%. Its credit card charge-off ratio also fell further from 1.36% as at 2005 year-end to 1.33%.

3.3 財務狀況

於二零零六年六月底，本行的未經調整資本充足比率為15.2%，平均流動資金比率為45.7%，貸存比率為69.5%，貸款對資產總值比率為53.8%。

3.3 Financial Position

As at 30 June 2006, the Bank's unadjusted capital adequacy ratio was 15.2%. Its average liquidity ratio was 45.7%. Its loans to deposits ratio was 69.5% and its loans to total assets ratio was 53.8%.

主要財務指標

Key Financial Indicators

		二零零六年 六月三十日 30 June 2006	二零零五年 十二月三十一日 31 December 2005
未經調整資本充足比率	Unadjusted capital adequacy	15.2%	16.4%
平均流動資金比率	Average liquidity	45.7%	51.1%
貸存比率	Loans to deposits	69.5%	69.0%
貸款對資產總值比率	Loans to total assets	53.8%	52.5%
減值貸款比率	Impaired loans	1.88%	1.89%
覆蓋率*	Coverage*	97.4%	87.8%
貸款虧損覆蓋率	Loan loss coverage	41.9%	50.9%
綜合減值撥備覆蓋率	Collective assessment coverage	0.54%	0.69%
內地放款佔總貸款比率	Mainland loans to total customer advances	14.5%	15.1%

*計法為將個別評估減值撥備及減值貸款押品之和除以減值貸款總額

*Calculated by dividing the sum of individually assessed impairment allowances and collateral of impaired loans by the gross impaired loans

4.0 業務發展

4.1 零售銀行部

二零零六年上半年，本行之零售銀行部業務發展勢頭強勁，淨利息收入因最優惠利率與香港銀行同業拆息之息差擴闊而改善，非利息收入則受到其持續推行新產品及服務推廣計劃之支持而繼續增長。

零售銀行部今年上半年的主要策略性焦點是發展旗下嶄新的CITIC*first*尊貴財富管理服務。本行繼去年十月向現有客戶優先推介CITIC*first*後，於本年三月正式把該項服務作全面市場推廣，而截至六月底已共吸納逾四千九百位客戶，客戶平均管理資產超過三百五十萬港元。CITIC*first*的推出亦帶動財富管理業務收入，其中基金銷售在今年上半年的收入按年增加18.4%，證券收入按年上升61.8%，而股票及外幣掛鈎投資產品的收入更按年增長79.6%。本行的目標是三年內將中高端市場份額由2%增至5%。

至於按揭業務方面，本行雖然未有跟隨同業的減息幅度，但透過推出多項新按揭產品，加上附屬機構香港華人財務有限公司多承造舊區樓宇按揭，故仍能在激烈的競爭環境下，將新取用住宅按揭的市場份額由2.6%提升至3.6%。

4.0 Business Development

4.1 Retail Banking Group

The Bank's Retail Banking Group ("RBG") reported strong business momentum in the first half of 2006, with a healthy improvement in net interest income underpinned by the widened Prime-HIBOR spread, and non-interest income growth supported by its continuous programme of new products and services campaigns.

Its key strategic focus during the period was to develop its new mass affluent wealth management service, CITIC*first*. Following its soft launch to existing clients in October 2005, the full marketing launch of CITIC*first* was rolled out in March 2006, and by the end of June, CITIC*first* had attracted over 4,900 customers with average assets under management exceeding HK\$3.5 million. The launch of CITIC*first* also boosted the Bank's wealth management income in the first half of 2006, with a 18.4% year-on-year growth in its unit trust income, a 61.8% year-on-year increase in its securities income and a 79.6% year-on-year rise in its equity-linked and foreign currency-linked investment products income. The Bank targets to increase its penetration of the affluent market from 2% to 5% within three years.

In mortgage lending, although the Bank did not match the rate-cutting competition by its peers, its market share of newly drawn residential mortgages grew from 2.6% to 3.6%. This was achieved through the offer of several new mortgage solutions, and was further helped by increased mortgage lending activities in older districts through the Bank's subsidiary, HKCB Finance Limited.

本行以中小企為目標客戶的商務銀行業務亦錄得理想增長，總貸款按年上升35.8%，其中貿易融資貸款更按年增加69.9%。

4.2 企業銀行部

企業銀行部在二零零五年進行了重要的策略性重新定位，將業務重點由借貸拓展至提供增值財務方案，務求深化與客戶之關係，並以此開拓費用收入來源。有關改革於二零零六年上半年成功取得令人鼓舞的成績。

擴充後的銀團貸款部，在今年上半年完成了十三宗銀團貸款籌組，其中八宗擔任牽頭安排行，為客戶籌組金額中共承銷達四十三億港元。商業銀行部三月推出 CITIC Partner 特選客戶會員計劃，亦推動貿易融資業務上半年大幅增長35.7%。去年四月正式成立的中信保險服務有限公司，其保險中介人身份由保險代理轉為保險經紀後，在僅僅一年以來總保費按年增長達15.9%，保險佣金收入按年增幅更達60.6%。

The Bank also experienced good growth momentum in the business segment targeting small- and medium-sized enterprises, registering total loans growth of 35.8% year-on-year, of which trade finance loans increased by 69.9% year-on-year.

