

FUBON PLUS



Annual Report 2009 年年報

Fubon Bank (Hong Kong) Limited
富邦銀行(香港)有限公司
Stock Code 股份代號: 636



POSITIVITY BEGINS HERE





About 關於 FUBON PLUS

“PLUS” is the simplest calculation method.

When the macro environment becomes increasingly difficult due to setbacks resulting from people, economic conditions or natural forces, Fubon Bank believes it is important to go back to the basics of “PLUS”. By relying on our collective strengths and redoubling our efforts, we can swiftly build up “Positive Energy” to weather any adverse effects of the macro environment.

Fubon Bank and its employees promote and demonstrate an attitude of “Positive Energy” on a daily basis. We embrace a positive mind-set, building on our strength and confidence, to face all challenges and to combat adversity with positivity.

With our corporate philosophy of “Positive Energy” supported by the underlying principles of strong integrity and positive thinking, Fubon Bank is committed to offering quality financial services to our customers, continuous and robust growth, as well as striving to attain Fubon Financial’s vision of becoming a “First Class Financial Institution in Asia”.

加法（「PLUS」），是最簡單的數算方式。

當大環境日益艱困，面對人為、經濟情況或自然的衝擊，我們發現唯有回到最單純的加法觀，以累計的態度結合強項，才能快捷地凝聚「正動力」創造影響力，抵抗大環境的逆劣。

「正動力」是富邦銀行從上至下貫徹的行事態度。而正向的態度，更如同一個隱形的準心，讓我們有個穩定的內在定位，面對周遭的變化與渙散，成就砥柱的力量與信心。

秉持正派經營、正向思維的「正動力」企業理念，富邦銀行致力向客戶提供更好的金融服務，並持續茁壯，積極朝富邦金控「亞洲一流金融機構」的願景邁進。

Fubon Bank (Hong Kong) Limited (“the Bank”) is a subsidiary of Fubon Financial Holding Co., Ltd. (“Fubon Financial”), a leading financial services group in Taiwan which is engaged in corporate and investment banking, financial markets, consumer finance, wealth management, investment management and insurance. The Bank operates 24 retail outlets in Hong Kong including 22 branches and 2 Securities Services Centres, and provides a wide range of financial services encompassing consumer and wholesale banking, wealth management, financial markets, securities brokerage and investment services. The Bank is listed on the Stock Exchange of Hong Kong (stock code: 636) and holds an A-2 short-term, BBB+ long-term rating from Standard & Poor’s. The rating reflects the Bank’s strong capitalization, good liquidity and sound asset quality.

富邦銀行（香港）有限公司（「本行」）是台灣富邦金融控股股份有限公司（「富邦金控」）的附屬公司。富邦金控是台灣一所具領導地位的金控公司，提供一系列的金融服務，包括企業金融、金融市場、消費金融、財富管理、投資管理及保險服務。本行於香港透過22間分行及2間證券投資服務中心共24個零售據點為客戶提供全面的優質銀行服務，包括零售及商業銀行、財富管理、金融市場、證券及投資服務。本行於香港聯交所上市（股份代號：636），並獲得標準普爾授予A-2短期及BBB+長期信貸評級。該評級反映本行資本雄厚，流動資金充裕及資產質素優良。

Accolades & Key Milestones in 2009

榮譽及二零零九里程碑



The Bank was honoured by the Bank of New York Mellon with the Continuous Linked Settlement (“CLS”) Straight Through Processing Award for the third time in four years.

本行獲紐約梅隆銀行於四年內第三度頒發直通式聯繫結算處理獎。

The Bank was granted “Silver Prize – CUP Merchant POS Terminal Highest Growth Award” by China UnionPay.

本行奪得由中國銀聯頒發的「2009 商戶終端機數量升幅獎」銀獎。

The Bank was awarded “Silver Prize – Outstanding Retail Sales Volume” and “Innovation Achievement Award – Asia’s 1st KFC Visa Acceptance” by VISA International.

本行奪得由 VISA International 頒發的「傑出零售簽賬獎」銀獎及率先與 KFC 開展 Visa Paywave 聯營卡收單業務並奪得「創意成就獎」。

For the third consecutive year, the Bank was awarded the Caring Company Logo by the Hong Kong Council of Social Service.

本行連續第三年獲香港社會服務聯會頒發「商界展關懷」標誌。

The Bank was granted “2nd Runner Up – The Highest Growth Rate in 2009 Number of Open Cards in Hong Kong” and “Winner – The Highest Growth Rate in 2009 Cardholder Spending in Hong Kong” by MasterCard Worldwide.

本行獲萬事達卡國際組織頒發「香港發卡量最高市場增長獎」季軍及「香港信用卡消費額最高增長獎」冠軍。

商界展關懷

caringcompany 2007-10
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發

In September, the Bank received approval from the China Banking Regulatory Commission to set up a representative office in Dongguan, Guangdong Province, which represents a major step forward in realizing its strategy of establishing a branch presence in Mainland China.

本行於9月獲得中國銀行業監督管理委員會批准在廣東東莞設立代表處，標誌著本行實現於大陸開設分行策略的一個重要里程碑。

On 2 November 2009, the Bank signed the “Memorandum of Insurance Business Cooperation” with China Life Insurance (Overseas) Company Limited to offer customers enhanced comprehensive wealth management services.

本行於2009年11月2日與中國人壽保險(海外)股份有限公司簽署「保險業務合作備忘錄」，為客戶提供更全面的財富管理服務。

In November, the Board of Directors of the Bank announced the appointment of Mr. Pei-Hwa Thomas Liang as Managing Director and Chief Executive Officer of the Bank with effect from 9 November 2009.

本行董事會於11月宣布委任梁培華先生為富邦銀行董事總經理兼行政總裁，任期自2009年11月9日起生效。



In December, Xiamen Bank (formerly Xiamen City Commercial Bank), which the Bank holds a 19.99% share, proposed to raise approximately RMB400,000,000 by way of a rights issue of 160,000,000 newly issued ordinary shares at a price of RMB2.5 per share. The Bank confirmed and undertook to Xiamen Bank to fully subscribe for its allocated 31,984,000 Rights Shares, maintaining its 19.99% shareholding interest in Xiamen Bank. The consideration for the Rights Shares, which was RMB79,960,000, was financed from the Bank's own internal surplus funds.

本行持有19.99%之股份的廈門銀行(前稱廈門市商業銀行)於十二月動議以供股形式發行160,000,000股每股作價2.5元人民幣之新普通股以集資400,000,000元人民幣。本行向廈門銀行確認及承諾全數認購31,984,000股獲分配之供股股份，以維持本行於廈門銀行之19.99%的股份權益。供股之價款為79,960,000元人民幣，從本行的內部盈餘資金撥付。

The Bank officially opened its Dongguan Representative Office in Guangdong Province on 3 December 2009 and became the first Taiwanese-invested bank to operate a representative office in Dongguan.

位於廣東的東莞代表處於2009年12月3日正式開業，本行成為首家率先在東莞設立代表處的台資銀行。





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財務報告

Five-year Financial Summary

五個年度之財務概要

	2009 二零零九年	2008 二零零八年	2007 二零零七年	2006 二零零六年	2005 二零零五年
Profit and Loss Account (HK\$ Million) 損益表 (百萬港元)					
Profit before Taxation 除稅前溢利	27	98	517	391	274
Profit Attributable to Equity Shareholders 股東應佔溢利	23	101	461	327	241
Consolidated Balance Sheet (HK\$ Million) 綜合資產負債表 (百萬港元)					
Total Equity 股東權益總額	4,935	4,721	4,121	3,979	3,749
Total Assets 總資產	60,979	65,642	60,623	53,347	49,804
Advances to Customers less Impairment 客戶貸款減值	28,572	33,034	31,479	25,751	21,376
Customer Deposits and Medium Term Funding 客戶存款及中期資金	47,183	50,817	45,229	38,748	36,348
Share Statistics (HK\$) 股份統計表 (港元)					
(Loss)/Earnings per Share ¹ (Weighted Average Basis) 每股 (虧損) / 盈利 ¹ (加權平均基準)	(0.05)	0.08	0.39	0.28	0.21
(Loss)/Earnings per Share ¹ (Adjusted) 每股 (虧損) / 盈利 ¹ (經調整)	(0.05)	0.08	0.39	0.28	0.21
Selected Returns and Ratios (%) 盈利及百分比簡錄 (%)					
Return on Average Equity 平均股本回報率	0.48	2.54	11.43	8.47	6.48
Return on Average Assets 平均資產回報率	0.04	0.16	0.81	0.63	0.51
Capital Adequacy Ratio 資本充足比率	17.18	14.04	14.42	16.60	14.96
Average Liquidity Ratio (for December) 平均流動資金比率 (十二月)	49.99	46.35	44.08	46.43	47.49
Loan to Deposit Ratio 貸存比率	60.29	64.73	69.60	66.46	58.81

Note:

1. Earnings per share is calculated on profit attributable to equity shareholders of HK\$22,995,000 (2008: HK\$100,896,000) net of preference share dividend of HK\$83,517,000 (2008: HK\$2,092,000) and on 1,172,160,000 (2008: 1,172,160,000) ordinary shares in issue during the year. There is no convertible loan capital, options or warrants outstanding which would cause a dilution of the earnings per share.

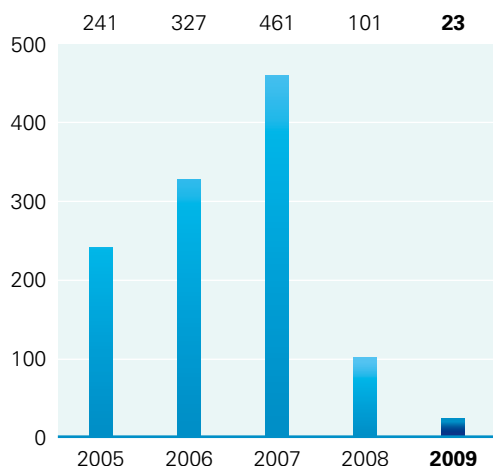
附註:

1. 每股盈利乃按年內股東應佔溢利22,995,000港元(2008年: 100,896,000港元)減去優先股股息83,517,000港元(2008年: 2,092,000港元)及於年內已發行普通股1,172,160,000股(2008年: 1,172,160,000股)計算。本行並無任何可兌換之資本貸款、期權或可兌換認股證以致對每股盈利構成攤薄影響。

Profit Attributable to Equity Shareholders

股東應佔溢利

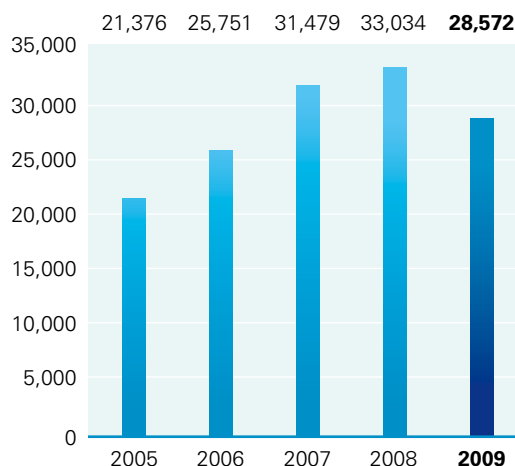
HK\$ Million (百萬港元)



Advances to Customers less Impairment

客戶貸款減減值

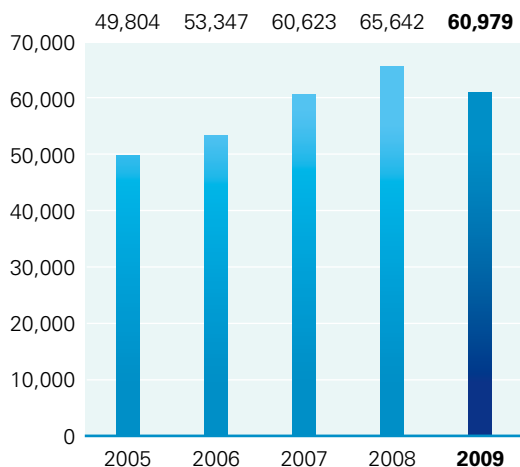
HK\$ Million (百萬港元)



Total Assets

總資產

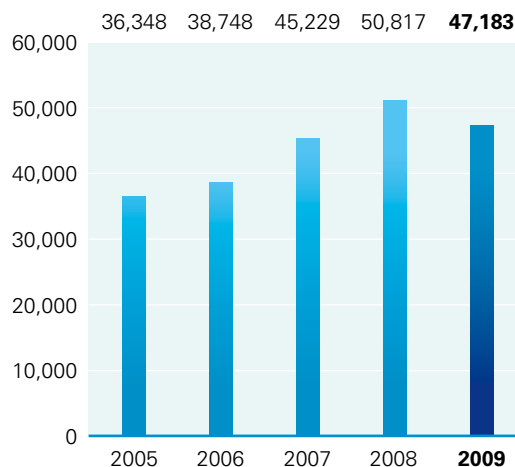
HK\$ Million (百萬港元)



Customer Deposits and Medium Term Funding

客戶存款及中期資金

HK\$ Million (百萬港元)



In 2009, Fubon Bank (Hong Kong) Limited and its subsidiaries ("the Group") achieved a net profit of HK\$22.5 million, a decrease of 77.5% over 2008. The return on average assets was 0.04% and return on average equity was 0.48%. During the year total customer deposits and medium term funding decreased by 7.2% to HK\$47.2 billion. Advances to customers less impairment decreased by 13.5% to HK\$28.6 billion. Total assets decreased 7.1% to HK\$61.0 billion. The Group had total equity funds of HK\$4.94 billion, and a capital adequacy ratio of 17.18%.

2009年，富邦銀行（香港）有限公司及其附屬公司（「本集團」）錄得純利2,250萬港元，較2008年減少77.5%。平均資產回報率為0.04%，而平均股本回報率則為0.48%。於本年度，客戶存款及中期資金總額減少7.2%至472億港元，客戶貸款減減值亦減少13.5%至286億港元。總資產減少7.1%至610億港元。本集團總股本資金為49.4億港元，資本充足比率則達17.18%。

Corporate Information

公司資料

SHAREHOLDERS

75% – Fubon Financial Holding Co., Ltd.
25% – Public

SOLICITORS

Clifford Chance
Slaughter and May

AUDITORS

KPMG

COMPANY SECRETARY

Juliana CHIU Yuk Ching

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

股東

75% – 富邦金融控股股份有限公司
25% – 公眾持有

律師

高偉紳律師行
司力達律師樓

核數師

畢馬威會計師事務所

公司秘書











趙玉貞

註冊辦事處

香港中環
德輔道中 38 號
富邦銀行大廈

Board of Directors

董事

<p>Pei-Hwa Thomas LIANG 梁培華</p>		<p>Michael CHANG Ming-Yuen 張明遠</p>		<p>James YIP 葉強華</p>
	<p>▲ Ming-Hsing (Richard) TSAI 蔡明興</p>		<p>▲ Ming-Chung (Daniel) TSAI 蔡明忠</p>	
<p>Robert James KENRICK 甘禮傑</p>		<p>Moses K. TSANG 曾國泰</p>		<p>Hung SHIH 石宏</p>
	<p>▲ Victor KUNG 龔天行</p>		<p>▲ David CHANG Kuo-Chun 張果軍</p>	

Board of Directors 董事

Ming-Hsing (Richard) TSAI

Chairman

Aged 52. Mr. Tsai joined Fubon Group in 1982. He is Vice Chairman of Fubon Financial Holding Co., Ltd. Mr. Tsai also acts as Chairman for Fubon Life Assurance Co., Ltd. and has over 25 years of experience in these businesses. He is currently also the Chairman of Taiwan Fixed Network Co., Ltd. and Taiwan Mobile Co., Ltd., a provider of telecommunication services. Prior to this, Mr. Tsai was also the Chairman of Fubon Securities Co., Ltd. Mr. Tsai holds a Master of Business Administration Degree (1981) from New York University and a Bachelor of Business Administration Degree (1979) from National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Chung (Daniel) Tsai. He became a Director of the Bank in February 2004.

Ming-Chung (Daniel) TSAI

Vice Chairman

Aged 53. Mr. Tsai joined Fubon Group in 1981. He is currently the Chairman of Fubon Financial Holding Co., Ltd. as well as Chairman of Taipei Fubon Commercial Bank Co., Ltd. Mr. Tsai is also the Vice Chairman of Taiwan Mobile Co., Ltd., and Taiwan Fixed Network Co., Ltd. Mr. Tsai has extensive experience in banking and telecommunication services, as well as land development, construction management and building leasing business. He holds a Master of Law Degree (1979) from Georgetown University and a Bachelor of Law Degree (1978) from National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Hsing (Richard) Tsai. He became a Director of the Bank in February 2004.

Pei-Hwa Thomas LIANG

Executive Director

Aged 58. Mr. Liang was appointed Managing Director and Chief Executive Officer of Fubon Bank (Hong Kong) Limited in November 2009. Mr. Liang is a veteran banker with extensive experience in financial services and IT. He joined Fubon Group in 2005 and currently serves as Head of Consumer Finance Group of Fubon Financial Holding Co., Ltd. Prior to joining the Bank, he held various senior positions within the Group including President of Retail Banking of Taipei Fubon Commercial Bank Co., Ltd., Head of IT & Operations Department of Fubon Financial Holding Co., Ltd., Director of Fubon Direct Marketing Consulting Co., Ltd. and Chairman of Taiwan Sport Lottery Corporation. Before joining Fubon Group, Mr. Liang was Deputy Executive Vice President of Far Eastern International Bank in charge of the credit card business, Country Strategic Cost Management Head and Card Center Operation & Technology Group Head of Citibank Taiwan, and held important positions in several IT companies. Mr. Liang holds a Master of Science Degree in Operations Research from Case Western Reserve University, U.S.A. and a Bachelor Degree in Industrial Engineering from Chung Yuan Christian University, Taiwan.

蔡明興

主席

五十二歲。蔡先生於一九八二年加入富邦集團，是富邦金融控股股份有限公司的副董事長。蔡先生亦擔任富邦人壽保險股份有限公司的董事長，於有關業務擁有超過二十五年的經驗。他現時亦為台灣固網股份有限公司及電訊服務供應商台灣大哥大股份有限公司的董事長。在此之前，蔡先生亦曾任富邦綜合證券股份有限公司之董事長。蔡先生持有紐約大學工商管理碩士學位（一九八一年）及國立臺灣大學工商管理學士學位（一九七九年）。蔡先生是蔡明忠先生的胞弟。他於二零零四年二月出任本行董事。

蔡明忠

副主席

五十三歲。蔡先生於一九八一年加入富邦集團，現時為富邦金融控股股份有限公司之董事長，及台北富邦商業銀行股份有限公司之董事長。蔡先生現時亦擔任台灣大哥大股份有限公司及台灣固網股份有限公司的副董事長。蔡先生於銀行、電訊服務、土地發展、建築管理及樓宇租賃業務方面具有豐富的經驗。他持有喬治城大學法律碩士學位（一九七九年）以及國立臺灣大學法律學士學位（一九七八年）。蔡先生是蔡明興先生之胞兄。他於二零零四年二月出任本行董事。

梁培華

執行董事

五十八歲。梁先生於二零零九年十一月獲委任為富邦銀行（香港）有限公司董事總經理兼行政總裁。梁先生是位資深銀行家，具有金融與資訊雙領域之豐富經驗。他於二零零五年加入富邦集團，現為富邦金融控股股份有限公司消費金融事業群之負責人。於加入富邦銀行之前，梁先生曾出任多個高級管理職位，包括台北富邦商業銀行股份有限公司個人金融總經理、富邦金融控股股份有限公司資訊暨作業本部之負責人，富邦行銷股份有限公司董事，及運彩科技股份有限公司董事長。梁先生於加入富邦集團之前，曾擔任遠東國際商業銀行信用卡事業群副總經理，花旗（台灣）銀行策略成本規劃處主管及信用卡中心資訊作業副總裁，及任職多家資訊公司要職。梁先生持有美國凱斯西儲大學作業研究學碩士學位及台灣中原大學工業工程學士學位。

Michael CHANG Ming-Yuen

Executive Director

Aged 53. Mr. Chang joined the Bank in August 2004. He is the Executive Vice President and Head of Control & Risk Management Group. He is a Director of Xiamen Bank. Mr. Chang is an experienced professional in banking management and has solid international exposures. He started his career in J.P. Morgan & Co. in New York as Vice President in Corporate Finance and Global Credit Risk Management. Before joining the Bank, Mr. Chang also worked for China International Capital Corporation in charge of its capital markets operations. Mr. Chang was also a Managing Director in charge of the Investment Banking Division and Chief Administration Officer and Acting Chief Financial Officer while with BOC International Holdings Limited. He was also an appointed member of the Deposit-Taking Companies Advisory Committee of the Hong Kong Monetary Authority and an Independent Director of Hua Xia Bank Co., Limited. Mr. Chang obtained his Bachelor Degree from National Taiwan University and Master of Business Administration Degree from the University of Chicago. He is also a Chartered Financial Analyst. He became a Director of the Bank in April 2006.

James YIP

Executive Director

Aged 56. Mr. Yip joined the Bank in March 2006. He is the Executive Vice President and Head of Financial Markets Group of the Bank. He was previously the Regional Treasurer, Regional Head of Capital Markets at KBC Bank, NatWest Markets, Chemical Bank and Bank of America. He has over 25 years of senior management experience in Asian treasury and capital markets with major international banks in the Asia-Pacific region; as a result, Mr. Yip has lived and worked in Tokyo, Singapore and Sydney in addition to Hong Kong. Mr. Yip was a President of the Hong Kong Financial Markets Association. He was also the Asia-Pacific Representative for the Committee for Professionalism of the Association Cambiste Internationale from 1985 to 1990. Prior to joining the Bank, he was the Chief Executive Officer and the co-founder of iMarkets Limited. Mr. Yip holds a Master of Applied Finance Degree from Macquarie University, Australia. He became a Director of the Bank in July 2006.

張明遠

執行董事

五十三歲。張先生於二零零四年八月加盟本行，為本行執行副總裁兼監控及風險管理部主管。他是廈門銀行的董事。張先生在銀行管理方面擁有豐富的經驗並具有廣闊的國際視野。他曾於J.P. 摩根紐約總部任職，擔任企業融資及環球信貸風險管理部的副總裁。他隨後加入中國國際金融有限公司，出任資本市場部主管。他亦曾擔任中銀國際控股有限公司投資銀行部的主管及該行行政總監。張先生亦曾擔任香港金融管理局接受存款公司諮詢委員會之委員及華夏銀行股份有限公司的獨立董事。張先生畢業於國立臺灣大學，並於美國芝加哥大學獲得工商管理碩士學位。他亦是一位特許金融分析師。他於二零零六年四月出任本行董事。

葉強華

執行董事

五十六歲。葉先生於二零零六年三月加盟本行，為本行執行副總裁兼金融市場部主管，過去曾擔任KBC Bank、NatWest Markets、Chemical Bank及美國銀行等銀行之地區司庫兼資本市場地區總監。他在亞洲財資及資本市場具有逾二十五年的高層管理經驗，曾服務於亞太區內主要的國際性銀行。因此，葉先生亦曾被派駐香港以外例如東京、新加坡及悉尼等地。葉先生是香港財資市場公會前會長，過去亦曾擔任國際財資市場公會專業操守委員會的亞太區代表。加盟本行前，他為iMarkets Limited的創辦人之一，並擔任其行政總監一職。葉先生持有澳洲麥覺理大學應用財務碩士學位。他於二零零六年七月出任本行董事。

Board of Directors 董事

Victor KUNG

Non-Executive Director

Aged 53. Mr. Kung joined Fubon Group in 2000, currently serves as Director and President of Fubon Financial Holding Co., Ltd. He first joined Fubon Insurance Co., Ltd. as a Director and Senior Advisor before becoming the President of Fubon Financial Holding Co., Ltd. Prior to this, he was the Executive Vice President of Walden International Investment Group, specializing in private equity investments, and an Executive Director at the private equity investment arm of Citicorp Capital Asia. He is also the Chairman of Fubon Asset Management Co., Ltd. and Director of Taipei Fubon Commercial Bank Co., Ltd. and Fubon Insurance Co., Ltd. Mr. Kung holds both a Master of Business Administration in Finance (1988) and a Master in Economics Degree (1982) from New York University. He became a Director of the Bank in February 2004.

David CHANG Kuo-Chun

Non-Executive Director

Aged 50. Mr. Chang is the Head of Financial Markets Group and Co-Head of Wealth Management Group of Fubon Financial Holding Co., Ltd. He is also the Chairman of Fubon Securities Co., Ltd. since June 2006. Before joining Fubon Financial Holding Co., Ltd., Mr. Chang was responsible for the overall business of Goldman Sachs in Taiwan. He was appointed Regional Manager for Private Wealth Management Department of Goldman Sachs in Hong Kong in 1997 and became a Managing Director in 1998. Mr. Chang became the Head of Investment Banking and Branch Manager for Goldman Sachs Taipei office in June 2000. Mr. Chang is currently a Director of Taipei Fubon Commercial Bank Co., Ltd. and the Taiwan Stock Exchange Corporation. Mr. Chang holds a Master of Business Administration Degree from Columbia Business School. He became a Director of the Bank in January 2008.

Robert James KENRICK

Independent Non-Executive Director

Aged 62. Mr. Kenrick was a partner of the international accounting firm KPMG from 1988 to 1998 and a member of the Financial Accounting Standards Committee of the Hong Kong Institute of Certified Public Accountants from 1992 to 2001. He holds a Master of Arts and Bachelor of Arts Degree (1969) from Cambridge University and is a Certified Public Accountant (Hong Kong) and Chartered Accountant (England & Wales). He became a Director of the Bank in April 1999.

龔天行

非執行董事

五十三歲。龔先生於二零零零年加入富邦集團，現為富邦金融控股股份有限公司的董事及總經理。他首先加入富邦產物保險股份有限公司，出任董事兼高級顧問，其後擔任富邦金融控股股份有限公司的董事及總經理。在此之前，他是華登國際投資集團的（專門從事私人股本投資）執行副總裁，以及Citicorp Capital Asia私人股本投資部門執行董事。龔先生亦是富邦證券投資信託股份有限公司之董事長，及台北富邦商業銀行股份有限公司及富邦產物保險股份有限公司之董事。龔先生持有紐約大學工商管理碩士學位（一九八八年）及經濟系碩士學位（一九八二年）。他於二零零四年二月出任本行董事。

張果軍

非執行董事

五十歲。張先生現為富邦金融控股股份有限公司之金融市場事業群負責人及財富管理事業群共同負責人。自二零零六年起他亦為富邦綜合證券股份有限公司之董事長。於加入富邦金融控股股份有限公司以前，張先生負責管理高盛集團於台灣之整體業務。他於一九九七年被委任為香港高盛私人財富管理部之區域經理及於一九九八年成為董事總經理。張先生於二零零零年六月成為高盛台北辦事處投資銀行部負責人及分行經理。張先生現為台北富邦銀行股份有限公司及臺灣證券交易所之董事。張先生持有哥倫比亞商學院之工商管理學碩士學位。他於二零零八年一月出任本行董事。

甘禮傑

獨立非執行董事

六十二歲。甘先生於一九八八年至一九九八年間為國際會計師行畢馬威會計師事務所的合夥人，並於一九九二年至二零零一年間為香港會計師公會財務會計準則委員會成員。甘先生持有劍橋大學文學碩士學位及學士學位（一九六九年），現為香港執業會計師及英格蘭及威爾斯特許會計師。他於一九九九年四月出任本行董事。

Moses K. TSANG

Independent Non-Executive Director

Aged 61. Mr. Tsang is the Executive Chairman of Ajia Partners and the Chairman and Chief Executive Officer of EC Investment Services Limited. Prior to that, he was a General Partner of Goldman Sachs Group where he led the establishment of the Fixed Income Group in Tokyo and headed the Debt Syndicate Group in London. He served as the Chairman of Goldman Sachs (Asia) L.L.C. between 1989 and 1994. Mr. Tsang is also an Independent Non-Executive Director of Shui On Construction and Materials Limited and Non-Executive Director of North Asia Strategic Holdings Limited. He serves as Co-Chair of the Asia Pacific Council and a member of the Board of Directors, The Nature Conservancy; a councilor of the Copenhagen Climate Council; a trustee of the Hong Kong Center for Economic Research of The University of Hong Kong; a member of Brown University Advisory Council in Asia. Mr. Tsang is the past Chairman of the Parents Council (Hong Kong), Brown University; a past member of the Young Presidents' Organization and current member of the World Presidents' Organization – Hong Kong Chapter. He became a Director of the Bank in February 2004.

Hung SHIH

Independent Non-Executive Director

Aged 55. Mr. Shih is the Managing Director of China Renaissance Capital Investment Limited. He was previously a Managing Director and the China Country Head of UBS AG. Mr. Shih holds both a Master of Business Administration Degree (1982) and a Master of Law Degree (1980) from the University of Michigan, as well as a Bachelor of Law Degree (1976) from National Taiwan University. He became a Director of the Bank in February 2004.

曾國泰

獨立非執行董事

六十一歲。曾先生為Ajia Partners執行主席，以及EC Investment Services Limited主席兼行政總裁。在此之前，他是高盛集團合夥人並為其於東京成立Fixed Income Group及主管倫敦的Debt Syndicate Group。曾先生於一九八九年至一九九四年間，出任高盛（亞洲）有限責任公司主席。曾先生亦為瑞安建業有限公司之獨立非執行董事及北亞策略控股有限公司之非執行董事。他亦擔任大自然保護協會董事會成員及其亞太理事會聯席主席、Copenhagen Climate Council之委員、香港大學之香港經濟研究中心之信託人及布朗大學顧問委員會亞洲區之成員。曾先生亦為布朗大學家長委員會（香港）之前主席、Young Presidents' Organization之前會員及World Presidents' Organization香港分會之現任會員。他於二零零四年二月出任本行董事。

石宏

獨立非執行董事

五十五歲。石先生現為崇德基金投資有限公司董事總經理。在此之前，他是UBS AG董事總經理兼中國區域主管。石先生持有密歇根大學工商管理碩士學位（一九八二年）及法律碩士學位（一九八零年），以及國立臺灣大學法律學士學位（一九七六年）。他於二零零四年二月出任本行董事。

Senior Management 高級管理層



Pei-Hwa Thomas LIANG 1

Managing Director and
Chief Executive Officer

(Biographical details are set out on page 6)

梁培華

董事總經理兼行政總裁

(資料詳情見第6頁)

Michael CHANG Ming-Yuen 2

Executive Vice President and Head of
Control & Risk Management Group

(Biographical details are set out on page 7)

張明遠

執行副總裁兼監控及風險管理部主管

(資料詳情見第7頁)

James YIP 3

Executive Vice President and
Head of Financial Markets Group

(Biographical details are set out on page 7)

葉強華

執行副總裁兼金融市場部主管

(資料詳情見第7頁)

Betty CHAN Pik Ha 4

Senior Vice President and
Head of Corporate Communications

Aged 48. Ms. Chan is responsible for managing the communications function and investor relations for the Bank. Ms. Chan has more than 15 years of experience specializing in corporate and marketing communications while working for several major financial institutions and international accountancy firms in the region. Before joining the Bank in 2006, Ms. Chan worked for Ernst & Young China as Director – Marketing. She obtained a Bachelor Degree in Economics from Manchester University in the U.K. and a M. Sc. in Marketing from the University of Manchester, Institute of Science & Technology.

陳碧霞

高級副總裁兼企業傳訊部主管

四十八歲。陳女士專責處理本行的傳訊事務及投資者關係。她曾服務於區內多家主要的金融機構及國際會計師事務所，在企業傳訊及市場推廣方面累積了超過十五年的豐富專業經驗。她於二零零六年加盟本行前，於安永中國擔任業務拓展總監一職。陳女士持有英國曼徹斯特大學經濟學學士學位及曼徹斯特大學科技學院市場學碩士學位。

Sunny CHANG Shan Li 5

Senior Vice President and
Head of IT & Operations

Aged 50. Mr. Chang takes charge of the IT & Operations Division and is responsible for the Bank's overall IT & Operations planning and policy formulation. Before joining the Bank in February 2010, he held key positions in various leading companies and banks in Taiwan. Mr. Chang obtained his university degree in Civil Engineering from National Taiwan University and Master of Science in Computer Science from New York University, USA.

張善利

高級副總裁兼資訊科技及營運部主管

五十歲。張先生掌管資訊科技及營運部，專責本行的科技及營運策劃及政策制定。他在二零一零年二月加盟本行前，曾於多家台灣的大型企業及銀行出任重要職位。張先生畢業於國立臺灣大學，持有土木工程學士學位，並取得美國紐約大學電腦碩士學位。

Mike CHEN Ying Jen 6

Senior Vice President and Head of Global Commercial Banking Division

Aged 47. Mr. Chen joined the Bank in February 2008. Mr. Chen is an experienced professional with more than 17 years of related working experience. He has held various senior positions in Taipei Fubon Commercial Bank, Chinatrust Commercial Bank and Citibank Taipei Branch. Before joining the Bank, Mr. Chen was Senior Vice President, Head of Greater China Banking Center, Corporate Banking Group of Taipei Fubon Commercial Bank. Mr. Chen obtained a Master degree in Quantitative Analysis, St John's University, New York.

陳英仁

高級副總裁兼環球金融部主管

四十七歲。陳先生於二零零八年二月加入本行，他在銀行界已累積了超過十七年的專業經驗。陳先生在加入本行前，曾於多家主要銀行擔任主管要職，其中包括台北富邦銀行、中國信託及花旗銀行。陳先生持有美國紐約聖約翰大學工商管理碩士學位。

Richard C CHEN 7

Senior Vice President and Head of Wealth Management Group (Products)

Aged 52. Mr. Chen is responsible for the business of Wealth Management – Products. Mr. Chen joined Fubon Group as the President of Fubon Securities USA and Fubon Asset Management USA, both firms that he set up and managed since 2004, and was transferred to Hong Kong in 2007. Mr. Chen has extensive experiences in banking, securities, and investment business. Before joining the Bank, Mr. Chen worked for Core Pacific Securities USA and Lippo Bank where he was Chief Executive Officer and Senior Vice President respectively. Mr. Chen obtained his LLB from National Taiwan University, MCL and MBA from Southern Methodist University, U.S.A.

陳其盛

高級副總裁兼財富管理部(產品)主管

五十二歲。陳先生專責財富管理產品。他於二零零四年創立富邦證券(美國)公司及富邦資產管理(美國)公司，並擔任總經理，及至二零零七年三月調任本行。陳先生在銀行、證券及投資界有廣泛經驗。陳先生在加盟本行前，曾擔任京華山一證券(美國)總經理及力寶(美國)銀行高級副總裁。陳先生畢業於國立臺灣大學法律系，並持有美國南新法大學比較法律碩士學位及商業行政碩士學位。

Dennis HA Yiu Fai 8

Senior Vice President and Head of Legal and Compliance Division

Aged 52. Mr. Ha has over 20 years' experience practising in England, Australia and Hong Kong, both in private practice and as in-house counsel in international financial institutions like Westpac, HSBC and JPMorgan. Before joining the Bank in 2007, Mr. Ha was the company secretary of China Construction Bank. Mr. Ha graduated from the University of London with a Bachelor of Laws degree in 1982 (Queen Mary College) and a Master of Laws degree in 1983 (University College). He is a fellow member of the Institute of Chartered Secretaries and Administrators, U.K. and the Hong Kong Institute of Chartered Secretaries.

夏耀輝

高級副總裁兼法律及合規部主管

五十二歲。夏先生曾在英格蘭、澳大利亞及香港執業逾二十年，擔任私人執業律師以及Westpac、滙豐銀行、JP摩根等國際金融機構內部法律顧問。在二零零七年加盟本行前，他是中國建設銀行的公司秘書。夏先生於倫敦大學法律系畢業，一九八二年獲法律學士學位(Queen Mary College)，一九八三年獲法律碩士學位(University College)，他亦是英國特許秘書及行政人員公會及香港特許秘書公會的資深會士。

Winston HSU Wen Chin 9

Senior Vice President and Deputy Head of Control & Risk Management Group

Aged 56. Mr. Hsu oversees the enterprise risk review and management. Mr. Hsu has been in the financial industry for over 28 years specializing in corporate lending risk assessment and financial analysis. Before joining the Bank in 2009, he worked with foreign and local banks in Taiwan including ANZ, BNP, Taishin International Bank and Taipei Fubon Commercial Bank. Mr. Hsu graduated from the National Chenchi University with a Master's degree in Accounting.

許文欽

高級副總裁兼監控及風險管理部副主管

五十六歲。許先生負責企業授信管理工作。許先生於金融界擁有逾二十八年的豐富經驗，對企業徵信及財務分析尤為熟悉。他於二零零九年加盟本行前，曾於台灣的外商銀行與當地銀行工作，包括ANZ、BNP、台新銀行與台北富邦銀行。許先生畢業於國立政治大學，持有會計碩士學位。

Senior Management 高級管理層



Frank JUANG Tzuen Yan 1

Senior Vice President and
Head of Securities Services Division

Aged 50. Mr. Juang oversees the Bank's securities services. Mr. Juang has been in the financial industry for over 20 years specializing in securities, futures and options trading. Before joining the Bank in January 2010, he worked at Fubon Securities in Taiwan where he had served successively as Business Officer, Manager, Area Manager, Deputy General Manager, Fubon Futures General Manager and Head of Wealth Management. Mr. Juang obtained a Bachelor of Laws degree from the National Chenchi University in Taiwan and a Master of Finance degree from the National Taiwan University.

莊遵嚴

高級副總裁兼證券投資服務部主管

五十歲。莊先生負責本行證券投資服務。莊先生於金融界擁有逾二十年的豐富經驗，對證券投資、期貨、期權交易尤為熟悉。他於二零一零年一月加盟本行前，曾於台灣富邦證券工作，歷任營業員、經理人、區部長、副總經理、富邦期貨總經理及富邦證券財富管理部部長。莊先生畢業於台灣國立政治大學政治系，持有法學士學位，並取得國立臺灣大學金融碩士學位。

Sylvia NG Sau Wai 2

Senior Vice President and
Head of Consumer Finance & Mass Market

Aged 43. Ms. Sylvia Ng joined the Bank in March 2008 and is primarily responsible for the Bank's Consumer Banking Business. Ms. Ng is an experienced professional in the consumer finance and credit card industry. She had held senior positions in major banks. Before joining Fubon Bank, she was the Vice President and Head of Marketing of AIG Finance. Ms. Ng obtained a Bachelor Degree of Social Science (Business Administration & Economics) from the University of Hong Kong.

吳秀慧

高級副總裁兼消費金融及零售市場部主管

四十三歲。吳秀慧女士於二零零八年三月加盟本行，掌管本行的消費金融業務，包括樓宇按揭、信用卡及私人貸款，並同時負責零售客戶業務推廣。吳女士曾於多家外資銀行服務並出任主要職位，具豐富的管理經驗。她在加盟本行前，任職美國國際信貸集團副總裁及市場部主管。吳女士持有香港大學社會科學系學士學位。

Aubrey WANG Chih-Wei 3

Senior Vice President and
Head of Corporate Banking

Aged 47. Ms. Wang had been with HSBC in Taiwan and Hong Kong for over 10 years where she held senior positions in the areas of multinational portfolios, Commercial Banking and Corporate Relationship Management. Before joining the Bank in 2005, Ms. Wang worked for HSBC Hong Kong as Senior Vice President, Taiwan Business Development. Ms. Wang obtained a Master of Business Administration Degree from American Graduate School of International Management, U.S.A.

王之瑋

高級副總裁兼企業金融部主管

四十七歲。王女士於二零零五年加盟本行前曾於台灣及香港兩地的滙豐銀行工作，擁有超過十年跨國投資組合管理、商業銀行及客戶關係管理的豐富管理經驗。王女士持有美國亞里桑那州國際管理學院工商管理碩士學位。

Henry WANG Hao-Jen 4

Senior Vice President and
Chief Financial Officer

Aged 44. Mr. Wang joined the Bank in April 2009. Mr. Wang is an experienced professional with more than 17 years of related working experience. He has held various senior positions in marketing or finance field in the Chase Manhattan Bank, N.A., Banque Nationale de Paris, Taiwan Semiconductor Manufacturing Company, Ltd., Taiwan Mobile Co., Ltd. and Primax Electronics Co., Ltd. before joining the Bank. Mr. Wang obtained a MBA Degree from Rutgers, the State University of New Jersey, USA and a BA Degree in Finance, National Taiwan University.

王浩人

高級副總裁兼財務主管

四十四歲。王先生於二零零九年四月加盟本行，他在銀行界及商業界已累積了超過十七年的專業經驗。王先生在加入本行前，曾於多家主要國際性銀行及台資機構擔任業務與財務相關要職，其中包括美商大通銀行、法國國家巴黎銀行、台灣積體電路製造(股)公司、台灣大哥大(股)公司及致伸科技公司。王先生擁有美國羅格斯大學企管碩士及國立臺灣大學財務金融學士學位。

Arthur WONG Kwok Leung 5

Senior Vice President and
Head of Business Technology Management

Aged 43. Mr. Wong has over 23 years of experience in the information technology industry with major international and Chinese banks. Before joining the Bank in 2008, Mr. Wong had been with China Construction Bank for 13 years where he was the IT Head of China Construction Bank Hong Kong Branch and the Overseas Support Centre. Prior to that, he had also worked for National Australia Bank, Citibank and Standard Chartered Bank. Mr. Wong obtained a MBA degree from University of Warwick, U.K.

王國良

高級副總裁兼商業科技管理部主管

四十三歲。王先生擁有超過二十三年在中國及國際銀行資訊科技部門工作的經驗。在二零零八年加入本行之前，他在中國建設銀行工作了十三年，擔任中國建設銀行香港分行及海外支持中心的資訊科技部主管。在此之前，王先生曾於澳洲銀行、花旗銀行及渣打銀行工作。王先生持有英國華威大學工商管理碩士學位。

Vivien Wong 6

Senior Vice President and Head of Audit

Aged 49. Vivien joined the Bank in June 2008 to take up the role of Head of Audit. She is an audit professional and has held senior audit management positions in international and local banks. She started her external audit experience with Deloitte and Touche in Toronto and worked with the Bank of Montreal in Canada before moving to Hong Kong to join the Stock Exchange of Hong Kong. Before joining the Bank, she has been the Regional Head of Audit, North East Asia (NEA) of Standard Chartered Bank; Head of Audit of Wing Hang Bank; and Regional Head of Audit, Banking & Technology Audit Group of Development Bank of Singapore (DBS). She obtained a bachelor (Honor) degree in Commerce and Economics from the University of Toronto in Canada and the professional qualification of Certified General Accountant, Canada.

Vivien Wong

高級副總裁兼內部審核部主管

四十九歲。Vivien於二零零八年六月加盟本行。她曾主管多間國際及香港金融機構審核部，包括渣打銀行東北亞洲區審核部，永亨銀行審核部，新加坡發展銀行亞洲區審核部，亦曾任職於加拿大滿地可銀行，德勤會計師行(加拿大)及香港聯合交易所，擁有資深內部及外聘審核經驗。Vivien為加拿大註冊會計師及持有加拿大多倫多大學商務及經濟學雙學士學位(榮譽)。

Simon YANG Hsi Shun 7

Senior Vice President and Head of Marketing –
Financial Markets Group

Aged 50. Mr. Yang oversees the development of treasury products, formulates marketing strategies and distribution of these products via various channels. Mr. Yang has been in the financial industry for over 18 years specializing in FX products. Before joining the Bank in 2009, he worked for Taipei Fubon Commercial Bank, Bank SinoPac and SG. Mr. Yang graduated from the Central Missouri State University with a MBA degree.

楊希舜

高級副總裁兼金融市場部市場推廣主管

五十歲。楊先生負責發展財資產品、制定市場策略及透過多種渠道分銷此等產品。楊先生於金融界擁有逾十八年的豐富經驗，對外匯產品尤為熟悉。他於二零零九年加盟本行前，曾於台北富邦銀行、永豐銀行及法國興業銀行工作。楊先生畢業於美國中密蘇里大學，持有工商管理碩士學位。

Carmen YIP Ka Man 8

Senior Vice President and Head of Wealth
Management Group (Sales and Distribution)

Aged 45. Ms. Yip held management positions in local and foreign banks, gaining expertise in retail banking, before joining the Bank as the Manager of its flagship Central Branch in January 2000 and subsequently promoted to Regional Manager and then to her current position overseeing the sales and distribution of wealth management products encompassing Ambassador Banking and general banking business. Ms. Yip obtained a Bachelor of Social Science Degree from the University of Hong Kong.

葉嘉敏

高級副總裁兼財富管理部(銷售)主管

四十五歲。葉女士曾任多間本地及外資銀行管理要員，擁有豐富的零售銀行服務經驗。她在二零零零年一月加盟本行，擔任中環總行經理一職，其後獲擢升為分區主管，現掌管財富管理產品的銷售和分銷工作，範圍涵蓋Ambassador Banking理財服務及一般銀行業務。葉女士持有香港大學社會科學學士學位。

Vivian YOUNG Lai Hau Sau 9

Senior Vice President and
Head of Human Resources

Aged 55. Mrs. Young has worked in the human resources field for over 20 years, primarily with an investment bank in Hong Kong where her last position was Senior Vice President, Head of Human Resources – Greater China. Before joining the Bank in 2005, she had worked for an international consultant firm as a human resources executive consultant. She obtained a Postgraduate Diploma in Personnel Management from Manchester Polytechnic in England.

楊黎孝修

高級副總裁兼人力資源部主管

五十五歲。楊太擁有逾二十年人力資源管理的豐富經驗。她曾是本港一所投資銀行大中華區的人力資源部主管及高級副總裁。她於二零零五年加入本行前，曾任一國際顧問公司的人力資源高級顧問。楊太持有英國曼徹斯特理工大學人事管理深造文憑。

Chairman's Statement

主席匯報

It was a testing year for banks in 2009. With few exceptions, Asia sovereigns have weathered the global financial crisis better than their peers in other regions. On the one hand, the continual economic growth and business momentum in China provided new opportunities for financial institutions. On the other hand, the uncertain landscape of the global economy and the increase of demanding regulatory policies presented challenges for the overall banking industry.

2009年，銀行界歷盡考驗。除了少數亞洲國家外，絕大部分亞洲國家較其他地區的國家更能成功抵禦全球金融危機。一方面，中國大陸經濟及商業動力的持續增長，為金融機構提供新機遇；另一方面，不明朗的全球經濟前景，加上監管政策要求提高，卻為整個銀行業帶來挑戰。



Our businesses were not immune from the aftershocks of the global financial crisis. Banks still face a number of challenges, with a key one being asset quality as impaired assets rose significantly during 2009, despite considerable fiscal stimulus and emergency low monetary policy settings. The global financial crisis also poses multiple challenges to the wealth management model, especially how best to retain investor confidence.

Against this backdrop, our performance in 2009 was far from satisfactory. Profits were down sharply, largely due to the falling demand for wealth management products, a significant increase in loan impairment, and costs of the Lehman Minibonds issue. As a result, net profits of the Bank for the year ending 31 December 2009 decreased considerably to HK\$23 million.

During 2009, we took time to step back and review our strategy in the light of the financial crisis and the fundamental changes happening in our industry. We stayed focused on the basics of banking while at the same time we enhanced our risk management capabilities, strengthened internal controls and improved service efficiency. We acted decisively to contain costs and to enhance operating leverage in order to alleviate the negative impact of slowing revenues.

In Corporate & Investment Banking, we took the opportunity during the market downturn to upgrade our customer profile and focused on deploying our capital and liquidity primarily in support of existing clients, and in doing so have further deepened these relationships.

In Wealth Management, we fundamentally reshaped our business, shifting the balance from product sales to client needs and focusing more on portfolio management. From due diligence checking of business partners to products selection to the selling process, we carefully reviewed and enhanced all of our internal processes to minimize risks and to cope with new regulatory requirements.

In Financial Markets, we continued to run the Bank's balance sheet proactively, sustaining the net interest margin, maintaining high levels of liquidity and a conservative funding profile. We also strived to optimize our investment portfolio in the pursuit of more stable revenues.

全球金融危機餘波未了，本行的業務難免受到影響。銀行界仍然面對種種挑戰，當中最主要的是資產質素問題。2009年內，縱使各地政府採取大量的財政刺激措施和緊急低息貨幣政策，不良資產仍然大增。全球金融危機亦為財富管理模式帶來多重挑戰，當中尤為重要的是如何適切地挽回投資者的信心。

在上述情況下，本行2009年的財務表現未如理想。盈利大幅下降，主要是由於財富管理產品之需求減少、貸款減值虧損顯著增加及雷曼迷你債券事件所涉及的開支所致。因此，截至2009年12月31日止，本行的淨溢利大幅減少至2,300萬港元。

於2009年，基於金融危機及因應銀行業的基本變化，本行徹底檢討了本身的策略。在專注於銀行業的基本業務的同時，本行亦加強了風險管理能力、強化內部監控及改善服務效率。本行採取了果斷行動，以控制成本及提升營運效益來減低收入放緩所造成的負面影響。

企業金融部在市場下滑期間把握機會提升客戶檔次，並專注運用本行資本及流動資金，主力用於支援現有客戶，從而深化與客戶的關係。

財富管理部則徹底重整業務，將重心由產品銷售轉移至關注客戶需要，並更加專注於投資組合管理。本行審慎檢討及修訂所有內部程序，包括對業務夥伴的盡職檢查、產品篩選以至銷售過程，以降低風險，並符合新的規管要求。

金融市場部繼續積極強化資產負債表，以維持淨息差和高水平的流動資金，並採取保守的資金策略。金融市場部亦力爭優化投資組合，以追求更穩定的收入。

Chairman's Statement 主席匯報

In Consumer Finance, our focus on product development, customer management and channel expansion has contributed to the growth in our retail customer base, loans receivables and fee income.

In order to optimize management synergy and to enhance our overall corporate strength, we embarked on Project One – a journey of full integration with our parent company, Fubon Financial, during the year. The focal points were to integrate the majority of our businesses, our risk practices, information technology, human resources and MIS reporting on top of developing “state-of-the-art” standard operating procedures (“SOPs”) and applying best practices across the organization. This integration will certainly help maximize revenue and reduce costs, and give us the scale, the resources and the strong foundation needed to pursue expansion and to stave off competition. More importantly, we will become a truly integrated organization dedicated to the principles of effective management and putting the customer first. By creating greater value for our shareholders and offering better development opportunities for our people, we will forge a winning partnership with our customers, our employees and our shareholders.

Across the strait, Taiwan and China signed a Memorandum of Understanding in November 2009, opening a new era of cross-strait financial liberalization. Apart from strengthening its presence in Taiwan, Fubon Financial has also moved aggressively to extend its reach throughout Greater China and to create the most comprehensive financial services platform in the region.

As Fubon Financial's regional financial platform, the Bank played an important role in the Group's Greater China expansion strategy. In December 2008, the Bank succeeded in acquiring a 19.99% stake in Xiamen City Commercial Bank and took an active role in its management. Xiamen City Commercial Bank formally changed its name to Xiamen Bank in November 2009 as it adopted a new cross-regional focus. In the first half of 2010, Xiamen Bank is expected to set up its Fuzhou branch, its first branch outside Xiamen, where there is a high concentration of Taiwanese businesses.

此外，消費金融部專注於產品發展、客戶管理及擴大營銷網絡，為本行在零售客戶基礎、貸款應收賬額及費用收入方面的增長作出貢獻。


為增加管理上的協同效應，並增強整體企業實力，本行於年內與母公司富邦金控落實全面整合。透過Project One組織重整案，我們著眼於整合大部分業務、風險實務、資訊科技、人力資源及管理資訊匯報等範疇，同時開展制訂完備的標準作業程序，並將最佳實務典範套用於整個機構。這項整合將有助增加收入及降低成本，使本行擁有所需的規模、資源及堅實的根基，以擴展業務及應付競爭。更重要的是，本行將成為一個實質整合的金融機構，致力秉持有效管理的原則，依客戶為導向，透過為股東創造更大的價值及為員工提供更佳的發展機會，達到客戶、員工及股東三贏的局面。

海峽兩岸於2009年11月簽訂了監理備忘錄後，兩岸金融開放展開新頁。除加強台灣本土的業務外，富邦金控亦積極擴展於大中華地區的據點，銳意在區內打造更完整的金融服務平台。

作為富邦金控的區域性金融平台，本行在集團於大中華地區佈局的發展策略中發揮重要作用。2008年12月，本行成功收購廈門市商業銀行的19.99%股權，並積極參與其管理工作。廈門市商業銀行於2009年11月正式更名為廈門銀行後，採取新的跨區域經營方針，並將於2010年上半年，在眾多台商匯聚的福州開設於廈門以外的首家分行。

In December 2009, we made another major breakthrough with the establishment of a representative office in Dongguan, after receiving approval from the China Banking Regulatory Commission in September 2009. It is the first representative office established by a Taiwanese-invested bank in Dongguan, which has big manufacturing clusters from Taiwan and Hong Kong. It also represents an important step in Fubon Financial's branch strategy in Mainland China.

Looking ahead to 2010, while we note that the operating environment for banks have strengthened starting in the second half of 2009, global economies and markets are still fragile and the policy-making environment continues to be complicated. Concerns have shifted away from potential bad loans arising from severe recessions to concerns over asset price bubbles. The Bank remains alert to further challenges in the operating environment and will adopt a growth-yet-prudent strategy to capture market potential while minimizing risks and costs. The integration with Fubon Financial, allied with our strong levels of capital and liquidity, as well as the support from robust risk management policies, procedures and culture, have placed the Bank in a favourable position to expand our banking franchise and exploit further growth opportunities in the Greater China region.

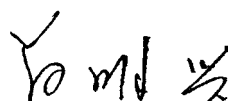


Ming-Hsing (Richard) TSAI

Chairman
March 2010

我們於2009年作出另一項重要突破。2009年9月本行獲中國銀行業監督管理委員會批准於東莞設立代表處後，代表處於12月正式設立，令本行成為首家在台灣及香港廠商群聚的東莞地區設立代表處的台資銀行。東莞代表處的設立，標誌著富邦金控實現於大陸開設分行策略的一個重要里程碑。

展望2010年，本行留意到銀行的經營環境自2009年下半年起開始好轉，然而全球經濟及市場仍然脆弱，而政策制定之環境越趨複雜。市場的關注焦點已由嚴重經濟衰退引致的潛在壞賬，轉移至資產價格泡沫。本行對經營環境的未來挑戰保持警覺，並將採取穩中求進的策略，在將風險及成本減至最低的情況下，把握市場發展商機。本行與富邦金控之整合所帶來的營運綜效，加上本身雄厚的資本、充裕的流動資金，及健全的風險管理政策、程序及文化，令本行處於有利位置，在擴展銀行業務之餘，更進一步把握在大中華地區的發展機會。



蔡明興

主席
二零一零年三月



Management Discussion & Analysis

管理層討論及分析

HONG KONG AND CHINA ECONOMIC OVERVIEW AND FORECAST

香港與中國經濟概覽及預測

Review of Hong Kong's Economy in 2009

Following a sharp contraction in GDP of 7.5% year-on-year in the first quarter of 2009, Hong Kong's economy resumed growth in the second quarter on a quarter-on-quarter basis, which technically marked an end to the year-long recession. As of the latest figures announced by the Hong Kong Government, the Gross Domestic Product ("GDP") increased by 2.6% in real terms in the fourth quarter of 2009 over a year earlier, in contrast to the 2.2% decrease in the third quarter. For 2009 as a whole, GDP contracted by 2.7% in real terms compared with 2008.

With retail sales growing for the first time in eight months in September and unemployment falling from a four-year high, fourth quarter GDP has seen a greater improvement than expected. As a result, for the whole of 2009, Hong Kong's GDP contraction has turned out to be less severe than the Government previously forecast. Domestic demand and pricing power for retailers have been both showing signs of return. These improvements could be related to the Hong Kong Government's stimulus spending of HK\$87.6 billion that included tax concessions, job creation and rent subsidies. The strategy of the Hong Kong Government to stabilize the financial system, support enterprises and preserve employment has yielded positive results. The Hong Kong jobless rate fell to an 11-month low to a seasonally adjusted rate of 4.9% in the three months ending 31 December 2009.

Exports remain the weakest link and will continue to drag on growth. Exports fell 12.6% in 2009 although declines moderated after the first quarter when shipments plunged by the most in half a century. While the exporting sector may still be suffering from a slow recovery, China's demand will help to put a floor under Hong Kong's exports. Shipments to China jumped 16.8% in December from a year earlier in contrast to US's sliding figure.

On the pricing front, the Composite Consumer Price Index ("CPI") rose 0.5% in 2009 from a year earlier. However, there has been an increasing trend since the end of last year. Consumer prices gained 1.3% in December compared to the previous year, which was an improvement over the 0.5% gain in November.

2009年香港經濟回顧

繼香港本地生產總值於2009年第一季按年急跌7.5%後，香港經濟於第二季回復按季增長，技術上標誌著歷時一年的衰退終告結束。按香港政府公布的最新數字，香港本地生產總值於2009年第四季與2008年同期比較實質增長了2.6%，反之，第三季則下跌2.2%。2009年整體而言，香港本地生產總值與2008年比較實質收縮2.7%。

零售業銷貨量於9月開始呈現增長，為八個月來的首次，而失業率亦自四年的高位回落，而第四季的本地生產總值已較預期得到更大改善。因此，綜觀2009年全年，香港本地生產總值下跌的情況未有較政府原先預期嚴重。本地需求及零售商的定價能力已呈現回升跡象，這可能與香港政府推出876億港元的刺激消費措施有關，其中包括寬減稅款、創造就業機會、及租金補貼等。香港政府穩定金融體系、支持企業及保障就業的策略，取得了良好成效。香港的失業率跌至11個月以來的低位，截至2009年12月31日止三個月的經季節性調整的失業率為4.9%。

出口仍然是本港經濟最弱的一環，並將會繼續拖累增長。付運數字於第一季錄得半世紀以來的最大跌幅後，跌勢轉趨溫和，但商品整體出口貨值於2009年仍然下跌12.6%。出口業的復甦相信仍會緩慢，但中國內地的需求將為處於低位的香港出口帶來支持。12月輸往中國內地的整體出口貨值較2008年同期急增16.8%，與輸往美國的整體出口貨值持續下跌形成對比。

物價方面，2009年的綜合消費物價指數較2008年上升0.5%。然而，自2009年年底開始消費價格呈上升趨勢，於12月份整體消費物價較2008年上升1.3%，高於11月份的0.5%升幅。

Management Discussion & Analysis 管理層討論及分析

Outlook for Hong Kong's Economy in 2010

Benefiting from faster growth in the China economy and the waning of recessionary forces in advanced economies, Hong Kong's economy is expected to expand between 4% and 5% in 2010, recovering from the contraction in 2009.

Money spilling into Hong Kong from unprecedented lending under China's stimulus programme has flowed into property and stocks, which has boosted consumer sentiment and spending. This has helped Hong Kong's economy to recover at a faster pace than the Government previously forecast. However, asset-price bubbles pose one of the greatest risks for Hong Kong, as these gains have been mainly driven by extra liquidity in the financial system. Nevertheless, inflationary pressures should remain rather modest in 2010 with an expected rise of 1.5% this year.

While there is light at the end of the tunnel for Hong Kong, a sustained and solid recovery still hinges on a visible improvement in the external environment. The Hong Kong Government may have to continue the stimulus into 2010 to achieve the above forecast growth rate.

Review of China's Economy in 2009

Throughout the global crisis, China defied recessionary pressures and continued to grow, although the pace cooled from double-digit rates. In the past year, China adopted what it called a "moderately loose" monetary policy and embarked on an unprecedented four-trillion-yuan spending spree to keep the economy growing amid the global downturn. It also urged banks to pump up lending, resulting in new loans in China nearly doubling in 2009 over the previous year to reach 9.59 trillion yuan.

2010年香港經濟的展望

受惠於中國經濟的快速增長，加上促使先進國家經濟衰退的壓力逐漸減弱，香港經濟預期將會扭轉2009年的跌勢，本地生產總值料於2010年錄得介乎4%至5%增幅。

在中國的經濟刺激計劃帶動下，借貸空前大增，令大量資金湧入香港樓市及股市，因而刺激消費意欲及支出。這有助香港經濟以較政府預期為快的速度復甦。然而，由於這些增長主要是由金融體系中過剩的流動資金帶動，故資產價格泡沫成為香港最大的風險之一。儘管如此，2010年的通脹壓力應會相當溫和，預期2010年全年會上升1.5%。

儘管香港經濟已漸露曙光，但升勢能否持續和保持穩步復甦，須取決於外圍環境之明顯改善。香港政府於2010年或須繼續採取刺激措施，以達致上述預測之增長率。

2009年中國經濟回顧

在全球金融危機期間，中國力拒衰退壓力，雖然經濟增長由雙位數字回落，但仍保持升勢。去年，中國採取「適度寬鬆」的貨幣政策，並推出史無前例的4萬億元人民幣經濟刺激計劃，使中國經濟在全球衰退中保持增長，同時亦鼓勵銀行放款，令中國2009年全年累計新增貸款額較2008年增加近一倍，達9.59萬億元人民幣。



The stimulus measures have borne fruit. For 2009, China's GDP gained 8.7%, beating Premier Wen's 8% target. In fact, it exhibited a growing trend throughout the year, with GDP growing 6.2%, 7.9%, 9.1% and 10.7% in the respective four quarters from the previous year. One of the main contributors to growth was urban fixed asset investment, which jumped 30.5% in 2009.

While the rest of the world took even harder hits from the global slowdown, exports from China resumed growth in December after 13 months of declines, rising 18% over the previous year. Imports grew even more, surging 56% to reflect China's stimulus-fueled appetite for raw materials.

The effects of the global economic crisis have caused Chinese leaders to think about shifting the economy's drivers away from exports and towards domestic consumption. After the central government's effort to subsidize consumer purchases last year, retail sales rose 16.9% in 2009, which was the biggest gain since 1986.

Outlook for China's Economy in 2010

Following strong GDP growth in the fourth quarter of 2009 and the cumulative effects of fiscal and monetary easing in 2009, China's economy is expected to continue its strong growth into 2010 at a rate of about 9%.

In the annual "Central Economic Working Conference", in which the key policy tone and main goals were set for 2010, officials pledged to target balanced growth with a greater emphasis on consumption. The concluding statement highlighted that China would continue its "proactive fiscal policy and moderately easing monetary policy".

After almost a year-long bout of deflation, the CPI, a key gauge of inflation, rose in November. It also accelerated to a more-than-forecast 1.9% in December, after a 0.6% gain in the prior month, mainly driven by food and housing prices. The CPI is expected to be around 4% for the whole year, while the figure declined 0.7% in 2009.

The main challenges this year will be for Chinese policy-makers to ensure an economic rebound and at the same time prevent excessive liquidity in the financial system from creating bubbles in stocks and property. The Chinese Government may have to introduce stricter measures to rein in credit growth and to contain inflation expectations, as well as to step up guidance on property lending.

政府的經濟刺激措施亦取得成果。2009年，中國本地生產總值增長8.7%，較溫家寶總理訂下的8%目標為高。事實上，中國本地生產總值於去年全年呈現升勢，四個季度與2008年同期比較分別錄得6.2%、7.9%、9.1%及10.7%的增幅。增長的主要動力之一，是城鎮固定資產投資於2009年躍升30.5%。

正當世界其他地方面對更大的全球經濟放緩的衝擊，中國出口經歷13個月下跌後，於12月回復增長，較2008年上升18%。入口的增幅更大，達56%，反映中國的經濟刺激措施帶動原材料需求上升。

全球經濟危機帶來的影響，使中國領導人思量將經濟動力由倚靠出口轉為由內部消費帶動。自去年中央政府提供補貼以刺激消費後，零售業銷貨值於2009年上升16.9%，為自1986年以來的最大升幅。

2010年中國經濟的展望

中國本地生產總值於2009年第四季強勁增長，加上2009年的財政刺激方案及貨幣寬鬆政策漸見成效，預期中國經濟會於2010年繼續強勁增長，增幅約9%。

在一年一度的「中央經濟工作會議」上，中國官員訂立2010年的主要政策基調及首要目標，著眼於經濟發展的均衡性，特別是擴大內需消費。會議重申，中國將繼續實施「積極的財政政策及適度寬鬆的貨幣政策」。

經歷接近一年的通縮期後，作為通脹主要指標的消費物價指數於11月回升，達到0.6%，而12月更達1.9%，增幅較預期為高，這主要由於食品及住房價格上升。預期消費物價指數繼2009年下跌0.7%後，於2010年全年增長將約4%。

中國決策者今年面對的主要挑戰，是在確保經濟復甦之餘，同時避免金融體系中過剩的流動資金令股市及樓市出現泡沫。因此，中國政府可能需要推出更嚴謹的措施來控制信貸增長及通脹預期，與及加強規管房地產借貸。

Management Discussion & Analysis 管理層討論及分析

The People's Bank of China has already started to raise banks' reserve requirements to soak up excess liquidity. But they will tighten policy in a phased manner and do not want to threaten the sustainability of the recovery. They are more likely to wait until the second half of 2010 to hike lending rates. The Chinese yuan might appreciate by about 3% by the end of this year against the dollar, as the rate has been kept unchanged since July 2008 to aid exporters and now export conditions have been improving.

