

中国银行股份有限公司
2006 年中期报告摘要

§1 重要提示

1.1 公司董事会、监事会及董事、监事、高级管理人员保证本报告所载资料不存在任何虚假记载、误导性陈述或者重大遗漏，并对其内容的真实性、准确性和完整性承担个别及连带责任。

本中期报告摘要摘自中期报告全文，该报告全文同时刊载于 www.sse.com.cn 及 www.sehk.com.hk。投资者欲了解详细内容，应当仔细阅读中期报告全文。

1.2 公司全体董事出席董事会会议。

1.3 公司中期财务报告未经审计。

1.4 公司负责人肖钢，行长李礼辉、主管会计工作负责人周载群，会计机构负责人（会计主管人员）刘燕芬声明：保证中期报告中财务报告的真实、完整。

§2 上市公司基本情况

2.1 公司基本情况简介

股票简称	中国银行
股票代码	601988
上市证券交易所	上海证券交易所
股票简称	中国银行
股票代码	3988
上市证券交易所	香港联合交易所有限公司
	董事会秘书
姓名	杨志威
联系地址	中国北京市复兴门内大街 1 号
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2.2 主要财务数据和指标

（本公司截至 2006 年 6 月 30 日止 6 个月内，按中国企业会计准则及《金融企业会计制度》之要求编制的主要财务数据和指标如下）

2.2.1 主要会计数据和财务指标

单位：百万元人民币

	2006年 6月30日	2005年 12月31日	2004年 12月31日	2006年6月30日 比年初增减
总资产	5,226,933	4,742,806	4,270,443	10.21%
其中：贷款净额	2,317,408	2,151,893	2,071,693	7.69%
总负债	4,840,480	4,480,186	4,037,705	8.04%
其中：客户存款	4,053,024	3,703,777	3,342,477	9.43%
本行股东应享有权益总额	357,641	233,842	205,351	52.94%
每股净资产(元)	1.41	1.12	1.10	25.89%
调整后每股净资产(元) ¹	1.40	1.11	1.09	26.13%

	2006年 1-6月	2005年 1-6月	2005年 1-12月	2006年1-6月比上 年同期增减
营业利润	38,422	33,009	64,744	16.40%
利润总额	34,013	29,578	55,140	14.99%
净利润	19,024	16,434	27,492	15.76%
扣除非经常性损益后净利润	18,314	NA	26,174	NA
每股收益 ² (全面摊薄,元)	0.07	0.09	0.13	(22.22%)
每股收益 ^{2,3} (加权平均,元)	0.09	0.09	0.15	0.00%
经营活动中产生的现金流量净额	(117,991)	21,615	13,883	(645.88%)

	2006年 6月30日	2005年 12月31日	2004年 12月31日	2006年6月30日 比年初增减 (单位：百分点)
总资产净回报率(年率)	0.87%	0.72%	0.61%	0.15
股本净回报率 ⁴ (年率,不含少数股东权益)	12.87%	12.52%	10.23%	0.35
股本净回报率(年率,含少数股东权益)	13.34%	13.16%	10.92%	0.18
净资产收益率 ² (年率,全面摊薄)	10.64%	11.76%	10.19%	(1.12)
净资产收益率 ² (年率,加权平均)	14.99%	12.62%	10.04%	2.37
信贷成本(年率)	0.44%	0.50%	1.06%	(0.06)
不良贷款比率	4.19%	4.62%	5.12%	(0.43)
资本充足率	12.40%	10.42%	10.04%	1.98
拨备覆盖率	87.44%	80.55%	68.02%	6.89

	2006年 1-6月	2005年 1-6月	2005年 1-12月	2006年1-6月 比上年同期增减 (单位：百分点)
成本收入比	35.90%	37.05%	39.30%	(1.15)
非利息收入占比	15.67%	14.15%	13.46%	1.52
净息差	2.26%	2.31%	2.32%	(0.05)

¹ 根据《公开发行证券的公司信息披露内容与格式准则第3号——半年度报告的内容与格式(2003年修订)》(证监公司字[2003]25号)的规定计算。

² 根据中国证券业监督管理委员会《公开发行证券公司信息披露编报规则(第9号)——净资产收益率和每股收益的计算及披露》的规定计算。

³ 股本和净资产的加权平均值采用按日加权的方式计算。

利润表附表

（按中国证监会发布的《公开发行证券公司信息披露编报规则》第9号的要求计算的净资产收益率及每股收益）

单位：百万元人民币

项目	报告期 利润	净资产收益率(%)		每股收益(元)	
		全面 摊薄	加权 平均	全面 摊薄	加权 平均
主营业务利润	38,422	21.49%	30.27%	0.15	0.18
营业利润	38,422	21.49%	30.27%	0.15	0.18
净利润	19,024	10.64%	14.99%	0.07	0.09
扣除非经常性损益后的净利润	18,314	10.24%	14.43%	0.07	0.08

净利息收入

2006年上半年，集团实现净利息收入544.76亿元人民币，同比增长58.18亿元人民币，增幅11.96%。

单位：百万元人民币

	2006年1-6月	2005年1-6月
利息收入		
贷款利息收入	60,360	51,971
债券投资利息收入	30,652	19,908
存放及拆放同业利息收入	6,315	3,518
存放中央银行利息收入	2,450	2,069
小计	99,777	77,466
利息支出		
客户存款利息支出	(38,887)	(23,815)
同业存入及拆入和对中央银行负债利息支出	(4,122)	(2,827)
借入专项资金和发行债券利息支出	(2,292)	(2,166)
小计	(45,301)	(28,808)
净利息收入	54,476	48,658

2006年上半年，集团实现利息收入997.77亿元人民币，同比增长223.11亿元人民币，增幅28.80%。利息收入增长不仅来自于生息资产规模的扩张，更多来自于生息资产平均利率的改善。生息资产的平均余

⁴ 根据《国有商业银行公司治理及相关监管指引》（银监发[2006]22号）的规定计算。

额从 2005 年上半年的 42,186.19 亿元人民币增至 2006 年上半年的 48,240.44 亿元人民币，增幅 14.35%。集团生息资产平均利率从 2005 年上半年的 3.67% 提高到 2006 年上半年的 4.14%，增长 47 个基点。

手续费及佣金收支净额

单位：百万元人民币

	2006 年 1 - 6 月	2005 年 1 - 6 月
结算与清算业务收入	1,794	1,287
代理业务收入	2,201	1,235
信用承诺手续费及佣金收入	1,438	1,308
银行卡业务收入	1,365	1,049
受托业务收入	248	235
其他	1,120	801
手续费及佣金收入	8,166	5,915
手续费及佣金支出	(1,325)	(1,397)
手续费及佣金收支净额	6,841	4,518

2006 年上半年，集团实现手续费及佣金收支净额 68.41 亿元人民币，同比增长 23.23 亿元人民币，增幅 51.42%。增长主要由于集团大力发展中间业务，代理业务、结算与清算业务和银行卡手续费等项目增长明显。

集团代理业务收入 22.01 亿元人民币，同比增长 9.66 亿元人民币，增幅 78.22%。增长主要由于国债、基金和保险等产品及服务销售量增长。

集团结算与清算手续费收入 17.94 亿元人民币，同比增长 5.07 亿元人民币，增幅 39.39%。增长主要由于信用证等结算业务量以及保理业务和对私电子汇划费收入的快速增长。

集团银行卡手续费收入 13.65 亿元人民币，同比增长 3.16 亿元人民币，增幅 30.12%。增长主要由于集团根据市场变化和客户需求，不断加大银行卡营销力度，银行卡发卡量、交易量和 ATM 交易频率持续增长。

净交易收入

	单位：百万元人民币	
	2006年 1-6月	2005年 1-6月
汇兑及汇率产品净收益	1,302	3,322
利率产品净（损失）/收益	(1,495)	(329)
合计	(193)	2,993

2006年上半年，集团净交易损失1.93亿元人民币，同比下降31.86亿元人民币，降幅106.45%。

2006年上半年，境内行外汇买卖价差收入27.28亿元，同比增长8.04亿元，增幅41.79%。增长主要由于汇率波动以及个人购汇手续和额度的适度放开，促进了个人结售汇交易量的上升。同期，受市场利率波动影响，集团利率工具净收益出现亏损14.95亿元，同比下降11.66亿元，降幅354.41%。

由于中国人民银行（简称“央行”）自2005年7月21日起对人民币实行有管理的浮动汇率制度，受人民币升值影响，2006年上半年集团受限制的外汇资本性项目下外汇敞口产生的净外汇损失约35亿元人民币，同时集团与中央汇金投资有限责任公司签署的外币期权合同的估值收益为3亿元人民币。如不考虑上述因素，集团净交易收入同比增长1,400万元。

投资收益

2006年上半年，集团实现投资收益16.81亿元人民币，同比增长15.32亿元，增幅1028.19%，增长主要由于（1）集团于2005年9月增持华能国际电力开发公司5%的股权至20%，并对华能国际按联营企业采用权益法核算，该部份股权投资收益计入投资联营企业净收益；（2）集团向非全资的中银香港(控股)有限公司出售了中银集团人寿保险有限公司的股份；（3）中银国际投资收益同比增加。

资产减值损失

	单位：百万元人民币	
	2006年 1-6月	2005年 1-6月
贷款减值损失	5,062	4,718
抵债资产减值损失	(131)	96
其他应收款坏账损失/（转回）	(55)	206
固定资产及其他资产减值（转回）/损失	-	(444)
合计	4,876	4,576

2006年上半年，集团资产减值损失同比增长3亿元人民币，增幅6.56%。

所得税分析

2006年上半年，集团所得税费用为123.62亿元人民币，同比增长15.02亿元人民币，增幅13.83%。集团有效税率为36.34%，同比下降0.38个百分点。

资本充足率分析

本行根据中国银监会2004年2月23日颁布的《商业银行资本充足率管理办法》（中国银行业监督管理委员会令[2004]第2号）计算和披露资本充足率。自2005年起，集团按照银监会颁布的《中国银行业监督管理委员会办公厅关于下发商业银行市场风险资本要求计算表、计算说明的通知》（银监发[2004]第374号），计算市场风险资本。截至2006年6月末，集团资本充足率为12.40%，较上年末上升1.98个百分点；核心资本充足率10.63%，较上年末上升2.55个百分点。

截至2006年6月末，集团资本净额4,520.27亿元人民币，较上年末增加1,257.90亿元人民币。其中，核心资本净额3,876.98亿元人民币，较上年末增加1,347.28亿元人民币。集团加权风险资产总额31,636.59亿元（不含市场风险），较上年末增加3,704.70亿元。集团市场风险资本要求为385.49亿元，相应转换风险资产4,818.68亿元。

2.2.2 非经常性损益项目

单位：百万元人民币

非经常性损益项目	金额
处置长期股权投资净收益	141
营业外收入	1,111
营业外支出	(644)
以前年度已经计提各项减值准备的转回	451
相应税项调整	(349)
合计	710

2.2.3 国内外会计准则差异

单位：百万元人民币

	净资产		净利润	
	2006年 6月30日	2005年 12月31日	2006年 1-6月	2005年 1-6月
按中国会计准则呈报	357,641	233,842	19,024	16,434
会计准则差异调整项目				
— 冲回资产评估增值及其相关的折旧费用	(7,794)	(7,999)	205	133
— 投资物业以公允价值计量	3,199	2,816	438	1,059
— 权益性投资分类为可供出售证券并以公允价值计量	3,566	1,775	-	-
— 计提内退员工内退期间的工资及福利义务	(4,911)	(5,097)	186	(1,749)
— 对非交易性贵金属按成本法计量	(757)	(637)	(120)	(83)
— 递延所得税影响	4,222	992	(97)	(97)
— 以上事项对少数股东权益的影响及其他	581	727	(159)	(516)
小计	(1,894)	(7,423)	453	(1,253)
按国际财务报告准则呈报	355,747	226,419	19,477	15,181

说明：

(1) 冲回资产评估增值及其相关的折旧费用

在中国会计准则下，本集团将股份公司设立过程中的资产评估增值104.32亿元作为资本公积计入2003年12月31日的会计报表，增值的资产主要为固定资产。重估的固定资产成本在预计使用年限内摊销。根据《国际会计准则第16号——不动产、厂场和设备》的规定，一旦会计主体选用了成本法核算固定资产即不得再对固定资产按评估价值计量。因此，在中国会计准则下确认的资产评估增值及其相关的折旧费用应在国际财务报告准则会计报表予以冲回。

(2) 投资物业以公允价值计量

在中国会计准则下，投资物业作为固定资产按成本扣减累计折旧和减值准备后的金额列报。根据《国际会计准则第40号——投资性房产》的规定，本集团对投资物业在资产负债表日按照公允价值计量。

(3) 权益性投资分类为可供出售证券并以公允价值计量

在中国会计准则下，不存在控制、共同控制、重大影响的长期股权投资按成本扣减减值准备后的余额列报。根据《国际会计准则第39号——金融工具：确认和计量》的规定，这些股权投资被分类到可供出售证券；分类为可供出售证券的股权投资在资产负债表日按公允价值计量。可供出售股权投资因公允价值变动而产生的未实现估值收益或亏损，作为重估增值储备直接计入所有者权益。

(4) 内退员工内退期间的工资及福利义务

根据财政部要求，本集团对早于法定退休年龄退休的员工（“内退员工”）在其内退期间的福利支出（即在内退日开始到其达到法定退休年龄间的福利支出）在中国会计准则下按照收付实现制进行核算。根据《国际会计准则第19号——雇员福利》的相关要求，本集团对内退员工的福利支出于资产负债表日根据未来支付义务的现值并调整精算利得或损失及过去服务成本后列示。

(5) 贵金属以成本法计量

根据中国银行业会计实务，本行在中国会计准则会计报表中对所有的贵金属在初始确认时按照成本入账，并于资产负债表日按市场价格计量。根据《国际会计准则第2号——存货》的规定，对于本集团非交易性贵金属以成本法计量。

(6) 递延所得税影响

本集团在国际会计准则下对合并会计报表中的资产和负债的计税价值和账面价值之间的暂时性差异采用资产负债表负债法计提递延税项。在中国会计准则下对所得税费用的会计处理采用纳税影响会计法。递延税项按照债务法根据时间性差异计算。2006年的主要差异是国际会计准则下贷记或借记入权益的可供出售证券公允价值重估所带来的借记或贷记入权益的递延所得税影响。

2.2.4 贷款

集团贷款地区集中度

单位:百万元人民币

	2006年6月30日		2005年12月31日		2004年12月31日	
	余额	占比	余额	占比	余额	占比
境内机构	1,972,631	82.00%	1,799,923	80.53%	1,734,302	80.80%
境外机构	432,905	18.00%	435,123	19.47%	412,160	19.20%
合计	2,405,536	100.00%	2,235,046	100.00%	2,146,462	100.00%

集团资产质量状况

单位:百万元人民币

	2006年6月30日		2005年12月31日		2004年12月31日	
	余额	占比	余额	占比	余额	占比
正常	2,042,960	84.93%	1,847,772	82.67%	1,611,936	75.10%
关注	261,788	10.88%	284,048	12.71%	424,606	19.78%
次级	42,082	1.75%	45,573	2.04%	61,289	2.86%
可疑	43,479	1.81%	44,550	1.99%	32,931	1.53%
损失	15,227	0.63%	13,103	0.59%	15,700	0.73%
合计	2,405,536	100.00%	2,235,046	100.00%	2,146,462	100.00%
不良总额	100,788	4.19%	103,226	4.62%	109,920	5.12%

截止2006年6月末，集团按照监管分类标准确认的不良贷款总额1,007.88亿元人民币，较上年末减少24.38亿元人民币，不良贷款比率4.19%，较上年末下降0.43个百分点。境内机构不良贷款总额为965.19亿元人民币，较上年末减少16.9亿元人民币，不良贷款比率4.89%，较上年末下降0.57个百分点。集团关注类贷款总额2,617.88亿元人民币，较上年末减少222.60亿元人民币，关注类贷款占全部贷款比例10.88%，较上年末下降1.83个百分点。

集团减值贷款地区结构

单位：百万元人民币

	2006年6月30日			2005年12月31日			2004年12月31日		
	余额	占比	减值比率	余额	占比	减值比率	余额	占比	减值比率
境内机构	99,543	93.96%	5.05%	102,140	93.44%	5.67%	104,327	88.3%	6.02%
境外机构	6,401	6.04%	1.48%	7,171	6.56%	1.65%	13,830	11.7%	3.36%
合计	105,944	100.00%	4.40%	109,311	100.00%	4.89%	118,157	100.0%	5.50%

注：(1)若有客观减值证据证明贷款的预计未来现金流量减少且减少

金额可以预计，则本行确认该客户贷款已减值，并确认损失。

(2) 减值贷款比率按识别减值贷款金额除以该类别的贷款总余额计算。

§3 股份变动和主要股东持股情况

3.1 股份变动情况表

	2006年1月1日							2006年6月30日
	数量(股)	配股	送股	公积金转股	增发	其他	小计	数量(股)
一、未上市流通股份								
1、国家持有股份(发起人股份)	174,128,718,217					-2,803,313,477	-2,803,313,477	171,325,404,740
2、国家持有股份					8,514,415,652	-8,514,415,652	-8,514,415,652	
3、境内法人持有股份								
4、境外法人持有股份	35,298,644,140					-	-	
5、募集法人股份								
6、内部职工股								
7、优先股或其他					6,493,506,000		6,493,506,000	6,493,506,000
未上市流通股份合计	209,427,362,357							177,818,910,740
二、已上市流通股份								
1、人民币普通股								
2、境内上市的外资股								
3、境外上市的外资股					29,403,878,000	46,616,373,269	76,020,251,269	76,020,251,269
4、其他								
已上市流通股份合计	0							76,020,251,269
三、股份总数	209,427,362,357							253,839,162,009

1、在“优先股及其他”一栏填写的股份数量为本行于2006年6月12日—29日公开发行的A股股份数量，该股份于2006年6月29日在中国证券登记结算有限公司上海分公司完成登记，并于2006年7月5日在上海证券交易所上市交易。

2、本行于 2006 年 3 月 13 日引进全国社会保障基金理事会为战略投资者，向其发行普通股 8,514,415,652 股。2006 年 5 月，本行首次公开发行 25,568,590,000 股 H 股，在 H 股发行上市期间，原本行境外战略投资者持有的 35,298,644,140 股的非上市外资股、全国社会保障基金理事会持有的 8,514,415,652 股普通股及本行发起人汇金公司根据国家规定减持并转给全国社会保障基金理事会的 2,803,313,477 股普通股均转换为 H 股，并与公开发行的 H 股股份一同于 6 月 1 日在香港联交所上市，2006 年 6 月 9 日，H 股超额配售选择权被悉数行使，涉及 3,835,288,000 股 H 股。2006 年 6 月，本行公开发行 6,493,506,000 股 A 股。2006 年 6 月 29 日，本次公开发行的 A 股及本行发起人汇金公司持有的 171,325,404,740 股普通股完成 A 股登记。2006 年 7 月 5 日，本行 A 股股份在上海证券交易所上市。截止 2006 年 7 月 5 日，本行共有 A 股 177,818,910,740 股，H 股 76,020,251,269 股，总股本为 253,839,162,009 股。

3.2 股东数量和持股情况

股东总数 截至报告期末，本行股东总数(A 股+H 股)为 1,060,828 户。其中 H 股股东 457,146 户，A 股股东 603,682 户。

前十名股东持股情况(H 股股东持股情况乃根据 H 股股份过户登记处设置的本行股东名册中所列的股份数目)

序号	股东名称	股东性质	股份类别	报告期末持股数（截至 2006 年 6 月 30 日）	占总股本比例（%）	股份质押或冻结数
1	中央汇金投资有限责任公司	国有	A 股	171,325,404,740	67.49%	
2	香港中央结算（代理人）有限公司	外资	H 股	30,341,965,800	11.95%	
3	RBS China Investments S.à.r.l.	外资	H 股	20,942,736,236	8.25%	
4	亚洲金融控股私人有限公司	外资	H 股	10,471,368,118	4.13%	
5	全国社会保障基金理事会	国有	H 股	8,377,341,329	3.30%	
6	瑞士银行	外资	H 股	3,377,860,684	1.33%	
7	亚洲开发银行	外资	H 股	506,679,102	0.20%	
8	The Bank of Tokyo-Mitsubishi UFJ Ltd	外资	H 股	473,052,000	0.19%	
9	Wingreat International Limited	外资	H 股	420,490,000	0.17%	
10	Best Sense Investments Limited	外资	H 股	236,526,000	0.09%	
10	Turbo Top Limited	外资	H 股	236,526,000	0.09%	

本行未知上述股东的股份存在质押或冻结的情况，未知上述股东之间关联关系。

已上市交易股份中前 10 名股东持股情况（2006 年 7 月 5 日-A 股上市日，香港中央结算（代理人）有限公司持股数量统计截止 2006 年 6 月 30 日）

序号	股东名称	已上市交易股份数量	股份类别
1	香港中央结算（代理人）有限公司	30,341,965,800	H 股
2	中国工商银行—广发策略优选混合型证券投资基金	70,669,000	A 股
3	上海汇银投资有限公司	70,000,000	A 股
4	中国工商银行—易方达价值精选股票证券投资基金	50,397,000	A 股
5	中国人寿保险（集团）公司—传统—普通保险产品	38,765,000	A 股
6	中国人寿保险股份有限公司—分红—个人分红—005L-FH002 沪	29,076,000	A 股
7	中国人寿保险股份有限公司—分红—团体分红—005L-FH001 沪	23,982,000	A 股
8	中国太平洋人寿保险股份有限公司—分红—个人分红	23,357,300	A 股
9	中国人寿保险股份有限公司—传统—普通保险产品—005L-CT001 沪	23,260,000	A 股
10	交通银行—华安创新证券投资基金	23,101,000	A 股
上述股东关联关系或一致行动的说明		除上述部分股东属于同一法人管理之外，本行未知上述股东之间有关联关系或一致行动关系。	

主要股东权益

截至 2006 年 6 月 30 日，本行根据香港《证券及期货条例》第 336 条而备存的登记册，载录下列公司拥有本行的权益（按照该条例所定义者）如下：

股东	持股数量	股份种类	占已发行 A 股股本总额的百分比(%)	占已发行 H 股股本总额的百分比(%)	占已发行股本总额的百分比(%)	身份
中央汇金投资有限责任公司	171,325,404,740	A	96.35%	—	67.49%	实益持有人
苏格兰皇家银行集团有限公司 ^{注1}	20,944,789,236	H	—	27.55%	8.25%	应占权益及实益持有人
RBS CI Limited ^{注1}	20,942,736,236	H	—	27.54%	8.25%	应占权益及实益持有人
RBS China Investments S.à.r.l.	20,942,736,236	H	—	27.54%	8.25%	实益持有人
淡马锡控股(私人)有限公司 ^{注2}	11,792,559,118	H	—	15.51%	4.65%	应占权益
全国社会保障基金理事会	11,317,729,129	H	—	14.89%	4.46%	实益持有人
瑞士银行	3,892,847,114 132,154,877(S)*	H	—	5.12% 0.17%	1.53% 0.05%	应占权益，实益持有人及对股份持有 保证权益的人

* “S”代表淡仓

注：1、苏格兰皇家银行集团有限公司持有 RBS CI Limited 全部已发行股本，而 RBS CI Limited 持有 RBS China Investments S.à.r.l. 51.61% 的已发行股本。因此，根据《证券及期货条例》，苏格兰皇家银行集团有限公司及 RBS CI Limited 均被视为拥有与 RBS China Investments S.à.r.l. 相同的本行权益。

2、淡马锡控股(私人)有限公司(「淡马锡」)持有 Fullerton Management Pte Ltd 全部已发行股本，而 Fullerton Management Pte Ltd 持有亚洲金融控股私人有限公司全部已发行股本。因此，根据《证券及期货条例》，淡马锡及 Fullerton Management Pte Ltd 均被视为拥有与亚洲金融控股私人有限公司相同的本行权益。亚洲金融控股私人有限公司持有本行 11,785,825,118 股股份。

除另有说明，上述全部权益皆属好仓。除上述披露外，截至 2006 年 6 月 30 日，本行根据《证券及期货条例》第 336 条而设之登记册并无载录其它权益或淡仓。

