

附加財務資料

Supplementary Financial Information

下列資料僅為賬目附加資料之部份，並不構成經審核賬目任何部份。

The following information is disclosed as part of the accompanying information to the accounts and does not form part of the audited accounts.

1 資本充足比率及流動資金比率

1 CAPITAL ADEQUACY AND LIQUIDITY RATIOS

		2005	2004
資本充足比率	Capital adequacy ratio	15.8%	17.4%
經調整資本充足比率	Adjusted capital adequacy ratio	15.7%	17.4%
流動資金比率	Liquidity ratio	36.5%	37.8%

資本充足比率指本銀行、華比銀行、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited及友聯中國業務管理有限公司於二零零四年十二月三十一日及本銀行、ICBC Asia Wa Pei Limited(前稱華比銀行)、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited、友聯中國業務管理有限公司及華商銀行於二零零五年十二月三十一日按香港銀行業條例附表三編製之綜合比率。

The capital adequacy ratio represents the consolidated ratio of the Bank, Belgian Bank, ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited and UB China Business Management Company Limited as at 31 December 2004, and the Bank, ICBC Asia Wa Pei Limited (formerly known as Belgian Bank), ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited, UB China Business Management Company Limited and Chinese Mercantile Bank as at 31 December 2005, computed in accordance with the Third Schedule of the Hong Kong Banking Ordinance.

經調整資本充足比率指本銀行、華比銀行、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited及友聯中國業務管理有限公司於二零零四年十二月三十一日及本銀行、ICBC Asia Wa Pei Limited、ICBC (Asia) Nominee Limited、ICBCA (C.I.) Limited、友聯中國業務管理有限公司及華商銀行於二零零五年十二月三十一日按香港金融管理局頒佈之「維持充足資本應付市場風險」指引編製之綜合比率。經調整資本充足比率已計及於十二月三十一日之信貸及市場風險。

The adjusted capital adequacy ratio represents the consolidated ratio of the Bank, Belgian Bank, ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited and UB China Business Management Company Limited as at 31 December 2004, and the Bank, ICBC Asia Wa Pei Limited, ICBC (Asia) Nominee Limited, ICBCA (C.I.) Limited, UB China Business Management Company Limited and Chinese Mercantile Bank as at 31 December 2005, computed in accordance with the guideline "Maintenance of Adequate Capital Against Market Risks" issued by the Hong Kong Monetary Authority. The adjusted ratio takes into account both credit and market risk as at 31 December.

流動資金比率為本銀行及華比銀行截至二零零四年十二月三十一日止年度及本銀行及華商銀行截至二零零五年十二月三十一日止年度之財政年度內十二個月各曆月之平均流動資金比率之簡單平均數計算，並已遵照香港銀行條例附表四而編製。

The liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio for the twelve months of the financial year of the Bank and Belgian Bank for the year ended 31 December 2004, and of the Bank and Chinese Mercantile Bank for the year ended 31 December 2005, computed in accordance with the Fourth Schedule of the Hong Kong Banking Ordinance.

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2 扣減後之資本基礎組成部份

扣減後之資本基礎組成部份用作計算上述於十二月三十一日之資本充足比率並填報予香港金融管理局分析如下：

2 COMPONENTS OF CAPITAL BASE AFTER DEDUCTIONS

The capital base after deductions used in the calculation of the above capital adequacy ratios as at 31 December and reported to the Hong Kong Monetary Authority is analysed as follows:

		本集團 Group	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
核心資本：	Core capital:		
繳足普通股股本	Paid up ordinary share capital	2,242,518	2,095,930
普通股溢價	Ordinary share premium	5,323,893	4,700,602
可轉換優先股股份溢價	Convertible preference share premium	16,126	16,126
儲備	Reserves	1,404,323	1,309,690
扣除：商譽	Deduct: Goodwill	(936,520)	(870,514)
		8,050,340	7,251,834
合資格附加資本：	Eligible Supplementary capital:		
土地及土地權益之重估儲備	Reserves on revaluation of land and interests in land	18,917	77,420
非持作買賣用途之證券	Reserves on revaluation of holding of securities		
重估儲備	not held for trading purpose	(67,821)	(2,390)
一般呆賬準備金	General provision for doubtful debts	–	503,535
已減值資產之組合減值準備	Collective impairment allowances for		
及法定儲備	impaired assets and regulatory reserves	561,611	–
永久後償債務	Perpetual subordinated debts	1,930,612	1,932,904
有限期後償債務	Term subordinated debts	3,408,163	3,415,325
合資格附加資本總額	Total eligible supplementary capital	5,851,482	5,926,794
扣減前之資本基礎總額	Total capital base before deductions	13,901,822	13,178,628
扣除：	Deductions:		
持有附屬公司或控股公司之股份	Shareholdings in subsidiaries or holding company	(28,806)	(15,202)
對關連公司之風險承擔	Exposures to connected companies	(580,761)	(578,761)
持有非附屬公司百分之二十或以上之股權	Equity investment of 20% or more in non-subsidiary companies	(14,508)	(14,508)
		(624,075)	(608,471)
扣減後之資本基礎總額	Total capital base after deductions	13,277,747	12,570,157

