

CHARTING A STEADY COURSE

穩中求進

Annual Report 2010 年年報

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







Contents 目錄

- 2 Accolades & Key Milestones in 2010
榮譽及二零一零里程碑
- 4 Five-year Financial Summary
五個年度之財務概要
- 6 Corporate Information
公司資料
- 16 Chairman's Statement
主席匯報
- 20 Management Discussion & Analysis
管理層討論及分析

Business & Operations Review

業務回顧

- 28 Corporate & Investment Banking 企業金融
 - 32 Financial Markets 金融市場
 - 36 Wealth Management 財富管理
 - 40 Consumer Finance 消費金融
 - 44 Control & Risk Management 監控及風險管理
 - 48 IT & Operations 資訊科技及營運
 - 52 People Development 人才管理及發展
-
- 56 Corporate Social Responsibility
企業社會責任
 - 60 Bank Network
銀行網絡
 - 62 Products & Services
產品及服務
 - 66 Corporate Governance Report
企業管治報告
 - 76 Financial Statements
財務報告



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

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

Accolades 榮譽

The Bank was granted the "Highest Retail Sales Volume" and "Outstanding Retail Sales Volume Growth – Bronze Prize" by VISA Hong Kong Limited.

本行奪得由VISA Hong Kong Limited頒發的「最高零售簽賬額獎」及「傑出零售簽賬增長獎」銅獎。

The Bank was awarded "The Highest Growth Rate in 2010 Cardholder Spending in Hong Kong – 1st Runner Up" and "The Highest Growth Rate in 2010 Number of Open Cards in Hong Kong – 2nd Runner Up" by MasterCard Worldwide.

本行獲萬事達卡國際組織頒發「2010年度香港信用卡消費額最高增長獎」亞軍及「2010年度香港發卡量最高市場增長獎」季軍。

The Bank was honoured by the Bank of New York Mellon with the Straight Through Processing Award for the fourth time in five years.

本行獲紐約梅隆銀行於五年內第四度頒發直通式聯繫結算處理獎。

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

本行連續第四年獲香港社會服務聯會頒發「商界展關懷」標誌。

商界展關懷
caringcompany²⁰⁰⁷⁻¹¹
Awarded by The Hong Kong Council of Social Service
香港社會服務聯會頒發



Key Milestones in 2010 二零一零里程碑

- ◆ The official opening of the new Wanchai Branch took place in August to provide customers in the Wanchai District with a full array of high quality banking services.
全新的灣仔分行於8月正式開幕，為區內客戶提供全面的優質銀行服務。
- ◆ On 30 November 2010, the Bank successfully completed the issuance of US\$200,000,000 10-year subordinated debt for replenishing the outstanding US\$200,000,000 subordinated debt callable in April 2011. The notes, rated BBB by Standard & Poor's, bear a fixed coupon rate of 6.125% per annum payable semi-annually and qualify as the Bank's Tier 2 capital.
本行於2010年11月30日成功發行2億美元10年期後償票據，為將於2011年4月到期之2億美元未償付之後償票據進行再融資。該票據獲標準普爾評級為BBB，固定年利率為6.125%，利息每半年支付1次，並列作本行的次級資本。
- ◆ In December, the Bank fully subscribed for its allocated 39,580,200 Rights Shares in Xiamen Bank to maintain its 19.99% shareholding interest. The consideration for the Rights Shares, which was RMB107,262,342, was financed from the Bank's own internal surplus funds.
本行於12月向廈門銀行全數認購獲分配之供股股份共39,580,200股，以維持本行於該行19.99%的股份權益，而供股之價款107,262,342元人民幣則從本行的內部盈餘資金撥付。

Five-Year Financial Summary

五個年度之財務概要

	2010 二零一零年	2009 二零零九年	2008 二零零八年	2007 二零零七年	2006 二零零六年
Profit and Loss Account (HK\$ Million) 損益表 (百萬港元)					
Profit before Taxation 除稅前溢利	313	27	98	517	391
Profit Attributable to Equity Shareholders 股東應佔溢利	267	23	101	461	327
Consolidated Balance Sheet (HK\$ Million) 綜合資產負債表 (百萬港元)					
Total Equity 股東權益總額	5,094	4,935	4,721	4,121	3,979
Total Assets 總資產	61,780	60,979	65,642	60,623	53,347
Advances to Customers less Impairment 客戶貸款減值	28,861	28,572	33,034	31,479	25,751
Customer Deposits and Medium Term Funding 客戶存款及中期資金	46,878	47,183	50,817	45,229	38,748
Share Statistics (HK\$) 股份統計表 (港元)					
Earnings/(Loss) per Share ¹ (Weighted Average Basis) 每股盈利/(虧損) ¹ (加權平均基準)	0.16	(0.05)	0.08	0.39	0.28
Earnings/(Loss) per Share ¹ (Adjusted) 每股盈利/(虧損) ¹ (經調整)	0.16	(0.05)	0.08	0.39	0.28
Selected Returns and Ratios (%) 盈利及百分比簡錄 (%)					
Return on Average Equity 平均股本回報率	5.31	0.48	2.54	11.43	8.47
Return on Average Assets 平均資產回報率	0.43	0.04	0.16	0.81	0.63
Capital Adequacy Ratio 資本充足比率	18.23	17.18	14.04	14.42	16.60
Average Liquidity Ratio (for December) 平均流動資金比率 (十二月)	54.80	49.99	46.35	44.08	46.43
Loan to Deposit Ratio 貸存比率	61.22	60.29	64.73	69.60	66.46

Note:

1. Earnings per share is calculated on profit attributable to equity shareholders of HK\$266,966,000 (2009: HK\$22,995,000) net of preference share dividend of HK\$83,896,000 (2009: HK\$83,517,000) and on 1,172,160,000 (2009: 1,172,160,000) ordinary shares in issue during the year. There are no convertible loan capital, options or warrants outstanding which would cause a dilution of the earnings per share.

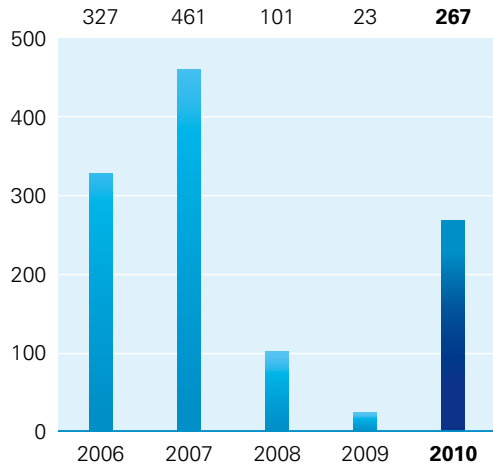
附註:

1. 每股盈利乃按年內股東應佔溢利266,966,000港元(二零零九年: 22,995,000港元)減去優先股股息83,896,000港元(二零零九年: 83,517,000港元)及於年內已發行普通股1,172,160,000股(二零零九年: 1,172,160,000股)計算。本行並無任何可兌換之資本貸款、期權或可兌換認股證以致對每股盈利構成攤薄影響。

Profit Attributable to Equity Shareholders

股東應佔溢利

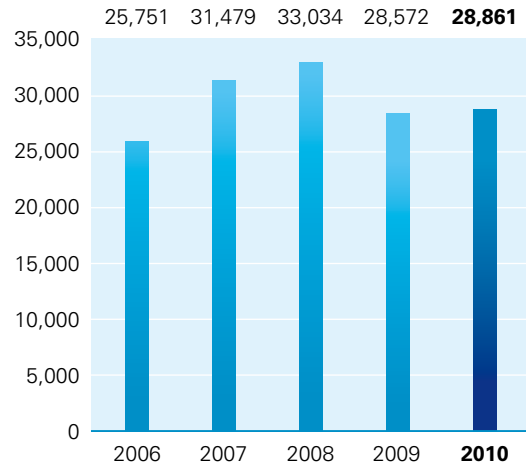
HK\$ Million (百萬港元)



Advances to Customers less Impairment

客戶貸款減減值

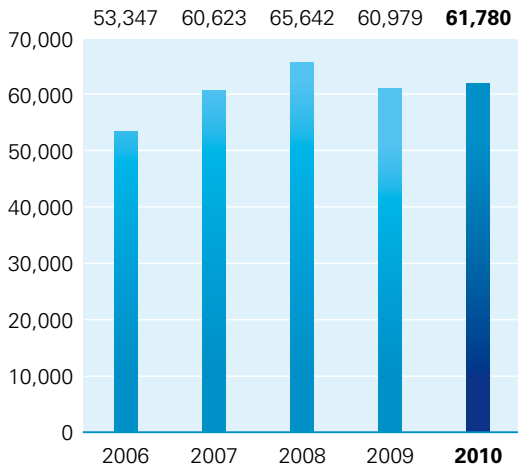
HK\$ Million (百萬港元)



Total Assets

總資產

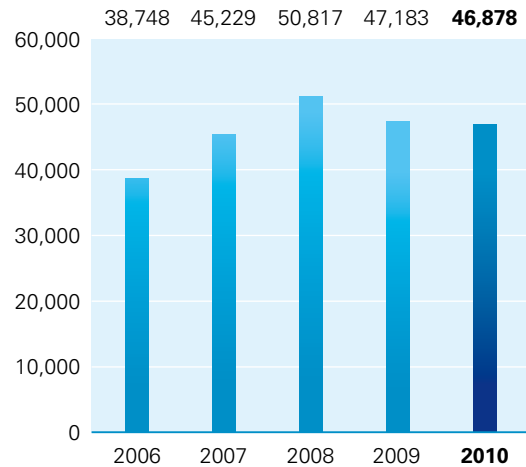
HK\$ Million (百萬港元)



Customer Deposits and Medium Term Funding

客戶存款及中期資金

HK\$ Million (百萬港元)



In 2010, Fubon Bank (Hong Kong) Limited and its subsidiaries ("The Group") achieved a net profit of HK\$266 million, an increase of 1081.7% over 2009. The return on average assets was 0.43% and return on average equity was 5.31%. During the year total customer deposits and medium term funding decreased by 0.6% to HK\$46.9 billion. Advances to customers less impairment increased by 1.0% to HK\$28.9 billion. Total assets increased 1.3% to HK\$61.8 billion. The Group had total equity funds of HK\$5.09 billion, and a capital adequacy ratio of 18.23%.

二零一零年，富邦銀行（香港）有限公司及其附屬公司（「本集團」）錄得純利2.66億港元，較二零零九年增加1081.7%。平均資產回報率為0.43%，而平均股本回報率則為5.31%。於本年度，客戶存款及中期資金總額減少0.6%至469億港元，客戶貸款減減值則增加1.0%至289億港元。總資產增加1.3%至618億港元。本集團總股本資金為50.9億港元，資本充足比率則達18.23%。

Corporate Information

公司資料

SHAREHOLDERS

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

SOLICITORS

Slaughter and May

AUDITORS

KPMG

COMPANY SECRETARY

Juliana CHIU Yuk Ching

REGISTERED OFFICE

Fubon Bank Building
38 Des Voeux Road Central
Hong Kong

股東

75% – 富邦金融控股股份有限公司
25% – 公眾持有

律師

司力達律師樓

核數師

畢馬威會計師事務所

公司秘書

趙玉貞

註冊辦事處

香港中環
德輔道中 38 號
富邦銀行大廈

Board of Directors

董事



Ming-Hsing
(Richard) TSAI
蔡明興



Ming-Chung
(Daniel) TSAI
蔡明忠



Pei-Hwa Thomas
LIANG
梁培華



James YIP
葉強華



Dennis CHAN
Wen-Yueh
詹文嶽



Victor KUNG
龔天行



David CHANG
Kuo-Chun
張果軍



Michael CHANG
Ming-Yuen
張明遠



Robert James
KENRICK
甘禮傑



Moses K. TSANG
曾國泰



Hung SHIH
石宏

Board of Directors

董事

Ming-Hsing (Richard) TSAI

Chairman

Aged 53. Mr. Tsai joined Fubon Group in 1983. He is Vice Chairman of Fubon Financial Holding Co., Ltd. Mr. Tsai also acts as Chairman for Fubon Life Insurance Co., Ltd. and has over 25 years of experience in these businesses. He is currently also the Chairman of Taiwan Fixed Network Co., Ltd. and Taiwan Mobile Co., Ltd., a provider of telecommunication services. Prior to this, Mr. Tsai was also the Chairman of Fubon Securities Co., Ltd. Mr. Tsai holds a Master of Business Administration Degree (1981) from New York University and a Bachelor of Business Administration Degree (1979) from National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Chung (Daniel) Tsai. He became a Director of the Bank in February 2004.

Ming-Chung (Daniel) TSAI

Vice Chairman

Aged 54. Mr. Tsai joined Fubon Group in 1981. He is currently the Chairman of Fubon Financial Holding Co., Ltd. as well as Chairman of Taipei Fubon Commercial Bank Co., Ltd. Mr. Tsai is also the Vice Chairman of Taiwan Mobile Co., Ltd. Mr. Tsai has extensive experience in banking and telecommunication services, as well as land development, construction management and building leasing business. He holds a Master of Law Degree (1979) from Georgetown University and a Bachelor of Law Degree (1978) from National Taiwan University. Mr. Tsai is the brother of Mr. Ming-Hsing (Richard) Tsai. He became a Director of the Bank in February 2004.

Pei-Hwa Thomas LIANG

Executive Director

Aged 59. Mr. Liang was appointed Managing Director of the Bank in November 2009. Mr. Liang is a veteran banker with extensive experience in financial services and IT. He is a Director of Xiamen Bank. He joined Fubon Group in 2005 and currently serves as Head of Consumer Finance Group of Fubon Financial Holding Co., Ltd. Prior to joining the Bank, he held various senior positions within the Group including President of Retail Banking of Taipei Fubon Commercial Bank Co., Ltd., Head of IT & Operations Department of Fubon Financial Holding Co., Ltd., Director of Fubon Direct Marketing Consulting Co., Ltd. and Chairman of Taiwan Sport Lottery Corporation. Before joining Fubon Group, Mr. Liang was Deputy Executive Vice President of Far Eastern International Bank in charge of the credit card business, Country Strategic Cost Management Head and Card Center Operation & Technology Group Head of Citibank Taiwan, and held important positions in several IT companies. Mr. Liang holds a Master of Science Degree in Operations Research from Case Western Reserve University, U.S.A. and a Bachelor Degree in Industrial Engineering from Chung Yuan Christian University, Taiwan.

蔡明興

主席

五十三歲。蔡先生於一九八三年加入富邦集團，是富邦金融控股股份有限公司的副董事長。蔡先生亦擔任富邦人壽保險股份有限公司的董事長，於有關業務擁有超過二十五年的經驗。他現時亦為台灣固網股份有限公司及電訊服務供應商台灣大哥大股份有限公司的董事長。在此之前，蔡先生亦曾任富邦綜合證券股份有限公司之董事長。蔡先生持有紐約大學工商管理碩士學位（一九八一年）及國立臺灣大學工商管理學士學位（一九七九年）。蔡先生是蔡明忠先生的胞弟。他於二零零四年二月出任本行董事。

蔡明忠

副主席

五十四歲。蔡先生於一九八一年加入富邦集團，現時為富邦金融控股股份有限公司之董事長，及台北富邦商業銀行股份有限公司之董事長。蔡先生現時亦擔任台灣大哥大股份有限公司的副董事長。蔡先生於銀行、電訊服務、土地發展、建築管理及樓宇租賃業務方面具有豐富的經驗。他持有喬治城大學法律碩士學位（一九七九年）以及國立臺灣大學法律學士學位（一九七八年）。蔡先生是蔡明興先生之胞兄。他於二零零四年二月出任本行董事。

梁培華

執行董事

五十九歲。梁先生於二零零九年十一月獲委任為本行董事總經理。梁先生是位資深銀行家，具有金融與資訊雙領域之豐富經驗。他現為廈門銀行的董事。他於二零零五年加入富邦集團，現為富邦金融控股股份有限公司消費金融事業群之負責人。於加入富邦銀行之前，梁先生曾出任多個高級管理職位，包括台北富邦商業銀行股份有限公司個人金融總經理、富邦金融控股股份有限公司資訊暨作業本部之負責人，富邦行銷股份有限公司董事，及運彩科技股份有限公司董事長。梁先生於加入富邦集團之前，曾擔任遠東國際商業銀行信用卡事業群副總經理，花旗（台灣）銀行策略成本規劃處主管及信用卡中心資訊作業副總裁，及任職多家資訊公司要職。梁先生持有美國凱斯西儲大學作業研究學碩士學位及台灣中原大學工業工程系學士學位。

James YIP

Executive Director

Aged 57. Mr. Yip joined the Bank in March 2006. He is the Executive Vice President and Head of Financial Markets Group of the Bank. He was previously the Regional Treasurer, Regional Head of Capital Markets at KBC Bank, NatWest Markets, Chemical Bank and Bank of America. He has over 25 years of senior management experience in Asian treasury and capital markets with major international banks in the Asia-Pacific region; as a result, Mr. Yip has lived and worked in Tokyo, Singapore and Sydney in addition to Hong Kong. Mr. Yip was a President of the Hong Kong Financial Markets Association. He was also the Asia-Pacific Representative for the Committee for Professionalism of the Association Cambiste Internationale from 1985 to 1990. Prior to joining the Bank, he was the Chief Executive Officer and the co-founder of iMarkets Limited. Mr. Yip holds a Master of Applied Finance Degree from Macquarie University, Australia. He became a Director of the Bank in July 2006.

Dennis CHAN Wen-Yueh

Executive Director

Aged 48, Mr. Chan has extensive experience in the banking industry. Prior to joining the Bank, Mr. Chan was the Managing Director, SME and Commercial Banking, China of Fullerton Financial Holdings Pte Ltd. ("FFH"), a wholly owned subsidiary of Temasek Holdings Pte Ltd. In this role, he served as the chief advisor to Bank of China, China Construction Bank, and China Minsheng Bank. He was also the Chief Executive Officer of Fullerton Credit Ltd., a FFH wholly-owned macro-finance subsidiary. Before joining FFH, he was the Executive Vice President, Head of Global Trade Division and Product Development Division of Chinatrust Commercial Bank, Taiwan, Commercial Banking Group Head of Citibank, Taipei and held senior positions in several international financial institutions in Taiwan. Mr. Chan obtained his MBA Degree from Georgetown University, U.S.A. and Bachelor of Business Administration Degree from National Taipei University. He became a Director of the Bank in March 2011.

葉強華

執行董事

五十七歲。葉先生於二零零六年三月加盟本行，為本行執行副總裁兼金融市場部主管，過去曾擔任KBC Bank、NatWest Markets、Chemical Bank及美國銀行等銀行之地區司庫兼資本市場地區總監。他在亞洲財資及資本市場具有逾二十五年的高層管理經驗，曾服務於亞太區內主要的國際性銀行。因此，葉先生亦曾被派駐香港以外例如東京、新加坡及悉尼等地。葉先生是香港財資市場公會前會長，過去亦曾擔任國際財資市場公會專業操守委員會的亞太區代表。加盟本行前，他為iMarkets Limited的創辦人之一，並擔任其行政總監一職。葉先生持有澳洲麥覺理大學應用財務碩士學位。他於二零零六年七月出任本行董事。

詹文嶽

執行董事

四十八歲，詹先生於銀行業擁有資深經驗。於加入本行前，詹先生是富登金融控股（私人）有限公司（「富登金控」）（淡馬錫控股（私人）有限公司之全資子公司）中國區中小企業和商業銀行董事總經理，駐中國銀行、中國建設銀行和中國民生銀行總行中小企業金融首席顧問，亦為富登小額貸款公司董事兼執行長。在此之前，詹先生亦曾擔任臺灣中國信託商業銀行企業金融產品發展執行副總，花旗銀行商業銀行業務負責人和臺灣多家國際外商銀行擔任要職。詹先生擁有美國喬治城大學企管碩士學位和臺灣臺北大學企管學士學位。他於二零一一年三月出任本行董事。

Board of Directors

董事

Victor KUNG

Non-Executive Director

Aged 54. Mr. Kung joined Fubon Group in 2000, currently serves as Director and President of Fubon Financial Holding Co., Ltd. He first joined Fubon Insurance Co., Ltd. as a Director and Senior Advisor before becoming the President of Fubon Financial Holding Co., Ltd. Prior to this, he was the Executive Vice President of Walden International Investment Group, specializing in private equity investments, and an Executive Director at the private equity investment arm of Citicorp Capital Asia. He is also the Director of Taipei Fubon Commercial Bank Co., Ltd. and Fubon Insurance Co., Ltd. Mr. Kung holds both a Master of Business Administration in Finance (1988) and a Master in Economics Degree (1982) from New York University. He became a Director of the Bank in February 2004.

David CHANG Kuo-Chun

Non-Executive Director

Aged 51. Mr. Chang is the Advisor of Fubon Financial Holding Co., Ltd. He was previously the Head of Financial Markets Group and Head of Wealth Management Group of Fubon Financial Holding Co., Ltd. He is also a Director of Fubon Securities Co., Ltd. since June 2006 and has been a Chairman in 2009. Before joining Fubon Financial Holding Co., Ltd., Mr. Chang was responsible for the overall business of Goldman Sachs in Taiwan. He was appointed Regional Manager for Private Wealth Management Department of Goldman Sachs in Hong Kong in 1997 and became a Managing Director in 1998. Mr. Chang became the Head of Investment Banking and Branch Manager for Goldman Sachs Taipei office in June 2000. Mr. Chang holds a Master of Business Administration Degree from Columbia Business School. He became a Director of the Bank in January 2008.

Michael CHANG Ming-Yuen

Non-Executive Director

Aged 54. Mr. Chang joined Fubon Group in 2004, currently serves as a Consultant of the Bank, Senior Consultant of Fubon Financial Holding Co., Ltd. and a Senior Representative of Fubon Insurance Co., Ltd., Beijing Office. Mr. Chang was an Executive Vice President and Head of Control & Risk Management Group of the Bank between 2004 and 2010. He is a Director of Xiamen Bank. Mr. Chang is an experienced professional in banking management and has solid international exposures. He started his career in J.P. Morgan & Co. in New York as Vice President in Corporate Finance and Global Credit Risk Management. Mr. Chang also worked for China International Capital Corporation in charge of its capital markets operations. Mr. Chang was also a Managing Director in charge of the Investment Banking Division and Chief Administration Officer and Acting Chief Financial Officer while with BOC International Holdings Limited. He was also an appointed member of the Deposit-Taking Companies Advisory Committee of the Hong Kong Monetary Authority and an Independent Director of Hua Xia Bank Co., Limited. Mr. Chang obtained his Bachelor Degree from National Taiwan University and Master of Business Administration Degree from the University of Chicago. He is also a Chartered Financial Analyst. He became a Director of the Bank in April 2006.

龔天行

非執行董事

五十四歲。龔先生於二零零零年加入富邦集團，現為富邦金融控股股份有限公司的董事及總經理。他首先加入富邦產物保險股份有限公司，出任董事兼高級顧問，其後擔任富邦金融控股股份有限公司的董事及總經理。在此之前，他是華登國際投資集團的（專門從事私人股本投資）執行副總裁，以及Citicorp Capital Asia私人股本投資部門執行董事。龔先生亦是台北富邦商業銀行股份有限公司及富邦產物保險股份有限公司之董事。龔先生持有紐約大學工商管理碩士學位（一九八八年）及經濟系碩士學位（一九八二年）。他於二零零四年二月出任本行董事。

張果軍

非執行董事

五十一歲。張先生現為富邦金融控股股份有限公司之顧問。在此之前，張先生曾為富邦金融控股股份有限公司之金融市場事業群負責人及財富管理事業群負責人。自二零零六年起他亦為富邦綜合證券股份有限公司之董事，並於二零零九年擔任董事長。於加入富邦金融控股股份有限公司以前，張先生負責管理高盛集團於台灣之整體業務。他於一九九七年被委任為香港高盛私人財富管理部之區域經理及於一九九八年成為董事總經理。張先生於二零零零年六月成為高盛台北辦事處投資銀行部負責人及分行經理。張先生持有哥倫比亞商學院之工商管理學碩士學位。他於二零零八年一月出任本行董事。

張明遠

非執行董事

五十四歲。張先生於二零零四年加盟富邦集團，現為本行顧問，富邦金融控股股份有限公司高級顧問及富邦產物保險股份有限公司北京辦事處代表。張先生於二零零四年至二零一零年間出任本行執行副總裁兼監控及風險管理部主管。他是廈門銀行的董事。張先生在銀行管理方面擁有豐富的經驗並具有廣闊的國際視野。他曾於J.P. 摩根紐約總部任職，擔任企業融資及環球信貸風險管理部的副總裁。他隨後加入中國國際金融有限公司，出任資本市場部主管。他亦曾擔任中銀國際控股有限公司投資銀行部的主管及該行行政總監。張先生亦曾擔任香港金融管理局接受存款公司諮詢委員會之委員及華夏銀行股份有限公司的獨立董事。張先生畢業於國立臺灣大學，並於美國芝加哥大學獲得工商管理碩士學位。他亦是一位特許金融分析師。他於二零零六年四月出任本行董事。

Robert James KENRICK

Independent Non-Executive Director

Aged 63. Mr. Kenrick was a partner of the international accounting firm KPMG from 1988 to 1998 and a member of the Financial Accounting Standards Committee of the Hong Kong Institute of Certified Public Accountants from 1992 to 2001. He holds a Master of Arts and Bachelor of Arts Degree (1969) from Cambridge University and is a Certified Public Accountant (Hong Kong) and Chartered Accountant (England & Wales). He became a Director of the Bank in April 1999.

Moses K. TSANG

Independent Non-Executive Director

Aged 62. Mr. Tsang is the Executive Chairman of AP Capital Holdings Inc. He has over 33 years of investment banking and Asian capital markets experience. Prior to joining AP Capital Holdings Inc., he was a General Partner of Goldman Sachs Group, a global investment bank, where he started the international fixed income group in New York, led the establishment of the fixed income group in Tokyo and headed the debt syndicate group in London. He served as the Chairman of Goldman Sachs (Asia) L.L.C. between 1989 and 1994. He is the Co-Chair of the Asia-Pacific Council and a member of the Board of Directors, The Nature Conservancy; a former councilor of the Copenhagen Climate Council; a Trustee of the Hong Kong Centre for Economic Research, the University of Hong Kong; a member of the Brown University Advisory Council in Asia and former Chairman of its Parents Council in Hong Kong; a past member of the Young Presidents' Organization – Hong Kong Chapter; a Non-Executive Independent Director of Shui On Construction and Materials Limited in Hong Kong; a member of the World Presidents Organization and past Chairman of the Membership Committee. Mr. Tsang holds a Bachelor of Arts Degree from Bemidji State University of Minnesota, a Master Degree in Social Work from the University of Iowa, and is a Graduate College Fellow of the University of Iowa and SSA Fellow of the University of Chicago. He became a Director of the Bank in February 2004.

Hung SHIH

Independent Non-Executive Director

Aged 56. Mr. Shih is the Managing Director of China Renaissance Capital Investment Limited. He was previously a Managing Director and the China Country Head of UBS AG. Mr. Shih holds both a Master of Business Administration Degree (1982) and a Master of Law Degree (1980) from the University of Michigan, as well as a Bachelor of Law Degree (1976) from National Taiwan University. He became a Director of the Bank in February 2004.

甘禮傑

獨立非執行董事

六十三歲。甘先生於一九八八年至一九九八年間為國際會計師行畢馬威會計師事務所的合夥人，並於一九九二年至二零零一年間為香港會計師公會財務會計準則委員會成員。甘先生持有劍橋大學文學碩士學位及學士學位（一九六九年），現為香港執業會計師及英格蘭及威爾斯特許會計師。他於一九九九年四月出任本行董事。

曾國泰

獨立非執行董事

六十二歲。曾先生為 AP Capital Holdings Inc. 執行主席。曾先生擁有逾三十三年投資銀行及亞洲資本市場經驗。在加入 AP Capital Holdings Inc. 之前，他是全球性投資銀行高盛集團之一般合夥人並為其於紐約成立國際固定收益部及於東京創辦固定收益部，並主管倫敦銀團貸款部。曾先生曾於一九八九年至一九九四年間擔任高盛（亞洲）有限責任公司的主席。他亦擔任亞太理事會聯席主席及大自然保護協會董事會成員、哥本哈根氣候會議前顧問、香港大學香港經濟研究中心之信託人、布朗大學顧問委員會亞洲區之成員、布朗大學家長委員會（香港）之前主席、Young Presidents' Organization 香港分會之前會員、香港瑞安建業有限公司之獨立非執行董事、世界總裁協會香港分會之現任會員及會員委員會之前主席。曾先生持有美國明尼蘇達大學伯明基州分校文學士學位、愛荷華大學社會工作碩士學位、愛荷華大學研究院院士及芝加哥大學 SSA 院士。他於二零零四年二月出任本行董事。

石宏

獨立非執行董事

五十六歲。石先生現為崇德基金投資有限公司董事總經理。在此之前，他是 UBS AG 董事總經理兼中國區域主管。石先生持有密歇根大學工商管理碩士學位（一九八二年）及法律碩士學位（一九八零年），以及國立臺灣大學法律學士學位（一九七六年）。他於二零零四年二月出任本行董事。

Senior Management

高級管理層



Pei-Hwa Thomas
LIANG
梁培華



James YIP
葉強華



Betty CHAN Pik Ha
陳碧霞



Sunny CHANG Shan Li
張善利

Pei-Hwa Thomas LIANG

Managing Director

(Biographical details are set out on page 8)

梁培華

董事總經理

(資料詳情見第8頁)

James YIP

Executive Vice President and
Head of Financial Markets Group

(Biographical details are set out on page 9)

葉強華

執行副總裁兼金融市場部主管

(資料詳情見第9頁)

Betty CHAN Pik Ha

Senior Vice President and
Head of Corporate Communications

Aged 49. Ms. Chan is responsible for managing the corporate and marketing communications function as well as investor relations for the Bank. Ms. Chan has more than 15 years of experience specializing in corporate and marketing communications while working for several major financial institutions and international accountancy firms in the region. Before joining the Bank in 2006, Ms. Chan worked for Ernst & Young China as Director – Marketing. She obtained a Bachelor (Hons.) Degree in Economics from Manchester University in the U.K. and a M. Sc. in Marketing from the University of Manchester, Institute of Science & Technology.

陳碧霞

高級副總裁兼企業傳訊部主管

四十九歲。陳女士專責處理本行的企業及市場傳訊事務及投資者關係。她曾服務於區內多家主要的金融機構及國際會計師事務所，在企業傳訊及市場推廣方面累積了超過十五年的豐富專業經驗。她於二零零六年加盟本行前，於安永中國擔任業務拓展總監一職。陳女士持有英國曼徹斯特大學經濟學榮譽學士學位及曼徹斯特大學科技學院市場學碩士學位。

Sunny CHANG Shan Li

Senior Vice President and
Head of IT & Operations

Aged 51. Mr. Chang takes charge of the IT & Operations Division and is responsible for the Bank's overall IT & Operations planning and policy formulation. Before joining the Bank in February 2010, he held key positions in various leading companies and banks in Taiwan. Mr. Chang obtained his Bachelor of Science in Civil Engineering from National Taiwan University and Master of Science in Computer Science from New York University, U.S.A.

張善利

高級副總裁兼資訊科技及營運部主管

五十一歲。張先生掌管資訊科技及營運部，專責本行的科技及營運策劃及政策制訂。他在二零一零年二月加盟本行前，曾於多家台灣的大型企業及銀行出任重要職位。張先生畢業於國立臺灣大學，持有土木工程學士學位，並取得美國紐約大學電腦碩士學位。



Mike CHEN Ying Jen
陳英仁



Richard C CHEN
陳其盛



Dennis HA Yiu Fai
夏耀輝



Allan HSU Wen Hung
徐文宏

Mike CHEN Ying Jen

Senior Vice President and Head of
Global Commercial Banking Division

Aged 48. Mr. Chen joined the Bank in February 2008. Mr. Chen is an experienced professional with more than 17 years of related working experience. He has held various senior positions in Taipei Fubon Commercial Bank, Chinatrust Commercial Bank and Citibank Taipei Branch. Before joining the Bank, Mr. Chen was Senior Vice President, Head of Greater China Banking Center, Corporate Banking Group of Taipei Fubon Commercial Bank. Mr. Chen obtained a Master degree in Quantitative Analysis, St John's University, New York.

陳英仁

高級副總裁兼環球金融部主管

四十八歲。陳先生於二零零八年二月加入本行，他在銀行界已累積了超過十七年的專業經驗。陳先生在加入本行前，曾於多家主要銀行擔任主管要職，其中包括台北富邦銀行、中國信託及花旗銀行。陳先生持有美國紐約聖約翰大學工商管理碩士學位。

Richard C CHEN

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

Aged 53. Mr. Chen is responsible for the business of Wealth Management – Products. Mr. Chen joined Fubon Group as the President of Fubon Securities USA and Fubon Asset Management USA, both firms that he set up and managed since 2004, and was transferred to Hong Kong in 2007. Mr. Chen has extensive experiences in banking, securities, and investment business. Before joining the Bank, Mr. Chen worked for Core Pacific Securities USA and Lippo Bank where he was

Chief Executive Officer and Senior Vice President respectively. Mr. Chen obtained his LLB from National Taiwan University, MCL and MBA from Southern Methodist University, U.S.A.

陳其盛

高級副總裁兼財富管理部(產品)主管

五十三歲。陳先生專責財富管理產品。他於二零零四年創立富邦證券(美國)公司及富邦資產管理(美國)公司，並擔任總經理，及至二零零七年三月調任本行。陳先生在銀行、證券及投資界有廣泛經驗。陳先生在加盟本行前，曾擔任京華山一證券(美國)總經理及力寶(美國)銀行高級副總裁。陳先生畢業於國立臺灣大學法律系，並持有美國南新法大學比較法律碩士學位及商業行政碩士學位。

Dennis HA Yiu Fai

Senior Vice President and Head of
Legal and Compliance Division

Aged 53. Mr. Ha has over 20 years' experience practising in England, Australia and Hong Kong, both in private practice and as in-house counsel in international financial institutions like Westpac, HSBC and JPMorgan. Before joining the Bank in 2007, Mr. Ha was the company secretary of China Construction Bank. Mr. Ha graduated from the University of London with a Bachelor of Laws degree in 1982 (Queen Mary College) and a Master of Laws degree in 1983 (University College). He is a fellow member of the Institute of Chartered Secretaries and Administrators, U.K. and the Hong Kong Institute of Chartered Secretaries.

夏耀輝

高級副總裁兼法律及合規部主管

五十三歲。夏先生曾在英格蘭、澳大利亞及香港執業逾二十年，擔任私人執業律師以及 Westpac、

滙豐銀行、JP 摩根等國際金融機構內部法律顧問。在二零零七年加盟本行前，他是中國建設銀行的公司秘書。夏先生於倫敦大學法律系畢業，一九八二年獲法律學士學位 (Queen Mary College)，一九八三年獲法律碩士學位 (University College)，他亦是英國特許秘書及行政人員公會及香港特許秘書公會的資深會員。

Allan HSU Wen Hung

Senior Vice President and
Head of Information Technology

Aged 50. Mr. Hsu joined the Bank in July 2010 and oversees the information technology function. Mr. Hsu possesses over 20 years of information technology and related management experience. He has held senior positions in various well-established multinational financial institutions. Before joining the Bank in 2010, he was the Head of Information Technology of Manulife Insurance and Asset Management companies, Prudential Insurance, PCA Asset Management and Citibank in Taiwan. He has also worked for an IT consultant company in the U.S. for many years. Mr. Hsu obtained a Master degree in Computer Science from New York Institute of Technology, U.S.A.

徐文宏

高級副總裁兼資訊科技部主管

五十歲。徐先生於二零一零年七月加盟本行，掌管資訊科技部工作。徐先生具逾二十年資訊科技及相關管理經驗，並曾於多家跨國的大型金融企業出任重要職位。他在二零一零年加盟本行前，曾於台灣宏利人壽/投信、保德信人壽、保誠資產管理及花旗銀行出任資訊科技部主管之職，亦曾在美國的資訊科技顧問公司工作多年。徐先生持有美國紐約理工學院電腦碩士學位。

Senior Management 高級管理層



**Frank JUANG
Tzuen Yan**
莊遵嚴



Sylvia NG Sau Wai
吳秀慧



**Aubrey WANG
Chih-Wei**
王之瑋



Henry WANG Hao-Jen
王浩人

Frank JUANG Tzuen Yan

Senior Vice President and
Head of Securities Services Division

Aged 51. Mr. Juang oversees the Bank's securities services. Mr. Juang has been in the financial industry for over 20 years specializing in securities, futures and options trading. Before joining the Bank in January 2010, he worked at Fubon Securities in Taiwan where he had served successively as Business Officer, Manager, Area Manager, Deputy General Manager, Fubon Futures General Manager and Head of Wealth Management. Mr. Juang obtained a Bachelor of Laws degree from the National Chenchi University in Taiwan and a Master of Finance degree from the National Taiwan University.

莊遵嚴

高級副總裁兼證券投資服務部主管

五十一歲。莊先生負責本行證券投資服務。莊先生於金融界擁有逾二十年的豐富經驗，對證券投資、期貨、期權交易尤為熟悉。他於二零一零年一月加盟本行前，曾於台灣富邦證券工作，歷任營業員、經理人、區部長、副總經理、富邦期貨總經理及富邦證券財富管理部部長。莊先生畢業於台灣國立政治大學政治系，持有法學士學位，並取得國立臺灣大學金融碩士學位。

Sylvia NG Sau Wai

Senior Vice President and
Head of Consumer Finance

Aged 44. Ms. Sylvia Ng joined the Bank in March 2008 and is primarily responsible for the Bank's Consumer Banking Business. Ms. Ng is an experienced professional in the consumer finance and credit card industry. She had held senior positions in major banks. Before joining

Fubon Bank, she was the Vice President and Head of Marketing of AIG Finance. Ms. Ng obtained a Bachelor Degree of Social Science (Business Administration & Economics) from the University of Hong Kong.

吳秀慧

高級副總裁兼消費金融部主管

四十四歲。吳秀慧女士於二零零八年三月加盟本行，掌管本行的消費金融業務，包括樓宇按揭、信用卡及私人貸款，並同時負責零售客戶業務推廣。吳女士曾於多家外資銀行服務並出任主要職位，具豐富的管理經驗。她在加盟本行前，任職美國國際信貸集團副總裁及市場部主管。吳女士持有香港大學社會科學系學士學位。

Aubrey WANG Chih-Wei

Senior Vice President and
Head of Corporate Banking

Aged 48. Ms. Wang had been with HSBC in Taiwan and Hong Kong for over 10 years where she held senior positions in the areas of multinational portfolios, Commercial Banking and Corporate Relationship Management. Before joining the Bank in 2005, Ms. Wang worked for HSBC Hong Kong as Senior Vice President, Taiwan Business Development. Ms. Wang obtained a Master of Business Administration Degree from American Graduate School of International Management, U.S.A.

王之瑋

高級副總裁兼企業金融部主管

四十八歲。王女士於二零零五年加盟本行前曾於台灣及香港兩地的滙豐銀行工作，擁有超過十年跨國投資組合管理、商業銀行及客戶關係管理的豐富管理經驗。王女士持有美國亞里桑那州國際管理學院工商管理碩士學位。

Henry WANG Hao-Jen

Senior Vice President and
Chief Financial Officer

Aged 45. Mr. Wang joined the Bank in April 2009. Mr. Wang is an experienced professional with more than 17 years of related working experience. He has held various senior positions in marketing or finance field in the Chase Manhattan Bank, N.A., Banque Nationale de Paris, Taiwan Semiconductor Manufacturing Company, Ltd., Taiwan Mobile Co., Ltd. and Primax Electronics Co., Ltd. before joining the Bank. Mr. Wang obtained a MBA Degree from Rutgers, the State University of New Jersey, U.S.A. and a BA Degree in Finance, National Taiwan University.

王浩人

高級副總裁兼財務長

四十五歲。王先生於二零零九年四月加盟本行，他在銀行界及商業界已累積了超過十七年的專業經驗。王先生在加入本行前，曾於多家主要國際性銀行及台資機構擔任業務與財務相關要職，其中包括美商大通銀行、法國國家巴黎銀行、台灣積體電路製造(股)公司、台灣大哥大(股)公司及致伸科技公司。王先生擁有美國羅格斯大學企管碩士及國立臺灣大學財務金融學士學位。



Vivien Wong



Desmond WU Yik Tin
胡奕鈞



Carmen YIP Ka Man
葉嘉敏



Vivian YOUNG
Lai Hau Sau
楊黎孝修

Vivien Wong

Senior Vice President and Head of Audit

Aged 50. Vivien joined the Bank in June 2008 to take up the role of Head of Audit. She is an audit professional and has held senior audit management positions in international and local banks. She started her external audit experience with Deloitte and Touche in Toronto and worked with the Bank of Montreal in Canada before moving to Hong Kong to join the Stock Exchange of Hong Kong. Before joining the Bank, she has been the Regional Head of Audit, North East Asia (NEA) of Standard Chartered Bank; Head of Audit of Wing Hang Bank; and Regional Head of Audit, Banking & Technology Audit Group of Development Bank of Singapore (DBS). She obtained a bachelor (Honor) degree in Commerce and Economics from the University of Toronto in Canada and the professional qualification of Certified General Accountant, Canada.

Vivien Wong

高級副總裁兼內部審核部主管

五十歲。Vivien於二零零八年六月加盟本行。她曾主管多間國際及香港金融機構審核部，包括渣打銀行東北亞洲區審核部，永亨銀行審核部，新加坡發展銀行亞洲區審核部，亦曾任職於加拿大滿地可銀行，德勤會計師行（加拿大）及香港聯合交易所，擁有資深內部及外聘審核經驗。Vivien為加拿大註冊會計師及持有加拿大多倫多大學商務及經濟學雙學士學位（榮譽）。

Desmond WU Yik Tin

Senior Vice President and Head of Control & Risk Management Group

Aged 51. Mr. Wu joined the Bank in September 2010 and takes charge of the credit and risk management function. He is a credit and risk

management professional and has been in the credit industry for about 20 years. He held key positions in various well-established banks in Hong Kong. Before joining the Bank in 2010, he was the Head of Credit of China Construction Bank (Hong Kong Branch), and Head of Credit & Risk Management of ICBC (Asia). He has also worked for Standard Chartered Bank and CITIC Bank International responsible for the credit and risk management function. Mr. Wu obtained a Bachelor Degree of Social Science in Government and Public Administration from The Chinese University of Hong Kong. He also obtained Chinese lawyers training from People's University of China and holds a Diploma in Chinese Laws conferred by the China Law Society.

胡奕鈞

高級副總裁兼監控及風險管理部主管

五十一歲。胡先生於二零一零年九月加盟本行，掌管授信及風險管理工作。胡先生具二十年豐富授信及風險管理經驗，並曾於香港多家大型銀行出任重要職位。他在二零一零年加盟本行前，為中國建設銀行（香港分行）授信部主管，並曾主管工商銀行（亞洲）授信及風險管理部，亦曾於渣打銀行及中信銀行國際等擔任授信及風險管理工作。胡先生畢業於香港中文大學，持有政治及公共行政系學士學位，並在中國人民大學完成中國律師培訓班及持有中國法學會頒授的中國法律文憑。

Carmen YIP Ka Man

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

Aged 46. Ms. Yip held management positions in local and foreign banks, gaining expertise in retail banking, before joining the Bank as the Manager of its flagship Central Branch in January 2000 and subsequently promoted to Regional Manager and

then to her current position overseeing the sales and distribution of wealth management products encompassing Ambassador Banking and general banking business. Ms. Yip obtained a Bachelor of Social Science Degree from the University of Hong Kong.

葉嘉敏

高級副總裁兼財富管理部（銷售）主管

四十六歲。葉女士曾任多間本地及外資銀行管理要員，擁有豐富的零售銀行服務經驗。她在二零零零年一月加盟本行，擔任中環總行經理一職，其後獲擢升為分區主管，現掌管財富管理產品的銷售和分銷工作，範圍涵蓋Ambassador Banking理財服務及一般銀行業務。葉女士持有香港大學社會科學學士學位。

Vivian YOUNG Lai Hau Sau

Senior Vice President and Head of Human Resources

Aged 56. Mrs. Young has worked in the human resources field for over 20 years, primarily with an investment bank in Hong Kong where her last position was Senior Vice President, Head of Human Resources – Greater China. Before joining the Bank in 2005, she had worked for an international consultant firm as a human resources executive consultant. She obtained a Postgraduate Diploma in Personnel Management from Manchester Polytechnic in England.

楊黎孝修

高級副總裁兼人力資源部主管

五十六歲。楊太擁有逾二十年人力資源管理的豐富經驗。她曾是本港一所投資銀行大中華區的人力資源部主管及高級副總裁。她於二零零五年加入本行前，曾任一國際顧問公司的人力資源高級顧問。楊太持有英國曼徹斯特理工大學人事管理深造文憑。

Chairman's Statement

主席匯報



In the wake of the downturn in 2009, the global economy in 2010 staged a gradual recovery. The relatively strong growth sustained by the Mainland economy and reviving global trade flows continued to benefit Hong Kong. Global investors' interest in Asia-Pacific economies and markets was evident from the sizeable capital inflows, which raised the risks of inflation and asset bubbles. The second round of quantitative easing by the U.S. further raised these risks and may lead to sharper monetary tightening by central banks. We could not ignore the potential sources of global instability and the fact that sentiment was still weak in the West, accentuated by concerns over European debtor countries and uncertainties about China's policy moves to curb inflation.

Therefore, we started the year with caution and adopted a growth-yet-prudent strategy that we believed would better place us to weather the risks, take headwinds in our stride and still deliver satisfactory performance. In 2010, we focused on the effective management of capital, on improving our risk profile further and on the disciplined execution of our strategy of establishing our local franchise. Costs remained well managed and loan impairments declined significantly. Building on the inherent strengths of our parent company, Fubon Financial Holding Co., Ltd. ("Fubon Financial"), enabled us to realize synergies that led to increased economies of scale, faster market intelligence, enhanced risk management and improved cost control.

I am pleased to report that during 2010 we made progress in improving our financial performance. We generated a net profit of HK\$266 million, representing a more than tenfold increase from the HK\$23 million reported in 2009. Our success stemmed from enhanced risk management and prudent financial planning, as well as from focusing on our core businesses and our strong client relationships.

In Corporate & Investment Banking, we benefited from the economic recovery and a strategy that placed equal emphasis on business expansion and risk management. We saw a significant reduction in corporate loan defaults and loan impairment charges. While we continued to implement a conservative strategy for our credit underwriting business, we managed to develop income streams from low-risk products, build a quality customer base both locally and in China, and direct more intensive cross-selling efforts among the Group's overseas business platforms. We were also able to provide our clients with the banking services needed for their overseas expansion through collaboration among the Group's business platforms in different locations.

在經歷2009年的經濟衰退之後，全球經濟於2010年穩步復甦。中國經濟維持相對強穩的增長，全球貿易活動回升，均持續利好香港的經濟。龐大的資本流入，反映全球投資者對亞太區的經濟及市場興趣不減，但通脹及資產泡沫的風險卻因此上升。美國第二輪量化寬鬆政策令這些風險增加，並可能導致各地中央銀行進一步收緊貨幣政策。我們不可忽視全球經濟不穩的潛在源頭，而歐洲國家債務問題所引起的關注和中國對通脹升溫的政策回應所導致的不明朗情況，更進一步打擊西方國家的市場情緒。

有見及此，本行於年初審慎地謀定而後動，採取一個穩中求進的策略。本行相信，此舉有助我們抵禦風險、克服逆境，創造穩健的績效。2010年，本行專注提升資本的管理效益、進一步改善風險組合，並嚴格執行擴展本地業務的策略。本行成功地控制成本，貸款減值虧損亦大幅下降。藉著母公司富邦金融控股股份有限公司（「富邦金控」）的雄厚實力，本行得以擴大經濟規模、加速交流市場資訊、強化風險控管，以及節省成本，充分發揮協同效益。

本人欣然宣布，本行於2010年在提升財務表現方面取得了進展。年內的淨溢利為2.66億港元，較2009年錄得的2,300萬港元，獲得逾10倍的增幅。本行的成功，源於強化風險控管、落實審慎的財務規劃，以及專注拓展核心業務及跟客戶維持穩固關係。

企業金融部受惠於經濟復甦以及採取業務發展與風險控管並重的策略下，企業貸款拖欠逾期及問題貸款減值虧損大幅減少。除了持續在授信業務採取保守策略，我們持續拓展低風險產品收益、擴展本地及中國大陸優質客戶基盤，並加強集團海外業務平台的協銷合作。透過集團各地平台間之相互合作，讓我們能夠為客戶提供拓展海外業務時所需之銀行服務。

Chairman's Statement 主席匯報

In Wealth Management, we continued to enhance our policies, systems and processes to cope with the latest investor protection scheme requirements. Our insurance products performed extremely well in 2010. Our strategic partnership with China Life Insurance (Overseas) Company Limited, which gave us the exclusive distribution rights on a number of their products, contributed a good portion of our insurance premium income. Through our sub-brokerage channel, our Taiwan stock brokerage business developed a customer base of local and Mainland Chinese financial institutions and high net-worth customers.

New opportunities were introduced to the financial sector in Hong Kong as Renminbi ("RMB") was in the process of liberalization. In Financial Markets, we seized the opportunity to deliver RMB products and services to both retail customers and corporate clients which contributed to our marketing fee income. Our investment activities continued to be focused in the high credit quality and strong liquidity space, which helped the Bank to retain the stability in relationship to the value of our investment. In November, we successfully issued US\$200 million subordinated debt to replenish the outstanding US\$200 million subordinated debt callable in April 2011. The ten-year notes, which offer a 6.125% coupon, were five times over-subscribed and qualify as Tier 2 capital.

In Consumer Finance, we continued to place great emphasis on the mortgage business. During the year, we launched various marketing programmes to expand business networks, strengthen market positioning and induce new business opportunities. We were able to grow a quality mortgage business amid fierce competition by strengthening the direct sales channels and developing a new segmentation pricing model. Also by launching efficient sales and marketing campaigns for mortgages, credit cards, personal loans and expanding the merchant acquisition business, we succeeded in substantially growing our customer base, loans receivables and fee income.

On 10 January 2011, the Board of Directors of Fubon Financial unanimously resolved to make a proposal to privatize the ordinary share capital of the Bank and make a voluntary cash offer to acquire all the issued preference shares of the Bank other than those already held by Fubon Financial. Referring to the joint announcement issued on 19 January 2011, the Board of Directors of the Bank put forward the Scheme Proposal to Scheme Shareholders to privatize the ordinary share capital of

財富管理部持續在政策、系統及流程方面作出提升，以配合投資者保障計劃的最新規定。本行的保險產品於2010年取得優異表現。本行透過與中國人壽保險(海外)股份有限公司(「中國人壽」)的策略性夥伴關係，獲得多項保險產品的獨家代理權，佔本行全年保費收入的大部分。此外，透過複委託，我們的台灣證券投資業務開拓了包涵本地和中國大陸金融機構及高資產值客戶的客戶基盤。

人民幣相關業務進一步放寬，為香港金融業帶來新的機遇。金融市場部抓緊市場契機，為零售和企業客戶提供人民幣產品和服務，增加金融行銷收入。本行投資組合的分佈持續以高信貸質素及高流動性的債務證券為主，以穩定投資資產價值。於11月，本行成功發行2億美元的後償票據，為2011年4月到期之2億美元未償付之後償票據進行再融資。該10年期票據獲得五倍超額認購，固定年利率為6.125%，並列作本行的次級資本。

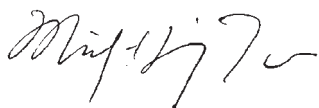
消費金融部持續專注拓展按揭業務。年內，我們推出了多項推廣計劃，以擴充業務網絡、強化市場定位及開拓新商機。透過加強直銷渠道和制訂一個嶄新的分層定價模式，我們在競爭激烈的市況下，仍能成功擴大優質的按揭業務。此外，為按揭業務、信用卡和私人貸款而啟動的高效銷售及市場推廣活動，以及商戶收單業務的擴展，均令我們成功地在客戶基盤、貸款應收賬額和費用收入方面取得可觀的增長。

2011年1月10日，富邦金控董事會一致通過作出建議，對本行的普通股股本進行私有化，並對所有已發行的優先股(已由富邦金控持有的優先股除外)作出自願現金要約。在2011年1月19日發表的聯合公告中，本行董事會將計劃建議提呈予計劃股東，計劃建議將根據《香港法例》第32章《公司條例》第166條以協議安排方式私有化本行的普通股股本。建議一經批准及落實，將導致股份撤銷在香港聯交所的上市地位。優先股收購建議以協議安排生效為先決條件。本行已成立獨立董事委員會，成員包括獨立非執行董事甘禮傑先生、曾國泰先生及石宏先生，以便就計劃建議向少數股東提供

the Bank by way of a Scheme of Arrangement under section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), which, if approved and implemented, would result in the withdrawal of the listing of the shares on the Hong Kong Stock Exchange. The preference share offer will be subject to and conditional upon the Scheme of Arrangement becoming effective. An independent committee of the Board comprising Mr. Robert James Kenrick, Mr. Moses Tsang and Mr. Hung Shih, being independent non-executive directors, has been formed to advise the Bank's minority shareholders regarding the Scheme Proposal and the preference shareholders in connection with the preference share offer. CLSA Equity Capital Markets Limited has been appointed, with the approval of the independent committee of the Board, as the independent financial adviser. A Scheme document containing further details of the Scheme Proposal will be dispatched to our shareholders and our preference shareholders no later than 4 April 2011.

Going forward, we will build on the achievements of 2010 and continue to focus on the enhancement of our core businesses and to establish our customer franchises. We will leverage business opportunities arising from the Mainland government's relaxation of cross-boundary RMB transactions. Whilst not underestimating the near-term challenges, we remain firmly committed to investing on strengthening our IT infrastructure and service delivery capabilities. The policies, systems and mechanisms that we have put in place during the downturn for boosting our risk management and internal control capabilities have created a solid platform for us to move our business ahead and to achieve steady growth.

I would like to thank our shareholders and customers for their long-lasting loyalty and support, and our staff for their hard work and dedication, as any success we achieve owes to their ability and effort.



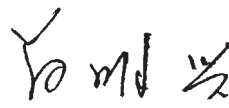
Ming-Hsing (Richard) TSAI

Chairman
March 2011

意見，以及就優先股收購建議向優先股股東提供意見。經獨立董事委員會核准，本行已委任里昂證券資本市場有限公司為獨立財務顧問。本行將於2011年4月4日或以前向股東及優先股股東寄發載有計劃建議的進一步詳情的計劃文件。

展望未來，本行將以2010年建立的穩健基礎上，繼續專注提升核心業務及擴大客戶基盤。我們亦將掌握大陸政府放寬人民幣跨境交易所帶來的商機。我們不會低估短期內的挑戰，並將繼續在資訊科技的基礎建設上作出投資，提升服務交付的能力。本行於經濟低迷期間為提升風險控管和內部監控能力而推行的政策及引進的監理系統和管理機制，成為本行穩健經營及成長的基礎。

對各位股東和客戶一直以來對本行的信任與支持，本人謹在此深表謝意。本人並感謝全體員工的辛勤努力和熱誠投入，他們的才幹和付出的努力，對我們獲得成功至為重要。



蔡明興

主席
二零一一年三月

Management Discussion & Analysis

管理層討論及分析



HONG KONG AND CHINA ECONOMIC OVERVIEW AND FORECAST

香港與中國經濟概覽及預測

Review of Hong Kong's Economy in 2010

Hong Kong's GDP grew by 6.8% in real terms during 2010, which was higher than market expectations and reflected Hong Kong's continuing recovery from the financial crisis of 2008.

Other indicators of economic activities in Hong Kong also improved. In December 2010, retail sales (year-on-year) were up 18.6% in terms of value and 16% in terms of volume. The employment environment is also getting better. At the end of August 2009, the unemployment rate reached 5.5%. As of the end of December 2010, it was down to 4%, the lowest level since the financial crisis.

Low interest rates and plenty of liquidity helped the rising trend of Hong Kong's property market in 2010. The HIBOR rate during 2010 ranged from around 0.06% to 0.52%. The low HIBOR rate reduced the interest payment of mortgages, which encouraged rising property price. Although the Hong Kong Government implemented new measures to curb short-term speculative activities, the property market only experienced a short-term correction in terms of price and volume.

As of the end of December 2010, the value of export growth was 12.5% year-on-year and the value of import growth was 14.8% year-on-year. This was mainly due to the economic recovery of global markets.

During 2010, the European debt crisis and the tightening economic policy of China caused volatility in Hong Kong's equity market. As with other Asian countries, Hong Kong faced inflation pressure in 2010. The Composite Consumer Price Index ("CPI") rose 3.1% year-on-year as of the end of December 2010. Inflation was also higher than market expectations.

Outlook for Hong Kong's Economy in 2011

It is expected that the economic recovery in Hong Kong will continue in 2011, assuming that no key economic shocks occur. Real GDP growth in 2011 is expected to be 4.6% to 5%.

The employment environment will continue to improve. Consumption spending will benefit from rising incomes and the improved employment environment. The strong economic growth in China will continue to encourage tourism from the Mainland in Hong Kong. According to the Hong Kong Tourism Board, the monthly average visitor arrivals to Hong Kong were around

2010 年香港經濟回顧

香港本地生產總值於2010年實質增長了6.8%，高於市場預期，反映香港已走出2008年金融危機的陰霾及本地經濟持續復甦。

其他反映本港經濟活動的指數亦有所改善。2010年12月，零售業銷貨額按年上升18.6%，銷貨量則按年上升16%。就業情況亦持續改善，失業率由2009年8月底的5.5%降至2010年12月底的4%，為金融危機以來的最低水平。

低利率及充裕的流動資金，帶動香港樓市於2010年上升。香港銀行同業拆息於2010年內介乎約0.06%至0.52%的低水平，令按揭利息支出減少，刺激物業價格上升。儘管香港政府實施新措施遏抑短期炒賣活動，但樓價及成交量只出現短暫調整。

截至2010年12月底，主要由於全球經濟復甦，本港出口貨值按年增長12.5%，進口貨值則按年增長14.8%。

2010年，歐洲債務危機及中國收緊經濟政策，令香港股市顯著波動。與其他亞洲國家一樣，香港於2010年面對通脹壓力。截至2010年12月底，綜合消費物價指數按年上升3.1%，通脹率亦高於市場預期。

2011 年香港經濟展望

假設並無出現重大的經濟衝擊，預料香港經濟將於2011年持續復甦，2011年的實質本地生產總值增長亦預期將會介乎4.6%至5%。

就業情況將持續改善。消費開支將受惠於收入上升及就業情況改善。中國經濟的強勁增長，將繼續推動內地人民來港旅遊。根據香港旅遊發展局統計，2010年每月平均訪港旅客人數約為300萬人次。2010年12月的酒店客房入住率達93%。預料這趨勢於2011年將會持續。

Management Discussion & Analysis 管理層討論及分析



3 million during 2010. The hotel room occupancy rate reached 93% in December 2010. The trend is expected to continue in 2011. The figures from the Hong Kong Trade Development Council showed that shopping by Mainland tourists made up 17.8% of local retail sales. With the expectation of RMB appreciation in 2011, the demand for Hong Kong services will increase further.

Reducing the unemployment rate will encourage the retail sales and property markets. On the other hand, it is also expected that the Chinese government will continue tightening its economic policy. This will put negative pressure on market sentiment in Hong Kong. However, under the USD-linked exchange rate system, Hong Kong will most likely maintain low interest rates in 2011, which will have a positive affect on the overall business environment.

The Quantitative Easing (“QE”) policies of the United States in particular provided plenty of liquidity to the market. The launching of the second round of QE put downward pressure on the US dollar which is transferred from the USD to HKD by the peg mechanism. As a result, both property and equity markets will be inflated by the weak HKD. The CPI is expected to be around 4% for the whole year.

Review of China’s Economy in 2010

Although the Chinese government imposed tightening economic policies, the GDP growth of China was 10.2% in 2010 and the CPI was up 3.3%. Inflationary pressure was getting stronger during 2010.

根據香港貿易發展局的數據顯示，內地旅客的購物消費佔本地零售業銷售額17.8%。在預期人民幣將於2011年持續升值的情況下，內地對香港服務業的需求將會進一步增長。

失業率下跌，將刺激零售業市道及房地產市場。另一方面，預期中國政府將繼續收緊經濟政策，這將對香港市場氣氛構成負面壓力。然而，在美元聯繫匯率制度下，香港的利率於2011年極有可能保持低企，因而對整體營商環境產生正面影響。

量化寬鬆政策（尤其是美國的量化寬鬆政策）為市場注入了大量流動資金。在第二輪量化寬鬆政策推出後，美元下降壓力透過聯繫匯率機制轉移到港元。因此，樓市及股市最終會因港元疲弱而上升，預期全年消費物價指數約為4%。

2010年中國經濟回顧

儘管中國政府採取緊縮經濟政策，但2010年中國的本地生產總值仍增長10.2%，消費物價指數上升3.3%。通脹壓力於2010年不斷升溫。

By the end of December 2010, export and import growth were 17.9% and 25.6% respectively. This was due in part to the global economic recovery, especially for the emerging market region. At the end of 2010, the FDI increased by 15.6%.

In order to prevent the economy from overheating, China raised the 12-month lending rate two times during 2010. The 12-month lending rate was raised from 5.31% to 5.81%. In addition, the People's Bank of China ("PBOC") raised the required reserve ratio six times during the year, from 15.5% to 18.5%. Although the Chinese government imposed various measures to cool down the economy, the property market did not experience a significant correction in 2010.

Food inflation and a commodity price surge encouraged inflation in China. Together with the rising CPI, the PPI rose 5.9% in December 2010. China's economic growth improved with the surge of inflation throughout the year.

Outlook for China's Economy in 2011

With the tightening economic policies in China, we expect the GDP growth will slow down to 9% to 10% in 2011. China will also be under inflationary pressure in 2011. The CPI will be around 4.5% to 5.5%.

The PBOC raised the required reserve ratio from 18.5% to 19% in January 2011 and further to 19.5% in February 2011. Before the Lunar New Year holiday, the Chinese government imposed several policies to cool down the property market. The key reason was to prevent overheating in the economy, especially in the property sector.

Inflationary pressure in China is not only due to property prices but also to surging commodity prices. During December 2010, the CRB Index reached a record high. This reflects that the surging prices of commodities are no longer limited to precious metals; prices of base metals and agricultural products are also growing.

The key reason for the rising trend of commodity prices is QE policies in the US, UK and Japan. The increase in money supply reduces the purchasing power of currencies. As a result, commodities appreciate against major currencies.

Rising commodity prices increase the risk of inflation in emerging countries. Inflation will continue to be one of the risk factors in Hong Kong and China during 2011.

截至2010年12月底，出口及進口增長分別為17.9%及25.6%，部分原因是由於全球經濟復甦，尤其是在新興市場地區。於2010年年底，外來直接投資增長15.6%。

為防止經濟過熱，中國於2010年內兩次調高12個月貸款利率，由5.31%上調至5.81%。中國人民銀行更於年內六次調高存款準備金率，由15.5%上調至18.5%。雖然中國政府已採取多項措施冷卻經濟，但樓市於2010年並無出現明顯的調整。

糧食及商品價格飆升，刺激中國通脹上升，再加上不斷上揚的消費物價指數，生產物價指數於2010年12月上升5.9%。在全年通脹持續升溫的情況下，中國經濟增長仍有所改善。

2011年中國經濟展望

隨著中國收緊經濟政策，我們預期中國本地生產總值將於2011年放緩至9%至10%。中國亦將繼續於2011年面對通脹壓力。消費物價指數約為4.5%至5.5%。

中國人民銀行於2011年1月將存款準備金率由18.5%上調至19%，並於2011年2月進一步上調至19.5%。農曆新年假期之前，中國政府採取多項政策來冷卻樓市，主要原因是為了防止經濟過熱，尤其是地產行業。

中國的通脹壓力並非只由於樓價上升，還有不斷上升的商品價格。2010年12月，商品研究所指數創下新高紀錄，反映不斷上升的商品價格並不限於貴金屬，賤金屬及農產品價格也在上漲。

美國、英國及日本的量化寬鬆政策是令商品價格趨升的主要原因。貨幣供應增加將削弱貨幣的購買力，導致商品對主要貨幣升值。

商品價格不斷上升，增加了新興國家的通脹風險。通脹於2011年將繼續成為香港和中國的風險因素之一。

Management Discussion & Analysis 管理層討論及分析



OPERATING PERFORMANCE

Benefiting from steady domestic and Mainland economic growth, the operating performance of the Bank and its subsidiaries (“the Group”) improved significantly, with full-year 2010 net profits of HK\$266 million, representing a more than tenfold increase from the HK\$23 million reported in 2009. Amid more stable market conditions and the Bank’s efforts to manage credit risk, impairment losses on advances to customers and available-for-sale securities reduced substantially year-on-year. The Bank also saw higher fee-based revenues, especially from credit-related services and the sale of unit trust and insurance products, on the back of an improved economy and more positive investor sentiment. Earnings per share were at 15.62 Hong Kong cents after accounting for the dividend payment for preference shares.

Gross interest income declined 23% to HK\$1,196 million for 2010 whereas gross interest expense decreased only 17% to HK\$344 million over the corresponding period. As a result, net interest income decreased by HK\$290 million or 25% to HK\$852 million. The decline in net interest income was attributed to lower average interest-earning assets, resulting from the gradual depletion of the high-yield hire purchase portfolio and the Bank taking a more cautious stance in loan underwriting during the first half of 2010. Fierce price competition among peers for lending (especially in the residential mortgage business) and the switch from higher yield prime-based loans to HIBOR-based loans under the low interest rate environment had adversely impacted the Bank’s loan yield in 2010. Moreover, credit spread tightening since the fourth quarter of 2009 caused assets to be priced at lower spreads. At the same time competition for deposits drove up interest paid. As a result, effective net interest margin (“NIM”) decreased by 38 bps to 1.56% from 1.94% for 2009.

經營表現

受惠於本地及大陸穩定的經濟增長，本行及其附屬公司（「本集團」）的經營表現顯著改善，2010年全年的淨溢利為2.66億港元，較2009年的淨溢利2,300萬港元錄得超過10倍的升幅。在較穩定的市場狀況，以及本行致力管理信貸風險下，客戶貸款及可供出售證券之減值虧損按年大幅下降。經濟環境好轉及投資者信心逐漸恢復，令本行的費用及佣金收入亦有所增加，尤其是來自信貸業務、以及銷售單位信託基金及保險產品的收入。計及派發優先股息，每股盈利為15.62港仙。

2010年的利息收入總額較去年同期減少23%至11.96億港元，利息支出總額則下跌17%至3.44億港元。因此，期內淨利息收入下跌2.90億港元或25%至8.52億港元。淨利息收入下跌，是由於本行逐步降低高回報的租賃貸款組合及於2010年上半年在核貸要求方面採取了更審慎的策略，導致生息資產均額下降。同業之間在貸款業務上的激烈競爭（尤其在住宅按揭業務方面），以及在一個低息環境下，客戶把收益較高的最優惠利率按揭計劃，轉為以銀行同業拆息為基準的按揭計劃，均對本行2010年的貸款收益造成不利影響。此外，信用價差從2009年第四季開始收窄，令資產以較低息差定價。與此同時，市場競爭令本行支付的存款利息增加。結果，實際淨息差由2009年的1.94%下調38個基點至2010年的1.56%。

Net fee and commission income increased 22% or HK\$47 million to HK\$257 million in 2010, underpinned by higher business volumes across consumer finance, wealth management and corporate banking segments. Credit-related fees and commissions increased HK\$25 million, credit card related fees & commission income increased HK\$11 million, and commission income derived from sales of insurance products and unit trust products increased HK\$25 million.

Credit spread tightening continued to affect the fair value of financial instruments designated at fair value through profit or loss, which resulted in decrease in other operating income. Including the revaluation loss of HK\$13.7 million on the CDO portfolio in 2010 (HK\$0.7 million in 2009), total non-interest income, included net fee and commission income and other operating income, recorded a 3% increase or HK\$8 million to HK\$286 million in 2010.

With proactive cost containment initiatives and less cost incurred for the repurchase of Lehman Minibonds from customers, operating expenses were down 10% or HK\$98 million year-on-year to HK\$856 million for 2010. Nevertheless, the cost-to-income ratio increased to 75.2% for 2010, compared with 67.2% for 2009 as a result of falling net interest income which dragged down operating income by 20%. The Bank will continue to build new revenue streams, rationalize its operating expenses level and enhance its operating leverage in order to improve its cost-to-income ratio. Operating profits before gains and impairment losses decreased 40% or HK\$184 million to HK\$282 million compared with HK\$466 million in 2009.

With lower impairment losses on advances to customers and available-for-sale securities, total impairment losses registered a year-on-year decrease of 91% or HK\$500 million to HK\$47 million for 2010. Of which, net charge for impairment losses on advances to customers dropped 98% or HK\$475 million to HK\$10 million for 2010, mostly resulting from lower individual impairment losses charged on SME and hire purchase loans. In addition, improved credit quality in commercial lending led to the release of collective impairment loss in 2010 compared to a charge for collective impairment loss in 2009. With continual improvement in asset quality in 2010, the impaired loans ratio further decreased to 0.66% as of 31 December 2010 (1.72% as of 30 June 2010, 1.78% as of 31 December 2009). The coverage of impaired loans improved from 87% at 31 December 2009 to 95% at 30 June 2010 and further to 96% at 31 December 2010.