4.2 Wholesale Banking Group

The Bank's Wholesale Banking Group ("WBG") took a strategic decision in 2005 to reposition itself from a pure lender to a solutions bank. Its aim is to deepen client relationships by offering value-added solutions, and thereby to broaden its fee income generation capability. This strategy has already yielded encouraging results in the first half of 2006.

Its expanded Syndication Department completed 13 syndicated loans in the first half of 2006, of which it acted as lead arranger for eight of the transactions. Total underwritten amount from these syndicated deals totalled HK\$4.3 billion. In March 2006, its Commercial Banking Department launched CITIC Partner, a membership programme for selected corporate clients that contributed to a significant 35.7% growth in trade finance for the first half of 2006. The establishment of CITIC Insurance Brokers Limited in April 2005 enabled the Bank to change its insurance intermediary role from that of an insurance agency to an insurance broker, and it recorded a 15.9% year-on-year increase in total premiums while insurance commission grew by 60.6% year-on-year in just one year's time.

4.3 財資部

財資部繼續透過本行的企業及零售銀行網絡拓闊其結構性產品的分銷渠道，今年上半年推出的結構性產品共十六個，共吸納九億二千八百萬港元資金。

同時，財資部繼續銳意發展其基金投資組合，規模由去年底的五十四億港元擴大至本年六月底的五十九億港元，而其總收益亦由二零零五年上半年的九千五百萬港元按年增長48.4%至一億四千一百萬港元。儘管投資市場於二零零六年上半年波動不定，但透過審慎分配資產及嚴格監控表現，有關投資組合仍能帶來穩健之正面回報。由本年初至六月底，其年度化回報率為5.0%，相對去年同期為5.2%；而組合自二零零四年四月成立至今之年度化回報率為5.6%。

基金投資已錄得兩年的穩健業績，現時正積極研究發展成本行的核心業務，把有關的資金管理能力推廣至大中華地區的企業及金融機構客戶。適值合資格境內機構投資者（「QDII」）的推出，本行亦會密切發掘在這方面與中信銀行的合作機會。

4.3 Treasury and Markets Group

The Bank's Treasury and Markets Group ("TMG") continued to increase its structured product distribution through the Bank's own wholesale and retail banking channels, with a total of 16 products launched in the first half of 2006 which attracted total funds of HK\$928 million.

Meanwhile, TMG continued to focus on developing its fund investments portfolio. The scale of the portfolio increased from HK\$5.4 billion at 2005 year-end to HK\$5.9 billion at the end of June 2006; gross revenue generated increased year-on-year by 48.4% to HK\$141 million from HK\$95 million in the first half of 2005. As a result of rigorous asset allocation and vigilant performance monitoring, the portfolio was able to weather market volatilities in the first half of 2006 and delivered stable and positive returns for the period. As at the end of June 2006, its year-to-date annualised return was 5.0% compared to 5.2% for the same period last year, and its annualised return since inception in April 2004 was at 5.6%.

With a two-year solid performance track record, TMG is preparing to establish fund investments as the Bank's core business, and to extend this expertise to corporate and financial institutional clients in the Greater China region. Capitalising on the launch of China's Qualified Domestic Institutional Investors ("QDII") programme, the Bank is also looking closely into collaborative opportunities with China CITIC Bank ("CNCB") in this area.

財資部未來另一焦點策略，乃藉著現時持有至到期定息投資組合陸續期滿後，將部分自由資金用作支持貸款增長，或積極在貨幣市場上進行有關配對差距的活動，以有效地管理資產負債及流動資金。

4.4 中國業務

本行中國業務繼續取得良好進展。中國國際財務有限公司(深圳)(「中國國際財務」)在二零零六年上半年對本行的盈利貢獻比例較去年同期大幅增加逾三倍。去年中國國際財務已獲中國銀監會批准經營人民幣業務，可以在指定範圍內向企業客戶及非內地居民提供人民幣服務，於二零零六年底中國銀行業全面開放後，中國國際財務及本行更可透過此牌照發展內地居民人民幣銀行業務。

上海分行於二零零六年四月獲發衍生工具牌照，已於二零零六年八月初成功推出首項衍生產品，並計劃在年內繼續推出一系列衍生產品。有關牌照除了可有效服務現有客戶外，亦將有助本行加強與中信銀行於財資服務方面之合作，並抓緊新機會推行可配合QDII的產品及服務。上海分行亦計劃於二零零六年底申請人民幣牌照。

Another strategic focus for TMG going forward is to actively manage down its existing held-to-maturity fixed income investment portfolio by redeploying free funds from maturing securities for various uses, including to support the Bank's loan growth and to manage the Bank's liquidity through active money market gapping activities.

