

補充財務資料

SUPPLEMENTARY FINANCIAL INFORMATION

以下公佈之資料為本簡明中期賬目之補充資料，此等資料為未經審核之資料。

The following information is unaudited and disclosed as part of the accompanying information to this condensed interim accounts.

(一) 資本充足及流動資金比率

1 Capital adequacy and liquidity ratios

		30/6/2006	31/12/2005
資本充足比率	Capital adequacy ratio	<u>16.9%</u>	<u>17.6%</u>
經調整資本充足比率	Adjusted capital adequacy ratio	<u>16.9%</u>	<u>17.6%</u>
		截至六月三十日止六個月 Six months ended 30 June	
		2006	2005
流動資金比率	Liquidity ratio	<u>45.0%</u>	<u>47.8%</u>

資本充足比率指根據香港《銀行業條例》第三附表所計算本行及由香港金融管理局指定之若干附屬公司於二〇〇六年六月三十日及二〇〇五年十二月三十一日之綜合比率。

The capital adequacy ratio represents the consolidated ratio of the Bank and certain subsidiaries, as specified by the Hong Kong Monetary Authority as at 30 June 2006 and 31 December 2005 computed in accordance with the Third Schedule of the Hong Kong Banking Ordinance.

經調整資本充足比率指根據香港金融管理局發出之「就市場風險維持充足資本」指引所計算本行及由香港金融管理局指定之若干附屬公司於二〇〇六年六月三十日及二〇〇五年十二月三十一日之綜合比率，此比率已同時計及信貸風險及市場風險。

The adjusted capital adequacy ratio represents the consolidated ratio of the Bank and certain subsidiaries, as specified by the Hong Kong Monetary Authority as at 30 June 2006 and 31 December 2005 computed in accordance with the guideline of "Maintenance of Adequate Capital Against Market Risks" issued by the Hong Kong Monetary Authority taking into account both credit risk and market risk.

流動資金比率是根據香港《銀行業條例》第四附表就本行及由香港金融管理局指定之一間附屬公司在期內每個曆月之綜合平均流動資金比率而計算之簡單平均數。

The liquidity ratio is calculated as the simple average of each calendar month's average consolidated liquidity ratio for the period calculated for the Bank and a subsidiary as specified by the Hong Kong Monetary Authority during the period in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

(二) 資本基礎的組成部份減除扣減項目 2 Components of capital base after deductions

用於計算上述二〇〇六年六月三十日及二〇〇五年十二月三十一日資本充足比率，並向香港金融管理局申報的資本基礎的組成部份減除扣減項目分析如下：

The capital base after deductions used in the calculation of the above capital adequacy ratio as at 30 June 2006 and 31 December 2005 and reported to the Hong Kong Monetary Authority is analysed as follows:

		30/6/2006	31/12/2005
		HK\$'000	HK\$'000
核心資本：	Core capital:		
繳足股款的普通股本	Paid up ordinary share capital	1,160,951	1,160,951
儲備	Reserves	5,915,522	5,743,584
		7,076,473	6,904,535
附加資本：	Supplementary capital:		
土地及土地權益價值重估儲備	Reserves on revaluation of land and interests in land	824,416	824,416
綜合減值準備及法定儲備	Collective impairment allowances and regulatory reserve	387,138	363,089
非持作買賣用途之投資證券之重估儲備	Reserves on revaluation of holding of securities not held for trading purposes	26,616	16,869
附加資本總額	Gross value of supplementary capital	1,238,170	1,204,374
附加資本之合格值	Eligible value of supplementary capital	1,238,170	1,204,374
未減除扣減項目前之資本基礎總額	Total capital base before deductions	8,314,643	8,108,909
由資本基礎總額扣減之項目	Deductions from total capital base	(397,981)	(397,963)
減除扣減項目後的資本基礎總額	Total capital base after deductions	7,916,662	7,710,946

資本基礎的組成部份減除扣減項目是根據香港《銀行業條例》第三附表釐定，其數額包括本行及由香港金融管理局指定之若干附屬公司。

The components of capital base after deductions include those of the Bank and certain subsidiaries, as specified by the Hong Kong Monetary Authority, and are determined in accordance with the Third Schedule of the Hong Kong Banking Ordinance.