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3 外幣持盤量

倘每種貨幣佔總倉盤淨額10%或以上均為外幣時，須披露外幣倉盤淨額。

二零零五年
十二月三十一日

As at 31 December 2005

港元等值	Equivalent in Hong Kong dollars	本集團 Group					總計 Total
		美元 US\$ HK\$'000	歐元 Euro HK\$'000	日圓 JPY HK\$'000	澳元 AUD HK\$'000	人民幣 RMB HK\$'000	
現貨資產	Spot assets	45,309,000	–	1,806,000	–	274,000	47,389,000
現貨負債	Spot liabilities	(54,237,000)	–	(227,000)	–	(193,000)	(54,657,000)
遠期買入	Forward purchases	17,817,000	–	420,000	–	1,485,000	19,722,000
遠期賣出	Forward sales	(8,349,000)	–	(1,921,000)	–	(1,508,000)	(11,778,000)
期權盤淨額	Net option position	(16,000)	–	(1,000)	–	–	(17,000)
長盤淨額	Net long position	524,000	–	77,000	–	58,000	659,000

二零零四年
十二月三十一日

As at 31 December 2004

港元等值	Equivalent in Hong Kong dollars	本集團 Group					總計 Total
		美元 US\$ HK\$'000	歐元 Euro HK\$'000	日圓 JPY HK\$'000	澳元 AUD HK\$'000	人民幣 RMB HK\$'000	
現貨資產	Spot assets	35,587,000	3,964,000	–	3,219,000	175,000	42,945,000
現貨負債	Spot liabilities	(51,425,000)	(1,852,000)	–	(3,178,000)	(116,000)	(56,571,000)
遠期買入	Forward purchases	27,449,000	482,000	–	131,000	1,296,000	29,358,000
遠期賣出	Forward sales	(11,622,000)	(2,598,000)	–	(159,000)	(1,294,000)	(15,673,000)
(短)/長盤淨額	Net (short)/long position	(11,000)	(4,000)	–	13,000	61,000	59,000

期權盤淨額乃採用香港金融管理局批准之「模式使用者」方法計算。

3 CURRENCY CONCENTRATIONS

The net position in foreign currencies are disclosed when each currency constitutes 10% or more of the total net position of all foreign currencies.

The net options position is calculated using the model user approach which has been approved by the Hong Kong Monetary Authority.

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4 分類資料

(a) 客戶貸款

(i) 按行業分類之客戶貸款總額

		本集團 Group	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
在香港使用之貸款	Loans for use in Hong Kong		
工商及金融	Industrial, commercial and financial		
— 物業發展	— Property development	4,202,630	2,694,880
— 物業投資	— Property investment	10,554,322	8,347,495
— 金融企業	— Financial concerns	3,709,737	4,022,477
— 股票經紀	— Stockbrokers	91,305	19,159
— 批發及零售業	— Wholesale and retail trade	1,665,212	2,306,936
— 土木工程	— Civil engineering works	830,649	665,885
— 製造業	— Manufacturing	6,195,831	6,354,464
— 運輸及運輸設備	— Transport and transport equipment	9,323,538	8,555,892
— 電力、煤氣及通訊	— Electricity, gas and telecommunications	1,140,181	1,378,126
— 酒店、住宿及飲食業	— Hotels, boarding house and catering	1,232,911	2,070,985
— 其他	— Others	5,136,568	4,825,332
個人	Individuals		
— 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」樓宇之貸款	— Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	130,242	128,481
— 購買其他住宅物業之貸款	— Loans for the purchase of other residential properties	11,447,846	12,512,124
— 信用咭貸款	— Credit card advance	51,198	63,315
— 其他	— Others	980,815	1,038,187
貿易融資	Trade finance	5,501,227	4,547,376
在香港以外使用之貸款	Loans for use outside Hong Kong	6,105,075	659,543
		68,299,287	60,190,657

(ii) 按區域分類之客戶貸款總額

於二零零五年十二月三十一日及二零零四年十二月三十一日，本集團90%以上客戶貸款、減值／不履約及逾期貸款之交易方均位於香港。編撰本分析時，並未計及與交易方處於不同國家之另一方所作擔保之轉移風險。

4 SEGMENTAL INFORMATION

(a) Loans and advances to customers

(i) Gross loans and advances to customers by industry sectors

(ii) Gross loans and advances to customers – By geographical areas

At 31 December 2005 and 31 December 2004, over 90% of the Group's loans and advances to customers, impaired/non-performing loans and overdue loans were made to counterparties located in Hong Kong. In determining this analysis, it has not been taken into account of transfer of risk with respect to claims guaranteed by a party in a country different from that of the counterparty.