3.3 控股股东及实际控制人变更情况

适用 不适用

§4 董事、监事和高级管理人员

4.1 董事、监事和高级管理人员持股变动

适用 不适用

截至 2002 年 7 月 5 日，中银香港(控股)有限公司直接控股公司 BOC Hong Kong (BVI) Limited (「中银(BVI)」) 根据上市前认股权计划向下列董事授予认股权，根据认股权董事可以向中银(BVI) 购入中银香港(控股)有限公司现有已发行股份，行使价为每股 8.50 港元。中银香港(控股)有限公司为本行附属公司，已于香港联合交易所有限公司上市。该类认股权自 2002 年 7 月 25 日起的 4 年内归属，有效行使期为 10 年。认股权的 25% 股份数目将于每年年底归属。

以下列出截至 2006 年 6 月 30 日根据上市前认股权计划向董事授予的尚未行使认股权的情况：

认股权数量

	授出日期	每股行使价(港元)	行使期限	于 2002 年 7 月 5 日授出之认股权	于 2006 年 1 月 1 日	期内已行使之认股权	期内已放弃之认股权	期内已作废之认股权	于 2006 年 6 月 30 日
华庆山	2002 年 7 月 5 日	8.50	2003 年 7 月 25 日至 2012 年 7 月 4 日	1,446,000	1,446,000	—	—	—	1,446,000
李早航	2002 年 7 月 5 日	8.50	2003 年 7 月 25 日至 2012 年 7 月 4 日	1,446,000	1,446,000	—	—	—	1,446,000

除上文披露外，本报告期任何时间内，本行及控股公司、附属公司或各附属公司概无订立任何安排，使董事、监事或其配偶或 18 岁以下子女可以购买本行或任何其它法人团体的股份或债券而获益。

4.2 董事和监事在股份、相关股份及债券中之权益

除上文披露外，截至 2006 年 6 月 30 日，本行董事、监事概无在本行或其相关法团 (按香港《证券及期货条例》第 XV 部所指的定义) 的股份、相关股份或债券中拥有任何权益或淡仓，该等权益或淡仓是根据香港《证券及期货条例》第 352 条须予备存的登记册所记录或根据香港联合交易所有限公司 (简称“香港联交所”) 证券上市规则附录十《上市公司董事进行证券交易的标准守则》须知会本行及香港联合交易所有限公司之权益。

§5 管理层讨论与分析

5.1 财务状况分析

2006 年 6 月末，集团资产总额为 52,269.33 亿元人民币，较上年末增长 4,841.27 亿元人民币，增幅 10.21%；负债总额为 48,404.80 亿元人民币，较上年末增长 3,602.94 亿元人民币，增幅 8.04%；股东权益总额 (不含少数股东权益) 为 3,576.41 亿元人民币，较上年末增长 1,237.99 亿元人民币，增幅 52.94%。

2006 年上半年，集团实现净利润 190.24 亿元人民币，同比增长 25.90 亿元人民币，增幅 15.76%。集团整体财务运行状况良好。

5.2 业务状况分析

5.2.1 商业银行业务

本行业务涵盖商业银行、投资银行和保险三大领域，在世界 27 个国家和地区拥有分支机构，与 1,400 家国外代理行总行及其 46,900 家分支机构保持了代理业务关系，凭借全球化的网络及其优质的服务、雄厚的实力，使本行在国内市场保持着独特的竞争优势。

公司业务

公司业务指本行向公司客户提供的包括存款、贷款、贸易融资、结算、清算、托管等在内的各项金融产品和融资、财务解决方案等。

公司存、贷款业务 本行继续加大公司存款的营销力度，人民币公司存款延续了多年来的快速增长态势。截至 2006 年 6 月末，境内行人民币公司存款余额 11,421 亿元，比上年末增加 1,467 亿元，增长率为 14.7%，在全部金融机构⁵中的市场份额约为 8.2%；本行积极扩展重点客户群，落实差别化的业务管理和服务政策，并发挥总分行对重点项目的联动营销优势，加快发展优质资产业务。截至 2006 年 6 月末，境内行

⁵全部金融机构包括：中国人民银行、政策性银行、国有商业银行、其他商业银行、城市商业银行、农村商业银行、城市信用社、农村合作银行、农村信用社、财务公司、信托投资公司、租赁公司、邮政储汇局。

人民币公司贷款余额 12,367 亿元，比上年末增加 1,409 亿元，增长率为 12.8%，在全部金融机构中的市场份额约为 6.7%。在保持人民币公司存款稳定增长的同时，本行加大了外币公司存款拓展力度，努力维持我行市场优势。截至 2006 年 6 月末，境内行外币公司存款余额 176.7 亿美元，比上年末增加 12.9 亿美元，在全部金融机构中的市场份额约为 21.1%；本行充分发挥外汇业务优势，积极开展产品创新，并抓住贸易融资业务的市场机会，促进外币公司贷款的增长。本报告期末，境内行外币公司贷款余额 414.4 亿美元，比上年末增加 12.8 亿美元，在全部金融机构中的市场份额约为 33.5%。境外机构外币公司存款余额 270 亿美元，外币公司贷款余额 370.4 亿美元。

集团公司存款币种结构

单位：亿元人民币

	2006 年 6 月 30 日	2005 年 12 月 31 日
人民币	11,431	9,959
外币折合人民币	3,569	3,539
各货币折合人民币	15,000	13,498

2006 年上半年，本行大力拓展优质客户和业务，积极探索公司业务经营和管理的转型。继续加强总分行间对重点客户、重点项目的联动营销，拓展优质资产业务；加强与产品部门的合作，扩大产品的交叉销售；加强海内外联动和与本行附属机构中国银行(香港)有限公司(简称“中银香港”)、中银国际控股有限公司(简称“中银国际”)、中银国际投资有限公司(简称“中银投资”)、中银集团保险有限公司(简称“中银集团保险”)等机构的业务合作，提高公司业务整体竞争力；通过试点小企业业务、强化产品创新，确保公司业务的持续健康发展。

集团公司贷款币种结构

单位：亿元人民币

	2006 年 6 月 30 日	2005 年 12 月 31 日
人民币	12,392	10,979
外币折合人民币	6,249	6,141
各货币折合人民币	18,641	17,120

金融机构业务

本行金融机构业务是指以各类金融机构客户为服务对象，运用银行自身资源，以获取综合效益为目的所从事的资产、负债和中间业务等业务活动。受股市影响，2006 年 5-6 月金融机构存款增长较快。截至 2006 年 6 月末，境内行人民币金融机构存款余额为 1,723.3 亿元，比上年末增加 182.7 亿元；外币金融机构活期及定期存款余额为 98.7 亿美元，比上年末减少 1.8 亿美元。

自 1987 年起，本行先后确定纽约分行、东京分行、法兰克福作为美元、日元和欧元清算主渠道。经过若干年的发展，本行已建立起一个完整的、多货币、跨区域的海外清算体系，为海内外客户提供高效、快捷、便利的清算服务。

托管与基金代销业务

本行托管业务产品包括封闭式基金托管、开放式基金托管、券商集合理财计划托管、全国社保基金托管、保险资金托管、合格境外机构投资者（QFII）资金托管、企业年金托管、信托资金托管、资产证券化资金托管以及产业基金托管、合格境内机构投资者（QDII）境外投资资金托管等新兴托管产品。代销产品涵盖了股票型、平衡型、债券型等所有开放式基金类型，及券商集合理财计划代销、投资连结保险产品代销等产品。

2006 年上半年，托管和代销业务的经营环境总体向好，股市活跃，使得各类投资者入市的步伐加快，业务创新提速。总体上看，上半年代销及托管业务均保持了健康快速的发展。截至 2006 年 6 月末，本行托管总资产规模近 2,100 亿元，比年初增长逾 20%，居市场领先地位；本行代销基金金额逾 280 亿元，同比增长逾 50%。

2006 年上半年，我行在合格境外机构投资者(QFII)境内证券投资资金、保险资金、企业年金、地方社保基金等托管业务方面均取得了新的突破，成为最大的中资 QFII 托管银行。

国际结算及贸易融资业务

本行国际结算及贸易融资业务涵盖了进口开立信用证、出口信用证项下交单、进出口押汇、福费廷、信用证保兑、保函、保理等产品，除传统的国际结算及贸易融资服务外，本行独家办理的加工贸易保证金台账、税款保付保函等业务，满足了客户不同层次的结算及融资需求。

2006 年上半年，集团共办理国际结算业务 4,204.9 亿美元，同比增长 12.6%，其中境内行办理国际结算业务 2,699 亿美元，同比增长 10.7%；境外行办理国际结算业务 1,505 亿美元，同比增长 16.2%。2006 年上半年，受国内经济发展良好态势的影响，国内贸易融资业务大幅度增长，其中保理融资业务同比增幅达 223%；受国际市场利率攀升等因素的影响，国际贸易融资业务增势趋缓。2006 年上半年，集团共叙作国际贸易融资业务 291.7 亿美元，同比增长 13.3%。其中境内行办理国际贸易融资业务 131.4 亿美元，境外行办理国际贸易融资业务 199.1 亿美元。境内行叙作外汇保函业务 47.7 亿美元，同比增长 83.5%；人民币保函业务 373 亿元，同比增长 109.5%。境内行叙作国际保理业务 25.8 亿美元，同比增长 27.4%；叙作国内保理业务 127.6 亿元人民币，同比增长 192.3%。

集团国际结算业务量

单位：亿元美元

	2006 年 6 月 30 日	2005 年 6 月 30 日
业务量	4,204.9	3,733.9

2006年上半年，本行加大了对贸易融资产品和中间业务产品的创新和组合应用，先后推出了“出口全益达、进口汇利达、进口保付达、报关及时通”等一系列具有强大市场竞争力的产品，研发了出口信用险项下的福费廷业务等新型产品和服务。这些产品创新突显本行国际结算及贸易融资产品和服务的优势，进一步巩固了本行国际结算业务领先者的市场地位。

个人金融业务

个人金融业务是指本行为居民个人或家庭提供的包括个人存款、个人贷款、财富管理和银行卡等在内的各项金融服务。

储蓄存款 截至2006年6月末，境内行人民币储蓄存款余额为15,738亿元，比上年末增加1,574.4亿元；在全部金融机构中的市场份额为约10.2%，比上年末上升0.1个百分点。境内行外币储蓄存款为316.9亿美元，比上年末减少8.2亿美元，在全部金融机构中的市场份额约为49.8%。境外机构储蓄存款为696.8亿美元（其中含人民币储蓄存款89.7亿元），比上年末增加19.1亿美元。外币储蓄存款下降的主要原因为人民币汇率形成机制的改变，加大了市场对于人民币汇率再次升值的预期，使居民外币储蓄意愿减弱。

集团储蓄存款币种结构

单位：亿元人民币

	2006年6月30日	2005年12月31日
人民币	15,827	14,254
外币折合人民币	8,015	8,002
各货币折合人民币	23,842	22,256

个人贷款 截至2006年6月末，境内行个人贷款余额为4,047亿元，比上年末增加247亿元，其中住房贷款余额为3,084亿元，比上年末增加216亿元。境外机构个人贷款余额为171亿美元，比上年末减少6.2亿美元。

2006年上半年，本行加大以“理想之家”为统一品牌的直客式个人住房贷款的营销力度，推出了具有较强市场竞争力的“易居宝”一手房贷款和“安居宝”二手房贷款两款新产品；加强了与全国领先房地产开发企业的战略合作。截至2006年6月末，境内机构开展“直客式”消费贷款业务的网点数量超过7000个，占全部网点的60%以上。

集团个人贷款品种结构

单位：%

	2006年6月30日	2005年12月31日
住房贷款	79.07%	78.97%
汽车贷款	4.50%	5.35%
信用卡及其他	16.43%	15.68%

注：(1)其他主要包括个人投资经营贷款和个人助学贷款。

财富管理 2006年上半年，本行在境内理财中心推出了“中银理财全球服务”内容，达到统一服务标准的理财中心超过 250 家，可向中银理财贵宾客户提供预约服务。推出了一系列与汇率、石油、黄金挂钩的外汇理财产品，以及与汇率、黄金挂钩的人民币结构性理财产品。建立了“中银理财”专家顾问团，由本行全球金融市场部、个人金融部等相关部门，中银香港、中银国际、中银证券等 20 余名专家组成，支持“中银理财”品牌推广及客户教育。加强理财从业队伍建设，境内分行理财客户经理已超过 2300 人，其中近 900 人获得金融理财师资格认证。

银行卡业务 本行为客户提供包括的单双币种借记卡、准贷记卡、贷记卡和代理外卡交易等银行卡服务。

2006年上半年，本行稳步推进与苏格兰皇家银行集团有限公司（RBS）合作的信用卡业务单元的建设工作，加强银行卡业务经营管理和风险管理，提高银行卡单卡交易量和活动率，稳步提高银行卡业务收入。境内行累计实现银行卡手续费收入 9.6 亿元人民币，同比增长 51.4%。

截至 2006 年 6 月末，境内行累计发行长城人民币借记卡 9,463.38 万张，中银长城卡 703 万张，中银信用卡 109 万张，分别比去年同期增长 15.2%，12.5% 和 561%。外卡收单交易额实现 104.82 亿元人民币，同比增长 16.6%。长城人民币卡直消额实现 651 亿元人民币，同比增长 47.7%。

2006 年上半年，本行继续加大银行卡业务产品创新，先后推出了具备分期付款功能的标准人民币贷记卡-中银都市卡，中银久光 JCB 联名信用卡、中银北大信用卡、中银金鹰联名卡等产品，同时与大型企事业单位合作联名推出了长城嘉实基金联名卡、长城中升联名卡等项目，该类产品的推出，取得了良好的市场效果。

境内行长城人民币卡直接消费额

单位：亿元人民币

	2006年6月30日	2005年6月30日
直接消费额	650.9	440.8

资金业务

本行从事自营资金的投资和交易，同时为公司及个人客户提供资金产品及服务。在外汇资金业务方面，本行在国内商业银行界处于领先地位。

本行的投资业务涵盖本外币债券、货币市场、衍生产品和资产管理领域；交易业务包括外汇交易、外汇掉期交易、结售汇、外汇期权交易、外币债券及衍生产品交易、本币债券交易、贵金属交易等。本行拥有一批经验丰富的交易人员及资金业务风险管理人员，在盈利的同时保障资金风险处于可控范围之内。

新产品的开发和报价能力是本行主要竞争优势之一。近年来，央行陆续推出了人民币做市商制度、外汇一级交易商、询价交易方式、远期、即期、利率掉期、银行间人民币外汇掉期交易等多项举措，人民币汇率形成机制的市场化进程明显加快。此后，中国人民银行、中国银监会和国家外汇管理局又发布了《商业银行开办代客境外理财业务管理暂行办法》，本行成为首批获准开办代客境外理财业务并获额度最大的银行。本行充分利用资金业务优势，逐步提高资金产品的设计能力。特别是通过开发及提供量身定制的资金产品和服务吸引更多的优质客户。2006年上半年，面对激烈的市场竞争，本行积极开拓资金产品及业务。相继开展了人民币利率掉期业务、超远期结售汇业务等，同时针对国内理财市场的巨大潜力，推出了人民币结构性理财产品包括“博弈”零售理财产品、“奥运概念”理财产品系列。针对公司客户的理财需求，本行适时推出了“四季远期”、“信用花园”等理财产品。本行推出的“汇聚宝”个人外汇理财系列产品连续两年被国内专业财经网站“和讯网”授予“国内最佳理财品牌”称号。

黄金交易是本行重要资金业务之一。截至2006年6月30日，本行在国内唯一的黄金交易所——上海黄金交易所的市场份额为37%，是国内黄金交易之冠。

中银香港业务

中银香港为本行在香港设立的子公司，本行持有中银香港65.87%的股权。中银香港是香港主要商业银行之一，亦是香港三家发钞银行之一。截至2006年6月末，中银香港拥有分行共302家，其中香港分行287家，内地分支行14家，海外分行1家；自动柜员机(ATM)数目共454部。中银香港通过其广泛的服务网络向零售客户和企业客户提供全面的金融产品与服务。2006年上半年，中银香港收购中银集团保险持有的中银集团人寿的51%股权，进一步扩大了服务领域并开拓了新的收入来源。2006年上半年，中银香港实现净利润折合人民币45.70亿元（扣除少数股东损益后），同比增长14.5%。

2006年上半年，外围经济的有力支持及中国经济的强劲增长带动香港经济继续快速增长，就业市场改善、市民收入增加、投资市场活跃。得益于良好的经济环境，中银香港上半年盈利取得稳步增长，与去年同期比较，净利息收益率上升，非利息收入有较大增长，其中代理投资业务表现突出，成本收入比率保持市场低位。

存款业务继续保持优势，结构趋于优化。截至6月末，客户存款余额为6,509.94亿港元，较上年末上升1.9%。受利率上升等因素的影响，住房按揭贷款需求受到抑制，市场竞争进一步加剧，放款轻微减少0.2%；面对信贷业务发展不利的环境，中银香港着力优化授信组合，改善流程管理，中小企业贷款稳步增

长。银团贷款市场份额名列前茅。在香港及澳门银团贷款市场位居第二名，在香港及中国银团贷款市场排名第三。

2006年上半年中银香港继续保持香港人民币业务的市场领导地位，并于各类人民币业务领域持续取得理想的成绩。人民币存款于2006年上半年轻微增长0.1%。人民币信用卡发卡业务居主导地位，业务量增长60.3%。2006年3月，人民币交收系统正式推出，为人民币业务提供了一个优越的清算平台，并为香港人民币业务的进一步发展奠定基础。人民币个人支票服务的推出，为客户提供了更加灵活便捷的消费新模式。中银香港充分利用与母行的合作协同效应，以创造长期持续的理想资本回报率及股东最大效益为发展动力，继续开发高素质产品及服务。

5.2.2 投资银行业务

中银国际是中国银行在香港设立的全资附属子公司，在全球拥有30家附属机构。中银国际是一家拥有较强投资银行专业队伍、独立国际配售网络的全功能投资银行。

2006年上半年，中银国际实现利润总额折合人民币11.10亿元，同比增长446%。2006年上半年，中银国际以独家/联席牵头经办人的角色参与了中国银行等6个IPO上市项目，集资额占香港股票承销市场总集资额的28.5%。中银国际在2006年上半年新股承销榜上取得融资总金额及完成上市项目数量第一名。中银国际通过中银国际英国保诚资产管理有限公司（简称“中银保诚”）提供广泛的资产管理服务。截至2006年6月末，中银保诚资产管理公司管理的总资产额为268.5亿港元，较2005年年末增加15亿港元，增长率为5.9%。在强积金业务方面，中银保诚拥有超过46万计划登记成员，资产值逾140亿港元，以管理资产金额计算，中银保诚约占市场额8%左右。

中银国际证券有限公司（简称“中银国际证券”）于2002年3月成立，是首家获得A股综合类券商牌照的中外合资证券公司。截至2006年6月30日，中银国际证券承销额位居券商第一名；参与了国开行15期金融债的承销工作，承销额位居券商第一名；同期完成的债券交割量位居券商第二名。

5.2.3 保险业务

本行从事的保险业务包括寿险及非寿险。非寿险业务由本行全资持有，寿险业务由本行与子公司中银香港共同持有并经营。

中银集团保险及中银集团人寿保险有限公司（简称“中银集团人寿”）负责具体经营本集团的保险业务。

2006年上半年，本集团保险业务实现毛保费收入6.48亿港元；实现利润总额折合人民币3.88亿元，同比增长189%，业务来源主要包括银行代理业务及经纪代理业务两大类。

毛保费收入来源

单位：百万港元

	2006年6月30日	2005年12月31日	2005年6月30日
银行代理毛保费收入	293	514	283
经纪代理毛保费收入	355	752	402
合计	648	1,266	685

为了开拓更专业化的产品市场，中银集团保险于2006年起积极拓展董事责任保险、专业人员责任险等专业责任保险，同时响应政府提倡的“用者自付”医疗改革举措，筹划推出了一系列贴身医疗保险计划。2006年上半年，为了拓展海外业务，中银集团保险收购了联丰亨保险有限公司32%的股权，藉此涉足澳门市场，开展产寿险业务。为了进一步提升商业银行、投资银行及保险业务三业并举的理念及加强银保的业务联动，2006年6月，中银集团保险出让了中银集团人寿51%股权予中银香港，为中银集团人寿业务的发展奠定了新的里程碑。

5.2.4 信息科技

本行充分认识到信息科技的进步对本行未来发展的重要性。2006年上半年，本行信息科技工作继续以支持业务发展及安全生产为核心目标。推进了管理信息系统、网上银行新平台、国际结算及贸易融资集中化系统等重大IT项目建设。同时启动了位于北京的新的信息中心及位于上海的灾难备份中心的基础设施建设。IT蓝图项目有条不紊地开展，启动了系统培训、差距分析及压力测试等基础性工作。IT蓝图建设的有力推进，关系到本行改革、发展和创新的全局。IT蓝图的实施将实现本行分支机构网络业务操作信息逻辑集中化处理，以加强本行内部管理、风险防范及内部稽核的适时监控力度，使本行内控制度更趋完善，业务和管理流程实现以客户为中心、管理线条化模式。IT蓝图项目的稳步实施将为全面增强本行竞争能力、全面提升内部管理与控制水平构建强大的信息基础平台。

5.3 风险管理

风险管理是本行管理架构中重要的部分，良好的风险管理是本行持续健康较快发展的重要保证。2006年上半年，本行进一步提高风险管理实力，优化授信资产结构，改善授信资产质量，促进授信业务持续健康较快发展。

风险管理架构

本行董事会及其下属风险政策委员会，管理层下设的内部控制委员会、反洗钱工作委员会、资产负债管理委员会和资产处置委员会，风险管理部、授信执行部、资产负债管理部、法律与合规部等相关部门共同构成本行风险管理的主要组织架构。本行通过垂直管理模式管理分行的风险状况，通过窗口风险管理模

式管理业务部门的风险状况。通过委任子公司的董事会或风险管理委员会的若干成员，监控及控制子公司的风险管理。

信用风险

信用风险是因借款人或交易对手未能或不愿意履行偿债义务的风险。本行的信用风险主要来源于贷款、贸易融资和资金业务。

本行管理信用风险的流程可分为三个主要环节：（1）信贷发起和评估；（2）对信用风险的审查和批准；（3）贷款发放和贷后管理。

公司授信 对于公司授信业务，本行执行独立的尽责审查、民主的风险评审、严格的问责审批和后评价为内容的“三位一体”授信决策机制。

2006年上半年，本行继续推进授信集中审批机制改革，陆续实施授信集中审批。调整了海外机构授信审批权限和授权管理模式，加强了对客户的授信总量风险控制。为促进小企业授信业务的持续健康发展，本行进一步明确小企业授信准入条件并已启动分行试点工作。

本行实行客户信用评级与授信资产风险分类有机联系的二维评级体系。客户评级结果是授信授权管理、客户准入退出管理、授信审批、授信定价、授信资产风险分类的重要依据。本行计划下半年开始基于PD（违约概率）的客户信用评级模型的测试和推广工作。截至2006年6月30日，本行境内机构A类客户授信余额占比43.7%，较上年末提高1.8个百分点。

2006年上半年，本行建立了大额授信客户风险评估标准并制订了管理措施，完善了集团客户授信风险管理。根据国家宏观调控政策和房地产市场情况，加强了对行业风险的监控及房地产授信业务的管理，房地产贷款的资产质量稳步改善。

贷款五级分类是本行持续信贷监控的重要环节。本行从1999年开始实施授信资产五级分类制度。本行上半年继续对关注类贷款按“高、中、低”风险进行细分并管理，分类结果的客观性进一步提高，关注类贷款余额和占比继续下降。

个人贷款 2006年上半年，本行全面完成个人质押贷款和国家助学贷款以外的其他个人贷款审批权限向一级分行的集中工作。同时加强了对个人贷款的风险监控，包括对个人贷款在地区、产品等组合层面的全面监控，对高风险楼盘、高风险经销商以及高风险客户的重点监控和风险报告。

