

## **CONTENTS**

		PAGE
Fina	ancial Highlights	3
Chairman's Statement		4
Chi	ef Executive's Report	6
Ма	nagement's Discussion and Analysis	10
Cor	nsolidated Profit and Loss Account	33
Cor	nsolidated Balance Sheet	34
Cor	nsolidated Statement of Changes in Equity	35
Cor	nsolidated Cash Flow Statement	37
Not	tes to the Accounts	
1.	Basis of preparation and accounting policies	38
2.	Effect of adopting new HKASs	47
3.	Net interest income	49
4.	Net fees and commission income	50
5.	Net trading income	51
6.	Other operating income	51
7.	Operating expenses	52
8.	Reversal of loan impairment allowances on advances	52
9.	Write-back of bad and doubtful debts	53
10.	Net (loss)/gain from disposal/revaluation of fixed assets	53
11.	Net gain from disposal/revaluation of investment properties	53
12.	Taxation	54
13.	Dividend	55
14.	Earnings per share for profit attributable to the equity holders of the Company	55
15.	Retirement benefit costs	55
16.	Share option schemes	56
17.	Cash and short-term funds	58
18.	Certificates of deposit held	58
19.	Available-for-sale securities	59
20.	Held-to-maturity securities	60
21.	Investment securities	61
22.	Other investments in securities	62
23.	Trading securities and other financial instruments at fair value through profit or loss	63
24.	Derivative financial instruments	64
25.	Advances and other accounts	67
26.	Deposits from customers	69
27.	Trading liabilities and other financial instruments at fair value through profit or loss	69
28.	Assets pledged as security	69
29.	Deferred taxation	70
30.	Other accounts and provisions	71
31.	Share capital	71
32.	Reserves	72
33.	Notes to consolidated cash flow statement	72
34.	Maturity profile	74



## CONTENTS

		PAGE
35.	Contingent liabilities and commitments	76
36.	Segmental reporting	76
37.	Significant related party transactions	80
38.	Ultimate holding company	89
39.	Comparative amounts	89
40.	Statutory accounts	89
Sup	plementary Financial Information	
1.	Capital adequacy ratio	90
2.	Components of capital base after deductions	90
3.	Liquidity ratio	91
4.	Currency concentrations	91
5.	Segmental information	92
6.	Cross-border claims	94
7.	Overdue and rescheduled assets	96
8.	Repossessed assets held	97
Add	litional Information	
1.	Corporate information	98
2.	Dividend and closure of register of members	99
3.	Substantial interests in share capital	99
4.	Directors' rights to acquire shares	100
5.	Directors' and Chief Executive's interests in shares, underlying shares and debentures	101
6.	Purchase, sale or redemption of the Company's shares	101
7.	Audit Committee	101
8.	Compliance with the Code on Corporate Governance Practices of the Listing Rules	101
9.	Compliance with the Model Code for Securities Transactions by Directors	102
10.	Compliance with the guideline on "Interim Financial Disclosure by	
	Locally Incorporated Authorized Institutions"	102
	Compliance with HKAS 34	102
12.	Interim report	102
Independent Review Report		
Def	Definitions	