受消費金融、財富管理及企業金融部門的業務增長帶動，2010年的淨費用及佣金收入上升22%或4,700萬港元至2.57億港元。信貸業務相關費用及佣金收入增加2,500萬港元，信用卡相關費用及佣金收入增加1,100萬港元，銷售保險產品及單位信託基金的佣金收入共增加2,500萬港元。

信用價差收窄，持續影響了指定為通過損益以反映公平價值之金融工具的公平價值，令其他營運收入減少。計及債務抵押證券組合於2010年錄得的1,370萬港元重估虧損（2009年為70萬港元），2010年的總非利息收入，包括淨費用及佣金收入和其他營運收入，上升3%或800萬港元至2.86億港元。

鑑於本行積極控制成本，及向客戶回購雷曼迷你債券所涉及的開支減少，令2010年的營運支出按年下跌10%或9,800萬港元至8.56億港元。然而，淨利息收入下跌導致營運收入下降20%，令成本對收入比率由2009年的67.2%上升至2010年的75.2%。本行將繼續開拓新的收入來源，降低營運支出，並同時加強營運效能以改善成本對收入比率。未計收益及減值虧損前經營溢利較2009年的4.66億港元下跌40%或1.84億港元，至2.82億港元。

由於客戶貸款及可供出售證券的減值虧損減少，2010年錄得的總減值虧損按年下跌91%或5億港元至4,700萬港元。其中，2010年的客戶貸款淨減值虧損下跌98%或4.75億港元至1,000萬港元，這主要是由於中小企及租賃貸款之個別減值虧損下降所致。此外，商業貸款信貸質素的改善令2009年的綜合減值虧損於2010年錄得回撥。隨著資產質素於2010年持續改善，截至2010年12月31日止減值貸款比率進一步降低至0.66%（截至2010年6月30日止為1.72%；截至2009年12月31日止為1.78%）。減值貸款覆蓋率由2009年12月31日的87%改善至2010年6月30日的95%，進而改善至2010年12月31日的96%。

Management Discussion & Analysis 管理層討論及分析



Benefiting from the strong performance of Xiamen Bank, the Bank's share of profits recorded an increase of 119% to HK\$31 million, as compared with HK\$14 million recognized for 2009. In December 2010, the Bank fully subscribed for its allocated 39,580,200 Rights Shares in Xiamen Bank, maintaining its 19.99% shareholding interest. The consideration for the Rights Shares, which was RMB107,262,342 or RMB2.71 per share, was financed from the Bank's own internal surplus funds.

After accounting for impairment charges, other gains and tax charge, profits after taxation amounted to HK\$266 million, representing a more than tenfold increase from HK\$23 million for 2009. Return on average assets and return on average equity increased from 0.04% to 0.43% and from 0.48% to 5.31% respectively when compared with 2009.

Total assets as at 31 December 2010 were at HK\$61.8 billion, an increase of HK\$0.8 billion from HK\$61.0 billion as at 31 December 2009. Customer deposits grew by HK\$2.8 billion or 6% in the second half of 2010 to HK\$46.0 billion as at 31 December 2010. In terms of loan growth, during the first half of 2010, the Bank maintained a prudent approach to credit underwriting and acquiring new loans in light of uncertainties in external markets. The Bank saw a contraction in the first half, followed by a moderate growth of 3.5% in the second half as the economy gradually showed signs of stable recovery. Gross loans were maintained at HK\$29.1 billion, a similar level to that at the end of 2009 whereas net loans increased 1% or HK\$0.3 billion to HK\$28.9 billion as at 31 December 2010 from the 2009 year-end balance of HK\$28.6 billion.

受惠於廈門銀行的強勁業績表現，本行應佔廈門銀行溢利由2009年的1,400萬港元上升119%至3,100萬港元。2010年12月，本行向廈門銀行全數認購獲分配之供股股份共39,580,200股，以維持本行於該行19.99%的股份權益，而供股之價款為107,262,342元人民幣或每股2.71元人民幣，則從本行的內部盈餘資金撥付。

計及減值虧損、其他收益及稅項後，除稅後溢利由2009年的2,300萬港元上升至2.66億港元，升幅超過10倍。平均資產回報率及平均股本回報率分別從2009年的0.04%及0.48%上升至0.43%及5.31%。

截至2010年12月31日止，總資產由截至2009年12月31日止的610億港元增加8億港元至618億港元。客戶存款於2010年下半年增加28億港元或6%至2010年12月31日之460億港元。貸款增長方面，由於2010年上半年外圍市場不明朗，故本行在核貸要求及吸納新貸款方面繼續採取審慎的策略，令本行的貸款於2010年上半年出現負增長。但隨著經濟穩步復甦，貸款於下半年錄得3.5%的溫和升幅，貸款總額於2010年12月31日跟2009年年底的水平相若，維持在291億。淨貸款組合則由2009年年底的286億港元上升1%或3億港元，至289億港元。

On 30 November 2010, the Bank successfully completed the issuance of US\$200 million 10-year subordinated debt for replenishing the outstanding US\$200 million subordinated debt callable in April 2011. The notes, rated BBB by Standard & Poor's, bear a fixed coupon rate of 6.125% per annum payable semi-annually and qualify as the Bank's Tier 2 capital. The Group's capital and liquidity positions remained strong. The consolidated capital adequacy ratio was 18.23% (17.18% at 2009 year-end) at the end of December 2010 and average liquidity ratio for 2010 was at 51.42%.

In 2010, the Bank adopted a growth-yet-prudent strategy to capture market opportunities while minimizing risks and costs. The Bank remained focused on its strategic priorities of establishing the local franchise and reducing the overall risk profile. In September 2010, the Bank launched a new branding campaign to re-position the brand and to increase awareness and knowledge of the Bank in the local market. Risk and control functions were strengthened to enhance asset quality and build business resilience. While adhering to strict cost discipline, the Bank continued to invest in IT infrastructure and expand its product capabilities and solutions to support its focus on building deep relationships with customers. The marked improvement in the Group's earnings in 2010, mainly driven by substantially lower credit impairment losses as a result of prudent risk management, was testimony to the Bank delivering on its strategy.

In 2011, the Bank will continue to build its local franchise, broaden its customer base and expand its product and service offering to bring in additional revenues. To strengthen its foothold in a very competitive environment in Hong Kong, the Bank will focus on attracting deposits while steadily growing its loan book, and continue to invest in IT infrastructure to improve customer service and product innovation while enhancing operational efficiency. By building a solid platform in Hong Kong and benefiting from the integration with its parent company, Fubon Financial Holding Co., Ltd., the Bank is well positioned to capitalize on business opportunities in the fast-growing Greater China region brought about by the signing of the Economic Cooperation Framework Agreement ("ECFA") between Taiwan and Mainland China and further liberalization of the Renminbi.

2010年11月30日，本行成功發行2億美元10年期後償票據，為將於2011年4月到期之2億美元未償付之後償票據進行再融資。該票據獲標準普爾評級為BBB，固定年利率為6.125%，利息每半年支付1次，並列作本行的次級資本。本集團繼續保持充裕的資本及流動資金。截至2010年12月底，資本充足比率為18.23%（2009年年底為17.18%），而2010年全年的平均流動資金比率為51.42%。

本行於2010年採取了穩中求進的策略，務求在將風險及成本減至最低的情況下，掌握市場的發展商機。本行積極實現擴展本地業務，及減低整體貸款組合風險的策略性目標。2010年9月，本行推出全新的品牌推廣計劃，為品牌重新定位及提高本地市場對本行的認識和認同。此外，本行亦加強風險管理及監控措施，以強化資產質素及抗逆能力。在嚴謹控制成本的同時，本行繼續在資訊科技的基礎建設上作出投資，加強產品開發及為客戶推行合適的方案，致力與客戶建立深厚的關係。本集團2010年純利錄得顯著的改善，主要是由於在審慎的風險控管下，信貸減值虧損大幅下降，印證本行正穩步將其策略付諸實行。

2011年，本行將繼續拓展在地化的業務版圖，擴闊客戶基礎，擴展產品及服務系列，以增加收入來源。在穩步增長貸款組合的同時，本行亦將銳意吸納存款，並繼續在資訊科技的基礎建設上作出投資，以加強客戶服務的水平、產品的創新能力，及提升營運效率。憑藉本行在香港厚植的成長根基，及受惠於母公司富邦金融控股股份有限公司的整合，令本行處於有利位置，掌握發展迅速的大中華地區因兩岸金融監理合作備忘錄的簽訂以及人民幣業務的進一步開放而帶來的商機。

Corporate & Investment Banking

企業金融

Leveraging the support of our parent company, Fubon Financial, we offer a full range of financial solutions to our corporate customers to facilitate them in expanding their businesses and opportunities.

憑藉母公司富邦金控的支持，本行為企業客戶提供全面的融資及貸款方案，協助他們擴展業務及開拓商機。



- ◆ The Hong Kong team of Corporate Banking Division continued tapping into first tier customers in the local market by closing some key deals with the aim of charting steady growth for the future.
企業金融部的香港業務團隊繼續拓展本地市場優質客戶基礎，並完成數項重大交易，實現穩中求進的策略。
- ◆ The China team of Corporate Banking Division established business relationships with key China corporations with the aim of delivering sustainable future growth.
企業金融部的中國業務團隊與主要的中國企業建立業務關係，以達到持續增長的目標。
- ◆ Through collaboration among Fubon Financial's business platforms in different locations, Global Commercial Banking Division provides clients with the banking services needed for their overseas expansion.
透過富邦金控各海外平台間之合作，環球金融部為客戶提供於拓展海外業務時所需之銀行服務。
- ◆ Global Commercial Banking Division's performance in 2010 reflects the strength of existing business model that has contributed to steady business growth. The Division also sought to further promote the RMB business.
環球金融部於2010年不但展現了現有經營模式的優勢，獲得穩定的業務增長，並進一步推廣人民幣業務。

CORPORATE BANKING

With the global economy continuing to revive and grow at a steady pace, 2010 was another rewarding year for the Corporate Banking Division. We continued to invest and build our local and China business franchises with the aim of achieving steady and sustainable future growth.

Thanks to the talent and tremendous efforts of the China and Hong Kong teams, the Corporate Banking Division delivered another strong set of business results in 2010. Despite intensified market competition for quality customers and pressure on lending margins, we consolidated our market foothold by reporting encouraging results with loan balance up 10.6% from HK\$11.3 billion at 31 December 2009 to HK\$12.5 billion at 31 December 2010. Deposits were also up by 5.6% from HK\$10.8 billion at 31 December 2009 to HK\$11.4 billion at 31 December 2010, which continued to support the Division's lending business in a sustainable manner.

The Hong Kong team continued tapping into first tier customers in the local market by closing some key deals with the aim of charting steady growth for the future. Customer relationships remained strong and intact, while the Division made satisfactory progress in various product fronts.

企業金融

隨著全球經濟繼續復甦和穩定增長，企業金融部於2010年繼續取得豐碩成果。我們在本港及中國業務的版圖上繼續作出投資，並且不斷擴展，以達到持續穩步增長的目標。

憑藉中國及香港業務團隊的重大努力，企業金融部於2010年再次錄得強健的業績。儘管市場對優質客戶的競爭加劇，加上貸款息差受壓，但我們仍能在市場上進一步擴大份額，取得令人鼓舞的績效，放款餘額由2009年12月31日的113億港元上升10.6%，至2010年12月31日的125億港元。存款由2009年12月31日的108億港元上升5.6%至2010年12月31日的114億港元。

香港業務團隊繼續拓展本地市場優質客戶基礎，並完成數項重大交易，實現穩中求進的策略，並在各項產品方面均取得滿意的進展。

Corporate & Investment Banking 企業金融



The China team also established business relationships with key China corporations with the aim of delivering sustainable future growth. Business momentum was strong and closer collaborations were developed by providing premium services with first-rank financial products to our China based customers.

In 2011, the Corporate Banking Division will continue to widen its customer base and deepen its existing relationships through proactive cross-selling and a solution-and-service driven approach. This steady strategy will enable us as well as our customers to establish a solid foundation for the opportunities and challenges ahead. We will further develop close collaboration with the Group by leveraging on its ever-expanding regional franchise. Regular and frequent interactions with the Group's business affiliates including Xiamen Bank, Taipei Fubon Bank and other Group units, will further promote customer satisfaction while consolidating our strategic position as one of the key regional platforms for the Group.

GLOBAL COMMERCIAL BANKING

The Global Commercial Banking Division has been committing its efforts towards building relationships with local mid-sized corporates for expanding its customer base and providing a full range of financial services for local business enterprises. The Division also provides its clients with the banking services needed for their overseas expansion through collaboration among Fubon Financial's business platforms in different locations.

中國業務團隊也跟主要的中國企業建立業務關係，以實現持續增長的目標。該部門維持強勁的增長動力，為內地的客戶提供一流的金融產品和優秀服務，以建立更緊密的合作關係。

2011年，企業金融部將繼續秉持為客戶提供解決方案和以服務為首的方針，積極進行交叉銷售，以擴大客戶基礎及深化客戶關係。這項穩中求進的策略，將有助我們與客戶建立良好的關係，迎接未來的機遇及挑戰。我們亦會進一步與金控緊密合作，利用其不斷擴展的金融版圖優勢，並與金控的聯屬機構，包括廈門銀行、台北富邦銀行及其他集團單位作出實質的交流，這將有助提升客戶的滿意程度，並鞏固本行作為集團內主要區域性平台的策略地位。

環球金融部

環球金融部一直致力於與本地中型企業客戶建立銀行往來關係，以持續擴展客戶數基盤並為港商企業提供全面性的金融服務。除此之外，環球金融部亦透過富邦金控各海外平台間之合作，提供客戶於拓展海外業務時所需之銀行服務。



With the Hong Kong economy steadily getting back on its feet, 2010 saw a strong rebound in the manufacturing sector and domestic exports, accompanied by a significant reduction in corporate loan defaults and loan impairment charges. The Division produced encouraging results, benefiting from the economic recovery and a strategy that places equal emphasis on business expansion and risk management.

During the year, we continued to implement a conservative strategy for our credit underwriting business, with regular financial health checks for clients and credit risk reviews to enhance the quality of risk management. In pursuit of its business goals, the Division focused its cross-selling efforts on fee-based foreign exchange transactions. We also continued to develop income streams from low-risk products and build up a quality local customer base in need of trade finance services.

The Division's performance in 2010 reflects the strength of our existing business model that has contributed to steady business growth while achieving satisfactory results. We also sought to further promote the RMB business by capitalizing on the opportunities resulting from the PRC Government's relaxation of cross-border RMB trade settlement services and the restrictions on trade finance services.

In 2011, with support from our parent company, the Division will continue to improve customer satisfaction, deepen client relationships and broaden its customer base. Moreover, we will aim to generate steady incomes and meet growth targets through more intensive cross-selling efforts among our overseas business platforms, and also through our Internet banking platform, trade finance and factoring services.

2010年香港整體經濟發展轉趨穩定，製造業及本地出口出現強勁反彈，企業貸款拖欠逾期及問題貸款減值成本亦大幅減少。環球金融業務亦因受惠於經濟復甦，以及採取業務發展與風險控管並重的策略下，錄得令人鼓舞的成績。

環球金融部的授信業務於2010年持續採取保守策略，並定期進行全面客戶體質及信用風險檢視以強化風險控管品質。為追求業務目標，除了協銷手續費之外匯交易，我們亦持續拓展低風險產品收益及開發本地優質之貿易融資型客戶。

本部門於2010年的表現，不但展現了現有經營模式的優勢，並獲得穩定的業務增長，年內的營運收入成績令人滿意。此外，我們亦持續把握中央政府放寬對跨境人民幣貿易結算和貿易融資服務規管所帶來的商機，進一步推廣人民幣業務。

在母公司的支持下，本部門於2011年將繼續致力提升客戶服務滿意度、深化客戶關係及擴展客戶數基盤。此外，我們亦將強化海外各平台協銷合作及透過網上銀行平台、貿易融資及應收賬融資等業務為本部門提供穩定之收益並達成業務增長目標。

Financial Markets

金融市場

Financial Markets Group provides our clients with total investment solutions for risk hedging and yield enhancement, helping them to capture investment opportunities under the changing market conditions.

金融市場部為客戶提供全面的投資方案，助他們管理風險及提高投資回報，在瞬息萬變的市況中抓緊投資機會。



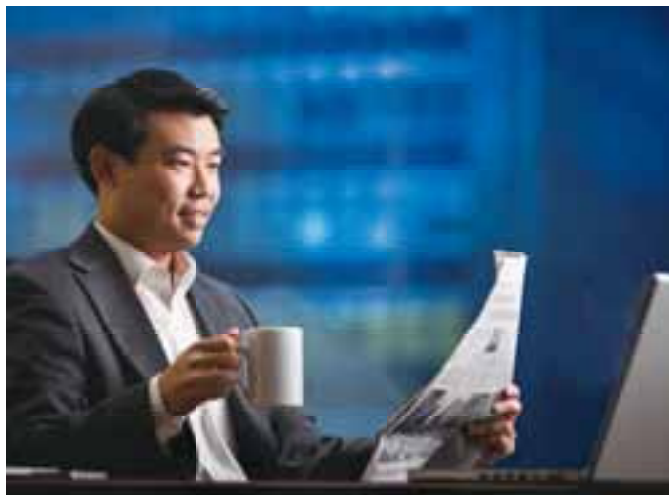
- ◆ The issuance of US\$200,000,000 10-year Tier 2 subordinated notes, which were well received by investors around the globe with five times over-subscription, demonstrated the financial strength of the Bank.
年內發行的2億美元10年期次級後償票據深受全球投資者歡迎，並獲得五倍超額認購，反映了本行財務實力雄厚。
- ◆ Capital adequacy ratio reached 18.23% as of 31 December 2010, representing an increase over the 17.18% as of 31 December 2009.
於2010年12月31日的資本充足比率為18.23%，較2009年12月31日的17.18%為高。
- ◆ RMB deposit base increased more than threefold in 2010 amid strong expansion of the market.
人民幣存款基礎於2010年上升逾三倍，與市場同樣錄得強勁的增幅。

The financial markets continued to unfold in a diverse manner. A debt crisis broke out in peripheral European countries in mid year. Greece and Ireland accepted a bail out package from the International Monetary Fund and the European Union. Markets however almost immediately started to talk about which would be the next country to seek bail out package. Nevertheless, the European countries managed to respond to the crisis with several measures and contained the contagion effect for the time being. The U.S. continued to see improvement in economic performances, only failing to see these being translated into better unemployment rate, so much so that the Federal Reserve had to extend its financial stimulus package, known as QE2, to prevent a potential double-dip recession. Money in general was available and at historically low interest rates. In Asia, led by India and China, the risks were the other way round. Both monetary and fiscal policies aimed to contain possible overheating of economies by means of interest rate hikes and other administrative measures.

金融市場持續呈個別發展，表現參差。年中，多個歐元區國家爆發債務危機。在希臘及愛爾蘭接受國際貨幣基金會及歐盟的拯救方案後，市場立即揣測下一個尋求拯救方案的國家。儘管如此，歐洲國家採取了多項措施應付危機，暫時控制了債務危機擴散。美國的經濟表現持續改善，唯失業率仍無好轉跡象，令聯儲局不得不延續財政刺激方案，推出第二輪量化寬鬆措施(QE2)，以慎防經濟出現雙底衰退。資金供應普遍充裕，利率處於歷史低位。然而，在印度及中國的帶動下，亞洲的風險狀況卻剛好相反。兩國透過其貨幣及財政政策來調升利率及推出其他行政措施，以紓緩經濟過熱的情況。

Financial Markets

金融市場



Since China's robust economic growth led to continuous tightening by the People's Bank of China by increasing the reserve requirements as well as mopped up liquidity in the market, banks in China had to channel deposits in Hong Kong into the Mainland. Competition for deposit was as the result keen, it was particularly severe in the second half of the year because of expiration of full guarantee on deposits at the end of 2010. Overall deposit costs were driven higher in Hong Kong. Net interest margin of the Bank in 2010 was thus decreased to 1.56%.

New opportunities were introduced to the financial sector in Hong Kong as Renminbi ("RMB") was in the process of liberalization. A series of policies and measures were introduced throughout 2010. For example, the scope of RMB trade settlement scheme was expanded and certain restrictions in RMB service provision were lifted. Fostered by policy changes, RMB deposit level in Hong Kong kept escalating, cross-border RMB trade settlement set off, and a wide spectrum of RMB bonds was issued locally. Hong Kong was to develop into an offshore RMB centre.

Financial Markets Group ("FMG") seized the chance to deliver RMB products and services to both retail customers and corporate clients, for example, last year we participated in six distributions of RMB bonds to the retail market, which contributed to our marketing fee income. Our RMB deposit base, amid strong growth of RMB deposits in Hong Kong, increased more than threefold in 2010. We see RMB as the next stage of development of the Hong Kong banking market, as more relaxation of rules comes into effect in Hong Kong, RMB will become the most important currency after the Hong Kong Dollar in Hong Kong, and it will proliferate in all banking products and services eventually.

由於中國經濟增長強勁，令中國人民銀行上調準備金率和吸納市場流動資金，以持續收緊銀根，導致內地銀行必須將香港的存款調回內地，令本港存款競爭激烈。由於百分百存款保障計劃於2010年年底屆滿，競爭情況在下半年加劇，香港的整體存款成本被推高，本行於2010年的淨息差亦因而降至1.56%。

人民幣相關業務進一步放寬，為香港的金融業帶來新機遇。當局於2010年推出了一系列政策及措施，例如擴闊人民幣貿易結算計劃的範圍，並取消對人民幣業務的若干限制。受政策轉變刺激，香港的人民幣存款金額持續攀升，銀行亦開辦跨境人民幣貿易結算服務，多款人民幣債券在本地發行，帶動香港發展成為人民幣離岸中心。

金融市場部抓緊市場契機，為零售及企業客戶提供人民幣產品和服務，例如我們於去年參與了六次人民幣債券在零售市場的分銷，增加了金融行銷收入。香港的人民幣存款錄得強勁的升幅，本行的人民幣存款基礎於2010年上升逾三倍。本行視人民幣為香港銀行業的下一個發展重心，人民幣將成為繼港元後香港最重要的貨幣，並最終會在所有銀行產品及服務方面迅速普及。

年內本行發行了次級後償票據，為2006年發行的未償付之後償票據進行再融資。該票據面值為200,000,000美元，並將於2020年11月30日到期。該票據的發行深受全球投資者



The Bank issued Tier 2 subordinated notes with a view to replacing current subordinated debt securities issued in 2006. The notes bear a face value of US\$200,000,000 and mature on 30 November 2020. The notes were well received by investors around the globe with five times over-subscription, which demonstrated the financial strength of the Bank. Our capital adequacy ratio reached 18.23% as of 31 December 2010, representing an increase over the 17.18% as of 31 December 2009. Our Tier 1 capital adequacy ratio also improved to 9.95% in 2010 from 9.47% in 2009, thereby providing the Bank the necessary capacity to expand coverage and explore future opportunities.

Our investment activities continued to be focused in the high credit quality and strong liquidity space, and invest mostly in governments and agencies. Such approach had helped the Bank to retain the stability in relationship to the value of our investment, even during the European Debt Crises.

Global financial markets embraced 2011 with positive sentiment as encouraging economic figures were continuously released. FMG will focus on deposit base strengthening and yield enhancement in a disciplined manner, with ongoing review of business process and risk management practices.

歡迎，獲得五倍超額認購，反映了本行財務實力雄厚。本行於2010年12月31日的資本充足比率為18.23%，較2009年12月31日的17.18%為高。一級資本充足比率亦由2009年的9.47%改善至2010年的9.95%，為本行提供了擴展業務及開拓未來發展機會所需的財務實力。

本行投資組合的分佈持續以高信貸質素及高流動性的債務證券為主，並主要投資於政府及政府機構發行的債券。此投資策略有助本行即使於歐洲債務危機期間仍能穩定投資資產的價值。

受利好的經濟數據刺激，全球金融市場氣氛好轉。金融市場部將以嚴謹的態度專注強化存款基礎和提高收益，並持續檢視業務流程及風險控管措施。

Wealth Management

財富管理

Our experienced financial specialists provide customers with a wide range of wealth management services that best suit their specific investment needs and risk appetite.

本行經驗豐富的財務專才為客戶提供多種財富管理產品，以切合他們特定的投資需要和風險承受程度。



- ◆ Unit Trust fee income increased by 19% in 2010 compared to 2009.
2010年銷售單位信託基金的費用收入較2009年增加19%。
- ◆ Overwhelming responses to insurance products boosted revenue by a record-breaking 45% year-on-year.
市場對保險產品反應熱烈，使銷售保險產品的收入創下按年增長45%的破紀錄新高。
- ◆ Through our sub-brokerage channel, our Taiwan stock brokerage business developed a customer base of local and Mainland Chinese financial institutions and high net-worth customers.
透過複委託，本行的台灣證券投資業務開拓了包涵本地和中國大陸金融機構及高資產值客戶的客戶基盤。

2010 was a year of recovery for the financial markets from the global economic crisis. Customers started picking up wealth management products that focused on yield enhancement and wealth protection. On the regulation side, we announced new policy and selling process guidelines learned from the Lehman incident. The Bank always puts customer satisfaction as its priority and no matter how the markets change, we will facilitate our customers' demands while being mindful of the regulator's criteria.

In April 2010, the Bank reviewed the Customer Investment Risk Questionnaire ("CIRQ") after one year of its launch. Frontline staff invited customers to perform an annual review using the new CIRQ in order to obtain their latest risk appetite. By understanding our customers' risk appetite and investment objectives, we can help them develop a financial planning strategy that suits their needs.

Coping with the latest investor protection scheme requirement by the Hong Kong Monetary Authority, the Bank facilitated the selling process, upgraded the control system, and provided training to frontline staff for the launch of the Pre-Investment Cooling-off Period ("PICOP"). This new arrangement allows customers to consider the appropriateness of any investment product with family members and friends. To ensure a seamless transition to the official launch of this new investment protection scheme in January 2011, we arranged numerous training sessions for the

金融市場於2010年逐漸走出全球經濟危機的陰霾，客戶開始購買高回報和保障財富的理財產品。在監管方面，本行從雷曼事件中吸取經驗，制訂了全新的政策及銷售程序指引。本行一向以客為尊，無論市場如何變化，我們始終致力滿足客戶的需要，並時刻恪守監管機構頒佈的規條。

2010年4月，本行對已推出一年的「客戶投資風險問卷」作出了檢討。前線員工邀請客戶使用全新的「客戶投資風險問卷」進行年度評估，以了解他們最新的風險承受程度。透過了解客戶的風險承受程度及投資目標，我們可協助客戶制訂切合他們需要的理財策略。

就香港金融管理局最近推出投資者保障計劃，本行於年內已改進銷售程序、提升監控系統，並為前線員工提供相關培訓，以配合「落單冷靜期」的推出。新的安排讓客戶可以跟親友一起考慮投資產品的合適性。為確保暢順過渡至該項新投資者保障計劃於2011年1月正式啟動，本行亦已為各有關單位安排多個培訓講座，讓他們了解本身的角色及運作程序。此外，本行亦採取了足夠的監控措施，以減低營運風險，及建立恰當的審計追蹤。

Wealth Management 財富管理



respective parties to understand their roles and the procedures. Adequate control measurements have also been built in to minimize operational risks and establish a proper audit trail.

Our insurance products performed extremely well in 2010. Since October 2009, our strategic partnership with China Life Insurance (Overseas) Company Limited ("China Life") has received overwhelming favourable responses from our customers. The "Smart 5 Insurance Plan", with exclusive selling rights given to the Bank, contributed a large portion of our insurance premium income during the whole year. The Bank will continue to maintain the strategic partnership with China Life in 2011 and will introduce more insurance products tailored to our customers' needs.

For the market outlook for 2011, we expect the Quantitative Easing policies of mature countries will continue to provide plenty of liquidity to the global market. With robust economic growth in the emerging-market region, we have a relatively positive view of the asset classes in those countries. Depreciation pressure of the USD will support a continued surge in commodity prices. Rise in the prices of natural resources will intensify inflation pressure around the world, especially to those import-dependent countries. Rising inflation will be one of the key uncertainties throughout the year.

The Renminbi has attracted a lot of attention among Hong Kong depositors in the past year. With the increasing demand on holding Renminbi, a range of wealth management products denominated in Renminbi is currently under development and they will be rolled out to our customers in due course.

2010年，我們的保險產品取得優異表現。自2009年10月起，我們與中國人壽保險（海外）股份有限公司（「中國人壽」）的策略性夥伴關係獲得了客戶的廣泛好評。本行銷售獨家代理的「五年期俊才儲蓄保險計劃」所賺取的收入，佔本行全年保費收入的大部分。2011年，本行將繼續與中國人壽保持良好的策略性夥伴關係，並會合作推出更多切合客戶需要的保險產品。

展望2011年，我們預期成熟國家的量化寬鬆政策將繼續為全球市場帶來充裕的流動資金。由於新興市場的經濟增長強勁，我們對新興國家的資產類別持較樂觀的態度。美元貶值的壓力將支持商品價格持續上升。天然資源價格上漲，將加劇全球的通脹壓力，尤其是依賴進口的國家所受的影響較大。通脹上升將成為全年其中一個重要的不明朗因素。

去年，人民幣引起了許多香港存戶的注目。鑑於投資者對人民幣的需求增加，我們正在開展一系列以人民幣計價的財富管理產品，並將適時向客戶推出。

為確保我們的財富管理產品擁有足夠的市場競爭力，我們正嘗試向中國人壽尋求獨家代理其更多的保險產品。另一方面，我們亦積極地物色更多基金公司，以豐富我們的單位信託基金產品系列。除了為客戶提供不同種類的產品外，定期為前線員工提供足夠的培訓也是不可

To ensure our wealth management products are competitive enough in the market, we are exploring more exclusive insurance products from China Life and also sourcing more fund houses to enrich our list of unit trust funds. In addition to providing a wide range of products for our customers, adequate and constant training for our frontline staff is inevitable. With the support of our Investment Advisory team, customers are able to understand the latest market news and updates along with our financial planning tools, allowing us to produce tailor-made investment portfolios on an individual basis.

SECURITIES SERVICES

Through the efforts of our staff and the gradual recovery of the global economy from the downturn in 2010, the Securities Services Division made some key achievements during the year.

Internally, we launched an attractive staff incentive programme, which raised the morale of our staff and motivated them to achieve higher goals. We provided training to staff to further enhance their financial markets knowledge. Information Technology & System Infrastructure enhancements were also implemented to speed up system efficiency. Moreover, operational guidelines were refined to further strengthen our internal controls to reduce possible operational risks.

Externally, we provided professional investment strategies to our valuable customers. Through our sub-brokerage channel, our Taiwan stock brokerage business developed a customer base of local and Mainland Chinese financial institutions and high net-worth customers.

Looking ahead, we are optimistic about the prospects for the economy in 2011. We will definitely do our best to follow the Bank's theme of "Charting a steady course" by building our local business franchises and adopting a prudent strategy for achieving steady growth by proactively cooperating with various internal divisions, effectively communicating with customers, providing tailor-made solutions to meet the needs of customers, and increasing our services scope and distribution channels. We believe that 2011 will be a challenging yet fruitful year for the Securities Services Division.

或缺的。在本行投資策略及研究部的支援下，我們為客戶提供財務策劃工具的同時，亦讓客戶了解到最新的市場信息及資料，從而為每位客戶提供度身訂造的投資組合。

證券投資服務

透過員工的努力，再加上全球經濟逐漸脫離衰退的困境，證券投資部於2010年取得了多項重要成果。

對內方面，我們推出具吸引力的員工獎勵計劃，提高了員工士氣，並激勵他們實現更高的目標。我們提供培訓，進一步增加員工的金融市場知識。我們亦強化了資訊科技及系統基礎建設，以提高系統的運作效率。此外，我們改進營運指引以進一步加強內部監控，從而降低潛在的營運風險。

對外方面，我們向寶貴客戶提供專業的投資策略。透過複委託，本行的台灣證券投資業務開拓了包涵本地和中國大陸金融機構及高資產價值客戶的客戶基盤。

展望未來，我們對2011年的經濟前景充滿信心。我們將全力以赴，貫徹本行「穩中求進」的發展方針，致力拓展本地業務，並採取以穩定增長為目標的審慎策略，與內部部門通力合作、與客戶進行有效的溝通、為客戶提供量身訂造方案，以及擴大服務範圍和分銷渠道。我們相信，對證券投資部而言，2011年將是充滿挑戰且成果豐碩的一年。

Consumer Finance

消費金融

In 2010, Consumer Finance continued to demonstrate growth momentum in customer base, loan receivables and fee income. We will also strive for customer growth through various business opportunities and initiatives.

2010年，消費金融部在客戶基礎、貸款應收賬額及費用收入方面均持續呈現增長。我們亦將繼續透過不同的商機及策略來廣拓客源。



- ◆ Continued to strengthen card usage value with a focus on the Platinum card by offering an attractive and practical bonus points scheme and spending stimulation programmes to grow overall sales volume by 21%.
持續提升以白金卡為重點的信用卡簽賬計劃，包括推出具吸引力和實惠的積分計劃及消費推廣計劃，令整體銷售額增長21%。
- ◆ Achieved substantial growth in personal loan business with sales channel expansion and various products to suit different customer segments.
拓展銷售渠道，並提供多類型的產品以迎合不同客戶群的需要，使私人貸款業務大幅增長。
- ◆ Strengthened the direct sales channel and new segmentation pricing model to grow quality mortgage business.
加強直接銷售渠道及新的分層定價模式，以拓展優質的樓宇按揭業務。
- ◆ Successfully grew overall merchant business by 23% with an expanded merchant base capitalizing on the strong and rapidly growing spending power of Mainland tourists.
在內地旅客強勁而迅速增長的消費力帶動下，成功擴展商戶基礎，整體信用卡商戶業務增長23%。

Consumer Finance continued to exhibit good business performance in 2010. Our focus included launching various credit card usage programmes, rolling out different personal loan programmes, strengthening the mortgage business channels, and growing the merchant acquiring business. All of these initiatives contributed significantly to our growth in customer base, loan receivables and fee income.

In our efforts to lead the business to outperform, Consumer Finance identified and seized real-time and potential business opportunities across different business areas by formulating efficient sales and marketing strategies, including product offers, pricing, promotions, loyalty platforms, channel management as well as forming co-operative arrangements and alliances with our key business partners.

To further build and stimulate customer usage habits, the Bank continued to strengthen its credit card product platform by communicating the “Yearly Real Benefit” platform with an attractive bonus points scheme, promoting a series of attractive utilization programmes and leveraging on YATA outlet expansion for new customer acquisition. In 2010, our total credit card base grew by 12%, with our affluent card base increasing by 16% compared to the previous year. Also, card spending grew by 21% and fee income from credit card services increased by 13%.

消費金融部於2010年繼續保持佳績。部門的重點工作包括推出多項信用卡簽賬計劃、推廣各類私人貸款計劃、增強按揭業務銷售渠道，以及擴大商戶收單業務。這些計劃對客戶基礎、貸款應收賬額及費用收入三方面的增長均貢獻良多。

為了令業務有更出色的表現，消費金融部制訂了有效的銷售及市場推廣策略，包括產品優惠、定價、推廣、忠誠客戶獎勵平台及銷售渠道管理，並與主要業務夥伴訂立合作安排及締結聯盟，以便在不同業務範疇內辨識及把握即時和潛在的業務機會。

為進一步建立及刺激客戶的簽賬意欲，本行不斷強化信用卡產品平台，包括透過年度「真優惠」計劃為客戶呈獻具吸引力的積分計劃，推出一系列精彩的簽賬優惠，以及藉一田百貨擴充營業的機會吸納新客戶。2010年，本行信用卡客戶總數增長12%，其中富裕客戶群較2009年增加16%。此外，簽賬額亦增長21%，信用卡費用收入總額增長13%。

Consumer Finance

消費金融



The Bank also demonstrated positive growth in its merchant business. Our strategy of providing a one-stop solution for merchant support and banking services, together with focusing on capturing the rapid growth of spending power of Mainland tourists by expanding our China UnionPay ("CUP") merchant base, resulted in strong growth in merchant sales volume and fee income of 23% and 13% respectively. As a result, the merchant sales volume of CUP sharply grew by 111%.

In 2010, the Bank also placed great efforts on its personal loan business. We launched various programmes to suit different needs of our customer segments, including "Perfect Fit Personal Loan", "Credit Go Personal Loan" and "Tax Loan". In addition to expanding the acquisition channels, the use of advertising helped create high exposure and awareness for these programmes in the market. This led to very positive business results with impressive growth of 111% in new business and 72% in outstanding balance.

To drive steady growth for our Unsecured Lending business, a dedicated telemarketing channel was set up to systematize and personalize customer interactions so as to deliver a consistent, high-quality customer experience. Customers have responded very positively to the sales and services contacts, which turned into an annual growth of 53% in new business.

To counteract the dynamic and challenging market, the Bank continued to place great emphasis on the mortgage business. Highlights included strengthening our professional and reliable one-stop direct sales channel, developing a new segmentation

本行的信用卡商戶業務亦錄得正面增長。透過我們一站式的商戶支援、優質的銀行服務，及擴展銀聯商戶基礎以捕捉內地旅客迅速增長的消費力所帶來的商機，令商戶銷售額及費用收入分別增長23%及13%。銀聯的商戶銷售額亦激增111%。

2010年，本行亦致力發展私人貸款業務。我們推出了多項計劃以迎合各客戶層的不同需求，其中包括「合您意私人貸款」、「卡數清私人貸款」及「稅務貸款」。除了擴展銷售渠道，我們亦透過廣告活動成功為這些貸款計劃帶來高度的市場曝光率及公眾的注意力，並令業務錄得可觀的增長，其中新造貸款額及未償還貸款結餘分別錄得111%及72%的驕人升幅。

為推動無抵押貸款業務穩步增長，我們設立了專門的電話銷售渠道，使本行與客戶之間的互動更系統化和個人化，從而提供一致及優質的客戶體驗。客戶對這個銷售及服務渠道反應良好，使新造貸款按年增長53%。

為應對市場的急速變化及挑戰，本行繼續專注於加強拓展樓宇按揭業務。重點包括增強我們專業、可靠的一站式直接銷售渠道、制訂新的分層定價模式、推出新的產品優惠，以及為不同層面的客戶提供度身訂造的服務。透過這些目標明確的策略，本行的樓宇按揭業務獲得十分理想的成績，由直接銷售渠道而取得的新造貸款及貸款額分別上升74%及155%，貸款應

pricing model, rolling out new product offers, and providing customized and tailor-made services to meet the needs of different segments of customers. Through these focused strategies, the mortgage business had a very positive performance with overall new loans booked and amount under the direct sales channel increasing by 74% and 155% respectively, and total loan receivables increasing by 12%. During the year, the Bank also launched various marketing programmes to expand business networks, strengthen market positioning and induce new business opportunities.

The Bank continued to enhance its new business model for customer segmentation in 2010. By employing various analytical tools to better understand our customers, the market arena and consumer dynamics, the Bank made dedicated efforts to develop effective strategies and marketing initiatives so as to offer customized financial solutions that would differentiate us in the marketplace for our privileged customers and lead to satisfactory business results. By developing effective communication strategies, the Bank also focused on building potential customers' top-of-mind awareness and brand preference.

Recognizing the potential of our current customers to provide new, increased business sources, the Bank encouraged customer referrals for new business, as well as focused on augmenting repeated purchases from current customers. To capitalize on the opportunities provided by our customer base, the Bank launched a range of special promotions to align customer needs with business results. Moreover, to address the evolving needs of our customers, the Bank continually monitored and refined the sales and fulfillment process to deliver a high-quality customer experience, particularly through our frontline staff.

Looking forward, Consumer Finance will strive for customer growth through various business opportunities and initiatives. Together with product development, customer management and channel expansion, we aim to increase the customer base and provide more tailor-made products and services to our customers. In 2011, the Bank will enhance its customer development and segmentation strategies to foster individual engagement with the Bank's services, prolong customer life and value, and expand high engagement relationship coverage. Through our customer-oriented marketing and dedicated channel support, we pledge to turn consumer insights into business performance to improve profitability, customer experience and loyalty.

收賬額亦上升12%。年內，本行亦推出了多項推廣計劃，以擴展業務網絡、提升市場地位，及創造新的商機。

本行於2010年繼續強化新的客戶分層經營模式。除了透過採用多種分析工具加深對客戶、市場及消費者動態的瞭解外，本行還致力制訂有效的策略及市場推廣計劃，為我們的尊貴客戶提供度身訂造的財務方案，從而獲得了理想的業績。此外，本行亦透過有效的傳訊策略，在潛在客戶心目中建立知名度和品牌喜好。

本行深明現有客戶有助開拓及增加業務機會，故我們除了鼓勵客戶轉介新業務外，亦致力推動現有客戶重複惠顧。為把握客戶基礎所提供的商機，本行推出一系列的特別推廣活動，以滿足客戶的需要，達致提升業績的目標。此外，為配合客戶不斷變化的需求，本行不斷監察及調整銷售及配套流程，以提供優質的客戶體驗，特別是在前線服務方面。

展望未來，消費金融部將繼續透過不同的商機及策略來廣拓客源，並配合產品發展、客戶管理及擴大營銷渠道等方式，以擴展客戶基礎及向客戶提供更多度身訂造的產品及服務為目標。於2011年，本行將強化客戶開發及分層策略，以吸引個人客戶選用本行服務、與客戶建立更持久的合作關係及擴大他們跟本行的業務關係。透過本行以客為本的市場推廣及專門的銷售管道支援，我們定能將對客戶的透徹了解轉化為業務機會，令盈利表現、客戶體驗及忠誠度均獲得提升。

Control & Risk Management

監控及風險管理

A robust risk management framework and reinforced internal control capabilities created a solid platform for the Bank to maintain its position in the ever-changing environment and achieve steady growth.

穩固的風險管理架構及經強化後的內部監控能力為本行打造堅實的平台，讓本行在不斷轉變的環境中保持優勢，穩步增長。



- ◆ Credit control was reinforced to support the Bank's steady loan growth and expansion into Mainland China.
本行加強信貸風險監控，支持本行穩健的貸款增長，以及在中國大陸的業務擴展。
- ◆ Consumer Credit Risk Management successfully launched the credit card behavioural scorecard in 2010 and refined the existing credit extension strategy of credit card authorization.
消費信貸風險管理部於2010年成功推行信用卡行為計分卡，並調整涉及信用卡批核的現有授信策略。
- ◆ The market risk management platform was strengthened to cope with the rapid growth of RMB business activities.
本行持續強化市場風險管理平台，以配合人民幣業務活動的急速增長。
- ◆ Operational Risk Management enhanced the Bank's internal controls through persistent and continuous improvement.
營運風險管理部持續及不斷地改進，以提升本行的內部監控水平。

ENTERPRISE CREDIT RISK MANAGEMENT

As the Bank's primary unit for monitoring credit risk, Enterprise Credit Risk Management ("ECRM") made tremendous efforts in strengthening the Bank's credit control measures in 2010 to ensure that the Bank's loan quality continues to improve and remains sound in the face of the challenging business environment.

We made great strides in the Project One initiatives which aim to realign and rationalize our resources and to strengthen the overall credit risk management structure, logistics and control capabilities by capitalizing on the risk management expertise of our parent financial holding group. A majority of the work under Project One was completed in 2010. We have seen encouraging results from this exercise as the overall credit quality in the corporate and commercial loan portfolio has shown marked improvement. We shall continue to monitor the trend in this area to ensure that the loan portfolio is healthy. The strengthened credit control will form a strong base for the Bank's steady growth objective in the coming year.

The major challenge for 2011 is to maintain a high credit standard given the uncertain global economy, while also preparing for strong growth opportunities made possible by the Bank's growing presence in Mainland China.

企業信貸風險管理

作為本行監控信貸風險的主要單位，企業信貸風險管理部於2010年致力加強本行的信貸風險監控措施，確保本行的貸款質素繼續得到提升，並在充滿挑戰的經營環境中仍然保持穩健。

我們在Project One組織重整方案取得了重大的進展。透過這個專案，我們得以藉著母公司風險控管的專業知識，重新整合和分配資源，進一步加強整體信貸風險管理架構、運作流程及監控能力。Project One的大部分工作已於2010年完成，本行的企業及商業貸款組合的整體信貸質素均得到顯著改善，成績令人滿意。我們將繼續監控這方面的趨勢，以確保貸款組合質素持續穩健。經強化後的信貸風險監控，將為本行實現來年穩步增長的目標奠下堅實的基礎。

2011年的主要挑戰，是在全球經濟不明朗的環境中維持高水平的信貸標準，並同時為本行在內地擴展業務所帶來的增長機會作好準備。

Control & Risk Management 監控及風險管理



CONSUMER CREDIT RISK MANAGEMENT

Consumer Credit Risk Management manages the overall credit risk and credit operations functions of all consumer finance products of the Bank, including credit cards, personal installment loans and mortgages. In 2010, we continued our role to managing the asset quality, specific provisions and credit charge-offs of the consumer finance business. All credit quality indicators exhibited satisfactory performance. In particular, the Bank's credit card 90 days+ delinquency performance was better than the market according to the latest release from the Hong Kong Monetary Authority.

To further enhance the Bank's internal cross-selling and risk management tools, we successfully launched the credit card behavioural scorecard in 2010 and refined the existing credit extension strategy of credit card authorization. Looking ahead, the key challenge is to preserve the sound asset quality of the consumer finance business and at the same time to maintain steady consumer loan growth.

Consumer Credit Risk Management will continue to fine-tune the credit acquisition and portfolio management policies by conducting regular stress tests and health checks. Another initiative in 2011 is to enhance our data mining techniques by collaborating with our parent company to devise a customer segmentation strategy directed at a smarter and more cost-effective targeting of customers and products.

MARKET RISK MANAGEMENT

The development of the RMB business in Hong Kong was encouraging in 2010. We saw significant growth and progress

消費信貸風險管理

消費信貸風險管理部管理本行所有消費金融產品，包括信用卡、私人分期貸款及按揭的整體信貸風險及信貸營運功能。2010年，我們繼續管理消費信貸業務的資產質素、個別減值撥備及貸款撇賬。本行的所有信貸質素指標均展現滿意表現，特別是根據香港金融管理局最新發表的數據，本行逾期90日未償還信用卡賬款的表現較市場為佳。

為進一步加強本行的內部交叉銷售及風險管理工具，我們於2010年成功推行信用卡行為計分卡，並調整涉及信用卡批核的現有授信策略。展望未來，我們的主要挑戰將為保持消費信貸業務的良好資產質素，並同時維持消費貸款的穩定增長。

消費信貸風險管理部將透過定期的壓力測試及財務健康檢查，不斷調整吸納客戶及貸款組合的管理政策。我們將於2011年採取的另一項措施，是與母公司合作提升數據開採技術，以制訂客戶分層策略，從而以更精明及更具成本效益的方法識別目標客戶群及推出合適的產品專案。

市場風險管理

在2010年，香港的人民幣業務取得令人鼓舞的發展，在多個範疇均取得顯著的增長和進展，

in various areas, including deposits, lending, cross-border trade settlement, bond issuance, remittance services and the introduction of RMB-denominated investment products. Our market risk management framework was strengthened to identify and manage relevant market risks to cope with the rapid growth of RMB business activities.

To accommodate customers' needs and maintain our Bank's competitiveness, we launched RMB Exchange for corporate clients, Deliverable RMB Forward Contracts and RMB Principal Protected Structured Deposits in 2010. All new products went through a new product review process to evaluate whether proper control mechanisms and system enhancements had been implemented to ensure our business growth is under the current risk management framework and within our risk tolerance level in major risk areas including market risk.

Looking forward, 2011 will be a crucial year for the development of the offshore RMB business in Hong Kong, both in terms of the depth and breadth of the market and product development. Market Risk Management aims to provide a risk management platform that supports continuous business growth for the Bank.

OPERATIONAL RISK AND QUALITY MANAGEMENT

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

In 2010, the Bank strengthened its internal controls through the completion of a Control Self Assessment Programme, enhancement of its fraud management control framework, review of the business continuity management practices, as well as the provision of operational risk training to all staff. The Operational Risk Management function also collaborated closely with other departments in the creation and enhancement of voluminous guidelines and operating procedures.

Different analytical tools have been implemented in the past few years. For 2011, the department will fine-tune these tools to cope with evolving needs, and provide more useful analyses to different levels of management. To ensure operational processes are effective and efficient, risk monitoring will also be strengthened through expanded scope of the Mystery Shopper Assessment and Surprise Check Programmes.

其中包括存款、放款、跨境貿易結算、債券發行、匯款服務以及推出以人民幣為貨幣單位的投資產品。為配合人民幣業務活動的急速增長，我們亦增強了市場風險管理架構，以辨識及管理相關的市場風險。

為滿足客戶的需要及維持本行的競爭力，我們於2010年推出了企業客戶人民幣兌換服務、可交收人民幣遠期合約和人民幣保本結構存款服務。所有新產品均已通過新產品審核程序，評估是否已執行妥善的監控機制及系統功能提升，從而確保業務增長受到現行風險管理架構的規限，並符合本行在主要風險範疇，包括市場風險的風險承受能力。

展望未來，就市場及產品發展的深度和廣度而言，2011年將是香港發展離岸人民幣業務的關鍵一年。因此，市場風險管理部將致力提供一個風險管理平台，以支持本行的業務持續增長。

營運風險及服務品質管理

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

2010年，本行採取多項強化內部監控的措施，包括完成自我評估監控計劃、強化詐騙管理監控架構、檢討持續業務運作規劃，以及為本行所有員工提供營運風險培訓。營運風險管理部亦與其他部門緊密合作，制訂及優化大量的營運指引及程序。

過去數年，我們引入了不同的分析工具。2011年，本部門將微調這些工具以應付不斷轉變的需求，並為不同階層的管理人員提供更有用的分析。為確保營運程序的效益和效率，我們將擴大神秘顧客評估及突擊檢查計劃的範疇，以加強風險監察。

IT & Operations

資訊科技及營運

The Bank continued to invest heavily on its Information Technology to strengthen the Bank's technology capability to improve its customer service and product innovation. Reorganization and streamlining of existing operations also enhanced its operations capabilities and achieved greater synergy, a leaner organization, reduced operating costs and fewer hand-overs.

本行持續在資訊科技領域進行重大投資，以強化技術自主能力，增強本行客戶服務的水準及產品創新的能力。藉由進行組織重整減少後勤單位數目，本行的營運效率亦得以提升，並減少不必要的交接浪費，成功達致更精實的組織架構、更低的營運成本及更高的綜合效能。



- ◆ Transformation of the Bank's IT service model, migrating from a pure outsourcing model to an in-house support model, strengthened its in-house technology and service delivery capabilities.

改變現有資訊科技的服務模式，由原來的純外判模式轉型為全面自主模式，以強化本行技術自主及服務交付的能力。

- ◆ Leveraging the expertise and resources of Fubon Financial, a brand new Operational Data Store was implemented to identify business opportunities and improve operating efficiency.

經由富邦金控引進專業技術知識及外派駐港資訊科技人員，本行迅速建置完成嶄新的營運分析資料庫，藉此設計推廣新產品服務及改善營運效率。

- ◆ The launch of new AutoFax service dramatically cut down the acknowledgement turnaround time from five days to one day.

我們推出了嶄新的自動傳真回覆服務，令回覆確認通知書的流程由五天大幅縮短至一天內完成。

- ◆ Implementation of Deming's Plan-Do-Check-Act continual improvement cycles within all back offices ensures consistent operation quality and enhances operational efficiency and effectiveness.

於所有後勤部門推行品質管理大師戴明的「規劃 — 執行 — 查核 — 行動」品質管理循環，以持續改善目標及提升營運效率和效能。

INFORMATION TECHNOLOGY

In 2010, the Bank continued to invest heavily on its Information Technology, with particular focus on the transformation of technology capability and continued enhancement of its business application systems. These investments furthered the Bank's capability to improve its customer service and product innovation while enhancing its operational efficiency and complying with the new regulatory mandate.

One of the most important strategic initiatives of the Bank for 2010 and 2011 is the transformation of its service model in Information Technology, migrating from a pure outsourcing model to an in-house support model. The objective of this change is to strengthen in-house technology maintenance and service delivery capabilities. The Bank will be moving to a new Tier-3 production data center in mid-2011 with a complete technology refresh of its infrastructure to allow for more uptime and better customer accessibility. The Bank also will revamp its disaster recovery arrangement for its core application systems aimed at minimizing customer impact should there be a disaster situation.

Other initiatives include a brand new corporate Internet banking platform for our corporate customers, the Fubon Business Online, which provides a more advanced cash management tool while allowing for highly customizable workflow and authorization levels to meet the needs of medium and large corporations.

資訊科技

2010年，本行持續在資訊科技領域進行重大投資，以求加強技術自主能力及提升業務應用系統；這些投資同步加強了本行客戶服務的水準及產品創新的能力，提升之效率使本行能更快符合新法令遵循之要求。

本行於2010及2011年最重要的資訊科技策略計劃之一，就是改變現有資訊科技的服務模式，由原來的純外判模式轉型為全面自主模式，目的是強化資訊系統維護能力及所有服務交付之及時性。本行預計將於2011年第二季遷進具有更高不間斷性基礎設施的全新Tier-3數據中心，使本行能提供較長的系統連線作業時間，從而提升客戶使用本行服務的便利性；同時本行亦將同步提升緊急災難備援數據中心的基礎設施完備性，務求一旦在緊急災難發生時，能更有效減少對主要應用系統客戶之潛在影響。

其他重要策略計劃尚有為企業客戶推出嶄新的企業網路銀行平台「富邦商務網」，提供更先進的現金管理工具，及容許高度客製化和多重授權層次的工作流程，以迎合中大型企業的業務需要。

IT & Operations 資訊科技及營運



In 2010, the Bank leveraged the expertise of its holding company, sharing best practices and resources, to implement a brand new data warehouse and management information platform – the Operational Data Store. This provides a single customer view on products, services and key performance management to identify business opportunities and improve operating efficiency.

With heavy investment and expansion of resources in Information Technology, the Bank fully demonstrated its commitment to continue to expand its business franchise in Hong Kong. Looking forward, we will continue to focus on IT governance, operating efficiency, product innovation, risk management and regulatory compliance. This will help the Bank to achieve its objectives of steady growth.

OPERATIONS

In 2010, we continued to transform the back office into a more efficient and effective operation to better serve business growth. By reorganizing and streamlining existing operations into fewer but more cohesive departments managed by skillful mid-level management, we achieved greater synergy, a leaner organization, reduced operating costs and fewer hand-overs. This resulted in successfully providing all business units with better service indicators.

Aside from becoming a leaner organization, we have leverage resources from Fubon Financial in benchmarking existing Operations for best practices. A joint task force reviewed existing operation processes. Through this repeated and intensive benchmarking exercise within all back office units, we implemented new services and revitalized existing operations. For

在2010年經由富邦金控引進專業技術知識及外派駐港資訊科技人員，本行迅速的建置完成符合業界最佳實務的嶄新資料倉儲資訊系統 — 營運分析資料庫 (Operational Data Store)，藉此全面整合客戶所有相關往來產品和服務資訊，並供內部單位推行服務績效管理、設計推廣新產品服務及改善營運效率。

展望未來，本行將繼續進行投資和完備資訊科技，以期持續擴增本行營運範疇，其中尤以資訊治理、操作效率、產品創新、風險控管及法令遵循為重心，務求達成本行穩中求進的營運目標。

營運管理

2010年，我們持續將後勤單位轉型為更高效率及效能的團隊，以更能支援業務擴展的需要。藉由進行組織重整減少後勤單位數目，並委由富經驗的中階管理者領導新整合單位以強化凝聚，從而對現有作業流程進行合理化審視以減少不必要的交接浪費；我們成功達成以更精實的組織架構，更低的營運成本及更高的綜合效能，來為業務單位提供最佳的服務指標。

除了精實組織架構外，我們還藉由富邦金控的資源挹注組成聯合專責小組，對所有後勤單位之各項作業進行持續的基準比較。透過不斷的審視港台作業與服務間異同，我們不但推出了新服務，同時也改善了現有的作業。例如：我們推出了嶄新的自動傳真回覆 (AutoFax) 服

example, we launched a new AutoFax service that dramatically cut down the acknowledgement turnaround time from five days to one day. We also revitalized our branch-support process through motion-study techniques and consolidation of daily reports which enabled our branches to cope with increased activities such as the Hong Kong Monetary Authority's ("HKMA") new regulation of Customer Investment Risk Questionnaire ("CIRQ") on investment activities with fewer stationed operation staff.

In addition, to further ensure enhanced internal controls with operational risk management on all business activities, we revamped our previous workplace document by completing process-mapping, drafting, and reviewing of brand-new Standard Operation Procedures ("SOPs") for all bank-wide units. New SOPs are now illustrated with flow-charts and interconnection diagrams, which help to shorten the learning curve of trainees. The back office has used these SOPs as the de facto on-the-job training material to enhance the skill level of all staff.

To ensure consistent operation quality, we vigorously implemented Deming's Plan-Do-Check-Act continual improvement cycles within all back offices. Current processes have been examined and probed for re-engineering opportunities for better efficiency and effectiveness. For example, the Mortgage Loan process was re-engineered to cut down on hand-overs and dramatically shorten the turnaround time from application to drawdown.

Remarkably in 2010 we ranked once again as one of the top performing banks out of 500 banks in the Asian region and earned the Straight Through Processing Award for the fourth time in the past five years. This award was presented by our USD clearing bank, the Bank of New York Mellon, in recognition of our excellent quality fund transfer operations.

With the lifting of the ban by the HKMA on new administrative rules on the settlement of cross-border trades in Renminbi for both corporations and individuals, our back office participated in this new arena by putting in place relevant operating systems, effective policies and procedures, and proper internal control measures to ensure that our service delivery and quality meet our customers' needs.

Looking forward, all back office management will endeavour to strike a perfect balance among Service, Productivity, Control, Quality and Morale. In addition, we will also keep benchmarking with Fubon Financial to pursue the best practices in Operations.

務，令回覆確認通知書的流程由五天大幅縮短至一天內完成；而藉由動作分析來減少浪費及整併日常營運管理報表，也改善各分行的作業支援能力，讓各分行可在較少駐點人力的情況下，仍能應付增多的作業負荷如香港金融管理局新規定在客戶進行投資時需完成填寫的「客戶投資風險問卷」。

此外，為更確保本行各項營運活動之潛在作業風險均已妥善控管，本行所有單位均依先進行詳細流程比對後再輔以交叉審核妥適性的方法，進行撰寫全新的標準作業程序(SOPs)文件。由於新的標準作業程序文件提供詳細流程圖及不同單位間的互相連結關係，經證明可以有效縮短新進員工的學習時間；故所有後勤單位也已採納這些標準作業程序文件作為在職培訓的教材，對全體員工的技能水平進行再提升。

為確保作業品質一致，我們全力推行品質管理大師戴明的「規劃 — 執行 — 查核 — 行動」(Plan-Do-Check-Act) 品質管理循環以達到持續改善的目標；藉由審視現有流程，並探討是否有任何流程改造的契機，來達成較佳的效率與效能。例如：我們改造樓宇按揭貸款流程，減少無謂的交接次數，大幅縮短了由申請至貸款批出的時間。

2010年本行在亞洲地區500間銀行中脫穎而出，再次榮獲美元結算銀行 — 紐約梅隆銀行所頒發「直通式聯繫結算處理獎」；這已是本行於過去五年內第四度獲頒發該獎項，也是對本行傑出的資金轉賬服務的肯定與表揚。

隨著香港金融管理局放寬對企業及個人跨境貿易人民幣結算服務的限制，所有的後勤單位也配合業務單位積極建置相關作業系統、規劃有效的政策和作業程序及完備內部控管措施，以確保未來該項服務的交付及質素能滿足客戶的需求。

展望未來，所有後勤單位的管理階層將竭力謀求該單位能在傑出服務、高生產力、穩健內部控管、持續品質保證及良好員工士氣間達成最佳平衡。此外，我們與富邦金控間作業基準比較亦將持續進行，以期持續改善達到業界最佳實務的目標。

People Development

人才管理及發展

To achieve a competitive advantage, the Bank has developed a strategic approach to human resources management which provides a focus on human capital investment and a host of tangible benefits across various functions covering compensation and benefits, employee relations, recruitment and training and development.

為建立競爭優勢，本行制訂了一套人力資源管理的策略方針，除著重於人力資本投資外，更就薪酬及福利、僱員關係、招聘，以及培訓和發展方面提供實質效益。



- ◆ A new performance appraisal system was implemented starting from January 2010 to reinforce an even stronger performance-driven culture for the Bank and motivate staff for improvement.
自2010年1月起，本行推出了新的工作表現評估計劃，進一步強化本行重視績效的文化，並激勵員工精益求精。
- ◆ The introduction of eAnnual Tax Returns achieves a more time-saving and eco-friendly handling approach.
採用電子年度報稅表，不但節省時間，更有利環保。
- ◆ In 2010, a total of 468 in-house training classes and product briefings were organized with a total of 13,140 participants.
本行於2010年共舉辦了468項內部培訓課程和產品簡介會，出席人次達13,140。

COMPENSATION AND BENEFITS

One of our work focuses in 2010 was to devise and sustain a well designed compensation management. On Compensation and Benefits ("C&B"), the Bank formulated the Remuneration Policy which provides a framework and guiding principles on the Bank's remuneration system and procedures for effective risk management. We also put a great deal of effort into streamlining our workflow and automated procedures in payroll and other processing in order to achieve operational efficiency and a better control mechanism. For example, eAnnual Tax Returns instead of hard copies were issued to staff in April 2010 to achieve a more time-saving and eco-friendly handling approach. Riding on the Group's infrastructure and the Internet technology, more intranet applications will be implemented to enhance communication with staff and increase efficiency. In 2010, Human Resources ("HR") provided easy access to HR policies, forms and up-to-date announcements through eChannel (i.e. intranet) and the new eLeave system will be launched by phases in Q2 2011. In 2011, C&B will continue to review and benchmark with the market to ensure the Bank's Remuneration Policy is able to recruit and retain talents to keep pace with the continuous growth and success of the Bank. It will also continue to provide quality services to staff and seek improvement and streamlining opportunities in related operations to ensure service excellence and operation optimization for the Bank.

薪酬及福利

制訂和維持一套完善的薪酬管理計劃是我們2010年的工作重點之一。在薪酬和福利方面，本行制訂了薪酬政策，為薪酬制度和程序提供一套框架和指引，以達致有效的風險管理。我們亦致力簡化支薪和其他方面的工作流程及設置自動化程序，以達致運作效率及加強監控機制。例如在2010年4月，我們採用電子年度報稅表 (eAnnual Tax Returns) 代替印刷本，既節省時間，亦有利環保。藉著集團的基礎設施和互聯網科技，我們將採用更多內聯網的應用程式，以改善與員工的溝通及提高運作效率。2010年，人力資源部透過電子通路（即內聯網），使員工能更方便地獲得人力資源政策資料、表格及最新公布，而全新的電子假期系統 (eLeave System) 亦將於2011年第二季分階段啟用。2011年，薪酬福利部將繼續進行薪酬檢討和與市場基準作出比較，以確保本行的薪酬政策能吸納和挽留出色的人才，以配合本行不斷擴展的業務需要。薪酬福利部亦將繼續為員工提供高質素的服務，並在有關作業範疇上作出改善及尋求精簡機會，以確保能為本行提供卓越的服務質素和優化的運作。

People Development 人才管理及發展



EMPLOYEE RELATIONS

The Bank recognizes that the provision of employee services and lifestyle benefits has a significant impact on enhancing employee morale and can go a long way to increasing overall workforce productivity. Promoting our staff's work-life balance therefore constitutes one of the Bank's main values. In 2010, we carried out a wide variety of staff programmes with an overwhelming staff response. These included cookery classes, Ocean Park family day trip, bowling competition, karaoke competition, etc. Also a series of staff discount programmes were introduced. The staff recreation activities and benefit programmes helped to increase employee interest and involvement, and more importantly, promoted a workforce with strong ties and bonding.

RECRUITMENT

The total number of staff as at 31 December 2010 was 898. In keeping with our long-standing tradition, the Bank places a high priority on maintaining leadership continuity and recruiting staff with high calibre from the human capital market. To further strengthen our corporate standing in the local market, we continue to grow by effectively recruiting and training staff with high potential to be future leaders of the Bank on various fronts. One of our focal development programmes is the Management Associates Programme, which has already entered its sixth year. We recruited six Management Associates who were posted to operation and business units supported by an extensive dynamic learning programme structure. HR also partnered with the business units to devise strategic planning in order to attract, recruit and motivate top talents to meet corporate objectives effectively.

僱員關係

本行明白，為員工提供僱員服務和生活福利，能大大提升員工士氣，亦有助促進整體員工的生產力。因此，鼓勵員工達致工作與生活平衡為本行的主要價值觀之一。2010年，我們舉辦的各類員工活動均獲得員工的熱烈響應，其中包括烹飪課程、海洋公園家庭日、保齡球比賽、卡拉OK大賽等，另外還推出一系列的員工折扣優惠。員工的康樂活動和優惠計劃不但有助提高員工對本行的關注和投入感，更重要的是能夠促進員工之間的和睦關係和增強凝聚力。

招聘

截至2010年12月31日，本行的員工總數為898。秉持一直以來的傳統，本行十分著重維持領導層的延續性，並會從人力市場中招聘高質素的員工。為進一步提升在本地市場的實力，本行積極招聘和培訓高潛質的員工，培養他們成為不同業務範疇的未來領導，以繼續擴展本行的業務。本行重點發展之一的「見習管理人員計劃」，至今已踏入第六個年頭。我們聘請了六位見習管理人員，並把他們派往營運和業務部門，參加一個內容廣泛的活動性學習計劃。此外，人力資源部和業務部門亦合作制訂策略計劃，以吸引、招聘和激勵高質素的人才，有效地達致本行的企業目標。



TRAINING AND DEVELOPMENT

With the ever-changing business environment, there has been intense pressure on staying ahead of the competition through innovation and reinvention. To meet current and future business demands, training and development encompasses a wide range of learning activities, from training for tasks and knowledge sharing to improved customer service and career development. This will help to expand individual, group and organizational effectiveness.

In 2010, the Bank organized a total of 468 in-house training classes and product briefings with a total of 13,140 participants. To safeguard our customers' interests, the Bank put a high priority on training frontline sales staff to equip them with the know-how to conduct relevant sales activities. Sales staff went through detailed product training and had to pass a quiz before they were eligible to sell investment products. To implement the Bank's prudent strategy, training related to compliance, risk and control was performed on a bank-wide basis. With the aim of capturing business opportunities in the improving economy, we sharpened our staff's sales techniques through a high impact telesales workshop for unsecured lending businesses. Training in service excellence and effective handling of customers' complaints was held in line with the branches' mystery shopper programme to continue building the Bank's service culture. An IT-related project management methodology from Taipei Fubon Bank was also implemented for the Bank in order to promote a common language within the Bank for effective project management. A new performance appraisal system was implemented starting from January 2010 to reinforce an even stronger performance-driven culture for the Bank and motivate staff for improvement. Such measures brought the Bank a step closer to Taipei Fubon Bank in terms of HR practices. A series of briefing sessions were also organized for staff familiarization and facilitating implementation.

培訓及發展

面對不斷變化的經營環境，我們必須不斷創新求變，以保持競爭優勢。為滿足現在和未來的業務需求，本行的培訓及發展計劃內容廣泛，從工作培訓、知識分享，以至客戶服務的改進和事業發展等，都一應俱全，這將有助提升個人、團隊以及機構的效益。

2010年，本行共舉辦了468次內部培訓課程和產品簡介會，出席人次達13,140。為保障客戶利益，本行高度重視前線銷售員工的培訓，讓他們具備從事銷售活動所需的專業知識。銷售員工除了接受詳細的產品培訓外，還必須通過測試，才合資格銷售投資產品。為實踐本行的審慎策略，我們還為全體員工提供合規、風險和監控方面的培訓。為把握經濟好轉而帶來的商機，我們特別為無抵押貸款業務的電話銷售團隊舉辦了一個工作坊，以增強員工的銷售技巧。除了在分行開展神秘顧客計劃外，我們還透過培訓教導員工如何提供卓越服務及妥善處理客戶投訴，以進一步強化本行的服務文化。本行還引入了台北富邦銀行的IT相關項目管理方法，提倡共同的溝通平台，以便有效地管理各類項目。自2010年1月起，我們推出了新的工作表現評估計劃，進一步強化本行重視績效的文化，並激勵員工精益求精。這些措施令本行的人力資源管理實務跟台北富邦銀行的更加接近。此外，我們還舉辦了一系列的簡報會，讓員工熟悉有關計劃，以便能貫徹執行。

Corporate Social Responsibility

企業社會責任

In 2010, the Bank strengthened its commitment to Corporate Social Responsibility by engaging in an extensive programme of welfare activities. These activities, which embody our corporate philosophy of "Giving back to the Community", ranged from serving the needy to charity donations to events promoting environmental protection.

本行積極履行企業社會責任，於2010年繼續秉持「取之社會・用之社會」的企業理念，在扶貧、慈善捐獻及推動環保方面不遺餘力，致力回饋社會。



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

本行連續第四年獲香港社會服務聯會頒發「商界展關懷」標誌。

- ◆ With the active participation of its staff, the Bank launched the “Fubon Caring 1+1” Child Sponsorship Programme in partnership with Po Leung Kuk. The Programme, which benefited over 100 children or “Houses”, was a testimony of the firm support by its staff for social commitment.