OPERATING PERFORMANCE

The Bank and its subsidiaries ("the Group") reported full-year 2009 net profits of HK\$23 million which was 77% or HK\$77 million lower than the HK\$100 million reported in 2008. The global financial crisis and the ensuing recession that emerged from the fourth quarter of 2008 continued to weigh heavily on Hong Kong's economy and have negatively impacted on the Group's 2009 earnings. Despite net interest income recording strong growth in 2009 and fee-based revenues showing improvement in the fourth quarter, these were offset by provisions incurred from the sales of structured investment products including those charges for the impairment of Lehman Minibonds repurchased from eligible customers under the Repurchase Scheme, lower net fee and commission income and heightened credit costs due to dampened investor sentiments and weak credit conditions.

Gross interest income decreased 31% to HK\$1,559 million for 2009 whereas gross interest expense decreased 67% to HK\$416 million over the corresponding period. As a result, net interest income grew by HK\$154 million or 16% to HK\$1,143 million. The increase in net interest income was mainly attributed to widening of Hong Kong dollar Prime-HIBOR spread and increase in average interest-earnings assets. Benefiting from lower funding costs in the near-zero interest rate environment and improved credit spreads, effective net interest margin ("NIM") improved by 18 bps to 1.94% from 1.76% for 2008.

Other operating income (net of revaluation results on the CDO portfolio) decreased by 53% year-on-year to HK\$279 million in 2009, a decrease of HK\$315 million from 2008, attributable to a reduction in commission income derived from the sale of financial markets investment and structured products due to impaired customers' confidence in purchasing such products. Coupled with the decline in unit trust sales and wealth management fee income, net fees and commission income reduced by HK\$193 million to HK\$158 million in 2009. Credit spread tightening affected the fair value of financial instruments designated at fair value through

中國人民銀行已開始上調銀行的存款準備金率，以收緊市場過剩之流動資金。但料政策將會分階段收緊，以免令經濟復甦的持續性受威脅，因此中國可能要到2010年下半年才會調升借貸利率。自2008年7月以來，中國為支持出口而使人民幣兌美元匯率維持不變，但在出口情況已經改善的情況下，人民幣兌美元於2010年年底或約升值3%。

經營表現

本行及其附屬公司（「本集團」）截至2009年12月底止的全年淨溢利為2,300萬港元，較2008年的淨溢利1億港元下跌77%或減少7,700萬港元。2008年第四季爆發的全球金融危機以及隨之而來的經濟衰退持續拖累香港的經濟，亦對本集團2009年的收益構成負面影響。雖然本行於2009年的淨利息收入錄得強勁增長，以及費用相關收入於第四季有所改善，但卻因為銷售結構性投資產品，包括根據回購協議而需要向合資格客戶提出回購他們所持有的經本行購買的雷曼迷你債券，而所涉及的減值虧損，加上投資者信心大減及信貸環境疲弱令淨費用及佣金收入下降及借貸成本高企而被抵銷。

2009年的利息收入總額較去年減少31%，至15.59億港元，利息支出總額則下跌67%，至4.16億港元，因此，年內淨利息收入增加1.54億港元或16%，至11.43億港元。淨利息收入上升主要是由於港元最優惠利率與銀行同業拆息息差擴闊及生息資產均額增加。受惠於近乎零息的利率環境令資金成本低企，加上信貸息差持續擴闊，實際淨息差由2008年的1.76%擴闊18個基點至2009年的1.94%。

2009年的其他營運收入（未計及債務抵押證券錄得的重估價值）按年下跌53%至2.79億港元，較2008年下跌3.15億港元，主要由於投資者對購買金融市場投資及結構性產品的信心大減，導致銷售該類產品所得的佣金收入減少。加上單位信託基金的銷售及財富管理費用收入下跌，2009年的淨費用及佣金收入減少1.93億港元至1.58億港元。由於2009年的信用價差收窄，影響了指定為通過損益以反映公平價值之金融工具及其對沖衍生工具之公平價值，亦導致其他營運收入減少。計及債務抵押

profit and loss and its hedging derivatives, also resulted in a decrease in other operating income. Including the revaluation loss of HK\$0.7 million on CDO portfolio in 2009 (HK\$128.5 million in 2008), other operating income in 2009 recorded a 40% decrease to HK\$278 million.

In view of the tightened regulatory requirements on the sale of investment products, the Bank has enhanced its systems and control processes during the year to ensure that it continues adhering to the highest standard of conduct in its business. In order to enhance competitiveness and accelerate market expansion in the realm of insurance business, the Bank formed a strategic partnership with China Life Insurance (Overseas) Company Limited in November 2009 with a view to offering integrated wealth management services to its customers.

Operating expenses, including costs from the Lehman Minibonds Repurchase Scheme, decreased 1% or HK\$11 million to HK\$954 million in 2009. The cost-to-income ratio increased to 67.2% for 2009 from 66.4% for 2008 due to the decrease in other operating income and charges for the impairment of Lehman Minibonds repurchased from eligible customers under the Repurchase Agreement. The Bank has taken measures to rationalize its operating expenses level and enhance its operating leverage in order to alleviate the negative impact of slowing revenues on the cost-to-income ratio in 2009. Operating profits before gains and impairment losses decreased 5% or HK\$23 million to HK\$466 million compared with HK\$489 million in 2008.

證券組合錄得的70萬港元重估虧損(2008年為1.285億港元)，2009年的其他營運收入下跌40%至2.78億港元。

鑑於銷售投資產品的規管要求提高，本行於年內加強了系統及監控程序，確保繼續恪守其業務操守的最高標準。為了提升市場競爭力及加速擴展保險業務市場，本行於2009年11月與中國人壽保險(海外)股份有限公司成為戰略合作夥伴，冀為客戶提供綜合性的財富管理服務。

2009年營運支出，包括雷曼迷你債券回購協議所涉及的開支，下跌1%或1,100萬港元至9.54億港元。由於其他營運收入減少及根據回購協議需要向合資格客戶提出回購他們所持有的經本行購買的雷曼迷你債券所涉及的減值虧損，成本對收入比率由2008年的66.4%上升至2009年的67.2%。本行將繼續採取措施，以有效降低營運支出，並同時加強營運效能以減低2009年收入放緩對成本對收入比率造成的負面影響。未計收益及減值虧損前經營溢利較2008年的4.89億港元下跌5%或2,300萬港元，至4.66億港元。



Management Discussion & Analysis

管理層討論及分析

Due to the economic downturn and deteriorating credit conditions, the net charge for impairment losses on advances to customers registered a year-on-year increase of HK\$176 million to HK\$485 million. Most of the increase was due to higher individual impairment losses on SME loans. Despite the level of impaired loans having stabilized since the second quarter of 2009, further individual impairment losses for impaired loans were required in the second half of 2009. Collective impairment allowances were increased reflecting the unsatisfactory credit experience in the last two years. The increase in impaired loan ratio in 2009 was also affected by the 13% drop in advances to customers balances, as a result, the impaired loan ratio increased to 1.78% as of 31 December 2009 from 1.22% as of 31 December 2008. The coverage ratio for impaired loans improved from 75% at 31 December 2008 and from 64% at 30 June 2009 to 87% at 31 December 2009, resulting from the increase in individual impairment losses on advances to customers.

Impairment losses on available-for-sale securities of HK\$67 million were provided in 2009. This represented a drop of HK\$130 million when compared to HK\$197 million recognized in 2008. The share of profits of Xiamen Bank (previously named Xiamen City Commercial Bank), in which the Bank owns a 19.99% stake, amounted to HK\$14 million. After accounting for impairment charges, other gains and tax charge, profit after taxation amounted to HK\$23 million, representing a 77% decrease from HK\$100 million for 2008. Return on average assets and return on average equity decreased from 0.16% to 0.04% and from 2.54% to 0.48%

鑑於經濟下滑及信貸環境惡化，本集團錄得的客戶貸款之淨減值虧損按年上升1.76億港元至4.85億港元，主要是由於中小企客戶的貸款個別減值虧損有所上升所致。儘管不良貸款情況自2009年第二季已經回穩，但於2009年下半年仍需要為不良貸款提撥額外個別減值虧損。因2008年及2009年本行壞賬情況欠佳，本行亦增加了綜合減值撥備。客戶貸款結餘下跌13%，亦影響到減值貸款比率於2009年上升，減值貸款比率因而由2008年12月31日的1.22%上升至2009年12月31日的1.78%。由於客戶貸款個別減值虧損增加，減值貸款壞賬覆蓋率由2008年12月31日的75%及2009年6月30日的64%，改善至2009年12月31日的87%。

2009年為可供出售證券提撥了6,700萬港元的減值虧損，較2008年提撥的1.97億港元下跌1.30億港元。本行持有19.99%股權的廈門銀行（前稱廈門市商業銀行）所貢獻的溢利為1,400萬港元。計及減值虧損、其他收益及稅項後，除稅後溢利為2,300萬港元，較2008年的1億港元下跌77%。平均資產回報率及平均股本回報率分別從2008年的0.16%及2.54%下降至0.04%及0.48%。計及派發優先股息，截至2009年12月31日止年度，每股虧



respectively when compared with 2008. After accounting for the dividend payment for preference shares, the loss per share for the year ended 31 December 2009 was 5.16 Hong Kong cents versus earnings per share of 8.43 Hong Kong cents in 2008.

Total assets as at 31 December 2009 were at HK\$61.0 billion, a decrease of 7% or HK\$4.6 billion from HK\$65.6 billion as at 31 December 2008. Customer deposits registered a decrease of 3% to HK\$46.6 billion as at 31 December 2009. During the year, the Bank adopted a more conservative strategy in credit underwriting and acquiring new loans in light of the uncertain credit environment. Therefore, the net loans portfolio decreased 14% or HK\$4.4 billion to HK\$28.6 billion as at 31 December 2009 from the 2008 year-end balance of HK\$33.0 billion. The Group's capital and liquidity positions remained strong. The consolidated capital adequacy ratio was 17.18% (14.04% at 2008 year-end) at the end of December 2009 and average liquidity ratio for 2009 was at 48.65%.

Over the past year, the Bank devoted tremendous efforts in refining its business strategy, improving its risk-control systems, rationalizing its cost base and integrating the majority of its businesses and risk practices with those of its parent company. These series of initiatives have put the Bank in better shape to weather market uncertainty and volatility ahead. The Bank established its Dongguan representative office in December 2009 which marks an important step in its Mainland branch strategy and reinforces its position as the regional financial platform for Fubon Financial. On 22 December 2009, the Bank confirmed and undertook to Xiamen Bank to fully subscribe for its allocated 31,984,000 Rights Shares in Xiamen Bank, maintaining its 19.99% shareholding interest in Xiamen Bank. The consideration for the Rights Shares, which was RMB79,960,000 or RMB2.5 per share, was financed from the Bank's own internal surplus funds.

In 2010, the Bank will adopt a growth-yet-prudent strategy to capture market potential while minimizing risks and costs. The Bank will continue to broaden its client base and deepen customer relationships, and increase revenues by devoting more efforts to cross-selling activities, by strengthening the internet banking platform and by enhancing product capabilities. With support from its parent company, the Bank will also expand its operations through Fubon Financial's various business platforms to provide comprehensive financial services to Hong Kong and Taiwanese companies. Management believes that the strong foundations the Bank has systematically built over the past year will gear the Bank towards steady performance of its businesses in a sustainable manner.

損為5.16港仙，而2008年年度每股盈利為8.43港仙。

截至2009年12月31日止，總資產由截至2008年12月31日止的656億港元下跌7%或46億港元，至610億港元。截至2009年12月31日止，客戶存款下跌3%至466億港元。鑑於信貸環境不明朗，本行於2009年在核貸要求及吸納新貸款方面採取了更保守的策略。因此，截至2009年12月31日止，淨貸款組合由截至2008年12月31日止的330億港元下跌14%或44億港元，至286億港元。本集團繼續保持充裕的資本及流動資金。截至2009年12月底的資本充足比率為17.18%（2008年年底為14.04%），而2009年全年的平均流動資金比率為48.65%。

過去一年，本行致力優化業務策略，提升風險控管，有效地控制成本，並著眼於將大部分業務和風險實務與母公司之相關部門進行整合。這些措施將令本行得以強化本身的能力去面對未來不明朗及波動的市場所帶來的挑戰。本行於2009年12月設立東莞代表處，標誌著其實現於大陸開設分行策略的一個重要里程碑，同時亦加強其作為富邦金控的區域性金融平台的角色。本行於2009年12月22日向廈門銀行確認及承諾全數認購31,984,000股獲分配之供股股份，以維持本行於廈門銀行之19.99%的股份權益。供股之價款為79,960,000元人民幣或每股2.5元人民幣，從本行的內部盈餘資金撥付。

2010年，本行將採取穩中求進的策略，在將風險及成本減至最低的情況下，把握市場發展商機。本行將繼續擴闊客戶基礎，深化與客戶的關係，並積極透過交叉銷售活動、加強網上銀行平台及提高產品的開發及定價能力以增加收入。在母公司的支持下，本行將透過富邦金控各地平台之合作拓展業務，為香港及台灣企業提供全面性的金融服務。管理層相信，憑藉本行年來有系統地建立的堅實根基，本行業務將取得穩定表現，持續茁壯成長。



Corporate & Investment Banking

企業金融



Amid the severe financial conditions, we continued our dedicated support to corporate customers, providing them with comprehensive financing solutions that best suit their needs.

在險峻的金融環境下，本行仍繼續專注支援企業客戶，提供切合他們需要的全面融資及貸款方案。

- + Corporate Banking Division continued to deliver strong business results and successfully closed several major deals with top tier customers.

企業金融部繼續締造強健的業績，並成功與頂級目標客戶完成數項重大交易。

- + In addition to serving Taiwanese corporations, Global Commercial Banking Division will provide a full range of financing services for local SMEs, focusing on expanding our local customer base by building relationships with local corporate clients.

環球金融部除服務台資企業，亦將為本地中小企業提供全面融資服務，專注與本地企業客戶建立關係以擴展本地客戶基礎。

CORPORATE BANKING

Despite overall dismal market conditions and the challenges they presented, 2009 was a rewarding year for the Corporate Banking Division.

In 2009, the Corporate Banking Division delivered strong business results, thanks to its talents in the China, Hong Kong and Taiwan teams. The division also took the opportunity during the market downturn to upgrade its customer profile and successfully closed several major deals with top tier customers. The local Hong Kong business remained the key business driver. Despite loan related fees reported a record high result for Corporate Banking Division, these were offset by lower treasury fee income due to customers' limited risk appetite. The non-Taiwanese related loan balance was up 7% from HK\$9.87 billion at 31 December 2008 to HK\$10.52 billion at 31 December 2009. Cash business performed even stronger; deposits balance was up 24% from HK\$8.18 billion at 31 December 2008 to HK\$10.15 billion at 31 December 2009. These encouraging achievements are a tribute to the unflagging marketing efforts by the relationship managers and product teams, as well as the strong support from the Group.

The Taiwan team continued their dedicated support of Taiwanese customers, particularly those with structured finance needs. Notably, it was the most productive team throughout the Bank.

企業金融

儘管面對市道低迷的情況及嚴峻的挑戰，企業金融部於2009年仍取得豐碩成果。

憑藉中國大陸，香港及台灣業務團隊的努力，企業金融部於2009年締造強健的業績。部門亦於市場衰退期間把握機會提升本行的客戶級別，並成功與頂級目標客戶完成數項重大交易，而香港市場亦繼續成為業務增長的主要來源。儘管企業金融部於2009年的放款相關費用收入創新高，但卻因客戶對外匯交易產品之風險承受能力有限，導致相關交易費用收入減少。非台商業務的放款餘額由2008年12月31日的98.7億港元上升7%，至2009年12月31日的105.2億港元。此外，存款業務的表現更佳，存款餘額由2008年12月31日的81.8億港元上升24%，至2009年12月31日的101.5億港元。這些令人鼓舞的業績實有賴客戶經理與產品團隊的努力不懈及積極推廣，以及集團的大力支持。

台商業務團隊則繼續專注支援台灣客戶，特別是需要結構性融資的客戶。值得稱許的是該業務團隊亦為本行生產力最高的業務團隊。

Corporate & Investment Banking 企業金融

Our China team, firmly established in 2008, has started providing premium services with a comprehensive range of financial products to our China-based customers. The business momentum was strong, warranting immense market and business potential going forward.

In 2010, Corporate Banking Division will continue to widen its customer base and deepen the relationships through robust cross-selling, first-rank product expertise and a solution-and-service driven approach. The division will further develop closer collaboration with the Group by leveraging and sharing resources, market intelligence, and the ever-expanding regional franchise. Regular dialogue with the Group's business affiliates including Xiamen Bank, Taipei Fubon Commercial Bank Co., Ltd. ("Taipei Fubon Bank"), and other Group units will further promote customer satisfaction while enhancing our strategic position as the key regional platform for the Group.

GLOBAL COMMERCIAL BANKING

The financial tsunami that began in 2008 has left Hong Kong and Taiwanese businesses in the Pearl River Delta Region badly battered, with the consequential problem loan issue taking its toll on banks in Hong Kong. In view of the challenging market situation, Global Commercial Banking has managed to keep its non-performing loans at market level by strengthening its warning mechanism for credit monitoring and control.

Amid the severe financial conditions, we have been carefully seeking to establish new relationships with quality corporations

我們於2008年成立的中國大陸團隊，已開始向以內地為基地的客戶提供優質服務及多元化的金融產品。這項業務增長動力強大，引證市場及業務未來發展潛力優厚。

2010年，企業金融部將憑藉一流的產品及秉持為客戶提供解決方案和以服務為首的方針，積極進行交叉銷售，繼續擴闊客戶基礎及深化與客戶的關係。部門亦會透過分享資源及市場情報，以及利用金控於區內不斷擴展的金融版圖優勢，與集團建立更緊密的合作。企業金融部亦與集團各聯屬機構，包括廈門銀行、台北富邦商業銀行股份有限公司（「台北富邦銀行」）及集團其他單位作定期溝通，以增加客戶的滿意程度，並提升我們作為集團的主要區域性平台的策略地位。

環球金融

於2008年金融海嘯發生以來，珠江三角洲地區港台商受創嚴重，隨之伴生的授信戶貸款拖欠逾期問題，香港地區銀行皆受波及。在這種嚴峻的市場環境下，本行的環球金融業務，透過加強預警管理授信品質控管措施，我們亦得以將貸款違約控制於市場水平。

在險峻的金融環境下，本部門自2009年年初起在業務發展與風險控管並重的基礎下，慎選優質的本地、台灣及內地企業。期間，本部授信



We strive to widen our customer base and deepen the relationships through robust cross-selling, first-rank product expertise and a solution-and-service driven approach.

本行致力憑藉一流的產品及秉持為客戶提供解決方案和以服務為首的方針，積極進行交叉銷售，繼續擴闊客戶基礎及深化與客戶的關係。

in Hong Kong, Taiwan and Mainland China since early 2009, with emphasis on risk management whilst pursuing business growth. During the year, our credit underwriting has adopted a more conservative strategy in the face of higher risks of SME loans becoming non-performing loans. Adequate provisions for bad debts were also made, accompanied by intensive efforts to charge off impaired loans. In pursuit of our business goals, our cross-selling efforts were focused on fee-based foreign exchange transactions. We also continued to develop income streams from low-risk products and expanded quality clientele.

In line with the organizational restructuring, the commercial banking and hire purchase operations of the SME Division were incorporated into the Global Commercial Banking Division in September 2009. In addition to serving Taiwanese corporations, the Division will now provide a full range of financing services for local SMEs. Our business strategy will focus on expanding our local customer base by building relationships with local corporate clients. With support from our parent company, we will also expand our overseas operations through Fubon Financial's various business platforms to provide comprehensive financial services to Hong Kong and Taiwanese companies.

In 2010, we will continue to broaden our client base and increase revenues by devoting more efforts to cross-selling activities through our overseas business platforms. We also aim to generate steady non-interest income and higher interest income by strengthening the Bank's internet banking platform, trade finance and factoring services.

業務改採保守策略，以面對風險較高的中小企不良貸款，並提供充足的壞帳準備，積極打消呆帳。在業務目標追求下，除協銷手續費之外匯交易，並持續開發低風險產品收益及增加優質之新客戶往來。

配合組織調整，中小企業部的商業銀行及設備融資業務於2009年9月併入環球金融部，未來本部除台資企業，亦將為本地中小企業提供全面融資服務。透過業務方向專注，我們經營策略以專注與本地企業客戶建立關係以擴展本地客戶基礎。同時透過母公司的支持，繼續透過富邦金控各地平台之合作拓展海外業務，為港台企業提供全面性的金融服務。

2010年本部門亦將繼續以各海外平台協銷合作模式，持續致力擴展客戶基礎及提升營業收入。透過加強本行的網上銀行平台、貿易融資及應收賬融資等業務，可為本部門提供穩定非利息收入及提升利息收入的業務。

With support from our parent company, we will expand our overseas operations through Fubon Financial's various business platforms to provide comprehensive financial services to our corporate clients.

透過母公司的支持，本行繼續透過富邦金控各地平台之合作拓展海外業務，為企業客戶提供全面性的金融服務。





Financial Markets 金融市場



Financial Markets Group proactively responded to the needs of our clients under the volatile market conditions, while taking prudent measures to reduce risk concurrently.

金融市場部在波動的市況下，積極回應客戶需要，同時採取審慎措施以減低風險。

+ Capital adequacy ratio reached 17.18% as of 31 December 2009, representing an increase over the 14.04% as of 31 December 2008.

於2009年12月31日的資本充足比率達17.18%，高於2008年12月31日的14.04%。

+ Net interest income increased by HK\$154 million or 16% to HK\$1,143 million in 2009.

於2009年，淨利息收入增加1.54億港元或16%至11.43億港元。

+ Net interest margin improved 18 bps to 1.94% in 2009 as compared to 1.76% in 2008.

淨息差較2008年的1.76%改善18個基點，至2009年的1.94%。

The year 2009 was another challenging year for the global financial services sector. Slowing economic growth and ongoing volatility in global credit markets combined to place significant pressure on the financial performance of a large number of financial institutions.

It was also a testing year for the Bank in its ability to respond to the needs of our clients and the volatile market conditions. The financial turmoil fundamentally changed the landscape of the financial markets. Systemic risks became the central theme of markets and liquidity remained extremely tight in the beginning of the year and only gradually improved in the second half. As a result, price volatility was exceptionally high throughout the first half for the Bank. On the other hand, interest rates in all markets in response to such market conditions dropped to near zero percent in all major currencies, including Hong Kong dollars.

Notwithstanding the market turbulence and the challenges of the global economic conditions, the Bank's balance sheet improved significantly during this period, with the capital adequacy ratio reaching 17.18% as of 31 December 2009, representing an increase over the 14.04% as of 31 December 2008. Our Tier I capital adequacy ratio also improved from 7.61% in 2008 to 9.47% in 2009.

對全球金融業來說，2009年仍是充滿挑戰的一年。全球經濟增長放緩，加上全球信貸市場持續波動，使大部分金融機構的財務表現受到沉重的壓力。

本行回應客戶需要及市況波動的能力在2009年亦備受考驗。金融風暴為金融市場形勢帶來根本改變，系統性風險備受市場關注，而流動資金於年初依然極為緊絀，情況到下半年才稍為改善。因此，本行於上半年面對異常急劇的價格波動。另一方面，因應市場狀況，各地利率全面下調，所有主要貨幣跌至近零息水平，港元亦不例外。

儘管市況波動及面對全球經濟狀況帶來的挑戰，本行的資產負債狀況於期內仍顯著改善，於2009年12月31日的資本充足比率達17.18%，遠較2008年12月31日的14.04%為高。一級資本充足比率亦由2008年的7.61%改善至2009年的9.47%。

Financial Markets 金融市場

In addition, thanks to the continuous support of our customers, our deposits balance maintained at HK\$46.6 billion, with a slight drop in customer loans reflecting a more conservative approach in our lending practices.

The improved capital base allowed the Financial Markets Group (“FMG”) to take advantage of the market conditions and increase its investment by acquiring high grade government papers that has proved to be very beneficial to the performance of the overall results of our investment activities, and improved the overall credit quality of our books.

As such, the Bank was able to increase its net interest income by HK\$154 million or 16% to HK\$1,143 million in 2009, and our net interest margin improved 18 bps as a result to 1.94% in 2009 as compared to 1.76% in 2008.

With the improvement of the credit spread in the second half of 2009, the mark-to-market values of our investment holdings increased, which in turn caused our trading income to increase from HK\$71 million to HK\$80 million.

此外，在客戶不斷支持下，本行的存款額維持於466億港元，客戶貸款額則輕微下跌，反映本行的放貸取態趨於保守。

隨著資本基礎的改善，金融市場部因而把握市場機會，增加投資，購入高質素政府票據，此舉證明對本行整體的投資表現十分有利，並改善了本行投資組合的整體信貸質素。

因此，本行得以於2009年將淨利息收入增加1.54億港元或16%至11.43億港元，而淨息差亦較2008年的1.76%改善18個基點，至2009年的1.94%。

隨著信用價差於2009年下半年有所改善，本行按市值計算的投資價值上升，令交易收入由7,100萬港元增至8,000萬港元。



With the continuous support of our customers, our deposits balance maintained at HK\$46.6 billion in 2009.

在客戶不斷支持下，本行2009年的存款額維持於466億港元。

Moreover, the significant market volatility associated with the global financial crisis that permeated the financial markets lowered our customers' confidence and demands for investment products. Together with the Hong Kong Monetary Authority's implementation of new selling processes for investments products, investors preferred to invest in plain vanilla products with relatively lower risk and less leverage in 2009. This caused the marketing fee income for FMG to drop by 72% or HK\$166 million in 2009.

Looking forward, we are now seeing positive economic signs emerging but there remains a high degree of uncertainty around the globe. We will continue to focus on balance sheet strength, target sustainable growth in deposits, and continue to manage our efficiency and cost agenda in a disciplined way. With the continuous integration with our parent company, Fubon Financial, plus the support of our customers and shareholders, we have great confidence to achieve stronger profitability in 2010.

此外，全球金融危機導致市況大幅波動，衝擊金融市場，削弱了客戶的信心及對投資產品的需求。另一方面，香港金融管理局要求實施新的投資產品銷售程序，使投資者於2009年傾向投資風險及槓桿比率均相對較低的普通產品，令金融市場部於2009年的營銷費用收入下跌72%或1.66億港元。

展望將來，雖然全球經濟正出現好轉跡象，但不明朗因素仍然甚多。本行將繼續專注強化資產負債表、爭取存款的持續增長，並繼續透過嚴格管理提升效益和降低成本。隨著本行與母公司富邦金控繼續整合，加上客戶及股東的支持，我們深信定可於2010年締造更強的盈利表現。

Our trading income increased from HK\$71 million in 2008 to HK\$80 million in 2009.

於2009年，本行交易收入由2008年的7,100萬港元增至8,000萬港元。







Wealth Management

財富管理



Our financial expert teams pledge to offer unmatched wealth management services to customers, with customer satisfaction and confidence as our priority.

本行的財務專才團隊致力為客戶提供專業財富管理服務，務求達致維繫客戶滿意度及信心的一貫目標。

-  Insurance fee income increased by 19% in 2009 compared to 2008.
2009年的保險費用收入較2008年增加19%。
-  Securities orders made through automated channels grew tremendously in 2009, surging by 36 times when compared to 2008.
2009年透過自動化渠道進行的證券買賣較2008年大幅增加36倍。

For the Wealth Management Group, 2009 was a year of self-evaluation after the lessons learned from the previous year's financial tsunami. From due diligence checking of business partners, products selection to the selling process of investment products by front line staff, we carefully reviewed and amended all of our processes to minimize risks and to cope with new regulatory requirements. Across the Group, a series of internal control measures were strengthened from the front line to the back office. Customer satisfaction and confidence have always been our priority.

The Hong Kong Monetary Authority ("HKMA") and the Securities and Futures Commission ("SFC") imposed a range of recommendations to retail banks following the study of the Lehman incident. The Bank fully adhered to these guidelines by physically segregating all of our 22 branches into two zones, starting in September 2009; "Investment Corners" served by our relevant individual sales staff and ordinary banking services are handled in the "General Banking" area. To further protect our customers' interests, tape recording of all investment transactions has been implemented in all channels since April 2009.

財富管理部汲取了一年來金融海嘯的教訓，在2009年進行一系列嚴謹的自我評估。為降低風險及符合新的規管要求，本行對從業務夥伴的盡職檢查、產品篩選，以至前線員工銷售投資產品的所有程序上，進行了審慎的檢討以及修訂措施。部門亦加強了由前線至後勤部門的一系列內部監控措施，務求達致維繫客戶滿意度及信心的一貫目標。

香港金融管理局（「金管局」）及證券及期貨事務監察委員會（「證監會」）在研究雷曼事件後，實施對全港零售銀行提出的一系列建議。本行全面遵守這些指引，自2009年9月起將全部22間分行實體分隔為兩個區域，包括設立由相關銷售員工提供服務的「投資專櫃」，以及提供一般銀行服務的「一般銀行服務」區域。為進一步保障客戶的權益，我們自2009年4月起對所有渠道的投資交易進行錄音。

Wealth Management 財富管理

In November 2009, the Bank entered into a strategic partnership with China Life Insurance (Overseas) Company Limited (“China Life”). The Bank is the first Taiwanese-invested bank to collaborate with China Life in Hong Kong and Macau. We believe this partnership will offer more quality and diversified life insurance product choices and services to our customers. The “Smart 5 Insurance Plan” is the first product of China Life to be exclusively distributed by the Bank. So far, the overwhelming number of subscriptions has proven that this collaboration is well received by our customers.

In general we hold a positive market view of the economic environment for 2010. Financial market turbulence and deteriorating growth prospects prompted aggressive G7 monetary loosening during 2009, leaving interest rates at exceptionally low levels. This has helped both the economy recover from its trough and global equities indices rebound from their lows since the first quarter of 2009. We hold a positive long term view for 2010, assuming that robust recovery will be led by China and other Asian countries. A backdrop of improving corporate earnings and contained inflation should be conducive to further gains in the equity market.

2009年11月，本行與中國人壽保險（海外）股份有限公司（「中人壽」）建立策略夥伴關係，成為首間在香港及澳門與中人壽合作的台資銀行。本行相信透過此夥伴關係，將可為客戶提供更多優質及多元化的人壽產品及服務。本行獨家經銷的首項中人壽產品「五年期俊才儲蓄保險計劃」，至今錄得極高的投保數字，反映這項產品深受客戶歡迎。

本行對2010年經濟環境的看法大致正面。面對金融市場波動及增長前景轉差，七國集團於2009年積極放寬貨幣政策，使利率維持於極低水平，刺激經濟從谷底回升，全球股市指數亦從2009年首季的低位反彈。我們相信中國及其他亞洲國家將帶動全球經濟穩健復甦，故長線看好2010年的前景。在企業盈利持續改善及通脹受控的情況下，股市應會進一步上升。



We entered into a strategic partnership with China Life and received overwhelming subscriptions for the “Smart 5 Insurance Plan”, the first product of China Life exclusively distributed by the Bank.

本行與中人壽建立了策略夥伴關係，而由本行獨家經銷的首項中人壽產品「五年期俊才儲蓄保險計劃」，至今錄得極高的投保數字。

In 2010, we will further capitalize on the affiliation with our parent company, Fubon Financial, in the areas of people, systems and procedures within the Wealth Management Group. Fubon Financial is one of the experts in wealth management services in Taiwan and the range of platforms used in managing the wealth of valuable customers will be adapted with slight modification for local needs in Hong Kong. Hence, the e-banking service platform will be further enhanced to provide more wealth management services through online channels.

Riding on our in-house financial experts from Hong Kong and Taiwan, a new advisory service focusing on investment products will be offered to our customers by the second quarter of 2010. This service aims to build an optimal investment portfolio for long-term investment goals that will be closely monitored and rebalanced by our expert teams on a regular basis. An investment products risk assessment monitoring system is packaged together with this advisory service to monitor the volatile financial markets and make suitable adjustments of the investment combination within the portfolio.

The regular savings plan for mutual funds will be available to our customers in the first half of 2010. We will offer a special feature that provides more flexibility for customers to increase or decrease their investment amount according to market conditions.

富邦金控為台灣領先的財富管理品牌。在2010年，本行將繼續運用與母公司富邦金控的協作關係，進一步整合財富管理部的人才、系統及程序，並將其一系列的財富管理平台按本地市場需要作稍微改動後引進香港。因此，我們將進一步提升網上理財服務平台，並透過網上渠道提供更多的財富管理服務。

憑藉在香港及台灣的內部財務專才，我們將於2010年第二季開始向客戶提供投資產品顧問服務。這項新服務的目的是建立配合長線投資目標的最佳投資組合，並由我們的專才團隊定期進行密切監察及調整。在提供顧問服務時，我們連帶執行投資產品風險評估的監察系統，以監察金融市場的波動性，並對投資組合內的資產配置作出適當調整。

本行將於2010年上半年推出互惠基金定期儲蓄計劃，其獨特設計讓客戶可根據市場狀況靈活增減投資額。

We will offer a new advisory service focusing on investment products to our customers to help them build an optimal investment portfolio for long-term investment goals.

本行將會向客戶提供新的投資產品顧問服務，助他們建立配合長線投資目標的最佳投資組合。





Consumer Finance & Mass Market

消費金融及零售市場



Consumer Finance & Mass Market continued to demonstrate growth momentum in terms of customer base, loans receivables and fee income.

消費金融及零售市場部在客戶基礎、貸款應收賬額及費用收入方面均繼續呈現增長。

- +** Continued to strengthen the Platinum card base and promote our usage programmes, as a result, sales and account receivables grew by 21% and 12% respectively.
繼續開拓白金卡客源及推廣簽賬計劃，使銷售額及應收賬額分別增加21%及12%。
- +** Successfully launched various personal loan programmes to suit the different needs of our customer segments.
成功推出多項私人貸款計劃，以滿足客戶群的不同需求。
- +** Strengthened the mortgage direct sales channel by focusing on different market segments.
專注不同的市場層面，加強樓宇按揭業務的直銷渠道。
- +** Successfully rolled out cross-selling programmes across the mass market segment, with positive growth exceeding the 2009 budget.
在大眾客戶市場中成功推出不同的交叉銷售計劃，錄得超過2009年目標的可觀增長。

Consumer Finance & Mass Market continued to deliver a good performance in 2009. Our focus included launching various Platinum card usage programmes, rolling out different personal loan programmes, strengthening the mortgage business channel, and cross-selling to the mass market segment. All of these initiatives contributed significantly to our growth in customer base, loans receivables and fee income.

In line with the prevailing market and to further stimulate customer usage habits, the Bank continued to strengthen its credit card product platform, through communicating the “Yearly Real Benefit” platform with an attractive bonus point scheme, launching the “Asia Miles” programme and promoting a series of attractive utilization programmes. In 2009, total credit card base grew by 4%, with our Platinum card base increasing by 18% compared to the previous year. Also, card spending grew by 21% and total credit card fee income increased by 14%.

消費金融及零售市場部於2009年保持佳績。部門的重點工作包括推出多項白金卡簽賬計劃、開展各類私人貸款計劃、加強按揭業務銷售渠道，以及在大眾客戶市場進行交叉銷售計劃。這些措施對客戶基礎、貸款應收賬額及費用收入三方面的增長貢獻良多。

為配合當前市場發展及進一步刺激客戶的簽賬意欲，本行繼續加強信用卡產品平台，包括透過年度「真優惠」計劃為客戶獻上吸引的積分計劃，以及推出「亞洲萬里通」及一系列精彩的簽賬優惠。2009年，信用卡客戶總數增長4%，其中白金卡客戶較2008年增加18%。同時，簽賬額亦增長21%，信用卡費用收入總額增長14%。

Consumer Finance & Mass Market 消費金融及零售市場

The Bank also demonstrated a positive growth in its merchant business. Our strategy of providing a one stop solution on merchant support and banking services, together with our strong merchant business team maintaining long term business relationships with our merchant partners, resulted in strong growth in merchant sales volume and fee income of 13% and 14% respectively. The number of new merchants signup also increased by 18% compared to target.

In 2009, the Bank also placed a great effort on its personal loan business. We launched various programmes to suit different needs of our customer segments, including "Perfect Fit Personal Loan", "Credit Go Personal Loan" and "Tax Loan". In addition to expanding the acquisition channel, all of the programmes created high exposure and awareness in the market which resulted in very positive business results. The tax loan receivables increased by 15%.

To counteract the dynamic and challenging market, the Bank continued to place great emphasis on the mortgage business. Highlights included strengthening the direct sales channel, rolling out new product offers, and providing customised and tailor-made services to meet the needs of different segments of customers. Through these focused strategies, the mortgage business had a positive performance with the new loan booked amount under the direct sales channel increasing by 36% and total loan receivables increasing by 5%.

本行的信用卡商戶業務亦錄得可觀增長。透過提供一站式商戶支援及優質的銀行服務，配合強大的商戶服務團隊，致力與商戶保持長遠的合作關係，使商戶銷售額及費用收入分別增長13%及14%。新增商戶的數目亦較目標高出18%。

2009年，本行亦大力發展私人貸款業務。我們推出多項計劃以迎合各客戶層面的不同需求，其中包括「合您意私人貸款」、「卡數清私人貸款」及「稅務貸款」。這些推廣活動除了有助本行擴展銷售渠道外，更為本行帶來高度的曝光率及市場注意力，令業務錄得可觀增長。稅務貸款的應收賬額上升15%。

為應對市場的急速變化及挑戰，本行繼續高度專注拓展按揭業務。重點包括加強直接銷售渠道、推出新的產品優惠，及為不同層面的客戶提供度身訂造的服務。透過這些目標明確的策略，本行的樓宇按揭業務獲得優良的成績，由直接銷售渠道取得的新造貸款額上升36%，貸款應收賬額亦上升5%。



Our mortgage business demonstrated positive performance with the new loan booked amount under the direct sales channel increasing by 36% and total loan receivables increasing by 5%.

本行的樓宇按揭業務獲得優良的成績，由直接銷售渠道取得的新造貸款額上升36%，貸款應收賬額亦上升5%。

In 2009, customer acquisition was also another business focus. The Bank launched a series of programmes to acquire more potential customers for client growth. One of the most successful programmes that centred around our fixed deposit product was launched in February 2009 and supported by an integrated advertising campaign. The results were encouraging and the number of new customers acquired increased by 23% and the deposit amount placed exceeded the original target by 50%. The campaign also aroused a high level of market awareness and recall.

The Bank continued to enhance its new business model for customer segmentation in 2009. By employing various analytical tools to better understand our customers, the Bank launched a series of initiatives and made dedicated efforts to upgrade mass market customers to emerging affluent and high net worth customers with satisfactory business results.

Looking forward, Consumer Finance & Mass Market will strive for customer growth through various business opportunities and initiatives. Together with product development, customer management and channel expansion, we aim to increase the customer base and provide more tailor-made products and services to our customers.

吸納新客戶亦是本行2009年的另一項業務重點。為致力開拓客源，本行推出一系列推廣計劃，其中最成功的例子是於2009年2月推出的定期存款推廣計劃，透過全方位的廣告宣傳，該推廣計劃取得令人鼓舞的成績，使新客戶數目上升23%、存款額較原定目標增加50%，而本行的市場知名度亦獲得提升。

本行於2009年繼續加強新的客戶分層經營模式。除了透過各種分析工具加深對客戶的瞭解外，本行還推行了一系列計劃，致力令大眾客戶晉升為新晉富裕及高資產值客戶，成績令人滿意。

展望未來，消費金融及零售市場部將繼續透過不同的商機及策略以廣拓客源，並配合產品發展、客戶管理及擴大營銷網絡等，以擴大客戶基礎及向客戶提供更多度身訂造的產品及服務為目標。

Consumer Finance & Mass Market will strive to increase the customer base and provide more tailor-made products and services to customers of the Bank.

消費金融及零售市場部將致力擴大客戶基礎及提供更多度身訂造的產品及服務予本行的客戶。





Control & Risk Management

監控及風險管理



We enhanced our risk management capabilities and strengthened internal controls to maintain the Bank's position in the challenging environment.

本行加強了風險管理能力，並採取多項強化內部監控的措施，讓本行在充滿挑戰的環境下保持優勢。

- +** We will strive to further enhance our credit monitoring and control capabilities under the Project One initiative, and to position ourselves to capture any opportunities made possible by the Bank's growing presence in Mainland China.

我們將按照Project One組織重整案，致力進一步加強信貸監控能力，並作好準備，把握本行隨著擴展大陸據點所帶來的發展機會。
- +** Consumer Finance Risk Management strengthened its internal credit policies for both acquisition and portfolio management, and succeeded in bettering the Bank's 2009 projections for overall asset quality, specific provisions and credit charge-offs.

消費信貸風險管理部強化了本行對吸納客戶及貸款組合管理的內部信貸政策，並成功地在整體資產質素、個別減值撥備及貸款撇賬方面，取得較2009年預期更佳表現。
- +** The Operational Risk Management function partnered with the Risk Management Division of Fubon Financial to gain synergy on the implementation of risk tools and practices.

營運風險管理部與富邦金控風險控管處合作，在風險管理工具及實務之執行上，取得協同效益。

ENTERPRISE CREDIT RISK MANAGEMENT

As the Bank's primary unit in monitoring credit risk, Enterprise Credit Risk Management ("ECRM") made tremendous efforts in strengthening the Bank's credit monitoring and control measures in 2009, with the aim of ensuring that the Bank's loan quality continues to improve and remain sound in the face of the challenging business environment.

Against the worsening credit conditions following the 2008 financial tsunami, the credit underwriting standard of the Bank was tightened in 2009. Under the Project One initiative of the Bank, ECRM realigned and rationalized its resources. The overall credit risk management infrastructure, logistics and control capabilities were critically reviewed and strengthened, capitalizing on the overall risk management capabilities of the parent financial holding group. This exercise will extend beyond 2009 into 2010. The results so far have been encouraging, as we have seen a steadily improving loan portfolio since the second half of 2009.

The major challenge for 2010 is to maintain a high credit standard given the uncertain global economy, while also preparing for the strong growth opportunities made possible by the Bank's growing presence in Mainland China.

企業信貸風險管理

作為本行監控信貸風險的主要單位，企業信貸風險管理部於2009年致力加強本行的信貸監控措施，以確保本行的貸款質素繼續提升，並在充滿挑戰的經營環境中保持穩健。

鑑於2008年金融海嘯令信貸環境轉差，本行於2009年收緊核貸要求。按照本行的Project One組織重整案，企業信貸風險管理部已整合和有效地分配資源。憑藉母公司的整體風險控管能力，本行嚴格檢討及加強整體信貸風險管理架構、運作流程及監控能力。這項目將由2009年延續至2010年，至今的成效令人滿意，自2009年下半年起已令貸款組合穩定地獲得改善。

2010年的主要挑戰，是在不明朗的全球經濟環境中保持嚴格的信貸標準，同時作好準備，把握本行隨著擴展在大陸據點所帶來的發展良機。

Control & Risk Management 監控及風險管理

CONSUMER FINANCE RISK MANAGEMENT

Consumer Finance Risk Management succeeded in bettering our 2009 projections for overall asset quality, specific provisions and credit charge-offs. As a way to closely managing the asset quality of our portfolios subsequent to the financial tsunami in late 2008, we strengthened our internal credit policies for both acquisition and portfolio management. At the same time, we implemented a transaction risk monitoring mechanism to better manage the merchant acquiring risk, developed a credit card behavioral scorecard for customer cross-selling activities, and revamped our internal fraud prevention control platform.

In Year 2009, we collaborated with the Risk Management Division of Fubon Financial to carry out a credit risk management workshop on aligning and sharing our credit risk management standards and practices. Looking ahead, Consumer Finance Risk Management will implement the new behavioral scorecard before April 2010 and continue to monitor and manage our overall asset quality by regularly reviewing our acquisition and portfolio management strategies.

TREASURY RISK MANAGEMENT

The stressful environment in 2008 brought about new insights for financial institutions. It reiterated fundamental risk management principles, and affirmed the importance of exercising risk management for financial institutions. For the Bank, it provided a good opportunity to further strengthen our risk management processes.

消費信貸風險管理

消費信貸風險管理部在整體資產質素、個別減值撥備及貸款撇賬方面，均取得較2009年預期更佳表現。2008年年底爆發金融海嘯後，部門強化了對吸納客戶及貸款組合管理的內部信貸政策，以密切管理貸款組合的資產質素。同時，部門設立了一個交易風險監控機制以加強管理商戶收單風險、為客戶交叉銷售活動制訂信用卡簽賬行為計分卡，並且革新了內部防詐監控平台。

2009年，我們與富邦金控風險控管處合作，合辦信貸風險管理研習坊，以統一及交流雙方的信貸風險管理準則及實踐。展望未來，消費信貸風險管理部將於2010年4月之前推行新的行為計分卡，並繼續定期檢討吸納客戶及貸款組合的管理策略，以繼續監察和管理本行整體消費信貸的資產質素。

財資風險管理

2008年的環境縱使充滿壓力，卻為金融機構帶來了新視野。根本的風險管理原則再度被正視，亦肯定了風險管理對金融機構的重要性。對本行而言，確實提供了進一步加強風險管理流程的好機會。



The Bank integrated its Treasury Risk Management processes with Fubon Financial which included pricing capacity enhancement, establishment of model validation channel, and building up an in-house market risk system.

本行將財資風險管理流程與富邦金控之相關流程進行整合，包括提升定價能力、建立模式驗證渠道及設立內部市場風險系統。

In 2009, the Bank carried out a revamp of the market risk management process focusing on risk identification, measurement, reporting and control. This involved revising our data integrity, strengthening reporting, and enhancing internal control.

During the past year, the Bank, in collaboration with Fubon Financial, made substantial efforts to integrate the risk management processes.

Looking forward, the Bank will continue to strive for exercising the best practices for market risk management. In collaboration with Fubon Financial, the Bank targets to build a regional risk management platform aimed at supporting continuous business growth.

OPERATIONAL RISK AND PROCESS MANAGEMENT

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank established an appropriate and robust operational risk management framework to identify, assess, monitor and mitigate operational risk.

In 2009, the Bank strengthened its internal controls through the roll-out of a Control Self Assessment Programme, identification of Internal Control Support Officers (“ICSOs”) to assist the Division Heads in control matters, as well as providing training to the new ICSOs. The Operational Risk Management function also collaborated with the Risk Management Division of Fubon Financial and implemented best practices recommended by the Group. For 2010, Operational Risk Management will continue to work closely with the Risk Management Division of Fubon Financial to gain synergy on the implementation of tools and procedures to enhance its oversight.

The Bank strengthened its internal controls through the roll-out of a Control Self Assessment Programme to help identify, assess, monitor and mitigate operational risk.

本行為強化內部監控的措施，推出了自我評估監控計劃，務求辨識、評估、監察及減低營運風險。

2009年，本行革新了市場風險管理流程，以辨認、量度、匯報及控制風險為重點，包括修正數據完整性、加強匯報，以及提升內部監控水平。

去年，本行與富邦金控攜手，大幅度整合風險管理流程。

展望未來，本行將繼續努力執行最佳的市場風險管理實務。本行透過與富邦金控合作，著眼建立一個支持業務持續增長的區域性風險管理平台。

營運風險及流程管理

營運風險是指因不足或失效之內部程序、人為錯誤、系統故障或外在事故，導致損失的風險。本行已設立適當及健全的營運風險管理框架，以辨識、評估、監察及減低營運風險。

在2009年，本行採取多項強化內部監控的措施，包括推出自我評估監控計劃，以及物色及培訓內部監控支援主任來協助部門主管處理監控事宜。營運風險管理部亦與富邦金控風險控管處的同事合作，執行集團建議之最佳實務。2010年，營運風險管理部將繼續與富邦金控風險控管處在風險管理工具及實務之執行上緊密合作，以加強監控力度，取得協同效益。





IT & Operations

資訊科技及營運



The Bank continued to invest on information technology, particularly on infrastructure and enhancements on risk and business application systems with a view to improving customer service and keeping up with the continuously evolving financial landscape. By reorganizing our operations, technology and other functions, we will become a more effective organization with greater efficiency, enhanced cost effectiveness and better accountability for building a strong infrastructure for future growth.

本行繼續投資於資訊科技上，尤其是在基礎設施及提升風險監控及業務應用系統方面，以持續改善客戶服務，並緊貼金融環境的變化趨勢。透過將作業、技術和其他功能之重組，本行將成為一個更具成效、有更高效率、更大成本效益及具備更完善問責制的組織，為未來的發展奠下強大的基礎架構。

- +** The completion of another round of upgrades to our Personal Internet Banking platform and the integration of our Internet Stock Trading service with our Personal Internet Banking marked a great leap forward in the area of electronic banking services for our customers in 2009.

本行完成了個人網上銀行平台另一輪的升級工程，並全面結合網上證券交易服務與個人網上銀行服務，令我們在2009年為客戶提供的電子銀行服務方面取得極大的進展。
- +** Through process improvement and cost rationalization exercise on a bank-wide basis, we successfully focused on the importance of cutting down costs.

透過行內推行流程改善及成本合理化措施，本行成功地專注於降低營運成本。
- +** We successfully launched Express China Remittance Services in 2009 to further enhance our remittance services to trade and retail customers.

本行於2009年成功推出中國快匯服務，以進一步增強對貿易及零售客戶的匯款服務。

BUSINESS TECHNOLOGY MANAGEMENT

Despite the challenges of 2009, the Bank continued to invest on information technology, particularly on infrastructure and enhancements on risk and business application systems. These investments allowed the Bank to continue to improve customer service and keep up with the continuously evolving financial landscape.

In 2009, the Bank implemented various system enhancements to conform with both the new selling process of investment products and regulatory requirements. These included supporting the physical segregation of our branches, customer suitability and a risk assessment mechanism as well as a new anti-money laundering system. In addition to fulfilling the regulatory requirements, the enhancements allowed the Bank to move forward with its business strategy while providing our customers with a better understanding of their investment purchases and risk appetite.

In line with the Bank's channel management strategy, we completed another round of upgrades to our personal Internet Banking platform, taking into consideration the recent recommendations on security enhancements by the HKMA. We also fully integrated our Internet Stock Trading service with our personal Internet Banking. All in all, 2009 represented a great leap forward in the area of electronic banking services for our customers.

商業科技管理

儘管2009年充滿挑戰，本行仍於資訊科技上作出投資，尤其是在基礎設施及提升風險監控及業務應用系統方面。透過這些投資，令本行可持續改善客戶服務，並緊貼金融環境的變化趨勢。

為符合新的投資產品銷售程序及規管要求，本行於2009年推行多項系統升級工程，包括支援分行的實體分隔措施、客戶合適性和風險評估機制，以及全新的反清洗黑錢系統。除了符合規管要求外，本行亦透過系統改進來緊密配合業務策略，並讓客戶加深了解他們作出的投資及風險承受能力。

為配合本行的營銷網絡管理策略，我們根據金管局最近就加強網上銀行服務的保安措施所作出的建議，完成個人網上銀行平台另一輪的升級工程。另外，我們還全面結合網上證券交易服務與個人網上銀行服務。總括而言，我們在2009年為客戶提供的電子銀行服務方面取得極大的進展。

IT & Operations 資訊科技及營運

To attain greater regional brand integration with Fubon Financial, development works are in progress to roll out a new corporate Internet Banking platform, the Fubon Business Online, during the third quarter of 2010. The new platform will better suit the Group's regional vision while enhancing our customer service and the time-to-market of our new products.

OPERATIONS

In 2009, we took the lead in reorganizing operations, technology and other functions to create a more effective organization with greater efficiency, enhanced cost effectiveness and better accountability for building a strong infrastructure for future growth. In particular, we followed the Bank's overall strategies in cost rationalization, strengthening control and enhancing operating efficiency through automating and streamlining service delivery and work processes.

Through this process improvement and cost rationalization exercise on a bank-wide basis, we successfully focused on the importance of cutting down costs without compromising service quality to external and internal customers. One good example was the upgrade of the Trade Service System, which enabled significant enhancement in operational efficiency, reduced costs and improved the robustness of the system.

Our commitment to continuous improvement in service and quality has been recognized in the market. With our ongoing service improvement in the Remittance Services, Treasury Settlement and Trade Services departments in 2009, we ranked

為加強在區內與富邦金控品牌的整合，我們正在進行開發工作，著眼於2010年第三季推出嶄新的企業網上銀行平台「富邦商務網」。新平台將更切合富邦集團的區域願景，並能提升客戶服務水平及加快新產品推出市場的時間。

營運支援

2009年，我們率先將作業，技術和其他功能重組，以建立一個更具成效、有更高效率、更大成本效益及具備更完善問責制的組織，為未來的發展奠下強大的基礎架構。特別是，我們秉持本行的整體策略，通過自動化和簡化的服務及工作程序，達致成本合理化、加強監控和提高營運效率。

透過行內推行流程改善及成本合理化措施，我們在無損內外客戶的服務質素下，成功地專注於降低營運成本，其中一個很好的例子是押匯服務系統提升後，營運效率顯著地提高、並降低成本及增強系統穩定性。

我們對不斷改善服務及質素的堅持一直備受市場讚揚。隨着匯款部、財資市場結算部及押匯部的服務於2009年持續改善，本行再次榮獲我們的美元結算銀行——紐約梅隆銀行評選為亞



The Bank implemented various system enhancements to conform with both the new selling process of investment products and regulatory requirements.

本行於2009年推行多項系統升級工程，以為符合新的投資產品銷售程序及規管要求。

once again as one of the top performance banks out of 500 banks in the Asian region and earned the Continuous Linked Settlement (“CLS”) Straight Through Processing Award for the third time in four years. This award was presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations.

After the HKMA announced new administrative rules on settlement of cross-border trades in Renminbi and the expanded Renminbi business in Hong Kong, our operations team participated in this business by putting in place relevant operating systems, effective policies and procedures, and proper internal control measures to ensure that service delivery and quality meet with our customers’ needs.

Thanks to the close cooperation among staff of the Bank, Taipei Fubon Bank and Xiamen Bank, we successfully launched our Express China Remittance Services in 2009 to further enhance our remittance services to trade and retail customers.

Looking forward, our continued improvement in business processes, cost structure and internal controls should maintain the good momentum we generated in 2009 and we expect to create meaningful operating synergy with the IT and Operations team of Fubon Financial as we continue our efforts of further integration in the coming year. This will certainly help to cut down costs more, enhance operating efficiency and control, and improve service delivery and quality further, resulting in strengthening our competitiveness in delivering quality services to our customers.

洲區 500 間銀行之表現最佳的銀行之一，並已是四年內第三度獲頒發直通式聯繫結算處理獎，表揚本行優質的資金轉賬服務。

金管局頒布香港跨境貿易人民幣結算服務及擴展人民幣業務的新管理規則後，我們的營運團隊已參與這項業務，並建立相關的營運系統和有效的政策及程序，同時採取適當的內部監控措施，確保服務交付及質素能滿足客戶的需要。

年內，本行、台北富邦銀行及廈門銀行的員工緊密合作，令我們得以成功推出中國快匯服務，以進一步增強對貿易及零售客戶的匯款服務。

展望未來，我們會持續改善業務流程、成本結構及內部監控，以保持 2009 年的良好勢頭。我們來年亦會繼續與富邦金控的資訊科技及營運部門進行整合，實現營運上的重大協同效應。這將有助進一步減低成本、提升營運效率及監控，同時進一步改善服務交付及質素，加強對客戶的優質服務，提高本行的競爭力。

We ranked once again as one of the top performance banks out of 500 banks in the Asian region and earned the Continuous Linked Settlement (“CLS”) Straight Through Processing Award for the third time in four years. The award was presented by the Bank of New York Mellon in recognition of our excellent quality fund transfer operations.

本行再度獲紐約梅隆銀行評選為亞洲區 500 間銀行之表現最佳的銀行之一，並已是四年內第三度獲頒發直通式聯繫結算處理獎，表揚本行優質的資金轉賬服務。





People Development

人才管理及發展



As a caring employer, the Bank places a very high value on its people and regards them as the foundation of its future success. In light of the expansion of business engagements in the Greater China Region, a comprehensive and agile talent management model has been adopted. To maintain the workforce momentum, the Bank also keeps cultivating a worklife balance culture.

本行視人才為本行未來成功的基石，為配合大中華區的業務擴展，本行已採用一套全面而靈活的人才管理模式。為鼓勵員工士氣，本行亦致力建立提倡工作生活平衡的企業文化。

+ Enhancement of Human Resources Management System on ePayslip and to-be-launched eLeave system.

推出電子糧單 (ePayslip)，並即將推出電子假期系統 (eLeave system) 以提升人力資源管理系統。

+ A total of 213 in-house training programmes and product briefings were conducted in 2009, covering 495 training classes and 13,622 participants.

本年度本行推出了213項內部培訓課程及產品簡介會，共舉辦495節培訓，出席人次達13,622。

As a caring employer, the Bank places a very high value on its people and regards them as the foundation of its future success. This is demonstrated by the emphasis and efforts it places on its various HR daily functions including recruitment, reward and compensation, training and development, and employee relations. At the end of 2009, staff workforce stood at 918.

The enhancement of the Human Resources Management System is one of the many investment initiatives that has been accomplished in stages to optimize the competitive capabilities of HR. The ePayslip system launched in June 2009 and the eLeave system that is targeted to roll out in late 2010 help to shape a highly efficient and environmental friendly workplace.

本行一向關懷員工，並十分重視人才。我們視人才為本行未來成功的基石，因此高度重視及致力改進各項人力資源日常職能，包括招聘、獎勵和薪酬、培訓和發展，以及僱員關係等。截至2009年年底，員工人數為918人。

為優化人力資源的競爭力，本行作出了多項投資計劃，包括分階段完成提升人力資源管理系統。為創造高效和環保的工作環境，我們已於2009年6月推出電子糧單系統，並將於2010年年底推出電子假期系統。

People Development 人才管理及發展

In light of the expansion of business engagements in the Greater China Region, a comprehensive and agile talent management model has been adopted. The Bank analyses the workforce competencies and benchmark market intelligence periodically to ensure the right people obtain the right skills in the right job at the right cost. The opening of the Dongguan Representative Office is another platform to widen our business opportunities as well as enriching staff exposure. To align employees' work objectives with the Bank's strategic goal and our parent company's policies, the Reward and Disciplinary Guideline has been refined. In addition, a series of training programmes have been organized to address overall business needs.

In 2009, the Bank continued to provide timely and results-oriented solutions in the areas of Compliance and Regulations, Product Knowledge, Sales and Service, and Supervision and Management. A total of 213 in-house training programmes and product briefings were conducted, covering 495 training classes and 13,622 participants.

為配合大中華區的業務擴展，本行已採用一套全面而靈活的人才管理模式。我們定期分析員工的工作能力及基準市場情報，確保以合理的薪酬僱用具備適當能力的合適員工，擔任適當的職位。本行在東莞開設的代表處亦可作為廣拓商機及擴闊員工視野的另一平台。另外，本行改進獎懲指引，使僱員的工作目標與本行的策略目標及母公司的政策保持一致。此外，我們還制訂了一系列培訓計劃，以配合整體業務需要。

2009年，本行繼續在合規及條例、產品知識、銷售和服務，以及監督管理方面，提供適時及重視實效的解決方案。本年度我們推出了213項內部培訓課程及產品簡介會，共舉辦495節培訓，出席人次達13,622。



The Bank analyses the workforce competencies and benchmark market intelligence periodically to ensure the right people obtain the right skills in the right job at the right cost. A series of training programmes have also been organized to address overall business needs.

本行定期分析員工的工作能力及基準市場情報，確保以合理的薪酬僱用具備適當能力的合適員工，擔任適當的職位。本行亦制訂了一系列培訓計劃，以配合整體業務需要。

Faced with a highly volatile business environment, the Bank placed more of its focus on compliance enforcement covering anti-money laundering, business ethics and anti-corruption. To strengthen our professionalism, a Product Training Policy and Procedure was specially designed to revamp the investment product selling process. On the service side, a “Winning Customer Heart” and “Management 101” were launched for branch staff and supervisory and middle managerial level of staff. All programmes were accomplished successfully. Furthermore, as an HKICPA’s Authorized Employer, the Bank will continuously adopt a proactive and leading role in developing accounting professionals within the Bank.

To maintain the workforce momentum, the Bank keeps cultivating a worklife balance culture. During the year, the Bank organized a variety of staff social programmes like a bowling competition, bakery class, family barbecue and staff annual gathering. A staff newsletter featuring the main theme of a healthy balanced life was newly published at the end of 2009. All these programmes have helped to foster the esprit de corps of our staff.

面對急劇波動的經營環境，本行加強了反洗黑錢、商業道德及反貪污等法規的合規執行力度。為提升員工的專業水平，本行特別制訂一套產品培訓政策及程序，以革新投資產品銷售過程。服務方面，我們為分行員工以至督導級和中層管理人員舉辦「贏盡顧客心」及「管理101」活動。各項計劃均取得圓滿成功。此外，作為香港會計師公會認可的僱主，本行將繼續以積極主動的態度，培養本身的會計專才。

為鼓勵員工士氣，本行一直致力建立提倡工作生活平衡的企業文化。過去一年，我們舉辦各類員工社交活動，包括保齡球比賽、麵包烘焙班、家庭燒烤、員工年度聚會等。本行又於2009年年底，以推廣健康的均衡生活為主題，出版了一份新的員工通訊，這些活動均有助加強員工的團結精神。

The Bank organized a variety of staff social programmes and an annual gathering to help foster the esprit de corps of our staff.

本行舉辦了各類員工社交活動及員工年度聚會，以加強員工的團結精神。





Corporate Social Responsibility

企業社會責任



Reflecting its commitment to corporate social responsibility, the Bank actively contributes to social well-being through serving the community. In 2009, we continued to embrace our corporate philosophy of "Giving back to the Community" by organizing a variety of volunteering activities to benefit more people in need.

本行致力履行企業社會責任的使命，積極回饋社會，服務社群。本行於2009年繼續以「取之社會·用之社會」的企業理念，積極舉辦不同類型的社會服務活動，讓社會上更多有需要之人士受惠。

- +** The Bank was awarded the Caring Company Logo by the Hong Kong Council of Social Service for the third consecutive year.

本行連續第三年獲香港社會服務聯會頒發「商界展關懷」標誌。
- +** The Bank raised a total of HK\$234,456 in donations to support the emergency relief, reconstruction and disaster preparedness operations of the Hong Kong Red Cross following the devastating floods in Taiwan.

本行把籌得的234,456港元善款捐贈予香港紅十字會，藉以支持其於台灣水災地區的緊急賑濟、重建及備災等救援工作。



GIVING BACK TO THE COMMUNITY

As the Bank continued to embrace the corporate philosophy of “Giving back to the Community”, we launched a variety of community relations activities in 2009. These included organizing volunteering services involving Fubon Caring Ambassadors and NGOs, donating to typhoon victims in Taiwan, sponsoring activities held by public welfare organizations, and helping charitable organizations to distribute donation forms through bank statements to customers. The Bank was also awarded the Caring Company Logo for the third consecutive year by the Hong Kong Council of Social Service in recognition of its commitment to being a responsible corporate citizen.

DONATING TO THE NEEDY AND UNDERPRIVILEGED

On 8 August 2009, Typhoon Morakot swept across Taiwan causing heavy flooding on the island. Given the severity of the disaster, the Bank together with its employees raised a total of HK\$234,456 in donations for the Hong Kong Red Cross in support of its emergency relief, reconstruction and disaster preparedness operations in the affected areas.

「取之社會·用之社會」

本行於2009年繼續以「取之社會·用之社會」的企業理念，積極舉辦不同類型的社會服務活動，包括「富邦關懷大使」攜手與社會服務機構舉辦義工活動、捐款賑濟台灣風災、支持公益團體舉辦之活動，以及協助志願機構寄發募捐表格等。本行今年更連續第三年獲得由香港社會服務聯會頒發的「商界展關懷」標誌，這確是對本行竭力履行企業社會責任的認同。

捐款扶貧

2009年8月8日莫拉克颱風席捲台灣，造成嚴重水災，面對嚴峻的災情，本行上下一心，一共籌得234,456港元，善款全數捐贈予香港紅十字會，藉以支持其於台灣水災地區的緊急賑濟、重建及備災等救援工作。

Corporate Social Responsibility 企業社會責任

SUPPORTING CHARITY

As a Caring Company, the Bank actively participates in and supports the activities and events of charitable organizations, such as the Corporate and Employee Contribution Programme and the Community Chest Green Day organized by The Community Chest of Hong Kong. Employees were encouraged to make donations to The Community Chest and to adopt a green lifestyle as well.