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4 分類資料 (續)

(b) 跨境申索

本集團按地區分析跨境申索。編撰本分析時，已計及與交易方處於不同國家之另一方所作擔保之任何轉移風險。佔總跨境申索 10% 以上之地區列示如下：

4 SEGMENTAL INFORMATION (continued)

(b) Cross-border claims

The Group analyses cross-border claims by geographical area. In determining this analysis, it has been taken into account of any transfer of risk with respect to claims guaranteed by a party in a country different from that of the counterparty. Those areas which constitute 10% or more of the aggregate cross-border claims are as follows:

		本集團 Group			
		銀行同業及 其他金融機構 Banks and other financial institutions 百萬港元 HK\$ million	公營機構 Public sector entities 百萬港元 HK\$ million	其他 Others 百萬港元 HK\$ million	總計 Total 百萬港元 HK\$ million
於二零零五年十二月三十一日	As at 31 December 2005				
亞太區 (不包括香港)	Asia Pacific excluding Hong Kong	10,659	483	8,569	19,711
北美及南美	North and South America	1,001	438	5,776	7,215
中東及非洲	Middle East and Africa	609	—	792	1,401
歐洲	Europe	20,334	97	1,049	21,480
於二零零四年十二月三十一日	As at 31 December 2004				
亞太區 (不包括香港)	Asia Pacific excluding Hong Kong	12,045	569	4,702	17,316
北美及南美	North and South America	838	303	3,865	5,006
歐洲	Europe	9,698	2,146	1,181	13,025

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5 逾期、重整貸款及收回資產

(a) 本集團客戶貸款之逾期部份總額分析如下：

5 OVERDUE, RESCHEDULED ADVANCES AND REPOSSESSED ASSETS

(a) The gross amount of the Group's advances to customers which have been overdue are analysed as follows:

		本集團 Group						
		總貸款 Gross advances 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers	抵押品市值 Market value of collateral 千港元 HK\$'000	有抵押 金額 Secured amount 千港元 HK\$'000	無抵押 金額 Unsecured amount 千港元 HK\$'000	個別 減值準備 Individual impairment allowance 千港元 HK\$'000	專項撥備 Specific provision 千港元 HK\$'000
於二零零五年 十二月三十一日	At 31 December 2005							
六個月或以下但 超過三個月	Six months or less but over three months	105,922	0.2%	50,134	26,060	79,862	41,454	—
一年或以下但 超過六個月	One year or less but over six months	94,553	0.1%	22,797	12,039	82,514	69,171	—
超過一年	Over one year	136,180	0.2%	21,114	13,326	122,854	107,994	—
		336,655	0.5%	94,045	51,425	285,230	218,619	—
於二零零四年 十二月三十一日	At 31 December 2004							
六個月或以下但 超過三個月	Six months or less but over three months	35,488	0.1%	44,299	28,544	6,944	—	8,311
一年或以下但 超過六個月	One year or less but over six months	17,875	0.0%	21,287	14,308	3,567	—	4,133
超過一年	Over one year	425,329	0.7%	126,326	109,407	315,922	—	253,572
		478,692	0.8%	191,912	152,259	326,433	—	266,016

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5 逾期、重整貸款及收回資產 (續)

(b) 本集團商業票據之逾期部份
總額分析如下：

5 OVERDUE, RESCHEDULED ADVANCES AND REPOSSESSED ASSETS (continued)

(b) The gross amount of the Group's trade bills which have been overdue
are analysed as follows:

		本集團 Group						
		總貸款 Gross advances 千港元 HK\$'000	佔客戶貸款 百分比 Percentage of advances to customers	抵押品市值 Market value of collateral 千港元 HK\$'000	有抵押 金額 Secured amount 千港元 HK\$'000	無抵押 金額 Unsecured amount 千港元 HK\$'000	個別 減值準備 Individual impairment allowance 千港元 HK\$'000	專項撥備 Specific provision 千港元 HK\$'000
於二零零五年 十二月三十一日	At 31 December 2005							
六個月或以下但 超過三個月	Six months or less but over three months	1,440	0.0%	2,295	1,440	—	1,440	—
一年或以下但 超過六個月	One year or less but over six months	1,864	0.0%	—	—	1,864	1,962	—
超過一年	Over one year	—	0.0%	—	—	—	—	—
		3,304	0.0%	2,295	1,440	1,864	3,402	—
於二零零四年 十二月三十一日	At 31 December 2004							
六個月或以下但 超過三個月	Six months or less but over three months	—	—	—	—	—	—	—
一年或以下但 超過六個月	One year or less but over six months	—	—	—	—	—	—	—
超過一年	Over one year	—	—	—	—	—	—	—
		—	—	—	—	—	—	—

於二零零五年十二月三十一日及二零零四年
十二月三十一日，並無逾期超過三個月之銀
行同業及其他金融機構貸款及債券。

At 31 December 2005 and 31 December 2004, there were no
advances to banks and other financial institutions and debt securities
which were overdue for over three months.

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5 逾期、重整貸款及收回資產 (續)

(c) 重整貸款

		本集團 Group	
		佔客戶貸款 百分比 2005 千港元 HK\$'000 Percentage of advances to customers	佔客戶貸款 百分比 2004 千港元 HK\$'000 Percentage of advances to customers
重整客戶貸款	Rescheduled advances to customers	68,749 0.1%	115,945 0.2%

根據修訂後還款條款逾期超過三個月之重整貸款已列入上文(a)段之逾期貸款分析內。

於二零零五年十二月三十一日及二零零四年十二月三十一日，並無重整銀行同業及其他金融機構之貸款。

5 OVERDUE, RESCHEDULED ADVANCES AND REPOSSESSED ASSETS (continued)

(c) Rescheduled advances

Rescheduled advances which have been overdue for more than three months under the revised repayment terms are included in the analysis of overdue advances in (a) above.

At 31 December 2005 and 31 December 2004, there were no rescheduled advances to banks and other financial institutions.

(d) 其他逾期資產

		本集團 Group	
		2005 千港元 HK\$'000	2004 千港元 HK\$'000
應計利息	Accrued interest		
— 六個月或以下但超過三個月	— Six months or less but over three months	105	299
— 一年或以下但超過六個月	— One year or less but over six months	—	193
— 超過一年	— Over one year	2	188
		107	680
重整資產	Rescheduled assets	152	370
		259	1,050

(e) 收回資產

於二零零五年十二月三十一日，本集團之收回資產之估計市值為9,110,000港元（二零零四年：25,003,000港元）。

(e) Repossessed assets

At 31 December 2005, the estimated market value of the repossessed assets of the Group amounted to HK\$9,110,000 (2004: HK\$25,003,000).

6 風險管理

本集團已釐定一系列關於辨識、釐定、控制及監察風險因素(包括信貸、流動資金、市場、息率、營運和法律及規管風險)之策略及步驟。管理層及相關功能委員會定期評審該等策略及步驟，而本集團之內部稽核部亦會進行定期審查，確保能符合該等策略及步驟。

(a) 信貸風險管理

信貸風險乃指本集團之借款人或交易方未能或不願意履行其還款責任之風險。本集團已制訂多項標準、政策及程序，並設立指定職能部門控制及監察有關風險。

本集團深明信貸風險管理必須妥善有效，方可取得業務增長及提高本集團之資源效益。管理層編製各項信貸政策及系統以識別、釐定及監控各項信貸風險。該過程確保本集團對信貸持審慎態度，及早察覺及解決其潛在問題，使損失降至最低。隨著合併後本銀行擴大對中小企業之借貸業務，本銀行採取或修訂適合此等風險監控之信貸政策及實務，以維持有利之信貸水平及配合本銀行日漸滲入中小企業領域之方向。

本集團高層次之信貸政策方針，由相關功能委員會負責制定、審閱及定期更新，至於重大問題則由董事會權衡市場及規管發展，再配合日常審批情況及業務發展等因素，加以制定、檢討及定期修訂。所有該等信貸政策、程序及慣例(隨著不斷改進、更新、審核及修訂)被列入信貸審批政策及補充借貸產品手冊以供內部控制及規管。鑑於Basel II資本協定將於二零零七年實施，本集團已調整信貸風險管理慣例，以符合香港金融管理局相關指引條例。

信貸授權乃授予個別批核人，以維持效率及競爭性。除小企業貸款及消費貸款外，概無任何商業批款人可單獨審批任何貸款。本集團一般要求「雙重」審批程序，而貸款建議須得到業務部門及信貸功能部之共同審批。信貸功能部批核人於本銀行之信貸委員會亦派有代表，而信貸委員會負責審批所有信貸政策及大額貸款。只有已獲信貸委員會審批之貸款建議才會於有需要時呈交行政總裁批核。

6 RISK MANAGEMENT

The Group has established policies and procedures for the identification, measurement, control and monitoring of risk factors (including credit, liquidity, market, interest rate, operational, legal and compliance risks). The management and the relevant functional committees review these policies and procedures on a regular basis, and the Group's Internal Audit Department also performs regular checks to ensure due compliance with policies and procedures.

