

*If you are in any doubt about any of the contents of this document, you should obtain independent professional advice.*

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**Base Listing Document relating to  
Structured Products  
to be issued by**



**The Bank of East Asia, Limited**  
*(incorporated with limited liability in Hong Kong)*

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This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and is published for the purpose of giving information with regard to us and our warrants (“**Warrants**”) and other structured products (together, the “**Structured Products**”) to be listed on the Stock Exchange from time to time. This document may be updated and/or amended from time to time by way of addenda.

**We accept full responsibility for the accuracy of the information contained in this document together with such supplemental listing document (each as supplemented and updated by any addendum to be issued from time to time) (together, the “Listing Document”) and confirm, having made all reasonable enquiries, that to the best of our knowledge and belief there are no other facts the omission of which would make any statement in this document misleading.**

**The Structured Products involve derivatives. Investors should not invest in the Structured Products unless they fully understand and are willing to assume the risks associated with them.**

Investors are warned that the price of the Structured Products may fall in value as rapidly as it may rise and holders may sustain a total loss of their investment. Prospective purchasers should therefore ensure that they understand the nature of the Structured Products and carefully study the risk factors set out in this document and, where necessary, seek professional advice, before they invest in the Structured Products.

The Structured Products constitute our general unsecured contractual obligations and of no other person and will rank equally among themselves with all our other unsecured obligations (save for those obligations preferred by law) upon liquidation. If you purchase the Structured Products, you are relying upon our creditworthiness and have no rights under the Structured Products against (a) the company which has issued the underlying securities; (b) the trustee or the manager of the underlying unit trust; or (c) the index compiler of any underlying index.

## CONTENTS

	Page
<b>IMPORTANT INFORMATION</b> .....	1
<b>OVERVIEW OF WARRANTS</b> .....	4
<b>INFORMATION ABOUT US</b> .....	6
<b>RISK FACTORS</b> .....	8
<b>APPENDIX 1 — GENERAL CONDITIONS OF STRUCTURED PRODUCTS</b> .....	13
<b>APPENDIX 2 — PRODUCT CONDITIONS OF WARRANTS</b> .....	20
<b>PART A — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES</b> .....	21
<b>PART B — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER INDEX</b> .....	28
<b>PART C — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER UNIT TRUSTS</b> .....	32
<b>APPENDIX 3 — AUDITOR’S REPORT AND OUR ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009</b> .....	39
<b>PARTIES</b> .....	Back page

## IMPORTANT INFORMATION

### What is this document about?

This document is for information purposes only and does not constitute an offer, an advertisement or an invitation to the public to subscribe for or to acquire any Structured Products.

### What documents should you read before investing in the Structured Products?

A supplemental listing document will be issued on the issue date of each series of Structured Products, which will include detailed commercial terms of the relevant series. You must read the Listing Documents before investing in the Structured Products. You should carefully study the risk factors set out in the Listing Documents.

### Are we regulated by any bodies referred to in Rule 15A.13(2) or (3) of the Listing Rules?

We are a licensed bank regulated by, among others, the Hong Kong Monetary Authority.

### Are we rated by any credit rating agencies?

Our credit ratings as of 23 July 2010 are:

<i>Rating Agency</i>	<i>Rating</i>
Moody's Investors Service Inc.	A2
Standard & Poor's Ratings Group	A-

You may visit the following website for updated information of our credit ratings:

[http://www.hkbea.com/hk/ci/investor\\_comm/credit\\_ratings/index.htm](http://www.hkbea.com/hk/ci/investor_comm/credit_ratings/index.htm)

Rating agencies usually receive a fee from issuers that they rate.

When evaluating our creditworthiness, you should not solely rely on our credit ratings because:

- (a) a credit rating is not a recommendation to buy, sell or hold the Structured Products;
- (b) ratings of issuers may involve difficult-to-quantify factors such as market competition, the success or failure of new products and markets and managerial competence; and

- (c) a high credit rating is not necessarily indicative of low risk. Our credit ratings as of the date of this document are for reference only. Any downgrading of our ratings could result in a reduction in the value of the Structured Products.

### The Structured Products are not rated.

### Are we subject to any litigation?

Save as disclosed in this document, we and our subsidiaries have no litigation or claims of material importance pending or threatened against us or them.

### Authorisation for the issue of warrants

Our management, pursuant to the approval by our Marketing Strategic Group, authorised the issue of the Structured Products on 19 January 2010.

### Has our financial position changed since last financial year-end?

Save as disclosed in this document, there has been no material adverse change in our financial or trading position since 31 December 2009.

### Do you need to pay any transaction cost?

The Stock Exchange charges a trading fee of 0.005 per cent. and the Securities and Futures Commission charges a transaction levy of 0.004 per cent. in respect of each transaction effected on the Stock Exchange payable by each of the seller and the buyer and calculated on the value of the consideration for the Structured Products. The levy for the investor compensation fund is currently suspended.

### Do you need to pay any tax?

No tax is payable in Hong Kong by way of withholding or otherwise in respect of:

- (a) dividends of any company which has issued the underlying shares;
- (b) distributions of any trust which has issued the underlying units; or
- (c) any capital gains arising on the sale of the underlying assets or Structured Products,

except that Hong Kong profits tax may be chargeable on any such gains in the case of certain persons carrying on a trade, profession or business in Hong Kong.

You do not need to pay any stamp duty in respect of purely cash settled Structured Products.

### **Placing and sale**

No action has been or will be taken by us that would permit a public offering of any series of Structured Products or possession or distribution of any offering material in relation to any Structured Products in any jurisdiction (other than Hong Kong) where action for the purpose is required. No offers, sales, re-sales, transfers or deliveries of any Structured Products, or distribution of any offering material relating to the Structured Products may be made in or from any jurisdiction except in circumstances which will result in compliance with any applicable laws or regulations and which will not impose any obligation on us.

### **Where can you inspect the relevant documents?**

The following documents are available for inspection during usual business hours on any weekday (public holidays excepted) at our office at 10 Des Voeux Road Central, Hong Kong:

- (a) our annual report for the year ended 31 December 2009;
- (b) the consent letter of the auditor, KPMG (“**Auditor**”), dated 26 July 2010;
- (c) this document and any addendum to this document;
- (d) the supplemental listing document as long as the relevant series of Structured Products is listed on the Stock Exchange; and
- (e) the instrument executed by us by way of deed poll dated 22 July 2010 as defined in General Condition 1 (see Appendix 1).

Requests for photocopies of the above documents will be subject to a reasonable fee which reflects the cost of making such copies.

The Listing Documents are also available on the website of the Stock Exchange at [www.hkex.com.hk/eng/dwrc/search/listsearch.asp](http://www.hkex.com.hk/eng/dwrc/search/listsearch.asp).

各上市文件亦可於聯交所網站

[www.hkex.com.hk/chi/dwrc/search/listsearch\\_c.asp](http://www.hkex.com.hk/chi/dwrc/search/listsearch_c.asp)  
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### **Has the Auditor consented to the inclusion of its report to the Listing Documents?**

Our Auditor has given and has not withdrawn its written consent to the inclusion of its report dated 11 February 2010 in this document and/or the references to its name in the Listing Documents, in the form and context in which they are included. Its report was not prepared for incorporation into this document.

The Auditor does not hold our shares or shares in our subsidiaries, nor does it have the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for our securities or securities of any of our subsidiaries.

### **Authorised representatives**

Lau Ching Ching and Law Chun Tak, Alson, both of 10 Des Voeux Road Central, Hong Kong, are our authorised representatives.

### **How can you get further information about us?**

You may visit [www.hkbea.com](http://www.hkbea.com) to obtain further information about us.

*You must note that the information on our website will be of a general nature and cannot be relied upon as accurate and/or correct and will not have been prepared exclusively for the purposes of any particular financial instrument issued by us, including the Structured Products.*

### **Governing law of the Structured Products**

All contractual documentation for the Structured Products will be governed by, and construed in accordance with, the laws of Hong Kong.

### **The Listing Documents are not the sole basis for making an investment decision**

The Listing Documents do not take into account your investment objectives, financial situation or particular needs. Nothing in the Listing

Documents should be construed as a recommendation by us or our affiliates to invest in the Structured Products or the underlying asset of the Structured Products.

No person has been authorised to give any information or to make any representations other than those contained in this document in connection with the Structured Products, and, if given or made, such information or representations must not be relied upon as having been authorised by us.

The Stock Exchange and HKSCC have made no assessment of, nor taken any responsibility for, our financial soundness or the merits of investing in any Structured Products, nor have they verified the accuracy or the truthfulness of statements made or opinions expressed in this document.

### **Capitalised terms**

Unless otherwise specified, capitalised terms used in this document have the meanings set out in the General Conditions set out in Appendix 1 and the Product Conditions applicable to the relevant series of Structured Products set out in Appendix 2 (together, the “**Conditions**”).

## OVERVIEW OF WARRANTS

### What is a derivative warrant?

A derivative warrant linked to a share, a unit, an index or other asset (“**Underlying Assets**”, each an “**Underlying Asset**”) is an instrument which gives the holder an investment exposure to the Underlying Asset by reference to a pre-set price or level called the Exercise Price or Strike Level on the Expiry Date. It usually costs a fraction of the value of the Underlying Asset.

A derivative warrant may provide leveraged return to you (but conversely, it could also magnify your losses).

### How and when can you get back your investment?

Our Warrants are European style warrants. This means they will be automatically exercised on the Expiry Date, entitling the holder to a potential cash amount called the “**Cash Settlement Amount**” (if positive) according to the Conditions in the Listing Documents.

You will receive the Cash Settlement Amount (if any) less any Exercise Expenses upon expiry. If the Cash Settlement Amount is equal to or less than the Exercise Expenses, no amount is payable to you upon expiry.

### How do our Warrants work?

The potential payoff upon expiry of the Warrants is calculated by us by reference to the difference between:

- (a) for Warrants linked to a share or unit, the Exercise Price and the Average Price; and
- (b) for Warrants over an index, the Strike Level and the Closing Level.

#### *Call Warrant*

A call Warrant is suitable for an investor holding a bullish view of the price or level of the Underlying Asset during the term of the Warrant.

A call Warrant will be exercised if the Average Price or Closing Level is greater than the Exercise Price or Strike Level (as the case may be). The more the Average Price or Closing Level exceeds the Exercise Price or Strike Level (as the case may be), the higher the payoff upon expiry.

If the Average Price or Closing Level is at or below the Exercise Price or Strike Level (as the case may be), an investor in the call Warrant will lose all of his investment.

#### *Put Warrant*

A put Warrant is suitable for an investor holding a bearish view of the price or level of the Underlying Asset during the term of the Warrant.

A put Warrant will be exercised if the Average Price or Closing Level is below the Exercise Price or Strike Level (as the case may be). The more the Average Price or Closing Level is below the Exercise Price or Strike Level (as the case may be), the higher the payoff upon expiry. If the Exercise Price or Strike Level is at or below the Average Price or Closing Level (as the case may be), an investor in the put Warrant will lose all of his investment.

### What are the factors determining the price of a derivative warrant?

The price of a warrant generally depends on the prevailing price or level of the Underlying Asset. However, throughout the term of a warrant, its price will be influenced by a number of factors, including:

- (a) the Exercise Price or Strike Level of the warrants;
- (b) the volatility of the price or the level of the Underlying Asset (being a measure of the fluctuation in the price or level of the Underlying Asset);
- (c) the time remaining to expiry: a warrant is generally more valuable the longer the remaining life of the warrants;
- (d) interest rates;
- (e) expected dividend payments or other distributions on the Underlying Asset or on any components comprising the underlying index;
- (f) the supply and demand for the warrant; and
- (g) our creditworthiness.

**What is your maximum loss?**

Your maximum loss in Warrants will be limited to your investment amount plus any transaction cost.

**How can you get information about the warrants after issue?**

You may visit the Stock Exchange website at <http://www.hkex.com.hk/eng/prod/secprod/dwrc/dw.htm> to obtain further information on derivative warrants or any notice given by us or the Stock Exchange in relation to our Warrants.

## INFORMATION ABOUT US

### Place of incorporation

BEA is incorporated in Hong Kong with limited liability.

### Profile and activities

Established in 1918, BEA is the largest independent local bank in Hong Kong, with total consolidated assets of HK\$434.10 billion (US\$56.00 billion) as of 31st December, 2009.

As of 15 July 2010, BEA's principal businesses include the offer of account and deposit services; cyberbanking; consumer and mortgage loans; credit cards; trade finance; syndicated loans; mandatory provident fund services; treasury, stock, and futures broking services; and a wide array of wealth management products and services such as asset management, private banking, and structured investment products.

BEA and its affiliates and subsidiaries (“**BEA Group**”) also provides insurance solutions through its subsidiaries, BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, and business, corporate, and investor services through Tricor Group.

BEA serves customers through one of Hong Kong's largest banking networks, with nearly 140 branches and SupremeGold Centres throughout the city. In addition, BEA Group operates 80 outlets in China and maintains a strong presence in North America, the United Kingdom and Southeast Asia.

BEA's presence continues to expand in strategic locations as the Bank focuses on delivering quality and highly personalised services to its growing customer base around the world.

### MANAGEMENT OF BEA

The Board of Directors is the most senior body within BEA with ultimate responsibility for the strategy and management of the company and for the supervision of its executive management.

The following table sets out the 18 members of the Board of Directors as of 30 June 2010:

<b>Board of Directors</b>	<b>Title</b>
Dr. The Hon. Sir David LI Kwok-po	Chairman & Chief Executive
Professor Arthur LI Kwok-cheung	Non-executive Director (Deputy Chairman)
Dr. Allan WONG Chi-yun	Independent Non-executive Director (Deputy Chairman)
Mr. WONG Chung-hin	Independent Non-executive Director
Dr. LEE Shau-kee	Independent Non-executive Director
Mr. Aubrey LI Kwok-sing	Non-executive Director
Dr. William MONG Man-wai	Non-executive Director
Mr. Winston LO Yau-lai	Independent Non-executive Director
Tan Sri Dr. KHOO Kay-peng	Non-executive Director
Mr. Thomas KWOK Ping-kwong	Independent Non-executive Director
Mr. Richard LI Tzar-kai	Non-executive Director
Mr. Kenneth LO Chin-ming	Independent Non-executive Director
Mr. Eric LI Fook-chuen	Non-executive Director
Mr. Stephen Charles LI Kwok-sze	Non-executive Director
Mr. William DOO Wai-hoi	Independent Non-executive Director
Mr. KUOK Khoon-ean	Independent Non-executive Director
Mr. Valiant CHEUNG Kin-piu	Independent Non-executive Director
Dr. Isidro FAINÉ CASAS	Non-executive Director



## **Litigation**

### *Claim by private banking clients*

In two connected court proceedings initiated in September 2009 in the High Court of Hong Kong, two private banking clients claimed against BEA and another bank in Hong Kong for, among other things, damages in respect of investment losses allegedly resulting from certain misconduct of a former employee of BEA acting as the clients' relationship manager. BEA intends to defend these proceedings rigorously and is in the course of preparing the relevant court documents. If BEA is unsuccessful in defending the claim, BEA estimates the maximum amount of exposure is approximately HK\$150 million. No provisions have been made by BEA as at 31 December 2009.

### *Repurchase of Lehman Brothers Mini-bonds subscribed or purchased through BEA*

On 22 July 2009, on a without-liability basis, BEA entered into an agreement with the HKMA, the SFC and 15 other distributing banks pursuant to which BEA has made an offer to eligible persons to repurchase their holdings in the Mini-Bonds subscribed or purchased through BEA. BEA made an announcement on the same date setting out the details of the offer.

In the event that all eligible persons accept the offer and there is no future recovery from the underlying collateral of the outstanding Mini-Bonds, the maximum commitment of BEA towards such purchase is HK\$109 million in accordance with the available information up to 13 October 2009. On this basis, BEA has already made full provision in its accounts for the expected cost in respect of the repurchase of the aforementioned structured investment products.

As at 30 April 2010, approximately 98.4% of the eligible persons have accepted the offer and the remaining 1.6% (i.e. 14 Mini-Bonds holders) have rejected the offer. In February 2010, one Mini-Bonds holder who did not accept the offer made four claims against BEA in the Small Claims Tribunal of Hong Kong for around HK\$200,000. The relevant proceedings have been transferred to the District Court of Hong Kong in June 2010 and are still ongoing.

In addition, BEA has recently reached settlement with one of the 14 Mini-Bonds holders. It is still uncertain at this stage whether the remaining 12 Mini-Bonds holders will make monetary or compensatory claims against BEA.

## RISK FACTORS

*Not all of the risk factors described below will be applicable to a particular series of Structured Products. Please consider all risks carefully prior to investing in any Structured Products and consult your professional independent financial adviser and legal, accounting, tax and other advisers with respect to any investment in the Structured Products. Please read the following section together with the risk factors set out in the relevant supplemental listing document.*

### General risks relating to us

#### *Structured Products are unsecured obligation*

Each series of Structured Products constitutes our general unsecured contractual obligations and of no other person and will rank equally with our other unsecured contractual obligations and with our unsecured and unsubordinated debt. At any given time, the number of our Structured Products outstanding may be substantial.

#### *Our creditworthiness*

If you purchase our Structured Products, you are relying upon our creditworthiness and have no rights under these products against:

- (a) any company which issues the underlying shares;
- (b) the trustee or the manager of the underlying trust; or
- (c) any index compiler of the underlying index.

As our obligations under the Structured Products are unsecured, we do not guarantee the repayment of your investment in any Structured Product.

Any downgrading of our ratings could result in a reduction in the value of the Structured Products.

#### *No deposit liability or debt obligation*

We are obliged to deliver to you the Cash Settlement Amount under the General Conditions and the relevant Product Conditions of each series of Structured Product upon expiry. We do not intend (expressly, implicitly or otherwise) to create a deposit liability or a debt obligation of any kind by the issue of any Structured Product.

#### *Conflicts of interest*

We and our subsidiaries (the “**Group**”) engages in financial activities for our own account or the account of others. The Group, in connection with our other business activities, may possess or

acquire material information about the Underlying Assets to which a Structured Product is linked. Such activities may involve or otherwise affect the Underlying Assets in a manner that may cause consequences adverse to you or otherwise create conflicts of interests in connection with the issue of Structured Products by us. Such actions and conflicts may include, without limitation, the purchase and sale of securities and exercise of creditor rights. The Group:

- (a) has no obligation to disclose such information about the Underlying Assets or such activities. The Group and our officers and directors may engage in any such activities without regard to the issue of Structured Products by us or the effect that such activities may directly or indirectly have on any Structured Product;
- (b) may from time to time engage in transactions involving the Underlying Assets for our proprietary accounts and/or for accounts under our management and/or to hedge against the market risk associated with issuing the Structured Products. Such transactions may have a positive or negative effect on the price or level of the Underlying Assets and consequently upon the value of the relevant series of Structured Products;
- (c) may from time to time act in other capacities with regard to the Structured Products, such as in an agency capacity and/or as the liquidity provider;
- (d) may issue other derivative instruments in respect of the Underlying Assets and the introduction of such competing products into the market place may affect the value of the relevant series of Structured Products.

## **General risks in relation to Structured Products**

*You may lose all your investment in the Structured Products*

Structured Products involve a high degree of risk, and are subject to a number of risks which may include interest, time value, market and/or political risks. Structured Products may expire worthless.

Options, warrants and equity linked instruments are priced primarily on the basis of the price or level of the Underlying Asset, the volatility of the Underlying Asset's price or level and the time remaining to expiry of the Structured Product.

The price of Structured Products generally may fall in value as rapidly as they may rise and you should be prepared to sustain a significant or total loss of the purchase price of the Structured Products. Assuming all other factors are held constant, the more the underlying share price, unit price or index level of a Structured Product moves in a direction against you and the shorter its remaining term to expiration, the greater the risk that you will lose all or a significant part of your investment.

“European Style” Structured Products are only exercisable on their respective Expiry Dates and may not be exercised by you prior to the relevant Expiry Date. Accordingly, if on such Expiry Date the Cash Settlement Amount is zero or negative, you will lose the value of your investment.

The risk of losing all or any part of the purchase price of a Structured Product upon expiration means that, in order to recover and realise a return on your investment, you must generally anticipate correctly the direction, timing and magnitude of any change in the price or level of the Underlying Asset specified in the relevant supplemental listing document.

Changes in the price or level of an Underlying Asset can be unpredictable, sudden and large and such changes may result in the price or level of the Underlying Asset moving in a direction which will negatively impact upon the return on your investment. You therefore risk losing your entire investment if the price or level of the relevant Underlying Asset does not move in the anticipated direction.

*The value of the Structured Products may be disproportionate or opposite to the movement in price or level of the Underlying Assets*

An investment in Structured Products is not the same as owning the Underlying Assets or having a direct investment in the Underlying Asset. The market values of Structured Products are linked to the relevant Underlying Assets and will be influenced (positively or negatively) by it or them but any change may not be comparable and may be disproportionate. It is possible that while the price or level of the Underlying Assets increases, the value of the Structured Product decreases.

If you intend to purchase any series of Structured Products to hedge against the market risk associated with investing in the Underlying Asset specified in the relevant supplemental listing document, you should recognise the complexities of utilizing Structured Products in this manner. For example, the value of the Structured Products may not exactly correlate with the price or level of the Underlying Asset. Due to fluctuations in supply and demand for Structured Products, there is no assurance that their value will correlate with movements of the Underlying Asset.

*Possible illiquidity of secondary market*

It is not possible to predict if and to what extent a secondary market may develop in any series of Structured Products and at what price such series of Structured Products will trade in the secondary market and whether such market will be liquid or illiquid. The fact that the Structured Products are listed does not necessarily lead to greater liquidity than if they were not listed.

A lessening of the liquidity of the affected series of Structured Products may cause, in turn, an increase in the volatility associated with the price of such Structured Products.

While we have, or will appoint, a liquidity provider for the purposes of making a market for each series of Structured Products, there may be circumstances outside our control or the appointed liquidity provider's control where the appointed liquidity provider's ability to make a market in some or all series of Structured Products is limited, restricted, and/or without limitation, frustrated. In such circumstances we will use our best endeavours to appoint an alternative liquidity provider.

### *Interest rates*

Value of the Structured Products in the secondary market may be sensitive to movements in interest rates. A variety of factors influence interest rates such as macro economic, governmental, speculative and market sentiment factors. Such fluctuations may have an impact on the value of the Structured Products at any time prior to valuation of the Underlying Assets relating to the Structured Products.

### *Time decay*

The settlement amount of certain series of Structured Products at any time prior to expiration may be less than the trading price of such Structured Products at that time. The difference between the trading price and the settlement amount will reflect, among other things, a “time value” of the Structured Products. The “time value” of the Structured Products will depend upon, among others, the length of the period remaining to expiration and expectations concerning the range of possible future prices or levels of the Underlying Assets.

### *Taxes*

You may be required to pay stamp duty or other taxes or other documentary charges. If you are in doubt as to your tax position, you should consult your own independent tax advisers. In addition, you should be aware that tax regulations and their application by the relevant taxation authorities may change from time to time. Accordingly, it is not possible to predict the precise tax treatment which will apply at any given time. See “Do you need to pay any tax?” in the section headed “Important Information” on page 1 for further information.

### *Modification to the Conditions*

Under the Conditions, we may, without your consent, modify the terms and conditions applicable to the Structured Products if such modification is:

- (a) not materially prejudicial to your interests;
- (b) of a formal, minor or technical nature;
- (c) to correct an obvious error;

- (d) for compliance with any mandatory provisions of the applicable laws, regulations, codes, guidelines and requirements prescribed by the Stock Exchange from time to time; or
- (e) otherwise considered appropriate by the Issuer and such modification or supplement is approved by the Stock Exchange.

### **Risks in relation to the Underlying Asset**

#### *You have no right to the Underlying Asset*

Unless specifically indicated in the Conditions, you will not be entitled to any:

- (a) voting rights or rights to receive dividends or other distributions or any other rights that a holder of the underlying shares or units would normally be entitled to; or
- (b) voting rights or rights to receive dividends or other distributions or any other rights with respect to any company constituting any underlying index.

#### *Valuation risk*

An investment in Structured Products may involve valuation risk with regards to the Underlying Asset to which the particular series of Structured Products relate. The price or level of the Underlying Asset may vary over time and may increase or decrease by reference to a variety of factors which may include corporate actions, macro economic factors, speculation and, where the Underlying Asset is an index, changes in the formula for or the method of calculating the index.

You must be experienced with dealings in these types of Structured Products and must understand the risks associated with dealings in such products. You should reach an investment decision only after careful consideration, with your advisers, of the suitability of any Structured Product in light of your particular financial circumstances, the information regarding the relevant Structured Product and the particular Underlying Asset to which the value of the relevant Structured Product relates.

#### *Adjustment related risk*

Certain events relating to the Underlying Asset require or, as the case may be, permit us to make

certain adjustments or amendments to the Conditions. You have limited anti-dilution protection under the Conditions of the Structured Products. We may, in our sole and absolute discretion, adjust, among other things, the Entitlement, the Exercise Price, the Strike Level or any other terms (including without limitation the closing price or the closing level of the Underlying Asset) of any series of Structured Product. However, we are not required to make an adjustment for every event that may affect an Underlying Asset, in which case the market price of the Structured Product and the return upon the expiry of the Structured Product may be affected.

In the case of Structured Products which relate to an index, the level of the index may be published by the index compiler at a time when one or more shares comprising the index are not trading. If this occurs on the Valuation Date but such occurrence does not constitute a Market Disruption Event under the Conditions, then the value of such share(s) may not be included in the level of the index. In addition, certain events relating to the index (including a material change in the formula or the method of calculating the index or a failure to publish the index) permit us to determine the level of the index on the basis of the formula or method last in effect prior to such change in formula or method.

#### *Suspension of trading*

Prior to the Expiry Date, if trading or dealing in the Underlying Assets is suspended on the Stock Exchange, trading or dealing in the relevant series of Structured Product will be suspended for a similar period.

#### *Delay in settlement*

Unless otherwise specified in the relevant Conditions, in the case of any expiry of Structured Products, there may be a time lag between the date on which the Structured Products expire and the time the applicable settlement amount relating to such event is determined. Any such delay between the time of expiry and the determination of the settlement amount will be specified in the relevant Conditions.

However, such delay could be significantly longer, particularly in the case of a delay in the expiry of such Structured Products arising from a determination by us that a Market Disruption

Event, Settlement Disruption Event or delisting of a company has occurred at any relevant time or that adjustments are required in accordance with the Conditions.

The applicable settlement amount may change significantly during any such period, and such movement or movements could decrease or modify the settlement amount of the Structured Products.

You should note that in the event of a Settlement Disruption Event or a Market Disruption Event, payment of the Cash Settlement Amount may be delayed as more fully described in the Product Conditions.

#### **Risks relating to Structured Products over trusts**

In the case of Structured Products which relate to units of a trust:

- (a) we and our affiliates do not have the ability to control or predict the actions of the trustee or the manager of the relevant trust. Neither the trustee nor the manager of the relevant trust (i) is involved in the offer of any Structured Product in any way, or (ii) has any obligation to consider the interests of the holders of any Structured Product in taking any corporate actions that might affect the value of any Structured Product; and
- (b) we have no role in the relevant trust. The manager of the relevant trust is responsible for making strategic, investment and other trading decisions with respect to the management of the relevant trust consistent with its investment objectives and in compliance with the investment restrictions as set out in the constitutive documents of the relevant trust. The manner in which the relevant trust is managed and the timing of the manager's actions may have a significant impact on the performance of the relevant trust. Hence, the market price of the relevant units is also subject to these risks.

#### **Risks relating to the legal form of the Structured Products**

Each series of Structured Products will be represented by a global certificate registered in the name of HKSCC Nominees Limited (or such

other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of CCASS).

Structured Product issued in global registered form held on your behalf within a clearing system effectively means evidence of your title and efficiency of ultimate delivery of the Cash Settlement Amount will be subject to the CCASS Rules. Amongst the risks, you should note that:

- (a) you will not receive any definitive certificates where the Structured Product is to remain in the name of HKSCC Nominees Limited for its entire life;
- (b) any register that is maintained by us or on our behalf, while available for inspection by you, will not be capable of registering any interests other than that of the legal title owner, in other words, it will record at all times that the Structured Products are being held by HKSCC Nominees Limited;
- (c) you will have to rely solely upon your broker/custodians and the statements you receive from such party as evidence of your interests in the investment;
- (d) notices or announcements will be published on the HKEx website and/or released by HKSCC to its participants via CCASS. You will need to check the HKEx website regularly and/or rely on your brokers/custodians to obtain such notices/announcements; and
- (e) following the Expiry Date and the determination by us of the Cash Settlement Amount (if any), our obligations to you will be duly fulfilled by payment of the Cash Settlement Amount (if any) to HKSCC Nominees Limited as the “holder” of the Structured Products in accordance with the Conditions. HKSCC or HKSCC Nominees Limited will then distribute the received Cash Settlement Amount to the respective CCASS participants in accordance with the CCASS Rules.

### **Effect of the combination of risk factors unpredictable**

Two or more risk factors may simultaneously have an effect on the value of a series of Structured Products such that the effect of any individual risk factor may not be predictable. No assurances can be given as to the effect any combination of risk factors may have on the value of a series of Structured Products.



**APPENDIX 1**  
**GENERAL CONDITIONS OF STRUCTURED PRODUCTS**

*These General Conditions relate to each series of Structured Products and must be read in conjunction with, and are subject to, the relevant Product Conditions set out in Appendix 2 to this Base Listing Document and the supplemental terms and conditions contained in the Supplemental Listing Document in relation to the particular series of Structured Products. These General Conditions and the relevant Product Conditions together constitute the Conditions of the relevant Structured Products, and will be endorsed on the Global Certificate representing the relevant Structured Products. The Supplemental Listing Document in relation to the issue of any series of Structured Products may specify additional terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these General Conditions and the relevant Product Conditions, replace or modify these General Conditions and the relevant Product Conditions for the purpose of such series of Structured Products.*

**1. Definitions**

“**Base Listing Document**” means the base listing document relating to Structured Products dated 26 July 2010 and issued by the Issuer (including any addenda to such base listing document issued by the Issuer from time to time);

“**Board Lot**” has the meaning given to it in the relevant Supplemental Listing Document;

“**Business Day**” means a weekday (excluding Saturdays) on which the Stock Exchange is scheduled to open for dealings in Hong Kong and banks are open for business in Hong Kong;

“**CCASS**” means the Central Clearing and Settlement System established and operated by the HKSCC;

“**CCASS Rules**” means the General Rules of CCASS and the CCASS Operational Procedures in effect from time to time;

“**Conditions**” means, in respect of a particular series of Structured Products, these General Conditions and the applicable Product Conditions;

“**Dealing Commencement Date**” means the date specified as such in the relevant Supplemental Listing Document and on which dealing of the Structured Products on the Stock Exchange commences;

“**Designated Bank Account**” means the relevant bank account designated by each Holder;

“**Exercise Expenses**” means, in respect of each series of Structured Products, any charges or expenses (including any taxes or duties) which are incurred in respect of the exercise of a Board Lot of Structured Products;

“**Expiry Date**” means the date specified as such in the relevant Supplemental Listing Document;

“**General Conditions**” means these general terms and conditions. These General Conditions apply to each series of Structured Products;

“**Global Certificate**” means, in respect of the relevant Structured Products, a global certificate registered in the name of the Nominee;

“**HKSCC**” means Hong Kong Securities Clearing Company Limited;

“**Holder**” means, in respect of each series of Structured Products, each person who is for the time being shown in the Register as the holder of the Structured Products, and such person shall be treated by the Issuer as the absolute owner and holder of the Structured Products;

“**Hong Kong**” means the Hong Kong Special Administrative Region of the People’s Republic of China;

“**Index**” means the index specified as such in the relevant Supplemental Listing Document in respect of each series of Structured Products;

“**Instrument**” means an instrument dated 22 July 2010 executed by the Issuer by way of deed poll pursuant to which the Issuer creates and grants to the Holders certain rights in relation to the Structured Products;

“**Issuer**” means The Bank of East Asia, Limited;

“**Nominee**” means HKSCC Nominees Limited (or such other nominee company as may be used by HKSCC from time to time in relation to the provision of nominee services to persons admitted for the time being by HKSCC as a participant of CCASS);

“**Product Conditions**” means, in respect of each series of Structured Products, the product specific terms and conditions that apply to that particular series of Structured Products;

“**Register**” means, in respect of each series of Structured Products, the register of the Holders of such series of Structured Products kept by the Issuer outside Hong Kong;

“**Settlement Date**” means the date as specified in the relevant Supplemental Listing Document on which the Structured Products are settled in accordance with these General Conditions;

“**Settlement Disruption Event**” means an event which is beyond the control of the Issuer and as a result of which, it is not possible for the Issuer to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder on the original Settlement Date;

“**Share**” means the share specified as such in the relevant Supplemental Listing Document in respect of each series of Structured Products;

“**Stock Exchange**” means The Stock Exchange of Hong Kong Limited;

“**Structured Products**” means derivative warrants (“**Warrants**”) or such other structured products to be issued by the Issuer from time to time. References to “Structured Products” are to be construed as references to a particular series of Structured Products and, unless the context otherwise requires, any further structured products issued pursuant to General Condition 9; and

“**Supplemental Listing Document**” means the supplemental listing document relating to a particular series of Structured Products.

Other capitalised terms will, unless otherwise defined, have the meanings given to them in the Base Listing Document, the relevant Product Conditions, the relevant Supplemental Listing Document and/or the Global Certificate.



## **2. Form, Status, Transfer, Title and Additional Costs and Expenses**

### *2.1 Form and Title*

The Structured Products are issued in registered form subject to and with the benefit of the Instrument. The Holders are entitled to the benefit of, are bound by, and are deemed to have notice of all the provisions of the Instrument. A copy of the Instrument is available for inspection at the offices of the Issuer.

The Structured Products are represented by a Global Certificate. No definitive certificate will be issued. The Structured Products can only be exercised by the Nominee.

### *2.2 Status of the Issuer's obligations*

The settlement obligation of the Issuer in respect of the Structured Products represents general unsecured contractual obligations of the Issuer and of no other person which rank, and will rank, equally among themselves and *pari passu* with all other present and future unsecured and unsubordinated contractual obligations of the Issuer, except for obligations accorded preference by mandatory provisions of applicable law.

Structured Products represent general contractual obligations of the Issuer, and are not, nor is it the intention (expressed, implicit or otherwise) of the Issuer to create by the issue of Structured Products deposit liabilities of the Issuer or a debt obligation of any kind.

### *2.3 Transfer of Structured Products*

Transfers of Structured Products may be effected only in Board Lots or integral multiples thereof in CCASS in accordance with the CCASS Rules.

### *2.4 Additional Costs and Expenses*

Holders shall be responsible for additional costs and expenses in connection with any exercise of the Structured Products including the Exercise Expenses which amount shall, subject to the General Condition 3.2 and to the extent necessary, be payable to the Issuer and collected from the Holders.

## **3. Rights and Exercise Expenses relating to the Structured Products**

### *3.1 Entitlement of Holders*

Every Board Lot initially entitles the Holders, upon due exercise or early expiration (as the case may be) and upon compliance with these General Conditions (in particular General Condition 4) and the applicable Product Conditions, to payment of the Cash Settlement Amount, if any.

### *3.2 Holders responsible for Exercise Expenses*

Upon exercise or early expiration of a particular series of Structured Products, the Holders of such series will be required to pay a sum equal to all the expenses resulting from the exercise or early expiration of such Structured Products. To effect such payment an amount equivalent to the Exercise Expenses shall be deducted from the Cash Settlement Amount in accordance with General Condition 4.5.

#### **4. Exercise of Structured Products**

##### *4.1 Exercise of Structured Products in Board Lots*

Structured Products may only be exercised in Board Lots or integral multiples thereof.

##### *4.2 Exercise of Structured Products*

Subject to the early termination of the Structured Products according to the applicable Product Conditions, the Structured Products will automatically be exercised at 10:00 a.m. on the Expiry Date (without notice being given to the Holders) if the Issuer determines that the Cash Settlement Amount (calculated in accordance with these General Conditions and the applicable Product Conditions) is positive. The Holders will not be required to deliver any exercise notice and the Issuer or its agent will pay to the Holders the Cash Settlement Amount (if any) in accordance with General Condition 4.5 and the applicable Product Conditions.

##### *4.3 Payment of Exercise Expenses*

Any Exercise Expenses which are not determined by the Issuer on the Expiry Date and deducted from the Cash Settlement Amount prior to delivery to the Holders in accordance with this General Condition 4 and the applicable Product Conditions, shall be notified by the Issuer to the Holders as soon as practicable after determination thereof and shall be paid by the Holders to the Issuer immediately upon demand.

##### *4.4 Record in the Register*

Subject to an early termination of the Structured Products in accordance with these General Conditions and the applicable Product Conditions, or in the event the Structured Products have expired worthless, the Issuer will, with effect from the first Business Day following the Expiry Date, remove the names of each Holder from the Register in respect of the number of relevant Structured Products which are the subject of the valid exercise or have expired worthless, as the case may be, and thereby cancel the relevant Structured Products and the Global Certificate.

##### *4.5 Payment of Cash Settlement Amount*

Upon a valid exercise of Structured Products in accordance with these General Conditions and the applicable Product Conditions, the Issuer will pay the Cash Settlement Amount minus the determined Exercise Expenses to the relevant Holder. If the Cash Settlement Amount is equal to or less than the determined Exercise Expenses, no amount is payable by the Issuer.

The aggregate Cash Settlement Amount minus the determined aggregate Exercise Expenses shall be despatched no later than the Settlement Date, by crediting that amount, in accordance with the CCASS Rules, to the Designated Bank Account.

Upon the occurrence of a Settlement Disruption Event, the Issuer shall use its reasonable endeavours to procure payment electronically through CCASS by crediting the relevant Designated Bank Account of the Holder as soon as reasonably practicable after the original Settlement Date. The Issuer will not be liable to the Holder for any interest in respect of the amount due or any loss or damage that such Holder may suffer as a result of the existence of a Settlement Disruption Event.

##### *4.6 Obligation and responsibility of the Issuer*

The Issuer's obligations to pay the Cash Settlement Amount shall be discharged by payment in accordance with General Condition 4.5 and the applicable Product Conditions. In the absence of gross negligence or wilful misconduct on its part, none of the Issuer or their respective agents

shall have any responsibility for any errors or omissions in the calculation of the Cash Settlement Amount. The purchase of Structured Products does not confer on any Holders of such Structured Products any rights (whether in respect of voting, distributions or otherwise) in relation to the Share or the constituent securities, contracts, commodities or currencies comprising the Index (as the case may be).

#### *4.7 Liability of the Issuer*

Exercise and settlement of the Structured Products is subject to all applicable laws, regulations and practices in force at the relevant time and the Issuer shall not incur any liability whatsoever if it is unable to effect the transactions contemplated, after using all reasonable efforts, as a result of any such laws, regulations or practices. The Issuer shall not under any circumstances be liable for any acts or defaults of the CCASS in relation to the performance of its duties in relation to the Structured Products.

#### *4.8 Trading in Structured Products*

Trading in Structured Products on the Stock Exchange shall cease prior to the Expiry Date in accordance with the requirements of the Stock Exchange.

### **5. Purchase**

The Issuer or any of its subsidiaries may at any time purchase Structured Products at any price in the open market or by tender or by private treaty. Any Structured Products so purchased may be held or resold or surrendered for cancellation.

### **6. Global Certificate**

A Global Certificate representing the Structured Products will be deposited with CCASS in the name of the Nominee. The Global Certificate must be executed manually on behalf of the Issuer by authorised person(s) or attorney(s) of the Issuer.

### **7. Meetings of Holders and Modification**

#### *7.1 Meetings of Holders*

The Instrument contains provisions for convening meetings of the Holders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Instrument) of a modification of the provisions of the Structured Products or of the Instrument.

Any resolution to be passed in a meeting of the Holders shall be decided by poll. A meeting may be convened by the Issuer or by Holders holding not less than 10 per cent. of the Structured Products for the time being remaining unexercised. The quorum at any such meeting for passing an Extraordinary Resolution will be two or more persons holding or representing not less than 25 per cent. of the Structured Products for the time being remaining unexercised, or at any adjourned meeting two or more persons being or representing Holders whatever the number of Structured Products so held or represented.

A resolution will be an Extraordinary Resolution when it has been passed at a duly convened meeting by not less than three-quarters of the votes cast by such Holders who, being entitled to do so, vote in person or by proxy.

An Extraordinary Resolution passed at any meeting of the Holders shall be binding on all Holders, whether or not they are present at the meeting.

Resolutions can be passed in writing without a meeting of the Holders being held if passed unanimously.

