大新銀行集團有限公司
Dah Sing Banking Group Limited

大新銀行有限公司及豐明銀行有限公司之控股公司
The holding company of Dah Sing Bank, Limited and MEVAS Bank Limited
(股份代號 Stock code : 2356)

與亞洲齊步成長
Growing with The Asian Region

Annual Report 2006 年報

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		二零零二年 2002	二零零三年 2003	二零零四年 2004 經重列 Restated	二零零五年 2005	**二零零六年** **2006**
以百萬港元位列示	*HK$ Million*					
股東資金	Shareholders' funds	5,378	5,680	7,721	8,649	**9,316**
後償債務	Subordinated notes	975	970	972	3,290	**3,480**
客戶存款	Deposits from customers	37,589	40,152	43,477	58,354	**67,279**
已發行的存款證	Certificates of deposit issued	6,888	7,868	8,452	7,713	**8,768**
存款總額	Total deposits	44,477	48,020	51,929	66,067	**76,047**
負債總值（包括後償債務）	Total liabilities (including subordinated notes)	53,401	56,465	63,571	80,844	**92,701**
客戶貸款	Advances to customers	28,157	27,942	32,528	44,919	**49,909**
資產總值	Total assets	58,797	62,164	71,312	89,517	**102,037**
股東應佔溢利	Profit attributable to shareholders	776	880	1,119	979	**1,196**
全年股息分派	Total dividend distribution	–	–	561	565	**652**
以港元位列示	*HK$*					
每股基本盈利	Basic earnings per share	0.96	1.09	1.29	1.06	**1.28**
每股股息	Dividends per share	–	–	0.61	0.61	**0.70**
以百分比列示	*Percentage %*					
貸款對存款比率（包括已發行的存款證）	Loan to deposit ratio (including certificates of deposits)	62.2	57.1	61.8	68.0	**65.6**

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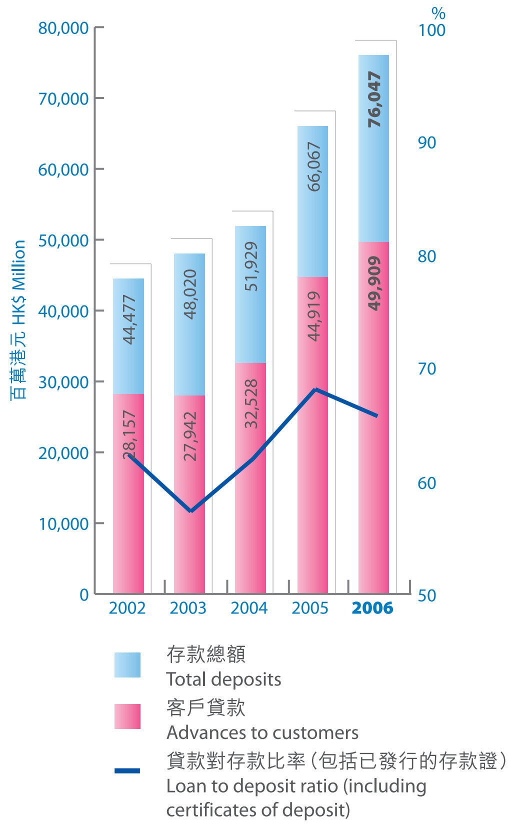
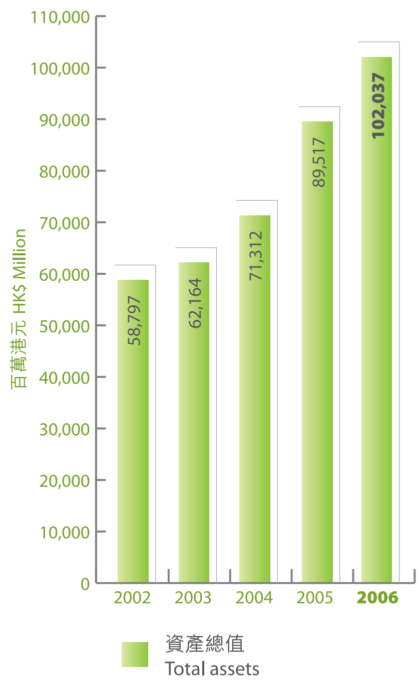
Financial Summary

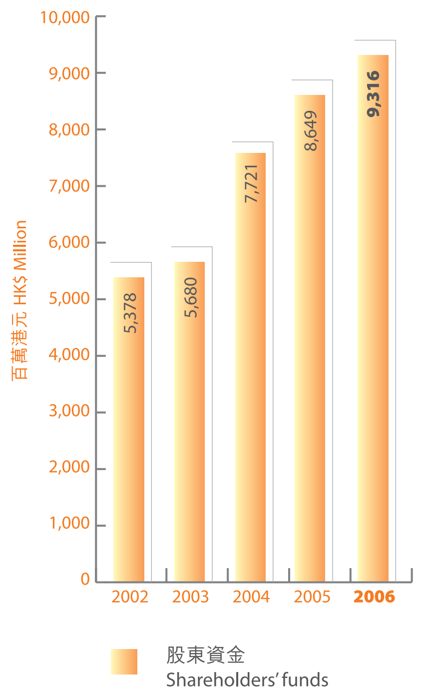
貸款／存款總額
Total advances / Total deposits



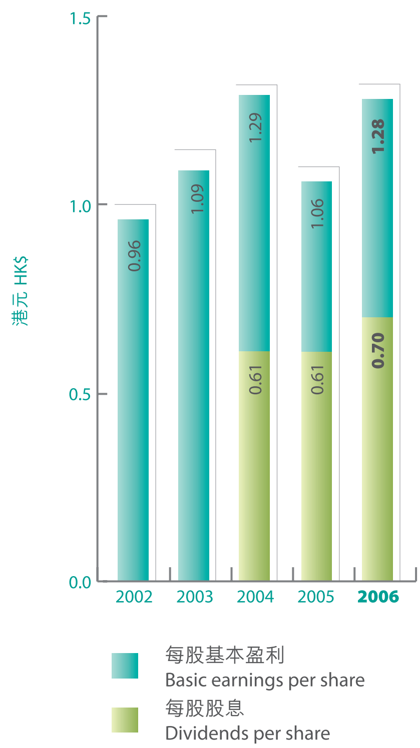
資產總值
Total assets



股東資金
Shareholders' funds



每股基本盈利／每股股息
Basic earnings per share / Dividends per share



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大新銀行集團有限公司

董事會

王守業
主席
莊先進
獨立非執行董事
韓以德
獨立非執行董事
史習陶
獨立非執行董事
梁君彥
獨立非執行董事
田原啟佐
非執行董事
邱達宏
非執行董事
黃漢興
董事總經理兼行政總裁
趙龍文
執行董事
王伯凌
執行董事
王祖興
執行董事
劉雪樵
執行董事

審核委員會

史習陶
主席
莊先進
韓以德

提名及薪酬委員會

史習陶
主席
莊先進
韓以德
梁君彥
王守業
黃漢興

DAH SING BANKING GROUP LIMITED

BOARD OF DIRECTORS

David Shou-Yeh Wong
Chairman
John William Simpson
Independent non-executive Director
David Richard Hinde
Independent non-executive Director
Robert Tsai-To Sze
Independent non-executive Director
Andrew Kwan-Yuen Leung
Independent non-executive Director
Keisuke Tahara
Non-executive Director
Dennis Tat-Wang Yau
Non-executive Director
Hon-Hing Wong (Derek Wong)
Managing Director and Chief Executive
Lung-Man Chiu (John Chiu)
Executive Director
Gary Pak-Ling Wang
Executive Director
Harold Tsu-Hing Wong
Executive Director
Frederic Suet-Chiu Lau
Executive Director

AUDIT COMMITTEE

Robert Tsai-To Sze
Chairman
John William Simpson
David Richard Hinde

NOMINATION AND REMUNERATION COMMITTEE

Robert Tsai-To Sze
Chairman
John William Simpson
David Richard Hinde
Andrew Kwan-Yuen Leung
David Shou-Yeh Wong
Hon-Hing Wong (Derek Wong)

組織摘要
Corporate Information

註冊地址

香港告士打道一零八號
大新金融中心三十六樓
電話：2507 8866
傳真：2598 5052
專用電報：74063 DSB HX
環球財務電訊：DSBAHKHH
網址：http://www.dahsing.com

秘書

蘇海倫 B.A. (Hons.), ACIS

核數師

羅兵咸永道會計師事務所
香港執業會計師

律師

許拔史密夫律師行

股份登記及過戶處

香港中央證券登記有限公司
香港皇后大道東一八三號
合和中心十七樓

REGISTERED OFFICE

36th Floor, Dah Sing Financial Centre
108 Gloucester Road, Hong Kong
Tel: 2507 8866
Fax: 2598 5052
Telex: 74063 DSB HX
S.W.I.F.T.: DSBAHKHH
Web Site: http://www.dahsing.com

SECRETARY

Hoi-Lun Soo B.A. (Hons.), ACIS

AUDITORS

PricewaterhouseCoopers
Certified Public Accountants

SOLICITORS

Herbert Smith

SHARE REGISTRARS AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
17th Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

董事及高層管理人員簡介
Directors' and Senior Management's Profile

董事會

王守業先生
主席

六十六歲。二零零四年獲委任為本公司主席。大新金融集團有限公司、大新銀行有限公司、豐明銀行有限公司、澳門商業銀行有限公司、大新人壽保險有限公司、澳門保險股份有限公司、澳門人壽保險股份有限公司、新亞船務有限公司及多間公司主席。超逾四十年銀行及金融業務經驗。香港工業總會理事會理事，香港日本經濟委員會、香港銀行公會、香港華商銀行公會及香港船東協會成員。香港銀行學會副會長。本公司另一位執行董事王祖興先生之父親。

莊先進先生
獨立非執行董事

六十六歲。本公司、大新銀行有限公司及豐明銀行有限公司的獨立非執行董事。曾於一九八七年至二零零四年六月大新金融集團有限公司將其銀行業務於香港聯合交易所申請獨立上市前期間擔任董事。為本公司審核委員會、與提名及薪酬委員會委員。超逾四十年銀行及金融業務經驗。

韓以德先生
獨立非執行董事

六十八歲。本公司、大新銀行有限公司及豐明銀行有限公司的獨立非執行董事。曾於一九八七年至二零零四年六月大新金融集團有限公司將其銀行業務於香港聯合交易所申請獨立上市前期間擔任董事。為本公司審核委員會、與提名及薪酬委員會委員。超逾三十年國際投資銀行業務經驗。

Board of Directors

Mr. David Shou-Yeh Wong
Chairman

Aged 66. Appointed as the Chairman of the Company in 2004. Chairman of Dah Sing Financial Holdings Limited, Dah Sing Bank, Limited, MEVAS Bank Limited, Banco Comercial de Macau, S.A., Dah Sing Life Assurance Company Limited, Macau Insurance Company Limited, Macau Life Insurance Company Limited, New Asian Shipping Company, Limited and various other companies. Over 40 years of experience in banking and finance. Member of the General Committee of Federation of Hong Kong Industries, the Hongkong/Japan Business Co-operation Committee, the Hong Kong Association of Banks, the Chinese Banks Association Limited and the Hong Kong Shipowners Association. Vice President of The Hong Kong Institute of Bankers. Father of Mr. Harold Tsu-Hing Wong, an executive Director of the Company.

Mr. John W. Simpson
Independent non-executive Director

Aged 66. Independent non-executive Director of the Company, Dah Sing Bank, Limited and MEVAS Bank Limited. Had been a director of Dah Sing Financial Holdings Limited from 1987 to June 2004 when its banking business applied for separate listing on the Hong Kong Stock Exchange. Member of the Audit Committee and the Nomination and Remuneration Committee. Over 40 years of experience in banking and finance.

Mr. David R. Hinde
Independent non-executive Director

Aged 68. Independent non-executive Director of the Company, Dah Sing Bank, Limited and MEVAS Bank Limited. Had been a director of Dah Sing Financial Holdings Limited from 1987 to June 2004 when its banking business applied for separate listing on the Hong Kong Stock Exchange. Member of the Audit Committee and the Nomination and Remuneration Committee. Over 30 years of experience in international investment banking.

董事及高層管理人員簡介
Directors' and Senior Management's Profile

董事會（續）

史習陶先生
獨立非執行董事

六十六歲。本公司、大新金融集團有限公司（「大新金融」）、大新銀行有限公司、豐明銀行有限公司及大新人壽保險有限公司之獨立非執行董事。現任大新金融及本公司審核委員會、與提名及薪酬委員會主席、以及多家香港上市公司非執行董事。英格蘭及威爾斯特許會計師公會及香港會計師公會資深會員。亦為一家國際會計師行前合夥人，彼於該行執業超逾二十年。中國人民政治協商會議上海委員會委員。

梁君彥先生
獨立非執行董事

五十六歲。分別於二零零四年及二零零六年獲委任為本公司及本公司主要營運附屬機構大新銀行獨立非執行董事。現任（工業界一）立法會議員，亦為香港生產力促進局及職業訓練局主席。香港工業總會及香港紡織業聯會名譽會長。梁先生亦是香港貿易發展局理事會理事、香港紡織業諮詢委員會委員、以及大珠三角商務委員會、香港政府策略發展委員會—經濟發展及與內地經濟合作委員會之委員。

田原啟佐先生
非執行董事

四十九歲。於二零零七年三月獲委任為本公司非執行董事及本公司控股公司大新金融集團有限公司非執行董事田中達郎先生之替任董事。現任三菱東京UFJ銀行（「BTMU」）香港分行副總經理。彼自一九八二年始受聘於當時之三和銀行有限公司（後經近年輾轉合併成為現時之BTMU）。諳懂企業銀行業務經營、產業研究及企業策劃。超逾二十五年銀行及金融業務經驗。

Board of Directors (Continued)

Mr. Robert Tsai-To Sze
Independent non-executive Director

Aged 66. Independent non-executive Director of the Company, Dah Sing Financial Holdings Limited ("DSFH"), Dah Sing Bank, Limited, MEVAS Bank Limited and Dah Sing Life Assurance Company Limited. Currently the Chairman of the Audit Committees, the Nomination and Remuneration Committees of both the Company and DSFH, and a non-executive Director to a number of Hong Kong listed companies. Fellow of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Also a former partner of an international firm of accountants with which he practised for over 20 years. Member of the Shanghai Committee of the Chinese People's Political Consultative Conference in the PRC.

Mr. Andrew Kwan-Yuen Leung
Independent non-executive Director

Aged 56. Appointed as an Independent non-executive Director of the Company, in 2004 and of Dah Sing Bank, a key operating subsidiary of the Company, in 2006. Currently Legislative Councillor (Industrial First), Chairman of the Hong Kong Productivity Council and the Vocational Training Council. Honorary President of Federation of Hong Kong Industries and Textile Council of Hong Kong. He is also a member of the Hong Kong Trade Development Council and serves on a number of advisory public bodies including the Textiles Advisory Board, the Greater Pearl River Delta Business Council, Commission on Strategic Development - Commission on Economic Development & Economic Cooperation with the Mainland.

Mr. Keisuke Tahara
Non-executive Director

Aged 49. Appointed as a non-executive Director of the Company and an alternate Director to Mr. Tatsuo Tanaka in Dah Sing Financial Holdings Limited, the holding company of the Company, in March 2007. Currently Deputy General Manager of the Hong Kong Branch of The Bank of Tokyo-Mitsubishi UFJ, Ltd. ("BTMU"). He joined The Sanwa Bank Ltd. (now becomes BTMU after several mergers over the past few years) in 1982. Expertise lies in the area of Corporate Banking, Industrial Research and Corporate Planning activities. Over 25 years of experience in banking and finance.

董事及高層管理人員簡介
Directors' and Senior Management's Profile

董事會（續）

邱達宏先生
非執行董事

五十九歲。於二零零四年獲委任為本公司董事，至二零零七年榮休後，繼續擔當本公司非執行董事。彼自二零零二年加入本公司主要營運附屬機構大新銀行，曾出任高級商業顧問，負責商業銀行業務發展。邱先生在香港貿易發展局（為一所負責推廣香港對外貿易及服務之法定機構）服務三十二年期間，曾在北美、歐洲、日本及中國內地市場工作，取得豐富之國際貿易經驗。

黃漢興先生
董事總經理兼行政總裁

五十四歲。於二零零四年獲委任為本公司董事總經理。於一九九三年獲委任為本公司控股公司大新金融集團有限公司董事，並於二零零二年一月擢升為集團董事總經理。一九七七年加入本公司主要營運附屬機構大新銀行有限公司服務，輾轉掌管多個部門，繼於一九八九年成為大新銀行董事，再於二零零零年晉升為其董事總經理。英國銀行學會會士、香港銀行學會及英國國際零售銀行理事會創始會員。三十年銀行業務經驗。

趙龍文先生
執行董事

五十七歲。於二零零四年獲委任為本公司執行董事。於一九八六年加入本公司主要營運附屬機構大新銀行有限公司，並於一九九五年獲委任為大新銀行執行董事。現任本集團於澳門註冊成立之澳門商業銀行有限公司行政總裁。約三十年商業銀行業務經驗。

Board of Directors (Continued)

Mr. Dennis Tat-Wang Yau
Non-executive Director

Aged 59. Appointed a Director of the Company in 2004, and retired in 2007 but continues to serve the Board of the Company in a non-executive role. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, in 2002 and had been a Senior Business Advisor responsible for development of commercial banking business. Mr. Yau has extensive experience in international trade gained from working in markets in North America, Europe, Japan and Mainland China during his 32 years of service with the Hong Kong Trade Development Council, a statutory organization responsible for the promotion of Hong Kong's external trade in goods and services.

Mr. Hon-Hing Wong (Derek Wong)
Managing Director and Chief Executive

Aged 54. Appointed as the Managing Director of the Company in 2004. Appointed as a Director in 1993 and promoted as the Managing Director of Dah Sing Financial Holdings Limited, the Company's holding company, in January 2002. Joined Dah Sing Bank, Limited a key operating subsidiary of the Company, in 1977 and has served and managed various departments before appointed as a director of Dah Sing Bank in 1989 and was promoted as its Managing Director in 2000. Associate of The Institute of Bankers (U.K.), Founder Member of The Hong Kong Institute of Bankers and The International Retail Banking Council of the U.K. 30 years of experience in banking.

Mr. Lung-Man Chiu (John Chiu)
Executive Director

Aged 57. Appointed as an executive Director of the Company in 2004. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, in 1986 and was appointed as an executive Director of Dah Sing Bank since 1995. Currently the Chief Executive of Banco Comercial de Macau, S.A. incorporated in Macau. About 30 years of experience in commercial banking.

董事及高層管理人員簡介
Directors' and Senior Management's Profile

董事會（續）

王伯凌先生
執行董事

四十六歲。於二零零四年獲委任為本公司執行董事。一九九五年加入本公司主要營運附屬機構大新銀行有限公司擔任集團財務總監一職。分別於一九九七年及二零零一年晉升為大新銀行及大新金融集團有限公司董事。現任集團財務董事，負責集團整體的財務管理及監控、營運操作與資訊系統職能。專業會計師、英國特許公認會計師公會資深會員及香港會計師公會會員。超逾二十年財務管理經驗，主要與銀行業務相關。

王祖興先生
執行董事

三十七歲。於二零零四年獲委任為本公司執行董事。現為豐明銀行有限公司之執行董事兼行政總裁。於二零零零年加入本公司主要營運附屬機構大新銀行，現為大新銀行有限公司、澳門商業銀行有限公司及大新人壽保險有限公司之董事。為英格蘭及威爾斯、以及香港之合資格律師。彼為本公司及大新金融集團有限公司主席王守業先生之子。

劉雪樵先生
執行董事

五十五歲。於二零零七年三月獲委任為本公司執行董事，並自二零零五年起為本公司主要營運附屬機構大新銀行及豐明銀行之執行董事。現任銀行集團風險管理部門主管，專責制定策略方向、整體業務及風險政策、日常管理及監控銀行集團之各類風險。特許財務分析師及經濟學博士。全球風險管理專業人員協會理事會會員。曾於政府部門或半官方組織擔任與監督金融財務機構相關工作接近二十年。

Board of Directors (Continued)

Mr. Gary Pak-Ling Wang
Executive Director

Aged 46. Appointed as an executive Director of the Company in 2004. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, as the Group Financial Controller in 1995, and was promoted as a Director of Dah Sing Bank and Dah Sing Financial Holdings Limited in 1997 and 2001 respectively. Currently Group Finance Director responsible for the overall financial management and control, operations and IT functions of the Group. Qualified accountant, Fellow of The Association of Chartered Certified Accountants of the U.K. and member of the Hong Kong Institute of Certified Public Accountants. Over 20 years of experience in financial management mainly related to banking.

Mr. Harold Tsu-Hing Wong
Executive Director

Aged 37. Appointed as an executive Director of the Company in 2004. Currently an executive Director and the Chief Executive of MEVAS Bank Limited. Joined Dah Sing Bank, Limited, a key operating subsidiary of the Company, in 2000. Mr. Wong is also a Director of Dah Sing Bank, Limited, Banco Commercial de Macau and Dah Sing Life Assurance Company Limited. Qualified solicitor in England and Wales and Hong Kong. Son of Mr. David Shou-Yeh Wong, the Chairman of the Company and Dah Sing Financial Holdings Limited.

Mr. Frederic Suet-Chiu Lau
Executive Director

Aged 55. Appointed as an executive Director of the Company in March 2007 and currently an executive Director of Dah Sing Bank and MEVAS Bank, key operating subsidiaries of the Company, since 2005. Currently Head of Group Risk of the Banking Group, responsible for the strategic direction, overall business and risk policy, ongoing management and control of risk of the Banking Group's portfolio. Chartered Financial Analyst and Ph.D in Economics. Member of Board of Trustees of Global Association of Risk Professionals. 20 years of experience in governmental or quasi-governmental departments in supervision of financial related corporations.

董事及高層管理人員簡介
Directors' and Senior Management's Profile

高級行政人員

藍章華先生
大新銀行及豐明銀行執行董事

五十二歲。於二零零五年加入本集團主要營運附屬機構大新銀行，負責零售銀行業務，並於同年獲委任為大新銀行執行董事。亦為豐明銀行及大新人壽保險有限公司董事。現任大新銀行零售銀行處主管。加拿大銀行家協會會士。超逾二十八年香港及北美洲銀行業務經驗。

鄺國樑先生
大新銀行執行董事

五十八歲。於二零零七年加入本公司主要營運附屬機構大新銀行，並獲委任為其執行董事。現任大新銀行商業銀行處主管，專責發展及管理商業銀行、資產融資及貿易貸款業務。超逾三十年銀行及融資業務經驗。

Senior Management

Mr. John Cheung-Wah Lam
Executive Director of Dah Sing Bank and MEVAS Bank

Aged 52. Joined Dah Sing Bank, a key operating subsidiary of the Company, and appointed as an executive Director in 2005 and also as the Head of Retail Banking Division responsible for retail banking business. Also a Director of MEVAS Bank and Dah Sing Life Assurance Company Limited. Fellow of The Institute of Canadian Bankers. Over 28 years of banking experience in Hong Kong and North America.

Mr. Kwok-Leung Kwong (Thomas Kwong)
Executive Director of Dah Sing Bank

Aged 58. Joined Dah Sing Bank, a key operating subsidiary of the Company, and was appointed as an executive Director in 2007. Currently Head of Commercial Banking Division in Dah Sing Bank, responsible for overseeing and supervising commercial banking business and asset based and trade financing. Over 30 years of experience in banking and finance.

主席報告書
Chairman's statement

於年內，香港經濟環境持續增強，整體本地生產總值穩健增長達百分之六點八，標誌着連續第三年之經濟復甦。本港勞動市場繼續改善，失業率於年底下滑至六年之新底百分之四點四。地產市場於年內保持平穩，恒生指數近年底大幅上揚。於年內，消費者價格通脹保持溫和，通脹壓力僅輕微上升。

本集團業務其他主要經營地區中國大陸及澳門之經濟表現極佳，中國大陸及澳門的本地生產總值分別約為百分之十一及百分之十六。

由於經濟增長良好，本集團於二零零六年之內部業務增長亦顯強勁。年內，本集團扣除貸款減值後之營運溢利上升百分之四十七，達十三億港元，股東應佔溢利上升百分之二十二，錄十二億港元，每股盈利由1.06港元，提升百分之二十一至1.28港元，資產總額由九百億港元，增長百分之十四至一千零二十億港元。本集團業績創新高，為未來集團發展奠下穩固根基。

本集團持續發展中國大陸業務之策略，誠如近年底一項公佈所披露，本集團已同意待取得監管批准後，將購入重慶市商業銀行百分之十七之權益。

本集團業務表現強勁，年度貸款總額增長百分之十一，對照本港市場平均水平僅為百分之六點七。商業銀行業務承持續數年之強勁增長，上半年仍穩居牽領增長之勢，零售銀行業務於首六個月的表現則相對略遜。於下半年，因本集團積極努力本港按揭市場業務，加上無抵押貸款及信用卡業務持續的增長，零售銀行業務表現有所改善，於年底，本集團核心之商業及零售銀行業務的增幅皆遠較市場水平為佳。

▲ Economic conditions in Hong Kong continued to strengthen during the year, with the Hang Seng Index rising considerably towards the end of 2006.
年內，經濟環境持續增強，恒生指數近年底大幅上揚。

Economic conditions in Hong Kong continued to strengthen during the year, with a robust GDP growth of 6.8% in 2006, marking the third consecutive year of recovery. The labour market continued to improve, with the unemployment rate falling to a 6-year low of 4.4% by the end of 2006. The property market was steady during the course of the year, and the Hang Seng Index rising considerably towards the year end. During the year, consumer price inflation remained benign, with only mild inflationary pressure being experienced.

The economies of both the Mainland and Macau, our other core areas of business, also performed extremely well during the year, with GDP growth of approximately 11% for the Mainland, and of 16% for Macau.

Against the background of good economic growth, we were able to grow our business organically at a strong pace in 2006. For the year, our operating profit after loan impairment grew by 47% to HK$1.3 billion, our profit attributable to shareholders grew by 22% to HK$1.2 billion, our EPS grew by 21% from HK$1.06 to HK$1.28, and our total assets grew by 14% from HK$90 billion to HK$102 billion. These are record results for our group, and form a solid foundation for the years to come.

We continued to further our Mainland strategy, with the announcement towards the year end that we had agreed to acquire, subject to regulatory approvals, a 17% shareholding in Chongqing Commercial Bank.

Our business performed strongly, with total loan growth for the year of 11%, against growth in the Hong Kong market of 6.7%. Commercial banking led growth in the first half of the year, continuing several years of strong growth, with a relatively weaker performance from our retail banking business. In the second half of the year, renewed efforts in the Hong Kong domestic mortgage market, coupled with continuing growth in the unsecured loan and credit card businesses resulted in an improved performance from retail banking, and by the year end, both our core commercial and retail banking businesses reported growth significantly ahead of the market.

主席報告書
Chairman's statement

本集團之服務費用收入業務於年度內表現良好，主要由於股市表現暢旺，令本集團之財富管理業務因而受惠。

於二零零五年的兩項收購，即澳門商業銀行有限公司(「澳門商業銀行」)及怡泰富財務(香港)有限公司(「怡泰富財務」)之整合經已完成。於二零零六年，澳門商業銀行之淨溢利激增百分之三十，達一億一千七百萬澳門幣，引證有關收購已可為本集團盈利增長作出貢獻。怡泰富財務之業務現已完全併入大新銀行，因此怡泰富財務之業績不會另行撰寫。然而，若按個別業務單位計算，前怡泰富財務業務提供百分之十點七收購成本(扣除已收股息計)回報率，有助提高本集團之盈利。

整體信貸質素維持良好，減值支出輕微上升，主要為雖則信貸環境改善，綜合減值支出率得以降低，惟礙於商業銀行業務個別客戶貸款減值撥備增加，以及信用卡與無抵押個人貸款業務貸款總額提高的緣故而相互大致完全抵銷的結果。

本集團持續發展中國業務，誠如近年底公佈所披露，本集團已同意待取得監管批准後，將購入設於重慶市之主要城市銀行重慶市商業銀行百分之十七之權益。重慶市是中國西部最大城市，乃全中國僅四個直接匯報中央政府直轄市之一，其他直轄市為北京、上海及天津。本集團更注意到中國銀行業監督管理委員會於近年底頒佈允許在中國境內設立經營銀行業務附屬公司的新管理辦法，亦已成立工作小組探討成立於中國境內註冊附屬公司之優勝點。

▲ Signing ceremony for Dah Sing Bank to acquire a 17% interest in Chongqing Commercial Bank as a strategic investor took place on 21 December 2006.
大新銀行購入重慶市商業銀行百分之十七權益成為其策略性股東的簽約儀式已於二零零六年十二月二十一日舉行。

Our fee income business performed well during the year, particularly as a result of strong equity markets which were beneficial to our wealth management business.

The integration of the two acquisitions made in 2005, Banco Comercial de Macau, S.A. ("BCM") and Pacific Finance (Hong Kong) Limited ("PF") have now been completed. BCM's net profit grew very substantially by 30% to MOP117 million in 2006, and this acquisition is now delivering earnings enhancement to our group. The business of PF has now been fully incorporated into Dah Sing Bank, and PF therefore no longer reports its results separately from those of Dah Sing Bank. However, on a business unit basis, the former PF businesses generated a return of 10.7% on the acquisition cost, net of dividends received, which is earnings enhancing for our group.

Credit quality overall remained good, with impairment charges rising slightly, due mainly to higher individual loan impairment charges relating mainly to our commercial banking business and to loan increases in credit cards and unsecured personal loans which broadly balanced a lower collective impairment charge rate due to improved credit conditions.

We continued to build our China business, and towards the end of the year we announced that we had agreed to purchase, subject to regulatory approvals, a 17% stake in Chongqing Commercial Bank, the leading city commercial bank in Chongqing, the largest city in Western China, and one of only four municipalities in the PRC reporting directly to the central government, the others being Beijing, Shanghai and Tianjin. We also noted the changes announced by the China Banking Regulatory Commission towards the year end allowing for the incorporation of a local subsidiary in the PRC to conduct banking business, and established a working group to analyse the benefits of expanding under a PRC subsidiary.

主席報告書
Chairman's statement

董事會

是年度直至本年報截稿日，田原啓佐先生繼於二零零七年三月辭任之古川弘介先生及於二零零六年八月辭任之村岡隆司先生，接任為本公司非執行董事，代表三菱東京UFJ銀行在本公司的權益。

另外，劉雪樵先生於二零零七年三月二十八日獲本公司委任為執行董事，而邱達宏先生於二零零七年初於本公司主要營運附屬機構大新銀行榮休後，仍繼續留任董事會成員為非執行董事。

本人藉此歡迎新董事加入董事會，並相信彼等之專業知識和豐富經驗將為本集團提供莫大裨益。本人亦在此謹向退任董事在任期間所作出寶貴貢獻表示深切感謝。

Board of Directors

During the year up to the date of this report, Messrs. Keisuke Tahara, succeeding Kosuke Furukawa who resigned in March 2007 and Takashi Muraoka who resigned in August 2006, was appointed as a non-executive Director to represent the interest of The Bank of Tokyo-Mitsubishi UFJ, Ltd. in the Company.

In addition, Mr. Frederic Suet-Chiu Lau was appointed as a new executive Director of the Company on 28 March 2007, whilst Mr. Dennis Tat-Wang Yau continued as a member of the Board but in a non-executive role after his retirement from Dah Sing Bank, a key operating subsidiary of the Company, earlier in 2007.

I would like to welcome the new Directors to the Board and believe their expertise and extensive experience will be of great value to the Group. I would also like to express my gratitude to the departing Directors, for their valuable contribution during their tenure on the Board.

未來前瞻

繼二零零六年香港經濟表現良好，本集團期望二零零七年之經濟狀況持續利好靠穩。然而，香港本地銀行業市場貸款增長趨向放緩，核心借貸業務之價格競爭預料持續劇烈。息差被受利率走勢影響，儘管現時利率環境尚算溫和，惟仍潛在一定下調的風險。就觀察所見，二零零七年初段，最優惠利率與本港同業拆息之息差已顯收窄。

澳門市場發展持續利好，本集團預料於二零零七年，澳門市場的增長將較香港迅速。多幢大型酒店、博彩及物業項目計劃於二零零七年如貫落成，將可提昇作為澳門兩大主要經濟支柱博彩業及旅遊業發展之承載力。

本集團預期將於二零零七年上半年完成購入重慶市商業銀行百分之十七之權益，並可望落實本集團透過內部增長以開拓中國大陸市場業務之策略，以及本集團在中國大陸設立境內註冊附屬銀行的計劃。

Future Prospects

After a robust economic performance in Hong Kong in 2006, we are looking forward to the continuation of relatively stable and positive economic conditions in 2007. However, loan growth in the domestic banking market in Hong Kong is likely to remain relatively slow and price competition in core lending areas is expected to remain intense. Margins will be influenced by prevailing interest rate conditions, which although still benign at present could have some risk to the downside, particularly as we have already seen some reduction in the Prime/Hibor spread in the early part of 2007.

The market in Macau continues to be robust, and we expect that in 2007, the rate of growth in Macau will be faster than in Hong Kong. Several large hotel, gaming and property projects are scheduled to come on stream during the course of 2007, which will increase capacity in the gaming and tourism industries, two key economic sectors in Macau.

We expect to complete our acquisition of 17% interest of Chongqing Commercial Bank during the first half of 2007, and we also expect to determine our organic strategy for growth in the Mainland market, and our plans for the establishment of a locally incorporated banking subsidiary in the Mainland.

主席報告書
Chairman's statement

大新銀行將於二零零七年五月一日慶祝其成立六十周年紀念，標誌著本集團發展之一項重要里程碑。展望來年，本集團將繼續有效調配資源，秉承本集團在區內多年積累的努力，紮穩根基，提供客戶更優質的產品與服務，為本集團各股東帶來長期之裨益。

最後，本人謹代表董事會，感謝諸位董事所作出之貢獻，並對各級員工在過往一年之辛勤與努力，表示謝意。

主席
王守業

香港　二零零七年三月二十八日

Dah Sing Bank will be celebrating its 60th anniversary on 1 May 2007, an important milestone of the Group's development. We intend to continue to leverage on our resources and the foundation we have built over the years to expand in the region, to provide better services and products to our customers, and to generate long-term value for our shareholders.

Finally, I would like to thank my fellow directors for their valuable contribution and extend on behalf of the Board, our appreciation to all our colleagues for their hard work and dedication over the past year.

David Shou-Yeh Wong
Chairman

Hong Kong, 28 March 2007

業務回顧
Review of Operations

集團概覽

於二零零六年，本集團透過內部增長擴展業務，全面融合澳門及香港之收購項目，亦開始進一步拓展中國大陸市場之策略，包括協議待取得監管批准後購入重慶市商業銀行百分之十七之權益和開始分析成立於中國境內註冊附屬公司以擴展中國銀行業務之益處。

本集團之業務取得強勁表現，年度貸款總額增長百分之十一，超越香港市場百分之六點七增長率。商業銀行業務承接持續多年之強勁增長帶動了上半年的增長，而零售銀行業務於首六個月的表現則相對較弱。於下半年，因本集團於香港按揭市場積極的努力，加上無抵押貸款及信用卡業務持續的增長，零售銀行業務表現有所改善，於年底，本集團核心之商業及零售銀行業務均錄得優於市場的顯著增幅。

於二零零五年的兩項收購（怡泰富財務（香港）有限公司（「怡泰富財務」）及澳門商業銀行有限公司（「澳門商業銀行」））之整合已如預期於二零零六年順利完成。此兩間公司於是年度表現良好，為本集團盈利增長提供貢獻，及對本集團是年度溢利提供明顯之貢獻。

怡泰富財務之業務已於二零零六年中完全轉移及併入大新銀行貸款組合，亦自二零零六年己不再以一個別業務機構匯報其業務表現。然而，作為一個業務單位，怡泰富財務業務於二零零六年提供八千六百萬港元之淨溢利，相對於二零零五年所記錄經調整之正常化溢利（不包括特殊利率對沖合約收益），呈現大幅增長。

相對於二零零五年，澳門商業銀行之淨溢利增長百分之三十至一億一千七百萬澳門幣。此顯赫表現乃為較高貸款餘額及較強勁收入增長（包括淨利息收入和淨服務費用及佣金收入）而致。

Corporate Overview

In 2006, we grew our business organically, fully integrated our acquisitions in Macau and Hong Kong, and embarked on the next stage of our Mainland expansion strategy through the agreement to purchase, subject to regulatory approvals, a 17% stake in Chongqing Commercial Bank, as well as starting work to analyse the benefits of expanding our Mainland banking business under a PRC subsidiary.

Our business achieved a strong performance in 2006, with total loan growth for the year of 11%, against growth in the Hong Kong market of 6.7%. Commercial banking led growth in the first half of the year, continuing several years of strong growth, with a relatively weaker performance from our retail banking business. In the second half of the year, renewed efforts in the Hong Kong domestic mortgage market, coupled with continuing growth in the unsecured loan and credit card businesses resulted in an improved performance from retail banking, and by the year end, both our core commercial and retail banking businesses reported growth significantly ahead of the market.

The integrations of the two acquisitions made in 2005, Pacific Finance (Hong Kong) Limited ("PF") and Banco Comercial de Macau, S.A. ("BCM"), were smoothly completed in 2006 as planned. Both performed well during the year, were earnings enhancing and produced meaningful contributions to the Group's profit in the year.

PF's loans were fully transferred to and integrated into DSB's loan portfolio by mid 2006 and PF no longer reports its business performance on a separate business entity basis starting 2006, PF, as a business portfolio, generated HK$86 million net profit in 2006, a significant growth relative to the normalized earnings (excluding exceptional interest rate hedging gain) recorded in 2005.

BCM achieved a net profit of MOP117 million in 2006, up 30% relative to 2005. Its stronger performance was driven by higher loan balance and stronger income growth (both net interest income and net fee and commission income).

業務回顧
Review of Operations

集團概覽(續)

是年度集團財務表現撮要概列於下表：

Corporate Overview (Continued)

The highlights of the Group's financial performance for the year are summarised in the table below:

		二零零六年 2006	二零零五年 2005	變動 Variance
淨息差	Net interest margin	**2.36%**	1.98%	
百萬港元	HK$ Million			
扣除貸款及墊款減值提撥前之營運溢利	Operating profit before impairment losses on loans and advances	**1,426.3**	991.7	43.8%
若干投資及固定資產收益前之營運溢利	Operating profit before gains on certain investments and fixed assets	**1,264.9**	861.2	46.9%
股東應佔溢利	Profit attributable to shareholders	**1,196.0**	978.8	22.2%
客戶貸款	Advances to customers	**49,909**	44,919	11.1%
客戶存款	Customers' deposits	**67,279**	58,354	15.3%
已發行之存款證	Certificates of deposit issued	**8,768**	7,713	13.7%
存款合計	Total deposits	**76,047**	66,067	15.1%
已發行之債務證券	Issued debt securities	**2,300**	2,287	0.6%
後償債務	Subordinated notes	**3,480**	3,290	5.8%
貸款對存款(包括存款證)比率	Loan to deposit (including certificates of deposit) ratio	**65.6%**	68.0%	
成本對收入比率	Cost to income ratio	**45.3%**	48.2%	
平均總資產回報	Return on average total assets	**1.2%**	1.2%	
平均股東資金回報	Return on average shareholders' funds	**13.3%**	12.0%	

財務回顧

本集團處於較利好之港元利率環境及整體良好資產質素狀況，於是年度錄得較高業績。儘管營運支出上升，較佳之淨利息收入及淨服務費用及佣金收入出色表現為本集團帶來較高之營運溢利。

相對於二零零五年度，本集團貸款和存款及業務分項之溢利反映各項業務達到穩固及強勁之內部增長。

本集團截至二零零六年十二月三十一日止之年度股東應佔溢利為十一億九千六百萬港元。此增長主要由顯著較高之淨利息收入與淨服務費及佣金收入所帶動。

Financial Review

Against the backdrop of a more benign HK$ interest rate environment and good asset quality in general, our Group posted a set of stronger results for the year. Improved net interest income, and a strong performance in net fee and commission income, led to an improved operating profit despite higher operating expenses and loan impairment charges in the year.

All of our business segments achieved solid organic growth, as reflected in loans and deposits, and business segment profit when compared with 2005.

Profit attributable to shareholders of the Group for the year ended 31 December 2006 was HK$1,196 million. The increase was driven mainly both by significantly higher net interest income and net fee and commission income.

業務回顧
Review of Operations

財務回顧(續)

本年度之淨利息收入由二零零五年之十三億三千三百萬港元上升百分之四十二至十八億九千九百萬港元。此強勁的增長乃因(1)較闊之最優惠利率與本港同業拆息之息差,(2)平均貸款結餘增加及(3)怡泰富財務及澳門商業銀行業務之貢獻。該等正面因素之影響足以抵銷資金成本上漲對淨利息收入(尤其源自定息資產)所造成之負面影響。本公司之銀行集團之淨息差由二零零五年百分之一點九八上升至百分之二點三六。儘管二零零六年首六個月美元短期利率穩步上調,相對利好之港元貨幣市場有助抑制港元同業拆息的升勢。最優惠利率與本港同業拆息之息差擴闊,對按最優惠利率定價之貸款特別有利。經調整於二零零五年因支付收購成本對利息收入之影響後,怡泰富財務及澳門商業銀行仍帶來可觀的淨利息收入貢獻。

淨服務費用及佣金收入上升百分之三十一,主要由於商業及零售銀行業務之內部增長帶動貸款費用及佣金收入上升,以及較高之財富管理及投資服務收入,尤其是因單位信託基金銷售增長令佣金收入增加。併入怡泰富財務及澳門商業銀行之淨服務費用及佣金收入,亦有助推高整體增幅。此增幅被淨買賣收入之跌幅部份抵銷。

營運開支上升百分之二十八乃由於併入了於二零零五年下半年收購之附屬公司怡泰富財務及澳門商業銀行之營運成本及於此等收購而被確認之無形資產之攤銷費用。無形資產攤銷費用達三千五百萬港元,而所收購新附屬公司於二零零六年之成本(包括收購之相關成本)總額達至一億八千一百萬港元。倘不包括該等費用並相應正常化二零零五年之成本基礎,營運支出按內部增長基礎計算,較二零零五年上升百分之七點九。

年內,成本對收入比率為百分之四十五點三,較二零零五年之百分之四十八點二為低。

扣除貸款減值支出前之營運溢利為十四億二千六百萬港元,較二零零五年上升百分之四十四。

Financial Review (Continued)

Net interest income for the year increased by 42% to HK$1,899 million from HK$1,333 million in 2005. The strong increase was the result of (1) wider Prime-Hibor spread, (2) higher average loan balance and (3) contribution from PF and BCM portfolios. The impact of these positive factors more than outweighed the negative impact of rising funding costs to net interest income, especially from fixed-rate assets. The net interest margin of the Group was 2.36%, up from 1.98% in 2005. Relatively benign HK$ money market conditions helped contain the rise in HK$ interbank interest rates, despite steady increases in US$ short-term rates during the first six months of 2006. A wider Prime-Hibor spread was particularly favourable for loans priced on a Prime rate basis. PF and BCM made a meaningful contribution to net interest income after adjusting for the interest income foregone on the acquisition capital paid in 2005.

Net fee and commission income increased by 31%, mainly due to higher loan fee and commission income from the organic growth of our Commercial and Retail banking businesses, and higher income from wealth management and investment services, in particular stronger commission income on higher unit trust sales. The consolidation of PF and BCM net fee and commission income also helped to boost the overall increase. The increase was partially offset by the drop in net trading income.

Operating expenses rose 28% mainly as a result of consolidating the expenses of the subsidiaries acquired in the second half of 2005 and the amortisation costs for the intangible assets recognized in acquiring PF and BCM. Intangible amortization costs amounted to HK$35 million whilst the newly acquired subsidiaries' costs (including acquisition related costs) in 2006 totaled HK$181 million. Excluding these expenses, operating expenses on an organic growth basis increased by 7.9% when compared with 2005.

Cost income ratio for the year was 45.3%, lower than 48.2% in 2005.

Operating profit before loan impairment charges was HK$1,426 million, up 44% relative to 2005.

業務回顧
Review of Operations

財務回顧（續）

年內錄得較高貸款減值支出，主要由於須為多名商業銀行、運輸及設備融資的客戶增加個別減值撥備。儘管平均貸款結餘增加，但資產組合質素有所改善，促使綜合減值支出較二零零五年輕微下降。併入怡泰富財務及澳門商業銀行之貸款組合並未對本集團年內之整體貸款虧損造成任何重大影響，本集團於二零零六年十二月三十一日持續較低之減值貸款比率和逾期及重組貸款總比率（分別為百分之零點五一及百分之零點七）反映整體信貸質素依然理想。

扣除減值支出後營運溢利為十二億六千五百萬港元，較二零零五年上升百分之四十七。

本集團有關投資物業重估及過往銀行行產減值之回撥錄得五千六百萬港元收益。出售證券之收益八千八百萬港元，主要受惠於年內收窄之債券息差環境的債券投資收益及回撥一項二千六百萬港元投資減值支出。此等收益已於年度內全數確認。

本年度除稅前溢利為十四億四千六百萬港元，較去年上升百分之二十五。

股東應佔溢利上升百分之二十二至十一億九千六百萬港元。

於二零零六年十二月三十一日，銀行集團之貸款及墊款總額達四百九十九億港元，較二零零五年底上升百分之十一。商業銀行及零售銀行業務均錄得增幅，主要由貿易融資、銀團貸款、物業融資、無抵押個人貸款、信用卡及按揭業務的帶動。特別令人鼓舞的是經過了多年無抵押貸款業務困難經營環境後，本集團整體的無抵押借貸業務恢復雙位數字的增長。

客戶存款（包括結構性存款）合共為六百七十億港元，較二零零五年底上升百分之十五。已發行之存款證達八十八億港元，當中零售存款證為三十七億港元。其他已發行之債務證券合共為二十三億港元。貸款對存款比率由二零零五年十二月三十一日之百分之六十八下降至二零零六年十二月三十一日之百分之六十五點六。

Financial Review (Continued)

Higher loan impairment charges were recorded during the year, mainly resulting from bigger individual impairment allowances required on a number of Commercial Banking, transport and equipment finance customers. Collective impairment charges, despite higher average loan balances, were slightly lower than 2005 as a result of improvement in portfolio asset quality. The consolidation of the loan portfolios of PF and BCM did not lead to any material effect in our overall loan losses in the year, and overall credit quality remained strong, as demonstrated by the continuing low impaired loan ratio of 0.51%, and a total overdue and rescheduled loan ratio of 0.70% as of 31 December 2006.

Operating profit after impairment charges was HK$1,265 million, 47% higher than 2005.

We recorded a gain of HK$56 million relating to the revaluation of our investment properties and reversal of past impairment on bank premises, a gain of HK$88 million on disposal of securities, mainly relating to profits on investments in bonds which benefited from a tighter credit spread environment during the year, and a write-back of HK$26 million impairment charge on an investment, which was fully realized during the year.

Profit before taxation for the year was HK$1,446 million, an increase of 25% over the previous year.

Profit attributable to shareholders, increased by 22% to HK$1,196 million.

As at 31 December 2006, the Group's total gross loans and advances amounted to HK$49.9 billion, up 11% relative to the end of 2005. Growth was recorded both in the Commercial Banking and Retail Banking sectors, and was led by trade finance, syndicated loans, property finance, unsecured personal loans, credit cards and mortgages. It was particularly encouraging to see a return to double-digit growth in our overall unsecured lending business, after a number of years of difficult market conditions in this business.

Customers' deposits including structured deposits totaled HK$67 billion, an increase of 15% relative to the end of 2005. Issued certificates of deposit amounted to HK$8.8 billion of which retail certificates of deposit accounted for HK$3.7 billion. Other issued debt securities totalled HK$2.3 billion. The loan to deposit ratio decreased from 68.0% as at 31 December 2005 to 65.6% as at 31 December 2006.

業務回顧
Review of Operations

財務回顧（續）

於二零零六年三月，大新銀行有限公司（「大新銀行」）行使其提早贖回權，全數贖回其首批於二零零一年三月發行之一億二千五百萬美元的後償債券。為了增強其次級資本基礎以支持業務增長，大新銀行於二零零六年六月發行了一億五千萬美元可於五年後贖回之十年期新的後償債券。

Financial Review (Continued)

Dah Sing Bank, Limited ("DSB") exercised its call option to fully redeem its first US$125 million subordinated debt (issued in March 2001) in March 2006. To strengthen its tier 2 capital base to support business growth, DSB issued a new US$150 million 10-year subordinated debt (callable in 5 years) in June 2006.

個人銀行

本集團之個人銀行業務專注於香港及澳門之零售銀行業務、顯客理財及私人銀行服務，二零零六年之溢利明顯增加。盈利能力上升，原因是貸款、存款及財富管理服務錄得理想之增長，以及較強勁之營運溢利，抵銷了營運支出及貸款減值支出之增加。併入怡泰富財務及澳門商業銀行個人銀行業務之全年貢獻於綜合賬亦帶動整體個人銀行業務之收入、支出及溢利之增長。

最優惠利率與港元同業拆息之息差較闊，帶來更為有利之利率環境，為推動本集團個人銀行業務淨利息收入增長之主要因素，惟價格競爭仍然劇烈，尤以住宅按揭市場為然。透過推出一系列產品、宣傳及具針對性之市場推廣活動，本集團之信用卡及無抵押個人貸款業務錄得理想之增長。本集團致力提供更優秀之顯客理財及投資服務，加上股市暢旺，以及二零零六年之投資環境改善令市場情緒變得更為樂觀，導致本集團之財富管理費用及證券佣金收入錄得穩建之增長。

本集團之信用卡推廣活動及成就受到業內之認同，二零零六年本集團獲得之獎項包括：大新銀行獲中國銀聯頒發「記賬卡發行金獎」、VISA頒發之「預付卡成就獎」、及萬事達卡頒發之「批發購貨量最高增長季軍」，令本集團大受鼓舞。

Personal Banking

Our personal banking business, targeting and serving the retail banking, VIP banking and private banking segments of Hong Kong and Macau, recorded a significantly higher profit in 2006. The higher level of profitability was brought about by satisfactory growth in loans, deposits and wealth management services, stronger operating income offset to an extent by higher operating expenses and loan impairment charges. The consolidation of the full-year contribution of the PF and BCM personal banking businesses also boosted growth in income, expenses and profit of the overall personal banking business.

The more favourable interest rate environment, as reflected in a wider HK$ Prime rate and HIBOR spread, was a significant factor in driving the net interest income growth of our Personal Banking businesses despite intense price competition, particularly in the residential mortgage market. Through a variety of product launches, promotions and focused marketing, we are pleased to see a satisfactory growth in our credit card and unsecured personal loan portfolios. Our drive to deliver better VIP banking and investment services, and the more favourable stock market and improved sentiment towards investment in 2006, led to a healthy increase in our wealth management fee and securities commission income.

We were very encouraged that our card promotion efforts and accomplishments were recognised by industry bodies with awards we received in 2006 including Dah Sing Bank having been recognised by China UnionPay with "Golden Award in Debit Card Issuance", VISA "Prepaid Card Achievement", and MasterCard "Second Runner-up in Highest Growth in Merchant Purchase Volume".

▲ Dah Sing Bank received the "Golden Award in Debit Card Issuance" from China UnionPay in 2006.
於年內，大新銀行獲中國銀聯頒發「記賬卡發行金獎」。

業務回顧
Review of Operations

財務回顧（續）

個人銀行（續）

員工、租金及業務推廣費用增加，加上在收購怡泰富財務及澳門商業銀行後，於二零零六年將彼等之個人銀行業務之全年費用綜合入賬（相對二零零五年之較小數額），令此業務之營運開支大幅上升。

於二零零六年，香港之經濟增長依然穩健，失業率亦持續改善。本集團個人銀行業務之貸款資產質素仍然非常良好，信用卡及個人貸款之撇賬率相對偏低。本年度之貸款減值支出上升，主要因較高貸款結餘令綜合減值支出增加所致。

本集團之私人銀行業務於本年度之業績遜色於本集團之預期。本集團已採取措施，強化該業務之管理及投資顧問能力，預期來年之表現將會有所改善。

於二零零六年年終時，本集團之分行網絡包括於香港以大新銀行及豐明銀行經營之四十八間零售分行、於澳門以澳門商業銀行經營之十六間分行，以及於海峽群島格恩西島之一間附屬私人銀行。

商業銀行

商業銀行包括貿易融資、商業借貸、銀團借貸、設備融資及車輛融資、中國業務及綜合原本由怡泰富財務經營之業務以及澳門商業銀行經營之相若業務，於二零零六年錄得強勁業績。由於出口及轉口之表現普遍向好，以及物業融資之需求增加，加上本集團商業銀行部努力增加客戶及貸款資產，本集團商業銀行貸款業務在物業相關及銀團借貸、批發及零售貿易、以及進口及出口貿易融資之帶動下, 錄得非常好之表現，其於二零零六年之增長率較本集團之整體貸款增長率為高。

本集團之設備融資及車輛融資業務之貸款增長率雖然穩健，但並不急速，原因為對的士融資之借貸更為審慎所致。

Financial Review (Continued)

Personal Banking (Continued)

Increases in staff, rental and business promotion costs, and the consolidation of the full-year costs of personal banking of PF and BCM portfolios in 2006 versus relatively small amount in 2005 (subsequent to their acquisitions) resulted in a significant increase in operating expenses of this business.

Local economic growth in 2006 remained robust whilst a continued improvement in the unemployment rate in Hong Kong was recorded. Our personal banking division's loan asset quality remained very sound and charge-off ratios for credit card and personal loans were relatively low. The higher loan impairment charges recorded in the year was mainly caused by higher collective impairment charges, largely resulting from higher loan balances.

Our private banking business achieved a set of results lower than our expectation in the year. We have taken action to strengthen the management and investment advisory capabilities of this business, and expect improvement in performance in the coming year.

As of the end of 2006, our branch network includes 48 retail branches in Hong Kong under the name of Dah Sing Bank and MEVAS Bank, and 16 branches in Macau under BCM, and one subsidiary private bank in Guernsey, Channel Islands.

Commercial Banking

Commercial banking, which includes trade finance, commercial lending, syndicated lending, equipment finance and vehicle finance, China businesses, and consolidating those businesses originally operating under PF and similar businesses operated by BCM, reported a set of strong results in 2006. Against the background of a generally favourable export and re-export performance and demand for property finance, and with our commercial banking division's effort in growing customer base and loan assets, our commercial banking loan book, led by property related and syndicated lending, wholesale and retail trade, and import and export trade finance, achieved a very good performance and a growth rate faster than the Group's overall loan growth in 2006.

Our equipment finance and vehicle finance businesses achieved solid but not rapid loan growth due to our more cautious lending in the taxi finance sector.

業務回顧
Review of Operations

財務回顧（續）

商業銀行（續）

拖欠貸款及信貸損失之款額微升，主要是由於二零零六年之個人減值支出上升所致。受惠於經濟持續復甦及製造及貿易業表現穩健，以及本集團持續積極之信貸監督及控制，本集團商業銀行、設備融資及車輛融資業務之整體資產質素於本年度仍然良好。

本集團繼續推廣企業信用卡服務，此項業務之進展於二零零六年獲得表揚，榮獲萬事達卡國際頒發「二零零六年香港最佳跨國企業卡計劃合作夥伴」獎項。

財資業務

儘管孳息曲線平緩，甚至略為倒向，以及年內利率上升，但本集團財資業務於二零零六年之溢利相對二零零五年仍錄得大幅增長。此較佳之業績由於淨利息收入增加，以及買賣及公平值收入上升而帶動。出售證券所變現之收益較二零零五年為低。儘管本集團大部分投資於二零零六年之債券息差因信貸市場普遍利好而穩步收窄，但由於過去多年債券息差持續收窄，令本集團為達到理想之多元化投資組合、分配及轉換須面對更多挑戰。由於孳息曲線平緩及利率風險增加，本集團大部份剩餘資金均投資於短期債券，以降低利率風險。

本集團繼續執行既定政策，保持投資組合多元化，以平衡投資回報、市場風險、流動資產風險及信貸風險等因素，並繼續持有主要由投資級別債券組成之債券組合，以及投資於短期債券或轉換為浮息為基礎之債券。

Financial Review (Continued)

Commercial Banking (Continued)

A slightly higher amount of loan defaults and credit losses was experienced, mainly caused by higher individual impairment charge in 2006. Benefiting from the continued economic recovery and solid business performance in the manufacturing and trading sectors, and our ongoing vigilant credit monitoring and control, the overall asset quality of our commercial banking, equipment finance and vehicle finance businesses remained sound in the year.

