



中信嘉華銀行
CITIC
KA WAH
BANK

創造新領域
抓緊新機遇
Reaching for New
HORIZONS

2005 年報
Annual
Report

創造新領域 抓緊新機遇 *Reaching for New* **HORIZONS**

突破思維框架，勇於開拓新天地，是支持我們追求創新及優質服務的信念。憑藉母公司中國中信集團公司的雄厚實力，加上我們累積多年的專業經驗及對市場的真知灼見，中信嘉華銀行有限公司在發展大中華業務上，一直能夠不斷創造新領域，抓緊新機遇。



“Thinking outside the box” and “breaking new grounds” are creeds that underpin our drive for innovation and service excellence. Backed by our strong CITIC parentage and building upon years of professional expertise and our deep market insights, CITIC Ka Wah Bank Limited is constantly reaching for new horizons in our drive for expansion in the Greater China region.

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中信嘉華銀行有限公司 CITIC Ka Wah Bank Limited

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（「中信公司」）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。

本行在香港擁有三十三間分行，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 33 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.



財務概況

Financial Performance

二零零五財務摘要 2005 Financial Highlights

全年 (百萬港元)	For the year (In HK\$ million)	2005	重報 Restated 2004	% 變動 % change
淨利息收入	Net interest income	1,101	1,456	-24.4
非利息收入	Non-interest income	799	601	+32.9
經營支出	Operating expenses	1,049	1,012	+3.7
貸款及墊款減值 虧損回撥	Impairment losses written back on loans and advances	(83)	不適用 N/A	不適用 N/A
呆壞賬準備	Charge for bad and doubtful debts	不適用 N/A	101	不適用 N/A
本年度稅前溢利	Profit before taxation	1,149	969	+18.6
稅項	Taxation	102	152	-32.9
股東應佔溢利	Profit attributable to shareholders	1,047	817	+28.2

於年結日 (百萬港元)	At year end (In HK\$ million)	2005	重報 Restated 2004	% 變動 % change
貸款及墊款	Loans and advances	42,952	42,297	+1.5
資產總值	Total assets	81,777	80,293	+1.8
存款總額	Total deposits	62,255	62,609	-0.6
股東資金	Shareholders' funds	6,920	5,985	+15.6

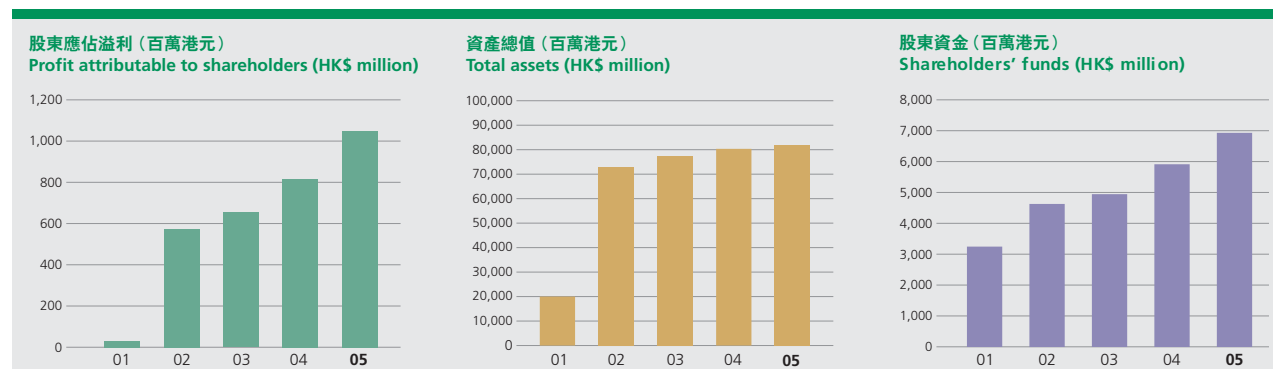
財務比率	Financial ratios	2005	重報 Restated 2004
資本充足比率	Capital adequacy	16.4%	16.5%
全年平均流動資金比率	Average liquidity	51.1%	47.9%
成本對收入比率	Cost to income	55.3%	49.2%
貸存比率	Loans to deposits	69.0%	67.6%

五年財務概況 Five Year Financial Summary

全年結算 (百萬港元)	For the year (In HK\$ million)	2005	重報 Restated 2004	2003	2002	2001
淨利息收入	Net interest income	1,101	1,456	1,547	1,707	519
非利息收入	Non-interest income	799	601	400	471	106
經營支出	Operating expenses	1,049	1,012	918	1,018	353
貸款和墊款減值	Impairment losses written					
虧損回撥	back on loans and advances	(83)	不適用 N/A	不適用 N/A	不適用 N/A	不適用 N/A
呆壞賬準備	Charge for bad and doubtful debts	不適用 N/A	101	474	509	228
本年度稅前溢利	Profit before taxation	1,149	969	757	667	33
稅項	Taxation	102	152	103	95	1
股東應佔溢利	Profit attributable to shareholders	1,047	817	654	573	32

於年結日 (百萬港元)	At year end (In HK\$ million)	2005	重報 Restated 2004	2003	2002	2001
貸款和墊款	Loans and advances	42,952	42,297	40,067	42,320	12,132
減值撥備	Impairment allowance	409	不適用 N/A	不適用 N/A	不適用 N/A	不適用 N/A
貸款虧損準備	Loan loss provision	不適用 N/A	903	1,060	941	473
資產總值	Total assets	81,777	80,293	77,415	72,920	19,994
平均利息收益	Average interest					
資產總值	earnings assets	69,722	69,559	72,535	70,007	18,910
存款總額	Total deposits	62,255	62,609	63,126	60,743	16,337
股東資金	Shareholders' funds	6,920	5,985	4,937	4,636	3,238

財務比率	Financial ratios	2005	2004	2003	2002	2001
資本充足比率	Capital adequacy	16.4%	16.5%	16.3%	17.4%	27.1%
全年平均流動資金比率	Average liquidity					
1/1/02 – 31/10/02	1/1/02 – 31/10/02	-	-	-	46.9%	-
1/11/02 – 31/12/02	1/11/02 – 31/12/02	-	-	-	47.1%	-
截至12月31日止	For year ended 31 Dec	51.1%	47.9%	49.2%	-	58.8%
貸存比率	Loans to deposits	69.0%	67.6%	63.5%	69.7%	74.3%
貸款對資產總值比率	Loans to total assets	52.5%	52.7%	51.8%	58.0%	60.7%
綜合評估覆蓋比率	Collective assessment coverage	0.7%	不適用 N/A	不適用 N/A	不適用 N/A	不適用 N/A
一般準備覆蓋比率	General provision coverage	不適用 N/A	1.2%	1.4%	1.2%	1.1%
成本對收入比率	Cost to income	55.2	49.2%	47.1%	46.7%	56.4%
資產回報率	Return on assets	1.3%	1.0%	0.9%	0.8%	0.2%
股東資金回報率	Return on shareholders' funds	16.2%	15.0%	13.7%	12.4%	1.0%



財務概況 Financial Performance

存款*

Deposits*

1. 按類別劃分	By type	2005	2004
往來	Current	7.7%	18.4%
儲蓄	Savings	14.8%	21.4%
定期	Fixed	77.5%	60.2%
合計	Total	100.0%	100.0%
2. 按到期日劃分	By maturity	2005	2004
即時償還	On demand	22.5%	39.8%
少於3個月	Less than 3 months	74.5%	57.9%
超過3個月但不足1年	Over 3 months but less than 1 year	2.6%	1.9%
超過1年但不足5年	Over 1 year but less than 5 years	0.4%	0.4%
合計	Total	100.0%	100.0%
3. 按貨幣劃分	By currency	2005	2004
港元	HKD	58.1%	59.1%
美元	USD	32.3%	32.4%
其他	Others	9.6%	8.5%
合計	Total	100.0%	100.0%
4. 存款賬目數目	Number of deposit accounts	2005	2004
		247,836	234,310

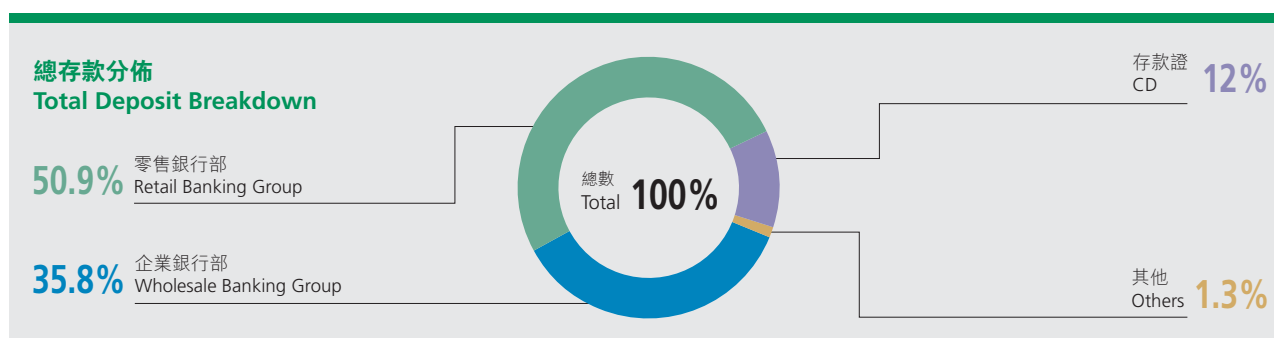
* 以客戶存款為基礎

* Based on customer deposits only

非利息收入

Non-Interest Income

		2005	重報 Restated 2004
淨收費與佣金收入	Net fees and commission income	51.9%	68.3%
淨交易收入	Net trading income	38.6%	26.7%
其他	Others	9.5%	5.0%
合計	Total	100.0%	100.0%



貸款#

Loan Portfolio

1. 按行業劃分	By industry sectors	2005	2004
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	0.7%	0.8%
物業投資	Property investment	11.8%	9.9%
金融界	Financial concerns	5.5%	6.3%
股票經紀	Stockbrokers	0.1%	0.1%
批發及零售貿易	Wholesale and retail trade	4.6%	4.5%
製造業	Manufacturing	6.6%	8.0%
運輸業及運輸設備	Transport and transport equipment	10.0%	12.9%
其他	Others	7.3%	8.8%
個人：	Individuals:		
按揭（「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」）	Mortgage (Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme)	0.1%	0.1%
按揭（其他住宅）	Mortgage (other residential properties)	26.8%	25.0%
信用卡借貸	Credit card advances	1.4%	1.3%
其他	Others	3.0%	2.6%
貿易融資	Trade finance	6.2%	5.0%
用於香港以外地方的貸款	Loans for use outside Hong Kong	15.9%	14.7%
合計	Total	100.0%	100.0%
2. 按地區分佈劃分	By geographical spread	2005	2004
香港	Hong Kong	80.6%	80.9%
中國	China	15.1%	13.6%
美國	USA	1.7%	1.6%
其他	Others	2.6%	3.9%
合計	Total	100.0%	100.0%
3. 按年期劃分	By maturity	2005	2004
即時償還	Repayable on demand	3.4%	3.6%
少於1年	Less than 1 year	23.3%	23.9%
超過1年但少於5年	Over 1 year but less than 5 years	35.9%	39.0%
超過5年	Over 5 years	34.5%	30.8%
無訂日期	Undated	2.9%	2.7%
合計	Total	100.0%	100.0%
4. 按貨幣劃分	By currency	2005	2004
港元	HKD	85.1%	84.2%
美元	USD	14.4%	15.3%
其他	Others	0.5%	0.5%
合計	Total	100.0%	100.0%
5. 貸款賬目數目	Number of loan accounts	2005	2004
		194,550	188,325

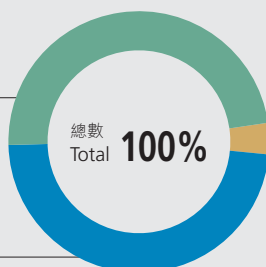
貿易票據及予銀行之放款除外

Excluding trade bills and advances to banks

總貸款分佈 Total Loan Breakdown

48.1% 零售銀行部
Retail Banking Group

48.1% 企業銀行部
Wholesale Banking Group



其他
Others 3.8%

二零零五年大事回顧 2005 Milestones

一月 January

- 內地首家分行在上海正式開幕
- 紐約分行喬遷
- 推出五年期港元可贖回存款證及三年期美元可贖回利率遞增型存款證
- 信用咭推出「密密簽賬憑單賞您1+1美食」簽賬計劃
- 信用咭推出網上理財雙重獎賞
- 信用咭推出迎新推廣優惠
- 再度獲香港社會服務聯會「商界展關懷」標誌
- 獨家贊助由亞洲華爾街日報舉辦的「亞洲未來領袖計劃」(Asia Future Leadership Programme)
- 委任陳小憲先生為董事



- Opening of the first mainland branch in Shanghai
- Relocation of New York branch
- Launch of five-year HKD callable certificates of deposit and three-year USD callable step-up certificates of deposit
- Launch of credit card "Enjoy Buy-One-Get-One-Free Offer With Your Sales Draft" spending programme
- Launch of credit card on-line bill payment double reward programme
- Launch of credit card acquisition campaign
- Awarded the "Caring Company Logo" by the Hong Kong Council of Social Service for the second consecutive year
- Acted as sole sponsor of Asia Future Leadership Programme organised by the Wall Street Journal
- Mr. Chen Xiaoxian was appointed as a Director

- 信用咭推出旅遊保險計劃
- 推出Dollar\$mart分期付款特快批核服務
- 獨家贊助香港大學與香港經濟日報合辦「港大經濟年宵兵團」



二月 February

- Launch of credit card travel insurance plan
- Launch of Dollar\$mart personal instalment loan express approval
- Acted as sole sponsor of the Business Entrepreneur Enhancement Programme organised by The University of Hong Kong and the Hong Kong Economic Times

三月 March

- 信用咭獲VISA International頒發「VISA二零零四年傑出零售簽賬額大獎 — 金獎」
- 推出三個月期增益美元存款
- 推出劃時理財戶口「月月遞升額外利率獎賞計劃」
- 信用咭推出「HK\$500,000 Jackpot獎金」簽賬推廣
- 信用咭推出「Cash-In」計劃
- 信用咭推出繳交第二期稅款賺取兩倍獎賞積分
- 信用咭推出結餘轉賬計劃



- Granted the "2004 Outstanding Retail Sales Volume – Gold Prize" by VISA International
- Launch of three-month USD yield enhancement deposit
- Launch of NOW Account "Monthly Step-Up Bonus Interest Rate Offer"
- Launch of credit card "HK\$500,000 Jackpot Sharing Programme"
- Launch of credit card "Cash-In" programme
- Launch of credit card promotion - earning double bonus points by settling second tax payment with credit card
- Launch of credit card balance transfer programme

四月 April



- 接待由中國人民銀行深圳市中心支行率領的銀行業考察團
- 推出兩年期港元可贖回利率遞增型存款證
- 推出Dollar\$mart循環備用現金推廣

- Received the banking delegation led by Shenzhen sub-branch of the People's Bank of China
- Launch of two-year HKD callable step-up certificates of deposit
- Launch of Dollar\$mart revolving cash card programme

五月 May



- 全資附屬公司 — 中信保險服務有限公司正式開幕
- 紅磡分行開幕
- 夥拍宏利人壽保險（國際）有限公司推出銀行保險業務
- 推出三年期港元及三年期美元可贖回利率遞增型存款證
- 推出「保證退休入息保」
- 推出「商業貸款及備用透支」服務
- 信用咭推出「簽賬有賺」推廣計劃 — 高達10倍現金回贈
- 信用咭推出支票透支服務

- Official opening of wholly-owned subsidiary, CITIC Insurance Brokers Limited
- Opening of Hung Hom branch
- Formed alliance with Manulife (International) Limited to launch bancassurance products

- Launch of three-year HKD and three-year USD callable step-up certificates of deposit
- Launch of "Guaranteed Retirement Income Plan"
- Launch of "Business Instalment Loan And Overdraft" services
- Launch of credit card spending programme – up to 10 times cash rebate
- Launch of credit card personal line of credit

六月 June



- 獲惠譽國際把長期評級由「BBB」調升至「BBB+」
- 成為首間透過旗下附屬公司中國國際財務有限公司（深圳）（「中國國際財務」），受惠於CEPA取得內地人民幣牌照的香港銀行
- 上海街分行以全新面貌開展業務
- 推出孖展黃金買賣
- i-banking網上理財服務推出兩種雙重認證方法
- 推出人民幣信用咭及提款咭
- 信用咭推出網上繳費獎賞
- 信用咭推出迎新推廣優惠
- 推出Dollar\$mart免息分期付款推廣

- Upgrade of long-term rating from "BBB" to "BBB+" by Fitch Ratings
- Became the first Hong Kong bank whose wholly-owned subsidiary, China International Finance Company Limited (Shenzhen) ("CIFIC"), has obtained a Renminbi licence in the Mainland under CEPA
- Opening of newly-renovated Shanghai Street branch
- Launch of gold margin trading
- Launch of dual option i-banking two-factor authentication
- Launch of Renminbi credit card and ATM card
- Launch of credit card on-line bill payment reward programme
- Launch of credit card acquisition campaign
- Launch of Dollar\$mart interest-free personal instalment loan programme

二零零五年大事回顧 2005 Milestones

七月 July

- 推出網上開立定期推廣
- 推出按揭透支及加大貸款額推廣
- 推出「動力萬用」壽險計劃
- 信用咭推出簽賬計劃 — 「必遊、必食」必中大抽獎
- 信用咭推出2.8%結餘轉賬新咭推廣計劃
- 中國國際財務獲中國保險監督管理委員會發出有關財產險的保險兼業代理許可證



- Launch of on-line time deposit placement promotion
- Launch of mortgage overdraft and top-up loan programme
- Launch of "PowerOne Universal Life" insurance plan
- Launch of credit card "Travel And Dine" guaranteed-to-win lucky draw
- Launch of 2.8% balance transfer new card programme
- A property insurance agency licence granted by China Insurance Regulatory Commission to CIFIC



- 舉辦「人民幣匯率改革對中小企影響」研討會
- 獨家贊助「致富強勢投資全攻略」講座
- 推出增益存款系列一 — 一年期澳元聯繫存款
- 推出增益存款系列二 — 一年期紐元聯繫存款
- 推出「增長年年錦囊」壽險計劃
- 推出家居財物保險計劃
- 信用咭推出網上理財大抽獎
- 推出Dollar\$mart首創自選免息免供期分期付款

八月 August

- Organised a business seminar on the impact of Renminbi exchange rate reform on small- and medium-sized enterprises
- Acted as sole sponsor of a wealth management seminar

- Launch of yield enhancement deposit series 1: One-year AUD-linked deposit
- Launch of yield enhancement deposit series 2: One-year NZD-linked deposit
- Launch of "GROWTH Plus" insurance plan
- Launch of home contents insurance plan
- Launch of credit card on-line bill payment lucky draw programme
- Launch of Dollar\$mart "Free Choice Skip Payment" instalment loan programme

九月 September

- 推出利率結構性存款系列一 — 兩年半期可贖回港元及美元存款
- 推出增益存款系列三 — 六個月期澳元聯繫存款
- 推出結構性遠期外匯買賣
- 推出宏利智富錦囊
- 推出電子證書「密密用、即時獎」計劃
- 信用咭推出「一筆過行政費」Cash-In 計劃



- Launch of interest rate-linked structured deposit series 1: 2.5-year HKD and USD callable deposit
- Launch of yield enhancement deposit series 3: Six-month AUD-linked deposit
- Launch of ratio par forward FX swaps
- Launch of Manulife investment solutions
- Launch of e-cert "Use More Get More" reward programme
- Launch of credit card "One Off Fee Instalment" Cash-In plan

- 客戶服務經理獲第三屆「香港財務策劃師選舉」銅獎
- 參與中國建設銀行招股
- 於深圳及澳門舉辦中國按揭業務講座
- 九龍城分行開幕
- 向現有客戶推出CITICfirst中高端財富管理服務
- 推出利率結構性存款系列二 — 兩年九個月期可贖回港元及美元存款
- 推出增益存款系列四 — 六個月期澳元聯繫存款
- 推出網上認購新股服務
- 信用咭推出「低息現金套現」計劃
- 信用咭推出雙重獎賞新咭推廣計劃
- 信用咭推出附屬咭推廣計劃



十月 October

- One of the customer relationship managers received the Bronze Prize in the Third Annual Hong Kong Financial Planners of the Year Award
- Participated in the initial public offering of China Construction Bank
- Organised China mortgage business seminars in Shenzhen and Macau
- Opening of Kowloon City branch
- Launch of CITICfirst mass affluent wealth management services to existing customers
- Launch of interest rate-linked structured deposit series 2: Two-year-and-nine-month HKD and USD callable deposit
- Launch of yield enhancement deposit series 4: Six-month AUD-linked deposit
- Launch of eIPO services
- Launch of credit card "Low Rate Cash-In" plan
- Launch of double rewards new card programme
- Launch of credit card supplementary card acquisition programme

十一月 November



- 慶祝澳門分行開幕
- 獲摩根大通銀行授予「匯款調撥服務優質獎2004」
- 再度參加由香港貿易發展局及上海市金融服務辦公室主辦的「香港金融服務博覽2005」
- 推出增值稅入口發票融資服務
- 推出企業稅務貸款
- 推出增益存款系列五 — 九個月期加元聯繫存款
- 推出增益存款系列六 — 六個月期加元聯繫存款
- 信用咭推出簽賬計劃 — 「佳節密密簽賬雙重獎」必中大抽獎
- 推出信用咭「幾時都分期」交稅計劃
- 推出Dollar\$mart稅務貸款
- 贊助突破機構舉辦「逆旅先鋒2005」，奪得商業機構組別的「最高籌款額」獎項

- Celebrated the opening of Macau branch
- Received "Quality Recognition Award 2004" from JPMorgan
- Participated in the Hong Kong Financial Services Expo 2005 organised by the Hong Kong Trade Development Council and Shanghai Municipal Government Financial Service Office

- Launch of value-added-tax invoice financing facility
- Launch of corporate tax loan
- Launch of yield enhancement deposit series 5: Nine-month CAD-linked deposit
- Launch of yield enhancement deposit series 6: Six-month CAD-linked deposit
- Launch of credit card Christmas guaranteed-to-win lucky draw
- Launch of credit card tax instalment plan
- Launch of Dollar\$mart tax loan



- Sponsored the "Inner Challenge 2005" organised by Breakthrough Organisation, and was honored the "Highest Fund Raising Team" in the business category

十二月 December

- 委任施柏雅先生為董事兼替任行政總裁及林宗仁先生為替任行政總裁
- 上海分行獲中國人民銀行上海總部「統計報表優勝獎」
- 尖沙咀分行開幕
- 推出增益存款系列七 — 九個月期澳元聯繫存款

- Mr. Roger Clark Spyer was appointed as a Director and Alternate Chief Executive Officer while Mr. Ling Chung Yan was appointed as Alternate Chief Executive Officer
- The "Banking Return Prize" awarded by the Shanghai Headquarters of the People's Bank of China to Shanghai branch
- Opening of Tsim Sha Tsui branch
- Launch of yield enhancement deposit series 7: Nine-month AUD-linked deposit



前排
Front row

陳許多琳

總裁兼行政總裁

Mrs. Doreen Chan

President &
Chief Executive Officer

林宗仁

執行副總裁兼擔任行政總裁
營運總監

Mr. C. Y. Ling

Executive Vice President &
Alternate Chief Executive Officer
Chief Operating Officer

林劉德美

執行副總裁兼
零售銀行部主管

Mrs. Lorainne Lam

Executive Vice President &
Head of Retail Banking Group

後排
Back row

施柏雅

執行副總裁兼擔任行政總裁
企業銀行部主管

Mr. Roger Clark Spyer

Executive Vice President &
Alternate Chief Executive Officer
Head of Wholesale Banking Group

劉卓衡

高級副總裁兼
司庫

Mr. Philip Lau

Senior Vice President &
Treasurer

萬紅

執行副總裁兼
中國業務總裁

Ms. Margaret Man

Executive Vice President &
Head of China Banking

王浩成

高級副總裁兼
財務總監

Mr. Steve Wong

Senior Vice President &
Chief Financial Officer

行政總裁報告

Report of the Chief Executive Officer

管理層討論及分析

Management Discussion and Analysis

1.0 經營情況

二零零五年，香港銀行業面對成本上升、息差收窄及競爭激烈的經營環境，但中信嘉華銀行有限公司（「本行」）能夠積極把握本地經濟持續復甦帶來的機會，大力拓展財富管理業務，加上基金投資業務表現理想，令非利息收入大幅提升。年內，本行致力鞏固及擴大具核心優勢的服務領域，創造未來增長條件。

2.0 業績

2.1 盈利

截至二零零五年十二月底止，本行未計減值撥備前經營溢利為八億五千萬港元，較去年同期下跌18.7%，主要是因為淨利息收入下跌24.4%。但值得注意的是期內非利息收入表現良好，增長高達32.9%，抵銷部分淨利息收入下跌的影響。另一方面，由於資產素質改善及綜合減值撥備回撥，減值撥備錄得淨回撥八千萬港元。期內，出售有形固定資產取得二億三千三百萬港元淨溢利，當中包括出售嘉華銀行中心的二億二千七百萬港元收益。計及其他項目後，二零零五年股東應佔溢利較二零零四年上升28.2%，達至十億四千七百萬港元。

1.0 Operating Environment

The operating environment of Hong Kong's banking sector in 2005 was characterised by rising costs, narrowing interest margins and intense competition. However, CITIC Ka Wah Bank Limited (the "Bank") successfully leveraged opportunities from Hong Kong's sustained economic improvement to grow its wealth management business. Its fund investments also yielded strong performance during the year. As a result, the Bank was able to achieve substantial growth in its non-interest income. Meanwhile, the Bank stayed focus on strengthening its core capabilities and developing new competencies to pave the way for future growth.

2.0 Business Performance

2.1 Earnings

For the year ended 31 December 2005, the Bank reported operating profit before impairment allowances of HK\$850 million, representing a fall of 18.7% over last year which was mainly attributed to a 24.4% decline in net interest income. However, its strong non-interest income growth at 32.9% over 2004 helped to partially offset the impact of the decline in net interest income. Meanwhile, an improvement in asset quality and a reversal in collective assessment allowances led to a HK\$80 million release in impairment allowances. The disposal of tangible assets during the year realised a net profit of HK\$233 million, which included the HK\$227 million gain from the sale of Ka Wah Bank Centre. After taking into account other items, the Bank's profit attributable to shareholders for the year rose 28.2% over 2004 to HK\$1,047 million.

中國人脈網絡

Connectivity in China



2.2 淨利息收入

二零零五年本行淨利息收入減少24.4%至十一億零一百萬港元。在新會計準則下，並經調整基金投資的資金成本後，本行二零零五年的淨息差為1.82%，而按相同基準計算的二零零四年底重報數字為2.00%。

由於基金投資的總收益乃以非利息收入入賬，為了更準確地反映本行的利息收入情況，在計算淨息差時其資金成本由淨利息收入項目中撇除。

淨利息收入減少及淨息差收窄可以大致歸因於年內利率上升帶來的負面影響，包括最優惠利率與香港銀行同業拆息（「同業拆息」）的差距持續收窄，儲蓄及活期存款轉移至定期存款令資金成本大幅攀升，以及本行定息組合表現受壓所致。

與此同時，因應會計處理方式的改變，資金掉期及交易組合的利息收入改以非利息收入入賬，租購業務的經紀佣金支出改以抵銷利息收入，以及已發行可換股債券應用實際息率計算而增加了利息支出，均進一步對淨利息收入及淨息差造成負面影響。

2.2 Net Interest Income

The Bank's net interest income for 2005 fell 24.4% to HK\$1,101 million. Under the new accounting standards and after adjusting for funding cost on fund investments, the Bank's net interest margin stood at 1.82% at 2005 year-end, compared to 2.00% restated on same basis at 2004 year-end.

As the gross income for the fund investments was recognised as non-interest income, its funding cost was excluded from the net interest income for the purpose of calculating the net interest margin in order to provide an accurate reflection of the Bank's interest earning capability.

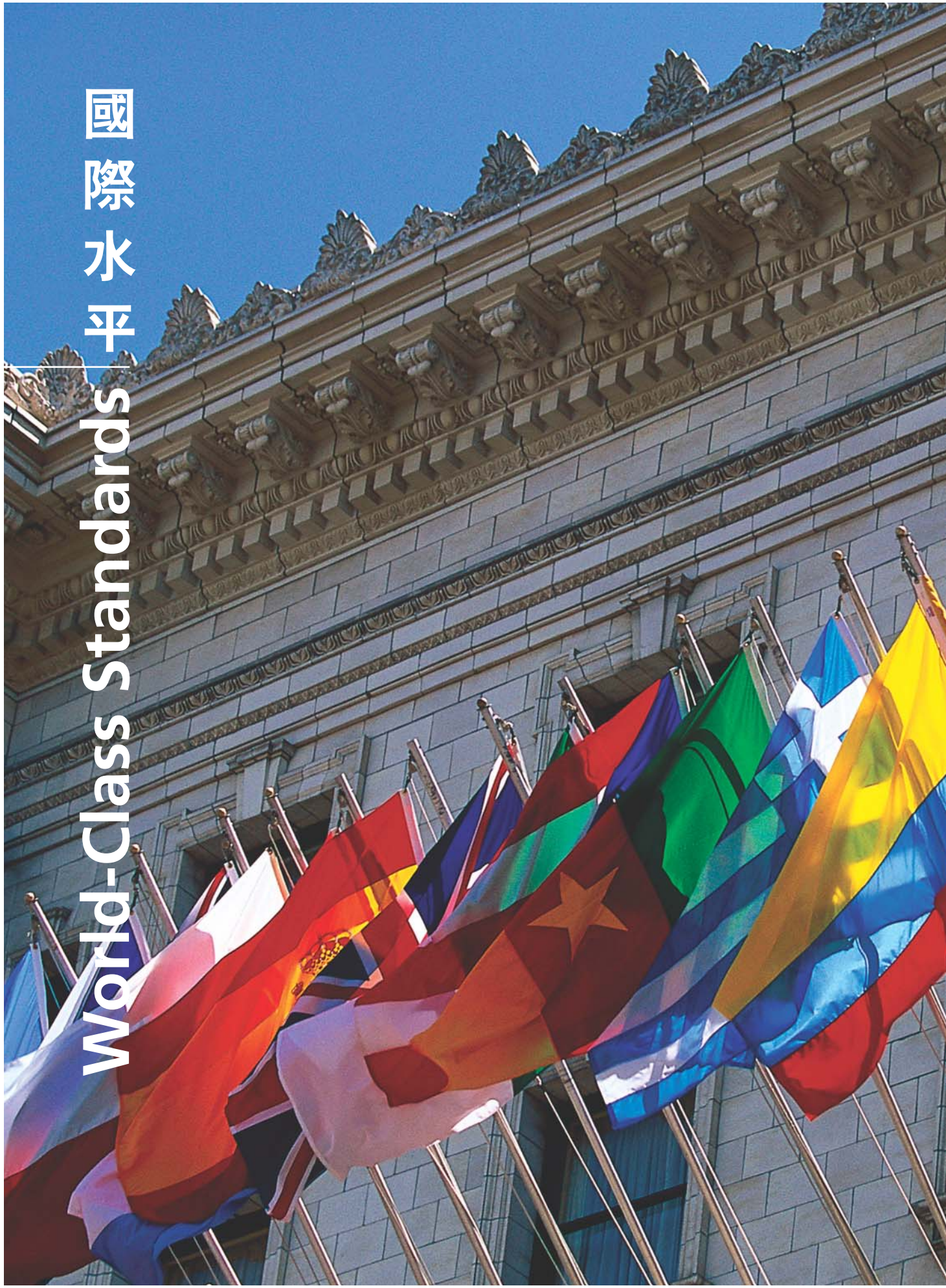
The decline in net interest income and net interest margin was attributed mainly to the adverse impact stemming from rising interest rates throughout the year. These included the sustained narrowing of the Prime Lending Rate ("Prime") and Hong Kong Interbank Offered Rate ("HIBOR") gap during the year, a surge in funding costs resulting from the swing of core deposits to time deposits and from the pressure on the performance of the Bank's fixed income portfolio.

The adoption of the new accounting standards generated further negative impact, namely, interest income from funding swaps and trading portfolios was treated as non-interest income; dealer commission expenses incurred in the hire purchase business was offset against interest income, and incremental interest expense was incurred from the treatment of effective interest rate of convertible bonds.

憑藉我們對中國的深厚認識及豐富經驗，加上有母公司中國中信集團公司為強大後盾，我們可以為客戶提供有關中國市場人脈網絡的真正增值方案。

With the depth of our knowledge and experience in China and backed by the strong support from our parent CITIC Group, we offer our customers truly value-adding connectivity in China.

國際水平 World-Class Standards



2.3 非利息收入

二零零五年本行之非利息收入表現非常理想，較去年同期大幅上升32.9%至七億九千九百萬港元，佔經營收入比例亦由二零零四年的29.2%大幅提升至42.0%。其中零售銀行業務的非利息收入上升16.6%至三億一千九百萬港元，基金投資帶來的收入更大幅上升逾倍至近二億三千萬港元。

2.4 經營支出

二零零五年本行之經營支出較二零零四年增加3.7%，主要因為在重整寫字樓計劃下，將嘉華銀行中心售後租回，令租金成本增加，以及僱員成本上升所致。成本對收入比率由二零零四年的49.1%上升至55.2%。

2.5 減值撥備

本行一向審慎借貸，致力不斷提升資產素質。隨著香港經濟好轉及地產市道回升，壞賬回收情況理想，以及部分受惠於香港會計準則第三十九號下所作的綜合減值回撥，二零零五年錄得八千萬港元減值撥備淨回撥，而二零零四年則

2.3 Non-Interest Income

During the year, the Bank recorded a strong 32.9% growth in its non-interest income to HK\$799 million as compared to 2004. This lifted the share of its non-interest income in its operating income to 42.0% in 2005 from 29.2% in 2004. The main contributor of this performance came from its Retail Banking Group which registered a 16.6% increase in non-interest income to HK\$319 million. The other key contributor was its Fund Investments which more than doubled its income to nearly HK\$230 million.

2.4 Operating Expenses

The Bank's operating expenses for 2005 rose by 3.7% year-on-year, primarily due to incremental rental expenses and the rise in staff costs. The former arose as a result of the sale and leaseback agreement of Ka Wah Bank Centre after the Bank disposed of the property as part of its office premise rationalisation plan. Its cost to income ratio rose to 55.2% in 2005 from 49.1% in 2004.

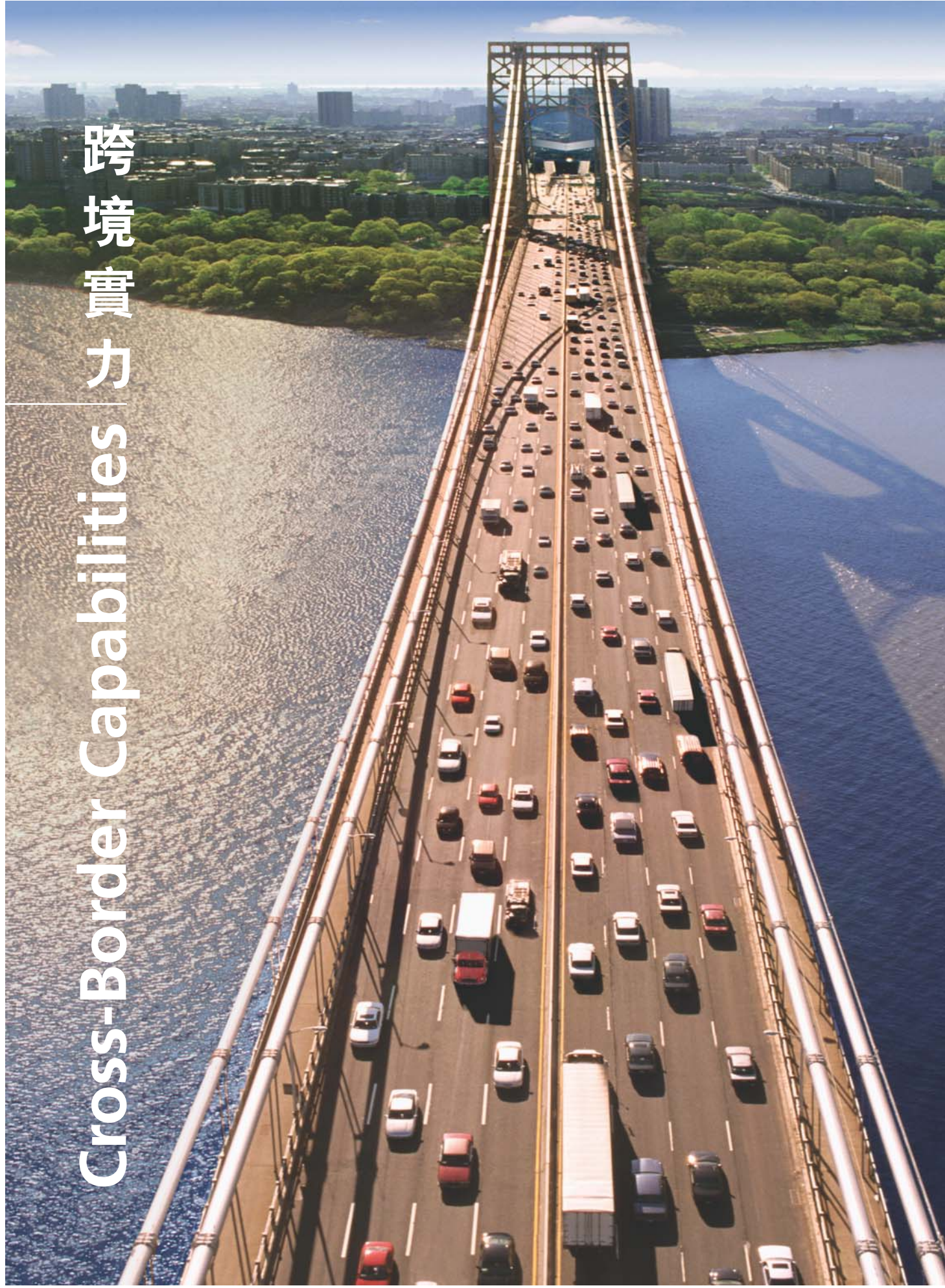
2.5 Impairment Allowances

The Bank lent conservatively and strived to continually improve its asset quality. With the improvements in both the Hong Kong economy and property market, strong recoveries in bad debts and the partial benefit of a reversal in collective assessment allowances after the adoption of Hong Kong Accounting Standard 39, the Bank recorded a HK\$80 million release in impairment allowances in 2005, as compared to a

我們的團隊由高資歷的銀行業專才及管理層組成，致力推行國際水平的優質管理及企業管治。

Our team of highly qualified banking professionals and management are committed to world-class standards in business excellence and corporate governance.

Cross-Border Capabilities | 跨境實力



有一億港元淨撥備。作個別評估貸款之新增淨撥備為五千八百萬港元，至於作綜合評估貸款淨回撥則為四千四百萬港元。

3.0 資產素質

3.1 資產、貸款及存款規模

於二零零五年十二月底，本行總資產約為八百一十八億港元，較二零零四年底增加1.9%；總貸款增加1.5%至四百三十億港元，主要貸款金額的增長來自住宅按揭貸款、物業投資、用於香港以外貸款及貿易融資；總存款為六百二十三億港元，大致保持在二零零四年底水平，其中客戶存款微跌1.5%至五百四十八億港元。

3.2 資產素質指標

本行多項資產素質指標均有所提升。於二零零五年十二月底，特定分類貸款比率由二零零四年底的4.3%減至1.9%。在新會計準則下，本行在二零零五年底錄得的減值貸款比率為1.9%，較二零零五年一月一日的4.3%改善；按新會計準則計算的特定分類貸款虧損覆蓋率由今年一月一日的86.8%擴大至87.8%。另外，二零零五年的按揭貸款拖欠比率不但由二零零四年底的0.34%進

charge of HK\$100 million in 2004. Net additional provisions for individually assessed loans during the year amounted to HK\$58 million, while net releases in provisions for collectively assessed loans totalled HK\$44 million.

3.0 Asset Quality

3.1 Asset, Loan, and Deposit Sizes

Total assets of the Bank amounted to approximately HK\$81.8 billion as at 31 December 2005, representing a 1.9% increase over 2004 year-end. Total loans rose 1.5% to HK\$43 billion on the back of increases in a rise in residential mortgages, property investment lending, loans for use outside Hong Kong and trade finance. Despite a slight 1.5% decline in customer deposits to HK\$54.8 billion, total deposits stood at HK\$62.3 billion, similar to the level at 2004 year-end.

3.2 Asset Quality Indicators

As at 31 December 2005, the Bank reported improvements in several asset quality indicators. Classified exposure fell to 1.9% from 4.3% at the end of 2004. Its impaired loan ratio under the new accounting standards improved to 1.9% as at 31 December 2005 compared to 4.3% as at 1 January 2005. Its classified loan loss coverage as calculated on the basis of the new accounting standards expanded from 86.8% as at 1 January 2005 to 87.8% at year-end. Its mortgage delinquency ratio not only fell significantly from 0.34% as at 2004 year-end to 0.14%, but was also better than the industry

我們已建立策略性定位，為於大中華及國際其他地區之間進行跨境業務及貿易流動的客戶提供有效的雙向通道。

We are strategically positioned to be the effective two-way conduit for our customers with cross-border business and trade flows between Greater China and the rest of the world.



創造價值

Value Creation

一步大幅降低至0.14%，並較金管局公佈的市場平均比率0.19%優勝；信用咭撇賬率亦由二零零四年底的3.0%進一步下跌至1.4%。

惠譽國際於去年七月將本行的信貸評級由「BBB」提升至「BBB+」，惠譽國際指有關變動反映本行財務狀況的改善、風險管理程序及系統的持續提升及內部的創新管理。

average of 0.19% as released by the Hong Kong Monetary Authority. Its credit card charge-off ratio fell further from 3.0% as at 2004 year-end to 1.4%.

In July 2005, Fitch Ratings upgraded the Bank's long-term rating from "BBB" to "BBB+". According to the credit rating agency, the upgrade reflected the Bank's improved financials, the continued enhancement of its risk management procedures and systems, as well as its innovative management.

資產素質指標

Asset Quality Indicators

		二零零五年 十二月三十一日 31 December 2005	二零零五年 一月一日 1 January 2005	二零零四年 十二月三十一日 31 December 2004
未經調整資本充足比率	Unadjusted capital adequacy	16.4%	16.8%	16.5%
平均流動資金比率	Average liquidity	51.1%	47.9%	47.9%
貸存比率	Loans to deposits	69.0%	67.6%	67.6%
貸款對資產總值比率	Loans to total assets	52.5%	52.0%	52.7%
特定分類貸款比率	Classified exposure	1.9%	4.3%	4.3%
減值貸款比率*	Impaired loans*	1.9%	4.3%	-
特定分類貸款虧損覆蓋率*	Classified loan loss coverage*	87.8%	86.8%	-
貸款虧損覆蓋率*	Loan loss coverage*	50.9%	39.3%	-
綜合減值撥備覆蓋率*	Collective assessment coverage*	0.69%	0.85%	-
內地放款佔總貸款比率	Mainland loans to total loans	15.1%	13.6%	13.6%

*按新會計準則計算

*Calculated on the basis of the new accounting standards

我們致力成為最優質、全面服務的離岸中資銀行，為客戶提供方案，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。

We strive to be the best-in-class full service offshore PRC bank by offering value-creating financial solutions which surpasses our customers' wealth management and international business objectives.

3.3 財務狀況

於二零零五年十二月底，本行的未經調整資本充足比率為16.4%，平均流動資金比率為51.1%，貸存比率為69.0%，貸款對資產總值比率為52.5%。

4.0 業務發展

4.1 零售銀行部

二零零五年本行大力拓展財富管理產品及服務，共推出四宗港元及美元存款證，七個增益存款系列及兩個利率結構性存款系列，合共錄得二十一億港元存款，吸納了逾八百位新客戶，帶來近三千萬港元非利息收入。去年十月本行推出嶄新CITICfirst中高端財富管理服務平台，並設立四個CITICfirst理財中心，向資產值達一百萬港元以上的現有客戶推介，反應理想。CITICfirst將於今年上半年正式作全面市場推廣。

建基於過去成功建立的銀行保險業務模式，本行去年進一步開拓有關業務，繼永明金融(香港)有限公司後，與宏利人壽保險(國際)有限公司訂立策略性聯盟協議，並推出多項保險產品，令銀行保險業務之收入較去年增長28.7%。

3.3 Financial Position

As at 31 December 2005, the Bank's unadjusted capital adequacy ratio was 16.4%. Its average liquidity ratio was 51.1%. Its loans to deposits ratio was 69.0% and its loans to total assets ratio was 52.5%.

4.0 Business Development

4.1 Retail Banking Group

In 2005, the Bank aggressively expanded the scope of its wealth management products and services. Its broad range of product initiatives included four HKD and USD certificates of deposit, seven yield enhancement deposit series and two interest rate-linked structured deposit series. Apart from drawing in HK\$2.1 billion in total funding for the Bank and attracting over 800 new customers, these also generated nearly HK\$30 million in non-interest income. In October 2005, the Bank rolled out its new mass affluent wealth management platform, CITICfirst, to its existing clients. Four dedicated CITICfirst banking centres were introduced at the same time. CITICfirst was warmly greeted by the Bank's customers who met its target profile of a minimum net worth of HK\$1 million. The full market launch of CITICfirst is scheduled within the first half of 2006.

Meanwhile, the Bank continued to build on its successful bancassurance business model. In addition to its existing partnership with Sun Life Financial (Hong Kong) Limited, the Bank entered into a strategic alliance with Manulife (International) Limited last year. Its dynamic offering of insurance products helped the Bank achieve a year-on-year growth of over 28.7% in its bancassurance-related income.

中信嘉華信用卡去年亦繼續推出多項迎新及簽賬推廣優惠，令有關業務取得理想成績。二零零五年中信嘉華信用卡新簽賬額按年增長21.4%，期內VISA International公佈的香港市場平均升幅僅為17.0%。

此外，按揭及中小企業業務亦錄得理想增長。本行在新造樓宇按揭貸款所佔的市場份額去年增加0.8%，按揭貸款總額則上升9.7%；而中小企未償還貸款更較二零零四年上升43.5%。

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增值服務，以進一步深化與客戶之關係及開拓費用收入來源。為此，企業銀行部在去年重整團隊架構，致力鞏固及擴大具核心優勢的服務領域，包括提升企業及銀團貸款實力，成立商業地產貸款及結構融資部和全資附屬公司中信保險服務有限公司，同時並加強為企業客戶提供財資方案，如推出結構性存款產品「三個月期增益美元存款」等。

In the area of credit cards, the Bank continued to launch a number of card acquisition and card spending campaigns in 2005 that yielded good business results. Total new sales increased by 21.4% year-on-year in 2005. This compared favourably to the industry's average growth rate at 17.0% as released by VISA International.

Both the Bank's mortgage and small- and medium-sized enterprise ("SME") businesses also delivered strong performances. Its market share in newly drawn-down mortgage loans was increased by 0.8% over 2004 while its total outstanding mortgage loans rose 9.7%. Outstanding loans to SMEs also grew 43.5% over 2004.

4.2 Wholesale Banking Group

The Bank's Wholesale Banking Group ("WBG") took a strategic decision in 2005 to reposition its business model, with a clear focus to deepen client relationships and to enhance fee income generation capability by delivering value-added services rather than relying on lending as the core product. As part of this exercise, WBG underwent a business restructuring to strengthen and enhance its core competencies. This involved the upgrading of its corporate and syndication capabilities, the establishment of a commercial real estate and structured finance team as well as the launching of CITIC Insurance Brokers Limited which is wholly-owned by the Bank. At the same time, WBG enhanced its capability to deliver treasury solutions to corporate customers, and was successful in introducing structured products such as a three-month USD yield enhancement deposit.

另一方面，本行澳門分行於二零零五年十月正式成立，為企業客戶提供一站式銀行服務，並進一步加強本行在泛珠三角的服務據點。

4.3 財資部

財資部已建立結構性產品的構建實力，重點向零售及企業客戶進行交叉銷售，以拓闊分銷渠道。此外，基金投資業務去年亦錄得穩健增長。

4.4 中國業務

本行中國業務在去年取得突破性發展。中國國際財務有限公司(深圳)(「中國國際財務」)在二零零五年六月獲得中國銀監會批准經營人民幣業務，使本行成為首間透過旗下附屬公司，受惠於更緊密經貿關係安排(「CEPA」)特惠措施取得內地人民幣牌照的香港銀行。透過此牌照，中國國際財務及本行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，並可於二零零六年底中國銀行業全面開放後發展內地居民人民幣銀行業務。同年七月，中國國際財務再獲有關財產險的保險兼業代理許可證。

Meanwhile, the Bank's Macau branch was officially opened in October 2005 to offer one-stop banking services to corporate customers as well as to further reinforce the Bank's geographic reach to service customers in the Pan Pearl Delta River region.

4.3 Treasury and Markets Group

The Bank's Treasury and Markets Group ("TMG") successfully established its in-house product manufacturing capability in structured products, and focused on building its distribution during the year by cross-selling to the Bank's retail and corporate customers. Its fund investments also delivered stable growth over the previous year.

4.4 China Banking

The Bank's China Banking business achieved a number of strategic breakthroughs in 2005. In June 2005, China International Finance Company Limited (Shenzhen) ("CIFIC") received approval from the China Banking Regulatory Commission to offer Renminbi services. As a result, the Bank became the first Hong Kong bank whose subsidiary has obtained a Renminbi licence in the Mainland under the preferential measures prescribed in the Closer Economic Partnership Agreement ("CEPA"). Leveraging on the Renminbi licence, CIFIC and the Bank are able to offer Renminbi services to its corporate clients as well as to individual clients who are non-Mainland citizens. They will also be able to extend such services to all Mainland citizens when China opens up its banking sector at the end of 2006. In July 2005, CIFIC was granted a property insurance agency licence by the China Insurance Regulatory Commission.

上海分行去年繼續錄得盈利貢獻，其中內地按揭業務表現尤為出色，截至去年底中國按揭貸款總額約近六億港元。

展望未來，本行已獲監管機構批准著手籌劃於下半年將北京代辦處升格為分行；上海分行在二零零五年已成立外匯交易室，現正申請衍生金融產品牌照，並計劃於年底申請人民幣牌照；中國國際財務亦正尋求有關當局批准申請升格為銀行。

更重要的是，隨著市場及姊妹公司中信銀行本身的條件更趨成熟，本行與中信銀行之間的合作模式未來將有所突破，兩行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、產品系列及服務素質等方面互補優勢，共同打造「中信」國際品牌，創造更大的協同效益。

Its Shanghai branch continued to be profitable in 2005, and the performance of its China mortgage business was particularly good, achieving outstanding balances of nearly HK\$600 million at the end of 2005.

Looking ahead, the Bank has received regulatory approval to plan the upgrade of its Beijing representative office to branch status in the latter half of 2006. Its Shanghai branch has set up a foreign exchange trading room in 2005 and is in the process of applying for a derivative licence; it is also planning to apply for a Renminbi licence at the end of 2006. Last but not least, CIFC is seeking regulatory approval to apply for an upgrade to bank status.

More significantly, the partnership between the Bank and its sister China CITIC Bank is to see breakthrough developments going forward as the China market and China CITIC Bank itself become more mature. The two banks are planning to systematically develop an integrated product and services platform for their corporate clientele, and will seek to build complementary competencies in customer resources, professional know-how, product range and service quality. Both will enjoy enhanced synergistic benefits as they collaborate to establish the "CITIC" international brand.

5.0 再獲殊榮

本行於二零零五年繼續取得多項殊榮，包括獲VISA International頒發「最傑出零售簽賬額」金獎，摩根大通銀行授予「調撥匯款服務優質獎 2004」，上海分行獲中國人民銀行上海總部「統計報表優勝獎」，及再度獲香港社會服務聯會頒贈「商界展關懷」標誌。另外，本行其中一位客戶服務經理亦獲第三屆「香港財務策劃師選舉」銅獎。

6.0 風險管理

二零零五年標誌著本行在風險管理方面的新里程。這一年，透過諮詢專業顧問的意見，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組合風險管理部，並由該部負責管理改進了的風險評級系統。

5.0 Awards

The Bank continued to receive several awards in 2005. These included the “Outstanding Retail Sales Volume - Gold Prize” awarded by VISA International; the “Quality Recognition Award 2004” from JPMorgan acknowledging the Bank’s quality excellence in its SWIFT payments; the “Banking Return Prize” awarded by the Shanghai headquarters of the People’s Bank of China to the Bank’s Shanghai branch, and the “Caring Company Logo” awarded by the Hong Kong Council of Social Service. Additionally, one of the Bank’s customer relationship managers received the Bronze Prize in the Third Annual Hong Kong Financial Planners of the Year Award.