(三) 貨幣集中

本集團所有外幣持倉盤中，美元貨幣持倉佔淨盤總額的百分之十或以上，現以港幣等值列報如下：

現貨資產
現貨負債
遠期買入
遠期賣出
期權淨額

長盤淨額

結構性倉盤淨額

期權持倉淨額是根據香港金融管理局於「外幣持倉」申報表所載之「模式使用者」方式計算。

3 Currency concentrations

The US dollar net position constitutes 10% or more of the total net position in all foreign currencies and is reported in Hong Kong dollar equivalent as follows:

	30/6/2006 HK\$'000	31/12/2005 HK\$'000
Spot assets	20,023,033	17,359,236
Spot liabilities	(17,718,196)	(16,249,387)
Forward purchases	77,343	620,695
Forward sales	(450,089)	(60,941)
Net option position	5,004	8,887
Net long position	<u>1,937,095</u>	<u>1,678,490</u>
Net structural position	<u>67,576</u>	<u>67,469</u>

The net option position is calculated based on the model user approach set out in the prudential return "Foreign Currency Position" issued by the Hong Kong Monetary Authority.

(四) 分類資料

甲、按行業分類之客戶貸款

在香港使用之貸款
工商金融
物業發展
物業投資
金融企業
股票經紀
批發及零售業
製造業
運輸及運輸設備
其他

個人

購買「居者有其屋計劃」、
「私人參建居屋計劃」與
「租者置其屋計劃」樓宇
之貸款

購買其他住宅物業的貸款
信用卡貸款
其他

貿易融資

在香港以外使用之貸款

4 Segmental information

(a) Gross advances to customers by industry sectors

	30/6/2006 HK\$'000	31/12/2005 HK\$'000
Loans for use in Hong Kong		
Industrial, commercial and financial		
Property development	4,046,045	3,209,419
Property investment	9,901,618	8,889,515
Financial concerns	523,826	435,494
Stockbrokers	1,650	2,257
Wholesale and retail trade	370,013	413,768
Manufacturing	460,035	469,464
Transport and transport equipment	1,362,270	1,304,236
Others	4,068,057	3,441,451
Individuals		
Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	2,131,657	2,272,313
Loans for the purchase of other residential properties	10,276,403	10,639,364
Credit card advances	333,680	573,860
Others	1,396,238	1,409,457
Trade finance	666,519	570,760
	<u>35,538,011</u>	<u>33,631,358</u>
Loans for use outside Hong Kong	3,128,322	3,224,189
	<u>38,666,333</u>	<u>36,855,547</u>

(四) 分類資料(續)

4 Segmental information (continued)

乙、按區域分類之客戶貸款、逾期貸款及已減值貸款

(b) Geographical analysis of gross advances to customers, overdue advances and impaired loans

以下按區域分類之客戶貸款、逾期貸款及已減值貸款是根據交易對手之所在地作分析，並已適當考慮有關貸款之風險轉移。

The following geographical analysis of gross advances to customers, overdue advances and impaired loans is based on the location of the counterparty, after taking into account the transfer of risk in respect of such advances where appropriate.

		30/6/2006 HK\$'000	31/12/2005 HK\$'000
客戶貸款總額	Gross advances to customers		
香港	Hong Kong	37,207,629	35,321,082
其他區域	Other areas	<u>1,458,704</u>	<u>1,534,465</u>
		<u>38,666,333</u>	<u>36,855,547</u>
逾期貸款	Overdue advances		
香港	Hong Kong	<u>210,887</u>	<u>184,723</u>
已減值貸款	Impaired loans		
香港	Hong Kong	<u>247,165</u>	<u>247,248</u>

(四) 分類資料(續)