▲ Dah Sing Bank is recognized by MasterCard International as "The Best Multinational Corporate Card Program Partner In 2006 In Hong Kong".
於年內，大新銀行榮獲萬事達卡國際頒發「二零零六香港最佳跨國企業卡計劃合作夥伴」獎項。

We continued to promote the growth of our corporate card service, and had received recognition of such a development in 2006 from MasterCard International as "The Best Multinational Corporate Card Program Partner In 2006 In Hong Kong".

Treasury

Our treasury division, despite the very flat and even slightly inverted yield curves and rising interest rates in the year, generated a substantially higher level of profit in 2006 relative to 2005. The better results were driven by improvement in net interest income, and higher trading and fair value gains. Gains realized on securities disposal were lower than 2005. Although credits were generally favourable with steady credit spread tightening for most of our investment positions in 2006, the continued credit spread tightening over the past few years made it increasingly challenging to achieve good portfolio diversification, allocations and switches. A large part of our surplus funds investments was deployed in shorter duration bonds to reduce interest rate exposure, against the flat yield curve and challenging interest rate environment.

We continued our strategy of maintaining a diversified investment portfolio to balance investment return, market risk, liquidity risk and credit risk, and continued to hold a bond portfolio comprised predominantly of investment grade debt securities, and bond investments in shorter duration or swapped to floating rate basis.

業務回顧
Review of Operations

財務回顧(續)

財資業務(續)

鑑於須符合香港會計準則第39號之特定要求而被列作以公平值計量且其變動計入損益之資產及負債持續增加，本集團注意到於收益表確認與金融工具(包括衍生工具)公平值變動有關之收益或虧損之變化較大。隨著市場利率及債券息差持續波動及改變，本集團預期，與買賣及公平值資產及負債有關之買賣及公平值收入於未來會更為波動。

中國銀行業務之發展

本集團於中國之深圳分行主要集中於泛珠江三角洲之商業銀行業務，自二零零四年中開業以來，經過往兩年之發展，已是第二年錄得穩健增長及溢利。

繼開業滿兩年後，本集團深圳分行已於二零零六年向監管部門提交經營人民幣業務牌照之申請，預備在獲得監管批准後透過深圳分行經營人民幣業務，並相信此發展將為本集團發展中國業務帶來額外之商機。

本集團亦繼續於中國銀行市場開拓投資機會之策略，及近年底時公佈待取得監管批准後，將購入設於重慶市(中國西部最大城市)之主要城市銀行重慶市商業銀行百分之十七之權益，費用約為六億九千四百萬元人民幣。本集團更注意到中國銀行業監督管理委員會於近年底頒佈允許在中國境內經營銀行業務附屬公司之新管理辦法。本集團正積極制定建議書及發展計劃，努力取得監管部門之批准，期望於二零零七年在中國設立於當地註冊之銀行附屬公司。

Financial Review (Continued)

Treasury (Continued)

Due to an increasing amount of assets and liabilities designated at fair value through profit or loss to comply with the technical requirements of Hong Kong Accounting Standard no. 39, we note a higher degree of variability in our gains or losses associated with the fair value changes of financial instruments including derivatives recognised in our income statement. With the ongoing volatility and changes in market interest rates and credit spreads, we expect our trading and fair value income associated with trading and fair value assets and liabilities will be more volatile going forward.

Development of Banking Operation in China

Our Shenzhen branch in Mainland China, focussing on the commercial banking business in the Pan Pearl River Delta Area, has achieved another year of solid growth and profit making following development in the past two years since commencing business in mid 2004.

After attaining two full-year operation, our Shenzhen branch submitted an application for RMB license to regulatory authority in 2006. We are making preparation to operate RMB business through our Shenzhen branch when we receive regulatory approvals, and believe this development will provide us additional opportunities to grow our business in China.

We also pursued the strategy to explore investment opportunities in the banking market in China and towards the end of the year we announced that we had agreed to purchase, subject to regulatory approvals, a 17% stake in Chongqing Commercial Bank, the leading city bank in Chongqing, the largest city in Western China, and at a cost of approximately RMB694 million. We also noted the changes announced by the China Banking Regulatory Commission towards the year end allowing for the incorporation of a local subsidiary in the PRC to conduct banking business. We are actively working on the proposal and development plan to seek to procure regulatory approvals and to move forward towards the establishment of our locally incorporated subsidiary bank in China in 2007.

業務回顧
Review of Operations

財務回顧（續）

怡泰富財務（「怡泰富財務」）

隨怡泰富財務所有業務與大新銀行全面融合，並於二零零六年中完成轉讓其貸款組合及業務予大新銀行後，怡泰富財務不再以獨立業務附屬公司之方式運作。

怡泰富財務之原本業務專注車輛融資、設備融資、按揭及消費者貸款，與大新銀行之業務相輔相成，且於二零零六年上半年順利完成整合。該等業務按備考基準計算，其貸款餘額及所產生之溢利取得強勁之增長。

怡泰富財務於二零零六年之備考淨溢利（未扣除無形資產成本攤銷前）為八千六百萬港元，相對於二零零五年所記錄經調整之正常化溢利（不包括於二零零五年入賬之利率對沖合約收益）五千九百萬港元，呈現大幅增長，主要是由於減省成本及貸款減值支出較低所帶動。此項收購對本集團之價值有所貢獻，並有助本集團拓展收益較高之特定貸款市場之規模。

澳門商業銀行（「澳門商業銀行」）

收購澳門商業銀行為本集團於二零零五年之主要策略性拓展舉措，令本集團可進入發展迅速、日益富裕之澳門市場，並使本集團可於澳門之銀行業務佔有重大之市場率。於二零零六年，受惠於博彩及旅遊業迅速發展、消費及物業投資及建築增長，澳門本地生產總值增幅達百分之十六以上。

澳門商業銀行於二零零六年錄得淨溢利為一億一千七百萬澳門幣（約一億一千四百萬港元），較二零零五年升百分之三十。由於貸款增長強勁、銀行保險業務之銷售上升、淨利息收入及非利息收入大幅增加、有效之成本控制措施及貸款減值費用下降，澳門商業銀行於二零零六年錄得強勁表現。

Financial Review (Continued)

Pacific Finance (“PF”)

With the full integration of all of PF’s businesses within DSB and with the completion of the transfer of its loan portfolio and businesses to DSB before mid 2006, PF is no longer operating as a separate business subsidiary.

PF’s original businesses, focusing on vehicle finance, equipment finance, mortgages and consumer lending, are businesses very complimentary to those of DSB and a smooth integration was accomplished in the first half of 2006. These businesses, on a pro-forma basis, achieved strong growth in terms of loan balances and profit generated.

PF’s pro-forma net profit of HK$86 million (before amortization of intangible costs) in 2006, driven mainly by cost saving and lower loan impairment charges, substantially increased when compared with the normalised PF net profit of HK$59 million in 2005 after excluding interest rate hedging gains booked in 2005. This acquisition was value enhancing to our Group, and contributed to expand our scale in selected lending areas which are also higher yielding.

Banco Comercial de Macau (“BCM”)

The acquisition of BCM is a significant strategic expansion for the Group in 2005, as this provided the Group entry into the fast growing and increasingly affluent Macau market, and allows the Group to gain significant market share in the banking business in Macau. In 2006, Macau sustained its record of rapid growth and achieved a GDP growth of over 16%, underpinned by the rapid expansion of its gaming and tourism industry, and growth in consumption and property investment and construction.

BCM reported a net profit MOP117 million (approximately HK$114 million) in 2006, up 30% relative to 2005. Its stronger performance in 2006 was driven by solid loan growth, higher bancassurance sales, strong increase in net interest income and non-interest income, good expense control and lower loan impairment cost.

業務回顧
Review of Operations

財務回顧（續）

豐明銀行

豐明銀行（「豐明」）是銀行集團旗下以獨立銀行品牌經營之附屬公司。於二零零六年，豐明錄得淨溢利二千萬港元，相對二零零五年則為一千四百萬港元。豐明於二零零六年錄得強勁表現，是由於貸款結餘較高及收入（利息收入及服務費用收入）大幅增加所致，惟主要由於貸款結餘較高導致綜合貸款減值支出上升，而需要作出較高之貸款撥備。

於二零零六年，豐明開始透過參與銀團借貸，從事有限度之商業銀行業務。此新業務令豐明可分散其貸款風險，並使其可更有效運作龐大之剩餘資金，在承擔合理之信貸風險，並在大新銀行之專業知識及支持下，賺取穩定之回報。

風險管理及合規監督

為於競爭及需求日益熾烈之金融服務市場有效競爭，並在本集團持續擴展其業務、規模及地區營運時符合不斷提高標準之監管要求，加強及提升風險管理成為倍受重視之工作及持續之投資。此等工作及投資需要董事會及高級管理層之監督、清楚界定及結構分明之風險管理架構，政策及風險控制程序，明確理解健全之風險及回報平衡，加上分配充足資源以提升可應付業務擴展及風險增加之風險管理之專門知識及技術 。

Financial Review (Continued)

MEVAS Bank

MEVAS Bank ("MEVAS"), the separately branded banking subsidiary under the Group, recorded a net profit in 2006 of HK$20 million relative to the HK$14 million earned in 2005. The stronger performance in 2006 was the result of higher loan balances and significantly higher income (both net interest income and fee income), despite a higher collective loan impairment charge caused mainly by the much higher loan balances, and therefore a higher level of loan provisions required.

In 2006, MEVAS started to participate in limited commercial banking lending via sub-participation in syndicated loans. This new business avenue provides MEVAS diversification in loan exposures and enables it to better deploy its large pool of surplus funds to earn stable returns with reasonable credit risk, drawing on expertise and support provided by DSB.

Risk Management and Compliance

To compete effectively in the increasingly competitive and demanding financial services market, and to meet higher standards of regulatory requirements whilst the Group continues to expand its businesses, scale and geographical operations, strengthening and upgrading risk management is an ongoing emphasis and continuing investment. These require oversight at the Board and senior management level, well defined and structured risk management framework, policies and risk control processes, clear understanding of sound risk and return balance, allocation of sufficient resources to upgrade risk management expertise and technologies to be commensurate with business expansion and increases in risk exposures.

業務回顧
Review of Operations

風險管理及合規監督(續)

於二零零六年，本集團盡力準備過渡至自二零零七年一月起根據新監管及資本規定之巴塞爾資本協定II之標準化計算法。本集團並致力評估不同之風險管理資訊科技解決方案，以協助本集團提升其資產及負債管理、風險評估及控制、市場風險及信貸風險分析，以符合更為嚴格之巴塞爾資本協定內部評級基準計算法之規定。為使本集團可於數年內符合基礎內部評級基準計算法的目標，本集團已同意委聘專門進行風險數據模型及統計評分之外界顧問，開始為本集團之零售信貸組合開發信貸模型應用軟件，並已開始為本集團大部分貸款系統進行數據歸檔，以便為未來之信貸分析及系統模型進行數據儲存及提取。本集團預期，執行風險管理系統之開發程序、以有系統之方式儲存及使用數據以提供可接受之信貸風險評估(藉持續估計違約之可能性)、更為細微之風險區分及更為精密之資本配置以應付不同之風險，以及加強本集團之風險政策及程序(包括分析及模型程序)，將需數年之時間，並需作出重大承擔、努力及投資。

於二零零六年，本集團進一步強化其合規之功能，並採取措施提升其合規之效能，包括增加資源、監察及培訓本集團於香港、澳門及中國之業務。此等措施，加上本集團越加重視內部監控，將有助本集團在有妥善監控之情況下進行長期發展及增長。

Risk Management and Compliance (Continued)

During 2006, we made significant effort to prepare ourselves to transition to Basel II standardized approach reporting under the new regulatory and capital regime starting January 2007. We also made efforts to evaluate different risk management IT solutions that will assist us to upgrade our asset and liability management, risk assessment and control, market risk and credit risk analysis to meet the more sophisticated requirements of Basel II internal-ratings based ("IRB") approach. To enable us to move towards the foundation IRB target in a few years time, we had agreed to engage external consultants specialising in risk data model and statistical scoring to start developing credit modelling applications for our retail credit portfolios, and had already started data archiving for most of our loan systems to facilitate data storage and extraction for future credit analysis and system modelling. We anticipate the development process on risk management system implementation, storing and utilising data on a systematic basis to generate acceptable credit risk assessment (by way of ongoing estimate of probability of default) and more refined risk differentiation with more sophisticated capital allocation to cover different risk exposures, and upgrading our risk management policies and procedures (including analytical and modelling processes) will take a number of years, and will also require significant commitment, effort and investment.

During 2006, we further strengthened our compliance function and took steps to upgrade our compliance effectiveness including increasing resources, monitoring and training covering our Hong Kong, Macau and China operations. These, together with our increased emphasis on internal control, will assist the Group its pursuit of long-term development and growth, by progressing in a sound and controlled manner.

業務回顧
Review of Operations

資本及流動資產

Capital and Liquidity

銀行集團（巴塞爾資本協定I基準）	Banking Group (Basel I basis)	二零零六年 2006	二零零五年 2005
附屬銀行之資本基礎（以百萬港元計）	Capital base of banking subsidiaries (HK$ million)		
– 核心資本	– Core capital	**7,463**	6,136
– 附加資本及扣減	– Supplementary capital and deductions	**2,712**	3,369
扣減後之資本基礎總額	Total capital base after deductions	**10,175**	9,505
資本充足比率（年終）	Capital adequacy ratio (as at year end)		
– 一級資本	– Tier 1	**12.2%**	10.7%
– 一級和二級資本（扣減後）	– Tier 1 and Tier 2 (after deductions)	**16.6%**	16.6%
流動資產比率（年度平均）	Liquidity ratio (average for the year)	**58.0%**	55.2%

銀行集團之資本充足比率與二零零五年相若，維持在理想之水平，一級資本之比率較高，原因為保留溢利及大新銀行集團於二零零六年初注入股本所致。根據巴塞爾資本協定 II 就報告信貸風險之標準化計算方法基準，銀行集團於二零零六年十二月完結時之資本充足比率大致與根據巴塞爾資本協定I基準釐定並已於上文披露之比率相若。

The Group's capital adequacy ratio remained similar to 2005 and was maintained at a healthy level. The higher Tier 1 ratio was the result of both profit retention and equity capital injection by the Company to DSB in the early part of 2006. On a Basel II standardized approach basis for reporting credit risk, the Group's capital adequacy ratio as of the end of December 2006 was broadly similar to the ratio determined on the Basel I basis as disclosed above.

大新銀行已於二零零六年三月按計劃全數償還其首批總額為一億二千五百萬美元之可贖回後償債券。為使大新銀行之營運有充足之備用資本，以進行新業務及作出策略性收購，大新銀行於二零零六年六月發行新一億五千萬美元可於五年後贖回之十年後償債券。

DSB fully repaid its first US$125 million callable subordinated debt in March 2006 as planned. To enable DSB to operate with sufficient capital buffer to undertake new business and pursue acquisition for strategic purpose, DSB issued a new 10-year (and callable after 5 years) US$150 million subordinated debt in June 2006.

鑑於本集團擁有龐大之剩餘資金，及部份藉存款增長及新有期債項（包括大新銀行發行之後償債券）作為資金之多元化流動投資，儘管貸款增長穩健，本集團仍可維持其較高水平之流動資產比率。該有利之流動資金狀況將支持本集團追求更高之貸款及投資增長之業務計劃。

With our strong pool of surplus funds and diversified liquid investments funded in part by deposit growth and new term borrowing including the new subordinated debt issued by DSB, we were able to maintain our liquidity ratio at high levels despite our robust loan growth. This favourable liquidity position will support our business plan to pursue more loan and investment growth.

穆迪及惠譽於二零零六年分別再度確定其授予大新銀行「A3」級及「A-」級之長期信貸評級。

DSB's long-term credit rating, at "A3" and "A-" assigned by Moody's and Fitch respectively, was affirmed in 2006.

業務回顧
Review of Operations

人力資源

為提升本集團員工之素質及能力，及確保向本集團前線員工(尤其是與銀行服務、證券及保險業務有關者)提供充足之持續專業培訓，本集團繼續提供針對員工不同需要之培訓計劃，並於年內為中層管理人員提供強化管理及發展計劃之培訓。本集團亦欣然注意到，本集團之畢業生見習培訓計劃過去三年已取得理想成果，為本集團提供幹勁十足之年青管理人員及銀行家，亦為見習生提供發展機會以穩步前進，並承擔管理責任。本集團相信，該投資將為本集團帶來長遠利益。

於二零零六年，本集團繼續致力提升集團內部之優質服務，團隊精神、關心及信任之文化。本集團之高級管理人員及大部分員工均參與本集團之年度會議，以促進溝通及了解本集團之目標及挑戰。 本集團之員工社交俱樂會提供一系列之活動，包括家庭、康樂及體育活動，以促進彼此之關係、友誼及健康。

由於本集團之業務增長及人力資源持續需求，以加強本集團之銷售、客戶服務、風險管理及合規之能力，故本集團之人手持續增加。本集團僱員之總人數(包括於澳門及中國之員工)由二零零五年年終時之一千六百八十九人增加至二零零六年年終時之一千七百零一人。

Human Resources

To improve the quality and skills of our staff, and to ensure sufficient continuing professional training of our front-line staff particularly in relation to banking services, securities and insurance businesses, we continued our training programmes to meet different needs of our staff, and to reinforce management and development programmes for middle level managers in the year. We are also pleased to note that our graduate trainees development programme over the past three years has produced good results, providing the Group with highly motivated young officers and bankers, and growth opportunities for the trainees to steadily progress and take up managerial responsibilities. We believe such an investment will produce long-term benefit to the Group.

In 2006, we continued our work to improve the service excellence, teamwork, caring and trust culture throughout the organization. Senior management and most staff of the Group participated in the annual Group Conference to promote communication and sharing of our Group's vision and challenges. Our staff social club arranged a variety of programs including family, well-being and sports activities to help promote affinity, friendship and health.

The Group's headcount continued to increase as a result of our business growth and increasing demand for human resources to strengthen our capabilities on sales, customer services, risk management and compliance. The total number of employees of our Group, including our staff in Macau and China, increased from 1,689 at the end of 2005 to 1,701 at the end of 2006.

業務回顧
Review of Operations

資訊科技

於二零零六年，本集團於資訊科技之主要成就為將本集團之主機操作系統順利及成功過渡至更為強化及穩定之資訊科技平台，並將澳門商業銀行之若干系統與大新銀行之系統集成，以達致協同效應及更佳之系統支援；致力籌備執行新櫃員機平台系統、證券買賣系統及零售信貸評分系統; 以及評估不同之風險管理及巴塞爾資本協定 II系統，包括資訊科技結構及數據倉儲技術，以支援銀行集團之風險管理升級。在本集團於二零零六年作出之努力及發展下，本集團預期於二零零七年開展及執行連串之新應用系統。

隨著本集團於澳門之業務及本集團計劃於中國達致大幅內部增長，本集團預期，本集團需要繼續投資於資訊科技應用系統及基建，以達致更為一致及協同作用，並提升本集團之能力，應付業務需要及日益嚴格之監管規定。本集團預期，在本集團之增長策略帶動及指引下，未來數年之資訊科技投資將會增加。

Information Technology

During 2006, our major accomplishments in the information technology area were a smooth and successful migration of our mainframe operating system to a much enhanced and robust technology platform, and the integration of a number of BCM systems with those of DSB to achieve synergy and better system support; work and preparation to implement new teller platform system, securities trading system and retail credit scoring system; and evaluation of different risk management and Basel II systems, including IT architecture and data warehouse technologies, to support the Group's risk management upgrade. Riding on the effort and development we made in 2006, we expect to roll out and implement a number of new application systems during 2007.

With our operations in Macau, and our plan to achieve significant organic growth in China, we anticipate we will need to continue investing in IT application systems and infrastructure to achieve more alignment and synergy, and to upgrade our capabilities to meet both business needs and increasing regulatory requirements. We anticipate higher IT investments in the years to come, driven and guided by our growth strategy.

企業管治報告
Corporate Governance Report

企業管治

企業管治常規

本集團銳意建立高水平之企業管治，並遵循香港聯合交易所上市規則（「上市規則」）附錄十四《企業管治常規守則》（「該等守則」）載列之所有守則條文。

本報告乃遵照上市規則附錄二十三而編纂，並闡述本公司執行該等守則所載守則條文之情況。

董事之證券交易

本公司已採納一套董事進行證券交易之守則，其條款不遜於上市規則附錄十標準守則所規定之標準。經作出特定查詢後，本公司董事確認，彼等於二零零六年整個年度均已遵守標準守則。

董事會

(1) 董事會

董事會負責領導及監控本公司，以促進其成效及持續增長。此外，董事會亦負責確保本公司有健全之風險管理、內部監控及監管遵規制度。董事共同及個別承擔摯誠行事之責任，並以本集團之利益作出客觀決定。董事會為本公司制定業務發展目標，並負責監察本公司管理層履行該等目標之情況。

(2) 董事會之組成及會議

董事會由主席王守業先生、五位執行董事（包括行政總裁）、兩位非執行董事及四位獨立非執行董事組成。董事之個人履歷載於第6頁至第9頁。

董事會會議每年最少召開四次，約每季一次，並在有需要時另外召開董事會會議。

Corporate Governance

Corporate governance practices

The Group is committed to high standards of corporate governance, and follows all of the code provisions set out in the Code on Corporate Governance Practices (the “Code”) contained in Appendix 14 of the Listing Rules of The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

This report is issued in accordance with Appendix 23 of the Listing Rules, and explains how the Company applies the provisions set out in the Code.

Directors’ securities transactions

The Company has adopted a code for directors’ securities transactions on terms no less exacting than the required standard set in the Model Code in Appendix 10 of the Listing Rules. Following specific enquiry, the Directors of the Company confirmed that they have complied with the Model Code throughout the year 2006.

The Board of Directors

(1) The Board

The Board is responsible for the leadership and control of the Company so as to promote its success and continued growth. The Board is also responsible for ensuring that the Company has sound systems of risk management, internal control and regulatory compliance. The Directors, collectively and individually, have a duty to act in good faith, and to take decisions objectively in the interests of the Group. The Board sets the business objectives for the Company, and monitors the execution of those objectives by the management of the Company.

(2) Board composition and meetings

The Board is made up of the Chairman, Mr. David Shou-Yeh Wong, five executive directors including the Chief Executive, two non-executive directors, and four independent non-executive directors. Brief biographical details of the directors are set out on pages 6 to 9.

Board meetings are held at least four times each year at approximately quarterly intervals, and additional board meetings are held as necessary.

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企業管治(續)

董事會(續)

(2) 董事會之組成及會議(續)

下表列載各董事出席二零零六年召開之董事會會議之紀錄:

二零零六年董事會召開會議次數	11	
獨立非執行董事		
史習陶		
莊先進		
韓以德		
梁君彥		
非執行董事		
古川弘介 *(於二零零六年八月二十九日獲委任及於二零零七年三月二十六日辭任)*		
執行董事		
王守業		
黃漢興		
趙龍文		
王伯凌		
王祖興		
邱達宏 *(於二零零七年三月二十八日轉聘為非執行董事)*		
平均出席率		

定期召開之董事會會議通知已於最少十四天前發出,以便所有董事有機會安排出席。至於其他召開之所有董事會會議,亦預先有合理通知。董事可在不少於七天前以書面形式向公司秘書提出彼等擬列入董事會定期會議議程之商討事項。公司秘書或有關委員會之秘書備存董事會及董事委員會之會議紀錄,該等會議紀錄可在任何董事提出合理通知後在任何合理時間內供查閱。

董事於適當情況下,在合理提出要求後尋求獨立專業意見,相關費用由本公司支付。倘董事認為需要獨立意見,應首先將其要求知會公司秘書或行政總裁。該等要求不得無理被拒。公司秘書或行政總裁須盡力為其物色及委聘合適之專業顧問,相關費用由本公司支付。

Corporate Governance (Continued)

The Board of Directors (Continued)

(2) Board composition and meetings (Continued)

The following table sets out the attendance record of each director at the board meetings held in 2006:

Number of Board meetings in 2006	11	
Independent Non-Executive Directors		
Robert Tsai-To Sze	10/11	91%
John William Simpson	6/11	55%
David Richard Hinde	9/11	82%
Andrew Kwan-Yuen Leung	10/11	91%
Non-Executive Directors		
Kosuke Furukawa *(appointed on 29 August 2006 and resigned on 26 March 2007)*	3/3	100%
Executive Directors		
David Shou-Yeh Wong	10/11	91%
Hon-Hing Wong (Derek Wong)	10/11	91%
Lung-Man Chiu (John Chiu)	11/11	100%
Gary Pak-Ling Wang	11/11	100%
Harold Tsu-Hing Wong	10/11	91%
Dennis Tat-Wang Yau *(redesignated as non-executive Director on 28 March 2007)*	10/11	91%
Average attendance rate	89%	

Notice of at least 14 days is given of regular Board meetings to give all directors an opportunity to attend. For all other Board meetings, reasonable notice is given in advance. Directors may submit to the Company Secretary, in writing, and at least seven days in advance, matters that they would like to include in the agenda for regular Board meetings. Minutes of the Board and committees of the Board are kept by the Company Secretary or the secretary of the relevant committee, and are open for inspection at any reasonable time on reasonable notice by any director.

Directors may, upon reasonable request, seek independent professional advice in appropriate circumstances, at the Company's expense. In circumstances where directors believe that independent advice is needed, they should approach the Company Secretary or the Chief Executive in the first instance with their request. No such request will be unreasonably denied, and the Company Secretary or the Chief Executive will endeavour to identify and engage an appropriate professional adviser at the expense of the Company.

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企業管治(續)

董事會(續)

(2) 董事會之組成及會議(續)

獲委任填補臨時空缺之所有董事,須於其獲委任後之首次股東大會上由股東膺選。每名董事(包括有指定任期者)均須最少每三年輪值告退一次。

董事會已將管理本集團日常事務之職責交託予執行管理層,並將處理若干事宜之職責交予多個委員會(詳情載於以下各節)。惟以下事宜須經董事會全體成員共同審議,不得轉授予董事會轄下委員會或執行管理層。該等保留事宜包括:

- 涉及主要股東或任何董事有利益衝突之交易;
- 重大收購或出售事項(即涉及款額超過本公司當時資產淨值或市值(以較低者為準)之百分之十);
- 重大投資或出售投資(惟日常就本集團剩餘資金調配而作出之正常投資或證券買賣則除外);
- 本集團業務性質之任何重大變動;
- 委任新董事;
- 通過相關政策;及
- 通過年度預算。

本公司已為其董事購買合適之法律訴訟保險。

Corporate Governance (Continued)

The Board of Directors (Continued)

(2) Board composition and meetings (Continued)

All directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Board has delegated the day-to-day responsibility of running the Group to the executive management, and has delegated responsibility for certain matters to a number of committees, which are described more fully in the following sections. There are a number of matters which require the deliberation of the full Board, and may not be delegated to the committees of the Board or the executive management. These reserved matters include:

- Transactions that a substantial shareholder or a director has a conflict of interest;
- Material acquisitions or disposals (i.e. an amount that exceeds 10% of the lower of the Company's net asset value or market capitalisation at the relevant time);
- Material investments or disposal of investments (except for normal investment or dealing in securities in the ordinary course of deploying the surplus funds of the Group);
- Any material change in the nature of the Group's business;
- Appointment of new directors;
- Approval of relevant policies; and
- Approval of annual budget.

The Company maintains appropriate insurance cover in respect of legal action against its directors.

企業管治報告
Corporate Governance Report

企業管治（續）

主席及行政總裁

本公司認為其企業管理包括兩個層面：董事會之管理及其業務之日常管理。董事會應清晰區分責任以確保權力及權限之平衡，而不致使任何個人擁有不受制約之決策權。因此，主席王守業先生與行政總裁黃漢興先生之角色及權責已予分開，並已通過董事會之審批。主席主要在董事會中擔當領導角色，以確保董事會有效運作及履行其責任，使所有關鍵及相關事宜得以獲董事會及時處理。行政總裁則負責本公司之日常管理，為本集團業務之利益指導業務方向及領導業務經營，提高股東價值及確保內部監控健全。

非執行董事

本公司有兩位非執行董事及四位獨立非執行董事。各獨立非執行董事均已按上市規則第3.13條之規定向本公司確認其獨立性。

非執行董事乃按指定任期而獲委聘，惟可膺選連任。非執行董事之任期通常與彼等最少每三年一次之輪值告退預期時間一致。

非執行董事一如其他董事會成員，透過定期會議及積極參與公司事務，致力以其技能、專業知識及各自不同背景及資歷，為董事會及其服務之任何委員會帶來貢獻。彼等出席定期及特別董事會會議，並鼓勵出席本公司之股東週年大會及股東特別大會。非執行董事透過提供獨立、富建設性及知情意見，為本公司之策略及政策發展作出積極貢獻。

Corporate Governance (Continued)

Chairman and Chief Executive

The Company acknowledges that there are two key aspects of its management – the management of the Board and the day-to-day management of its business, and that there should be a clear division of these responsibilities at the Board level to ensure a balance of power and authority, so that no one individual should have unfettered powers of decision. The roles and objectives of the Chairman, Mr. David Shou-Yeh Wong, and the Chief Executive, Mr. Hon-Hing Wong (Derek Wong), are therefore separated and have been approved by the Board. The Chairman mainly provides leadership for the Board to ensure that the Board works effectively and discharges its responsibilities, and all key and appropriate issues are discussed by the Board in a timely manner. The Chief Executive is responsible for the day-to-day management of the Company to provide business direction and operational leadership for the benefit of the Group's businesses, enhance shareholder value and ensure sound internal control.

Non-executive Directors

The Company has two non-executive directors and four independent non-executive directors. Each of the independent non-executive directors has provided to the Company confirmation of independence as required by Rule 3.13 of the Listing Rules.

Non-executive directors are appointed for a specific term, subject to re-election. The term of appointment of non-executive directors is normally for a term which coincides with their expected dates of retirement by rotation at least once every three years.

Non-executive directors, as equal Board members, give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They attend regular and special Board meetings, and are encouraged to attend the general or special meeting of the shareholders of the Company. The non-executive directors make a positive contribution to the development of the Company's strategy and policies through independent, constructive and informed comments.

企業管治報告
Corporate Governance Report

企業管治(續)

董事之提名及薪酬

董事之提名

董事會之職權範圍規定委任董事會新董事之常規、經酌情且具透明度之程序。職權範圍亦明示禁止就委任新董事之事宜上，將權力下放予董事會轄下之委員會或本公司管理層，並規定董事會全體成員須深入審議後方可作出該等委任。

年內，共兩名新董事獲委任加入董事會。

董事之薪酬

本公司於二零零五年八月成立薪酬委員會，並具書面規章訂明其具體職權範圍，列明其角色及職責。本公司於二零零六年八月，將委員會重新組成為提名及薪酬委員會，並更新其職權範圍。提名及薪酬委員會(其中包括)負責審議新董事之提名、以及批准各董事及高級管理人員之薪酬。委員會最少由三位獨立非執行董事組成。

提名及薪酬委員會於二零零六年曾召開三次會議。委員會現任委員名單及彼等於二零零六年之出席紀錄如下：

Corporate Governance (Continued)

Nomination and Remuneration of Directors

Nomination of Directors

The terms of reference of the Board sets out the requirement for a formal, considered and transparent procedure for the appointment of new directors to the Board. The terms of reference also explicitly prohibit the delegation of decisions regarding the appointment of new directors to sub-committees of the Board or to the management of the Company, and require that such appointments are made after deliberation by the full Board.

During the course of the year, two new directors were appointed to the Board.

Remuneration of Directors

The Remuneration Committee was established by the Company in August 2005 with specific written terms of reference setting out its role and responsibilities. The Committee was reconstituted as the Nomination and Remuneration Committee of the Company in August 2006 with a set of updated terms of reference. It is responsible, among other things, for the review of the nomination of new directors, approval of the remuneration of executive directors and senior management. The Committee is comprised of at least three independent non-executive directors.

The Nomination and Remuneration Committee held three meetings in 2006. The current members of the Committee and their attendance records in 2006 are set out below:

二零零六年內召開會議次數	**Number of meetings held in 2006**	3	
委員芳名	**Name of member**		
史習陶 *(主席)*	Robert Tsai-To Sze *(as the Chairman)*	3/3	100%
莊先進	John William Simpson	3/3	100%
韓以德	David Richard Hinde	3/3	100%
梁君彥	Andrew Kwan-Yuen Leung	3/3	100%
王守業	David Shou-Yeh Wong	3/3	100%
黃漢興	Hon-Hing Wong (Derek Wong)	3/3	100%
平均出席率	**Average attendance rate**	100%	

企業管治報告
Corporate Governance Report

企業管治（續）

董事之提名及薪酬（續）

董事之薪酬（續）

提名及薪酬委員會於二零零六年年度之工作包括：

– 檢討董事及高級管理人員之提名及薪酬政策

– 釐定及批准執行董事及高級管理人員之花紅及薪酬水平

– 審議本公司及本集團董事會董事、高級管理人員之提名

本集團之薪酬政策旨在維持與市場條件相若、公平且具競爭力之薪酬配套，並根據業務需要、專業才能、個人之素質，以及行業慣例而訂立。

就釐定支付予董事會成員之袍金水平而言，將會考慮市場的袍金水平及各董事之工作量及要求承諾等因素。釐定執行董事薪酬計劃之考慮因素如下：

– 業務需要及表現

– 整體經濟及商業情況

– 各個人對本集團之貢獻

– 參考與個人職責相符之市場薪酬水平

– 留任之考慮因素及各個人之潛能

於考慮過程中，董事不可參與有關其本人薪酬之決定。

Corporate Governance (Continued)

Nomination and Remuneration of Directors (Continued)

Remuneration of Directors (Continued)

The work of the Nomination and Remuneration Committee during 2006 included:

– Reviewing the Nomination and Remuneration Policy for directors and senior management

– Determining and approving the bonus and remuneration levels for executive directors and senior management

– Reviewing the nomination of directors to the Board and senior management of the Company and of the Group

The Group's policy on remuneration is to maintain fair and competitive packages commensurate with market terms, and is based on business needs, expertise and quality of the individual, and industry practice.

For determining the level of fees paid to members of the Board of Directors, market rates and factors such as each directors' workload and required commitment will be taken into account. The following factors are considered when determining the remuneration packages of executive directors:

– Business needs and performance

– The economy and business conditions in general

– Each individual's contributions to the Group

– Reference to market pay level commensurate with the individual's responsibility

– Retention considerations and each individual's potential

During the process of consideration, no individual director will be involved in decisions relating to his/her own remuneration.

企業管治報告
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企業管治（續）

核數師之獨立性及酬金

本公司已檢討並滿意本公司外聘核數師羅兵咸永道會計師事務所（「羅兵咸永道」）就對本集團財務報表進行審核之獨立性。

本公司僅在既具成本效益，又能維持羅兵咸永道作為本公司之外聘核數師之獨立及客觀性情況下，始委聘羅兵咸永道提供審核範圍以外之服務。否則，則另覓其他顧問公司提供專業服務。

除有關審核服務外，羅兵咸永道年內提供之非審核服務如下：

- 審閱報稅表與計算結果、及提供稅務顧問服務
- 為一項擬作投資而應聘進行特定程序之工作
- 就大新銀行發行後償債券及更新其中期票據計劃，應聘為眾投資銀行進行若干特定程序工作提交所需之安撫信，相關費用由本集團支付

年內就審核服務支付予羅兵咸永道之費用詳情載於財務報表附錄10。

審核委員會

由本公司董事會通過成立之審核委員會，負責確保財務報告之客觀性及可信性、檢討內部監控制度及監管要求合規度、批准審核計劃及審閱內部與外聘核數師之查察結果及報告、並於向股東呈報業績時，確保各董事已按法例規定經審慎、盡責及克盡所能地遵循適當之會計及財務報告準則。

委員會向董事會就外聘核數師之篩選、監察及酬金提出建議。委員會根據適用之標準檢討及監察外聘核數師之獨立性及客觀性以及審核程序之成效。

Corporate Governance (Continued)

Auditors' Independence and Remuneration

The Company has reviewed and is satisfied with the independence of the Company's external auditors, PricewaterhouseCoopers ("PwC"), for performing the audit of the Group's financial statements.

The Company will use the non-audit services of PwC only when the Company can benefit in a cost-effective manner and the independence and objectivity of PwC as the Company's external auditors can be maintained. Otherwise, professional services from other firms are used.

In addition to audit related services, PwC provided the following non-audit services during the year:

- Review of the tax returns and computations, and tax advisory service
- Specified-procedures engagement for a proposed investment
- Engagement by investment banks to perform certain specified-procedures to deliver comfort letter in respect of the issue of subordinated notes and renewal of the Medium Term Note Programme of Dah Sing Bank, with the fees for such engagement borne by the Group

Details of the fees payable to PwC for the year for audit and audit-related services are set out in note 10 to the financial statements.

Audit Committee

The Audit Committee, established by the Board of the Company, is responsible for ensuring the objectivity and credibility of financial reporting, reviewing the internal control system and compliance with regulatory requirements, and approving audit plans and reviewing findings and reports of the internal and external auditors, and that in presenting results to the shareholders, the directors have exercised the care, diligence and skills prescribed by laws, and that appropriate accounting and financial reporting standards are followed.

The Committee makes recommendation to the Board on the selection, oversight and remuneration of external auditors. The Committee reviews and monitors the external auditors' independence and objectivity and the effectiveness of the audit process in accordance with applicable standards.

企業管治報告
Corporate Governance Report

企業管治(續)

審核委員會(續)

委員會審閱及監察本公司之全年度及中期財務報表是否持正，包括編製賬目時所採用之主要財務報告判斷。

委員會檢討本公司之內部監控及風險管理制度，並向董事會報告其檢討結果及提供意見。本公司內部監控制度載於下文，至於風險管理則載於補充財務資料內之風險管理描述。

審核委員會之職權範圍可於本公司之註冊辦事處查閱。

委員會之成員為史習陶先生(主席)、莊先進先生及韓以德先生。所有委員會成員均為獨立非執行董事，於銀行、財務及業務管理具有豐富經驗。委員會主席史先生為合資格會計師，於一九九六年六月前為羅兵咸永道會計師事務所之一前身會計師事務所合夥人。委員會概無其他成員受聘於或以其他方式與本公司之前任或現任外聘核數師有聯屬關係。

委員會成員會與本公司之高級管理層、內部審核主管及外聘核數師每年最少開會三次。二零零六年內共召開四次會議。委員會亦與外聘核數師在無管理層在場下，進行獨立討論。

個別董事出席二零零六年審核委員會會議之出席紀錄呈列如下：

二零零六年審核委員會召開會議次數	4	
獨立非執行董事		
史習陶(主席)	4/4	100%
莊先進	3/4	75%
韓以德	4/4	100%
平均出席率	92%	

Corporate Governance (Continued)

Audit Committee (Continued)

The Committee reviews and monitors the integrity of the Company's annual and interim financial statements, including significant financial reporting judgements used in producing the accounts.

The Committee reviews the Company's internal controls and reports its finding and comments to the Board. Descriptions of the Company's internal control system is set out below, whilst for risk management, these are shown in the Supplementary Financial Information under Risk Management.

The terms of reference for the Audit Committee are available for inspection at the Company's registered office.

The members of the Committee are Mr. Robert Tsai-To Sze (Chairman), Mr. John William Simpson and Mr. David Richard Hinde. All the members of the Committee are independent non-executive directors with extensive experience in banking, finance and business management. The Committee's chairman, Mr. Sze, is a qualified accountant and was a partner of a predecessor firm of PricewaterhouseCoopers up to June 1996. None of the other committee members are employed by or otherwise affiliated with the former or existing external auditors of the Company.

The Committee members meet at least three times a year with the Company's senior management, the head of internal audit and the external auditors. In 2006, a total of four meetings were convened. The Committee also held a private discussion session with external auditors without the presence of the management.

The attendance record of individual directors at the Audit Committee meetings in 2006 is set out below:

Number of Audit Committee meetings in 2006	4	
Independent Non-Executive Directors		
Robert Tsai-To Sze (as the Chairman)	4/4	100%
John William Simpson	3/4	75%
David Richard Hinde	4/4	100%
Average attendance rate	92%	

企業管治報告
Corporate Governance Report

企業管治(續)

審核委員會(續)

為使董事知悉審核委員會之討論內容及決定，審核委員會之會議紀錄亦載入定期董事會會議文件內送發各董事。

以下為審核委員會於二零零六年履行職責之概要：

a. 審閱並就批准二零零五年之業績公佈、經審核財務報表，以及二零零六年中期報告向董事會提供意見及建議；

b. 審視二零零六年度財務報表編製之工作，以符合新會計準則及財務披露要求；

c. 考慮因收購怡泰富財務及澳門商業銀行而引發在會計處理方法上之重要事宜；

d. 審議並批准外聘核數師之委任及其酬金；

e. 審閱外聘核數師之審核結果及建議；

f. 審閱及批准外聘核數師之審核計劃；

g. 審閱及批准內部審核計劃；

h. 檢討內部審核工作、結果及建議；

i. 與管理層、內部審核師及外聘核數師共同檢討內部監控制度；

j. 檢討及跟進香港金融管理局之考核報告及建議；

k. 省覽合規及監管事宜之報告，及採納合規委員會之會議紀錄；

Corporate Governance (Continued)

Audit Committee (Continued)

To enable directors to be informed of the discussions and decisions of the Audit Committee, the minutes of the Audit Committee are included in the board papers of regular board meetings sent to directors.

The following is a summary of the work of the Audit Committee during 2006 in discharging its responsibilities:

a. Review of, and providing advice and recommendations to the Board for the approval of the 2005 results announcements and audited financial statements of the Group, and the 2006 Interim Report;

b. Review of an update on the preparation of 2006 financial statements and compliance with new accounting standards and financial disclosure requirements;

c. Consideration of major issues on accounting treatments arising from the acquisitions of Pacific Finance and Banco Comercial de Macau;

d. Review and approval of the appointment and remuneration of external auditors;

e. Review of the findings and recommendations of the external auditors;

f. Review and approval of the external auditors' audit plan;

g. Review and approval of internal audit plan;

h. Review of the internal audit's work, findings and recommendations;

i. Review of the internal control system in conjunction with management, internal and external auditors;

j. Review and follow-up of the Hong Kong Monetary Authority examination reports and recommendations;

k. Review of reports on applicable compliance and regulatory matters and adoption of the minutes of the meetings of the Compliance Committee;

企業管治報告
Corporate Governance Report

企業管治（續）

審核委員會（續）

l. 委任外聘顧問為本集團內部監控及風險管理制度之成效進行評估，以及審閱外聘顧問所提交之工作報告、調查結果及建議，並跟進管理層進一步加強內部監控及風險管理所需之改善；

m. 審閱及認可審核委員會及內部審核規章之經修訂職權範圍；及

n. 向董事會滙報經審核委員會審閱和處理的重大事項及問題，並提供建議。

內部監控

董事會授權管理層負責制訂及維持健全之內部監控制度。內部監控制度通過管理及營運監控、風險管理制度架構之運作，使董事會可監察本集團之業務表現及財務狀況、監控及調節風險、採納健全之業務守則、合理確證對欺詐及誤差之監控、遵守適用法例及規則，以及對管理人員作出監察及指引，以達成本公司之目標。然而，本集團之內部監控程序僅可對重大誤差、損失或欺詐提供合理而非絕對之保證。

本集團已設立以維持有效內部監控之制度，其主要程序如下：

- 設立清晰之管理組織架構，具有清楚界定之權限、問責性及職責。
- 成立特設委員會，以監察及控制主要風險因素，如信貸風險、流動資金及利率風險、營運風險及合規風險。

Corporate Governance (Continued)

Audit Committee (Continued)

l. Engaging external advisors to conduct assessments of the effectiveness of the Group's systems of internal control and risk management and review of the work performed, findings and recommendations provided by the external advisors, and follow-up with management on areas of improvement to further strengthen internal control and risk management;

m. Review and endorsement of revised terms of reference of the Audit Committee and the internal audit charter; and

n. Providing update and advice to the Board on major matters and issues reviewed and resolved by the Audit Committee.

Internal Controls

The Board has delegated to management the responsibility to develop and maintain a sound internal control system. The internal control system, operating through a framework of management and operational controls, and risk management systems, is intended to allow the Board to monitor the Group's business performance and financial positions, to control and adjust risk exposures, to adopt sound business practices, to obtain reasonable assurance on controls against fraud and errors, to ensure compliance with applicable laws and regulations, and to provide oversight and guidance to management in achieving the Company's objectives. However, it should be recognized that the Group's internal control procedures can only provide reasonable, not absolute, assurance against material errors, losses or fraud.

The key procedures that the Group has established to maintain an effective internal control system are as follows:

- A clear management organizational structure is set up with well-defined lines of authority, accountability and responsibilities.
- Specialized committees are formed to oversee and control significant risk factors, such as credit risk, liquidity and interest rate risks, operational risk and compliance risks.

企業管治報告
Corporate Governance Report

企業管治（續）

內部監控（續）

- 定期向高級管理人員及管理委員會（包括執行委員會）報告本公司之業務表現。密切留意實際表現結果與預算之比對。董事會每季審閱本集團之業務及財務表現。

- 制訂書面政策及程序，以促進對客戶、客戶服務、職責區分、交易之準確性及完整性、資產之保護、信貸管理及風險監控、對業務風險之控制、合規監控（包括反清洗黑錢）、員工培訓、資訊科技發展、管治及資訊保安、持續業務運作規劃、財務管理（包括會計、監管報告、合乎監管及財務報告準則之財務報告、管理會計及預算、賬目對賬）、以及管理監督制度（包括各功能委員會之運作）等各方面之恰當評估。

- 獨立內部審核職能，監察對管理政策及程序以及監管規定之遵行；並對內部監控措施進行各類型之檢討及審核活動，如合規審核、營運及系統檢討，以確保監控制度之完整、高效率及成效。內部審核部主管職能上向審核委員會交代，管理上隸屬行政總裁可直接向執行委員會稟報。

- 獨立的集團風險職能負責監察，並透過執行委員會及風險管理委員會向董事會匯報集團風險狀況及相關分析，以期維持集團業務組合中資產質素之穩健，亦充分考慮風險與回報兩者間之恰當平衡。

- 本集團正提升其銀行業務之風險管理機制與能力，以切合巴塞爾II資本協議下更完臻之風險管理措施，本集團之銀行系機構已於二零零七年開始按標準法進行監管所需之資本匯報及管理。此發展將提高本集團整體之風險管理及內部監控程序。

Corporate Governance (Continued)

Internal Controls (Continued)

- Regular reporting of the performance of the Company's businesses to senior management and management committees including the Executive Committee. Actual performance results against budgets are closely monitored. The Board reviews the Group's business and financial performance on a quarterly basis.

- Written policies and procedures are established to facilitate proper assessment of customers, customer services, segregation of duties, accuracy and completeness of transaction processing, safeguarding of assets, credit control and risk monitoring, control of business exposures, compliance control and monitoring (including anti-money laundering), staff training, IT development, governance and information security, business continuity planning, financial control (including accounting, regulatory reporting, financial reporting to comply with regulatory and financial reporting standards, management accounting and budget, reconciliation of accounts), and system of management oversight including the operations of various functional committees.

- The independent internal audit function monitors compliance with management policies and procedures, and regulatory requirements; and will conduct a wide variety of internal control reviews and audit activities such as compliance audits and operations and systems reviews to ensure the integrity, efficiency and effectiveness of the systems of control. The Head of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Executive with direct access to the Executive Committee.

- The independent group risk function monitors and reports the Group's risk positions and analysis to the Board via the Risk Management Committee and the Executive Committee, and operates to sustain a sound asset quality in the portfolio of the Group's businesses with due consideration of a proper risk and return balance.

- The Group's banking business is working on the upgrade of its risk management framework and capabilities to progress toward the implementation of the more sophisticated risk management practices under the Basel II capital accord, with the banking group starting on the basis of standardised approach for regulatory capital reporting and management commencing 2007. This development will contribute to enhance the overall risk management and internal control process of the Group.

企業管治報告
Corporate Governance Report

企業管治（續）

內部監控（續）

- 本集團管理層之合規委員會對法規之遵守致力維持高度警惕及問責性，並負責監督及領導制訂、維持及加強合規制度、政策及慣例之建立，以確保遵守所有法律規定及監管指引。本集團之法律及合規部之經修訂職權範圍已於二零零六年取得董事會之通過。本集團之法律及合規部獨立地持續監察本集團對相關法則及規例之遵行情況。

內部監控之評估

董事會經斟酌審核委員會與執行管理層提交之審議、以及內部及外聘核數師作出之審核報告，從而對集團之內部監控制度進行評估。於二零零六年中，董事會另聘一家顧問公司對本集團之內部監控及風險管理進行獨立評估。

Corporate Governance (Continued)

Internal Controls (Continued)

- The Group's Compliance Committee at the management level serves to uphold a high level of awareness and accountability of compliance requirements and is responsible for overseeing and guiding the development, maintenance and enhancement of compliance system, policies and practices to ensure compliance with all statutory requirements and regulatory guidelines. Updated terms of reference of the Group's Compliance Committee were approved by the Board in 2006. The Legal and Compliance Division of the Group performs an independent and on-going monitoring role on the Group's compliance with relevant rules and regulations.

Assessment of Internal Control System

The Board has assessed the effectiveness of internal control system by considering reviews performed by the Audit Committee and executive management, and the findings of both internal and external auditors. In undertaking this assessment, the Board also engaged external consultants to independently assess the Group's systems of internal control and risk management during the course of 2006.

董事會報告書
Report of the Directors

董事會謹提呈截至二零零六年十二月三十一日止年度之報告及經審核之財務報表。

The Directors submit their report together with the audited financial statements for the year ended 31 December 2006.

主要業務及營運之分項分析

Principal Activities and Segment Analysis of Operations

大新銀行集團有限公司(「本公司」)之主要業務為銀行投資控股。而附屬公司之主要業務則見財務報表附註27。本報告匯報期間按業務及地域分項之本公司及其附屬公司(「本集團」)業績表現分析載於財務報表附註5。

The principal activity of Dah Sing Banking Group Limited (the "Company") is banking investment holding. The principal activities of the subsidiaries are shown in note 27 to the financial statements. An analysis of the performance of the Company and its subsidiaries (the "Group") for the reporting period by business and geographical segments are set out in note 5 to the financial statements.

業績及盈餘分配

Results and Appropriations

本集團截至二零零六年十二月三十一日止年度之業績載於第58頁之綜合收益賬內。

The results of the Group for the year ended 31 December 2006 are set out in the consolidated income statement on page 58.

董事會宣派中期股息每股0.25港元，共派232,854,070港元，已於二零零六年十月三日已派發各股東。

The Directors declared an interim dividend of HK$0.25 per share, totalling HK$232,854,070 which was paid on 3 October 2006.

董事會建議派發末期股息每股0.45港元，共派419,137,000港元。

The Directors recommend the payment of a final dividend of HK$0.45 per share, totalling HK$419,137,000.

股本

Share Capital

本公司於是年度股本之變動詳載於財務報表附註42。

Details of the movements in share capital of the Company during the year are shown in note 42 to the financial statements.

儲備

Reserves

本集團於匯報年度及本公司於匯報期間之儲備變動詳情載於財務報表附註43。

Movements in the reserves of the Group and of the Company during the year are set out in note 43 to the financial statements.

捐款

Donations

本集團於匯報期間之慈善及其他捐款共達486,000港元。

During the year, the Group made charitable and other donations amounting to HK$486,000.

固定資產

Fixed Assets

本公司並無持有任何固定資產。集團固定資產變動則詳載於財務報表附註29。

The Company does not hold any fixed assets. Details of the movements in fixed assets of the Group are shown in note 29 to the financial statements.

董事會報告書
Report of the Directors

董事會

本年度內及直至本報告日期止董事芳名：

王守業
主席

*莊先進

*韓以德

*史習陶

*梁君彥

田原啟佐
（於二零零七年三月二十六日獲委任）

邱達宏

黃漢興
董事總經理兼行政總裁

趙龍文

王伯凌

王祖興

劉雪樵
（於二零零七年三月二十八日獲委任）

村岡隆司
（於二零零六年八月二十九日辭任）

古川弘介
（於二零零六年八月二十九日獲委任及於二零零七年三月二十六日辭任）

** 獨立非執行董事*

Directors

The Directors during the year and up to the date of this report are:

David Shou-Yeh Wong
Chairman

*John William Simpson

*David Richard Hinde

*Robert Tsai-To Sze

*Andrew Kwan-Yuen Leung

Keisuke Tahara
(appointed on 26 March 2007)

Dennis Tat-Wang Yau

Hon-Hing Wong (Derek Wong)
Managing Director and Chief Executive

Lung-Man Chiu (John Chiu)

Gary Pak-Ling Wang

Harold Tsu-Hing Wong

Frederic Suet-Chiu Lau
(appointed on 28 March 2007)

Takashi Muraoka
(resigned on 29 August 2006)

Kosuke Furukawa
(appointed on 29 August 2006 and resigned on 26 March 2007)

** Independent non-executive Directors*

董事會報告書
Report of the Directors

董事會（續）

按照本公司組織章程細則第105條規定，莊先進、史習陶以及梁君彥輪值告退，但表示如再度獲選，願繼續連任。

按照本公司組織章程細則第110條規定，田原啟佐及劉雪樵將於應屆之週年股東大會告退，但表示如再度獲選，願繼續連任。

本公司已收到各獨立非執行董事就其在任董事會期間的持續獨立性作出的年度確認函。本公司對他們的獨立性表示認同。

Directors (Continued)

In accordance with Article 105 of the Company's Articles of Association, John William Simpson, Robert Tsai-To Sze and Andrew Kwan-Yuen Leung retire by rotation and, being eligible, offer themselves for re-election.

In accordance with Article 110 of the Company's Articles of Association, Keisuke Tahara and Frederic Suet-Chiu Lau will retire at the forthcoming annual general meeting and, being eligible, will offer themselves for re-election.

The Company has received an annual confirmation from each of the independent non-executive Directors as regards their continued independence while serving as members of the Board of Directors, and the Company still considers all the independent non-executive Directors to be independent.

董事及行政總裁權益

於二零零六年十二月三十一日，根據證券及期貨條例第XV部之第7及第8組，本公司各董事及行政總裁所持有本公司或其任何相聯法團（定義見證券及期貨條例第XV部）而所需向本公司及聯合交易所申報之股份、相關股份及債券的權益及淡倉（包括按該證券及期貨條例之規定而擁有或視作擁有），或按證券及期貨條例第352條規定而設置之登記冊所載，或因遵照上市公司董事進行證券交易的標準守則及本公司所採納之董事證券交易守則令本公司及聯合交易所獲知之權益及淡倉如下：

Interests of Directors and Chief Executive

At 31 December 2006, the interests and short positions of the Directors and the Chief Executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which were required to be notified to the Company and the Stock Exchange pursuant to Division 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken on were deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers and the code of conduct regarding directors' securities transaction adopted by the Company were as follows:

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

Interests of Directors and Chief Executive (Continued)

甲） 在本公司及相聯公司所持之股份權益

a) Interests in shares of the Company and associated corporation

董事	Director	股份數量 Number of shares 個人權益 Personal Interests	法團權益 [(1)] Corporate Interests [(1)]	其他權益 Other Interests	合計權益 Total Interests	所持有股份對相關已發行股本百分比 Percentage of share interest in the relevant issued share capital
持有本公司每股面值1港元的普通股份	**Number of ordinary shares of HK$1 each in the Company**					
王守業	David Shou-Yeh Wong	–	697,969,170 [(2)]	–	697,969,170	74.94
持有大新金融集團有限公司每股面值2港元的普通股份	**Number of ordinary shares of HK$2 each in the Dah Sing Financial Holdings Limited**					
王守業	David Shou-Yeh Wong	–	4,476,219	93,655,249 [(3)]	98,131,468	39.24
莊先進	John William Simpson	10,000 [(4)]	–	–	10,000	0.00
趙龍文	Lung-Man Chiu (John Chiu)	38,800	–	–	38,800	0.02

註：

1. 董事之法團權益乃指由其擁有三分之一或以上權益公司所持有之股份。

2. 於二零零六年十二月三十一日之記錄日，因王守業擁有大新金融集團有限公司（「大新金融」）98,131,468股實益股份權益，佔相關已發行股本39.24%，因而按證券及期貨條例第XV部的定義被視作擁有本公司股份之法團權益。

   附註： 於二零零七年三月二十八日，本公司通過截至二零零六年十二月三十一日止年度之財務報表當日，王守業擁有大新金融98,258,268股實益股份權益，佔相關股本39.29%。

3. 此等股份乃由為王守業及其家屬利益而成立之全權信託受託人匯豐國際信託有限公司間接持有。

4. 此等股份乃由莊先進先生及其妻子共同擁有。

Notes:

1. The corporate interest is in respect of shares held by a company in which the director has an interest of one third or more.

