



永亨銀行
WING HANG BANK

Stock Code 股份代號: 302

INTERIM REPORT 中期報告

2006

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董事會

董事長

馮鈺斌博士 (行政總裁)

董事

鄭漢鈞博士 GBS, JP*

劉漢銓太平紳士 GBS*

李國賢博士 JP*

董建成先生*

謝孝衍先生*

Kenneth A Lopian先生#

古岸濤先生#

David Drabkin先生# (於二零零六年六月十五日獲委任)

王家華先生 (副行政總裁)

馮鈺聲先生

何志偉先生

秘書

何志偉先生

* 獨立非執行董事

非執行董事

行政委員會

馮鈺斌博士

王家華先生

馮鈺聲先生

審核委員會

李國賢博士 JP

鄭漢鈞博士 GBS, JP

古岸濤先生

謝孝衍先生

薪酬委員會

鄭漢鈞博士 GBS, JP

李國賢博士 JP

核數師

畢馬威會計師事務所

執業會計師

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股份上市

香港聯合交易所

股份登記處

香港中央證券登記有限公司

香港皇后大道東一八三號

合和中心十九樓一九零一至五室

美國預託證券託管銀行

紐約銀行

美國紐約銀行集團成員

BOARD OF DIRECTORS

Chairman

Dr Patrick Y B Fung (Chief Executive)

Directors

Dr Cheng Hon Kwan, GBS, JP*

Mr Ambrose H C Lau, GBS, JP*

Dr Simon K Y Lee, JP*

Mr Tung Chee Chen*

Mr Aloysius H Y Tse*

Mr Kenneth A Lopian#

Mr Andrew M Gordon#

Mr David Drabkin# (appointed on 15th June, 2006)

Mr Frank J Wang (Deputy Chief Executive)

Mr Michael Y S Fung

Mr Louis C W Ho

Secretary

Mr Louis C W Ho

* Independent Non-executive Directors

Non-executive Directors

EXECUTIVE COMMITTEE

Dr Patrick Y B Fung

Mr Frank J Wang

Mr Michael Y S Fung

AUDIT COMMITTEE

Dr Simon K Y Lee, JP

Dr Cheng Hon Kwan, GBS, JP

Mr Andrew M Gordon

Mr Aloysius H Y Tse

REMUNERATION COMMITTEE

Dr Cheng Hon Kwan, GBS, JP

Dr Simon K Y Lee, JP

AUDITORS

KPMG

Certified Public Accountants

REGISTERED OFFICE

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SHARE LISTING

The Stock Exchange of Hong Kong Limited

SHARE REGISTRARS

Computershare Hong Kong Investor Services Limited

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ADR DEPOSITARY BANK

The Bank of New York

AFFILIATED WITH THE BANK OF NEW YORK GROUP

集團業績簡報 Group Results in Brief

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005	增加 Increase	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006
		HK\$m	HK\$m	%	US\$m
本銀行股東應得之溢利	Profit Attributable to Shareholders of the Bank	817	701	16.7	105.2
中期股息	Interim Dividend	241	206	17.2	31.0
		HK\$	HK\$	%	US\$
每股基本盈利	Basic Earnings per Share	2.78	2.38	16.7	0.36
每股中期股息	Interim Dividend per Share	0.82	0.70	17.1	0.11
		%	%		
成本與收入比率	Cost to Income Ratio	35.2	36.4		
平均資產回報率 (年度化)	Return on Average Assets (annualised)	1.51	1.45		
平均股東資金回報率 (年度化)	Return on Average Shareholders' Funds (annualised)	19.1	18.5		
		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005	增加 Increase	二零零六年 六月三十日 30th June, 2006
		HK\$m	HK\$m	%	US\$m
股東資金	Shareholders' Funds	8,682	8,316	4.4	1,117.9
總存款	Total Deposits	97,750	91,201	7.2	12,585.9
客戶貸款	Advances to Customers	56,071	54,402	3.1	7,219.5
總資產	Total Assets	111,427	104,323	6.8	14,346.9
		HK\$	HK\$	%	US\$
可分配予本銀行股東之每股資產淨值	Net Asset Value per Share, attributable to Shareholders of the Bank	29.52	28.28	4.4	3.80

m = million (百萬)

US\$1.00 = HK\$7.7666

本集團截至二零零六年首六個月之中期業績創新紀錄。股東應佔溢利達港幣八億一千七百四十萬元，較去年同期港幣七億零六十萬元，增加百分之十六點七，或較去年下半年增加百分之二十六點一。每股盈利增加百分之十六點七至港幣二元七角八仙。本集團之除稅前經營溢利增加百分之十七點一至港幣九億七千八百二十萬元。由於業績表現突出，董事會建議派發中期股息每股港幣八角二仙，較去年增加百分之十七點一。

香港之經濟增長令人鼓舞。第一季實際本地生產總值較二零零五年同期增長百分之八點二。由於家庭收入隨著就業率及工資上升而增加，帶動本地消費意慾，外貿表現持續理想。儘管息率上升及能源價格上漲，私人投資續有增長。物業市場近年持續復甦，加上企業借貸比率下降，銀行整體貸款組合之質素均已有所提升。

本集團不斷開拓多元化貸款組合，並於上半年取得理想增長，主要為澳門之貸款、內地之機械貸款及住宅樓宇按揭貸款，以及香港之住宅樓宇按揭及消費貸款皆有理想增長。總客戶貸款增加百分之三點一至港幣五百六十一億元。

總存款亦錄得滿意增長，達百分之七點二，至港幣九百七十八億元。客戶存款增加百分之七點五至港幣九百二十一億元。本集團推廣之外幣業務及具吸引力之樓宇按揭計劃均獲得廣大客戶歡迎。

由於貸款增加，總淨利息收入增加百分之十六點三至港幣十億二千零二十萬元。然而，部分增幅已因淨息差輕微減少而抵銷。由於財資業務部門因長短期息差收窄而導致收入下降，加上樓宇按揭利率受調整之壓力，淨息差由百分之一點八六下降至百分之一點八三。另一方面，受惠於息率高企、股東資金回報增加及最優惠利率與銀行同業拆息間之息差拉闊，抵銷了部分減幅。

經紀佣金及外幣交易收益增加，使本集團之非利息收入增加百分之三點七至港幣四億五千四百萬元。然而，提早償還貸款之罰息則下降。強大推廣計劃有助擴大客戶基礎及提升交叉銷售之機會。

For the first six months of 2006, the Group achieved record interim results. Profit attributable to shareholders grew by 16.7 percent to HK\$817.4 million compared with HK\$700.6 million in the same period last year or increase of 26.1 percent when compared with the second half of last year. Earnings per share rose 16.7 percent to HK\$2.78. The Group's operating profit before tax increased by 17.1 percent to HK\$978.2 million. Reflecting this strong performance, the Board has recommended an interim dividend of HK\$0.82 per share, 17.1 percent higher than last year.

Economic growth in Hong Kong has been impressive. First quarter real GDP grew by 8.2 percent over the same period in 2005. Increased household income – supported by growth in both employment and wages – has led to higher domestic consumption. The external trade situation has remained encouraging. Growth in private investment has also accelerated despite interest rate hikes and higher energy prices. As a result of the recovery in the property market in recent years as well as reduced corporate leveraging, the overall quality of loan portfolios in the banking sector has improved.

We have continued to diversify our loan portfolio and achieved good growth during the first half of the year. This was mainly supported by increased lending in Macau, equipment financing, residential mortgage lending on the Mainland as well as residential and consumer lending in Hong Kong. Total advances to customers increased by 3.1 percent to HK\$56.1 billion.

Total deposit growth was also very satisfactory increasing by 7.2 percent to HK\$97.8 billion. Customer deposits grew by 7.5 percent to HK\$92.1 billion. Promotional campaigns for our foreign currency services and attractive mortgage packages have been well received by customers.

Total net interest income rose 16.3 percent to HK\$1,020.2 million supported by the increase in loans. However this was partially offset by a slight decrease in the net interest margin. This declined from 1.86 percent to 1.83 percent because of reduced income from our treasury operations – caused by a flatter yield curve – and pressure from mortgage repricing. Partially offsetting this decrease was a higher return on shareholders' funds thanks to the higher interest rate environment and the wider spread between prime and HIBOR.

Higher contributions from brokerage commissions and foreign currency trading saw our non-interest income rise by 3.7 percent to HK\$454.0 million. However there was a decrease in loan prepayment penalties. Vigorous promotional campaigns have helped to broaden our customer base and enhance cross-selling opportunities.

由於收入增長持續高於成本增幅，本集團之成本與收入比率由百分之三十六點四改善至百分之三十五點二。

本期內由於經濟好轉及樓價穩定，減值貸款之減值損失及準備大致上維持於港幣八十萬元之水平。信用卡撇賬率佔信用卡應收賬款之百分比由去年同期百分之一點八九減至百分之一點五二。減值貸款亦減少至港幣四億八千萬，相當於總貸款百分之零點八六。

本集團調整後之資本充足比率及平均流動資金比率分別改善至百分之十五點一及百分之五十點八，而貸存比率因存款增幅高於借貸增幅而下降至百分之五十七點四。

本集團於香港共設有三十八間分行，於澳門有十二間分行，深圳及上海各有一間分行。截至二零零六年六月底，本集團共有員工二千三百三十八名。

以下為本集團個別業務營運之表現概況及對下半年之展望。

零售銀行業務之除稅前溢利較二零零五年上半年增加百分之五點六，主要原因為零售銀行業務，特別是按揭、股票交易、財富管理服務及外幣業務錄得強勁之增長。

貸款需求持續疲弱，按揭市場競爭激烈，住宅樓宇按揭仍為整體貸款組合之主要部分，佔百分之二十六，較年初增長百分之四點六。若干樓宇按揭計劃如SuperFirst按揭貸款計劃、「智醒按」按揭計劃及同業拆息按揭計劃均深受歡迎，較市場其他同類產品更具競爭力。日後將繼續留意市場之變化，提供更能夠滿足客戶需要之創新按揭計劃。

本地股市交投活躍，股票買賣服務取得超卓表現，佣金收入增長達百分之八十五點九。

The Group's cost-to-income ratio continued to improve from 36.4 percent to 35.2 percent thanks to a sustained higher growth in income over costs.

Impairment losses and allowances for impaired loans remained virtually unchanged at HK\$0.8 million due to the general improvement in the economy and stable property prices. For the first six months of 2006, the charge-off ratio for credit cards decreased to 1.52 percent of card receivables compared with 1.89 percent in the same period last year. The level of impaired loans also decreased to HK\$0.48 billion, equivalent to 0.86 percent of total loans.

The Group's adjusted capital adequacy ratio and average liquidity ratio improved to 15.1 percent and 50.8 percent respectively while the loan-to-deposit ratio decreased to 57.4 percent as deposit growth outstripped growth in lending.

The Group's network currently consists of 38 branches in Hong Kong, 12 branches in Macau and one branch each in Shenzhen and Shanghai. As at the end of June 2006, we had a total of 2,338 employees.

Below is a summary of the performances of our individual business operations and the outlook for the second half of the year.

The Retail Banking division recorded a 5.6 percent increase in profit before taxation over the first half of 2005. This was due to strong growth in the retail banking business, especially mortgage, stock trading and wealth management services as well as the foreign currency businesses.

Although demand for loans has remained weak and the competition in the mortgage market has been keen, residential mortgages, which accounted for a substantial 26.0 percent of the total loan portfolio increased 4.6 percent from the beginning of the year. Several of our mortgage packages have proved very popular and competitive compared to other similar products on the market. These include our SuperFirst Mortgage Financing Program, Flexi-Mortgage Plan and HIBOR-Linked Mortgage. We will continue to respond quickly to market changes and provide an innovative range of mortgage packages to directly meet our customers' needs.

The brokerage business has performed extremely well as a result of heavy trading on the local stock market. Growth in brokerage income reached 85.9 percent.

上半年度，財富管理業務面對同業激烈競爭，仍能保持百分之六點三的穩定增長。

本集團致力推廣外幣業務，所提供之匯率及息率較市場其他同業更具競爭力，外幣存款總額增長百分之五點五。

永亨信用財務於消費信貸業務市場素具盛名，透過其十六間分行及業務中心提供全面的貸款服務。隨著網絡擴大，銷售點數目不斷增加，有助推廣永亨銀行及永亨信用財務之全線貸款產品。舉例而言，本集團之私人貸款計劃及稅務貸款計劃，為新造貸款締造了殷切之需求，較去年同期增長百分之十點三。

該公司之網絡不斷擴大，貸款服務更多元化，並開拓新商機。「專業服務」及「以客為尊」之理念標誌著該公司的致勝之道，一向銳意於新市場樹立品牌名聲，未來數年更會致力經營以保持市場之優越地位。

企業銀行業務之除稅前溢利增加百分之二十三點七。本集團將繼續積極參與政府中小型企業信貸保證計劃，並與深圳分行攜手合作，為已轉移製造業務至國內之本地客戶提供信貸融資。

永亨財務專責汽車及機械貸款業務，期內致力發展回報較高之中國業務，業績穩定，儘管資金成本攀升，仍有助提高貸款組合之整體回報。

While the wealth management business experienced keen competition in the first half of the year, growth remained stable at 6.3 percent.

Meanwhile the popularity of our foreign currency services has been boosted by large-scale promotional activities. Compared to other market players, both our exchange rates and interest rates remain highly competitive leading to a 5.5 percent increase in total foreign currency deposits.

As a well-known niche player in consumer lending, Wing Hang Credit Ltd. continues to provide a full range of loan services through its 16 branches and business centers. Our enlarged network and increasing number of point-of-sales outlets have helped to promote a full range of loan products across Wing Hang Bank and Wing Hang Credit. For instance there was an overwhelming response to our Personal Loan Program and Tax Loan Program creating significant demand for new loans. As a result, total consumer loans grew by 10.3 percent compared to the same period last year.

Indeed the consumer lending division has continued to expand its branch network, diversify loan services and explore new business opportunities. While professionalism and a customer-oriented approach are strong characteristics of the company, Wing Hang Credit has also strived to establish a brand image in new market segments. Taking advantage of this strong position, the company will further enhance its performance over the forthcoming years as it strives to become a pioneer in the consumer lending industry.

The Corporate Banking division recorded a 23.7 percent increase in profit before taxation. We continued to participate actively in the Government's SME Loan Guarantee Scheme and, in cooperation with our Shenzhen Branch, provide credit facilities to local clients who have shifted their manufacturing operations to the Mainland.

Turning to our vehicle and equipment-financing business, Wing Hang Finance has achieved consistent growth as more effort has been placed on developing the business in China where returns are higher. This has also helped to improve the overall yield of the loan portfolio despite the rising costs of funds.

澳門永亨銀行在該地蓬勃經濟帶動下，再創優越成績。澳門之本地生產總值繼二零零五年錄得百分之六點七之溫和增長後，於第一季度急升百分之十八點八。澳門永亨銀行除稅後溢利增加百分之十四點六至澳門幣一億一千五百五十萬元，如不計入上年度之退稅額，有關增幅將為百分之二十四點三。淨利息收入增加百分之三十六點六，非利息收入則與去年相若，如不計入上年度之財資業務特大收入，非利息收入之增幅將為百分之三十二點一。總客戶貸款及客戶存款分別較去年底增加百分之十五點七及百分之十四點一。

本集團將繼續提升分行網絡，近期於香港之黃金地段開設新分行，並將會繼續物色其他策略性地點增設分行，並計劃開設更多財富管理中心，務求為高資產客戶提供更優質服務。

本集團將繼續於國內推行擴展計劃，第一季已開設首間深圳支行；廣州分行亦將於本年度第四季投入服務。其他城市亦將會開設更多支行，以配合擴展國內分行網絡之策略，藉此為中國於二零零六年底全面開放銀行業作好準備。

由於本港仍存在加息風險，貸款增長仍受影響，下半年之業務前景將充滿挑戰。雖然消費物價已漸見通脹壓力，然而，消費產品入口價格下降將紓緩通脹壓力。由於區內，特別是與中國內地間之貿易往來日趨頻繁，預期出口和轉口將持續增長。本港工資上升及就業機會增加，可望增強消費意慾。投資意慾持續上揚，顯示投資者對經濟前景充滿信心。隨著經濟進一步增長，物業市場交易將會再次蓬勃發展。本集團將繼續於澳門及國內等高增長市場拓展業務，憑藉更強大的業務平台和客戶基礎，專注開拓非利息收入及消費貸款業務，並同時維持著控制成本之策略。

董事長兼行政總裁
馮鈺斌 謹啟

香港 二零零六年八月十七日

In Macau, Banco Weng Hang continues to perform well, helped by a buoyant economy. Macau's GDP growth surged by 18.8 percent in the first quarter following the relatively mild growth of 6.7 percent achieved in 2005. Profit after tax grew by 14.6 percent to 115.5 million Macau patacas. This increase would have been 24.3 percent if a tax refund had been excluded from last year's figures. Net interest income grew by 36.6 percent while non-interest income remained flat due to last year's significantly higher treasury income, the exclusion of which would have seen growth of 32.1 percent. Total advances to customers and customer deposits have grown by 15.7 percent and 14.1 percent respectively since the end of last year.

We continue to make improvements to our branch network. Recently a new branch was opened in a prominent location in Hong Kong and we will continue to look for other strategic locations to open more branches. We also plan to open more wealth management centers in convenient locations in order to provide a seamless service to our high net-worth customers.

We will also continue our expansion program in Mainland. In the first quarter, we opened our Shenzhen sub-branch. Meanwhile our new Guangzhou branch will be operative in the fourth quarter of the year. More sub-branches will be opened in other cities as part of our strategy of expanding our Mainland network in preparation for the complete opening of China's banking sector by the end of 2006.