(a) Credit risk management

Credit risk is the risk that a borrower or counterparty of the Group will be unable or unwilling to honour a repayment obligation. The Group has standards, policies and procedures and designated functional departments in place to control and monitor these risks.

The Group recognizes that sound credit risk management is essential to business growth and maximization of the return on Group's resources employed. The management has set credit policies and system to identify, measure, monitor and control risks inherent in the operation of various lending business. This process ensures prudence and enables potential problems to be detected and tackled earlier than otherwise, thereby minimizing business loss. With the enlarged lending operation of the Bank to SMEs after merging, credit policies and practice apposite to their risk monitoring are adopted or modified to maintain the desired credit standard and to cope with the Bank's increasing penetration into the SME sector.

High-level credit policies of the Group are set, reviewed and constantly updated by the relevant functional committees, and for prominent issues, by the Board of Director to take balanced accounts of the dynamic market situation, regulatory development, the Group's usual prudent lending practices and the latest business strategies. All these credit policies, processes and practices, as they are developed, updated, reviewed and revised, are written into Credit Manuals and supplementary lending product manuals for internal control and compliance purposes. Given the Basel II capital accord to be implemented in 2007, the Group has been adjusting its credit risk management practice in line with relevant guidelines releases of the Hong Kong Monetary Authority.

Credit authorities are delegated to individual approvers for maintaining efficiency and competitiveness. Except for small business loans and consumer loans, no business originator can singly approve any loan. The Group generally requires 'dual' approval whereby loan proposals shall require the approval by the Business Line and Credit Function jointly. Credit Function approvers also sit prominently in the Bank's Credit Committee, which approve all credit policies and large loans. Only the loan proposals approved by Credit Committee would be submitted to CEO's signature where it is needed.

6 風險管理 (續)

(a) 信貸風險管理 (續)

信貸風險管理部門乃本銀行授權執行信貸政策之中央部門。此外，該部門亦提供獨立信貸評估、審批後信貸管理及其他信貸監控等，務求信貸過程符合管理層制訂之信貸政策及指引。除獨立信貸評估及分層審批過程外，信貸風險管理部亦就特定貸款組合或營運單位進行定期信貸審核。為了保持獨立性，本銀行信貸風險管理部直接向獨立於業務之副總經理負責。

管理層竭盡所能，致力監控貸款組合之質素及行為。本集團於二零零零年最後一季首次引入內部信貸風險評級制度，以監察本集團之貸款組合素質。新15級制度基於Basel II要求而制定並於合併後投入運作，以整合兩家銀行合併前各自存在之信貸評級模式。經過多年內部數據累積後，預期本集團將可更進一步利用信貸統計數據，計算拖欠還款之機會率，及實踐其他信貸風險管理程序（而新信貸評級模式將成為其主要部分）。

(b) 流動資金風險管理

流動資金風險乃指本集團於財務責任到期時未能償債之風險。因此，流動資金風險管理可確保本集團具備充足之現金流，務求以具成本效益之方法應付一般及突發情況下之任何財務責任，並同時遵守一切監管規定。為管理流動資金風險，本集團已制定資產及流動資金管理政策，並經由相關功能委員會審閱，及得到董事會批核。本集團每日均緊密管理及預測流動資金流向，務求讓財資部及相關功能委員會按照市況波動迅速行動，並且及時實行應變計劃。本集團按時做壓力測試，以評估或然融資需求及採取相應補救措施。本集團繼續發掘及拓展多項融資渠道，以充分把握業務擴充機會。母公司中國工商銀行在加強本銀行流動資金能力上提供之支持，足證本銀行有雄厚資金實力。於截至二零零五年十二月三十一日，本集團擁有總額達約二百五十億港元已發行存款證，為長期資金提供抵押。

二零零五年之流動資金狀況依然充裕，平均流動資金比率為36.5%（二零零四年平均：37.8%），遠高於最低25%之法定要求。

6 RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

Credit Risk Management Department is the centralized department in the Bank mandated to carry out credit policies. It performs independent credit assessment, post-approval credit administration and other credit control functions to ensure that the credit process complies with credit policies and guidelines laid down by the management. Apart from the independent credit assessment and matrix approval process, regular credit audits are conducted on specific loan portfolio or operating units in the credit process. To maintain its independence, the Credit Risk Management Department of the Bank has a direct reporting line to a Deputy General Manager independent of business.

