

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

未經審核補充財務資料

(1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE 資本充足比率及資本基礎

(a) Capital adequacy ratio

(a) 資本充足比率

		2009 百分率	2008 百分率
Capital adequacy ratio as at 31st December	於12月31日的資本充足比率	13.3	13.8
Core capital adequacy ratio as at 31st December	於12月31日的核心資本充足比率	9.4	9.1

Capital ratios at 31st December, 2009 and 31st December, 2008 were compiled in accordance with the Banking (Capital) Rules ("the Capital Rules") issued by the Hong Kong Monetary Authority under Section 98A of the Hong Kong Banking Ordinance for the implementation of the "Basel II" capital accord, which became effective on 1st January, 2007. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

The basis of consolidation for calculation of capital ratios under the Capital Rules follows the basis of consolidation for financial reporting with the exclusion of subsidiaries which are "regulated financial entities" (e.g. insurance and securities companies) as defined by the Capital Rules. Accordingly, the investment costs of these unconsolidated regulated financial entities are deducted from the capital base.

於2009年12月31日及2008年12月31日之資本比率，乃根據香港金融管理局所頒佈的《銀行業(資本)規則》(「資本規則」)計算。此「資本規則」乃根據香港《銀行條例》第98A條因應實施新巴塞爾資本協定而制定，並於2007年1月1日生效。根據「資本規則」，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

於「資本規則」下計算綜合資本比率之基礎乃跟隨財務報告之綜合基礎，但撇除「資本規則」界定為受規管金融實體(如保險及證券公司)之附屬公司。因此，該等未綜合之附屬公司之投資成本會從資本基礎中扣除。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(1) CAPITAL ADEQUACY RATIO AND CAPITAL BASE (CONTINUED) 資本充足比率及資本基礎 (續)

(b) Group capital base after deductions

(b) 集團扣減後的資本基礎

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Core capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	4,623	4,183
Share premium	股份溢價	4,526	4,922
Reserves	儲備	17,647	18,308
Profit or loss account	損益賬	1,553	(71)
Minority interests	少數股東權益	3,826	–
Deduct: Goodwill	減：商譽	(1,624)	(1,624)
Net deferred tax assets	淨遞延稅項資產	(317)	(119)
Other intangible assets	其他無形資產	(27)	(29)
		30,207	25,570
Less: Core capital items deductions	減：核心資本的扣減項目	(3,672)	(2,749)
Total core capital	核心資本總額	26,535	22,821
Eligible supplementary capital	可計算的附加資本		
Reserves attributable to fair value gains on revaluation of holdings of land and building	因按公平價值重估持有土地及建築物而產生盈利的儲備	916	801
Revaluation reserves for fair value gains on revaluation of holdings of available-for-sale equities and debt securities	因按公平價值重估持有可供出售股份及債務證券而產生盈利的重估儲備	63	–
Unrealised fair value gains arising from holdings of equities and debt securities designated at fair value through profit or loss	因按公平價值重估持有被指定為通過損益以反映公平價值之股份及債務證券而產生的未實現盈利	424	–
Regulatory reserve for general banking risks	一般銀行業風險的法定儲備	134	156
Collectively assessed impairment allowances	整體評估減值準備	153	42
Surplus provisions	過剩準備	435	1,024
Perpetual subordinated debt	無到期日的後償債項	3,743	3,356
Term subordinated debt	有期後償債項	8,910	8,899
		14,778	14,278
Less: Supplementary capital items deductions	減：附加資本的扣減項目	(3,672)	(2,749)
Total supplementary capital	附加資本總額	11,106	11,529
Total capital base	資本基礎總額	37,641	34,350

Deductions from total capital base include investments in subsidiaries of which their risk weighted assets have not been consolidated into the total risk weighted assets of the Group, which mainly conduct non-banking related businesses.

資本基礎總額扣減項目，包括主要從事與非銀行業有關業務的附屬公司投資，而其風險加權資產並未在本集團的風險加權資產總額內綜合計算。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(2) LIQUIDITY RATIO 流動資金比率

		2009 百分率	2008 百分率
Average liquidity ratio for the year	年度內平均流動資金比率	43.3	38.4

The average liquidity ratio for the year is the simple average of each calendar month's average liquidity ratio, which is computed on the consolidated basis as required by the Hong Kong Monetary Authority for its regulatory purposes, and is in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

年度內平均流動資金比率是每月平均比率的簡單平均數，其計算是根據香港金融管理局訂定用作規管用途的綜合基準及香港《銀行條例》(附表4)。

(3) CROSS-BORDER CLAIMS 跨國債權

The information on cross-border claims discloses exposures to foreign counterparties on which the ultimate risk lies, and is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country. Only regions constituting 10% or more of the aggregate cross-border claims are disclosed.

跨國債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及轉移風險因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一地區的風險額佔風險總額的百分之十或以上，該地區的風險額便須予以披露。

		2009			
		Banks and other financial institutions 銀行及其他金融機構 HK\$ Mn 港幣百萬元	Public sector entities 公營機構 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
The Group	集團				
People's Republic of China	中華人民共和國	9,717	1,683	37,795	49,195
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民 共和國)	17,241	2,464	12,917	32,622
North America	北美洲	9,147	382	12,927	22,456
Western Europe	西歐	50,624	-	1,490	52,114

		2008			
		Banks and other financial institutions 銀行及其他金融機構 HK\$ Mn 港幣百萬元	Public sector entities 公營機構 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
The Group	集團				
People's Republic of China	中華人民共和國	6,385	1,120	31,888	39,393
Asian countries, excluding People's Republic of China	其他亞洲國家 (不包括中華人民 共和國)	17,388	1,703	11,797	30,888
North America	北美洲	11,688	10	10,028	21,726
Western Europe	西歐	70,048	-	2,383	72,431

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(4) NON-BANK MAINLAND EXPOSURES 內地非銀行類客戶風險

The total direct non-bank Mainland exposures and the individual impairment allowances are as follows:

內地非銀行類客戶直接風險總額及其個別減值準備如下：

Type of counterparties	交易對手的類別	2009			
		On-balance sheet exposure	Off-balance sheet exposure	Total	Individual impairment allowance
		資產負債表以內的風險	資產負債表以外的風險		
HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Mainland entities	內地實體	97,002	22,570	119,572	36
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	15,085	2,302	17,387	10
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認為為內地非銀行類客戶風險	7,540	12	7,552	-
Total	總額	119,627	24,884	144,511	46

Type of counterparties	交易對手的類別	2008			
		On-balance sheet exposure	Off-balance sheet exposure	Total	Individual impairment allowance
		資產負債表以內的風險	資產負債表以外的風險		
HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Mainland entities	內地實體	92,563	14,764	107,327	60
Companies and individuals outside the Mainland where the credit is granted for use in the Mainland	信貸是用於內地而借款的公司及個人是在國外	13,804	2,192	15,996	37
Other counterparties the exposures to whom are considered to be non-bank Mainland exposures	其他交易對手而其風險被認為為內地非銀行類客戶風險	4,266	43	4,309	-
Total	總額	110,633	16,999	127,632	97

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

(5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS 逾期、經重組及收回資產

(a) Overdue and rescheduled advances

(a) 逾期及經重組貸款

		2009		2008	
		% of total advances to customers 佔客戶貸款總額的百分比		% of total advances to customers 佔客戶貸款總額的百分比	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
The Group	集團				
Advances to customers overdue for	逾期客戶貸款				
– 6 months or less but over 3 months	– 3個月以上至6個月	96	0.1	233	0.1
– 1 year or less but over 6 months	– 6個月以上至1年	515	0.2	229	0.1
– Over 1 year	– 1年以上	280	0.1	171	0.1
		891	0.4	633	0.3
Rescheduled advances to customers	經重組客戶貸款	234	0.1	239	0.1
Total overdue and rescheduled advances	逾期及經重組客戶貸款總額	1,125	0.5	872	0.4
Secured overdue advances	有抵押逾期貸款	561	0.2	261	0.1
Unsecured overdue advances	無抵押逾期貸款	330	0.2	372	0.2
Market value of security held against secured overdue advances	有抵押逾期貸款抵押品市值	2,168		1,542	
Individual impairment allowance made on loans overdue for more than 3 months	逾期3個月以上貸款的個別減值準備	309		231	

Loans and advances with a specific repayment date are classified as overdue when the principal or interest is overdue and remains unpaid at the year-end. Loans repayable by regular instalments are treated as overdue when an instalment payment is overdue and remains unpaid at year-end. Loans repayable on demand are classified as overdue either when a demand for repayment has been served on the borrower but repayment has not been made in accordance with the demand notice, and/or when the loans have remained continuously outside the approved limit advised to the borrower for more than the overdue period in question.

當本金或利息已逾期及在年底仍未清還，有特定還款日期的貸款及墊款將分類為逾期貸款。當分期逾期及在年底仍未清還時，以固定分期償還的貸款亦視作逾期貸款。若即時還款通知書已給予借款人但卻未能即時償還，即時償還的貸款當作逾期，及／或該貸款已持續超出已知會借款人所核准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(5) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED) 逾期、經重組及收回資產 (續)

(a) Overdue and rescheduled advances (continued)

An asset considered as an eligible collateral should generally satisfy the following:

- (a) The market value of the asset is readily determinable or can be reasonably established and verified;
- (b) The asset is marketable and there exists a readily available secondary market for disposing of the asset;
- (c) The Bank's right to repossess the asset is legally enforceable and without impediment; and
- (d) The Bank is able to secure control over the asset if necessary.

The two main types of "Eligible Collateral" are as follows:

- (i) "Eligible Financial Collateral" mainly comprises cash deposits and shares.
- (ii) "Eligible Physical Collateral" mainly comprises land and buildings, vehicles and equipment.

When the Bank's clients face financial difficulties and fail to settle their loans, depending on different situations, the Bank usually takes the following actions to recover the debt:

- (a) Debt rescheduling/restructuring
- (b) Enforcement of security
- (c) Legal action
- (d) Recovery via debt collector

There were no advances to banks and other financial institutions which were overdue for over 3 months as at 31st December, 2009 and 31st December, 2008, nor were there any rescheduled advances to banks and other financial institutions on these two dates.

(a) 逾期及經重組貸款 (續)

可視作合格抵押品的資產須符合下列條件：

- (a) 該資產的市值是可即時決定的或是可合理地確定及證實的；
- (b) 該資產是有市價的及有二手市場可即時將該資產出售；
- (c) 本行收回資產的權利是有法律依據及沒有障礙的；及
- (d) 本行在有需要時可對該資產行使控制權。

合格抵押品主要分為下列兩種：

- (i) 合格金融抵押品主要包括現金存款及股票。
- (ii) 合格實物抵押品主要包括土地及建築物、汽車及設備。

按不同情況下，當本行客戶面對財政困難而無力償還貸款，本行一般採用以下方式以追收欠款：

- (a) 重新編排債務還款期時間表／債務重組
- (b) 沒收抵押品
- (c) 採取法律行動
- (d) 通過收數公司追收

於2009年12月31日及2008年12月31日，銀行及其他金融機構的貸款中，並無逾期3個月以上或經重組的貸款。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(b) Other overdue and rescheduled assets**(b) 其他逾期及經重組資產**

		2009		2008	
		Accrued interest	Other assets*	Accrued interest	Other assets*
		應計利息	其他資產*	應計利息	其他資產*
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
The Group	集團				
Other assets overdue for	其他逾期資產				
- 6 months or less but over 3 months	- 3個月以上至 6個月	-	-	-	3
- 1 year or less but over 6 months	- 6個月以上至1年	-	-	1	-
- Over 1 year	- 1年以上	-	1	-	-
		-	1	1	3
Rescheduled assets	經重組資產	-	-	-	-
Total other overdue and rescheduled assets	其他逾期及經重組 資產總額	-	1	1	3

* Other assets refer to trade bills and receivables.

* 其他資產是指貿易票據及應收款項。

(c) Repossessed assets**(c) 收回資產**

		2009		2008	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
The Group	集團				
Reposessed land and buildings*	收回土地及建築物*	48		57	
Reposessed vehicles and equipment	收回汽車及設備	-		1	
Total reposessed assets	收回資產總額	48		58	

The amount represents the estimated market value of the reposessed assets as at 31st December.

此等金額指於12月31日收回資產的估計市值。

* The balance included HK\$5 million (2008: HK\$37 million) relating to properties that were contracted for sale but not yet completed.

* 結餘包括總值港幣5,000,000元(2008年:港幣37,000,000元)已簽約出售但仍未成交的物業。

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY 主要風險及資本充足度**(a) Summary of approach to assess capital adequacy**

Different approaches are adopted for assessing capital adequacy as follows:

(a) 評估資本充足度的方法概要

評估資本充足度採納以下不同方法：

Risk areas	Approach for assessing capital adequacy
風險範圍	評估資本充足率的方法
Credit Risk 信貸風險	Foundation Internal Ratings-Based ("IRB") Approach 基礎內部評級基準計算法
Market Risk 市場風險	Internal Models Approach 內部模式計算法
Operational Risk 營運風險	Standardised Approach 標準計算法

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度 (續)

(b) Principal risks

This section presents information on the Group's management of principal risks.

The Group has in place a risk management system to identify, measure, monitor and control the various types of risk that the Group faces and, where appropriate, to set strategy and allocate capital against those risks. The risk management policies covering credit risk, market risk, operational risk, liquidity risk, interest rate risk, strategic risk, legal risk and reputation risk of the Group are reviewed regularly by the Management and specialised risk management committees, and recommendations are made by the Risk Management Committee, which comprises the Group's Chairman and Chief Executive, Senior Advisors, Deputy Chief Executives and the Group Chief Risk Officer, for the approval of the Board of Directors. There is an independent centralised risk management unit, Risk Management Division, responsible for monitoring the activities relating to these principal risks. The internal auditors also perform regular audits on business units to check compliance with policies and procedures.

Credit Risk Management

Credit risk arises from the possibility that a customer or counterparty in a transaction may default. Such risk may arise from counterparty risks from loan and advances, issuer risks from the securities business and counterparty risks from trading activities.

The Board of Directors has delegated authority to the Credit Committee to oversee management of the Group's credit risk, independent of the business units. The Credit Committee reports to the Board of Directors via the Risk Management Committee, which deals with all risk management related issues of the Group. Credit risk control limits are set at different levels and dimensions. The Board of Directors approves the core control limits and delegates the Credit Committee to approve the detailed control limits. Risk, return and market situations are considered in the limits setting. Active limit monitoring process is undertaken.

The Credit Committee is responsible for all credit risk related issues of the Group. The Group identifies and manages credit risk through defining target market segment, formulation of credit policies, credit approval process and monitoring of asset quality.

In evaluating the credit risk associated with an individual customer or counterparty, financial strength and repayment ability are always the primary considerations. Credit risk may be mitigated by obtaining collateral from the customer or counterparty.

(b) 主要風險

本部分載述有關本集團主要風險管理的資料。

本集團已建立一套完善的風險管理制度，以識別、衡量、監察及控制本集團所承受各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團就信貸風險、市場風險、營運風險、流動資金風險、利率風險、策略風險、法律風險和信譽風險制定的管理政策，均由管理層和有關專責委員會定期檢討，並由風險管理委員會提出建議，最後經董事會批核。該委員會由本集團主席兼行政總裁、高級顧問、副行政總裁和集團風險總監組成。本集團設有一個獨立的中央風險管理單位(風險管理處)，專責處理與主要風險有關的活動。內部稽核員亦會對業務部門定期進行稽核，以確保該等政策及程序得以遵從。

信貸風險管理

信貸風險源於客戶或交易對手未能履行其承擔，可來自本集團貸款中的交易對手風險、證券業務的發行商風險和交易活動的交易對手風險。

為監察本集團的信貸風險管理，董事會已授權信貸委員會執行此職能；而信貸風險管理乃獨立於所有業務部門。信貸委員會經風險管理委員會向董事會匯報。風險管理委員會負責處理本集團所有與風險管理相關的事項。信貸風險控制限額設有不同層次和範疇。董事會審批核心控制限額，並授權信貸委員會審批具體控制限額。釐定限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

信貸委員會負責處理所有與本集團信貸風險有關的事務。本集團識別和管理信貸風險的方法，包括設定目標市場、制定信貸政策和信貸審批程序，以及監控資產素質。

本集團在評估與個別客戶或交易對手相關的信貸風險時，雖然可藉客戶或交易對手的抵押品減低信貸風險，然而他們的財政實力以及還款能力才是本集團的主要考慮因素。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The Group has established policies, procedures and rating systems to identify, measure, monitor and control credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Manual. These guidelines stipulate delegated lending authorities, credit extension criteria, credit monitoring process, internal rating structure, credit recovery and provisioning policy. They are reviewed and enhanced on an on-going basis to cater for the market change, statutory requirement and best practice risk management processes. Credit Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to credit risk.

The Group's credit risk management for the major types of credit risk is depicted as follows:

(i) Corporate and bank credit risk

The Group has laid down policies and procedures to evaluate the potential credit risk of a particular counterparty or transaction and to approve the transaction. For corporate and bank customers, the Group has different internal rating systems that are applied to each counterparty. For exposure classified as Specialised Lending in particular, supervisory slotting criteria are used. To monitor concentration risk, the Group has preset limits for exposures to individual industries and for borrowers and groups of borrowers. The Group also has a review process to ensure that the level of review and approval is proper and will depend on the size of the facility and rating of the credit.

The Group undertakes on-going credit analysis and monitoring at several levels. The policies are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The overall portfolio risk as well as individual impaired loans and potential impaired loans are being monitored on a regular basis.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed for the fact that there are high volumes of relatively homogeneous and small value transactions in each retail loan category. The design of internal rating system and formulation of credit policies are primarily based on the demographic factors and the loss experience of the loan portfolios. The Group monitors its own and industry experience to determine and periodically revise product terms and desired customer profiles.

本集團已制訂多項政策、程序及評級系統，以辨別、衡量、監察及控制本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變、有關法定要求及最佳作業風險管理程序。本集團之風險管理處轄下的信貸風險管理部，負責監察與信貸風險有關的活動。

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及銀行信貸風險

本集團已制訂多項政策及程序，以評估特定交易對手或交易的潛在信貸風險，以及決定批核有關交易與否。就企業及銀行客戶而言，本集團已制定適用於所有交易對手的內部評級系統。監管分類準則尤其適用於歸類為專門性借貸的風險承擔。為監控信貸集中的潛在風險。本集團已就個別行業及不同的借款人和借款人團體預設風險承擔限額。本集團亦已釐定檢討程序，確保按照貸款的規模和信貸評級，為貸款進行適當的檢討和審批。

本集團持續進行多個層次的信貸分析和監控。有關政策乃旨在盡早發現需要特別監控的交易對手、行業或產品的風險承擔。交易組合的整體風險和個別減值貸款及潛在減值貸款，均定期予以監控。

(ii) 零售信貸風險

本集團的零售信貸政策和審批程序是因應各類零售貸款中均有大量類似的小額交易而制定的。在設計內部評級系統和制訂信貸政策時，本集團的主要考慮因素包括人口結構因素和有關貸款組合過往的損失。本集團監控本身和行業狀況以釐定和定期修訂產品條款和目標客戶組合。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度 (續)

(b) Principal risks (continued)

Credit Risk Management (continued)

(iii) Credit for treasury transactions

The credit risk of the Group's treasury transactions is managed in the same way as the Group manages its corporate lending risk. The Group applies an internal rating system to its counterparties and sets individual counterparty limits.

(iv) Credit-related commitment

The risks involved in credit-related commitments and contingencies are essentially the same as the credit risk involved in extending loan facilities to customers. These transactions are, subject to the same credit application, portfolio maintenance and collateral requirements as for customers applying for loans.

(v) Concentration of credit risk

Concentration of credit risk exists when changes in geographic, economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is material in relation to the Group's total exposures. The Group's portfolio of financial instruments is diversified along geographic, industry and product sectors.

The Group monitors its concentration risk by adopting appropriate risk control measures, such as setting limits on exposures to different industries and loan portfolios.

(vi) Capital requirement for credit risk by exposure class

The following table indicates the capital requirement for credit risk on each class of exposure at 31st December, 2009 and 31st December, 2008 respectively:

Exposure class	風險承擔類別	Capital requirement	
		資本要求 2009	資本要求 2008
		HK\$ Mn	港幣百萬元
Bank	銀行	2,508	2,313
Corporate	企業	12,354	10,559
Residential mortgage	住宅按揭	704	661
Qualifying revolving retail	合資格循環零售	497	428
Other retail	其他零售	423	416
Equity booked on banking book under Simple Risk-weight Method	銀行賬下的股權 – 以簡單風險加權法計算	184	155
Equity booked on banking book under Internal Models Method	銀行賬下的股權 – 以內部模型計算法計算	175	103
Securitisation	證券化	–	–
Others*	其他*	3,998	3,474

* Including cash items, other IRB exposures and insignificant credit portfolios in which the Bank adopted Standardised Approach for assessing capital adequacy.

(b) 主要風險 (續)

信貸風險管理 (續)

(iii) 財資交易的信貸風險

本集團採用企業信貸風險的管理方法，管理本集團財資交易的信貸風險，包括引用內部評級系統處理交易對手及設定個別交易對手的風險限額。

(iv) 與信貸有關的承諾

與信貸有關的承諾和或有事項的風險，本質上與提供貸款予客戶時的信貸風險相同。因此，有關交易必須符合客戶申請貸款時所要達到的信貸申請，組合保存和抵押要求。

(v) 信貸集中的風險

信貸集中的風險源於交易對手團體受到地緣、經濟或行業因素的影響，而該等團體的整體信貸風險承擔對本集團的總體風險承擔至關重要。本集團的財務工具分散覆蓋不同地區、行業和產品。

本集團一直採用適當的風險控制措施，例如就不同行業和貸款組合釐定限額，以監控信貸集中的風險。

(vi) 各風險承擔類別的信貸風險資本要求

下表分別顯示於2009年12月31日及2008年12月31日每種風險承擔類別的信貸風險資本要求情況：

* 包括現金項目，其他使用基礎內部評級基準法的風險承擔，及本行採用標準計算法評估資本充足率的非主要信貸組合。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及資產負債表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據利率走勢而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的風險包括：

(i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

(ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

市場風險管理

市場風險源自所有對市場風險敏感的財務工具，包括債務證券、外匯合約、股份和衍生工具，以及資產負債表或結構性持倉。市場風險管理旨在減少本集團因財務工具內在的波動性而承受的風險。

董事會檢討和審批市場風險的管理政策，並已授權資產負債管理委員會負責持續進行一般的市場風險管理。資產負債管理委員會經風險管理委員會向董事會匯報。

資產負債管理委員會負責處理本集團一切與市場風險和流動資金風險相關的事項，亦負責根據利率走勢而釐定未來業務策略。

進行衍生工具交易及向客戶出售衍生工具以用作風險管理產品為本集團其中一項重要業務。此等工具亦用以管理本集團所承受的市場風險，作為本集團資產負債管理的一部分程序。本集團所採用的衍生工具主要為利率、外匯和股份相關合約，即為場外或場外交易的衍生工具。本集團大部分的衍生工具持倉均為切合客戶需求，以及為此等和其他交易項目而進行對沖。

在此方面，本集團主要管理的風險包括：

(i) 貨幣風險

本集團的外匯風險源自外匯買賣、商業銀行業務和結構性外匯風險。所有外幣持倉均維持在董事會所訂定的限額內。

本集團於分行、附屬公司和聯營公司的外匯投資，其有關的溢利及虧損因為已撥入儲備，所以未計算在風險數額內。管理此等外幣投資的主要目的，是保障本集團的儲備免受匯率波動的影響。本集團盡力以外幣計值的資產與以同一貨幣計值的負債，保持在相若水平。

(ii) 利率風險

本集團的利率持倉來自財資及商業銀行業務。交易組合和非交易組合均會產生利率風險。利率風險主要是由帶息資產、負債及承擔在再定息時的時差所致，亦與無息負債持倉有關，其中包括股東資金和往來賬戶及若干定息貸款和負債。利率風險由資金市場處按董事會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度(續)

(b) Principal risks (continued)

Market risk management (continued)

(iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of equity options in connection with the Bank's linked deposit business. Equity risk is managed daily by the Investment Department within the limits approved by the Board of Directors.

Market risk control limits have been set at varying levels according to the practical requirements of different units. The Board of Directors approves the core control limits and has delegated the power to set detailed control limits to the Asset and Liability Management Committee. Risk, return and market conditions are considered when setting limits. Active limit monitoring is carried out.

In this connection, the Asset and Liability Management Committee monitors the related market risk arising from risk-taking activities of the Group, to ensure that overall and individual market risks are within the Group's risk tolerance level. Risk exposures are monitored on a frequent basis to ensure that they are within established control limits.

The Group quantifies the market risk of the underlying trading portfolio by means of value-at-risk ("VaR"). VaR is a statistical estimate that measures the potential losses in market value of a portfolio as a result of unfavourable movements in market rates and prices, if positions are held unchanged over a certain horizon time period.

The Group estimates VaR for the Group's trading portfolio by the Parametric Approach, where the VaR is derived from the underlying variances and covariances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, a one-year historical observation period with higher weights being assigned to more recent observations, and takes into account correlations between different markets and rates.

Structural foreign exchange positions arising from net investments in branches and subsidiaries are not included in the VaR for the foreign exchange trading position.

(b) 主要風險(續)

市場風險管理(續)

(iii) 股份風險

本集團的股份持倉來自股份投資及本行掛鈎存款業務相關的動態對沖股份期權。股份風險由投資部按董事會批准的限額範圍進行日常管理。

市場風險控制限額設有不同層次以配合各類業務的實際需要。董事會審批核心控制限額並授權資產負債管理委員會審批具體的控制限額。釐定限額時會考慮風險、回報及市場情況等因素，並且採用積極限額監控程序。

在此方面，資產負債管理委員會負責監察本集團承擔市場風險的活動，確保整體及個別市場風險處於本集團的風險承受範圍內。本集團會經常監控風險承擔情況，以確保所承擔風險屬於既定的控制限額內。

本集團運用風險值來量化相關交易組合的市場風險。風險值是統計學上的估計，用來量度於某一時段內持倉維持不變的情況下，因市場息率及價格的不利波動而引致組合的市值潛在虧損。

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組合成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及對較近期觀察給予較高權重的1年過往觀察期，並計入不同市場及息率的相關程度來推算。

由分行及附屬公司的淨投資產生的結構性外匯持倉不會包括在計算外匯交易持倉的風險值。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The book value of listed shares, as well as the book value of private equity funds and unlisted equities (excluding credit-related unlisted securities) (collectively the "Unlisted Securities"), are subject to limits and these are monitored by the management of the Group. The Unlisted Securities and listed non-trading equities are not included in the VaR for the equity trading position, and are managed through delegated limits. The limits are subject to regular review by the Board.

Total market risk capital charge under the advanced approach adopted by the Group is divided into two parts, market risk capital charge for specific risk and market risk capital charge for general market risk. Under capital charge for general market risk, the Group uses the internal models approach for the VaR calculation, by applying full 10-day price movement. Under capital charge for specific risk, the Group uses the Standardised (market risk) Approach for the calculation.

The following table indicates the capital charge for market risk:

		Market risk capital charge	Market risk capital charge
		市場風險資本要求	市場風險資本要求
		As at	As at
		31st December, 2009	31st December, 2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	381	648
Standardised Approach	標準計算法		
– Specific Market Risk Debt Charge	– 特定市場風險債務要求	14	2
– Specific Market Risk Equity Charge	– 特定市場風險股份要求	110	92
– Vega Risk	– 維加風險	1	2
Total	總額	506	744

According to the Banking (Capital) Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 1 exceptions is found during 2009 (4 exceptions during 2008), 99% confidence level and 250-day observation period.

除上市股份外，私人股份基金及非上市股份（不包括與信貸有關之非上市證券）（統稱「非上市證券」）均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險金額內。董事會須定期檢討該限額。

本集團採用的先進方法計算所得的市場風險資本支出總額分為兩個部分：特定風險的市場風險資本支出及一般市場風險的市場風險資本支出。本集團採用內部模式計算法，利用完整的10天價格變動計算風險值，計算一般市場風險的市場風險資本支出。本集團採用標準（市場風險）計算法計算特定風險的市場風險資本支出。

下表顯示市場風險的資本要求：

根據《銀行（資本）規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。2009年發現了1次例外情況（2008年4次例外情況），99%的置信水平及250日觀察期。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度 (續)

(b) Principal risks (continued)

Market risk management (continued)

Back testing exceptions

(b) 主要風險 (續)

市場風險管理 (續)

回溯測試的例外情況

		27th November, 2009			
		2009年11月27日			
Year 2009 年		HK\$ Mn 港幣百萬元			
Loss of total trading activities	交易活動的虧損			56	
VaR for total trading activities at corresponding date	相對當日的風險值			49	
		22nd January, 2008 2008年1月22日	5th September, 2008 2008年9月5日	16th September, 2008 2008年9月16日	8th October, 2008 2008年10月8日
Year 2008 年		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Loss of total trading activities	交易活動的虧損	86	104*	47	85
VaR for total trading activities at corresponding date	相對當日的風險值	78	42	45	68

* The large exception on 5th September, 2008 was due to an employee in manipulating the valuation of certain equity derivatives held by the Bank which was uncovered in September, 2008. An announcement was made by the Bank to the Stock Exchange on 18th September, 2008.

* 2008年9月5日之例外乃由於2008年9月本行揭發一名僱員操控本行所持若干股本衍生工具的價值。本行已依據香港上市條例將此事件公佈。

In addition, stress testing on market risk is performed for the Group as a supplement to the daily VaR assessment. The Group applies sensitivity analysis and scenario analysis, on individual portfolios and/or on the Group's consolidated positions, to assess the potential impact of extreme movements in market prices on the Group's earnings.

此外，本集團利用市場風險壓力測試以補足每日風險數額的評估。本集團對個別組合及／或本集團綜合持倉進行敏感度分析及情景分析，以評估市場價格的大幅波動對本集團盈利可能產生的影響。

Value-at-risk statistics風險數額統計

		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
Year 2009 年		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	45	76	43	59
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	7	21	5	11
VaR for interest rate trading positions	利率交易持倉的風險數額	3	4	1	3
VaR for equity trading positions	股份交易持倉的風險數額	37	61	35	46

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

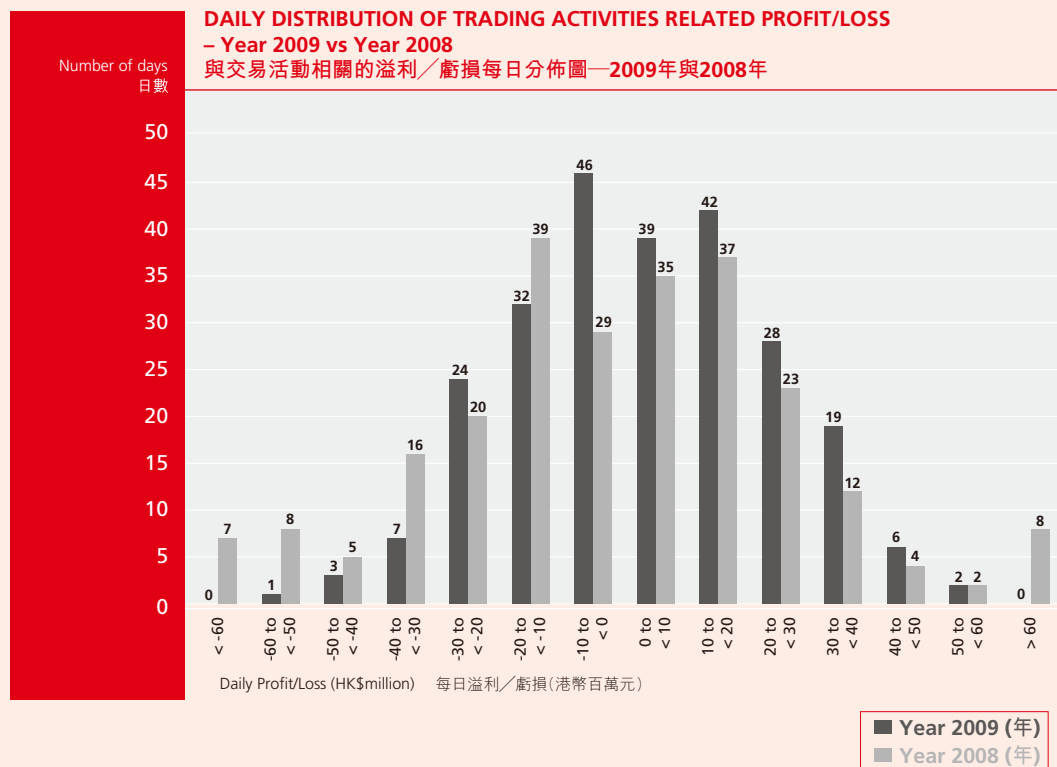
Year 2008 年		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	70	139	39	73
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	12	21	1	5
VaR for interest rate trading positions	利率交易持倉的風險數額	1	2	-	1
VaR for equity trading positions	股份交易持倉的風險數額	57	123	38	69

* Included all foreign exchange positions but excluded structured foreign exchange positions.

* 包括所有外匯持倉但不包括結構性外匯持倉。

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2009 was HK\$3.08 million (average daily loss of HK\$1.64 million in 2008). The standard deviation of the daily profit/loss was HK\$20.75 million (standard deviation of HK\$29.96 million for 2008). The frequency distribution of daily profit/loss is shown below:

於2009年，所有交易活動(包括貨幣、利率、股份交易活動)所得的每日平均收入為港幣3,080,000元(2008年的每日平均損失為港幣1,640,000元)。每日溢利/虧損的標準差為港幣20,750,000元(2008年為港幣29,960,000元)。以下為每日溢利/虧損的頻率分佈情況：



UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度 (續)

(b) Principal risks (continued)

Operational risk management

Operational risk is the risk arising from the potential loss due to inadequate or failed internal processes, people and systems or from external events.

The objective of operational risk management is to identify, assess and monitor operational risk and, in particular, to comply with the relevant regulatory requirements.

The Group has implemented a centralised risk management framework since January 2006. The Board of Directors reviews and approves the policies for operational risk management, and it has delegated the responsibility for ongoing operational risk management to the Operational Risk Management Committee. The Operational Risk Management Committee regularly reports status of operational risk management to the Board of Directors via the Risk Management Committee. Operational Risk Management Department under Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

Operational risk management tools adopted include operational risk incidents reporting, control self-assessment, key risk indicators, operation manuals, insurance policies, business continuity planning, etc.

Furthermore, Operational Risk Management Department under Risk Management Division of the Group has also performed self-assessment on the Group's compliance with the requirements of HKMA Supervisory Policy Manual on Operational Risk Management, with satisfactory result which had been reviewed independently by the Internal Audit Department.

Capital Charge for Operational Risk

As at 31st December 2009, capital charge for operational risk amounted to HK\$1,252 million (2008: HK\$1,134 million).

Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitment and to capitalize on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory liquidity ratio, and to make new loans and investments as opportunities arise.

(b) 主要風險 (續)

營運風險管理

營運風險指由於內部流程、人手及系統不足或不成熟或因外部事件而導致的潛在損失所引致的風險。

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

本集團自2006年1月起實施統一的風險管理制度。董事會審閱並批准營運風險管理政策，並已授權營運風險管理委員會，負責持續管理營運風險。營運風險管理委員會透過風險管理委員會定期向董事會匯報營運風險管理的情況。本集團之風險管理處轄下的營運風險管理部，負責監控與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件報告、自我評估監控、主要風險指標、營運手冊、保險政策及業務持續規劃等等。

此外，本集團之風險管理處轄下的營運風險管理部亦就本集團是否符合香港金管局監管政策手冊關於業務操作風險管理的規定進行自我評估，並經內部稽核部獨立審閱後得出滿意的結果。

營運風險的資本要求

於2009年12月31日，營運風險的資本要求為港幣1,252,000,000元(2008年：港幣1,134,000,000元)。

流動資金風險管理

流動資金風險管理是為了確保本集團維持充足的現金以配合所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足客戶的提款要求；本集團在借款期滿時能夠還款；本集團符合法定的流動資金比率，以及掌握貸款和投資的機會。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

The management of the Bank's liquidity risk is governed by the Liquidity Risk Management Policy, endorsed by the Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's liquidity risk management, set the strategy and policy for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Liquidity risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Liquidity Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the liquidity risk management functions are effectively carried out.

The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash and short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business.

The Group conducts stress testing regularly to analyze liquidity risk and has formulated a contingency plan that sets out a strategy for dealing with a liquidity problem and the procedures for making up cash flow deficits in emergency situations.

In addition to observing the statutory liquidity ratio, the Bank also monitors the loan to deposit ratio and maturity mismatch between assets and liabilities to control the Bank's liquidity risk.

Interest rate risk management

The management of the Bank's interest rate risk is governed by the Interest Rate Risk Management Policy endorsed by Risk Management Committee and approved by the Board of Directors. The Asset and Liability Management Committee is delegated by the Board of Directors to oversee the Bank's interest rate risk management, set the strategy and policy for managing interest rate risk and the means for ensuring that such strategy and policy are implemented. Interest rate risk is daily managed by the Treasury Markets Division within the limits approved by the Board of Directors. Asset and Liability Management Department under Risk Management Division of the Group is responsible for monitoring the activities of the Treasury Markets Division in compliance with the Interest Rate Risk Management Manual and Policy. The Internal Audit Department performs periodic review to make sure the interest rate risk management functions are effectively carried out.

The Bank manages the interest rate risk on the banking book primarily by focusing on the repricing mismatches. Gap analysis provides a static view of the maturity and repricing characteristics of the Bank's balance sheet positions. Repricing gap limits are set to control the Bank's interest rate risk.

本行的流動資金風險管理受風險管理委員會認可並經董事會核准的流動資金風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的流動資金風險管理，並制訂管理流動資金風險的策略與政策以及確保執行有關策略與政策的措施。流動資金風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從流動資金風險管理手冊及政策。內部稽核部會定期作出檢討，確保流動資金風險管理功能得以有效執行。

本集團透過維持充足的流動資產，例如適當的現金和短期資金和證券數量，管理流動資金風險，以確保能在經審慎釐定的限額內符合短期融資要求。本集團維持充足的備用信貸，能提供策略性的流動資金，以應付日常業務過程中未能預計的大量資金需求。

本集團會定期進行壓力測試，以分析流動資金風險，並已制訂應急計劃，當中訂明了處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

除緊守法定的流動資金比率外，本銀行亦會監控貸存比率及資產與負債的期限錯配，以控制本行的流動資金風險。

利率風險管理

本行的利率風險管理受風險管理委員會認可並經董事會核准的利率風險管理政策監管。資產負債管理委員會獲董事會授權，負責監察本行的利率風險管理，並制訂管理利率風險的策略與政策以及確保執行有關策略與政策的措施。利率風險由資金市場處每日按董事會批核的限額範圍進行管理。本集團之風險管理處轄下的資產負債管理部，負責監控資金市場處的活動是否遵從利率風險管理手冊及政策。內部稽核部會定期作出檢討，確保利率風險管理功能得以有效執行。

本行管理銀行賬冊利率風險的主要方法是集中於重訂息率的錯配。差距分析可讓本行從靜態角度瞭解資產負債的到期情況及再定息特點。本行設有重訂息率差距限額以控制本行的利率風險。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(6) PRINCIPAL RISKS AND CAPITAL ADEQUACY (CONTINUED) 主要風險及資本充足度 (續)

(b) Principal risks (continued)

Interest rate risk management (continued)

Stress tests on the Bank's various types of interest rate risk are conducted regularly. The Asset and Liability Management Committee monitors the results of stress tests and decides remedial action if required.

Sensitivity analysis on earnings and economic value to interest rate changes is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on both sides of the balance sheet and performed on monthly basis. Sensitivity limits are set to control the Bank's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee and the Board of Directors on a regular basis.

Sensitivity analysis on interest rate risk

The Bank uses sensitivity analysis to measure the potential effect of changes in interest rates on our net interest income and economic value change:

		2009			2008		
		HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	HKD 港元 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	(112)	(72)	(25)	64	(26)	185
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	(231)	(312)	(152)	(98)	(203)	113

This sensitivity analysis, which is based on a static interest rate risk profile of assets and liabilities, is used for risk management purposes only. The analysis is based on the following assumptions:

- (i) there is a parallel shift in the yield curve and in interest rates;
- (ii) there are no other changes to the portfolio;
- (iii) no loan prepayment is assumed as the majority of loans is on a floating rate basis; and
- (iv) deposits without fixed maturity dates are assumed to be repriced on the next day.

Actual changes in the Bank's net interest income and the economic value resulting from the increases in interest rates may differ from the results of this sensitivity analysis.

(b) 主要風險 (續)

利率風險管理 (續)

本行會對各種利率風險定期進行壓力測試。資產負債管理委員會監控壓力測試的結果，並在需要時釐定補救措施。

盈利和經濟價值對利率變動的敏感度分析乃透過每月假設資產負債的收益率曲線出現200個基點的利率衝擊來估算。本行設有敏感度限額，以控制本行的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會及董事會匯報。

利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

該敏感度分析僅用於風險管理目的，乃依據資產及負債的靜態利率風險資料作出。有關分析乃根據以下假設進行：

- (i) 收益率曲線及利率出現平行移動；
- (ii) 組合並無其他變動；
- (iii) 假設沒有提早償還貸款，因大部份貸款屬於浮息貸款；及
- (iv) 假設沒有固定到期日的存款於翌日再定息。

利率上調而導致本行淨利息收入及經濟價值的實際變動與該敏感度分析的結果可能有所不同。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(c) Capital management

The HKMA sets and monitors capital requirements for the Group as a whole. In implementing current capital requirements the HKMA requires the Group to maintain a prescribed ratio of total capital to total risk-weighted assets. The Group calculates requirements for market risk in its trading portfolios based upon the Group's VaR models and uses its internal gradings as the basis for risk weightings for credit risk. Banking operations are categorised as either trading book or banking book, and risk-weighted assets are determined according to specified requirements that seek to reflect the varying levels of risk attached to assets and off-balance sheet exposures.

In addition to meeting the regulatory requirements, the Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might otherwise be possible with greater gearing and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The process of allocating capital to specific operations and activities is undertaken by the Asset and Liability Management Committee and is reviewed regularly by the Board of Directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of the capital adequacy ratio and there have been no material changes in the Group's policy on the management of capital during the year.

The capital adequacy ratios as at 31st December, 2009 and 31st December, 2008 are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2009 and 31st December, 2008 and the Group is well above the minimum required ratio set by the HKMA.

(c) 資本管理

金管局制定及監察本集團整體的資本規定。在實施現行的資本規定時，金管局規定本集團維持既定的總資本對總風險加權資產比率。本集團根據風險值模式計算交易組合的市場風險，及根據內部評級作為信貸風險之風險比重的基準，計算交易組合的市場風險要求。銀行業務分為交易賬冊或銀行賬冊。風險加權資產依照特別規定而定，特別規定旨在反映與資產的不同風險水平及資產負債表外的風險。

除符合監管規定外，本集團管理資本的主要目的是保障本集團可持續經營，藉以不斷為股東提供回報及為其他利益關涉者帶來利益。方法包括依照風險水平釐定產品及服務價格，及以合理的成本提供融資渠道。

本集團積極定期檢討及管理資本架構，以期在爭取更高股東回報與維持良好資本的好處和安全之間取得平衡，並且因應經濟情況的轉變調整資本架構。

調配資本至特定業務及活動的程序由資產及負債管理委員會進行，並由董事會定期檢討。

本集團依據行業慣例，以資本充足比率為基準監察資本架構，年度內本集團資本管理政策並無重大改變。

2009年12月31日及2008年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的香港《銀行條例》的《銀行業(資本)規則》。

截至2009年12月31日及2008年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH

根據內部評級基準計算法計算的信貸風險

This section presents information on the Group’s risk management for credit exposures under IRB approach.

Foundation IRB approach is adopted for capital adequacy assessment for credit risk where internal rating systems are applied against different types of counterparties in the risk management process.

(a) Structure of internal ratings systems

The internal ratings system serves as the foundation for the Bank’s risk management and capital adequacy assessment. In general, the system adopts a 20-tier rating structure.

For Corporate, Bank and Retail exposures, internal measure of credit risks are based on assessment of the borrower and transaction characteristics of each exposure. Therefore the Bank has a two-dimensional rating structure, one dimension being the borrower grade, and the other being facility grade.

The borrower grade reflects risk of borrower default. The borrower’s Probability of Default over a one-year horizon is linked up to the 20-tier structure, with the last 3 tiers down the structure being default grades. The facility grade incorporates transaction specific factors e.g. collateral, guarantee, etc. These factors are directly linked up to the transaction’s Expected Loss, which is in turn transformed into a 20-tier structure.

On the other hand, the Bank utilizes the Supervisory Slotting Criteria Approach in rating Specialised Lending exposures. Under this approach, a single-dimension rating considering both the borrower and transaction characteristics will be assigned to the credit exposure, with the same 20-tier risk structure.

For Corporate and Bank exposures, borrower grades generated from the internal rating systems are benchmarked to external credit ratings.

本節呈列本集團對根據內部評級基準計算法計算的信貸風險承擔進行的風險管理資料。

本集團採納基礎內部評級基準計算法以評估信貸風險的資本充足度，並於風險管理程序中使用內部評級系統處理不同類型的交易對手。

(a) 內部評級系統的架構

內部評級系統為本行風險管理及資本充足評估的基礎。整體而言，該評級系統分為20個等級。

就企業、銀行及零售的風險承擔而言，信貸風險的內部量度方法以評估借款人及每項風險承擔的交易特性為基礎。因此，本行的評級架構有兩個層面，第一個是借款人等級，另一個是融通等級。

借款人等級反映借款人違責的風險。借款人一年內的違責或然率與20等級的架構掛鉤，最低的3個等級為違責等級。融通等級已考慮特定交易因素，如抵押品、擔保等。該等因素直接換算出交易的預期損失，再與20等級的架構掛鉤。

另一方面，本行為專門性借貸風險承擔評級時，會使用監管分類準則計算法。根據此計算法，信貸風險承擔會獲得一個已經兼顧借款人及交易特性的單一層面評級，這評級同樣分為20個等級。

就企業及銀行風險承擔而言，自內部評級系統產生的借款人等級與外部信貸評級對應，並作為基準。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(b) Use of internal ratings

The Bank has used information generated from internal rating systems in various areas including but not limited to credit approval, credit monitoring, loan classification, pricing, formulating business strategies and capital adequacy assessment.

(c) Control mechanisms for rating systems

In order to ensure that the rating systems are robust, the Bank has a control mechanism and relevant policies in place to validate the accuracy and consistency of the systems, which are used for the estimation of all relevant risk components for risk management and capital adequacy calculation.

The validation process covers 2 major aspects: review of internal rating models (i.e. quantitative assessment) and review of internal control and compliance (i.e. qualitative assessment). For the purpose of independency and accountability, staff members who are responsible for carrying out the validation process should be independent of those staff members who are responsible for designing and developing the rating systems. The Credit Committee oversees the whole validation process and reviews/approves the validation results and deliverables of the validating team on an annual basis.

(d) Internal rating process

The Bank's internal rating process begins with the business units. These units apply different models for rating different types of credit exposures. During the process of rating assignment, overriding of the rating generated by the models is possible if it is considered that material information has not been taken into account by the models. The justification for overrides should be properly documented.

The rated credits, whether or not overrides are necessary, are then reviewed and approved by an individual party other than the one responsible for the assignment of the rating. This ensures accuracy and precision of the ratings, and that ratings are prudent and comply with the credit policies of the Bank. Based on the policies of the Bank, ratings of credit exposures will be reviewed at least annually.

(e) Types of exposures

- Corporate exposure includes exposures to corporate small-and-medium enterprises, other corporate, specialised lending.
- Bank exposure includes exposures to banks, regulated security firms and public sector entities.
- Retail exposure includes residential mortgages, qualifying revolving retail exposures and other retail exposures.

(b) 內部評級的應用

本行在多方面均使用自內部評級系統取得的資料，包括但不限於信貸審批、信貸監控、貸款分類、定價、業務策略制訂及資本充足評估方面。

(c) 評級系統的監控機制

為確保評級系統的穩健性，本行設有監控機制及有關政策，以核實系統是否準確及一致，而系統乃用於估計一切相關風險成份以用作風險管理及資本充足計算。

核實程序涵蓋兩個主要方面：審查內部評級模型(即數量評估)及審查內部監控及遵規(即質量評估)。就獨立性及問責性而言，負責進行核實程序的員工應獨立於負責設計及制定評級系統的員工。信貸委員會監察整個核實程序，並每年審查／批准核實結果及核實小組所呈交的報告。

(d) 內部評級程序

本行的內部評級程序由業務單位開始。該等部門對不同類別的信貸風險承擔評級時，均會採用不同的模型。在評級程序中，倘認為模型並無考慮重要資料，模型得出的評級可能會遭調整，但調整評級的理據應妥為存檔。

然後，不論是否需要調整評級，獲評級的信貸繼而由負責評級者以外的獨立方審查及批准。此舉可確保評級準確精密，且以審慎方式作出，並符合本行的信貸政策。根據本行的政策，信貸風險承擔的評級最少每年審查一次。

(e) 風險承擔類別

- 企業風險承擔包括對中小型企業、其他企業、專門性借貸的風險承擔。
- 銀行風險承擔包括對銀行、受監管的證券商號及公營單位的風險承擔。
- 零售風險承擔包括住宅按揭、合資格循環零售風險承擔及其他零售風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

(f) Variables, methods and data for estimation and validation of internal ratings

Probability of Default (PD)

For corporate exposures, PD is estimated based on both financial and business variables. Financial variables are financial ratios which link up to the profitability, liquidity and capital structure of the borrower, whereas for business variables, risk factors are assessed through management quality, industry risk and company standing. The two assessments are combined based on a scorecard methodology to produce the PD which is estimated through the Bank's default data.

For Retail exposures, borrowers with homogenous nature and transaction characteristics are segmented into pools in each of which an estimated PD is assigned.

For Bank exposures, the estimation of PD takes into account the market value of asset of the borrower, asset volatility and the borrowers' liabilities. The model measures and compares values of the borrower's assets and liabilities and converts the measurement to PD.

Loss-Given-Default (LGD)

For corporate and bank exposures, the Bank applies the supervisory LGD estimate provided by the Hong Kong Monetary Authority (“HKMA”).

For retail exposures, the LGD estimate is based on historical realised loss and total historical default amount within a defined period.

Exposure-at-Default (EAD)

EAD is calculated as sum of on-balance sheet amount and credit equivalent amount of off-balance sheet items. Credit equivalent amount is the exposure amount of off-balance sheet items multiplied by the respective credit conversion factors according to the Capital Rules. For certain revolving retail exposures, the credit conversion factor is estimated with reference to the historical realised further drawdown rate prior to defaults.

The exposure amount disclosed in the following of this report relating to IRB exposure refers to EAD.

(f) 估計及核實內部評級的可變因素、方法及數據

違責或然率

就企業風險承擔而言，違責或然率乃以財務及業務的可變因素估計。財務可變因素為與借款人的盈利能力、資金流動性及資本架構有關的財務比率。而就業務可變因素而言，風險因素按管理質素、行業風險及公司於行內地位作評估。兩項評估乃根據評分卡法結合，從而得出利用本行的違責數據所估計的違責或然率。

就零售風險承擔而言，性質及交易特性相近的借款人會被分成多個組別，而該等組別會被賦予一估計違責或然率。

就銀行風險承擔而言，估計違責或然率時會計及借款人資產的市值、資產波動幅度及借款人的負債。模型會計算及比較借款人資產及負債的價值，並把計算所得轉化為違責或然率。

違責損失率

就企業及銀行風險承擔而言，本行採用香港金融管理局(金管局)提供的監管性估計的違責損失率。

就零售風險承擔而言，違責損失率估計乃基於已界定期間內的過往變現損失及過往違責總額計出。

違責風險承擔

違責風險承擔計算為資產負債表內項目的數額及資產負債表外項目的信貸等值數額的總和。根據資本規則，信貸等值數額為資產負債表外項目的風險承擔數額乘以相應的信貸換算因數。就若干循環零售風險承擔而言，信貸換算因數乃參考在過往信貸違責前實際之進一步提取貸款比率而作出估計。

本報告下文所披露有關內部評級基準風險承擔的風險承擔數額所指的是違責風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Assumptions Employed in Derivation of Variables

The assumptions behind the estimation of PD are: (1) Risk factors selected for estimation are valid and significant. (2) The weight assigned to each risk factor is reasonable and appropriate for the estimation in the context of the Bank's credit portfolio. (3) The estimation model/methodology is valid and appropriate for the Bank's credit portfolio and risk environment. (4) For retail exposures, default rate from year to year does not exhibit significant fluctuations so that historical data (default rate) could be applied as PD estimate.

The underlying assumption of LGD estimate is that the loss and recovery pattern of the credit portfolio from year to year does not exhibit significant fluctuations so that historical realised LGD could be applied as LGD estimate. It is also assumed that realised LGD differs significantly across the credit portfolios.

For certain revolving retail exposures, the EAD is estimated based on the assumption that the historical further drawdown rate from year to year does not differ significantly so that historical data could be used for estimation of current EAD of the revolving retail exposures.

Methods of Validation

In order to ensure that the above assumptions for estimation are valid and the Bank's internal rating system is reliable and suitable for the Bank's credit portfolio, regular validation is indispensable.

The validation of the rating models is divided into (1) review of rating systems (quantitative assessment); (2) review of use of ratings (qualitative assessment).

The review of rating systems is carried out through a series of statistical tests. The purpose of the review is to assess the predictive power and robustness of model and the presence of under/over estimation.

The review of use of ratings focuses on the process of rating assignment, review and approval.

計算可變因素時採用的假設

估計違責或然率時所作的假設：(1)進行估計所選用的風險因素乃屬有效及重要。(2)在本行信貸組合方面，以各風險因素獲賦予的權重進行估計，乃屬合理及適當。(3)估計模型／方法就本行的信貸組合及風險狀況而言乃屬有效及適當。(4)就零售風險承擔而言，年來的違責率並無顯示重大波動，故過往數據(違責率)可應用作違責或然率估計。

違責損失率估計的相關假設是，信貸組合年來的損失及收回模式並無顯示重大波動而令過往實際違責損失率可應用作違責損失率估計，以及各信貸組合的實際違責損失率顯著不同。

就若干循環零售風險承擔而言，估計違責風險承擔時的假設是，年來過往進一步提取貸款比率並無顯著不同而令過往數據可用作估計循環零售風險承擔的現行違責風險承擔。

核實方法

為確保上述為進行估計而作的假設有效，以及本行內部評級系統就本行信貸組合而言乃屬可靠及適合，定期作出核實是必須的。

評級模型的核實方法分為：(1)審查評級系統(數量評估)；(2)審查評級的應用(質量評估)。

審查評級系統乃透過一系列統計測試進行。審查目的乃評估模型的預示能力及穩健程度，以及是否存在低估／高估的情況。

就評級應用的審查，乃以評級及審批程序為重點。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險 (續)

(g) Policies for establishing provisions

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Receivables with a short duration are not discounted if the effect of discounting is immaterial.

The total allowance for impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

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

The individual impairment allowance is based upon management's best estimate of the present value of the cash flows which are expected to be received discounted at the original effective interest rate. In estimating these cash flows, management makes judgements about the borrower's financial situation and the net realisable value of any underlying collateral or guarantees in favour of the Group. Each impaired asset is assessed on its merits.

In assessing the need for collective loan loss allowances, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance, the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters, based on historical experience and current economic conditions.

The accuracy of the impairment allowances the Group makes depends on how well the Group can estimate future cash flows for individually assessed impairment allowances and the model assumptions and parameters used in determining collective impairment allowances. While this necessarily involves judgment, the Group believes that the impairment allowances on loans and advances to customers are reasonable and supportable.

All loans and receivables are reviewed and analysed periodically. Any subsequent changes to the amounts and timing of the expected future cash flows compared to the prior estimates that can be linked objectively to an event occurring after the write-down, will result in a change in the impairment allowances on loans and receivables and will be charged or credited to the income statement. A reversal of impairment losses is limited to the loans and receivables' carrying amount that would have been determined had no impairment loss been recognised in prior years.

(g) 設立準備金的政策

貸款和應收賬款的減值損失，是根據資產賬面值及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算。如果折算現值後的影響不大，不會折算短期應收賬款。

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

本集團首先評估客觀減值證據是否個別存在於個別重大金融資產，及個別或整體存在於非個別重大金融資產。若本集團判斷客觀減值證據並不存在於個別評估金融資產，無論重大與否，本集團將有相同風險特性的金融資產歸類，及作整體減值評估。作個別減值評估的資產而減值損失須持續確認，其減值損失不會包括於整體減值準備內。

個別減值準備是根據管理層的最佳估計將可能收回之現金流按原本的有效利率折算為現值。在估計現金流時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值，並須評估每宗減值資產的真正價值。

當評估所需的整體減值損失準備時，管理層須考慮的因素包括信貸質素、組合規模、信貸集中，及經濟因素。為求估計所需的準備，本集團根據過往之經驗和現時之經濟情況作假設以模擬潛在損失及判斷所需之輸入變數。

撥備的準確性，須視乎本集團能否在評估個別準備時準確估計交易對手的未來現金流及在判斷整體減值準備時所採用的假設模式及變數。雖然視乎判斷而定，本集團相信貸款損失準備是合理和足夠的。

所有貸款和應收賬款須定期作檢討及分析。在較後期間，任何因估計未來現金流的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致減值損失準備亦需改變，該轉變會支銷或存入收益表。減值損失之轉回只限於假設該貸款和應收賬款於往年從來未有確認減值損失的賬面值。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Where there is no reasonable prospect of recovery, the loan and the related interest receivables are written off.

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

The Bank takes into consideration the provision made in its capital maintenance decisions as in accordance with Section 220 of the Capital Rules. The Bank compares the total expected loss ("EL") amount and the total eligible provisions, and if total EL amount exceeds total eligible provisions, the Bank deducts the difference from the core capital and supplementary capital. On the other hand, if total EL amount is less than the eligible provisions, the Bank includes the differences in its supplementary capital up to a maximum of 0.6% of the Bank's risk weighted amount for credit risk calculated using IRB Approach.

根據資本規則第220條，本行在作出有關維持資本的決定時，會考慮所作出的準備金。本行比較預期損失總額及合資格準備金總額，倘預期損失總額超過合資格準備金總額，本行會自核心資本及附加資本減去超出數額。相反，倘預期損失總額較合資格準備金總額低，本行則把差額計入本行附加資本內，上限為以內部評級基準計算法計算所得本行信貸風險的風險加權數額的0.6%。

(h) Exposure subject to supervisory estimates

The following table indicates the exposure classes and the respective exposure amounts that are subject to supervisory estimates as at 31st December, 2009 and 31st December 2008 respectively:

(h) 受限於監管性估計的風險承擔

下表分別顯示於2009年12月31日及2008年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

Exposure class	風險承擔類別	Exposure amount	Exposure amount
		風險承擔數額	風險承擔數額
		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bank	銀行	80,059	97,062
Corporate	企業	205,615	186,711
Equity booked on banking book under Simple Risk-weight Method	在銀行賬下以簡單風險權重方法計算之股權	542	458

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED ("IRB") APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險 (續)

(i) Risk assessment for IRB exposure classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade and the exposure amount under retail exposures across facility grade as at 31st December, 2009 and 31st December, 2008 respectively:

For bank exposure

2009

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	3,832	14.89%	0.03%
2	12,079	17.34%	0.04%
3	10,238	23.09%	0.06%
4	22,177	31.62%	0.11%
5	6,466	39.29%	0.16%
6	7,223	45.16%	0.21%
7	4,927	49.55%	0.26%
8	7,316	58.26%	0.34%
9	2,235	69.04%	0.50%
10	1,501	87.85%	0.87%
11	1,838	103.33%	1.39%
12	229	116.32%	2.12%
13	1	129.66%	3.10%

For bank exposure

2008

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	407	14.41%	0.03%
2	39,474	19.17%	0.05%
3	21,671	24.79%	0.07%
4	17,278	31.97%	0.11%
5	7,174	38.03%	0.15%
6	4,819	43.76%	0.20%
7	3,144	48.64%	0.25%
8	1,395	57.65%	0.34%
9	501	73.10%	0.56%
10	273	85.34%	0.81%
11	907	105.42%	1.49%
14	16	143.93%	4.42%
16	2	193.43%	10.05%
18	-	562.50%	100.00%

(i) 內部評級基準風險承擔類別的風險評估

下表分別顯示於2009年12月31日及2008年12月31日各級借款人在銀行風險承擔及企業風險承擔下的風險承擔數額、平均風險承擔加權風險權重及風險承擔加權平均違責或然率，以及各級融通在零售風險承擔下的風險承擔數額：

就銀行風險承擔而言

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

For corporate exposure

就企業風險承擔而言

2009

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
4	4,303	32.02%	0.13%
5	2,689	36.11%	0.16%
6	8,206	35.69%	0.20%
7	6,473	36.61%	0.25%
8	11,985	51.06%	0.34%
9	27,169	60.32%	0.58%
10	40,770	69.51%	0.83%
11	6,949	63.89%	1.47%
12	2,322	81.12%	2.02%
13	5,211	108.92%	2.94%
14	2,241	81.06%	4.49%
15	3,503	120.23%	6.45%
16	2,151	158.03%	9.09%
17	2,747	111.23%	23.45%
18	651	440.95%	100.00%
19	397	277.96%	100.00%
20	10	542.50%	100.00%

For corporate exposure

就企業風險承擔而言

2008

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 平均風險承擔加權風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
4	4,067	27.79%	0.11%
5	2,778	32.33%	0.15%
6	8,817	40.43%	0.20%
7	8,220	34.57%	0.25%
8	10,342	43.82%	0.34%
9	26,617	58.05%	0.56%
10	32,985	66.16%	0.81%
11	4,656	64.76%	1.49%
12	603	80.52%	2.08%
13	2,011	85.96%	2.88%
14	4,766	27.72%	4.42%
15	747	122.85%	6.84%
16	1,036	140.64%	10.05%
17	904	138.79%	17.98%
18	334	497.57%	100.00%
19	376	335.69%	100.00%
20	2	484.23%	100.00%

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

(i) Risk assessment for IRB exposure classes (continued)

For residential mortgages

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
3	3,318	2,622
4	19,253	18,247
5	17,170	13,246
6	1,726	2,025
7	3,519	3,273
8	32	77
11	1,823	2,141
12	20	24
17	144	157

(i) 內部評級基準風險承擔類別的風險評估(續)

就住宅按揭而言

For qualifying revolving retail exposures

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
5	5,400	7,587
6	4,125	2,724
7	4,537	5,434
8	2,279	1,420
9	326	572
10	3,597	3,534
11	96	171
12	63	51
13	55	62
14	130	165
15	45	49
16	84	121
17	180	101
19	-	51
20	44	2

就合資格循環零售風險承擔而言

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)
未經審核補充財務資料(續)

For other retail exposures

就其他零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
3	69	74
4	750	2
5	4,124	3,364
6	4	1
7	1,244	1,217
8	13	23
9	1,318	2,193
10	218	340
11	1,304	1,347
12	512	203
13	61	77
14	-	2
17	92	109
19	59	42
20	33	28

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(7) CREDIT RISK UNDER INTERNAL RATINGS-BASED (“IRB”) APPROACH (CONTINUED)

根據內部評級基準計算法計算的信貸風險(續)

(j) Comparison of rating estimates against actual outcome

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2008 against the actual outcome for the same portfolios during the financial period ended 31st December, 2009.

Comparison of actual loss and estimated loss

The following tables indicate the actual loss during the financial year ended 31st December, 2009 and 31st December, 2008 which are compared against the estimated loss at 31st December, 2008 and 31st December 2007 of the respective portfolio. Actual loss refers to impairment loss allowance and charge-off charged to the Group's income statement during the financial year ended 31st December, 2009 and 31st December, 2008. The difference between the actual loss for the financial year ended 31st December, 2008 and 31st December, 2009 is immaterial when compared with the Group's loan portfolio in the respective period.

2009

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2009 截至2009年12月31日止之財政年度的實際損失 HK\$ Mn 港幣百萬元	Estimated 1-year loss at 31st December, 2008 於2008年12月31日內估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	48
Corporate	企業	313	361
Residential mortgage	住宅按揭	–	83
Qualifying revolving retail	合資格循環零售	80	146
Other retail	其他零售	17	73
Total	總額	410	711

2008

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2008 截至2008年12月31日止之財政年度的實際損失 HK\$ Mn 港幣百萬元	Estimated 1-year loss at 31st December, 2007 於2007年12月31日內估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	50
Corporate	企業	328	499
Residential mortgage	住宅按揭	1	95
Qualifying revolving retail	合資格循環零售	57	165
Other retail	其他零售	24	75
Total	總額	410	884

(j) 比較評級估計與實際數字

以於2008年12月31日本集團履行中信貸組合的一年評級估計與截至2009年12月31日止財政期間內相同組合的實際數字作比較。

比較實際損失與估計損失

下表顯示截至2009年12月31日及2008年12月31日止財政年度的實際損失，並與相應的組合在截至2008年12月31日及2007年12月31日的估計損失比較。實際損失指截至2009年12月31日及2008年12月31日止財政年度的減值損失準備及計入本集團損益表的撇賬。截至2008年12月31日及截至2009年12月31日的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

Comparison of actual default against estimated probability of default

The following tables indicate the actual percentage of default during the financial year ended 31st December, 2009 and 31st December, 2008, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2008 and 31st December, 2007 of the respective portfolio.

比較實際違責與估計違責或然率

下表顯示截至2009年12月31日及2008年12月31日止財政年度的實際違責百分比，並與相應的組合分別於2008年12月31日及2007年12月31日的估計一年違責或然率比較。

2009

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2009 截至2009年12月31日 止之財政年度的 實際違責百分比	Estimated 1-year probability of default at 31st December, 2008 於2008年12月31日 內估計的一年 違責或然率
Bank	銀行	0.00%	0.18%
Corporate	企業	1.70%	2.59%
Residential mortgage	住宅按揭	0.24%	0.93%
Qualifying revolving retail	合資格循環零售	0.43%	0.68%
Other retail	其他零售	2.03%	2.77%

2008

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2008 截至2008年12月31日 止之財政年度的 實際違責百分比	Estimated 1-year probability of default at 31st December, 2007 於2007年12月31日 內估計的一年 違責或然率
Bank	銀行	0.19%	0.15%
Corporate	企業	1.66%	3.27%
Residential mortgage	住宅按揭	0.19%	1.07%
Qualifying revolving retail	合資格循環零售	0.47%	0.69%
Other Retail	其他零售	1.19%	2.68%

(8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

This section presents information on the Group's risk management for credit exposure in which the Bank adopted Standardised Approach for capital adequacy assessment.

本節呈列本集團有關使用標準計算法計算資本充足度的信貸風險承擔的風險管理資料。

(a) Ratings from external credit assessment institutions (ECAI)

Credit ratings from Moody's Investors Service and Standard & Poor's are used for all classes of credit exposures under Standardised Approach. The Bank follows the process prescribed in Part 4 of the Capital Rules to map the ratings to the exposures booked in the Bank's banking book.

(a) 外部信貸評估機構的評級

穆迪投資服務及標準普爾的信貸評級用於標準計算法下的各類信貸風險承擔。本行根據資本規則第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(8) CREDIT RISK UNDER STANDARDISED APPROACH 標準計算法下的信貸風險

(b) Risk assessment for exposure classes under Standardised Approach

The following tables indicate the exposure amount and risk weighted amount for each class of exposure with and without ECAI ratings as at 31st December, 2009 and 31st December, 2008 respectively:

(b) 標準計算法下風險承擔類別的風險評估

下表顯示分別於2009年12月31日及2008年12月31日經由及沒有經由外部信貸評估機構評級的每種風險承擔類別下的風險承擔數額及風險加權數額：

2009

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK\$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後 的風險承擔總額		Risk weight amount after credit risk mitigation 使用減低信貸風險措施後 的風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	38,610	38,606	4	4,302	-
Public sector entities	公營機構	1,804	1,804	-	353	-
Bank	銀行	17,645	15	17,630	7	6,496
Corporate	企業	14,788	-	12,036	-	12,036
Regulatory retail	監管零售	165	-	164	-	123
Residential mortgage	住宅按揭	5,390	-	5,047	-	5,037
Other exposures that are not past due	未逾期的其他風險承擔	4,988	-	2,603	-	2,603
Past due	逾期	100	-	70	-	132
Off balance sheet exposure	資產負債表外的風險承擔	4,023	-	2,380	-	2,305
Counterparty exposure	交易對手風險承擔	426	-	182	-	145
Total	總額	87,939	40,425	40,116	4,662	28,877

2008

Exposure type	風險承擔類別	Total exposure 風險承擔總額 HK\$ Mn 港幣百萬元	Total exposure after credit risk mitigation 使用減低信貸風險措施後 的風險承擔總額		Risk weight amount after credit risk mitigation 使用減低信貸風險措施後 的風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	33,169	33,165	4	4,730	-
Public sector entities	公營機構	420	420	-	84	-
Bank	銀行	19,169	29	19,138	15	6,534
Corporate	企業	10,621	-	7,396	-	7,396
Regulatory retail	監管零售	157	-	154	-	116
Residential mortgage	住宅按揭	2,824	-	2,663	-	2,567
Other exposures that are not past due	未逾期的其他風險承擔	5,423	-	4,169	-	4,169
Past due	逾期	287	-	287	-	324
Off balance sheet exposure	資產負債表外的風險承擔	4,314	-	2,894	-	2,835
Counterparty exposure	交易對手風險承擔	775	-	239	-	208
Total	總額	77,159	33,614	36,944	4,829	24,149

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED) 未經審核補充財務資料(續)

(9) CREDIT RISK MITIGATION 減低信貸風險措施

(a) Process of managing and recognising credit risk mitigation

The Bank has established policies on managing and recognising credit risk mitigation, which is approved by Credit Committee, for all types of credit exposure under both IRB approach and standardised approach including counterparty credit risk-related exposure which arises from OTC derivative transactions. The Bank applies prudent assessments of eligibility and quality of collaterals. A list of credit risk mitigations which is deemed appropriate by the Bank is in place. The Bank also applies safe custodian of collaterals, regular re-valuation and close monitoring. Marketable securities are marked-to-market on a daily basis whilst valuations on properties are reviewed periodically.

For regulatory capital calculation, only recognised collaterals and guarantee as laid down under the Capital Rules are considered as recognised credit risk mitigations and the Bank adheres to the criteria as stipulated in the Capital Rule when assessing the eligibility.

Recognised collaterals include both financial and physical collaterals. Financial collaterals include cash deposit, gold, shares and debt securities and mutual fund/undertakings for collective investments in transferable securities, whilst physical collaterals include commercial real estate, residential real estate, vehicles and equipments. The exposure amount after mitigation is determined by applying the standard supervisory haircut laid down in the Capital Rules as an adjustment discount to the current collateral value.

Recognised guarantors are any sovereign entities, public sector entities, banks and regulated securities firms with a lower risk weight than the borrower, or companies that are internally rated with a rating equivalent to external rating of A- or better.

On-balance and off-balance sheet recognised netting is not adopted by the Bank. No recognised guarantees and credit derivative contracts are applied as credit risk mitigation for capital adequacy calculation at balance sheet date.

(a) 管理及認定減低信貸風險措施的程序

本行已制定管理及認定減低信貸風險措施的政策，而政策亦經信貸委員會批准，適用於內部評級基準計算法及標準計算法下各類信貸風險承擔，包括與由場外衍生工具交易引致的交易對手信用風險相關的風險承擔。本行審慎評估抵押品是否合資格及其質素的高低。本行已備有一系列本行視為合適的減低信貸風險措施。本行亦妥善保管抵押品，定期作重新估值及作出緊密的監察。有價證券每日均按市值計算，物業的估值則定期審查。

就計算監管資本而言，只有資本規則訂下的認可抵押品及擔保方可視為認可的減低信貸風險措施，本行在評估減低信貸風險措施是否合資格時，會遵守資本規則規定的準則。

認可抵押品包括金融及實物抵押品。金融抵押品包括現金存款、黃金、股份及債務證券及互惠基金／集體投資於可轉換證券的業務，而實物抵押品包括商業地產、住宅地產、車輛及設備。減低風險後的風險承擔數額乃以資本規則訂下的標準監管扣減作為對現行抵押品價值的調整扣減而釐定。

認可擔保人乃任何主權實體、公營單位、銀行及受監管證券商號，其風險權重較借款人為低，或任何於內部評級取得相等於外部評級A-或以上等級的公司。

本行並無採納資產負債表內及資產負債表外認可淨額結算方法。於計算日，本行並無採用認可擔保及信貸衍生工具合同作為減低信貸風險措施，以計算資本充足度。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(9) CREDIT RISK MITIGATION (CONTINUED) 減低信貸風險措施 (續)

(b) Total exposures covered by recognised collateral under IRB Approach

(b) 內部評級基準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額	
		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Bank	銀行	413	147
Corporate	企業	43,370	40,028
Retail	零售	53,460	48,676
Total	總額	97,243	88,851

The total exposures indicated above represent 25.47% of the total exposure amount under IRB Approach as at 31st December, 2009 and 23.83% as at 31st December, 2008.

於2009年12月31日及2008年12月31日，上述所示的風險承擔總額分別佔內部評級基準計算法下風險承擔總額的25.47%及23.83%。

(c) Total exposures covered by recognised collateral under Standardised Approach

(c) 標準計算法下以認可抵押品涵蓋的風險承擔總額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔金額	
		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Bank	銀行	1	2
Corporate	企業	2,753	3,225
Regulatory retail	監管零售	1	3
Residential mortgage	住宅按揭	343	161
Other exposures which are not past due	未逾期的其他風險承擔	2,384	1,254
Past due	逾期	30	–
Counterparty	交易對手	245	537
Off balance sheet	資產負債表外項目	1,643	1,420
Total	總額	7,400	6,602

The total exposures indicated above represent 8.41% of the total exposure amount under Standardised Approach as at 31st December, 2009 and 8.56% as at 31st December, 2008.

於2009年12月31日及2008年12月31日，上述所示的風險承擔總額分別佔標準計算法下風險承擔總額的8.41%及8.56%。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE 與交易對手信貸風險相關的風險承擔

The Bank has in place a set of internal policies and a comprehensive framework to effectively manage the counterparty credit risk which arises from OTC derivative transactions in banking book and trading book. Under this management framework, distinct credit limits for counterparty credit exposure for individual counterparties are determined based on the credit standing of the counterparties while the exposure amount are measured and monitored by the credit equivalent amount which comprises replacement cost and potential exposure.

At 31st December, 2009, there are no repo-style transactions nor credit derivative contracts in the Bank. No recognised credit derivative contracts is held as credit protection for counterparty credit risk-related exposures while credit protection adopted by the Bank for counterparty credit risk-related exposures at 31st December, 2009 includes commercial real estates, financial cash and financial non-cash. Credit equivalent amount after credit protection under IRB approach amounts to HK\$1,448 million (2008: HK\$1,690 million) while the credit equivalent amount after credit protection under Standardised approach amounts to HK\$182 million (2008: HK\$238 million).

本行已制訂一系列內部政策及完善的管理架構，以有效地管理本行的銀行賬及交易賬中由場外衍生工具交易引致的交易對手信貸風險。在這管理架構下，不同交易對手的交易對手風險信貸限額會根據個別交易對手的信用狀況釐定，而相關的風險承擔金額則會以由取代成本及潛在風險組成的信貸等值金額計算及監控。

於2009年12月31日，本行並無回購形式交易或信貸衍生工具合同。於2009年12月31日，本行持有認可抵押品作為與交易對手信貸風險相關的風險承擔的信貸保障，當中的認可抵押品包括商業地產，金融現金抵押品和金融非現金抵押品，但並不包括認可信貸衍生工具合同。內部評級基準計算法下不受信貸保障涵蓋的信貸等值金額為港幣1,448,000,000元（2008年：港幣1,690,000,000元），而在標準計算法下不受信貸保障涵蓋的信貸等值數額則為港幣182,000,000元（2008年：港幣238,000,000元）。

(a) Counterparty credit risk-related exposures under IRB Approach

The following tables indicate the information of counterparty credit risk-related exposures under IRB approach by exposure class as at 31st December, 2009 and 31st December, 2008 respectively:

(a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔

於2009年12月31日及2008年12月31日，下表分別顯示按不同風險承擔類別劃分的內部評級基準計算法下與交易對手信貸風險相關的風險承擔的資料：

2009

Exposure class	風險承擔類別	Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
Corporate	企業	51	161	36
Bank	銀行	496	1,394	533
Total	總額	547	1,555	569

2008

Exposure class	風險承擔類別	Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
Corporate	企業	106	212	79
Bank	銀行	687	1,559	451
Total	總額	793	1,771	530

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(10) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

與交易對手信貸風險相關的風險承擔 (續)

(b) Counterparty credit risk-related exposures under Standardised Approach

The following tables indicate the information of counterparty credit risk-related exposures under Standardised Approach as at 31st December, 2009 and 31st December, 2008 respectively:

2009

Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
248	426	145

2008

Current exposure 現行風險承擔 HK\$ Mn 港幣百萬元	Credit equivalent amount 信貸等值金額 HK\$ Mn 港幣百萬元	Risk weighted amount 風險加權金額 HK\$ Mn 港幣百萬元
598	775	208

(11) ASSET SECURITISATION 資產證券化

During the year, the Bank only acts as an investor in all securitisation exposures. Ratings from Moody's Investors Service and Standard & Poor's are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Bank are all rated by recognised ECAI designated by the Capital Rules, Ratings-based Approach is used to calculate the risk-weighted amount for the exposures. The Bank closely monitors the risk arising from these exposures.

年內，本行在所有證券化類別風險承擔僅作為投資者。評估證券化類別風險承擔時採納穆迪投資服務及標準普爾的評級。由於本行持有的證券化類別風險承擔均經資本規則指定的認可外部信貸評估機構評級，故使用評級基準算法以計算風險承擔的風險加權金額。本行緊密監察有關風險承擔所產生的風險。

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

於2009年12月31日及2008年12月31日，下表分別顯示標準計算法下與交易對手信貸風險相關的風險承擔的資料：

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

All securitisation exposures are rated and those with investment grades are under senior positions backed by granular pools. The following table indicates the total principal amount and the respective risk weighted amount of all securitisation exposure as at 31st December, 2009 and 31st December 2008:

證券化類別風險承擔均獲評級，有投資評級的證券化類別風險承擔會被歸類為以多元化組合支持的高級持倉。下表顯示於2009年12月31日及2008年12月31日所有證券化類別風險承擔的本金總額及相應的風險加權金額：

Risk weight	風險權重	Principal amount		Risk weighted amount	
		本金額		風險加權金額	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
20%		-	-	-	-
50%		-	-	-	-
60%		-	10	-	6
75%		-	-	-	-
100%		-	-	-	-
250%		-	-	-	-
425%		-	-	-	-
Total	總額	-	10	-	6

Capital requirement of securitisation exposure under IRB approach at 31st December, 2009 was HK\$0.02 million and HK\$0.5 million at 31st December, 2008. The deductible items from core and supplementary capital under asset securitisation at 31st December, 2009 amounted to HK\$Nil and HK\$0.05 million at 31st December, 2008.

於2009年12月31日及2008年12月31日，內部評級基準計算法下證券化類別風險承擔的資本要求為港幣20,000元及港幣500,000元。於2009年12月31日及2008年12月31日，資產證券化下自核心及附加資本可扣除的項目為港幣零元及港幣50,000元。

UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

(12) EQUITY EXPOSURES BOOKED IN BANKING BOOK 銀行賬下的股權風險承擔

The Bank deducts those equity holdings taken for relationship and strategic reasons from the core & supplementary capital and includes those equity holdings taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

The Bank applies the same accounting techniques and valuation methodologies as detailed in the Bank's notes on accounts for all available-for-sale financial assets, including equity exposures booked in banking book. There are no significant changes during the annual reporting period.

我行將因關係及策略性理由而持有的股權從核心及附加資本內扣減，及將因其他理由而持有的股權包括在風險加權資產內，以用作計算資本充足比率。

我行處理所有可供出售金融資產，包括銀行賬下的股權風險承擔時，均採用已詳列於本行之賬項附註中相同之會計技巧及評估方式。有關處理方法在周年報告期內並無重大改變。

		For the year ended 31st December, 2009 截至2009年12月31日止之財政年度	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	76	-
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經收益表入賬的未實現收益或(虧損)的總計	514	223
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	424	424
		For the year ended 31st December, 2008 截至2008年12月31日止之財政年度	
		The Group 集團 HK\$ Mn 港幣百萬元	The Bank 銀行 HK\$ Mn 港幣百萬元
Cumulative realised gains or (losses) arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的累積實現收益或(虧損)	185	186
Total unrealised gains or (losses) recognised in the Bank's reserves but not through the income statement	在儲備內確認，但沒有經收益表入賬的未實現收益或(虧損)的總計	(703)	(467)
Unrealised gains included in or (losses deducted from) the Bank's supplementary capital for capital adequacy ratio purpose	為計算資本充足比率而包括在附加資本內的任何未實現收益的金額或(從該附加資本中扣減的未實現虧損的金額)	159	159