本行主要采取协商谈判、法律诉讼、债务重组、核销等各种方式向不良债务人追偿债务；普遍应用拍卖、招投标、协议转让等公开、透明市场方式加紧对实物资产的处置。

市场风险

市场风险是指因市场价格包括利率、汇率、股票价格和商品价格的不利变动而使银行表内和表外业务发生损失的风险。市场风险存在于银行的交易和非交易业务中。本行通过市场风险限额进行管理，风险限

额参照不同的风险因素，例如：利率、汇率、商品及股票价格等。采用多种风险计量技术，如敏感度限额等制订具体管理措施。

涉险值是一种统计学方法，用以在一段特定时间内，按指定的置信度，估量由于利率、汇率、商品及股票价格波动而可能对风险持仓所造成的潜在损失。下表为截至 2006 年 6 月 30 日止本行境内业务外币交易组合(不涵盖本行的较大金额投资账户或银行账户)的风险价值分析结果：

单位：百万美元

	截至 2006 年 6 月 30 日				截至 2005 年 12 月 31 日			
	期末	平均	高	低	期末	平均	高	低
利率风险	4.88	8.10	16.25	0.82	4.77	3.27	11.94	0.20
汇率风险	2.64	3.67	14.12	0.78	0.39	2.7	18.69	0.34
波动风险	0.19	0.68	4.63	0.16	0.36	0.8	2.54	0.04
市场风险总额	5.84	8.10	19.15	1.84	15.6	5.1	18.86	0.69

利率风险管理 利率风险是利率波动造成利息收入或资产价值遭受损失的风险。本行主要通过缺口分析来评估银行账户的利率风险状况。通过定期监测缺口状况，并利用缺口数据进行压力测试，以此调整计息资产与计息负债的重新定价期限结构。同时，本行密切关注本外币利率走势，紧跟市场利率变化，适时调整本外币存贷款利率，努力防范利率风险。

对于资金业务，本行采用风险价值、持续期和基点价值等技术计量利率风险，并运用压力测试和情景分析方法监控风险。本行还通过设定风险限额，对限额执行情况进行监控和管理。目前本行已建立了全球统一的资金业务内控中台，依托先进的市场风险管理系统，对本行各主要分支机构资金业务的市场风险进行有效的监控。

汇率风险管理 本行对汇率风险的管理涵盖非交易性账户及交易性账户的风险管理。非交易性汇率风险主要来自于资产与负债货币错配、外汇资本金、海外附属机构投资以及外币盈利或亏损。本行通过资金来源和运用的货币逐一匹配的方式尽量减少资产负债货币错配产生的汇率风险，辅之以结汇或考虑对冲交易的方式管理和控制汇率风险。然而，本行对外币头寸可实施的控制措施有限，因为人民币为非自由兑换货币。按照中国政府现行的外汇管理政策，外汇兑换需要中国政府有关部门的批准。本行针对降低外汇头寸采取了如下方式：

2005 年与中央汇金投资有限责任公司签署了一份外币期权合同，名义本金为 180 亿美元，对部分资产负债表的外汇头寸净额进行了经济套期保值。

截至 2006 年 6 月 30 日止期间，本行通过叙做外汇交易，降低外汇头寸净额 33 亿美元。

在资产负债表日后，截至 2006 年 8 月，本行通过叙做外汇交易，进一步降低外汇头寸净额 142 亿美元。

本行交易性账户的风险主要来自本行自主或经营外汇交易业务面临的风险，对于交易性账户的风险管理，本行则根据自身风险承受能力和经营能力，结合多种手段合理承担。通过总量控制、结构管理、额度管理、预测和估值等管理手段，有效降低市场不确定因素造成损失的可能性。

流动性风险

流动性风险是指无法以合理价格获取资金，满足到期债务支付需求的风险。

本行流动性管理的目标是：确保任何时候都拥有充足的流动性，以满足存款和其他到期债务的支付以及资产业务发展的需要，以及在有业务发展机会或有紧急情况时，有足够的能力在一定的时间内以合理的成本融入资金。

本行的流动性管理贯彻一级法人管理原则，全行的流动性管理实行自上而下、一级管一级、一级保一级的管理顺序。流动性管理的内容，包括正常经营环境下的管理和应对突发事件或极端情况下的应急措施。前者主要通过定期更新的管理政策指引、流动性指标管理、流动性缺口管理、头寸管理、总分行间资金往来管理、流动性资产组合管理和融资指导原则等手段，确保全行资产负债业务的正常开展，同时把本行流动性水平调控到适当的水平之上；后者主要通过预警指标、应急方案、融资能力测试等手段，达到及时发现和化解风险的目的。

2006年上半年，本行的资产负债业务平稳健康发展，流动性状况良好。截至2006年6月30日，反映流动性状况的有关指标均达到监管要求，具体如下表：

2006年6月30日	本币	外币
流动性比例	32.03%	45.88%
境内行贷存比	56.47%	71.95%
超额备付率 ¹	2.58%	17.07%

注：1、存款准备金是指金融机构为保证客户提取存款和资金清算需要而准备的在中央银行的存款，中央银行要求的存款准备金占其存款总额的比例就是存款准备金率。存款准备金及存款准备金率包括两部分，中央银行规定的存款准备金率被称为法定存款准备率，目前为7.5%，即接受存款的商业银行必须把存款的7.5%上存中央银行，与法定存款准备率对应的准备金就是法定准备金。超过法定准备金的准备金叫做超额准备金(国内习惯于称其为备付金)，超额准备金与存款总额的比例是超额准备率(国内常称之为备付率)。以上流动性比率按照中国人民银行及中国银行业监督管理委员会的相关规定进行计算，财务数据依据中国企业会计准则及《金融企业会计制度》要求编制。

内部控制与操作风险

本行致力于不断完善内部控制体系，构建由职能管理、合规控制和内部稽核组成的内部控制三道防线。明晰各业务单位岗位职责，在管理架构上为有效防范风险、科学配置资源提供保证。

本行内控建设的总目标是：以完善的内部控制组织体系为保障，以体现制衡原则、健全有效的制度为基础，以精细化的过程控制为着眼点，以激励约束机制和问责制为引导，以信息科技手段为依托，大力培育合规文化，努力构建本行全面系统、动态、主动和可证实的内部控制体系。

根据中国人民银行《商业银行内部控制指引》规定，本行从内部控制环境、公司业务、资金业务、个人金融业务、电子银行、银行卡、人力资源等不同业务及管理层面入手，不断强化内部控制措施，健全内部控制机制。同时，建立内部控制关键指标监测制度，对轮岗、代职、业务差错等内控关键指标进行重点监测及定期报告。

操作风险 操作风险是指由不完善或有问题的内部程序、人员及系统或外部事件所造成损失的风险。2006年上半年，本行与战略投资者苏格兰皇家银行开展了操作风险管理框架合作项目。初步探索适合本行实际情况的操作风险管理架构。制定了包括操作风险与控制评审、关键风险指标、重大事件报告等在内的工作流程。启动了操作风险与控制评估及关键风险指标的试点工作。

内部稽核

为更充分地发挥内部稽核在公司治理中的积极作用，2006年上半年，本行聘请独立的外部咨询机构，参照国际内部审计行业最佳实践对本行稽核工作进行了整体评估，并结合评估结果和监管机构的要求，开始实施从稽核组织架构、管理方式、报告路线到实务技术标准的全方位改进，着力构建董事会及稽核委员会的领导下的垂直、独立、有效的新稽核体系。与此同时，本行继续加大稽核检查的深度，关注高风险领域和内控薄弱环节的改进，有效促进内部控制有效性的不断提升。按照以常规稽核为主导，辅之以专项稽核和个案调查的稽核计划和统计体系，境内外各级稽核部门在兼顾检查广度的同时强化检查深度。2006年上半年，对6个海外机构，9个一级分行，115个二级分行，689个城区支行和957个县支行进行了常规稽核，同时完成专项稽核1,172个（其中经济责任稽核850个），个案调查31个。

资本管理

本行资本管理的目标是通过各类资本的有效筹划，保证本行的资本符合外部监管、信用评级、风险补偿和股东回报的要求；同时，充分利用资本工具和资本管理手段持续优化资本的财务效率，提升股本价值，实现以风险控制为基础的股东价值最大化。在报表披露的经营期间，本行及集团的资本水平符合各项法定要求。

5.4 展望

下半年，我国经济将继续保持较快增长的态势，这为本行的经营提供了良好的宏观环境。面对新形势、新任务，本行将加强战略研究，努力保持各项业务平稳较快增长，确保按计划完成年初确定目标，同时根据资本市场的要求，实施变革管理。在业务发展方面，本行将大力发展中间业务，加快发展个人金融业务，进一步优化业务结构和收入结构。稳健发展优质公司资产业务，把握好业务发展的速度和节奏，完

善主动负债管理，降低资金成本，提高服务水平。在风险管理方面，本行将进一步加强全面风险管理，完善内部控制体系，构建由职能管理、合规控制和内部稽核组成的内部控制三道防线。在基础建设方面，本行将深化组织架构改革和流程整合，加快 IT 蓝图实施。在人力资源方面，本行将继续推进人力资源改革，加强领导班子建设和员工队伍建设。

5.5 地区分部报告

2006年6月30日	单位：百万元人民币				
	中国内地	港澳地区	其他 境外地区	抵销	集团
净利息收入	45,078	8,549	845	4	54,476
非利息收入	4,371	6,189	152	(586)	10,126
业务及管理费	(18,920)	(3,618)	(687)	32	(23,193)
营业利润	27,584	11,091	297	(550)	38,422
资产减值(损失)/回拨	(5,932)	935	121	-	(4,876)
利润总额	21,824	12,284	455	(550)	34,013
所得税	(10,751)	(1,672)	(142)	203	(12,362)
少数股东应享本年利润	(4)	(2,623)	-	-	(2,627)
净利润	11,069	7,989	313	(347)	19,024
分部资产	4,268,205	993,715	199,169	(234,156)	5,226,933
分部负债	(3,917,105)	(897,042)	(191,882)	165,549	(4,840,480)

2005年6月30日	单位：百万元人民币				
	中国内地	港澳地区	其他 境外地区	抵销	集团
净利息收入	40,434	7,380	844	-	48,658
非利息收入	4,860	2,712	449	-	8,021
业务及管理费	(17,046)	(3,358)	(596)	-	(21,000)
营业利润	25,612	6,710	687	-	33,009
资产减值(损失)/回拨	(6,591)	1,805	210	-	(4,576)

利润总额	19,744	8,882	952	-	29,578
所得税	(9,472)	(1,228)	(160)	-	(10,860)
少数股东应享本年利润	9	(2,293)	-	-	(2,284)
净利润	10,281	5,361	792	-	16,434
分部资产	3,803,989	966,225	186,982	(214,390)	4,742,806
分部负债	(3,584,086)	(871,046)	(178,853)	153,799	(4,480,186)

2006年上半年，中国内地仍然是本行最重要的经营区域，是集团重要的收入和利润增长来源，该地区资产在集团资产总额中的占比为78%，净利润占比为57%；港澳地区是集团除内地之外的另一个重点经营区域，该地区资产占集团资产总额的18%，净利润占比为41%。

5.6 业务分部报告

2006年6月30日	单位：百万元人民币							
	公司银行业务	个人银行业务	资金业务	投资银行	保险业务	其他	抵销	总计
净利息收入	26,602	16,881	11,376	19	250	(656)	4	54,476
非利息收入	5,029	4,147	(1,471)	1,324	198	1,536	(637)	10,126
业务及管理费	(8,588)	(11,677)	(2,876)	(224)	(103)	(406)	681	(23,193)
营业利润	21,565	8,892	6,006	1,117	342	452	48	38,422
资产减值(损失)/回拨	(4,202)	(720)	1	(5)	6	44	-	(4,876)
利润总额	17,419	8,299	6,052	1,110	388	1,295	(550)	34,013
分部资产	1,813,042	637,280	2,692,140	18,079	17,153	84,279	(35,040)	5,226,933
资本性支出	416	782	31	6	2	953	-	2,190

2005年6月30日	单位：百万元人民币							
	公司银行业务	个人银行业务	资金业务	投资银行	保险业务	其他	抵销	总计
净利息收入	25,744	16,021	7,056	63	183	(409)	-	48,658
非利息收入	4,135	2,558	746	335	46	243	(42)	8,021
业务及管理费	(7,876)	(10,148)	(2,680)	(195)	(88)	(301)	288	(21,000)
营业利润	20,548	7,995	4,362	201	140	(483)	246	33,009
资产减值(损失)/回拨	(5,471)	819	19	1	(2)	58	-	(4,576)
利润总额	15,184	9,029	4,452	203	134	576	-	29,578

分部资产	1,658,718	603,891	2,399,377	15,159	12,398	77,644	(24,381)	4,742,806
资本性支出	342	665	32	4	25	698	-	1,766

自2006年1月1日起，本集团对内部转移定价政策进行了修订。新的内部转移定价机制以市场存款和贷款利率为基准，参照不同产品及其期限调整其预定利润率。在2006年1月1日前，本集团采用资金的平均成本和生息资产的平均利率作为内部转移定价的基础，并未考虑不同产品和各自到期日。该方法变化的主要原因是为了更好的反映各业务分部的经营业绩，加强本行对资产和负债的管理能力。以上表已根据新的分部转移定价，对2005年6月30日的报表项目的分部信息进行重新披露。

5.7 对净利润产生重大影响的其他经营业务

适用 不适用

5.8 参股公司经营情况（适用投资收益占净利润10%以上的情况）

适用 不适用

	2006年1-6月	2005年1-6月
参股公司名称	中银香港（控股）有限公司	
参股公司上市地点及代码	香港 2388	
参股公司经营范围	中银香港（控股）有限公司是一家投资控股公司，其附属公司中国银行（香港）有限公司（简称“中银香港”）主要于香港从事提供银行及相关金融服务。	
参股公司净利润 （扣除少数股东损益后） （亿元人民币）	45.70	39.93
参股公司当期净利润 占上市公司净利润比重 （%）	24.02%	24.30%

5.9 主营业务及其结构与上年度发生重大变化的原因说明

适用 不适用

5.10 主营业务盈利能力（毛利率）与上年度相比发生重大变化的原因说明

适用 不适用

5.11 利润构成与上年度相比发生重大变化的原因分析

适用√不适用

5.12 募集资金使用情况

5.12.1 募集资金运用

√适用不适用

报告期内，本行募集资金情况如下：

根据《中国银行业监督管理委员会关于中国银行股份有限公司吸收全国社会保障基金理事会投资入股的批复》(银监复[2006]49号)，本行于2006年3月13日向全国社会保障基金理事会定向溢价发行8,514,415,652股面值为每股人民币1元的普通股。全国社会保障基金理事会以人民币现金出资100亿元，投入资本包括股本溢价人民币14.81亿元。

根据《中国银行业监督管理委员会关于中国银行股份有限公司变更为境外募集股份有限公司并境外上市的批复》(银监复[2006]53号)和《关于同意中国银行股份有限公司发行境外上市外资股的批复》(证监国合字[2006]8号)，本行于2006年6月1日和2006年6月9日向境外投资者溢价发行29,403,878,000股面值为每股人民币1元的境外上市外资股(H股)，并于香港联合交易所上市，每股发行价格为港币2.95元。

根据《中国银行业监督管理委员会关于中国银行股份有限公司境内发行股份并上市有关事宜的批复》(银监复[2006]135号)和《关于核准中国银行股份有限公司首次公开发行股票的通知》(证监发行字[2006]20号)，本行于2006年6月29日向境内投资者溢价发行6,493,506,000股面值为每股人民币1元的普通股(A股)，并于上海证券交易所上市，每股发行价格为人民币3.08元。

本行募集资金的主要用途用于补充本行资本金。

5.12.2 变更项目情况

适用√不适用

5.13 董事会下半年的经营计划修改计划

适用√不适用

报告期内，本行未修改经营计划。

5.14 预测年初至下一报告期期末的累计净利润可能为亏损或者与上年同期相比发生大幅度变动的警示及说明

适用√不适用

本行预测年初至下一报告期期末的累积净利润不会亏损，与上年同期相比也不会发生大幅度变动。

5.15 公司管理层对会计师事务所本报告期“非标意见”的说明

适用√不适用

5.16 公司管理层对会计师事务所上年度“非标意见”涉及事项的变化及处理情况的说明

适用√不适用

§6 重要事项

6.1 收购、出售资产及资产重组

6.1.1 收购或置入资产

适用√不适用

6.1.2 出售或置出资产

√适用不适用

2006年6月1日，作为本行的全资子公司中银集团保险向本行持股65.87%的中银香港控股出售其持有的中银集团人寿的51%股权，购买价格经参考中银集团人寿截至2005年12月31日止的估值后为9亿港元。实际从本集团层面向中银香港控股的少数股东出售了中银集团人寿的17.4%股权，并获得1.38亿元人民币的收益。

本行在香港的子公司中银集团投资有限公司于2006年3月向独立第三方出售贷款，面值0.63亿元人民币，获得收入7.23亿元人民币，净收益6.60亿元人民币。

除上述披露外，报告期内，本行没有发生重大收购、出售资产及资产重组事项。

6.1.3 自资产重组报告书或收购出售资产公告刊登后，该事项的进展情况及对报告期经营成果与财务状况的影响

适用√不适用

6.2 担保事项

适用√不适用

担保业务属于本行常规的表外项目之一。本行在开展对外担保业务时一贯遵循审慎原则，对担保业务质量按贷款五级分类进行风险管理。

报告期内，本行没有发生重大委托他人进行现金资产管理事项。

6.3 重大关联交易

√适用不适用

如果一方有能力直接或间接控制、共同控制另一方或对另一方的财务和经营决策产生重大影响；或本集团与另一方或多方同受一方控制，均被视为存在关联关系。中国政府通过中央汇金投资有

限责任公司持有本行股权并对本集团实行控制。

1 与中央汇金投资有限责任公司之间的交易

(1) 外币期权合同

本行于 2005 年 1 月 5 日和中央汇金投资有限责任公司签署了一份外币期权合同。该外币期权合同规定，自 2007 年 1 月 1 日起至 12 月 31 日止，本行有权于每月初以 8.2769 的价格向中央汇金投资有限责任公司出售美元，每次交易不超过 15 亿美元，共计 180 亿美元。本行须向中央汇金投资有限责任公司支付相关期权费用人民币 44.69 亿元，此期权费于 2007 年 1 月 1 日起至 12 月 31 日止分 12 个月于每月初平均支付。

(2) 存款（单位：百万元人民币）

	2006 年 1-6 月	2005 年 1-6 月
期/年初余额	38,869	-
当期/年吸收的存款	156,679	42,972
当期/年归还的存款及其他变动	(173,709)	(4,103)
	<hr/>	<hr/>
期/年末余额	21,839	38,869

吸收中央汇金投资有限责任公司存款按照正常的商业条款和市场价格进行。

2 与中央汇金投资有限责任公司下属公司之间的交易

中央汇金投资有限责任公司同时拥有其他金融机构的股份控制权。本集团与这些金融机构在正常经营业务范围内按商业条款和市场价格进行金融业务交易。该等交易包括债券资产和货币市场交易等。截至 2006 年 6 月 30 日止，本集团与该等金融机构无重大交易余额。

3 与持有本行 5%以上（含 5%）股份股东之间的交易

除中央汇金投资有限责任公司外，于 2006 年 6 月 30 日持有本行 5%以上(含 5%)股份的股东为 RBS China Investments S.à.r.l.。本行与该股东之间在 2006 年 1 月 1 日至 6 月 30 日止期间无重大交易，截至 2006 年 6 月 30 日止无重大余额。

4 与联营企业之间的交易

本集团在正常的经营活动中与联营企业发生了包括存、贷款及购买发行债券在内的正常银行业务往来。该等交易按照正常的商业条款和市场价格进行。关联交易的金额和期末余额列示如下，相关的利息收入及支出并不重大。

(1) 贷款（单位：百万元人民币）

	2006年1-6月	2005年
期/年初余额	7,240	1,246
当期/年发放的贷款	18	8,128
当期/年归还的贷款	(6,095)	(989)
当期/年核销的贷款及其他变动		(1,145)
	<u>1,163</u>	<u>7,240</u>
期/年末余额		
贷款减值准备	(190)	(119)

(2) 存款（单位：百万元人民币）

	2006年1-6月	2005年
期/年初余额	856	1,227
当期/年吸收的存款	3,250	3,879
当期/年支取的存款及其他变动	(1,959)	(4,250)
	<u>2,147</u>	<u>856</u>
期/年末余额		

(3) 债券资产（单位：百万元人民币）

	2006年1-6月	2005年
期/年初余额	188	-
当期/年购入	-	1,307
当期/年处置	(188)	(1,123)
当期/年公允价值变动及其他		4
	<u>-</u>	<u>188</u>
期/年末余额		

6.4 重大诉讼仲裁事项

适用 不适用

报告期内，除已披露者外，本行未发生对经营活动产生重大影响的诉讼、仲裁事项。

截至2006年6月30日，本行存在正常业务中发生的若干法律诉讼事项，经与专业法律机构咨询，本行管理层认为该等法律诉讼事项不会对本集团的财务状况产生重大影响。

6.5 其他重大事项及其影响和解决方案的分析说明

适用√不适用

6.6 原非流通股东在股权分置改革过程中做出的特殊承诺及其履行情况

适用√不适用

6.7 未股改公司的股改工作时间安排说明

适用√不适用

未股改公司已承诺股改但未能按时履行的具体原因说明

适用√不适用

6.8 购买、出售或购回本行股份

√适用不适用

本行于 2006 年 3 月 13 日向全国社会保障基金理事会定向溢价发行 8,514,415,652 股普通股。

本行于 2006 年 6 月 1 日在香港联交所首次公开发行人 H 股数量为 25,568,590,000 股，于 6 月 9 日行使超额配售权，发行 H 股 3,835,288,000 股。

本行于 2006 年 6 月 29 日发行 6,493,506,000 股新 A 股股份，本行 A 股股份于 2006 年 7 月 5 日在上海证券交易所上市并开始进行交易。

除上述披露外，本行及任何附属公司概无购买、出售或赎回本行任何股份。

6.9 符合香港联交所上市规则《企业管治常规守则》

√适用不适用

本行致力于建立良好公司治理机制，并相信采用国际先进水平的公司治理对维护股东的权益至关重要。本行已按有关法律法规重组董事会和监事会。董事会对股东大会负责，并负责（其中包括）审批本行的业务策略和营运计划、委任高级管理层和建立本行的组织架构。以董事会为核心，本行亦在董事会下设多个下属委员会，履行董事会指定的职能。该等董事会下属委员会包括战略发展委员会、稽核委员会、风险政策委员会、人事和薪酬委员会以及关联交易控制委员会。本行的监事会对股东大会负责，并有责任和权力（其中包括）监督本行的董事会和高级管理层、审查本行的财务活动和检查本行的决策。

本行已根据载列于香港联交所上市规则附录十四《企业管治常规守则》的条文逐条对照本行的有关制度及实际情况。本行目前已全面符合该守则的相关守则条文，并已在绝大部分方面符合了该守则所列的建议最佳常规。

6.10 稽核委员会

√适用不适用

本行稽核委员会全部由非执行董事组成，包括 2 名非执行董事和 3 名独立非执行董事。主席由独立非执行董事 Patrick de Saint-Aignan 担任，委员包括朱彦、黄海波、梁定邦和 Peter Cooke。

该委员会按照独立性的原则，协助董事会对本集团的财务报告、内部控制、内部审计及外部审计等方面实施监督。

稽核委员会已审阅本行中期报告，本行外部审计师已按照《独立审计实务公告第 10 号-会计报表审阅》对此中期业绩报告进行审阅。但并未按中国企业会计准则进行审计。稽核委员会已就中期报告采用的会计准则及做法、内部监控及财务报告等事项进行商讨。

6.11 符合中国企业会计准则及《金融企业会计制度》

适用 不适用

截至 2006 年上半年止的中期业绩报告符合中国企业会计准则及《金融企业会计制度》之要求。

§7 财务报告

7.1 审计意见

财务报告	<input type="checkbox"/> 审计 <input checked="" type="checkbox"/> 未经审计
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7.2 披露比较式合并及母公司会计报表

中国银行股份有限公司利润表（2006 年 1 月 1 日-6 月 30 日止）

（除特别注明外，金额单位为人民币百万元）

	中国银行集团		中国银行	
	2006 年 1-6 月 未经审计	2005 年 1-6 月 未经审计	2006 年 1-6 月 未经审计	2005 年 1-6 月 未经审计
利息收入	99,777	77,466	79,525	66,038
利息支出	(45,301)	(28,808)	(33,197)	(24,401)
净利息收入	54,476	48,658	46,328	41,637
手续费及佣金收支净额	6,841	4,518	4,762	3,029
净交易收入	(193)	2,993	(282)	2,250
投资收益	1,681	149	7,652	4,840
其他业务收支净额	1,797	361	245	12
	64,602	56,679	58,705	51,768
业务及管理费	(23,193)	(21,000)	(19,715)	(17,744)

营业税金及附加	(2,987)	(2,670)	(2,952)	(2,650)
营业利润	38,422	33,009	36,038	31,374
营业外收支净额	467	1,145	222	777
扣除资产减值损失前利润总额	38,889	34,154	36,260	32,151
资产减值损失	(4,876)	(4,576)	(5,680)	(6,116)
利润总额	34,013	29,578	30,580	26,035
所得税	(12,362)	(10,860)	(10,937)	(9,601)
税后利润	21,651	18,718	19,643	16,434
少数股东应享本期利润	(2,627)	(2,284)	-	-
净利润	19,024	16,434	19,643	16,434
可供分配给本行股东的每股净收益 (以元/股表示)				
— 每股基本净收益	0.09	0.09		
— 稀释后每股净收益	0.09	0.09		

后附会计报表注释为本会计报表的组成部分。

中国银行股份有限公司资产负债表（2006年6月30日）
(除特别注明外，金额单位为人民币百万元)

资产	中国银行集团		中国银行	
	2006年 6月30日 未经审计	2005年 12月31日 经审计	2006年 6月30日 未经审计	2005年 12月31日 经审计
现金	29,811	28,644	26,684	25,144
贵金属	40,649	30,314	39,003	28,577
存放中央银行	340,651	316,941	314,986	284,373
存出发钞基金	36,094	35,586	1,650	1,641
交易性及其他公允价值变 动计入损益的债券	110,602	107,271	81,224	82,082
衍生金融产品资产	21,540	16,808	15,136	11,329
存放及拆放同业	300,114	344,537	223,651	256,786
债券投资	1,877,669	1,562,320	1,570,481	1,297,990

贷款	2,405,536	2,235,046	2,042,201	1,868,105
减：贷款损失准备	(88,128)	(83,153)	(84,753)	(79,581)
应收利息	23,187	20,408	18,726	16,107
股权投资	14,775	15,393	69,439	66,951
固定资产	71,208	72,978	52,169	53,392
在建工程	3,940	3,342	3,933	3,331
递延税款借项	17,410	17,561	17,298	17,428
其他资产	21,875	18,810	11,076	10,384
	<u>5,226,933</u>	<u>4,742,806</u>	<u>4,402,904</u>	<u>3,944,039</u>
资产总计				

中国银行股份有限公司资产负债表（2006年6月30日）

（除特别注明外，金额单位为人民币百万元）

负债	中国银行集团		中国银行	
	2006年 6月30日 未经审计	2005年 12月31日 经审计	2006年 6月30日 未经审计	2005年 12月31日 经审计
对中央银行负债	30,495	30,055	30,470	30,030
发行货币债务	36,151	35,731	1,708	1,786
衍生金融产品及公允价值 变动计入损益的负债	101,172	91,174	80,777	76,323
同业存入及拆入	358,349	345,233	350,337	343,574
客户存款	4,053,024	3,703,777	3,356,973	3,009,187
应付利息	31,485	27,024	29,559	25,291
借入专项资金	49,622	52,164	49,622	52,164
发行债券	60,177	60,179	60,177	60,179
递延税款贷项	254	184	22	22
其他负债	119,751	134,665	85,618	111,641
负债合计	<u>4,840,480</u>	<u>4,480,186</u>	<u>4,045,263</u>	<u>3,710,197</u>
少数股东权益	<u>28,812</u>	<u>28,778</u>	<u>-</u>	<u>-</u>
股东权益				
股本	253,839	209,427	253,839	209,427
资本公积	76,545	3,978	75,888	3,978
盈余公积	8,095	5,987	8,095	5,987
一般准备及法定准备金	9,398	5,109	9,398	5,109
未分配利润	23,837	12,585	24,494	12,585
可供出售债券公允价值变 动储备	(11,954)	(1,380)	(11,954)	(1,380)
外币报表折算差额	(2,119)	(1,864)	(2,119)	(1,864)
股东权益合计	<u>357,641</u>	<u>233,842</u>	<u>357,641</u>	<u>233,842</u>
负债和股东权益总计	<u>5,226,933</u>	<u>4,742,806</u>	<u>4,402,904</u>	<u>3,944,039</u>

后附会计报表注释为本会计报表的组成部分。

中国银行股份有限公司
2006年1月1日至2006年6月30日止期间股东权益变动表
(除特别注明外, 金额单位为人民币百万元)

	未经审计							合计
	中国银行集团							
	股本	资本公积	盈余公积	一般准备及 法定准备金	未分配利润	可供出售债券公 允价值变动储备	外币报表 折算差额	
2006年1月1日余额	209,427	3,978	5,987	5,109	12,585	(1,380)	(1,864)	233,842
本期净利润	-	-	-	-	19,024	-	-	19,024
发行普通股	44,412	72,567	-	-	-	-	-	116,979
提取盈余公积	-	-	2,108	-	(2,108)	-	-	-
提取一般准备及法定准备金	-	-	-	4,291	(4,291)	-	-	-
可供出售债券储备净变动	-	-	-	-	-	(10,574)	-	(10,574)
分配股利	-	-	-	-	(1,375)	-	-	(1,375)
外币报表折算差额	-	-	-	-	-	-	(255)	(255)
其他	-	-	-	(2)	2	-	-	-
2006年6月30日余额	253,839	76,545	8,095	9,398	23,837	(11,954)	(2,119)	357,641

法定代表人、董事长：肖钢
副董事长、行长：李礼辉

主管财会工作副行长：周载群
财会部总经理：刘燕芬

后附会计报表注释为本会计报表的组成部分。

7.3 报表附注

7.3.1 本报告期无会计政策、会计估计变更和会计差错更正。

7.3.2 报告期内，公司财务报表合并范围未发生重大变化。

7.3.3 附注

7.3.3.1

一、 净利息收入

	2006年1-6月	2005年1-6月
利息收入		
贷款利息收入	60,360	51,971
债券投资利息收入	30,652	19,908
存放及拆放同业利息收入	6,315	3,518
存放中央银行利息收入	2,450	2,069
	<hr/>	<hr/>
小计	99,777	77,466
利息支出		
客户存款利息支出	(38,887)	(23,815)
同业存入及拆入和对中央银行负债利息支出	(4,122)	(2,827)
借入专项资金和发行债券利息支出	(2,292)	(2,166)
	<hr/>	<hr/>
小计	(45,301)	(28,808)
净利息收入	<hr/>	<hr/>
	54,476	48,658

二 手续费及佣金收支净额

	2006年1-6月	2005年1-6月
结算与清算业务收入	1,794	1,287
代理业务收入	2,201	1,235
信用承诺手续费及佣金收入	1,438	1,308
银行卡业务收入	1,365	1,049
受托业务收入	248	235
其他	1,120	801
	<hr/>	<hr/>
手续费及佣金收入	8,166	5,915
手续费及佣金支出	<hr/>	<hr/>
	(1,325)	(1,397)
手续费及佣金收支净额	<hr/>	<hr/>
	6,841	4,518

三	净交易收入		
		2006年1-6月	2005年1-6月
	汇兑及汇率产品净收益	1,302	3,322
	利率产品净(损失)/收益 (1)	<u>(1,495)</u>	<u>(329)</u>
	合计	<u><u>(193)</u></u>	<u><u>2,993</u></u>

(1) 包括截至2006年6月30日止期间交易类债券未实现估值亏损17.55亿元。

四	投资收益		
		2006年1-6月	2005年1-6月
	股权投资收益		
	投资联营企业净收益	339	48
	其他股权投资净收益 (1)	<u>1,248</u>	<u>77</u>
	小计	1,587	125
	债券投资收益	<u>94</u>	<u>24</u>
	合计	<u><u>1,681</u></u>	<u><u>149</u></u>

(1) 其他股权投资净收益主要包括本集团在香港的子公司于2006年上半年买卖部分交易性股权投资获得的净收益。

五	其他业务收支净额		
		2006年1-6月	2005年1-6月
	其他业务收入		
	保险业务收入	4,286	2,624
	其他 (1)	<u>1,080</u>	<u>143</u>
	小计	<u>5,366</u>	<u>2,767</u>
	其他业务支出		
	保险理赔费用	(3,423)	(2,168)
	其他	<u>(146)</u>	<u>(238)</u>
	小计	<u>(3,569)</u>	<u>(2,406)</u>
	其他业务收支净额	<u><u>1,797</u></u>	<u><u>361</u></u>

(1) 其他业务收入中包括本集团在香港的子公司于2006年3月向独立第三方处置部分贷款，获得净收益6.60亿元。

六 业务及管理费

	2006 年 1-6 月	2005 年 1-6 月
员工费用	13,278	11,654
业务费用	7,174	6,208
折旧	2,741	3,138
合计	<u>23,193</u>	<u>21,000</u>

员工费用具体列示如下:

	2006年1-6月	2005年1-6月
工资薪金及福利费	10,141	9,345
养老金设定提存计划	1,495	659
住房公积金	626	427
其他社会保险支出	415	362
养老金设定受益计划	139	238
其他	462	623
合计	<u>13,278</u>	<u>11,654</u>

2005年下半年, 本集团设立中国银行企业年金计划。养老金设定提存计划费用中包括本行在2006上半年向该年金计划支付4.78亿元。

在截至2006年6月30日止期间的养老金设定提存计划支出中已扣除因员工辞职等原因而没收的供款金额约为0.12亿元(2005年1-6月: 0.14亿元)。截至2006年6月30日和2005年6月30日止, 可作进一步扣减日后应付供款的没收金额均不重大。

七 营业税金及附加

	2006年1-6月	2005年1-6月
营业税金	2,687	2,406
城市维护建设税	176	158
教育费附加	96	83
其他	28	23
合计	<u>2,987</u>	<u>2,670</u>

八 资产减值损失

	2006年1-6月	2005年1-6月
贷款减值损失	5,062	4,718
抵债资产减值(转回)/损失	(131)	96
其他应收款坏账(转回)/损失	(55)	206
固定资产及其他资产减值转回	-	(444)
合计	<u>4,876</u>	<u>4,576</u>

九 所得税

	2006 年 1-6 月	2005 年 1-6 月
当期所得税	12,136	10,998
递延所得税	226	(138)
合计	<u>12,362</u>	<u>10,860</u>

本集团实际所得税支出与按法定税率计算的所得税支出不同，主要调节事项如下：

	2006 年 1-6 月	2005 年 1-6 月
税前利润	<u>34,013</u>	<u>29,578</u>
按税前利润乘以 33% 计算之所得税	11,224	9,761
其他国家和地区采用不同税率所产生的影响	(1,927)	(1,479)
境外机构所得在境内补交所得税	1,688	865
调整以前年度所得税费用 (1)	(350)	(2)
免税收入	(1,223)	(614)
不可税前抵扣的费用 (2)	2,921	2,452
其他	29	(123)
合计	<u>12,362</u>	<u>10,860</u>

- (1) 主要包括2006年上半年本行获财政部和国家税务总局批准，针对以划转股权投资方式注入东方资产管理公司形成的尚未扣除的人民币8.60亿元投资划转损失，准予其在计算企业所得税前扣除，相关所得税影响为人民币 2.84 亿元。
- (2) 不可税前抵扣的费用主要为超过税法抵扣范围的工资成本等。

本集团目前正在向国家税务总局申请境内员工费用可于税前抵扣的法定限额调整安排。国家税务总局以《关于中国银行股份有限公司计税工资税前扣除问题的复函》(国税函[2006] 484号)原则同意本行在境外上市后，计税工资按照“工效挂钩”办法税前扣除。本集团管理层将按照国家主管部门有关规定，积极跟进该项申请并落实具体实施方案。

十 每股基本净收益和稀释后每股净收益

每股基本净收益按归属于普通股股东的当期净利润除以当期发行在外普通股股数的加权平均数计算。

稀释后每股净收益是在假设对所有潜在稀释普通股进行转换并调整发行在外普通股的加权平均数的基础上进行计算的。本行没有任何潜在稀释普通股。

	2006年1-6月	2005年1-6月
归属于本行股东的当期净利润	19,024	16,434
当期发行在外的普通股股数的加权平均数 (百万股)	218,002	186,390
每股基本净收益和稀释后每股净收益 (人民币元/股)	0.09	0.09

7.3.3.2 母公司会计报表主要项目补充说明

一	净利息收入		
		2006年1-6月	2005年1-6月
	利息收入		
	贷款利息收入	50,141	45,875
	债券投资利息收入	23,738	15,804
	存放及拆放同业利息收入	3,457	2,327
	存放中央银行利息收入	2,189	2,032
	小计	79,525	66,038
	利息支出		
	客户存款利息支出	(26,815)	(19,427)
	同业存入及拆入和对中央银行负债利息支出	(4,090)	(2,811)
	借入专项资金和发行债券利息支出	(2,292)	(2,163)
	小计	(33,197)	(24,401)
	净利息收入	46,328	41,637
二	手续费及佣金收支净额		
		2006年1-6月	2005年1-6月
	结算与清算业务收入	1,374	964
	代理业务收入	877	385
	信用承诺手续费及佣金收入	1,148	996
	银行卡业务收入	962	636
	受托业务收入	113	110
	其他	748	611
	手续费及佣金收入	5,222	3,702
	手续费及佣金支出	(460)	(673)
	手续费及佣金收支净额	4,762	3,029
三	净交易(损失)/收入		
		2006年1-6月	2005年1-6月
	汇兑及汇率产品净收益	343	2,655
	利率产品净损失	(625)	(405)
	合计	(282)	2,250

四	投资收益	2006年1-6月	2005年1-6月
	股权投资收益		
	投资子公司净收益	7,521	4,747
	投资联营企业净收益	5	3
	其他股权投资净收益	21	85
	小计	7,547	4,835
	债券投资收益	105	5
	合计	7,652	4,840
五	业务及管理费	2006年1-6月	2005年1-6月
	员工费用	11,087	9,602
	业务费用	6,308	5,394
	折旧	2,320	2,748
	合计	19,715	17,744
	员工费用具体列示如下:		
		2006年1-6月	2005年1-6月
	工资薪金及福利费	8,159	7,546
	养老金设定提存计划	1,334	638
	住房公积金	611	427
	其他社会保险支出	411	339
	养老金设定受益计划	139	238
	其他	433	414
	合计	11,087	9,602
六	资产减值损失	2006年1-6月	2005年1-6月
	贷款减值损失	5,849	6,092
	抵债资产减值(转回)/损失	(129)	96
	其他应收款坏账(转回)/损失	(32)	211
	固定资产及其他资产减值转回	(8)	(283)
	合计	5,680	6,116

7.3.3.3 衍生金融产品

本集团主要以交易及套期保值为目的叙做下列与汇率和利率相关的衍生金融产品。

本集团持有的衍生金融产品的合同/名义金额及其公允价值列示如下。资产负债表日各种衍生金融工具的合同/名义金额仅提供了一个与表内所确认的公允价值资产或负债的对比基础，并不代表所涉及的未来现金流量或当前公允价值，因而也不能反映本集团所面临的信用风险或市场风险。随着与衍生金融产品合约条款相关的外汇汇率、市场利率及股票或期货价格的波动，衍生金融产品的估值可能产生对银行有利(资产)或不利(负债)的影响，这些影响可能在不同期间有较大的波动。对没有活跃交易市场的金融工具，本集团通过各种估值方法确定其公允价值。使用的估值方法包括贴现现金流模型分析等。在实际操作允许的限度内，各种估值模型仅使用可观察到的数据，如利率和汇率。但管理层需对其他参数，诸如自身和交易对手的信用风险、市场波动率和相关性等方面进行估计。这些可观察到的数据以及相关假设的变化均会对金融工具的公允价值产生影响。

2006年6月30日	合同/名义金额	公允价值	
		资产	负债
外汇衍生金融产品			
远期外汇合同 (1)	800,207	8,412	(5,040)
场外期权 (2)	268,738	4,348	(708)
小计		12,760	(5,748)
利率衍生金融产品			
利率互换合同	402,830	6,194	(7,333)
交叉货币利率互换合同	38,209	1,943	(3,980)
场外期权	149,528	146	(1,058)
利率期货	17,552	21	(3)
小计		8,304	(12,374)
权益衍生金融产品	11,223	166	(227)
贵金属衍生金融产品	10,686	310	(412)
衍生金融产品资产/(负债)合计		21,540	(18,761)

2005 年 12 月 31 日	合同/名义金额	公允价值	
		资产	负债
外汇衍生金融产品			
远期外汇合同 (1)	563,397	6,991	(4,813)
场外期权 (2)	196,012	3,781	(374)
小计		10,772	(5,187)
利率衍生金融产品			
利率互换合同	361,332	3,132	(5,246)
交叉货币利率互换合同	39,427	1,735	(4,131)
场外期权	110,578	148	(215)
利率期货	14,939	28	(34)
小计		5,043	(9,626)
权益衍生金融产品	15,442	14	(7)
贵金属衍生金融产品	21,008	979	(932)
衍生金融产品资产/(负债)合计		16,808	(15,752)

- (1) 自 2005 年起，中国人民银行选择部分国内大型商业银行(包括本行)进行外汇掉期交易。在这些交易中，中国人民银行即期卖出美元买入人民币，并在一年后按约定的汇率买入美元卖出人民币，该约定汇率反映了各笔交易初始日美元和人民币利率的差异。
- (2) 包括与中央汇金投资有限责任公司签署的合同金额为 180.00 亿美元的外币期权合同。该交易的目的是为中央汇金投资有限责任公司注资形成的美元汇率风险头寸提供有效的经济套期保值。

7.3.3.4 或有事项、承诺及主要表外项目

一 法律诉讼

截至 2006 年 6 月 30 日止，本集团存在正常业务中发生的若干法律诉讼事项。经与专业法律机构咨询，本集团管理层认为该等法律诉讼事项不会对本集团的财务状况产生重大影响。

二 质押资产

本集团部分资产被用作同业间回购、卖空业务及贵金属互换协议的质押物。截至2006年6月30日止，本集团该等回购、卖空业务及贵金属互换协议的合同金额为785.97亿元(2005年：621.08亿元)。所有该等协议均在协议生效起12个月内到期。

	2006年6月30日	2005年12月31日
贵金属	52	2,617
票据	5,569	11,968
债券投资	76,822	49,658
合计	<u>82,443</u>	<u>64,243</u>

三 资本性承诺

本集团的资本承诺金额列示如下：

	2006年6月30日	2005年12月31日
已批准及签订合同	2,152	1,893
已批准但未签订合同	2,257	2,687
	<u>4,409</u>	<u>4,580</u>

本集团以上承诺皆为购买办公物业和设备承担的资本性承诺。本集团管理层确信本集团的未来净收入及其他筹资来源将足够支付该等资本性承诺，然而本集团对已批准但未签订合同的金额不承担必须发生支出的义务。

四 经营租赁

根据已签订的不可撤销的经营性租赁合同，本集团未来最低应支付的租金总额列示如下：

	2006年6月30日	2005年
一年以内	1,401	1,371
一年至二年	1,159	1,085
二年至三年	851	807
三年以上	2,566	2,546
合计	<u>5,977</u>	<u>5,809</u>

五 凭证式国债兑付承诺

本行受财政部委托作为其代理人发行凭证式国债。凭证式国债持有人可以要求提前兑付持有的凭证式国债，而本行亦有义务履行兑付责任，兑付金额为凭证式国债本金及至兑付日的应付利息。截至 2006 年 6 月 30 日止，本行具有提前兑付义务的凭证式国债的本金余额为 840.56 亿元(2005

年：809.65 亿元)，原始期限为一至五年。鉴于目前由中国人民银行设定的存款基础利率低于凭证式国债的收益率，本行管理层认为在该等凭证式国债到期日前，本行所需兑付的凭证式国债金额并不重大。

六 主要表外风险

	2006年6月30日	2005年12月31日
银行承兑	230,434	195,234
开出保函	255,779	212,987
开出信用证	115,686	101,195
不可撤销的信用承诺及其他	422,297	386,346
合计	1,024,196	895,762

中国银行股份有限公司

董事长:肖钢

2006 年 8 月 29 日

Summary of the 2006 Interim Report

Bank of China Limited

§ 1 Important Notes

1.1 The Board of Directors of Bank of China Limited (the “Bank”) and its directors, the Board of Supervisors and its supervisors, the senior management of the bank warrant that there are no fraudulent disclosures, misleading statements or material omissions in this report and that they will be individually and jointly responsible for the truthfulness, accuracy and completeness of the report.

The Summary extracts from the text of the 2006 Interim Report, which is simultaneously available at www.sse.com.cn and www.sehk.com.hk. Investors should read the whole report to get detailed information.

1.2 All directors of the Bank attended the meeting of the Board of Directors.

1.3 The interim financial report of the Bank is unaudited.

1.4 Chairman Xiao Gang, President Li Lihui, Vice President in charge of accounting function Zhou Zaiqun and General Manager in charge of the Accounting Department Liu Yanfen undertake that the data of the interim report are true and complete.

§ 2 Corporate Information

2.1 Brief Introduction

Stock name	Bank of China Limited	
Stock code	601988	
Place of listing	Shanghai Stock Exchange	
Stock name	Bank of China Limited	
Stock codes	3988	
Place of listing	The Stock Exchange of Hong Kong Limited (the Hong Kong Stock Exchange)	
	Secretary to the Board	Securities representative
Name	YEUNG Jason Chi Wai	
Address	1 Fuxingmen Nei Street, Beijing, PRC China	
Telephone	010-66596688	
Tax	010-66016871	
E-mail	bocir@bank-of-china.com	

2.2 Major Financial Data and Indicators

(The financial data and indicators of the Bank for the six months ended 30 June 2006 are prepared under the *Accounting Standard for Business Enterprises* and the *Accounting System for Financial Institutions*.)

2.2.1 Major Accounting Data and Financial Indicators

(1)

Unit: RMB million

	At 30 June 2006	At 31 December 2005	At 31 December 2004	Increase/Decrease from 1 January 2006 to 30 June 2006
Total assets	5,226,933	4,742,806	4,270,443	10.21%
Incl.: loans, net	2,317,408	2,151,893	2,071,693	7.69%
Total liabilities	4,840,480	4,480,186	4,037,705	8.04%
Incl.: Customer deposits	4,053,024	3,703,777	3,342,477	9.43%
Total equity attributable to shareholders of the Bank	357,641	233,842	205,351	52.94%
Net assets per share (RMB)	1.41	1.12	1.10	25.89%
Adjusted net assets per share (RMB) ¹	1.40	1.11	1.09	26.13%
	Half year ended 30 June 2006	Half year ended 30 June 2005	Year ended 31 December 2005	Increase/Decrease from first half of 2005 to first half of 2006
Operating profit	38,422	33,009	64,744	16.40%
Gross profit	34,013	29,578	55,140	14.99%
Net profit	19,024	16,434	27,492	15.76%
Net profit after deducting Non-recurring gains/losses	18,314	NA	26,174	NA
Earnings per share (EPS) ² (fully diluted, RMB)	0.07	0.09	0.13	(22.22%)

¹ The data are computed according to the *Standards Concerning the Contents and Formats of Information Disclosure by Companies Offering Securities to the Public (No.3) --- Contents and Formats of Interim Report (Revision 2003)* (ZJGSZ [2003] No.25) promulgated by China Securities Regulatory Commission (CSRC).

² EPS is calculated according to the *Compiling Rules on Information Disclosure by Companies Offering Securities to the Public (No.9) --- Computation and Disclosure of Return on Net Assets and EPS* promulgated by CSRC.

EPS ^{2,1} (weighted average,RMB)	0.09	0.09	0.15	0.00%
Net cash flow from operating activities	(117,991)	21,615	13,883	(645.88%)
	At 30 June 2006	At 31 December 2005	At 31 December 2004	Increase/Decrease from 1 January 2006 to 30 June 2006 (%)
Return on total assets (annualized)	0.87%	0.72%	0.61%	0.15
Return on share capital ² (annualized, excluding minority interests)	12.87%	12.52%	10.23%	0.35
Return on share capital (annualized, including minority interests)	13.34%	13.16%	10.92%	0.18
Return on net assets ² (annualized, fully diluted)	10.64%	11.76%	10.19%	(1.12)
Return on net assets ² (annualized, weighted average)	14.99%	12.62%	10.04%	2.37
Credit cost (annualized)	0.44%	0.50%	1.06%	(0.06)
Non-performing loan (NPL) ratio	4.19%	4.62%	5.12%	(0.43)
Capital adequacy ratio	12.40%	10.42%	10.04%	198
Provision coverage ratio	87.44%	80.55%	68.02%	6.89
	Half year ended 30 June 2006	Half year ended 30 June 2005	Year ended 31 December 2005	Increase/Decrease from first half of 2005 to first half of 2006 (%)
Cost to income ratio	35.90%	37.05%	39.30%	(1.15)
Proportion of non-interest income	15.67%	14.15%	13.46%	1.52
Net interest margin	2.26%	2.31%	2.32%	(0.05)

(2) Appendix to the Income Statement

(Return on net assets and EPS calculated in accordance with the *Compiling Rules on Information Disclosure by Companies Offering Securities to the Public (No.9)* promulgated by CSRC)

Unit: RMB million

Items	Profit in the report period	Return on net assets (%)		EPS (RMB)	
		Fully diluted	Weighted average	Fully diluted	Weighted average
Profit from main business	38,422	21.49%	30.27%	0.15	0.18
Operating profit	38,422	21.49%	30.27%	0.15	0.18
Net profit	19,024	10.64%	14.99%	0.07	0.09
Net profit excluding non-recurring gains/losses	18,314	10.24%	14.43%	0.07	0.08

Net Interest Income

¹ Weighted average share capital and net asset are calculated with the number of days as the weight.

² The data are calculated according to the *Guidelines on the Corporate Governance and Supervision of State-owned Commercial Banks* (YJF [2006] No.22).

In the first half of 2006, the Group achieved a net interest income of RMB54,476 million a year-on-year increase of RMB5,818 million or 11.96%.

Unit: RMB million

	For the six month period ended	
	30 June 2006	30 Jun 2005
Interest income		
Loans and advances to customers	60,360	51,971
Debt securities	30,652	19,908
Due from and placements with banks and other financial institutions	6,315	3,518
Due from central banks	2,450	2,069
Sub-total	99,777	77,466
Interest expense		
Deposits from customers	(38,887)	(23,815)
Due to and placements from banks and other financial institutions, and due to central banks	(4,122)	(2,827)
Special purpose borrowings and bonds issued	(2,292)	(2,166)
Sub-total	(45,301)	(28,808)
Net interest income	54,476	48,658

The Group's interest income was RMB99.777 billion in the first half of 2006, a year-on-year increase of RMB22.311 billion or 28.80%. The growth is attributed to the size expansion as well as the increase of average interest rate of interest-earning assets. The average balance of interest-earning assets increased by 14.35% from RMB4,218.619 billion as at 30 June 2005 to RMB4,824.044 billion as at 30 June 2006. The average interest rate of interest-earning assets climbed by 47 basis points from 3.67% in the first half of 2005 to 4.14% in the first half of 2006.

Net Fee and Commission Income

Unit: RMB million

	Half year ended 30 June 2006	Half year ended 30 June 2005
Settlement and clearing fees	1,794	1,287
Agency commissions	2,201	1,235
Credit commitment fees and commissions	1,438	1,308
Bank card fees	1,365	1,049
Custodian and other fiduciary service fees	248	235
Others	1,120	801
Fee and commission income	8,166	5,915
Fee and commission expense	(1,325)	(1,397)
Net Fee and commission income	6,841	4,518

In the first half of 2006, the Group achieved a net fee and commission income of RMB6.841 billion, a year-on-year increase of RMB2.323 billion or 51.42%. The increase was mainly attributed to the Group's intensified efforts to drive the growth in fee-based businesses. As a result, significant increase was recorded in agency commissions, settlement and clearing fees, and bank card fees.

Agency commission of the Group reached RMB2.201 billion, a year-on-year increase of RMB966 million or 78.22%. The growth is mainly attributable to increased sales of products and services such as treasury bonds, investment funds and insurance.

Settlement and clearing fees of the Group stood at RMB1.794 billion, a year-on-year increase of RMB 507 million or 39.39%. The growth is primarily attributable to the rapid growth of businesses such as factoring and L/C settlement and personal electronic remittances.

Bank card fees of the Group reached RMB1.365 billion, a year-on-year increase of RMB316 million or 30.12%. The growth is mainly attributable to the intensified efforts of the Group on promoting bank cards business in line with market changes and customer demand, which led to continuous increase in new card issuance, transaction volume and frequency of ATM transactions.

Net Trading Income

	Unit: RMB million	
	Half year ended 30 June 2006	Half year ended 30 June 2005
Net gains from foreign exchange and foreign exchange products	1,302	3,322
Net gains from interest rate products	(1,495)	(329)
Total	(193)	2,993

The Group suffered a net trading loss of RMB 193 million in the first half of 2006, a year-on-year decline of RMB3.186 billion or 106.45%.

In the first half of 2006, the domestic institutions' spread income from foreign exchange dealings was RMB2.728 billion, a year-on-year increase of RMB 804 million or 41.79%. The increase is mainly attributable to the change in foreign exchange rate and moderate liberalization of personal limits that spurred the growth of personal foreign exchange transactions. During the same period, due to interest rate volatility, the Group suffered a loss from interest rate instruments of RMB1.495 billion, a year-on-year decrease of RMB1.166 billion or 354.41%.

Starting from 21 July 2005, the People's Bank of China (the central bank) adopted a managed floating exchange rate regime. As a result of RMB appreciation, the Group suffered a net loss of RMB3.5 billion on foreign currency exposure under the restricted foreign exchange capital account in the first half of 2006. At the same time, the foreign exchange option contract entered between the Group and Central SAFE Investments Limited gave rise to an evaluation gain of RMB 300 million. Should the above factors be excluded, the Bank's net trading income has increased by RMB14 million year-on-year.

Investment Income

In the first half of 2006, the Group's investment income rocketed by RMB1.532 billion or 1028.19% to RMB1.681 billion. The increase is mainly attributable to: (1) the Group acquired an

additional 5% stake in September 2005 in Huaneng International Power Development Corporation and thus held 20% stake in total, investment income from which was accounted for based on equity method and recognized in net gains from investment in associates; (2) the Group sold shares of BOC Group Life Assurance Limited to BOC Hong Kong (Holdings) Limited; and (3) the investment income of BOC International increased.

Impairment Losses

Unit: RMB million

	Half year ended 30 June 2006	Half year ended 30 June 2005
Provision for loan losses	5,062	4,718
(Write-back of)/Provision for impairment of foreclosed assets	(131)	96
(Write-back of)/Provision for impairment of other receivables	(55)	206
Write-back of impairment of fixed assets and others	-	(444)
Total	4,876	4,576

In the first half of 2006, the Group's asset impairment losses increased by RMB 3 million or 6.56%.

Income Tax Analysis

In the first half of 2006, the Group's income tax expense was RMB12.362 billion, a year-on-year increase of RMB1.502 billion or 13.83%. The Group's effective tax rate was 36.34%, a year-on-year decrease of 0.38 percentage points.

Capital Adequacy Ratio

The Bank calculates and discloses the capital adequacy ratio in line with the *Management Measures on Capital Adequacy Ratio of Commercial Banks* (CBRC Decree [2004] No.2) promulgated by the China Banking Regulatory Commission (CBRC) on 23 February 2004. In 2005, the Group calculated market risk capital in line with the provisions of the *Circular of the General Office of China Banking Regulatory Commission on Issuing Market Risk Capital Calculation Sheet and Explanation for Commercial Banks* (YJF [2004] No.374) promulgated by the CBRC. As of 30 June 2006, the Group's capital adequacy ratio increased by 1.98 percentage points to 12.40%, while core capital adequacy ratio declined by 2.55 percentage points to 10.63%.

The Group's net capital amounted to RMB452.027 billion as of 30 June 2006, an increase of RMB125.79 billion. The net core capital grew by RMB134.728 billion to RMB387.698 billion, and risk-weighted assets (excluding market risk) increased by RMB370.47 billion to RMB3,163.659 billion. The market risk assets of the Group were RMB38.549 billion, translating into risk assets of RMB481.868 billion.

2.2.2 Non-recurring Items

Unit: RMB million

Items	Balance
Net gains on disposal of long-term equity investments	141
Non-operating income	1,111
Non-operating expense	(644)
Write-back of the impairments recognized in previous years	451
Income tax impact of non-routine items	(349)
Total	710

2.2.3 Reconciliation between PRC GAAP and IFRS Financial Information

Unit: RMB million

	Net Assets		Net profit	
	At 30 June 2006	At 31 December 2005	Half year ended 30 June 2006	Half year ended 30 June 2005
PRC GAAP figures	357,641	233,842	19,024	16,434
Adjustments for accounting standard differences:				
--Reversal of revaluation surplus and corresponding depreciation	(7,794)	(7,999)	205	133
--Fair value measurement on investment properties	3,199	2,816	438	1,059
--Equity securities classified as available-for-sale financial assets and stated at fair value	3,566	1,775	-	-
--Early retirement benefit obligation	(4,911)	(5,097)	186	(1,749)
--Cost method applied on precious metals	(757)	(637)	(120)	(83)
--Deferred tax impact	4,222	992	(97)	(97)
--Minority interests effect and others	581	727	(159)	(516)
Sub-total	(1,894)	(7,423)	453	(1,253)
IFRS figures	355,747	226,419	19,477	15,181

Notes:

(1) Reversal of revaluation surplus and corresponding depreciation

Under PRC GAAP, the Bank recorded an asset revaluation adjustment of RMB 10,432 million as of 31 December 2003, related principally to property and equipment, in connection with the Joint Stock Reform Plan. The revalued property and equipment will be amortized over their remaining useful lives. According to IFRS 16 - Property, Plant and Equipment, once an entity has chosen the cost model as its accounting policy, it shall apply the policy to an entire class of property, and shall not be permitted to measure these fixed assets at fair value.

Hence, the asset revaluation surplus and corresponding depreciation recognized under PRC GAAP, should be reversed under IFRS.

(2) Fair value measurement on investment properties

Under PRC GAAP, investment properties as fixed assets are measured at cost after deducting accumulated depreciation and impairment losses. According to *IFRS 40-Investment Property*, investment properties are measured at fair value at the balance sheet date by the Group.

(3) Equity securities classified as available-for-sale financial assets

Under PRC GAAP, equity securities are accounted for at cost after deducting impairment losses. According to *IFRS 39-Financial Instruments: Recognition and Measurement*, these securities have been classified as available-for-sale and accounted for accordingly.

(4) Early retirement benefit obligation

According to the requirement of MOF, the early retirement benefit expenditures during the early retirement period (from early retirement date to legal retirement date) to those employees who accepted an early retirement arrangement is recognized on a cash basis by the Group. According to IFRS 19-Employee Benefits, the early retirement benefit at the balance sheet date should be recorded basing on the present value of future payment obligation after adjusting actuarial gain or loss and the past serving cost.

(5) Cost method applied on precious metals

According to accounting practice of China banking industry, all precious metals are initially recognised at cost and subsequently re-measured at fair value at the balance sheet date by the Bank. According to IFRS 2-Inventory, precious metals that are not related to the Group's precious metals trading activities are carried at cost.

(6) Under IFRS, deferred income tax is provided using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Under PRC GAAP, deferred income tax is provided using the liability method, on timing differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

The difference in 2006 mainly represents the deferred income tax credited or charged directly to equity under IFRS relating to the fair value re-measurement of available-for-sale investments charged or credited directly to equity.

2.2.4 Loans

Loan Portfolio Concentrations of the Group by Region

Unit: RMB million

	At 30 June 2006		At 31 December 2005		At 31 December 2004	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Domestic operations	1,972,631	82.00%	1,799,923	80.53%	1,734,302	80.80%
Overseas operations	432,905	18.00%	435,123	19.47%	412,160	19.20%
Total	2,405,536	100.00%	2,235,046	100.00%	2,146,462	100.00%

Asset Quality of the Group

Unit: RMB million

	At 30 June 2006		At 31 December 2005		At 31 December 2004	
	Balance	Proportion (%)	Balance	Proportion (%)	Balance	Proportion (%)
Pass	2,042,960	84.93%	1,847,772	82.67%	1,611,936	75.10%
Special mention	261,788	10.88%	284,048	12.71%	424,606	19.78%
Substandard	42,082	1.75%	45,573	2.04%	61,289	2.86%
Doubtful	43,479	1.81%	44,550	1.99%	32,931	1.53%
Loss	15,227	0.63%	13,103	0.59%	15,700	0.73%
Total	2,405,536	100.00%	2,235,046	100.00%	2,146,462	100.00%
Total NPLs	100,788	4.19%	103,226	4.62%	109,920	5.12%

As of 30 June 2006, the Group's non-performing loans (NPLs) were RMB100.788 billion in accordance with regulatory classification standards, a decrease of RMB2.438 billion over the previous year-end with NPL ratio at 4.19%, a decrease of 0.43 percentage points. NPLs of domestic operations were RMB96.519 billion, a decrease of RMB1.69 billion over the previous year-end; with NPL ratio at 4.89%, a decrease of 0.57 percentage points. Loans of the Group classified as special mention stood at RMB261.788 billion, a decrease of RMB22.260 billion over the previous year-end, accounting for 10.88% of total loans, a decrease of 1.83 percentage points.

Impaired Loan Portfolio Concentrations of the Group by Region

Unit: RMB million

	At 30 June 2006			At 31 December 2005			At 31 December 2004		
	Balance	Proportion (%)	Impaired loan ratio	Balance	Proportion (%)	Impaired loan ratio	Balance	Proportion (%)	Impaired loan ratio
Domestic operations	99,543	93.96%	5.05%	102,140	93.44%	5.67%	104,327	88.3%	6.02%
Overseas operations	6,401	6.04%	1.48%	7,171	6.56%	1.65%	13,830	11.7%	3.36%
Total	105,944	100.00%	4.40%	109,311	100.00%	4.89%	118,157	100.0%	5.50%

Notes:

- 1.If objective impairment evidence shows that the future cash flow of loans will decrease and the amount can be estimated, then the Bank identifies the loan as impaired loan, and recognizes the losses as well.
2. Impaired loan ratio is calculated by dividing the balance of impairment loans with the balance of total loans.

§3 Changes in Share Capital and Shareholdings of Major Shareholders

3.1 Changes in Share Capital:

	At 1 January 2006		At 30 June 2006

	Number of shares	Allotment of share	Bonus issue	Shares transferred from the reserves	Increase	Others	Sub-total	Number of shares
I. Unlisted shares								
i. State-owned shares (promoter's shares)	174,128,718,217					-2,803,313,477	-2,803,313,477	171,325,404,740
ii. State-owned shares					8,514,415,652	-8,514,415,652	-8,514,415,652	
iii. Shares held by domestic legal persons								
iv. Shares held by overseas legal persons	35,298,644,140					-35,298,644,140	-35,298,644,140	
v. Shares of legal person promoters								
vi. Shares held by staff								
vii. Preferred shares or others					6,493,506,000		6,493,506,000	6,493,506,000
Sub-total	209,427,362,357							177,818,910,740
II. Listed shares								
i. RMB-denominated ordinary shares								
ii. Domestically listed foreign shares								
iii. Overseas listed foreign shares					29,403,878,000	46,616,373,269	76,020,251,269	76,020,251,269
iv. Others								
Sub-total	0							76,020,251,269
III. Total	209,427,362,357							253,839,162,009

1. The number of shares in the column of "Preferred Shares or Others" is the number of A Shares issued by the Bank to the public from 12–29 June, 2006, which were registered with the Shanghai Branch of China Securities Depository and Clearing Corporation on 29 June 2006, and traded at Shanghai Stock Exchange on 5 July 2006.

2. The Bank invited the National Council for Social Security Fund (SSF) as a strategic investor on 13 March 2006, to which 8,514,415,652 ordinary shares were issued. 25,568,590,000 H Shares initial public offering was completed in May 2006. 35,298,644,140 non-listed foreign funded shares previously held by the Bank's overseas strategic investors, 8,514,415,652 ordinary shares held by the SSF, and 2,803,313,477 ordinary shares sold by Central SAFE Investments Limited (promoter of the Bank) to SSF, as required by the State, were converted into H Shares, and listed at the Hong Kong Stock Exchange on 1 June along with the H shares already offered to the public. On 9 June 2006, the H Share greenshoe option was exercised in full, involving

3,835,288,000 H shares. In June 2006, 6,493,506,000 A shares were issued to the public. On 29 June 2006, the IPO A shares and 171,325,404,740 ordinary shares held by Central SAFE Investments Limited, promoter of the Bank, were registered. A Shares of the Bank were listed at Shanghai Stock Exchange on 5 July 2006. By 5 July 2006, the Bank had owned 177,818,910,740 A Shares and 76,020,251,269 H Shares, totaling 253,839,162,009 shares.

3.2 Number of Shareholders and Shareholdings

Total number of shareholders: As of the end of the reporting period, the total number of shareholders of the Bank (A and H Shares) was 1,060,828, including 457,146 holders of H Shares and 603,682 holders of A Shares. (The Number of shares held by H share shareholders are those recorded in the Register of Members as kept by the H Share Register of the Bank):

Shareholdings of Top Ten Shareholders

No.	Name of shareholder	Nature of shareholders	Type of shares held	Number of shares held as at the end of report period (As of 30 June 2006)	Percentage of shareholding	Number of shares pledged or frozen
					(%)	
1	Central SAFE Investments Limited	State-owned	A Shares	171,325,404,740	67.49%	
2	HKSCC Nominees Limited	Foreign-owned	H Shares	30,341,965,800	11.95%	
3	RBS China Investments S.à.r.l.	Foreign-owned	H Shares	20,942,736,236	8.25%	
4	Asia Financial Holdings Pte Ltd	Foreign-owned	H Shares	10,471,368,118	4.13%	
5	National Council for Social Security Fund, PRC	State-owned	H Shares	8,377,341,329	3.30%	
6	UBS AG	Foreign-owned	H Shares	3,377,860,684	1.33%	
7	Asia Development Bank	Foreign-owned	H Shares	506,679,102	0.20%	
8	The Bank of Tokyo-Mitsubishi UFJ Ltd	Foreign-owned	H Shares	473,052,000	0.19%	
9	Wingreat International Limited	Foreign-owned	H Shares	420,490,000	0.17%	
10	Best Sense Investments Limited	Foreign-owned	H Shares	236,526,000	0.09%	
10	Turbo Top Limited	Foreign-owned	H Shares	236,526,000	0.09%	

The Bank is not aware of any shares held by the above shareholders have been hypothecated or frozen.

Top Ten Shareholders Whose Shares are not Subject to Selling Restrictions (as at 5 July 2006, being the day of listing of A Shares; number of shares held by HKSCC Nominees Limited is at 30 June 2006)

No.	Name of shareholder	Number of tradable shares	Type of shares
1	HKSCC Nominees Limited	30,341,965,800	H Shares
2	ICBC- GF Strategic Selection Balanced Securities Investment Fund	70,669,000	A Shares
3	Shanghai Huiyin Investment Limited Corporation	70,000,000	A Shares
4	ICBC- E Fund Value Selection Stock Securities Investment Fund	50,397,000	A Shares
5	China Life Insurance (Group) Company – Traditional-General Insurance	38,765,000	A Shares
6	China Life Insurance Company Limited-Dividend- Personal Dividend-005L-FH002 SH	29,076,000	A Shares
7	China Life Insurance Company Limited-Dividend-Group Dividend-005L-FH001 SH	23,982,000	A Shares
8	China Pacific Life Insurance Co., Ltd-Dividend-Personal Dividend	23,357,300	A Shares
9	China Life Insurance Company Limited-Traditional-General Insurance-005L-CT001 SH	23,260,000	A Shares
10	Bank of Communications- Hua An Innovation	23,101,000	A Share
Explanation for the connection or acting in concert among the above shareholders.		Some of the above shareholders are managed by the same legal entity. Save for that, the Bank is not ware of any connection or acting in concert among the above shareholders.	

Substantial Interests in Share Capital

The register maintained by the Bank pursuant to section 336 of the Securities and Futures Ordinance (the “SFO”) of the Stock Exchange of Hong Kong Limited recorded that, as at 30 June 2006, the following corporations had the following interests (as defined in the SFO) in the Bank set opposite their respective names

Name of Shareholders	Number of shares held	Type of shares	% of total issued A shares	% of total issued H shares	% of total issued share capital	Capacity
Central SAFE Investments Limited	171,325,404,740	A	96.35%	-	67.49%	Beneficial owner
The Royal Bank of Scotland Group PLC ^{Note 1}	20,944,789,236	H	-	27.55%	8.25%	Attributable interests & beneficial owner
RBS CI Limited ^{Note 1}	20,942,736,236	H	-	27.54%	8.25%	Attributable interests & beneficial owner

RBS China Investments S.à.r.l.	20,942,736,236	H	-	27.54%	8.25%	Beneficial owner
Temasek Holdings (Private) Limited Note 2	11,792,559,118	H	-	15.51%	4.65%	Attributable interests
National Council for Social Security Fund of the PRC	11,317,729,129	H	-	14.89%	4.46%	Beneficial owner
UBS AG	3,892,847,114 132,154,877 (S)*	H	-	5.12% 0.17%	1.53% 0.05%	Attributable interests, beneficial owner & person having a security interest in shares

* "S" denotes short positions

Notes:

1. The Royal Bank of Scotland Group PLC ("RBS Group") holds the entire issued share capital of RBS CI Limited, which in turn holds 51.61% of RBS China Investments S.à.r.l. ("RBS China"). Accordingly, RBS Group and RBS CI Limited are deemed to have the same interests in the Bank as RBS China for the purpose of the SFO.
2. Temasek Holdings (Private) Limited ("Temasek") holds the entire issued share capital of Fullerton Management Pte Ltd, which in turn holds the entire issued share capital of Asia Financial Holdings Pte Ltd. Accordingly, for the purpose of the SFO, Temasek and Fullerton Management Pte Ltd are deemed to have the same interests in the Bank as Asia Financial Holdings Pte Ltd, which has an interest in 11,785,825,118 shares of the Bank.

All the interests stated above represented long positions except stated otherwise. Save as disclosed above, as at June 30 2006, no other interests or short positions were recorded in the register maintained by the Company under section 336 of the SFO.

3.3 Alteration of Controlling Shareholders and Actual Controllers

Applicable N.A.

§4 Directors, Supervisors and Senior Management

4.1 Changes in Shareholdings of Directors, Supervisors and Senior Management

Applicable N.A.

On 5 July 2002, the following Directors were granted options by BOCHK (BVI) Limited ("BOC (BVI)"), the immediate holding company of BOCHK (Holdings) Limited, pursuant to a Pre-Listing Share Option Scheme to purchase from BOC (BVI) existing issued shares of BOCHK (Holdings) Limited at a price of HK\$8.50 per share. BOCHK (Holdings) Limited is a subsidiary of the Bank which is also listed on the Hong Kong Stock Exchange. These options have a vesting period of four years from 25 July 2002 with a valid exercise period of ten years. Twenty-five percent of the shares subject to such options will vest at the end of each year.

Particulars of the outstanding options granted to the Directors under the Pre-Listing Share Option Scheme as at 30 June 2006 are set out below:

	Date of grant	Exercise price (HK\$)	Exercisable Period	Number of share options					
				Granted on 5 July 2002	Balances as at 1 January 2006	Exercised during the period	Surrendered during the period	Lapsed during the period	Balances as at 30 June 2006
HUA Qingshan	5 July 2002	8.50	25 July 2003 to 4 July 2012	1,446,000	1,446,000	—	—	—	1,446,000
LI Zaohang	5 July 2002	8.50	25 July 2003 to 4 July 2012	1,446,000	1,446,000	—	—	—	1,446,000

Save as disclosed above, at no time during the period under review was the Bank, its holding companies, or any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and Supervisors of the Bank and their respective spouses or children below the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Bank or any other body corporate.

Directors and Supervisors' Interests in Shares, Underlying Shares and Debentures

Save as disclosed above, as of 30 June 2006, none of the Directors or Supervisors of the Bank had any interests or short positions in the shares, underlying shares or debentures of the Bank or any associated corporation (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Bank pursuant to section 352 of the SFO or as otherwise notified to the Bank and the Hong Kong Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules of the Hong Kong Stock Exchange.

§5 Management Discussion and Analysis

5.1 Financial Review

As of 30 June 2006, total assets of the Group reached RMB5,226.933 billion, an increase of RMB484.127 billion or 10.21% over 31 December 2005. Total liabilities stood at RMB4,840.480 billion, an increase of RMB360.294 billion or 8.04% over 31 December 2005. Owners' equity (excluding minority interests) totaled RMB357.641 billion, an increase of RMB123.799 billion or 52.94% over 31 December 2005.

The Group achieved a net profit of RMB19.024 billion in the first half of 2006, a year-on-year increase of RMB2.59 billion or 15.76%. The Group is in a good financial position.

5.2 Business Review

5.2.1 Commercial Banking Business

The Bank operates three principal lines of business – commercial banking, investment banking and insurance. With a global presence in 27 countries and regions, we maintain correspondent relationships with over 1,400 foreign banks which collectively have 46,900 branches worldwide. Leveraging our global network, quality services, and operational strengths, we enjoy a distinctive competitive advantage in the domestic banking market.

Corporate Banking

Corporate banking refers to a variety of financial products, credit facilities and financial solutions that we provide to our customers, including deposit-taking, lending, trade finance, settlement, clearing and custody.

Corporate Deposits and Loans The Bank continued to strengthen marketing efforts to promote corporate deposits. RMB corporate deposits maintained its sustainable and rapid growth momentum which has persisted over the years. As at the end of June 2006 the balance of domestic RMB corporate deposits was RMB 1,142.1 billion, an increase of RMB146.7 billion or 14.7% from the prior year-end with a market share of 8.2% among all financial institutions¹. The Bank actively expanded the key customer segment and applied differentiation policies in business management and service delivery, leveraged concerted marketing strengths between the Head Office and Branches in marketing for key projects and speeded up the development of quality asset business. As at the end of June 2006, the outstanding balance of RMB corporate loans stood at RMB 1,236.7 billion, an increase of RMB 140.9 billion or 12.8% from the prior year-end, representing a market share of 6.7% among all financial institutions. While maintaining the stable growth of RMB corporate deposits, the Bank also strengthened its efforts in promoting foreign currency corporate deposits in a bid to sustain its leading position in the market. As at the end of June 2006, the balance of domestic foreign currency corporate deposits was USD 17.67 billion, an increase of USD1.29 billion from the prior year-end, with a market share among all financial institutions of 21.1%. Fully leveraging its strength in foreign exchange business, the Bank actively conducted product innovation and seized opportunities to develop its trade finance business, which promoted the growth in foreign currency corporate loans. By the end of the report period, the outstanding balance of domestic foreign currency corporate loans was USD41.44 billion, an increase of USD1.28 billion, and the market share among all financial institutions was 33.5%. The balance of foreign currency corporate deposits of overseas operations was USD 27 billion, and outstanding balance of foreign currency corporate loans was USD 37.04 billion.

Corporate Deposits of the Group by Currencies

Unit: RMB billion

	At 30 June 2006	At 31 December 2005
RMB corporate loans	1,143.1	995.9
Foreign currency corporate loans	356.9	353.9
Total corporate loans	1,500	1,349.8

In the first half of 2006, the Bank devoted great efforts to expand its high-quality customers segment, and forged ahead with reforming the corporate business operation and management model. It continued to strengthen joint marketing between the Head Office and branches on key projects or to key customers, expanded quality asset business, and enhanced cooperation between product departments to expand cross selling. It also reinforced collaboration between domestic operations and BOC Hong Kong, BOC International, BOC Investment, BOC Insurance and other

¹ All financial institutions include: People's Bank of China, policy banks, state-owned commercial banks, other commercial banks, urban commercial banks, rural commercial banks, urban credit cooperatives, rural cooperative banks, rural credit cooperatives, financial companies, trust and investment corporations, leasing companies, and savings and remittance bureaus.

overseas operations to promote the overall competitiveness of its corporate banking. By launching initiatives such as pilot projects targeting small enterprises and strengthening product innovation, the Bank seeks to ensure sustainable and healthy development of its corporate business.

Corporate Loans of the Group by Currencies

Unit: RMB billion

	At 30 June 2006	At 31 December 2005
RMB corporate deposits	1,239.2	1,097.9
Foreign currency corporate deposits	624.9	614.1
Total corporate deposits	1,864.1	1,712

Institutional Banking

Institutional banking business of the Bank refers to various asset, liability and fee-based services the Bank is engaged in by leveraging on its own resources, with a view to serving various financial institutions and generating comprehensive benefits. Institutional deposits grew rapidly in May-June 2006 as influenced by the stock market. At the end of June 2006, the balance of RMB deposits from financial institutions for domestic operations was RMB172.33 billion, an increase of RMB18.27 billion from the prior year-end. The balance of current and time foreign currency deposits from financial institutions for domestic operations was USD9.87 billion, a decrease of USD180 million.

Since 1987, the Bank has sequentially designated its New York, Tokyo and Frankfurt branches as the major clearing channels for US dollar, yen and euro respectively. Over years' efforts, the Bank has set up a comprehensive overseas clearing system which covers different currencies and regions and provides domestic and overseas customers with efficient and convenient clearing services.

Custody and Fund Distribution

The Bank serves as custodian for a diverse range of closed-end funds, open-end funds, brokerage wealth management programs, Social Security Fund, insurance companies, QFII, annuity funds, trust companies, asset securitization capitals and emerging products such as industry funds and QDII etc. The funds we distribute as agent cover all types of open-end funds such as equity, balanced and bond funds, brokerage wealth management program, and investment-linked insurance products.

In the first half of 2006, the environment of custody and distribution operations improved generally. Facing an active stock market, investors have quickened the pace of investment and more innovations have been introduced. The fund distribution and custody business thus maintained generally healthy and fast development. As of 30 June 2006, total assets in the Bank's custody, leading the market, reached nearly RMB210 billion, an increase of 20% over the year beginning. Total volume of the Bank's fund distributions exceeded RMB28 billion, a year-on-year increase of 50%.

In the first half of 2006, the Bank achieved new breakthroughs in custody business for QFII funds, insurance funds, corporate annuity and local social insurance fund making it the largest Chinese QFII custodian.

International settlement and trade finance

The Bank's international settlement and trade finance services include issuance of import letters of credit, collection and presentation of document under export letter of credit, import bill advance, export bill purchase, forfaiting, confirmation of letters of credit, letter of guarantee and factoring. In addition to traditional international settlement and trade finance services, the Bank also exclusively provides such services as processing trade account services, tax payment guarantee etc, meeting customers' different settlement and financing needs.

During the first half of 2006, the total volume of international settlements reached USD420.49 billion, an increase of 12.6% year-on-year. Of the total amount, USD269.9 billion was carried out by the Bank's domestic operations, a year-on-year increase of 10.7%, and USD150.5 billion was by overseas operations, a year-on-year increase of 16.2%. Thanks to the steady growth of domestic economy, the volume of domestic trade finance surged sharply, with factoring business climbing 223%. The growth of international trade finance slowed down due to the pickup of interest rate in the international market. In the first half of 2006, the Group undertook total volume of international trade finance of USD29.17 billion, a year-on-year increase of 13.3%. Of the total amount, USD13.14 billion was undertaken by domestic operations, and USD19.91 billion was by overseas operations. The volume of letters of guarantee denominated in foreign currencies issued by domestic operations was USD4.77 billion, a year-on-year increase of 83.5%; and those denominated in RMB was RMB37.3 billion, a year-on-year increase of 109.5%. The volume of international factoring transactions undertaken by domestic operations was USD2.58 billion, representing an increase of 27.4% over the same period in last year; and the volume of domestic factoring transactions was RMB12.76 billion, reflecting a year-on-year increase of 192.3%.

International Settlement Volume of the Group

Unit: USD billion

Year	At 30 June 2006	At 30 June 2005
Business volume	420.49	373.39

The Bank strengthened innovation and improved portfolioed application of trade finance and fee-based products in the first half of 2006. A series of competitive products were launched, including "Export Quan Yi Da, Import Hui Li Da, Import Bao Fu Da, and E-customs Declaration". The Bank also developed such new products and services as forfaiting under export credit insurance. These product innovations highlighted the Bank's distinctive advantages in its products and services of international settlement and trade finance, and have helped to consolidate its leadership in this arena.

Personal Banking

Personal banking refers to the financial services provided by the Bank to residents or households, including deposit-taking, lending, wealth management and bank card services.

Savings Deposits As at the end of June 2006, the balance of domestic RMB savings deposits was RMB1,573.8 billion, an increase of RMB157.44 billion over the prior year-end, representing a market share of 10.2%, an increase of 0.1 percentage point. The balance of domestic foreign currency savings deposits totaled USD31.69 billion, a decrease of USD 820 million from the prior year-end, representing a market share of 49.8%. Savings deposits at overseas operations amounted

to USD69.68 billion (including RMB8.97 billion savings deposits), an increase of USD1.91 billion. The decrease of foreign currency savings deposits was mainly attributable to the reform of the RMB exchange rate regime, which buoyed the market's expectation of further RMB appreciation and weakened residents' desire to hold such deposits.

Group Savings Deposits of the Group by Currencies

Unit: RMB billion

	At 30 June 2006	At 31December 2005
RMB savings deposits	1,582.7	1,425.4
Foreign currency savings deposits	801.5	800.2
Total savings deposits	2,384.2	2,225.6

Personal Loans As of 30 June 2006, the outstanding balance of domestic personal loans was RMB 404.7 billion, an increase of RMB 24.7 billion from the prior year-end. Of the total personal loans, the balance of residential mortgage loans was RMB 308.4 billion, an increase of RMB21.6 billion. The balance of overseas personal loans was USD17.1 billion, a decrease of USD 620 million from the prior year-end.

In the first half of 2006, the Bank strengthened marketing efforts of personal residential mortgage loans through its direct-sale model under a unified brand, i.e. "Ideal Home", and launched two competitive new products, namely "Yi Ju Bao" first-hand residential mortgage loans and "An Ju Bao" second-hand residential mortgage loans. It also promoted strategic cooperation with leading real estate developers in China. As at end of June 2006, the Bank has a network of over 7,000 domestic outlets offering consumer loans through direct-sale model, accounting for more than 60% of all its outlets in the country.

Personal Loans of the Group by Categories as of 30 June 2006

	Residential mortgage loans	Auto loans	Credit cards and others
30 June 2006	79.07%	4.50%	16.43%
31 December 2005	78.97%	5.35%	15.68%

Note: (1) Others include personal investment loans and personal education loans.

Wealth Management In the first half of 2006, the Bank launched “BOC Global Wealth Management Service” in the wealth management centers of domestic operations. Over 250 wealth management centers are capable of offering services of unified service standard to the Bank’s VIP customers. During the period, the Bank also launched a series of foreign exchange wealth management products which are linked to the performance of exchange rate, oil and gold, and RMB structured wealth management products which are linked to the performance of exchange rate and gold. An advisory team was established comprising over 20 experts from the Global Markets Department and Personal Banking Department of the Head Office, BOC Hong Kong, BOCI and BOCI China, to promote the “BOC Wealth Management” brand among customers. The Bank has also built a stronger wealth management team with over 2, 300 wealth management managers at various domestic branches, nearly 900 of whom are Certified Financial Planner.

Bank Cards The Bank provides customers with such bank card services as single and dual-currency debit cards, quasi-credit cards, credit cards and foreign currency card agency transaction services.

In the first half of 2006, the Bank steadily pushed forward the establishment of the credit card business unit in cooperation with the Royal Bank of Scotland Group. It also strengthened the operation and risk management of bank card business, actively promoted per card transaction volume and usage frequency and steadily increased bank card business income. The Bank’s domestic operations realized total bank card fees of RMB960 million, a year-on-year increase of 51.4%.

As of 30 June 2006, the domestic operations of BOC issued a total of 94,633,800 Great Wall RMB Debit Cards, 7.03 million BOC Great Wall Credit Cards, and 1.09 million BOC Credit Cards, an increase of 15.2%, 12.5% and 561%, respectively, over the same period of last year. The volume of foreign currency card settlements was RMB 10,482 million, a year-on-year increase of 16.6%. Transaction volume of Great Wall RMB cards reached RMB65.1 billion, an increase of 47.7%.

In the first half of 2006, the Bank continued to enhance bank card product innovation, and launched a variety of bank cards, including BOC City Card (a standard RMB credit card featured by installment), BOC Jiuguang JCB Co-Branded Credit Card, BOC Beida Credit Card, and BOC Golden Eagle Co-Branded Card. It also jointly launched the Great Wall Jiashi Fund Co-Branded Card, Great Wall Zhongsheng Co-Branded Card and some other cards with a number of large enterprises and public institutions. These products were well accepted by the market.

Goods and Services Purchased with Great Wall RMB Cards of domestic operations

Unit: RMB billion

	At 30 June 2006	At 30 June 2005
Goods and services purchased with the cards	65.09	44.08

Treasury Business

The Bank is engaged in treasury business including investments and transactions on its own account, and meanwhile provides treasury products and services for corporate and personal customers. It takes a leading position among domestic commercial banks in foreign exchange treasury services.

The Bank's investment covers fields such as foreign currency bonds, money market, derivatives and asset management; its trading business includes foreign exchange transactions, foreign exchange swaps, foreign exchange settlement and sale, foreign exchange options, foreign currency bonds and derivatives, RMB bond and precious metal. The Bank has a league of experienced traders and risk managers supporting its treasury business, ensuring that it earns profit with risks controlled within acceptable level.

The development and quotation of new products is one of the Bank's major competitive edges. In recent years, the central bank has launched a number of new initiatives, including the market maker system, tier-1 foreign exchange trader, OTC, forward, spot, interest rate swap, and inter-bank RMB foreign exchange swap. These initiatives have seen pace of marketization of RMB exchange rate regime quickened notably. Subsequently, the People's Bank of China, CBRC and the State Administration of Foreign Exchange jointly promulgated *the Interim Administrative Measures for Commercial Banks to Provide Overseas Financial Management Services*, and Bank of China became one of the first banks approved to engage in overseas financial management services and obtained the biggest quota. Leveraging on its treasury business, the Bank gradually promoted the innovation of treasury products and attracted high-end customers by developing and offering customized products and services. In the first half of 2006, the Bank made great efforts to exploit treasury products and services in the face of fierce market competition. Apart from RMB interest rate swap and long-term forward exchange settlement and sales services, it also launched RMB structured wealth management products, including "Game" retail wealth management products, and "Olympics" wealth management series products. To meet the wealth management needs of corporate customers, the Bank also launched such products as "Four-Season Forward" and "Credit Garden". Its Huijubao personal foreign exchange wealth management series products have been named for the second consecutive year as "Best Wealth Management Brand in China" by a domestic professional financial and economic website: www.hexun.com.

Gold bullion trading is one of the major treasury businesses of the Bank. As at 30 June 2006, the Bank held a 37% market share and ranked first on Shanghai Gold Exchange, the sole gold exchange in China.

Operations of BOC Hong Kong

Bank of China (Hong Kong) Limited ("BOC Hong Kong") is a subsidiary in Hong Kong with 65.87% stake held by the Bank. BOC Hong Kong is one of the major commercial banks and also one of the three note-issuing banks in Hong Kong. As at the end of June 2006, it had 302 branches, of which 287 operate in Hong Kong, 14 in Mainland and 1 overseas; and 454 ATMs. BOC Hong Kong provides retail customers and corporate customers with a full range of financial products and services through its wide service network. In the first half of 2006, BOC Hong Kong acquired 51% stake in BOC Group Life Assurance Limited, thus further expanded its service scope and income sources. In the first half of 2006, BOC Hong Kong realized net profit of RMB 4.57 billion equivalent (excluding minority interests), a year-on-year increase of 14.5%.

During the period, braced by the strong external economies and robust Chinese economy, the Hong Kong economy continued to register rapid growth. More employment opportunities were created, citizens' income was increased, and investment market became more active. The favorable economic environment has seen BOC Hong Kong's profit increased steadily with net interest margin expanded and non-interest income grew markedly compared with the same period of last year. Its investment agency business achieved remarkable results, and income-cost ratio remained at a low level in the market.

BOC Hong Kong improved the structure of its deposit-taking business while maintaining its edges. As at the end of June 2006, the balance of deposits from customers amounted to HKD 650,994 million, an increase of 1.9% over the end of last year. Rise in interest rate, among other factors, suppressed demand for housing mortgage loans and market competition intensified, which led to a slight decrease of 0.2% in BOC Hong Kong's loan balance. In face of the adverse environment, BOC Hong Kong devoted great efforts to optimize credit portfolio and improve process management, and achieved a steady growth of loans to small and medium enterprises. The Bank also held the lead in the syndicated loan market, ranking second in the Hong Kong and Macau syndicated loan market and third in the Hong Kong and China syndicated loan market.

In the first half of 2006, BOC Hong Kong continued to lead in Hong Kong's RMB business market, achieving good performance in all fields. RMB deposits rose slightly by 0.1%; its RMB credit card business still takes a dominant market share, with total business volume rising 60.3%. As at the end of June, BOC Hong Kong has total 236 of ATMs which offer RMB cash withdrawal services. In March 2006, BOC Hong Kong formally launched RMB clearing system, providing a superior clearing platform and a strong foundation for the further development of RMB business in Hong Kong. The launch of RMB-denominated personal checking services has offered customers a new consumption option with more flexibility and convenience. Leveraging the synergy with the parent bank, BOC Hong Kong remains driven in developing high-quality products and services with the aim of generating sustainable superior return on capital and maximum value for shareholders.

5.2.2 Investment Banking

BOC International Holdings Limited ("BOCI") is a wholly owned subsidiary registered in Hong Kong, and has 30 affiliates and subsidiaries around the world. It is a full-service investment bank with a full-fledged investment banking team and an independent international placement network.

In the first half of 2006, BOCI realized total profit of RMB 1.101 billion, an increase of 446% year on year. During the period, it participated in six IPO projects in the capacity of exclusive/joint lead underwriter, and held a 28.5% share of the stock underwriting market in Hong Kong in terms of funds raised. It topped the list of IPO underwriters in terms of total funds raised and number of IPO projects. BOCI provides a wide range of asset management services through BOCI Prudential Asset Management Ltd ("BOCI Prudential"). At the end of June 2006, total assets under management by BOCI Prudential reached HKD26.85 billion, an increase of HKD1.5 billion or 5.9% from the prior year-end. In terms of Mandatory Provident Fund business in Hong Kong, BOCI Prudential has a registered MPF membership of 0.46 million, and total assets under management exceeded HKD14 billion, accounting for approximately 8% of the market.

BOCI (China) Limited ("BOCI China"), incorporated in March 2002, was the first Sino-foreign joint venture securities company with comprehensive A-share brokerage license. As at 30 June 2006, BOCI China ranked first among all Chinese securities companies in terms of total underwriting amounts. It also participated in underwriting the 15th issue of financial bonds of China Development Bank, and ranked first among all the underwriters in terms of the underwriting amount. In the same period, it claimed second place among Chinese securities companies in terms of volume of bond delivery.

5.2.3 Insurance Business

The Bank offers insurance services including life insurance and non-life insurance. Non-life insurance business is wholly owned and operated by the Bank, and life insurance business is owned and operated jointly with the Bank's subsidiary BOC Hong Kong.

Bank of China Group Insurance Company, Ltd ("BOCG Insurance") and BOC Group Life Assurance Company, Ltd. ("BOCG Life") are responsible for specific operation of the Group's insurance business.

In the first half of 2006, the insurance business of the Group achieved gross premium income of HKD648 million, translating into RMB388 million in total profit, increased by 189% year on year. Main resources of insurance businesses include agency banking business and broker business.

Sources of Gross Premium Income

Unit: HKD million

	At 30 June 2006	At 31 December 2005	At 30 June 2005
Gross premium income by banking agency service	293	514	283
Gross premium income by broker agency service	355	752	402
Total	648	1,266	685

In 2006, BOCG Insurance penetrated into more specialized liability insurance market, including director liability insurance and professional liability insurance. At the same time, following the "User-Pay" principle advocated by the government in the medical system reforms, the company launched a series of tailored medical insurance programs. To expand overseas business, BOCG Insurance acquired a 32% stake in Luen Fung Hang Insurance Co., Ltd in the first half of 2006. In a move to penetrate into the life insurance market of Macau and further consolidate the interaction of commercial banking, investment banking and insurance business, BOCG Insurance transferred a 51% stake in BOCG Life to BOC Hong Kong, which opened a new chapter for the development of life insurance business of BOCG Life.

5.2.4 Information Technology

The Bank realizes that IT construction is crucial to its future development. In the first half of 2006, the Bank continued to direct IT efforts with supporting business development and ensuring secure operation. Progress was achieved for significant IT projects including construction of the management information system, new online banking platform, and centralized international settlement and trade finance system. Meanwhile, the infrastructure construction of a new information center and a disaster recovery center has been initiated. The Bank is also systematically implementing the IT Blueprint; fundamental tasks including system training, gap analysis and stress testing have been launched. Effective implementation of IT Blueprint is critical to the Bank's reform, development and innovation. It will help the Bank realize centralized processing of operational information of its branches to intensify internal control, risk prevention and timely supervision by the internal audit, and formulate a customer-centered management model based on business lines, thereby creating a powerful IT platform for sharpening the Bank's competitive edge.

5.3 Risk Management

Risk management is an important part of the Bank's management framework, which is the precondition to its robust, sustainable and healthy development. In the first half of this year, the Bank further enhanced its risk management capability, improved credit asset structure, improved credit asset quality to pursue sustainable and healthy development of its credit business.

Risk Management Framework

The Risk management framework of the Bank comprises the Board of Directors and the Risk Policy Committee under the Board, the Internal Control Committee, the Anti-Money Laundering Committee, the Asset-Liability Management Committee and Assets Disposal Committee under the Management, the Risk Management Department, the Credit Administration Department, the Asset & Liability Management Department and Legal and Compliance Department. The Bank uses vertical management model to manage the risks of domestic and overseas branches, and adopts window management model for business departments; It also monitors and controls the risk management of subsidiaries through participation in their Boards of Directors or Risk Committee.

Credit Risk

Credit risk is the risk that a customer or counterparty may be unable or unwilling to meet a debt obligation to the Bank when required. The Bank's credit risks are mainly from loans, trade finance and treasury business.

The Bank' credit risk management process can be divided into three major stages: 1) credit origination and assessment; 2) credit review and approval; and 3) loan granting and post-lending management.

Corporate Loans For corporate credit facilities, we continue to adopt the "three-in-one" credit decision-making mechanism. The three components of this mechanism are an independent due diligence investigation, an independent risk review, a strict approval process by authorized approvers and follow-up evaluation.

In the first half of 2006, the Bank continued its reform efforts in establishing centralized credit review and approval mechanism, which is being implemented step by step. It adjusted the credit

approval authority and authorization management model for overseas operations, and enhanced the risk control over the total credit exposures to customers. To promote the sustainable and healthy development of credit business to small enterprises, the Bank further clarified customer entry thresholds and launched pilot branches.

The Bank adopts a two-dimensional rating system that relates the customers' credit rating logically with the classification of credit asset. The results of customer credit rating are important basis for credit authorization management, customer entry and exit management, credit approval, credit pricing, and classification of credit asset risks. The Bank plans to start the testing and subsequent adoption of the probability-of-default-based customer credit rating model in the second half year. As at 30 June 2006, the balance of domestic loans to A-rating customers accounted for 43.7% of the total, an increase of 1.8% over the end of last year.

During the first half of 2006, the Bank established customer risk evaluation standards for large-amount credits, and formulated corresponding management measures to improve the management of credit risks of the Bank. According to China's macro-adjustment policies and the development of the real estate market, the Bank strengthened risk supervision over industrial risk and management of credits to the sector, and achieved steady improvement in the quality of real estate loans.

Five-tier loan classification approach, which was introduced in 1999, is an important part of the Bank's ongoing credit monitoring. In the first half year, the Bank continued to manage the special mention loans by subdividing them into high, medium and low risks categories. The classification results have become more objective, and the balance and proportion of such loans kept decreasing.

Personal Loans In the first half of 2006, the Bank completed the centralization of approval authority for personal loans to tier-1 branches other than personal pledged loans and education loans. Meanwhile, it strengthened risk supervision of personal loans, including overall monitoring by regions and products, and key monitoring and risk reporting of high-risk real estate projects, distributors and customers.

The Bank reclaims on the debtors of non-performing loans mainly by means of negotiation, legal proceedings, debt restructuring and write-off. The foreclosed assets will be disposed of in an open and transparent manner, generally through auction, invitation for bid and submission of tenders and negotiated transfer.

Market Risk Market risk is the risk of loss to the Bank's on-balance-sheet and off-balance-sheet operations that may result from changes in interest rates, exchange rates, stock prices and commodity prices. Market risk exists in both trading and non-trading business. The Bank manages market risk by setting up risk limits, which are determined by reference to different risk factors, such as interest rates, exchange rates, commodity and stock prices, etc. A variety of risk measurement techniques, such as sensitive limit, were used in formulation of specific management measures.

VAR (Value at risk) is a kind of statistic methodology which is applied in evaluating the potential losses of risk positions caused by fluctuation of interest rates, exchange rates, commodity and stock prices at designated confidence level during a specific period. The form below shows the result of VAR analysis for the foreign currency trading portfolios of the Bank's domestic business (exclusive of comparative large-amount investment accounts or bank accounts of the Bank) as of 30 June 2006.

Unit: USD million

	As of 30 June 2006				As of 31 December 2005			
	At the period-end	Average	High	Low	Period-end	Average	High	Low
Interest rate risk	4.88	8.10	16.25	0.82	4.77	3.27	11.94	0.20
Exchange rate risk	2.64	3.67	14.12	0.78	0.39	2.7	18.69	0.34
Fluctuation risk	0.19	0.68	4.63	0.16	0.36	0.8	2.54	0.04
Total market risk	5.84	8.10	19.15	1.84	15.6	5.1	18.86	0.69

Interest Rate Risk Management Interest rate risk is the risk of loss to interest income or the value of assets due to the volatility of interest rates. We manage the interest rate risk of the banking book primarily through gap analysis, and use the gap analysis data to perform stress-testing, on the basis of which we adjust the re-priced period structure of our assets and liability. Meanwhile, we closely follow the trend of local and foreign currency interest rates, and adjust the interest rates of local and foreign currency deposits and loans in a timely manner to avoid interest rate risk.

In respect of treasury products, the Bank adopts such indicators as VAR, duration and Price Value of a Basis Point (PVBP) to measure interest rate risk, and utilizes stress-testing and scenario analysis to monitor risks. The Bank has also set up a series of risk limits, which are closely monitored and well managed. The Bank has established a globalized treasury product internal control platform with an advanced market risk management infrastructure to effectively monitor the market risk of treasury products offered by its main branches.

Exchange Rate Risk Management The Bank's management of exchange rate risks covers trading accounts and non-trading accounts. Non-trading exchange rate risk mainly arises from the currency mismatches in assets and liabilities, foreign exchange capital, investments in overseas subsidiaries, and foreign currency profit or loss. The Bank seeks to reduce the exchange rate risk arising from currency mismatches in assets and liabilities by matching the sources and use of our funds on a currency-by-currency basis. In addition, we also manage and control exchange risk through settlement or hedging transactions.

However, the Group's ability to manage its foreign currency positions in relation to the RMB is limited as RMB is not a freely convertible currency. According to the current applicable foreign currency policies of the PRC government, the conversion of foreign currency is subject to application and approval by the relevant PRC government authorities. The Bank has taken following measures to reduce its foreign exchange exposure:

In 2005, the Bank entered into a foreign currency option agreement with Central SAFE Investments Ltd having a notional amount of USD18 billion to economically hedge a portion of its net on-balance sheet foreign currency position.

During the six month period ended 30 June 2006, the Bank executed certain foreign exchange transactions to reduce its net foreign currency position by USD3.3 billion.

Subsequent to the balance sheet date in August 2006, the Bank further effected certain foreign exchange transactions, further reducing its net foreign currency position by USD14.2 billion.

The risk of trading accounts mainly comes from the foreign exchange transactions the Bank is engaged in. The Bank took a variety of measures according to its risk tolerance and operating

capability to effectively reduce the possible losses caused by uncertain market factors, including total exposure control, structural management, quota management, and valuation techniques.

Liquidity Risk

Liquidity risk refers to the risk of funding availability at an appropriate cost when required to meet.

The objective of the Bank's liquidity management is to ensure that the Bank have adequate liquidity at all times to satisfy payment of deposits and other debts due and the development of asset-based business; and is able to raise enough funds at reasonable prices within a certain period in the case of business opportunities or emergencies.

The Bank's liquidity risk is managed on a consolidated basis at the Head Office. Liquidity management policy and measures are applied across the Bank from top to down. Liquidity management mainly includes two scenarios, namely normal business environment and emergent or extreme conditions. Under normal environment, the Bank regularly updates management policies and guidelines, liquidity indicator management, liquidity gap management, position management, management of fund flow between the Head Office and Branches, management of liquidity portfolios and financing guidelines, with the view to ensuring the normal operation of the Bank's asset and liability business and to adjusting the liquidity of the Bank to a proper level. In addition, the Bank also monitors warning indicators, set up emergency programs and conduct financing capability testing to discover and prevent risk in a timely manner.

In the first half of 2006, the Group's asset and liability business registered healthy and steady development and liquidity was managed effectively. As at 30 June 2006, all indicators relating the Bank's liquidity status have met the regulatory requirements as table below:

At 30 June 2006	Local Currency	Foreign Currencies
Liquidity ratio	32.03%	45.88%
Loan-deposit ratio of domestic operations	56.47%	71.95%
Excess reserve ratio ¹	2.58%	17.07%

Note: 1. Deposit reserve refers to the deposits with the central bank for the purpose of guaranteeing the withdrawal of deposits and fund clearing of customers, and deposit reserve ratio is the proportion of deposit reserve required by the central bank in total balance of deposits. Deposit reserve and deposit reserve ratio are composed of two parts. The deposit reserve ratio stipulated by the central bank is called statutory deposit reserve ratio, which stands at 7.5% at present, i.e. commercial banks must deposit 7.5% of deposits received with the central bank; the corresponding deposits is called statutory deposit reserve. The reserve beyond statutory deposit reserve is called excess reserve, and the proportion of excess reserve in total deposits is the excess reserve ratio.

The above liquidity ratio is calculated in accordance with the relevant provisions of the People's Bank of China and CBRC, and the financial data are based on the Accounting Standard for Business Enterprises and Financial Enterprise Accounting System.

Internal Control and Operational Risk

Internal Control The Bank is committed to continuously improve its internal control system by establishing three defense lines composed of function management, compliance control and internal audit. By clarifying the responsibilities of all business units, the Bank seeks to ensure

effective risk prevention and optimum resource allocation from the management framework perspective.

The principal objective of developing internal control function is to establish a compliance culture and construct a comprehensive, dynamic, proactive and verifiable internal control environment, which is based on a sound internal control infrastructure and rules and regulations, supported by advanced information technology, guided by an effective incentive and accountability system, provides checks and balance, and emphasizes refined process control.

As required by the Guidelines on Internal Control of Commercial Banks promulgated by the People's Bank of China, the Bank continuously reinforced internal control measures and improved internal control mechanism and environment in different business and management lines, including internal control environment, corporate banking, treasury services, personal financial business, e-banking, bank card, and human resources. Meanwhile, it also established key indicator monitoring system for internal control, to conduct key monitoring and periodic reporting of key internal control indicators, including rotation, function in an acting capacity, and business errors.

Operational Risk Operational risk means the risk of losses caused by substandard or problematic internal procedures, personnel or system or by external events. In the first half of 2006, the Bank cooperated with RBS in respect of the operational risk management framework. The two parties carried out a preliminary study of operational risk management framework in line with the Bank's conditions. Work processes were developed covering operational risk and control review, key risk indicators, reporting of significant events, etc. Pilot project relating operational risk and control assessment and key risk indicators was also activated.

Internal Audit

In order to fully realize the function of internal audit in our corporate governance structure, in the first half of 2006, the Bank appointed an independent external consulting agency to conduct an overall evaluation of its internal controls by referring to international internal audit industry best practices. Based on the evaluation results and regulatory requirements, the Bank started improving the organizational structure of internal audits, management techniques, reporting lines and practical standards, and devoted great efforts to build a new vertical, independent and effective internal audit system steered by the Board of Directors and the Audit Committee. In the mean time, the Bank continuously improved the depth of its internal audits, focused on improvement in high-risk and weak areas and significantly enhanced the effectiveness of internal controls. Under the internal audit plan which mainly comprises regular audits while supplemented by special audits and individual case investigations, all levels of internal audit departments, at home and abroad, had deepened the audits while giving consideration to its coverage. In the first half of 2006, the Bank conducted regular internal audits on 6 overseas institutions, 9 tier-1 branches, 115 tier-2 branches, 689 urban sub-branches and 957 county-level sub-branches, and meanwhile completed 1,172 special internal audits (including 850 economic responsibility audits), and 31 case investigations.

Capital Management

The objective of the Bank's capital management is to effectively plan various types of capital to ensure that its capital is in line with the requirements of external regulations, credit rating, risk compensation and shareholder's return. It also endeavors to optimize financial ratios, improve the equity value and maximize shareholder's value on a risk-controlled basis by making full use of

capital instruments and management measures. During the report period, the Bank's capital level is in line with all statutory requirements.

5.4 Outlook

In the second half of the year, we expect the Chinese economy will maintain its rapid growth momentum, thus provide a favorable macro environment for the operation of the Bank. Presented with new circumstances and new missions, the Bank will further study its strategy and strive to maintain stable and rapid growth for its various businesses, so as to ensure that the targets set in the beginning of the year can be fulfilled. In addition, the Bank will also continue its reforms with the requirements of the capital market in mind. As for business development, the Bank will focus on developing intermediary business, speeding up development of personal banking business development, and further optimizing its business structure and income mix. The Bank will also steadily push forward its asset business with quality customers, control the speed of business development, proactively manage its liabilities, lower fund costs and improve service quality. In terms of risk management, the Bank will strengthen comprehensive risk management, refine its internal control system, and establish three lines of defense comprising functional management, compliance control and internal audit. The Bank also plans to take its organizational reforms and process integration to further depth, and also accelerate the implementation of the IT Blueprint. The reform in HR management will continue, and more efforts will be devoted to improve management capability and staff quality.

5.5 Reporting by Region

At 30 June 2006

Unit: RMB million

	Mainland China	Hong Kong & Macau	Other overseas regions	Eliminations	Group
Net interest income	45,078	8,549	845	4	54,476
Non-interest income	4,371	6,189	152	(586)	10,126
Operating and administrative expenses	(18,920)	(3,618)	(687)	32	(23,193)
Operating profit	27,584	11,091	297	(550)	38,422
(Charge)/write-back for impairment losses	(5,932)	935	121	-	(4,876)
Gross profit	21,824	12,284	455	(550)	34,013
Income tax	(10,751)	(1,672)	(142)	203	(12,362)
Profit attributable to the minority	(4)	(2,623)	-	-	(2,627)
Net profit	11,069	7,989	313	(347)	19,024
Segment assets	4,268,205	993,715	199,169	(234,156)	5,226,933
Segment liabilities	(3,917,105)	(897,042)	(191,882)	165,549	(4,840,480)

At 30 June 2005

Unit: RMB million

	Mainland China	Hong Kong & Macau	Other overseas regions	Eliminations	Group
Net interest income	40,434	7,380	844	-	48,658
Non-interest income	4,860	2,712	449	-	8,021
Operating and administrative expenses	(17,046)	(3,358)	(596)	-	(21,000)
Operating profit	25,612	6,710	687	-	33,009
(Charge)/write-back for impairment losses	(6,591)	1,805	210	-	(4,576)
Gross profit	19,744	8,882	952	-	29,578
Income tax	(9,472)	(1,228)	(160)	-	(10,860)
Profit attributable to the minority	9	(2,293)	-	-	(2,284)
Net profit	10,281	5,361	792	-	16,434
Segment assets	3,803,989	966,225	186,982	(214,390)	4,742,806
Segment liabilities	(3,584,086)	(871,046)	(178,853)	153,799	(4,480,186)

During the first half of 2006, the Chinese Mainland remained to be the primary business region of the Group and the important sources of income and net profit as well, accounting for 78% of total assets and 57% of total profit of the Group. Hong Kong and Macau were also key business regions of the Group, accounting for 18% of total assets and 41% of total profit of the Group.

5.6 Reporting by Business Line

At 30 June 2006

Unit: RMB million

	Corporate banking	Personal banking	Treasury services	Investment banking	Insurance business	Others	Eliminations	Total
Net interest income	26,602	16,881	11,376	19	250	(656)	4	54,476
Non-interest income	5,029	4,147	(1,471)	1,324	198	1,536	(637)	10,126
Operating and administrative expenses	(8,588)	(11,677)	(2,876)	(224)	(103)	(406)	681	(23,193)
Operating profit	21,565	8,892	6,006	1,117	342	452	48	38,422
(Charge)/write-back for impairment losses	(4,202)	(720)	1	(5)	6	44	-	(4,876)
Gross profit	17,419	8,299	6,052	1,110	388	1,295	(550)	34,013
Segment assets	1,813,042	637,280	2,692,140	18,079	17,153	84,279	(35,040)	5,226,933
Capital expenditure	416	782	31	6	2	953	-	2,190

At 30 June 2005

Unit: RMB million

	Corporate banking	Personal banking	Treasury services	Investment banking	Insurance business	Others	Eliminations	Total
Net interest income	25,744	16,021	7,056	63	183	(409)	-	48,658

Non-interest income	4,135	2,558	746	335	46	243	(42)	8,021
Operating and administrative expenses	(7,876)	(10,148)	(2,680)	(195)	(88)	(301)	288	(21,000)
Operating profit	20,548	7,995	4,362	201	140	(483)	246	33,009
(Charge)/ write-back for impairment losses	(5,471)	819	19	1	(2)	58	-	(4,576)
Gross profit	15,184	9,029	4,452	203	134	576	-	29,578
Segment assets	1,658,718	603,891	2,399,377	15,159	12,398	77,644	(24,381)	4,742,806
Capital expenditure	342	665	32	4	25	698	-	1,766

With effect from 1 January 2006, the internal funding transfer pricing mechanism of the Bank was revised. The new pricing mechanism is based on the external market deposit and lending rates, adjusted for pre-determined margins with reference to the different products and respective maturities. Previously, blended mid prices between the Bank's average cost of funding and average yield on interest bearing assets were adopted, without taking into consideration the variety of products and respective maturities. The reason for the change is primarily to better reflect the performance of the individual segments as part of the Bank's efforts to enhance its assets and liabilities management capability. Above segment information at 30 June 2006 is based on the new transfer pricing.

5.7 Other Operations having Significant Influences on Net Profit

Applicable N.A.

5.8 Operation of Major Subsidiary (Applicable to the company with investment gains accounting for 10% of the net profit)

Applicable N.A.

	Half year ended 30 June 2006	Half year ended 30 June 2005
Name	BOC Hong Kong (Holdings) Limited	
Listing place and code	Hong Kong · HK2388	
Scope of business	BOC Hong Kong (Holdings) Limited is a holding company; its subsidiary Bank of China (Hong Kong) Limited (BOC Hong Kong) provides banking and relevant financial services in Hong Kong.	
Net profit (RMB billion)	4.57	3.993
Proportion of net profit of share participating company in current period in the net profits of the listed company (%)	24.02	24.30

5.9 Explanations on significant changes in main business and its structure compared with the previous year.

Applicable N.A.

5.10 Explanations on significant changes in profitability of main business (gross margin percentage) compared with the previous year.

Applicable N.A.

5.11 Analysis of reasons for significant changes in profit components compared with the previous year.

Applicable N.A.

5.12 Use of raised funds

5.12.1 Use of Proceeds

Applicable N.A

Proceeds in the current report period are as follows:

Pursuant to the *Response of CBRC on BOC's Absorption of Investment and Shareholding by SSF* (YJF [2006] No. 49), the Bank issued to SSF 8,514,415,652 ordinary shares on 13 March 2006, par value RMB 1 for each share at a premium. SSF contributed RMB 10 billion in cash, with the capital contribution including an equity premium of RMB1, 481 million.

Pursuant to the *Response of CBRC on BOC's Transformation to Overseas Offering and Listing of Shares* (YJF [2006] No. 53) and the *Response on Approving BOC's Issuance of Foreign Capital Stock Listed Abroad* (ZJGHZ [2006] No.8), the Bank issued at a premium to foreign investors 29,403,878,000 foreign capital stocks listed abroad (H Share) on 1 June 2006 and 9 June 2006, par value of RMB 1 for each share, which were publicly listed on the Hong Kong Stock Exchange at an issue price of HK\$2.95 per share.

Pursuant to the *Response of CBRC on BOC Issuing Stocks and Going Public* (YJF [2006] No. 135) and the *Circular on Approval of BOC Initial Public Offering* (ZJFXZ [2006] No.20), the Bank issued at a premium to domestic investors 6,493,506,000 ordinary shares (A Share) on 29 June 2006, par value of RMB 1 for each share, which were publicly listed on the Shanghai Stock Exchange at an issue price of RMB3.08 per share.

Funds raised within the report period are mainly used to strengthen the Bank's capital base.

5.12.2 Alteration

Applicable N.A.

5.13 Plans on alteration of business plan for the second half year by the Board of Directors

Applicable N.A.

During the report period, the Bank didn't revise its business plan.

5.14 Warnings and Explanations on Loss Forecast or Significant Changes in Net Accumulative Profit from the Beginning of the Year to the End of Next Report Period

Applicable N.A.

The Bank predicts the net accumulative profit earned from the beginning of the year to the end of next report period will neither be loss, and nor significantly fluctuate compared with the same period of last year.

5.15 Explanation of the Management on the “non-standard opinion” of the report period by the accounting firm

Applicable N.A.

5.16 Explanation of the Management on the changes and disposals of matters the “non-standard opinion” of the previous year by the accounting firm concerned

Applicable N.A.

§6 Significant Events

6.1 Acquisition, Sales of Assets and Asset Restructuring

6.1.1 Acquisition and Purchase of Assets

Applicable N.A.

6.1.2 Sale and Disposal of Assets

Applicable N.A.

On 1 June 2006, BOCG Insurance, a wholly-owned subsidiary of the Group, sold a 51% stake of BOCG Life to BOC Hong Kong which the Bank holds a stake of 65.88%, at the purchase price of HKD0.9 billion by referring to the valuation of BOCG Life as of 31 December 2005. The Group actually sold a 17.4% stake of BOCG Life to minorities of BOCHK, and gained proceeds of RMB0.138 billion.

Bank of China Group Investment Limited, a Hong Kong subsidiary of the Group, sold loans of RMB63 million at the book value to an independent third party in May 2006, and gained proceeds of RMB0.723 billion, with net income of RMB0.660 billion.

6.1.3 The development of the above item and its influence on the operating results and financial positions of the report period after the asset restructuring report or the declaration on sale of assets

Applicable N.A.

6.2 Guarantee

Applicable N.A.

The guarantee business is one of the regular off-sheet items. Our bank pursues the principle of prudence when carrying out external guarantee business, and conducts risk management according to the five-category classification of loans to ensure the quality of guarantee business.

In the report period, no cash assets were entrusted to others for management in the Bank.

6.3 Significant Related Party Transactions

Applicable N.A.

Related parties are those parties that 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 subjected to common control. The Group is controlled by the State Council of the People's Republic of China ("PRC") through Central SAFE Investments Ltd.

1. Transactions with Central SAFE Investments Ltd

(1) Foreign Currency Option Agreement

On 5 January 2005, the Bank entered into a Foreign Currency Option Agreement with Central SAFE Investments Ltd whereby the Bank acquired options to sell to Central SAFE Investments Ltd USD, totaling USD 18 billion, of no more than USD1,500 million at the beginning of each calendar month during the year ending 31 December 2007 at a fixed exchange rate of USD1 to RMB 8.2769. The related option premium totalled RMB 4,469 million, which is payable by the Bank to Central SAFE Investments Ltd in 12 equal monthly installments at the beginning of each calendar month during the year ending 31 December 2007.

(2) Deposits

Unit: RMB million

	Half year ended 30 June 2006	Half year ended 30 June 2005
At 1 January	38,869	-
Deposits received during the year/period	156,679	42,972
Deposits repaid and other changes during the year/period	(173,709)	(4,103)
At 30 June / 31 December	21,839	38,869

The deposits from Central SAFE Investments Ltd are under commercial terms and at market rates.

2. Transactions with Other Companies Controlled by Central SAFE Investments Ltd

Central SAFE Investments Ltd also has controlling equity interests in certain other bank and non-bank entities in the PRC. The Group enters into banking transactions with these companies in the normal course of its business. These include trading assets, investment securities and money market transactions. The Bank has no material balance with these entities as of 30 June 2006.

3. Transactions with Shareholders Holding 5% or More Ordinary Shares

As at 30 June 2006, in addition to Central SAFE Investments Ltd, the shareholders holding 5% or more ordinary shares of the Bank are RMB China Investments S. à. R. l.. The Bank has no significant transactions with these shareholders from January 1 to June 30 2006, and has no material balances with these shareholders as of 30 June 2006.

4. Transactions with Associates

In the ordinary course of business, the Group enters into business transactions with its associates, including lending, deposit taking, debt securities purchasing and other normal banking businesses. The transactions with these associates are conducted on the same pricing principles as for the transactions with any independent third party. The loans and deposits balances with associates and outstanding debt securities issued by associates at the year/period end are stated below, and the related interest income and expensed are not considered significant.

a) Loans

Unit: RMB million

	Half year ended 30 June 2006	Half year ended 30 June 2005
At 1 January	7,240	1,246
Deposits received during the year	18	8,128
Deposits repaid and other changes during the year	(6,095)	(989)
At 30 June / 31 December	1,163	7,240
Provisions for loan losses	(190)	(119)

b) Deposits

Unit: RMB million

	Half year ended 30 June 2006	Half year ended 30 June 2005
At 1 January	856	1,227
Deposits received during the year	3,250	3,879
Deposits repaid and other changes during the year	(1,959)	(4,250)
At 30 June / 31 December	2,147	856

c) Debt Securities Issued by Associates

(Unit: RMB million)

	Half year ended 30 June 2006	Half year ended 30 June 2005
At 1 January	188	-
Purchase during the year	-	1,307
Redemption sales during the year	(188)	(1,123)
Fair value changes and others		4
At 30 June / 31 December	-	188

6.4 Major Litigation and Arbitration

□ Applicable ✓ N.A.

During the report period and except as disclosed herein, there was no material litigation and arbitration that might have significant adverse impact on the operation of the Bank.

As of 30 June 2006, The Bank has involved in certain litigation and arbitration cases in regular businesses. Consulting professional legal firms, the Management holds that these litigation and arbitration cases will not have significant adverse impacts on the operation of the Bank.

6.5 Analysis and explanation on other significant events and its influence and solutions.

Applicable N.A.

6.6 Undertakings and its performance of the previous non-tradable share holders made in stock splitting.

Applicable N.A.

6.7 Explanation on the joint-stock reform arrangements of company that hasn't gone through joint-stock reform.

Applicable N.A.

Detailed Explanation on reasons for not timely performing the undertaking of joint-stock reform by company that hasn't gone through joint-stock reform.

