

未經審核財務資料補充

Unaudited Supplementary Financial Information

(除特別列明外以港幣為單位)

(Expressed in Hong Kong dollars unless otherwise indicated)

1. 財務狀況摘要

1. Summary of Financial Position

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000	變化 Variance %
客戶墊款及貿易票據	Advances to customers and trade bills	46,842,096	43,368,061	8.01
減值撥備	Impairment allowances	493,161	568,565	(13.26)
資產總值	Total assets	89,700,802	85,036,678	5.48
存款總額	Total deposits	66,421,622	61,883,240	7.33
權益總額	Total equity attributable to equity shareholders of the Company	9,766,660	9,455,317	3.29
<u>財務比率</u>	<u>Financial ratios</u>			
未經調整資本充足比率*	Unadjusted capital adequacy ratio*	14.99%	16.01%	
貸存比率	Loans to deposits	70.52%	70.08%	
貸款對資產總值比率	Loans to total assets	52.22%	51.00%	
成本對收入比率	Cost to income	53.70%	55.55%	
資產回報率	Return on assets	1.07%	1.31%	
平均權益回報率	Return on average total equity attributable to equity shareholders of the Company	9.69%	12.41%	

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

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

2. 扣除減項後資本基礎

2. Capital Base After Deductions

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
核心資本	Core capital		
實繳普通股本	Paid up ordinary share capital	3,201,423	3,197,859
股份溢價	Share premium	1,853,034	1,840,212
儲備	Reserves	3,267,207	2,953,640
少數股東權益	Minority interest	353	536
減：商譽	Deduct: Goodwill	(1,007,749)	(1,007,749)
核心資本總額	Total core capital	7,314,268	6,984,498
合格補助資本	Eligible supplementary capital		
就所持有的非作交易 用途證券的價值重估而 計出的儲備	Reserves on revaluation of holding of securities not held for trading purposes	366,802	332,076
減值資產的 綜合減值撥備 及法定儲備	Collective impairment allowances for impaired assets and regulatory reserve	571,500	528,790
永久後償債項	Perpetual subordinated debt	1,945,210	2,016,390
有期後償債項	Term subordinated debt	466,078	467,192
合格補助資本總額	Total eligible supplementary capital	3,349,590	3,344,448
扣除減項前總資本基礎	Total capital base before deductions	10,663,858	10,328,946
總資本基礎減項	Deductions from total capital base	(964,741)	(950,528)
扣除減項後總資本基礎	Total capital base after deductions	9,699,117	9,378,418

3. 分部資料 按地區劃分

3. Segmental Information By geographical areas

		二零零六年六月三十日 As at 30 June 2006			二零零五年十二月三十一日 As at 31 December 2005		
		總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000	總資產 Total assets 港幣千元 HK\$'000	總負債 Total liabilities 港幣千元 HK\$'000	或有負債 及承擔 Contingent liabilities and commitments 港幣千元 HK\$'000
香港	Hong Kong	88,166,517	78,607,550	16,768,234	83,788,186	74,545,299	14,514,746
中國	Mainland China	2,831,794	2,331,002	50,467	2,060,081	1,381,984	71,978
美國	USA	1,419,414	1,311,096	867,434	1,776,016	1,684,051	613,328
其他	Others	896,793	899,788	271,244	612,632	614,181	13,837
減：分部間 項目	Less: Inter-segment items	(3,613,716)	(3,215,647)	–	(3,200,237)	(2,644,690)	–
		89,700,802	79,933,789	17,957,379	85,036,678	75,580,825	15,213,889

上述地區分析之資料是根據附屬公司或附屬公司之分行的主要業務所在地點予以劃分。

The above geographical analysis is classified by the location of the principal operations of the subsidiaries or branches of its subsidiaries.