## 7.2 *Modification*

The Issuer may, without the consent of the Holders, effect any modification of the provisions of the Structured Products or the Instrument which is:

- (a) not materially prejudicial to the interests of the Holders;
- (b) of a formal, minor or technical nature;
- (c) made to correct an obvious error;
- (d) necessary in order to comply with mandatory provisions of applicable laws, regulations, codes, guidelines and requirements prescribed by the Stock Exchange from time to time; or
- (e) otherwise considered appropriate by the Issuer and such modification or supplement is approved by the Stock Exchange.

Any such modification shall be binding on all Holders and shall be notified to them by the Issuer as soon as practicable thereafter in accordance with General Condition 8.

## 8. **Notices**

### 8.1 *Website publication*

All notices to the Holders will be validly given if published in English and in Chinese on the website of Hong Kong Exchanges and Clearings Limited. In such circumstances, the Issuer shall not be required to despatch copies of the notice to the Holders.

### 8.2 *Request for copies*

If so requested by any Holder (such request to be communicated to the Issuer), the Issuer will deliver or procure delivery of copies of the notices published pursuant to General Condition 8.1 by post addressed to such Holder at the address recorded in the Register and airmail post shall be used if that address is not in Hong Kong. Copies of the notices delivered or sent in accordance with this General Condition shall be sent or delivered at the risk of such Holder.

## 9. **Further Issues**

The Issuer shall be at liberty from time to time, without the consent of the Holders, to create and issue further structured products so as to form a single series with the Structured Products.

## 10. **Governing Law**

The Structured Products and the Instrument are governed by and construed in accordance with the laws of Hong Kong. The Issuer and each Holder (by its purchase of the Structured Products) submit for all purposes in connection with the Structured Products and the Instrument to the non-exclusive jurisdiction of the courts of Hong Kong.

## 11. **Language**

A Chinese translation of these General Conditions will be made available for collection during normal office hours from the Issuer at 10 Des Voeux Road Central, Hong Kong. In the event of any inconsistency between the Chinese translation and the English version of these General Conditions, the English version of these General Conditions prevails.

## 12. Prescription

Claims against the Issuer for payment of any amount in respect of the relevant Structured Products will become void unless made within ten years of the Expiry Date and thereafter, any sums payable in respect of such Structured Products shall be forfeited and shall revert to the Issuer.

## 13. Illegality

The Issuer shall have the right to terminate the Structured Products if it shall have determined in its absolute discretion that, for reasons beyond its control, its performance thereunder shall have become unlawful in whole or in part as a result of compliance in good faith by the Issuer with any applicable present or future law, rule, regulation, judgment, order or directive of any governmental, administrative, legislative or judicial authority or power (“**Applicable Law**”). In such circumstances, the Issuer will, if and to the extent permitted by the Applicable Law, pay to each Holder in respect of each Structured Product held by such Holder an amount calculated by it as the fair market value of the Structured Product immediately prior to such termination (ignoring such illegality) less the cost to the Issuer of unwinding any related hedging arrangements. Payment will be made to the Holder in such manner as shall be notified to the Holder in accordance with General Condition 8.

**APPENDIX 2**  
**PRODUCT CONDITIONS OF WARRANTS**

The following pages set out the Product Conditions in respect of different types of Warrants.

	Page
PART A — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES .....	21
PART B — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER INDEX .....	28
PART C — PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER UNIT TRUSTS .....	32

**PART A**  
**PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER SINGLE EQUITIES**

*These Product Conditions will, together with the General Conditions and the supplemental terms and conditions contained in the relevant Supplemental Listing Document, and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of Warrants.*

**1. Definitions**

For the purposes of these Product Conditions:

“**Average Price**” means the arithmetic mean of the closing prices of one Share (as derived from the daily quotation sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any rights issue, bonus issue, subdivision, consolidation, restructuring event, cash distribution or the like) for each Valuation Date;

“**Cash Settlement Amount**” means:

(a) In the case of a series of Call Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$$

(b) In the case of a series of Put Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

“**Company**” means the company specified as such in the relevant Supplemental Listing Document;

“**Entitlement**” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with General Condition 13 and/or Product Condition 2;

“**Exercise Price**” means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with General Condition 13 and/or Product Condition 2;

“**General Conditions**” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“**Last Valuation Date**” means the Business Day immediately preceding the Expiry Date;

“**Market Disruption Event**” means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in:
  - (i) the Shares; or
  - (ii) any options or futures contracts relating to the Shares if, in any such case, that such suspension or limitation is, in the determination of the Issuer, material;
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the issuance of a “BLACK” rainstorm signal by the Hong Kong Observatory on any day which:
  - (i) results in the Stock Exchange being closed for trading for the entire day; or
  - (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session),

PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for the opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted or issued; or

- (c) a limitation or closure of the Stock Exchange due to any other unforeseen circumstances;

“**Product Conditions**” means these product terms and conditions. These Product Conditions apply to each series of cash settled Warrants over single equities;

“**Share**” means the share specified as such in the relevant Supplemental Listing Document; and

“**Valuation Date**” means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date, provided that if there is a Market Disruption Event on each of the four Business Days immediately following the original Valuation Date that, but for the Market Disruption Event, would have been a Valuation Date, then:

- (a) that fourth Business Day after the original Valuation Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event, and
- (b) the Issuer shall determine the closing price of the Share on the basis of its good faith estimate of the bid price that would have prevailed on that fourth Business Day after the original Valuation Date but for the Market Disruption Event.

In the event that a Market Disruption Event has occurred and a Valuation Date is postponed in accordance with these Product Conditions, the closing price of the Share on the first succeeding Business Day will be referenced more than once for the determination of the Cash Settlement



Amount, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then:

- (i) the Last Valuation Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the closing price of the Share on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

## 2. Adjustments

Adjustments may be made by the Issuer to the number of Shares to which the Warrants relate on the basis of the following provisions:

### 2.1 Rights Issues

If and whenever the Company shall, by way of Rights (as defined below), offer new Shares for subscription at a fixed subscription price to the holders of existing Shares pro rata to existing holdings (a “**Rights Offer**”), the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement (“**Rights Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{1+M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Share price being the closing price of an existing Share as derived from the daily quotation sheet of the Stock Exchange on the last Business Day on which the Shares are traded on a Cum-Rights basis

R: Subscription price per new Share specified in the Rights Offer plus an amount equal to any dividends or other benefits foregone to exercise the Right

M: Number of new Share(s) (whether a whole or a fraction) per existing Share each holder thereof is entitled to subscribe,

provided that if the above formula would result in an adjustment to the Entitlement which would amount to less than one per cent. of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Share or needed to acquire one new Share (as the case may be) which are given to the holders of existing Shares to subscribe at a fixed subscription price for new Shares pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

## 2.2 *Bonus Issues*

If and whenever the Company shall make an issue of Shares credited as fully paid to the holders of Shares generally by way of capitalisation of profits or reserves (other than pursuant to a scrip dividend or similar scheme for the time being operated by the Company or otherwise in lieu of a cash dividend and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement (“**Bonus Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

Adjustment Component =  $(1 + N)$

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Shares (whether a whole or a fraction) received by a holder of Shares for each Share held prior to the Bonus Issue,

provided that if the above formula would result in an adjustment to the Entitlement which would amount to less than one per cent. of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

## 2.3 *Subdivisions and Consolidations*

If and whenever the Company shall subdivide its Shares or any class of its outstanding share capital comprised of the Shares into a greater number of shares (a “**Subdivision**”) or consolidate the Shares or any class of its outstanding share capital comprised of the Shares into a smaller number of shares (a “**Consolidation**”), then:

- (a) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and
- (b) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation (as the case may be) takes effect.

## 2.4 *Restructuring Events*

If it is announced that the Company is to or may merge or consolidate with or into any other corporation (including becoming, by agreement or otherwise, a subsidiary of or controlled by any

person or corporation) (except where the Company is the surviving corporation in a merger) or that it is to or may sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion) so that the Warrants shall, after such Restructuring Event, relate to the number of shares of the corporation(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Shares, as the case may be, to which the holder of such number of Shares to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, and thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected. For the avoidance of doubt, any remaining Shares shall not be affected by this paragraph and, where cash is offered in substitution for Shares or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Shares shall include any such cash.

## 2.5 Cash Distribution

No adjustment will be made for an ordinary cash dividend (whether or not it is offered with a script alternative) (“**Ordinary Dividend**”). For any other forms of cash distribution (“**Cash Distribution**”) announced by the Company, such as a cash bonus, special dividend or extraordinary dividend, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Share’s closing price as derived from the daily quotation sheet of the Stock Exchange on the day of announcement by the Company.

If and whenever the Company shall make a Cash Distribution credited as fully paid to the holders of Shares generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Shares becomes ex-entitlement in respect of the relevant Cash Distribution (“**Cash Distribution Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{S - OD}{S - OD - CD}$$

E: The existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Share as derived from the Daily Quotation Sheet of the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The amount of Cash Distribution per Share

OD: The amount of Ordinary Dividend per Share, provided that the Ordinary Dividend and the Cash Distribution shall have the same ex-entitlement date. For the avoidance of doubt, the OD shall be deemed to be zero if the ex-entitlement dates of the relevant Ordinary Dividend and Cash Distribution are different

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

## *2.6 Other Adjustments*

Except as provided in Product Conditions 2 and 4 and in General Condition 7 and 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Product Conditions 2.1 to 2.5, 4.1 and 4.2) occur which it believes in its sole discretion and irrespective of, in substitution for, or in addition to the provisions contemplated in Product Conditions 2.1 to 2.5, 4.1 and 4.2 should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is:

- (a) considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or
- (b) is otherwise considered by the Issuer to be appropriate and such adjustment or amendment is approved by the Stock Exchange.

## *2.7 Notice of Determinations*

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 8.

## **3. Liquidation**

In the event of a liquidation or dissolution of the Company or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose. In the case of voluntary liquidation, the unexercised Warrants will lapse and shall cease to be valid on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of its undertaking, property or assets, on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

## **4. Delisting**

### *4.1 Adjustments following delisting*

If at any time the Shares cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the circumstances of any individual Holder or the tax or other consequences that may result in any particular jurisdiction).

#### *4.2 Listing on another exchange*

Without prejudice to the generality of Product Condition 4.1, where the Shares are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of the Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

#### *4.3 Adjustments binding*

The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 8 as soon as practicable after they are determined.

### **5. Language**

A Chinese translation of these Product Conditions will be made available for collection during normal office hours from the Issuer at 10 Des Voeux Road Central, Hong Kong. In the event of any inconsistency between the Chinese translation and the English version of these Product Conditions, the English version of these Product Conditions shall prevail.

**PART B**  
**PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER INDEX**

*These Product Conditions will, together with the General Conditions and the supplemental terms and conditions contained in the relevant Supplemental Listing Document, and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of Warrants.*

**1. Definitions**

For the purposes of these Product Conditions:

“**Cash Settlement Amount**” means an amount calculated by the Issuer in accordance with the following formula (and, if appropriate, either (a) converted (if applicable) into the Settlement Currency at the Exchange Rate or, as the case may be, (b) converted into the Interim Currency at the First Exchange Rate and then (if applicable) converted into Settlement Currency at the Second Exchange Rate):

(a) In the case of a series of Call Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Closing Level} - \text{Strike Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

(b) In the case of a series of Put Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{(\text{Strike Level} - \text{Closing Level}) \times \text{one Board Lot} \times \text{Index Currency Amount}}{\text{Divisor}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

“**Closing Level**” means the level specified as such in the relevant Supplemental Listing Document subject to any adjustment in accordance with General Condition 13 and/or Product Condition 2;

“**Divisor**” means the number specified as such in the relevant Supplemental Listing Document;

“**Exchange Rate**” means the rate specified as such in the relevant Supplemental Listing Document;

“**First Exchange Rate**” means the rate specified as such in the relevant Supplemental Listing Document;

“**General Conditions**” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“**Index**” means the index specified as such in the relevant Supplemental Listing Document;

“**Index Compiler**” means the index compiler specified as such in the relevant Supplemental Listing Document;

**“Index Business Day”** means a day on which the Index is scheduled to be published by the Index Compiler or, as the case may be, the Successor Index Compiler (as defined below);

**“Index Currency Amount”** has the meaning given to it in the relevant Supplemental Listing Document;

**“Index Exchange”** means the index stock exchange specified as such in the relevant Supplemental Listing Document;

**“Interim Currency”** means the currency specified in the relevant Supplemental Listing Document;

**“Market Disruption Event”** means:

- (a) the occurrence or existence, on a Valuation Date during the one-half hour period that ends at the close of trading, of any of:
  - (i) the suspension or material limitation of the trading of a material number of securities that comprise the Index; or
  - (ii) the suspension or material limitation of the trading of securities/commodities (A) on the Index Exchange; or (B) generally; or
  - (iii) the suspension or material limitation of the trading of (A) options or futures contracts relating to the Index on any exchanges or (B) options or futures generally on any options and/or futures exchanges on which options or futures contracts relating to the Index are traded; or
  - (iv) the imposition of any exchange controls in respect of any currencies involved in determining the Cash Settlement Amount.

For the purposes of this definition:

- (1) the limitation of the number of hours or days of trading will not constitute a Market Disruption Event if it results from an announced change in the regular business hours of any exchange, and
  - (2) a limitation on trading imposed by reason of the movements in price exceeding the levels permitted by any relevant exchange will constitute a Market Disruption Event; or
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the issuance of a “BLACK” rainstorm signal by the Hong Kong Observatory on any day which:
    - (i) results in the Stock Exchange being closed for trading for the entire day; or
    - (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session),

PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for the opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted or issued; or

- (c) a limitation or closure of the Index Exchange or the Stock Exchange due to any other unforeseen circumstances.

“**Product Conditions**” means these product terms and conditions. These Product Conditions apply to each series of Warrants over an index;

“**Second Exchange Rate**” means the rate specified as such in the relevant Supplemental Listing Document;

“**Settlement Currency**” means the currency specified as such in the relevant Supplemental Listing Document;

“**Strike Level**” means the level specified as such in the relevant Supplemental Listing Document;

“**Successor Index Compiler**” means a successor to the Index Compiler acceptable to the Issuer; and

“**Valuation Date**” means the date specified in the relevant Supplemental Listing Document, provided that if the Issuer determines, in its sole discretion, that on the Valuation Date a Market Disruption Event has occurred, then the Issuer shall determine the Closing Level on the basis of its good faith estimate of the Closing Level that would have prevailed on that day but for the occurrence of the Market Disruption Event provided that the Issuer may, but will not be obliged to, determine such Closing Level by having regard to the manner in which the Index Compiler, or the relevant body or entity, as the case may be, calculates the Closing Level.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

## **2. Adjustments to the Index**

### *2.1 Successor Index Compiler Calculates and Reports Index*

If the Index is:

- (a) not calculated and announced by the Index Compiler but is calculated and published by a Successor Index Compiler; or
- (b) replaced by a successor index using, in the determination of the Issuer, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index,

then the Index will be deemed to be the index so calculated and announced by the Successor Index Compiler or that successor index, as the case may be.

### *2.2 Modification and Cessation of Calculation of Index*

If:

- (a) on or prior to a Valuation Date, the Index Compiler or (if applicable) the Successor Index Compiler makes a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent securities, contracts or commodities and other routine events), or



- (b) on a Valuation Date, the Index Compiler or (if applicable) the Successor Index Compiler fails to calculate and publish the Index (other than as a result of a Market Disruption Event),

then the Issuer shall determine the Closing Level using, in lieu of the published level for the Index, the level for the Index as at the Valuation Date as determined by the Issuer in accordance with the formula for and method of calculating the Index last in effect prior to that change or failure, but using only those securities, contracts or commodities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the relevant exchange).

### *2.3 Other Adjustments*

Except as provided in this Product Condition 2 and in General Condition 7 and 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Product Conditions 2.1 and 2.2) occur which it believes in its sole discretion and irrespective of, in substitution for, or in addition to the provisions contemplated in Product Conditions 2.1 and 2.2 should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment:

- (a) is considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or
- (b) is otherwise considered by the Issuer to be appropriate and such adjustment or amendment is approved by the Stock Exchange.

### *2.4 Notice of Determinations*

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 8.

## **3. Language**

A Chinese translation of these Product Conditions will be made available for collection during normal office hours from the Issuer at 10 Des Voeux Road Central, Hong Kong. In the event of any inconsistency between the Chinese translation and the English version of these Product Conditions, the English version of these Product Conditions prevails.

**PART C**  
**PRODUCT CONDITIONS OF CASH SETTLED WARRANTS OVER UNIT TRUSTS**

*These Product Conditions will, together with the General Conditions and supplemental terms and conditions contained in the relevant Supplemental Listing Document, and subject to completion and amendment, be endorsed on the Global Certificate. The relevant Supplemental Listing Document in relation to the issue of any series of Warrants may specify additional terms and conditions which shall, to the extent so specified or to the extent they are inconsistent with these Product Conditions, replace or modify these Product Conditions for the purpose of such series of Warrants.*

**1. Definitions**

For the purposes of these Product Conditions:

“**Average Price**” shall be the arithmetic mean of the closing prices of one Unit (as derived from the daily quotation sheet of the Stock Exchange, subject to any adjustments (as determined by the Issuer in accordance with these Product Conditions) to such closing prices as may be necessary to reflect any rights issue, bonus issue, consolidation or subdivision, restructuring event, cash distribution or the like) for each Valuation Date;

“**Cash Settlement Amount**” means:

(a) In the case of a series of Call Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Average Price} - \text{Exercise Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$$

(b) In the case of a series of Put Warrants:

$$\text{Cash Settlement Amount per Board Lot} = \frac{\text{Entitlement} \times (\text{Exercise Price} - \text{Average Price}) \times \text{one Board Lot}}{\text{Number of Warrants per Entitlement}}$$

For the avoidance of doubt, if the Cash Settlement Amount is a negative figure, it shall be deemed to be zero;

“**Entitlement**” means the number specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with General Condition 13 and/or Product Condition 2;

“**Exercise Price**” means the price specified as such in the relevant Supplemental Listing Document, subject to any adjustment in accordance with General Condition 13 and/or Product Condition 2;

“**General Conditions**” means the general terms and conditions of Structured Products set out in Appendix 1 of the Base Listing Document;

“**Last Valuation Date**” means the Business Day immediately preceding the Expiry Date;

**“Market Disruption Event”** means:

- (a) the occurrence or existence on any Valuation Date during the one-half hour period that ends at the close of trading of any suspension of or limitation imposed on trading (by reason of movements in price exceeding limits permitted by the Stock Exchange or otherwise) on the Stock Exchange in:
  - (i) the Units; or
  - (ii) any options or futures contracts relating to the Units if, in any such case, that such suspension or limitation is, in the determination of the Issuer, material;
- (b) the hoisting of the tropical cyclone warning signal number 8 or above or the issuance of a “BLACK” rainstorm signal by the Hong Kong Observatory on any day which:
  - (i) results in the Stock Exchange being closed for trading for the entire day; or
  - (ii) results in the Stock Exchange being closed prior to its regular time for close of trading for the relevant day (for the avoidance of doubt, in the case when the Stock Exchange is scheduled to open for the morning trading session only, closed prior to its regular time for close of trading for the morning session),

PROVIDED THAT there shall be no Market Disruption Event solely by reason of the Stock Exchange opening for trading later than its regular time for the opening of trading on any day as a result of the tropical cyclone warning signal number 8 or above or the “BLACK” rainstorm signal having been hoisted or issued; or

- (c) a limitation or closure of the Stock Exchange due to any other unforeseen circumstances;

**“Product Conditions”** means these product terms and conditions. These Product Conditions apply to each series of cash settled Warrants over unit trusts;

**“Trust”** means the trust specified as such in the relevant Supplemental Listing Document;

**“Unit”** means the unit specified as such in the relevant Supplemental Listing Document; and

**“Valuation Date”** means each of the five Business Days immediately preceding the Expiry Date, provided that if the Issuer determines, in its sole discretion, that on any Valuation Date a Market Disruption Event has occurred, then that Valuation Date shall be postponed until the first succeeding Business Day on which there is no Market Disruption Event irrespective of whether that postponed Valuation Date would fall on a Business Day that is already or is deemed to be a Valuation Date, provided that if there is a Market Disruption Event on each of the four Business Days immediately following the original Valuation Date that, but for the Market Disruption Event, would have been a Valuation Date, then:

- (a) that fourth Business Day after the original Valuation Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event, and
- (b) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of the bid price that would have prevailed on that fourth Business Day after the original Valuation Date but for the Market Disruption Event.

In the event that a Market Disruption Event has occurred and a Valuation Date is postponed in accordance with these Product Conditions, the closing price of the Units on the first succeeding Business Day will be referenced more than once in the determination of the Cash Settlement Amount, provided that if the postponement of a Valuation Date as aforesaid would result in a Valuation Date falling on or after the Expiry Date, then:

- (i) the Last Valuation Date shall be deemed to be the Valuation Date notwithstanding the Market Disruption Event; and
- (ii) the Issuer shall determine the closing price of the Units on the basis of its good faith estimate of the bid price that would have prevailed on the Last Valuation Date but for the Market Disruption Event.

Other capitalised terms shall, unless otherwise defined herein, have the meaning ascribed to them in the Base Listing Document, the General Conditions, the relevant Supplemental Listing Document or the Global Certificate.

## 2. Adjustments

Adjustments may be made by the Issuer to the number of Units to which the Warrants relate on the basis of the following provisions:

### 2.1 Rights Issues

If and whenever the Trust shall, by way of Rights (as defined below), offer new Units for subscription at a fixed subscription price to the holders of existing Units pro rata to existing holdings (a “**Rights Offer**”), the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement (“**Rights Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{1 + M}{1 + (R/S) \times M}$$

E: Existing Entitlement immediately prior to the Rights Offer

S: Cum-Rights Unit price being the closing price of an existing Unit as derived from the daily quotation sheet of the Stock Exchange on the last Business Day on which the Units are traded on a Cum-Rights basis

R: Subscription price per new Unit specified in the Rights Offer plus an amount equal to any distributions or other benefits foregone to exercise the Right

M: Number of new Unit(s) (whether a whole or a fraction) per existing Unit each holder thereof is entitled to subscribe,

provided that if the above formula would result in an adjustment to the Entitlement which would amount to less than one per cent. of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Rights Issue Adjustment Date.

For the purposes of these Product Conditions:

“**Rights**” means the right(s) attached to each existing Unit or needed to acquire one new Unit (as the case may be) which are given to the holders of existing Units to subscribe at a fixed subscription price for new Units pursuant to the Rights Offer (whether by the exercise of one Right, a part of a Right or an aggregate number of Rights).

## 2.2 *Bonus Issues*

If and whenever the Trust shall make an issue of Units credited as fully paid to the holders of Units generally (other than pursuant to a scrip distribution or similar scheme for the time being operated by the Trust or otherwise in lieu of a cash distribution and without any payment or other consideration being made or given by such holders) (a “**Bonus Issue**”) the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement (“**Bonus Issue Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

Adjustment Component =  $(1 + N)$

E: Existing Entitlement immediately prior to the Bonus Issue

N: Number of additional Units (whether a whole or a fraction) received by a holder of Units for each Units held prior to the Bonus Issue,

provided that if the above formula would result in an adjustment to the Entitlement which would amount to less than one per cent. of the Entitlement immediately prior to the adjustment, then no adjustment will be made. In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Bonus Issue Adjustment Date.

## 2.3 *Subdivisions and Consolidations*

If and whenever the Trust shall subdivide its Units or any class of its outstanding Units into a greater number of units (a “**Subdivision**”) or consolidate the Units or any class of its outstanding Units into a smaller number of units (a “**Consolidation**”), then:

- (a) in the case of a Subdivision, the Entitlement in effect immediately prior thereto will be increased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be decreased in the same ratio as the Subdivision; and
- (b) in the case of a Consolidation, the Entitlement in effect immediately prior thereto will be decreased whereas the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) will be increased in the same ratio as the Consolidation,

in each case on the day on which the Subdivision or Consolidation takes effect.

## 2.4 *Restructuring Events*

If it is announced that the Trust is to or may merge with or into any other trust or consolidate with or into any other trust or corporation (including becoming, by agreement or otherwise, controlled by any person or corporation) (except where the Trust is the surviving entity in a merger) or that it is to, or may, sell or transfer all or substantially all of its assets, the rights attaching to the Warrants may in the absolute discretion of the Issuer be amended no later than

the Business Day preceding the consummation of such merger, consolidation, sale or transfer (each a “**Restructuring Event**”) (as determined by the Issuer in its absolute discretion) so that the Warrants shall, after such Restructuring Event, relate to the number of units of the trust(s) resulting from or surviving such Restructuring Event or other securities (“**Substituted Securities**”) and/or cash offered in substitution for the affected Units, as the case may be, to which the holder of such number of Units to which the Warrants related immediately before such Restructuring Event would have been entitled upon such Restructuring Event, and thereafter the provisions hereof shall apply to such Substituted Securities, provided that any Substituted Securities may, in the absolute discretion of the Issuer, be deemed to be replaced by an amount in Hong Kong dollars equal to the market value or, if no market value is available, fair value, of such Substituted Securities in each case as determined by the Issuer as soon as practicable after such Restructuring Event is effected. For the avoidance of doubt, any remaining Units shall not be affected by this paragraph and, where cash is offered in substitution for Units or is deemed to replace Substituted Securities as described above, references in these Product Conditions to the Units shall include any such cash.

## 2.5 Cash Distribution

No adjustment will be made for an ordinary cash distribution (whether or not it is offered with a script alternative) (“**Ordinary Distribution**”). For any other forms of cash distribution (“**Cash Distribution**”) announced by the Trust, such as a cash bonus, special distribution or extraordinary distribution, no adjustment will be made unless the value of the Cash Distribution accounts for 2 per cent. or more of the Unit’s closing price as derived from the daily quotation sheet of the Stock Exchange on the day of announcement by the Trust.

If and whenever the Trust shall make a Cash Distribution credited as fully paid to the holders of Units generally, the Entitlement shall be adjusted to take effect on the Business Day on which trading in the Units becomes ex-entitlement in respect of the relevant Cash Distribution (“**Cash Distribution Adjustment Date**”) in accordance with the following formula:

Adjusted Entitlement = Adjustment Component x E

Where:

$$\text{Adjustment Component} = \frac{S - OD}{S - OD - CD}$$

E: The existing Entitlement immediately prior to the Cash Distribution

S: The closing price of the Unit as derived from the daily quotation sheet of the Stock Exchange on the Business Day immediately preceding the Cash Distribution Adjustment Date

CD: The amount of Cash Distribution per Unit

OD: The amount of Ordinary Distribution per Unit, provided that the Ordinary Distribution and the Cash Distribution shall have the same ex-entitlement date. For the avoidance of doubt, the OD shall be zero if the ex-entitlement dates of the relevant Ordinary Distribution and Cash Distribution are different

In addition, the Issuer shall adjust the Exercise Price (which shall be rounded to the nearest Hong Kong dollar 0.001) by dividing the Exercise Price by the Adjustment Component. The adjustment to the Exercise Price shall take effect on the Cash Distribution Adjustment Date.

## 2.6 Other Adjustments

Except as provided in Product Conditions 2 and 4 and in General Condition 7 and 13, adjustments will not be made in any other circumstances, subject to the right reserved by the Issuer (such right to be exercised in the Issuer's sole and unfettered discretion and without any obligation whatsoever) to make such adjustments and amendments as it believes appropriate in circumstances where an event or events (including the events as contemplated in Product Conditions 2.1 to 2.5, 4.1 and 4.2) occur which it believes in its sole discretion and irrespective of, in substitution for, or in addition to the provisions contemplated in Product Conditions 2.1 to 2.5, 4.1 and 4.2 should, in the context of the issue of the Warrants and the obligations of the Issuer, give rise to such adjustment or, as the case may be, amendment provided that such adjustment or, as the case may be, amendment is:

- (a) considered by the Issuer not to be materially prejudicial to the Holders generally (without considering the circumstances of any individual Holder or the tax or other consequences of such adjustment in any particular jurisdiction); or
- (b) is otherwise considered by the Issuer to be appropriate and such adjustment or amendment is approved by the Stock Exchange.

## 2.7 Notice of Determinations

All determinations made by the Issuer pursuant hereto will be conclusive and binding on the Holders. The Issuer will give, or procure that there is given, notice as soon as practicable of any adjustment and of the date from which such adjustment is effective by publication in accordance with General Condition 8.

## 3. Termination or Liquidation

In the event of a Termination or the liquidation or dissolution of the trustee of the Trust (including any successor trustee appointed from time to time) ("**Trustee**") (in its capacity as trustee of the Trust) or the appointment of a liquidator, receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, all unexercised Warrants will lapse and shall cease to be valid for any purpose. In the case of a Termination, the unexercised Warrants will lapse and shall cease to be valid on the effective date of the Termination, in the case of a voluntary liquidation, the unexercised Warrants will lapse and shall cease to be valid on the effective date of the relevant resolution and, in the case of an involuntary liquidation or dissolution, the unexercised Warrants will lapse and shall cease to be valid on the date of the relevant court order or, in the case of the appointment of a liquidator or receiver or administrator or analogous person under any applicable law in respect of the whole or substantially the whole of the Trustee's undertaking, property or assets, the unexercised Warrants will lapse and shall cease to be valid on the date when such appointment is effective but subject (in any such case) to any contrary mandatory requirement of law.

For the purpose of this Product Condition 3, "**Termination**" means:

- (a) the Trust is terminated, or the Trustee or the manager of the Trust (including any successor manager appointed from time to time) ("**Manager**") is required to terminate the Trust under the trust deed ("**Trust Deed**") constituting the Trust or applicable law, or the termination of the Trust commences;
- (b) the Trust is held or is conceded by the Trustee or the Manager not to have been constituted or to have been imperfectly constituted;

- (c) the Trustee ceases to be authorised under the Trust to hold the property of the Trust in its name and perform its obligations under the Trust Deed; or
- (d) the Trust ceases to be authorised as an authorised collective investment scheme under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

#### **4. Delisting**

##### *4.1 Adjustments following delisting*

If at any time the Units cease to be listed on the Stock Exchange, the Issuer shall give effect to these Product Conditions in such manner and make such adjustments and amendments to the rights attaching to the Warrants as it shall, in its absolute discretion, consider appropriate to ensure, so far as it is reasonably able to do so, that the interests of the Holders generally are not materially prejudiced as a consequence of such delisting (without considering the circumstances of any individual Holder or the tax or other consequences that may result in any particular jurisdiction).

##### *4.2 Listing on another exchange*

Without prejudice to the generality of Product Condition 4.1, where the Units are, or, upon the delisting, become, listed on any other stock exchange, these Product Conditions may, in the absolute discretion of the Issuer, be amended to the extent necessary to allow for the substitution of that other stock exchange in place of the Stock Exchange and the Issuer may, without the consent of the Holders, make such adjustments to the entitlements of the Holders on exercise (including, if appropriate, by converting foreign currency amounts at prevailing market rates into Hong Kong currency) as may be appropriate in the circumstances.

##### *4.3 Adjustment binding*

The Issuer shall determine, in its absolute discretion, any adjustment or amendment and its determination shall be conclusive and binding on the Holders save in the case of manifest error. Notice of any adjustments or amendments shall be given to the Holders in accordance with General Condition 8 as soon as practicable after they are determined.

#### **5. Language**

A Chinese translation of these Product Conditions will be made available for collection during normal office hours from the Issuer at 10 Des Vieux Road Central, Hong Kong. In the event of any inconsistency between the Chinese translation and the English version of these Product Conditions, the English version of these Product Conditions shall prevail.



### **APPENDIX 3**

#### **AUDITOR'S REPORT AND OUR ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2009**

*This information in this Appendix 3 has been extracted from our Annual Report for the year ended 31 December 2009. References to page numbers on the following pages are to the page numbers of such Annual Report.*

# INDEPENDENT AUDITOR'S REPORT



## TO THE SHAREHOLDERS OF THE BANK OF EAST ASIA, LIMITED

(incorporated in Hong Kong with limited liability)

We have audited the consolidated accounts of The Bank of East Asia, Limited ("the Bank") set out on pages 114 to 246, which comprise the consolidated and the Bank statement of financial position as at 31st December, 2009, and the consolidated income statement, 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 ACCOUNTS

The Directors of the Bank are responsible for the preparation and the true and fair presentation of these accounts 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 the accounts 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 accounts 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 accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the accounts, 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 accounts 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 accounts.

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

## OPINION

In our opinion, the accounts give a true and fair view of the state of affairs of the Bank and of the Group as at 31st 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

Hong Kong, 11th February, 2010

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31st December, 2009 截至2009年12月31日止年度

		Notes 附註	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Interest income	利息收入	4	12,121	17,465
Interest expense	利息支出	5	(5,374)	(10,672)
Net interest income	淨利息收入		6,747	6,793
Fee and commission income	服務費及佣金收入	6	2,799	2,618
Fee and commission expense	服務費及佣金支出		(537)	(473)
Net fee and commission	服務費及佣金淨額		2,262	2,145
Net trading profits/(losses)	交易溢利/(虧損)淨額	7	941	(1,292)
Net result from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具的淨表現	8	(267)	(1,612)
Other operating income	其他經營收入	9	505	423
Non-interest income/(expense)	非利息收入/(支出)		3,441	(336)
Operating income	經營收入		10,188	6,457
Operating expenses	經營支出	10	(6,129)	(5,779)
Operating profit before impairment losses	未扣除減值損失之經營溢利		4,059	678
Impairment losses on loans and advances	貸款及墊款減值損失	11	(1,105)	(558)
Impairment losses on held-to-maturity investments	持至到期投資減值損失	27	(9)	(44)
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(14)	(352)
(Charge for)/Write back of impairment losses on bank premises	行址減值損失(支銷)/回撥	31	(13)	6
Impairment losses	減值損失		(1,141)	(948)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)		2,918	(270)
Net (loss)/profit on sale of held-to-maturity investments	出售持至到期投資之淨(虧損)/溢利		(12)	25
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	12	102	197
Net profit on sale of loans and receivables	出售貸款及應收賬項之淨溢利		2	1
Net loss on sale of subsidiaries/associates	出售附屬公司/聯營公司之淨虧損		-	(8)
Net profit on sale of fixed assets	出售固定資產之淨溢利		16	178
Valuation gains/(losses) on investment properties	重估投資物業盈利/(虧損)	31	206	(168)
Share of profits less losses on associates	應佔聯營公司溢利減虧損		264	53
Profit for the year before taxation	年度內除稅前溢利		3,496	8
Income tax	所得稅	13	(858)	96
Profit for the year after taxation	年度內除稅後溢利		2,638	104
Attributable to:	可歸屬於:			
Owners of the parent	本集團股東		2,565	39
Minority interest	少數股東權益	39	73	65
Profit after taxation	除稅後溢利		2,638	104
Earnings per share	每股盈利		HK\$港幣	HK\$ 港幣
Basic	基本	16	1.36	0.02
Diluted	攤薄	16	1.36	0.02

The notes on pages 122 to 246 form part of these accounts. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 15.

第122至246頁之附註屬本賬項之一部分。有關屬年度內溢利應付予本行股東股息之詳情已詳載於附註15。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

For the year ended 31st December, 2009 截至2009年12月31日止年度

		2009		2008	
		Notes 附註 HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
Net profit	淨溢利		<b>2,638</b>		104
Other comprehensive income/(expense) for the year (after taxation and reclassification adjustments):	年內其他全面收益／(支出)(經除稅及分類調整後):				
Premises:	行址:				
– unrealized surplus on revaluation of premises	– 重估行址所產生的未實現盈餘	38(c)	<b>97</b>		10
– deferred taxes	– 遞延稅項	38(c)	<b>(26)</b>		13
– effect on opening balance resulting from decrease in tax rate	– 因調低稅率對承前結餘的影響		–		(10)
– exchange differences	– 匯兌差額		–		(1)
Available-for-sale investment revaluation reserve:	可供出售投資的重估儲備:				
– fair value changes taken to/(from) equity	– 存入／(來自)股東權益的公平價值變動	38(h)	<b>575</b>		(839)
– fair value changes transferred from/(to) income statement:	– 轉自／(轉入)收益表的公平價值變動:				
– on impairment and amortisation	– 減值及攤銷	38(h)	<b>11</b>		153
– on disposal	– 出售	38(h)	<b>(29)</b>		(115)
– deferred taxes	– 遞延稅項	38(h)	<b>(43)</b>		93
– effect on opening balance resulting from decrease in tax rate	– 因調低稅率對承前結餘的影響		–		5
Share of changes in equity of associates	應佔聯營公司權益的變動	38(i)	<b>17</b>		(22)
Exchange differences on translation of:	因折算產生的匯兌差額:				
– financial statements of overseas branches, subsidiaries and associates	– 海外分行、附屬公司及聯營公司的財務報表	38(f)	<b>163</b>		356
Other comprehensive income/(expense)	其他全面收益／(支出)		<b>765</b>		(357)
Total comprehensive income/(expense)	全面收益／(支出)總額		<b>3,403</b>		(253)
Total comprehensive income/(expense) attributable to:	全面收益／(支出)總額可歸屬於:				
Owners of the parent	本集團股東		<b>3,330</b>		(318)
Minority interest	少數股東權益	39	<b>73</b>		65
			<b>3,403</b>		(253)

The notes on pages 122 to 246 form part of these accounts.

第122至246頁之附註屬本賬項之一部分。

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31st December, 2009 2009年12月31日

		2009		2008		
		Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		
ASSETS	資產					
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	20	29,712		28,105	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	21	67,945		96,574	
Trade bills	貿易票據	22	1,847		1,164	
Trading assets	交易用途資產	23	5,722		3,437	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	24	10,392		4,130	
Advances to customers and other accounts	客戶貸款及其他賬項	25	261,803		243,725	
Available-for-sale financial assets	可供出售金融資產	26	30,883		18,560	
Held-to-maturity investments	持至到期投資	27	7,239		5,006	
Investments in associates	聯營公司投資	29	2,615		2,486	
Fixed assets	固定資產	31	11,467		9,146	
– Investment properties	– 投資物業		2,095		1,839	
– Other property and equipment	– 其他物業及設備		9,372		7,307	
Goodwill and intangible assets	商譽及無形資產	30	4,135		2,734	
Deferred tax assets	遞延稅項資產	33(b)	322		187	
<b>Total Assets</b>	<b>資產總額</b>		<b>434,082</b>		415,254	
EQUITY AND LIABILITIES	股東權益及負債					
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		11,886		27,045	
Deposits from customers	客戶存款		342,528		323,802	
Trading liabilities	交易用途負債	34(a)	1,455		2,846	
Certificates of deposit issued	已發行存款證		2,812		5,491	
– At fair value through profit or loss	– 通過損益以反映公平價值		2,442		3,777	
– At amortised cost	– 攤銷成本		370		1,714	
Current taxation	本期稅項	33(a)	147		333	
Debt securities issued	已發行債務證券		4,346		–	
Deferred tax liabilities	遞延稅項負債	33(b)	520		77	
Other accounts and provisions	其他賬項及準備	34(b)	18,506		12,139	
Loan capital	借貸資本	35	12,359		11,036	
– At fair value through profit or loss	– 通過損益以反映公平價值		7,712		6,395	
– At amortised cost	– 攤銷成本		4,647		4,641	
<b>Total Liabilities</b>	<b>負債總額</b>		<b>394,559</b>		382,769	
Share capital	股本	37	4,623		4,183	
Reserves	儲備	38	30,542		27,963	
<b>Total equity attributable to owners of the parent</b>	<b>歸屬於本集團股東權益總額</b>		<b>35,165</b>		32,146	
Minority interest	少數股東權益	39	4,358		339	
<b>Total Equity</b>	<b>股東權益總額</b>		<b>39,523</b>		32,485	
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>434,082</b>		415,254	

Approved and authorised for issue by the Board of Directors on 11th February, 2010.

董事會於2010年2月11日核准及授權發佈。

Chairman and Chief  
Executive  
Directors

David LI Kwok-po  
WONG Chung-hin  
Allan WONG Chi-yun  
Winston LO Yau-lai

主席  
兼行政總裁  
董事

李國寶  
黃煥顯  
黃子欣  
羅友禮

The notes on pages 122 to 246 form part of these accounts.