丙、跨越邊界的申索

本集團以外地交易對手最終承擔風險之所在地，及根據交易對手經風險轉移後衍生出之區域，作為跨越邊界申索之分析。若一個交易對手之申索是由另一個在不同國家的人士作出保證或申索是對於一間銀行之外地分行，而其總公司是位於一個不同的國家，風險便確認為由一個國家轉移到另一個國家。該等區域佔跨越邊界申索總額的百分之十或以上如下：

4 Segmental information (continued)

(c) Cross-border claims

The Group analyses cross-border claims by exposures of foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. The transfer of risk from one country to another is recognised if the claims against a counterparty are guaranteed by another party in a different country or if the claims are on an overseas branch of a bank whose head office is located in a different country. Those areas which contribute 10% or more of the aggregate cross-border claims are as follows:

		銀行及其他 金融機構 Banks and other financial institutions HK\$'000	公營機構 Public sector entities HK\$'000	其他 Others HK\$'000	合計 Total HK\$'000
二〇〇六年六月三十日	30 June 2006				
亞太區(不包括香港)	Asia Pacific excluding Hong Kong	10,989,667	53,827	1,550,426	12,593,920
北美及南美	North and South America	1,266,906	1,110,071	1,683,341	4,060,318
歐洲	Europe	13,451,853	–	477,341	13,929,194
二〇〇五年十二月三十一日	31 December 2005				
亞太區(不包括香港)	Asia Pacific excluding Hong Kong	6,383,983	52,369	1,910,649	8,347,001
北美及南美	North and South America	2,163,512	1,609,305	1,649,587	5,422,404
歐洲	Europe	14,316,823	–	395,481	14,712,304

(五)逾期及經重組資產

甲、逾期貸款

本集團之客戶逾期貸款分析如下：

5 Overdue and rescheduled assets

(a) Overdue advances

The Group's overdue advances to customers are analysed as follows:

		30/6/2006		31/12/2005	
		估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000	估客戶貸款 總額之百分比 % of total advances to customers HK\$'000
貸款總額，其逾期超過：	Gross amount of advances which have been overdue for:				
三個月以上至六個月	Six months or less, but over three months	100,005	0.26	79,959	0.21
六個月以上至一年	One year or less, but over six months	52,744	0.14	35,830	0.10
一年以上	Over one year	58,138	0.15	68,934	0.19
		<u>210,887</u>	<u>0.55</u>	<u>184,723</u>	<u>0.50</u>
有抵押之逾期貸款	Secured overdue advances	147,572		127,878	
無抵押之逾期貸款	Unsecured overdue advances	63,315		56,845	
		<u>210,887</u>		<u>184,723</u>	
有抵押之逾期貸款所持 之抵押品市值	Market value of collateral held against the secured overdue advances	271,076		175,155	
已撥個別減值準備	Individual impairment allowances made	56,426		58,412	

於二〇〇六年六月三十日及二〇〇五年十二月三十一日，同業貸款中並無逾期三個月以上。

At 30 June 2006 and 31 December 2005, there were no advances to banks and other financial institutions which were overdue for over three months.

(五)逾期及經重組資產(續)

5 Overdue and rescheduled assets (continued)

乙、其他逾期資產

(b) Other overdue assets

本集團之其他逾期資產分析如下：

The Group's other overdue assets are analysed as follows:

	30/6/2006		31/12/2005	
	商業票據 Trade bills HK\$'000	應計利息 Accrued interest HK\$'000	商業票據 Trade bills HK\$'000	應計利息 Accrued interest HK\$'000
其他資產總額，其逾期超過：	Gross amount of other assets which have been overdue for:			
三個月以上至六個月	Six months or less, but over three months			
	8,069	2,091	6,855	1,301
六個月以上至一年	One year or less, but over six months			
	8,028	2,543	520	2,458
一年以上	Over one year			
	235	12,194	–	9,952
	<u>16,332</u>	<u>16,828</u>	<u>7,375</u>	<u>13,711</u>