3. 分部資料 (續)
按地區劃分 (續)

3. Segmental Information (cont'd)
By geographical areas (cont'd)

		二零零六年六月三十日 As at 30 June 2006			二零零五年十二月三十一日 As at 31 December 2005		
		客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 Impaired loans 港幣千元 HK\$'000	客戶墊款 Advances to customers 港幣千元 HK\$'000	逾期貸款 及墊款 Overdue loans and advances 港幣千元 HK\$'000	減值貸款 Impaired loans 港幣千元 HK\$'000
香港	Hong Kong	37,088,807	539,727	622,417	34,536,529	473,722	507,111
中國	Mainland China	6,762,104	760,000	572,260	6,534,622	541,945	541,945
美國	USA	1,111,138	50,574	50,574	793,891	50,495	50,495
其他	Others	1,507,866	9,764	9,764	1,096,655	–	71,288
		46,469,915	1,360,065	1,255,015	42,961,697	1,066,162	1,170,839

上述有關地區分析的資料已按交易另一方所在地劃分，風險轉移已考慮在內。由與交易方不同的國家的一方作出擔保的債權風險將轉至擔保方的國家賬項中。銀行或其他金融機構分行的債權風險則轉至其總部所在國家賬項中。

The above geographical analysis is classified by the location of the counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institutions, the risk will be transferred to the country where its head office is situated.

逾期貸款及墊款是指逾期超過三個月的貸款。

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

減值貸款是個別出現客觀減值證據而須個別評估的貸款。

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

4. 逾期客戶墊款

4. Overdue Advances to Customers

		二零零六年六月三十日 As at 30 June 2006		二零零五年十二月三十一日 As at 31 December 2005	
		佔客戶墊款 總額 % % on total 港幣千元 HK\$'000	佔客戶墊款 總額 % % on total advances to customers	港幣千元 HK\$'000	佔客戶墊款 總額 % % on total advances to customers
逾期客戶墊款總額	The gross amount of advances				
已逾期達：	has been overdue for periods of:				
– 3個月以上至 6個月	– 6 months or less but over 3 months	49,141	0.11	40,244	0.09
– 6個月以上至1年	– 1 year or less but over 6 months	293,353	0.63	92,748	0.22
– 1年以上	– over 1 year	1,017,571	2.19	933,170	2.17
總額	Total	1,360,065	2.93	1,066,162	2.48
有抵押逾期墊款	Secured overdue advances	1,139,220		860,601	
無抵押逾期墊款	Unsecured overdue advances	220,845		205,561	
		1,360,065		1,066,162	
持有有抵押逾期墊款 抵押品的市值	Market value of collateral held against the secured overdue advances	1,826,194		1,236,616	
個別減值撥備	Individual impairment allowance made	213,039		217,950	

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

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

5. 其他逾期資產

5. Other Overdue Assets

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

6. 重整貸款

6. Rescheduled Loans

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

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

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

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

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

7. 取回資產

7. Repossessed Assets

		二零零六年 六月三十日 As at 30 June 2006 港幣千元 HK\$'000	二零零五年 十二月三十一日 As at 31 December 2005 港幣千元 HK\$'000
已計入客戶墊款及 其他賬項中	Included in advances to customers and other accounts	200,555	207,758

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

8. 匯率風險

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

於結算日的重大外匯風險如下：

		二零零六年六月三十日 As at 30 June 2006			
相等於 港幣千元	Equivalent in HK\$'000	美元 US dollars	人民幣 Renminbi	其他 Others	總額 Total
現貨資產	Spot assets	33,193,442	1,560,729	4,076,568	38,830,739
現貨負債	Spot liabilities	(34,382,545)	(781,720)	(5,661,016)	(40,825,281)
遠期買入	Forward purchases	20,789,836	-	6,184,780	26,974,616
遠期賣出	Forward sales	(20,416,789)	-	(4,586,675)	(25,003,464)
期權盤淨額	Net options position	1,887	-	(1,887)	-
(短)/長盤淨額	Net (short)/long position	(814,169)	779,009	11,770	(23,390)