6.0 Risk Management

The Bank’s risk management achieved a number of milestones in 2005. With the help of professional consultants, the Bank successfully revamped its risk grading system and rolled out an expert judgement model that can quantitatively differentiate various levels of credit risk and subsequently calibrates probability of customer default. Sections of credit risk policy, product and investment risk underwriting, exposure control, management information systems and risk infrastructure were realigned into a portfolio risk management unit to take ownership of the new risk grading system.

本行設立了由政策、業務及交易限額組成的風險級別架構，每一級別均有一系列之風險評估如溢利／虧損限額、交易盤限額及敏感度限額等，提示及觸發各級管理層之適當行動，調控特定之市場風險。本行採納先進的市場風險技術進行交易盤之風險價值計算、壓力測試及回顧測試。本行成功符合香港會計準則第三十九號中有效對沖比率之檢定方法的要求，可以利用會計避險原則，讓可備用買賣資產／非交易負債及與其對沖之衍生工具如利率掉期，二者的公平價值變化能互相抵銷。

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。為了確保能完全達致所要求，本行聘用了獨立核數師確認與新協定不符及需改善之處，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。

本行已根據國際會計準則第三十二及三十九號的要求成功地建立獨特的金融資產虧損減值評估模式。在新模式下，本行根據過去由呆壞賬所招致的貸款損失紀錄，以及可預見的經濟環境與呆壞

The Bank has set up a hierarchy of limits that comprises policy, business and transaction limits. Each level of hierarchy has a series of risk measurements such as profit and loss limits, position limits and sensitivity limits to alert and trigger adequate actions at different management levels for specific market risk control. The Bank has adopted advanced market risk techniques for Value-at-Risk calculation, stress-testing and back-testing of the trading book. It has successfully met the effective hedge ratio testing requirement under HKAS 39 so that hedge accounting principles can be applied to offset the fair value changes in the Available-for-Sale Securities or the Non-Trading Liabilities, and corresponding hedging derivative instruments like interest rate swaps can offset each other.

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. To ensure due compliance, the Bank employed an independent auditing firm to confirm the gaps between its status quo and the Standardised Approach. A Basel II working committee was also formed to coordinate credit risk, market risk and operational risk, implement necessary measures and institute system enhancements.

During the year, the Bank successfully implemented unique models for assessing impairment losses of financial assets in accordance with the requirements of sections 32 and 39 in the new International Accounting Standards ("IAS"). Under the new models, loan portfolios are collectively assessed based

賬間之關係，作出對貸款組合的全面性撥備綜合評估。對於個別懷疑賬戶，本行先決定客觀理據是否足以確認該貸款屬於問題貸款；得到確認後，本行進一步對該貸款作預計現金流的分析，從而計算預計現金流和已貸出款項之差，以決定需作出撥備之金額。

國際會計準則及巴賽爾新資本協定亦對金融資產和負債的分類、公平價值評估及資本充足度作出新的規定。這些規定以及持續發展的高度結構化、複雜化和嵌有衍生特徵之金融產品，對金融機構產生很大的衝擊。本行迎接新的挑戰和滿足規定的要求，在過去數年間不斷提升財資部的管理功能和市場風險監控，採納先進及熟練的技巧，以確認、處理和監控一般性和特殊性的市場風險。與此同時，本行財資部在嚴格的市場風險監控下，成功地擴闊了產品種類及為顧客提供多種結構性金融產品，買賣盤性質之衍生工具主要包括遠期外匯、外匯掉期、外匯期權、利率期貨及利率掉期等。

on historical loan loss experiences and observable economic conditions correlating with defaults on the asset portfolio. For assessing the impairment losses of individual doubtful accounts, the Bank first assesses if there is any objective evidence that a loan is impaired; if positive, the Bank will proceed to estimate the expected future cash flows of the impaired account and to come up with the impairment losses by reducing the cash flows from the outstanding principal.

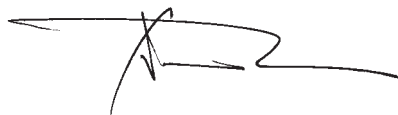
IAS and the Basel II Accord have also made new requirements on the classification, fair value assessment and capital adequacy of financial assets and liabilities. These requirements and the on-going developments of highly structured, complicated financial products with embedded derivative features have big impact on financial institutions. The Bank faces the new challenges and fulfils the requirements. For the past few years, the Bank has been continually upgrading its treasury management functions and market risk control. Advanced and sophisticated techniques have been adopted to identify, manage and monitor the general and specific market risks. At the same time, the Bank's TMG has successfully extended its product range and provided various customer-related structured financial products under strict market risk control. Derivative instruments traded by TMG mainly include forward foreign exchanges, foreign exchange swaps, foreign exchange options, interest rate futures and interest rate swaps.

7.0 人力資源發展

於二零零五年底，本行員工人數為一千四百零二人。管理層相信，一間機構能否與別不同，創造佳績，「人才」是決定性的因素。為吸納人才和保留表現優秀的員工，本行一直致力確保薪酬架構在同業中具有相當的競爭力。本行旗下所有公司亦設有自主的花紅制度，目的是為員工制定共同目標，藉此推動個人表現和本行業績。在所有的有關制度下，員工所獲發的花紅均與本行的盈利能力、部門表現及員工個人貢獻息息相關。

本行於二零零三年五月十六日採納一項購股權計劃，向合資格員工配授購股權，詳細資料載於董事會報告書。

本行亦十分重視員工的培訓和發展。於二零零五年，每位員工平均接受六日培訓，而全年共有一萬三千四百七十七人次受訓。課程的主題廣泛，包括產品和金融市場知識、管理技巧、專業學銜、監管條例、市場推廣及服務技巧等。



陳許多琳

Chan Hui Dor Lam Doreen

總裁兼行政總裁

President & Chief Executive Officer

7.0 Human Resources Development

As at the end of 2005, the Bank had 1,402 staff under its employment. Management firmly believes that “people” are the decisive factor that distinguishes an organisation and makes it successful. In order to attract talent and retain strong performers, the Bank has been making continuous efforts to benchmark its remuneration structure in order to ensure its competitiveness compared to industry peers. All companies under the Bank offer discretionary bonus schemes aimed at cultivating common goals among employees, driving individual performance and generating results for the Bank. All bonus schemes are directly correlated to the Bank’s profitability, unit performance and individual contributions.

The Bank offers share options to the eligible employees pursuant to the Share Option Scheme adopted on 16 May 2003, details of which are given in the Directors’ Report.

The Bank places a high priority on on-going staff training and people development. The average training per employee was 6.0 days in 2005. A total of 13,477 participants attended training and development during the year, with curriculums covering a wide range of subjects, from product, financial knowledge to management, professional qualifications, regulatory, marketing and servicing skills.

業務回顧 Review of Operations

零售銀行部

零售銀行部於二零零五年提升服務香港中高端客戶的實力及競爭優勢，開創策略性業務發展的另一高峰。

克服充滿挑戰的一年

二零零五年對於香港零售銀行業而言是艱難的一年。由於美國聯邦基金利率自二零零四年六月以來連續十三次上調，加上二零零五年下半年有多家大型企業在港作首次公開招股，令香港最優惠利率與同業拆息的息差大幅收窄，由二零零四年十一月的兩年高位4.97%下降至二零零五年五月的2.13%低位，直至二零零五年底，息差才回復3.56%的正常化水平。

嚴峻的利率環境對本行零售銀行業務利息收入構成嚴重影響。本行以最優惠利率為基準的貸款息差在二零零五年大幅收窄；劃時理財存戶及一般往來及儲蓄戶口客戶同時把存款轉移至定期存款，進一步加重息差壓力。

不過，零售銀行部財富管理業務的優秀能力和其費用收入的增長幫助本行成功克服有關挑戰。零售業務費用收入較二零零四年上升16.6%，創下三億一千九百一十萬港元的歷史新高，為零售銀行部二零零五年的一億八千五百二十萬港元稅前溢利作出重要貢獻。

Retail Banking Group

The Bank's Retail Banking Group ("RBG") reached strategic new heights in 2005 in upgrading its competencies and competitive capabilities to serve the mass affluent customer segment in Hong Kong.

Weathering a Year of Challenges

2005 was a difficult year for the retail banking industry in Hong Kong. As a result of the 13 successive hikes in the US Federal Funds rate since June 2004 and a number of large-scale initial public offerings in Hong Kong in the second half of 2005, the market experienced a wide swing in the spread between Prime and HIBOR, from a two-year high of 4.97% in November 2004 to a low of 2.13% in May 2005 before normalising at 3.56% at the end of 2005.

The austere interest rate environment had had a severe impact on the Bank's retail interest earning business. Its Prime-based lending margin was heavily compressed in 2005; margin pressure was exacerbated by the switch of our NOW account balances to time deposits in addition to the swing from core to time deposits.

However, RBG's strong wealth management business capability and fee income drive helped the Bank weather the challenge. Retail fee income grew 16.6% over 2004 to reach a record high of HK\$319.1 million, significantly contributing to RBG's profit before tax of HK\$185.2 million for the full year of 2005.

與此同時，零售銀行部繼續專注提升財富管理實力，以服務中高端客戶。中高端市場一般泛指擁有一百萬港元以上可投資資產的客戶層。二零零五年十月零售銀行部試推CITIC*first*，為本行擁有管理資產值逾一百萬港元的尊貴客戶提供類近私人銀行的服務，客戶反應相當理想。本行有信心未來可在此重要市場上佔一重要席位。

CITIC*first* — 訂立私人財富管理新標準

為了讓中高端客戶享受真正與別不同的財富管理服务，CITIC*first*著重幫助客戶訂立理財目標及希望，並制定最佳財務方案，務求能滿足甚至超越客戶的期望。本著協助客戶作出明智投資決定以增添及保障財富的使命，CITIC*first*力求透過提供適時的市場資訊及有效的表現評估，讓客戶能將其個人的風險回報目標與相關的市場指標作比較。

CITIC*first*的服務模式建基於一個精心設計的專業資產組合管理流程，旨在有系統地確定客戶的個別財務需要、風險回報狀況、風險承受程度及投資取向。專責的資深客戶經理均具備財務策劃師認可專業資格，他們會利用由世界知名業務夥伴所建立之尖端及綜合網上系統，按

Meanwhile, RBG continued to stay focused on upgrading its wealth management competencies for mass affluent customers, a segment that is broadly defined as those with above HK\$1 million in investable assets. In October 2005, it pilot-launched CITIC*first*, its quasi-private banking service offering which targets its top customers with over HK\$1 million in assets under management. Customer response has been encouraging and the Bank is confident to become a major player in this important customer segment.

CITIC*first* – Defining New Standards in Private Wealth Management

To create a truly differentiated wealth management offering for mass affluent customers, CITIC*first* places emphasis on helping customers define their financial goals and aspirations and on developing optimised solutions to meet and exceed their expectations. Committed to enabling customers make smart

investment decisions to enhance and protect their wealth, CITIC*first* aims to couple delivery of timely market information with efficient performance tracking, allowing customers to compare their individual risk-return objectives against relevant market benchmarks.

Its service model is built on a carefully structured expert portfolio management process aimed at systematically determining individual customers' financial needs, risk-return profiles, risk tolerances and investment preferences. Utilising a sophisticated and fully-integrated on-line system developed by reputable global business partners, dedicated and experienced relationship managers, who are all qualified financial planners, develop modularised risk-return adjusted asset



業務回顧 Review of Operations

零售銀行部 Retail Banking Group

照客戶的個別需要，度身訂造出調節風險回報後的資產配置組合建議。該系統亦會持續評估每個資產組合的已變現及賬面利潤及虧損，讓客戶經理可以及時監察每個資產組合的表現，並向客戶匯報最新情況。

隨著大中華地區經濟日趨富裕，CITICfirst已積極作好準備，建立超越市面一般優先銀行服務水平的獨特競爭優勢，並預計於二零零六年上半年正式作全面市場推廣。

不斷推出創新財務方案的傳統

銀行保險業績創新高

二零零五年本行的銀行保險費用收入較去年上升29%，表現優於同儕。於二零零五年五月，本行與享負世界盛名的保險公司宏利人壽保險（國際）有限公司（「宏利」）組成聯盟，以擴闊產品系列，迎合客戶不斷轉變的各種需要。年內，本行與宏利共同推出了兩項主要產品，首個年金產品「保證退休入息保」推出後隨即引起市場廣泛關注退休計劃的需要；其後推出的「宏利智富錦囊」為與單位信託基金聯繫的保險計劃，它亦反映了投資聯繫保險計劃的發展潛力。同時與兩家世界知名及領先的保險公司——永明金融（香港）有限公司及宏利建立合作夥伴關係，令本行可提供多元化的財富策劃方案系列，配合客戶不同的需要。



allocation recommendations to tailor to the needs of each individual customer. The system continuously tracks each portfolio's realised and unrealised gains and losses, allowing the relationship managers to deliver timely portfolio monitoring and updates for individual customers.

With the growing affluence of the Greater China economies, CITICfirst is well-positioned to establish its competitive niche above the general priority banking services that are available in the market. The full launch of CITICfirst is expected to be within the first half of 2006.

A Tradition of Innovative Banking Solutions

Record Performance in Bancassurance

The Bank's market-leading performance in bancassurance was affirmed by a 29% growth in its insurance fee income in 2005. In May 2005, it forged a new alliance with Manulife (International) Limited ("Manulife"), a renowned global insurance provider, and broadened its product range to cater to the dynamic and evolving needs of its banking customers. Two key products were rolled out with Manulife during the year: the first one was an annuity product, the Guaranteed Income Retirement Plan, which raised broad market awareness for retirement planning needs, and the second one was a unit-linked insurance, Manulife Investment Solutions, which reflected attractive business growth potential for this type of investment-linked insurance policies. The dual partnership arrangement with Sun Life Financial (Hong Kong) Limited and Manulife, both globally reputable and leading insurance companies, will ensure the Bank's ability to offer a diversified range of wealth planning solutions to suit its customers' needs.

結構性存款方面的核心優勢

零售銀行部與財資部於二零零五年合作構建及推出共十三宗結構性存款系列，並成功發展成新的核心優勢。結構性存款提供了另類的高息產品選擇，專為尋求較定期存款回報為高的保守型客戶而設。它們一般會結合利率或貨幣期權等，提供多種不同特色，讓客戶能捕捉市場走勢，掌握每個投資機會。這個新增產品實力已取得驕人成績，二零零五年結構性存款的認購總額較二零零四年上升64%。

提供廣闊系列的多元化投資產品

本行於二零零五年積極為客戶提供投資選擇及分銷各式各樣的投資基金產品，此定位有助提升本行在市場上的知名度，以及爭取更大的單位信託基金市場份額。

零售貸款業務穩健增長

香港住宅按揭

二零零五年零售銀行部的住宅按揭貸款較二零零四年上升9.7%，新增按揭不但為本行增加三十七億港元貸款總額，隨之而來的新客戶更提供交叉銷售其他銀行服務的大好機會。

Core Competence in Structured Deposits

RBG partnered with the Bank's Treasury and Markets Group in 2005 to produce and launch a total of 13 structured deposits throughout the year, and successfully established this as a new core competence. Structured deposits are designed to offer alternative yield-enhancing options for conservative customers seeking to earn higher returns than time deposits. They are typically embedded with a variety of features such as interest rate-linked or currency-linked options that allow customers to tap timely investment opportunities in the market. The additional product competence met with overwhelming success and saw total subscriptions for structured deposits grew by 64% compared to 2004.

Broad Diversification of Investment Offerings

The Bank positioned itself as an active player in the provision of investment options and participated in a broad range of investment fund offerings in 2005. This helped to increase top-of-mind awareness for the Bank among consumers and enabled it to gain ground on unit trust market share.

Healthy Growth in Retail Lending Business

Hong Kong Residential Mortgages

In 2005, RBG's residential mortgage business grew by 9.7% in its loan balances over 2004. Apart from adding HK\$3.7 billion worth of new mortgages to the Bank's loan book, new customer relationships were also brought in which offered attractive cross-selling opportunities for other banking services.

業務回顧 Review of Operations

零售銀行部 Retail Banking Group

資產素質保持良好，本行住宅按揭貸款拖欠比率為0.14%，較香港金融管理局公佈的市場平均比率0.19% 優勝。

隨著按揭息差於二零零六年趨於正常化，零售銀行部預期按揭業務將會帶來更多利息收入。

信用咭及私人信貸

鑑於整體市場對信用咭循環信貸的需求下降，本行遂於二零零五年為信用咭業務進行策略性重新定位，重點推動分期攤還應收賬及新簽賬的費用收入增長。於二零零五年底，本行應收賬錄得的年增長率逾9%，與市場平均增幅相若；但新簽賬總額的年增長率則超過20%，優於市場平均增幅17%。

至於私人信貸方面，零售銀行部並沒有參與同業間激烈的價格競爭，反而採取新的業務增長策略去推廣Dollar\$mart分期付款，集中宣傳其創新的產品特點及具創意的訂價模式，結果年內吸納的新客戶總數較二零零四年增加39%，新取用貸款額更大幅攀升76%。

Asset quality remained good. The Bank's residential mortgage delinquency ratio was 0.14%, better than the industry average of 0.19% published by the Hong Kong Monetary Authority.

As mortgage margins normalise in 2006, RBG expects more interest earnings to be generated from this business line.

Credit Card and Unsecured Consumer Lending

With the industry-wide decline in consumer demand for revolving credit card balances, the Bank strategically repositioned its credit card business in 2005 to target growth in fee-generating instalment receivables and new sales. As at the end of the year, account receivables registered an annual growth rate of over 9%, at par with the market average, while total new sales exceeded 20% compared to the market average of 17%.



On the consumer lending side, RBG stayed smartly away from fierce direct pricing competition. Instead, it adopted a new business acquisition strategy for its Dollar\$mart instalment loan product which emphasised innovative product features and creative pricing packages. The number of new accounts acquired during the year was 39% higher over 2004 while new business draw-downs over the same period recorded a significant jump of 76%.

商務銀行

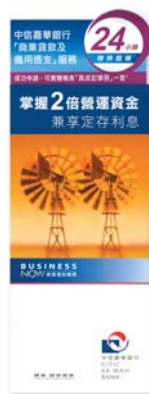
零售銀行部旗下的商務銀行部於其成立後首個完整財政年度取得令人鼓舞的成績，貿易貸款規模於一年內大幅增加一倍。本行亦於二零零五年五月推出全新的部分抵押分期貸款計劃，為客戶擴闊產品系列。

展望未來，商務銀行將會成為本行的核心增長業務之一。零售銀行部會透過全面及專業的銀行服務，為中小企客戶提供靈活的財務安排，滿足他們在借貸、現金管理及跨境業務方面的需要，積極掌握中小企銀行業務的發展商機。

跨境業務

本行自二零零四年開展中國按揭業務以來，有關貸款一直成功取得理想的增長。在截至二零零五年底止的十八個月內，未償還中國按揭貸款額已發展至約六億港元規模。

然而，多間外資銀行在二零零七年中國銀行業開放之前進入內地市場，令按揭市場競爭日趨激烈。本行銳意成為內地按揭市場上的重要參與者，並已計劃在來年推行雙管齊下的策略，一方面矢志將現時的業務據點由上海及深圳進一步拓展至長三角及珠三角地區，另一方面重點推出創新的按揭產品及服務。



Business Banking

RBG's Business Banking division completed its first full financial year with encouraging results. The volume of trade loans grew significantly to double the size of the portfolio in one year. A new partially secured instalment loan programme was also launched in May 2005 to expand our product options to customers.

Going forward, Business Banking will be a core growth segment for the Bank. RBG will maximise business opportunities with small- to medium-sized enterprises by providing a comprehensive suite of professional banking services that will offer flexibility and address the borrowing, cash management and cross-border business support needs of these customers.

Cross-Border Business

Since establishing the China mortgage business in 2004, the Bank has enjoyed significant success in growing this portfolio. Indeed, outstanding balances reached nearly HK\$600 million in just over 18 months to the end of 2005.

Nevertheless, market competition has intensified with the entrance of many foreign banks ahead of the opening of China's banking sector in 2007. The Bank is committed to be a serious player in this business segment, and plans to pursue a two-pronged strategy in the coming year: From a geographical perspective, the Bank has set sights on further penetrating the Yangtze River and Pearl River Delta regions beyond its current footholds in Shanghai and Shenzhen; and from a product perspective, it will focus on introducing innovative mortgage products and services.

企業銀行部

企業銀行部於二零零五年展開業務發展新里程，包括拓展新市場、開發新產品和服務，以及將客戶關係管理模式重新定位。

將業務重新定位

二零零五年是企業銀行部的一個重要轉捩點，它於年內展開策略性重新定位，以轉型為一間提供全面財務方案的中資離岸銀行。面對本港成熟市場的嚴峻競爭，加上中國銀行業將於二零零七年全面開放，本行深明要脫穎而出，成功關鍵在於能夠為客戶提供增值及與別不同的財務方案，以及建立獨特的品牌優勢。

為此，企業銀行部訂下新的業務目標，鎖定活躍於中國商業客戶及與其進行跨境貿易的大中華及海外企業客戶為目標客戶，旨在成為它們的最佳銀行夥伴，提供全面的增值方案，包括多元化的產品系列、諮詢服務及有關中國市場的人脈網絡。

年內，企業銀行部於建立具核心優勢的服務領域上取得長足進展，在銀團貸款籌組及分銷、項目融資以及商業地產貸款方面，訂下了清晰的業務重點，並配合專業管理，深化對客戶關係管理團隊的支援，使本行能擴闊及鞏固較大型企業客戶群的基礎，和更妥善管理業務的風險回報、增長及規模。

Wholesale Banking Group

The Bank's Wholesale Banking Group ("WBG") embarked on a new journey in 2005 with developments in new markets, new products and services, and a new positioning of its relationship management model.

Business Repositioning

2005 was a watershed year for WBG as it kicked off its strategic repositioning to transform itself into an offshore PRC solutions bank. Faced with intense competition in Hong Kong's mature market and in the run-up to the opening up of the PRC banking market in 2007, the Bank recognises that the key to compete successfully lies in its ability to offer value-added and differentiated financial solutions to customers and to develop a distinctive franchise.

Accordingly, WBG has set its goal to become a pre-eminent full service banking partner for Greater China and overseas corporates seeking or active in cross-border business and trade with the PRC, offering a full range of products, advice and access to the PRC which represent value-enhancing solutions.

During the year, significant progress was made to establish key Centres of Excellence to support its relationship management teams, with a clear focus and expert management in syndication and distribution, project finance and commercial real estate financing. This will enable the Bank to broaden and strengthen its customer base in the larger corporate segments and properly manage its portfolios for risk return, growth and size.

全面的財務方案

隨著企業客戶的需求不斷轉變及日趨複雜，企業銀行部亦開始將其客戶管理模式重新定位，並把服務範疇擴大，以為各企業客戶及其高級行政人員提供全面財務方案。

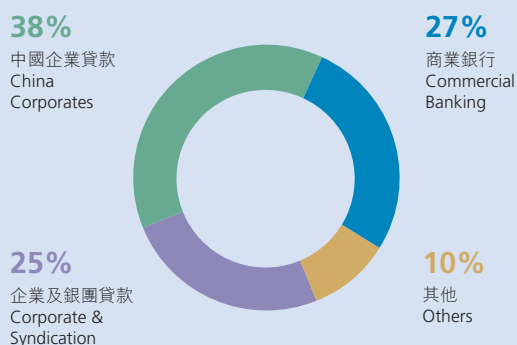
在服務本行企業客戶方面，有兩個範疇是極具策略性意義的。首先是在財資方案方面，除了傳統的外匯及存款匯兌服務外，企業銀行部認為愈益需要為客戶提供對沖及增益服務，以協助他們更有效地管理財務及流動資金狀況。另一重要範疇是保險服務，隨著客戶擴展業務至

Complete Financial Solutions

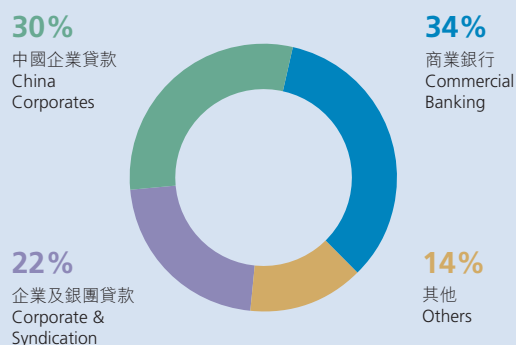
As the needs of corporate customers continue to evolve and become more sophisticated, WBG also started to reposition its relationship management model and expand its service scope to include full financial solution services for both corporations at large and the senior executives of the companies that it works with.

Two main areas that are of strategic importance in serving the Bank's corporate customers were identified. On treasury-related solutions, WBG identified an increasing need to provide both hedging and yield enhancement services to help its customers better manage their finances and cash flow situations, on top of traditional foreign currency and deposit remittance-related transactions. On insurance, as and when businesses grow beyond operating in Hong Kong, customers

二零零五年企業銀行部貸款資產分佈
WBG 2005 Loan Asset Breakdown



二零零五年企業銀行部經營收入分佈
WBG 2005 Operating Income Breakdown



企業銀行部
Wholesale Banking Group

香港以外地區，他們需要妥善支援及保障其在中港兩地的投資及資產，本行正好透過提供顧問服務及搜羅全球保險產品，協助客戶保障其業務運作及資產，並防備一些或會阻斷其業務但又無法預測的風險。

企業銀行部已夥拍財資部的專業團隊，建立新的業務模式，以服務及支持中港兩地企業客戶的個別不同需要。首先客戶關係經理會向客戶介紹本行的財資實力及財資產品，然後由財資部專才致力確定客戶的需要，並為企業發掘更有效管理流動資金狀況及對沖外匯和利率風險的機會。企業銀行部亦已引進一套符合國際標準的證明文件，以保障客戶及本行利益。

此外，透過與財資部緊密合作，企業銀行部亦推出了一系列高息存款產品，以滿足企業客戶的投資需要。

與此同時，本行全資擁有的香港華人保險代理有限公司（「香港華人保險代理」）於二零零五年一月正式成為企業銀行部管理部門，旨在為企業客戶提供一系列的專業保險服務。為了將香港華人保險代理重新定位為一站式一般保險服務公司，以迎合客戶業務運作及個人保險需要，本行將其轉型為一間保險代理公司，並推出嶄新品牌形象及業務模式。

need to support and protect their investments and assets both in Hong Kong and China. The provision of consultancy services and sourcing of products worldwide help customers protect their operations and assets and hedge against unforeseen risks that may interrupt their businesses.

A new infrastructure was set up with teams of specialists from the Bank's Treasury and Markets Group ("TMG") recruited to serve and support the very diversified needs of corporate customers in Hong Kong and China. Relationship managers who are trained on basic treasury products will introduce the Bank's treasury capabilities to clients. Treasury specialists will then lead the effort to identify customer needs and opportunities for corporations to better manage their cash flow positions and hedge against foreign currency and interest rate risks. New international standard documentation is also introduced to protect the interests of the customers and the Bank.

In addition, by working closely with its TMG partners, WBG was able to launch a range of yield enhancement products to serve the investment needs of its corporate customers.

Meanwhile, the Bank's wholly-owned Hong Kong Chinese Bank Insurance Agency ("HKCBIA") was integrated into WBG in January 2005 with the mission to offer a range of professional insurance services to its corporate clients. To reposition HKCBIA as a one-stop general insurance provider for the Bank's customers in their business operations and personal insurance needs, HKCBIA was transformed into an insurance broker with a different identity and business model.

二零零五年四月，香港華人保險代理取得代理牌照，易名為中信保險服務有限公司（「中信保險服務」）。作為本行的全資附屬公司及香港保險顧問聯會會員，中信保險服務定位為全面保險顧問服務代理，為企業及公司客戶度身訂造財務



及保險方案。它以靈活、創新及專業的手法，在過百間本地及國際保險公司所提供的無數保險產品中，為客戶挑選最合適的方案，二零零五年錄得的營業額及收入較香港華人保險代理的二零零四年業績分別增長19%及24%，為其首年業務創下美好開端。

憑藉這些新增業務平台及服務實力，企業銀行部不但繼續為現有及新客戶提供增值方案，同時為本行帶來更大商機。

擴大服務覆蓋地域

隨著中國經濟迅速增長，加上本行客戶的業務不斷擴展，企業銀行部認為有需要加強業務運作及網絡以把握面前發展機遇。

In April 2005, HKCBIA obtained a broker licence and changed its name to CITIC Insurance Brokers Limited ("CIBL"). As a fully-owned

subsidiary of the Bank as well as a member of the Hong Kong Confederation of Insurance Brokers, CIBL is positioned as a full service insurance consultancy broker providing tailor-made financial and insurance solutions. By adopting a flexible, innovative

and professional approach in selecting the best solutions from numerous insurance products offered by over 100 local and international insurance companies, the business volume of CIBL grew 19% and revenue grew by 24% compared to HKCBIA's performance in 2004, thus achieving a meaningful start in its first year of business.

With the new infrastructure and tools, WBG continued to offer value-added solutions to its existing and new customers, bringing incremental business opportunities for the Bank.

Expansion in Geographic Coverage

With the rapid growth of China's economy and the continued business expansion of the Bank's customers, WBG sees the need to strengthen its operations in tapping the opportunities that developed.

業務回顧 Review of Operations

企業銀行部 Wholesale Banking Group

本行紐約分行於去年一月喬遷至曼克頓的傳統商業及貿易中心地帶，作為迎接二零零五年的來臨，此舉亦顯示本行將專注服務更廣闊範疇的企業及國際客戶，並已為此作好準備。紐約分行未來除了與從事中國業務的美國公司緊密合作外，更會致力滿足中國企業在美國尋找投資機會時的財務需要。

中國企業貸款部於二零零五年繼續在本行選定的中國主要據點上建立穩固基礎。上海分行於二零零四年底成立，標誌著本行大中華區業務發展的重要里程碑，它現已成為本行擴展長三角業務的平台及動力，有效服務該區企業所需。

本行全資附屬公司中國國際財務有限公司（深圳）於二零零五年六月獲中國銀監會批准向企業客戶提供人民幣服務，使本行成為首間受惠於更緊密經貿關係安排特惠措施，透過旗下附屬公司取得內地人民幣牌照的香港銀行。

The Bank's New York branch celebrated the start of 2005 with the relocation of its office to mid-town Manhattan in January. The move to this new location in the traditional commercial and trading hub of Manhattan signifies the Bank's sharpened focus and readiness to serve a wider spectrum of corporate and international customers. The branch will be working closely with US-based corporations engaged in China-related business and will be helping to meet the financial needs of those Chinese corporations looking for investment opportunities in the US.

The China Corporates team continued to build a strong foothold in key selected Chinese cities in 2005. The Shanghai branch which opened in late 2004 as a significant milestone for the Bank's development in the Greater China region, has firmly established itself as the platform and engine for the Bank's business expansion in the Yangtze River Delta, serving the needs of corporates operating in that region.

In June 2005, the Bank's wholly-owned subsidiary, China International Finance Company Limited (Shenzhen), received approval from the China Banking Regulatory Commission to offer Renminbi services to corporate customers. This placed the Bank as the first Hong Kong bank whose subsidiary has obtained a Renminbi licence in the Mainland under the preferential measures prescribed in the Closer Economic Partnership Arrangement ("CEPA").

二零零五年十月三日，澳門分行正式成立，進一步加強本行在泛珠三角的服務網絡，以把握澳門與中國的更緊密經貿關係安排給予澳門旅遊、酒店及其他行業的經濟發展及商機，目標客戶包括澳門企業及於澳門成立離岸公司的香港企業。澳門分行定位為企業客戶的一站式銀行夥伴，致力為客戶度身訂造一系列的貿易融資、貸存、匯兌以及有關房地產和財資的服務及產品。

On 3 October 2005, the Bank's Macau branch was officially opened to further reinforce its geographic reach to service customers in the Pan Pearl River Delta region. This branch aims to grasp business opportunities arising from Macau's own economic development in tourism, hotel and other businesses that benefit from the enclave's CEPA with China. Our target customers include both Macau corporates and Hong Kong businesses that have set up Macau offshore companies. The branch is positioned as a one-stop banking partner for corporate customers, providing tailor-made services in the areas of trade finance, loans and deposits, remittances as well as property-related and treasury-related services and products.



二零零六年展望

企業銀行部將繼續其改革發展里程，透過建立具優勢的服務領域，加強市場地位及提升在企業客戶心中的形象。未來其中一項策略性業務是為銀行及非銀行金融企業提供金融機構服務，這是過往本行未曾大力拓展的業務領域。

Outlook for 2006

WBG will continue its transformation journey and reinforce its position in the market and amongst corporate customers by building on its Centres of Excellence. One key strategic business that is largely untapped for the Bank is its financial institutions business for both bank and non-bank financial institutions.

業務回顧 Review of Operations

企業銀行部 Wholesale Banking Group

於二零零六年，企業銀行部將成立一個核心團隊，專注為現有客戶提供增值產品及服務，並吸納股票代理行及其他金融機構的新客戶。

在劃分及擴闊客戶層面方面，企業銀行部將重整其香港及跨國企業貸款團隊，建立相關實力，以把服務推廣至本地及全球的較大型企業。

此外，企業銀行部將在策略性方向及業務合作兩方面繼續致力推動本行與內地姊妹公司中信銀行及中信公司系內其他公司之間的聯繫及協作，擴闊及提升產品及服務系列的質和量，以服務區內及大中華市場日益擴大的客戶群。

In 2006, WBG will build a core team focusing on products and services that it can add value to both existing customers as well as on acquiring new customers from stock brokerage houses and other financial institutions.

On customer segmentation and diversification, it will reposition its Hong Kong and Multinational Corporates team to build its strength and penetration to the larger corporations locally and worldwide.

At both the strategic and working levels, WBG will continue to lead the Bank's efforts to strengthen its ties and working relationship with China CITIC Bank, its sister bank in China, and other CITIC Group companies to deepen the quality and increase the number of its products and services to an expanded portfolio of customers in the regional and Greater China markets.

企業銀行部

企業銀行部於二零零五年展開業務發展新里程，包括拓展新市場、開發新產品和服務，以及將客戶關係管理模式重新定位。

將業務重新定位

二零零五年是企業銀行部的一個重要轉捩點，它於年內展開策略性重新定位，以轉型為一間提供全面財務方案的中資離岸銀行。面對本港成熟市場的嚴峻競爭，加上中國銀行業將於二零零七年全面開放，本行深明要脫穎而出，成功關鍵在於能夠為客戶提供增值及與別不同的財務方案，以及建立獨特的品牌優勢。

為此，企業銀行部訂下新的業務目標，鎖定活躍於中國商業客戶及與其進行跨境貿易的大中華及海外企業客戶為目標客戶，旨在成為它們的最佳銀行夥伴，提供全面的增值方案，包括多元化的產品系列、諮詢服務及有關中國市場的人脈網絡。

年內，企業銀行部於建立具核心優勢的服務領域上取得長足進展，在銀團貸款籌組及分銷、項目融資以及商業地產貸款方面，訂下了清晰的業務重點，並配合專業管理，深化對客戶關係管理團隊的支援，使本行能擴闊及鞏固較大型企業客戶群的基礎，和更妥善管理業務的風險回報、增長及規模。

Wholesale Banking Group

The Bank's Wholesale Banking Group ("WBG") embarked on a new journey in 2005 with developments in new markets, new products and services, and a new positioning of its relationship management model.

Business Repositioning

2005 was a watershed year for WBG as it kicked off its strategic repositioning to transform itself into an offshore PRC solutions bank. Faced with intense competition in Hong Kong's mature market and in the run-up to the opening up of the PRC banking market in 2007, the Bank recognises that the key to compete successfully lies in its ability to offer value-added and differentiated financial solutions to customers and to develop a distinctive franchise.

Accordingly, WBG has set its goal to become a pre-eminent full service banking partner for Greater China and overseas corporates seeking or active in cross-border business and trade with the PRC, offering a full range of products, advice and access to the PRC which represent value-enhancing solutions.

During the year, significant progress was made to establish key Centres of Excellence to support its relationship management teams, with a clear focus and expert management in syndication and distribution, project finance and commercial real estate financing. This will enable the Bank to broaden and strengthen its customer base in the larger corporate segments and properly manage its portfolios for risk return, growth and size.

全面的財務方案

隨著企業客戶的需求不斷轉變及日趨複雜，企業銀行部亦開始將其客戶管理模式重新定位，並把服務範疇擴大，以為各企業客戶及其高級行政人員提供全面財務方案。

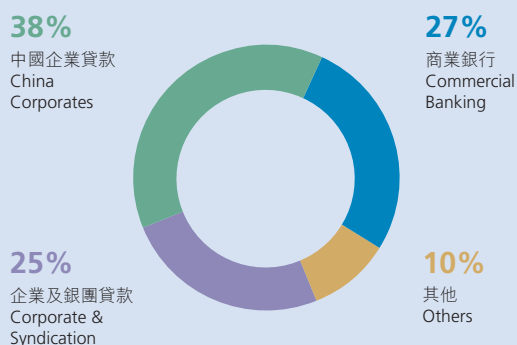
在服務本行企業客戶方面，有兩個範疇是極具策略性意義的。首先是在財資方案方面，除了傳統的外匯及存款匯兌服務外，企業銀行部認為愈益需要為客戶提供對沖及增益服務，以協助他們更有效地管理財務及流動資金狀況。另一重要範疇是保險服務，隨著客戶擴展業務至

Complete Financial Solutions

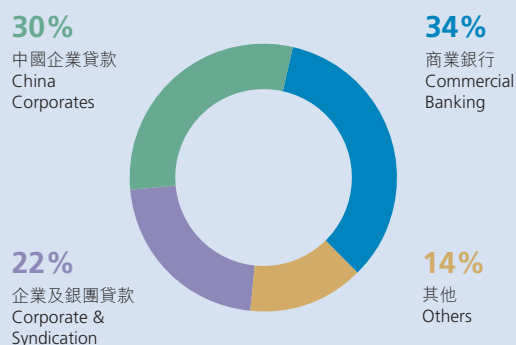
As the needs of corporate customers continue to evolve and become more sophisticated, WBG also started to reposition its relationship management model and expand its service scope to include full financial solution services for both corporations at large and the senior executives of the companies that it works with.

Two main areas that are of strategic importance in serving the Bank's corporate customers were identified. On treasury-related solutions, WBG identified an increasing need to provide both hedging and yield enhancement services to help its customers better manage their finances and cash flow situations, on top of traditional foreign currency and deposit remittance-related transactions. On insurance, as and when businesses grow beyond operating in Hong Kong, customers

二零零五年企業銀行部貸款資產分佈
WBG 2005 Loan Asset Breakdown



二零零五年企業銀行部經營收入分佈
WBG 2005 Operating Income Breakdown



企業銀行部
Wholesale Banking Group

香港以外地區，他們需要妥善支援及保障其在中港兩地的投資及資產，本行正好透過提供顧問服務及搜羅全球保險產品，協助客戶保障其業務運作及資產，並防備一些或會阻斷其業務但又無法預測的風險。

企業銀行部已夥拍財資部的專業團隊，建立新的業務模式，以服務及支持中港兩地企業客戶的個別不同需要。首先客戶關係經理會向客戶介紹本行的財資實力及財資產品，然後由財資部專才致力確定客戶的需要，並為企業發掘更有效管理流動資金狀況及對沖外匯和利率風險的機會。企業銀行部亦已引進一套符合國際標準的證明文件，以保障客戶及本行利益。

此外，透過與財資部緊密合作，企業銀行部亦推出了一系列高息存款產品，以滿足企業客戶的投資需要。

與此同時，本行全資擁有的香港華人保險代理有限公司（「香港華人保險代理」）於二零零五年一月正式成為企業銀行部管理部門，旨在為企業客戶提供一系列的專業保險服務。為了將香港華人保險代理重新定位為一站式一般保險服務公司，以迎合客戶業務運作及個人保險需要，本行將其轉型為一間保險代理公司，並推出嶄新品牌形象及業務模式。

need to support and protect their investments and assets both in Hong Kong and China. The provision of consultancy services and sourcing of products worldwide help customers protect their operations and assets and hedge against unforeseen risks that may interrupt their businesses.

A new infrastructure was set up with teams of specialists from the Bank's Treasury and Markets Group ("TMG") recruited to serve and support the very diversified needs of corporate customers in Hong Kong and China. Relationship managers who are trained on basic treasury products will introduce the Bank's treasury capabilities to clients. Treasury specialists will then lead the effort to identify customer needs and opportunities for corporations to better manage their cash flow positions and hedge against foreign currency and interest rate risks. New international standard documentation is also introduced to protect the interests of the customers and the Bank.

In addition, by working closely with its TMG partners, WBG was able to launch a range of yield enhancement products to serve the investment needs of its corporate customers.

Meanwhile, the Bank's wholly-owned Hong Kong Chinese Bank Insurance Agency ("HKCBIA") was integrated into WBG in January 2005 with the mission to offer a range of professional insurance services to its corporate clients. To reposition HKCBIA as a one-stop general insurance provider for the Bank's customers in their business operations and personal insurance needs, HKCBIA was transformed into an insurance broker with a different identity and business model.

二零零五年四月，香港華人保險代理取得代理牌照，易名為中信保險服務有限公司（「中信保險服務」）。作為本行的全資附屬公司及香港保險顧問聯會會員，中信保險服務定位為全面保險顧問服務代理，為企業及公司客戶度身訂造財務



及保險方案。它以靈活、創新及專業的手法，在過百間本地及國際保險公司所提供的無數保險產品中，為客戶挑選最合適的方案，二零零五年錄得的營業額及收入較香港華人保險代理的二零零四年業績分別增長19%及24%，為其首年業務創下美好開端。

憑藉這些新增業務平台及服務實力，企業銀行部不但繼續為現有及新客戶提供增值方案，同時為本行帶來更大商機。

擴大服務覆蓋地域

隨著中國經濟迅速增長，加上本行客戶的業務不斷擴展，企業銀行部認為有需要加強業務運作及網絡以把握面前發展機遇。

In April 2005, HKCBIA obtained a broker licence and changed its name to CITIC Insurance Brokers Limited ("CIBL"). As a fully-owned

subsidiary of the Bank as well as a member of the Hong Kong Confederation of Insurance Brokers, CIBL is positioned as a full service insurance consultancy broker providing tailor-made financial and insurance solutions. By adopting a flexible, innovative

and professional approach in selecting the best solutions from numerous insurance products offered by over 100 local and international insurance companies, the business volume of CIBL grew 19% and revenue grew by 24% compared to HKCBIA's performance in 2004, thus achieving a meaningful start in its first year of business.

With the new infrastructure and tools, WBG continued to offer value-added solutions to its existing and new customers, bringing incremental business opportunities for the Bank.

Expansion in Geographic Coverage

With the rapid growth of China's economy and the continued business expansion of the Bank's customers, WBG sees the need to strengthen its operations in tapping the opportunities that developed.

業務回顧 Review of Operations

企業銀行部 Wholesale Banking Group

本行紐約分行於去年一月喬遷至曼克頓的傳統商業及貿易中心地帶，作為迎接二零零五年的來臨，此舉亦顯示本行將專注服務更廣闊範疇的企業及國際客戶，並已為此作好準備。紐約分行未來除了與從事中國業務的美國公司緊密合作外，更會致力滿足中國企業在美國尋找投資機會時的財務需要。

中國企業貸款部於二零零五年繼續在本行選定的中國主要據點上建立穩固基礎。上海分行於二零零四年底成立，標誌著本行大中華區業務發展的重要里程碑，它現已成為本行擴展長三角業務的平台及動力，有效服務該區企業所需。

本行全資附屬公司中國國際財務有限公司（深圳）於二零零五年六月獲中國銀監會批准向企業客戶提供人民幣服務，使本行成為首間受惠於更緊密經貿關係安排特惠措施，透過旗下附屬公司取得內地人民幣牌照的香港銀行。

The Bank's New York branch celebrated the start of 2005 with the relocation of its office to mid-town Manhattan in January. The move to this new location in the traditional commercial and trading hub of Manhattan signifies the Bank's sharpened focus and readiness to serve a wider spectrum of corporate and international customers. The branch will be working closely with US-based corporations engaged in China-related business and will be helping to meet the financial needs of those Chinese corporations looking for investment opportunities in the US.

The China Corporates team continued to build a strong foothold in key selected Chinese cities in 2005. The Shanghai branch which opened in late 2004 as a significant milestone for the Bank's development in the Greater China region, has firmly established itself as the platform and engine for the Bank's business expansion in the Yangtze River Delta, serving the needs of corporates operating in that region.

In June 2005, the Bank's wholly-owned subsidiary, China International Finance Company Limited (Shenzhen), received approval from the China Banking Regulatory Commission to offer Renminbi services to corporate customers. This placed the Bank as the first Hong Kong bank whose subsidiary has obtained a Renminbi licence in the Mainland under the preferential measures prescribed in the Closer Economic Partnership Arrangement ("CEPA").

二零零五年十月三日，澳門分行正式成立，進一步加強本行在泛珠三角的服務網絡，以把握澳門與中國的更緊密經貿關係安排給予澳門旅遊、酒店及其他行業的經濟發展及商機，目標客戶包括澳門企業及於澳門成立離岸公司的香港企業。澳門分行定位為企業客戶的一站式銀行夥伴，致力為客戶度身訂造一系列的貿易融資、貸存、匯兌以及有關房地產和財資的服務及產品。

On 3 October 2005, the Bank's Macau branch was officially opened to further reinforce its geographic reach to service customers in the Pan Pearl River Delta region. This branch aims to grasp business opportunities arising from Macau's own economic development in tourism, hotel and other businesses that benefit from the enclave's CEPA with China. Our target customers include both Macau corporates and Hong Kong businesses that have set up Macau offshore companies. The branch is positioned as a one-stop banking partner for corporate customers, providing tailor-made services in the areas of trade finance, loans and deposits, remittances as well as property-related and treasury-related services and products.



二零零六年展望

企業銀行部將繼續其改革發展里程，透過建立具優勢的服務領域，加強市場地位及提升在企業客戶心中的形象。未來其中一項策略性業務是為銀行及非銀行金融企業提供金融機構服務，這是過往本行未曾大力拓展的業務領域。

Outlook for 2006

WBG will continue its transformation journey and reinforce its position in the market and amongst corporate customers by building on its Centres of Excellence. One key strategic business that is largely untapped for the Bank is its financial institutions business for both bank and non-bank financial institutions.

業務回顧 Review of Operations

企業銀行部 Wholesale Banking Group

於二零零六年，企業銀行部將成立一個核心團隊，專注為現有客戶提供增值產品及服務，並吸納股票代理行及其他金融機構的新客戶。

在劃分及擴闊客戶層面方面，企業銀行部將重整其香港及跨國企業貸款團隊，建立相關實力，以把服務推廣至本地及全球的較大型企業。

此外，企業銀行部將在策略性方向及業務合作兩方面繼續致力推動本行與內地姊妹公司中信銀行及中信公司系內其他公司之間的聯繫及協作，擴闊及提升產品及服務系列的質和量，以服務區內及大中華市場日益擴大的客戶群。

In 2006, WBG will build a core team focusing on products and services that it can add value to both existing customers as well as on acquiring new customers from stock brokerage houses and other financial institutions.

On customer segmentation and diversification, it will reposition its Hong Kong and Multinational Corporates team to build its strength and penetration to the larger corporations locally and worldwide.

At both the strategic and working levels, WBG will continue to lead the Bank's efforts to strengthen its ties and working relationship with China CITIC Bank, its sister bank in China, and other CITIC Group companies to deepen the quality and increase the number of its products and services to an expanded portfolio of customers in the regional and Greater China markets.

財資部

二零零五年，財資部除了繼續擔當本行流動資金及風險管理的重要角色外，同時並成功定位為市場導向及以客為本的交易及分銷部門，以服務企業和零售銀行部客戶。

Treasury and Markets Group

The Bank's Treasury and Markets Group ("TMG") successfully positioned itself as a market-oriented, customer-driven trading and distribution arm for the Bank's wholesale and retail banking channels in 2005, while at the same time continued to perform its critical role in managing the Bank's liquidity and risk exposures.

資金及流動資金

美國聯邦儲備局於二零零五年持續推行緊縮貨幣政策，對主要金融市場帶來憂慮。美國聯邦基金利率由二零零五年的2.25%上升至2%至年底的4.25%，然而本港息率要到去年第二季中才追上美息增長步伐。於二零零五年五月十八日，香港金融管理局（「金管局」）宣佈實施優化聯繫匯率制度，推出訂於7.75水平的港元兌美元強方兌換保證，並將弱方兌換保證移至7.85水平，若港元匯率觸及其中一方兌換水平，金管局便會在外匯市場作出干預。有關措施宣佈後，港元貨幣市場自二零零四年起一直出現的資金極度充裕情況隨即逆轉，三個月港元利率由二零零五年的接近0%大幅上升至年底的4.25%水平。

Funding and Liquidity

The consistent tightening of monetary policy by the US Federal Reserve Board overhung the major financial markets in 2005. The US Federal Funds rate increased by 2% from 2.25% at the beginning of 2005 to 4.25% at the end of the year. However, local interest rates only caught up with US dollar interest rates in the middle of the second quarter of the year. On 18 May 2005, the Hong Kong Monetary Authority ("HKMA") announced refinements to the operation of its linked exchange rate system. It introduced a strong side convertibility at 7.75 and a weak side convertibility at 7.85 for the Hong Kong dollar against the US dollar. Under the refined system, the HKMA undertakes to intervene in the foreign exchange market if the local currency hits either the strong side or the weak side convertibility levels. Immediately after the announcement, the Hong Kong dollar money market saw the reversal of its extremely liquid situation which had persisted throughout 2004, and three-month Hong Kong dollar interest rates moved up dramatically from a level close to 0% at the beginning of 2005 to end the year at about 4.25%.

本行一向奉行審慎的資金及流動資金管理政策，流動資金比率全年均保持在甚高水平，同時亦定期進行壓力測試，確保一旦發生不利或無法預計的經濟事件令市場資金驟然緊絀時仍能應付自如。本行持有高素質的短期證券組合，有需要時可在二手市場透過回購安排或直接出售套現。此外，本行在批發資金市場上亦十分活躍，積極發行一年至五年期美元及港元浮息存款證，以確保穩定的資金來源。於二零零五年，本行成功發行多宗存款證，合共吸納二十七億港元。

外匯及利率

美元於二零零五年一改過去三年的跌勢，兌其他主要交易貨幣如歐羅及日圓等升值約10%。美元在二零零五年美國經常賬赤字持續惡化的情況下仍能保持強勢，可歸因於年內美國聯邦儲備局接二連三地加息，令美元享有有利的息差優勢所致。此外，二零零五年大量外資持續流入美國亦進一步支持美元表現向好。

於二零零五年七月，中國人民銀行宣佈新的人民幣匯率機制，引進一套管理浮匯制度，人民幣不再與美元掛鈎，人民幣匯率將根據市場供求及參照一籃子貨幣而訂。本行相信這個改變

The Bank's policy has always been to exercise prudence in its funding and liquidity management. A high liquidity ratio was maintained throughout the year, and stress tests were performed regularly to ensure that the Bank could handle sudden drains in market liquidity due to adverse or unexpected economic events. The Bank holds a portfolio of high-grade securities with short maturities which can generate liquidity if necessary either through re-purchase arrangements or out-right selling in the secondary market. It is also active in wholesale funding through the issuances of one-year to five-year US dollar and Hong Kong dollar floating rate certificates of deposit ("CDs") so as to secure a stable source of funding. In 2005, a total of HK\$2.7 billion was raised through several successful CD issuances.

Foreign Exchange and Interest Rates

The US dollar reversed its three-year down-trend in 2005 and appreciated about 10% against other major trading currencies such as the Euro and the Yen. The US dollar's strength was despite the continual deterioration of the US current account deficit during 2005, and could be attributed to the favourable interest rate differential to the greenback due to the successive interest rate increases by the US Federal Reserve during the year. Additionally, the currency was supported by the continued strong foreign capital inflows into the US in 2005.

In July 2005, the People's Bank of China announced a new Renminbi foreign exchange regime under which the Chinese currency is no longer pegged to the US dollar. This involved the introduction of a managed floating exchange rate system in which the foreign exchange

標誌著中國金融體制開展一連串長遠改革的序幕，有助加速中國金融市場開放。預期在未來十年，目前的跨境限制將逐步消除，提供龐大商機。因此，財資部於二零零五年在上海分行建立財資運作，除了設立所需基建外，並已申請衍生工具牌照，以為本行客戶提供更佳服務。

正如前言，美元及港元利率於二零零五年相繼上調。由於本行早已預期有關升勢，故在管理利率風險方面非常保守。年內，雖然短期息率調升了2%，但長期息率大致維持不變，令孳息曲線變得平坦。在此情況下，本行並沒有延長證券投資的年期，因為在平坦的孳息曲線上延伸投資年期並不會帶來額外增值。於二零零五年底，本行持有至到期定息投資組合平均年期約為2.4年。

投資管理

自二零零四年五月起，本行聘用專業基金經理管理部分投資組合，二零零五年亦繼續沿用此策略。為此，本行特別設立專業小組，專責就投資組合的資產配置及基金經理甄選提出建議。有關的程序及盡職審查經已制度化，確保投資過程遵循本行規定的嚴格守則。每個有機會被

rate of Renminbi is based on market demand and supply and referenced to a basket of currencies. The Bank believes this change marks the beginning of a series of long-term revolutionary changes in the financial system in China, and will be conducive to accelerate the deregulation of China's financial markets. The existing cross-border restrictions will gradually be dismantled and will offer huge business opportunities in the next decade. Accordingly, TMG has established a treasury operation in the Bank's Shanghai branch in 2005, and apart from building the necessary infrastructure, it has also applied for a derivative licence in order to better serve the Bank's customers going forward.