丙、經重組貸款

(c) Rescheduled advances

本集團之經重組貸款(已減除逾期超過三個月並在上述(甲)項內列明之貸款)分析如下：

The Group's rescheduled advances (net of those which have been overdue for over three months and reported in item (a) above) are as follows:

	30/6/2006		31/12/2005	
	佔客戶貸款 總額之百分比 % of total advances to customers HK\$'000	佔客戶貸款 總額之百分比 % of total advances to customers HK\$'000	佔客戶貸款 總額之百分比 % of total advances to customers HK\$'000	佔客戶貸款 總額之百分比 % of total advances to customers HK\$'000
經重組客戶貸款	Rescheduled advances to customers			
	107,568	0.28	125,244	0.34

於二〇〇六年六月三十日及二〇〇五年十二月三十一日，同業貸款中並無經重組之貸款。

At 30 June 2006 and 31 December 2005, there were no rescheduled advances to banks and other financial institutions.

丁、收回資產

(d) Repossessed assets

	30/6/2006 HK\$'000	31/12/2005 HK\$'000
收回資產市值	17,894	7,550

(六) 金融風險管理

本集團已制定政策及程序，用以識別、量度、控制及監管信貸、流動資金、外匯、利率及市場風險。常務董事會就此等風險管理政策及程序之充分性及果效而作定期檢視；而稽核部門亦會進行定期稽核及檢查，以確保該等政策及程序得以被落實遵從。

甲、使用金融工具之策略

就性質而言，本集團廣泛使用之金融工具包括債務、股權及其他證券，以及資產負債表以外之衍生工具。衍生工具是一項合約，其價值是由合約內指定之一種或多種金融工具或指數而確定。該等工具主要包括外匯、利率及股權之遠期、期貨、掉期及期權合約。

本集團以定息及浮息及不同年期接受客戶存款，並將資金投放於高質素之資產以賺取息差。在維持足夠流動資金以應付所有可能到期的提取下，本集團透過吸納短期資金並以較高息率拆放較長年期的貸款以求提高息差。

本集團亦透過貸款予多個不同信貸級別的商业及零售借款人以賺取息差。此等營運不只牽涉資產負債表上之客戶貸款，亦包括擔保及其他承擔如信用證及保證書。

本集團通過交易所及櫃台交易買賣包括衍生工具之金融工具，藉股權、債券、貨幣及利率價格之短期波動以賺取利潤。本集團所用的衍生工具主要為利率及外幣匯率相關之合約，大部份為通過櫃台交易之衍生工具。而本集團之衍生工具持倉盤，大部份是為應客戶需求並作為對沖此等客戶盤及其他買賣持倉盤而持有。常務董事會制定交易限額包括隔夜及即日市場限額以監控不同程度之風險。除指定對沖安排外，有關外匯及利率風險之衍生工具乃用作日常業務上對沖風險，藉此控制流動資金水平以應付市場需求。

6 Financial risk management

The Group has established policies and procedures for the identification, measurement, control and monitoring of credit, liquidity, foreign exchange, interest rate and market risks. The adequacy and effectiveness of risk management policies and procedures are regularly reviewed by the Executive Committee of the Board of Directors (the “Executive Committee”). The Internal Audit Department also performs regular audits to ensure compliance with policies and procedures.

(a) Strategy in using financial instruments

By their nature, the Group’s activities are principally related to the use of financial instruments which include debt, equity and other securities and certain off balance sheet derivatives. Derivatives are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They mainly include forwards, futures, swaps and options in foreign exchange, interest rate and equity contracts.

The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to earn interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at high rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to earn interest margins through lending to commercial and retail borrowers with a range of credit standings. Such exposures involve not just on-balance sheet loans and advances, but also guarantees and other commitments such as letters of credit, and other performance bonds.

The Group trades in financial instruments where it takes positions in traded and over-the-counter instruments, including derivatives, to take advantage of short-term market movements in equities and debt securities and in currencies and interest rates. The principal derivatives used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. Most of the Group’s derivative positions have been entered to meet customer demand and to hedge these and other trading positions. The Executive Committee places trading limits on the level of exposure that can be taken in relation to both overnight and intra-day market positions. With the exception of specific hedging arrangements, foreign exchange and interest rate exposures associated with these derivatives are normally offset by entering into counterbalancing positions, thereby controlling the variability in the net cash amounts required to liquidate market positions.