2. Such shares in the Company represent the corporate interest of David Shou-Yeh Wong under Part XV of the SFO by virtue of his beneficial interest in 98,131,468 ordinary shares of Dah Sing Financial Holdings Limited ("DSFH"), representing 39.24% of its entire share capital currently in issue as at 31 December 2006 being the record date.

   Remark: At 28 March 2007 when the Company's financial statements for the year ended 31 December 2006 were approved, David Shou-Yeh Wong was beneficially interested in 98,258,268 ordinary shares of DSFH, representing 39.29% of the relevant share capital of DSFH.

3. Such shares in DSFH are indirectly held by HSBC International Trustee Limited, a trustee of a discretionary trust established for the benefit of David Shou-Yeh Wong and his family.

4. Such shares in DSFH are jointly owned by John William Simpson and his wife.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

乙） 在本公司及相聯公司所持認股權權益

i）　本公司之認股權計劃

本公司之認股權計劃（「大新銀行集團認股權計劃」）於二零零四年六月十二日獲本公司唯一股東－大新金融集團有限公司（「大新金融」）通過。本公司在獲得香港聯合交易所有限公司（「香港交易所」）批准的情況下，將大新銀行集團認股權計劃的資料列於首次公開招股書內，而有關計劃條款在二零零四年六月成功招股上市後仍然有效。大新銀行集團認股權計劃在截至二零零六年十二月三十一日止年度期間，共250,000股認股權告失效，而合資格承授人獲授予可認購每股面值1港元本公司共100,000普通股股份之認股權。

根據上市規則，大新銀行集團認股權計劃概括如下：

(1)　大新銀行集團認股權計劃的目的：

大新銀行集團認股權計劃的目的是為招攬、獎勵及挽留高質素行政人員以助集團的業務及擴展。

(2)　大新銀行集團認股權計劃的參與人：

大新銀行集團認股權計劃合資格參與人包括大新銀行集團及附屬公司之董事及擔任管理職位之僱員。

(3)　大新銀行集團認股權計劃中可予發行的股份數目及其於二零零六年十二月三十一日佔已發行股本的百分率：

於二零零六年十二月三十一日，大新銀行集團認股權計劃下仍有39,345,000股股份可准予發行，佔大新銀行集團已發行股本 4.22%。

Interests of Directors and Chief Executive (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation*

i) Share option scheme of the Company

The Share Option Scheme (the "DSBG Option Scheme") of the Company was initially approved by Dah Sing Financial Holdings Limited ("DSFH"), being the sole shareholder of the Company, on 12 June 2004. With the approval of The Stock Exchange of Hong Kong Limited ("SEHK"), the terms of the DSBG Option Scheme as disclosed in the Company's initial public offering prospectus remained valid after its public listing in June 2004. For the year ended 31 December 2006, there were 250,000 shares in the option lapsed under the DSBG Option Scheme, and options to subscribe for a total of 100,000 ordinary shares of HK$1 each of the Company were granted to an eligible grantee under the DSBG Option Scheme.

Summary of the DSBG Option Scheme disclosed in accordance with the Listing Rules are as follows:

(1) Purpose of the DSBG Option Scheme:

The purpose of the DSBG Option Scheme is to attract, motivate and retain high quality executives to contribute to the Group's business and growth.

(2) Participants of the DSBG Option Scheme:

Eligible participants of the DSBG Option Scheme included directors and employees holding supervisory positions in DSBG and its subsidiaries.

(3) Total number of shares available for issue under the DSBG Option Scheme and percentage of issued share capital as of 31 December 2006:

The number of shares available for issue under the DSBG Option Scheme is 39,345,000 shares, representing 4.22% of the issued share capital of DSBG as at 31 December 2006.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

乙） 在本公司及相聯公司所持認股權權益（續）

i） 本公司之認股權計劃（續）

(4) 大新銀行集團認股權計劃中每名參與人可獲授權益上限：

任何合資格人士其獲授予認股權可認購之股份若行使後，加上給予其已發行及將發行之股份總數在授予有關認股權包括當日計過往十二個月期間超過已發行股本的百分之一，則不會獲授予認股權。任何進一步授予高於上限之認購權得接受大新銀行集團認股權計劃之條款及不時修訂之上市規則監管。

(5) 根據認股權可認購股份的期限：

認購期由提名及薪酬委員會（原名為薪酬委員會）代表本公司董事會決定，及於授予有關認股權時闡明，股份須於有關認股權授予日起計十年內認購。所有在大新銀行集團認股權計劃下現有之認股權可於獲授予日期起計第一至第六周歲期間按不同數額行使。

(6) 認股權行使之前必須持有的最短期限：

最短持有日由提名及薪酬委員會（原名為薪酬委員會）代表本公司董事會決定，及於授予時闡明，大新銀行集團認股權計劃下之認股權不得於由授予日起計一年內行使。

Interests of Directors and Chief Executive (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

i) Share option scheme of the Company (Continued)

(4) Maximum entitlement of each participant under the DSBG Option Scheme:

No options may be granted to any eligible person which, if exercised, would result in such eligible person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him in the 12-month period up to and including the offer date of relevant options, exceed 1% of the shares in issue at such date. Any grant of further options above the limit shall be subject to the provisions of the DSBG Option Scheme and the Listing Rules as amended from time to time.

(5) The period within which the shares must be taken up under an option:

The exercise period is determined by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of the Company and is specified when related options are granted, but shares under the options must be taken up within 10 years from the date of grant. All the existing share options under the DSBG Option Scheme shall be exercisable upon vesting in varying amounts between the first and sixth anniversaries from the date of grant.

(6) The minimum period for which an option must be held before it can be exercised:

The minimum holding period is determined by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of the Company and is specified when related options are granted. None of the existing share options under the DSBG Option Scheme shall be exercisable within one year from the date of grant.

董事會報告書
Report of the Directors

董事及行政總裁權益(續)

乙) 在本公司及相聯公司所持認股權權益(續)

i) 本公司之認股權計劃(續)

(7) 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：

接受認股權應支付金額按每份認股權1港元代價認購，及務須於授予日起計二十八天內或董事會不時決定之時間內繳訖。

(8) 行使價的釐定基準：

行使價根據當時上市規則第17.03(9)條釐定，由提名及薪酬委員會(原名為薪酬委員會)代表本公司董事會決定，即以(i)本公司於香港交易所買賣之股份在授予日之收市價；及(ii)本公司於香港交易所買賣之股份在授予日前五個交易日之平均收市價，兩項中較高者定為行使價。

(9) 大新銀行集團認股權計劃尚餘有效期

大新銀行集團認股權計劃由二零零四年六月十二日起計十年內有效，至二零一四年六月十一日屆滿。

Interests of Directors and Chief Executive (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

i) Share option scheme of the Company (Continued)

(7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purpose must be repaid:

The amount payable on acceptance of an option is HK$1.00 and must be made within 28 days upon offer of granting of options or such period the Board may determine from time to time.

(8) The basis of determining the exercise price:

The exercise price per option share is concluded by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of the Company in accordance with Rule 17.03(9) of the Listing Rules and is calculated as the higher of (i) the closing price for the Company's shares traded on the SEHK on the date of grant; and (ii) the average closing prices for the Company's shares traded on the SEHK for the five trading days immediately preceding the date of grant.

(9) The remaining life of the DSBG Option Scheme:

The DSBG Option Scheme shall be valid and effective for a period of 10 years commencing from 12 June 2004 and expiring at the close of 11 June 2014.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

Interests of Directors and Chief Executive (Continued)

乙） 在本公司及相聯公司所持認股權權益（續）

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

i） 本公司之認股權計劃（續）

i) Share option scheme of the Company (Continued)

根據本公司及其附屬公司的大新銀行集團認股權計劃，本公司及其主要營運附屬公司的若干董事獲授予認股權。於二零零六年十二月三十一日，在大新銀行集團認股權計劃下仍未行使之可認購本公司股份權利結餘詳情如下：

Pursuant to the DSBG Option Scheme of the Company and its associated corporation, certain directors of the Company and its major operating subsidiaries were granted options under the DSBG Option Scheme. Details of the share options outstanding as at 31 December 2006 which have been granted under the DSBG Option Scheme are as follows:

		認股權股份數目 Number of shares in the options							行使期 Exercise period	
		於二零零六年一月一日持有 Held at 1/1/2006	二零零六年內授予 Granted during 2006	二零零六年內行使 Exercised during 2006	二零零六年內失效/取消 Lapsed/ cancelled during 2006	於二零零六年十二月三十一日持有 Held at 31/12/2006	行使價[1] Exercise price[1] 港元 HK$	授予日期 Grant date (日/月/年) (d/m/y)	由 From (日/月/年) (d/m/y)	至 To (日/月/年) (d/m/y)
董事	**Directors**									
趙龍文	Lung-Man Chiu	250,000	–	–	–	250,000	16.70	25/11/2004	25/11/2005	25/11/2010
僱員總額[2]	**Aggregate of employees [2]**									
第一輪	First tranche	250,000	–	–	250,000	–	16.70	25/11/2004	25/11/2005	25/11/2010
第二輪	Second tranche	550,000	–	–	–	550,000	14.40	25/8/2005	25/8/2006	25/8/2011
第三輪	Third tranche	250,000	–	–	–	250,000	14.32	30/12/2005	30/12/2006	30/12/2011
第四輪	Fourth tranche	–	100,000	–	–	100,000	17.30	25/9/2006	25/9/2007	25/9/2012

董事會報告書
Report of the Directors

董事及行政總裁權益(續)

乙) 在本公司及相聯公司所持認股權權益(續)

i) 本公司之認股權計劃(續)

註:

1. 每輪授予的行使價是根據上市規則第17.03(9)條釐定,即以(i)本公司於香港交易所買賣之股份在授予日之收市價;及(ii)本公司於香港交易所買賣之股份在授予日前五個交易日之平均收市價,兩項中較高者定為行使價。本公司股份在不同授予日之前的收市價如下:

Interests of Directors and Chief Executive (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

i) *Share option scheme of the Company (Continued)*

Notes:

1. The exercise prices for each tranche of granting was determined in accordance with Rule 17.03(9) of the Listing Rules prevailing in force, being calculated as the higher of (i) the closing price of the Company's shares traded on the SEHK on the date of grant; and (ii) the average closing price of the Company's shares traded on the SEHK for the five trading days immediately preceding the date of grant. The closing price of the Company's shares immediately before the respective dates of grant are set out below:

授予日期 **Date of grant** (日/月/年)(d/m/y)	行使價 **Exercise price** 港元 HK$	授予日前本公司於香港交易所之收市價 **Closing price of the Company's shares on the SEHK immediately before the date of grant** 港元 HK$
25/11/2004	16.70	16.60
25/8/2005	14.40	14.15
30/12/2005	14.32	14.35
25/9/2006	17.30	17.04

2 於本分段顯示截至二零零六年十二月三十一日止財政年度內尚未行使認股權之變動及詳情,即本公司授予本公司主要營運附屬公司兩名董事及四名高級行政人員之認股權,彼為香港僱傭條例下「連續合約」工作的僱員。

3. 在大新銀行集團認股權計劃下,並無承授人獲授予多於其個人上限之認股權。

4. 截至二零零六年十二月三十一日止年度所授予認股權的價值:

截至二零零六年十二月三十一日止年度所授予認股權之價值計算方法詳載於財務報表附註47。

2. Set out under this sub-paragraph and particulars and movements during the year ended 31 December 2006 of the Company's outstanding share options which were granted to two directors and four senior executives of the Company's major operating subsidiaries and are working under employment contracts that are regarded as "continuous contracts" for the purpose of the Employment Ordinance of Hong Kong.

3. None of the grantees under the DSBG Option Scheme were granted share options exceeding respective individual limits.

4. Value of options granted during the year ended 31 December 2006:

Details of the computation of value of options granted during the year ended 31 December 2006 are shown in note 47 to the financial statements.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

乙） *在本公司及相聯公司所持認股權權益（續）*

ii) *本公司之控股公司大新金融集團有限公司之認股權計劃*

大新金融股東於二零零五年四月二十八日通過新認股權計劃（「大新金融認股權計劃」）。截至二零零六年十二月三十一日止年度，本公司董事或行政人員並無獲授予大新金融認股權計劃之認股權。

根據上市規則，大新金融認股權計劃概括如下：

(1) 大新金融認股權計劃的目的：

大新金融認股權計劃的目的是對承授人之貢獻及長期努力提供誘因及/或給予報酬，從而令大新金融集團內各公司獲得裨益。

(2) 大新金融認股權計劃的參與人：

任何一位大新金融集團內各公司的董事、經理或其他擔任行政、管理或主管級職位之僱員，或由董事會行使唯一酌情權決定大新金融認股權計劃之合資格參與人。

(3) 大新金融認股權計劃中可予發行的股份數目及其於二零零六年十二月三十一日佔已發行股本的百分率：

於二零零六年十二月三十一日，大新金融認股權計劃下仍有共9,780,462股股份可准予發行，佔大新金融已發行股本3.91%。

Interests of Directors and Chief Executive (Continued)

b) *Interests in options under share option schemes of the Company and associated corporation (Continued)*

ii) *Share option scheme of Dah Sing Financial Holdings Limited, the holding company of the Company*

The shareholders of DSFH approved to adopt the new Share Option Scheme (the "DSFH Option Scheme") on 28 April 2005. For the year ended 31 December 2006, no new options were granted to directors or executives of the Company under the DSFH Option Scheme.

Summary of the DSFH Option Scheme disclosed in accordance with the Listing Rules are as follows:

(1) Purpose of the DSFH Option Scheme:

The purpose of the DSFH Option Scheme is to provide an incentive and/or reward to grantees for their contribution to, and continuing efforts to promote the interests of, DSFH group of companies.

(2) Participants of the DSFH Option Scheme:

Any director of, manager of, or other employee holding an executive, managerial or supervisory position in, DSFH group of companies as the Board may in its sole discretion determine to be eligible to participate in the DSFH Option Scheme.

(3) Total number of shares available for issue under the DSFH Option Scheme and percentage of issued share capital as of 31 December 2006:

The number of shares available for issue under the DSFH Option Scheme is 9,780,462 shares, representing 3.91% of the issued share capital of DSFH as at 31 December 2006.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

乙） 在本公司及相聯公司所持認股權權益（續）

ii) 本公司之控股公司大新金融集團有限公司之認股權計劃（續）

(4) 大新金融認股權計劃中每名參與人可獲授權益上限：

任何合資格人士其獲授予認股權可認購之股份若行使後，加上給予其已發行及將發行之股份總數在授予有關認股權包括當日計過往十二個月期間超過已發行股本的百分之一，則不會獲授予認股權。任何進一步授予高於上限之認購權得接受大新金融認股權計劃之條款及不時修訂之上市規則監管。

(5) 根據認股權可認購股份的期限：

認購期由提名及薪酬委員會（原名為薪酬委員會）代表大新金融董事會決定，及於授予有關認股權時闡明，股份須於有關認股權授予日起計十年內認購。所有在大新金融認股權計劃下現有之認股權可於獲授予日期起計第一至第六周歲期間按不同數額行使。

(6) 認股權行使之前必須持有的最短期限：

最短持有日由提名及薪酬委員會（原名為薪酬委員會）代表大新金融董事會決定，及於授予時闡明。大新金融認股權計劃下之現行認股權不得於由授予日起計一年內行使。

Interests of Directors and Chief Executive (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Financial Holdings Limited, the holding company of the Company (Continued)

(4) Maximum entitlement of each participant under the DSFH Option Scheme:

No options may be granted to any eligible person which, if exercised, would result in such eligible person becoming entitled to subscribe for such number of shares as, when aggregated with the total number of shares already issued or to be issued to him under all options granted to him in the 12-month period up to and including the offer date of relevant options, exceed 1% of the shares in issue at such date. Any grant of further options above the limit shall be subject to the provisions of the DSFH Option Scheme and the Listing Rules as amended from time to time.

(5) The period within which the shares must be taken up under an option:

The exercise period is determined by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of DSFH and is specified when related options are granted, but shares under the options must be taken up within 10 years from the date of grant. All the existing share options under the DSFH Option Scheme shall be exercisable upon vesting in varying amounts between the first and sixth anniversaries from the date of grant.

(6) The minimum period for which an option must be held before it can be exercised:

The minimum holding period is determined by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of DSFH and is specified when related options are granted. None of the existing share options under the DSFH Option Scheme shall be exercisable within one year from the date of grant.

董事會報告書
Report of the Directors

董事及行政總裁權益(續)

乙) 在本公司及相聯公司所持認股權權益(續)

ii) 本公司之控股公司大新金融集團有限公司之認股權計劃(續)

(7) 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限:

接受認股權應支付金額按每份認股權1港元代價認購,及務須於授予日起計二十八天內或董事會不時決定之時間內繳訖。

(8) 行使價的釐定基準:

行使價根據當時上市規則第17.03(9)條釐定,由提名及薪酬委員會(原名為薪酬委員會)代表大新金融董事會決定,即以(i)大新金融於香港交易所買賣之股份在授予日之收市價;及(ii)大新金融於香港交易所買賣之股份在授予日前五個交易日之平均收市價,兩項中較高者定為行使價。

Interests of Directors and Chief Executive (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Financial Holdings Limited, the holding company of the Company (Continued)

(7) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purpose must be repaid:

The amount payable on acceptance of an option is HK$1.00 and must be made within 28 days upon offer of granting of options or such period the Board may determine from time to time.

(8) The basis of determining the exercise price:

The exercise price per option share is concluded by the Nomination and Remuneration Committee (formerly, the Remuneration Committee) on behalf of the Board of DSFH in accordance with Rule 17.03(9) of the Listing Rules and is calculated as the higher of (i) the closing price for DSFH's shares traded on the SEHK on the date of grant; and (ii) the average closing prices for DSFH's shares traded on the SEHK for the five trading days immediately preceding the date of grant.

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

Interests of Directors and Chief Executive (Continued)

乙） 在本公司及相聯公司所持認股權權益（續）

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) 本公司之控股公司大新金融集團有限公司之認股權計劃（續）

ii) Share option scheme of Dah Sing Financial Holdings Limited, the holding company of the Company (Continued)

(9) 大新金融認股權計劃尚餘有效期：

大新金融認股權計劃將於二零一五年四月二十七日期屆滿。

(9) The remaining life of the DSFH Option Scheme:

The DSFH Option Scheme will expire on 27 April 2015.

根據大新金融認股權計劃，本公司及其主要營運附屬公司的若干董事獲授予認股權。於二零零六年十二月三十一日，在大新金融認股權計劃下仍未行使之可認購大新金融股份權利結餘詳情如下：

Pursuant to the DSFH Option Scheme, certain Directors of the Company and its major operating subsidiaries were granted options under the DSFH Option Scheme. Details of the share options outstanding as at 31 December 2006 which have been granted under the DSFH Option Scheme are as follows:

		認股權包含大新金融股份數目 Number of DSFH shares in the options							行使期 Exercise period	
		於二零零六年一月一日持有 Held at 1/1/2006	二零零六年內授予 Granted during 2006	二零零六年內行使 Exercised during 2006	二零零六年內失效/取消 Lapsed/cancelled during 2006	於二零零六年十二月三十一日持有 Held at 31/12/2006	行使價[1] Exercise price[1] 港元 HK$	授予日期 Grant date (日/月/年) (d/m/y)	由 From (日/月/年) (d/m/y)	至 To (日/月/年) (d/m/y)
大新金融認股權計劃	**DSFH Option Scheme**									
董事	**Directors**									
黃漢興	Hon-Hing Wong (Derek Wong)	1,000,000	-	-	-	1,000,000	51.71	25/8/2005	25/8/2006	25/8/2011
王伯凌	Gary Pak-Ling Wang	400,000	-	-	-	400,000	51.71	25/8/2005	25/8/2006	25/8/2011
王祖興	Harold Tsu-Hing Wong	250,000	-	-	-	250,000	51.71	25/8/2005	25/8/2006	25/8/2011
僱員總額[2]	**Aggregate of employees[2]**									
第七輪	7th tranche	250,000	-	-	-	250,000	51.71	25/8/2005	25/8/2006	25/8/2011

董事會報告書
Report of the Directors

董事及行政總裁權益（續）

乙） 在本公司及相聯公司所持認股權權益（續）

ii) 本公司之控股公司大新金融集團有限公司之認股權計劃（續）

註:

1. 每輪授予的行使價是根據上市規則第17.03(9)條釐定，即以(i)大新金融於香港交易所所買賣之股份在授予日之收市價；及(ii)大新金融 在香港交易所買賣之股份收市價較在授予日前五個交易日之平均收市價，兩項中較高者定為行使價。大新金融股份在不同授予日前的收市價如下：

Interests of Directors and Chief Executive (Continued)

b) Interests in options under share option schemes of the Company and associated corporation (Continued)

ii) Share option scheme of Dah Sing Financial Holdings Limited, the holding company of the Company (Continued)

Notes:

1. The exercise prices for each tranche of granting were determined in accordance with Rule 17.03(9) of the Listing Rules prevailing in force, being calculated as the higher of (i) the closing price of DSFH's shares traded on the SEHK on the date of grant; and (ii) the average closing price of DSFH's shares traded on the SEHK for the five trading days immediately preceding the date of grant. The closing price of DSFH's shares immediately before the respective dates of grant are set out below:

授予日期 **Date of grant** （日/月/年）(d/m/y)	行使價 **Exercise price** 港元 HK$	授予日前大新金融於香港交易所之收市價 **Closing price of DSFH's shares on the SEHK immediately before the date of grant** 港元 HK$
25/8/2005	51.71	51.05

2. 於本分段顯示截至二零零六年十二月三十一日止財政年度內，大新金融尚未行使認股權之變動及詳情，即大新金融授予本公司主要營運附屬公司一名僱員。彼為大新金融的一名董事，並為香港僱傭條例下「連續合約」工作的僱員。

3. 在大新金融認股權計劃下，並無承授人獲授予多於其個人上限之認股權。

4. 截至二零零六年十二月三十一日止年度所授予認股權的價值：

   截至二零零六年十二月三十一日止年度所授予認股權之價值計算方法詳載於財務報表附註47。

2. Set out under this sub-paragraph are particulars and movements during the financial year ended 31 December 2006 of the DSFH's outstanding share options which were granted to an employee who is a director of DSFH and is working under employment contract that is regarded as "continuous contracts" for the purpose of the Employment Ordinance of Hong Kong.

3. None of the grantees under the DSFH Option Scheme were granted share options exceeding respective individual limits.

4. Value of options granted during the year ended 31 December 2006:

   Details of the computation of value of options granted during the year ended 31 December 2006 are shown in note 47 to the financial statements.

所有上述權益皆屬好倉。於二零零六年十二月三十一日，本公司依據「證券及期貨條例」而設置之董事及行政總裁權益及淡倉登記冊內並無董事持有淡倉的紀錄。

All the interests stated above represent long position. As at 31 December 2006, none of Directors of the Company held any short positions as defined under the SFO as recorded in the register of directors' and chief executives' interests and short positions.

董事會報告書
Report of the Directors

董事及行政總裁權益(續)

除上述所載外，年內本公司、其附屬公司或控股公司概無簽訂任何協議，使本公司董事及其配偶與未滿十八歲之子女可藉收購本公司或任何其他法人團體之股份或債券而取得利益。

各董事與本公司並無簽訂任何服務合約。

本年度內或年結時，本公司、其附屬公司或其控股公司概無簽訂任何有關本公司之業務而本公司董事直接或間接得到重大權益之重要合約。

Interests of Directors and Chief Executive (Continued)

Apart from the above, at no time during the year was the Company, its subsidiaries, or its holding company a party to any arrangements to enable the Directors of the Company nor their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

The Directors do not have any service contracts with the Company.

No contracts of significance in relation to the Company's business to which the Company, its subsidiaries or its holding company was a party and in which a Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

股東權益

於二零零六年十二月三十一日，依「證券及期貨條例」第336條而設置之股東股份權益及淡倉登記冊，顯示本公司已接獲下列持有本公司發行股份或相關股份百分之五或以上權益之通知，而已載於上述董事權益中據實披露之此等權益則不再於下述重覆。

Shareholders' Interests

At 31 December 2006, the register of shareholders' interests in shares and short positions maintained under section 336 of the SFO showed that the Company had been notified of the following interests, which are in addition to those disclosed above in respect of Directors, being 5% or more held in the shares and underlying shares of the Company.

股東 Shareholder	身份 Capacity	相關股份數量(股份權益佔全部已發行股本百分比) Number of shares interested in the relevant issued share capital of the Company (Percentage of interest held in the Company's entire issued share capital)
大新金融集團有限公司 Dah Sing Financial Holdings Limited	實質權益 Beneficial interest	697,969,170 (74.94%)
匯豐國際信託有限公司 HSBC International Trustee Limited	法團權益 Corporate interest	698,071,170 (74.94%) [1]
王嚴君琴 Christine Yen Wong	因其配偶擁有須具披露權益而視作其權益 Deemed interest by virtue of her spouse having a notifiable interest	697,969,170 (74.94%) [2]

董事會報告書
Report of the Directors

股東權益(續)

註：

1. 鑑於匯豐國際信託有限公司(「匯豐信託」)為王守業及其家屬利益而成立之全權信託受託人，因而間接持有大新金融股份權益。匯豐信託須就由其受控公司持有本公司相關股份而作出披露。此等股份已於上述「董事及行政總裁權益」有關王守業的法團權益一項中披露。

   於二零零七年三月二十八日，本公司通過截至二零零六年十二月三十一日止年度之財務報表當日，匯豐信託共持有698,071,170股本公司股份(其中以大新金融法團權益名義持有共697,969,170股本公司股份，佔本公司相關已發行股本74.94%)。此等權益已於上述「董事及行政總裁權益」有關王守業的法團權益一項中披露。

2. 此等股份屬王嚴君琴持有之權益，皆因其配偶(王守業)乃大新金融之主要股東並持有本公司有關股本的視作權益。王嚴君琴因此須就其配偶之視作權益而作出披露。此等權益與王守業於上述「董事及行政總裁權益」披露中所載持有之股份相同。

所有上述權益皆屬好倉。於二零零六年十二月三十一日，本公司之股東權益及淡倉登記冊內並無淡倉紀錄。

Shareholders' Interests (Continued)

Notes:

1. By virtue of the deemed interest in DSFH shares indirectly held by HSBC International Trustee Limited ("HSBCIT") in trust for a discretionary trust established for the benefit of David Shou-Yeh Wong and his family, HSBCIT is taken to have a duty of disclosure in relation to the relevant shares of the Company held through its controlled companies. Relevant shares have been included in the "Corporate interests" of David Shou-Yeh Wong as disclosed under the heading of "Interests of Directors and Chief Executive" above.

   At 28 March 2007 when the Company's financial statements for the year ended 31 December 2006 were approved, HSBCIT was interested in 698,071,170 shares, inclusive of 697,969,170 shares (or 74.94%) in relevant issued share capital of the Company are held by DSFH through corporate interest included in the "Corporate interests" of David Shou-Yeh Wong already disclosed under the heading of "Interests of Directors and Chief Executive" above.

2. Such shares represented deemed interest of Christine Yen Wong by virtue of her spouse, David Shou-Yeh Wong being a substantial shareholder of DSFH which held a corporate interest in relevant share capital of the Company. Christine Yen Wong is taken to have a duty of disclosure in relation to the deemed interest of the Company held by her spouse. This interest comprised the same interest of David Shou-Yeh Wong under the heading of "Interests of Directors and Chief Executive" shown above.

All the interests stated above represent long positions. As at 31 December 2006, no short positions were recorded in the register of substantial shareholders' interests in shares and short positions maintained by the Company.

購買、出售或贖回股份

截至二零零六年十二月三十一日止年度，並無贖回任何本身之股份。另本公司及各附屬公司於截至二零零六年十二月三十一日止年度亦無購買或出售任何本公司之股份。

Purchase, Sale or Redemption of Shares

The Company has not redeemed any of its shares during the year ended 31 December 2006. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's own shares during the year ended 31 December 2006.

管理合約

截至二零零六年十二月三十一日止年度，本公司並無就全盤或其中重大部份業務簽訂或存有任何管理及行政合約。

Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2006.

關連交易

自本公司成立直至二零零六年十二月三十一日止期間，本集團與其關連人士之交易詳情，已載於財務報表附註46。

Connected Transactions

Details of the transactions with related parties of the Group in the relevant period ended 31 December 2006 since its incorporation have been set out in note 46 to the financial statements.

董事會報告書
Report of the Directors

五年財務數據

本集團過去五年之公佈業績、資產及負債已載列於本年報之「財務概要」內。

本公司於二零零四年三月十一日成立，為大新金融集團有限公司(「大新金融」)之附屬公司。根據於二零零四年六月完成的集團重組，大新金融將其銀行業務有關之附屬公司以股換股方式轉予本公司，以成為其銀行業務有關之附屬公司之控股公司。根據合併會計處理方式及切合披露集團五年的財務資料的需要，在報告期內之綜合業績乃視本公司已存在及該銀行業務有關的附屬公司已成為本公司之附屬公司而編製。

Five-Year Financial Information

The published results and the assets and liabilities of the Group for the last five years are included in the section of the annual report under "Financial Summary".

The Company was incorporated on 11 March 2004 as a subsidiary of Dah Sing Financial Holdings Limited ("DSFH"). Pursuant to a group reorganization, DSFH transferred its banking-related subsidiaries to the Company in June 2004 through a share-for-share swap and the Company became the holding company of these banking-related subsidiaries thereafter. Based on the merger accounting treatment and for the purpose of disclosing the five year financial information, the consolidated results of the Company and its subsidiaries were produced on the basis that the Company had existed and the banking-related subsidiaries had been subsidiaries of the Company throughout the reporting periods.

主要客戶

截至二零零六年十二月三十一日止年度，少於百分之三十之利息收入及其他營運收入源自本集團最主要之首五名客戶。

Major Customers

During the year ended 31 December 2006, the Group derived less than 30% of its interest income and other operating income from its five largest customers.

充足公眾持股量

於二零零七年三月二十八日(本年報付印前之最後可行日期)，就本公司所得之公開資料及本公司各董事所知，本公司已維持根據上市規則所規定之公眾持股量。

Sufficiency of Public Float

As at 28 March 2007, being the latest practicable date prior to the issue of this annual report, the Company has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Company and within knowledge of the Directors of the Company.

核數師

本財務報表已經羅兵咸永道會計師事務所審核，該核數師任滿告退，但表示願應聘連任。在即將召開的股東週年常會中，將提呈通過再聘請羅兵咸永道會計師事務所為本公司核數師的議案。

承董事會命
王守業
主席

香港　二零零七年三月二十八日

Auditors

The financial statements have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as auditors of the Company is to be proposed at the forthcoming annual general meeting.

On behalf of the Board
David Shou-Yeh Wong
Chairman

Hong Kong, 28 March 2007

綜合收益賬
Consolidated Income Statement

截至二零零六年十二月三十一日止年度 For the year ended 31 December 2006
（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

		附註 Note	二零零六年 2006	二零零五年 2005
利息收入	Interest income		**4,969,713**	3,094,884
利息支出	Interest expense		**(3,070,804)**	(1,761,502)
淨利息收入	**Net interest income**	6	**1,898,909**	1,333,382
服務費及佣金收入	Fee and commission income		**612,100**	468,209
服務費及佣金支出	Fee and commission expense		**(85,856)**	(65,708)
淨服務費及佣金收入	**Net fee and commission income**	7	**526,244**	402,501
淨買賣收入	Net trading income	8	**118,687**	142,259
其他營運收入	Other operating income	9	**64,205**	38,197
營運收入	**Operating income**		**2,608,045**	1,916,339
營運支出	Operating expenses	10	**(1,181,727)**	(924,605)
扣除貸款及墊款減值提撥前之營運溢利	**Operating profit before impairment losses on loans and advances**		**1,426,318**	991,734
貸款及墊款之減值提撥	Impairment losses on loans and advances	13	**(161,389)**	(130,577)
若干投資及固定資產收益前之營運溢利	**Operating profit before gains on certain investments and fixed assets**		**1,264,929**	861,157
出售附屬公司權益淨收益	Net gain on disposal of interests in subsidiaries	14	**4,048**	–
出售行產及其他固定資產之淨收益/重估減值回撥	Net gain on disposal/reversal of revaluation deficits of premises and other fixed assets	15	**27,768**	103,991
投資物業之公平值調整淨收益	Net gain on fair value adjustment on investment properties		**27,995**	74,570
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities		**88,053**	116,077
應佔共同控制實體之業績	Share of results of jointly controlled entities		**7,008**	3,104
可供出售證券之減值回撥	Reversal of impairment losses on available-for-sale securities		**25,891**	–
除稅前溢利	**Profit before income tax**		**1,445,692**	1,158,899
稅項	Income tax expense	16	**(244,421)**	(177,727)
年度溢利	**Profit for the year**		**1,201,271**	981,172
少數股東應佔溢利	Profit attributable to minority interests		**(5,285)**	(2,338)
本公司股東應佔溢利	**Profit attributable to shareholders of the Company**	17	**1,195,986**	978,834
股息	**Dividends**			
已派中期股息	Interim dividend paid	18	**232,854**	211,561
擬派末期股息	Proposed final dividend	18	**419,137**	353,938
			651,991	565,499
每股盈利	**Earnings per share**			
基本	Basic	19	**HK$1.28**	HK$1.06
攤薄	Diluted	19	**HK$1.28**	HK$1.06

第64頁至第178頁之附註乃本綜合財務報表之一部分。

The notes on pages 64 to 178 are an integral part of these consolidated financial statements.

綜合資產負債表
Consolidated Balance Sheet

二零零六年十二月三十一日 As at 31 December 2006

（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

		附註 Note	二零零六年 2006	二零零五年 2005
資產	**ASSETS**			
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	20	**6,988,137**	8,040,676
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months		**596,659**	1,169,174
持作買賣用途的證券	Trading securities	21	**4,792,830**	5,364,375
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	21	**1,276,671**	1,379,163
衍生金融工具	Derivative financial instruments	22	**366,708**	153,706
各項貸款及其他賬目	Advances and other accounts	23	**51,730,681**	46,568,778
可供出售證券	Available-for-sale securities	24	**32,923,713**	22,772,190
持至到期證券	Held-to-maturity securities	25	**300,701**	494,855
共同控制實體投資	Investments in jointly controlled entities	26	**37,192**	30,184
商譽	Goodwill	28	**811,690**	811,690
無形資產	Intangible assets	28	**168,663**	203,214
行產及其他固定資產	Premises and other fixed assets	29	**1,386,636**	1,378,643
投資物業	Investment properties	30	**642,140**	320,939
預付即期稅項	Current income tax prepaid		**10,763**	–
遞延稅項資產	Deferred income tax assets	39	**3,377**	7,692
持作轉售用途之非流動資產	Non-current assets held for resale	31	**–**	821,561
資產合計	**Total assets**		**102,036,561**	89,516,840
負債	**LIABILITIES**			
銀行及其他金融機構存款	Deposits from banks and other financial institutions		**1,678,259**	255,748
衍生金融工具	Derivative financial instruments	22	**317,655**	506,058
持作買賣用途的負債	Trading liabilities	33	**6,526,233**	6,311,309
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	34	**3,393,048**	1,904,280
客戶存款	Deposits from customers	35	**63,885,058**	56,449,982
已發行的存款證	Certificates of deposit issued	36	**8,768,472**	7,713,297
已發行的債務證券	Issued debt securities	37	**2,299,574**	2,287,095
後償債務	Subordinated notes	38	**3,480,127**	3,290,342
其他賬目及預提	Other accounts and accruals		**2,138,677**	1,449,744
即期稅項負債	Current income tax liabilities		**79,268**	40,322
遞延稅項負債	Deferred income tax liabilities	39	**134,949**	104,334
持作轉售用途之非流動負債	Non-current liabilities held for resale	31	**–**	531,023
負債合計	**Total liabilities**		**92,701,320**	80,843,534
權益	**EQUITY**			
少數股東權益	Minority interests		**19,000**	24,692
本公司股東應佔權益	**Equity attributable to the Company's shareholders**			
股本	Share capital	42	**931,416**	931,416
儲備	Reserves	43	**7,965,688**	7,363,260
擬派末期股息	Proposed final dividend	18	**419,137**	353,938
股東資金	**Shareholders' funds**		**9,316,241**	8,648,614
權益合計	**Total equity**		**9,335,241**	8,673,306
權益及負債合計	**Total equity and liabilities**		**102,036,561**	89,516,840

董事局於二零零七年三月二十八日批准及授權發佈。

Approved and authorised for issue by the Board of Directors on 28 March 2007.

王守業
董事

黃漢興
董事總經理

David Shou-Yeh Wong
Director

Hon-Hing Wong
Managing Director

第64頁至第178頁之附註乃本綜合財務報表之一部分。

The notes on pages 64 to 178 are an integral part of these consolidated financial statements.

資產負債表
Balance Sheet

二零零六年十二月三十一日 As at 31 December 2006
(以港幣千元位列示) (Expressed in thousands of Hong Kong dollars)

		附註 Note	二零零六年 2006	二零零五年 2005
附屬公司投資	**Investments in subsidiaries**	27	**3,175,896**	2,650,408
流動資產	Current assets			
銀行結餘	Bank balances	20	**27,349**	541,731
應收利息及其他賬目	Accounts receivable and other accounts		**356**	1,014
			27,705	542,745
流動負債	Current liabilities			
預提費用及其他賬目	Accrued expenses and other accounts		**1,156**	1,668
淨流動資產	Net current assets		**26,549**	541,077
			3,202,445	3,191,485
權益	**EQUITY**			
股本	Share capital	42	**931,416**	931,416
儲備	Reserves	43	**1,851,892**	1,906,131
擬派末期股息	Proposed final dividend	18	**419,137**	353,938
權益合計	**Total equity**		**3,202,445**	3,191,485

董事局於二零零七年三月二十八日批准及授權發佈。

Approved and authorised for issue by the Board of Directors on 28 March 2007.

王守業
董事

黃漢興
董事總經理

David Shou-Yeh Wong
Director

Hon-Hing Wong
Managing Director

第64頁至第178頁之附註乃本綜合財務報表之一部分。

The notes on pages 64 to 178 are an integral part of these consolidated financial statements.

綜合權益變動報表
Consolidated Statement of Changes in Equity

截至二零零六年十二月三十一日止年度
（以港幣千元位列示）

For the year ended 31 December 2006
(Expressed in thousands of Hong Kong dollars)

		本公司股東應佔權益 Attributable to the shareholders of the Company					
		股本 Share capital	股份溢價 Share premium	其他儲備 Other reserves	保留盈利 Retained earnings	少數股東權益 Minority interests	權益合計 Total equity
二零零六年一月一日結餘	**Balance at 1 January 2006**	931,416	2,209,149	1,044,862	4,463,187	24,692	8,673,306
可供出售證券公平值之收益	Fair value gains on available-for-sale securities	–	–	73,993	–	(7)	73,986
出售可供出售證券	Disposal of available-for-sale securities	–	–	(88,053)	–	–	(88,053)
可供出售證券公平值收益及出售而回撥之遞延税項負債	Deferred income tax liabilities released on fair value gains on and disposal of available-for-sale securities	–	–	2,667	–	–	2,667
行產重估之公平值收益	Fair value gains on revaluation of premises	–	–	79,877	–	–	79,877
行產重估而確認之遞延税項負債	Deferred income tax liabilities recognised on premises revaluation	–	–	(10,209)	–	–	(10,209)
換算海外附屬公司財務報表的匯兑差異	Exchange differences arising on translation of the financial statements of foreign entities	–	–	158	–	48	206
直接確認於權益之淨收入	Net income recognised directly in equity	–	–	58,433	–	41	58,474
年度溢利	Profit for the year	–	–	–	1,195,986	5,285	1,201,271
於二零零六年確認之總收入	Total recognised income for 2006	–	–	58,433	1,195,986	5,326	1,259,745
出售附屬公司權益	Disposal of subsidiaries	–	–	–	–	(6,258)	(6,258)
附屬公司向其少數股東派發股息	Dividend paid to minority shareholder of a subsidiary	–	–	–	–	(4,760)	(4,760)
二零零五年末期股息	2005 final dividend	–	–	–	(353,938)	–	(353,938)
二零零六年中期股息	2006 interim dividend	–	–	–	(232,854)	–	(232,854)
		–	–	–	(586,792)	(11,018)	(597,810)
二零零六年十二月三十一日結餘	**Balance at 31 December 2006**	931,416	2,209,149	1,103,295	5,072,381	19,000	9,335,241

		截至十二月三十一日止年度 **Year ended 31 December**	
		二零零六年 **2006**	二零零五年 2005
包括於保留盈利內之擬派末期股息	Proposed final dividend included in retained earnings	**419,137**	353,938

綜合權益變動報表
Consolidated Statement of Changes in Equity

截至二零零六年十二月三十一日止年度（*續*） For the year ended 31 December 2006 *(Continued)*
（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

		本公司股東應佔權益 Attributable to the shareholders of the Company					
		股本 Share capital	股份溢價 Share premium	其他儲備 Other reserves	保留盈利 Retained earnings	少數股東權益 Minority interests	權益合計 Total equity
二零零五年一月一日結餘	Balance at 1 January 2005	919,831	2,054,513	814,984	4,045,450	19,990	7,854,768
可供出售證券公平值之收益／（虧損）	Fair value gains/(losses) on available-for-sale securities	–	–	56,455	–	(2)	56,453
出售可供出售證券	Disposal of available-for-sale securities	–	–	(116,077)	–	–	(116,077)
可供出售證券公平值收益及出售而回撥之遞延税項負債	Deferred income tax liabilities released on fair value gains on and disposal of available-for-sale securities	–	–	10,806	–	–	10,806
行產重估之公平值收益	Fair value gains on revaluation of premises	–	–	337,967	–	–	337,967
行產重估而確認之遞延税項負債	Deferred income tax liabilities recognised on premises revaluation	–	–	(59,152)	–	–	(59,152)
換算海外附屬公司財務報表的匯兑差異	Exchange differences arising on translation of the financial statements of foreign entities	–	–	(121)	–	(39)	(160)
直接確認於權益之淨收入/(支出)	Net income/(expense) recognised directly in equity	–	–	229,878	–	(41)	229,837
年度溢利	Profit for the year	–	–	–	978,834	2,338	981,172
於二零零五年確認之總收入	Total recognised income for 2005	–	–	229,878	978,834	2,297	1,211,009
發行普通股股份	Issue of ordinary shares	11,585	154,636	–	–	–	166,221
附屬公司向其少數股東派發股息	Dividend paid to minority shareholder of a subsidiary	–	–	–	–	(3,675)	(3,675)
收購附屬公司	Acquisition of subsidiaries	–	–	–	–	5,886	5,886
少數股東向附屬公司之資本貢獻	Capital contribution by minority shareholder to a subsidiary	–	–	–	–	194	194
二零零四年末期股息	2004 final dividend	–	–	–	(349,536)	–	(349,536)
二零零五年中期股息	2005 interim dividend	–	–	–	(211,561)	–	(211,561)
		11,585	154,636	–	(561,097)	2,405	(392,471)
二零零五年十二月三十一日結餘	Balance at 31 December 2005	931,416	2,209,149	1,044,862	4,463,187	24,692	8,673,306

第64頁至第178頁之附註乃本綜合財務報表之一部分。

The notes on pages 64 to 178 are an integral part of these consolidated financial statements.

綜合現金流量結算表
Consolidated Cash Flow Statement

截至二零零六年十二月三十一日止年度
（以港幣千元位列示）

For the year ended 31 December 2006
(Expressed in thousands of Hong Kong dollars)

		附註 Note	二零零六年 2006	二零零五年 2005
經營業務之現金流量	**Cash flows from operating activities**			
經營業務所用的現金淨額	Net cash used in operating activities	44(a)	**(2,005,449)**	(1,134,552)
投資業務之現金流量	**Cash flows from investing activities**			
出售附屬公司（扣除該公司之現金及等同現金項目）	Disposal of a subsidiary (net of cash and cash equivalents disposed of)	44(b)	**284,714**	–
收購附屬公司（扣除該等公司之現金及等同現金項目）	Acquisition of subsidiaries (net of cash and cash equivalents acquired)		**–**	474,436
購置投資物業及固定資產	Purchase of investment properties and fixed assets		**(272,992)**	(26,838)
出售固定資產所得款項	Proceeds from disposal of fixed assets		**81**	233
投資合夥企業	Investments in partnerships		**(196,936)**	–
投資業務現金（所用）/流入淨額	Net cash (used in)/from investing activities		**(185,133)**	447,831
融資業務之現金流量	**Cash flows from financing activities**			
發行存款證	Certificates of deposit issued		**3,466,796**	1,976,201
贖回存款證	Certificates of deposit redeemed		**(2,562,185)**	(3,346,359)
發行後償債務	Subordinated notes issued		**1,162,210**	2,334,960
贖回後償債務	Subordinated notes redeemed		**(970,069)**	–
發行普通股股份	Issue of ordinary shares		**–**	166,221
附屬公司向其少數股東派發股息	Dividend paid to minority shareholder of a subsidiary		**(4,760)**	(3,675)
派發普通股股息	Dividends paid on ordinary shares		**(586,792)**	(561,097)
融資業務現金流入淨額	Net cash from financing activities		**505,200**	566,251
現金及等同現金項目減少淨額	**Net decrease in cash and cash equivalents**		**(1,685,382)**	(120,470)
年初現金及等同現金項目	Cash and cash equivalents at beginning of the year		**12,947,484**	13,067,954
年末現金及等同現金項目	**Cash and cash equivalents at end of the year**	44(c)	**11,262,102**	12,947,484

第64頁至第178頁之附註乃本綜合財務報表之一部分。

The notes on pages 64 to 178 are an integral part of these consolidated financial statements.

財務報表附註
Notes to the Financial Statements

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

1. 一般資料

大新銀行集團有限公司(「本公司」)與其附屬公司(統稱「本集團」)在香港，澳門及中國提供銀行、金融及其他相關服務。

本公司乃一間在香港註冊的投資控股公司，註冊地址為香港灣仔告士打道一百零八號大新金融中心三十六樓。

本公司之控股公司大新金融集團有限公司為香港一間上市公司。

除另有註明外，此綜合財務報表概以港幣千元位列示，並已於二零零七年三月二十八日獲董事會批准發表。

2. 主要會計政策概要

以下為編製本財務報表所採納之主要會計政策，除另有註明外，與過往財政年度所採納者一致。

2.1 編製基準

本集團之綜合財務報表按照香港會計師公會(「香港會計師公會」)所頒佈之香港財務報告準則(「香港財務報告準則」，為包括所有個別適用的香港財務報告準則、香港會計準則(「會計準則」)以及其詮釋之統稱)，香港普遍採納之會計原則及香港公司條例而編製。該等財務報表亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。

此綜合財務報表乃根據歷史成本常規法編製，並就物業重估(包括投資物業)、可供出售之金融資產、持作買賣用途之金融資產及金融負債、以公平值計量且其變動計入損益的金融資產及金融負債(包括衍生工具)作出修訂。

1. General information

Dah Sing Banking Group Limited (the “Company”) and its subsidiaries (together the “Group”) provide banking, financial and other related services in Hong Kong, Macau, and the People’s Republic of China.

The Company is an investment holding company incorporated in Hong Kong. The address of its registered office is 36th Floor, Dah Sing Financial Centre, 108 Gloucester Road, Wanchai, Hong Kong.

The holding company is Dah Sing Financial Holdings Limited, a listed company in Hong Kong.

These consolidated financial statements are presented in thousands of Hong Kong dollars (HK$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 28 March 2007.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the reporting years presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs” which is a collective term including all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of properties (including investment properties), available-for-sale financial assets, financial assets and financial liabilities held for trading, and financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.1 編製基準（續）

編製符合香港財務報告準則之財務報表須使用若干重要之會計估計，亦須管理層在應用本集團會計政策之過程中作出判斷。對涉及高度判斷力或較複雜之範疇，或對綜合財務報表影響重大之假設及估計，乃於附註四中披露。

（甲） 自二零零六年起生效的對現有準則之修訂及詮釋

- 香港會計準則第39號（修訂）《公平價值法之選擇》須應用於本集團自二零零六年一月一日起或其後之會計期。相比原有之香港會計準則第39號，此修訂限定了可使用香港會計準則第39號公平價值法之選擇之範疇。本集團根據二零零五年之有關過渡性規定提早採納此修訂本。

- 香港會計準則第39號及香港財務報告準則第4號（修訂）《財務擔保合約》須應用於本集團自二零零六年一月一日起或其後之會計期。任何過往沒有按照香港財務報告準則第4號處理之新增及現有之財務擔保合約現時須要按照香港會計準則第39號處理。在往年，財務擔保合約並非按照香港財務報告準則第4號處理惟按照香港會計準則第37號《準備、或然負債及或然資產》以資產負債表外或然負債披露。於二零零六年十二月三十一日及二零零五年十二月三十一日，須按照香港會計準則第39號及遵行上述修訂而確認之財務擔保合約有關之財務負債金額極小。

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

The preparation of financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

(a) Amendments and interpretations to existing standards effective in 2006

- HKAS 39 (Amendment), The Fair Value Option, is mandatory for the Group's accounting periods beginning on or after 1 January 2006. This amendment restricts the circumstances under which the fair value option in HKAS 39 can be used, as compared to the original HKAS 39. The Group has early adopted this amendment in accordance with the relevant transitional provisions in 2005.

- HKAS 39 and HKFRS 4 (Amendment), Financial Guarantee Contracts, are mandatory for the Group's accounting periods beginning on or after 1 January 2006. Any new and existing financial guarantee contracts that were previously not accounted for under HKFRS 4 are now required to be accounted for under HKAS 39. In prior years, financial guarantee contracts were not accounted for under HKFRS 4 but were disclosed as off-balance sheet contingent liabilities under HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets". As at 31 December 2006 and 31 December 2005, the amounts of financial liabilities related to financial guarantee contracts required to be recognised under HKAS 39 and in accordance with the above amendment were insignificant.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.1 編製基準（續）

（甲） 自二零零六年起生效的對現有準則之修訂及詮釋（*續*）

- 香港（國際財務報告詮釋委員會）詮釋第4號《釐定一項安排是否包含一項租賃》須應用於本集團自二零零六年一月一日起或其後之會計期。此詮釋須對某些供應安排是否實質包含出租人及承租人雙方須按香港會計準則第17號《租賃》確認之租賃作評估。本集團已遵行此詮釋之要求審閱其合約，並無發覺有重大合約須按照香港會計準則第17號而重新分類為租賃。

（乙） 自二零零六年起生效惟對本集團之營運並不適用之準則、修訂及詮釋

下列準則、修訂及詮釋須應用於自二零零六年一月一日起或其後之會計期，惟並未對本集團之會計政策帶來重大改變或對本集團之營運並不適用：

- 香港會計準則第19號（修訂）《僱員福利》須應用自二零零六年一月一日起或其後之會計期，惟本集團並無提供任何界定福利退休計劃，故此準則並不適用於本集團；
- 香港會計準則第21號（修訂）《對海外業務之投資淨額》；
- 香港會計準則第39號（修訂）《預測集團內部交易之現金流對沖會計法》；
- 香港財務報告準則第1號（修訂）《首次應用香港財務報告準則》；
- 香港財務報告準則第6號《勘查及評估礦物資源》；
- 香港（國際財務報告詮釋委員會）詮釋第5號《有關解體或重建環境修復基金權益之權利》；及
- 香港（國際財務報告詮釋委員會）詮釋第6號《參與特定市場（電氣及電子設備廢料）所引起之負債》。

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(a) Amendments and interpretations to existing standards effective in 2006 *(Continued)*

- HK(IFRIC) – INT 4, Determining whether an Arrangement contains a Lease, is mandatory for the Group's accounting periods beginning on or after 1 January 2006. This interpretation requires an assessment of whether certain supply arrangements contain in substance a lease that should be recognised by both the "lessor" and "lessee" in accordance with HKAS 17, Leases. The Group has reviewed its contracts in accordance with the requirements of this interpretation. No material contracts requiring reclassification as leases under HKAS 17 were noted.