The business outlook for the second half of the year remains challenging due to the risk of rising domestic interest rates impacting loan growth. Consumer price inflation has crept up, however, reduction in import prices of consumer goods will alleviate inflationary pressure. Due to increasing intra-regional trade especially with the Mainland, exports and re-exports are expected continue to grow. Domestically, increasing wages with increasing job openings should bolster consumer spending. Rising investment spending indicates a robust investor confidence on economic outlook. With a stronger economic growth, activity in the property market should return. We will continue to expand our business in the high-growth markets of Macau and Mainland. With a larger operating platform and customer base, we will focus on broadening our non-interest income and expanding our consumer lending businesses while maintaining tight control over costs.

Patrick Y B Fung
Chairman and Chief Executive

Hong Kong, 17th August, 2006

未經審核之綜合損益計算表 Unaudited Consolidated Profit and Loss Account

截至二零零六年六月三十日止六個月 For the six months ended 30th June, 2006

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005 (重報) (restated)
利息收入	Interest income	4(a)	2,766,967	1,674,090
利息支出	Interest expenses	4(b)	(1,839,271)	(866,880)
淨利息收入	Net interest income		927,696	807,210
持作買賣用途及以公平價值 計入損益之金融工具 之淨利息收入	Net interest income on financial instruments held for trading and measured at fair value through profit or loss	4(c)	92,481	69,805
總淨利息收入	Total net interest income		1,020,177	877,015
其他營業收入	Other operating income	4(d)	453,964	437,806
營業收入	Operating income		1,474,141	1,314,821
營業支出	Operating expenses	4(e)	(518,196)	(478,755)
扣除減值貸款之減值準備 前營業溢利	Operating profit before impairment allowances on impaired loans and advances		955,945	836,066
減值貸款之減值損失及準備 (提撥)/回撥	Impairment losses and allowances (charge)/release for impaired loans and advances		(763)	442
營業溢利	Operating profit		955,182	836,508
重估投資物業及出售有形 固定資產之溢利	Gains on revaluation of investment properties and disposal of tangible fixed assets	5(a)	14,694	7,049
出售持有至到期日及可供 銷售金融資產之虧損	Losses on disposal of held-to-maturity and available-for-sale financial assets	5(b)	-	(6,707)
正常業務之溢利	Profit on ordinary activities		969,876	836,850
應佔聯營公司之淨溢利/ (虧損)	Share of net profits / (losses) in associated companies	6(a)	8,305	(1,727)
除稅前溢利	Profit before taxation		978,181	835,123
稅項	Taxation	6(b)	(160,010)	(133,514)
除稅後溢利	Profit after taxation		818,171	701,609
可分配之溢利：	Profits attributable to:			
本銀行股東	Shareholders of the Bank		817,423	700,628
少數股東權益	Minority interests		748	981
除稅後溢利	Profit after taxation		818,171	701,609
期內分配股息：	Dividends attributable to the period:			
擬派中期股息	Interim dividend declared	7	241,179	205,786
低估去年之末期股息	Underprovision of final dividend in respect of previous year		96	57
			241,275	205,843
			港元 HK\$	港元 HK\$
每股盈利	Earnings per share	8		
基本	Basic		2.78	2.38
攤薄	Diluted		2.76	2.38
每股擬派中期股息	Interim dividend declared per share		0.82	0.70

第12頁至第48頁之附註構成
本未經審核中期財務報告之
一部份。 The notes on pages 12 to 48 form part of the unaudited interim financial report.

未經審核之綜合資產負債表 Unaudited Consolidated Balance Sheet

二零零六年六月三十日結算 As at 30th June, 2006

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
資產	ASSETS			
現金及短期資金	Cash and short-term funds	9	21,387,260	20,053,798
定期存放銀行同業及其他金融機構款項(一至十二個月內到期)	Placements with banks and other financial institutions maturing between one and twelve months	20	4,005,194	2,657,380
貿易票據已減除減值準備	Trade bills less impairment allowances	20	728,381	652,375
買賣用途資產	Trading assets	10 & 20	1,030,144	911,264
以公平價值誌入損益之金融資產	Financial assets measured at fair value through profit or loss	11 & 20	5,761,090	5,924,424
客戶之貸款及其他賬項已減除減值準備	Advances to customers and other accounts less impairment allowances	12(a)	57,213,861	55,472,883
持有至到期日及可供銷售金融資產	Held-to-maturity and available-for-sale financial assets	13 & 20	18,362,752	15,909,430
聯營公司投資	Investments in associated companies		155,260	146,955
有形固定資產	Tangible fixed assets			
— 投資物業	— Investment properties		262,318	231,447
— 其他物業、機械及設備	— Other properties, plants and equipment		1,654,564	1,506,041
商譽	Goodwill	14	847,422	847,422
可收回本期稅項	Current tax recoverable		1,317	1,211
遞延稅項資產	Deferred tax assets		17,256	7,986
總資產	Total assets		111,426,819	104,322,616
股東權益及負債	EQUITY AND LIABILITIES			
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	20	1,547,508	1,703,026
客戶之存款	Deposits from customers	15 & 20	92,060,283	85,673,452
已發行之存款證	Certificates of deposit issued	16 & 20	4,142,205	3,824,339
買賣用途負債	Trading liabilities	17 & 20	929,967	865,962
應付本期稅項	Current tax payable		200,140	102,798
遞延稅項負債	Deferred tax liabilities		105,008	91,570
其他賬項及準備	Other accounts and provisions	18	1,212,994	1,203,530
借貸資本	Loan capital	19 & 20	2,524,145	2,519,888
總負債	Total liabilities		102,722,250	95,984,565
股本	Share capital	21	294,121	294,021
儲備	Reserves	22	8,387,589	8,021,919
股東資金	Shareholders' funds		8,681,710	8,315,940
少數股東權益	Minority interests		22,859	22,111
股東權益總額	Total equity		8,704,569	8,338,051
總股東權益及負債	Total equity and liabilities		111,426,819	104,322,616

第12頁至第48頁之附註構成
本未經審核中期財務報告之
一部份。

The notes on pages 12 to 48 form part of the unaudited interim financial report.

未經審核之綜合股東權益變更表 Unaudited Consolidated Statement of Changes in Equity

截至二零零六年六月三十日止六個月 For the six months ended 30th June, 2006

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
於一月一日之股東權益總額	Total equity as at 1st January		8,338,051	7,602,038
已扣除／計入遞延稅項之重估 可供銷售金融資產之未實現 收益／(虧損)	Unrealised gains/(losses) on revaluation of available-for-sale financial assets after deferred tax charge/credit	22	83	(20,293)
出售可供銷售金融資產	Realisation on disposal of available-for-sale financial assets		-	5,872
重估銀行行址之未實現收益	Unrealised gains on revaluation of bank premises	22	11,010	6,352
銀行行址重估儲備中已扣除之 遞延稅項	Deferred tax charged to bank premises revaluation reserve	22	(2,645)	(1,112)
換算調整	Exchange adjustments	22	447	(93)
直接於股東權益內確認之淨收 入／(支出)	Net income/(expenses) recognised directly in equity		8,895	(9,274)
期內純利	Net profit for the period		818,171	701,609
期內已確認之收支總額	Total recognised income and expenses for the period		827,066	692,335
已派股息	Dividends paid	22	(470,529)	(420,349)
根據認股權計劃發行之股份款 項	Proceeds on shares issued under share option scheme	21	3,799	2,258
僱員獎勵計劃及認股權計劃之 股本溢價	Share premium under Employee Incentive Plan and share option scheme	22	6,182	5,730
於六月三十日之股東權益總額	Total equity as at 30th June		8,704,569	7,882,012
期內已確認之收支總額可分配 予：	Total recognised income and expenses for the period attributable to:			
本銀行股東	Shareholders of the Bank		826,318	691,354
少數股東權益	Minority interests		748	981
			827,066	692,335

第12頁至第48頁之附註構成
本未經審核中期財務報告之
一部份。

The notes on pages 12 to 48 form part of the unaudited interim financial report.

未經審核之綜合現金流量表 Unaudited Consolidated Cash Flow Statement

截至二零零六年六月三十日止六個月 For the six months ended 30th June, 2006

(以港幣千元位列示)	(Expressed in thousands of Hong Kong dollars)	附註 Notes	二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005
因營業活動而流入之現金淨額	Net cash inflow from operating activities	24(a)	6,441,934	2,100,893
投資活動	Investing activities			
購入持有至到期日及可供銷售金融資產	Purchase of held-to-maturity and available-for-sale financial assets		(4,050,625)	(1,379,336)
出售及贖回持有至到期日及可供銷售金融資產	Sale and redemption of held-to-maturity and available-for-sale financial assets		1,597,516	4,122,573
購入物業、機械及設備	Purchase of properties, plants and equipment		(218,366)	(33,116)
出售物業、機械及設備	Sale of properties, plants and equipment		25,330	3,462
因投資活動而(流出)/流入之現金淨額	Net cash (outflow)/inflow from investing activities		(2,646,145)	2,713,583
融資	Financing			
行使認股權所發之新股	Issue of new shares under share option scheme		3,799	2,258
支付普通股股息	Ordinary dividends paid		(470,529)	(420,349)
支付借貸資本利息	Interest paid on loan capital		(66,396)	(66,670)
因融資活動而流出之現金淨額	Net cash outflow from financing activities		(533,126)	(484,761)
現金及等同現金項目增額	Increase in cash and cash equivalents		3,262,663	4,329,715
現金及等同現金項目於一月一日結餘	Cash and cash equivalents at 1st January		20,968,190	20,375,662
匯率折算差額之影響	Effects of exchange rate changes		4,705	(650)
現金及等同現金項目於六月三十日結餘	Cash and cash equivalents at 30th June	24(b)	24,235,558	24,704,727
源自經營業務活動現金流量包括:	Cash flows from operating activities included:			
利息收入	Interest received		2,569,880	1,799,761
利息支出	Interest paid		1,901,534	875,954
股息收入	Dividend income		4,144	4,955
現金及等同現金項目之分析	Analysis of the balances of cash and cash equivalents			
現金及存放銀行同業及其他金融機構結餘	Cash and balances with banks and other financial institutions		1,805,439	1,467,673
通知及短期存放	Money at call and short notice		17,199,750	21,230,721
政府債券	Treasury bills		1,792,742	1,340,741
原本期限為一至三個月之定期存放銀行同業及其他金融機構款項	Placements with banks and other financial institutions with an original maturity between one and three months		3,437,627	665,592
			24,235,558	24,704,727

第12頁至第48頁之附註構成
本未經審核中期財務報告之
一部份。

The notes on pages 12 to 48 form part of the unaudited interim financial report.

未經審核之中期財務報告附註 Notes to Unaudited Interim Financial Report

(以港幣千元位列示·內文另註除外) (Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

1. 編製基礎

本中期財務報告乃按照香港聯合交易所有限公司證券上市規則(「上市規則」)編製·並完全符合香港金融管理局發出之監管政策手冊內有關「本地註冊認可機構披露中期財務資料」之要求及香港會計師公會頒佈之香港會計準則第34號「中期財務報告」之標準。

本中期財務報告未經審核·惟已由本銀行之審核委員會審閱·亦已由本銀行之核數師畢馬威會計師事務所根據香港會計師公會頒佈之核數準則第700號「中期財務報告之審閱」審閱·畢馬威會計師事務所致董事會之獨立不修訂審閱報告已載於第64頁。

本中期財務報告之編製·乃遵照香港會計準則第34號·要求管理層對該政策應用於資產·負債·收入及支出之數額·以本年迄今基礎計算·作出判斷·估計及假設數據·實際數額與該等估計可能會有差異。

本中期財務報告包括簡明綜合財務報表及解釋附註·該附註已包括對了解本集團由二零零五年度財務報表至今財務情況及表現之變更之重要事項及交易的解釋·簡明綜合中期財務報表及附註並不包括根據香港財務報告準則對整份財務報表所要求之全部資料·即包括所有香港會計師公會頒佈個別適用之香港財務報告準則·香港會計準則及詮釋·香港普遍接納之會計原則及香港公司條例之要求。

本財務報告中關於截至二零零五年十二月三十一日止財政年度之財務資料並非本行於該財政年度之法定賬目之一部份·惟乃摘錄自該等賬目·截至二零零五年十二月三十一日止年度之法定賬目可於本行之註冊辦事處查閱·核數師於二零零六年三月十六日發表之報告中就該等賬目作出無保留意見。

本中期財務報告之編製與二零零五年度賬目所採用之會計政策一致。

1. BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the requirements of the Rules Governing the Listing of Securities (“Listing Rules”) on the Stock Exchange of Hong Kong Limited, and complies fully with the module on “Interim financial disclosure by locally incorporated authorised institutions” under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority (“HKMA”) and Hong Kong Accounting Standard (“HKAS”) 34 “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report is unaudited, but has been reviewed by the Audit Committee of the Bank. It has also been reviewed by the Bank’s external auditors, KPMG, in accordance with Statement of Auditing Standards 700 “Engagements to review interim financial reports”, issued by the HKICPA. KPMG’s independent unmodified review report to the Board of Directors is included on page 64.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2005 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKASs, and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance.

The financial information relating to the financial year ended 31st December, 2005 included in the interim financial report does not constitute the Bank’s statutory accounts for that financial year but is based on those accounts. Statutory accounts for the year ended 31st December, 2005 are available from the Bank’s registered office. The auditors have expressed an unqualified opinion on those accounts in their report dated 16th March, 2006.

This interim financial report is prepared on a basis consistent with the accounting policies adopted in the 2005 annual accounts.

2. (a) 新訂香港財務報告準則之影響

香港會計師公會已頒佈一系列新訂香港財務報告準則，該等準則於二零零六年一月一日或之後開始之會計期間生效。本集團已採納下列截至二零零六年六月三十日已頒佈，並與其業務相關及有關本中期財務報告之香港財務報告準則。

- 香港會計準則第39號修訂本「公平價值期權」
- 香港會計準則第39號及香港財務報告準則第4號修訂本「財務擔保合約」
- 香港「國際財務報告解釋委員會」一詮釋第4號「釐定一項安排是否包含租賃」

上述會計準則並無對未經審核綜合資產負債表及綜合損益計算表之編製準則造成重大影響。

(b) 已頒佈但尚未生效之香港財務報告準則之影響

本集團並無於本中期財務報告內應用下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則：

- (i) 香港會計準則第1號修訂本「財務報表之呈報：資本披露」（於二零零七年一月一日或之後開始之會計期間生效）。
- (ii) 香港財務報告準則第7號「金融工具：披露」（於二零零七年一月一日或之後開始之會計期間生效）。

香港會計準則第1號修訂本將影響有關本集團管理資本之目標、政策及程序等非量化資料；本集團視為資本之量化數據；對任何資本要求之遵行情況；以及任何不合規情況之後果之披露。

香港財務報告準則第7號將增加金融工具之披露。

於本中期財務報告日期，本集團預期採納上述準則將不會對本集團之財務狀況構成任何重大影響。

2. (a) Impact of new HKFRSs

The HKICPA has issued a number of new HKFRSs which are generally effective for accounting periods beginning on or after 1st January, 2006. The Group has adopted the following HKFRSs issued up to 30th June, 2006 which are pertinent to its operations and relevant to this interim financial report.

- HKAS 39 Amendment “The Fair Value Option”
- HKAS 39 & HKFRS 4 Amendments “Financial Guarantee Contracts”
- HK(IFRIC)-Int 4 “Determining whether an Arrangement contains a Lease”

There was no material impact on the basis of preparation of the unaudited consolidated balance sheet and consolidated profit and loss account arising from the above-mentioned accounting standards.

(b) Impact of issued but not yet effective HKFRSs

The Group has not applied the following new and revised HKFRSs, which have been issued but are not yet effective, in this interim financial report:

- (i) HKAS 1 Amendment “Presentation of Financial Statements: Capital Disclosures” (effective for accounting period beginning on or after 1st January 2007).
- (ii) HKFRS 7 “Financial Instruments: Disclosures” (effective for accounting period beginning on or after 1st January 2007).

HKAS 1 Amendment will affect the disclosures about qualitative information about the Group’s objective, policies and processes for managing capital, quantitative data about what the Group regards as capital; and compliance with any capital requirements and consequences of any non-compliance.

HKFRS 7 will increase the disclosure of financial instruments.

At the date of the interim financial report, the Group expects that the adoption of the above pronouncements will not have significant impact on the financial position of the Group.

3. 分項報告

(a) 業務分項

零售銀行業務包括接受存款、住宅樓宇按揭、租賃貸款及私人貸款業務。

企業銀行業務包括工商業貸款、貿易融資及機構銀行業務。

財資業務包括外匯買賣、證券投資及交易買賣。

其他業務包括保險業務、股票買賣服務及退休福利計劃服務。

未分類的業務項目主要包括股東資金、行址投資、物業投資及其他未能合理分配予特定業務分類的業務活動。

3. SEGMENT REPORTING

(a) Business segments

Retail banking activities include acceptance of deposits, residential mortgages, hire purchase and consumer loans.

Corporate banking activities include advance of commercial and industrial loans, trade financing and institutional banking.

Treasury activities include foreign exchange services, management of investment securities and trading activities.

Other business activities include insurance businesses, stockbroking activities and services for retirement schemes.

Unallocated items mainly comprise the shareholders' funds, investments in premises and property investment and other activities which cannot be reasonably allocated to specific business segments.

		營業收入		除稅前溢利	
		Operating income		Profit before taxation	
		截至二零零六年	截至二零零五年	截至二零零六年	截至二零零五年
		六月三十日止	六月三十日止	六月三十日止	六月三十日止
		六個月	六個月	六個月	六個月
		Six months ended	Six months ended	Six months ended	Six months ended
		30th June, 2006	30th June, 2005	30th June, 2006	30th June, 2005
零售銀行業務	Retail banking	901,687	850,813	518,393	490,883
企業銀行業務	Corporate banking	261,286	217,903	187,092	151,282
財資業務	Treasury	131,340	202,565	116,525	177,466
其他業務	Other	50,323	37,520	32,676	14,801
未分類業務	Unallocated	160,584	35,135	123,495	691
跨業務收支抵銷	Inter-segment elimination	(31,079)	(29,115)	-	-
		1,474,141	1,314,821	978,181	835,123

3. 分項報告 (續)

(b) 區域分項

區域分項資料乃按附屬公司主要營業所在地劃分，或按負責匯報業績或將資產入賬之本銀行分行所在地而劃分。

3. SEGMENT REPORTING (Continued)

(b) Geographical segments

The information concerning geographical segments has been classified by the geographical location of the principal operations of the subsidiaries, or in the case of the Bank itself, of the geographical location of the branch responsible for reporting the results or booking the assets.

		營業收入		除稅前溢利	
		Operating income		Profit before taxation	
		截至二零零六年	截至二零零五年	截至二零零六年	截至二零零五年
		六月三十日止	六月三十日止	六月三十日止	六月三十日止
		六個月	六個月	六個月	六個月
		Six months ended	Six months ended	Six months ended	Six months ended
		30th June, 2006	30th June, 2005	30th June, 2006	30th June, 2005
香港	Hong Kong	1,264,578	1,224,104	804,386	781,258
澳門	Macau	195,281	154,729	127,549	102,783
其他	Other	90,781	61,158	46,246	22,735
跨區域收支抵銷	Inter-segment elimination	(76,499)	(125,170)	-	(71,653)
		1,474,141	1,314,821	978,181	835,123

4. 營業溢利

(a) 利息收入

4. OPERATING PROFIT

(a) Interest income

		截至二零零六年	截至二零零五年
		六月三十日止	六月三十日止
		六個月	六個月
		Six months ended	Six months ended
		30th June, 2006	30th June, 2005
上市投資之利息收入	Interest income on listed investments	109,813	9,851
非上市投資之利息收入	Interest income on unlisted investments	366,799	246,814
其他利息收入	Other interest income	2,290,355	1,417,425
		2,766,967	1,674,090

(b) 利息支出

利息支出包括借貸資本利息港幣66,396,000元(二零零五年:港幣66,670,000元)。

(b) Interest expenses

The amount included interest expenses on loan capital of HK\$66,396,000 (2005: HK\$66,670,000).

4. 營業溢利 (續)

(c) 持作買賣用途及以公平價值誌入損益之金融工具之淨利息收入

4. OPERATING PROFIT (Continued)

(c) *Net interest income on financial instruments held for trading and measured at fair value through profit or loss*

	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
		(重報) (restated)
買賣用途資產	18	77
買賣用途負債	(86)	(208)
以公平價值誌入損益之金融資產	118,625	127,388
以公平價值誌入損益之金融負債	(56,281)	(34,085)
買賣用途金融衍生工具之利息收入	48,470	26,600
買賣用途金融衍生工具之利息支出	(18,265)	(49,967)
	92,481	69,805

4. 營業溢利 (續)
(d) 其他營業收入

4. OPERATING PROFIT (Continued)
(d) Other operating income

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
			(重報) (restated)
服務費及佣金	Fees and commissions		
貸款佣金及服務費	Credit commission and fees	51,462	59,863
有關信用卡服務費	Credit card related fees	39,486	32,066
有關貿易服務費	Trade related fees	41,226	39,053
保險業務佣金	Insurance commission	27,274	28,941
股票買賣服務費	Stockbroking fees	50,081	27,917
其他服務費及佣金收入	Other fees and commission income	100,542	89,504
減：服務費及佣金支出	Less: Fees and commission paid	(18,476)	(18,803)
		291,595	258,541
外匯買賣收益	Gains arising from dealing in foreign currencies	73,063	55,340
其他買賣活動收益	Gains on other dealing activities	1,250	380
買賣用途金融工具之已實 現及未實現淨溢利	Net realised and unrealised profits on trading financial instruments	151,608	52,766
以公平價值誌入損益之金 融工具之已實現及未實 現淨(虧損)/溢利	Net realised and unrealised (losses)/profits on financial instruments measured at fair value through profit or loss	(77,957)	56,118
可供銷售上市及非上市投 資之股息收入	Dividend income from listed and unlisted available-for- sale investments	3,827	4,646
買賣用途上市投資之股息 收入	Dividend income from listed trading investments	216	–
其他	Others	10,362	10,015
		453,964	437,806

4. 營業溢利 (續)

(e) 營業支出

營業支出包括折舊港幣39,346,000元 (二零零五年:港幣38,011,000元)及僱員獎勵計劃支出港幣6,182,000元 (二零零五年:港幣1,203,000元)。二零零五年上半年度之認股權計劃支出港幣4,527,000元。

5. (a) 重估投資物業及出售有形固定資產之溢利

項目已包括重估投資物業之未實現溢利港幣9,696,000元 (二零零五年:港幣10,838,000元)。

(b) 出售持有至到期日及可供銷售金融資產之虧損

4. OPERATING PROFIT (Continued)

(e) Operating expenses

Operating expenses included depreciation and Employee Incentive Plan ("EIP") expenses amounting to HK\$39,346,000 (2005: HK\$38,011,000) and HK\$6,182,000 (2005: HK\$1,203,000) respectively. During the first half of 2005, share option expenses amounted to HK\$4,527,000.

5. (a) Gains on revaluation of investment properties and disposal of tangible fixed assets

The amount included an unrealised gain on revaluation of investment properties of HK\$9,696,000 (2005: HK\$10,838,000).

(b) Losses on disposal of held-to-maturity and available-for-sale financial assets

	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
轉自投資重估儲備之淨虧損	Net revaluation losses transferred from investment revaluation reserves	- (5,872)
出售可供銷售之金融資產之虧損	Loss on disposal of available- for-sale financial assets	- (835)
	<u>-</u>	<u>(6,707)</u>

6. (a) 應佔聯營公司之淨溢利／(虧損)已扣除聯營公司之稅項港幣1,655,000元(二零零五年:港幣1,097,000元)。

(b) 稅項

未經審核之綜合損益表內之稅項為:

6. (a) Share of net profits/(losses) in associated companies is stated net of taxation on profits of associated companies amounting to HK\$1,655,000 (2005: HK\$1,097,000).

(b) Taxation

Taxation in the unaudited consolidated profit and loss account represents:

	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
香港利得稅準備	137,830	114,936
海外稅項	20,787	10,183
遞延稅項	1,393	8,395
	160,010	133,514

香港利得稅乃按期內應課稅溢利照現行稅率百分之十七點五(二零零五年:百分之十七點五)計算。海外稅項按本集團之有關單位經營所在國家現行稅率計算。

The provision for Hong Kong profits tax is based on an estimate of the assessable profits for the period at 17.5% (2005: 17.5%). Overseas taxation is provided at the appropriate current rates of taxation ruling in the countries in which the relevant units of the Group operate.

7. 擬派中期股息

以下為董事會於二零零六年六月三十日之後宣佈派發之股息,並未於中期財務報告中列賬。

7. INTERIM DIVIDEND DECLARED

The following dividend was declared by the Board of Directors after 30th June, 2006 and has not been provided for in the interim financial report.

	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
按294,120,500(二零零五年:293,980,500)股計算,擬派中期股息每股港幣八角二仙(二零零五年:港幣七角)	241,179	205,786

Interim dividend declared of HK\$0.82 (2005: HK\$0.70) per share on 294,120,500 (2005: 293,980,500) shares

8. 每股盈利

每股基本盈利乃根據截至二零零六年六月三十日止六個月股東應得之溢利港幣817,423,000元（二零零五年：港幣700,628,000元）及於該期間已發行股份之加權平均數294,060,500（二零零五年：293,933,483）股普通股計算。

8. EARNINGS PER SHARE

The calculation of basic earnings per share is based on profit attributable to the shareholders for the six months ended 30th June, 2006 of HK\$817,423,000 (2005: HK\$700,628,000) and on the weighted average number of 294,060,500 (2005: 293,933,483) ordinary shares in issue during the period.

	二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005
	每股港幣一元之 股份數目 Number of shares of HK\$1.00 each	每股港幣一元之 股份數目 Number of shares of HK\$1.00 each
於一月一日之已發行普通股	Issued ordinary shares at 1st January 294,020,500	293,910,500
已行使認股權之影響	Effect of share option exercised 40,000	22,983
用作計算每股基本盈利之普通股份加權平均數	Weighted average number of ordinary shares used in calculating basic earnings per share 294,060,500	293,933,483

每股攤薄盈利乃根據截至二零零六年六月三十日止六個月股東應得之溢利港幣817,423,000元（二零零五年：港幣700,628,000元）及於該期間已發行股份之加權平均數296,603,565（二零零五年：294,783,949）股普通股計算，並就所有潛在攤薄盈利之股份予已調整。

The calculation of diluted earnings per share is based on profit attributable to the shareholders for the six months ended 30th June, 2006 of HK\$817,423,000 (2005: HK\$700,628,000) and on the weighted average number of 296,603,565 (2005: 294,783,949) ordinary shares in issue during the period after adjustment of all dilutive potential shares.

	二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005
	每股港幣一元之 股份數目 Number of shares of HK\$1.00 each	每股港幣一元之 股份數目 Number of shares of HK\$1.00 each
用作計算每股基本盈利之普通股份加權平均數	Weighted average number of ordinary shares used in calculating basic earnings per share 294,060,500	293,933,483
被視為行使之認股權計劃	Deemed exercise of share option scheme 519,939	365,145
被視為行使之僱員獎勵計劃	Deemed exercise of EIP 2,023,126	485,321
用作計算每股攤薄盈利之普通股份加權平均數	Weighted average number of ordinary shares used in calculating diluted earnings per share 296,603,565	294,783,949

9. 現金及短期資金

9. CASH AND SHORT-TERM FUNDS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
現金及存放銀行同業及其他金融機構結餘 (附註20)	Cash and balances with banks and other financial institutions (Note 20)	1,957,659	1,781,679
通知及短期存放(附註20)	Money at call and short notice (Note 20)	17,513,053	16,998,025
政府債券(附註20)	Treasury bills (Note 20)	1,916,548	1,274,094
		21,387,260	20,053,798
所有政府債券為持有至到期日，由中央政府及各中央銀行發出，並為非上市之債券。	All treasury bills are held-to-maturity, issued by central government and central banks and are unlisted.		

10. 買賣用途資產

10. TRADING ASSETS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
債務證券： 本港上市 非上市	Debt securities: Listed in Hong Kong Unlisted	553 -	299 1,413
		553	1,712
本港上市股票	Equity securities listed in Hong Kong	38,682	74,380
買賣用途證券總額	Total trading securities	39,235	76,092
持作買賣用途衍生金融工具之正公平價值	Positive fair values of derivative financial instruments held for trading	990,909	835,172
		1,030,144	911,264
買賣用途證券交易對手如下：	Trading securities analysed by counterparty are as follows:		

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
發行機構： 中央政府及中央銀行	Issued by: Central government and central banks	455	201
銀行同業及其他金融機構	Banks and other financial institutions	7,280	42,036
企業	Corporate entities	31,396	33,757
公營機構	Public sector	104	98
		39,235	76,092

11. 以公平價值誌入損益之金融資產

11. FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH PROFIT OR LOSS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
債務證券：	Debt securities:		
本港上市	Listed in Hong Kong	–	93,506
海外上市	Listed outside Hong Kong	1,049,069	1,230,053
非上市	Unlisted	4,712,021	4,600,865
		5,761,090	5,924,424
以公平價值誌入損益之金融資產交易對手如下：	Financial assets measured at fair value through profit or loss analysed by counterparty are as follows:		

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
發行機構：	Issued by:		
銀行同業及其他金融機構	Banks and other financial institutions	2,693,504	2,886,507
企業	Corporate entities	2,575,199	2,527,422
公營機構	Public sector	492,387	510,495
		5,761,090	5,924,424

12. 客戶之貸款及其他賬項已減除減值準備

12. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS LESS IMPAIRMENT ALLOWANCES

(a) 客戶之貸款及其他賬項已減除減值準備

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

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
客戶貸款	Advances to customers	56,070,964	54,401,834
減值客戶貸款之個別減值準備	Individual impairment allowances for impaired loans and advances	(94,363)	(119,720)
客戶貸款之整體減值準備	Collective impairment allowances for loans and advances	(185,843)	(207,842)
客戶貸款淨額(附註20)	Net advances to customers (Note 20)	55,790,758	54,074,272
銀行同業及其他金融機構之貸款(附註20)	Advances to banks and other financial institutions (Note 20)	63,293	79,191
應計利息及其他賬項	Accrued interest and other accounts	1,346,492	1,310,822
持作對沖用途衍生金融工具之正公平價值	Positive fair values of derivative financial instruments held for hedging	13,318	8,598
		57,213,861	55,472,883

12. 客戶之貸款及其他賬項已減除減值準備 (續)

(b) 按行業分類之客戶貸款分析

客戶貸款之行業類別是按該等貸款之用途分類及未減除任何減值準備。

12. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS LESS IMPAIRMENT ALLOWANCES (Continued)

(b) Advances to customers analysed by industry sectors

The information concerning advances to customers by industry sectors has been classified according to the usage of the advances and is stated gross of any impairment allowances.

二零零六年 二零零五年
六月三十日 十二月三十一日
30th June, 2006 31st December, 2005

在香港使用之貸款	Advances for use in Hong Kong	
工業、商業及金融	Industrial, commercial and financial	
– 物業發展	– Property development	605,698 652,264
– 物業投資	– Property investment	9,553,758 9,628,817
– 財務機構	– Financial concerns	1,098,958 508,747
– 股票經紀	– Stockbrokers	323,666 307,150
– 批發與零售業	– Wholesale and retail trade	814,580 835,833
– 製造業	– Manufacturing	1,477,612 1,460,996
– 運輸與運輸設備	– Transport and transport equipment	2,849,835 2,827,696
– 股票有關之貸款	– Share financing	242,688 256,776
– 其他	– Other	2,805,288 2,899,347
個人	Individuals	
– 購買「居者有其屋」、「私人機構參建居屋計劃」及「租者置其屋計劃」樓宇之貸款	– Advances for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	1,541,724 1,500,857
– 購買其他住宅物業之貸款	– Advances for the purchase of other residential properties	14,556,096 13,917,497
– 信用卡貸款	– Credit card advances	299,215 385,932
– 其他	– Other	3,078,247 3,523,120
貿易融資	Trade finance	39,247,365 38,705,032
在香港以外使用之貸款	Advances for use outside Hong Kong	3,128,696 3,057,178
– 中國內地	– Mainland China	8,070,685 7,801,900
– 澳門	– Macau	5,609,529 4,817,591
– 其他	– Other	14,689 20,133
		13,694,903 12,639,624
		56,070,964 54,401,834

12. 客戶之貸款及其他賬項已減除減值準備 (續)

(c) 減值之客戶貸款

減值之客戶貸款總額及按將來可收回數額之折扣值計算個別減值準備分析如下：

減值之客戶貸款總額
佔客戶貸款總額之百分比
個別減值準備

於二零零五年十二月三十一日及二零零六年六月三十日，本集團貸予銀行同業及其他金融機構之款項中並無提撥個別減值準備。

12. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS LESS IMPAIRMENT ALLOWANCES (Continued)

(c) Impaired advances to customers

The gross impaired advances to customers and individual impairment allowances made after taking into account the discounted value of future recoverable amounts in respect of such advances are as follows:

	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
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Gross impaired advances to customers	482,504	560,065
Gross impaired advances to customers as a percentage of total advances to customers	0.86%	1.03%
Individual impairment allowances	94,363	119,720

There were no individual impairment allowances made on advances to banks and other financial institutions on 30th June, 2006 and 31st December, 2005.

13. 持有至到期日及可供銷售之金融資產

13. HELD-TO-MATURITY AND AVAILABLE-FOR-SALE FINANCIAL ASSETS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
持有至到期日之債務證券：	Held-to-maturity debt securities:		
本港上市	Listed in Hong Kong	84,405	85,348
海外上市	Listed outside Hong Kong	261,213	202,232
		345,618	287,580
非上市	Unlisted	9,509,513	9,838,934
		9,855,131	10,126,514
可供銷售之債務證券：	Available-for-sale debt securities:		
本港上市(市場價值)	Listed in Hong Kong (at market value)	-	12,467
海外上市(市場價值)	Listed outside Hong Kong (at market value)	5,435,307	2,782,418
非上市	Unlisted	2,932,397	2,879,968
		8,367,704	5,674,853
可供銷售之股票：	Available-for-sale equity securities:		
本港上市(市場價值)	Listed in Hong Kong (at market value)	29,882	1,856
非上市	Unlisted	110,035	106,207
		139,917	108,063
		18,362,752	15,909,430
持有至到期日之上市債務證券之市場價值	Market value of listed held-to-maturity debt securities	341,710	288,331
持有至到期日之非上市債務證券之公平價值	Fair value of unlisted held-to-maturity debt securities	9,279,950	9,757,850

13. 持有至到期日及可供銷售之金融資產
(續)

持有至到期日及可供銷售金融資產之交易對手分析如下：

13. HELD-TO-MATURITY AND AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

Held-to-maturity and available-for-sale financial assets analysed by counterparty are as follows:

	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
發行機構：		
中央政府及中央銀行	7,347	7,764
銀行同業及其他金融機構	16,275,365	13,564,685
企業	1,742,751	1,996,214
公營機構	337,289	340,767
	18,362,752	15,909,430

持有至到期日之政府債券已分類為「現金及短期資金」(附註9)。

Held-to-maturity treasury bills are classified as "Cash and short-term funds" (Note 9).

14. 商譽

14. GOODWILL

	截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 十二月三十一日止 年度 Year ended 31st December, 2005
成本		
一月一日	848,592	909,733
因收購附屬公司而增加	-	879
期初結餘調整以沖銷累計攤銷	-	(62,020)
六月三十日/十二月三十一日	848,592	848,592
累計攤銷及減值虧損		
一月一日	1,170	62,020
於二零零五年一月一日在成本沖銷	-	(62,020)
期內/年內減值虧損	-	1,170
六月三十日/十二月三十一日	1,170	1,170
六月三十日/十二月三十一日賬面淨值	847,422	847,422

15. 客戶之存款

15. DEPOSITS FROM CUSTOMERS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
活期存款及往來賬戶	Demand deposits and current accounts	8,341,538	8,309,633
儲蓄存款	Savings deposits	12,225,280	11,578,904
定期存款及通知存款	Time, call and notice deposits	71,493,465	65,784,915
		92,060,283	85,673,452

16. 已發行之存款證

16. CERTIFICATES OF DEPOSIT ISSUED

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
已發行存款證(攤銷成本)	Certificates of deposit issued (at amortised cost)	2,542,500	1,902,640
指定以公平價值誌入損益之已發行結構性存款證	Structured certificates of deposit issued designated as fair value through profit or loss	1,599,705	1,921,699
		4,142,205	3,824,339

17. 買賣用途負債

買賣用途負債為持作買賣用途衍生金融工具之負公平價值。

17. TRADING LIABILITIES

Trading liabilities represent negative fair values of derivative financial instruments held for trading.

18. 其他賬項及準備

18. OTHER ACCOUNTS AND PROVISIONS

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
購入債務證券之應付款項	Amount payable for purchase of debt securities	30,000	–
持作對沖用途衍生金融工具之 負公平價值	Negative fair values of derivative financial instruments held for hedging	5,716	13,047
其他應付款項及應付利息	Other payable and interest payable	1,177,278	1,190,483
		1,212,994	1,203,530

19. 借貸資本

票面值港幣2,524,145,000元(325,000,000美元)(二零零五年:港幣2,519,888,000元)之借貸資本,是指由本銀行單一目的之全資附屬財務公司Wing Hang Financial Holdings (BVI) Limited,於二零零三年內發行年息5.25%,並評定為次級資本的後償票據。本銀行無條件及不可撤回地保證該等於新加坡交易所上市之票據下應付之所有款項。該等票據將於二零一三年十月十日到期。

19. LOAN CAPITAL

Loan capital with face value of HK\$2,524,145,000 (US\$325,000,000) (2005: HK\$2,519,888,000) represents 5.25% subordinated notes qualifying as tier 2 capital which were issued during 2003 by Wing Hang Financial Holdings (BVI) Limited, a single purpose wholly owned finance subsidiary of the Bank. The Bank unconditionally and irrevocably guarantees all amounts payable under the notes which are listed on the Singapore Exchange Trading Limited. The notes will mature on 10th October, 2013.

20. 期限分析

20. MATURITY PROFILE

		二零零六年六月三十日 30th June, 2006							
		一個月 或以下 1 month or less	三個月 or less 3 months but over 1 month	三個月 以上至 一年 or less 3 months but over 1 year	一年 以上至 五年 or less 1 year but over 5 years	五年以上 After 5 years	無註明 Undated	合計 Total	
資產	Assets								
— 現金及存放銀行同業及其他金融機構結餘(附註9)	— Cash and balances with banks and other financial institutions (Note 9)	1,957,659	-	-	-	-	-	1,957,659	
— 通知及短期存放(附註9)	— Money at call and short notice (Note 9)	-	17,513,053	-	-	-	-	17,513,053	
— 政府債券(附註9)	— Treasury bills (Note 9)	-	943,794	946,354	26,400	-	-	1,916,548	
— 定期存放銀行同業及其他金融機構款項(一至十二個月內到期)	— Placements with banks and other financial institutions maturing between one and twelve months	-	-	3,905,200	99,994	-	-	4,005,194	
— 貿易票據已減除減值準備	— Trade bills less impairment allowances	53,380	311,071	355,031	8,391	-	508	728,381	
— 買賣用途資產	— Trading assets	-	455	-	49	49	-	1,029,591	
— 以公平價值計入損益之金融資產	— Financial assets measured at fair value through profit or loss	-	-	450,389	469,885	3,913,080	927,736	5,761,090	
— 客戶之貸款已減除減值準備(附註12(a))	— Advances to customers less impairment allowances (Note 12(a))	2,230,380	3,133,164	4,551,506	7,252,186	16,431,135	22,092,724	99,663	
— 銀行同業及其他金融機構之貸款(附註12(a))	— Advances to banks and other financial institutions (Note 12(a))	-	-	-	31,646	31,647	-	63,293	
— 持有至到期日及可供銷售金融資產	— Held-to-maturity and available-for-sale financial assets	-	3,000	28,357	1,162,210	16,038,974	990,294	139,917	
— 其他資產	— Other assets	17,460	956,542	104,579	61,605	114,497	-	3,043,264	
總資產	Total assets	4,258,879	22,861,079	10,341,416	9,112,366	36,529,382	24,010,754	4,312,943	111,426,819
負債	Liabilities								
— 銀行同業及其他金融機構之存款	— Deposits and balances of banks and other financial institutions	268,768	555,032	335,140	271,998	116,570	-	1,547,508	
— 客戶之存款	— Deposits from customers	20,514,992	55,567,923	12,523,532	2,720,995	732,841	-	92,060,283	
— 已發行之存款證	— Certificates of deposit issued	-	204,471	1,087,946	877,010	1,972,778	-	4,142,205	
— 買賣用途負債	— Trading liabilities	-	-	-	-	-	-	929,967	
— 借貸資本	— Loan capital	-	-	-	-	-	2,524,145	2,524,145	
— 其他負債	— Other liabilities	-	970,905	62,634	375,415	58,510	-	50,678	
總負債	Total liabilities	20,783,760	57,298,331	14,009,252	4,245,418	2,880,699	2,524,145	980,645	102,722,250
資產/(負債)淨差距	Net assets / (liabilities) gap	(16,524,881)	(34,437,252)	(3,667,836)	4,866,948	33,648,683	21,486,609	3,332,298	8,704,569

20. 期限分析 (續)

20. MATURITY PROFILE (Continued)

二零零五年十二月三十一日
31st December, 2005

		一個月 或以上 三個月	三個月 以上至 一年	一年 以上至 五年	五年以上	無註明	合計
	即時還款 Repayable on demand	一個月 或以下 1 month or less	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	五年以上 After 5 years	總計 Total
資產	Assets						
- 現金及存放銀行同業及其他 金融機構結餘 (附註9)	- Cash and balances with banks and other financial institutions (Note 9)	1,781,679	-	-	-	-	1,781,679
- 通知及短期存放 (附註9)	- Money at call and short notice (Note 9)	-	16,998,025	-	-	-	16,998,025
- 政府債券 (附註9)	- Treasury bills (Note 9)	-	1,074,883	199,211	-	-	1,274,094
- 定期存放銀行同業及其他金 融機構款項 (一至十二個 月內到期)	- Placements with banks and other financial institutions maturing between one and twelve months	-	-	2,559,271	98,109	-	2,657,380
- 貿易票據已減除減值準備	- Trade bills less impairment allowances	59,356	283,050	291,217	6,813	-	652,375
- 買賣用途資產	- Trading assets	-	-	-	300	1,412	911,264
- 以公平價值計入損益之金融 資產	- Financial assets measured at fair value through profit or loss	-	-	155,331	1,139,979	3,991,252	5,924,424
- 客戶之貸款已減除減值準備 (附註12(a))	- Advances to customers less impairment allowances (Note 12(a))	2,412,503	3,244,921	3,951,024	6,777,178	16,612,653	54,074,272
- 銀行同業及其他金融機構之 貸款 (附註12(a))	- Advances to banks and other financial institutions (Note 12(a))	208	-	-	31,593	47,390	79,191
- 持有至到期日及可供銷售金 融資產	- Held-to-maturity and available-for-sale financial assets	-	-	13,939	682,115	14,015,122	15,909,430
- 其他資產	- Other assets	12,435	921,303	88,051	57,945	134,619	4,060,482
總資產	Total assets	4,266,181	22,522,182	7,258,044	8,794,032	34,802,448	104,322,616
負債	Liabilities						
- 銀行同業及其他金融機構之 存款	- Deposits and balances of banks and other financial institutions	186,926	615,900	390,732	432,567	76,901	1,703,026
- 客戶之存款	- Deposits from customers	19,830,717	48,583,380	14,785,225	1,644,926	829,204	85,673,452
- 已發行之存款證	- Certificates of deposit issued	-	429,215	1,448,126	684,067	1,262,931	3,824,339
- 買賣用途負債	- Trading liabilities	-	-	-	-	-	865,962
- 借貸資本	- Loan capital	-	-	-	-	2,519,888	2,519,888
- 其他負債	- Other liabilities	-	732,897	233,517	298,044	83,774	1,397,898
總負債	Total liabilities	20,017,643	50,361,392	16,857,600	3,059,604	2,252,810	95,984,565
資產/(負債)淨差距	Net assets / (liabilities) gap	(15,751,462)	(27,839,210)	(9,599,556)	5,734,428	32,549,638	8,338,051

21. 股本

21. SHARE CAPITAL

二零零六年
六月三十日
30th June, 2006

二零零五年
十二月三十一日
31st December, 2005

註冊股本：
450,000,000 (二零零五年：450,000,000) 股
普通股每股港幣一元

Authorised:
450,000,000 (2005: 450,000,000)
ordinary shares of HK\$1.00 each

450,000

450,000

21. 股本 (續)

21. SHARE CAPITAL (Continued)

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 十二月三十一日 止年度 Year ended 31st December, 2005
實收股本： 一月一日	Issued and fully paid: At 1st January	294,021	293,911
根據認股權計劃發行之股份	Shares issued under share option scheme	100	110
294,120,500 (二零零五年：294,020,500) 股 普通股每股港幣一元	294,120,500 (2005: 294,020,500) ordinary shares of HK\$1.00 each	294,121	294,021

(a) 認股權計劃

於二零零六年上半年，根據認股權計劃發行之股份為100,000股，其價值為港幣3,799,000元（截至二零零五年十二月三十一日止年度：110,000股，港幣4,010,000元）。其中港幣100,000元（截至二零零五年十二月三十一日止年度：港幣110,000元）已於股本記賬，餘數港幣3,699,000元（截至二零零五年十二月三十一日止年度：港幣3,900,000元）則撥入股本溢價賬內。於二零零六年六月三十日未行使之認股權摘要如下：

(a) Share Option Scheme

During the first half of 2006, options were exercised to subscribe for 100,000 (year ended 31st December, 2005: 110,000) ordinary shares in the Bank at a consideration of HK\$3,799,000 (year ended 31st December, 2005: HK\$4,010,000) of which HK\$100,000 (year ended 31st December, 2005: HK\$110,000) was credited to share capital and the balance of HK\$3,699,000 (year ended 31st December, 2005: HK\$3,900,000) was credited to the share premium account. At 30th June, 2006, the outstanding options are:

授予認股權日期 Date of options granted	認購價 Option price 港元 HK\$	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
		股份數目 Number of shares	股份數目 Number of shares
10/03/2001	23.60	190,000	190,000
15/03/2002	26.30	150,000	170,000
14/01/2003	25.80	60,000	80,000
14/03/2003	26.50	130,000	130,000
21/05/2004	43.80	350,000	390,000
14/01/2005	51.25	220,000	220,000
28/01/2005	50.25	85,000	105,000
		1,185,000	1,285,000

此等認股權可於授予日第一週年日起至第十週年內行使。

The options granted under the Scheme will be exercisable between the first and the tenth anniversaries of the date of grant.

21. 股本 (續)

(b) 僱員獎勵計劃

於二零零六年六月三十日，僱員獎勵計劃未行使之獎賞摘要如下：

授予獎賞日期 Date of awards granted	行使價 Exercise Price 港元 HK\$	獎賞於授予日之公平價值 Fair value of awards at the date of grant 港元 HK\$	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
			股份數目 Number of shares	股份數目 Number of shares
21/05/2004	1.00	21,186,000	495,000	495,000
23/01/2006	1.00	87,672,000	1,560,000	—
			2,055,000	495,000

獎賞於授出日期起計第六週年至第十週年，按以下之百分比生效。

日期	獎賞生效之百分比 Percentage of award vesting
授出日期起計六週年	5%
授出日期起計七週年	10%
授出日期起計八週年	15%
授出日期起計九週年	20%
授出日期起計十週年	50%

如董事會決定選擇以支付現金代替此計劃下可獲得之股份獎賞，於生效日期便無新股份發行。

21. SHARE CAPITAL (Continued)

(b) Employee Incentive Plan

At 30th June, 2006, the outstanding awards under the EIP are:

授出日期 Date of awards granted	行使價 Exercise Price 港元 HK\$	獎賞於授予日之公平價值 Fair value of awards at the date of grant 港元 HK\$	二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
			股份數目 Number of shares	股份數目 Number of shares
21/05/2004	1.00	21,186,000	495,000	495,000
23/01/2006	1.00	87,672,000	1,560,000	—
			2,055,000	495,000

The awards can be vested between the sixth to the tenth anniversaries after the date of grant with the following percentage of award vesting.

Date	獎賞生效之百分比 Percentage of award vesting
Sixth anniversary of the date of grant	5%
Seventh anniversary of the date of grant	10%
Eighth anniversary of the date of grant	15%
Ninth anniversary of the date of grant	20%
Tenth anniversary of the date of grant	50%

If the Board determines to select the cash option when shares vest, which is available under the plan, no new shares will be issued on the date of vesting.

22. 儲備

22. RESERVES

截至二零零六年六月三十日止六個月
Six months ended 30th June, 2006

		股本溢價賬 Share premium	資本儲備 Capital reserve	一般儲備 General reserve	銀行行址 重估儲備 Bank premises revaluation reserve	投資 重估儲備 Investment revaluation reserve	股本贖回 儲備 Capital redemption reserve	盈餘滾存 Unappro- priated profits	合計 Total
二零零六年一月一日	At 1st January, 2006	359,929	215,909	2,090,415	281,236	14,146	769	5,059,515	8,021,919
換算調整	Exchange adjustments	-	-	447	-	-	-	-	447
根據認股權計劃發行之新 股	Shares issued under share option scheme	3,699	-	-	-	-	-	-	3,699
僱員獎勵計劃之股本溢價	Shares premium under EIP	6,182	-	-	-	-	-	-	6,182
已扣除遞延稅項之重估可 供銷售金融資產之未實 現收益	Unrealised gains on revaluation of available-for-sale financial assets after deferred tax charge	-	-	-	-	83	-	-	83
重估銀行行址之未實現收 益	Unrealised gains on revaluation of bank premises	-	-	-	11,010	-	-	-	11,010
支重估儲備之遞延稅項	Deferred tax charged to revaluation reserve	-	-	-	(2,645)	-	-	-	(2,645)
已派股息	Dividends paid	-	-	-	-	-	-	(470,529)	(470,529)
期內可分配予本銀行股東 之溢利	Profit attributable to shareholders of the Bank for the period	-	-	-	-	-	-	817,423	817,423
二零零六年六月三十日	At 30th June, 2006	369,810	215,909	2,090,862	289,601	14,229	769	5,406,409	8,387,589

22. 儲備 (續)

22. RESERVES (Continued)

截至二零零五年十二月三十一日止年度
Year ended 31st December, 2005

		股本溢價賬	資本儲備	一般儲備	銀行行址 重估儲備 Bank premises revaluation reserve	投資 重估儲備 Investment revaluation reserve	股本贖回 儲備 Capital redemption reserve	盈餘滾存 Unappro- priated profits	合計 Total
		Share premium	Capital reserve	General reserve					
二零零五年一月一日	At 1st January, 2005	347,034	215,909	2,091,174	269,039	27,372	769	4,336,946	7,288,243
換算調整	Exchange adjustments	-	-	(759)	-	-	-	-	(759)
根據認股權計劃發行之新 股	Shares issued under share option scheme	3,900	-	-	-	-	-	-	3,900
認股權計劃之股本溢價	Shares premium under share option scheme	6,588	-	-	-	-	-	-	6,588
僱員獎勵計劃之股本溢價	Shares premium under EIP	2,407	-	-	-	-	-	-	2,407
已計入遞延稅項之重估可 供銷售金融資產之未實 現虧損	Unrealised losses on revaluation of available-for-sale financial assets after deferred tax credit	-	-	-	-	(20,650)	-	-	(20,650)
出售可供銷售金融資產時 轉入損益賬之重估虧損	Losses on revaluation of available-for-sale financial assets transferred to profit and loss account on disposal	-	-	-	-	7,424	-	-	7,424
重估銀行行址之未實現收 益	Unrealised gains on revaluation of bank premises	-	-	-	9,297	-	-	-	9,297
進重估儲備之遞延稅項	Deferred tax credited to revaluation reserve	-	-	-	2,900	-	-	-	2,900
已派股息	Dividends paid	-	-	-	-	-	-	(626,149)	(626,149)
年內可分配予本銀行股東 之溢利	Profit attributable to shareholders of the Bank for the year	-	-	-	-	-	-	1,348,718	1,348,718
二零零五年十二月三十一日	At 31st December, 2005	<u>359,929</u>	<u>215,909</u>	<u>2,090,415</u>	<u>281,236</u>	<u>14,146</u>	<u>769</u>	<u>5,059,515</u>	<u>8,021,919</u>

本集團於二零零六年六月三十日之盈餘滾存已包括監管儲備港幣374,867,000元(二零零五年:港幣336,176,000元),此數額為按香港會計準則第39號「金融工具—確認及計量」(「香港會計準則第39號」)所作之減值準備與監管要求所產生之差額。監管儲備須諮詢香港金融管理局後才可作出分配。

The Group's unappropriated profits as at 30th June, 2006 included HK\$374,867,000 (2005: HK\$336,176,000) as the regulatory reserve arising from the differences between the impairment allowances made under HKAS 39 "Financial instruments: Recognition and measurement" ("HKAS 39") and for regulatory purposes. The distribution of the regulatory reserve is subject to consultation with the HKMA.

23. 資產負債表以外之風險程度

(a) 或然債務及承擔

或然債務及承擔均屬信貸有關工具，並包括用以提供信貸的承兌票據、信用證、擔保及承擔。約定金額乃指假如合約被悉數提取而客戶違約時所涉及之風險金額。由於大部份擔保及承擔預料直至期滿止均不會被提取，合約金額總數並不代表未來之流動資金需求。以下為每項或然債務及承擔重大類別之約定金額概要：

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
直接信貸替代 交易有關之或然債務	Direct credit substitutes Transaction-related contingencies	1,052,223	848,908
貿易有關之或然債務	Trade-related contingencies	142,070	105,582
其他承擔	Other commitments	1,701,760	1,482,947
存放遠期存款	Forward forward deposits placed	10,996,339	10,540,815
		2,528,310	2,000,600
		16,420,702	14,978,852

(b) 衍生工具

衍生工具是指財務合約，其價值視乎所涉及的一項或多項基本資產或指數而定。

衍生金融工具乃來自本集團及本銀行在外匯、利率及股票等市場內所進行之遠期、掉期及期權交易而產生。

此等工具之名義金額是於結算當日尚未完成之交易量，但並不代表風險數額。

23. OFF-BALANCE SHEET EXPOSURES

(a) Contingent liabilities and commitments

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contractual amounts is not representative of future liquidity requirements. The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
Direct credit substitutes Transaction-related contingencies		1,052,223	848,908
Trade-related contingencies		142,070	105,582
Other commitments		1,701,760	1,482,947
Forward forward deposits placed		10,996,339	10,540,815
		2,528,310	2,000,600
		16,420,702	14,978,852

(b) Derivatives

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

Derivative financial instruments arise from forward, swap and option transactions 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 at the balance sheet date; they do not represent amounts at risk.

23. 資產負債表以外之風險程度 (續)

(b) 衍生工具 (續)

以下為每項衍生工具重大類別之名義金額：

23. OFF-BALANCE SHEET EXPOSURES (Continued)

(b) Derivatives (Continued)

The following table is a summary of the notional amounts of each significant type of derivatives:

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
匯率合約	Exchange rate contracts		
遠期合約—買賣用途	Forwards – trading	30,175,506	6,866,513
購入期權—買賣用途	Option purchased – trading	2,543,704	242,524
沽出期權—買賣用途	Option written – trading	2,557,943	242,524
匯率合約總額	Total exchange rate contracts	35,277,153	7,351,561
利率合約	Interest rate contracts		
掉期合約—買賣用途一定息收入	Swaps – trading – receiving fixed rate	55,530,240	79,759,074
掉期合約—買賣用途一定息支出	Swaps – trading – paying fixed rate	56,047,792	83,558,435
掉期合約—對沖用途一定息支出	Swaps – hedging – paying fixed rate	481,529	535,485
利率合約總額	Total interest rate contracts	112,059,561	163,852,994
股份合約	Equity contracts		
購入期權—買賣用途	Option purchased – trading	19,301	–
沽出期權—買賣用途	Option written – trading	59,038	76,210
股份合約總額	Total equity contracts	78,339	76,210
		147,415,053	171,280,765

買賣交易包括為執行客戶買賣指令或對沖此等持倉交易而承擔的金融工具盤。

The trading transactions include positions arising from the execution of trade orders from customers or transactions undertaken to hedge these positions.

23. 資產負債表以外之風險程度 (續)

(b) 衍生工具 (續)

上列資產負債表以外之風險程度之重置成本及信貸風險加權金額如下。這些金額並未計及雙邊淨額安排之影響。

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
		重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount	重置成本 Replacement cost	信貸風險 加權金額 Credit risk weighted amount
或然債務及承擔	Contingent liabilities and commitments	N/A	2,307,536	N/A	1,954,688
匯率合約	Exchange rate contracts	62,009	118,175	59,494	41,391
利率合約	Interest rate contracts	941,762	282,195	783,180	259,614
股份合約	Equity contracts	454	-	1,094	-
		1,004,225	2,707,906	843,768	2,255,693

(c) 資本承擔

於二零零五年十二月三十一日及二零零六年六月三十日為購置物業、機械及設備而並未在賬項中作出準備之資本承擔如下：

23. OFF-BALANCE SHEET EXPOSURES (Continued)

(b) Derivatives (Continued)

The replacement costs and credit risk weighted amounts of the above off-balance sheet exposures are as follows. These amounts do not take into account of the effects of bilateral netting arrangements.

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
		Replacement cost	Credit risk weighted amount	Replacement cost	Credit risk weighted amount
Contingent liabilities and commitments		N/A	2,307,536	N/A	1,954,688
Exchange rate contracts		62,009	118,175	59,494	41,391
Interest rate contracts		941,762	282,195	783,180	259,614
Equity contracts		454	-	1,094	-
		1,004,225	2,707,906	843,768	2,255,693

(c) Capital commitments

Capital commitments for acquisition of property, plant and equipment outstanding at 30th June, 2006 and 31st December, 2005 not provided for in the accounts are as follows:

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
已核准及簽訂合約之開支	Expenditure authorised and contracted for	3,397		121,438	
已核准惟未簽訂合約之開支	Expenditure authorised but not contracted for	-		-	
		3,397		121,438	

24. 未經審核綜合現金流量表附註

(a) 營業溢利與來自營業活動之淨現金
流入對賬表

24. NOTE TO THE UNAUDITED CONSOLIDATED CASH FLOW
STATEMENT

(a) Reconciliation of operating profit to net cash inflow
from operating activities

		二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005
營業溢利	Operating profit	955,182	836,508
折舊 (附註4(e))	Depreciation (Note 4(e))	39,346	38,011
僱員獎勵計劃成本 (附註4(e))	EIP cost (Note 4(e))	6,182	1,203
認股權計劃成本 (附註4(e))	Share option scheme cost (Note 4(e))	-	4,527
支付借貸資本利息 (附註4(b))	Interest paid on loan capital (Note 4(b))	66,396	66,670
已付利得稅	Profits tax paid	(61,381)	(46,695)
原本期限為三個月或以上之政府 債券減少	Decrease in treasury bills with original maturity of three months or more	389,895	354,217
原本期限為三個月或以上之定期 存放銀行同業及其他金融機構 款項減少	Decrease in placements with banks and other financial institutions with original maturity of three months or more	291,663	816,405
貿易票據已減除減值準備增加	Increase in trade bills less impairment allowances	(76,007)	(95,675)
存款證減少	Decrease in certificates of deposit held	-	30,000
買賣用途資產增加	Increase in trading assets	(118,880)	(47,008)
以公平價值誌入損益之金融資產 減少	Decrease in financial assets measured at fair value through profit or loss	163,334	194,481
客戶貸款及其他賬項已減除減值 準備增加	Increase in advances to customers and other accounts less impairment allowances	(1,740,978)	(2,434,629)
銀行同業及其他金融機構之存款 (減少) / 增加	(Decrease)/increase in deposits and balances of banks and other financial institutions	(250,984)	688,436
客戶之存款增加	Increase in deposits from customers	6,386,831	1,944,230
已發行存款證增加 / (減少)	Increase/(decrease) in certificates of deposit issued	317,866	(652,666)
買賣用途負債增加	Increase in trading liabilities	64,005	11,983
其他賬項及準備增加	Increase in other accounts and provision	9,464	390,895
		<hr/>	<hr/>
因營業活動流入之現金淨額	Net cash inflow from operating activities	6,441,934	2,100,893

24. 未經審核綜合現金流量表附註 (續)

(b) 與未經審核綜合資產負債表的對賬

24. NOTE TO THE UNAUDITED CONSOLIDATED CASH FLOW STATEMENT (Continued)

(b) Reconciliation with the unaudited consolidated balance sheet

		二零零六年 六月三十日 30th June, 2006	二零零五年 六月三十日 30th June, 2005
現金及短期資金	Cash and short-term funds	21,387,260	24,285,000
定期存放銀行同業及其他金融機構款項(一至十二個月內到期)	Placements with banks and other financial institutions maturing between one and twelve months	4,005,194	849,903
於未經審核綜合資產負債表內之金額	Amount shown in the unaudited consolidated balance sheet	25,392,454	25,134,903
減: 原本期限為三個月或以上之數額	Less: Amount with an original maturity of three months or more	(1,004,676)	(373,422)
即時還款之銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions that are repayable on demand	(152,220)	(56,754)
於未經審核綜合現金流量表內之現金及等同現金項目	Cash and cash equivalents in the unaudited consolidated cash flow statement	24,235,558	24,704,727

25. 關連人士重要交易

(a) 主要股東

二零零六年上半年度，本集團與本銀行之主要股東美國紐約銀行集團及其附屬公司之交易，均按一般正常業務及商業條件進行。期內之收支、資產負債表內之平均結餘及結算日結餘詳列如下：

(i) 收入及支出

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
利息收入	Interest income	3,354	1,099
利息支出	Interest expense	624	295

(ii) 資產負債表內之平均結餘

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 十二月三十一日止 年度 Year ended 31st December, 2005
現金及短期資金	Cash and short-term funds	186,058	110,776
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	43,127	22,254

(iii) 資產負債表內之結算日結餘

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
現金及短期資金	Cash and short-term funds	42,736	62,379
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	75,682	46,539

25. MATERIAL RELATED PARTIES TRANSACTIONS

(a) Substantial shareholder

During the first half of 2006, transactions with The Bank of New York Company Inc. ("BNY"), a substantial shareholder of the Bank, or its subsidiaries were entered into by the Group in the ordinary course of business and on normal commercial terms. The income and expense for the period, average on-balance sheet outstanding for the period and on-balance sheet outstanding at the balance sheet date are:

(i) Income and expense

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
利息收入	Interest income	3,354	1,099
利息支出	Interest expense	624	295

(ii) Average on-balance sheet outstanding

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 十二月三十一日止 年度 Year ended 31st December, 2005
現金及短期資金	Cash and short-term funds	186,058	110,776
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	43,127	22,254

(iii) On-balance sheet outstanding at the balance sheet date

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
現金及短期資金	Cash and short-term funds	42,736	62,379
銀行同業及其他金融機構之存款	Deposits and balances of banks and other financial institutions	75,682	46,539

25. 關連人士重要交易 (續)

(a) 主要股東 (續)

- (iv) 於二零零二年九月十九日，本銀行與美國紐約銀行集團簽署一項授權協議，根據此項協議，本銀行將提供有關證券化交易之支援服務。

二零零六年上半年，本銀行已總共收取港幣47,000元（二零零五年：港幣47,000元）服務費。本銀行將按年收取費用至此項合約終止。

(b) 少數股東權益持有人

於一九九五年六月三十日，本銀行擁有百分之六十五股權之附屬公司永亨蘇黎世保險有限公司（「永蘇保險」）與蘇黎世保險有限公司（「蘇黎世保險」）之全資附屬公司瑞泰保險管理（香港）有限公司（「瑞泰保險」）簽署一項管理合約。根據此項管理合約瑞泰保險將負責永蘇保險有關保險業務之管理工作。蘇黎世保險為永蘇保險之主要股東，佔該公司已發行股本百分之三十五。於二零零五年五月二十五日，此管理合約已延長兩年，由二零零五年一月一日至二零零六年十二月三十一日終止，但雙方可經六個月通知後提前解約。此項重訂管理費用為固定收費及按所收保險費之百分率而釐定。截至二零零六年六月三十日止六個月，永蘇保險付予瑞泰保險港幣2,577,000元（二零零五年：港幣2,031,000元）管理費用。

(c) 聯營公司

本集團貸予聯營公司之款項港幣62,000,000元（二零零五年：港幣62,000,000元）並無抵押、免息及須於二零零八年償還。

25. MATERIAL RELATED PARTIES TRANSACTIONS (Continued)

(a) Substantial shareholder (Continued)

- (iv) On 19th September, 2002, the Bank entered into a Delegation Agreement with BNY pursuant to which the Bank agreed to provide various back-up support services to BNY in connection with a securitisation transaction undertaken by BNY.

In the first half of 2006, the Bank received from BNY a total service fee of HK\$47,000 (2005: HK\$47,000) and will continue to receive further service fees on an annual basis during the term of the Delegation Agreement.

(b) Minority interest holder

On 30th June, 1995, Wing Hang Zurich Insurance Company Limited (“WHZ Insurance”), a 65 percent owned subsidiary of the Bank, entered into a Management Agreement with Swiss Insurance Management (Hong Kong) Limited (“Swiss Insurance”), a wholly owned subsidiary of Zurich Insurance Limited (“Zurich Insurance”) pursuant to which Swiss Insurance has been appointed as manager of WHZ Insurance in connection with the conduct by WHZ Insurance of its insurance business. Zurich Insurance is a substantial shareholder of WHZ Insurance holding 35 percent of WHZ Insurance’s issued share capital. On 25th May, 2005, the Management Agreement was extended for two years from 1st January, 2005 to 31st December, 2006 but can be terminated by either party with six months’ notice. The revised management fee will be based on a fixed fee plus a certain percentage of gross written premiums received. For the six months ended 30th June, 2006, WHZ Insurance paid to Swiss Insurance an amount of HK\$2,577,000 (2005: HK\$2,031,000), being the contractual management fees payable.

(c) Associated company

The Group maintains an unsecured and interest-free loan of HK\$62,000,000 (2005: HK\$62,000,000) to an associated company which is repayable in 2008.

25. 關連人士重要交易 (續)

(d) 主要行政人員

期內，本集團與其主要行政人員及其直系親屬、及受這些人士所控制的公司或其具有重大影響力的公司進行多項交易。所有交易的利率，均按照一般正常業務及與一般同等信用水平之客戶相若的條款及規定。期內之利息收入、利息支出及酬金、資產負債表內之平均結餘及結算日之結餘詳列如下：

(i) 收入及支出

利息收入	Interest income
利息支出	Interest expense

(ii) 資產負債表內之平均結餘

客戶之貸款	Advances to customers
客戶之存款	Deposits from customers

(iii) 資產負債表內之結算日結餘

客戶之貸款	Advances to customers
客戶之存款	Deposits from customers

於二零零六年上半年，概無就任何上述貸予關連人士之款項作出任何減值虧損準備（二零零五年：無）。

25. MATERIAL RELATED PARTIES TRANSACTIONS (Continued)

(d) Key management personnel

During the period, the Group entered into a number of transactions with the Group's key management personnel and their close family members and companies controlled or significantly influenced by them. All interest rates of the transactions are in the ordinary course of business and under terms and conditions normally applicable to customers of comparable standing. The interest income, interest expense and emoluments for the period, average on-balance sheet outstanding for the period and on-balance sheet outstanding at the balance sheet date are as follows:

(i) Income and expense

截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
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14,355	10,431
17,880	7,614

(ii) Average on-balance sheet outstanding

截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 十二月三十一日止 年度 Year ended 31st December, 2005
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540,708	654,791
893,697	782,131

(iii) On-balance sheet outstanding at the balance sheet date

二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
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535,073	659,624
862,178	776,434

During the first half of 2006, no allowance for impairment losses has been made in respect of the above advances to related parties (2005: Nil).

25. 關連人士重要交易 (續)

(d) 主要行政人員 (續)

(iv) 酬金

主要行政人員之酬金，包括付予銀行董事款項，詳列如下：

25. MATERIAL RELATED PARTIES TRANSACTIONS (Continued)

(d) Key management personnel (Continued)

(iv) Emoluments

Remuneration for key management personnel, including amounts paid to the Bank's directors as follows:

		截至二零零六年 六月三十日止 六個月 Six months ended 30th June, 2006	截至二零零五年 六月三十日止 六個月 Six months ended 30th June, 2005
短期僱員福利	Short-term employee benefits	16,742	14,260
在職福利	Post-employment benefits	816	750
股份獎勵福利	Equity compensation benefits	4,514	3,906
		22,072	18,916

26. 風險管理

本集團已制定政策、程序及限額，以管理本集團所承受之不同種類風險。本集團具備多項風險管理系統及管理資訊系統，以識別、計量、監察及控制信貸風險、流動資金風險、市場風險、營運風險等。該等風險管理政策、程序及限額乃經董事會或經指定之委員會核准，並由與風險管理有關之委員會如授信委員會及資產負債管理委員會作定期監察及檢討。內部核數員會進行定期稽核及獨立檢查，以確保該等政策及程序能得以遵從。

26. MANAGEMENT OF RISKS

The Group has established policies, procedures and limits to manage various types of risk that the Group is exposed to. Risk management processes and management information systems are in place to identify, measure, monitor and control credit risk, liquidity risk, market risk, operational risk etc. The risk management policies, procedures and limits are approved by the Board of Directors or its designated committees, and are monitored and reviewed regularly by relevant risk management committees, such as the Credit Committee and the Asset and Liability Management Committee ("ALMCO"). Internal auditors perform regular audits and independent checking to ensure compliance with the policies and procedures.

26. 風險管理 (續)

(a) 信貸風險管理

信貸風險源於交易對手未能履行其承擔，可來自本集團的貸款、貿易融資、財資、衍生工具及其他業務。董事會已授權由本銀行之董事長兼行政總裁任主席的授信委員會以執行信貸風險管理。

信貸風險管理是獨立於其他業務，監管信貸政策的應用及實行以確保信貸評估及批核的質素。本集團的信貸政策制定了授予信貸的準則、信貸批核與監察的程序、貸款分類系統及減值的政策，並根據香港銀行業條例、香港金融管理局發出的指引及香港會計師公會發出的會計準則，來制定對大額信貸及減值的政策。

信貸風險管理指引已載於本集團的貸款手冊，並經由授信委員會定期檢閱及批核。貸款手冊內包括為信貸權限授權、授信標準、信貸監管處理、貸款分類系統、信貸追收及減值政策。

(i) 企業信貸風險

企業信貸風險分散覆蓋企業、中層借款人及中小企業。大型企業之風險主要集中在高評級客戶。管理信貸風險的主要手法為信貸核准過程。本集團有多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業客戶而言，本集團已制定一套適用於所有交易對手的定期而詳盡之信貸覆核系統。本集團亦已就個別行業及不同的借款人和借款人團體設立貸款風險承擔限額，不論風險是貸款風險或非資金風險。本集團亦已釐定檢討程度，確保按照貸款的規模和風險評級，為貸款進行適當的檢討和核准。

26. MANAGEMENT OF RISKS (Continued)

(a) Credit risk management

Credit risk arises from the possibility that the counterparty in a transaction may default. It arises from the lending, trade finance, treasury, derivatives and other activities undertaken by the Group. The Board of Directors has delegated the Group's credit risk management to the Credit Committee, which is chaired by the Bank's Chairman and Chief Executive.

The credit risk management function is independent of the business units. It oversees the implementation of credit policies and ensures the quality of credit evaluation and approval. Credit approval is conducted in accordance with the Group's credit policy, which defines the credit extension criteria, the credit approval and monitoring processes, the loan classification system and impairment policy. The credit policy also takes into account the requirements of the Hong Kong Banking Ordinance, guidelines issued by the HKMA and accounting standards issued by the HKICPA with respect to large exposures and impairment requirements.

Guidelines to manage credit risk have been laid down in the Group's Loaning Manual, which is regularly reviewed and approved by the Credit Committee. The Loaning Manual covers the delegated lending authorities, credit extension criteria, credit monitoring process, loan classification system, credit recovery and impairment policy.

(i) Corporate credit risk

The corporate credit exposures are diversified among corporates, middle market borrowers and SMEs. The large corporate exposures are generally concentrated among highly rated customers. The principal means of managing credit risk is the credit approval process. The Group has policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate clients, the Group has a detailed credit review system that is applied to each counterparty on a regular basis. The Group also has limits for exposure to individual industries and for borrowers and groups of borrowers, regardless of whether the exposure is in the form of loans or non-funded exposures. The Group also has a review process that ensures the proper level of review and approval depending on the size of the facility and risk grading of the credit.

26. 風險管理 (續)

(a) 信貸風險管理 (續)

- (i) 企業信貸風險 (續)
本集團持續進行多個層次的信貸覆核和監控。有關的信貸政策乃旨在儘早發現需要特別注意的交易對手、行業或產品的風險承擔。授信委員會定期監管交易組合的整體風險，個別問題貸款及潛在問題貸款。
- (ii) 零售信貸風險
本集團的零售信貸政策和核准程序是因應零售銀行產品的特徵而制定：大量小額及相對地類似的交易。零售信貸風險的監管主要是基於就不同產品及客戶類別進行統計分析及組合覆核。本集團按個別組合的表現及市場常規，不斷覆核及修訂產品條款及客戶組合。
- (iii) 與信貸有關的承諾
與信貸有關的承諾和或然事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請、組合保持和抵押要求。
- (iv) 信貸集中的風險
信貸集中的風險源於交易對手團體受到所在地、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至為重要。本集團的組合分散覆蓋不同地區、行業和產品，並以經有關風險委員會核准的已釐定限額為限。

各金融資產按經濟類別區分之信貸集中風險分析於附註10至13披露。

26. MANAGEMENT OF RISKS (Continued)

(a) Credit risk management (Continued)

- (i) Corporate credit risk (Continued)
The Group undertakes ongoing credit review and monitoring at various levels. The credit policies promote early detection of counterparty, industry or product exposures that require special attentions. The Credit Committee oversees the overall portfolio risk as well as individual problem loans and potential problem loans on a regular basis.
- (ii) Retail credit risk
The Group's retail credit policy and approval process are designed based on the characteristics of the retail banking products: small value but high volume, and relatively homogeneous transactions. Monitoring the credit risk of retail exposures is based primarily on statistical analyses and portfolio review with respect to different products and types of customers. The Group reviews and revises the product terms and customer profiles on a continual basis according to the performance of respective portfolios and the market practices.
- (iii) Credit-related commitments
The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, therefore, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.
- (iv) Concentrations of credit risk
Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio is diversified along geographic, industry and product sectors in accordance with the established limits approved by the relevant risk committees.

Analysis of credit risk concentration by economic sector of respective financial assets is disclosed in note 10 to 13.

26. 風險管理 (續)

(b) 流動資金風險管理

流動資金風險是未能集資以應付資產增長或應付到期債項的風險。本集團已訂立流動資金風險管理政策，確保任何時間都能維持足夠流動資金。集團於二零零六年上半年平均流動資金比率為50.8%，遠超法定25%之要求。

流動資金由司庫按資產負債管理委員會的指示管理。資產負債管理委員會包括高級管理層、財資部門、風險管理、財務管理及其他可影響流動資金風險的業務範疇的人士組成，負責監管流動資金風險管理事宜，特別是實施適合的流動資金政策及程序，識別、計量及監管流動資金風險，以及監控其流動資金風險管理過程。董事會核准流動資金風險策略及政策，維持對整體流動資金風險組合的持續注視，並確保流動資金風險已在既有風險管理架構內獲高級管理層充足之管理及控制。

為因應一般正常業務中的資金需要，除持有充足流動性的資產外，亦繼續使用銀行同業拆借市場。另外，本集團維持充足的備用信貸，以應付任何未能預料的大量資金需求。本集團亦定期為流動資金狀況進行壓力測試以確保時刻保持充足流動資金。本集團之主要資產及負債根據由結算日至合約到期日止的剩餘期間作相關期限分組，詳細分析載於附註20。

(c) 市場風險管理

市場風險是指因所持之資產負債表及資產負債表以外之利率、匯率及股票與商品價格等市價之變動，而引致本集團損益或儲備之變動而產生的風險。

本集團就所持倉盤或金融工具所承受市場風險包括匯率合約、利率合約、定息票據及股票與衍生工具。

26. MANAGEMENT OF RISKS (Continued)

(b) Liquidity risk management

Liquidity risk is the risk of inability to fund an increase in assets or meet obligations as they fall due. The Group has established liquidity management policies for ensuring adequate liquidity is maintained at all times. The Group maintained an average liquidity ratio of 50.8% for the first half of 2006, which is well above the statutory requirement of 25%.

Liquidity is managed day-to-day by the treasury under the direction of ALMCO. ALMCO, which comprises personnel from senior management, treasury function, risk management, financial management and other business areas that could affect liquidity risk, is responsible for overseeing the liquidity risk management, in particular implementation of appropriate liquidity policies and procedures, identifying, measuring and monitoring liquidity risk, and control over the liquidity risk management process. The Board of Directors approves the liquidity risk strategy and policies, maintaining continued awareness of the overall liquidity risk profile, and ensuring liquidity risk is adequately managed and controlled by senior management within the established risk management framework.

To cater for funding requirements during ordinary course of business, sufficient liquid assets are held and also access to the interbank market is maintained. In addition, adequate standby facilities are maintained in order to meet any unexpected and material cash outflow. The Group also performs regular stress tests on its liquidity position to ensure adequate liquidity is maintained at all times. The detail of the analysis on the Group's material assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date are set out in the note 20.

(c) Market risk management

Market risk is the risk arising from the movements in market prices of on- and off- balance sheet positions in interest rates, foreign exchange rates as well as equity and commodity prices and the resulting change in the profit/loss or reserve of the Group.

The Group is exposed to market risk on position taken or financial instrument held or taken such as foreign exchange contracts, interest rate contracts, fixed income and equity securities and derivatives instruments.

26. 風險管理 (續)

(c) 市場風險管理 (續)

董事會審閱及核准市場風險管理及交易授權之政策。資產負債管理委員會獲賦予控制及監管市場風險之職責，包括定期檢討風險及風險管理框架如既定限額及損失限額。該等限額由資產負債管理委員會制定並參考市況定期檢討，任何重大變動均須經董事會審閱。本銀行之政策為不得超過限額。中檯辦公室獲賦予即日監管之職責，以確保遵循政策及限額。

本集團以較保守之政策來管理買賣用途工具之持倉限額，於市場買賣其他交易對手之衍生工具作抵銷買賣交易或對沖所持倉盤，以減低過剩之市場風險。利率及外匯衍生工具合約的交易是本集團交易活動不可或缺的一環，主要用以對沖買賣倉盤或平掉由客戶推動的倉盤。

本集團以價位基點監管及限制其承受的利率風險。價位基點是用來計算因一基點利率的變動所導致金融工具或工具組合現值變動的技術。這方法亦可用來快速評估一基點的利率變動所導致損益的影響。

(i) 利率風險

本集團的利率風險源自借貸、接受存款及財資活動。銀行業務和交易活動均可面對利率風險，主要因帶息資產、負債及承擔在再定息的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。本集團之利率風險由資產負債管理委員會監管，並維持在經董事會批核的限額，其中包括利率差額限額、產品限制及價位基點限額等。本集團亦使用利率掉期及其他衍生工具管理利率風險。

26. MANAGEMENT OF RISKS (Continued)

(c) Market risk management (Continued)

The Board of Directors reviews and approves the policies for the management of market risks and trading authorities. ALMCO has been delegated the responsibility of controlling and monitoring market risk including regular review of the risk exposures and the risk management framework such as the established limits and stop-losses. The limits are set by ALMCO and reviewed on a periodic basis with reference to market conditions, with any material changes requiring a review by the Board of Directors. It is the Bank's policy that no limit should be exceeded. Middle Office has been delegated the duties of intra-day monitoring and ensuring compliance with the policy and limits.

The Group adopts a prudent approach in managing the portfolio of trading instruments. It reduces excessive market risk by offsetting trading transactions or hedging the open positions by executing derivative contracts with other market counterparties. Trading of interest rate and foreign exchange derivative contracts forms an integral part of the Group's trading activities, which are primarily for squaring the trading positions or covering the customer driven positions.

The Group uses Price Value Basis Point ("PVBP") to monitor and limit its interest rate risk exposure. PVBP is a technique involving the calculation the change in present value of a financial instrument or a portfolio of instruments due to a change in one basis point of interest rates. It also provides a quick tool to evaluate the impact on profit and loss due to a basis point movement in interest rates.

(i) Interest rate risk

The Group's interest rate exposures arise from lending, deposit taking as well as treasury activities. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments, which may apply to both banking book and trading book. It also relates to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. The Group's interest rate risk is monitored by the ALMCO within limits approved by the Board, including interest rate gap limit, product limit and PVBP limit. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

26. 風險管理 (續)

(c) 市場風險管理 (續)

(i) 利率風險 (續)

結構性利率風險主要源自無息負債之部署，包括股東資金和往來賬戶及若干定息貸款和負債。結構性利率風險由資產負債管理委員會監管。

(ii) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務及於香港以外附屬公司及分行之資本投資之結構性外匯風險，主要以美元、澳門幣及人民幣計值，由資產負債管理委員會管理。所有外幣持倉限額經董事會訂定，由資產負債管理委員會監管。

個別外幣的淨持有額或淨結構性倉盤若佔所持有外幣淨持有總額或淨結構性倉盤總額的百分之十或以上，便須作出披露。

26. MANAGEMENT OF RISKS (Continued)

(c) Market risk management (Continued)

(i) Interest rate risk (Continued)

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by ALMCO.

(ii) Currency risk

The Group's foreign exchange positions, which arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures arising from capital investment in subsidiaries and branches outside Hong Kong, mainly in US dollar, Macau Patacas and Renminbi, are managed by ALMCO. All foreign exchange positions are managed by the ALMCO within limits approved by the Board of Directors.

The net positions or net structural positions in foreign currencies are disclosed below where each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies.

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
(相等於百萬港元) (In millions of HK\$ equivalent)		美元 US\$	合計 Total	美元 US\$	合計 Total
現貨資產	Spot assets	33,183	55,760	31,689	51,672
現貨負債	Spot liabilities	(32,823)	(55,507)	(32,431)	(52,130)
遠期買入	Forward purchases	15,634	17,398	5,396	7,871
遠期賣出	Forward sales	(15,604)	(17,023)	(3,257)	(5,783)
長盤淨額	Net long positions	<u>390</u>	<u>628</u>	<u>1,397</u>	<u>1,630</u>

26. 風險管理 (續)

(c) 市場風險管理 (續)

(ii) 貨幣風險 (續)

(相等於百萬港元) (In millions of HK\$ equivalent)	二零零六年六月三十日 30th June, 2006				二零零五年十二月三十一日 31st December, 2005			
	澳門幣 Macau Patacas	人民幣 Chinese Renminbi	美元 US\$	合計 Total	澳門幣 Macau Patacas	人民幣 Chinese Renminbi	美元 US\$	合計 Total
結構性倉盤淨額 Net structural positions	318	194	321	833	204	192	317	713

(d) 營運風險管理

營運風險乃指因內部程序不完善或失效、人為過失、系統故障或外來事故而引致虧損之風險。

本集團所建立之風險管理架構在企業及部門層面上控制風險。相關管理原理乃建基於本集團高級管理層一貫所持之誠信及風險意識。

此架構包括連同監控措施之管治政策，保證所有營運單位完全遵從。該等措施由高級管理層所領導之營運管理委員會指導、監控及問責。該等委員會定期進行檢討，以確保內部監控妥善運作，並識別出可予改進的地方。

另外，本集團的內部稽核處進行定期檢討，量度本集團內部監控系統之成效。該部門向審核委員會匯報，確保以高水平誠信管理此架構。

27. 比較數字

若干比較數字予已重列，以符合本期之呈報方式。本集團根據香港會計準則第32號「金融工具—披露與呈報」及第39號，已將二零零五年上半年買賣用途金融衍生工具之有關淨利息支出港幣23,367,000元於本未經審核之綜合損益計算表內重新分類及重列，由「其他營業收入」轉入「持作買賣用途及以公平價值誌入損益之金融工具之淨利息收入」。

26. MANAGEMENT OF RISKS (Continued)

(c) Market risk management (Continued)

(ii) Currency risk (Continued)

(相等於百萬港元) (In millions of HK\$ equivalent)	二零零六年六月三十日 30th June, 2006				二零零五年十二月三十一日 31st December, 2005			
	澳門幣 Macau Patacas	人民幣 Chinese Renminbi	美元 US\$	合計 Total	澳門幣 Macau Patacas	人民幣 Chinese Renminbi	美元 US\$	合計 Total
結構性倉盤淨額 Net structural positions	318	194	321	833	204	192	317	713

(d) Operational risk management

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Group's risk management framework is established to control risks at both corporate and departmental levels. The underlying management principle is built upon a long-standing culture of high integrity and risk awareness fostered by senior executives of the Group.

The framework consists of governing policies with control measures to ascertain absolute compliance by all operating units. These measures are directed, controlled and held to account by operation management committees chaired by senior executives. Regular reviews are performed by the committees to ensure proper functioning of internal controls and to identify improvement opportunities.

Furthermore, independent reviews are conducted by the Group's Internal Audit Division to measure the effectiveness of the Group's system of internal controls. This division reports to the Audit Committee to ensure the framework is managed with high standards of probity.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current period's presentation. The Group has reclassified and grouped the net interest expenses arising from trading financial derivatives for the first half of 2005 amounting to HK\$23,367,000 from "Other operating income" to "Net interest income on financial instruments held for trading and measured at fair value through profit or loss" in the unaudited consolidated profit and loss account under HKAS 32 "Financial instruments: Disclosure and presentation" and HKAS 39.

未經審核之補充財務資料 Unaudited Supplementary Financial Information

(以港幣千元位列示·內文另註除外) (Expressed in thousands of Hong Kong dollars unless otherwise stated in the text)

(a) 資本充足及流動資金比率 (i) 資本充足比率

(a) CAPITAL ADEQUACY AND LIQUIDITY RATIOS (i) Capital adequacy ratio

		二零零六年 六月三十日 30th June, 2006	二零零五年 十二月三十一日 31st December, 2005
核心資本	Core capital		
繳足股款之普通股股本	Paid up ordinary share capital	294,121	294,021
股本溢價賬	Share premium	369,810	359,929
儲備	Reserves	6,461,054	5,838,021
其他	Others	489,013	623,129
減：商譽	Less: Goodwill	(847,422)	(847,422)
		6,766,576	6,267,678
可計算之附加資本	Eligible supplementary capital		
物業重估儲備	Reserves on revaluation of properties	190,993	190,993
重估可供銷售金融資產之未實現溢利	Unrealised gains on revaluation of available-for-sale financial assets	3,214	5,699
客戶貸款及貿易票據之整體減值準備	Collective impairment allowances for advances to customers and trade bills	186,172	208,498
監管儲備	Regulatory reserve	374,867	336,176
有期後償債項之可計算價值	Eligible value of term subordinated debt instruments	2,524,145	2,519,888
		3,279,391	3,261,254
扣減前之資本基礎總額	Total capital base before deductions	10,045,967	9,528,932
資本基礎總額之扣減項目	Deductions from total capital base	(405,324)	(405,324)
扣減後之資本基礎總額	Total capital base after deductions	9,640,643	9,123,608
未經調整之資本充足比率	Unadjusted capital adequacy ratio	15.0%	14.9%
調整後之資本充足比率	Adjusted capital adequacy ratio	15.1%	14.9%

(a) 資本充足及流動資金比率 (續)

(i) 資本充足比率 (續)

未經調整之資本充足比率為本銀行及部份附屬公司根據香港銀行條例附表三及香港金融管理局(「金管局」)為監管而要求之綜合基準計算。調整後資本充足比率之計算，是根據金管局發出之監管政策手冊內有關「就市場風險維持充足資本」之要求，並已計入在結算日的市場風險。所根據之綜合基準與未經調整之資本充足比率相同。

(ii) 平均流動資金比率

平均流動資金比率

六個月平均流動資金比率乃根據香港銀行條例附表四計算。此比率已與金管局協議包括所有海外分行、香港辦事處及附屬公司而計算。

(a) CAPITAL ADEQUACY AND LIQUIDITY RATIOS (Continued)

(i) Capital adequacy ratio (Continued)

The unadjusted capital adequacy ratio is computed on a consolidated basis covering the Bank and certain of its financial subsidiaries as specified by the Hong Kong Monetary Authority ("HKMA") for its regulatory supervision purposes, and is in accordance with the Third Schedule to the Hong Kong Banking Ordinance. The adjusted capital adequacy ratio incorporating market risk is computed on the same consolidated basis, and is in accordance with the module on "Maintenance of adequate capital against market risks" under Supervisory Policy Manual issued by the HKMA.

(ii) Average liquidity ratio

截至二零零六年 六月三十日止 六個月	截至二零零五年 六月三十日止 六個月
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Six months ended 30th June, 2006	Six months ended 30th June, 2005
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Average liquidity ratio	50.8%	49.8%
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The average liquidity ratio for the six months includes the liquidity positions of all overseas branches, Hong Kong offices and financial subsidiaries in its calculation, which is the basis of computation agreed with the HKMA, and has been computed in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

(b) 按地理分類之客戶貸款及過期貸款分析

地理分類資料乃按交易對手之所在地，並已顧及轉移風險因素。一般而言，在下述情況下才轉移風險：有關貸款之債權獲得並非交易對手所在地之一方擔保，或該債權的履行對象是某銀行之海外分行，而該銀行之總辦事處並非設於交易對手之所在地。

(b) ADVANCES TO CUSTOMERS AND OVERDUE ADVANCES ANALYSED BY GEOGRAPHICAL AREA

The geographical information has been classified by the geographical location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a geographical location which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another geographical location.

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
		客戶貸款 Total advances to customers	過期三個月 以上之貸款 Overdue advances for over three months	客戶貸款 Total advances to customers	過期三個月 以上之貸款 Overdue advances for over three months
香港	Hong Kong	47,054,622	256,096	46,779,933	263,429
澳門	Macau	5,692,046	49,320	5,012,975	50,982
中國內地	Mainland China	1,075,732	3,463	990,269	3,510
其他	Others	2,248,564	7,958	1,618,657	3,530
		56,070,964	316,837	54,401,834	321,451

(c) 過期及重定還款期之資產

(i) 過期及重定還款期之客戶貸款

(c) OVERDUE AND RESCHEDULED ASSETS

(i) Overdue and rescheduled advances to customers

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
		金額 Amount	佔貸款總額 之百分比 % of total advances	金額 Amount	佔貸款總額 之百分比 % of total advances
已過期之客戶 貸款	Gross advances to customers which have been overdue for				
– 三個月以上至 六個月	– 6 months or less but over 3 months	56,294	0.10	84,313	0.15
– 六個月以上至 一年	– 1 year or less but over 6 months	60,542	0.11	65,648	0.12
– 一年以上	– Over 1 year	200,001	0.36	171,490	0.32
		316,837	0.57	321,451	0.59
有抵押貸款數額	Secured balances	256,442		265,815	
無抵押貸款數額	Unsecured balances	60,395		55,636	
		316,837		321,451	
有抵押貸款之抵 押品市值	Market values of collateral held with respect to secured balance	329,519		329,492	
個別減值準備	Individual impairment allowances	54,279		51,608	
重定還款期之客 戶貸款	Rescheduled advances	38,524	0.07	145,084	0.27

於二零零五年十二月三十一日及二零零六年六月三十日，本集團貸予銀行同業及其他金融機構之款項中，並無過期三個月以上及重定還款期之貸款。

There were no advances overdue for over 3 months and rescheduled advances to banks and other financial institutions on 30th June, 2006 and 31st December, 2005.

(ii) 其他過期資產

(ii) Other overdue assets

		二零零六年 六月三十日 30th June, 2006		二零零五年 十二月三十一日 31st December, 2005	
已過期之貿易票據	Trade bills which have been overdue for				
– 三個月以上至六個月	– 6 months or less but over 3 months	4,926		3,529	
– 六個月以上至一年	– 1 year or less but over 6 months	1,295		–	
– 一年以上	– Over 1 year	406		547	
		6,627		4,076	

(d) 收回資產**(d) REPOSSESSED ASSETS**

二零零六年 二零零五年
六月三十日 十二月三十一日
30th June, 2006 31st December, 2005

抵押客戶貸款之收回資產

Repossessed assets obtained
as securities for advances to
customers

99,470

86,314

(e) 跨境債權

跨境債權資料乃按交易對手之所在地，並已顧及轉移風險因素。一般而言，在下述情況下才轉移風險：有關貸款之債權獲得並非交易對手所在地之一方擔保，或該債權之履行對象是某銀行之海外分行，而該銀行之總辦事處並非設於交易對手之所在地。

(e) CROSS-BORDER CLAIMS

The information concerning cross-border claims has been classified by the geographical location of the counterparties after taking into account any risk transfer. In general, such transfer of risk takes place if the claims are guaranteed by a party in a geographical location which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another geographical location.

二零零六年六月三十日
30th June, 2006

		銀行同業及 其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	合計 Total
澳門	Macau	1,554,028	–	5,786,435	7,340,463
中國內地	Mainland China	1,905,600	80,286	571,617	2,557,503
其他亞太區	Other Asia Pacific	6,568,247	–	1,051,411	7,619,658
美國	United States	1,625,581	295,665	1,952,528	3,873,774
其他南美及北美國家	Other North and South American countries	2,248,538	–	1,232,669	3,481,207
中東及非洲	Middle East and Africa	9,747	–	3,066	12,813
德國	Germany	6,601,218	–	98,725	6,699,943
英國	United Kingdom	5,145,187	–	332,648	5,477,835
其他歐洲國家	Other European countries	16,118,581	–	1,067,427	17,186,008
		41,776,727	375,951	12,096,526	54,249,204

(e) 跨境債權 (續)

(e) CROSS-BORDER CLAIMS (Continued)

二零零五年十二月三十一日
31st December, 2005

		銀行同業及 其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	合計 Total
澳門	Macau	1,069,529	–	5,051,067	6,120,596
中國內地	Mainland China	1,655,235	136,698	504,354	2,296,287
其他亞太區	Other Asia Pacific	5,770,376	–	1,067,643	6,838,019
美國	United States	957,664	300,635	2,098,564	3,356,863
其他南美及北美國家	Other North and South American countries	1,222,935	–	400,289	1,623,224
中東及非洲	Middle East and Africa	3,721	–	3,216	6,937
德國	Germany	8,064,807	–	13,280	8,078,087
英國	United Kingdom	4,865,660	–	204,425	5,070,085
其他歐洲國家	Other European countries	13,101,460	–	957,342	14,058,802
		<u>36,711,387</u>	<u>437,333</u>	<u>10,300,180</u>	<u>47,448,900</u>

(f) 資本管理

本集團的政策是要維持雄厚的資本，來支持集團的業務發展，並能達到法定的資本充足比率要求。在上述附註(a)中已披露，本集團在二零零六年六月三十日調整後資本充足比率為15.1%，遠超法定之8%最低要求。

本銀行按各業務部門所承受的風險來分配資本。附屬公司若受其他監管機構直接監管，便必須遵守這些監管機構的規定維持充足的資本。某些附屬公司亦要符合金管局因應監管所需而制定的資本要求。

(f) CAPITAL MANAGEMENT

The Group's policy is to maintain a strong capital base to support the development of the Group's business and to meet the statutory capital adequacy ratio. As disclosed in note (a) above, the Group's adjusted capital adequacy ratio of 15.1% as at 30th June, 2006 is well above the statutory minimum ratio of 8%.

Capital is allocated to the various activities of the Bank depending on the risk taken by each business division. Where the subsidiaries are directly regulated by other regulators, they are required to maintain minimum capital according to those regulators' rules. Certain financial subsidiaries, as specified by the HKMA, are subject to the HKMA's capital requirements for its regulatory supervision purposes.

中期股息

董事會宣佈派發中期股息每股港幣八角二仙。此項中期股息將於二零零六年九月十八日(星期一)派發予於二零零六年九月七日在股東名冊上已登記之股東。

暫停股份登記日期

由二零零六年九月四日(星期一)至二零零六年九月七日(星期四)止,首尾兩天包括在內,本行將暫停辦理股票過戶登記。凡持有本行之股票而未過戶者必須於二零零六年九月一日(星期五)下午四時前將過戶表格連同有關股票送達香港灣仔皇后大道東一八三號合和中心十七樓一七一二至一七一六室本行之股份登記處,香港中央證券登記有限公司辦理過戶手續方可享有是次通過派發之中期股息。

主要股東權益

本銀行根據證券及期貨條例第336條而設之主要股東權益及淡倉登記冊,除披露於董事及行政總裁權益項下,各主要股東於二零零六年六月三十日持有本銀行股份及相關股份之權益如下:

INTERIM DIVIDEND

The Directors are pleased to declare an interim dividend of HK\$0.82 per share, to be paid on Monday, 18th September, 2006 to shareholders whose names are on the Register of Members on 7th September, 2006.

CLOSING OF REGISTER OF MEMBERS

The Register of Members of the Bank will be closed from Monday, 4th September, 2006 to Thursday, 7th September, 2006 both days inclusive, during which period no transfer of shares can be registered. In order to qualify for the above dividend, all transfers accompanied by the relevant share certificates must be lodged with the Bank's Registrars, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on Friday, 1st September, 2006.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 30th June, 2006, save as mentioned under the section headed "Directors' and Chief Executive's Interests", the Substantial Shareholders of the Bank according to the Register of Substantial Shareholders' Interests and Short Positions in the shares and underlying shares of the Bank kept under Section 336 of the Securities and Futures Ordinance ("SFO") were as follows:

姓名 Name	所持股數 Number of shares
Aberdeen Asset Management Asia Limited	(1) 22,815,000
Aberdeen Asset Management Plc and its associates	(1) 23,536,000
BNY International Financing Corporation	(2) 59,350,000
The Bank of New York (美國紐約銀行)	(2) 59,350,000
The Bank of New York Company, Inc. (美國紐約銀行集團)	(2) 59,350,000
Federal Trust Company Limited	(3 & 5) 34,737,600
Tessel Inc.	(3 & 5) 10,639,200
Wing Hang Bank (Nominees) Limited (永亨銀行(代理人)有限公司)	(3 & 5) 23,378,400
YKF Holding Corporation	(3 & 5) 24,098,400
Po Ding Company Limited (保定有限公司)	(4 & 5) 24,156,000
GZ Trust Corporation	(4 & 5) 24,156,000

(1) Aberdeen Asset Management Asia Limited為Aberdeen Asset Management Plc.之全資附屬公司。

(2) BNY International Financing Corporation為美國紐約銀行的全資附屬公司。美國紐約銀行為美國紐約銀行集團之全資附屬公司。

(3) Federal Trust Company Limited是Tessel Inc.及YKF Holding Corporation的受託人。永亨銀行(代理人)有限公司是YKF Holding Corporation若干股份之登記持有人。

(4) 保定有限公司為GZ Trust Corporation全資擁有之公司。

(5) 全部股份由公司持有,馮鈺斌先生、馮鈺聲先生、何志偉夫人及其他人士為合資格之受益人。

(1) Aberdeen Asset Management Asia Limited is a wholly owned subsidiary of Aberdeen Asset Management Plc.

(2) BNY International Financing Corporation is a wholly owned subsidiary of The Bank of New York. The Bank of New York is a wholly owned subsidiary of The Bank of New York Company, Inc.

(3) Federal Trust Company Limited is the trustee for Tessel Inc. and YKF Holding Corporation. Wing Hang Bank (Nominees) Limited is the registered holder of certain shares on behalf of YKF Holding Corporation.

(4) Po Ding Company Limited is wholly owned by GZ Trust Corporation.

(5) All shares are held through the corporations in which Messrs Patrick Y B Fung, Michael Y S Fung and Louis C W Ho's spouse together with other parties are eligible beneficiaries.

主要股東權益 (續)

根據一項於一九九六年八月二十二日訂立之股東協議，BNY International Financing Corporation、馮鈺斌先生、馮鈺聲先生、保定有限公司、YKF Holding Corporation及泰華置業有限公司同意保留本銀行已發行股份合共百分之三十七點五之聯合控制權。根據證券及期貨條例第XV部分，以上各股東各自被視為於110,295,188股本銀行股份中擁有權益。

上述全部權益均為長盤。根據本銀行依照證券及期貨條例第336條而設之主要股東權益及淡倉登記冊，於二零零六年六月三十日，並無淡倉紀錄。

董事及行政總裁權益

本銀行根據證券及期貨條例第352條而設之董事及行政總裁權益及淡倉登記冊，各董事及行政總裁於二零零六年六月三十日持有本銀行及各相聯法團之股份、股本衍生工具及債券之權益（依照證券及期貨條例第XV部份之釋義）如下：

SUBSTANTIAL SHAREHOLDERS' INTERESTS (Continued)

Pursuant to a shareholders' agreement dated 22nd August, 1996, BNY International Financing Corporation, Messrs Patrick Y B Fung and Michael Y S Fung, Po Ding Company Limited, YKF Holding Corporation and Majestic Investment Company Limited agree to retain joint control over an aggregate of 37.5% of the share capital of the Bank. According to Part XV of the SFO, the parties are, therefore, each deemed to be interested in 110,295,188 shares of the Bank.

All the interests stated above represent long positions. As at 30th June, 2006, no short positions were recorded in the Register of Substantial Shareholders' Interests and Short Positions required to be kept under Section 336 of the SFO.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 30th June, 2006, the Directors' and Chief Executive's Interests according to the Register of Directors' and Chief Executive's Interests and Short Positions in the shares, underlying shares of equity derivatives and debentures of the Bank and its associated corporations (within the meaning of Part XV of the SFO) kept under Section 352 of the SFO were as follows:

姓名	Name	個人 Personal	所持股數 No. of shares				其他 Other	合計 Total
			家庭 Family	認股權 Option	獎賞 Award			
馮鈺斌	Patrick Y B Fung	2,982,000	-	230,000	650,000	- (1, 2 & 4)	3,862,000	
王家華	Frank J Wang	-	-	180,000	395,000	- (1 & 2)	575,000	
馮鈺聲	Michael Y S Fung	3,000,000	60,000	180,000	325,000	- (1, 2 & 4)	3,565,000	
何志偉	Louis C W Ho	204,000	100,000	100,000	10,000	- (1 & 2)	414,000	
李國賢	Simon K Y Lee	-	-	-	-	1,531,500 (3)	1,531,500	
劉漢銓	Ambrose H C Lau	71,500	-	-	-	-	71,500	

董事及行政總裁權益 (續)

附註:

- (1) 董事會議決根據一九九三年六月九日及二零零三年四月二十四日通過之認股權計劃，授予董事及行政人員認股權，下列董事經接納下列認股權：

姓名	Name	授予認股權之股份數目 No. of shares in options	授予日期 Date granted	認購價 Option price
				港元 HK\$
馮鈺斌	Patrick Y B Fung	50,000	10/03/2001	23.60
		40,000	15/03/2002	26.30
		40,000	14/03/2003	26.50
		50,000	21/05/2004	43.80
		50,000	14/01/2005	51.25
王家華	Frank J Wang	40,000	10/03/2001	23.60
		30,000	15/03/2002	26.30
		30,000	14/03/2003	26.50
		40,000	21/05/2004	43.80
		40,000	14/01/2005	51.25
馮鈺聲	Michael Y S Fung	40,000	10/03/2001	23.60
		30,000	15/03/2002	26.30
		30,000	14/03/2003	26.50
		40,000	21/05/2004	43.80
		40,000	14/01/2005	51.25
何志偉	Louis C W Ho	30,000	15/03/2002	26.30
		30,000	14/03/2003	26.50
		40,000	14/01/2005	51.25

根據認股權計劃授予之認股權，可於授予日期之第一週年至第十週年期間行使。

- (2) 董事會議決根據二零零四年四月二十二日通過之僱員獎勵計劃，授予董事及行政人員獎賞，下列董事經接納下列獎賞：

姓名	Name	授予獎賞之股份數目 No. of shares in awards	授予日期 Date granted	獎賞購入價 Awards price
				港元 HK\$
馮鈺斌	Patrick Y B Fung	200,000	21/05/2004	1.00
		450,000	23/01/2006	1.00
王家華	Frank J Wang	125,000	21/05/2004	1.00
		270,000	23/01/2006	1.00
馮鈺聲	Michael Y S Fung	100,000	21/05/2004	1.00
		225,000	23/01/2006	1.00
何志偉	Louis C W Ho	10,000	21/05/2004	1.00

獎賞之有效期間為授予日期之第六週年至第十週年。

- (3) 股份由家族信託基金持有，而合資格之受益人為李國賢夫人。
- (4) 馮鈺斌先生及馮鈺聲先生所持有之全部股份、認股權及獎賞已包括於上述主要股東權益所述股東協議之110,295,188股內。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS (Continued)

Notes:

- (1) The Board approved the granting of certain share options to Directors and Executives of the Bank, pursuant to the Share Option Scheme adopted on 9th June, 1993 and 24th April, 2003, and the following Directors have accepted the following options:

The options granted under the Scheme will be exercisable between the first and the tenth anniversaries of the date of grant.

- (2) The Board approved the granting of certain share awards to Directors and Executives of the Bank, pursuant to the Employee Incentive Plan adopted on 22nd April, 2004, and the following Directors have accepted the following share awards:

The awards can be vested between the sixth to the tenth anniversaries after the date of grant.

- (3) Shares were held through a family trust in which Dr Simon K Y Lee's spouse is an eligible beneficiary.
- (4) All shares, options and awards held by Messrs Patrick Y B Fung and Michael Y S Fung are parcel of the 110,295,188 shares of the Bank under the shareholders' agreement as mentioned in the section headed "Substantial Shareholders' Interests".

董事及行政總裁權益 (續)

除上文所述外，於二零零六年六月三十日，依照證券及期貨條例第XV部分之釋義，各董事、行政總裁及其有關人士概無於本銀行及其相聯法團之股本中佔有其他實質權益。

上述全部權益均為長盤。根據本銀行依照證券及期貨條例第352條而設之董事及行政總裁權益及淡倉登記冊，於二零零六年六月三十日，並無淡倉紀錄。

認股權計劃

根據已批准之認股權計劃，董事會獲授權可決定給予行政人員認股權以購入本銀行股份，作為對僱員的獎勵。根據認股權計劃可予發行的股份數目最多不得超過本銀行於批准通過該計劃時已發行股本百分之五。二零零一年九月一日之前，認購價為認股權授予日期前五個交易日於香港聯合交易所有限公司（「聯交所」）之平均收市價的百分之八十。二零零一年九月一日之後，認購價須至少為下列兩者中的較高者：

- (i) 股份於授予日在聯交所之收市價，該日必須為交易日，及
- (ii) 股份於授予日前五個交易日在聯交所的平均收市價。

認股權於行使前必須持有最少一年，並可於授予日的第一週年至第十週年期間行使，接受認股權須付港幣一元，該認股權計劃已於二零零三年四月二十四日終止，並由一新認股權計劃取代。此新認股權計劃為期十年，其修改並符合證券上市規則（「上市規則」）第17條。

於二零零六年六月三十日，根據新的認股權計劃可予發行之普通股為13,793,000股或佔本銀行已發行股本百分之四點七。

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS (Continued)

Save as disclosed, none of the Directors, the Chief Executive and their associates had any other beneficial interests in the securities of the Bank or any of its associated corporations (within the meaning of Part XV of SFO) at 30th June, 2006.

All the interests stated above represent long positions. As at 30th June, 2006, no short positions were recorded in the Register of Directors' and Chief Executive's Interests and Short Positions required to be kept under Section 352 of the SFO.

SHARE OPTION SCHEME

Pursuant to the approved Share Option Scheme, the Directors are authorised, at their discretion, to invite certain executives, to take up options to purchase ordinary shares in the Bank as incentive to them. The maximum number of shares in respect of which options may be granted under the Share Option Scheme may not exceed 5% of the issued share capital of the Bank as at the date of approval of the scheme. Prior to 1st September, 2001, the option price was 80% of the average last dealt price on The Stock Exchange of Hong Kong Limited ("Hong Kong Stock Exchange") on the five business days immediately preceding the date of offer of such options. After 1st September, 2001, the option price should be at least the higher of:

- (i) the closing price of the shares on the Hong Kong Stock Exchange on the date of grant, which must be a trading day, and
- (ii) the average closing price of the shares on the Hong Kong Stock Exchange for the five business days immediately preceding the date of grant.

The options must be held for at least one year and can be exercised between the first and the tenth anniversaries of the date of grant. The amount payable on acceptance of the share option was HK\$1.00. The share option scheme was terminated on 24th April, 2003 and replaced by a new share option scheme for a period of 10 years with amendments which complied with Chapter 17 of the Rules Governing the Listing of Securities ("Listing Rules").

At 30th June, 2006, total number of ordinary shares available for issue under the new Share Option Scheme is 13,793,000 or 4.7% of the issued share capital of the Bank.

認股權計劃 (續)

於二零零六年六月三十日，本銀行之董事及僱員持有本銀行股份認股權之權益如下(二零零六年六月三十日每股市值為港幣68.00元)。

SHARE OPTION SCHEME (Continued)

At 30th June, 2006, the Directors and employees of the Bank had the following interest in option to purchase for the shares of the Bank (market value per share at 30th June, 2006 is HK\$68.00).

		股份數目	股份數目	授予日期	已行使之 股份數目	已失效之 股份數目	認購價	認股權 授予日之 每股市值	股份於 行使前一日 之每股加權 平均收市價
		No. of shares 30/06/2006	No. of shares 31/12/2005	Date granted	No. of shares exercised	No. of shares lapsed	Option price	Market value per share at date of grant of options	Weighted average closing price per share at preceding day before exercise date
							港元 HK\$	港元 HK\$	港元 HK\$
董事	Directors								
馮鈺斌	Patrick Y B Fung	50,000	50,000	10/03/2001	-	-	23.60	29.00	-
		40,000	40,000	15/03/2002	-	-	26.30	26.30	-
		40,000	40,000	14/03/2003	-	-	26.50	26.50	-
		50,000	50,000	21/05/2004	-	-	43.80	43.80	-
		50,000	50,000	14/01/2005	-	-	51.25	50.75	-
王家華	Frank J Wang	40,000	40,000	10/03/2001	-	-	23.60	29.00	-
		30,000	30,000	15/03/2002	-	-	26.30	26.30	-
		30,000	30,000	14/03/2003	-	-	26.50	26.50	-
		40,000	40,000	21/05/2004	-	-	43.80	43.80	-
		40,000	40,000	14/01/2005	-	-	51.25	50.75	-
馮鈺聲	Michael Y S Fung	40,000	40,000	10/03/2001	-	-	23.60	29.00	-
		30,000	30,000	15/03/2002	-	-	26.30	26.30	-
		30,000	30,000	14/03/2003	-	-	26.50	26.50	-
		40,000	40,000	21/05/2004	-	-	43.80	43.80	-
		40,000	40,000	14/01/2005	-	-	51.25	50.75	-
何志偉	Louis C W Ho	30,000	30,000	15/03/2002	-	-	26.30	26.30	-
		30,000	30,000	14/03/2003	-	-	26.50	26.50	-
		-	40,000	21/05/2004	40,000	-	43.80	43.80	63.95
		40,000	40,000	14/01/2005	-	-	51.25	50.75	-
其他僱員	Other Employees	60,000	60,000	10/03/2001	-	-	23.60	29.00	-
		20,000	40,000	15/03/2002	20,000	-	26.30	26.30	65.15
		60,000	80,000	14/01/2003	20,000	-	25.80	25.70	65.15
		220,000	220,000	21/05/2004	-	-	43.80	43.80	-
		50,000	50,000	14/01/2005	-	-	51.25	50.75	-
		85,000	105,000	28/01/2005	20,000	-	50.25	49.80	56.10
		1,185,000	1,285,000		100,000	-			

認股權計劃 (續)

按二項式價格模式評估認股權之公平價值時，已考慮認股權之認購價及年期。此價格模式採用了非常主觀的假設數據，其中包括無風險利率、預期之波幅及股份之股息率，而該等主觀假設數據之改變對公平價值的估計有重大的影響。

預計波幅是根據過往之波幅（以認股權的加權平均剩餘年期計算），再調整因公眾所知的資訊影響未來波幅的估計變動。估計股息按過往的股息。

認股權乃按服務條件授出。該條件並未納入計算於授予日獲得服務的公平價值。認股權之公平價值於授予日計算，並由授予日至生效日期內於損益賬扣除及撥入股東資金內。並無市場條件與授予認股權有關。

僱員獎勵計劃

根據已批准之僱員獎勵計劃，董事會獲授權可決定給予行政人員獎賞以購入本銀行股份，作為挽留彼等繼續為本銀行效力之獎勵。根據僱員獎勵計劃於二零零四年四月二十二日獲通過後五年內，可予發行的股份獎賞數目最多不得超過本銀行不時已發行股本百分之一。獎賞於授出日期起計第六週年至第十週年，按以下之百分比生效。

SHARE OPTION SCHEME (Continued)

The Bi-nominal pricing model was used in estimating the fair value of share options after taking into account the exercise price and the life of the option. Such option pricing model requires the input of highly subjective assumptions including the risk-free interest rate, expected volatility and dividends yield of the shares. The changes in subjective input assumptions can materially affect the fair value estimate.

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility due to publicly available information. Expected dividends are based on historical dividends.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. The fair value of the options were measured at the grant date and are charged to the profit and loss account and credited to shareholders' funds between the grant date and vesting date. There were no market conditions associated with the share option grants.

EMPLOYEE INCENTIVE PLAN

Pursuant to the approved Employee Incentive Plan ("EIP"), the Directors are authorised, at their discretion, to invite certain executives, to take up awards to vesting ordinary shares in the Bank as incentive for them to remain in employment with the Bank. The maximum number of awards in respect of which awards may be granted under the EIP may not exceed 1% of the issued share capital of the Bank for the time being in issue within five years of the date of approval of the plan on 22nd April, 2004. The awards can be vested between the sixth to the tenth anniversaries after the date of grant with the following percentage of award vesting.

日期	Date	獎賞生效之百分比 Percentage of award vesting
授出日期起計六週年	Sixth anniversary of the date of grant	5%
授出日期起計七週年	Seventh anniversary of the date of grant	10%
授出日期起計八週年	Eighth anniversary of the date of grant	15%
授出日期起計九週年	Ninth anniversary of the date of grant	20%
授出日期起計十週年	Tenth anniversary of the date of grant	50%

僱員獎勵計劃 (續)

於二零零六年六月三十日，本銀行董事及僱員持有本銀行獎賞可購入本銀行之股份如下。

EMPLOYEE INCENTIVE PLAN (Continued)

At 30th June, 2006, the Directors and employees of the Bank had the following interest in awards to purchase the shares of the Bank.

		獎賞數目 No. of awards 30/06/2006	獎賞數目 No. of awards 31/12/2005	授予日期 Date granted	獎賞授予日之 公平價值 Fair value of awards at date of grant 港元 HK\$
董事	Directors				
馮鈺斌	Patrick Y B Fung	200,000	200,000	21/05/2004	42.80
		450,000	–	23/01/2006	56.20
王家華	Frank J Wang	125,000	125,000	21/05/2004	42.80
		270,000	–	23/01/2006	56.20
馮鈺聲	Michael Y S Fung	100,000	100,000	21/05/2004	42.80
		225,000	–	23/01/2006	56.20
何志偉	Louis C W Ho	10,000	10,000	21/05/2004	42.80
其他僱員	Other Employees	60,000	60,000	21/05/2004	42.80
		615,000	–	23/01/2006	56.20
		2,055,000	495,000		

本集團根據此項獎勵計劃以無代價授予若干僱員獎賞，以購入本銀行股份。股份將根據獎賞按每股面值港幣一元購入。獎賞之公平價值以授出日計算，並在獎賞授出日與生效期內於損益賬扣除及撥入股東資金內。獎賞未生效期內所派發相等於股息之現金，將以花紅支出按應計基準於損益賬扣除。

The Group granted awards at no consideration for certain employees to acquire shares of the Bank under the EIP. The shares will be acquired at the nominal value of HK\$1.00 per share under the award. The fair value of the awards was measured at the grant date and is charged to the profit and loss account and credited to shareholders' funds between the grant date and vesting date. The cash amount equal to the dividend that would have been paid during the period up to vesting are charged to the profit and loss account as bonus expenses on an accrual basis.

企業管治常規守則

本行致力達到企業管治之最高標準。除下列偏離項目外，本行在截至二零零六年六月三十日止六個月內，亦已遵守載於聯交所上市規則附錄14「企業管治常規守則」中之全部守則條文：

守則條文A.2.1

此守則規定董事長及行政總裁的角色應有區別，不應由一人同時兼任。

馮鈺斌博士為本行的董事長兼行政總裁。董事會認為此架構不會使權力過份集中在一人身上，不只因為董事會內有多位獨立非執行董事，而且代表主要股東美國紐約銀行的執行董事，兼任副行政總裁，並積極參與本行的管理及營運。董事會與管理層之間的權力和職權得以平衡，因此並沒有個別人士有絕對的決定權；董事長及行政總裁由一人兼任，有助於建立強勢及一致的領導權，使本行能夠迅速及有效地作出及實施各項決定。

守則條文A.4.1

此守則規定非執行董事的委任應有指定的任期，並須接受重新選舉。

本行非執行董事的任期與其他董事一樣，沒有指定的任期，並根據本行組織章程細則規定輪流退任，但可再選復任。在每一屆股東周年大會上，當時的三分之一董事（若董事數目並非三的倍數，則取其接近者，但不能超過三分之一）應退任。

董事進行證券交易的標準守則

本銀行已採納上市規則附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所載有關董事買賣本銀行股份之守則以供彼等遵守。

經向所有董事作出特定查詢後，本行董事已確認彼等於截至二零零六年六月三十日止六個月內，在各方面均已遵守標準守則所載之規定。

CODE ON CORPORATE GOVERNANCE PRACTICES

The Bank has committed to high standards of corporate governance. Throughout the six months ended 30th June, 2006, the Bank has also complied with all the Code Provisions set out in Appendix 14 – Code on Corporate Governance Practices of the Listing Rules on the Hong Kong Stock Exchange, except for the following deviations:

Code Provision A.2.1

This Code stipulates that the roles of chairman and chief executive officer should be separated and should not be performed by the same individual.

Dr Patrick Y B Fung is the Chairman and Chief Executive of the Bank. The Board considered that the non-segregation would not result in considerable concentration of power in one person not only because of the presence of Independent Non-executive Directors but also that The Bank of New York, a substantial shareholder, is actively represented by an Executive Director who is also the Deputy Chief Executive actively participating in the management and operations of the Bank. There is a balance of power and authority such that no one individual has unfettered power of decision. Non-segregation has the advantage of a strong and consistent leadership which is conducive to making and implementing decisions quickly and consistently.

Code Provision A.4.1

This code stipulates that Non-executive Directors should be appointed for a specific term and subject to re-election.

The term of office for Non-executive Directors are the same as for all Directors (i.e. no specific term and subject to retirement from office by rotation and be eligible for re-election in accordance with the provisions of the Bank's Memorandum and Articles of Association). At every Annual General Meeting, one-third of the Directors for the time being or, if their number is not a multiple of three, then the number nearest to but not exceeding one-third shall retire from office.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Bank has adopted for compliance by the Directors the code of conduct for dealings in securities of the Bank as set out in Appendix 10 - Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code"), of the Listing Rules.

Having made specific enquiry of all Directors of the Bank, the Directors have confirmed that they have complied in all respects with the required standards set out in the Model Code for the six months ended 30th June, 2006.

審核委員會

本銀行之審核委員會於一九九二年成立，成員包括四名非執行董事，李國賢博士（主席）、鄭漢鈞博士、古岸濤先生及謝孝衍先生。審核委員會定期與執行董事、財務總監、內部核數員及本銀行之核數師舉行會議，以檢討財務表現，並考慮有關稽核之性質及範圍，以及內部監控、風險管理系統及條例執行制度之效率。委員會亦會討論由本銀行內部核數員、本銀行之核數師與及監管機構所提出之各種事項，並確保推行所有審核建議。

由二零零六年起，委員會將會議數目由每年三次增至每年四次，以期令獨立檢討及監察更見成效。

本行審核委員會已審閱截至二零零六年六月三十日止六個月之中期業績。

董事提名委員會

董事提名委員會於二零零二年十二月成立，成員包括三名獨立非執行董事，李國賢博士（主席）、鄭漢鈞博士及劉漢銓先生。董事提名委員會負責審閱及向董事會提出建議委任本銀行所有新任董事、行政總裁、副行政總裁及總經理之位。

薪酬委員會

薪酬委員會於一九九五年成立，具有清晰之職權範圍。薪酬委員會成員包括兩名獨立非執行董事，鄭漢鈞博士（主席）及李國賢博士。薪酬委員會每年舉行一次會議，就本銀行董事及高級管理層之一切薪酬政策及架構提出建議。

購買、出售或贖回上市證券

截至二零零六年六月三十日止六個月內，本銀行或其任何附屬公司並無購買、出售或贖回本銀行之上市證券。

AUDIT COMMITTEE

The Audit Committee of the Bank was formed in 1992 and consists of four Non-executive Directors namely Dr Simon K Y Lee as Chairman, Dr Cheng Hon Kwan, Mr Andrew M Gordon and Mr Aloysius H Y Tse. The Audit Committee meets regularly with the Executive Director, Chief Financial Officer, internal auditors and the external auditors to review and discuss financial performance, consider the nature and scope of audit and the effectiveness of the systems of internal control, risk management system and compliance. The Committee also discusses matters raised by the internal auditors, external auditors and the regulators and ensures that all audit recommendations are implemented.

From 2006 onwards, the Committee has increased the number of meetings from three times a year to four times a year to provide a more effective independent review and monitoring.

The Audit Committee of the Bank has reviewed the interim results for the six months ended 30th June, 2006.

DIRECTOR NOMINATION COMMITTEE

The Director Nomination Committee was formed in December 2002 and consists of three Independent Non-executive Directors namely Dr Simon K Y Lee as Chairman, Dr Cheng Hon Kwan and Mr Ambrose H C Lau. The Director Nomination Committee is responsible for reviewing and recommending to the Board appointment of all new Directors, Chief Executive, Deputy Chief Executive and General Managers of the Bank.

REMUNERATION COMMITTEE

The Remuneration Committee was formed in 1995 with specific written terms of reference. The Committee consists of two Independent Non-executive Directors namely Dr Cheng Hon Kwan as Chairman and Dr Simon K Y Lee. The Committee meets once a year to make recommendations to the Board on the Bank's policy and structure for remuneration of all the Directors and Senior Management of the Bank.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

There were no purchases, sales or redemptions by the Bank, or any of its subsidiaries, of the Bank's listed securities during the six months ended 30th June, 2006.



致永亨銀行有限公司董事會

引言

我們已根據貴銀行要求審閱刊於第8頁至第48頁的中期財務報告。

董事與核數師的責任

根據香港聯合交易所有限公司證券上市規則，上市公司必須以符合上市規則中相關的規定及香港會計師公會所頒佈的香港會計準則第34號「中期財務報告」的規定編製中期財務報告。中期財務報告由董事負責，並由董事核准通過。

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

審閱工作

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

審閱結論

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

畢馬威會計師事務所
執業會計師

香港 二零零六年八月十七日

To the Board of Directors of Wing Hang Bank, Limited

INTRODUCTION

We have been instructed by the Bank to review the interim financial report set out on pages 8 to 48.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim financial reporting" issued by the Hong Kong Institute of Certified Public Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

It is our responsibility to form an independent conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

REVIEW WORK PERFORMED

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Institute of Certified Public Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

REVIEW CONCLUSION

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 30th June, 2006.

KPMG
Certified Public Accountants

Hong Kong, 17th August, 2006



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