本行與保良局合辦富邦銀行「愛心共顯1+1」兒童助養計劃，贊助員工助養了超過100名兒童或家舍，體現了上下一心的企業精神。



SUPPORTING CHARITIES FOR THE GOOD OF THE COMMUNITY

The Bank believes in the importance of being a socially responsible corporation. Embracing its corporate philosophy of “Giving back to the Community”, the Bank fulfills its social responsibility through active involvement in a broad range of community activities. Since the establishment of the Fubon Caring Ambassador Programme in August 2007, we have worked with NGOs to organize a diversified range of volunteering programmes in which our staff are encouraged to be involved for the benefit of the community. The Bank also supports charitable organizations and non-profit organizations by distributing donation forms through its network and bank statements to customers.

The Bank was conferred with the Bronze Award of the “Corporate and Employee Contribution Programme” by the Community Chest again in 2010 for making donations to help the needy and the underprivileged, and encouraging its staff to do the same.

The Bank was also awarded with the Caring Company Logo for the fourth consecutive year by the Hong Kong Council of Social Service in recognition of its commitment to community care and corporate citizenship.

DONATING TO THE NEEDY

The Bank supports the needy by making donations to charitable and public welfare organizations. During the year, while continuing

支持公益活動 盡顯社會責任

本行一向致力履行企業社會責任的使命，並秉持「取之社會•用之社會」的企業理念，熱心參與不同類型的公益活動。自本行於2007年8月成立了「富邦關懷大使」後，便一直與社會服務機構攜手舉辦多元化的義工活動，並鼓勵員工積極參與，一同回饋社會。此外，本行亦會協助志願團體及非牟利機構擺放或郵寄募捐表格。

本行每年均會透過捐款及鼓勵員工捐款去幫助有需要的弱勢社群。於2010年，本行再度榮獲香港公益金頒發「商業及僱員募捐計劃」銅獎。

同時，本行已是連續第四年獲得香港社會服務聯會頒發「商界展關懷」標誌，代表著本行一直以來對社會的關心，以及作為企業公民的承擔被獲肯定。

樂於捐助社群

本行每年均會向慈善或公益團體捐款，幫助社會上有需要的社群。2010年，本行除繼續捐款

Corporate Social Responsibility 企業社會責任



our support for the Community Chest, we also made a donation to the Foodlink Foundation to help finance the purchase of a small truck for extending the organization's reach to the New Territories where more individuals and families in need will benefit from the surplus food delivered to them. Moreover, the Bank, together with its staff, participated in the "Care for the Elderly Raffle Tickets" fund-raising campaign in 2010. The proceeds from ticket sales were donated to St. James' Settlement in support of its elderly services.

We are always concerned about the growth and well-being of children. Committed to improving the welfare of vulnerable children and helping them secure a happy childhood and a brighter future, the Bank co-organized with Po Leung Kuk the "Fubon Caring 1+1" Child Sponsorship Programme in the fourth quarter of 2010, matching each child or "House" sponsorship by our staff members on a one-to-one basis for a one-year period. During this period, participating staff members can visit their sponsored child(ren) or "House(s)" and join the activities organized by Po Leung Kuk, which are designed to enhance the harmonious relationship of family members as well as parenting skills. Over 100 children or "Houses" benefited from the Programme, which was a testimony of the firm support by our staff for social commitment.

PROMOTING VOLUNTEERING SERVICES

The Bank also organized a variety of volunteering activities with social welfare organizations, including St. James' Settlement, The Neighbourhood Advice-Action Council, Tung Wah Group of Hospitals Yu Mak Yuen Integrated Services Centre, and the Yang Memorial Methodist Social Service, to serve the elderly and children from low-income families and to show our care for them.

予香港公益金外，亦向食物寧基金作出捐款，支持他們添置小貨車的計劃，將運送「廚餘」的服務範圍擴大至新界區，為更多有需要的人士及家庭提供食物。本行亦與員工一同參與「敬老護老愛心券」慈善籌款運動，將售賣愛心券的收益，全數撥捐予其中之一家受惠機構——聖雅各福群會的長者服務作為發展經費，造福耆老。

此外，本行對兒童的成長及身心發展亦十分關注，並致力改善弱勢兒童的福利，讓他們能擁有快樂的童年及美好的將來。因此，本行於2010年第四季與保良局合辦富邦銀行「愛心共顯1+1」兒童助養計劃。透過這個助養計劃，本行以1:1的配對形式，贊助員工助養保良局的兒童或家舍一年。期間，參與計劃的員工將可獲保良局安排探訪所助養之兒童或家舍及參加局方活動，以學習促進家庭和諧及親子技巧。此項計劃獲得員工的踴躍支持，一共贊助了超過100名兒童或家舍，體現了本行上下一心的企業精神。

推動義務工作

本行與多個社會服務機構，包括聖雅各福群會、鄰舍輔導會、東華三院余墨綠綜合服務中心及循道衛理楊震社會服務處等攜手舉辦不同類型的義工活動，為長者及低收入家庭的兒童送上關心和慰問。

In 2010, Fubon Caring Ambassadors visited the elderly and children from NGOs during Chinese New Year and Tuen Ng Festival, bringing them gift packs and organizing interesting classes and outreach activities for them, such as a relaxing one-day trip for the lone elderly to the New Territories and a Christmas dessert-making class to celebrate the festive season with underprivileged children. The Bank will continue caring for the underprivileged and serving the community to help build a more harmonious society.

CARING FOR THE ENVIRONMENT

The Bank actively supports and participates in environmental campaigns to promote the sustainable development of our community. During the year, we teamed up with environmentalist groups, including Produce Green Foundation and Noah's Ark, to organize volunteering services targeting underprivileged youths to raise their environmental awareness. Through a variety of workshops and farmhouse activities, such as organic farming, paper recycling and bread baking, children learned about how to protect the natural environment and the importance of resources conservation.

At the same time, we incorporated the 3R concept (Reduce, Reuse and Recycle) into our day-to-day operations while promoting the idea of a green office to all staff. Programmes are already in place to encourage recycling and reduced consumption of paper and carbon cartridges for the benefit of a greener world.

What's more, we support many kinds of green initiatives. In March 2010, we responded to the World Wildlife Fund's Earth Hour 2010 to combat climate change by turning off the signage lights outside of our Main Branch in Central. Also, through our internal staff newsletter, we issued an appeal to staff to practise a low-carbon lifestyle.

In June 2010, the Bank supported the Community Chest's Green Day by encouraging its staff to participate in the event to promote green causes and help raise money for the Community Chest-funded Medical & Health Services.

Looking ahead, the Bank will continue to support different charitable activities organized by NGOs and, together with its staff, contribute to the community through donations and volunteering programmes to benefit more people in need.

本行的「富邦關懷大使」除了在農曆新年及端午節期間探訪社會服務機構的弱勢兒童和長者及送上禮物包外，亦會為他們安排興趣班及有益身心的外展活動，包括為獨居長者安排了一天遊，陪伴他們到新界郊遊舒展身心，以及在聖誕節前與弱勢兒童一起製作聖誕甜品，一同分享節日之溫馨。本行將繼續用心服務香港，關心弱勢社群，為締造和諧社會盡一分力。

致力提倡環保

本行在推動保護環境方面一向不遺餘力，更與環保團體，包括綠田園基金及挪亞方舟等合作，為弱勢兒童舉辦宣揚環保意識的義工活動。透過舉辦不同類型的工作坊及農場活動，包括有機耕作、再造紙、焗麵包等，讓兒童認識保護地球生態及愛惜資源的重要性。

同時，本行將「減少使用、重複使用及循環再用」的環保原則融入日常運作當中，並向員工推廣綠色辦公室的意念。本行已備有不同的計劃鼓勵回收及減少使用紙張及碳粉盒，期望為保護環境盡一分力。

此外，本行亦鼎力支持各項環保活動。2010年3月，本行響應了世界自然基金會舉辦的「地球一小時2010」熄燈行動，對抗氣候變化。除了在活動當日把中環總行外的標誌牌光管關掉1小時外，亦透過內部員工通訊呼籲員工實踐低碳生活。

2010年6月，本行響應香港公益金舉辦的公益「綠」識日活動，鼓勵員工一同共襄善舉。是次活動除了支持環保外，所籌得的善款亦可幫助公益金資助的「醫療及保健服務」。

展望未來，本行將繼續支持社會服務機構舉辦不同類型的公益活動，並會透過捐款及舉辦義工活動，與員工一同回饋社會，讓更多有需要的人受惠。

Bank Network

銀行網絡

◆ HEAD OFFICE 總辦事處

Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈
Tel 電話：(852) 2842 6222
Fax 傳真：(852) 2810 1483
Website 網址：www.fubonbank.com.hk

◆ BRANCHES 分行

HONG KONG 香港

Central Main Branch 中環總行

Fubon Bank Building, 38 Des Voeux Road Central
德輔道中 38 號富邦銀行大廈

Sheung Wan 上環

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

Queen's Road East 皇后大道東

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

Wanchai 灣仔

Shop A2, G/F, Lucky Centre, 165-171 Wan Chai Road
灣仔道 165-171 號樂基中心地下 A2 號舖

Causeway Bay 銅鑼灣

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

G/F, Shing Wah Mansion, 455-457 Hennessy Road
(Effective from 3 May 2011)
軒尼詩道 455-457 號勝華樓地下
(2011 年 5 月 3 日起生效)

North Point 北角

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

Taikoo Shing 太古城

Unit 3-4, Cityplaza II, Taikoo Shing
太古城中心第 2 期地下 3-4 號舖

Chaiwan 柴灣

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

KOWLOON 九龍

Kowloon Main Branch 九龍總行

G/F & 1/F, 731 Nathan Road
旺角彌敦道 731 號地下及 1 樓

Tsimshatsui 尖沙咀

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

Jordan 佐敦

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

Mongkok 旺角

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

Cheung Sha Wan 長沙灣

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

Mei Foo 美孚

G/F, 26B Nassau Street
蘭秀道 26 號 B 地下

Kwun Tong 觀塘

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

Richland Gardens 麗晶花園

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

Hunghom 紅磡

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

NEW TERRITORIES 新界

Tsuen Wan 荃灣

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

Tuen Mun 屯門

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

Yuen Long 元朗

G/F, Hing Fat House, 9 Kau Yuk Road
教育路 9 號興發大廈地下

Tai Po 大埔

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

Shatin 沙田

Shop 31L, Shatin Centre, 2-16 Wang Pok Street
橫壙街 2-16 號沙田中心商場 31L 號舖

Branches Tel 分行電話：(852) 2566 8181

SECURITIES SERVICES CENTRES 證券投資服務中心

Central 中環

1/F, Fubon Bank Building, 38 Des Voeux Road Central
德輔道中 38 號富邦銀行大廈 1 樓
Tel 電話：(852) 2842 6161

Yuen Long 元朗

Rooms 603 & 604, HSBC Building,
150-160 Castle Peak Road
青山公路 150-160 號元豐中心 603-604 室
Tel 電話：(852) 2869 6389

CREDIT CARD CENTRE 信用卡中心

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

OPERATIONS CENTRE 營運中心

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

PRINCIPAL SUBSIDIARIES 主要附屬公司

Fubon Credit (Hong Kong) Limited

富邦財務(香港)有限公司

4/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 4 樓
Tel 電話：(852) 2806 7228
Fax 傳真：(852) 2541 2848

FB Securities (Hong Kong) Limited

富銀證券(香港)有限公司

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

FB Investment Management Limited

富銀投資管理有限公司

13/F, Fubon Bank Building,
38 Des Voeux Road Central, Hong Kong
香港中環德輔道中 38 號富邦銀行大廈 13 樓
Tel 電話：(852) 2842 1688
Fax 傳真：(852) 2847 3389

Fubon Insurance Brokers Limited

富邦保險顧問有限公司

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

Fubon Nominees (Hong Kong) Limited

Products & Services

產品及服務

◆ DEPOSIT PRODUCTS

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

存款產品

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

◆ LOAN PRODUCTS

Mortgage Loan
Deposit-Linked Mortgage Account
HIBOR Mortgage Loan
“Perfect Fit” Personal Loan
Tax Loan
“Credit Go” Personal Loan
Privileged Cash Card
“YesCash” Card
Pledged Deposit

貸款產品

按揭貸款
「按揭存款聯繫」戶口
「同業拆息」按揭貸款
「合您意」私人貸款
稅務貸款
「卡數清」私人貸款
富邦現金卡
「YesCash」現金卡
存款抵押

◆ CREDIT CARD SERVICES

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

信用卡服務

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

Co-branded / Affinity Cards	聯營卡
VISA Debit Card	VISA 扣賬卡
Corporate Card	公司信用卡
Any-can-do Purchase Installment Plan	「自由式分期」計劃
Interest-free Purchase Installment Plan	特約商戶免息分期
Interest-free Cash Installment Plan	0息分期零用錢
Balance Transfer Services	結欠轉賬服務
Credit Card Bonus Point Program	信用卡積分計劃
Merchant Discount Offers	商戶消費折扣優惠
Octopus Automatic Add Value Services	八達通自動增值服務
Merchant Business Services	商戶服務

◆ RENMINBI (RMB) SERVICES

人民幣服務

RMB Savings Account	人民幣儲蓄戶口
RMB Fixed Deposit Account	人民幣定期存款戶口
RMB Exchange Services	人民幣兌換服務
RMB Remittance Services	人民幣匯款服務
RMB Investment Services	人民幣投資服務
RMB Import-Export Trade Services	人民幣出入口貿易服務
RMB Import-Export Trade Financing	人民幣出入口貿易融資

◆ CORPORATE BANKING

企業銀行

Working Capital Loans	營運資金貸款
Import-Export Trade Financing	出入口貿易融資
Account Receivable Financing	應收賬融資
Syndicated Loans	銀團貸款
Construction Loans	建造貸款
Commercial Loans	商業貸款
Project Financing	項目融資
Structured Financing	結構融資
China Business	中國業務
Taiwan Business	台灣業務
Treasury Products	財資產品

Products & Services 產品及服務

◆ GLOBAL COMMERCIAL BANKING

環球金融銀行

Working Capital Loans
Import / Export Trade Finance
Accounts Receivable Financing
Commercial / Industrial Property Financing
Factoring
SME Loan Guarantee Scheme
Treasury Related Products
Deposit Services
RMB Services

營運資金貸款
進出口貿易融資服務
應收賬融資
工商物業貸款
應收賬款承購服務
中小企業信貸保證計劃
財資相關產品
存款服務
人民幣服務

◆ AMBASSADOR BANKING

AMBASSADOR BANKING

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

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

◆ INVESTMENT SERVICES

投資服務

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

Investment Fund Services

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

基金投資服務

◆ TREASURY PRODUCTS

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

財資產品

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

◆ INSURANCE SERVICES

Life Insurance
General Insurance

保險服務

人壽保險
一般保險

◆ MPF SERVICES

MPF

強積金服務

強積金

◆ FINANCIAL INSTITUTIONS

Correspondent Banking

金融機構業務

金融機構客戶服務

◆ ELECTRONIC BANKING

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

電子銀行

自動櫃員機服務
網上理財服務
網上證券交易服務
電話理財服務

◆ SAFE DEPOSIT BOX SERVICES

保管箱服務

Corporate Governance Report

企業管治報告

CORPORATE GOVERNANCE PRACTICES

The Bank is committed to the highest standards of corporate governance including but not limited to strict adherence to the principles set forth in the Code on Corporate Governance Practices (the "Code") in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Bank has complied with all Code provisions throughout the financial year ended 31 December 2010.

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

DIRECTORS' SECURITIES TRANSACTIONS

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

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

BOARD OF DIRECTORS

(1) The Board of Directors ("the Board") of the Bank comprises 11 Directors. Details in relation to the Board have been set out in the Corporate Information. During the financial year, four Board meetings have been held. Each Director's attendance at these Board meetings is set out below:

DIRECTORS	ATTENDANCE
Executive Directors	
Pei-Hwa Thomas Liang (<i>Managing Director</i>)	4/4
James Yip	4/4
Dennis Chan Wen-Yueh (<i>appointed on 15 March 2011</i>)	0/0
Non-Executive Directors	
Ming-Hsing (Richard) Tsai (<i>Chairman</i>)	3/4
Ming-Chung (Daniel) Tsai (<i>Vice Chairman</i>)	3/4
Victor Kung	4/4
David Chang Kuo-Chun	3/4
Michael Chang Ming-Yuen (<i>re-designated from an Executive Director to a Non-Executive Director on 1 September 2010</i>)	4/4

企業管治常規

本行致力實行最高水準之企業管治，包括但不限於嚴格遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄十四之《企業管治常規守則》（「守則」）所載原則。截至二零一零年十二月三十一日止之財政年度，本行嚴格遵守載於守則內之全部守則。

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

董事之證券交易

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

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

董事會

(1) 本行董事會（「董事會」）包括11名董事。公司資料中載有董事會之詳情。於本財政年度內，董事會已舉行四次會議。各董事出席該等董事會會議之情況載列如下：

董事	出席次數
執行董事	
梁培華 (<i>董事總經理</i>)	4/4
葉強華	4/4
詹文嶽 (<i>於二零一一年三月十五日委任</i>)	0/0
非執行董事	
蔡明興 (<i>主席</i>)	3/4
蔡明忠 (<i>副主席</i>)	3/4
龔天行	4/4
張果軍	3/4
張明遠 (<i>於二零一零年九月一日由執行董事調任為非執行董事</i>)	4/4

Independent Non-Executive Directors

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

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

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

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

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

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

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

The Board also ensures that the Bank observes a high standard of integrity in its dealings with the public and particular care is taken to comply with applicable laws and regulations (such as the Personal Data (Privacy) Ordinance,

獨立非執行董事

甘禮傑	4/4
曾國泰	3/4
石宏	4/4

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

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

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

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

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

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

董事會亦須確保本行於其對公眾之交易中遵循高標準誠信準則，並特別留意須遵守法例及法規（例如《個人資料（私隱）條例》、《防止賄賂條例》等）、防止清洗

Corporate Governance Report 企業管治報告

Prevention of Bribery Ordinance etc), prevention of money laundering legislation, industry standards (such as the Code of Banking Practice) and regulatory guidelines issued by the HKMA, the Securities and Futures Commission and other relevant regulatory authorities.

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

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

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

CHAIRMAN AND CHIEF EXECUTIVE

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

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

The Chief Executive (Managing Director) is an Executive Director and is responsible without interference from individual Directors for the day to day general management and control of the Bank's business and operation under delegated power and authority of the Board. However the Chief Executive (Managing Director) has discretion to consult and obtain guidance from the other Directors or the Board when he considers necessary.

黑錢法例、行業標準(例如「銀行營運守則」),以及由金管局、證券及期貨事務監察委員會及其他相關監管機構頒佈之規管指引。

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

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

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

主席及行政總裁

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

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

行政總裁(董事總經理)為執行董事及可根據董事會之授權,負責日常管理及本行之業務營運,而不受任何個別董事之影響。然而,行政總裁(董事總經理)可於必要時酌情向任何董事或董事會進行諮詢及獲取指引。

BOARD COMPOSITION

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

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

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

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

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

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

REMUNERATION COMMITTEE

The Remuneration Committee comprises the Board's Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors. The Committee meets as required to review and make recommendations to the Board in respect of the remuneration policy and practices of the Bank to ensure that these are consistent with legal or regulatory requirements. The Committee exercises competent and independent judgment on the remuneration policy and practices, and the job performance incentives thereby created for managing risk, capital and liquidity. It evaluates any practices by which remuneration is paid for potential future revenues whose timing

董事會組成

董事會包括三位執行董事、五位非執行董事及三位獨立非執行董事。不止一位獨立非執行董事擁有適當之專業資格或具備會計或相關財務管理專長，超過了「上市規則」之最低規定。

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

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

委任及重選董事

根據本行之章程細則，所有董事均需於股東周年常會上應選輪任與連任。

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

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

薪酬委員會

薪酬委員會由董事會之非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以就本行之薪酬政策及慣例進行審閱及向董事會作出建議，確保該等政策及慣例符合法律或法規之規定。委員會就薪酬政策及慣例以及就管理風險、資本及流動性設立之工作表現獎勵進行恰當及獨立判斷。委員會評估就未來收入（因其時間及可能性尚不明確）而支付報酬之做法進行評估，並確保該等付款符合本行之策略目標、財務狀況及未來前景。委員會於考慮表現目標或實際表現決定時會就

Corporate Governance Report 企業管治報告

and likelihood remain uncertain and to ensure that such payments are consistent with the Bank's strategic objectives, financial condition and future prospects. The Committee determines whether any adjustments for risk need to be applied when considering performance objectives or actual performance. The Committee also ensures that an annual review of the Bank's remuneration system and its operation, which will include an assessment of consistency with the regulatory requirements, is conducted independently of senior management.

The Committee reviews and approves the remuneration packages for senior management which include the Managing Director and Chief Executive, Executive Directors and Executive Vice President. Executive Directors or any of their associates do not play a part in decisions on their own remuneration. During the financial year, one meeting was held. Each Director's attendance at the meeting is set out below:

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

During the financial year, the Remuneration Committee discussed the 2010 staff bonuses and recommended its decision to the Board of Directors for approval. The Committee also approved 2010 bonuses for the Executive Directors. The Committee also approved the extension of employment of Michael Chang as an Executive Vice President from 9 August 2010 until his re-designation as a Non-Executive Director on 1 September 2010.

REMUNERATION OF SENIOR MANAGEMENT AND KEY PERSONNEL

Basically, the remuneration packages of senior management and key personnel consist of fixed and variable remuneration. Fixed remuneration refers to base salary and fixed allowances while variable remuneration refers to year-end discretionary bonus, share options and sales incentives. The remuneration packages of senior management and key personnel are determined by Remuneration Committee with reference to a number of factors as follows:

- Overall business performance of the Bank;
- General economic situation;
- Latest market and industry practice;
- Risk and responsibilities;

風險作出調整。委員會亦確定在不受高級管理層的影響下對本行之薪酬制度及其運作進行年度獨立審閱，當中包括評括其與監管規定的一致性。

委員會審閱及批核高級管理人員（包括董事總經理及行政總裁、執行董事及執行副總裁）之薪酬方案。執行董事或任何彼等之聯繫人士並無參與與其相關之薪酬決策討論。於本財政年度內，薪酬委員會曾經舉行一次會議。各董事出席會議之情況如下：

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

於本財政年度內，薪酬委員會就職員二零一零年之花紅進行討論並向董事會提出批准之建議。該委員會亦批准執行董事二零一零年之花紅。該委員會亦批准張明遠先生擔任行政副總裁一職之合約由二零一零年八月九日延長至二零一零年九月一日其調任為非執行董事止。

高級管理層及主要員工之薪酬

高級管理層及主要員工之薪酬基本上包括固定及浮動薪酬。固定薪酬指基本工資及固定津貼，而浮動薪酬指年終花紅、認股權及銷售獎勵。高級管理層及主要員工之薪酬由薪酬委員會參考下列因素予以釐定：

- 本行之整體業務表現；
- 整體經濟狀況；
- 最近市場及行業慣例；
- 風險及責任；

- Individual contributions to results as confirmed in the performance evaluation process; and
- Attraction and retention of talent;

Aggregate quantitative information on remuneration for the Bank's senior management and key personnel for the financial year is set out below:

- (i) Amount of remuneration for the financial year, split into fixed and variable remuneration^{Note 1}, and number of beneficiaries is:

Fixed Remuneration ^{Note 2}	Variable Remuneration	Sales Incentives	Number of beneficiaries
HK\$10,246,560	HK\$3,894,595	Nil	3

- (ii) The amount of variable remuneration in cash is HKD3,894,595. No variable remuneration in shares or share-linked instruments or sales incentives was granted to the three beneficiaries for the financial year. A total of 8,217,000 share options have been granted by Fubon Financial Holding Co. Ltd, the parent company, to the three beneficiaries on 31 July 2007 and 7 December 2007 respectively to acquire shares in Fubon Financial Holding Co., Ltd. As at 31 December 2010, there remains 6,874,500 outstanding share options and their aggregate fair value (as at their respective grant dates) is HKD18,109,809. According to the terms of the share option scheme, 50% of the share options are exercisable after two years from grant date, 25% are exercisable after three years and the remaining 25% are exercisable after four years, provided that the beneficiaries are still employees of the Bank when the share options are exercised.

- (iii) The Remuneration Committee has considered the financial, non-financial factors and the appropriateness of the variable remuneration of senior management and key personnel. Apart from the share options granted by the parent company as mentioned in (ii) above (about 25% (i.e. 2,054,250) of the share options granted and not yet exercisable until July 2011 and December 2011 respectively), no deferred remuneration was awarded, paid out or reduced through performance adjustment during the financial year.

- (iv) No new sign-on and severance payments were awarded during the financial year.

Note 1 Fixed remuneration refers to basic salary, fixed allowances (rental allowances) and directors' fees. Variable remuneration refers to year-end discretionary bonus, shares or share-linked instruments and sales incentives (if any).

Note 2 The Fixed remuneration includes the full-year remuneration of one of the beneficiaries who ceased to be Senior Management of the Bank with effect from 1 September 2010.

- 於表現評估過程中確定的個人對業績的貢獻；及
- 吸引及保留人才。

本行高級管理層及主要員工於本財政年度之薪酬總量資料載列如下：

- (i) 本財政年度薪酬金額（分為固定及浮動薪酬^{附註1}）及受益人數為：

固定薪酬 ^{附註2}	浮動薪酬	銷售獎勵	受益人數
10,246,560 港元	3,894,595 港元	無	3

- (ii) 現金浮動薪酬金額為3,894,595港元。於本財政年度內並無向三名受益人士授出任何股份或股份掛鈎票據或銷售獎勵形式之浮動薪酬。於二零零七年七月三十一日及二零零七年十二月七日，母公司富邦金融控股股份有限公司分別向三名受益人士授出可認購富邦金融控股股份有限公司股份之認股權合共8,217,000股。於二零一零年十二月三十一日，彼等未經行使之認股權尚有6,874,500股，其總公平價值（於其相關的授予日期）為18,109,809港元。根據認股權計劃之條款，50%之認股權於自授出認股權之日起兩年後方可行使、25%於三年後方可行使及餘下25%於四年後方可行使，惟認股權獲行使時彼等須仍為本行之僱員。

- (iii) 薪酬委員會已考慮財務、非財務因素及高級管理層及主要員工之浮動薪酬之適當性。除上文(ii)所述由母公司授予之認股權（所授出認股權之約25%（即2,054,250股）分別直至二零一一年七月及二零一一年十二月方可行使）外，於本財政年度內，並無透過表現調整而授予、支付或減少任何遞延報酬。

- (iv) 於本財政年度並無授出任何新入職獎勵及遣散費。

附註1 固定薪酬指基本工資、固定津貼（租金補貼）及董事袍金。浮動薪酬指年終花紅、股份或股份掛鈎票據及銷售獎勵（如有）。

附註2 固定薪酬包括受益人士之一之全年薪酬，彼自二零一零年九月一日起不再為本行的高級管理層。

AUDIT COMMITTEE

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

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

The Audit Committee ensures adequate supervision of the Bank's financial reporting processes and systems of internal control, the internal audit function is effective and adequately resourced and has appropriate standing within the Bank. It also ensures coordination between the internal and external auditors, and monitors compliance with internal policies, statutory regulation and recommendations made by the internal and external auditors.

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

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

審核委員會

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

董事	出席次數
甘禮傑	4/4
龔天行	4/4
石宏	4/4

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

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

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

EXECUTIVE CREDIT COMMITTEE

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

MANAGEMENT COMMITTEE

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

ASSET AND LIABILITY COMMITTEE

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

INTERNAL CONTROL COMMITTEE

The Internal Control Committee comprises the Bank's Managing Director, Executive Directors, Chief Financial Officer and Heads of different risk management and control functions. The Committee is chaired by the Managing Director. The Committee meets at least monthly and additionally when deemed necessary. The

執行信貸委員會

執行信貸委員會由董事會之非執行主席、非執行副主席及一位執行董事組成。委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批核信貸建議。

管理委員會

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

資產負債委員會

資產負債委員會由本行的董事總經理、執行董事、財務主管以及董事總經理所委任的高級管理人員組成。委員會最少每兩星期舉行一次會議，並由內部審核部門主管及法律及合規部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險及流動資金風險的業務，特別針對本行應付債務的能力及遵守法定流動資金及資本充足要求事宜。委員會定期審閱及批核本行有關資產及負債管理、投資及其它風險管理事宜的政策，以上呈予董事會批准。委員會亦制定獲得及應用資金的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。

內部管理委員會

內部監控委員會由本行的董事總經理、執行董事、財務主管，以及各風險管理和監控部門主管組成。該委員會由董事總經理擔任主席。該委員會至少每月舉行一次會議，如需要亦會額外舉行會議。該委員會整體負責確定監控架

Corporate Governance Report 企業管治報告

Committee has the overall responsibilities to oversee the control framework, direct implementation of an effective internal control system, impose suitable measures for the day-to-day monitoring of controls, while enhancing the operational control standards in all divisions.

AUDITORS' REMUNERATION

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

	2010 HK\$'000
Statutory audit, including interim review	2,445
Tax compliance	393
Advisory	2,817
	5,655

INTERNAL CONTROLS

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

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

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

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

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

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

構、指導實行有效的內部監控系統、就日常監察實施適當的監控措施，同時提升所有部門之營運監控標準。

核數師之薪酬

就由核數師向本行提供之審計及非審計服務之薪酬分析如下：

	二零一零年 千港元
法定審計（包括中期審閱）	2,445
稅務諮詢	393
顧問	2,817
	5,655

內部監控

董事會亦負責本行的內部監控系統及檢討其有效性。

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

功能委員會乃為了替特定潛在風險範疇進行監察風險和監控而成立。

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

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

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

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

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

The internal audit function of the Bank is an independent appraisal function set up with the primary objective to assist senior management in the effective discharge of their responsibilities and functions. Internal Audit conducted a risk-based independent review on the effectiveness of the Bank's internal control system and provided recommendations to improve the control environment for the year of 2010. Audit results were reported to the Audit Committee and the Board on a quarterly basis. Measures taken to implement control recommendations have been reviewed for proper resolution.

FINANCIAL STATEMENTS

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

The auditors are responsible for forming an independent opinion on whether the financial statements give a true and fair view of the state of affairs of the Bank and the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Hong Kong Companies Ordinance.

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

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

本行的內部審核部門為獨立評估部門，設立的主要目的是協助高級管理層有效行使其職責及職能。內部審核部門於二零一零年開展風險獨立審閱，以確定內部監控及風險管理系統的有效性，並持續提供建議改善監控環境。所發現的所有問題按季報告予審核委員會。糾正及改善行動獲審閱及監控，直至完全解決。

財務報告

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

核數師負責就財務報告是否真實及公平反映本行及本集團截至二零一零年十二月三十一日之財務狀況及本集團截至該日止年度之溢利及現金流量，以及有關財務報告是否根據《香港公司條例》妥為編制提供獨立意見。

Financial Statements

財務報告

Contents 目錄

77	Report of the Directors 董事會報告書
83	Independent Auditors' Report 獨立核數師報告
	Financial Information 財務資料
85	– Consolidated Statement of Comprehensive Income 綜合全面收益表
87	– Consolidated Balance Sheet 綜合資產負債表
88	– Balance Sheet 資產負債表
89	– Consolidated Statement of Changes in Equity 綜合權益變動報告表
90	– Consolidated Cash Flow Statement 綜合現金流動表
92	– Notes to the Financial Statements 財務報告附註
238	– Unaudited Supplementary Financial Information 未經審核補充財務資料

Report of the Directors

董事會報告書

The Directors have pleasure in presenting their report together with the audited financial statements of Fubon Bank (Hong Kong) Limited ("the Bank") and its subsidiaries (collectively "the Group") for the year ended 31 December 2010.

PRINCIPAL ACTIVITIES

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

SUBSIDIARIES

Particulars of the Bank's principal subsidiaries at 31 December 2010 are set out in Note 27 to the financial statements.

SHARE CAPITAL

There was no movement in the share capital of the Bank during the year. Details of the share capital of the Bank are set out in Note 39 to the financial statements.

PRINCIPAL PLACE OF BUSINESS

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

RESULTS AND APPROPRIATIONS

The result of the Group for the year ended 31 December 2010 is set out in the consolidated statement of comprehensive income on page 85. The state of the Bank's and Group's affairs as at 31 December 2010 are set out in the financial statements on pages 85 to 237.

During the year, the Bank paid an interim dividend of 2.0 Hong Kong cents per ordinary share, totalling HK\$23,443,000 (2009: 1.5 Hong Kong cents, HK\$17,582,000).

The Directors recommend the payment of a final dividend of 3.0 Hong Kong cents per ordinary share in respect of the year ended 31 December 2010, totalling HK\$35,165,000 (2009: 1.5 Hong Kong cents, HK\$17,582,000).

DIRECTORS

The Directors in office during the financial year were:

Executive Directors

Pei Hwa Thomas LIANG (*Managing Director and Chief Executive Officer*)
James YIP

Non-Executive Directors

Ming-Hsing (Richard) TSAI (*Chairman*)
Ming-Chung (Daniel) TSAI (*Vice Chairman*)
Victor KUNG
David CHANG Kuo-Chun
Michael CHANG Ming-Yuen (changed from an Executive Director to a Non-Executive Director on 1 September 2010)

Independent Non-Executive Directors

Robert James KENRICK
Moses TSANG
Hung SHIH

董事會欣然提呈其報告連同富邦銀行(香港)有限公司(「本行」)及其附屬公司(統稱「本集團」)截至二零一零年十二月三十一日止年度的經審核財務報告。

主要業務

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

附屬公司

本行的主要附屬公司於二零一零年十二月三十一日的詳情載於財務報告附註27。

股本

年內本行的股本並無任何變動。本行的股本詳情載於財務報告附註39。

主要營業地點

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

業績及分派

本集團截至二零一零年十二月三十一日止年度的業績載於第85頁綜合全面收益表。有關本行及本集團於二零一零年十二月三十一日的業務狀況載於第85頁至第237頁的財務報告。

於本年度，本行派付中期股息每股普通股2.0港仙，合共23,443,000港元(二零零九年：1.5港仙，17,582,000港元)。

董事建議派付截至二零一零年十二月三十一日止年度末期股息每股普通股3.0港仙，合共35,165,000港元(二零零九年：1.5港仙，17,582,000港元)。

董事

本財政年度之在任董事為：

執行董事

梁培華(*董事總經理兼行政總裁*)
葉強華

非執行董事

蔡明興(*主席*)
蔡明忠(*副主席*)
龔天行
張果軍
張明遠(於二零一零年九月一日由執行董事調任非執行董事)

獨立非執行董事

甘禮傑
曾國泰
石宏

ROTATION OF DIRECTORS IN THE FORTHCOMING ANNUAL GENERAL MEETING

In accordance with Article 81 of the Bank's Articles of Association, Ming-Hsing (Richard) TSAI and Robert James KENRICK retire and, being eligible, offer themselves for re-election; David CHANG Kuo Chun retires in accordance with Article 81 but will not offer himself for re-election.

DIRECTORS' SERVICE CONTRACTS

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

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

DIRECTORS' INTERESTS IN CONTRACTS

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

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

The Directors and Chief Executive of the Bank who held office at 31 December 2010 had the following interests in the shares of its ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") and the Bank, at that date as recorded in the register of Directors' and Chief Executive's interests and short positions required to be kept under section 352 of the Securities and Futures Ordinance ("SFO"):

於下屆股東週年常會上的董事輪任

根據本行組織章程細則第八十一條，蔡明興及甘禮傑輪值告退，並合資格膺選連任；張果軍根據細則第八十一條告退但將不會膺選連任。

董事的服務合約

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

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

董事之合約權益

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

董事及行政總裁於股份、相關股份及債券的權益和淡倉

本行於二零一零年十二月三十一日的董事及行政總裁，在年末當日根據《證券及期貨條例》第352條須存置的董事及行政總裁的權益及淡倉登記冊的記錄中，擁有其最終控股公司富邦金融控股股份有限公司（「富邦金控」）及本行股份中的如下權益：

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

Name 姓名	Personal interests 個人 權益	Family interests 家族 權益	Corporate interests 法團 權益	Total number of shares held 所持股份 總數	Percentage of total issued shares 佔全部已發行 股份百分比
Ming-Hsing (Richard) TSAI 蔡明興	257,317,884	24,922,119	1,882,458,545 ⁽¹⁾	2,164,698,548	25.28
Ming-Chung (Daniel) TSAI 蔡明忠	241,000,810	25,815,178	1,882,458,545 ⁽¹⁾	2,149,274,533	25.10
Pei Hwa Thomas LIANG 梁培華	838,848	—	—	838,848	0.0098
Victor KUNG 龔天行	242,084	—	—	242,087	0.0028
David CHANG Kuo-Chun 張果軍	787,459	—	—	787,459	0.0092

Notes:

(1) 1,882,458,545 shares were held through corporations in which Ming-Chung (Daniel) TSAI, Ming-Hsing (Richard) TSAI and other TSAI family members have beneficial interest.

附註：

(1) 該1,882,458,545股股份由多個法團持有，而蔡明忠、蔡明興及其他蔡氏家族成員於上述法團均享有實益權益。

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

Options

At 31 December 2010, the Directors and Chief Executive of the Bank mentioned below held unlisted physically settled options to acquire the number of ordinary shares of par value NT\$10 each in Fubon Financial set against their respective names. These options were granted for nil consideration by Fubon Financial.

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)
認股權

於二零一零年十二月三十一日，下列本行董事及行政總裁持有每股面值10元新台幣之非上市而實股結算之富邦金控普通股之認股權。該等認股權乃富邦金控無代價授予該等董事及行政總裁。

Name 姓名	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 認股權可予行使期間	Exercise price per share 每股行使價 ^ (NT\$) ^(新台幣)
Pei Hwa Thomas LIANG 梁培華	1,400,000	-	-	-	1,400,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零一二年七月三十日	25.7
	1,820,000	-	(800,000)	-	1,020,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 * to 6 Dec 2012 二零零九年十二月七日至二零一二年十二月六日	23.5
					2,420,000			
Michael CHANG Ming-Yuen 張明遠	1,085,000	-	-	-	1,085,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零一二年七月三十日	25.7
	1,416,000	-	-	-	1,416,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 * to 6 Dec 2012 二零零九年十二月七日至二零一二年十二月六日	23.5
					2,501,000			
James YIP 葉強華	542,500	-	-	-	542,500	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 * to 30 Jul 2012 二零零九年七月三十一日至二零一二年七月三十日	25.7
	1,411,000	-	-	-	1,411,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 * to 6 Dec 2012 二零零九年十二月七日至二零一二年十二月六日	23.5
					1,953,500			

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

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

認股權(續)

Options (continued)

Name 姓名	No. of options outstanding at the beginning of the year 年初尚未行使之認股權數目	No. of options granted during the year 年內授予之認股權數目	No. of shares acquired on exercise of options during the year 於年內行使認股權認購之股份數目	No. of options forfeited during the year 年內沒收之認股權數目	No. of options outstanding at the year end 年末尚未行使之認股權數目	Date granted 授予日期	Period during which options are exercisable 認股權可予行使期間	Exercise price per share 每股行使價 ^ (NT\$) 每股 ^ (新台幣)
Victor KUNG 龔天行	1,410,000	-	-	-	1,410,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 [*] to 30 Jul 2012 二零零九年七月三十一日至 二零一二年七月三十日	25.7
	2,830,000	-	-	-	2,830,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 [#] to 6 Dec 2012 二零零九年十二月七日至 二零一二年十二月六日	23.5
					4,240,000			
David CHANG Kuo-Chun 張果軍	1,400,000	-	-	-	1,400,000	31 Jul 2007 二零零七年七月三十一日	31 Jul 2009 [*] to 30 Jul 2012 二零零九年七月三十一日至 二零一二年七月三十日	25.7
	2,820,000	-	-	-	2,820,000	7 Dec 2007 二零零七年十二月七日	7 Dec 2009 [#] to 6 Dec 2012 二零零九年十二月七日至 二零一二年十二月六日	23.5
					4,220,000			
[*]	50% of granted options are exercisable between 31 Jul 2009 and 30 Jul 2010 75% of granted options are exercisable between 31 Jul 2010 and 30 Jul 2011 100% of granted options are exercisable between 31 Jul 2011 and 30 Jul 2012				[*] 已授予認股權的50%可於二零零九年七月三十一日至二零一零年七月三十日期間行使 已授予認股權的75%可於二零一零年七月三十一日至二零一一年七月三十日期間行使 已授予認股權的100%可於二零一一年七月三十一日至二零一二年七月三十日期間行使			
[#]	50% of granted options are exercisable between 7 Dec 2009 and 6 Dec 2010 75% of granted options are exercisable between 7 Dec 2010 and 6 Dec 2011 100% of granted options are exercisable between 7 Dec 2011 and 6 Dec 2012				[#] 已授予認股權的50%可於二零零九年十二月七日至二零一零年十二月六日期間行使 已授予認股權的75%可於二零一零年十二月七日至二零一一年十二月六日期間行使 已授予認股權的100%可於二零一一年十二月七日至二零一二年十二月六日期間行使			
[^]	The exercise price per share for options granted on 31 July 2007 has been changed from NT29.0 to NT25.7 The exercise price per share for options granted on 7 December 2007 has been changed from NT26.7 to NT23.5				[^] 於二零零七年七月三十一日授予的認購權的每股行使價已從新台幣29.0元變為新台幣25.7元 於二零零七年十二月七日授予的認購權的每股行使價已從新台幣26.7元變為新台幣23.5元			

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

Options (continued)

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

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

As at 31 December 2010, the register of substantial shareholders showed that the Bank had been notified of the following interests, being 5% or more of the Bank's issued share capital.

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

879,120,000

75

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

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

FIXED ASSETS

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

DONATIONS

Donations made by the Group during the year amounted to HK\$1,108,000 (2009: HK\$156,000).

RESERVES

Profit attributable to shareholders, before dividends, of HK\$266,966,000 (2009: HK\$22,995,000) has been transferred to reserves. Details of the movements in reserves are set out in the consolidated statement of changes in equity on page 89 and Note 41 to the financial statements.

SUFFICIENCY OF PUBLIC FLOAT

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

董事及行政總裁於股份、相關股份及債券的權益和淡倉(續)

認股權(續)

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

主要股東及其他人士於股份及相關股份的權益及淡倉

於二零一零年十二月三十一日，主要股東登記冊內顯示，本行已獲悉下列公司擁有本行已發行股本5%或以上的權益。

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

購入、出售或贖回本行之上市股份

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

固定資產

本行及本集團的固定資產變動載於財務報告附註28。

捐款

本集團於年內捐出1,108,000港元（二零零九年：156,000港元）。

儲備

扣減股息前股東應佔溢利266,966,000港元（二零零九年：22,995,000港元）已轉撥至儲備。儲備變動詳情載於第89頁的綜合權益變動報告表及財務報告附註41。

足夠公眾持股量

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

RETIREMENT SCHEMES

The Group operates a defined benefit retirement scheme which covers 43% (2009: 47%) of the Group's employees, and a Mandatory Provident Fund scheme. Particulars of these retirement schemes are set out in Note 44 to the financial statements.

CONFIRMATION OF INDEPENDENCE

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

AUDIT COMMITTEE

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

COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The financial statements for the year ended 31 December 2010 and the unaudited supplementary information on pages 238 to 264 comply fully with the applicable disclosure provisions of the Banking (Disclosure) Rules.

AUDITORS

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

SCHEME PROPOSAL AND PREFERENCE SHARE OFFER

On 10 January 2011, the Board of Directors of Fubon Financial unanimously resolved to make a proposal to privatise the ordinary share capital of the Bank and make a voluntary cash offer to acquire all the issued preference shares of the Bank other than those already held by Fubon Financial. Referring to the joint announcement issued on 19 January 2011, the Board of Directors of the Bank put forward to the Scheme Shareholders the Scheme Proposal to privatise the ordinary share capital of the Bank by way of a Scheme of Arrangement under section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), which, if approved and implemented, would result in the withdrawal of listing of the shares on The Stock Exchange of Hong Kong Limited. The preference share offer will be subject to and conditional upon the Scheme of Arrangement becoming effective. A scheme document containing further details of the Scheme Proposal will be despatched to our shareholders and our preference shareholders no later than 4 April 2011.

On behalf of the Board

Ming-Chung (Daniel) TSAI
Vice Chairman

Hong Kong, 8 March 2011

退休計劃

本集團推行一項界定退休福利計劃(範圍涵蓋本集團43%(二零零九年:47%)的僱員)及一項強制性公積金計劃。該等退休計劃的詳情載於財務報告附註44。

確認獨立性

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

審核委員會

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

遵守《銀行業(披露)規則》

截至二零一零年十二月三十一日止年度之財務報告及列載於第238頁至264頁的未經審核補充財務資料完全遵守《銀行業(披露)規則》之適用披露條例。

核數師

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

計劃建議及優先股收購建議

於二零一一年一月十日，富邦金控董事會一致決議建議私有化本行之普通股股本，並提出自願現金要約收購本行全部已發行優先股(富邦金控已擁有者除外)。茲提述於二零一一年一月十九日刊發的聯合公告，本行董事會向計劃股東提出計劃建議，根據香港法例第32章公司條例第166條以協議安排方式私有化本行之普通股股本，一經批准及落實，將導致股份撤銷在香港聯交所的上市地位。優先股收購建議以協議安排生效為先決條件。本公司將於二零一一年四月四日前盡快向本公司股東及本公司優先股股東寄發計劃文件，當中載有計劃建議的進一步詳情。

承董事會命

蔡明忠
副主席

香港，二零一一年三月八日

Independent Auditor's Report

獨立核數師報告



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

(Incorporated in Hong Kong with limited liability)

We have audited the consolidated financial statements of Fubon Bank (Hong Kong) Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 85 to 237, which comprise the consolidated and company balance sheets as at 31 December 2010, 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 information.

Directors' responsibility for the consolidated financial statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the Hong Kong Companies Ordinance and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

獨立核數師報告

致富邦銀行(香港)有限公司股東
(於香港註冊成立的有限公司)

本核數師(以下簡稱「我們」)已審計列載於第85至237頁致富邦銀行(香港)有限公司(以下簡稱「貴行」)及其附屬公司(統稱「貴集團」)的綜合財務報表,此財務報表包括於二零一零年十二月三十一日的綜合及銀行資產負債表,截至該日止年度的綜合全面收益表、綜合權益變動報告表和綜合現金流動表以及主要會計政策概要及其他附註解釋資料。

董事就綜合財務報表須承擔的責任

貴行的董事須負責根據香港會計師公會頒佈的《香港財務報告準則》及香港《公司條例》編製綜合財務報表,以令財務報表作出真實而公平的反映及落實其認為編製財務報表所必要的內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

核數師的責任

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

我們已根據香港會計師公會頒佈的《香港審計準則》進行審計。該等準則要求我們遵守道德規範,並規劃及執行審計,以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審計涉及執行程序以獲取有關綜合財務報表所載金額及披露資料的審計憑證。所選定的程序取決於核數師的判斷,包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時,核數師考慮與該公司編製財務報表以作出真實而公平的反映相關的內部控制,以設計適當的審核程序,但目的並非對公司內部控制的有效性發表意見。審計亦包括評價董事所採用會計政策的合適性及所作出會計估計的合理性,以及評價綜合財務報表的整體列報方式。

我們相信,我們所獲得的審計憑證是充足和適當地為我們的審核意見提供基礎。

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2010 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

8 March 2011

意見

我們認為，該等財務報表已根據《香港財務報告準則》真實而公平地反映 貴行及 貴集團於二零一零年十二月三十一日的事務狀況及 貴集團截至該日止年度的利潤及現金流量，並已按照香港《公司條例》妥為編製。

畢馬威會計師事務所

執業會計師
香港中環
遮打道10號
太子大廈8樓

二零一一年三月八日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
Interest income	利息收入	4(a)	1,196,169	1,558,500
Interest expense	利息支出	4(b)	(343,649)	(415,996)
Net interest income	淨利息收入		852,520	1,142,504
Fee and commission income	費用及佣金收入	5(a)	330,766	281,164
Fee and commission expense	費用及佣金支出	5(b)	(73,574)	(70,796)
Net fee and commission income	淨費用及佣金收入		257,192	210,368
Revaluation loss on collateralised debt obligations	債務抵押證券之重估虧損	24	(13,673)	(681)
Other operating income	其他營運收入	6	42,074	68,476
Operating income	營運收入		1,138,113	1,420,667
Operating expenses	營運支出	7	(856,152)	(954,296)
Operating profit before gains and impairment losses	未計收益及減值虧損前經營溢利		281,961	466,371
Impairment losses on advances to customers	客戶貸款之減值虧損	11	(9,713)	(484,917)
Impairment losses on available-for-sale securities	可供出售證券之減值虧損	24	(19,472)	(67,124)
Impairment losses on other assets	其他資產之減值虧損		(17,270)	-
(Charge for)/write back of impairment losses on advances to an associate	對聯營公司貸款減值虧損之(扣除)/回撥	26	(681)	346
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥		417	4,737
Impairment losses	減值虧損		(46,719)	(546,958)
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益	10	50,992	92,945
Net losses on disposals of fixed assets	出售固定資產之淨虧損		(5,045)	(16)
Share of profits of an associate	應佔聯營公司溢利		31,352	14,309
Profit before taxation	除稅前溢利		312,541	26,651
Taxation	稅項	12	(46,248)	(4,117)
Profit for the year	本年度溢利		266,293	22,534
Other comprehensive income for the year, net of tax:	本年度其他全面收益(除稅後):			
Available-for-sale securities: net movement in investment revaluation reserve	可供出售證券: 投資重估儲備淨變動	13	(6,766)	305,197
Exchange differences on translation of an associate	聯營公司外幣報表換算差額		14,434	67
Total comprehensive income for the year	本年度全面收益		273,961	327,798

		Note	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
		附註		
Profit attributable to:	本年度溢利歸屬於：			
– Equity holders of the Bank	– 本行股東		266,966	22,995
– Non-controlling interests	– 非控股權益		(673)	(461)
Profit for the year	本年度溢利		266,293	22,534
Total comprehensive income attributable to:	本年度全面收益歸屬於：			
– Equity holders of the Bank	– 本行股東		274,634	328,259
– Non-controlling interests	– 非控股權益		(673)	(461)
Total comprehensive income for the year	本年度全面收益		273,961	327,798
Earnings per share (Hong Kong cents)	每股盈利(港仙)	14	15.62	(5.16)

The notes on pages 92 to 237 form part of these financial statements. Details of dividends payable to equity holders of the Bank are set out in Note 41(g).

載於第92頁至237頁之附註為此等財務報告之一部分。應付本行股東之股息詳情載於附註41(g)。

Consolidated Balance Sheet

綜合資產負債表

As at 31 December 2010 於二零一零年十二月三十一日

			2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	17	2,777,351	5,414,889
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	18	2,135,669	367,677
Trading securities	持作交易用途之證券	19	966,773	105,522
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	20	406,268	641,737
Derivative financial instruments	衍生金融工具	21(b)	491,633	632,010
Advances to customers less impairment allowances	客戶貸款減減值撥備	22	28,860,971	28,571,967
Other loans and receivables	其他貸款及應收款項	23	2,802,314	3,392,218
Accrued interest and other assets	應計利息及其他資產		750,435	1,511,237
Available-for-sale securities	可供出售證券	24	18,555,834	17,939,073
Held-to-maturity investments	持至到期投資	25	2,462,681	902,222
Interests in associates	於聯營公司之權益	26	532,353	386,510
Fixed assets	固定資產	28	1,035,542	1,079,094
Deferred tax assets	遞延稅項資產	37(b)	1,811	35,144
			61,779,635	60,979,300
LIABILITIES	負債			
Deposits and balances of banks	銀行同業之存款及結餘	30	3,382,793	2,424,903
Deposits from customers	客戶存款	31	46,038,161	46,602,175
Trading liabilities	交易賬項下之負債	32	920,695	14,275
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	33	263,986	201,096
Certificates of deposit issued	已發行存款證	34	797,951	322,100
Debt securities issued	已發行債務證券	35	41,401	268,791
Derivative financial instruments	衍生金融工具	21(b)	577,314	651,896
Other liabilities	其他負債	36	1,525,734	3,919,179
Deferred tax liabilities	遞延稅項負債	37(b)	46	68
Subordinated notes issued	已發行後償票據	38	3,137,286	1,640,257
			56,685,367	56,044,740
EQUITY	權益			
Share capital	股本	39	2,097,519	2,097,519
Share premium	股份溢價	40	749,778	749,778
Reserves	儲備		2,245,049	2,084,572
Shareholders' funds	本行股東權益		5,092,346	4,931,869
Non-controlling interests	非控股權益	42	1,922	2,691
			5,094,268	4,934,560
			61,779,635	60,979,300

Approved and authorised for issue by the Board of Directors on 8 March 2011.

經董事會於二零一一年三月八日通過及授權頒佈。

Ming-Chung (Daniel) TSAI

蔡明忠
Director
董事

Robert James KENRICK

甘禮傑
Director
董事

Pei Hwa Thomas LIANG

梁培華
Director
董事

The notes on pages 92 to 237 form part of these financial statements.

載於第92頁至237頁之附註為此等財務報告之一部分。

Balance Sheet

資產負債表

As at 31 December 2010 於二零一零年十二月三十一日

		Note	2010	2009
		附註	二零一零年 HK\$'000 千港元	二零零九年 HK\$'000 千港元
ASSETS	資產			
Cash and short-term funds	現金及短期資金	17	2,774,901	5,413,566
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	18	2,058,707	290,902
Trading securities	持作交易用途之證券	19	966,658	105,420
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	20	406,268	641,737
Derivative financial instruments	衍生金融工具	21(b)	491,633	632,010
Advances to customers less impairment allowances	客戶貸款減減值撥備	22	28,496,116	26,947,698
Other loans and receivables	其他貸款及應收款項	23	2,802,314	3,392,218
Accrued interest and other assets	應計利息及其他資產		708,962	1,464,644
Available-for-sale securities	可供出售證券	24	18,555,832	17,939,071
Held-to-maturity investments	持至到期投資	25	2,462,681	902,222
Interests in associates	於聯營公司之權益	26	508,601	384,502
Investments in subsidiaries	附屬公司投資	27	187,601	191,473
Amounts due from subsidiaries	應收附屬公司款項		480,947	2,043,318
Fixed assets	固定資產	28	1,003,463	1,046,547
Deferred tax assets	遞延稅項資產	37(b)	1,157	30,618
			61,905,841	61,425,946
LIABILITIES	負債			
Deposits and balances of banks	銀行同業之存款及結餘	30	3,382,793	2,424,903
Deposits from customers	客戶存款	31	46,038,161	46,602,175
Trading liabilities	交易賬項下之負債	32	920,695	14,275
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	33	263,986	201,096
Certificates of deposit issued	已發行存款證	34	797,951	322,100
Debt securities issued	已發行債務證券	35	41,401	268,791
Derivative financial instruments	衍生金融工具	21(b)	577,314	651,896
Other liabilities	其他負債	36	1,488,769	3,881,075
Amounts due to subsidiaries	應付附屬公司款項		520,548	870,689
Subordinated notes issued	已發行後償票據	38	3,137,286	1,640,257
			57,168,904	56,877,257
EQUITY	權益			
Share capital	股本	39	2,097,519	2,097,519
Share premium	股份溢價	40	749,778	749,778
Reserves	儲備	41	1,889,640	1,701,392
Shareholders' funds	本行股東權益		4,736,937	4,548,689
			61,905,841	61,425,946

Approved and authorised for issue by the Board of Directors on 8 March 2011.

經董事會於二零一一年三月八日通過及授權頒佈。

Ming-Chung (Daniel) TSAI

蔡明忠
Director
董事

Robert James KENRICK

甘禮傑
Director
董事

Pei Hwa Thomas LIANG

梁培華
Director
董事

The notes on pages 92 to 237 form part of these financial statements.

載於第92頁至237頁之附註為此等財務報告之一部分。

Consolidated Statement of Changes in Equity

綜合權益變動報告表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

		Attributable to equity holders of the Bank 歸屬於本行股東										
		Share capital	Share premium	Capital redemption reserve	Capital reserve	Regulatory reserve	Investment revaluation reserve	Foreign exchange reserve	Retained earnings	Total	Minority interests	Total equity
		股本	股份溢價	資本贖回儲備	資本儲備	法定儲備	投資重估儲備	外幣換算儲備	保留溢利	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	2,097,519	749,778	372,000	12,969	175,211	(276,620)	-	1,587,088	4,717,945	3,152	4,721,097
Total comprehensive income for the year	年內全面收益	-	-	-	-	-	305,197	67	22,995	328,259	(461)	327,798
- Profit for the year	年內溢利	-	-	-	-	-	-	-	22,995	22,995	(461)	22,534
- Other comprehensive income, of which:	其他全面收益，其中：											
- Available-for-sale securities: net movement in investment revaluation reserve	可供出售證券：投資重估儲備淨變動	-	-	-	-	-	305,197	-	-	305,197	-	305,197
- Exchange differences on translation of an associate	聯營公司外幣報表換算差額	-	-	-	-	-	-	67	-	67	-	67
Dividends approved and paid in respect of the previous financial year	於年內通過及派付之上一財政年度股息	-	-	-	-	-	-	-	(17,582)	(17,582)	-	(17,582)
Interim dividend paid	已派付中期股息	-	-	-	-	-	-	-	(17,582)	(17,582)	-	(17,582)
Preference share dividend paid during the year	年內已派付優先股股息	-	-	-	-	-	-	-	(81,886)	(81,886)	-	(81,886)
Equity settled share-based transactions	以權益結算股份為基礎之付款交易	-	-	-	2,715	-	-	-	-	2,715	-	2,715
At 31 December 2009	於二零零九年十二月三十一日	2,097,519	749,778	372,000	15,684	175,211	28,577	67	1,493,033	4,931,869	2,691	4,934,560
At 1 January 2010	於二零一零年一月一日	2,097,519	749,778	372,000	15,684	175,211	28,577	67	1,493,033	4,931,869	2,691	4,934,560
Total comprehensive income for the year	年內全面收益	-	-	-	-	-	(6,766)	14,434	266,966	274,634	(673)	273,961
- Profit for the year	年內溢利	-	-	-	-	-	-	-	266,966	266,966	(673)	266,293
- Other comprehensive income, of which:	其他全面收益，其中：											
- Available-for-sale securities: net movement in investment revaluation reserve	可供出售證券：投資重估儲備淨變動	-	-	-	-	-	(6,766)	-	-	(6,766)	-	(6,766)
- Exchange differences on translation of an associate	聯營公司外幣報表換算差額	-	-	-	-	-	-	14,434	-	14,434	-	14,434
Dividends approved and paid in respect of the previous financial year	於年內通過及派付之上一財政年度股息	-	-	-	-	-	-	-	(17,582)	(17,582)	-	(17,582)
Interim dividend paid	已派付中期股息	-	-	-	-	-	-	-	(23,443)	(23,443)	-	(23,443)
Preference share dividend paid during the year	年內已派付優先股股息	-	-	-	-	-	-	-	(83,887)	(83,887)	-	(83,887)
Equity settled share-based transactions	以權益結算股份為基礎之付款交易	-	-	-	10,755	-	-	-	-	10,755	-	10,755
Return of capital on deregistration of a subsidiary	註銷附屬公司時返還股本	-	-	-	-	-	-	-	-	-	(96)	(96)
At 31 December 2010	於二零一零年十二月三十一日	2,097,519	749,778	372,000	26,439	175,211	21,811	14,501	1,635,087	5,092,346	1,922	5,094,268

The notes on pages 92 to 237 form part of these financial statements.

載於第92頁至237頁之附註為此等財務報告之一部分。

Consolidated Cash Flow Statement

綜合現金流動表

For the year ended 31 December 2010 截至二零一零年十二月三十一日止年度

	Note 附註	2010 二零一零年		2009 二零零九年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Operating activities	營運活動				
Profit before taxation	除稅前溢利	312,541		26,651	
Adjustments for non-cash items:	非現金項目之調整：				
Charge for/(write back) of impairment losses for advances to an associate	向一間聯營公司貸款之減值虧損扣除/(回撥)	681		(346)	
Depreciation	折舊	61,657		66,598	
Net losses on disposals of fixed assets	出售固定資產之淨虧損	5,045		16	
Impairment losses on advances to customers	客戶貸款之減值虧損	9,713		484,917	
Impairment losses on available-for-sale securities	可供出售證券之減值虧損	19,472		67,124	
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥	(417)		(4,737)	
Revaluation loss on collateralised debt obligations	債務抵押證券之重估虧損	13,673		681	
Equity-settled share-based payment expenses	以權益結算股份為基礎之交易支出	10,755		2,715	
Share of profits of an associate	應佔聯營公司之溢利	(31,352)		(14,309)	
Impairment losses on other assets	其他資產之減值虧損	17,270		-	
Exchange difference and other non-cash items	匯兌差額及其他非現金項目	21,733		(16,005)	
			440,771		613,305
Decrease/(increase) in operating assets:	營運資產之減少/(增加)：				
Treasury bills with original maturity of over three months	國庫券(原本期限為三個月以上)	(918,007)		239,605	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	(440,589)		561,609	
Trading securities	持作交易用途之證券	915		2,257	
Financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融工具	235,469		58,544	
Derivative financial instruments	衍生金融工具	140,377		1,986,063	
Gross advances to customers	客戶貸款總額	(298,717)		3,976,934	
Other loans and receivables	其他貸款及應收款項	589,904		353,068	
Accrued interest and other assets	應計利息及其他資產	739,944		(423,454)	
Certificates of deposit held	所持存款證	-		472,897	
Available-for-sale securities	可供出售證券	(616,088)		(6,179,396)	
Held-to-maturity investments	持至到期投資	(1,560,459)		(6,632)	
			(2,127,251)		1,041,495
(Decrease)/increase in operating liabilities:	營運負債之(減少)/增加：				
Deposits and balances of banks	銀行同業之存款及結餘	1,312,423		1,014,879	
Deposits from customers	客戶存款	(564,014)		(1,395,412)	
Trading liabilities	交易賬項下之負債	906,420		(101,870)	
Derivative financial instruments	衍生金融工具	(88,255)		(1,855,130)	
Certificates of deposit issued	已發行存款證	475,851		(638,081)	
Other liabilities	其他負債	(2,392,550)		228,286	
			(350,125)		(2,747,328)
Net cash used in operations	營運之現金支出淨額		(2,036,605)		(1,092,528)
Hong Kong Profits Tax paid	已付香港利得稅		(21,072)		(12,611)
Overseas Tax paid	已付海外稅項		(232)		(2)
Net cash used in operating activities	營運活動之現金支出淨額		(2,057,909)		(1,105,141)

	Note 附註	2010 二零一零年		2009 二零零九年	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Investing activities	投資活動				
Payments for purchases of fixed assets	購買固定資產	(23,174)		(33,921)	
Proceeds from disposals of fixed assets	出售固定資產所得款項淨額	24		492	
Dividend received from associate	已收取聯營公司股息	28,928		-	
Payment for return of capital from de-registration of a subsidiary to a non-controlling shareholder	向非控股股東 支付註銷 附屬公司之返還股本	(96)		-	
Payment for further investment in an associate	於聯營公司進一步投資之付款	(125,711)		-	
Net cash used in investing activities	投資活動之現金支出淨額		(120,029)		(33,429)
Financing activities	融資活動				
Ordinary share dividends paid	已派普通股股息	(41,025)		(35,164)	
Preference share dividends paid	已派優先股股息	(83,887)		(81,886)	
Redemption of debt securities in issue	贖回債務證券	(227,390)		(1,630,191)	
Subordinated notes issued	發行優先股	1,539,117		-	
Deposits accepted from fellow subsidiaries	接受同系附屬公司之存款	4,655,778		10,583,832	
Deposits repaid to fellow subsidiaries	償還同系附屬公司之存款	(5,010,311)		(11,160,822)	
Net cash generated from/(used in) financing activities	融資活動之現金收入/ (支出)淨額		832,282		(2,324,231)
Net decrease in cash and cash equivalents	現金及等同現金項目之減少淨額		(1,345,656)		(3,462,801)
Cash and cash equivalents as at 1 January	於一月一日之現金及等同現金項目		5,592,160		9,054,961
Cash and cash equivalents as at 31 December	於十二月三十一日之 現金及等同現金項目	43	4,246,504		5,592,160
Cash flows from operating activities include:	營運活動之現金流量包括：				
Interest received	已收利息	1,234,325		1,787,933	
Interest paid	已付利息	(343,588)		(665,921)	
Dividends received	已收股息	15,265		11,401	

The notes on pages 92 to 237 form part of these financial statements.

載於第92頁至237頁之附註為此等財務報告之一部分。

Notes to the Financial Statements

財務報告附註

1. ACTIVITIES

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements for the year ended 31 December 2010 comprise the Bank and its subsidiaries (together referred to as the “Group”) and the Group’s interests in associates.

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the requirements of the Hong Kong Companies Ordinance. These financial statements in conjunction with the unaudited supplementary financial information on pages 238 to 264 also comply with the applicable disclosure provisions of the “Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited” and the disclosure requirements of the Banking (Disclosure) Rules made by the Hong Kong Monetary Authority (“HKMA”) under section 60A of the Hong Kong Banking Ordinance. A summary of the significant accounting policies adopted by the Group is set out below.

(b) New and revised HKFRSs

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

- Amendments to HKFRS 3 (revised 2008) “Business combinations”
- Amendments to HKAS 27 “Consolidated and separate financial statements”
- Amendment to HKAS 39 “Financial instruments: Recognition and measurement – eligible hedged items”
- Improvements to HKFRSs (2009)

1. 業務

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

本行透過其分行及附屬公司提供一系列銀行、金融及相關服務。

2. 主要會計政策

截至二零一零年十二月三十一日止年度之綜合財務報告，包括本行及其附屬公司(合稱為「本集團」)及本集團於聯營公司之權益之財務報告。

(a) 遵守聲明

此等財務報告乃根據香港會計師公會(「香港會計師公會」)頒佈的一切適用香港財務報告準則(「香港財務報告準則」，該統稱包括一切適用的個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納的會計準則及香港《公司條例》的規定而編製。此等財務報告及列載於第238頁至264頁的未經審核補充資料亦遵守「香港聯合交易所有限公司證券上市規則」的適用披露規定及香港金融管理局(「金管局」)根據《銀行業條例》第60A節頒佈的《銀行業(披露)規則》之披露規定而編製。本集團所採納的主要會計政策概要載於下文。

(b) 新訂及經修訂香港財務報告準則

香港會計師公會已頒佈兩份經修訂香港財務報告準則、一系列香港財務報告準則之修訂及兩份新訂詮釋，並於本期會計期間首次生效或可供本集團及本行提早採納。據此，與本集團之財務報告有關之發展如下：

- 香港財務報告準則第3號(二零零八年修訂)「業務合併」之修訂
- 香港會計準則第27號「綜合及獨立財務報表」之修訂
- 香港會計準則第39號「金融工具：確認及計量－合資格對沖項目」之修訂
- 香港財務報告準則之改進(二零零九年)

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

- HK (Int 5) “Presentation of Financial Statements – Classification by the Borrower of a Term Loan that contains a Repayment on Demand Clause”

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The amendment to HKAS 39 and the issuance of HK (Int) 5 have had no material impact on the Group’s financial statements as the amendment and the Interpretation’s conclusions were consistent with policies already adopted by the Group. The other developments resulted in changes in accounting policy but none of these changes in policy have a material impact on the current or comparative periods, for the following reasons:

- The impact of the majority of the revisions to HKFRS 3, HKAS 27, HKFRS 5 and HK(IFRIC) 17 have not yet had a material effect on the Group’s financial statements as these changes will first be effective as and when the Group enters into a relevant transaction (for example, a business combination, a disposal of a subsidiary or a non-cash distribution) and there is no requirement to restate the amounts recorded in respect of previous such transactions.
- The impact of the amendments to HKFRS 3 (in respect of recognition of acquiree’s deferred tax assets) and HKAS 27 (in respect of allocation of losses to non-controlling interests (previously known as minority interests) in excess of their equity interest) have had no material impact as there is no requirement to restate amounts recorded in previous periods and no such deferred tax assets or losses arose in the current period.
- The amendment introduced by the “Improvements to HKFRS (2009)” omnibus standard in respect of HKAS 17, Leases, did not result in any change to the Group’s financial statements.

2. 主要會計政策(續)**(b) 新訂及經修訂香港財務報告準則(續)**

- 香港詮釋第5號「財務報表之呈報－借款人對包含隨時要求償還條文之定期貸款之分類」

本集團並無應用任何於本會計期間尚未生效之新訂準則或詮釋。

香港會計準則第39號之修訂及香港詮釋第5號之頒佈對本集團之財務報表並無構成任何重大影響，原因為有關修訂及詮釋結論與本集團已採納之會計政策符合一致。其他修訂條文導致會計政策出現變動，惟該等會計政策變動並無對本期間或比較期間構成任何重大影響，原因如下：

- 就香港財務報告準則第3號、香港會計準則第27號、香港財務報告準則第5號及香港(國際財務報告詮釋委員會)詮釋第17號之修訂而言，當中大部份修訂之影響至今並無對本集團之財務報表構成任何重大影響，因為該等變動將於本集團訂立有關交易(例如：業務合併、出售附屬公司或作出非現金分派)時方始首次生效，且毋須就先前已進行之有關交易重報記錄金額。
- 香港財務報告準則第3號之修訂(關於確認被收購公司之遞延稅項資產)及香港會計準則第27號之修訂(關於分配超出非控股權益(前稱「少數股東權益」)股權之虧損)之影響並無構成任何重大影響，原因為毋須重報過往期間之記錄金額及本期間並無產生有關遞延稅項資產或負債。
- 香港財務報告準則之改進(二零零九年)綜合標準而引入的有關香港會計準則第17號「租賃」之修訂，並無導致本集團財務報表之任何變動。

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

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

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

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

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

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

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

(d) Investments in subsidiaries and non-controlling interests

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

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

2. 主要會計政策(續)**(c) 財務報告的編製基準**

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

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

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

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

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

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

(d) 附屬公司投資及非控股權益

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(d) Investment in subsidiaries and non-controlling interests**
(continued)

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

Non-controlling interest (previously known as “minority interests”) represent the equity in a subsidiary not attributable directly or indirectly to the Bank, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. The Group measures non-controlling interests at their proportionate share of the subsidiary’s net identifiable assets. Non-controlling interests are presented in the consolidated balance sheet, separately from equity attributable to the equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the equity shareholders of the Bank.