(六) 金融風險管理 (續)

乙、信貸風險

本集團承擔著信貸風險，該風險乃指交易對手於到期時未能償還全部欠款。有關風險乃由於本集團從事信貸、貿易融資、財資、衍生工具及其他活動而引起。本集團會就此等交易於結算日已發生之損失提撥減值準備。經濟上有重大轉變或個別行業呈現衰退，可能令引致之損失與於結算日已提之減值準備發生偏差，管理層須小心處理有關因信貸而所帶來之風險。

本集團之信貸政策確定授出信貸之標準、信貸批核、審閱及監控程序、以及貸款分類及撥備之系統。

本集團按審慎之基礎管理所有信貸風險，根據業務、財務、市場及行業狀況及抵押品資料，評估不同類別交易對手之信貸風險值。本集團在合適的情況下須取得抵押品以減低風險。無論是否有抵押品作押，所有信貸均按客戶或交易對手之償還能力而作出決定。

若市場上有發展新產品之機會，一個由高級管理層及有關業務經理組成之委員會將負責檢討產品風險之評估及計劃之推行，而該等檢討亦須受內部稽核之檢查。所有新產品均須由常務董事會核准。

為避免過於集中所引致之風險，各個客戶、交易對手及行業之信貸風險均按規定限額小心管理及監控。所有信貸風險之限額由常務董事會核准，該會同時負責檢討及批核最大額度之授信及管理較高風險之集中。信貸批核授權授信審核委員會及其他信貸業務管理人員負責，實際信貸風險、限額及資產質素均由管理層定期監管及控制，並受內部稽核之審查。

6 Financial risk management (continued)

(b) Credit risk

The Group takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. It arises from the lending, trade finance, treasury, derivatives and other activities undertaken by the Group. Impairment allowances are made for losses that have been incurred at the balance sheet date. Significant changes in the economy, or in the health of a particular industry segment, could result in losses that are different from those provided for at the balance sheet date. Management therefore carefully manages its exposure to credit risk.

The Group's credit policy defines credit extension criteria, the credit approval, review and monitoring processes, and the system of loan classification and provision.

The Group manages all types of credit risk on a prudent basis by evaluating the creditworthiness of different types of counterparties based on an assessment of business, financial, market and industry sector and collateral information applicable to the types of credit extended. To mitigate the risk, the Group obtains collateral where appropriate. All credit decisions, whether or not secured by collateral, are based on counterparties' repayment capacity.

When a new product development opportunity is identified, a committee comprising the senior management and the business managers concerned is organised to review the product risk assessment and implementation plan, which are also subject to internal audit checking. All new products are required to be approved by the Executive Committee.

To avoid concentration risk, credit exposures to individual customers, counterparties and industry sectors are carefully managed and monitored by the use of limits. All credit risk limits are approved by the Executive Committee. The Executive Committee is also responsible for the review and approval of the largest credit exposures and portfolio management of risk concentrations. Approval authorities are delegated to the Group's Credit Committee and other lending officers. Actual credit exposures, limits and asset quality are regularly monitored and controlled by management and subject to checks by the internal audit function.

(六) 金融風險管理 (續)

乙、信貸風險 (續)

任何單一借款人(包括銀行及其他金融機構)之信貸風險,已制定分級限額以限制資產負債表以內及以外之風險,及制定每日交易風險限額以限制持作買賣用途之項目如遠期外匯合約。而每日會將實際授信與限額對照,藉以監察風險水平。

本集團會與進行大量交易的對手訂立總淨額結算安排,藉以進一步限制信貸風險。總淨額結算安排不一定會導致資產負債表上資產及債務的對銷,原因是交易通常按總額結算。然而,關於有利合約之信貸風險會在出現不能償還情況時藉著總淨額結算安排而減少,所有與該交易對手之款項會終止及以淨額結算。本集團在有總淨額結算安排之衍生工具所承擔之整體信貸風險,可能在短時間內大幅波動,原因是採用該項安排的每宗交易均會影響信貸風險。