第122至246頁之附註屬本賬項之一部分。

# STATEMENT OF FINANCIAL POSITION

## 財務狀況表

As at 31st December, 2009 2009年12月31日

		2009		2008	
		Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	
ASSETS	資產				
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	20	12,527		4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	21	61,894		92,735
Trade bills	貿易票據	22	861		521
Trading assets	交易用途資產	23	3,324		2,914
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	24	10,384		4,114
Advances to customers and other accounts	客戶貸款及其他賬項	25	148,596		138,640
Amounts due from subsidiaries	附屬公司欠款	32(a)	12,719		16,398
Available-for-sale financial assets	可供出售金融資產	26	18,935		10,985
Held-to-maturity investments	持至到期投資	27	4,802		3,318
Investments in subsidiaries	附屬公司投資	28	13,457		11,673
Investments in associates	聯營公司投資	29	1,946		1,984
Fixed assets	固定資產	31	6,220		5,587
– Investment properties	– 投資物業		1,798		1,819
– Other property and equipment	– 其他物業及設備		4,422		3,768
Goodwill and intangible assets	商譽及無形資產	30	1,460		1,460
Deferred tax assets	遞延稅項資產	33(b)	168		38
<b>Total Assets</b>	<b>資產總額</b>		<b>297,293</b>		<b>295,219</b>
EQUITY AND LIABILITIES	股東權益及負債				
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		3,521		1,093
Deposits from customers	客戶存款		237,517		240,029
Trading liabilities	交易用途負債	34(a)	1,235		2,549
Certificates of deposit issued	已發行存款證		5,012		7,691
– At fair value through profit or loss	– 通過損益以反映公平價值		2,442		3,777
– At amortised cost	– 攤銷成本		2,570		3,914
Amounts due to subsidiaries	欠附屬公司款項	32(b)	1,642		1,994
Current taxation	本期稅項	33(a)	18		60
Deferred tax liabilities	遞延稅項負債	33(b)	333		63
Other accounts and provisions	其他賬項及準備	34(b)	3,548		3,479
Loan capital	借貸資本	35	16,275		11,036
– At fair value through profit or loss	– 通過損益以反映公平價值		11,628		6,395
– At amortised cost	– 攤銷成本		4,647		4,641
<b>Total Liabilities</b>	<b>負債總額</b>		<b>269,101</b>		<b>267,994</b>
Share capital	股本	37	4,623		4,183
Reserves	儲備	38	23,569		23,042
<b>Total equity attributable to owners of the Bank</b>	<b>歸屬於本行股東權益總額</b>		<b>28,192</b>		<b>27,225</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>297,293</b>		<b>295,219</b>

Approved and authorised for issue by the Board of Directors on 11th February, 2010.

董事會於2010年2月11日核准及授權發佈。

Chairman and Chief

Executive

Directors

**David LI Kwok-po**  
**WONG Chung-hin**  
**Allan WONG Chi-yun**  
**Winston LO Yau-lai**

主席

兼行政總裁

董事

**李國寶**  
**黃頌顯**  
**黃子欣**  
**羅友禮**

The notes on pages 122 to 246 form part of these accounts.

第122至246頁之附註屬本賬項之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

		Capital reserve –			Revaluation reserve			Capital reserve	General reserve	Other reserves	Retained profits	Total	Minority interest	Total Equity
		Share capital	Share premium	options issued	Exchange revaluation reserve	Investment revaluation reserve	of bank premises							
		資本儲備—	匯兌重估	投資重估	行址重估	資本儲備	一般儲備	其他儲備	留存溢利	總額	少數股東	權益	權益總額	
		已發行權	儲備	儲備	儲備	資本儲備	一般儲備	其他儲備	留存溢利	總額	權益	權益總額		
		股本	股份溢價	認股權	匯兌重估	投資重估	行址重估	資本儲備	一般儲備	其他儲備	留存溢利	總額	少數股東	權益
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
As 1st January, 2009	於2009年 1月1日	4,183	4,922	125	1,006	(228)	863	86	14,634	1,216	5,339	32,146	339	32,485
Changes in equity	權益變動													
Shares issued in lieu of dividend	以股代息 發行的股份	17	(17)	-	-	-	-	-	177	-	-	177	-	177
Capitalisation issue	資本化發行	418	(418)	-	-	-	-	-	-	-	-	-	-	-
Shares issued under Staff Shares Option Schemes	根據權員 認股計劃 發行的股份	5	36	-	-	-	-	-	-	-	-	41	-	41
Equity settled share-based transaction	以股份為 基礎作交易	-	-	71	-	-	-	-	-	-	-	71	-	71
Transfer	轉賬	-	3	(26)	-	-	(6)	-	55	285	(311)	-	-	-
Dividends declared or approved during the year	年度內已宣佈 或核准 派發股息	-	-	-	-	-	-	-	-	-	(600)	(600)	(55)	(655)
Sale of interests in businesses to minority interests investors	出售商業權益予 少數權益 投資者	-	-	-	-	-	-	-	-	-	-	-	132	132
Purchase of interests in businesses from minority interests investors	向少數權益 投資者購入 商業權益	-	-	-	-	-	-	-	-	-	-	-	(10)	(10)
Hybrid Tier 1 note issue	發行混合一級 資本工具	-	-	-	-	-	-	-	-	-	-	-	3,877	3,877
Exchange adjustments	匯兌調整	-	-	-	-	-	-	-	-	-	-	-	2	2
Total comprehensive income for the year	年內全面收益總額	-	-	-	163	514	71	-	-	17	2,565	3,330	73	3,403
At 31st December, 2009	於2009年 12月31日	4,623	4,526	170	1,169	286	928	86	14,866	1,518	6,993	35,165	4,358	39,523

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)**  
**綜合權益變動表 (續)**

		Share capital		Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves	Retained profits	Total	Minority interest	Total Equity
		股本	股份溢價	已發行僱員認股權	匯兌重估儲備	投資重估儲備	行址重估儲備	資本儲備	一般儲備	其他儲備	留存溢利	總額	權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
As 1st January, 2008	於2008年 1月1日	3,936	1,118	68	650	475	866	86	14,004	22	8,874	30,099	347	30,446
Changes in equity	權益變動													
Shares issued in lieu of dividend	以股代息 發行的股份	38	(38)	-	-	-	-	-	597	-	-	597	-	597
Subscription of new shares	認購新股	197	3,745	-	-	-	-	-	-	-	-	3,942	-	3,942
Shares issued under Staff Shares Option Schemes	根據僱員 認股計劃 發行的股份	12	88	-	-	-	-	-	-	-	-	100	-	100
Equity settled share-based transaction	以股份為 基礎作交易	-	-	66	-	-	-	-	-	-	-	66	-	66
Transfer	轉賬	-	9	(9)	-	-	(15)	-	33	1,216	(1,234)	-	-	-
Dividends declared or approved during the year	年度內已宣佈 或核准 派發股息	-	-	-	-	-	-	-	-	-	(2,340)	(2,340)	(7)	(2,347)
Purchase of interests in businesses from minority interests investors	向少數權益 投資者購入 商業權益	-	-	-	-	-	-	-	-	-	-	-	(64)	(64)
Exchange adjustments	匯兌調整	-	-	-	-	-	-	-	-	-	-	-	(2)	(2)
Total comprehensive income/(expense) for the year	年內全面收益/ (支出)總額	-	-	-	356	(703)	12	-	-	(22)	39	(318)	65	(253)
At 31st December, 2008	於2008年 12月31日	4,183	4,922	125	1,006	(228)	863	86	14,634	1,216	5,339	32,146	339	32,485

The notes on pages 122 to 246 form part of these accounts.

第122至246頁之附註屬本賬項之一部分。



# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2009 截至2009年12月31日止年度

	Notes 附註	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
<b>OPERATING ACTIVITIES</b>	<b>經營業務活動</b>		
Profit for the year before taxation	年度內除稅前溢利	3,496	8
Adjustments for:	調整：		
Charge for impairment losses on loans and advances	貸款及墊款減值損失支銷	11 1,105	558
Charge for impairment allowances on held-to-maturity investments, available-for-sale financial assets and associates	持至到期投資、可供出售金融資產和聯營公司的減值準備支銷	23	396
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(264)	(53)
Net loss/(profit) on sale of held-to-maturity investments	出售持至到期投資淨虧損/(溢利)	12	(25)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	(102)	(197)
Net loss on sale of subsidiaries, associates and equities	出售附屬公司、聯營公司及股份淨虧損	-	8
Net profit on sale of fixed assets	出售固定資產之淨溢利	(16)	(178)
Interest expense on loan capital, certificates of deposit and bonds issued	已發行借貸資本、存款證及債券利息支出	641	1,014
Depreciation on fixed assets	固定資產折舊	10,31 512	437
Charge for/(Write back of) impairment loss on bank premises	行址減值損失支銷/(回撥)	13	(6)
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	(46)	(50)
Amortisation of intangible assets	無形資產攤銷	10 13	3
Amortisation of premium/discount on certificates of deposit and loan capital issued	已發行存款證及借貸資本的溢價/折扣攤銷	68	78
Revaluation losses/(gains) on certificates of deposit and loan capital issued	重估已發行存款證及已發行借貸資本虧損/(盈利)	1,236	(2,624)
Valuation (gains)/losses on investment properties	重估投資物業(盈利)/虧損	31 (206)	168
Equity-settled share-based payment expenses	以股份為基礎作支付費用	71	66
<b>OPERATING PROFIT/(LOSS) BEFORE CHANGES IN WORKING CAPITAL</b>	<b>營運資金變動前的經營溢利/(虧損)</b>	<b>6,556</b>	<b>(397)</b>
(Increase)/decrease in operating assets:	經營資產(增)/減額：		
Cash and balances with banks with original maturity beyond three months	原本期限為3個月以上的現金及其他銀行存款的結存	(2,405)	(4,397)
Placements with banks and other financial institutions with original maturity beyond three months	原本期限為3個月以上的銀行及其他金融機構存款	(3,875)	(18,823)
Trade bills	貿易票據	(683)	(352)
Trading assets	交易用途資產	(2,617)	1,410
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	(6,262)	4,525
Advances to customers	客戶貸款	(18,095)	(12,366)
Advances to banks and other financial institutions	銀行及其他金融機構貸款	172	1,158
Held-to-maturity debt securities	持至到期債務證券	(2,056)	5,863
Available-for-sale financial assets	可供出售金融資產	(11,489)	(6,000)
Other accounts and accrued interest	其他賬項及應計利息	(1,219)	(1,323)
Increase/(decrease) in operating liabilities:	經營負債增/(減)額：		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(15,159)	(12,015)
Deposits from customers	客戶存款	18,726	39,616
Trading liabilities	交易用途負債	(1,391)	474
Other accounts and provisions	其他賬項及準備	6,328	1,273
Exchange adjustments	匯兌調整	(114)	362
<b>NET CASH OUTFLOW FROM OPERATIONS</b>	<b>經營活動現金流出淨額</b>	<b>(33,583)</b>	<b>(992)</b>
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(53)	(143)
Overseas profits tax paid	已付海外利得稅	(527)	(383)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>用於經營業務活動之現金淨額</b>	<b>(34,163)</b>	<b>(1,518)</b>

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### 綜合現金流量表(續)

For the year ended 31st December, 2009 截至2009年12月31日止年度

		2009	2008
		Notes 附註 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Dividends received from associates	收取聯營公司股息	190	163
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息	46	50
Purchase of equity securities	購入股份證券	(851)	(444)
Proceeds from sale of equity securities	出售股份證券所得款項	483	512
Purchase of Intangible assets	購入無形資產	(1,380)	(6)
Purchase of fixed assets	購入固定資產 31	(2,561)	(2,557)
Purchase of investment properties	購入投資物業	-	(291)
Proceeds from disposal of fixed assets	出售固定資產所得款項	50	213
Disposal/(Purchase) of shareholding in associates	出售/(購入)聯營公司權益	36	(18)
Proceeds from disposal of associates	出售聯營公司所得款項	-	51
Purchase of subsidiaries	購入附屬公司 43(a)	(43)	(21)
Proceeds from sale of interest in a subsidiary	出售一間附屬公司權益所得款項 43(b)	1	-
Sale of interests in business to minority interest investors	出售商業權益予少數權益投資者	132	-
Purchase of interests in business from minority interest investors	向少數權益投資者購入商業權益	(10)	(64)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>用於投資活動之現金淨額</b>	<b>(3,907)</b>	<b>(2,412)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Ordinary dividends paid	支付普通股股息	(427)	(1,750)
Distribution to Hybrid Tier 1 issue holders	派發予混合一級資本工具持有人	(51)	-
Issue of ordinary share capital	發行普通股股本 37,38(a)	41	100
Issue of Hybrid Tier 1 note	發行混合一級資本工具	3,877	-
Subscription for new shares	認購新股	-	3,942
Issue of certificates of deposit	發行存款證	594	4,656
Issue of debt securities	發行債務證券	4,334	-
Redemption of certificates of deposit issued	贖回已發行存款證	(3,260)	(11,434)
Interest paid on loan capital	支付借貸資本利息	(535)	(708)
Interest paid on certificates of deposit issued	支付已發行存款證利息	(79)	(488)
<b>NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>源自/(用於)融資活動之現金淨額</b>	<b>4,494</b>	<b>(5,682)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目淨減額</b>	<b>(33,576)</b>	<b>(9,612)</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>於1月1日之現金及等同現金項目 43(c)</b>	<b>94,106</b>	<b>103,718</b>
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>於12月31日之現金及等同現金項目 43(c)</b>	<b>60,530</b>	<b>94,106</b>
Cash flows from operating activities included:	源自經營業務活動的現金流量包括:		
Interest received	利息收入	12,671	17,514
Interest paid	利息支出	6,238	10,305
Dividend received	股息收入	78	93

The notes on pages 122 to 246 form part of these accounts.

第122至246頁之附註屬本賬項之一部分。

# NOTES ON THE ACCOUNTS

## 賬項附註

### 1. PRINCIPAL ACTIVITIES 主要業務

The Bank and its subsidiaries (the "Group") are engaged in the provision of banking and related financial services, and business, corporate and investor services.

本行及其附屬公司(「本集團」)的主要業務為提供銀行及有關的金融服務、以及商務、企業及投資者服務。

### 2. SIGNIFICANT ACCOUNTING POLICIES 主要會計政策

#### (a) Statement of Compliance

These accounts 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 accounts also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Bank. Note 3 provides information on the changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these accounts.

#### (b) Basis of Preparation of the Accounts

The accounts for the year ended 31st December, 2009 comprise the Group and the Group's interest in associates.

The measurement basis used in the preparation of the accounts is historical cost 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 (Note 2(f)(ii)); and
- investment properties (Note 2(h)(ii)).

The preparation of accounts 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.

#### (a) 符合指引聲明

本賬項乃按照香港會計師公會頒佈所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，香港一般採用的會計原則及香港《公司條例》而編製。本賬項亦符合《香港聯合交易所有限公司證券上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會頒佈數項新增及經修訂的《香港財務報告準則》，並可於本年度本集團及本行的會計期第一次生效或可被提早採納。附註3提供由初始實施該等準則而令致會計政策變動的資料，而該等資料只涵蓋與本集團有關而需反映在本期及去年會計期內。

#### (b) 賬項編製基準

截至2009年12月31日止年度的賬項包括本集團及其應佔聯營公司之權益。

除以下資產及負債是以公平價值列賬外，本賬項是以原值成本作為計量基準。有關詳情載列於下列會計政策：

- 分類作交易用途、指定通過損益以反映公平價值及可供出售的金融工具(附註2(f)(ii))；及
- 投資物業(附註2(h)(ii))。

按《香港財務報告準則》之要求，在編製賬項時，管理層須作判斷、估計及假設從而影響政策實施及資產和負債、及收入與支出之呈報金額。有關估計及假設乃按在既定情況下可合理地相信，根據過往之經驗及其他因素，作出判斷那些未能從其他來源確定的資產及負債的賬面值。實際結果可能與此等估計不盡相同。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

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.

Details of judgements made by management in the application of HKFRSs that have significant effect on the accounts and major sources of estimation uncertainty are discussed in Note 49.

#### (c) Basis of Consolidation

##### (i) Subsidiaries and minority interests

The consolidated accounts include the accounts of the Bank and all its subsidiaries made up to 31st December each year. 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 presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated accounts 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 accounts. 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 these 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. They are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity, separately from equity attributable to equity holders of the Group. Minority interests in the results of the Group are presented on the face of the consolidated income statement as an allocation of the net profit and total comprehensive income for the year between minority interests and equity holders of the Group.

In the Bank's statement of financial position, its investments in subsidiaries are stated at cost less any impairment losses (Note 2(k)).

##### (ii) Associates

An associate is a company 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.

有關估計及假設須持續檢討。若修訂只影響該修訂期，會計估計的修訂於該修訂期內確認；或如該修訂影響本期及未來會計期，則於修訂期及未來會計期內確認。

在附註49內，管理層已解釋實施對賬項有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

#### (c) 綜合基準

##### (i) 附屬公司及少數股東權益

本綜合賬項包括本行及其所有附屬公司截至各相關年度之12月31日止的賬項。附屬公司為本集團所控制之實體。當本集團有權決定該實體的財務及經營政策從而獲取利益，控制權被確立。在評估控制權時，現存並可行使的潛在投票權已計算在內。

附屬公司之投資由控制權生效日起至控制權失效日止包括在綜合賬項內。在編製綜合賬項時，集團之間的結餘及交易及任何因集團之間交易所產生的未實現溢利均被抵銷。因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

無論是直接或間接透過附屬公司，少數股東權益是指非由本行擁有的應佔附屬公司淨資產的權益部分，而本集團未與該權益持有者達成任何附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。少數股東權益在綜合財務狀況表及綜合股東權益轉變表內的股東權益列示，但與可歸屬於本集團股東權益分開。少數股東權益佔本集團之業績，按分配年度溢利及全面收益總額之形式予少數股東權益與可歸屬於本集團股東權益在綜合收益表賬面列示。

在本行的資產負債表中，附屬公司投資是以成本減除減值損失(附註2(k))列賬。

##### (ii) 聯營公司

聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

An investment in an associate is accounted for in the consolidated accounts under the equity method and 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 (Note 2(j) and 2(k)). The Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

When the Group's share of losses exceeds its interest in the associates, 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.

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

The Bank accounts for the results of associates to the extent of dividends received. Investments in associates are stated at cost less any impairment losses (Note 2(k)).

**(d) Translation of Foreign Currencies**

Transactions in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the balance sheet date. Exchange differences are dealt with in the income statement.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Hong Kong dollars using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in gains less losses from trading securities or financial instruments designated at fair value through profit or loss. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in the income statement. Differences arising on translation of available-for-sale equity instruments are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

聯營公司投資是以權益會計法在綜合賬內入賬。入賬方法是先以成本另按本集團於購入後應佔該聯營公司淨資產之轉變及在附註2(j)和附註2(k)有關投資的減值損失而調整。本集團應佔聯營公司收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔聯營公司收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

除不超出本集團對該聯營公司所作具法律或推定義務或替該公司償付的承擔外，當本集團應佔該聯營公司的虧損超出本集團應佔該聯營公司之權益時，超出的虧損將不被確認，而本集團應佔該聯營公司之權益將被減值至零。因此，本集團應佔該聯營公司權益即按權益會計法計算投資賬面值，及實質上構成本集團應佔該聯營公司淨資產的長期權益。

本集團與聯營公司交易而產生之未實現溢利及虧損，以本集團應佔該聯營公司之權益為限作沖銷。除非有證據顯示未實現虧損屬資產轉讓的減值損失，則須立即於損益賬內確認。

本行按照已收取股息計算應佔聯營公司業績。聯營公司投資是以成本減除任何減值損失(附註2(k))列賬。

**(d) 外幣換算**

外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按結算日的匯率折算為港幣。匯兌差額則計入收益表內。

以原值成本列賬但以外幣為單位的非貨幣性資產及負債按交易日的匯率折算為港幣。以外幣為單位及按公平價值列賬的非貨幣性資產及負債按釐定其公平價值日的匯率折算。

有關通過損益以反映公平價值投資及衍生金融工具的匯兌差額分別包括於交易用途證券淨盈虧或指定通過損益以反映公平價值投資淨盈虧。其他有關貨幣性資產及負債的匯兌差額則於收益表之外幣買賣溢利項下列示。因折算可供出售股份證券而產生的差額則於其他全面收益內確認，並分別累計在股東權益之匯兌儲備內。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

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. Balance sheet items, including goodwill arising on consolidation of foreign operations acquired on or after 1st January, 2005, are translated into Hong Kong dollars at the foreign exchange rates ruling at the balance sheet date. The resulting exchange differences are recognised directly in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of a foreign operation acquired before 1st January, 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On disposal of a foreign enterprise, the cumulative amount of the exchange differences which relate to that foreign enterprise is included in the calculation of the profit or loss on disposal.

#### (e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the income statement as follows:

Interest income for all interest-bearing financial instruments, except those classified as held for trading or designated at fair value through profit or loss, is recognised as interest income in the income statement on an accruals basis using the effective interest method.

The effective interest 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 but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

For impaired loans, the accrual of interest income based on the original terms of the loan is discontinued, but any increase in the present value of impaired loans due to the passage of time is reported as interest income.

Net income from financial instruments designated at 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, together with dividend income attributable to those financial instruments.

Fee and commission income is recognised in the income statement 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 and is accounted for as interest income.

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按結算日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並分別累計在股東權益之匯兌儲備內。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

計算出售海外企業的損益包括截至出售日因該海外企業產生的累計匯兌差額。

#### (e) 收入確認

收入按已收或應收價款的公平價值釐定。假設經濟利益有可能流向本集團及收入和支出(如適用)屬可靠計量的，在收益表內確認收入的方法如下：

除分類為持有作交易或指定通過損益以反映公平價值外，所有帶息金融工具的利息收入按有效利率方法於收益表內以應計基準列作利息收入。

有效利率方法是一種計算攤銷成本及分配利息收入於相關期間的方法。有效利率是可準確將金融工具在預計年期內產生之未來現金支出或收入折算為現值，或在較短期內折算為該金融工具賬面值的利率(如適用)。當計算有效利率時，本集團在估計現金流須考慮金融工具的所有合約條款，但不包括未來信貸損失。有效利率組成部分的計算包括所有合約對手之間的費用及基點支出或收入、交易成本及其他所有溢價或折扣。

就減值貸款而言，根據貸款原本條款計算的應計利息收入終止，但因隨時間過去令致減值貸款之現值增加則列作利息收入。

指定通過損益以反映公平價值金融工具的淨收入及淨交易收入包括所有金融資產及金融負債之公平價值變動產生的盈虧(減除應計利息)，以及應歸屬於該等金融工具的股息收入。

服務費及佣金收入在有關服務提供時確認在收益表內，但如服務費是為彌補持續為客戶提供一項服務的成本或承受風險而收取或費用性質為利息則除外。在此情況下，服務費在成本或風險產生的會計期內列作收入，並按利息收入入賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Origination or commitment fees received/paid by the Group which result in the creation or acquisition of a financial asset are deferred and recognised as an adjustment to the effective interest rate. If the commitment expires without the Group making a loan, the fee is recognised as revenue on a straight-line basis over the commitment period.

Finance income implicit in finance leases is recognised as interest income over the period of the lease so as to produce an approximately constant periodic rate of return of the outstanding net investment in the leases for each accounting period.

Rental income received under operating leases is recognised as other operating income in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives granted are recognised in the income statement as an integral part of the aggregate net lease payments receivable. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

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 is quoted ex-dividend.

## (f) 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 the financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately.

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 is recognised using trade date accounting. From this date, any gains and losses arising from changes in fair value of the financial assets or financial liabilities at fair value through profit or loss are recorded.

因本集團開展或購入金融資產而產生之開立或承擔服務費收入／支出須遞延及確認為有效利率之調整。如承擔期滿而本集團毋須貸款，該服務費按承擔期限以直線法列作收入。

融資租賃隱含財務收入按租賃年期確認為利息收入，以令每個會計年度期間剩餘的淨租賃投資回報大致相同。

除非有更具有代表性的基準衡量從租賃資產獲取利益的模式，其經營租賃之租金收入按該租期所涵蓋的年期以等額分期確認為其他經營收入。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨收款總額的組成部分。或有租金以該收入產生的會計期間列作收入。

非上市投資股息收入在股東收取權被確立時才予以確認。上市投資股息收入則在該投資的股價除息時才被確認。

## (f) 金融工具

## (i) 初始確認

根據購入資產或導致負債之目的，本集團於初始期分類其金融工具為不同種類。種類包括通過損益以反映公平價值、貸款和應收賬款、持至到期投資、可供出售金融資產及其他金融負債。

金融工具於初始期按公平價值計量，而公平價值大致與交易價相同。如金融資產或金融負債不屬於通過損益以反映公平價值，則包括直接歸屬於購入之金融資產或發行金融負債的交易成本。通過損益以反映公平價值的金融資產或金融負債的交易成本立即作費用支銷。

當本集團成為金融工具合約其中一方時確認金融資產和金融負債。以有規律方式購買或出售金融資產按交易日會計法計算。該等按通過損益以反映公平價值列賬的金融資產及金融負債因公平價值變動而產生的盈利及虧損由該日起計算。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (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, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

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. Non-hedging derivatives 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 separation of the embedded derivatives from the financial instrument is not prohibited.

Financial assets and financial liabilities under this category are carried at fair value. Changes in the fair value are included in the income statement 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 the income statement.

##### *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 placements with banks and other financial institutions, trade bills and loans and advances to customers.

#### (ii) 分類

##### *通過損益以反映公平價值*

此類別包括持有作交易用途和初始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，但不包括沒有報價的股份證券投資，及其公平價值是不能夠可靠計量的。

作交易用途的金融工具包括購入金融資產或發行金融負債，主要是作短期出售或屬可辨別金融工具組合的一部分，該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。非對沖衍生工具視作交易工具。

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

- 該資產或負債是按內部公平價值管理、評估及呈報；
- 該指定可抵銷或重大地減低可能產生的會計錯配；
- 該資產或負債包含嵌入衍生工具，而該嵌入衍生工具可重大地改變按合約產生的現金流；或
- 將嵌入衍生工具從金融工具內分開是不被禁止的。

屬於此類別的金融資產及金融負債按公平價值入賬。因公平價值變動產生之未實現盈利和虧損計入在期內發生的收益表。於出售或重購時，出售所得或淨支付款項與賬面值的差額計入收益表。

##### *貸款和應收賬款*

貸款和應收賬款為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)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(c)本集團可能不能收回大部分初始投資，但不包括因信貸變壞的原因，將會分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款及墊款。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

Securities classified as loans and receivables typically comprise securities issued by the same customers with whom the Group has a lending relationship in its wholesale banking business. Investment decisions for credit substitute 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. Additionally the yield and maturity terms are generally directly negotiated by the Group with the issuer. These securities include commercial paper, short term debentures and preference shares issued by the borrower.

Loans and receivables and securities classified as loans and receivables are carried at amortised cost using the effective interest method, less impairment losses, if any (Note 2(k)).

*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 as at fair value through profit or loss or 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 method less impairment losses, if any (Note 2(k)).

*Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are 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 the income statement.

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

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 which are previously recognised in other comprehensive income shall be reclassified from equity to the income statement.

分類為貸款和應收賬款的證券中，較具代表性的包括由客戶發行的證券，而該客戶是本集團在其批發銀行業務中有借貸關係的相同客戶。作出代替信貸之證券的投資決定與貸款的信貸審批程序相同，尤如本集團須承擔等同借款予同一客戶的風險。另外，回報及到期日條款普遍是透過本集團與客戶直接磋商。此類證券包括商業票據、短期債券及由借款人發行的優先股份。

貸款和應收賬款及分類為貸款和應收賬款的證券按有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

*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期限的非衍生金融資產而本集團有明確意向和能力持至到期日，但不包括(a)本集團於初始期已指定為通過損益以反映公平價值或可供出售，及(b)符合貸款和應收賬款之定義。

持至到期投資採用有效利率方法計算攤銷成本並減除任何減值損失入賬(附註2(k))。

*可供出售金融資產*

可供出售金融資產是被指定為可供出售的非衍生金融資產，或並非分類為以上三種類別的金融資產。它包括計劃作不定期限持有的金融資產，但可能因應流動資金之需要或市場環境轉變而出售。

可供出售金融資產按公平價值列賬。除減值損失和貨幣性資產之外匯盈虧(如債務證券)在收益表內確認外，因公平價值的變動所產生的未實現盈虧於其他全面收益內確認，並在股東權益內分開累計。

在活躍市場中沒有市場報價而其公平價值是不能夠可靠計量的股份證券投資，及與之掛勾及在結算時須交出該無報價股份證券的衍生工具，按成本減除任何減值損失(附註2(k))列賬。

當出售可供出售金融資產時，出售盈虧包括出售所得款項淨額與賬面值的差額，以及曾經確認為其他全面收益之累計公平價值調整須由股東權益重新分類而轉入收益表。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 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 method.

#### (iii) Fair value measurement principles

The fair value of financial instruments is based on their quoted market prices at the balance sheet date without any deduction for estimated future selling costs.

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

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

The Group derecognises a financial asset 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.

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

The Group uses the weighted average method to determine realised gains and losses to be recognised in the income statement on derecognition.

#### (v) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only where there is a legally enforceable right to set off 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 the 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. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

When the embedded derivative is separated, the host contract is accounted for in accordance with note (ii) above.

#### 其他金融負債

除作交易用途及通過損益以反映公平價值的金融負債外，金融負債按有效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。

如沒有公眾知悉的最後交易價格或在認可交易所的市場報價，或從經紀/交易員獲得屬於非交易所買賣的金融工具報價，又或該市場並不活躍，此工具的公平價值按估值模式估值，而該估值模式可根據實際市場交易提供可靠的估計價格。

當採用現金流折讓價格模式，估計將來現金流按管理層的最佳估計及採用的貼現率是在結算日適用於相同條款工具的市場利率。當採用其他價格模式時，輸入參數是在結算日的市場價格資料。

#### (iv) 終止確認

當從金融資產獲得現金流的法定權利屆滿或已將重大風險及回報擁有權同時轉移後，本集團終止確認金融資產。

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

#### (v) 抵銷

如具法定權利抵銷確認金額及計劃以淨額結算，或同時變賣資產以清償負債，金融資產和金融負債互相抵銷，而在財務狀況表內以淨額列示。

#### (vi) 嵌入衍生工具

嵌入衍生工具屬於一種混合(結合)式工具的組成部分，該工具包括衍生工具及一主合約，並可改變該結合式工具的現金流，其作用類似一張獨立的衍生工具。當(a)該嵌入衍生工具的經濟特性及風險與主合約並非緊密關連的；及(b)混合(結合)式工具並非按公平價值計量及將公平價值變動於收益表內確認，嵌入衍生工具將與主合約分開並按衍生工具入賬。

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (g) Hedging

## (i) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction and the hedge is effective, the gain or loss on the derivative financial instrument in relation to the hedged risk is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve.

## (ii) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of an existing asset or liability that will give rise to a gain or loss being recognised in the income statement.

The hedging instrument is measured at fair value, with fair value changes recognised in the income statement. The carrying amount of the hedged item is adjusted by the amount of the changes in fair value of hedging instrument attributable to the risk being hedged. This adjustment is recognised in the income statement to offset the effect of the gain or loss on the hedging instrument.

The Group currently does not use hedge accounting.

## (h) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(k)).

When a deficit arises on revaluation, it will be charged to the income statement, to the extent that it exceeds the amount held in the bank premises revaluation reserve in respect of that same asset immediately prior to the revaluation; and when a surplus arises on revaluation, it will be credited to the income statement, to the extent that a deficit on revaluation in respect of that same asset had previously been charged to the income statement.

In preparing these accounts, advantage has been taken of the transitional provisions set out in paragraph 80A of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the balance sheet date.

## (g) 對沖

## (i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生及有法律約束力的預計交易，衍生金融工具產生的盈利和虧損與被對沖風險有關者在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。

## (ii) 公平價值對沖

公平價值對沖用作抵銷現行資產或負債因價格變動產生須在收益表內入賬的盈利和虧損。

對沖工具按公平價值列賬，而公平價值的變動在收益表內入賬。被對沖項目的賬面值按對沖工具所對沖之風險的價格變動予以調整。此調整在收益表內入賬以抵銷對沖工具產生的盈利和虧損。

本集團現行並未採用對沖會計法。

## (h) 物業

- (i) 行址是按成本或董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(k))後於財務狀況表中列賬。

當重估出現虧損時，於收益表支銷的金額，只限於超過以往因重估相同行址而存入行址重估儲備的結餘；當重估出現盈餘時，存入收益表內的金額不可超過以往因重估相同行址曾於收益表支銷的重估虧損。

在編製此等賬項時，由於可採用香港會計師公會頒佈的《香港會計準則》第16號「物業、廠房及設備」第80A段所載的過渡條款，故行址並未在結算日重估至公平價值。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

(ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

Any gain or loss arising from a change in fair value is recognised in the income statement. Rental income from investment property is accounted for as described in Note 2(e).

When a bank property is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the bank property immediately prior to transfer and its fair value is recognised as a revaluation of bank premises as described in Note 2(h)(i).

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

A property interest under an operating lease is classified and accounted for as an investment property when the Group holds it to earn rentals or for capital appreciation or both. Any such property interest under an operating lease classified as an investment property is carried at fair value. Lease payments are accounted for as described in Note 2(l).

(iii) Profit or loss on disposal of bank premises and investment properties is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in the income statement upon disposal. Any surplus that is included in the bank premises revaluation reserve of the related bank premises disposed is transferred to the general reserve.

(ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每年作估值，該公司擁有適當認可專業資格及對估值物業的所在地和類別有近期經驗。公平價值是根據市值，即於估價日由一願意買方及一願意賣方在經過合理推銷的情況下，及在知情的、謹慎的和沒有威迫的情況下雙方同意該物業作公平交易的估計金額。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

因公平價值變動而產生的損益在收益表內入賬。投資物業租金收入按附註2(e)所載計算。

如附註2(h)(i)所載，當一項物業因其用途改變而須轉作投資物業時，該物業於轉賬日前的賬面值與公平價值之差額視作行址重估。

如一投資物業轉為自用，該物業須重新分類為行址。於重新分類日的公平價值視作日後作會計用途的成本值。

本集團以經營租賃方式持有用作租金收入或資本增值或二者皆是的物業權益分類為投資物業。此等以經營租賃方式持有的物業權益按公平價值列賬。租金支出按附註2(l)所載入賬。

(iii) 出售行址及投資物業的損益是以出售所得款項淨額與資產賬面值的差價計算，並在出售時於收益表內入賬。任何有關之重估行址盈餘於出售時從行址重估儲備撥入一般儲備內。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (i) Amortisation and Depreciation

## (i) Bank premises

Freehold land is not amortised. Leasehold land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease. Leasehold land is amortised on a straight line basis over the remaining term of the lease. Buildings are depreciated on a straight line basis at rates calculated to write off the cost or valuation of each building over its estimated useful life of 50 years or the remaining lease period of the land on which it is situated, whichever is the shorter.

Investment properties are not depreciated.

## (ii) Other fixed assets

Other fixed assets are stated in the statement of financial position at cost less accumulated depreciation, which is calculated on a straight line basis to write off the assets over their estimated useful lives from 4 to 20 years.

## (j) 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 each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(k)). In respect of associates, the carrying amount of goodwill is included in the carrying amount of the interest in the associates and the investment as a whole is tested for impairment whenever there is objective evidence of impairment (Note 2(k)).

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 income statement.

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 and loss on disposal.

## (k) Impairment of Assets

At each balance sheet date, the carrying amount of the Group's assets are reviewed to determine whether there is objective evidence of impairment. If internal and external sources of information indicate such evidence exists, the carrying amount is reduced to the estimated recoverable amount and an impairment loss is recognised in the income statement.

## (i) 攤銷及折舊

## (i) 行址

永久業權之土地不予攤銷。用作經營租賃的租賃土地，而其公平價值是不能夠與租賃於初始時已存在之建築物的公平價值分開計量，則當作持有融資租賃入賬。租賃土地以直線法按租賃剩餘年期攤銷。建築物的成本或估值以直線法按其預計使用年限50年或其座落土地剩餘租賃期兩者中的較短期限計算折舊。

投資物業是不予折舊。

## (ii) 其他固定資產

其他固定資產是按成本減累計折舊於財務狀況表中列賬。該等資產是以直線法按照由4年至20年的預計使用年期計算折舊。

## (j) 商譽

商譽即商業合併或投資聯營公司的成本超過本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(k))。在聯營公司方面，商譽的賬面值已包括在聯營公司權益的賬面值內，以及顯示有客觀減值證據時須對該整體投資作減值測試(附註2(k))。

在商業合併或投資聯營公司時，若本集團應佔被收購者的可辨別資產、負債及或有負債的公平淨值高於成本價，超出的金額立即在收益表內入賬。

在年度內出售單一現金生產單位或聯營公司，計算出售溢利時計入任何可歸屬購入商譽的金額。

## (k) 資產減值損失

本集團須於結算日檢討資產的賬面值以判斷是否有客觀減值證據。如對內及對外資料來源均顯示減值證據存在，須減低賬面值至可收回金額，而減值損失於收益表內入賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

#### (i) Loans and receivables

The impairment losses of loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (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 impairment losses consists of two components: individual impairment allowances, and collective impairment allowances.

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

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

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

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

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

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

#### (i) 貸款和應收賬款

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

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

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. 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 asset's original effective interest rate, where the effect of discounting is material.

All significant assets found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Assets that are not individually significant are then collectively assessed for impairment by grouping together financial assets with similar risk characteristics.

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 the income statement. 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.

## (iii) Available-for-sale financial assets

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the fair value reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement 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 the income statement.

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 present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

Impairment losses recognised in the income statement in respect of available-for-sale equity securities are not reversed through the income statement. Any subsequent increase in the fair value of such assets is recognised directly 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 the income statement.

## (ii) 持至到期投資

持至到期投資之減值按個別及整體層面考慮。當折算的效果是重大的，個別減值準備按資產賬面值，及估計未來現金流按資產原本之有效利率折算為現值，以二者之差額計算減值損失。

如所有重大資產毋須作個別減值，則須為已發生而未被發現的減值作整體評估。非個別重大資產按相同風險特性歸類及作整體減值評估。

若在較後期間，減值損失的金額減少而該減少是可客觀地與確認減值損失後發生的事件有關連，減值損失轉回收益表內。減值損失轉回收益表的金額不能超過假設該資產於往年從來未有確認減值損失的賬面值。

## (iii) 可供出售金融資產

當有客觀證據顯示可供出售金融資產已減值，已直接確認在公平價值儲備內的累計虧損會被轉入收益表內。須於損益賬內入賬的累計虧損金額，是購入成本(減除任何本金償還及攤銷)與現時公平價值二者之差額，再減除往年已於收益表內入賬的減值損失。

按成本列賬之無報價可供出售股份證券，當折算的效果是重大的，股份證券的賬面值及估計未來現金流按相同金融資產的現時市場回報率折算為現值，以二者之差額計算減值損失。

已確認於收益表之可供出售股份證券的減值損失是不能轉回收益表。其後該資產之公平價值增加則直接確認在其他全面收益。

而可供出售債務證券之公平價值增加，而該增加是可客觀地與已確認減值損失後發生的事件有關連，減值損失可轉回。在此情況下，轉回減值損失於收益表內入賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

#### (iv) Other assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property and equipment (other than properties carried at revalued amounts);
- investments in subsidiaries and associates;
- goodwill; and
- intangible assets

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, the recoverable amount is estimated annually whether or not there is any indication of impairment.

#### *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 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 generates cash inflows independently (i.e. a cash-generating unit).

#### *Recognition of impairment losses*

An impairment loss is recognised in the income statement 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 the income statement in the year in which the reversals are recognised.

#### (iv) 其他資產

在結算日，須檢討對內及對外資料來源以辨別以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

- 物業及設備(以重估金額列賬的物業除外)；
- 附屬及聯營公司投資；
- 商譽；及
- 無形資產

如任何該等徵兆存在，須估計該資產的可收回金額。此外，商譽須每年估計可收回金額以確定是否有減值徵兆。

#### *可收回金額之計算*

可收回金額是公平價值減出售成本及使用價值二者中之較高者。在評估使用價值時，會採用一項當時市場評估貨幣的時間值及相對於該資產的風險的稅前折扣率將估計未來現金流量折實為現在價值。當某資產未能大部分地獨立於其他資產產生現金流量，其可收回金額取決於可獨立地產生現金流量的最小資產組合(即單一現金生產單位)。

#### *減值損失之確認*

當資產的賬面值或其所屬的現金生產單位超過可收回金額時，須於收益表內確認減值損失。有關確認現金生產單位減值損失時，首先減低分配予現金生產單位(或其單位組別)之賬面值，其後再按比例減低在該單位(或其單位群組)其他資產的賬面值，但該資產的賬面值不可低過其個別公平價值減出售成本或使用價值(如可確定的話)。

#### *減值損失之轉回*

除商譽外的有關資產，如在用來釐定可收回金額的估計發生有利的變化，則減值損失會被轉回。商譽的減值損失不可轉回。

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (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 HKAS34, 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 (Note 2(k)(i) to (iv)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted 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 the income statement.

## (l) Leased Assets

Leases of assets under which the lessee assumes substantially all the risks and benefits of ownership are classified as finance leases. Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

## (i) Assets held under finance leases

The amounts due from lessees in respect of finance leases are recorded in the statement of financial position as advances to customers at the amounts of net investment which represent the total rentals receivable under finance leases less unearned income. Revenue arising from finance leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

## (ii) Assets held for use in operating leases

Where the Group leases out assets under operating leases, the leased assets are included in the statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies, as set out in Note 2(i). Impairment losses are accounted for in accordance with the accounting policy as set out in Note 2(k). Revenue arising from operating leases is recognised in accordance with the Group's revenue recognition policies, as set out in Note 2(e).