Changes in the Group’s interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

Where the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Notes 2(g)) or, where appropriate, the cost on initial recognition of an investment in an associate (see Note 2(e)).

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

2. 主要會計政策 (續)**(d) 附屬公司投資及非控股權益** (續)

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

非控股權益(前稱「少數股東權益」)指非由本行(不論是直接間接)應佔附屬公司的權益，而本集團未與該權益持有者達成任何附加協議，以使本集團整體上對該等權益產生符合金融負債定義的合約義務。本集團以彼等應佔附屬公司可識別資產淨值部分計量非控股權益。非控股權益在綜合資產負債表內列賬，但與本行股東應佔權益分開呈列。本集團業績內呈列的非控股權益在綜合收益表內列作非控股權益與本行股東之間就本年度損益總額及全面收益總額之分配。

本集團於附屬公司的權益變更，如不構成失去控制權，這些變更會被視為權益交易，於綜合權益的股東權益及非控股權益將會被調整，以反映其權益轉變，但不會調整商譽及確認收益或損失。

如本集團失去附屬公司控制權，該權益變更會被視為出售該附屬公司，其收益或損失將會計入損益。於失去附屬公司控制權當日，如仍然持有該附屬公司部份權益，該部份權益將會以公平價值確認，而該金額將被視為金融資產初始確認的公平價值(見附註2(g))，或(倘適用)於聯營公司或合營公司的投資成本(見附註2(e))。

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Interests in associates

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

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

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

If the Group's share of losses exceeds its interest in the associate, the Group's interest would be 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. 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 associate are eliminated to the extent of the Group's interest in the associate, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see Note 2(g)).

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

2. 主要會計政策(續)

(e) 於聯營公司之權益

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

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

中國聯營公司的投資是按權益法記入綜合財務報告，初步以成本入賬，就本集團應佔被投資方的可識別淨資產與收購日期的公平值超過投資成本的部份(如有)作出調整。其後，該投資就本集團應佔該聯營公司資產淨值及有關該投資之任何減值虧損((如有)見附註2(f)及(m))在收購後的變動作出調整。任何收購日期超過成本之部分、本集團應佔聯營公司收購後及除稅後業績以及任何本年度減值虧損於損益賬內確認，而本集團應佔聯營公司其他全面收益之收購後及除稅後項目則確認為本集團之其他全面收益。

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

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

如本集團失去對聯營公司的重大影響力，該權益變更會被視為出售該被投資公司，其收益或損失將會計入損益。於失去對被投資公司的重大影響力當日，如仍然持有該被投資公司部份權益，該部份權益將會以公平價值確認，而該金額將被視為金融資產初始確認的公平價值(見附註2(g))。

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(f) Goodwill**

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

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

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

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

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

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

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

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

2. 主要會計政策(續)**(f) 商譽**

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

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

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

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

(g) 金融工具*(i) 初始確認*

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorisation

Fair value through profit or loss

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

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

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

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

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

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 at fair value through profit or loss or as available-for-sale; or (c) those where the Group may not recover substantially all of its initial investment, other than because of credit deterioration, which will be classified as available-for-sale. Loans and receivables mainly comprise advances to customers, placements with banks and other financial institutions, and certain debt securities.

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類

通過損益以反映公平價值

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

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

於下列情況下，金融工具於初始確認時被指定為通過損益以反映公平價值：

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

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

貸款和應收款項

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

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

Loans and receivables (continued)

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

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

Held-to-maturity investments

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

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

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

Available-for-sale financial assets

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

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

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

貸款和應收款項(續)

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

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

持至到期投資

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

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

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

可供出售金融資產

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Financial instruments (continued)

(ii) Categorisation (continued)

Available-for-sale financial assets (continued)

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

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

Other financial liabilities

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

(iii) Fair value measurement principles

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

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

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

(iv) Derecognition

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

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

2. 主要會計政策(續)

(g) 金融工具(續)

(ii) 分類(續)

可供出售金融資產(續)

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

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

其他金融負債

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

(iii) 計量公平價值之原則

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

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

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

(iv) 終止確認

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

本集團採用加權平均法來釐定在終止確認時將於損益賬內確認之已實現盈利和虧損。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(g) Financial instruments (continued)***(iv) Derecognition (continued)*

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

(v) Offsetting

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

(vi) Embedded derivatives

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

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

(h) Repurchase and reverse repurchase transactions

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

Securities purchased under agreements to resell (reverse repurchase agreements) are reported as receivables and are carried in the balance sheet at amortised cost.

Interest earned on reverse repurchase agreements and interest incurred on repurchase agreements is recognised as interest income and interest expense respectively, over the life of each agreement using the effective interest rate method.

2. 主要會計政策(續)**(g) 金融工具(續)***(iv) 終止確認(續)*

當合約的義務已被履行、取消或期滿，本集團終止確認該金融負債。

(v) 對銷

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

(vi) 嵌入式衍生工具

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

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

(h) 回購交易和反向回購交易

在售出後某特定時間需以固定價格回購該等證券即為根據同步協議(回購協議)售出之證券。此等證券會保留在財務報告內並根據該等證券之原來計量原則計量。出售所得款項乃列作負債並列入報告及以攤銷成本列賬。

根據轉售協議(反向回購協議)購買之證券乃按攤銷成本作為應收款項計入資產負債表。

反向回購協議所賺取之利息與回購協議產生之利息，分別於各個協議有效期間採用實際利率法確認為利息收入及利息開支。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Hedging

Hedge accounting recognises the offsetting effects on profit or loss of changes in the fair values of the hedging instruments and the hedged items. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. Under HKAS 39 hedge accounting is classified into three categories: (a) fair value hedges; (b) cash flow hedges and (c) net investment hedges. The Group only applies hedge accounting for fair value hedges of its subordinated notes programme (Note 38) and certain fixed rate available-for-sale investments.

The Group discontinues prospectively hedge accounting when (a) the hedging instrument expires or is sold, terminated or exercised; (b) the hedge no longer meets the criteria for hedge accounting; or (c) the Group revokes the designation.

(i) Fair value hedge

A fair value hedge seeks to offset risks of changes in the fair value of recognised assets and liabilities that will give rise to a gain or loss being recognised in profit or loss.

The hedging instruments are measured at fair value, with fair value changes recognised in profit or loss. The carrying amounts of the hedged items are adjusted by the changes in fair value attributable to the risk being hedged. These adjustments are recognised in profit or loss to offset the effect of gains or losses on the hedging instruments.

When a hedging instrument expires or is sold, terminated or exercised, the hedge no longer meets the criteria for hedge accounting or the Group revokes designation of the hedge relationship, any adjustment up to that point, to a hedged item for which the effective interest rate method is used is amortised to profit or loss as part of the recalculated effective interest rate of the item over its remaining life.

(ii) Hedge effectiveness testing

In order to qualify for hedge accounting, the Group carries out prospective effectiveness testing to demonstrate that it expects the hedge to be highly effective at the inception of the hedge and throughout its life. Actual effectiveness (retrospective effectiveness) is also demonstrated on an ongoing basis.

The documentation of each hedging relationship sets out how the effectiveness of the hedge is assessed. The method which the Group adopts for assessing hedge effectiveness will depend on its risk management strategy.

2. 主要會計政策(續)

(i) 對沖

對沖會計處理確認對沖工具及對沖項目之公平價值變動對溢利或虧損之抵銷效應。本集團於對沖交易開始時及於日後繼續評估對沖交易中採用之對沖工具是否能高度有效地抵銷對沖項目因應指定利率風險所引致之公平價值變動，並將有關評估記錄。根據香港會計準則第39號，對沖會計處理分為三類：(a) 公平價值對沖；(b) 現金流量對沖及(c) 投資淨額對沖。本集團僅對其後償票據計劃(附註38)及若干定息可供出售債券的公平價值對沖應用對沖會計處理。

倘(a)對沖工具到期或被出售、終止或行使；(b)對沖不再符合對沖會計處理的準則；或(c)本集團撤回指定，本集團便會分別終止對沖會計處理。

(i) 公平價值對沖

公平價值對沖目的是為抵銷已確認資產及負債的公平價值變動之風險(該等變動將導致須在損益賬內確認損益)。

對沖工具按公平價值列賬，其公平價值變動於損益賬內確認。對沖項目之賬面數額按所對沖之風險所導致之公平價值變動作出調整。此等調整在損益賬內確認，以抵銷對沖工具所產生之損益之影響。

當對沖工具到期或被出售、終止或被行使，對沖不再符合對沖會計法的標準，或本集團撤銷了指定的對沖關係時，截至當時為止對使用實際利率法計算的被對沖項目的任何調整，會在損益賬內攤銷，作為在該項目的剩餘期間重新計算其實際利率的一部分。

(ii) 對沖有效性測試

為符合對沖會計法，本集團於初始訂立對沖時指定對沖工具，亦於初始訂立對沖時及於其整段年期內進行預計有效性評估測試，以證明該項對沖交易能高度有效地發揮預期對沖功能。本集團亦持續地為對沖之實際有效性進行追溯有效性測試。

每項對沖關係均備有詳細文件載列該項對沖有效性之評估方法。本集團就評估對沖的有效性而採用的方法取決於其風險管理策略。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(i) Hedging (continued)****(ii) Hedge effectiveness testing (continued)**

For fair value hedge relationships, the Group utilises both cumulative dollar offset method and regression analysis as the effectiveness testing methodologies for retrospective testing. For prospective effectiveness, the hedging instruments must be expected to be highly effective in achieving offsetting changes in fair value attributable to the hedged risk during the period for which the hedge is designated and is typically demonstrated through matching of critical terms. For actual effectiveness, the hedging instrument should demonstrate that it is highly effective in offsetting changes in fair value attributable to the hedged risk. The Group considers that where changes in fair value offset each other in the range of 80 per cent to 125 percent the hedge is highly effective.

(j) Other property and equipment

The Group's leasehold land and buildings are held under operating leases and, in the absence of reliable information to allow separation of the land and buildings components under the leases the land and buildings are accounted for as properties under HKAS 16, 'Property, Plant and Equipment' issued by the HKICPA.

In addition, certain of the Group's leasehold land and premises have been included at Directors' valuation made having regard to independent professional valuations carried out in November 1989. The surplus arising on revaluation was credited to the revaluation reserve. Additions to revalued premises made subsequent to the revaluation are included at cost. Premises which have not been the subject of revaluation are included at cost. The revaluation reserve arising from the November 1989 revaluation was transferred to the capital redemption reserve when the Bank redeemed its "A" and "B" preference shares in 1991 and 1992.

In preparing these financial statements, advantage has been taken of the transitional provisions in paragraph 80A of HKAS 16 with the effect that premises have not been revalued to fair value at the balance sheet date. It is not the Directors' present intention to revalue the premises in the future.

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the assets when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of fixed assets are determined as the difference between the net disposal proceeds and the carrying amount of the assets and are recognised in profit or loss on the date of retirement or disposal.

2. 主要會計政策(續)**(i) 對沖(續)****(ii) 對沖有效性測試(續)**

就公平價值對沖關係而言，本集團使用累計價值抵銷法及回歸分析作為追溯測試的有效性測試方法。就預計有效性而言，對沖工具必須被預期為在指定對沖期間內能高度有效地抵銷所對沖風險而導致之公平價值變動，通常通過配對關鍵條款顯示有效性。就實際有效性而言，對沖工具必須能夠顯示能夠高度有效地抵銷所對沖風險導致之公平價值變動。本集團認為，公平價值變動抵銷比率在百分之八十至百分之一百二十五的範圍內才被視為有效。

(j) 其他物業及設備

本集團之租賃土地及樓宇根據經營租約及持有，在無可靠資料以允許根據租約分開土地和樓宇之組成部分情況下，土地及樓宇根據香港會計師公會頒佈之香港會計準則第16號「物業、廠房及設備」作為物業入賬。

此外，本集團有若干租賃土地及物業已包括在董事編製之估值(已考慮於一九八九年十一月進行之獨立專業估值)。因重新估值而產生之盈餘已撥入估值儲備。獲重估之物業於重新估值後按成本包括在內。毋須重估之物業按成本包括在內。當本行於一九九一年和一九九二年贖回「A」類和「B」類優先股後，因一九八九年十一月重新估值而產生之重估儲備已轉撥至資本贖回儲備內。

在編製此等財務報告時，本集團已應用香港會計準則第16號第80A段之過渡性條文，其影響為物業於結算日並無被重新估值為公平價值。董事現時無意將來對物業進行重新估值。

倘若該筆後續費用能產生未來經濟收益(超出現有資產之初始評定之表現標準)予本集團，該筆後續費用會附加在相關並已被確認資產之賬面值。所有其他後續費用於其產生期間被確認為開支。

固定資產報廢或出售固定資產的盈虧乃根據有關資產出售所得款項淨額與其賬面數額之差額而釐定，並於報廢或出售當日於損益賬內確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(j) Other property and equipment (continued)**

Depreciation is calculated to write off the cost or valuation of items of property and equipment using the straight line method over the estimated useful lives as follows:

- Buildings situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives, being no less than 2% per annum after the date of completion.
- Furniture and equipment is generally depreciated over periods of between three to ten years.

Where parts of an item of property and equipment have different useful lives each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(k) Leases and hire purchase contracts

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

(i) Classification of leased assets

Leases which transfer substantially all the risks and rewards of ownership to the lessee are classified as finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the lessee are classified as operating leases.

(ii) Finance leases

Where the Group is a lessor under finance leases, an amount representing the net investment in the lease is included in the balance sheet as advances to customers. Hire purchase contracts having the characteristics of finance leases are accounted for in the same manner as finance leases. Impairment losses are accounted for in accordance with the accounting policy for impairment (see Note 2(m)).

(iii) Operating leases

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal instalments over the periods covered by the lease terms, except where an alternative basis is more representative of the pattern of benefits to be delivered from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregated net lease payments made. Contingent rentals are charged to profit or loss in the period in which they are incurred. The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

2. 主要會計政策(續)**(j) 其他物業及設備(續)**

物業和設備項目於預計可用期限內以直線法撇銷成本或估值以計算折舊如下：

- 於完成日期後，座落在租賃土地之樓宇於租約餘下期間或其預計可用期限之較短期間，每年以不低於2%折舊。
- 傢俱和設備一般於三至十年之期間折舊。

當物業和設備項目之部件有不同使用期限時，每個部件須分開折舊。資產之使用期限及其殘值(如有)均須每年進行複核。

(k) 租約及租購合約

本集團確定協議具有在協定期限內通過支付一筆或一系列款項而使用某一特定資產或多項資產之權利，則該協議(由一宗交易或一系列交易組成)為租賃或包括租賃。該釐定乃根據安排之內容評估而作出，而非論安排是否具備租賃之法律形式。

(i) 租賃資產分類

凡將擁有權之絕大部分風險與回報轉移至出租人之租約均列為融資租約。未將擁有權之絕大部分風險與回報轉由承租人承擔之租約列為經營租約。

(ii) 融資租約

凡本集團根據融資租約為承租人時，相當於租約中投資淨額之款項作為客戶貸款包括於資產負債表內。具有融資租約特徵之租購合約以同樣方式列賬為融資租約。減值虧損根據減值之會計政策入賬(見附註2(m))。

(iii) 經營租約

凡本集團根據經營租約擁有所持資產之使用權時，則根據租約作出的付款會在租賃期所涵蓋的期間內，以相同的分期款項在損益賬內扣除；惟倘有其他基準能更清楚地反映租賃資產所產生的收益模式則除外。租賃協議所涉及的鼓勵措施均在損益賬中確認為租賃淨付款總額的組成部分。或然租金在其產生的期間內在損益賬扣除。經營租約所持有土地之收購成本乃於租賃期內以直線法攤銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(l) Repossessed assets**

During the recovery of impaired advances to customers, the Group may take repossession of assets held as collateral through court proceedings or voluntary delivery of possession by the borrowers. Where it is intended to achieve an orderly realisation of the impaired assets and the Group is no longer seeking repayment from the borrower, repossessed assets are reported in "Accrued interest and other accounts" and the relevant loans and advances are derecognised. The Group does not hold repossessed assets for its own use.

Repossessed assets are initially recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on subsequent remeasurement are recognised in profit or loss. Any gains on subsequent remeasurement are recognised in profit or loss until the repossessed asset is stated at the amount of related loans and advances at the date of exchange.

(m) Impairment of assets

The carrying amount of the Group's assets are reviewed at each balance sheet date to determine whether there is objective evidence of impairment. Objective evidence that assets are impaired includes observable data that comes to the attention of the Group about one or more of the following loss events which has an impact on the future cash flows of assets:

Financial assets:

- Significant financial difficulty of the issuer or borrower;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- It becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the borrower;
- Disappearance of an active market for financial assets because of financial difficulties; and
- A significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策(續)**(l) 收回資產**

於收回已減值客戶貸款期間，本集團可能透過法院訴訟或由借方自願交付財產收回持作抵押之資產。倘預期減值資產將有秩序地變現及本集團不再尋求借方還款時，收回資產在報告內呈列為「應計利息及其他賬目」，而相關借款及貸款則撤銷確認。本集團並無收回資產作自用。

收回資產最初按相關借款及貸款之款額及公平價值減出售成本之較低者於交易日期記錄，且並不折舊或攤銷。

其後重新計量之減值虧損於損益賬內確認。其後重新計量之收益於損益賬內確認，直至收回資產於初始確認日期以相關借款及貸款之金額列賬。

(m) 資產減值

本集團之資產賬面值於每個結算日進行審閱，以釐定是否有減值之客觀證據。資產減值的客觀證據包括本集團注意到以下一項或多項對資產的未來現金流量有影響的虧損事項的可觀察數據：

金融資產：

- 發行人或借款人有重大財務困難；
- 違反合約，如拖欠或無法償還利息或本金；
- 借款人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境出現重大的改變而對借款人有不利影響；
- 金融資產的活躍市場由於財務困難而消失；及
- 於股本工具之投資大幅下跌或長時間下跌至低於其成本值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)**

Non-financial assets:

- During the period, an asset's market value has declined significantly more than would be expected as a result of the passage of time or normal use;
- Significant changes with an adverse effect on the Group have taken place during the period, or will take place in the near future, in the technological, market, economic or legal environment in which the Group operates or in the market to which an asset is dedicated;
- Evidence is available of obsolescence or physical damage of an asset; or
- Significant changes with an adverse effect on the Group have taken place during the period, or are expected to take place in the near future, in the extent to which, or manner in which, an asset is used or is expected to be used. These changes include the asset becoming idle, plans to discontinue or restructure the operation to which an asset belongs, plans to dispose of an asset before the previously expected date, and reassessing the useful life of an asset as finite rather than indefinite.

If any such evidence exists, the carrying amount is generally reduced to the estimated recoverable amount by means of a charge to profit or loss. The main exception is for available-for-sale securities where the carrying amount is reduced to the fair value by means of a charge to profit or loss.

2. 主要會計政策(續)**(m) 資產減值(續)**

非金融資產：

- 資產的市價當期大幅度下跌，其跌幅明顯高於因時間的推移或者正常使用而預計的下跌；
- 本集團經營所處的技術、市場、經濟或者法律環境或資產所處的市場在當期或者將在近期發生重大變化，從而對本集團產生不利影響；
- 有證據表明資產已經陳舊過時或者其實體已經損壞；或
- 資產使用或預計擬使用的範圍或方式在當期或者預計將在近期發生重大變化，從而對本集團產生不利影響。該等變動包括資產被閒置、計劃終止或重組資產所屬業務、計劃較先前預期日期提前出售資產及將資產的使用年期重新評估為有限期而非無限期。

倘存在任何該證據，賬面值一般須透過在損益賬扣除款項之方式減至估計可收回數額。主要例外情況為可供出售證券，其賬面值透過在損益賬扣除款項之方式減至公平值。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of advances to customers, which are measured at amortised cost, whose recovery is considered doubtful but not remote. In this case, the impairment losses are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against advances to customers directly and any amounts held in the allowance account relating to that borrower are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

(i) Loans and receivables

Impairment losses on loans and receivables are measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition of these assets). Receivables with a short duration are not discounted if the effect of discounting is immaterial.

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

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

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

2. 主要會計政策(續)

(m) 資產減值(續)

因按攤銷成本計量的客戶貸款的可收回性被視為難以預料而並非微乎其微，就其確認的減值虧損不會從相應的資產中直接撤銷。在此情況下，減值虧損以撥備賬記錄。倘本集團確認能收回應收賬款的機會微乎其微，則視為不可收回金額會直接從客戶貸款中撤銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬的款項在其後收回，則相關的撥備會予以撥回。撥備賬的其他變動及其後收回之前直接撤銷的款項均計入損益賬。

(i) 貸款和應收款項

貸款和應收款項的減值虧損是資產賬面值，與按其原本實際利率(即初始確認該等資產所用之實際利率)折算預計未來現金流量現值之差額。倘折現之影響屬輕微，短期之應收款項不予折現。

信貸損失撥備總額包括兩個組成部分：個別減值撥備，及綜合減值撥備。

本集團會首先評估金額重大之個別金融資產有否出現客觀之減值證據，並綜合地評估金額不重大之個別金融資產。若本集團認定被評估之個別金融資產並沒有存在減值之客觀證據，無論該金融資產重大與否，均需將該金融資產包含於信貸風險特徵相近之組別中作出綜合減值評估。綜合減值評估並不包括已被個別評估為需確認減值或需繼續確認減值之金融資產。具備類似風險特性的金融資產會綜合起來，以便對個別而言並不重大的資產進行綜合減值評估。

個別減值撥備乃根據管理層對現金流量之最佳估計，即按原實際利率折現預期將獲得之款項。在估計該等現金流量時，管理層須判斷借款人的財政狀況及給予本集團的抵押品或擔保之可變現淨值。每項減值資產均按照其理據進行評估。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(i) Loans and receivables (continued)

In assessing the need for a collective impairment allowance on individually significant loans which are not impaired, management considers factors such as credit quality, portfolio size, concentrations, and economic factors. In order to estimate the required allowance the Group makes assumptions both to define the way the Group models inherent losses and to determine the required input parameters based on historical experience and current economic conditions.

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

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

When there is no reasonable prospect of recovery the loan and the related interest receivable are written off.

Loans and receivables with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group has made concessions that it would not otherwise consider. Renegotiated loans and receivables are subject to ongoing monitoring to determine whether they remain impaired or past due.

(ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. If impairment is identified, the individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the asset's original effective interest rate, where the effect of discounting is material.

All held-to-maturity investments found not to be individually impaired are then collectively assessed for any impairment that has been incurred but not yet identified.

2. 主要會計政策(續)

(m) 資產減值(續)

(i) 貸款和應收款項(續)

於評估並未減值之金額重大之個別貸款所需的綜合減值撥備時，管理層須考慮的因素包括信貸素質、組合規模、信貸集中、及經濟因素。為估計所需的撥備，本集團根據過往經驗和現時之經濟情況去釐定潛在風險及輸入變數。

減值撥備之準確性須視乎本集團能否在評估個別減值撥備時準確估計交易對手的未來現金流量及在釐定綜合減值撥備時所採用的標準假設及參數。雖然此須視乎判斷而定，本集團相信客戶貸款之減值撥備是合理和足夠的。

在較後期間，任何因估計未來現金流量的金額及時間與先前估計的有所轉變，而該轉變是可客觀地與撇銷後發生的事件有關連，從而導致貸款和應收款項之減值撥備亦需改變，該轉變會支銷或計入損益賬。所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。

於再無合理預期可收回貸款時，貸款及相關懸欠利息將會予以撇銷。

具有經重新磋商條件之貸款及應收款項是指由於借款人的財務狀況惡化而獲重新議定原來不會獲考慮的特別寬鬆償還條件的貸款。重新磋商的貸款及應收款項須接受持續監測，以釐定彼等是否仍減值或已逾期。

(ii) 持至到期投資

本集團會從個別和綜合兩個層面考慮持至到期投資是否出現減值。若確定減值，個別減值準備是以資產賬面值與就資產以其原本的實際利率(如果折現影響重大)用折現方式計算預計未來現金流量的現值之間的差額計量。

在個別層面沒有出現減值的所有持至到期投資會接受綜合評估，以確定是否有任何已出現但未確定的減值情況。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(ii) Held-to-maturity investments (continued)

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of impairment losses shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

(iii) Available-for-sale financial assets

Where there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in other comprehensive income is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in profit or loss.

(iv) Goodwill and other assets

Goodwill is tested annually by comparing the carrying amount of the relevant cash-generating unit with its recoverable amount.

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

2. 主要會計政策(續)

(m) 資產減值(續)

(ii) 持至到期投資(續)

如果在較後期間，減值虧損金額減少，而該減少是可客觀地與確認減值虧損後發生的事件有關連，則減值虧損會透過損益賬回撥。減值虧損回撥不得導致資產賬面值超出減值虧損從未在往年確認而應已釐定的資產賬面值。

(iii) 可供出售金融資產

倘有客觀證據顯示可供出售金融資產已經出現減值，確認為其他全面收益之累計虧損於損益賬內重新分類。在損益賬內確認的累計損失數額等於購入成本(已扣除任何本金還款和攤銷)與當期公平價值之間的差額，減去早前已在損益賬內確認的該資產的任何減值虧損。

在損益賬所確認有關可供出售股本證券之減值虧損不會透過損益賬撥回。該等資產其後之任何公平價值增加確認為其他全面收益。

倘可供出售債務證券之公平價值在日後增加，而有關的增加可以客觀地與確認減值虧損後發生的事件聯繫起來，便會將減值虧損轉回。在該等情況下，減值虧損轉回須在損益賬內確認。

(iv) 商譽及其他資產

商譽乃透過比較有關現金產生單位的賬面值與可回收金額按年度基準進行測試。

於各結算日，本公司審閱內部及外來資料以辨認以下資產可有減值跡象或先前已確認之減值虧損已不再存在或可能已減少：

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

(iv) Goodwill and other assets (continued)

- property and equipment;
- pre-paid interests in leasehold land classified as being held under an operating lease; and
- investments in subsidiaries and associates.

If any such indication exists, the asset's recoverable amount is estimated.

Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit).

Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策(續)

(m) 資產減值(續)

(iv) 商譽及其他資產(續)

- 物業及設備；
- 預付租賃土地權益分類為按經營租約持有；及
- 附屬公司及聯營公司投資。

如果出現減值跡象，資產的可收回數額便會作估計。

計算可收回數額

資產的可收回數額以其公平值減銷售成本和使用價值兩者中的較高數額為準。在評估使用價值時，會使用除稅前折算率將估計未來現金流量折算至現值。該折算率須反映市場當時所評估的金錢時間價值和該資產的獨有風險。如果資產所產生的現金流入基本上不獨立於其他資產所產生的現金流入，則以能獨立產生現金流入的最小資產類別(即現金產生單位)釐定可收回數額。

確認減值虧損

倘資產或其所屬之現金產生單位之賬面值超過其可收回數額，則於損益賬確認減值虧損。就現金產生單位確認之減值虧損首先分配作為減少分配至現金產生單位(或業務類別)之任何商譽之賬面數額，繼而按比例基準作為減少業務(或業務類別)之其他資產之賬面數額，惟資產之賬面值將不會減少至低於其個別公平價值減出售成本或使用價值(倘能計算)。

減值虧損轉回

就除商譽以外的資產而言，倘若用以釐定可收回數額的估計發生有利的變化，便會將減值虧損轉回。有關商譽之減值虧損不予轉回。

所轉回的減值虧損以假定往年若沒有確認減值虧損而原應已釐定的資產賬面值為限。所轉回的減值虧損在確認轉回的年度計入損益賬。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(m) Impairment of assets (continued)***(v) Interim financial reporting and impairment*

Under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited, the Group is required to prepare an interim financial report in compliance with HKAS 34 "Interim Financial Reporting" in respect of the first six months of the year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the year (see Notes 2(m)(i) to (iiv)).

Impairment losses recognised in an interim period in respect of goodwill and available-for-sale equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(n) Cash equivalents

Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(o) Employee benefits*(i) Short term employee benefits*

Short term employee benefits include salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits and are accrued in the year in which the associated services are rendered by employees of the Group. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement scheme

The Group's obligation in respect of its defined benefit retirement scheme is calculated by estimating the amount of future benefits that the Group is committed to pay to the employees after their retirement using actuarial techniques. Any cumulative unrecognised gains or losses exceeding 10% of the present value of the obligation or the fair value of the plan assets (whichever is higher) at the balance sheet date is amortised to profit or loss over the average remaining service life of the employees in the scheme. Otherwise, the gain or loss is not recognised.

2. 主要會計政策(續)**(m) 資產減值(續)***(v) 中期財務報告及減值*

根據香港聯合交易所有限公司證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」就年度首六個月編製中期財務報告。於中期完結時，本集團採用於年度完結時應採用之同一減值測試、確認及撥回條件(見附註2(m)(i)至(iiv))。

於中期內就商譽及按成本列賬的可供出售股本證券所確認的減值虧損不可在往後期間撥回。假設在中期相關年度完結時才評估該等減值，即使毋需確認虧損或確認較少虧損，亦不可撥回減值虧損。因此，倘可供出售股本證券之公平價值於剩餘年度期間或任何其他後續期間增加，則該增加確認為其他全面收益而非損益。

(n) 等同現金項目

等同現金項目為短期和流動性極高的投資項目。這些項目可以容易地換算為已知的現金數額，而所須承受的價值變動風險甚小，並在購入後三個月內到期。

(o) 僱員福利*(i) 短期僱員福利*

短期僱員福利包括薪酬、每年花紅、有薪年假、定額福利退休計劃供款及非貨幣福利成本，於本集團僱員提供有關服務之年度內累計。倘延遲付款或清償將會帶來嚴重影響，該等數額須按現值列賬。

(ii) 定額福利退休計劃

本集團定額福利退休計劃的責任以精算方式估計本集團對員工承諾支付其未來退休後的福利的金額計算。倘任何未確認累計損益超過有關責任於結算日之現值或計劃資產之公平價值(以較高者為準)之10%，則會按僱員於計劃內之平均剩餘服務年期於收益表內攤銷，否則該損益不予確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(o) Employee benefits (continued)***(iii) Share-based payments*

The fair value of share options granted to employees by the ultimate holding company is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expense qualifies for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the ultimate holding company's shares.

The equity amount is recognised in capital reserve until the option expires (when it is released directly to retained earnings).

(p) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策(續)**(o) 僱員福利(續)***(iii) 以股份為基礎之付款*

由最終控股公司授予僱員認股權的公平價值會確認為僱員成本，並相應在權益內增加資本儲備。公平價值於授予日期計量，當中考慮到授予認股權的條款及條件。倘若僱員須符合歸屬條件才無條件擁有認股權，則認股權的估計公平價值總額會於考慮到認股權歸屬的可能性後在歸屬期內分攤。

於歸屬期內會檢討預期歸屬的認股權數目。對以前年度已確認的累積公平價值所作出的調整，會在檢討年度扣自／計入損益賬，除非原有僱員開支符合資格確認為資產，則作別論，並在資本儲備內作出相應調整。在歸屬日期，確認為開支的金額會作出調整，以反映實際歸屬的認股權數目（並在資本儲備內作出相應調整），惟倘若僅因未能滿足有關最終控股公司股份市場價格的歸屬條件而沒收則除外。

權益金額於資本儲備內確認，直至認股權到期（於直接撥回至保留溢利時）。

(p) 所得稅

本年度之所得稅包括即期稅項以及遞延稅項資產及負債之變動。即期稅項以及遞延稅項資產及負債之變動於損益賬確認，惟與確認為其他全面收益或直接在權益確認之項目相關者除外，在此情況下，相關稅額分別確認為其他全面收益或直接確認為權益。

即期稅項乃預期於本年度就應課稅收入應付之稅項（按於結算日已頒佈或實質頒佈之稅率計算），以及過往年度應繳稅項之任何調整。

遞延稅項資產及負債乃分別來自可扣稅或應課稅暫時性差異，即因資產及負債分別就財務報告及稅基而言之賬面值之間的差異而產生。遞延稅項資產亦會因未動用稅項虧損及未動用稅項抵免而產生。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Income tax (continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

2. 主要會計政策(續)

(p) 所得稅(續)

除若干有限情況外，所有遞延稅項負債及遞延稅項資產當其甚有可能用於抵銷未來應課稅溢利時均會予以確認。支持確認由可抵扣暫時差異所產生遞延稅項資產的未來應課稅溢利，包括因轉回目前存在的應課稅暫時差異而產生的數額；但這些轉回的差異必須與同一稅務機關及同一應課稅實體有關，並預期在可抵扣暫時差異預計轉回的同一年間或遞延所得稅資產所產生可抵扣虧損可轉回或結轉的期間內轉回。在決定目前存在的應課稅暫時差異是否足以支持確認由未可抵扣虧損和未利用稅款抵減所產生的遞延所得稅資產時，亦會採用同一準則，即差異是否與同一稅務機關及同一應課稅實體有關，並是否預期在能使用可抵扣虧損和未利用稅項抵減撥回的同一年間內轉回。

不確認遞延稅項資產和負債的暫時差異產生自以下少數例外情況：不可在稅務方面獲得扣減的商譽、不影響會計或應課稅溢利的資產或負債的初始確認(如屬業務合併的一部分則除外)；以及與投資附屬公司有關係的暫時差異(如屬應課稅差異，只限於本集團可以控制轉回的時間，而且在可預見的將來不大可能轉回該等差異；或如屬可抵扣差異，則只限於很可能在將來轉回的差異)。

遞延稅項確認額乃按資產及負債之賬面值之預期變現或支付形式，使用於結算日已頒佈或實質頒佈之稅率計算。遞延稅項資產及負債不予折現計算。

於各結算日，遞延稅項資產之賬面值均進行覆核，對預期不再有足夠之應課稅溢利以供使用有關遞延稅項則予扣減。倘若有可能獲得足夠之應課稅溢利，則任何有關扣減均會被撥回。

即期稅項結餘及遞延稅項結餘以及有關變動，均會個別呈列及不作抵銷。如本行或本集團可依法行使權利將即期稅項資產抵銷即期稅項負債，並在符合下列其他條件之情況下，即期稅項資產方會與即期稅項負債抵銷，以及遞延稅項資產會與遞延稅項負債抵銷：

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(p) Income tax (continued)**

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

(q) Financial guarantees issued, provisions and contingent liabilities*(i) Financial guarantees issued*

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the holder) for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee to customers, the fair value of the guarantee (being the guarantee fees received) is initially recognised as deferred income within other liabilities. Where the Bank issues a financial guarantee to its subsidiaries, the fair value of the guarantee is estimated and capitalised as the cost of investment in subsidiaries and deferred income recognised within other liabilities.

The deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued. In addition, provisions are recognised in accordance with Note 2(q)(ii) if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in other liabilities in respect of that guarantee i.e. the amount initially recognised, less accumulated amortisation.

2. 主要會計政策(續)**(p) 所得稅(續)**

- 如屬即期稅項資產及負債，本行或本集團擬以淨額基準清償或同時變現資產並清償負債；或
- 如屬遞延稅項資產及負債，被同一稅務機關對以下實體徵收所得稅而產生：
 - 同一個應課稅實體；或
 - 不同的應課稅實體，在未來每一個預期將清償或收回重大數額之遞延稅項資產及負債的期間，該等實體擬以淨額變現即期稅項資產及清償即期稅項負債或兩者同時進行。

(q) 已發出財務擔保、撥備及或然負債*(i) 已發出財務擔保*

財務擔保乃要求發行人(即擔保人)因特定債務人未能根據債務文據的條款於到期時付款而蒙受的損失，而向擔保的受益人(持有人)支付特定款項以作出償付的合約。

倘本集團向客戶發出財務擔保，該擔保的公平價值(即已收擔保費用)最初確認為其他負債內的遞延收入。倘本行向其附屬公司發出財務擔保，該擔保的公平價值須予估計及轉為附屬公司之投資成本上，遞延收入則確認為其他負債。

遞延收入按擔保年期於損益賬內攤銷為已發出財務擔保的收入。此外，倘(i)擔保的持有人可能根據擔保向本集團催收款項；及(ii)預期向本集團提出的申索款額高於現時就該擔保列於其他負債項下的數額(即最初確認的金額，扣除累計攤銷)，即須按照附註2(q)(ii)確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(q) Financial guarantees issued, provisions and contingent liabilities**
(continued)*(ii) Other provisions and contingent liabilities*

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(r) Revenue recognition

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

(i) Interest income

Interest income from interest-bearing financial instruments is generally recognised in profit or loss on an accrual basis using the effective interest rate method. Interest income from trading assets and financial assets designated at fair value through profit or loss is recognised on basis of accrued coupon.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar option) but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, together with transaction costs and all other premiums or discounts. Cash rebates granted in relation to residential mortgage loans are capitalised and amortised to profit or loss over their expected life.

2. 主要會計政策 (續)**(q) 已發出財務擔保、撥備及或然負債** (續)*(ii) 其他撥備及或然負債*

撥備乃本集團或本行因過往事件引致之法律或推定義務而可能需要付出經濟利益以履行有關義務及能作出可靠估計時，就未能確定之時間或數額之其他負債確認。倘金錢時間價值乃屬重大，撥備則以預計用以履行有關義務之開支現值列賬。

倘可能無須付出經濟效益，或未能可靠估計付出之金額，有關義務則披露為或然負債，除非付出經濟利益之可能性極微。需就未來事件發生與否方能確認之可能義務亦只披露為或然負債，除非付出經濟利益之可能性是極微。

(r) 收益確認

收益乃按已收或應收代價之公平價值計量。當經濟利益很可能流入本集團，而收入及成本(倘適用)能可靠地計算時，收益會按下列方式在損益賬確認：

(i) 利息收入

計息金融工具之利息收入一般採用實際利率法按應計基準於損益賬內確認。持作交易用途之資產及指定為通過損益以反映公平價值之金融資產的利息收入按權責發生制確認於損益賬內。

實際利率法乃計算金融資產之攤銷成本及按有關期間攤分利息收入之方法。實際利率乃按金融工具預計年期折讓估計日後現金付款或收入(或適當時按較短期間折讓金融資產之賬面淨值)之比率。計算實際利率時，本集團估計現金流量時，考慮到金融工具之一切合約條款(例如提前還款，認購或類似期權)，而並無計及未來信貸虧損。計算範圍包括實際利率為主體部分訂約各方所付或所收之一切費用及代價，交易成本及其他所有溢價或折讓。住宅按揭貸款之現金回贈會予以資本化，並以其預計期限在損益賬內攤銷。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(r) Revenue recognition (continued)**

- (ii) *Net income from financial instruments designated at fair value through profit or loss and net trading income*

Net income from financial instruments designated as fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, foreign exchange differences and dividend income attributable to those financial instruments.

- (iii) *Fee and commission income*

Fee and commission income arises on financial services provided by the Group including cash management services, brokerage services, investment banking services, investment management services and project and structured finance transactions services. Fee and commission income is recognised when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred or is accounted for as interest income.

Origination or commitment fees received by the Group which result in the creation or acquisition of a financial instrument are deferred and recognised as an adjustment to the effective interest rate unless it is a trading asset or liability or a financial asset designated at fair value through profit or loss. In this case it is immediately recognised in profit or loss. If the commitment expires without the Group making a loan, the fee is recognised as revenue on expiry.

- (iv) *Finance income from finance lease and hire purchase contracts*

Finance income implicit in finance lease and hire purchase payments is recognised as interest income over the period of the leases so as to produce an approximately constant periodic rate of return on the outstanding net investment in the leases for each accounting period. Contingent rentals receivable are recognised as income in the accounting period in which they are earned.

- (v) *Dividend income*

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established. Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2. 主要會計政策(續)**(r) 收益確認(續)**

- (ii) *指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益*

指定為通過損益以反映公平價值之金融工具淨收益以及交易淨收益，包括來自該等金融資產及金融負債之公平價值變動(扣除應計票息)之所有盈利及虧損、外匯差額及該等金融工具應佔之股息收入。

- (iii) *費用及佣金收入*

費用及佣金收入乃本集團提供金融服務，包括現金管理服務、證券服務、投資銀行服務、投資管理服務以及項目及結構性融資交易服務之所得收入。費用及佣金收入於提供相關服務時確認，以彌補向客戶持續提供服務之成本、或為客戶承擔風險，屬利息性質之費用則除外。在該等情況下，費用會於產生成本或風險之會計期間確認為收入或作為利息收入入賬。

本集團已收因增設或購入金融工具而產生之辦理或承擔費用，除有關於持作交易用途之資產或負債或指定為通過損益以反映公平價值之金融資產的相關款項直接於損益賬內確認外，將作為實際利率之調整遞延及確認。如承擔期滿而本集團毋須作出貸款，該費用於期滿時確認為收入。

- (iv) *來自融資租約及租購合約之財務收入*

融資租約之隱含財務收入及租購付款於租約年期確認為利息收入，以令每個會計期間租約尚餘淨投資額的定期回報率大致相同。應收或然租金於賺取之會計期間確認為收入。

- (v) *股息收入*

非上市投資之股息收入於股東收取款項之權利確立時予以確認。上市投資之股息收入於投資項目之股價為除息時確認。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(s) Translation of foreign currencies**

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in profit or loss.

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

Exchange differences relating to financial instruments held at fair value through profit or loss and derivative financial instruments are included in net income from financial instruments designated at fair value through profit or loss and net gain/(loss) on derivative financial instruments, respectively. All other exchange differences relating to monetary items are presented as gains less losses from dealing in foreign currencies in profit or loss and are reported within "Other operating income". Differences arising on translation of available-for-sale equity instruments are recognised in other comprehensive income.

The results of foreign operations are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Assets and liabilities are translated at the closing rate at the date of that balance sheet. All resulting exchange differences are recognised in other comprehensive income and accumulated in equity in the foreign exchange reserve.

On disposal of a foreign operation the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策(續)**(s) 外幣換算**

本年度內外幣交易以交易日之匯率換算為港元。以外幣結算的貨幣性資產及負債以結算日之匯率換算為港元。所有外幣換算之損益均撥入損益賬內處理。

以外幣定值並以歷史成本列賬之非貨幣資產與負債按交易日的匯率換算為港元。以外幣結算及以公平價值列賬之非貨幣資產與負債於釐定公平價值當日按當時匯率換算為港元。

通過損益以反映公平價值計入損益賬之金融工具及衍生金融工具的匯兌差額分別包括於指定為通過損益以反映公平價值之金融工具淨收益及衍生工具淨溢利/(虧損)。其他有關貨幣性項目的匯兌差額則於損益賬內呈列為外幣買賣淨盈虧，並於「其他營運收入」內呈報。換算可供出售股本工具之差額確認為其他全面收益。

海外業務的業績按與交易日的匯率相若的匯率換算為港幣。資產及負債則按結算日的收市率換算。產生的匯兌差額確認為其他全面收益，並於外幣換算儲備內累計為權益。

出售海外業務時，在權益內確認與該等海外業務有關之匯兌差額之累計金額，於確認出售盈虧時由權益重新分類至損益。

2. SIGNIFICANT ACCOUNTING POLICIES (continued)**(t) Related parties**

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

(u) Segment reporting

Operating segments and the amounts of each segment item reported in the financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策(續)**(t) 關連各方**

就此等財務報告而言，被視為與本集團有關連的一方是指：

- (i) 該方有能力直接或間接透過一個或多個中介人控制，或可發揮重大影響本集團的財務及經營決策，或共同控制本集團；
- (ii) 本集團及該方均互相控制；
- (iii) 該方屬本集團的聯營公司；
- (iv) 該方屬本集團或本集團母公司主要管理人員的成員，或屬該人士的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；
- (v) 該方屬(i)所指一方的近親家庭成員，或受該等人士控制，或共同控制或重大影響的實體；或
- (vi) 該方屬提供福利予本集團僱員的離職後福利計劃或與屬本集團關連方的任何實體。

個人的近親家庭成員指預料可影響(或受該個人影響)他們與該實體交易的家庭成員。

(u) 分項報告

財務報告中的經營分部和每個分部項目的金額源自於定期向本集團總營運決策人提供的財務資料，以供管理層對本集團不同業務和地區進行資源分配和業績評價。

重大的單個經營分部不會因財務報告目的而進行加總，除非該等分部擁有相似的經濟特性、產品及服務性質、生產流程、客戶類型和級別、銷售產品或提供服務的方式及監管環境的性質。不重大的單個經營分部如果享有大部分以上相似性質，則可以進行加總。

3. BASIS OF CONSOLIDATION

These consolidated financial statements cover the consolidated positions of the Bank and all its subsidiaries unless otherwise stated (together referred to as the Group) and the Group's interest in associates. For information required to be reported in accordance with the Banking (Disclosures) Rules, the basis of consolidation is set out in Notes (A) and (B) in the Unaudited Supplementary Financial Information on pages 238 to 240.

4. INTEREST INCOME AND EXPENSE

(a) Interest income

Listed investments	上市投資
Other	其他
Interest income on financial assets that are not at fair value through profit or loss	非通過損益以反映公平價值之金融資產之利息收入
Interest income on trading assets	持作交易用途之資產之利息收入
– listed investments	– 上市投資
– unlisted investments	– 非上市投資
Interest income on financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產之利息收入

(b) Interest expense

Deposits from customers, banks and other financial institutions and certificates of deposit issued	客戶、銀行同業及其他金融機構之存款及已發行存款證
Debt securities issued which are wholly repayable within 5 years	須於五年內悉數償還之已發行債務證券
Other borrowings	其他借款
Interest expense on financial liabilities that are not at fair value through profit or loss	非通過損益以反映公平價值之金融負債之利息支出
Interest expense on trading liabilities	交易賬項下負債之利息支出
Interest expense on financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債之利息支出

3. 綜合基準

除另有指明外，該等綜合財務報告包括本行及本行所有附屬公司（統稱為本集團）的綜合狀況，以及本集團於聯營公司之權益。根據《銀行業（披露）規則》所需呈報的資料，其綜合基準載列於第238至240頁未經審核補充財務資料附註(A)及(B)內。

4. 利息收入及支出

(a) 利息收入

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Listed investments	403,060	370,942
Other	768,491	1,162,423
Interest income on financial assets that are not at fair value through profit or loss	1,171,551	1,533,365
Interest income on trading assets		
– listed investments	139	468
– unlisted investments	3,943	766
Interest income on financial assets designated at fair value through profit or loss	20,536	23,901
	1,196,169	1,558,500

(b) 利息支出

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Deposits from customers, banks and other financial institutions and certificates of deposit issued	316,237	382,631
Debt securities issued which are wholly repayable within 5 years	2,646	6,245
Other borrowings	5,248	11,378
Interest expense on financial liabilities that are not at fair value through profit or loss	324,131	400,254
Interest expense on trading liabilities	5,240	2,144
Interest expense on financial liabilities designated at fair value through profit or loss	14,278	13,598
	343,649	415,996

5. FEE AND COMMISSION INCOME AND EXPENSE

(a) Fee and commission income

Fee and commission income arising from:	由以下業務所產生的費用及佣金收入：
Credit related services	信貸業務
Trade finance services	貿易融資業務
Credit card services	信用卡業務
Securities brokerage and investment services	證券經紀及投資服務
Insurance services	保險業務
Unit trust services	信託基金業務
Other fees	其他費用
of which:	其中：
Fee and commission income arising from:	費用及佣金收入來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債
– Trust or other fiduciary activities	– 信託及其他受託業務

Fee and commission income arising from trust and other fiduciary activities relate to fees from asset management activities where the Group will hold assets or invest on behalf of customers.

(b) Fee and commission expense

Handling fees and commission	手續費及佣金
Other fees paid	其他已付費用
of which:	其中：
Fee and commission expense arising from:	費用及佣金支出來自：
– Financial assets or financial liabilities which are not measured at fair value through profit or loss	– 非通過損益以反映公平價值之金融資產或金融負債

5. 費用及佣金收入及支出

(a) 費用及佣金收入

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
52,185	27,598
8,581	11,221
97,063	85,894
51,508	60,112
58,875	40,518
41,713	34,960
20,841	20,861
330,766	281,164
101,592	83,305
1,399	2,237

費用及佣金收入來自信託及其他受託業務，與本集團就資產管理業務中代表其客戶持有資產或進行資產投資所收取的費用相關。

(b) 費用及佣金支出

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
54,790	44,580
18,784	26,216
73,574	70,796
49,191	44,299

6. OTHER OPERATING INCOME

Gains less losses from dealing

- Foreign exchange
- Trading securities
- Other dealing activities*
- Short selling activities

交易收益減虧損

- 外匯
- 持作交易用途之證券
- 其他買賣交易*
- 賣空交易

Net hedging income from fair value hedges

Net gain on hedged items attributable to the hedged risk

Net loss on hedging instruments

公平價值對沖之淨對沖收入

與對沖風險相關之被對沖項目之淨收益

對沖工具之淨虧損

Net (loss)/gain on other financial instruments designated at fair value through profit or loss

Net gain on sale of other financial instruments designated at fair value through profit or loss

Revaluation loss on other financial instruments designated at fair value through profit or loss

指定為通過損益以反映公平價值之其他金融工具之淨(虧損)/收益

出售指定為通過損益以反映公平價值之其他金融工具之淨收益

指定為通過損益以反映公平價值之金融工具之重估淨虧損

Gains less losses from other financial liabilities measured at amortised cost

Revaluation gain/(loss) on derivative financial instruments

Dividend income from listed available-for-sale securities

Dividend income from unlisted available-for-sale securities

Rental income

Others

按攤餘成本列賬之其他金融負債之收益減虧損

衍生金融工具之重估收益/(虧損)

可供出售上市證券之股息收入

可供出售非上市證券之股息收入

租金收入

其他

6. 其他營運收入

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
----------------------------------	----------------------------------

(63,614)	87,841
8,258	16,389
44,600	40,971
(413)	718
(11,169)	145,919
111,442	10,278
(111,442)	(10,278)
-	-
1,918	5,251
(57,931)	(2,794)
(56,013)	2,457
1,097	(5)
80,675	(102,734)
-	785
15,265	10,616
1,659	986
10,560	10,452
42,074	68,476

* Other dealing activities includes customer-driven dealing in derivative financial instruments including equity linked notes, options and structured deposit products.

* 其他買賣交易包括客戶買賣衍生金融工具，包括股票掛鈎票據、期權及結構性存款產品。

7. OPERATING EXPENSES

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Staff costs	僱員成本		
Contributions to defined contribution scheme	定額供款計劃供款	6,133	6,939
Defined benefit scheme expenses (Note 44(b))	定額福利計劃支出 (附註44(b))	17,661	31,988
Retirement scheme costs	退休計劃成本	23,794	38,927
Equity-settled share-based payment expenses	以股份為基礎作支付之費用	10,755	2,715
Salaries and other staff costs	薪金及其他僱員成本	435,381	447,374
		469,930	489,016
Premises and other fixed assets	物業及其他固定資產		
Rental of premises	物業租金	44,647	47,685
Depreciation (Note 28)	折舊(附註28)	61,657	66,598
Others	其他	18,541	20,662
Auditors' remuneration	核數師酬金	2,445	2,345
Other operating expenses	其他營運支出		
Business promotion	業務推廣	68,673	55,986
Legal and professional fees	法律顧問費用	24,322	25,913
Communication	通訊	23,688	17,718
Electronic data processing and computer systems	電子資料處理及電腦系統	79,085	80,521
Others	其他	63,164	147,852
		856,152	954,296

During 2007, certain employees of the Group were granted unlisted physically settled options under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. ("Fubon Financial") for the services rendered to the Group. HKFRS 2 requires the fair value of the options issued to be shown as an expense in the Group financial statements, apportioned over the period from the grant date to the vesting date, with a corresponding credit to reserves (Note 41). There will be no cash expense to Fubon Bank (Hong Kong) Limited as it is not required to make payment to any party in respect of either the issue of the options or their exercise. Shareholders of the Bank will suffer no dilution from the issue of shares by the ultimate holding company in the event that the options are exercised.

7. 營運支出

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Staff costs		
Contributions to defined contribution scheme	6,133	6,939
Defined benefit scheme expenses (Note 44(b))	17,661	31,988
Retirement scheme costs	23,794	38,927
Equity-settled share-based payment expenses	10,755	2,715
Salaries and other staff costs	435,381	447,374
	469,930	489,016
Premises and other fixed assets		
Rental of premises	44,647	47,685
Depreciation (Note 28)	61,657	66,598
Others	18,541	20,662
Auditors' remuneration	2,445	2,345
Other operating expenses		
Business promotion	68,673	55,986
Legal and professional fees	24,322	25,913
Communication	23,688	17,718
Electronic data processing and computer systems	79,085	80,521
Others	63,164	147,852
	856,152	954,296

於二零零七年內，根據本行最終控股公司富邦金融控股股份有限公司(「富邦金控」)的認股權計劃，本集團若干僱員因向本集團提供服務獲授非上市而實股結算之認股權。香港財務報告準則第2號規定已發行認股權的公平價值，由授出日期至歸屬日期之期間按比例於本集團財務報告內列為一項支出，並計處相應的儲備內(附註41)。富邦銀行(香港)有限公司毋須就發行認股權或行使認股權而向任何人士作出付款，因此其將不會發生現金支出。倘該等認股權獲行使，本行股東將不會因最終控股公司發行股份而遭受攤薄。

7. OPERATING EXPENSES (continued)

Terms and conditions of the share option grants

Date of options granted 授出認股權日期	Exercise price per share 每股行使價 NT\$ 新台幣
31 July 2007 二零零七年七月三十一日	25.70 (previously NT\$29.00) 25.70 (先前為29.00元新台幣)
7 December 2007 二零零七年十二月七日	23.50 (previously NT\$26.70) 23.50 (先前為26.70元新台幣)

50% of the options were exercisable between the second and the third anniversaries of the date grant, 75% will be exercisable between the third and fourth anniversaries and 100% between the fourth and fifth anniversaries, provided that the employees remain with the Fubon Group.

The number and weighted average exercise prices of share options

Date of options granted 認股權授予日期		2010 二零一零年		2009 二零零九年	
		Weighted average exercise price 加權平均行使價	Number of options 認股權數目	Weighted average exercise price 加權平均行使價	Number of options 認股權數目
Outstanding at the beginning of the year	年初尚未行使	24.33	14,099,500	27.64	16,122,000
Transferred in during the year	本年度轉入	23.50	220,000	27.66	4,140,000
Exercised during the year	本年度行使	23.75	(2,815,000)	28.23	(2,092,500)
Forfeited during the year	本年度沒收	-	-	27.60	(4,070,000)
Outstanding at the end of the year	年終尚未行使		11,504,500	27.57	14,099,500
Exercisable at the year end of the year	於年終可行使		7,924,625		6,003,500

The options outstanding at 31 December 2010 have a weighted average remaining contractual life of 1.78 years (2009: 2.80 years). The weighted average share price at the date of exercise for the share options exercised during the year was NT\$38.67 (2009: NT\$37.12).

The share price of Fubon Financial at 31 December 2010 was NT\$40.00 (2009: NT\$39.30).

7. 營運支出(續)

已授出認股權的條款及條件

As at 於	
31 December 2010 二零一零年 十二月三十一日	31 December 2009 二零零九年 十二月三十一日
Number of options 認股權數目	Number of options 認股權數目
4,995,000	5,312,500
6,509,500	8,787,000
11,504,500	14,099,500

認股權的50%可於授出日期滿兩週年之日至滿三週年之日期間行使，75%可於滿三週年之日至滿四週年之日期間行使，100%可於滿四週年之日至滿五週年之日期間行使，條件是僱員仍受聘於富邦集團。

認股權數目及加權平均行使價

於二零一零年十二月三十一日尚未行使之認股權擁有加權平均剩餘合約年期1.78年(二零零九年：2.80年)。本年度已行使認股權之行使日之加權平均股價為38.67元新台幣(二零零九年：37.12元新台幣)。

富邦金控於二零一零年十二月三十一日之股價為40.00元新台幣(二零零九年：39.30元新台幣)。

7. OPERATING EXPENSES (continued)**Fair values of share options**

The Group has applied HKFRS 2 "Share-based Payments" to account for share options granted on 31 July 2007 and 7 December 2007.

The fair values of share options granted by the Company were determined by using Black-Scholes option pricing model (the "Model"). The Model is one of the commonly used models to estimate the fair value of an option. The variables and assumptions used in computing the fair value of the share options are based on management's best estimate. The value of an option varies with different variables of certain subjective assumptions. Any change in the variables so adopted may materially affect the estimation of the fair value of an option. The inputs into the Model were as follows:

Closing share price at grant date (NT\$)	於授出日期的股份收市價(新台幣)	30.50	28.20
Exercise price (NT\$)	行使價(新台幣)	30.50	28.20
Risk-free interest rate (%) (Note a)	無風險利率(%) (附註 a)	2.41	2.41
Expected life of option (Note b)	預計認股權有效期(附註 b)	5 years	5 years
Expected volatility (%) (Note c)	預計波幅(%) (附註 c)	33.37	33.41
Expected dividend yield (%) (Note d)	預計股息收益率(%) (附註 d)	—	—
Estimated fair value per share option (NT\$)	每份認股權的估計公平價值(新台幣)	10.21	9.45

Notes:

- (a) Risk free rate: being the approximate yields of 5-year TWD swap rate traded on the date of grant, matching the expected life of each option.
- (b) Expected life of option: being the period of 5 years commencing on the date of grant, based on the date of grant, based on management's best estimate for the effects of non-transferability, exercise restriction and behavioural consideration.
- (c) Expected volatility: being the implied volatility derived from traded options over Fubon Financial shares at the date of grant.
- (d) Expected dividend per annum: being the annual cash dividend for past financial year. This is nil as the exercise price is adjusted for any dividend paid.

7. 營運支出(續)**認股權的公平價值**

本集團已應用香港財務報告準則第2號「以股份為基礎的付款」，列賬於二零零七年七月三十一日及二零零七年十二月七日授出的認股權。

本公司採用Black-Scholes認股權定價模型(「該模型」)釐定所授出認股權的公平價值。該模型為普遍採用的模型之一，用於估計認股權的公平價值。於計算認股權公平價值時所採用的變量及假設是以管理層的最佳估計為基準。認股權的價值會隨若干主觀假設的不同變量而變化。就此採納的任何變量變化可能會對估計認股權的公平價值帶來重大影響。輸入該模型的數據如下：

Option granted on 31 July 2007 於二零零七年 七月三十一日 授出的認股權	Option granted on 7 December 2007 於二零零七年 十二月七日 授出的認股權
---	---

30.50	28.20
30.50	28.20
2.41	2.41
5 years	5 years
33.37	33.41
—	—
10.21	9.45

附註：

- (a) 無風險利率：即於授出日期交易的五年期台幣掉期利率的概約收益率，與每份認股權的預計有效期相匹配。
- (b) 預計認股權有效期：即於授出日期開始五年期限，基於授出日期，根據管理層對非轉讓性、行使限制及行為考慮因素影響的最佳估計為基準。
- (c) 預計波幅：即於授出日期富邦金融控股股份已交易認股權的隱含波幅。
- (d) 預計每年股息：即上個財政年度的全年現金股息。此項為零乃由於行使價就任何股息支付作出調整。

8. DIRECTORS' REMUNERATION

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

8. 董事酬金

根據香港《公司條例》第 161 條規定披露之董事酬金如下：

The Group	Directors' Fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payment expense (Note)	2010 Total
本集團	董事袍金	薪金、津貼及其他福利	酌情花紅	退休計劃供款	小計	以股份為基礎之付款支出(附註)	二零一零年總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Executive directors	執行董事						
Thomas Liang	455	3,772	2,595	120	6,942	1,112	8,054
James Yip	380	2,427	1,300	241	4,348	1,337	5,685
Non-executive directors	非執行董事						
Ming-Hsing (Richard) Tsai	596	-	-	-	596	-	596
Ming-Chung (Daniel) Tsai	511	-	-	-	511	-	511
Victor Kung	550	-	-	-	550	-	550
Michael Chang Ming-Yuen*	455	3,062	-	152	3,669	1,340	5,009
David Chang Kuo-Chun	360	-	-	-	360	-	360
Independent Non-Executive directors	獨立非執行董事						
Robert James Kenrick	676	-	-	-	676	-	676
Moses Tsang	436	-	-	-	436	-	436
Hung Shih	606	-	-	-	606	-	606
	5,025	9,261	3,895	513	18,694	3,789	22,483

* Mr Micheal Chang Ming-Yuen has changed from Executive Director to Non-Executive Director on 1 September 2010. Amounts shown above include remuneration for both positions during the year.

* 張明遠先生已於二零一零年九月一日由執行董事調任非執行董事。上述金額包括年內於兩個職位之薪酬。

8. DIRECTORS' REMUNERATION (continued)

8. 董事酬金(續)

The Group	Directors' Fee	Salaries, allowances and other benefits	Discretionary bonuses	Retirement scheme contributions	Sub-total	Share-based payment expense (Note)	2009 Total
本集團	董事袍金	薪金、津貼及其他福利	酌情花紅	退休計劃供款	小計	以股份為基礎之付款支出(附註)	二零零九年總額
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元
						(Restated)	(Restated)
						(重述)	(重述)
Executive directors	執行董事						
Thomas Liang	62	588	-	10	660	252	912
Jin-Yi Lee	300	5,899	-	265	6,464	464	6,928
Michael Chang Ming-Yuen	361	3,514	-	168	4,043	2,124	6,167
James Yip	305	2,365	400	216	3,286	2,119	5,405
Non-executive directors	非執行董事						
Ming-Hsing (Richard) Tsai	490	-	-	-	490	-	490
Ming-Chung (Daniel) Tsai	406	-	-	-	406	-	406
Victor Kung	453	-	-	-	453	-	453
David Chang Kuo-Chun	285	-	-	-	285	-	285
Independent Non-Executive directors	獨立非執行董事						
Robert James Kenrick	555	-	-	-	555	-	555
Moses Tsang	335	-	-	-	335	-	335
Hung Shih	482	-	-	-	482	-	482
	4,034	12,366	400	659	17,459	4,959	22,418

Note: These represent the estimated value of unlisted physically settled share options granted to the directors under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. during 2007 for the services rendered to the Group. The value of these share options is measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(o)(iii) and, in accordance with that policy, includes adjustments to reverse amounts accrued in previous years where grants of equity instruments are forfeited prior to vesting.

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "options" in the directors' report and note 7.

The amounts for 2009 have been restated to correct an error identified in the calculation of the share options fair value. The impact on the overall financial statements is not considered material and has been adjusted in 2010.

附註：這代表根據本行最終控股公司富邦金融控股股份有限公司於二零零七年的認股權計劃，因向本集團提供服務授予董事之非上市而實股結算之認股權之估計價值。該等認股權之價值乃根據附註2(o)(iii)所載以股份為基礎之交易之本集團會計政策編製，並(根據該政策)包括股權工具之授出於歸屬前沒收之情況下於過往年度累積之撥回金額調整。

該等福利之詳情(包括所授出認股權之主要條款及數目)於董事會報告「認股權」一段及附註7披露。

二零零九年之金額已經重述以糾正於計算購股權公平值時識別之錯誤。對整體財務報表之影響並不重大，並已於二零一零年作出調整。

9. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, three (2009: three) are Directors whose emoluments are disclosed in Note 8 above. The aggregate of the emoluments in respect of the other two (2009: two) individuals are as follows:

Basic salaries and other allowances	底薪及其他津貼
Contributions to pension scheme	退休計劃供款
Bonuses	花紅
Share-based payment expenses (Note)	以股份為基礎之付款支出(附註)

The emoluments of the two (2009: two) individuals with the highest emoluments are within the following bands:

HK\$3,000,001 – HK\$3,500,000	3,000,001 港元 – 3,500,000 港元
HK\$3,500,001 – HK\$4,000,000	3,500,001 港元 – 4,000,000 港元

Note: During 2007, two (2009: one) of the above individuals have been granted unlisted physically settled options under the share option scheme of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. for the services rendered to the Group. The share-based payment expense for the current year calculated in accordance with HKFRS 2 is included in Staff Costs (Note 7) and amounts to HK\$0.4 million (2009: HK\$1.5 million). The share-based payment expense represent the estimated value of those options measured according to the Group's accounting policies for share-based payment transactions as set out in note 2(o)(iii) and is included in Staff Costs (Note 7).

The amounts for 2009 have been restated to correct an error identified in the calculation of the share options fair value. The impact on the overall financial statements is not considered material and has been adjusted in 2010.

9. 薪酬最高人士

本集團薪酬最高之5位人士中，3位(二零零九年：3位)為董事，其薪酬已於上文附註8披露。其餘2位(二零零九年：2位)人士之酬金總額如下：

The Group 本集團	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (重述)
5,076	4,783
186	354
971	200
370	1,562
6,603	6,899

2位(二零零九年：2位)薪酬最高人士之酬金介乎以下範圍：

The Group 本集團	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2	1
–	1

附註：於二零零七年內，根據本行最終控股公司富邦金融控股股份有限公司的認股權計劃，上述人士之其中2位(二零零九年：1位)因向本集團提供服務獲授非上市而實股結算之認股權。本年度以股份為基礎的付款支出根據香港財務報告準則第2號計算為400,000港元(二零零九年：1,500,000港元)，並計入僱員成本內(附註7)。以股份為基礎之付款支出代表該筆認股權依本集團列載於附註2(o)(iii)有關以股份為基礎之付款的會計政策所估算的估計價值，並計入僱員成本內(附註7)。

二零零九年之金額已經重述以糾正於計算購股權公平值時識別之錯誤。對整體財務報表之影響並不重大，並已於二零一零年作出調整。

10. NET GAINS ON DISPOSALS OF AVAILABLE-FOR-SALE SECURITIES

Realisation of revaluation surplus previously recognised in the investment revaluation reserve (Note 13)	過往於投資重估儲備內確認之重估盈餘之變現(附註13)
Net gains arising in the current year	年內淨收益

10. 出售可供出售證券之淨收益

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

26,192	40,118
24,800	52,827
50,992	92,945

11. IMPAIRMENT LOSSES ON ADVANCES TO CUSTOMERS

Impairment losses (charged to)/released on advances to customers (Note 22)	已(扣除)/撥回之客戶貸款減值虧損(附註22)
– Additions	– 增加
– Releases	– 撥回

11. 客戶借款之減值虧損

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

(119,195)	(532,415)
109,482	47,498
(9,713)	(484,917)

12. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**(a) Taxation in the consolidated statement of comprehensive income represents:**

The provision for Hong Kong Profits Tax for 2010 is calculated at 16.5% (2009: 16.5%) of the estimated assessable profits for the year. Taxation for overseas subsidiaries is similarly calculated using the estimated annual effective rates of taxation that are expected to be appropriate in the relevant countries.

12. 綜合全面收益表內的所得稅**(a) 綜合全面收益表內的稅項**

二零一零年之香港利得稅撥備乃根據本年度之評估應課稅溢利之16.5% (二零零九年：16.5%)計算。海外附屬公司之稅項則按有關國家預期適用之估計實際年稅率計算。

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Tax for the year	年內稅項	15,042	23,595
Under/(over)-provision in respect of prior years	過往年度準備不足／ (超額準備)	14	(3,243)
		15,056	20,352
Current tax – Overseas Tax	即期稅項 – 海外稅項		
Tax for the year	年內稅項	259	78
Under-provision in respect of prior years	過往年度準備不足	27	–
		286	78
Deferred tax	遞延稅項		
Origination and reversal of temporary differences (Note 37(b))	暫時性差異產生及撥回(附註37(b))	30,906	(16,313)
		46,248	4,117

12. INCOME TAX IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)**(b) Reconciliation between tax expense and accounting profit at applicable tax rates**

	除稅前溢利
Profit before taxation	除稅前溢利
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	除稅前溢利之估計稅項，按以有關國家適用之應課稅率計算
Tax effect of non-taxable revenue	非應課稅項收入之稅項影響
Tax effect of non-deductible expenses	非可扣減支出之稅項影響
Under/(over)-provision in respect of prior years	過往年度準備不足／(超額準備)
Others	其他
Actual tax expense	實質稅項支出

13. OTHER COMPREHENSIVE INCOME

Available-for-sale securities: Changes in fair value recognised during the year	可供出售證券：本年度確認之公平價值變動
Amortisation of previous revaluation deficits recognised on available-for-sale securities which have subsequently been reclassified as other loans and receivables	重新分類為其他貸款及應收款項之可供出售證券於以前一年度確認之重估虧絀攤銷
Amounts transferred to profit or loss: – gains on disposal (Note 10) – impairment losses	轉撥至損益之金額：– 出售收益(附註10) – 減值虧損
Share of changes in fair value of available-for-sale securities held by an associate	應佔聯營公司之可供出售證券公平價值變動
Deferred taxation (Note 37(b))	遞延稅項(附註37(b))
Net movement in the investment revaluation reserve during the year recognised in other comprehensive income	本年度於其他全面收益確認之投資重估儲備淨變動

12. 綜合全面收益表內的所得稅(續)**(b) 稅項支出與按適用應課稅率計算之會計溢利間之對賬**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Profit before taxation	312,541	26,651
Notional tax on profit before taxation, calculated at the rates applicable to profits in the countries concerned	51,569	4,397
Tax effect of non-taxable revenue	(11,204)	(4,584)
Tax effect of non-deductible expenses	8,536	7,547
Under/(over)-provision in respect of prior years	41	(3,243)
Others	(2,694)	–
Actual tax expense	46,248	4,117

13. 其他全面收益

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Available-for-sale securities: Changes in fair value recognised during the year	(24,363)	351,504
Amortisation of previous revaluation deficits recognised on available-for-sale securities which have subsequently been reclassified as other loans and receivables	33,834	37,987
Amounts transferred to profit or loss: – gains on disposal (Note 10) – impairment losses	(26,192) 16,544	(40,118) 22,627
Share of changes in fair value of available-for-sale securities held by an associate	(4,184)	(3,296)
Deferred taxation (Note 37(b))	(2,405)	(63,507)
Net movement in the investment revaluation reserve during the year recognised in other comprehensive income	(6,766)	305,197

14. EARNINGS PER SHARE

The earnings per share is calculated on profit attributable to shareholders of HK\$266,966,000 (2009: HK\$22,995,000) net of preference share dividend of HK\$83,896,000 (2009: HK\$83,517,000) and 1,172,160,000 (2009: 1,172,160,000) ordinary shares in issue during the year. There are no convertible loan capital, options or warrants outstanding which would cause a dilution of the earnings per share.