本集團會提供信貸承擔,包括發出擔保書及信用證。該等工具之主要目的是確保在客戶有需要時提供足夠的資金。該等工具乃不可撤回的保證,表示本集團將會在客戶未能向第三方履行責任時作出償付。該等工具帶有與貸款相同之信貸風險。

提供信貸之承擔乃代表已授權以放款、擔保書及信用證等形式提供信貸而未使用之部份。有關授出信貸承擔之信貸風險,本集團所承擔之潛在損失相當於未使用承擔的金額。大部份提供信貸之承擔乃視乎客戶能否維持其特定信貸水平而定,因此,此等可能出現的虧損應少於未使用之承擔總額。本集團會控制信貸承擔之期限,因長年期承擔一般會比短年期承擔存在較大程度的信貸風險。

6 Financial risk management (continued)

(b) Credit risk (continued)

The exposure to any one borrower including banks and other financial institutions is further restricted by sub-limits covering on- and off-balance sheet exposures, and daily delivery risk limits in relation to trading items such as forward foreign exchange contracts. Actual exposures against limits are monitored daily.

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis. The Group's overall exposure to credit risk on derivative instruments subject to master netting arrangements can change substantially within a short period, as it is affected by each transaction subject to the arrangement.

The Group has issued credit related commitments including guarantees and letters of credit. The primary purpose of these instruments is to ensure that funds are available to a customer as required. These instruments represent irrevocable assurances that the Group will make payments in the events that a customer cannot meet its obligations to third parties. These instruments carry the same credit risk as loans.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

(六) 金融風險管理 (續)

丙、市場風險

本集團所承擔之市場風險乃指由於市場利率及價格(例如息率、匯率及股票產品之價格)變動所引致資產、負債及承擔上之損失。本集團之市場風險主要源自其外匯持倉及持作買賣用途之證券及衍生工具。所有此等持倉均受一般及特定之市場變更影響。

常務董事會透過制定各項交易限額以管理本集團於不同活動中所面對之市場風險。風險乃以合約或名義數值、未償還結餘及止蝕限額之基準衡量及監察。財資部每日均會按市價估值、監察及管理所有與市場風險有關之交易持倉。獨立監察、檢查及確認交易均由另一與財資部分離之獨立部門進行，而本集團之稽核部門亦會定時進行審核及檢查，以確保能遵照既定之風險限額進行交易。所有超越限額之項目須由相關之管理階層及常務董事會審核及批准。實際持倉由風險管理委員會監察。

本行及旗下數間附屬公司於截至二〇〇六年六月三十日止六個月內，從與市場風險有關活動所賺取之每日平均收入(包括與買賣有關之淨利息收入或其他收入)為港幣七十三萬元(二〇〇五年為港幣五十萬零三千元)。該等每日平均收入之標準差為港幣一百一十三萬四千元(二〇〇五年為港幣一百二十四萬九千元)。

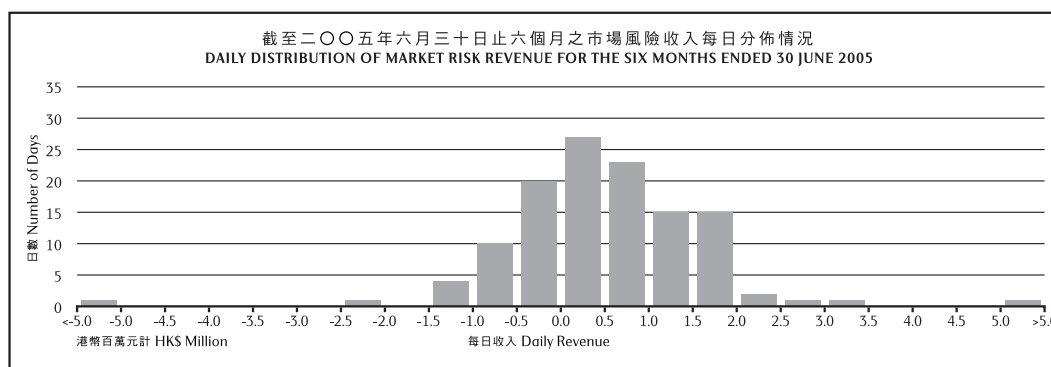
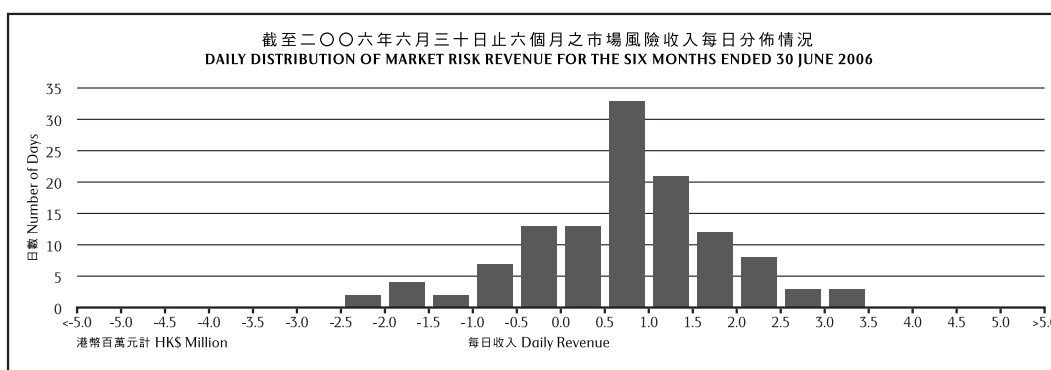
6 Financial risk management (continued)

(c) Market risk

The Group takes on exposure to market risk, which is the risk of loss in assets, liabilities and commitments arising from the net effect of changes in market rates and prices, such as interest rates, currency and equity products. The Group's market risk primarily arises from its positions in foreign exchange, securities and derivatives in its trading book. All these positions are exposed to general and specific market movements.

The Group's market risk exposures in different activities are managed by way of limits established by the Executive Committee. Exposures are measured and monitored on the basis of contractual or notional amounts, outstanding balances and stop-loss limits. All market risk trading positions are subject to daily mark-to-market valuation, monitored and managed by the Treasury Department. Independent monitoring, checking and trade confirmation are undertaken by a separate department independent of the Treasury Department. Regular checking and reviews are also conducted by the Group's internal audit function to ensure compliance with risk limits. All exceptions are reviewed and approved by the appropriate level of management and the Executive Committee. Actual positions are monitored by the Risk Management Committee.

The average daily revenue for the six months ended 30 June 2006 earned from market risk-related activities by the Bank and certain subsidiaries, including trading-related net interest income and other revenue was HK\$730,000 (2005: HK\$503,000). The standard deviation of this daily revenue was HK\$1,134,000 (2005: HK\$1,249,000).



(六) 金融風險管理 (續)

丁、貨幣風險

現行市場外幣匯率的波動會影響本集團的財務狀況和現金流量。本集團之外匯風險主要包括財資部之外匯買賣及源自商業銀行業務之貨幣兌換風險。

常務董事會以貨幣及總額為基礎，制定隔夜及即日之持倉限額。此等風險每日均由財資部按常務董事會核定之外匯持倉限額集中管理，並由另一部門獨立監察。

由客戶交易而產生之外匯風險(包括附設在某些客戶存款內之貨幣期權)，一般會與其他客戶交易或市場交易對銷。用以購買港元資產之外匯資金均會採用掉期或遠期貨幣兌換合約對沖外匯風險。

戊、利率風險

現行市場利率的波動會影響本集團的公平價值利率風險及現金流量利率風險。公平價值利率風險乃指金融工具之價值將隨著市場利率改變而波動的風險。現金流量利率風險乃指金融工具之現金流量將隨著市場利率改變而波動的風險。