## (iii) Operating lease charges

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the income statement in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the income statement as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the income statement in the accounting period in which they are incurred.

## (v) 中期財務報告及減值

根據《香港聯合交易所有限公司上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編制有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(k)(i)至(iv))。

就商譽、可供出售股份證券及無報價的股份證券所確認於中期期間的減值損失，均不能在較後期間轉回。就算假如該減值只在與該中期期間有關之年底作評估而該減值損失是不會發生、或損失之金額會較小，在此情況下亦不可轉回。因此，如可供出售股份證券的公平價值在每年餘下期間、或後期的其他任何期間增加，增加的金額只能在其他全面收益而非收益表內確認。

## (l) 租賃資產

由承租人承擔擁有權的絕大部分相關風險及報酬的資產租賃列為融資租賃。出租人並未轉讓擁有權的所有風險及報酬的資產租賃列為經營租賃。

## (i) 以融資租賃購入的資產

當本行為融資出租人時，按融資租賃而租出資產的投資淨額，即應收租金總額減未賺取收入，在財務狀況表列作客戶貸款。來自融資租賃的收入會根據本行的收入確認政策附註2(e)所載計算。

## (ii) 用作經營租賃的資產

當本集團以經營租賃方式租出資產，該資產根據其性質包括在財務狀況表內，及按附註2(i)所載(如適用者)本集團的折舊會計政策計算折舊。減值損失是根據會計政策附註2(k)所載計算。來自經營租賃的收入是根據本行的收入確認政策附註2(e)所載計算。

## (iii) 經營租賃費用

當本集團使用經營租賃資產，除非有其他更具代表性的基準以衡量從該等經營租賃資產獲得利益的模式，其租賃付款按該租賃期所涵蓋的會計年期以等額分期記入收益表。經營租賃協議所涉及的激勵措施均在收益表中確認為租賃淨付款的組成部分。或有租金在其產生的會計期內在收益表支銷。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (m) Repossession of Assets

In the recovery of impaired loans and advances, the Group may take possession of the collateral assets through court proceedings or voluntary delivery of possession by the borrowers. In accordance with the Group's accounting policy set out in Note 2(k), impairment allowances for impaired loans and advances are maintained after taking into account the net realisable value of the collateral assets, usually resulting in a partial write-off of the loans and advances against impairment allowances. Repossessed assets are reported under other assets if it is highly probable that their carrying amount will be recovered through a sale transaction rather than through continuing use and the assets are available for sale in their present condition. Related loans and advances are then written off.

Repossessed assets are 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 initial classification and on subsequent remeasurement are recognised in the income statement.

#### (n) Income Tax

- (i) 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 the income statement except to the extent that they relate to items recognized 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.
- (ii) 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.
- (iii) 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.

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 deductible 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.

#### (m) 收回資產

在收回減值貸款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品資產。根據本集團附註2(k)所載的會計政策，計算減值貸款之減值準備已顧及抵押品資產之可變現淨值，通常引致須在減值準備內撇銷部分貸款。如大有可能須透過變賣資產而不是持續使用資產，及該資產可在現況下出售，可收回資產視作其他資產列賬。有關貸款隨後撇銷。

收回資產按有關貸款的金額或於轉換日已減除出售成本後之公平價值，按兩者之較低者入賬。收回資產毋須折舊或攤銷。

在初始期分類及後期再計量所引致的減值損失於收益表確認。

#### (n) 所得稅

- (i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。
- (ii) 本期稅項為年度應課稅收入按結算日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。
- (iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅損及稅項抵免。

除了若干有限的例外情況外，所有遞延稅項負債及未來可能有應課稅溢利予以抵銷的遞延稅項資產均予確認。未來有應課稅溢利可支持由可扣稅之暫時性差異引致遞延稅項資產之確認，包括現存之應課稅暫時性差異的轉回，但該等差異須屬於同一稅務機關及應課稅實體，以及預計在同期內該可扣稅之暫時性差異轉回或在若干期限內由該遞延稅項資產產生的稅損可以收回或留存。相同標準應用在判斷現時可扣稅暫時性差異能否支持由未使用的稅損或稅免產生的遞延稅項資產確認，即如果是屬於同一稅務機關及應課稅實體，以及預計在某期間內因該稅損或稅免可使用而轉回時，會計入該等差異。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

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.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

(iv) 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
- 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 current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

在有限例外情況下，不確認遞延稅項資產及負債的暫時性差異包括不可扣稅的商譽、初始時已確認不影響會計及應課稅溢利的資產或負債(須不是商業合併的一部分)、及有關投資附屬公司的暫時性差異，就應課稅差異而言，不超過集團可控制該差異轉回的時間而該差異在可見將來不會轉回；而就可扣稅差異而言，除非該差異在可見將來可以轉回。

確認遞延稅項的金額是根據該資產及負債的賬面值之預期收回及結算的方式，按在結算日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於結算日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。被扣減的遞延稅項資產若於預期將來出現足夠的應課稅溢利時，應予轉回。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。

(iv) 本期稅項與遞延稅項結餘及其變動之金額會分別列示而不會相互抵銷。本行或本集團只有在有合法權利對本期稅項資產及負債抵銷及符合以下附帶條件的情況下，才對本期及遞延稅項資產及負債作出抵銷：

- 就本期稅項資產及負債而言，本行或本集團計劃支付淨額或同時間收回資產及償還負債；或
- 有關的遞延稅項資產及負債屬同一稅務機關對以下機構徵收所得稅而產生：
  - 同一個應課稅實體；或
  - 不同的應課稅實體，並預計在未來期間會結算或收回重大遞延稅項負債或資產，該實體計劃以淨額形式變現本期稅項資產及償還本期稅項負債，或同時間變現及償還。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (o) Insurance Reserves and Provisions for Outstanding Claims

Insurance reserves, except those attributable to long term business, represent the proportion of retained premiums written in the year relating to the period of risk from 1st January in the following year to the subsequent date of expiry of policies which is carried forward as a provision for unearned premiums and calculated on a daily basis.

The insurance reserve for long term business is ascertained by actuarial valuation.

Full provision is made for the estimated cost of claims notified but not settled at the balance sheet date and for the estimated cost of claims incurred but not reported by that date, after deducting the amounts due from reinsurers. Provision has also been made for the estimated cost of servicing claims notified but not settled at the balance sheet date and to meet expenses on claims incurred but not reported at the balance sheet date.

These reserves and provisions are classified as other accounts and provisions.

#### (p) Provisions and Contingent Liabilities

Provisions are recognised for 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, and 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.

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.

#### (q) Employee Benefits

##### (i) Salaries, bonuses and leave benefits

Employee entitlements to salaries, annual bonuses, paid annual leave, leave passage and the cost to the Group of non-monetary benefits are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are recognised when the absences occur.

##### (ii) Performance-related bonus plan

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

#### (o) 保險基金及未付索償準備

不包括長期業務部分，保險基金指年度內收取但已作保留的保金部分，而有關的風險是屬於下年度1月1日至保單到期日為止，該保留保金視作未賺取保費準備並按每日計算。

長期業務的保險基金是按精算估值。

本集團已就在結算日只已通知但未償付以及已發生但未匯報的索償，經扣除了分保人欠款，作出了充足的準備。此外，已就在結算日已通知但未償付的索償及已發生但未匯報索償而引致的估計費用作出了充足的準備。

此等基金及準備分類為其他賬項及準備。

#### (p) 準備及或然負債

當負債的限期或金額不確定，但有可能因過去事項構成法律或推定義務而須付出經濟利益以償責任，並能對此作可靠估計，此負債便確認為準備。當金額的時間值屬重大的，準備金額須按估計清償負債支出的現值列賬。

倘可能不需要付出經濟利益，或不能對金額作可靠估計，除非付出的機會是極微，則此項責任會視作或然負債披露。如潛在義務的存在須視乎會否發生一項或多項未來事件才獲確定，除非付出經濟利益的機會是極微，此潛在義務亦視作或然負債披露。

#### (q) 僱員福利

##### (i) 薪酬、花紅及假期福利

僱員應享有的薪酬、年終花紅、有薪年假、旅行假期及其他同種類之非金錢性質福利於確立時確認。至結算日已撥備因僱員提供服務所享有之年假的估計負債。

僱員應享有的病假及分娩假於發生時確認。

##### (ii) 表現獎勵花紅計劃

因僱員提供服務而本集團有現存法律或推定義務於結算日後12個月內須全數支付表現獎勵花紅計劃的負債，對此並能作可靠估計，便須予以確認為負債。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED) 主要會計政策(續)

## (iii) Retirement benefits

Retirement benefits are provided to eligible staff of the Group. Hong Kong employees enjoy retirement benefits under either the Mandatory Provident Fund Exempted ORSO Scheme ("MPFEOS") or the Mandatory Provident Fund Scheme ("MPFS"). Both are defined contribution schemes. The employer's monthly contributions to both schemes are at a maximum of 10% of each employee's monthly salary.

The pension schemes covering all the Group's PRC and overseas employees are defined contribution schemes at various funding rates, and are in accordance with local practices and regulations.

The cost of all these schemes is charged to the income statement for the period concerned and the assets of all these schemes are held separately from those of the Group. Under the MPFEOS, the employer's contribution is not reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. Under the MPFS, the employer's contribution is reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions.

## (iv) Share based payments

The option exercise price is equal to the higher of:

- the closing price of the Bank's shares in the Stock Exchange's daily quotations sheet on the date of grant of the relevant options;
- an amount equivalent to the average closing price of the Bank's shares as stated in the Stock Exchange's daily quotation sheets for the 5 business days immediately preceding the date of grant of the relevant options; and
- the nominal value of the Bank's shares.

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, 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 those 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 or credited to the income statement for the year of the review unless the original expenses qualify 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 capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

## (iii) 退休福利

本集團為其合資格的員工提供退休福利。香港員工可獲得強積金豁免的職業退休計劃或強制性公積金計劃的保障。此兩個計劃同時是定額供款計劃。僱主對兩項計劃的每月供款，上限是每位僱員月薪的10%。

本集團為所有國內及海外員工而設的退休計劃是定額供款計劃，供款率按當地慣例及規定而制定。

上述所有計劃的成本計算在相關期間的收益表內。所有此類計劃的資產均與本集團的資產分開處理。強積金豁免的退休保障計劃中，僱主的供款不會因某些僱員於未完全享有僱主供款前離開計劃而有所減少。而強制性公積金計劃方面，僱主的供款則會因某些僱員於未完全享有僱主供款前離開計劃而減少。

## (iv) 以股份為基礎作支付

認股權的行使價為以下三者之最高者：

- 於授出認股權當日日本行股份在聯交所日報表的收市價；
- 相等於緊接授出有關認股權當日之前五個營業日，本行股份在聯交所日報表的平均收市價；及
- 本行股份的面值。

當認股權被行使時，所得款項存入股東權益。授予僱員之認股權的公平價值於收益表內確認為支出，而在股東權益賬內的資本儲備作相應的增加。公平價值乃採用三項式期權定價模式，按認股權授予日計算，並顧及授予認股權的條款。當僱員須符合歸屬期條件才可無條件享有該等認股權，估計公平價值總額在歸屬期內攤分入賬，並已考慮認股權歸屬的或然率。

估計可歸屬認股權的數目須在歸屬期內作出檢討。除非原本支出符合資產確認之要求，任何已在往年確認的累積公平價值之所需調整須在檢討期內的收益表支銷或回撥，並在資本儲備作相應調整。在歸屬日，除非因未能符合歸屬條件引致權利喪失純粹與本行股份的市價有關，確認為支出之金額按歸屬認股權的實際數目作調整(並在資本儲備作相應調整)。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The equity amount is recognised in capital reserve until either the option is exercised (when it is transferred to share premium) or the option expires (when it is released directly to retained profits).

屬股東權益金額確認為資本儲備內，直至當認股權被行使時(轉入股份溢價)，或當認股權之有效期屆滿時(轉入留存溢利)。

#### (r) Related Parties

For the purposes of these accounts, 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 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.

#### (s) Segment Reporting

Operating segments, and the amounts of each segment item reported in the accounts, 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.

#### (t) Cash and Cash Equivalents

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

#### (r) 關聯人士

在編製本賬項時，與本集團關聯人士是指：

- (i) 該人士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) 本集團及該人士均受共同控制；
- (iii) 該人士屬本集團的聯營公司；
- (iv) 該人士屬本集團主要管理人員的成員，或屬個人的近親家庭成員，或受該等個人人士控制，或共同控制或重大影響的實體；
- (v) 該人士如屬(i)所指的近親家庭成員或受該等個人人士控制，或共同控制或重大影響的實體；
- (vi) 屬提供福利予本集團或與本集團關聯的實體的僱員離職後福利計劃。

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

#### (s) 分部報告

營運分部，及在賬項列報的每一分部項目金額，是從財務資料中辨識出來的，並定期地提供予本集團的最高行政管理層作為資源分配，以及評核本集團各業務部份和區域所在地的表現。

除非分部有相同經濟特性及在產品和服務之性質、生產程序之性質、客戶類別和等級、用作銷售產品和提供服務之方法、及監管環境之性質是相同的，個別重大的營運分部不會在財務報表內合計。如它們擁有以上大部份的標準，並非個別重大的營運分部可能會被合計。

#### (t) 現金及等同現金項目

就編製現金流量表而言，現金及等同現金項目包括由購入日起少於3個月到期的結餘，包括現金、銀行及其他金融機構結餘、國庫債券，及其他受較低風險影響價值及隨時可轉換成預知金額的合格票據及存款證。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES 會計政策之變動

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 accounts:

- HKFRS 8 Operating segments
- HKAS 1 (revised 2007) Presentation of financial statements
- Amendments to HKFRS 7 Financial instruments: Disclosures – improving disclosures about financial instruments
- 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 2 Share-based payment – vesting conditions and cancellations
- HK(IFRIC) 13 Customer loyalty programmes

The amendments to HKFRS 2 has had no material impact on the Group's accounts as the amendments and interpretations 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 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, and has resulted in additional reportable segments being identified and presented (see Note 19). Corresponding amounts have been provided on a basis consistent with the revised segment information.

香港會計師公會頒佈一項新增的《香港財務報告準則》，並對《香港財務報告準則》作出了若干修訂及予以新的詮釋，此等變動在本年度集團及本行的會計期首次生效。下列為當中對本集團財務報表相關之最新發展：

- 《香港財務報告準則》第8號「經營業務分部」
- 《香港會計準則》第1號(2007年修訂)「財務報表之呈報」
- 修訂《香港財務報告準則》第7號「金融工具：披露－改善有關金融工具之披露」
- 提升《香港財務報告準則》(2008)
- 修訂《香港會計準則》第27號「綜合及獨立之財務報表－有關附屬公司、聯合控制之實體或聯營公司之投資成本」
- 修訂《香港財務報告準則》第2號「以股份作支付－授予條件及註銷」
- 香港(國際財務報告詮釋委員會)詮釋第13條「客戶忠誠獎賞計劃」

由於《香港財務報告準則》第2號之修訂及詮釋與本集團已採納的會計政策一致，因此有關修訂對集團之財務報表並無重大影響。惟其餘之最新發展，其影響如下：

- 《香港財務報告準則》第8號規定，分部披露須根據本集團主要業務決策人認為及管理的方式而行；而每個可匯報分部之金額，即為向本集團主要業務決策人報告所用之方法，以此評估分部之表現，並就經營業務事宜作出決策。此規定與本集團一向採用以產品及服務分部，和以地域分部列示的財務報表方式有異。故此，採納《香港財務報告準則》第8條以列示分部資料，能夠與本集團內部報告至最高級管理層的方式更為一致，同時也因此會新增若干額外須予識別及列示的可匯報分部(見附註19)。相應的有關金額已按照與修訂分部資料一致的基礎而載列。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

- As a result of the adoption of HKAS 1 (revised 2007), details of changes in equity during the period arising from transactions with equity shareholders 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 are presented in the consolidated income statement, if they are recognised as part of profit or loss for the period, or otherwise in a new primary statement, the consolidated statement of comprehensive income. 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.
  - As a result of the adoption of the amendments to HKFRS 7, the accounts include expanded disclosures in Note 41 about the fair value measurement of the Group's financial instruments, categorising 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 "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 are not considered to be material to the Group, except for the following, which result in changes to the Group's accounting policies:

    - As a result of amendments to HKAS 28, Investments in associates, impairment losses recognised in respect of the associates carried under the equity method are no longer allocated to the goodwill inherent in that carrying value. As a result, when there has been a favourable change in the estimates used to determine the recoverable amount, the impairment loss will be reversed. Previously, the Group allocated impairment losses to goodwill and, in accordance with the accounting policy for goodwill, did not consider the loss to be reversible. In accordance with the transitional provisions in the amendment, this new policy will be applied prospectively to any impairment losses that arise in the current or future periods and previous periods have not been restated.
- 由於採用《香港會計準則》第1號(2007年修訂)，期內因與權益股東交易而產生的權益變動詳情，已經與所有其他收入及支出項目分開，並在經修訂的綜合權益變動報表中列示。而其他收入及支出項目，倘被確認為期內的損益項目，則在綜合收益表中載列，否則會於另設的主要報表—綜合全面收益表中列示。相應的有關金額已按照新的列示方式而重報。此一列示方式的變動，對任何過去報告期間之已報告損益、收入及支出總額或淨資產並無任何影響。
  - 由於採用修訂《香港財務報告準則》第7號，賬項必須包括更多披露，即在附註41中所載有關計算本集團金融工具的公平價值。這主要是根據須觀察市場資料的不同程度，用以計算公平價值而將之分為3個級別。本集團使用了修訂《香港財務報告準則》第7號所給予的過渡性規定，即毋須就新設的披露規定而提供金融工具公平價值計算的比較資料。
  - 提升《香港財務報告準則》(2008)包含了香港會計師公會就多項《香港財務報告準則》頒佈之若干輕微而非緊急的總括性修訂。除下列者會對本集團的會計政策有所變動外，其餘修訂對本集團並無重大影響：

    - 修訂《香港會計準則》第28號「聯營公司投資」有關對聯營公司使用權益法入賬及確認的減值損失，毋須再以該賬面值計入商譽中。因此，當用以釐定可回收金額的估計發生一些有利的變化時，減值損失即會回撥。以往，本集團會將減值損失分配至商譽中，而根據有關商譽的會計政策，集團並不認為此等減值損失可予回撥。根據是次修訂的過渡性規定，此一新政策將會可能被應用於目前或未來會計期間產生的減值損失，惟以往的會計期產生之減值損失則未有被重報。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 3. CHANGES IN ACCOUNTING POLICIES (CONTINUED) 會計政策之變動(續)

- 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 1st January, 2009, all dividends receivable from subsidiaries and associates, whether out of pre- or post-acquisitions 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.
- HK(IFRIC) 13 addresses how reporting entities that grant their customers loyalty award credits when buying goods or services should account for their obligation to provide free or discounted goods and services, if and when the customers redeem these credits. HK(IFRIC) 13 requires reporting entities to allocate some of the proceeds of the initial sales to the award credits and recognise these proceeds as revenue when they have fulfilled their obligations to provide goods or services. The effect of the adoption of HK(IFRIC) 13 was not considered to be material for the Group and therefore, the prior year figures have not been restated.
- 以往，就要求收購前利潤所得的股息，必須確認為從被投資對象的投資賬面值中減除，而非視作收入的有關規定，由於《香港會計準則》第27號的修訂，上述規定已被刪除。因此，自2009年1月1日起，所有從附屬公司及聯營公司的應收股息，不論是源自收購前利潤，或收購後利潤所得者，會直接確認為本行的損益，同時，被投資對象的投資賬面值也不會減少，除非該賬面值會因被投資對象宣佈派息的緣故而被評估為須予減值。倘發生此等情況，除了會確認有關股息為損益外，本行也會確認為減值損失。根據是次修定的過渡性規定，此一新政策將會可能被應用於目前或未來的會計期間的任何相關應收股息，惟以往的會計期之應收股息則未有被重報。
- 香港(國際財務報告詮釋委員會)第13條詮釋，針對申報的實體為酬謝其客戶在購買該公司的產品或服務而給予忠誠獎賞後，當其客戶行使有關的獎賞時，公司為履行承諾而提供免費或折扣產品及服務時應如何入賬的問題。有關詮釋規定申報的實體在初始的銷售收益中，須撥出部分至獎賞計劃，並當其在完成履行提供產品及服務之承諾時，確認該等收益為收入。採納此香港(國際財務報告詮釋委員會)第13條詮釋，對本集團並不構成重大影響，因此，去年的數字並未予以重報。

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

4. INTEREST INCOME 利息收入

		2009	2008
		HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Listed securities classified as held-to-maturity or available-for-sale	分類為持至到期或可供出售的上市證券	264	261
Trading assets	交易用途資產		
– listed	– 上市	13	2
– unlisted	– 非上市	28	8
Interest rate swaps	利率掉期合約	959	917
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值金融資產		
– listed	– 上市	206	128
– unlisted	– 非上市	81	310
Loans, deposits with banks and financial institutions, trade bills, and other unlisted securities that are not at fair value through profit or loss	非按通過損益以反映公平價值列賬的貸款、在銀行和其他金融機構的存款、貿易票據、及其他非上市證券	10,570	15,839
Total interest income	利息收入總額	12,121	17,465

Included above is interest income accrued on impaired financial assets of HK\$79 million (2008: HK\$73 million) which includes interest income on effect of discounting of HK\$40 million (2008: HK\$12 million) (Note 25(b)) for the year ended 31st December, 2009.

以上包括截至2009年12月31日止年度減值金融資產的應計利息港幣79,000,000元(2008年:港幣73,000,000元),其中包括計算折扣影響的利息收入港幣40,000,000元(2008年:港幣12,000,000元)(附註25(b))。

5. INTEREST EXPENSE 利息支出

		2009	2008
		HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Customer deposits, deposits of banks and other financial institutions and certificates of deposit issued which are stated at amortised cost	按攤銷成本列賬的客戶存款、銀行及其他金融機構的存款及已發行存款證	3,650	8,696
Debt securities issued	已發行債務證券	61	–
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	68	184
Interest rate swaps	利率掉期合約	1,015	1,062
Financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具	566	725
Other borrowings	其他借款	14	5
Total interest expense	利息支出總額	5,374	10,672

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 6. FEE AND COMMISSION INCOME 服務費及佣金收入

Fee and commission income arises from the following services:

源自下列服務的服務費及佣金收入：

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Corporate services	企業服務	806	818
Credit cards	信用卡	554	462
Loans, overdrafts and guarantees	貸款、透支及擔保	444	382
Securities and brokerage	證券及經紀	320	255
Other retail banking services	其他零售銀行服務	193	187
Trade finance	貿易融資	141	160
Trust and other fiduciary activities	信託及其他代理業務	79	102
Others	其他	262	252
<b>Total fee and commission income</b>	<b>服務費及佣金收入總額</b>	<b>2,799</b>	2,618
of which:	其中：		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value	由非持作交易用途或指定以公平價值列賬之金融資產或負債所產生之淨服務費收入(不包括用作計算有效利率之金額)	2,214	2,134
Fee income	服務費收入	2,680	2,528
Fee expenses	服務費支出	(466)	(394)

## 7. NET TRADING PROFITS/(LOSSES) 交易溢利/(虧損)淨額

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit on dealing in foreign currencies	外幣買賣溢利	140	316
Profit/(Loss) on trading securities	交易用途證券溢利/(虧損)	616	(618)
Net gain/(loss) on derivatives	衍生工具淨溢利/(虧損)	153	(1,032)
Loss on other dealing activities	其他買賣活動虧損	-	(1)
Dividend income from listed trading securities	交易用途上市證券股息收入	32	43
<b>Total net trading profits/(losses)</b>	<b>淨交易溢利/(虧損)總額</b>	<b>941</b>	(1,292)

## 8. NET RESULT FROM FINANCIAL INSTRUMENTS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS 指定為通過損益以反映公平價值金融工具的淨表現

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Revaluation and disposal loss on Collateralised Debt Obligations	重估及出售債務抵押證券虧損	-	(3,549)
Revaluation (loss)/gain on debts issued	重估已發行債務(虧損)/盈利	(1,236)	2,624
Net (loss)/profit on sale of other financial assets designated at fair value through profit or loss	出售其他指定為通過損益以反映公平價值金融資產的淨(虧損)/溢利	(42)	3
Revaluation gain/(loss) on other financial assets designated at fair value through profit or loss	重估其他指定為通過損益以反映公平價值金融資產的盈利/(虧損)	1,011	(690)
<b>Total net result from financial instruments designated at fair value through profit or loss</b>	<b>指定為通過損益以反映公平價值金融工具的淨表現總額</b>	<b>(267)</b>	(1,612)

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

9. OTHER OPERATING INCOME 其他經營收入

		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入		
– listed	– 上市	21	20
– unlisted	– 非上市	25	30
Rental from safe deposit boxes	保險箱租金收入	82	87
Net revenue from insurance activities	保險業務淨收入	180	99
Rental income on properties	物業租金收入	92	90
Others	其他	105	97
Total other operating income	其他經營收入總額	505	423

10. OPERATING EXPENSES 經營支出

		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Contributions to defined contribution plan*	定額供款公積金供款*	193	225
Equity-settled share-based payment expenses	以股份為基礎作支付的費用	71	66
Salaries and other staff costs	薪金及其他員工成本	2,905	2,689
Total staff costs	員工成本總額	3,169	2,980
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	458	378
– Maintenance, repairs and others	– 保養、維修及其他	447	445
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	905	823
Depreciation on fixed assets (Note 31)	固定資產折舊(附註31)	512	437
Amortisation of intangible assets (Note 30(b))	無形資產攤銷(附註30(b))	13	3
Other operating expenses	其他經營支出		
– Stamp duty, overseas and PRC** business taxes, and value added taxes	– 印花稅、海外及中華人民共和國營業稅、及增值稅	304	373
– Communications, stationery and printing	– 通訊、文具及印刷	272	274
– Legal and professional fees	– 法律及專業服務費	190	193
– Advertising expenses	– 廣告費	179	287
– Business promotions and business travel	– 業務推廣及商務旅遊	114	97
– Card related expenses	– 有關信用卡支出	91	72
– Insurance expenses	– 保險費	46	43
– Donations	– 捐款	13	9
– Audit fee	– 核數師酬金	9	8
– Administration expenses of corporate services	– 企業服務的行政費	8	7
– Membership fees	– 會員費	8	7
– Bank charges	– 銀行收費	6	7
– Bank licence	– 銀行牌照費	4	4
– Others	– 其他	286	155
Total other operating expenses	其他經營支出總額	1,530	1,536
Total operating expenses***	經營支出總額***	6,129	5,779

\* Forfeited contributions totalling HK\$4 million (2008: HK\$10 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2008: Nil).

\*\* PRC denotes the People's Republic of China.

\*\*\* Included in operating expenses are direct operating expenses of HK\$37 million (2008: HK\$19 million) in respect of investment properties which generated rental income during the year.

\* 年內沒收之供款共港幣4,000,000元(2008年:港幣10,000,000元)已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款(2008年:無)。

\*\*\* 年度內經營支出包括有租金收益的投資物業直接引起的經營支出金額為港幣37,000,000元(2008年:港幣19,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 11. IMPAIRMENT LOSSES ON LOANS AND ADVANCES 貸款及墊款減值損失

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net charge for impairment losses on loans and advances	貸款及墊款減值損失支銷淨額		
Individual impairment loss	個別減值損失		
– new provisions (Note 25(b))	– 新撥備(附註25(b))	827	596
– releases (Note 25(b))	– 回撥(附註25(b))	(75)	(81)
– recoveries (Note 25(b))	– 收回(附註25(b))	(66)	(140)
		686	375
Collective impairment loss	整體減值損失		
– new provisions (Note 25(b))	– 新撥備(附註25(b))	419	183
– releases (Note 25(b))	– 回撥(附註25(b))	–	–
Net charge to income statement	於收益表支銷淨額	1,105	558

12. NET PROFIT ON SALE OF AVAILABLE-FOR-SALE FINANCIAL ASSETS  
出售可供出售金融資產之淨溢利

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net revaluation gain transferred from reserves (Note 38(h))	由儲備轉撥的重估盈利淨額 (附註38(h))	29	115
Profit arising in current year	年度內產生的溢利	73	82
		102	197

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

13. INCOME TAX 所得稅

(a) Taxation in the consolidated income statement represents:

(a) 綜合收益表內的稅項指：

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Current tax – provision for Hong Kong profits tax (Note 33(a))	本期稅項 – 香港利得稅準備 (附註33(a))	73	64
Current tax – overseas	本期稅項 – 海外		
Tax for the year	本年度稅項	479	601
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(25)	(35)
		454	566
Deferred tax (Note 33(b))	遞延稅項 (附註33(b))		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	297	(712)
Movements in the value of investment properties	投資物業價值的變動	34	(14)
		331	(726)
		858	(96)

The provision for Hong Kong profits tax is calculated at 16.5% (2008: 16.5%) of the estimated assessable profits for the year.

香港利得稅稅款是以年度預計應課稅溢利按稅率16.5%(2008年：16.5%)計算。

Taxation for overseas branches and subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 13. INCOME TAX (CONTINUED) 所得稅(續)

(b) Reconciliation between tax expense/(credit) and accounting profit at applicable tax rates:

(b) 稅項支出／(抵免)與會計溢利按適用稅率計算稅項的對賬：

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	3,496	8
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	根據相關國家適用之利得稅稅率按除稅前溢利計算的名義稅款	661	149
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	339	389
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(115)	(607)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	10	32
Recognition of deferred tax assets on prior year tax losses	往年稅損確認為遞延稅項資產	(14)	(14)
Effect on opening deferred tax balances resulting from a decrease in tax rate during the year	因本年度調低稅率對遞延稅項承前結餘的影響	-	(22)
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(25)	(35)
Tax benefits derived from leasing partnerships	源自合夥租賃的稅項利益	(12)	(6)
Others	其他	14	18
Actual tax expense/(credit)	實際稅項支出／(抵免)	858	(96)

## 14. PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE PARENT

## 可歸屬於本集團股東溢利／(虧損)

The consolidated profit/(loss) attributable to owners of the parent includes a profit/(loss) of HK\$995 million (2008: (HK\$882) million) which has been dealt with in the accounts of the Bank.

可歸屬於本集團股東綜合溢利／(虧損)包括已計入本行賬項內的溢利／(虧損)港幣995,000,000元(2008年：(港幣882,000,000元))。

Reconciliation of the above amount to the Bank's profit/(loss) for the year

本行年度內溢利／(虧損)與上述金額之對賬

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Amount of consolidated profit/(loss) attributable to equity holders dealt with in the Bank's accounts	已計入本行賬項之可歸屬於本集團股東綜合溢利／(虧損)	974	(924)
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year and general reserves, approved and paid during the year	來自往年度附屬公司及聯營公司溢利及一般儲備之末期股息，並在年度內核准及派發	21	42
Bank's profit/(loss) for the year	本行年度內溢利／(虧損)	995	(882)

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## 15. DIVIDENDS 股息

## (a) Dividends attributable to the year

## (a) 應屬本年度股息

		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.28 per share on 1,842 million shares (2008: HK\$0.23 per share on 1,671 million shares or HK\$0.21 per share on 1,838 million shares after adjusting for the bonus issue in 2009) (Note 38(j))	已宣佈及支付予1,842,000,000股之中期股息每股港幣0.28元(2008年:1,671,000,000股每股港幣0.23元或經調整2009年的紅股後之1,838,000,000股每股港幣0.21元)(附註38(j))	516	384
Final dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the balance sheet date and before the close of the Register of Members of the Bank, of HK\$0.02 per share (2008: HK\$1.18 per share or HK\$1.07 per share after adjusting for the bonus issue in 2009)	已支付在結算日後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.02元的末期股息(2008年:每股港幣1.18元或經調整2009年的紅股後為每股港幣1.07元)	-	98
Final dividend proposed after the balance sheet date of HK\$0.48 per share on 2,016 million shares (2008: HK\$0.02 per share on 1,673 million shares or HK\$0.02 per share on 1,841 million shares after adjusting for the bonus issue in 2009)	擬於結算日期後派發末期股息予2,016,000,000股每股港幣0.48元(2008年:1,673,000,000股每股港幣0.02元或經調整2009年的紅股後之1,841,000,000股每股港幣0.02元)	968	33
		<b>1,484</b>	<b>515</b>

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

在結算日，該於結算日期後擬派發之末期股息並未確認為負債。

## (b) Dividends attributable to the previous financial year, approved and paid during the year

## (b) 於年度核准及支付屬上年度股息

		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Final dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.02 per share on 1,673 million shares or HK\$0.02 per share on 1,841 million shares after adjusting for the bonus issue in 2009 (2008: HK\$1.18 per share on 1,574 million shares or HK\$1.07 per share on 1,732 million shares after adjusting for the bonus issue in 2009)	於年度核准及支付予1,673,000,000股每股港幣0.02元，或經調整2009年的紅股後之1,841,000,000股每股港幣0.02元的上年度末期股息(2008年:1,574,000,000股每股港幣1.18元或經調整2009年的紅股後之1,732,000,000股每股港幣1.07元)	33	1,858

## (c) Distribution to holders of Hybrid Tier 1 capital instruments

## (c) 派發予混合一級資本工具持有人

		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Interest payable on the Hybrid Tier 1 capital instruments, the details of which are disclosed in Note 35	應付予混合一級資本工具持有人的利息，詳情已在附註35內披露	51	-



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 16. EARNINGS PER SHARE 每股盈利

## (a) Basic earnings per share

The calculation of basic earnings per share is based on earnings of HK\$2,514 million (2008: HK\$39 million) after the distribution of HK\$51 million (2008: Nil) to Hybrid Tier 1 issue holders and on the weighted average of 1,843 million (2008: 1,833 million after adjusting for the bonus issue in 2009) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

		2009 Number of Shares 股份數目 million 百萬	2008 Number of Shares 股份數目 million 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	1,841	1,732
Effect of share options exercised and shares issued in lieu of dividends	已行使認股權及以股代息發行新股的影響	2	101
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	1,843	1,833

## (b) Diluted earnings per share

The calculation of diluted earnings per share is based on earnings of HK\$2,514 million (2008: HK\$39 million) after the distribution of HK\$51 million (2008: Nil) to Hybrid Tier 1 issue holders and on 1,844 million (2008: 1,837 million after adjusting for the bonus issue in 2009) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

		2009 Number of Shares 股份數目 million 百萬	2008 Number of Shares 股份數目 million 百萬
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	1,843	1,833
Effect of deemed issue of ordinary shares under the Bank's share option scheme for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	1	4
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	1,844	1,837

## (a) 每股基本盈利

每股基本盈利乃按照已派發予混合一級資本工具持有人港幣51,000,000元(2008年:無)後之溢利港幣2,514,000,000元(2008年:港幣39,000,000元)及年度內已發行普通股份的加權平均數1,843,000,000股(2008年:經調整2009年的紅股後之1,833,000,000股)計算之方法如下:

普通股份的加權平均數

## (b) 每股攤薄盈利

每股攤薄盈利乃按照已派發予混合一級資本工具持有人港幣51,000,000元(2008年:無)後之溢利港幣2,514,000,000元(2008年:港幣39,000,000元)及就所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數1,844,000,000股(2008年:經調整2009年的紅股後之1,837,000,000股)計算。

普通股份的加權平均數(攤薄)

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

17. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

根據香港《公司條例》第161條規定公佈董事酬金如下：

		Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2009 Total	
	Directors' fees	薪金、津貼及 實物收益	酌情花紅	認股權	退休計劃供款	總額	
	袍金	實物收益	酌情花紅	認股權	退休計劃供款	總額	
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	
<b>Chairman and Chief Executive</b>	<b>主席兼行政總裁</b>						
Dr. The Hon. Sir David Li Kwok-po	李國寶爵士	0.3	8.4	25.4	23.0	0.5	57.6
<b>Executive Director</b>	<b>執行董事</b>						
Mr. Joseph PANG Yuk-wing *	彭玉榮先生 *	-	1.0	-	4.5	-	5.5
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Prof. Arthur Li Kwok-cheung	李國章教授	0.2	-	-	-	-	0.2
Mr. Aubrey Li Kwok-sing	李國星先生	0.3	-	-	-	-	0.3
Dr. William MONG Man-wai	蒙民偉博士	0.2	-	-	-	-	0.2
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	0.2	-	-	-	-	0.2
Mr. Richard Li Tzar-kai	李澤楷先生	0.2	-	-	-	-	0.2
Mr. Eric Li Fook-chuen	李福全先生	0.3	-	-	-	-	0.3
Mr. Stephen Charles Li Kwok-sze	李國仕先生	0.2	-	-	-	-	0.2
Dr. Isidro Fainé Casas	范禮賢博士	0.1	-	-	-	-	0.1
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>						
Dr. Allan WONG Chi-yun	黃子欣博士	0.3	-	-	-	-	0.3
Mr. WONG Chung-hin	黃頌顯先生	0.3	-	-	-	-	0.3
Dr. LEE Chau-kee	李兆基博士	0.2	-	-	-	-	0.2
Mr. Winston LO Yau-lai	羅友禮先生	0.3	-	-	-	-	0.3
Mr. Thomas KWOK Ping-kwong	郭炳江先生	0.2	-	-	-	-	0.2
Mr. Kenneth LO Chin-ming	駱錦明先生	0.3	-	-	-	-	0.3
Mr. William Doo Wai-hoi	杜惠愷先生	0.3	-	-	-	-	0.3
Mr. Kuok Khooon-ean	郭孔演先生	0.3	-	-	-	-	0.3
Mr. Valiant CHEUNG Kin-piu	張建標先生	0.3	-	-	-	-	0.3
		4.5	9.4	25.4	27.5	0.5	67.3

\* The remuneration of Mr. Joseph Pang Yuk-wing is only for his service being an Executive Director from 1st January, 2009 to 15th April, 2009 (including the fair value of share option).

\* 彭玉榮先生的酬金只計算他在2009年1月1日至2009年4月15日期間履行執行董事之職務(包括認股權的公平價值)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 17. DIRECTORS' REMUNERATION (CONTINUED) 董事酬金(續)

	Directors' fees	Salaries, allowance and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2008 Total
	袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Chairman and Chief Executive</b> 主席兼行政總裁						
Dr. The Hon. Sir David Li Kwok-po 李國寶爵士	0.3	8.3	–	24.1	0.8	33.5
<b>Executive Director</b> 執行董事						
Mr. Joseph PANG Yuk-wing 彭玉榮先生	0.2	3.6	–	12.0	0.3	16.1
<b>Non-executive Directors</b> 非執行董事						
Dr. Li Fook-wo 李福和博士	–	–	–	–	–	–
Mr. Aubrey Li Kwok-sing 李國星先生	0.3	–	–	–	–	0.3
Dr. William MONG Man-wai 蒙民偉博士	0.2	–	–	–	–	0.2
Tan Sri Dr. KHOO Kay-peng 丹斯里邱繼炳博士	0.2	–	–	–	–	0.2
Mr. Richard Li Tzar-kai 李澤楷先生	0.2	–	–	–	–	0.2
Mr. Eric Li Fook-chuen 李福全先生	0.3	–	–	–	–	0.3
Mr. Stephen Charles Li Kwok-sze 李國仕先生	0.2	–	–	–	–	0.2
Prof. Arthur Li Kwok-cheung 李國章教授	0.2	–	–	–	–	0.2
<b>Independent Non-executive Directors</b> 獨立非執行董事						
Mr. WONG Chung-hin 黃頌顯先生	0.3	–	–	–	–	0.3
Dr. LEE Shau-kee 李兆基博士	0.2	–	–	–	–	0.2
Dr. Allan WONG Chi-yun 黃子欣博士	0.3	–	–	–	–	0.3
Mr. Winston LO Yau-lai 羅友禮先生	0.3	–	–	–	–	0.3
Mr. Thomas KWOK Ping-kwong 郭炳江先生	0.3	–	–	–	–	0.3
Mr. TAN Man-kou 陳文裘先生	0.2	–	–	–	–	0.2
Mr. Kenneth LO Chin-ming 駱錦明先生	0.3	–	–	–	–	0.3
Mr. William Doo Wai-hoi 杜惠愷先生	0.3	–	–	–	–	0.3
Mr. Kuok Khoon-ean 郭孔濱先生	0.3	–	–	–	–	0.3
Mr. Valiant CHEUNG Kin-piu 張建標先生	–	–	–	–	–	–
	4.6	11.9	–	36.1	1.1	53.7

Included in the above remuneration were share options granted to Executive Directors under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 36.