15. PROFIT ATTRIBUTABLE TO SHAREHOLDERS OF THE BANK

The consolidated profit attributable to shareholders of the Bank includes a gain of HK\$218,696,000 (2009: loss of HK\$14,718,000) which has been dealt with in the financial statements of the Bank.

Reconciliation of the above amount to the Bank's profit for the year:

Amount of consolidated profit/(loss) attributable to equity shareholders dealt with in the Bank's financial statements	計入本行財務報告內之股東應佔綜合溢利/(虧損)
Interim dividends from a subsidiary attributable to the profits of previous financial years, approved and paid during the year	附屬公司於本年度通過及派付之來自過往財政年度溢利之中期股息
Bank's profit for the year (Note 41)	本行之本年度溢利(附註41)

14. 每股盈利

每股盈利乃按年內股東應佔溢利266,966,000港元(二零零九年: 22,995,000港元)(減去優先股股息83,896,000港元(二零零九年: 83,517,000))及於年內已發行普通股1,172,160,000股(二零零九年: 1,172,160,000股)計算。本行並無任何可兌換之資本貸款、期權或可兌換認股證以致對每股盈利構成攤薄影響。

15. 本行股東應佔溢利

本行股東應佔綜合溢利包括已計入本行財務報告內之溢利218,696,000港元(二零零九年: 虧損14,718,000港元)。

上述金額與本行本年度溢利之對賬:

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	218,696	(14,718)
	86,291	178,570
	304,987	163,852

16. SEGMENT REPORTING

Segment information is presented in respect of the Group's operating segments which are the components of the Group about which separate financial information is available and evaluated regularly by the Chief Executive Officer in deciding how to allocate resources and in assessing performance.

Several key changes in the 2010 internal management reporting methodology are set out below:

- The Mass Market business is grouped under Wealth Management in 2010 as opposed to Consumer Banking in 2009;
- A new department, Funding Centre, is established in 2010 to closely monitor the overall funding, liquidity and interest rate risk positions of the Group. This is considered to be an operating segment as its results are separately reported to the Chief Executive Officer.
- In 2010, where operating income is derived from the joint efforts of two operating segments on a third-party fee-related transaction, the operating income is split equally between the relevant operating segments. In 2009, operating income (and the related funding costs) derived from the joint-effort transaction was recorded in all relevant operating segments and the additional operating income recorded from this treatment was eliminated on consolidation;
- In 2010, the assets attributable to a transaction with joint efforts of two or more operating segments are no longer recorded in all relevant operating segments and there are no additional assets recorded and eliminated on consolidation. In 2009, the assets attributable to the transaction were recorded in all relevant operating segments and the additional assets recorded from this treatment were eliminated on consolidation; and
- In 2010, there is no apportionment of centralised management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. In 2009, there was apportionment of certain centralised management overheads and all support units' costs were allocated to the respective operating segments.

16. 分部資料

分部資料乃根據本集團的經營分部編製。本集團之經營分部為本集團之組成部份，相關之財務資料可被獨立地提供及行政總裁用作定期評估以決定如何分配資源和評核表現。

2010年內部管理報告方法若干主要改變載列如下：

- 在二零一零年零售市場被列入財富管理，相對於二零零九年在消費金融內；
- 資金部在二零一零年新成立以密切監察本集團整體資金、流動資金以及利率風險倉盤；這是一個經營分部因其業績須個別向行政總裁匯報；
- 在二零一零年，兩個經營分部在第三方非利息收入相關交易上聯合努力所賺取之營運收入會被相關經營分部分。在二零零九年，從聯合努力交易上所賺取之營運收入(以及相關之資金成本)將紀錄在全部相關之經營分部，而從此項處理所紀錄的額外營運收入於綜合處理程序時抵銷；
- 在二零一零年，從兩個或以上經營分部在交易上聯合努力所產生之資產不再紀錄在全部相關之經營分部，也沒有額外資產被記錄和於綜合處理程序時被抵銷。在二零零九年，從這交易上所產生之資產將紀錄在全部相關之經營分部，而從此項處理所紀錄的額外資產於綜合處理程序時抵銷；及
- 在二零一零年，統一管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，將在各經營部門扣除。在二零零九年，若干統一管理費用及所有後勤部門費用被分攤，並在各經營部門扣除。

16. SEGMENT REPORTING (continued)**Operating segments**

The Bank and its subsidiaries are principally engaged in the provision of banking and related financial services. Reportable segments of the Group are set out below.

Consumer Banking comprises credit card merchant acquiring, provision of credit card advances, mortgage lending and other consumer lending.

Wealth Management comprises securities brokerage, the sales and distribution of wealth management products to wealth management clients, defined as those with a higher value of assets under administration, provision of banking services to the Mass Market segment and provision of insurance and unit trust wealth management services.

Corporate and Investment Banking comprises the Small and Medium Enterprise business and the Corporate Banking business. The Small and Medium Enterprise business include both personal and corporate equipment financing, commercial lending to small and medium enterprises. Corporate Banking covers trade financing, syndicated loans and other corporate lending.

Financial Markets mainly engages in foreign exchange and fixed income securities trading activities, the marketing of investment products and managing the Bank's investment portfolio.

Funding Centre manages the overall funding, liquidity and interest rate risk positions arising from the banking activities of the Group.

Segment results, assets and liabilities

For the purpose of segmental analysis, the allocation of revenue reflects the benefits of capital and other funding resources allocated to the operating segments by way of internal capital allocation and fund transfer-pricing mechanisms. To reflect the benefit of joint efforts of two operating segments on a third-party fee-related transaction, operating income derived from the transaction is split equally and recorded in the relevant operating segments. This treatment has been changed for consistency with internal management reporting. Previously, operating income (and the related funding costs) derived from the joint-effort transaction was recorded in all relevant operating segments and the additional operating income recorded from this treatment was eliminated on consolidation.

Cost allocation is based on the direct costs incurred by the respective operating segments. For consistency with internal management reporting there is no apportionment of centralised management overheads and only wholly and directly attributable costs of support units are charged to the respective operating segments. Rental charges at market rates for usage of premises are reflected in "Operating Expense" and "Inter-segment Expense" for the respective operating segments.

16. 分部資料(續)**經營分部**

本行及其附屬公司之主要業務為提供銀行及相關之金融服務。本集團可申報業務分部載列如下。

消費金融包括信用卡商戶服務、信用卡信貸服務、按揭及其他消費信貸。

財富管理包括證券買賣，向財富管理客戶(解釋為受管理資產價值較高的客戶)銷售及分銷財富管理產品，向零售市場提供銀行服務，以及提供保險和單位信託財富管理服務。

企業金融包括中小企業務及企業銀行業務。中小企業務包括私人及企業設備融資、中小企業商業借貸。企業銀行業務涵蓋貿易融資、銀團貸款及其他企業借貸。

金融市場業務主要從事外匯和定息證券交易活動，投資產品的市場推廣以及本行的投資組合管理。

資金部主要管理本集團整體資金、流動資金以及由銀行業務衍生之利率風險倉盤。

分部業績、資產及負債

按部分析下之收入劃分，是反映各經營分部，透過內部資本分配和資金調撥機制獲分派之資本及其他資金所賺取之回報。為反映兩個經營分部在第三方非利息收入相關交易上聯合努力所賺取之回報，從這交易上所賺取之營運收入將會平分並紀錄在相關之經營分部。這種處理的改動是為與內部管理報告一致。在此之前，從聯合努力交易上所賺取之營運收入(以及相關之資金成本)將紀錄在全部相關之經營分部，而從此項處理所紀錄的額外營運收入於綜合處理程序時抵銷。

成本分配則以各經營分部之直接成本計算。為與內部管理報告一致，統一管理費用不被分攤，只有完全及直接可歸因於各經營分部的後勤部門費用，將在各經營部門扣除。各經營分部使用物業，按市值計算之租金反映於各經營分部之「營運支出」及「跨分部支出」內。

16. SEGMENT REPORTING (continued)**Segment results, assets and liabilities** (continued)

Segment assets mainly include advances to customers less impairment, investment in securities and financial instruments, inter-bank placements, current assets and premises attributable to the operating segments. For consistency with internal management reporting, the assets attributable to a transaction with joint efforts of two or more operating segments are no longer recorded in all relevant operating segments and there are no additional assets recorded and eliminated on consolidation.

Segment liabilities mainly include deposits from customers, certificates of deposit and debt securities issued, inter-bank borrowings, and accruals attributable to the operating segments.

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment lending), interest expense, depreciation, amortisation, impairment losses and additions to non-current segment assets used by the segments in their operations.

Unallocated items mainly comprise the central management unit, management of strategic investments, premises and property management and other activities which cannot be reasonably allocated to specific business segments.

2010 segment information is presented in two bases below, one based on 2010 internal management reporting methodology and the other one based on 2009 methodology for comparative purpose. No restatement has been made to 2009 segment information.

16. 分部資料 (續)**分部業績、資產及負債** (續)

分部資產主要包括各經營分部應佔客戶貸款減減值、證券投資、金融工具、銀行同業放款、流動資產及物業。為與內部管理報告一致，從兩個或以上經營分部在交易上聯合努力所產生之資產不再記錄在全部相關之經營分部，也沒有額外資產被記錄和於綜合處理程序時被抵銷。

分部負債主要包括各經營分部應佔客戶存款、已發行存款證、已發行債務證券、銀行同業存款及應計款項。

除了分部資料中的除稅前溢利資料外，管理層還被提供其他分部資料包括收入(包括跨業務貸款)、利息支出、折舊、攤銷、減值虧損及用於分部運作的新增非流動分部資產。

未分配項目主要包括中央管理單位、策略投資管理、樓宇及物業管理以及其他未能合理分配到特定業務類別的活動。

二零一零年分部資料用以下兩個準則編製，一個是根據二零一零年的內部管理報告的方法，另一個則根據二零零九年的方法編製以作比較目的。二零零九年分部資料沒有被重述。

16. SEGMENT REPORTING (continued)

Operating segments (continued)

2010 segment information prepared on the 2010 internal management reporting methodology is set out below:

16. 分部資料(續)

經營分部(續)

根據2010年的內部管理報告的方法編制的2010分部資料如下：

		2010 二零一零年					Reportable Segments Total
		Consumer Banking 消費金融及 零售市場 HK\$'000 千港元	Wealth Management 財富管理 HK\$'000 千港元	Corporate and Investment Banking 企業金融 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	Funding Centre 資金部 HK\$'000 千港元	可申報 分部總額 HK\$'000 千港元
Net interest income	淨利息收入	171,413	53,804	234,796	216,612	172,175	848,800
Other operating income/(expense) from external customers	源自外界客戶 其他營運收入/(開支)	132,709	194,560	46,865	11,034	(40,559)	344,609
Fee and commission expense	費用及佣金支出	(45,701)	(14,938)	(1,737)	(7,451)	-	(69,827)
Other operating income/(expense)	其他營運收入/(開支)	87,008	179,622	45,128	3,583	(40,559)	274,782
Operating income	營運收入	258,421	233,426	279,924	220,195	131,616	1,123,582
Operating expenses	營運支出	(137,301)	(213,172)	(87,133)	(50,689)	(4,559)	(492,854)
Inter-segment expenses	跨分部支出	(2,905)	(33,001)	(2,982)	-	-	(38,888)
Operating profit/(loss) before gains and impairment losses	未計收益及撥備前 經營溢利/(虧損)	118,215	(12,747)	189,809	169,506	127,057	591,840
(Charge for)/write back of impairment losses on advances to customers	客戶貸款之減值虧損之 (扣除)/回撥	(14,127)	6,510	(4,177)	-	-	(11,794)
Impairment losses on other assets	其他資產之減值虧損	-	(621)	(16,649)	-	-	(17,270)
Impairment losses on available-for-sale securities	可供出售證券減值之虧損	-	-	-	(15,090)	-	(15,090)
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得 資產減值虧損之回撥	-	-	17	-	-	17
Net gains on disposal of available-for-sale assets	出售可供出售證券之淨收益	-	-	-	30,512	6,845	37,357
Profit/(loss) before taxation	除稅前溢利/(虧損)	104,088	(6,858)	169,000	184,928	133,902	585,060
Operating expenses – depreciation	營運支出—折舊	(2,093)	(7,994)	(2,937)	(1,145)	(39)	(14,208)
Segment assets	分部資產	13,869,323	871,515	14,922,453	13,367,291	16,526,738	59,557,320
Segment liabilities	分部負債	520,801	28,545,664	14,893,626	920,695	10,837,386	55,718,172

16. SEGMENT REPORTING (continued)

Operating segments (continued)

2010 segment information prepared on the 2009 internal management reporting methodology for comparative purpose is set out below:

16. 分部資料(續)

經營分部(續)

根據2009年的方法編製以作比較目的的2010分部資料如下：

		2010 二零一零年				Reportable Segments Total 可申報 分部總額 HK\$'000 千港元
		Consumer Banking 消費金融及 零售市場 HK\$'000 千港元	Wealth Management 財富管理 HK\$'000 千港元	Corporate and Investment Banking 企業金融 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	
Net interest income	淨利息收入	208,397	51,616	234,796	388,788	883,597
Other operating income from external customers	源自外界客戶 其他營運收入	164,735	195,874	54,236	19,799	434,644
Fee and commission expense	費用及佣金支出	(54,610)	(6,029)	(1,737)	(7,451)	(69,827)
Other operating income	其他營運收入	110,125	189,845	52,499	12,348	364,817
Operating income	營運收入	318,522	241,461	287,295	401,136	1,248,414
Operating expenses	營運支出	(246,732)	(307,217)	(193,830)	(126,360)	(874,139)
Inter-segment expenses	跨分部支出	(2,905)	(33,001)	(2,982)	-	(38,888)
Operating profit/(loss) before gains and impairment losses	未計收益及撥備前 經營溢利/(虧損)	68,885	(98,757)	90,483	274,776	335,387
(Charge for)/write back of impairment losses on advances to customers	客戶貸款之減值虧損之 (扣除)/回撥	(14,067)	6,719	(4,163)	-	(11,511)
Impairment losses on other assets	其他資產之減值虧損	-	(621)	(16,649)	-	(17,270)
Impairment losses on available-for-sale securities	可供出售證券之 減值虧損	-	-	-	(19,472)	(19,472)
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得 資產減值虧損之回撥	-	-	17	-	17
Net gains on disposal of available-for-sale assets	出售可供出售證券之淨收益	-	-	-	37,357	37,357
Profit/(loss) before taxation	除稅前溢利/(虧損)	54,818	(92,659)	69,688	292,661	324,508
Operating expenses – depreciation	營運支出 – 折舊	(2,093)	(7,994)	(2,937)	(1,184)	(14,208)
Segment assets	分部資產	17,785,113	876,414	14,922,453	30,064,762	63,648,742
Segment liabilities	分部負債	520,801	28,545,664	14,893,626	11,758,081	55,718,172

16. SEGMENT REPORTING (continued)

Operating segments (continued)

16. 分部資料(續)

經營分部(續)

		2009 二零零九年				Reportable Segments Total 可申報 分部總額
		Consumer Banking 消費金融及 零售市場 HK\$'000 千港元	Wealth Management 財富管理 HK\$'000 千港元	Corporate and Investment Banking 企業金融 HK\$'000 千港元	Financial Markets 金融市場 HK\$'000 千港元	HK\$'000 千港元
Net interest income	淨利息收入	186,202	75,034	358,202	568,556	1,187,994
Other operating income from external customers	源自外界客戶 其他營運收入	149,474	303,277	71,276	70,124	594,151
Fee and commission expense	費用及佣金支出	(34,954)	(7,091)	(7,762)	(13,246)	(63,053)
Other operating income	其他營運收入	114,520	296,186	63,514	56,878	531,098
Operating income	營運收入	300,722	371,220	421,716	625,434	1,719,092
Operating expenses	營運支出	(216,827)	(319,903)	(215,564)	(123,300)	(875,594)
Inter-segment expenses	跨分部支出	(1,901)	(28,391)	(5,351)	-	(35,643)
Operating profit before gains and impairment losses	未計收益及撥備前 經營溢利	81,994	22,926	200,801	502,134	807,855
Impairment losses on advances to customers	客戶貸款之減值虧損	(25,296)	(8,649)	(452,590)	-	(486,535)
Impairment losses on available-for-sale securities	可供出售證券 之減值虧損	-	-	-	(67,124)	(67,124)
Charge for impairment losses on assets acquired under lending agreements	根據貸款協議所得 資產減值虧損之扣除	-	-	(324)	-	(324)
Net gains on disposal of available-for-sale assets	出售可供出售 資產之淨收益	-	-	-	80,258	80,258
Profit/(loss) before taxation	除稅前溢利/(虧損)	56,698	14,277	(252,113)	515,268	334,130
Operating expenses – depreciation	營運支出 – 折舊	(378)	(8,728)	(3,122)	(3,216)	(15,444)
Segment assets	分部資產	16,218,370	2,942,095	15,616,374	29,669,699	64,446,538
Segment liabilities	分部負債	2,258,594	26,945,091	15,293,344	10,608,577	55,105,606

16. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities

16. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬

		2010 二零一零年 HK\$'000 千港元 (2010 Methodology) (二零一零年方法)
Revenues	收入	
Reportable segment operating income	可申報分部營運收入	1,123,582
Elimination of inter-segment operating income	跨業務營運收入抵銷	(57,732)
Unallocated revenue	未分配收入	72,263
		1,138,113
Consolidated operating income	綜合營運收入	
Profit before tax	除稅前溢利	
Reportable segment profit before tax	可申報分部除稅前溢利	585,060
Unallocated operating income	未分配營運收入	72,263
Unallocated operating expenses	未分配營運支出	(382,142)
Write back of impairment losses on advances to customers	客戶貸款之減值虧損之回撥	2,081
Impairment losses on available-for-sale securities	可供出售證券減值虧損	(4,382)
Impairment losses on advances to an associate	對聯營公司貸款之減值虧損	(681)
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥	400
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益	13,635
Net losses on disposals of fixed assets	出售固定資產之淨虧損	(5,045)
Share of profits of an associate	應佔聯營公司溢利	31,352
		312,541
Consolidated profit before tax	綜合除稅前溢利	
Assets	資產	
Reportable segment assets	可申報分部資產	59,557,320
Unallocated fixed assets	未分配固定資產	553,982
Interests in associates	於聯營公司之權益	532,353
Unallocated other assets	未分類其他資產	1,135,980
		61,779,635
Consolidated total assets	綜合資產總額	
Liabilities	負債	
Reportable segment liabilities	可申報分部負債	55,718,172
Unallocated other liabilities	未分類其他負債	967,195
		56,685,367
Consolidated total liabilities	綜合負債總額	

16. SEGMENT REPORTING (continued)

Reconciliation of Reportable Segment Revenue, Profit & Loss, Assets & Liabilities (continued)

16. 分部資料(續)

可申報業務收入、溢利及虧損、資產及負債之對賬(續)

		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
(2009 Methodology) (二零零九年方法)			
Revenues	收入		
Reportable segment operating income	可申報分部營運收入	1,248,414	1,719,092
Elimination of inter-segment operating income	跨業務營運收入抵銷	(173,999)	(344,679)
Unallocated revenue	未分配收入	63,698	46,254
Consolidated operating income	綜合營運收入	1,138,113	1,420,667
Profit before tax	除稅前溢利		
Reportable segment profit before tax	可申報分部除稅前溢利	324,508	334,130
Unallocated operating income	未分配營運收入	63,698	46,254
Unallocated operating expenses	未分配營運支出	(857)	(101,611)
Write back of impairment losses on advances to customers	客戶貸款之減值虧損之回撥	2,084	2,320
(Charge for)/write back of impairment losses on advances to an associate	對聯營公司貸款之減值虧損(扣除)/回撥	(681)	346
Write back of impairment losses on assets acquired under lending agreements	根據貸款協議所得資產減值虧損之回撥	400	5,061
Net gains on disposals of available-for-sale securities	出售可供出售證券之淨收益	13,635	12,687
Net losses on disposals of fixed assets	出售固定資產之淨虧損	(5,045)	(16)
Share of profits of an associate	應佔聯營公司之溢利	31,352	14,309
Elimination of inter-segment profit before tax	跨業務除稅前溢利抵銷	(116,553)	(286,829)
Consolidated profit before tax	綜合除稅前溢利	312,541	26,651
Assets	資產		
Reportable segment assets	可申報分部資產	63,648,742	64,446,538
Unallocated advances to customers	未分配客戶貸款	-	135,100
Unallocated fixed assets	未分配固定資產	553,982	612,627
Interests in associates	於聯營公司之權益	532,353	386,510
Unallocated other assets	未分類其他資產	965,247	995,813
Elimination of inter-segment loans	跨業務貸款抵銷	(3,920,689)	(5,597,288)
Consolidated total assets	綜合資產總額	61,779,635	60,979,300
Liabilities	負債		
Reportable segment liabilities	可申報分部負債	55,718,172	55,105,606
Unallocated other liabilities	未分配其他負債	967,195	939,134
Consolidated total liabilities	綜合負債總額	56,685,367	56,044,740

16. SEGMENT REPORTING (continued)**Geographical information**

Geographical information analysis is based on the locations of the principal operations of the subsidiaries or on the location of the branches of the Bank responsible for reporting the results or booking the assets, the location of customers and the location of assets. For the years ended 31 December 2010 and 2009, all of the Group's operating income and profit before taxation were generated by assets booked by the branches and subsidiaries of the Bank located in Hong Kong.

Major Customers

For the years ended 31 December 2010 and 2009, no single customer or a group of customers under common control contributes 10% or more of the Group's revenues.

17. CASH AND SHORT-TERM FUNDS**16. 分部資料(續)****區域資料**

區域資料之分析是根據附屬公司之主要業務所在地點，或按負責報告業績或將資產入賬之本行分行位置、客戶位置及資產位置予以披露。截至二零一零年及二零零九年十二月三十一日止年度，本集團之所有營運收入及除稅前溢利均是從位於香港的本行分行及附屬公司入賬之資產所產生。

主要客戶

截至二零一零年及二零零九年十二月三十一日止年度，並無任何單一客戶或共同控制下之一組客戶佔本集團收入10%或以上。

17. 現金及短期資金

	The Group		The Bank	
	本集團		本行	
	2010	2009	2010	2009
	二零一零年	二零零九年	二零一零年	二零零九年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
Cash in hand	99,367	112,170	99,367	112,170
Balances with the HKMA	661,488	2,020,875	661,488	2,020,875
Balances with banks	1,054,548	346,822	1,052,098	345,499
Money at call and short notice*	961,948	2,935,022	961,948	2,935,022
	2,777,351	5,414,889	2,774,901	5,413,566

* Money at call and short notice represents deposits of up to a maximum of one month maturity from the balance sheet date.

* 通知及短期存款指由結算日起計最長一個月到期之存款。

18. BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS 18. 銀行同業及其他金融機構結餘

	The Group 本集團		The Bank 本行	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Placements with banks maturing within:				
– 3 months or less but over 1 month	1,481,917	76,775	1,404,955	–
– 1 year or less but over 3 months	544,173	240,902	544,173	240,902
	2,026,090	317,677	1,949,128	240,902
Advances to other financial institutions	–	50,000	–	50,000
Amount due from banks under reverse repurchase agreements	109,579	–	109,579	–
	2,135,669	367,677	2,058,707	290,902

19. TRADING SECURITIES

19. 持作交易用途之證券

	The Group 本集團		The Bank 本行	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Trading securities at fair value				
Treasury bills (including Exchange Fund Bills)-unlisted	962,662	100,496	962,662	100,496
Debt securities				
– Listed in Hong Kong	947	956	947	956
– Unlisted	3,049	3,968	3,049	3,968
Equity securities				
– Listed in Hong Kong	115	102	–	–
Total	966,773	105,522	966,658	105,420
Trading securities are issued by:				
– Governments and central banks	962,662	100,496	962,662	100,496
– Public sector entities	3,996	4,924	3,996	4,924
– Banks	6	39	–	–
– Corporate entities	109	63	–	–
	966,773	105,522	966,658	105,420

20. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS**20. 指定為通過損益以反映公平價值之金融資產**

		The Group and the Bank 本集團及本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
<i>Debt securities at fair value</i>	<i>債務證券之公平價值</i>		
– Listed in Hong Kong	– 於香港上市	84,724	84,515
– Listed outside Hong Kong	– 於香港以外上市	–	247,109
– Unlisted	– 非上市	321,544	310,113
Total	總值	406,268	641,737
<i>Financial assets designated at fair value through profit or loss are issued by:</i>	<i>指定為通過損益以反映公平價值之金融資產由以下機構發行：</i>		
– Public sector entities	– 公營機構	–	81,853
– Banks	– 銀行	–	165,256
– Corporate entities	– 企業實體	406,268	394,628
		406,268	641,737

Debt securities have been designated at fair value through profit or loss upon initial recognition when either the Group holds related derivatives at fair value through profit or loss and designation therefore eliminates or significantly reduces an accounting mismatch that would otherwise arise; or the debt securities are managed and evaluated on a fair value basis.

當本集團同時持有與債務證券相關通過損益以反映公平價值的衍生工具，或本集團對該債務證券是以公平價值基準作為內部管理、評估及匯報，該債務證券會於初次確認時指定為通過損益以反映公平價值。

21. DERIVATIVE FINANCIAL INSTRUMENTS

The sale to customers of derivatives as risk management products and the subsequent use of derivatives to manage the resulting positions is an integral part of the Group's business activities. Derivatives are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other trading positions or for balance sheet management. For accounting purposes, derivatives are classified as either held for trading, qualifying for hedge accounting, or managed in conjunction with financial instruments designated at fair value through profit or loss.

21. 衍生金融工具

向客戶出售衍生工具以作為風險管理產品及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用以管理本集團所承受的市場風險，作為其資產負債管理的程序一部分。本集團所採用的衍生工具主要為利率及外匯相關合約，該等合約主要為場外衍生工具。本集團亦參與交易所買賣衍生工具。本集團大部分的衍生工具持倉均為配合客戶需求以及為對沖該等和其他交易倉盤或管理資產負債表而訂立。就會計目的而言，衍生工具被分類為持作交易用途、合資格採用對沖會計法或與指定通過損益以反映公平價值之金融工具共同進行管理。

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices. The notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date and do not represent amounts at risk. The following is a summary of the notional amounts of each significant type of derivatives entered into by the Group:

21. 衍生金融工具(續)

(a) 衍生工具之名義金額

此等衍生工具指其價值視乎一項或多項有關資產或指數之價值而定之金融合約。此等工具之名義金額顯示於結算日尚未平倉之交易量，而並非代表涉及風險金額。以下為本集團訂立之各主要類型衍生工具之名義金額之概要：

		The Group and the Bank 本集團及本行			
		2010 二零一零年			
		Managed in conjunction with financial instruments designated at fair value through profit or loss 就指定為透過損益 以反映公平價值 之金融工具 共同進行管理			
		Qualifying for hedge accounting 合資格採用 對沖會計法 HK\$'000 千港元	Held for trading 持作交易用途 HK\$'000 千港元	Total 總額 HK\$'000 千港元	
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期	-	-	2,902,140	2,902,140
- Swaps	- 掉期	-	-	33,478,191	33,478,191
- Options purchased	- 購入期權	-	-	3,059,047	3,059,047
- Options written	- 沽出期權	-	-	3,043,401	3,043,401
		-	-	42,482,779	42,482,779
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期	4,367,377	374,348	5,551,516	10,293,241
- Options purchased	- 購入期權	-	-	227,584	227,584
		4,367,377	374,348	5,779,100	10,520,825
Equity derivatives	股票衍生工具				
- Swaps	- 掉期	-	-	342,802	342,802
- Options purchased	- 購入期權	-	-	136,742	136,742
- Options written	- 沽出期權	-	-	136,742	136,742
		-	-	616,286	616,286
Total	總額	4,367,377	374,348	48,878,165	53,619,890

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(a) Notional amounts of derivatives (continued)

		Managed in conjunction with financial instruments	Qualifying for hedge accounting	Held for trading	Total
		就指定為通過損益 以反映公平價值 之金融工具	合資格採用 對沖會計法	持作交易用途	總額
		共同進行管理	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期		-	3,686,721	3,686,721
- Swaps	- 掉期		-	8,734,426	8,734,426
- Options purchased	- 購入期權		-	1,132,132	1,132,132
- Options written	- 沽出期權		-	1,128,639	1,128,639
			-	14,681,918	14,681,918
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期		3,941,867	11,085,267	15,619,819
- Options purchased	- 購入期權		-	67,541	67,541
			3,941,867	11,152,808	15,687,360
Equity derivatives	股票衍生工具				
- Swaps	- 掉期		-	787,594	787,594
- Options purchased	- 購入期權		-	133,185	133,185
- Options written	- 沽出期權		-	133,185	133,185
			-	1,053,964	1,053,964
Total	總額		3,941,867	26,888,690	31,423,242

The above amounts are shown on a gross basis without taking into account the effect of any bilateral netting arrangements.

Derivatives reported as qualifying for hedge accounting represent hedging instruments designated as hedges under HKAS 39.

21. 衍生金融工具(續)

(a) 衍生工具之名義金額(續)

		The Group and the Bank 本集團及本行		2009 二零零九年	
		Managed in conjunction with financial instruments	Qualifying for hedge accounting	Held for trading	Total
		就指定為通過損益 以反映公平價值 之金融工具	合資格採用 對沖會計法	持作交易用途	總額
		共同進行管理	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Exchange rate derivatives	匯率衍生工具				
- Forwards	- 遠期		-	3,686,721	3,686,721
- Swaps	- 掉期		-	8,734,426	8,734,426
- Options purchased	- 購入期權		-	1,132,132	1,132,132
- Options written	- 沽出期權		-	1,128,639	1,128,639
			-	14,681,918	14,681,918
Interest rate derivatives	利率衍生工具				
- Swaps	- 掉期		3,941,867	11,085,267	15,619,819
- Options purchased	- 購入期權		-	67,541	67,541
			3,941,867	11,152,808	15,687,360
Equity derivatives	股票衍生工具				
- Swaps	- 掉期		-	787,594	787,594
- Options purchased	- 購入期權		-	133,185	133,185
- Options written	- 沽出期權		-	133,185	133,185
			-	1,053,964	1,053,964
Total	總額		3,941,867	26,888,690	31,423,242

上述金額以總額顯示，並無計及任何雙邊淨額結算安排之影響。

報告為合資格採用對沖會計法之衍生工具指根據香港會計準則第39號指定作為對沖之對沖工具。

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(b) Fair values and credit risk weighted amounts of derivatives**

Credit risk-weighted amount refers to the amount as computed in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance. The amount depends on the status of the counterparty and the maturity characteristics. The risk weights used range from 0% to 100%.

These amounts are shown on a gross basis without taking into account the effect of bilateral netting arrangements and are as below:

21. 衍生金融工具(續)**(b) 衍生工具之公平價值及信貸風險加權金額**

信貸風險加權金額指根據《銀行業條例》下之《銀行業(資本)規則》計算之金額。此等金額須視乎交易對手之現況及到期期限特點而定。所採用之信貸風險加權比率介乎0%至100%。

該等金額並無計及雙邊淨額結算安排並以總額顯示如下：

		The Group and the Bank 本集團及本行					
		2010 二零一零年			2009 二零零九年		
		Fair value assets	Fair value liabilities	Credit risk weighted amount	Fair value assets	Fair value liabilities	Credit risk weighted amount
		公平價值資產 HK\$'000 千港元	公平價值負債 HK\$'000 千港元	信貸風險 加權金額 HK\$'000 千港元	公平價值資產 HK\$'000 千港元	公平價值負債 HK\$'000 千港元	信貸風險 加權金額 HK\$'000 千港元
Exchange rate derivatives	匯率衍生工具						
- Forwards	- 遠期	324,873	2,558	3,027	311,249	1,293	2,814
- Swaps	- 掉期	41,791	47,977	90,428	26,916	10,728	18,762
- Options purchased	- 購入期權	12,503	-	32,238	651	-	2,668
- Options written	- 沽出期權	-	12,459	-	-	651	-
		379,167	62,994	125,693	338,816	12,672	24,244
Interest rate derivatives	利率衍生工具						
- Swaps	- 掉期	94,025	248,676	62,284	222,752	328,652	78,910
- Options purchased	- 購入期權	1,857	-	-	1,649	-	-
		95,882	248,676	62,284	224,401	328,652	78,910
Equity derivatives	股票衍生工具						
- Swaps	- 掉期	15,079	15,079	13,912	65,598	65,598	11,770
- Options purchased	- 購入期權	1,505	-	-	3,195	-	-
- Options written	- 沽出期權	-	1,505	-	-	3,195	-
		16,584	16,584	13,912	68,793	68,793	11,770
Other derivatives	其他衍生工具	-	249,060	-	-	241,779	-
Total	總額	491,633	577,314	201,889	632,010	651,896	114,924

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(c) Fair values of derivatives designated as hedging instruments***Fair value hedges*

Fair value hedges consist of interest rate swaps that are used to protect against changes in the fair value of certain of the Bank's subordinated notes issued and certain fixed-rate debt securities due to movements in market interest rates.

The following is a summary of the fair values of derivatives held for hedging purposes entered into by the Group and the Bank:

Interest rate derivatives 利率衍生工具

21. 衍生金融工具(續)**(c) 指定作為對沖工具之衍生工具之公平價值**

公平價值對沖

公平價值對沖包括用作保障本行的若干已發行後償票據及若干定息債券因市場利率變動而出現之公平價值變化的利率掉期。

本集團及本行訂立之持作對沖目的之衍生工具之公平價值摘要如下：

The Group and the Bank

本集團及本行

2010 二零一零年		2009 二零零九年	
Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元	Fair value assets 公平價值資產 HK\$'000 千港元	Fair value liabilities 公平價值負債 HK\$'000 千港元
42,304	215,011	91,435	113,207

(d) Remaining life of derivative instruments

The following table provides an analysis of the notional amounts of derivatives of the Group and the Bank by relevant maturity grouping based on the remaining periods to settlement at the balance sheet date.

2010 二零一零年

Exchange rate derivatives 匯率衍生工具
Interest rate derivatives 利率衍生工具
Equity derivatives 股票衍生工具

Total 總額

(d) 衍生工具之剩餘期限

下表為本集團及本行，按於結算日時直至交收剩餘期限之相關到期組別劃分之衍生工具名義金額的分析。

The Group and the Bank

本集團及本行

Notional amounts with remaining life of

屬以下剩餘年期之名義金額

Total 總額 HK\$'000 千港元	Over 1		
	1 year or less 一年或以下 HK\$'000 千港元	year to 5 years 一年以上至五年 HK\$'000 千港元	Over 5 years 五年以上 HK\$'000 千港元
42,482,779	41,979,368	503,411	–
10,520,825	5,697,335	3,163,650	1,659,840
616,286	340,738	275,548	–
53,619,890	48,017,441	3,942,609	1,659,840

21. DERIVATIVE FINANCIAL INSTRUMENTS (continued)**(d) Remaining life of derivative instruments** (continued)

2009	二零零九年
Exchange rate derivatives	匯率衍生工具
Interest rate derivatives	利率衍生工具
Equity derivatives	股票衍生工具
Total	總額

21. 衍生金融工具 (續)**(d) 衍生工具之剩餘期限** (續)

The Group and the Bank 本集團及本行				
Notional amounts with remaining life of 屬以下剩餘年期之名義金額				
Total	1 year or less	Over 1 year to 5 years	Over 5 years	
總額	一年或以下	一年以上至五年	五年以上	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元
14,681,918	14,681,918	-	-	
15,687,360	5,750,418	8,360,923	1,576,019	
1,053,964	773,800	260,000	20,164	
31,423,242	21,206,136	8,620,923	1,596,183	

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES**(a) Advances to customers less impairment allowances:**

Gross advances to customers	客戶貸款總額
Less: Impairment allowances	減：減值撥備
– Individual impairment allowances (Note 22(b))	– 個別減值撥備 (附註22(b))
– Collective impairment allowance (Note 22(b))	– 綜合減值撥備 (附註22(b))

22. 客戶貸款減減值撥備**(a) 客戶貸款減減值撥備：**

The Group 本集團		The Bank 本行	
2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年
HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元
29,144,794	29,112,658	28,689,622	27,327,831
(163,920)	(364,647)	(83,087)	(236,845)
(119,903)	(176,044)	(110,419)	(143,288)
28,860,971	28,571,967	28,496,116	26,947,698

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES 22. 客戶貸款減減值撥備(續)

(continued)

(b) Movement in impairment allowances on advances to customers:

(b) 客戶貸款減值撥備變動：

		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2010	於二零一零年一月一日	364,647	176,044	236,845	143,288
Impairment losses charged to profit or loss (Note 11)	於損益賬扣除之減值虧損(附註11)	119,195	–	80,572	–
Impairment losses released back to profit or loss (Note 11)	於損益賬撥回之減值虧損(附註11)	(53,341)	(56,141)	(33,257)	(32,869)
Amounts written off	撇賬金額	(273,484)	–	(205,197)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	13,118	–	10,339	–
Reclassification to other assets	重新回歸至其他資產	(6,215)	–	(6,215)	–
At 31 December 2010	於二零一零年十二月三十一日	163,920	119,903	83,087	110,419
		The Group 本集團		The Bank 本行	
		Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元	Individual impairment allowances 個別減值 撥備 HK\$'000 千港元	Collective impairment allowance 綜合減值 撥備 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	181,872	114,106	91,637	69,169
Impairment losses charged to profit or loss (Note 11)	於損益賬扣除之減值虧損(附註11)	470,477	61,938	382,728	74,119
Impairment losses released back to profit or loss (Note 11)	於損益賬撥回之減值虧損(附註11)	(47,498)	–	(33,153)	–
Amounts written off	撇賬金額	(258,861)	–	(213,898)	–
Recoveries of advances written off in previous years	過去年度已撇賬貸款之收回	18,657	–	9,531	–
At 31 December 2009	於二零零九年十二月三十一日	364,647	176,044	236,845	143,288

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(c) Advances to customers analysed by industry sector

The following economic sector analysis of gross advances to customers is based on the categories and definitions used by the HKMA.

22. 客戶貸款減減值撥備(續)

(c) 按行業分類的客戶貸款

以下客戶貸款總額之經濟行業分析乃根據金管局使用的組別及定義。

		The Group		The Bank	
		本集團		本行	
As at 31 December	於十二月三十一日	2010	2009	2010	2009
		二零一零年	二零零九年	二零一零年	二零零九年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
- Property development	- 物業發展	1,609,496	1,190,968	1,609,496	1,190,968
- Property investment	- 物業投資	8,364,456	8,201,715	8,363,982	8,199,216
- Financial concerns	- 金融企業	384,679	416,802	384,679	416,802
- Stockbrokers	- 股票經紀	-	13,745	-	13,745
- Wholesale and retail trade	- 批發及零售業	415,608	64,511	414,693	61,979
- Manufacturing	- 製造業	1,496,567	1,666,263	1,473,625	1,604,722
- Transport and transport equipment	- 運輸及運輸設備	221,316	465,987	89,211	57,040
- Recreational activities	- 娛樂活動	9,406	-	9,406	-
- Information technology	- 資訊科技	1,562	14,434	1,335	13,800
- Electricity and gas	- 電力及燃氣	234,000	-	234,000	-
- Others	- 其他	1,946,682	2,321,393	1,887,764	2,163,042
Individuals	個人				
- Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	- 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	13,531	52,370	13,531	52,370
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	8,212,100	7,448,480	8,207,308	7,439,284
- Credit card advances	- 信用卡貸款	704,970	618,106	704,970	618,106
- Others	- 其他	1,145,433	1,039,499	1,118,694	966,870
Trade finance	貿易融資	24,759,806	23,514,273	24,512,694	22,797,944
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	1,047,909	809,641	1,047,909	809,641
		3,337,079	4,788,744	3,129,019	3,720,246
Gross advances to customers	客戶貸款總額	29,144,794	29,112,658	28,689,622	27,327,831

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(d) Impaired advances to customers

		2010	% of gross	2009	% of gross
		二零一零年	advances	二零零九年	advances
		HK\$'000	佔貸款總額	HK\$'000	佔貸款總額
		千港元	百分比	千港元	百分比
Gross impaired advances	減值貸款總額	192,754	0.66	518,722	1.78
Individual impairment allowances made against impaired loans	就減值貸款作出的個別減值撥備	(163,920)		(364,647)	
		28,834		154,075	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	37,400		94,843	

		2010	% of gross	2009	% of gross
		二零一零年	advances	二零零九年	advances
		HK\$'000	佔貸款總額	HK\$'000	佔貸款總額
		千港元	百分比	千港元	百分比
Gross impaired advances	減值貸款總額	97,190	0.34	315,330	1.15
Individual impairment allowances made against impaired loans	就減值貸款作出的個別減值撥備	(83,087)		(236,845)	
		14,103		78,485	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	11,079		13,813	

Collateral mainly comprises mortgage interests over residential properties and cash deposits with the Group. It includes an expected recovery of HK\$12.1 million (2009: HK\$11.9 million) from companies in liquidation and government guarantee schemes.

Impaired advances are individually assessed loans with objective evidence of impairment on an individual basis.

22. 客戶貸款減值撥備(續)**(d) 客戶減值貸款**

The Group			
本集團			
		2010	% of gross
		二零一零年	advances
		HK\$'000	佔貸款總額
		千港元	百分比
Gross impaired advances	減值貸款總額	192,754	0.66
Individual impairment allowances made against impaired loans	就減值貸款作出的個別減值撥備	(163,920)	
		28,834	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	37,400	

The Bank			
本行			
		2010	% of gross
		二零一零年	advances
		HK\$'000	佔貸款總額
		千港元	百分比
Gross impaired advances	減值貸款總額	97,190	0.34
Individual impairment allowances made against impaired loans	就減值貸款作出的個別減值撥備	(83,087)	
		14,103	
Amount of collateral held in respect of impaired loans	就減值貸款持有的抵押品金額	11,079	

該等抵押品主要包括居住物業之按揭利息及存放於本集團之現金存款。包括預期可從清盤中公司及政府擔保計劃回收之金額12,100,000港元(二零零九年: 11,900,000港元)。

減值貸款是按個別基準在具備客觀的減值證據下而須作個別評估的貸款。

22. ADVANCES TO CUSTOMERS LESS IMPAIRMENT ALLOWANCES

(continued)

(e) Net investment in finance leases and hire purchase contracts

Advances to customers include the net investment in motor vehicles and equipment leased to customers under finance leases and hire purchase contracts having the characteristics of finance leases. The contracts usually run for an initial period of 3 to 5 years, with an option for acquiring the leased asset at nominal value. The total minimum lease payments receivable under finance leases and hire purchase contracts and their present values at the year end are as follows:

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Total minimum lease payments due:	最低租賃還款總金額				
	到期限為：				
- within 1 year	—一年以內	348,843	1,342,824	6,749	28,509
- after 1 year but within 5 years	—一年以後惟五年以內	93,037	417,012	—	1,045
- after 5 years	—五年以後	41,272	178,715	—	—
		483,152	1,938,551	6,749	29,554
Interest income relating to future periods	與未來期間有關 之利息收入	(28,741)	(140,066)	(295)	(1,244)
Present value of the minimum lease payment receivable	應收最低租賃還款 之現值	454,411	1,798,485	6,454	28,310
Collective impairment allowance	綜合減值撥備	(9,710)	(33,022)	(226)	(574)
Individual impairment allowances	個別減值撥備	(85,514)	(139,393)	(4,681)	(11,591)
Net investment in finance leases and hire purchase contracts	融資租賃及租購合約之 投資淨額	359,187	1,626,070	1,547	16,145

The maturity profile of the present value of the minimum lease payments before impairment allowances is as follows:

減值撥備前最低租賃還款現值之期限組別如下：

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Within 1 year	一年以內	331,772	1,259,545	6,454	27,279
After 1 year but within 5 years	一年以後惟五年以內	86,311	385,907	—	1,031
After 5 years	五年以後	36,328	153,033	—	—
		454,411	1,798,485	6,454	28,310

22. 客戶貸款減值撥備(續)**(e) 融資租賃及租購合約之投資淨額**

給予客戶之貸款包括根據融資租賃及具融資租賃特性之租購合約租予客戶之汽車及設備的投資淨額。合約一般初步為期三至五年，附帶按賬面值購買所租用資產之選擇權。根據融資租賃及租購合約應收之最低租賃還款總金額及於年結日之現值如下：

23. OTHER LOANS AND RECEIVABLES

Debt securities at amortised cost	債務證券，以攤餘成本列賬
Of which:	其中：
– Listed outside Hong Kong	– 於香港以外上市
– Unlisted	– 非上市
<i>Other loans and receivables are issued by:</i>	<i>其他貸款及應收款項由以下機構發行：</i>
– Banks	– 銀行
– Corporate entities	– 企業實體

During 2008, the Group and the Bank reclassified certain available-for-sale investment securities which met the definition of loans and receivables (if they had not been designated as available-for-sale) and for which there was no longer an active market to loans and receivables. The fair value and carrying value of these securities on the date of reclassification was HK\$3,723.9 million. As at 31st December 2010, the carrying amount and fair value of these reclassified debt securities were HK\$2,802.3 million (2009: HK\$3,392.2 million) and HK\$2,482.3 million (2009: HK\$3,146.1 million) respectively.

The interest income recognised in the profit or loss in respect of these debt securities during 2010 was HK\$71.1 million (2009: HK\$107.0 million). The fair value change that would have been recognised in the investment revaluation reserve if those debt securities had not been reclassified would be a loss of HK\$46.5 million (2009: gain of HK\$181.7 million).

The above debt securities are neither past due nor impaired as at 31 December 2010 and 2009.

23. 其他貸款及應收款項

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2,802,314	3,392,218
2,572,133	3,010,919
230,181	381,299
2,802,314	3,392,218
2,779,452	3,369,760
22,862	22,458
2,802,314	3,392,218

於二零零八年，本集團及本行已將若干符合貸款及應收款項定義（如其並未被指定為可供出售類別）及不存在活躍市場之可供出售投資證券重新分類至貸款及應收款項。該等證券於重新分類日期之公平價值及賬面值均為3,723,900,000港元。於二零一零年十二月三十一日，該等債務證券的賬面值及公平價值分別為2,802,300,000港元（二零零九年：3,392,200,000港元）及2,482,300,000港元（二零零九年：3,146,100,000港元）。

該等債務證券於本年內在收益表內確認之利息收入為71,100,000港元（二零零九年：107,000,000港元）。倘該等債務證券並未重新分類，於投資重估儲備中確認之公平價值收益將為虧損46,500,000港元收益（二零零九年：收益181,700,000港元）。

於二零一零年及二零零九年十二月三十一日，上述經重新分類債務證券既未逾期亦無減值。

24. AVAILABLE-FOR-SALE SECURITIES

24. 可供出售證券

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Listed debt securities at fair value	上市債務證券之公平價值				
– Listed in Hong Kong	– 於香港上市	3,828,265	3,498,794	3,828,265	3,498,794
– Listed outside Hong Kong	– 於香港以外上市	5,351,014	4,708,120	5,351,014	4,708,120
		9,179,279	8,206,914	9,179,279	8,206,914
Unlisted debt securities at fair value	非上市債務證券之公平價值				
– Treasury bills (including Exchange Fund Bills)	– 國庫券(包括外匯基金票據)	2,009,956	1,989,636	2,009,956	1,989,636
– Other debt securities	– 其他債務證券	7,155,697	7,532,438	7,155,697	7,532,438
		9,165,653	9,522,074	9,165,653	9,522,074
Total debt securities	債務證券總值	18,344,932	17,728,988	18,344,932	17,728,988
Equity shares at fair value	股票之公平價值				
– Unlisted	– 非上市	210,902	210,085	210,900	210,083
Total available-for-sale securities	可供出售證券總值	18,555,834	17,939,073	18,555,832	17,939,071
Available-for-sale securities are issued by:	可供出售證券由以下機構發行:				
– Governments and central banks	– 政府及中央銀行	4,963,395	4,635,124	4,963,395	4,635,124
– Public sector entities	– 公營機構	1,410,319	1,437,646	1,410,319	1,437,646
– Banks	– 銀行	9,799,914	8,601,322	9,799,914	8,601,322
– Corporate entities	– 企業實體	2,382,206	3,264,981	2,382,204	3,264,979
		18,555,834	17,939,073	18,555,832	17,939,071

As at 31 December 2010, debt securities issued by banks include debt securities of fair value of HK\$350.8 million (2009: HK\$768.1 million) issued by multilateral development banks and debt securities of fair value of HK\$2.5 billion (2009: HK\$2.5 billion) guaranteed by governments.

The Bank has recognised HK\$15.1 million (2009: HK\$30.3 million) impairment loss on investments in structured investment vehicles (“SIVs”) in profit or loss during the year in accordance with the accounting policy set out in Note 2(m). HK\$13.1 million of the HK\$15.1 million impairment loss was realized from the investment revaluation deficit previously recognised. As of 31 December 2010, the fair value and carrying value of investments in SIVs was HK\$Nil (2009: HK\$1.0 million, included in “Other debt securities”)

於二零一零年十二月三十一日，由銀行機構發行的債務證券包括公平價值為350,800,000港元(二零零九年：768,100,000港元)由多邊發展銀行發行的債務證券及公平價值為2,500,000,000港元(二零零九年：2,500,000,000港元)由政府擔保的債務證券。

本行已於年內根據附註2(m)所載的會計政策於損益賬內就結構性投資工具確認減值虧損15,100,000港元(二零零九年：30,300,000港元)。15,100,000港元減值虧損中的13,100,000港元乃於先前確認的投資重估虧蝕中變現。於二零一零年十二月三十一日，於結構性投資工具的投資的公平價值及賬面值為零港元(二零零九年：1,000,000港元，計入「其他債務證券」)

24. AVAILABLE-FOR-SALE SECURITIES (continued)

In addition, the Bank had investments in collateralised debt obligations (“CDOs”) with a nominal value of US\$30 million (2009: US\$30 million). Embedded derivatives in the CDOs are bifurcated and marked to market. A revaluation loss of HK\$13.7 million (2009: HK\$0.7 million) on the embedded derivatives has been charged to profit or loss during the year. The carrying value of the investments in CDOs, inclusive of the revaluation loss on the embedded derivatives, as at 31 December 2010 was HK\$Nil (2009: HK\$13.1 million).

As at 31 December 2010, certain of the Group’s and the Bank’s available-for-sale equity securities with a fair value of HK\$37.9 million (2009: HK\$15.3 million) were individually determined to be impaired on the basis of a significant or prolonged decline in fair value below cost. Impairment losses on these investments of HK\$4.4 million (2009: HK\$36.8 million) were recognised in profit or loss during the year.

25. HELD-TO-MATURITY INVESTMENTS

Listed debt securities at amortised cost	上市債務證券，以攤餘成本列賬
– Listed in Hong Kong	– 於香港上市
– Listed outside Hong Kong	– 於香港以外上市
Unlisted debt securities at amortised cost	非上市債務證券，以攤餘成本列賬
– Certificate of deposits held	– 存款證
– Other debt securities	– 其他債務證券
<i>Held-to-maturity investments are issued by:</i>	<i>持至到期之投資由下列機構發行：</i>
– Banks	– 銀行
– Corporate entities	– 企業實體
<i>Fair value of held-to-maturity investments:</i>	<i>持至到期投資之公平價值</i>
– Listed securities	– 上市證券
– Unlisted securities	– 非上市證券

As of 31 December 2010, the certificate of deposit held has remaining contractual maturity over 5 years.

24. 可供出售證券(續)

此外，本行擁有面值為30,000,000美元(二零零九年：30,000,000美元)之債務抵押證券。其中嵌入式衍生工具已與主合約分開並按公平價值重估。其本年度重估虧損13,700,000港元(二零零九年：700,000港元)已於損益賬中扣除。債務抵押證券的賬面值(包括嵌入式衍生工具的重估虧損)於二零一零年十二月三十一日為零港元(二零零九年：13,100,000港元)。

於二零一零年十二月三十一日，本集團若干可供出售股本證券因其公平價值長期或大幅低於成本而被釐定為已減值證券，該等權益證券的公平價值為37,900,000港元(二零零九年：15,300,000港元)。該等權益證券的減值虧損4,400,000港元(二零零九年：36,800,000港元)已於損益中扣除。

25. 持至到期投資**The Group and the Bank**
本集團及本行

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	74,826	–
	761,649	639,669
	836,475	639,669
	155,478	–
	1,470,728	262,553
	1,626,206	262,553
	2,462,681	902,222
	2,231,211	745,123
	231,470	157,099
	2,462,681	902,222
	886,970	693,363
	1,558,641	291,793
	2,445,611	985,156

於二零一零年十二月三十一日，所持存款證的剩餘合約到期期限超過五年。

26. INTERESTS IN ASSOCIATES

26. 於聯營公司之權益

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	5,761	5,761	514,362	388,651
Advances	貸款	7,128	8,059	7,128	8,059
Share of net assets	應佔資產淨值	482,386	334,931	–	–
Goodwill	商譽	49,967	49,967	–	–
		545,242	398,718	521,490	396,710
Less: Impairment allowance on unlisted shares	減：非上市股份之減值撥備	(5,761)	(5,761)	(5,761)	(5,761)
Impairment allowance for advances to an associate	向一間聯營公司貸款之減值撥備	(7,128)	(6,447)	(7,128)	(6,447)
		532,353	386,510	508,601	384,502

The associates of the Bank are as follows:

本行之聯營公司如下：

	Place of establishment and operation 註冊成立及營運地址	Proportion of ownership interest 擁有權益比例	Principal activities 主要業務
IBA Finance Corporation	The Philippines 菲律賓	40.00%	Provision of financing and leasing services 提供財務及租賃服務
Xiamen Bank Co., Ltd. 廈門銀行股份有限公司	The People's Republic of China 中華人民共和國	19.99%	Provision of banking and related finance services 提供銀行及相關金融服務

The Bank is entitled to appoint three directors to the board of Xiamen Bank which comprises eleven directors. In view of the Bank's representation on the Board of Directors, Xiamen Bank is accounted for as an associated company as the directors believe they have significant influence.

本行有權委任三位董事加入廈門銀行的董事會(由十一位董事組成)。鑒於本行於董事會的代表人數，董事認為彼等具有重大影響力，因此廈門銀行作為一間聯營公司入賬。

The Group has not equity accounted for the investments in IBA Finance Corporation in view of the immaterial amount involved.

由於所涉及之金額微不足道，本集團並無以權益法將於 IBA Finance Corporation 之投資列入賬內。

26. INTERESTS IN ASSOCIATES (continued)

Summary of financial information of Xiamen Bank Co., Ltd.:

		Assets 資產 HK\$'000 千港元	Liabilities 負債 HK\$'000 千港元	Equity 權益 HK\$'000 千港元	Revenues 收入 HK\$'000 千港元	Profit 溢利 HK\$'000 千港元
2010	二零一零年					
100 per cent	100%	62,401,319	59,988,183	2,413,137	1,498,304	156,843
Group's effective interest	本集團的實際權益	12,474,024	11,991,638	482,386	299,511	31,352
2009	二零零九年					
100 per cent	100%	32,274,423	30,598,931	1,675,492	955,899	71,580
Group's effective interest	本集團的實際權益	6,451,657	6,116,726	334,931	191,084	14,309

26. 於聯營公司之權益(續)

有關廈門銀行股份有限公司的財務資料概要：

27. INVESTMENTS IN SUBSIDIARIES**27. 附屬公司投資**

		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Unlisted shares, at cost	非上市股份，按成本值	187,601	191,473

All principal subsidiaries which affected the results, assets or liabilities of the Group, are directly owned by the Bank. Details of principal subsidiaries as of 31 December 2010 are as follows:

主要影響本集團業績、資產或負債之全部主要附屬公司均由本行直接擁有。關於各主要附屬公司於二零一零年十二月三十一日之資料詳述如下：

		Issued and fully paid-up ordinary share capital 已發行及繳足之普通股股本	% of ownership interest held 所持股權百分比	Net profit for the year 年度淨溢利	Principal activities 主要業務
Incorporated and operating in Hong Kong 於香港註冊成立及運作					
Fubon Credit (Hong Kong) Limited	富邦財務(香港)有限公司	HK\$65,000,000 65,000,000港元	100% 100%	HK\$38,834,000 38,834,000港元	Provision of financing services 提供財務服務
FB Securities (Hong Kong) Limited	富銀證券(香港)有限公司	HK\$8,000,000 8,000,000港元	100% 100%	HK\$40,678,000 40,678,000港元	Securities broking 證券經紀
FB Investment Management Limited	富銀投資管理有限公司	HK\$8,000,000 8,000,000港元	100% 100%	HK\$934,000 934,000港元	Fund management 資金管理
Fubon Nominees (Hong Kong) Limited	Fubon Nominees (Hong Kong) Limited	HK\$200 200港元	100% 100%	HK\$1,000 1,000港元	Nominee service 代理人服務
Fubon Insurance Broker Limited	富銀保險顧問有限公司	HK\$100,000 100,000港元	100% 100%	HK\$1,217,000 1,217,000港元	Insurance broker services 保險經紀人服務

28. FIXED ASSETS

Cost or valuation

At 1 January 2010

Additions

Disposals

At 31 December 2010

Representing:

Cost

Valuation – 1991

Accumulated depreciation

At 1 January 2010

Charge for the year (Note 7)

Released on disposal

At 31 December 2010

Net book value

At 31 December 2010

At 31 December 2009

成本值或估值

於二零一零年一月一日

添置

出售

於二零一零年十二月三十一日

代表：

成本值

估值—一九九一年

累計折舊

於二零一零年一月一日

年內折舊(附註7)

出售之抵免

於二零一零年十二月三十一日

賬面淨值

於二零一零年十二月三十一日

於二零零九年十二月三十一日

28. 固定資產

	The Group 本集團		
	Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation			
At 1 January 2010	1,092,598	618,697	1,711,295
Additions	–	23,174	23,174
Disposals	–	(15,892)	(15,892)
At 31 December 2010	1,092,598	625,979	1,718,577
Representing:			
Cost	1,019,985	625,979	1,645,964
Valuation – 1991	72,613	–	72,613
	1,092,598	625,979	1,718,577
Accumulated depreciation			
At 1 January 2010	160,497	471,704	632,201
Charge for the year (Note 7)	12,453	49,204	61,657
Released on disposal	–	(10,823)	(10,823)
At 31 December 2010	172,950	510,085	683,035
Net book value			
At 31 December 2010	919,648	115,894	1,035,542
At 31 December 2009	932,101	146,993	1,079,094

28. FIXED ASSETS (continued)

28. 固定資產(續)

		The Group 本集團		
		Premises 物業 HK\$'000 千港元	Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值			
At 1 January 2009	於二零零九年一月一日	1,092,598	590,500	1,683,098
Additions	添置	–	33,921	33,921
Disposals	出售	–	(5,724)	(5,724)
At 31 December 2009	於二零零九年十二月三十一日	1,092,598	618,697	1,711,295
Representing:	代表：			
Cost	成本值	1,019,985	618,697	1,638,682
Valuation – 1991	估值—一九九一年	72,613	–	72,613
		1,092,598	618,697	1,711,295
Accumulated depreciation	累計折舊			
At 1 January 2009	於二零零九年一月一日	148,044	422,775	570,819
Charge for the year (Note 7)	年內折舊(附註7)	12,453	54,145	66,598
Released on disposal	出售之抵免	–	(5,216)	(5,216)
At 31 December 2009	於二零零九年十二月三十一日	160,497	471,704	632,201
Net book value	賬面淨值			
At 31 December 2009	於二零零九年十二月三十一日	932,101	146,993	1,079,094
At 31 December 2008	於二零零八年十二月三十一日	944,554	167,725	1,112,279

28. FIXED ASSETS (continued)

28. 固定資產(續)

		Premises 物業 HK\$'000 千港元	The Bank 本行 Furniture, fixtures and equipment 傢俬、裝置 及設備 HK\$'000 千港元	Total 總額 HK\$'000 千港元
Cost or valuation	成本值或估值			
At 1 January 2010	於二零一零年一月一日	1,055,849	616,106	1,671,955
Additions	添置	–	23,128	23,128
Disposals	出售	–	(15,892)	(15,892)
At 31 December 2010	於二零一零年十二月三十一日	1,055,849	623,342	1,679,191
Representing:	代表：			
Cost	成本值	983,236	623,342	1,606,578
Valuation – 1991	估值—一九九一年	72,613	–	72,613
		1,055,849	623,342	1,679,191
Accumulated depreciation	累計折舊			
At 1 January 2010	於二零一零年一月一日	155,796	469,612	625,408
Charge for the year	年內折舊	12,128	49,015	61,143
Released on disposal	出售之抵免	–	(10,823)	(10,823)
At 31 December 2010	於二零一零年十二月三十一日	167,924	507,804	675,728
Net book value	賬面淨值			
At 31 December 2010	於二零一零年十二月三十一日	887,925	115,538	1,003,463
At 31 December 2009	於二零零九年十二月三十一日	900,053	146,494	1,046,547

28. FIXED ASSETS (continued)

Cost or valuation	成本值或估值
At 1 January 2009	於二零零九年一月一日
Additions	添置
Disposals	出售
At 31 December 2009	於二零零九年十二月三十一日
Representing:	代表：
Cost	成本值
Valuation – 1991	估值—一九九一年
Accumulated depreciation	累計折舊
At 1 January 2009	二零零九年一月一日
Charge for the year	年內折舊
Released on disposal	出售之抵免
At 31 December 2009	於二零零九年十二月三十一日
Net book value	賬面淨值
At 31 December 2009	於二零零九年十二月三十一日
At 31 December 2008	於二零零八年十二月三十一日

The net book value of those premises which have been stated in the balance sheet at valuation would have been as follows had they been stated at cost less accumulated depreciation:

28. 固定資產(續)

Premises	The Bank 本行	Furniture, fixtures and equipment 傢俬、裝置 及設備	Total 總額
物業 HK\$'000 千港元		HK\$'000 千港元	HK\$'000 千港元
1,055,849		587,831	1,643,680
–		33,921	33,921
–		(5,646)	(5,646)
1,055,849		616,106	1,671,955
983,236		616,106	1,599,342
72,613		–	72,613
1,055,849		616,106	1,671,955
143,668		420,810	564,478
12,128		53,958	66,086
–		(5,156)	(5,156)
155,796		469,612	625,408
900,053		146,494	1,046,547
912,181		167,021	1,079,202

按估值列入資產負債表內之物業之賬面淨值若以成本值減累計折舊列賬，其賬面淨值如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net book value at 31 December	於十二月三十一日的賬面淨值
13,971	14,377

28. FIXED ASSETS (continued)

The analysis of net book value of premises is as follows:

Premises held in Hong Kong	於香港持有的物業
– Long term leases (over 50 years)	– 長期租約(超過五十年)
– Medium term leases (10-50 years)	– 中期租約(十年至五十年)

28. 固定資產(續)

該等物業的賬面淨值分析如下：

The Group 本集團		The Bank 本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
613,459	616,940	581,736	584,892
306,189	315,161	306,189	315,161
919,648	932,101	887,925	900,053

29. GOODWILL

Cost and carrying amounts
At 31 December

成本及賬面值
於十二月三十一日

The goodwill of HK\$514,000 in respect of the Group's interest in a subsidiary has been included in "accrued interest and other accounts". Goodwill of HK\$50.0 million in respect of the Group's interest in an associate has been included in "Interests in associates" (Note 26).

29. 商譽

The Group 本集團	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
50,481	50,481

本集團就有關於一間附屬公司之權益之商譽為514,000港元，已列賬於「應計利息及其他賬目」。本集團就有關於一間聯營公司之權益之商譽為50,000,000港元，已列賬於「聯營公司之權益」(附註26)。

30. DEPOSITS AND BALANCES OF BANKS

Deposits and balances from banks
Deposits and balances from the HKMA

銀行同業之存款及結餘
於香港金融管理局之存款及結餘

Amount due to banks under
repurchase agreements

回購協議項下應付銀行同業之款項

30. 銀行同業之存款及結餘

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1,594,193	2,268,102
109,630	156,801
1,703,823	2,424,903
1,678,970	–
3,382,793	2,424,903

31. DEPOSITS FROM CUSTOMERS

Demand deposits and current accounts	活期及往來存款
Savings deposits	儲蓄存款
Call deposits	通知存款
Time deposits	定期存款

31. 客戶存款**The Group and the Bank**
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

8,376,505	8,840,719
1,354,774	1,299,051
4,757,983	5,142,848
31,548,899	31,319,557
46,038,161	46,602,175

32. TRADING LIABILITIES

Short positions in Exchange Fund Bills/Notes	外匯基金票據／債券之短倉
--	--------------

32. 交易賬項下之負債**The Group and the Bank**
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

920,695	14,275
----------------	--------

33. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

Zero coupon bond issued	已發行零息債券
-------------------------	---------

The zero coupon bond with a face value of HK\$520 million and issue price of 48.076615% was issued by the Bank on 12 April 2007. The maturity date for the bond is 12 April 2022 but it can be called by 12 April 2017 on the 10th anniversary of issuance. At the same time, the Bank entered into an interest rate swap to hedge the interest rate risk associated with the bond. Under the terms of the interest rate swap, the Bank makes quarterly floating rate interest payments and receives fixed rate interest income.

33. 指定為透過損益以反映公平價值之金融負債**The Group and the Bank**
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

263,986	201,096
----------------	---------

本行於二零零七年四月十二日發行票面值為520,000,000港元的零息債券，發行價為票面值之48.076615%。債券於二零二二年四月十二日到期，惟可於發行第十週年，即二零一七年四月十二日被贖回。同時，本行為對沖與債券有關之利率風險而訂立了一份利率掉期合約。根據該利率掉期合約之條款，本行每季按浮動利率支付利息，並按固定利率收取利息。

33. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The carrying amount of financial liabilities designated at fair value through profit or loss at 31 December 2010 was HK\$256.0 million (2009: HK\$318.9 million) lower than the contractual amount at maturity for the Group and the Bank.

The zero coupon bond issued is measured at fair value using valuation techniques based on observable market conditions existing at balance sheet date; however data in respect of the Bank's credit risk volatilities and correlations require management's estimation. The total loss arising from the change in the fair value of the zero coupon bond recognised in profit or loss during the year is HK\$62.9 million (2009: HK\$27.7 million), of which there is a loss of HK\$41.2 million (2009: HK\$48.8 million) attributable to change of credit spread in line with the overall market conditions.

To the extent the Bank's credit risk volatilities that are not supported by observable market prices are altered by 10% in either direction the fair value of the zero coupon bond would be either lower by HK\$5.8 million (2009: HK\$8.6 million) or higher by HK\$6.0 million (2009: HK\$8.9 million).

34. CERTIFICATES OF DEPOSIT ISSUED

3 months or less but not repayable on demand	三個月或以下惟無需即時還款
1 year or less but over 3 months	一年或以下惟三個月以上
5 years or less but over 1 year	五年或以下惟一年以上

All certificates of deposit issued are measured at amortised cost.

33. 指定為透過損益以反映公平價值之金融負債 (續)

於二零一零年十二月三十一日，指定為透過損益以反映公平價值之金融負債之賬面值比本集團及本行之合約到期日金額低256,000,000港元(二零零九年：318,900,000港元)。

已發行零息債券乃透過基於於結算日的可觀察的市場狀況的估值法按公平價值計算，然而，有關銀行信貸風險變動及相關性之數據需管理層作出估計。本年度於損益中確認的零息債券的公平價值變動虧損總額為62,900,000港元(二零零九年：27,700,000港元)，其中41,200,000港元虧損(二零零九年：48,800,000港元)乃因與整體市況一致的信貸風險差距變動所致。

倘非由顯著市價支持的銀行信貸風險在任何方向變動達10%，零息債券的公平價值可能低5,800,000港元(二零零九年：8,600,000港元)或高6,000,000港元(二零零九年：8,900,000港元)。

34. 已發行存款證**The Group and the Bank**
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

235,672	8,650
306,800	13,450
255,479	300,000
797,951	322,100

所有已發行存款證均按攤銷成本列賬。

35. DEBT SECURITIES ISSUED

Variable coupon rate notes	多個息率之票據
Zero coupon notes	零息票據

The variable coupon rate notes issued represent the notes issued by the Bank under the Bank's Euro Medium Term Note Programme and are denominated in USD and AUD, and mature at various dates through 2013. These notes issued are measured at amortised cost.