The management spares no efforts in monitoring the quality and behavior of the loan portfolio. The Group's internal credit risk grading system was first introduced in the last quarter of 2000 to track the health of the Group's loan portfolio. A new 15-grade credit rating system built on Basel II – complaint attributes is adopted after the merger to align the two separate credit rating models of the two Banks that existed before the merger. With internal data being constantly enriched through years of experience, it is expected that the Group could make further use of the credit statistics to profile and track down credit risk migration, to measure loan default probabilities and to practise other credit risk management processes, of which the new credit rating model is substantially an integral part.

(b) Liquidity risk management

Liquidity risk is the risk that the Group cannot meet its financial obligations as and when they fall due. Liquidity risk management is therefore to ensure adequate cash flows to meet all financial obligations under both normal and contingency circumstances in a cost-effective manner and within regulatory requirements. To manage liquidity risk, the Group has established asset and liquidity management policies which are reviewed by the relevant functional committees, with prominent issues approved by the Board of Directors. Liquidity is also managed and forecast on a daily basis to enable Treasury and Markets ("T&M") and the relevant functional committee to act proactively according to changing market conditions and to implement contingency plans on a timely basis. Stress tests are regularly performed to assess contingent funding needs, for which corresponding remedial measures are planned. The Group continues to explore and diversify funding channels to capitalise on opportunities for the Group's business expansion. Concrete funding availability is proven from the parent company, ICBC in strengthening our liquidity capability. As at 31 December, 2005, the Group has a total of approximately HKD25 billion certificates of deposit issued to secure longer term funding.

The liquidity position remained affluent throughout 2005 with an average liquidity ratio at 36.5% (Average for 2004: 37.8%), which was well above the statutory requirement of 25%.

6 風險管理 (續)

(c) 資本管理

本集團透過管理其資本，以有效執行其策略性業務計劃，及支持其增長及投資。本集團於二零零五年十二月三十一日之資本基礎水平及資本比率保持穩健，資本充足比率遠高於法定最低要求。本集團於二零零五年十二月三十一日之經調整一級及總資本充足比率分別為9.6%及15.7%。本集團不時調整其業務策略以優化其風險回報組合。

(d) 市場風險管理

市場風險是指資產、負債及資產負債表外持倉額之市場息率及價格出現變動而導致之盈虧風險。一般而言，本集團之市場風險與外匯、債券及衍生工具之持倉額相關。大部分在資產負債表外之衍生工具持倉額源自執行客戶指令及用作對沖之持倉額。

各類交易之市場風險乃按照管理層及資產及負債管理委員會（「資產及負債委員會」）制定之風險限額及指引進行管理，而重要事宜則由董事會審批。有關風險按照倉盤、止蝕、風險價值、敏感程度、對沖值、伽瑪系數等限額之基準衡量及監察。每日之風險監管由獨立之中怡風險管理部進行，確保所有交易活動均於許可的限額內進行。本集團之市場風險由資產及負債委員會及風險管理委員會審核，所有超出限額之例外情況將會向資產及負債委員會匯報，並會定期進行壓力測試以估計極端市況下可能造成之損失。本集團之稽核部亦會就交易活動作出定期審查及測試，以確保符合所有內部指引。

此外，多項可靠的財資系統已獲採用，以進一步加強監管及監管各個職能。

於截至二零零五年十二月三十一日止期間，本集團源自市場風險相關業務之平均每日收益為324,000港元（二零零四年：130,000港元），而每日收益之標準偏差為573,000港元（二零零四年：484,000港元）。本集團逐步增加其市場風險活動，以輔補一直以來依賴貸款資產帶來收入。

6 RISK MANAGEMENT (continued)

(c) Capital management

The Group manages its capital to execute its strategic business plans and support its growth and investments in an efficient way. The Group's level of capital base and capital ratio as at 31 December 2005 remained strong, with capital adequacy ratios well above the regulatory requirements. The Group's adjusted Tier 1 and total capital adequacy ratios were 9.6% and 15.7%, respectively as at 31 December 2005. The Group adjusts its business strategy from time to time to optimize its risk-return profile.

(d) Market risk management

Market risk is the risk that market rates and prices on assets, liabilities and off-balance sheet positions change, thus causing profits or losses. Generally, the Group's market risk is associated with its positions in foreign exchange, debt securities and derivatives. Most off-balance sheet derivative positions arise from the execution of customer-related orders and positions taken for hedging purpose.