由於利率變動，息差可能會增加，但若利率出現不可預計的波動，則息差可能會減少或引致虧損。本集團已定有政策及制度以監察其較易受利率影響之倉盤及重定息率淨差距，以確保其在常務董事會所核定之限額以內獲妥善管理。實際持倉額會按月與核定限額作比較並由風險管理委員會監察。

儘管利率風險管理之主要目的在於限制利率變動對淨利息收入之潛在不利影響，亦可在風險限額內增持利率倉盤以提高收益。

6 Financial risk management (continued)

(d) Currency risk

The Group takes on exposure to effects of fluctuations in the prevailing foreign currency exchange rates on its financial position and cash flows. The Group's exposures mainly comprise foreign exchange dealing by the Treasury Department and currency exposures originated by its commercial banking businesses.

The Executive Committee sets limits on the level of exposure by currency and in total for both overnight and intra-day positions. All exposures are centrally managed by the Treasury Department and independently monitored by a separate department on a daily basis.

Foreign currency exposures arising from customer transactions, including currency options embedded in certain customer deposits, are normally offset against other customer transactions or transactions with the market. Foreign currency funding used to fund Hong Kong dollar assets is hedged using currency swaps or forward exchange contracts to mitigate the foreign exchange risk.

(e) Interest rate risk

The Group takes on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow interest rate risks. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Interest margin may increase as a result of such changes but may reduce or create losses in the event that unexpected movements arise. The Group has established policies and systems to monitor its interest-sensitive positions and net repricing gap to ensure that they are all properly managed under the limits approved by the Executive Committee. Actual positions are compared with the approved limits and monitored by the Risk Management Committee on a monthly basis.

While the primary objective of interest rate risk management is to limit potential adverse effects of interest rate movements on net interest income, interest rate positions may be taken for yield enhancement within the risk limits.

(六) 金融風險管理 (續)

己、流動資金風險

流動資金風險乃指本集團未能以合理價格完成交易或達到融資需求而對盈利或資金形成之風險。本集團每天運用可動用的現金資源，以應付來自隔夜存款、活期賬戶、到期存款、貸款支取、與保證書的需求，以及來自保證金及其他現金結算衍生工具的需求。

本集團已定下政策及制度以監察各項資產、負債及承擔之流動性，確保本集團有能力應付所有到期債項。如補充財務資料註釋(一)所披露，期內本集團之平均流動資金比率遠高於法定最低要求的百分之二十五。

本集團有制定流動資金比率、貸存比率及其他到期狀況之限額，以確保本集團有能力應付其資金需求。所有限額均由常務董事會核准。實際風險水平與核定限額之比較和監察，則由資產負債管理委員會執行。

本集團維持審慎水平的可變現流動資產，以應付不可預計及龐大的現金需求。亦定時為本集團所持流動資金情況作壓力測試。

6 Financial risk management (continued)

(f) Liquidity risk

Liquidity risk is the risk to earnings or capital due to failure of the Group to meet its funding requirements or to execute a transaction at a reasonable price. The Group is exposed to daily calls on its available cash resources from overnight deposits, current accounts, maturity deposits, loan draw-downs and guarantees, and from margin and other calls on cash-settled derivatives.

The Group has established policies and systems to monitor the liquidity of its assets, liabilities and commitments and to ensure that the Group maintains an assured capacity to meet all obligations as they fall due. As disclosed in note 1 of the supplementary financial information of the accounts, the Group's average liquidity ratio for the period was well above the statutory minimum of 25%.

Limits for liquidity ratio, loan-to-deposit ratio and other maturity positions have been set to ensure that the Group is able to meet its funding requirements. All limits are approved by the Executive Committee. Actual positions are compared with the approved limits and monitored by the Asset and Liability Management Committee.

A prudent level of realisable liquid assets is also maintained by the Group to meet unexpected and material cash requirements. Stress testing on the Group's liquidity position is regularly performed.