36. OTHER LIABILITIES

Other financial liabilities*	其他金融負債*
Accounts payable and other liabilities	應付賬項及其他負債

* Other financial liabilities include funds obtained from financial institutions in respect of government bills and notes sold but not yet purchased.

35. 已發行債務證券

The Group and the Bank
本集團及本行

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
41,401	263,697
-	5,094
41,401	268,791

多個息率之票據指本行根據其歐元中期票據計劃發行之票據，以美元及澳元計值，並於二零一三年內多個不同日期到期。該等已發行票據乃按攤銷成本列賬。

36. 其他負債

The Group 本集團		The Bank 本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
809,537	2,585,236	809,537	2,585,236
716,197	1,333,943	679,232	1,295,839
1,525,734	3,919,179	1,488,769	3,881,075

* 其他金融負債指就已售出但尚未購回之政府票據及債券從金融機構所獲得的資金。

37. INCOME TAX IN THE BALANCE SHEET

(a) Current taxation (recoverable)/provision in the balance sheet represents:

37. 資產負債表內之所得稅

(a) 計入資產負債表之本年度稅項(可回收)/撥備為:

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Provision for Hong Kong Profits Tax for the year	年內香港利得稅準備	15,043	20,352	2,950	(3,243)
Provisional Hong Kong Profits Tax paid	已付香港暫繳利得稅	(17,721)	(6,089)	-	-
		(2,678)	14,263	2,950	(3,243)
Balance of Hong Kong Profits Tax provision relating to prior years	承過往年度香港利得稅準備結餘	(12,283)	(23,208)	(12,331)	(9,088)
		(14,961)	(8,945)	(9,381)	(12,331)
Provision for overseas taxation	海外稅項準備	54	76	74	76
		(14,907)	(8,869)	(9,307)	(12,255)
<i>Representing:</i>	<i>代表:</i>				
Hong Kong Profits Tax recoverable*	可收回之已付香港利得稅*	(17,677)	(12,630)	(9,381)	(12,331)
Provision for Hong Kong Profits Tax*	香港利得稅準備*	2,716	3,685	-	-
Overseas taxation recoverable*	可收回之海外稅項*	(20)	-	-	-
Provision for overseas taxation*	海外稅項準備*	74	76	74	76
		(14,907)	(8,869)	(9,307)	(12,255)

* The amounts of taxation recoverable and payable are expected to be settled within 1 year and are included in the "Accrued interest and other assets" and "Other liabilities" respectively.

* 可收回及應繳稅項金額預計於一年內清償。此等項目分別包括在「應計利息及其他資產」以及「其他負債」內。

37. INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised**

The components of deferred tax assets/(liabilities) recognised in the consolidated balance sheet and the movements during the year are as follows:

		The Group 本集團						
		Depreciation allowances in excess of related depreciation 超過有關 折舊的折 舊免稅額 HK\$'000 千港元	Defined benefit scheme assets 定額福利 計劃資產 HK\$'000 千港元	Collective impairment allowance 綜合 減值撥備 HK\$'000 千港元	Revaluation of available- for-sale securities 可供出售 證券重估 HK\$'000 千港元	Revaluation of premises 物業重估 HK\$'000 千港元	Other 其他 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	(12,699)	(2,733)	18,828	60,335	(6,288)	24,827	82,270
Credited in arriving at the profit for the year (Note 12(a))	於本年度溢利中撥回(附註12(a))	1,891	-	10,220	-	114	4,088	16,313
Charged to other comprehensive income (Note 13)	於其他全面收益中扣除(附註13)	-	-	-	(63,507)	-	-	(63,507)
At 31 December 2009	於二零零九年十二月三十一日	(10,808)	(2,733)	29,048	(3,172)	(6,174)	28,915	35,076
At 1 January 2010	於二零一零年一月一日	(10,808)	(2,733)	29,048	(3,172)	(6,174)	28,915	35,076
(Charged)/credited in arriving at the profit for the year (Note 12(a))	於本年度溢利中(扣除)/撥回(附註12(a))	3,364	2,733	(9,195)	-	114	(27,922)	(30,906)
Charged to other comprehensive income (Note 13)	於其他全面收益中扣除(附註13)	-	-	-	(2,405)	-	-	(2,405)
At 31 December 2010	於二零一零年十二月三十一日	(7,444)	-	19,853	(5,577)	(6,060)	993	1,765

37. 資產負債表內之所得稅(續)**(b) 已確認遞延稅項資產及負債**

於綜合資產負債表內確認之遞延稅項資產/(負債)之各組成部分及年內之變動如下:

37. INCOME TAX IN THE BALANCE SHEET (continued)**(b) Deferred tax assets and liabilities recognised** (continued)

The components of deferred tax assets/(liabilities) recognised in the balance sheet and the movements during the year are as follows:

		The Bank 本行						
		Depreciation allowances in excess of related depreciation	Defined benefit scheme assets	Collective impairment allowance	Revaluation of available- for-sale securities	Revaluation of premises	Other	Total
		超過有關 折舊的折 舊免稅額 HK\$'000 千港元	定額福利 計劃資產 HK\$'000 千港元	綜合 減值撥備 HK\$'000 千港元	可供出售 證券重估 HK\$'000 千港元	物業重估 HK\$'000 千港元	其他 HK\$'000 千港元	總額 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	(11,756)	(2,733)	11,413	60,335	(6,288)	24,194	75,165
Credited in arriving at the profit for the year	於本年度溢利中撥回	1,895	-	12,230	-	114	4,721	18,960
Charged to other comprehensive income	於其他全面收益中扣除	-	-	-	(63,507)	-	-	(63,507)
At 31 December 2009	於二零零九年十二月三十一日	(9,861)	(2,733)	23,643	(3,172)	(6,174)	28,915	30,618
At 1 January 2010	於二零一零年一月一日	(9,861)	(2,733)	23,643	(3,172)	(6,174)	28,915	30,618
(Charged)/credited in arriving at the profit for the year	於本年度溢利中(扣除)/撥回	3,375	2,733	(5,356)	-	114	(27,922)	(27,056)
Charged to other comprehensive income	於其他全面收益中扣除	-	-	-	(2,405)	-	-	(2,405)
At 31 December 2010	於二零一零年十二月三十一日	(6,486)	-	18,287	(5,577)	(6,060)	993	1,157

Deferred tax assets and liabilities recognised is summarised as follows:

已確認遞延稅項資產及負債概述如下：

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Net deferred tax asset recognised on the balance sheet	於資產負債表內確認之 遞延稅項資產淨額	1,811	35,144	1,157	30,618
Net deferred tax liability recognised on the balance sheet	於資產負債表內確認之 遞延稅項負債淨額	(46)	(68)	-	-
		1,765	35,076	1,157	30,618

37. INCOME TAX IN THE BALANCE SHEET (continued)**(c) Deferred tax assets unrecognised**

The Group has no material unrecognised deferred tax asset as at 31 December 2010 (2009: HK\$Nil).

38. SUBORDINATED NOTES ISSUED

US\$200 million 6.125% subordinated notes issued in 2006*	於二零零六年發行200,000,000美元年息率為6.125%的後償票據*
US\$200 million 6.125% subordinated notes issued in 2010**	於二零一零年發行200,000,000美元年息率為6.125%的後償票據**

* Subordinated notes with face value of US\$200 million (equivalent to HK\$1,554.8 million) and carrying amount of HK\$1,596.6 million (2009: HK\$1,640.3 million) which qualify as supplementary capital were issued by the Bank on 25 April 2006. The notes bear interest at 6.125% per annum for the period from the issuance date to 26 April 2011, payable semi-annually. The notes carry a one-time call option exercisable by the Bank on 26 April 2011. If the call option is not exercised, the interest rate for the subordinated notes will be reset at the United States treasury rate plus 1.93875% for the period from 27 April 2011 to the final maturity date on 26 April 2016, payable semi-annually.

The carrying amount of these subordinated notes includes an adjustment of HK\$41.8 million (2009: HK\$89.3 million) due to the application of fair value hedge accounting.

** Subordinated notes with face value of US\$200 million (equivalent to HK\$1,554.8 million) and carrying amount of HK\$1,540.7 million which qualify as supplementary capital were issued by the Bank on 30 November 2010 and mature on 30 November 2020.

If at any time the Hong Kong Monetary Authority ("HKMA") decides (having regard to the applicable regulatory framework) that these subordinated notes no longer qualify as supplementary capital, the Bank may, on or after 1 January 2013 at its option and subject to the prior written approval of the HKMA, provide notice to such effect to Noteholders, such notice being a "Change in Status Notice". Upon a Change in Status Notice becoming effective, these subordinated notes shall cease to constitute subordinated obligations of the Bank and shall thereafter constitute direct, unconditional, unsubordinated and unsecured obligations of the Bank and shall at all times thereafter rank pari passu and without any preference among themselves. The payment obligations of the Bank under these subordinated notes shall, save for such exceptions as may be provided by applicable legislation, at all times thereafter rank at least equally with all its other present and future unsecured and unsubordinated obligations including liabilities in respect of deposits.

These subordinated notes bear interest at 6.125% per annum, payable semi-annually. Upon a Change in Status Notice becoming effective, the interest rate for these subordinated notes will become 5.625% per annum, payable semi-annually. These subordinated notes are stated at amortised cost.

37. 資產負債表內之所得稅(續)**(c) 未確認之遞延稅項資產**

於二零一零年十二月三十一日，本集團並無重大未確認之遞延稅項資產(二零零九年：零)。

38. 已發行後償票據

The Group and the Bank
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

1,596,605	1,640,257
1,540,681	–
3,137,286	1,640,257

* 本行於二零零六年四月二十五日發行票面值200,000,000美元(相當於1,554,800,000港元)及賬面金額1,596,600,000港元(二零零九年：1,640,300,000港元)符合附加資本準則之後償票據。該等票據由發行日期起至二零一一年四月二十六日止期間按年息率6.125%計息，須每半年付息一次。該等票據附帶一次性贖回選擇權，可由本行於二零一一年四月二十六日行使。倘該項贖回選擇權未獲行使，該等後償票據於二零一一年四月二十七日起至最終到期日二零一六年四月二十六日止期間之利率將重定為美國國庫債券利率加1.93875%，並維持每半年付息一次。

該後償票據之賬面金額已計入因採用公平價值對沖會計法而作出之調整41,800,000港元(二零零九年：89,300,000港元)。

** 本行於二零一零年十一月三十日發行面值200,000,000美元(相當於1,554,800,000港元)及賬面值1,540,700,000港元附合附加資本準則後償票據，並於二零二零年十一月三十日到期。

倘若香港金融管理局(「金管局」)於任何時候決定(經考慮適用的法規框架)本後償票據不再合資格作為附加資本，本行可於二零一三年一月一日或之後，在事先獲得金管局書面批准後選擇向票據持有人通知有關影響，該通知即為「地位變更通知」。於「地位變更通知」生效後，本後償票據將不再構成本行之後償責任，並於其後構成本行之直接、無條件、非後償及無抵押責任，並將於其後任何時間享有同等權益，且彼此並無任何優先權。除適用法律可能規定之例外情況外，本行根據本後償票據之付款責任將於其後任何時間至少與所有其他現有及未來無抵押及非後償負債(包括有關存款之負債)享有同等權益。

本後償票據按年利率6.125%計息，每半年支付一次。地位變更通知生效後，本後償票據之年利率將變為5.625%，每半年支付一次。本後償票據以攤餘成本列賬。

39. SHARE CAPITAL

Authorised:

1,406,592,000 (2009: 1,406,592,000)
ordinary shares of HK\$1 each
1,172,160,000 (2009: 1,172,160,000)
irredeemable cumulative preference
shares of US\$0.10237 each

Issued and fully paid:

1,172,160,000 (2009: 1,172,160,000)
ordinary shares of HK\$1 each
1,172,160,000 (2009: 1,172,160,000)
irredeemable cumulative preference
shares of US\$0.10237 each

法定股本：

1,406,592,000 股(二零零九年：1,406,592,000 股)
每股面值 1 港元之普通股
1,172,160,000 股(二零零九年：1,172,160,000 股)
每股面值 0.10237 美元之
不可贖回累積優先股

已發行及繳足：

1,172,160,000 股(二零零九年：1,172,160,000 股)
每股面值 1 港元之普通股
1,172,160,000 股(二零零九年：1,172,160,000 股)
每股面值 0.10237 美元之不可贖回累積優先股

39. 股本

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	1,406,592	1,406,592
	929,966	929,966
	2,336,558	2,336,558
	1,172,160	1,172,160
	925,359	925,359
	2,097,519	2,097,519

The holders of ordinary shares are entitled to receive dividends from time to time and are entitled to one vote per share at a general meeting of the Bank. All ordinary shares rank equally with regard to the Bank's residual assets.

The irredeemable cumulative preference shares bear a cumulative preference dividend at a fixed rate of 9% per annum, payable semi-annually, on their nominal amount and rank in priority to the ordinary shares with respect to the payment of dividends and any return of capital. Irredeemable cumulative preference shares do not carry voting rights. The Bank may elect not to declare or pay the preference dividend if, during the 12 calendar months preceding a date on which the preference dividend is due to be paid in respect of the preference shares, no dividend or distribution or other payment has been declared or paid on any class of the share capital of the Bank. The deferred preference dividends will not themselves bear interest and the terms of the preference shares will not provide for payment of any form of compensation to the preference shareholders other than payment of the preference dividend.

40. SHARE PREMIUM

The application of the share premium account is governed by section 48B of the Hong Kong Companies Ordinance.

普通股持有人有權不時收取股息及有權於本行之股東大會上就每股投一票。所有普通股對本行之剩餘資產享有同等地位。

不可贖回累積優先股根據其面值按固定年息率9%計息，每半年支付，並優先於普通股支付股息及返還股本。不可贖回累積優先股不享有投票權。如果於就優先股應予以支付之優先股股息之日期前十二個月內，並無就本行任何類別股本而宣派或支付任何股息或分派或其他付款，則本行可選擇不宣派或支付優先股股息。遞延優先股股息本身並不計息，且除支付優先股股息外，將不會就優先股之條款向優先股股東支付任何形式之補償。

40. 股份溢價

股份溢價賬之應用受香港《公司條例》第48B條監管。

41. RESERVES AND DIVIDENDS

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Bank's individual components of equity between the beginning and the end of the year are set out below:

41. 儲備及股息

本集團綜合權益各成分之期初及期末結餘之對賬載於綜合權益變動表。本行年初及年末之股權各成分變動詳列如下：

		The Bank 本行					
		Capital redemption reserve	Capital reserve	Regulatory reserve	Investment revaluation reserve	Retained earnings	Total
		資本贖回 儲備	資本 儲備	法定 儲備	投資重估 儲備	保留 溢利	總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2009	於二零零九年一月一日	372,000	12,969	150,010	(276,620)	1,085,023	1,343,382
Total comprehensive income for the year	本年度全面收益	-	-	-	308,493	163,852	472,345
- Profit for the year	- 年內溢利	-	-	-	-	163,852	163,852
- Other comprehensive income:	- 其他全面收益：						
Available-for-sale securities:	可供出售證券：						
net movement in investment revaluation reserve	投資重估儲備淨變動	-	-	-	308,493	-	308,493
Dividend approved and paid in respect of the previous financial year (Note 41(g))	於本年度通過及派付之上一財政年度股息(附註41(g))	-	-	-	-	(17,582)	(17,582)
Interim dividend paid (Note 41(g))	已派付中期股息(附註41(g))	-	-	-	-	(17,582)	(17,582)
Preference share dividend paid during the year (Note 41(g))	年內已派付優先股股息(附註41(g))	-	-	-	-	(81,886)	(81,886)
Equity settled share-based transactions	以股權結算之股份為基礎之交易	-	2,715	-	-	-	2,715
At 31 December 2009 and 1 January 2010	於二零零九年十二月三十一日及二零一零年一月一日	372,000	15,684	150,010	31,873	1,131,825	1,701,392
Total comprehensive income for the year	本年度全面收益	-	-	-	(2,582)	304,987	302,405
- Profit for the year	- 年內溢利	-	-	-	-	304,987	304,987
- Other comprehensive income:	- 其他全面收益：						
Available-for-sale securities:	可供出售證券：						
net movement in investment revaluation reserve	投資重估儲備淨變動	-	-	-	(2,582)	-	(2,582)
Dividend approved and paid in respect of the previous financial year (Note 41(g))	於本年度通過及派付之上一財政年度股息(附註41(g))	-	-	-	-	(17,582)	(17,582)
Interim dividend paid (Note 41(g))	已派付之中期股息(附註41(g))	-	-	-	-	(23,443)	(23,443)
Preference share dividend paid during the year (Note 41(g))	年內已派付優先股股息(附註41(g))	-	-	-	-	(83,887)	(83,887)
Equity settled share-based transactions	以股權結算之股份為基礎之交易	-	10,755	-	-	-	10,755
At 31 December 2010	於二零一零年十二月三十一日	372,000	26,439	150,010	29,291	1,311,900	1,889,640

41. RESERVES AND DIVIDENDS (continued)**(a) Capital redemption reserve**

The capital redemption reserve arose from the redemption of the Bank's "A" and "B" preference shares in 1991 and 1992 out of its retained earnings. The capital redemption reserve is undistributable under the Hong Kong Companies Ordinance section 79 C(2) but may be applied by the Bank in paying up its unissued shares to be allotted to its members as fully paid bonus shares.

(b) Capital reserve

The capital reserve comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank by the ultimate holding company which has been charged to profit or loss. Details of the terms and conditions of unexpired and unexercised share options are set out in Note 7.

(c) Foreign exchange reserve

The foreign exchange reserve of the Group comprises all foreign exchange differences arising from the translations of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in Note 2(s).

(d) Regulatory reserve

The regulatory reserve is maintained to satisfy the provisions of the Hong Kong Banking Ordinance for prudential supervision purposes. Movements in the reserve are made directly through retained earnings and in consultation with the HKMA.

(e) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities, excluding impairment losses, until the securities are derecognised and is dealt with in accordance with the accounting policies in Note 2(g).

(f) Distributability of reserves

At 31 December 2010, the aggregate amount of reserves available for distribution to equity shareholders of the Bank was HK\$1,308,169,000 (2009: HK\$1,128,103,000) after taking consideration of HK\$3,731,000 (2009: HK\$3,722,000) payable to preference share holders.

41. 儲備及股息 (續)**(a) 資本贖回儲備**

資本贖回儲備因在一九九一年及一九九二年自本行之保留溢利撥款贖回其「A」及「B」類優先股而產生。根據香港《公司條例》第79C(2)條，資本贖回儲備乃不可分派，但可由本行用以繳付將配發予其股東之未發行股份之股款作繳足紅股。

(b) 資本儲備

資本儲備包括已自損益賬扣除之最終控股公司授予本行僱員之實際或估計未獲行使認股權之公平價值。未到期及未行使之認股權之條款及條件之詳細資料載列於附註(7)內。

(c) 外匯儲備

本集團外匯儲備包括因折算海外業務財務報表所產生之所有外匯差異。該儲備根據附註2(s)所載之會計政策處理。

(d) 法定儲備

為根據《銀行業條例》的規定而保留法定儲備以達至嚴謹監管的目的。該儲備之變動乃在諮詢香港金融管理局之意見後直接從保留溢利轉撥。

(e) 投資重估儲備

投資重估儲備包括可供出售證券之公平價值直至證券停止確認之累計變動淨額(不包括減值虧損)，乃按附註2(g)中之會計政策處理。

(f) 可供分派儲備

於二零一零年十二月三十一日，在計及應付予優先股持有人的3,731,000港元(二零零九年：3,722,000港元)後，本行可供分派予股東之儲備總額為1,308,169,000港元(二零零九年：1,128,103,000港元)。

		The Group 本集團		The Bank 本行	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
At 1 January and 31 December	於一月一日及 於十二月三十一日	175,211	175,211	150,010	150,010

41. RESERVES AND DIVIDENDS (continued)**(g) Dividends**

- (i) Dividends declared and proposed attributable to the financial year

Interim dividend declared and paid of 2.0 cents (2009: 1.5 cents) per share	已宣派及已派付之每股中期股息2.0仙 (二零零九年：1.5仙)
Final dividends of 3.0 cents (2009: 1.5 cents) per share proposed after the balance sheet date	結算日後建議每股末期股息3.0仙 (二零零九年：1.5仙)

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

- (ii) Dividends attributable to the previous financial year, approved and paid during the year

Final dividend in respect of the previous financial year, approved and paid during the period of 1.5 cents (2009: 1.5 cents) per share	於期內通過及派付之上一財政年度末期股息每股1.5仙 (二零零九年：1.5仙)
--	---

- (iii) Dividends on irredeemable cumulative preference shares issued by the Bank

Dividends of HK\$83,887,000 (2009: HK\$81,886,000) were paid and charged to retained earnings during the year.

41. 儲備及股息 (續)**(g) 股息**

- (i) 財政年度已宣派及建議之股息

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
23,443	17,582
35,165	17,582
58,608	35,164

末期股息於結算日並未確認為負債。

- (ii) 應付上一財政年度之股息，已於本年度通過及派付

2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
17,582	17,582

- (iii) 本行所發行不可贖回累積優先股股息

於本年度已派付優先股股息83,887,000(二零零九年：81,886,000港元)並於保留溢利扣除。

42. NON-CONTROLLING INTERESTS

At 1 January	於一月一日
Loss for the year	年度內虧損
Return of capital on deregistration of a subsidiary	註銷附屬公司時返還股本
At 31 December	於十二月三十一日

42. 非控股權益

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	2,691	3,152
	(673)	(461)
	(96)	–
	1,922	2,691

43. CASH AND CASH EQUIVALENTS

(a) Cash and cash equivalents in the consolidated cash flow statement

Cash and balances with banks	現金及於銀行同業之結餘
Money at call and short notice (Note 17)	通知及短期存款(附註17)
Treasury bills with original maturity within three months	原於三個月內到期之國庫券
Placements with banks with original maturity within three months	原於三個月內到期之銀行同業 及其他金融機構放款

43. 現金及等同現金項目

(a) 綜合現金流動表之現金及等同現金項目

	The Group 本集團	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	1,815,403	2,479,867
	961,948	2,935,022
	64,975	100,496
	1,404,178	76,775
	4,246,504	5,592,160

43. CASH AND CASH EQUIVALENTS (continued)**(b) Reconciliation to the consolidated balance sheet**

Cash and short term funds (Note 17)	現金及短期資金(附註17)
Treasury bills	國庫券
– Trading securities (Note 19)	– 持作交易用途之證券(附註19)
– Available-for-sale securities (Note 24)	– 可供出售證券(附註24)
Balances with banks and other financial institutions (Note 18)	於銀行同業及其他金融機構之結餘(附註18)
Amount shown in the consolidated balance sheet	綜合資產負債表內之金額
Less: Amount with an original maturity of over three months	減：原於三個月以後到期的金額
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流動表內之現金及等同現金項目

43. 現金及等同現金項目(續)**(b) 綜合資產負債表之對賬**

The Group	
本集團	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
2,777,351	5,414,889
962,662	100,496
2,009,956	1,989,636
2,026,090	317,677
7,776,059	7,822,698
(3,529,555)	(2,230,538)
4,246,504	5,592,160

44. EMPLOYEE RETIREMENT BENEFITS**(a) Defined benefit retirement plans**

The Group operates a retirement scheme, namely the Fubon Bank (Hong Kong) Limited Retirement Scheme ("the Scheme"), which incorporates a defined benefits plan for 43% (2009: 47%) of its full time employees. The Scheme is administered by trustees who are independent. The assets of the Scheme are held separately from those of the Group. The Group has secured Mandatory Provident Fund ("MPF") exemption status for the Scheme. The Scheme is funded by contributions from the Group in accordance with the trust deed governing the Scheme and based on an independent actuary's recommendations. The latest independent actuarial valuation of the Scheme was at 31 December 2010 and was prepared by Alan Oates, Fellow of the Institute of Actuaries, of Mercer (Hong Kong) Limited using the projected unit credit cost method. The actuarial valuation indicates that the Group's obligations under the Scheme are 82.29% (2009: 75.06%) covered by the plan assets held by the trustee.

44. 僱員退休福利**(a) 定額福利退休計劃**

本集團推行一項退休計劃，名為富邦銀行(香港)有限公司退休計劃(「該計劃」)，為其43%(二零零九年：47%)全職僱員設立一項定額福利計劃。該計劃由獨立受託人管理。該計劃資產與本集團的資產分開持有。本集團就該計劃獲得強制性公積金(「強積金」)的豁免地位。該計劃乃由本集團根據規管該計劃的信託契據，並以獨立精算師的意見為基礎作出供款。該計劃最新的獨立精算估值乃於二零一零年十二月三十一日進行，由 Mercer (Hong Kong) Limited 的 Alan Oates (美國精算師學會資深會員) 以預計單位信貸方式編製。該精算估值顯示，本集團為該計劃所承擔之責任中，82.29%(二零零九年：75.06%)可透過受託人所持有的計劃資產獲得保障。

44. EMPLOYEE RETIREMENT BENEFITS (continued)

(a) Defined benefit retirement plans (continued)

Present value of wholly or partly funded obligations	獲全數或部分資助的承擔現值
Fair value of Scheme's assets	該計劃資產的公平價值
Unrecognised actuarial losses	尚未確認的精算虧損
Net asset/(liability) recognised in the balance sheet	於資產負債表內已獲確認的資產/(負債)淨值
Amounts in the balance sheet:	於資產負債表之金額：
Liabilities	負債
Assets	資產
Net asset/(liability)	資產/(負債)淨值

The asset of HK\$5.3 million (2009: liability of HK\$15.2 million) is included in "Other assets" (2009: Other liabilities).

The Scheme's assets include ordinary shares issued by the Bank with a fair value of HK\$6,777,000 (2009: HK\$6,891,000).

44. 僱員退休福利(續)

(a) 定額福利退休計劃(續)

The Group and the Bank
本集團及本行

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	(234,723)	(270,743)
	193,146	203,211
	46,894	52,332
	5,317	(15,200)
	-	(15,200)
	5,317	-
	5,317	(15,200)

5,300,000 港元資產(二零零九年：15,200,000 港元負債)列賬於「其他資產」(二零零九年：其他負債)。

該計劃的資產包括本行發行公平價值為 6,777,000 港元的普通股(二零零九年：6,891,000 港元)。

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(b) Expense recognised in “Operating expenses – staff costs” in the statement of comprehensive income is as follows:**

Current service cost	本期服務成本
Interest cost on obligation	所承擔責任之利息成本
Amortisation of actuarial (gain)/loss	精算(收益)/虧損攤銷
Expected return on Scheme’s assets	該計劃資產的預計回報

The actual return on the Scheme’s assets for the year ended 31 December 2010 amounted to approximately HK\$1,951,000 deficit (2009: HK\$11,948,000 surplus).

(c) Amounts for the current and previous years

Defined benefit obligation	定額福利責任
Plan assets	計劃資產
Net deficit	淨虧絀
Experience gains / (losses) on scheme liabilities	計劃負債的實際收益/(虧損)
Experience gains / (losses) on scheme assets	計劃資產的實際收益/(虧損)

44. 僱員退休福利 (續)**(b) 於全面收益表內「營運支出－僱員成本」一項已獲確認的支出如下：****The Group and the Bank**
本集團及本行

2010	2009
二零一零年	二零零九年
HK\$’000	HK\$’000
千港元	千港元
23,421	30,744
6,806	3,755
(2,230)	8,416
(10,336)	(10,927)
17,661	31,988

截至二零一零年十二月三十一日止年度，該計劃資產的實際回報虧絀1,951,000港元(二零零九年：盈餘11,948,000港元)。

(c) 本年度及過往年度金額**The Group and the Bank**
本集團及本行

2010	2009	2008	2007	2006
二零一零年	二零零九年	二零零八年	二零零七年	二零零六年
HK\$’000	HK\$’000	HK\$’000	HK\$’000	HK\$’000
千港元	千港元	千港元	千港元	千港元
234,723	270,743	322,075	244,040	200,815
193,146	203,211	213,419	197,898	182,029
(41,577)	(67,532)	(108,656)	(46,142)	(18,786)
8,327	12,629	(4,269)	(4,997)	(2,760)
12,287	1,021	(2,497)	5,002	(4,186)

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(d) Changes in the present value of the defined benefit obligation are as follows:**

Opening defined benefit obligation	年初定額福利責任
Current service cost	本年度服務成本
Interest cost	利息成本
Participants' contributions	參與者供款
Benefits paid	已付福利
Premiums paid	已付保費
Actuarial gain on obligation during the year	年內責任之精算收益
Closing defined benefit obligation	年終定額福利責任

(e) Composition of the plan assets are as follows:

Investments and money market	投資及貨幣市場
Bank balances and cash	銀行結餘及現金
Others	其他

44. 僱員退休福利 (續)**(d) 定額福利責任之現值變動如下：**

The Group and the Bank	
本集團及本行	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
270,743	322,075
23,421	30,744
6,806	3,755
6,339	8,181
(37,830)	(45,918)
(340)	(396)
(34,416)	(47,698)
234,723	270,743

(e) 計劃資產之組成如下：

The Group and the Bank	
本集團及本行	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
96,382	125,534
97,048	76,744
(284)	933
193,146	203,211

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(f) Changes in the fair value of plan assets are as follows:**

Opening fair value of plan assets	年初計劃資產之公平價值
Actual return	實際回報
Assets distributed on settlements	結算分派之資產
Premiums paid	已付保費
Contributions by employers and employees	僱主及僱員之供款
Closing fair value of plan assets	年終計劃資產之公平價值

(g) The principal actuarial assumptions used as at 31 December 2010 are as follows:

Discount rate	貼現率
Long-term rate of return on assets	資產長期回報率
Future salary increases	未來薪金加幅

The long term rate of return on assets (5.0% p.a. for calculating the 2011 net cost) is based on the minimum investment guarantee that is applied to the Scheme's assets.

(h) Mandatory Provident Fund Scheme ("MPF Scheme")

The Group also operates an MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the Scheme. The Group participates in an approved MPF scheme with the Bank Consortium Trust Company Limited to provide a scheme choice to both existing and new employees. The MPF scheme is a defined contribution retirement scheme administered by an independent trustee.

Under the MPF scheme, the employer and its employees are each required to make mandatory contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$20,000. Contributions to the scheme vest immediately.

44. 僱員退休福利(續)**(f) 計劃資產之公平價值變動如下：**

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
203,211	213,419
(1,951)	11,948
(37,830)	(45,918)
(340)	(396)
30,056	24,158
193,146	203,211

(g) 於二零一零年十二月三十一日，所用主要精算假設如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2.2% p.a. 每年2.2%	2.6% p.a. 每年2.6%
5.0% p.a. 每年5.0%	5.0% p.a. 每年5.0%
4.5% 每年4.5%	1.0% p.a. for 2010 and 4.5% p.a. thereafter 二零一零年為 每年1.0%及其後 為每年4.5%

資產長期回報率(就計算二零一一年成本淨額為每年5.0%)乃以該計劃的資產所應用的最低投資保障為基準。

(h) 強制性公積金計劃(「強積金計劃」)

本集團亦根據香港強制性公積金計劃條例向根據香港僱傭條例管轄範圍內受僱而未曾納入該計劃內的僱員推行了一項強積金計劃。本集團參與銀聯信託有限公司一項獲認可的強積金計劃，以向現職及新入職僱員提供計劃選擇。強積金計劃乃由獨立受託人所管理的定額供款退休計劃。

根據強積金計劃，僱主及其僱員須各自就計劃按僱員相關收入作出5%之強制性供款，並以每月相關收入20,000港元為上限。一經對計劃作出供款，供款即予以歸屬。

44. EMPLOYEE RETIREMENT BENEFITS (continued)**(h) Mandatory Provident Fund Scheme ("MPF Scheme")** (continued)

In addition to the mandatory contribution, employees will have an one-off election to make a voluntary contribution of 5% of employee's relevant income. At the same time, the employer will make a matching voluntary contribution accordingly.

45. CONTINGENT LIABILITIES AND COMMITMENTS**(a) Credit related commitments and contingencies**

Credit related commitments and contingencies include forward deposits placed, acceptances, letters of credit, guarantees and commitments to extend credit. The risk involved is essentially the same as the credit risk involved in extending loan facilities to customers. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the credit default. As the facilities may expire without being drawn upon, the contract amounts do not represent expected future cash flows.

The following is a summary of the contractual and credit risk-weighted amounts of each significant class of credit related commitments and contingencies:

44. 僱員退休福利 (續)**(h) 強制性公積金計劃(「強積金計劃」)** (續)

除強制性供款外，僱員可作出一次一次性選擇，就其相關收入作出5%之自願性供款。同時，僱主將須作出相應的等額自願性供款。

45. 或然負債及承擔**(a) 與信貸有關之承擔及或然項目**

與信貸有關之承擔及或然項目包括用以提供信貸之遠期預約放款、承兌項目、信用證、擔保和承付款項。所涉及之風險基本上與向客戶提供貸款之信貸風險相同。合約金額是指當合約被完全提取及客戶違約時所承擔風險之數額。由於該等備用貸款可能在未經提取前到期，故合約金額並不代表預計未來現金流量。

以下為每項重大與信貸有關之承擔及或然項目類別之合約金額及信貸加權金額之摘要：

		The Group			
		本集團			
		2010		2009	
		二零一零年		二零零九年	
		Credit risk		Credit risk	
		weighted		weighted	
		amounts		amounts	
		信貸風險		信貸風險	
		加權金額		加權金額	
		HK\$'000		HK\$'000	
		千港元		千港元	
Direct credit substitutes	直接信貸替代項目	71,606	71,606	236,073	126,073
Transaction-related contingencies	與交易有關之或然項目	21,408	10,704	29,193	14,597
Trade-related contingencies	與貿易有關之或然項目	385,469	77,094	158,264	31,653
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	13,348,722	–	11,301,472	–
– with an original maturity of up to 1 year	– 原訂到期期限為一年內	32,276	6,455	–	–
– with an original maturity of 1 year or over	– 原訂到期期限為一年或以上	441,253	220,627	296,321	148,161
		14,300,734	386,486	12,021,323	320,484

45. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(a) Credit related commitments and contingencies (continued)

45. 或然負債及承擔(續)

(a) 與信貸有關之承擔及或然項目(續)

		The Bank 本行			
		2010 二零一零年		2009 二零零九年	
		Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元	Contractual amounts 合約金額 HK\$'000 千港元	Credit risk weighted amounts 信貸風險 加權金額 HK\$'000 千港元
Direct credit substitutes	直接信貸替代項目	77,606	77,606	243,573	133,573
Transaction-related contingencies	與交易有關之或然項目	21,408	10,704	29,193	14,597
Trade-related contingencies	與貿易有關之或然項目	385,469	77,094	158,264	31,653
Undrawn loan facilities	未提取之備用貸款				
– which are unconditionally cancellable	– 其中可無條件地取消	13,348,722	–	11,301,472	–
– with an original maturity of up to 1 year	– 原訂到期期限為一年內	32,276	6,455	–	–
– with an original maturity of 1 year or over	– 原訂到期期限為一年或以上	441,253	220,627	296,321	148,161
		14,306,734	392,486	12,028,823	327,984

The risk weights used in the computation of credit risk weighted amounts range from 0% to 100%.

用於計算信貸風險加權金額之風險加權比率介乎0%至100%。

45. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**(b) Lease commitments**

At 31 December, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

Properties:	物業：
– Within one year	– 一年內
– After 1 year but within 5 years	– 一至五年間

(c) Capital commitments

Capital commitments for purchase of equipment and available-for-sale investments outstanding at 31 December not provided for in the financial statements were as follows:

Contracted for	已訂合約
----------------	------

46. TRUST ACTIVITIES

The Group commonly acts as trustees and in other fiduciary capacities that result in the holding or placing of assets on behalf of individuals, trusts, retirement benefit plans and other institutions. These assets and income arising thereon are excluded from these financial statements, as the Group does not control the assets.

45. 或然負債及承擔 (續)**(b) 租賃承擔**

於十二月三十一日，不可取消營運租賃下之未來最低應付租金總額如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
26,665	34,735
15,852	30,843
42,517	65,578

(c) 資本承擔

於十二月三十一日未於財務報告內提撥之有關購買設備及可供出售投資之未兌現資本承擔如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
172,429	157,429

46. 信託業務

本集團一般以託管人及其他受託人的身份代表個人、信託、退休福利計劃及其他機構持有或存置資產。由於本集團並不控制該等資產，因此該等資產及其所產生之收入不會於此等財務報告中列賬。

47. FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2: Valuation techniques based on observable inputs, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation.

The table below analyses financial instruments, measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value treatment is categorised:

47. 金融工具之公平價值

(a) 以公平價值列賬之金融工具

公平價值之估計一般帶有主觀性質，並於特定時間點基於該金融工具之特性及相關市場資料作出評估。本集團使用下列可反映計量所用之輸入數據之重要性之公平價值等級制度計量公平價值：

- 一級：相同工具於活躍市場之市場報價(未經調整)。
- 二級：基於可觀察數據(直接(即價格)或間接(即源自價格))之估值技術。該分類包括使用下列方法進行估值之工具：類似工具於活躍市場之市場報價；不甚活躍市場之相同或類似工具之報價；或所有重要數據均可直接或間接於市場數據觀察而獲得之其他估值技術。
- 三級：使用重大不可觀察數據之估值技術。該分類包括估值技術並非基於可觀察數據且不可觀察數據對工具之估值有重大影響之所有工具。

下表乃以公平價值等級制度(公平價值據此分類)分析於本報告期末以公平價值計量之金融工具：

		The Group 本集團			
		Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
2010	二零一零年				
Assets		資產			
Trading securities	持作交易用途之證券	963,724	3,049	-	966,773
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產	84,724	-	321,544	406,268
Derivative financial instruments	衍生金融工具	-	468,122	23,511	491,633
Available-for-sale securities	可供出售證券	11,151,066	6,951,393	453,375	18,555,834
		12,199,514	7,422,564	798,430	20,420,508
Liabilities		負債			
Trading liabilities	交易賬項下之負債	920,695	-	-	920,695
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債	-	263,986	-	263,986
Derivative financial instruments	衍生金融工具	-	320,678	256,636	577,314
		920,695	584,664	256,636	1,761,995

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

2009	二零零九年
Assets	資產
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Available-for-sale securities	可供出售證券
Liabilities	負債
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Derivative financial instruments	衍生金融工具

47. 金融工具之公平價值 (續)

(a) 以公平價值列賬之金融工具 (續)

The Group 本集團			
Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
101,554	3,968	-	105,522
331,624	-	310,113	641,737
-	483,439	148,571	632,010
9,777,601	7,611,964	549,508	17,939,073
10,210,779	8,099,371	1,008,192	19,318,342
14,275	-	-	14,275
-	201,096	-	201,096
-	283,873	368,023	651,896
14,275	484,969	368,023	867,267
The Bank 本行			
Level 1 一級	Level 2 二級	Level 3 三級	Total 總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
963,609	3,049	-	966,658
84,724	-	321,544	406,268
-	468,122	23,511	491,633
11,151,066	6,951,393	453,373	18,555,832
12,199,399	7,422,564	798,428	20,420,391
920,695	-	-	920,695
-	263,986	-	263,986
-	320,678	256,636	577,314
920,695	584,664	256,636	1,761,995

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

2009	二零零九年	The Bank 本行			Total 總額
		Level 1 一級	Level 2 二級	Level 3 三級	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Assets					
Trading securities	持作交易用途之證券	101,452	3,968	-	105,420
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產	331,624	-	310,113	641,737
Derivative financial instruments	衍生金融工具	-	483,439	148,571	632,010
Available-for-sale securities	可供出售證券	9,777,601	7,611,964	549,506	17,939,071
		10,210,677	8,099,371	1,008,190	19,318,238
Liabilities					
Trading liabilities	交易賬項下之負債	14,275	-	-	14,275
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債	-	201,096	-	201,096
Derivative financial instruments	衍生金融工具	-	283,873	368,023	651,896
		14,275	484,969	368,023	867,267

During the year 2010 and 2009, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy.

(i) Valuation of financial instruments with significant unobservable inputs

The following methods have been applied in determining the fair values of financial instruments under Level 3 of the fair value hierarchy:

- (i) the fair value of unquoted equity investments is estimated using the net asset value as reported by management of the investee companies;
- (ii) the fair value of unlisted investment funds is estimated using the net asset value as reported by the managers of such funds;
- (iii) the fair value of structured investment vehicles, collateralised debt obligations and certain debt securities is estimated using the net asset value as reported by the respective counterparties; and
- (iv) the fair value of certain structured debt securities is estimated based on an independent external valuation reports with a discount to take into account the legal risk of the recovery process.

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

於二零一零年及二零零九年，並無金融工具在公平價值等級制度一級與二級之間有重大轉換。

(i) 使用重大不可觀察數據進行之金融工具估值

以下方法已用於釐定公平價值等級制度三級下之金融工具之公平價值：

- (i) 沒有市價之股本投資之公平價值乃使用該等被投資公司管理層申報的資產淨值進行估計；
- (ii) 非上市投資基金之公平價值是以該等基金之經理申報的資產淨值進行估計；
- (iii) 結構性投資工具、債務抵押證券及若干債務證券之公平價值是以各交易對手申報的資產淨值進行估計；
- (iv) 若干結構性債務證券之公平價值是根據獨立外部估值報告並計及收回程序的法律風險後進行估計。

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

Assets
資產

2010

二零一零年

At 1 January 2010	於二零一零年一月一日
Purchases	購買
Sales	出售
Settlements	結算
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：
– Impairment losses on available-for-sale securities	– 可供出售證券減值虧損
– Other operating income	– 其他營運收入
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動
At 31 December 2010	於二零一零年十二月三十一日
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

下表載列公平價值等級制度三級內公平價值計量之年初餘額與年終餘額之對賬：

The Group
本集團

Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產	Derivative financial instruments 衍生金融工具	Available-for-sale securities 可供出售證券	Total 總額
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
310,113	148,571	549,508	1,008,192
22,076	–	90,337	112,413
(936)	–	(96,551)	(97,487)
–	–	(75,128)	(75,128)
–	–	985	985
–	–	(2,928)	(2,928)
(9,709)	(125,060)	–	(134,769)
–	–	(12,848)	(12,848)
321,544	23,511	453,375	798,430
–	–	3,695	3,695
(9,709)	(197,123)	420	(206,412)

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

2009	二零零九年	The Group 本集團			
		Financial assets designated at fair value through profit or loss 指定為通過損益 以反映公平價值 之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for- sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
At 1 January 2009	於二零零九年一月一日	-	498,925	601,116	1,100,041
Purchases	購買	320,823	-	32,041	352,864
Sales	出售	-	-	(20,590)	(20,590)
Settlements	結算	-	-	(13,720)	(13,720)
Changes in carrying value recognised in the profit or loss	在損益賬內確認之 賬面值變動	-	-	6,684	6,684
Changes in fair value recognised in the profit or loss:	在損益賬內確認之 公平價值變動				
- Impairment losses on available-for-sale securities	- 可供出售證券 減值虧損	-	-	(42,661)	(42,661)
- Other operating income	- 其他營運收入	(10,710)	(350,354)	-	(361,064)
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之 公平價值變動	-	-	(13,362)	(13,362)
At 31 December 2009	於二零零九年十二月三十一日	310,113	148,571	549,508	1,008,192
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入 其他全面收益之 本年度收益或虧損總額	-	-	9,264	9,264
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入 損益賬之本年度收益或 虧損總額	(10,710)	(406,460)	(39,361)	(456,531)

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets
資產

2010	二零一零年
At 1 January 2010	於二零一零年一月一日
Purchases	購買
Sales	出售
Settlements	結算
Changes in carrying value recognised in profit or loss	在損益賬內確認之賬面值變動
Changes in fair value recognised in profit or loss:	在損益賬內確認之公平價值變動：
– Impairment losses on available-for-sale securities	– 可供出售證券減值虧損
– Other operating income	– 其他營運收入
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之公平價值變動
At 31 December 2010	於二零一零年十二月三十一日
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入其他全面收益之本年度收益或虧損總額
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入損益賬之本年度收益或虧損總額

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

The Bank
本行

Financial assets designated at fair value through profit or loss 指定為通過損益以反映公平價值之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Total 總額 HK\$'000 千港元
310,113	148,571	549,506	1,008,190
22,076	–	90,337	112,413
(936)	–	(96,551)	(97,487)
–	–	(75,128)	(75,128)
–	–	985	985
–	–	(2,928)	(2,928)
(9,709)	(125,060)	–	(134,769)
–	–	(12,848)	(12,848)
321,544	23,511	453,373	798,428
–	–	3,695	3,695
(9,709)	(197,123)	420	(206,412)

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

(i) Valuation of financial instruments with significant unobservable inputs (continued)

Assets 資產		The Bank 本行				Total 總額 HK\$'000 千港元
		Financial assets designated at fair value through profit or loss 指定為通過損益 以反映公平價值 之金融資產 HK\$'000 千港元	Derivative financial instruments 衍生金融工具 HK\$'000 千港元	Available-for- sale securities 可供出售證券 HK\$'000 千港元		
2009	二零零九年					
At 1 January 2009	於二零零九年一月一日	-	498,925	601,116	1,100,041	
Purchases	購買	320,823	-	32,039	352,862	
Sales	出售	-	-	(20,590)	(20,590)	
Settlements	結算	-	-	(13,720)	(13,720)	
Changes in carrying value recognised in the profit or loss	在損益賬內確認之 賬面值變動	-	-	6,684	6,684	
Changes in fair value recognised in the profit or loss:	在損益賬內確認之 公平價值變動					
- Impairment losses on available-for-sale securities	- 可供出售證券 減值虧損	-	-	(42,661)	(42,661)	
- Other operating income	- 其他營運收入	(10,710)	(350,354)	-	(361,064)	
Changes in fair value recognised in other comprehensive income	在其他全面收益內確認之 公平價值變動	-	-	(13,362)	(13,362)	
At 31 December 2009	於二零零九年十二月三十一日	310,113	148,571	549,506	1,008,190	
Total gains or losses for the year included in other comprehensive income for assets held at the balance sheet date	於結算日持有之資產計入 其他全面收益之 本年度收益或虧損總額	-	-	9,264	9,264	
Total gains or losses for the year included in profit or loss for assets held at the balance sheet date	於結算日持有之資產計入 損益賬之本年度收益或 虧損總額	(10,710)	(406,460)	(39,361)	(456,531)	

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

(i) 使用重大不可觀察數據進行之金融工具估值(續)

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (i) Valuation of financial instruments with significant unobservable inputs (continued)

Liabilities
負債

2010

	二零一零年
At 1 January 2010	於二零一零年一月一日
Changes in fair value recognised in the profit or loss	在損益賬內確認之公平價值變動
– Revaluation loss on collateralised debt obligation	– 債務抵押證券之重估虧損
– Other operating income	– 其他營運收入
At 31 December 2010	於二零一零年十二月三十一日
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date	於結算日持有之負債計入損益賬之本年度收益或虧損總額

Liabilities
負債

2009

	二零零九年
At 1 January 2009	於二零零九年一月一日
Changes in fair value recognised in the profit or loss	在損益賬內確認之公平價值變動
– Revaluation loss on collateralised debt obligation	– 債務抵押證券之重估虧損
– Other operating income	– 其他營運收入
At 31 December 2009	於二零零九年十二月三十一日
Total gains or losses for the year included in profit or loss for liabilities held at the balance sheet date	於結算日持有之負債計入損益賬之本年度收益或虧損總額

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

- (i) 使用重大不可觀察數據進行之金融工具估值(續)

The Group and the Bank
本集團及本行Derivative financial
instruments
衍生金融工具
HK\$'000
千港元Total
總額
HK\$'000
千港元

	(368,023)	(368,023)
	(13,673)	(13,673)
	125,060	125,060
	(256,636)	(256,636)
	183,450	183,450

The Group and the Bank
本集團及本行Derivative financial
instruments
衍生金融工具
HK\$'000
千港元Total
總額
HK\$'000
千港元

	(717,696)	(717,696)
	(681)	(681)
	350,354	350,354
	(368,023)	(368,023)
	405,779	405,779

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(a) Financial instruments carried at fair value (continued)

- (ii) *Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions*

Although the Group believes that its estimates of fair value are appropriate, the use of different methodology or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3 of the fair value hierarchy, a 10% change in either direction in the net asset value reported by respective counterparties would have the following effects:

47. 金融工具之公平價值(續)

(a) 以公平價值列賬之金融工具(續)

- (ii) *重大不可觀察假設出現變動對可行替代合理假設之影響*

雖然本集團相信其公平價值估計屬適宜，但是使用不同方法或假設可能導致公平價值之不同計量。就公平價值等級制度三級下之公平價值計量而言，各交易對手申報之資產淨值向任意方向變動10%可能產生下列影響：

		The Group and the Bank 本集團及本行			
		Effect on Profit or Loss 對損益賬的影響		Effect on Other Comprehensive Income 對其他全面收益的影響	
		Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元	Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元
2010	二零一零年				
Assets	資產				
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	32,154	(32,154)	-	-
Available-for-sale securities	可供出售證券	2,037	(2,037)	43,300	(43,300)
Derivatives financial instruments	衍生金融工具	2,351	(2,351)	-	-
Liabilities	負債				
Derivatives financial instruments	衍生金融工具	25,664	(25,664)	-	-

		The Group and the Bank 本集團及本行			
		Effect on Profit or Loss 對損益賬的影響		Effect on Other Comprehensive Income 對其他全面收益的影響	
		Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元	Favourable 有利變動 HK\$'000 千港元	Unfavourable 不利變動 HK\$'000 千港元
2009	二零零九年				
Assets	資產				
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	31,011	(31,011)	-	-
Available-for-sale securities	可供出售證券	1,523	(1,523)	53,428	(53,428)
Derivatives financial instruments	衍生金融工具	14,857	(14,857)	-	-
Liabilities	負債				
Derivatives financial instruments	衍生金融工具	36,802	(36,802)	-	-

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

(b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented in the table below:

- (i) the fair value of demand deposits and savings accounts with no specific maturity is assumed to be the amount payable on demand at the balance sheet date;
- (ii) the fair value of variable rate financial instruments and loans is assumed to be approximated by their carrying amounts. Changes in the credit quality of these financial instruments and loans are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value; and
- (iii) the fair value of fixed rate loans and mortgages carried at amortised cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognised separately by deducting the amount of the impairment loss and allowances from both the carrying amount and fair value.

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 31 December 2010 and 2009 except as follows:

47. 金融工具之公平價值(續)

(b) 非以公平價值列賬之金融工具之公平價值

下列方法及重大假設已應用於釐定於下表列示之金融工具之公平價值：

- (i) 假設活期存款及無特定期限之儲蓄賬戶之公平價值為於結算日可要求還款之金額；
- (ii) 假設浮息金融工具及貸款之公平價值接近其賬面金額。釐定公平價值毛額時並不計及這些金融工具及貸款信貸質量之變化，此乃由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以確認；及
- (iii) 有關定息貸款及按揭銷成本列賬之按揭的公平價值是透過比較貸款時之市場利率與相若貸款之現時市場利率所計算。由於信貸風險之影響透過自賬面金額及公平價值扣除減值虧損及撥備金額予以單獨確認，於釐定總公平價值時並未考慮組合內各貸款之信貸質量變化。

本集團及本行按成本或攤銷成本列賬之金融工具之賬面值與其於二零一零年及二零零九年十二月三十一日之公平價值並無重大差異，惟以下所列除外：

		The Group 本集團			
		2010 二零一零年		2009 二零零九年	
		Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元	Carrying amount 賬面金額 HK\$'000 千港元	Fair value 公平價值 HK\$'000 千港元
<i>Financial assets</i>	金融資產				
Advances to customers	客戶貸款	1,116,708	1,089,773	1,963,397	1,969,613
Other loans and receivables	其他貸款及應收款項	2,802,314	2,482,312	3,392,218	3,146,132
Held-to-maturity investments	持至到期投資	2,462,681	2,445,611	902,222	985,156
<i>Financial liabilities</i>	金融負債				
Other liabilities	其他負債	809,537	811,815	2,585,236	2,592,553

47. FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)**(b) Fair values of financial instruments carried at other than fair value** (continued)

		The Bank	
		本行	
		2010	
		二零一零年	
		Carrying amount	Fair value
		賬面金額	公平價值
		HK\$'000	HK\$'000
		千港元	千港元
<i>Financial assets</i>		<i>金融資產</i>	
Advances to customers	客戶貸款	853,631	848,980
Other loans and receivables	其他貸款及應收款項	2,802,314	2,482,312
Held-to-maturity investments	持至到期投資	2,462,681	2,445,611
<i>Financial liabilities</i>		<i>金融負債</i>	
Other liabilities	其他負債	809,537	811,815

47. 金融工具之公平價值 (續)**(b) 非以公平價值列賬之金融工具之公平價值** (續)

		The Bank	
		本行	
		2009	
		二零零九年	
		Carrying amount	Fair value
		賬面金額	公平價值
		HK\$'000	HK\$'000
		千港元	千港元
<i>Financial assets</i>		<i>金融資產</i>	
Advances to customers	客戶貸款	694,025	692,171
Other loans and receivables	其他貸款及應收款項	3,392,218	3,146,132
Held-to-maturity investments	持至到期投資	902,222	985,156
<i>Financial liabilities</i>		<i>金融負債</i>	
Other liabilities	其他負債	2,585,236	2,592,553

48. MATERIAL RELATED PARTY TRANSACTIONS

During the year, the Group entered into a number of transactions with its ultimate holding company and related parties, including Taipei Fubon Commercial Bank Co., Ltd. These transactions were entered into in the ordinary course of the Group's banking business and included, inter alia, lending, placement of interbank deposits, participation in loan syndicates, correspondent banking transactions and foreign exchange transactions. The transactions were priced at the relevant market rates at the time of each transaction, and were on the same terms as those available to other counterparties and customers of the Group. In the opinion of the directors, these transactions were conducted on normal commercial terms.

Information relating to income and expenses from related party transactions during the year and balances outstanding as at the balance sheet date is set out below:

(a) Income/expenses

		The Group and the Bank	
		本集團及本行	
		2010	
		二零一零年	
		HK\$'000	HK\$'000
		千港元	千港元
<i>Fellow subsidiaries</i>		<i>同系附屬公司</i>	
Interest income	利息收入	1,691	825
Interest expense	利息支出	3,561	9,281

48. 重大關連各方交易

年內，本集團與其最終控股公司及各關連方，包括台北富邦商業銀行股份有限公司訂立多項交易。該等交易在本集團銀行業務之日常業務過程中訂立，包括(不限於)借貸、銀行同業拆借與存款、參與銀團貸款、相關銀行交易及外匯交易。該等交易以進行各交易時之相關市場費率定價，並按與本集團可提供予其他交易對手方及客戶之相同條款進行。董事認為，該等交易乃按一般商業條款訂立。

有關年內關連各方交易所產生之收支及於結算日尚未償還餘額之資料載列如下：

(a) 收入 / 支出

		The Group and the Bank	
		本集團及本行	
		2010	
		二零一零年	
		HK\$'000	HK\$'000
		千港元	千港元
<i>Fellow subsidiaries</i>		<i>同系附屬公司</i>	
Interest income	利息收入	1,691	825
Interest expense	利息支出	3,561	9,281

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(a) Income/expenses (continued)

<i>Subsidiaries</i>	附屬公司
Interest income	利息收入
Interest expense	利息支出
Fee and commission income	費用及佣金收入
Fee and commission expense	費用及佣金支出

(b) Placement of deposits

<i>Fellow subsidiaries</i>	同系附屬公司
At 1 January	於一月一日
Placements during the year	年內放款
Repayments during the year	年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i>	同系附屬公司
Cash and short-term funds	現金及短期資金
<i>Fellow subsidiaries</i>	同系附屬公司
Accrued interest and other assets	應計利息及其他資產

There was no impairment allowance made against the above placement of deposits with related parties.

48. 重大關連各方交易(續)

(a) 收入/支出(續)

The Bank 本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
1,715	26,859
224	1,278
7,985	5,789
53,214	52,459

(b) 放款

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
-	55,000
44,097,205	86,172,219
(43,003,206)	(86,227,219)
1,093,999	-
23,876	12,615
731	-

上述與關連方放款並無減值撥備。

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)

(c) Acceptance of deposits

<i>Ultimate holding company</i> At 1 January	最終控股公司 於一月一日
Acceptances during the year Repayments during the year	年內接納 年內償還
At 31 December	於十二月三十一日
<i>Fellow subsidiaries</i> At 1 January	同系附屬公司 於一月一日
Acceptances during the year Repayments during the year	年內接納 年內償還
At 31 December	於十二月三十一日
<i>Ultimate holding company</i> Deposits and balances of banks	最終控股公司 銀行同業存款及結餘
<i>Fellow subsidiaries</i> Deposits from customers	同系附屬公司 客戶存款

(d) Financial Instruments

<i>Fellow subsidiary</i> Derivative contracts (notional principal)	同系附屬公司 衍生工具合約(名義本金額)
--	-------------------------

48. 重大關連各方交易(續)

(c) 接納存款

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
340	4,214
56,172 (56,512)	239,293 (243,167)
-	340
587,750	1,164,740
4,655,778 (5,010,311)	10,583,832 (11,160,822)
233,217	587,750
40,075	89,067
7,002	6,752

(d) 金融工具

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
2,478,607	842,042

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(e) Loans to officers**

Loans to officers of the Bank disclosed pursuant to section 161B of the Hong Kong Companies Ordinance are as follows:

Aggregate amount of relevant loans at 31 December	相關貸款於十二月三十一日的總額
– by the Bank	– 本行
– by a subsidiary	– 一間附屬公司
Maximum aggregate amount of relevant loans outstanding during the year	年內尚未償還相關貸款之最高總額
– by the Bank	– 本行
– by a subsidiary	– 一間附屬公司

There was no interest due but unpaid nor any impairment allowance made against these loans at 31 December 2010 (2009: Nil).

(f) Key management personnel remuneration

Remuneration for key management personnel, including amounts paid to the Bank's Directors as disclosed in Note 8 and certain of the highest paid employees as disclosed in Note 9 is as follows:

Salaries and short-term employee benefits	薪金及短期僱員福利
---	-----------

Total remuneration is included in "staff cost" (see Note 7).

48. 重大關連各方交易 (續)**(e) 高級職員貸款**

本行根據香港《公司條例》第161B條須予披露之高級職員貸款如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
9,115	10,525
–	–
9,115	10,525
13,368	35,361
–	–
13,368	35,361

於二零一零年十二月三十一日，此等貸款並無逾期未償付利息，或就有關貸款進行任何減值撥備(二零零九年：無)。

(f) 主要管理人員酬金

主要管理人員之酬金(包括附註8所披露付予本行董事之款項及附註9所披露付予若干最高薪僱員之款項)如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restate) (重述)
55,003	47,791

酬金總額計入「僱員成本」(見附註7)。

48. MATERIAL RELATED PARTY TRANSACTIONS (continued)**(f) Key management personnel remuneration (continued)**

Several key management personnel have been granted unlisted physically settled options over shares of the Bank's ultimate holding company, Fubon Financial Holding Co., Ltd. with various vesting periods for services rendered to the Group. The share based payment expense is included in "staff cost" (see Note 7). Key management personnel are defined as directors and members of the management committee.

(g) Credit facilities to key management personnel

During the year, the Bank provided loans and credit facilities to key management personnel of the Group and their close family members and companies controlled or significantly influenced by them. The credit facilities were provided in the ordinary course of business and on substantially the same terms as for comparable transactions with other employees. The amounts involved, other than transactions with the ultimate holding company and fellow subsidiaries, are set out below.

Loans, at 31 December	於十二月三十一日貸款餘額
Interest income	利息收入
Credit facilities, at 31 December	於十二月三十一日信貸服務

No impairment losses have been recorded against balances outstanding during the year with key management personnel, and no individually assessed impairment allowance been made on the above balances at the year end.

The Bank's policies for lending to related parties take into account the requirements under the Hong Kong Banking Ordinance, the guidelines of the HKMA and the Listing Rules. The Group sets internal limits – individual and aggregate group limits for individual, group, secured and unsecured exposures – and carefully monitors exposure to related parties, whether individual or corporate, and takes the necessary measures to control the risk of connected lending. Approvals are made by the Credit Committee, Managing Director and/or the Executive Credit Committee.

48. 重大關連各方交易 (續)**(f) 主要管理人員酬金 (續)**

若干主要管理人員因向本集團提供服務而被授予於多個期間歸屬的本行最終控股公司富邦金融控股股份有限公司的非上市而實股結算之認股權。以股份形式支付的開支計入「僱員成本」(見附註7)。主要管理人員被定義為董事及管理委員會之成員。

(g) 主要管理人員信貸服務

年內，本行向本集團之主要管理人員及彼等之直系親屬以及受該等人士所控制之公司或該等人士具有重大影響力之公司提供貸款及信貸。該等信貸服務乃於正常業務過程中提供，而有關係款與其他僱員所訂立之可資比較交易大致相同。除與最終控股公司及同系附屬公司的交易外，涉及金額載列如下。

**The Group and the Bank
本集團及本行**

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	11,087	12,686
	263	870
	5,060	4,740

並無就年內主要管理人員的未償還餘額記錄減值虧損，且於年底並無就上述餘額作出個別估計減值撥備。

本行向各關連方貸款的政策已計及香港《銀行業條例》、香港金融管理局指引及上市規則之規定。本集團設定內部限額(對個人以及有抵押及無抵押風險的個人及集團限額總額)，並審慎監督各關連方之風險(個人或企業)及採取各必須措施以控管各關連借貸之風險。信用委員會、董事總經理及/或執行信用委員會已予批准。

49. ASSETS PLEDGED AS SECURITY

The following assets have been pledged as collateral for own liabilities at the balance sheet date:

Secured liabilities	已抵押負債
<i>Assets pledged:</i>	<i>已質押資產:</i>
Trading securities	持作交易用途之證券
Available-for-sale securities	可供出售證券

The following balances with banks have been pledged as collateral for margin deposits of derivatives at the balance sheet date:

Margin accounts for derivative contracts	衍生工具合約的保證金賬戶款項
--	----------------

These transactions are conducted under usual and customary terms.

49. 質押作為抵押品之資產

下列資產已於結算日作為自身負債抵押品予以質押：

The Group and the Bank	
本集團及本行	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
3,409,202	2,599,511
99,760	100,496
3,235,789	2,320,926
3,335,549	2,421,422

下列銀行結餘已於結算日作為衍生工具保證金存款抵押品予以抵押：

The Group and the Bank	
本集團及本行	
2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元
7,774	69,282

該等交易乃按照一般及慣用條款進行。

50. FINANCIAL RISK MANAGEMENT

This section presents information about the Group's exposure to and its management and control of risks, in particular, the primary risks associated with its use of financial instruments:

- Credit risk: losses resulting from customer or counterparty default and arising from credit exposures in all forms, including settlement risk.
- Market risk: exposures to market variables such as interest rates, exchange rates and equity markets.
- Liquidity and funding risk: risk that the Group is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured, or even secured basis at an acceptable price to fund actual or proposed commitments.
- Operational risk: risk arising from matters such as non-adherence to systems and procedures or from frauds resulting in financial or reputation loss.

The Group has established policies and procedures to identify and analyze these risks, to set appropriate risk limits and controls, and to monitor the risks and limits continually by means of reliable and up-to-date management and information systems. The Group continually modifies and enhances its risk management policies and systems to reflect changes in markets, products and best practice risk management processes. Internal Audit also performs regular audits to ensure compliance with the policies and procedures.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risks, and the Group's management of capital.

(a) Credit risk management

This category includes credit and counterparty risk from loans and advances, issuer risk from holding securities, counterparty risk from trading activities and country risk. Credit risk arises from the potential that a borrower or counterparty will fail to perform under an obligation. It arises from the lending, trading, treasury, derivatives and other activities of the Group. The Group identifies and manages credit risk through its (a) target market definitions, (b) credit approval process, (c) post-disbursement monitoring and (d) remedial management procedures. These policies and procedures are documented in the Group's credit policies, which define the overall credit policies covering credit extension criteria, the credit approval authorities delegated from the Board, the credit monitoring processes, the loan grading system and loan impairment policy.

50. 財務風險管理

本節呈列有關本集團所面臨之風險及其對該等風險之管理及控制之資料，特別是與其採用金融工具有關之主要風險：

- 信貸風險：客戶或交易對手拖欠款項而招致損失的風險，以及各類型信貸風險，包括結算風險。
- 市場風險：市場變數風險，例如息率、匯率及股市等。
- 流動資金及融資風險：本集團未能在付款責任到期時履行付款責任，或無法持續地在市場上以無抵押或甚至有抵押的方式按可接受之成本借入資金，藉此為實際或建議之承擔提供所需的資金。
- 營運風險：由未遵守制度及程序等事項而引致之風險或由欺詐致使財務或聲譽受損而引致之風險。

本集團已設有相關政策及程序以識別及分析該等風險、制定適當之風險限額及控制措施，以及憑藉可靠及先進之管理及資訊系統持續監控該等風險及限額。本集團不斷修改及加強其風險管理政策及系統，以反映市場、產品及最佳風險管理流程之改變。內部核數師亦定期進行審核以確保符合政策及程序。

此一附註呈列有關本集團就上述各項風險所承擔之風險、本集團計量及管理風險之目標、政策及程序，以及本集團之資本管理。

(a) 信貸風險管理

此類風險包括借款及貸款之信貸及交易對手風險、證券交易之發行人風險、貿易融資之交易對手風險及國家風險。信貸風險源於貸款人或交易對手未能履行其承擔，可來自本集團之貸款、貿易融資、財資、衍生工具及其他業務。本集團透過(a)目標市場定位、(b)信貸審批流程、(c)付款後監控及(d)補救管理程序來識別及管理信貸風險。該等政策及程序記錄於本集團之信貸政策內，而有關政策對整體信貸政策作出明確界定，涵信貸條件、董事會指定之信貸審批職權、信貸監管程序、貸款分類系統及貸款減值政策。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)

The Board of Directors delegates credit approval authorities to the following in descending order of authority: the Executive Credit Committee, the Chief Executive Officer and the Credit Committee.

The Credit Committee carries out the Bank's credit risk management functions. It meets once a week and is responsible for approving, advising and recommending to the Chief Executive the approval of credit exposures in accordance with the credit authority limits. The Credit Committee also reviews and implements measures on credit risk management and controls and plays a key role in credit monitoring. In addition, it reviews loans extended by lending officers and provides guidelines to all lending officers to assist them in monitoring the credit risk of the loan portfolio.

The credit departments, Enterprise Credit Risk Management Department and Consumer Credit Risk Management Department, receive their authority and delegated responsibilities from the Credit Committee to provide centralised management of credit risk. They are responsible for:

- independent evaluation of credit applications, which covers facility details, credit grade determination, risk review and analysis and financial spreads;
- credit risk management and control of cross-border exposures including debt securities issued by corporations, and sovereigns as well as those exposures to banks and other financial institutions;
- portfolio management of risk concentrations;
- maintenance of the loan grading system; and
- reporting to the Risk Management Committee regularly on aspects of the loan portfolio. This includes information on large credit exposures, industry exposures, country exposures and levels of loan impairment.

In addition, the Group has also established guidelines to ensure that each new product is designed and reviewed by a product committee with respect to the risks involved, including among others, operational risk, legal risk, reputational risk and credit risk. All relevant departments are required to put in place the appropriate processes, systems and controls before the product is approved by the New Product and Commitment Committee.

Specific policies and measures to address different kinds of credit related activities are set out below:

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)

董事會授權以下部門依次審批信貸：執行信貸委員會、行政總裁及信貸委員會。

信貸委員會負責本行之信貸風險管理工作。該委員會每星期舉行一次會議，專責根據信貸授權限額就信貸風險批核信貸建議；並向行政總裁提供意見及推薦建議。信貸委員會亦審閱及實施信貸風險管理及控制之措施，在信貸監控方面扮演著重要之角色。此外，該委員會審閱貸款主任所批出之貸款，並向全體借貸主任提供指引，協助彼等監控貸款組合之信貸風險。

信貸部門、企業信貸風險管理部及消費信貸風險管理部獲授權並代表信貸委員會進行統一信貸風險管理，負責下列各項職責：

- 獨立審核信貸申請，包括信貸詳情、信貸評級釐定、風險評審及息差分析；
- 信貸風險管理以及跨境債權，包括由企業及主權國發行的債務證券，及銀行與其他財務機構的風險監控；
- 管理組合內風險，以避免風險過份集中；
- 更新貸款評級系統；及
- 定期向風險管理委員會匯報貸款組合情況，包括高信貸風險、行業風險、國家風險以及貸款減值程度等資料。

此外，本集團亦已制定政策以確保每項新產品經由產品發展委員會設計及審閱所涉及之風險(其中包括)營運風險、法律風險、聲譽風險及信貸風險)。所有有關之部門必須於產品獲得新產品及承擔委員會批准前，制定適當的工作流程、系統及監控措施。

針對不同類型信貸相關業務之特定政策及措施載列如下：

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(i) Corporate lending*

In addition to compliance with the Group's underwriting standards, credit risk is managed by conducting a thorough credit evaluation and obtaining proper approval for the proposed credit transactions. Subject to the size of the facility and the risk grading of the borrower, different extents of credit evaluation and levels of credit approval are required to ensure the proper credit risk management measures are exercised. Credit approval also takes into account facility structure, tenor, the repayment ability of the prospective borrower and available security.

The Group has established limits for exposures to individual industries and for borrowers and groups of borrowers, regardless of whether the credit exposure is in the form of loans or non-funded exposures. The Group also undertakes ongoing credit analysis and monitoring at several levels. The policies and procedures also take into account the requirements of the Hong Kong Banking Ordinance, guidelines issued by the HKMA with respect to large exposures and provisioning requirements and best market practices.