		二零零五年十二月三十一日 As at 31 December 2005			
相等於 港幣千元	Equivalent in HK\$'000	美元 US dollars	人民幣 Renminbi	其他 Others	總額 Total
現貨資產	Spot assets	28,078,183	1,327,251	5,453,586	34,859,020
現貨負債	Spot liabilities	(31,167,025)	(549,815)	(5,084,950)	(36,801,790)
遠期買入	Forward purchases	16,617,043	104,658	3,758,734	20,480,435
遠期賣出	Forward sales	(13,674,662)	(104,573)	(4,122,558)	(17,901,793)
期權盤淨額	Net options position	(179)	-	179	-
(短)/長盤淨額	Net (short)/long position	(146,640)	777,521	4,991	635,872

期權盤淨額是按照模式使用者方法計算。

8. Currency Risk

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

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

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

9. 跨境債權

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

9. Cross-border Claims

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

		銀行及其他 金融機構 Banks and other financial institutions 港幣千元 HK\$'000	公營機構 Public sector entities 港幣千元 HK\$'000	其他 Others 港幣千元 HK\$'000	總額 Total 港幣千元 HK\$'000
二零零六年六月三十日	At 30 June 2006				
香港以外亞太區	Asia and Pacific excluding Hong Kong	9,387,417	312,438	7,907,099	17,606,954
其中澳洲	of which Australia	2,901,205	411	12,975	2,914,591
其中中國	of which Mainland China	3,322,682	311,242	6,952,818	10,586,742
加勒比海	Caribbean	–	–	4,657,974	4,657,974
其中開曼群島	of which Cayman Islands	–	–	3,978,911	3,978,911
西歐	Western Europe	11,087,671	1,125	4,820,309	15,909,105
其中法國	of which France	1,462,898	–	777,732	2,240,630
其中德國	of which Germany	1,827,070	–	3,989	1,831,059
其中荷蘭	of which Netherlands	872,217	–	766,995	1,639,212
其中瑞士	of which Switzerland	1,349,159	–	523,670	1,872,829
其中英國	of which United Kingdom	2,604,426	332	1,396,648	4,001,406
二零零五年十二月三十一日	At 31 December 2005				
香港以外亞太區	Asia and Pacific excluding Hong Kong	7,553,502	441,975	7,753,870	15,749,347
其中澳洲	of which Australia	3,000,177	763	70,118	3,071,058
其中中國	of which Mainland China	2,425,439	391,052	7,021,444	9,837,935
加勒比海	Caribbean	–	–	4,392,838	4,392,838
其中開曼群島	of which Cayman Islands	–	–	3,727,377	3,727,377
西歐	Western Europe	11,118,604	1,791	4,861,642	15,982,037
其中法國	of which France	1,257,160	–	812,763	2,069,923
其中德國	of which Germany	1,423,132	–	113,916	1,537,048
其中荷蘭	of which Netherlands	1,061,821	–	821,618	1,883,439
其中英國	of which United Kingdom	2,492,175	623	1,224,905	3,717,703

10. 風險管理

透過董事局的授權和密切監督，本集團通過中信嘉華銀行有限公司（「中信嘉華」）處理各類型的風險。中信嘉華的風險管理部是本集團主要施行有效風險管理和監控的主要部門。它結合了所有風險管理單位，包括集團信貸、財務機構信貸、市場風險、風險資產管理部和政策及組合風險管理部，本集團持續不斷更新和改進其風險管理政策和系統，務使其能及時反映市場、產品、優質管治及監管要求的改變。

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

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

10. Risk Management

The Group manages various types of risks mainly through CITIC Ka Wah Bank Limited (the "Bank") under the delegation and close supervision of the Board. The Risk Management Group of the Bank which is entrusted with the responsibilities, consists of group credit, inter-bank credit, market risk, risk asset management and policy & portfolio risk management functions. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products, best practice and regulatory requirements.