Applicable N.A.

6.8 Purchase, Sale or Redemption of the Company's Shares

Applicable N.A.

The Bank issued to SSF 8,514,415,652 ordinary shares on 13 March 2006, par value RMB 1 for each share at a premium.

The Bank issued 25,568,590,000 IPO H shares in the Hong Kong Stock Exchange on 1 June 2006; with the over-allotment option exercised on 9 June, 3,835,288,000 H-Shares were issued.

The Bank issued 6,493,506,000 new A shares on 29 June 2006, and the Bank's A shares were listed and commenced trading on the Shanghai Stock Exchange on 5 July 2006.

Save for the above, neither the Bank nor any of its subsidiaries has purchased, sold or redeemed any of the Bank's shares.

6.9 Compliance with the Code on Corporate Governance Practices of the Listing Rules

Applicable N.A.

The Bank endeavored to establish good corporate governance principles and practices and believed that upholding international standards of corporate governance is crucial to safeguarding the interests of shareholders. The Board of Directors and Board of Supervisors have been restructured in line with relevant laws and regulations. The Board of Directors is accountable to the general meeting of shareholders and responsible for, among other things, approving the Bank's

business strategy and operating plans, appointing senior management and establishing organization structure. With the Board of Directors at the core, the Bank has set up a number of Board committees, namely Strategic Development Committee, Audit Committee, Risk Policy Committee, Personnel and Remuneration Committee and Connected Transaction Control Committee to perform functions designated by the Board of Directors. The Board of Supervisors is accountable to the general meeting of shareholders and has the responsibility and power to, among other things, supervise the Board of Directors and senior management, inspect the Bank's financial activities and examine decisions.

The Bank has conducted a gap analysis between the requirements of the Code on Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules of the Hong Kong Stock Exchange on the one hand and the Group's internal requirements and practices on the other hand. The Bank has been in full compliance with the code provisions and has substantially complied with the recommended best practices set out in the CG Code.

6.10 Audit Committee

Applicable N.A.

The Audit Committee of the Bank consists of Non-executive Directors only, of which two are Non-executive Directors and three are Independent Non-executive Directors. The Committee is chaired by Mr. Patrick de Saint-Aignan, an Independent Non-executive Director. Other members are Mdm. Zhu Yan, Mdm. Huang Haibo, Mr. Anthony Francis Neoh and Mr. William Peter Cooke.

Based on the principle of independence, the Audit Committee assists the Board in monitoring the financial reports, internal control, internal audit and external audit of the Group.

The Audit Committee has reviewed the interim results of the Bank. The Bank's external auditors have carried out a review of the interim financial statements in accordance with the No. 10 Announcement of the Independent Auditing Practice Pronouncement No.10- Engagements to Review Financial Statement but not audited in accordance with Chinese Independent Auditing Standards. The Audit Committee has discussed matters such as the accounting standards and the auditing practice, internal control and financial statements adopted in the interim report.

6.11 Compliance with the PRC Accounting Standard for Enterprises and the *Accounting System for Financial Institutions*

Applicable N.A.

The Interim Report as of 30 June 2006 is prepared in accordance with the PRC Accounting Standard for Enterprises and the *Accounting System for Financial Institutions*.

§7 Financial Reports

7.1 Auditors' Opinion

Financial Report	<input type="checkbox"/> Audited <input checked="" type="checkbox"/> Unaudited
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7.2 Condensed Consolidated Financial Statements

BANK OF CHINA LIMITED
Income Statement
For the Six Months Ended 30 JUNE 2006

(Amount in millions of Renminbi, unless otherwise stated)

	For the six month period ended 30 June			
	Bank of China Group		Bank of China Limited	
	2006	2005	2006	2005
	Unaudited	Unaudited	Unaudited	Unaudited
Interest income	99,777	77,466	79,525	66,038
Interest expense	(45,301)	(28,808)	(33,197)	(24,401)
Net interest income	<u>54,476</u>	<u>48,658</u>	<u>46,328</u>	<u>41,637</u>
Net fee and commission income	6,841	4,518	4,762	3,029
Net trading (expense)/income	(193)	2,993	(282)	2,250
Investment income	1,681	149	7,652	4,840
Other operating income, net	1,797	361	245	12
	<u>64,602</u>	<u>56,679</u>	<u>58,705</u>	<u>51,768</u>
Operating and administrative expenses	(23,193)	(21,000)	(19,715)	(17,744)
Business tax and surcharges	<u>(2,987)</u>	<u>(2,670)</u>	<u>(2,952)</u>	<u>(2,650)</u>
Operating profit	38,422	33,009	36,038	31,374
Non-operating income, net	<u>467</u>	<u>1,145</u>	<u>222</u>	<u>777</u>
Profit before impairment losses	38,889	34,154	36,260	32,151
Impairment losses	<u>(4,876)</u>	<u>(4,576)</u>	<u>(5,680)</u>	<u>(6,116)</u>
Profit before tax	34,013	29,578	30,580	26,035
Income tax	<u>(12,362)</u>	<u>(10,860)</u>	<u>(10,937)</u>	<u>(9,601)</u>
Profit after tax	21,651	18,718	19,643	16,434
Minority interests	<u>(2,627)</u>	<u>(2,284)</u>	<u>-</u>	<u>-</u>
Net profit	<u>19,024</u>	<u>16,434</u>	<u>19,643</u>	<u>16,434</u>
Earnings per share for profit attributable to the shareholders of the Bank during the period(expressed in Renminbi per ordinary share)				
- Basic	0.09	0.09		
- Diluted	0.09	0.09		

Legal Representative and Chairman:
Xiao Gang

Deputy Chairman and President:
Li Lihui

Vice President in charge of accounting function:
Zhou Zaiqun

General Manager in charge of the Accounting
Liu Yanfen

BANK OF CHINA LIMITED
Balance Sheets
As at 30 JUNE 2006

(Amount in millions of Renminbi, unless otherwise stated)

Assets	Bank of China Group		Bank of China Limited	
	30 June 2006	31 December 2005	30 June 2006	31 December 2005
	Unaudited	Audited	Unaudited	Audited
Cash	29,811	28,644	26,684	25,144
Precious metals	40,649	30,314	39,003	28,577
Due from central banks	340,651	316,941	314,986	284,373
Government certificates of indebtedness for bank notes	36,094	35,586	1,650	1,641
Trading and other debt securities at fair value through profit or loss	110,602	107,271	81,224	82,082
Derivative financial instruments	21,540	16,808	15,136	11,329
Due from and placements with banks and other financial	300,114	344,537	223,651	256,786
Debt securities	1,877,669	1,562,320	1,570,481	1,297,990
Loans and advances to customers	2,405,536	2,235,046	2,042,201	1,868,105
Less: Provision for loan losses	(88,128)	(83,153)	(84,753)	(79,581)
Interest receivable	23,187	20,408	18,726	16,107
Equity investments	14,775	15,393	69,439	66,951
Fixed assets	71,208	72,978	52,169	53,392
Construction in progress	3,940	3,342	3,933	3,331
Deferred tax assets	17,410	17,561	17,298	17,428
Other assets	21,875	18,810	11,076	10,384
Total assets	5,226,933	4,742,806	4,402,904	3,944,039

BANK OF CHINA LIMITED

Balance Sheets As at 30 JUNE 2006

(Amount in millions of Renminbi, unless otherwise stated)

Liabilities	Bank of China Group		Bank of China Limited	
	30 June 2006 Unaudited	31 December 2005 Audited	30 June 2006 Unaudited	31 December 2005 Audited
Due to central banks	30,495	30,05	30,470	30,030
Bank notes in circulation	36,151	35,73	1,708	1,786
Derivative financial instruments and liabilities at fair value through profit or loss	101,172	91,17	80,777	76,323
Due to and placements from banks and other financial	358,349	345,23	350,337	343,574
Deposits from customers	4,053,024	3,703,77	3,356,973	3,009,187
Interest payable	31,485	27,02	29,559	25,291
Special purpose borrowings	49,622	52,16	49,622	52,164
Bonds issued	60,177	60,17	60,177	60,179
Deferred tax liabilities	254	18	22	22
Other liabilities	119,751	134,66	85,618	111,641
Total liabilities	<u>4,840,480</u>	<u>4,480,18</u>	<u>4,045,263</u>	<u>3,710,197</u>
Minority interests	28,812	28,77	-	-
Shareholder' s equity				
Share capital	253,839	209,42	253,839	209,427
Capital reserve	76,545	3,97	75,888	3,978
Surplus reserve	8,095	5,98	8,095	5,987
General reserve and statutory reserve of subsidiary	9,398	5,10	9,398	5,109
Undistributed profits	23,837	12,58	24,494	12,585
Reserve for fair value changes of available-for-sale securities	(11,954)	(1,38	(11,954)	(1,380)
Currency translation differences	(2,119)	(1,86	(2,119)	(1,864)
Total shareholder' s equity	<u>357,641</u>	<u>233,84</u>	<u>357,641</u>	<u>233,842</u>
Total liabilities and shareholder' s equity	<u>5,226,933</u>	<u>4,742,80</u>	<u>4,402,904</u>	<u>3,944,039</u>

The accompanying notes form an integral part of these financial statements.

BANK OF CHINA LIMITED

STATEMENTS OF CHANGES IN SHAREHOLDER'S EQUITY FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006 (Amount in millions of Renminbi, unless otherwise stated)

	Unaudited							
	Bank of China Group							
	Share capital	Capital reserve	Statutory Reserves	General and regulatory reserves	Undistribut ed profits	Reserve for fair value changes of available- for-sale securities	Currency translation differences	Total
At 1 January 2006	209,427	3,978	5,987	5,109	12,585	(1,380)	(1,864)	233,842
Net profit for the period	-	-	-	-	19,024	-	-	19,024
Issue of ordinary shares	44,412	72,567	-	-	-	-	-	116,979
Appropriation to statutory reserve	-	-	2,108	-	(2,108)	-	-	-
Appropriation to general and regulatory reserves	-	-	-	4,291	(4,291)	-	-	-
Net fair value changes of available-for-sale securities	-	-	-	-	-	(10,574)	-	(10,574)
Dividend	-	-	-	-	(1,375)	-	-	(1,375)
Currency translation differences	-	-	-	-	-	-	(255)	(255)
Others	-	-	-	(2)	2	-	-	-
At 30 June 2006	253,839	76,545	8,095	9,398	23,837	(11,954)	(2,119)	357,641

Legal Representative and Chairman:
Xiao Gang

Deputy Chairman and President:
Li Lihui

Vice President in charge of accounting function:
Zhou Zaiqun

General Manager in charge of the Accounting Department
Liu Yanfen

7.3 Notes to the Financial Statements

7.3.1 There is no alteration of accounting policies or accounting estimates, or the correction of accounting errors within the report period.

7.3.2 The consolidation scope of financial statements didn't change significantly within the report period.

7.3.3 Notes to Consolidated Financial Statements

7.3.3.1

1 Net interest income

	For the six month period ended	
	30 June 2006	30 June 2005
Interest income		
Loans and advances to customers	60,360	51,971
Debt securities	30,652	19,908
Due from and placements with banks and other financial institutions	6,315	3,518
Due from central banks	2,450	2,069
Sub-total	99,777	77,466
Interest expense		
Deposits from customers	(38,887)	(23,815)
Due to and placements from banks and other financial institutions, and due to central banks	(4,122)	(2,827)
Special purpose borrowings and bonds issued	(2,292)	(2,166)
Sub-total	(45,301)	(28,808)
Net interest income	54,476	48,658

2 Net fee and commission income

	For the six month period ended	
	30 June 2006	30 June 2005
Settlement and clearing fees	1,794	1,287
Agency commissions	2,201	1,235
Credit commitment fees and commissions	1,438	1,308
Bank card fees	1,365	1,049
Custodian and other fiduciary service fees	248	235
Others	1,120	801
Fee and commission income	8,166	5,915
Fee and commission expense	(1,325)	(1,397)

Net fee and commission income

6,841

4,518

3 Net trading (expense)/income

	For the six month period ended	
	30 June 2006	30 June 2005
Net gains from foreign exchange and foreign exchange products	1,302	3,322
Net (losses)/gains from interest rate instruments(1)	(1,495)	(329)
Total	(193)	2,993

(1) Include the unrealised loss relating to trading debt securities of RMB1.755 billion.

4 Investment income

	For the six month period ended	
	30 June 2006	30 June 2005
Equity investment		
Net gains from investment in associates	339	48
Others (1)	1,248	77
Sub-total	1,587	125
Debt investment	94	24
Total	1,681	149

(1) Other equity investment income included gains on disposal of trading portfolio equity investments held by subsidiaries of the Group in HK.

5 Other operating income, net

	For the six month period ended	
	30 June 2006	30 June 2005
Other operating income		
Insurance premium	4,286	2,624
Others(1)	1,080	143
Sub-total	5,366	2,767
Other operating expense		
Insurance claim expense	(3,423)	(2,168)
Others	(146)	(238)
Sub-total	(3,569)	(2,406)
Other operating income, net	1,797	361

(1) Other operating income included gains on disposal of loans to third party held by subsidiaries of the Group in HK amounting to RMB 660 million.

6 Operating and administrative expenses

	For the six month period ended	
	30 June 2006	30 June 2005
Staff costs	13,278	11,654
General operating and administrative expenses	7,174	6,208
Depreciation	2,741	3,138
Total	23,193	21,000

Staff costs are analysed as follows:

	For the six month period ended	
	30 June 2006	30 June 2005
Salaries and welfare expenses	10,141	9,345
Defined contribution plans	1,495	659
Housing fund contributions	626	427
Other social insurance costs	415	362
Defined benefit plans	139	238
Others	462	623
Total	13,278	11,654

In the second half of 2005, the Group set up the Annuity Plan. Included in the defined contribution plans is RMB 478 million contributed by the Bank to the Annuity Plan in 2006.

Contributions to defined contribution plans for the period ended 30 June 2006 include the effect of deductions of forfeited contributions of approximately RMB 12.07 million (2005: RMB14 million). The amounts of unutilized forfeited contributions available for further deduction are not material as at 30 June 2006 and 31 December 2005.

7 Business tax and surcharges

	For the six month period ended	
	30 June 2006	30 June 2005
Business tax	2,687	2,406
City maintenance and construction tax	176	158
Education surcharges	96	83
Others	28	23
Total	2,987	2,670

8 Impairment losses

	For the six month period ended	
	30 June 2006	30 June 2005
Provision for loan losses	5,062	4,718
(Write-back of)/Provision for impairment of foreclosed assets	(131)	96
(Write-back of)/Provision for impairment of other receivables	(55)	206
Write-back of impairment of fixed assets and others	-	(444)
Total	4,876	4,576

9 Income tax

	For the six month period ended	
	30 June 2006	30 June 2005
Current tax	12,136	10,998
Deferred tax	226	(138)
Total	12,362	10,860

The income tax expense on the Group' s profit before tax differs from the amount that would arise using the basic tax rate of the Group, detailed as follows:

	For the six month period ended	
	30 June 2006	30 June 2005
Profit before tax	34,013	29,578
Tax calculated at a tax rate of 33%	11,224	9,761
Effect of different tax rates in overseas operations	(1,927)	(1,479)
Supplementary tax on overseas income paid in the PRC	1,688	865
Prior years tax expenses adjustment (1)	(350)	(2)
Income not subject to tax	(1,223)	(614)
Expenses not deductible for tax purposes (2)	2,921	2,452
Others	29	(123)

Total	12,362	10,860
(1) Prior years tax expenses adjustment included the related tax impact of RMB 284 million in relation to the deductible transfer loss of BOC with the amount of RMB 860 million approved by MOF and SAT in the first half of Year 2006. The loss was generated when the bank formerly performed capital injection to COAMC by transferring its equity investments.		
(2) The Group is currently in the process of applying for a revision to the statutory salary deductible threshold for its domestic employees from the PRC State Administration of Taxation (“SAT”). In accordance with Guoshuihan[2006] No.484, “Response Letter on the Bank of China Limited salary deduction matter” issued by SAT on 19 May 2006, it was agreed in principle that, after the overseas listing of the Bank, the salary costs that are deductible for income tax purposes will be based on the performance of the Bank. The details related to the implementation of such deductibility threshold have however not yet been determined and are subject to further approval of relevant PRC government authorities and as a result, the effect of this has not been reflected in tax expense. The Group will continue to follow up with the relevant PRC government authorities regarding the detailed implementation plans of this approval in accordance with the relevant regulations and guidance.		

10 Earnings per share (Basic & Diluted)

Basic and diluted earnings per share have been computed by dividing the profit for the period by the weighted average number of ordinary shares issued.

The Bank has no dilutive potential ordinary shares, and therefore the diluted earnings per share is equal to the basic earnings per share.

	For the six month period ended	
	30 June 2006	30 June 2005
Profit attributable to equity holders of the Bank	19,024	16,434
Weighted average number of ordinary shares in issue (millions)	218,002	186,390
Basic and diluted earnings per share (Renminbi per share)	0.09	0.09

7.3.3.2 Notes to the Bank's Financial Statements

1 Net interest income

	For the six month period ended	
	30 June 2006	30 June 2005
Interest income		
Loans and advances to customers	50,141	45,875
Debt securities	23,738	15,804
Due from and placements with banks and other financial institutions	3,457	2,327
Due from central banks	2,189	2,032
Sub-total	79,525	66,038
Interest expense		
Deposits from customers	(26,815)	(19,427)
Due to and placements from banks and other financial institutions, due to central banks	(4,090)	(2,811)
Special purpose borrowings and bonds issued	(2,292)	(2,163)
Sub-total	(33,197)	(24,401)
Net interest income	46,328	41,637

2 Net fee and commission income

	For the six month period ended	
	30 June 2006	30 June 2005
Settlement and clearing fees	1,374	964
Agency commissions	877	385
Credit commitment fees and commissions	1,148	996
Bank card fees	962	636
Custodian and other fiduciary service fees	113	110
Others	748	611
Fee and commission income	5,222	3,702
Fee and commission expenses	(460)	(673)

Net fee and commission income	<u><u>4,762</u></u>	<u><u>3,029</u></u>
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3 Net trading (expense)/income

	For the six month period ended	
	30 June 2006	30 June 2005
Net gains from foreign exchange and foreign exchange products	343	2,655
Net (losses)/gains from interest rate instruments	<u>(625)</u>	<u>(405)</u>
Total	<u>(282)</u>	<u>2,250</u>

4 Investment income

	For the six month period ended	
	30 June 2006	30 June 2005
Equity investment		
Share of result of subsidiaries	7,521	4,747
Net gains from investments in associates	5	3
Others	<u>21</u>	<u>85</u>
Sub-total	7,547	4,835
Debt investment	<u>105</u>	<u>5</u>
Total	<u>7,652</u>	<u>4,840</u>

5 Operating and administrative expenses

	For the six month period ended	
	30 June 2006	30 June 2005
Staff costs	11,087	9,602
General operating and administrative expenses	6,308	5,394
Depreciation	<u>2,320</u>	<u>2,748</u>
Total	<u>19,715</u>	<u>17,744</u>

Staff costs are analysed as follows:

	For the six month period ended	
	30 June 2006	30 June 2005
Salaries and welfare expenses	8,159	7,546
Defined contribution plans	1,334	638
Housing fund contributions	611	427
Other Social insurance costs	411	339
Defined benefit plans	139	238
Others	<u>433</u>	<u>414</u>

Total	11,087	9,602
6 Impairment losses	For the six month period ended	
	30 June 2006	30 June 2005
Provision for loan losses	5,849	6,092
(Write-back of)/Provision for impairment of foreclosed assets	(129)	96
(Write-back of)/Provision for impairment of other receivables	(32)	211
Write-back of impairment of fixed assets and others	(8)	(283)
Total	5,680	6,116

7.3.3.3 Derivative financial instruments

The Group enters into the following foreign exchange rate or interest rate related derivative financial instruments for trading and risk management purposes:

The contractual/notional amount and fair values of derivative instruments held by the Group are set out in the following table. The contractual/notional amounts of certain types of financial instruments provide a basis for comparison with fair value 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 market risks. The derivative instruments become favourable assets or unfavourable (liabilities) as a result of fluctuations in market exchange rate, interest rates or equity/commodity prices relative to their terms. The aggregate fair values of derivative financial assets and liabilities can fluctuate significantly from time to time.

The fair values of derivatives that are not quoted in active markets are determined by using valuation techniques. Valuation techniques used include discounted cash flows analysis and models. To the extent practical, models use only observable data, such as interest rate and foreign exchange rates, however areas such as credit risk (both own and counterparty's), volatilities and correlations require management to make estimates. Changes in such observable data and assumptions about these factors could affect reported fair value of financial instruments.

At 30 June 2006	Contractual / notional amount	Fair values	
		Assets	Liabilities
Foreign exchange derivatives			
Currency forwards (1)	800,207	8,412	(5,040)
OTC currency options (2)	268,738	4,348	(708)
Sub-total		12,760	(5,748)
Interest rate derivatives			
Interest rate swaps	402,830	6,194	(7,333)
Cross-currency interest rate swaps	38,209	1,943	(3,980)
OTC interest rate options	149,528	146	(1,058)
Interest rate futures	17,552	21	(3)
Sub-total		8,304	(12,374)
Equity derivatives	11,223	166	(227)
Precious metals derivatives	10,686	310	(412)
Total derivative financial instruments assets/(liabilities)		21,540	(18,761)

7.3.3.4 Contingent Liabilities, Commitments and Other Off-Balance Sheet Items

1 Legal proceedings

As at 30 June 2006, the Group was the defendant in certain lawsuits arising from its normal business operations. Management of the Group believes that the outcome of these lawsuits will not have a material impact on the financial position of the Group after consulting legal counsel.

2 Assets pledged

Assets pledged as collateral for repurchase, short positions and precious metals swaps agreements with other banks and financial institutions are set forth in the tables below. As at 30 June 2006, the Group had repurchase agreements, short positions and precious metals swaps amounting to RMB 78,597 million (2005: RMB 62,108 million). All such agreements mature within twelve months from inception.

	30 June 2006	31 December 2005
Precious metals	52	2,617
Bills	5,569	11,968
Debt securities	76,822	49,658
	<u>82,443</u>	<u>64,243</u>
Total	<u>82,443</u>	<u>64,243</u>

3 Capital commitments

The Group has the following outstanding capital commitments not provided for in the accounts:

	30 June 2006	31 December 2005
Authorised and contracted for but not recorded	2,152	1,893
Authorised but not contracted for	2,257	2,687
	<u>4,409</u>	<u>4,580</u>

The above capital commitments are related to commitments to purchase building and equipment. The Group's management is confident that future revenues and funding available will be sufficient to meet these capital commitments. However the Group's management have no obligation to incur the costs in respect of the balance of the authorised but not contracted for amounts.

4 Operating leases

Under the Group's irrevocable operating lease contracts, the minimum rental payments that should be paid in the future are summarized as:

	30 June 2006	31 December 2005
Within one year	1,401	1,371
One to two years	1,159	1,085
Two to three years	851	807
Above three years	2,566	2,546
Total	5,977	5,809

5 Bearer treasury bonds redemption commitments

The Bank is entrusted by the MOF to issue certain Bearer Treasury Bonds. The investors of Bearer Treasury Bonds have a right to redeem the bonds at par any time prior to maturity and the Bank is committed to redeem those bonds. The redemption price is the principal value of the Bearer Treasury Bonds plus unpaid interest. As at 30 June 2006, the Bank's redemption commitments, representing the principal value of the bonds underwritten and sold by the Bank, amounted to RMB 84,056 million (2005: RMB 80,965 million). The original maturities of these bonds vary from 1 to 5 years. As the deposits base rate established by the PBOC is currently lower than the yields on all issues of Bearer Treasury Bonds, management expects the amount of redemption before the maturity dates of those bonds through the Bank will not be material.

6 Major off-balance sheet exposures

	30 June 2006	31 December 2005
Acceptances	230,434	195,234
Letters of guarantee issued	255,779	212,987
Letters of credit issued	115,686	101,195
Irrevocable credit commitments and others	422,297	386,346
Total	1,024,196	895,762

Bank of China Limited

Chairman: Xiao Gang

August 29, 2006