上述酬金包括執行董事根據本行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註36內。

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

18. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Salaries and other emoluments	薪金及其他酬金	20	21
Performance-related bonuses	表現獎勵花紅	39	3
Share options	認股權	50	52
Pension contributions	退休金供款	1	2
		<b>110</b>	<b>78</b>

The remuneration of the five top-paid employees is within the following bands:

5名薪酬最高的僱員的金額範圍如下：

	2009	2008
	Number of employees 僱員人數	Number of employees 僱員人數
<i>HK\$港幣</i>		
8,500,001 – 9,000,000	–	2
10,500,001 – 11,000,000	–	1
12,000,001 – 12,500,000	2	–
13,500,001 – 14,000,000	2	–
16,000,001 – 16,500,000	–	1
33,500,001 – 34,000,000	–	1
57,500,001 – 58,000,000	1	–

Included in the emoluments of the five top-paid employees were the emoluments of 1 (2008: 2) Director. Their respective directors' emoluments have been included in Note 17 above.

5名薪酬最高的僱員中包括1位(2008年:2位)董事。他們的薪酬已包括於上述附註17。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 19. SEGMENT REPORTING 分部報告

The Group manages its businesses by divisions, which are organized by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has presented the following seven reportable segments. No operating segments have been aggregated to form the following reportable segments.

**(a) Business segments**

The Group has identified the following seven reportable segments.

Personal banking, which includes branch operations, personal internet banking, consumer finance, property loans and credit card business in Hong Kong.

Corporate banking, which includes corporate lending and loan syndication, asset based lending, commercial lending and securities lending in Hong Kong.

Treasury markets, which include treasury operations and securities dealing in Hong Kong.

Wealth management, which includes private banking business and related assets in Hong Kong.

China operations include all branches and subsidiaries in China, except those subsidiaries carrying out corporate services and associates operated in China.

Overseas operations include overseas branches and subsidiaries, except those subsidiaries carrying out corporate services and associates operated in overseas.

Corporate services include company secretarial services, share registration and business services, and offshore corporate and trust services.

Other businesses include insurance business, property-related business, supporting units of Hong Kong operation, investment properties, bank premises, the net results of associates and other subsidiaries in Hong Kong.

本集團按分處管理其業務，而分處則由業務（產品及服務）及地區混合組成。分部資料的列報與內部匯報予本集團的最高管理層作為資源分配及表現評核的方式是一致的。本集團已辨識以下七個可匯報分部。營運分部並未包括在以下的可匯報分部內。

**(a) 營業分部**

本集團已辨識以下七個可匯報分部。

個人銀行包括在香港之分行營運、個人電子網絡銀行、消費貸款、按揭貸款及信用卡業務。

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

財富管理包括提供予在香港之私人銀行業務及相關資產。

中國業務包括在中國的分行及附屬公司，但不包括在中國經營企業服務之附屬公司及聯營公司。

國際業務包括海外分行及附屬公司，但不包括在海外經營企業服務之附屬公司及聯營公司。

企業服務包括公司秘書服務、股票登記及商業服務、及離岸企業及信託服務。

其他業務包括保險業務，與地產有關的業務、香港業務之後勤單位、投資物業、行址、聯營公司的淨表現及其他在香港之附屬公司。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

For the purposes of assessing segment performance and allocating resources between segments, the Group's senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible except for properties, intangible assets and financial assets with the exception of interests in associates, deferred tax assets and other corporate assets. Segment liabilities include deposits, financial liabilities and other liabilities attributable to the banking activities of the individual segments.

Revenue and expenses are allocated to the reportable segments with reference to interest and fee and commission income generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments. Segment revenue and expenses do not include the Group's share of revenue and expenses arising from the activities of the Group's associates. Other than reporting inter-segment income, assistance provided by one segment to another, including sharing of assets, is not measured.

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 and impairment losses and additions to non-current segment assets used by the segments in their operations.

在評估分部表現及分配分部間的資源時，集團的高級行政管理層根據以下基準監控可歸屬於每一可匯報分部之業績、資產及負債：

除聯營公司之權益、遞延稅項資產及其他企業資產外，分部資產包括所有有形資產(物業除外)、無形資產及金融資產。分部負債包括可歸屬於單一分部之銀行業務的存款、金融負債及其他負債。

收入與支出按有關分部所產生的利息及費用和佣金收入、及由有關分部引致的支出或可歸屬於有關分部產生之折舊或攤銷來分配予可匯報分部。分部收入與支出並不包括集團之聯營公司的活動所產生集團應佔之收入與支出。除分部間的收入外，由一分部提供協助予另一分部，包括分享資產，並未計算在內。

除接收有關稅前溢利的分部資料外，有關分部收入(包括分部間之借款)、利息支出、折舊、攤銷及減值損失和提供予分部營運之非流動分部資產的增置等資料亦提供予管理層。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 19. SEGMENT REPORTING (CONTINUED) 分部報告(續)

	2009											
	Hong Kong banking operations 香港銀行業務							Total reportable segments 可匯報分部 總額	Inter-segment elimination 分部間之 交易抵銷		Total 總額	
	Personal banking	Corporate banking	Treasury markets	Wealth management	China operations	Overseas operations	Corporate services		Others			
	個人銀行	企業銀行	財資市場	財富管理	中國業務	國際業務	企業服務	其他				
HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元			
Net interest income/(expense)	淨利息收入/(支出)	1,972	763	377	147	2,974	731	1	6,965	(337)	119	6,747
Non-interest income/(expense)	非利息收入/(支出)	463	647	(247)	195	498	346	816	2,718	1,573	(850)	3,441
Operating income	經營收入	2,435	1,410	130	342	3,472	1,077	817	9,683	1,236	(731)	10,188
Operating expenses	經營支出	(1,341)	(114)	(129)	(107)	(1,997)	(514)	(512)	(4,714)	(1,877)	462	(6,129)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,094	1,296	1	235	1,475	563	305	4,969	(641)	(269)	4,059
(Charge for)/Write back of impairment losses on loans and advances and other accounts	貸款及墊款及其他賬項的減值損失(支銷)/回撥	(70)	(46)	(3)	(12)	21	(977)	(6)	(1,093)	(12)	-	(1,105)
Impairment losses on available-for-sale financial assets and held-to-maturity investments	可供出售金融資產及持至到期投資之減值損失	-	-	(9)	-	-	-	-	(9)	(14)	-	(23)
Impairment losses on bank premises	行址減值損失	-	-	-	-	-	-	-	-	(13)	-	(13)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,024	1,250	(11)	223	1,496	(414)	299	3,867	(680)	(269)	2,918
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments, loans and receivables and subsidiaries/associates	出售固定資產、可供出售金融資產、持至到期投資、貸款及應收賬項及附屬公司/聯營公司之溢利/(虧損)	(3)	-	16	-	22	1	-	36	73	(1)	108
Valuation gains/(losses) on investment properties	重估投資物業溢利/(虧損)	-	-	-	-	7	(3)	-	4	235	(33)	206
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	-	-	-	264	-	264
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,021	1,250	5	223	1,525	(416)	299	3,907	(108)	(303)	3,496
Depreciation for the year	年度內折舊	(70)	(1)	(3)	(2)	(189)	(29)	(17)	(311)	(198)	(3)	(512)
Segment assets	分部資產	44,005	66,998	132,107	7,359	154,030	50,764	4,144	459,407	19,395	(47,335)	431,467
Investments in associates	聯營公司投資	-	-	-	-	-	-	-	-	2,615	-	2,615
Total assets	資產總額	44,005	66,998	132,107	7,359	154,030	50,764	4,144	459,407	22,010	(47,335)	434,082
Total liabilities	負債總額	208,366	582	24,824	14,719	138,531	40,873	1,645	429,540	6,821	(41,802)	394,559
Capital expenditure incurred during the year	年度內資本開支	54	-	4	1	3,182	624	32	3,897	66	-	3,963

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

		2008 (restated 重報)										
		Hong Kong banking operations 香港銀行業務							Total reportable segments 可匯報分部 總額	Inter- segment elimination 分部間之 交易抵銷	Total 總額	
		Personal banking 個人銀行 HK\$ Mn 港幣百萬元	Corporate banking 企業銀行 HK\$ Mn 港幣百萬元	Treasury markets 財資市場 HK\$ Mn 港幣百萬元	Wealth management 財富管理 HK\$ Mn 港幣百萬元	China operations 中國業務 HK\$ Mn 港幣百萬元	Overseas operations 國際業務 HK\$ Mn 港幣百萬元	Corporate services 企業服務 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元	Inter- segment elimination 交易抵銷 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	
Net interest income/(expense)	淨利息收入/(支出)	1,404	571	1,200	15	2,967	722	-	6,879	(154)	68	6,793
Non-interest income/(expense)	非利息收入/(支出)	539	(487)	(2,206)	237	410	(49)	816	(740)	1,131	(727)	(336)
Operating income/(expense)	經營收入/(支出)	1,943	84	(1,006)	252	3,377	673	816	6,139	977	(659)	6,457
Operating expenses	經營支出	(1,306)	(114)	(74)	(92)	(1,824)	(528)	(504)	(4,442)	(1,756)	419	(5,779)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營 溢利/(虧損)	637	(30)	(1,080)	160	1,553	145	312	1,697	(779)	(240)	678
(Charge for)/Write back of impairment losses on loans and advances and other accounts	貸款及墊款及其他 賬項的減值損失 (支銷)/回撥	(74)	(110)	-	(48)	(98)	(211)	(10)	(551)	(13)	6	(558)
Impairment losses on available-for-sale financial assets and held-to-maturity investments	可供出售金融資產 及持至到期投資 之減值損失	-	-	(264)	-	-	-	-	(264)	(132)	-	(396)
Write back of impairment losses on bank premises	行址減值損失回撥	-	-	-	-	-	-	-	-	6	-	6
Operating profit/(loss) after impairment losses	已扣除減值損失後 之經營溢利/(虧損)	563	(140)	(1,344)	112	1,455	(66)	302	882	(918)	(234)	(270)
Profit/(Loss) on sale of fixed assets, available-for-sale financial assets, held-to-maturity investments, loans and receivables and subsidiaries/associates	出售固定資產、 可供出售金融資產、 持至到期投資、貸款 及應收賬項及附屬 公司/聯營公司 之溢利/(虧損)	-	-	206	-	(1)	181	(1)	385	4	4	393
Valuation gains/(losses) on investment properties	重估投資物業 溢利/(虧損)	-	-	-	-	(1)	(20)	-	(21)	(181)	34	(168)
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	-	-	-	53	-	53
Profit/(Loss) before taxation	除稅前溢利/(虧損)	563	(140)	(1,138)	112	1,453	95	301	1,246	(1,042)	(196)	8
Depreciation for the year	年度內折舊	(64)	(3)	(2)	(3)	(128)	(26)	(17)	(243)	(191)	(3)	(437)
Segment assets	分部資產	40,869	60,239	143,582	5,656	139,736	40,215	4,056	434,353	18,583	(40,168)	412,768
Investments in associates	聯營公司投資	-	-	-	-	-	-	-	-	2,486	-	2,486
Total assets	資產總額	40,869	60,239	143,582	5,656	139,736	40,215	4,056	434,353	21,069	(40,168)	415,254
Total liabilities	負債總額	213,785	561	21,014	14,723	128,728	35,552	1,653	416,016	5,355	(38,602)	382,769
Capital expenditure incurred during the year	年度內資本開支	126	-	7	5	2,028	47	72	2,285	330	-	2,615



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 19. SEGMENT REPORTING (CONTINUED) 分部報告(續)

## (b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the subsidiaries, or in the case of the Bank itself, by the location of the branches of the Bank responsible for reporting the results or booking the assets.

## (b) 地區分部

按地區分部之資料是根據附屬公司的主要業務所在地點，或就本行而言，則按負責報告業績或將資產入賬之分行地點予以劃分。

		2009					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	6,461	3,527	585	883	(1,268)	10,188
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,931	1,598	163	(196)	-	3,496
Total assets	資產總額	287,184	155,920	19,369	34,708	(63,099)	434,082
Total liabilities	負債總額	255,572	138,697	16,210	26,904	(42,824)	394,559
Contingent liabilities and commitments	或然負債及承擔	57,919	23,262	3,111	2,946	-	87,238
Capital expenditure during the year	年度內資本開支	157	3,182	618	6	-	3,963

		2008 (Restated 重報)					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Consolidated
		香港	中華人民共和國	其他亞洲國家	其他	分部間之交易抵銷	綜合總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>The Group</b>	<b>集團</b>						
Operating income	經營收入	2,962	3,447	525	492	(969)	6,457
Profit/(Loss) before taxation	除稅前溢利/(虧損)	(1,876)	1,484	381	19	-	8
Total assets	資產總額	285,121	141,036	18,735	27,890	(57,528)	415,254
Total liabilities	負債總額	255,902	129,147	15,778	24,329	(42,387)	382,769
Contingent liabilities and commitments	或然負債及承擔	53,162	15,944	3,818	3,244	-	76,168
Capital expenditure during the year	年度內資本開支	541	2,027	8	39	-	2,615

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

20. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (NOTE 43(C))  
現金及在銀行和其他金融機構的結存(附註43(C))

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cash in hand	現金	1,101	1,083	706	698
Balances with central banks	在中央銀行的結存	15,813	17,911	736	167
Balances with banks and other financial institutions	在銀行和其他金融機構的結存	12,798	9,111	11,085	3,987
		29,712	28,105	12,527	4,852

21. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS  
在銀行及其他金融機構的存款

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	67,638	96,458	61,894	92,735
Placements with other financial institutions	在其他金融機構的存款	307	116	-	-
		67,945	96,574	61,894	92,735
Maturing	到期期限				
- within one month	- 1個月內	35,006	46,714	31,895	43,009
- between one month and one year	- 1個月至1年內	32,939	49,860	29,999	49,726
		67,945	96,574	61,894	92,735

## 22. TRADE BILLS 貿易票據

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Gross trade bills	貿易票據總額	1,847	1,164	861	521

## NOTES ON THE ACCOUNTS (CONTINUED)

賬項附註(續)

## 23. TRADING ASSETS 交易用途資產

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	34	400	-	400
Debt securities	債務證券	3,090	126	904	126
Equity securities	股份證券	1,429	989	1,374	949
Investment funds	投資基金	201	188	201	188
Trading securities	交易用途證券	4,754	1,703	2,479	1,663
Positive fair values of derivatives (Note 42(b))	衍生工具的正公平值(附註 42(b))	968	1,734	845	1,251
		5,722	3,437	3,324	2,914
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	1,857	400	-	400
Public sector entities	公營機構	299	13	299	13
Banks and other financial institutions	銀行及其他金融機構	1,093	443	716	433
Corporate entities	企業實體	1,492	840	1,451	810
Other entities	其他實體	13	7	13	7
		4,754	1,703	2,479	1,663
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	1,484	825	1,428	785
Listed outside Hong Kong	在香港以外地區上市	574	294	574	294
		2,058	1,119	2,002	1,079
Unlisted	非上市	2,696	584	477	584
		4,754	1,703	2,479	1,663

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註 (續)

24. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS  
指定為通過損益以反映公平價值的金融資產

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Debt securities	債務證券	10,043	4,130	10,035	4,114
Equity securities	股份證券	349	–	349	–
		10,392	4,130	10,384	4,114
Issued by:	發行機構：				
Central governments and central banks	中央政府和中央銀行	235	–	235	–
Public sector entities	公營機構	177	142	177	142
Banks and other financial institutions	銀行及其他金融機構	4,338	1,642	4,330	1,634
Corporate entities	企業實體	5,642	2,346	5,642	2,338
		10,392	4,130	10,384	4,114
Analysed by place of listing:	按上市地區分析：				
Listed in Hong Kong	在香港上市	2,946	1,325	2,946	1,325
Listed outside Hong Kong	在香港以外地區上市	4,003	1,178	3,995	1,161
		6,949	2,503	6,941	2,486
Unlisted	非上市	3,443	1,627	3,443	1,628
		10,392	4,130	10,384	4,114

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS 客戶貸款及其他賬項

## (a) Advances to customers and other accounts

## (a) 客戶貸款及其他賬項

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
(i)	Advances to customers 客戶貸款	<b>247,654</b>	230,339	<b>143,374</b>	131,123
	Less: Impairment allowances 減: 減值準備				
	– Individual 一個別	<b>(534)</b>	(523)	<b>(499)</b>	(438)
	– Collective 一整體	<b>(811)</b>	(521)	<b>(678)</b>	(392)
		<b>246,309</b>	229,295	<b>142,197</b>	130,293
(ii)	Other accounts 其他賬項				
	Advances to banks and other financial institutions * 銀行及其他金融機構貸款 *	<b>678</b>	850	<b>583</b>	205
	Notes and bonds 債券	<b>65</b>	129	<b>61</b>	125
	Certificates of deposit held 持有的存款證	<b>39</b>	39	<b>39</b>	39
	Accrued interest 應計利息	<b>1,313</b>	1,863	<b>951</b>	1,119
	Bankers acceptances 銀行承兌匯票	<b>7,976</b>	2,989	<b>203</b>	272
	Other accounts 其他賬項	<b>5,463</b>	8,592	<b>4,565</b>	6,587
		<b>15,534</b>	14,462	<b>6,402</b>	8,347
	Less: Impairment allowances 減: 減值準備				
	– Individual 一個別	<b>(31)</b>	(23)	<b>(3)</b>	–
	– Collective 一整體	<b>(9)</b>	(9)	–	–
		<b>15,494</b>	14,430	<b>6,399</b>	8,347
		<b>261,803</b>	243,725	<b>148,596</b>	138,640

\* The above advances to banks and other financial institutions include:

Receivables from reverse repurchase agreements under which the Group obtains securities on terms which permit it to re-pledge or resell securities to others in the absence of default. At 31st December, 2009, the fair value of financial assets accepted as collateral that the Group is permitted to sell or re-pledge under such terms is Nil (2008: HK\$155 million).

\* 以上銀行及其他金融機構貸款包括:

返售回購協議之應收賬款，根據該協議本集團可獲得證券及依條款在沒有違約之情況下可再抵押或重售證券予其他人士。於2009年12月31日，根據該條款本集團可出售或再抵押的金融資產之公平價值為無(2008年：港幣155,000,000元)。

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

(b) Impairment allowances against advances and other accounts for 2009 (b) 2009年貸款及其他賬項之減值準備

		The Group 集團					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	523	521	23	9	546	530
New provisions charged to income statement (Note 11)	收益表內支銷的新準備 (附註11)	813	420	14	(1)	827	419
Net provisions released back to income statement (Note 11)	撥回收益表的準備淨額 (附註11)	(98)	-	(3)	-	(101)	-
Amounts written off	撇銷額	(743)	(138)	(4)	-	(747)	(138)
Recoveries (Note 11)	收回額(附註11)	65	-	1	-	66	-
Additions through acquisition of subsidiaries	購入附屬公司的增置	-	-	-	1	-	1
Effect of discounting (Note 4)	計算折扣的影響 (附註4)	(40)	-	-	-	(40)	-
Exchange adjustments	匯兌調整	14	8	-	-	14	8
At 31st December	於12月31日	534	811	31	9	565	820

		The Bank 銀行					
		Advances to customers 客戶貸款		Other accounts 其他賬項		Total 總額	
		Individual 個別	Collective 整體	Individual 個別	Collective 整體	Individual 個別	Collective 整體
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	438	392	-	-	438	392
New provisions charged to income statement	收益表內支銷的 新準備	752	407	3	-	755	407
Net provisions released back to income statement	撥回收益表的準備淨額	(81)	-	-	-	(81)	-
Amounts written off	撇銷額	(641)	(128)	-	-	(641)	(128)
Recoveries	收回額	57	-	-	-	57	-
Effect of discounting	計算折扣的影響	(38)	-	-	-	(38)	-
Exchange adjustments	匯兌調整	12	7	-	-	12	7
At 31st December	於12月31日	499	678	3	-	502	678

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項 (續)

## (b) Impairment allowances against advances and other accounts for 2008 (b) 2008年貸款及其他賬項之減值準備

		Advances to customers 客戶貸款		The Group 集團 Other accounts 其他賬項		Total 總額	
		Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元	Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元	Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元
At 1st January	於1月1日	264	433	25	6	289	439
New provisions charged to income statement (Note 11)	收益表內支銷的新準備 (附註11)	583	183	13	-	596	183
Net provisions released back to income statement (Note 11)	撥回收益表的準備淨額 (附註11)	(204)	-	(5)	-	(209)	-
Amounts written off	撇銷額	(245)	(96)	(10)	-	(255)	(96)
Recoveries (Note 11)	收回額(附註11)	140	-	-	-	140	-
Additions through acquisition of subsidiaries	購入附屬公司的增置	-	-	-	3	-	3
Effect of discounting (Note 4)	計算折扣的影響 (附註4)	(12)	-	-	-	(12)	-
Exchange adjustments	匯兌調整	(3)	1	-	-	(3)	1
At 31st December	於12月31日	523	521	23	9	546	530

		Advances to customers 客戶貸款		The Bank 銀行 Other accounts 其他賬項		Total 總額	
		Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元	Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元	Individual 個別 HK\$ Mn 港幣百萬元	Collective 整體 HK\$ Mn 港幣百萬元
At 1st January	於1月1日	79	332	-	-	79	332
New provisions charged to income statement	收益表內支銷的 新準備	460	149	6	-	466	149
Net provisions released back to income statement	撥回收益表的準備淨額	(153)	-	-	-	(153)	-
Amounts written off	撇銷額	(50)	(87)	(6)	-	(56)	(87)
Recoveries	收回額	115	-	-	-	115	-
Effect of discounting	計算折扣的影響	(10)	-	-	-	(10)	-
Exchange adjustments	匯兌調整	(3)	(2)	-	-	(3)	(2)
At 31st December	於12月31日	438	392	-	-	438	392

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (c) Advances to customers – by industry sectors

The analysis of gross advances to customers and the percentage of secured advances by industry sector is based on the categories and definitions used by the Hong Kong Monetary Authority.

#### (c) 客戶貸款 — 按行業分類

按行業分類的客戶貸款總額及有抵押貸款的百分比是按照香港金融管理局所採用的類別和定義。

		2009		2008	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
The Group	集團				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	9,411	73.43	8,855	61.25
– Property investment	– 物業投資	29,766	91.11	27,431	86.88
– Financial concerns	– 金融企業	2,699	75.10	2,542	69.94
– Stockbrokers	– 股票經紀	1,190	50.35	550	99.75
– Wholesale and retail trade	– 批發與零售業	3,265	68.46	2,405	64.60
– Manufacturing	– 製造業	2,177	57.94	2,055	52.54
– Transport and transport equipment	– 運輸與運輸設備	3,794	79.39	3,642	74.80
– Recreational activities	– 娛樂活動	45	47.90	285	91.11
– Information technology	– 資訊科技	8	38.02	4	49.13
– Others	– 其他	13,006	77.87	9,954	71.52
– Sub-total	– 小計	65,361	81.57	57,723	76.78
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買[居者有其屋計劃]、[私人參建居屋計劃]及[租者置其屋計劃]樓宇的貸款	1,529	100.00	1,318	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	25,220	99.87	24,297	99.74
– Credit card advances	– 信用卡貸款	2,675	0.00	2,997	0.00
– Others	– 其他	8,839	68.17	6,553	74.35
– Sub-total	– 小計	38,263	85.57	35,165	86.52
Total loans for use in Hong Kong	在香港使用的貸款總額	103,624	83.05	92,888	80.47
Trade finance	貿易融資	2,652	53.27	2,905	59.03
Loans for use outside Hong Kong*	在香港以外使用的貸款*	141,378	75.75	134,546	76.56
Total advances to customers	客戶貸款總額	247,654	78.56	230,339	77.91

\* Loans for use outside Hong Kong include the following loans for use in the PRC.

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2009		2008	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %	貸款總額 HK\$ Mn 港幣百萬元	有抵押貸款的 百分比 %
Property development	物業發展	14,156	72.70	14,351	78.64
Property investment	物業投資	22,441	88.36	24,215	87.95
Wholesale and retail trade	批發與零售業	18,574	95.28	19,021	88.93
Manufacturing	製造業	7,299	48.78	9,547	63.58
Others	其他	41,180	69.34	31,906	69.99
		103,650	77.12	99,040	78.66



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項 (續)

		2009		2008	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$ Mn	%	HK\$ Mn	%
		港幣百萬元	百分率	港幣百萬元	百分率
<b>The Bank</b>	<b>銀行</b>				
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	9,401	73.50	8,844	61.32
– Property investment	– 物業投資	29,650	91.08	27,345	86.84
– Financial concerns	– 金融企業	2,699	75.11	2,542	69.95
– Stockbrokers	– 股票經紀	1,190	50.35	550	99.75
– Wholesale and retail trade	– 批發與零售業	3,220	68.02	2,353	63.82
– Manufacturing	– 製造業	2,157	57.55	2,055	52.54
– Transport and transport equipment	– 運輸與運輸設備	3,794	79.39	3,642	74.80
– Recreational activities	– 娛樂活動	45	47.90	285	91.11
– Information technology	– 資訊科技	8	38.02	4	49.13
– Others	– 其他	12,732	77.39	9,830	71.16
– Sub-total	– 小計	64,896	81.46	57,450	76.69
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	1,529	100.00	1,318	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	25,180	99.87	24,273	99.75
– Credit card advances	– 信用卡貸款	2,675	0.00	2,997	0.00
– Others	– 其他	8,046	67.44	6,147	74.92
– Sub-total	– 小計	37,430	85.76	34,735	86.76
Total loans for use in Hong Kong	在香港使用的貸款總額	102,326	83.03	92,185	80.49
Trade finance	貿易融資	2,322	52.35	2,684	58.87
Loans for use outside Hong Kong*	在香港以外使用的貸款*	38,726	56.01	36,254	57.35
Total advances to customers	客戶貸款總額	143,374	75.24	131,123	73.65

\* Loans for use outside Hong Kong include the following loans for use in the PRC.

\* 在香港以外使用的貸款包括以下在中華人民共和國使用的貸款。

		2009		2008	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		貸款總額	有抵押貸款的百分比	貸款總額	有抵押貸款的百分比
		HK\$ Mn	%	HK\$ Mn	%
		港幣百萬元	百分率	港幣百萬元	百分率
Property development	物業發展	3,075	12.30	2,310	0.00
Property investment	物業投資	866	100.00	951	98.95
Wholesale and retail trade	批發與零售業	111	9.88	12	99.97
Manufacturing	製造業	1,531	53.61	1,878	74.86
Others	其他	3,271	3.48	2,733	8.17
		8,854	24.74	7,884	32.75

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Individually impaired loans, as well as relevant information, in respect of industry sectors which constitute 10% or more of total advances to customers are as follows:

以下按行業分類並佔客戶貸款總額百分之十或以上的貸款中，已個別減值的貸款、以及相關資料如下：

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
(i) Property development	(i) 物業發展				
a. Individually impaired loans	a. 已個別減值的貸款	805	207	771	171
b. Individual impairment allowance	b. 個別減值準備	50	8	37	2
c. Collective impairment allowance	c. 整體減值準備	83	36	69	20
d. Provision charged to income statement	d. 於收益表支銷的準備				
– individual impairment loss	– 個別減值損失	324	2	315	2
– collective impairment loss	– 整體減值損失	59	12	54	7
e. Written off	e. 撇銷	272	84	271	–
(ii) Property investment	(ii) 物業投資				
a. Individually impaired loans	a. 已個別減值的貸款	334	145	168	6
b. Individual impairment allowance	b. 個別減值準備	25	29	11	–
c. Collective impairment allowance	c. 整體減值準備	193	96	138	62
d. Provision charged to income statement	d. 於收益表支銷的準備				
– individual impairment loss	– 個別減值損失	56	29	35	–
– collective impairment loss	– 整體減值損失	111	24	78	16
e. Written off	e. 撇銷	52	–	22	–
(iii) Loans for purchase of residential properties	(iii) 購買其他住宅物業的貸款				
a. Individually impaired loans	a. 已個別減值的貸款	137	117	127	108
b. Individual impairment allowance	b. 個別減值準備	–	2	–	2
c. Collective impairment allowance	c. 整體減值準備	32	30	30	21
d. Provision charged to income statement	d. 於收益表支銷的準備				
– individual impairment loss	– 個別減值損失	1	5	1	5
– collective impairment loss	– 整體減值損失	23	6	22	3
e. Written off	e. 撇銷	1	3	1	3
(iv) Wholesale and retail trade	(iv) 批發與零售業				
a. Individually impaired loans	a. 已個別減值的貸款	327	222	290	181
b. Individual impairment allowance	b. 個別減值準備	162	129	162	120
c. Collective impairment allowance	c. 整體減值準備	56	48	38	24
d. Provision charged to income statement	d. 於收益表支銷的準備				
– individual impairment loss	– 個別減值損失	185	133	184	116
– collective impairment loss	– 整體減值損失	18	21	16	12
e. Written off	e. 撇銷	131	4	121	4

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項(續)

## (d) Advances to customers – by geographical areas

The information concerning the breakdown of the gross amount of advances to customers by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk. In general, such transfer of risk takes place if the claims are guaranteed by a party in a country which is different from that of the counterparty or if the claims are on an overseas branch of a bank whose head office is located in another country.

## (d) 客戶貸款 – 按區域分類

客戶貸款總額按國家或區域的分類，是根據交易對手的所在地，並已顧及轉移風險因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。

		The Group 集團 2009				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上 的客戶貸款	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Hong Kong	香港	121,538	217	407	103	299
People's Republic of China	中華人民共和國	93,084	177	373	34	86
Other Asian Countries	其他亞洲國家	10,103	213	382	247	178
Others	其他	22,929	284	1,286	150	248
Total	總額	247,654	891	2,448	534	811
% of total advances to customers	佔客戶貸款總額的百分比			0.99%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			4,839		
		The Group 集團 2008				
		Total advances to customers	Advances overdue for over three months 逾期3個月以上 的客戶貸款	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Hong Kong	香港	112,038	207	642	267	278
People's Republic of China	中華人民共和國	85,741	242	454	78	115
Other Asian Countries	其他亞洲國家	10,798	159	246	168	103
Others	其他	21,762	25	244	10	25
Total	總額	230,339	633	1,586	523	521
% of total advances to customers	佔客戶貸款總額的百分比			0.69%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			3,769		

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

		The Bank 銀行 2009				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款總額	逾期3個月以上 的客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Hong Kong	香港	103,784	185	357	87	278
People's Republic of China	中華人民共和國	16,419	23	207	33	26
Other Asian Countries	其他亞洲國家	9,021	213	381	246	177
Others	其他	14,150	270	1,166	133	197
Total	總額	143,374	691	2,111	499	678
% of total advances to customers	佔客戶貸款總額的百分比			1.48%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			3,048		

		The Bank 銀行 2008				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶貸款總額	逾期3個月以上 的客戶貸款	減值客戶貸款	個別減值準備	整體減值準備
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Hong Kong	香港	93,211	169	556	232	248
People's Republic of China	中華人民共和國	14,271	95	280	36	26
Other Asian Countries	其他亞洲國家	9,856	159	246	168	102
Others	其他	13,785	14	192	2	16
Total	總額	131,123	437	1,274	438	392
% of total advances to customers	佔客戶貸款總額的百分比			0.97%		
Market value of security held against impaired advances to customers	減值貸款抵押品市值			2,168		

Impaired loans and advances are individually assessed loans with objective evidence of impairment on an individual basis. The above information by countries or geographical areas is derived according to the location of the counterparties after taking into account any transfer of risk.

There were no impaired advances to banks and other financial institutions as at 31st December, 2009 and 31st December, 2008, nor were there any individual impairment allowances made for them on these two dates.

減值貸款及墊款是個別出現客觀減值證據而須個別評估的貸款。以上按國家或區域分類的資料，是根據交易對手的所在地並已顧及轉移風險因素。

於2009年12月31日及2008年12月31日，銀行及其他金融機構的貸款中並無減值貸款，亦無就該等貸款提撥個別減值準備。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 25. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶貸款及其他賬項 (續)

## (e) Advances to customers – net investment in finance leases

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

## (e) 客戶貸款 – 融資租賃的淨投資額

客戶貸款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		The Group and The Bank 集團及銀行					
		2009			2008		
		Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest income relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	1,004	116	1,120	1,280	152	1,432
After one year but within five years	1年以後至5年內	1,100	186	1,286	1,512	206	1,718
After five years	5年以後	1,729	265	1,994	1,468	246	1,714
		3,833	567	4,400	4,260	604	4,864
Less: Individual impairment allowances	減：個別減值準備	(10)			(21)		
Net investment in finance leases	融資租賃的淨投資額	3,823			4,239		

The net investment in finance leases is carried on the statement of financial position as a receivable. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作應收賬計入財務狀況表，但並無應計未來相關的利息收入。

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

26. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券 (包括外匯基金票據)	5,425	10,391	5,364	4,558
Certificates of deposit held	持有的存款證	972	762	595	508
Debt securities	債務證券	22,599	6,398	11,990	5,210
Equity securities	股份證券	1,810	899	909	611
Investment funds	投資基金	77	110	77	98
		<b>30,883</b>	18,560	<b>18,935</b>	10,985
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	12,787	10,419	6,416	4,558
Public sector entities	公營機構	236	231	-	126
Banks and other financial institutions	銀行及其他金融機構	14,199	5,773	10,649	4,759
Corporate entities	企業實體	3,584	2,027	1,793	1,444
Other entities	其他實體	77	110	77	98
		<b>30,883</b>	18,560	<b>18,935</b>	10,985
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	1,957	397	1,495	197
Listed outside Hong Kong	在香港以外地區上市	5,512	9,329	3,986	2,619
		<b>7,469</b>	9,726	<b>5,481</b>	2,816
Unlisted	非上市	23,414	8,834	13,454	8,169
		<b>30,883</b>	18,560	<b>18,935</b>	10,985

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 27. HELD-TO-MATURITY INVESTMENTS 持至到期投資

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	189	180	112	180
Certificates of deposit held	持有的存款證	2,245	1,717	1,584	1,056
Debt securities	債務證券	4,843	3,216	3,144	2,189
		7,277	5,113	4,840	3,425
Less: Impairment allowances	減: 減值準備	(38)	(107)	(38)	(107)
		7,239	5,006	4,802	3,318
Issued by:	發行機構:				
Central governments and central banks	中央政府和中央銀行	1,510	243	1,506	239
Public sector entities	公營機構	621	318	276	231
Banks and other financial institutions	銀行及其他金融機構	4,328	3,344	2,629	2,117
Corporate entities	企業實體	780	1,101	391	731
		7,239	5,006	4,802	3,318
Analysed by place of listing:	按上市地區分析:				
Listed in Hong Kong	在香港上市	952	287	848	268
Listed outside Hong Kong	在香港以外地區上市	2,984	1,863	2,263	1,477
		3,936	2,150	3,111	1,745
Unlisted	非上市	3,303	2,856	1,691	1,573
		7,239	5,006	4,802	3,318
Fair value:	公平價值:				
Listed securities	上市證券	3,998	2,028	3,150	1,640
Unlisted securities	非上市證券	3,320	2,870	1,696	1,569
		7,318	4,898	4,846	3,209

## Movement of impairment allowances 減值準備的變動

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January	於1月1日	107	42	107	42
Charge for the year	年度內支銷	9	44	9	44
Write-off	撇銷	(78)	-	(78)	-
Exchange and other adjustments	匯兌及其他調整	-	21	-	21
At 31st December	於12月31日	38	107	38	107

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

#### Reclassification of Available-for-sale Financial Assets

On 1st January, 2009, the management have assessed the intention and ability to hold to maturity the Group's available-for-sale financial assets. Based on this assessment, the management concluded that they have the positive intention ability hold them to maturity and therefore have reclassified the portfolio from the available-for-sale category to held-to-maturity. The amount reclassified on the date of reclassification is as follows:

#### 重新分類可供出售金融資產

於2009年1月1日，管理層已評估對本集團之可供出售金融資產持有至到期日的意向和能力。根據此評估，管理層決定他們有正面的意向和能力持有至到期日，因此，已將組合由可供出售類別重新分類為持至到期。於重新分類日所重新分類的金額如下：

		Carrying amount on 1st January, 2009 於2009年1月1日 的賬面值 HK\$ Mn 港幣百萬元
Reclassified from available-for-sale debt securities	重新分類自可供出售債務證券	
Listed in Hong Kong	在香港上市	(83)
Listed outside Hong Kong	在香港以外地區上市	(229)
Unlisted	非上市	(364)
		(676)
Reclassified to held-to-maturity securities	重新分類為持至到期證券	
Listed in Hong Kong	在香港上市	83
Listed outside Hong Kong	在香港以外地區上市	229
Unlisted	非上市	364
		676

There are no unrealised gains and losses arising from changes in fair value recognised in the investment revaluation reserve during the year.

年度內並無源自公平價值變動而產生的未實現盈虧在投資重估儲備內確認。

The net unamortised revaluation deficit was HK\$19 million as at 31st December, 2009.

於2009年12月31日之未攤銷重估虧損淨額為港幣19,000,000元。

		HK\$ Mn 港幣百萬元
Reclassification	重新分類	16
Amortisation during the year	年度內攤銷	3
Balance as at 31st December, 2009	於2009年12月31日結餘	19

The unamortised revaluation surplus or deficit of individual investments reclassified shall be amortised to the income statement over the respective remaining life of investment using the effective interest method.

個別已重新分類投資的未攤銷重估盈餘或虧損將採用有效利率方法按有關投資的尚餘年期在收益表內分攤。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 28. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

		<b>The Bank 銀行</b>	
		<b>2009</b>	2008
		<b>HK\$ Mn港幣百萬元</b>	HK\$ Mn港幣百萬元
Unlisted shares, at cost	非上市股份(原值)	<b>13,690</b>	11,906
Less: Impairment allowances	減: 減值準備	<b>(233)</b>	(233)
		<b>13,457</b>	11,673

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:

此等公司的詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$港幣450,000,000元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK\$港幣500,000,000元	100%		Life insurance 人壽
BEA Pacific Asia Limited	Hong Kong 香港	US\$13,000,000美元		100%	Investment holding 投資控股
BEA Pacific Holding Company Limited	Bermuda 百慕達	HK\$港幣10,000元	100%		Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣750,000,000元	100%		Insurance 保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$港幣374,580,000元	51%		Asset management 資產管理
BEA Wealth Management Services (Taiwan) Limited 東亞證券股份有限公司	Taiwan, Republic of China 台灣, 中華民國	NTD新台幣218,000,000元		100%	Wealth management services 財富管理服務
CCSL St. Lucia Limited	St. Lucia 聖盧西亞	US\$1,200美元		60.49%	Holding company 控股公司
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$港幣2元	100%		Property investment 物業投資
Century Able Limited 階潤有限公司	Hong Kong 香港	HK\$港幣866,951,045元		100%	Investment holding 投資控股

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Corona Light Limited	BVI 英屬處女群島	HK\$港幣866,951,045元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$港幣1元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$港幣866,951,045元	100%		Investment holding 投資控股
East Asia Corporate Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Facility management 設施管理
East Asia Financial Services (BVI) Ltd.	BVI 英屬處女群島	US\$24,096,000美元	100%		Investment holding 投資控股
East Asia Futures Limited 東亞期貨有限公司	Hong Kong 香港	HK\$港幣7,000,000元	100%		Futures and options trading 期貨及期權買賣
*East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股
East Asia Investment Holdings Limited 東亞投資控股有限公司	Hong Kong 香港	HK\$港幣100,000,000元	100%		Investment holding 投資控股
East Asia Investments Holdings (BVI) Ltd.	BVI 英屬處女群島	HK\$港幣186,038,725元	100%		Investment holding 投資控股
East Asia Marketing Limited	BVI 英屬處女群島	US\$1美元		75.61%	Marketing services to related companies 向相關公司 提供支援服務
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Hong Kong 香港	HK\$港幣10,000元	100%		Investment holding 投資控股
*East Asia Properties (US), Inc.	U.S.A. 美國	US\$5美元		100%	Property holding 物業持有

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 28. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.61%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Flowery World Corporation	BVI 英屬處女群島	US\$1美元		75.61%	Holding company 控股公司
Innovate Holdings Limited	BVI 英屬處女群島	US\$1美元	100%		Special purpose vehicle company 特定目的投資工具
Skyray Holdings Limited	BVI 英屬處女群島	HK\$港幣450,000,000元	100%		Investment holding 投資控股
Speedfull Limited	BVI 英屬處女群島	HK\$港幣450,000,000元		100%	Investment holding 投資控股
The Bank of East Asia (Canada) 加拿大東亞銀行	Canada 加拿大	C\$加幣58,000,000元	100%		Banking services 銀行服務
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限 公司(附註1)	PRC 中華人民共和國	CNY人民幣8,000,000,000元	100%		Banking and related financial services 銀行及有關的 金融服務
*The Bank of East Asia (U.S.A.) N.A. *美國東亞銀行	U.S.A. 美國	US\$4,500美元		100%	Banking 銀行
Tricor Consultancy (Beijing) Limited (Note 1) 東亞卓佳諮詢(北京)有限 公司(附註1)	PRC 中華人民共和國	US\$1,850,000美元		75.61%	Business consultancy in China 國內商業諮詢
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.61%	Investment holding 投資控股
Tricor Holdings Pte. Ltd.	Singapore 新加坡	S\$新加坡幣2元		75.61%	Investment holding 投資控股
Tricor Investor Services Limited 卓佳證券登記有限公司	Hong Kong 香港	HK\$港幣2元		75.61%	Investor services 投資者服務

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 本銀行所佔權益	The Group 本集團所佔權益	
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣2元		75.61%	Business, corporate and investor services 商務、企業及投資者服務
Tricor Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
Tricor Services (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣5,672,484元		60.49%	Investment holding 投資控股
Vitaway (Mauritius) Limited	Mauritius 毛里裘斯	US\$1美元		75.61%	Regional treasurer 地區司庫

## Notes:

- Represents a wholly foreign owned enterprise.
  - BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China.
- \* Companies not audited by KPMG. The accounts of the subsidiaries not audited by KPMG reflect total net assets and total income constituting approximately 6.3% and 2.1% respectively of the related consolidated totals.