As mentioned above, both the US dollar and Hong Kong dollar interest rates moved up in 2005. The Bank had been anticipating this trend, and had therefore been very conservative in managing its interest rate risk in 2005. Although short-term interest rates moved up by 2%, long-term interest rates remained quite constant and the yield curve had flattened. Under this condition, the Bank did not increase the duration of its securities investments as it would not create extra values by extending along the yield curve. As at the end of 2005, the average duration of the Bank's held-to-maturity fixed-income portfolio was around 2.4 years.

Investment Management

The Bank has adopted the strategy of using professional fund managers to run part of its investment portfolio since May 2004 and into 2005. Dedicated in-house professionals are put in place to recommend asset allocation and manager selection for this portfolio. Procedures and due diligence processes are institutionalised to ensure that the investment process follows strict guidelines prescribed by the Bank. Rigorous due diligence is performed on each fund manager

業務回顧 Review of Operations

財資部 Treasury and Markets Group

委任的基金經理均經過嚴密的盡職審查；而每年本行亦會向所有挑選的基金經理分別進行一次實地盡職審查，確保他們符合營運守則，以及沒有偏離既定的投資策略。此外，該小組亦負責持續監察投資組合的風險回報表現，定期向本行董事會層面的信貸及風險管理委員會匯報。

於二零零五年底，此基金投資組合的資產總值為五十一億港元。雖然年內投資環境相對較為嚴峻，但投資組合仍繼續錄得理想回報，增長年率達5.3%。

衍生產品

鑑於現今外匯及利率走勢反覆波動，而且市場因素錯綜複雜，故此財資部在二零零五年積極運用衍生工具產品向本行的企業客戶提供對沖方案，包括讓客戶支付定息但收取浮息的利率掉期合約，以及幫助客戶對沖未來外匯風險的遠期合約，令本行客戶的衍生產品交易量有所增加。財資部預期客戶對此類財資工具及方案的需求將持續上升，故已投入更多資源，以確保衍生產品的構建實力及服務素質方面均能維持於最佳水平。

on the potential mandate list. Annual on-site due diligence is also performed on each selected fund manager to ensure operational compliance and no drifting in investment strategy. The team is also responsible for continuously monitoring the portfolio's risk return performance with regular reporting to the Credit and Risk Management Committee of the Bank's Board of Directors.

As at the end of 2005, a total of HK\$5.1 billion was allocated to this portfolio of fund investments. Despite the relatively tough investment environment during the year, the portfolio continued to register satisfactory returns at 5.3% on an annualised basis.

Derivatives

In view of today's volatile and complex foreign exchange and interest rate environments, TMG has become more active in providing hedging solutions to the Bank's corporate customers using derivative products in 2005. This has generated an increased volume of customer derivative transactions with the Bank, including interest rate swap contracts in which the customers paid fixed rates and received floating rates, and forward contracts that helped customers hedge against their future foreign exchange exposure. TMG expects customer demand for these treasury tools and solutions to continue to increase, and has put in more resources to ensure excellence in its structuring capabilities and service quality.

同樣地，財資部於二零零五年亦透過本行的零售銀行渠道，積極為個人投資客戶推出結構性產品。

為配合企業及零售客戶的投資需要，財資部年內共推出二十多種不同結構和投資目標的結構性存款證，成功吸納資金共二十四億港元。

與此同時，為了確保衍生產品業務的增長不會影響風險管理素質，本行已特別作出額外投資，加強風險管理的系統和人力資源，以支持有關業務的增長。

Similarly for individual investor customers, TMG has been active in delivering structured products through the Bank's retail banking channel in 2005.

More than 20 different structured CDs were launched during the year using a variety of structures and investment themes to cater to investment needs of corporate and individual customers, and successfully attracted total funds of HK\$2.4 billion.

Attention is given, however, to ensure that the Bank's risk management is not compromised despite the increased volume in its derivative business. Additional investments have been made in the Bank's risk management resources, both in terms of systems and talents, in order to support this growing business.



企業公民

本行多年來一直積極回饋社群，貢獻社會福祉，履行企業公民責任。於二零零五年，本行參與多項慈善及贊助活動，幫助香港華裔青年締造更美好將來。

贊助及捐贈

於二零零五年，本行首次贊助亞洲華爾街日報的「亞洲未來領袖計劃」(Asia Future Leadership Programme)，支持香港青年教育。該計劃於一至六月學期的每個上課日，在香港七間大學免費派發共一千六百份亞洲華爾街日報，目的是培養學生對商業及財經資訊的興趣，並幫助他們掌握市場最新知識。本行將在二零零六年的同一學期再度贊助該計劃，同時為了讓更多學生受惠，每個上課日所派發的報紙數量增至二千五百份。

本行亦於去年獨家贊助由香港大學及經濟日報合辦的「港大經濟年宵兵團」，該項計劃支持大學及中學學生組隊在二零零五年宵市場經營攤位，鼓勵他們在真實的營商環境下發揮創業才華。

Corporate Citizenship

The Bank has established over the years a tradition of giving back and contributing to the well-being of the community it serves as a way to realise its social responsibility. In 2005, it has engaged in various philanthropic and sponsorship activities to help develop a better future for Hong Kong's younger Chinese generation.

Sponsorships and Donations

In 2005, the Bank participated for the first time in the sponsorship of the Wall Street Journal Asia Future Leadership Programme to support youth education in Hong Kong. It involved the distribution of 1,600 complimentary copies to students at seven local universities on each school day during the January to June semester, with the aim of cultivating their interest and knowledge in the latest business and financial news. The Bank will be repeating this sponsorship for the same semester period in 2006, and will be increasing the daily distribution quantity to 2,500 copies in order to benefit more students.



The Bank was also sole sponsor of the Business Entrepreneur Enhancement Programme last year. Coordinated jointly by The University of Hong Kong and the Hong Kong Economic Times, the programme encouraged university and secondary school students to experiment with their entrepreneurial flair in the real business world by supporting them to jointly operate stalls at the 2005 Lunar New Year Fair.

至於體育及康樂方面，本行贊助員工參加「逆旅先鋒2005」，更奪得商業機構組別的「最高籌款額」獎項。

「逆旅先鋒2005」是突破機構於二零零五年十一月舉辦的籌款活動，目的是為其青年服務籌募經費。

與此同時，本行亦繼續支持其他慈善活動，包括由香港公益金舉辦的「便服日」及「商業及僱員募捐計劃」。

In the area of sports and recreation, the Bank sponsored its staff members to participate in the “Inner Challenge 2005” event and

was named the “Highest Fund Raising Team” in the business category. “Inner Challenge 2005” is a fund-raising event organised by Breakthrough Organisation in November 2005 to support its on-going youth development projects.



Meanwhile, the Bank continued its support to various charity events, including the Dress Casual Day and the Corporate and Employee Contribution Programme organised by the Community Chest.

社會服務

員工的參與是本行社會服務活動的重要元素。本行「企業義工隊」由一班熱心的員工所組成，年內舉辦及參加了多個不同類型的活動，以幫助香港有需要的社群，包括聯同仁濟海外學生委員會探訪長者中心，以及夥拍香港青年藝術節為來自問題家庭的小朋友安排馬賽克工藝製作班。

Community Services

Employee participation is a key component to the Bank's community services activities. During the year, the Bank's Corporate Volunteer Team, formed by enthusiastic staff members, organised and participated in a wide range of activities to reach out to the needy



groups in Hong Kong. These included its partnership with Yan Chai Transworld Committee to visit an elderly home and the joint organisation with the Hong Kong Youth Arts Festival Association of a mosaic art workshop for children from problem families.

業務回顧 Review of Operations

企業公民 Corporate Citizenship

義工隊亦於聖誕節期間舉辦多個活動，與貧困及弱勢社群一同分享節日歡樂，包括編織頸巾及冷帽予癌症病人，為痙攣人士安排電子聖誕咭製作班，以及為貧困家庭的小朋友舉行聖誕歡樂聚餐。



The team also organised various functions during the Christmas period to share the festive joys with disadvantaged and underprivileged groups. These included a knitting campaign to create neckerchiefs and hats for cancer patients, a “Do-It-Yourself” e-card production class for spastics persons as well as a Christmas party for underprivileged children.

此外，本行亦為香港青年協會的青年會員舉辦工作坊，讓他們認識財富管理的重要性。

Separately, a workshop was organised for youth members of the Hong Kong Federation of Youth Groups to educate them on the importance of wealth management.

獎項

本行於二零零六年一月獲香港社會服務聯會連續第三年頒發「商界展關懷」標誌，表揚其對社會的關懷和承擔，以及履行企業公民責任的不懈努力。

Award

In recognition of the Bank's commitment to caring for the community and its endeavours to promote corporate citizenship, the Bank was awarded the “Caring Company Logo” for the third consecutive year by the Hong Kong Council of Social Service in January 2006.



董事及高級行政人員簡介

Biographies of Directors and Senior Executives

董事簡介

Biographies of Directors

孔丹先生

董事長

五十八歲。於二零零二年十一月二十五日獲委任為中信嘉華銀行有限公司(「本行」)董事，並獲推選為董事長。孔先生現為中國中信集團公司副董事長兼總經理，亦為中信國際金融控股有限公司董事長。孔先生持有中國社會科學院經濟學碩士銜，曾出任中國光大(集團)總公司副董事長兼總經理、中國光大控股有限公司副主席及中國光大科技有限公司主席。孔先生擁有廣泛商業聯繫，並在投資、金融等方面有豐富經驗。

Mr. Kong Dan

Chairman

Aged 58. Appointed as a Director and was elected Chairman of CITIC Ka Wah Bank Limited (the "Bank") on 25 November 2002. Mr. Kong is presently the Vice Chairman and President of CITIC Group and the Chairman of CITIC International Financial Holdings Limited. He holds a Master Degree in Economics from the China Academy of Social Sciences. Mr. Kong was formerly the Vice Chairman and President of China Everbright Group Limited, Vice Chairman of China Everbright Limited and Chairman of China Everbright Technology Limited. He has extensive business connections and experience in investment and finance.

竇建中先生

副董事長

五十一歲。於二零零二年十一月二十五日獲委任為本行董事，並於二零零五年一月一日獲推選為本行副董事長。竇先生現亦為中國中信集團公司常務董事兼副總經理、中信國際金融控股有限公司董事兼行政總裁和中信國際資產管理有限公司常務副董事長。竇先生於一九七九年畢業於北京對外經濟貿易大學，曾獲遼寧大學經濟學碩士，亦曾獲中國中信集團公司頒授「高級經濟師」之名銜。竇先生曾任中信銀行行長，擁有豐富的金融業務經驗。

Mr. Dou Jianzhong

Vice Chairman

Aged 51. Appointed as a Director of the Bank on 25 November 2002 and was elected Vice Chairman on 1 January 2005. Mr. Dou is presently an Executive Director and Vice President of CITIC Group, Director and Chief Executive Officer of CITIC International Financial Holdings Limited and Executive Vice Chairman of CITIC International Assets Management Limited. Mr. Dou graduated from the University of International Business and Economics, Beijing in 1979 and obtained a Master Degree in Economics from Liao Ning University. He was granted the prestigious title of "Senior Economist" by CITIC Group. Mr. Dou was formerly the President of China CITIC Bank and has extensive experience in the finance industry.

董事及高級行政人員簡介 Biographies of Directors and Senior Executives

董事簡介 Biographies of Directors

陳許多琳女士

總裁兼行政總裁

五十二歲。於二零零二年一月十七日獲委任為本行董事，同年四月十六日獲委任為總裁兼行政總裁，陳太現亦為中信國際金融控股有限公司董事、董事總經理兼替任行政總裁、香港華人財務有限公司董事長及銀行業務諮詢委員會、香港出口信用保險局諮詢委員會及投資委員會和香港工業總會理事會會員。加入本行前，陳太曾為本地一間國際銀行擔任零售銀行部的主管。此外，陳太熱心非牟利公益事務，身兼突破及旗下青年發展基金董事，亦為基督教靈實協會董事。

陳小憲先生

五十一歲。於二零零五年一月十七日獲委任為本行董事。陳先生現為中信銀行行長、中國中信集團公司常務董事及副總經理和中信國際金融控股有限公司董事。陳先生於一九八二年加入中國人民銀行，於一九九二年出任該行北京市分行副行長，亦同時擔任國家外匯管理局北京市分局副局長。於加入中國中信集團公司前，陳先生自一九九四年起於中國招商銀行工作，曾任該行北京分行行長，繼而出任中國招商銀行總行副行長，並於二零零一年擔任其常務副行長，直至二零零四年。陳先生持有東北財經大學經濟學博士銜，擁有廣泛銀行業及財務管理經驗。

Mrs. Chan Hui Dor Lam Doreen

President and Chief Executive Officer

Aged 52. Appointed as a Director of the Bank on 17 January 2002 and was further appointed as President and Chief Executive Officer of the Bank on 16 April 2002. Mrs. Chan is also the Director, Managing Director and Alternate Chief Executive Officer of CITIC International Financial Holdings Limited, Chairman of HKCB Finance Limited, a member of the Banking Advisory Committee, Advisory Board of Export Credit Insurance Corporation, Investment Committee of Export Credit Insurance Corporation and General Committee of the Federation of Hong Kong Industries. Prior to joining the Bank, she was in charge of the retail banking business for a major international bank in Hong Kong. Mrs. Chan is also active in her support for non-profit organisations. She is currently serving on the board of Haven of Hope Christian Service, Breakthrough Limited, and The Youth Foundation Limited.

Mr. Chen Xiaoxian

Aged 51. Appointed as a Director of the Bank on 17 January 2005. Mr. Chen is presently the President of China CITIC Bank, an Executive Director and Vice President of CITIC Group and a Director of CITIC International Financial Holdings Limited. Mr. Chen joined the People's Bank of China in 1982 and had been the Deputy President of its Beijing Branch in 1992. At the same time, he was also the Deputy Director of the State Administration of Foreign Exchange, Beijing Branch. Before joining CITIC Group, Mr. Chen was with China Merchants Bank since 1994 and had been the President of its Beijing Branch, Vice President and finally the Executive Vice President of the China Merchants Bank, Head Office in 2001 till 2004. Mr. Chen holds a Doctorate Degree in Economics from the Dongbei University of Finance and Economics and has extensive experience in banking and finance management.

席伯倫先生

獨立非執行董事

五十三歲。於二零零三年十月二十日獲委任為本行獨立非執行董事和信貸及風險管理委員會主席。席先生現為Marsh & McLennan Companies Inc. 亞洲區主席、金威啤酒集團有限公司及中信國際金融控股有限公司獨立非執行董事。席先生於牛津大學及加州柏克萊大學考獲哲學、政治及經濟學學士銜和工商管理碩士銜。席先生曾於渣打銀行及花旗銀行工作，擁有超過二十五年銀行工作經驗。

居偉民先生

四十二歲。於二零零二年十一月二十五日獲委任為本行董事。居先生分別於杭州電子工業學院及中國人民大學考獲經濟學學士銜及經濟學碩士銜。現為中國中信集團公司董事兼財務總監，亦為中信國際金融控股有限公司董事。

Mr. Gil-Tienda Rafael

Independent Non-executive Director

Aged 53. Appointed as an Independent Non-executive Director and Chairman of the Credit & Risk Management Committee of the Bank on 20 October 2003. Mr. Gil-Tienda is presently the Chairman of Marsh & McLennan Companies Inc. in Asia, an Independent Non-executive Director of Kingway Brewery Holdings Limited and CITIC International Financial Holdings Limited. Mr. Gil-Tienda obtained a Bachelor Degree in Philosophy, Politics and Economics from the Oxford University and an MBA from the University of California, Berkeley. He was formerly with Standard Chartered Bank and Citibank and has over 25 years of banking experience.

Mr. Ju Weimin

Aged 42. Appointed as a Director of the Bank on 25 November 2002. Mr. Ju obtained a Bachelor Degree in Economics from the Hangzhou Institute of Electronic Engineering and a Master Degree in Economics from the People's University of China. He is presently the Director and Chief Financial Officer of CITIC Group and a Director of CITIC International Financial Holdings Limited.

董事及高級行政人員簡介 Biographies of Directors and Senior Executives

董事簡介 Biographies of Directors

林廣兆先生

獨立非執行董事

七十一歲。於二零零二年一月十七日獲委任為本行獨立非執行董事。林先生現為中銀國際控股有限公司副董事長、中國海外發展有限公司、閩港控股有限公司、信義玻璃控股有限公司及中信國際金融控股有限公司獨立非執行董事。林先生曾任中國銀行港澳管理處副主任、寶生銀行主席、集友銀行副主席、中國銀行、中銀中國基金有限公司及恒基中國集團有限公司董事，擁有四十多年銀行工作經驗。

盧永逸先生

四十七歲。於二零零二年一月十七日獲委任為本行董事。盧先生現時亦為中信國際金融控股有限公司董事、董事總經理兼替任行政總裁及中信國際資產管理有限公司董事兼行政總裁。盧先生畢業於香港大學法律系，並分別於一九八四年及一九八九年取得香港最高法院和英國及威爾斯最高法院律師資格。加入本行前，盧先生曾任中國銀行港澳管理處法律顧問、高李葉律師行及年利達律師事務所之合夥人。

Mr. Lam Kwong Siu

Independent Non-executive Director

Aged 71. Appointed as an Independent Non-executive Director of the Bank on 17 January 2002. Mr. Lam is presently the Vice Chairman of BOC International Holdings Limited and the Independent Non-executive Director of China Overseas Land & Investment Limited, Fujian Holdings Limited, Xinyi Glass Holdings Limited and CITIC International Financial Holdings Limited. He was formerly the Deputy Chief Executive of Bank of China Hongkong-Macau Regional Office, Chairman of Po Sang Bank Limited, Vice Chairman of Chiyu Banking Corporation Limited and a Director of Bank of China, BOC China Fund Limited and Henderson China Holdings Limited. He has over 40 years of continuous banking experience.

Mr. Lo Wing Yat Kelvin

Aged 47. Appointed as a Director of the Bank on 17 January 2002. Mr. Lo is now also a Director, Managing Director and Alternate Chief Executive Officer of CITIC International Financial Holdings Limited and a Director and Chief Executive Officer of CITIC International Assets Management Limited. Mr. Lo graduated from the University of Hong Kong with a Bachelor Degree in Law. He was admitted as a Solicitor of the Supreme Court of Hong Kong in 1984 and a Solicitor of the Supreme Court of England and Wales in 1989. Prior to joining the Bank, Mr. Lo served as an In-house Counsel of Bank of China Hongkong-Macau Regional Office and then became Partner of Messrs Kao, Lee & Yip and Messrs Linklaters.

施柏雅先生

執行副總裁兼替任行政總裁

六十六歲。於二零零五年三月加入本行為執行副總裁兼信貸及風險管理總監，於二零零五年十二月二日獲委任為本行董事兼替任行政總裁。施先生亦為中信國際金融控股有限公司董事。施先生為資深銀行家，擁有逾三十年在信貸和風險管理、企業及投資銀行、財資、資產／負債和衍生工具交易的廣泛經驗。施先生曾於一家大型國際銀行工作超過二十五年，出任該集團多項高層管理職位，之後，施先生為一名獨立顧問，為國際性客戶提供在中國銀行業市場的投資顧問服務。

曾耀強先生

獨立非執行董事

五十二歲。於二零零四年九月一日獲委任為本行董事及審核委員會主席，現亦為中信國際金融控股有限公司獨立非執行董事及審核委員會主席。曾先生為一名專業會計師，彼為香港會計師公會、英國特許公認會計師公會和英國特許秘書及行政人員公會資深會員。曾先生於畢馬威會計師事務所工作超過二十七年，於二零零三年三月三十一日退休時為銀行業高級合夥人。

Mr. Roger Clark Spyer

Executive Vice President and Alternate Chief Executive Officer

Aged 66. Joined the Bank in March 2005 as Executive Vice President and Chief Credit and Risk Officer, and was appointed as a Director and Alternate Chief Executive Officer of the Bank on 2 December 2005. Mr. Spyer is also a Director of CITIC International Financial Holdings Limited. He is a veteran banker with over 30 years of extensive experience in credit and risk management, wholesale and investment banking, treasury, asset/liability and derivative trading. Mr. Spyer had been working in a major international bank for 25 years where he headed senior positions at the group level. Mr. Spyer was then an independent consultant providing advisory service to international clients on investment in the Chinese banking market.

Mr. Tsang Yiu Keung Paul

Independent Non-executive Director

Aged 52. Appointed as an Independent Non-executive Director and Chairman of the Audit Committee of the Bank on 1 September 2004. Mr. Tsang is also an Independent Non-executive Director and Chairman of the Audit Committee of CITIC International Financial Holdings Limited. He is a professional accountant and a Fellow Member of The Hong Kong Institute of Certified Public Accountants, The Chartered Association of Certified Accountants and The Institute of Chartered Secretaries and Administrators. Mr. Tsang was with KPMG for more than 27 years, where he was a senior banking partner until he retired from the firm on 31 March 2003.

董事及高級行政人員簡介 Biographies of Directors and Senior Executives

董事簡介 Biographies of Directors

趙盛彪先生

執行副總裁兼美國地區總經理

五十五歲。於二零零二年十一月二十五日獲委任為本行董事，現亦為本行執行副總裁兼美國地區總經理，主管本行美國地區所有業務，此外，趙先生亦為中信國際金融控股有限公司董事。趙先生畢業於北京對外經濟貿易大學，並於美國紐約保險學院考獲工商管理碩士，擁有二十多年國際銀行業務經驗，並曾在倫敦、巴黎、香港及紐約工作。

Mr. Zhao Shengbiao Peter

Executive Vice President and Country Head, U.S.A.

Aged 55. Appointed as a Director of the Bank on 25 November 2002. He is now also the Executive Vice President and Country Head, U.S.A. of the Bank and in charge of the overall business operations in the U.S.A. Further, Mr. Zhao is also a Director of CITIC International Financial Holdings Limited. He graduated from the University of International Business and Economics, Beijing and obtained a Master Degree in Finance from the College of Insurance, New York. He has over 20 years of experience in international banking and worked in London, Paris, Hong Kong and New York.

高級行政人員簡介

Biographies of Senior Executives

林劉德美女士

二零零二年一月加入本行為高級副總裁，並於二零零三年七月晉升為執行副總裁。林太現主管本行零售銀行部，覆蓋一般零售產品業務、財富管理、中小企業業務、信用咭及汽車機器貸款服務。於二零零三年一月，林太更獲推選為香港華人財務有限公司副董事長。林太為英國利物浦大學工商管理碩士，曾任職於美國大通銀行及渣打銀行，擁有逾二十年的零售銀行業務管理經驗。

林宗仁先生

二零零三年四月加入本行為高級副總裁及營運總監，並於同年十一月晉升為執行副總裁，林先生於二零零五年十二月獲委任為本行替任行政總裁，現負責本行所有支援及營運業務。林先生擁有逾三十年資訊科技及營運工作經驗。彼為Williams College 物理學學士及University of Wisconsin 計算機科學碩士。加入本行之前，林先生為渣打銀行零售銀行營運主管。

Mrs. Lam Lau Tak Mi Lorainne

Joined the Bank in January 2002 as Senior Vice President and was promoted to Executive Vice President in July 2003. Mrs. Lam is now in charge of the Retail Banking Group of the Bank covering the business lines of general retail banking services, wealth management, small- and medium-sized enterprise business, credit card, hire purchase & leasing. She was elected Vice Chairman of HKCB Finance Limited in January 2003. Mrs. Lam holds a Master Degree in Business Administration from the University of Liverpool, England. She has over 20 years of experience in retail banking management from Chase Manhattan Bank and Standard Chartered Bank.

Mr. Ling Chung Yan

Joined the Bank in April 2003 as Senior Vice President and Chief Operating Officer and was promoted to Executive Vice President in November of the same year. Mr. Ling was appointed as the Alternate Chief Executive Officer of the Bank in December 2005 and is now in charge of all support and operation functions of the Bank. He has over 30 years experience in information technology and operations. Mr. Ling obtained a Bachelor Degree in Physics from Williams College and a M.Sc. in Computers Sciences from the University of Wisconsin. Before joining the Bank, Mr. Ling was the Head of Operations, Consumer Banking of Standard Chartered Bank.

董事及高級行政人員簡介 Biographies of Directors and Senior Executives

高級行政人員簡介 Biographies of Senior Executives

萬紅女士

一九九八年十月加入本行為高級副總裁，並於二零零三年七月晉升為執行副總裁。萬女士現主管本行中國業務部，亦為中國國際財務有限公司(深圳)董事長。萬女士畢業於中國人民銀行金融研究所，並獲銀行及財務碩士學位。曾於八十年代於中國人民銀行工作達七年，任職處長。加入本行前，萬女士於中國新技術創業國際有限公司擔任副董事總經理。

王浩成先生

二零零五年七月加入本行為高級副總裁及財務總監。王先生亦為中信國際金融控股有限公司集團財務總監及按上市規則所指的合資格會計師。王先生畢業於香港理工大學，為英國特許會計師公會資深會員、香港會計師公會資深會員、英國特許秘書及行政人員公會會員及香港特許秘書公會會員。加入本行之前，王先生曾於美國大通銀行、美國大通信用咭有限公司及星展銀行出任高級管理職位。

Ms. Margaret Man

Joined the Bank in October 1998 as Senior Vice President and was promoted to Executive Vice President in July 2003. Ms. Man is now the Head of China Banking of the Bank and the Chairman of China International Finance Company Limited (Shenzhen). She graduated from the Graduate School of the People's Bank of China obtaining a Master Degree in Banking and Finance. Ms. Man had been a Division Chief in the People's Bank of China ("PBOC") and worked for PBOC for 7 years in 1980's. Before joining the Bank, Ms. Man was a Deputy Managing Director of China Venturetechno International Co. Ltd.

Mr. Wong Ho Sing Steve

Joined the Bank in July 2005 as Senior Vice President and Chief Financial Officer. Mr. Wong is also the Group Chief Financial Officer and the Qualified Accountant (as defined under the Listing Rules) of CITIC International Financial Holdings Limited. He graduated from the Hong Kong Polytechnic University and is a Fellow Member of The Association of Chartered Certified Accountants and The Hong Kong Institute of Certified Public Accountants, and a member of The Institute of Chartered Secretaries & Administrators and The Hong Kong Institute of Company Secretaries. Before joining the Bank, Mr. Wong held senior management positions in Chase Manhattan Bank, Chase Manhattan Card Company Limited and DBS Bank.

張貴興先生

二零零四年三月加入本行為高級副總裁兼信貸風險主管，張先生現為本行風險管理部署理主管。張先生為University Malaya 經濟學學士，加入本行之前，張先生曾於Maybank、Banco Santander及渣打銀行出任要職，擁有逾十七年信貸管理經驗。

黃致遠先生

二零零四年十一月加入本行為高級副總裁、法律顧問兼合規部主管，現亦為本行合規主任。黃先生擁有逾二十年香港和美國法律及監管事務經驗。黃先生畢業於加州柏克萊大學及Georgetown University Law School。加入本行之前，黃先生為Andersen Worldwide合夥人，主管亞太區法律事務。

劉卓衡先生

二零零二年八月加入本行為高級副總裁兼副司庫，並於二零零四年九月晉升為司庫。劉先生現除管理本行之資金需要及流動資金狀況外，亦負責財資部之業務發展。劉先生擁有逾二十年資本市場之交易及投資經驗。劉先生為香港大學社會科學學士，並考獲中國人民大學法律碩士學位及香港中文大學文學碩士學位。加入本行前，他曾於卓凌科技融資有限公司、美國大通亞洲、美國銀行及花旗銀行等區內著名金融機構擔任要職，專責管理及市務工作。

Mr. Cheong Kwee Heng

Joined the Bank in March 2004 as Senior Vice President and Head of Credit Risk. Mr. Cheong is now the Acting Head of Risk Management Group of the Bank. He holds a Bachelor Degree in Economics from University Malaya. Before joining the Bank, Mr. Cheong held various senior positions with Maybank, Banco Santander and Standard Chartered Bank and has over 17 years of experience in credit management.

Mr. Roy Huang

Joined the Bank in November 2004 as Senior Vice President, General Counsel and Head of Compliance, and is now the Compliance Officer of the Bank. Mr. Huang has over 20 years experience in legal and regulatory affairs in Hong Kong and the United States. He graduated from the University of California, Berkeley and Georgetown University Law School and just prior to joining the Bank, he was partner in charge of legal affairs Asia-Pacific at Andersen Worldwide.

Mr. Lau Cheuk Hang Philip

Joined the Bank in August 2002 as Senior Vice President and Deputy Treasurer and was promoted to the Treasurer of the Bank in September 2004. In addition to managing the Bank's funding and liquidity needs, Mr. Lau is responsible for the business development of the Treasury and Markets Group. He has over 20 years of trading and investment experience in the capital markets. Mr. Lau holds a Bachelor Degree in Social Sciences from the University of Hong Kong, a Master of Law Degree from People's University of China, and a Master of Art Degree from the Chinese University of Hong Kong. Before joining the Bank, Mr. Lau has held senior management and marketing positions in a number of leading financial institutions in the region, including Zeppelin Tech Capital Limited, Chase Manhattan Asia, Bank of America and Citibank.

董事及高級行政人員簡介 Biographies of Directors and Senior Executives

高級行政人員簡介 Biographies of Senior Executives

梁美珠女士

一九九八年八月加入本行為高級副總裁兼集團人力資源部主管。梁女士畢業於香港大學，主修經濟。畢業後從事教育工作，後轉投商貿金融界。加入本行之前，梁女士曾任英資商人銀行 Samuel Montague & Co.、美國施樂公司（香港及中國）、荷蘭銀行、怡富控股有限公司及百富勤控股有限公司人力資源總監。

李淑芬女士

二零零五年六月加入本行為高級副總裁兼稽核部主管。李女士為 University of South Australia 工商管理碩士，亦為英國特許會計師公會資深會員及香港會計師公會會員。李女士擁有逾二十二年稽核經驗。加入本行之前，李女士為華比銀行助理總經理兼業務計劃及發展部主管。

唐婉兒女士

於二零零五年一月加入本行為高級副總裁兼集團企業關係部主管，專責企業傳訊及投資者關係。唐女士一直從事有關金融業的市場推廣及傳訊工作，已累積逾十八年的經驗。唐女士為美國 Mills College 大學經濟學學士。加入本行之前，她曾分別擔任瑞銀集團財富管理部及摩根大通私人銀行的亞洲區市場推廣及傳訊部主管。

Ms. Leung May Chu Nancy

Joined the Bank in August 1998 as Senior Vice President and Head of Group Human Resources Department. Ms. Leung graduated from the University of Hong Kong, majored in Economics. She served in the education profession before switching to the commercial/financial sectors. Before joining the Bank, Ms. Leung was the head of human resources function in the U.K. merchant bank Samuel Montague & Co., Xerox (Hong Kong & China), ABN AMRO Bank, Jardine Fleming Holdings Limited and Peregrine Holdings Limited.

Ms. Li Shuk Fan Anna

Joined the Bank in June 2005 as Senior Vice President and Head of Audit. Ms. Li holds a MBA Degree from the University of South Australia and is a Fellow Member of The Association of Chartered Certified Accountants and an Associate Member of The Hong Kong Institute of Certified Public Accountants. She has over 22 years of experience in auditing. Before joining the Bank, Ms. Li was the Assistant General Manager and Head of Business Planning & Development in Belgian Bank.

Ms. Tong Yuen Yi Barbara

Joined the Bank in January 2005 as Senior Vice President and Head of Group Corporate Relations in charge of corporate communications and investor relations. Ms. Tong has over 18 years of experience in marketing and communications in the financial industry. Ms. Tong graduated from Mills College in the U.S. with a Bachelor degree in Economics. Prior to joining the Bank, she headed the Asian marketing and communications function for UBS Wealth Management and JPMorgan Private Bank respectively.

企業資料

Corporate Information

董事會

孔丹先生

董事長

竇建中先生

副董事長

陳許多琳女士

陳小憲先生

席伯倫先生

居偉民先生

林廣兆先生

盧永逸先生

施柏雅先生

曾耀強先生

趙盛彪先生

Board of Directors

Mr. Kong Dan

Chairman

Mr. Dou Jianzhong

Vice Chairman

Mrs. Chan Hui Dor Lam Doreen

Mr. Chen Xiaoxian

Mr. Gil-Tienda Rafael

Mr. Ju Weimin

Mr. Lam Kwong Siu

Mr. Lo Wing Yat Kelvin

Mr. Roger Clark Spyer

Mr. Tsang Yiu Keung Paul

Mr. Zhao Shengbiao Peter

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

Audit Committee

Mr. Tsang Yiu Keung Paul

Chairman

Mr. Gil-Tienda Rafael

Mr. Ju Weimin

Mr. Lam Kwong Siu

註冊辦事處

香港德輔道中二三二號

電話：(852) 2545 7131

傳真：(852) 2541 7029

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核數師

畢馬威會計師事務所

Auditors

KPMG



財務報告 Financial Section

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董事會報告書

Report of the Directors

董事會謹將截至二零零五年十二月三十一日止年度的報告書及經審核財務報表呈覽。

主要營業地址

中信嘉華銀行有限公司(「本行」)為一間於香港註冊成立及營業的銀行，註冊辦事處位於香港德輔道中二三二號，本行在澳門、上海、紐約及洛杉磯均設有分行，在北京亦設有代表處。

主要業務

本行及其附屬公司(「本集團」)的主要業務是在香港提供一般銀行及相關金融服務。本行各主要附屬公司於二零零五年十二月三十一日的詳情載於財務報表附註27內。

財務報表

本集團截至二零零五年十二月三十一日止年度的溢利和本集團於該日的財政狀況載於第67頁至第188頁的財務報表內。

股息

本行於截至二零零五年十二月三十一日止年度宣佈派發中期股息共港幣570,253,000元(二零零四年：港幣463,600,000元)，當中港幣373,253,000元(二零零四年：港幣211,000,000元)已於本年度內派發。董事會不建議派發截至二零零五年十二月三十一日止年度末期股息(二零零四年：無)。

固定資產

固定資產的變動載於財務報表附註29內。

儲備

本集團及本行於本年度的儲備變動載於財務報表附註41內。

股本

本行的股本變動載於財務報表附註40內。

The Directors have pleasure in submitting their report together with the audited financial statements for the year ended 31 December 2005.

Principal Place of Business

CITIC Ka Wah Bank Limited (the "Bank") is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 232 Des Voeux Road Central, Hong Kong. The Bank operates branches in Macau, Shanghai, New York and Los Angeles. It also has a representative office in Beijing.

Principal Activities

The principal activities of the Bank and its subsidiaries (the "Group") are the provision of general banking and related financial services primarily in Hong Kong. Particulars of the Bank's principal subsidiaries as at 31 December 2005 are set out in note 27 to the financial statements.

Financial Statements

The profit of the Group for the year ended 31 December 2005 and the state of the Group's affairs as at that date are set out in the financial statements on pages 67 to 188.

Dividends

A total amount of interim dividend of HK\$570,253,000 (2004: HK\$463,600,000) was declared for the year ended 31 December 2005, of which HK\$373,253,000 (2004: HK\$211,000,000) was paid during the year. The Directors do not recommend the payment of a final dividend for the year ended 31 December 2005 (2004: Nil).

Fixed Assets

Movements in fixed assets are set out in note 29 to the financial statements.

Reserves

Movements in the reserves of the Group and the Bank during the year are set out in note 41 to the financial statements.

Share Capital

Movements in the share capital of the Bank are set out in note 40 to the financial statements.

董事

本年度內及截至本報告書日期止的董事如下：

孔 丹先生 (董事長)
竇建中先生 (副董事長)
陳許多琳女士 (總裁兼行政總裁)
陳小憲先生 (於二零零五年一月十七日獲委任)
席伯倫先生 (獨立非執行董事)
居偉民先生
林廣兆先生 (獨立非執行董事)
盧永逸先生
施柏雅先生 (執行副總裁兼替任行政總裁)
(於二零零五年十二月二日獲委任)
曾耀強先生 (獨立非執行董事)
趙盛彪先生 (執行副總裁兼美國地區總經理)

常振明先生 (於二零零五年一月十七日離任)
江紹智先生 (於二零零六年一月一日離任)

根據本行的公司組織章程細則第97條，所有現任董事須在下屆股東週年大會依章告退，並可膺選連任。

董事權益

於二零零三年五月十六日，本行的直接控股公司中信國際金融控股有限公司（「中信國際金融控股」）採納了中信國際金融控股有限公司購股權計劃（「新購股權計劃」），並同時終止高級行政人員購股權計劃（「舊購股權計劃」），但舊購股權計劃內的條文仍繼續具有十足效力及作用，惟以行使於二零零五年三月二十九日終止舊購股權計劃前已授出之購股權為限。根據新購股權計劃及舊購股權計劃，本行合資格的僱員，包括董事孔丹先生、陳許多琳女士、盧永逸先生及趙盛彪先生獲授予購股權，以認購中信國際金融控股的股份。

Directors

The Directors during the year and up to the date of this report are as follows:

Mr. Kong Dan (*Chairman*)
Mr. Dou Jianzhong (*Vice Chairman*)
Mrs. Chan Hui Dor Lam Doreen (*President and Chief Executive Officer*)
Mr. Chen Xiaoxian (appointed on 17 January 2005)
Mr. Gil-Tienda Rafael (*Independent Non-executive Director*)
Mr. Ju Weimin
Mr. Lam Kwong Siu (*Independent Non-executive Director*)
Mr. Lo Wing Yat Kelvin
Mr. Roger Clark Spyer (*Executive Vice President and Alternate Chief Executive Officer*) (appointed on 2 December 2005)
Mr. Tsang Yiu Keung Paul (*Independent Non-executive Director*)
Mr. Zhao Shengbiao Peter (*Executive Vice President and Country Head, U.S.A.*)

Mr. Chang Zhenming (resigned on 17 January 2005)
Mr. Kong Siu Chee Kenneth (resigned on 1 January 2006)

In accordance with Article 97 of the Bank's Articles of Association, all present Directors shall retire at the next annual general meeting and, being eligible, offer themselves for re-election.

Directors' Interests

On 16 May 2003, CITIC International Financial Holdings Limited ("CIFH"), the immediate holding company, adopted The CITIC International Financial Holdings Limited Share Option Scheme (the "New Option Scheme") and, at the same time, terminated the Senior Executive Share Option Scheme (the "Old Option Scheme"). However, the provisions of the Old Option Scheme remained in full force and effect to the extent necessary to give effect to the exercise of all options granted prior to the termination of the Old Option Scheme on 29 March 2005. Under the New Option Scheme and the Old Option Scheme, options to subscribe for shares of CIFH were granted to the eligible employees of the Bank which included certain Directors namely, Mr. Kong Dan, Mrs. Chan Hui Dor Lam Doreen, Mr. Lo Wing Yat Kelvin and Mr. Zhao Shengbiao Peter.

董事會報告書 Report of the Directors

董事權益 (續)

除上述者外，本行、其任何控股公司、附屬公司或同系附屬公司均沒有在本年度內任何時間訂立任何安排，致使本行董事可透過收購本行或任何其他法人的股份或債券而獲益。

本行、其任何控股公司、附屬公司或同系附屬公司於年終或本年度內任何時間，概無訂立任何令本行董事直接或間接享有重大權益的重要合約。

管理合約

本年度內，本行並無簽訂或存有任何與本行全盤業務或其中重大部份業務管理有關的管理合約。

監管政策手冊的《本地註冊認可機構披露財務資料》

截至二零零五年十二月三十一日止年度的財務報表，已完全符合香港金融管理局頒佈的監管政策手冊《本地註冊認可機構披露財務資料》所載的規定。

核數師

重新委任畢馬威會計師事務所為本行核數師的決議案，將在即將召開的股東週年大會上提呈。

承董事會命

孔丹

董事長

香港，二零零六年三月九日

Directors' Interests (cont'd)

Apart from the above, at no time during the year was the Bank, any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors of the Bank to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate.

No contract of significance, to which the Bank, any of its holding companies, subsidiaries or fellow subsidiaries was a party, and in which a Director of the Bank had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Management Contracts

No contract concerning the management and administration of the whole or any substantial part of the business of the Bank was entered into or existed during the year.

Supervisory Policy Manual on Financial Disclosure by Locally Incorporated Authorised Institutions

The financial statements for the year ended 31 December 2005 have fully complied with the guideline on "Financial Disclosure by Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority.

Auditors

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Kong Dan

Chairman

Hong Kong, 9 March 2006

核數師報告書

Auditors' Report



致中信嘉華銀行有限公司各股東
(於香港註冊成立之有限公司)

本核數師已審核刊於第67頁至第188頁根據香港公認會計原則而編製之財務報表。

董事及核數師之責任

香港公司條例規定董事須編製財務報表以顯示真實公平之財務狀況。在編製該等財務報表時，董事必須貫徹採用適當之會計政策，作出審慎而合理之判斷及估計，並說明任何未有遵守現行會計準則之原因。

本核數師之責任乃根據我們審核工作的結果，對這些財務報表提出獨立意見，並按照香港公司條例第141條規定，僅向整體股東報告。除此以外，本核數師之報告書不可作其他用途。本核數師概不就報告書的內容，對任何其他人士負責或承擔法律責任。

意見之基礎

本核數師乃按照香港會計師公會所頒佈之香港核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重要估計及判斷，所釐定之會計政策是否適合貴行及貴集團之具體情況及有否貫徹運用並作出足夠的披露。

本核數師於策劃和進行審核工作時，已力求取得一切認為必需之資料及解釋，使能獲得充分之憑證，從而就該等財務報表是否免除重大之錯誤陳述作合理之確定。在作出意見時，本核數師亦已衡量該等財務報表所載資料在整體上是否足夠。本核數師相信審核工作已為下列意見建立合理之基礎。

Auditors' report to the shareholders of
CITIC Ka Wah Bank Limited

(Incorporated in Hong Kong with limited liability)

We have audited the financial statements on pages 67 to 188 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective Responsibilities of Directors and Auditors

The Hong Kong Companies Ordinance requires the directors to prepare financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently, that judgements and estimates are made which are prudent and reasonable and that the reasons for any significant departure from applicable accounting standards are stated.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Bank's and the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

核數師報告書 Auditors' Report

意見

依照本核數師之意見，該等財務報表足以顯示貴行及貴集團於二零零五年十二月三十一日真實公平之財務狀況及截至該日止之集團全年溢利及現金流量，並已按照香港公司條例適當編製。

畢馬威會計師事務所

香港執業會計師

香港，二零零六年三月九日

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the Bank and of the Group as at 31 December 2005 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants

Hong Kong, 9 March 2006

綜合收益表

Consolidated Income Statement

截至二零零五年十二月三十一日止年度(以港幣為單位)

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

			二零零五年 2005	二零零四年 2004 (重報) (restated)
		附註 Note	港幣千元 HK\$'000	港幣千元 HK\$'000
利息收入	Interest income	4	2,978,408	2,229,845
利息支出	Interest expense		(1,877,456)	(773,492)
淨利息收入	Net interest income		1,100,952	1,456,353
費用及佣金收入	Fee and commission income	5	427,577	437,496
費用及佣金支出	Fee and commission expense		(12,837)	(26,880)
淨費用及佣金收入	Net fee and commission income		414,740	410,616
淨交易收入	Net trading income	6	308,308	160,339
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	7	52,448	–
淨對沖支出	Net hedging expense	8	(679)	–
其他經營收入	Other operating income	9	23,881	30,039
經營收入	Operating income		1,899,650	2,057,347
經營支出	Operating expenses	10	(1,049,390)	(1,011,556)
貸款及墊款減值虧損	Impairment losses written back on loans and advances		850,260	1,045,791
回撥		12(a)	83,379	–
呆壞賬準備	Charge for bad and doubtful debts	12(b)	–	(100,540)
持有至到期投資減值虧損	Impairment losses written back on held-to-maturity investments		2,433	–
回撥			(5,000)	–
可供出售證券減值虧損準備	Impairment losses on available-for-sale securities		–	–
持有至到期投資準備	Provision written back on held-to-maturity investments		–	9,682
回撥			–	–
物業減值虧損準備	Impairment losses on properties	29	(354)	–
商譽減值虧損準備	Impairment losses on goodwill	30	–	(9,502)
減值虧損回撥/(準備)	Impairment losses written back/(charged)		80,458	(100,360)
經營溢利	Operating profit		930,718	945,431
出售聯營公司虧損	Loss on disposal of associates		(6,352)	–
出售固定資產淨溢利	Net profit on disposal of fixed assets		232,699	19,755
投資物業重估收益	Revaluation gain on investment properties	29	2,140	7,555
所佔聯營公司溢利減虧損	Share of profits less losses of associates		(10,501)	(4,139)
本年度稅前溢利	Profit before taxation		1,148,704	968,602
稅項	Income tax	13	(101,661)	(151,538)
本年度溢利	Profit for the year	14	1,047,043	817,064
本年度已宣派的中期股息	Interim dividend declared during the year	15	570,253	463,600

第73至第188頁的附註屬財務報表一部分。

The notes on pages 73 to 188 form part of these financial statements.

綜合資產負債表

Consolidated Balance Sheet

於二零零五年十二月三十一日(以港幣為單位)

at 31 December 2005 (Expressed in Hong Kong dollars)

	附註 Note	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
資產			
現金及在銀行及其他金融機構的結存	16	990,454	1,451,400
在銀行及其他金融機構的存款	17	5,214,691	6,774,246
貿易票據	18	406,364	246,081
交易用途資產	19	6,199,473	—
指定為通過損益以反映公平價值的證券	20	1,117,542	—
其他證券投資	21	—	3,579,709
客戶墊款及其他賬項	22	43,617,341	42,603,199
可供出售證券	24	5,864,658	—
持有至到期投資	25	17,194,283	23,934,054
投資證券	26	—	39,841
聯營公司權益	28	—	191,450
固定資產	29	—	—
— 投資物業		64,994	64,850
— 其他物業及設備		1,102,815	1,354,068
遞延稅項資產	35	4,521	54,054
資產總額		81,777,136	80,292,952
權益及負債			
在銀行及其他金融機構的存款及結存	31	4,157,446	3,555,852
客戶存款	32	54,786,566	55,648,955
交易用途負債	33	661,137	—
已發行存款證	34	7,467,961	6,959,690
已發行債務證券	37	2,245,435	2,322,798
現行稅項	35	53,598	6,392
遞延稅項負債	35	45,466	8
其他負債		1,087,382	1,538,529
債務資本	42	4,352,351	4,275,896
負債總額		74,857,342	74,308,120
權益			
股本	40	3,083,341	3,083,341
儲備	41	3,836,453	2,901,491
歸屬於本行股東權益總額		6,919,794	5,984,832
權益及負債總額		81,777,136	80,292,952

董事會於二零零六年三月九日核准並授權發佈

Approved and authorised for issue by the Board of Directors on 9 March 2006

竇建中
Dou Jianzhong
副董事長
Vice Chairman

陳許多琳
Chan Hui Dor Lam Doreen
董事、總裁兼行政總裁
Director, President and C.E.O.

施柏雅
Roger Clark Spyer
董事兼替任行政總裁
Director and A.C.E.O.

王浩成
Wong Ho Sing Steve
財務總監
Chief Financial Officer

第73至第188頁的附註屬財務報表一部分。

The notes on pages 73 to 188 form part of these financial statements.

資產負債表

Balance Sheet

於二零零五年十二月三十一日 (以港幣為單位)

at 31 December 2005 (Expressed in Hong Kong dollars)

	附註 Note	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
資產			
現金及在銀行及其他金融機構的結存	16	689,982	1,428,854
在銀行及其他金融機構的存款	17	5,131,591	6,772,742
貿易票據	18	406,364	246,081
交易用途資產	19	6,199,473	–
指定為通過損益以反映公平價值的證券	20	1,117,542	–
其他證券投資	21	–	3,578,107
客戶墊款及其他賬項	22	40,628,176	40,053,375
應收附屬公司款項	23	2,475,355	1,975,564
可供出售證券	24	5,863,031	–
持有至到期投資	25	17,194,283	23,934,054
投資證券	26	–	35,751
附屬公司投資	27	825,676	774,421
聯營公司權益	28	–	120,105
固定資產	29	–	–
– 投資物業		49,423	50,700
– 其他物業及設備		1,100,081	1,350,861
遞延稅項資產	35	–	49,771
資產總額		81,680,977	80,370,386
權益及負債			
在銀行及其他金融機構的存款及結存	31	4,157,446	3,555,852
客戶存款	32	54,705,140	55,545,046
交易用途負債	33	661,137	–
已發行存款證	34	7,467,961	6,959,690
已發行債務證券	37	2,245,435	2,322,798
現行稅項	35	46,594	3,243
遞延稅項負債	35	45,460	–
其他負債		884,517	1,331,941
應付附屬公司款項	36	4,675,144	5,033,346
負債總額		74,888,834	74,751,916
權益			
股本	40	3,083,341	3,083,341
儲備	41	3,708,802	2,535,129
歸屬於本行股東權益總額		6,792,143	5,618,470
權益及負債總額		81,680,977	80,370,386

董事會於二零零六年三月九日核准並授權發佈

Approved and authorised for issue by the Board of Directors on 9 March 2006

竇建中
Dou Jianzhong

副董事長
Vice Chairman

陳許多琳
Chan Hui Dor Lam Doreen

董事、總裁兼行政總裁
Director, President and C.E.O.

施柏雅
Roger Clark Spyer

董事兼替任行政總裁
Director and A.C.E.O.

王浩成
Wong Ho Sing Steve

財務總監
Chief Financial Officer

第73至第188頁的附註屬財務報表一部分。

The notes on pages 73 to 188 form part of these financial statements.

綜合權益變動表

Consolidated Statement of Changes in Equity

截至二零零五年十二月三十一日止年度 (以港幣為單位)

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

	附註 Note	二零零五年 2005		二零零四年 2004 (重報) (restated)	
		港幣千元 HK\$'000	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：					
如前匯報：					
— 歸屬於本行		5,980,524		4,937,475	
因會計政策轉變產生的前期調整	41	4,308		—	
重報 (不包括期初結餘調整)		5,984,832		4,937,475	
因會計政策轉變產生的期初調整	41	476,154		—	
於1月1日 (包括前期及期初結餘調整)			6,460,986		4,937,475
於權益內直接確認的期內淨收入：					
匯兌差額：					
— 於換算海外分行、附屬及聯營公司財務報表	41	3,407		253	
— 於出售聯營公司	41	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	41		4,034		253
現金流量對沖			14,091		—
— 公平價值變動的有效部分	41	9,364		—	
— 轉至遞延稅項	41	(1,639)		—	
公平價值的變動			7,725		—
— 可供出售證券	41	(59,442)		—	
— 轉至遞延稅項	41	10,403		—	
本年度淨溢利：			(49,039)		—
如前匯報：					
— 歸屬於本行股東權益	3(a)			816,396	
因會計政策轉變產生的前期調整	3(a)			668	
本年度淨溢利 (2004：重報)	41		1,047,043		817,064
本年度確認的收入及支出總額 (2004：重報)			1,023,854		817,317
本年度已宣派及派發股息	15		(570,253)		(463,600)
進行資本交易所產生的權益變動：					
股份發行	40	—		690,000	
以股權償付的股份交易，除稅項 (2004：重報)	41	5,207	5,207	3,640	693,640
於12月31日權益總額			6,919,794		5,984,832

第73至第188頁的附註屬財務報表一部分。

The notes on pages 73 to 188 form part of these financial statements.