The credit risk management procedures are designed to promote early detection of counterparty, industry or product exposures that require special monitoring. The Enterprise Credit Risk Management Department monitors overall portfolio risk as well as individual problem loans and potential problem loans on a regular basis. Relevant management reports are submitted to the Senior Management, the Credit Committee and the Risk Management Committee regularly for their review. The loan portfolio reports include information regarding large exposures, country exposure, industry exposure and loan impairment etc.

(ii) Consumer credit risk

The Group's consumer credit risk policy and approval process are designed to address relatively homogeneous consumer banking products such as credit cards, unsecured personal loan and mortgage loans. Because of the nature of consumer banking, the credit policies are primarily based on statistical analyses of risks with respect to different products and types of customers. The Consumer Credit Risk Management Department (CCRM) is responsible for conducting regular review and monitoring of consumer credit risk, including acquisition and portfolio risk management. CCRM is also responsible for the determination and revision of product terms and desired customer profiles on regular basis by developing, validating and fine-tuning of internal scorecard(s) and model(s). In addition, CCRM reviews and updates the existing policies on underwriting, loan classification, loan impairment and write-off on regular basis.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(i) 企業借貸*

除遵守本集團之貸款標準外，信貸風險亦透過就信貸申請所進行詳盡之信貸評估及經適當審批而加以控制。視乎貸款規模及借款人之風險評級，必須進行不同程度之信貸評估及不同級別之信貸審批，以確保正確之信貸風險管理措施得以實施。審批信貸時亦會考慮貸款結構、貸款年期、有關借款申請人之還款能力及有否提供抵押擔保。

無論信貸風險是由於貸款或非借貸交易而產生，本集團已制定個別行業之風險限額以及貸款人及貸款人團體之風險限額。本集團亦在不同層次持續開展信貸分析及監控。該等政策及程序亦參考香港《銀行業條例》內之規定、金管局就大額放款限度及撥備規定頒佈之指引以及最佳市場慣例。

信貸風險管理程序旨在促進提早發現需要特別監控之交易對手、行業或產品風險。企業信貸風險管理部定期監控貸款組合整體風險及個別問題貸款及潛在問題貸款。有關管理報告定期提交高級管理層、信貸委員會及風險管理委員會審閱。貸款組合報告包括有關大額放貸風險、國家風險、行業風險及貸款減值等資料。

(ii) 零售銀行信貸風險

本集團之零售銀行信貸風險政策及審批流程乃針對相對同類型的零售銀行產品，如信用卡、無抵押個人貸款及按揭而設計。由於零售銀行之性質，信貸政策主要依據不同產品及客戶類型之風險統計分析結果而釐定。消費信貸風險管理部負責對零售銀行信貸風險進行定期監控（包括收購及組合風險管理）。消費信貸風險管理部亦負責透過開發、認證及微調內部記分卡及模型。此外，消費信貸風險管理部還定期審閱及更新有關現有的貸款承造、貸款分類、貸款減值及回撥之政策。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(iii) Credit risk for treasury transactions*

The credit risk of the Group's treasury transactions is managed the same way as the Group manages its corporate lending risk. The Group sets individual limits to its counterparties based on its risk assessment.

Unlike on-balance sheet instruments, where the credit risk is generally represented by the principal value or the notional amount, credit risk for derivatives is the positive replacement cost together with an estimate for the potential future exposure from changes in its market value. These credit exposures, together with potential future exposure from market movements, are managed as part of the overall lending limits to the counterparties. The credit risk exposure on derivatives is disclosed in Note 21(b) of this annual report. The Group uses the current exposure method for the purpose of providing capital for such counterparty exposures.

(iv) Credit-related commitments

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

(v) Concentration of credit risk

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

Analysis of credit risk concentration of respective financial assets is disclosed in Notes 18 to 25.

(vi) Credit risk mitigation

The Group's credit assessment primarily relies on an evaluation of the obligor's repayment ability based on the obligor's cash flow and financial condition. In addition, the Group employs various credit risk mitigation techniques such as appropriate facility structuring, posting of collateral and/or third party support as well as transfer of risk to other third parties, which form an integral part of the credit risk management process. There is immaterial credit and market risk concentration within the credit risk mitigations used by the Group. The most commonly used credit risk mitigation measures are provided below:

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(iii) 財資交易之信貸風險*

本集團財資交易信貸風險之管理方式與本集團管理其企業借貸風險之方式相同。本集團根據風險評估對其交易對手設定個別風險限額。

有別於資產負債表內項目(通常以本金價值或面值來表示信貸風險)，衍生工具之信貸風險為正重置成本連同以其市值之未來潛在變動之估計。該等信貸風險連同市場變動之潛在風險乃作為有關方整體貸款限額的一部分進行管理。衍生工具之信貸風險於本年報附註21(b)內披露。本集團以即期風險法為該等有關方風險提供資本。

(iv) 與信貸有關之承擔

與信貸有關之承擔及或然項目所涉及之風險基本上與向客戶提供貸款之信貸風險相同。因此，該等交易須遵守與客戶申請貸款相同之信貸申請、該等貸款組合要求及抵押品規定。

(v) 信貸風險過份集中

當地域、經濟或行業因素之變動對不同類別之交易對手產生類似影響，而彼等之信貸風險加起來對本集團之總風險而言屬重大時便會出現信貸風險過份集中之問題。本集團之金融資產組合經已分散至多個行業及產品類別，但集中於香港。

有關各類金融資產之信貸風險集中情況之分析於附註18至25內披露。

(vi) 減低信貸風險

本集團的信貸評估主要依賴基於債務人的現金流量及財務狀況對債務人的還款能力的估計。此外，本集團採用如適當信貸結構、給予抵押及／或第三方支持，以及將風險轉移至其他第三方等不同信貸風險減低技術，以作為其信貸風險管理流程的組成部分。本集團採用的減低信貸風險並無產生重大集中於信貸及市場風險。最常用的信貸風險減低措施載列如下：

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(vi) Credit risk mitigation (continued)***Collateral**

The Group holds collateral against loans and advances to customers in the form of cash deposits, marketable securities, mortgage interest over property, inventory, equipment and other physical collateral, and guarantees. The Group has in place policies and procedures that govern the assessment, acceptance and the periodic valuation of eligible collateral. For collateral taken to secure corporate and retail loans, the collateral is revalued periodically ranging from daily to semi-annually depending on the type of collateral taken. For treasury operations, any collateral taken is marked to market on a periodic basis that is mutually agreed with the counterparty.

Master netting agreements

Collateral generally is not held over loans and advances extended to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. However, where applicable, the Group manages its credit exposure to banks by entering into master netting arrangements whenever it is appropriate and feasible to do so. The netting arrangement results in the settlement of counterparty exposure on a net basis in the event a default occurs.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or following other pre-agreed termination events.

It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in outstanding positions.

Other credit risk mitigation measures

The Group also uses guarantees for credit risk mitigation. While the Group may accept guarantees from any counterparty, it sets a threshold internally for considering eligible guarantors.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(vi) 減低信貸風險* (續)**抵押品**

本集團就客戶借款及貸款而持有抵押品，形式為現金存款、可流通證券、物業按揭、存貨、設備及其他實物抵押品，以及擔保。本集團已制定監管合資格抵押品的評估、接納及定時估值的政策及程序。就擔保公司及零售貸款的抵押品而言，抵押品乃定時被重估，週期介乎每日至每半年一次不等，這取決於抵押品的類型。就財務業務而言，任何抵押品乃以與交易對手相互協定的週期以市場情況重估。

淨額結算總協議

抵押品一般並非就給予銀行的借款及貸款而持有，惟當證券乃持作逆向購回及證券借貸活動的一部分時則除外。然而，如適合時，本集團將於適合及可行情況下透過訂立淨額結算總協議管理其銀行信貸風險。淨額結算總協議導致於違約時結算交易對手的與該交易對手之款項會以淨額結算。

本集團傾向以國際掉期業務及衍生投資工具協會(「ISDA」)總協議作為衍生工具活動的協議文件。該協議為買賣各種場外交易產品的交易活動提供主體合約模式，倘若任何一方違約或提前終止交易，則雙方受合約約束須對協議所包含的全部未平倉交易採用淨額結算。

有關雙方會於簽訂ISDA總協議時亦簽訂信用擔保附件(「CSA」)，此乃普遍的做法。根據CSA，抵押品會由交易其中一方轉交另一方，以減低未平倉交易的市場或有交易對手風險。

其他信貸風險減低措施

本集團亦應用擔保以減低信貸風險。當本集團可能接受任何交易對手的擔保時，其在內部設定考慮合資格擔保人的限制。

50. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(vii) Maximum exposure to credit risk

The maximum exposure to credit risk at the balance sheet date without taking into consideration any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the balance sheet after deducting any impairment allowance. A summary of the maximum exposure to credit risk for the various components of the balance sheet, contingencies and commitments is as follows:

<i>Credit risk exposures relating to on-balance sheet assets:</i>	與資產負債表內資產有關之 信貸風險：
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他 金融機構結餘
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為透過損益以 反映公平價值 之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment allowances	客戶貸款 減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other assets	應計利息及其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之權益

<i>Credit risk exposures relating to off-balance sheet items:</i>	與資產負債表外項目 有關之信貸風險：
Financial guarantees and other credit related contingent liabilities	財務擔保及其他信貸 相關之或然負債
Loan commitments and other credit related commitments	貸款承擔及其他信貸 相關之承擔

50. 財務風險管理(續)

(a) 信貸風險管理(續)

(vii) 最高信貸風險

於結算日最高的信貸風險(不計及所持有之任何抵押品或其他信貸提升措施)為資產負債表內各項金融資產扣除任何減值準備後之賬面值。資產負債表、或然負債及承擔的各部分信貸風險的最高風險概要如下：

	The Group 本集團		The Bank 本行	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	2,677,984	5,302,719	2,675,534	5,301,396
	2,135,669	367,677	2,058,707	290,902
	966,658	105,420	966,658	105,420
	406,268	641,737	406,268	641,737
	491,633	632,010	491,633	632,010
	28,860,971	28,571,967	28,496,116	26,947,698
	2,802,314	3,392,218	2,802,314	3,392,218
	723,735	1,479,757	682,262	1,433,164
	18,344,932	17,728,988	18,344,932	17,728,988
	2,462,681	902,222	2,462,681	902,222
	—	1,612	—	1,612
	478,483	423,530	484,483	431,030
	13,822,251	11,597,793	13,822,251	11,597,793
	74,173,579	71,147,650	73,693,839	69,406,190

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(viii) Credit quality of loans and advances*

At 31 December 2010 and 2009, no loans and advances to banks were impaired. The credit quality of advances to customers can be analysed as follows:

Neither past due nor impaired	並無逾期或減值	
Past due but not impaired	已逾期但並無減值	
Impaired	已減值	
Of which:	其中：	
Gross loans and advances to customers that are neither past due nor impaired	向客戶授出而並無逾期或減值之借款及貸款總額	
– Grade 1: Pass	– 第一級：通過	
– Grade 2: Special mention	– 第二級：特別提及	

The Group classifies advances to customers in accordance with the loan classification system required to be adopted for reporting to the HKMA.

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(viii) 借款及貸款之信貸質素*

於二零一零年及二零零九年十二月三十一日，向銀行同業授出之借款及貸款並無減值。向客戶作出之貸款之信貸質素可分析如下：

	The Group 本集團		The Bank 本行	
	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Neither past due nor impaired	28,939,976	28,517,036	28,591,194	27,007,972
Past due but not impaired	12,064	76,900	1,238	4,529
Impaired	192,754	518,722	97,190	315,330
	29,144,794	29,112,658	28,689,622	27,327,831
Of which:				
Gross loans and advances to customers that are neither past due nor impaired				
– Grade 1: Pass	28,879,605	28,165,878	28,533,378	26,671,436
– Grade 2: Special mention	60,371	351,158	57,816	336,536
	28,939,976	28,517,036	28,591,194	27,007,972

本集團根據為向香港金融管理局呈報而須採納之貸款分級制度就客戶貸款進行分類。

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(viii) Credit quality of loans and advances (continued)*

The ageing analysis of advances to customers that are past due but not impaired is as follows:

Gross loans and advances to customers that are past due but not impaired	向客戶授出而已逾期但並無減值之借款及貸款總額
- Overdue 3 months or less	- 逾期三個月或以下
- Overdue 6 months or less but over 3 months	- 逾期六個月或以下惟三個月以上
- Overdue 1 year or less but over 6 months	- 逾期一年或以下惟六個月以上
- Overdue over 1 year	- 逾期超過一年

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(viii) 借款及貸款之信貸質素* (續)

向客戶授出而已逾期但並無減值之貸款賬齡分析如下：

The Group 本集團		The Bank 本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
10,921	76,900	1,238	4,529
1,143	-	-	-
-	-	-	-
-	-	-	-
12,064	76,900	1,238	4,529

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$199,855,000 as at 31 December 2010 (2009: HK\$471,352,000).

於二零一零年十二月三十一日，倘條款不予重新磋商即為已逾期或已減值之借款及貸款金額為199,855,000港元（二零零九年：471,352,000港元）。

No items in "Other loans and receivables" are overdue or impaired as at 31 December 2010 and 2009.

於二零一零年及二零零九年十二月三十一日，並無列入「其他貸款及應收款項」之項目是逾期或已減值。

Analysis of other loans and receivables by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

以標準普爾之評級標準或相應之評級標準為基準按信貸評級對其他貸款及應收款項於十二月三十一日進行之分析如下：

AA- to AA+	AA- 至 AA+
A- to A+	A- 至 A+
Lower than A-	A- 以下

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
230,188	603,490
1,687,812	1,848,401
884,314	940,327
2,802,314	3,392,218

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(ix) Credit quality of financial assets other than loans and advances*

Credit risk that arises from investments in financial assets or debt securities is managed in the same way as the Group manages its corporate lending risk with the exposure being part of the overall lending limits to the counterparties. It is the Group's credit policy not to invest in debt securities that are below the grading of BBB+ from Standard & Poor's Rating Services or A-3 from Moody's Investors Services at the time of investing. Analysis of debt securities by credit rating designation at 31 December, based on Standard & Poor's ratings or their equivalent is as follows:

AAA	AAA
AA- to AA+	AA-至AA+
A- to A+	A-至A+
Lower than A-	A-以下
Unrated	無評級

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(ix) 借款及貸款以外之金融資產之信貸質素*

本集團按管理其公司借貸風險相同之方式管理金融資產或債務證券投資產生之信貸風險，所承擔之風險為交易對手整體借貸限額之一部分。本集團之信貸政策為，對於投資時，評級在標準普爾評級服務公司之評級BBB+以下或在穆迪投資者服務公司之評級A-3以下之債務證券，不予投資。以標準普爾之評級標準或相應之評級標準為基準按信貸評級對債務證券於十二月三十一日進行之分析如下：

The Group and the Bank

本集團及本行

2010

二零一零年

	Designated at fair value through	Trading securities	profit or loss 指定為通過 損益以反映 公平價值	Available- for-sale securities	Held-to- maturity investments	Total 總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
AAA		603	-	3,773,777	-	3,774,380
AA- to AA+		966,055	-	10,249,597	1,159,772	12,375,424
A- to A+		-	84,724	3,921,340	1,302,909	5,308,973
Lower than A-		-	-	313,224	-	313,224
Unrated		-	321,544	86,994	-	408,538
		966,658	406,268	18,344,932	2,462,681	22,180,539

50. FINANCIAL RISK MANAGEMENT (continued)

(a) Credit risk management (continued)

(ix) Credit quality of financial assets other than loans and advances (continued)

		The Group and the Bank 本集團及本行				
		2009 二零零九年				
		Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過損益以反映公平價值 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Held-to-maturity investments 持至到期投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
AAA	AAA	-	-	4,421,002	-	4,421,002
AA- to AA+	AA-至AA+	105,420	81,853	10,005,833	262,553	10,455,659
A- to A+	A-至A+	-	249,771	2,577,124	639,669	3,466,564
Lower than A-	A-以下	-	-	715,792	-	715,792
Unrated	無評級	-	310,113	9,237	-	319,350
		105,420	641,737	17,728,988	902,222	19,378,367

Included in "financial assets designated at fair value through profit or loss" of the Group and the Bank as at 31 December 2010 are debt securities with fair value of HK\$321.5 million (2009: HK\$310.1 million) which are overdue.

於二零一零年十二月三十一日，本集團及本行「指定為通過損益以反映公平價值之金融資產」包括公平價值為321,500,000港元（二零零九年：310,100,000港元）之逾期債務證券。

50. 財務風險管理(續)

(a) 信貸風險管理(續)

(ix) 借款及貸款以外之金融資產之信貸質素(續)

		The Group and the Bank 本集團及本行				
		2009 二零零九年				
		Trading securities 持作交易 用途之證券 HK\$'000 千港元	Designated at fair value through profit or loss 指定為通過損益以反映公平價值 HK\$'000 千港元	Available-for-sale securities 可供出售證券 HK\$'000 千港元	Held-to-maturity investments 持至到期投資 HK\$'000 千港元	Total 總額 HK\$'000 千港元
AAA	AAA	-	-	4,421,002	-	4,421,002
AA- to AA+	AA-至AA+	105,420	81,853	10,005,833	262,553	10,455,659
A- to A+	A-至A+	-	249,771	2,577,124	639,669	3,466,564
Lower than A-	A-以下	-	-	715,792	-	715,792
Unrated	無評級	-	310,113	9,237	-	319,350
		105,420	641,737	17,728,988	902,222	19,378,367

50. FINANCIAL RISK MANAGEMENT (continued)**(a) Credit risk management** (continued)*(x) Collateral and other credit enhancements*

An estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

Fair value of collateral and other credit enhancements held against financial assets that are:	就下列金融資產所持有之抵押品及其他信貸提升措施之公平價值：
– Neither past due nor impaired	– 並無逾期或減值
– Past due but not impaired	– 已逾期但並無減值
– Impaired	– 已減值

50. 財務風險管理 (續)**(a) 信貸風險管理** (續)*(x) 抵押品及其他信貸提升措施*

就金融資產所持有之抵押品及其他信貸提升措施之估計公平價值如下：

The Group 本集團		The Bank 本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
48,716,335	46,913,341	47,012,624	41,397,702
21,671	153,385	150	113,851
25,277	94,843	2,827	13,813
48,763,283	47,161,569	47,015,601	41,525,366

(xi) Collateral and other credit enhancements obtained

During the year, the Group obtained assets by taking possession of collateral held as security, as follows:

Carrying amount of assets obtained:	所獲得之資產之賬面值：
– Residential property	– 住宅物業

As at 31 December 2010, total repossessed assets and assets acquired under lending agreements of the Group and the Bank amounted to HK\$26,700,000 (2009: HK\$31,480,000).

Repossessed properties are sold as soon as practicable with the proceeds used to reduce the outstanding indebtedness. Repossessed property is classified in the balance sheet within other assets.

(xi) 已取得之抵押品及其他信貸提升措施

年內，本集團透過接管持作擔保之抵押品獲取之資產如下：

The Group and the Bank 本集團及本行	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
–	16,900

於二零一零年十二月三十一日，根據本集團及本行之借貸協議獲得之收回資產和資產總值為26,700,000港元(二零零九年：31,480,000港元)。

收回物業會盡快予以出售，所得之款項將用以削減未償還之債項。於資產負債表內，收回物業分類為其他資產。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management**

Market risk arises on all market risk sensitive financial instruments, including securities, foreign exchange contracts, equity and other derivative instruments, as well as from balance sheet or structural positions. The Bank transacts in the money market, foreign exchange market, equity market and capital market giving rise to market risk exposures. Positions are taken as a result of the execution of customers' orders, and market making activities, and offsetting transactions taken in order to hedge the Bank's open position. The Bank does not engage in significant proprietary trading.

The objective of market risk management is to avoid excessive exposure of earnings and equity to loss and to reduce the Group's exposure to the volatility inherent in financial instruments.

The Board reviews and approves policies for the management of market risks including dealing authorities and limits. The Board has delegated the responsibility for ongoing general market risk management to the Asset and Liability Committee. This committee articulates the interest rate view of the Bank and decides on future business strategy with respect to interest rates. It also reviews and sets funding policy and ensures adherence to risk management objectives.

The Group has also established clear market risk policies, including limits, reporting lines and control procedures, which are reviewed regularly and approved by the Board. Market risk is managed within various limits approved by the Board. These limits are determined for each financial instrument and include limits on product volume, gross and net positions, position concentrations, mark to market limits, stop loss limits and risk position limits.

The sale of derivatives to customers as risk management products and the subsequent use of derivatives to manage the resulting position is an integral part of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk as part of its asset and liability management process. The principal derivative instruments used by the Group are interest and foreign exchange rate related contracts, which are primarily over-the-counter derivatives. The Group also purchases exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to hedge these and other positions.

One of the tools used by the Group to monitor and limit market risk exposure is Value-at-risk (VAR). VAR is a technique that estimates the potential losses that could occur on risk positions as a result of movements in market rates and prices over a specified time horizon and to a given level of confidence. The calculation uses the variance-covariance model as the means to estimate the statistical confidence level.

50. 財務風險管理 (續)**(b) 市場風險管理**

市場風險產生於所有對市場風險敏感之金融工具，包括證券、外匯合約、股票及其他衍生工具，以及資產負債表或結構性倉盤。本行在貨幣市場、外匯市場、股票市場及資本市場中進行交易，因而產生市場風險。本行就執行客戶指令、市場莊家活動，以及為對沖本行之未平倉盤而持有倉盤。本行並無參與重大自營交易。

市場風險管理之目標為避免盈利及股本遭受過度損失及減少本集團因金融工具本身固有波幅所引申之風險。

董事會檢討及審批有關市場風險管理之政策包括處理授權及限額事宜。董事會已將持續一般市場風險管理之責任授予資產負債委員會。該委員會負責因應本行對利率走勢之預測，而決定有關業務策略。該委員會亦審閱及制訂融資政策並確保各風險管理目標獲得遵從。

本集團亦制定清晰之市場風險政策，包括限額、報告制度及控制程序，並由董事會定期予以檢討及批准。市場風險乃在經由董事會批准之各限額內予以管理。此等限額乃就各金融工具釐定，包括就產品量、倉盤總額及淨額、倉盤集中度、按市場調整之限額、止蝕限額及風險倉盤限額設定之限額。

向客戶出售作為風險管理產品之衍生工具及其後使用衍生工具管理相關持倉，為本集團其中一項業務。該等工具亦用於管理本集團本身之市場風險，作為其資產及負債管理流程之一部分。本集團所採用之衍生工具主要為利率及匯率相關合約等場外交易衍生工具。本集團亦有參與交易所買賣之衍生工具。本集團大部分衍生工具持倉均為配合客戶需求以及為對沖此等和其他倉盤而訂立。

風險值 (VAR) 是本集團為監控及限制市場風險所採用之一種工具。風險值是一種按一既定信心水平及在特定持盤時間內，就市場利率及債務之變動而對持倉盤之潛在虧損之結算的技術。計算方式乃使用方差與協方差模式估計統計數字信心水平。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)

The VAR technique is only effective for potential loss events which are not correlated. The Group therefore augments its VAR limits with other positions and sensitivity limit structures. Additionally, the Group applies a wide range of sensitivity analysis, both on individual portfolios and on the Group's consolidated positions to assess the potential impact on the Group's earnings as a result of extreme movements in market prices.

*(i) Sensitivity analysis of market risk exposures**Trading market risk**Currency risk*

At 31 December 2010, if Hong Kong Dollar had strengthened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.2 million lower (2009: HK\$0.5 million higher).

Conversely, if Hong Kong Dollar had weakened by 0.5% against other currencies, with all other variables held constant, the profit before tax for the year would have been HK\$0.2 million higher (2009: HK\$0.5 million lower).

Interest rate risk

The Group measures trading book interest rate risks through Present Value of Basis Point (PVBP). PVBP is a sensitivity test to measure the potential profit or loss fluctuation on interest rate positions upon a basis point movement.

The Group adopts a sensitivity test of a 25 basis points movement. At 31 December 2010, 25 basis points upward movement in interest rate would result in a downward profit movement of HK\$1.78 million (2009: HK\$20,758). Conversely, 25 basis points downward movement in interest rate would result in an upward profit movement of HK\$1.78 million (2009: HK\$20,758).

Equity risk

At 31 December 2010, if the Hang Seng Index had increased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$12,134 higher (2009: HK\$10,746).

Conversely, at 31 December 2010, if Hang Seng Index had decreased by 10% with all other variables held constant and all the equity instruments move according to the historical correlation with the index, earnings for the year would have been HK\$12,134 lower (2009: HK\$10,746).

50. 財務風險管理 (續)**(b) 市場風險管理** (續)

VAR 技術僅對不相關的潛在虧損事項有效。因此，本集團結合持其他倉盤及敏感性限額結構，以加強其風險值限額。此外，本集團對個別貸款組合及本集團之綜合狀況應用較廣範圍之敏感性分析，以評估市價之極端變動對本集團盈利之潛在影響。

*(i) 市場風險敏感度分析**交易市場風險**貨幣風險*

於二零一零年十二月三十一日，如港元兌其他貨幣升值0.5%並假設所有其他參數不變，本年度之除稅前溢利將為減少200,000港元(二零零九年：增加500,000港元)。

相反地，如港元兌其他貨幣貶值0.5%，並假設所有其他參數不變，本年度之除稅前溢利將為增加200,000港元(二零零九年：減少500,000港元)。

利率風險

本集團透過基點現值法計量交易賬利率風險。基點現值法是一項敏感度測試，用以計量基點變動對利率倉盤可能帶來之損益波動。

本集團採用25個基點變動之敏感度測試。於二零一零年十二月三十一日，利率調升25個基點將導致溢利下降1,780,000港元(二零零九年：20,758港元)。相反地，如果利率下調25個基點，溢利將上升1,780,000港元(二零零九年：20,758港元)。

股票風險

於二零一零年十二月三十一日，如果恒生指數上升10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，本年度盈利將為增加12,134港元(二零零九年：10,746港元)。

相反地，於二零一零年十二月三十一日，如果恒生指數下降10%並假設所有其他參數不變及所有股本工具根據與指數之歷史相關性變動，本年度之盈利將為減少12,134港元(二零零九年：10,746港元)。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risk exposures (continued)**Non-trading market risk**Interest rate risk*

Interest rate risk primarily results from timing differences in the repricing of interest-bearing assets, liabilities and commitments. It also related to positions from non-interest bearing liabilities including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Interest rate risk is managed by the treasury department within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

At 31 December 2010, if other market variables including prime rate were held constant, an increase in HKD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$0.3 million (2009: HK\$0.8 million decrease), or an increase in economic value of HK\$6.5 million (2009: HK\$11.8 million increase); while an increase in USD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$9.8 million (2009: HK\$16.5 million decrease), or an increase in economic value of HK\$22.3 million (2009: HK\$27.3 million increase).

Conversely, if other market variables including prime rate were held constant, a decrease in HKD market interest rates of 25 basis points would result in a decrease in earnings over the next 12 months of HK\$0.3 million (2009: HK\$0.8 million increase), or a decrease in economic value of HK\$6.5 million (2009: HK\$11.8 million decrease); while a decrease in USD market interest rates of 25 basis points would result in an increase in earnings over the next 12 months of HK\$9.8 million (2009: HK\$16.5 million increase), or a decrease in economic value of HK\$22.3 million (2009: HK\$27.3 million decrease).

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)*非交易市場風險**利率風險*

利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由財資部門管理，並維持在董事會批准之限額(包括利率差別限額)之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

於二零一零年十二月三十一日，假設其他市場參數(包括最優惠利率)維持不變，如果港元市場利率調升25個基點，將導致接下來12個月盈利增加300,000港元(二零零九年：減少800,000港元)，或經濟值增加6,500,000港元(二零零九年：增加11,800,000港元)；如果美元市場利率調升25個基點，將導致接下來12個月盈利減少9,800,000港元(二零零九年：減少16,500,000港元)，或經濟值增加22,300,000港元(二零零九年：增加27,300,000港元)。

相反地，假設其他市場參數(包括最優惠利率)維持不變，如果港元市場利率下調25個基點，將導致接下來12個月盈利減少300,000港元(二零零九年：增加800,000港元)，或經濟值減少6,500,000港元(二零零九年：減少11,800,000港元)；如果美元市場利率下調25個基點，將導致接下來12個月盈利增加9,800,000港元(二零零九年：增加16,500,000港元)，或經濟值減少22,300,000港元(二零零九年：減少27,300,000港元)。

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(i) Sensitivity analysis of market risk exposures (continued)**Non-trading market risk (continued)*

Equity risk

At 31 December 2010 and 2009, the Group does not hold non-trading listed equity securities. As such, movement in the Hang Seng Index would have no impact on the Group.

The Group holds non-trading unlisted equity investments and uses the net asset value reported by the management of the investee companies to determine the fair value of the investment. A sensitivity analysis on the fair value of these unlisted equity investments is disclosed in Note 47(a)(ii).

The method and assumptions used in the above sensitivity analysis on interest rate risk, currency risk and equity risk are performed on the same basis for both 2009 and 2010.

(ii) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing, commercial banking operations and structural foreign currency exposures. All foreign currency positions are managed by Financial Markets within limits approved by the Board. Structural foreign currency positions arise mainly on foreign currency investments in the Group's subsidiaries and associates of HK\$461.0 million as of 31 December 2010 (2009: HK\$339.2 million). The Group seeks to match closely its foreign currency denominated assets with corresponding liabilities in the same currencies.

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(i) 市場風險敏感度分析* (續)*非交易市場風險* (續)

股票風險

於二零一零年及二零零九年十二月三十一日，本集團並無持有非持作交易用途之股本證券。因此，恒生指數變動對本集團並無影響。

本公司持有非交易非上市股權投資，並使用被投資公司管理層報告之資產淨值釐定投資之公平值。該等非上市股權投資公平值的敏感度分析披露於附註47(a)(ii)。

上述對利率風險、貨幣風險及股票風險之敏感度分析所採用之方法及假設，就二零零九年及二零一零年而言所採用者乃屬相同。

(ii) 貨幣風險

本集團之外匯持倉源自外匯買賣、商業銀行業務及結構性外幣持倉。所有外幣持倉均由金融市場部管理，並維持在董事會所訂定之範圍內。結構性外幣持倉主要源自本集團於附屬及聯營公司於二零一零年十二月三十一日之外幣投資共461,000,000港元(二零零九年：339,200,000港元)。本集團設法將以外幣為單位之資產切實配對以同樣貨幣為單位之相應負債。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

The following table indicates the concentration of currency risk at the balance sheet date:

		The Group 本集團				
		2010 二零一零年				
(Equivalent in HK\$'000)	(千港元等值)	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Philippines Pesos 菲律賓披索	Other currencies 其他貨幣
ASSETS	資產					
Cash and short-term funds	現金及短期資金	1,012,722	952,845	7,155	29	40,325
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	1,935,669	-	-	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	324,812	-	-	-	-
Advances to customers less impairment allowances	客戶貸款減值撥備	4,126,100	-	-	-	54,134
Other loans and receivables	其他貸款及應收款項	2,391,460	-	-	-	410,854
Accrued interest and other assets	應計利息及其他資產	213,987	217	42,227	-	48,698
Available-for-sale securities	可供出售證券	9,076,638	60,168	2,679,671	-	1,952,088
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-	-
Interests in associates	於聯營公司之權益	-	532,353	-	-	-
Fixed assets	固定資產	-	293	-	-	-
Spot assets	現貨資產	21,544,069	1,545,876	2,729,053	29	2,506,099
LIABILITIES	負債					
Deposits and balances of banks	銀行同業之存款及結餘	1,958,191	-	166	-	214,919
Deposits from customers	客戶存款	13,976,826	904,767	2,349,691	-	2,099,148
Certificates of deposit issued	已發行存款證	210,362	-	-	-	-
Debt securities issued	已發行債務證券	30,318	-	11,083	-	-
Other liabilities	其他負債	473,194	3,477	8,623	-	20,317
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-	-
Spot liabilities	現貨負債	19,786,177	908,244	2,369,563	-	2,334,384
Net on-balance sheet position	資產負債表內持倉淨額	1,757,892	637,632	359,490	29	171,715
Off-balance sheet position	資產負債表外倉盤					
Foreign exchange derivative contracts	外匯衍生合約	(1,230,705)	(75,542)	(372,900)	-	(171,513)
Net aggregate position	總持倉淨額	527,187	562,090	(13,410)	29	202
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	545,774	-	-	-	175,431

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

下表列示於結算日之貨幣風險集中度：

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other assets	應計利息及其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之權益
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Debt securities issued	已發行債務證券
Other liabilities	其他負債
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

The Group 本集團			
2009 二零零九年			
	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣
	2,960,720	209,608	89,954
	92,285	–	225,392
	570,118	–	–
	4,583,658	–	42,053
	2,956,404	–	435,814
	259,115	9,084	97,973
	8,667,449	28,403	4,177,505
	902,222	–	–
	–	384,898	1,612
	20,991,971	631,993	5,070,303
	589,134	–	265,624
	15,758,256	208,665	4,882,275
	120,435	–	4,812
	279,692	121,671	40,406
	1,640,257	–	–
	18,387,774	330,336	5,193,117
	2,604,197	301,657	(122,814)
	(1,909,774)	–	112,987
	694,423	301,657	(9,827)
	349,052	–	44,950

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)
ASSETS	資產
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Accrued interest and other assets	應計利息及其他資產
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Interests in associates	於聯營公司之投資
Investments in subsidiaries	附屬公司投資
Amounts due from subsidiaries	應收附屬公司款項
Fixed assets	固定資產
Spot assets	現貨資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Other liabilities	其他負債
Amounts due to subsidiaries	應付附屬公司款項
Subordinated notes issued	已發行後償票據
Spot liabilities	現貨負債
Net on-balance sheet position	資產負債表內持倉淨額
Off-balance sheet position	資產負債表外倉盤
Foreign exchange derivative contracts	外匯衍生合約
Net aggregate position	總持倉淨額
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

					The Bank 本行
					2010 二零一零年
	US Dollars 美元	Chinese Renminbi 人民幣	Australian Dollars 澳元	Philippines Pesos 菲律賓披索	Other currencies 其他貨幣
	1,011,357	952,786	7,155	29	40,131
	1,858,707	-	-	-	-
	324,812	-	-	-	-
	4,126,100	-	-	-	54,134
	2,391,460	-	-	-	410,854
	207,780	197	42,227	-	48,699
	9,076,636	60,168	2,679,672	-	1,952,088
	2,462,681	-	-	-	-
	-	508,601	-	-	-
	77,581	-	-	-	247
	850	-	-	-	-
	-	293	-	-	-
Spot assets	21,537,964	1,522,045	2,729,054	29	2,506,153
	1,958,192	-	166	-	214,919
	13,978,088	904,766	2,349,694	-	2,099,632
	210,362	-	-	-	-
	30,318	-	11,083	-	-
	239,961	3,126	8,623	-	20,187
	6,010	-	3	-	589
	3,137,286	-	-	-	-
Spot liabilities	19,560,217	907,892	2,369,569	-	2,335,327
Net on-balance sheet position	1,977,747	614,153	359,485	29	170,826
	(1,230,705)	(75,542)	(372,900)	-	(171,513)
Net aggregate position	747,042	538,611	(13,415)	29	(687)
Credit commitments and other contingent liabilities in foreign currencies	545,774	-	-	-	175,431

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(ii) Currency risk (continued)

(Equivalent in HK\$'000)	(千港元等值)			
ASSETS		資產		
Cash and short-term funds	現金及短期資金	2,960,016	209,555	89,730
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	15,510	–	225,392
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	570,118	–	–
Advances to customers less impairment allowances	客戶貸款減值撥備	4,583,658	–	42,053
Other loans and receivables	其他貸款及應收款項	2,956,404	–	435,814
Accrued interest and other assets	應計利息及其他資產	253,755	9,084	97,962
Available-for-sale securities	可供出售證券	8,667,447	28,403	4,177,505
Held-to-maturity investments	持至到期投資	902,222	–	–
Interests in associates	於聯營公司之投資	–	382,890	1,612
Investments in subsidiaries	附屬公司投資	77,581	–	247
Amounts due from subsidiaries	應收附屬公司款項	848	–	–
Spot assets	現貨資產	20,987,559	629,932	5,070,315
LIABILITIES		負債		
Deposits and balances of banks	銀行同業之存款及結餘	589,134	–	265,624
Deposits from customers	客戶存款	15,758,256	208,665	4,882,275
Debt securities issued	已發行債務證券	120,435	–	4,812
Other liabilities	其他負債	278,920	121,660	40,288
Amounts due to subsidiaries	應付附屬公司款項	1,886	–	488
Subordinated notes issued	已發行後償票據	1,640,257	–	–
Spot liabilities	現貨負債	18,388,888	330,325	5,193,487
Net on-balance sheet position	資產負債表內持倉淨額	2,598,671	299,607	(123,172)
Off-balance sheet position	資產負債表外倉盤			
Foreign exchange derivative contracts	外匯衍生合約	(1,909,774)	–	112,987
Net aggregate position	總持倉淨額	688,897	299,607	(10,185)
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	349,052	–	44,950

50. 財務風險管理(續)

(b) 市場風險管理(續)

(ii) 貨幣風險(續)

	The Bank 本行	2009 二零零九年	US Dollars 美元	Chinese Renminbi 人民幣	Other currencies 其他貨幣
ASSETS					
Cash and short-term funds	現金及短期資金	2,960,016	209,555	89,730	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	15,510	–	225,392	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	570,118	–	–	
Advances to customers less impairment allowances	客戶貸款減值撥備	4,583,658	–	42,053	
Other loans and receivables	其他貸款及應收款項	2,956,404	–	435,814	
Accrued interest and other assets	應計利息及其他資產	253,755	9,084	97,962	
Available-for-sale securities	可供出售證券	8,667,447	28,403	4,177,505	
Held-to-maturity investments	持至到期投資	902,222	–	–	
Interests in associates	於聯營公司之投資	–	382,890	1,612	
Investments in subsidiaries	附屬公司投資	77,581	–	247	
Amounts due from subsidiaries	應收附屬公司款項	848	–	–	
Spot assets	現貨資產	20,987,559	629,932	5,070,315	
LIABILITIES					
Deposits and balances of banks	銀行同業之存款及結餘	589,134	–	265,624	
Deposits from customers	客戶存款	15,758,256	208,665	4,882,275	
Debt securities issued	已發行債務證券	120,435	–	4,812	
Other liabilities	其他負債	278,920	121,660	40,288	
Amounts due to subsidiaries	應付附屬公司款項	1,886	–	488	
Subordinated notes issued	已發行後償票據	1,640,257	–	–	
Spot liabilities	現貨負債	18,388,888	330,325	5,193,487	
Net on-balance sheet position	資產負債表內持倉淨額	2,598,671	299,607	(123,172)	
Off-balance sheet position	資產負債表外倉盤				
Foreign exchange derivative contracts	外匯衍生合約	(1,909,774)	–	112,987	
Net aggregate position	總持倉淨額	688,897	299,607	(10,185)	
Credit commitments and other contingent liabilities in foreign currencies	以外幣結算之信貸承擔及其他或然負債	349,052	–	44,950	

50. FINANCIAL RISK MANAGEMENT (continued)**(b) Market risk management** (continued)*(iii) Interest rate risk*

The Group's interest rate positions mainly arise from treasury and commercial banking activities. Interest rate risk arises in both trading portfolios and non-trading portfolios. Interest rate risk primarily results from 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 by Financial Markets within limits approved by the Board, including interest rate gap limits. The Group also uses interest rate swaps and other derivatives to manage interest rate risk.

Structural interest rate risk arises primarily from the deployment of non-interest bearing liabilities, including shareholders' funds and current accounts, as well as from certain fixed rate loans and liabilities. Structural interest rate risk is monitored by the Asset and Liability Committee.

The following tables indicate the effective interest rates for the relevant periods and the mismatches of the expected interest repricing dates for interest-bearing assets and liabilities at the balance sheet date. Actual repricing dates may differ from the contractual dates owing to prepayments and the exercise of options.

50. 財務風險管理 (續)**(b) 市場風險管理** (續)*(iii) 利率風險*

本集團之利率倉盤主要源自財資及商業銀行業務。利率風險由交易證券組合及非交易證券組合所產生。利率風險主要由計息資產、負債及承擔之再定息率時差引致，亦與包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債產生之倉盤有關。利率風險由金融市場部門管理，並維持在董事會批准之限額（包括利率差別限額）之內。本集團亦使用利率掉期及其他衍生工具管理利率風險。

結構利率風險主要由包括股東資金及往來賬戶在內之非計息負債，以及若干定息貸款及負債所產生。結構利率風險由資產負債委員會監控。

下表列示於結算日付息資產與負債於相關期間之實際利率及於預期利息重訂價格日期之錯配。由於預付及行使期權，實際重訂價格日期可能不同於合約日期。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

ASSETS	資產
Cash and short-term funds	現金及短期資金
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘
Trading securities	持作交易用途之證券
Financial assets designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融資產
Derivative financial instruments	衍生金融工具
Advances to customers less impairment allowances	客戶貸款減減值撥備
Other loans and receivables	其他貸款及應收款項
Available-for-sale securities	可供出售證券
Held-to-maturity investments	持至到期投資
Other assets	其他資產
LIABILITIES	負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Derivative financial instruments	衍生金融工具
Subordinated notes issued	已發行後償票據
Other liabilities	其他負債
Interest rate sensitivity gap	利率敏感度差距

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

50. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險(續)

Average interest rate	The Group 本集團					
	2010 二零一零年					
	Average interest rate	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing
平均實際利率	總額	逾期部份	三個月以上至一年	一年以上至五年	五年以上	不計息
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元
0.64%	2,777,351	1,901,782	-	-	-	875,569
0.84%	2,135,669	1,591,496	544,173	-	-	-
0.32%	966,773	65,578	898,092	2,988	-	115
2.54%	406,268	-	-	84,724	-	321,544
N/A	491,633	-	-	-	-	491,633
2.23%	28,860,971	27,600,817	823,707	375,132	20,742	40,573
1.95%	2,802,314	2,301,080	99,974	401,260	-	-
2.29%	18,555,834	5,208,794	5,556,402	6,090,388	1,480,092	220,158
4.91%	2,462,681	-	77,739	910,502	1,474,440	-
1.66%	2,320,141	117,171	-	-	-	2,202,970
	61,779,635	38,786,718	8,000,087	7,864,994	2,975,274	4,152,562
0.29%	3,382,793	3,227,412	-	-	-	155,381
0.85%	46,038,161	40,381,695	5,212,889	42,024	-	401,553
0.11%	920,695	917,483	-	3,212	-	-
0.73%	263,986	-	-	-	263,986	-
1.07%	797,951	562,578	6,800	228,573	-	-
1.48%	41,401	38,234	3,167	-	-	-
N/A	577,314	-	-	-	-	577,314
3.57%	3,137,286	-	1,596,605	-	1,540,681	-
0.68%	1,525,780	601,445	-	208,092	-	716,243
	56,685,367	45,728,847	6,819,461	481,901	1,804,667	1,850,491
		(6,942,129)	1,180,626	7,383,093	1,170,607	

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

		The Group 本集團					
		2009 二零零九年					
	Average effective interest rate	3 months or less (include Total	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non- interest bearing
	平均實際利率	總額	逾部份	三個月以上	一年以上	五年以上	不計息
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產						
Cash and short-term funds	現金及短期資金	0.72%	5,414,889	3,133,999	-	-	2,280,890
Balances with banks and other financial institutions	銀行同業及其他 金融機構結餘	2.37%	367,677	126,775	240,902	-	-
Trading securities	持作交易用途之證券	0.27%	105,522	101,404	-	4,016	102
Financial assets designated at fair value through profit or loss	指定為透過損益以反映 公平價值之金融資產	5.63%	641,737	-	-	331,624	310,113
Derivative financial instruments	衍生金融工具	N/A	632,010	-	-	-	632,010
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.60%	28,571,967	27,022,548	852,075	532,172	78,463
Other loans and receivables	其他貸款及應收款項	2.04%	3,392,218	2,548,956	368,460	474,802	-
Available-for-sale securities	可供出售證券	2.67%	17,939,073	3,680,878	3,231,213	9,325,959	1,481,701
Held-to-maturity investments	持至到期投資	6.20%	902,222	-	-	902,222	-
Other assets	其他資產	3.03%	3,011,985	26,867	1,460	-	2,983,658
			60,979,300	36,641,427	4,694,110	11,570,795	1,560,164
							6,512,804
LIABILITIES	負債						
Deposits and balances of banks	銀行同業之存款及結餘	0.77%	2,424,903	2,116,732	50,000	-	258,171
Deposits from customers	客戶存款	0.56%	46,602,175	42,253,030	3,779,461	209,365	360,319
Trading liabilities	交易賬項下之負債	0.48%	14,275	10,000	1,033	3,242	-
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映 公平價值之金融負債	0.63%	201,096	-	-	-	201,096
Certificates of deposit issued	已發行存款證	0.82%	322,100	308,650	13,450	-	-
Debt securities issued	已發行債務證券	0.25%	268,791	268,791	-	-	-
Derivative financial instruments	衍生金融工具	N/A	651,896	-	-	-	651,896
Subordinated notes issued	應付附屬公司款項	1.02%	1,640,257	-	-	1,640,257	-
Other liabilities	其他負債	0.90%	3,919,247	958,495	678,111	948,630	1,334,011
			56,044,740	45,915,698	4,522,055	2,801,494	201,096
							2,604,397
Interest rate sensitivity gap	利率敏感度差距			(9,274,271)	172,055	8,769,301	1,359,068

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險(續)

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

		The Bank		2010				
		本行		二零一零年				
Average	3 months or	Over	Over	Over	Non-			
interest rate	less (include	3 months	1 year	5 years	interest			
	overdue)	to 1 year	to 5 years	5 years	bearing			
	Total	三個月或	一年以上	五年以上				
		以下(包括	三個月以上	五年以上				
平均實際利率	總額	逾期部份)	至一年	至五年	五年以上	不計息		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
ASSETS	資產							
Cash and short-term funds	現金及短期資金	0.64%	2,774,901	1,901,782	-	-	873,119	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	0.82%	2,058,707	1,514,534	544,173	-	-	
Trading securities	持作交易用途之證券	0.32%	966,658	65,578	898,092	2,988	-	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	2.54%	406,268	-	-	84,724	321,544	
Derivative financial instruments	衍生金融工具	N/A	491,633	-	-	-	491,633	
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.18%	28,496,116	27,421,630	715,899	319,218	20,742	
Other loans and receivables	其他貸款及應收款項	1.95%	2,802,314	2,301,080	99,974	401,260	-	
Available-for-sale securities	可供出售證券	2.29%	18,555,832	5,208,794	5,556,402	6,090,388	1,480,092	
Held-to-maturity investments	持至到期投資	4.91%	2,462,681	-	77,739	910,502	1,474,440	
Amount due from subsidiaries	應收附屬公司款項	0.25%	480,947	471,460	-	-	9,487	
Other assets	其他資產	1.66%	2,409,784	117,171	-	-	2,292,613	
			61,905,841	39,002,029	7,892,279	7,809,080	2,975,274	4,227,179
LIABILITIES	負債							
Deposits and balances of banks	銀行同業之存款及結餘	0.29%	3,382,793	3,227,412	-	-	155,381	
Deposits from customers	客戶存款	0.85%	46,038,161	40,381,695	5,212,889	42,024	401,553	
Trading liabilities	交易賬項下之負債	0.11%	920,695	917,483	-	3,212	-	
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.73%	263,986	-	-	-	263,986	
Certificates of deposit issued	已發行存款證	1.07%	797,951	562,578	6,800	228,573	-	
Debt securities issued	已發行債務證券	1.48%	41,401	38,234	3,167	-	-	
Derivative financial instruments	衍生金融工具	N/A	577,314	-	-	-	577,314	
Amounts due to subsidiaries	應付附屬公司款項	0.12%	520,548	422,358	-	-	98,190	
Subordinated notes issued	已發行後償票據	3.57%	3,137,286	-	1,596,605	-	1,540,681	
Other liabilities	其他負債	0.68%	1,488,769	601,445	-	208,092	679,232	
			57,168,904	46,151,205	6,819,461	481,901	1,804,667	1,911,670
Interest rate sensitivity gap	利率敏感度差距		(7,149,176)	1,072,818	7,327,179	1,170,607		

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註 21(d) 包括按名義金額分析衍生工具 (包括利率掉期) 剩餘期限的進一步資料。

50. 財務風險管理 (續)

(b) 市場風險管理 (續)

(iii) 利率風險 (續)

		The Bank		2010				
		本行		二零一零年				
Average	3 months or	Over	Over	Over	Non-			
interest rate	less (include	3 months	1 year	5 years	interest			
	overdue)	to 1 year	to 5 years	5 years	bearing			
	Total	三個月或	一年以上	五年以上				
		以下(包括	三個月以上	五年以上				
平均實際利率	總額	逾期部份)	至一年	至五年	五年以上	不計息		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
ASSETS	資產							
Cash and short-term funds	現金及短期資金	0.64%	2,774,901	1,901,782	-	-	873,119	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	0.82%	2,058,707	1,514,534	544,173	-	-	
Trading securities	持作交易用途之證券	0.32%	966,658	65,578	898,092	2,988	-	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	2.54%	406,268	-	-	84,724	321,544	
Derivative financial instruments	衍生金融工具	N/A	491,633	-	-	-	491,633	
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.18%	28,496,116	27,421,630	715,899	319,218	20,742	
Other loans and receivables	其他貸款及應收款項	1.95%	2,802,314	2,301,080	99,974	401,260	-	
Available-for-sale securities	可供出售證券	2.29%	18,555,832	5,208,794	5,556,402	6,090,388	1,480,092	
Held-to-maturity investments	持至到期投資	4.91%	2,462,681	-	77,739	910,502	1,474,440	
Amount due from subsidiaries	應收附屬公司款項	0.25%	480,947	471,460	-	-	9,487	
Other assets	其他資產	1.66%	2,409,784	117,171	-	-	2,292,613	
			61,905,841	39,002,029	7,892,279	7,809,080	2,975,274	4,227,179
LIABILITIES	負債							
Deposits and balances of banks	銀行同業之存款及結餘	0.29%	3,382,793	3,227,412	-	-	155,381	
Deposits from customers	客戶存款	0.85%	46,038,161	40,381,695	5,212,889	42,024	401,553	
Trading liabilities	交易賬項下之負債	0.11%	920,695	917,483	-	3,212	-	
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.73%	263,986	-	-	-	263,986	
Certificates of deposit issued	已發行存款證	1.07%	797,951	562,578	6,800	228,573	-	
Debt securities issued	已發行債務證券	1.48%	41,401	38,234	3,167	-	-	
Derivative financial instruments	衍生金融工具	N/A	577,314	-	-	-	577,314	
Amounts due to subsidiaries	應付附屬公司款項	0.12%	520,548	422,358	-	-	98,190	
Subordinated notes issued	已發行後償票據	3.57%	3,137,286	-	1,596,605	-	1,540,681	
Other liabilities	其他負債	0.68%	1,488,769	601,445	-	208,092	679,232	
			57,168,904	46,151,205	6,819,461	481,901	1,804,667	1,911,670
Interest rate sensitivity gap	利率敏感度差距		(7,149,176)	1,072,818	7,327,179	1,170,607		

50. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk management (continued)

(iii) Interest rate risk (continued)

		Average effective interest rate	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing
		average interest rate	total	to 1 year	to 5 years	5 years	interest bearing
			三個月或以下(包括逾期部份)	三個月以上至一年	一年以上至五年	五年以上	不計息
		平均實際利率	總額	逾部份	至一年	至五年	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
ASSETS		資產					
Cash and short-term funds	現金及短期資金	0.72%	5,413,566	3,133,999	-	-	2,279,567
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2.86%	290,902	50,000	240,902	-	-
Trading securities	持作交易用途之證券	0.27%	105,420	101,404	-	4,016	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	5.63%	641,737	-	-	331,624	310,113
Derivative financial instruments	衍生金融工具	N/A	632,010	-	-	-	632,010
Advances to customers less impairment allowances	客戶貸款減減值撥備	2.33%	26,947,698	26,309,105	260,908	235,550	78,463
Other loans and receivables	其他貸款及應收款項	2.04%	3,392,218	2,548,956	368,460	474,802	-
Available-for-sale securities	可供出售證券	2.67%	17,939,071	3,680,878	3,231,213	9,325,959	1,481,701
Held-to-maturity investments	持有到期投資	6.20%	902,222	-	-	902,222	-
Amount due from subsidiaries	應收附屬公司款項	0.15%	2,043,318	2,028,246	-	-	15,072
Other assets	其他資產	3.03%	3,117,784	26,867	1,460	-	3,089,457
			61,425,946	37,879,455	4,102,943	11,274,173	1,560,164
							6,609,211
LIABILITIES		負債					
Deposits and balances of banks	銀行同業之存款及結餘	0.77%	2,424,903	2,116,732	50,000	-	258,171
Deposits from customers	客戶存款	0.56%	46,602,175	42,253,030	3,779,461	209,365	360,319
Trading liabilities	交易賬項下之負債	0.48%	14,275	10,000	1,033	3,242	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	0.63%	201,096	-	-	-	201,096
Certificates of deposit issued	已發行存款證	0.82%	322,100	308,650	13,450	-	-
Debt securities issued	已發行債務證券	0.25%	268,791	268,791	-	-	-
Derivative financial instruments	衍生金融工具	N/A	651,896	-	-	-	651,896
Amounts due to subsidiaries	應付附屬公司款項	0.02%	870,689	794,932	-	-	75,757
Subordinated notes issued	已發行後償票據	1.02%	1,640,257	-	-	1,640,257	-
Other liabilities	其他負債	0.90%	3,881,075	958,495	678,111	948,630	1,295,839
			56,877,257	46,710,630	4,522,055	2,801,494	201,096
							2,641,982
Interest rate sensitivity gap	利率敏感度差距		(8,831,175)	(419,112)	8,472,679	1,359,068	

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. 財務風險管理(續)

(b) 市場風險管理(續)

(iii) 利率風險(續)

The Bank
本行2009
二零零九年

Average effective interest rate	3 months or less (include Total	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Non-interest bearing
average interest rate	total	to 1 year	to 5 years	5 years	interest bearing
	三個月或以下(包括逾期部份)	三個月以上至一年	一年以上至五年	五年以上	不計息
平均實際利率	總額	逾部份	至一年	至五年	五年以上
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元

50. FINANCIAL RISK MANAGEMENT (continued)**(c) Liquidity risk management**

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

Liquidity is managed on a daily basis by the Funding Centre department under the direction of the Asset and Liability Committee. The Funding Centre department is responsible for ensuring that the Group has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches and to prevent price and reinvestment rate risk in case of a maturity gap, and monitoring relevant markets for the adequacy of funding and liquidity.

As part of its liquidity risk management, the Group focuses on a number of components, including maintaining sufficient liquid assets, maintaining diversified sources of liquidity, reserving necessary funding capacity and contingent planning. 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 prudential limits. In order to lengthen the duration of the funding, the Bank periodically issues certificates of deposit with different maturities. Adequate standby facilities are maintained to provide strategic liquidity to meet unexpected and material cash outflows in the ordinary course of business. The Group regularly performs stress tests on its liquidity position.

The Group's consolidated average liquidity ratio for the year ended 31 December 2010 was well above the statutory minimum ratio of 25%.

50. 財務風險管理(續)**(c) 流動資金風險管理**

流動資金風險管理旨在確保足夠現金流量以滿足所有財務承擔及業務擴展之所需。有關措施涵蓋本集團應付因客戶需要或合約到期產生之存款提取、於借款到期時因償還貸款、為符合法定流動資金比率所需保持資金流動性及當新貸款及投資機會出現時所需資金的能力。

資金部在資產負債委員會指導下每日對流動資金進行管理。資金部負責確保本集團擁有所有營運活動所需之充足流動資金、確保資金之適當組合以避免期限錯配並在存在年期差距時防止價格及再投資利率風險並為確保充足資金及流動資金監控相關市場。

作為其流動資金風險管理之一部分，本集團集中於數個項目，包括保持充足流動資產、拓闊流動資金來源、維持所需的融資能力及應變計劃。本集團透過持有充足適當質量之流動資產(如現金及短期基金與證券)確保短期資金需求在審慎限額內來管理流動資金風險。為延長資金之持續期，本行定期發行不同到期期限之存款證。維持適當之備用貸款以提供策略性流動資金應付正常業務過程中可能出現之突然及重大現金流出。本集團定期對其流動資金狀況進行壓力測試。

本集團於截至二零一零年十二月三十一日止年度之綜合平均流動資金比率遠高於法定最低比率25%。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

Of which:		其中：
Debt securities held*		持有債務證券*
- Included in trading securities		- 納入持作交易用途之證券
- Included in financial assets designated at fair value through profit or loss		- 納入指定為通過損益以反映公平價值之金融資產
- Included in loans and receivable		- 納入貸款及應收款項
- Included in available-for-sale securities		- 納入可供出售證券
- Included in held-to-maturity investments		- 納入持至到期投資
Certificates of deposit issued		已發行存款證
- Stated at amortised cost		- 按攤銷成本列賬

* The amount of debt securities held included certificate of deposits held.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Group 本集團						
		2010 二零一零年						
		Repayable Total	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
總額	即時還款	一個月內	三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上	無定期 或逾期	
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
		966,658	-	-	65,578	898,092	2,988	-
		406,268	-	-	-	84,724	-	321,544
		2,802,314	-	-	1,246,202	1,556,112	-	-
		18,344,932	463,979	269,119	5,950,858	9,795,459	1,856,262	9,255
		2,462,681	-	-	-	910,502	1,552,179	-
		24,982,853	463,979	334,697	8,095,152	12,349,785	3,408,441	330,799
		797,951	66,610	169,062	306,800	255,479	-	-

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Group 本集團							
		2009 二零零九年							
		Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	無定期 或逾期
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
ASSETS	資產								
Cash and short-term funds	現金及短期資金	5,414,889	2,479,867	2,935,022	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	367,677	-	-	76,775	240,902	50,000	-	-
Trading securities	持作交易用途之證券	105,522	-	15,000	86,404	-	4,016	-	102
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	641,737	-	-	-	-	331,624	-	310,113
Derivative financial instruments	衍生金融工具	632,010	-	-	-	-	-	-	632,010
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,571,967	791,253	4,250,113	1,503,985	2,748,130	9,552,263	9,524,838	201,385
Other loans and receivables	其他貸款及應收款項	3,392,218	-	-	-	828,169	2,564,049	-	-
Available-for-sale securities	可供出售證券	17,939,073	-	50,804	804,133	3,509,535	11,578,645	1,776,634	219,322
Held-to-maturity investments	持至到期投資	902,222	-	-	-	-	902,222	-	-
Other assets	其他資產	3,011,985	-	1,072,134	26,048	65,006	35,144	-	1,813,653
		60,979,300	3,271,120	8,323,073	2,497,345	7,391,742	25,017,963	11,301,472	3,176,585
LIABILITIES	負債								
Deposits and balances of banks	銀行同業之存款及結餘	2,424,903	258,032	1,642,395	474,476	50,000	-	-	-
Deposits from customers	客戶存款	46,602,175	15,282,618	18,295,670	9,025,368	3,779,461	209,364	9,694	-
Trading liabilities	交易賬項下之負債	14,275	-	10,000	-	1,033	3,242	-	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	201,096	-	-	-	-	-	201,096	-
Certificates of deposit issued	已發行存款證	322,100	-	-	8,650	13,450	300,000	-	-
Debt securities issued	已發行債務證券	268,791	-	52,086	62,938	143,685	-	10,082	-
Derivative financial instruments	衍生金融工具	651,896	-	-	-	-	-	-	651,896
Subordinated notes issued	已發行後償票據	1,640,257	-	-	-	-	-	1,640,257	-
Other liabilities	其他負債	3,919,247	-	1,614,893	47,683	745,628	948,644	-	562,399
		56,044,740	15,540,650	21,615,044	9,619,115	4,733,257	1,461,250	1,861,129	1,214,295
Net liquidity gap	流動資金缺口淨額		12,269,530	13,291,971	7,121,770	(2,658,485)	(23,556,713)	(9,440,343)	

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註 21(d) 包括按名義金額分析衍生工具 (包括利率掉期) 剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

	Total	Repayable on demand	Within 1 month	Within 3 months	Within 1 year	Over 1 year but within 5 years	Over 5 years	Undated or overdue
	總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Of which:								
Debt securities held *								
- Included in trading securities	105,420	-	15,000	86,404	-	4,016	-	-
- Included in financial assets designated at fair value through profit or loss	641,737	-	-	-	-	331,624	-	310,113
- Included in loans and receivable	3,392,218	-	-	-	828,169	2,564,049	-	-
- Included in available-for-sale securities	17,728,988	-	50,804	804,133	3,509,535	11,578,645	1,776,634	9,237
- Included in held-to-maturity investments	902,222	-	-	-	-	902,222	-	-
	22,770,585	-	65,804	890,537	4,337,704	15,380,556	1,776,634	319,350
Certificates of deposit issued								
- Stated at amortised cost	322,100	-	-	8,650	13,450	300,000	-	-

* The amount of debt securities held included certificate of deposits held.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Group 本集團						
		2009 二零零九年						
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue	
		within 1 month	within 3 months	within 1 year	within 5 years	within 5 years	undated or overdue	
		一個月以上	三個月以上	一年以上	五年以上	五年以上	無定期	
		總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
		105,420	-	15,000	86,404	-	4,016	-
		641,737	-	-	-	-	331,624	310,113
		3,392,218	-	-	-	828,169	2,564,049	-
		17,728,988	-	50,804	804,133	3,509,535	11,578,645	1,776,634
		902,222	-	-	-	-	902,222	-
		22,770,585	-	65,804	890,537	4,337,704	15,380,556	1,776,634
		322,100	-	-	8,650	13,450	300,000	-

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		Repayable		Within 1	Over 1	Over 3	Over 1	Over 5	Undated or
		on demand	on demand	month	month but	months but	year but	years	overdue
		Total			within 3	within 1	within 5		
					months	year	years		
					一個月以上	三個月以上	一年以上	五年以上	無定期
					三個月以內	一年以內	五年以內	五年以上	或逾期
					千港元	千港元	千港元	千港元	千港元
					千港元	千港元	千港元	千港元	千港元
					千港元	千港元	千港元	千港元	千港元
ASSETS	資產								
Cash and short-term funds	現金及短期資金	2,774,901	1,812,953	961,948	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,058,707	-	109,579	1,404,955	544,173	-	-	-
Trading securities	持作交易用途之證券	966,658	-	-	65,578	898,092	2,988	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	406,268	-	-	-	-	84,724	-	321,544
Derivative financial instruments	衍生金融工具	491,633	-	-	-	-	-	-	491,633
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,496,116	764,622	2,552,212	1,580,972	2,936,406	10,031,031	10,614,507	16,366
Other loans and receivables	其他貸款及應收款項	2,802,314	-	-	-	1,246,202	1,556,112	-	-
Available-for-sale securities	可供出售證券	18,555,832	-	463,979	269,119	5,950,858	9,795,459	1,856,262	220,155
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-	-	910,502	1,552,179	-
Amounts due from subsidiaries	應收附屬公司款項	480,947	3,623	233,659	237,876	-	-	-	5,789
Other assets	其他資產	2,409,784	-	398,619	81,689	55,430	1,157	-	1,872,889
		61,905,841	2,581,198	4,719,996	3,640,189	11,631,161	22,381,973	14,022,948	2,928,376
LIABILITIES	負債								
Deposits and balances of banks	銀行同業之存款及結餘	3,382,793	155,381	3,141,899	85,513	-	-	-	-
Deposits from customers	客戶存款	46,038,161	14,489,262	18,840,440	7,440,797	5,212,889	49,487	5,286	-
Trading liabilities	交易賬項下之負債	920,695	-	917,483	-	-	3,212	-	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	263,986	-	-	-	-	-	263,986	-
Certificates of deposit issued	已發行存款證	797,951	-	66,610	169,062	306,800	255,479	-	-
Debt securities issued	已發行債務證券	41,401	-	-	3,110	30,517	7,774	-	-
Derivative financial instruments	衍生金融工具	577,314	-	-	-	-	-	-	577,314
Amounts due to subsidiaries	應付附屬公司款項	520,548	103,039	245,565	168,086	-	-	-	3,858
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-	-	-	3,137,286	-
Other liabilities	其他負債	1,488,769	-	532,471	231,490	72,793	208,954	-	443,061
		57,168,904	14,747,682	23,744,468	8,098,058	5,622,999	524,906	3,406,558	1,024,233
Net liquidity gap	流動資金缺口淨額	12,166,484	19,024,472	4,457,869	(6,008,162)	(21,857,067)	(10,616,390)		

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

The Bank
本行2010
二零一零年

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		Repayable		Within 1	Over 1	Over 3	Over 1	Over 5	Undated or
		on demand	on demand	month	month but	months but	year but	years	overdue
		Total			within 3	within 1	within 5		
					months	year	years		
					一個月以上	三個月以上	一年以上	五年以上	無定期
					三個月以內	一年以內	五年以內	五年以上	或逾期
					千港元	千港元	千港元	千港元	千港元
					千港元	千港元	千港元	千港元	千港元
					千港元	千港元	千港元	千港元	千港元
ASSETS	資產								
Cash and short-term funds	現金及短期資金	2,774,901	1,812,953	961,948	-	-	-	-	-
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	2,058,707	-	109,579	1,404,955	544,173	-	-	-
Trading securities	持作交易用途之證券	966,658	-	-	65,578	898,092	2,988	-	-
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融資產	406,268	-	-	-	-	84,724	-	321,544
Derivative financial instruments	衍生金融工具	491,633	-	-	-	-	-	-	491,633
Advances to customers less impairment allowances	客戶貸款減減值撥備	28,496,116	764,622	2,552,212	1,580,972	2,936,406	10,031,031	10,614,507	16,366
Other loans and receivables	其他貸款及應收款項	2,802,314	-	-	-	1,246,202	1,556,112	-	-
Available-for-sale securities	可供出售證券	18,555,832	-	463,979	269,119	5,950,858	9,795,459	1,856,262	220,155
Held-to-maturity investments	持至到期投資	2,462,681	-	-	-	-	910,502	1,552,179	-
Amounts due from subsidiaries	應收附屬公司款項	480,947	3,623	233,659	237,876	-	-	-	5,789
Other assets	其他資產	2,409,784	-	398,619	81,689	55,430	1,157	-	1,872,889
		61,905,841	2,581,198	4,719,996	3,640,189	11,631,161	22,381,973	14,022,948	2,928,376
LIABILITIES	負債								
Deposits and balances of banks	銀行同業之存款及結餘	3,382,793	155,381	3,141,899	85,513	-	-	-	-
Deposits from customers	客戶存款	46,038,161	14,489,262	18,840,440	7,440,797	5,212,889	49,487	5,286	-
Trading liabilities	交易賬項下之負債	920,695	-	917,483	-	-	3,212	-	-
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	263,986	-	-	-	-	-	263,986	-
Certificates of deposit issued	已發行存款證	797,951	-	66,610	169,062	306,800	255,479	-	-
Debt securities issued	已發行債務證券	41,401	-	-	3,110	30,517	7,774	-	-
Derivative financial instruments	衍生金融工具	577,314	-	-	-	-	-	-	577,314
Amounts due to subsidiaries	應付附屬公司款項	520,548	103,039	245,565	168,086	-	-	-	3,858
Subordinated notes issued	已發行後償票據	3,137,286	-	-	-	-	-	3,137,286	-
Other liabilities	其他負債	1,488,769	-	532,471	231,490	72,793	208,954	-	443,061
		57,168,904	14,747,682	23,744,468	8,098,058	5,622,999	524,906	3,406,558	1,024,233
Net liquidity gap	流動資金缺口淨額	12,166,484	19,024,472	4,457,869	(6,008,162)	(21,857,067)	(10,616,390)		

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

	Repayable Total	on demand	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	Undated or overdue
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Of which:								
Debt securities held *								
- Included in trading securities	-	-	65,578	898,092	2,988	-	-	
- Included in financial assets designated at fair value through profit or loss	406,268	-	-	-	84,724	-	321,544	
- Included in loans and receivable	2,802,314	-	-	1,246,202	1,556,112	-	-	
- Included in available-for-sale securities	18,344,932	-	463,979	269,119	5,950,858	9,795,459	1,856,262	9,255
- Included in held-to-maturity investments	2,462,681	-	-	-	-	910,502	1,552,179	-
	24,982,853	-	463,979	334,697	8,095,152	12,349,785	3,408,441	330,799
Certificates of deposit issued								
- Stated at amortised cost	797,951	-	66,610	169,062	306,800	255,479	-	-

* The amount of debt securities held included certificate of deposits held.