4.4 China Banking

The Bank's China Banking business continued to deliver improving performances. The share of profit contribution by China International Finance Company Limited (Shenzhen) ("CIFC") to the Bank in the first half of 2006 significantly increased by more than three times as compared to the corresponding period in 2005. Last year, CIFC received approval from the China Banking Regulatory Commission to offer Renminbi services to corporate customers and non Mainland citizens. Leveraging on this Renminbi licence, the Bank and CIFC will also be able to extend Renminbi services to all Mainland citizens when China opens up its banking sector at the end of 2006.

The Shanghai branch was granted its derivatives licence in April 2006 and successfully launched its first derivative product in early August 2006. A series of additional derivative products will be introduced in the remainder of 2006. Apart from allowing the Bank to deliver more effective solutions to its existing clients, the new derivatives licence will also allow the Bank to strengthen its collaboration with CNCB in the treasury services area and to leverage new opportunities to develop relevant QDII products and services. Meanwhile, the branch also plans to apply for a Renminbi licence at the end of 2006.

此外，本行已獲監管機構批准著手籌劃將北京代辦處升格為分行，料可於今年下旬投入營運。

未來本行將繼續透過現時的內地網點發展中國業務，同時與中信銀行的合作將為本行開拓內地業務方面帶來嶄新機遇（詳見4.5）。

4.5 與中信銀行的協同合作

隨著中信國際金融逐步落實收購中信銀行策略性權益，本行將與中信銀行更有效地發揮互補優勢。未來兩行合作的大方向，是本行憑藉其國際業務的經驗及實力，透過內地網點，繼續以服務香港及跨境客戶為首要任務，同時向於中港及其他地區具有業務需要之中國客戶提供跨境服務。而中信銀行除專注拓展國內市場的領導地位外，並將與本行合作，提供當地銀行、貿易及其他以中國為基礎的產品及服務，共同為客戶提供一站式的聯合跨境金融方案。

本行與中信銀行已初步確定出業務合作領域，部分更已開始帶來協同效益。

Separately in Beijing, the Bank has received regulatory approval to prepare for the upgrade of its representative office to branch status. The Beijing branch is expected to start business in the latter half of 2006.

The Bank will continue to pursue organic growth of its PRC business through its existing network in the Mainland, and will simultaneously tap brand new opportunities arising from its collaboration with CNCB (Please see 4.5).

4.5 Synergistic Collaboration with CNCB

As CIFIH progresses to complete its acquisition of a strategic stake in CNCB, the Bank and CNCB will collaborate to more effectively optimise their complementary competencies. Broadly speaking, the Bank's priority will be to leverage its international business experience and expertise as well as its network in the Mainland to provide solutions to its Hong Kong and cross-border clientele on the one hand, and on the other hand to cater to PRC customers with two-way business needs between China, Hong Kong and elsewhere. Meanwhile, apart from focusing on building its leadership position in China, CNCB will work with the Bank to deliver domestic banking, trade and other China-based products and services in joint cross-border one-stop solutions for customers.

The Bank and CNCB have already preliminarily identified areas of business collaboration, some of which have started to bring synergistic benefits.

目前兩行均已成立指定聯絡小組，以識別及抓緊聯合業務機會，並計劃有系統地為企業客戶建立綜合的產品及服務平台，在客戶資源、專業技能、產品系列、服務素質及風險管理等方面互補優勢。

企業銀行方面，兩行計劃發展共同的客戶群，在風險管理和借貸標準上達至共識，其中可以展開合作的範疇包括銀團貸款、聯合跨境融資方案、國際貿易結算和匯款等。

財資業務方面，兩行將研究如何在國際貨幣市場管理和基金投資上共享技能及專長，並建立更大的業務規模。

在培訓和發展上，兩行亦有不少的協同合作機會，未來會優先專注於信貸和風險管理、私人財富管理和銀行保險業務。

陳許多琳

總裁兼行政總裁

香港，二零零六年八月十七日

Both banks have established dedicated liaison teams to identify and tap joint business opportunities, and are planning to systematically develop an integrated product and services platform for their corporate clientele, as well as to build complementary competencies in customer resources, professional know-how, product range, service quality and risk management.

In the area of wholesale banking, the two banks plan to develop a common customer set, for which it will develop compatible risk management and underwriting standards. Specific areas for collaboration may include syndications, joint cross-border financing solutions, international trade settlement and remittances.

In the area of treasury services, the two banks will look at sharing skill sets and expertise as well as building scale in international money market management and funds investments.

Training and development will be another area of collaborative opportunities for the two banks, and priority focus will be given to such areas as credit and risk management, private wealth management and bancassurance.

Chan Hui Dor Lam Doreen

President & Chief Executive Officer

Hong Kong, 17 August 2006

© 中信嘉華銀行有限公司 2006

出版：中信嘉華銀行企業關係部

設計：高天龍設計顧問有限公司

本年報採用環保紙印製

© CITIC Ka Wah Bank Limited 2006

Published by: CITIC Ka Wah Bank Corporate Relations Department

Design: Graphicat Limited

Printed on environmentally friendly paper



中信嘉華銀行
CITIC
KA WAH
BANK

香港德輔道中二三二號
232 Des Voeux Road Central, Hong Kong
電話 Tel : (852) 3603 6633
傳真 Fax : (852) 3603 4000
info@citickawahbank.com
www.citickawahbank.com