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零五年十二月三十一日止年度(以港幣為單位)

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

		二零零五年 2005	二零零四年 2004 (重報) (restated)
		港幣千元 HK\$'000	港幣千元 HK\$'000
經營業務	OPERATING ACTIVITIES		
本年度稅前溢利	Profit for the year before taxation	1,148,704	968,602
非現金項目調整：	Adjustments for non-cash items:		
呆壞賬撥備	Charge for bad and doubtful debts	–	100,540
貸款及墊款減值虧損回撥	Impairment losses written back on loans and advances	(83,379)	–
所佔聯營公司溢利減虧損	Share of profits less losses on associates	10,501	4,139
投資物業重估收益	Revaluation gain on investment properties	(2,140)	(7,555)
出售固定資產淨溢利	Net profit on disposal of fixed assets	(232,699)	(19,755)
持有至到期投資減值虧損回撥	Impairment losses written back on held-to-maturity investments	(2,433)	–
持有至到期投資準備回撥	Provision written back on held-to-maturity investments	–	(9,682)
物業減值虧損	Impairment losses on properties	354	–
可供出售證券減值虧損	Impairment losses on available-for-sale securities	5,000	–
以股權償付	Share-based payment	5,206	3,640
遞延支出攤銷	Amortization of deferred expenses	88,661	95,778
已發行債務證券的折讓攤銷	Amortization of discount on debt securities issued	–	(284)
固定資產折舊	Depreciation on fixed assets	116,800	149,070
股票投資證券股息收入	Dividend income from equity investment securities	(25,717)	(9,123)
債務資本利息支出	Interest expenses on loan capital	355,262	355,877
出售聯營公司虧損	Loss on disposal of associates	6,352	–
商譽攤銷	Amortization of goodwill	–	1,056
商譽減值虧損	Impairment loss on goodwill	–	9,502
匯兌差額	Foreign exchange differences	(13,390)	6,059
		1,377,082	1,647,864
經營資產(增加)/減少[#]	(Increase)/decrease in operating assets[#]		
原到期日超過3個月的銀行及其他金融機構存款	Placements with banks and other financial institutions with original maturity beyond three months	(301,344)	103,369
原到期日超過3個月的國庫券	Treasury bills with original maturity beyond three months	299,355	(398,823)
原到期日超過3個月的持有的存款證	Certificates of deposit held with original maturity beyond three months	776,453	692,785
交易用途資產	Trading assets	(2,676,012)	–
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	(84,076)	–
其他證券投資	Other investments in securities	–	(1,226,780)
客戶、銀行及其他金融機構墊款貿易票據及其他賬項	Advances to customers, banks and other financial institutions, trade bills and other accounts	(690,006)	(2,253,754)
持有至到期投資	Held-to-maturity investments	(494,512)	168,884
投資證券	Investment securities	–	142
可供出售證券	Available-for-sale securities	236,446	–
經營負債增加/(減少)[#]	Increase/(decrease) in operating liabilities[#]		
銀行及其他金融機構的存款及結存	Deposits and balances of banks and other financial institutions	601,594	69,773
客戶存款	Deposits from customers	(862,389)	(2,765,929)
交易用途負債	Trading liabilities	661,137	–
已發行存款證	Certificates of deposit issued	502,577	2,248,515
其他負債	Other liabilities	(1,070,357)	(296,869)
已發行債務證券	Debt securities issued	(65,515)	–
用於經營業務之現金淨額	NET CASH USED IN OPERATIONS	(1,789,567)	(2,010,823)

這些結餘的變動已在考慮於二零零五年一月一日作出的期初結餘調整後量化。因會計政策轉變產生的期初結餘調整於附註3內描述。

The changes in these balances are quantified after taking into account the opening balance adjustments made at 1 January 2005. The opening balance adjustments result from the changes in accounting policies is described in note 3.

綜合現金流量表

Consolidated Cash Flow Statement

截至二零零五年十二月三十一日止年度(以港幣為單位)

for the year ended 31 December 2005 (Expressed in Hong Kong dollars)

	附註 Note	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
用於經營業務之現金淨額	NET CASH USED IN OPERATIONS	(1,789,567)	(2,010,823)
稅項	Income tax		
已付香港利得稅	Hong Kong profits tax paid	(101,153)	(115,782)
已付海外利得稅	Overseas profits tax paid	(1,009)	(604)
用於經營業務之現金淨額	NET CASH USED IN OPERATING ACTIVITIES	(1,891,729)	(2,127,209)
投資業務	INVESTING ACTIVITIES		
已收股票股息	Dividends received from equity securities	25,717	9,123
購入固定資產	Purchase of fixed assets	(53,237)	(62,784)
出售固定資產所得款項	Proceeds from disposal of fixed assets	439,067	90,858
出售聯營公司所得款項	Proceeds from disposal of associates	35,524	—
來自投資業務之現金淨額	NET CASH GENERATED FROM INVESTING ACTIVITIES	447,071	37,197
融資業務	FINANCING ACTIVITIES		
支付普通股股息	Ordinary dividends paid	(373,253)	(211,000)
支付債務資本利息	Interest paid on loan capital	(355,733)	(355,602)
發行債務證券所得款項	Proceeds from debt securities issued	—	2,323,082
發行股份所得款項	Proceeds from shares issued	—	690,000
(用於)/來自融資業務之現金淨額	NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES	(728,986)	2,446,480
現金及現金等值項目 (減少)/增加淨額	NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(2,173,644)	356,468
於1月1日的現金及現金等值項目	CASH AND CASH EQUIVALENTS AT 1 JANUARY	8,016,990	7,660,522
於12月31日的現金及現金等值項目	CASH AND CASH EQUIVALENTS AT 31 DECEMBER	5,843,346	8,016,990
經營業務產生的現金流量包括：	Cash flows from operating activities include:		
已收利息	Interest received	3,085,114	3,058,255
已付利息	Interest paid	(1,996,659)	(1,554,921)

第73至第188頁的附註屬財務報表一部分。

The notes on pages 73 to 188 form part of these financial statements.

財務報表附註

Notes on the Financial Statements

(除特別列明外以港幣為單位)

(Expressed in Hong Kong dollars unless otherwise indicated)

1. 主要業務

中信嘉華銀行有限公司(「本行」)及其附屬公司(「本集團」)的主要業務是提供銀行及相關金融服務。這些業務對本集團的業績或資產及負債具有重大影響。

2. 主要會計政策

(a) 遵例聲明

這些財務報表乃根據香港會計師公會頒佈的所有適用之《香港財務報告準則》(包括所有香港會計師公會頒佈並適用之個別《香港財務報告準則》、《香港會計準則》及詮釋之統稱)、香港公認會計原則及香港《公司條例》的規定編製而成。本集團採用的主要會計政策概述如下。

香港會計師公會頒佈數項新增及經修訂的《香港財務報告準則》，並於二零零五年一月一日或之後開始之會計期間實施或可供提前採納。關於在這些財務報表內呈示因首次應用這些新增及經修訂的《香港財務報告準則》而引致本會計期間及過往會計期間之會計政策變更之資料在附註3提供。

(b) 財務報表編製基礎

除了以下資產及負債以公平價值列賬外，編製財務報表是以歷史成本作為計量基礎。有關詳情已載列於下列會計政策：

- 分類為交易用途、指定為通過損益以反映公平價值及可供出售的金融工具(參閱附註2(g)(ii))；及
- 投資物業(參閱附註2(j))。

根據《香港財務報告準則》編製的財務報表，管理層需要對政策的應用和資產及負債、收入及支出的匯報數額等作出判斷、估計及假設。估計及相關假設乃根據過往經驗及管理層相信在各該情況下乃屬合理的各項其他因素為基礎而作出，所得結果乃構成管理層就目前未能從其他來源明顯得出資產及負債賬面值所作判斷的基礎。實際的結果可能與該些估計有差異。

1. Principal Activities

The principal activities of the Bank and its subsidiaries (the "Group"), which materially affect the results or comprise the assets and liabilities of the Group, are the provision of banking and related financial services.

2. Significant Accounting Policies

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued a number of new and revised HKFRSs that are effective or available for early adoption for accounting periods beginning on or after 1 January 2005. Information on the changes in accounting policies resulting from initial application of these new and revised HKFRSs for the current and prior accounting periods reflected in these financial statements is provided in note 3.

(b) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is historical cost except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (see note 2(g)(ii))
- investment property (see note 2(j)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

2. 主要會計政策 (續)

(b) 財務報表編製基礎 (續)

估計及相關假設將不斷檢討修訂。如果修訂僅影響該期間，則會計估計的修訂會在修訂估計的期間內確認；如果修訂同時影響本期間及未來期間，則會計估計的修訂會在修訂期間及未來期間內確認。

管理層在應用《香港財務報告準則》時作出對財務報表有重大影響的判斷及對在下一年度受到重大調整的主要風險的估計於附註55討論。

(c) 收入確認

收入是在經濟效益可能會流入本集團，以及能夠可靠地計量收入和成本(如適用)時，根據下列方法在收益表內確認：

(i) 利息收入

所有計息金融工具(分類為持作交易用途或指定為通過損益以反映公平價值者除外)均使用實際利率法在收益表的利息收入內確認。

實際利率法為計算金融資產的攤銷成本及分配有關期間的利息收入的方法。按照金融資產的賬面淨值折讓未來將於金融工具預計有效年期或(如適用)在較短期間內估計付出或取得的現金值時，所用比率即為實際利率。本集團在計算實際利率時對現金流量作出估計，乃經考慮金融工具的所有合約條款(如提前還款、認購及類似期權)，惟並無考慮未來信貸損失。合約訂約方付出或收取的所有費用(為實際利率不可分割的部分)、交易成本及所有其他溢價或折讓，均在計算之列。

就減值貸款而言，根據貸款原來條款計算的應計利息收入停止，但因隨時間過去而引致任何減值貸款現值增加則匯報為利息收入。

2. Significant Accounting Policies (cont'd)

(b) Basis of preparation of the financial statements (cont'd)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 55.

(c) Revenue recognition

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognized in the income statement as follows:

(i) Interest income

Interest income for all interest-bearing financial instruments, except those classified as held for trading or designated at fair value through profit or loss, is recognized as "interest income" in the income statement using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value in impaired loans due to the passage of time is reported as interest income.

2. 主要會計政策 (續)

(c) 收入確認 (續)

(i) 利息收入 (續)

指定為通過損益以反映公平價值的金融工具的淨收入及淨交易收入包括該等金融資產及金融負債的公平價值變動而產生的所有損益(扣除應計息票)，以及該等金融工具產生的利息收入及支出及股息收入。

(ii) 費用及佣金收入

費用及佣金收入在提供相應服務時確認，但如費用是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在這些情況下，費用在成本發生或承受風險的會計期間確認或視作利息收入。

(iii) 融資租賃及分期付款合約之財務收入

融資租賃及分期付款的隱含財務收入按租賃年期確認為利息收入，以令每個會計期間剩餘的淨投資回報大致上相同。

(iv) 經營租賃之租金收入

除非有更具代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之已收租金收入會按租賃年期的會計期間以等額分期確認為其他經營收入。租賃回購收益在收益表內列作淨應收租賃支出總額的一部分。

(v) 股息收入確認如下：

- 上市投資的股息收入是在該項投資的股價除息時確認；及
- 非上市投資的股息收入在股東收取款項的權利確立時確認。

2. Significant Accounting Policies (cont'd)

(c) Revenue recognition (cont'd)

(i) Interest income (cont'd)

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with interest income and expense and dividend income attributable to those financial instruments.

(ii) Fee and commission income

Fee and commission income is recognized when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognized as income in the accounting period in which the costs or risk is incurred or accounted for as interest income.

(iii) Finance income from finance lease and hire purchase contract

Finance income implicit in the finance lease and hire purchase payments is recognized as interest income over the period of the leases so as to produce an approximately constant periodic rate of return, on the outstanding net investment in the leases for each accounting period.

(iv) Rental income from operating lease

Rental income received under operating leases is recognized as other operating income in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognized in the income statement as an integral part of the aggregate net lease payments receivable.

(v) Dividend income is recognized as follows:

- dividend income from listed investments is recognized when the share price of the investment is quoted ex-dividend; and
- dividend income from unlisted investments is recognized when the shareholder's right to receive payment is established.

2. 主要會計政策 (續)

(d) 附屬公司及受控實體

按照香港《公司條例》的規定，附屬公司是指本集團直接或間接持有超過半數已發行股本，或控制超過半數投票權，或控制其董事會組成的公司。本行有權直接或間接管轄其財務及經營政策，以透過其活動得益的附屬公司，均視為受本公司控制。

於受控附屬公司的投資均由控制權開始起在綜合財務報表中綜合計算，直至控制權終止為止。

集團間之結餘及交易，及任何集團間之交易而產生之未實現溢利均於編製綜合財務報表時悉數抵銷，集團間交易產生之未實現虧損以未實現溢利一致之方法予以抵銷，惟僅至再無減值之證明出現。

在本行的資產負債表中，附屬公司投資均按成本減任何減值虧損（參閱附註2(n)）後入賬。

(e) 聯營公司

聯營公司是指本集團或本行可對其管理發揮重大影響的公司，包括參與其財務及經營決策，但並不控制或共同控制其管理的實體。

聯營公司投資均在綜合財務報表最初以權益會計法按成本入賬，本集團佔聯營公司收購後淨資產的比例出現變化後再作調整。綜合收益表包括本集團本年度佔聯營公司收購後、除稅後業績的比例，包括任何於本年度確認有關聯營公司投資的商譽減值虧損（參閱附註2(f)及(n)）。

當本集團應佔的虧損超過其聯營公司權益，則本集團的權益會完全沖銷，並會停止確認其他虧損，但如本集團須代表聯營公司承擔法律或推定義務或支付款項則除外。就此而言，本集團以權益會計法入賬的聯營公司權益是以權益會計法入賬的投資賬面值，連同實質上構成本集團於聯營公司淨投資一部分的其他長期權益。

2. Significant Accounting Policies (cont'd)

(d) Subsidiaries and controlled entities

A subsidiary, in accordance with the Hong Kong Companies Ordinance, is a company in which the Group, directly or indirectly, holds more than half of the issued share capital or controls more than half of the voting power or controls the composition of the board of directors. Subsidiaries are considered to be controlled if the Bank has the power, directly or indirectly, to govern the financial and operating policies, so as to obtain benefits from their activities.

An investment in a controlled subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

In the Bank's balance sheet, an investment in a subsidiary is stated at cost less impairment losses (see note 2(n)).

(e) Associates

An associate is an entity over which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post acquisition change in the Group's share of the associate's net assets. The consolidated income statement includes the Group's share of the post-acquisition, post-tax results of the associates for the year, including any impairment loss on goodwill relating to the investment in associates recognized for the year (see notes 2(f) and (n)).

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate accounted for under equity method is the carrying amount of the investment under equity method together with the Group's other long-term interests that in substance form part of the Group's net investment in the associate.

2. 主要會計政策 (續)

(e) 聯營公司 (續)

本集團及其聯營公司間交易所產生的未實現盈虧均予抵銷，但只限於本集團於有關聯營公司的權益。然而，如能證明已轉讓的資產出現減值而產生未實現虧損，則該項虧損立即在損益確認。

在本行的資產負債表中，聯營公司投資是以成本扣除減值虧損（參閱附註2(n)）列賬。

(f) 商譽

商譽為業務合併成本或聯營公司投資超過本集團於被購入公司可辨認資產、負債及或有負債的公平淨值權益所佔數額。

商譽是以成本減任何累計減值虧損列賬。商譽會分配至現金生產單位，並會每年接受減值（參閱附註2(n)）測試。就聯營公司而言，商譽賬面值計入聯營公司權益賬面值。

任何本集團於被購入公司可辨認資產、負債及或有負債的公平淨值權益超過業務合併成本或聯營公司投資所佔數額立即在損益確認。

於本年度出售現金生產單位或聯營公司時，任何購入商譽的應佔數額在計算出售損益時包括在內。

(g) 金融工具

(i) 首次確認

在首次確認時，本集團將其金融工具分為不同類別，視乎購入資產及產生負債的目的而定。分類為：通過損益以反映公平價值、貸款及應收賬項、持有至到期投資及可供出售金融資產及其他金融負債。

2. Significant Accounting Policies (cont'd)

(e) Associates (cont'd)

Unrealised profits and losses resulting from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognized immediately in profit or loss.

In the Bank's balance sheet, its investments in associates are stated at cost less impairment losses (see note 2(n)).

(f) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is tested annually for impairment (see note 2(n)). In respect of an associate, the carrying amount of goodwill is included in the carrying amount of the interest in the associate.

Any excess of the Group's interest in the net fair value of acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognized immediately in profit or loss.

On disposal of a cash generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Financial instruments

(i) Initial recognition

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

2. 主要會計政策 (續)

(g) 金融工具 (續)

(i) 首次確認 (續)

金融工具先以公平價值計量，而公平價值大致與交易價相同，如果金融資產或金融負債不屬於通過損益以反映公平價值，另包括直接歸屬於購入或發行金融資產或金融負債的交易成本。通過損益以反映公平價值的金融資產及金融負債的交易成本將立即支銷。

本集團在成為提供金融工具合約其中一方當日會確認金融資產及金融負債。以有規律方式買賣金融資產按交易日會計法予以確認。任何該等金融資產或金融負債的公平價值變動產生的盈虧由該日起記錄。

(ii) 分類

通過損益以反映公平價值

該類別包括持作交易用途金融資產及負債，以及該等於初步確認時指定為通過損益以反映公平價值的金融資產及負債，惟不包括該等並無市場報價及不能可靠計量公平價值的股本工具投資。

交易用途金融工具為主要就交易用途而收購或產生的金融資產或金融負債，或共同管理的已識別金融工具投資組合的一部分，以及有證據顯示該組合最近有可短期獲利的實際趨向。不合資格用作對沖會計法(附註2(ii))的衍生工具乃計入交易用途工具。

指定為通過損益以反映公平價值的金融工具主要包括具有內含衍生工具的證券，而內含衍生工具的特點及風險與主合約並無密切關係。

2. Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

(i) Initial recognition (cont'd)

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price, plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial assets or financial liabilities. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

The Group recognizes financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets is recognized using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

(ii) Categorization

Fair value through profit or loss

This category comprises financial assets and liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting (note 2(ii)) are accounted for as trading instruments.

Financial instruments designated at fair value through profit or loss primarily consist of securities with embedded derivatives where the characteristics and risks of the embedded derivatives are not closely related to the host contracts.

2. 主要會計政策 (續)

(g) 金融工具 (續)

(ii) 分類 (續)

通過損益以反映公平價值 (續)

該類別下的金融資產及負債乃按公平價值列賬。公平價值的變動在有關變動產生的期間計入收益表。在出售或購回時，淨銷售所得款項或淨付款與賬面值的差額乃計入收益表內。

貸款及應收賬項

貸款及應收賬項為非衍生金融資產具有固定或可確定付款，且沒有活躍市場的報價的非衍生金融資產，惟除了(a)本集團擬即時或於短期內出售者乃分類為持作交易用途；(b)本集團於初步確認時已指定為通過損益以反映公平價值或可供出售者；或(c)本集團可能無法收回其絕大部分初步投資(因信貸轉壞而無法收回者除外)則分類為可供出售。貸款及應收賬項主要包括客戶貸款及墊款以及銀行及金融機構存款。

貸款及應收賬項採用實際利率法按攤銷成本減減值虧損(如有)(參閱附註2(n))列賬。

持有至到期投資

持有至到期投資為非衍生金融資產具有固定或可確定付款及固定到期日，且本集團有積極意欲及能力持有至到期的，惟本集團於初步確認時已指定為通過損益以反映公平價值或可供出售者則除外。

持有至到期投資乃採用實際利率法按攤銷成本減減值虧損(如有)(參閱附註2(n))列賬。

2. Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

(ii) Categorization (cont'd)

Fair value through profit or loss (cont'd)

Financial assets and liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in the income statement.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise loans and advances to customer and placements with banks and financial institutions.

Loans and receivables are carried at amortized cost using the effective interest method, less impairment losses, if any (see note 2(n)).

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity where the Group has the positive intention and ability to hold to maturity, other than those that the Group, upon initial recognition, designates as fair value through profit or loss or as available-for-sale.

Held-to-maturity investments are carried at amortized cost using the effective interest method less impairment losses, if any (see note 2(n)).

2. 主要會計政策 (續)

(g) 金融工具 (續)

(ii) 分類 (續)

可供出售證券

可供出售證券為指定為可供出售或並無獲分類為上述任何三個類別的非衍生金融資產。可供出售證券包括擬無限期持有的金融資產，惟可能應流動資金所需或市場環境變動而出售。

股本工具投資並沒有活躍市場的報價，而其公平價值並不能可靠計量，與之有所聯繫的衍生工具須透過交付該等無報價股本工具而清償，該類股本工具投資按成本減減值虧損（如有）（參閱附註2(n)）。

可供出售金融資產乃按公平價值列賬。因公平價值變動而產生的未變現收益及虧損直接於公平價值儲備內確認，惟以外幣核算的貨幣項目（如債務證券）的匯兌收益及虧損則在收益表內確認。

倘出售可供出售金融資產，則淨銷售所得款項與賬面值的差額及累計公平價值調整乃於權益內列作出售收益或虧損。

其他金融負債

除交易用途負債及該等指定為通過損益以反映公平價值的金融負債外，金融負債乃採用實際利率法按攤銷成本計量。

(iii) 公平價值計量原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本計算。金融資產以當時買入價作價而金融負債則以當時賣出價作價。

2. Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

(ii) Categorization (cont'd)

Available-for-sale securities

Available-for-sale securities are non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are carried at cost less impairment losses, if any (see note 2(n)).

Available-for-sale securities are carried at fair value. Unrealized gains and losses arising from changes in the fair value are recognized directly in the fair value reserve, except for foreign exchange gains and losses on monetary items such as debt securities which are recognized in the income statement.

When the available-for-sale securities are sold, the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments in the equity are treated as gains or losses on disposal.

Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortized cost using the effective interest method.

(iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

2. 主要會計政策 (續)

(g) 金融工具 (續)

(iii) 公平價值計量原則 (續)

如並無最新公開成交價，或未能從認可證券交易所獲得市場報價或從經紀/交易員獲得屬於非通過交易所買賣的金融工具價格，或如市場交投不活躍，則此工具的公平價值以估值模式估值，而該估值模式可根據市場實際交易提供可靠的估計價格。

當採用現金流量折讓價格模式，估計將來現金流量按管理層的最佳估計及採用的折現率是在結算日適用於相近工具條款及條件的市場利率計算。當採用其他定價模式，輸入項目是依據結算日的市場價格資料。

(iv) 撤銷確認

當從金融資產獲得現金流量的法定權利屆滿，或當金融資產連同基本上擁有權的所有風險及報酬已被轉移，則撤銷確認金融資產。

當合約指定的義務已被履行、取消或屆滿，則撤銷確認金融負債。

(v) 抵銷

倘若存在可依法強制執行的權利可抵銷已確認數額，且有計劃按淨額基準結算或同時變現資產及償付負債，則金融資產及金融負債可予抵銷，淨額在資產負債表內匯報。

2. Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

(iii) Fair value measurement principles (cont'd)

If a traded price or a quoted market price for exchange-traded financial instrument is not available on a recognized stock exchange or a price from a broker/dealer for non-exchange-traded financial instrument is not available, or if the market for a financial instrument is not active, the fair value of the instrument is estimated using valuation techniques that provides a reasonable estimate of prices which could be obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

(iv) Derecognition

A financial asset is derecognized when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expires.

(v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realise the asset and settle liability simultaneously.

2. 主要會計政策 (續)

(g) 金融工具 (續)

(vi) 內含衍生工具

內含衍生工具是一個包含衍生工具及主合約的混合(合併)工具的一部分，這一部分以獨立衍生工具類似的方式改變該合併工具的現金流量。當(a)固有衍生工具的經濟特質及風險與主合約並無密切關係；及(b)混合(合併)工具並非以公平價值計量而公平價值變動在收益表內確認，則內含衍生工具從主合約分開，並入賬列作衍生工具。

當內含衍生工具分開，則主合約根據金融工具的會計政策入賬。

(h) 購回及反向購回交易

出售的證券如同時附有在某一較後日期以固定價格購回這些證券的協議(購回協議)，會在財務報表內保留，並根據其原有計量原則計量。出售所得款項匯報為負債，並以攤銷成本列賬。

根據轉售協議(反向購回協議)購買的證券並非匯報為購買證券，而是應收款項，並以攤銷成本在資產負債表內列賬。

反向購回協議賺取的利息及購回協議產生的利息採用實際利率法在各協議的有效期內確認為利息收入或利息支出。

(i) 對沖

對沖會計法確認對沖工具與被對沖項目的公平價值變動對損益構成的抵銷影響。本集團於開始進行對沖及持續進行對沖時，評估用於對沖交易的金融工具在抵銷與被對沖風險相關的被對沖項目公平價值或現金流量變動上是否極具效用，並就此制定文件記錄。當(a)對沖工具到期或售出、終止或行使；(b)對沖不再符合對沖會計法的使用條件；或(c)本集團撤銷對沖關係的指定，本集團將終止在往後採用對沖會計。

2. Significant Accounting Policies (cont'd)

(g) Financial instruments (cont'd)

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognized in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies for financial instruments.

(h) Repurchase and reverse repurchase transactions

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreements) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortized cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at amortized cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements are recognized as interest income and interest expense respectively, over the life of each agreement using the effective interest method.

(i) Hedging

Hedge accounting recognizes the offsetting effects on profit or loss of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

2. 主要會計政策 (續)

(i) 對沖 (續)

(i) 公平價值對沖

公平價值對沖尋求抵銷已確認資產或負債的公平價值變動的風險，該等風險將導致損益在收益表內確認。

對沖工具以公平價值計量，公平價值變動在收益表內確認。被對沖項目的賬面值按與被對沖風險相關的對沖工具公平價值變動的數額作出調整。此調整在收益表內確認，以抵銷損益對對沖工具構成的影響。

(ii) 現金流量對沖

倘若衍生金融工具被指定作為已確認資產或負債或進行機會甚高的預計交易的現金流量變數、或已承諾進行的未來交易的外匯風險的對沖工具，則衍生金融工具就有關被對沖風險的有效部分之損益直接在權益內確認。任何損益的無效部分立即在收益表內確認。

如果預計交易的對沖其後導致確認金融資產或金融負債，則已直接在權益內確認的相關損益於購入資產或承擔負債影響收益表的同期內重新分類在收益表予以確認。如果預計交易的對沖其後導致確認非金融資產或非金融負債，則相關累計損益自權益移除，並計入非金融資產或負債的初始成本或其他賬面值。

就已確認資產或負債的現金流量對沖而言，相關累計損益於被對沖現金流量影響溢利的同期內自權益移除，並在收益表內確認。

2. Significant Accounting Policies (cont'd)

(i) Hedging (cont'd)

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognized asset or liability that will give rise to a gain or loss being recognized in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognized in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of the hedging instrument attributable to the risk being hedged. This adjustment is recognized in the income statement to offset the effect of the gain or loss on the hedging instrument.

(ii) Cash flow hedge

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognized asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on the derivative financial instrument in relation to the hedged risk is recognized directly in equity. The ineffective part of any gain or loss is recognized immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains or losses that were recognized directly in equity are reclassified in the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement. If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated cumulative gain or loss is removed from equity and included in the initial cost or other carrying amount of the non-financial asset or liability.

For cash flow hedges of a recognized asset or liability, the associated cumulative gain or loss is removed from equity and recognized in the income statement in the same period or periods during which the hedged cash flows affect the profit.

2. 主要會計政策 (續)

(i) 對沖 (續)

(ii) 現金流量對沖 (續)

當對沖工具到期或售出、終止或行使，或本集團撤銷對沖關係的指定，惟被對沖預計交易仍然預期會進行，則當時的累計損益仍會保留在權益內，並於交易進行時根據上述政策確認。倘若被對沖交易預期不會落實進行，則已在權益內確認的累計未變現損益立即在收益表內確認。

(iii) 對沖效用測試

為符合資格實施對沖會計法，在開始對沖時及預計對沖期內，本集團須預期對沖成效極具效用(預計效用)。在對沖期內並必須持續顯示有實際效用(追溯效用)。

有關各種對沖關係的文件載有如何評估對沖的效用。本集團採納的對沖效用評估方法將視乎其風險管理策略而定。

就公平價值對沖關係而言，本集團採用累計價值抵銷法作為測試效用的方法。就現金流量對沖關係而言，本集團利用假設衍生工具方法論採用累計價值抵銷法。

就預計效用而言，對沖工具必須被預期為在指定對沖期間內，能高度有效地抵銷對沖風險的公平價值或現金流量變動。就實際效用而言，公平價值或現金流量變動抵銷額在80%至125%範圍才被視為有效。

2. Significant Accounting Policies (cont'd)

(i) Hedging (cont'd)

(ii) Cash flow hedge (cont'd)

When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognized in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealized gain or loss recognized in equity is recognized immediately in the income statement.

(iii) Hedge effectiveness testing

The Group expects the hedge to be highly effective (prospective effectiveness) at the inception of the hedge and throughout its life in order to qualify for hedge accounting. Actual effectiveness (retrospective effectiveness) also needs to be demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method as effectiveness testing methodologies. For cash flow hedge relationships, the Group utilises the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80% to 125% for the hedge to be deemed effective.

2. 主要會計政策 (續)

(j) 投資物業

土地或房屋若持有或以租約業權(參閱附註2(l))擁有，以賺取租金收入及/或作資本增值的目的，列為投資物業。投資物業包括持有作目前未確定將來用途的樓宇。

投資物業以公平價值在資產負債表內列賬。任何公平價值變動產生的盈虧在收益表內確認。投資物業之租金收入根據會計政策2(c)(iv)所述的方式入賬。

(k) 其他物業、廠房及設備

這些財務報表按香港會計師公會頒佈的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡性條款編製，故並無在結算日重估其他在截至一九九五年九月三十日止期間的財務報表內以重估數額列賬的物業的公平價值。

下列物業及設備項目以成本減累計折舊及減值虧損(參閱附註2(n))在資產負債表內列賬：

- 根據經營租賃持有的土地及其上的樓宇，而於土地及樓宇的租賃權益公平價值無法在租賃年期開始時分開計量，且樓宇並非明確根據經營租賃(參閱附註2(l))持有。
- 其他設備項目。

物業及設備項目按以下方式在估計可用年期內以直線法沖銷其成本或估值計算折舊：

- 永久業權土地不予折舊。
- 樓宇—以三十年以上或土地租賃剩餘年期兩者中的較短者計算折舊。
- 傢俬、裝置及設備：三至十年

倘若物業及設備項目部分的可用年期不同，則項目成本或估值在各部分作出合理分配，而各部分分開計算折舊。資產的可用年期及其餘值(如有)每年作出檢討。

2. Significant Accounting Policies (cont'd)

(j) Investment property

Investment properties are land and buildings which are owned and/or held under a leasehold interest (see note 2(l)) to earn rental income and/or for capital appreciation. These include land and buildings held for a currently undetermined future use.

Investment properties are stated in the balance sheet at fair value. Any gain or loss arising from a change in fair value is recognized in the income statement. Rental income from investment property is accounted for as described in accounting policy 2(c)(iv).

(k) Other property and equipment

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16 "Property, plant and equipment", issued by the HKICPA, with effect that other premises which are carried at revalued amounts in financial statements relating to periods ended before 30 September 1995 have not been revalued to fair value at the balance sheet date.

The following items of property and equipment are stated in the balance sheet at cost less accumulated depreciation and impairment losses if any (see note 2(n)):

- land held under operating leases and buildings thereon, where the fair value of the leasehold interest in the land and buildings cannot be measured separately at the inception of the lease and the building is not clearly held under an operating lease (see note 2(l)).
- other items of equipment.

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- freehold land is not depreciated.
- buildings — over 30 years or the unexpired terms of the land leases, whichever is shorter
- furniture, fixtures and equipment — 3 to 10 years

Where parts of an item of property and equipment have different useful lives, the cost or valuation of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2. 主要會計政策 (續)

(k) 其他物業、廠房及設備 (續)

報廢或出售物業及設備項目所產生的損益以出售所得淨額與項目的賬面值之間的差額釐定，並於報廢或出售當日在收益表內確認。任何相關的重估盈餘將由重估儲備轉入保留溢利。

(l) 租賃及分期付款合約

(i) 租賃資產分類

承租人基本上承受擁有權帶來的所有風險及報酬的租賃列為融資租賃。出租人沒有轉移擁有權的所有風險及報酬的資產租賃列為經營租賃。

(ii) 根據融資租賃持有的資產

在本集團是融資租賃的出租人情況下，對融資租賃而租出的資產的投資淨額視作客戶貸款及墊款，在資產負債表列賬。有融資租賃特徵的分期付款合約以同樣方式列作融資租賃。減值虧損根據附註2(n)所載的會計政策入賬。

(iii) 持有作用於經營租賃的資產

倘若本集團根據經營租賃租出資產，則資產根據其性質計入資產負債表，而在適用的情況下，折舊會根據附註2(k)所載的本集團折舊政策計算。減值虧損根據附註2(n)所載的會計政策入賬。

經營租賃的收入會根據附註2(c)(iv)所載的本集團收入確認政策確認。

(iv) 經營租賃費用

如本集團使用根據經營租賃持有的資產，除非有其他基準更能表示從該等經營租賃資產獲得利益的模式，否則其租賃支出按該租賃年期相關的會計期間以等額分期記入收益表。租賃回贈收入視為淨租賃支出總額的一部分，在收益表內確認。

2. Significant Accounting Policies (cont'd)

(k) Other property and equipment (cont'd)

Gains or losses arising from the retirement or disposal of an items of property and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognized in the income statement on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits.

(l) Leases and hire purchase contracts

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Assets held under finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as loans and advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(n).

(iii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the assets are included in the balance sheet according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in note 2(k). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(n).

Revenue arising from operating leases is recognized in accordance with the Group's revenue recognition policies, as set out in note 2(c)(iv).

(iv) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to income statement in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognized in income statement as an integral part of the aggregate net lease payments made.

2. 主要會計政策 (續)

(m) 取回抵押資產

在收回減值貸款及墊款時，本集團可透過法律程序或借款人自願交付管有權而取回抵押資產。當本集團再不向借款人追索還款，並欲轉為透過有秩序的資產變現時，則取回抵押資產會在「其他資產」下匯報。

取回抵押資產在交易日以有關貸款及墊款的賬面值及公平價值減出售成本確認（以較低者為準），不予折舊或攤銷。

首次分類及其後重新計量的減值虧損在收益表內確認。

(n) 資產減值

本集團在每一結算日檢討資產的賬面值，以確定是否出現減值的客觀證據。如果存在任何有關證據，賬面值將減低至估計可收回數額，其差額透過在收益表內確認。

(i) 貸款及應收賬項

貸款及應收賬項的信貨損失是以資產賬面值，以及就資產以其原本之實際利率用折現方式計算預計之未來現金流量之現值差額計量。如果折現影響並不重大，則短年期應收賬項不予折現。

信貨損失撥備總額包括兩個組成部分：個別減值撥備及綜合減值撥備。

本集團先個別評估個別上重大的金融資產是否存在減值的客觀證據，及個別或綜合評估非個別上重大的金融資產是否存在減值的客觀證據。如果本集團確定個別評估金融資產（不論是否重大）並無存在減值的客觀證據，則其包括具類似信貨風險特質之金融資產類別中的資產，並作綜合減值評估。作個別減值評估的資產及因而確認或繼續確認減值虧損的資產在作綜合減值評估時不包括在內。

2. Significant Accounting Policies (cont'd)

(m) Repossessed assets

In the recovery of impaired loans and advances, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Other assets".

Reposessed assets are recognized at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortized.

Impairment losses on initial classification and on subsequent remeasurement are recognized in the income statement.

(n) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to the income statement.

(i) Loans and receivables

Impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for credit losses consists of two components: individual impairment allowances, and collective impairment allowances.

The Group first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

2. 主要會計政策 (續)

(n) 資產減值 (續)

(i) 貸款及應收賬項 (續)

個別減值撥備是根據管理層最佳估計以原本之實際利率折現預計收取現金流量之現值。在估計這些現金流量時，管理層須判斷有關借款人的財政狀況及任何向本集團提供的相關抵押品或擔保的可變現淨值。每一減值資產須評估其真正價值。

在評估綜合貸款虧損撥備的需要時，管理層考慮的因素包括信貸質素、組合規模、集中度及經濟因素。為了估計所需撥備，本集團根據過往的經驗和現時的經濟情況去釐定潛在風險及輸入變數。

減值撥備的準確性須視乎本集團能否在個別評估減值撥備時準確估計未來現金流量及在釐定綜合減值撥備時所採用的推測模式及變數。雖然視乎判斷而定，本集團相信客戶貸款及墊款減值撥備是合理和足夠的。

任何因估計未來現金流量的金額及時間上與先前估計的其後轉變，而該轉變是可客觀地與減值後發生的事件有關連，從而導致貸款及墊款減值撥備亦需改變，該轉變會支銷或存入收益表。

當再無實際機會收回貸款時，則貸款及相關應收利息將會沖銷。

2. Significant Accounting Policies (cont'd)

(n) Impairment of assets (cont'd)

(i) Loans and receivables (cont'd)

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its own merits.

In assessing the need for collective impairment allowance, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgement, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and be charged or credited to the income statement.

When there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

2. 主要會計政策 (續)

(n) 資產減值 (續)

(ii) 持有至到期投資

就持有至到期投資而言，減值虧損是以資產賬面值，以及個別就金融資產以其原本之實際利率（即於首次確認這些資產時計算的實際利率）用折現方式計算預計之未來現金流量之現值差額計量。

如果在較後期間，減值虧損金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連，則減值虧損會透過收益表回撥。減值虧損回撥只限於如減值虧損從未在往年確認時釐定的資產賬面值。

(iii) 可供出售證券

當可供出售金融資產出現已減值的客觀證據時，已直接確認在權益內的累計虧損會自權益移除，並在收益表內確認。在收益表內確認的累計虧損金額是購入價（扣除任何本金還款及攤銷後）與現時公平價值的差額，再減該資產以往在收益表內確認的任何減值虧損。

就按成本列賬的無報價可供出售股份證券而言，減值虧損是以金融資產賬面值，以及就類似金融資產以現行市場回報率用折現方式計算預計之未來現金流量之現值差額計量。

在收益表內確認有關可供出售股份證券的減值虧損並不會透過收益表轉回。任何其後這些資產的公平價值增加會直接在權益內確認。

如果其後的公平價值增加是可客觀地與確認減值虧損後發生的事件有關連，則有關可供出售債務證券的減值虧損會回撥。在這些情況下的減值虧損回撥會在收益表內確認。

2. Significant Accounting Policies (cont'd)

(n) Impairment of assets (cont'd)

(ii) Held-to-maturity investments

For held-to-maturity investments, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets) on an individual basis.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognized, the impairment loss is reversed through the income statement. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years.

(iii) Available-for-sale securities

When there is objective evidence that available-for-sale securities are impaired, the cumulative loss that had been recognized directly in equity is removed from equity and is recognized in the income statement. The amount of the cumulative loss that is recognized in the income statement is the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that asset previously recognized in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

Impairment losses recognized in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognized directly in equity.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognized. Reversals of impairment losses in such circumstances are recognized in the income statement.

2. 主要會計政策 (續)

(n) 資產減值 (續)

(iv) 其他資產

本行在每一結算日檢討內部和外來的資料，以確定下列資產有否出現減值跡象，或以往確認的減值虧損是否不復存在或有否減少（在商譽的情況除外）：

- 物業及設備（以重估數額列賬的物業除外）；
- 附屬公司及聯營公司投資；及
- 商譽。

如果存在任何有關跡象，便會估計資產的可收回數額。此外，就商譽而言，不論有否出現任何減值跡象，亦會每年估計可收回數額。

— 計算可收回數額

資產可收回數額是出售淨額及使用值兩者中之較高者。在評估使用值時，會採用一項當時市場評估貨幣的時間值及相對於該資產的風險的折扣率將預計未來現金流量折現為現值。當某資產未能大部分地獨立於其他資產產生現金流量時，其可收回數額取決於可獨立地產生現金流量的最小資產組合（即一個現金生產單位）。

— 確認減值虧損

每當資產的賬面值（或其所屬的現金生產單位）高於其可收回數額時，便會在收益表內確認減值虧損。就現金生產單位確認的減值虧損先分配以減少任何分配至現金生產單位（或單位組別）的商譽的賬面值，然後按比例減少單位（或單位組別）內其他資產的賬面值，惟資產賬面值不會減少至低於其個別公平價值減出售成本或使用值（如可釐定）。

2. Significant Accounting Policies (cont'd)

(n) Impairment of assets (cont'd)

(iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognized no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates; and
- goodwill

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

— Recognition of impairment losses

An impairment loss is recognized in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

2. 主要會計政策 (續)

(n) 資產減值 (續)

(iv) 其他資產 (續)

— 減值虧損回撥

除商譽外，如果在用來確定資產的可收回數額的估計出現有利改變，則減值虧損會被回撥。商譽的減值虧損不予回撥。

減值虧損回撥只限於如減值虧損從未在往年確認時釐定的資產賬面值。減值虧損回撥在該回撥被確認的年度計入收益表內。

(o) 現金等值項目

現金等值項目包括短期以及流動性極高的投資，可隨時兌換為已知的現金數額，而價值變動風險並不重大，並在購入後三個月內到期。

(p) 僱員福利

(i) 短期僱員福利及界定供款退休計劃供款

薪金、年度花紅、受薪年假、界定供款計劃供款及非貨幣性福利成本均列入僱員提供相關服務的年度。如果有關付款或結算受到遞延，而其影響將十分重大，則這些金額將以現值列賬。

(ii) 以股份償付

僱員購股權計劃

派予僱員的購股權的公平價值確認為僱員成本，並在權益內的資本儲備作相應的增加。公平價值在授出日期用三項式點陣法模式計及派發購股權的條款及條件而計量。如果僱員須符合授予條款以無條件享有這些購股權，則購股權的總估計公平價值會於考慮授予購股權的可能性後在授予期間內攤分。

2. Significant Accounting Policies (cont'd)

(n) Impairment of assets (cont'd)

(iv) Other assets (cont'd)

— Reversal of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognized in prior years. Reversal of impairment losses are credited to the income statement in the year in which the reversals are recognized.

(o) Cash equivalents

Cash equivalents are short-terms, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(p) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Share-based payments

Employee share option scheme

The fair value of share options granted to employees is recognized as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the trinomial lattice model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策 (續)

(p) 僱員福利 (續)

(ii) 以股份償付 (續)

僱員購股權計劃 (續)

在授予期間內，會對預期授予的購股權數目作出檢討。任何對往年確認的累計公平價值所作的調整會支銷/計入檢討年度的收益表，除非原僱員支出符合資格確認為資產，並在資本儲備作相應的調整。在授予日期，確認為支出的金額會作出調整，以反映實際授予的購股權數目（並在資本儲備作相應的調整），惟只是因未能達成授予條款中有關中信國際金融控股有限公司之股份市價的規定而遭沒收的情況除外。

權益額在權益內確認，直至購股權被行使（在此情況下將轉至股份溢價內）或購股權屆滿（在此情況下將直接撥回保留溢利內）。

授予僱員的權益相關遞延獎勵

權益相關遞延獎勵授予本集團僱員。應付僱員款項的公平價值確認為僱員成本，並在負債作相應的增加。公平價值先於授出日期計量，並在僱員無條件享有款項後的有效期內攤分。權益相關遞延獎勵的公平價值按最高款項每股港幣3.00元計量。負債在每一結算日及交收日重新計量。任何負債的公平價值變動在收益表內確認。

(iii) 員工退休計劃

本集團設有一項界定供款公積金及一項強制性公積金計劃。有關供款在供款到期時計入收益表內。

(q) 稅項

- (i) 本年度稅項包括本期稅項及遞延稅項資產和負債的變動。本期稅項及遞延稅項資產和負債的變動在收益表內確認，但關乎直接確認為權益項目的，則在權益內確認。

2. Significant Accounting Policies (cont'd)

(p) Employee benefits (cont'd)

(ii) Share-based payments (cont'd)

Employee share option scheme (cont'd)

During the vesting period, the number of share options that is expected to vest is reviewed. Any adjustment to the cumulative fair value recognized in prior years is charged/credited to the income statement for the year of the review unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognized as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the shares of CITIC International Financial Holdings Limited ("CIFH").

The equity amount is recognized in equity until either the option is exercised (when it is transferred to share premium) or the option expires (when it is released directly to retained profits).

Employee Equity Linked Deferred Award Scheme ("ELDA")

Awards are granted to employees of the Group under ELDA. The fair value of the amount payable to the employee is recognized as an employee cost with a corresponding increase in liabilities. The fair value is initially measured at grant date and spread over the period during which the employees become unconditionally entitled to payment. The fair value of the award is measured based on the maximum payment of HK\$3.00 per share. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognized in the income statement.

(iii) Staff retirement scheme

The Group operates a defined contribution provident fund and a Mandatory Provident Fund scheme. Contributions are charged to the income statement as and when the contributions fall due.

(q) Income tax

- (i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognized in the income statement except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity.

2. 主要會計政策 (續)

(q) 稅項 (續)

- (ii) 本期稅項為本年度應課稅收入按結算日已生效或實際上已生效的稅率計算的預計應付稅項，並已包括往年應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括尚未使用的稅項虧損及尚未使用的稅項抵免。

除了某些有限的例外情況外，所有遞延稅項負債和所有遞延稅項資產（只限於可用來抵銷日後應課稅溢利的部分）均予確認。

可支持確認可扣稅暫時性差異所產生的遞延稅項資產的日後應課稅溢利包括因轉回現有應課稅暫時性差異所產生者，惟該等差異必須與同一稅務機關及同一應課稅實體有關，並預期會在預期轉回可扣稅暫時性差異的同一期間或遞延稅項資產所產生的稅務虧損可向後期或前期結轉的期間轉回。在釐定現有應課稅暫時性差異是否支持確認未使用稅務虧損及抵免所產生的遞延稅項資產時，會採用同一準則，即如果差異與同一稅務機關及同一應課稅實體有關，便會計算在內，並預期會在可動用稅務虧損或抵免的期間內轉回。

確認遞延稅項資產和負債的有限例外情況包括不可在稅務方面獲得扣減的商譽所產生的暫時性差異、不影響會計或應課稅溢利（如屬業務合併的一部分則除外）的資產或負債的初次確認、以及附屬公司投資的暫時性差異，就應課稅差異而言，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回的差異，而就扣稅的差異而言，則只限於可在將來轉回的差異。

2. Significant Accounting Policies (cont'd)

(q) Income tax (cont'd)

- (ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.
- (iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognized.

Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. 主要會計政策 (續)

(q) 稅項 (續)

遞延稅項是以有關資產及負債賬面值的預期實現或結算金額按結算日已頒佈或基本上已頒佈的稅率而確認。遞延稅項資產及負債不予折現。

於每一結算日，本公司將檢討有關的遞延稅項資產的賬面值，對不再有足夠的應課稅溢利以實現相關稅務利益的部分予以扣減。被扣減的遞延稅項資產若於將來出現足夠的應課稅溢利時，應予轉回。因派發股息而產生的額外稅項在確認支付有關股息的責任時確認。

- (iv) 本期稅項及遞延稅項結餘和其變動會分開列示，而且不予抵銷。本期和遞延稅項資產只會在本集團或本行有合法權利以本期稅項資產抵銷本期稅項負債，並且符合以下附帶條件的情況下，才可以分別抵銷本期和遞延稅項負債：

- 本期稅項資產和負債：本集團或本行計劃按淨額基準結算，或在實現資產的同時清償負債；或
- 遞延稅項資產和負債：這些資產和負債必須與同一稅務機關就以下其中一項徵收的稅項有關：
 - 同一應課稅實體；或
 - 不同的應課稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每一未來期間，按淨額基準實現本期稅項資產和清償本期稅項負債，或在實現資產的同時清償負債。

2. Significant Accounting Policies (cont'd)

(q) Income tax (cont'd)

The amount of deferred tax recognized is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available. Additional income taxes that arise from the distribution of dividends are recognized when the liability to pay the related dividends is recognized.

- (iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Group or the Bank has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group or the Bank intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2. 主要會計政策 (續)

(r) 外幣換算

本年度內的外幣交易按交易日的匯率換算為港幣。以外幣計算的貨幣資產與負債則按結算日的匯率換算為港幣。匯兌盈虧均撥入收益表處理。

有關通過損益以反映公平價值的投資及衍生性金融工具的匯兌差額分別計入投資盈虧及衍生工具淨溢利/(虧損)。所有其他有關以外幣核算的貨幣項目的匯兌差額分開在收益表內呈報。

海外企業的業績按本年度平均匯率換算為港幣。資產負債表項目則按結算日的匯率換算。產生的匯兌差額作為儲備變動處理。

計算出售海外企業的損益包括截至出售日由該海外業務產生在儲備內確認的累計匯兌差額。

(s) 準備及或有負債

倘若本集團或本行須就已發生的事件承擔法律或推定義務，而履行該義務預期很可能會導致經濟效益外流，並可作出可靠的估計，便會就該不定的時間或數額的負債計提準備。如果貨幣時間價值重大，則按預計履行義務支出的現值計列準備。

倘若經濟效益外流的可能性不大，或是無法對有關數額作出可靠的估計，便會將該債務披露為或有負債；但倘若該等經濟效益外流的可能性極低則除外。須視乎某宗或多宗未來事件是否發生而確定存在與否的潛在債務，亦會披露為或有負債；但倘若該等經濟效益外流的可能性極低則除外。

2. Significant Accounting Policies (cont'd)

(r) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the income statement.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains and losses on investments and net gain/(loss) on derivatives, respectively. All other exchange differences relating to monetary items are presented separately in the income statement.

The results of foreign operations are translated into Hong Kong dollars at the average exchange rates for the year; balance sheet items are translated at the rates of exchange ruling at the balance sheet date. The resulting exchange differences are dealt with as a movement in reserves.

On disposal of a foreign operations, the cumulative amount of the exchange differences recognized in reserves which relate to that foreign operation is included in the calculation of the profit or loss on disposal.

(s) Provisions and contingent liabilities

Provisions are recognized for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策 (續)

(t) 關連人仕

就此等財務報表而言，如果本集團有權直接或間接監控另一方或對另一方人仕的財務及經營決策作出重要影響，或另一方人仕有權直接或間接監控本集團或對本集團的財務及經營決策作出重要影響，或本集團與另一方人仕均受制於共同的監控或共同的重要影響下，該另一方則被視為關連人仕。關連人仕可為個別人士（即主要管理人員、重大股權股東及/或其親近家庭成員）或其他實體，包括受到身為個別人士的本集團關連人仕重大影響的實體，及提供福利予本集團僱員的離職後福利計劃或任何屬本集團關連人仕的實體。

3. 會計政策的變更

香港會計師公會頒佈數項新增及經修訂的《香港財務報告準則》，並於二零零五年一月一日或以後開始的會計期間實施。

採納這些新增及經修訂的《香港財務報告準則》後的本集團及本行會計政策已在附註2概述。以下載列關於在這些賬目內呈示本會計期間及過往會計期間的重大會計政策變更的資料。

本集團並無應用任何於本會計期間尚未實施的新準則或詮釋（附註56）。

(a) 前期及期初結餘重報

下表披露根據各《香港財務報告準則》的過渡性條款而對截至二零零四年十二月三十一日止年度的綜合收益表與綜合資產負債表及本行資產負債表中每一項目，以及先前匯報的項目所作的調整。會計政策變更對二零零四年及二零零五年一月一日結餘的影響在附註41披露。

2. Significant Accounting Policies (cont'd)

(t) Related parties

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals, and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group.

3. Changes in Accounting Policies

The HKICPA has issued a number of new and revised HKFRSs that are effective for accounting periods beginning on or after 1 January 2005.

The accounting policies of the Group and the Bank after the adoption of these new and revised HKFRSs have been summarised in note 2. The following sets out information on the significant changes in accounting policies for the current and prior accounting periods reflected in these financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 56).

(a) Restatement of prior periods and opening balances

The following tables disclose the adjustments that have been made in accordance with the transitional provisions of the respective HKFRSs to each of the line items in the consolidated income statement and balance sheet and the Bank's balance sheet and other significant related disclosure items as previously reported for the year ended 31 December 2004. The effects of the changes in accounting policies on the balances at 1 January 2004 and 2005 are disclosed in note 41.

3. 會計政策的變更 (續)

(a) 前期及期初結餘重報 (續)

對綜合財務報表的影響

截至二零零四年十二月三十一日止年度的

綜合收益表

3. Changes in Accounting Policies (cont'd)

(a) Restatement of prior periods and opening balances (cont'd)

Effect on the consolidated financial statements

Consolidated Income Statement for the year ended

31 December 2004

		新會計政策的影響 (本年度溢利增加/(減少)) Effect of new policy (increase/ (decrease) in profit for the year)			
		二零零四年 2004 (如前匯報) (as previously reported) 港幣千元 HK\$'000	《香港財務 報告準則》 第2號 (附註3(d)) HKFRS2 (note 3(d)) 港幣千元 HK\$'000	《香港會計 準則》 第1及30號 (附註3(g)) HKAS 1 & 30 (note 3(g)) 港幣千元 HK\$'000	二零零四年 2004 (重報) (as restated) 港幣千元 HK\$'000
利息收入	Interest income	2,229,845	–	–	2,229,845
利息支出	Interest expense	(773,492)	–	–	(773,492)
淨利息收入	Net interest income	1,456,353	–	–	1,456,353
費用及佣金收入	Fee and commission income	437,496	–	–	437,496
費用及佣金支出	Fee and commission expense	(26,880)	–	–	(26,880)
淨費用及佣金收入	Net fee and commission income	410,616	–	–	410,616
淨交易收入	Net trading income	–	–	160,339	160,339
其他經營收入	Other operating income	190,378	–	(160,339)	30,039
經營收入	Operating income	2,057,347	–	–	2,057,347
經營支出	Operating expenses	(1,012,224)	668	–	(1,011,556)
呆壞賬準備	Charge for bad and doubtful debts	1,045,123	668	–	1,045,791
持有至到期證券	Provision written back on	(100,540)	–	–	(100,540)
準備回撥	held-to-maturity investments	9,682	–	–	9,682
商譽減值虧損	Impairment losses on goodwill	(9,502)	–	–	(9,502)
減值虧損	Impairment losses	(100,360)	–	–	(100,360)
經營溢利	Operating profit	944,763	668	–	945,431
出售固定資產淨溢利	Net profit on disposal of fixed assets	19,755	–	–	19,755
投資物業重估收益	Revaluation gain on investment properties	7,555	–	–	7,555
所佔聯營公司溢利	Share of profits less losses of associates	(6,094)	–	1,955	(4,139)
減虧損					
本年度稅前溢利	Profit before taxation	965,979	668	1,955	968,602
稅項	Income tax	(149,583)	–	(1,955)	(151,538)
本年度溢利	Profit for the year	816,396	668	–	817,064

財務報表附註
Notes on the Financial Statements

3. 會計政策的變更 (續)

(a) 前期及期初結餘重報 (續)

對綜合財務報表的影響 (續)

於二零零四年十二月三十一日的

綜合資產負債表

3. Changes in Accounting Policies (cont'd)

(a) Restatement of prior periods and opening balances (cont'd)

Effect on the consolidated financial statements (cont'd)

Effect on the Consolidated Balance Sheet as at 31 December 2004

		新會計政策的影響(資產總額及負債總額增加/(減少)) Effect of new policy (increase/(decrease) in total assets and total liabilities)				
		二零零四年 2004 (如前匯報) (as previously reported) 港幣千元 HK\$'000	《香港財務 報告準則》 第2號 (附註3(d)) HKFRS 2 (note 3(d)) 港幣千元 HK\$'000	《香港會計 準則》 第1及30號 (附註3(g)) HKAS 1 & 30 (note 3(g)) 港幣千元 HK\$'000	小計 Sub-total 港幣千元 HK\$'000	二零零四年 2004 (重報) (as restated) 港幣千元 HK\$'000
資產	Assets					
現金及短期資金	Cash and short-term funds	8,262,040	—	(6,810,640)	(6,810,640)	1,451,400
在銀行及其他金融機構 的存款	Placements with banks and other financial institutions	362,429	—	6,411,817	6,411,817	6,774,246
貿易票據	Trade bills	246,081	—	—	—	246,081
持有的存款證	Certificates of deposit held	1,366,315	—	(1,366,315)	(1,366,315)	—
其他證券投資	Other investments in securities	3,489,760	—	89,949	89,949	3,579,709
客戶墊款及 其他賬項	Advances to customers and other accounts	42,603,199	—	—	—	42,603,199
持有至到期投資	Held-to-maturity investments	22,258,865	—	1,675,189	1,675,189	23,934,054
投資證券	Investment securities	39,841	—	—	—	39,841
聯營公司權益	Interest in associates	191,450	—	—	—	191,450
固定資產	Fixed assets	1,418,918	—	—	—	1,418,918
遞延稅項資產	Deferred tax assets	54,054	—	—	—	54,054
資產總額	Total assets	80,292,952	—	—	—	80,292,952
權益及負債	Equity and liabilities					
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	3,555,852	—	—	—	3,555,852
客戶存款	Deposits from customers	55,648,955	—	—	—	55,648,955
已發行存款證	Certificates of deposit issued	6,959,690	—	—	—	6,959,690
已發行債務證券	Debt securities issued	2,322,798	—	—	—	2,322,798
現行稅項	Current taxation	6,392	—	—	—	6,392
遞延稅項負債	Deferred tax liabilities	8	—	—	—	8
其他負債	Other liabilities	1,542,837	(4,308)	—	(4,308)	1,538,529
債務資本	Loan capital	4,275,896	—	—	—	4,275,896
負債總額	Total liabilities	74,312,428	(4,308)	—	(4,308)	74,308,120
權益	Equity					
股本	Share capital	3,083,341	—	—	—	3,083,341
儲備	Reserves	2,897,183	4,308	—	4,308	2,901,491
歸屬於本公司股東 權益總額	Total equity attributable to equity shareholders of the Bank	5,980,524	4,308	—	4,308	5,984,832
權益及負債總額	Total equity and liabilities	80,292,952	—	—	—	80,292,952

3. 會計政策的變更 (續)

(a) 前期及期初結餘重報 (續)

對綜合財務報表的影響 (續)

本行於二零零四年十二月三十一日的資產負債表

3. Changes in Accounting Policies (cont'd)

(a) Restatement of prior periods and opening balances (cont'd)

Effect on the consolidated financial statements (cont'd)

Effect on the Bank's Balance Sheet as at 31 December 2004

		新會計政策的影響 (資產總額及負債總額增加/(減少)) Effect of new policy (increase/(decrease) in total assets and total liabilities)				
		二零零四年 (如前匯報) (as previously reported) 港幣千元 HK\$'000	《香港財務 報告準則》 第2號 (附註3(d)) HKFRS 2 (note 3(d)) 港幣千元 HK\$'000	《香港會計 準則》 第1及30號 (附註3(g)) HKAS 1 & 30 (note 3(g)) 港幣千元 HK\$'000	小計 Sub-total 港幣千元 HK\$'000	二零零四年 (重報) (as restated) 港幣千元 HK\$'000
資產	Assets					
現金及短期資金	Cash and short-term funds	8,239,494	—	(6,810,640)	(6,810,640)	1,428,854
在銀行及其他金融 機構的存款	Placements with banks and other financial institutions	360,925	—	6,411,817	6,411,817	6,772,742
貿易票據	Trade bills	246,081	—	—	—	246,081
持有的存款證	Certificates of deposit held	1,366,315	—	(1,366,315)	(1,366,315)	—
其他證券投資	Other investments in securities	3,488,158	—	89,949	89,949	3,578,107
客戶墊款及 其他賬項	Advances to customers and other accounts	40,053,375	—	—	—	40,053,375
應收附屬公司款項	Amount due from subsidiaries	1,975,564	—	—	—	1,975,564
持有至到期投資	Held-to-maturity investments	22,258,865	—	1,675,189	1,675,189	23,934,054
投資證券	Investment securities	35,751	—	—	—	35,751
附屬公司投資	Interest in subsidiaries	774,421	—	—	—	774,421
聯營公司權益	Interest in associates	120,105	—	—	—	120,105
固定資產	Fixed assets	1,401,561	—	—	—	1,401,561
遞延稅項資產	Deferred tax assets	49,771	—	—	—	49,771
資產總額	Total assets	80,370,386	—	—	—	80,370,386
權益及負債	Equity and liabilities					
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	3,555,852	—	—	—	3,555,852
客戶存款	Deposits from customers	55,545,046	—	—	—	55,545,046
已發行存款證	Certificates of deposit issued	6,959,690	—	—	—	6,959,690
已發行債務證券	Debt securities issued	2,322,798	—	—	—	2,322,798
現行稅項	Current taxation	3,243	—	—	—	3,243
其他負債	Other liabilities	1,336,286	(4,345)	—	(4,345)	1,331,941
應付附屬公司款項	Amount due to subsidiaries	5,033,346	—	—	—	5,033,346
負債總額	Total liabilities	74,756,261	(4,345)	—	(4,345)	74,751,916
權益	Equity					
股本	Share capital	3,083,341	—	—	—	3,083,341
儲備	Reserves	2,530,784	4,345	—	4,345	2,535,129
歸屬於本行股東 權益總額	Total equity attributable to equity shareholders of the Bank	5,614,125	4,345	—	4,345	5,618,470
權益及負債總額	Total equity and liabilities	80,370,386	—	—	—	80,370,386

3. 會計政策的變更 (續)

(b) 會計政策變更對本期間的估計影響

在實際可作估計之情況下，下表列示假設以往的會計政策在本年度仍被沿用計算截至二零零五年十二月三十一日止年度的綜合收益表與綜合資產負債表與本行之資產負債表中每一項目將會增加或減少的估計金額。

對綜合財務報表的影響

對截至二零零五年十二月三十一日止年度的綜合收益表的估計影響

		新會計政策的影響 (本年度溢利增加/(減少)) Effect of new policy (increase/(decrease) in profit for the year) 《香港財務報告 《香港會計準則》 準則》第2號 第32及39號* (附註3(d)) (附註3(c)) HKFRS 2 HKAS 32 & 39* (note 3(d)) (note 3(c)) 港幣千元 港幣千元 HK\$'000 HK\$'000			總額 Total 港幣千元 HK\$'000
利息收入	Interest income	—	(198,012)	(198,012)	
利息支出	Interest expense	—	114,796	114,796	
淨利息收入	Net interest income	—	(83,216)	(83,216)	
淨費用及佣金收入	Net fee and commission income	—	10,161	10,161	
淨交易收入	Net trading income	—	64,524	64,524	
指定為通過損益以反映公平價值的淨收入	Net income from financial instruments designated at fair value through profit or loss	—	52,447	52,447	
淨對沖支出	Net hedging expense	—	(679)	(679)	
經營收入	Operating income	—	43,237	43,237	
經營支出	Operating expenses	(2,111)	—	(2,111)	
本年度稅前溢利	Profit before taxation	(2,111)	43,237	41,126	

* 就二零零五年十二月三十一日止，我們無法估計該期間利潤超過或低於假設在末期報告期間，仍然採用以往之金融資產減值政策時所產生利潤的數額。

3. Changes in Accounting Policies (cont'd)

(b) Estimated effect of changes in accounting policies on the current year

The following tables provide estimates of the extent to which each of the line items in the consolidated income statement and consolidated balance sheet and the Bank's balance sheet for the year ended 31 December 2005 is higher or lower than it would have been had the previous policies still be applied in the year, where it is practicable to make such estimates.

Effect on the consolidated financial statements

Estimated effect on the Consolidated Income Statement for the year ended 31 December 2005

* In respect of the year ended 31 December 2005, it is not practicable to estimate the extent to which the profit for the year would have been higher or lower had the previous policy on impairment of financial assets still been applied.

3. 會計政策的變更 (續)

(b) 會計政策變更對本期間的估計影響 (續)

對綜合財務報表的影響 (續)

對於二零零五年十二月三十一日的綜合資產
負債表的估計影響

3. Changes in Accounting Policies (cont'd)

(b) Estimated effect of changes in accounting policies on the current year (cont'd)

Effect on the consolidated financial statements (cont'd)

Estimated effect on the Consolidated Balance Sheet as at
31 December 2005

		新會計政策的影響 (資產總額及負債總額增加/(減少)) Effect of new policy (increase/(decrease) in total assets and total liabilities)			總額 Total 港幣千元 HK\$'000
		《香港財務 報告準則》 第2號 (附註3(d)) HKFRS 2 (note 3(d)) 港幣千元 HK\$'000	《香港 會計準則》 第32及39號** (附註3(c)) HKAS 32 & 39* (note 3(c)) 港幣千元 HK\$'000	《香港 會計準則》 第40號 (附註3(e)) HKAS 40 (note 3(e)) 港幣千元 HK\$'000	
資產	Assets				
交易用途資產	Trading assets	-	4,028,338	-	4,028,338
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	-	1,005,945	-	1,005,945
其他證券投資	Other investments in securities	-	(3,489,760)	-	(3,489,760)
客戶墊款及其他賬項	Advances to customers and other accounts	-	(222,895)	-	(222,895)
可供出售證券	Available-for-sale securities	-	5,906,358	-	5,906,358
持有至到期投資	Held-to-maturity investments	-	(6,309,109)	-	(6,309,109)
投資證券	Investment securities	-	(39,841)	-	(39,841)
固定資產	Fixed assets				
— 投資物業	— Investment property	-	-	16,795	16,795
資產總額	Total	-	879,036	16,795	895,831
權益及負債	Equity and liabilities				
交易用途負債	Trading liabilities	-	845,863	-	845,863
已發行存款證	Certificates of deposit issued	-	(153,530)	-	(153,530)
已發行債務證券	Debt securities issued	-	(73,520)	-	(73,520)
現行稅項	Current taxation	-	35,433	-	35,433
遞延稅項負債	Deferred tax liabilities	-	67,788	2,704	70,492
其他負債	Other liabilities	(7,404)	(230,269)	-	(237,673)
債務資本	Loan capital	-	87,033	-	87,033
負債總額	Total	(7,404)	578,798	2,704	574,098
權益 儲備	Equity Reserves	7,404	300,238	14,091	321,733
歸屬於本行股東 權益總額	Total equity attributable to equity shareholders of the Bank	7,404	300,238	14,091	321,733
總額	Total	-	879,036	16,795	895,831

* 於二零零五年十二月三十一日止，我們無法估計該期間資產淨價超過或低於假設在末期報告期間，仍然採用以往之金融資產減值政策時所產生利潤的數額。

* In respect of the year ended 31 December 2005, it is not practicable to estimate the extent to which the net assets would have been higher or lower had the previous policy on impairment of financial assets still been applied.

3. 會計政策的變更 (續)

(b) 會計政策變更對本期間的估計影響 (續)

對截至二零零五年十二月三十一日止年度於
綜合股東權益直接確認的淨收入的估計影響：

		新會計政策的影響 (股東權益增加/(減少)) Effect of new policy (increase/(decrease) in equity) 《香港會計 準則》 第32及39號 (附註3(c)) HKAS 32 & 39 (note 3(c)) 港幣千元 HK\$'000		《香港會計 準則》 第40號 (附註3(e)) HKAS 40 (note 3(e)) 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
歸屬於本行股東權益	Attributable to equity shareholders of the Bank	(41,314)	14,091	(27,223)	

對截至二零零五年十二月三十一日止年度確認
與本集團股東進行股本交易之數額的估計影響：

3. Changes in Accounting Policies (cont'd)

(b) Estimated effect of changes in accounting policies on the current year (cont'd)

Estimated effect on net income recognized directly in consolidated equity
for the year ended 31 December 2005:

		新會計政策的影響 (權益增加/(減少)) Effect of new policy (increase/(decrease) in equity) 《香港財務報告準則》 第2號(附註3(d)) HKFRS 2(note 3(d)) 港幣千元 HK\$'000	
歸屬於本行股東權益	Attributable to equity shareholders of the Bank		5,207

3. 會計政策的變更 (續)

(b) 會計政策變更對本期間的估計影響 (續)

對本行資產負債表的影響

對於二零零五年十二月三十一日的本行

資產負債表的估計影響

3. Changes in Accounting Policies (cont'd)

(b) Estimated effect of changes in accounting policies on the current year (cont'd)

Effect on the Bank's balance sheet

Estimated effect on the Bank's Balance Sheet
as at 31 December 2005

		新會計政策的影響 (資產總額及負債總額增加/(減少)) Effect of new policy (increase/(decrease) in total assets and total liabilities)			總額 Total 港幣千元 HK\$'000
		《香港財務報告 準則》第2號 (附註3(d)) HKFRS 2 (note 3(d)) 港幣千元 HK\$'000	《香港會計準則》 第32及39號* (附註3(c)) HKAS 32 & 39* (note 3(c)) 港幣千元 HK\$'000	《香港會計準則》 第40號 (附註3(e)) HKAS 40 (note 3(e)) 港幣千元 HK\$'000	
資產	Assets				
交易用途資產	Trading assets	-	4,028,338	-	4,028,338
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	-	1,005,945	-	1,005,945
其他證券投資	Other investments in securities	-	(3,489,760)	-	(3,489,760)
客戶墊款及其他賬項	Advances to customers and other accounts	-	(131,907)	-	(131,907)
可供出售證券	Available-for-sale securities	-	5,906,358	-	5,906,358
持有至到期投資	Held-to-maturity investments	-	(6,309,109)	-	(6,309,109)
聯營公司權益	Interest in associates	-	(39,841)	-	(39,841)
固定資產	Fixed assets				
— 其他物業及設備	— Other property and equipment	-	-	16,795	16,795
資產總額	Total	-	970,024	16,795	986,819
權益及負債	Equity and liabilities				
交易用途負債	Trading liabilities	-	845,863	-	845,863
已發行存款證	Certificates of deposit issued	-	(153,530)	-	(153,530)
已發行債務證券	Debt securities issued	-	(73,520)	-	(73,520)
現行稅項	Current taxation	-	35,433	-	35,433
遞延稅項負債	Deferred tax liabilities	-	67,788	2,704	70,492
其他負債	Other liabilities	(6,355)	(230,269)	-	(236,624)
債務資本	Loan capital	-	87,033	-	87,033
負債總額	Total	(6,355)	578,798	2,704	575,147
權益	Equity				
儲備	Reserves	6,355	391,226	14,091	411,672
歸屬於本行股東 權益總額	Total equity attributable to equity shareholders of the Bank	6,355	391,226	14,091	411,672
總額	Total	-	970,024	16,795	986,819

* 於二零零五年十二月三十一日止，我們無法估計該期間資產淨價超過或低於假設在末期報告期間，仍然採用以往之金融資產減值政策時所產生利潤的數額。

* In respect of the year ended 31 December 2005, it is not practicable to estimate the extent to which the net assets would have been higher or lower had the previous policy on impairment of financial assets still been applied.

3. 會計政策的變更 (續)

(b) 會計政策變更對本期間的估計影響 (續)

對截至二零零五年十二月三十一日止年度於本行股東權益直接確認的淨收入的估計影響：

		新會計政策的影響 (股東權益增加/(減少)) Effect of new policy (increase/(decrease) in equity) 《香港會計準則》 第32及39號 (附註3(c)) HKAS 32 & 39 (note 3(c)) 港幣千元 HK\$'000		《香港會計準則》 第40號 (附註3(e)) HKAS 40 (note 3(e)) 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
歸屬於本行股東權益	Attributable to equity shareholders of the Bank	(41,341)	14,091	(27,250)	

對截至二零零五年十二月三十一日止年度確認與本行股東進行股本交易之數額的估計影響：

3. Changes in Accounting Policies (cont'd)

(b) Estimated effect of changes in accounting policies on the current year (cont'd)

Estimated effect on net income recognized directly in the Bank's equity for the year ended 31 December 2005:

Estimated effect on amounts recognized as capital transactions with owners of the Bank for the year ended 31 December 2005:

		新會計政策的影響 (權益增加/(減少)) Effect of new policy (increase/(decrease) in equity) 《香港財務報告準則》第2號 (附註3(d)) HKFRS 2 (note 3(d)) 港幣千元 HK\$'000	
歸屬於本行股東權益	Attributable to equity shareholders of the Bank	5,185	

3. 會計政策的變更 (續)

(c) 金融工具(《香港會計準則》第32號「金融工具：披露和呈報」及《香港會計準則》第39號「金融工具：確認和計量」)

由二零零五年一月一日起，為符合《香港會計準則》第32號的規定，本集團在財務報表附註內及特別附註49及50提供了額外的條款、條件、會計政策、風險及金融工具公平價值的披露。為符合《香港會計準則》第39號的規定，本集團更改了其有關金融工具的會計政策為附註2(g)至(i)、(c)、(n)及(q)所載者。變更的其他詳情如下：

(i) 金融工具(參閱附註2(g))

在往年，所有金融資產均以扣除減值準備的成本或攤銷成本列賬，惟其他投資(採用《會計實務準則》第24號的基準方法)以公平價值持有。其他投資的公平價值變動產生之損益在收益表內確認。減值準備會於收益表內確認為支出。當引致撇減的情況不再存在，則準備會在收益表內確認為回撥。

在往年，除買賣證券空倉外，所有金融負債均以成本或攤銷成本列賬。買賣證券空倉以公平價值列賬，任何公平價值變動透過收益表確認。

由二零零五年一月一日起，及按照《香港會計準則》第39號，金融工具之分類如下：
(i)通過損益以反映公平價值、(ii)貸款及應收賬項、(iii)持有至到期投資、(iv)可供出售證券及(v)其他金融負債。

3. Changes in Accounting Policies (cont'd)

(c) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement)

With effect from 1 January 2005, in order to comply with HKAS 32, the Group has provided additional disclosures of terms, conditions, accounting policies, risk and fair values of financial instruments throughout the notes to the financial statements and specific notes 49 and 50. In order to comply with HKAS 39, the Group has changed its accounting policies relating to financial instruments to those set out in notes 2(g) to (i), (c), (n) and (q). Further details of the changes are as follows:

(i) Financial instruments (see note 2(g))

In prior years, all financial assets were carried at cost or amortized cost net of impairment provisions for diminution in value, except for other investments (under Benchmark treatment of Statement of Standard Accounting Practice ("SSAP") 24 which were held at fair value. Gains and losses from change in fair value were recognized in the income statement in respect of other investments. Provisions were recognized as an expense in the income statement and written back to income statement when circumstances and events that led to the write-down cease to exist.

In prior years, all financial liabilities except for trading securities short positions were carried at cost or amortized cost. Trading securities short positions were carried at fair value and any changes in fair value were recognized through the income statement.

With effect from 1 January 2005, and in accordance with HKAS 39, financial instruments are recognized according to the following categories (i) fair value through profit or loss, (ii) loans and receivables, (iii) held-to-maturity, (iv) available-for-sale and (v) other financial liabilities.

3. 會計政策的變更 (續)

(c) 金融工具(《香港會計準則》第32號「金融工具：披露和呈報」及《香港會計準則》第39號「金融工具：確認和計量」) (續)

(ii) 衍生工具及對沖會計法(參閱附註2(g)及(i))

在往年，衍生工具主要包括本集團在外匯、利率及證券市場所進行的期貨、遠期、掉期及期權交易所產生的衍生工具。淨額結算適用於具合法抵銷權的情況。

這些工具的入賬方法是根據其目的是否持作買賣用途，或作為管理資產及負債投資組合的一部份而定。

用作交易用途的衍生工具

交易用途的交易包括為滿足客戶需要及自用而進行的市場莊家活動的交易，以及任何相關對沖。

進行作交易用途的交易按市價計算，所引起損益的淨現值在收益表內確認為交易溢利/虧損。

不在交易所進行交易的衍生工具的公平價值是本集團於結算日假若終止合約時，考慮到當時市況及交易另一方當時的信用狀況而估計可收取或須支付的金額。

用作資產及負債管理用途的衍生工具

用作此用途的衍生工具入賬列作對沖，並以與相關資產、負債或未平倉盤淨額相同的基準估值。任何損益以與相關資產、負債或未平倉盤淨額所產生損益相同的基準確認。

對沖衍生工具終止後的任何損益按終止合約的原來年期在收益表遞延及攤銷。如相關資產、負債或倉盤已出售或終止，則對沖衍生工具立即以市價透過收益表列賬。

由二零零五年一月一日起，為符合《香港會計準則》第39號的規定，本集團分別更改了有關衍生工具及對沖會計法的會計政策。

3. Changes in Accounting Policies (cont'd)

(c) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (cont'd)

(ii) Derivatives and hedge accounting (see notes 2(g) and (i))

In prior years, derivatives mainly included derivatives arising from futures, forward, swap and option transactions undertaken by the Group in the foreign exchange, interest rate and equity markets. Netting was applied where a legal right of off-set existed.

The accounting for these instruments was dependent upon whether the transactions were undertaken for trading purposes or as part of the management of asset and liability portfolios.

Derivatives used for trading purposes

Trading transactions included transactions undertaken for market making, to service customers' needs and for proprietary purposes, as well as any related hedges.

Transactions undertaken for trading purposes were marked to market and the net present value of the gain or loss arising was recognized in the income statement as dealing gains/losses.

The fair value of derivatives that were not exchange-traded was estimated at the amount that the Group would receive or pay to terminate the contract at the balance sheet date taking into account current market conditions and the current creditworthiness of the counterparties.

Derivatives used for asset and liability management purposes

Derivatives used for this purpose were accounted for as hedges and were valued on an equivalent basis to the underlying assets, liabilities or net positions which they were hedging. Any profit or loss was recognized on the same basis as that arising from the related assets, liabilities or net positions.

Any gain or loss on termination of hedging derivatives was deferred and amortized to the income statement over the original life of the terminated contract. Where the underlying asset, liability or position was sold or terminated, the hedging derivative was immediately marked to market through the income statement.

With effect from 1 January 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to derivative and hedge accounting respectively.

3. 會計政策的變更 (續)

(c) 金融工具 (《香港會計準則》第32號「金融工具：披露和呈報」及《香港會計準則》第39號「金融工具：確認和計量」) (續)

(iii) 內含衍生工具 (參閱附註2(g))

在往年，內含衍生工具並非分開入賬，而是根據主合約的分類列賬。

由二零零五年一月一日起，與主合約並無密切關係的內含衍生工具或並非通過損益以反映公平價值的混合(合併)工具從主合約分開入賬列作權益、資產或負債。

(iv) 金融資產減值 (參閱附註2(n)(i)、(ii)及(iii))

貸款及墊款

在往年，當董事質疑本金或利息最終有可能不能全部收回時，必須為貸款及墊款提撥特別準備。

特別準備指量化可辨別賬目的實際及預期損失，並在資產負債表內自貸款及墊款減除。

除同一類別的小額墊款準備按組合基準評估外，特別準備是根據個別情況提撥。當墊款在定期檢討結餘而被辨別為呆賬時須對其賬面值提撥特別準備，經減除任何抵押品價值後，將墊款賬面值減低至可收回數額。

如特別準備按組合基準提撥，則提撥金額需考慮管理層對該組合結構的評估、過往及預期信貸損失、業務及經濟狀況，以及任何其他相關因素。按此基準評估的主要組合為信用咭及若干無抵押個人墊款。

3. Changes in Accounting Policies (cont'd)

(c) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (cont'd)

(iii) Embedded derivatives (see note 2(g))

In prior years, embedded derivatives were not separately accounted for and they were carried accordingly to the classification of the host contracts.

With effect from 1 January 2005, embedded derivative that is not closely related to the host contract or where the hybrid (combined) instrument is not measured at fair value through profit or loss is accounted for separately from the host contract as equity, assets or liabilities.

(iv) Impairment of financial assets (see notes 2(n)(i), (ii) and (iii))

Loans and advances

In prior years, provisions were made against specific loans and advances as and when the directors had doubts on the ultimate recoverability of principal or interest in full.

Specific provisions represented the quantification of actual and expected losses from identified accounts and were deducted from loans and advances in the balance sheet.

Other than where provisions on smaller balance homogeneous advances were assessed on a portfolio basis, the amount of specific provision raised was assessed on a case by case basis. Specific provisions were made against the carrying amount of advances that were identified as being in doubt based on regular reviews of outstanding balances to reduce these advances, net of any collateral, to their recoverable amounts.

Where specific provisions were raised on a portfolio basis, the level of provisioning took into account management's assessment of the portfolio's structure, past and expected credit losses, business and economic conditions, and any other relevant factors. The principal portfolios evaluated on this basis were credit cards and certain unsecured personal advances.

3. 會計政策的變更 (續)

(c) 金融工具 (《香港會計準則》第32號「金融工具：披露和呈報」及《香港會計準則》第39號「金融工具：確認和計量」) (續)

- (iv) 金融資產減值 (參閱附註2(n)(i)、(ii)及(iii)) (續)

貸款及墊款 (續)

在特別準備上增撥一般準備，是為在結算日未被辨別但未來才被發現的減值貸款而提撥。本集團主要是根據以往的壞賬經驗，並已計算本集團貸款組合的結構及風險特性和貸款組合內每一組成部分的預期損失而提撥一般準備，並定期檢討以往潛在風險以釐定一般準備水平是否仍然適當。一般準備在資產負債表的客戶貸款及墊款中減除。

就二零零五年十二月三十一日止，我們無法估計該期間利潤超過或低於假設在末期報告期間，仍然採用以往之金融資產減值政策時所產生利潤的數額。

由二零零五年一月一日起，為符合《香港會計準則》第39號的規定，本集團更改了有關客戶貸款及墊款減值的會計政策，載於附註2(n)。

其他金融資產

貸款及墊款以外之金融資產，須在每一結算日檢討，以釐定有否出現任何減值跡象。如估計資產的可收回數額低於其賬面值，則資產賬面值會減少至其可收回數額，減值虧損在收益表內確認。

由二零零五年一月一日起，為符合《香港會計準則》第39號的規定，本集團更改了有關債務證券及股票投資減值以及其他金融資產減值的會計政策，載於附註2(n)。

3. Changes in Accounting Policies (cont'd)

(c) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (cont'd)

- (iv) Impairment of financial assets (see notes 2(n)(i), (ii) and (iii)) (cont'd)

Loans and advances (cont'd)

General provisions augmented specific provisions and provided cover for loans which were impaired at the balance sheet date but would not be identified as such until some time in the future. The Group maintained a general provision which was determined taking into account the structure and risk characteristics of the Group's loan portfolio and the expected loss of the individual components of the loan portfolio based primarily on the historical loss experience. Historic levels of latent risk were regularly reviewed to determine that the level of general provisioning continues to be appropriate. General provisions were deducted from loans and advances to customers in the balance sheet.

In respect of the year ended 31 December 2005, it is not practicable to estimate the extent to which the profit for the year would have been higher or lower had the previous policy on impairment of financial assets still been applied.

With effect from 1 January 2005, in order to comply with HKAS39, the Group has changed its accounting policies relating to impairment on loans and advances to customers set out in note 2(n).

Other financial assets

For financial assets, other than loans and advances, were reviewed on each balance sheet date to determine whether there was any indication of impairment. If the recoverable amount of the asset was estimated to be less than its carrying amount, the carrying amount of the asset was reduced to its recoverable amount and the impairment loss was recognized in the income statement.

With effect from 1 January 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to impairment of investments in debt and equity securities, and impairment of other financial assets set out in note 2(n).

3. 會計政策的變更 (續)

(c) 金融工具(《香港會計準則》第32號「金融工具：披露和呈報」及《香港會計準則》第39號「金融工具：確認和計量」)(續)

(v) 減值貸款的利息確認

在往年，除非利息及本金已全數清繳及將來還款可合理地得到保證，否則貸款均不會被重新分類為可累計貸款。倘若可收回利息的機會渺茫，則不會累計利息。如再無合理機會收回貸款，則貸款及相關暫記利息將會沖銷。

由二零零五年一月一日起，為符合《香港會計準則》第39號的規定，本集團更改了有關利息收入確認的會計政策，載於附註2(c)(i)。

(vi) 過渡性條款及調整影響的陳述

以上各項會計政策變更是通過對於二零零五年一月一日若干儲備的期初結餘作出調整和重新指定金融工具而採納。由於受《香港會計準則》第39號的過渡性安排所限制，故無重報比較數字。

對截至二零零五年十二月三十一日止年度，本集團及本行的財務報表中每一受影響項目所作的調整載於附註3(b)。

(d) 僱員購股權計劃(《香港財務報告準則》第2號「以股份償付」)

(i) 僱員購股權計劃

在往年，僱員(包括董事)獲派發本行之控股公司，中信國際金融控股有限公司購股權時之金額並沒有被確認。如僱員選擇行使購股權，存入股本及股份溢價賬項的面值只限於購股權行使價的應收金額。

由二零零五年一月一日起，為符合《香港財務報告準則》第2號的規定，本集團採納了新僱員購股權政策。根據新政策，本集團須將購股權的公平價值確認為支出，而在權益內的資本儲備作相應的增加。新政策的其他詳情載於附註2(p)(ii)。

3. Changes in Accounting Policies (cont'd)

(c) Financial instruments (HKAS 32, Financial instruments: Disclosure and presentation and HKAS 39, Financial instruments: Recognition and measurement) (cont'd)

(v) Interest recognition on impaired loans

In prior years, loans were not reclassified as accruing until interest and principal payments were up-to-date and future payments were reasonably assured. Where the probability of receiving interest payments was remote, interest was no longer accrued. Where the loan had no reasonable prospect of recovery, the loan and related suspended interests were written off.

With effect from 1 January 2005, in order to comply with HKAS 39, the Group has changed its accounting policies relating to interest income recognition set out in note 2(c)(i).

(vi) Description of transitional provisions and effect of adjustments

The changes in accounting policies of the above items were adopted by way of opening balance adjustments to certain reserves and redesignation of financial instruments as at 1 January 2005. Comparative amounts have not been restated as this is prohibited by the transitional arrangements in HKAS 39.

The adjustments for each financial statement line of the Group and of the Bank affected for the year ended 31 December 2005 are set out in note 3(b).

(d) Employee share option scheme (HKFRS 2, Share-based payment)

(i) Employee share option scheme

In prior years, no amounts were recognized when employees (which term includes directors) were granted share options over shares in the holding company of the Bank, CITIC International Financial Holdings Limited ("CIFH"). If the employees chose to exercise the options, the nominal amount of share capital and share premium of CIFH were credited only to the extent of the option's exercise price receivable.

With effect from 1 January 2005, in order to comply with HKFRS 2, the Group has adopted a new policy for employee share options. Under the new policy, the Group recognizes the fair value of such share options as an expense with a corresponding increase recognized in a capital reserve within equity. Further details of the new policy are set out in note 2(p)(ii).

3. 會計政策的變更 (續)

(d) 僱員購股權計劃 (《香港財務報告準則》第2號「以股份償付」) (續)

(i) 僱員購股權計劃 (續)

除本集團按照《香港財務報告準則》第2號的過渡性條款並未對下列購股權的派發採用新的確認及計量政策外，此新會計政策已被追溯應用，比較數字已予重報：

- (a) 所有在二零零二年十一月七日或之前已派予僱員的購股權；及
- (b) 所有在二零零二年十一月七日後已派予僱員的購股權但於二零零五年一月一日前尚未有效。

僱員購股權計劃的詳情載於附註39。

(ii) 僱員的權益相關遞延獎勵計劃

在往年，派予僱員 (包括董事) 的權益相關遞延獎勵會於有關獎勵派予的年度提撥準備及立即確認為支出。

由二零零五年一月一日起，為符合《香港財務報告準則》第2號的規定，應付金額的公平價值需在有關的授予期間內在收益表內確認為支出，並於負債內作相應的增加。此負債需在每一結算日及交收日重新計量，而負債的任何公平價值變動需在收益表內確認。新政策的其他詳情載於附註2(p)(ii)。

僱員的權益相關遞延獎勵計劃的詳情載於附註39。

- (iii) 對截至二零零五年及二零零四年十二月三十一日止年度，本集團及本行的財務報表中每一受影響項目所作的調整載於附註3(a)及(b)。

3. Changes in Accounting Policies (cont'd)

(d) Employee share option scheme (HKFRS 2, Share-based payment) (cont'd)

(i) Employee share option scheme (cont'd)

The new accounting policy has been applied retrospectively with comparatives restated, except that the Group has taken advantage of the transitional provisions set out in HKFRS 2, under which the new recognition and measurement policies have not been applied to the following grants of options:

- (a) all options granted to employees on or before 7 November 2002; and
- (b) all options granted to employees after 7 November 2002 but which had vested before 1 January 2005.

Details of the employee share option scheme are set out in note 39.

(ii) Employee Equity Linked Deferred Award Scheme ("ELDA")

In prior years, when employees (which term includes directors) were granted awards under ELDA, provision for the ELDA was made and recognized immediately as expenses in the year in which the awards were granted.

With effect from 1 January 2005, in order to comply with HKFRS 2, the fair value of the amount payable is recognized as an expense in the income statement over the relevant vesting period with a corresponding increase in liabilities. The liability is remeasured at each balance sheet date and at settlement date. Any changes in the fair value of the liability are recognized in the income statement. Further details of the new policy are set out in note 2(p)(ii).

Details of ELDA are set out in note 39.

- (iii) The adjustments for each financial statement line item of the Group and of the Bank affected for the years ended 31 December 2005 and 2004 are set out in notes 3(a) and (b).

3. 會計政策的變更 (續)

(e) 投資物業 (《香港會計準則》第40號「投資物業」)

(i) 在收益表內確認公平價值變動的時間

在往年，本集團投資物業的公平價值變動均直接在投資物業重估儲備內確認，除了當所有投資物業作為一組合評估而重估儲備不足以彌補其虧損時，或以往曾在收益表內確認的虧損得以回撥時，或當單項投資物業得以出售時，在此有限的情況下，公平價值變動會在收益表內確認。

再者，以往本集團所持有但未確定將來用途的物業 (包括租賃土地) 會以《會計實務準則》第17號「物業、廠房及設備」的成本法計算，而物業將以成本減累計折舊及減值列賬。

於二零零五年一月一日起採納《香港會計準則》第40號後，本集團採納了新投資物業政策。根據此新政策：

- 所有投資物業的公平價值變動均按照《香港會計準則》第40號的公平價值法直接在收益表中確認；及
- 土地如為永久業權物業，而又未能確定其未來用途，均列作「投資物業」。又如土地為租賃業權，本集團不再視其為經營租賃持有的土地而將其列為投資物業。

新投資物業政策的其他詳情載於附註2(j)。

(ii) 公平價值出現變動時遞延稅項的計量

在往年，本集團須應用適用於出售投資物業的稅率來釐定是否須在重估投資物業時確認任何遞延稅項金額。因此，由於出售時並無額外應付稅項，故如果物業是按其賬面值出售，則只會在已提撥的稅項撥備可回補時才會提撥遞延稅項準備。

3. Changes in Accounting Policies (cont'd)

(e) Investment property (HKAS 40, Investment property)

(i) Timing of recognition of movements in fair value in the income statement

In prior years, movements in the fair value of the Group's investment property were recognized directly in the investment property revaluation reserve except when, on a portfolio basis, the reserve was insufficient to cover a deficit on the portfolio, or when a deficit previously recognized in the income statement had reversed, or when an individual investment property was disposed of. In these limited circumstances, movements in the fair value were recognized in the income statement.

In addition, in prior years property (including leasehold land) which the Group held for an undetermined future purpose was accounted for under the cost model in SSAP 17, Property, plant and equipment, whereby the property was carried at cost less accumulated depreciation and impairment.

Upon adoption of HKAS 40 as from 1 January 2005, the Group has adopted a new policy for investment property. Under this new policy:

- all changes in the fair value of investment property are recognized directly in the income statement in accordance with the fair value model in HKAS 40; and
- land held for an undetermined future purpose is recognized as "investment property" if the property is freehold or, if the property is leasehold, the Group has recognized such land as investment property rather than as land held under an operating lease.

Further details of the new policy for investment property are set out in note 2(j).

(ii) Measurement of deferred tax on movements in fair value

In prior years the Group was required to apply the tax rate that would be applicable to the sale of investment property to determine whether any amounts of deferred tax should be recognized on the revaluation of investment property. Consequently, deferred tax was only provided to the extent that tax allowances already given would be clawed back if the property were disposed of at its carrying value, as there would be no additional tax payable on disposal.

3. 會計政策的變更 (續)

(e) 投資物業 (《香港會計準則》第40號「投資物業」) (續)

- (ii) 公平價值出現變動時遞延稅項的計量 (續)
由二零零五年一月一日起，按照《香港會計準則》詮釋第21號，如果本集團無意出售物業，而物業在本集團不採納公平價值模式的情況下可予折舊，則本集團會在投資物業價值出現變動時採用適用於物業用途的稅率確認遞延稅項。遞延稅項政策的其他詳情載於附註2(q)。

- (iii) 過渡性條款及調整影響的陳述
儘管此會計政策的變更具追溯性，二零零四年一月一日和二零零五年一月一日的期初結餘並不需要作出任何調整，因以往曾將同一投資物業組合的重估淨盈餘在收益表內列支，故此截至二零零三年十二月三十一日和二零零四年十二月三十一日止年度的重估投資物業淨虧損經已在收益表內反映。

對截至二零零五年十二月三十一日止年度，本集團及本行的財務報表中每一受影響項目所作的調整載於附註3(b)。

(f) 關連人士的定義 (《香港會計準則》第24號「關連人士披露」)

由於採納《香港會計準則》第24號「關連人士披露」，附註2(t)所披露關連人士的定義經已擴大及澄清關連人士是包括可受個人 (即主要管理人員、重大股權股東及/或其親近家庭成員) 重大影響的實體及提供福利予本集團僱員的離職後福利計劃或任何屬本集團關連人士的實體。假設《會計實務準則》第20號「關連人士披露」仍然生效，則兩者比較，關連人士定義上的澄清並無對過往已披露的關連人士交易構成任何重大變動，亦無對本期間作出的披露構成任何重大影響。

3. Changes in Accounting Policies (cont'd)

(e) Investment property (HKAS 40, Investment property) (cont'd)

- (ii) *Measurement of deferred tax on movements in fair value (cont'd)*
As from 1 January 2005, in accordance with HK(SIC) Interpretation 21, the Group recognizes deferred tax on movements in the value of an investment property using tax rates that are applicable to the property's use, if the Group has no intention to sell it and the property would have been depreciable had the Group not adopted the fair value model. Further details of the policy for deferred tax are set out in note 2(q).

- (iii) *Description of transitional provisions and effect of adjustments*
While these changes in accounting policy have to be adopted retrospectively, no adjustment to the opening balances as at 1 January 2004 and 1 January 2005 are required because the net surplus on revaluation of investment properties for the year ended 31 December 2003 and 31 December 2004 was taken to the income statement as this related to a deficit on revaluation in respect of the portfolio of investment properties previously charged to the income statement.

The adjustments for each financial statement line of the Group and the Bank affected for the year ended 31 December 2005 are set out in note 3(b).

(f) Definition of related parties (HKAS 24, Related party disclosures)

As a result of the adoption of HKAS 24, Related party disclosures, the definition of related parties as disclosed in note 2(t) has been expanded to clarify that related parties include entities that are under the significant influence of a related party that is an individual (i.e. key management personnel, significant shareholders and/or their close family members) and post-employment benefit plans which are for the benefit of employees of the Group or of any entity that is a related party of the Group. The clarification of the definition of related parties has not resulted in any material changes to the previously reported disclosures of related party transactions nor has it had any material effect on the disclosures made in the current period, as compared to those that would have been reported had SSAP 20, Related party disclosures, still been in effect.

3. 會計政策的變更 (續)

(g) 呈報方式之轉變(《香港會計準則》第1號「財務報表之呈報」及《香港會計準則》第30號「銀行及類同金融機構財務報表之披露」)

損益賬及資產負債表的呈報方式

在往年，並未有特定的會計準則規範銀行財務報表的呈報方式。顧及整體透明度及香港金融管理局的披露要求，管理層決定按每一項目在損益賬及資產負債表上相對之重要性作披露。因此，持有的存款證在資產負債表上分開列示。國庫券(包括外匯基金票據)及即期及短期通知存款(即在銀行及其他金融機構於一個月內到期的存款)則包括在現金及短期資金項目下，而國庫券則根據以往的《會計實務準則》第24號分類為：持有至到期及其他證券投資。

由二零零五年一月一日起，為符合《香港會計準則》第30號「銀行及類同金融機構財務報表之披露」的規定並計及已應用的計量基準，本集團更改了若干於損益賬及資產負債表上項目的呈報方式。國庫券(包括外匯基金票據)及持有的存款證已包括在按《香港會計準則》第39號區分為四種金融工具類別之要求。在銀行及其他金融機構於一個月內到期的存款則包括於在銀行及其他金融機構的存款。這些呈報方式的轉變經已追溯應用的，比較數字亦經已重新分類。

3. Changes in Accounting Policies (cont'd)

(g) Changes in presentation (HKAS 1, Presentation of financial statements and HKAS 30, Disclosures in financial statements of banks and similar financial institutions)

Presentation of income statement and balance sheets

In prior years, there were no specific accounting standards governing the presentation of the financial statements of banks. Management, having regard to the overall clarity and the disclosure requirements of the Hong Kong Monetary Authority ("HKMA"), exercised its judgement in deciding on the relative prominence given to each item presented on the face of the income statement and balance sheets. As a result, certificates of deposits held were separately presented on the face of the balance sheets. Treasury bills (including Exchange Fund Bills) and money at call and short notice (representing placements with banks and other financial institutions maturing within one month) were included in cash and short-term funds with treasury bills being presented separately as held-to-maturity investments and other investments in securities according to the previous SSAP 24.

With effect from 1 January 2005, in order to comply with HKAS 30 and take into account the measurement basis that has been applied, the Group has changed its presentation of certain items on the face of the income statement and balance sheets. Treasury bills (including Exchange Fund Bills) and certificates of deposit held are included in the four categories of financial instruments under HKAS 39. Placements with banks and other financial institutions maturing within one month are included in placements with banks and other financial institutions. These changes in presentation have been applied retrospectively with comparatives reclassified.

4. 利息收入

4. Interest Income

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
上市投資	Listed securities	410,103	327,338
非上市投資	Unlisted securities	567,403	566,156
其他	Others	2,000,902	1,336,351
		2,978,408	2,229,845

截至二零零五年十二月三十一日止年度，其他利息收入包括減值金融資產的應計利息收入港幣28,400,000元（二零零四年：無）及貨幣減值準備折現撥回的利息收入港幣13,900,000元（二零零四年：無）。

Other interest income includes the amount of interest income accrued on impaired financial assets of HK\$28.4 million (2004: Nil) and interest income on unwinding of discount on loan impairment losses of HK\$13.9 million (2004: Nil) for the year ended 31 December 2005.

5. 費用及佣金收入

5. Fee and Commission Income

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
票據佣金	Bills commission	40,152	42,281
信用咭相關收入	Cards related income	35,064	23,722
一般銀行服務	General banking services	38,433	41,990
保險	Insurance	77,964	61,715
投資及結構性投資產品	Investment and structural investment products	75,888	90,451
貸款、透支及融資費用	Loans, overdrafts and facility fee	159,256	176,956
其他	Others	820	381
		427,577	437,496

6. 淨交易收入

6. Net Trading Income

		本集團 The Group	
		二零零五年 2005	二零零四年 2004 (重報) (restated)
		港幣千元 HK\$'000	港幣千元 HK\$'000
買賣外匯溢利減虧損	Gains less losses from dealing in foreign currencies	87,079	49,258
買賣交易用途證券溢利減虧損	Gains less losses from trading securities	125,517	91,627
其他買賣活動溢利減虧損	Gains less losses from other dealing activities	(62,958)	19,454
交易用途資產利息收入	Interest income on trading assets		
— 上市	— Listed	26,807	—
— 非上市	— Unlisted	120,050	—
交易用途負債利息支出	Interest expense on trading liabilities	(8,592)	—
非上市交易用途證券股息收入	Dividend income from unlisted trading securities	20,405	—
		308,308	160,339

7. 指定為通過損益以反映公平價值 金融工具的淨收入

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

		本集團 The Group	
		二零零五年 2005	二零零四年 2004
		港幣千元 HK\$'000	港幣千元 HK\$'000
淨溢利	Net gains	123,909	—
利息收入	Interest Income		
— 上市	— Listed	31,348	—
— 非上市	— Unlisted	3,395	—
利息支出	Interest expense	(106,204)	—
		52,448	—

8. 淨對沖支出

8. Net Hedging Expense

		本集團 The Group	
		二零零五年 2005	二零零四年 2004
		港幣千元 HK\$'000	港幣千元 HK\$'000
公平價值對沖	Fair value hedge	(679)	—

9. 其他經營收入

9. Other Operating Income

		本集團 The Group	
		二零零五年 2005	二零零四年 2004 (重報) (restated)
		港幣千元 HK\$'000	港幣千元 HK\$'000
由投資證券及 其他證券投資收入	Dividend income from investment securities and other investments in securities		
— 上市投資	— Listed investments	—	243
— 非上市投資	— Unlisted investments	—	8,880
由可供出售證券股息收入	Dividend income from available-for-sale securities		
— 非上市投資	— Unlisted investments	5,312	—
投資物業租金收入 總額港幣2,239,000元 (2004: 港幣4,644,000元)	Gross rental income from investment properties of HK\$2,239,000 (2004: HK\$4,644,000)		
減支出港幣43,000元 (2004: 港幣280,000元)	less direct outgoings of HK\$43,000 (2004: HK\$280,000)	2,196	4,364
其他	Others	16,373	16,552
		23,881	30,039

10. 經營支出

10. Operating Expenses

		本集團 The Group	
		二零零五年 2005	二零零四年 2004 (重報) (restated)
		港幣千元 HK\$'000	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	528,245	523,288
退休金成本(附註38)	Retirement costs (note 38)	36,614	34,584
以股權償付的支出(附註39)：	Share-based payment expenses (note 39):		
— 以股權償付的股份支出	— Equity-settled share-based payment expenses	5,206	3,641
— 以現金償付的股份支出	— Cash-settled share-based payment expenses	9,029	4,221
		579,094	565,734
(b) 折舊及攤銷	(b) Depreciation and amortization		
物業及設備折舊(附註29)	Depreciation of premises and equipment (note 29)		
— 根據經營租賃持有的資產	— Assets held for use under operating leases	2,571	932
— 其他資產	— Other assets	114,229	148,138
商譽攤銷(附註30)	Amortization of goodwill (note 30)	—	1,056
		116,800	150,126
(c) 其他經營支出	(c) Other operating expenses		
物業及設備支出 (不包括折舊)	Premises and equipment expenses, excluding depreciation		
— 物業租金	— Rental of premises	54,999	34,617
— 其他	— Others	75,523	71,164
核數師酬金	Auditors' remuneration	3,871	2,903
廣告費	Advertising	62,265	65,070
通訊費、印刷及文儀用品	Communication, printing and stationery	55,131	49,417
法律及專業費用	Legal and professional fee	20,867	18,114
其他	Others	80,840	54,411
		353,496	295,696
經營支出總額	Total operating expenses	1,049,390	1,011,556

經營支出包括最低應付租賃支出，分別為設備租賃支出總額港幣931,000元(二零零四年：港幣1,372,000元)及其他資產租賃支出(包括物業租金)總額港幣51,193,000元(二零零四年：港幣30,867,000元)。

Included in operating expenses are minimum lease payment under operating leases of HK\$931,000 (2004: HK\$1,372,000) for hire of equipment and HK\$51,193,000 (2004: HK\$30,867,000) for hire of other assets (including property rentals).

11. 董事酬金

根據香港《公司條例》第161條披露的董事酬金如下：

11. Directors' Remuneration

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

		本集團 The Group	
		二零零五年 2005	二零零四年 2004 (重報) (restated)
		港幣千元 HK\$'000	港幣千元 HK\$'000
薪金、津貼及實物福利	Salaries, allowances and benefits in kind	13,269	11,110
以股權償付	Share-based payment	1,442	1,160
退休計劃供款	Retirement scheme contribution	973	958
酌情花紅	Discretionary bonuses	5,853	6,702
		21,537	19,930

上述酬金包括若干董事根據中信國際金融控股有限公司購股權計劃（簡稱「新購股權計劃」）及本公司高級行政人員購股權計劃（簡稱「舊購股權計劃」）獲派發購股權的價值。這些實物福利的詳情在董事會報告書「購股權計劃」一段內及附註39披露。

The above emoluments include the value of share options granted to certain directors under the Bank's share option scheme as estimated at the date of grant. The details of these benefits in kind are disclosed under the paragraph "Share option scheme" in the directors' report and note 39.

12. 客戶貸款及墊款減值虧損/呆壞賬準備淨額

12. Impairment Losses on Loans and Advances to Customers/Charge for Bad and Doubtful Debts

		本集團 The Group	
		二零零五年 2005	二零零四年 2004
		港幣千元 HK\$'000	港幣千元 HK\$'000
(a) 貸款及墊款減值虧損	(a) Impairment losses on loans and advances		
客戶墊款及其他賬項減值 (撥回)/提撥 (附註22(b))	Impairment losses charge/(release) on advances to customers and other accounts (note 22(b))		
— 新提撥	— Additions	222,289	—
— 撥回	— Releases	(208,964)	—
— 收回金額	— Recoveries	(96,704)	—
		(83,379)	—
(b) 呆壞賬準備淨額	(b) Net charge for bad and doubtful debts		
特殊準備之提撥/(撥回) (附註22(c))	Charge/(release) for bad and doubtful debts (note 22(c))		
— 新提撥	— Additions	—	426,269
— 撥回	— Releases	—	(285,565)
— 收回金額	— Recoveries	—	(40,164)
		—	100,540

13. 綜合收益表內的稅項

(a) 綜合收益表內的稅項

13. Income Tax in Consolidated Income Statement

(a) Income tax in the consolidated income statement represents

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
本期稅項 – 香港利得稅 年內準備 (附註35(a)) 過往年度稅項準備撥回	Current tax – Hong Kong Profits Tax Provision for the year (note 35(a)) Over-provision in respect of prior years	123,709 (20,213)	156,377 (1,253)
		103,496	155,124
本期稅項 – 海外稅項 年內準備	Current tax – Overseas Provision for the year	1,711	1,127
遞延稅項 暫時性差額回轉	Deferred tax Reversal of temporary differences	(3,546)	(4,713)
合計	Total	101,661	151,538

香港利得稅稅款以年內預計應課稅溢利按稅率17.5% (二零零四年：17.5%) 計算。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。

The provision for Hong Kong Profits Tax is calculated at 17.5% (2004: 17.5%) of the estimated assessable profits for the year. Taxation for branches and subsidiaries outside Hong Kong is charged at the appropriate current rates of taxation ruling in the relevant countries.

13. 綜合收益表內的稅項 (續)

(b) 稅項支出與會計溢利按適用稅率計算稅款之對賬表

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
稅前溢利	Profit before tax	1,148,704	968,602
按以有關國家適用利得稅率計算 稅前溢利的假定稅項	Notional tax on profit before tax, calculated at the rates applicable to profits in the countries concerned	196,423	169,381
不可扣減支出之稅項影響	Tax effect of non-deductible expenses	15,121	3,994
非應課稅收入之稅項影響	Tax effect of non-taxable revenue	(92,206)	(6,473)
未確認的未使用稅務虧損之稅項影響	Tax effect of unused tax losses not recognized	—	469
本年度使用以往稅務虧損之稅項影響	Tax effect of previous tax losses utilised in current year	(932)	(1,270)
稅務安排對稅項成本/(優惠) 之稅項影響	Tax effect of tax cost/(benefit) from tax planning arrangement	2,711	(13,247)
未確認的暫時性差額之稅項影響	Tax effect of temporary allowance not recognized	76	(63)
過往年度稅項準備撥回	Over-provision in prior years	(20,213)	(1,253)
其他	Others	681	—
實際稅項支出	Actual tax expenses	101,661	151,538

14. 股東應佔溢利

本行股東應佔綜合溢利包括一筆已列入本行財務報表，為數港幣1,072,800,000元(二零零四年(重報)：港幣770,135,000元)的溢利。

15. 股息

本年度應付本行股東的股息

14. Profit Attributable to Equity Shareholders of the Bank

The consolidated profit attributable to equity shareholders of the Bank includes a profit of HK\$1,072,800,000 (2004 (restated): HK\$770,135,000) which has been dealt with in the financial statements of the Bank.

15. Dividends

Dividends payable to equity shareholders of the Bank attributable to the year

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
已宣派及派發的中期股息	Interim dividend declared and paid	373,253	211,000
已宣派，但未派發的中期股息	Interim dividend declared but not yet paid	197,000	252,600
		570,253	463,600

16. 現金及在銀行及其他金融機構的結存

16. Cash and Balances with Banks and Other Financial Institutions

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
現金	Cash in hand	140,549	124,278	140,537	124,266
中央銀行結存	Balances with the central bank	3,826	233	1,452	–
在銀行及認可機構的結存	Balances with banks and authorized institutions	846,079	1,326,889	547,993	1,304,588
		990,454	1,451,400	689,982	1,428,854

17. 銀行及其他金融機構存款

17. Placements with Banks and Other Financial Institutions

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
到期日	Maturing				
– 一個月內	– within one month	4,514,362	6,411,817	4,431,262	6,411,817
– 一個月至一年內	– between one month and one year	700,329	362,429	700,329	360,925
		5,214,691	6,774,246	5,131,591	6,772,742

18. 貿易票據

18. Trade Bills

		本集團及本行 The Group and The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
貿易票據總額	Gross trade bills	406,364	248,567
呆壞賬一般準備(附註22(c))	General provision for bad and doubtful debts (note 22(c))	–	(2,486)
		406,364	246,081

19. 交易用途資產

19. Trading Assets

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
債務證券	Debt securities	2,630,327	—	2,630,327	—
股票	Equity securities	20,184	—	20,184	—
投資基金	Investment funds	3,320,818	—	3,320,818	—
交易用途證券	Trading securities	5,971,329	—	5,971,329	—
衍生工具的正公平價值 (附註49(b))	Positive fair values of derivatives (note 49(b))	228,144	—	228,144	—
		6,199,473	—	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	557,841	—	557,841	—
公營機構	Public sector entities	16,525	—	16,525	—
銀行及其他金融 機構	Banks and other financial institutions	174,301	—	174,301	—
企業實體	Corporate entities	5,222,662	—	5,222,662	—
		5,971,329	—	5,971,329	—
上市地點： Place of listing:					
於香港上市	Listed in Hong Kong	116,041	—	116,041	—
於香港以外地區上市	Listed outside Hong Kong	1,245,415	—	1,245,415	—
		1,361,456	—	1,361,456	—
非上市	Unlisted	4,609,873	—	4,609,873	—
		5,971,329	—	5,971,329	—

於二零零五年採納《香港會計準則》第39號後，若干金融資產於二零零五年一月一日獲重新指定為交易用途資產。由於並不允許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

交易用途資產於二零零五年一月一日的賬面值為港幣 3,523,461,000元，而這些資產於二零零四年十二月三十一日的分類為港幣 3,523,461,000元的其他證券投資。

Following the adoption of HKAS 39 in 2005, certain financial assets were re-designated as trading assets on 1 January 2005. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

The carrying amount of trading assets as at 1 January 2005 was HK\$3,523,461,000 and these assets were classified as other investment in securities at HK\$3,523,461,000 as at 31 December 2004.

20. 指定為通過損益以反映公平價值的證券

20. Securities Designated at Fair Value Through Profit or Loss

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
企業實體發行的 債務證券	Debt securities issued by corporate entities	1,117,542	—	1,117,542	—
上市地點： 於香港上市 於香港以外地區上市	Place of listing: Listed in Hong Kong Listed outside Hong Kong	656,545 460,997	— —	656,545 460,997	— —
總額	Total	1,117,542	—	1,117,542	—

於二零零五年採納《香港會計準則》第39號後，若干金融資產於二零零五年一月一日獲重新指定為通過損益反映的金融資產。由於並不准許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

指定為通過損益以反映公平價值的證券於二零零五年一月一日的賬面值為港幣1,033,466,000元，而這些資產分別於二零零四年十二月三十一日的分類為港幣998,550,000元的持有至到期投資。

Following the adoption of HKAS 39 in 2005, certain financial assets were re-designated as financial assets through profit or loss on 1 January 2005. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

The carrying amount of securities assets designated at fair value through profit or loss as at 1 January 2005 was HK\$1,033,466,000 and these assets were classified as held-to-maturity investments at HK\$998,550,000 as at 31 December 2004.

21. 其他證券投資

21. Other Investment in Securities

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
債務證券	Debt securities				
於香港上市	Listed in Hong Kong	—	1,817	—	1,817
於香港以外地區上市	Listed outside Hong Kong	—	570,004	—	570,004
非上市	Unlisted	—	940,643	—	940,643
		—	1,512,464	—	1,512,464
股票	Equity securities				
於香港上市	Listed in Hong Kong	—	27,835	—	27,835
非上市	Unlisted	—	146,455	—	144,853
		—	174,290	—	172,688
持有的存款證 — 非上市	Certificates of deposit held — unlisted	—	89,949	—	89,949
投資基金 — 非上市	Investment funds — unlisted	—	1,803,006	—	1,803,006
		—	3,579,709	—	3,578,107
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	—	1,234	—	1,234
銀行及其他金融 機構	Banks and other financial institutions	—	346,821	—	346,821
企業實體	Corporate entities	—	3,225,154	—	3,223,552
公營機構	Public sector entities	—	6,500	—	6,500
		—	3,579,709	—	3,578,107
上市證券市值	Market value of listed securities				
債務證券	Debt securities	—	571,821	—	571,821
股票	Equity securities	—	27,835	—	27,835
		—	599,656	—	599,656

21. 其他證券投資 (續)

於二零零五年採納《香港會計準則》第39號後，於二零零五年一月一日的賬面值為港幣3,579,709,000元的其他證券投資分別獲重新指定為港幣3,523,461,000元的交易用途資產及港幣56,248,000元的可供出售證券。

由於並不允許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

21. Other Investment in Securities (cont'd)

Following the adoption of HKAS 39 in 2005, total of HK\$3,579,709,000 other investment in securities at 1 January 2005 with carrying amount of HK\$3,523,461,000 and HK\$56,248,000 were re-designated as trading assets and available-for-sale securities respectively.

There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

22. 客戶墊款及其他賬項

(a) 客戶墊款及其他賬項減減值撥備

22. Advances to Customers and Other Accounts

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

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
客戶墊款總額	Gross advances to customers	42,545,914	42,048,236	39,664,455	39,479,411
減：減值撥備	Less: Impairment allowances				
— 個別評估 (附註22(b))	— Individually assessed (note 22(b))	(114,778)	—	(113,689)	—
— 綜合評估 (附註22(b))	— Collectively assessed (note 22(b))	(294,544)	—	(301,507)	—
呆壞賬準備	Provisions for bad and doubtful debts				
— 特別(附註22(c))	— Specific (note 22(c))	—	(381,172)	—	(360,276)
— 一般(附註22(c))	— General (note 22(c))	—	(519,351)	—	(503,245)
		42,136,592	41,147,713	39,249,259	38,615,890
銀行及其他金融 機構墊款	Advances to banks and other financial institutions	327,521	20,000	249,521	20,000
應計利息及其他賬項減 減值撥備	Accrued interest and other accounts less impairment allowances	1,153,228	1,435,486	1,129,396	1,417,485
		43,617,341	42,603,199	40,628,176	40,053,375

22. 客戶墊款及其他賬項 (續)

(b) 客戶墊款減值撥備的變動

		二零零五年 2005					
		本集團 The Group			本行 The Bank		
		個別評估 Individually assessed 港幣千元 HK\$'000	綜合評估 Collectively assessed 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	個別評估 Individually assessed 港幣千元 HK\$'000	綜合評估 Collectively assessed 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
於2005年1月1日 (重報)	At 1 January 2005 (restated)	394,198	361,177	755,375	374,919	353,655	728,574
收益表內撥回的 減值虧損 (附註12)	Impairment losses released to income statement (note 12)	(36,536)	(46,843)	(83,379)	(11,251)	(30,039)	(41,290)
沖銷數額	Amounts written off	(300,902)	(22,348)	(323,250)	(278,866)	(22,026)	(300,892)
收回以往年度 已沖銷的墊款	Recoveries of advances written off in previous years	94,062	2,642	96,704	63,330	–	63,330
貸款減值準備 折現撥回(附註4)	Unwind of discount on loan impairment losses (note 4)	(13,889)	–	(13,889)	(13,889)	–	(13,889)
匯兌及其他調整	Exchange and other adjustments	3,233	(84)	3,149	–	(83)	(83)
於2005年12月31日	At 31 December 2005	140,166	294,544	434,710	134,243	301,507	435,750
扣除自：	Deducted from:						
客戶墊款	Advances to customers	114,778	294,544	409,322	113,689	301,507	415,196
(附註22(a))	(note 22(a))	25,388	–	25,388	20,554	–	20,554
其他賬項	Other accounts						
		140,166	294,544	434,710	134,243	301,507	435,750

22. Advances to Customers and Other Accounts

(cont'd)

(b) Movement in impairment allowances on advance to customers

22. 客戶墊款及其他賬項 (續)

(c) 呆壞賬準備變動

22. Advances to Customers and Other Accounts

(cont'd)

(c) Movement in provision for bad and doubtful debts

		二零零四年 2004							
		本集團 The Group				本行 The Bank			
		特別 Specific 港幣千元 HK\$'000	一般 General 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	暫記利息 Suspended interest 港幣千元 HK\$'000	特別 Specific 港幣千元 HK\$'000	一般 General 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000	暫記利息 Suspended interest 港幣千元 HK\$'000
於2004年1月1日	At 1 January 2004	576,125	546,474	1,122,599	238,745	537,528	532,683	1,070,211	231,081
沖銷數額	Amounts written off	(294,997)	–	(294,997)	(140,617)	(285,205)	–	(285,205)	(139,583)
收益表內提撥的 新準備	New provisions charged to the income statement	423,954	2,315	426,269	–	419,038	–	419,038	–
收益表內撥回的 準備	Provisions released to the income statement	(298,729)	(27,000)	(325,729)	–	(282,360)	(27,000)	(309,360)	–
收回金額	Amounts recovered	40,164	–	40,164	–	35,350	–	35,350	–
本年度內的暫記利息	Interest suspended during the year	–	–	–	108,790	–	–	–	107,595
收回暫記利息	Suspended interest recovered	–	–	–	(20,277)	–	–	–	(17,424)
匯兌差額	Exchange differences	47	48	95	79	–	48	48	79
於2004年12月31日	At 31 December 2004	446,564	521,837	968,401	186,720	424,351	505,731	930,082	181,748
扣除自：	Deducted from:								
貿易票據(附註18)	Trade bills (note 18)	–	2,486	2,486	–	–	2,486	2,486	–
客戶墊款(附註22(a))	Advances to customers (note 22(a))	381,172	519,351	900,523	186,720	360,276	503,245	863,521	181,748
其他賬項	Other accounts	65,392	–	65,392	–	64,075	–	64,075	–
		446,564	521,837	968,401	186,720	424,351	505,731	930,082	181,748

22. 客戶墊款及其他賬項 (續)

(d) 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金管局使用的分類及定義作出。

22. Advances to Customers and Other Accounts

(cont'd)

(d) Advances to customers analysed by industry sectors

The following economic sector analysis is based on categories and definitions used by the HKMA.

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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	324,704	350,668
— 物業投資	— Property investment	5,033,111	4,157,529
— 金融界	— Financial concerns	2,348,129	2,654,487
— 股票經紀	— Stockbrokers	45,606	39,835
— 批發及零售貿易	— Wholesale and retail trade	1,946,786	1,898,338
— 製造業	— Manufacturing	2,813,124	3,372,328
— 運輸及運輸設備	— Transport and transport equipment	4,280,529	5,404,016
— 其他	— Others	3,093,252	3,690,455
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	18,409	19,394
— 購入其他住宅物業的貸款	— Loans for the purchase of other residential properties	11,416,704	10,512,764
— 信用咭墊款	— Credit card advances	586,781	538,041
— 其他	— Others	1,256,345	1,108,971
貿易融資	Trade finance	2,628,660	2,124,777
用於香港以外地區的貸款	Loans for use outside Hong Kong	6,753,774	6,176,633
		42,545,914	42,048,236

22. 客戶墊款及其他賬項 (續)

(e) 減值/不履約客戶貸款及墊款

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
減值客戶貸款 及墊款總額	Gross impaired loans and advances to customers	803,892	–	797,160	–
個別減值撥備評估	Impairment allowance- individually assessed	(114,778)	–	(113,689)	–
不履約客戶貸款 及墊款總額	Gross non-performing loans and advances to customers	–	1,380,662	–	1,351,191
呆壞賬特殊準備	Specific provisions of bad and doubtful debts	–	(304,703)	–	(283,807)
		689,114	1,075,959	683,471	1,067,384
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	1.89%	–	2.01%	–
– 不履約貸款及墊款總額	– Gross non-performing loans and advances	–	3.28%	–	3.42%

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。

不履約貸款及墊款是利息暫記或已停止計息的貸款。

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。

22. Advances to Customers and Other Accounts

(cont'd)

(e) Impaired/non-performing loans and advances to customers:

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

Non-performing loans and advances are loans on which interest is being suspended or on which interest accrual has ceased.

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

22. 客戶墊款及其他賬項 (續)

(f) 融資租賃及分期付款合約的投資淨額

客戶墊款包括按融資租賃及有融資租賃特徵的分期付款合約租借給客戶的設備的投資淨額。這些合約的最初租賃期一般為期五至二十年，期後可選擇按賬面值購入這些租借資產。於十二月三十一日按融資租賃及分期付款合約的最低應收租金總額及其現值如下：

22. Advances to Customers and Other Accounts

(cont'd)

(f) Net investment in finance leases and hire purchase contracts

Advances to customers include net investment in equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 5 to 20 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values are as follows:

		本集團 The Group					
		二零零五年 2005			二零零四年 2004		
		最低租賃 還款現價值 Present value of the minimum lease payments 港幣千元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 港幣千元 HK\$'000	最低租賃 還款總額 Total minimum lease payments 港幣千元 HK\$'000	最低租賃 還款現價值 Present value of the minimum lease payments 港幣千元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 港幣千元 HK\$'000	最低租賃 還款總額 Total minimum lease payments 港幣千元 HK\$'000
1年內	Within 1 year	559,321	198,336	757,657	592,884	101,987	694,871
1年至5年	After 1 year but within 5 years	778,468	614,687	1,393,155	874,284	277,119	1,151,403
5年後	After 5 years	2,590,940	1,402,639	3,993,579	2,415,956	551,367	2,967,323
		3,928,729	2,215,662	6,144,391	3,883,124	930,473	4,813,597
減值撥備：	Impairment allowances:						
— 個別評估	— Individually assessed	(3,718)			—		
— 綜合評估	— Collectively assessed	(1,095)			—		
— 呆壞賬 準備	— Provisions for bad and doubtful debts	—			(7,795)		
融資租賃及 分期付款 合約的投資 淨額	Net investment in finance leases and hire purchase contracts	3,923,916			3,875,329		

22. 客戶墊款及其他賬項 (續)

(f) 融資租賃及分期付款合約的投資淨額 (續)

		本行 The Bank					
		二零零五年 2005			二零零四年 2004		
		最低租賃 還款現價值 Present value of the minimum lease payments 港幣千元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 港幣千元 HK\$'000	最低租賃 還款總額 Total minimum lease payments 港幣千元 HK\$'000	最低租賃 還款現價值 Present value of the minimum lease payments 港幣千元 HK\$'000	未來期間的 利息收入 Interest income relating to future periods 港幣千元 HK\$'000	最低租賃 還款總額 Total minimum lease payments 港幣千元 HK\$'000
1年內	Within 1 year	488,491	174,008	662,499	490,903	80,613	571,516
1年至5年	After 1 year but within 5 years	642,241	538,469	1,180,710	665,901	218,696	884,597
5年後	After 5 years	2,219,301	1,194,382	3,413,683	1,891,038	432,295	2,323,333
		3,350,033	1,906,859	5,256,892	3,047,842	731,604	3,779,446
減值撥備：	Impairment allowances:						
— 個別評估	— Individually assessed	(3,718)			—		
— 綜合評估	— Collectively assessed	(986)			—		
— 呆壞賬準備	— Provisions for bad and doubtful debts	—			(3,259)		
融資租賃及 分期付款 合約的投資 淨額	Net investment in finance leases and hire purchase contracts	3,345,329			3,044,583		

23. 應收附屬公司款項

23. Amounts Due from Subsidiaries

		本行 The Bank	
		二零零五年 2005	二零零四年 2004 重報 (restated)
		港幣千元 HK\$'000	港幣千元 HK\$'000
銀行及其他金融機構存款	Placements with banks and other financial institutions	2,340,264	1,887,190
客戶墊款及其他賬項	Advances to customers and other accounts	135,091	88,374
		2,475,355	1,975,564

24. 可供出售證券

24. Available-for-sale Securities

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
債務證券	Debt securities	5,785,023	—	5,785,023	—
股票	Equity securities	61,269	—	58,754	—
投資基金	Investment funds	77,551	—	77,551	—
		5,923,843	—	5,921,328	—
減值撥備	Impairment allowances	(59,185)	—	(58,297)	—
		5,864,658	—	5,863,031	—
以上證券的發行機構如下： Issued by:					
銀行及其他金融機構	Banks and other financial institutions	873,121	—	873,121	—
企業實體	Corporate entities	4,991,537	—	4,989,910	—
		5,864,658	—	5,863,031	—
上市地點：					
於香港以外地區上市	Listed outside Hong Kong	4,731,439	—	4,731,439	—
非上市	Unlisted	1,133,219	—	1,131,592	—
總額	Total	5,864,658	—	5,863,031	—

於二零零五年採納《香港會計準則》第39號後，於二零零五年一月一日賬面值為港幣6,177,288,000元的金融資產已重新指定為可供出售證券。由於並不准許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

Following the adoption of HKAS 39 in 2005, financial assets with carrying amount of HK\$6,177,288,000 at 1 January 2005 were re-designated as available-for-sale securities. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

於二零零四年十二月三十一日，該等資產分類如下。

These assets were classified as follows as at 31 December 2004.

		二零零四年 2004 港幣千元 HK\$'000
分類為：	Classified as:	
持有至到期證券	Held-to-maturity securities	5,309,764
證券投資	Investment in securities	39,841
其他證券投資	Other investment in securities	56,248
於2004年12月31日的賬面值	Carrying amount as at 31 December 2004	5,405,853

25. 持有至到期投資

25. Held-to-maturity Investments

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
國庫券(包括 外匯基金票據) 持有的存款證 債務證券	Treasury bills (including Exchange Fund Bills) Certificates of deposit held Debt securities	247,669 499,913 16,456,684	398,823 1,276,366 22,270,484	247,669 499,913 16,456,684	398,823 1,276,366 22,270,484
個別減值撥備評估	Impairment allowance – individually assessed	17,204,266	23,945,673	17,204,266	23,945,673
減值準備	Provision for diminution in value	(9,983)	–	(9,983)	–
		–	(11,619)	–	(11,619)
		17,194,283	23,934,054	17,194,283	23,934,054
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	821,634	688,993	821,634	688,993
公營機構	Public sector entities	1,136,047	788,265	1,136,047	788,265
銀行及其他金融機構	Banks and other financial institutions	13,269,677	14,210,694	13,269,677	14,210,694
企業實體	Corporate entities	1,966,925	8,246,102	1,966,925	8,246,102
		17,194,283	23,934,054	17,194,283	23,934,054
上市地點：	Place of listing:				
於香港上市	Listed in Hong Kong	1,383,224	717,949	1,383,224	717,949
於香港以外地區上市	Listed outside Hong Kong	3,478,078	7,563,978	3,478,078	7,563,978
非上市	Unlisted	4,861,302 12,332,981	8,281,927 15,652,127	4,861,302 12,332,981	8,281,927 15,652,127
總額	Total	17,194,283	23,934,054	17,194,283	23,934,054
上市證券市值：	Market value of listed securities:	4,826,519	9,017,797	4,826,519	9,017,797

於二零零五年採納《香港會計準則》第39號後，於二零零五年一月一日合共港幣6,308,314,000元的持有至到期證券重估值後已分別重新指定為港幣1,033,466,000元的通過損益以反映公平價值的金融資產及港幣6,081,200,000元的可供出售證券。由於並不允許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

Following the adoption of HKAS 39 in 2005, a total of HK\$6,308,314,000 held-to-maturity investments at 1 January 2005 with a revalued amount of HK\$1,033,466,000 and HK\$6,081,200,000 were re-designated as financial assets at fair value through profit or loss and available-for-sale securities respectively. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

26. 投資證券

26. Investment Securities

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
債務證券 – 非上市	Debt securities – unlisted	–	15,782	–	11,692
股票 – 非上市	Equity shares – unlisted	–	24,059	–	24,059
		–	39,841	–	35,751
以上證券的發行機構如下： Issued by:					
企業實體	Corporate entities		28,059		28,059
其他公司	Other entities		11,782		7,692
			39,841		35,751

於二零零五年採納《香港會計準則》第39號後，於二零零五年一月一日賬面值為港幣39,841,000元的投資證券合共港幣39,841,000元已重新指定為可供出售證券。由於並不允許追溯應用《香港會計準則》第39號，故並無就二零零四年進行有關重新指定。

Following the adoption of HKAS 39 in 2005, a total of HK\$39,841,000 investment securities at 1 January 2005 with a carrying amount of HK\$39,841,000 were re-designated as available-for-sale securities. There was no such re-designation in 2004 as retrospective application of HKAS 39 is not permitted.

27. 附屬公司投資

27. Investments in Subsidiaries

		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非上市股份（按成本入賬）	Unlisted shares, at cost	825,676	774,421

下文只列出對本集團業績或資產有重大影響的主要附屬公司詳情。除非另有說明外，所持有之股份類別均為普通股。

The following list contains the particulars of principal subsidiaries which materially affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

所有均為受控附屬公司而其定義已於附註2(d)說明，並已於本集團的財務報表內綜合計算。

All of these are controlled subsidiaries as defined under note 2(d) and have been consolidated into the Group financial statements.

27. 附屬公司投資 (續)

27. Investments in Subsidiaries (cont'd)

公司名稱 Name of company	註冊成立/ 經營地區 Place of incorporation/ operation	持有股份 百分比 % of shares held	主要業務 Principal activities	已發行及繳足股本 Issued and paid up capital
啟福國際有限公司 Carford International Limited	香港 Hong Kong	100%	物業持有 Property holding	港幣2元 HK\$2
中國國際財務有限公司(深圳) China International Finance Company Limited (Shenzhen)	中國 PRC	100%	金融服務 Financial services	人民幣500,000,000元 RMB500,000,000
CKWB (Cayman Islands) Limited	開曼群島/香港 Cayman Islands/ Hong Kong	100%	發行後償票據 Issue of subordinated notes	美金1元 US\$1
CKWH-UT2 Limited	開曼群島/香港 Cayman Islands/ Hong Kong	100%	發行後償票據 Issue of subordinated notes	美金1元 US\$1
香港華人財務有限公司 HKCB Finance Limited	香港 Hong Kong	100%	消費借貸 Consumer financing	港幣300,000,000元 HK\$300,000,000
香港華人保險代理有限公司 HKCB Insurance Agency Limited	香港 Hong Kong	100%	保險代理 Insurance agency	港幣2元 HK\$2
嘉華國際財務有限公司 Ka Wah International Merchant Finance Limited	香港 Hong Kong	100%	金融服務 Financial services	港幣32,500,000元 HK\$32,500,000
嘉華投資有限公司 KWB Investment Limited	香港 Hong Kong	100%	投資控股 Investment holding	港幣5,000,000元 HK\$5,000,000
香港華人銀行(代理人)有限公司 The Hongkong Chinese Bank (Nominees) Limited	香港 Hong Kong	100%	代理服務 Nominees services	港幣5,000元 HK\$5,000
恒康香港有限公司 Viewcon Hong Kong Limited	香港 Hong Kong	100%	按揭融資 Mortgage financing	港幣2元 HK\$2
除嘉華投資有限公司外，以上所有附屬公司均由本行直接持有。		All of the above subsidiaries are held directly by the Bank except for KWB Investment Limited.		

28. 聯營公司投資

28. Interest in Associates

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
非上市股份(按成本入賬)	Unlisted shares, at cost	—	—	—	120,105
淨資產所佔金額	Share of net assets	—	191,450	—	—
		—	191,450	—	120,105

本年度所佔聯營公司虧損中的所佔聯營公司稅項為港幣402,000元(二零零四年：港幣1,955,000元)。

Share of associates' taxation for the year, amounted to HK\$402,000 (2004:HK\$1,955,000) relates to share of profits less losses of associates.

主要聯營公司財務資料摘要：

Summary financial information on associates:

(a) 主要聯營公司

(a) Principal associate

		資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	權益 Equity 港幣千元 HK\$'000	收入 Revenues 港幣千元 HK\$'000	溢利/ (虧損) Profit/(Loss) 港幣千元 HK\$'000
中信資本伙伴 投資基金有限公司	CITIC Capital Active Partner Fund Limited					
2005年 100%(於2005年5月31日)	2005 100% (as at 31 May 2005)	444,409	7,406	437,003	1,991	(25,590)
本集團實際權益	The Group's effective interest	—	—	—	—	—
2004年 100%	2004 100%	490,242	32,660	457,582	18,693	(9,862)
本集團實際權益	The Group's effective interest	204,921	13,652	191,269	7,813	(4,139)

已於二零零五年六月出售此聯營公司。

The associate was disposed in June 2005.

(b) 非主要聯營公司

投資成本總額及出售虧損分別為港幣1,403,000元及港幣198,000元。

(b) Non-principal associates

The aggregate cost of investment and loss on disposal were HK\$1,403,000 and HK\$198,000 respectively.

29. 固定資產 (續)

(a) 本集團

29. Fixed Assets

(a) The Group

		本集團 The Group			
		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、裝置 及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本或估值：	Cost or valuation:				
於2004年1月1日	At 1 January 2004	97,345	1,475,102	662,716	2,235,163
增加	Additions	—	—	62,784	62,784
出售	Disposals	(40,050)	(33,765)	(29,729)	(103,544)
匯兌調整	Exchange adjustments	—	2	21	23
重估盈餘	Surplus on revaluation	7,555	—	—	7,555
於2004年12月31日	At 31 December 2004	64,850	1,441,339	695,792	2,201,981
上述資產的 成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	1,248,265	695,792	1,944,057
估值	Valuation				
— 1985年	— 1985	—	43,334	—	43,334
— 1988年	— 1988	—	149,740	—	149,740
— 2004年	— 2004	64,850	—	—	64,850
		64,850	1,441,339	695,792	2,201,981
於2005年1月1日	At 1 January 2005	64,850	1,441,339	695,792	2,201,981
增加	Additions	—	—	53,237	53,237
自其他物業重新分類	Reclassification from other premises	35,904	—	—	35,904
重新分類至投資物業	Reclassification to investment properties	—	(34,277)	—	(34,277)
重新分類前的重估盈餘	Surplus on revaluation before reclassification	—	17,031	—	17,031
重新分類	Reclassification	—	(17,031)	—	(17,031)
出售	Disposals	(37,900)	(198,402)	(137,784)	(374,086)
匯兌調整	Exchange adjustments	—	—	(12)	(12)
重估盈餘	Surplus on revaluation	2,140	—	—	2,140
於2005年12月31日	At 31 December 2005	64,994	1,208,660	611,233	1,884,887
上述資產的 成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	1,172,165	611,233	1,783,398
估值	Valuation				
— 1985年	— 1985	—	36,495	—	36,495
— 2005年	— 2005	64,994	—	—	64,994
		64,994	1,208,660	611,233	1,884,887

29. 固定資產 (續)
(a) 本集團

29. Fixed Assets (cont'd)
(a) The Group (cont'd)

		本集團 The Group			
		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、裝置 及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
累計折舊：	Accumulated depreciation:				
於2004年1月1日	At 1 January 2004	—	311,623	354,796	666,419
本年度折舊 (附註 10(b))	Charge for the year (note 10(b))	—	30,958	118,112	149,070
因出售而撥回	Written back on disposals	—	(6,853)	(25,588)	(32,441)
匯兌調整	Exchange adjustments	—	1	14	15
於2004年12月31日	At 31 December 2004	—	335,729	447,334	783,063
於2005年1月1日	At 1 January 2005	—	335,729	447,334	783,063
本年度折舊 (附註 10(b))	Charge for the year (note 10(b))	—	27,212	89,588	116,800
因出售而撥回	Written back on disposals	—	(48,371)	(114,813)	(163,184)
因出售而撥回減值虧損	Write back of impairment loss on disposals	—	(4,534)	—	(4,534)
重新分類至投資物業	Reclassification to investment properties	—	(14,833)	—	(14,833)
減值虧損	Impairment loss	—	354	—	354
因重新分類而撥回	Write back of impairment loss on reclassification	—	(571)	—	(571)
減值虧損	Exchange adjustments	—	—	(17)	(17)
於2005年12月31日	At 31 December 2005	—	294,986	422,092	717,078
賬面淨值：	Net book value:				
於2005年12月31日	At 31 December 2005	64,994	913,674	189,141	1,167,809
於2004年12月31日	At 31 December 2004	64,850	1,105,610	248,458	1,418,918

29. 固定資產 (續)

(b) 本行 (續)

29. Fixed Assets (cont'd)

(b) The Bank (cont'd)

		本行 The Bank			
		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、裝置 及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
成本或估值：	Cost or valuation:				
於2004年1月1日	At 1 January 2004	81,750	1,474,686	637,930	2,194,366
增加	Additions	—	—	60,556	60,556
出售	Disposals	(40,050)	(33,765)	(9,844)	(83,659)
匯兌調整	Exchange adjustments	—	—	18	18
重估盈餘	Surplus on revaluation	9,000	—	—	9,000
於2004年12月31日	At 31 December 2004	50,700	1,440,921	688,660	2,180,281
上述資產的 成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	1,247,847	688,660	1,936,507
估值	Valuation				
— 1985年	— 1985	—	43,334	—	43,334
— 1988年	— 1988	—	149,740	—	149,740
— 2004年	— 2004	50,700	—	—	50,700
		50,700	1,440,921	688,660	2,180,281
於2005年1月1日	At 1 January 2005	50,700	1,440,921	688,660	2,180,281
增加	Additions	—	—	52,385	52,385
自其他物業 重新分類	Reclassification from other premises	35,904	—	—	35,904
重新分類至 投資物業	Reclassification to investment properties	—	(34,277)	—	(34,277)
重新分類前的 重估盈餘	Surplus on revaluation before reclassification	—	17,031	—	17,031
重新分類	Reclassification	—	(17,031)	—	(17,031)
出售	Disposals	(37,900)	(197,984)	(135,429)	(371,313)
匯兌調整	Exchange adjustments	—	—	(13)	(13)
重估盈餘	Surplus on revaluation	719	—	—	719
於2005年12月31日	At 31 December 2005	49,423	1,208,660	605,603	1,863,686
上述資產的 成本或估值 分析如下：	The analysis of cost or valuation of the above assets is as follows:				
成本	Cost	—	1,172,165	605,603	1,777,768
估值	Valuation				
— 1985年	— 1985	—	36,495	—	36,495
— 2005年	— 2005	49,423	—	—	49,423
		49,423	1,208,660	605,603	1,863,686

29. 固定資產 (續)
(b) 本行 (續)

29. Fixed Assets (cont'd)
(b) The Bank (cont'd)

		本行 The Bank			
		投資物業 Investment properties 港幣千元 HK\$'000	其他物業 Other premises 港幣千元 HK\$'000	傢俬、裝置 及設備 Furniture, fixtures and equipment 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
累計折舊：	Accumulated depreciation:				
於2004年1月1日	At 1 January 2004	—	311,310	332,463	643,773
本年度折舊	Charge for the year	—	30,940	117,279	148,219
因出售而撥回	Written back on disposals	—	(6,853)	(6,425)	(13,278)
匯兌調整	Exchange adjustments	—	—	6	6
於2004年12月31日	At 31 December 2004	—	335,397	443,323	778,720
於2005年1月1日	At 1 January 2005	—	335,397	443,323	778,720
本年度折舊	Charge for the year (note 8(b))	—	27,202	88,834	116,036
因出售而撥回	Written back on disposals	—	(48,028)	(112,977)	(161,005)
因出售而撥回 減值虧損	Write back of impairment loss on disposals	—	(4,534)	—	(4,534)
重新分類至 投資物業	Reclassification to investment properties	—	(14,833)	—	(14,833)
減值虧損	Impairment loss	—	354	—	354
因重新分類而 撥回減值虧損	Write back of impairment loss on reclassification	—	(571)	—	(571)
匯兌調整	Exchange adjustments	—	—	15	15
於2005年12月31日	At 31 December 2005	—	294,987	419,195	714,182
賬面淨值：	Net book value:				
於2005年12月31日	At 31 December 2005	49,423	913,673	186,408	1,149,504
於2004年12月31日	At 31 December 2004	50,700	1,105,524	245,337	1,401,561

(c) 於二零零五年十二月三十一日，獨立測量師行威格斯(香港)有限公司按公開市場價值，並參考租金淨收入(參看可復歸收入潛力)重估本集團及本公司的所有投資物業。有關本集團及本行的重估盈餘分別為港幣2,140,000元及港幣719,000元已計入收益表中。威格斯(香港)有限公司某些僱員為香港測量師學會會員，具有估值物業地點及類別的有關經驗。

投資物業產生的租金收入總額為港幣2,239,000元(二零零四年：港幣4,644,000元)。

本年度內，出售投資物業之溢利達港幣4,641,000元(二零零四年：港幣8,420,000元)。

(c) All investment properties of the Group and the Bank were revalued at 31 December 2005 by independent firms of surveyors, Vigers Appraisal & Consulting Limited, on an open market value basis calculated by reference to net rental income allowing for reversionary income potential. The revaluation surplus amounted to HK\$2,140,000 and HK\$719,000 in the Group and the Bank respectively have been credited to the income statement. Vigers Appraisal & Consulting Limited has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued.

The gross rental income arising from investment properties is HK\$2,239,000 (2004: HK\$4,644,000).

During the year, profit on disposal of investment properties amounted to HK\$4,641,000 (2004: HK\$8,420,000).

29. 固定資產 (續)

(d) 投資物業及其他物業的賬面淨值分析如下：

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
租賃	Leasehold				
香港	Held in Hong Kong				
— 長期租賃 (50年以上)	— Long-term leases (over 50 years)	96,711	247,434	96,711	247,434
— 中期租賃 (10至50年)	— Medium-term leases (10 – 50 years)	865,297	907,216	865,296	907,216
香港以外地區	Held outside Hong Kong				
— 中期租賃 (10至50年)	— Medium-term leases (10 – 50 years)	16,660	15,810	1,089	1,574
		978,668	1,170,460	963,096	1,156,224

本集團及本行若干其他物業曾於以往年度被估值。如果其他物業均以成本減累計折舊入賬，本集團及本行於二零零五年十二月三十一日的其他物業賬面淨值將為港幣 11,419,000元（二零零四年：港幣 104,879,000元）。

29. Fixed Assets (cont'd)

(d) The analysis of net book value of investment properties and other premises were as follows:

Some of the other premises of the Group and the Bank have been revalued in previous year. The net book value of these other premises of the Group and the Bank at 31 December 2005 would have been HK\$11,419,000 (2004: HK\$104,879,000) had they been carried at cost less accumulated depreciation.

29. 固定資產 (續)

(e) 通過經營租賃租出的固定資產

本集團通過經營租賃的方式租出投資物業。有關物業的最初租賃期一般為兩至三年，期後可於所有條款重新商定之日後續期。以上租賃均不涉及或有租金(二零零四年：無)。

本集團持有作用於經營租賃的投資物業賬面值總額為港幣64,994,000元(二零零四年：港幣64,850,000元)。

本集團及本行按不可解除的經營租賃未來應收的最低租金總額如下：

29. Fixed Assets (cont'd)

(e) Fixed assets leased out under operating leases

The Group leases out investment properties under operating leases. The leases typically run for an initial period of two to three years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals (2004: Nil).

The gross carrying amounts of investment properties of the Group held for use in operating leases were HK\$64,994,000 (2004: HK\$64,850,000).

The Group's and the Bank's total future minimum lease payments under non-cancellable operating leases are receivable as follows:

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
1年內	Within 1 year	2,145	1,382	862	1,382
1年至5年	After 1 year but within 5 years	1,894	1,480	343	1,480
		4,039	2,862	1,205	2,862

30. 商譽

30. Goodwill

		本集團 The Group 港幣千元 HK\$'000
成本：	Cost:	
於2004年1月1日	At 1 January 2004	10,558
沖銷金額	Written off	(10,558)
於2004年12月31日及2005年12月31日	At 31 December 2004 and 31 December 2005	-
累計攤銷及減值虧損：	Accumulated amortization:	
於2004年1月1日	At 1 January 2004	-
本年度攤銷金額	Amortization for the year	1,056
減值虧損	Impairment loss	9,502
沖銷金額	Written off	(10,558)
於2004年12月31日及2005年12月31日	At 31 December 2004 and 31 December 2005	-
賬面值：	Carrying amount:	
於2005年12月31日	At 31 December 2005	-
於2004年12月31日	At 31 December 2004	-

於二零零四年十二月三十一日，本集團已對被收購附屬公司的權益進行公平價值評估，而截至二零零四年十二月三十一日止，已確認的減值損失為港幣9,502,000元。

The Group has performed an assessment of the fair value of its interest in an acquired subsidiary and recognized an impairment loss of HK\$9,502,000 for the year ended 31 December 2004.

31. 銀行及其他金融機構的存款及結存

31. Deposits and Balances of Banks and Other Financial Institutions

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
銀行的存款及結存	Deposits and balances from banks	326,198	85,678	326,198	85,678
其他金融機構的存款及結存	Deposits and balances from other financial institutions	3,831,248	3,470,174	3,831,248	3,470,174
		4,157,446	3,555,852	4,157,446	3,555,852

32. 客戶存款

32. Deposits from Customers

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
活期及往來賬戶存款	Demand deposits and current deposits	4,214,468	10,229,757	4,214,468	10,229,757
儲蓄存款	Savings deposits	8,096,593	11,910,269	8,096,593	11,910,269
定期、即期及短期通知存款	Time, call and notice deposits	42,475,505	33,508,929	42,394,079	33,405,020
		54,786,566	55,648,955	54,705,140	55,545,046

33. 交易用途負債

33. Trading Liabilities

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
證券空倉	Short positions in securities	217,904	—	217,904	—
衍生工具的負公平價值 (附註49(b))	Negative fair value of derivatives (note 49(b))	443,233	—	443,233	—
		661,137	—	661,137	—

34. 已發行存款證

34. Certificates of Deposit Issued

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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 profit or loss	2,785,924	–	2,785,924	–
交易用途	Trading	–	1,379,306	–	1,379,306
非交易用途	Non-trading	4,682,037	5,580,384	4,682,037	5,580,384
		7,467,961	6,959,690	7,467,961	6,959,690

在採納《香港會計準則》第39號後，於二零零五年一月一日，本集團首次確認港幣1,561,857,000元的金融負債為通過損益以反映公平價值，而於二零零四年十二月三十一日，這些金融負債分別分類為港幣1,379,306,000元及港幣177,744,000元的交易用途負債及非交易用途負債。

於二零零五年十二月三十一日，本集團及本行的賬面值及於到期時應付合約金額的差額達港幣150,081,299元，其公平價值下跌只是因基準利率變動而產生。

At 1 January 2005, the Group designated on initial recognition HK\$1,561,857,000 of financial liabilities as at fair value through profit or loss upon the adoption of HKAS 39, and these financial liabilities were classified as trading liabilities and non-trading liabilities at HK\$1,379,306,000 and HK\$177,744,000 respectively as at 31 December 2004.

At 31 December 2005, the difference between the carrying amount and the contractual amount payable at maturity for the Group and the Bank amounted to HK\$150,081,299. Such a decrease in fair value is only attributable to changes in benchmark interest rate.

35. 於資產負債表內的稅項

(a) 於資產負債表內的本期稅項為

35. Income Tax in the Balance Sheet

(a) Current taxation in the balance sheet represents

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
本年度香港利得稅準備 (附註13(a))	Provision for Hong Kong Profits Tax for the year (note 13(a))	123,709	156,377	108,265	147,938
已付暫繳利得稅	Provisional Profit Tax paid	(116,149)	(151,160)	(107,505)	(145,812)
		7,560	5,217	760	2,126
以往年度的利得稅 準備結餘	Balance of Profits Tax provision relating to prior years	44,219	58	44,015	–
		51,779	5,275	44,775	2,126
海外稅項準備	Provision for overseas taxation	1,819	1,117	1,819	1,117
		53,598	6,392	46,594	3,243

35. 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)/
負債的組合及於本年度之變動如下：

35. 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 year are as follows:

		本集團 The Group						
		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 adjustment on properties and other assets 港幣千元 HK\$'000	貸款準備 Provision for loans 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	總額 Total 港幣千元 HK\$'000
遞延稅項源自：	Deferred tax arising from:							
於2004年1月1日	At 1 January 2004	40,225	-	-	(89,558)	-	-	(49,333)
綜合收益表內 撥銷/(撥回)	Charged/(credited) to consolidated income statement	(9,438)	-	-	4,725	-	-	(4,713)
於2004年12月31日	At 31 December 2004	30,787	-	-	(84,833)	-	-	(54,046)
於2005年1月1日	At 1 January 2005							
— 如前匯報	— as previously reported	30,787	-	-	(84,833)	-	-	(54,046)
— 有關金融工具 的期初結餘調整	— opening balance adjustment in respect of financial instruments	-	(57,023)	-	84,833	78,191	(1,639)	104,362
重報	As restated	30,787	(57,023)	-	-	78,191	(1,639)	50,316
綜合收益表內 撥銷/(撥回)	Charged/(credited) to consolidated income statement	(13,947)	10,401	-	-	-	-	(3,546)
儲備內撥銷/(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

財務報表附註
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35. 於資產負債表內的稅項 (續)
(b) 已確認的遞延稅項資產 (續)

35. Income Tax in the Balance Sheet (cont'd)
(b) Deferred tax assets and liabilities recognized (cont'd)

		本行 The Bank						
		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 adjustment on properties and other assets 港幣千元 HK\$'000	貸款準備 Provision for loans 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	總額 Total 港幣千元 HK\$'000
遞延稅項源自：	Deferred tax arising from:							
於2004年1月1日	At 1 January 2004	44,439	-	-	(87,351)	-	-	(42,912)
綜合收益表內 撇銷/(撥回)	Charged/(credited) to consolidated income statement	(11,584)	-	-	4,725	-	-	(6,859)
於2004年12月31日	At 31 December 2004	32,855	-	-	(82,626)	-	-	(49,771)
於2005年1月1日	At 1 January 2005							
— 如前匯報	— as previously reported	32,855	-	-	(82,626)	-	-	(49,771)
— 有關金融工具 的期初結餘調整	— opening balance adjustment in respect of financial instruments	-	(56,152)	-	82,626	78,191	(1,639)	103,026
重報	As restated	32,855	(56,152)	-	-	78,191	(1,639)	53,255
綜合收益表內 撇銷/(撥回)	Charged/(credited) to consolidated income statement	(12,399)	10,435	-	-	-	-	(1,964)
儲備內撇銷/(撥回)	Charged/(credited) to reserves	-	-	2,939	-	(10,409)	1,639	(5,831)
於2005年12月31日	At 31 December 2005	20,456	(45,717)	2,939	-	67,782	-	45,460

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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 asset recognized on the balance sheet	(4,521)	(54,054)	-	(49,771)
在資產負債表確認 的淨遞延稅項負債	Net deferred tax liability recognized on the balance sheet	45,466	8	45,460	-
		40,945	(54,046)	45,460	(49,771)

35. 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，故本集團並未確認稅項虧損的遞延稅項資產港幣58,768,087元(二零零四年：港幣79,965,000元)。根據現行稅務條例，該等稅項虧損的到期日如下：

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
於5年內到期	Expiring within 5 years	50,026	65,739
無到期日	No expiry date	8,742	14,226
		58,768	79,965

36. 應付附屬公司款項

35. 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\$58,768,087 (2004: HK\$79,965,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

36. Amounts Due to Subsidiaries

		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
在銀行及其他金融機構	Deposits and balances of banks and other financial institutions	41,525	338,393
客戶存款	Deposits from customers	4,300,185	4,379,986
其他負債	Other liabilities	333,434	314,967
		4,675,144	5,033,346

37. 已發行債務證券

37. Debt Securities Issued

		本集團及本行 The Group and the Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
已發行債務證券	Debt securities issued	2,245,435	2,322,798

債務證券包括於二零零四年十一月十七日以折讓價發行年息率為4.25%的票據，其面值為美金3億元。票據由本行發行及構成本行直接、無條件地及無抵押的義務。票據將於二零零九年十一月十七日到期。

The debt securities represent 4.25% per annum notes with face value of US\$300 million issued at discount on 17 November 2004. The notes were issued by the Bank and constitute direct, unconditional and unsecured obligations of the Bank. The notes will mature on 17 November 2009.

38. 僱員退休計劃

本集團設有一項界定供款公積金計劃（簡稱「該退休計劃」）。據此，本集團須把相當於僱員基本薪金10%的供款撥入基金內。該退休計劃是一個強積金豁免計劃，涵蓋範圍遍及本集團的所有全職僱員。僱員毋須作出任何供款。如果僱員在獲得全數供款前離開本集團，本集團不得將僱員所放棄的供款用作減少現時的供款額，而需將有關供款撥入一個獨立的福利基金，作為該退休計劃成員的福利金。

除了該退休計劃外，本集團自二零零零年十二月一日起，也參與一項認可強積金計劃，為現有及新僱員提供計劃選擇。本集團已根據強積金計劃規定提供等同強制部分的福利。

本年度內，本集團就這些計劃作出的供款約為港幣3,700萬元（二零零四年：港幣3,500萬元）（附註10(a)）。

39. 以股份償付 以股權償付的股份交易

於二零零三年五月十六日，本行之控股公司，中信國際金融控股有限公司（「中信國際金融控股」），採納中信國際金融控股有限公司購股權計劃（「新購股權計劃」），並同時終止中信國際金融控股於一九九五年三月三十日採納的高級行政人員購股權計劃（「舊購股權計劃」），舊購股權計劃內的條文仍繼續具有十足效力及作用，惟以有效地行使舊購股權計劃於二零零五年三月二十九日終止前已授出之購股權為限。

本年度內，中信國際金融控股並未有根據舊購股權計劃授出購股權。而根據新購股權計劃授出的購股權，有效期為授予日期起計兩年，而這些購股權將一直可行使，直至授予日期起計十週年為止。每份購股權賦予持有人認購一股中信國際金融控股普通股的權利。

38. Staff Retirement Scheme

The Group has a defined contribution provident fund scheme (the "Retirement Scheme") under which it contributes 10% of the employees' basic salaries. The Retirement Scheme is an MPF exempted scheme and covers all permanent full-time employees of the Group. No employee contributions are required. Contributions forfeited by leavers prior to vesting fully may not be used by the Group to reduce the existing level of contribution but are transferred to a separate welfare fund which shall be applied for the welfare of the Retirement Scheme's members.

Besides the Retirement Scheme, the Group also participated in an approved MPF scheme effective on 1 December 2000 to provide scheme choice to both existing and new employees. Mandatory benefits are being provided under the MPF Scheme.

During the year, the Group contributed approximately HK\$37 million (2004: HK\$35 million) (note 10(a)) to these schemes.

39. Share-based Payments Equity settled share-based transactions

On 16 May 2003, the immediate holding company of the Bank, CITIC International Financial Holdings Limited ("CIFH"), adopted The CITIC International Financial Holdings Limited Share Option Scheme (the "New Option Scheme") and, at the same time, terminated the Senior Executive Share Option Scheme (the "Old Option Scheme") which was adopted by CIFH on 30 March 1995. The provisions of the Old Option Scheme remained in full force and effect to the extent necessary to give effect to the exercise of all options granted prior to the termination of the Old Option Scheme on 29 March 2005.

There were no option granted under the Old Option Scheme during the year. As for the options granted under the New Option Scheme, there is a vesting period of two years starting from the date of grant and these options will then remain exercisable until the tenth anniversary day from the date of grant. Each option gives the holder the right to subscribe for one ordinary share in CIFH.

39. 以股份償付 (續)

以股權償付的股份交易 (續)

- (a) 根據新購股權計劃授予的購股權(將以股份實物交付)的條款及條件如下：

授予日期/獲授予僱員數目 Date of grant/no. of employees entitled	購股權數目 Number of options	有效條件 Vesting conditions	購股權合約年期 Contractual life of options
於2003年11月17日向273名 合資格人仕授予購股權 Options granted to 273 eligible persons on 17 November 2003	6,758,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant
於2004年4月6日向293名 合資格人仕授予購股權 Options granted to 293 eligible persons on 6 April 2004	7,412,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant
於2005年6月13日向275名 合資格人仕授予購股權 Options granted to 275 eligible persons on 13 June 2005	6,800,000	由授予日期起計2年 2 years from the date of grant	由授予日期起計10年 10 years from the date of grant

- (b) 購股權數目及加權平均行使價如下：

- (b) The number and weighted average exercise prices of share options are as follows:

		於二零零五年 已授予的購股權 Share options granted in 2005		於二零零四年 已授予的購股權 Share options granted in 2004		於二零零三年 已授予的購股權 Share options granted in 2003	
		加權平均 行使價 Weighted average exercise price 港幣(元) HK\$	購股權數目 Number of options	加權平均 行使價 Weighted average exercise price 港幣(元) HK\$	購股權數目 Number of options	加權平均 行使價 Weighted average exercise price 港幣(元) HK\$	購股權數目 Number of options
於年初未行使	Outstanding at the beginning of the year	—	—	3.775	6,544,000	3.540	5,718,000
本年度已失效	Forfeited during the year	—	(316,000)	—	(1,220,000)	—	(1,102,000)
本年度已行使	Exercised during the year	—	—	—	—	—	—
本年度已授予	Granted during the year	2.925	6,800,000	—	—	—	—
於年終未行使	Outstanding at the end of the year	2.925	6,484,000	3.775	5,324,000	3.540	4,616,000
於年終可行使	Exercisable at the end of the year		216,000		216,000		4,616,000

於二零零五年十二月三十一日，未行使的購股權的行使價介乎港幣2.925元至港幣3.775元，加權平均合約年期為10年。

The options outstanding at 31 December 2005 have the exercise prices fall within the range of HK\$2.925 to HK\$3.775 and a weighted average contractual life of 10 years.

39. 以股份償付 (續)

以股權償付的股份交易 (續)

- (c) 購股權的公平價值及假設
就授予購股權所獲服務的公平價值是經參考授予購股權的公平價值計量。授予購股權的公平價值估計是根據三項式模式計量。用作這模式的輸入項目的購股權合約年期為10年。

39. Share-based Payments (cont'd)

Equity settled share-based transactions (cont'd)

- (c) Fair value of share options and assumptions
The fair value of services received in return for share options granted are measured by reference to the fair value of the share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial model. The 10 years contractual life of the option is used as an input into this model.

		於二零零五年 六月十三日 已授予的 購股權 For options granted on 13 June 2005	於二零零四年 四月六日 已授予的 購股權 For options granted on 6 April 2004	於二零零三年 十一月十七日 已授予的 購股權 For options granted on 17 November 2003
於計量日期的公平價值	Fair value at measurement date	HK\$0.653	HK\$1.248	HK\$0.835
股價	Share price	HK\$2.925	HK\$3.775	HK\$3.475
行使價	Exercise price	HK\$2.925	HK\$3.775	HK\$3.540
預期波動率(以三項式模式使用的波動率表示)	Expected volatility (expressed as volatility used in the trinomial model)	24.30%	34.00%	24.00%
購股權年期	Option life	10年 Years	10年 Years	10年 Years
預期股息(持續孳息)	Expected dividends (continuous Yield)	3.84%	3.71%	3.71%
無風險利率(根據港元政府債券孳息計算)	Risk-free interest rate (based on HKD government bond Yield)	3.22%	4.07%	4.34%

預期波動率是根據中信國際金融控股有限公司集團於特定日期已發行的可換股債券的隱含波動率計算。

The expected volatility is based on the implied volatilities of CIFH Group's issued convertible bond on the specified dates.

購股權是根據服務條件及(就授予人員而言)非市場表現條件授予。

Share options are granted under a service condition and, for grants to personnel, a non-market performance condition.

39. 以股份償付 (續)

以現金償付的股份交易

本行向合資格僱員及控股公司中信國際金融控股數名董事(「合資格人仕」)授出Equity Linked Deferred Award(「ELDA」)，據此，各合資格人仕可於指定的到期日(即授予日的第二週年及退休日，兩者較早發生的日期)獲發現金福利。有關合資格人仕將於到期日獲發的現金福利數額，為ELDA所涉及的中信國際金融控股普通股數目乘以下列兩項中的較低者：

1. ELDA每股股價與根據聯交所每日報價表所載中信國際金融控股普通股於到期日的收市價兩者之差異；及
2. 港幣3元。

若根據聯交所每日報價表所載，中信國際金融控股普通股於到期日的收市價低於ELDA每股股價，則各合資格人仕將不會根據ELDA獲發任何款項。各合資格人仕亦不會於ELDA到期時獲配發或轉讓中信國際金融控股普通股。

有關授予各合資格人仕的ELDA的詳細條款如下：

39. Share-based Payments (cont'd)

Cash settled share-based transactions

The Bank, a wholly-owned subsidiary of CIFI, has offered Equity Linked Deferred Award (the "ELDA") to its eligible employees and certain directors of CIFI (the "Eligible Persons") whereby the Eligible Persons will receive cash benefit on the specified maturity date, being the earlier of the second calendar anniversary of the offer date and the date of retirement. The amount of cash benefit to be received by the Eligible Persons on the maturity date shall be calculated by multiplying the number of ordinary shares of CIFI notionally subject to ELDA by the lower of:

1. the result obtained by subtracting the ELDA price per share from the closing price of the ordinary share of CIFI as stated in the daily quotations sheet of the Stock Exchange on the maturity date; and
2. HK\$3.00.

The Eligible Persons are not entitled to receive any payment pursuant to the ELDA if the closing price of the ordinary share of CIFI stated in the daily quotations sheet of the Stock Exchange on the maturity date falls below the ELDA price. No ordinary shares of CIFI will be allotted or transferred to the Eligible Persons upon the maturity of the ELDA.

The detailed terms of the ELDA offered to the Eligible Persons are as follows:

授予日期 Offer date	ELDA 每股股價 ELDA price per share (港幣(元)) (HK\$)	於二零零五年十二月三十一日 ELDA所涉及的中信國際 金融控股普通股數目 Number of ordinary shares of CIFI notionally subject to ELDA as at 31 December 2005
2004年4月16日 16 April 2004	2.55	3,925,398
2005年3月24日 24 March 2005	2.00	6,051,530
總額： Total:		9,976,928

ELDA的公平價值以港幣3元為限，乃合資格人仕於到期日將獲發的最高現金福利。

The fair value of the ELDA is limited to HK\$3.00, which is the maximum cash benefit to be received by the Eligible Persons on the maturity date.

39. 以股份償付 (續)
僱員支出

39. Share-based Payments (cont'd)
Employee expenses

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
(a) 以股權償付的股份交易	(a) Equity settled share-based transactions		
於2003年已授予的購股權	Share options granted in 2003	1,557	1,695
於2004年已授予的購股權	Share options granted in 2004	2,870	1,946
於2005年已授予的購股權	Share options granted in 2005	779	–
確認為僱員成本的總支出 (附註10(a))	Total expense recognized as employee costs (note 10(a))	5,206	3,641
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
(b) 以現金償付的股份交易	(b) Cash settled share-based transactions		
於2004年已授予的ELDA	ELDA granted in 2004	4,236	4,221
於2005年已授予的ELDA	ELDA granted in 2005	4,793	–
以現金償付交易負債 的總賬面值(附註10(a))	Total carrying amount of cash-settled transaction liabilities (note 10(a))	9,029	4,221

40. 股本
法定及已發行股本

40. Share Capital
Authorised and issued share capital

		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
法定股本： 每股面值港幣1元的普通股5,000,000,000股	Authorised: 5,000,000,000 ordinary shares of HK\$1 each	5,000,000	5,000,000
已發行及繳足股本： 於1月1日： 每股面值港幣1元的普通股3,083,341,176股 (2004年：2,393,341,176股) 發行的股份：無(2004年：每股面值 港幣1元的普通股690,000,000股)	Issued and fully paid: At 1 January: 3,083,341,176 (2004: 2,393,341,176) ordinary shares of HK\$1 each Issue of shares: Nil (2004: 690,000,000 ordinary shares of HK\$1 each)	3,083,341 –	2,393,341 690,000
於12月31日： 每股面值港幣1元的普通股3,083,341,176股 (2004年：3,083,341,176股)	At 31 December: 3,083,341,176 (2004: 3,083,341,176) ordinary shares of HK\$1 each	3,083,341	3,083,341

41. 儲備
(i) 本集團

41. Reserves
(i) The Group

		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	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
於2004年1月1日	At 1 January 2004	282,930	6,589	100,000	(711)	11,945	–	–	–	2,143,381	2,544,134
換算的匯兌 差額	Exchange difference on translation	–	–	–	253	–	–	–	–	–	253
以股權償付的股份 交易(重報)	Equity settled share- based transactions (restated)	–	–	–	–	–	–	–	3,640	–	3,640
本年度溢利(重報)	Profit for the year (restated)	–	–	–	–	–	–	–	–	817,064	817,064
已宣派及派發 本年度股息	Dividends declared and paid in respect of the current year	–	–	–	–	–	–	–	–	(463,600)	(463,600)
於2004年12月31日 (重報)	At 31 December 2004 (restated)	282,930	6,589	100,000	(458)	11,945	–	–	3,640	2,496,845	2,901,491

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41. 儲備 (續)
(i) 本集團 (續)

41. Reserves (cont'd)
(i) The Group (cont'd)

		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	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
於2005年1月1日 — 如前匯報	At 1 January 2005 — as previously reported	282,930	6,589	100,000	(458)	11,945	—	—	—	2,496,177	2,897,183
— 前年度調整 關於	— prior period adjustments in respect of										
— 《香港財務報告 準則》第2號	— HKFRS 2	—	—	—	—	—	—	—	3,640	668	4,308
重報，不包括期 初結餘調整	As restated, before opening balance adjustments	282,930	6,589	100,000	(458)	11,945	—	—	3,640	2,496,845	2,901,491
— 《香港會計準則》 第32及39號	— HKAS 32 & 39	—	—	—	—	—	368,612	(7,725)	—	115,267	476,154
重報，包括期初 結餘調整	As restated, after opening balance adjustments	282,930	6,589	100,000	(458)	11,945	368,612	(7,725)	3,640	2,612,112	3,377,645
除遞延稅項後 重估的盈餘	Revaluation surplus, net of deferred tax	—	—	—	—	14,091	—	—	—	—	14,091
出售時轉出 至保留溢利	Transfer to retained profits upon disposal	—	—	—	—	(12,180)	—	—	—	12,180	—
換算的匯兌 差額	Exchange difference on translation	—	—	—	3,407	—	—	—	—	—	3,407
出售聯營公司後 扣除	Release on disposal of an associate	—	—	—	627	—	—	—	—	—	627
以股權償付的股份 交易	Equity settled share-based transactions	—	—	—	—	—	—	—	5,207	—	5,207
可供出售證券	Available-for-sale securities										
— 公平價值變動	— change in fair value	—	—	—	—	—	(59,442)	—	—	—	(59,442)
— 遞延稅項	— deferred tax	—	—	—	—	—	10,403	—	—	—	10,403
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	—	—	—	—	—	—	9,364	—	—	9,364
— 遞延稅項	— deferred tax	—	—	—	—	—	—	(1,639)	—	—	(1,639)
本年度溢利 已宣派 本年度股息	Profit for the year Dividends declared in respect of the current year	—	—	—	—	—	—	—	—	1,047,043	1,047,043
於2005年12月31日	At 31 December 2005	282,930	6,589	100,000	3,576	13,856	319,573	—	8,847	3,101,082	3,836,453

41. 儲備 (續)
(ii) 本行 (續)

41. Reserves (cont'd)
(ii) The Bank (cont'd)

		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	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
於2004年1月1日 如前匯報	At 1 January 2004 as previously reported	282,930	2,903	100,000	18	11,945	—	—	—	1,827,188	2,224,984
換算的匯兌 差額	Exchange difference on translation	—	—	—	(18)	—	—	—	—	—	(18)
以股權償付的股份 交易(重報)	Equity settled share- based transactions (restated)	—	—	—	—	—	—	—	3,628	—	3,628
本年度溢利(重報)	Profit for the year (restated)	—	—	—	—	—	—	—	—	770,135	770,135
已宣派及派發 本年度股息	Dividends declared and paid in respect of the current year	—	—	—	—	—	—	—	—	(463,600)	(463,600)
於2004年12月31日 (重報)	At 31 December 2004 (restated)	282,930	2,903	100,000	—	11,945	—	—	3,628	2,133,723	2,535,129

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41. 儲備 (續)

(ii) 本行

41. Reserves (cont'd)

(ii) The Bank

		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	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
於2005年1月1日	At 1 January 2005										
— 如前匯報	— as previously reported	282,930	2,903	100,000	—	11,945	—	—	—	2,133,006	2,530,784
— 前年度調整 關於	— prior period adjustments in respect of										
— 《香港財務報告 準則》第2號	— HKFRS 2	—	—	—	—	—	—	—	3,628	717	4,345
重報，不包括期初 結餘調整	As restated, before opening balance adjustments	282,930	2,903	100,000	—	11,945	—	—	3,628	2,133,723	2,535,129
— 《香港會計準則》 第32及39號	— HKAS 32 & 39	—	—	—	—	—	368,612	(7,725)	—	332,304	693,191
重報，包括期初 結餘調整	As restated, after opening balance adjustments	282,930	2,903	100,000	—	11,945	368,612	(7,725)	3,628	2,466,027	3,228,320
除遞延稅項後 重估的盈餘	Revaluation surplus, net of deferred tax	—	—	—	—	14,091	—	—	—	—	14,091
出售時轉出至 保留溢利	Transfer to retained profits upon disposal	—	—	—	—	(12,180)	—	—	—	12,180	—
換算的匯兌 差額	Exchange difference on translation	—	—	—	—	—	—	—	—	—	—
出售聯營公司後 扣除	Release on disposal of an associate	—	—	—	—	—	—	—	—	—	—
以股權償付的股份 交易	Equity settled share- based transactions	—	—	—	—	—	—	—	5,185	—	5,185
可供出售證券	Available-for-sale securities	—	—	—	—	—	—	—	—	—	—
— 公平價值變動	— change in fair value	—	—	—	—	—	(59,475)	—	—	—	(59,475)
— 遞延稅項	— deferred tax	—	—	—	—	—	10,409	—	—	—	10,409
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	—	—	—	—	—	—	9,364	—	—	9,364
— 遞延稅項	— deferred tax	—	—	—	—	—	—	(1,639)	—	—	(1,639)
本年度溢利	Profit for the year	—	—	—	—	—	—	—	—	1,072,800	1,072,800
已宣派 本年度股息	Dividends declared in respect of the current year	—	—	—	—	—	—	—	—	(570,253)	(570,253)
於2005年12月31日	At 31 December 2005	282,930	2,903	100,000	—	13,856	319,546	—	8,813	2,980,754	3,708,802

41. 儲備 (續)

(iii) 儲備性質及目的

- (a) **股份溢價**
股份溢價賬的應用受香港《公司條例》第48B條所管轄。
- (b) **匯兌儲備**
匯兌儲備包括所有因換算海外業務的財務報表而產生的匯兌差額。此儲備會根據附註2(r)所載的會計政策處理。
- (c) **其他物業重估儲備**
其他物業的重估儲備不可供分派股東，因為根據香港《公司條例》第79B(2)條的定義，這些儲備不列作已實現溢利。
- (d) **公平價值儲備**
公平價值儲備包括於結算日持有的可供出售證券的累計淨公平價值變動，並會根據附註2(g)所載的會計政策處理。
- (e) **對沖儲備**
對沖儲備包括在其後根據附註2(i)就現金流量對沖採納的會計政策確認對沖現金流量前的現金流量對沖所用的對沖工具的累計淨公平價值變動的有效部分。
- (f) **購股權儲備**
購股權儲備包括根據附註2(p)(ii)就以股份償付而採納的會計政策確認派予本行僱員的實際或估計未行使購股權數目的公平價值。
- (g) **保留溢利**
根據香港金融管理局(「金管局」)「新頒佈香港會計準則對認可機構之資本基礎及按監管規定應呈報之影響」之有關指引，已於二零零五年十二月三十一日從保留溢利中保留港幣233,800,000元(二零零四年：無)作為「法定儲備」。

41. Reserves (cont'd)

(iii) Nature and purpose of reserves

- (a) **Share premium**
The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.
- (b) **Exchange differences reserve**
The exchange differences reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 2(r).
- (c) **Other property revaluation reserve**
The other property revaluation reserve is not available for distribution to shareholders because it does not constitute realised profits within the meaning of section 79B(2) of the Hong Kong Companies Ordinance.
- (d) **Fair value reserve**
The fair value reserve comprises the cumulative net change in the fair value of available-for-sale securities held at the balance sheet date and is dealt with in accordance with the accounting policies in note 2(g).
- (e) **Hedging reserve**
The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition of the hedged cash flow in accordance with the accounting policies adopted for cash flow hedges in note 2(i).
- (f) **Share option reserve**
The share option reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in note 2(p)(ii).
- (g) **Retained profits**
In accordance with the HKMA guideline "Impact of the New Hong Kong Accounting Standards on Authorised Institutions' Capital Base and Regulatory Reporting", the Group has earmarked a "Regulatory Reserve" of HK\$233,800,000 (2004: Nil) from retained profits as at 31 December 2005.

41. 儲備 (續)

(iv) 儲備的可分派性

於二零零五年十二月三十一日，可供分派予本行股東的儲備總額為港幣2,846,954,000元（二零零四年（重報）：港幣2,233,723,000元）。

42. 債務資本

41. Reserves (cont'd)

(iv) Distributability of reserve

At 31 December 2005, the aggregate amount of reserves available for distribution to equity shareholders of the Bank was HK\$2,846,954,000 (2004 (restated): HK\$2,233,723,000).

42. Loan Capital

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
後償票據	Subordinated notes	4,352,351	4,275,896

後償票據列賬包括於二零零一年七月五日發行年息率7.625%的後償票據，其面值為美金3億元，以及於二零零二年五月二十三日發行年息率9.125%的永久後償票據，其面值為美金2.5億元。該等票據分別由本行只具單一目的的兩間全資擁有附屬公司CKWB (Cayman Islands) Ltd及CKWH-UT2 Ltd發行及列作第二級資本。本行會無條件地及不會變更地對於這些票據的所有應付金額作出擔保。年息率7.625%的後償票據將於二零一一年七月五日期到期，而年息率9.125%的永久後償票據將於二零一二年被CKWH-UT2 Ltd贖回。

The notes represents 7.625% per annum subordinated notes with face value of US\$300 million issued on 5 July 2001 and 9.125% per annum perpetual subordinated notes with face value of US\$250 million issued on 23 May 2002. The notes were issued by CKWB (Cayman Islands) Ltd and CKWH-UT2 Ltd respectively, two separate single purpose wholly-owned subsidiaries of the Bank and qualify as tier 2 capital. The Bank unconditionally and irrevocably guarantees all amounts payable under the notes. The 7.625% per annum subordinated notes will mature on 5 July 2011 whereas the 9.125% per annum perpetual subordinated notes will be callable by CKWH-UT2 Ltd. in 2012.

43. 現金及現金等值項目

43. Cash and Cash Equivalents

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
(i) 綜合現金流量表內的現金及現金等值主要項目	(i) Components of cash and cash equivalents in the consolidated cash flow statement		
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	1,451,400
在銀行及其他金融機構的存款（須於原到期日3個月內償還）	Placements with banks and other financial institutions with original maturity within three months	4,704,691	6,565,590
持有至到期投資：國庫券（須於原到期日3個月內償還）	Held-to-maturity investments: Treasury bills with original maturity within three months	148,201	–
		5,843,346	8,016,990
(ii) 與綜合資產負債表之對賬表	(ii) Reconciliation with the consolidated balance sheet		
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	1,451,400
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	5,214,691	6,774,246
持有至到期投資－國庫券	Held-to-maturity investments – Treasury bills	247,669	398,823
綜合資產負債表的數額	Amount shown in the consolidated balance sheet	6,452,814	8,624,469
減：原到期日超過3個月的數額	Less: Amounts with an original maturity of over three months	(609,468)	(607,479)
綜合現金流量表內的現金及現金等值項目	Cash and cash equivalents in the consolidated cash flow statement	5,843,346	8,016,990

44. 銷售及購回的資產

以下資產及負債將供銷售及購回：

44. Assets Subject to Sale and Repurchase Transactions

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

		本集團及本行 The Group and the Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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	2,205,403	2,909,158
已記入交易用途證券賬項中	Included in trading assets	462,254	–
		2,667,657	2,909,158
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 of banks and other financial institutions	2,665,226	3,113,297

45. 用作抵押的資產

以下資產已用作本身負債的抵押：

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
抵押的資產	Assets pledged:				
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	3,729	441	1,355	208
持有至到期投資	Held-to-maturity investments	77,528	77,714	77,528	77,714
		81,257	78,155	78,883	77,922

於二零零五年十二月三十一日，用作抵押的資產是指抵押予美國貨幣監理處、中國人民銀行及澳門金融管理局的法定存款。

於二零零四年十二月三十一日，用作抵押的資產是指抵押予美國貨幣監理處及中國人民銀行的法定存款。

46. 重大關連人仕交易

除在財務報表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

本年度內，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。

45. Assets Pledged as Security

The following assets have been pledged as security for own liabilities:

As at 31 December 2005, the assets pledged represented statutory deposits pledged to the Office of the Comptroller of Currency in the USA, to the People's Bank of China in the PRC and the Monetary Authority of Macao.

As at 31 December 2004, the assets pledged represented statutory deposits pledged to the Office of the Comptroller of Currency in the USA and the People's Bank of China in the PRC.

46. 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 year, the Group entered into a number of transactions with related parties, in the ordinary course of its banking business including, inter alia, lending, the 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.

46. 重大關連人仕交易 (續)

(a) 與集團公司的交易 (續)

本年度內，關連人仕交易的數額及於結算日的結欠如下：

46. Material Related Party Transactions (cont'd)

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

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

		本集團 The Group							
		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	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
利息收入	Interest income	-	3	-	-	5,431	3,915	5,835	1,245
利息支出	Interest expense	(5,719)	(3,412)	(1,215)	(8,165)	(43,480)	(14,065)	(11,820)	(658)
其他經營收入	Other operating income	-	-	-	420	200	73	16,799	15,624
經營支出	Operating expenses	-	(9)	-	(2,735)	(1,391)	(1,398)	(7,515)	(219)
截至12月31日止年度	For the year ended 31 December	(5,719)	(3,418)	(1,215)	(10,480)	(39,240)	(11,475)	3,299	15,992
貸款活動：	Lending activities:								
於1月1日	At 1 January	-	-	-	-	218,609	612,858	134,187	9,341
於12月31日	At 31 December	-	-	-	-	152,264	218,609	200,000	134,187
本年度平均金額	Average for the year	-	-	-	-	256,379	235,227	171,171	31,843
其他應收賬項：	Other receivables:								
於1月1日	At 1 January	-	-	-	147	13,529	4,260	211	1,111
於12月31日	At 31 December	-	-	1	-	4,800	13,529	2,385	211
本年度平均金額	Average for the year	-	-	-	-	6,111	6,658	37,057	676
接受存款：	Acceptance of deposits:								
於1月1日	At 1 January	190,667	529,348	54,602	1,405,783	1,257,545	1,269,015	1,383,378	580,988
於12月31日	At 31 December	72,392	190,667	75,583	54,602	2,515,483	1,257,545	876,868	1,383,378
本年度平均金額	Average for the year	229,389	420,469	66,079	710,618	1,785,465	1,411,636	1,089,156	855,957
其他應付賬款：	Other payables:								
於1月1日	At 1 January	9	16	252,603	219,713	10,826	11,479	20	1,397
於12月31日	At 31 December	-	9	177	252,603	12,066	10,826	885	20
本年度平均金額	Average for the year	40	34	177,563	140,893	11,494	10,838	341	66

並無就上述關連人仕貸款及存款作出減值撥備。

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

46. 重大關連人仕交易 (續)
(a) 與集團公司的交易 (續)

46. Material Related Party Transactions (cont'd)
(a) Transactions with group companies (cont'd)

		本行 The Bank							
		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	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
利息收入	Interest income	–	3	–	–	5,431	3,915	5,835	1,245
利息支出	Interest expense	(5,719)	(3,412)	(1,215)	(8,165)	(43,480)	(14,065)	(11,820)	(658)
其他經營收入	Other operating income	–	–	–	–	200	73	16,799	15,624
經營支出	Operating expenses	–	(9)	–	(2,735)	(1,390)	(1,393)	(7,515)	(219)
截至12月31日止年度	For the year ended 31 December	(5,719)	(3,418)	(1,215)	(10,900)	(39,239)	(11,470)	3,299	15,992
貸款活動：	Lending activities:								
於1月1日	At 1 January	–	–	–	–	218,590	241,073	134,187	9,341
於12月31日	At 31 December	–	–	–	–	115,460	218,590	200,000	134,187
本年度平均金額	Average for the year	–	–	–	–	221,063	221,444	171,171	31,843
其他應收賬項：	Other receivables:								
於1月1日	At 1 January	–	–	–	–	13,529	4,260	211	1,111
於12月31日	At 31 December	–	–	–	–	4,793	13,529	2,385	211
本年度平均金額	Average for the year	–	–	–	–	6,105	6,658	37,057	676
接受存款：	Acceptance of deposits:								
於1月1日	At 1 January	190,667	529,348	54,602	1,405,783	1,257,545	1,269,015	1,383,378	580,988
於12月31日	At 31 December	72,392	190,667	75,583	54,602	2,515,483	1,257,545	876,868	1,383,378
本年度平均金額	Average for the year	229,389	420,469	66,079	710,618	1,785,465	1,411,636	1,089,156	855,957
其他應付賬款：	Other payables:								
於1月1日	At 1 January	9	16	252,603	219,713	10,826	11,479	20	1,397
於12月31日	At 31 December	–	9	177	252,603	12,066	10,826	855	20
本年度平均金額	Average for the year	40	34	177,563	140,893	11,494	10,838	341	66

並無就上述關連人仕貸款及存款作出減值撥備。

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

46. 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(包括附註11所披露已付予本行董事的款項及已付予若干最高薪僱員的款項)如下:

		本集團及本行 The Group and the Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
短期僱員福利	Short-term employee benefits	42,692	43,202
離職後福利	Post-employment benefits	2,293	2,417
終止補償金	Termination benefits	—	754
以股份償付	Share-based payments	2,627	2,138
		47,612	48,511

酬金總額已包括在員工成本(附註10)。

Total remuneration is included in "staff costs" (note 10).

(c) 主要管理人員信貸融資

本年度內，本行向本行及其控股公司的主要管理人員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 year, the Bank provided credit facilities to key management personnel of the Bank and its holding company 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.

		本集團及本行 The Group and the Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
於1月1日的結餘	Balance at 1 January	3,604	11,301
於12月31日	As at 31 December	17,750	3,604
最高結欠總額	Maximum amount during the year	24,516	21,061

46. 重大關連人仕交易 (續)

(d) 行政人員貸款

本行根據香港《公司條例》第161B條披露行政人員的貸款如下：

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
於12月31日本行提供的 有關貸款結欠總額	Aggregate amount of relevant loans made by the Bank outstanding at 31 December	2,082	2,010
本年度內本行提供的 有關貸款最高結欠總額	Maximum aggregate amount of relevant loans made by the Bank outstanding during the year	3,037	2,630

於二零零五年十二月三十一日，並無到期而未償還利息，亦沒有為這些貸款提撥準備。

46 Material Related Party Transactions (cont'd)

(d) Loan to officers

Loans to officers of the Bank disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

There was no interest due but unpaid nor any provision made against these loans at 31 December 2005.

47. 金融風險管理

本節呈列有關本集團的風險及其對風險的管理及控制，尤其是與使用金融工具有關的主要風險：

- 信貸風險：因客戶或交易對手未有履行合約責任及信貸承擔而引致的損失，包括結算風險。
- 市場風險：利率、匯率及證券市場等市場變數的風險。
- 流動資金及資金風險：本集團無法在到期時履行其付款責任，或無法持續按無抵押（甚至有抵押）基準以可接受的價格在市場上借取資金來為實際或建議承擔提供資金。
- 業務操作風險：因不遵守制度及程序等事項或因引致金融或聲譽損失的詐騙行為而產生的風險。

本集團制定了政策和程序來識別及分析這些風險、設定適當的風險限額及控制，及透過可靠及最新的管理及資訊系統不斷監察風險及限額。本集團不斷修改及提升其風險管理政策和系統，以反映市場、產品及最佳風險管理程序的變動。內部核數師亦會定期進行審核，以確保遵守政策和程序。

47. Financial Risk Management

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: loss resulting from client or counterparty default and arises on credit exposure in all forms, including settlement risk.
- Market risk: exposure to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Group has established policies and procedures to identify and analyse these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. The internal auditors also perform regular audits to ensure compliance with the policies and procedures.

47. 金融風險管理 (續)

(a) 信貸風險管理

信貸風險是透過定期分析源自客戶或交易對手不能履行其財務責任所招致的損失的目前及潛在風險來管理。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。這些風險不僅由資產負債表內業務產生，也包括資產負債表外業務，如包括尚待履行的貸款承諾、信用證及財務擔保等。

信貸風險管理是透過監察執行已採納釐定借款人的信貸可信度、信貸風險分類、貸款應用程序及貸款決策程序的信貸政策來進行。本行對或有負債採用與資產負債表內記錄的金融工具相同的信貸政策，根據貸款審批程序使用限額以減低風險及監察。信貸風險亦透過向借款人及第三者取得以抵押資產形式的抵押品及擔保而減低。

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質、還款來源及相關抵押品特性，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。

根據各金融資產的信貸風險分析在附註19至22及24至26中披露。

(b) 市場風險管理

本行之短期買賣持倉及長期策略性業務均具有因外幣、匯率、利率、股價及商品價格變動而產生的市場風險。為了識別及控制各種市場風險，本行的信貸及風險管理委員會，資產及負債委員會及其授權的子委員會設立限額等級制度及連串風險措施。限額等級制度包括政策、業務及交易限額，確保從不同的管理層面作出充分控制。各等級均包括損益限額、持倉限額及敏感度限額，以便作出特定市場風險控制。

47. Financial Risk Management (cont'd)

(a) Credit risk management

Credit risk is managed by a regular analysis 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 lending decisions making. 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 product, industry and geography to manage concentration risk.

Credit risk concentration of respective financial assets is disclosed in notes 19 to 22 and 24 to 26.

(b) Market risk management

The Bank's short-term trading positions and long-term strategic businesses inherit market risk exposures from the movements of foreign exchange rates, interest rates, equity prices and commodity prices. To identify and control various market risk exposures, the Bank's Credit and Risk Management Committee ("CRMC"), Asset and Liability Committee ("ALCO") and its delegated sub-committees set up a hierarchy of limits and a series of risk measurements. Hierarchy limits are composed of policy, business and transaction limits. Each hierarchy level has a series of risk measurements like profit and loss limits, position limits and sensitivity limits to alert and trigger adequate actions of different management levels for specific market risk control.

47. 金融風險管理 (續)

(b) 市場風險管理 (續)

本行的財資部是在指定等級制度、產品及特定風險限額內承管市場風險的中心點。

風險管理部屬下的市場風險管理部負責每日監察及匯報市場風險，確保市場風險符合指定限額，並獲妥善管理。

外匯風險

本行的外匯風險源自外匯盤買賣、商業交易、外匯證券投資及海外分行和附屬公司的營運。所有外匯買賣盤限額均由資產及負債委員會所核准。

於結算日的重大外匯風險如下：

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

The Bank's Treasury is the centre point to take on and manage market risk exposures within the prescribed hierarchy, product and specific risk limits.

Market Risk Management as the unit under Risk Management Group is responsible for the daily monitoring and reporting functions of market risk exposures to ensure that the Bank's market risk exposures are within the prescribed limits and are managed properly.

Currency risk

The Bank's foreign exchange risk stems from taking foreign exchange position, commercial dealing, investment in foreign currency securities, operations of overseas branches and subsidiaries. All foreign exchange positions are subject to exposure limits approved by ALCO.

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

本集團 The Group									
		二零零五年 2005				二零零四年 2004			
相等於港幣千元	Equivalent in HK\$'000	美金 US dollars	人民幣 Renminbi	其他貨幣 Other	總額 Total	美金 US dollars	人民幣 Renminbi	其他貨幣 Other	總額 Total
現貨資產	Spot assets	27,583,413	850,714	5,440,145	33,874,272	28,183,590	350,736	4,974,552	33,508,878
現貨負債	Spot liabilities	(29,820,124)	(540,794)	(5,080,855)	(35,441,773)	(29,468,720)	(118,758)	(4,652,022)	(34,239,500)
遠期買入	Forward purchases	16,617,043	104,658	3,758,734	20,480,435	7,309,008	–	2,629,869	9,938,877
遠期賣出	Forward sales	(13,674,662)	(104,573)	(4,122,558)	(17,901,793)	(5,848,312)	–	(2,943,565)	(8,791,877)
期權盤淨額	Net options position	(179)	–	179	–	693	–	(693)	–
長/(短) 盤淨額	Net long/(short) position	705,491	310,005	(4,355)	1,011,141	176,259	231,978	8,141	416,378

本行 The Bank									
		二零零五年 2005				二零零四年 2004			
相等於港幣千元	Equivalent in HK\$'000	美金 US dollars	人民幣 Renminbi	其他貨幣 Other	總額 Total	美金 US dollars	人民幣 Renminbi	其他貨幣 Other	總額 Total
現貨資產	Spot assets	27,737,744	472,630	5,440,145	33,650,519	27,901,793	333,423	4,974,552	33,209,768
現貨負債	Spot liabilities	(29,999,410)	(261,674)	(5,080,855)	(35,341,939)	(29,296,858)	(178,910)	(4,652,022)	(34,127,790)
遠期買入	Forward purchases	16,617,043	104,658	3,758,734	20,480,435	7,309,008	–	2,629,869	9,938,877
遠期賣出	Forward sales	(13,674,662)	(104,573)	(4,122,558)	(17,901,793)	(5,848,312)	–	(2,943,565)	(8,791,877)
期權盤淨額	Net options position	(179)	–	179	–	693	–	(693)	–
長/(短) 盤淨額	Net long/(short) position	680,536	211,041	(4,355)	887,222	66,324	154,513	8,141	228,978

期權盤淨額是按照模式使用者方法計算。

The net option position is calculation using the model user approach.

47. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險

本行之利率風險由本行之資產及負債委員會監控，存在於本行之資產及負債期限差距間的所有利率風險。此利率風險包括到期差距、息率基點風險、收益率曲線變動風險、重訂息率風險和可能存在之嵌入式期權風險。資產及負債委員會通過差距報告、息率靈敏度分析和各種壓力測試，對本行的利率風險加以覆核。為減輕利率風險，本行使用了利率衍生工具，主要是利率掉期，對可供出售證券及非交易用途負債等資產及負債進行對沖。本行採納了對沖會計原則，透過抵銷可供出售證券/非交易用途負債證券的公平價值變動和相應對沖衍生工具來進一步減輕利率風險。

下表概述截至十二月三十一日止年度按貨幣金融工具之平均有效利率範圍：

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk

The Bank's ALCO oversees all interest rate risk arising from the interest rate profile of the Bank's assets and liabilities. This interest rate risk comprises of maturity gaps, basis risk among different interest rate benchmarks, yield curve movements, interest rate re-pricing risk and embedded options if any. ALCO reviews interest rate risk of the banking book through gap mismatch reports, sensitivity analysis and various stress testing. To mitigate interest rate risk, 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 to further mitigate interest rate risk by offsetting the fair value changes between the AFS/NTL securities and the corresponding hedging derivative instruments.

The following table indicates the range of effective average interest rates for the year ended 31 December for monetary financial instruments:

		本集團及本行 The Group and the Bank	
		二零零五年 2005 百分率 %	二零零四年 2004 百分率 %
資產	Assets		
現金及在銀行及其他金融機構的結存，及在銀行及其他金融機構的存款	Cash and balances with banks and other financial institutions & placements with banks and other financial institutions	0 – 4.40	0 – 2.17
貿易票據，客戶墊款及其他賬項	Trade bills, advances to customers and other accounts	0 – 38.40	0 – 38.40
證券(附註)	Securities (Note)	0 – 7.71	0 – 6.79
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	0 – 4.34	0 – 1.82
客戶存款	Deposits from customers	0 – 7.35	0 – 6.63
已發行存款證、已發行債務證券及債務資本	Certificates of deposit issued, debt securities issued and loan capital	0.27 – 8.08	0.15 – 6.12

附註：證券包括：

二零零五年：可供出售證券及持有至到期投資。

二零零四年：其他證券投資、持有至到期投資及投資證券。

Note: Securities include:

2005: Available-for-sale securities and held-to-maturity investments.

2004: Other investment in securities, held-to-maturity investments and investment securities.

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47. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

交易用途資產、交易用途負債及通過損益以反映公平價值的金融工具並無計入上表，原因是該等金融工具的淨收入包括公平價值變動而產生的所有損益(扣除應計息票)，以及利息收入及支出及股息收入。

下表顯示於結算日的計息資產及負債的預期下個重訂息率日期(或到期日，以較早者為準)。

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

Trading assets, trading liabilities and financial instruments designated at fair value through profit and loss are not included in the above table because the net income from these financial instruments comprises all gains and losses from changes in fair value (net of accrued coupon) together with interest income and expenses and dividend income.

The following table indicate the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date.

		本集團 The Group 二零零五年 2005					
		總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月至1年 3 months to 1 year 港幣千元 HK\$'000	1年至5年 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	非計息 Non-interest bearing 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	—	—	—
		6,205,145	5,157,491	57,200	—	—	990,454
貿易票據	Trade bills	406,364	281,559	124,805	—	—	—
交易用途資產	Trading assets	6,199,473	1,933,197	12,574	602,017	77,318	3,574,367
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	—	227,164	808,188	82,190	—
客戶墊款及其他賬項	Advances to customers and other accounts	43,617,341	37,568,804	3,350,754	445,252	309,234	1,943,297
可供出售證券	Available-for-sale securities	5,864,658	—	—	4,013,971	1,767,051	83,636
持有至到期投資	Held-to-maturity investments	17,194,283	1,572,191	5,711,538	8,433,382	1,471,644	5,528
非計息資產	Non-interest bearing assets	1,172,330	—	—	—	—	1,172,330
資產總額	Total assets	81,777,136	46,513,242	9,484,035	14,302,810	3,707,437	7,769,612
負債	Liabilities						
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	3,816,248	15,000	—	—	326,198
客戶存款	Deposits from customers	54,786,566	52,204,863	831,864	160,833	—	1,589,006
交易用途負債	Trading liabilities	661,137	217,904	—	—	—	443,233
已發行存款證	Certificates of deposit issued	7,467,961	5,017,915	495,660	1,954,386	—	—
已發行債務證券	Debt securities issued	2,245,435	—	—	2,245,435	—	—
非計息負債	Non-interest bearing liabilities	1,186,446	—	197,000	—	—	989,446
債務資本	Loan capital	4,352,351	—	2,335,961	—	2,016,390	—
負債總額	Total liabilities	74,857,342	61,256,930	3,875,485	4,360,654	2,016,390	3,347,883
資產－負債差距	Asset－liability gap		(14,743,688)	5,608,550	9,942,156	1,691,047	

47. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

		本集團 The Group 二零零四年 2004					
		總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月至1年 3 months to 1 year 港幣千元 HK\$'000	1年至5年 1 year to 5 years 港幣千元 HK\$'000	5年以上 Over 5 years 港幣千元 HK\$'000	非計息 Non-interest bearing 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	1,451,400	–	–	–	–	1,451,400
在銀行及其他 金融機構的存款	Placements with banks and other financial institutions	6,774,246	6,715,590	58,656	–	–	–
		8,225,646	6,715,590	58,656	–	–	1,451,400
貿易票據	Trade bills	246,081	234,660	11,421	–	–	–
其他證券投資	Other investment in securities	3,579,709	1,277,661	311,449	5,311	4,064	1,981,224
客戶墊款及 其他賬項	Advances to customers and other accounts	42,603,199	37,576,823	2,926,661	382,551	329,547	1,387,617
持有至到期投資	Held-to-maturity investments	23,934,054	2,722,756	5,473,374	11,277,409	4,414,604	45,911
投資證券	Investment securities	39,841	–	–	–	–	39,841
非計息資產	Non-interest bearing assets	1,664,422	–	–	–	–	1,664,422
資產總額	Total assets	80,292,952	48,527,490	8,781,561	11,665,271	4,748,215	6,570,415
負債	Liabilities						
銀行及其他金融 機構的存款 及結存	Deposits and balances of banks and other financial institutions	3,555,852	3,470,174	–	–	–	85,678
客戶存款	Deposits from customers	55,648,955	53,164,310	1,125,563	62,470	–	1,296,612
已發行存款證	Certificates of deposit issued	6,959,690	5,302,640	1,507,050	150,000	–	–
已發行債務證券	Debt securities issued	2,322,798	–	–	2,322,798	–	–
非計息負債	Non-interest bearing liabilities	1,544,929	–	–	–	–	1,544,929
債務資本	Loan capital	4,275,896	–	–	2,332,307	1,943,589	–
負債總額	Total liabilities	74,308,120	61,937,124	2,632,613	4,867,575	1,943,589	2,927,219
資產－負債差距	Asset – liability gap		(13,409,634)	6,148,948	6,797,696	2,804,626	

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47. 金融風險管理 (續)

(b) 市場風險管理 (續)

利率風險 (續)

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

		本行 The Bank 二零零五年 2005					
		總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年至5年 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	非計息 Non-interest bearing 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	689,982	—	—	—	—	689,982
銀行及其他 金融機構存款	Placements with banks and other financial institutions	5,131,591	5,074,391	57,200	—	—	—
		5,821,573	5,074,391	57,200	—	—	689,982
貿易票據	Trade bills	406,364	281,559	124,805	—	—	—
交易用途資產	Trading assets	6,199,473	1,933,197	12,574	602,017	77,318	3,574,367
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	—	227,164	808,188	82,190	—
客戶墊款及 其他賬項	Advances to customers and other accounts	40,628,176	34,783,158	3,244,751	383,393	309,234	1,907,640
可供出售證券	Available-for-sale securities	5,863,031	—	—	4,013,971	1,767,051	82,009
持有至到期投資	Held-to-maturity investments	17,194,283	1,572,192	5,711,538	8,433,382	1,471,644	5,527
非計息資產	Non-interest bearing assets	4,450,535	—	—	—	—	4,450,535
資產總額	Total assets	81,680,977	43,644,497	9,378,032	14,240,951	3,707,437	10,710,060
負債	Liabilities						
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	3,816,248	15,000	—	—	326,198
客戶存款	Deposits from customers	54,705,140	52,123,437	831,864	160,833	—	1,589,006
交易用途負債	Trading liabilities	661,137	217,904	—	—	—	443,233
已發行存款證	Certificates of deposit issued	7,467,961	5,017,915	495,660	1,954,386	—	—
已發行債務證券	Debt securities issued	2,245,435	—	—	2,245,435	—	—
非計息負債	Non-interest bearing liabilities	5,651,715	—	—	—	—	5,651,715
負債總額	Total liabilities	74,888,834	61,175,504	1,342,524	4,360,654	—	8,010,152
資產－負債差距	Asset－liability gap		(17,531,007)	8,035,508	9,880,297	3,707,437	

47. 金融風險管理 (續)

(b) 市場風險管理 (續)

Interest rate risk (cont'd)

47. Financial Risk Management (cont'd)

(b) Market risk management (cont'd)

Interest rate risk (cont'd)

		本行 The Bank 二零零四年 2004					
		總額 Total 港幣千元 HK\$'000	3個月內 (包括逾期) 3 months or less (include overdue) 港幣千元 HK\$'000	3個月至1年 Over 3 months to 1 year 港幣千元 HK\$'000	1年至5年 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	非計息 Non-interest bearing 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	1,428,854	–	–	–	–	1,428,854
銀行及其他 金融機構存款	Placements with banks and other financial institutions	6,772,742	6,715,590	57,152	–	–	–
		8,201,596	6,715,590	57,152	–	–	1,428,854
貿易票據	Trade bills	246,081	234,660	11,421	–	–	–
其他證券投資	Other investment in securities	3,578,107	1,277,661	311,449	5,311	4,064	1,979,622
客戶墊款及 其他賬項	Advances to customers and other accounts	40,053,375	35,178,804	2,846,937	321,002	329,454	1,377,178
持有至到期投資	Held-to-maturity investments	23,934,054	2,722,756	5,473,374	11,277,409	4,414,604	45,911
投資證券	Investment securities	35,751	–	–	–	–	35,751
非計息資產	Non-interest bearing assets	4,321,422	–	–	–	–	4,321,422
資產總額	Total assets	80,370,386	46,129,471	8,700,333	11,603,722	4,748,122	9,188,738
負債	Liabilities						
銀行及其他金融 機構的存款 及結存	Deposits and balances of banks and other financial institutions	3,555,852	3,470,174	–	–	–	85,678
客戶存款	Deposits from customers	55,545,046	53,139,707	1,046,257	62,470	–	1,296,612
已發行存款證	Certificates of deposit issued	6,959,690	5,302,640	1,507,050	150,000	–	–
已發行債務證券	Debt securities issued	2,322,798	–	–	2,322,798	–	–
非計息負債	Non-interest bearing liabilities	6,368,530	–	–	–	–	6,368,530
負債總額	Total liabilities	74,751,916	61,912,521	2,553,307	2,535,268	–	7,750,820
資產－負債差距	Asset – liability gap		(15,783,050)	6,147,026	9,068,454	4,748,122	

(c) 流動資金風險管理

本行一貫保持高流動資金比率，以應付客戶預期外對現金需求的增加。除了遵守法定比率規定外，亦會定期進行壓力測試。本行將其盈餘投資於高素質的證券投資組合，必要時可透過購回安排或在二級市場上賣斷而產生流動資金。本行亦積極參與企業融資，透過發行長期存款證來取得穩定的資金來源。

(c) Liquidity risk management

The Bank always maintains high liquidity ratio in order to meet unexpected increase of customer demand on cash. Apart from compliance with statutory ratio requirement, stress tests are being performed regularly. The Bank invests its surplus fund in a portfolio of mainly high-grade securities, which can generate liquidity if necessary either through re-purchase arrangement or out-right selling in the secondary market. The Bank is also active in wholesale funding by issuing long-term certificate of deposit so as to secure stable source of funding.

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47. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析

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。

47. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity

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

		本集團 The Group 二零零五年 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 Over 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							
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	-	-
無註明日期負債	Undated liabilities	1,186,446	-	-	-	-	-	1,186,446
債務資本	Loan capital	4,352,351	-	-	-	-	4,352,351	-
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	

47. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析 (續)

47. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity (cont'd)

		本集團 The Group (重報) (restated) 二零零四年 2004						無註明日期 Undated 港幣千元 HK\$'000
		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 Over 5 years 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	1,451,400	1,451,400	-	-	-	-	-
銀行及其他 金融機構的存款	Placements with banks and other financial institutions	6,774,246	-	6,715,590	58,656	-	-	-
貿易票據	Trade bills	246,081	-	231,963	14,118	-	-	-
交易用途資產	Trading assets	-	-	-	-	-	-	-
其他證券投資	Other investments securities	3,579,709	-	351	50,581	1,232,649	314,904	1,981,224
客戶墊款及 其他賬項	Advances to customers and other accounts	42,603,199	1,531,097	3,804,515	6,241,444	16,414,021	12,940,980	1,671,142
持有至到期投資	Held-to-maturity investments	23,934,054	-	1,265,909	5,778,954	11,715,008	5,128,272	45,911
投資證券	Investment securities	39,841	-	-	-	-	4,000	35,841
無註明日期資產	Undated assets	1,664,422	-	-	-	-	-	1,664,422
資產總額	Total assets	80,292,952	2,982,497	12,018,328	12,143,753	29,361,678	18,388,156	5,398,540
負債	Liabilities							
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	3,555,852	85,678	3,470,174	-	-	-	-
客戶存款	Deposits from customers	55,648,955	22,140,026	32,205,640	1,085,817	217,472	-	-
已發行存款證	Certificates of deposit issued	6,959,690	-	674,999	1,279,926	5,004,765	-	-
已發行債務證券	Debt securities issued	2,322,798	-	-	-	2,322,798	-	-
無註明日期負債	Undated liabilities	1,544,929	-	-	-	-	-	1,544,929
債務資本	Loan capital	4,275,896	-	-	-	-	4,275,896	-
負債總額	Total liabilities	74,308,120	22,225,704	36,350,813	2,365,743	7,545,035	4,275,896	1,544,929
資產－負債差距	Asset－liability gap		(19,243,207)	(24,332,485)	9,778,010	21,816,643	14,112,260	

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47. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析 (續)

47. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity (cont'd)

		本行 The Bank 二零零五年 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 Over 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	689,982	689,982	-	-	-	-	-
在銀行及其他 金融機構的存款	Placements with banks and other financial institutions	5,131,591	-	5,074,391	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	40,628,176	1,439,061	3,952,220	5,824,510	14,262,597	13,210,190	1,939,598
可供出售證券	Available-for-sale securities	5,863,031	-	-	-	4,017,971	1,767,051	78,009
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	4,450,535	-	-	-	-	-	4,450,535
資產總額	Total assets	81,680,977	2,357,187	9,942,711	12,027,407	30,100,956	17,432,377	9,820,339
負債	Liabilities							
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	54,705,140	12,311,061	40,733,487	1,429,002	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	-	-
無註明日期負債	Undated liabilities	5,651,715	-	-	-	-	-	5,651,715
負債總額	Total liabilities	74,888,834	13,080,492	45,136,607	3,300,233	7,719,787	-	5,651,715
資產－負債差距	Asset – liability gap		(10,723,305)	(35,193,896)	8,727,174	22,381,169	17,432,377	

47. 金融風險管理 (續)

(c) 流動資金風險管理 (續)

根據餘下到期日劃分的資產及負債分析 (續)

47. Financial Risk Management (cont'd)

(c) Liquidity risk management (cont'd)

Analysis of assets and liabilities by remaining maturity (cont'd)

		本行 The Bank (重報) (restated) 二零零四年 2004						無註明日期 Undated 港幣千元 HK\$'000
		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 Over 5 years 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 short-term funds other financial institutions	1,428,854	1,428,854	-	-	-	-	-
在銀行及其他 金融機構的存款	Placements with banks and other financial institutions	6,772,742	-	6,715,590	57,152	-	-	-
貿易票據	Trade bills	246,081	-	231,963	14,118	-	-	-
其他證券投資	Other investments securities	3,578,107	-	351	50,581	1,232,649	314,904	1,979,622
客戶墊款及 其他賬項	Advances to customers and other accounts	40,053,375	1,528,407	3,707,344	5,900,914	15,534,917	11,716,629	1,665,164
持有至到期投資	Held-to-maturity securities	23,934,054	-	1,265,909	5,778,954	11,715,008	5,128,272	45,911
投資證券	Investment securities	35,751	-	-	-	-	4,000	31,751
無註明日期資產	Undated assets	4,321,422	-	-	-	-	-	4,321,422
資產總額	Total assets	80,370,386	2,957,261	11,921,157	11,801,719	28,482,574	17,163,805	8,043,870
負債	Liabilities							
銀行及其他金融機構的 存款及結存	Deposits and balances of banks and other financial institutions	3,555,852	85,678	3,470,174	-	-	-	-
客戶存款	Deposits from customers	55,545,046	22,140,026	32,181,037	1,006,511	217,472	-	-
已發行存款證	Certificates of deposit issued	6,959,690	-	674,999	1,279,926	5,004,765	-	-
已發行債務證券	Debt securities issued	2,322,798	-	-	-	2,322,798	-	-
無註明日期負債	Undated liabilities	6,368,530	-	-	-	-	-	6,368,530
負債總額	Total liabilities	74,751,916	22,225,704	36,326,210	2,286,437	7,545,035	-	6,368,530
資產－負債差距	Asset – liability gap		(19,268,443)	(24,405,053)	9,515,282	20,937,539	17,163,805	

47. 金融風險管理 (續)

(d) 業務操作風險管理

本集團透過集團的管理委員會及本行的營運及監控委員會處理其業務操作風險。管理委員會確保集團的所有附屬公司在營運上及管理上皆遵行該附屬公司既定的風險政策和執行守則。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也需要管理得宜。

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。

47. Financial Risk Management (cont'd)

(d) Operational risk management

The Group manages its operational risk through the Management Committee at the Group level and the Operations & Control Committee at the Bank level. The Management Committee ensures that all the subsidiaries are operating properly and managed in accordance with pre-set risk policies and procedures of the respective subsidiaries. The Operations & Control Committee 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 operational risk through a number of ways, such as:

- Operations and technology policies and manuals are developed and reviewed annually to ensure processes are adequately considered and defined.
- Human resources policy and practices are established to define and encourage proper staff behavior, and 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.

48. 公平價值資料

(a) 公平價值的估計

如有，計算公平價值的最適當方法是可見的市場報價。在大部分金融工具(尤其是貸款、存款及非上市衍生工具)均沒有可見的市場報價的情況下，公平價值是根據多項有關各種金融工具的風險特質、折現率、未來現金流量估計、未來預期損失經驗及其他因素的方法及假設作出估計。不確定性及假設的變動可嚴重影響這些估計及所產生的公平價值估計。

(b) 公平價值

除另有說明外，所有金融工具均以公平價值列賬或與二零零五年及二零零四年十二月三十一日的公平價值差異不大的金額列賬。

(i) 金融資產

本集團的金融資產主要包括現金、銀行及其他金融機構存款、客戶貸款及墊款、投資及金融衍生工具。

銀行及其他金融機構存款的公平價值主要按照市場利率定價，並於一年內到期。因此，賬面值與公平價值相若。

客戶貸款及墊款的公平價值經考慮有關市場利率及通常按照接近市場利率的浮動利率定價，並主要於三個月內重新定價，乃相等於其賬面值。

交易用途資產、指定為通過損益以反映公平價值的證券及可供出售證券在財務報表內以公平價值列賬。持有至到期投資的公平價值與其賬面值相若。

(ii) 金融負債

本集團的金融負債主要包括銀行及其他金融機構的存款及結存、客戶存款、已發行存款證、已發行債務證券及已發行債務資本。金融負債的賬面值與其於二零零五年十二月三十一日的公平價值相若，惟於結算日的已發行債務資本之公平價值為港幣4,613,000,000元，高於其賬面值港幣4,352,000,000元則除外。

48. Fair Value Information

(a) Estimation of fair values

Where available, the most suitable measure for fair value is the quoted and observable market prices. In the absence of such quoted and observable market prices for most financial instruments, and in particular for loans, deposits and unlisted derivatives, the fair values are estimated based on a range of methodologies and assumptions regarding risk characteristics of various financial instruments, discount rates, estimates of future cash flows, future expected loss experience and other factors. Changes in the uncertainties and assumptions could materially affect these estimates and the resulting fair value estimates.

(b) Fair value

All financial instruments are stated at fair value or carried at amounts not materially different from their fair values as at 31 December 2005 and 2004 unless otherwise stated.

(i) Financial assets

The Group's financial assets mainly include cash, placements with banks and other financial institutions, loans and advances to customers, investments and financial derivative instruments.

The fair values of placements with banks and other financial institutions are mainly priced at market interest rates and mature within one year. Accordingly, the carrying values approximate the fair values.

The fair values of loans and advances to customers, taking into account the relevant market interest rates and being mostly priced at floating rates close to the market interest rates which are mainly repriced within 3 months, equal their carrying amounts.

Trading assets, securities designated at fair value through profit or loss and available-for-sale securities are stated at fair value in the financial statements. The fair value of held-to-maturity investments approximate their carrying amounts.