## 附註:

- 指一全資擁有外資企業。
- \* 非由畢馬威會計師事務所稽核的公司。非由畢馬威會計師事務所稽核的附屬公司賬項之資產總額及收入總額分別佔相關綜合總額的6.3%及2.1%。

## 29. INVESTMENTS IN ASSOCIATES 聯營公司投資

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Listed shares, at cost	上市股份(原值)	–	–	1,781	1,743
Unlisted shares, at cost	非上市股份(原值)	–	–	196	271
Share of net assets	應佔淨資產	2,389	2,260	–	–
Goodwill	商譽	226	226	–	–
		2,615	2,486	1,977	2,014
Less: Impairment allowances	減: 減值準備	–	–	(31)	(30)
		2,615	2,486	1,946	1,984

Loans to associates amounting to HK\$497 million (2008: HK\$76 million) are included under advances to customers.

Share of associates' taxation for the year amounted to HK\$81 million (2008: HK\$59 million).

聯營公司貸款共港幣497,000,000元(2008年: 港幣76,000,000元)已包括在客戶貸款。

年度內應佔聯營公司稅項為港幣81,000,000元(2008年: 港幣59,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 29. INVESTMENTS IN ASSOCIATES (CONTINUED) 聯營公司投資 (續)

The following list contains only the particulars of associates which principally affected the results or assets of the Group:

以下摘要只包括對本集團的業績或資產有重大影響的聯營公司：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
<b>Listed 上市</b>				
Affin Holdings Berhad	Malaysia 馬來西亞	21.095%		Investment holding 投資控股
<b>Unlisted 非上市</b>				
ICEA Finance Holdings Limited 工商東亞金融控股有限公司	BVI 英屬處女群島	25%		Investment holding 投資控股
Mercedes-Benz Financial Services Hong Kong Limited 梅賽德斯-奔馳財務服務香港有限公司	Hong Kong 香港		20%	Financing, leasing and insurance services 財務、租賃及保險服務
Mercedes-Benz Financial Services Korea Limited	Republic of Korea 韓國		20%	Financial services 金融服務
Platinum Holdings Company Limited	Cayman Islands 開曼群島	29.99%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務
Sunfire Enterprises Limited 申發企業有限公司	BVI 英屬處女群島		20%	Property development 物業發展
TCL Finance Co., Ltd. TCL集團財務有限公司	PRC 中華人民共和國	20%		Financial services and cash management 金融服務及現金管理
Trans-Ocean Insurance Company, Limited 遠洋保險有限公司	Hong Kong 香港	48.7%		Inactive 非活躍

Note: BVI denotes the British Virgin Islands and PRC denotes the People's Republic of China

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## Summary financial information on associates

## 聯營公司財務資料摘要

		Assets 資產 HK\$ Mn 港幣百萬元	Liabilities 負債 HK\$ Mn 港幣百萬元	Equity 股東權益 HK\$ Mn 港幣百萬元	Revenue 收入 HK\$ Mn 港幣百萬元	Profit 溢利 HK\$ Mn 港幣百萬元
<b>2009</b>						
100 per cent	百分之一百	102,075	89,071	13,004	3,506	1,052
Group's effective interest	本集團的有效權益	21,425	19,036	2,389	762	264
<b>2008</b>						
100 per cent	百分之一百	95,485	83,118	12,367	3,584	516
Group's effective interest	本集團的有效權益	19,756	17,496	2,260	767	53

## 30. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets comprise core deposits which are amortised over their estimated economic useful life of ten years.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產包括核心存款，並按其估計經濟使用期10年攤銷。

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	2,738	2,705	1,460	1,460
Acquired intangible assets	購入無形資產	1,397	29	–	–
		4,135	2,734	1,460	1,460

## (a) Goodwill

## (a) 商譽

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	2,705	2,656	1,460	1,460
Additions through acquisition of subsidiaries	經收購附屬公司的增置	22	52	–	–
Exchange adjustments	匯兌調整	11	(3)	–	–
At 31st December	於12月31日	2,738	2,705	1,460	1,460

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 30. GOODWILL AND INTANGIBLE ASSETS (CONTINUED) 商譽及無形資產(續)

## (a) Goodwill (continued)

Impairment tests for cash-generating units containing goodwill

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Personal banking	個人銀行	849	849
Corporate banking	企業銀行	453	453
Treasury markets	財資市場	158	158
Corporate services	企業服務	1,100	1,067
Others	其他	178	178
		<b>2,738</b>	<b>2,705</b>

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The pre-tax discount rate used for value-in-use calculations is 14.37% (2008: 8.28%) and the long-term growth rate is 3% (2008: 4%).

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 internal forecasts.

## (a) 商譽(續)

包含商譽的現金生產單位之減值測試

本集團按業務分部分配商譽予可辨別的現金生產單位如下：

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的除稅前折扣率為14.37% (2008 : 8.28%) 及長期增長率為3% (2008 : 4%)。

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (b) Intangible assets (other than goodwill)

Intangible assets include acquired core deposits. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Acquired core deposits 10 years

Naming rights over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

#### (b) 無形資產 (商譽除外)

無形資產包括購入核心存款。無形資產按成本減除累計攤銷及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

購入核心存款為10年

冠名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cost	成本				
At 1st January	於1月1日	38	16	-	-
Additions	增置	1,380	6	-	-
Exchange and other adjustments	匯兌及其他調整	-	16	-	-
At 31st December	於12月31日	1,418	38	-	-
Accumulated amortisation	累計攤銷				
At 1st January	於1月1日	(9)	(4)	-	-
Amortisation charge for the year (Note 10)	年度內攤銷(附註10)	(13)	(3)	-	-
Exchange adjustments	匯兌調整	1	(2)	-	-
At 31st December	於12月31日	(21)	(9)	-	-
Carrying amount at 31st December	於12月31日賬面值	1,397	29	-	-



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS 固定資產

		Investment properties	Bank premises	2009 The Group 集團 Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,839	6,293	3,507	9,800	11,639
Additions	增置	-	2,264	297	2,561	2,561
Additions through acquisition	經收購的增置	-	-	16	16	16
Revaluation surplus	重估盈餘	206	-	-	-	206
Revaluation of bank premises transferred to investment properties	行址重估轉入 投資物業	-	97	-	97	97
Transfer from bank premises to investment properties	由行址轉入投資 物業	61	(61)	-	(61)	-
Disposals	出售	(14)	(24)	(162)	(186)	(200)
Exchange adjustments	匯兌調整	3	3	15	18	21
At 31st December, 2009	於2009年12月31日	2,095	8,572	3,673	12,245	14,340
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	-	675	1,818	2,493	2,493
Additions through acquisition	經收購的增置	-	-	7	7	7
Charge for the year (Note 10)	年度內支銷 (附註10)	-	99	413	512	512
Impairment loss	減值損失	-	13	-	13	13
Written back on disposals	出售時回撥	-	(12)	(154)	(166)	(166)
Exchange adjustments	匯兌調整	-	-	14	14	14
At 31st December, 2009	於2009年12月31日	-	775	2,098	2,873	2,873
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	2,095	7,797	1,575	9,372	11,467
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	-	7,745	3,673	11,418	11,418
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2009	按專業估值 - 2009年	2,095	-	-	-	2,095
		2,095	8,572	3,673	12,245	14,340

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

		Investment properties	Bank premises	2009 The Bank 銀行 Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2009	於2009年1月1日	1,819	3,135	2,246	5,381	7,200
Additions	增置	-	602	135	737	737
Revaluation surplus	重估盈餘	205	-	-	-	205
Transfer from investment properties to bank premises	由投資物業轉入行址	(212)	212	-	212	-
Disposals	出售	(14)	-	(133)	(133)	(147)
Exchange adjustments	匯兌調整	-	-	7	7	7
At 31st December, 2009	於2009年12月31日	1,798	3,949	2,255	6,204	8,002
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2009	於2009年1月1日	-	323	1,290	1,613	1,613
Charge for the year	年度內支銷	-	46	232	278	278
Impairment loss	減值損失	-	13	-	13	13
Written back on disposals	出售時回撥	-	-	(128)	(128)	(128)
Exchange adjustments	匯兌調整	-	-	6	6	6
At 31st December, 2009	於2009年12月31日	-	382	1,400	1,782	1,782
Net book value at 31st December, 2009	賬面淨值 於2009年12月31日	1,798	3,567	855	4,422	6,220
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	-	3,122	2,255	5,377	5,377
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2009	按專業估值 - 2009年	1,798	-	-	-	1,798
		1,798	3,949	2,255	6,204	8,002

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS (CONTINUED) 固定資產 (續)

		Investment properties	Bank premises	2008 The Group 集團 Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2008	於2008年1月1日	1,726	4,609	2,711	7,320	9,046
Additions	增置	–	1,659	898	2,557	2,557
Additions through acquisition	經收購的增置	303	–	15	15	318
Revaluation losses	重估虧損	(168)	–	–	–	(168)
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	9	–	9	9
Transfer from bank premises to investment properties	由行址轉入投資物業	9	(9)	–	(9)	–
Disposals	出售	(13)	(34)	(126)	(160)	(173)
Exchange adjustments	匯兌調整	(18)	59	9	68	50
At 31st December, 2008	於2008年12月31日	1,839	6,293	3,507	9,800	11,639
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	–	617	1,573	2,190	2,190
Additions through acquisition	經收購的增置	–	–	11	11	11
Charge for the year (Note 10)	年度內支銷 (附註10)	–	81	356	437	437
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	–	(1)	–	(1)	(1)
Write back of impairment loss	減值損失回撥	–	(6)	–	(6)	(6)
Written back on disposals	出售時回撥	–	(25)	(113)	(138)	(138)
Exchange adjustments	匯兌調整	–	9	(9)	–	–
At 31st December, 2008	於2008年12月31日	–	675	1,818	2,493	2,493
Net book value at 31st December, 2008	賬面淨值 於2008年12月31日	1,839	5,618	1,689	7,307	9,146
The gross amounts of the above assets are stated:	上述資產的總額 列示如下:					
At cost	按成本	–	5,466	3,507	8,973	8,973
At Directors' valuation – 1989	按董事估值 – 1989年	–	827	–	827	827
At professional valuation – 2008	按專業估值 – 2008年	1,839	–	–	–	1,839
		1,839	6,293	3,507	9,800	11,639

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

		2008				
		Investment properties	Bank premises	The Bank 銀行 Furniture, fixtures and equipment 傢俬、裝修 及設備	Sub-total	Total
		投資物業	行址		小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2008	於2008年1月1日	1,829	3,192	1,858	5,050	6,879
Additions	增置	-	2	487	489	489
Revaluation losses	重估虧損	(87)	-	-	-	(87)
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	52	-	52	52
Transfer from bank premises to investment properties	由行址轉入投資物業	89	(89)	-	(89)	-
Disposals	出售	(12)	(20)	(79)	(99)	(111)
Exchange adjustments	匯兌調整	-	(2)	(20)	(22)	(22)
At 31st December, 2008	於2008年12月31日	1,819	3,135	2,246	5,381	7,200
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2008	於2008年1月1日	-	304	1,168	1,472	1,472
Charge for the year	年度內支銷	-	43	218	261	261
Revaluation of bank premises transferred to investment properties	行址重估轉入投資物業	-	(5)	-	(5)	(5)
Write back of impairment loss	減值損失回撥	-	(6)	-	(6)	(6)
Written back on disposals	出售時回撥	-	(12)	(77)	(89)	(89)
Exchange adjustments	匯兌調整	-	(1)	(19)	(20)	(20)
At 31st December, 2008	於2008年12月31日	-	323	1,290	1,613	1,613
Net book value at 31st December, 2008	賬面淨值 於2008年12月31日	1,819	2,812	956	3,768	5,587
The gross amounts of the above assets are stated:	上述資產的總額 列示如下：					
At cost	按成本	-	2,308	2,246	4,554	4,554
At Directors' valuation - 1989	按董事估值 - 1989年	-	827	-	827	827
At professional valuation - 2008	按專業估值 - 2008年	1,819	-	-	-	1,819
		1,819	3,135	2,246	5,381	7,200

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 31. FIXED ASSETS (CONTINUED) 固定資產 (續)

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

		The Group 集團			
		2009		2008	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	79	3,841	78	1,748
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,489	1,586	1,449	1,477
On medium-term lease (10 – 50 years)	中期租約(10至50年)	209	1,428	303	1,354
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	–	161	–	193
On medium-term lease (10 – 50 years)	中期租約(10至50年)	318	781	9	846
		2,095	7,797	1,839	5,618

		The Bank 銀行			
		2009		2008	
		Investment properties	Bank premises	Investment properties	Bank premises
		投資物業	行址	投資物業	行址
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Freeholds	永久業權				
Held outside Hong Kong	在香港以外地區	–	748	–	150
Leaseholds	租借地				
Held in Hong Kong	在香港				
On long lease (over 50 years)	長期租約(50年以上)	1,391	1,503	1,365	1,391
On medium-term lease (10 – 50 years)	中期租約(10至50年)	407	1,313	454	1,267
Held outside Hong Kong	在香港以外地區				
On long lease (over 50 years)	長期租約(50年以上)	–	3	–	3
On medium-term lease (10 – 50 years)	中期租約(10至50年)	–	–	–	1
		1,798	3,567	1,819	2,812

The carrying amount of the bank premises of the Group and the Bank would have been HK\$6,933 million (2008: HK\$4,624 million) and HK\$2,498 million (2008: HK\$1,929 million) respectively had they been stated at cost less accumulated depreciation.

假設本集團及本行以成本減累計折舊入賬，行址的賬面值將分別為港幣6,933,000,000元(2008年：港幣4,624,000,000元)及港幣2,498,000,000元(2008年：港幣1,929,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Investment properties were valued by independent valuers. Investment properties in Hong Kong were valued at HK\$1,698 million as at 31st December, 2009 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the accounts as at 31st December, 2009 and it was performed on an open market value basis.

投資物業是按獨立估值師估值。於2009年12月31日，香港投資物業的估值為港幣1,698,000,000元。該等物業由獨立估值師—特許測量師第一太平戴維斯，其僱員具香港測量師學會士資歷並對須估值物業的所在及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2009年12月31日之賬項內。

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

Rental income receivable from investment properties held for use under operating leases amounted to HK\$92 million in 2009 (2008: HK\$90 million). There was no contingent rental recognised during the year 2009 (2008: Nil).

於年內，以經營租賃形式租出的投資物業之應收租金為港幣92,000,000元(2008年：港幣90,000,000元)。2009年年度內未有確認或有租金(2008年：無)。

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

	The Group 集團		The Bank 銀行	
	2009	2008	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Within one year 1年以內	78	74	67	69
After one year but within five years 1年以後至5年內	81	62	62	47
	<b>159</b>	136	<b>129</b>	116

### 32. AMOUNTS DUE FROM AND DUE TO SUBSIDIARIES 附屬公司欠款及欠附屬公司款項

During the year, the Bank entered into transactions with certain subsidiaries in the ordinary course of its banking business. Details of the amounts due from and due to subsidiaries are as follows:

於年度內，本行與若干附屬公司有正常的業務交易。附屬公司欠款及欠附屬公司款項詳列如下：

#### (a) Amounts due from subsidiaries

#### (a) 附屬公司欠款

	The Bank 銀行	
	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions 金融機構	11,781	15,454
Others 其他	938	944
	<b>12,719</b>	16,398

#### (b) Amounts due to subsidiaries

#### (b) 欠附屬公司款項

	The Bank 銀行	
	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Financial institutions 金融機構	17	47
Others 其他	1,625	1,947
	<b>1,642</b>	1,994

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents: (a) 財務狀況表內的本期稅項為：

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year (Note 13(a))	本年度香港利得稅準備 (附註13(a))	73	64	-	-
Provisional profits tax paid	已付暫繳利得稅	(49)	(51)	-	-
		24	13	-	-
Balance of profits tax provision relating to prior years	以往年度利得稅準備結餘	9	(1)	(14)	(14)
Overseas taxation	海外稅項	114	321	32	74
		147	333	18	60

## (b) Deferred tax assets and liabilities recognised

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

## (b) 遞延稅項資產及負債確認

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及年內之變動如下：

		The Group 集團						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	證券重估	稅損	其他	總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January, 2009	於2009年1月1日	361	257	(49)	(4)	(661)	(14)	(110)
Charged/(credited) to income statement (Note 13(a))	收益表內支銷/(存入) (附註13(a))	(56)	34	(33)	-	447	(61)	331
Credited to reserves (Notes 38(c) and (h))	存入儲備內 (附註38(c)及(h))	-	26	-	43	-	-	69
Exchange and other adjustments	匯兌及其他調整	-	32	105	-	(2)	(227)	(92)
At 31st December, 2009	於2009年12月31日	305	349	23	39	(216)	(302)	198

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

		The Group 集團						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
Deferred tax arising from:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
遞延稅項源自：		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2008	於2008年1月1日	321	274	58	94	(59)	114	802
Charged/(credited) to income statement	收益表內支銷/(存入)	26	(14)	(114)	-	(601)	(23)	(726)
(Note 13(a))	(附註 13(a))							
Credited to reserves	存入儲備內	-	(3)	-	(98)	-	-	(101)
(Notes 38(c) and (h))	(附註38(c)及(h))							
Additions through acquisition	購入的增置	14	-	-	-	(2)	-	12
Exchange and other adjustments	匯兌及其他調整	-	-	7	-	1	(105)	(97)
At 31st December, 2008	於2008年12月31日	361	257	(49)	(4)	(661)	(14)	(110)

		The Bank 銀行						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
Deferred tax arising from:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
遞延稅項源自：		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2009	於2009年1月1日	347	257	(44)	(5)	(528)	(2)	25
Charged/(credited) to income statement	收益表內支銷/(存入)	(58)	34	(83)	-	421	7	321
Credited to reserves	存入儲備內	-	(2)	-	49	-	-	47
(Notes 38 (c) and (h))	(附註38(c)及(h))							
Exchange and other adjustments	匯兌及其他調整	-	-	1	-	(3)	(226)	(228)
At 31st December, 2009	於2009年12月31日	289	289	(126)	44	(110)	(221)	165

		The Bank 銀行						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
Deferred tax arising from:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
遞延稅項源自：		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2008	於2008年1月1日	313	274	(43)	94	(9)	113	742
Charged/(credit) to income statement	收益表內支銷/(存入)	34	(14)	(1)	-	(519)	(11)	(511)
Credited to reserves	存入儲備內	-	(3)	-	(99)	-	-	(102)
(Notes 38 (c) and (h))	(附註38(c)及(h))							
Exchange and other adjustments	匯兌及其他調整	-	-	-	-	-	(104)	(104)
At 31st December, 2008	於2008年12月31日	347	257	(44)	(5)	(528)	(2)	25



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 33. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION (CONTINUED) 財務狀況表內的所得稅(續)

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	(322)	(187)	(168)	(38)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	520	77	333	63
		198	(110)	165	25

## (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$744 million (2008: HK\$737 million) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

## (c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣744,000,000元(2008年：港幣737,000,000元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expiring within 5 years	於五年內到期	34	57
Expiring more than 5 years	五年後到期	52	7
No expiry date	無到期日	658	673
		744	737

## 34. OTHER LIABILITIES 其他負債

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Trading liabilities	(a) 交易用途負債				
Exchange fund bills sold	外匯基金票據空倉	-	330	-	330
Shares sold	賣出股份	6	-	6	-
		6	330	6	330
Negative fair value of derivatives (Note 42(b))	衍生工具的負公平價值(附註42(b))	1,449	2,516	1,229	2,219
		1,455	2,846	1,235	2,549
(b) Other accounts and provisions	(b) 其他賬項及準備				
Accrued interest payable	應計應付利息	1,089	1,953	595	1,035
Acceptance draft payable	應付承兌票據	7,976	2,989	203	272
Other accounts	其他賬項	9,441	7,197	2,750	2,172
		18,506	12,139	3,548	3,479

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

35. LOAN CAPITAL 借貸資本

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
USD550 million 5.625% subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的550,000,000美元年息5.625%的後償票據	4,281	3,644	4,281	3,644
GBP300 million 6.125% step-up perpetual subordinated notes, measured at fair value through profit or loss	按通過損益以反映公平價值列賬的300,000,000英鎊6.125%無到期日步陞後償票據	3,431	2,751	3,431	2,751
USD600 million floating rate step-up subordinated notes, measured at amortised cost	按攤銷成本列賬的600,000,000美元浮息步陞後償票據	4,647	4,641	4,647	4,641
USD500 million Hybrid Tier 1	500,000,000美元混合一級資本工具	-	-	3,916	-
		12,359	11,036	16,275	11,036

Loan capital of face value of HK\$4,265 million (USD550 million) and carrying amount of HK\$4,281 million represents 5.625% subordinated notes qualifying as tier 2 capital which were issued on 13th December, 2005 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 13th December, 2015.

票面值港幣4,265,000,000元(550,000,000美元)及賬面值港幣4,281,000,000元的借貸資本，是指由本行於2005年12月13日發行年息5.625%，並評定為二級資本的後償票據。該票據於香港交易所上市，並將於2015年12月13日到期。

Loan capital of face value of HK\$3,749 million (GBP300 million) and carrying amount of HK\$3,431 million represents 6.125% step-up perpetual subordinated notes qualifying as tier 2 capital which were issued on 20th March, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange.

票面值港幣3,749,000,000元(300,000,000英鎊)及賬面值港幣3,431,000,000元的借貸資本，是指由本行於2007年3月20日發行年息6.125%，並評定為二級資本的無到期日步陞後償票據。該後償票據於新加坡交易所上市。

The carrying amount of financial liabilities designated at fair value through profit or loss for the Group as at 31st December, 2009 was HK\$303 million (2008: HK\$1,232 million) and for the Bank was HK\$264 million (2008: HK\$1,232 million) lower than the contractual amount at maturity. The difference in the accumulated amount of the changes in fair value attributable to changes in credit risk for the Group were HK\$618 million (2008: HK\$1,858 million) and for the Bank were HK\$689 million (2008: HK\$1,858 million). The change for the year ended 31st December, 2009 for the Group was HK\$1,240 million (2008: HK\$2,183 million) and for the Bank was HK\$1,169 million (2008: HK\$2,183 million).

於2009年12月31日，本集團及本行按通過損益以反映公平價值列賬的金融負債在合約到期日的金額比賬面值分別下跌港幣303,000,000元(2008年：港幣1,232,000,000元)及下跌港幣264,000,000元(2008年：港幣1,232,000,000元)。在累計公平價值變動的金額中，可歸屬於本集團及本行之信貸風險變動的差額分別為港幣618,000,000元(2008年：港幣1,858,000,000元)及港幣689,000,000元(2008年：港幣1,858,000,000元)。在截至2009年12月31日止年度本集團及本行賬項內分別支銷的金額為港幣1,240,000,000元(2008年：港幣2,183,000,000元)及港幣1,169,000,000元(2008年：港幣2,183,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 35. LOAN CAPITAL (CONTINUED) 借貸資本(續)

Loan capital of face value of HK\$4,653 million (USD600 million) and carrying amount of HK\$4,647 million represents floating rate step-up subordinated notes qualifying as tier 2 capital which were issued on 21st June, 2007 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 22nd June, 2017. The fair value as of 31st December, 2009 was HK\$4,211 million (USD543 million) (2008: HK\$3,953 million) (USD510 million).

Hybrid Tier 1 capital instruments comprising step-up subordinated notes ("Notes") of face value HK\$3,878 million (USD500 million) and carrying amount of HK\$3,916 million and HK\$3,878 million (USD500 million) non-cumulative preference shares ("Innovate Preference Shares") were issued respectively by the Bank and by Innovate Holdings Limited, a wholly owned subsidiary of the Bank, on 5th November, 2009. The Notes bear a fixed interest rate of 8.5% per annum and will mature on 5th November, 2059. The Innovate Preference Shares are perpetual securities on which no dividend is payable. The Notes and the Innovate Preference Shares are listed, and traded together as units, on the Singapore Stock Exchange. The Hybrid Tier 1 capital instruments are qualified as tier 1 capital of the Bank and the Group. In the consolidated accounts, the Notes are eliminated and the Innovate Preference Shares are classified as minority interest.

票面值港幣4,653,000,000元(600,000,000美元)及賬面值港幣4,647,000,000元的借貸資本，是指由本行於2007年6月21日發行，並評定為二級資本的浮息步陞後償票據。該票據於新加坡交易所上市，並將於2017年6月22日到期。於2009年12月31日的公平價值為港幣4,211,000,000元(543,000,000美元)(2008年：港幣3,953,000,000元)(510,000,000美元)。

混合一級資本工具包括分別由本行發行面值港幣3,878,000,000元(500,000,000美元)及賬面值港幣3,916,000,000元之步陞後償票據(「票據」)及由本行一全資附屬公司Innovate Holdings Limited所發行賬面值港幣3,878,000,000元(500,000,000美元)非累積優先股份(「Innovate優先股份」)，發行日期為2009年11月5日。該票據之固定利率為年息8.5%，並將於2059年11月5日到期。Innovate優先股份是毋須支付股息的無到期日證券。該票據及Innovate優先股份是於新加坡交易所上市及以單位組合形式交易。混合一級資本工具已被評定為本行及本集團的一級資本。在綜合賬項中，票據已被抵銷及Innovate優先股份則被分類為少數股東權益。

## 36. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以不計價款形式發出。

## (a) Particulars of share options

Date of grant 發行日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$港幣元
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	21.11*
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86*
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04*
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84*
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09*
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25

## (a) 認股權詳情

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

(b) The number and weighted average exercise prices of share options are as follows:

		2009	Number	2008	Number
		Weighted average exercise price	of options	Weighted average exercise Price*	of options*
		加權平均行使價 HK\$ 港幣元	認股權數目 Mn 百萬	加權平均行使價* HK\$ 港幣元	認股權數目* Mn 百萬
Outstanding at the beginning of the year	年初結餘	30.53	22	24.73	21
Exercised during the year	年度內行使	20.86	(2)	18.56	(5)
Granted during the year	年度內授予	21.25	6	40.09	6
Lapsed during the year	年度內失效	25.67	(4)	21.11	-
Outstanding at the end of the year	年末結餘	29.55	22	30.53	22
Exercisable at the end of the year	年末可供行使	33.04	16	26.86	16

The weighted average share price at the date of exercise for shares options exercised during the year was HK\$23.60 (2008: HK\$33.72 or HK\$30.65 after adjusting for the bonus issue in 2009).

The options outstanding at 31st December, 2009 had an exercise price from HK\$20.86 to HK\$42.84 (2008: from HK\$22.95 to HK\$47.13 or from HK\$20.86 to HK\$42.84 after adjusting for the bonus issue in 2009) and a weighted average remaining contractual life of 2.63 years (2008: 2.44 years).

(b) 已行使認股權的數目及加權平均行使價如下：

年度內於行使認股權當日的加權平均股價為港幣23.60元(2008年：港幣33.72元或經調整2009年發行的紅股後為港幣30.65元)。

於2009年12月31日，尚未行使認股權的行使價由港幣20.86元至港幣42.84元(2008年：由港幣22.95元至港幣47.13元或經調整2009年發行的紅股後為港幣20.86元至港幣42.84元)，及剩餘合約年期之加權平均數為2.63年(2008年：2.44年)。

#### (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share option granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

#### (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的輸入參數。

		2009	2008
Fair value at measurement date	於計量日的公平價值	HK\$港幣9.66元	HK\$港幣13.88元*
Share price	股價	HK\$港幣21.25元	HK\$港幣40.09元*
Exercise price	行使價	HK\$港幣21.25元	HK\$港幣40.09元*
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅(以三項式期權定價模式內採用的加權平均波幅)	59.96%	48.88%
Option life	認股權年期	5 years年	5 years年
Expected dividends	預計股息	2.35%	4.64%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	1.64%	2.48%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

\* The Bank made a one for 10 bonus issue of shares on 17th April, 2009 (the "Bonus Issue"). For share options remained exercisable on 17th April, 2009, adjustments for the Bonus Issue were made to the effect that the number of share options have been increased by 10% and the exercise prices have been decreased accordingly. These adjustments were made in accordance with the Rules of the relevant share option schemes

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

\* 於2009年4月17日本行按每十股發送一股股份(「紅股」)。於2009年4月17日的餘下可行使之認股權，紅股之影響已作調整，即認股權的數目已增加百分之十及行使價則相應下調百分之十。該調整是根據有關認股權計劃的規則而作出。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 37. SHARE CAPITAL 股本

		2009		2008	
		No. of shares 股份數目 million 百萬	Nominal value 面值	No. of shares 股份數目 million 百萬	Nominal value 面值
Authorised:	法定股本：				
Ordinary shares of HK\$2.50 each	普通股每股港幣2.50元	2,600	HK\$ 港幣6,500,000,000元	2,600	HK\$ 港幣6,500,000,000元
Substitute preference shares of US\$1,000 each	替代優先股 每股1,000美元	0.5	US\$500,000,000美元	-	-
			HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元
Issued and fully paid:	已發行及繳足股本：				
At 1st January	於1月1日	1,673	4,183	1,574	3,936
Shares issued under Staff Share Option Schemes	根據僱員認股計劃 發行的股份	2	5	5	12
Subscription for new shares	發行新股	-	-	79	197
Capitalisation issue	資本化發行	167	418	-	-
Shares issued in lieu of dividends	以股代息發行的股份	7	17	15	38
At 31st December	於12月31日	1,849	4,623	1,673	4,183

Pursuant to the approved Staff Share Option Schemes (the "Schemes"), options to purchase ordinary shares in the Bank were granted to eligible employees. The option price of the Schemes equals the fair value of the underlying shares at the date of grant. The options granted under the Schemes will be exercisable between the first and the fifth anniversaries of the date of grant.

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。認股權行使價與相關股份於授予日的公平價值相同。根據計劃所授予的認股權可於授予日的第1周年至授予日的第5周年期間內行使。

## (a) Shares issued under Staff Share Option Scheme

During the year, options were exercised to subscribe for 2,000,000 ordinary shares in the Bank at a consideration of HK\$41 million of which HK\$5 million was credited to share capital and the balance of HK\$36 million was credited to the share premium account (Note 38). HK\$3 million has been transferred from the capital reserve to the share premium account in accordance with policy set out in Note 2(q)(iv).

## (a) 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股2,000,000股之代價為港幣41,000,000元，其中港幣5,000,000元存入股本，餘數港幣36,000,000元存入股份溢價(附註38)。根據附註2(q)(iv)所載，已由資本儲備轉撥港幣3,000,000元往股份溢價內。

## (b) Terms of unexpired and unexercised share options at balance sheet date

## (b) 於結算日尚未期滿及行使的認股權之條款

Date of options granted 認股權授予日期	Option price 認購價	2009	2008
		No. of shares 股份數目	No. of shares 股份數目
22/4/2004	HK\$港幣21.11元*	-	3,041,500*
03/5/2005	HK\$港幣20.86元*	4,737,000	6,715,500*
03/5/2006	HK\$港幣30.04元*	2,695,000	2,970,000*
10/5/2007	HK\$港幣42.84元*	2,750,000	3,025,000*
05/5/2008	HK\$港幣40.09元*	5,500,000	6,050,000*
05/5/2009	HK\$港幣21.25元	6,600,000	-
		22,282,000	21,802,000*

\* After adjusting for the bonus issue in 2009.

\* 經調整2009年所發行的紅股。

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## 38. RESERVES 儲備

		2009	
		The Group	The Bank
		集團	銀行
		HK\$ Mn	港幣百萬元
		港幣百萬元	港幣百萬元
(a) Share premium (undistributable)	(a) 股份溢價(不可派發)		
At 1st January	於1月1日	4,922	4,922
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	36	36
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	3	3
Shares issued in lieu of dividends	以股代息發行的股份	(17)	(17)
Capitalisation issue	資本化發行	(418)	(418)
As 31st December	於12月31日	4,526	4,526
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,634	14,369
Transfer from retained profits	撥自留存溢利	49	–
Shares issued in lieu of dividends	以股代息發行的股份	177	177
Realised surplus on disposals transferred from property revaluation reserve	撥自物業重估儲備的已實現出售物業盈餘	6	6
At 31st December	於12月31日	14,866	14,552
(c) Revaluation reserve on bank premises (undistributable)	(c) 行址重估儲備(不可派發)		
At 1st January	於1月1日	863	899
Recognition of net deferred tax liabilities (Note 33(b))	確認遞延稅項負債淨額(附註33(b))	(26)	2
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	97	–
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(6)	(6)
At 31st December	於12月31日	928	895
(d) Statutory reserves (undistributable)	(d) 法定儲備(不可派發)		
At 1st January	於1月1日	1,216	–
Transfer from retained profits	撥自留存溢利	285	7
At 31st December	於12月31日	1,501	7
(e) Capital reserve (undistributable)	(e) 資本儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve (undistributable)	(f) 匯兌重估儲備(不可派發)		
At 1st January	於1月1日	1,006	48
Exchange adjustments	匯兌調整	163	7
At 31st December	於12月31日	1,169	55

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 38. RESERVES (CONTINUED) 儲備(續)

		2009	
		The Group	The Bank
		集團	銀行
		HK\$ Mn	港幣百萬元
		港幣百萬元	港幣百萬元
(g) Capital reserve – staff share options issued (undistributable)	(g) 資本儲備 — 已發行僱員認股權 (不可派發)		
At 1st January	於1月1日	125	125
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(3)	(3)
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	(23)	(23)
Additions	增加	71	71
At 31st December	於12月31日	170	170
(h) Investment revaluation reserve (undistributable)	(h) 投資重估儲備 (不可派發)		
At 1st January	於1月1日	(228)	(45)
Changes in fair value of securities	證券的公平價值變動	575	267
Reversal upon disposal (Note 12)	於出售時轉回(附註12)	(29)	5
Recognition of deferred tax liabilities (Note 33(b))	確認遞延稅項負債(附註33(b))	(43)	(49)
Impairment loss and amortisation	減值損失及攤銷	11	–
At 31st December	於12月31日	286	178
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	–	–
Share of change in equity of associates	應佔聯營公司權益的變動	17	–
At 31st December	於12月31日	17	–
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日	5,339	2,724
Net profit for the year	年度內溢利	2,565	995
Transfer to general reserve	撥入一般儲備	(49)	–
Transfer to statutory reserve	撥入法定儲備	(285)	(7)
Forfeited options transfer to retained profits	已失效的認股權轉入留存溢利	23	23
Dividends (Note 15)	股息(附註15)		
– Interim dividend	– 中期股息	(516)	(516)
– Final dividend in respect of previous year	– 上年度末期股息	(33)	(33)
– Hybrid Tier 1 USD 500M	– 混合一級資本 500,000,000美元	(51)	–
At 31st December	於12月31日	6,993	3,186
(k) Total reserves	(k) 儲備總額	30,542	23,569

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

		2008	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a) Share premium (undistributable)	(a) 股份溢價(不可派發)		
At 1st January	於1月1日	1,118	1,118
Net premium on shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份溢價淨額	88	88
Transfer of the fair value of options from capital reserve – share options issued	撥自資本儲備(已發行認股權)的認股權之公平價值	9	9
Shares issued in lieu of dividends	以股代息發行的股份	(38)	(38)
Subscription for new shares	發行新股	3,745	3,745
As 31st December	於12月31日	4,922	4,922
(b) General reserve	(b) 一般儲備		
At 1st January	於1月1日	14,004	13,757
Transfer from retained profits	撥自留存溢利	18	–
Shares issued in lieu of dividends	以股代息發行的股份	597	597
Realised surplus on disposals transferred from property revaluation reserve	撥自物業重估儲備的已實現出售物業盈餘	15	15
At 31st December	於12月31日	14,634	14,369
(c) Revaluation reserve on bank premises (undistributable)	(c) 行址重估儲備(不可派發)		
At 1st January	於1月1日	866	854
Recognition of net deferred tax liabilities (Note 33(b))	確認遞延稅項負債淨額(附註 33(b))	3	3
Revaluation surplus on bank premises transferred to investment properties	行址轉作投資物業所產生的重估盈餘	10	57
Realised surplus on disposals transferred to general reserve	已實現出售物業盈餘撥入一般儲備	(15)	(15)
Exchange adjustments	匯兌調整	(1)	–
At 31st December	於12月31日	863	899
(d) Statutory reserves (undistributable)	(d) 法定儲備(不可派發)		
At 1st January	於1月1日	–	–
Transfer from retained profits	撥自留存溢利	1,216	–
At 31st December	於12月31日	1,216	–
(e) Capital reserve (undistributable)	(e) 資本儲備(不可派發)		
At 1st January and 31st December	於1月1日及12月31日	86	–
(f) Exchange revaluation reserve (undistributable)	(f) 匯兌重估儲備(不可派發)		
At 1st January	於1月1日	650	80
Exchange adjustments	匯兌調整	356	(32)
At 31st December	於12月31日	1,006	48



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 38. RESERVES (CONTINUED) 儲備 (續)

		2008	
		The Group 集團	The Bank 銀行
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(g) Capital reserve – staff share options issued (undistributable)	(g) 資本儲備 — 已發行僱員認股權 (不可派發)		
At 1st January	於1月1日	68	68
Transfer of the fair value of options to share premium	認股權公平價值撥入股份溢價	(9)	(9)
Additions	增加	66	66
At 31st December	於12月31日	125	125
(h) Investment revaluation reserve (undistributable)	(h) 投資重估儲備 (不可派發)		
At 1st January	於1月1日	475	422
Changes in fair value of securities	證券的公平價值變動	(830)	(472)
Reversal upon disposal (Note 12)	於出售時轉回(附註12)	(115)	(114)
Recognition of deferred tax liabilities (Note 33(b))	確認遞延稅項負債(附註33(b))	98	99
Impairment loss	減值損失	153	20
Exchange adjustments	匯兌調整	(9)	–
At 31st December	於12月31日	(228)	(45)
(i) Other reserves	(i) 其他儲備		
At 1st January	於1月1日	22	–
Share of change in equity of associates	應佔聯營公司權益的變動	(22)	–
At 31st December	於12月31日	–	–
(j) Retained profits	(j) 留存溢利		
At 1st January	於1月1日	8,874	5,946
Net profit/(loss) for the year	年度內溢利/(虧損)	39	(882)
Transfer to general reserve	撥入一般儲備	(18)	–
Transfer to statutory reserve	撥入法定儲備	(1,216)	–
Dividends (Note 15)	股息(附註15)		
– Interim dividend	– 中期股息	(384)	(384)
– Final dividend in respect of previous year	– 上年度末期股息	(1,956)	(1,956)
At 31st December	於12月31日	5,339	2,724
(k) Total reserves	(k) 儲備總額	27,963	23,042

The application of the share premium account is governed by Section 48B of the Hong Kong Companies Ordinance.

General reserve was set up from the transfer of retained earnings, the realised revaluation surplus on disposal of properties and the value of shares issued in lieu of dividend.

股份溢價賬目的運用是受香港《公司條例》第48B條所規管。

一般儲備的建立，包括來自留存溢利、出售物業時的已實現重估盈餘及以股代息發行的股份價值的轉賬。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

Statutory reserves are set up to supplement the paid-up capital until the sum of paid-up capital and the statutory reserves is equal to the registered capital for a subsidiary and certain associates.

Capital reserve represents the capitalization of subsidiaries' reserves.

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

Other reserve represents share of changes in equity of associates of investment revaluation reserve and revaluation reserve of bank premises.

A regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the Hong Kong Monetary Authority. As at 31st December, 2009, HK\$1,857 million (2008: HK\$1,996 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the Hong Kong Monetary Authority.