CARING FOR THE COMMUNITY

Through a community relations programme to benefit the community, the Bank promotes arts and culture and enhances environmental awareness. Since its establishment in August 2007, the Fubon Caring Ambassador Programme has continued to attract new members. They take part in the social outreach programmes organized jointly with various NGOs to serve the underprivileged.

In 2009, the Bank organized a one-day trip to Lau Fau Shan with The Hong Kong Society for the Aged. We also worked with the Yang Memorial Methodist Social Service, Choi Hung Community Centre for Senior Citizens to hold a dough figurine making workshop. These activities reflected the Bank's respect and care for the aged and encouragement towards senior citizens to lead an active social life.

支持公益活動

作為一家獲得「商界展關懷」殊榮的企業，本行積極參與及支持公益團體舉辦的活動。於本年度，本行參加了香港公益金的「商業及僱員募捐計劃」，及「公益綠「識」日」，分別直接捐款予香港公益金及鼓勵本行員工在參與募捐之餘，走近綠色生活。

關懷社群

本行透過推行社會服務項目、同時推廣藝術文化，及倡導環境保護意識以回饋社會。「富邦關懷大使」計劃自2007年8月成立以來不斷有新成員加入，參與由本行與多個社會服務機構舉辦的義工外展活動，扶助貧弱。

於本年度，本行與香港耆康老人福利會及循道衛理楊震社會服務處彩虹長者綜合服務中心分別舉行了「流浮山一日遊」及麵塑工藝坊。本行希望藉著這些活動，鼓勵長者投入社會，亦藉以對他們表示尊重及關懷。



Whilst serving the underprivileged through a number of volunteering activities, the Bank also actively promotes environmental protection to increase the awareness of young people towards the importance of environmental care.

在扶助貧弱的同時，本行亦致力提倡環保，希望透過義工活動向年青一代灌輸環保知識的重要性。

During the year, we also held a wide array of volunteering activities to provide interesting learning opportunities for participants. These included a cooking class for the children of Christian Action, a magic show as well as T-shirt painting class for young children of the Hong Kong Society for the Protection of Children, and a ceramic workshop with St. James' Settlement for children from low-income families.

The Bank also actively promotes environmental protection. Through a number of volunteering activities, we hope to make the young people of Hong Kong more aware of the importance of environmental care. In 2009, a day camp at Tree Top Cottage was organized for children of St. James' Settlement to encourage the enjoyment of the great outdoors while learning about ways to protect Hong Kong's natural environment. The recycled paper-making workshop during the camp taught the children methods of waste recycling and just how valuable nature's bounty is.

Based on our corporate philosophy of "Giving back to the Community" and to fulfil our corporate social responsibility, we will be organizing an even more diversified range of volunteering activities in 2010 to benefit a greater number of people in need.

此外，本行亦舉辦了多個富趣味性的義工活動，為參加者提供學習機會，包括為基督教勵行會的學童舉辦烹飪班、安排魔法雜技表演及T恤彩繪班予香港保護兒童會的幼童，及與聖雅各福群會為來自低收入家庭的學童舉行陶瓷工作坊。

本行亦致力提倡環保，希望透過義工活動向年青一代灌輸環保知識的重要性。於2009年，本行舉辦了樹屋田莊體驗日營予聖雅各福群會的兒童，希望鼓勵他們欣賞大自然的同時，可學懂保護香港的自然環境。當中的環保再造紙工作坊亦可讓義工及兒童認識廢物循環再造的竅門，從而意識大自然資源之珍貴。

展望未來，本行會繼續秉持「取之社會·用之社會」的企業理念，舉辦更多元化的義工活動，幫助社會上更多有需要的人士，履行企業社會責任。

We will organize an even more diversified range of volunteering activities in 2010 to benefit a greater number of people in need.

本行將會舉辦更多元化的義工活動，幫助社會上更多有需要的人士。



Bank Network 銀行網絡



HEAD OFFICE 總辦事處

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38 Des Voeux Road Central, Hong Kong
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Fax 傳真：(852) 2810 1483
Website 網址：www.fubonbank.com.hk



PRINCIPAL SUBSIDIARIES 主要附屬公司

Fubon Credit (Hong Kong) Limited

富邦財務(香港)有限公司

12/F, China Insurance Group Building,
141 Des Voeux Road Central, Hong Kong
香港中環德輔道中141號中保集團大廈12樓
Tel 電話：(852) 2806 7228
Fax 傳真：(852) 2541 2848

FB Securities (Hong Kong) Limited

富銀證券(香港)有限公司

1/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈1樓
Tel 電話：(852) 2842 6115
Fax 傳真：(852) 2530 1622

FB Investment Management Limited

富銀投資管理有限公司

11/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈11樓
Tel 電話：(852) 2842 1688
Fax 傳真：(852) 2847 3389

Fubon Insurance Brokers Limited

富邦保險顧問有限公司

13/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈13樓
Tel 電話：(852) 2842 1636
Fax 傳真：(852) 2524 9632

Fubon Nominees (Hong Kong) Limited



BRANCHES 分行

HONG KONG 香港

Central Main Branch 中環總行

Fubon Bank Building, 38 Des Voeux Road Central
德輔道中38號富邦銀行大廈
Tel 電話：2842 6222

Sheung Wan 上環

G/F & 1/F, Ngan House, 210 Des Voeux Road Central
德輔道中210號顏氏大廈地下及1樓
Tel 電話：2815 9322

Queen's Road East 皇后大道東

Shop 2, G/F, Wu Chung House, 213 Queen's Road East
皇后大道東213號胡忠大廈地下2號舖
Tel 電話：2591 1036

Wanchai 灣仔

G/F, 113 Wanchai Road
灣仔道113號地下
Tel 電話：2891 7968

Causeway Bay 銅鑼灣

G/F, Island Building, 439-445 Hennessy Road
軒尼詩道439-445號香島大廈地下
Tel 電話：2881 7293

North Point 北角

Shop 2, G/F, Tsing Wan Building, 334-336 King's Road
英皇道334-336號青雲大廈地下2號舖
Tel 電話：2512 8313

Taikoo Shing 太古城

Unit 3-4, Cityplaza II, Taikoo Shing
太古城中心第2期地下3-4號舖
Tel 電話：2885 4577

Chaiwan 柴灣

Shops 82-83 & 85-86, Lower G/F, Koway Plaza,
111 Chaiwan Road
柴灣道111號高威廣場地下82-83及85-86號舖
Tel 電話：2595 0663

KOWLOON 九龍

Kowloon Main Branch 九龍總行

G/F & 1/F, 731 Nathan Road
旺角彌敦道731號地下及1樓
Tel 電話：2390 2882

Tsimshatsui 尖沙咀

G/F, Grand Right Centre, 10-10A Cameron Road
金馬倫道10-10A宏威中心地下
Tel 電話：2721 6102

Jordan 佐敦

Shop A, G/F, Ka Woo Building, 131-137 Woo Sung Street
吳松街131-137號嘉和大廈地下A舖
Tel 電話：2302 1502

Mongkok 旺角

G/F, President Commercial Center, 602 Nathan Road
彌敦道602號總統商業中心地下
Tel 電話：2385 6033

Cheung Sha Wan 長沙灣

Shops D & E, G/F, Wing Lung Building,
220-240A Castle Peak Road
青山道220-240A號永隆大廈地下D及E舖
Tel 電話：2387 0338

Mei Foo 美孚

G/F, 26B Nassau Street
蘭秀道26號B地下
Tel 電話：2742 9911

Kwun Tong 觀塘

Shop 47-51, G/F, Yue Man Centre,
300-302 Ngau Tau Kok Road
牛頭角道300-302號裕民中心地下47-51號舖
Tel 電話：2344 6991

Richland Gardens 麗晶花園

Shops 111-112 & 117-118, Richland Gardens,
Commercial Complex, Wang Kwong Road
宏光道麗晶花園商場111-112及117-118號舖
Tel 電話：2796 2575

Hunghom 紅磡

Shop A3, G/F, 13 Tak Man Street,
Wong Po Sun Tsuen
黃埔新邨德民街13號地下A3號舖
Tel 電話：2954 2331

NEW TERRITORIES 新界

Tsuen Wan 荃灣

G/F & 1/F, Wing On Mansion, 22-28 Tai Ho Road
大河道22-28號榮安大廈地下及1樓
Tel 電話：2402 1006

Tuen Mun 屯門

Shop 11, G/F, Mei Hang Building, 15-45 Kai Man Path
啟民徑15-45號美恒樓地下11號舖
Tel 電話：2440 3039

Yuen Long 元朗

G/F, Hing Fat House, 9 Kau Yuk Road
教育路9號興發大廈地下
Tel 電話：2479 0236

Tai Po 大埔

Shop 28, G/F, Jade Plaza, On Chee Road
安慈路翠屏花園地下28號舖
Tel 電話：2667 1517

Shatin 沙田

Shop 31L, Shatin Centre, 2-16 Wang Pok Street
橫壩街2-16號沙田中心商場31L號舖
Tel 電話：2605 6389

+ SECURITIES SERVICES CENTRES 證券投資服務中心

Central 中環

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Tel 電話：2842 6161

Yuen Long 元朗

Rooms 603 & 604, HSBC Building,
150-160 Castle Peak Road
青山公路150-160號元豐中心603-604室
Tel 電話：2869 6389

+ CREDIT CARD CENTRE 信用卡中心

23/F, Fortress Tower, 250 King's Road, North Point,
Hong Kong
香港北角英皇道250號北角城中心23樓
Tel 電話：2566 8181

+ OPERATIONS CENTRE 營運中心

9/F, Fortress Tower, 250 King's Road, North Point,
Hong Kong
香港北角英皇道250號北角城中心9樓
Tel 電話：2969 6900

Products & Services

產品及服務

+ DEPOSIT PRODUCTS

magi@money manager HKD Account
magi@money manager USD Account
magi@Children Savings Plan
Current Account
Statement Savings Account
Passbook Savings Account
Fixed Deposit Account
Multi-currency Call / Savings Accounts

存款產品

magi@money manager 港元有息支票戶口
magi@money manager 美元有息支票戶口
「magi@兒同樂」儲蓄計劃
往來戶口
簡便儲蓄戶口
存摺儲蓄戶口
定期存款戶口
綜合貨幣通知 / 存款戶口

+ LOAN PRODUCTS

Mortgage Loan
Deposit-Linked Mortgage Account
HIBOR Mortgage Loan
Property for Sale Services
Personal Installment Loan
Tax Loan
“Credit Go” Personal Loan
Privileged Cash Card
“YesCash” Card
Pledged Deposit

貸款產品

按揭貸款
「按揭存款聯繫」戶口
「同業拆息」按揭貸款
物業待售服務
私人分期貸款
稅務貸款
「卡數清」私人貸款
富邦現金卡
「YesCash」現金卡
存款抵押

+ CREDIT CARD SERVICES

VISA Gold and Classic
VISA Platinum
MasterCard Gold and Classic
Titanium MasterCard
MasterCard Platinum
myCard VISA Gold and Classic
myCard VISA Platinum
myCard MasterCard Gold and Classic
myCard Titanium MasterCard
myCard MasterCard Platinum
Elite Platinum VISA

信用卡服務

VISA 金卡及普通卡
VISA 白金卡
萬事達金卡及普通卡
Titanium 萬事達卡
萬事達白金卡
myCard VISA 金卡及普通卡
myCard VISA 白金卡
myCard 萬事達金卡及普通卡
myCard Titanium 萬事達卡
myCard 萬事達白金卡
Elite Platinum VISA 白金卡

Co-branded / Affinity Cards
VISA Debit Card
Corporate Card
Any-can-do Purchase Installment Plan
Interest-free Purchase Installment Plan
Interest-free Cash Installment Plan
“Cash Ready” Plan
Balance Transfer Services
Credit Card Bonus Point Program
Merchant Discount Offers
Octopus Automatic Add Value Services
Merchant Business Services

聯營卡
VISA 扣賬卡
公司信用卡
「自由式分期」計劃
特約商戶免息分期
0息分期零用錢
「備用錢」兌現信用額計劃
結欠轉賬服務
信用卡積分計劃
商戶消費折扣優惠
八達通自動增值服務
商戶服務



RENMINBI (RMB) SERVICES

RMB Savings Account
RMB Fixed Deposit Account
RMB Exchange Services
RMB Remittance Services

人民幣服務

人民幣儲蓄戶口
人民幣定期存款戶口
人民幣兌換服務
人民幣匯款服務



CORPORATE BANKING

Working Capital Loans
Import-Export Trade Financing
Account Receivable Financing
Syndicated Loans
Construction Loans
Commercial Loans
Project Financing
Structured Financing
China Business
Taiwan Business
Treasury Products

企業銀行

營運資金貸款
出入口貿易融資
應收賬融資
銀團貸款
建造貸款
商業貸款
項目融資
結構融資
中國業務
台灣業務
財資產品

Products & Services 產品及服務

+ GLOBAL COMMERCIAL BANKING

Overdraft Facilities
Working Capital Loans
Term / Installment Loans
Import / Export Trade Finance
Accounts Receivable Financing
Commercial / Industrial Property Financing
Factoring
SME Loan Guarantee Scheme
Special Loan Guarantee Scheme
Treasury Related Products

環球金融銀行

透支貸款
營運資金貸款
短期 / 分期貸款
進出口貿易融資服務
應收賬融資
工商物業貸款
應收賬款承購服務
中小企業信貸保證計劃
特別信貸保證計劃
財資相關產品

+ AMBASSADOR BANKING

Wealth Management Services
Investment Portfolio Management
Deposit Services
Mortgage Loan Services
Personal Credit Facilities
Insurance Services
Offshore Ambassador Banking

AMBASSADOR BANKING

財富管理服務
投資組合管理
存款服務
樓宇按揭服務
個人信貸服務
保險服務
Ambassador 境外理財服務

+ INVESTMENT SERVICES

Securities Services
– Securities Trading
– Internet Stock Trading Service
– Interactive Voice Response System
– Share Margin Financing
– Nominees and Custodian Services

投資服務

證券投資服務
– 股票交易
– 網上證券交易服務
– 語音下單證券交易服務
– 股票按揭
– 代理人及托管服務

Investment Fund Services

基金投資服務

TREASURY PRODUCTS

Spot Foreign Exchange Services
Forward Foreign Exchange Services
Foreign Exchange Margin Trading Services
Bond Services
Retail Note
Currency-Linked Deposit
Currency Options
Equity-Linked Deposit (ELD)
Equity-Linked Notes (ELN)
Equity OTC Covered Call Option
Certificates of Deposit
Yield Enhancement Structured Products
Liability Hedging Products

財資產品

即期外匯交易服務
遠期外匯交易服務
外匯「孖展」交易服務
債券服務
零售票據
「倍多息」外幣掛鈎存款
外匯期權
股票掛鈎存款
股票掛鈎票據
場外交易備兌認購股票期權
存款證
提高收益結構性投資產品
債務對沖風險產品

INSURANCE SERVICES

Life Insurance
General Insurance

保險服務

人壽保險
一般保險

MPF SERVICES

MPF

強積金服務

強積金

FINANCIAL INSTITUTIONS

Correspondent Banking

金融機構業務

金融機構客戶服務

ELECTRONIC BANKING

ATM Service
e-banking Service
Internet Stock Trading Service
Phone Banking Service

電子銀行

自動櫃員機服務
網上理財服務
網上證券交易服務
電話銀行服務

SAFE DEPOSIT BOX SERVICES

保管箱服務

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Bank is committed to the highest standards of corporate governance including but not limited to strict adherence to the principles set forth in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Bank has complied with all Code provisions throughout the financial year ended 31 December 2009.

The Bank, being a licensed bank incorporated in Hong Kong, also follows the principles and best practices in corporate governance as set forth in the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" under the Supervisory Policy Manual issued by the Hong Kong Monetary Authority ("HKMA").

DIRECTORS' SECURITIES TRANSACTIONS

The Bank has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

The Bank has made specific enquiries of all Directors regarding any non-compliance with the Model Code during the period, and received confirmations from all Directors that they have fully complied with the required standards set out in the Model Code.

BOARD OF DIRECTORS

(1) The Board of Directors ("the Board") of the Bank comprises 10 Directors. Details in relation to the Board have been set out in the Corporate Information. During the financial year, four Board meetings have been held. Each Director's attendance at these Board meetings is set out below:

DIRECTORS

Executive Directors

DIRECTORS	ATTENDANCE
Pei-Hwa Thomas Liang (<i>Managing Director and Chief Executive Officer</i>) (<i>appointed on 9 November 2009</i>)	1/1
Michael Chang Ming-Yuen	4/4
James Yip	4/4
Jin-Yi Lee (<i>Managing Director and Chief Executive Officer</i>) (<i>resigned on 9 November 2009</i>)	3/3

企業管治常規

本行致力實行最高水準之企業管治，包括但不限於嚴格遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四之《企業管治常規守則》（「守則」）所載原則。截至二零零九年十二月三十一日止之財政年度，本行嚴格遵守載於守則內之全部守則。

本行作為香港成立之持牌銀行，亦會致力遵守載於香港金融管理局（「金管局」）頒佈之監管政策手冊內「本地註冊認可機構之企業管治」指引之原則及企業管治最佳常規。

董事之證券交易

本行已採納「上市規則」附錄十所列之《上市公司董事進行證券交易的標準守則》（「標準守則」），作為本行董事進行證券交易之行為守則。

本行已向所有董事作出有關於本期間任何違反「標準守則」之特定查詢，而彼等皆確認已完全遵守「標準守則」所列之要求。

董事會

(1) 本行董事會（「董事會」）包括10名董事。公司資料中載有董事會之詳情。於本財政年度內，董事會已舉行四次會議。各董事出席該等董事會會議之情況載列如下：

董事

執行董事

董事	出席次數
梁培華 (<i>董事總經理兼行政總裁</i>) (<i>於二零零九年十一月九日獲委任</i>)	1/1
張明遠	4/4
葉強華	4/4
李晉頤 (<i>董事總經理兼行政總裁</i>) (<i>於二零零九年十一月九日辭任</i>)	3/3

Non-Executive Directors

Ming-Hsing (Richard) Tsai (<i>Chairman</i>)	4/4
Ming-Chung (Daniel) Tsai (<i>Vice Chairman</i>)	3/4
Victor Kung	4/4
David Chang Kuo-Chun	3/4

Independent Non-Executive Directors

Robert James Kenrick	4/4
Moses K. Tsang	3/4
Hung Shih	3/4

Full regular Board meetings are held at least four times a year, with one in each quarter. Notice of each Board meeting will be given to all Directors at least 14 days in advance and the agenda will be sent to the Directors at least 7 days before the date of each Board meeting for all Directors to review.

The Articles of Association of the Bank provide that a Director shall not be entitled to vote or be counted in the quorum in respect of any contract or arrangement in which he or any of his associates has a material interest.

Minutes of each Board meeting are circulated to all Directors for their comment prior to their confirmation at the following Board meeting. Minutes of Board meetings are kept by the Company Secretary and are open for inspection by Directors.

Directors may have access to the advice and services of the Company Secretary with a view to ensuring that Board procedures and all applicable rules and regulations, are followed.

- (2) In meeting its overall duties and responsibilities to shareholders, depositors, creditors, employees and other stakeholders, the Board is responsible to ensure that there is a competent executive management which is able to run the Bank in a sound and efficient manner.

The Board is also responsible for establishing the overall business objectives of the Bank and to approve and review the corresponding business strategies and plans (including annual budgets) from time to time. The Board is also required to ensure that the operations of the Bank are conducted prudently and within the laws and regulations of the Hong Kong Special Administrative Region and thus establishes, approves and reviews such policies, codes of conduct, guidelines and systems as the Board may think necessary and appropriate from time to time.

非執行董事

蔡明興 (<i>主席</i>)	4/4
蔡明忠 (<i>副主席</i>)	3/4
龔天行	4/4
張果軍	3/4

獨立非執行董事

甘禮傑	4/4
曾國泰	3/4
石宏	3/4

每年至少舉行四次定期董事會會議，每季度一次。每次董事會會議通知會於至少14天前發給全體董事，而會議議程會於各董事會會議日期至少7天前發給全體董事以供審閱。

本行之章程細則規定，就任何合約或安排而言，倘董事或董事之聯繫人士於其擁有重大權益，則該董事無權投票或計為法定人數。

每次董事會會議之會議記錄會於下次董事會會議確認前交由全體董事傳閱及提出意見。董事會會議記錄會交由公司秘書保存並供董事公開查閱。

全體董事皆可獲得公司秘書的意見及服務以確保董事會程序及所有適用規則及條例均獲遵守。

- (2) 董事會有責任確保行政管理層有能力以合理及有效的方式經營本行，以履行其對股東、存戶、債權人、僱員及其他相關人士之義務及責任。

董事會亦有責任建立本行之全盤業務目標，並不時批核及檢討相應之業務策略及計劃（包括年度財政預算）。董事會亦須確保本行謹慎營運並遵守香港特別行政區之法例及法規，從而於董事會認為有必要及適當時建議、批准及審核該等政策、行為守則、指引及系統。

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The Board also ensures that the Bank observes a high standard of integrity in its dealings with the public and particular care is taken to comply with applicable laws and regulations (such as the Personal Data (Privacy) Ordinance, Prevention of Bribery Ordinance etc.), prevention of money laundering legislation, industry standards (such as the Code of Banking Practice) and regulatory guidelines issued by the HKMA, the Securities and Futures Commission and other relevant regulatory authorities.

In addition, the Board regularly establishes, approves and reviews risk management strategies and policies of the Bank as it may think necessary and appropriate from time to time to identify, measure, monitor and control the various types of risk with which the Bank is faced, such as but not limited to credit, operational, market, reputational and liquidity risks. It also oversees the overall investments (other than in the ordinary course of its banking and securities business) of the Bank in assets such as property, equities or bonds.

The Board also ensures that the staff of the Bank fully understands and complies with the provisions of Section 83 of the Banking Ordinance on connected lending and has established a policy on such lending.

The Board also focuses on effectively overseeing and managing the business of the Bank including delegating duties and responsibilities to the Managing Director and Chief Executive Officer or through the appointment of Directors to specialised Board committees with all decisions and approvals being subject to review and ratification by the Board.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Details of the Chairman, Ming-Hsing (Richard) Tsai, and the Chief Executive Officer, Pei-Hwa Thomas Liang, have been set out in the Corporate Information. They have no relationship with each other. The roles of the Chairman and the Chief Executive Officer are segregated, with a clear division of responsibilities.

The Chairman is a Non-Executive Director and is responsible for the leadership and effective running of the Board, and ensuring that all key and appropriate issues are discussed by the Board in a timely and constructive manner.

The Managing Director and Chief Executive Officer is an Executive Director and is responsible without interference from individual Directors for the day to day general management and control

董事會亦須確保本行於其對公眾之交易中遵循高標準誠信準則，並特別留意須遵守法例及法規（例如《個人資料（私隱）條例》、《防止賄賂條例》等）、防止清洗黑錢法例、行業標準（例如「銀行營運守則」），以及由金管局、證券及期貨事務監察委員會及其他相關監管機構頒佈之規管指引。

此外，董事會於其認為有必要及適當時不時定期建立、批准及審核本行之風險管理策略及政策，以找出、計算、監察及控制各類本行所面對之風險，其中包括惟不僅限於信貸、營運、市場、聲譽及流動資金風險。董事會亦監察本行之物業、股權或債券等全盤資產之投資，惟一般之銀行及證券業務除外。

董事會亦確保本行職員完全理解及遵守《銀行業條例》第83條之有關關連借貸之條文，並就該等借貸訂立政策。

董事會亦專注於有效監察及管理本行之業務，包括透過授權董事總經理及行政總裁，或委任董事加入專責委員會，再經由董事會審核及批准所有決定。

主席及行政總裁

公司資料載有主席蔡明興及行政總裁梁培華之詳細資料。彼等相互並無關係。主席及行政總裁之職能互相獨立及職責明晰。

主席為非執行董事及負責董事會之領導和運作，並確保所有重大及需要處理的事務得以有效及有建設性地進行商議。

董事總經理及行政總裁為執行董事及可根據董事會之授權，負責日常管理及本行之業務營運，而不受任何個別董事之影響。然而，董事

of the Bank's business and operation under delegated power and authority of the Board. However the Managing Director and Chief Executive Officer has discretion to consult and obtain guidance from the other Directors or the Board when he considers necessary.

BOARD COMPOSITION

The Board comprises three Executive Directors, four Non-Executive Directors and three Independent Non-Executive Directors. More than one of the Independent Non-Executive Directors hold appropriate professional qualifications or accounting or related financial management expertise which exceeded the minimum requirements of the Listing Rules.

Each of the Independent Non-Executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Bank is of the view that all Independent Non-Executive Directors are independent and meet the independence guidelines set out in Rules 3.13 of the Listing Rules.

Among the members of the Board, Ming-Chung (Daniel) Tsai, Vice Chairman is the brother of Ming-Hsing (Richard) Tsai, Chairman, both of whom represent the substantial shareholder of the Bank, Fubon Financial Holding Co., Ltd.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All Directors are subject to retirement by rotation and re-election at the annual general meeting in accordance with the Articles of Association of the Bank.

The Board has not established a nomination committee. As a substantial shareholder holding 75% of the shares of the Bank, Fubon Financial Holding Co., Ltd. is involved in the process of nominating new Directors. The appointment of new Directors will be considered and approved by the full Board of Directors or Shareholders in accordance with the Articles of Association of the Bank. Approval from the HKMA will also be obtained in accordance with the Banking Ordinance.

Those Directors appointed by the Board of Directors during the year shall hold office only until the next following annual general meeting and shall then be eligible for re-election.

REMUNERATION COMMITTEE

The Remuneration Committee comprises the Board's Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors. The Committee meets

總經理及行政總裁可於必要時酌情向任何董事或董事會進行諮詢及獲取指引。

董事會組成

董事會包括三位執行董事、四位非執行董事及三位獨立非執行董事。不止一位獨立非執行董事擁有適當之專業資格或具備會計或相關財務管理專長，超過了「上市規則」之最低規定。

各獨立非執行董事已根據「上市規則」第3.13條之規定提交其獨立性週年確認書。本行認為所有獨立非執行董事均保持獨立並符合「上市規則」第3.13條所載之獨立性指引。

在董事會成員當中，副主席蔡明忠乃主席蔡明興之胞兄，而兩位均為本行之大股東富邦金融控股股份有限公司之代表。

委任及重選董事

根據本行之章程細則，所有董事均需於股東周年常會上應選輪任與連任。

董事會並未成立提名委員會。持有本行75%權益之大股東富邦金融控股股份有限公司會參與提名新董事之程序。根據本行之章程細則，委任新董事將由全體董事會成員或股東審核及批准。根據《銀行業條例》，亦須獲得金管局之批准。

董事會於年度內所委任之董事只任職至下屆股東周年常會，並於其時有資格再度當選連任。

薪酬委員會

薪酬委員會由董事會之非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以審閱及批核高級行政人員

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as required to review and approve the remuneration packages for senior executives which include the Chief Executive Officer, Executive Directors, and Executive Vice Presidents. Executive Directors do not play a part in decisions on their own remuneration. Additionally, the committee oversees the Bank's remuneration system which covers all employees, ensures an annual review of the remuneration system is conducted and implemented, makes recommendations in respect of remuneration policy and works closely with the Bank's risk committee in the evaluation of the incentives created by the remuneration system. During the financial year, one meeting was held. Each Director's attendance at the meeting is set out below:

DIRECTORS	ATTENDANCE
Ming-Hsing (Richard) Tsai (Chairman)	1/1
Ming-Chung (Daniel) Tsai (Vice Chairman)	1/1
Robert James Kenrick	1/1
Moses K. Tsang	1/1
Hung Shih	1/1

During the financial year, the Remuneration Committee discussed the 2009 staff bonuses and recommended its decision to the Board of Directors for approval. The Committee also approved 2009 bonuses for the Executive Directors.

AUDIT COMMITTEE

The Bank has complied with Rule 3.21 of the Listing Rules in relation to the composition of the Audit Committee. The Audit Committee comprises three members including one Non-Executive Director and two Independent Non-Executive Directors. The Audit Committee is chaired by Robert James Kenrick, an Independent Non-Executive Director who has appropriate accounting professional qualifications. It meets at least four times a year and additionally when deemed necessary. During the financial year, four meetings have been held and each Director's attendance at the meetings is set out below:

DIRECTORS	ATTENDANCE
Robert James Kenrick	4/4
Victor Kung	4/4
Hung Shih	4/4

The Audit Committee ensures adequate supervision of the Bank's financial reporting processes, reviews the internal audit function, ensures co-ordination between the internal and external auditors, and monitors compliance with internal policies, statutory regulation and recommendations made by the internal and external auditors.

(包括行政總裁、執行董事及執行副總裁)之薪酬方案。執行董事並無參與與其相關之薪酬決策討論。此外，該委員會負責監察覆蓋本行所有員工的薪酬制度、確保該制度每年作出一次檢討、對薪酬方案作出建議，並與風險委員會緊密合作以評估薪酬制度中的獎勵方案。於本財政年度內，薪酬委員會曾經舉行一次會議。各董事出席會議之情況如下：

董事	出席次數
蔡明興 (主席)	1/1
蔡明忠 (副主席)	1/1
甘禮傑	1/1
曾國泰	1/1
石宏	1/1

於本財政年度內，薪酬委員會就職員二零零九年之花紅進行討論並向董事會提出批准之建議。該委員會亦批准執行董事二零零九年之花紅。

審核委員會

本行就審核委員會之組成已遵守「上市規則」第3.21條之規定。審核委員會由三位成員組成，包括一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當會計專業資格之獨立非執行董事甘禮傑任主席。該委員會每年舉行四次會議，並在有需要時舉行特別會議。於本財政年度內，該委員會已舉行四次會議。各董事出席會議之情況如下：

董事	出席次數
甘禮傑	4/4
龔天行	4/4
石宏	4/4

審核委員會確保對本行之財務申報程序進行足夠之監管、檢討內部審核職能、確保內部及外聘核數師互相協調，以及監控遵守內部政策、法規及由內部及外聘核數師所提出之建議。

During the financial year, the Audit Committee has reviewed the Bank's financial reporting process and the systems of internal control, including reviews of the internal audit function and the risk management process. In particular, the review undertaken by Audit Committee on the internal audit function included review and approval of the Internal Audit Charter and annual audit plan, review of internal audit reports and special investigation reports issued, and ensuring that management action was taken by the relevant departments in response to the major audit findings to mitigate the identified risks.

The Audit Committee also reviewed the appointment of the external auditors and discussed with them the nature and scope of their audits. In addition, any issues arising from their audits together with the follow up actions taken by the Bank to address these issues have also been examined by the Audit Committee. The Audit Committee also reviewed the interim and annual financial statements before recommending them to the Board for approval. It also reviewed the Bank's statement on internal control systems in the annual report prior to its endorsement by the Board.

EXECUTIVE CREDIT COMMITTEE

The Executive Credit Committee comprises the Board's Non-Executive Chairman, Non-Executive Vice Chairman and two Executive Directors. This Committee serves as the Credit Committee of the Board of Directors to review and approve credit proposals within limits assigned by the Board.

MANAGEMENT COMMITTEE

The Management Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer, Head of Legal and Compliance and senior management personnel as appointed by the Chief Executive Officer. The Committee is the key decision making body for the Bank and is responsible mainly for formulation of the Bank's business strategies and bank wide initiatives. The Committee also coordinates among business and support units during the implementation process, monitors the implementation of the approved business strategies and bank wide initiatives and reviews the achievement of business targets and objectives including key performance indicators through monthly reporting by the Business Groups and relevant support units.

ASSET AND LIABILITY COMMITTEE

The Asset and Liability Committee comprises the Bank's Chief Executive Officer, Executive Directors and senior managers as appointed by the Chief Executive Officer. The Committee meets

於本財政年度內，審核委員會已就本行之財務報告編制程序及內部監控系統作出檢討，其中包括內部審核職能及風險管理程序。在內部審核職能的檢討工作方面，該委員會的審核範圍包括檢討及批核內部審核規章及年度審核方案、檢討已發佈之內部審核報告及特別調查報告、及確保管理層對調查所發現之主要問題作出相應之補救行動，以減輕有關風險。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。此外，審核委員會亦就審計所發現之問題及本行所採取之相應解決行動進行審核。審核委員會亦於向董事會建議批准中期及年度財務報告之前審閱有關報告，並在建議董事會批准年報所載之本行有關內部監控系統之聲明之前，審閱有關聲明。

執行信貸委員會

執行信貸委員會由董事會之非執行主席、非執行副主席及兩位執行董事組成。委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批核信貸建議。

管理委員會

管理委員會由本行的行政總裁、執行董事、財務主管及法律及合規部主管及行政總裁所委任的高級管理人員組成。委員會乃本行重要的決策組織，主要職責是制定本行所有主要部門的業務策略及銀行內措施。同時，委員會在業務策略的推行過程中，亦負責通過業務小組及相關後勤部門的每月報告協調業務及後勤部門的工作，監察已批准業務策略的實施進度及銀行內措施，以及檢討工作是否合乎業務目標與預期表現，包括主要表現指數。

資產負債委員會

資產負債委員會由本行的行政總裁、執行董事以及行政總裁所委任的高級管理人員組成。委員會最少每兩星期舉行一次會議，並由內部審

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at least bi-weekly with the Head of Internal Audit and Head of Legal and Compliance attending the meeting as observers to ensure overall compliance with the Bank's governing policies. The Committee's main responsibilities include regular review of the Bank's operations relating to interest rate risk and liquidity risk and in particular the Bank's ability to meet its funding obligations, and its compliance with statutory liquidity and capital adequacy requirements. The Committee regularly reviews and endorses, for the Board's approval, the Bank's policies governing asset and liability management, investment, and other risk management issues. It also formulates both long term strategy for the sources and applications of funds and short term directives to address prevailing conditions and monitors the implementation of these strategies and directives.

INTERNAL CONTROL COMMITTEE

The Internal Control Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer and Heads of different risk management and control functions. The Committee is chaired by Pei-Hwa Thomas Liang, Managing Director and Chief Executive Officer. The Committee meets at least monthly and additionally when deemed necessary. The Committee has the overall responsibilities to define the control framework, direct implementation of effective internal control systems, impose suitable control measures for the day-to-day monitoring, while enhancing the operational control standards in all divisions.

AUDITORS' REMUNERATION

An analysis of the remuneration in respect of audit and non-audit services provided by the auditors to the Bank is set out below:

	2009 HK\$'000
Statutory audit, including interim review	2,345
Tax compliance	346
Advisory	436
	3,127

INTERNAL CONTROLS

The Board is responsible for the Bank's system of internal control and for reviewing its effectiveness.

核部門主管及法律及合規部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付債務的能力及遵守法定流動資金及資本充足要求事宜。委員會定期審閱及批核本行有關資產及負債管理、投資及其它風險管理事宜的政策，以上呈予董事會批准。委員會亦制定獲得及應用資金的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。

內部監控委員會

內部監控委員會委員包括本行的行政總裁、執行董事、財務主管，以及各風險管理和監控部門主管。該委員會由董事總經理兼行政總裁梁培華擔任主席。該委員會至少每月舉行一次會議，如需要亦會額外舉行會議。該委員會整體負責確定監控架構、指導實行有效的內部監控系統、就日常監察實施適當的監控措施，同時提升所有部門之營運監控標準。

核數師之薪酬

就由核數師向本行提供之審計及非審計服務之薪酬分析如下：

	二零零九年 千港元
法定審計（包括中期審閱）	2,345
稅務諮詢	346
顧問	436
	3,127

內部監控

董事會亦負責本行的內部監控系統及檢討其有效性。

The Bank's internal control systems comprise the following key measures and provide reasonable assurance of effective and efficient operations, quality internal and external reporting and compliance with applicable laws and regulations.

Functional committees are established to monitor risks and controls in specific areas of potential risk.

A clear organization structure with well defined authority and responsibilities enables effective checks and balances. It includes a clear division of responsibility between the operating and reporting roles.

All major Bank policies are set and approved by the Board. Detailed processes are defined and documented. These procedures include specific operational, financial and compliance controls which facilitate segregation of duties, accuracy of reporting and proper control over assets and risk exposure.

There are risk management policies and procedures in place to identify and manage possible risks the Bank may face. Appropriate risk management policies and risk limits and guidelines have been established by the Board to monitor and control the risks identified. Risk management reports are submitted regularly to the respective committees assigned for monitoring and assessment of risks associated with the Bank's business and operations.

Comparisons of actual performance against budgets and business analysis are reviewed by the Board on a quarterly basis reflecting monitoring, assessment and control of performance of business, state of its affairs and potential risks.

The compliance function of the Bank is to monitor changes and developments of relevant laws, regulations and standards applicable to the Bank's banking and regulated activities and ensure that senior management and relevant business and functional units are aware of such changes and take appropriate measures to achieve compliance. Compliance reviews are conducted on business and functional units on an on-going basis to ensure the Bank's operations are in compliance with the applicable laws and regulations, standards and guidelines issued by regulators, codes of practices provided by industry associations, and internal policies and codes of conduct applicable to staff members.

The internal audit function of the Bank is an independent appraisal function set up with the primary objective to assist senior management in the effective discharge of their responsibilities

本行的內部監控系統包括下列主要措施，並提供有效營運的合理保證、優質內外申報以及遵照適用法例和法規。

功能委員會乃為了替特定潛在風險範疇進行監察風險和監控而成立。

一個具有妥善界定的權限和職責的清晰組織架構，將有利於有效的牽制與平衡。該架構明確區分營運及彙報職能的責任。

本行所有主要政策均由董事會制定和批准，並界定和仔細記錄詳盡的程序。此等程序包括特定的營運、財務及法規監控，以方便分工、準確申報及對資產和風險度的適當監控。

為識別本行可能面對的風險，亦已制定風險管理政策和程序。董事會已建立合適的風險管理政策及風險限度和指引，以對所識別的風險加以監察和監控。有關風險管理報告會定期呈交予獲指派監察及評估與本行業務及營運有關的風險的各有關委員會。

董事會每季均會審閱實際表現與預算的比較以及業務分析，而該等比較及分析乃反映對業務表現、其事務狀況和潛在風險的監察、評估及監控。

本行的合規部門負責監管本行銀行及受規管業務適用的有關法律、法規及準則的變化及發展，並確保高級管理層及有關業務及職能單位知悉該等變化，採取適當措施達致合規。合規審閱持續對業務及職能單位展開，確保本行營運均遵守適用法律法規、監管機構所發佈的準則及指引、行業協會提供的業務守則，以及適用於員工的內部政策及業務守則。

本行內部審計的職能為獨立評核職能，其首要目的在於協助高級管理層有效履行其責任和職務。內部審計已對本行之內部監控制度的效

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and functions. Internal Audit conducted a risk-based independent review on the effectiveness of the Bank's internal control system and provided recommendations to improve the control environment for the year of 2009. Audit results were reported to the Audit Committee and the Board on a quarterly basis. Measures taken to implement control recommendations have been reviewed for proper resolution.

FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the financial statements and are not aware of any material uncertainty that may cast significant doubt upon the Group's or the Bank's ability to continue as a going concern. The Audit Committee has conducted a review of the effectiveness of the Group's system of internal control, including financial, operational and compliance controls and risk management functions and reported significant matters identified in the review to the Board. The Audit Committee has recommended to the Board the re-appointment of the auditors, which has been accepted by the Board.

The auditors are responsible for forming an independent opinion on whether the financial statements give a true and fair view of the state of affairs of the Bank and the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

OTHER INFORMATION

Disclosure of Continuing Connected Transactions in accordance with Rules 14A.46 of the Listing Rules

Business Co-operation Agreements

On 23 February 2005 the Bank entered into three Business Co-operation Agreements, each with a member of the Fubon Financial Holding Co., Ltd. ("Fubon") Group, namely Fubon Life Assurance Co., Ltd. ("Fubon Life"), Fubon Securities Co., Ltd. ("Fubon Securities") and Taipei Fubon Commercial Bank Co., Ltd. ("Taipei Fubon"). Fubon Credit (Hong Kong) Limited ("Fubon Credit") entered into the Fubon Credit / Taipei Fubon Business Co-operation Agreement with Taipei Fubon. Each Business Co-operation Agreement was for a fixed term of three years expiring on 22 February 2008, pursuant to which members of the Fubon Group agreed in certain circumstances to introduce prospective customers from Taiwan to the Bank and Fubon Credit for certain services.

能進行以風險為基礎的獨立審查，並提供建議，以改善2009年度的監控環境。已按季度向審核委員會和董事會報告審計結果，並已審閱就實施監控建議所採取的措施，以妥善解決有關問題。

財務報告

董事負責編制財務報告，而據其所知，並無任何可能會對本集團或本行繼續發展構成重要影響之重大不明朗因素。審核委員會已檢討本集團之內部監控系統（包括財務、營運及規管遵從控制及風險管理職能），並向董事會呈報於審核中發現之重大事件。審核委員會已就重新委任核數師事宜向董事會提交建議，且獲董事會接納。

核數師負責就財務報告是否真實及公平反映本行及本集團截至二零零九年十二月三十一日之財務狀況及本集團截至該日止年度之溢利及現金流量，以及有關財務報告是否根據《香港公司條例》妥為編制提供獨立意見。

其他資料

根據「上市規則」第14A.46條對持續關連交易進行披露

商業合作協議

於二零零五年二月二十三日，本行與富邦金融控股股份有限公司（「富邦」）集團成員公司：富邦人壽保險股份有限公司（「富邦人壽」）、富邦綜合證券股份有限公司（「富邦證券」）及台北富邦商業銀行股份有限公司（「台北富邦」）訂立三項商業合作協議，而富邦財務（香港）有限公司（「富邦財務」）亦與台北富邦訂立富邦財務／台北富邦商業合作協議。各商業合作協議定期三年，已於二零零八年二月二十二日屆滿。據此，富邦集團各成員公司同意在若干情況下，就若干服務介紹來自台灣之準客戶予本行及富邦財務。

If a transaction is concluded between the customer and the Bank or Fubon Credit following such an introduction, the Bank or Fubon Credit, as the case may be, will pay a fee in cash to the relevant member of the Fubon Group, being an agreed percentage of the fee paid to the Bank or Fubon Credit, as the case may be, by such customer. In the case of the Bank / Taipei Fubon Business Co-operation Agreement, the Bank has agreed to introduce prospective customers from Hong Kong to Taipei Fubon in exchange for the agreed percentage of fees payable by that customer to Taipei Fubon. Details of the Business Co-operation Agreements were announced by the Bank on 23 February 2005.

Each Business Co-operation Agreement states that the maximum aggregate annual consideration payable under the Business Co-operation Agreements is HK\$10,000,000.

On 4 October 2005, a business co-operation agreement was entered into between another member of the Fubon Group, Fubon Securities Investment Services Co., Ltd. ("Fubon SIS") on similar terms to the other Business Co-operation Agreements. As, at the time of entering into the Bank / Fubon SIS Business Co-operation Agreement, the annual aggregate consideration payable thereunder was not expected to exceed HK\$1,000,000, pursuant to the de minimis exemption provided for under Listing Rule 14A.33(3), such agreement was not subject to the reporting, announcement and independent shareholders' approval requirements of Chapter 14A of the Listing Rules.

On 20 March 2006, Amendment Agreements were entered into by the Bank and by Fubon Credit with the other members of the Fubon Group, pursuant to which, inter alia, the contractual thresholds for the annual aggregate consideration payable under all the Business Co-operation Agreements was raised to: HK\$15,000,000 in the period 23 February 2006 to 22 February 2007; HK\$20,000,000 in the period 23 February 2007 to 22 February 2008; and HK\$30,000,000 in the period 23 February 2008 to 22 February 2009 and for any further one year terms. Details of the Amendment Agreements in respect of the Business Co-operation Agreements were announced by the Bank on 20 March 2006.

Fubon Life, Fubon Securities, Fubon SIS, and Taipei Fubon are each wholly-owned subsidiaries of Fubon. Fubon, holding 75% of the issued shares of the Bank, is a substantial shareholder of the Bank. Therefore, Fubon Life, Fubon Securities, Fubon SIS and Taipei Fubon are each a connected person of the Bank under the

倘於此等介紹後，有關客戶與本行或富邦財務達成交易，則本行或富邦財務（視情況而定）將以現金向富邦集團之相關成員公司支付費用，費用乃根據有關客戶付予本行或富邦財務（視情況而定）之金額按協定之百分比計算。就本行／台北富邦商業合作協議而言，本行同意介紹來自香港之準客戶予台北富邦，以獲取費用，費用乃根據有關客戶付予台北富邦之金額按協定之百分比計算。本行已於二零零五年二月二十三日公佈商業合作協議之詳情。

各商業合作協議載有條款，訂明據各商業合作協議（合計）應支付之年度總金額上限，每年合共將不超過10,000,000港元。

於二零零五年十月四日，本行與富邦集團另一成員公司富邦證券投資服務有限公司（「富邦證券投資服務」）訂立商業合作協議，其條款與其他商業合作協議相若。由於訂立本行／富邦證券投資服務協議時預期根據此一協議應付之年度總代價不會超過1,000,000港元，根據「上市規則」第14A.33(3)條所規定之最低限額豁免，該等交易毋須按「上市規則」第14A章之規定遵守有關申報及公佈之規定，亦毋須經獨立股東批准。

本公司及富邦財務連同富邦集團之其他成員公司於二零零六年三月二十日訂立修訂協議，據此（其中包括），根據所有商業合作協議應付之年度總代價之約定上限，於二零零六年二月二十三日至二零零七年二月二十二日期間之上限增至15,000,000港元；於二零零七年二月二十三日至二零零八年二月二十二日期間之上限增至20,000,000港元；及於二零零八年二月二十三日至二零零九年二月二十二日期間及任何其他進一步之一年年期之上限增至30,000,000港元。本行已於二零零六年三月二十日公佈有關商業合作協議之修訂協議之詳情。

富邦人壽、富邦證券、富邦證券投資服務及台北富邦均為富邦之全資附屬公司。富邦持有本行已發行股份75%，為本行之主要股東。因此，根據「上市規則」，富邦人壽、富邦證券、富邦證券投資服務及台北富邦均為本行之關

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Listing Rules and, accordingly, the entering into and performance of the Bank / Fubon Life Business Co-operation Agreement, the Bank / Fubon Securities Business Co-operation Agreement, the Bank / Fubon SIS Business Co-operation Agreement and the Bank / Taipei Fubon Business Co-operation Agreement each constitutes a connected transaction for the Bank under Chapter 14A of the Listing Rules.

Pursuant to Rule 14A.10 of the Listing Rules, transactions between a subsidiary of a listed issuer and a connected person of such listed issuer are connected transactions for the purposes of the Listing Rules. Fubon Credit is a wholly-owned subsidiary of the Bank. Taipei Fubon is an associate of Fubon and Fubon is a substantial shareholder of the Bank. Therefore, the entering into and performance of the Fubon Credit / Taipei Fubon Business Co-operation Agreement also constitutes a connected transaction for the Bank under Chapter 14A of the Listing Rules.

The Directors consider that the Business Co-operation Agreements give the Bank and Fubon Credit better access to Taiwanese customers with business interests in Hong Kong and who require banking and financial related services in Hong Kong. Further, the Bank's customers with business interests in Taiwan will, under the Bank / Taipei Fubon Business Co-operation Agreement, have greater access to Taiwanese banking and financial related services. This will also generate fee income for the Bank. Therefore, the Directors consider it to be beneficial to the Bank to be a party to the Business Co-operation Agreements.

The Directors are of the view that the terms of the Business Co-operation Agreements as amended by the Amendment Agreements (including the amendments to the annual caps referred to therein) are entered into in the ordinary and normal course of business of the Bank, on normal commercial terms and that they are fair and reasonable and in the interests of the Bank and the shareholders as a whole.

For the year ended 31 December 2009, no commission and service charges are payable under the Business Co-operation Agreements.

Distribution Agreement

On 17 November 2006, the Bank and Taipei Fubon entered into a Distribution Agreement pursuant to which Taipei Fubon would act as a distributor of the notes issued by the Bank ("Notes") under the Bank's US\$1 billion Euro Medium Term Note Programme dated 20 March 2006 ("Programme") to its customers in consideration of which the Bank will pay distribution fees to Taipei Fubon. The

連人士，因此，根據「上市規則」第14A章，訂立及執行本行／富邦人壽商業合作協議、本行／富邦證券商業合作協議、本行／富邦證券投資服務協議及本行／台北富邦商業合作協議各自均構成本行之關連交易。

根據「上市規則」第14A.10條，就「上市規則」而言，一家上市發行人之附屬公司與該等上市發行人之關連人士之間進行之交易屬關連交易。富邦財務為本行之全資附屬公司。台北富邦為富邦之聯繫人士，而富邦則為本行之主要股東。因此，根據「上市規則」第14A章，訂立及執行富邦財務／台北富邦商業合作協議亦構成本行之一項關連交易。

董事認為，訂立商業合作協議及證券投資服務協議，可讓本行及富邦財務更好地聯繫該等在香港有業務利益及需要香港之銀行及財務相關服務之台灣客戶。此外，在台灣擁有業務利益之本行客戶將可透過本行／台北富邦商業合作協議，有更多渠道獲取台灣之銀行及財務相關服務。此亦可為本行帶來費用收入。因此，董事認為，本行作為訂立商業合作協議及證券投資服務協議之其中一方，對本行而言有利。

董事認為，經修訂協議修訂之商業合作協議及證券投資服務協議之條款（包括該等協議所述之年度上限之修訂），乃於本行之一般及正常業務過程按正常商業條款訂立，屬公平合理並符合本行及股東整體利益。

截至二零零九年十二月三十一日止年度，概無根據商業合作協議應付之佣金及服務費。

分銷協議

於二零零六年十一月十七日，本行與台北富邦訂立了分銷協議。依據該分銷協議，台北富邦將會擔任向其客戶分銷由本行根據本行日期為二零零六年三月二十日之1,000,000,000美元的歐元中期票據計劃（「該計劃」）發行的票據（「該等票據」）的分銷商，而作為代價，本

Distribution Agreement, which is on normal commercial terms, is for a fixed term of three years expiring on 16 November 2009. Details of the Distribution Agreement were announced by the Bank on 20 November 2006.

The Distribution Agreement states that the maximum aggregate annual consideration payable under such agreement is HK\$20,000,000. The issue of Notes under the Programme is in the ordinary and usual course of business of the Bank.

The Bank pays distribution fees to Taipei Fubon under the Distribution Agreement in consideration of Taipei Fubon procuring purchasers of the Notes. The distribution fee is agreed for each Relevant Series. There is no limit on the number of Relevant Series of Notes which may be issued under the Programme in any given financial year. The only limit is on the Programme size, which is currently set at an aggregate of US\$1,000,000,000 worth of Notes. The maximum aggregate annual value of the distribution fees payable under the Distribution Agreement, for the purpose of Listing Rule 14A.35(2), is HK\$20,000,000.

Taipei Fubon has greater access to institutional investors and private customers in Taiwan and is therefore in a better position to procure purchasers of the Notes from investors in that region. The Directors of the Bank consider that entering into the Distribution Agreement will give the Bank better access to Taiwanese institutional investors and private customers (individuals and corporate entities) in Taiwan with business interests in Hong Kong. Therefore, the Directors consider it to be beneficial to the Bank to be a party to the Distribution Agreement.

The terms of the Distribution Agreement have been reached after arm's length negotiation between the parties thereto. The Directors of the Bank (including the Independent Non-Executive Directors) are of the view that the terms of the Distribution Agreement are fair and reasonable and in the interests of the Bank and the shareholders as a whole.

Taipei Fubon is a wholly-owned subsidiary of Fubon. Fubon, holding 75% of the issued shares of the Bank, is a substantial shareholder of the Bank. Therefore, Taipei Fubon is a connected person of the Bank under the Listing Rules and, accordingly, the entering into and performance of the Distribution Agreement constitutes a connected transaction for the Bank under Chapter 14A of the Listing Rules.

For the year ended 31 December 2009, there is no transaction under the Distribution Agreement.

行將會向台北富邦支付分銷費。分銷協議按正常商業條款訂立，期限定為三年，期滿日為二零零九年十一月十六日。本行於二零零六年十一月二十日公佈分銷協議之詳情。

分銷協議列明在該協議下每年須付的最高代價總額為20,000,000港元。該計劃下之該等票據的發行是在本行的通常及慣常業務運作過程中進行的。

根據分銷協議，本行向台北富邦支付分銷費，作為台北富邦促成投資者購買該等票據的代價。雙方就每一有關係列議定分銷費。對於在任何財政年度可以在該計劃下發行的該等票據的有關係列數目並無限制。唯一的限制涉及該計劃的規模；在該計劃下發行的該等票據的總值現時定為1,000,000,000美元。為符合「上市規則」第14A.35(2)條的規定而就根據分銷協議所須支付的分銷費設定的最高每年總額為20,000,000港元。

台北富邦有較多機會接觸台灣的機構投資者和私人客戶，因此處於促成該地區內的投資者購買該等票據的較有利位置。本行的董事們認為訂立分銷協議將會為本行提供接觸台灣境內與香港有業務關係的台灣機構投資者和私人客戶（個人及企業）的更佳機會。因此，董事們認為作為分銷協議的一方對本行有利。

分銷協議的條款是經雙方公平協商後達成的。本行的董事們（包括獨立非執行董事）認為分銷協議的條款公平合理，並且符合本行及股東的整體利益。

台北富邦是富邦的全資附屬公司。富邦是本行的主要股東，持有本行已發行股份的75%。因此，根據「上市規則」，台北富邦是本行的關連人士，故根據「上市規則」第14A章的規定，訂立和履行分銷協議構成本行的關連交易。

截至二零零九年十二月三十一日止年度，概無根據分銷協議進行任何交易。

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Report of the Directors

董事會報告書

The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2009 are set out in Note 27 to the financial statements.

PRINCIPAL PLACE OF BUSINESS

The Bank is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2009 is set out in the consolidated statement of comprehensive income on page 85. The state of the Bank's and Group's affairs as at 31 December 2009 are set out in the financial statements on pages 85 to 232.

During the year, the Bank paid an interim dividend of 1.5 Hong Kong cents per ordinary share, totalling HK\$17,582,000 (2008: 6 Hong Kong cents, HK\$70,330,000).

The Directors recommend the payment of a final dividend of 1.5 Hong Kong cents per ordinary share in respect of the year ended 31 December 2009, totalling HK\$17,582,000 (2008: 1.5 Hong Kong cents, HK\$17,582,000).

DIRECTORS

The Directors in office during the financial year were:

Executive Directors

Pei-Hwa Thomas LIANG (*Managing Director and Chief Executive Officer*)
(*appointed on 9 November 2009*)
Michael CHANG Ming-Yuen
James YIP
Jin-Yi LEE (*Managing Director and Chief Executive Officer*)
(*resigned on 9 November 2009*)

Non-Executive Directors

Ming-Hsing (Richard) TSAI (Chairman)
Ming-Chung (Daniel) TSAI (Vice Chairman)
Victor KUNG
David CHANG Kuo-Chun

Independent Non-Executive Directors

Robert James KENRICK
Moses TSANG
Hung SHIH

董事會欣然提呈其報告連同富邦銀行(香港)有限公司(「本行」)及其附屬公司(統稱「本集團」)截至二零零九年十二月三十一日止年度的經審核財務報告。

主要業務

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

附屬公司

本行的主要附屬公司於二零零九年十二月三十一日的詳情載於財務報告附註27。

主要營業地點

本行為於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中三十八號。

業績及分派

本集團截至二零零九年十二月三十一日止年度的業績載於第85頁綜合全面收益表。有關本行及本集團於二零零九年十二月三十一日的業務狀況載於第85頁至第232頁的財務報告。

於本年度，本行派付中期股息每股普通股1.5港仙，合共17,582,000港元(二零零八年：6港仙，70,330,000港元)。

董事建議派付截至二零零九年十二月三十一日止年度末期股息每股普通股1.5港仙，合共17,582,000港元(二零零八年：1.5港仙，17,582,000港元)。

董事

本財政年度之在任董事為：

執行董事

梁培華(*董事總經理兼行政總裁*)
(*於二零零九年十一月九日獲委任*)
張明遠
葉強華
李晉頤(*董事總經理兼行政總裁*)
(*於二零零九年十一月九日辭任*)

非執行董事

蔡明興(主席)
蔡明忠(副主席)
龔天行
張果軍

獨立非執行董事

甘禮傑
曾國泰
石宏

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 77 of the Bank's Articles of Association, Pei-Hwa Thomas LIANG will hold office until the 2010 Annual General Meeting and, being eligible, offers himself for re-election.

In accordance with Article 81 of the Bank's Articles of Association, Victor KUNG, Hung SHIH and James YIP retire and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

The Non-Executive Directors were appointed by the Bank's shareholders at the Annual General Meeting with appointment terms in accordance with Article 77 and Article 81 of the Bank's Articles of Association.

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract with the Bank which is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

DIRECTORS' INTERESTS IN CONTRACTS

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

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors and Chief Executive of the Bank who held office at 31 December 2009 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") and the Bank, at that date as recorded in the register of Directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

Ordinary shares in Fubon Financial of NT\$10 each 富邦金控每股面值10元新台幣普通股

Name 姓名	Personal interests 個人 權益	Family interests 家族 權益	Corporate interests 法團 權益	Total number of shares held 所持股份 總數	Percentage of total issued shares 佔全部已發行 股份百分比
Ming-Hsing (Richard) TSAI 蔡明興	211,851,280	23,736,564	1,792,909,232 ⁽¹⁾	2,028,497,076	24.96
Ming-Chung (Daniel) TSAI 蔡明忠	229,536,304	33,174,166	1,792,909,232 ⁽¹⁾	2,055,619,702	25.30
Pei-Hwa Thomas LIANG 梁培華	37,000	—	—	37,000	0.0005
Victor KUNG 龔天行	325,571	—	—	325,571	0.004
David CHANG Kuo-Chun 張果軍	750,000	—	—	750,000	0.01

Notes:

(1) 1,792,909,232 shares were held through corporations in which Ming-Chung (Daniel) TSAI, Ming-Hsing (Richard) TSAI and other TSAI family members have beneficial interest.

於下屆股東週年常會上的董事輪任

根據本行組織章程細則第七十七條，梁培華將留任至二零一零年股東週年常會，並合資格膺選連任。

根據本行組織章程細則第八十一條，龔天行、石宏及葉強華輪值告退，並合資格膺選連任。

董事的服務合約

非執行董事按照本行組織章程細則第七十七條及第八十一條委任條款於股東週年常會上獲本行股東委任。

於下屆股東週年常會擬膺選連任的董事並無與本行訂立可由本行或其任何附屬公司於一年內毋須賠償（一般法定責任除外）而終止的尚未屆滿服務合約。

董事之合約權益

於年底或年內任何時間，本行、其控股公司、附屬公司或同系附屬公司並無訂立與本行業務有關連，而本行董事直接或間接擁有重大權益的重要合約。

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本行於二零零九年十二月三十一日的董事及行政總裁，在年末當日根據《證券及期貨條例》第352條須存置的董事及行政總裁的權益及淡倉登記冊的記錄中，擁有其最終控股公司富邦金融控股股份有限公司（「富邦金控」）及本行股份中的如下權益：

附註：

(1) 該1,792,909,232股股份由多個法團持有，而蔡明忠、蔡明興及其他蔡氏家族成員於上述法團均享有實益權益。

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

Options
認股權

At 31 December 2009, the Directors and Chief Executive of the Bank mentioned below held unlisted physically settled options to acquire the number of ordinary shares of par value NT\$10 each in Fubon Financial set against their respective names. These options were granted for nil consideration by Fubon Financial.

於二零零九年十二月三十一日，下列本行董事及行政總裁持有每股面值10元新台幣之非上市而實股結算之富邦金控普通股之認股權。該等認股權乃富邦金控無代價授予該等董事及行政總裁。

Name 姓名	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 認股權可予行使期間	Exercise price per share (NT\$) 每股行使價(新台幣)
Pei-Hwa Thomas LIANG 梁培華	1,400,000	-	-	-	1,400,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零零二年七月三十日	29
	1,820,000	-	-	-	1,820,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 # to 6 Dec 2012 二零零九年十二月七日至二零零二年十二月六日	26.7
					3,220,000			
Michael CHANG Ming-Yuen 張明遠	1,085,000	-	-	-	1,085,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零零二年七月三十日	29
	1,416,000	-	-	-	1,416,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 # to 6 Dec 2012 二零零九年十二月七日至二零零二年十二月六日	26.7
					2,501,000			
James YIP 葉強華	1,085,000	-	(542,500)	-	542,500	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零零二年七月三十日	29
	1,411,000	-	-	-	1,411,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 # to 6 Dec 2012 二零零九年十二月七日至二零零二年十二月六日	26.7
					1,953,500			

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

董事及行政總裁於股份、相關股份及債券的權益和淡倉 (續)

Options (continued)

認股權 (續)

Name 姓名	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 認股權可予行使期間	Exercise price per share (NT\$) 每股行使價 (新台幣)
Victor KUNG 龔天行	1,410,000	-	-	-	1,410,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零零二年七月三十日	29
	2,830,000	-	-	-	2,830,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 # to 6 Dec 2012 二零零九年十二月七日至二零零二年十二月六日	26.7
					4,240,000			
David CHANG Kuo-Chun 張果軍	1,400,000	-	-	-	1,400,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零零二年七月三十日	29
	2,820,000	-	-	-	2,820,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 # to 6 Dec 2012 二零零九年十二月七日至二零零二年十二月六日	26.7
					4,220,000			

* 50% of granted options are exercisable between 31 Jul 2009 and 30 Jul 2010
75% of granted options are exercisable between 31 Jul 2010 and 30 Jul 2011
100% of granted options are exercisable between 31 Jul 2011 and 30 Jul 2012

* 已授予認股權的50%可於二零零九年七月三十一日至二零一零年七月三十日期間行使
已授予認股權的75%可於二零一零年七月三十一日至二零一一年七月三十日期間行使
已授予認股權的100%可於二零一一年七月三十一日至二零一二年七月三十日期間行使

50% of granted options are exercisable between 7 Dec 2009 and 6 Dec 2010
75% of granted options are exercisable between 7 Dec 2010 and 6 Dec 2011
100% of granted options are exercisable between 7 Dec 2011 and 6 Dec 2012

已授予認股權的50%可於二零零九年十二月七日至二零一零年十二月六日期間行使
已授予認股權的75%可於二零一零年十二月七日至二零一一年十二月六日期間行使
已授予認股權的100%可於二零一一年十二月七日至二零一二年十二月六日期間行使

DIRECTORS' AND CHIEF EXECUTIVE'S INTEREST AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES (continued)

Options (continued)

Apart from the foregoing, none of the other Directors and Chief Executive of the Bank or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Bank, any of its holding company, subsidiaries or fellow subsidiaries, as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Bank pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in Appendix 10 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARE AND UNDERLYING SHARES

As at 31 December 2009, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 5% or more of the Bank's issued share capital.

Fubon Financial Holding Co., Ltd.
富邦金融控股股份有限公司

Ordinary shares of HK\$1 each 每股面值 1港元普通股	Percentage of total shareholding 佔股權總數 百分比
879,120,000	75

PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SHARES

The Bank has not redeemed any of its listed shares during the year. Neither the Bank nor any of its subsidiaries has purchased or sold any of the Bank's shares during the year.

FIXED ASSETS

Movements in fixed assets of the Bank and the Group are set out in Note 28 to the financial statements.

CHARITABLE DONATIONS

Charitable donations made by the Group during the year amounted to HK\$156,000 (2008: HK\$1,656,000).

RESERVES

Profit attributable to shareholders, before dividends, of HK\$22,995,000 (2008: HK\$100,896,000) has been transferred to reserves. Details of the movements in reserves are set out in the consolidated statement of changes in equity on page 89 and Note 41 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Bank and within the knowledge of the Directors of the Bank as at the date of this annual report, the Bank has maintained a public float of 25% during the year.

董事及行政總裁於股份、相關股份及債券的權益和淡倉 (續)

認股權 (續)

除上述者外，本行概無其他董事及行政總裁或彼等的配偶或任何未滿十八歲子女在本行、其任何控股公司、附屬公司或同系附屬公司的股份、相關股份或債券中，擁有在根據《證券及期貨條例》的第352條須存置的登記冊中已記錄，或根據香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十之《上市公司董事進行證券交易的標準守則》而須知會本行的權益或淡倉。

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零零九年十二月三十一日，主要股東登記冊內顯示，本行已獲悉下列公司擁有本行已發行股本5%或以上的權益。

購入、出售或贖回本行之上市股份

本行於年內並無贖回其任何上市股份。本行或其任何附屬公司於年內亦無購入或出售本行的股份。

固定資產

本行及本集團的固定資產變動載於財務報告附註28。

慈善捐款

本集團於年內捐出156,000港元作慈善用途（二零零八年：1,656,000港元）。

儲備

扣減股息前股東應佔溢利22,995,000港元（二零零八年：100,896,000港元）已轉撥至儲備。儲備變動詳情載於第89頁的綜合權益變動報告表及財務報告附註41。

足夠公眾持股量

截至本年報刊發日期為止，根據本行可從公開途徑獲得的資料及據本行董事所知悉，本行於年內維持25%的公眾持股量。

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which covers 47% (2008: 55%) of the Group's employees, and a Mandatory Provident Fund scheme. Particulars of these retirement schemes are set out in Note 44 to the financial statements.

CONFIRMATION OF INDEPENDENCE

The Bank has received from each of the Independent Non-Executive Directors an annual confirmation of his independence pursuant to Chapter 3.13 of the Listing Rules. The Bank considers all the Independent Non-Executive Directors to be independent.

AUDIT COMMITTEE

The Audit Committee comprises three Non-Executive Directors, a majority of whom are independent, and is a committee of the Board of Directors. The Audit Committee oversees the work of the Group's internal auditors and thereby monitors the effectiveness of the Group's internal control systems and compliance with policies approved by the Board of Directors and the requirements of the regulatory authorities. The Audit Committee meets regularly with the Group's external auditors and reviews the Group's financial reports prior to approval by the Board of Directors.

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The financial statements for the year ended 31 December 2009 and the unaudited supplementary information on pages 233 to 260 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

AUDITORS

The financial statements have been audited by KPMG who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Ming-Hsing (Richard) TSAI
Chairman

Hong Kong, 9 March 2010

退休計劃

本集團推行一項界定退休福利計劃(範圍涵蓋本集團47%(二零零八年:55%)的僱員)及一項強制性公積金計劃。該等退休計劃的詳情載於財務報告附註44。

確認獨立性

本行已接獲各獨立非執行董事根據上市規則第3.13章之規定就其獨立性作出之年度確認書。本行認為所有獨立非執行董事均為獨立人士。

審核委員會

審核委員會由三位非執行董事組成，大部分為獨立人士。該委員會附屬董事會，負責監督本集團內部核數師之工作，並監察本集團的內部監控系統能否有效地運作並且遵從由董事會批准的政策及監管機構的規定。審核委員會定期與本集團外部核數師舉行會議，在財務報告書交予董事會審批前，審核委員會更會審閱有關報告。

遵守《銀行業(披露)規則》

截至二零零九年十二月三十一日止年度之財務報告及列載於第233頁至260頁的未經審核補充財務資料完全遵守《銀行業(披露)規則》之適用披露條例。

核數師

財務報告已由畢馬威會計師事務所審核，彼將告退並膺選連任。於應屆股東週年常會上，一項決議案將予以提呈，以續聘畢馬威會計師事務所為本行的核數師。

承董事會命

蔡明興
主席

香港，二零一零年三月九日

Independent Auditor's Report

獨立核數師報告



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF FUBON BANK (HONG KONG) LIMITED

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") set out on pages 85 to 232, which comprise the consolidated and the Bank balance sheets as at 31 December 2009, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Bank are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with section 141 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

獨立核數師報告

致富邦銀行(香港)有限公司全股東

(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審核列載於第85至232頁致富邦銀行(香港)有限公司(「貴行」)的綜合財務報告,此等財務報告包括貴行於二零零九年十二月三十一日的綜合及銀行資產負債表與截至該日止年度的綜合全面收益表、股本變動的綜合報告表和綜合現金流量表,以及主要會計政策概要及其他附註解釋。

董事就財務報表須承擔的責任

貴行董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港《公司條例》編製及真實而公平地列報該等財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報財務報表相關的內部控制,以使財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述;選擇和應用適當的會計政策;及按情況下作出合理的會計估計。

核數師的責任

我們的責任是根據我們的審核對該等財務報表作出意見。我們是按照香港《公司條例》第141條的規定,僅向整體股東報告。除此以外,我們的報告書不可用作其他用途。我們概不就本報告書的內容,對任何其他人士負責或承擔法律責任。

我們已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求我們遵守道德規範,並規劃及執行審核,以合理確定此等財務報表是否不存有任何重大錯誤陳述。

審核涉及執执行程序以獲取有關財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷,包括評估由於欺詐或錯誤而導致財務報表存有重大錯誤陳述的風險。在評估該等風險時,核數師考慮與該公司編製及真實而公平地列報財務報表相關的內部控制,以設計適當的審核程序,但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性,以及評價財務報表的整體列報方式。

我們相信,我們所獲得的審核憑證是充足和適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the affairs of the Bank and of the Group as at 31 December 2009 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

KPMG

Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

9 March 2010

意見

我們認為，該等財務報表已根據香港財務報告準則真實而公平地反映 貴行及 貴集團於二零零九年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一零年三月九日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)
Interest income	利息收入	4(a)	1,558,500	2,245,770
Interest expense	利息支出	4(b)	(415,996)	(1,256,930)
Net interest income	淨利息收入		1,142,504	988,840
Fee and commission income	費用及佣金收入	5(a)	281,164	325,247
Fee and commission expense	費用及佣金支出	5(b)	(70,796)	(60,487)
Net fee and commission income	淨費用及佣金收入		210,368	264,760
Revaluation loss on collateralised debt obligations	債務抵押證券之重估虧損	24	(681)	(128,462)
Other operating income	其他營運收入	6	68,476	329,528
Operating income	營運收入		1,420,667	1,454,666
Operating expenses	營運支出	7	(954,296)	(965,276)
Operating profit before gains and impairment losses	未計收益及減值虧損前 經營溢利		466,371	489,390
Impairment losses on advances to customers	客戶貸款之減值虧損	11	(484,917)	(309,297)
Impairment losses on available-for-sale securities	可供出售證券減值虧損	24	(67,124)	(197,482)
Write back of impairment losses on advances to an associate	對聯營公司貸款減值虧損之回撥	26	346	3,797
Write back of/(charge for) impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥/(扣除)		4,737	(3,832)
Impairment losses	減值虧損		(546,958)	(506,814)
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益	10	92,945	86,257
Net (losses)/gains on disposals of fixed assets	出售固定資產之淨(虧損)/收益		(16)	29,123
Share of profits of an associate	應佔聯營公司溢利		14,309	–
Profit before taxation	除稅前溢利		26,651	97,956
Taxation	稅項	12	(4,117)	2,382
Profit for the year	本年度溢利		22,534	100,338
Other comprehensive income/(expense) for the year (after tax and reclassification adjustments):	本年度其他全面收益/(支出)(已扣減稅項及重分類調整):			
Available-for-sale securities: net movement in investment revaluation reserve	可供出售證券: 投資重估儲備淨變動	13	305,197	(217,708)
Available-for-sale securities: initial recognition of an investment	可供出售證券: 投資項目初始確認		–	1,386
Exchange differences on translation of an associate	聯營公司外幣報表換算差額		67	–
Total comprehensive income/(expense) for the year	本年度全面收益/(支出)		327,798	(115,984)

		Note 附註	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)
Profit attributable to:	本年度溢利歸屬於：			
– Equity holders of the Bank	– 本行股東		22,995	100,896
– Minority interests	– 少數股東權益		(461)	(558)
Profit for the year	本年度溢利		22,534	100,338
Total comprehensive income/(expense) attributable to:	本年度全面收益/(支出)歸屬於：			
– Equity holders of the Bank	– 本行股東		328,259	(115,426)
– Minority interests	– 少數股東權益		(461)	(558)
Total comprehensive income/(expense) for the year	本年度全面收益/(支出)		327,798	(115,984)
Earnings per share (Hong Kong cents)	每股盈利(港仙)	14	(5.16)	8.43

The notes on pages 92 to 232 form part of these financial statements. Details of dividends payable to equity holders of the Bank are set out in note 41(g).

載於第92頁至232頁之附註為此等財務報告之一部分。應付本行股東之股息詳情載於附註41(g)。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2009 於二零零九年十二月三十一日

	Note	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	附註		
ASSETS			
Cash and short-term funds	17	5,414,889	8,014,953
Placements with and advances to banks and other financial institutions	18	367,677	1,827,521
Trading securities	19	105,522	150,250
Financial assets designated at fair value through profit or loss	20	641,737	700,281
Derivative financial instruments	21(b)	632,010	2,618,073
Advances to customers less impairment allowances	22	28,571,967	33,033,818
Other loans and receivables	23	3,392,218	3,745,286
Accrued interest and other accounts		1,511,237	1,078,414
Available-for-sale securities	24	17,939,073	12,089,334
Held-to-maturity investments	25	902,222	895,590
Interests in associates	26	386,510	293,746
Fixed assets	28	1,079,094	1,112,279
Deferred tax assets	37(b)	35,144	82,367
		60,979,300	65,641,912
LIABILITIES			
Deposits and balances of banks	30	2,424,903	1,987,014
Deposits from customers	31	46,602,175	47,997,587
Trading liabilities	32	14,275	116,145
Financial liabilities designated at fair value through profit or loss	33	201,096	173,405
Certificates of deposit issued	34	322,100	960,181
Debt securities issued	35	268,791	1,898,982
Derivative financial instruments	21(b)	651,896	2,506,345
Other accounts and liabilities	36	3,919,179	3,596,673
Deferred tax liabilities	37(b)	68	97
Subordinated notes issued	38	1,640,257	1,684,386
		56,044,740	60,920,815
EQUITY			
Share capital	39	2,097,519	2,097,519
Share premium	40	749,778	749,778
Reserves		2,084,572	1,870,648
Shareholders' funds		4,931,869	4,717,945
Minority interests	42	2,691	3,152
		4,934,560	4,721,097
		60,979,300	65,641,912

Approved and authorised for issue by the Board of Directors on 9 March 2010.

經董事會於二零一零年三月九日通過及授權頒佈。

Ming-Hsing (Richard) TSAI

Director

蔡明興

董事

Robert James KENRICK

Director

甘禮傑

董事

Pei-Hwa Thomas LIANG

Director

梁培華

董事

The notes on pages 92 to 232 form part of these financial statements.

載於第 92 頁至 232 頁之附註為此等財務報告之一部分。

Balance Sheet

資產負債表

As at 31 December 2009 於二零零九年十二月三十一日

			2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	17	5,413,566	8,002,895
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款	18	290,902	1,827,521
Trading securities	持作交易用途之證券	19	105,420	150,215
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	20	641,737	700,281
Derivative financial instruments	衍生金融工具	21(b)	632,010	2,618,073
Advances to customers less impairment allowances	客戶貸款減減值撥備	22	26,947,698	28,938,533
Other loans and receivables	其他貸款及應收款項	23	3,392,218	3,745,286
Accrued interest and other accounts	應計利息及其他賬目		1,464,644	994,567
Available-for-sale securities	可供出售證券	24	17,939,071	12,089,334
Held-to-maturity investments	持至到期投資	25	902,222	895,590
Interests in associates	於聯營公司之權益	26	384,502	293,746
Investments in subsidiaries	附屬公司投資	27	191,473	125,507
Amounts due from subsidiaries	應收附屬公司款項		2,043,318	5,810,245
Fixed assets	固定資產	28	1,046,547	1,079,202
Deferred tax assets	遞延稅項資產	37(b)	30,618	75,165
			61,425,946	67,346,160
LIABILITIES	負債			
Deposits and balances of banks	銀行同業之存款及結餘	30	2,424,903	1,986,951
Deposits from customers	客戶存款	31	46,602,175	47,997,587
Trading liabilities	交易賬項下之負債	32	14,275	116,145
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	33	201,096	173,405
Certificates of deposit issued	已發行存款證	34	322,100	960,181
Debt securities issued	已發行債務證券	35	268,791	1,898,982
Derivative financial instruments	衍生金融工具	21(b)	651,896	2,506,345
Other accounts and liabilities	其他賬目及負債	36	3,881,075	3,494,599
Amounts due to subsidiaries	應付附屬公司款項		870,689	2,336,900
Subordinated notes issued	已發行後償票據	38	1,640,257	1,684,386
			56,877,257	63,155,481
EQUITY	權益			
Share capital	股本	39	2,097,519	2,097,519
Share premium	股份溢價	40	749,778	749,778
Reserves	儲備	41	1,701,392	1,343,382
Shareholders' funds	本行股東權益		4,548,689	4,190,679
			61,425,946	67,346,160

Approved and authorised for issue by the Board of Directors on 9 March 2010.

經董事會於二零一零年三月九日通過及授權頒佈。

Ming-Hsing (Richard) TSAI

Director

蔡明興

董事

Robert James KENRICK

Director

甘禮傑

董事

Pei-Hwa Thomas LIANG

Director

梁培華

董事

The notes on pages 92 to 232 form part of these financial statements.

載於第92頁至232頁之附註為此等財務報告之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動報告表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

		Attributable to equity holders of the Bank 歸屬於本行股東										
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Regulatory reserve	Investment revaluation reserve	Foreign exchange reserve	Retained earnings	Total	Minority interests	Total equity
		股本	股份溢價	資本購回儲備	資本儲備	法定儲備	投資重估儲備	外幣換算儲備	保留溢利	總額	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於二零零八年一月一日	1,172,160	749,778	372,000	-	213,447	(58,912)	-	1,669,281	4,117,754	3,710	4,121,464
Total comprehensive income/ (expense) for the year	年內全面收益/(支出)	-	-	-	-	-	(217,708)	-	102,282	(115,426)	(558)	(115,984)
Preference shares issued	已發行優先股	925,359	-	-	-	-	-	-	-	925,359	-	925,359
Dividends paid in respect of the previous financial year	於期內通過及派付之上一財政年度股息	-	-	-	-	-	-	-	(152,381)	(152,381)	-	(152,381)
Interim dividend paid	已派付中期股息	-	-	-	-	-	-	-	(70,330)	(70,330)	-	(70,330)
Equity settled share-based transactions	以權益結算股份為基礎之付款交易	-	-	-	12,969	-	-	-	-	12,969	-	12,969
Transfer to/from regulatory reserve	轉撥至/自法定儲備	-	-	-	-	(38,236)	-	-	38,236	-	-	-
At 31 December 2008	於二零零八年十二月三十一日	2,097,519	749,778	372,000	12,969	175,211	(276,620)	-	1,587,088	4,717,945	3,152	4,721,097
At 1 January 2009	於二零零九年一月一日	2,097,519	749,778	372,000	12,969	175,211	(276,620)	-	1,587,088	4,717,945	3,152	4,721,097
Total comprehensive income/ (expense) for the year	年內全面收益/(支出)	-	-	-	-	-	305,197	67	22,995	328,259	(461)	327,798
Dividends approved and paid in respect of the previous financial year	於期內已通過及派付之上一財政年度股息	-	-	-	-	-	-	-	(17,582)	(17,582)	-	(17,582)
Interim dividend paid	已派付中期股息	-	-	-	-	-	-	-	(17,582)	(17,582)	-	(17,582)
Preference share dividend paid during the year	已派付優先股股息	-	-	-	-	-	-	-	(81,886)	(81,886)	-	(81,886)
Equity settled share-based transactions	以權益結算股份為基礎之付款交易	-	-	-	2,715	-	-	-	-	2,715	-	2,715
At 31 December 2009	於二零零九年十二月三十一日	2,097,519	749,778	372,000	15,684	175,211	28,577	67	1,493,033	4,931,869	2,691	4,934,560

The notes on pages 92 to 232 form part of these financial statements.

載於第 92 頁至 232 頁之附註為此等財務報告之一部分。

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31 December 2009 截至二零零九年十二月三十一日止年度

	Note 附註	2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Operating activities					
Profit before taxation		26,651		97,956	
Adjustments for non-cash items:					
Write back of impairment allowance for advances to an associate		(346)		(3,797)	
Depreciation		66,598		64,918	
Net losses/(gains) on disposals of fixed assets		16		(29,123)	
Charge for impairment losses on advances to customers		484,917		309,297	
Charge for impairment losses on available-for-sale securities		67,124		197,482	
(Write back of)/charge for impairment losses on assets acquired under lending agreements		(4,737)		3,832	
Revaluation loss on collateralised debt obligations		681		128,462	
Equity-settled share-based payment expense		2,715		12,969	
Share of profit of an associate		(14,309)		-	
Exchange difference and other non-cash items		(16,005)		16,791	
			613,305		798,787
Decrease/(increase) in operating assets:					
Treasury bills with original maturity of over three months		239,605		2,476,225	
Placements with and advances to banks and other financial institutions		561,609		(111,521)	
Trading securities		2,257		10,280	
Financial instruments designated at fair value through profit or loss		58,544		178,674	
Derivative financial instruments		1,986,063		(1,662,169)	
Gross advances to customers		3,976,934		(1,864,311)	
Other loans and receivable		353,068		(3,745,286)	
Accrued interest and other accounts		(423,454)		45,006	
Certificates of deposit held		472,897		(203,996)	
Available-for-sale securities		(6,179,396)		2,146,345	
Held-to-maturity investments		(6,632)		(895,590)	
			1,041,495		(3,626,343)
(Decrease)/increase in operating liabilities:					
Deposits and balances of banks		1,014,879		(635,571)	
Deposits from customers		(1,395,412)		6,523,596	
Trading liabilities		(101,870)		104,472	
Derivative financial instruments		(1,855,130)		1,573,143	
Certificates of deposit issued		(638,081)		(1,201,469)	
Other accounts and liabilities		228,286		(3,576,292)	
			(2,747,328)		2,787,879
Net cash used in operations			(1,092,528)		(39,677)
Hong Kong Profits Tax paid			(12,611)		(49,663)
Overseas Tax paid			(2)		(507)
Net cash used in operating activities			(1,105,141)		(89,847)

Consolidated Cash Flow Statement 綜合現金流動表

	Note 附註	2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Investing activities	投資活動				
Payments for purchases of fixed assets	購買固定資產	(33,921)		(58,290)	
Proceeds from disposals of fixed assets	出售固定資產所得款項淨額	492		52,536	
Payments for acquisition of an associate	購入聯營公司之現金淨流出	-		(261,380)	
Net cash used in investing activities	投資活動之現金支出淨額		(33,429)		(267,134)
Financing activities	融資活動				
Ordinary share dividends paid	已派普通股股息	(35,164)		(222,711)	
Preference share dividends paid (Redemption of)/origination of debt securities in issue	已派優先股股息 (贖回)/發行 債務證券	(81,886)		-	
Preference shares issued	發行優先股	(1,630,191)		305,805	
Deposits accepted from fellow subsidiaries	接受同系附屬公司之存款	-		925,359	
Deposits repaid to fellow subsidiaries	償還同系附屬公司之存款	10,583,832		8,917,978	
		(11,160,822)		(7,753,238)	
Net cash (used in)/generated from financing activities	融資活動之現金(支出)/ 收入淨額		(2,324,231)		2,173,193
Net (decrease)/increase in cash and cash equivalents	現金及等同現金項目之 (減少)/增加淨額		(3,462,801)		1,816,212
Cash and cash equivalents as at 1 January	於一月一日之現金及 等同現金項目		9,054,961		7,238,749
Cash and cash equivalents as at 31 December	於十二月三十一日之現金 及等同現金項目	43	5,592,160		9,054,961
Cash flows from operating activities include:	營運活動之現金流量包括：				
Interest received	已收利息		1,787,933		2,093,025
Interest paid	已付利息		(665,921)		(1,144,263)
Dividends received	已收股息		11,401		11,564

The notes on pages 92 to 232 form part of these financial statements.

載於第 92 頁至 232 頁之附註為此等財務報告之一部分。

Notes to the Financial Statements

財務報告附註

1. ACTIVITIES

Fubon Bank (Hong Kong) Limited (“The Bank”) is a licensed bank incorporated and domiciled in Hong Kong and has its registered office at 38 Des Voeux Road Central, Hong Kong.

The Bank, through its branches and subsidiaries, provides a range of banking, financial and related services.

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2009 comprise the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements in conjunction with the unaudited supplementary financial information on page 233 to 260 also comply with the applicable disclosure provisions of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and the disclosure requirements of the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority (“HKMA”) under section 60A of the Hong Kong Banking Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

(b) New and revised HKFRSs

The HKICPA has issued one new HKFRS, a number of amendments to HKFRSs and new Interpretations that are first effective for the current accounting period of the Group and the Bank. Of these, the following developments are relevant to the Group’s financial statements:

- HKFRS 8 “Operating segments”
- HKAS 1 (revised 2007) “Presentation of financial statements”
- Improvements to HKFRSs (2008)
- Amendments to HKAS 27 “Consolidated and separate financial statements – cost of an investment in a subsidiary, jointly controlled entity or associate”
- Amendments to HKFRS 7 “Financial instruments: Disclosures – improving disclosures about financial instruments”
- Amendments to HKFRS 2 “Share-based payment – vesting conditions and cancellations”

1. 業務

富邦銀行(香港)有限公司(「本行」)為一間於香港註冊成立並以香港為本籍的持牌銀行，其註冊辦事處位於香港中環德輔道中三十八號。

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

2. 主要會計政策

截至二零零九年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司(合稱為「本集團」)及本集團於聯營公司之權益之財務報告。

(a) 遵守聲明

此等財務報告乃根據香港會計師公會(「香港會計師公會」)頒佈的一切適用香港財務報告準則(「香港財務報告準則」，該統稱包括一切適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納的會計準則及香港《公司條例》的規定而編製。此等財務報告及列載於第233頁至260頁的未經審核補充資料亦遵守「香港聯合交易所有限公司證券上市規則」的適用披露規定及香港金融管理局(「金管局」)根據《銀行業條例》第60A節頒佈的《銀行業(披露)規則》之披露規定而編製。本集團所採納的主要會計政策概要載於下文。

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈一香港財務報告準則新訂本、一系列香港財務報告準則之修訂及新訂詮釋，並於本集團及本行之本期會計期間首次生效。據此，與本集團之財務報告有關之發展如下：

- 香港財務報告準則第8號「經營分部」
- 香港會計準則第1號「財務報表的列報」(二零零七年修訂本)
- 香港財務報告準則的改進(二零零八年)
- 香港會計準則第27號的修訂「合併及單獨財務報表—投資附屬公司、共同控制實體及聯營企業投資的成本」
- 香港財務報告準則第7號的修訂「金融工具：披露—改善金融工具的披露」
- 香港財務報告準則第2號的修訂「以股份為基礎的支付—歸屬條件及註銷」

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) New and revised HKFRSs (continued)

The “Improvements to HKFRSs (2008)” comprise a number of minor and non-urgent amendments to a range of HKFRSs which the HKICPA has issued as an omnibus batch of amendments. The impact of these amendments is not considered to be material to the Group and have not resulted in changes to the Group’s accounting policies. The amendments to HKFRS 2 have had no material impact on the Group’s financial statements as they were consistent with policies already adopted by the Group. The impact of the remainder of these developments is as follows:

- HKFRS 8 requires segment disclosure to be based on the way that the Group’s chief operating decision maker regards and manages the Group, with the amounts reported for each reportable segment being the measures reported to the Group’s chief operating decision maker for the purposes of assessing segment performance and making decisions about operating matters. This contrasts with the presentation of segment information in prior years which was based on a disaggregation of the Group’s financial statements into segments based on related products and services and on geographical areas. The adoption of HKFRS 8 has resulted in the presentation of segment information in a manner that is more consistent with internal reporting provided to the Group’s most senior executive management. As this is the first period in which the Group has presented segment information in accordance with HKFRS 8, additional explanation has been included in the financial statements which explain the basis of preparation of the information (see Note 16). Corresponding amounts have also been provided on a basis consistent with the revised segment information.
- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity holders in their capacity as such have been presented separately from all other income and expenses in a revised consolidated statement of changes in equity. All other items of income and expense recognised in profit or loss and other comprehensive income during the period are presented in a new primary statement, the consolidated statement of comprehensive income, which replaced the consolidated income statement. The new format for the consolidated statement of comprehensive income and the consolidated statement of changes in equity has been adopted and corresponding amounts have been restated to conform to the new presentation. This change in presentation has no effect on reported profit or loss, total income and expense or net assets for any period presented.

2. 主要會計政策(續)

(b) 新訂及經修訂香港財務報告準則(續)

「香港財務報告準則的改進(二零零八年)」包括香港會計師公會頒佈的對一系列香港財務報告準則的多項不屬重要且非迫切性的修訂，作一批統括修訂。該等修訂並無導致本集團會計政策變動。香港財務報告準則第2號的修訂與本集團目前已採用之會計政策一致，因此對本集團財務報告並無重大影響。上述其餘發展對本集團之財務報告之影響如下：

- 香港財務報告準則第8號要求，需按向總營運決策人就資源分配及表現評估作出報告所使用的相同基準，就業務分類資料作出呈報。本集團按香港財務報告準則第8號之營業類別為客戶類別，因為總營運決策人利用客戶類別資料以決定資源分配及評估表現。此呈報方式有別於本集團以前年度按業務分項及區域分項的呈報方式。採納香港財務報告準則第8號後的部分信息披露因此與提供予總營運決策人之內部報告資料更趨向一致。由於本集團於本報告期間首先執行香港財務報告準則第8號，因此在財務報告中詳述分部報告的編制基礎(見附註16)。而比較數據亦相應地重述以提供一致信息。
- 採納香港會計準則第1號(2007修訂本)後，由與擁有人交易所產生的權益變化將與其他收入與支出分別列報於修訂後的綜合股東權益變動報告表，所有期內於損益賬及其他全面收益確認的其他收入與支出，將於綜合全面收益表中列報。此報表為新增的主報表並取代綜合收益表。新格式的綜合全面收益表及綜合股東權益變動報告表已獲採納。比較數據亦已按新的列報方式重列於報表中，以與新列報方式一致。列報方式之改變不會對損益、總收入及開支或淨資產構成任何影響。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(b) New and revised HKFRSs (continued)**

- As a result of the adoption of the amendments to HKFRS 7, the financial statements include expanded disclosures in Note 47(a) about the fair value measurement of the Group's financial instruments, categorizing these fair value measurements into a three-level fair value hierarchy according to the extent to which they are based on observable market data. The Group has taken advantage of the transitional provisions set out in the amendments to HKFRS 7, under which comparative information for the newly required disclosures about the fair value measurements of financial instruments has not been provided.
- The amendments to HKAS 27 have removed the requirement that dividends out of pre-acquisition profits should be recognised as a reduction in the carrying amount of the investment in the investee, rather than as income. As a result, as from 1 January 2009, all dividends receivable from subsidiaries, associates and jointly controlled entities, whether out of pre- or post-acquisition profits, will be recognised in the Bank's profit or loss and the carrying amount of the investment in the investee will not be reduced unless that carrying amount is assessed to be impaired as a result of the investee declaring the dividend. In such cases, in addition to recognising dividend income in profit or loss, the Bank would recognise an impairment loss. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any dividends receivable in the current or future periods and previous periods have not been restated. Adoption of the amendments to HKAS 27 has no effect on these financial statements.

(c) Basis of preparation of the financial statements

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (see Note 2(g));
- derivative financial instruments (see Note 2(g)); and
- certain of the Group's owned properties (see Note 2(j))

In addition, the carrying amounts of assets and liabilities that are designated as hedged items in a fair value hedge are adjusted for fair value changes attributable to the hedged risks.

2. 主要會計政策(續)**(b) 新訂及經修訂香港財務報告準則(續)**

- 採用香港財務報告準則第7號的修訂後，財務報告包括附註47(a)已擴充的披露，該披露是有關本集團金融工具的公平價值計量，以及根據可觀察的市場數據將該等公平價值計量以公平價值等級制度分類成三個等級。本集團已利用香港財務報告準則第7號的修訂所載的過渡條文，該等條文並無規定須就新披露要求列報有關金融工具公平價值計量的比較資料。
- 香港會計準則第27號的修訂刪除對收取被投資人由收購前溢利所產生的股息應沖減對作被投資人之投資賬面值而非確認為收益之規定。因此，自二零零九年一月一日起，自附屬公司、聯營公司及共同控制實體應收取之所有股息（不論來自收購前或收購後溢利），將於本行損益賬確認，而不沖減對被投資人之投資賬面值，惟其賬面值因被投資人宣派股息而評估將予減值除外。在該情況下，除於損益賬內已確認股息之收入外，本行將確認減值虧損。根據本修訂的過渡性規定，此新政策適用於本會計年度及未來年度的應收股息，以前年度的應收股息不作重述。香港會計準則第27號的修訂之採用對該等財務報告並無影響。

(c) 財務報告的編製基準

編製財務報告所採用的計算基準為歷史成本法，但下列以公平價值列賬的資產及負債（如下文的會計政策所闡釋）除外：

- 分類為交易用途、指定通過損益以反映公平價值及可供出售之金融工具（見附註2(g)）；
- 衍生金融工具（見附註2(g)）；及
- 若干本集團擁有之物業（見附註2(j)）

另外，在公平價值對沖中指定為對沖項目的資產與負債的賬面價值，乃就與對沖風險有關的公平價值變動作出調整。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(c) Basis of preparation of the financial statements (continued)**

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgments made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 52.

(d) Investment in subsidiaries and minority interest

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity, so as to obtain benefits from its activities. In assessing control, potential voting rights that are presently exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Minority interests represent the portion of the net assets of subsidiaries attributable to interests that are not owned by the Bank, whether directly or indirectly through subsidiaries, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meet the definition of a financial liability. Minority interests are presented in the consolidated balance sheet within equity, separately from equity attributable to the equity shareholders of the Bank. Minority interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between minority interests and the equity shareholders of the Bank.

2. 主要會計政策(續)**(c) 財務報告的編製基準(續)**

編製此等符合香港財務報告準則之財務報告需要管理層作出判斷、估計及假設，而該等判斷、估計及假設會影響政策之應用及所申報之資產及負債、收入及開支等數額。該等估計及有關假設乃根據過往經驗及管理層相信於該等情況下乃屬合理之各項其他因素為基準而作出，所得結果構成對目前未能從其他來源得出的資產及負債賬面值所作估計之基準。實際數字或會有別於此等估計數字。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動之當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

管理層應用對財務報告及估計不確定因素之主要來源構成重大影響之香港財務報告準則所作出之判斷於附註52中詳述。

(d) 附屬公司投資及少數股東權益

附屬公司為本集團控制之實體。於集團有能力監管實體之財務及營運政策以從其活動獲益時，即存在控制權。於評估控制權時，會計入現時可予行使之潛在投票權。

自控制開始日期直至控制結束日期，於受控制附屬公司之投資會併入綜合財務報告內。

集團公司內部間的結餘及交易，以及集團公司內部間交易所產生的任何未變現溢利，均於編製綜合財務報告時悉數抵銷。集團公司內部間交易所產生的未變現虧損與未變現溢利以相同方式抵銷，惟僅限於無證據顯示已出現減值的情況。

少數股東權益指非由本行擁有的權益（不論是直接或透過附屬公司間接地）應佔附屬公司的淨資產部分，而本集團未與該權益持有者達成任何附加協議，以使本集團整體上對該等權益產生符合金融負債定義的合約義務。少數股東權益在綜合資產負債表內的股東權益列賬，但與本行股東應佔權益分開呈列。本集團業績內呈列的少數股東權益在綜合收益表內列作少數股東權益與本行股東之間就本年度損益總額及全面收益總額之分配。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Investment in subsidiaries and minority interest** (continued)

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

In the Bank's balance sheet, its investments in subsidiaries are stated at cost less impairment losses, if any (see Note 2(m)).

(e) Interests in associates

An associate is an entity in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

The investment in an associate in the Philippines is not equity accounted for in the consolidated financial statements as it is considered by the Directors to be immaterial to the Group. It is stated at cost less impairment losses in the Group's and the Bank's balance sheet. The result of this associated company is included in the Group's and the Bank's profit or loss to the extent of dividends received and receivable.

An investment in an associate in the PRC is accounted for in the consolidated financial statements under the equity method. It is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's net assets and any impairment loss relating to the investment, if any (see Notes 2(f) and (m)). The Group's share of the post-acquisition, post-tax results of the associate and any impairment losses for the year are recognised in profit or loss, whereas the Group's share of the post-acquisition, post tax items of the associate's other comprehensive income is recognised in the Group's other comprehensive income.

When the Group's share of losses exceeds its interest in the associate, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. For these purposes, the Group's interest in the associate is the carrying amount of the investment under the equity method together with the Group's long-term interests that in substance form part of the Group's net investment in the associate.

2. 主要會計政策 (續)**(d) 附屬公司投資及少數股東權益** (續)

倘少數股東應佔虧損超過少數股東權益應佔附屬公司之權益，則超出之部分加上少數股東應佔之任何其他進一步虧損乃於本集團之權益中扣除，惟倘少數股東須承擔具約束力之責任及有能力作出進一步投資以彌補虧損則作別論。如果該附屬公司日後錄得溢利，本集團將獲分配所有該等溢利，直至先前由本集團承擔原應由少數股東攤佔之虧損得到彌補為止。

於本行之資產負債表中，其於附屬公司的投資乃按成本值減去減值虧損（如有）列賬（見附註2(m)）。

(e) 於聯營公司之權益

聯營公司為本集團或本行可對其管理（包括參與其財政及營運政策的決定）有重大影響力（惟並非控制或聯合控制）之實體。

由於董事認為於菲律賓之聯營公司的投資對本集團的影響並不重大，故並無以權益法計入綜合財務報告，而於本集團及本行之資產負債表中按成本值扣除減值虧損列賬。該聯營公司之業績以已收及應收的股息於本集團及本行的損益賬中列賬。

中國聯營公司的投資是按權益法記入綜合財務報告，初步以成本入賬，其後就本集團應佔該聯營公司資產淨值及有關該投資之任何減值虧損（如有）見附註2(f)及(m)在收購後的變動作出調整。本集團應佔聯營公司收購後及除稅後業績以及任何本年度減值虧損於損益賬內確認，而本集團應佔聯營公司其他全面收益之收購後及除稅後項目則確認為本集團之其他全面收益。

倘本集團應佔的虧損超過其於該聯營公司的權益，則本集團的權益會撇減至零，而除非本集團已產生法定或推定責任或代該聯營公司作出付款，否則不會繼續確認進一步虧損。就此等而言，本集團於聯營公司的權益，是以按照權益法計算投資的賬面值，以及實質上構成本集團於聯營公司投資淨額一部分的長期權益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(e) Interests in associates (continued)**

Unrealised profits and losses resulting from transactions between the Group and its associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the profit or loss.

In the Bank's balance sheet, its investments in both associates are stated at cost less impairment losses, if any (see Note 2(m)).

(f) Goodwill

Goodwill represents the excess of the cost of a business combination or an investment in an associate over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to cash-generating units and is tested annually for impairment (see Note 2(m)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in associates and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (see Note 2(m)).

Any excess of the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of a business combination or an investment in an associate is recognised immediately in the profit or loss.

On disposal of a cash generating unit, or an associate during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

(g) Financial instruments*(i) Initial recognition*

The Group classifies its financial instruments into different categories at inception, depending on the purpose for which the assets were acquired or the liabilities were incurred. The categories are: fair value through profit or loss, loans and receivables, held-to-maturity investments, available-for-sale financial assets and other financial liabilities.

Financial instruments are measured initially at fair value, which normally will be equal to the transaction price, plus, in case of a financial asset or financial liability not held at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or issue of financial liability. Transaction costs on financial assets and financial liabilities designated at fair value through profit or loss are expensed immediately.

2. 主要會計政策(續)**(e) 於聯營公司之權益(續)**

本集團與其聯營公司之間交易所產生的未變現損益，以本集團於聯營公司應佔的權益為限予以抵銷；但假如未變現虧損顯示已轉讓資產出現減值，則這些未變現虧損會即時在損益賬內確認。

本行資產負債表所示於兩家聯營公司的投資，是按成本減去減值虧損(倘有)後入賬(見附註2(m))。

(f) 商譽

商譽是指企業合併或於聯營公司之投資的成本超過本集團在被收購方的可辨別資產、負債和或有負債的公平價值淨值中所佔份額的部分。

商譽是按成本減去任何累計減值虧損後列賬。因業務合併而產生之商譽會分配至現金產生單位，並且每年接受減值測試(見附註2(m))。就聯營公司而言，商譽之賬面值乃計入聯營公司權益之賬面值，而投資則於有減值之客觀證據時整體接受減值測試(見附註2(m))。

本集團於被收購方的可識別資產、負債及或然負債之公平淨值之權益超過業務合併或於聯營公司之投資之成本即時於損益賬內確認。

於本年度出售現金產生單位或聯營公司時，所購入商譽應佔的任何金額均列入出售盈虧的計算中。

(g) 金融工具*(i) 初始確認*

本集團視乎購入資產或產生負債之目的，最初將金融工具分為以下類別：通過損益以反映公平價值、貸款和應收款項、持至到期投資、可供出售金融資產和其他金融負債。

金融工具最初按公平價值計量，而公平價值一般將與交易價相同。此外，如金融資產或金融負債不屬於指定為通過損益以反映公平價值訂值納入損益賬時，更需加上購入金融資產或發行金融負債所直接涉及之交易成本。指定為通過損益以反映公平價值的金融資產及金融負債的交易成本，會即時支銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(i) Initial recognition (continued)*

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets and financial liabilities designated at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets is recognised using trade date accounting. Other financial assets and financial liabilities are recognised using settlement date accounting. From these dates, any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded.

(ii) Categorisation

Fair value through profit or loss

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives that do not qualify for hedge accounting (Note 2(i)) are accounted for as trading instruments.

Financial instruments are designated at fair value through profit or loss upon initial recognition when:

- the assets or liabilities are managed, evaluated and reported internally on a fair value basis;
- the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise;
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract; or
- the asset or liability contains an embedded derivative the separation of which from the financial instrument is clearly not prohibited.

Financial assets and liabilities under this category are carried at fair value. Changes in the fair value are included in profit or loss in the period in which they arise. Upon disposal or repurchase, the difference between the net sale proceeds or the net payment and the carrying value is included in profit or loss.

2. 主要會計政策(續)**(g) 金融工具(續)***(i) 初始確認(續)*

本集團在成為金融工具合約條文其中一方當日會確認金融資產和金融負債。以定期方式購買或出售之指定為通過損益以反映公平價值、貸款和應收款項、持至到期投資或可供出售之金融資產及金融負債使用交易日會計法予以確認。其他金融資產和金融負債按結算日會計法確認。因該等金融資產或金融負債的公平價值變動所產生的任何盈利和虧損由該日起計算。

(ii) 分類

通過損益以反映公平價值

此類別包括持作交易用途和初始確認時被指定為通過損益以反映公平價值的金融資產及金融負債。

持作交易用途之金融工具是收購或產生之主要目的為用作交易用途，或屬於一個整體管理的可識別金融工具組合的一部分，並且有證據顯示短期內出售以賺取利潤的交易模式。不符合對沖會計法(附註2(i))之衍生工具，亦分類為持作交易用途之工具入賬。

於下列情況下，金融工具於初始確認時被指定為通過損益以反映公平價值：

- 資產或負債以公平價值基準作內部管理、評估及匯報；
- 有關的指定可消除或大幅減少會計錯配的發生；
- 資產或負債包含一項嵌入衍生工具，該衍生工具可大幅改變合同規定的現金流量；或
- 資產或負債包含一項嵌入衍生工具，嵌入衍生工具可以從金融工具分離。

屬於此類別的金融資產和負債按公平價值入賬。公平價值變動計入在發生期內的損益賬。於出售或購回時，出售所得淨款項或償付淨額與賬面值的差額計入損益賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments** (continued)*(ii) Categorisation (continued)***Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than (a) those that the Group intends to sell immediately or in the near term, which will be classified as held for trading; (b) those that the Group, upon initial recognition, designates as at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise advances to customers, placements with banks and other financial institutions, and certain debt securities.

Debt securities classified as loans and receivables are not quoted in an active market. Investment decisions for such debt securities are subject to the same credit approval processes as loans, and the Group bears the same customer risk as it does for loans extended to those customers. These debt securities include subordinated debt instruments and senior debt instruments issued by borrowers.

Loans and receivables are carried at amortised cost using the effective interest rate method less impairment losses, if any (see Note 2(m)). Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to profit or loss over their expected life.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity which the Group has the positive intention and ability to hold to maturity, other than (a) those that the Group, upon initial recognition, designates at fair value through profit or loss or as available-for-sale; and (b) those that meet the definition of loans and receivables.

Held-to-maturity investments are carried at amortised cost using the effective interest rate method less impairment losses, if any (see Note 2(m)).

If, as a result of a change in intention or ability, it is no longer appropriate to classify an investment as held-to-maturity, it should be reclassified as available-for-sale and remeasured at fair value.

2. 主要會計政策 (續)**(g) 金融工具** (續)*(ii) 分類* (續)**貸款和應收款項**

貸款和應收款項為具固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃即時或於短期內出售而被區分為持作交易用途；(b)於初始確認時已被本集團指定為通過損益以反映公平價值或可供出售；或(c)本集團可能無法收回大部分初始投資而將分類為可供出售資產，但不包括因信用惡化的原因而納入此項類別之資產。貸款和應收款項主要包括向客戶所提供的貸款及存放於銀行及其他金融機構之放款，以及若干債務證券。

分類為貸款和應收款項的債務證券並無於活躍市場報價。作出與該等債務證券有關的投資決定與貸款的信貸審批程序相同，本集團須承擔等同向該等客戶授出貸款的相同客戶風險。此類債務證券包括由借款人發行的後償債務工具及優先債務工具。

貸款和應收款項採用實際利率方法減去減值虧損(如有)後按攤銷成本列賬(見附註2(m))。現金回贈予住宅按揭貸款予已資本化，並以其預計期限在損益賬內作出攤銷。

持至到期投資

持至到期投資包括有固定或可確定付款金額及有固定到期日，且本集團有明確意向和能力持至到期的非衍生金融資產，但不包括(a)本集團於初始確認時指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收款項定義之項目。

持至到期投資採用實際利率方法減去減值虧損(如有)後按攤銷成本列賬(見附註2(m))。

倘因意向或能力改變而不再適宜將投資分類為持至到期，則須重分類為可供出售並按公平價值重新計量。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments** (continued)*(ii) Categorisation (continued)*

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either designated as available-for-sale or are not classified in any of the other three categories above. They include financial assets intended to be held for an indefinite period of time, but which may be sold in response to needs for liquidity or changes in the market environment.

Available-for-sale financial assets are carried at fair value. Unrealised gains and losses arising from changes in the fair value are recognised in other comprehensive income and accumulated separately in equity, except for impairment losses and foreign exchange gains and losses on monetary items such as debt securities which are recognised in profit or loss.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and derivatives that are linked to and must be settled by delivery of such equity instruments are carried at cost less impairment losses, if any (see Note 2(m)).

When the available-for-sale financial assets are sold, gains or losses on disposal include the difference between the net sale proceeds and the carrying value, and the accumulated fair value adjustments previously recognised in other comprehensive income.

Other financial liabilities

Financial liabilities, other than trading liabilities and those designated at fair value through profit or loss, are measured at amortised cost using the effective interest rate method.

(iii) Fair value measurement principles

The fair value of financial instruments is ideally based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs. Financial assets are priced at current bid prices, while financial liabilities are priced at current asking prices.

If there is no publicly available latest traded price nor a quoted market price on a recognised stock exchange, a price from a broker/dealer for non-exchange-traded financial instruments is used. If the market for a financial instrument is not active, the fair value of the instrument is estimated using a valuation technique that provide a reliable estimate of the price which could be obtained in an actual market transaction.

2. 主要會計政策 (續)**(g) 金融工具** (續)*(ii) 分類* (續)

可供出售金融資產

可供出售金融資產為指定為可供出售，或未分類為上述任何其他三個類別之非衍生金融資產。彼等包括無固定持有限期之金融資產，但亦可因應流動資金之需要或市場環境變化而出售。

可供出售金融資產以公平價值列賬。因公平價值變動引致之未變現盈利和虧損確認為其他全面收益並於權益內單獨累計，惟債務證券等貨幣項目之減值虧損及外匯盈利和虧損須於損益賬內確認。

於活躍市場並無市場報價且公平價值不能可靠計算的股本投資工具，及與該等股本工具掛鉤以及必須透過交付該等工具進行交收之衍生工具，均按成本減去減值虧損(如有)列賬(見附註2(m))。

當出售可供出售金融資產時，出售盈利或虧損包括出售所得淨款項與賬面值的差額，及先前確認於其他全面收益之累計公平價值調整。

其他金融負債

除交易賬項下負債及該等被指定為通過損益以反映公平價值之負債外，其他金融負債採用實際利率方法計算攤銷成本入賬。

(iii) 計量公平價值之原則

金融工具的公平價值是於結算日根據其市場報價但未減除將來的估計出售成本。金融資產按買入現價作價，而金融負債則按賣出現價作價。

如並沒有認可交易所的最新公開成交價或市場報價，經紀/交易商亦無作出非交易所買賣金融工具的報價，或若其市場並不流通，此工具的公平價值按估值模式計算，而該估值模式可根據市場實際交易而提供可靠的估計價格。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments** (continued)*(iii) Fair value measurement principles (continued)*

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the balance sheet date applicable for an instrument with similar terms and conditions. Where other pricing models are used, inputs are based on market data at the balance sheet date.

(iv) Derecognition

A financial asset is derecognised when the contractual rights to receive the cash flows from the financial asset expire, or where the financial asset together with substantially all the risks and rewards of ownership, have been transferred.

The Group uses the weighted average method to determine realised gains and losses to be recognised in profit or loss on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

(v) Offsetting

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

(vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both a derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. Embedded derivatives are separated from the host contract and accounted for as a derivative when (i) the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract; and (ii) the hybrid (combined) instrument is not held at fair value through profit or loss.

When the embedded derivative is separated, the host contract is accounted for in accordance with the accounting policies for the relevant financial instruments. The embedded derivative is classified as a derivative financial instrument in the financial statements.

2. 主要會計政策 (續)**(g) 金融工具** (續)*(iii) 計量公平價值之原則* (續)

當採用現金流折算計價模式，需依據管理層對日後現金流量之估計，並採用在結算日具相近條款及條件的工具所適用之市場利率作為折算率。當採用其他計價模式時，輸入資料是在結算日的市場數據。

(iv) 終止確認

當收取金融資產現金流量之合約權利到期時或者該金融資產連同擁有權之所有風險或回報已被轉移時，金融資產將被終止確認。

本集團採用加權平均法來釐定在終止確認時將於損益賬內確認之已實現盈利和虧損。

當合約的義務已被履行、取消或期滿，本集團終止確認該金融負債。

(v) 對銷

若存在一項可依法強制執行的權利可對銷列賬金額，且亦有意以淨額結算或同時變現資產及償付債務，則金融資產及金融負債均予對銷，並把淨金額列入資產負債表內。

(vi) 嵌入式衍生工具

嵌入式衍生工具是組成混合工具之一部分，而該工具同時包括衍生工具及主合約，其影響是組合工具之部分現金流量與獨立之衍生工具以相近之方式變動。當嵌入式衍生工具符合下列條件時，則需與主合約分開，並將其作為衍生工具入賬：(i) 嵌入式衍生工具的經濟特徵和風險與主合約的經濟特徵和風險沒有密切關係；及(ii) 混合(組合)工具並不是按公平價值持有並於損益確認。

當嵌入式衍生工具被分開時，主合約根據相關金融工具之會計政策入賬。嵌入式衍生工具分類為衍生金融工具列入財務報告。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Repurchase and reverse repurchase transactions

Securities sold subject to a simultaneous agreement to repurchase these securities at a certain later date at a fixed price (repurchase agreement) are retained in the financial statements and measured in accordance with their original measurement principles. The proceeds from the sale are reported as liabilities and are carried at amortised cost.

Securities purchased under agreements to resell (reverse repurchase agreements) are reported not as purchases of the securities, but as receivables and are carried in the balance sheet at amortised cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest rate method.

(i) Hedging

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instruments and the hedged items. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. Under HKAS 39 hedge accounting is classified into three categories: (a) fair value hedges; (b) cash flow hedges and (c) net investment hedges. The Group only applies hedge accounting for fair value hedges of its subordinated notes programme (Note 38) and certain fixed rate available-for-sale investments.

The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognised assets and liabilities that will give rise to a gain or loss being recognised in profit or loss.

The hedging instruments are measured at fair value, with fair value changes recognised in profit or loss. The carrying amounts of the hedged items are adjusted by the changes in fair value attributable to the risk being hedged. These adjustments are recognised in profit or loss to offset the effect of gains or losses on the hedging instruments.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting, or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest rate method is used, is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

2. 主要會計政策 (續)

(h) 回購交易和反向回購交易

在售出後某特定時間需以固定價格回購該等證券即為根據同步協議(回購協議)售出之證券。此等證券會保留在財務報告內並根據該等證券之原來計量原則計量。出售所得款項乃列作負債並列入報告及以攤銷成本列賬。

根據轉售協議(反向回購協議)購買之證券乃按攤銷成本作為應收款項而非購回證券計入資產負債表。

反向回購協議所賺取之利息與回購協議產生之利息，分別於各個協議有效期間採用實際利率法確認為利息收入及利息開支。

(i) 對沖

對沖會計處理確認對沖工具及對沖項目之公平價值變動對溢利或虧損之抵銷效應。本集團於對沖交易開始時及於日後繼續評估對沖交易中採用之對沖工具是否能高度有效地抵銷對沖項目因應指定利率風險所引致之公平價值變動，並將有關評估記錄。根據香港會計準則第39號，對沖會計處理分為三類：(a) 公平價值對沖；(b) 現金流量對沖及(c) 投資淨額對沖。本集團僅對其後償票據計劃(附註38)及若干定息可供出售債券的公平價值對沖應用對沖會計處理。

倘(a)對沖工具到期或被出售、終止或行使；(b)對沖不再符合對沖會計處理的準則；或(c)本集團撤回指定，本集團便會分別終止對沖會計處理。

(i) 公平價值對沖

公平價值對沖目的是為抵銷已確認資產及負債的公平價值變動之風險(該等變動將導致須在損益賬內確認損益)。

對沖工具按公平價值列賬，其公平價值變動於損益賬內確認。對沖項目之賬面數額按所對沖之風險所導致之公平價值變動作出調整。此等調整在損益賬內確認，以抵銷對沖工具所產生之損益之影響。

當對沖工具到期或被出售、終止或被行使，對沖不再符合對沖會計法的標準，或本集團撤銷了指定的對沖關係時，截至當時為止對使用實際利率法計算的被對沖項目的任何調整，會在損益賬內攤銷，作為在該項目的剩餘期間重新計算其實際利率的一部分。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Hedging (continued)***(ii) Hedge effectiveness testing*

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

For fair value hedge relationships, the Group utilises the cumulative dollar offset method as the effectiveness testing methodology for retrospective testing. For prospective effectiveness, the hedging instruments must be expected to be highly effective in achieving offsetting changes in fair value attributable to the hedged risk during the period for which the hedge is designated and is typically demonstrated through matching of critical terms. For actual effectiveness, the hedging instrument should demonstrate that it is highly effective in offsetting changes in fair value attributable to the hedged risk. The Group considers that where changes in fair value offset each other in the range of 80 per cent to 125 per cent the hedge is highly effective.

(j) Other property and equipment

The Group's leasehold land and buildings are held under operating leases and, in the absence of reliable information to allow separation of the land and buildings components under the leases, the land and buildings are accounted for as properties under HKAS 16, 'Property, Plant and Equipment' issued by the HKICPA.

In addition, certain of the Group's leasehold land and premises have been included at Directors' valuation made having regard to independent professional valuations carried out in November 1989. The surplus arising on revaluation was credited to the revaluation reserve. Additions to revalued premises made subsequent to the revaluation are included at cost. Premises which have not been the subject of revaluation are included at cost. The revaluation reserve arising from the November 1989 revaluation was transferred to the capital redemption reserve when the Bank redeemed its "A" and "B" preference shares in 1991 and 1992.

In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80A of HKAS 16 with the effect that premises have not been revalued to fair value at the balance sheet date. It is not the Directors' present intention to revalue the premises in the future.

2. 主要會計政策(續)**(i) 對沖(續)***(ii) 對沖有效性測試*

為符合對沖會計法，本集團於初始訂立對沖時指定對沖工具，亦於初始訂立對沖時及於其整段年期內進行預計有效性評估測試，以證明該項對沖交易能高度有效地發揮預期對沖功能。本集團亦持續地為對沖之實際有效性進行追溯有效性測試。

每項對沖關係均備有詳細文件載列該項對沖有效性之評估方法。本集團就評估對沖的有效性而採用的方法取決於其風險管理策略。

就公平價值對沖關係而言，本集團使用累計價值抵銷法作為追溯測試的有效性測試方法。就預計有效性而言，對沖工具必須被預期為在指定對沖期間內能高度有效地抵銷所對沖風險而導致之公平價值變動，通常通過配對關鍵條款顯示有效性。就實際有效性而言，對沖工具必須能夠顯示能夠高度有效地抵銷所對沖風險導致之公平價值變動。本集團認為，公平價值變動抵銷比率在百分之八十至百分之一百二十五的範圍內才被視為有效。

(j) 其他物業及設備

本集團之租賃土地及樓宇根據經營租約及持有，在無可靠資料以允許根據租約分開土地和樓宇之組成部分情況下，土地及樓宇根據香港會計師公會頒佈之香港會計準則第16號「物業、廠房及設備」作為物業入賬。

此外，本集團有若干租賃土地及物業已包括在董事編製之估值(已考慮於一九八九年十一月進行之獨立專業估值)。因重新估值而產生之盈餘已撥入估值儲備。獲重估之物業於重新估值後按成本包括在內。毋須重估之物業按成本包括在內。當本行於一九九一年和一九九二年贖回「A」類和「B」類優先股後，因一九八九年十一月重新估值而產生之重估儲備已轉撥至資本贖回儲備內。

在編製此等財務報告時，本集團已應用香港會計準則第16號第80A段之過渡性條文，其影響為物業於結算日並無被重新估值為公平價值。董事現時無意將來對物業進行重新估值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Other property and equipment (continued)**

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- Furniture and equipment is generally depreciated over periods between three to ten years.

Where parts of an item of property and equipment have different useful lives, each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leases and hire purchase contracts

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy for impairment (see Note 2(m)).

2. 主要會計政策(續)**(j) 其他物業及設備(續)**

倘若該筆後續費用能產生未來經濟收益(超出現有資產之初始評定之表現標準)予本集團,該筆後續費用會附加在相關並已被確認資產之賬面值。所有其他後續費用於其產生期間被確認為開支。

固定資產報廢或出售固定資產的盈虧乃根據有關資產出售所得款項淨額與其賬面數額之差額而釐定,並於報廢或出售當日於損益賬內確認。

物業和設備項目於預計可用期限內以直線法撇銷成本或估值以計算折舊如下:

- 於完成日期後,座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間,每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。

當物業和設備項目之部件有不同使用期限時,每個部件須分開折舊。資產之使用期限及其殘值(如有)均須每年進行複核。

(k) 租約及租購合約

本集團確定協議具有在協定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利,則該協議(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之內容評估而作出,而無論安排是否具備租賃之法律形式。

(i) 租賃資產分類

凡將擁有權之絕大部分風險與回報轉移至出租人之租約均列為融資租約。未將擁有權之絕大部分風險與回報轉由承租人承擔之租約列為經營租約。

(ii) 融資租約

凡本集團根據融資租約為承租人時,相當於租約中投資淨額之款項作為客戶貸款包括於資產負債表內。具有融資租約特徵之租購合約以同樣方式列賬為融資租約。減值虧損根據減值之會計政策入賬(見附註2(m))。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(k) Leases and hire purchase contracts (continued)***(iii) Operating leases*

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the accounting periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be delivered from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregated net lease payments made. Contingent rentals are charged to profit or loss in the period in which they are incurred. The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(l) Repossessed assets

During the recovery of impaired advances to customers, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Accrued interest and other accounts" and the relevant loans and advances are derecognised. The Group does not hold repossessed assets for its own use.

Repossessed assets are initially recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on subsequent remeasurement are recognised in profit or loss. Any gains on subsequent remeasurement are recognised in profit or loss until the repossessed asset is stated at the amount of related loans and advances at the date of exchange.

(m) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence that financial assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows on the assets that can be estimated reliably:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- Disappearance of an active market for financial assets because of financial difficulties; and

2. 主要會計政策(續)**(k) 租約及租購合約(續)***(iii) 經營租約*

凡本集團根據經營租約擁有所持資產之使用權時，則根據租約作出的付款會在租賃期所涵蓋的會計期間內，以相同的分期款項在損益賬內扣除；惟倘有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃協議所涉及的鼓勵措施均在損益賬中確認為租賃淨付款總額的組成部分。或然租金在其產生的期間內在損益賬扣除。經營租約所持有土地之收購成本乃於租賃期內以直線法攤銷。

(l) 收回資產

於收回已減值客戶貸款期間，本集團可能透過法院訴訟或由借方自願交付財產收回持作抵押之資產。倘預期減值資產將有秩序地變現及本集團不再尋求借方還款時，收回資產在報告內呈列為「應計利息及其他賬目」，而相關借款及貸款則撤銷確認。本集團並無收回資產作自用。

收回資產最初按相關借款及貸款之款額及公平價值減出售成本之較低者於交易日期記錄，且並不折舊或攤銷。

其後重新計量之減值虧損於損益賬內確認。其後重新計量之收益於損益賬內確認，直至收回資產於初始確認日期以相關借款及貸款之金額列賬。

(m) 資產減值

本集團之資產賬面值於每個結算日進行審閱，以釐定是否有減值之客觀證據。金融資產減值的客觀證據包括本集團注意到以下一項或多項對可以可靠估計資產的未來現金流量有影響的虧損事項的可觀察數據：

- 發行人或借款人有重大財務困難；
- 違反合約，如拖欠或無法償還利息或本金；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大的改變而對借款人有不利影響；
- 金融資產的活躍市場由於財務困難而消失；及

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)**

- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

If any such evidence exists, the carrying amount is reduced to the estimated recoverable amount by means of a charge to profit or loss.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of advances to customers, which are measured at amortised cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against advances to customers directly and any amounts held in the allowance account relating to that borrower are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(i) Loans and receivables

Impairment losses on 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 (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

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

The Group first assesses whether any objective evidence of impairment exists for financial assets that are individually significant and 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 then 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 any collective assessment of impairment. Assets that are not individually significant are collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

2. 主要會計政策(續)**(m) 資產減值(續)**

- 於股本工具之投資大幅下跌或長時間下跌至低於其成本值。

倘存在任何該證據，賬面值須透過在損益賬扣除款項之方式減至估計可收回數額。

因按攤銷成本計量的客戶貸款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撤銷。在此情況下，減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會直接從客戶貸款中撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬的款項在其後收回，則相關的撥備會予以撥回。撥備賬的其他變動及其後收回之前直接撤銷的款項均計入損益賬。

(i) 貸款和應收款項

貸款和應收款項的減值虧損是資產賬面值，與按其原本實際利率(即初始確認該等資產所用之實際利率)折算預計未來現金流量現值之差額。倘折現之影響屬輕微，短期之應收款項不予折現。

信貸損失撥備總額包括兩個組成部分：個別減值撥備，及綜合減值撥備。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並綜合地評估金額不重大之個別金融資產。若本集團認定被評估之個別金融資產並沒有存在減值之客觀證據，無論該金融資產重大與否，均需將該金融資產包含於信貸風險特徵相近之組別中作出綜合減值評估。綜合減值評估並不包括已被個別評估為需確認減值或需繼續確認減值之金融資產。具備類似風險特性的金融資產會綜合起來，以便對個別而言並不重大的資產進行綜合減值評估。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets** (continued)*(i) Loans and receivables* (continued)

The individual impairment allowance is based upon management's best estimate of the present value of cash flows which are expected to be received, discounted at the original effective interest rate. In estimating these cash flows, management makes judgments 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 a collective impairment allowance on individually significant loans which are not impaired, 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 advances to customers are reasonable and supportable.

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 be charged or credited to profit or loss. 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.

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

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due.

2. 主要會計政策 (續)**(m) 資產減值** (續)*(i) 貸款和應收款項* (續)

個別減值撥備乃根據管理層對現金流量現值之最佳估計，即按原實際利率折現預期將獲得之款項。在估計該等現金流量時，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。每項減值資產均按照其理據進行評估。

於評估並未減值之金額重大之個別貸款所需的綜合減值撥備時，管理層須考慮的因素包括信貸素質、組合規模、信貸集中、及經濟因素。為估計所需的撥備，本集團根據過往經驗和現時之經濟情況去釐定潛在風險及輸入變數。

減值撥備之準確性須視乎本集團能否在評估個別減值撥備時準確估計交易對手的未來現金流量及在釐定綜合減值撥備時所採用的標準假設及參數。雖然此須視乎判斷而定，本集團相信客戶貸款之減值撥備是合理和足夠的。

在較後期間，任何因估計未來現金流量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，從而導致貸款和應收款項之減值撥備亦需改變，該轉變會支銷或計入損益賬。所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。

於再無合理預期可收回貸款時，貸款及相關懸欠利息將會予以撇銷。

具有經重新磋商條件之貸款及應收款項是指由於借款人的財務狀況惡化而獲重新議定原來不會獲考慮的特別寬鬆償還款條件的貸款。重新磋商的貸款及應收款項須接受持續監測，以釐定彼等是否仍減值或已逾期。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. If impairment is identified, the individual impairment allowance is 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, where the effect of discounting is material.

All held-to-maturity investments found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of impairment losses shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

(iii) Available-for-sale financial assets

Where there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Such impairment losses are not reversed.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

2. 主要會計政策(續)

(m) 資產減值(續)

(ii) 持至到期投資

本集團會從個別和綜合兩個層面考慮持至到期投資是否出現減值。若確定減值，個別減值準備是以資產賬面值與就資產以其原本的實際利率(如果折現影響重大)用折現方式計算預計未來現金流量的現值之間的差額計量。

在個別層面沒有出現減值的所有持至到期投資會接受綜合評估，以確定是否有任何已出現但未確定的減值情況。

如果在較後期間，減值虧損金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連，則減值虧損會透過損益賬回撥。減值虧損回撥不得導致資產賬面值超出減值虧損從未在往年確認而應已釐定的資產賬面值。

(iii) 可供出售金融資產

倘有客觀證據顯示可供出售金融資產已經出現減值，確認為其他全面收益之累計虧損於損益賬內重新分類。在損益賬內確認的累計損失數額等於購入成本(已扣除任何本金還款和攤銷)與當期公平價值之間的差額，減去早前已在損益賬內確認的該資產的任何減值虧損。

就沒有市價而按成本列賬之可供出售股本證券而言，如折現的影響屬重大，減值虧損是按股本證券的賬面值與按類似金融資產的現行市場回報率折算估計未來現金流量的現值之間的差額計算。該減值虧損不可回撥。

在損益賬所確認有關可供出售股本證券之減值虧損不會透過損益賬撥回。該等資產其後之任何公平價值增加確認為其他全面收益。

倘可供出售債務證券之公平價值在日後增加，而有關的增加可以客觀地與確認減值虧損後發生的事件聯繫起來，便會將減值虧損轉回。在該等情況下，減值虧損轉回須在損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(iv) Goodwill and other assets*

Goodwill is tested annually by comparing the carrying amount of the relevant cash-generating unit with its recoverable amount.

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investments in subsidiaries and associates

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策(續)**(m) 資產減值(續)***(iv) 商譽及其他資產*

商譽乃透過比較有關現金產生單位的賬面值與可回收金額按年度基準進行測試。

於結算日，本公司審閱內部及外來資料以辨認以下資產可有減值跡象或先前已確認之減值虧損已不再存在或可能已減少：

- 物業及設備；
- 預付租賃土地權益分類為按經營租約持有；及
- 附屬公司及聯營公司投資

如果出現減值跡象，資產的可收回數額便會作估計。

計算可收回數額

資產的可收回數額以其公平值減銷售成本和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折算率將估計未來現金流量折算至現值。該折算率須反映市場當時所評估的金錢時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回數額。

確認減值虧損

倘資產或其所屬之賺取現金業務之賬面值超過其可收回數額，則於損益賬確認減值虧損。就賺取現金業務確認之減值虧損首先分配作為減少分配至賺取現金業務(或業務類別)之任何商譽之賬面數額，繼而按比例基準作為減少業務(或業務類別)之其他資產之賬面數額，惟資產之賬面值將不會減少至低於其個別公平價值減出售成本或使用價值(倘能計算)。

減值虧損轉回

就除商譽以外的資產而言，倘若用以釐定可收回數額的估計發生有利的變化，便會將減值虧損轉回。有關商譽之減值虧損不予轉回。

所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。所轉回的減值虧損在確認轉回的年度計入損益賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets** (continued)*(v) Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting" in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (see Notes 2(m)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(n) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(o) Employee benefits*(i) Short term employee benefits*

Short term employee benefits include salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits and are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement scheme

The Group's obligation in respect of its defined benefit retirement scheme is calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. In calculating the Group's obligations, to the extent that any cumulative unrecognised gains or losses exceed 10% of the present value of the obligation or the fair value of the plan assets (whichever is higher) at the balance sheet date, that portion is amortised to profit or loss over the average remaining service life of the employees in the scheme. Otherwise, the gain or loss is not recognised.

2. 主要會計政策(續)**(m) 資產減值(續)***(v) 中期財務報告及減值*

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就年度首六個月編製中期財務報告。於中期完結時，本集團採用於年度完結時應採用之同一減值測試、確認及撥回條件(見附註2(m)(i)至(iv))。

於中期內就商譽及按成本列賬的可供出售股本證券所確認的減值虧損不可在往後期間撥回。假設在中期相關年度完結時才評估該等減值，即使毋需確認虧損或確認較少虧損，亦不可撥回減值虧損。因此，倘可供出售股本證券之公平價值於剩餘年度期間或任何其他後續期間增加，則該增加確認為其他全面收益而非損益。

(n) 等同現金項目

等同現金項目為短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，而所須承受的價值變動風險甚小，並在購入後三個月內到期。

(o) 僱員福利*(i) 短期僱員福利*

短期僱員福利包括薪酬、每年花紅、有薪年假、界定供款退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

(ii) 定額福利退休計劃

本集團定額福利退休計劃的責任以精算方式估計本集團對員工承諾支付其未來退休後的福利的金額計算。在計算本集團之責任時，倘任何未確認累計損益超過有關責任於結算日之現值或計劃資產之公平價值(以較高者為準)之10%，該部分會按僱員於計劃內之平均剩餘服務年期於收益表內攤銷，否則該損益不予確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(o) Employee benefits (continued)***(iii) Share-based payments*

The fair value of share options granted to employees by the ultimate holding company is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expense qualifies for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the ultimate holding company's shares.

The equity amount is recognised in capital reserve until the option expires (when it is released directly to retained earnings).

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策(續)**(o) 僱員福利(續)***(iii) 以股份為基礎之付款*

由最終控股公司授予僱員認股權的公平價值會確認為僱員成本，並相應在權益內增加資本儲備。公平價值於授予日期計量，當中考慮到授予認股權的條款及條件。倘若僱員須符合歸屬條件才無條件擁有認股權，則認股權的估計公平價值總額會於考慮到認股權歸屬的可能性後在歸屬期內分攤。

於歸屬期內會檢討預期歸屬的認股權數目。對以前年度已確認的累積公平價值所作出的調整，會在檢討年度扣自／計入收益表，除非原有僱員開支符合資格確認為資產，則作別論，並在資本儲備內作出相應調整。在歸屬日期，確認為開支的金額會作出調整，以反映實際歸屬的認股權數目（並在資本儲備內作出相應調整），惟倘若僅因未能滿足有關最終控股公司股份市場價格的歸屬條件而沒收則除外。

權益金額於資本儲備內確認，直至認股權到期（於直接撥回至保留溢利時）。

(p) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認為其他全面收益或直接確認為權益。

即期稅項乃預期於本年度就應課稅收入應付之稅項（按於結算日已頒佈或實質頒佈之稅率計算），以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅或應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2. 主要會計政策 (續)

(p) 所得稅 (續)

除若干有限情況外，所有遞延稅項負債及遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。支持確認可由抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利，包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可轉回或結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未可抵扣虧損和未利用稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能使用可抵扣虧損和未利用稅項抵減撥回的同一年間內轉回。

不確認遞延稅項資產和負債的暫時差異產生自以下少數例外情況：不可在稅務方面獲得扣減的商譽、不影響會計或應課稅溢利的資產或負債的初始確認（如屬業務合併的一部分則除外）；以及與投資附屬公司有關係的暫時差異（如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回該等差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異）。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於結算日已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各結算日，遞延稅項資產之賬面值均進行複核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本行或本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

- 如屬即期稅項資產及負債，本行或本集團擬以淨額基準清償或同時變現資產並清償負債；或

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Income tax (continued)**

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the related current tax assets and settle the related current tax liabilities on a net basis or realise and settle simultaneously.

(q) Financial guarantees issued, provisions and contingent liabilities*(i) Financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income within other liabilities. Where the Bank issues a financial guarantee to its subsidiaries, the fair value of the guarantee is estimated and capitalised as the cost of investment in subsidiaries and deferred income recognised within other liabilities.

The deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

(ii) Other provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

2. 主要會計政策(續)**(p) 所得稅(續)**

- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(q) 已發出財務擔保、撥備及或然負債*(i) 已發出財務擔保*

財務擔保乃要求發行人(即擔保人)因特定債務人未能根據債務文據的條款於到期時付款而蒙受的損失，而向擔保的受益人(持有人)支付特定款項以作出償付的合約。

倘本集團向客戶發出財務擔保，該擔保的公平價值(即已收擔保費用)最初確認為其他負債內的遞延收入。倘本行向其附屬公司發出財務擔保，該擔保的公平價值須予估計及轉為附屬公司之投資成本上，遞延收入則確認為其他負債。

遞延收入按擔保年期於損益賬內攤銷為已發出財務擔保的收入。此外，倘(i)擔保的持有人可能根據擔保向本集團催收款項；及(ii)預期向本集團提出的申索款額高於現時就該擔保列於其他負債項下的數額(即最初確認的金額)，扣除累計攤銷後的撥備，即須按照附註2(q)(ii)確認。

(ii) 其他撥備及或然負債

撥備乃本集團或本行因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務及能作出可靠估計時，就未能確定之時間或數額之其他負債確認。倘金錢時間價值乃屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Financial guarantees issued, provisions and contingent liabilities** (continued)*(ii) Other provisions and contingent liabilities* (continued)

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Interest income

Interest income from all interest-bearing financial instruments is recognised in profit or loss on an accrual basis using the effective interest rate method. Interest income from trading assets and financial assets designated at fair value through profit or loss is recognised on basis of accrued coupon.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar option) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, together with transaction costs and all other premiums or discounts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to profit or loss over their expected life.

(ii) Net income from financial instruments designated at fair value through profit or loss and net trading income

Net income from financial instruments designated as fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

2. 主要會計政策 (續)**(q) 已發出財務擔保、撥備及或然負債** (續)*(ii) 其他撥備及或然負債* (續)

倘可能無須付出經濟效益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性是極微。

(r) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收入及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬確認：

(i) 利息收入

所有計息金融工具之利息收入均採用實際利率法按應計基準於損益賬內確認。持作交易用途之資產及指定為通過損益以反映公平價值之金融資產的利息收入按權責發生制確認於損益賬內。

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃按金融工具預計年期折讓估計日後現金付款或收入(或適當時按較短期間折讓金融資產之賬面淨值)之比率。計算實際利率時，本集團估計現金流量時，考慮到金融工具之一切合約條款(例如提前還款，認購或類似期權)，而並無計及未來信貸虧損。計算範圍包括實際利率為主體部分訂約各方所付或所收之一切費用及代價，交易成本及其他所有溢價或折讓。住宅按揭貸款之現金回贈會予以資本化，並以其預計期限在損益賬內攤銷。

(ii) 指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(r) Revenue recognition (continued)***(iii) Fee and commission income*

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment banking services, investment management services, project and structured finance transactions services. Fee and commission income is recognised when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognised as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at fair value through profit or loss. In this case it is immediately recognised in profit or loss. If the commitment expires without the Group making a loan, the fee is recognised as revenue on expiry.

(iv) Finance income from finance lease and hire purchase contract

Finance income implicit in finance lease and hire purchase payments is recognised as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

(v) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(s) Translation of foreign currencies

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollar using the exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into Hong Kong dollars at exchange rates ruling at the dates the fair value was determined.

2. 主要會計政策(續)**(r) 收益確認(續)***(iii) 費用及佣金收入*

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、證券服務、投資銀行服務、投資管理服務、項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

本集團已收因增設或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，該費用於期滿時確認為收入。

(iv) 來自融資租約及租購合約之財務收入

融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於賺取之會計期間確認為收入。

(v) 股息收入

非上市投資之股息收入於股東收取款項之權利確立時予以確認。上市投資之股息收入於投資項目之股價為除息時確認。

(s) 外幣換算

本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以結算日之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

以歷史成本列賬並以外幣定值之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬的非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Translation of foreign currencies (continued)**

Exchange differences relating to financial investments held at fair value through profit or loss and derivative financial instruments are included in net income from financial instruments designated at fair value through profit or loss and net gain/(loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in profit or loss and are reported within "Other operating income". Differences arising on translation of available-for-sale equity instruments are recognised in other comprehensive income.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Assets and liabilities are translated at the closing rate at the date of that balance sheet. All resulting exchange differences are recognised in the other comprehensive income and accumulated in equity in the foreign exchange reserve.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(t) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

2. 主要會計政策(續)**(s) 外幣換算(續)**

通過損益以反映公平價值計入損益賬之投資及衍生金融工具之匯兌差額分別包括於指定為通過損益以反映公平價值之金融工具淨收益及衍生工具淨溢利／(虧損)。其他有關貨幣性項目的匯兌差額則於損益賬內呈列為外幣買賣淨盈虧，並於「其他營運收入」內呈報。換算可供出售股本工具之差額確認為其他全面收益。

海外業務的業績按與交易日的匯率相若的匯率換算為港幣。資產及負債則按結算日的收市率換算。產生的匯兌差額確認為其他全面收益，並於外幣換算儲備內累計為權益。

出售海外業務時，在權益內確認與該等海外業務有關之匯兌差額之累計金額，乃於出售之盈虧已確認時由權益重新分類至損益。

(t) 關連各方

就此等財務報告而言，被視為與本集團有關連的一方是指：

- (i) 該方有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該方均互相控制；
- (iii) 該方屬本集團的聯營公司；
- (iv) 該方屬本集團或本集團母公司主要管理人員的成員，或屬該人士的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；
- (v) 該方屬(i)所指一方的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；或
- (vi) 該方屬提供福利予本集團僱員的離職後福利計劃或與屬本集團關連方的任何實體。

個人的近親家庭成員指預料可影響(或受該個人影響)他們與該實體交易的家庭成員。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries unless otherwise stated (together referred to as the Group) and the Group's interest in associates. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in Notes (A) and (B) in the Unaudited Supplementary Financial Information.

2. 主要會計政策(續)

(u) 分項報告

財務報告中的經營分部和每個分部項總營運決策人的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務和地區進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. 綜合基準

除另有指明外，該等綜合財務報告包括本行及本行所有附屬公司(統稱為本集團)的綜合狀況，以及本集團於聯營公司之權益。根據《銀行業(披露)規則》所需呈報的資料，其綜合基準載列於未經審核補充財務資料附註(A)及(B)內。

4. INTEREST INCOME AND EXPENSE

(a) Interest income

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Listed investments	上市投資	370,942	295,237
Other	其他	1,162,423	1,916,338
Interest income on financial assets that are not at fair value through profit or loss	非通過損益以反映公平價值之金融資產之利息收入	1,533,365	2,211,575
Interest income on trading assets	持作交易用途之資產之利息收入		
– listed investments	– 上市投資	468	125
– unlisted investments	– 非上市投資	766	3,149
Interest income on financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產之利息收入	23,901	30,921
		1,558,500	2,245,770

(b) Interest expense

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Deposits from customers, banks and other financial institutions and certificates of deposit issued	客戶、銀行同業及其他金融機構之存款及已發行存款證	382,631	1,192,630
Debt securities issued which are wholly repayable within 5 years	須於五年內悉數償還之已發行債務證券	6,245	27,075
Other borrowings	其他借款	11,378	12,078
Interest expense on financial liabilities that are not at fair value through profit or loss	非通過損益以反映公平價值之金融負債之利息支出	400,254	1,231,783
Interest expense on trading liabilities	交易賬項下負債之利息支出	2,144	12,163
Interest expense on financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債之利息支出	13,598	12,984
		415,996	1,256,930

4. 利息收入及支出

(a) 利息收入

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Listed investments	上市投資	370,942	295,237
Other	其他	1,162,423	1,916,338
Interest income on financial assets that are not at fair value through profit or loss	非通過損益以反映公平價值之金融資產之利息收入	1,533,365	2,211,575
Interest income on trading assets	持作交易用途之資產之利息收入		
– listed investments	– 上市投資	468	125
– unlisted investments	– 非上市投資	766	3,149
Interest income on financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產之利息收入	23,901	30,921
		1,558,500	2,245,770

(b) 利息支出

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Deposits from customers, banks and other financial institutions and certificates of deposit issued	客戶、銀行同業及其他金融機構之存款及已發行存款證	382,631	1,192,630
Debt securities issued which are wholly repayable within 5 years	須於五年內悉數償還之已發行債務證券	6,245	27,075
Other borrowings	其他借款	11,378	12,078
Interest expense on financial liabilities that are not at fair value through profit or loss	非通過損益以反映公平價值之金融負債之利息支出	400,254	1,231,783
Interest expense on trading liabilities	交易賬項下負債之利息支出	2,144	12,163
Interest expense on financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債之利息支出	13,598	12,984
		415,996	1,256,930

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

Fee and commission income arising from:	由以下業務所產生的費用及佣金收入：
Credit related services	信貸業務
Trade finance services	貿易融資業務
Credit card services	信用卡業務
Securities brokerage and investment services	證券經紀及投資服務
Insurance services	保險業務
Unit trust services	信託基金業務
Other fees	其他費用
of which:	其中：
Fee and commission income arising from:	費用及佣金收入來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債
– Trust or other fiduciary activities	– 信託及其他受託業務

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group will hold assets or invest on behalf of customers.

Comparative figures have been revised to conform to current year's presentation.

(b) Fee and commission expense

Handling fees and commission	手續費及佣金
Other fees paid	其他已付費用
of which:	其中：
Fee and commission expense arising from:	費用及佣金支出來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債

5. 費用及佣金收入及支出

(a) 費用及佣金收入

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)
27,598	39,126
11,221	23,033
85,894	75,055
60,112	61,208
40,518	34,183
34,960	60,855
20,861	31,787
281,164	325,247
83,305	80,700
2,237	4,653

費用及佣金收入來自信託及其他受託業務，與本集團就資產管理業務中代表其客戶持有資產或進行資產投資所收取的費用相關。

為使列報一致，本集團已重述其上一一年度的比較數據。

(b) 費用及佣金支出

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
44,580	40,564
26,216	19,923
70,796	60,487
44,299	39,272

6. OTHER OPERATING INCOME

6. 其他營運收入

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)
Gains less losses from dealing	交易收益減虧損		
– Foreign exchange	– 外匯	87,841	64,823
– Trading securities	– 持作交易用途之證券	16,389	9,791
– Other dealing activities*	– 其他買賣交易*	40,971	173,331
– Short selling activities	– 賣空交易	718	(2,191)
		145,919	245,754
Net hedging income from fair value hedges	公平價值對沖之淨對沖收入		
Net gain/(loss) on hedged items attributable to the hedged risk	與對沖風險相關之被對沖項目之淨收益/(虧損)	10,278	(27,301)
Net (loss)/gain on hedging instruments	對沖工具之淨(虧損)/收益	(10,278)	27,301
		–	–
Net gain on other financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值之其他金融工具之淨收益		
Net gain on sale of other financial instruments designated at fair value through profit or loss	出售指定為通過損益以反映公平價值之其他金融工具之淨收益	5,251	5,412
Revaluation (loss)/gain on other financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融工具之重估淨(虧損)/收益	(2,794)	34,910
		2,457	40,322
Losses less gains from other financial liabilities measured at amortised cost	按攤餘成本列賬之其他金融負債之虧損減收益	(5)	(2,545)
Revaluation (loss)/gain on derivative financial instruments	衍生金融工具之重估(虧損)/收益	(102,734)	19,114
Dividend income from listed available-for-sale securities	可供出售上市證券之股息收入	785	6,192
Dividend income from unlisted available-for-sale securities	可供出售非上市證券之股息收入	10,616	5,691
Rental income	租金收入	986	1,277
Others	其他	10,452	13,723
		68,476	329,528

* Other dealing activities refers to customer-driven dealing in derivative financial instruments including equity linked notes, options and structured deposit products.

* 其他買賣交易指客戶買賣衍生金融工具，包括股票掛鈎票據、期權及結構性存款產品。

Certain comparative figures have been revised to confirm with current year's presentation.

為使列報一致，本集團已重述其上一年度的比較數據。

7. OPERATING EXPENSES

7. 營運支出

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	6,939	6,962
Defined benefit scheme expenses (Note 44(c))	定額福利計劃支出 (附註44(c))	31,988	29,242
Retirement scheme costs	退休計劃成本	38,927	36,204
Equity-settled share-based payment expenses	以股份為基礎作支付之費用	2,715	12,969
Salaries and other staff costs	薪金及其他僱員成本	447,374	472,557
		489,016	521,730
Premises and other fixed assets	物業及其他固定資產		
Rental of premises	物業租金	47,685	46,561
Depreciation (Note 28)	折舊(附註28)	66,598	64,918
Others	其他	20,662	22,377
Auditors' remuneration	核數師酬金	2,345	2,522
Other operating expenses	其他營運支出		
Business promotion	業務推廣	55,986	61,299
Legal and professional fees	法律顧問費用	25,913	24,802
Communication	通訊	17,718	22,156
Electronic data processing and computer systems	電子資料處理及電腦系統	80,521	87,985
Others	其他	147,852	110,926
		954,296	965,276

During 2007, certain employees of the Group were granted unlisted physically settled options under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") for the services rendered to the Group. HKFRS 2 requires the fair value of the options issued to be shown as an expense in the Group financial statements, apportioned over the period from the grant date to the vesting date, with a corresponding credit to reserves (Note 41). There will be no cash expense to Fubon Bank (Hong Kong) Limited as it is not required to make payment to any party in respect of either the issue of the options or their exercise. Shareholders of the Bank will suffer no dilution from the issue of shares by the ultimate holding company in the event that the options are exercised.

於二零零七年內，根據本行最終控股公司富邦金融控股股份有限公司(「富邦金控」)的認股權計劃，本集團若干僱員因向本集團提供服務獲授非上市而實股結算之認股權。香港財務報告準則第2號規定已發行認股權的公平價值，由授出日期至歸屬日期之期間按比例於本集團財務報告內列為一項支出，並計處相應的儲備內(附註41)。富邦銀行(香港)有限公司毋須就發行認股權或行使認股權而向任何人士作出付款，因此其將不會發生現金支出。倘該等認股權獲行使，本行股東將不會因最終控股公司發行股份而遭受攤薄。

7. OPERATING EXPENSES (continued)

Terms and conditions of the share option grants

Date of options granted 授出認股權日期	Exercise price per share 每股行使價 NT\$ 新台幣	As at 於	
		31 December 2009 Number of options 二零零九年 十二月三十一日 認股權數目	31 December 2008 Number of options 二零零八年 十二月三十一日 認股權數目
31 July 2007 二零零七年七月三十一日	29.00 (previously NT\$30.50)	5,312,500	6,570,000
7 December 2007 二零零七年十二月七日	26.70 (previously NT\$28.20)	8,787,000	9,552,000
		14,099,500	16,122,000

50% of the options will be exercisable between the second and the third anniversaries of the date grant, 75% between the third and fourth anniversaries and 100% between the fourth and fifth anniversaries, provided that the employee remains with the Fubon Group.

The number and weighted average exercise prices of share options

		2009 二零零九年		2008 二零零八年	
		Weighted average exercise price 加權 平均行使價	Number of options 認股權數目	Weighted average exercise price 加權 平均行使價	Number of options 認股權數目
Outstanding at the beginning of the year	年初尚未行使	27.64	16,122,000	27.64	16,122,000
Transferred in during the year	本年度轉入	27.66	4,140,000	N/A	–
Exercised during the year	本年度行使	28.23	(2,092,500)	N/A	–
Forfeited during the year	本年度沒收	27.60	(4,070,000)	N/A	–
Outstanding at the end of the year	年終尚未行使	27.57	14,099,500	27.64	16,122,000
Exercisable at the year end of	於年終可行使		6,003,500		–

The options outstanding at 31 December 2009 have a weighted average remaining contractual life of 2.80 years (2008: 3.79 years). The weighted average share price at the date of exercise for the share options exercised during the year was HK\$37.12 (2008: Not applicable).

The share price of Fubon Financial at 31 December 2009 was NT\$39.30 (2008: NT\$23.90).

7. 營運支出(續)

已授出認股權的條款及條件

認股權的50%可於授出日期滿兩週年之日至滿三週年之日期間行使，75%可於滿三週年之日至滿四週年之日期間行使，100%可於滿四週年之日至滿五週年之日期間行使，條件是僱員仍受聘於富邦集團。

認股權數目及加權平均行使價

於二零零九年十二月三十一日尚未行使之認股權擁有加權平均剩餘合約年期2.80年(二零零八年：3.79年)。本年度已行使認股權之行使日之加權平均股價為37.12港元(二零零八年：不適用)。

富邦金控於二零零九年十二月三十一日之股價為39.30元新台幣(二零零八年：23.90元新台幣)。

7. OPERATING EXPENSES (continued)

Fair values of share options

The Group has applied HKFRS 2 "Share-based Payments" to account for share options granted on 31 July 2007 and 7 December 2007.

The fair values of share options granted by the Company were determined by using Black-Scholes option pricing model (the "Model"). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on management's best estimate. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. The inputs into the Model were as follows:

Closing share price at grant date (NT\$)	於授出日期的股份收市價(新台幣)
Exercise price (NT\$)	行使價(新台幣)
Risk-free interest rate (%) (Note a)	無風險利率%(附註a)
Expected life of option (Note b)	預計認股權有效期(附註b)
Expected volatility (%) (Note c)	預計波幅%(附註c)
Expected dividend yield (%) (Note d)	預計股息收益率%(附註d)
Estimated fair value per share option (NT\$)	每份認股權的估計公平價值(新台幣)

Notes:

- (a) Risk free rate: being the approximate yields of 5-year TVWD swap rate traded on the date of grant, matching the expected life of each option.
- (b) Expected life of option: being the period of 5 years commencing on the date of grant, based on the date of grant, based on management's best estimate for the effects of non-transferability, exercise restriction and behavioural consideration.
- (c) Expected volatility: being the implied volatility derived from traded options over Fubon Financial shares at the date of grant.
- (d) Expected dividend per annum: being the annual cash dividend for past financial year.

7. 營運支出(續)

認股權的公平價值

本集團已應用香港財務報告準則第2號「以股份為基礎的付款」，列賬於二零零七年七月三十一日及二零零七年十二月七日授出的認股權。

本公司採用Black-Scholes認股權定價模型(「該模型」)釐定所授出認股權的公平價值。該模型為普遍採用的模型之一，用於估計認股權的公平價值。於計算認股權公平價值時所採用的變量及假設是以管理層的最佳估計為基準。認股權的價值會隨若干主觀假設的不同變量而變化。就此採納的任何變量變化可能會對估計認股權的公平價值帶來重大影響。輸入該模型的數據如下：

Option granted on 31 July 2007 於二零零七年 七月三十一日 授出的認股權	Option granted on 7 December 2007 於二零零七年 十二月七日 授出的認股權
30.50	28.20
30.50	28.20
2.41	2.41
5 years	5 years
33.37	33.41
3.50	3.50
6.82	7.37

附註：

- (a) 無風險利率：即於授出日期交易的五年期台幣掉期利率的概約收益率，與每份認股權的預計有效期相匹配。
- (b) 預計認股權有效期：即於授出日期開始五年期限，基於授出日期，根據管理層對非轉讓性、行使限制及行為考慮因素影響的最佳估計為基準。
- (c) 預計波幅：即於授出日期富邦金控股份已交易認股權的隱含波幅。
- (d) 預計每年股息：即上個財政年度的全年現金股息。

8. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

8. 董事酬金

根據香港《公司條例》第161條規定披露之董事酬金如下：

The Group 本集團	Directors' Fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼 及其他福利 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Retirement scheme contributions 退休計劃 供款 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Share-based payment expense (Note) 以股份為 基礎之付款 支出(附註) HK\$'000 千港元	2009 Total 二零零九年 總額 HK\$'000 千港元
Executive directors <i>執行董事</i>							
Pei-Hwa Thomas Liang 梁培華	62	588	-	10	660	-	660
Jin-Yi Lee 李晉頌	300	5,899	-	265	6,464	623	7,087
Michael Chang Ming-Yuen 張明遠	361	3,514	-	168	4,043	1,778	5,821
James Yip 葉強華	305	2,365	400	216	3,286	1,774	5,060
Non-executive directors <i>非執行董事</i>							
Ming-Hsing (Richard) Tsai 蔡明興	490	-	-	-	490	-	490
Ming-Chung (Daniel) Tsai 蔡明忠	406	-	-	-	406	-	406
Victor Kung 龔天行	453	-	-	-	453	-	453
David Chang Kuo-Chun 張果軍	285	-	-	-	285	-	285
Independent Non-Executive directors <i>獨立非執行董事</i>							
Robert James Kenrick 甘禮傑	555	-	-	-	555	-	555
Moses Tsang 曾國泰	335	-	-	-	335	-	335
Hung Shih 石宏	482	-	-	-	482	-	482
	4,034	12,366	400	659	17,459	4,175	21,634

8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金 (續)

The Group 本集團	Directors' Fee 董事袍金 HK\$'000 千港元	Salaries, allowances and other benefits 薪金、津貼 及其他福利 HK\$'000 千港元	Discretionary bonuses 酌情花紅 HK\$'000 千港元	Retirement scheme contributions 退休計劃 供款 HK\$'000 千港元	Sub-total 小計 HK\$'000 千港元	Share-based payment expense (Note) 以股份為 基礎之付款 支出(附註) HK\$'000 千港元	2008 Total 二零零八年 總額 HK\$'000 千港元	
Executive directors	執行董事							
Jin-Yi Lee	李晉頤	392	5,302	400	265	6,359	3,303	9,662
Michael Chang Ming-Yuen	張明遠	392	3,360	250	168	4,170	2,032	6,202
James Yip	葉強華	329	2,345	300	216	3,190	2,028	5,218
Non-executive directors	非執行董事							
Ming-Hsing (Richard) Tsai	蔡明興	507	-	-	-	507	-	507
Ming-Chung (Daniel) Tsai	蔡明忠	456	-	-	-	456	-	456
Victor Kung	龔天行	444	-	-	-	444	-	444
David Chang Kuo-Chun	張果軍	275	-	-	-	275	-	275
Independent Non-Executive directors	獨立非執行董事							
Robert James Kenrick	甘禮傑	590	-	-	-	590	-	590
Moses Tsang	曾國泰	331	-	-	-	331	-	331
Hung Shih	石宏	532	-	-	-	532	-	532
		4,248	11,007	950	649	16,854	7,363	24,217

Note: These represent the estimated value of unlisted physically settled share options granted to the directors under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. during 2007 for the services rendered to the Group. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(o)(iii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "options" in the directors' report and note 7.

附註：這代表根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，因向本集團提供服務授予董事之非上市而實股結算之認股權之估計價值。該等認股權之價值乃根據附註2(o)(iii)所載以股份為基礎之交易之本集團會計政策編製，並(根據該政策)包括股權工具之授出於歸屬前沒收之情況下於過往年度累積之撥回金額調整。

該等福利之詳情(包括所授出認股權之主要條款及數目)於董事會報告「認股權」一段及附註7披露。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2008: three) are Directors whose emoluments are disclosed in Note 8 above. The aggregate of the emoluments in respect of the other two (2008: two) individuals are as follows:

Basic salaries and other allowances	底薪及其他津貼
Contributions to pension scheme	退休計劃供款
Bonuses	花紅
Share-based payment expenses (Note)	以股份為基礎之付款支出(附註)

The emoluments of the two (2008: two) individuals with the highest emoluments are within the following bands:

HK\$2,500,001 – HK\$3,000,000	2,500,001 港元–3,000,000 港元
HK\$3,000,001 – HK\$3,500,000	3,000,001 港元–3,500,000 港元
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元–4,000,000 港元

Note: During 2007, two (2008: one) of the above individuals have been granted unlisted physically settled options under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. for the services rendered to the Group. The share-based payment expense for the current year calculated in accordance with HKFRS 2 is included in Staff Costs (Note 7) and amounts to HK\$1.3 million (2008: HK\$0.6 million). The share-based payment expense represent the estimated value of those options measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(o)(iii) and is included in Staff Costs (Note 7).

9. 薪酬最高人士

本集團薪酬最高之5位人士中，3位(二零零八年：3位)為董事，其薪酬已於上文附註8披露。其餘2位(二零零八年：2位)人士之酬金總額如下：

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
4,783	5,363
354	354
200	300
1,308	–
6,645	6,017

2位(二零零八年：2位)薪酬最高人士之酬金介乎以下範圍：

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
–	1
1	1
1	–

附註：於二零零七年內，根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，上述人士之其中2位(二零零八年：1位)因向本集團提供服務獲授非上市而實股結算之認股權。本年度以股份為基礎的付款支出根據香港財務報告準則第2號計算為1,300,000港元(二零零八年：600,000港元)，並計入僱員成本內(附註7)。以股份為基礎之付款支出代表該筆認股權依本集團列載於附註2(o)(iii)有關以股份為基礎之付款的會計政策所估算的估計價值，並計入僱員成本內(附註7)。

10. NET GAINS ON DISPOSALS OF AVAILABLE-FOR-SALE SECURITIES

Realisation of revaluation surplus/ (deficit) previously recognised in the investment revaluation reserve (Note 13)	過往於投資重估儲備內確認之重估盈餘／(虧絀)之變現(附註13)
Net gains arising in the current year	年內淨收益

10. 出售可供出售證券之淨收益

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
40,118	(20,763)
52,827	107,020
92,945	86,257

11. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

Impairment losses (charged to)/ released on advances to customers (Note 22)	已(扣除)／撥回之客戶貸款減值虧損(附註22)
- Additions	- 增加
- Releases	- 撥回

11. 客戶借款之減值虧損

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
(532,415)	(341,848)
47,498	32,551
(484,917)	(309,297)

12. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(a) Taxation in the consolidated statement of comprehensive income represents:

The provision for Hong Kong Profits Tax for 2009 is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be appropriate in the relevant countries.

Current tax – Hong Kong Profits Tax

Tax for the year
Over-provision in respect of prior years

即期稅項 – 香港利得稅

年內稅項
過往年度超額準備

Current tax – Overseas Tax

Tax for the year

即期稅項 – 海外稅項

年內稅項

Deferred tax

Effect on deferred tax balances at 1 January resulting from a change in tax rate (Note 37(b))
Origination and reversal of temporary differences (Note 37(b))

遞延稅項

於一月一日因稅率變動產生之遞延稅項結餘之影響(附註37(b))
暫時性差異產生及撥回(附註37(b))

12. 綜合收益表內的所得稅

(a) 綜合全面收益表內的稅項

二零零九年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5%(二零零八年:16.5%)計算。海外附屬公司之稅項則按有關國家預期適用之估計實際年稅率計算。

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	23,595	25,155
	(3,243)	–
	20,352	25,155
	78	507
	78	507
	–	(349)
	(16,313)	(27,695)
	(16,313)	(28,044)
	4,117	(2,382)

12. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**(b) Reconciliation between tax expense and accounting profit at applicable tax rates**

Profit before taxation	除稅前溢利
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	除稅前溢利之估計稅項，按以有關國家適用之應課稅率計算
Tax effect of non-taxable revenue	非應課稅項收入之稅項影響
Tax effect of non-deductible expenses	非可扣減支出之稅項影響
Effect on deferred tax balances at 1 January 2008 resulting from a change in tax rate	於二零零八年一月一日因稅率變動產生之遞延稅項結餘之影響
Over-provision in respect of prior years	過往年度超額準備
Actual tax expense/(credit)	實質稅項支出／(撥回)

12. 綜合收益表內的所得稅(續)**(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬**

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
26,651	97,956
4,397	16,163
(4,584)	(23,127)
7,547	4,931
-	(349)
(3,243)	-
4,117	(2,382)

13. OTHER COMPREHENSIVE INCOME

Available-for-sale securities: Changes in fair value recognised during the year	可供出售證券：本年度確認之公平價值變動
Amortisation of previous revaluation deficits recognised on available-for-sale securities which have subsequently been reclassified as other loans and receivables	重新分類為其他貸款及應收款項之可供出售證券於以前一年度確認之重估虧蝕攤銷
Reclassification adjustments for amounts transferred to profit or loss:	重新分類至損益之金額：
- (gains)/losses on disposal (Note 10)	- 出售(收益)／虧損(附註10)
- impairment losses	- 減值虧損
Share of changes in fair value of available-for-sale securities held by an associate	應佔聯營公司之可供出售證券公平價值變動
Deferred taxation (Note 37(b))	遞延稅項(附註37(b))
Net movement in the investment revaluation reserve during the year recognised in other comprehensive income	本年度於其他全面收益確認之投資重估儲備淨變動

13. 其他全面收益

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
351,504	(299,662)
37,987	14,904
(40,118)	20,763
22,627	14,694
(3,296)	-
(63,507)	31,593
305,197	(217,708)

14. EARNINGS PER SHARE

The earnings per share is calculated on profit attributable to shareholders of HK\$22,995,000 (2008: HK\$100,896,000) less the preference share dividend of HK\$83,517,000 (2008: HK\$2,092,000) and 1,172,160,000 (2008: 1,172,160,000) ordinary shares in issue during the year. There are no convertible loan capital, options or warrants outstanding which would cause a dilution of the earnings per share.

15. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK

The consolidated profit attributable to shareholders of the Bank includes a loss of HK\$14,718,000 (2008: profit of HK\$158,998,000) which has been dealt with in the financial statements of the Bank.

Reconciliation of the above amount to the Bank's profit for the year:

Amount of consolidated (loss)/profit attributable to equity shareholders dealt with in the Bank's financial statements	計入本行財務報告內之股東應佔綜合(虧損)/溢利
Interim dividends from a subsidiary attributable to the profits of previous financial years, approved and paid during the year	附屬公司於本年度通過及派付之來自過往財政年度溢利之中期股息
Bank's profit for the year	本行之本年度溢利

14. 每股盈利

每股盈利乃按年內股東應佔溢利減去22,995,000港元(二零零八年:100,896,000港元)(減去優先股股息83,517,000港元(二零零八年:2,092,000))及於年內已發行普通股1,172,160,000股(二零零八年:1,172,160,000股)計算。本行並無任何可兌換之資本貸款、期權或可兌換認股證以致對每股盈利構成攤薄影響。

15. 本行股東應佔溢利

本行股東應佔綜合溢利包括已計入本行財務報告內之虧損14,718,000港元(二零零八年:溢利158,998,000港元)。

上述金額與本行本年度溢利之對賬:

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	(14,718)	158,998
	178,570	-
	163,852	158,998

16. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer in deciding how to allocate resources and in assessing performance.

Operating segments

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Consumer Banking comprises credit card merchant acquiring, provision of credit card advances, mortgage lending, other consumer lending, and provision of banking services to the Mass Market segment, defined as those with a lower value of assets under administration.

Wealth Management comprises securities brokerage, the sales and distribution of wealth management products to wealth management clients, defined as those with a higher value of assets under administration, and provision of insurance and unit trust wealth management services.

Corporate and Investment Banking comprises the Small and Medium Enterprise business, and the Corporate Banking Business. The Small and Medium Enterprise business include both personal and corporate equipment financing, commercial lending to small and medium enterprises, automobile and other consumer leasing contracts and lending activities. Corporate Banking business covers trade financing, syndicated loans and other corporate lending.

Financial Markets mainly provides foreign exchange services and centralized cash management for deposit taking and lending, management of trading securities, execution of management's investment strategies in money market investment instruments and the overall funding of the Group.

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of revenue reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer-pricing mechanisms. To reflect the benefit of joint efforts of two or more operating segments on a third-party transaction, operating income (and the related funding costs) derived from the transaction is recorded in all relevant operating segments and the additional operating income recorded from this treatment is eliminated on consolidation.

Cost allocation is based on the direct costs incurred by the respective operating segments and apportionment of certain centralised management overheads. Rental charges at market rates for usage of premises are reflected in "Operating Expense" and "Inter-segment Expense" for the respective operating segments.

16. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部份，相關之財務資料可被獨立地提供及被主要行政人員用作定期評估以決定如何分配資源和評核表現。

經營分部

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報業務分部載列如下。

消費金融及零售市場包括信用卡商戶服務、信用卡信貸服務、按揭及其他消費信貸，以及向零售市場（解釋為受管理資產屬較少價值的客戶）提供銀行服務。

財富管理包括證券買賣、向財富管理客戶（解釋為受管理資產屬較高價值的客戶）銷售及分銷財富管理產品，以及提供保險和單位信託財富管理服務。

企業金融包括中小企業務及企業銀行業務。中小企業務包括私人及企業設備融資、中小企業商業借貸、汽車及其他消費租賃合約及借貸業務。企業銀行業務涵蓋貿易融資、銀團貸款及其他企業借貸。

金融市場業務主要包括外匯交易服務及存款和借貸的中央現金管理、證券交易管理，按管理層的投資策略在貨幣市場進行投資與及本集團的整體資金管理。

分部業績、資產及負債

按分部分析下之收入劃分，是反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個或以上經營分部在第三方交易上聯合努力所賺取之回報，從這交易上所賺取之營運收入（以及相關之資金成本）將紀錄在全部相關之經營分部，而從此項處理所紀錄的額外營運收入於綜合處理程序時抵銷。

成本分配以各經營分部之直接成本及分攤之若干統一管理費用計算。各經營分部使用物業，按市值計算之租金反映於各經營分部之「營運支出」及「跨業務支出」內。

16. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

Segment assets mainly include advances to customers less impairment, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments. The assets attributable to a transaction with joint efforts of two or more operating segments are recorded in all relevant operating segments and the additional assets recorded from this treatment are eliminated on consolidation.

Segment liabilities mainly include deposits from customers, certificate of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment lending), interest expense, depreciation, amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

16. 分部資料(續)

分部業績、資產及負債(續)

分部資產主要包括各經營分部應佔客戶貸款減減值、證券投資、金融工具、銀行同業放款、流動資產及物業。從兩個或以上經營分部在交易上聯合努力所產生之資產記錄在全部相關之經營分部，而從此項處理所記錄的額外資產於綜合處理程序時抵銷。

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業存款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層還被提供其他分部資料包括收入(包括跨業務貸款)、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

		2009 二零零九年				Reportable Segments Total 可申報 分部總額 HK\$'000 千港元
		Consumer Banking 消費金融及 零售市場 HK\$'000 千港元	Wealth Management 財富管理 HK\$'000 千港元	Corporate and Investment Banking 企業金融 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	
Net interest income	淨利息收入	186,202	75,034	358,202	568,556	1,187,994
Other operating income from external customers	源自外界客戶其他營運收入	149,474	303,277	71,276	70,124	594,151
Fee and commission expense	費用及佣金支出	(34,954)	(7,091)	(7,762)	(13,246)	(63,053)
Other operating income	其他營運收入	114,520	296,186	63,514	56,878	531,098
Operating income	營運收入	300,722	371,220	421,716	625,434	1,719,092
Operating expenses	營運支出	(216,827)	(319,903)	(215,564)	(123,300)	(875,594)
Inter-segment expenses	跨分部支出	(1,901)	(28,391)	(5,351)	-	(35,643)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利	81,994	22,926	200,801	502,134	807,855
Impairment losses on advances to customers	客戶貸款之減值虧損	(25,296)	(8,649)	(452,590)	-	(486,535)
Impairment losses on available-for-sale securities	可供出售證券減值虧損	-	-	-	(67,124)	(67,124)
Charge for impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之扣除	-	-	(324)	-	(324)
Net gains on disposal of available-for-sale assets	出售可供出售資產之淨收益	-	-	-	80,258	80,258
Profit/(loss) before taxation	除稅前溢利/(虧損)	56,698	14,277	(252,113)	515,268	334,130
Operating expenses – depreciation	營運支出—折舊	(378)	(8,728)	(3,122)	(3,216)	(15,444)
Segment assets	分部資產	16,218,370	2,942,095	15,616,374	29,669,699	64,446,538
Segment liabilities	分部負債	2,258,594	26,945,091	15,293,344	10,608,577	55,105,606

16. SEGMENT REPORTING (continued)

Segment results, assets and liabilities (continued)

		2008 二零零八年				Reportable Segments
		Consumer Banking 消費金融及 零售市場 HK\$'000 千港元	Wealth Management 財富管理 HK\$'000 千港元	Corporate and Investment Banking 企業金融 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	Total 可申報 分部總額 HK\$'000 千港元
Net interest income	淨利息收入	162,224	152,690	486,179	233,978	1,035,071
Other operating income from external customers	源自外界客戶其他營運收入	139,122	388,581	203,044	174,632	905,379
Fee and commission expense	費用及佣金支出	(32,757)	(7,078)	(4,451)	(17,657)	(61,943)
Other operating income	其他營運收入	106,365	381,503	198,593	156,975	843,436
Operating income	營運收入	268,589	534,193	684,772	390,953	1,878,507
Operating expenses	營運支出	(209,790)	(352,547)	(235,205)	(151,446)	(948,988)
Inter-segment expenses	跨分部支出	(1,808)	(31,157)	(6,296)	-	(39,261)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利	56,991	150,489	443,271	239,507	890,258
Impairment losses on advances to customers	客戶貸款之減值虧損	(7,780)	(212)	(301,274)	-	(309,266)
Impairment losses on available-for-sale securities	可供出售證券減值虧損	-	-	-	(197,482)	(197,482)
Charge for impairment losses on assets acquired under lending agreements	根據貸款協議所得資產 減值虧損之扣除	-	-	(891)	-	(891)
Net gains on disposal of available-for-sale assets	出售可供出售資產之淨收益	-	-	-	70,783	70,783
Profit before taxation	除稅前溢利	49,211	150,277	141,106	112,808	453,402
Operating expenses – depreciation	營運支出 – 折舊	(402)	(8,096)	(2,399)	(4,113)	(15,010)
Segment assets	分部資產	15,995,720	3,092,901	20,495,103	30,255,957	69,839,681
Segment liabilities	分部負債	2,783,008	28,759,443	15,407,548	12,876,533	59,826,532

16. 分部資料 (續)

分部業績、資產及負債 (續)

16. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities

Revenues	收入
Reportable segment operating income	可申報分部營運收入
Elimination of inter-segment operating income and operating income reported in more than one segment	跨業務營運收入及紀錄在多於一個經營分部之營運收入之抵銷
Unallocated revenue	未分配收入
Consolidated operating income	綜合營運收入

Profit before tax	除稅前溢利
Reportable segment profit before tax	可申報分部除稅前溢利
Unallocated operating income	未分配營運收入
Unallocated operating expenses	未分配營運支出
Write back of impairment losses on advances to customers	客戶貸款之減值虧損回撥
Write back of impairment losses on advances to an associate	對聯營公司貸款減值虧損之回撥
Write back of/(charge for) impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥/(扣除)
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益
Net (losses)/gains on disposals of fixed assets	出售固定資產之淨(虧損)/收益
Share of profits of an associate	應佔聯營公司溢利
Elimination of inter-segment profit before tax and profit before tax reported in more than one segment	跨業務除稅前溢利及紀錄在多於一個經營分部之除稅前溢利之抵銷
Consolidated profit before tax	綜合除稅前溢利

16. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
1,719,092	1,878,507
(344,679)	(463,430)
46,254	39,589
1,420,667	1,454,666
334,130	453,402
46,254	39,589
(101,611)	(36,250)
2,320	252
346	3,797
5,061	(2,941)
12,687	15,474
(16)	29,123
14,309	-
(286,829)	(404,490)
26,651	97,956

16. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities (continued)

Assets

Reportable segment assets
Unallocated advances to customers
Unallocated fixed assets
Interests in associates
Unallocated other assets
Elimination of inter-segment loans

Consolidated total assets

資產

可申報分部資產
未分配客戶貸款
未分配固定資產
於聯營公司之權益
未分配其他資產
跨業務貸款抵銷

綜合資產總額

Liabilities

Reportable segment liabilities
Unallocated other liabilities

Consolidated total liabilities

負債

可申報分部負債
未分配其他負債

綜合負債總額

Geographical information

The geographical information analysis is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2009 and 2008, all of the Group's operating income and profit before taxation were generated by assets booked by the principal operations of the branches and subsidiaries of the Bank located in Hong Kong. No single country or geographic segment other than Hong Kong contributes 10% or more of the Group's assets, liabilities, profit or loss before taxation, total operating income or contingent liabilities and commitments.

16. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬(續)

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
可申報分部資產	64,446,538	69,839,681
未分配客戶貸款	135,100	243,403
未分配固定資產	612,627	654,378
於聯營公司之權益	386,510	293,746
未分配其他資產	995,813	686,027
跨業務貸款抵銷	(5,597,288)	(6,075,323)
綜合資產總額	60,979,300	65,641,912

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
可申報分部負債	55,105,606	59,826,532
未分配其他負債	939,134	1,094,283
綜合負債總額	56,044,740	60,920,815

區域資料

區域資料分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零零九年及二零零八年十二月三十一日止年度，本集團之所有營運收入及除稅前溢利均是從位於香港的本行分行及附屬公司入賬之資產所產生。本集團沒有在香港以外的單一國家或地區佔有10%或以上的資產、負債、除稅前溢利或虧損、總營運收入或或然負債及承擔。

17. CASH AND SHORT-TERM FUNDS

Cash in hand	現金
Balances with the HKMA	香港金融管理局結餘
Balances with banks	銀行同業之結餘
Money at call and short notice *	通知及短期存款 *

17. 現金及短期資金

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
112,170	120,784	112,170	120,780
2,020,875	168,543	2,020,875	168,543
346,822	988,896	345,499	976,842
2,935,022	6,736,730	2,935,022	6,736,730
5,414,889	8,014,953	5,413,566	8,002,895

* Money at call and short notice represents deposits of up to a maximum of one month maturity from the balance sheet date.

* 通知及短期存款指由結算日起計最長一個月到期之存款。

18. PLACEMENTS WITH AND ADVANCES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

Placements with banks maturing within:	以下期間內到期之 銀行同業放款：
– 3 months or less but over 1 month	– 三個月或以下 惟一個月以上
– 1 year or less but over 3 months	– 一年或以下惟三個月以上
Advances to other financial institutions	其他金融機構貸款總額

18. 銀行同業及其他金融機構放款及貸款

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
76,775	975,010	–	975,010
240,902	852,511	240,902	852,511
317,677	1,827,521	240,902	1,827,521
50,000	–	50,000	–
367,677	1,827,521	290,902	1,827,521

19. TRADING SECURITIES

19. 持作交易用途之證券

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<i>Trading securities at fair value</i>	<i>持作交易用途之證券 之公平價值</i>				
Treasury bills (including Exchange Fund Bills) – unlisted	國庫券(包括外匯基金票據)·非上市	100,496	142,967	100,496	142,967
Debt securities	債務證券				
– Listed in Hong Kong	– 於香港上市	956	3,190	956	3,190
– Unlisted	– 非上市	3,968	4,058	3,968	4,058
Equity securities	股本證券				
– Listed in Hong Kong	– 於香港上市	102	35	–	–
Total	總值	105,522	150,250	105,420	150,215
<i>Trading securities are issued by:</i>	<i>持作交易用途之證券由以下 機構發行:</i>				
– Governments and central banks	– 政府及中央銀行	100,496	142,967	100,496	142,967
– Public sector entities	– 公營機構	4,924	7,248	4,924	7,248
– Banks	– 銀行	39	23	–	–
– Corporate entities	– 企業實體	63	12	–	–
		105,522	150,250	105,420	150,215

20. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

<i>Debt securities at fair value</i>	債務證券之公平價值
– Listed in Hong Kong	– 於香港上市
– Listed outside Hong Kong	– 於香港以外上市
– Unlisted	– 非上市
Total	總值
<i>Financial instruments designated at fair value through profit or loss are issued by:</i>	指定為通過損益以反映公平價值之金融工具由以下機構發行：
– Public sector entities	– 公營機構
– Banks	– 銀行
– Corporate entities	– 企業實體

Debt securities have been designated at fair value through profit or loss upon initial recognition when either the Group holds related derivatives at fair value through profit or loss, and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise; or the debt securities are managed and evaluated on a fair value basis.

21. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading, qualifying for hedge accounting, or managed in conjunction with financial instruments designated at fair value through profit or loss.

20. 指定為通過損益以反映公平價值之金融資產

The Group and the Bank 本集團及本行

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	84,515	469,195
	247,109	231,086
	310,113	–
	641,737	700,281
	81,853	474,235
	165,256	148,833
	394,628	77,213
	641,737	700,281

當本集團同時持有與債務證券相關通過損益以反映公平價值的衍生工具，或本集團對該債務證券是以公平價值基準作內部管理、評估及匯報，該債務證券會於初次確認時指定為通過損益以反映公平價值。

21. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用以管理本集團所承受的市場風險，作為其資產負債管理的程序一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦參與交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途、合資格採用對沖會計法或與指定通過損益以反映公平價值之金融工具共同進行管理。

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

21. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於結算日尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		The Group and the Bank 本集團及本行				
		2009 二零零九年				
		Managed in conjunction with financial instruments designated at fair value through profit or loss 就指定為通過損益 以反映公平價值 之金融工具 共同進行管理			Held for trading 持作交易用途	Total 總額
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具					
- Forwards	- 遠期	-	-	3,686,721	3,686,721	3,686,721
- Swaps	- 掉期	-	-	8,734,426	8,734,426	8,734,426
- Options purchased	- 購入期權	-	-	1,132,132	1,132,132	1,132,132
- Options written	- 沽出期權	-	-	1,128,639	1,128,639	1,128,639
		-	-	14,681,918	14,681,918	14,681,918
Interest rate derivatives	利率衍生工具					
- Swaps	- 掉期	3,941,867	592,685	11,085,267	15,619,819	15,619,819
- Options purchased	- 購入期權	-	-	67,541	67,541	67,541
		3,941,867	592,685	11,152,808	15,687,360	15,687,360
Equity derivatives	股票衍生工具					
- Swaps	- 掉期	-	-	787,594	787,594	787,594
- Options purchased	- 購入期權	-	-	133,185	133,185	133,185
- Options written	- 沽出期權	-	-	133,185	133,185	133,185
		-	-	1,053,964	1,053,964	1,053,964
Total	總額	3,941,867	592,685	26,888,690	31,423,242	31,423,242

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

		The Group and the Bank 本集團及本行			
		2008 二零零八年			
		Managed in conjunction with financial instruments designated at fair value through profit or loss 就指定為通過損益 以反映公平價值 之金融工具 共同進行管理			Total 總額
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	Held for trading 持作交易用途 HK\$'000 千港元	Held for trading 持作交易用途 HK\$'000 千港元	HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期	-	-	12,529,473	12,529,473
- Swaps	- 掉期	-	-	31,679,858	31,679,858
- Options purchased	- 購入期權	-	-	19,445,806	19,445,806
- Options written	- 沽出期權	-	-	19,443,518	19,443,518
- Other exchange rate derivatives	- 其他匯率衍生工具	-	-	21,700	21,700
		-	-	83,120,355	83,120,355
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期	1,937,525	966,542	54,162,230	57,066,297
- Options purchased	- 購入期權	-	-	402,905	402,905
		1,937,525	966,542	54,565,135	57,469,202
Equity derivatives	股票衍生工具				
- Swaps	- 掉期	-	-	1,633,600	1,633,600
- Options purchased	- 購入期權	-	-	83,350	83,350
- Options written	- 沽出期權	-	-	83,350	83,350
- Other equity derivatives	- 其他股票衍生工具	-	-	233,396	233,396
		-	-	2,033,696	2,033,696
Total	總額	1,937,525	966,542	139,719,186	142,623,253

The above amounts are shown on a gross basis without taking into account the effect of any bilateral netting arrangements.

Derivatives reported as qualifying for hedge accounting represent hedging instruments designated as hedges under HKAS 39.

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作為對沖之對沖工具。

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(b) Fair values and credit risk weighted amounts of derivatives

Credit risk-weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100%.

These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements and are as below:

21. 衍生金融工具(續)

(b) 衍生工具之公平價值及信貸風險加權金額

信貸風險加權金額指根據《銀行業條例》下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期期限特點而定。所採用之信貸風險加權比率介乎0%至100%。

該等金額並無計及雙邊淨額結算安排並以總額顯示如下：

		The Group and the Bank 本集團及本行					
		2009 二零零九年			2008 二零零八年		
		Fair value Assets 公平價值資產 HK\$'000 千港元	Fair value Liabilities 公平價值負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元	Fair value Assets 公平價值資產 HK\$'000 千港元	Fair value Liabilities 公平價值負債 HK\$'000 千港元	Credit risk weighted amount 信貸風險 加權金額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具						
- Forwards	- 遠期	311,249	1,293	2,814	544,751	117,693	299,990
- Swaps	- 掉期	26,916	10,728	18,762	938,263	1,119,277	430,405
- Options purchased	- 購入期權	651	-	2,668	99,574	-	211,047
- Options written	- 沽出期權	-	651	-	-	99,562	-
- Other exchange rate derivatives	- 其他匯率衍生工具	-	-	-	256	256	181
		338,816	12,672	24,244	1,582,844	1,336,788	941,623
Interest rate derivatives	利率衍生工具						
- Swaps	- 掉期	222,752	328,652	78,910	615,835	522,800	246,902
- Options purchased	- 購入期權	1,649	-	-	8,082	-	-
		224,401	328,652	78,910	623,917	522,800	246,902
Equity derivatives	股票衍生工具						
- Swaps	- 掉期	65,598	65,598	11,770	375,826	375,826	84,858
- Options purchased	- 購入期權	3,195	-	-	948	-	-
- Options written	- 沽出期權	-	3,195	-	-	948	-
- Other equity derivatives	- 其他股票衍生工具	-	-	-	34,538	34,538	27,610
		68,793	68,793	11,770	411,312	411,312	112,468
Other derivatives	其他衍生工具	-	241,779	-	-	235,445	-
Total	總額	632,010	651,896	114,924	2,618,073	2,506,345	1,300,993

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(c) Fair values of derivatives designated as hedging instruments***Fair value hedges*

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of the Bank's subordinated notes issued and certain fixed-rate debt securities due to movements in market interest rates.

The following is a summary of the fair values of derivatives held for hedging purposes entered into by the Group and the Bank:

Interest rate derivatives 利率衍生工具

21. 衍生金融工具(續)**(c) 指定作為對沖工具之衍生工具之公平價值***公平價值對沖*

公平價值對沖包括用作保障本行的已發行後償票據及若干定息債券因市場利率變動而出現之公平價值變化的利率掉期。

本集團及本行訂立之持作對沖目的之衍生工具之公平價值摘要如下：

The Group and the Bank 本集團及本行			
2009 二零零九年		2008 二零零八年	
Fair value Assets 公平價值資產 HK\$'000 千港元	Fair value Liabilities 公平價值負債 HK\$'000 千港元	Fair value Assets 公平價值資產 HK\$'000 千港元	Fair value Liabilities 公平價值負債 HK\$'000 千港元
91,435	113,207	134,366	52,736

(d) Remaining life of derivatives instruments

The following table provides an analysis of the notional amounts of derivatives of the Group and the Bank by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

2009 二零零九年

Exchange rate derivatives 匯率衍生工具
Interest rate derivatives 利率衍生工具
Equity derivatives 股票衍生工具

Total 總額

(d) 衍生工具之剩餘期限

下表為本集團及本行，按於結算日時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

The Group and the Bank 本集團及本行			
Notional amounts with remaining life of 屬以下剩餘年期之名義金額			
Total 總額 HK\$'000 千港元	1 year or less 一年或以下 HK\$'000 千港元	Over 1 year to 5 years 一年以上至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
14,681,918	14,681,918	-	-
15,687,360	5,750,418	8,360,923	1,576,019
1,053,964	773,800	260,000	20,164
31,423,242	21,206,136	8,620,923	1,596,183

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(d) Remaining life of derivatives instruments** (continued)

2008	二零零八年
Exchange rate derivatives	匯率衍生工具
Interest rate derivatives	利率衍生工具
Equity derivatives	股票衍生工具
Total	總額

21. 衍生金融工具 (續)**(d) 衍生工具之剩餘期限** (續)

		The Group and the Bank 本集團及本行			
		Notional amounts with remaining life of 屬以下剩餘年期之名義金額			
		1 year or less 一年或以下	Over 1 year to 5 years 一年以上至五年	Over 5 years 五年以上	
Total 總額		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
83,120,355	匯率衍生工具	82,129,053	991,302	–	–
57,469,202	利率衍生工具	47,698,855	8,766,450	1,003,897	1,003,897
2,033,696	股票衍生工具	1,452,736	580,960	–	–
142,623,253	總額	131,280,644	10,338,712	1,003,897	1,003,897

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES**(a) Advances to customers less impairment allowances:**

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
Gross advances to customers	客戶貸款總額
Less: Impairment allowances	減：減值撥備
– Individual impairment allowances (Note 22(b))	– 個別減值撥備 (附註22(b))
– Collective impairment allowances (Note 22(b))	– 綜合減值撥備 (附註22(b))

22. 客戶貸款減減值撥備**(a) 客戶貸款減減值撥備：**

The Group 本集團		The Bank 本行	
2009	2008	2009	2008
二零零九年	二零零八年	二零零九年	二零零八年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
29,112,658	33,329,796	27,327,831	29,099,339
(364,647)	(181,872)	(236,845)	(91,637)
(176,044)	(114,106)	(143,288)	(69,169)
28,571,967	33,033,818	26,947,698	28,938,533

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES 22. 客戶貸款減值撥備(續)

(continued)

(b) Movement in impairment allowances on advances to customers:

(b) 客戶貸款減值撥備變動:

		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowances 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowances 綜合減值 撥備 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	181,872	114,106	91,637	69,169
Impairment losses charged to profit or loss (Note 11)	於損益賬扣除之減值虧損(附註11)	470,477	61,938	382,728	74,119
Impairment losses released back to profit or loss (Note 11)	於損益賬撥回之減值虧損(附註11)	(47,498)	–	(33,153)	–
Amounts written off	撇賬金額	(258,861)	–	(213,898)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	18,657	–	9,531	–
At 31 December 2009	於二零零九年十二月三十一日	364,647	176,044	236,845	143,288

		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowances 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowances 綜合減值 撥備 HK\$'000 千港元
At 1 January 2008	於二零零八年一月一日	72,082	82,126	43,001	55,134
Impairment losses charged to profit or loss (Note 11)	於損益賬扣除之減值虧損(附註11)	309,868	31,980	155,945	14,035
Impairment losses released back to profit or loss (Note 11)	於損益賬撥回之減值虧損(附註11)	(32,551)	–	(21,077)	–
Amounts written off	撇賬金額	(187,622)	–	(99,004)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	20,095	–	12,772	–
At 31 December 2008	於二零零八年十二月三十一日	181,872	114,106	91,637	69,169

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(c) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

22. 客戶貸款減減值撥備(續)

(c) 按行業分類的客戶貸款

以下客戶貸款總額之經濟行業分析乃根據金管局使用的組別及定義。

As at 31 December	於十二月三十一日	The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
- Property development	- 物業發展	1,190,968	47,500	1,190,968	47,500
- Property investment	- 物業投資	8,201,715	8,694,857	8,199,216	8,688,628
- Financial concerns	- 金融企業	416,802	492,465	416,802	492,350
- Stockbrokers	- 股票經紀	13,745	5,413	13,745	5,413
- Wholesale and retail trade	- 批發及零售業	64,511	96,448	61,979	88,492
- Manufacturing	- 製造業	1,666,263	2,204,099	1,604,722	2,044,667
- Transport and transport equipment	- 運輸及運輸設備	465,987	752,659	57,040	65,906
- Information technology	- 資訊科技	14,434	14,630	13,800	13,418
- Others	- 其他	2,321,393	2,660,900	2,163,042	2,352,785
Individuals	個人				
- Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	- 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	52,370	10,953	52,370	10,953
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	7,448,480	7,312,449	7,439,284	7,294,489
- Credit card advances	- 信用卡貸款	618,106	554,171	618,106	554,171
- Others	- 其他	1,039,499	1,024,661	966,870	881,917
		23,514,273	23,871,205	22,797,944	22,540,689
Trade finance	貿易融資	809,641	1,849,658	809,641	1,849,658
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	4,788,744	7,608,933	3,720,246	4,708,992
Gross advances to customers	客戶貸款總額	29,112,658	33,329,796	27,327,831	29,099,339

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(d) Impaired advances to customers

22. 客戶貸款減減值撥備(續)

(d) 客戶減值貸款

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	i% i百分比	HK\$'000 千港元	i% i百分比
Gross impaired advances	減值貸款總額	518,722	1.78	407,350	1.22
Individual impairment allowances made against impaired loans	就減值貸款作出的 個別減值撥備	(364,647)		(181,872)	
		154,075		225,478	
Amount of collateral held in respect of impaired loans ⁱⁱ	就減值貸款持有的 抵押品金額 ⁱⁱ	94,843		144,905	

		The Bank 本行			
		2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	i% i百分比	HK\$'000 千港元	i% i百分比
Gross impaired advances	減值貸款總額	315,330	1.15	234,519	0.81
Individual impairment allowances made against impaired loans	就減值貸款作出的 個別減值撥備	(236,845)		(91,637)	
		78,485		142,882	
Amount of collateral held in respect of impaired loans ⁱⁱ	就減值貸款持有的 抵押品金額 ⁱⁱ	13,813		74,771	

i. As a percentage of gross advances to customers.

ii. Collateral mainly comprises mortgage interests over residential properties and cash deposits with the Group. It includes an expected recovery of HK\$11.9 million (2008: HK\$24.1 million) from companies in liquidation and government guarantee schemes.

Impaired advances are individually assessed loans with objective evidence of impairment on an individual basis.

i. 估客戶貸款總額之百分比。

ii. 該等抵押品主要包括居住物業之按揭利息及存放於本集團之現金存款。包括預期可從清盤中公司及政府擔保計劃回收之金額 11,900,000 港元 (二零零八年: 24,100,000 港元)。

減值貸款是按個別基準在具備客觀的減值證據下而須作個別評估的貸款。

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(e) Net investment in finance leases and hire purchase contracts

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額				
	到期期限為：				
- within 1 year	—一年以內	1,342,824	2,827,481	28,509	146,490
- after 1 year but within 5 years	—一年以後惟五年以內	417,012	1,652,424	1,045	13,868
- after 5 years	—五年以後	178,715	272,055	—	—
		1,938,551	4,751,960	29,554	160,358
Interest income relating to future periods	與未來期間有關之利息收入	(140,066)	(398,164)	(1,244)	(7,088)
Present value of the minimum lease payment receivable	應收最低租賃還款之現值	1,798,485	4,353,796	28,310	153,270
Collective impairment allowances	綜合減值撥備	(33,022)	(46,538)	(574)	(1,717)
Individual impairment allowances	個別減值撥備	(139,393)	(108,084)	(11,591)	(17,849)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之投資淨額	1,626,070	4,199,174	16,145	133,704

The maturity profile of the present value of the minimum lease payments before impairment allowances is as follows:

減值撥備前最低租賃還款現值之期限組別如下：

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Within 1 year	一年以內	1,259,545	2,576,589	27,279	139,874
After 1 year but within 5 years	一年以後惟五年以內	385,907	1,546,675	1,031	13,396
After 5 years	五年以後	153,033	230,532	—	—
		1,798,485	4,353,796	28,310	153,270

(e) 融資租賃及租購合約之投資淨額

給予客戶之貸款包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備的投資淨額。合約一般初步為期三至五年，附帶按賬面值購買所租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃還款總金額及於年結日之現值如下：

23. OTHER LOANS AND RECEIVABLES

Debt securities at amortised cost	債務證券，以攤餘成本列賬
Of which:	其中：
– Listed outside Hong Kong	– 於香港以外上市
– Unlisted	– 非上市
<i>Other loans and receivables are issued by:</i>	<i>其他貸款及應收款項由以下機構發行：</i>
– Banks	– 銀行
– Corporate entities	– 企業實體

During 2008, the Group and the Bank reclassified certain available-for-sale investment securities which met the definition of loans and receivables (if they had not been designated as available-for-sale) and for which there was no longer an active market to loans and receivables during the year. The fair value and carrying value of these securities on the date of reclassification were HK\$3,723.9 million. As at 31st December 2009, the carrying amount and fair value of these reclassified debt securities were HK\$3,392.2 million (2008: HK\$3,745.3 million) and HK\$3,146.1 million (2008: HK\$3,387.9 million) respectively.

The interest income recognised in the profit or loss in respect of these debt securities during 2009 was HK\$107.0 million (2008: HK\$188.3 million, of which HK\$114.3 million was recognised before reclassification and HK\$74.0 million was recognised after reclassification). The fair value change that would have been recognised in the investment revaluation reserve if those debt securities had not been reclassified would be a HK\$181.7 million gain (2008: HK\$342.4 million loss).

The above debt securities are neither past due nor impaired as at 31 December 2009 and 2008.

23. 其他貸款及應收款項

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
3,392,218	3,745,286
3,010,919	3,026,906
381,299	718,380
3,392,218	3,745,286
3,369,760	3,723,191
22,458	22,095
3,392,218	3,745,286

於二零零八年，本集團及本行已將若干符合貸款及應收款項定義（如其並未被指定為可供出售類別）及不存在活躍市場之可供出售投資證券重新分類至貸款及應收款項。該等證券於重新分類日期之公平價值及賬面值均為3,723,900,000港元。於二零零九年十二月三十一日，該等債務證券的賬面值及公平價值分別為3,392,200,000港元（二零零八年：3,745,300,000港元）及3,146,100,000港元（二零零八年：3,387,900,000港元）。

該等債務證券於本年內在收益表內確認之利息收入為107,000,000港元（二零零八年：188,300,000港元，其中於重新分類前確認為114,300,000港元，而於重新分類後確認為74,000,000港元）。倘該等債務證券並未重新分類，於投資重估儲備中確認之公平價值收益將為181,700,000港元收益（二零零八年：342,400,000港元虧損）。

於二零零九年及二零零八年十二月三十一日，上述經重新分類債務證券既未逾期亦無減值。

24. AVAILABLE-FOR-SALE SECURITIES

24. 可供出售證券

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Listed debt securities at fair value	上市債務證券之公平價值				
– Listed in Hong Kong	– 於香港上市	3,498,794	2,067,597	3,498,794	2,067,597
– Listed outside Hong Kong	– 於香港以外上市	4,708,120	2,869,603	4,708,120	2,869,603
		8,206,914	4,937,200	8,206,914	4,937,200
Unlisted debt securities at fair value	非上市債務證券之公平價值				
– Treasury bills (including Exchange Fund Bills)	– 國庫券(包括外匯基金票據)	1,989,636	2,151,272	1,989,636	2,151,272
– Certificates of deposit	– 存款證	–	472,897	–	472,897
– Other debt securities	– 其他債務證券	7,532,438	4,209,206	7,532,438	4,209,206
		9,522,074	6,833,375	9,522,074	6,833,375
Total debt securities	債務證券總值	17,728,988	11,770,575	17,728,988	11,770,575
Equity shares at fair value	股票之公平價值				
– Listed in Hong Kong	– 於香港上市	–	74,589	–	74,589
– Unlisted	– 非上市	210,085	244,170	210,083	244,170
		210,085	318,759	210,083	318,759
Total available-for-sale securities	可供出售證券總值	17,939,073	12,089,334	17,939,071	12,089,334
Available-for-sale securities are issued by:	可供出售證券由以下機構發行:				
– Governments and central banks	– 政府及中央銀行	4,635,124	3,743,984	4,635,124	3,743,984
– Public sector entities	– 公營機構	1,437,646	280,419	1,437,646	280,419
– Banks	– 銀行	8,601,322	6,137,612	8,601,322	6,137,612
– Corporate entities	– 企業實體	3,264,981	1,927,319	3,264,979	1,927,319
		17,939,073	12,089,334	17,939,071	12,089,334

As at 31 December 2009, debt securities issued by banks with a fair value of HK\$768.1 million (2008: Nil) and HK\$2.5 billion (2008: HK\$1.7 billion) are issued by multilateral development banks and guaranteed by governments respectively.

Included in “Other debt securities” as at 31 December 2009 were investments in structured investment vehicles (“SIVs”) with a fair value of HK\$1.0 million (2008: HK\$16.6 million). Impairment losses on these investments of HK\$30.3 million (2008: HK\$79.5 million) have been recognised in profit or loss in accordance with the accounting policy set out in Note 2(m).

於二零零九年十二月三十一日，公平價值為768,100,000港元(二零零八年：零)及2,500,000,000港元(二零零八年：1,700,000,000港元)的由銀行機構發行債務證券分別為由多邊發展銀行發行及由政府擔保。

於二零零九年十二月三十一日，列賬於「其他債務證券」包括公平價值為1,000,000港元(二零零八年：16,600,000港元)之結構性投資工具。這些投資之減值虧損30,300,000港元(二零零八年：79,500,000港元)已根據附註2(m)所載的會計政策於損益賬內確認。

24. AVAILABLE-FOR-SALE SECURITIES (continued)

In addition, the Bank had investments in collateralised debt obligations (“CDOs”) with a nominal value of US\$30 million (2008: US\$30 million). Embedded derivatives in the CDOs are bifurcated and marked to market. A revaluation loss of HK\$0.7 million (2008: HK\$128.5 million) of the embedded derivatives has been charged to profit or loss during the year. The carrying value of the investments in CDOs, inclusive of the revaluation loss on the embedded derivatives, as at 31 December 2009 was HK\$13.1 million (2008: HK\$13.6 million)

As at 31 December 2009, certain of the Group’s and the Bank’s available-for-sale equity securities with a fair value of HK\$15.3 million (2008: HK\$74.6 million) were individually determined to be impaired on the basis of a significant or prolonged decline in fair value below cost. Impairment losses on these investments of HK\$36.8 million (2008: HK\$118.0 million) were recognised in the profit or loss during the year.

25. HELD-TO-MATURITY INVESTMENTS

Debt securities at amortised cost	債務證券，以攤餘成本列賬
– Listed outside Hong Kong	– 於香港以外上市
– Unlisted	– 非上市
<i>Held-to-maturity investments are issued by:</i>	<i>持至到期之投資由下列機構發行：</i>
– Banks	– 銀行
– Corporate entities	– 企業實體
<i>Fair value of held-to-maturity investments:</i>	<i>持至到期投資之公平價值</i>
– Listed securities	– 上市證券
– Unlisted securities	– 非上市證券

24. 可供出售證券(續)

此外，本行擁有面值為30,000,000美元(二零零八年：30,000,000美元)之債務抵押證券。其中嵌入式衍生工具已與主合約分開並按公平價值重估。其本年度重估虧損700,000港元(二零零八年：128,500,000港元)已於損益賬中扣除。債務抵押證券的賬面值(包括嵌入式衍生工具的重估虧損)於二零零九年十二月三十一日為13,100,000港元(二零零八年：13,600,000港元)

於二零零九年十二月三十一日，本集團若干可供出售股本證券因其公平價值長期或大幅低於成本而被釐定為已減值證券，該等權益證券的公平價值為15,300,000港元(二零零八年：74,600,000港元)。該等權益證券的減值虧損36,800,000港元(二零零八年：118,000,000港元)已於損益中扣除。

25. 持至到期投資**The Group and the Bank**
本集團及本行

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	639,669	635,776
	262,553	259,814
	902,222	895,590
	745,123	737,754
	157,099	157,836
	902,222	895,590
	693,363	659,453
	291,793	273,429
	985,156	932,882

26. INTERESTS IN ASSOCIATES

26. 於聯營公司之權益

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	5,761	5,761	388,651	297,808
Advances	貸款	8,059	8,492	8,059	8,492
Share of net assets	應佔資產淨值	334,931	242,080	–	–
Goodwill	商譽	49,967	49,967	–	–
		398,718	306,300	396,710	306,300
Less: Impairment allowance on unlisted shares	減：非上市股份之 減值撥備	(5,761)	(5,761)	(5,761)	(5,761)
Impairment allowance for advances to an associate	向一間聯營公司 貸款之減值撥備	(6,447)	(6,793)	(6,447)	(6,793)
		386,510	293,746	384,502	293,746

During the year, the Bank has obtained new information on the fair value of its share of net assets of Xiamen Bank Co., Ltd. ("Xiamen Bank") (formerly Xiamen City Commercial Bank) as of the acquisition date (5 December 2008). As a result, the Bank has remeasured the share of net assets and provisional goodwill retrospectively in accordance with HKFRS 3, "Business Combinations".

The Bank is entitled to appoint three directors to the board of Xiamen Bank which comprises eleven directors. In view of the Bank's representation on the Board of Directors, Xiamen Bank is accounted for as an associated company as the directors believe they have significant influence.

The Board of Directors of Xiamen Bank announced on 11 December 2009 the raising of approximately RMB400,000,000 by way of a rights issue of 160,000,000 newly issued ordinary shares to its qualified shareholders on a pro-rata basis at a price of RMB2.5 per share, on the basis of 32 shares to every 100 shares held by the shareholders of Xiamen Bank on 13 December 2009.

On 22 December 2009, the Bank undertook to fully subscribe for its allocated 31,984,000 Rights Shares in Xiamen Bank pursuant to the terms of the Rights Issue. All necessary approvals were obtained prior to 31 December 2009 and as a result the Group recorded an increase in its interest at that date with a corresponding liability. The subscription amounts were remitted to Xiamen Bank in January 2010.

於本年度，本行已獲得其應佔廈門銀行股份有限公司(「廈門銀行」，前稱廈門市商業銀行)截至收購日期(二零零八年十二月五日)之淨資產之公平價值之新資料。因此，本行已根據香港財務報告準則第3號「業務合併」重新計量應佔之淨資產及暫時商譽。

本行有權委任三位董事加入廈門銀行的董事會(由十一位董事組成)。鑒於本行於董事會的代表人數，董事認為彼等具有重大影響力，因此廈門銀行作為一間聯營公司入賬。

廈門銀行董事會於二零零九年十二月十一日宣佈籌集約人民幣400,000,000元，方式為以每股人民幣2.5元之價格按比例基準向其合資格股東供股160,000,000股新發行普通股，基準為廈門銀行股東於二零零九年十二月十三日持有之每100股股份換取32股股份。

於二零零九年十二月二十二日，本行承諾根據供股之條款悉數認購其於廈門銀行獲配發之31,984,000股供股股份。由於本集團已於二零零九年十二月三十一日取得所有必須的審批，本集團因此於當日就所增加的權益及相關的負債記賬。有關的款項已於二零一零年一月匯至廈門銀行。

26. INTERESTS IN ASSOCIATES (continued)

The associates of the Bank are as follows:

	Place of establishment and operation 註冊成立及營運地址	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation	The Philippines 菲律賓	40.00%	Provision of financing and leasing services 提供財務及租賃服務
Xiamen Bank Co., Ltd. 廈門銀行股份有限公司	The People's Republic of China 中華人民共和國	19.99%	Provision of banking and related finance services 提供銀行及相關金融服務

The Group has not equity accounted for the investments in IBA Finance Corporation in view of the immaterial amount involved.

Summary of financial information on associate:

		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Equity 權益 HK\$'000 千港元	Revenues 收入 HK\$'000 千港元	Profit/(loss) 溢利/(虧損) HK\$'000 千港元
2009	二零零九年					
100 per cent	100%	32,274,423	30,598,931	1,675,492	955,899	63,072
Group's effective interest	本集團的實際權益	6,451,657	6,116,726	334,931	191,084	14,309
2008 (Restated)	二零零八年(重述)					
100 per cent	100%	18,784,556	17,573,550	1,211,006	906,955	241,771
Group's effective interest	本集團的實際權益	3,755,033	3,512,953	242,080	-	-

26. 於聯營公司之權益 (續)

本行之聯營公司如下：

由於所涉及之金額微不足道，本集團並無以權益法將於IBA Finance Corporation之投資列入賬內。

有關聯營公司的財務資料概要：

27. INVESTMENTS IN SUBSIDIARIES

27. 附屬公司投資

		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	191,473	125,507

All principal subsidiaries which affected the results, assets or liabilities of the Group, are directly owned by the Bank. Details of principal subsidiaries as of 31 December 2009 are as follows:

主要影響本集團業績、資產或負債之全部主要附屬公司均由本行直接擁有。關於各主要附屬公司於二零零九年十二月三十一日之資料詳述如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足 之普通股股本	% of ownership interest held 所持 股權百分比	Net profit/(loss) for the year 年度淨溢利/ (虧損)	Principal activities 主要業務
<i>Incorporated and operating in Hong Kong</i>		<i>於香港註冊成立及運作</i>			
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000港元	100% 100%	HK\$91,430,000 91,430,000港元	Provision of financing services 提供財務服務
Fubon (Hong Kong) Trustee Limited	富邦(香港)信託有限公司	HK\$5,000,000 5,000,000港元	100% 100%	HK\$66,000 66,000港元	Trustee services 信託服務
FB Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK\$8,000,000 8,000,000港元	100% 100%	HK\$38,175,000 38,175,000港元	Securities broking 證券經紀
FB Investment Management Limited	富銀投資管理有限公司	HK\$8,000,000 8,000,000港元	100% 100%	HK\$(5,984,000) (5,984,000)港元	Fund management 資金管理
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK\$200 200港元	100% 100%	HK\$6,000 6,000港元	Nominee services 代理人服務

28. FIXED ASSETS

Cost or valuation

At 1 January 2009

Additions

Disposals

At 31 December 2009

Representing:

Cost

Valuation – 1991

Accumulated depreciation

At 1 January 2009

Charge for the year (Note 7)

Released on disposal

At 31 December 2009

Net book value

At 31 December 2009

At 31 December 2008

成本值或估值

於二零零九年一月一日

添置

出售

於二零零九年十二月三十一日

代表：

成本值

估值—一九九一年

累計折舊

於二零零九年一月一日

年內折舊(附註7)

出售之抵免

於二零零九年十二月三十一日

賬面淨值

於二零零九年十二月三十一日

於二零零八年十二月三十一日

28. 固定資產

		The Group 本集團		
		Furniture, fixtures and equipment 傢俬、裝置 及設備		
		Premises 物業		Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		1,092,598	590,500	1,683,098
		–	33,921	33,921
		–	(5,724)	(5,724)
		1,092,598	618,697	1,711,295
		1,019,985	618,697	1,638,682
		72,613	–	72,613
		1,092,598	618,697	1,711,295
		148,044	422,775	570,819
		12,453	54,145	66,598
		–	(5,216)	(5,216)
		160,497	471,704	632,201
		932,101	146,993	1,079,094
		944,554	167,725	1,112,279

28. FIXED ASSETS (continued)

Cost or valuation

At 1 January 2008

Additions

Disposals

At 31 December 2008

Representing:

Cost

Valuation – 1991

Accumulated depreciation

At 1 January 2008

Charge for the year (Note 7)

Released on disposal

At 31 December 2008

Net book value

At 31 December 2008

At 31 December 2007

成本值或估值

於二零零八年一月一日

添置

出售

於二零零八年十二月三十一日

代表：

成本值

估值—一九九一年

累計折舊

於二零零八年一月一日

年內折舊(附註7)

出售之抵免

於二零零八年十二月三十一日

賬面淨值

於二零零八年十二月三十一日

於二零零七年十二月三十一日

28. 固定資產(續)

	The Group 本集團		
	Premises 物業	Furniture, fixtures and equipment 傢俬、裝置 及設備	Total 總額
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
	1,120,170	539,638	1,659,808
	–	58,290	58,290
	(27,572)	(7,428)	(35,000)
	1,092,598	590,500	1,683,098
	1,019,985	590,500	1,610,485
	72,613	–	72,613
	1,092,598	590,500	1,683,098
	140,103	377,385	517,488
	12,637	52,281	64,918
	(4,696)	(6,891)	(11,587)
	148,044	422,775	570,819
	944,554	167,725	1,112,279
	980,067	162,253	1,142,320

28. FIXED ASSETS (continued)

Cost or valuation

At 1 January 2009

Additions

Disposals

At 31 December 2009

Representing:

Cost

Valuation – 1991

Accumulated depreciation

At 1 January 2009

Charge for the year

Released on disposal

At 31 December 2009

Net book value

At 31 December 2009

At 31 December 2008

成本值或估值

於二零零九年一月一日

添置

出售

於二零零九年十二月三十一日

代表：

成本值

估值——一九九一年

累計折舊

於二零零九年一月一日

年內折舊

出售之抵免

於二零零九年十二月三十一日

賬面淨值

於二零零九年十二月三十一日

於二零零八年十二月三十一日

28. 固定資產(續)

	Premises 物業 HK\$'000 千港元	The Bank 本行 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
	1,055,849	587,831	1,643,680
	–	33,921	33,921
	–	(5,646)	(5,646)
	1,055,849	616,106	1,671,955
	983,236	616,106	1,599,342
	72,613	–	72,613
	1,055,849	616,106	1,671,955
	143,668	420,810	564,478
	12,128	53,958	66,086
	–	(5,156)	(5,156)
	155,796	469,612	625,408
	900,053	146,494	1,046,547
	912,181	167,021	1,079,202

28. FIXED ASSETS (continued)

Cost or valuation

At 1 January 2008

Additions

Disposals

At 31 December 2008

Representing:

Cost

Valuation – 1991

Accumulated depreciation

At 1 January 2008

Charge for the year

Released on disposal

At 31 December 2008

Net book value

At 31 December 2008

At 31 December 2007

成本值或估值

於二零零八年一月一日

添置

出售

於二零零八年十二月三十一日

代表：

成本值

估值—一九九一年

累計折舊

二零零八年一月一日

年內折舊

出售之抵免

於二零零八年十二月三十一日

賬面淨值

於二零零八年十二月三十一日

於二零零七年十二月三十一日

The net book value of those premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

28. 固定資產(續)

	Premises 物業 HK\$'000 千港元	The Bank 本行 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2008	1,083,421	537,282	1,620,703
Additions	–	57,392	57,392
Disposals	(27,572)	(6,843)	(34,415)
At 31 December 2008	1,055,849	587,831	1,643,680
Cost	983,236	587,831	1,571,067
Valuation – 1991	72,613	–	72,613
	1,055,849	587,831	1,643,680
At 1 January 2008	136,052	375,644	511,696
Charge for the year	12,312	51,915	64,227
Released on disposal	(4,696)	(6,749)	(11,445)
At 31 December 2008	143,668	420,810	564,478
At 31 December 2008	912,181	167,021	1,079,202
At 31 December 2007	947,369	161,638	1,109,007

按估值列入資產負債表內之物業之賬面淨值若以成本值減累計折舊列賬，其賬面淨值如下：

Net book value at 31 December

於十二月三十一日的賬面淨值

The Group and the Bank
本集團及本行

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
14,377	14,783

14,377

14,783

28. FIXED ASSETS (continued)

The analysis of net book value of premises is as follows:

Premises held in Hong Kong	於香港持有的物業
– Long term leases (over 50 years)	– 長期租約(超過五十年)
– Medium term leases (10-50 years)	– 中期租約(十年至五十年)

28. 固定資產(續)

該等物業的賬面淨值分析如下：

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
616,940	620,421	584,892	588,048
315,161	324,133	315,161	324,133
932,101	944,554	900,053	912,181

29. GOODWILL**Cost and carrying amounts**

At 1 January
Acquisition

At 31 December

成本及賬面值

於一月一日
收購

於十二月三十一日

29. 商譽**The Group
本集團**

2009
二零零九年
HK\$'000
千港元

2008
二零零八年
HK\$'000
千港元
(Restated)
(重述)

50,481	514
–	49,967
50,481	50,481

The goodwill of HK\$514,000 in respect of the Group's interest in a subsidiary has been included in "accrued interest and other accounts". Goodwill of HK\$50.0 million in respect of the Group's interest in an associate has been included in "Interests in associates" (Note 26).

本集團就有關於一間附屬公司之權益之商譽為514,000港元，已列賬於「應計利息及其他賬目」。本集團就有關於一間聯營公司之權益之商譽為50,000,000港元，已列賬於「聯營公司之權益」(附註26)。

29. GOODWILL (continued)**Impairment tests for cash-generating units containing goodwill**

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (CGU) which are identified according to country of operation and business segment. The aggregate carrying amounts of goodwill allocated to each unit are as follows:

Xiamen Bank Co. Ltd.	廈門銀行股份有限公司
Fubon Capital (HK) Limited	富邦融資(香港)有限公司

No impairment losses on goodwill were recognised during 2009 (2008: Nil).

The recoverable amounts for both cash-generating units have been calculated based on their value in use.

Value in use for each unit was determined by discounting the future cash flows expected to be generated from the continuing use of the unit. Future cash flows were projected based on budgets and forecasts approved by management covering a 3-year period and in perpetuity with growth rate of 5%. Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the forecast included in industry reports. The discount rate, currently at 10%, is based on the Bank's weighted average cost of capital and reflects specific risks relating to the CGU.

30. DEPOSITS AND BALANCES OF BANKS

Deposits and balances from banks	銀行同業之存款及結餘
Deposits and balances from the HKMA	於香港金融管理局之存款及結餘

29. 商譽(續)**包含商譽之現金產生單位的減值測試**

就減值測試而言，商譽乃分配予根據營運國家及業務分類而識別之本集團現金產生單位（「現金產生單位」）。向每個單位分配之商譽賬面值總額如下：

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元 (Restated) (重述)
49,967	49,967
514	514
50,481	50,481

於二零零九年內，並無確認商譽之減值虧損（二零零八年：零）。

兩項現金產生單位之可收回金額乃根據使用價值計算。

各個單位之使用價值乃通過折算預計從單位之持續使用中產生之未來現金流而釐定。未來現金流量乃按管理層批准之三年期間之財政預算及預測以及增長率5%而估計。管理層按過往表現及市場發展釐定預算純利。所用之加權平均增長率與行業報告之預測一致。折現率現時為10%，乃根據本行的加權平均資金成本計算，並反映與現金產生單位有關的特定風險。

30. 銀行同業之存款及結餘

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
2,268,102	1,758,303	2,268,102	1,758,240
156,801	228,711	156,801	228,711
2,424,903	1,987,014	2,424,903	1,986,951

31. DEPOSITS FROM CUSTOMERS

Demand deposits and current accounts	活期及往來存款
Savings deposits	儲蓄存款
Call deposits	通知存款
Time deposits	定期存款

32. TRADING LIABILITIES

Short positions in Exchange Fund Bills/Notes	外匯基金票據／債券之短倉
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33. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Zero coupon bond issued	已發行零息債券
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The zero coupon bond with a face value of HK\$520 million and issue price of 48.076615% was issued by the Bank on 12 April 2007. The maturity date for the bond is 12 April 2022 but it can be called by 12 April 2017 on the 10th anniversary of issuance. At the same time, the Bank entered into an interest rate swap to hedge the interest rate risk associated with the bond. Under the terms of the interest rate swap, the Bank makes quarterly floating rate interest payments and receives fixed rate interest income.

31. 客戶存款**The Group and the Bank**
本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

8,840,719	5,834,870
1,299,051	879,032
5,142,848	3,256,057
31,319,557	38,027,628
46,602,175	47,997,587

32. 交易賬項下之負債**The Group and the Bank**
本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

14,275	116,145
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33. 指定為透過損益以反映公平價值之金融負債**The Group and the Bank**
本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

201,096	173,405
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本行於二零零七年四月十二日發行票面值為520,000,000港元的零息債券，發行價為票面值之48.076615%。債券於二零二二年四月十二日到期，惟可於發行第十週年，即二零一七年四月十二日被贖回。同時，本行為對沖與債券有關之利率風險而訂立了一份利率掉期合約。根據該利率掉期合約之條款，本行每季按浮動利率支付利息，並按固定利率收取利息。

33. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The carrying amount of financial liabilities designated at fair value through profit or loss at 31 December 2009 was HK\$318.9 million (2008: HK\$346.6 million) lower than the contractual amount at maturity for the Group and the Bank.

The zero coupon bond issued is measured at fair value using valuation techniques based on observable market conditions existing at balance sheet date; however, data in respect of the Bank's credit risk volatilities and correlations require management's estimation. The total loss arising from the change in the fair value of the zero coupon bond recognised in profit or loss during the year is HK\$27.7 million (2008: HK\$47.0 million), of which there is a loss of HK\$48.8 million (2008: gain of HK\$106.9 million) attributable to change of credit spread in line with the overall market conditions.

To the extent the Bank's credit risk volatilities, that are not supported by observable market prices are altered by 10% in either direction the fair value of the zero coupon bond would be either lower by HK\$8.6 million (2008: HK\$13.1 million) or higher by HK\$8.9 million (2008: HK\$14.0 million).

34. CERTIFICATES OF DEPOSIT ISSUED

3 months or less but not repayable on demand	三個月或以下惟無需即時還款
1 year or less but over 3 months	一年或以下惟三個月以上
5 years or less but over 1 year	五年或以下惟一年以上

All certificates of deposit issued are measured at amortised cost.

33. 指定為透過損益以反映公平價值之金融負債 (續)

於二零零九年十二月三十一日，指定為透過損益以反映公平價值之金融負債之賬面值比本集團及本行之合約到期日金額低318,900,000港元(二零零八年：346,600,000港元)。

已發行零息債券乃透過基於於結算日的可觀察的市場狀況的估值法按公平價值計算，然而，有關銀行信貸風險變動及相關性之數據需管理層作出估計。本年度於損益中確認的零息債券的公平價值變動虧損總額為27,700,000港元(二零零八年：47,000,000港元)。其中48,800,000港元虧損(二零零八年：106,900,000港元收益)乃因與整體市場一致的信貸風險差距變動所致。

倘非由顯著市價支持的銀行信貸風險在任何方向變動達10%，零息債券的公平價值可能低8,600,000港元(二零零八年：13,100,000港元)或高8,900,000港元(二零零八年：14,000,000港元)。

34. 已發行存款證**The Group and the Bank**
本集團及本行

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
8,650	811,981
13,450	141,400
300,000	6,800
322,100	960,181

所有已發行存款證均按攤銷成本列賬。

35. DEBT SECURITIES ISSUED

Floating rate notes	浮息票據
Variable coupon rate notes	多個息率之票據
Zero coupon notes	零息票據

The variable coupon rate notes and zero coupon notes issued represent the notes issued by the Bank under the Bank's Euro Medium Term Note Programme. These notes issued are measured at amortised cost.

Floating rate notes with a face value of US\$150 million matured on 6 April 2009.

The variable coupon rate notes issued by the Bank are denominated in HKD, USD, AUD and NZD, and mature at various dates through 2019.

36. OTHER ACCOUNTS AND LIABILITIES

Other financial liabilities *	其他金融負債*
Accounts payable and other liabilities	應付賬項及其他負債

35. 已發行債務證券

The Group and the Bank
本集團及本行

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
-	1,162,515
263,697	736,467
5,094	-
268,791	1,898,982

多個息率之票據及零息票據指本行根據其歐元中期票據計劃發行之票據。該等已發行票據乃按攤銷成本計量。

票面值為150,000,000美元的浮息票據已於二零零九年四月六日到期。

本行發行多個息率的票據，以港元、美元、澳元及紐元定值並有多個不同到期日至二零一九年。

36. 其他賬目及負債

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
2,585,236	2,490,571	2,585,236	2,490,571
1,333,943	1,106,102	1,295,839	1,004,028
3,919,179	3,596,673	3,881,075	3,494,599

* Other financial liabilities include funds obtained from financial institutions in respect of government bills and notes sold but not yet purchased.

* 其他金融負債指就已售出但尚未購回之政府票據及債券從金融機構所獲得的資金。

37. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation (recoverable)/provision in the balance sheet represents:

37. 資產負債表內之所得稅

(a) 計入資產負債表之本年度稅項(可回收)/撥備為:

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅準備	20,352	25,155	(3,243)	-
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	(6,089)	(27,624)	-	-
		14,263	(2,469)	(3,243)	-
Balance of Hong Kong Profits Tax provision relating to prior years	承過往年度香港利得稅準備結餘	(23,208)	(14,217)	(9,088)	(12,652)
		(8,945)	(16,686)	(12,331)	(12,652)
Provision for overseas taxation	海外稅項準備	76	-	76	-
		(8,869)	(16,686)	(12,255)	(12,652)
<i>Representing:</i>	<i>代表:</i>				
Hong Kong Profits Tax recoverable *	可收回之已付香港利得稅 *	(12,630)	(17,070)	(12,331)	(12,652)
Provision for Hong Kong Profits Tax *	香港利得稅準備 *	3,685	384	-	-
Provision for overseas taxation *	海外稅項準備 *	76	-	76	-
		(8,869)	(16,686)	(12,255)	(12,652)

* The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other accounts" and "Other accounts and liabilities" respectively.

* 可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他賬目」以及「其他賬目及負債」內。

37. INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised**

The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

		The Group 本集團						
		Depreciation allowances in excess of related depreciation 超過有關 折舊的折 舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利 計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合 減值撥備 HK\$'000 千港元	Revaluation of available- for-sale securities 可供出售 證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2008	於二零零八年一月一日	(10,886)	(2,899)	14,373	28,742	(6,790)	93	22,633
Effect on deferred tax balances at 1 January resulting from a change in tax rate:	於一月一日因稅率變動產生之遞延稅項結餘之影響：							
- Credited/(charged) in arriving at the profit for the year (Note 12(a))	—於本年度溢利中撥回/(扣除)(附註12(a))	622	166	(821)	-	388	(6)	349
- Charged to other comprehensive income (Note 13)	—於其他全面收益中扣除(附註13)	-	-	-	(1,642)	-	-	(1,642)
(Charged)/credited in arriving at the profit for the year (Note 12(a))	於本年度溢利中(扣除)/撥回(附註12(a))	(2,435)	-	5,276	-	114	24,740	27,695
Credited to other comprehensive income (Note 13)	於其他全面收益中撥回(附註13)	-	-	-	33,235	-	-	33,235
At 31 December 2008	於二零零八年十二月三十一日	(12,699)	(2,733)	18,828	60,335	(6,288)	24,827	82,270
At 1 January 2009	於二零零九年一月一日	(12,699)	(2,733)	18,828	60,335	(6,288)	24,827	82,270
Credited in arriving at the profit for the year (Note 12(a))	於本年度溢利中撥回(附註12(a))	1,891	-	10,220	-	114	4,088	16,313
Charged to other comprehensive income (Note 13)	於其他全面收益中扣除(附註13)	-	-	-	(63,507)	-	-	(63,507)
At 31 December 2009	於二零零九年十二月三十一日	(10,808)	(2,733)	29,048	(3,172)	(6,174)	28,915	35,076

37. 資產負債表內之所得稅(續)**(b) 已確認遞延稅項資產及負債**

於綜合資產負債表內確認之遞延稅項資產/(負債)之各組成部分及年內之變動如下：

37. INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised** (continued)

The components of deferred tax assets/(liabilities) recognised in the balance sheet and the movements during the year are as follows:

		The Bank 本行						
		Depreciation allowances in excess of related depreciation 超過有關 折舊的折 舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合 減值撥備 HK\$'000 千港元	Revaluation of available- for-sale securities 可供出售 證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2008	於二零零八年一月一日	(9,933)	(2,899)	9,649	28,742	(6,790)	93	18,862
Effect on deferred tax balances at 1 January resulting from a change in tax rate:	於一月一日因稅率變動產生之遞延稅項結餘之影響：							
- Credited/(charged) in arriving at the profit for the year	—於本年度溢利中撥回/(扣除)	568	166	(551)	-	388	(6)	565
- Credited to other comprehensive income	—於其他全面收益中撥回	-	-	-	(1,642)	-	-	(1,642)
(Charged)/credited in arriving at the profit for the year	於本年度溢利中(扣除)/撥回	(2,391)	-	2,315	-	114	24,107	24,145
Credited to other comprehensive income	於其他全面收益中撥回	-	-	-	33,235	-	-	33,235
At 31 December 2008	於二零零八年十二月三十一日	(11,756)	(2,733)	11,413	60,335	(6,288)	24,194	75,165
At 1 January 2009	與二零零九年一月一日	(11,756)	(2,733)	11,413	60,335	(6,288)	24,194	75,165
Credited in arriving at the profit for the year	於本年度溢利中撥回	1,895	-	12,230	-	114	4,721	18,960
Charged to other comprehensive income	於其他全面收益中扣除	-	-	-	(63,507)	-	-	(63,507)
At 31 December 2009	於二零零九年十二月三十一日	(9,861)	(2,733)	23,643	(3,172)	(6,174)	28,915	30,618

37. 資產負債表內之所得稅 (續)**(b) 已確認遞延稅項資產及負債** (續)

年內，於資產負債表內確認之遞延稅項資產/(負債)之各組成部分之變動如下：

37. INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised** (continued)

Deferred tax assets and liabilities recognised is summarised as follows:

Net deferred tax asset recognised on the balance sheet	於資產負債表內確認之遞延稅項資產淨額
Net deferred tax liability recognised on the balance sheet	於資產負債表內確認之遞延稅項負債淨額

37. 資產負債表內之所得稅 (續)**(b) 已確認遞延稅項資產及負債** (續)

已確認遞延稅項資產及負債概述如下：

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
35,144	82,367	30,618	75,165
(68)	(97)	-	-
35,076	82,270	30,618	75,165

(c) Deferred tax assets and liabilities unrecognised

The Group has no material unrecognised deferred tax asset or liability as at 31 December 2009 (2008: HK\$Nil).

(c) 未確認之遞延稅項資產及負債

於二零零九年十二月三十一日，本集團並無重大未確認之遞延稅項資產或負債（二零零八年：零）。

38. SUBORDINATED NOTES ISSUED

Subordinated notes of face value of US\$200 million (equivalent to HK\$1,551.0 million) and carrying amount of HK\$1,640.3 million (2008: HK\$1,684.4 million) which qualify as supplementary capital were issued by the Bank on 25 April 2006. The notes bear interest at 6.125% per annum for the period from the issuance date to 26 April 2011, payable semi-annually. The notes carry a one-time call option exercisable by the Bank on 26 April 2011. If the call option is not exercised, the interest rate for the subordinated notes will be reset at the United States treasury rate plus 1.93875% for the period from 27 April 2011 to the final maturity date on 26 April 2016, payable semi-annually.

The carrying amount of the subordinated notes includes an adjustment of HK\$89.3 million (2008: HK\$134.4 million) due to the application of fair value hedge accounting.

38. 已發行後償票據

本行於二零零六年四月二十五日發行票面值200,000,000美元（相當於1,551,000,000港元）及賬面金額1,640,300,000港元（二零零八年：1,684,400,000港元）符合附加資本準則之後償票據。該等票據由發行日期起至二零一一年四月二十六日止期間按年息率6.125%計息，須每半年付息一次。該等票據附帶一次性贖回選擇權，可由本行於二零一一年四月二十六日行使。倘該項贖回選擇權未獲行使，該等後償票據於二零一一年四月二十七日起至最終到期日二零一六年四月二十六日止期間之利率將重定為美國國庫債券利率加1.93875%，並維持每半年付息一次。

上述後償票據之賬面金額已計入因採用公平價值對沖會計法而作出之調整89,300,000港元（二零零八年：134,400,000港元）。

39. SHARE CAPITAL

Authorised:
1,406,592,000 (2008: 1,406,592,000)
ordinary shares of HK\$1 each
1,172,160,000 (2008: 1,172,160,000)
irredeemable cumulative preference
shares of US\$0.10237 each

Issued and fully paid:
1,172,160,000 (2008: 1,172,160,000)
ordinary shares of HK\$1 each
1,172,160,000 (2008: 1,172,160,000)
irredeemable cumulative
preference shares of
US\$0.10237 each

法定股本：
1,406,592,000 股(二零零八年：
1,406,592,000 股)每股面值 1 港元之普通股
1,172,160,000 股(二零零八年：1,172,160,000)
每股面值 0.10237 美元之
不可贖回累積優先股

已發行及繳足：
1,172,160,000 股(二零零八年：1,172,160,000 股)
每股面值 1 港元之普通股
1,172,160,000 股(二零零八年：1,172,160,000 股)
每股面值 0.10237 美元之不可贖回累積優先股

39. 股本

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	1,406,592	1,406,592
	929,966	929,966
	2,336,558	2,336,558
	1,172,160	1,172,160
	925,359	925,359
	2,097,519	2,097,519

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

The irredeemable cumulative preference shares bear a cumulative preference dividend at a fixed rate of 9% per annum, payable semi-annually, on their nominal amount and rank in priority to the ordinary shares with respect to the payment of dividends and any return of capital. Irredeemable cumulative preference shares do not carry voting rights. The Bank may elect not to declare or pay the preference dividend if, during the 12 calendar months preceding a date on which the preference dividend is due to be paid in respect of the preference shares, no dividend or distribution or other payment has been declared or paid on any class of the share capital of the Bank. The deferred preference dividends will not themselves bear interest and the terms of the preference shares will not provide for payment of any form of compensation to the preference shareholders other than payment of the preference dividend.

40. SHARE PREMIUM

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

不可贖回累積優先股根據其面值按固定年息率 9% 計息，每半年支付，並優先於普通股支付股息及返還股本。不可贖回累積優先股不享有投票權。如果於就優先股應予以支付之優先股股息之日期前十二個曆月內，並無就本行任何類別股本而宣派或支付任何股息或分派或其他付款，則本行可選擇不宣派或支付優先股股息。遞延優先股股息本身並不計息，且除支付優先股股息外，將不會就優先股之條款向優先股股東支付任何形式之補償。

40. 股份溢價

股份溢價賬之應用受香港《公司條例》第 48B 條監管。

41. RESERVES AND DIVIDENDS

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the year are set out below:

41. 儲備及股息

本集團綜合權益各成分之期初及期末結餘之對賬載於綜合權益變動表。本行年初及年末之股權各成分變動詳列如下：

		The Bank 本行					
		Capital redemption reserve	Capital reserve	Regulatory reserve	Investment revaluation reserve	Retained earnings	Total
		資本贖回 儲備	資本 儲備	法定 儲備	投資重估 儲備	保留 溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2008	於二零零八年一月一日	372,000	-	189,965	(58,912)	1,107,395	1,610,448
Total comprehensive income for the year	本年度全面收益	-	-	-	(217,708)	160,384	(57,324)
Dividend paid in respect of the previous financial year (Note 41(g))	於本年度派付之上一財政年度股息 (附註41(g))	-	-	-	-	(152,381)	(152,381)
Interim dividend paid (Note 41(g))	已派付中期股息(附註41(g))	-	-	-	-	(70,330)	(70,330)
Equity settled share-based transactions (Note 7)	以股權結算之股份為基礎之交易(附註7)	-	12,969	-	-	-	12,969
Transfer to/from regulatory reserve (Note 41(d))	轉撥至/自法定儲備(附註41(d))	-	-	(39,955)	-	39,955	-
At 31 December 2008 and 1 January 2009	於二零零八年十二月三十一日 及二零零九年一月一日	372,000	12,969	150,010	(276,620)	1,085,023	1,343,382
Total comprehensive income for the year	本年度全面收益	-	-	-	308,493	163,852	472,345
Dividend approved and paid in respect of the previous financial year (Note 41(g))	於本年度通過及派付之上一財政年度股息 (附註41(g))	-	-	-	-	(17,582)	(17,582)
Interim dividend paid (Note 41(g))	已派付之中期股息(附註41(g))	-	-	-	-	(17,582)	(17,582)
Preference share dividend paid during the year (Note 41(g))	於本年度派付之優先股股息 (附註41(g))	-	-	-	-	(81,886)	(81,886)
Equity settled share-based transactions (Note 7)	以股權結算之股份為基礎之交易(附註7)	-	2,715	-	-	-	2,715
At 31 December 2009	於二零零九年十二月三十一日	372,000	15,684	150,010	31,873	1,131,825	1,701,392

41. RESERVES AND DIVIDENDS (continued)**(a) Capital redemption reserve**

The capital redemption reserve arose from the redemption of the Bank's "A" and "B" preference shares in 1991 and 1992 out of its retained earnings. The capital redemption reserve is undistributable under the Hong Kong Companies Ordinance section 79 C(2) but may be applied by the Bank in paying up its unissued shares to be allotted to its members as fully paid bonus shares.

(b) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank by the ultimate holding company which has been charged to profit or loss. Details of the terms and conditions of unexpired and unexercised share options are set out in Note 7.

(c) Foreign exchange reserve

The foreign exchange reserve of the Group comprises all foreign exchange differences arising from the translations of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(s).

(d) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(e) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities, excluding impairment losses, until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(g).

(f) Distributability of reserves

At 31 December 2009, the aggregate amount of reserves available for distribution to equity shareholders of the Bank was HK\$1,128,103,000 (2008: HK\$1,082,931,000) after taking consideration of HK\$3,722,000 (2008: HK\$2,092,000) payable to preference share holders.

41. 儲備及股息 (續)**(a) 資本贖回儲備**

資本贖回儲備因在一九九一年及一九九二年自本行之保留溢利撥款贖回其「A」及「B」類優先股而產生。根據香港《公司條例》第79C(2)條，資本贖回儲備乃不可分派，但可由本行用以繳付將配發予其股東之未發行股份之股款作繳足紅股。

(b) 資本儲備

資本儲備包括已自損益賬扣除之最終控股公司授予本行僱員之實際或估計未獲行使認股權之公平價值。未到期及未行使之認股權之條款及條件之詳細資料載列於附註(7)內。

(c) 外匯儲備

本集團外匯儲備包括因折算海外業務財務報表所產生之所有外匯差異。該儲備根據附註2(s)所載之會計政策處理。

(d) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢香港金融管理局之意見後直接從保留溢利轉撥。

(e) 投資重估儲備

投資重估儲備包括可供出售證券之公平價值直至證券停止確認之累計變動淨額(不包括減值虧損)，乃按附註2(g)中之會計政策處理。

(f) 可供分派儲備

於二零零九年十二月三十一日，在計及應付予優先股持有人的3,722,000港元(二零零八年：2,092,000港元)後，本行可供分派予股東之儲備總額為1,128,103,000港元(二零零八年：1,082,931,000港元)。

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1 January	於一月一日	175,211	213,447	150,010	189,965
Transfer to retained earnings	轉撥至保留溢利	-	(38,236)	-	(39,955)
At 31 December	於十二月三十一日	175,211	175,211	150,010	150,010

41. RESERVES AND DIVIDENDS (continued)**(g) Dividends**

- (i) Dividends declared and proposed attributable to the financial year

Interim dividend declared and paid of 1.5 cents (2008: 6.0 cents) per share	已宣派及已派付之每股中期股息 1.5 仙 (二零零八年：6.0 仙)
Final dividends of 1.5 cents (2008: 1.5 cents) per share proposed after the balance sheet date	結算日後建議每股末期股息 1.5 仙 (二零零八年：1.5 仙)

The final dividend proposed has not been recognised as a liability at the balance sheet date.

- (ii) Dividends attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the period of 1.5 cents (2008: 13 cents) per share	於期內通過及派付之上一年度末期股息每股 1.5 仙 (二零零八年：13 仙)
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- (iii) Dividends on irredeemable cumulative preference shares issued by the Bank

Dividends of HK\$81,886,000 (2008: Nil) were paid and charged to retained earnings during the year.

41. 儲備及股息 (續)**(g) 股息**

- (i) 財政年度已宣派及建議之股息

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
17,582	70,330
17,582	17,582
35,164	87,912

末期股息於結算日並未確認為負債。

- (ii) 應付上一財政年度之股息，已於本年度通過及派付

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
17,582	152,381

- (iii) 本行所發行不可贖回累積優先股股息

於本年度已派付優先股股息 81,886,000 港元(二零零八年：零)並於保留溢利扣除。

42. MINORITY INTERESTS

At 1 January	於一月一日
Loss for the year	年度內虧損
At 31 December	於十二月三十一日

42. 少數股東權益

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
3,152	3,710
(461)	(558)
2,691	3,152

43. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

Cash and balances with banks	現金及於銀行同業之結餘
Money at call and short notice (Note 17)	通知及短期存款(附註17)
Treasury bills with original maturity within three months	原於三個月內到期之國庫券
Placements with banks with original maturity within three months (Note 18)	原於三個月內到期之銀行 同業及其他金融 機構放款(附註18)

43. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
2,479,867	1,278,223
2,935,022	6,736,730
100,496	64,998
76,775	975,010
5,592,160	9,054,961

(b) Reconciliation to the consolidated balance sheet

Cash and short term funds (Note 17)	現金及短期資金(附註17)
Treasury bills	國庫券
- Trading securities (Note 19)	- 持作交易用途之證券(附註19)
- Available-for-sale-securities (Note 24)	- 可供出售證券(附註24)
Placements with banks maturing between one and twelve months (Note 18)	一至十二個月到期之 銀行同業放款 (附註18)
Amount shown in the consolidated balance sheet	綜合資產負債表內之金額
Less: Amount with an original maturity of over three months	減: 原於三個月以後到期的金額
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之 現金及等同現金項目

(b) 綜合資產負債表之對賬

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
5,414,889	8,014,953
100,496	142,967
1,989,636	2,151,272
317,677	1,827,521
7,822,698	12,136,713
(2,230,538)	(3,081,752)
5,592,160	9,054,961

44. EMPLOYEE RETIREMENT BENEFITS**(a) Defined benefit retirement plans**

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme (“the Scheme”), which incorporates a defined benefits plan for 47% (2008: 55%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund (“MPF”) exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary’s recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2009 and was prepared by Scott Pollack, Associate of the Society of Actuaries, United States of America, of Mercer (Hong Kong) Limited using the projected unit credit cost method. The actuarial valuation indicates that the Group’s obligations under the Scheme are 75.06% (2008: 66.26%) covered by the plan assets held by the trustee.

44. 僱員退休福利**(a) 定額福利退休計劃**

本集團推行一項退休計劃，名為富邦銀行（香港）有限公司退休計劃（「該計劃」），為其47%（二零零八年：55%）全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金（「強積金」）的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零零九年十二月三十一日進行，由 Mercer (Hong Kong) Limited 的 Scott Pollack（美國精算師學會會員）以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，75.06%（二零零八年：66.26%）可透過受託人所持有的計劃資產獲得保障。

		The Group and the Bank 本集團及本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值	(270,743)	(322,075)
Fair value of Scheme’s assets	該計劃資產的公平價值	203,211	213,419
Unrecognised actuarial losses	尚未確認的精算虧損	52,332	109,467
Net (liability)/asset recognised in the balance sheet	於資產負債表內已獲確認的(負債)/資產淨值	(15,200)	811
Amounts in the balance sheet:	於資產負債表之金額：		
Liabilities	負債	(15,200)	-
Assets	資產	-	811
Net (liability)/asset	資產淨值	(15,200)	811

The liability of HK\$15.2 million is included in “Other accounts and liabilities”. The asset of HK\$0.8 million in 2008 was included in “Accrued interest and other accounts”.

The Scheme’s assets include ordinary shares issued by the Bank with a fair value of HK\$6,891,000 (2008: HK\$4,746,000).

15,200,000 港元負債列賬於「其他賬目及負債」。而二零零八年的800,000 港元資產則列賬於「應計利息及其他賬目」。

該計劃的資產包括本行發行公平價值為6,891,000 港元的普通股（二零零八年：4,746,000 港元）。

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(b) Movements in net (liability)/asset recognised in the balance sheet are as follows:**

At 1 January	於一月一日
Contributions paid to the Scheme	對該計劃的供款
Expense recognised in the profit or loss (Note 7)	於損益賬內已獲 確認的支出(附註7)
At 31 December	於十二月三十一日

(c) Expense recognised in "Operating expenses – staff costs" in the statement of comprehensive income is as follows:

Current service cost	本期服務成本
Interest cost on obligation	所承擔責任之利息成本
Amortisation of actuarial loss	精算虧損攤銷
Expected return on Scheme's assets	該計劃資產的預計回報

The actual return on the Scheme's assets for the year ended 31 December 2009 amounted to approximately HK\$11,948,000 (2008: HK\$7,912,000).

44. 僱員退休福利(續)**(b) 於資產負債表中已獲確認的(負債)/資產淨值變動如下:**

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
811	13,158
15,977	16,895
(31,988)	(29,242)
(15,200)	811

(c) 於全面收益表內「營運支出—僱員成本」一項已獲確認的支出如下:

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
30,744	27,717
3,755	8,052
8,416	3,882
(10,927)	(10,409)
31,988	29,242

截至二零零九年十二月三十一日止年度，該計劃資產的實際回報約達11,948,000港元(二零零八年：7,912,000港元)。

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(d) Amounts for the current and previous years**

Defined benefit obligations	定額福利責任
Plan assets	計劃資產
Net deficits	虧絀淨額
Experience gains/(losses) on scheme liabilities	計劃負債之經驗收益/(虧損)
Experience gains/(losses) on scheme assets	計劃資產之經驗收益/(虧損)

(e) Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	年初界定福利責任
Current service cost	本年度服務成本
Interest cost	利息成本
Participants' contributions	參與者供款
Benefits paid	已付福利
Premiums paid	已付保費
Actuarial (gain)/loss on obligation during the year	年內責任之精算(收益)/虧損
Closing defined benefit obligation	年終界定福利責任

(f) Composition of the plan assets are as follows:

Investments and money market	投資及貨幣市場
Bank balances and cash	銀行結餘及現金
Others	其他

44. 僱員退休福利(續)**(d) 本年度及過往年度金額****The Group and the Bank**

本集團及本行

2009	2008	2007
二零零九年	二零零八年	二零零七年
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元

270,743	322,075	244,040
203,211	213,419	197,898
(67,532)	(108,656)	(46,142)
12,629	(4,269)	(4,997)
1,021	(2,497)	5,002

(e) 界定福利責任之現值變動如下:**The Group and the Bank**

本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

322,075	244,040
30,744	27,717
3,755	8,052
8,181	9,958
(45,918)	(19,244)
(396)	-
(47,698)	51,552
270,743	322,075

(f) 計劃資產之組成如下:**The Group and the Bank**

本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

125,534	166,781
76,744	45,648
933	990
203,211	213,419

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(g) Changes in the fair value of plan assets are as follows:**

Opening fair value of plan assets	年初計劃資產之公平價值
Actual return	實際回報
Assets distributed on settlements	結算分派之資產
Premiums paid	已付保費
Contributions by employers and employees	僱主及僱員之供款
Closing fair value of plan assets	年終計劃資產之公平價值

(h) The principal actuarial assumptions used as at 31 December 2009 are as follows:

Discount rate	貼現率
Long-term rate of return on assets	資產長期回報率
Credited rate	進賬率
Future salary increases	未來薪金加幅

(i) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF scheme is a defined contribution retirement scheme administered by independent trustee.

Under the MPF scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

44. 僱員退休福利(續)**(g) 計劃資產之公平價值變動如下：**

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
213,419	197,898
11,948	7,912
(45,918)	(19,244)
(396)	-
24,158	26,853
203,211	213,419

(h) 於二零零九年十二月三十一日，所用主要精算假設如下：

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
2.6% p.a. 每年2.6%	1.2% p.a. 每年1.2%
5.0% p.a. 每年5.0%	5.0% p.a. 每年5.0%
5.0% p.a. 每年5.0%	5.0% p.a. 每年5.0%
1.0% p.a. for 2010 and 4.5% p.a. thereafter 二零一零年 為每年1.0%及 其後為每年4.5%	1.5% p.a. for 2009 and 4.0% p.a. thereafter 二零零九年 為每年1.5%及 其後為每年4.0%

(i) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%供款，並以每月相關收入20,000港元為上限。一經對計劃作出供款，供款即予以歸屬。

45. CONTINGENT LIABILITIES AND COMMITMENTS**(a) Credit related commitments and contingencies**

Credit related commitments and contingencies include forward deposits placed, acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The following is a summary of the contractual and credit risk-weighted amounts of each significant class of contingent liabilities and commitments:

45. 或然負債及承擔**(a) 與信貸有關之承擔及或然項目**

與信貸有關之承擔及或然項目包括用以提供信貸之遠期預約放款、承兌項目、信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流量。

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元
Direct credit substitutes	直接信貸替代項目	236,073	126,073	271,285	161,285
Transaction-related contingencies	與交易有關之或然項目	29,193	14,597	18,417	9,209
Trade-related contingencies	與貿易有關之或然項目	158,264	31,653	428,131	85,626
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 可無條件地取消	11,301,472	–	12,518,056	–
– with an original maturity of 1 year or over	– 原訂到期限為一年或以上	296,321	148,161	432,293	216,147
Forward forward deposits placed	遠期預約放款	–	–	216,254	43,251
		12,021,323	320,484	13,884,436	515,518

45. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(a) Credit related commitments and contingencies (continued)

Direct credit substitutes	直接信貸替代項目
Transaction-related contingencies	與交易有關之或然項目
Trade-related contingencies	與貿易有關之或然項目
Undrawn loan facilities	未提取之備用貸款
– which are unconditionally cancellable	– 可無條件地取消
– with an original maturity of 1 year or over	– 原訂到期限為一年或以上
Forward forward deposits placed	遠期預約放款

45. 或然負債及承擔 (續)

(a) 與信貸有關之承擔及或然項目 (續)

The Bank 本行			
2009 二零零九年		2008 二零零八年	
Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險加權金額 HK\$'000 千港元
243,573	133,573	278,785	168,785
29,193	14,597	18,417	9,209
158,264	31,653	428,131	84,694
11,301,472	–	12,479,636	–
296,321	148,161	432,293	216,147
–	–	216,254	43,251
12,028,823	327,984	13,853,516	522,086

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎0%至100%。

(b) Lease commitments

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

(b) 租賃承擔

於十二月三十一日，不可取消營運租賃下之未來最低應付租金總額如下：

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Properties:	物業：				
– Within one year	– 一年內	34,735	29,882	34,735	29,819
– After 1 year but within 5 years	– 一至五年間	30,843	10,512	30,843	10,512
		65,578	40,394	65,578	40,331

45. CONTINGENT LIABILITIES AND COMMITMENTS(continued)**(c) Capital commitments**

Capital commitments for purchase of equipment and available-for-sale investments outstanding at 31 December not provided for in the financial statements were as follows:

Contracted for 已訂合約

46. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as the Group does not control the assets.

47. FAIR VALUES OF FINANCIAL INSTRUMENTS**(a) Financial instruments carried at fair value**

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

45. 或然負債及承擔 (續)**(c) 資本承擔**

於十二月三十一日未於財務報告內提撥之有關購買設備及可供出售投資之未兌現資本承擔如下：

The Group and the Bank
本集團及本行

2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元

157,429	184,502
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46. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並不控制該等資產，因此該等資產及其所產生之收入不會於此等財務報告中列賬。

47. 金融工具之公平價值**(a) 以公平價值列賬之金融工具**

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(a) Financial instruments carried at fair value** (continued)

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

47. 金融工具之公平價值 (續)**(a) 以公平價值列帳之金融工具** (續)

一級：相同工具於活躍市場之市場報價(未經調整)。

二級：基於可觀察數據(或直接(即價格)或間接(即源自價格))之估值技術。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。

三級：使用重大不可觀察數據之估值技術。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。

下表乃以公平價值等級制度(公平價值據此分類)分析於呈報末以公平價值計量之金融工具：

		The Group 本集團			
		Level 1	Level 2	Level 3	Total
		一級	二級	三級	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
2009	二零零九年	千港元	千港元	千港元	千港元
Assets					
資產					
Trading securities	持作交易用途之證券	101,554	3,968	-	105,522
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	331,624	-	310,113	641,737
Derivative financial instruments	衍生金融工具	-	483,439	148,571	632,010
Available-for-sale securities	可供出售證券	9,777,601	7,611,964	549,508	17,939,073
		10,210,779	8,099,371	1,008,192	19,318,342
Liabilities					
負債					
Trading liabilities	交易賬項下之負債	14,275	-	-	14,275
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	-	201,096	-	201,096
Derivative financial instruments	衍生金融工具	-	283,873	368,023	651,896
		14,275	484,969	368,023	867,267

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

2009	二零零九年
Assets	資產
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Available-for-sale securities	可供出售證券
Liabilities	負債
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債
Derivative financial instruments	衍生金融工具

47. 金融工具之公平價值(續)

(a) 以公平價值列帳之金融工具(續)

The Bank 本行			
Level 1 一級 HK\$'000 千港元	Level 2 二級 HK\$'000 千港元	Level 3 三級 HK\$'000 千港元	Total 總額 HK\$'000 千港元
101,554	3,968	-	105,522
331,624	-	310,113	641,737
-	483,439	148,571	632,010
9,777,601	7,611,964	549,506	17,939,071
10,210,779	8,099,371	1,008,190	19,318,340
14,275	-	-	14,275
-	201,096	-	201,096
-	283,873	368,023	651,896
14,275	484,969	368,023	867,267

During the year, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

- the fair value of unquoted equity investments is estimated using the net asset value as reported by management of the investee companies;
- the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds;
- the fair value of structured investment vehicles, collateralised debt obligations and certain debt securities is estimated using the net asset value as reported by the respective counterparties;
- the fair value of certain structured debt securities is estimated based on an independent external valuation report with a discount to take into account the legal risk of the recovery process.

於本年度，並無金融工具在公平價值等級制度一級與二級之間有重大轉換。

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定公平價值等級制度三級下之金融工具之公平價值：

- 沒有市價之股本投資之公平價值乃使用該等被投資公司管理層申報的資產淨值進行估計；
- 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計；
- 結構性投資工具、債務抵押證券及若干債務證券之公平價值是以各交易對手申報的資產淨值進行估計；
- 若干結構性債務證券之公平價值是根據獨立外部估值報告並計及收回程序的法律風險後進行估計。

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (i) Valuation of financial instruments with significant unobservable inputs (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Assets
資產

At 1 January 2009	於二零零九年一月一日
Purchases	購買
Sales	出售
Settlements	結算
Changes in carrying value recognised in the profit or loss	在損益賬內確認之賬面值變動
Changes in fair value recognised in the profit or loss:	在損益賬內確認之公平價值變動：
– Impairment losses on available-for-sale securities	– 可供出售證券減值虧損
– Other operating income	– 其他營運收入
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動
At 31 December 2009	於二零零九年十二月三十一日
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額

47. 金融工具之公平價值(續)

(a) 以公平價值列帳之金融工具(續)

- (i) 使用重大不可觀察數據進行之金融工具估值(續)

下表載列公平價值等級制度三級內公平價值計量之年初餘額與年終餘額之對賬：

The Group
本集團

Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
–	498,925	601,116	1,100,041
320,823	–	32,041	352,864
–	–	(20,590)	(20,590)
–	–	(13,720)	(13,720)
–	–	6,684	6,684
–	–	(42,661)	(42,661)
(10,710)	(350,354)	–	(361,064)
–	–	(13,362)	(13,362)
310,113	148,571	549,508	1,008,192
–	–	9,264	9,264
(10,710)	(406,460)	(39,361)	(456,531)

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

		Financial assets designated at fair value through profit or loss 指定為通過損益 以反映公平價值 之金融資產 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	-
Purchases	購買	320,823
Sales	出售	-
Settlements	結算	-
Changes in carrying value recognised in the profit or loss	在損益賬內確認之 賬面值變動	-
Changes in fair value recognised in the profit or loss:	在損益賬內確認之 公平價值變動：	
- Impairment losses on available-for-sale securities	- 可供出售證券 減值虧損	-
- Other operating income	- 其他營運收入	(10,710)
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之 公平價值變動	-
At 31 December 2009	於二零零九年十二月三十一日	310,113
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入 其他全面收益之 本年度收益或虧損總額	-
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入 損益賬之本年度收益或 虧損總額	(10,710)

Liabilities
負債

At 1 January 2009	於二零零九年一月一日	
Changes in fair value recognised in the profit or loss:	在損益賬內確認之 公平價值變動：	
- Revaluation loss on collateralised debt obligation	- 債務抵押證券之重估虧損	
- Other operating income	- 其他營運收入	
At 31 December 2009	於二零零九年十二月三十一日	
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date	於結算日持有之負債計入 損益賬之本年度收益或 虧損總額	

47. 金融工具之公平價值(續)

(a) 以公平價值列帳之金融工具(續)

- (i) 使用重大不可觀察數據進行之金融工具估值(續)

The Bank
本行

	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for- sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2009	498,925	601,116	1,100,041
Purchases	-	32,039	352,862
Sales	-	(20,590)	(20,590)
Settlements	-	(13,720)	(13,720)
Changes in carrying value recognised in the profit or loss	-	6,684	6,684
Changes in fair value recognised in the profit or loss:			
- Impairment losses on available-for-sale securities	-	(42,661)	(42,661)
- Other operating income	(350,354)	-	(361,064)
Changes in fair value recognised in other comprehensive income	-	(13,362)	(13,362)
At 31 December 2009	148,571	549,506	1,008,190
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	-	9,264	9,264
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	(406,460)	(39,361)	(456,531)

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	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2009	(717,696)	(717,696)
Changes in fair value recognised in the profit or loss:		
- Revaluation loss on collateralised debt obligation	(681)	(681)
- Other operating income	350,354	350,354
At 31 December 2009	(368,023)	(368,023)
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date	405,779	405,779

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(a) Financial instruments carried at fair value** (continued)

- (ii) *Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions*

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in the net asset value reported by respective counterparties would have the following effects:

47. 金融工具之公平價值 (續)**(a) 以公平價值列帳之金融工具** (續)

- (ii) *重大不可觀察假設出現變動對可行替代合理假設之影響*

雖然本集團相信其公平價值估計屬適宜，使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度三級下之公平價值計量而言，各交易對手申報之資產淨值向任意方向變動10%可能產生下列影響：

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		Effect on Profit or Loss 對損益的影響		Effect on Other Comprehensive Income 對其他全面收益的影響	
		Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元	Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元
2009	二零零九年				
Assets	資產				
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	31,011	(31,011)	-	-
Available-for-sale securities	可供出售證券	1,523	(1,523)	53,428	(53,428)
Derivatives financial instruments	衍生金融工具	14,857	(14,857)	-	-
Liabilities	負債				
Derivatives financial instruments	衍生金融工具	36,802	(36,802)	-	-

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table below:

- (i) the fair value of demand deposits and saving accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;
- (ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value;
- (iii) the fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value;

(b) 非公平價值列帳之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

- (i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於結算日可要求還款之金額；
- (ii) 假設浮息金融工具及貸款之公平價值接近其賬面金額。釐定公平價值毛額時並不計及這些金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以確認；
- (iii) 有關定息貸款及按揭銷成本列賬之按揭的公平價值是透過比較貸款時之市場利率與相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化；

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value (continued)

Carrying amount of the Group's and the Bank's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2009 and 2008 except as follows:

47. 金融工具之公平價值(續)

(b) 非公平價值列賬之金融工具之公平價值(續)

本集團及本行按成本或攤餘成本列賬之金融工具之賬面值與其於二零零九年及二零零八年十二月三十一日之公平價值並無重大差異，惟以下所列除外：

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
<i>Financial assets</i>	<i>金融資產</i>				
Advances to customers	客戶貸款	1,963,397	1,969,613	4,297,227	4,358,387
Other loans and receivables	其他貸款及應收款項	3,392,218	3,146,132	3,745,286	3,387,936
Held-to-maturity investments	持至到期投資	902,222	985,156	895,590	932,882
<i>Financial liabilities</i>	<i>金融負債</i>				
Other accounts and liabilities	其他賬目及負債	2,585,236	2,592,553	2,490,571	2,512,159
		The Bank 本行			
		2009 二零零九年		2008 二零零八年	
		Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
<i>Financial assets</i>	<i>金融資產</i>				
Advances to customers	客戶貸款	694,025	692,171	780,135	781,674
Other loans and receivables	其他貸款及應收款項	3,392,218	3,146,132	3,745,286	3,387,936
Held-to-maturity investments	持至到期投資	902,222	985,156	895,590	932,882
<i>Financial liabilities</i>	<i>金融負債</i>				
Other accounts and liabilities	其他賬目及負債	2,585,236	2,592,553	2,490,571	2,512,159

48. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and related parties, including Taipei Fubon Commercial Bank Co., Ltd. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the balance sheet date is set out below:

(a) Interest income/expenses

<i>Ultimate holding company</i>	最終控股公司
Interest expense	利息支出
<i>Fellow subsidiaries</i>	同系附屬公司
Interest income	利息收入
Interest expense	利息支出

(b) Placement of deposits

<i>Fellow subsidiaries</i>	同系附屬公司
At 1 January	於一月一日
Placements during the year	年內放款
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	同系附屬公司
Accrued interest and other accounts	應計利息及其他賬項

There was no impairment allowance made against the above placement of deposits with related parties.

48. 重大關連各方交易

年內，本集團與其最終控股公司及各關連方，包括台北富邦商業銀行股份有限公司訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括（不限於）借貸、銀行同業拆借與存款、參與銀團貸款、相關銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連各方交易所產生之收支及於結算日尚未償還餘額之資料載列如下：

(a) 利息收入／支出

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Ultimate holding company	–	88
Fellow subsidiaries	825	1,051
	9,281	23,141

(b) 放款

The Group and the Bank 本集團及本行		
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
At 1 January	55,000	–
Placements during the year	86,172,219	10,392,972
Repayments during the year	(86,227,219)	(10,337,972)
At 31 December	–	55,000
Fellow subsidiaries	12,615	–

該等與關連方放款並無減值撥備。

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Acceptance of deposits

<i>Ultimate holding company</i>	<i>最終控股公司</i>
At 1 January	於一月一日
Acceptances during the year	年內接納
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	<i>同系附屬公司</i>
At 1 January	於一月一日
Acceptances during the year	年內接納
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	<i>同系附屬公司</i>
Other accounts and liabilities	其他賬目及負債

(d) Financial Instruments

<i>Fellow subsidiary</i>	<i>同系附屬公司</i>
Exchange rate contracts (notional principal)	匯率合約(名義本金額)

48. 重大關連各方交易(續)

(c) 接納存款(續)

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
4,214	4,137
239,293 (243,167)	994,750 (994,673)
340	4,214
1,164,740	-
10,583,832 (11,160,822)	8,917,978 (7,753,238)
587,750	1,164,740
95,819	227,794

(d) 金融工具

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
842,042	2,778,530

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(e) Loans to officers**

Loans to officers of the Bank disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

Aggregate amount of relevant loans at 31 December	相關貸款於十二月三十一日的總額
– by the Bank	– 本行
– by a subsidiary	– 一間附屬公司
Maximum aggregate amount of relevant loans outstanding during the year	年內尚未償還相關貸款之最高總額
– by the Bank	– 本行
– by a subsidiary	– 一間附屬公司

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2009 (2008: Nil).

48. 重大關連各方交易 (續)**(e) 高級職員貸款**

本行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

The Group and the Bank	
本集團及本行	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
10,525	34,687
–	–
10,525	34,687
35,361	38,222
–	–
35,361	38,222

於二零零九年十二月三十一日，此等貸款並無逾期未償付利息，或就有關貸款進行任何減值撥備(二零零八年：無)。

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(f) Key management personnel remuneration**

Remuneration for key management personnel, including amounts paid to the Bank's Directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

Salaries and short-term employee benefits	薪金及短期僱員福利
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Total remuneration is included in "staff cost" (see Note 7).

Several key management personnel were granted unlisted physically settled options over shares of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. with various vesting periods for services rendered to the Group. The share based payment expense is included in "staff cost" (see Note 7). Key management personnel are defined as directors and members of the management committee.

(g) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below.

48. 重大關連各方交易 (續)**(f) 主要管理人員酬金**

主要管理人員之酬金(包括附註8所披露付予本行董事之款項及附註9所披露付予最高薪僱員之款項)如下:

The Group and the Bank	
本集團及本行	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
47,954	45,008

酬金總額計入「僱員成本」(見附註7)。

根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，若干主要管理人員因向本集團提供服務而被授予於多個期間歸屬的非上市而實股結算之認股權。以股份形式支付的開支計入「僱員成本」(見附註7)。主要管理人員被定義為董事及管理委員會之成員。

(g) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關條款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下。

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(g) Credit facilities to key management personnel** (continued)

Loans, at 31 December	於十二月三十一日貨款餘額
Interest income	利息收入
Credit facilities, at 31 December	於十二月三十一日信貸服務

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no individually assessed impairment allowance been made on the above balances at the year end.

The Bank's policies for lending to related parties take into account the requirements under the Hong Kong Banking Ordinance, the guidelines of the HKMA and the Listing Rules. The Group sets internal limits – individual and aggregate group limits for individual, group, secured and unsecured exposures – and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, Managing Director and/or the Executive Credit Committee.

48. 重大關連各方交易 (續)**(g) 主要管理人員信貸服務** (續)

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2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
12,686	48,172
870	1,103
4,740	4,915

並無就年內主要管理人員的未償還餘額記錄減值虧損，且於年底並無就上述餘額作出個別估計減值撥備。

本行向各關連方貸款的政策已計及香港《銀行業條例》、香港金融管理局指引及上市規則之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督各關連方之風險(個人或企業)及採取各必須措施以控管各關連借貸之風險。信用委員會、董事總經理及/或執行信用委員會已予批准。

49. ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for liabilities at the balance sheet date:

Secured liabilities	已抵押負債
<i>Assets pledged:</i>	<i>已質押資產:</i>
Trading securities	持作交易用途之證券
Available-for-sale securities	可供出售證券

The following balances with banks have been pledged as collateral for margin deposits of derivatives at the balance sheet date:

Margin accounts for derivative contracts	衍生工具合約的保證金賬戶款項
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These transactions are conducted under usual and customary terms.

49. 質押作為抵押品之資產

下列資產已於結算日作為負債抵押品予以質押：

The Group and the Bank	
本集團及本行	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
2,599,511	2,606,716
100,496	77,992
2,320,926	2,489,254
2,421,422	2,567,246

下列銀行結餘已於結算日作為衍生工具保證金存款抵押品予以抵押：

The Group and the Bank	
本集團及本行	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
69,282	608,920

該等交易乃按照一般及慣用條款進行。

50. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Group has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal Audit also performs regular audits to ensure compliance with the policies and procedures.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

(a) Credit risk management

This category includes credit and counterparty risk from loans and advances, issuer risk from holding securities, counterparty risk from trading activities and country risk. Credit risk arises from the potential that a borrower or counterparty will fail to perform under an obligation. It arises from the lending, trading, treasury, derivatives and other activities of the Group. The Group identifies and manages credit risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures. These policies and procedures are documented in the Group's credit policy which defines the overall credit policies covering credit extension criteria, the credit approval authorities delegated from the Board, the credit monitoring processes, the loan grading system and provisioning policy.

50. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如息率、匯率及股市等。
- 流動資金及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續地在市場上以無抵押或甚至有抵押的方式按可接受之成本借入資金，藉此為實際或建議之承擔提供所需的資金。
- 營運風險：由未遵守制度及程序等事項而引致之風險或由欺詐致使財務或聲譽受損而引致之風險。

本集團已設有相關政策及程序以識別及分析該等風險、制定適當之風險限額及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合政策及程序。

此一附註呈列有關本集團就上述各項風險所承擔之風險、本集團計量及管理風險之目標、政策及程序，以及本集團之資本管理。

(a) 信貸風險管理

此類風險包括借款及貸款之信貸及交易對手風險、證券交易之發行人風險、貿易融資之交易對手風險及國家風險。信貸風險源於貸款人或交易對手未能履行其承擔，可來自本集團之貸款、貿易融資、財資、衍生工具及其他業務。本集團透過(a)目標市場定位、(b)信貸審批流程、(c)付款後監控及(d)補救管理程序來識別及管理信貸風險。該等政策及程序記錄於本集團之信貸政策內，而有關政策對整體信貸政策作出明確界定，涵信貸條件、董事會指定之信貸審批職權、信貸監管程序、貸款分類系統及撥備政策。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

The Board of Directors delegates credit approval to the following in descending order of authority: the Executive Credit Committee, the Chief Executive Officer and the Credit Committee.

The Credit Committee carries out the Bank's credit risk management functions. It meets once a week and is responsible for approving, advising and recommending to the Chief Executive the approval of credit exposures in accordance with the credit authority limits. The Credit Committee also reviews and implements measures on credit risk management and controls and plays a key role in credit monitoring. In addition, it reviews loans extended by lending officers and provides guidelines to all lending officers to assist them in monitoring the credit risk of the loan portfolio.

The credit departments, Enterprise Credit Risk Management Unit and Consumer Finance Risk Management Unit, receive their authority and delegated responsibilities from the Credit Committee to provide centralised management of credit risk. They are responsible for:

- independent evaluation of credit applications, which covers facility details, credit grade determination, risk review and analysis and financial spreads;
- credit risk management and control of cross-border exposures including debt securities issued by corporations, and sovereigns as well as those exposures to banks and other financial institutions;
- portfolio management of risk concentrations;
- maintenance of the loan grading system; and
- reporting to the Risk Management Committee regularly on aspects of the loan portfolio. This includes information on large credit exposures, industry exposures, country exposures and levels of bad debt provisioning.

In addition, the Group has also established guidelines to ensure that each new product is designed and reviewed by a product committee with respect to the risks involved, including among others, operational risk, legal risk, reputational risk and credit risk. All relevant departments are required to put in place the appropriate processes, systems and controls before the product is approved by the New Product and Commitment Committee.

Specific policies and measures to address different kinds of credit related activities are set out below:

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)

董事會授權以下人士依次審批信貸：執行信貸委員會、行政總裁及信貸委員會。

信貸委員會負責本行之信貸風險管理工作。該委員會每星期舉行一次會議，專責根據信貸授權限額就信貸風險批核信貸建議；並向行政總裁提供意見及推薦建議。信貸委員會亦審閱及實施信貸風險管理及控制之措施，在信貸監控方面扮演著重要之角色。此外，該委員會審閱貸款主任所批出之貸款，並向全體借貸主任提供指引，協助彼等監控貸款組合之信貸風險。

信貸部門、企業信貸風險管理部及消費信貸風險管理部獲授權並代表信貸委員會進行統一信貸風險管理，負責下列各項職責：

- 獨立審核信貸申請，包括信貸詳情、信貸評級釐定、風險評審及息差分析；
- 信貸風險管理以及跨境債權，包括由企業及主權國發行的債務證券，及銀行與其他財務機構的風險監控；
- 管理組合內風險，以避免風險過份集中；
- 更新貸款評級系統；及
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及壞賬撥備程度等資料。

此外，本集團亦已制定政策以確保每項新產品經由產品發展委員會設計及審閱所涉及之風險（包括（其中包括）營運風險、聲譽風險及信貸風險）。所有有關之部門必須於產品獲得新產品及承擔委員會批准前，制定適當的工作流程、系統及監控措施。

針對不同類型信貸相關業務之特定政策及措施載列如下：

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(i) Corporate lending*

Corporate lending is generally concentrated among middle market borrowers. In addition to compliance with the Group's underwriting standards, credit risk is managed by conducting a thorough credit evaluation and obtaining proper approval for the proposed credit transactions. Subject to the size of the facility and the risk grading of the borrower, different extents of credit evaluation and levels of credit approval are required to ensure the proper credit risk management measures are exercised. Credit approval also takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

The Group has established limits for exposures to individual industries and for borrowers and groups of borrowers, regardless of whether the credit exposure is in the form of loans or non-funded exposures. The Group also undertakes ongoing credit analysis and monitoring at several levels. The policies and procedures also take into account the requirements under the Hong Kong Banking Ordinance and the guidelines issued by the HKMA with respect to large exposures and provisioning requirements.

The credit risk management procedures are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The Enterprise Credit Risk Management Unit monitors overall portfolio risk as well as individual problem loans and potential problem loans on a regular basis. Relevant management reports are submitted to the Chief Executive Officer as well as Credit Committee for their review.

(ii) Retail credit risk

The Group's retail credit policy and approval process are designed to address high volumes of relatively homogeneous, small value lending transactions in each retail loan category. Because of the nature of retail banking, the credit policies are based primarily on statistical analyses of risks with respect to different products and types of customers. The Consumer Finance Risk Management Unit is responsible for conducting regular monitoring of the retail credit risk. They are also responsible for determination and revision of product terms and desired customer profiles on a regular basis. In addition, they also review the existing policies on underwriting, loan classification, provisioning, and write-off on a regular basis.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(i) 企業借貸*

企業借貸一般集中於中型市場借款公司。除遵守本集團之貸款標準外，信貸風險亦透過就信貸申請所進行詳盡之信貸評估及經適當審批而加以控制。視乎貸款規模及借款人之風險評級，必須進行不同程度之信貸評估及不同級別之信貸審批，以確保正確之信貸風險管理措施得以實施。審批信貸時亦會考慮貸款結構、貸款年期、有關借款申請人之還款能力及有否提供抵押擔保。

本集團已制定個別行業之風險限額以及貸款人及貸款人團體之風險限額，無論信貸風險是由於貸款或非借貸交易而產生。本集團亦在不同層次持續開展信貸分析及監控。該等政策及程序亦參考香港《銀行業條例》內之規定及金管局就大額放款限度及撥備規定頒佈之指引。

信貸風險管理程序旨在促進提早發現需要特別監控之交易對手、行業或產品風險。企業信貸風險管理部定期監控貸款組合整體風險及個別問題貸款及潛在問題貸款。有關管理報告提交行政總裁及信貸委員會審閱。

(ii) 零售銀行信貸風險

本集團之零售銀行信貸政策及審批流程乃針對每個零售貸款類別中之大量同類型但價值較小之貸款交易而設計。由於零售銀行之性質，信貸政策主要依據不同產品及客戶類型之風險統計分析結果而釐定。消費信貸風險管理部負責對零售銀行信貸風險進行定期監控。他們亦負責定期釐定及修訂產品條款及理想的客戶組別。此外，他們還定期審閱有關現有的貸款承造、貸款分類、撥備及回撥之政策。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(iii) Credit risk for treasury transactions*

The credit risk of the Group's treasury transactions is managed the same way as the Group manages its corporate lending risk. The Group sets individual limits to its counterparties based on its risk assessment.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value or the notional amount, credit risk for derivatives is the positive replacement cost together with an estimate for the potential future exposure from changes in its market value. These credit exposures, together with potential future exposure from market movements, are managed as part of the overall lending limits to the counterparties. The credit risk exposure on derivatives is disclosed in Note 21(b) of this annual report. The Group currently uses the current exposure method for the purpose of providing capital for such counterparty exposures.

(iv) Credit-related commitments

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, therefore, 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.

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 18 to 25.

(vi) Credit risk mitigation

The Group's credit assessment primarily relies on an evaluation of the obligor's repayment ability based on the obligor's cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties which form an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(iii) 財資交易之信貸風險*

本集團財資交易信貸風險之管理方式與本集團管理其企業借貸風險之方式相同。本集團根據風險評估對其交易對手設定個別風險限額。

有別於資產負債表內項目(通常以本金價值或面值來表示信貸風險)，衍生工具之信貸風險為正重置成本連同以其市值之未來潛在變動之估計。該等信貸風險連同市場變動之潛在風險乃作為有關方整體貸款限額的一部分進行管理。衍生工具之信貸風險於本年報附註21(b)內披露。本集團現時以即期風險法為該等有關方風險提供資本。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶提供貸款之信貸風險相同。因此，該等交易須遵守與客戶申請貸款相同之信貸申請、該等貸款組合要求及抵押品規定。

(v) 信貸風險過份集中

當地域、經濟或行業因素之變動對不同類別之交易對手產生類似影響，而彼等之信貸風險加起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融資產組合經已分散至多個地域、行業及產品類別。

有關各類金融資產之信貸風險集中情況之分析於附註18至25內披露。

(vi) 減低信貸風險

本集團的信貸評估主要依賴基於債務人的現金流量及財務狀況對債務人的還款能力的估計。此外，本集團採用如適當信貸結構、給予抵押及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低技術，以作為其信貸風險管理流程的組成部分。本集團採用的減低信貸風險並無產生重大集中於信貸及市場風險。最常用的信貸風險減低措施載列如下：

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management (continued)***(vi) Credit risk mitigation (continued)**Collateral*

The Group holds collateral against loans and advances to customers in the form of cash deposits, marketable securities, mortgage interest over property, inventory, equipment and other physical collateral, and guarantees. The Group has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of eligible collateral. For collateral taken to secure corporate and retail loans, the collateral is revalued periodically ranging from daily to semi-annually depending on the type of collateral taken. For treasury operations, any collateral taken is marked to market on a periodic basis that is mutually agreed with the counterparty.

Master netting agreements

Collateral generally is not held over loans and advances extended to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. However, where applicable, the Group manages its credit exposure to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or following other pre-agreed termination events.

It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding positions.

Other credit risk mitigation measures

The Group also uses guarantees for credit risk mitigation. While the Group may accept guarantees from any counterparty, it sets a threshold internally for considering eligible guarantors.

50. 財務風險管理(續)**(a) 信貸風險管理(續)***(vi) 減低信貸風險(續)**抵押品*

本集團就客戶借款及貸款而持有抵押品，形式為現金存款、可流通證券、物業按揭、存貨、設備及其他實物抵押品，以及擔保。本集團已制定監管合資格抵押品的評估、接納及定時估值的政策及程序。就擔保公司及零售貸款的抵押品而言，抵押品乃定時被重估，週期介乎每日至每半年一次不等，這取決於抵押品的類型。就財資業務而言，任何抵押品乃以與交易對手相互協定的週期以市場情況重估。

淨額結算總協議

抵押品一般並非就給予銀行的借款及貸款而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算總協議導致於違約時結算交易對手的與該交易對手之款項會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外交易產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件(「CSA」)，此乃普遍的做法。根據CSA，抵押品會由交易其中一方轉交另一方，以減低未平倉交易的市場或有交易對手風險。

其他信貸風險減低措施

本集團亦應用擔保以減低信貸風險。當本集團可能接受任何交易對手的擔保時，其在內部設定考慮合資格擔保人的限制。

50. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the balance sheet date without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the balance sheet, contingencies and commitments is as follows:

50. 財務風險管理(續)

(a) 信貸風險管理(續)

(vii) 最高信貸風險

於結算日最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為資產負債表內各項金融資產扣除任何減值準備後之賬面值。資產負債表、或然負債及承擔的各部分信貸風險的最高風險概要如下：

	The Group 本集團		The Bank 本行	
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
<i>Credit risk exposures relating to on-balance sheet assets:</i>	<i>與資產負債表內資產有關之信貸風險：</i>			
Cash and balances with banks	5,302,719	7,894,169	5,301,396	7,882,115
Placements with and advances to banks and other financial institutions	367,677	1,827,521	290,902	1,827,521
Trading securities	105,420	150,215	105,420	150,215
Financial assets designated at fair value through profit or loss	641,737	700,281	641,737	700,281
Derivative financial instruments	632,010	2,618,073	632,010	2,618,073
Advances to customers less impairment	28,571,967	33,033,818	26,947,698	28,938,533
Other loans and receivables	3,392,218	3,745,286	3,392,218	3,745,286
Accrued interest and other accounts	1,479,757	1,048,534	1,433,164	964,687
Available-for-sale securities	17,728,988	11,770,575	17,728,988	11,770,575
Held-to-maturity investments	902,222	895,590	902,222	895,590
Interests in associates	1,612	1,699	1,612	1,699
<i>Credit risk exposures relating to off-balance sheet items:</i>	<i>與資產負債表外項目有關之信貸風險：</i>			
Financial guarantees and other credit related contingent liabilities	423,530	717,833	431,030	725,333
Loan commitments and other credit related commitments	11,597,793	13,166,603	11,597,793	13,128,183
	71,147,650	77,570,197	69,406,190	73,348,091

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

(viii) Credit quality of loans and advances

At 31 December 2009 and 2008, no loans and advances to banks were impaired. The credit quality of advances to customers can be analysed as follows:

Neither past due nor impaired	並無逾期或減值
Past due but not impaired	已逾期但並無減值
Impaired	已減值
Of which:	其中：
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之借款及貸款總額
– Grade 1: Pass	– 第一級：通過
– Grade 2: Special mention	– 第二級：特別提及

The Group classifies advances to customers in accordance with the loan classification system required to be adopted for reporting to the HKMA.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)

(viii) 借款及貸款之信貸質素

於二零零九年及二零零八年十二月三十一日，向銀行同業授出之借款及貸款均並無減值。向客戶作出之貸款之信貸質素可分析如下：

		The Group 本集團		The Bank 本行	
		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Neither past due nor impaired	並無逾期或減值	28,517,036	32,763,297	27,007,972	28,812,266
Past due but not impaired	已逾期但並無減值	76,900	159,149	4,529	52,554
Impaired	已減值	518,722	407,350	315,330	234,519
		29,112,658	33,329,796	27,327,831	29,099,339
Of which:	其中：				
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之借款及貸款總額				
– Grade 1: Pass	– 第一級：通過	28,165,878	32,671,715	26,671,436	28,734,773
– Grade 2: Special mention	– 第二級：特別提及	351,158	91,582	336,536	77,493
		28,517,036	32,763,297	27,007,972	28,812,266

本集團根據為向香港金融管理局呈報而須採納之貸款分級制度就客戶貸款進行分類。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

(viii) Credit quality of loans and advances (continued)

The ageing analysis of advances to customers that are past due but not impaired is as follows:

Gross loans and advances to customers that are past due but not impaired	向客戶授出而已逾期但並無減值之借款及貸款總額
- Overdue 3 months or less	- 逾期三個月或以下
- Overdue 6 months or less but over 3 months	- 逾期六個月或以下惟三個月以上
- Overdue 1 year or less but over 6 months	- 逾期一年或以下惟六個月以上
- Overdue over 1 year	- 逾期超過一年

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$471,352,000 as at 31 December 2009 (2008: HK\$553,865,000).

No items in "Other loans and receivables" are overdue or impaired as at 31 December 2009 and 2008.

Analysis of other loans and receivables by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

AA-to AA+	AA-至AA+
A-to A+	A-至A+
Lower than A-	A-以下

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)

(viii) 借款及貸款之信貸質素(續)

向客戶授出而已逾期但並無減值之貸款賬齡分析如下：

The Group 本集團		The Bank 本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
76,900	149,528	4,529	44,314
-	8,313	-	7,939
-	154	-	28
-	1,154	-	273
76,900	159,149	4,529	52,554

於二零零九年十二月三十一日，倘條款不予重新磋商即為已逾期或已減值之借款及貸款金額為471,352,000港元(二零零八年：553,865,000港元)。

於二零零九年及二零零八年十二月三十一日，並無列入「其他貸款及應收款項」之項目是逾期或已減值。

以標準普爾之評級標準或相應之評級標準為基準按信貸評級對其他貸款及應收款項於十二月三十一日進行之分析如下：

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
603,490	843,745
1,848,401	2,582,118
940,327	319,423
3,392,218	3,745,286

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

(ix) Credit quality of financial assets other than loans and advances

Credit risk that arises from investments in financial assets or debt securities is managed in the same way as the Group manages its corporate lending risk with the exposure being part of the overall lending limits to the counterparties. It is the Group's credit policy not to invest in debt securities that are below the grading of BBB+ from Standard & Poor's Rating Services or A-3 from Moody's Investors Services at the time of investing. Analysis of debt securities by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

AAA	AAA
AA-to AA+	AA-至AA+
A-to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)

(ix) 借款及貸款以外之金融資產之信貸質素

本集團按管理其公司借貸風險相同之方式管理金融資產或債務證券投資產生之信貸風險，所承擔之風險為交易對手整體借貸限額之一部分。本集團之信貸政策為，對於投資時，評級在標準普爾評級服務公司之評級BBB+以下或在穆迪投資者服務公司之評級A-3以下之債務證券，不予投資。以標準普爾之評級標準或相應之評級標準為基準按信貸評級對債務證券於十二月三十一日進行之分析如下：

The Group and the Bank

本集團及本行

2009

二零零九年

	Designated at fair value through	Trading securities	profit or loss 指定為通過 損益以反映 公平價值	Available- for-sale securities	Held-to- maturity investments	Total
		持作交易 用途之證券		可供出售證券	持至到期投資	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
		-	-	4,421,002	-	4,421,002
		105,420	81,853	10,005,833	262,553	10,455,659
		-	249,771	2,577,124	639,669	3,466,564
		-	-	715,792	-	715,792
		-	310,113	9,237	-	319,350
		105,420	641,737	17,728,988	902,222	19,378,367

50. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of financial assets other than loans and advances (continued)

AAA	AAA
AA-to AA+	AA-至 AA+
A-to A+	A-至 A+
Lower than A-	A-以下
Unrated	無評級

50. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 借款及貸款以外之金融資產之信貸質素(續)

The Group and the Bank
本集團及本行2008
二零零八年

	Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過 損益以反映 公平價值 HK\$'000 千港元	Available- for-sale securities 可供出售證券 HK\$'000 千港元	Held-to- maturity investments 持至到期投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
	-	-	1,151,729	-	1,151,729
	150,215	474,235	7,293,120	259,814	8,177,384
	-	226,046	2,401,132	635,776	3,262,954
	-	-	907,176	-	907,176
	-	-	17,418	-	17,418
	150,215	700,281	11,770,575	895,590	13,516,661

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(ix) Credit quality of financial assets other than loans and advances (continued)*

Included in “financial assets designated at fair value through profit or loss” of the Group and the Bank as at 31 December 2009 are debt securities with fair value of HK\$112.0 million (2008: Nil) which are overdue.

As at 31 December 2009, investments in structured investment vehicles (“SIVs”) with nominal value of HK\$238 million (2008: HK\$155 million) were individually determined to be impaired. No collateral is held by the Group for these investments.

Collateralized debt obligations (“CDOs”) and SIVs held by the Bank were purchased according to the Bank’s investment guidelines. As at 31 December 2009, the carrying amount of CDOs inclusive of revaluation loss on the embedded derivatives amounted to HK\$13.1 million (2008: HK\$13.6 million) and carrying amount of SIVs was HK\$1.0 million (2008: HK\$16.6 million).

(x) Collateral and other credit enhancements

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

Fair value of collateral and other credit enhancements held against financial assets that are:

– Neither past due nor impaired

– Past due but not impaired

– Impaired

下列金融資產持有之抵押品及其他信貸提升措施之公平價值：

– 並無逾期或減值

– 已逾期但並無減值

– 已減值

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(ix) 借款及貸款以外之金融資產之信貸質素* (續)

於二零零九年十二月三十一日，本集團及本行「指定為通過損益以反映公平價值之金融資產」包括公平價值為112,000,000港元(二零零八年：無)之逾期債務證券。

於二零零九年十二月三十一日，於面值為238,000,000港元(二零零八年：155,000,000港元)之結構投資工具(「SIV」)之投資乃個別釐定為減值。本集團並無就該等投資持有抵押品。

本行持有之債務抵押證券(「CDOs」)及SIVs乃根據銀行投資指引而購入。於二零零九年十二月三十一日，債務抵押證券，包括嵌入式衍生工具的重估虧損的賬面值為13,100,000港元(二零零八年：13,600,000港元)，而SIVs的賬面值為1,000,000港元(二零零八年：16,600,000港元)。

(x) 抵押品及其他信貸提升措施

以金融資產持有之抵押品及其他信貸提升措施之估計公平價值如下：

	The Group 本集團		The Bank 本行	
	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	46,913,341	44,711,241	41,397,702	34,778,714
	153,385	76,653	113,851	22,320
	94,843	144,905	13,813	74,771
	47,161,569	44,932,799	41,525,366	34,875,805

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)(xi) *Collateral and other credit enhancements obtained*

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

Carrying amount of assets obtained:	所獲得之資產之賬面值：
– Residential property	– 住宅物業

As at 31 December 2009, total repossessed assets and assets acquired under lending agreements of the Group and the Bank amounted to HK\$31,480,000 (2008: HK\$29,880,000).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the balance sheet within other assets.

(b) Market risk management

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from balance sheet or structural positions. The Bank transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, and market making activities, and offsetting transactions taken in order to hedge the Bank's open position. The Bank does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)(xi) *已取得之抵押品及其他信貸提升措施*

年內，本集團透過接管持作擔保之抵押品獲取之資產如下：

The Group and the Bank 本集團及本行	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元

16,900	7,652
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於二零零九年十二月三十一日，根據本集團及本行之借貸協議獲得之收回資產和資產總值為31,480,000港元(二零零八年：29,880,000港元)。

收回物業會盡快予以出售，所得之款項將用以削減未償還之債項。於資產負債表內，收回物業分類為其他資產。

(b) 市場風險管理

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股本及其他衍生工具，以及資產負債表或結構性倉盤。本行在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本行就執行客戶指令、市場莊家活動，以及為對沖本行之未平倉盤而持有倉盤。本行並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management (continued)**

The Board reviews and approves policies for the management of market risks including dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee. This committee articulates the interest rate view of the Bank and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Board. Market risk is managed within various limits approved by the Board. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other positions.

One of the principal tools used by the Group to monitor and limit market risk exposure is Value-at-risk (VAR). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level.

The Group augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

50. 財務風險管理 (續)**(b) 市場風險管理 (續)**

董事會檢討及審批有關市場風險管理之政策及處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本行對利率之走勢預測，而決定有關業務策略。該委員會亦審閱及制訂融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易買賣衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖彼等和其他倉盤而訂立。

風險值 (VAR) 是本集團為監控及限制市場風險所主要採用之一種工具。風險值是一種按一既定信心水平估計由於市場利率及價格在特定持盤時間內之變動而使持倉盤可能出現虧損的估計數字的技術。計算方式乃使用方差與協方差模式估計統計數字信心水平。

本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別貸款組合及本集團之綜合狀況應用較廣範圍之敏感性分析，以評估市價之極端變動對本集團盈利之潛在影響。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risk exposures**Trading market risk*

Currency risk

At 31 December 2009, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.5 million higher (2008: HK\$0.7 million lower).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.5 million lower (2008: HK\$0.7 million higher).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point (PVBP). PVBP is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group adopts a sensitivity test of a 25 basis points movement. At 31 December 2009, 25 basis points upward movement in interest rate would result in a downward profit movement of HK\$20,758 (2008: HK\$17,837). Conversely, 25 basis points downward movement in interest rate would result in an upward profit movement of HK\$20,758 (2008: HK\$17,837).

Equity risk

At 31 December 2009, if the Hang Seng Index had increased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$10,746 higher (2008: HK\$2,644).

Conversely, at 31 December 2009, if Hang Seng Index had decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$10,746 lower (2008: HK\$2,644).

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析**交易市場風險*

貨幣風險

於二零零九年十二月三十一日，如港元兌其他貨幣升值0.5%並假設所有其他參數不變，本年度之除稅前溢利將為增加500,000港元(二零零八年：減少700,000港元)。

相反地，如港元兌其他貨幣貶值0.5%，並假設所有其他參數不變，本年度之除稅前溢利將為減少500,000港元(二零零八年：增加700,000港元)。

利率風險

本集團透過基點現值法計量交易賬利率風險。基點現值法是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團採用25個基點變動之敏感度測試。於二零零九年十二月三十一日，利率調升25個基點將導致溢利下降20,758港元(二零零八年：17,837港元)。相反地，如果利率下調25個基點，溢利將上升20,758港元(二零零八年：17,837港元)。

股票風險

於二零零九年十二月三十一日，如果恒生指數上升10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，本年度盈利將增加10,746港元(二零零八年：2,644港元)。

相反地，於二零零九年十二月三十一日，如果恒生指數下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，本年度之盈利將減少10,746港元(二零零八年：2,644港元)。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risks exposures (continued)**Non-trading market risk**Interest rate risk*

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed by the treasury department within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

At 31 December 2009, if other market variables including prime rate were held constant, an increase in HKD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$0.8 million (2008: HK\$5.4 million increase), or an increase in economic value of HK\$11.8 million (2008: HK\$8.1 million increase); while an increase in USD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$16.5 million (2008: HK\$13.8 million decrease), or an increase in economic value of HK\$27.3 million (2008: HK\$29.9 million increase).

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$0.8 million (2008: HK\$5.4 million decrease), or a decrease in economic value of HK\$11.8 million (2008: HK\$8.1 million decrease); while a decrease in USD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$16.5 million (2008: HK\$13.8 million increase), or a decrease in economic value of HK\$27.3 million (2008: HK\$29.9 million decrease).

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)*非交易市場風險**利率風險*

利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由資金部門管理，並維持在董事會批准之限額（包括利率差別限額）之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

於二零零九年十二月三十一日，假設其他市場參數（包括最優惠利率）維持不變，如果港元市場利率調升25個基點，將導致接下來12個月盈利減少800,000港元（二零零八年：增加5,400,000港元），或經濟值增加11,800,000港元（二零零八年：增加8,100,000港元）；如果美元市場利率調升25個基點，將導致接下來12個月盈利減少16,500,000港元（二零零八年：減少13,800,000港元），或經濟值增加27,300,000港元（二零零八年：增加29,900,000港元）。

相反地，假設其他市場參數（包括最優惠利率）維持不變，如果港元市場利率下調25個基點，將導致接下來12個月盈利增加800,000港元（二零零八年：減少5,400,000港元），或經濟值減少11,800,000港元（二零零八年：減少8,100,000港元）；如果美元市場利率下調25個基點，將導致接下來12個月盈利增加16,500,000港元（二零零八年：增加13,800,000港元），或經濟值減少27,300,000港元（二零零八年：減少29,900,000港元）。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risks exposures (continued)**Non-trading market risk (continued)*

Equity risk

At 31 December 2009, the Group does not hold non-trading listed equity securities. As such, movement in the Hang Seng Index would have no impact on the Group.

At 31 December 2008, if the Hang Seng Index had increased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, the value of equity securities at 31 December 2008 would have been HK\$7.7 million higher.

Conversely, at 31 December 2008, if the Hang Seng Index had decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, the value of equity securities at 31 December 2008 would have been HK\$7.7 million lower.

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both 2008 and 2009.

(ii) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by the treasury department within limits approved by the Board. Structural foreign currency positions arise mainly on foreign currency investments in the Group's subsidiaries and associates of HK\$339.2 million as of 31 December 2009 (2008: HK\$0.2 million). The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)*非交易市場風險* (續)

股票風險

於二零零九年十二月三十一日，本集團並無持有非持作交易用途之股本證券。因此，恒生指數變動對本集團並無影響。

於二零零八年十二月三十一日，如果恒生指數上升10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，於二零零八年十二月三十一日之股本證券價值為增加7,700,000港元。

相反地，於二零零八年十二月三十一日，如果恒生指數下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，於二零零八年十二月三十一日之股票證券價值將減少7,700,000港元。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零零八年及二零零九年而言所採用者乃屬相同。

(ii) 貨幣風險

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由資金部管理，並維持在董事會所訂定之範圍內。結構性外幣持倉主要源自本集團於附屬公司於二零零九年十二月三十一日之外幣投資共339,200,000港元(二零零八年：200,000港元)。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

		The Group 本集團		
		2009 二零零九年		
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣
ASSETS				
Cash and short-term funds	現金及短期資金	2,960,720	209,608	89,954
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款	92,285	-	225,392
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	570,118	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,583,658	-	42,053
Other loans and receivables	其他貸款及應收款項	2,956,404	-	435,814
Accrued interest and other accounts	應計利息及其他賬目	259,115	9,084	97,973
Available-for-sale securities	可供出售證券	8,667,449	28,403	4,177,505
Held-to-maturity investments	持至到期投資	902,222	-	-
Interests in associates	於聯營公司之權益	-	384,898	1,612
Spot assets	現貨資產	20,991,971	631,993	5,070,303
LIABILITIES				
Deposits and balances of banks	銀行同業之存款及結餘	589,134	-	265,624
Deposits from customers	客戶存款	15,758,256	208,665	4,882,275
Debt securities issued	已發行債務證券	120,435	-	4,812
Other accounts and liabilities	其他賬目及負債	279,692	121,671	40,406
Subordinated notes issued	已發行後償票據	1,640,257	-	-
Spot liabilities	現貨負債	18,387,774	330,336	5,193,117
Net on-balance sheet position	資產負債表內持倉淨額	2,604,197	301,657	(122,814)
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	(1,909,774)	-	112,987
Net aggregate position	總持倉淨額	694,423	301,657	(9,827)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	349,052	-	44,950

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

下表列示於結算日之集中貨幣風險：

		The Group 本集團		
		2009 二零零九年		
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣
ASSETS				
Cash and short-term funds	現金及短期資金	2,960,720	209,608	89,954
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款	92,285	-	225,392
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	570,118	-	-
Advances to customers less impairment allowances	客戶貸款減減值撥備	4,583,658	-	42,053
Other loans and receivables	其他貸款及應收款項	2,956,404	-	435,814
Accrued interest and other accounts	應計利息及其他賬目	259,115	9,084	97,973
Available-for-sale securities	可供出售證券	8,667,449	28,403	4,177,505
Held-to-maturity investments	持至到期投資	902,222	-	-
Interests in associates	於聯營公司之權益	-	384,898	1,612
Spot assets	現貨資產	20,991,971	631,993	5,070,303
LIABILITIES				
Deposits and balances of banks	銀行同業之存款及結餘	589,134	-	265,624
Deposits from customers	客戶存款	15,758,256	208,665	4,882,275
Debt securities issued	已發行債務證券	120,435	-	4,812
Other accounts and liabilities	其他賬目及負債	279,692	121,671	40,406
Subordinated notes issued	已發行後償票據	1,640,257	-	-
Spot liabilities	現貨負債	18,387,774	330,336	5,193,117
Net on-balance sheet position	資產負債表內持倉淨額	2,604,197	301,657	(122,814)
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	(1,909,774)	-	112,987
Net aggregate position	總持倉淨額	694,423	301,657	(9,827)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	349,052	-	44,950

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other accounts	應計利息及其他賬目
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之投資
Investments in subsidiaries	附屬公司投資
Amounts due from subsidiaries	應收附屬公司款項
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Debt securities issued	已發行債務證券
Other accounts and liabilities	其他賬目及負債
Amounts due to subsidiaries	應付附屬公司款項
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

		The Bank 本行		
		2009 二零零九年		
	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣	
	2,960,016	209,555	89,730	
	15,510	-	225,392	
	570,118	-	-	
	4,583,658	-	42,053	
	2,956,404	-	435,814	
	253,755	9,084	97,962	
	8,667,447	28,403	4,177,505	
	902,222	-	-	
	-	382,890	1,612	
	77,581	-	247	
	848	-	-	
	20,987,559	629,932	5,070,315	
	589,134	-	265,624	
	15,758,256	208,665	4,882,275	
	120,435	-	4,812	
	278,920	121,660	40,288	
	1,886	-	488	
	1,640,257	-	-	
	18,388,888	330,325	5,193,487	
	2,598,671	299,607	(123,172)	
	(1,909,774)	-	112,987	
	688,897	299,607	(10,185)	
	349,052	-	44,950	

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other accounts	應計利息及其他賬目
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之投資
Investments in subsidiaries	附屬公司投資
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Other accounts and liabilities	其他賬目及負債
Amounts due to subsidiaries	應付附屬公司款項
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

	The Bank 本行	2008 二零零八年	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣
Cash and short-term funds	5,521,456	194,078			1,087,488
Placements with and advances to banks and other financial institutions	1,627,521	-			-
Financial assets designated at fair value through profit or loss	700,281	-			-
Advances to customers less impairment allowances	5,693,681	-			139,702
Other loans and receivables	2,987,342	-			757,944
Accrued interest and other accounts	381,087	-			115,155
Available-for-sale securities	3,678,986	28,395			3,355,336
Held-to-maturity investments	895,590	-			-
Interests in associates	-	292,047			1,699
Investments in subsidiaries	11,701	-			247
Spot assets	21,497,645	514,520			5,457,571
Deposits and balances of banks	1,166,471	-			275,725
Deposits from customers	18,615,740	192,465			4,299,317
Certificates of deposit issued	7,905	-			-
Debt securities issued	1,469,884	-			46,048
Other accounts and liabilities	244,184	30,682			318,481
Amounts due to subsidiaries	4,358	-			1,103
Subordinated notes issued	1,684,386	-			-
Spot liabilities	23,192,928	223,147			4,940,674
Net on-balance sheet position	(1,695,283)	291,373			516,897
Off-balance sheet position					
Foreign exchange derivative contracts	1,772,740	(1,136)			(639,331)
Net aggregate position	77,457	290,237			(122,434)
Credit commitments and other contingent liabilities in foreign currencies	937,156	-			317,882

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(iii) Interest rate risk*

The Group's interest rate positions mainly arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and available-for-sale portfolios. Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed by the treasury department within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the balance sheet date. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(iii) 利率風險*

本集團之利率倉盤主要源自財資及商業銀行業務。利率風險由交易證券組合及可供出售證券組合所產生。利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由資金部門管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

下表列示於結算日付息資產與負債於相關期間之實際利率及於預期利息調整日期之錯配。由於預付及行使期權，實際重訂價格日期可能不同於合約日期。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Other assets	其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Undated assets	無定期資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Other liabilities	其他負債
Subordinated notes issued	已發行後償票據
Undated liabilities	無定期負債
Interest rate sensitivity gap	利率敏感度差距

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

50. 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險 (續)

The Group 本集團						
2009 二零零九年						
Average effective interest rate	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	
平均實際利率	總額	三個月或逾部份	三個月以上至一年	一年以上至五年	五年以上	不計息
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
	0.72%	5,414,889	3,133,999	-	-	2,280,890
	2.37%	367,677	126,775	240,902	-	-
	0.27%	105,522	101,404	-	4,016	102
	5.63%	641,737	-	-	331,624	310,113
	N/A	632,010	-	-	-	632,010
	2.60%	28,571,967	27,022,548	852,075	532,172	78,463
	2.04%	3,392,218	2,548,956	368,460	474,802	-
	3.03%	1,198,332	26,867	1,460	-	1,170,005
	2.67%	17,939,073	3,680,878	3,231,213	9,325,959	1,481,701
	6.20%	902,222	-	-	902,222	-
	N/A	1,813,653	-	-	-	1,813,653
		60,979,300	36,641,427	4,694,110	11,570,795	1,560,164
						6,512,804
	0.77%	2,424,903	2,116,732	50,000	-	258,171
	0.56%	46,602,175	42,253,030	3,779,461	209,365	360,319
	0.48%	14,275	10,000	1,033	3,242	-
	0.63%	201,096	-	-	-	201,096
	0.82%	322,100	308,650	13,450	-	-
	0.25%	268,791	268,791	-	-	-
	N/A	651,896	-	-	-	651,896
	0.90%	3,356,848	958,495	678,111	948,630	771,612
	1.02%	1,640,257	-	-	1,640,257	-
	N/A	562,399	-	-	-	562,399
		56,044,740	45,915,698	4,522,055	2,801,494	201,096
						2,604,397
			(9,274,271)	172,055	8,769,301	1,359,068

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額釐定衍生工具(包括利率掉期)餘下到期日的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

		The Group 本集團					
		2008 二零零八年					
	Average effective interest rate	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing	
	平均實際利率	總額	逾三個月或以下(包括逾三個月至一年	逾一年至五年	逾五年	不計息	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	
ASSETS	資產						
Cash and short-term funds	現金及短期資金	1.02%	8,014,953	6,736,729	-	-	1,278,224
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款	2.61%	1,827,521	975,010	852,511	-	-
Trading securities	持作交易用途之證券	0.29%	150,250	92,992	52,191	5,032	35
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	6.60%	700,281	194,456	197,527	226,045	82,253
Derivative financial instruments	衍生金融工具	N/A	2,618,073	-	-	-	2,618,073
Advances to customers less impairment allowances	客戶貸款減減值撥備	3.77%	33,033,818	28,728,978	2,486,623	1,548,035	147,626
Other loans and receivables	其他貸款及應收款項	4.69%	3,745,286	2,489,017	442,289	813,980	-
Other assets	其他資產	3.96%	767,871	130,086	-	-	637,785
Available-for-sale securities	可供出售證券	3.37%	12,089,334	3,399,044	3,305,269	4,568,614	480,229
Held-to-maturity investments	持至到期投資	6.24%	895,590	-	-	588,178	307,412
Undated assets	無定期資產	N/A	1,798,935	-	-	-	1,798,935
			65,641,912	42,746,312	7,336,410	7,749,884	1,017,520
							6,791,786
LIABILITIES	負債						
Deposits and balances of banks	銀行同業之存款及結餘	4.93%	1,987,014	1,597,066	86,174	-	303,774
Deposits from customers	客戶存款	1.77%	47,997,587	44,101,815	3,427,471	591	467,710
Trading liabilities	交易賬項下之負債	0.12%	116,145	111,740	-	4,405	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	4.81%	173,405	-	-	-	173,405
Certificates of deposit issued	已發行存款證	2.82%	960,181	401,476	96,300	462,405	-
Debt securities issued	已發行債務證券	3.35%	1,898,982	1,898,982	-	-	-
Derivative financial instruments	衍生金融工具	N/A	2,506,345	-	-	-	2,506,345
Other liabilities	其他負債	0.75%	3,283,680	1,419,497	399,876	671,198	793,109
Subordinated notes issued	已發行後償票據	1.26%	1,684,386	-	-	1,684,386	-
Undated liabilities	無定期負債	N/A	313,090	-	-	-	313,090
			60,920,815	49,530,576	4,009,821	2,822,985	173,405
							4,384,028
Interest rate sensitivity gap	利率敏感度差距		(6,784,264)	3,326,589	4,926,899	844,115	

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Other assets	其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Amount due from subsidiaries	應收附屬公司款項
Undated assets	無定期資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Other liabilities	其他負債
Amounts due to subsidiaries	應付附屬公司款項
Subordinated notes issued	已發行後償票據
Undated liabilities	無定期負債
Interest rate sensitivity gap	利率敏感度差距

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

50. 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險 (續)

The Bank 本行						
2009 二零零九年						
Average effective interest rate	3 months or less (include Total	Over 3 months or more (include overdue	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing
平均實際利率	總額	逾期部份	三個月以上至一年	一年以上至五年	五年以上	不計息
	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
0.72%	5,413,566	3,133,999	-	-	-	2,279,567
2.86%	290,902	50,000	240,902	-	-	-
0.27%	105,420	101,404	-	4,016	-	-
5.63%	641,737	-	-	331,624	-	310,113
N/A	632,010	-	-	-	-	632,010
2.33%	26,947,698	26,309,105	260,908	235,550	78,463	63,672
2.04%	3,392,218	2,548,956	368,460	474,802	-	-
3.03%	1,170,056	26,867	1,460	-	-	1,141,729
2.67%	17,939,071	3,680,878	3,231,213	9,325,959	1,481,701	219,320
6.20%	902,222	-	-	902,222	-	-
0.15%	2,043,318	2,028,246	-	-	-	15,072
N/A	1,947,728	-	-	-	-	1,947,728
	61,425,946	37,879,455	4,102,943	11,274,173	1,560,164	6,609,211
0.77%	2,424,903	2,116,732	50,000	-	-	258,171
0.56%	46,602,175	42,253,030	3,779,461	209,365	-	360,319
0.48%	14,275	10,000	1,033	3,242	-	-
0.63%	201,096	-	-	-	201,096	-
0.82%	322,100	308,650	13,450	-	-	-
0.25%	268,791	268,791	-	-	-	-
N/A	651,896	-	-	-	-	651,896
0.90%	3,344,254	958,495	678,111	948,630	-	759,018
0.02%	870,689	794,932	-	-	-	75,757
1.02%	1,640,257	-	-	1,640,257	-	-
N/A	536,821	-	-	-	-	536,821
	56,877,257	46,710,630	4,522,055	2,801,494	201,096	2,641,982
Interest rate sensitivity gap		(8,831,175)	(419,112)	8,472,679	1,359,068	

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk management**

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitments 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.

Liquidity is managed on a daily basis by the treasury department under the direction of the Asset and Liability Committee. The treasury department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified source of liquidity, reserving necessary funding capacity and contingent planning. The Group manages liquidity risk by holding sufficient liquid assets (e.g. cash, short term funds and securities) of appropriate quality to ensure that short term funding requirements are covered within prudent limits. In order to lengthen the duration of the funding, the Bank periodically issues certificates of deposit with maturities of not more than 5 years. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Group regularly performs stress tests on its liquidity position.

The Group's consolidated average liquidity ratio for the year ended 31 December 2009 was well above the statutory minimum ratio of 25%.

50. 財務風險管理 (續)**(c) 流動資金風險管理**

流動資金風險管理旨在確保足夠現金流量以滿足所有財務承擔之所需及滿足業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時因償還貸款、為符合法定流動資金比率所需保持資金流動性及當新貸款及投資機會出現時所需資金。

資金部門在資產負債委員會指導下每日對流動資金進行管理。資金部門負責確保本集團擁有所有營運活動所需之充足流動資金、確保資金之適當組合以避免期限錯配並在存在年期差距時防止價格及再投資利率風險並為確保充足資金及流動資金監控相關市場。

作為其流動資金風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、拓闊流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產（如現金及短期基金與證券）確保短期資金需求在審慎限額內來管理流動資金風險。為延長資金之持續期，本行定期發行五年內期滿之存款證。維持適當之備用貸款以提供策略性流動資金應付正常業務過程中可能出現之突然及重大現金流出。本集團定期對其流動資金狀況進行壓力測試。

本集團於截至二零零九年十二月三十一日止年度之綜合平均流動資金比率遠高於法定最低比率25%。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

- (i) Analysis of assets and liabilities by remaining maturity
The following maturity profile is based on the remaining period at the balance sheet date to the contractual maturity date.

ASSETS	資產
Cash and short-term funds	現金及短期資金
Placements with and advances to banks and other financial institutions	銀行同業及其他金融機構放款及貸款
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Other assets	其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Undated assets	無定期資產

LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Other liabilities	其他負債
Subordinated notes issued	已發行後償票據
Undated liabilities	無定期負債

Net liquidity gap 流動資金缺口淨額

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

- (i) 按剩餘期限分析之資產及負債
下列期限組別乃基於結算日至合約訂明到期日之剩餘期限。

		The Group 本集團							
		2009 二零零九年							
		Repayable Total		Within 1 month	Over 1 month but within 3 months	Over 3 within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
		總額	即時還款	一個月內	一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上	無定期 或逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
		5,414,889	2,479,867	2,935,022	-	-	-	-	-
		367,677	-	-	76,775	240,902	50,000	-	-
		105,522	-	15,000	86,404	-	4,016	-	102
		641,737	-	-	-	-	331,624	-	310,113
		632,010	-	-	-	-	-	-	632,010
		28,571,967	791,253	4,250,113	1,503,985	2,748,130	9,552,263	9,524,838	201,385
		3,392,218	-	-	-	828,169	2,564,049	-	-
		1,198,332	-	1,072,134	26,048	65,006	35,144	-	-
		17,939,073	-	50,804	804,133	3,509,535	11,578,645	1,776,634	219,322
		902,222	-	-	-	-	902,222	-	-
		1,813,653	-	-	-	-	-	-	1,813,653
		60,979,300	3,271,120	8,323,073	2,497,345	7,391,742	25,017,963	11,301,472	3,176,585
		2,424,903	258,032	1,642,395	474,476	50,000	-	-	-
		46,602,175	15,282,618	18,295,670	9,025,368	3,779,461	209,364	9,694	-
		14,275	-	10,000	-	1,033	3,242	-	-
		201,096	-	-	-	-	-	201,096	-
		322,100	-	-	8,650	13,450	300,000	-	-
		268,791	-	52,086	62,938	143,685	-	10,082	-
		651,896	-	-	-	-	-	-	651,896
		3,356,848	-	1,614,893	47,683	745,628	948,644	-	-
		1,640,257	-	-	-	-	-	1,640,257	-
		562,399	-	-	-	-	-	-	562,399
		56,044,740	15,540,650	21,615,044	9,619,115	4,733,257	1,461,250	1,861,129	1,214,295
		12,269,530	13,291,971	7,121,770	(2,658,485)	(23,556,713)	(9,440,343)		

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

Of which:	其中：
Certificate of deposits held	持有存款證
- Included in available-for-sale securities	- 納入可供出售證券
Debt securities held *	持有債務證券*
- Included in trading securities	- 納入持作交易用途之證券
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產
- Included in loans and receivable	- 納入貸款及應收款項
- Included in available-for-sale securities	- 納入可供出售證券
- Included in held-to-maturity investments	- 納入持至到期投資
Certificates of deposit issued	已發行存款證
- Stated at amortised cost	- 按攤銷成本列賬

* The amount of debt securities held included certificate of deposits held.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Group 本集團						
		2009 二零零九年						
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue	
		Repayable Total	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	
		on demand	month	months	year	years	years	
			一個月內	三個月以上	一年以上	五年以上	無定期	
		總額	一個月內	三個月以內	一年以內	五年以內	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
		-	-	-	-	-	-	
		105,420	-	15,000	86,404	-	4,016	
		641,737	-	-	-	331,624	-	
		3,392,218	-	-	828,169	2,564,049	-	
		17,728,988	-	50,804	804,133	3,509,535	11,578,645	
		902,222	-	-	-	902,222	-	
		22,770,585	-	65,804	890,537	4,337,704	15,380,556	
		322,100	-	-	8,650	13,450	300,000	

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團								
		2008 二零零八年								
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue	
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	千港元
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產									
Cash and short-term funds	現金及短期資金	8,014,953	1,278,223	6,736,730	-	-	-	-	-	-
Placements with and advances to banks and other financial institutions	銀行同業及其他 金融機構放款及貸款	1,827,521	-	-	975,010	852,511	-	-	-	-
Trading securities	持作交易用途之證券	150,250	-	64,998	27,994	52,191	5,032	-	-	35
Financial assets designated at fair value through profit or loss	指定為通過損益以反映 公平價值之金融資產	700,281	-	-	194,456	197,527	226,046	82,252	-	-
Derivative financial instruments	衍生金融工具	2,618,073	-	-	-	-	-	-	-	2,618,073
Advances to customers less impairment allowances	客戶貸款減減值撥備	33,033,818	958,090	4,542,224	2,883,225	4,234,941	10,431,053	9,836,489	147,796	-
Other loans and receivables	其他貸款及應收款項	3,745,286	-	-	-	420,194	3,325,092	-	-	-
Other assets	其他資產	767,871	-	406,858	111,083	151,194	98,736	-	-	-
Available-for-sale securities	可供出售證券	12,089,334	-	257,602	1,068,518	3,538,098	5,753,168	1,135,770	336,178	-
Held-to-maturity investments	持至到期投資	895,590	-	-	-	-	588,177	307,413	-	-
Undated assets	無定期資產	1,798,935	-	-	-	-	-	-	-	1,798,935
		65,641,912	2,236,313	12,008,412	5,260,286	9,446,656	20,427,304	11,361,924	4,901,017	
LIABILITIES	負債									
Deposits and balances of banks	銀行同業之存款及結餘	1,987,014	303,773	1,488,444	108,623	86,174	-	-	-	-
Deposits from customers	客戶存款	47,997,587	9,969,959	24,524,720	9,872,003	3,427,471	30,994	172,440	-	-
Trading liabilities	交易賬項下之負債	116,145	-	-	111,741	-	4,404	-	-	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映 公平價值之金融負債	173,405	-	-	-	-	-	173,405	-	-
Certificates of deposit issued	已發行存款證	960,181	-	20,000	791,981	141,400	6,800	-	-	-
Debt securities issued	已發行債務證券	1,898,982	-	-	64,330	1,504,281	290,380	39,991	-	-
Derivative financial instruments	衍生金融工具	2,506,345	-	-	-	-	-	-	-	2,506,345
Other liabilities	其他負債	3,283,680	-	1,767,022	320,751	524,611	671,296	-	-	-
Subordinated notes issued	已發行後償票據	1,684,386	-	-	-	-	-	1,684,386	-	-
Undated liabilities	無定期負債	313,090	-	-	-	-	-	-	-	313,090
		60,920,815	10,273,732	27,800,186	11,269,429	5,683,937	1,003,874	2,070,222	2,819,435	
Net liquidity gap	流動資金缺口淨額		8,037,419	15,791,774	6,009,143	(3,762,719)	(19,423,430)	(9,291,702)		

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團						
		2008 二零零八年						
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue	
		Repayable on demand	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	
		Total	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	
		總額	一個月內	三個月以內	一年以內	五年以內	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
Of which:	其中：							
Certificate of deposits held	持有存款證							
- Included in available-for-sale securities	- 納入可供出售證券	472,897	-	112,575	-	360,322	-	
Debt securities held *	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	150,215	-	64,998	27,994	52,191	5,032	
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	700,281	-	-	194,456	197,527	226,046	
- Included in loans and receivable	- 納入貸款及應收款項	3,745,286	-	-	-	420,194	3,325,092	
- Included in available-for-sale securities	- 納入可供出售證券	11,770,575	-	257,602	1,068,518	3,538,098	5,753,168	
- Included in held-to-maturity investments	- 納入持至到期投資	895,590	-	-	-	588,177	307,413	
		17,261,947	-	322,600	1,290,968	4,208,010	9,897,515	
							1,525,435	
							17,419	
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	960,181	-	20,000	791,981	141,400	6,800	

* The amount of debt securities held included certificate of deposits held.

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

Of which:	其中：
Certificate of deposits held	持有存款證
- Included in Available-for-sale securities	- 納入可供出售證券
Debt securities held *	持有債務證券*
- Included in trading securities	- 納入持作交易用途之證券
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產
- Included in loans and receivable	- 納入貸款及應收款項
- Included in available-for-sale securities	- 納入可供出售證券
- Included in held-to-maturity investments	- 納入持至到期投資
Certificates of deposit issued	已發行存款證
- Stated at amortised cost	- 按攤銷成本列賬

* The amount of debt securities held included certificate of deposits held.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Bank 本行						
		2009 二零零九年						
		Over 1	Over 3	Over 1	Over 1	Over 5	Undated or	
		month but	months but	month but	year but	years	overdue	
		Repayable	Within 1	within 3	within 1	within 5	Over 5	
		Total	month	months	year	years	years	
		on demand						
				一個月以上	三個月以上	一年以上	無定期	
			一個月內	三個月以內	一年以內	五年以內	五年以上	
		總額					或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
-	-	-	-	-	-	-	-	
105,420	-	15,000	86,404	-	4,016	-	-	
641,737	-	-	-	-	331,624	-	310,113	
3,392,218	-	-	-	828,169	2,564,049	-	-	
17,728,988	-	50,804	804,133	3,509,535	11,578,645	1,776,634	9,237	
902,222	-	-	-	-	902,222	-	-	
22,770,585	-	65,804	890,537	4,337,704	15,380,556	1,776,634	319,350	
322,100	-	-	8,650	13,450	300,000	-	-	

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2008 二零零八年						
		Over 1		Over 3		Over 1		Undated or 無定期 或逾期
		Repayable on demand	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	
Total		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
HK\$'000		千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產							
Cash and short-term funds	現金及短期資金	8,002,895	1,266,165	6,736,730	-	-	-	-
Placements with and advances to banks and other financial institutions	銀行同業及其他 金融機構放款及貸款	1,827,521	-	-	975,010	852,511	-	-
Trading securities	持作交易用途之證券	150,215	-	64,998	27,994	52,191	5,032	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映 公平價值之撥備金融資產	700,281	-	-	194,456	197,527	226,046	82,252
Derivative financial instruments	衍生金融工具撥備	2,618,073	-	-	-	-	-	2,618,073
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,938,533	941,143	4,317,377	2,443,960	2,633,454	8,916,694	9,605,957
Other loans and receivables	其他貸款及應收款項	3,745,286	-	-	-	420,194	3,325,092	-
Other assets	其他資產	722,630	-	381,750	111,030	154,685	75,165	-
Available-for-sale securities	可供出售證券	12,089,334	-	257,602	1,068,518	3,538,098	5,753,168	1,135,770
Held-to-maturity investments	持至到期投資	895,590	-	-	-	-	588,177	307,413
Amounts due from subsidiaries	應收附屬公司款項	5,810,245	35,127	2,224,956	3,548,386	-	-	-
Undated assets	無定期資產	1,845,557	-	-	-	-	-	1,845,557
		67,346,160	2,242,435	13,983,413	8,369,354	7,848,660	18,889,374	11,131,392
								4,881,532

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行								
		2008 二零零八年								
		Over 1 month but		Over 3 months but		Over 1 year but				
		within 1 month		within 3 months		within 1 year		within 5 years		
		Over 5 years		Undated or overdue						
		總額		即時還款		一個月內		三個月以內		
		一年以內		五年以內		五年以上		或逾期		
		HK\$'000		HK\$'000		HK\$'000		HK\$'000		
		千港元		千港元		千港元		千港元		
LIABILITIES	負債									
Deposits and balances of banks	銀行同業之存款及結餘	1,986,951	303,710	1,488,444	108,623	86,174	-	-	-	
Deposits from customers	客戶存款	47,997,587	9,969,959	24,524,720	9,872,003	3,427,471	30,994	172,440	-	
Trading liabilities	交易賬項下之負債	116,145	-	-	111,741	-	4,404	-	-	
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	173,405	-	-	-	-	-	173,405	-	
Certificates of deposit issued	已發行存款證	960,181	-	20,000	791,981	141,400	6,800	-	-	
Debt securities issued	已發行債務證券	1,898,982	-	-	64,330	1,504,281	290,380	39,991	-	
Derivative financial instruments	衍生金融工具	2,506,345	-	-	-	-	-	-	2,506,345	
Other liabilities	其他負債	3,245,633	-	1,728,958	320,755	524,624	671,296	-	-	
Amounts due to subsidiaries	應付附屬公司款項	2,336,900	63,526	2,050,699	213,013	5,531	-	-	4,131	
Subordinated notes issued	已發行後償票據	1,684,386	-	-	-	-	-	1,684,386	-	
Undated liabilities	無定期負債	248,966	-	-	-	-	-	-	248,966	
		63,155,481	10,337,195	29,812,821	11,482,446	5,689,481	1,003,874	2,070,222	2,759,442	
Net liquidity gap	流動資金缺口淨額		8,094,760	15,829,408	3,113,092	(2,159,179)	(17,885,500)	(9,061,170)		

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2008 二零零八年						
		Over 1	Over 3	Over 1	Over 1	Over 5	Undated or	
		month but	months but	year but	within 5	years	overdue	
		Repayable	Within 1	within 3	within 1	Over 5	Overdue	
		on demand	month	months	year	years	or	
		Total	month	months	year	years	overdue	
		總額	一個月內	三個月以內	一年以內	五年以內	五年以上	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
Of which:	其中：							
Certificate of deposits held	持有存款證							
- Included in Available-for-sale securities	- 納入可供出售證券	472,897	-	112,575	-	360,322	-	
Debt securities held *	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	150,215	-	64,998	27,994	52,191	5,032	
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	700,281	-	-	194,456	197,527	226,046	
- Included in loans and receivable	- 納入貸款及其他應收款項	3,745,286	-	-	-	420,194	3,325,092	
- Included in available-for-sale securities	- 納入可供出售證券	11,770,575	-	257,602	1,068,518	3,538,098	5,753,168	
- Included in held-to-maturity investments	- 納入持至到期投資	895,590	-	-	-	588,177	307,413	
		17,261,947	-	322,600	1,290,968	4,208,010	9,897,515	
						1,525,435	17,419	
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	960,181	-	20,000	791,981	141,400	6,800	

* The amount of debt securities held included certificate of deposits held

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

- (ii) *Analysis of non-derivative liabilities by contractual maturities*
The following contractual cash flow projections of the Group's financial liabilities, and off-balance sheet exposures analysed by the remaining period as at balance sheet dates to the contractual maturity dates. The balances in the tables below will not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future interest and coupon payments.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

- (ii) *按合約到期日作出之非衍生負債分析*
下列為按結算日至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。下表結餘將不會直接等同於綜合資產負債表之結餘，因為下表包含與全部未來票息付款之本金及相關款項有關之所有現金流(根據未折現基準)。

		The Group 本集團						
		2009 二零零九年						
		Repayable on demand		Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
		Total	demand	month	months	year	years	years
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Financial liabilities	金融負債							
Deposits and balances of banks	銀行同業之存款及結餘	2,433,568	258,171	1,642,877	482,420	50,100	-	-
Deposits from customers	客戶存款	46,680,316	15,282,618	18,313,584	9,052,927	3,806,415	214,986	9,786
Trading liabilities	交易賬項下之負債	14,431	-	10,000	-	1,152	3,279	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	542,156	-	446	-	1,325	7,091	533,294
Certificates of deposit issued	已發行存款證	326,647	-	413	8,850	15,591	301,793	-
Debt securities issued	已發行債務證券	270,353	-	52,128	63,055	143,943	523	10,704
Subordinated notes issued	已發行後償票據	1,572,168	-	1,227	2,586	12,096	5,259	1,551,000
Other liabilities	其他負債	3,784,227	-	2,119,028	9,709	731,673	923,817	-
		55,623,866	15,540,789	22,139,703	9,619,547	4,762,295	1,456,748	2,104,784
Off-balance sheet exposures	資產負債表外風險							
- Contingent liabilities	- 或然負債	423,530	-	423,530	-	-	-	-
- Commitments	- 承擔	11,597,793	11,597,793	-	-	-	-	-
		12,021,323	11,597,793	423,530	-	-	-	-

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

Financial liabilities		金融負債	
Deposits and balances of banks	銀行同業之存款及結餘		
Deposits from customers	客戶存款		
Trading liabilities	交易賬項下之負債		
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債		
Certificates of deposit issued	已發行存款證		
Debt securities issued	已發行債務證券		
Subordinated notes issued	已發行後償票據		
Other liabilities	其他負債		

Off-balance sheet exposures		資產負債表外風險	
- Contingent liabilities	- 或然負債		
- Commitments	- 承擔		

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析(續)

Total		Repayable on demand		Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上		
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元

The Group		本集團		2008		二零零八年			
				Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years		
				一個月以上	三個月以上	一年以上	五年以上		
				一個月以內	三個月以內	一年以內	五年以內	五年以上	
				HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
				千港元	千港元	千港元	千港元	千港元	千港元
		2,013,374	303,773	1,510,941	110,746	87,914	-	-	
		48,263,266	10,088,743	24,488,771	9,934,515	3,506,290	224,822	20,125	
		116,348	-	-	111,766	151	4,431	-	
		685,057	-	3,260	-	-	51,782	630,015	
		988,817	-	20,168	799,601	155,027	14,021	-	
		1,943,178	-	45,045	35,407	1,524,142	295,872	42,712	
		1,595,923	-	1,515	3,194	14,994	26,200	1,550,020	
		3,508,766	30,667	1,869,513	349,446	559,944	699,147	49	
		59,114,729	10,423,183	27,939,213	11,344,675	5,848,462	1,316,275	2,242,921	
		717,833	-	717,833	-	-	-	-	
		13,166,603	12,950,349	216,254	-	-	-	-	
		13,884,436	12,950,349	934,087	-	-	-	-	

50. FINANCIAL RISK MANAGEMENT (continued)**(d) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risks arise from the Group's daily operation and fiduciary activities. An appropriate and robust Operational Risk Management Policy and related framework has been developed, based on the HKMA guidelines, to facilitate the timely identification, effective assessment and mitigation of material and relevant risks. Through this framework, the management oversight for risk exposures, especially in the prioritisation and allocation of limited risk mitigating resources, can further be strengthened.

The board of directors, through the Risk Management Committee, is aware of the major aspects of the bank's operational risks as a distinct risk category that should be managed. The Committee performs regular review and approves the operational risk framework, risk profiles, policies and guidelines. The Committee also plays an active role in monitoring the progress of implementation of mitigating measures for the risk events identified, including Business Continuity Planning, Key Risk Indicator monitoring and Basel II implementation.

Internal controls, an integral part of a sound operational risk management framework, are maintained by the established departmental operational manuals which provide guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product or service introduced is subject to a rigorous risk review and sign-off process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Variations of existing products or services are also subject to a similar process. Departments are required to report any risk events and failings promptly through a reporting mechanism, as well as to review their control procedures regularly to ensure compliance of the regulatory and industry requirements.