(ii) Financial liabilities

The Group's financial liabilities mainly include deposits and balances of banks and other financial institutions, deposits from customers, certificates of deposit issued, debt securities issued and loan capital issued. The carrying values of financial liabilities approximate their fair values as at 31 December 2005, except that the fair values of loan capital issued as at the balance sheet date was HK\$4,613 million, which is higher than their carrying value of HK\$4,352 million.

49. 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：

49. 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:

		本集團及本行 The Group and the Bank					
		二零零五年 2005			二零零四年 2004		
		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	18,941,850	—	18,941,850	2,637,254	—	2,637,254
掉期交易	Swaps	11,521,138	—	11,521,138	7,447,460	3,504,209	10,951,669
買入期權	Options purchased	91,471	—	91,471	241,068	—	241,068
賣出期權	Options written	84,553	—	84,553	238,249	—	238,249
利率合約	Interest rate contracts						
遠期交易及期貨交易	Forwards and futures	3,032,254	—	3,032,254	427,590	—	427,590
掉期交易	Swaps	6,897,921	12,074,747	18,972,668	3,570,070	11,615,697	15,185,767
買入期權	Options purchased	1,298,984	—	1,298,984	1,671,487	—	1,671,487
賣出期權	Options written	1,298,984	—	1,298,984	1,849,231	—	1,849,231
股份合約	Equity contracts						
買入期權	Options purchased	—	—	—	—	1,083	1,083
賣出期權	Options written	—	—	—	—	1,083	1,083
		43,167,155	12,074,747	55,241,902	18,082,409	15,122,072	33,204,481

以上的交易由本集團及本行在外匯、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。

於二零零四年十二月三十一日被指定為作對沖之衍生工具只用作資產及負債管理關係。符合《香港會計準則》第39號對沖會計條件將不予準許追溯應用。

The above transactions are undertaken by the Group and the Bank 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 31 December 2005 were representing hedging instruments that were qualified for hedge accounting under HKAS 39.

Derivatives used for hedging purpose as at 31 December 2004 were representing all derivatives that had an asset and liability management relationship. The conditions for using hedge accounting under HKAS 39 are not allowed to be applied retrospectively.

49. 衍生工具 (續)

(b) 衍生工具的公平價值及信貸風險加權金額

49. Derivatives (cont'd)

(b) Fair values and credit risk weighted amounts of derivatives

本集團及本行 The Group and the Bank							
		二零零五年 2005			二零零四年 2004		
		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		資產 Assets 港幣千元 HK\$'000	負債 Liabilities 港幣千元 HK\$'000	
利率衍生工具	Interest rate derivatives	157,286	387,765	74,175	268,774	383,276	105,037
匯率衍生工具	Currency derivatives	70,858	55,468	85,145	119,554	127,623	66,096
其他衍生工具	Other derivatives	—	—	—	90	—	46
		228,144	443,233	159,320	388,418	510,899	171,179

* 二零零四年的公平價值資料是指二零零五年一月一日的重報數字。

* The fair values information for 2004 were representing 1 January 2005 restated figures.

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。

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.

衍生工具資產及負債之公平價值及信貸風險比重金額，並沒有計入雙邊淨額安排的影響於金額中。

The fair values of derivative assets and liabilities and credit risk weighted amount of the off-balance sheet exposures do not take into account the effects of bilateral netting arrangements.

49. 衍生工具 (續)

(c) 指定為對沖工具的衍生工具的公平價值

以下是本集團及本行各種持作對沖用途的衍生工具的公平價值概要：

		本集團及本行 The Group and the Bank 二零零五年 2005	
		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	104,174	214,693

公平價值對沖

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。

Fair value hedges

The fair value hedges are principally consisted 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.

(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。

(d) Remaining life of derivatives

The following tables provide an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

		本集團及本行 The Group and the Bank 二零零五年 2005			
		餘下年期的名義金額 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	1年以上至5年 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

49. 衍生工具 (續)

(d) 衍生工具的餘下年期 (續)

		本集團及本行 The Group and the Bank 二零零四年 2004			
		餘下年期的名義金額 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	1年以上至5年 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	19,134,075	1,566,462	12,008,947	5,558,666
匯率衍生工具	Currency derivatives	14,068,240	13,803,903	–	264,337
股票/指數衍生工具	Equity/index derivatives	2,166	2,166	–	–
		33,204,481	15,372,531	12,008,947	5,823,003

50. 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：

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
直接信貸代替品	Direct credit substitutes	958,516	943,362	958,516	943,362
與貿易有關的或有項目	Trade-related contingencies	1,058,462	1,165,944	1,058,462	1,165,944
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	12,846,765	10,576,584	12,785,540	10,570,047
– 原到期日在1年或以上	– with an original maturity of 1 year and over	350,146	588,078	350,146	588,078
		15,213,889	13,273,968	15,152,664	13,267,431
信貸風險加權金額	Credit risk-weighted amounts	991,061	1,072,223	991,061	1,072,223

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。

49. Derivatives (cont'd)

(d) Remaining life of derivatives (cont'd)

		本集團及本行 The Group and the Bank 二零零四年 2004			
		餘下年期的名義金額 Notional amounts with remaining life of			
		Total 港幣千元 HK\$'000	1 year or less 港幣千元 HK\$'000	Over 1 year to 5 years 港幣千元 HK\$'000	Over 5 years 港幣千元 HK\$'000
Interest rate derivatives	利率衍生工具	19,134,075	1,566,462	12,008,947	5,558,666
Currency derivatives	匯率衍生工具	14,068,240	13,803,903	–	264,337
Equity/index derivatives	股票/指數衍生工具	2,166	2,166	–	–
		33,204,481	15,372,531	12,008,947	5,823,003

50. 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:

		The Group		The Bank	
		2005 HK\$'000	2004 HK\$'000	2005 HK\$'000	2004 HK\$'000
Direct credit substitutes	直接信貸代替品	958,516	943,362	958,516	943,362
Trade-related contingencies	與貿易有關的或有項目	1,058,462	1,165,944	1,058,462	1,165,944
Other commitments:	其他承擔：				
– with an original maturity of under 1 year or which are unconditionally cancellable	– 原到期日在1年以下或可無條件撤銷	12,846,765	10,576,584	12,785,540	10,570,047
– with an original maturity of 1 year and over	– 原到期日在1年或以上	350,146	588,078	350,146	588,078
		15,213,889	13,273,968	15,152,664	13,267,431
Credit risk-weighted amounts	信貸風險加權金額	991,061	1,072,223	991,061	1,072,223

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 contract 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%.

50. 或有負債及承擔 (續)

(b) 資本承擔

於十二月三十一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：

		本集團及本行 The Group and the Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
已授權及訂約： 有形固定資產	Authorised and contracted for: Fixed assets	16,610	8,534
已授權但未訂約： 有形固定資產	Authorised but not contracted for: Fixed assets	1,352	—
		17,962	8,534

(c) 租賃承擔

於十二月三十一日，根據不可解除經營租賃未來應付的最低租金總額如下：

		本集團 The Group		本行 The Bank	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000	二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 港幣千元 HK\$'000
物業，於以下期間 租賃期滿 1年內 1年至5年 5年後	Properties leases expiring				
	Within 1 year	67,520	30,720	67,323	30,527
	After 1 year but within 5 years	139,371	48,553	139,371	48,553
	After 5 years	80,852	22,455	80,852	22,455
		287,743	101,728	287,546	101,535
設備，於以下期間 租賃期滿 1年內 1年至5年 5年後	Equipment leases expiring				
	Within 1 year	739	847	739	847
	After 1 year but within 5 years	2,943	5,655	2,943	5,655
	After 5 years	—	1,029	—	1,029
		3,682	7,531	3,682	7,531

本集團及本行通過經營租賃的方式租借多項物業及設備。有關物業及設備的最初租賃期一般為兩至四年，可於所有條款重新商定後續期。以上租賃均不涉及或有租金。

50. Contingent Liabilities and Commitments (cont'd)

(b) Capital commitments

Capital commitments for purchase of equipment outstanding at 31 December not provided for in the financial statements were as follows:

(c) Lease commitments

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

The Group and the Bank leases a number of properties and items of equipment under operating leases. The leases typically run for an initial period of two to four years, with an option to renew the lease when all terms are renegotiated. None of the leases includes contingent rentals.

50. 或有負債及承擔 (續)

(d) 或有負債

本集團及所有附屬公司並沒有任何或有負債及承擔會對未來財政有重大影響。

51. 非調整結算日後事項

於二零零五年十一月三十日，本集團接納標書將耀興道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，以總代價為港幣128,200,000元出售。其後，於二零零五年十二月二日，本集團與買方達成就買賣協議備忘錄。於二零零六年五月九日（「完成日期」），該物業將完成出售。就此項出售，約港幣46,000,000元的虧損將在二零零六年十二月三十一日年度內之本集團收益表內確認。

52. 信託活動

本集團通常擔任受託人及其他受信人身份而代表個別人士、信託、退休福利計劃及其他機構持有或存放資產。由於這些資產並非本集團的資產，故這些資產及其產生的收入不包括在財務報表內。

53. 比較數字

若干比較數字已因會計政策的變更而作出調整。進一步詳情在附註3中披露。

54. 最終控股公司

董事認為，本行於二零零五年十二月三十一日的直接控股公司為在香港註冊成立的中信國際金融控股有限公司，而最終控股公司為在中華人民共和國註冊成立的中國中信集團公司。

50. Contingent Liabilities and Commitments (cont'd)

(d) Contingencies

The Group and its subsidiaries are not involved in any legal actions that would be material to the financial position of the Group.

51. Non-adjusting Post Balance Sheet Events

On 30 November 2005, the Group accepted a tender to sell Unit 9A on G/F, all units on 1/F, 2/F and 3/F and 8 car parking spaces on LG/F of Eastern Central Plaza at 3 Yiu Hing Road for a total consideration of \$128.2 million. Subsequently, the Group entered into a Memorandum of Agreement for sale and purchase with the purchaser on 2 December 2005. The sale of the Property will be completed on 9 May 2006 (the "Completion Date"). As a result of the sale, a loss of approximately of \$46 million for the sale will be recognised in the Group's income statement for the financial year ending 31 December 2006.

52. Trust Activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as they are not assets of the Group.

53. Comparative Figures

Certain comparative figures have been adjusted or reclassified as a result of the changes in accounting policies. Further details are disclosed in note 3.

54. Ultimate Holding Company

At 31 December 2005, the directors consider the immediate holding company to be CITIC International Financial Holdings Limited which is incorporated in Hong Kong, and the ultimate holding company to be CITIC Group which is incorporated in the People's Republic of China.

55. 會計估計及判斷

編製財務報表時，管理層需要就財務報表日的資產及負債的匯報數額及或有資產及負債的披露，以及呈報年度收入及支出的匯報數額等作出估計及假設。假設變更可能會對更改假設期間的財務報表構成重大影響。應用假設及估計表示選擇任何不同的假設均可導致本集團的匯報有差異。本集團相信所作假設屬適當，故財務報表在各重大方面公平地呈報財政狀況及業績。

管理層與審核委員會討論本集團主要會計政策及估計的制定、選擇及披露，以及這些政策及估計的應用。

(a) 估計不可確定之主要因素

附註30及39載有關於商譽減值、已派購股權公平價值的假設及其風險因素。其他估計不可確定之主要因素如下：

(i) 減值虧損

貸款及墊款

貸款組合會定期檢討，以評估減值虧損是否存在。本集團作出有關貸款組合是否存在任何減值的客觀證據（即估計未來現金流量是否減少）的判斷。減值的客觀證據包括一群借款人的還款狀況出現不利變動的可見數據，亦可包括與本集團資產的逾期還款相關的本地或經濟狀況的可見數據。如管理層根據其判斷確定減值的客觀證據存在，則預期未來現金流量會根據本集團內具有類似的信貸風險特質的資產之過往損失經驗來作出估計。過往損失經驗是以目前的可觀察資料為基礎作出調整。管理層會定期檢討估計未來現金流量所採用的方法及假設，以減少損失估計及實際損失經驗的任何差異。

55. Accounting Estimates and Judgements

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the financial statements in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the financial statements therefore present the financial position and results fairly, in all material respects.

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

(a) Key sources of estimation uncertainty

Notes 30 and 39 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted. Other key sources of estimation uncertainty are as follows:

(i) Impairment losses

Loans and advances

Loans portfolios are reviewed periodically to access whether impairment losses exist. The Group makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payments status of borrowers in a group has adversely changed. It may also include observable data in local or economic conditions that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence of impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

55. 會計估計及判斷 (續)

(a) 估計不可確定之主要因素 (續)

(i) 減值虧損

可供出售證券

當可供出售證券的公平價值大幅或持續跌至低於其成本，本集團確定這些投資出現減值。確定公平價值跌至低於其成本而不能在合理時限內收回屬判斷性質，故損益可受此判斷的差異所影響。

(ii) 金融工具公平價值

公平價值估計一般屬主觀性質，是根據金融工具的特質及有關市場資料在某一時間作出。如有，便會使用市場報價。如未能從認可證券交易所獲得市場報價，或從經紀或交易員獲得屬於非通過交易所買賣的金融工具市場報價或最新公開成交價，則公平價值以現值或其他估值法估計。

所有估值模式均在用作財務匯報基準前被核實。本集團盡可能將模式所得估值與類似金融工具的報價作比較，及在實現後與實際價值作比較，以進一步核實及調整模式。

這些方法涉及不確定性，並會大受有關各種金融工具的風險特質、折現率、未來現金流量估計、未來預期損失經驗及其他因素所用的假設及所作的判斷影響。假設變動可重大影響這些估計及所產生的公平價值。所得公平價值估計未必可以獨立市場的比較來證明，而在許多情況下，可在立即出售工具時實現。

55. Accounting Estimates and Judgements (cont'd)

(a) Key sources of estimation uncertainty (cont'd)

(i) Impairment losses (cont'd)

Available-for-sale securities

The Group determines that available-for-sale securities are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below cost is not recoverable within a reasonable time period is judgemental by nature, so profit and loss could be affected by differences in this judgement.

(ii) Fair value of financial instruments

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. Where available, quoted market prices are used. If a quoted price is not available on a recognized stock exchange or from a broker or dealer for non-exchange traded financial instruments or from a readily available latest trading price, the fair value is estimated using present value or other valuation techniques.

All valuation models are validated before they are used as a basis for financial reporting. Wherever possible, the Group compares valuations derived from models with quoted prices of similar financial instruments, and with actual values when realised, in order to further validate and calibrate the models.

These techniques involve uncertainties and are significantly affected by the assumptions used and judgements made regarding risk characteristics of various financial instruments, discount rate, estimates of future cash flows, future expected loss experience and other factors. Changes in assumptions could significantly affect these estimates and the resulting fair values. Derived fair value estimates cannot necessarily be substantiated by comparison to independent markets and, in many cases, could be realized in an immediate sale of the instruments.

55. 會計估計及判斷 (續)

(b) 應用本集團會計政策時所作的重大會計判斷

應用本集團會計政策時所作的若干重大會計判斷描述如下：

持有至到期投資

本集團將非衍生金融資產分類為具有固定或可確定付款金額及有固定期限，而本集團有明確意向和能力持至到期日分類為持有至到期投資。作出此判斷時，本集團評估其持有這些投資至到期日的意向和能力。如本集團未能持有這些投資至到期日（在若干特別情況下除外），由於該類別被視為受到滲雜，故本集團須將整個持有至到期投資組合重新分類為可供出售。

這會導致持有至到期投資以公平價值計量，而非按攤銷成本計量。

55. Accounting Estimates and Judgements (cont'd)

(b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below.

Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity. If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

56. 已頒佈但於截至二零零五年十二月三十一日止會計年度尚未實施的修訂、新準則及詮釋的影響

截至財務報表發佈日期，香港會計師公會頒佈以下修訂、新準則及詮釋，這些修訂、新準則及詮釋於截至二零零五年十二月三十一日止會計年度尚未實施，亦未於財務報表內採納：

56. Possible Impact of Amendments, New Standards and Interpretations Issued but not Yet Effective for the Annual Accounting Year Ended 31 December 2005

Up to the date of issue of these financial statements, the HKICPA has issued the following amendments, new standards and interpretations which are not yet effective for the accounting year ended 31 December 2005 and which have not been adopted in these financial statements:

	於以下日期或之後 開始之會計期間實施 Effective for accounting periods beginning on or after
《香港財務報告準則》第6號，「勘探及評估礦物資源」 HKFRS 6, Exploration for evaluation of mineral resources	2006年1月1日 1 January 2006
《香港（國際財務報告準則詮釋委員會）》第4號，「釐定一項安排是否包括租賃」 HK(IFRIC) 4, Determining whether an arrangement contains a lease	2006年1月1日 1 January 2006
《香港（國際財務報告準則詮釋委員會）》第5號， 「終止運作、復原及環境修復基金產生權益的權利」 HK(IFRIC) 5, Rights to interests arising from decommissioning, restoration and environmental rehabilitation funds	2006年1月1日 1 January 2006
《香港（國際財務報告準則詮釋委員會）》第6號， 「參與特定市場－廢物電業及電子設備所產生的負債」 HK(IFRIC) 6, Liabilities arising from participating in a specific market – Waste electrical and electronic equipment	2006年1月1日 1 January 2006
對《香港會計準則》第19號，「僱員福利－精算盈虧、集團計劃及披露」作出的修訂 Amendments to HKAS 19, Employee benefits – Actuarial Gains and Losses, Group Plans and Disclosures	2006年1月1日 1 January 2006
對《香港會計準則》第39號，「金融工具：確認和計量」作出的修訂： － 預測集團內部交易的現金流量對沖交易會計 － 公平價值法的選擇 － 財務擔保合約 Amendments to HKAS 39, Financial instruments: Recognition and measurement: － Cash flow hedge accounting of forecast intragroup transactions － The fair value option － Financial guarantee contracts	2006年1月1日 2006年1月1日 2006年1月1日 1 January 2006 1 January 2006 1 January 2006
因2005年香港《公司（修訂）條例》而對以下準則作出的修訂： － 《香港會計準則》第1號，「財務報表的呈報」 － 《香港會計準則》第27號，「綜合與個別財務報表」 － 《香港財務報告準則》第3號，「業務合併」 Amendments, as a consequence of the Hong Kong Companies (Amendment) Ordinance 2005, to: － HKAS 1, Presentation of financial statements － HKAS 27, Consolidated and separate financial statements － HKFRS 3, Business combinations	2006年1月1日 2006年1月1日 2006年1月1日 1 January 2006 1 January 2006 1 January 2006
《香港財務報告準則》第7號，「金融工具：披露」 HKFRS 7, Financial Instruments: disclosures	2007年1月1日 1 January 2007
對《香港會計準則》第1號，「財務報表的呈報：資本披露」作出的修訂 Amendments to HKAS 1, Presentation of financial statements: Capital disclosure	2007年1月1日 1 January 2007

56. 已頒佈但於截至二零零五年十二月三十一日止會計年度尚未實施的修訂、新準則及詮釋的影響 (續)

此外，二零零五年香港《公司(修訂)條例》於二零零五年十二月一日實施，將首次適用於本集團由二零零六年一月一日開始期間的財務報表。

本集團正在評估該等修訂、新準則及新詮釋預期對首次應用期間所帶來的影響。至今，其已斷定：

- 《香港財務報告準則》第7號要求在質量上更詳盡的披露，主要是有關公平價值及風險管理。因此，採納此準則預期只會影響披露的詳盡程度，而預期不會構成任何財務影響或對本集團會計政策造成任何變更。
- 採納《香港財務報告準則》第6號及《香港(國際財務報告準則詮釋委員會)》第5號及因二零零五年香港《公司(修訂)條例》而對《香港會計準則》第1號、《香港會計準則》第27號及《香港財務報告準則》第3號作出的修訂不適用於本集團任何業務，而採納其餘修訂、新準則及新詮釋不大可能會對本集團的經營業績及財務狀況構成重大影響。

57. 財務報表核准

這些財務報表已於二零零六年三月九日獲董事會核准並授權發佈。

56. Possible Impact of Amendments, New Standards and Interpretations Issued but not Yet Effective for the Annual Accounting Year Ended 31 December 2005 (cont'd)

In addition, the Hong Kong Companies (Amendment) Ordinance 2005 came into effect on 1 December 2005 and would be first applicable to the Group's financial statements for the period beginning 1 January 2006.

The Group is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that:

- HKFRS 7 requires more detailed qualitative and quantitative disclosures, primarily in respect of fair values and risk management. The adoption of this standard is therefore only expected to affect the level of the detail of the disclosures, and is not expected to have any financial impact nor result in any changes to the Group's accounting policies.
- The adoption of HKFRS 6 and HK(IFRIC) 5 and the amendments to HKAS 1, HKAS 27 and HKFRS 3 made as result of the Hong Kong Companies (Amendment) Ordinance 2005 are not applicable to any of the Group's operations and that the adoption of the rest of them is unlikely to have a significant impact on the Group's results of operations and financial position.

57. Approval of Financial Statements

The financial statements were approved and authorised for issue by the Board of Directors on 9 March 2006.

未經審核財務資料補充

Unaudited Supplementary Financial Information

截至二零零五年十二月三十一日 (除特別列明外以港幣為單位)

at 31 December 2005 (expressed in Hong Kong dollars unless otherwise indicated)

(A) 資本充足比率及流動資金比率

(A) Capital Adequacy and Liquidity Ratios

		二零零五年 2005	二零零四年 2004 (重報) (restated)
未經調整資本充足比率	Unadjusted capital adequacy ratio	16.44%	16.51%
經調整資本充足比率	Adjusted capital adequacy ratio	15.66%	16.03%
截至12月31日止年度 平均流動資金比率	Average liquidity ratio for the year ended 31 December	51.07%	47.91%

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 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.

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(B) 扣除減項後資本基礎

(B) Capital Base after Deductions

		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 (重報) (restated) 港幣千元 HK\$'000
核心資本 實繳普通股本 股份溢價 儲備	Core capital Paid up ordinary share capital Share premium Reserves	3,083,341 282,930 2,811,120	3,083,341 282,930 2,519,803
核心資本總額	Total core capital	6,177,391	5,886,074
合格補助資本 土地及土地權益 重估儲備 就所持有的非作交易用途證券的 價值重估而計出的儲備 減值資產的綜合減值撥備及 法定儲備 呆賬一般撥備 永久後償債項 有期後償債項	Eligible supplementary capital Reserves on revaluation of land and interests in land Reserves on revaluation of holding of securities not held for trading purposes Collective impairment allowances for impaired assets and regulatory reserve General provisions for doubtful debts Perpetual subordinated debt Term subordinated debt	— 332,076 528,790 — 2,016,390 467,192	8,362 — — 521,837 1,943,589 932,923
合格補助資本總額	Total eligible supplementary capital	3,344,448	3,406,711
扣除減項前總資本基礎 總資本基礎減項	Total capital base before deductions Deductions from total capital base	9,521,839 (12,156)	9,292,785 (135,860)
扣除減項後總資本基礎	Total capital base after deductions	9,509,683	9,156,925

(C) 分部資料

分部資料是按本集團的業務和地區分部作出呈述。由於董事認為業務分部較切合本集團內部財務資料的匯報，故已採用此業務分部資料為基本報告形式。

(i) 業務分部

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分：

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。

(C) Segmental Information

Segment information is represented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format as the directors consider that this is more relevant to the Group's internal financial reporting.

(i) 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.

未經審核財務資料補充
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(C) 分部資料 (續)

(i) 業務分部 (續)

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。

(C) Segmental Information (cont'd)

(i) Business segments (cont'd)

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.

		本集團 The Group 2005					
		企業銀行 Wholesale banking 港幣千元 HK\$'000	零售銀行 Retail banking 港幣千元 HK\$'000	財資 Treasury 港幣千元 HK\$'000	基金投資 Fund Investment 港幣千元 HK\$'000	未分配業務 Unallocated 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入	Net interest income	525,857	487,304	237,921	(165,583)	15,453	1,100,952
其他經營收入	Other operating income	171,695	319,067	55,788	229,363	22,785	798,698
經營收入總額	Total operating income	697,552	806,371	293,709	63,780	38,238	1,899,650
經營支出	Operating expenses	(105,382)	(377,478)	(51,568)	-	(514,962)	(1,049,390)
分部間之交易支出	Inter-segment expenses	(133,960)	(242,670)	(39,711)	-	416,341	-
		458,210	186,223	202,430	63,780	(60,383)	850,260
貸款及墊款減值虧損回撥	Impairment losses written back on loans and advances	32,570	3,753	-	-	47,056	83,379
持有至到期及可供出售證券減值虧損準備	Impairment losses on held-to-maturity investments and available-for-sale securities	(2,918)	351	-	-	-	(2,567)
物業減值虧損準備	Impairment losses on properties	-	-	-	-	(354)	(354)
減值虧損回撥	Impairment losses written back	29,652	4,104	-	-	46,702	80,458
經營溢利	Operating profit	487,862	190,327	202,430	63,780	(13,681)	930,718
出售固定資產及聯營公司的淨溢利	Net profit on disposal of fixed assets and associates	(424)	(5,168)	-	-	231,939	226,347
投資物業重估淨收入	Revaluation gain on investment properties	-	-	-	-	2,140	2,140
所佔聯營公司溢利減虧損	Share of profits less losses of associates	-	-	-	-	(10,501)	(10,501)
本年度稅前溢利稅項	Profit before taxation Income Tax	487,438	185,159	202,430	63,780	209,897	1,148,704
		-	-	-	-	(101,661)	(101,661)
本年度溢利	Profit for the year	487,438	185,159	202,430	63,780	108,236	1,047,043
本年度折舊	Depreciation for the year	5,370	19,349	972	-	91,109	116,800
分部資產	Segment assets	24,511,498	21,740,932	26,858,703	5,117,980	3,548,023	81,777,136
分部負債	Segment liabilities	23,867,496	36,374,520	12,607,782	-	2,007,544	74,857,342
本年度內產生的資本開支	Capital expenditure incurred during the year	8,131	31,328	1,806	-	11,972	53,237

(C) 分部資料 (續)
(i) 業務分部 (續)

(C) Segmental Information (cont'd)
(i) Business segments (cont'd)

		本集團 The Group 2004 (重報) (restated)					
		企業銀行 Wholesale banking 港幣千元 HK\$'000	零售銀行 Retail banking 港幣千元 HK\$'000	財資 Treasury 港幣千元 HK\$'000	基金投資 Fund Investment 港幣千元 HK\$'000	未分配業務 Unallocated 港幣千元 HK\$'000	綜合 Consolidated 港幣千元 HK\$'000
淨利息收入	Net interest income	546,615	620,826	282,278	(2,765)	9,399	1,456,353
其他經營收入	Other operating income	161,622	273,743	19,493	112,096	34,040	600,994
經營收入總額	Total operating income	708,237	894,569	301,771	109,331	43,439	2,057,347
經營支出	Operating expenses	(89,085)	(354,638)	(48,683)	–	(519,150)	(1,011,556)
分部間支出	Inter-segment expenses	(144,595)	(261,511)	(43,583)	–	449,689	–
		474,557	278,420	209,505	109,331	(26,022)	1,045,791
呆壞賬準備	Charge for bad and doubtful debts	(131,065)	472	–	–	30,053	(100,540)
持有至到期證券 準備回撥	Provision written back on held-to-maturity investments	9,602	80	–	–	–	9,682
商譽減值虧損準備	Impairment loss on goodwill	–	–	–	–	(9,502)	(9,502)
減值虧損(準備)/回撥	Impairment losses (charged)/written back	(121,463)	552	–	–	20,551	(100,360)
經營溢利	Operating profit	353,094	278,972	209,505	109,331	(5,471)	945,431
出售固定資產的淨溢利	Net profit on disposal of fixed assets	77	(909)	(31)	–	20,618	19,755
投資物業重估淨收入	Revaluation gain on investment properties	–	–	–	–	7,555	7,555
所佔聯營公司溢利減虧損	Share of profits less losses of associates	–	–	–	–	(4,139)	(4,139)
本年度稅前溢利	Profit before taxation	353,171	278,063	209,474	109,331	18,563	968,602
稅項	Income Tax	–	–	–	–	(151,538)	(151,538)
本年度溢利	Profit for the year	353,171	278,063	209,474	109,331	(132,975)	817,064
本年度折舊	Depreciation for the year	3,463	21,598	1,500	–	122,509	149,070
本年度商譽 攤銷	Amortization of goodwill for the year	–	–	–	–	1,056	1,056
分部資產	Segment assets	26,786,588	19,067,753	28,832,283	2,939,626	2,475,252	80,101,502
聯營公司權益	Interest in associates	–	–	–	–	191,450	191,450
		26,786,588	19,067,753	28,832,283	2,939,626	2,666,702	80,292,952
分部負債	Segment liabilities	21,678,021	37,395,844	14,588,308	–	645,947	74,308,120
本年度內產生的資本開支	Capital expenditure incurred during the year	18,140	18,437	1,355	–	24,852	62,784

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

(C) 分部資料 (續)
(ii) 按地區劃分
二零零五年

(C) Segmental Information (cont'd)
(ii) By geographical areas
2005

		本集團 The Group				
		溢利* Profit* 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	經營收入 Operating income 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	1,090,860	80,517,670	73,811,863	1,806,693	14,514,746
中國	Mainland China	27,455	2,055,745	1,381,716	36,041	71,978
美國	USA	31,938	1,739,976	1,683,668	56,463	613,328
其他	Others	(1,549)	612,632	614,181	453	13,837
減：分部間項目	Less: Inter-segment items	—	(3,148,887)	(2,634,086)	—	—
		1,148,704	81,777,136	74,857,342	1,899,650	15,213,889

二零零四年

2004

		本集團 The Group				
		溢利* Profit* (重報) (restated) 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities (重報) (restated) 港幣千元 HK\$'000	經營收入 Operating income 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	955,656	79,714,104	73,707,820	2,005,741	12,921,806
中國	Mainland China	10,161	685,891	320,877	15,928	—
美國	USA	13,343	1,705,849	1,676,359	44,946	352,162
其他	Others	—	466,479	466,479	—	—
減：分部間項目	Less: Inter-segment items	(10,558)	(2,279,371)	(1,863,415)	(9,268)	—
		968,602	80,292,952	74,308,120	2,057,347	13,273,968

上述地區分析之資料是根據附屬公司或附屬公司之分行的主要業務所在地點予以劃分。

The above geographical analysis is classified by the location of the principal operations of the subsidiaries or branches of its subsidiaries.

* 正常業務的稅前溢利

* Profit from ordinary activities before taxation

(C) 分部資料 (續)
(ii) 按地區劃分 (續)

(C) Segmental Information (cont'd)
(ii) By geographical areas (cont'd)

		本集團 The Group					
		二零零五年 2005			二零零四年 2004		
		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	不履約貸款 Non- performing loans 港幣千元 HK\$'000
香港	Hong Kong	34,276,715	233,908	267,297	34,026,118	928,361	850,237
中國	Mainland China	6,429,148	465,307	465,307	5,731,095	530,062	530,062
美國	USA	743,396	—	—	663,834	—	—
其他	Others	1,096,655	—	71,288	1,627,189	363	363
		42,545,914	699,215	803,892	42,048,236	1,458,786	1,380,662

上述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。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。

逾期貸款是指逾期超過三個月的墊款。

減值貸款是個別出現客觀減值證據而須個別評估的貸款。

不履約貸款是指利息撥入暫記賬項或已停止計息的墊款。

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.

Non-performing advances to customers are those advances on which interest is being placed in suspense or on which interest accrual has ceased.

(D) 逾期客戶墊款

(D) Overdue Advances to Customers

		本集團 The Group			
		二零零五年 2005		二零零四年 2004	
		港幣千元 HK\$'000	百分率* %*	港幣千元 HK\$'000	百分率* %*
逾期客戶墊款 總額已逾期達：	The gross amount of advances has been overdue for periods of:				
— 3個月以上至6個月	— 6 months or less but over 3 months	40,244	0.09	90,905	0.22
— 6個月以上至1年	— 1 year or less but over 6 months	82,213	0.19	213,538	0.51
— 1年以上	— over 1 year	576,758	1.36	1,154,343	2.74
總額	Total	699,215	1.64	1,458,786	3.47
有抵押逾期墊款	Secured overdue advances	640,526		1,095,739	
無抵押逾期墊款	Unsecured overdue advances	58,689		363,047	
		699,215		1,458,786	
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	1,014,444		1,231,918	
個別減值撥備	Individual impairment allowance made	58,707			
特殊準備	Specific provisions made			317,788	

* 佔客戶墊款總額計算

* Based on total advances to customers

於二零零五年十二月三十一日及二零零四年十二月三十一日，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 31 December 2005 and 31 December 2004.

(E) 其他逾期資產

(E) Other Overdue Assets

		本集團 The Group	
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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:		
— 3個月以上至6個月	— 6 months or less but over 3 months	—	2,565
— 6個月以上至1年	— 1 year or less but over 6 months	2,725	—
		2,725	2,565
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	15,510	15,549

(F) 重整貸款

(F) Rescheduled Loans

本集團 The Group				
		二零零五年 2005	二零零四年 2004	
		港幣千元 HK\$'000	百分率* %*	港幣千元 HK\$'000 百分率* %*
重整貸款	Rescheduled loans	25,077	0.06	226,093 0.54

* 佔客戶墊款總額計算

* Based on total advances to customers

重整墊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。客戶重整墊款已扣除其後逾期超過三個月並於附註(D)匯報的逾期墊款。

Rescheduled advances 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 advances to customers are stated net of any advances that have subsequently become overdue for over 3 months and reported as overdue advances in note (D).

於二零零五年十二月三十一日及二零零四年十二月三十一日，本集團並無重整的銀行及其他金融機構墊款。

There were no advances to banks and other financial institutions which were rescheduled as at 31 December 2005 and 31 December 2004.

(G) 取回資產

(G) Repossessed Assets

本集團 The Group			
		二零零五年 2005 港幣千元 HK\$'000	二零零四年 2004 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	192,128	231,572

(H) 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：

(H) 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
2005年	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
2004年	2004				
香港以外亞太區	Asia and Pacific excluding Hong Kong	6,765,626	201,643	7,245,927	14,213,196
其中澳洲	of which Australia	3,373,719	1,128	61,338	3,436,185
其中中國	of which Mainland China	2,196,755	199,858	6,405,791	8,802,404
西歐	Western Europe	13,717,333	3,008	4,276,585	17,996,926
其中法國	of which France	2,281,061	—	806,261	3,087,322
其中德國	of which Germany	2,519,414	—	410,682	2,930,096
其中荷蘭	of which Netherlands	1,249,111	—	720,948	1,970,059
其中英國	of which United Kingdom	3,608,631	953	1,023,518	4,633,102

(I) 企業管治

本集團致力於保持高企業管治水平，在本年度內及在所有重要的事項上均符合金管局頒佈的監管政策手冊《本地註冊認可機構的企業管治》所載的規定。

(I) Corporate Governance

The Group is committed to high standards of corporate governance and has complied, in all material respects, throughout the year with the module on “Corporate Governance of Locally Incorporated Authorized Institutions” under the Supervisory Policy Manual issued by the HKMA.

(J) 董事委員會

本行董事會已設立以下的委員會：

(i) 審核委員會

該委員會為獨立機構，協助董事會監察本行是否符合各項政策、程序以及內部及法定規定；並協助董事會獨立檢討本行的財務匯報流程及內部控制制度的有效性。該委員會由本行四名董事組成，其中三名為獨立非執行董事。

(ii) 高層人事委員會

該委員會監督本行高級行政人員的聘任及撤離、薪酬及繼任計劃，也協助董事會挑選及引薦填補董事會空缺的人選。該委員會由本行四名董事組成。

(iii) 信貸及風險管理委員會

該委員會從董事會層面監督本行的風險管理策略、政策及機制。有關的風險主要包括信貸、市場、利率、資金流動性、營運、信譽、法律及策略性風險。該委員會通過本行管理層面的多個委員會監督本行的風險管理，包括信貸委員會、不良貸款委員會、資產及負債委員會以及營運及監控委員會。該委員會由本行六名董事組成。

(J) Board Committees

The Board of Directors (the “Board”) of the Bank has established the following committees:

(i) Audit Committee

The committee, being an independent body, assists the Board in monitoring compliance with the policies, procedures, and internal and statutory regulations. It also assists the Board in providing independent review of the effectiveness of the Bank’s financial reporting process and internal control systems. The committee comprises four Directors of the Bank, three of which are Independent Non-executive Directors.

(ii) Executive Personnel Committee

The committee provides oversight of the appointment and removal, remuneration, and succession plan of the Bank’s senior executives. It also assists the Board in selecting and recommending candidates for vacancy on the Board. The committee comprises four Directors of the Bank.

(iii) Credit & Risk Management Committee

The committee oversees the Bank’s risk management strategy, policies and mechanism. The risks concerned primarily include credit, market, interest rate, liquidity, operational, reputation, legal and strategic risks. The committee carries out its oversight function on the Bank’s risk management through various committees at the Bank’s management level, including: Credit Committee, Non Performing Loan Committee (“NPL Committee”), Asset & Liability Committee (“ALCO”) and Operations & Control Committee. The committee comprises six Directors of the Bank.

(K) 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，包括資產負債委員會、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、信貸及風險管理總監、各營業部門主管和其它高級管理人員。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，產品和優質管治要求的改變。

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。

(K) 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 Committee ("ALCO"), the Credit Committee and the Non-Performing Loan ("NPL") Committee which comprises the Chief Executive Officer, the Chief Credit and Risk Officer, business heads and other senior management. The Bank continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice requirements.

The Group 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 minimised by obtaining collateral in the form of pledged assets and guarantees from borrowers and third parties.

(K) 風險管理 (續)

(i) 信貸風險管理 (續)

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。

(ii) 流動資金風險管理

本集團時常維持高流動資金比率，為求可以滿足所有客戶之不能預計的現金需求。在二零零五年，本集團的平均流動資金比率為51.07%（於二零零四年為47.91%）。除符合所有監管要求和遵行法定之流動資金比率以外，本集團亦會定期作壓力測試。為此，本集團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。於二零零五年十二月三十一日本集團已發行之存款證共港幣七十四億七千萬，佔總存款額12.01%。

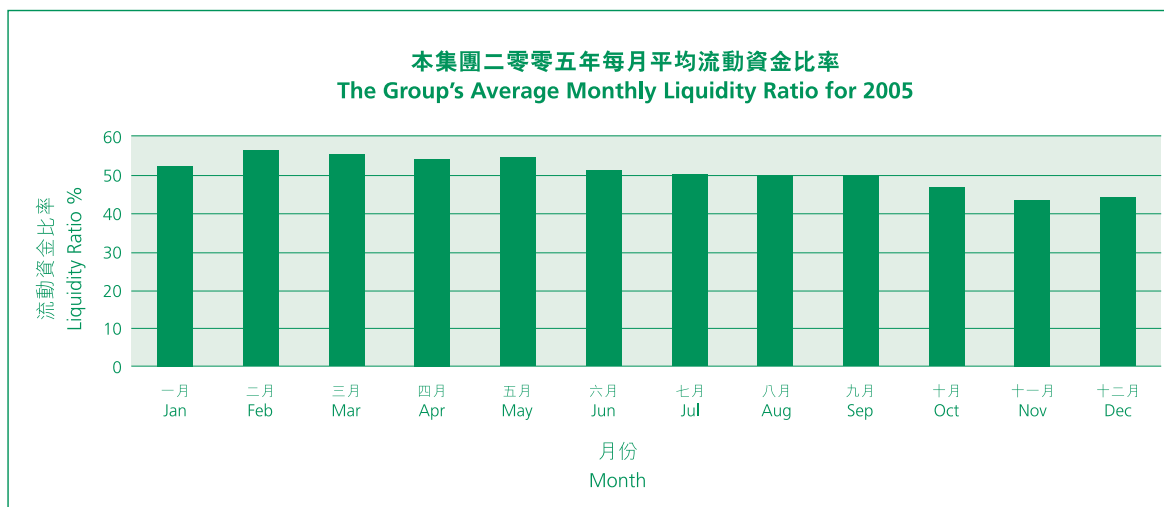
(K) Risk Management (cont'd)

(i) Credit risk management (cont'd)

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 product, industry and geography to manage concentration risk.

(ii) Liquidity risk management

The Group always maintains a high liquidity ratio in order to meet unexpected increases in customer demand on cash. In 2005, the Group's average liquidity ratio was 51.07% (2004: 47.91%). Apart from compliance to statutory ratio requirement, stress tests are performed regularly. The Group 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 Group 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 Group was HK\$7.47 billion, constituting 12.01% of its total deposits as at 31 December 2005.



(K) 風險管理 (續)

(iii) 市場風險管理

本行之短期交易盤及長期策略業務承受的市場風險來自外匯、利率、証券及商品等價格的變動。為了確認及控制各類市場風險，本行之風險管理委員會、資產負債委員會及各獲其授權之委員會，建立了風險限額等級架構及一系列風險量度指標。風險等級架構由政策、商務及交易限額組成，各級架構均有一系列之限額如溢利/虧損限額、交易盤限額及感應限額等，提示及觸發各管理層之適當行動，以調控特定之市場風險。

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及得到適當之管理。

於二零零五年透過採納新會計標準，本行有關利率之持倉交易盤收入將會把每日累積利息計算在內。截至二零零五年十二月三十一日止，本行從事有關利率風險之買賣活動收入為平均單日港幣68,000元。總合計算收入為平均單日港幣1,025,000元。下圖顯示本行市價計值盈利單日損益分佈圖。

(K) Risk Management (cont'd)

(iii) Market Risk Management

The Bank's short-term trading positions and long-term strategic businesses inherit market risk exposures from the movements of foreign exchange rates, interest rates, equity prices and commodity prices. To identify and control various market risk exposures, the Bank's CRMC, ALCO and its delegated sub-committees set up a hierarchy of limits and a series of risk measurements. Hierarchy limits are composed of policy, business and transaction limits. Each hierarchy level has a series of risk measurements like profit and loss limits, position limits and sensitivity limits to alert and trigger adequate actions at different management levels for specific market risk control.

The Bank's Treasury is the central point to take on and manage market risk exposures within the prescribed hierarchy, product and specific risk limits.

Market Risk Management as the unit under the Risk Management Group is responsible for the daily monitoring and reporting functions of market risk exposures to ensure that the Bank's market risk exposures are within the prescribed limits and are managed properly.

In adopting the new accounting standards in 2005, the Bank's trading profit and loss in interest rate risk will include accrued interests. For the year ended 31 December 2005, the average daily mark-to-market profit & loss from the Bank's trading activities in interest rate risk was a gain of HK\$68,000. The average daily mark-to-market revenue was HK\$1,025,000. The graph below shows the histogram of the Bank's daily mark-to-market revenues.

(K) 風險管理 (續)

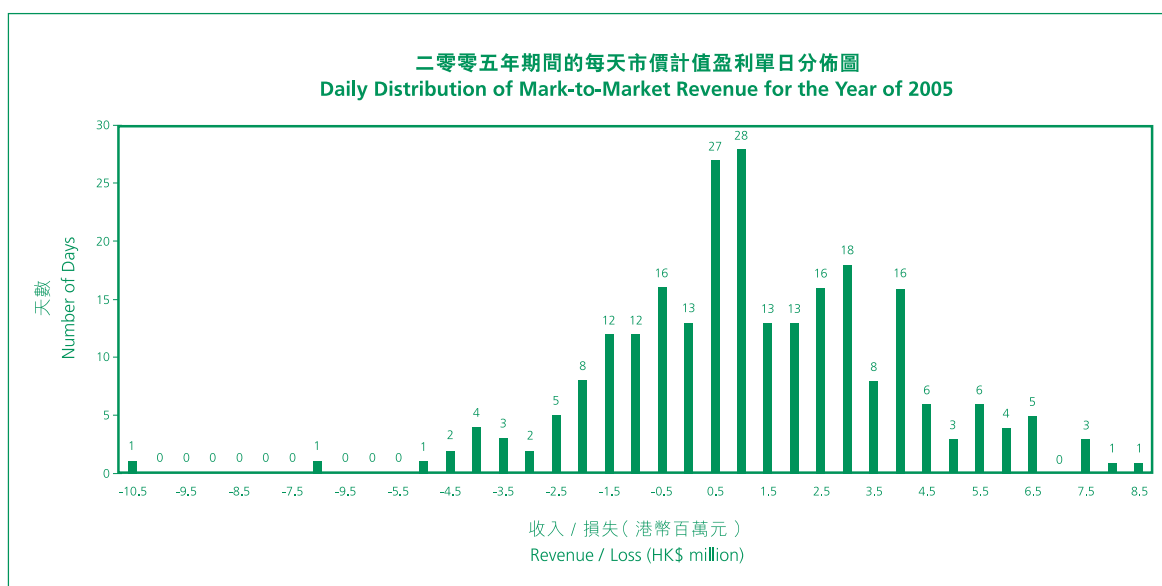
(iii) 市場風險管理 (續)

圖：截至二零零五年十二月三十一日止
年度市價計值盈利單日分佈圖。

(K) Risk Management (cont'd)

(iii) Market Risk Management (cont'd)

Figure: Daily distribution of mark-to-market revenues for the year ended 31 December 2005.



從上圖可見，最大單日收入為港幣8,101,000元及最大單日虧損為港幣10,522,000元。以248天之買賣操作天為期，共有80天錄得虧損。在分佈圖中之最常見單日市價計值盈利在港幣500,000元至港幣1,000,000元之間，共出現28天。

From the graph above, the maximum daily gain mark-to-market revenue was HK\$8,101,000 and the maximum daily loss was HK\$10,522,000. Out of the 248 trading days for the period, there were 80 days with mark-to-market loss. The most frequent results were daily mark-to-market revenues between HK\$500,000 and HK\$1,000,000 with the highest occurrence of 28 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(A)所披露，本行於二零零五年十二月三十一日未經調整及經調整資本充足比率分別為16.44%及15.66%，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 maintains a strong capital base to support the development of the Bank's businesses and to meet statutory capital adequacy ratios. As disclosed in note (A) above, the Bank's unadjusted capital adequacy ratio and adjusted capital adequacy ratio were 16.44% and 15.66% respectively as at 31 December 2005, 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 Hong Kong Monetary Authority ("HKMA"), are subject to the HKMA's capital requirements for its regulatory supervision purposes.

(K) 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。所有外匯買賣盤限額均由資產及負債委員會所核准。截至二零零五年十二月三十一日止年度，外匯買賣溢利為平均單日港幣6,000元。

(vi) 利率風險管理

本行之資產及負債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。資產及負債委員會根據息率/期限差距報告、息率感應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証券和對沖之衍生工具的市場價值變化能互相抵銷，以降低利率風險。

(vii) 其他買賣盤及投資活動

本行把部份剩餘流動資金投資於海外基金以提升回報。截至二零零五年十二月三十一日止年度，海外基金之收入為平均單日港幣933,000元。

本行之衍生工具倉主要來自與客戶的交易，以及本身的持倉及對沖活動。本行參與的衍生工具交易，包括利率掉期、外幣交塹盤掉期以及外匯、利率、股票及商品的期貨、遠期及期權。大部分衍生工具持倉在買賣盤賬項中入賬，並每日按市價計值及監控風險。

本行涉及的期權交易，主要是為滿足客戶對結構性產品的需求。

(K) 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 subsidiaries. All foreign exchange positions are subject to exposure limits approved by ALCO. The average daily foreign exchange trading profit and loss for the year ended 31 December 2005 was a gain of HK\$6,000.

(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 comprise of maturity gaps, basis risk among different interest rate benchmarks, yield curve movements, interest rate re-pricing risk and embedded options, if any. ALCO reviews 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 to further mitigate interest rate risks by offsetting the fair value changes between the AFS/NTL securities and the corresponding hedging derivative instruments.

(vii) Other trading and investment activities

The Bank has invested part of its excess liquidity into external funds to enhance its return. The average daily mark-to-market revenue from these funds HK\$933,000.

The Bank's derivative positions stem from transactions with customers as well as its own position-taking and hedging. The Bank's derivative transactions mainly include interest rate swaps, futures, forwards and options in foreign exchange. Most derivative positions are booked under the trading book, from which daily mark-to-market and risk monitoring are performed.

The Bank's involvement in option derivatives is mainly to cater to structured products to meet customer demand.

(K) 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也需要管理得宜。

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。

(K) 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.

(K) 風險管理 (續)

(viii) 業務操作風險管理 (續)

- 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。

(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，以建立警覺意識和推行必要的變動。我們並經常就政策和程序進行檢討。一如以往，於二零零五年本行法律風險管理的其中一個重點，是為員工就本行政策、程序及適用的相關法例及規則方面進行持續的培訓，這亦會是二零零六年的工作重點。

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。在二零零五年，法律及合規部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、外判合約、將後勤部門遷往及整合在太古坊的常盛大廈，以及為本行處理其遍及不同地域及範疇的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。

(K) Risk Management (cont'd)

(viii) Operational risk management (cont'd)

- 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.

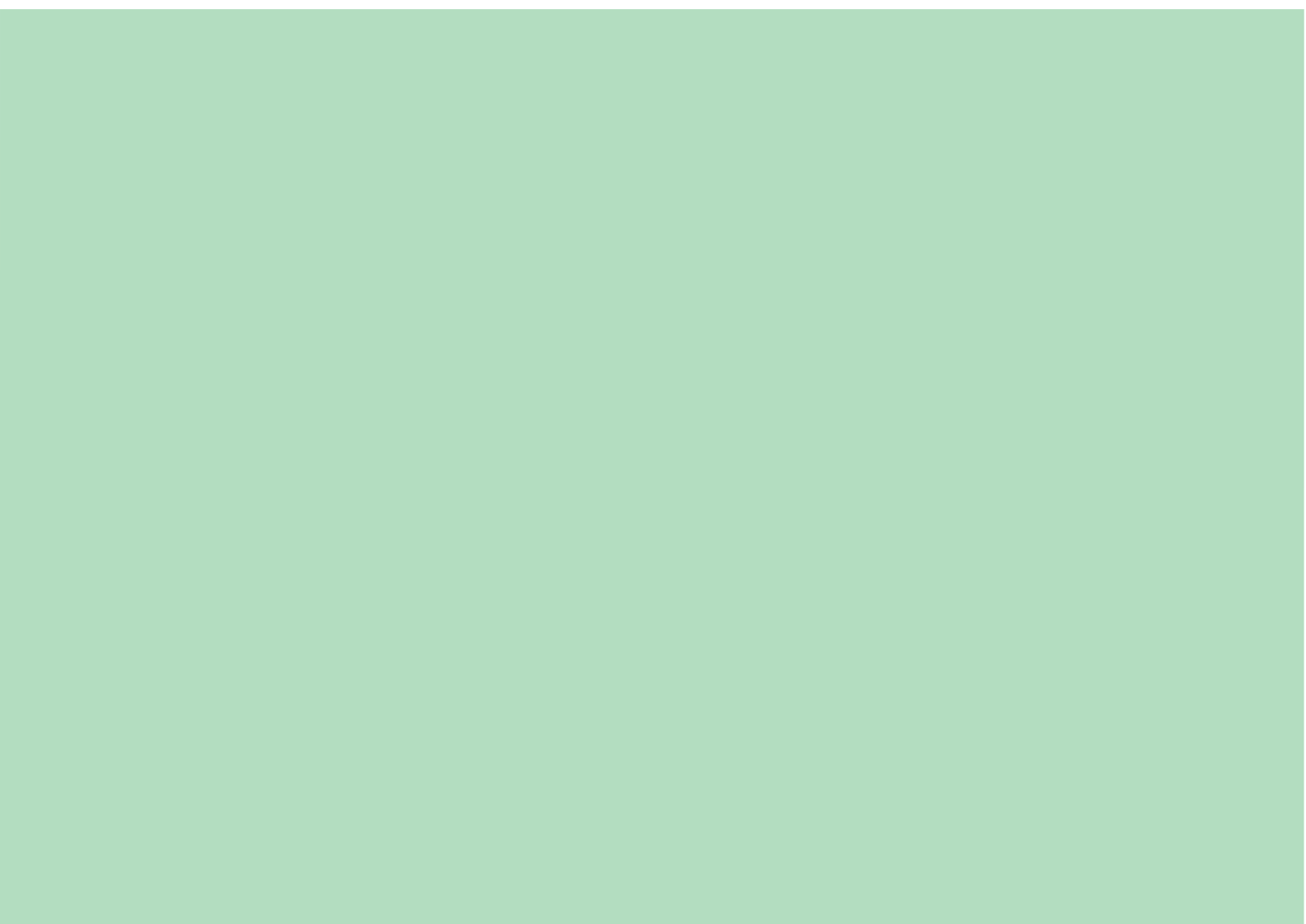
(ix) Legal risk management

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 and to implement necessary change. 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 key to the management of the Bank's legal risks in 2005, as in previous years, and will continue to be vital in 2006.

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 2005, LCD was involved in all new product and new business launches, strategically important transactions and commercial agreements, outsourcing transactions, the relocation and consolidation of the back office operations to Somerset House in Taikoo Place as well as day-to-day matters arising from a 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 risks 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 maximise 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.



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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



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