At 31st December, 2009, the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$17,738 million (2008: HK\$17,093 million). After the balance sheet date the directors proposed a final dividend of HK\$0.48 per ordinary share (2008: HK\$0.02 per share), amounting to HK\$968 million (2008: HK\$33 million). The dividend has not been recognised as a liability at the balance sheet date.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

法定儲備是用作支持實收股本直至實收股本及法定儲備的總額與一家附屬公司及若干聯營公司的註冊股本相同。

資本儲備指附屬公司儲備的資本化發行。

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

為符合香港《銀行條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢香港金融管理局後，儲備的變動已直接在留存溢利內劃定。於2009年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣1,857,000,000元(2008年：港幣1,996,000,000元)，但派發前須諮詢香港金融管理局。

於2009年12月31日，可派發予本行股東的儲備總額為港幣17,738,000,000元(2008年：港幣17,093,000,000元)。在結算日後董事擬派末期息每股普通股港幣0.48元(2008年：港幣0.02元)，總額達港幣968,000,000元(2008年：港幣33,000,000元)。於結算日並未確認該股息為負債。

### 39. MINORITY INTERESTS 少數股東權益

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	339	347
– sale of interests in businesses to minority interests investors	– 出售商業權益予少數股東投資者	132	–
– purchase of interests in businesses from minority interests investors	– 向少數股東投資者購入商業權益	(10)	(64)
– Hybrid Tier 1 note issue	– 發行混合一級資本工具	3,877	–
– final dividend in respect of previous year	– 屬上年度末期股息	(55)	(7)
– exchange adjustments	– 匯兌調整	2	(2)
Profit for the year	年度內溢利	73	65
At 31st December	於12月31日	4,358	339

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT 財務風險管理

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

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

**(a) Credit risk management**

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

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

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

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

本部分載述有關本集團財務風險管理的資料。

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

**(a) 信貸風險管理**

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

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

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

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

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

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

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

(i) Corporate and bank credit risk

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

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

(ii) Retail credit risk

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

(iii) Credit for treasury transactions

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

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

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及銀行信貸風險

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

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

(ii) 零售信貸風險

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

(iii) 財資交易的信貸風險

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

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (a) Credit risk management (continued)

## (iv) Credit-related commitment

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

## (v) Concentrations of credit risk

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

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

## (vi) Maximum exposure

The maximum exposure to credit risk at the balance sheet date without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial assets in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

## (a) 信貸風險管理 (續)

## (iv) 與信貸有關的承諾

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

## (v) 信貸集中的風險

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

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

## (vi) 最高風險

於結算日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

	The Group 集團		The Bank 銀行		
	2009	2008	2009	2008	
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	
Cash and balances with banks, central banks and other financial institutions	現金及在銀行、中央銀行和其他金融機構的結存	28,611	27,022	11,821	4,154
Placements with banks, central banks and other financial institutions	在銀行、中央銀行和其他金融機構的存款	67,945	96,574	61,894	92,735
Trade bills	貿易票據	1,847	1,164	861	521
Trading assets	交易用途資產	4,092	2,260	1,749	1,777
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	10,043	4,130	10,035	4,114
Loans and advances to customers	客戶貸款	246,309	229,295	142,197	130,293
Available-for-sale financial assets	可供出售金融資產	28,996	17,551	17,949	10,276
Held-to-maturity investments	持至到期投資	7,239	5,006	4,802	3,318
Other assets	其他資產	14,369	11,478	5,491	7,376
Financial guarantees and other credit related contingent liabilities	財務擔保及其他與信貸有關的或然負債	9,965	10,088	7,616	9,138
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	77,273	66,080	59,169	53,283
		496,689	470,648	323,584	316,985

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

## (vii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. At 31st December, 2009 and 2008, no loans and advances to bank are impaired. The credit quality of loans and advances to customers can be analysed as follows:

## (vii) 貸款及墊款的信貸質素

銀行貸款及墊款只提供予信貸信譽優良之銀行。於2009年及2008年12月31日，均沒有減值銀行貸款及墊款。客戶貸款及墊款的信貸質素分析如下：

	The Group 集團		The Bank 銀行	
	2009	2008	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers				
客戶貸款及墊款總額				
– neither past due nor impaired	245,149	228,479	141,219	129,683
– past due but not impaired	57	274	44	166
– impaired	2,448	1,586	2,111	1,274
	247,654	230,339	143,374	131,123

Of which:

其中：

	The Group 集團		The Bank 銀行	
	2009	2008	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired				
無逾期及減值的客戶貸款及墊款總額				
– Pass	242,617	226,550	139,187	128,219
– Special mention	2,532	1,929	2,032	1,464
	245,149	228,479	141,219	129,683

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

本集團根據用作匯報予香港金融管理局的貸款分類系統以分類貸款。

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

已逾期但未有減值之客戶貸款及墊款的年期分析如下：

	The Group 集團		The Bank 銀行	
	2009	2008	2009	2008
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross loans and advances to customers that are past due but not impaired				
有逾期但未有減值的客戶貸款及墊款總額				
– Overdue 3 months or less	57	274	44	166

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$234 million as at 31st December, 2009 (2008: HK\$239 million).

於2009年12月31日，假如並未重訂條款而可能變作逾期或減值貸款及墊款的金額為港幣234,000,000元(2008年：港幣239,000,000元)。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (a) Credit risk management (continued)

(viii) Credit quality of financial assets other than loans and advances

Credit risk of treasury transactions is managed in the same way as the Group manages its corporate lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the balance sheet date, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follow:

		The Group集團		The Bank銀行	
		2009	2008	2009	2008
		HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Aaa	Aaa	4,783	1,790	4,571	1,608
Aa1 to Aa3	Aa1至Aa3	11,672	5,706	10,395	4,604
A1 to A3	A1至A3	7,616	2,706	6,384	2,029
Lower than A3	A3以下	1,967	1,121	1,462	851
		26,038	11,323	22,812	9,092
P-1	P-1	10,176	-	-	-
Unrated	無評級	4,323	2,440	3,223	2,440
Total	總額	40,537	13,763	26,035	11,532

(ix) Collateral and other credit enhancements

The Group holds collateral against loans and advances to customers in the forms of mortgages over property, other registered securities over assets, cash deposits and guarantees. Collateral generally is not held over loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. Collaterals held as security for financial assets other than loans and advances is determined by the nature of the instrument.

Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. The Group entered into the ISDA Master Agreement which contractually binds both parties to apply close-out netting arrangement across outstanding derivatives.

## (a) 信貸風險管理(續)

(viii) 非貸款及墊款金融資產的信貸質素

資金交易的信貸風險管理方法，與本集團管理其企業借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於結算日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

(ix) 抵押品及其他信用提升

本集團持有以物業按揭形式、其他登記抵押資產、現金存款及擔保，以用作貸款及墊款的抵押品。除持有用作反向回購及證券借貸活動的抵押品外，銀行貸款一般不需要抵押品。持有用作非貸款金融資產的抵押品，是按照工具之性質決定。

除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。本集團簽訂ISDA的主合約，可合法地約束雙方以淨額結算安排一律應用於未履行之衍生交易。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The lower of gross loan amount and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

貸款總額及持有作抵押金融資產之抵押品及其他信用提升的估計公平價值兩者之較低者如下：

	The Group集團		The Bank銀行	
	2009	2008	2009	2008
	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:				
– neither past due nor impaired	192,357	178,200	106,004	95,567
– past due but not impaired	57	210	42	147
	<b>192,414</b>	178,410	<b>106,046</b>	95,714

#### (b) Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from statement of financial position or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products 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 derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

##### (i) 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 within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

#### (b) 市場風險管理

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

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

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

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

在此方面，需要管理的主要風險類別如下：

##### (i) 貨幣風險

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

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



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (b) Market risk management (continued)

## (i) Currency risk (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

## The Group

## (b) 市場風險管理(續)

## (i) 貨幣風險(續)

下表顯示於結算日貨幣風險集中的情況：

## 集團

		2009				2008			
		USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	USD 美元 HK\$ Mn 港幣百萬元	CNY 人民幣 HK\$ Mn 港幣百萬元	Other foreign currencies 其他外幣 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	2,241	17,427	1,453	21,121	2,425	23,215	1,263	26,903
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	14,832	4,169	24,609	43,610	28,670	1,252	18,795	48,717
Trade bills	貿易票據	1,782	8	44	1,834	1,078	-	72	1,150
Trading assets	交易用途資產	836	2,327	312	3,475	652	438	160	1,250
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	6,709	-	908	7,617	2,158	-	631	2,789
Advances to customers and other accounts	客戶貸款及其他賬項	44,193	83,346	19,252	146,791	42,442	75,119	17,419	134,980
Available-for-sale financial assets	可供出售金融資產	7,324	9,650	5,233	22,207	3,261	6,184	3,594	13,039
Held-to-maturity investments	持至到期投資	3,088	-	2,106	5,194	1,941	-	1,864	3,805
Investment in associates	聯營公司投資	360	-	-	360	292	-	-	292
Fixed assets	固定資產	190	4,805	879	5,874	211	3,083	267	3,561
Goodwill and intangible assets	商譽及無形資產	239	20	404	663	241	20	386	647
Deferred tax assets	遞延稅項資產	230	-	80	310	161	-	8	169
Spot assets	現貨資產	82,024	121,752	55,280	259,056	83,532	109,311	44,459	237,302
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(4,715)	(4,582)	(1,949)	(11,246)	(1,456)	(25,020)	(297)	(26,773)
Deposits from customers	客戶存款	(60,630)	(97,918)	(48,141)	(206,689)	(59,678)	(73,464)	(41,000)	(174,142)
Trading liabilities	交易用途負債	(1,042)	(26)	(59)	(1,127)	(1,595)	(148)	(199)	(1,942)
Certificates of deposit issued	已發行存款證	(1,639)	-	-	(1,639)	(2,452)	-	(426)	(2,878)
Current taxation	本期稅項	13	(58)	(70)	(115)	(27)	(192)	(31)	(250)
Debt securities issued	已發行債務證券	-	(4,346)	-	(4,346)	-	-	-	-
Deferred tax liabilities	遞延稅項負債	(4)	(82)	(42)	(128)	(4)	-	-	(4)
Other accounts and provisions	其他賬項及準備	(2,716)	(9,333)	(1,394)	(13,443)	(2,176)	(4,524)	(966)	(7,666)
Loan capital	借貸資本	(8,928)	-	(3,431)	(12,359)	(8,285)	-	(2,751)	(11,036)
Spot liabilities	現貨負債	(79,661)	(116,345)	(55,086)	(251,092)	(75,673)	(103,348)	(45,670)	(224,691)
Forward purchases	遠期買入	59,917	27,419	11,016	98,352	51,244	18,872	11,843	81,959
Forward sales	遠期賣出	(57,946)	(27,850)	(8,726)	(94,522)	(55,976)	(18,781)	(8,713)	(83,470)
Net option position	期權倉淨額	(45)	-	34	(11)	3	-	(4)	(1)
Net long non-structural position	非結構性長盤淨額	4,289	4,976	2,518	11,783	3,130	6,054	1,915	11,099
Net structural position	結構性持倉淨額	2,432	6,605	1,012	10,049	2,179	6,602	940	9,721

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## The Bank

## 銀行

		2009				2008			
		USD	CNY	Other foreign currencies	Total	USD	CNY	Other foreign currencies	Total
		美元	人民幣	其他外幣	總額	美元	人民幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	1,220	1,946	1,055	4,221	1,107	1,373	962	3,442
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	13,504	-	24,506	38,010	26,730	-	18,795	45,525
Trade bills	貿易票據	838	-	10	848	454	-	55	509
Trading assets	交易用途資產	819	1	311	1,131	611	1	159	771
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	6,701	-	908	7,609	2,141	-	631	2,772
Advances to customers and other accounts	客戶貸款及其他賬項	19,052	21	15,385	34,458	20,184	18	14,602	34,804
Available-for-sale financial assets	可供出售金融資產	5,638	135	4,991	10,764	2,178	428	3,511	6,117
Amounts due from subsidiaries	附屬公司欠款	7,525	730	695	8,950	12,663	549	-	13,212
Held-to-maturity investments	持至到期投資	1,788	-	1,985	3,773	1,098	-	1,738	2,836
Investment in subsidiaries and associates	附屬公司和聯營公司的投資	2,075	-	361	2,436	1,786	-	361	2,147
Fixed assets	固定資產	7	-	807	814	9	-	203	212
Deferred tax assets	遞延稅項資產	91	-	77	168	33	-	5	38
Spot assets	現貨資產	59,258	2,833	51,091	113,182	68,994	2,369	41,022	112,385
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(1,227)	-	(1,654)	(2,881)	(620)	-	(202)	(822)
Deposits from customers	客戶存款	(42,215)	(2,614)	(45,959)	(90,788)	(48,260)	(2,488)	(39,107)	(89,855)
Trading liabilities	交易用途負債	(861)	-	(46)	(907)	(1,464)	-	(181)	(1,645)
Certificates of deposit issued	已發行存款證	(1,639)	-	-	(1,639)	(2,452)	-	(426)	(2,878)
Amounts due to subsidiaries	欠附屬公司款項	(543)	-	(26)	(569)	(552)	-	(198)	(750)
Current taxation	本期稅項	2	-	(35)	(33)	(29)	-	(45)	(74)
Other accounts and provisions	其他賬項及準備	(455)	(6)	(1,248)	(1,709)	(821)	(6)	(829)	(1,656)
Loan capital	借貸資本	(12,844)	-	(3,431)	(16,275)	(8,285)	-	(2,751)	(11,036)
Spot liabilities	現貨負債	(59,782)	(2,620)	(52,399)	(114,801)	(62,483)	(2,494)	(43,739)	(108,716)
Forward purchases	遠期買入	72,537	161	10,725	83,423	44,169	15	11,820	56,004
Forward sales	遠期賣出	(71,256)	(153)	(8,429)	(79,838)	(49,326)	(19)	(8,184)	(57,529)
Net option position	期權倉淨額	(45)	-	34	(11)	3	-	(4)	(1)
Net long/short non-structural position	非結構性長/(短)倉淨額	712	221	1,022	1,955	1,357	(129)	915	2,143
Net structural position	結構性持倉淨額	2,432	6,605	1,012	10,049	2,179	6,602	940	9,721

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (b) Market risk management (continued)

## (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates 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 daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

## (iii) Equity risk

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

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

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

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

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

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

## (b) 市場風險管理(續)

## (ii) 利率風險

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

## (iii) 股份風險

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

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

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

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

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

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

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

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

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

#### Value-at-risk statistics

#### 風險數額統計

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

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

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

#### (c) Operational risk management

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

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

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

#### (c) 營運風險管理

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

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

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

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (c) Operational risk management (continued)

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

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

## (d) Liquidity risk management

The purpose of liquidity management is to ensure sufficient cash flows to meet all financial commitment and to capitalise 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.

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

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

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

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

## (c) 營運風險管理(續)

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

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

## (d) 流動資金風險管理

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

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

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

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

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

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

The Group

集團

		2009							
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
		即時還款 HK\$ Mn 港幣百萬元	1個月內 HK\$ Mn 港幣百萬元	1個月以上 至3個月 HK\$ Mn 港幣百萬元	3個月以上 至1年 HK\$ Mn 港幣百萬元	1年以上 至5年 HK\$ Mn 港幣百萬元	5年以上 HK\$ Mn 港幣百萬元	無註明日期 或逾期 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	18,156	26	48	-	-	-	11,482	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	35,006	15,471	17,468	-	-	-	67,945
Trade bills	貿易票據	38	332	1,028	443	-	-	6	1,847
Trading assets	交易用途資產	-	-	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	-	15	108	7,835	2,085	349	10,392
Advances to customers and other accounts	客戶貸款及其他賬項	4,410	26,242	14,803	50,376	100,562	61,317	4,093	261,803
Available-for-sale financial assets	可供出售金融資產	-	1,438	3,639	9,241	13,012	1,666	1,887	30,883
Held-to-maturity investments	持至到期投資	-	729	602	1,306	4,011	591	-	7,239
Undated assets	無註明日期資產	-	-	-	-	-	-	18,539	18,539
Total assets	資產總額	22,604	63,773	35,732	79,891	127,369	65,759	38,954	434,082
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	291	5,774	4,155	1,613	20	-	33	11,886
Deposits from customers	客戶存款	129,231	104,732	53,276	44,222	11,067	-	-	342,528
- Demand deposits and current accounts	- 活期存款及往來賬戶	46,380	-	-	-	-	-	-	46,380
- Savings deposit	- 儲蓄存款	81,711	-	-	-	-	-	-	81,711
- Time, call and notice deposits	- 定期及通知存款	1,140	104,732	53,276	44,222	11,067	-	-	214,437
Trading liabilities	交易用途負債	-	-	-	-	-	-	1,455	1,455
Certificates of deposit issued	已發行存款證	-	-	295	1,119	1,094	304	-	2,812
Current taxation	本期稅項	-	-	-	147	-	-	-	147
Debt securities issued	已發行債務證券	-	-	-	-	4,346	-	-	4,346
Loan capital	借貸資本	-	-	-	4,281	8,078	-	-	12,359
Other liabilities	其他負債	590	2,391	2,522	4,940	873	-	7,710	19,026
Total liabilities	負債總額	130,112	112,897	60,248	56,322	25,478	304	9,198	394,559
Net gap	淨差距	(107,508)	(49,124)	(24,516)	23,569	101,891	65,455		

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動資金風險管理(續)

The Group		2008							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	無註明日期或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19,099	42	25	-	-	-	8,939	28,105
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	46,714	35,910	13,950	-	-	-	96,574
Trade bills	貿易票據	18	371	620	139	-	-	16	1,164
Trading assets	交易用途資產	-	400	-	2	81	43	2,911	3,437
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	-	23	117	448	3,104	438	-	4,130
Advances to customers and other accounts	客戶貸款及其他賬項	4,431	25,229	18,521	42,249	86,169	55,285	11,841	243,725
Available-for-sale financial assets	可供出售金融資產	-	2,523	2,918	5,651	5,510	949	1,009	18,560
Held-to-maturity investments	持至到期投資	-	483	497	1,546	2,160	320	-	5,006
Undated assets	無註明日期資產	-	-	-	-	-	-	14,553	14,553
Total assets	資產總額	23,548	75,785	58,608	63,985	97,024	57,035	39,269	415,254
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	871	7,105	11,045	7,644	362	10	8	27,045
Deposits from customers	客戶存款	86,109	121,332	70,761	35,341	9,237	1,022	-	323,802
- Demand deposits and current accounts	- 活期存款及往來賬戶	36,332	-	-	-	-	-	-	36,332
- Savings deposit	- 儲蓄存款	45,781	-	-	-	-	-	-	45,781
- Time, call and notice deposits	- 定期及通知存款	3,996	121,332	70,761	35,341	9,237	1,022	-	241,689
Trading liabilities	交易用途負債	-	100	30	200	-	-	2,516	2,846
Certificates of deposit issued	已發行存款證	-	-	1,941	881	2,028	641	-	5,491
Current taxation	本期稅項	-	-	-	333	-	-	-	333
Loan capital	借貸資本	-	-	-	-	11,036	-	-	11,036
Other liabilities	其他負債	714	539	1,645	2,237	-	-	7,081	12,216
Total liabilities	負債總額	87,694	129,076	85,422	46,636	22,663	1,673	9,605	382,769
Net gap	淨差距	(64,146)	(53,291)	(26,814)	17,349	74,361	55,362		

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

The Bank		銀行							Total
		2009							
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
		即時還款	1個月內	1個月以上 至3個月	3個月以上 至1年	1年以上 至5年	5年以上	無註明日期 或逾期	
		HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	11,767	-	-	-	-	-	760	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	31,895	13,313	16,686	-	-	-	61,894
Trade bills	貿易票據	36	132	528	159	-	-	6	861
Trading assets	交易用途資產	-	-	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	-	15	108	7,827	2,085	349	10,384
Advances to customers and other accounts	客戶貸款及其他賬項	4,078	19,841	7,398	17,595	59,910	35,731	4,043	148,596
Available-for-sale financial assets	可供出售金融資產	-	1,421	3,061	3,692	8,979	796	986	18,935
Held-to-maturity investments	持至到期投資	-	613	563	820	2,805	1	-	4,802
Undated assets	無註明日期資產	-	-	-	-	-	-	35,970	35,970
Total assets	資產總額	15,881	53,902	24,879	39,061	80,323	38,713	44,534	297,293
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	277	1,300	1,557	354	-	-	33	3,521
Deposits from customers	客戶存款	93,026	87,296	37,746	18,685	764	-	-	237,517
- Demand deposits and current accounts	- 活期存款及往來賬戶	14,860	-	-	-	-	-	-	14,860
- Savings deposit	- 儲蓄存款	78,024	-	-	-	-	-	-	78,024
- Time, call and notice deposits	- 定期及通知存款	142	87,296	37,746	18,685	764	-	-	144,633
Trading liabilities	交易用途負債	-	-	-	-	-	-	1,235	1,235
Certificates of deposit issued	已發行存款證	-	-	295	1,119	1,094	2,504	-	5,012
Current taxation	本期稅項	-	-	-	18	-	-	-	18
Loan capital	借貸資本	-	-	-	4,281	8,078	3,916	-	16,275
Other liabilities	其他負債	-	686	115	39	18	-	4,665	5,523
Total liabilities	負債總額	93,303	89,282	39,713	24,496	9,954	6,420	5,933	269,101
Net gap	淨差距	(77,422)	(35,380)	(14,834)	14,565	70,369	32,293		



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動資金風險管理(續)

The Bank		銀行							
		2008							
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	Total
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	無註明日期或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	4,189	-	-	-	-	-	663	4,852
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	43,010	35,777	13,948	-	-	-	92,735
Trade bills	貿易票據	14	182	174	135	-	-	16	521
Trading assets	交易用途資產	-	400	-	2	81	43	2,388	2,914
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	-	23	117	448	3,088	438	-	4,114
Advances to customers and other accounts	客戶貸款及其他賬項	4,319	19,054	8,034	16,085	51,694	31,570	7,884	138,640
Available-for-sale financial assets	可供出售金融資產	-	574	562	3,947	5,067	126	709	10,985
Held-to-maturity investments	持至到期投資	-	315	147	1,092	1,653	111	-	3,318
Undated assets	無註明日期資產	-	-	-	-	-	-	37,140	37,140
<b>Total assets</b>	<b>資產總額</b>	<b>8,522</b>	<b>63,558</b>	<b>44,811</b>	<b>35,657</b>	<b>61,583</b>	<b>32,288</b>	<b>48,800</b>	<b>295,219</b>
Liabilities	負債								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	329	327	422	7	-	-	8	1,093
Deposits from customers	客戶存款	54,219	110,232	56,082	18,439	1,057	-	-	240,029
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,272	-	-	-	-	-	-	10,272
- Savings deposit	- 儲蓄存款	43,262	-	-	-	-	-	-	43,262
- Time, call and notice deposits	- 定期及通知存款	685	110,232	56,082	18,439	1,057	-	-	186,495
Trading liabilities	交易用途負債	-	100	30	200	-	-	2,219	2,549
Certificates of deposit issued	已發行存款證	-	-	1,941	881	2,028	2,841	-	7,691
Current taxation	本期稅項	-	-	-	60	-	-	-	60
Loan capital	借貸資本	-	-	-	-	11,036	-	-	11,036
Other liabilities	其他負債	-	153	142	28	-	-	5,213	5,536
<b>Total liabilities</b>	<b>負債總額</b>	<b>54,548</b>	<b>110,812</b>	<b>58,617</b>	<b>19,615</b>	<b>14,121</b>	<b>2,841</b>	<b>7,440</b>	<b>267,994</b>
Net gap	淨差距	(46,026)	(47,254)	(13,806)	16,042	47,462	29,447		

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The following tables provide an analysis of the residual contractual maturities of non-derivatives financial liabilities of the Group at the balance sheet date:

下表提供於結算日集團的非衍生金融負債之剩餘合約期限分析：

#### The Group

#### 集團

		2009							
		Carrying Amount	Gross cash outflow	Repayable on demand	Between			More than five years	Undated
					Less than three months	three months and one year	Between one and five years		
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,886	12,213	291	9,966	1,869	54	-	33
Deposits from customers	客戶存款	342,528	343,883	129,350	158,358	44,627	11,548	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	46,380	46,380	46,380	-	-	-	-	-
- Savings deposit	- 儲蓄存款	81,711	81,730	81,730	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	214,437	215,773	1,240	158,358	44,627	11,548	-	-
Trading liabilities	交易用途負債	1,455	1,455	-	-	-	-	-	1,455
Certificates of deposit issued	已發行存款證	2,812	2,854	-	314	1,136	1,100	304	-
Current taxation	本期稅項	147	147	-	-	147	-	-	-
Debt securities issued	已發行債務證券	4,346	4,600	-	65	62	4,473	-	-
Loan capital	借貸資本	12,359	13,266	-	124	4,664	8,478	-	-
Interest rate swaps	利率掉期合約	4,364	4,364	-	266	863	2,206	1,029	-
Other liabilities	其他負債	19,026	19,026	590	4,913	4,940	873	-	7,710
Total	總額	398,923	401,808	130,231	174,006	58,308	28,732	1,333	9,198

		2008							
		Carrying Amount	Gross cash outflow	Repayable on demand	Between			More than five years	Undated
					Less than three months	three months and one year	Between one and five years		
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	27,045	27,374	871	18,293	7,803	389	10	8
Deposits from customers	客戶存款	323,802	326,711	86,289	193,188	36,028	9,964	1,242	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	36,332	36,332	36,332	-	-	-	-	-
- Savings deposit	- 儲蓄存款	45,781	45,781	45,781	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	241,689	244,598	4,176	193,188	36,028	9,964	1,242	-
Trading liabilities	交易用途負債	2,846	2,846	-	130	200	-	-	2,516
Certificates of deposit issued	已發行存款證	5,491	5,625	-	1,996	911	2,077	641	-
Current taxation	本期稅項	333	333	-	-	333	-	-	-
Loan capital	借貸資本	11,036	12,621	-	130	422	12,069	-	-
Interest rate swaps	利率掉期合約	1,792	1,792	-	297	522	835	138	-
Other liabilities	其他負債	12,216	12,216	714	2,184	2,237	-	-	7,081
Total	總額	384,561	389,518	87,874	216,218	48,456	25,334	2,031	9,605

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動資金風險管理(續)

The Bank		銀行							
		2009							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出總額	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,521	3,523	277	2,859	354	-	-	33
Deposits from customers	客戶存款	237,517	237,777	93,026	125,202	18,782	767	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	14,860	14,860	14,860	-	-	-	-	-
- Savings deposit	- 儲蓄存款	78,024	78,024	78,024	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	144,633	144,893	142	125,202	18,782	767	-	-
Trading liabilities	交易用途負債	1,235	1,235	-	-	-	-	-	1,235
Certificates of deposit issued	已發行存款證	5,012	5,054	-	314	1,136	1,100	2,504	-
Current taxation	本期稅項	18	18	-	-	18	-	-	-
Loan capital	借貸資本	16,275	20,478	-	124	4,993	9,797	5,564	-
Interest rate swaps	利率掉期合約	3,639	3,639	-	166	540	1,959	974	-
Other liabilities	其他負債	5,523	5,762	-	801	39	18	-	4,904
Total	總額	272,740	277,486	93,303	129,466	25,862	13,641	9,042	6,172

		2008							
		Carrying Amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出總額	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,093	1,094	329	750	7	-	-	8
Deposits from customers	客戶存款	240,029	241,201	54,219	167,044	18,744	1,194	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	10,272	10,272	10,272	-	-	-	-	-
- Savings deposit	- 儲蓄存款	43,262	43,262	43,262	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	186,495	187,667	685	167,044	18,744	1,194	-	-
Trading liabilities	交易用途負債	2,549	2,549	-	130	200	-	-	2,219
Certificates of deposit issued	已發行存款證	7,691	7,825	-	1,996	911	2,077	2,841	-
Current taxation	本期稅項	60	60	-	-	60	-	-	-
Loan capital	借貸資本	11,036	12,621	-	130	422	12,069	-	-
Interest rate swaps	利率掉期合約	1,285	1,285	-	226	373	616	70	-
Other liabilities	其他負債	5,536	5,695	-	305	51	68	58	5,213
Total	總額	269,279	272,330	54,548	170,581	20,768	16,024	2,969	7,440

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註 (續)

(e) Interest rate risk management

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

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

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

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

Sensitivity analysis on interest rate risk

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

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

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

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

(e) 利率風險管理

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

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

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

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

利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

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

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

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (e) Interest rate risk management (continued)

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

The following table indicates the expected next repricing dates (or maturity dates whichever are earlier) for the interest bearing assets and liabilities at the balance sheet date:

## The Group

## (e) 利率風險管理(續)

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

下表顯示於結算日帶息資產及負債的預計下次利率重訂日(或到期日取其較短者):

## 集團

		2009					
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	27,130	22	-	-	2,560	29,712
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	50,477	17,468	-	-	-	67,945
Trade bills	貿易票據	1,359	443	-	-	45	1,847
Trading assets	交易用途資產	126	949	1,949	100	2,598	5,722
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	653	192	7,113	2,085	349	10,392
Advances to customers	客戶貸款	191,994	39,853	8,875	3,033	2,554	246,309
Other accounts	其他賬項	786	146	-	-	14,562	15,494
Available-for-sale financial assets	可供出售金融資產	11,350	8,257	8,156	1,233	1,887	30,883
Held-to-maturity investments	持至到期投資	2,383	1,050	3,215	591	-	7,239
Non-interest bearing assets	非帶息資產	-	-	-	-	18,539	18,539
<b>Total assets</b>	<b>資產總額</b>	<b>286,258</b>	<b>68,380</b>	<b>29,308</b>	<b>7,042</b>	<b>43,094</b>	<b>434,082</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	11,217	589	33	10	37	11,886
Deposits from customers	客戶存款	277,844	47,220	4,227	-	13,237	342,528
Trading liabilities	交易用途負債	6	-	-	-	1,449	1,455
Certificates of deposit issued	已發行存款證	798	999	711	304	-	2,812
Debt securities issued	已發行債務證券	-	-	4,346	-	-	4,346
Loan capital	借貸資本	4,647	4,281	3,431	-	-	12,359
Non-interest bearing liabilities	非帶息負債	-	-	-	-	19,173	19,173
<b>Total liabilities</b>	<b>負債總額</b>	<b>294,512</b>	<b>53,089</b>	<b>12,748</b>	<b>314</b>	<b>33,896</b>	<b>394,559</b>
Interest rate sensitivity gap	利率敏感度差距	(8,254)	15,291	16,560	6,728		

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## The Group

## 集團

		2008						
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	25,610	–	–	–	2,495	28,105	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	82,624	13,950	–	–	–	96,574	
Trade bills	貿易票據	977	137	–	–	50	1,164	
Trading assets	交易用途資產	406	2	81	37	2,911	3,437	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,110	595	1,987	438	–	4,130	
Advances to customers	客戶貸款	181,640	36,159	6,237	2,680	2,579	229,295	
Other accounts	其他賬項	551	661	–	–	13,218	14,430	
Available-for-sale financial assets	可供出售金融資產	8,125	5,508	2,965	953	1,009	18,560	
Held-to-maturity investments	持至到期投資	2,029	1,513	1,197	267	–	5,006	
Non-interest bearing assets	非帶息資產	–	–	–	–	14,553	14,553	
Total assets	資產總額	303,072	58,525	12,467	4,375	36,815	415,254	
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	18,091	8,671	260	10	13	27,045	
Deposits from customers	客戶存款	270,892	38,309	4,354	33	10,214	323,802	
Trading liabilities	交易用途負債	130	200	–	–	2,516	2,846	
Certificates of deposit issued	已發行存款證	2,503	654	1,014	1,320	–	5,491	
Loan capital	借貸資本	4,641	–	6,395	–	–	11,036	
Non-interest bearing liabilities	非帶息負債	–	–	–	–	12,549	12,549	
Total liabilities	負債總額	296,257	47,834	12,023	1,363	25,292	382,769	
Interest rate sensitivity gap	利率敏感度差距	6,815	10,691	444	3,012			

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理(續)

## (e) Interest rate risk management (continued)

## (e) 利率風險管理(續)

The Bank		2009					Total
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	
Assets	資產						
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	11,233	-	-	-	1,294	12,527
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	45,208	16,686	-	-	-	61,894
Trade bills	貿易票據	657	159	-	-	45	861
Trading assets	交易用途資產	1	1	802	100	2,420	3,324
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值的金融資產	653	192	7,105	2,085	349	10,384
Advances to customers	客戶貸款	133,403	4,198	1,689	521	2,386	142,197
Other accounts	其他賬項	655	126	-	-	5,618	6,399
Available-for-sale financial assets	可供出售金融資產	10,816	2,647	4,122	364	986	18,935
Held-to-maturity investments	持至到期投資	2,228	563	2,010	1	-	4,802
Non-interest bearing assets	非帶息資產	-	-	-	-	35,970	35,970
<b>Total assets</b>	<b>資產總額</b>	<b>204,854</b>	<b>24,572</b>	<b>15,728</b>	<b>3,071</b>	<b>49,068</b>	<b>297,293</b>
Liabilities	負債						
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	3,130	354	-	-	37	3,521
Deposits from customers	客戶存款	205,842	18,685	764	-	12,226	237,517
Trading liabilities	交易用途負債	6	-	-	-	1,229	1,235
Certificates of deposit issued	已發行存款證	798	999	711	2,504	-	5,012
Loan capital	借貸資本	4,647	4,281	3,431	3,916	-	16,275
Non-interest bearing liabilities	非帶息負債	-	-	-	-	5,541	5,541
<b>Total liabilities</b>	<b>負債總額</b>	<b>214,423</b>	<b>24,319</b>	<b>4,906</b>	<b>6,420</b>	<b>19,033</b>	<b>269,101</b>
Interest rate sensitivity gap	利率敏感度差距	(9,569)	253	10,822	(3,349)		

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## The Bank

## 銀行

		2008						
		3 months or less 3個月 或以下 HK\$ Mn 港幣百萬元	Over 3 months to 1 year 3個月以上 至1年 HK\$ Mn 港幣百萬元	Over 1 year to 5 years 1年以上 至5年 HK\$ Mn 港幣百萬元	Over 5 years 5年以上 HK\$ Mn 港幣百萬元	Non-interest bearing 非帶息 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	
Assets	資產							
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	3,619	–	–	–	1,233	4,852	
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	78,787	13,948	–	–	–	92,735	
Trade bills	貿易票據	342	129	–	–	50	521	
Trading assets	交易用途資產	406	2	81	37	2,388	2,914	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	1,110	595	1,971	438	–	4,114	
Advances to customers	客戶貸款	118,503	5,034	3,106	1,120	2,530	130,293	
Other accounts	其他賬項	340	188	–	–	7,819	8,347	
Available-for-sale financial assets	可供出售金融資產	3,821	3,803	2,522	126	713	10,985	
Held-to-maturity investments	持至到期投資	1,512	1,058	690	58	–	3,318	
Non-interest bearing assets	非帶息資產	–	–	–	–	37,140	37,140	
Total assets	資產總額	208,440	24,757	8,370	1,779	51,873	295,219	
Liabilities	負債							
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	1,072	8	–	–	13	1,093	
Deposits from customers	客戶存款	211,740	18,398	1,057	–	8,834	240,029	
Trading liabilities	交易用途負債	130	200	–	–	2,219	2,549	
Certificates of deposit issued	已發行存款證	2,503	654	1,014	3,520	–	7,691	
Loan capital	借貸資本	4,641	–	6,395	–	–	11,036	
Non-interest bearing liabilities	非帶息負債	–	–	–	–	5,596	5,596	
Total liabilities	負債總額	220,086	19,260	8,466	3,520	16,662	267,994	
Interest rate sensitivity gap	利率敏感度差距	(11,646)	5,497	(96)	(1,741)			



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 40. FINANCIAL RISK MANAGEMENT (CONTINUED) 財務風險管理 (續)

## (e) Interest rate risk management (continued)

The following table summarises the range of effective average interest rates for the year ended 31st December for monetary financial instruments:

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		%	%	%	%
<b>Assets</b>	<b>資產</b>				
Cash and short-term funds and placements with banks and other financial institutions	現金及在銀行和其他金融機構的結存，及在銀行及其他金融機構的存款	0 – 6.46	0 – 10.28	0 – 6.46	0 – 10.28
Trade bills, advances to customers and advances to banks and other financial institutions	貿易票據，客戶貸款及銀行及其他金融機構的貸款	0 – 45.70	0.50 – 36.10	0 – 18.52	0.60 – 18.33
Securities (Note)	證券(附註)	0.01 – 7.75	0.04 – 8.23	0.01 – 7.75	0.04 – 8.23
<b>Liabilities</b>	<b>負債</b>				
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	0 – 9.17	0.02 – 13.21	0 – 9.17	0.02 – 13.21
Deposits from customers	客戶存款	0 – 10.50	0 – 9.00	0 – 8.90	0 – 9.00
Certificates of deposit issued and loan capital	已發行存款證及借貸資本	0.01 – 10.01	0.92 – 10.14	0.01 – 10.01	0.92 – 10.14

Note: Securities include certificates of deposit held, trading assets, financial assets designated at fair value through profit or loss, securities measured as loans and receivables, available-for-sale financial assets and held-to-maturity investments.

## (e) 利率風險管理 (續)

下表概述於截至12月31日止年度按貨幣金融工具之有效利率範圍：

附註：證券包括持有存款證、交易資產、指定為通過損益以反映公平價值的金融資產、以貸款及應收賬款計量的證券、可供出售金融資產及持至到期投資。

## (f) Strategic risk management

The objective of strategic risk management is to monitor the risk to earnings or capital arising from bad business decisions or from an improper implementation of good business decisions.

The Board of Directors reviews and approves policy for the management of the strategic risk. The Board has delegated the responsibility for ongoing strategic risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

## (g) Legal risk and reputation risk management

Legal risk is the risk arising from the potential that unenforceable contracts, lawsuits or adverse judgements may disrupt or otherwise negatively affect the operations or financial condition of the Group.

Reputation risk is the risk that the Group's reputation is damaged by one or more than one reputation event, as reflected from negative publicity about the Group's business practices, conduct or financial condition. Such negative publicity, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in the customer base, business or revenue.

The objective of managing the aforesaid risks is to identify, assess and monitor these risks and, in particular, to comply with the relevant regulatory requirements.

The Board of Directors reviews and approves policies for these risks, and it has delegated the responsibility for ongoing risk management to the Operational and Other Risks Management Committee. The Operational and Other Risks Management Committee reports to the Board of Directors via the Risk Management Committee.