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

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

10. 風險管理 (續)

本集團所需管理的風險主要包括以下各類：

(i) 信貸風險管理

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

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

本集團亦制定信貸風險管理操作守則，其目的是確保風險評估過程的獨立性和完整性。本集團一般依據借款人的風險特徵、還款來源及抵押品特性，以進行信貸風險評估，同時亦充分考慮當時借款人所面對的事件和市場的發展。本集團亦根據資產組合的標準以借款人的風險評級、抵押品、產品、行業及地理分佈來作信貸資產組合上的風險管理，以避免風險的過份集中。

10. Risk Management (cont'd)

The Group manages the following main types of risks:

(i) Credit risk management

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

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

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

10. 風險管理 (續)

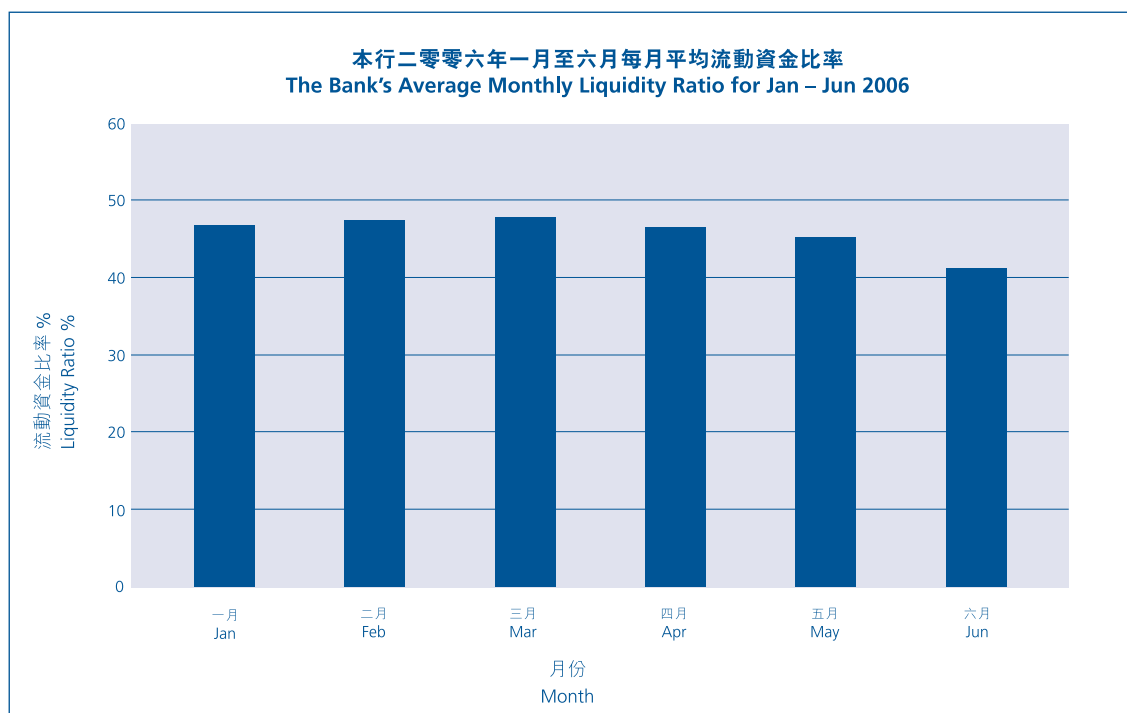
(ii) 流動資金風險管理

本集團時常維持高流動資金比率，為求可以滿足所有客戶不能預計的現金需求。在二零零六年，本集團的平均流動資金比率為45.72% (於二零零五年為51.07%)。除符合所有監管要求和遵行法定之流動資金比率以外，本集團亦會定期作壓力測試。為此，本集團採取了主動性的流動資金管理，經常性地發行遠期存款證，及為其流動投資組合安排了證券回購協議，用以增加流動資金。於二零零六年六月三十日本集團已發行之存款證共港幣六十二億六千萬，佔總存款額9.43%。

10. Risk Management (cont'd)

(ii) Liquidity risk management

The Group always maintains a high liquidity ratio in order to meet unexpected increases in customer demand on cash. In 2006, the Group's average liquidity ratio was 45.72% (2005: 51.07%). Apart from compliance to statutory ratio requirements, stress tests are performed regularly. The Group invests its surplus funds in a portfolio of high-grade securities, which can generate liquidity if necessary either through re-purchase arrangements or out-right selling in the secondary market. The Group is also active in wholesale funding by issuing long-term certificates of deposit so as to secure a stable source of funding. The total amount of certificates of deposit issued by the Group was HK\$6.26 billion, constituting 9.43% of its total deposits as at 30 June 2006.