Market risk exposure for different types of transactions is managed within risk limits and guidelines approved by the management and the Asset and Liability Management Committee ("ALCO"), and for prominent issues, by the Board of Directors. Exposures are measured and monitored against limits on positions, stop-loss, value-at-risk, sensitivity, delta, gamma, etc. Daily risk monitoring is carried out by an independent Middle Office Department, which ensures all dealing activities are conducted within approved limits. The Group's market risk exposures are reviewed by the ALCO and the Risk Management Committee. All exceptions to limits are reported to the ALCO. Stress tests are performed regularly to estimate the possible losses under extreme circumstances. The Group's Internal Audit Department also performs regular review and testing on dealing activities to ensure compliance with all internal guidelines.

Besides, various reputable treasury systems are being used to further strengthen the functions of control and monitoring.

The average daily revenue earned from the Group's market risk related activities during the period ended 31 December, 2005 was HK\$324,000 (2004: HK\$130,000) and the standard deviation for such daily revenue was HK\$573,000 (2004: HK\$484,000). The Group gradually increases its market risk activities to complement its conventional reliance on loan assets for revenue.

6 風險管理 (續)

(d) 市場風險管理 (續)

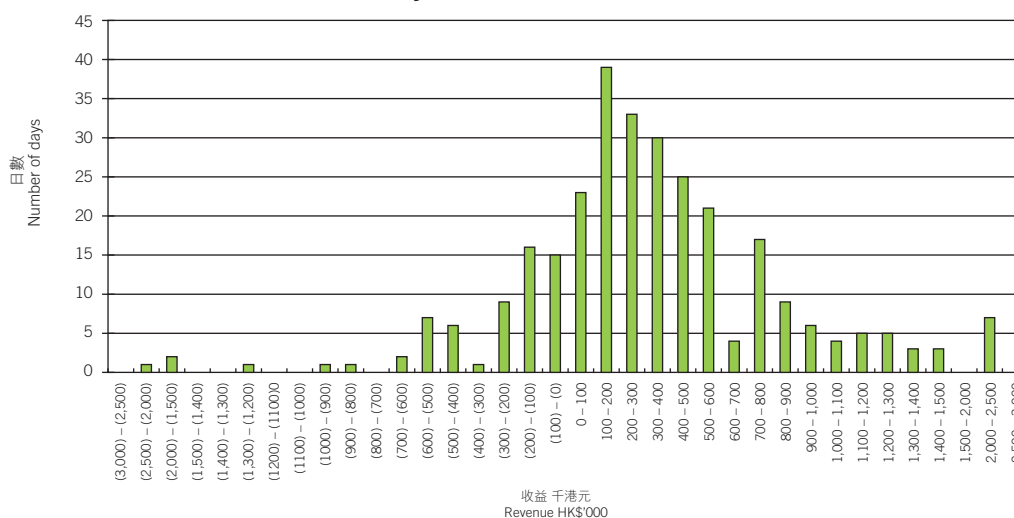
下列統計圖表列示本集團源自市場風險活動之每日收益於二零零五年及二零零四年之分佈情況。

6 RISK MANAGEMENT (continued)

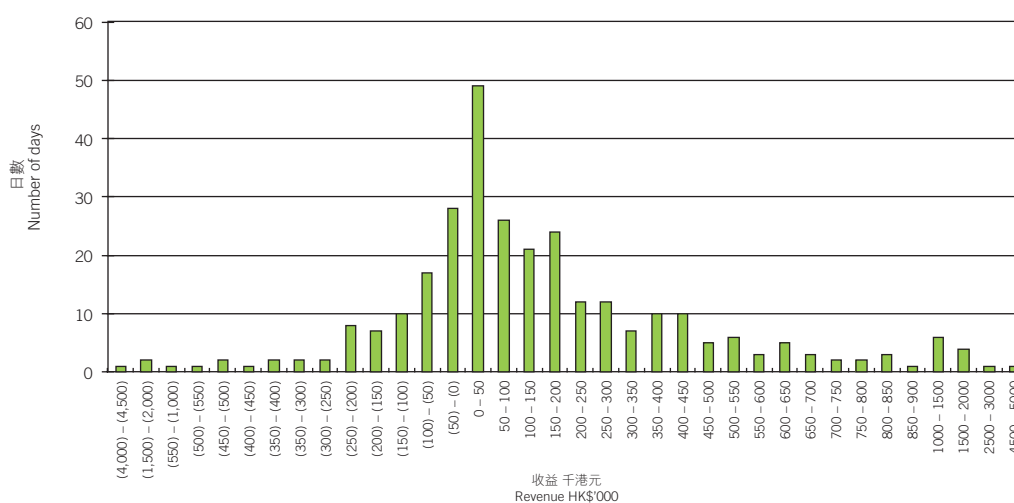
(d) Market risk management (continued)

The following histograms show the frequency distribution of daily revenues related to market risk activities of the Group in 2005 and 2004.