## (f) 策略性風險管理

策略性風險管理的目的是監控因不良商業決定或不當地實施良好商業決定而引致盈利或資本方面的風險。

董事會檢討和審批策略性風險管理政策，及已授權資產負債管理委員會負責持續管理策略性風險。資產負債管理委員會經風險管理委員會向董事會匯報。

## (g) 法律風險和信譽風險管理

法律風險，是指於合約未能如期執行、一般訴訟、或不利審判的情形下，可能影響本集團的日常運作或財務狀況。

聲譽風險源自公眾對本集團一宗或多宗營商規則、行為或財務情況的報導，此等報導，不管真實與否，有可能影響公眾對本集團的信心，因而導致高昂之訴訟費用，令本集團之客戶基礎下跌、或業務或收入減少。

有關風險管理之目的，在於識別、評估和監控各項風險，及確實執行有關監管條例之要求。

董事會為此等風險檢討和審批有關政策，已授權營運及其他風險管理委員會負責持續管理此等風險。營運及其他風險管理委員會經風險管理委員會向董事會匯報。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (h) Capital management

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

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

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

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

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

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

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

#### (h) 資本管理

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

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

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

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

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

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

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

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

## (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 hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for 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 could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value determination that reflects the price of the financial instrument at the reporting date, that would have been determined by market participants acting at arm's length.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter (OTC) derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

## (a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第1級－參考同一工具在活躍市場取得的市場報價。

第2級－根據可觀察的輸入參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的輸入參數，是直接或間接可從市場觀察所得的數據。

第3級－根據重要但非可觀察得到的輸入參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式，以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及輸入參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是釐定出公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為等同在公平交易下由市場人士決定的價格。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格，及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的輸入參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的輸入參數，可以減省管理層耗時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及輸入參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group (“FIVG”) which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

The table below analyses financial instruments carried at fair value, by valuation method:

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之輸入參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組(「群組」)。價格核實的程序已經確立。任何將採用的價格模式必須經過嚴格的檢測及審批程序。

下表是根據估值方法，分析金融工具之公平價值：

		2009							
		The Group集團				The Bank銀行			
		Level One	Level Two	Level Three	Total	Level One	Level Two	Level Three	Total
		第1級	第2級	第3級	總額	第1級	第2級	第3級	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Trading assets	交易用途資產	4,467	1,154	101	5,722	2,193	1,110	21	3,324
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	5,290	5,102	-	10,392	5,281	5,103	-	10,384
Available-for-sale financial assets	可供出售金融資產	21,922	8,568	393	30,883	10,845	7,749	341	18,935
		31,679	14,824	494	46,997	18,319	13,962	362	32,643
<b>Liabilities</b>	<b>負債</b>								
Trading liabilities	交易用途負債	6	1,357	92	1,455	6	1,139	90	1,235
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融負債	7,712	2,442	-	10,154	11,628	2,442	-	14,070
		7,718	3,799	92	11,609	11,634	3,581	90	15,305

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (a) Financial instruments carried at fair value (continued)

During the year there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

## (1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

## (a) 以公平價值列賬的金融工具(續)

年內，根據第1級及第2級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。

## (1) 使用重要而非可觀察之輸入參數的金融工具估值

已列賬並含有重要而非可觀察輸入參數的工具，其公平價值之變動如下：

Assets	資產	The Group 集團		
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
At 1st January, 2009	於2009年1月1日	169	471	640
Purchases	購入	-	44	44
Sales	出售	-	(31)	(31)
Settlements	結算	(154)	-	(154)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	86	-	86
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益表	-	(91)	(91)
At 31st December, 2009	於2009年12月31日	101	393	494
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	-	(91)	(91)
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產而已計入年度內收益表之交易收入淨額	86	-	86

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

Assets	資產	The Bank銀行		Total 總額 HK\$ Mn 港幣百萬元
		Trading assets – Positive fair value of derivatives 交易用途資產 – 衍生工具之 正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售 金融資產 HK\$ Mn 港幣百萬元	
At 1st January, 2009	於2009年1月1日	7	420	427
Purchases	購入	-	43	43
Sales	出售	-	(31)	(31)
Settlements	結算	(1)	-	(1)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	15	-	15
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於 其他全面收益表	-	(91)	(91)
At 31st December, 2009	於2009年12月31日	21	341	362
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the balance sheet date	於結算日持有之資產 而已計入年度內其他 全面收益之可供出售 公平價值儲備之收益或 虧損總額	-	(91)	(91)
Total gains or losses for the year included in the income statement for assets held at the balance sheet date recorded in net trading income	於結算日持有之資產 而已計入年度內 收益表之交易收入淨額	15	-	15

Liabilities	負債	The Group集團	The Bank銀行	
		Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn港幣百萬元	Trading liabilities – Negative fair value of derivatives 交易用途負債 – 衍生工具之負公平價值 HK\$ Mn港幣百萬元	
At 1st January, 2009	於2009年1月1日		169	168
Settlements	結算		(155)	(154)
Changes in fair value recognised in the income statement	公平價值變動確認 於收益表		78	76
At 31st December, 2009	於2009年12月31日		92	90
Total gains or losses for the year included in the income statement for liabilities held at the balance sheet date recorded in net trading income	於結算日持有之負債 而已計入年度內 收益表之交易收入淨額		78	76

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 41. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (a) Financial instruments carried at fair value (continued)

- (2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

## (a) 以公平價值列賬的金融工具(續)

- (2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2009			
		Effect recorded in profit or loss		Effect recorded directly in equity	
		直接記錄於損益上之影響		直接記錄於股東權益上之影響	
		Favourable	(Unfavourable)	Favourable	(Unfavourable)
		有利	(不利)	有利	(不利)
		HK\$ Mn	Mn港幣百萬元	HK\$ Mn	Mn港幣百萬元
Trading assets	交易用途資產	8	(8)	-	-
Available-for-sale financial assets	可供出售金融資產	-	-	33	(33)
		8	(8)	33	(33)
Trading liabilities	交易用途負債	8	(8)	-	-

The fair value of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent of change in fair value to reasonably possible alternative assumptions.

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示出公平價值之敏感度，即因轉用至合理可行之另類假設所產生的正、負10%的價值的並行變動。

## (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 below:

- The fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date.
- The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- 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) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於結算日可按要求而支付的金額。
- 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investment with lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.
- (iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產，或為設有禁售期之投資按其市值以折扣計算。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。

The 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 31st December, 2009 and 2008 except as follows:

除下列者外，本集團及銀行以成本或攤銷成本入賬之金融工具賬面值，與其於2009年12月31日及2008年同日之公平價值相若。

#### The Group

#### 集團

		2009		2008	
		Carrying amount 賬面值 HK\$ Mn港幣百萬元	Fair value 公平價值 HK\$ Mn港幣百萬元	Carrying amount 賬面值 HK\$ Mn港幣百萬元	Fair value 公平價值 HK\$ Mn港幣百萬元
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	7,239	7,318	5,006	4,898
Financial liabilities	金融負債				
Debt securities issued	已發行債務證券	4,346	4,601	-	-
Subordinated liabilities	後償負債	4,647	4,211	4,641	3,953

#### The Bank

#### 銀行

		2009		2008	
		Carrying amount 賬面值 HK\$ Mn港幣百萬元	Fair value 公平價值 HK\$ Mn港幣百萬元	Carrying amount 賬面值 HK\$ Mn港幣百萬元	Fair value 公平價值 HK\$ Mn港幣百萬元
Financial assets	金融資產				
Held-to-maturity investments	持至到期投資	4,802	4,846	3,318	3,209
Financial liabilities	金融負債				
Subordinated liabilities	後償負債	4,647	4,211	4,641	3,953



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 42. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

## (a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

## (a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Direct credit substitutes	直接信貸代替品	7,341	7,272	5,792	6,888
Transaction-related contingencies	與交易有關的或然項目	1,293	1,771	1,024	1,529
Trade-related contingencies	與貿易有關的或然項目	1,331	1,045	800	721
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	41,555	41,692	40,386	38,683
Other commitments	其他承擔：				
– up to 1 year	– 1年或以下	21,606	5,651	6,097	3,049
– over 1 year	– 1年以上	14,112	18,737	12,686	11,551
		87,238	76,168	66,785	62,421
Credit risk weighted amounts	信貸風險加權金額	27,305	20,642	16,441	14,002

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。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的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

**(b) Derivatives**

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group and the Bank:

**(b) 衍生工具**

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團及銀行的每項衍生工具主要類別的名義金額摘要如下：

		The Group 集團					
		2009			2008		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	19,590	-	19,590	23,860	-	23,860
Swaps	掉期交易	12,140	4,664	16,804	1,633	12,863	14,496
Options purchased	購入期權	1,885	1,209	3,094	919	151	1,070
Options written	沽出期權	3,085	1,236	4,321	1,075	151	1,226
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-	88	88	25	-	25
Swaps	掉期交易	-	70,669	70,669	-	44,699	44,699
Equity contracts	股份合約						
Options purchased	購入期權	261	1,638	1,899	82	1,638	1,720
Options written	沽出期權	177	975	1,152	427	1,039	1,466
		<b>37,138</b>	<b>80,479</b>	<b>117,617</b>	28,021	60,541	88,562

		The Bank 銀行					
		2009			2008		
		Trading 交易	Non-trading 非交易	Total 總額	Trading 交易	Non-trading 非交易	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	8,390	-	8,390	10,842	-	10,842
Swaps	掉期交易	11,137	4,664	15,801	1,311	12,253	13,564
Options purchased	購入期權	1,885	1,209	3,094	971	151	1,122
Options written	沽出期權	3,085	1,236	4,321	1,075	151	1,226
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-	88	88	25	-	25
Swaps	掉期交易	-	67,505	67,505	-	42,684	42,684
Equity contracts	股份合約						
Options purchased	購入期權	261	1,638	1,899	82	2,307	2,389
Options written	沽出期權	177	1,638	1,815	427	1,039	1,466
		<b>24,935</b>	<b>77,978</b>	<b>102,913</b>	14,733	58,585	73,318

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

The fair value and credit risk weighted amounts of the aforesaid off-balance sheet exposures are as follows. These amounts do not take into account the effects of bilateral netting arrangements.

## (b) 衍生工具(續)

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在結算日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

		The Group 集團			
		2009		2008	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value (Notes 23 and 34)	公平價值(附註23及34)				
Exchange rate contracts	匯率合約	317	139	488	505
Interest rate contracts	利率合約	587	1,279	1,012	1,928
Options purchased/written	購入/沽出期權				
– exchange rate contracts	– 匯率合約	9	9	3	5
– equity contracts	– 股份合約	55	22	231	78
		968	1,449	1,734	2,516

		The Bank 銀行			
		2009		2008	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value (Notes 23 and 34)	公平價值(附註23及34)				
Exchange rate contracts	匯率合約	275	114	262	365
Interest rate contracts	利率合約	506	1,084	755	1,771
Options purchased/written	購入/沽出期權				
– exchange rate contracts	– 匯率合約	9	9	3	5
– equity contracts	– 股份合約	55	22	231	78
		845	1,229	1,251	2,219

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Credit risk weighted amounts *	信貸風險加權金額*				
Exchange rate contracts	匯率合約	567	391	549	340
Interest rate contracts	利率合約	350	225	408	321
Equity contracts	股份合約	90	181	184	248
Debt security & other commodity	債務證券及商品	6	22	11	38
		1,013	819	1,152	947

\* The Bank adopted the Foundation Internal Ratings Based (“IRB”) approach according to Banking (Capital) Rules for calculating the credit risk weighted amount as at 31st December, 2009.

\* 根據《銀行業(資本)規則》，本行採納「基礎內部評級基準計算法」計算於2009年12月31日之信貸風險之風險加權金額。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Banking (Capital) Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

Fair value is a close approximation of the credit risk for these contracts as at the balance sheet date. The credit risk weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules.

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《銀行業(資本)規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

公平價值是在結算日該等合約的略計信貸風險。信貸風險加權金額是指按照《銀行業(資本)規則》計算。

下表分析在結算日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		The Group 集團							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2009				2008			
		1 year or less	Over 1 year to 5 years 1年以上	Over 5 years	Total	1 year or less	Over 1 year to 5 years 1年以上	Over 5 years	Total
		1年或以下	至5年	5年以上	總額	1年或以下	至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	46,714	15,727	8,316	70,757	26,641	14,193	3,890	44,724
Currency derivatives	貨幣衍生工具	37,856	5,953	-	43,809	35,145	5,507	-	40,652
Other derivatives	其他衍生工具	2,387	268	396	3,051	2,514	8	664	3,186
		<b>86,957</b>	<b>21,948</b>	<b>8,712</b>	<b>117,617</b>	<b>64,300</b>	<b>19,708</b>	<b>4,554</b>	<b>88,562</b>

		The Bank 銀行							
		Notional amounts with remaining life of 剩餘期限的名義金額							
		2009				2008			
		1 year or less	Over 1 year to 5 years 1年以上	Over 5 years	Total	1 year or less	Over 1 year to 5 years 1年以上	Over 5 years	Total
		1年或以下	至5年	5年以上	總額	1年或以下	至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	46,123	13,162	8,308	67,593	26,341	12,384	3,984	42,709
Currency derivatives	貨幣衍生工具	25,811	5,795	-	31,606	21,247	5,507	-	26,754
Other derivatives	其他衍生工具	2,387	535	792	3,714	3,183	8	664	3,855
		<b>74,321</b>	<b>19,492</b>	<b>9,100</b>	<b>102,913</b>	<b>50,771</b>	<b>17,899</b>	<b>4,648</b>	<b>73,318</b>

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 42. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險 (續)

## (c) Capital commitments

Capital commitments outstanding at 31st December and not provided for in the accounts were as follows:

	The Group集團		The Bank銀行	
	2009	2008	2009	2008
	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Expenditure authorised and contracted for 已核准支出並已簽約	338	1,611	100	608
Expenditure authorised but not contracted for 已核准支出但未簽約	65	107	48	98
	403	1,718	148	706

## (c) 資本承擔

於12月31日未償付但並未在賬項中提撥準備的資本承擔如下：

## (d) Operating lease commitments

At 31st December, 2009, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	The Group集團		The Bank銀行	
	2009	2008	2009	2008
	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Properties 物業				
Within one year 1年以內	365	338	127	135
After one year but within five years 1年至5年內	736	684	117	117
After five years 5年以後	249	358	-	-
	1,350	1,380	244	252

## (d) 經營租賃承擔

於2009年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

	The Group集團		The Bank銀行	
	2009	2008	2009	2008
	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元	HK\$ Mn港幣百萬元
Equipment 設備				
Within one year 1年以內	6	7	2	2
After one year but within five years 1年至5年內	11	10	4	2
After five years 5年以後	-	-	-	-
	17	17	6	4

The Group and the Bank lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團及本行以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

**(e) Litigation**

Claim by a private banking client

In two connected court proceedings initiated in September 2009 in the High Court of Hong Kong, a private banking client made a claim against the Bank and another bank in Hong Kong for, among other things, damages in respect of investment losses allegedly resulting from certain misconduct of a former employee of the Bank acting as the client relationship manager.

The Bank intends to defend these proceedings rigorously and is in the course of preparing the relevant court documents. If the Bank is unsuccessful in defending the claim, the Bank estimates the maximum amount of exposure is approximately HK\$150 million. As these proceedings are in the preliminary stage and based on the evidence available, the Bank's external lawyers are optimistic on mounting a successful defence to both proceedings, no provisions have been made by the Bank as at 31st December, 2009.

**(e) 法律訴訟**

私人銀行客戶之追討

在香港高等法院於2009年9月展開兩宗有關連的法庭訴訟中，一名私人銀行客戶指稱本行一名前僱員在作為其客戶經理時，涉及若干不當行為而引致其投資損失，並就此(及其他相關事宜)向本行及另一家香港銀行追討賠償。

本行擬積極進行法律抗辯，並正在準備有關之法庭文件。若本行的抗辯敗訴，本行估計需承擔的最高金額約為港幣150,000,000元。由於該法庭訴訟尚在初始階段，且根據現有證據，本行之外聘律師對該兩宗訴訟能抗辯成功持樂觀態度，因此，於2009年12月31日，本行並無為此作出撥備。

## 43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

**(a) Purchase of subsidiaries****(a) 收購附屬公司**

		2009		2008	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Net assets acquired	已購入淨資產				
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	23		12	
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	24		10	
Fixed assets	固定資產	9		4	
Goodwill	商譽	-		25	
Other accounts and provisions	其他賬項及準備	(12)		(45)	
		44		6	
Goodwill arising on consolidation	賬項綜合時產生的商譽	22		27	
Total purchase price	以現金支付的購入價	66		33	
Less: Cash and cash equivalents acquired	減：購入的現金及等同現金項目	(23)		(12)	
Cash flow on acquisition net of cash acquired	已抵銷因收購所購入的現金流	43		21	

**(b) Disposal of subsidiary****(b) 出售附屬公司**

		2009		2008	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Advances and other accounts less provisions	已扣除準備之貸款及其他賬項	1		-	
Taxation	稅項	-		-	
Other accounts and provisions	其他賬項及準備	-		-	
		1		-	
Add: Gain on disposal	加：出售盈利	-		-	
Cash flow on disposal of subsidiary	出售附屬公司的現金流	1		-	

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 43. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (c) Cash and cash equivalents

(i) Components of cash and cash equivalents in the consolidated cash flow statement

## (c) 現金及等同現金項目

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	19,244	20,042
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內在銀行及其他金融機構的存款	37,938	70,442
Treasury bills with original maturity within three months	原本期限為3個月以內的國庫債券	2,814	3,251
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的存款證	534	371
		<b>60,530</b>	94,106

(ii) Reconciliation with the consolidated statement of financial position

(ii) 與綜合財務狀況表的對賬

		2009	2008
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions (Note 20)	現金及在銀行及其他金融機構的結存(附註20)	29,712	28,105
Placements with banks and other financial institutions (Note 21)	在銀行及其他金融機構的存款(附註21)	67,945	96,574
Treasury bills and certificates of deposit held	國庫債券及持有存款證		
– trading assets (Note 23)	– 交易用途資產(附註23)	34	400
– advances and other accounts (Note 25)	– 貸款及其他賬項(附註25)	39	39
– available-for-sale (Note 26)	– 可供出售(附註26)	6,397	11,153
– held-to-maturity (Note 27)	– 持至到期(附註27)	2,434	1,897
		<b>8,904</b>	13,489
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	<b>106,561</b>	138,168
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	<b>(35,563)</b>	(35,999)
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	<b>(10,468)</b>	(8,063)
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	<b>60,530</b>	94,106

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註 (續)

#### 44. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the balance sheet date:

於結算日，以下資產經已用作本身負債之抵押品：

		The Group 集團		The Bank 銀行	
		2009	2008	2009	2008
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Secured liabilities	有抵押負債	1,514	1,161	810	1,102
Assets pledged:	抵押資產				
Available-for-sale financial assets	可供出售金融資產	736	76	-	-
Held-to-maturity investments	持至到期投資	96	96	96	96
		832	172	96	96
The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.	以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品				
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	18	7	18	7
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	921	912	876	912
		939	919	894	919
Capital equivalency deposit	等同資本的存款	39	39	39	39

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

#### 45. LOANS TO OFFICERS 行政人員貸款

The aggregate of loans to officers of the Bank disclosed pursuant to Section 161B(4B) and (4C) of the Hong Kong Companies Ordinance is as follows:

按照香港《公司條例》第161B條(4B)及(4C)款規定，本行行政人員之貸款總額公佈如下：

		2009		2008	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額				
By the Bank	由銀行借出	3,711		4,169	
By subsidiaries	由附屬公司借出	1,261		1,073	
		4,972		5,242	
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額				
By the Bank	由銀行借出	5,543		4,573	
By subsidiaries	由附屬公司借出	1,656		1,492	
		7,199		6,065	

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2009 and 31st December, 2008.

於2009年12月31日及2008年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。



## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 46. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2009, the total amount of contributions the Group made to the schemes was HK\$65 million (2008: HK\$107 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

本集團為其職員提供若干退休保障計劃，並已於附註2(q)(iii)披露。於2009年內，本集團對這些計劃的供款總數為港幣65,000,000元（2008年：港幣107,000,000元）。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其近親家庭成員、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照與一般同等信用水平之客戶相若的條款及規定。

於2009年，本集團從關聯人士所收取與支付予他們的利息，及在2009年12月31日，關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

		Key management personnel 主要管理人員		Subsidiaries 附屬公司		Associates 聯營公司	
		2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元	2009 HK\$ Mn 港幣百萬元	2008 HK\$ Mn 港幣百萬元
Interest income	利息收入	125	264	588	1,079	3	8
Interest expense	利息支出	25	88	560	148	-	-
Amounts due from	關聯人士的欠款	6,971	8,209	12,719	16,398	626	124
Amounts due to	欠關聯人士的款項	5,147	3,696	1,642	1,994	4	7
Maximum amounts due from	關聯人士的最高欠款	10,443	12,429	15,953	22,072	924	446
Maximum amounts due to	欠關聯人士的最高款項	9,826	8,527	2,295	2,850	14	34

## 47. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board of the Bank may at its discretion grant to any employees, including Executive Directors and Chief Executive, of the Group options to subscribe for shares of the Bank. The options may be exercised during the period beginning on the first anniversary of the Date of Grant and ending on the fifth anniversary of the Date of Grant. All options were granted for nil consideration.

本行所採納的僱員認股計劃是本行董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行股份。認股權的行使期限為授予日的第1周年開始至授予日的第5周年止。所有認股權均以無計價款形式發出。

## (a) Particulars of share options

## (a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$港幣
22/4/2004	22/4/2004 – 21/4/2005	22/4/2005 – 22/4/2009	21.11*
03/5/2005	03/5/2005 – 02/5/2006	03/5/2006 – 03/5/2010	20.86*
03/5/2006	03/5/2006 – 02/5/2007	03/5/2007 – 03/5/2011	30.04*
10/5/2007	10/5/2007 – 09/5/2008	10/5/2008 – 10/5/2012	42.84*
05/5/2008	05/5/2008 – 04/5/2009	05/5/2009 – 05/5/2013	40.09*
05/5/2009	05/5/2009 – 04/5/2010	05/5/2010 – 05/5/2014	21.25

NOTES ON THE ACCOUNTS (CONTINUED)  
賬項附註(續)

## (b) Movement of share options

## (b) 認股權之變動

2009	Number of share options 認股權數目					
	Date of grant 授予日期	Outstanding at 1/1/2009 於2009年 1月1日 尚未行使	Additional share options for bonus issue* 因派發紅股而 增加之認股權*	Granted 已授予	Exercised 已行使	Lapsed 已失效
22/4/2004	2,765,000	276,500	-	-	3,041,500	-
03/5/2005	6,105,000	610,500	-	1,978,500	-	4,737,000
03/5/2006	2,700,000	270,000	-	-	275,000	2,695,000
10/5/2007	2,750,000	275,000	-	-	275,000	2,750,000
05/5/2008	5,500,000	550,000	-	-	550,000	5,500,000
05/5/2009	-	-	6,600,000	-	-	6,600,000
Total 總額	19,820,000	1,982,000	6,600,000	1,978,500	4,141,500	22,282,000

2008	Number of share options 認股權數目				
	Date of grant 授予日期	Outstanding at 1/1/2008 於2008年 1月1日 尚未行使	Granted 已授予	Exercised 已行使	Lapsed 已失效
02/5/2003	2,205,000	-	2,205,000	-	-
22/4/2004	3,915,000	-	1,080,000	70,000	2,765,000
03/5/2005	7,230,000	-	1,125,000	-	6,105,000
03/5/2006	3,200,000	-	500,000	-	2,700,000
10/5/2007	2,750,000	-	-	-	2,750,000
05/5/2008	-	5,500,000	-	-	5,500,000
Total 總額	19,300,000	5,500,000	4,910,000	70,000	19,820,000

\* After adjusting for the bonus issue in 2009.

\* 經調整 2009 年所發行的紅股。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 47. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃 (續)

(c) No share options were cancelled during the years ended 31st December, 2009 and 2008.

(c) 截至2009年12月31日及2008年12月31日年度內並未有認股權被註銷。

(d) Details of share options exercised

(d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目	
		2009	2008
January 1月	02/5/2003	-	1,005,000
	22/4/2004	-	130,000
	03/5/2005	-	75,000
February 2月	02/5/2003	-	20,000
	22/4/2004	-	20,000
	03/5/2005	-	25,000
March 3月	02/5/2003	-	1,060,000
	22/4/2004	-	665,000
	03/5/2005	-	715,000
	03/5/2006	-	500,000
April 4月	02/5/2003	-	30,000
	22/4/2004	-	165,000
	03/5/2005	-	110,000
May 5月	02/5/2003	-	90,000
	22/4/2004	-	20,000
	03/5/2005	190,500	75,000
June 6月	22/4/2004	-	25,000
	03/5/2005	208,500	25,000
July 7月	22/4/2004	-	5,000
	03/5/2005	14,000	55,000
August 8月	22/4/2004	-	30,000
	03/5/2005	79,000	45,000
September 9月	22/4/2004	-	20,000
	03/5/2005	243,500	-
October 10月	03/5/2005	292,500	-
November 11月	03/5/2005	755,500	-
December 12月	03/5/2005	195,000	-
		<b>1,978,500</b>	4,910,000

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### 48. NON-ADJUSTING POST BALANCE SHEET EVENTS 毋須調整的資產負債表日後事件

After the balance sheet date the directors proposed a final dividend. Further details are disclosed in Note 15(a).

董事於結算日後擬派發一末期股息。詳情已在附註15(a)作披露。

On 30th December, 2009, the Bank entered into a subscription agreement with Negocio de Finanzas e Inversiones I, SLU, a subsidiary of Criteria Caixa Corp., SA and Sumitomo Mitsui Banking Corporation respectively in relation to the subscription as principal of an aggregate of 167,104,200 shares in the share capital of the Bank at HK\$30.60 per new share subject to regulatory approval. These 167,104,200 shares represent approximately 8.29% of the entire issued share capital of the Bank as enlarged by the subscriptions. The subscription price represents a discount of approximately 2.08% to the closing price of HK\$31.25 per share quoted on the Stock Exchange on 30th December, 2009. Following with a regulatory approval, shares issued and proceeds are received on 14th January, 2010.

於2009年12月30日，本行與Criteria Caixa Corp., SA之附屬公司，Negocio de Finanzas e Inversiones I, SLU 以及三井住友銀行各自以主事人身份按每股新股份港幣30.60元認購本行股本中的共計167,104,200股股份分別訂立了認購協議(尚未獲監管當局的批准)。該等167,104,200股股份約佔本行認購後已擴大全部已發行股本的8.29%。認購價於2009年12月30日在聯交所報每股股份港幣31.25元的收市價折讓約2.08%。隨後獲得監管當局的批准，股份於2010年1月14日發行及所得款項亦於同日收訖。

In June 2009, BEA signed a Sale and Purchase Agreement with the Industrial and Commercial Bank of China ("ICBC") to sell a 70% interest in its banking subsidiary in Canada, The Bank of East Asia (Canada), to ICBC. The transaction closed on 28th January, 2010.

在2009年6月，本行與中國工商銀行股份有限公司(「工商銀行」)簽訂一項買賣協議出售其於加拿大之銀行附屬公司，加拿大東亞銀行之70%權益予工商銀行。該交易於2010年1月28日已經完成。

#### 49. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of accounts requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these accounts and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the accounts in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the accounts therefore present the financial position and results fairly, in all material respects.

在編製本集團的賬項時，管理層必須作出若干於該等賬項的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假設，便可能對作出有關改變期間的賬項產生重大影響。採用此等不同的假設和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假設，而本集團的財務報表均能公平地反映其財政狀況和業績。

Management discussed with the Audit Committee the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

## 49. ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED) 會計估計及判斷(續)

## (a) Key sources of estimation uncertainty

Notes 30, 36 and 41 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

## (i) Impairment losses

*Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement 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 for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data 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 similar credit risk characteristics. Historical loss experience is adjusted on the basis of the 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 financial assets and held-to-maturity investments*

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

## (ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of SIV is based on their net asset values as provided by the SIV's managers.

## (a) 估計不穩定因素的主要來源

附註30、36和41載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假設及其風險因素。估計不穩定因素的其他主要來源如下：

## (i) 減值損失

*貸款*

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借款人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假設，從而減少估計損失與實際損失的差異。

*可供出售金融資產及持至到期投資*

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益有所影響。

## (ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或若非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

## NOTES ON THE ACCOUNTS (CONTINUED)

### 賬項附註(續)

#### (b) Critical accounting judgements in applying the Group's accounting policies

Certain critical accounting judgements in applying the Group's accounting policies are described below:

##### (i) Held-to-maturity investments

The Group classifies 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 for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

##### (ii) Recognition of deferred tax assets

The group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

#### (b) 本集團應用會計政策的重要會計判斷

本集團應用會計政策的若干重要會計判斷如下：

##### (i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有正面計劃及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

在若干特殊情況下除外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

因此，原以攤銷成本計量的可持至到期投資會改以公平價值計量。

##### (ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

## 50. COMPARATIVE FIGURES 比較數字

As a result of the application of HKAS 1 (revised 2007), Presentation of financial statement, and HKFRS8, 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 3.

The Group has reviewed the disclosures in the financial statements and has made a number of presentation changes in Note 40. In such case, comparative figures in the notes have been amended to ensure consistency with the current year.

由於實施《香港會計準則》第1條(2007年修訂)「財務報表披露」，及《香港財務報告準則》第8號「經營業務分部」，若干比較數字已作調整以符合本年度的呈報方式以及提供有關第一次於2009年披露項目之比較數字。該等項目之詳情已於附註3披露。

本集團已檢視在財務報表的披露及已於附註40內作出若干呈報變動。在此情況下，在附註的比較數字已作修訂致令與本年度相符合。

## NOTES ON THE ACCOUNTS (CONTINUED)

## 賬項附註(續)

### 51. PROPOSED IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2009 在截至2009年12月31日止年度前已公佈但尚未生效的修訂、新標準和詮釋所產生的可能影響

Up to the date of issue of these accounts, the HKICPA has issued a number of amendments, new standard and interpretations which are not yet effective for the accounting year ended 31st December, 2009 and which have not been adopted in these accounts.

直至此等賬項發佈日期，香港會計師公會已頒佈了多項經修訂、新標準和詮釋；但該等經修訂、新標準和詮釋及額外的披露於截至2009年12月31日止年度尚未生效，因此尚未應用於此等賬項。

**Effective for accounting periods  
beginning on or after  
由會計期開始或以後起生效**

HKFRS 3 (Revised), Business combinations	1st July, 2009
《香港財務報告準則》第3號(經修訂)「業務合併」	2009年7月1日
Amendment to HKAS 27, Consolidated and separate financial statements	1st July, 2009
修訂《香港會計準則》第27號「綜合及獨立之財務報表」	2009年7月1日
Amendment to HKAS 39, Financial instruments: Recognition and measurement – Eligible hedged items	1st July, 2009
修訂《香港會計準則》第39號「金融工具：確認和計量－合適被對沖之項目」	2009年7月1日
HK(IFRIC) 17, Distributions of non-cash assets to owners	1st July, 2009
香港(國際財務報告詮釋委員會)第17條詮釋「派發非現金資產予擁有人」	2009年7月1日
Improvements to HKFRSs 2009	1st July, 2009 or 1st January, 2010
提升《香港財務報告準則》(2009)	2009年7月1日或2010年1月1日
HKFRS 9, Financial instruments	1st January, 2013
《香港財務報告準則》第9號「金融工具」	2013年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on 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.

本集團正在評估該等修訂對首個應用期可能產生的影響。除因《香港財務報告準則》第9號「金融工具」致令本集團在分類及計量金融工具時可能對本集團的業績及財務狀況有影響外，至今所得結論是若採納該等修訂對本集團的業績及財務狀況不可能構成重大影響。

# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

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

#### (a) Capital adequacy ratio

#### (a) 資本充足比率

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

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

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

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

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

## (b) Group capital base after deductions

## (b) 集團扣減後的資本基礎

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

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

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

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

## (2) LIQUIDITY RATIO 流動資金比率

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

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

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

## (3) CROSS-BORDER CLAIMS 跨國債權

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

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

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

內地非銀行類客戶直接風險總額及其個別減值準備如下：

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

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

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

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

(a) Overdue and rescheduled advances

(a) 逾期及經重組貸款

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (a) Overdue and rescheduled advances (continued)

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

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

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

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

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

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

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

## (a) 逾期及經重組貸款 (續)

可視作合格抵押品的資產須符合下列條件：

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

合格抵押品主要分為下列兩種：

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

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

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

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

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

## (b) Other overdue and rescheduled assets

## (b) 其他逾期及經重組資產

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

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

## (c) Repossessed assets

## (c) 收回資產

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

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

此等金額指於12月31日收回資產的估計市值。

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

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

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

## (a) Summary of approach to assess capital adequacy

## (a) 評估資本充足度的方法概要

Different approaches are adopted for assessing capital adequacy as follows:

評估資本充足度採納以下不同方法：

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (b) Principal risks

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

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

## Credit Risk Management

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

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

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

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

## (b) 主要風險

本部分載述有關本集團主要風險管理的資料。

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

## 信貸風險管理

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

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

(i) Corporate and bank credit risk

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

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

(ii) Retail credit risk

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

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

本集團就下列各類主要信貸風險實行信貸風險管理：

(i) 企業及銀行信貸風險

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

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

(ii) 零售信貸風險

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (b) Principal risks (continued)

## Credit Risk Management (continued)

## (iii) Credit for treasury transactions

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

## (iv) Credit-related commitment

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

## (v) Concentration of credit risk

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

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

## (vi) Capital requirement for credit risk by exposure class

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

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

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

## (b) 主要風險 (續)

## 信貸風險管理 (續)

## (iii) 財資交易的信貸風險

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

## (iv) 與信貸有關的承諾

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

## (v) 信貸集中的風險

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

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

## (vi) 各風險承擔類別的信貸風險資本要求

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### Market risk management

Market risk arises from all market risk sensitive financial instruments, including debt securities, foreign exchange contracts, equity and derivative instruments, as well as from balance sheet or structural positions. The objective of market risk management is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board of Directors reviews and approves policies for the management of market risks. The Board has delegated the responsibility for ongoing market risk management to the Asset and Liability Management Committee. The Asset and Liability Management Committee reports to the Board of Directors via the Risk Management Committee.

The Asset and Liability Management Committee deals with all market risk and liquidity risk related issues of the Group. It is also responsible for deciding the future business strategy with respect to interest rates trend review.

The use of derivatives for proprietary trading and their sale to customers as risk management products 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 derivatives instruments used by the Group are interest rate, foreign exchange and equity related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of risk to manage are:

#### (i) 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 within limits approved by the Board.

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries and associated companies, are excluded from VaR measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

#### (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from the timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also relates 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 daily by the Treasury Markets Division within the limits approved by the Board of Directors. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

#### 市場風險管理

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

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

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

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

在此方面，本集團主要管理的風險包括：

#### (i) 貨幣風險

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

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

#### (ii) 利率風險

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (b) Principal risks (continued)

## Market risk management (continued)

## (iii) Equity risk

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

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

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

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

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

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

## (b) 主要風險(續)

## 市場風險管理(續)

## (iii) 股份風險

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

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

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

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

The following table indicates the capital charge for market risk:

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

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

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

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

下表顯示市場風險的資本要求：

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

## (b) Principal risks (continued)

Market risk management (continued)

Back testing exceptions

## (b) 主要風險 (續)

市場風險管理 (續)

回溯測試的例外情況

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

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

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

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

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

Value-at-risk statistics風險數額統計

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

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

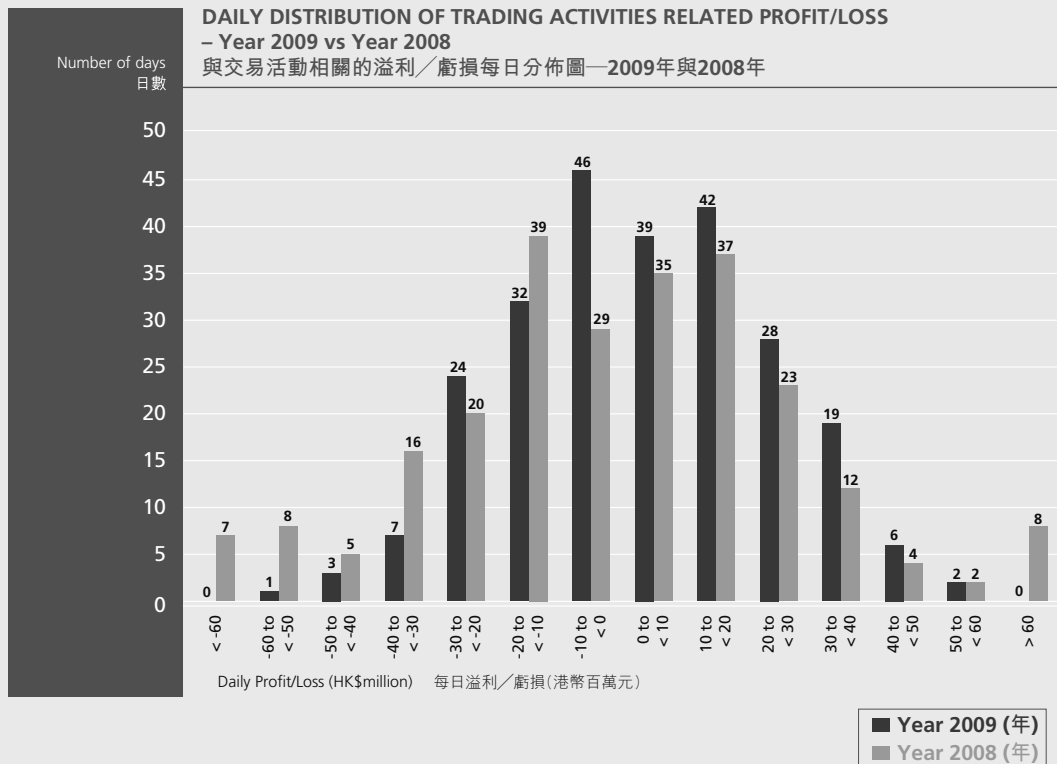
Year 2008 年		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險數額總額	70	139	39	73
VaR for foreign exchange trading positions*	外匯交易持倉的風險數額*	12	21	1	5
VaR for interest rate trading positions	利率交易持倉的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

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

\* 包括所有外匯持倉但不包括結構性外匯持倉。

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

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (b) Principal risks (continued)

Operational risk management

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

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

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

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

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

Capital Charge for Operational Risk

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

Liquidity risk management

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

## (b) 主要風險 (續)

營運風險管理

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

營運風險管理的目標在於辨別、評估及監控營運風險，尤其是要遵守相關監管規定。

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

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

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

營運風險的資本要求

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

流動資金風險管理

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

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

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

#### Interest rate risk management

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

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

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

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

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

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

#### 利率風險管理

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

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## (b) Principal risks (continued)

## Interest rate risk management (continued)

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

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

## Sensitivity analysis on interest rate risk

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

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

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

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

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

## (b) 主要風險 (續)

## 利率風險管理 (續)

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

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

## 利率風險敏感度分析

本行採用敏感度分析來量度利率變動對淨利息收入及經濟價值變動可能產生的影響：

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (c) Capital management

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

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

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

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

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

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

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

#### (c) 資本管理

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

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

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

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

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 根據內部評級基準計算法計算的信貸風險

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

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

## (a) Structure of internal ratings systems

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

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

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

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

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

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

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

## (a) 內部評級系統的架構

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

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

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

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

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

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

### (b) Use of internal ratings

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

### (c) Control mechanisms for rating systems

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

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

### (d) Internal rating process

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

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

### (e) Types of exposures

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

### (b) 內部評級的應用

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

### (c) 評級系統的監控機制

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

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

### (d) 內部評級程序

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

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

### (e) 風險承擔類別

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 根據內部評級基準計算法計算的信貸風險(續)

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

## Probability of Default (PD)

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

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

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

## Loss-Given-Default (LGD)

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

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

## Exposure-at-Default (EAD)

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

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

## (f) 估計及核實內部評級的可變因素、方法及數據

## 違責或然率

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

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

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

## 違責損失率

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

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

## 違責風險承擔

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### Assumptions Employed in Derivation of Variables

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

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

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

#### Methods of Validation

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

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

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

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

#### 計算可變因素時採用的假設

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

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

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

#### 核實方法

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

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

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

就評級應用的審查，乃以評級及審批程序為重點。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 根據內部評級基準計算法計算的信貸風險(續)

## (g) Policies for establishing provisions

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

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

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

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

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

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

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

## (g) 設立準備金的政策

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

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

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

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

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

(h) Exposure subject to supervisory estimates

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

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

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

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

(h) 受限於監管性估計的風險承擔

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

## (i) Risk assessment for IRB exposure classes

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

For bank exposure

2009

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

For bank exposure

2008

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

## (i) 內部評級基準風險承擔類別的風險評估

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

就銀行風險承擔而言

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

For corporate exposure

就企業風險承擔而言

2009

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

For corporate exposure

就企業風險承擔而言

2008

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

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

For residential mortgages

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

## (i) 內部評級基準風險承擔類別的風險評估(續)

就住宅按揭而言

For qualifying revolving retail exposures

就合資格循環零售風險承擔而言

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

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

For other retail exposures

就其他零售風險承擔而言

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

根據內部評級基準計算法計算的信貸風險(續)

## (j) Comparison of rating estimates against actual outcome

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

Comparison of actual loss and estimated loss

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

## 2009

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

## 2008

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

## (j) 比較評級估計與實際數字

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

比較實際損失與估計損失

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### Comparison of actual default against estimated probability of default

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

#### 比較實際違責與估計違責或然率

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

#### 2009

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

#### 2008

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

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

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

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

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

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

#### (a) 外部信貸評估機構的評級

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

## (b) Risk assessment for exposure classes under Standardised Approach

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

## 2009

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

## 2008

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

## (b) 標準計算法下風險承擔類別的風險評估

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

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

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

#### (a) Process of managing and recognising credit risk mitigation

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

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

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

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

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

#### (a) 管理及認定減低信貸風險措施的程序

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

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

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

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

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



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

(b) Total exposures covered by recognised collateral under IRB Approach (b) 內部評級基準計算法下以認可抵押品涵蓋的風險承擔總額

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

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

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

(c) Total exposures covered by recognised collateral under Standardised Approach (c) 標準計算法下以認可抵押品涵蓋的風險承擔總額

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

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

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

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

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

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

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

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

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

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

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

**2009**

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

**2008**

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

**(a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔**

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

未經審核補充財務資料(續)

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

與交易對手信貸風險相關的風險承擔(續)

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

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

2009

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

2008

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

## (b) 標準計算法下與交易對手信貸風險相關的風險承擔

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

## (11) ASSET SECURITISATION 資產證券化

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

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

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

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

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

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

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

For the year ended 31st December, 2009  
截至2009年12月31日止之財政年度

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

For the year ended 31st December, 2008  
截至2008年12月31日止之財政年度

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

**PARTIES**

**OUR OFFICE**

**The Bank of East Asia, Limited**  
10 Des Voeux Road  
Central  
Hong Kong

**LIQUIDITY PROVIDERS**

**Taifook Securities Company Limited**  
25th Floor, New World Tower  
16-18 Queen's Road Central,  
Hong Kong

**Kingsway Financial Services Group Limited**  
5th Floor, Hutchison House  
10 Harcourt Road,  
Hong Kong

**LEGAL ADVISOR AS TO HONG KONG LAW**

**Mallesons Stephen Jaques**  
13th Floor  
Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Central  
Hong Kong