10. 風險管理 (續)

(iii) 市場風險管理

市場風險是指因外匯、利率、證券及商品之市場價格的變動而引起的損失風險。本集團之市場風險主要源自中信嘉華。短期交易盤及長期策略業務均為中信嘉華帶來市場風險。本集團的其他附屬公司亦有進行涉及市場風險之投資，但規模相對較小。

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

中信嘉華財資部是承接市場風險的中心點，並在預設的風險限額架構內管理市場風險。

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

中信嘉華以風險價值量度其持倉交易盤的整體市場風險。風險價值是一種按特定置信水平而估計投資組合於某一時期內的損失。中信嘉華採用99%置信水平下的一天風險價值，並以歷史模擬的方法計算風險價值。該模擬過程反映不同市場價格之間的歷史關係。中信嘉華於二零零五年及二零零六年的上半年持倉交易盤的平均風險價值分別為港幣1,453,205元及3,294,516元。

截至二零零六年六月三十日止的半年度，本集團持倉交易盤及基金投資之單日平均收入為港幣1,092,014元。第54頁的圖表顯示本集團按市價計值的單日損益直方圖。

10. Risk Management (cont'd)

(iii) Market risk management

Market risk is the risk of loss arising from the movements in market variables such as foreign exchange rates, interest rates, equity and commodity prices. The Group's major market risk exposure rests with the Bank. Both short-term trading positions and long-term strategic businesses of the Bank generate market risk exposure. Other subsidiaries of the Group have also engaged in investments prone to market risk but in relatively small scales.

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

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

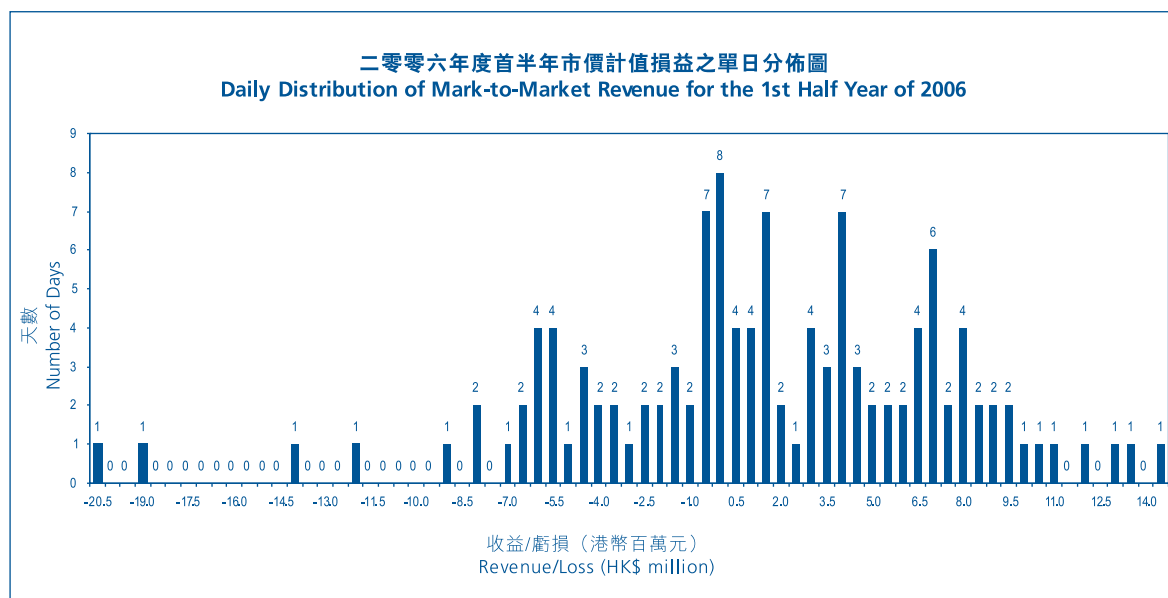
Operating as a unit under the Risk Management Group, Market Risk Management is responsible for the daily monitoring and reporting functions of market risk exposure to ensure that the Bank's market risk exposure is within the prescribed limits.

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

For the half-year ended 30 June 2006, the average daily mark-to-market revenue from the Group's trading portfolio was HK\$1,092,014. The graph on page 54 shows the histogram of the Group's daily mark-to-market revenues.

10. 風險管理 (續)
(iii) 市場風險管理

10. Risk Management (cont'd)
(iii) Market risk management (cont'd)



從上圖可見，最大單日收益為港幣14,047,810元及最大單日虧損為港幣20,837,875元。以121天之買賣操作天為期，共有70天錄得收益，51天錄得虧損。在分佈圖中之最常見單日市價計值的損益區間為港幣負500,000元至港幣0元之間，共出現8天。

From the graph above, the maximum daily mark-to-market revenue was HK\$14,047,810 and the maximum daily mark-to-market loss was HK\$20,837,875. Out of the 121 trading days for the period, there were 70 days with mark-to-market gains and 51 days with mark-to-market losses. The most frequent range of daily mark-to-market revenue was between -HK\$500,000 and HK\$NIL, with the highest occurrence of 8 days.

(iv) 資本充足管理

本集團的政策是維持一個雄厚的資本基礎以支持本集團的業務發展，並符合法定的資本充足比率。如上述附註(1)所披露，本集團於二零零六年六月三十日未經調整資本充足比率為14.99%，遠高於法定最低比率。

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

(iv) Capital adequacy management

The Group has structured and maintained a strong capital base to support the development of the Group's businesses and to meet statutory capital adequacy ratios. As disclosed in note (1) above, the Group's unadjusted capital adequacy ratio was 14.99% as at 30 June 2006, well above the statutory minimum ratios.

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

10. 風險管理 (續)

(v) 外匯風險管理

本集團之外匯風險源自外匯買賣、商業交易、外匯證券投資、海外分行及附屬公司。所有外匯買賣盤持倉限額均由資產及負債管理委員會核准。截至二零零六年六月三十日止的半年度，外匯買賣的平均單日損益為虧損港幣2,955元。

(vi) 利率風險管理

本集團之利率風險主要來自中信嘉華。中信嘉華之資產及負債委員會監控所有源於資產及負債利率分佈的利率風險。此利率風險包括期限差距、息率基點風險、收入率曲線風險、重訂息率風險和內嵌期權風險。資產及負債管理委員會根據息率/期限差距報告、息率敏感度分析和各種壓力測試等方法覆核中信嘉華的利率風險。為緩和利率風險，中信嘉華使用了利率衍生工具如利率掉期等，對沖可供出售證券(AFS)和非交易負債(NTL)。中信嘉華亦採納會計對沖原則，讓AFS/NTL證券和對沖之衍生工具的市場價值變化能互相抵銷。中信嘉華有關利率之持倉交易盤收入把每日累積利息計算在內。截至二零零六年六月三十日止的半年度，本集團涉及利率風險的買賣之平均單日損益為收益港幣31,434元。

(vii) 其他買賣盤及投資活動

透過本集團本身、中信嘉華及中信國際資產管理有限公司(「中信國際資產管理」)，本集團把部份剩餘流動資金投資於基金以提升回報。截至二零零六年六月三十日止半年度，基金之平均單日收入為港幣1,124,008元。本集團之商品和股票損益主要源自中信國際資產管理商品(銅和油)錄得平均單日收益港幣12,386元，股票則錄得平均單日虧損港幣72,860元。

10. Risk Management (cont'd)

(v) Foreign currency risk management

The Group's foreign exchange risk stems from taking foreign exchange positions, commercial dealings, investments in foreign currency securities and operations of overseas branches and subsidiaries. All foreign exchange positions are subject to exposure limits approved by ALCO. The Group's average daily foreign exchange trading profit and loss for the half-year ended 30 June 2006 was a loss of HK\$2,955.

(vi) Interest rate risk management

The interest rate risk for the Group mainly comes from the Bank. The Bank's ALCO oversees all interest rate risks arising from the interest rate profile of the Bank's assets and liabilities. These interest rate risks are comprised of maturity gaps, basis risks among different interest rate benchmarks, yield curve movements, interest rate re-pricing risk and embedded options, if any. ALCO supervises the interest rate risks of the banking book through gap mismatch reports, sensitivity analyses and various stress testings. To mitigate interest rate risks, the Bank has used interest rate derivatives, mainly interest rate swaps, to hedge both assets and liabilities such as available-for-sale securities (AFS) and non-trading liabilities (NTL). The Bank has adopted hedge accounting principles, under which the fair value changes between the AFS/NTL securities and the corresponding hedging derivative instruments are offset with each other. The Bank's trading profit and loss in interest rate risk includes accrued interests. The Group's average daily profit and loss on interest rate risk for the half-year ended 30 June 2006 was a gain of HK\$31,434.

(vii) Other trading and investment activities

For the half-year ended 30 June 2006, the Group, by itself and via the Bank and CITIC International Assets Management Limited ("CIAM"), has invested part of its excess liquidity in external funds to enhance its return. During the period, the average daily mark-to-market revenue from these funds was HK\$1,124,008. The Group's commodity and equity trading activities were mainly from CIAM. For the half-year ended 30 June 2006, an average daily trading profit of HK\$12,386 was recorded for commodity trading in copper and oil while a loss of HK\$72,860 was posted for equity trading.

10. 風險管理 (續)

(viii) 業務操作風險管理

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

現時，本集團透過不同的方法管理其業務操作風險，當中包括：

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

中信國際資產管理的營運風險管理，主要由一個受高級管理層督導的獨立監控小組負責，並須接受本集團的內部審核。中信國際資產管理主要政策、程序及限額均列載在多份手冊中，以確保業務的延續性，以及為各種突發事件作準備。該小組亦致力確保有關投資及資產管理的決定獲正確執行，並就此作定期匯報；同時小組亦持續檢討及監控所投資資產的發展情況及表現，並將資料存放在資料庫中及複製備份。中信國際資產管理亦逐步增聘人手及提升其技能，藉以強化其業務操作。

10. Risk Management (cont'd)

(viii) Operational risk management

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

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

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

CIAM's operational risk management is overseen by an independent control team under the supervision of its senior management and subject to internal audit of the Group. Major policies, procedures and limits have been laid down in its manuals and handbooks to ensure business continuity and to provide for various contingencies. Regular reports and efforts are made for the proper execution of investment and asset management decisions. Continual review and monitoring on the progress and performance of invested assets are in place and maintained in its database. Back up of such information is vigorous. Skill sets and human talents are also being steadily expanded to strengthen the running of the operation.

10. 風險管理 (續)

(ix) 法律風險管理

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

本集團的首席法律總監及合規主任(「法律合規人員」)在集團的運作扮演著極為重要的角色，並為各部門提供法律與合規的意見及支援。在二零零六年上半年，法律及合規人員積極參與集團重要的策略性交易及商業合約，以及為集團處理其遍及不同地域及範疇商業活動的日常事務。在二零零六年，我們將繼續支持法律及合規人員，發揮其在集團肩負重要任務的功能。

(x) 策略及聲譽風險管理

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

10. Risk Management (cont'd)

(ix) Legal risk management

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

The General Counsel and Compliance Officer of the Group ("Legal and Compliance") have played an important role to the Group in providing legal and compliance advice and support to all parts of the Group. In the first half year of 2006, Legal and Compliance were actively involved in strategically important transactions and commercial agreements as well as day-to-day matters arising from the business that is diverse both geographically and in scope. In 2006, we will continue to support Legal and Compliance as a critical mission-important function of the Group.

(x) Strategic and reputational risk management

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