截至二零零五年十二月三十一日止年度
For the year ended 31 December 2005



截至二零零四年十二月三十一日止年度
For the year ended 31 December 2004



6 風險管理 (續)

(e) 利率風險管理

利率風險乃指由於市場利率變動而對本集團盈利狀況造成不利影響之風險。利率風險主要源自期限錯配和計息資產及負債及收益曲線變動。利率風險亦根據資產及負債委員會批准及監控之風險限制管理，中怡風險管理部亦會參與。

本集團透過資產負債表內和外之利率對沖工具管理其利率風險。對沖業務之有效性定期根據香港會計準則第39號之規定定期進行評估。本集團之利率風險倉盤進一步定期報告予風險管理委員會並由其仔細審查。

用以購買港元資產之外幣資金，一般會採用掉期或遠期貨幣兌換合約，以中和外匯風險。

(f) 營運風險管理

營運風險管理指因不足夠或失誤之內部程序、人員、系統及外部事件而造成突如其來之財務虧損之風險。每家商業機構均存在營運風險，分佈於各個不同層面。已採取更多之措施識別及理解程序中的相關營運風險。透過實施全面之內部監控制度，投購充足保險及設置境外電腦後備設施，加上應變計劃及定期測試，可減低該等風險。此外，本集團之稽核部能有效偵察營運程序之任何違規情況，亦可獨立而客觀地找出各營運層面不足及不完善的地方。

(g) 法律及規管風險管理

法律及規管風險乃本集團因違反或不符合所有與經營業務有關之適用法律、規則、內部政策而可能遭受之法律及法規制裁、財務虧損或名譽損失。

法律及合規職員就法律及法規發展給予管理層意見及協助其建立政策、程序及監控系統以確保符合法律及法規要求。該等職員會執行定期合規檢查，以使本集團能識別任何潛在違規事項及及時採取補救措施。該等職員亦每月發佈公告及至少每季度安排培訓以豐富全體職員法律及法規規定之知識，並就違規事項及法律及法規發展向風險管理委員會作出定期報告。

6 RISK MANAGEMENT (continued)

(e) Interest rate risk management

Interest rate risk is the risk that the Group's position may be adversely affected by a change in market interest rates. Interest rate risk arises mainly from the maturity mismatch of interest bearing assets and liabilities and yield curve movement. Interest rate risk exposure is managed within risk limits approved and monitored by ALCO with the participation of the Middle Office Department.

The Group manages its interest rate risk by way of entering into on or off balance sheet interest risk hedging instruments. The effectiveness of the hedging activities is assessed regularly in accordance with the Hong Kong Accounting Standard 39. The Group's interest rate risk position is further regularly reported to and scrutinized by the Risk Management Committee.

Foreign currency funding used to fund Hong Kong dollar assets is normally hedged using currency swaps or forward exchange contracts to neutralize foreign exchange risk.

(f) Operational risk management

Operational risk is the risk of unexpected financial losses resulting from inadequate or failed internal processes, people, systems and from external events. It is inherent to every business organization and covers a wide spectrum of issues. Enhanced efforts in identifying and understanding the underlying operational risks in processes are taken. Such risk is mitigated through the implementation of comprehensive internal control systems, adequate insurance cover, offshore computer back-up sites and contingency plans with periodic drills. The Group's Internal Audit Department also plays an important role in detecting any deviations from operating procedures and identifying weaknesses at all operating levels independently and objectively.

(g) Legal and compliance risk management

Legal and compliance risk is the prospective risk of legal and regulatory sanctions, financial loss, or reputation loss that the Group may suffer as a result for violations of, or non-compliance with, all applicable laws, regulations, internal policies with respect to the conduct of business.

Legal and compliance staff members advise the management on the legal and regulatory developments and assist them in establishing policies, procedures and monitoring program to ensure compliance with the legal and regulatory requirements. They conduct regular compliance checking so that the Group can identify any potential non-compliance issue and take remedial action on a timely basis. They also issue monthly bulletin and arrange training at least quarterly to enrich the knowledge of all staff in the legal and regulatory requirements. Furthermore, regular reports on non-compliance issue and the legal and regulatory developments are made to the Risk Management Committee.