(b) Standards, amendments and interpretations effective in 2006 but not relevant to the Group's operations

The following standards, amendments and interpretations are mandatory for accounting periods beginning on or after 1 January 2006 but either did not result in substantial changes to the Group's accounting policies or are not relevant to the Group's operations:

- HKAS 19 (Amendment), Employee Benefits, which is mandatory for accounting periods beginning on or after 1 January 2006 is not applicable to the Group as the Group does not operate any defined benefit pension schemes;
- HKAS 21 (Amendment), Net Investment in a Foreign Operation;
- HKAS 39 (Amendment), Cash Flow Hedge Accounting of Forecast Intragroup Transactions;
- HKFRS 1 (Amendment), First-time Adoption of Hong Kong Financial Reporting Standards;
- HKFRS 6 Exploration for and Evaluation of Mineral Resources;
- HK(IFRIC) – INT 5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds; and
- HK(IFRIC) – INT 6, Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

2. 主要會計政策概要（續）

2.1 編製基準（續）

（丙） 仍未生效及本集團並無提早採納或對本集團不適用之準則、修訂及詮釋

本集團選擇不提早採納下列已頒佈惟對於二零零六年一月一日開始之會計年度仍未生效之準則、現有準則之修訂及詮釋：

- 香港財務報告準則第7號《金融工具：披露》及香港會計準則第1號（修訂）《財務報表呈列（資本披露）》有效於二零零七年一月一日起或其後之會計年度。香港財務報告準則第7號引入了一些新的有關金融工具披露要求及包括許多現行在香港會計準則第32號《金融工具：披露及呈列》之披露。香港財務報告準則第7號將取代香港會計準則第30號《銀行及類同金融機構財務報表中之披露》及香港會計準則第32號之披露要求。本集團對香港財務報告準則第7號及香港會計準則第1號（修訂）之影響已作出評估，及斷定其主要影響為對公平值計量及風險管理有更多性質上及數量上的披露。因此採納此準則將不會對本集團之營運或財務狀況造成任何影響。本集團將在自二零零七年一月一日起之年度應用香港財務報告準則第7號及香港會計準則第1號（修訂）；

- 香港（國際財務報告詮釋委員會）詮釋第8號《香港財務報告準則第2號之範圍》（有效於二零零六年五月一日起或其後之年度）。香港（國際財務報告詮釋委員會）詮釋第8號要求確定對涉及發行股權性工具之交易代價（如收取之可認明代價少於該發行股權性工具之公平值）是否在香港財務報告準則第2號之範圍。本集團將於二零零七年一月一日起應用香港（國際財務報告詮釋委員會）詮釋第8號，惟預期該詮釋並不會對本集團二零零六年年度之財務報表有任何影響；

(Expressed in thousands of Hong Kong dollars)

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations that are not yet effective and have either not been early adopted by the Group or not relevant to the Group

The Group has chosen not to early adopt the following standards, amendments and interpretations to existing standards that were issued but not yet effective for accounting periods beginning on 1 January 2006:

- HKFRS 7, Financial Instruments: Disclosures and the Amendment to HKAS 1, Presentation of Financial Statements – Capital Disclosures, are effective for annual accounting periods beginning on or after 1 January 2007. HKFRS 7 introduces certain new disclosures relating to financial instruments while incorporating many of the requirements presently in HKAS 32 Financial Instruments: Disclosure and Presentation. HKFRS 7 will supersede HKAS 30 Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and the disclosure requirements of HKAS 32. The Group has assessed the impact of HKFRS 7 and the amendment to HKAS 1 and concluded that the key impact will be more qualitative and quantitative disclosures primarily related to fair value measurement and risk management. Accordingly, the adoption of this standard will have no effect on the Group's results of operations or financial position. The Group will apply HKFRS 7 and the amendment to HKAS 1 from annual periods beginning 1 January 2007;

- HK(IFRIC) – INT 8, Scope of HKFRS 2 (effective for annual periods beginning on or after 1 May 2006). HK(IFRIC) – INT 8 requires consideration of transactions involving the issuance of equity instruments – where the identifiable consideration received is less than the fair value of the equity instruments issued – to establish whether or not they fall within the scope of HKFRS 2. The Group will apply HK(IFRIC) – INT 8 from 1 January 2007, but it is not expected to have any impact on the Group's 2006 financial statements;

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.1 編製基準（續）

（丙） 仍未生效及本集團並無提早採納或對本集團不適用之準則、修訂及詮釋（續）

- 香港（國際財務報告詮釋委員會）詮釋第9號《重新評估內含衍生工具》（有效於自二零零六年六月一日起或其後之年度）。香港（國際財務報告詮釋委員會）詮釋第9號要求機構對是否須於其初成為合約的一方時，分開該合約內的內含衍生工具為獨立衍生工具作出評估。除因合約條款變更而按照合約作重大改變的現金流須重新評估外，繼後之重新評估是不准許。本集團將於二零零七年一月一日起應用香港（國際財務報告詮釋委員會）詮釋第9號，惟預期該詮釋並不會對本集團二零零六年年度之財務報表有任何影響；及
- 香港（國際財務報告詮釋委員會）詮釋第10號《中期財務報告及減值》（有效於自二零零六年十一月一日起或其後之年度）。香港（國際財務報告詮釋委員會）詮釋第10號不准許已於中期業績確認之商譽、權益性工具投資及以成本列示的金融資產投資減值於繼後之資產負債日期回撥。本集團將於二零零七年一月一日起應用香港（國際財務報告詮釋委員會）詮釋第10號，惟預期該詮釋並不會對本集團二零零六年年度之財務報表有任何影響。

下列為已頒佈自二零零六年一月一日起之會計年度仍未生效並被評估為對本集團之營運並不適用之詮釋：

- 香港（國際財務報告詮釋委員會）詮釋第7號《應用重列方法於香港會計準則第29號：過度通貨膨脹經濟下編制財務報告》（二零零六年三月一日起生效）。香港（國際財務報告詮釋委員會）詮釋第7號提供對機構在過往期間並未出現過度通貨膨脹，惟在報告期內發現其運作貨幣之經濟體系呈現過度通貨膨脹時，應用香港會計準則第29號之要求之指引。由於本集團並無任何機構持有之貨幣為過度通貨膨脹經濟體系之運作貨幣，香港（國際財務報告詮釋委員會）詮釋第7號對本集團之營運並不適用。

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

(c) Standards, amendments and interpretations that are not yet effective and have either not been early adopted by the Group or not relevant to the Group *(Continued)*

- HK(IFRIC) – INT 9, Reassessment of Embedded Derivatives (effective for annual periods beginning on or after 1 June 2006). HK(IFRIC) – INT 9 requires an entity to assess whether an embedded derivative is required to be separated from the host contract and accounted for as a derivative when the entity first becomes a party of the contract. Subsequent reassessment is prohibited unless there is a change in the terms of the contract that significantly modifies the cash flows that otherwise would be required under the contract, in which case reassessment is required. The Group will apply HK(IFRIC) – INT 9 from 1 January 2007, but it is not expected to have any impact on the Group's 2006 financial statements; and
- HK(IFRIC) – INT 10, Interim Financial Reporting and Impairment (effective for annual periods beginning on or after 1 November 2006). HK(IFRIC) – INT 10 prohibits the impairment losses recognised in an interim period on goodwill, investments in equity instruments and investments in financial assets carried at cost to be reversed at a subsequent balance sheet date. The Group will apply HK(IFRIC) – INT 10 from 1 January 2007, but it is not expected to have any impact on the Group's 2006 financial statements.

The following interpretations were issued but not yet effective for accounting periods beginning on 1 January 2006 and has been assessed to be not relevant to the Group's operations:

- HK(IFRIC) – INT 7, Applying the Restatement Approach under HKAS 29, Financial Reporting in Hyperinflationary Economies (effective from 1 March 2006). HK(IFRIC) – INT 7 provides guidance on how to apply the requirements of HKAS 29 in a reporting period in which an entity identifies the existence of hyperinflation in the economy of its functional currency, when the economy was not hyperinflationary in the prior period. As none of the Group's entities have a currency of a hyperinflationary economy as its functional currency, HK(IFRIC) – INT 7 is not relevant to the Group's operations.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.2 綜合財務報表

綜合財務報表包括本公司及其所有附屬公司截至十二月三十一日止之財務報表。

（甲）附屬公司

附屬公司指本公司直接或間接控制其董事會之組成、超過半數投票權或持有過半數已發行股本之公司。

附屬公司自控制權轉移予本集團當日起作全面綜合計算，並自該控制權終止之日起不再綜合計算。

本集團以收購會計法為本集團所收購之附屬公司列賬。收購成本按於交易當日所獲資產的公平值、所發行之股權工具，以及所產生或承擔之負債，加上收購涉及之直接支出計量。在業務合併過程中取得可被認明資產及承擔之負債及或然負債，均於收購當日按其公平值作出初步計量，而不須理會任何少數股東權益。收購成本超出本集團應佔可認明之資產淨值的公平值金額，將列賬為商譽。如收購成本低於所收購附屬公司資產淨值的公平值，其差額將直接在收益賬內確認。

集團內公司間之交易、結餘及未變現交易收益已予抵銷。除非交易提供轉移資產減值之證明，未變現虧損亦予以抵銷。附屬公司之會計政策已作必要之變更以確保與本集團採納之政策一致。

2. Summary of significant accounting policies (Continued)

2.2 Consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to 31 December.

(a) Subsidiaries

Subsidiaries are those entities in which the Company, directly or indirectly, controls the composition of the Board of Directors, controls more than half the voting power or holds more than half of the issued share capital.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Group's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the income statement.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.2 綜合財務報表（續）

（甲）附屬公司（續）

在本公司之資產負債表內，附屬公司投資是按成本扣除減值撥備列賬。附屬公司之業績由公司按已收及應收之股息入賬。

（乙）與少數股東權益之交易

就與少數股東權益之交易而言，本集團採納之政策乃待與其之交易如同與外界人士之交易處理。出售予少數股東權益而令本集團產生之溢利及虧損於收益賬記錄。向少數股東權益之收購可產生商譽，此乃所有支付之代價與所購入附屬公司有關股權之淨資產賬面值之差額。

（丙）共同控制實體

共同控制實體指集團與其他人士以合約協議方式共同進行經濟活動，該活動受合營各方共同控制，任何一方均沒有單一之控制權。

共同控制實體之業績、資產及負債按權益會計法入賬。綜合收益賬包括本集團應佔共同控制實體是年度業績，而綜合資產負債表則包括本集團應佔共同控制實體之資產淨值。

2.3 利息收入及支出

所有按攤餘成本計量之工具、可供出售證券及若干指定以公平值計量且其變動計入損益之金融資產/負債的利息收入及支出乃應用實際利率法確認於收益賬內。

2. Summary of significant accounting policies (Continued)

2.2 Consolidation (Continued)

(a) Subsidiaries (Continued)

In the Company's balance sheet the investments in subsidiaries are stated at cost less allowances for impairment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

(b) Transactions with minority interests

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses to the Group that are recorded in the income statement. Purchases from minority interests could result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary.

(c) Jointly controlled entities

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity, which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

The results and assets and liabilities of jointly controlled entities are accounted for using equity method of accounting. The consolidated income statement includes the Group's share of the results of jointly controlled entities for the year, and the consolidated balance sheet includes the Group's share of the net assets of the jointly controlled entities.

2.3 Interest income and expense

Interest income and expense are recognised in the income statement for all instruments measured at amortised cost, available-for-sale securities and certain financial assets/liabilities designated at fair value through profit or loss using the effective interest method.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.3 利息收入及支出（續）

實際利率法乃是一種用以計算金融資產或金融負債之攤餘成本及其於相關期內攤分利息收入或利息支出的方法。實際利率指可將金融工具在預計有效期間或較短期間（如適用）內之估計未來現金收支折現為該金融資產或金融負債之賬面淨值之適用折現率。在計算實際利率時，本集團按金融工具之所有合約條款（如提早清還之行使權）而估計其現金流量，但不考慮未發生之信貸損失。此計算包括所有合約內交易雙方所收取或支付能構成整體實際利息之費用及利率差價、交易成本及所有其他溢價或折讓。

若一項金融資產或一組金融資產的價值因減值虧損被調低，其利息收入則按計算有關減值虧損時所應用以折算未來現金流量之利率來計量確認。

2.4 服務費及佣金收入及支出

服務費及佣金一般當服務已提供時以應計基準確認。銀團貸款費用於銀團貸款經已完成及本集團並無自留任何貸款組合部份或按與其他參與者相同之實際利率保留一部份時確認為收入。在某段期間內持續提供的財富管理、財務策劃及託管服務乃於服務期間按計費方式確認。

2.5 金融資產

本集團將其金融資產歸為以下類別：以公平值計量且其變動計入損益的金融資產、貸款及應收款項、持至到期投資及可供出售金融資產。該分類取決於購入該投資之目的。各項分類於管理層作出投資時被確認。

2. Summary of significant accounting policies (Continued)

2.3 Interest income and expense (Continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

2.4 Fee and commission income and expense

Fees and commissions are generally recognised on an accrual basis when the service has been provided. Loan syndication fees are recognised as revenue when the syndication has been completed and the Group retained no part of the loan package for itself or retained a part at the same effective interest rate for the other participants. Wealth management, financial planning and custody services that are continuously provided over an extended period of time are recognised rateably over the period the service is provided.

2.5 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

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Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.5 金融資產（續）

（甲）以公平值計量且其變動計入損益的金融資產

此類別可細分為兩小類：持作買賣用途之金融資產及於購入時指定以公平值計量且其變動計入損益的金融資產。倘所購入之金融資產主要持作短期買賣用途或倘由管理層於購入時如此指定，則歸類為持作買賣用途。衍生工具除非指定作為對沖用途，否則亦歸類為持作買賣用途。此分類之資產按公平值計量，而所有因持有而產生之收益及虧損均於收益賬內確認。

符合下列條件之金融資產一般於購入時指定歸類為以公平值計量且其變動計入損益：

(i) 能消除或大幅地減低以不同基礎計量或確認資產、或確認其損益而出現不一致之情況（或稱為「會計錯配」）；

(ii) 根據列明之風險管理或投資策略管理一組金融資產，並以公平值為基礎評估其表現，及按相同基準向主要管理層（如董事會及行政總裁）提供有關資產的內部資料；或

(iii) 內含衍生工具的金融資產而該內含衍生工具之特性及風險與主合約並非緊密關連的。

（乙）貸款及應收款項

貸款及應收款項為沒有活躍市場報價並具固定或可確定收款金額的非衍生金融資產。此類資產按扣除減值虧損後之攤餘成本列示。

2. Summary of significant accounting policies (Continued)

2.5 *Financial assets (Continued)*

(a) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are measured at fair value with all holding gains and loss recognised in the income statement.

A financial asset is typically classified as fair value through profit or loss at inception if it meets the following criteria:

(i) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mis-match") that would otherwise arise from measuring assets or recognising the gains and losses on them on different bases;

(ii) A group of financial assets is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about the assets is provided internally to the key management personnel such as the Board of Directors and Chief Executive Officer; or

(iii) Financial assets with embedded derivatives where the characteristics and risks of the embedded derivatives are not closely related to the host contracts.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets in this category are carried at amortised cost less any impairment loss.

財務報表附註
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.5 金融資產（續）

（丙）可供出售

可供出售金融資產乃被指定為此類者或並無歸入任何其他類別之非衍生金融資產。可供出售投資乃指有意作無期限持有但可因應流動資金所需或利率、匯率或股票價格變動而可出售的投資。

（丁）持至到期

持至到期投資乃具固定或可釐定付款額及固定到期日，而本集團管理層有明確意向及能力持至到期之非衍生金融資產。此類資產按扣除減值虧損後之攤餘成本列示。

金融資產之買賣於交易日（本集團承諾買賣該資產之日）按公平值加交易費用確認。當該等金融資產之收取現金流之權利已失效或已轉讓及本集團已轉讓所有風險及回報時，則撤銷對該等金融資產之確認。

可供出售之金融資產及以公平值計量且其變動計入損益之金融資產其後以公平值列賬。貸款及應收款項及持至到期投資則應用實際利率法以攤餘成本列賬。「以公平值計量且其變動計入損益的金融資產」類別之公平值變動所產生之收益及虧損於其產生期間列入收益賬。可供出售金融資產之公平值變動而產生之未變現收益及虧損於權益賬中直接確認，直至有關金融資產被撤銷確認或減值時，以往於權益賬內確認之累積收益或虧損則必須於收益賬中確認。然而，利用實際利率法計算之利息乃於收益賬中確認。可供出售股本工具之股息在本集團確定獲派股息權利時於收益賬確認。

2. Summary of significant accounting policies (Continued)

2.5 Financial assets (Continued)

(c) Available-for-sale

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. Available-for-sale investments are those intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(d) Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. Assets in this category are carried at amortised cost less any impairment loss.

Purchases and sales of financial assets are recognised on the trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are included in the income statement in the period in which they arise. Unrealised gains and losses arising from changes in the fair value of available-for-sale financial assets are recognised directly in equity, until the financial asset is derecognised or impaired at which time the cumulative gain or loss previously recognised in equity should be recognised in the income statement. However, interest calculated using the effective interest method is recognised in the income statement. Dividends on available-for-sale equity instruments are recognised in the income statement when the Group's right to receive payment is established.

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(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.5 金融資產（續）

上市投資公平值按現時買價計算。倘金融資產之市場並不活躍（及就非上市證券而言），本集團會應用估值方法訂出公平值，包括應用近期之正常交易，參考其他類同的工具，現金流量折現分析及經改進以反映發行商之特殊情況之期權定價模式。

2.6 金融資產減值

（甲） 以攤餘成本列賬之資產

本集團會於各個結算日評估是否存在客觀證據證明某項金融資產或一組金融資產組別出現減值。惟當有客觀證據證明於首次確認資產後發生一宗或多宗事件導致減值出現（「虧損事件」），而該宗（或該等）虧損事件對該項或該組金融資產之估計未來現金流量構成可合理估計的影響，有關的金融資產才算出現減值及產生減值虧損。證明某項或某組金融資產已減值的客觀證據包括集團察覺到有關以下虧損事件的明顯證據：

(i) 發行人或承擔人出現重大財政困難；

(ii) 違反合約如逾期支付或拖欠利息或本金；

(iii) 本集團因借款人的財政困難及有關的經濟或法律理由，給予借款人一項集團在其他情況下不會考慮的優惠；

(iv) 借款人有可能會破產或進行其他財務重組；

(v) 因為財政困難而導致某金融資產失去活躍市場；或

2. Summary of significant accounting policies (Continued)

2.5 Financial assets (Continued)

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

2.6 Impairment of financial assets

(a) Assets carried at amortised cost

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Group about the following loss events:

(i) significant financial difficulty of the issuer or obligor;

(ii) a breach of contract, such as a default or delinquency in interest or principal payments;

(iii) the Group granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;

(iv) it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;

(v) the disappearance of an active market for that financial asset because of financial difficulties; or

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2. 主要會計政策概要(續)

2.6 金融資產減值(續)

(甲) 以攤餘成本列賬之資產(續)

(vi) 明顯的資料顯示一組金融資產自首次確認入賬後,其估計之未來現金流量出現重大的跌幅,儘管尚未能認明有關跌幅是來自組別內哪項個別金融資產,包括:

– 組別內借款人的付款狀況出現逆轉;或

– 組別內資產拖欠情況與有關的國家或當地經濟狀況配合。

本集團首先評估是否有客觀證據證明個別重大的金融資產出現減值,或非個別重大的金融資產個別或整體上出現減值。若集團認為不存有任何客觀證據證明個別評估的金融資產(不論是否屬重大)出現減值,有關資產將撥入具類同信貸風險特徵的一組金融資產內,由集團綜合評估該組資產的減值。綜合的減值評估不包括已進行個別減值評估並已確認或持續確認減值虧損的資產。

若有客觀證據證明按攤餘成本列賬的貸款及應收款項或持至到期投資出現減值虧損,則以資產的賬面值與按金融資產原來的實際利率折算估計之未來現金流量(不包括未產生的日後信貸虧損)所得的現值兩者間之差額計量虧損的金額。資產的賬面值透過使用準備賬銷減,虧損金額則於收益賬內確認。倘貸款或持至到期投資按浮動利率計息,計量任何減值虧損之折現率則為合約下釐定的即期實際利率。作為可行之權宜之計,本集團可按某工具可觀察得到之市價為公平值之基礎計量其減值。

2. Summary of significant accounting policies (Continued)

2.6 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

(vi) observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:

– adverse changes in the payment status of borrowers in the group; or

– national or local economic conditions that correlate with defaults on the assets in the group.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes that asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the income statement. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

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2. 主要會計政策概要（續）

2.6 金融資產減值（續）

（甲）以攤餘成本列賬之資產（續）

計算有抵押之金融資產的預計未來現金流量的現值反映收回抵押品可能產生的現金流量減除出售抵押品（不論抵押品是否可能被沒收）的成本。

進行綜合減值評估時，金融資產按類同信貸風險特性（即集團考慮資產類別、抵押品類別、過往逾期情況及其他相關因素）分類。對估計該等組別資產的未來現金流量而言，能夠反映債務人按此等被評估資產的合約條款償還全部債務能力的特質將會被考慮。

一組共同進行減值評估的金融資產的未來現金流量乃按該組資產的合約現金流量及與該組資產具相若信貸風險特質的資產之過往虧損經驗計算。過往虧損經驗乃按現時可見的數據作出調整，以反映現有狀況，及消除於過往期間出現但現時並不存在的條件之影響。

估計某些資產之未來現金流量的改變，應反映期間相關可見數據的改變（如失業率、物業價格、付款情況，或其他可顯示該組別損失機會及損失程度的改變）及一致的趨勢。集團定期檢討用作估計未來現金流量的方法及假設，以減少預計虧損及實際虧損的差異。

2. Summary of significant accounting policies (Continued)

2.6 Impairment of financial assets (Continued)

(a) Assets carried at amortised cost (Continued)

The calculation of the present value of the estimated future cash flows of a collateralised financial asset reflects the cash flows that may result from foreclosure less costs for obtaining and selling the collateral, whether or not foreclosure is probable.

For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics (i.e. on the basis of the Group's grading process that considers asset type, collateral type, overdue status and other relevant factors). Those characteristics relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets are considered.

Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of the contractual cash flows of the assets in the group and historical loss experience for assets with credit risk characteristics similar to those in the group. Historical loss experience is adjusted on the basis of current observable data to reflect the effects of current conditions that did not affect the period on which the historical loss experience is based and to remove the effects of conditions in the historical period that do not exist currently.

Estimates of changes in future cash flows for groups of assets should reflect and be directionally consistent with changes in related observable data from period to period (for example, changes in unemployment rates, property prices, payment status, or other factors indicative of changes in the probability of losses in the group and their magnitude). The methodology and assumptions used for estimating future cash flows are reviewed regularly by the Group to reduce any differences between loss estimates and actual loss experience.

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2. 主要會計政策概要（續）

2.6 金融資產減值（續）

（甲）以攤餘成本列賬之資產（續）

當貸款未能償還時，將與其有關之貸款減值準備抵銷。該貸款在完成所有必須程序及能確定虧損金額後撤銷。如日後收回過往已撤銷之款項，將可減低收益賬內的貸款減值撥備。

倘於繼後期間，減值虧損金額減少，同時客觀地與減值獲確認後發生的事項相關（例如債務人信貸評級改善），則透過調整調撥賬項將過往確認的減值虧損撥回。撥回的金額於收益賬中確認。

（乙）以公平值列賬之資產

本集團會於各結算日評估是否存在客觀證據證明某項金融資產或某組別金融資產出現減值。倘股本投資歸類為可供出售，本集團會考慮證券公平值之重大或持續下跌至低於其成本值來釐定證券有否出現減值。倘存有證據顯示可供出售金融資產出現減值，其累計虧損（收購成本與現時公平值之差額）減該金融資產以往於收益賬內確認之任何減值則於權益賬撤銷，並於收益賬內確認。於收益賬內確認的股本工具減值虧損不會透過收益賬撥回。倘於繼後期間，被分類為可供出售的債務工具的公平值增加，而該增值可客觀地與減值虧損於收益賬確認後出現的事件有關，減值虧損則於收益賬中撥回。

2. Summary of significant accounting policies (Continued)

2.6 *Impairment of financial assets (Continued)*

(a) Assets carried at amortised cost (Continued)

When a loan is uncollectible, it is written off against the related allowances for loan impairment. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off decrease the amount of the allowances for loan impairment in the income statement.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the previously recognised impairment loss is reversed by adjusting the allowance account. The amount of the reversal is recognised in the income statement.

(b) Assets carried at fair value

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered in determining whether the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. If, in a subsequent period, the fair value of a debt instrument classified as available-for-sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the income statement.

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2. 主要會計政策概要（續）

2.7 金融負債

金融負債歸類為兩個類別：以公平值計量且其變動計入損益的金融負債及其他金融負債。所有金融負債均於產生時分類，並初步以公平值確認。

（甲）以公平值計量且其變動計入損益的金融負債

此類別細分為兩個小類別：持作買賣用途之金融負債及於產生時指定以公平值計量且其變動計入損益的金融負債。

倘金融負債主要為短期持有作購回用途，則歸類為持有作買賣用途。此分類之負債按公平值列示，而任何因公平值變動而產生之收益及虧損均於收益賬內確認。

符合下列條件之金融負債一般歸類為於產生時以公平值計量且其變動計入損益：

(i) 能消除或大幅地減低以不同基礎計量或確認負債、或確認其損益而出現不一致之情況（或稱為「會計錯配」）；

(ii) 根據列明之風險管理或投資策略管理一組金融負債，並以公平值為基礎評估其表現及按相同基準向主要管理層（如董事會及行政總裁）提供有關負債的內部資料；或

(iii) 內含衍生工具的金融負債而該內含衍生工具之特性及風險與主合約並非緊密關連的。

2. Summary of significant accounting policies (Continued)

2.7 Financial liabilities

Financial liabilities are classified into two categories: financial liabilities at fair value through profit or loss and other financial liabilities. All financial liabilities are classified at inception and recognised initially at fair value.

(a) Financial liabilities at fair value through profit or loss

This category has two sub-categories: financial liabilities held for trading, and those designated at fair value through profit and loss at inception.

A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing in the short term. It is carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

A financial liability is typically classified as fair value through profit or loss at inception if it meets the following criteria:

(i) It eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as "an accounting mis-match") that would otherwise arise from measuring liabilities or recognising the gains and losses on them on different bases;

(ii) A group of financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and this is the basis on which information about the liabilities is provided internally to the key management personnel such as the Board of Directors and Chief Executive Officer; or

(iii) Financial liabilities with embedded derivatives where the characteristics and risks of the embedded derivatives are not closely related to the host contracts.

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2. 主要會計政策概要(續)

2.7 金融負債(續)

(甲) 以公平值計量且其變動計入損益的金融負債(續)

指定以公平值計量且其變動計入損益的金融負債(包括發行的債務證券及若干包含衍生工具的客戶存款),於開始時或新香港財務報告準則之過渡期內確定。以公平值計量且其變動計入損益的金融負債按公平值列示,而任何因公平值變動而產生之收益及虧損均於收益賬內確認。

(乙) 其他金融負債

其他金融負債以攤餘成本列賬。扣除交易費用後所得款項與贖回價值兩者之差額,按實際利率法於其他有關負債期間內於收益賬確認。

倘本集團購買其本身債項,該債項將會自資產負債表中剔離,而負債的賬面值與已支付價格的差額包括於淨買賣收入。

2.8 衍生金融工具及對沖會計處理

衍生工具最初於訂立衍生工具合約之日按公平值確認,其後按公平值重新計量。公平值乃根據活躍市場的報價釐定,包括最近市場交易及估值方法(包括現金流量折現模式及期權定價模式,倘適用)。當衍生工具的公平值為正數時,均作為資產入賬;當公平值為負數時,則作為負債入賬。

首次確認衍生工具的公平值以其交易價格(即所支付或所收取之代價的公平值)為最佳方法。

2. Summary of significant accounting policies (Continued)

2.7 Financial liabilities (Continued)

(a) Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities designated as at fair value through profit or loss, including the Group's own debt securities in issue and deposits received from customers that are embedded with certain derivatives, are designated as such at inception or date of transition to the new HKFRS. Financial liabilities designated at fair value through profit or loss are carried at fair value and any gains and losses from changes in fair value are recognised in the income statement.

(b) Other financial liabilities

Other financial liabilities are carried at amortised cost. Any difference between proceeds net of transaction costs and the redemption value is recognised in the income statement over the period of the other financial liabilities using the effective interest method.

If the Group purchases its own debt, it is removed from the balance sheet, and the difference between the carrying amount of a liability and the consideration paid is included in net trading income.

2.8 Derivative financial instruments and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

The best evidence of the fair value of a derivative at initial recognition is the transaction price (i.e., the fair value of the consideration given or received).

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(以港幣千元位列示)

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2. 主要會計政策概要(續)

2.8 衍生金融工具及對沖會計處理(續)

倘當其他金融工具之內含某些衍生工具(例如可換股債券內之兑換期權)的經濟性質及風險與主合約並無密切關係時，而主合約並非以公平值計量且其變動計入損益賬，則作為個別衍生工具處理。此等內含之衍生工具按公平值計算，其公平值的變動於收益賬內確認。

確認公平值收益或虧損的方法取決於該衍生工具是否被指定為對沖工具，如屬者則須取決其對沖項目之性質。本集團指定若干衍生工具為已確認資產公平值的對沖工具。以此方法指定並符合若干條件的衍生工具應用對沖會計處理。

本集團於訂立交易時需記錄對沖工具與所對沖項目的關係，並包括其風險管理目標及進行若干對沖交易的策略。本集團亦於開始對沖後持續就其用於對沖交易的衍生工具是否對抵銷公平值變動有顯著成效作出評估。

(甲) 公平值對沖

已指定並符合條件作公平值對沖的衍生工具的公平值變動，連同與對沖風險相關的對沖資產或負債的任何公平值變動，均於收益賬內入賬。

倘該對沖不再符合對沖會計處理的標準，則應用實際利率法釐定該被對沖項目賬面值的調整數，按到期前期間於收益賬內攤銷。

2. Summary of significant accounting policies (Continued)

2.8 Derivative financial instruments and hedge accounting (Continued)

Certain derivatives embedded in other financial instruments, such as the conversion option in a convertible bond, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not carried at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in the income statement.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of the fair value of recognised assets. Hedge accounting is used for derivatives designated in this way provided certain criteria are met.

The Group documents, at the inception of the transaction, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items.

(a) Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the income statement, together with any changes in the fair value of the hedged asset that are attributable to the hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity.

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Notes to the Financial Statements

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要(續)

2. Summary of significant accounting policies (Continued)

2.8 衍生金融工具及對沖會計處理(續)

2.8 Derivative financial instruments and hedge accounting (Continued)

(乙) 不符合作對沖會計處理的衍生工具

若干衍生工具並不符合作對沖會計處理。任何不符合作對沖會計處理的衍生工具的公平值變動即時於收益賬內確認。

(b) Derivatives that do not qualify for hedge accounting

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in the income statement.

2.9 抵銷金融工具

倘有可執行法律權利抵銷某些已確認金額及有意以淨額基準結算或變現資產以同時清償負債時,金融資產及負債將互相抵銷,有關之淨款項於資產負債表內呈報。

2.9 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.10 出售及回購協議

有關出售附有回購協議(「回購協議」)之證券之交易對手負債已適當地包含在「對其他銀行之結欠」、「銀行存款」或「其他賬目及預提」之結餘。按再售協議(「反向回購協議」)而購入之證券已記錄在「貸款及墊款予其他銀行」或「客戶貸款及墊款」中。出售價與回購價之差額當作利息處理及應用實際利率法在該協議期限內計提。借予交易對手之證券亦包含在財務報表內。

借來之證券除已售予第三者且有關購入及出售記錄於賬內及收益或虧損包括在買賣收入外,將不會在財務報表內確認。借來證券之歸還責任則當作交易負債以公平值入賬。

2.10 Sale and repurchase agreements

The counterparty liability in respect of securities sold subject to repurchase agreements (“repos”) is included in amounts due to other banks, deposits from banks, or other accounts and accruals, as appropriate. Securities purchased under agreements to resell (“reverse repos”) are recorded as loans and advances to other banks or customers, as appropriate. The difference between the sale and repurchase price is treated as interest and accrued over the life of the agreement`s using the effective interest method. Securities lent to counterparties are also retained in the financial statements.

Securities borrowed are not recognised in the financial statements, unless these are sold to third parties, in which case the purchases and sales are recorded with the gain or loss included in trading income. The obligation to return them is recorded at fair value as a trading liability.

2.11 收回資產

已收回抵押資產列於「其他資產」項下,並撤銷相關之貸款。已收回之抵押資產按賬面值及變現淨值較低者列值。

2.11 Repossessed assets

Repossessed collateral assets are reported under “Other assets” and the relevant loans are derecognised. The repossessed collateral assets are measured at lower of carrying amount and net realisable value.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.12 分項報告

按照本集團之內部財務報告政策，本集團已確定將業務分項呈現為基本報告形式，及將區域分項資料作為次要報告形式。

業務分項為本集團提供有別於其他業務分項產品及服務予客戶群或不同市場之交易而可區別之業務部門。

區域分項之分類乃根據其附屬公司之主要營運所在地或就銀行附屬公司而言，其負責呈報包括資產及負債在內之業績之分行所在地。

就分項報告而言，可直接認明為各個別業務或區域分項之源自客戶、產品及服務收入將直接呈報於有關分項，而分項間資金運作及資源之收益及資金成本按參照市場利率之轉讓價格機制分配至各業務分項。分項間之交易乃依據授予第三者或與第三者交易之類同條款定價。分項間之收入或支出於綜合賬內抵銷。

所有不同分項之直接開支將歸類於有關的分項分類。間接開支及支援部門開支乃依據開支性質，按耗用之時間及工作量和分項營運收入，分配至不同的業務分項及產品。不能合理地分配至各業務分項、產品及支援部門之企業活動開支則呈列於「未分類業務」項下。

2.13 外幣換算

（甲）運作及呈列貨幣

本集團旗下各機構之財務報表中所載項目乃應用該機構營運之主要經濟環境所使用之貨幣（「運作貨幣」）計量。綜合財務報表乃以港幣呈列。港幣乃本集團之呈列貨幣及本集團主要業務之運作貨幣。

2. Summary of significant accounting policies (Continued)

2.12 Segment reporting

In accordance with the Group's internal financial reporting policy, the Group has determined that business segments be presented as the primary reporting format and geographical segment information as the secondary reporting format.

Business segments are distinguishable business divisions of the Group that provide products and services to customer base or dealing with the market that are different to those of other business segments.

Geographical segments are grouped by the location of the principal operations of the subsidiaries or in the case of banking subsidiaries, of the location of the branches responsible for reporting the results including assets and liabilities.

For the purpose of segment reporting, revenue derived from customers, products and services directly identifiable with individual business or geographical segments are reported directly under respective segment, while revenue and funding cost arising from inter-segment funding operation and funding resources are allocated to the business segments by way transfer pricing mechanism with reference to market interest rates. Transactions within segments are priced based on similar terms offered to or transacted with external parties. Inter-segment income or expenses are eliminated on consolidation.

All direct costs incurred by different segments are grouped under respective segments. Indirect costs and support functions' costs are allocated to various business segments and products based on effort and time spent as well as segments' operating income depending on the nature of costs incurred. Costs related to corporate activities that cannot be reasonably allocated to business segments, products and support functions are grouped under unallocated items.

2.13 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency"). The consolidated financial statements are presented in HK dollars, which is the Group's presentation currency and the functional currency of the major part of the group.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.13 外幣換算（續）

（乙）交易及結餘

外幣交易按交易日現行之匯率換算為運作貨幣。該等交易結算及以外幣結算之貨幣性資產或負債按年結日之匯率換算所產生之匯兑收益及虧損，乃於收益賬內確認。

非貨幣性項目，如持有以公平值計量且其變動計入損益的股本工具投資，其換算差額將作為公平值收益或虧損之一部份呈報。若干非貨幣性項目，如歸類為可供出售之金融資產之權益證券，其換算差額則列入權益公平值儲備。

（丙）集團旗下公司

所有運作貨幣與呈列貨幣不同的集團機構（其均非高通脹經濟之貨幣）之業績及財務狀況按以下方式換算為呈列貨幣：

(i) 各資產負債表所呈列之資產及負債按結算日之收市滙率換算；

(ii) 各收益賬之收入及支出按平均匯率換算（倘此平均值並非該等交易日期通行匯率的累積效果之合理約數，收入及支出則按交易日匯率換算）；及

(iii) 所有兑換差額將確認為權益賬內一個獨立項目。

2. Summary of significant accounting policies (Continued)

2.13 *Foreign currency translation* (Continued)

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Translation differences on non-monetary items, such as investment in equity instruments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation difference on certain other non-monetary items, such as equities classified as available-for-sale financial assets, are included in the fair value reserve in equity.

(c) *Group companies*

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;

(ii) income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and

(iii) all resulting exchange differences are recognised as a separate component of equity.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.13 外幣換算（續）

（丙） 集團旗下公司（續）

於綜合賬目時，換算國外機構淨投資所產生之兑換差額，列入股東權益賬內。倘國外業務被出售，該等兑換差額將列作出售所得之部份收益或虧損在收益賬內確認。

因收購國外機構產生之商譽及公平值調整，被當作該國外機構之資產及負債處理，並按於結算日之匯率換算。

2.14 行產及其他固定資產

租賃物業包括樓宇及其所在土地。當不能可靠地估量及分割該樓宇及其所在土地應佔之賬面值時，則當作融資租賃處理及按公平值（公平值乃根據外聘獨立估值師定期（至少三年一次）之估值減累積折舊得出）列示。於重估日期，資產之賬面淨值與任何累積折舊抵銷，其淨額重列作資產之重估值。所有其他物業、廠房及設備按歷史成本減除折舊及減值虧損載列。歷史成本包括收購該等項目之直接應佔支出。

只有當該項目可能給本集團帶來相關連之未來經濟利益，以及該項目之成本可以可靠地釐定時，後期成本才會列於資產之賬面值中或作為個別資產確認（視乎適合而定）。所有其他維修開支均於產生之財政期間於收益賬內扣除。

因重估行產產生之賬面增值計入股東權益賬下之其他儲備賬項內。用作抵銷同一資產過往增值之減值，乃直接於權益賬內之公平值儲備抵銷；所有其他減值則於收益賬內扣除。

2. Summary of significant accounting policies (Continued)

2.13 Foreign currency translation (Continued)

(c) Group companies (Continued)

On consolidation, exchange differences arising from the translation of the net investment in foreign entities are taken to shareholders' equity. When a foreign operation is sold, such exchange differences are recognised in the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

2.14 Premises and other fixed assets

Leasehold properties comprising land and buildings held on which a reliable estimate is not available on the split of the carrying value attributable to each of the land and building elements are accounted for as finance leases and shown at fair value, based on periodic, and at least triennial, valuations by external independent valuers, less subsequent depreciation. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset. All other property, plant and equipment are stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are expensed in the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of premises are credited to premises revaluation reserve in shareholders' equity. Decreases that offset previous increases of the same asset are charged against fair value reserves directly in equity; all other decreases are expensed in the income statement.

財務報表附註
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（以港幣千元位列示）

2. 主要會計政策概要（續）

2.14 行產及其他固定資產（續）

行產及其他固定資產之折舊應用直線法計算，並按下列所示之可使用年期分攤其成本餘值或重估值：

－	行產	於剩餘租賃年期
－	傢俬、裝置、設備及汽車	於估計使用年期（一般在五至十年之間）

資產之剩餘價值及使用年期於每年結算日將被評估，並在合適之情況下作出調整。

倘資產之賬面值高於其估計可回收金額，則該資產之賬面值將即時被減值至其可回收金額（附註2.17）。

2.15 投資物業

持作收取長期租金收益或獲取資本增值或兩者兼得且並非由集團旗下公司所佔用之物業被歸類為投資物業。

投資物業包括根據經營租賃持有之土地及根據融資租賃持有之樓宇。

當根據經營租賃持有之土地符合投資物業其餘定義之條件，該等土地將歸類為投資物業及據此進行會計處理。經營租賃當作融資租賃進行會計處理。

投資物業最初以成本值（包括相關交易費用）計量。

(Expressed in thousands of Hong Kong dollars)

2. Summary of significant accounting policies (Continued)

2.14 Premises and other fixed assets (Continued)

Depreciation of premises and other fixed assets is calculated using the straight-line method to allocate cost or revalued amounts to their residual values over their estimated useful lives, as follows:

–	Premises	Over the remaining period of lease
–	Furniture, fittings, equipment and motor vehicles	Over the estimated useful lives generally between 5 and 10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.17).

2.15 Investment properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the companies in the consolidated Group, is classified as investment property.

Investment property comprises land held under operating lease and buildings held under finance lease.

Land held under operating lease is classified and accounted for as investment property when the rest of the definition of investment property is met. The operating lease is accounted for as if it were a finance lease.

Investment property is measured initially at its cost, including related transaction costs.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.15 投資物業（續）

在初始確認後，投資物業按公平值列賬。公平值乃以活躍市場之價格為基礎，於需要時就特定之資產性質、地點或狀況之任何差異作出調整。倘該等資料無法得到，本集團則應用替代估值法，例如按次活躍市場最近之價格或折現現金流量預測進行估值。該等估值乃依照國際估值準則委員會頒佈之指引完成。該等估值每年由外聘估值師進行。重建並持續用作投資物業之投資物業，或其市場活躍度下降之投資物業繼續按公平值計量。

投資物業之公平值反映（其中包括）現時租賃之租金收入及按現行市況預期之未來租金收入。

只有當與該項目可能給本集團帶來關連之未來經濟利益及該項目之成本可被可靠地計量時，後期開支才會計入該資產之賬面值。所有其他維修支出於其產生之相關財政期間記入收益賬內。

公平值變動於收益賬內確認。

倘投資物業由本集團旗下公司所佔用，則重新歸類為行產及其他固定資產，其於重新歸類日期之公平值將成為其成本值。

倘某些行產及其他固定資產因其用途改變而轉為投資物業，根據香港會計準則第16號，該資產於轉讓日之賬面值與公平值間任何差額，將當作行產及其他固定資產之重估而確認於權益賬內。然而，倘該公平值增值抵銷過往之減值虧損，該增值則於收益賬內確認。

2. Summary of significant accounting policies (Continued)

2.15 Investment properties (Continued)

After initial recognition, investment property is carried at fair value. Fair value is based on active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. If this information is not available, the Group uses alternative valuation methods such as recent prices on less active markets or discounted cash flow projections. These valuations are performed in accordance with the guidance issued by the International Valuation Standards Committee. These valuations are reviewed annually by external valuers. Investment property that is being redeveloped for continuing use as investment property, or for which the market has become less active, continues to be measured at fair value.

The fair value of investment property reflects, among other things, rental income from current leases and assumptions about rental income from future leases in the light of current market conditions.

Subsequent expenditure is charged to the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed in the income statement during the financial period in which they are incurred.

Changes in fair values are recognised in the income statement.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment, and its fair value at the date of reclassification becomes its cost for accounting purposes.

If an item of premises and other fixed assets becomes an investment property because its use has changed, any difference resulting between the carrying amount and the fair value of this item at the date of transfer is recognised in equity as a revaluation of premises and other fixed assets under HKAS 16. However, if a fair value gain reverses a previous impairment loss, the gain is recognised in the income statement.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.16 商譽及無形資產

商譽指收購之成本超逾本集團應佔被收購者於收購日期之可認明資產及負債公平值淨值之金額。商譽按成本減所有累積虧損列示。商譽將每年進行減值測試。商譽的減值虧損不能回撥，出售實體之收益及虧損包含該出售實體之商譽賬面值。

商譽須被分配至各現金產生單位以作為其減值測試。所分配之單位為預期可受惠於產生該商譽之業務合併之各現金產生單位或各組現金產生單位。

倘因收購而產生之無形資產可與商譽獨立確認，或倘因合約或其他法律權利而產生之無形資產，及其價值可以可靠地估計，則無形資產與商譽分開確認。無形資產包括核心存款、合約及客戶關係無形資產，以及商標。無形資產根據預計使用年期按成本減攤銷及/或累積減值虧損列示。

2.17 商譽、無形資產及非金融資產之減值

具無使用期限或未能使用之資產將不會被攤銷，但每年須作減值測試。倘出現某些事件或環境變化顯示其賬面值可能不可收回時，該等須作攤銷之資產將作減值檢查。資產賬面值超逾可收回金額之數額被確認為減值虧損。可收回金額乃扣除出售費用後之資產公平值及使用價值之較高者。該等資產按最原始類別分類從而分別認明其現金流（現金產生單位），藉以用作減值評估用途。除商譽外，減值資產於各報告期就其減值之回撥可能性作出審閱。

2. Summary of significant accounting policies (Continued)

2.16 Goodwill and intangible assets

Goodwill represents the excess of the cost of an acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the acquiree as at the date of acquisition. Goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested annually for impairment. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination on which the goodwill arose.

Intangible assets arising from an acquisition are recognised separately from goodwill when they are separable or arise from contractual or other legal rights, and their value can be measured reliably. They include core deposits, contracts and customer relationships intangibles assets, and trade names. Intangible assets are stated at cost less amortisation based on estimated useful lives, and/or accumulated impairment losses.

2.17 Impairment of goodwill, intangible assets and non-financial assets

Assets that have an indefinite useful life or are not yet available for use are not subject to amortisation, but are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicated that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.18 遞延稅項

遞延稅項乃根據資產及負債的稅基值及其於綜合財務報表內賬面值之暫時差異按負債法全面撥備。然而，倘遞延稅項乃來自初步確認資產或負債交易（並非業務合併），且交易時並不影響會計盈虧及應課稅溢利或虧損，則另作別論。遞延稅項應用於結算日已經或基本已經實施及預計於相關遞延稅項資產變現或遞延稅項負債清償時將適用之稅率釐定。

倘暫時差異可用以對銷日後有可能出現之應課稅溢利時，應列作遞延所得稅資產入賬。

除非暫時差異之撥回由本集團控制及該暫時差異很可能不會在可見未來撥回，本集團已就投資於附屬公司、聯營公司及共同控制實體而產生之暫時差異作出撥備。

按每一稅收管轄區適用之稅務法例計算按利潤須繳納的稅項，於利潤產生期內確認為支出。結轉稅項虧損的稅務影響於該等虧損可用於抵銷日後應課稅利潤時確認為資產。

與重新計量可供出售投資之公平值相關之遞延稅項，亦直接在權益賬扣除或計入權益賬，其後於有關投資變現時於收益賬內確認。

2. Summary of significant accounting policies (Continued)

2.18 Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, it is not accounted for. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Income tax payable on profits, based on the applicable tax law in each jurisdiction, is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised.

Deferred income tax related to fair value re-measurement of available-for-sale investments, which is charged or credited directly to equity, is also credited or charged directly to equity and is subsequently recognised in the income statement upon the realisation of relevant investments.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.19 僱員福利

（甲）退休金責任

集團提供一項強制性公積金及多項界定供款退休計劃，計劃之資產一般由獨立管理之基金持有。退休金計劃由集團相關公司與員工供款。

集團向強制性公積金計劃及界定供款退休計劃支付之供款在已付時當作費用支銷。除向強制性公積金供款外，集團可將員工在未全數取得既得之利益前退出計劃而被沒收之僱主供款用作扣減供款。

（乙）以股本為基礎支付之報酬

本集團設有以現金支付、以股本作為基礎支付之報酬計劃。據此本集團須於行使日向承授人支付購股權之現金價值。於授出期間扣除之款項總額乃經參考授出之購股權公平值後釐定。於每年結算日，本集團將重新計量購股權之公平值及於該年度收益賬內確認任何變動。

（丙）僱員應享假期

僱員應享年假和長期服務休假福利已在僱員提供服務時確認。本集團於截至結算日止已就僱員提供服務而應享之年假及長期服務休假之估計負債作出撥備。

（丁）獎金計劃

當本集團因為僱員提供服務而產生之即時或推定應付獎金責任，而有關金額須在年結後十二個月內償付並能可靠地估計時，則該獎金計劃之負債將被確認。

2. Summary of significant accounting policies (Continued)

2.19 Employee benefits

(a) Pension obligations

The Group offers a mandatory provident fund scheme and a number of defined contribution plans, the assets of which are generally held in separate trustee-administered funds. These pension plans are funded by payments from employees and by the relevant Group companies.

The Group's contributions to the mandatory provident fund schemes and defined contribution retirement schemes are expensed as incurred. Other than mandatory provident fund contribution, the Group's contributions may be reduced by contributions forfeited by those employees who leave prior to vesting fully in the contributions.

(b) Share-based compensation

The Group operates a cash settled, share-based compensation plan, which requires the Group to pay the intrinsic value of the share option to a grantee at the date of exercise. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted. At each balance sheet date, the Group will re-measure the fair value of the share options and any change is recognised in the income statement.

(c) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

(d) Bonus plans

Liabilities for bonus plans due wholly within twelve months after the balance sheet date are recognised when the Group has a present or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligation can be made.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.20 撥備

倘本集團因過往事件而產生即時法律或推定責任；可能須就解除責任而導致經濟資源流失之可能性高於不會導致資源流失之可能性；及可就責任之款額作出可靠估計時，則需確認重組成本及法律索償之撥備。重組撥備包括終止租賃罰金及終止聘約付款。未來經營虧損則不會確認為撥備。

倘有多項類同之責任時，解除該等責任導致損失之可能性按責任之類別作整體釐定。即使在同一類別責任內任何一項目導致損失之可能性可能會很小，亦需就此確認撥備。

2.21 租賃

（甲）經營租賃

出租人仍保留重大風險及回報之租賃歸類為經營租賃。經營租賃內之支出（經扣除收取自出租人之任何優惠），於租賃期間以直線法在收益賬中支銷。

根據經營租賃，倘本集團為出租人時，訂約出租之資產在資產負債表列為固定資產。該等資產按類同之自有固定資產之基準，於其預計使用年期內折舊。租金收入扣除給予承租人之任何優惠後以直線法於租賃期限內確認。

（乙）融資租賃

倘本集團重大地保留擁有權之所有風險及回報，有關資產租賃則歸類為融資租賃。融資租賃在租賃開始時按租賃物業之公平值及最低租賃付款之現值中較低者作資產化。每項租賃付款在負債及融資支出間作出分配以達致未償融資餘額反映固定息率。扣除融資支出後相應之租賃責任則包括於負債內。根據融資租賃而收購之投資物業按其公平值列值。

2. Summary of significant accounting policies (Continued)

2.20 Provisions

Provisions for restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

2.21 Leases

(a) Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are expensed in the income statement on a straight-line basis over the period of the lease.

Where the Group is a lessor under operating leases, assets leased out are included in fixed assets in the balance sheet. They are depreciated over their expected useful lives on a basis consistent with similar owned fixed assets. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(b) Finance lease

Leases of assets where the Group has substantially retained all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included as liabilities. The investment properties acquired under finance leases are carried at their fair value.

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(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.21 租賃（續）

（乙） 融資租賃（續）

倘本集團為融資租賃出租人時，租賃項下之應付款項（扣除尚未獲得之融資收益）確認為應收賬款，並列入「各項貸款及其他賬目」賬項內。隱含在租賃應收賬款之融資收入於租賃期間撥入收益賬，以達致每個會計期間就未償還之投資淨額之固定回報率。

2.22 受託業務

本集團一般以託管人及其他信託方式行事，代表個人、信託及其他機構持有或存置資產。由於該等資產及其所產生的收入並非本集團之資產，故不會於本集團之財務報表中列賬。

2.23 股本

普通股股份被分類為權益，發行新股份應佔之新增支出，於除税後從實收款項中扣除，并呈列於權益賬內。

2.24 現金及等同現金項目

就現金流量表而言，現金及等同現金項目包括由購入日起計3個月內到期的結餘，包括現金、銀行及其他金融機構結餘、國庫債券、其他合適投資票據及存款證及可即時變現而不涉及重大風險之投資證券。

2.25 財務擔保合約

財務擔保合約是指發行人須就某指定債務人未能根據債務合約的條款支付到期債務時須向合約持有人支付指定款項以償付其損失之合約。該等財務擔保乃代表客戶授予銀行、金融機構及其他團體以擔保其貸款、透支及其他銀行信貸，及有關客戶履行合約責任、其他人士預付款項、投標、留存及支付入口税款而授予其他人士。

2. Summary of significant accounting policies (Continued)

2.21 Leases (Continued)

(b) *Finance lease (Continued)*

Where the Group is a lessor under finance leases, the amounts due under the leases, net of unearned finance income, are recognised as a receivable and are included in “Advances and other accounts”. Finance income implicit in rentals receivable is credited to the income statement over the lease period so as to produce a constant periodic rate of return on the net investment outstanding for each accounting period.

2.22 Fiduciary activities

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts and other institutions. These assets are excluded from the Group’s financial statements, as they are not assets of the Group.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

2.24 Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with less than three months’ maturity from the date of acquisition, including: cash, balances with banks and other financial institutions, treasury bills, other eligible bills and certificates of deposit and investment securities which are readily convertible to cash and are subject to an insignificant risk of changes in value.

2.25 Financial guarantee contracts

Financial guarantee contracts are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due, in accordance with the terms of a debt instrument. Such financial guarantees are given to banks, financial institutions and other bodies on behalf of customers to secure loans, overdrafts and other banking facilities, and to other parties in connection with the performance of customers under obligations related to contracts, advance payments made by other parties, tenders, retentions and the payment of import duties.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

2. 主要會計政策概要（續）

2.25 財務擔保合約（續）

財務擔保最初於授予日時以公平值確認於財務報表。在初始確認後，本集團之擔保負債以根據香港會計準則第37號「準備、或然負債及或然資產」釐定之數額及扣除確認累計攤銷後之初步確認數額兩者之間之較高者計量。與財務擔保有關之負債變動計入收益賬。

2.26 或然負債及或然資產

或然負債指因為過往事件而可能引起之承擔，而其存在只能就集團控制範圍以外之一宗或多宗不確定未來事件之出現而被確認。或然負債亦可能是因為過往事件引致之現有承擔，但由於可能不需要有經濟資源流失，或承擔金額未能可靠衡量而未有記賬。

或然負債不會被確認，但會在財務報表附註中披露。假若資源流失之可能性改變而導致資源可能流失，則被確認為撥備。

或然資產指因為過往事件而可能產生之資產，而其存在只能就集團控制範圍以外之一宗或多宗不確定事件之出現而被確認。

或然資產不會被確認，但會於經濟收益有可能獲得時在財務報表附註中披露。若實質確定有收益獲得時，則被確認為資產。

2. Summary of significant accounting policies (Continued)

2.25 Financial guarantee contracts (Continued)

Financial guarantees are initially recognised in the financial statements at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation recognised. Any changes in the liability relating to financial guarantees are taken to the income statement.

2.26 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that an outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group.

A contingent asset is not recognised but is disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When such inflow is virtually certain, an asset is recognised.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理

3.1 應用金融工具策略

本集團接受定息或浮息及不同年期之客戶存款，並透過投資所收取之資金於高質素資產以賺取息差收入。本集團尋求透過整合短期資金及按較高利率借出較長期之款項以增加此等息差收入，同時並保持足夠之流動資金以應付可能須付之所有債務。

集團亦按信貸風險及市場情況，透過向不同信貸級別之商業及零售借款人貸款，以合理利率及服務費用，提高息差。此等活動風險不單涉及資產負債表內之貸款及墊款，亦涉及本集團訂立擔保及其他承擔，例如信用證及其他承諾。

本集團亦通過交易所及場外交易買賣包括衍生工具之金融工具，藉著證券、債券、貨幣、利率及商品價格之短期波動賺取利潤。董事會制定交易限額以監控不同程度之市場持倉風險。除指定對沖安排外，有關外匯及利率之風險一般以訂立對銷持倉（包括與客戶及市場對手之交易）或利用衍生工具作對沖，藉此控制有關市場持倉套現之現金淨值。

本集團亦應用利率掉期及其他利率衍生工具以減輕因利率變動令定息資產公平值下降或定息有期負債公平值上升之利率風險。若干金融工具被用作公平值對沖，對沖項目之細節，包括被對沖項目、金額、利率、對沖期及目的，皆於各公平值對沖項目開始時被確定和記錄，亦於開始對沖時按預期基礎評估及不時根據實際經驗及估價重新評估對沖有效性。倘公平值對沖關係不符合對沖會計的有效性測試標準，則對沖會計方法將於此公平值對沖變失效日起停止。

3. Financial risk management

3.1 Strategy in using financial instruments

The Group accepts deposits from customers at both fixed and floating rates, and for various periods, and seeks to earn positive interest margins by investing these funds in high-quality assets. The Group seeks to increase these margins by consolidating short-term funds and lending for longer periods at higher rates, while maintaining sufficient liquidity to meet all claims that might fall due.

The Group also seeks to raise its interest margins through lending to commercial and retail borrowers with a range of credit standing by charging customers appropriate lending rates and fees, taking into consideration credit risk and market conditions. Such exposures involve not just on-balance sheet loans and advances, as the Group also enters into guarantees and other commitments such as letters of credit and performance, and other bonds.

The Group also trades in financial instruments where it takes positions in exchange-traded and over-the-counter instruments, including derivatives, to take advantage of short-term market movements in equities and bonds and in currency, interest rate and commodity prices. The Board places trading limits on the level of exposure that can be taken in relation to market positions. Apart from specific hedging arrangements, foreign exchange and interest rate exposures are normally offset by entering into counterbalancing positions (including transactions with customers or market counterparties), or by the use of derivatives, thereby controlling the variability in the net cash amounts required to liquidate market positions.

The Group also uses interest rate swap and other interest rate derivatives to mitigate interest rate risk arising from changes in interest rates that will result in decrease in the fair value of fixed rate assets or increase in the fair value of fixed rate term liabilities. Certain of these financial instruments are designated as fair value hedges, and the terms of hedge including hedged item, amount, interest rates, hedge period and purpose are determined and documented at the inception of each fair value hedge. Hedge effectiveness is assessed at inception on a prospective basis and is reassessed, on an ongoing basis, based on actual experience and valuation. Fair value hedge relationships that do not meet the effectiveness test requirement of hedge accounting are discontinued with effect from the date of ineffectiveness of the fair value hedge.

財務報表附註
Notes to the Financial Statements

(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理(續)

3.2 信貸風險

本集團之主要信貸風險為借貸人或交易對手未能履行對本集團之償款責任。此等責任乃源自本集團之貸款及投資活動、以及金融工具之買賣(包括衍生工具)。

本集團設有集團信貸委員會,每部門均設有信貸委員會,由若干執行董事及高級信貸人員組成,並由行政總裁擔任主席。每個信貸委員會負責按集團風險部政策所訂下之範圍及管理架構內,制訂及修訂其部門之信貸政策及程序。信貸政策及程序界定提供貸款之條件及指引、信貸批核及評分、檢討及監察過程,以及貸款分類及減值之制度。

本集團根據業務、財務、市場及行業風險,評估不同類型的客戶及交易對方的信貸風險值,並按信貸批核及檢討政策而審慎地管理各類型的信貸風險。不同的管理階層會基於已制定的指引而批核各種信貸產品、客戶或交易對手及信貸額。管理層、信貸委員會及集團風險部會定期監察及控制信貸風險、信貸限額及資產質素。本集團內部審核師會作定期審核及檢查以確保信貸政策,程序及規管指引得以遵從。

個別業務的信貸政策亦確定新產品及活動的審批政策及程序,並兼顧信貸等級、評分、程序和減值政策等細節事宜。

為避免風險過份集中,對個別客戶或其有關集團之大額風險均被規限於資本基礎的某個百分比。對各行業、國家及地區的貸款亦規管於批准限額內以求組合達致平衡。

3. Financial risk management (Continued)

3.2 Credit risk

The Group's main credit risk is that borrowers or counterparties may default on their payment obligations due to the Group. These obligations arise from the Group's lending and investment activities, and trading of financial instruments (including derivatives).

The Group has a Group Credit Committee and for each business division a credit committee made up of certain Executive Directors and senior credit officers and chaired by the Chief Executive. Each credit committee has the responsibility for formulating and revising credit policies and procedures for that division within the parameters of the Group Risk Policy and regulatory framework. Credit policies and procedures define the credit assessment and approval criteria and guidelines, use of scoring, review and monitoring process and the systems of loan classification and impairment.

The Group manages all types of credit risk on a prudent basis, in accordance with the credit approval and review policies, by evaluating the credit-worthiness of different types of customers and counterparties based on assessment of business, financial, market and industry risks applicable to the types of loans, collateral and counterparty dealings including dealing in or use of derivative financial instruments. Credits are extended within the parameters set out in the credit policies and are approved by different levels of management based upon established guidelines. Credit exposures, limits and asset quality are regularly monitored and controlled by management, credit committees and Group Risk. The Group's internal auditors conduct regular reviews and audits to ensure compliance with credit policies and procedures and regulatory guidelines.

The individual business' credit policies also establish policies and processes for the approval and review of new products and activities, together with details of the facility grading, or credit scoring, processes and impairment policies.

To avoid concentration of risk, large exposures to individual customers or related groups are limited to a percentage of the capital base, and exposures to industry sectors and countries/regions are managed within approved limits to achieve a balanced portfolio.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）

3.2 信貸風險（續）

在適當的時候，為減低信貸風險，本集團會收取抵押品作為信貸額的擔保。為控制因衍生工具淨盤而產生之交易對手信貸風險，本集團限制其衍生工具買賣對手為核准之財務機構，應用市場建立之慣例於信貸支援及抵押品之結算，減低對衍生工具對手之信貸風險。本集團信貸委員會參考個別對手之財務能力及信貸評價，訂立個別財務機構之信貸總額，包括其於衍生工具之市值額度及認可之抵押品類別及其特性和各類貸款與估值比率皆確定於信貸政策內。

所有信貸，無論有否收取抵押品，皆取決於客戶或交易對手的現金流量情況及其還款能力。

（甲） 衍生工具

本集團嚴格控制未平倉衍生合約淨額（即買賣合約的差額）之金額及期限。於任何時間，承受信貸風險之金額按有利於本集團之工具現行公平價值（即公平值為正數之該等資產）為限，此就衍生工具而言僅佔合約之一個少部分，或用以表達未償還工具數量之名義金額。信貸風險作為整體客戶借貸限度之一部分連同潛在市場變動風險一併予以管理。此等工具之信貸風險並不是經常獲得抵押品或其他抵押，惟本集團要求對手方提供保證按金之情況除外。

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

In order to mitigate the credit risk and where appropriate, the Group will obtain collateral to support the credit facility. To control credit risk exposure to counterparty arising from derivative positions, the Group limits its derivative dealings with approved financial institutions, and uses established market practices on credit support and collateral settlement to reduce credit risk exposure to derivative counterparties. Overall credit risk limit for each financial institution counterparty, including valuation limit for derivatives, is approved by the Group Credit Committee with reference to the financial strength and credit rating of each counterparty. The acceptable types of collateral and their characteristics are established within the credit policies, as are the respective margins of finance.

Irrespective of whether collateral is taken, all credit decisions are based upon the customer's or counterparty's cashflow position and ability to repay.

(a) Derivatives

The Group maintains strict control limits on net open derivative positions (i.e., the difference between purchase and sale contracts), by both amount and term. At any one time, the amount subject to credit risk is limited to the current fair value of instruments that are favourable to the Group (i.e., assets where their fair values are positive), which in relation to derivatives is only a small fraction of the contract, or notional values used to express the volume of instruments outstanding. This credit risk exposure is managed as part of the overall lending limits with customers, together with potential exposures from market movements. Collateral or other security is not usually obtained for credit risk exposures on these instruments, except where the Group requires margin deposits from counterparties.

財務報表附註
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）

3.2 信貸風險（續）

（乙）淨額結算整體安排

集團與進行大量交易的交易對方訂立淨額結算整體安排，藉此進一步減少信貸風險。淨額結算整體安排不一定會導致資產負債表上資產及債務的對銷，原因是交易通常按總額結算。然而，有利合約之相關信貸風險會借著淨額結算整體安排而降低，於拖欠發生時交易對方所有借貸將被停止及按淨額結算。

（丙）信貸承諾

該等工具之主要目的是在客戶有需要時，本集團能夠提供足夠資金。擔保及備用信用證乃本集團不可撤回的保證，表示將會在客戶未能向第三方履行責任時作出償付。該等工具之信貸風險與貸款相同。跟單及商業信用證為本集團代表客戶之書面承諾，授權第三方按訂明之條款及條件向本集團提取訂明金額之款項，並一般以相關之付運貨物作為抵押，因此較直接借貸之風險為低。

授出信貸承諾為以貸款、擔保書及信用證等形式授權授出而未動用部分之信貸。就授出信貸承擔之信貸風險而言，本集團所承擔之潛在損失風險相當於未動用承諾之總額。然而，因大部分授出之信貸承諾取決於客戶維持信貸水平，虧損之金額可能低於未動用承諾。因年期較長之承諾比一般年期較短之承諾存在較高程度的信貸風險，本集團會控制信貸承諾之到期年期。

3. Financial risk management (Continued)

3.2 Credit risk (Continued)

(b) Master netting arrangements

The Group further restricts its exposure to credit losses by entering into master netting arrangements with counterparties with which it undertakes a significant volume of transactions. Master netting arrangements do not generally result in an offset of balance sheet assets and liabilities, as transactions are usually settled on a gross basis. However, the credit risk associated with favourable contracts is reduced by a master netting arrangement to the extent that if an event of default occurs, all amounts with the counterparty are terminated and settled on a net basis.

(c) Credit-related commitments

The primary purpose of these instruments is to ensure that funds are available to a customer as required. Guarantees and standby letters of credit – which represent irrevocable assurances that the Group will make payments in the event that a customer cannot meet its obligations to third parties – carry the same credit risk as loans. Documentary and commercial letters of credit – which are written undertakings by the Group on behalf of a customer authorising a third party to draw drafts on the Group up to a stipulated amount under specific terms and conditions – are normally collateralised by the underlying shipments of goods to which they relate and therefore carry less risk than a direct borrowing.

Commitments to extend credit represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. With respect to credit risk on commitments to extend credit, the Group is potentially exposed to loss in an amount equal to the total unused commitments. However, the likely amount of loss is less than the total unused commitments, as most commitments to extend credit are contingent upon customers maintaining specific credit standards. The Group monitors the term to maturity of credit commitments because longer-term commitments generally have a greater degree of credit risk than shorter-term commitments.

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.2 信貸風險（續） *3.2 Credit risk (Continued)*

下列分析反映本集團之信貸風險值。

The analyses below show the exposures of the Group to credit risk.

(i) 未計入持有之抵押品或其他信貸承諾前之最高信貸風險值

(i) Maximum exposure to credit risk before collateral held or other credit commitments

集團	Group	二零零六年 2006	二零零五年 2005
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**6,988,137**	8,040,676
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	**596,659**	1,169,174
持作買賣用途的證券	Trading securities	**4,792,830**	5,364,375
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	**1,276,671**	1,379,163
衍生金融工具	Derivative financial instruments	**366,708**	153,706
各項貸款及其他賬目	Advances and other accounts	**51,730,681**	46,568,778
可供出售證券	Available-for-sale securities	**32,923,713**	22,772,190
持至到期證券	Held-to-maturity securities	**300,701**	494,855
財務擔保及其他信貸或然負債	Financial guarantees and other credit related contingent liabilities	**2,699,343**	3,399,770
貸款承諾及其他信貸承諾	Loan commitments and other credit related commitments	**35,051,593**	28,471,817
		136,727,036	117,814,504

財務報表附註
Notes to the Financial Statements

(以港幣千元位列示) (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理(續) 3. Financial risk management (Continued)

3.2 信貸風險(續) 3.2 Credit risk (Continued)

(ii) 貸款及墊款總額 (ii) Gross loans and advances

貸款及墊款總額按信貸質素分佈 Distribution of gross loans and advances by credit quality

集團	Group	二零零六年 2006	二零零五年 2005
客戶貸款及墊款總額	Gross loans and advances to customers		
– 無逾期及減值	– neither past due nor impaired	**49,588,085**	44,513,083
– 逾期但未減值	– past due but not impaired	**66,070**	93,005
– 已減值	– impaired	**254,533**	312,530
		49,908,688	44,918,618
對銀行及其他金融機構貸款總額	Gross advances to banks and other financial institutions		
– 無逾期及減值	– neither past due nor impaired	**155,102**	389,264
– 逾期但未減值	– past due but not impaired	**–**	–
– 已減值	– impaired	**–**	–
於結算日已逾期但未減值之客戶貸款總額和對銀行及其他金融機構貸款總額按下列逾期時期分類	The gross advances to customers and banks and other financial institutions that were past due but not impaired at the balance sheet date grouped under the following past due aging		
– 三個月以上至六個月	– six months or less but over three months	**40,611**	51,130
– 六個月以上至一年	– one year or less but over six months	**9,230**	14,063
– 一年以上	– over one year	**16,229**	27,812
		66,070	93,005
倘不重組則已逾期或減值之經重組貸款(不包括在上述之逾期貸款)	Rescheduled advances that would otherwise be past due or impaired (not included as past due loans shown above)	**50,775**	107,514

財務報表附註
Notes to the Financial Statements

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）

3.3 市場風險

市場風險乃指由市場上利率及價格變化而引致對資產、負債及資產負債表外持倉之虧損風險。本集團之市場風險一般只涉及作買賣交易並在外匯、債務證券、權益性證券及衍生工具之持倉。

各類交易之市場風險均在董事會、執行委員會及財資風險委員會所核准之風險限額及指引內處理。風險限額按各產品及不同風險類別設定。該等限額綜合包含了名義金額、止蝕限額、敏感限額及運用市場風險數值之管理。所有涉及市場風險的買賣持倉需要每日按市值入賬。集團風險處之風險管理及監控部乃一個獨立之風險管理及控制部門，負責比較風險和已審批限額，以識別、計量、監控及管理該等風險及提議具體行動去確保整體及個別市場風險被限制在可接受水平內。任何不符合限額情況均須經財資風險委員會之合適管理層或執行委員會審查及批准。

本集團之內部審核部則會進行定期的獨立檢查及查核，以確保財資部、風險管理及監控部和其他有關負責部門遵從市場風險政策與程序。

本公司之附屬公司澳門商業銀行根據其一套自定限額和政策及在大新銀行有限公司(「大新銀行」)設定之總體市場風險限額內執行其本行之財資功能。大新銀行之風險管理及監控部監察及管理源自澳門商業銀行財資營運之市場風險。

3.4 外匯風險

除美元外，本集團承擔的淨外匯風險十分有限，因為由客戶交易引致的外匯持倉及外匯結存，通常會與其他的客戶交易或市場交易配對抵銷。淨風險持倉，無論是個別貨幣或總體而言，每日皆由本集團財資部控制在已制定的外匯限額內。

若用長期外幣資金融資港元資產，通常會透過與遠期外匯合約配對抵銷以減低外匯風險。

3. Financial risk management (Continued)

3.3 Market risk

Market risk is the risk of losses in assets, liabilities and off-balance sheet positions arising from movements in market rates and prices. Generally, the Group's market risk is associated with its positions in foreign exchange, debt securities, equity securities and derivatives in the trading book.

Market risk exposure for different types of transactions is managed within risk limits and guidelines approved by the Board, Executive Committee ("EXCO") and Treasury Risk Committee ("TRC"). Risk limits are set by products and by different risk types. Limits comprise a combination of notional, stop loss, sensitivity and value-at-risk ("VaR") controls. All trading positions are subject to daily mark-to-market valuation. Risk Management and Control Department ("RMCD") in Group Risk Division, as an independent risk management and control unit, identifies, measures, monitors and controls the risk exposures against approved limits and initiates specific action to ensure the overall and the individual market risks are managed within an acceptable level. Any exceptions have to be reviewed and sanctioned by the appropriate level of management of TRC or by EXCO.

The Group's Internal Audit function performs regular independent review and testing to ensure compliance with the market risk policies and procedures by Treasury, RMCD and other relevant units.

Banco Comercial de Macau, S.A. ("BCM"), a subsidiary of the Company, runs its treasury functions locally under its own set of limits and policies and within the overall market risk limits set by Dah Sing Bank, Limited ("DSB"). RMCD of DSB oversees and controls the market risk arising from BCM's treasury operation.

3.4 Currency risk

The Group has limited net foreign exchange exposure (except for USD) as foreign exchange positions and foreign currency balances arising from customer transactions are normally matched against other customer transactions or transactions with the market. The net exposure positions, both by individual currency and in aggregate, are managed by the Treasury of the Group on a daily basis within established foreign exchange limits.

Long-term foreign currency funding, to the extent that this is used to fund Hong Kong dollar assets, is normally matched using foreign exchange forward contracts to reduce exposure to foreign exchange risk.

財務報表附註
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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.4 外匯風險（續） 3.4 Currency risk (Continued)

下表概列本集團按貨幣劃分及以港幣等值列出之資產及負債金額。

The table below summarises the Group's assets and liabilities translated into equivalent HK$ amounts, categorised by currency.

集團 二零零六年十二月三十一日	Group As at 31 December 2006	港元 HKD	美元 USD	澳門幣 MOP	其他 Others	合計 Total
資產	**Assets**					
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	1,026,513	4,280,830	231,875	1,448,919	6,988,137
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	58,350	538,309	–	–	596,659
持作買賣用途的證券	Trading securities	4,792,830	–	–	–	4,792,830
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	759,964	516,707	–	–	1,276,671
衍生金融工具	Derivative financial instruments	226,994	71,299	–	68,415	366,708
各項貸款及其他賬目	Advances and other accounts	45,391,657	3,862,423	1,590,872	885,729	51,730,681
可供出售證券	Available-for-sale securities	7,722,786	18,717,673	1,283,117	5,200,137	32,923,713
持至到期證券	Held-to-maturity securities	216,498	84,203	–	–	300,701
共同控制實體投資	Investments in jointly controlled entities	37,192	–	–	–	37,192
商譽	Goodwill	811,690	–	–	–	811,690
無形資產	Intangible assets	168,663	–	–	–	168,663
行產及其他固定資產	Premises and other fixed assets	1,067,774	–	318,092	770	1,386,636
投資物業	Investment properties	622,722	–	19,418	–	642,140
預付即期税項	Current income tax prepaid	10,763	–	–	–	10,763
遞延税項資產	Deferred income tax assets	3,377	–	–	–	3,377
資產合計	**Total Assets**	62,917,773	28,071,444	3,443,374	7,603,970	102,036,561
負債	**Liabilities**					
銀行及其他金融機構存款	Deposits from banks and other financial institutions	1,181,438	41,624	353	454,844	1,678,259
衍生金融工具	Derivative financial instruments	145,169	109,175	–	63,311	317,655
持作買賣用途的負債	Trading liabilities	6,526,233	–	–	–	6,526,233
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	2,843,405	549,643	–	–	3,393,048
客戶存款	Deposits from customers	39,598,609	13,889,418	3,798,873	6,598,158	63,885,058
已發行的存款證	Certificates of deposit issued	6,683,626	1,473,633	129,794	481,419	8,768,472
已發行的債務證券	Issued debt securities	–	2,299,574	–	–	2,299,574
後償債務	Subordinated notes	–	3,480,127	–	–	3,480,127
其他賬目及預提	Other accounts and accruals	881,030	986,411	6,087	265,149	2,138,677
即期税項負債	Current income tax liabilities	63,086	7	16,030	145	79,268
遞延税項負債	Deferred income tax liabilities	131,454	–	3,495	–	134,949
負債合計	**Total Liabilities**	58,054,050	22,829,612	3,954,632	7,863,026	92,701,320
資產負債表上持倉淨額	**Net on-balance sheet positions**	4,863,723	5,241,832	(511,258)	(259,056)	9,335,241
資產負債表外持倉名義淨額*	**Off-balance sheet net notional positions***	3,531,034	(3,151,560)	–	(470,874)	(91,400)
信貸承擔	**Credit commitments**	32,295,959	3,832,463	724,938	897,576	37,750,936

* 資產負債表外持倉名義淨額指主要用於減輕集團外匯變動風險之外幣金融衍生工具的名義淨額。

* Off-balance sheet net notional positions represent the net notional amounts of foreign currency derivative financial instruments which are principally used to reduce the Group's exposure to currency movements.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.4 外匯風險（續） 3.4 Currency risk (Continued)

集團 二零零五年十二月三十一日	Group As at 31 December 2005	港元 HKD	美元 USD	澳門幣 MOP	其他 Others	合計 Total
資產	**Assets**					
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	1,101,444	3,864,303	177,062	2,897,867	8,040,676
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	260,650	659,150	53,630	195,744	1,169,174
持作買賣用途的證券	Trading securities	5,364,375	–	–	–	5,364,375
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	873,839	505,324	–	–	1,379,163
衍生金融工具	Derivative financial instruments	83,735	67,569	343	2,059	153,706
各項貸款及其他賬目	Advances and other accounts	40,808,510	3,538,728	1,724,038	497,502	46,568,778
可供出售證券	Available-for-sale securities	2,817,008	14,964,259	1,167,396	3,823,527	22,772,190
持至到期證券	Held-to-maturity securities	248,172	246,683	–	–	494,855
共同控制實體投資	Investments in jointly controlled entities	30,184	–	–	–	30,184
商譽	Goodwill	811,690	–	–	–	811,690
無形資產	Intangible assets	203,214	–	–	–	203,214
行產及其他固定資產	Premises and other fixed assets	1,078,249	–	300,142	252	1,378,643
投資物業	Investment properties	320,939	–	–	–	320,939
遞延稅項資產	Deferred income tax assets	7,692	–	–	–	7,692
持作轉售用途之非流動資產	Non-current assets held for resale	541,821	50,521	228,196	1,023	821,561
資產合計	**Total Assets**	54,551,522	23,896,537	3,650,807	7,417,974	89,516,840
負債	**Liabilities**					
銀行及其他金融機構存款	Deposits from banks and other financial institutions	120,262	66,056	1,269	68,161	255,748
衍生金融工具	Derivative financial instruments	149,110	205,790	414	150,744	506,058
持作買賣用途的負債	Trading liabilities	6,311,309	–	–	–	6,311,309
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	1,368,974	535,306	–	–	1,904,280
客戶存款	Deposits from customers	34,386,912	11,494,509	3,306,016	7,262,545	56,449,982
已發行的存款證	Certificates of deposit issued	6,337,857	1,226,491	148,949	–	7,713,297
已發行的債務證券	Issued debt securities	–	2,287,095	–	–	2,287,095
後償債務	Subordinated notes	–	3,290,342	–	–	3,290,342
其他賬目及預提	Other accounts and accruals	775,931	473,647	9,943	190,223	1,449,744
即期稅項負債	Current income tax liabilities	29,739	–	10,505	78	40,322
遞延稅項負債	Deferred income tax liabilities	101,394	–	2,940	–	104,334
持作轉售用途之非流動負債	Non-current liabilities held for resale	85,664	8,862	425,417	11,080	531,023
負債合計	**Total Liabilities**	49,667,152	19,588,098	3,905,453	7,682,831	80,843,534
資產負債表上持倉淨額	**Net on-balance sheet positions**	4,884,370	4,308,439	(254,646)	(264,857)	8,673,306
資產負債表外持倉名義淨額*	**Off-balance sheet net notional positions***	2,697,423	(4,678,846)	–	1,943,711	(37,712)
信貸承擔	**Credit commitments**	26,664,833	3,289,331	989,611	927,812	31,871,587

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(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理(續)

3.5 利率風險

本集團承擔的利率風險,主要是源於以浮動利率存款來融資定息貸款及固定收入證券投資。當利率上升或下降時,利率差距及淨利息收入將會因定息貸款或證券所賺取的利息不會改變而受影響。市場利率的波動除影響盈利外,亦會影響集團的資產、負債及資產負債表外持倉的經濟價值,繼而影響集團的資產淨值。

下表概列本集團之利率風險。表內包括本集團按賬面金額計算之帶息資產及負債,並按重定息率日或到期日(以較早者為準)分類。

3. Financial risk management (Continued)

3.5 Interest rate risk

The Group's interest rate risk mainly arises from the funding of fixed-rate loans and investments in fixed income securities by floating rate deposits. When interest rates rise or fall, the interest spread and net interest income will be affected as interest income generated by the existing fixed-rate loans or securities will not change. In addition to changes in earnings, the variations in market interest rates will also affect the economic values of the Group's assets, liabilities and off-balance sheet positions, which can, in turn affect the net worth of the Group.

The table below summarises the Group's exposure to interest rate risks. Included in the table are the Group's interest-bearing assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.5 利率風險（續） 3.5 Interest rate risk (Continued)

集團 二零零六年十二月三十一日	Group As at 31 December 2006	三個月或以下 3 months or less	三個月以上至一年 Over 3 months to 1 year	一年以上至五年 Over 1 year to 5 years	五年以上 Over 5 years	不計息 Non-Interest Bearing	合計 Total
資產	**Assets**						
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	5,450,403	–	–	–	1,537,734	6,988,137
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	275,979	320,680	–	–	–	596,659
持作買賣用途的證券	Trading securities	2,927,402	1,362,530	502,846	52	–	4,792,830
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	1,228,468	48,203	–	–	–	1,276,671
衍生金融工具	Derivative financial instruments	–	–	–	–	366,708	366,708
各項貸款及其他賬目	Advances and other accounts	40,483,107	3,229,646	3,601,978	2,900,594	1,515,356	51,730,681
可供出售證券	Available-for-sale securities	9,803,280	7,848,761	4,617,095	9,575,693	1,078,884	32,923,713
持至到期證券	Held-to-maturity securities	119,743	76,191	104,767	–	–	300,701
共同控制實體投資	Investments in jointly controlled entities	–	–	–	–	37,192	37,192
商譽	Goodwill	–	–	–	–	811,690	811,690
無形資產	Intangible assets	–	–	–	–	168,663	168,663
行產及其他固定資產	Premises and other fixed assets	–	–	–	–	1,386,636	1,386,636
投資物業	Investment properties	–	–	–	–	642,140	642,140
預付即期税項	Current income tax prepaid	–	–	–	–	10,763	10,763
遞延税項資產	Deferred income tax assets	–	–	–	–	3,377	3,377
資產合計	**Total Assets**	60,288,382	12,886,011	8,826,686	12,476,339	7,559,143	102,036,561
負債	**Liabilities**						
銀行及其他金融機構存款	Deposits from banks and other financial institutions	1,535,314	–	–	–	142,945	1,678,259
衍生金融工具	Derivative financial instruments	–	–	–	–	317,655	317,655
持作買賣用途的負債	Trading liabilities	5,756,137	571,168	198,928	–	–	6,526,233
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	2,218,168	758,560	416,320	–	–	3,393,048
客戶存款	Deposits from customers	58,994,583	2,452,625	616,279	–	1,821,571	63,885,058
已發行的存款證	Certificates of deposit issued	3,349,978	1,227,715	3,843,730	347,049	–	8,768,472
已發行的債務證券	Issued debt securities	1,166,692	–	1,132,882	–	–	2,299,574
後償債務	Subordinated notes	2,333,385	–	–	1,146,742	–	3,480,127
其他賬目及預提	Other accounts and accruals	–	–	–	–	2,138,677	2,138,677
即期税項負債	Current income tax liabilities	–	–	–	–	79,268	79,268
遞延税項負債	Deferred income tax liabilities	–	–	–	–	134,949	134,949
負債合計	**Total Liabilities**	75,354,257	5,010,068	6,208,139	1,493,791	4,635,065	92,701,320
利息感應差距合計（未經調整）*	**Total interest sensitivity gap (unadjusted)***	(15,065,875)	7,875,943	2,618,547	10,982,548		
利率衍生合約之影響	**Effect of interest rate derivative contracts**	(1,560,713)	5,919,868	3,808,533	(8,153,469)		
利息感應差距合計（經調整）*	**Total interest sensitivity gap (adjusted)***	(16,626,588)	13,795,811	6,427,080	2,829,079		

* 未經調整利息感應差距乃按資產負債表內資產和負債的持倉量釐定。經調整利息感應差距已計入就減低利率風險而進行的利率衍生工具合約的效果。

* Unadjusted interest sensitivity gap is determined based on positions of on-balance sheet assets and liabilities. Adjusted interest sensitivity gap takes into account the effect of interest rate derivative contracts entered into to mitigate interest rate risk.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.5 利率風險（續） 3.5 Interest rate risk (Continued)

集團 二零零五年十二月三十一日	Group As at 31 December 2005	三個月或以下 3 months or less	三個月以上至一年 Over 3 months to 1 year	一年以上至五年 Over 1 year to 5 years	五年以上 Over 5 years	不計息 Non-Interest Bearing	合計 Total
資產	**Assets**						
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	7,280,771	–	–	–	759,905	8,040,676
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	1,041,495	127,679	–	–	–	1,169,174
持作買賣用途的證券	Trading securities	2,511,589	1,695,567	1,110,288	46,931	–	5,364,375
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	1,150,242	228,921	–	–	–	1,379,163
衍生金融工具	Derivatives financial instruments	–	–	–	–	153,706	153,706
各項貸款及其他賬目	Advances and other accounts	40,048,411	2,536,547	2,437,368	267,809	1,278,643	46,568,778
可供出售證券	Available-for-sale securities	6,998,539	1,978,697	4,329,182	8,366,037	1,099,735	22,772,190
持至到期證券	Held-to-maturity securities	244,693	54,378	195,784	–	–	494,855
共同控制實體投資	Investments in jointly controlled entities	–	–	–	–	30,184	30,184
商譽	Goodwill	–	–	–	–	811,690	811,690
無形資產	Intangible assets	–	–	–	–	203,214	203,214
行產及其他固定資產	Premises and other fixed assets	–	–	–	–	1,378,643	1,378,643
投資物業	Investment properties	–	–	–	–	320,939	320,939
遞延税項資產	Deferred income tax assets	–	–	–	–	7,692	7,692
持作轉售用途之非流動資產	Non-current assets held for resale	–	–	–	–	821,561	821,561
資產合計	**Total Assets**	59,275,740	6,621,789	8,072,622	8,680,777	6,865,912	89,516,840
負債	**Liabilities**						
銀行及其他金融機構存款	Deposits from banks and other financial institutions	123,866	11,291	–	–	120,591	255,748
衍生金融工具	Derivative financial instruments	–	–	–	–	506,058	506,058
持作買賣用途的負債	Trading liabilities	4,308,461	1,245,019	757,829	–	–	6,311,309
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	1,120,366	688,067	95,847	–	–	1,904,280
客戶存款	Deposits from customers	51,104,164	2,179,777	766,072	–	2,399,969	56,449,982
已發行的存款證	Certificates of deposit issued	3,080,639	709,232	3,923,426	–	–	7,713,297
已發行的債務證券	Issued debt securities	–	1,163,265	1,123,830	–	–	2,287,095
後償債務	Subordinated notes	–	2,138,954	–	1,151,388	–	3,290,342
其他賬目及預提	Other accounts and accruals	–	–	–	–	1,449,744	1,449,744
即期税項負債	Current income tax liabilities	–	–	–	–	40,322	40,322
遞延税項負債	Deferred income tax liabilities	–	–	–	–	104,334	104,334
持作轉售用途之非流動負債	Non-current liabilities held for resale	–	–	–	–	531,023	531,023
負債合計	**Total Liabilities**	59,737,496	8,135,605	6,667,004	1,151,388	5,152,041	80,843,534
利息感應差距合計（未經調整）*	**Total interest sensitivity gap (unadjusted)***	(461,756)	(1,513,816)	1,405,618	7,529,389		
利率衍生合約之影響	**Effect of interest rate derivatives**	3,185,854	885,147	2,972,476	(6,986,270)		
利息感應差距合計（經調整）*	**Total interest sensitivity gap (adjusted)***	2,724,098	(628,669)	4,378,094	543,119		

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）

3.5 利率風險（續）

假設本集團沒有作出任何行動以增加或減少利率風險值及二零零六年十二月三十一日之金融資產及負債在餘額、組合、期限及重訂利率模式等大體上仍然不變，若所有期限之市場利率即時承受加息四分之一厘將令來年之淨利息收入大約減少34,000,000港元。

下表概述未以公平值計量且其變動計入損益之貨幣金融工具，按主要貨幣區分之實際利率：

3. Financial risk management (Continued)

3.5 Interest rate risk (Continued)

Assuming the financial assets and liabilities at 31 December 2006 were to remain broadly unchanged in terms of balance, mix, maturity and interest rate repricing pattern without any action by the Group to increase or reduce interest rate risk exposure, an immediate and sustained increase of 0.25% in market interest rates across all maturities would reduce net interest income for the following year by approximately HK$34 million.

The table below summarises the effective interest rate by major currencies for monetary financial instruments not carried at fair value through profit or loss:

集團 二零零六年十二月三十一日	Group As at 31 December 2006	港元 HKD %	美元 USD %	澳門幣 MOP %	其他 Others %	合計 Total %
資產	**Assets**					
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	4.34%	5.84%	3.71%	6.25%	5.34%
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	3.89%	5.04%	4.03%	4.43%	4.48%
各項貸款及其他賬目	Advances and other accounts	6.64%	6.34%	7.11%	2.68%	6.58%
可供出售證券（扣除利率掉期合約之影響）	Available-for-sale securities (net of effect of interest rate swap contracts)	4.04%	5.79%	–	4.79%	5.19%
持至到期證券	Held-to-maturity securities	3.60%	3.78%	–	–	3.65%
負債	**Liabilities**					
銀行及其他金融機構存款	Deposits from banks and other financial institutions	3.94%	–	–	2.42%	3.51%
客戶存款	Deposits from customers	3.41%	4.80%	3.15%	4.25%	3.79%
已發行的存款證	Certificates of deposit issued	4.18%	5.52%	–	–	4.33%
已發行的債務證券	Issued debt securities	–	5.66%	–	–	5.66%
後償債務	Subordinated notes	–	5.71%	–	–	5.71%

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.5 利率風險（續） 3.5 Interest rate risk (Continued)

集團 二零零五年十二月三十一日	Group As at 31 December 2005	港元 HKD %	美元 USD %	澳門幣 MOP %	其他 Others %	合計 Total %
資產	**Assets**					
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	4.39%	4.53%	3.71%	4.63%	4.41%
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	3.38%	4.20%	4.13%	3.41%	4.00%
各項貸款及其他賬目	Advances and other accounts	6.78%	6.55%	6.88%	2.65%	6.74%
可供出售證券（扣除利率掉期合約之影響）	Available-for-sale securities (net of effect of interest rate swap contracts)	3.36%	4.75%	–	4.73%	4.61%
持至到期證券	Held-to-maturity securities	3.27%	5.50%	–	–	3.71%
負債	**Liabilities**					
銀行及其他金融機構存款	Deposits from banks and other financial institutions	4.08%	4.31%	–	3.89%	4.01%
客戶存款	Deposits from customers	3.61%	3.81%	2.87%	4.14%	3.68%
已發行的存款證	Certificates of deposit issued	4.46%	4.56%	–	–	4.48%
已發行的債務證券	Issued debt securities	–	4.70%	–	–	4.70%
後償債務	Subordinated notes	–	4.89%	–	–	4.89%

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）

3.6 流動資產風險

本集團審慎地管理流動資產以確保流動資產比率於是年度內均能保持高於法定最低要求的流動資金比率。本集團內之銀行附屬公司是年內之平均流動資金比率遠高於銀行業條例最低要求的百分之二十五。

本集團的資產及負債管理委員會定期檢討現行貸款和存款的組合及變化、融資需求及預測、對到期錯配狀況及流動資金比率作出持續監控。本集團亦對流動資金比率及到期錯配定下適當的限額並持有充足的流動資產以確保能應付所有短期資金需求。

本集團的資金主要包括客戶存款、已發行的存款證及中期票據。發行存款證及中期票據有助延長融資年期及減少到期錯配，在少數情況下，亦會吸納短期銀行同業存款。本集團乃銀行同業市場的淨放款人。

下表分析本集團按有關合約到期日剩餘時間分類之資產及負債。

3. Financial risk management (Continued)

3.6 Liquidity risk

The Group manages its liquidity on a prudent basis to ensure that a sufficiently high liquidity ratio relative to the statutory minimum is maintained throughout the year. The average liquidity ratio of the banking subsidiaries within the Group during the year was well above the 25% minimum ratio set by the Hong Kong Banking Ordinance.

The Group's Asset and Liability Management Committee regularly reviews the Group's current loan and deposit mix and changes, funding requirements and projections, and monitors the liquidity ratio and maturity mismatch on an ongoing basis. Appropriate limits on liquidity ratio and maturity mismatch are set and sufficient liquid assets are held to ensure that the Group can meet all short-term funding requirements.

The Group's funding comprises mainly deposits of customers, certificates of deposit and medium term notes issued. The issuance of certificates of deposit and medium term notes helps lengthen the funding maturity and reduce the maturity mismatch. Short-term interbank deposits are taken on a limited basis and the Group is a net lender to the interbank market.

The table below analyses the Group's assets and liabilities into relevant maturity groupings based on the remaining period at balance sheet date to the contractual maturity date.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續） 3. Financial risk management (Continued)

3.6 流動資產風險（續） 3.6 Liquidity risk (Continued)

集團 二零零六年十二月三十一日	Group As at 31 December 2006	即期償還 Repayable on demand	三個月或以下 3 months or less	三個月以上至一年 Over 3 months to 1 year	一年以上至五年 Over 1 year to 5 years	五年以上 Over 5 years	無註明日期 Undated	合計 Total
資產	**Assets**							
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	4,789,421	2,198,716	–	–	–	–	6,988,137
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	–	275,979	320,680	–	–	–	596,659
持作買賣用途的證券	Trading securities	–	2,927,402	1,362,530	502,846	52	–	4,792,830
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	–	1,228,467	48,204	–	–	–	1,276,671
衍生金融工具	Derivative financial instruments	591	119,218	48,073	70,749	128,077	–	366,708
各項貸款及其他賬目	Advances and other accounts	6,538,374	9,449,602	5,174,711	12,866,829	17,361,686	339,479	51,730,681
可供出售證券	Available-for-sale securities	–	4,787,588	7,692,854	6,190,032	13,174,355	1,078,884	32,923,713
持至到期證券	Held-to-maturity securities	–	88,640	107,294	104,767	–	–	300,701
共同控制實體投資	Investments in jointly controlled entities	–	–	–	–	–	37,192	37,192
商譽	Goodwill	–	–	–	–	–	811,690	811,690
無形資產	Intangible assets	–	–	–	–	–	168,663	168,663
行產及其他固定資產	Premises and other fixed assets	–	–	–	–	–	1,386,636	1,386,636
投資物業	Investment properties	–	–	–	–	–	642,140	642,140
預付即期稅項	Current income tax prepaid	–	–	10,763	–	–	–	10,763
遞延稅項資產	Deferred income tax assets	–	–	–	3,377	–	–	3,377
資產合計	**Total Assets**	11,328,386	21,075,612	14,765,109	19,738,600	30,664,170	4,464,684	102,036,561
負債	**Liabilities**							
銀行及其他金融機構存款	Deposits from banks and other financial institutions	362,412	1,315,847	–	–	–	–	1,678,259
衍生金融工具	Derivative financial instruments	1,706	42,990	42,883	121,269	108,807	–	317,655
持作買賣用途的負債	Trading liabilities	–	5,756,137	571,168	198,928	–	–	6,526,233
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	–	3,176,469	65,908	150,671	–	–	3,393,048
客戶存款	Deposits from customers	19,354,545	39,656,565	4,257,668	616,280	–	–	63,885,058
已發行的存款證	Certificates of deposit issued	–	79,401	1,712,184	6,629,838	347,049	–	8,768,472
已發行的債務證券	Issued debt securities	–	–	–	2,299,574	–	–	2,299,574
後償債務	Subordinated notes	–	–	–	1,166,693	2,313,434	–	3,480,127
其他賬目及預提	Other accounts and accruals	8,189	1,430,751	207,603	5,791	1,528	484,815	2,138,677
即期稅項負債	Current income tax liabilities	–	–	79,268	–	–	–	79,268
遞延稅項負債	Deferred income tax liabilities	–	–	–	134,949	–	–	134,949
負債合計	**Total Liabilities**	19,726,852	51,458,160	6,936,682	11,323,993	2,770,818	484,815	92,701,320
淨流動性差距	**Net liquidity gap**	(8,398,466)	(30,382,548)	7,828,427	8,414,607	27,893,352	3,979,869	9,335,241

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(以港幣千元位列示) (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理(續) 3. Financial risk management (Continued)

3.6 流動資產風險(續) 3.6 Liquidity risk (Continued)

集團 二零零五年十二月三十一日	Group As at 31 December 2005	即期償還 Repayable on demand	三個月或以下 3 months or less	三個月以上至一年 Over 3 months to 1 year	一年以上至五年 Over 1 year to 5 years	五年以上 Over 5 years	無註明日期 Undated	合計 Total
資產	**Assets**							
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	4,900,142	3,140,534	–	–	–	–	8,040,676
在銀行及其他金融機構一至十二個月內到期的存款	Placement with banks and other financial institutions maturing between one and twelve months	–	886,997	282,177	–	–	–	1,169,174
持作買賣用途的證券	Trading securities	–	2,511,589	1,695,566	1,110,288	46,932	–	5,364,375
以公平值計量且其變動計入損益的金融資產	Financial assets at fair value through profit or loss	–	1,331,772	47,391	–	–	–	1,379,163
衍生金融工具	Derivative financial instruments	689	23,398	59,893	17,980	51,746	–	153,706
各項貸款及其他賬目	Advances and other accounts	5,605,715	8,749,135	5,466,361	11,085,715	15,405,707	256,145	46,568,778
可供出售證券	Available-for-sale securities	233,931	3,418,337	951,395	5,599,318	11,520,184	1,049,025	22,772,190
持至到期證券	Held-to-maturity securities	–	128,686	108,316	257,853	–	–	494,855
共同控制實體投資	Investments in jointly controlled entities	–	–	–	–	–	30,184	30,184
商譽	Goodwill	–	–	–	–	–	811,690	811,690
無形資產	Intangible assets	–	–	–	–	–	203,214	203,214
行產及其他固定資產	Premises and other fixed assets	–	–	–	–	–	1,378,643	1,378,643
投資物業	Investment properties	–	–	–	–	–	320,939	320,939
遞延税項資產	Deferred income tax assets	–	–	–	7,692	–	–	7,692
持作轉售用途之非流動資產	Non-current assets held for resale	–	–	821,561	–	–	–	821,561
資產合計	**Total Assets**	10,740,477	20,190,448	9,432,660	18,078,846	27,024,569	4,049,840	89,516,840
負債	**Liabilities**							
銀行及其他金融機構存款	Deposits from banks and other financial institutions	235,946	9,302	10,500	–	–	–	255,748
衍生金融工具	Derivative financial instruments	2,992	92,769	18,229	116,582	275,486	–	506,058
持作買賣用途的負債	Trading liabilities	–	4,308,462	1,245,018	757,829	–	–	6,311,309
指定以公平值計量且其變動計入損益的客戶存款	Deposits from customers designated at fair value through profit or loss	–	1,701,212	107,221	95,847	–	–	1,904,280
客戶存款	Deposits from customers	13,719,536	40,039,707	1,924,667	766,072	–	–	56,449,982
已發行的存款證	Certificates of deposit issued	–	1,352,174	2,628,175	3,732,948	–	–	7,713,297
已發行的債務證券	Issued debt securities	–	–	–	2,287,095	–	–	2,287,095
後償債務	Subordinated notes	–	975,689	–	1,163,265	1,151,388	–	3,290,342
其他賬目及預提	Other accounts and accruals	200,858	849,424	208,673	4,720	1,005	185,064	1,449,744
即期税項負債	Current income tax liabilities	–	–	40,322	–	–	–	40,322
遞延税項負債	Deferred income tax liabilities	–	–	–	104,334	–	–	104,334
持作轉售用途之非流動負債	Non-current liabilities held for resale	–	–	531,023	–	–	–	531,023
負債合計	**Total Liabilities**	14,159,332	49,328,739	6,713,828	9,028,692	1,427,879	185,064	80,843,534
淨流動性差距	**Net liquidity gap**	(3,418,855)	(29,138,291)	2,718,832	9,050,154	25,596,690	3,864,776	8,673,306

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(以港幣千元位列示)

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3. 財務風險管理(續)

3.6 流動資產風險(續)

資產與負債期限及利率的相配和受控的錯配對集團管理層十分重要。由於進行的業務交易經常有不確定的期限及不同類別,對銀行而言,完全相配的情況並不普遍。不相配的持倉既可能提高盈利能力,但也會增加虧損風險。

資產與負債的到期日及以合理的成本替代到期之計息負債的能力,是評估集團流動資金及其因利率及匯率變動所承擔風險的重要因素。

因集團一般不預期第三方會根據有關協議全數動用資金,應付擔保和備用信用證項下所需款項的流動資金需求遠少於承諾的金額。由於很多信貸承諾於到期或終止日毋須動用資金,因此用於提供信貸之信貸承擔的未償付合約總金額未必等同日後的現金需求。

3.7 金融資產及負債之公平值

於活躍市場買賣之金融工具(例如公開買賣之衍生工具、持作買賣用途的證券及可供出售之證券)之公平值為結算日之市場價格。本集團所持金融資產所用之市價為當時買入價;而金融負債之適用市價為當時賣出價。

非活躍市場買賣之金融工具(例如櫃枱交易衍生工具)之公平值乃使用估值技術釐定。本集團使用多種方法,並按各結算日當時之市況作出假設。長期債項乃使用類同工具之市場價或交易商之報價。釐定其餘金融工具之公平值時則使用其他技術,例如預計貼現現金流量。利率掉期之公平值按估計未來現金流量之現值計算。遠期外匯合約之公平值則應用於結算日期外匯市場遠期匯率釐定。

3. Financial risk management (Continued)

3.6 Liquidity risk (Continued)

The matching and controlled mismatching of the maturities and interest rates of assets and liabilities are fundamental to the management of the Group. It is unusual for banks to be completely matched, as business transacted are often of uncertain term and of different types. An unmatched position potentially enhances profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities as they mature are important factors in assessing the liquidity of the Group and its exposure to changes in interest rates and exchange rates.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment because the Group does not generally expect the third parties to fully draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit does not necessarily represent future cash requirements, as many of these commitments will expire or terminate without being funded.

3.7 Fair values of financial assets and liabilities

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined by using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments. The fair value of interest-rate swaps is calculated as the present value of the estimated future cash flows. The fair value of forward foreign exchange contracts is determined using forward exchange market rates at the balance sheet date.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

3. 財務風險管理（續）
3. Financial risk management (Continued)

3.7 金融資產及負債之公平值（續）
3.7 Fair values of financial assets and liabilities (Continued)

就披露之用途而言，金融資產及負債之公平值乃按本集團可得之類同金融工具按當時市場利率貼現未來合約現金流量而計算。

The fair value of financial assets and financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

於二零零六及二零零五年十二月三十一日，除下述金融工具外，全部金融工具以公平值呈列：

All financial instruments are stated at fair value as at 31 December 2006 and 2005 except for the following:

集團	Group	賬面值 Carrying value		公平值 Fair value	
		二零零六年 2006	二零零五年 2005	**二零零六年 2006**	二零零五年 2005
金融資產	**Financial assets**				
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**6,988,137**	8,040,676	**6,988,344**	8,040,676
在銀行及其他金融機構一至十二個月內到期的存款	Placements with banks and other financial institutions maturing between one and twelve months	**596,659**	1,169,174	**594,781**	1,167,632
各項貸款及其他賬目	Advances and other accounts	**51,730,681**	46,568,778	**51,667,677**	46,487,862
持至到期證券	Held-to-maturity securities	**300,701**	494,855	**300,289**	488,034
金融負債	**Financial liabilities**				
銀行及其他金融機構存款	Deposits from banks and other financial institutions	**1,678,259**	255,748	**1,678,483**	254,916
客戶存款	Deposits from customers	**63,885,058**	56,449,982	**63,926,472**	56,483,088
已發行的存款證	Certificates of deposit issued	**3,218,534**	3,188,177	**3,217,487**	3,183,281
已發行的債務證券	Issued debt securities	**1,166,692**	1,163,265	**1,166,692**	1,161,520
後償債務	Subordinated notes	**2,333,385**	1,163,265	**2,333,385**	1,163,265

3.8 受信人活動
3.8 Fiduciary activities

本集團提供託管人、受託人、企業管理、投資管理及諮詢服務予第三者，當中涉及本集團就不同之金融工具作出分配及買賣決定。此等以受信身份持有之資產，並不列入本集團之財務報表。此等服務可引致本集團被追索錯誤管理之風險。

The Group provides custody, trustee, wealth management and advisory services to third parties, which involve the Group making allocation and purchase and sale decisions in relation to a variety of financial instruments. Those assets that are held in a fiduciary capacity are not included in the Group's financial statements. These services could give rise to the risk that the Group will be accused of mal-administration.

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4. 應用會計政策時之重要會計估計及判斷

4.1 重要會計估計及假設

本集團作出之估計及假設將會影響下一財政年度內列報資產及負債之金額。本集團會根據過往經驗及其他因素，包括在某些情況下，對未來事項作出認為是合理的預期，並持續地評估所作出之估計及判斷。估計及假設之改變可能對本集團於作出改變之期內業績有重大影響。選擇及應用不同之估計及假設和其後之變化，可能影響本集團將來之溢利及淨資產值。本集團依據高層次評估其主要會計估計及假設之改變對本集團呈報之資產及負債之敏感度影響後，深信所採納之估計及假設乃屬合適和合理，及呈列在本集團之財務報表內之財務業績和狀況在所有重要性方面是公平及合理。

（甲）貸款及墊款減值準備

本集團至少每季檢視其貸款組合以評估其減值。本集團會評估有任何顯著數據反映貸款組合之預計現金流量於確認為個別貸款現金流量減少前有重大的跌幅而作出判斷，以確定減值虧損應否記錄於收益賬上。這證據可能包括本集團借款人之還款狀況有逆轉，或經濟情況與集團之資產拖欠相關。當反映估計未來現金流量時，管理層會按過往有相關貸款風險特性的資產損失經驗，及與類同之貸款組合客觀依據評估。這個用以估計未來現金流量總額及時間的方法及假設被定期檢閱，以減少預計及實際損失之差異。

4. Critical accounting estimates, and judgements in applying accounting policies

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Changes in estimates and assumptions may have a significant impact on the results of the Group in the periods when changes are made. The application and selection of different estimates and assumptions, and their subsequent changes, could affect the Group's profit and net asset value in the future. The Group, based on its high-level assessment of the sensitivity impacts on the reported assets and liabilities of the Group arising from the changes in critical accounting estimates and assumptions, believes that the estimates and assumptions adopted are appropriate and reasonable, and the financial results and positions presented in the Group's financial statements are fair and reasonable in all material respects.

(a) Impairment allowances on loans and advances

The Group reviews its loan portfolios to assess impairment at least on a quarterly basis. In determining whether an impairment loss should be recorded in the income statement, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those in the portfolio when estimating its future cash flows of recoverable amounts. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

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4. 應用會計政策時之重要會計估計及判斷（續）

4.1 重要會計估計及假設（續）

（乙）金融工具之公平值

在沒有活躍市場報價的金融工具以估值方法去釐定其公平值。當應用估值方法(例如以統計模型)去決定公平值時，該等方法須由獨立於交易部門並具有相關資格的人去確認及定期檢視。所有模型在應用前須先獲得證實及模型須被確認以確保結果能反映實際數據及相對市價。在可行之範圍內，模型只會採用可觀察之數據，但某些範疇如信貸風險(包括自己及交易對手)，波幅及相互關係，管理層必須作出一些估計。改變關於這些因素之假設會影響所列報的金融工具之公平值。

（丙）商譽及無形資產之評估

於業務合併中，繼初始確認商譽及無形資產後，任何有關用於無形資產未來可產生收益之假設之重大變動，包括被收購之企業之未來收益現金流量，或因市場環境及前景的重大改變而影響貼現率，將對此資產之賬面價值作出調整。倘在某些情況下，無形資產及商譽預期可收回之金額較其賬面價值為低，則須確認該資產的減值。

4. Critical accounting estimates, and judgements in applying accounting policies (Continued)

4.1 Critical accounting estimates and assumptions (Continued)

(b) Fair value of financial instruments

The fair value of financial instruments that are not quoted in active markets are determined by using valuation techniques. Where valuation techniques (for example, statistical models) are used to determine fair values, they are validated and periodically reviewed by qualified personnel independent of the area that created them. All models are subject to proper validation before they are used, and models are calibrated to ensure that outputs reflect actual data and comparative market prices. To the extent practical, models use only observable data, however areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect reported fair value of financial instruments.

(c) Goodwill and intangible asset valuation

For business combinations, subsequent to initial recognition of goodwill and intangible assets, any major change in the assumptions in relation to future benefits to be generated from the intangible assets, including future cash flow of benefits to be generated from the acquired entities, or discount rates which could be caused by major changes in market conditions and outlook, could result in adjustments to the carrying values of such assets. In the event that the expected recoverable amounts of goodwill and intangible assets are significantly lower than their carrying values, impairment of such assets would have to be recognised.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

4. 應用會計政策時之重要會計估計及判斷（續）

4.2 應用集團會計政策之重大判斷

（甲）投資物業與自用物業之區別

本集團自行釐定物業是否符合列作投資物業的資格。在作出有關判斷時，本集團須考慮該物業是否在不受本集團所持其他資產協助下提供現金流量。業主自用物業所提供之現金流量不僅來自物業本身，亦因在生產或供應過程使用其他資產而產生。

本集團若干物業之一部份乃用作賺取租金或資本增值用途，而另一部份則為提供服務或用作行政用途。倘這一部份可個別出售（或根據一項融資租賃分開出租），本集團則就不同部份分開入賬。倘不同部份不能分開出售及該物業用作提供服務或行政用途之部份極小，其將以投資物業入賬。本集團將對確定有關服務用途之部份之重要性而導致相關物業不符合為投資物業作判斷，亦會在作出判斷時，分開考慮每項物業。

（乙）持至到期證券

本集團遵循香港會計準則第39號之指引分類具有固定或可予釐定付款及固定到期日之非衍生金融資產為持至到期證券。此一分類須作出重大判斷。在作出判斷時，本集團評估其持有該等資產至到期之意向及能力。倘本集團未能持有此等投資至到期（不包括特別情況，例如在接近到期時出售少量部分），整個類別則須被重新分類為可供出售證券。該等投資將因而按其公平值而非按攤餘成本計量。

4. Critical accounting estimates, and judgements in applying accounting policies (Continued)

4.2 Critical judgments in applying the entity's accounting policies

(a) Distinction between investment properties and owner-occupied properties

The Group determines whether a property qualifies as an investment property. In making its judgment, the Group considers whether the property generates cash flows largely independently of the other assets held by an entity. Owner-occupied properties generate cash flows that are attributable not only to property but also to other assets used in the production or supply process.

Some properties comprise a portion that is held to earn rentals or for capital appreciation and another portion that is held to supply services or for administrative purposes. If these portions can be sold separately (or leased out separately under a finance lease), the Group accounts for the portions separately. If the portions cannot be sold separately, the property is accounted for as investment property only if an insignificant portion is held to supply services or for administrative purposes. Judgment is applied in determining whether ancillary services are so significant that a property does not qualify as investment property. The Group considers each property separately in making its judgment.

(b) Held-to-maturity securities

The Group follows the guidance of HKAS 39 on classifying non-derivative financial assets with fixed or determinable payments and fixed maturity as held-to-maturity. This classification requires significant judgment. In making this judgment, the Group evaluates its intention and ability to hold such investments to maturity. If the Group fails to keep these investments to maturity other than for the specific circumstances – for example, selling an insignificant amount close to maturity – it will be required to reclassify the entire class as available-for-sale. The investments would therefore be measured at fair value, not amortised cost.

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5. 分項報告 5. Segment Reporting

（甲）按業務分項 (A) By business segments

截至二零零六年十二月三十一日止年度 For the year ended 31 December 2006

集團	Group	個人銀行 Personal Banking	商業銀行 Commercial Banking	財資業務 Treasury	未分類業務 Unallocated	抵銷 Elimination	總計 Total
利息收入	Interest income from						
– 外界客戶	– external customers	1,672,348	1,689,235	1,592,889	15,241	–	4,969,713
– 跨項目	– inter-segments	1,211,936	–	313	714,859	(1,927,108)	–
利息支出	Interest expense to						
– 外界客戶	– external customers	(1,858,009)	(448,551)	(222,822)	(541,422)	–	(3,070,804)
– 跨項目	– inter-segments	(22,652)	(526,669)	(1,377,558)	(229)	1,927,108	–
淨利息收入/(支出)	Net interest income/(expense)	1,003,623	714,015	(7,178)	188,449	–	1,898,909
服務費及佣金收入	Fee and commission income	455,550	126,727	16,554	13,269	–	612,100
服務費及佣金支出	Fee and commission expense	(74,958)	(922)	(9,947)	(29)	–	(85,856)
淨服務費及佣金收入	Net fee and commission income	380,592	125,805	6,607	13,240	–	526,244
淨買賣收入/(虧損)	Net trading income/(loss)	12,589	8,566	185,172	(87,640)	–	118,687
其他營運收入	Other operating income	17,059	3,347	18,658	25,141	–	64,205
營運收入	Operating income	1,413,863	851,733	203,259	139,190	–	2,608,045
營運支出	Operating expenses	(811,853)	(259,763)	(78,572)	(31,539)	–	(1,181,727)
扣除貸款及墊款減值提撥前之營運溢利	Operating profit before impairment losses on loans and advances	602,010	591,970	124,687	107,651	–	1,426,318
貸款及墊款減值之提撥	Impairment losses on loans and advances	(98,593)	(62,884)	–	88	–	(161,389)
若干投資及固定資產收益前之營運溢利	Operating profit before gains on certain investments and fixed assets	503,417	529,086	124,687	107,739	–	1,264,929
出售附屬公司權益淨收益	Net gain on disposal of interest in subsidiaries	–	–	–	4,048	–	4,048
出售行產及其他固定資產之淨收益/(虧損)/重估減值回撥	Net gain/(loss) on disposal/reversal of revaluation deficits of premises and other fixed assets	(33)	(530)	(1)	28,332	–	27,768
投資物業之公平值調整淨收益	Net gain on fair value adjustment on investment properties	–	–	–	27,995	–	27,995
出售可供出售證券淨收益	Net gain on disposal of available-for-sale securities	5,061	–	82,992	–	–	88,053
應佔共同控制實體之業績	Share of results of jointly controlled entities	–	–	–	7,008	–	7,008
可供出售證券之減值回撥	Reversal of impairment losses on available-for-sale securities	–	–	25,891	–	–	25,891
除税前溢利	Profit before income tax	508,445	528,556	233,569	175,122	–	1,445,692
於二零零六年十二月三十一日	As at 31 December 2006						
資產合計	Total assets	24,952,007	27,542,139	47,003,768	2,538,647	–	102,036,561
負債合計	Total liabilities	50,418,508	14,752,513	15,672,008	11,858,291	–	92,701,320
截至二零零六年十二月三十一日止年度	For the year ended 31 December 2006						
折舊	Depreciation	47,945	18,462	5,922	7,028	–	79,357
資本支出	Capital expenditure incurred	24,314	6,416	1,086	6,775	–	38,591

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(以港幣千元位列示) (Expressed in thousands of Hong Kong dollars)

5. 分項報告(續) 5. Segment Reporting (Continued)

(甲) 按業務分項(續) (A) By business segments (Continued)

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

集團	Group	個人銀行 Personal Banking	商業銀行 Commercial Banking	財資業務 Treasury	未分類業務 Unallocated	抵銷 Elimination	總計 Total
利息收入	Interest income from						
– 外界客戶	– external customers	1,181,017	921,408	982,400	10,059	–	3,094,884
– 跨項目	– inter-segments	674,245	–	106	463,109	(1,137,460)	–
利息支出	Interest expense to						
– 外界客戶	– external customers	(1,021,822)	(212,032)	(203,718)	(323,930)	–	(1,761,502)
– 跨項目	– inter-segments	(37,237)	(249,411)	(850,812)	–	1,137,460	–
淨利息收入/(支出)	Net interest income/(expense)	796,203	459,965	(72,024)	149,238	–	1,333,382
服務費及佣金收入	Fee and commission income	359,163	87,606	10,066	11,374	–	468,209
服務費及佣金支出	Fee and commission expense	(59,165)	(91)	(6,415)	(37)	–	(65,708)
淨服務費及佣金收入	Net fee and commission income	299,998	87,515	3,651	11,337	–	402,501
淨買賣收入/(虧損)	Net trading income/(loss)	2,021	6,257	136,596	(2,615)	–	142,259
其他營運收入	Other operating income	9,022	614	8,881	19,680	–	38,197
營運收入	Operating income	1,107,244	554,351	77,104	177,640	–	1,916,339
營運支出	Operating expenses	(675,058)	(161,031)	(54,006)	(34,510)	–	(924,605)
扣除貸款及墊款減值提撥前之營運溢利	Operating profit before impairment losses on loans and advances	432,186	393,320	23,098	143,130	–	991,734
貸款及墊款減值之提撥	Impairment losses on loans and advances	(55,484)	(75,075)	93	(111)	–	(130,577)
若干投資及固定資產收益前之營運溢利	Operating profit before gains on certain investments and fixed assets	376,702	318,245	23,191	143,019	–	861,157
出售行產及其他固定資產之淨收益/(虧損)/重估減值回撥	Net gain/(loss) on disposal/reversal of revaluation deficits of premises and other fixed assets	(231)	(8)	–	104,230	–	103,991
投資物業之公平值調整淨收益	Net gain on fair value adjustment on investment properties	–	–	–	74,570	–	74,570
出售可供出售證券淨收益/(虧損)	Net gain/(loss) on disposal of available-for-sale securities	(20)	–	116,097	–	–	116,077
應佔共同控制實體之業績	Share of results of jointly controlled entities	–	–	–	3,104	–	3,104
除稅前溢利	Profit before income tax	376,451	318,237	139,288	324,923	–	1,158,899
於二零零五年十二月三十一日	As at 31 December 2005						
資產合計	Total assets	23,121,627	24,781,391	39,140,135	2,473,687	–	89,516,840
負債合計	Total liabilities	46,148,503	10,795,679	13,223,062	10,676,290	–	80,843,534
截至二零零五年十二月三十一日止年度	For the year ended 31 December 2005						
折舊	Depreciation	41,820	11,124	2,687	4,521	–	60,152
資本支出	Capital expenditure incurred	20,048	424	1,339	5,027	–	26,838

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5. 分項報告（續）

（甲）按業務分項（續）

個人銀行業務包括接受個人客戶存款、住宅樓宇按揭、私人貸款、透支和信用卡服務、保險業務的銷售和投資服務。

商業銀行業務包括接受存款、貸款、營運資金融資及貿易融資，其存款來源及融資客戶主要是工商業及機構性客戶，亦包括機械、汽車及運輸的租購及租賃。

財資業務主要包括外匯服務、中央貸存現金管理、利率風險管理、證券投資管理及集團整體之資金運用管理。

未分類業務包括未可直接歸類任何現有業務部門之營運業績、集團投資（包括物業在內）及債務資金（包括後償債務）之項目。

二零零五年度業務分項之金額已遵照二零零六年度計算基準予以重列。

5. Segment Reporting (Continued)

(A) By business segments (Continued)

Personal banking business includes the acceptance of deposits from individual customers and the extension of residential mortgage lending, personal loans, overdraft and credit card services, the provision of insurance sales and investment services.

Commercial banking business includes the acceptance of deposits from and the advance of loans and working capital finance to commercial, industrial and institutional customers, and the provision of trade financing. Hire purchase finance and leasing related to equipment, vehicle and transport financing are included.

Treasury activities are mainly the provision of foreign exchange services and centralised cash management for deposit taking and lending, interest rate risk management, management of investment in securities and the overall funding of the Group.

Unallocated items include results of operations, corporate investments (including properties) and debt funding (including subordinated notes) not directly identified under other business divisions.

2005 business segments figures were restated to conform to 2006 basis of preparation.

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5. 分項報告(續) 5. Segment Reporting (Continued)

(乙)按區域分項 (B) By geographical segments

本集團於二零零五年十二月十九日完成收購澳門商業銀行。自該日起澳門分項之業績併入本集團之業績。

The Group completed the acquisitions of Banco Comercial de Macau, S.A. on 19 December 2005. The Macau segment results were consolidated in the Group's results since that date.

		香港及其他 Hong Kong and others	澳門 Macau	區域分項間抵銷 Inter-segment elimination	總計 Total
截至二零零六年十二月三十一日止年度	**For the year ended 31 December 2006**				
營運收入	Operating income	**2,344,304**	**263,741**	**–**	**2,608,045**
除税前溢利	Profit before income tax	**1,341,458**	**104,234**	**–**	**1,445,692**
年度溢利	Profit for the year	**1,113,585**	**87,686**	**–**	**1,201,271**
折舊	Depreciation	**61,895**	**17,462**	**–**	**79,357**
資本支出	Capital expenditure incurred	**30,454**	**8,137**	**–**	**38,591**
於二零零六年十二月三十一日	**As at 31 December 2006**				
資產合計	Total assets	**93,575,958**	**10,346,607**	**(1,886,004)**	**102,036,561**
負債合計	Total liabilities	**85,804,297**	**8,783,027**	**(1,886,004)**	**92,701,320**
或然負債及承擔	Contingent liabilities and commitments	**43,160,412**	**1,975,726**	**(163,408)**	**44,972,730**

		香港及其他 Hong Kong and others	澳門 Macau	區域分項間抵銷 Inter-segment elimination	總計 Total
截至二零零五年十二月三十一日止年度	**For the year ended 31 December 2005**				
營運收入	Operating income	1,907,534	8,805	–	1,916,339
除税前溢利	Profit before income tax	1,155,777	3,122	–	1,158,899
年度溢利	Profit for the year	979,224	1,948	–	981,172
折舊	Depreciation	60,152	–	–	60,152
資本支出	Capital expenditure incurred	26,838	–	–	26,838
於二零零五年十二月三十一日	**As at 31 December 2005**				
資產合計	Total assets	80,359,741	9,993,357	(836,258)	89,516,840
負債合計	Total liabilities	73,373,275	8,306,517	(836,258)	80,843,534
或然負債及承擔	Contingent liabilities and commitments	36,515,455	1,861,835	(17,901)	38,359,389

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6. 淨利息收入 6. Net interest income

		二零零六年 2006	二零零五年 2005
利息收入	**Interest income**		
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**380,185**	289,903
證券投資	Investments in securities	**1,323,051**	772,964
各項貸款及其他賬目	Advances and other accounts	**3,257,589**	2,028,185
其他	Other	**8,888**	3,832
		4,969,713	3,094,884
利息支出	**Interest expense**		
銀行及其他金融機構存款/客戶存款	Deposits from banks and other financial institutions/Deposits from customers	**2,379,772**	1,202,960
已發行的存款證	Certificates of deposit issued	**343,546**	205,258
已發行的債務證券	Issued debt securities	**111,150**	84,205
後償債務	Subordinated notes	**190,945**	102,750
其他	Other	**45,391**	166,329
		3,070,804	1,761,502
利息收入包括	**Included within interest income**		
上市投資之利息收入	Interest income on listed investments	**616,556**	435,641
非上市投資之利息收入	Interest income on unlisted investments	**706,495**	337,323
		1,323,051	772,964
未指定以公平值計量且其變動計入損益的金融資產之利息收入	Interest income on financial assets not designated at fair value through profit or loss	**4,872,735**	3,012,245
減值貸款利息收入	Interest income on impaired loans	**5,756**	3,734
利息支出包括	**Included within interest expense**		
未指定以公平值計量且其變動計入損益的金融負債之利息支出	Interest expenses on financial liabilities not designated at fair value through profit or loss	**2,679,532**	1,427,784

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7. 淨服務費及佣金收入 7. Net fee and commission income

		二零零六年 2006	二零零五年 2005
服務費及佣金收入	**Fee and commission income**		
信貸有關之服務費及佣金	Credit related fees and commissions	**66,924**	36,682
貿易融資	Trade finance	**64,122**	56,586
信用卡	Credit card	**195,279**	142,508
證券及投資服務佣金	Securities brokerage and investment services	**183,600**	138,356
保險銷售及其他	Insurance distribution and others	**44,471**	48,549
其他服務費	Other fees	**57,704**	45,528
		612,100	468,209
服務費及佣金支出	**Fee and commission expense**		
手續費及佣金	Handling fees and commission	**73,946**	54,476
已付其他費用	Other fees paid	**11,910**	11,232
		85,856	65,708

8. 淨買賣收入 8. Net trading income

		二零零六年 2006	二零零五年 2005
外滙買賣淨收益	Net gain arising from dealing in foreign currencies	**136,304**	170,917
指定以公平值計量且其變動計入損益的金融工具、持作買賣用途的證券及衍生工具之淨虧損	Net loss arising from financial instruments designated at fair value through profit or loss, trading securities and derivatives	**(17,617)**	(28,658)
		118,687	142,259

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9. 其他營運收入 9. Other operating income

		二零零六年 2006	二零零五年 2005
可供出售證券投資之股息收入	Dividend income from investments in available-for-sale securities		
– 上市投資	– Listed investments	**186**	4,237
– 非上市投資	– Unlisted investments	**21,796**	11,263
投資物業之租金收入總額	Gross rental income from investment properties	**16,714**	11,791
其他租金收入	Other rental income	**6,506**	6,146
其他	Others	**19,003**	4,760
		64,205	38,197

10. 營運支出 10. Operating expenses

		二零零六年 2006	二零零五年 2005
核數師酬金	Auditors' remuneration	**4,940**	5,294
廣告支出	Advertising costs	**73,373**	62,479
折舊(附註29)	Depreciation (Note 29)	**79,357**	60,152
無形資產攤銷費用(附註28)	Amortisation expenses of intangible assets (Note 28)	**34,551**	2,897
僱員福利支出(包括董事薪酬)(附註11)	Employee benefit expenses (including directors' remuneration) (Note 11)	**653,780**	524,167
行產及其他固定資產支出,不包括折舊	Premises and other fixed assets expenses, excluding depreciation		
– 行產之租金	– Rental of premises	**52,800**	35,790
– 其他	– Others	**72,745**	60,604
其他	Others	**210,181**	173,222
		1,181,727	924,605

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

11. 僱員福利支出 11. Employee benefit expenses

		二零零六年 2006	二零零五年 2005
薪酬及其他人事費用	Salaries and other staff costs	**598,313**	495,936
以股份支付之補償（附註47）	Share-based compensation (Note 47)	**22,676**	3,094
退休金支出	Pension costs		
－ 界定供款計劃	– defined contribution plans	**32,791**	25,137
		653,780	524,167

最高酬金之五位人士： The emoluments of the five highest paid individuals:

(i) 酬金總計 (i) The aggregate emoluments

		二零零六年 2006	二零零五年 2005
薪金、房屋、實物利益及其他津貼	Salaries, housing, benefits in kind and other allowances	**48,660**	42,720
退休金福利	Pensions	**1,049**	1,132
		49,709	43,852

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

11. 僱員福利支出（續）

11. Employee benefit expenses (Continued)

(ii) 五位最高收入人士的酬金組別如下：

(ii) The emoluments of the five highest paid individuals were within the following bands:

	人數 Number of individuals 二零零六年 2006	二零零五年 2005
港元HK$		
5,000,001 – 5,500,000	**–**	1
5,500,001 – 6,000,000	**1**	–
6,500,001 – 7,000,000	**1**	–
8,000,001 – 8,500,000	**–**	3
9,000,001 – 9,500,000	**1**	–
12,500,001 – 13,000,000	**1**	–
14,500,001 – 15,000,000	**–**	1
15,500,001 – 16,000,000	**1**	–
	5	5

在五位最高酬金收入之人士內，有4位（二零零五年：3位）為集團董事。其相關的董事酬金已包括在附註12內。

Included in the emoluments of the five highest paid individuals were the emoluments of four (2005: three) Directors. Their respective Directors' emoluments have been included in Note 12 below.

本年內，本集團並無向任何五位最高收入人士支付酬金，作為加入或加盟本集團之獎賞或離職補償。

No emoluments were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the year.

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12. 董事酬金

截至十二月三十一日止年度，各董事之薪酬如下述：

12. Directors' emoluments

The remuneration of each Director for the year ended 31 December is set out below:

		董事袍金 Directors' Fee	薪津及實物利益 Salary, allowances and benefits in kind	酌情花紅 Discretionary bonuses	以股份為基礎的支付 Share-based payment （附註） (Note)	退休金供款 Pensions	二零零六年 2006 合計 Total	二零零五年 2005 合計 Total
主席	**Chairman**							
王守業先生	David Shou-Yeh Wong	–	2,400	10,200	–	2	**12,602**	8,012
執行董事	**Executive directors**							
黃漢興先生	Hon-Hing Wong (Derek Wong)	–	6,135	9,000	–	428	**15,563**	14,563
王伯凌先生	Gary Pak-Ling Wang	–	2,600	6,200	–	240	**9,040**	8,100
趙龍文先生	Lung-Man Chiu (John Chiu)	–	2,608	3,000	–	192	**5,800**	4,445
王祖興先生	Harold Tsu-Hing Wong	–	2,340	2,500	–	216	**5,056**	4,502
邱達宏先生	Dennis Tat-Wang Yau	–	1,435	120	–	103	**1,658**	1,367
非執行董事	**Non-executive directors**							
田原敢佐先生	Kosuke Furukawa	62	–	–	–	–	**62**	–
村岡隆司先生	Takashi Muraoka	118	–	–	–	–	**118**	120
獨立非執行董事	**Independent non-executive directors**							
莊先進先生	John W. Simpson	180	–	–	–	–	**180**	120
韓以德先生	David R. Hinde	180	–	–	–	–	**180**	120
史習陶先生	Robert Tsai-To Sze	300	–	–	–	–	**300**	250
梁君彥先生	Andrew Kwan-Yuen Leung	180	–	–	–	–	**180**	120
合計	**Total**	**1,020**	**17,518**	**31,020**	**-**	**1,181**	**50,739**	**41,719**

附註：
以股份為基礎之支付乃於董事行使其認股權時股票之市場收市價與行使價之差異的現金支付。

Note:
Share-based payment represents the cash payment, being the difference between the closing market price and exercise price of the share options on the date when a Director exercised the options granted.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

13. 貸款及墊款之減值提撥 13. Impairment losses on loans and advances

		二零零六年 2006	二零零五年 2005
貿易票據	Trade bills	**(21)**	847
客戶貸款	Advances to customers	**161,499**	129,696
其他資產	Other assets	**(89)**	34
		161,389	130,577
貸款及墊款減值提撥淨支出	Net charge of impairment losses on loans and advances		
– 個別評估	– Individually assessed	**87,205**	52,857
– 綜合評估	– Collectively assessed	**74,184**	77,720
		161,389	130,577
當中包括	Of which		
– 新增準備（包括於年內直接撇銷之金額）	– new allowances (including amounts directly written off in the year)	**339,689**	298,716
– 回撥	– releases	**(81,166)**	(73,569)
– 收回	– recoveries	**(97,134)**	(94,570)
收益賬中淨支出	Net charge to income statement	**161,389**	130,577

財務報表附註
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(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

14. 出售附屬公司權益之淨收益

14. Net gain on disposal of interests in subsidiaries

		二零零六年 2006
出售澳門附屬保險公司權益之淨收益(附註甲)	Net gain on disposal of interests in Macau insurance subsidiaries (Note (a))	**3,670**
出售其他附屬公司權益之淨收益	Net gain on disposal of interests in other subsidiaries	**378**
		4,048

附註甲:

於二零零六年五月二十六日,本集團以280,582,000港元之代價轉讓其於澳門保險有限公司及澳門人壽保險有限公司之權益給最終控股公司大新金融集團有限公司。該等附屬公司之資產及負債於之前被包含在本集團資產負債表內之「持作轉售用途之非流動資產/負債」項目下。此轉讓於二零零六年五月十九日已獲本公司之獨立股東批准並且與本集團於二零零五年十二月十九日購入該等附屬公司時之意向一致。

Note (a):

On 26 May 2006, the Group disposed of its interests in Macau Insurance Company Limited and Macau Life Insurance Company Limited to its holding company, Dah Sing Financial Holdings Limited, at a consideration of HK$280,582,000. The assets and liabilities of these subsidiaries were previously included in the Group's balance sheet under "Non current assets/liabilities held for resale". The disposal was approved by the independent shareholders of the Company on 19 May 2006, and was consistent with the Group's intention at the time these subsidiaries were acquired on 19 December 2005.

15. 出售行產及其他固定資產之淨收益/重估減值回撥

15. Net gain on disposal/reversal of revaluation deficits of premises and other fixed assets

		二零零六年 2006	二零零五年 2005
行產重估減值回撥之淨收益	Net gain from reversal of revaluation deficits of premises	**28,324**	104,092
出售其他固定資產之淨虧損	Net loss from disposal of other fixed assets	**(556)**	(101)
		27,768	103,991

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

16. 稅項

16. Income tax expense

香港利得稅乃按照年內估計應課稅溢利以稅率17.5%（二零零五年：17.5%）提撥準備。海外稅款乃按年內海外估計應課稅溢利依本集團經營業務地區之現行稅率計算。

Hong Kong profits tax has been provided at the rate of 17.5% (2005: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

		二零零六年 2006	二零零五年 2005
本年度稅項	Current income tax:		
香港利得稅	Hong Kong profits tax	**199,396**	158,965
海外稅項	Overseas taxation	**17,170**	1,695
於過往年度不足撥備	Underprovision in prior years	**467**	–
遞延稅項（附註39）	Deferred income tax (Note 39)		
– 關於暫時差異的產生及撥回	– relating to the origination and reversal of temporary differences	**27,388**	17,067
		244,421	177,727

本集團除稅前溢利之稅項有別於綜合各公司加權平均稅率計算之理論數額如下：

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated companies as follows:

		二零零六年 2006	二零零五年 2005
除稅前溢利	Profit before income tax	**1,445,692**	1,158,899
以稅率17.5%（二零零五年：17.5%）計算	Calculated at a taxation rate of 17.5% (2005: 17.5%)	**252,996**	202,807
稅項調整源於：	Tax effect of:		
其他國家之不同稅率	Different taxation rates in other countries	**(11,478)**	(1,295)
無需徵稅之收入	Income not subject to taxation	**(15,275)**	(69,309)
不能扣減的支出	Expenses not deductible	**17,487**	43,756
未確認之稅務虧損	Tax losses not recognised	**224**	–
於過往年度不足撥備	Underprovision in prior years	**467**	–
合夥企業投資終結回報	Terminal return on investments in partnerships	**–**	1,768
稅項	Income tax expense	**244,421**	177,727

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17. 股東應佔溢利

列於本公司財務報表內之股東應佔溢利達597,752,000港元(二零零五年:605,076,000港元)。

17. Profit attributable to shareholders

The profit attributable to shareholders is dealt with in the financial statements of the Company to the extent of HK$597,752,000 (2005: HK$605,076,000).

18. 股息

於二零零六及二零零五年內已支付股息分別為586,792,000港元(每股0.61港元)和561,097,000港元(每股0.61港元)。二零零六年末期股息每股0.45港元,總數為419,137,000港元已於二零零七年三月二十八日建議並將於二零零七年五月二十八日舉行之股東年會提交股東批核。此擬派末期股息未被列作應付股息。

18. Dividends

The dividends paid during the year ended 2006 and 2005 were HK$586,792,000 (HK$0.61 per share) and HK$561,097,000 (HK$0.61 per share) respectively. A final dividend in respect of 2006 of HK$0.45 per share, amounting to a total sum of HK$419,137,000 has been proposed on 28 March 2007 for shareholders' approval at the annual general meeting of the Company to be held on 28 May 2007. This proposed final dividend has not been reflected as dividend payable.

公司	Company	二零零六年 **2006**	二零零五年 2005
已派中期股息,每股普通股為0.25港元(二零零五年:每股0.23港元)	Interim dividend paid, of HK$0.25 (2005: HK$0.23) per ordinary share	**232,854**	211,561
擬派末期股息,每股普通股為0.45港元(二零零五年:每股0.38港元)	Proposed final dividend of HK$0.45 (2005: HK$0.38) per ordinary share	**419,137**	353,938
		651,991	565,499

19. 每股盈利

每股基本盈利乃按照盈利1,195,986,000港元(二零零五年:978,834,000港元)及年內已發行股份加權平均數931,416,279股(二零零五年:922,401,845股)計算。

每股攤薄盈利乃按照盈利1,195,986,000港元(二零零五年:978,834,000港元)及年內已發行股份加權平均數931,484,065股(二零零五年:922,401,845股)並就所有對普通股潛在攤薄的影響予以調整計算。

19. Earnings per share

The calculation of basic earnings per share is based on earnings of HK$1,195,986,000 (2005: HK$978,834,000) and the weighted average number of 931,416,279 (2005: 922,401,845) shares in issue during the year.

The calculation of diluted earnings per share is based on earnings of HK$1,195,986,000 (2005: HK$978,834,000) and the weighted average number of 931,484,065 (2005: 922,401,845) shares in issue during the year after adjusting for the effect of all dilutive potential ordinary shares.

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20. 現金及在銀行及其他金融機構的結餘
20. Cash and balances with banks and other financial institutions

		集團 Group		公司 Company	
		二零零六年 2006	二零零五年 2005	二零零六年 2006	二零零五年 2005
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**1,810,566**	1,560,495	**27,349**	14,935
通知及短期存款	Money at call and short notice	**5,177,571**	6,480,181	**–**	526,796
		6,988,137	8,040,676	**27,349**	541,731

21. 持作買賣用途的證券及以公平值計量且其變動計入損益的金融資產
21. Trading securities and financial assets at fair value through profit or loss

集團	Group	二零零六年 2006	二零零五年 2005
持作買賣用途的證券：	Trading securities:		
債務證券：	Debt securities:		
– 香港上市	– Listed in Hong Kong	**1,114,426**	1,339,401
– 非上市	– Unlisted	**3,678,404**	4,024,974
持作買賣用途的證券總額	Total trading securities	**4,792,830**	5,364,375
以公平值計量且其變動計入損益的金融資產：	Financial assets at fair value through profit or loss:		
債務證券：	Debt securities:		
– 香港上市	– Listed in Hong Kong	**–**	122,180
– 非上市	– Unlisted	**1,276,671**	1,256,983
以公平值計量且其變動計入損益的金融資產總額	Total financial assets at fair value through profit or loss	**1,276,671**	1,379,163
持作買賣用途的證券及以公平值計量且其變動計入損益的金融資產總額	Total trading securities and financial assets at fair value through profit or loss	**6,069,501**	6,743,538
上市證券之市場價值	Market value of listed securities	**1,114,426**	1,461,581
包括在債務證券內有：	Included within debt securities are:		
– 包括在持作買賣用途證券之政府債券	– Government bonds included in trading securities	**4,768,184**	5,054,039
– 持有的存款證	– Certificates of deposit held	**367,572**	362,694
– 其他債務證券	– Other debt securities	**933,745**	1,326,805
		6,069,501	6,743,538

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21. 持作買賣用途的證券及以公平值計量且其變動計入損益的金融資產(續)

21. Trading securities and financial assets at fair value through profit or loss (Continued)

包括在上述持作買賣用途的證券為抵押與香港金融管理局以利於本集團在外匯基金債務證券的買賣及市場莊家活動之外匯基金債務證券,其於二零零六年十二月三十一日之市場價值達4,658,512,000港元(二零零五年:4,234,810,000港元)。於二零零六年十二月三十一日並無抵押非政府債券(二零零五年:按回購協議而抵押之其他非政府債券市場價值為257,073,000港元)。

Included in the trading securities above were Exchange Fund debt securities with a market value at 31 December 2006 of HK$4,658,512,000 (2005: HK$4,234,810,000) pledged with the Hong Kong Monetary Authority to facilitate the Group's trading and market-making activities in Exchange Fund debts. There was no non-government bond pledged as at 31 December 2006 (2005: Other non-government bonds pledged under repurchase agreements carried a market value of HK$$257,073,000).

以公平值計量且其變動計入損益的金融資產主要包括附有內含衍生工具之結構性票據。其市場風險已大幅地被以公平值計量且其變動計入損益的客戶存款所抵銷。

Included in financial assets at fair value through profit or loss are primarily structured notes with embedded derivatives. The market risk of the structured notes is substantially offset by deposits from customers designated at fair value through profit or loss.

以公平值計量且其變動計入損益的金融資產(包括持作買賣用途的證券)按發行機構類別分析如下:

Financial assets at fair value through profit or loss (including trading securities) are analysed by categories of issuer as follows:

集團	Group	二零零六年 2006	二零零五年 2005
– 中央政府和中央銀行	– Central governments and central banks	**4,768,184**	5,054,039
– 公營機構	– Public sector entities	**1,098**	310,336
– 銀行及其他金融機構	– Banks and other financial institutions	**622,415**	733,904
– 企業	– Corporate entities	**677,804**	645,259
		6,069,501	6,743,538

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22. 衍生金融工具

本集團在正常之業務中，進行一系列之衍生工具交易，包括在利率、外匯及股票市場進行之遠期、期貨、掉期及期權交易。衍生工具交易乃因為買賣及對沖目的而進行。本集團使用衍生工具之目的包括以中介人身份滿足客戶之要求，管理本集團涉及之風險，及在可接受的規限內進行買賣產生收入。

(i) 持作或發行作買賣用途的衍生工具

本集團替客戶進行衍生工具合約交易或應客戶的要求安排合適的衍生工具。本集團亦進行本身的交易。本集團使用的持作買賣用途的衍生工具主要為有關利率、外匯、信貸及股票價格之場外交易的衍生工具。

(ii) 持作或發行作對沖用途的衍生工具

持作對沖用途的衍生工具主要包括用作管理利率風險的衍生工具或合約。此等工具全為場外交易的衍生工具。

本集團應用以下衍生工具作對沖與買賣用途：

(i) 貨幣遠期指購買外匯及本地貨幣（包括無交收之現貨交易）之承擔。外匯及利率期貨為因應匯率或利率之變動而收取或支付淨額之合同責任，或於未來以指定價格於有系統之金融市場，購買或出售外匯或某些金融工具。當期貨合約以現金及可變現之證券作抵押品，及期貨合約價值之變動每天與交易所交收，其信貸風險則非常低。

22. Derivative financial instruments

In the normal course of business, the Group enters into a variety of derivative transactions including forwards, futures, swaps and options transactions in the interest rate, foreign exchange and equity markets. Derivative transactions are conducted for both trading and hedging purposes. The Group's objectives in using derivative instruments are to meet customers' needs by acting as an intermediary, to manage the Group's exposure to risks and to generate revenues through trading activities within acceptable limits.

(i) Derivatives held or issued for trading purposes

The Group transacts derivative contracts on behalf of customers or to address customer demands in structuring tailored derivatives. The Group also takes proprietary positions for its own accounts. Trading derivative products used by the Group are primarily over-the-counter derivatives transacted based on interest rates, foreign exchange rates, credit spread and equity prices.

(ii) Derivatives held or issued for hedging purposes

Derivatives held for hedging purposes primarily consist of derivative instruments or contracts used to manage interest rate risk. All of these are over-the-counter derivatives.

The Group uses the following derivative instruments for both hedging and trading purposes:

(i) Currency forwards represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Foreign currency and interest rate futures are contractual obligations to receive or pay a net amount based on changes in currency rates or interest rates or to buy or sell foreign currency or a financial instrument on a future date at a specified price, established in an organised financial market. The credit risk is negligible, as futures contracts are collateralised by cash or marketable securities, and changes in the futures contract value are settled daily with the exchange.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

22. 衍生金融工具（續）

(ii) 貨幣掉換及利率掉期為以一列現金流量換取另外一列現金流量之承擔。掉換產生自貨幣或利率（例如：定息交換成浮息）或這些之組合（例如：貨幣交叉盤掉期）之經濟交換。除若干貨幣掉換外，本金並無交換。本集團之信貸風險為倘交易對手未能履行其責任而所需替代該掉換合約可能產生之成本。本集團不時參考合約現時之公平值，合約本金之一部份及市場之流通性，持續監管該類風險。本集團應用與借貸業務相同之方法，評估交易對手，以便控制所承受之信貸風險之水平。

(iii) 外匯及利率期權為賣方授予買方權利（但非責任）於或在某個日子或某一段期間按一個預先釐定的價格，購買（認購期權）或出售（認沽期權）一特定金額之外匯或金融工具。作為承擔外匯及利率風險之回報，賣方向買方收取一些費用。期權可能是於期權市場交易或本集團與客戶協商所訂立。本集團之信貸風險僅限於認購期權之賬面價值，即其公平值。

22. Derivative financial instruments (Continued)

(ii) Currency and interest rate swaps are commitments to exchange one set of cash flows for another. Swaps result in an economic exchange of currencies or interest rates (for example, fixed rate for floating rate) or a combination of all these (i.e., cross-currency interest rate swaps). No exchange of principal takes place, except for certain currency swaps. The Group's credit risk represents the potential cost to replace the swap contracts if counterparties fail to perform their obligation. This risk is monitored on an ongoing basis with reference to the current fair value, a proportion of the notional amount of the contracts and the liquidity of the market. To control the level of credit risk taken, the Group assesses counterparties using the same techniques as for its lending activities.

(iii) Foreign currency and interest rate options are contractual agreements under which the seller (writer) grants the purchaser (holder) the right, but not the obligation, either to buy (a call option) or sell (a put option) at or by a set date or during a set period, a specific amount of a foreign currency or a financial instrument at a predetermined price. The seller receives a premium from the purchaser in consideration for the assumption of foreign exchange or interest rate risk. Options may be either exchange-traded or negotiated between the Group and a customer. The Group is exposed to credit risk on purchased options only, and only to the extent of their carrying amount, which is their fair value.

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22. 衍生金融工具（續）

本集團可能面對來自金融衍生工具持倉之交易對手風險，此為價值風險（交易對手在預定結算前違約而當時按市值入賬為應收收益的信貸風險）或結算風險（可能或當衍生工具合約在結算日到期時不能收回衍生工具交易的預期現金值）。由於所有交易對手均為財務機構，其風險包含在財務機構之信貸風險監控程序中管理，包括信貸控制如設定價值風險之獨立限額、每天結算限額及對各交易對手進行定期信貸評估。此外，本集團為了遵循有關違約、結算程序及估值/定價方法之市場常規標準平倉安排，要求所有衍生合約之交易對手簽訂國際掉期及衍生合約協會協議。就長期利率掉期及貨幣掉期合約而言，例如超逾五年，本集團也可能與交易對手簽訂抵押品協議，據此，當與市場對價之收益達致協議上限時，合約一方可要求另一方提供現金或高評級證券以填補潛在的價值及結算風險。

若干金融工具之名義金額提供一個與確認在資產負債表中之工具相比的基礎，但並不顯示該工具之未來現金流量或其現時之公平值，故並不代表本集團所需面對之信貸或價格風險。該衍生工具因市場利率、匯率、證券價格及信貸市場狀況波動，而按其條款成為有利（資產）或不利（負債）之工具。持有之衍生工具之合約或名義總額，及其有利或不利之程度，能令金融衍生工具資產及負債之公平總值不時大幅波動。

22. Derivative financial instruments (Continued)

The Group may be exposed to counterparty risk arising from its positions in derivative financial instruments, which is either “valuation risk” for the credit risk on receiving mark-to-market gains upon the default of a counterparty prior to scheduled settlement, or “settlement risk” for the possibility of not receiving the expected cash value of a derivative transaction or upon the expiry of a derivative contract on the settlement date. Since all counterparties are financial institutions, the risk is managed as part of the credit risk control and monitoring process in respect of financial institutions including credit controls such as setting individual limit for valuation risk, daily settlement limits and performing periodic credit assessment for each counterparty. Moreover, the Group requires all derivative contract counterparties to enter into International Swaps and Derivatives Association (“ISDA”) Agreement in order to follow the standardised market practice of close-out arrangement in the event of default, settlement procedure, valuation/pricing methods. For long dated interest rate swaps and currency swaps, such as longer than 5 years, the Group may also enter into collateral agreement with counterparties under which the contract parties can ask for cash or highly rated securities collateral from the other side to cover the potential valuation and settlement risks, when the mark-to-market gain reaches agreed thresholds.

The notional amounts of certain types of financial instruments provide a basis for comparison with instruments recognised on the balance sheet but do not necessarily indicate the amounts of future cash flows involved or the current fair value of the instruments and, therefore, do not indicate the Group’s exposure to credit or price risks. The derivative instruments become favourable (assets) or unfavourable (liabilities) as a result of fluctuations in market interest rates, foreign exchange rates, equity prices and credit market conditions. The aggregate contractual or notional amount of derivative financial instruments on hand, the extent to which instruments are favourable or unfavourable, and thus the aggregate fair values of derivative financial assets and liabilities, can fluctuate significantly from time to time.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

22. 衍生金融工具(續) 22. Derivative financial instruments (Continued)

於二零零六年十二月三十一日未到期衍生工具合約之名義本金及其公平值如下：

The notional principal amounts of outstanding derivatives contracts and their fair values as of 31 December 2006 were as follows:

集團	Group	合約/名義金額 Contract/ notional amount	公平值 Fair values 資產 Assets	公平值 Fair values 負債 Liabilities
1) 持作買賣用途之衍生工具	1) Derivatives held for trading			
甲) *外匯衍生工具*	a) *Foreign exchange derivatives*			
遠期及期貨合約	Forward and future contracts	49,360,369	131,565	56,427
貨幣掉換	Currency swaps	1,370,700	45,470	27,559
購入及沽出外匯期權	Currency options purchased and written	545,816	957	957
乙) *利率衍生工具*	b) *Interest rate derivatives*			
利率掉期	Interest rate swaps	19,812,762	41,305	124,765
利率期權	Interest rate options	606,320	1,447	1,447
丙) *權益性衍生工具*	c) *Equity derivatives*			
購入及沽出權益性期權	Equity options purchased and written	125,720	1,701	1,701
丁) *信貸性衍生工具*	d) *Credit derivatives*			
信用違約交換合約	Credit default swaps	1,088,913	6,570	1,322
持作買賣用途之衍生工具合計	Total derivatives held for trading	72,910,600	229,015	214,178
2) 持作對沖用途之衍生工具	2) Derivatives held for hedging			
甲) *指定以公平值對沖之衍生工具*	a) *Derivatives designated as fair value hedges*			
利率掉期	Interest rate swaps	10,684,881	137,693	103,477
持作對沖用途之衍生工具合計	Total derivatives held for hedging	10,684,881	137,693	103,477
所確認之衍生金融工具合計	Total recognised derivative financial instruments	83,595,481	366,708	317,655

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(Expressed in thousands of Hong Kong dollars)

22. 衍生金融工具(續)

於二零零五年十二月三十一日未到期衍生工具合約之名義本金及其公平值如下：

22. Derivative financial instruments (Continued)

The notional principal amounts of outstanding derivatives contracts and their fair values as of 31 December 2005 were as follows:

集團	Group	合約/名義金額 Contract/notional amount	公平值 Fair values 資產 Assets	公平值 Fair values 負債 Liabilities
1) 持作買賣用途之衍生工具	1) Derivatives held for trading			
甲) *外匯衍生工具*	a) *Foreign exchange derivatives*			
遠期及期貨合約	Forward and future contracts	24,391,023	22,428	77,123
貨幣掉換	Currency swaps	2,188,446	59,068	311
購入及沽出外匯期權	Currency options purchased and written	352,730	1,331	1,331
乙) *利率衍生工具*	b) *Interest rate derivatives*			
利率掉期	Interest rate swaps	13,222,923	1,828	133,881
利率期權	Interest rate options	555,102	–	2,940
丙) *權益性衍生工具*	c) *Equity derivatives*			
購入及沽出權益性期權	Equity options purchased and written	183,044	2,964	2,964
權益性期貨	Equity futures	12,287	123	–
丁) *信貸性衍生工具*	d) *Credit derivatives*			
信用違約交換合約	Credit default swaps	1,124,490	3,112	4,648
持作買賣用途之衍生工具合計	Total derivatives held for trading	42,030,045	90,854	223,198
2) 持作對沖用途之衍生工具	2) Derivatives held for hedging			
甲) *指定以公平值對沖之衍生工具*	a) *Derivatives designated as fair value hedges*			
利率掉期	Interest rate swaps	9,252,272	62,852	282,860
持作對沖用途之衍生工具合計	Total derivatives held for hedging	9,252,272	62,852	282,860
所確認之衍生金融工具合計	Total recognised derivative financial instruments	51,282,317	153,706	506,058

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22. 衍生金融工具（續）

於十二月三十一日，上述資產負債表外之項目（不包括信用違約交換合約）之信貸風險加權數額，在不考慮本集團所訂立之雙邊淨額結算安排的影響下，呈列如下：

22. Derivative financial instruments (Continued)

As at 31 December, the credit risk weighted amounts of the above off-balance sheet exposures (excluding credit default swaps), without taking into account the effect of bilateral netting arrangement that the Group entered into, are as follows:

集團	Group	二零零六年 **2006**	二零零五年 2005
衍生工具	Derivatives		
匯率合約	Exchange rate contracts	**140,229**	99,288
利率合約	Interest rate contracts	**111,404**	76,925
權益性合約	Equity contracts	**2,524**	430
		254,157	176,643

合約數額僅為顯示資產負債表結算日的交易量，並不代表風險數額。

The contract amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date, they do not represent the amounts at risk.

信貸風險加權數額乃根據銀行業務條例第三附表及香港金融管理局所發出之指引計算，而計算所得之數額則視乎交易對手及各項合約到期特性。

The credit risk weighted amounts are the amounts that have been calculated in accordance with the Third Schedule of the Hong Kong Banking Ordinance and guidelines issued by the Hong Kong Monetary Authority. The amounts calculated are dependent upon the status of the counterparty and the maturity characteristics of each type of contract.

於二零零六年十二月三十一日信用違約交換合約之信貸加權風險數額為855,575,000港元（二零零五年：1,124,490,000港元）並已包含於附註41或然負債及承擔之信貸加權風險總額內。

As at 31 December 2006, the credit risk weighted amount of credit default swaps amounted to HK$855,575,000 (2005: HK$1,124,490,000) and is included in the total credit risk weighted amount of contingent and liabilities and commitments in Note 41.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

23. 各項貸款及其他賬目 23. Advances and other accounts

集團	Group	二零零六年 2006	二零零五年 2005
客戶貸款總額	Gross advances to customers	**49,908,688**	44,918,618
銀行及其他金融機構貸款總額	Gross advances to banks and other financial institutions	**155,102**	389,264
貿易票據	Trade bills	**694,604**	653,581
其他資產（附註32）	Other assets (Note 32)	**1,327,384**	1,005,333
各項貸款及其他賬目總額	Gross advances and other accounts	**52,085,778**	46,966,796
扣除：減值準備	Less: Impairment allowances		
– 個別評估	– Individually assessed	**(136,746)**	(167,436)
– 綜合評估	– Collectively assessed	**(218,351)**	(230,582)
		(355,097)	(398,018)
各項貸款及其他賬目	Advances and other accounts	**51,730,681**	46,568,778

減值貸款分析如下： Impaired loans are analysed as follows:

集團	Group	二零零六年 2006	二零零五年 2005
減值貸款總額（附註甲）	Gross impaired loans (Note a)	**254,533**	312,530
佔客戶貸款總額之百分比	As a percentage of total advances to customers	**0.51%**	0.70%
個別評估減值準備	Individual impairment allowances made	**136,746**	167,436
持有抵押品價值	Amount of collateral held	**122,343**	182,604

附註：

甲. 減值貸款乃該等以個別評估為基準的貸款，並且自確認該資產後發生了一件或多件能確定減值的客觀證據事項（「損失事件」），而該損失事件對該貸款之預計未來現金流量造成影響，並能可靠地估量。

乙. 以上個別減值準備已考慮有關貸款於十二月三十一日時之抵押品價值。

Note:

a. Impaired loans are defined as those loans assessed on individual basis and having objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event") and that loss event has an impact on the estimated future cash flows of the loans that can be reliably estimated.

b. The above individual impairment allowances were made after taking into account the value of collateral in respect of such advances as at 31 December.

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23. 各項貸款及其他賬目（續） 23. Advances and other accounts (Continued)

集團	Group	減值準備 Impairment allowances 個別評估 Individual assessment	綜合評估 Collective assessment	合計 Total
二零零六年一月一日的結餘	Balance at 1 January 2006	**167,436**	**230,582**	**398,018**
於收益賬支出之減值提撥（附註13）	Impairment losses charged to income statement (Note 13)	**87,205**	**74,184**	**161,389**
未能償還貸款撇除額	Loans written off as uncollectible	**(126,824)**	**(168,864)**	**(295,688)**
收回已於往年撇銷之貸款	Recoveries of advances written off in previous years	**20,889**	**76,245**	**97,134**
減值準備折現值回撥	Unwind of discount on allowance	**(5,756)**	**–**	**(5,756)**
重新分類	Reclassification	**(6,204)**	**6,204**	**–**
二零零六年十二月三十一日	At 31 December 2006	**136,746**	**218,351**	**355,097**
扣減於：	Deducted from:			
貿易票據	Trade bills	**–**	**6,515**	**6,515**
客戶貸款	Advances to customers	**136,746**	**211,058**	**347,804**
銀行及其他金融機構貸款	Advances to banks and other financial institutions	**–**	**778**	**778**
		136,746	**218,351**	**355,097**
二零零五年一月一日的結餘	Balance at 1 January 2005	116,697	152,432	269,129
收購附屬公司	Acquisition of subsidiaries	61,093	63,800	124,893
於收益賬支出之減值提撥（附註13）	Impairment losses charged to income statement (Note 13)	52,857	77,720	130,577
未能償還貸款撇除額	Loans written off as uncollectible	(81,365)	(136,052)	(217,417)
收回已於往年撇銷之貸款	Recoveries of advances written off in previous years	21,888	72,682	94,570
減值準備折現值回撥	Unwind of discount on allowance	(3,734)	–	(3,734)
二零零五年十二月三十一日	At 31 December 2005	167,436	230,582	398,018
扣減於：	Deducted from:			
貿易票據	Trade bills	–	6,536	6,536
客戶貸款	Advances to customers	167,436	223,181	390,617
銀行及其他金融機構貸款	Advances to banks and other financial institutions	–	776	776
其他資產	Other assets	–	89	89
		167,436	230,582	398,018

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23. 各項貸款及其他賬目（續） 23. Advances and other accounts (Continued)

包括在客戶貸款之融資租賃應收賬： Finance lease receivables included in advances to customers:

集團	Group	二零零六年 2006	二零零五年 2005
投資在融資租賃之應收賬總額：	Gross investment in finance lease receivable:		
一年以內	Not later than 1 year	**2,679,057**	2,551,011
一年以上至五年	Later than 1 year and not later than 5 years	**2,970,730**	2,710,520
五年以上	Later than 5 years	**2,928,318**	2,338,276
		8,578,105	7,599,807
融資租賃之未賺取之融資收入	Unearned future finance income on finance leases	**(1,991,836)**	(1,622,708)
融資租賃投資淨額	Net investment in finance leases	**6,586,269**	5,977,099
融資租賃投資淨額期限之分析如下：	The net investment in finance leases is analysed as follows:		
一年以內	Not later than 1 year	**2,314,089**	2,263,069
一年以上至五年	Later than 1 year and not later than 5 years	**2,397,313**	2,244,065
五年以上	Later than 5 years	**1,874,867**	1,469,965
		6,586,269	5,977,099

於二零零六年十二月三十一日，上述的融資租賃投資總額內沒有無擔保剩餘價值（二零零五年：無）。

There is no unguaranteed residual value included in the gross investment in finance lease above as at 31 December 2006 (2005: Nil).

二零零六年十二月三十一日之本集團貸款減值準備包括為不可收回之融資租賃應收賬作出的準備合計為50,229,000港元（二零零五年：94,579,000港元）。

The allowance for uncollectible finance lease receivables included in the impairment allowances as at 31 December 2006 of the Group amounted to HK$50,229,000 (2005: HK$94,579,000).

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24. 可供出售證券 24. Available-for-sale securities

集團	Group	二零零六年 2006	二零零五年 2005
債務證券：	Debt securities:		
– 香港上市	– Listed in Hong Kong	**1,316,532**	1,279,905
– 香港以外上市	– Listed outside Hong Kong	**14,457,750**	8,869,359
– 非上市	– Unlisted	**16,085,860**	11,603,830
		31,860,142	21,753,094
權益性證券：	Equity securities:		
– 香港上市	– Listed in Hong Kong	**14,716**	2,129
– 香港以外上市	– Listed outside Hong Kong	**65,986**	8,737
– 非上市	– Unlisted		
– 於投資基金之權益	– Interests in investment funds	**961,462**	1,024,228
– 其他	– Others	**21,407**	9,852
		1,063,571	1,044,946
可供出售證券總額	Total available-for-sale securities	**32,923,713**	22,798,040
扣除：減值準備	Less: Impairment allowances	**–**	(25,850)
		32,923,713	22,772,190
上市證券之市值	Market value of listed securities	**15,854,984**	10,160,130
包括在債務證券：	Included within debt securities are:		
– 持有的存款證	– Certificates of deposit held	**100,167**	124,900
– 其他債務證券	– Other debt securities	**31,759,975**	21,628,194
		31,860,142	21,753,094
可供出售證券按發行機構類別分析如下：	Available-for-sale securities are analysed by categories of issuers as follows:		
– 中央政府和中央銀行	– Central governments and central banks	**3,554,021**	3,102,145
– 公營機構	– Public sector entities	**274,108**	532,796
– 銀行及其他金融機構	– Banks and other financial institutions	**19,776,804**	9,944,390
– 企業	– Corporate entities	**9,317,002**	9,191,081
– 其他	– Others	**1,778**	1,778
		32,923,713	22,772,190

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24. 可供出售證券（續）

包括在上述可供出售證券為抵押與香港金融管理局以利於本集團在外匯基金債務證券的買賣及市場莊家活動之外匯基金債務證券，其於二零零六年十二月三十一日之市場價值為1,873,582,000港元（二零零五年：1,824,988,000港元）。此外，於二零零六年十二月三十一日按回購協議而抵押予非關連財務機構之其他債務證券之市場價值為431,838,000港元（二零零五年：無）。

24. Available-for-sale securities (Continued)

Included in the above were Exchange Fund debt securities with a market value at 31 December 2006 of HK$1,873,582,000 (2005: HK$1,824,988,000) pledged with the Hong Kong Monetary Authority to facilitate the Group's trading and market-making activities in Exchange Fund debt securities. In addition, other debt securities with a market value at 31 December 2006 of HK$431,838,000 (2005: Nil) were pledged under repurchase agreements with unrelated financial institutions.

25. 持至到期證券

25. Held-to-maturity securities

集團	Group	二零零六年 2006	二零零五年 2005
債務證券	Debt securities		
– 香港以外上市	– Listed outside Hong Kong	**62,252**	185,808
– 非上市	– Unlisted	**238,449**	309,047
		300,701	494,855
上市證券之市值	Market value of listed securities	**62,269**	185,909
包括在債務證券：	Included within debt securities are:		
– 持有的存款證	– Certificates of deposit held	**138,449**	209,047
– 其他債務證券	– Other debt securities	**162,252**	285,808
		300,701	494,855
持至到期證券按發行機構類別分析如下：	Held-to-maturity securities are analysed by issuer as follows:		
– 公營機構	– Public sector entities	**1,499**	3,686
– 銀行及其他金融機構	– Banks and other financial institutions	**268,647**	455,057
– 企業	– Corporate entities	**30,555**	36,112
		300,701	494,855

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25. 持至到期證券（續） 25. Held-to-maturity securities (Continued)

下表概述持至到期證券之變動： The movement in held-to-maturity securities is summarised as follows:

集團	Group	二零零六年 2006	二零零五年 2005
一月一日	At 1 January	**494,855**	1,296,927
新購入	Additions	**42,924**	–
採納香港會計準則第三十九號時重新指定以公平值計量且其變動計入損益的證券	Redesignation of securities at fair value through profit or loss on adoption of HKAS 39	**–**	(988,230)
折讓攤銷	Amortisation of discount	**(458)**	(72)
透過收購附屬公司而增購	Additions through acquisition of subsidiaries	**–**	309,083
贖回	Redemption	**(237,311)**	(122,034)
匯兑差異	Exchange differences	**691**	(819)
十二月三十一日	At 31 December	**300,701**	494,855

26. 共同控制實體投資 26. Investments in jointly controlled entities

集團	Group	二零零六年 2006	二零零五年 2005
非上市股份，按成本	Unlisted shares, at cost	**20,000**	20,000
對一共同控制實體之貸款應收賬	Loan receivable from a jointly controlled entity	**31,000**	31,000
		51,000	51,000
應佔收購後儲備	Share of post-acquisition reserves	**(13,808)**	(20,816)
		37,192	30,184

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26. 共同控制實體投資（續）

26. Investments in jointly controlled entities (Continued)

於二零零六年十二月三十一日的共同控制實體如下：

The following are the jointly controlled entities as at 31 December 2006:

名稱 Name	註冊地點 Place of incorporation	主要業務及經營地點 Principal activities and place of operation	佔擁有權之百分比 Percentage of effective interest in ownership
銀聯控股有限公司 Bank Consortium Holding Limited	香港 Hong Kong	投資控股，香港 Investment holding, Hong Kong	13.333%
銀聯信託有限公司 Bank Consortium Trust Company Limited	香港 Hong Kong	受托人及退休金福利之代管人服務，香港 Trustee and custodian services for retirement fund schemes, Hong Kong	13.333%

本集團在銀聯控股有限公司之權益由附屬公司大新銀行有限公司持有，而銀聯信託有限公司乃銀聯控股有限公司之全資附屬公司。

The Group's interest in Bank Consortium Holding Limited is held by Dah Sing Bank, Limited, a subsidiary of the Company. Bank Consortium Trust Company Limited is a wholly owned subsidiary of Bank Consortium Holding Limited.

對一共同控制實體之貸款應收賬為無抵押、免息及按共同控制實體所有股東一致的決定還款。

The loan receivable from a jointly controlled entity is unsecured, interest free and repayable subject to the joint decision amongst all the shareholders of the jointly controlled entity.

27. 附屬公司投資

27. Investments in subsidiaries

公司	Company	二零零六年 2006	二零零五年 2005
非上市股份，按成本	Unlisted shares, at cost	**3,150,282**	2,650,282
應收附屬公司款項	Amounts due from subsidiaries	**25,614**	126
		3,175,896	2,650,408

應收附屬公司之款項均為無抵押、免息及按要求還款。

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

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27. 附屬公司投資（續） 27. Investments in subsidiaries (Continued)

於二零零六年十二月三十一日之附屬公司如下：

The following is a list of the Company's subsidiaries as at 31 December 2006:

公司名稱 Name of company	主要業務 Principal activity	註冊地點 Place of incorporation	所佔股份百分比 Percentage of shares held 直接 Directly	間接 Indirectly	已發行普通股股本 Particulars of issued ordinary shares
大新銀行有限公司 Dah Sing Bank, Limited	銀行 Banking	香港 Hong Kong	100%	–	HK$2,300,000,000
豐明銀行有限公司 MEVAS Bank Limited	銀行 Banking	香港 Hong Kong	100%	–	HK$400,000,000
Channel Winner Limited	物業投資 Property Investment	英屬處女群島 British Virgin Islands	100%	–	US$1
大新財務有限公司 Dah Sing Finance Limited	暫無營業 Dormant	香港 Hong Kong	100%	–	HK$25,000,000
South Development Limited	物業投資 Property Investment	英屬處女群島 British Virgin Islands	100%	–	US$1
Yield Rich Group Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	100%	–	US$1
D.A.H. Holdings Limited (Note)（附註）	投資控股 Investment holding	百慕達 Bermuda	75.5%	–	US$1,000,000
澳門商業銀行有限公司 Banco Comercial de Macau, S.A.	銀行 Banking	澳門 Macau	–	100%	MOP225,000,000
大新電腦系統有限公司 Dah Sing Computer Systems Limited	暫無營業 Dormant	香港 Hong Kong	–	100%	HK$20
大新保險顧問有限公司 Dah Sing Insurance Brokers Limited	保險經紀 Insurance broking	香港 Hong Kong	–	100%	HK$200,000
DSLI (1) Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	–	100%	US$1
Dah Sing MTN Financing Limited	融資 Financing	英屬處女群島 British Virgin Islands	–	100%	US$1
大新信託有限公司 Dah Sing Nominees Limited	代理人服務 Nominee services	香港 Hong Kong	–	100%	HK$100,000
Dah Sing Properties Limited	投資控股 Investment holding	香港 Hong Kong	–	100%	HK$10,000
Dah Sing SAR Financing Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	–	100%	US$1
DSB BCM (1) Limited	投資控股 Investment holding	香港 Hong Kong	–	100%	HK$1
DSB BCM (2) Limited	投資控股 Investment holding	香港 Hong Kong	–	100%	HK$1
鈞寶證券有限公司 Global Courage Securities Limited	證券買賣 Securities dealing	香港 Hong Kong	–	100%	HK$10,000,000
MEVAS Nominees Limited	代理人服務 Nominee services	香港 Hong Kong	–	100%	HK$50,000
怡泰富財務（香港）有限公司 Pacific Finance (Hong Kong) Limited	二零零六年十月以後無營業 Inactive after October 2006	香港 Hong Kong	–	100%	HK$450,000,000
Shinning Bloom Investments Limited	暫無營業 Dormant	英屬處女群島 British Virgin Islands	–	100%	US$1
域寶投資有限公司 Vanishing Border Investment Services Limited	物業投資 Property investment	香港 Hong Kong	–	100%	HK$20
D.A.H. Hambros Bank (Channel Islands) Limited	銀行 Banking	格恩西島 Guernsey	–	75.5%	US$8,000,000

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27. 附屬公司投資（續）

除大新銀行有限公司是公眾有限公司外，上述所有公司均為私人公司或倘於香港以外地方註冊成立，其特徵與香港註冊成立之私人公司極為相似。

除D. A. H. Hambros Bank (Channel Islands) Limited，澳門商業銀行有限公司及上述列明在香港以外註冊成立的公司外，其他公司均在香港經營。

附註：
根據大新金融集團有限公司（「大新金融」）與SG Hambros Bank and Trust Limited（「SG Hambros」）於二零零二年十二月三十日達成之協議，大新金融授予SG Hambros認沽期權，而SG Hambros亦授予大新金融認購期權涉及股份達245,000股。有關股份相等於D.A.H.Holdings Limited（「DAHH」）之百分之二十四點五已發行股本。作為重組以成立本公司之部份措施，大新金融於二零零四年移轉予本公司其於上述協議之權利和責任。若此等期權被行使時，本公司於DAHH所佔之權益將由百分之七十五點五增至百分之百。王守業，莊先進，韓以德，黃漢興及王伯凌均為DAHH與本公司董事。本公司主要股東王守業與SG Hambros於此項期權協議各擁有重大權益。

27. Investments in subsidiaries (Continued)

Except for Dah Sing Bank, Limited which is a public limited company, all the above companies are private companies, or, if incorporated outside Hong Kong, have substantially the same characteristics as a Hong Kong incorporated private company.

Except for D.A.H. Hambros Bank (Channel Islands) Limited, Banco Comercial de Macau, S.A. and companies incorporated outside Hong Kong specified above, all other companies operate in Hong Kong.

Note:
Pursuant to an agreement entered into between Dah Sing Financial Holdings Limited ("DSFH") and SG Hambros Bank and Trust Limited ("SG Hambros") on 30 December 2002, DSFH granted SG Hambros a put option and SG Hambros granted DSFH a call option over 245,000 shares representing 24.5% of the issued share capital of D.A.H. Holdings Limited ("DAHH"). As part of the reorganisation leading to the formation of the Company, DSFH subrogated to the Company in 2004 its rights and obligations under the above agreement. Upon exercise of the option, the Company's interest in DAHH would be increased from 75.5% to 100%. David Shou-Yeh Wong, John William Simpson, David Richard Hinde, Hon-Hing Wong and Gary Pak-Ling Wang held common directorships in DAHH and the Company. David Shou-Yeh Wong, a substantial shareholder of the Company, and SG Hambros held material interests in the option agreement.

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28. 商譽及無形資產 28. Goodwill and intangible assets

集團	Group	商譽 Goodwill	合約無形資產 Contract intangibles	核心存款無形資產 Core deposit intangibles	客戶關係無形資產 Customer relationship intangibles	商號 Trade name	合計 Total
成本	Cost						
二零零六年一月一日及	At 1 January 2006 and						
二零零六年十二月三十一日	at 31 December 2006	**811,690**	**26,499**	**80,583**	**40,777**	**58,252**	**1,017,801**
累積減值/攤銷	Accumulated impairment/amortisation						
二零零六年一月一日	At 1 January 2006	**–**	**2,897**	**–**	**–**	**–**	**2,897**
年內支出（附註10）	Charge for the year (Note 10)	**–**	**9,828**	**22,684**	**2,039**	**–**	**34,551**
二零零六年十二月三十一日	At 31 December 2006	**–**	**12,725**	**22,684**	**2,039**	**–**	**37,448**
賬面值	Carrying value						
二零零六年十二月三十一日	At 31 December 2006	**811,690**	**13,774**	**57,899**	**38,738**	**58,252**	**980,353**

集團	Group	商譽 Goodwill	合約無形資產 Contract intangibles	核心存款無形資產 Core deposit intangibles	客戶關係無形資產 Customer relationship intangibles	商號 Trade name	合計 Total
成本	Cost						
二零零五年一月一日	At 1 January 2005	–	–	–	–	–	–
新增	Additions	811,690	26,499	80,583	40,777	58,252	1,017,801
二零零五年十二月三十一日	At 31 December 2005	811,690	26,499	80,583	40,777	58,252	1,017,801
累積減值/攤銷	Accumulated impairment/amortisation						
二零零五年一月一日	At 1 January 2005	–	–	–	–	–	–
年內支出（附註10）	Charge for the year (Note 10)	–	2,897	–	–	–	2,897
二零零五年十二月三十一日	At 31 December 2005	–	2,897	–	–	–	2,897
賬面值	Carrying value						
二零零五年十二月三十一日	At 31 December 2005	811,690	23,602	80,583	40,777	58,252	1,014,904

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28. 商譽及無形資產（續）

有使用期限之無形資產包括合約、核心存款及客戶關係無形資產將以餘額遞減法按其介乎五至十二年之可用年期攤銷。商號為無使用期限會每年測試其減值虧損及以成本扣除累積減值虧損列示。

商譽分配至按不同營運地區及業務分項已認明之現金產生單位（「現金產生單位」）以作減值評估。下表概述有關商譽之分配。

28. Goodwill and intangible assets (Continued)

Intangible assets with finite life including contract intangibles, core deposit intangible and customer relationships intangibles are amortised over their useful life ranging from 5 to 12 years using a diminishing balance method. Trade name is with indefinite life and is tested annually for impairment losses. It is carried at cost less accumulated impairment loss.

Goodwill is allocated to the Group's cash-generating units ("CGU") identified according to geographical area of operation and business segment for impairment losses assessment. A summary of goodwill allocation is presented below.

		二零零五年十二月三十一日及二零零六年十二月三十一日 As at 31 December 2005 and 31 December 2006			
集團	Group	商業銀行 Commercial Banking	個人銀行 Personal Banking	財資業務 Treasury	合計 Total
香港	Hong Kong	196,478	122,189	–	318,667
澳門	Macau	199,140	260,408	33,475	493,023
		395,618	382,597	33,475	811,690

是年度並無確認商譽及商號之減值虧損（二零零五年：無）。

商譽須每年作減值測試，對比根據計算之使用價值而釐定之現金產生單位可回收金額。該計算應用由高層管理人員所編制及董事會批准之覆蓋首三年之預測現金流，及後以長期年增長率百分之五推測至第五年，且以無增長率推測第五年以後至永遠的現金流。所應用之折現率乃建基於本集團各現金產生單位之營運業務類別之資本成本加權平均數，所有現金產生單位之折現率為10.8%。

商號每年進行之減值測試乃應用參照類同業務交易之百分之三税前專利權税率及已批核而覆蓋首三年預算之預測收入，及後以長期年增長率百分之五推測至第五年，且以無增長率推測第五年以後至永遠的現金流。所應用之折現率為10.8%乃建基於本集團之資本成本加權平均數。

No impairment loss on goodwill and trade names are identified in the year (2005: Nil).

Impairment testing in respect of goodwill is performed annually by comparing the recoverable amount of CGU determined based on value in use calculation. The calculations use cash flow projections prepared by the Senior Management and approved by the Board covering a three-year period and extrapolated into five years using estimated long term growth rate of 5% per annum and in perpetuity with zero growth rate after fifth year. The discount rate used is based on the Group's weighted average cost of capital depending of type of businesses carried out by the CGU which is 10.8% for all CGUs.

For trade name, impairment testing is performed annually using pre-tax royalty rates of 3% with reference to similar business services transactions, and projected revenue in the approved budget covering a three-year period and extrapolated into five years using estimated long term growth rate of 5% and in perpetuity with zero growth rate after fifth year. The discount rate of 10.8% used is based on the Group's weighted average cost of capital.

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29. 行產及其他固定資產 29. Premises and other fixed assets

集團	Group	行產 Premises	傢俬、設備及汽車 Furniture, equipment and motor vehicles	合計 Total
截至二零零五年十二月三十一日止年度	**Year ended 31 December 2005**			
年初賬面淨值	Opening net book amount	560,593	107,479	668,072
新增	Additions	–	26,838	26,838
收購附屬公司而取得之資產	Assets brought-in through acquisition of subsidiaries	280,185	22,008	302,193
重估增值	Revaluation surplus	442,026	–	442,026
出售	Disposals	–	(334)	(334)
折舊支出（附註10）	Depreciation charge (Note 10)	(15,354)	(44,798)	(60,152)
年末賬面淨值	**Closing net book amount**	1,267,450	111,193	1,378,643
二零零五年十二月三十一日	**At 31 December 2005**			
成本/估值	Cost/valuation	1,267,450	264,636	1,532,086
累積折舊	Accumulated depreciation	–	(153,443)	(153,443)
賬面淨值	**Net book amount**	1,267,450	111,193	1,378,643
截至二零零六年十二月三十一日止年度	**Year ended 31 December 2006**			
年初賬面淨值	Opening net book amount	**1,267,450**	**111,193**	**1,378,643**
新增	Additions	**–**	**38,591**	**38,591**
重估增值	Revaluation surplus	**108,201**	**–**	**108,201**
出售	Disposals	**–**	**(637)**	**(637)**
重新分類	Reclassification	**(58,805)**	**–**	**(58,805)**
折舊支出（附註10）	Depreciation charge (Note 10)	**(35,337)**	**(44,020)**	**(79,357)**
年末賬面淨值	**Closing net book amount**	**1,281,509**	**105,127**	**1,386,636**
二零零六年十二月三十一日	**At 31 December 2006**			
成本/估值	Cost/valuation	**1,281,509**	**226,743**	**1,508,252**
累積折舊	Accumulated depreciation	**–**	**(121,616)**	**(121,616)**
賬面淨值	**Net book amount**	**1,281,509**	**105,127**	**1,386,636**

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29. 行產及其他固定資產(續)

29. Premises and other fixed assets (Continued)

本集團行產最新之估值於二零零六年十二月三十一日進行。此評估由獨立專業特許測量師萊坊(香港)有限公司(就位於香港及中國之物業)及第一太平戴維斯(香港)有限公司(就位於澳門之物業)按公開市場價值基準進行。

The Group's premises were last revalued at 31 December 2006. Valuations were made on the basis of open market value by independent, professionally qualified valuers (1) Knight Frank Hong Kong Limited in respect of properties in Hong Kong and China, and (2) Savills (Hong Kong) Limited in respect of properties in Macau.

倘行產按實際成本基準列示，其金額如下：

If premises were stated on the historical cost basis, the amounts would be as follows:

集團	Group	二零零六年 2006	二零零五年 2005
成本	Cost	**831,882**	913,275
累積折舊	Accumulated depreciation	**(126,456)**	(124,613)
賬面淨值	Net book amount	**705,426**	788,662

以上資產於二零零六年十二月三十一日之成本或估值分析如下：

The analysis of the cost or valuation at 31 December 2006 of the above assets is as follows:

集團	Group	行產 Premises	傢俬、設備及汽車 Furniture, equipment and motor vehicles	合計 Total
按成本	At cost	**–**	**226,743**	**226,743**
按估值 – 二零零六年	At valuation – 2006	**1,281,509**	**–**	**1,281,509**
		1,281,509	**226,743**	**1,508,252**

以上資產於二零零五年十二月三十一日之成本或估值分析如下：

The analysis of the cost or valuation at 31 December 2005 of the above assets is as follows:

集團	Group	行產 Premises	傢俬、設備及汽車 Furniture, equipment and motor vehicles	合計 Total
按成本	At cost	–	264,636	264,636
按估值 – 二零零五年	At valuation – 2005	1,267,450	–	1,267,450
		1,267,450	264,636	1,532,086

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29. 行產及其他固定資產（續） 29. Premises and other fixed assets (Continued)

行產之賬面淨值包括： The net book value of premises comprises:

集團	Group	二零零六年 2006	二零零五年 2005
租賃	Leaseholds		
在香港持有之中期租賃（在十至五十年之間）	Held in Hong Kong on medium-term lease (between 10-50 years)	**986,460**	986,569
在香港以外持有之中期租賃（在十至五十年之間）	Held outside Hong Kong on medium-term lease (between 10-50 years)	**295,049**	280,881
		1,281,509	1,267,450

30. 投資物業 30. Investment properties

集團	Group	二零零六年 2006	二零零五年 2005
是年年初	Beginning of the year	**320,939**	246,332
新增	Additions	**234,401**	–
重新分類	Reclassification	**58,805**	–
公平值收益/重估減值回撥	Fair value gains/Deficit write-back on revaluation	**27,995**	74,607
是年年末	End of the year	**642,140**	320,939

本集團投資物業最新之估值於二零零六年十二月三十一日進行，此評估由獨立專業特許測量師萊坊（香港）有限公司按公開市場價值基準進行。

The Group's investment properties were last revalued at 31 December 2006. Valuations were made on the basis of open market value by independent, professionally qualified valuer Knight Frank Hong Kong Limited.

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30. 投資物業(續)

30. Investment properties (Continued)

投資物業之賬面淨值包括：

The net book value of investment properties comprises:

集團	Group	二零零六年 **2006**	二零零五年 2005
租賃	Leaseholds		
在香港持有之中期租賃(在十至五十年之間)	Held in Hong Kong on medium-term lease (between 10-50 years)	**612,539**	320,323
在香港以外持有之中期租賃(在十至五十年之間)	Held outside Hong Kong on medium-term lease (between 10-50 years)	**29,601**	616
		642,140	320,939

31. 持作轉售用途之非流動資產/(負債)

31. Non-current assets/(liabilities) held for resale

集團	Group	二零零五年 2005
持作轉售用途之非流動資產	Non-current asset held for resale	821,561
持作轉售用途之非流動負債	Non-current liabilities held for resale	(531,023)
		290,538
扣除：少數股東應佔權益	Less: Minority interests	(6,110)
		284,428

上述乃本集團在二零零五年十二月十九日收購之澳門保險有限公司及澳門人壽保險有限公司於二零零五年十二月三十一日時，本集團所佔之百分之九十六之資產及負債的公平值。當時本集團代最終控股公司大新金融集團有限公司(「大新金融」)持有該等權益直至其被轉移至大新金融附屬公司名下。此轉讓於二零零六年五月二十六日已完成。

The balance as at 31 December 2005 represents the fair value of Group's 96% share of the assets and liabilities of Macau Insurance Company Limited and Macau Life Insurance Company Limited acquired on 19 December 2005, which were being held on behalf of the ultimate holding company, Dah Sing Financial Holdings Limited ("DSFH"), pending their transfer to the subsidiaries of DSFH. The transfer was concluded on 26 May 2006.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

32. 其他資產 32. Other assets

集團	Group	二零零六年 2006	二零零五年 2005
應收款項及預付項目	Accounts receivable and prepayments	**280,860**	169,266
應計利息	Accrued income	**704,113**	595,388
其他	Others	**342,411**	240,679
		1,327,384	1,005,333

33. 持作買賣用途的負債 33. Trading liabilities

集團	Group	二零零六年 2006	二零零五年 2005
沽空國庫票據及國庫債券	Short sales of treasury bills and treasury bonds	**6,526,233**	6,311,309

34. 指定以公平值計量且其變動計入損益的客戶存款 34. Deposits from customers designated at fair value through profit or loss

集團	Group	二零零六年 2006	二零零五年 2005
結構性存款	Structured deposits	**3,224,673**	1,739,075
其他	Others	**168,375**	165,205
		3,393,048	1,904,280

利率變更以外之因素對以公平值計量且其變動計入損益之客戶存款之公平值變動之影響極小。本集團在此客戶存款到期時按合約應付的金額較以上所列之賬面值高218,000,000港元（二零零五年：246,000,000港元）。

The change in the fair value of deposits from customers designated at fair value through profit or loss not attributable to changes in interest rate is minimal. The amount that the Group would be contractually required to pay at maturity to the holders of these deposits is HK$218 million (2005: HK$246 million) higher than the above carrying amount.

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35. 客戶存款 35. Deposits from customers

集團 Group	二零零六年 2006	二零零五年 2005
活期存款及往來存款 Demand deposits and current accounts	**7,104,553**	4,837,167
儲蓄存款 Savings deposits	**8,532,864**	7,359,349
定期、通知及短期存款 Time, call and notice deposits	**48,247,641**	44,244,963
其他存款 Other deposits	**–**	8,503
	63,885,058	56,449,982

36. 已發行的存款證 36. Certificates of deposit issued

集團 Group	二零零六年 2006	二零零五年 2005
指定以公平值計量且其變動計入損益 Designated at fair value through profit or loss	**5,549,938**	4,525,120
按攤餘成本 At amortised cost	**3,218,534**	3,188,177
	8,768,472	7,713,297

利率變更以外之因素對以公平值計量且其變動計入損益之已發行的存款證之公平值變動之影響極小。本集團在此存款證到期時按合約應付的金額較以上所列之賬面值高14,000,000港元（二零零五年：118,000,000港元）。

The change in the fair value of certificates of deposit issued and designated at fair value through profit or loss not attributable to changes in interest rate is minimal. The amount that the Group would be contractually required to pay at maturity to the holders of these certificates of deposit is HK$14 million (2005: HK$118 million) higher than the above carrying amount.

37. 已發行的債務證券 37. Issued debt securities

集團 Group	二零零六年 2006	二零零五年 2005
指定以公平值計量且其變動計入損益 Designated at fair value through profit or loss	**1,132,882**	1,123,830
按攤餘成本 At amortised cost	**1,166,692**	1,163,265
	2,299,574	2,287,095

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37. 已發行的債務證券(續)

於二零零六年十二月三十一日之已發行債務證券餘額包括大新銀行有限公司(「大新銀行」)之全資附屬公司Dah Sing MTN Financing Limited透過大新銀行之歐洲市場中期票據計劃,於二零零四年十二月一日發行並在盧森堡交易所上市之一億五千萬美元定息及一億五千萬美元浮息有擔保優先票據(「該票據」)。該票據由大新銀行擔保、為無抵押,最後到期日為二零零九年十二月一日,其成本透過大新銀行進行的利率掉期安排轉為浮息基準。

利率變更以外之因素對以公平值計量且其變動計入損益之已發行的債務證券之公平值變動之影響極小。本集團在此債務證券到期時按合約應付的金額較以上所列之賬面值高34,000,000港元(二零零五年:39,000,000港元)。

37. Issued debt securities (Continued)

Issued debt securities outstanding as at 31 December 2006 represent the US$150 million fixed rate and the US$150 million floating rate Senior Guaranteed Notes (the "Notes") issued by Dah Sing MTN Financing Limited, a wholly-owned subsidiary of Dah Sing Bank, Limited ("DSB"), on 1 December 2004 under DSB's Euro Medium Term Note Programme which are listed on the Luxembourg Stock Exchange. The Notes are guaranteed by DSB, unsecured, and have a final maturity on 1 December 2009. Through interest rate swap arrangements entered into by DSB, the cost of the fixed rate Notes is determined on floating rate basis.

The change in the fair value of issued debt securities designated at fair value not attributable to changes in interest rate is minimal. The amount that the Group would be contractually required to pay at maturity to the holders of these issued debt securities is HK$34 million (2005: HK$39 million) higher than the above carrying amount.

38. 後償債務

38. Subordinated notes

集團	Group	二零零六年 2006	二零零五年 2005
125,000,000美元年息7.5%於二零一一年到期的後償票據(附註甲)	US$125,000,000 7.5% Subordinated Bonds due 2011 (Note (a))	–	975,689
150,000,000美元於二零一五年到期的浮息後償債務(附註乙)	US$150,000,000 Subordinated Floating Rate Notes due 2015 (Note (b))	**1,166,693**	1,163,265
150,000,000美元於二零一七年到期的定息後償債務(附註丙)	US$150,000,000 Subordinated Fixed Rate Notes due 2017 (Note (c))	**1,146,742**	1,151,388
150,000,000美元於二零一六年到期的浮息後償債務(附註丁)	US$150,000,000 Subordinated Floating Rate Notes due 2016 (Note (d))	**1,166,692**	–
		3,480,127	3,290,342
指定以公平值計量且其變動計入損益	Designated at fair value through profit or loss	**1,146,742**	2,127,077
按攤餘成本	At amortised cost	**2,333,385**	1,163,265
		3,480,127	3,290,342

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38. 後償債務（續）

附註：

（甲） 大新銀行於二零零六年三月二十九日經獲得香港金融管理局（「香港金管局」）預先批准後，行使其購入權全數提早贖回125,000,000美元年息7.5%的後償票據。

（乙） 此乃大新銀行於二零零五年四月二十九日發行之150,000,000美元在盧森堡交易所上市並被界定為二級資本的浮息後償債務（「債務」）。此等債務將於二零一五年五月六日到期。選擇性贖還日為二零一零年五月六日。由發行日至其選擇性贖還日，此債務之利息按三個月期美元銀行同業拆息加六十點子，以每三個月釐訂一次。其後，倘債務未在選擇性贖還日贖回，往後的利息會重訂為三個月期美元銀行同業拆息加一百六十點子。若獲得香港金管局預先批准，大新銀行可於選擇性贖還日或因税務理由以票面價值贖回所有（非部分）債務。

（丙） 此乃大新銀行於二零零五年八月十八日發行之150,000,000美元年息5.451%在盧森堡交易所上市並被界定為二級資本的定息後償債務（「債務」）。此等債務將於二零一七年八月十八日到期。選擇性贖還日為二零一二年八月十八日。由發行日至其選擇性贖還日，年息為五點四五一厘，每半年付息一次。其後，倘債務未在選擇性贖還日贖回，往後的利息會重訂為當時五年期美國國庫債券息率加二百二十點子。若獲得香港金管局預先批准，大新銀行可於選擇性贖還日或因税務理由以票面價值贖回所有（非部分）債務。大新銀行亦已與一國際銀行訂立利率掉期合約將債務的固定利息掉換為以美元銀行同業拆息為基礎的浮動利息付款。

（丁） 此乃大新銀行於二零零六年六月二日發行之150,000,000美元在新加坡交易所上市並被界定為二級資本的浮息後償債務（「債務」）。此等債務將於二零一六年六月三日到期。選擇性贖還日為二零一一年六月三日。由發行日至其選擇性贖還日，此債務之利息按三個月期美元銀行同業拆息加七十五點子，以每三個月釐訂一次。其後，倘債務未在選擇性贖還日贖回，往後的利息會重訂為三個月期美元銀行同業拆息加一百點子。若獲得香港金管局預先批准，大新銀行可於選擇性贖還日或因税務理由以票面價值贖回所有（非部分）債務。

利率變更以外之因素對以公平值計量且其變動計入損益的後償債務之公平值變動之影響極小，本集團在此後償債務到期時按合約應付的金額較以上所列之之公平值高20,000,000港元（二零零五年：5,000,000港元）。

38. Subordinated notes (Continued)

Note:

(a) On 29 March 2006, DSB exercised its call option to early redeem in full this US$125,000,000 7.5% subordinated bonds after obtaining the prior approval of the Hong Kong Monetary Authority ("HKMA").

(b) This represents US$150,000,000 Subordinated Floating Rate Notes qualifying as Tier 2 capital of DSB issued on 29 April 2005 (the "Notes"), which are listed on the Luxembourg Stock Exchange. The Notes will mature on 6 May 2015 with an optional redemption date falling on 6 May 2010. Interest rate for the Notes is set on a quarterly basis based on 3-month LIBOR plus 60 basis points from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will reset and the Notes will bear interest at 3 month LIBOR plus 160 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.

(c) This represents US$150,000,000 5.451% Subordinated Fixed Rate Notes qualifying as Tier 2 capital of DSB issued on 18 August 2005 (the "Notes"), which are listed on the Luxembourg Stock Exchange. The Notes will mature on 18 August 2017 with an optional redemption date falling on 18 August 2012. Interest at 5.451% is payable semi annually from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will be reset and the Notes will bear interest at the then prevailing 5-year US Treasury rate plus 220 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date. An interest rate swap contract to swap the fixed rate payment liability of the Notes to floating interest rate based on LIBOR has been entered into with an international bank.

(d) This represents US$150,000,000 Subordinated Floating Rate Notes qualifying as Tier 2 capital of DSB issued on 2 June 2006 (the "Notes"), which are listed on the Singapore Stock Exchange Securities Trading Limited. The Notes will mature on 3 June 2016 with an optional redemption date falling on 3 June 2011. Interest rate for the Notes is set on a quarterly basis based on 3-month LIBOR plus 75 basis points from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will reset and the Notes will bear interest at 3-month LIBOR plus 100 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.

The change in the fair value of subordinated notes designated at fair value through profit or loss not attributable to changes in interest rate is minimal. The amount that the Group would be contractually required to pay at maturity to the holders of these subordinated notes is HK$20 million (2005: HK$5 million) higher than the above carrying amount.

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39. 遞延稅項 39. Deferred income tax

遞延稅項資產及負債的對銷只在具有合法執行權對銷即期稅項資產和即期稅項負債時及遞延利得稅項與同一稅務機構有關時方可進行。 抵銷之金額如下：

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The offset amounts are as follows:

集團	Group	二零零六年 2006	二零零五年 2005
遞延稅項資產	Deferred income tax assets:	**3,377**	7,692
遞延稅項負債	Deferred income tax liabilities:	**(134,949)**	(104,334)

集團	Group	二零零六年 2006	二零零五年 2005
遞延稅項資產：	Deferred income tax assets:		
– 可在十二個月後收回之遞延稅項資產	– Deferred income tax asset to be recovered after more than 12 months	**24,037**	47,391
遞延稅項負債：	Deferred income tax liabilities:		
– 應在十二個月後償還之遞延稅項負債	– Deferred income tax liabilities to be settled after more than 12 months	**(155,433)**	(143,833)
– 應在十二個月內償還之遞延稅項負債	– Deferred income tax liabilities to be settled within 12 months	**(176)**	(200)
		(155,609)	(144,033)

遞延稅項總變動如下：

The gross movement on the deferred income tax account is as follows:

集團	Group	二零零六年 2006	二零零五年 2005
一月一日	At 1 January	**(96,642)**	(2,556)
會計政策變動之年初調整	Opening adjustment arising from changes in accounting policies	**–**	(33,315)
收購附屬公司	Acquisition of subsidiaries	**–**	4,642
於收益賬內稅項支出（附註16）	Tax charged to the income statement (Note 16)	**(27,388)**	(17,067)
於權益賬內稅項支出（附註43）	Tax charged to equity (Note 43)	**(7,542)**	(48,346)
十二月三十一日	At 31 December	**(131,572)**	(96,642)

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39. 遞延稅項（續）

39. Deferred income tax (Continued)

遞延稅項資產及負債於本年度之變動，不包括於相同稅法管轄權下抵銷之結餘如下：

The movement in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, is as follows:

遞延稅項負債：

Deferred income tax liabilities:

集團	Group	準備 Provisions	加速稅務折舊 Accelerated tax depreciation	行產重估 Premises revaluation	投資物業重估 Investment properties revaluation	投資重估 Investment revaluation	其他 Others	合計 Total
二零零五年一月一日	At 1 January 2005	–	3,917	57,810	–	12,944	–	74,671
收購附屬公司	Acquisition of subsidiaries	2,940	–	–	–	–	177	3,117
於損益賬內支出	Charged to the income statement	–	17,876	–	–	–	23	17,899
於權益賬內支出/(回撥)	Charged/(credited) to equity	–	–	59,152	–	(10,806)	–	48,346
二零零五年十二月三十一日及二零零六年一月一日	**At 31 December 2005 and 1 January 2006**	2,940	21,793	116,962	–	2,138	200	144,033
於收益賬內支出/(回撥)	Charged/(credited) to the income statement	555	(13,808)	–	17,311	–	(24)	4,034
於權益賬內支出/(回撥)	Charged/(credited) to equity	–	–	10,209	–	(2,667)	–	7,542
二零零六年十二月三十一日	**At 31 December 2006**	3,495	7,985	127,171	17,311	(529)	176	155,609

遞延稅項資產：

Deferred income tax assets:

集團	Group	減值及準備 Impairment allowances and provisions	加速稅務折舊 Accelerated tax depreciation	稅項虧損 Tax losses	其他 Others	合計 Total
二零零五年一月一日	At 1 January 2005	27,647	–	10,346	807	38,800
收購附屬公司	Acquisition of subsidiaries	7,205	554	–	–	7,759
於收益賬內回撥/(支出)	Credited/(charged) to the income statement	4,430	125	(2,970)	(753)	832
二零零五年十二月三十一日及二零零六年一月一日	**At 31 December 2005 and 1 January 2006**	39,282	679	7,376	54	47,391
於收益賬內(支出)/回撥	(Charged)/credited to the income statement	(24,113)	2	(4,315)	5,072	(23,354)
二零零六年十二月三十一日	**At 31 December 2006**	15,169	681	3,061	5,126	24,037

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39. 遞延稅項(續) 39. Deferred income tax (Continued)

下述乃年內於權益賬內(支出)/回撥之遞延稅項：

The deferred income tax (charged)/credited to equity during the year is as follows:

集團	Group	二零零六年 2006	二零零五年 2005
於股東權益之公平值儲備：	Fair value reserves in shareholders' equity:		
– 行產(附註43)	– premises (Note 43)	**(10,209)**	(59,152)
– 可供出售證券(附註43)	– available-for-sale securities (Note 43)	**2,667**	10,806
		(7,542)	(48,346)

40. 集團公司之結餘 40. Balances with Group companies

資產負債表內賬目包括與集團公司之結餘詳列如下：

Included in the following balance sheet captions are balances with group companies and detailed as follows:

集團	Group	二零零六年 2006	二零零五年 2005
與最終控股公司結餘	Balances with the ultimate holding company		
客戶存款	Deposits from customers	**7,893**	21,833
與同系附屬公司之結餘	Balances with fellow subsidiaries		
各項貸款及其他賬目	Advances and other accounts	**10,069**	7,611
客戶存款	Deposits from customers	**123,303**	152,036
其他賬目及預提	Other accounts and accruals	**8,570**	4,840

公司	Company	二零零六年 2006	二零零五年 2005
與附屬公司之結餘	Balances with a subsidiary		
銀行結餘	Bank balances	**27,350**	541,731
應收利息及其他賬目	Interest receivable and other accounts	**–**	658

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

41. 或然負債及承擔 41. Contingent liabilities and commitments

(甲) 資本承擔 *(a) Capital commitments*

於結算日在賬目內仍未撥準備之資本承擔如下：

Capital expenditure at the balance sheet date but not yet incurred is as follows:

集團	Group	二零零六年 **2006**	二零零五年 2005
已簽約但未撥準備之開支	Expenditure contracted but not provided for	**60,441**	34,931

(乙) 信貸承擔 *(b) Credit commitments*

本集團資產負債表外承擔提供予客戶之借貸金融工具合約金額及其信貸風險加權數額如下：

The contract and credit risk weighted amounts of the Group's off-balance sheet financial instruments that commit it to extend credit to customers are as follows:

		合約金額 Contract amount	
集團	Group	二零零六年 **2006**	二零零五年 2005
直接信貸代替品	Direct credit substitutes	**1,628,553**	2,420,934
與交易相關之或然項目	Transaction related contingencies	**4,576**	26,872
與貿易相關之或然項目	Trade-related contingencies	**1,066,214**	951,964
其他承擔，其原本期限為：	Other commitments with an original maturity of:		
– 少於一年或可無條件取消	– under 1 year or which are unconditionally cancellable	**32,429,019**	26,872,921
– 一年及以上	– 1 year and over	**699,389**	592,304
遠期存款	Forward forward deposits placed	**1,923,185**	1,006,592
		37,750,936	31,871,587

		信貸風險加權數額 Credit risk weighted amount	
集團	Group	二零零六年 **2006**	二零零五年 2005
或然負債及承擔	Contingent liabilities and commitments	**2,287,097**	2,117,689

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41. 或然負債及承擔(續) 41. Contingent liabilities and commitments (Continued)

(丙) 已作抵押之資產 *(c) Assets pledged*

下述乃抵押予香港金融管理局及按照回購協議抵押予非關連財務機構之資產：

Assets pledged as collateral with the Hong Kong Monetary Authority and with unrelated financial institutions under repurchase agreements are as follows:

集團	Group	二零零六年 **2006**	二零零五年 2005
持作買賣用途之證券(附註21)	Trading securities (Note 21)	**4,658,512**	4,491,883
可供出售證券(附註24)	Available-for-sale securities (Note 24)	**2,305,420**	1,824,988
		6,963,932	6,316,871

(丁) 經營租賃承擔 *(d) Operating lease commitments*

如本集團為承租人，按不可取消物業經營租賃而於未來須支付之最低租賃付款總額如下：

Where a Group company is the lessee, the future minimum lease payments under non-cancellable building operating leases are as follows:

集團	Group	二零零六年 **2006**	二零零五年 2005
一年以內	Not later than 1 year	**64,693**	42,214
一年以後至五年	Later than 1 year and not later than 5 years	**98,232**	70,295
		162,925	112,509

如本集團為出租人，按不可取消物業經營租賃而於未來須支付之最低租賃付款總額如下：

Where a Group company is the lessor, the future minimum lease payments under non-cancellable building operating leases are as follows:

集團	Group	二零零六年 **2006**	二零零五年 2005
一年以內	Not later than 1 year	**18,841**	12,503
一年以後至五年	Later than 1 year and not later than 5 years	**15,655**	10,988
		34,496	23,491

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

42. 股本 / 42. Share capital

		二零零六年 2006	二零零五年 2005
法定股本：1,500,000,000 股普通股，每股面值1港元	Authorised: 1,500,000,000 ordinary shares of HK$1 each	**1,500,000**	1,500,000

已發行及繳足股本：普通股，每股面值1港元	Issued and fully paid: Ordinary shares of HK$1 each	二零零六年 2006 股數 Number of shares	二零零六年 2006 股本 Share Capital	二零零五年 2005 股數 Number of shares	二零零五年 2005 股本 Share Capital
一月一日	At 1 January	**931,416,279**	**931,416**	919,830,827	919,831
年內發行新普通股以代替繳付股息	Issue of ordinary shares in lieu of dividends during the year	**–**	**–**	11,585,452	11,585
十二月三十一日	At 31 December	**931,416,279**	**931,416**	931,416,279	931,416

遵照本公司的認股權計劃（「該認股權計劃」），自該認股權計劃實行以來，40（2005：35）份認股權以認購1,400,000股（2005：1,300,000股）每股面值1港元之本公司股份，已授予部份董事及集團的高級行政人員。自該計劃成立後至二零零六年十二月三十一日止，5份認股權以認購250,000股（2005：無）每股面值1港元之本公司股份因受讓人離職而取消。

Pursuant to the Company's Share Option Scheme (the "Scheme"), 40 (2005: 35) options to subscribe for 1,400,000 shares (2005: 1,300,000 shares) of HK$1 each of the Company had been granted to certain Directors and senior executives of the Group since the inception of the Scheme. Up to 31 December 2006 and since the incorporation of the Scheme, 5 (2005: Nil) options to subscribe for 250,000 shares (2005: Nil) of HK$1 each of the Company lapsed due to resignation of a grantee.

本年內由董事及高級行政人員持有之認股權中本公司股份數目變動如下：

Movements in the number of the Company's shares in the share options held by Directors and senior executives during the year are as follows:

		認股權中股份數目 Number of shares in options 二零零六年 2006	二零零五年 2005
一月一日	At 1 January	**1,300,000**	500,000
在本年內授予	Granted in the year	**100,000**	800,000
在本年內過期	Lapsed in the year	**(250,000)**	–
十二月三十一日	At 31 December	**1,150,000**	1,300,000

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(Expressed in thousands of Hong Kong dollars)

42. 股本（續）

42. Share capital (Continued)

本年內授予之所有認股權以每個認股權1港元代價授出，並於二零零六年十二月三十一日仍未獲行使。於本年內授予之認股權的資料詳列如下：

All options granted during the year were at a consideration of HK$1.00 per option and remain outstanding as at 31 December 2006. Particulars of the share options granted in the year are as follows:

行使期	Exercise period	行使價 Exercise price		認股權數目 Number of options		認股權中股份數目 Number of shares in the options	
		二零零六年 **2006** **HK$**	二零零五年 2005 HK$	二零零六年 **2006**	二零零五年 2005	二零零六年 **2006**	二零零五年 2005
二零零六年八月二十五日至二零一一年八月二十五	25 August 2006 to 25 August 2011		14.40		4		110,000
二零零六年十二月三十日至二零一一年十二月三十日	30 December 2006 to 30 December 2011		14.32		1		50,000
二零零七年八月二十五日至二零一一年八月二十五日	25 August 2007 to 25 August 2011		14.40		4		110,000
二零零七年九月二十五日至二零一二年九月二十五日	25 September 2007 to 25 September 2012	**17.30**		**1**		**20,000**	
二零零七年十二月三十日至二零一一年十二月三十日	30 December 2007 to 30 December 2011		14.32		1		50,000
二零零八年八月二十五日至二零一一年八月二十五日	25 August 2008 to 25 August 2011		14.40		4		110,000
二零零八年九月二十五日至二零一二年九月二十五日	25 September 2008 to 25 September 2012	**17.30**		**1**		**20,000**	
二零零八年十二月三十日至二零一一年十二月三十日	30 December 2008 to 30 December 2011		14.32		1		50,000
二零零九年八月二十五日至二零一一年八月二十五日	25 August 2009 to 25 August 2011		14.40		4		110,000
二零零九年九月二十五日至二零一二年九月二十五日	25 September 2009 to 25 September 2012	**17.30**		**1**		**20,000**	
二零零九年十二月三十日至二零一一年十二月三十日	30 December 2009 to 30 December 2011		14.32		1		50,000
二零一零年八月二十五日至二零一一年八月二十五日	25 August 2010 to 25 August 2011		14.40		4		110,000
二零一零年九月二十五日至二零一二年九月二十五日	25 September 2010 to 25 September 2012	**17.30**		**1**		**20,000**	
二零一零年十二月三十日至二零一一年十二月三十日	30 December 2010 to 30 December 2011		14.32		1		50,000
二零一一年九月二十五日至二零一二年九月二十五日	25 September 2011 to 25 September 2012	**17.30**		**1**		**20,000**	
				5	25	**100,000**	800,000

於本年內取消之認股權詳列如下：

Particulars of the share options lapsed during the year are as follows:

行使期	Exercise period	行使價 Exercise price		認股權數目 Number of options		認股權中股份數目 Number of shares in the options	
		二零零六年 **2006** **HK$**	二零零五年 2005 HK$	二零零六年 **2006**	二零零五年 2005	二零零六年 **2006**	二零零五年 2005
二零零五年十一月二十五日至二零一零年十一月二十五日	25 November 2005 to 25 November 2010	**16.70**	–	**1**	–	**50,000**	–
二零零六年十一月二十五日至二零一零年十一月二十五日	25 November 2006 to 25 November 2010	**16.70**	–	**1**	–	**50,000**	–
二零零七年十一月二十五日至二零一零年十一月二十五日	25 November 2007 to 25 November 2010	**16.70**	–	**1**	–	**50,000**	–
二零零八年十一月二十五日至二零一零年十一月二十五日	25 November 2008 to 25 November 2010	**16.70**	–	**1**	–	**50,000**	–
二零零九年十一月二十五日至二零一零年十一月二十五日	25 November 2009 to 25 November 2010	**16.70**	–	**1**	–	**50,000**	–
				5	–	**250,000**	–

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42. 股本（續） 42. Share capital (Continued)

於十二月三十一日仍未獲行使之認股權詳列如下：

Particulars of the outstanding options as at 31 December are as follows:

授予日及行使價	Date of grant and exercise price	認股權數目 Number of options 二零零六年 2006	二零零五年 2005	認股權中股份數目 Number of shares in the options 二零零六年 2006	二零零五年 2005
二零零四年十一月二十五日，按行使價每股16.70港元	25 November 2004, at an exercise price of HK$16.70 per share	**5**	10	**250,000**	500,000
二零零五年八月二十五日，按行使價每股14.40港元	25 August 2005, at an exercise price of HK$14.40 per share	**20**	20	**550,000**	550,000
二零零五年十二月三十日，按行使價每股14.32港元	30 December 2005, at an exercise price of HK$14.32 per share	**5**	5	**250,000**	250,000
二零零六年九月二十五日，按行使價每股17.30港元	25 September 2006, at an exercise price of HK$17.30 per share	**5**	–	**100,000**	–
		35	35	**1,150,000**	1,300,000

43. 儲備 43. Reserves

集團	Group	股份溢價 Share Premium	綜合儲備 Consolidation Reserve	行產重估儲備 Premises Revaluation Reserve	投資重估儲備 Investment Revaluation Reserve	匯兌儲備 Exchange Reserve	一般儲備 General Reserve (附註(i)) (Note (i))	保留盈利 Retained Earnings	合計 Total
二零零五年一月一日	At 1 January 2005	2,054,513	(220,986)	272,535	63,337	(156)	700,254	4,045,450	6,914,947
發行普通股股份	Issue of ordinary shares	154,636	–	–	–	–	–	–	154,636
換算海外附屬公司財務報表的匯兌差異	Exchange difference arising on translation of the financial statements of foreign entities	–	–	–	–	(121)	–	–	(121)
可供出售證券及行產重估之公平值收益	Fair value gains on available-for-sale securities and revaluation of premises	–	–	337,967	56,455	–	–	–	394,422
行產重估與可供出售證券公平值收益及出售而(確認)/回撥之遞延稅項負債(附註39)	Deferred income tax liabilities (recognised)/released on premises revaluation and fair value gains on and disposal of available-for-sale securities (Note 39)	–	–	(59,152)	10,806	–	–	–	(48,346)
出售可供出售證券	Disposal of available-for-sale securities	–	–	–	(116,077)	–	–	–	(116,077)
年度溢利	Profit for the year	–	–	–	–	–	–	978,834	978,834
二零零四年末期股息	2004 final dividend	–	–	–	–	–	–	(349,536)	(349,536)
二零零五年中期股息	2005 interim dividend	–	–	–	–	–	–	(211,561)	(211,561)
二零零五年十二月三十一日	At 31 December 2005	2,209,149	(220,986)	551,350	14,521	(277)	700,254	4,463,187	7,717,198

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43. 儲備（續） 43. Reserves (Continued)

集團	Group	股份溢價 Share Premium	綜合儲備 Consolidation Reserve	行產重估儲備 Premises Revaluation Reserve	投資重估儲備 Investment Revaluation Reserve	匯兑儲備 Exchange Reserve	一般儲備 General Reserve (附註(i)) (Note (i))	保留盈利 Retained Earnings	合計 Total
二零零六年一月一日，如上	At 1 January 2006, as above	2,209,149	(220,986)	551,350	14,521	(277)	700,254	4,463,187	7,717,198
換算海外附屬公司財務報表的匯兑差異	Exchange difference arising on translation of the financial statements of foreign entities	-	-	-	-	158	-	-	158
可供出售證券及行產重估之公平值收益	Fair value gains on available-for-sale securities and revaluation of premises	-	-	79,877	73,993	-	-	-	153,870
行產重估與可供出售證券公平值收益及出售而(確認)/回撥之遞延税項負債(附註39)	Deferred income tax liabilities (recognised)/released on premises revaluation and fair value gains on and disposal of available-for-sale securities (Note 39)	-	-	(10,209)	2,667	-	-	-	(7,542)
出售可供出售證券	Disposal of available-for-sale securities	-	-	-	(88,053)	-	-	-	(88,053)
年度溢利	Profit for the year	-	-	-	-	-	-	1,195,986	1,195,986
二零零五年末期股息	2005 final dividend	-	-	-	-	-	-	(353,938)	(353,938)
二零零六年中期股息	2006 interim dividend	-	-	-	-	-	-	(232,854)	(232,854)
二零零六年十二月三十一日	At 31 December 2006	2,209,149	(220,986)	621,018	3,128	(119)	700,254	5,072,381	8,384,825

附註：

(i) 本公司之主要附屬公司，大新銀行有限公司（「大新銀行」），遵從香港金融管理局（「金管局」）有關規定，維持貸款減值準備（根據監管指引）高於按照香港財務報告準則而確定之數額。大新銀行已於綜合一般儲備中指定一筆為數313,999,000港元（二零零五年：231,086,000港元）之金額作為「監管儲備」。在計算本銀行集團之綜合資本基礎時，此有關大新銀行本地及海外分行營運之監管儲備部分，連同大新銀行按採納香港會計準則第39號後所計量之綜合減值準備，已包含在二零零六年十二月三十一日大新銀行資本基礎中的附加資本內。未經金管局的同意，監管儲備不可供派發之用。

Note:

(i) Dah Sing Bank, Limited ("DSB"), a major subsidiary of the Company, complies with the requirement of the Hong Kong Monetary Authority ("HKMA") to maintain loan impairment allowances (determined in accordance with regulatory guidelines) in excess of those determined in accordance with Hong Kong Financial Reporting Standards. DSB has earmarked a "Regulatory Reserve" from its consolidated general reserve for an amount of HK$313,999,000 (2005: HK$231,086,000). In determining the consolidated capital base of the banking group, the portion of regulatory reserve attributable to DSB's Hong Kong and overseas branch operations, together with DSB's collective impairment allowances after the adoption of HKAS 39, is included as supplementary capital in the capital base of DSB as at 31 December 2006. The regulatory reserve of DSB is not distributable without the consent of the HKMA.

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43. 儲備(續) 43. Reserves (Continued)

公司	Company	股份溢價 Share Premium	保留盈利 Retained Earnings	合計 Total
二零零五年一月一日	At 1 January 2005	2,054,513	6,941	2,061,454
發行普通股股份	Issue of ordinary shares	154,636	–	154,636
年度溢利	Profit for the year	–	605,076	605,076
二零零四年末期股息	2004 final dividend	–	(349,536)	(349,536)
二零零五年中期股息	2005 interim dividend	–	(211,561)	(211,561)
二零零五年十二月三十一日	**At 31 December 2005**	2,209,149	50,920	2,260,069
二零零六年一月一日，如上	At 1 January 2006, as above	2,209,149	50,920	**2,260,069**
年度溢利	Profit for the year	–	597,752	**597,752**
二零零五年末期股息	2005 final dividend	–	(353,938)	**(353,938)**
二零零六年中期股息	2006 interim dividend	–	(232,854)	**(232,854)**
二零零六年十二月三十一日	**At 31 December 2006**	2,209,149	61,880	**2,271,029**

按照香港公司條例第79B條計算，本公司於二零零六年十二月三十一日之可供派發儲備為61,880,000港元(二零零五年：50,920,000港元)。

Distributable reserves of the Company at 31 December 2006, calculated under section 79B of the Hong Kong Companies Ordinance, amounted to HK$61,880,000 (2005: HK$50,920,000).

附註： 於本公司擬定二零零六年末期股息前，大新銀行有限公司(本公司之全資附屬公司)擬定其二零零六年之末期股息為414,000,000港元。

Note: Immediately before the 2006 final dividend of the Company was proposed, Dah Sing Bank, Limited, a wholly-owned subsidiary of the Company, proposed a final dividend for 2006 of HK$414,000,000.

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44. 綜合現金流量結算表附註 44. Notes to the consolidated cash flow statements

(甲) 若干投資及固定資產收益前之營運溢利與經營業務現金流入淨額對賬表

(a) Reconciliation of operating profit before gains on certain investments and fixed assets and net cash flows from operating activities

		二零零六年 2006	二零零五年 2005
若干投資及固定資產收益前之營運溢利	Operating profit before gains on certain investments and fixed assets	**1,264,929**	861,157
淨利息收入	Net interest income	**(1,898,909)**	(1,333,382)
股息收益	Dividend income	**(21,982)**	(15,500)
貸款及墊款之減值提撥	Impairment losses on loans and advances	**161,389**	130,577
貸款減值準備之折現值撥回	Unwind of discount on loan impairment	**(5,756)**	(3,734)
折舊	Depreciation	**79,357**	60,152
無形資產之攤銷	Amortisation of intangible assets	**34,551**	2,896
減除回收後之貸款撇除淨額	Advances written off net of recoveries	**(198,554)**	(122,847)
利息收入	Interest received	**4,860,983**	2,907,114
利息支出	Interest paid	**(2,376,512)**	(1,135,579)
股息收入	Dividend received	**21,982**	15,500
營運資產及負債變動前之營運溢利	Operating profit before changes in operating assets and liabilities	**1,921,478**	1,366,354
營運資產及負債之變動	Changes in operating assets and liabilities		
持作買賣用途的證券之變動	Change in trading securities	**511,217**	941,429
衍生金融工具之變動	Change in derivative financial instruments	**(401,405)**	375,436
指定以公平值計量且其變動計入損益的金融資產之變動	Change in financial assets designated at fair value through profit or loss	**102,492**	(111,247)
各項客戶貸款及其他賬目之變動	Change in advances and other accounts	**(4,820,679)**	(4,956,959)
可供出售證券之變動	Change in available-for-sale securities	**(10,051,646)**	(2,863,709)
持至到期證券之變動	Change in held-to-maturity debt securities	**194,154**	122,106
持作轉售用途之非流動資產之變動	Change in non-current assets held for resale	**(2,336)**	849
銀行及其他金融機構存款之變動	Change in deposits from banks and other financial institutions	**1,422,511**	(2,765,039)
持作買賣用途的負債之變動	Change in trading liabilities	**214,924**	(103,719)
客戶存款之變動	Change in deposits from customers	**7,435,076**	6,575,545
指定以公平值計量且其變動計入損益的客戶存款之變動	Change in deposits from customers designated at fair value through profit or loss	**1,488,768**	1,151,748
其他賬目及預提之變動	Change in other accounts and accruals	**785,288**	(342,260)
匯兑調整	Exchange adjustments	**64,269**	(19,052)
由經營業務所用的現金	Cash absorbed by operating activities	**(1,135,889)**	(628,518)
支付已發行後償債務及債務證券之利息	Interest paid on subordinated notes and debt securities issued	**(348,494)**	(159,237)
支付已發行的存款證之利息	Interest paid on certificates of deposit issued	**(332,151)**	(223,043)
已繳香港利得税	Hong Kong profits tax paid	**(177,285)**	(122,688)
已繳海外税款	Overseas tax paid	**(11,630)**	(1,066)
經營業務所用現金淨額	Net cash used in operating activities	**(2,005,449)**	(1,134,552)

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

44. 綜合現金流量結算表附註（續）
44. Notes to the consolidated cash flow statements (Continued)

(乙) 包括於綜合現金流量結算表內投資業務現金流量之出售附屬公司產生之現金流入（扣除該出售公司之現金及等同現金項目）之分析如下：

(b) Cash inflow arising from the disposal of subsidiaries (net of cash and cash equivalents disposed of) as included under cash flows from investing activities in the consolidated cash flow statement is analysed below:

		二零零六年 2006
出售之淨資產：	Net assets disposed of:	
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**2,091**
通知及短期存款	Money at call and short notice	**4,031**
各項貸款及其他賬目	Advances and other accounts	**32**
持作轉售用途之非流動資產	Non-current assets held for resale	**823,897**
持作轉售用途之非流動負債	Non-current liabilities held for resale	**(531,023)**
其他賬目及預提	Other accounts and accruals	**(5,982)**
少數股東權益	Minority interests	**(6,258)**
		286,788
出售溢利	Profit on disposal	**4,048**
		290,836
扣除出售附屬公司之現金及等同現金項目後之現金流量	Cash flows from disposal of subsidiaries net of cash and cash equivalents disposed of	**284,714**

(丙) 在現金流量表內，現金及等同現金項目包括按購置日計算少於三個月到期日之結餘。

(c) For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than three months' maturity from the date of acquisition.

集團	Group	二零零六年 2006	二零零五年 2005
現金及在銀行及其他金融機構的結餘	Cash and balances with banks and other financial institutions	**6,988,137**	8,040,676
在銀行及其他金融機構的存款	Placements with banks and other financial institutions	**596,659**	1,169,174
持作買賣用途的證券	Trading securities	**3,677,306**	3,737,634
		11,262,102	12,947,484

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45. 高級人員貸款

遵照香港公司條例第161B條，貸款予高級人員之數據披露如下：

45. Loans to officers

Particulars of loans made to officers and disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

		十二月三十一日結餘 Balance outstanding at 31 December		年內貸款最高結餘 Maximum balance during the year	
		二零零六年 **2006**	二零零五年 2005	二零零六年 **2006**	二零零五年 2005
本金及利息結餘總額	Aggregate amount outstanding in respect of principal and interest	**31,242**	31,142	**65,462**	38,507
擔保結餘總額	Aggregate amount outstanding in respect of guarantees	**149**	149	**149**	149

46. 有關連人士之交易

有關連人士為該等人士有能力直接或間接控制另一方，或對另一方在作出財務及營運決策方面行使重大影響力。倘若其他不同人士受到共同控制或共同重大影響時，彼等人士亦被視為有關連人士。

於二零零六年及二零零五年，本集團與有關連人士包括本集團之最終控股公司、同系附屬公司、最終控股公司之股東或董事直接或間接控制或具有重大影響力之公司，進行多項交易。本公司獨立非執行董事在檢閱本集團之財務報表時，已對該等詳列於以下附註(甲)(I)並屬於持續有關連之交易進行審閱。該等董事根據其檢閱及向管理層之詢問，認為全部持續有關連之交易乃屬本集團之正常業務，按公平及適當及對本公司股東有利之一般商業條款及有關協議進行。

46. Related-party transactions

Related parties are those parties, which have the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence.

During 2006 and 2005, the Group entered into various transactions with related parties including the ultimate holding company, fellow subsidiaries of the Group, companies directly or indirectly controlled or significantly influenced by the shareholders or directors of the ultimate holding company. These, as described in Note (a)(I) below and being continuing connected transactions, had been reviewed by the Company's independent non-executive directors in their review of the financial statements of the Group. Based on their review and enquiry with management, the Company's independent non-executive directors were satisfied that all of the continuing connected transactions were conducted in the ordinary and usual course business of the Group, on normal commercial terms, and in accordance with relevant agreements on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

46. 有關連人士之交易（續）

與有關連人士之重大交易如下：

(甲) 與最終控股公司及同系附屬公司的交易

(I) 收入及支出

本公司及集團全資附屬公司於年內與最終控股公司及同系附屬公司簽訂之持續關連交易（定義見香港聯合交易所有限公司證券上市規則（「上市規則」第14A.14段）收到及產生下列之收入及支出。該等交易之總值未超逾根據上市規則第14A.35(2)段及14A.36(1)段，適用於本集團之年度上限。

- 源自涉及附屬公司包括大新銀行有限公司（「大新銀行」）、豐明銀行有限公司（「豐明銀行」）及域寶投資有限公司（「域寶」）等與最終控股公司及同系附屬公司交易之收入及支出受年度上限規管：

46. Related-party transactions (Continued)

Details of the significant related party transactions are as follows:

(a) Transactions with the ultimate holding company and fellow subsidiaries

(I) Income and expenses

The Company and its wholly-owned subsidiaries within the Group received and incurred the following income and expense from the continuing connected transactions (within the definition of Rule 14A.14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules")) entered into with the ultimate holding company and fellow subsidiaries during the year. The aggregate values of these transactions are within or consistent with the respective annual caps applicable to the Group pursuant to Rules 14A.35(2) and 14A.36(1) of the Listing Rules.

- Income or expense arising from transactions involving subsidiaries, namely Dah Sing Bank, Limited ("DSB"), MEVAS Bank Limited ("MEVAS") and Vanishing Border Investment Services Limited ("VB"), with the ultimate holding company and fellow subsidiaries subject to annual caps:

集團	Group	二零零六年 2006	二零零五年 2005
已付利息（附註(i)）	Interest paid (Note (i))	**(5,685)**	(3,064)
已收銀行手續費（附註(i)）	Bank charges received (Note (i))	**3,837**	3,633
已收租金及相關大廈管理費及開支（附註(ii)）	Rentals and related building management fee and charges received (Note (ii))	**3,092**	3,085
已收管理費（附註(iii)）	Management fees received (Note (iii))	**8,500**	8,500
已收保險佣金（附註(iv)）	Insurance commission received (Note (iv))	**23,234**	28,104
已付保險保費（附註(v)）	Insurance premiums paid (Note (v))	**(5,291)**	(4,845)

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46. 有關連人士之交易（續）

(甲) 與最終控股公司及同系附屬公司的交易（續）

(I) 收入及支出（續）

- 源自另一間附屬公司澳門商業銀行（「澳門商業銀行」）與最終控股公司及同系附屬公司交易之收入及支出受年度上限規管：

46. Related-party transactions (Continued)

(a) *Transactions with the ultimate holding company and fellow subsidiaries (Continued)*

(I) Income and expenses (Continued)

- Income or expense arising from transactions involving another subsidiary, namely Banco Comercial de Macau, S.A. ("BCM"), with the ultimate holding company and fellow subsidiaries subject to annual caps:

集團	Group	二零零六年 **2006**	二零零五年 2005
已收管理費（附註(iii)）	Management fees received (Note (iii))	**340**	–
已收保險佣金（附註(iv)）	Insurance commission received (Note (iv))	**1,334**	–

附註：

(i) 源自向最終控股公司及同系附屬公司提供信貸融資，接受存款以及其他基本銀行服務。

已付利息乃本公司兩間附屬銀行公司，大新銀行及豐明銀行接受同系附屬公司之存款的利息支出。年終之存款結餘載於上述之附註40。

大新銀行及豐明銀行就提供基本銀行服務，包括支票結算、投資買賣服務等，按一般商業條款收取銀行手續費。此外，大新人壽保險有限公司（「大新人壽」，一間同系附屬公司）就其客戶利用大新銀行及豐明銀行發行之信用卡繳交保費的交易，按市場收費向該等銀行支付商戶服務費用。該等銀行服務安排並無既定年期並可按市場慣例終止。

Note:

(i) Arising from the extension of credit facilities and provision of deposit taking and other standard banking services to the ultimate holding company and fellow subsidiaries.

Interest was paid by two banking subsidiaries, namely DSB and MEVAS, on deposits received from the fellow subsidiaries. The balances of deposits outstanding as at the end of year are set out in Note 40 above.

Bank charges were levied by DSB and MEVAS on the provision of standard banking services covering cheque clearing, investment dealing services, etc. on normal commercial terms. In addition, merchant fees were charged at market rates to Dah Sing Life Assurance Company Limited ("DSLA", a fellow subsidiary) on settlement of insurance premiums by its customers using credit cards issued by DSB and MEVAS. These banking arrangements are for an indefinite term and can be terminated in accordance with market practice.

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46. 有關連人士之交易（續）

(甲) 與最終控股公司及同系附屬公司的交易（續）

(I) 收入及支出（續）

附註：（續）

(ii) 租賃及分租物業予同系附屬公司

大新銀行及其另一家附屬公司域寶已租賃及分租若干自置及租賃物業予大新人壽及其他兩間同系附屬公司大新保險服務有限公司（「大新保險服務」）及大新保險代理作其辦公室用途。大新銀行及域寶按所產生之實際成本向大新人壽、大新保險服務及大新保險代理收取租金、空調費、大廈管理費及其他公共設施費用。所有租賃及分租租賃均於二零零四年按一般商業條款簽訂並於二零零六年到期，年期不超過三年。一些該等租賃於二零零六年到期，新租賃於二零零六年底簽訂，由二零零七年一月一日起生效，為期二年。

(iii) 向最終控股公司及同系附屬公司提供電腦及行政服務

根據大新銀行與最終控股公司所簽訂之服務協議，大新銀行須向其最終控股公司及若干同系附屬公司（包括大新人壽及大新保險服務）提供管理支援服務，包括零售分行及市場推廣支援、電腦服務、營運支援、自動付款服務、財資服務、風險管理支援及其他行政服務。該服務協議在二零零四年簽訂，由二零零四年一月一日起生效，為期三年，每年年費為8,500,000港元。於二零零六年十二月二十八日，大新銀行與最終控股公司簽訂新的電腦及行政服務協議，由二零零七年一月一日起生效，為期二年。費用於年底參照提供該等服務之預計實際開支釐定。

於二零零六年，澳門商業銀行與澳門保險有限公司（「澳門保險」）及澳門人壽保險有限公司（「澳門人壽」）簽訂類同之服務協議，據此，澳門商業銀行向澳門保險及澳門人壽提供某些電腦及行政服務。

46. Related-party transactions (Continued)

(a) *Transactions with the ultimate holding company and fellow subsidiaries (Continued)*

(I) *Income and expenses (Continued)*

Note: (Continued)

(ii) Lease and sub-lease of properties to fellow subsidiaries

DSB and another subsidiary, VB, have leased and sub-leased certain of their owned and rented properties to DSLA and two other fellow subsidiaries, Dah Sing Insurance Services Limited ("DSIS") and Dah Sing Insurance Agency Limited ("DSIA") as their office premises. DSB and VB receive from DSLA, DSIS and DSIA the lease rentals, and air-conditioning charges, building management charges and other utilities charges based on the actual amount of costs incurred. All leases and sub-leases were entered into in 2004 with tenors not exceeding three years. Certain of these leases expired in 2006 and new leases were entered into at the end of 2006 for a two-year period effective from 1 January 2007.

(iii) Provision of computer and administrative services to the ultimate holding company and fellow subsidiaries

Pursuant to a services agreement entered into between DSB and the ultimate holding company, DSB is to provide to the latter and certain of the fellow subsidiaries including DSLA and DSIS management support services including retail branch and marketing support, computer services, operations support, autopay services, treasury services, risk management support and other administrative services. The service agreement was entered into in 2004 for a fixed term of three years commencing 1 January 2004 at an annual fee of HK$8,500,000. On 28 December 2006, DSB entered into a new computer and administrative services agreement with the ultimate holding company for a fixed term of two years with effect from 1 January 2007. The fee is determined at the end of the year by reference to the estimated actual cost of providing the services.

In 2006, BCM entered into similar services agreement with each of Macau Insurance Company Limited ("MIC") and Macau Life Insurance Company Limited ("MLIC") pursuant to which BCM provides certain computer and administrative services to MIC and MLIC.

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46. 有關連人士之交易（續）

(甲) 與最終控股公司及同系附屬公司的交易（續）

(I) 收入及支出（續）

附註：（續）

(iv) 分銷及代理協議

大新保險服務及大新保險代理與大新銀行及豐明銀行各自簽訂分銷及相關代理協議，透過大新銀行及豐明銀行之分行網絡推廣及分銷人壽及一般保險產品。據此，大新銀行及豐明銀行向大新保險服務及大新保險代理按一般商業條款收取佣金。該等協議在二零零四年簽訂，於二零零六年到期並續期，由二零零七年一月一日起生效，為期二年。

於二零零六年，澳門商業銀行與澳門保險及澳門人壽簽訂類同之分銷及代理協議，透過其分行網絡推廣及分銷人壽及一般保險產品。據此，澳門商業銀行向澳門保險及澳門人壽按一般商業條款收取佣金。

(v) 大新人壽及Dah Sing General Insurance Company Limited（「大新保險」）所提供之保險服務

大新人壽根據信貸壽險保單協議（其範圍包括大新銀行及豐明銀行授出之個人貸款、信用卡借貸及按揭貸款）向大新銀行及豐明銀行提供保險保障，賺取根據有關貸款之尚未償還結餘按一般商業條款計算的保險費。大新人壽亦承保包括若干貸款客戶及大新銀行和豐明銀行職員之身故及/或危疾保險。與大新人壽於二零零四年簽訂之保單，於二零零六年到期並續期，由二零零七年一月一日起生效，為期二年。在二零零六年，大新銀行及豐明銀行支付予大新人壽之保費合共3,713,000港元（二零零五年：3,326,000港元）。

46. Related-party transactions (Continued)

(a) *Transactions with the ultimate holding company and fellow subsidiaries (Continued)*

(I) *Income and expenses (Continued)*

Note: (Continued)

(iv) Distribution and Agency Agreements

DSIS, and DSIA had entered into distribution agreements and agency agreements with each of DSB and MEVAS for the marketing and distribution of life and general insurance products through DSB's and MEVAS' network of bank branches. DSB and MEVAS are entitled to receive from DSIS and DSIA commissions calculated on normal commercial terms. The agreements entered into in 2004 and expired in 2006 were renewed for a fixed term of two years commencing 1 January 2007.

In 2006, BCM entered into similar distribution and agency agreements with MIC and MLIC for the marketing and distribution of life and general insurance products through its network of bank branches. BCM is entitled to receive from MIC and MLIC commissions calculated on normal commercial terms.

(v) Insurance services provided by DSLA and Dah Sing General Insurance Limited ("DSGI")

Under the Credit Life Insurance Policy Agreements which cover personal loans, credit card lending and mortgage loans extended by DSB and MEVAS, DSLA provides insurance cover to DSB and MEVAS in return for a premium which is calculated based on the outstanding balances of the relevant loans on normal commercial terms. DSLA also underwrites insurance policies to cover the death and/or critical illnesses of certain loan customers and staff of DSB and MEVAS. Policies entered into with DSLA in 2004 and expired in 2006 have been renewed in 2006 for a fixed term of two years commencing 1 January 2007. Premiums paid by DSB and MEVAS to DSLA in 2006 totalled HK$3,713,000 (2005: HK$3,326,000).

財務報表附註
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

46. 有關連人士之交易（續）

(甲) 與最終控股公司及同系附屬公司的交易（續）

(I) 收入及支出（續）

附註：（續）

(v) 大新人壽及Dah Sing General Insurance Company Limited（「大新保險」）所提供之保險服務（續）

大新保險以大新銀行及銀行集團其他成員公司之名義，及以彼等為受益人提供綜合保險，保單範圍包括汽車、財產全險、公眾責任、金錢、電子設備、僱員賠償及團體個人意外。保單乃大新保險按其一般書面商業條款向本集團提供，並須每年重新簽訂。在二零零六年，本集團支付予大新保險之保費為1,578,000港元（二零零五年：1,519,000港元）。

(II) 公司間結餘

公司間結餘呈列於附註40。

(乙) 主要管理人員

(i) 與董事及主要管理人員之重大交易及結餘

本集團向本公司主要管理人員，其配偶及其有重大影響力之公司提供信貸服務及收取存款。截至十二月三十一日止年度，未償付之結餘如下：

46. Related-party transactions (Continued)

(a) Transactions with the ultimate holding company and fellow subsidiaries (Continued)

(I) Income and expenses (Continued)

Note: (Continued)

(v) Insurance services provided by DSLA and Dah Sing General Insurance Limited ("DSGI") (Continued)

DSGI underwrites general insurance policies in the name, and for the benefit, of DSB and other companies of the Group including policies covering domestic motor, property all risks, public liability, money, electronic equipment, employees' compensation and group personal accident. The policies are subject to renewal annually. The policies are provided to the Group on DSGI's normal, written commercial terms. Premiums paid by the Group to DSGI in 2006 totalled HK$1,578,000 (2005: HK$1,519,000).

(II) Inter-company balances

Inter-company balances are shown under Note 40.

(b) Key management personnel

(i) Material transactions and balances with directors and key management personnel

The Group provides credit facilities to, and takes deposits from the Group's key management personnel, their spouses and companies which the key management personnel have significant influence. For the year ended 31 December, the following balances were outstanding.

集團	Group	二零零六年 2006	二零零五年 2005
貸款及墊款	Loans and advances	**32,395**	40,496
存款	Deposits	**469,156**	400,316
擔保	Guarantees	**149**	149
年內貸款及墊款之最高總額	Maximum aggregate amount of loans and advances during the year	**33,803**	63,956

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

46. 有關連人士之交易（續）

(乙) 主要管理人員（續）

(ii) 主要管理人員酬金

本公司主要管理人員為執行董事，其報酬已包括在及呈列於附註12。

47. 以股份為基礎報酬計劃

本集團透過本公司之認股權計劃（「大新銀行集團計劃」）及其控股公司大新金融有限公司之認股權計劃（「大新金融計劃」）提供以股份為基礎的報酬予其董事及高級行政人員。有關董事之以股份為基礎報酬之細節呈列於附註12。

(甲) 大新銀行集團計劃

本公司授予其及其附屬公司若干董事及僱員認股權。當中條款允許本公司及其附屬公司在該等認股權行使日向其董事或僱員支付認股權的現金價值，以替代分配新發行股份。本公司打算應用此現金支付慣例於現行已授予之認股權。

該等認股權乃按本計劃內之條款及條件所授予。授予之認股權之行使價是根據當時香港聯合交易所有限公司（「香港交易所」）上市條例第17.03(9)條釐定，為本公司於香港交易所買賣之股份在授予日之收市價或本公司股份在授予日前五個交易日之平均收市價之較高者。該認股權之行使期一般是於獲授予日期起計第一至第六周年日。

46. Related-party transactions (Continued)

(b) Key management personnel (Continued)

(ii) Remuneration of key management personnel

Key management personnel of the Company are executive directors and their remunerations are included under Note 12.

47. Share-based compensation plans

Share-based compensation through the Company's Share Option Scheme (the "DSBG Scheme") and the Share Option Scheme of the holding company, Dah Sing Financial Holdings Limited (the "DSFH Scheme"), is available to Directors and senior executives of the Group. Details of the share-based compensation paid to directors are disclosed in Note 12.

(a) DSBG Scheme

The Company issues to certain directors and employees of its subsidiaries share options on terms that allow the Company or its subsidiaries to make cash payments, determined based on the intrinsic value of each share option, to the directors or employees at the date of exercise instead of allotting newly issued shares. The Company has the intention to adopt this cash settlement practice in respect of the existing share options issued.

The share options are granted in accordance with the terms and conditions of the Scheme. The exercise prices of the options granted was determined in accordance with Rule 17.03(9) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("SEHK") prevailing in force, being the higher of the closing price of the Company's shares traded on the SEHK on the date of grant, or the average closing price of the Company's shares for the five trading days immediately preceding the date of grant. The exercise period is generally between the first and sixth anniversaries from the date of grant.

財務報表附註
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

47. 以股份為基礎報酬計劃（續）

(乙) 大新金融計劃

大新金融授予其及其附屬公司若干董事及僱員認股權。當中條款允許大新金融及其附屬公司在認股權行使日向其董事或僱員支付認股權的現金價值，以替代分配新發行股份。大新金融已採納現金支付慣例及打算使用此慣例於現行已授予之認股權。

該等認股權乃按大新金融股東於二零零五年四月二十八日成立之新認股權計劃之條款及條件所授予。授予之認股權之行使價是根據當時香港交易所上市條例第17.03(9)條釐定，為大新金融於香港交易所買賣之股份在授予日之收市價及大新金融股份在授予日前五個交易日之平均收市價之為高者。該認股權之行使期一般是於獲授予日期起計第一至第六周年日。

本集團已確認26,893,000港元（二零零五年：4,217,000港元）為有關該等認股權公平值之負債。此公平值乃以三項式期權定價模式按下表所述之假設計算。本集團亦因該等認股權，於二零零六年確認總支出22,676,000港元（二零零五年：3,094,000港元）。該等授予者收取現金權利已既定之認股權於二零零六年十二月三十一日之現金價值為7,717,000港元（二零零五年：無）。

本公司於年內授予之認股權每個認購一股的認股權之公平值加權平均數為3.23港元（二零零五年：2.16港元）。年內並無大新金融之認股權授予本集團之高級管理人員。於二零零五年授予之大新金融認股權每個認購一股的認股權之公平值加權平均數為12.08港元。

47. Share-based compensation plans (Continued)

(b) DSFH Scheme

DSFH issues to certain directors and employees of its subsidiaries share options on terms that allow the DSFH or its subsidiaries to make cash payments, determined based on the intrinsic value of each share option of each share option, to the directors or employees at the date of exercise instead of allotting newly issued shares. DSFH has adopted the cash settlement practice and intends to continue this practice in respect of the existing share options issued.

The share options are granted in accordance to the terms and conditions of the new Share Option Scheme established by the shareholders of DSFH on 28 April 2005. The exercise prices of the options granted was determined in accordance with Rule 17.03(9) of the Rules Governing the Listing of Securities on the SEHK prevailing in force, being the higher of the closing price of DSFH's shares traded on the SEHK on the date of grant, or the average closing price of DSFH's shares for the five trading days immediately preceding the date of grant. The exercise period is generally between the first and sixth anniversaries from the date of grant.

The Group has recorded liabilities of HK$26,893,000 (2005: HK$4,217,000) in respect of the fair value of the share options. Such fair value is determined by using the Trinomial Option Pricing Model using the major assumptions set out in the following table. The Group recorded total expenses for the share options of HK$22,676,000 in 2006 (2005: HK$3,094,000). The total intrinsic value of the share options for which the grantee's right to receive cash has vested as of 31 December 2006 is HK$7,717,000 (2005: nil).

The Company's share options granted during the year had a weighted average fair value of HK$3.23 (2005: HK$2.16) per option to purchase a share. No DSFH's share options were granted to senior executives of the Group during the year. DSFH's share options granted in 2005 had a weighted average fair value of HK$12.08 per option to purchase a share.

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

47. 以股份為基礎報酬計劃（續） 47. Share-based compensation plans (Continued)

(乙) 大新金融計劃（續） *(b) DSFH Scheme (Continued)*

輸入三項式期權定價模式之數據如下：

The inputs into the Trinomial Option Pricing Model were as follows:

		大新銀行集團計劃 DSBG Scheme							大新金融計劃 DSFH Scheme	
		二零零六年 2006				二零零五年 2005			二零零六年 2006	二零零五年 2005
授予日	Grant date	二零零六年九月二十五日 25 Sep 2006	二零零五年十二月三十日 30 Dec 2005	二零零五年八月二十五日 25 Aug 2005	二零零四年十一月二十五日 25 Nov 2004	二零零五年十二月三十日 30 Dec 2005	二零零五年八月二十五日 25 Aug 2005	二零零四年十一月二十五日 25 Nov 2004	二零零五年八月二十五日 25 Aug 2005	二零零五年八月二十五日 25 Aug 2005
本公司/大新金融於十二月二十九日／三十日之股價（港元）	Share price of the Company/DSFH as at 29/30 December (HK$)	17.56	17.56	17.56	17.56	14.20	14.20	14.20	70.45	53.90
行使價（港元）	Exercise price (HK$)	17.30	14.32	14.4	16.7	14.32	14.4	16.7	51.71	51.71
預計波幅（附註(i)）	Expected volatility (Note (i))	21.8%	21.8%	21.8%	21.8%	20.1%	20.1%	20.1%	26.5%	25.6%
年期	Time to maturity	< 6 years	< 5 年 years	< 5 年 years	< 4 年 years	< 6 年 years	< 6 年 years	< 5 年 years	< 5 年 years	< 6 年 years
無風險利率（附註(ii)）	Risk free rate (Note (ii))	3.70%	3.69%	3.68%	3.64%	4.13%	4.12%	4.11%	3.68%	4.12%
預計股息率（附註(iii)）	Expected dividend rate (Note (iii))	3.59%	3.59%	3.59%	3.59%	4.30%	4.30%	4.30%	3.00%	3.75%

附註：

(i) 預期波幅是按股價於計算日之前過往一年的波幅而計算，並假設過往大新銀行集團與大新金融股價之波幅，與上表用於認股權之年期內之預計波幅，並無重大的差異。

(ii) 無風險利率為有關年期之香港外匯基金票據之收益率。

(iii) 預期股息率乃按過往股息而訂。

Notes:

(i) Expected volatility is determined by calculating the historical volatility of the share price during the one year period immediately preceding the measurement date and is based on the assumption that there is no material difference between the expected volatility over the time to maturity of the options and the historical volatility of the shares in DSBG and DSFH set out above.

(ii) Risk free rate is the Hong Kong Exchange Fund Notes yield of relevant time to maturity.

(iii) Expected dividend rates are based on historical dividends.

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(以港幣千元位列示)

(Expressed in thousands of Hong Kong dollars)

47. 以股份為基礎報酬計劃(續)

47. Share-based compensation plans (Continued)

(乙) 大新金融計劃(續)

(b) DSFH Scheme (Continued)

授予之認股權數目及其加權平均行使價如下：

Movements in the number of share options granted and their related weighted average exercise prices are as follows:

		大新銀行集團計劃 DSBG Scheme				大新金融計劃 DSFH Scheme			
		二零零六年 2006		二零零五年 2005		二零零六年 2006		二零零五年 2005	
		授予可購買大新銀行集團認股權中股份數目 Number of DSBG shares in share options granted	加權平均行使價(港元) Weighted average exercise price (HK$)	授予可購買大新銀行集團認股權中股份數目 Number of DSBG shares in share options granted	加權平均行使價(港元) Weighted average exercise price (HK$)	授予可購買大新金融認股權中股份數目 Number of DSFH shares in share options granted	加權平均行使價(港元) Weighted average exercise price (HK$)	授予可購買大新金融認股權中股份數目 Number of DSFH shares in share options granted	加權平均行使價(港元) Weighted average exercise price (HK$)
一月一日	At 1 January	1,300,000	15.27	500,000	16.70	1,900,000	51.71	1,900,000	64.00
授予	Granted	100,000	17.30	800,000	14.38	–	–	1,900,000	51.71
已取消	Lapsed	(250,000)	16.70	–	–	–	–	(1,900,000)	64.00
已行使	Exercised	–	–	–	–	–	–	–	–
已過期	Expired	–	–	–	–	–	–	–	–
十二月三十一日	At 31 December	1,150,000	15.13	1,300,000	15.27	1,900,000	51.71	1,900,000	51.71
十二月三十一日可行使	Exercisable at 31 December	260,000	15.27	100,000	16.70	380,000	51.71	–	–

本公司於二零零六年十二月三十一日未行使之認股權之行使價介乎14.32港元至17.30港元(二零零五年：行使價介乎14.32港元至16.70港元)，及其加權平均剩餘合約行使期為4.66年(二零零五年：5.43年)。本集團有關董事及高級行政人員於二零零六年十二月三十一日之未行使大新金融認股權之行使價為51.71港元(二零零五年：51.71港元)，及其加權平均剩餘合約行使期為4.65年(二零零五年：5.65年)。

The Company's share options outstanding as of 31 December 2006 have a range of exercise price from HK$14.32 to HK$17.30 (2005: in the range of exercise price from HK$14.32 to HK$16.70), and a weighted average remaining contractual life of 4.66 years (2005: 5.43 years). In respect of Directors and Senior executives of the Group, their applicable DSFH's share options outstanding as at 31 December 2006 had exercise price of HK$51.71 (2005: HK$51.71), and a weighted average remaining contractual life of 4.65 years (2005: 5.65 years).

財務報表附註
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

48. 結算日後事項

重大之結算日後事項詳列如下：

（一） 董事會於二零零六年十二月二十一日公佈大新銀行與重慶市政府之資產管理公司「重慶渝富資產經營管理有限公司」（「重慶渝富資產管理」）簽訂一份股份轉讓協議，購入其名下之重慶市商業銀行（「重慶商業銀行」）大約17%已發行股份，重慶商業銀行乃一間於中華人民共和國註冊之持牌銀行，而重慶渝富資產管理持有其28%已發行之股份。大新銀行須支付之收購代價約為694,000,000人民幣（即約為700,000,000港元）。有關收購須取得香港金融管理局（「香港金管局」）及中國銀行監督管理委員會（「中國銀監會」）批准後，方可完成。此收購於二零零七年三月二十八日仍未完成。

（二） 大新銀行於二零零七年二月十六日發行200,000,000美元在新加坡交易所上市並被界定為二級資本的二零一七年可贖回定息無期限後償債務（「此債務」）。此債務屬無期限類別及其選擇性贖還日為二零一七年二月十七日及其後之每個還息日。由發行日至其選擇性贖還日，此債務之年利息為6.253%，每半年派息一次。其後，倘此債務未在選擇性贖還日贖回，往後的利息會重訂為三個月期美元銀行同業拆息加一百九十點子。若獲得香港金管局預先批准，大新銀行可於選擇性贖還日或因稅務理由以票面價值贖回所有（非部分）此債務。

48. Events after the balance sheet date

Details of significant post balance sheet events are set out below:

(1) On 21 December 2006, the Directors announced that DSB has entered into the share purchase agreement with Chongqing Yufu Assets Management Co., Ltd. (“CQYF”), the asset management company of the Government of Chongqing, in relation to the acquisition of approximately 17% of the issued share capital of Chongqing Commercial Bank (“CQCB”), a licensed commercial bank incorporated in the PRC, which is 28% owned by CQYF. The consideration for the acquisition payable by DSB is approximately RMB694 million (approximately HK$700 million). Completion of the acquisition is subject to approvals of the Hong Kong Monetary Authority (“HKMA”) and the China Banking Regulatory Commission (“CBRC”), which is not yet concluded as of 28 March 2007.

(2) DSB issued US$200,000,000 Perpetual Subordinated Fixed Rate Notes callable 2017 qualifying as Tier 2 capital on 16 February 2007 (the “Notes”), which are listed on the Singapore Stock Exchange Securities Trading Limited. The Notes are perpetual in nature with optional redemption dates falling on 17 February 2017 and each interest payment date thereafter. Interest at 6.253% p.a. is payable semi annually from the issue date to the optional redemption date. Thereafter, if the Notes are not redeemed, the interest rate will reset and the Notes will bear interest at 3-month LIBOR plus 190 basis points. DSB may, subject to receiving the prior approval of the HKMA, redeem the Notes in whole but not in part, at par either on the optional redemption date or for taxation reasons on interest payment date.

補充財務資料
Supplementary Financial Information

（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

以下有關本集團資料披露只列作財務報表中附帶資料，並不屬於經審核財務報表之一部份。

The following information relates to the Group and is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

1. 資本充足及流動資金比率

1. Capital adequacy and liquidity ratios

集團	Group	二零零六年 2006	二零零五年 2005
資本充足比率	Capital adequacy ratio	**16.6%**	16.6%
經調整資本充足比率	Adjusted capital adequacy ratio	**16.6%**	16.8%
流動資金比率	Liquidity ratio	**58.0%**	55.2%

(一) 資本充足比率乃本集團附屬銀行公司包括大新銀行與其附屬銀行公司、豐明銀行有限公司及D.A.H. Hambros Bank (Channel Islands) Limited 於十二月三十一日之合併比率。該資本充足比率乃參考銀行業條例第三附表內的方法計算。

根據銀行業條例，僅本集團香港註冊之附屬銀行公司須遵守資本充足比率最低要求。澳門商業銀行有限公司須遵守有關澳門銀行業監管的規定。本集團上述的比率計算只供參考。

(二) 經調整資本充足比率乃本集團附屬銀行公司於十二月三十一日之合併比率。該經調整資本充足比率乃參考金管局所發出「就市場風險維持充足資本」指引內的方法計算，是項經調整比率已顧及在十二月三十一日之信貸及市場風險。

(1) The capital adequacy ratio represents the combined ratio of the banking subsidiaries within the Group comprising Dah Sing Bank and its banking subsidiaries, MEVAS Bank Limited, D.A.H. Hambros Bank (Channel Islands) Limited as at 31 December. The capital adequacy ratio is computed with reference to the methods set out in the Third Schedule of the Hong Kong Banking Ordinance.

Only the Hong Kong incorporated banking subsidiaries within the Group are subject to the minimum capital adequacy ratio requirement under the Hong Kong Banking Ordinance. Banco Comercial de Macau, S.A. is subject to separate Macau banking regulations. The above ratios of the Group are calculated for reference only.

(2) The adjusted capital adequacy ratio represents the combined ratio of the banking subsidiaries within the Group as at 31 December. The adjusted capital adequacy ratio is computed with reference to the methods set out in the Supervisory Policy Manual entitled “Maintenance of Adequate Capital Against Market Risks” issued by the HKMA. The adjusted ratio takes into account both credit and market risk as at 31 December.

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1. 資本充足及流動資金比率（續） 1. Capital adequacy and liquidity ratios (Continued)

(三) 流動資金比率為本集團附屬銀行公司於有關年內十二個月每個曆月的平均流動資金比率的簡單平均數。該流動資金比率是參考銀行業條例第四附表內的方法計算。

根據銀行業條例，僅本集團本地註冊之附屬銀行公司須遵守流動資金比率最低要求。本集團上述的比率計算只供參考。

(3) The liquidity ratio is calculated as the simple average of each calendar month's average liquidity ratio of the Group's banking subsidiaries for the twelve months of the financial year. The liquidity ratio is computed with reference to the methods set out in the Fourth Schedule of the Hong Kong Banking Ordinance.

Only the Hong Kong incorporated banking subsidiaries within the Group are subject to the minimum liquidity ratio requirement under the Hong Kong Banking Ordinance. The above ratios of the Group are calculated for reference only.

2. 扣減後的資本基礎 2. Components of capital base after deductions

扣減後的資本基礎及用作計算上述在十二月三十一日資本充足比率的分析如下：

The capital base after deductions used in the calculation of the above capital adequacy ratios as at 31 December is analysed as follows:

集團	Group	二零零六年 2006	二零零五年 2005
核心資本：	Core capital:		
足繳股款的普通股股本	Paid up ordinary share capital	**2,707,749**	2,207,749
儲備	Reserves	**4,755,547**	3,928,002
		7,463,296	6,135,751
附加資本：	Supplementary capital:		
土地及土地權益價值重估的儲備	Reserves on revaluation of land and interests in land	**238,402**	238,402
持有非用作買賣用途的證券的重估儲備	Reserve on revaluation of holding of securities not held for trading purposes	**2,098**	25,604
減值資產之綜合減值準備及監管儲備	Collective impairment allowances for impaired assets and regulatory reserve	**480,705**	458,783
有期後償債項	Term subordinated debt	**3,480,127**	3,067,875
可計算的附加資本總額	Eligible value of supplementary capital	**4,201,332**	3,790,664
扣減前資本基礎總額	**Total capital base before deductions**	**11,664,628**	9,926,415
扣減項目	Deductions	**(1,489,923)**	(421,585)
扣減後的資本基礎總額	**Total capital base after deductions**	**10,174,705**	9,504,830

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3. 外匯風險 3. Currency concentrations

集團 二零零六年十二月三十一日	Group As at 31 December 2006	美元 USD	人民幣 CNY	澳門幣 MOP	總計 Total
相等於百萬港元	Equivalent in HK$ millions				
現貨資產	Spot assets	**29,246**	**739**	**3,053**	**33,038**
現貨負債	Spot liabilities	**(24,386)**	**(727)**	**(3,955)**	**(29,068)**
遠期買入	Forward purchases	**23,693**	**–**	**–**	**23,693**
遠期賣出	Forward sales	**(26,928)**	**–**	**–**	**(26,928)**
長/(短)盤淨額	Net long/(short) position	**1,625**	**12**	**(902)**	**735**

集團 二零零五年十二月三十一日	Group As at 31 December 2005	美元 USD	人民幣 CNY	澳門幣 MOP	總計 Total
相等於百萬港元	Equivalent in HK$ millions				
現貨資產	Spot assets	26,575	773	3,140	30,488
現貨負債	Spot liabilities	(21,097)	(756)	(3,353)	(25,206)
遠期買入	Forward purchases	9,818	–	1	9,819
遠期賣出	Forward sales	(14,496)	–	–	(14,496)
長/(短)盤淨額	Net long/(short) position	800	17	(212)	605

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4. 客戶貸款 / 4. Advances to customers

客戶貸款總額— 按行業及貸款用途分類：

Gross advances to customers by industry sector classified according to the usage of loans are:

集團	Group	二零零六年 2006	二零零五年 2005 經重列 Restated
在香港使用的貸款	Loans for use in Hong Kong		
工商金融	Industrial, commercial and financial		
– 物業發展	– Property development	**409,887**	183,481
– 物業投資	– Property investment	**6,107,283**	4,672,013
– 金融企業	– Financial concerns	**424,368**	520,278
– 股票經紀	– Stockbrokers	**49,845**	14,994
– 批發與零售業	– Wholesale and retail trade	**1,086,361**	965,061
– 製造業	– Manufacturing	**1,334,677**	1,331,248
– 運輸及運輸設備	– Transport and transport equipment	**3,563,617**	3,772,620
– 其他	– Others	**1,410,582**	1,160,957
		14,386,620	12,620,652
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」樓宇貸款	– Loans for the purchase of flats in Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	**1,850,462**	1,929,198
– 購買其他住宅物業貸款	– Loans for purchase of other residential properties	**10,917,179**	10,772,390
– 信用卡貸款	– Credit card advances	**3,154,851**	2,759,308
– 其他	– Others	**5,614,419**	4,637,350
		21,536,911	20,098,246
在香港使用的貸款	Loans for use in Hong Kong	**35,923,531**	32,718,898
貿易融資	Trade finance	**4,385,560**	3,914,072
在香港以外使用的貸款	Loans for use outside Hong Kong	**9,599,597**	8,285,648
		49,908,688	44,918,618

上述之分類是參考香港金融管理局所發出之指引而編製。由二零零六年九月三十日起，在該等指引內原定義歸類為「在香港以外使用之貸款」項目中的「在中國之非銀行信貸風險」被修訂為包括對中國境外的公司及個人獲授信在中國境內使用之貸款，比較數字已因此而作出重列以符合新要求。

The above classification is made by reference to the guidelines issued by the HKMA. With effect from 30 September 2006, the scope of "non-bank China exposures" which form part of "Loans for use outside Hong Kong" as defined in these guidelines was revised to include loans to companies and individuals outside China where the credit is granted or funds are for use in China. Comparative figures have therefore been restated to conform with this new requirement.

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5. 分項資料

(i) 按區域分析之客戶貸款、過期及減值貸款

客戶貸款之區域分析乃根據已考慮風險轉移後之交易對手所在地分類。一般而言，當貸款的擔保方處於與交易對手不同之區域時，風險將被轉移。於二零零六年十二月三十一日，本集團客戶貸款總額中超過百分之九十（包括有關之減值貸款及逾期客戶貸款）皆分類在香港項下（此情況與二零零五年十二月三十一日相同）。

(ii) 跨境債權

5. Segmental information

(i) Gross advances, overdue and impaired loans by geographical area

Advances to customers by geographical area are classified according to the location of the counterparties after taking into account the transfer risk. In general, risk transfer applies when an advance is guaranteed by a party located in an area which is different from that of the counterparty. At 31 December 2006, over 90 percent of the Group's advances to customers, including related impaired loans and overdue loans, were classified under Hong Kong (a position unchanged from that at 31 December 2005).

(ii) Cross-border claims

集團 二零零六年十二月三十一日	Group As at 31 December 2006	銀行及其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	總計 Total
相等於百萬港元	Equivalent in HK$ millions				
亞太區，不包括香港在內	Asia Pacific excluding Hong Kong	**7,840**	**–**	**6,088**	**13,928**
北美及南美	North and South America	**917**	**–**	**2,203**	**3,120**
歐洲	Europe	**15,297**	**–**	**3,856**	**19,153**
		24,054	**–**	**12,147**	**36,201**

集團 二零零五年十二月三十一日	Group As at 31 December 2005	銀行及其他金融機構 Banks and other financial institutions	公營機構 Public sector entities	其他 Others	總計 Total
相等於百萬港元	Equivalent in HK$ millions				
亞太區，不包括香港在內	Asia Pacific excluding Hong Kong	4,904	250	4,075	9,229
北美及南美	North and South America	1,024	–	2,458	3,482
歐洲	Europe	10,498	–	4,720	15,218
		16,426	250	11,253	27,929

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6. 逾期未償還及經重組資產 6. Overdue and rescheduled assets

（甲）各項貸款 (a) Advances

(i) 逾期未償還貸款總額 (i) Gross amount of overdue loans

集團	Group	二零零六年 2006	佔客戶貸款百分比 % of total advances to customers	二零零五年 2005	佔客戶貸款百分比 % of total advances to customers
未償還客戶貸款總額，逾期：	Gross advances to customers which have been overdue for:				
–三個月以上至六個月	– six months or less but over three months	**99,855**	**0.20**	118,065	0.26
–六個月以上至一年	– one year or less but over six months	**61,973**	**0.12**	59,799	0.13
–一年以上	– over one year	**119,804**	**0.24**	128,051	0.29
		281,632	**0.56**	305,915	0.68
有抵押之逾期貸款所持的抵押品市值	Market value of securities held against the secured advances	**168,065**		256,219	
有抵押逾期貸款	Secured overdue advances	**133,324**		180,623	
無抵押逾期貸款	Unsecured overdue advances	**148,308**		125,292	
減值準備	Impairment allowances	**118,518**		114,365	

(ii) 經重組貸款（已扣除載於上述逾期未償還貸款） (ii) Rescheduled advances net of amounts included in overdue advances

集團	Group	二零零六年 2006	佔客戶貸款百分比 % of total advances to customers	二零零五年 2005	佔客戶貸款百分比 % of total advances to customers
經重組貸款	Rescheduled advances	**69,106**	**0.14**	181,654	0.40
減值準備	Impairment allowances	**6,886**		25,123	

於二零零六年十二月三十一日及二零零五年十二月三十一日本集團並無對銀行及其他金融機構貸款須列作減值、逾期三個月以上或經重組之貸款。

There were no advances to banks and other financial institutions which were impaired, overdue for over 3 months or rescheduled as at 31 December 2006 and 31 December 2005.

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6. 逾期未償還及經重組資產(續)

(乙)貿易票據

集團	二零零六年	二零零五年
逾期:		
– 一年以上	–	363

(丙)收回資產

集團	二零零六年	二零零五年
收回物業	32,223	45,401

7. 風險管理

本集團明瞭各類風險會不停蛻變的特性並透過完善的管理架構作有效管理。

風險管理專注於五大範圍:信貸風險、市場風險、利率風險,流動資產風險及經營風險。信貸風險之產生主要源於本集團之信貸組合,其中包括商業,批發和零售借貸、機械和租購融資及財資部和金融機構業務部的批發借貸。

大部份的市場風險乃源於財資部。此主要與本集團資產負債表內之買賣交易及資產負債表外之買賣交易(包括對沖活動之有關持倉)有關。

利率風險指因利率的不利變動而引致本集團的財政狀況面臨的風險。

流動資產風險之產生遍佈本集團之資產負債表。

運營風險乃因內部程序、員工及系統之不足與疏忽或外來的項目而產生之直接或間接虧損之風險。

6. Overdue and rescheduled assets (Continued)

(b) Trade bills

Group	2006	2005
Overdue for:		
– over one year	–	363

(c) Repossessed assets

Group	2006	2005
Repossessed properties	32,223	45,401

7. Risk management

The Group recognises the changing nature of risk and manages it through a well-developed management structure.

Risk management is focused on the five major areas of risk – credit risk, market risk, interest rate risk, liquidity risk and operational risk. Credit risk occurs mainly in the Group's credit portfolios comprising commercial, wholesale and retail lending, equipment and hire purchase financing, and treasury and financial institutions wholesale lending.

Market risk arises mainly in Treasury and is associated principally with the Group's on-balance sheet positions in the trading book, and off-balance sheet trading positions including positions taken to hedge elements of the trading book.

Interest rate risk means the risk to the Group's financial condition resulting from adverse movements in interest rates.

Liquidity risk arises across the Group's balance sheet.

Operational risk is the risk of loss (direct or indirect) resulting from inadequate or failed internal processes, people and systems or from external events.

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7. 風險管理（續）

除財務報表附註三披露之財務風險管理外，其他方面之風險管理詳述如下：

（甲）集團風險管理架構

董事會對所有類別的風險管理負上整體的責任。關於風險控制方面，董事會的責任包括：

- 批准整體的策略及政策以確保能在交易及組合層面適當地管理信貸及其他風險；
- 財務和非財務方面的風險管理，透過營運和行政控制，包括集團審核委員會的操作；業績檢討（比對預測）、營運統計和政策問題作出監控；及
- 比對預算檢討業績和分析主要非財務指標。

執行委員會被委任監察及領導由集團風險部和各功能委員會主導管理及處理的不同類形風險。

7. Risk management (Continued)

Apart from the description of financial risk management disclosed in Note 3 to the financial statements, the other risk management aspects are disclosed below:

(a) The risk management structure of the Group

The Board of Directors has the broad overall responsibility for the management of all types of risk. The responsibilities of the Board in relation to risk control are:

- the approval of the overall strategy and policies to ensure that credit and other risks are properly managed at both the transaction and portfolio levels;
- the management of risk, both financial and non-financial, conducted through operational and administrative control systems including the operation of the Group Audit Committee; review of key results (against forecasts), operational statistics and policy compliance; and
- financial performance by analysis against approved budgets and analysis of variations in key non-financial measures.

The Executive Committee has been delegated the authority to oversee and guide the management of different risks which are more particularly managed and dealt with by Group Risk and different functional committees.

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7. 風險管理（續）

（乙）集團風險部

集團的獨立風險部負責確保本集團整體的政策訂定和權責。集團風險部監察並透過執行委員會向董事會匯報集團風險狀況，制定財務風險和資料完善的標準，及確保在產品策劃和訂價的過程中，充份考慮財務方面的風險。集團風險部審閱和核定所有本集團的信貸及風險政策，包括對新市場、經濟行業、組織、信貸產品和令本集團產生信貸與相關風險的財務工具的核定。在決定信貸及風險政策時，集團風險部會考慮香港金融管理局制定的指引、業務方向及經風險調整的業務表現。集團風險部亦列席集團營運部門和業務的信貸或風險委員會。

本集團風險管理的專業知識持續提升借貸組合的整體質素，並促使本集團能應付改變中的監管要求和有信心地掌握與授信相關的風險和回報。

在集團風險部主管領導下，本集團持續發展其風險管理能力，並增加專注風險策略對風險和報酬與及資本回報的影響。本集團在面對日常業務管理不同形式的風險時會採用一系列的風險管理和分析工具。此等工具亦持續地在被改良和提升以配合不斷改變的業務需要和監管機構的要求。風險管理及監控部乃屬集團風險部之一部份且直接向集團風險部的主管匯報。

（丙）業務部門信貸委員會

本集團各營運部門均擁有其信貸或風險委員會，該等委員會負責核定和建議其業務範圍內的政策、限額和風險控制的權責。這體制反映本集團在集團風險部統籌下把風險管理的責任融入各項業務之管理運作中。據此，各業務之信貸風險功能部門均向其支援的業務及集團風險部匯報。

7. Risk management (Continued)

(b) Group risk

The independent Group Risk function is responsible for ensuring that policies and mandates are established for the Group as a whole. Group Risk monitors and reports the Group risk positions to the Board via the Risk Management Committee and the Executive Committee, sets standards for financial risks and data integrity and ensures that the financial risks are fully considered in the product planning and pricing process. Group Risk reviews and approves all credit and risk exposure policies for the Group including the approval of exposures to new markets, economic sectors, organisations, credit products and financial instruments which expose the Group to different types of risks. In determining risk policies, Group Risk takes into account the guidelines established by the Hong Kong Monetary Authority, business direction, and risk adjusted performance of each business. Group Risk is also represented on the lending or risk committees of the Group's operating divisions and businesses.

The Group's risk management expertise continues to advance the overall quality of the Group's lending portfolios, and enables the Group to meet the changing regulatory requirements and enter into credit exposures with the confidence that it understands the associated risks and rewards.

The Group is continuing to evolve its risk management capabilities under the aegis of the Head of Group Risk, increasing the focus of its risk strategy on risk and reward and returns on capital. The Group uses a range of risk measurement and analytical tools in its management of the various risks which it faces in its day-to-day businesses and these are continually being enhanced and upgraded to reflect the ever-changing business needs and the requirements of the regulators. The Risk Management and Control function is part of Group Risk and reports directly to the Head of Group Risk.

(c) Business division credit committees

Each of the operating divisions of the Group has its own credit or risk committee responsible for approving and recommending policies, limits and mandates for risk control within their respective business areas. This is consistent with the Group's approach of devolving responsibility for risk management to the individual business areas under the aegis of the Group Risk function. As such, each business credit risk function reports to both Group Risk and the business area which it supports.

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7. 風險管理（續）

7. Risk management (Continued)

（丁）市場風險

(d) Market Risk

本集團應用市場風險數值，一種按既定信心水平估量由於市場匯率、利率及股票價格在特定持盤時限內之變動而使風險持倉盤可能出現虧損之統計技巧。本集團計算市場風險數值之模式採用方差/協方差基準，利用過往市場利率及價格變動資料，按百分之九十九置信水平及一日持倉期之基準作推算。

The Group uses value-at-risk ("VaR") statistical technique to estimate the potential losses that could arise on risk positions taken, due to movements in foreign exchange, interest rates and equity prices over a specified time horizon and to a given level of confidence. The model used by the Group to calculate portfolio and individual VaR on a variance/co-variance basis uses historical movements in market rates and prices, a 99% confidence level and a 1-day holding period.

在十二月三十一日，買賣倉中各項風險之市場風險數值如下：

As at 31 December, the VaR for the various types of exposures in the trading book were as follows:

		二零零六年 2006	二零零五年 2005
利率風險買賣盤之風險值	Interest rate risk trading exposures	**2,779**	1,981
外匯買賣盤之風險值	Foreign exchange trading exposures	**924**	113
信貸買賣盤之風險值	Credit trading exposures	**413**	–
股票買賣盤之風險值	Equity trading exposures	**–**	158
買賣盤市場風險之風險值	Market risk trading exposures	**4,116**	2,252
年度內平均市場風險值	Average VaR for the year	**3,172**	3,034

本集團在二零零六年內，從市場風險相關的財資活動賺取的收益平均每日達382,000港元（二零零五年：553,000港元），其標準差是3,655,000港元（二零零五年：4,318,000港元）。截至十二月三十一日止年度之主要交易活動的每日平均收益及標準差分析如下：

The average daily revenue earned from the Group's market risk related treasury activities in 2006 was HK$382,000 (2005: HK$553,000) and the standard deviation for such daily revenue was HK$3,655,000 (2005: HK$4,318,000). The following are the average daily revenue and the standard deviation for daily revenue analysed by principal dealing activities for the years ended 31 December:

		每日平均收益 Average daily revenue		標準差 Standard deviation	
		二零零六年 2006	二零零五年 2005	二零零六年 2006	二零零五年 2005
利率交易	Interest rate dealing	**(77)**	(130)	**1,133**	1,707
外匯交易	Foreign exchange dealing	**432**	692	**3,489**	3,985
信貸交易	Credit trading	**24**	(9)	**373**	479
股票交易	Equity trading	**3**	–	**129**	–

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（以港幣千元位列示） (Expressed in thousands of Hong Kong dollars)

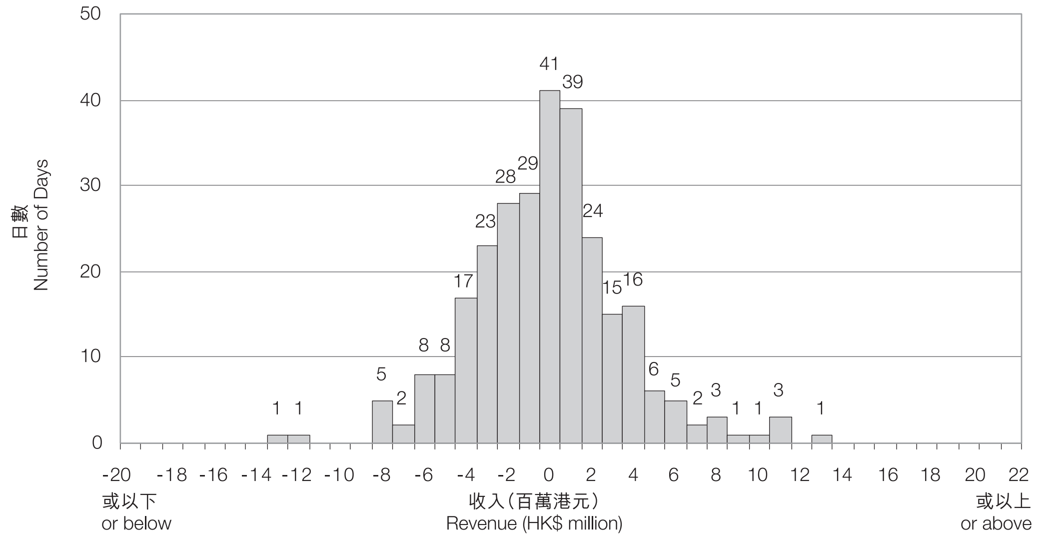
7. 風險管理（續） 7. Risk management (Continued)

（丁）市場風險（續） *(d) Market Risk (Continued)*

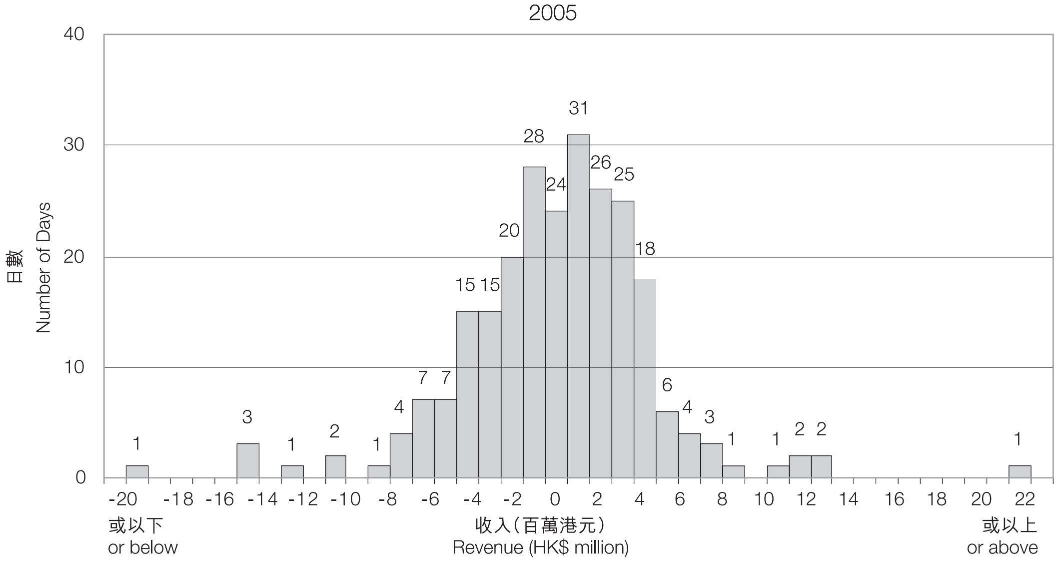
下圖是與市場風險有關的每日收入分佈情況：

The following histograms show the frequency of daily revenues related to market-risk activities:

二零零六年
2006



二零零五年
2005



本年度內，最高單日收益為13,535,000港元（二零零五年：21,249,000港元），最大單日虧損為12,959,000港元（二零零五年：18,108,000港元）。

During the year, the highest daily gain was HK$13,535,000 (2005: HK$21,249,000) and the maximum daily loss was HK$12,959,000 (2005: HK$18,108,000).

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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

7. 風險管理（續）

（戊）經營風險

本集團在各業務之部門層級管理營運風險，並由營運處負責架構協調，然後向高級管理層匯報。自二零零三年起，本集團展開營運風險事件匯報及記錄營運損失數據。

本集團已成立專責營運風險管理之功能，負責推動和執行本集團之營運風險管理項目，目的為改善營運水平、內部監控程序和符合巴塞爾協議II之規定。該功能負責推廣營運風險控制文化，以及在各部門執行及遵守營運風險管理政策及規定上提供支援。

（己）執行巴塞爾II資本協議

經修訂之資本充足框架（即巴塞爾協議II）於二零零七年一月起對所有在香港之本地註冊財務機構生效。香港金融管理局於二零零六年底頒佈最終版本之《銀行業資本規則》及《銀行業披露規則》以實施巴塞爾協議II。

巴塞爾協議II之架構環繞三大支柱。第一支柱除修訂了巴塞爾協議I對信貸風險及市場風險之處理方法外，並加入了銀行對營運風險之最低資本要求。第二支柱要求銀行必須有完善之內部程序，按照其風險（包括該等未包含在第一支柱之風險）之全面評估，及監察人員應當對此程序進行監察審查，以評估其資本之充足度。第三支柱透過要求銀行對其風險組合、資本充足度及風險管理作出公開披露，增加市場之透明度及紀律，以補助第一支柱及第二支柱。

7. Risk management (Continued)

(e) Operational Risk

The Group manages operational risk at department level under respective businesses within a structure coordinated by the Operations Division with reporting to senior management. Since 2003, the Group has started the operational risk incident reporting and tracking of operational loss data.

A dedicated operational risk management function has been established to drive and implement the operational risk project of the Group with the objective to improve operations quality, internal control process and to meet the Basel II requirements. The function is responsible for promoting the operational risk control culture, and providing support to various departments in implementing and complying with the operational risk management policy and requirements.

(f) Implementation of the Basel II Capital Accord

The revised capital adequacy framework known as Basel II has come into force for all locally incorporated authorized institutions in Hong Kong from January 2007. To implement Basel II, the Hong Kong Monetary Authority published the final Banking (Capital) Rules and Banking (Disclosure) Rules at the end of 2006.

Basel II is structured around three “pillars”. Pillar 1 sets out the minimum capital requirements for a bank’s operational risk, in addition to revising the “Basel I” treatment of credit risk and market risk. Pillar 2 requires that banks should have in place sound internal processes to assess the adequacy of their capital, based on a thorough assessment of their risks including those risks not covered under Pillar 1, and that supervisors should carry out supervisory review of this process. Pillar 3 complements Pillar 1 and Pillar 2 through enhanced market transparency and market discipline by requiring banks to make public disclosure of information on their risk profiles, capital adequacy and risk management.

補充財務資料
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（以港幣千元位列示）

(Expressed in thousands of Hong Kong dollars)

7. 風險管理（續）

（己）執行巴塞爾II資本協議（續）

自二零零七年一月起，大新銀行及豐明銀行採納標準法計算信貸風險及市場風險，及採納基本指標法計算營運風險。此等均為《銀行業資本規則》內列明之認可方法。據此，本集團已全面檢查其系統及管理以符合該等方法要求之標準。本集團再進一步正準備採用更完善的方法，即內部評級基礎計算法（「內部評級法」）以計算信貸風險。此方法將令本集團重大地增強其分辨、評估、監察、控制及減少風險之風險管理能力。本集團並以朝向使用標準法計算營運風險為目標。

是年內，本集團成立一個專注於巴塞爾協議II之小組，其職責為提出整體方向及協調業務部門及支援部門之間修改基礎設施及運作以符合監管規定。該小組在來年將繼續擴大及提昇能力以符合第二支柱及第三支柱之規定，並為邁向採用內部評級法建設基礎。

（庚）審核處的角色

本集團之審核處是一個獨立、客觀及顧問性質的部門，集中於改進和維持本集團業務及後勤部門良好的內部控制。該處向一獨立非執行董事所主持的集團審核委員會作出功能上的匯報。審核處處理各類不同形式的內部控制活動，例如合規性審計，操作和系統覆查以確保本集團控制系統的完整性、效率和有效性。

7. Risk management (Continued)

(f) Implementation of the Basel II Capital Accord (Continued)

Starting January 2007, Dah Sing Bank and MEVAS Bank adopt the standardised approach for credit risk and market risk, and the basic indicator approach for operational risk. These are the default approaches as specified in the Banking (Capital) Rules. Accordingly, the Group has overhauled its systems and controls in order to meet the standards required for these approaches. As a step forward, the Group is preparing for the use of the more advanced approach i.e. foundation internal ratings-based ("FIRB") approach for the calculation of credit risk. This will enable the Group to enhance significantly its risk management capabilities in identifying, assessing, monitoring, controlling and mitigating risks. The Group also targets to advance to the standardised approach in calculating its operational risk.

During the year, a dedicated Basel II team has been set up with the responsibility to provide an overall direction to and co-ordinate with relevant business divisions and support units in revamping the infrastructure and operations for meeting the compliance imperative. The team will continue to expand and upgrade its capabilities in the coming years to meet the requirements of Pillar 2 and Pillar 3, and to build the foundation for migration to the FIRB approach.

(g) The role of Internal Audit

The Group's Internal Audit Division is an independent, objective assurance and consulting unit, which is designed to focus on enhancing and sustaining sound internal control in all business and operational units of the Group. The Division reports functionally to the Group Audit Committee, which is chaired by an Independent Non-Executive Director. The Division conducts a wide variety of internal control activities such as compliance audits and operations and systems reviews to ensure the integrity, efficiency and effectiveness of the systems of control of the Group.

獨立核數師報告
Independent Auditor's Report

致大新銀行集團有限公司股東
（於香港註冊成立之有限公司）

本核數師已審核列載於第58至178頁大新銀行集團有限公司（「該公司」）及其附屬公司（統稱「該集團」）之綜合財務報表，該等綜合財務報表包括於二零零六年十二月三十一日之綜合及公司資產負債表與截至該日止年度之綜合收益賬、綜合權益變動報表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等綜合財務報表。此等責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制，以使財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

核數師的責任

本核數師之責任是根據審核對該等綜合財務報表作出意見，並按照香港《公司條例》第141條僅向整體股東報告，除此之外本報告別無其他目的。本核數師不會就本報告的內容向任何其他人士負上或承擔任何責任。

本核數師已根據香港會計師公會頒佈的香港審計準則進行審核。該等準則要求本核數師遵守道德規範，並規劃及執行審核，以合理確定此等財務報表是否不存有任何重大錯誤陳述。

To the shareholders of Dah Sing Banking Group Limited
(incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Dah Sing Banking Group Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 58 to 178, which comprise the consolidated and Company balance sheets as at 31 December 2006, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and in compliance with the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

獨立核數師報告
Independent Auditor's Report

核數師之責任（續）

審核涉及執行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價財務報表的整體列報方式。

本核數師相信所獲得的審核憑證是充足和適當地為本核數師的審核意見提供基礎。

意見

本核數師認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映公司及集團於二零零六年十二月三十一日之財務狀況及集團截至該日止年度之溢利及現金流量，並已按照香港《公司條例》妥為編製。

羅兵咸永道會計師事務所
香港執業會計師

香港，二零零七年三月二十八日

Auditor's responsibility (Continued)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2006, and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 28 March 2007