

FINANCIAL STATEMENTS

CONTENTS

Consolidated Income Statement	33
Consolidated Balance Sheet	34
Balance Sheet	35
Consolidated Statement of Changes in Equity	36
Consolidated Cash Flow Statement	37
Notes to the Financial Statements	39
1. General	39
2. Potential impact arising from the recently issued accounting standards	39
3. Significant accounting policies	39
4. Business and geographical segments	46
5. Other operating income	51
6. Operating expenses	51
7. Net gains from disposal of other securities and an associate	52
8. Directors' and employees' emoluments	52
9. Taxation	53
10. Dividends	54
11. Earnings per share	54
12. Cash and short-term funds	54
13. Investments in securities	54
14. Advances and other accounts	56
15. Certificates of deposit held	58
16. Interests in subsidiaries	58
17. Interest in an associate	60

FINANCIAL STATEMENTS

18. Interests in jointly controlled entities	60
19. Investment properties	62
20. Property and equipment	63
21. Deposits from customers	64
22. Share capital	64
23. Reserves	65
24. Deferred taxation	66
25. Share option scheme	67
26. Loans to officers	67
27. Acquisition of a subsidiary	68
28. Off-balance sheet exposures	69
29. Retirement benefits scheme	71
30. Maturity profiles	72
31. Related party transactions	74
Unaudited Supplementary Financial Information	75
1. Corporate governance	75
2. Risk management	77
3. Segmental information	79
4. Advances to customers – by industry sectors	80
5. Advances to customers – by geographical areas	80
6. Cross-border claims	81
7. Currency risk	82
8. Overdue and rescheduled assets	82
9. Capital adequacy and liquidity ratio	84
10. Other financial information	84