The Bank's internal audit and compliance departments play an essential role in monitoring and limiting the Group's operational risk. The primary focus of internal audit and compliance is:

- to independently evaluate the adequacy of all internal controls,
- to ensure adherence to the operating guidelines, including regulatory and legal requirements, and
- to pro-actively recommend improvements

In order to ensure total independence, internal audit reports directly to the Audit Committee of the board as well as indirectly to the Chief Executive.

50. 財務風險管理 (續)**(d) 營運風險管理**

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。營運風險產生自本集團之日常營運及信託業務。為提升察覺時間性、有效地評估及減低重大和相關風險，已根據金管局之指引建立適當及健全之營運風險管理政策及相關框架。透過該框架，管理層對風險之監察，尤其是對有限之減低風險資源之優先取捨及分配便能夠進一步加強。

透過風險管理委員會，董事會已注意到本行之營運風險作為一項單獨之風險類別的主要情況，須對此進行管理。該委員會定期審閱及批准營運風險框架、風險簡述、政策及指引。對於所發現之風險事故所採取之緩和措施(包括業務延續性規劃、主要風險指標監察及巴塞爾新資本協定之落實)方面，該委員會在監察該等緩和措施的實施進度上亦發揮積極之作用。

內部控制作為穩健營運風險管理框架之重要部分，已按照所建立之部門營運手冊(載有基本控制之指引，確保一個受控制且穩健的營運環境)而實施。各新產品或服務須進行嚴格風險檢討，並於建議該產品或服務之獨立風險管理部門定義及評估所有相關風險完成後，方可引進。更改現有產品或服務亦須受類似程序限制。部門須透過匯報機制迅速報告任何風險事故及不善之處，同時定期檢討其控制程序，以確保符合監管及行業規定。

本集團之內部審核及合規部門在監察及限定本集團營運風險方面具有重要作用。內部審核及監察主要專注於：

- 獨立評估所有內部控制是否適當；
- 確保遵守營運指引，包括監管機構之規定及法例規定；及
- 主動提出改善建議。

為確保完全之獨立性，內部審核部門直接向董事會審核委員會與及間接向行政總裁負責。

50. FINANCIAL RISK MANAGEMENT (continued)**(e) Capital management**

The HKMA sets and monitors capital requirements for the Group as a whole. 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 principal forms of capital are included in the following balances on the consolidated balance sheet: share capital, share premium, reserves and subordinated notes issued. Capital also includes the collective impairment allowances held in respect of advances to customers and the regulatory reserve.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings 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 Committee and is reviewed regularly by the board of directors.

Consistent with industry practice, the Group monitors its capital structure on the basis of its 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 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.

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

50. 財務風險管理 (續)**(e) 資本管理**

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

資本的主要形式包括以下於綜合資產負債表的餘額：股本、股份溢價、儲備及已發行後償票據。資本亦包括與客戶貸款相關之綜合減值撥備及法定儲備。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

分配資本予特殊業務與活動之過程由資產及負債委員會進行，並由董事會定期審查。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動。

資本充足比率乃根據本行及其由金管局為其監管目的而指定之若干附屬公司之綜合基準計算，並遵守香港《銀行業條例》之《銀行業(資本)規則》。

截至二零零九年及二零零八年十二月三十一日止整個年度本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局頒佈之最低比率規定。

51. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2009, the directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Company Limited, which is incorporated in the Republic of China.

52. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

Note 47 contains information about the assumptions and risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment losses*Advances to customers*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. Management makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence of impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data of local economic conditions that correlate with defaults on the assets in the group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of current observable data.

Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

Available-for-sale equity securities

The Group determines that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value is significant or prolonged is judgmental by nature, so profit and loss could be affected by differences in this judgment.

51. 直接母公司及最終控股公司

於二零零九年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

52. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

附註47有有關該等假設及與金融工具的公平價值有關的風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(a) 減值虧損*客戶貸款*

定期為貸款組合進行檢討以評估是否存在減值虧損。管理層就是否存在客觀證據表明貸款組合已減值，即估計之未來現金流量是否減少，作出判斷。減值之客觀證據包括表明客戶群中借款人付款狀況出現不利變化之可觀測數據，亦可包括與拖欠本集團資產有關之當地經濟條件之可觀測數據。倘管理層基於其判斷確定存在減值之客觀證據，則以與本集團資產信貸風險特點相若之資產之過往實際損失對預計之未來現金流量進行估計。該過往損失則基於現時可觀察之數據再進行調整。

管理層定期對估計未來現金流量所使用之方法及假設進行檢討以減少虧損估計與實際損失之間之差異。

可供出售股本證券

於公平價值出現重大或持續下跌至低於成本數額時，本集團確定可供出售股本證券減值。確定何時公平價值的下跌低於成本數額而於合理時期內不可收回則須按其性質予以判斷，故溢利及虧損可能因所作判斷之差異而受到影響。

52. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**(b) Fair value determination**

The Group determines the fair values for the financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, and the net assets of the obligors. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

(c) Held-to-maturity investments

The Group classified non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than in certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(d) Other accounting estimates

Judgement has been exercised in determining the amount which may be payable to customers in respect of complaints or legal claims arising from the sale of investment products and establishing a reserve included in other liabilities. A charge has been recognised in profit or loss representing amounts paid and an estimate of future amounts which could be payable.

52. 會計估計及判斷 (續)**(b) 公平價值釐定**

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關金融產品之價格及債務人之淨資產等市場參數並利用內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(c) 持至到期投資

本集團將固定或可確定付款金額和固定到期日，且本集團有意及能力持有至到期日的非衍生金融資產，列作持有至到期投資。在作出有關判斷時，本集團會評估本身是否有意及能力持有此等投資至到期日。

若本集團未能持有此等投資至到期日（因若干特殊情況者除外），本集團會將整個持至到期日的投資組合重新列作可供銷售。

因此，持至到期投資會改以公平價值計量，而非按攤銷成本計量。

(d) 其他會計估計

於釐定可能就出售投資產品產生的投訴或法律索償而應付予客戶的金額時進行了判斷。有關支出已於損益賬確認為已付金額及可能應付的未來金額估計數。

53. COMPARATIVE FIGURES

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statements, and HKFRS 8, Operating segments, certain comparative figures have been adjusted to conform to current year's presentation and to provide comparative amounts in respect of items disclosed for the first time in 2009. Further details of these developments are disclosed in Note 2(b).

54. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2009

Up to the date of issue of the financial statements, the HKICPA has issued the following amendments, new standards and Interpretations which are not yet effective for the year ended 31 December 2009 and which have not been adopted in these financial statements.

53. 比較數字

採納香港會計準則第1號(二零零七年修訂本)財務報表的列報及香港財務報告準則第8號經營分部後，若干比較數字已作調整，以與本年度之列報一致並就於二零零九年首次披露之項目提供比較金額。該等改善之進一步詳情於附註2(b)內披露。

54. 已公佈但於截至二零零九年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

於此等財務報告公佈日，香港會計師公會已公佈下列修訂、新準則及詮釋。該等修訂、準則、詮釋於截至二零零九年十二月三十一日止年度尚未生效，此等財務報告亦未予採納。

		Effective for accounting periods beginning on or after
		於下列日期或之後開始之會計期間生效
HKFRS 3 (Revised), Business combinations	香港財務報告準則第3號(修訂本)業務合併	1 July 2009 二零零九年七月一日
Amendments to HKAS 27, Consolidated and separate financial statements	香港會計準則第27號的修訂合併及單獨財務報表	1 July 2009 二零零九年七月一日
Amendments to HKAS 39, Financial instruments: Recognition and measurement – Eligible hedged items	香港會計準則第39號的修訂金融工具：確認及計量-合資格對沖項目	1 July 2009 二零零九年七月一日
HK(IFRIC) 17, Distributions of non-cash assets to owners	香港(國際財務報告詮釋委員會)第17號向股東分配非現金資產	1 July 2009 二零零九年七月一日
Improvements to HKFRSs 2009	香港財務報告準則的改進(二零零九年)	1 July 2009 or 1 January 2010 二零零九年七月一日或 二零一零年一月一日
HKFRS 9, Financial instruments	香港財務報告準則第9號金融工具	1 January 2013 二零一三年一月一日

The Group is in the process of making assessment of the expected impact of these amendments, new standards, new interpretations and additional disclosures in the period of initial application. So far it has concluded that their adoption is unlikely to result in a restatement of the Group's results of operations and financial position except for HKFRS 9, Financial instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

本集團現正評估於期間首次採用該等修訂、新準則、新詮釋及額外披露之預期影響。迄今為止本集團認為採納彼等應不會對本集團之營運業績及財務狀況帶來重大影響，惟香港財務報告準則第9號金融工具除外，該準則可能因本集團金融工具之重新分類及計量之變動而對本集團之業績及財務狀況產生影響。

Unaudited Supplementary Financial Information

未經審核補充財務資料

(A) CAPITAL ADEQUACY RATIO

(A) 資本充足比率

Capital adequacy ratio as at 31 December 於十二月三十一日資本充足比率

Core capital adequacy ratio as at 31 December 於十二月三十一日核心資本充足比率

The capital adequacy ratio and core capital ratio at 31 December 2009 are computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Hong Kong (Taiwan) Co., Ltd and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") as required by the Hong Kong Monetary Authority ("HKMA") for its regulatory purposes, and are compiled in accordance with the Banking (Capital) Rules issued by the HKMA under section 98A of the Hong Kong Banking Ordinance for the implementation of the "Basel II" capital accord.

In accordance with the Banking (Capital) Rules, the Group has adopted the "standardised approach" for the calculation of risk-weighted assets for credit risk and market risk and the "basic indicator approach" for the calculation of risk-weighted assets for operational risk.

The Group's capital adequacy is managed by the Asset and Liability Management Committee. Key tools adopted by the Group to assess its capital adequacy include capital budgeting, monitoring and stress testing. An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account projected business growth and any new business activities. The annual budget is approved by the Board of Directors. Actual capital adequacy and also return on capital of individual business units and on a bankwide basis is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios.

The Group operates subsidiaries in Hong Kong and the PRC. Exchange controls are in place and there may be restrictions on the transfer of regulatory capital and funds from members of the Group's consolidation group in the PRC to Hong Kong.

The Group 本集團

2009 二零零九年 %	2008 二零零八年 %
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17.18	14.04
9.47	7.61

於二零零九年十二月三十一日，資本充足比率及核心資本比率是根據綜合基準計算，該基準包括香港金融管理局(「金管局」)為其監管目的所須之富邦銀行(香港)有限公司、富邦財務(香港)有限公司、富邦貼現(香港)有限公司、台灣富銀股份有限公司及富邦租賃(中國)有限公司之狀況，並按照金管局為執行「巴塞爾II資本協議」而根據《香港銀行業條例》第98A條發出之《銀行業(資本)規則》編製。

按照《銀行業(資本)規則》，本集團已採用「標準化方法」計算信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

本集團之資本充足性乃由資產負債管理委員會管理。本集團評估其資本充足性而採用之主要方法包括資本預算、監控及壓力測試。年度資本預算於年度預算的過程中被編製，以評估本集團之資本充足性，以支持現有及未來業務活動，並計及預計業務增長及任何新業務活動。年度預算乃由董事會批准。定期於全行範圍內計量實際資本充足性及資本回報率並將彼等與已獲批准之預算作比較。此外，本集團定期就所面對之主要風險來源為其資本充足性進行壓力測試及情況分析。

本集團於香港及中國經營附屬公司。由於有外匯管制，因此在將本集團於中國綜合集團之成員公司的法定資本及資金轉至香港方面會有所限制。

(A) CAPITAL ADEQUACY RATIO (continued)
Capital base

The components of the total capital base after deductions used in the calculation of the above capital adequacy ratios as at 31 December and reported under Part II of the banking return "Capital Adequacy Return" (MA(BS)3) are analysed as follows:

	核心資本
Core Capital	
Paid up ordinary share capital	繳足股款的普通股股本
Reserves (including retained earnings)	儲備(包括保留盈利)
Share premium	股份溢價
Profit and loss account	溢利及虧損賬
Total deduction from core capital	自核心資本扣減總額
Core capital after deductions	扣減後的核心資本
Eligible supplementary capital	可計算的附加資本
Reserves on revaluation of land and interest in land	土地及土地權益價值重估儲備
Reserves on revaluation of holdings of available-for-sale securities	持作可供出售證券重估儲備
Collective impairment allowance	綜合減值撥備
Regulatory reserve	法定儲備
Term subordinated notes	有期後償票據
Paid-up irredeemable cumulative preference shares	繳足不可贖回累積優先股
Total deduction from eligible supplementary capital	可計算的附加資本扣減總額
Supplementary capital after deductions	扣減後的附加資本
Total capital base after deductions	扣減後的資本基礎總額
Total deductions from the core capital and supplementary capital	自核心資本及附加資本扣減總額

All of the Bank's investments in subsidiaries except for Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Hong Kong (Taiwan) Co., Ltd. and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") are deducted from the core capital and supplementary capital.

(A) 資本充足比率(續)
資本基礎

用於計算上述於十二月三十一日之資本充足比率及在「資本充足比率申報表」(MA(BS)3)第II部中申報的資本基礎總額在扣減後的組成部分分析如下：

The Group	
本集團	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
1,172,160	1,172,160
1,661,471	1,481,383
749,778	749,778
(76,379)	(60,069)
(269,327)	(265,509)
3,237,703	3,077,743
23,701	23,701
15,771	-
176,044	114,106
175,211	175,211
1,551,000	1,550,020
925,359	925,359
(231,012)	(183,776)
2,636,074	2,604,621
5,873,777	5,682,364
(500,339)	(449,285)

本行於附屬公司(不包括富邦財務(香港)有限公司、富邦貼現(香港)有限公司、台灣富銀股份有限公司及富邦租賃(中國)有限公司)之所有投資乃扣減自核心資本及附加資本。

(B) LIQUIDITY RATIO

Average liquidity ratio for the year 年內平均流動資金比率

The average liquidity ratio is computed as the simple average of each calendar month's average ratio, as reported in Part I(2) of the "Return of Liquidity Position of an Authorised Institution" (MA(BS)1E) calculated in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

The ratio for the year is computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") as required by the HKMA for its regulatory purposes.

(B) 流動資金比率

The Group 本集團	
2009 二零零九年 %	2008 二零零八年 %
48.65	40.29

平均流動資金比率是以每個曆月平均比率的簡單平均數計算。每個曆月平均比率乃根據《香港銀行業條例》附表四的規定計算並與「認可機構流動資金狀況申報表」(MA(BS)1E)第I(2)部中申報的數字相同。

年內比率是根據綜合基準計算，該基準包括金管局為其監管目的所需之富邦銀行(香港)有限公司、富邦財務(香港)有限公司及富邦租賃(中國)有限公司之狀況。

(C) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(C) 按行業分析的客戶貸款的進一步分析

按行業及有抵押貸款分析的客戶貸款如下。經濟行業分析乃基於金管局所採用的類別及定義。

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		Gross loans and advances 借款及貸款 總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款 佔貸款總額之 百分比 %	Gross loans and advances 借款及貸款 總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款 佔貸款總額之 百分比 %
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	1,190,968	–	47,500	8.42
– Property investment	– 物業投資	8,201,715	73.96	8,694,857	65.13
– Financial concerns	– 金融企業	416,802	9.27	492,465	–
– Stockbrokers	– 股票經紀	13,745	62.97	5,413	27.71
– Wholesale and retail trade	– 批發及零售業	64,511	33.10	96,448	28.80
– Manufacturing	– 製造業	1,666,263	12.68	2,204,099	10.08
– Transport and transport equipment	– 運輸及運輸設備	465,987	85.27	752,659	89.76
– Information technology	– 資訊科技	14,434	66.75	14,630	76.92
– Others	– 其他	2,321,393	60.24	2,660,900	51.69
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	– 購買「居者有其屋計劃」、 「私人參建居屋計劃」及 「租者置其屋計劃」或 其各自的後繼計劃 的樓宇的貸款	52,370	100.00	10,953	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	7,448,480	99.90	7,312,449	99.60
– Credit card advances	– 信用卡貸款	618,106	–	554,171	–
– Others	– 其他	1,039,499	53.49	1,024,661	54.88
		23,514,273		23,871,205	
Trade finance	貿易融資	809,641	7.68	1,849,658	10.19
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	4,788,744	19.28	7,608,933	40.95
Gross advances to customers	客戶貸款總額	29,112,658	59.03	33,329,796	57.43

(D) OVERDUE AND RESCHEDULED ASSETS
(i) Overdue advances to customers
(D) 逾期及經重組資產
(i) 逾期客戶貸款

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	% of gross advances 佔貸款總額 之百分比	HK\$'000 千港元	% of gross advances 佔貸款總額 之百分比
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款總額之本金或利息有逾期：				
	- 6 months or less but over 3 months	20,299	0.07	71,306	0.21
	- 1 year or less but over 6 months	238,086	0.82	53,260	0.16
	- Over 1 year	153,409	0.53	84,742	0.25
		411,794	1.41	209,308	0.63
Current market value of collateral held against the covered portion of overdue loans and advances	就逾期借款及貸款的抵押部分所持有的抵押品的現行市價	76,452		71,693	
Covered portion of overdue loans and advances	逾期借款及貸款的有抵押部分	84,613		94,564	
Uncovered portion of overdue loans and advances	逾期借款及貸款的無抵押部分	327,181		114,744	
		411,794		209,308	
Amount of expected recoveries from companies in liquidation and government guarantee schemes in respect of the covered portion of overdue loans and advances	就逾期借款及貸款的有抵押部分中預期從清盤公司及政府保證計劃收回之價值	11,913		24,075	
Individually assessed impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別評估減值撥備	302,735		107,101	

Collateral held with respect to overdue loans and advances are mainly residential properties, cash deposits with the Group, and equipment against hire purchase and leasing loans.

就逾期借款及貸款而持有之抵押品主要為住宅物業、存放於本集團的現金存款及就租購及租賃貸款而抵押之設備。

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(i) Overdue advances to customers (continued)

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.

(ii) Rescheduled advances to customers

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of a deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans and advances to customers are stated net of any loans and advances that have subsequently become overdue for over 3 months and can be analysed as follows:

(D) 逾期及經重組資產 (續)

(i) 逾期客戶貸款 (續)

有指定還款期的借款及貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及／或在貸款已持續超出已知會借款人的獲批准的限額，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時分類為已逾期。

(ii) 重定還款期的客戶貸款

重定還款期的借款及貸款是指由於借款人財政狀況轉壞或無法按原定還款期還款，而被重定還款期的或重新議定的客戶借款及貸款，而經修訂的還款計劃對於本集團屬非商業條款。重定還款期的借款及貸款乃扣除已隨後逾期超過三個月的任何借款及貸款列賬，並可分析如下：

		The Group 本集團			
		2009 二零零九年		2008 二零零八年	
		HK\$'000 千港元	% of gross advances 佔貸款總額 之百分比	HK\$'000 千港元	% of gross advances 佔貸款總額 之百分比
Rescheduled advances to customers	重定還款期的客戶貸款	19,710	0.07	14,443	0.04

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(iii) Geographical analysis of overdue loans and advances to customers

 Hong Kong
Other

 香港
其他地區

(D) 逾期及經重組資產 (續)
(iii) 按地區分析的已逾期客戶借款及貸款
The Group
本集團

As at 31 December 2009

於二零零九年十二月三十一日

	Gross loans and advances 借款及貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期借款及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估減值撥備 HK\$'000 千港元
Hong Kong	26,786,683	339,327	444,974	315,753
Other	2,325,975	72,467	73,748	48,894
	29,112,658	411,794	518,722	364,647

The Group
本集團

As at 31 December 2008

於二零零八年十二月三十一日

 Hong Kong
Other

 香港
其他地區

	Gross loans and advances 借款及貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期借款及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估減值撥備 HK\$'000 千港元
Hong Kong	29,149,795	175,916	359,215	161,384
Other	4,180,001	33,392	48,135	20,488
	33,329,796	209,308	407,350	181,872

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

The collective impairment allowance is not allocated to any geographical segment as at 31 December 2009 and 2008.

以上地區分析按借款人所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手方不同，則風險轉移至擔保人的所在地區。

於二零零九年及二零零八年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(iv) Overdue debt securities included in “Financial assets designated at fair value through profit or loss”

Included in “Financial assets designated at fair value through profit or loss” as at 31 December 2009 are debt securities with a fair value of HK\$112.0 million (2008: Nil) which are overdue. HK\$0.3 million (2008: Nil) of them have been overdue for more than 3 months, and is analysed as follows:

Carrying amounts of debt securities which have been overdue for periods of:	債務證券之賬面值 已逾期：
– 6 months or less but over 3 months	– 六個月或以下惟三個月以上
– 1 year or less but over 6 months	– 一年或以下惟六個月以上
– Over 1 year	– 一年以上

(D) 逾期及經重組資產 (續)

(iv) 計入「指定為通過損益以反映公平價值之金融資產」之逾期債務證券

於二零零九年十二月三十一日，「指定為通過損益以反映公平價值之金融資產」包括公平價值為112,000,000港元(二零零八年：無)之逾期債務證券。其中300,000港元(二零零八年：無)已逾期三個月以上，分析如下：

The Group 本集團	
2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
–	–
–	–
292	–
292	–

(E) CROSS BORDER CLAIMS

Cross border claims are on-balance sheet exposures of counterparties based on the location of counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, risk will be transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution, the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross-border claims are shown as follows:

<i>Figures in HK\$'Million</i>	百萬港元
Asia Pacific excluding Hong Kong	亞洲太平洋地區(不包括香港)
– Of which Australia	– 其中澳洲
North America	北美洲
– Of which USA	– 其中美國
Western Europe	西歐

(E) 跨境債權

跨境債權資料是資產負債表上呈示考慮了風險轉移後按交易另一方所在地計算的風險。若債權的擔保人所處之國家有別於交易另一方之所在國家，則債權風險將轉移至擔保人之所在國家。銀行或其他金融機構分行的債權風險則轉至其總部所在國家。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

The Group 本集團				
As at 31 December 2009 於二零零九年十二月三十一日				
	Public			
	Banks	sector entities	Others	
	銀行	公營機構	其他	
			Total	
			總額	
Asia Pacific excluding Hong Kong	6,346	279	2,899	9,524
– Of which Australia	3,675	–	2	3,677
North America	3,290	313	1,869	5,472
– Of which USA	1,936	313	1,847	4,096
Western Europe	5,571	–	56	5,627

The Group 本集團				
As at 31 December 2008 於二零零八年十二月三十一日				
	Public			
	Banks	sector entities	Others	
	銀行	公營機構	其他	
			Total	
			總額	
Asia Pacific excluding Hong Kong	7,330	28	4,627	11,985
North America	2,264	2	1,309	3,575
– Of which USA	1,447	2	1,291	2,740
Western Europe	9,501	–	34	9,535

(F) NON-BANK MAINLAND EXPOSURES

The analysis of non-bank Mainland exposures includes the exposure of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

(F) 內地非銀行業之風險

內地非銀行業之風險按金管局協議包括本行及其若干附屬公司風險的分析。

		2009 二零零九年			Individually assessed impairment allowances
		On-balance sheet exposure	Off-balance sheet exposures	Total	個別評估 減值撥備
		資產負債表內 之風險	資產負債表外 之風險	總額	減值撥備
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Mainland entities	內地機構	728,049	627,354	1,355,403	-
Companies and individuals outside the Mainland where the credit is granted for use in Mainland	授出之信貸用於內地 之內地以外公司及個人	3,879,970	721,717	4,601,687	255,161
		4,608,019	1,349,071	5,957,090	255,161
2008 二零零八年					
		On-balance sheet exposure	Off-balance sheet exposures	Total	Individually assessed impairment allowances
		資產負債表內 之風險	資產負債表外 之風險	總額	個別評估 減值撥備
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Mainland entities	內地機構	402,914	452,119	855,033	2,942
Companies and individuals outside the Mainland where the credit is granted for use in Mainland	授出之信貸用於內地 之內地以外公司及個人	6,400,119	2,044,310	8,444,429	112,982
		6,803,033	2,496,429	9,299,462	115,924

Note: The balances of exposures reported above include gross advances and other claims on customers.

註：以上呈列之風險結餘包括貸款總額及客戶之其他債權。

(G) CURRENCY CONCENTRATION

The Group's net positions or net structural positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies:

As at 31 December
於十二月三十一日

*Equivalent in
HK\$ Million
百萬港元等值*

Spot assets	現貨資產
Spot liabilities	現貨負債
Forward purchase	遠期買入
Forward sales	遠期賣出
Net long/(short) position	長/(短)盤淨額
Net structural position	結構性倉盤淨額

(G) 外幣持盤量

本集團個別外幣的淨持有額或淨結構性倉盤若佔所持有外匯淨盤總額或結構性倉盤總淨額的10%或以上，便作出如下披露：

2009
二零零九年

	US dollars 美元	Chinese Renminbi 人民幣	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	21,272	359	5,091	26,722
Spot liabilities	(19,488)	(321)	(5,210)	(25,019)
Forward purchase	7,324	91	4,624	12,039
Forward sales	(9,234)	(91)	(4,509)	(13,834)
Net long/(short) position	(126)	38	(4)	(92)
Net structural position	78	261	-	339

As at 31 December
於十二月三十一日

*Equivalent in
HK\$ Million
百萬港元等值*

Spot assets	現貨資產
Spot liabilities	現貨負債
Forward purchase	遠期買入
Forward sales	遠期賣出
Net long/(short) position	長/(短)盤淨額
Net structural position	結構性倉盤淨額

2008
二零零八年

	US dollars 美元	Chinese Renminbi 人民幣	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	22,244	484	5,599	28,327
Spot liabilities	(24,129)	(193)	(4,989)	(29,311)
Forward purchase	30,650	4,256	20,317	55,223
Forward sales	(28,877)	(4,257)	(20,956)	(54,090)
Net long/(short) position	(112)	290	(29)	149
Net structural position	-	-	-	-

The net option position is calculated on the basis of the delta-weighted position of options contracts and was less than HK\$1 million for all foreign currencies as at 31 December 2009 and 2008. Net structural position includes the Bank's investments in overseas subsidiaries and associates.

期權倉盤淨額乃根據所有外匯期權合約的「得爾塔加權持倉」為基準計算，其金額於二零零九年及二零零八年十二月三十一日均少於一百萬港元。結構性倉盤淨額包括涉及外匯的本行海外附屬公司及聯營公司的結構性倉盤淨額。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS
(i) Capital requirement for credit risk

The capital requirements on each class of exposures calculated under the Standardised (Credit Risk) Approach at the balance sheet date can be analysed as follows:

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Classes of exposures	風險類型		
Sovereigns	主權國	4,297	4,132
Public sector entities	公營機構	24,564	12,041
Banks	銀行	299,013	422,266
Securities firms	證券公司	6,261	5,782
Corporates	企業	1,226,439	1,398,466
Collective investment schemes	集體投資計劃	11,326	10,757
Regulatory retail exposures	監管零售風險	180,942	287,702
Residential mortgage loans	住宅按揭貸款	328,432	317,952
Other exposure which are not past due	並未過期之其他風險	308,683	348,631
Past due exposures	過期	56,357	19,321
Total capital requirements for on-balance sheet exposures	資產負債表內之風險之資本需求總額	2,446,314	2,827,050
Direct credit substitutes	直接信貸替代品	10,686	13,503
Transaction-related contingencies	與交易有關之或然項目	1,168	737
Trade-related contingencies	與貿易有關之或然項目	2,532	6,850
Forward forward deposits placed	遠期預約放款	-	3,460
Other commitments	其他承擔	17,326	23,666
Exchange rate contracts	匯率合約	1,939	75,330
Interest rate contracts	利率合約	6,313	19,752
Equity contracts	股票合約	942	8,997
Debt security contracts or other commodity contracts	債務證券合約或其他商品合約	-	-
Total capital requirements for off-balance sheet exposures	資產負債表外之風險之資本需求總額	40,906	152,295
Total capital requirement for credit risk	信貸風險之資本需求總額	2,487,220	2,979,345

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求
(i) 信貸風險的資本需求

於結算日，根據標準(信貸風險)方法計算的各類型風險的資本需求分析如下：

		2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
Classes of exposures	風險類型		
Sovereigns	主權國	4,297	4,132
Public sector entities	公營機構	24,564	12,041
Banks	銀行	299,013	422,266
Securities firms	證券公司	6,261	5,782
Corporates	企業	1,226,439	1,398,466
Collective investment schemes	集體投資計劃	11,326	10,757
Regulatory retail exposures	監管零售風險	180,942	287,702
Residential mortgage loans	住宅按揭貸款	328,432	317,952
Other exposure which are not past due	並未過期之其他風險	308,683	348,631
Past due exposures	過期	56,357	19,321
Total capital requirements for on-balance sheet exposures	資產負債表內之風險之資本需求總額	2,446,314	2,827,050
Direct credit substitutes	直接信貸替代品	10,686	13,503
Transaction-related contingencies	與交易有關之或然項目	1,168	737
Trade-related contingencies	與貿易有關之或然項目	2,532	6,850
Forward forward deposits placed	遠期預約放款	-	3,460
Other commitments	其他承擔	17,326	23,666
Exchange rate contracts	匯率合約	1,939	75,330
Interest rate contracts	利率合約	6,313	19,752
Equity contracts	股票合約	942	8,997
Debt security contracts or other commodity contracts	債務證券合約或其他商品合約	-	-
Total capital requirements for off-balance sheet exposures	資產負債表外之風險之資本需求總額	40,906	152,295
Total capital requirement for credit risk	信貸風險之資本需求總額	2,487,220	2,979,345

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS (continued)

(ii) Capital requirement for market risk

The Bank uses the Standardised (Market Risk) Approach for calculation of capital requirement for market risk. Positions covered by the approach include:

- the Bank's positions held in foreign exchange, exchange rate-related derivative contracts, commodities and commodity-related derivative contracts; and
- the Bank's trading book positions held in debt securities, debt-related derivative contracts, interest rate derivative contracts, equities and equity-related derivative contracts.

The capital requirement at the balance sheet date can be analysed as follows:

Exchange rate exposures	匯率風險
Interest rate exposures	利率風險
Equity exposures	股份風險
Commodity exposures	商品風險
Total capital requirement for market risk	市場風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(iii) Capital requirement for operational risk

The capital charge for operational risk calculated in accordance with the basic indicator approach at the balance sheet date is:

Capital charge for operational risk	營運風險之資本需求
-------------------------------------	-----------

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求 (續)

(ii) 市場風險之資本需求

本行使用標準(市場風險)方法計算市場風險之資本需求。該方法所涵蓋的持倉包括：

- 本行於外匯、與匯率相關的衍生工具合約、商品及與商品相關的衍生工具合約的持倉；及
- 本行於債務證券、與債務相關的衍生工具合約、利率衍生工具合約、股本及與股本相關的衍生工具合約的交易賬面持倉。

結算日之資本需求分析如下：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
3,764	23,928
16,571	23,272
-	-
-	-
20,335	47,200

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(iii) 營運風險之資本需求

於結算日，按照基本指標方法計算之營運風險之資本需求：

2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
219,252	201,447

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT
(i) Credit risk exposures

Credit ratings from Standard & Poor's Rating Services and Moody's Investors Services are used for all classes of credit exposures mentioned below. The Bank follows the process prescribed in Part 4 of the Banking (Capital) Rules to map the ratings to the exposures booked in the Bank's banking book.

(I) 信貸風險之額外披露
(i) 信貸風險承擔

標準普爾評級服務公司及穆迪投資者服務公司發出之信貸評級乃用於下文所述之各類型信貸風險。本行按照《銀行業(資本)規則》第4部分訂明之程序將評級與本行之銀行賬戶內登記之風險配對。

		2009 二零零九年					Total exposure covered by recognised guarantees or recognised credit derivative contracts	
		Exposures after recognised credit risk mitigation			Risk-weighted amounts		Total exposure covered by recognised collateral	Total exposure covered by recognised collateral
		已確認之信貸風險減低後之風險			風險加權金額		由獲認可擔保人或獲認可信託衍生工具合約擔保之風險總額	由獲認可擔保人或獲認可信託衍生工具合約擔保之風險總額
		Total Exposures	Rated	Unrated	Rated	Unrated	風險加權總金額	風險總額
		風險總額	已評級	未評級	已評級	未評級	風險加權總金額	風險總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group	本集團	千港元	千港元	千港元	千港元	千港元	千港元	千港元
On-balance sheet	資產負債表內							
Sovereigns	主權國	4,085,315	6,612,361	23,018	53,718	-	53,718	-
Public sector entities	公營機構	1,535,238	1,535,238	-	307,048	-	307,048	-
Banks	銀行	15,158,357	12,631,311	364,328	3,561,311	176,348	3,737,659	2,527,046
Securities firms	證券公司	86,916	-	78,261	-	78,261	78,261	8,655
Corporates	企業	18,152,047	2,987,866	14,404,556	1,048,667	14,281,825	15,330,492	388,572
Collective investment schemes	集體投資計劃	141,573	-	141,573	-	141,573	141,573	-
Cash items	現金項目	112,170	-	112,170	-	-	-	-
Regulatory retail exposures	監管零售風險	3,128,402	-	3,015,696	-	2,261,773	2,261,773	96,413
Residential mortgage loans	住宅按揭貸款	10,034,699	-	10,022,580	-	4,105,397	4,105,397	12,119
Other exposure which are not past due	並無逾期之其他風險	4,059,022	2,242,025	1,616,515	2,242,025	1,616,515	3,858,540	200,482
Past due exposures	逾期	491,259	-	491,259	-	704,462	704,462	7,538
		56,984,998	26,008,801	30,269,956	7,212,769	23,366,154	30,578,923	713,779
Off-balance sheet	資產負債表外							
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信貸衍生工具合約以外之資產負債表外之風險	506,402	160,000	346,402	50,000	346,402	396,402	-
OTC derivative transactions	場外衍生工具交易	552,393	317,140	28,151	86,773	28,151	114,924	207,102
		1,058,795	477,140	374,553	136,773	374,553	511,326	207,102
Exposures deducted from capital base	自資本基礎扣除之風險	13,233						

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT (I) 信貸風險之額外披露 (續)

(continued)

(i) Credit risk exposures (continued)
(i) 信貸風險承擔 (續)

		2008 二零零八年							Total exposure covered by recognised guarantees or recognised credit derivative contracts
		Exposures after recognised credit risk mitigation			Risk-weighted amounts		Total risk-weighted amounts	Total exposure covered by recognised collateral	Total exposure covered by recognised collateral
		已確認之信貸風險減低後之風險			風險加權金額		風險加權總金額	抵押品抵押之風險總額	由獲認可擔保人或獲認可信託衍生工具合約擔保之風險總額
		Total Exposures	Rated	Unrated	Rated	Unrated	總金額	風險總額	風險總額
		風險總額	已評級	未評級	已評級	未評級	風險加權總金額	抵押品抵押之風險總額	合約擔保之風險總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group	本集團	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
On-balance sheet	資產負債表內								
Sovereigns	主權國	1,429,508	3,111,306	116,308	51,656	-	51,656	-	-
Public sector entities	公營機構	752,580	752,580	-	150,516	-	150,516	-	-
Banks	銀行	19,255,869	17,574,071	342,829	5,106,914	171,415	5,278,329	-	1,681,798
Securities firms	證券公司	145,553	144,553	-	72,277	-	72,277	1,000	-
Corporates	企業	18,800,328	938,748	17,109,017	552,647	16,928,177	17,480,824	366,481	747,761
Collective investment schemes	集體投資計劃	134,457	-	134,457	-	134,457	134,457	-	-
Cash items	現金項目	120,783	-	120,783	-	-	-	-	-
Regulatory retail exposures	監管零售風險	4,939,158	-	4,795,026	-	3,596,269	3,596,269	73,699	70,433
Residential mortgage loans	住宅按揭貸款	9,805,941	-	9,802,608	-	3,974,394	3,974,394	3,333	-
Other exposure	並無逾期之其他風險								
which are not past due		4,421,832	2,175,966	2,181,925	2,175,966	2,181,925	4,357,891	63,941	-
Past due exposures	逾期風險	247,710	-	247,710	-	241,506	241,506	60,513	39,392
		60,053,719	24,697,224	34,850,663	8,109,976	27,228,143	35,338,119	568,967	2,539,384
Off-balance sheet	資產負債表外								
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信託衍生工具合約以外之資產負債表外之風險								
		885,703	376,254	509,449	93,251	509,449	602,700	-	-
OTC derivative transactions	場外衍生工具交易	3,217,549	1,867,293	719,112	642,459	658,534	1,300,993	631,144	-
		4,103,252	2,243,547	1,228,561	735,710	1,167,983	1,903,693	631,144	-
Exposures deducted from capital base	自資本基礎扣除之風險	2,607							

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures

- (1) The analysis of the major classes of exposures by counterparty type is as follows:

Notional amounts:	名義金額：
Banks	銀行
Corporates	企業
Others	其他
Credit equivalent amounts/net exposures:	信貸等值金額／風險淨額：
Banks	銀行
Corporates	企業
Others	其他
Risk-weighted amounts:	風險加權金額：
Banks	銀行
Corporates	企業
Others	其他

(I) 信貸風險之額外披露(續)

(ii) 交易對手信貸風險相關之風險

- (1) 按交易對手類別分析之主要風險類別分析如下：

	2009 二零零九年	2008 二零零八年
	OTC derivative transactions 場外衍生 工具交易 HK\$'000 千港元	OTC derivative transactions 場外衍生 工具交易 HK\$'000 千港元
	22,951,295	97,927,698
	1,641,483	16,444,136
	5,568,640	8,724,553
	30,161,418	123,096,387
	317,140	1,867,293
	25,953	483,570
	2,198	235,542
	345,291	2,586,405
	86,773	642,459
	25,953	483,570
	2,198	174,964
	114,924	1,300,993

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures (continued)

(2) The analysis of counterparty credit risk exposures is as follows:

Non-repo type transactions:	非回購類別交易：
Gross total positive fair value	正公平價值總額
Credit equivalent amounts	信貸等值金額
Recognised collateral held:	持有的獲認可抵押品：
Cash on deposit with the Bank	存放於本行的現金存款
Equity securities	股本證券
Credit equivalent amounts or net credit exposures net of recognised collateral held	信貸等值金額或扣除持有的獲認可抵押品之信貸風險淨額
Risk-weighted amounts:	風險加權金額：

There was no outstanding repo-style transactions and credit derivative contracts as at 31 December 2009 and 2008.

(I) 信貸風險之額外披露 (續)

(ii) 交易對手信貸風險相關之風險 (續)

(2) 交易對手信貸風險分析如下：

	2009 二零零九年	2008 二零零八年
	OTC derivative transactions 場外衍生 工具交易 HK\$'000 千港元	OTC derivative transactions 場外衍生 工具交易 HK\$'000 千港元
	354,654	2,432,714
	552,393	3,217,549
	15,267,104	56,577,748
	19,852	31,583
	15,286,956	56,609,331
	345,291	2,586,405
	114,924	1,300,993

於二零零九年及二零零八年十二月三十一日，並無回購類別交易及信貸衍生工具合約。

(J) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON ASSET SECURITISATION

The Bank uses the Standardised (Securitisation) Approach to calculate the credit risk for securitisation exposures. There was no asset securitization for which the Group is an originating institution at 31 December 2009. It is an investing institution for all classes of exposures below.

Standard and Poor's Rating Services and Moody's Investors Services are the external credit agency institutions that the bank has used in relation to the each and all classes of securitisation exposures below:

(J) 資產證券化之風險管理之額外披露

本行就證券化風險採用標準(證券化)方法計算信貸風險。於二零零九年十二月三十一日,本集團並無作為資產證券化發行機構。其為下文全部類型風險之投資機構。

標準普爾評級服務公司及穆迪投資者服務公司為本行就下文各項及全部類型證券化風險而委聘之外聘信貸評級機構:

		The Group 本集團				
		As at 31 December 2009 於二零零九年十二月三十一日				
		Outstanding Amounts 未付金額 HK\$'000 千港元	Risk- weighted amount 風險加權金額 HK\$'000 千港元	Capital requirements 資本需求 HK\$'000 千港元	Exposures deducted from its 風險扣減自其	
					Core capital 核心資本 HK\$'000 千港元	Supplementary capital 附加資本 HK\$'000 千港元
Traditional securitisations	傳統證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	988	981	78	3	4
		988	981	78	3	4
Synthetic securitisations	合成證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	109,831	96,605	7,728	6,612	6,614
		109,831	96,605	7,728	6,612	6,614
		110,819	97,586	7,806	6,615	6,618

(J) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON ASSET SECURITISATION (continued) **(J) 資產證券化之風險管理之額外披露** (續)

		The Group 本集團				
		As at 31 December 2008 於二零零八年十二月三十一日				
		Outstanding Amounts 未付金額 HK\$'000 千港元	Risk- weighted amount 風險加權金額 HK\$'000 千港元	Capital requirements 資本需求 HK\$'000 千港元	Exposures deducted from its 風險扣減自其	
					Core capital 核心資本 HK\$'000 千港元	Supplementary capital 附加資本 HK\$'000 千港元
Traditional securitisations	傳統證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	16,651	16,509	1,321	71	71
		16,651	16,509	1,321	71	71
Synthetic securitisations	合成證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	104,315	96,164	7,693	1,232	1,233
		104,315	96,164	7,693	1,232	1,233
		120,966	112,673	9,014	1,303	1,304

The above capital requirement is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

以上資本需求是以相關計算方法得出的本集團風險加權金額乘以8%而得出。它並不代表本集團的實際「法定資本」。

(K) ADDITIONAL DISCLOSURES ON EQUITY EXPOSURES IN BANKING BOOK

Equity holdings taken by the Group are differentiated between those taken for strategic reasons and those for long term investment for capital gains. Equity holdings taken for strategic reasons include the Group's investment in companies providing financial services which nourish the spectrum of the Bank's banking services. These include provident fund services provision, electronic payment services provision, and e-banking infrastructure and platform provision. On the other hand, equity holdings in listed companies are taken for enhancing the medium-term liquidity and yield of the Bank's assets over time. All these investments are classified as "available-for-sale securities" and measured at fair value as described in Notes 2(g) and 47.

In respect of long term investments:

Cumulative realised gains/losses from sales and liquidations

Unrealised gains/losses

- Amount recognised in reserve but not through profit or loss
- Amount included in/(deducted from) supplementary capital

關於長期投資：

來自於出售及清盤之累積變現收益／虧損

未變現收益／虧損

- 於儲備內確認但未透過損益賬之金額
- 計入／(扣減自)附加資本之金額

(L) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON INTEREST RATE EXPOSURES IN BANKING BOOK

In accordance with the prudential return "Interest Rate Risk Exposures" issued by the HKMA, the Bank calculates, on a quarterly basis, the impact on earnings over the next 12 months under a scenario of which all interest rates other than prime rises 200 basis points.

As at 31 December 2009, the 200 basis points interest rate rises would decrease earnings over the next 12 months on the HKD interest risk positions by HK\$2 million (2008: increase of HK\$43 million) and decrease earnings over the next 12 months on the USD interest risk positions by HK\$132 million (2008: HK\$110 million).

(K) 銀行賬戶內之股票風險之額外披露

本集團持有之股權有別於以策略原因及以長期投資以獲取資本收益而持有之股權。以策略原因持有之股權包括本集團於提供金融服務之公司之投資，這可壯大本行之銀行服務範圍。該等服務包括提供公積金服務、電子付款服務及電子銀行基礎設施及平臺。另一方面，在一段時間內，持有上市公司之股權乃為提高中期流動資金及資產收益率。所有該等投資乃分類為「可供出售證券」及按公平價值計量（如附註2(g)及47所述）。

	2009 二零零九年 HK\$'000 千港元	2008 二零零八年 HK\$'000 千港元
	18,434	10,788
	-	-
	-	-

(L) 銀行賬戶內之利率風險管理之額外披露

按照香港金融管理局發出的申報表「利率風險承擔」，本行按季度基準根據除最優惠利率外的全部利率上升200個基點之情況計算對未來十二個月之盈利之影響。

於二零零九年十二月三十一日，利率上升200個基點將使未來十二個月港元利率風險持倉之盈利減少2,000,000港元（二零零八年：增加43,000,000港元）及使未來十二個月美元利率風險持倉減少132,000,000港元（二零零八年：110,000,000港元）。

(M) ADDITIONAL DISCLOSURES ON STRUCTURED INVESTMENTS

Given the significance of the impact of structured investments to the Bank's financial results, the Bank has set out below additional information regarding its SIV and CDO portfolios.

Structured Investment Vehicles ("SIV")

The Bank has investment in SIVs of a nominal value of HK\$271.4 million (2008: HK\$271.0 million) and a written down value of HK\$1.0 million (2008: HK\$16.6 million) as at 31 December 2009. Both of the Bank's SIV investments are sponsored by banks. The Bank has not made any additional investments in SIVs since the 1st Quarter of 2007.

Collateralised Debt Obligations ("CDO")

The nominal value of the Bank's CDO portfolio was HK\$232.7 million (2008: HK\$232.5 million) as at 31 December 2009.

Portfolio summary
組合概要
(In HK\$ million)
(百萬港元)

Maturity 到期日	Number of securities 證券數目	Nominal amount 名義金額	Mark-to-market	Accumulated	Carrying	
			gain/(losses) during 2009 二零零九年市值 重估收益/(虧損)	MTM losses up to 31 December 2009 截至二零零九年 十二月三十一日止 累計市值 重估虧損	value as at 31 December 2009 於二零零九年 十二月三十一日 之賬面值	
3/2017	二零一七年三月	1	77.55	-	(76.7)	0.8
12/2013	二零一三年十二月	1	77.55	1.5	(74.5)	3.1
12/2013	二零一三年十二月	1	77.55	(2.2)	(68.4)	9.2
Total	總計	3	232.65	(0.7)	(219.6)	13.1

(M) 結構性投資之額外披露

鑒於結構性投資對本行之財務業績之重大影響，本行已於下文載列有關其結構性投資工具及債務抵押證券組合之額外資料。

結構性投資工具 ("SIV")

於二零零九年十二月三十一日，本行持有之結構性投資工具之名義值為271,400,000港元(二零零八年：271,000,000港元)，撇減值為1,000,000港元(二零零八年：16,600,000港元)。全部均由銀行為發起人。本行自二零零七年第一季起概無對結構性投資工具作出進一步投資。

債務抵押證券 ("CDO")

本行於二零零九年十二月三十一日之債務抵押證券組合之名義值為232,700,000港元(二零零八年：232,500,000港元)。

(M) ADDITIONAL DISCLOSURES ON STRUCTURED INVESTMENTS (continued)

None of the Bank's CDO investments have underlying assets that include mortgage-backed securities or asset-backed securities.

The Bank continues to adopt a conservative approach towards valuing its CDO investments that takes into account a range of factors affecting valuation including current market conditions, liquidity, credit quality, maturity and other information. The Bank took a HK\$0.7 million mark-to-market loss against its CDO portfolio for the financial year ended 31 December 2009. As a result, the Bank had recognised accumulated mark-to-market loss of HK\$219.6 million as of 31 December 2009. The net exposure of its CDO portfolio stood at HK\$13.1 million (2008: HK\$13.6 million), representing 5.6% (2008: 5.9%) of the nominal value and represents approximately 0.02% (2008: 0.02%) of the Bank's consolidated total assets.

(N) REPOSSESSED ASSETS AND ASSETS ACQUIRED UNDER LENDING AGREEMENTS

The total repossessed assets and assets acquired under lending agreements of the Group as at 31 December 2009 amounted to HK\$31,480,000 (2008: HK\$29,880,000).

(O) CORPORATE GOVERNANCE

The Bank is committed to high standards of corporate governance, and has fully complied throughout the year with the guidelines on "Corporate Governance of Locally Incorporated Authorised Institutions" issued by the HKMA.

(M) 結構性投資之額外披露 (續)

本行之債務抵押證券投資概無擁有按揭擔保證券或資產擔保證券之相關資產。

本行就其債務抵押證券投資之估值方法繼續採取保守之方法，該方法計及影響估值之一系列因素，包括現有市況、流動性、信貸質素、到期及其他資料等。本行於截至二零零九年十二月三十一日止財政年度就其債務抵押證券組合計入700,000港元之市值重估虧損。因此，本行於截至二零零九年十二月三十一日止年度內確認累計市值重估虧損219,600,000港元。本行債務抵押證券組合之風險淨額為13,100,000港元(二零零八年：13,600,000港元)，相當於名義值之5.6%(二零零八年：5.9%)及本行綜合資產總值約0.02%(二零零八年：0.02%)。

(N) 收回資產及根據借貸協議所得資產

於二零零九年十二月三十一日，本集團之收回及根據借貸協議所得資產總額為31,480,000港元(二零零八年：29,880,000港元)。

(O) 企業管治

本行致力實行高水平企業管治，並於本年度一直遵守金管局頒佈之「本地註冊認可機構之企業管治」指引。

(P) KEY SPECIALISED COMMITTEES

The Board of Directors has established three Board committees to assist it in carrying out its responsibilities including the Audit Committee, Remuneration Committee and Executive Credit Committee. In addition, a number of governing committees have been set up by senior management to oversee the effectiveness of the Bank's daily operations including, inter alia, the Management Committee, Asset and Liability Committee, and Internal Control Committee. The compositions and functions of these committees are set out below:

(i) Audit Committee

The Bank has complied with Rule 3.21 of the Listing Rule in relation to the composition of the Audit Committee. The Audit Committee comprises one Non-Executive Director and two independent Non-Executive Directors of the Bank. The Audit Committee is chaired by Mr Robert James Kenrick, an Independent Non-Executive Director who has appropriate accounting professional qualifications. It meets at least four times a year and additionally when deemed necessary.

The Audit Committee ensures adequate supervision of the Bank's financial reporting processes and internal control, reviews the internal audit plan and reports, ensures coordination between the internal and external auditors, and monitors compliance with internal policies, statutory regulations and recommendations made by the external auditors.

During the year, the Audit Committee has reviewed the Bank's financial reporting process and the systems of internal control, including reviews of the internal audit functions and the risk management process. In particular, the reviews undertaken by the Audit Committee on the internal audit function include reviews of the annual audit plan, the internal audit reports issued, the major findings identified from any audits and special investigations, and remedial actions taken by the relevant departments in response to the findings.

The Audit Committee also reviews the appointment of the external auditors and discusses with them the nature and scope of their audits. In addition, any issues arising from their audits together with the follow up actions taken by the Bank to address those issues have also been examined by the Audit Committee. The Audit Committee also reviewed the interim and annual financial statements before recommending them to the Board for approval. It also reviewed the Bank's statement on internal control systems in the annual report prior to the endorsement by the Board.

(P) 主要專責委員會

董事會已成立三個董事會附屬委員會，包括審核委員會、薪酬委員會及內部監控委員會。此外，高級管理層已成立若干管治委員會監察本行日常經營之效率，包括管理委員會、資產負債委員會及內部監控委員會。該等委員會之構成及職能載列如下：

(i) 審核委員會

本行就審核委員會之組成已遵守「上市規則」第3.21條之規定。審核委員會包括一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當之會計專業資格之獨立非執行董事甘禮傑先生任主席。該委員會每年最少舉行四次會議，並在有需要時舉行特別會議。

審核委員會確保對本行之財務申報程序進行足夠之監管、檢討內部審核程序及報告、確保內部及外聘核數師互相協調，以及監控遵守內部政策、法規及由外聘核數師所提出之建議。

於本年度內，審核委員會已就本行之財務報告編製程序及內部監控系統作出檢討，其中包括內部審核職能及風險管理程序。特別是在內部審核職能的檢討工作方面，該委員會的審核範圍包括內部審核方案、已發佈之內部審核報告、任何審核及特別調查所發現之主要問題，以及相關部門就有關問題所採取之補救行動。

審核委員會亦對外聘核數師之委任進行檢討，並與其就審計之性質及範圍進行討論。此外，審核委員會亦就審計所發現之問題及本行所採取之相應解決行動進行審核。審核委員會亦於向董事會建議批准中期及年度財務報告之前審閱有關報告，並在建議董事會批准年報所載之本行有關內部監控系統之聲明之前，審閱有關聲明。

(P) KEY SPECIALISED COMMITTEES (continued)**(ii) Remuneration Committee**

The Remuneration Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors of the Bank. The Remuneration Committee meets as required to review and approve the remuneration packages for senior executives which include the Chief Executive Officer, Executive Directors, and Executive Vice Presidents. Executive Directors do not take part in decisions on their own remuneration. Additionally, the committee oversees the Bank's remuneration system which covers all employees, ensures an annual review of the remuneration system is conducted and implemented, makes recommendations in respect of remuneration policy and works closely with the Bank's risk committee in the evaluation of the incentives created by the remuneration system.

(iii) Executive Credit Committee

The Executive Credit Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and two Executive Directors of the Bank. This committee serves as the credit committee of the Board of Directors to review and approve credit proposals within limits assigned by the Board.

(iv) Management Committee

The Management Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer, Head of Legal and Compliance and senior management personnel as appointed by the Chief Executive Officer. The Management Committee is the key decision making body for the Bank and is responsible mainly for formulation of the Bank's business strategies and bank wide initiatives. The committee also coordinates among business and support units during the implementation process, monitors the implementation of the approved business strategies and bank wide initiatives and reviews the achievement of business targets and objectives including key performance indicators through monthly reporting by the Business Groups and relevant support units.

(v) Asset and Liability Committee

The Asset and Liability Committee comprises the Chief Executive Officer, Executive Directors, Chief Financial Officer and senior management personnel as appointed by the Chief Executive Officer. The committee meets at least bi-weekly with the Head of Internal Audit and Head of Legal and Compliance attending the meeting as observers to ensure overall compliance with the Bank's governing policies. The committee's main responsibilities include regular review of the Bank's operations relating to interest rate risk, market risk and liquidity risk and in particular the Bank's ability to meet its funding obligations, and its compliance with statutory liquidity and capital adequacy requirements. The committee regularly reviews and endorses for the Board's approval, the Bank's policies governing asset and liability management, investment, and other risk management issues. It also formulates both long term strategy for the sources and application of funds and short term directives to address prevailing conditions and monitors the implementation of these strategies and directives.

(P) 主要專責委員會 (續)**(ii) 薪酬委員會**

薪酬委員會由本行之非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以審閱及批核高級行政人員(包括行政總裁、執行董事及執行副總裁)之薪酬方案。執行董事並無參與與其相關之薪酬決策討論。此外，該委員會負責監察覆蓋本行所有員工的薪酬制度，確保該制度每年作出一次檢討，對薪酬方案作出建議，並與風險委員會緊密合作以評估薪酬制度中的獎勵方案。

(iii) 執行信貸委員會

執行信貸委員會由本行之非執行主席、非執行副主席及兩名執行董事組成。該委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批准信貸建議。

(iv) 管理委員會

管理委員會由本行的行政總裁、執行董事、財務主管及法律及合規部主管及行政總裁所委任的高級管理人員組成。管理委員會乃本行重要的決策組織，主要職責是制定本行所有主要部門的業務策略及銀行內措施。同時，委員會在業務策略的推行過程中，亦負責通過業務小組及相關後勤部門的每月報告協調業務及後勤部門的工作，監察已批准業務策略的實施進度及銀行內措施，以及檢討工作是否合乎業務目標與預期表現，包括主要表現指數。

(v) 資產負債委員會

資產負債委員會由行政總裁、執行董事、財務主管及行政總裁所委任的高級管理人員組成。委員會與內部核數師主管及法律及合規部主管最少每兩星期舉行一次會議，並由法律及合規分部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付債務的能力及遵守法定流動資金及資本充足要求事宜。委員會定期審閱及批核本行有關資產及負債管理，投資及其他風險管理事宜的政策，以上呈予董事局批准。委員會亦制定資源及資金運用的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。

(P) KEY SPECIALISED COMMITTEES (continued)

(vi) Internal Control Committee

The Internal Control Committee comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer and Heads of different risk management and control functions. The Internal Control Committee is chaired by Mr Pei-Hwa Thomas Liang, the Chief Executive Officer of the Bank. The committee meets at least monthly and additionally when deemed necessary. The committee has the overall responsibilities to define control framework, direct implementation of an effective internal control system, impose suitable control measures for the day-to-day monitoring, while enhancing the operational control standards in all divisions.

(Q) MARKET RISK MANAGEMENT

Details of the Group's market risk management policies and measures have been set out in Note 50(b).

The Group calculates VAR with a confidence level of 99% and a holding period of one trading day. The VAR model adopted by the Group is predominantly based on a parametric model. This model assumes that risk variables are normally distributed, which in turn assumes that they are derived from the sum of a large number of uncorrelated events. The VAR model is helpful in measuring the bank's exposure to day-to-day market fluctuations. It is not intended to measure the bank's exposure to individually significant events such as the bankruptcy of a major financial institution.

The Group has measured VAR for all material trading portfolios. The VAR results as shown in the below table are calculated independently according to the underlying positions, correlations and historical market movements.

VAR by risk type:
Foreign exchange risk
Interest rate risk
Equities risk
Total VAR

按風險種類劃分之風險值：
外匯風險
利率風險
股票風險
總風險值

At 31 December	
於十二月三十一日	
2009	2008
二零零九年	二零零八年
HK\$'000	HK\$'000
千港元	千港元
22	642
8	564
3	2
25	812

(P) 主要專責委員會 (續)

(vi) 內部監控委員會

內部監控委員會包括本行的行政總裁、執行董事、財務主管以及各風險管理和監控部門主管。該委員會由本行行政總裁梁培華先生牽頭。該委員會至少每月舉行一次會議，如需要亦會額外舉行會議。該委員會整體負責確定監控架構、指導實行有效的內部監控系統、就日常監察實施適當的監控措施，同時在所有部門提升營運監控標準。

(Q) 市場風險管理

本集團之市場風險管理政策及措施之詳情載於附註 50(b)。

本集團對信心水平為 99% 及持有期為一個交易日的風險值予以計算。本集團所採用的風險值模式乃主要基於參數模型。該模型假設風險變數為正常對稱分派並假設風險變數乃源於大量無關連事件的綜合影響。風險值模式有助於計量銀行承受日常市場波動的風險，但無意計量銀行承受個別重大事件的風險，例如大型金融機構破產。

本集團已計量所有重大貿易組合的風險值。下表所列示的風險值結果乃按照相關持倉、相互關係及過往市場變動進行獨立計算。

(Q) MARKET RISK MANAGEMENT (continued)

The Group adopts a prudent approach to managing its trading portfolios, and reduces any excessive market risk by executing offsetting transactions or hedging contracts with other market counterparties. Market risk ensues once the Group takes positions in markets such as foreign exchange, interest rates, securities and equities. Such positions are driven by execution of customer orders, proprietary trading and hedging.

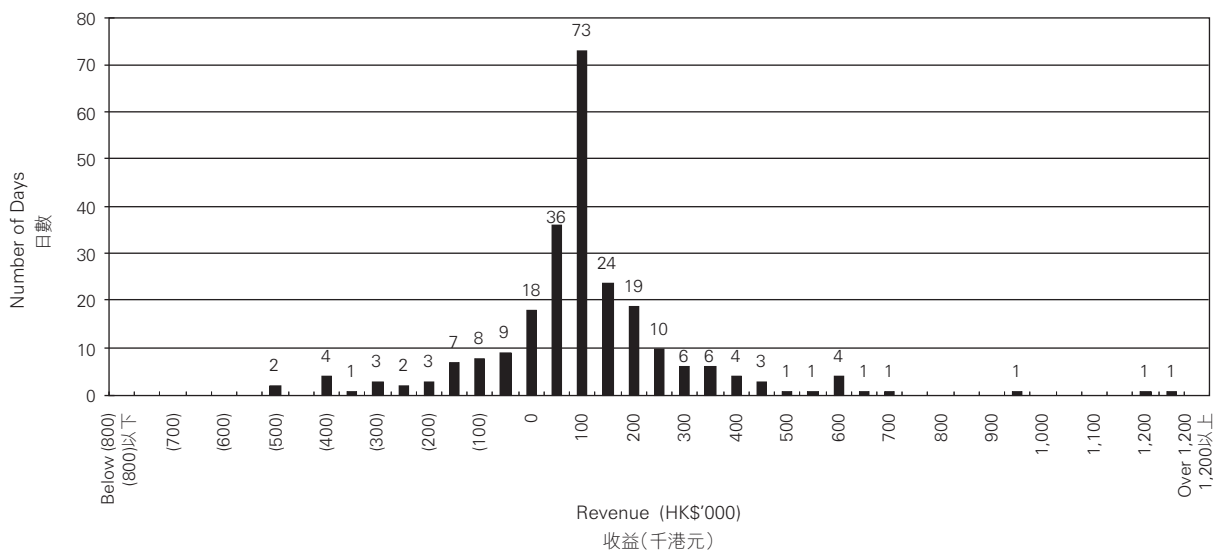
The Group's maximum market risk exposures are set by the Asset and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the year was HK\$81,951 (2008: HK\$267,259) and the standard deviation was HK\$211,693 (2008: HK\$925,823). An analysis of the Group's trading revenue is shown below:

(Q) 市場風險管理 (續)

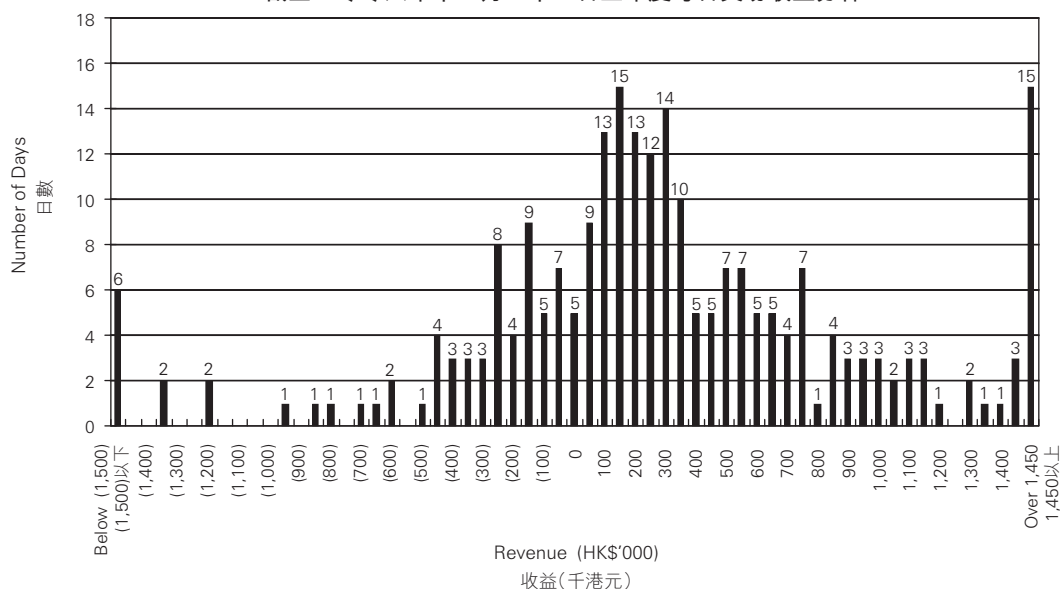
本集團採納一套謹慎的方法管理其交易組合，並透過其他市場同業簽訂抵銷交易或對沖合約，以減低任何過度市場風險。若本集團於外匯市場，利率市場或證券及股票市場持倉時便會產生市場風險，而這些皆是因應客戶的交易指示、自營買賣及對沖活動而產生的持倉。

本集團之最高市場風險承擔由資產負債委員會訂定，並定期受到監控及須向管理層匯報。年內由財資交易活動獲得的平均每日收益為81,951港元(二零零八年：267,259港元)，標準偏差為211,693港元(二零零八年：925,823港元)。本集團之交易收益分析如下：

Daily Distribution of Trading Revenue for the Year Ended 31 December 2009
截至二零零九年十二月三十一日止年度每日交易收益分佈



**Daily Distribution of Trading Revenue
for the Year Ended 31 December 2008**
截至二零零八年十二月三十一日止年度每日交易收益分佈



This shows a maximum daily loss of HK\$545,412 (2008: HK\$6,620,912) with 57 days (2008: 69 days) out of 249 days (2008: 245 days) showing losses. The most frequent results were observed in daily revenue falling from HK\$50,000 to HK\$100,000 (2008: HK\$150,000 to HK\$200,000) with 73 occurrences (2008: 15 occurrences in the range). The highest daily revenue was HK\$1,230,667 (2008: HK\$4,388,380).

以上圖表顯示於249天(二零零八年：245天)交易日中，57天(二零零八年：69天)錄得虧損，最高每日虧損545,412港元(二零零八年：6,620,912港元)。最常見交易成績為每日收益介乎50,000港元至100,000港元(二零零八年：150,000港元至200,000港元)，並於該組別出現73次(二零零八年：於該組別出現15次)。最高每日收益為1,230,667港元(二零零八年：4,388,380港元)。

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