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

		The Bank 本行						
		2010 二零一零年						
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue	
Total	Repayable on demand	within 1 month	within 3 months	within 1 year	within 5 years	years	overdue	
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
966,658	-	-	65,578	898,092	2,988	-	-	
406,268	-	-	-	-	84,724	-	321,544	
2,802,314	-	-	-	1,246,202	1,556,112	-	-	
18,344,932	-	463,979	269,119	5,950,858	9,795,459	1,856,262	9,255	
2,462,681	-	-	-	-	910,502	1,552,179	-	
24,982,853	-	463,979	334,697	8,095,152	12,349,785	3,408,441	330,799	
797,951	-	66,610	169,062	306,800	255,479	-	-	

* 持有債務證券的金額已計入持有存款證。

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2009 二零零九年						
		Over 1	Over 3	Over 1	Over 1	Over 5	Undated or	
		month but	months but	within 1	within 5	years	overdue	
		Repayable	Within 1	within 3	within 1	Over 5	overdue	
		Total	month	months	year	years	or	
		on demand	month	months	year	years	overdue	
		總額	一個月內	三個月以內	一年以內	五年以內	或逾期	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	
ASSETS	資產							
Cash and short-term funds	現金及短期資金	5,413,566	2,478,544	2,935,022	-	-	-	
Balances with banks and other financial institutions	銀行同業及其他金融機構結餘	290,902	-	-	240,902	50,000	-	
Trading securities	持作交易用途之證券	105,420	-	15,000	86,404	4,016	-	
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值之發備金融資產	641,737	-	-	-	331,624	310,113	
Derivative financial instruments	衍生金融工具	632,010	-	-	-	-	632,010	
Advances to customers less impairment allowances	客戶貸款減減值撥備	26,947,698	782,017	4,127,499	1,277,233	2,114,047	9,375,005	
Other loans and receivables	其他貸款及應收款項	3,392,218	-	-	-	828,169	2,564,049	
Available-for-sale securities	可供出售證券	17,939,071	-	50,804	804,133	3,509,535	11,578,645	
Held-to-maturity investments	持至到期投資	902,222	-	-	-	902,222	-	
Amounts due from subsidiaries	應收附屬公司款項	2,043,318	13,022	900,322	1,128,371	-	1,603	
Other assets	其他資產	3,117,784	-	1,042,850	26,048	70,540	30,618	
		61,425,946	3,273,583	9,071,497	3,322,189	6,763,193	24,638,395	
							11,151,639	
							3,205,450	
LIABILITIES	負債							
Deposits and balances of banks	銀行同業之存款及結餘	2,424,903	258,032	1,642,395	474,476	50,000	-	
Deposits from customers	客戶存款	46,602,175	15,282,618	18,295,670	9,025,368	3,779,461	209,364	
Trading liabilities	交易賬項下之負債	14,275	-	10,000	-	1,033	3,242	
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債	201,096	-	-	-	-	201,096	
Certificates of deposit issued	已發行存款證	322,100	-	-	8,650	13,450	300,000	
Debt securities issued	已發行債務證券	268,791	-	52,086	62,938	143,685	10,082	
Derivative financial instruments	衍生金融工具	651,896	-	-	-	-	-	
Amounts due to subsidiaries	應付附屬公司款項	870,689	71,203	779,959	10,039	5,598	-	
Subordinated notes issued	已發行後償票據	1,640,257	-	-	-	-	1,640,257	
Other liabilities	其他負債	3,881,075	-	1,602,299	47,683	745,628	948,644	
		56,877,257	15,611,853	22,382,409	9,629,154	4,738,855	1,461,250	
							1,861,129	
							1,192,607	
Net liquidity gap	流動資金缺口淨額	12,338,270	13,310,912	6,306,965	(2,024,338)	(23,177,145)	(9,290,510)	

Derivative financial instruments are carried at mark-to-market values. Note 21(d) includes further information on the remaining maturity of derivatives, including interest rate swaps, by notional amount.

衍生金融工具按市值計價列賬。附註21(d)包括按名義金額分析衍生工具(包括利率掉期)剩餘期限的進一步資料。

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(i) Analysis of assets and liabilities by remaining maturity (continued)

		The Bank 本行						
		2009 二零零九年						
		Over 1 month but	Over 3 months but	Over 1 year but	Over 5 years	Over 5 years	Undated or overdue	
Total	Repayable on demand	Within 1 month	within 3 months	within 1 year	within 5 years	Over 5 years	Undated or overdue	
總額	即時還款	一個月內	三個月以內	一年以內	五年以內	五年以上	或逾期	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
Of which:								
Certificate of deposits held	其中： 持有存款證							
Debt securities held *	持有債務證券*							
- Included in trading securities	- 納入持作交易用途之證券	105,420	-	15,000	86,404	-	4,016	
- Included in financial assets designated at fair value through profit or loss	- 納入指定為通過損益以反映公平價值之金融資產	641,737	-	-	-	331,624	-	
- Included in loans and receivable	- 納入貸款及其他應收款項	3,392,218	-	-	828,169	2,564,049	-	
- Included in available-for-sale securities	- 納入可供出售證券	17,728,988	-	50,804	804,133	3,509,535	11,578,645	
- Included in held-to-maturity investments	- 納入持至到期投資	902,222	-	-	-	902,222	-	
		22,770,585	-	65,804	890,537	4,337,704	15,380,556	
						1,776,634	319,350	
Certificates of deposit issued	已發行存款證							
- Stated at amortised cost	- 按攤銷成本列賬	322,100	-	-	8,650	13,450	300,000	

* The amount of debt securities held included certificate of deposits held

* 持有債務證券的金額已計入持有存款證。

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(i) 按剩餘期限分析之資產及負債(續)

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities

The following contractual cash flow projections of the Group's financial liabilities, and off-balance sheet exposures analysed by the remaining period as at the balance sheet date to the contractual maturity dates. The balances in the tables below will not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future interest and coupon payments.

Financial liabilities	金融負債
Deposits and balances of banks	銀行同業之存款及結餘
Deposits from customers	客戶存款
Trading liabilities	交易賬項下之負債
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值之金融負債
Certificates of deposit issued	已發行存款證
Debt securities issued	已發行債務證券
Subordinated notes issued	已發行後償票據
Other liabilities	其他負債

Off-balance sheet exposures	資產負債表外風險
- Contingent liabilities	- 或然負債
- Commitments	- 承擔

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析

下列為按結算日至合約到期日之剩餘期限分析之本集團金融負債及資產負債表外風險之合約現金流預期。下表結餘將不會直接等同於綜合資產負債表之結餘，因為下表包含與全部未來票息付款之本金及相關款項有關之所有現金流(根據未折現基準)。

		The Group 本集團					
		2010 二零一零年					
		Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years
Total	Repayable on demand	Within 1 month	Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years	
總額	即時還款	一個月內	三個月以上	三個月以上	一年以上	五年以上	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
3,384,181	155,547	3,142,321	86,313	-	-	-	-
46,144,397	14,489,263	18,870,087	7,470,641	5,257,004	51,890	5,512	
920,780	-	917,500	-	112	3,168	-	
544,952	-	546	-	1,622	8,680	534,104	
808,495	-	67,544	169,313	312,698	258,940	-	
41,730	-	43	3,215	30,669	7,803	-	
4,080,952	-	1,266	2,757	97,599	386,476	3,592,854	
1,395,574	-	958,191	212,993	12,803	211,587	-	
57,321,061	14,644,810	23,957,498	7,945,232	5,712,507	928,544	4,132,470	
478,483	-	478,483	-	-	-	-	
13,822,251	13,822,251	-	-	-	-	-	
14,300,734	13,822,251	478,483	-	-	-	-	

50. FINANCIAL RISK MANAGEMENT (continued)

(c) Liquidity risk management (continued)

(ii) Analysis of non-derivative liabilities by contractual maturities (continued)

		The Group 本集團						
		2009 二零零九年						
		Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years			
		一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上			
		Repayable on demand	Within 1 month	Within 3 months	Within 1 year	Within 5 years	Over 5 years	
		Total	總額	即時還款	一個月內	三個月以內	一年以內	
		HK\$'000	千港元	HK\$'000	千港元	HK\$'000	千港元	

Financial liabilities		金融負債	
Deposits and balances of banks	銀行同業之存款及結餘	2,433,568	258,171
Deposits from customers	客戶存款	46,680,316	15,282,618
Trading liabilities	交易賬項下之負債	14,431	-
Financial liabilities designated at fair value through profit or loss	指定為透過損益以反映公平價值之金融負債	542,156	-
Certificates of deposit issued	已發行存款證	326,647	-
Debt securities issued	已發行債務證券	270,353	-
Subordinated notes issued	已發行後償票據	1,572,168	-
Other liabilities	其他負債	3,784,227	-
		55,623,866	15,540,789
Off-balance sheet exposures		資產負債表外風險	
- Contingent liabilities	- 或然負債	423,530	-
- Commitments	- 承擔	11,597,793	11,597,793
		12,021,323	11,597,793

50. 財務風險管理(續)

(c) 流動資金風險管理(續)

(ii) 按合約到期日作出之非衍生負債分析(續)

		The Group 本集團						
		2009 二零零九年						
		Over 1 month but within 3 months	Over 3 months but within 1 year	Over 1 year but within 5 years	Over 5 years			
		一個月以上 三個月以內	三個月以上 一年以內	一年以上 五年以內	五年以上			
		Repayable on demand	Within 1 month	Within 3 months	Within 1 year	Within 5 years	Over 5 years	
		Total	總額	即時還款	一個月內	三個月以內	一年以內	
		HK\$'000	千港元	HK\$'000	千港元	HK\$'000	千港元	
Deposits and balances of banks		2,433,568	258,171	1,642,877	482,420	50,100	-	
Deposits from customers		46,680,316	15,282,618	18,313,584	9,052,927	3,806,415	214,986	
Trading liabilities		14,431	-	10,000	-	1,152	3,279	
Financial liabilities designated at fair value through profit or loss		542,156	-	446	-	1,325	7,091	
Certificates of deposit issued		326,647	-	413	8,850	15,591	301,793	
Debt securities issued		270,353	-	52,128	63,055	143,943	523	
Subordinated notes issued		1,572,168	-	1,227	2,586	12,096	5,259	
Other liabilities		3,784,227	-	2,119,028	9,709	731,673	923,817	
		55,623,866	15,540,789	22,139,703	9,619,547	4,762,295	1,456,748	
Off-balance sheet exposures		資產負債表外風險						
- Contingent liabilities	- 或然負債	423,530	-	423,530	-	-	-	
- Commitments	- 承擔	11,597,793	11,597,793	-	-	-	-	
		12,021,323	11,597,793	423,530	-	-	-	

50. FINANCIAL RISK MANAGEMENT (continued)**(d) Operational risk management**

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people or systems, or from external events. Operational risks arise from the Group's daily operation and fiduciary activities. An appropriate and robust Operational Risk Management Policy and related framework has been developed, based on the HKMA guidelines, to facilitate the timely identification, effective assessment and mitigation of material and relevant risks. Through this framework, the management oversight for risk exposures, especially in the prioritisation and allocation of limited risk mitigating resources, can further be strengthened.

The board of directors, through the Risk Management Committee, is aware of the major aspects of the bank's operational risks as a distinct risk category that should be managed. The Committee performs regular review and approves the operational risk framework, risk profiles, policies and guidelines. The Committee also plays an active role in monitoring the progress of implementation of mitigating measures for risk events identified, including Business Continuity Planning, Key Risk Indicator monitoring and Basel II implementation.

Internal controls, an integral part of a sound operational risk management framework, are maintained by the established departmental operational manuals which provide guidance on the baseline controls to ensure a controlled and sound operating environment. Each new product or service introduced is subject to a rigorous risk review and sign-off process where all relevant risks are identified and assessed by departments independent of the risk-taking unit proposing the product or services. Variations of existing products or services are also subject to a similar process. Departments are required to report any risk events and failings promptly through a reporting mechanism, as well as to review their control procedures regularly to ensure compliance of the regulatory and industry requirements.

The Bank's internal audit and compliance departments play an essential role in monitoring and limiting the Group's operational risk. The primary focus of internal audit and compliance is:

- to independently evaluate the adequacy of all internal controls,
- to ensure adherence to the operating guidelines, including regulatory and legal requirements, and
- to pro-actively recommend improvements.

In order to ensure total independence, internal audit reports directly to the Audit Committee of the board as well as indirectly to the Chief Executive.

50. 財務風險管理(續)**(d) 營運風險管理**

營運風險是指因不充足或缺乏效率之內部程序、人員或制度或外在事故，致使產生損失的風險。營運風險產生自本集團之日常營運及信託業務。為提升察覺時間性、有效地評估及減低重大和相關風險，已根據金管局之指引建立適當及健全之營運風險管理政策及相關框架。透過該框架，管理層對風險之監察，尤其是對有限之減低風險資源之優先取捨及分配便能夠進一步加強。

透過風險管理委員會，董事會已注意到本行之營運風險作為一項單獨之風險類別的主要情況，須對此進行管理。該委員會定期審閱及批准營運風險框架、風險簡述、政策及指引。對於所發現之風險事故所採取之緩和措施(包括業務延續性規劃、主要風險指標監察及巴塞爾II資本協定之落實)方面，該委員會在監察該等緩和措施的實施進度上亦發揮積極之作用。

內部控制作為穩健營運風險管理框架之重要部分，已按照所建立之部門營運手冊(載有基本控制之指引，確保一個受控制且穩健的營運環境)而實施。各新產品或服務須進行嚴格風險檢討，並於建議該產品或服務之獨立風險管理部門定義及評估所有相關風險完成後，方可引進。更改現有產品或服務亦須受類似程序限制。部門須透過匯報機制迅速報告任何風險事故及不善之處，同時定期檢討其控制程序，以確保符合監管及行業規定。

本集團之內部審核及合規部門在監察及限定本集團營運風險方面具有重要作用。內部審核及監察主要專注於：

- 獨立評估所有內部控制是否適當；
- 確保遵守營運指引，包括監管機構之規定及法例規定；及
- 主動提出改善建議。

為確保完全之獨立性，內部審核部門直接向董事會審核委員會與及間接向行政總裁負責。

50. FINANCIAL RISK MANAGEMENT (continued)**(e) Capital management**

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

The principal forms of capital are included in the following balances on the consolidated balance sheet: share capital, share premium, reserves and subordinated notes issued. Capital also includes the collective impairment allowance held in respect of advances to customers and the regulatory reserve.

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

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

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

The capital adequacy ratios are computed on the consolidated basis of the Bank and certain of its subsidiaries as specified by the HKMA for its regulatory purposes, and are in accordance with the Banking (Capital) Rules of the Hong Kong Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the years ended 31 December 2010 and 2009, and were above the minimum required ratio set by the HKMA.

50. 財務風險管理 (續)**(e) 資本管理**

金管局設立及監管本集團之整體資本規定。除達至監管規定外，本集團管理資本之主要目標為保證本集團之持續經營能力，從而透過與風險水平相當之產品與服務定價及確保能夠以合理成本融資，持續為股東提供回報及向其他權益持有人提供利益。

資本的主要形式包括以下於綜合資產負債表的餘額：股本、股份溢價、儲備及已發行後償票據。資本亦包括與客戶貸款相關之綜合減值撥備及法定儲備。

本集團積極及定期審閱及管理其資本結構，並在可能以高借貸水平所產生的較高股東回報，以及良好資本狀況所提供之優勢與擔保之間保持平衡，並就經濟狀況之變動對資本結構作出調整。

分配資本予特殊業務與活動之過程由資產及負債委員會進行，並由董事會定期審查。

為遵守行業慣例，本集團根據資本充足比率監管其資本結構，年內本集團之資本管理政策並無重大變動。

資本充足比率乃根據本行及其由金管局為其監管目的而指定之若干附屬公司之綜合基準計算，並遵守香港《銀行業條例》之《銀行業(資本)規則》。

截至二零一零年及二零零九年十二月三十一日止整個年度本集團及其自主監管業務均符合全部外在施加之資本規定，並高於金管局頒佈之最低比率規定。

51. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2010, the directors consider the immediate parent and ultimate controlling party of the Group is Fubon Financial Holding Company Limited, which is incorporated in the Republic of China.

52. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, certain assumptions and estimates have been made by management of the Group. The accuracy of these assumptions and estimates are continuously reviewed by management with reference to actual results, historical experience and other factors, including projection of future cash flows and possible outcomes from future events. Management believes that the assumptions and estimates made are reasonable and supportable.

Note 47 contains information about the assumptions and risk factors relating to fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Impairment losses*Advances to customers*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. Management makes judgements as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence of impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data of local economic conditions that correlate with defaults on the assets in the group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with credit risk characteristics similar to those of the Group. Historical loss experience is adjusted on the basis of current observable data.

Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

Available-for-sale equity securities

The Group determines that available-for-sale equity securities are impaired when there has been a significant or prolonged decline in the fair value below cost. The determination of when a decline in fair value is significant or prolonged is judgmental by nature so profit and loss could be affected by differences in this judgment.

51. 直接母公司及最終控股公司

於二零一零年十二月三十一日，董事認為，本集團的直接母公司及最終控股方為富邦金融控股股份有限公司。該公司於中華民國註冊成立。

52. 會計估計及判斷

本集團的管理層於編製此等財務報告時作出若干假設及估計。管理層參照實際結果、歷史經驗及包括未來現金流預期及未來事件之可能後果在內之其他因素，對該等假設及估計之準確性持續進行檢討。管理層相信該等假設及估計為合理及可接受。

附註47有有關該等假設及與金融工具的公平價值有關的風險因素的資料。其他不明朗因素估計的主要來源載列如下：

(a) 減值虧損*客戶貸款*

定期為貸款組合進行檢討以評估是否存在減值虧損。管理層就是否存在客觀證據表明貸款組合已減值，即估計之未來現金流量是否減少，作出判斷。減值之客觀證據包括表明客戶群中借款人付款狀況出現不利變化之可觀測數據，亦可包括與拖欠本集團資產有關之當地經濟條件之可觀測數據。倘管理層基於其判斷確定存在減值之客觀證據，則以與本集團資產信貸風險特點相若之資產之過往實際損失對預計之未來現金流量進行估計。該過往損失則基於現時可觀察之數據再進行調整。

管理層定期對估計未來現金流量所使用之方法及假設進行檢討以減少虧損估計與實際損失之間之差異。

可供出售股本證券

於公平價值出現重大或持續下跌至低於成本數額時，本集團確定可供出售股本證券減值。確定何時公平價值的下跌低於成本數額而於合理時期內不可收回則須按其性質予以判斷，故溢利及虧損可能因所作判斷之差異而受到影響。

52. ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)**(b) Fair value determination**

The Group determines the fair values for the financial assets and liabilities which are carried at fair value based on quoted market prices whenever possible. If such quoted market prices are not available or an active market does not exist, the Group determines the fair values based on internally developed models which make use of market parameters, including interest rate yield curves, historical and/or implied option volatilities, currency rates, prices of the underlying instruments, and the net assets of the obligors. Model assumptions and correlation among these parameters can affect the estimates of the fair values of these financial instruments.

(c) Held-to-maturity investments

The Group classified non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than in certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(d) Other accounting estimates

Judgement has been exercised in determining the amount which may be payable to customers in respect of complaints or legal claims arising from the sale of investment products and establishing a reserve included in other liabilities. A charge has been recognised in profit or loss representing amounts paid and an estimate of future amounts which could be payable.

52. 會計估計及判斷(續)**(b) 公平價值釐定**

本集團釐定金融資產及負債之公平價值時，盡量以該等資產及負債於市場報價作公平價值列賬。倘無法獲得市場報價或沒有流通的市場，本集團則會利用利率收益曲線、歷史及／或引伸認股權波幅、匯率、相關金融產品之價格及債務人之淨資產等市場參數，以內部計價模式而釐定該等資產或負債之公平價值。所作出的假設及該等參數間之相關性均可影響該等金融工具公平價值之估計。

(c) 持至到期投資

本集團將固定或可確定付款金額和固定到期日，且本集團有意及能力持有至到期日的非衍生金融資產，列作持有至到期投資。在作出有關判斷時，本集團會評估本身是否有意及能力持有此等投資至到期日。

若本集團未能持有此等投資至到期日(因若干特殊情況者除外)，本集團會將整個持至到期日的投資組合重新列作可供銷售。

因此，持至到期投資會改以公平價值計量，而非按攤銷成本計量。

(d) 其他會計估計

於釐定可能就出售投資產品產生的投訴或法律索償而應付予客戶的金額時進行了判斷。有關支出已於損益賬確認為已付金額及可能應付的未來金額估計數。

53. POST BALANCE SHEET EVENT

On 10 January 2011, the Board of Directors of Fubon Financial unanimously resolved to make a proposal to privatise the ordinary share capital of the Bank and make a voluntary cash offer to acquire all the issued preference shares of the Bank other than those already held by Fubon Financial. Referring to the joint announcement issued on 19 January 2011, the Board of Directors of the Bank put forward to the Scheme Shareholders the Scheme Proposal to privatise the ordinary share capital of the Bank by way of a Scheme of Arrangement under section 166 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong), which, if approved and implemented, would result in the withdrawal of listing of the shares on The Stock Exchange of Hong Kong Limited. The preference share offer will be subject to and conditional upon the Scheme of Arrangement becoming effective. A scheme document containing further details of the Scheme Proposal will be despatched to our shareholders and our preference shareholders no later than 4 April 2011.

54. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE ANNUAL ACCOUNTING PERIOD ENDED 31 DECEMBER 2010

Up to the date of issue of the financial statements, the HKICPA has issued a number of amendments, new standards and Interpretations and one new standard which are not yet effective for the year ended 31 December 2010 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group:

53. 結算日後事項

於二零一一年一月十日，富邦金控董事會一致決議建議私有化本行之普通股股本，並提出自願現金要約收購本行全部已發行優先股（富邦金控已擁有者除外）。茲提述於二零一一年一月十九日刊發的聯合公告，本行董事會向計劃股東提出計劃建議，根據香港法例第32章公司條例第166條以協議安排方式私有化本行之普通股股本，一經批准及落實，將導致股份撤銷在香港聯交所的上市地位。優先股收購建議以協議安排生效為先決條件。本公司將於二零一一年四月四日前盡快向本公司股東及本公司優先股股東寄發計劃文件，當中載有計劃建議的進一步詳情。

54. 已公佈但於截至二零一零年十二月三十一日止年度之會計期間尚未生效之修訂、新準則及詮釋之可能影響

於此等財務報告公佈日，香港會計師公會已公佈若干修訂、新準則及詮釋及一項新準則。該等修訂、準則、詮釋於截至二零一零年十二月三十一日止年度尚未生效，此等財務報告亦未予採納。該等修訂、準則、詮釋包括下列可能與本集團有關者：

**Effective for
accounting periods
beginning on or after
於下列日期或之後開始之會計期間生效**

Improvements to HKFRSs 2010	香港財務報告準則的改進(二零一零年)	1 July 2010 or 1 January 2011 二零一零年七月一日或 二零一一年一月一日
Revised HKAS 24, Related party disclosures	經修訂香港會計準則第24號關連方披露	1 January 2011 二零一一年一月一日
Amendments to HKAS 12, Income taxes	香港會計準則第12號的修訂所得稅	1 January 2012 二零一二年一月一日
HKFRS 9, Financial instruments	香港財務報告準則第9號金融工具	1 January 2013 二零一三年一月一日

The Group is in the process of making assessment of the expected impact of these amendments, new standards, new interpretations and additional disclosures in the period of initial application. So far it has concluded that their adoption is unlikely to result in a restatement of the Group's results of operations and financial position except for HKFRS 9, Financial instruments, which may have an impact on the Group's results and financial position arising from changes in the Group's classification and measurement of financial instruments.

本集團現正評估於期間首次採用該等修訂、新準則、新詮釋及額外披露之預期影響。迄今為止本集團認為採納彼等應不會對本集團之營運業績及財務狀況帶來重大影響，惟香港財務報告準則第9號金融工具除外，該準則可能因本集團金融工具之重新分類及計量之變動而對本集團之業績及財務狀況產生影響。

Unaudited Supplementary Financial Information

未經審核補充財務資料

(A) CAPITAL ADEQUACY RATIO

(A) 資本充足比率

Capital adequacy ratio as at 31 December 於十二月三十一日資本充足比率

Core capital adequacy ratio as at 31 December 於十二月三十一日核心資本充足比率

The Group 本集團	
2010 二零一零年 %	2009 二零零九年 %
18.23	17.18
9.95	9.47

The capital adequacy ratio and core capital ratio at 31 December 2010 are computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Hong Kong (Taiwan) Co., Ltd and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") as required by the Hong Kong Monetary Authority ("HKMA") for its regulatory purposes, and are compiled in accordance with the Banking (Capital) Rules issued by the HKMA under section 98A of the Hong Kong Banking Ordinance for the implementation of the "Basel II" capital accord.

In accordance with the Banking (Capital) Rules, the Group has adopted the "standardised approach" for the calculation of risk-weighted assets for credit risk and market risk and the "basic indicator approach" for the calculation of risk-weighted assets for operational risk.

The Group's capital adequacy is managed by the Asset and Liability Management Committee. Key tools adopted by the Group to assess its capital adequacy include capital budgeting, monitoring and stress testing. An annual capital budget is prepared during the annual budgeting process to assess the adequacy of the Group's capital to support current and future business activities taking into account projected business growth and any new business activities. The annual budget is approved by the Board of Directors. Actual capital adequacy and also return on capital of individual business units and on a bankwide basis is measured and compared against the approved budget on a regular basis. In addition, regular stress testing and scenario analysis of major sources of risk faced by the Group is performed to assess impact on capital adequacy ratios.

The Group operates subsidiaries in Hong Kong and the PRC. Exchange controls are in place and there may be restrictions on the transfer of regulatory capital and funds from members of the Group's consolidation group in the PRC to Hong Kong.

於二零一零年十二月三十一日，資本充足比率及核心資本比率是根據綜合基準計算，該基準包括香港金融管理局(「金管局」)為其監管目的所須之富邦銀行(香港)有限公司、富邦財務(香港)有限公司、富邦貼現(香港)有限公司、台灣富銀股份有限公司及富邦租賃(中國)有限公司之狀況，並按照金管局為執行「巴塞爾II資本協議」而根據《香港銀行業條例》第98A條發出之《銀行業(資本)規則》編製。

按照《銀行業(資本)規則》，本集團已採用「標準化方法」計算信貸風險及市場風險之風險加權資產以及採用「基本指標方法」計算營運風險。

本集團之資本充足性乃由資產負債管理委員會管理。本集團評估其資本充足性而採用之主要方法包括資本預算、監控及壓力測試。年度資本預算於年度預算的過程中被編製，以評估本集團之資本充足性，以支持現有及未來業務活動，並計及預計業務增長及任何新業務活動。年度預算乃由董事會批准。定期於全行範圍內計量實際資本充足性及資本回報率並將彼等與已獲批准之預算作比較。此外，本集團定期就所面對之主要風險來源為其資本充足性進行壓力測試及情況分析。

本集團於香港及中國經營附屬公司。由於有外匯管制，因此在將本集團於中國綜合集團之成員公司的法定資本及資金轉至香港方面會有所限制。

(A) CAPITAL ADEQUACY RATIO (continued)**Capital base**

The components of the total capital base after deductions used in the calculation of the above capital adequacy ratios as at 31 December and reported under Part II of the banking return "Capital Adequacy Return" (MA(BS)3) are analysed as follows:

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Core Capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	1,172,160	1,172,160
Reserves (including retained earnings)	儲備(包括保留盈利)	1,544,356	1,661,471
Share premium	股份溢價	749,778	749,778
Profit and loss account	溢利及虧損賬	190,121	(76,379)
Total deduction from core capital	自核心資本扣減總額	(292,810)	(269,327)
Core capital after deductions	扣減後的核心資本	3,363,605	3,237,703
Eligible supplementary capital	可計算的附加資本		
Reserves on revaluation of land and interest in land	土地及土地權益價值重估儲備	23,701	23,701
Reserves on revaluation of holdings of available-for-sale securities	持作可供出售證券重估儲備	15,692	15,771
Collective impairment allowance	綜合減值撥備	119,903	176,044
Regulatory reserve	法定儲備	175,211	175,211
Term subordinated notes	有期後償票據	1,824,514	1,551,000
Paid-up irredeemable cumulative preference shares	繳足不可贖回累積優先股	925,359	925,359
Total deduction from eligible supplementary capital	可計算的附加資本扣減總額	(285,422)	(231,012)
Supplementary capital after deductions	扣減後的附加資本	2,798,958	2,636,074
Total capital base after deductions	扣減後的資本基礎總額	6,162,563	5,873,777
Total deductions from the core capital and eligible supplementary capital	自核心資本及附加資本扣減總額	(578,232)	(500,339)

All of the Bank's investments in subsidiaries except for Fubon Credit (Hong Kong) Limited, Fubon Factors (Hong Kong) Limited, Fubon Hong Kong (Taiwan) Co., Ltd. and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") are deducted from the core capital and supplementary capital.

(A) 資本充足比率(續)**資本基礎**

用於計算上述於十二月三十一日之資本充足比率及在「資本充足比率申報表」(MA(BS)3)第II部中申報的資本基礎總額在扣減後的組成部分分析如下：

		The Group 本集團	
		2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Core Capital	核心資本		
Paid up ordinary share capital	繳足股款的普通股股本	1,172,160	1,172,160
Reserves (including retained earnings)	儲備(包括保留盈利)	1,544,356	1,661,471
Share premium	股份溢價	749,778	749,778
Profit and loss account	溢利及虧損賬	190,121	(76,379)
Total deduction from core capital	自核心資本扣減總額	(292,810)	(269,327)
Core capital after deductions	扣減後的核心資本	3,363,605	3,237,703
Eligible supplementary capital	可計算的附加資本		
Reserves on revaluation of land and interest in land	土地及土地權益價值重估儲備	23,701	23,701
Reserves on revaluation of holdings of available-for-sale securities	持作可供出售證券重估儲備	15,692	15,771
Collective impairment allowance	綜合減值撥備	119,903	176,044
Regulatory reserve	法定儲備	175,211	175,211
Term subordinated notes	有期後償票據	1,824,514	1,551,000
Paid-up irredeemable cumulative preference shares	繳足不可贖回累積優先股	925,359	925,359
Total deduction from eligible supplementary capital	可計算的附加資本扣減總額	(285,422)	(231,012)
Supplementary capital after deductions	扣減後的附加資本	2,798,958	2,636,074
Total capital base after deductions	扣減後的資本基礎總額	6,162,563	5,873,777
Total deductions from the core capital and eligible supplementary capital	自核心資本及附加資本扣減總額	(578,232)	(500,339)

本行於附屬公司(不包括富邦財務(香港)有限公司、富邦貼現(香港)有限公司、台灣富銀股份有限公司及富邦租賃(中國)有限公司)之所有投資乃扣減自核心資本及附加資本。

(B) LIQUIDITY RATIO

Average liquidity ratio for the year 年內平均流動資金比率

The average liquidity ratio is computed as the simple average of each calendar month's average ratio, as reported in Part I(2) of the "Return of Liquidity Position of an Authorised Institution" (MA(BS)1E) calculated in accordance with the Fourth Schedule to the Hong Kong Banking Ordinance.

The ratio for the year is computed on a consolidated basis which comprises the positions of Fubon Bank (Hong Kong) Limited, Fubon Credit (Hong Kong) Limited and 富邦租賃(中國)有限公司 ("Fubon Leasing (China) Co., Ltd") as required by the HKMA for its regulatory purposes.

(B) 流動資金比率

The Group 本集團	
2010 二零一零年 %	2009 二零零九年 %
51.42	48.65

平均流動資金比率是以每個曆月平均比率的簡單平均數計算。每個曆月平均比率乃根據《香港銀行業條例》附表四的規定計算並與「認可機構流動資金狀況申報表」(MA(BS)1E)第I(2)部中申報的數字相同。

年內比率是根據綜合基準計算，該基準包括金管局為其監管目的所需之富邦銀行(香港)有限公司、富邦財務(香港)有限公司及富邦租賃(中國)有限公司之狀況。

(C) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR

Advances to customers analysed by industry sector and the coverage of collateral is as follows. The economic sector analysis is based on the categories and definitions used by the HKMA.

(C) 按行業分析的客戶貸款的進一步分析

按行業及有抵押貸款分析的客戶貸款如下。經濟行業分析乃基於金管局所採用的類別及定義。

		The Group 本集團			
		2010 二零一零年		2009 二零零九年	
		Gross loans and advances 借款及貸款 總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款 佔貸款總額之 百分比 %	Gross loans and advances 借款及貸款 總額 HK\$'000 千港元	% of gross loans covered by collateral 有抵押之貸款 佔貸款總額之 百分比 %
Gross advances for use in Hong Kong	在香港使用的貸款總額				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	1,609,496	17.59	1,190,968	–
– Property investment	– 物業投資	8,364,456	84.17	8,201,715	73.96
– Financial concerns	– 金融企業	384,679	1.81	416,802	9.27
– Stockbrokers	– 股票經紀	–	–	13,745	62.97
– Wholesale and retail trade	– 批發及零售業	415,608	13.06	64,511	33.10
– Manufacturing	– 製造業	1,496,567	12.82	1,666,263	12.68
– Transport and transport equipment	– 運輸及運輸設備	221,316	62.41	465,987	85.27
– Recreational activities	– 娛樂活動	9,406	100.00	–	–
– Information technology	– 資訊科技	1,562	100.00	14,434	66.75
– Electricity and gas	– 電力及燃氣	234,000	–	–	–
– Others	– 其他	1,946,682	44.37	2,321,393	60.24
Individuals	個人				
– Loans for the purchase of flats under the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme or their respective successor schemes	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」或其各自的後繼計劃的樓宇的貸款	13,531	100.00	52,370	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	8,212,100	99.92	7,448,480	99.90
– Credit card advances	– 信用卡貸款	704,970	–	618,106	–
– Others	– 其他	1,145,433	47.43	1,039,499	53.49
		24,759,806		23,514,273	
Trade finance	貿易融資	1,047,909	10.34	809,641	7.68
Gross advances for use outside Hong Kong	在香港以外使用的貸款總額	3,337,079	3.86	4,788,744	19.28
Gross advances to customers	客戶貸款總額	29,144,794	60.32	29,112,658	59.03

(C) FURTHER ANALYSIS ON ADVANCES TO CUSTOMERS ANALYSED BY INDUSTRY SECTOR (continued)

Analysis of the Group's impaired advances in respect of industry sectors which account for 10% or more of gross advances to customers:

(C) 按行業分析的客戶貸款的進一步分析(續)

按行業分析佔客戶貸款總額 10% 或以上的本集團減值貸款如下：

		Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowance	New provisions charged to income statement during the year	Loans written off during the year
		逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	年內於收益表內扣除之新撥備	年內撇賬之貸款
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2010	於二零一零年十二月三十一日						
- Property investment	- 物業投資	-	-	-	11,922	-	-
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	-	-	-	182	-	-
- Gross advances for use outside Hong Kong	- 在香港以外使用的貸款總額	94,566	94,486	81,390	14,446	36,513	77,734
		Overdue advances	Impaired advances	Individual impairment allowances	Collective impairment allowance	New provisions charged to profit or loss during the year	Loans written off during the year
		逾期貸款	減值貸款	個別減值撥備	綜合減值撥備	年內於收益表內扣除之新撥備	年內撇賬之貸款
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
As at 31 December 2009	於二零零九年十二月三十一日						
- Property investment	- 物業投資	3,305	3,305	92	12,971	-	-
- Loans for the purchase of other residential properties	- 購買其他住宅物業的貸款	-	931	-	192	-	-
- Gross advances for use outside Hong Kong	- 在香港以外使用的貸款總額	210,739	211,853	138,402	35,698	129,667	85,872

(D) OVERDUE AND RESCHEDULED ASSETS
(i) Overdue advances to customers
(D) 逾期及經重組資產
(i) 逾期客戶貸款

		The Group 本集團			
		2010 二零一零年		2009 二零零九年	
		HK\$'000	% of gross advances	HK\$'000	% of gross advances
		千港元	佔貸款總額 之百分比	千港元	佔貸款總額 之百分比
Gross advances to customers which have been overdue with respect to either principal or interest for periods of:	客戶貸款總額				
	– 6 months or less but over 3 months	5,359	0.02	20,299	0.07
	– 1 year or less but over 6 months	12,107	0.04	238,086	0.82
	– Over 1 year	97,196	0.33	153,409	0.53
		114,662	0.39	411,794	1.41
Current market value of collateral held against the covered portion of overdue loans and advances	就逾期借款及貸款的有抵押部分所持有的抵押品的現行市價	25,332		76,452	
Covered portion of overdue loans and advances	逾期借款及貸款的有抵押部分	32,803		84,613	
Uncovered portion of overdue loans and advances	逾期借款及貸款的無抵押部分	81,859		327,181	
		114,662		411,794	
Amount of expected recoveries from companies in liquidation and government guarantee schemes in respect of the covered portion of overdue loans and advances	就逾期借款及貸款的有抵押部分中預期從清盤公司及政府保證計劃收回之價值	12,123		11,913	
Individually assessed impairment allowances in respect of advances overdue for more than three months	就逾期超過三個月之貸款所作之個別評估減值撥備	91,902		302,735	

Collateral held with respect to overdue loans and advances are mainly residential properties, cash deposits with the Group, and equipment against hire purchase and leasing loans.

就逾期借款及貸款而持有之抵押品主要為住宅物業、存放於本集團的現金存款及就租購及租賃貸款而抵押之設備。

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(i) Overdue advances to customers (continued)

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

(ii) Rescheduled advances to customers

Rescheduled loans and advances are those loans and advances which have been restructured or renegotiated because of deterioration in the financial position of the borrower, or of the inability of the borrower to meet the original repayment schedule and for which the revised repayment terms are non-commercial to the Group. Rescheduled loans and advances to customers are stated net of any loans and advances that have subsequently become overdue for over 3 months and can be analysed as follows:

(D) 逾期及經重組資產 (續)

(i) 逾期客戶貸款 (續)

有指定還款期的借款及貸款在其本金或利息逾期並於年末仍未支付時被分類為已逾期。分期付款償還的貸款在部分分期貸款已逾期且於年末仍未支付時被視為已逾期。按要求償還的貸款在借款人收到償還要求但並無根據要求通知還款及/或在貸款已持續超出已知會借款人的獲批准的限額，而超出已知會借款人所核准限額的時間比貸款逾期的時間更長時分類為已逾期。

(ii) 重定還款期的客戶貸款

重定還款期的借款及貸款是指由於借款人財政狀況轉壞或無法按原定還款期還款，而被重定還款期的或重新議定的客戶借款及貸款，而經修訂的還款計劃對於本集團屬非商業條款。重定還款期的借款及貸款乃扣除已隨後逾期超過三個月的任何借款及貸款列賬，並可分析如下：

	The Group			
	本集團			
	2010		2009	
	二零一零年		二零零九年	
HK\$'000	% of gross advances	HK\$'000	% of gross advances	
千港元	估貸款總額之百分比	千港元	估貸款總額之百分比	
Rescheduled advances to customers 重定還款期的客戶貸款	9,175	0.03	19,710	0.07

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(iii) Geographical analysis of overdue loans and advances to customers

 Hong Kong
Other

 香港
其他地區

The Group 本集團			
As at 31 December 2010 於二零一零年十二月三十一日			
Gross loans and advances 借款及 貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期 借款及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
26,808,435	79,978	158,399	134,255
2,336,359	34,684	34,355	29,665
29,144,794	114,662	192,754	163,920

 The Group
本集團

 As at 31 December 2009
於二零零九年十二月三十一日

 Hong Kong
Other

 香港
其他地區

Gross loans and advances 借款及 貸款總額 HK\$'000 千港元	Overdue loans and advances 已逾期 借款及貸款 HK\$'000 千港元	Impaired loans (individually determined) 減值貸款 (個別釐定) HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
26,786,683	339,327	444,974	315,753
2,325,975	72,467	73,748	48,894
29,112,658	411,794	518,722	364,647

The above geographical analysis is classified by the location of the borrowers after taking into account the transfer of risk. In general, risk transfer applies when a loan is guaranteed by a party situated in an area different from the counterparty.

The collective impairment allowance is not allocated to any geographical segment as at 31 December 2010 and 2009.

以上地區分析按借款人所在地，經計及風險轉移後而劃定。一般而言，若貸款的擔保人所處地區與交易對手方不同，則風險轉移至擔保人的所在地區。

於二零一零年及二零零九年十二月三十一日，概無綜合減值撥備分派予任何地區分部。

(D) OVERDUE AND RESCHEDULED ASSETS (continued)

(iv) Overdue debt securities included in “Financial assets designated at fair value through profit or loss”

Included in “Financial assets designated at fair value through profit or loss” as at 31 December 2010 are debt securities with a fair value of HK\$322 million (2009: HK\$310 million) which are overdue and analysed as follows:

Carrying amounts of debt securities which have been overdue for periods of:	債務證券之賬面值已逾期：
- 6 months or less but over 3 months	- 六個月或以下惟三個月以上
- 1 year or less but over 6 months	- 一年或以下惟六個月以上
- Over 1 year	- 一年以上

Comparative figures have been restated to reflect additional information obtained on the overdue status of these debt securities.

(v) Other overdue assets included in “Accrued interest and other assets”

Included in “Accrued interest and other assets” as at 31 December 2010 are trade bills with carrying amount of HK\$6.2 million (2009: HK\$0.3 million) which have been overdue for more than 1 year (2009: 1 year or less but over 6 months). HK\$6.2 million individual impairment allowance has been made against these overdue trade bills.

(D) 逾期及經重組資產 (續)

(iv) 計入「指定為通過損益以反映公平價值之金融資產」之逾期債務證券

於二零一零年十二月三十一日，「指定為通過損益以反映公平價值之金融資產」包括公平價值為322,000,000港元(二零零九年：310,000,000港元)之逾期債務證券，分析如下：

The Group 本集團	
2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元 (Restated) (重述)
-	-
-	309,821
321,544	292
321,544	310,113

為反映就該等債務證券逾期狀況所獲得之其他資料，比較數據已予以重述。

(v) 「應計利息及其他資產」包括的其他逾期資產

於二零一零年十二月三十一日，「應計利息及其他資產」包括賬面值為6,200,000港元(二零零九年：300,000港元)的商業票據，該等商業票據已逾期超過一年(二零零九年：一年或以下，但超過六個月)。就該等逾期商業票據已個別作出6,200,000港元減值撥備。

(E) CROSS BORDER CLAIMS

Cross border claims are on-balance sheet exposures of counterparties based on the location of counterparties after taking into account the transfer of risk. For a claim guaranteed by a party situated in a country different from the counterparty, the risk is transferred to the country of the guarantor. For a claim on the branch of a bank or other financial institution the risk will be transferred to the country where its head office is situated. Claims on individual countries or areas, after risk transfer, amounting to 10% or more of the aggregate cross-border claims are shown as follows:

Figures in HK\$ Million

	百萬港元
Asia Pacific excluding Hong Kong	亞洲太平洋地區(不包括香港)
– Of which Australia	– 其中澳洲
– Of which China	– 其中中國
North America	北美洲
– Of which USA	– 其中美國
Western Europe	西歐

(E) 跨境債權

跨境債權資料是資產負債表上呈示考慮了風險轉移後按交易另一方所在地計算的風險。若債權的擔保人所處之國家有別於交易另一方之所在國家，則債權風險將轉移至擔保人之所在國家。銀行或其他金融機構分行的債權風險則轉至其總部所在國家。轉移風險後達總跨境債權10%或以上的個別國家或地區債權如下：

**The Group
本集團**

As at 31 December 2010
於二零一零年十二月三十一日

	Public			
	Banks	sector entities	Others	Total
	銀行	公營機構	其他	總額
Asia Pacific excluding Hong Kong	8,697	228	2,818	11,743
– Of which Australia	4,455	–	10	4,465
– Of which China	1,189	12	1,937	3,138
North America	2,611	807	1,018	4,436
– Of which USA	2,009	807	1,001	3,817
Western Europe	6,126	–	47	6,173

**The Group
本集團**

As at 31 December 2009
於二零零九年十二月三十一日

	Public			
	Banks	sector entities	Others	Total
	銀行	公營機構	其他	總額
Asia Pacific excluding Hong Kong	6,346	279	2,899	9,524
– Of which Australia	3,675	–	2	3,677
North America	3,290	313	1,869	5,472
– Of which USA	1,936	313	1,847	4,096
Western Europe	5,571	–	56	5,627

(F) NON-BANK MAINLAND EXPOSURES

The analysis of non-bank Mainland exposures includes the exposure of the Bank and certain of its subsidiaries on the basis agreed with the HKMA.

(F) 內地非銀行業之風險

內地非銀行業之風險按金管局協議包括本行及其若干附屬公司風險的分析。

		2010 二零一零年			Individually assessed impairment allowances
	On-balance sheet exposure 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Total 總額 HK\$'000 千港元	個別評估 減值撥備 HK\$'000 千港元
Mainland entities Companies and individuals outside the Mainland where the credit is granted for use in Mainland	1,294,189	508,654	1,802,843	-	-
內地機構 授出之信貸用於內地 之內地以外公司及個人	2,642,353	649,661	3,292,014	81,438	81,438
	3,936,542	1,158,315	5,094,857	81,438	81,438
2009 二零零九年					
	On-balance sheet exposure 資產負債表內 之風險 HK\$'000 千港元	Off-balance sheet exposures 資產負債表外 之風險 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Total 總額 HK\$'000 千港元	Individually assessed impairment allowances 個別評估 減值撥備 HK\$'000 千港元
Mainland entities Companies and individuals outside the Mainland where the credit is granted for use in Mainland	728,049	627,354	1,355,403	-	-
內地機構 授出之信貸用於內地 之內地以外公司及個人	3,879,970	721,717	4,601,687	255,161	255,161
	4,608,019	1,349,071	5,957,090	255,161	255,161

Note: The balances of exposures reported above include gross advances and other claims on customers.

註：以上呈列之風險結餘包括貸款總額及客戶之其他債權。

(G) CURRENCY CONCENTRATION

The Group's net positions or net structural positions in foreign currencies are disclosed as follows when each currency constitutes 10% or more of the respective total net position or total net structural position in all foreign currencies:

As at 31 December
於十二月三十一日

		2010 二零一零年					
Equivalent in HK\$ Million	百萬港元等值	US dollars 美元	Chinese Renminbi 人民幣	Australian dollars 澳元	Philippines pesos 菲律賓披索	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	現貨資產	21,788	1,139	2,729	7	2,511	28,174
Spot liabilities	現貨負債	(20,659)	(908)	(2,370)	-	(2,346)	(26,283)
Forward purchase	遠期買入	17,496	213	300	-	1,318	19,327
Forward sales	遠期賣出	(18,726)	(289)	(674)	-	(1,488)	(21,177)
Net option position	期權倉盤淨額	(1)	-	1	-	-	-
Net long/(short) position	長/(短)盤淨額	(102)	155	(14)	7	(5)	41
Net structural position	結構性倉盤淨額	78	383	-	-	-	461

As at 31 December
於十二月三十一日

		2009 二零零九年			
Equivalent in HK\$ Million	百萬港元等值	US dollars 美元	Chinese Renminbi 人民幣	Other foreign currencies 其他外幣	Total foreign currencies 外幣總額
Spot assets	現貨資產	21,272	359	5,091	26,722
Spot liabilities	現貨負債	(19,488)	(321)	(5,210)	(25,019)
Forward purchase	遠期買入	7,324	91	4,624	12,039
Forward sales	遠期賣出	(9,234)	(91)	(4,509)	(13,834)
Net long/(short) position	長/(短)盤淨額	(126)	38	(4)	(92)
Net structural position	結構性倉盤淨額	78	261	-	339

The net option position is calculated on the basis of the delta-weighted position of options contracts and was less than HK\$1 million for all foreign currencies as at 31 December 2009. Net structural position includes the Bank's investments in overseas subsidiaries and associates. The amount shown for Renminbi does not include HK\$126 million in investment in Xiamen Bank which was recognised as a structural position with consent of HKMA in January 2011.

(G) 外幣持盤量

本集團個別外幣的淨持有額或淨結構性倉盤若佔所持有外匯淨盤總額或結構性倉盤總淨額的10%或以上，便作出如下披露：

期權倉盤淨額乃根據所有外匯期權合約的「得爾塔加權持倉」為基準計算，其金額於二零零九年十二月三十一日均少於一百萬港元。結構性倉盤淨額包括涉及外匯的本行海外附屬公司及聯營公司的結構性倉盤淨額。上述人民幣列示的金額不包括126,000,000港元於廈門銀行的投資，該等金額於二零一一年一月經金管局同意後確認為結構性倉盤。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS**(i) Capital requirement for credit risk**

The capital requirements on each class of exposures calculated under the Standardised (Credit Risk) Approach at the balance sheet date can be analysed as follows:

Classes of exposures	風險類型
Sovereigns	主權國
Public sector entities	公營機構
Banks	銀行
Securities firms	證券公司
Corporates	企業
Collective investment schemes	集體投資計劃
Regulatory retail exposures	監管零售風險
Residential mortgage loans	住宅按揭貸款
Other exposure which are not past due	並未過期之其他風險
Past due exposures	過期風險
Total capital requirements for on-balance sheet exposures	資產負債表內之風險之資本需求總額
Direct credit substitutes	直接信貸替代品
Transaction-related contingencies	與交易有關之或然項目
Trade-related contingencies	與貿易有關之或然項目
Other commitments	其他承擔
Exchange rate contracts	匯率合約
Interest rate contracts	利率合約
Equity contracts	股票合約
Total capital requirements for off-balance sheet exposures	資產負債表外之風險之資本需求總額
Total capital requirement for credit risk	信貸風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求**(i) 信貸風險的資本需求**

於結算日，根據標準(信貸風險)方法計算的各類型風險的資本需求分析如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
Sovereigns	7,261	4,297
Public sector entities	22,787	24,564
Banks	362,476	299,013
Securities firms	5,822	6,261
Corporates	1,158,069	1,226,439
Collective investment schemes	13,659	11,326
Regulatory retail exposures	149,384	180,942
Residential mortgage loans	358,910	328,432
Other exposure which are not past due	296,605	308,683
Past due exposures	43,327	56,357
Total capital requirements for on-balance sheet exposures	2,418,300	2,446,314
Direct credit substitutes	6,208	10,686
Transaction-related contingencies	856	1,168
Trade-related contingencies	6,168	2,532
Other commitments	23,060	17,326
Exchange rate contracts	10,055	1,939
Interest rate contracts	4,983	6,313
Equity contracts	1,113	942
Total capital requirements for off-balance sheet exposures	52,443	40,906
Total capital requirement for credit risk	2,470,743	2,487,220

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(H) CAPITAL CHARGE FOR CREDIT, MARKET AND OPERATIONAL RISKS (continued)

(ii) Capital requirement for market risk

The Bank uses the Standardised (Market Risk) Approach for calculation of capital requirement for market risk. Positions covered by the approach include:

- the Bank's positions held in foreign exchange, exchange rate-related derivative contracts, commodities and commodity-related derivative contracts; and
- the Bank's trading book positions held in debt securities, debt-related derivative contracts, interest rate derivative contracts, equities and equity-related derivative contracts.

The capital requirement at the balance sheet date can be analysed as follows:

Exchange rate exposures	匯率風險
Interest rate exposures	利率風險
Equity exposures	股份風險
Commodity exposures	商品風險
Total capital requirement for market risk	市場風險之資本需求總額

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(iii) Capital requirement for operational risk

The capital charge for operational risk calculated in accordance with the basic indicator approach at the balance sheet date is:

Capital charge for operational risk	營運風險之資本需求
-------------------------------------	-----------

The disclosure is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, and therefore does not represent the actual amount of capital held.

(H) 信貸、市場及營運風險的資本需求(續)
(ii) 市場風險之資本需求

本行使用標準(市場風險)方法計算市場風險之資本需求。該方法所涵蓋的持倉包括：

- 本行於外匯、與匯率相關的衍生工具合約、商品及與商品相關的衍生工具合約的持倉；及
- 本行於債務證券、與債務相關的衍生工具合約、利率衍生工具合約、股本及與股本相關的衍生工具合約的交易賬面持倉。

結算日之資本需求分析如下：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	13,007	3,764
	17,249	16,571
	-	-
	-	-
	30,256	20,335

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(iii) 營運風險之資本需求

於結算日，按照基本指標方法計算之營運風險之資本需求：

	2010 二零一零年 HK\$'000 千港元	2009 二零零九年 HK\$'000 千港元
	203,600	219,252

有關披露是以相關計算方法得出的本集團風險加權金額乘以8%而得出，所以並不代表持有資本之實際金額。

(II) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT
(i) Credit risk exposures

Credit ratings from Standard & Poor's Rating Services and Moody's Investors Services are used for all classes of credit exposures mentioned below. The Bank follows the process prescribed in Part 4 of the Banking (Capital) Rules to map the ratings to the exposures booked in the Bank's banking book.

(II) 信貸風險之額外披露
(i) 信貸風險承擔

標準普爾評級服務公司及穆迪投資者服務公司發出之信貸評級乃用於下文所述之各類型信貸風險。本行按照《銀行業(資本)規則》第4部分訂明之程序將評級與本行之銀行賬戶內登記之風險配對。

		2010 二零一零年							
		Exposures after recognised credit risk mitigation 已確認之信貸風險 減低後之風險			Risk-weighted amounts 風險加權金額		Total risk-weighted amounts 風險加權 總金額	Total exposure covered by recognised collateral 抵押品抵押之 由獲認可 風險總額	Total exposure covered by recognised guarantees or recognised credit derivative contracts 由獲認可 擔保人或獲認可 信託衍生工具 合約擔保之 風險總額
The Group	本集團	Total Exposures 風險總額 HK\$'000 千港元	Rated 已評級 HK\$'000 千港元	Unrated 未評級 HK\$'000 千港元	Rated 已評級 HK\$'000 千港元	Unrated 未評級 HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
On-balance sheet	資產負債表內								
Sovereigns	主權國	4,849,189	7,365,258	11,262	90,769	-	90,769	-	-
Public sector entities	公營機構	1,424,167	1,424,167	-	284,833	-	284,833	-	-
Banks	銀行	16,834,731	14,318,662	623,300	4,219,297	311,650	4,530,947	-	2,516,069
Securities firms	證券公司	72,776	-	72,776	-	72,776	72,776	-	-
Corporates	企業	17,102,079	2,316,983	13,975,582	902,244	13,573,617	14,475,861	180,610	1,432,835
Collective investment schemes	集體投資計劃	170,733	-	170,733	-	170,733	170,733	-	-
Cash items	現金項目	99,368	-	99,368	-	-	-	-	-
Regulatory retail exposures	監管零售風險	2,593,087	-	2,489,730	-	1,867,298	1,867,298	98,713	4,644
Residential mortgage loans	住宅按揭貸款	11,356,542	-	11,353,812	-	4,486,376	4,486,376	2,730	-
Other exposure which are not past due	並無過期之其他風險	3,914,100	2,256,870	1,450,696	2,256,870	1,450,696	3,707,566	206,534	-
Past due exposures	過期風險	369,211	-	369,211	-	541,586	541,586	2,258	6,635
		58,785,983	27,681,940	30,616,470	7,754,013	22,474,732	30,228,745	490,845	3,960,183
Off-balance sheet	資產負債表外								
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或 信貸衍生工具合約以外之 資產負債表外之風險	453,648	-	453,648	-	453,648	453,648	-	-
OTC derivative transactions	場外衍生工具交易	636,610	520,538	53,072	151,878	50,011	201,889	63,000	-
		1,090,258	520,538	506,720	151,878	503,659	655,537	63,000	-
Exposures deducted from capital base	自資本基礎扣除之風險	40							

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(i) Credit risk exposures (continued)
(II) 信貸風險之額外披露 (續)
(i) 信貸風險承擔 (續)

		2009 二零零九年							Total exposure covered by recognised guarantees or recognised credit derivative contracts
		Exposures after recognised credit risk mitigation			Risk-weighted amounts		Total risk- weighted amounts	Total exposure covered by recognised collateral	Total exposure covered by recognised collateral
		已確認之信貸風險 減低後之風險			風險加權金額		風險加權 總金額	由獲認可 抵押品抵押之 風險總額	由獲認可 信託衍生工具 合約擔保之 風險總額
		Total Exposures	Rated	Unrated	Rated	Unrated	風險加權 總金額	風險總額	風險總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The Group	本集團	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
On-balance sheet	資產負債表內								
Sovereigns	主權國	4,085,315	6,612,361	23,018	53,718	-	53,718	-	-
Public sector entities	公營機構	1,535,238	1,535,238	-	307,048	-	307,048	-	-
Banks	銀行	15,158,357	12,631,311	364,328	3,561,311	176,348	3,737,659	-	2,527,046
Securities firms	證券公司	86,916	-	78,261	-	78,261	78,261	8,655	-
Corporates	企業	18,152,047	2,987,866	14,404,556	1,048,667	14,281,825	15,330,492	388,572	572,217
Collective investment schemes	集體投資計劃	141,573	-	141,573	-	141,573	141,573	-	-
Cash items	現金項目	112,170	-	112,170	-	-	-	-	-
Regulatory retail exposures	監管零售風險	3,128,402	-	3,015,696	-	2,261,773	2,261,773	96,413	16,293
Residential mortgage loans	住宅按揭貸款	10,034,699	-	10,022,580	-	4,105,397	4,105,397	12,119	-
Other exposure which are not past due	並無過期之其他風險	4,059,022	2,242,025	1,616,515	2,242,025	1,616,515	3,858,540	200,482	-
Past due exposures	過期風險	491,259	-	491,259	-	704,462	704,462	7,538	17,323
		56,984,998	26,008,801	30,269,956	7,212,769	23,366,154	30,578,923	713,779	3,132,879
Off-balance sheet	資產負債表外								
Off-balance sheet exposure other than OTC derivative transactions or credit derivative contracts	場外衍生工具交易或信貸衍生 工具合約以外之資產負債表外 之風險	506,402	160,000	346,402	50,000	346,402	396,402	-	-
OTC derivative transactions	場外衍生工具交易	552,393	317,140	28,151	86,773	28,151	114,924	207,102	-
		1,058,795	477,140	374,553	136,773	374,553	511,326	207,102	-
Exposures deducted from capital base	自資本基礎扣除之風險	13,233							

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures for derivatives

- (1) The analysis of the major classes of exposures by counterparty type is as follows:

Notional amounts:

Banks
Corporates
Others

名義金額：

銀行
企業
其他

Credit equivalent amounts/net exposures:

Banks
Corporates
Others

信貸等值
金額／風險淨額：

銀行
企業
其他

Risk-weighted amounts:

Banks
Corporates
Others

風險加權金額：

銀行
企業
其他

(I) 信貸風險之額外披露(續)

(ii) 衍生工具交易對手信貸風險相關之風險

- (1) 按交易對手類別分析之主要風險類別分析如下：

	2010 二零一零年	2009 二零零九年
	OTC derivative transactions	OTC derivative transactions
	場外衍生 工具交易	場外衍生 工具交易
	HK\$'000 千港元	HK\$'000 千港元
	43,738,937	22,951,295
	1,591,928	1,641,483
	5,108,882	5,568,640
	50,439,747	30,161,418
	520,538	317,140
	38,187	25,953
	14,885	2,198
	573,610	345,291
	151,878	86,773
	38,187	25,953
	11,824	2,198
	201,889	114,924

(I) ADDITIONAL DISCLOSURES ON CREDIT RISK MANAGEMENT

(continued)

(ii) Counterparty credit risk-related exposures for derivatives

(continued)

(2) The analysis of counterparty credit risk exposures is as follows:

Non-repo type transactions:	非回購類別交易：
Gross total positive fair value	正公平價值總額
Credit equivalent amounts	信貸等值金額
Recognised collateral held:	持有的獲認可抵押品：
Cash on deposit with the Bank	存放於本行的現金存款
Equity securities	股本證券
Credit equivalent amounts or net credit exposures net of recognised collateral held	信貸等值金額或扣除持有的獲認可抵押品之信貸風險淨額
Risk-weighted amounts:	風險加權金額：

There was no outstanding repo-style transactions and credit derivative contracts as at 31 December 2010 and 2009.

(I) 信貸風險之額外披露(續)

(ii) 衍生工具交易對手信貸風險相關之風險(續)

(2) 交易對手信貸風險分析如下：

2010 二零一零年	2009 二零零九年
OTC derivative transactions	OTC derivative transactions
場外衍生 工具交易	場外衍生 工具交易
HK\$'000 千港元	HK\$'000 千港元
208,170	354,654
636,610	552,393
11,258,068	15,267,104
21,852	19,852
11,279,920	15,286,956
573,610	345,291
201,889	114,924

於二零一零年及二零零九年十二月三十一日，並無回購類別交易及信貸衍生工具合約。

(J) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON ASSET SECURITISATION

The Bank uses the Standardised (Securitisation) Approach to calculate the credit risk for securitisation exposures. There was no asset securitization for which the Group is an originating institution at 31 December 2010. It is an investing institution for all classes of exposures below.

Standard and Poor's Rating Services and Moody's Investors Services are the external credit agency institutions that the bank has used in relation to the each and all classes of securitisation exposures below:

(J) 資產證券化之風險管理之額外披露

本行就證券化風險採用標準(證券化)方法計算信貸風險。於二零一零年十二月三十一日,本集團並無作為資產證券化發行機構。其為下文全部類型風險之投資機構。

標準普爾評級服務公司及穆迪投資者服務公司為本行就下文各項及全部類型證券化風險而委聘之外聘信貸評級機構:

		The Group 本集團				
		As at 31 December 2010 於二零一零年十二月三十一日				
		Outstanding Amounts HK\$'000 千港元	Risk- weighted amount 風險加權金額 HK\$'000 千港元	Capital requirements 資本需求 HK\$'000 千港元	Exposures deducted from its 風險扣減自其	
					Core capital 核心資本 HK\$'000 千港元	Supplementary capital 附加資本 HK\$'000 千港元
Traditional securitisations	傳統證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	-	-	-	-	-
		-	-	-	-	-
Synthetic securitisations	合成證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	40	-	-	20	20
		40	-	-	20	20
		40	-	-	20	20

(J) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON ASSET SECURITISATION (continued) **(J) 資產證券化之風險管理之額外披露** (續)

		The Group 本集團				
		As at 31 December 2009 於二零零九年十二月三十一日				
		Outstanding Amounts 未付金額 HK\$'000 千港元	Risk- weighted amount 風險加權金額 HK\$'000 千港元	Capital requirements 資本需求 HK\$'000 千港元	Exposures deducted from its 風險扣減自其	
					Core capital 核心資本 HK\$'000 千港元	Supplementary capital 附加資本 HK\$'000 千港元
Traditional securitisations	傳統證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	988	981	78	3	4
		988	981	78	3	4
Synthetic securitisations	合成證券化					
- Credit cards	- 信用卡	-	-	-	-	-
- Home equity	- 按揭貸款	-	-	-	-	-
- Auto	- 汽車	-	-	-	-	-
- Instalment loans	- 分期償還貸款	-	-	-	-	-
- Others	- 其他	109,831	96,605	7,728	6,612	6,614
		109,831	96,605	7,728	6,612	6,614
		110,819	97,586	7,806	6,615	6,618

The above capital requirement is made by multiplying the Group's risk-weighted amount derived from the relevant calculation approach by 8%, not the Bank's actual "regulatory capital".

以上資本需求是以相關計算方法得出的本集團風險加權金額乘以8%而得出。它並不代表本集團的實際「法定資本」。

(K) ADDITIONAL DISCLOSURES ON EQUITY EXPOSURES IN BANKING BOOK

Equity holdings taken by the Group are differentiated between those taken for strategic reasons and those for long term investment for capital gains. Equity holdings taken for strategic reasons include the Group's investment in companies providing financial services which nourish the spectrum of the Bank's banking services. These include provident fund services provision, electronic payment services provision, and e-banking infrastructure and platform provision. On the other hand, equity holdings in listed companies are taken for enhancing the medium-term liquidity and yield of the Bank's assets over time. All these investments are classified as "available-for-sale securities" and measured at fair value as described in Notes 2(g) and 47.

(K) 銀行賬戶內之股票風險之額外披露

本集團持有之股權有別於以策略原因及以長期投資以獲取資本收益而持有之股權。以策略原因持有之股權包括本集團於提供金融服務之公司之投資，這可壯大本行之銀行服務範圍。該等服務包括提供公積金服務、電子付款服務及電子銀行基礎設施及平臺。另一方面，在一段時間內，持有上市公司之股權乃為提高中期流動資金及資產收益率。所有該等投資乃分類為「可供出售證券」及按公平價值計量（如附註2(g)及47所述）。

In respect of long term investments:

Cumulative realised gains/losses from sales and liquidations

Unrealised gains/losses

- Amount recognised in reserve but not through profit or loss
- Amount included in/(deducted from) supplementary capital

關於長期投資：

來自於出售及清盤之累積變現收益／虧損

未變現收益／虧損

- 於儲備內確認但未透過損益賬之金額
- 計入／(扣減自)附加資本之金額

2010	2009
二零一零年	二零零九年
HK\$'000	HK\$'000
千港元	千港元

13,636	18,434
-	-
-	-

(L) ADDITIONAL DISCLOSURES ON RISK MANAGEMENT ON INTEREST RATE EXPOSURES IN BANKING BOOK

In accordance with the prudential return "Interest Rate Risk Exposures" issued by the HKMA, the Bank calculates, on a quarterly basis, the impact on earnings over the next 12 months under a scenario of which all interest rates other than prime rises 200 basis points.

As at 31 December 2010, the 200 basis points interest rate rise would decrease earnings over the next 12 months on the HKD interest risk positions by HK\$1 million (2009: decrease of HK\$2 million) and decrease earnings over the next 12 months on the USD interest risk positions by HK\$78 million (2009: HK\$132 million).

(L) 銀行賬戶內之利率風險管理之額外披露

按照香港金融管理局發出的申報表「利率風險承擔」，本行按季度基準根據除最優惠利率外的全部利率上升200個基點之情況計算對未來十二個月之盈利之影響。

於二零一零年十二月三十一日，利率上升200個基點將使未來十二個月港元利率風險持倉之盈利減少1,000,000港元（二零零九年：減少2,000,000港元）及使未來十二個月美元利率風險持倉減少78,000,000港元（二零零九年：132,000,000港元）。

(M) REPOSSESSED ASSETS AND ASSETS ACQUIRED UNDER LENDING AGREEMENTS

The total repossessed assets and assets acquired under lending agreements of the Group as at 31 December 2010 amounted to HK\$26,700,000 (2009: HK\$31,480,000).

(N) CORPORATE GOVERNANCE

The Bank is committed to high standards of corporate governance, and has fully complied throughout the year with the guidelines on “Corporate Governance of Locally Incorporated Authorised Institutions” issued by the HKMA.

(O) KEY SPECIALISED COMMITTEES

The Board of Directors has established three Board Committees to assist it in carrying out its responsibilities including the Executive Credit Committee, Audit Committee and Remuneration Committee. In addition, a number of governing committees have been set up by senior management to oversee the effectiveness of the Bank’s daily operations including, inter alia, the Management Committee, Asset and Liability Committee, Internal Control Committee and Risk Management Committee. The composition and function of these committees are set out below:

(i) Audit Committee

The Bank has complied with Rule 3.21 of the Listing Rules in relation to the composition of the Audit Committee. The Audit Committee comprises one Non-Executive Director and two Independent Non-Executive Directors of the Bank. The Audit Committee is chaired by Mr Robert James Kenrick, an Independent Non-Executive Director who has appropriate accounting professional qualifications. It meets at least four times a year and additionally when deemed necessary.

The Audit Committee draws up and updates periodically a written Charter for the Board’s approval indicating the Committee’s composition, authority and duties, as well as the manner of reporting to the Board; ensures adequate supervision of the Bank’s financial reporting processes and the systems of internal control; ensures the internal audit function is effective, adequately resourced and has appropriate standing within the Bank; ensures coordination between the internal and external auditors; and monitors compliance with internal policies and statutory regulations and reports to the Board on matters set out in the code provisions under the Main Board Listing Rules.

During the year, the Audit Committee has reviewed the Bank’s financial reporting process and the systems of internal control, including reviews of the internal audit function and the risk management process. In particular, the reviews undertaken by the Audit Committee on the internal audit function included review and approval of the Internal Audit Charter, annual audit plan, internal audit reports issued, major findings identified from any audits and special investigations, and remedial actions taken by the relevant business and operational management in response to the audit findings.

(M) 收回資產及根據借貸協議所得資產

於二零一零年十二月三十一日，本集團之收回及根據借貸協議所得資產總額為26,700,000港元(二零零九年：31,480,000港元)。

(N) 企業管治

本行致力實行高水平企業管治，並於本年度一直遵守金管局頒佈之「本地註冊認可機構之企業管治」指引。

(O) 主要專責委員會

董事會已成立三個董事委員會以協助董事會行使其職責，該等委員會為執行信貸委員會、審核委員會及薪酬委員會。此外，高級管理層亦成立了若干管治委員會以監督本行日常運作，該等委員會包括管理委員會、資產負債委員會、內部監控委員會及風險管理委員會。該等委員會之構成及職能載列如下：

(i) 審核委員會

本行就審核委員會之組成已遵守「上市規則」第3.21條之規定。審核委員會包括本行一名非執行董事及兩名獨立非執行董事。審核委員會由擁有適當之會計專業資格之獨立非執行董事甘禮傑先生任主席。該委員會每年最少舉行四次會議，並在有需要時舉行特別會議。

審核委員會起草並定期更新供董事會批准的書面通告，當中訂明委員會之成員組成、職權及職責以及向董事會呈報的方式；確保充分監查本行財務呈報過程及內部監控體系；確保內部審核職能有效、資料來源充足並於本行保持適當地位；協調內部及外間核數師；以及監查內部政策及法定規例並就主板上市規則守則條文所載相關事宜向董事會報告。

於本年度內，審核委員會已就本行之財務報告編製程序及內部監控系統作出檢討，其中包括內部審核職能及風險管理程序。特別是在內部審核職能的檢討工作方面，審核委員會的審核範圍包括檢討及批准內部審核報告、年度審核計劃、已發佈之內部審核報告、審核及特別調查所識別之重大發現以及相關業務及營運管理層就審核結果所採取之補救措施。

(O) KEY SPECIALISED COMMITTEES (continued)

(i) Audit Committee (continued)

The Audit Committee also reviews the appointment of the external auditor and discusses with them the nature and scope of their audits. