

# CONSOLIDATED BALANCE SHEET

at 31 December 2006

(Expressed in millions of Hong Kong dollars)

	note	2006	2005
<b>ASSETS</b>			
Cash and balances with banks and other financial institutions	29	9,390	9,201
Placings with and advances to banks and other financial institutions	30	99,705	69,286
Trading assets	31	12,467	12,600
Financial assets designated at fair value	32	8,280	6,027
Derivative financial instruments	54	1,887	1,715
Advances to customers	33	279,353	260,680
Financial investments	34	227,710	189,904
Investments in associates	36	3,488	2,929
Investment properties	37	2,732	4,273
Premises, plant and equipment	38	6,516	6,750
Interest in leasehold land held for own use under operating lease	39	580	594
Intangible assets	40	2,070	1,636
Other assets	41	14,886	15,225
		<b>669,064</b>	<b>580,820</b>
<b>LIABILITIES</b>			
Current, savings and other deposit accounts	42	482,821	430,995
Deposits from banks		17,950	12,043
Trading liabilities	43	60,093	45,804
Financial liabilities designated at fair value	44	1,562	1,528
Derivative financial instruments	54	1,531	1,792
Certificates of deposit and other debt securities in issue	45	7,595	10,023
Other liabilities	46	16,123	14,138
Liabilities to customers under insurance contracts	47	22,975	15,335
Deferred tax and current tax liabilities	48	2,716	1,921
Subordinated liabilities	49	7,000	3,511
		<b>620,366</b>	<b>537,090</b>
<b>CAPITAL RESOURCES</b>			
Minority interests		1,717	1,159
Share capital	50	9,559	9,559
Retained profits	51	29,044	26,052
Other reserves	51	4,745	3,327
Proposed dividends	25	3,633	3,633
Shareholders' funds		<b>46,981</b>	<b>42,571</b>
		<b>48,698</b>	<b>43,730</b>
		<b>669,064</b>	<b>580,820</b>

**Michael R P Smith** *Chairman*

**Raymond C F Or** *Vice-Chairman and Chief Executive*

**Richard Y S Tang** *Director*

**C C Li** *Secretary*

The notes on pages 94 to 196 form part of these financial statements.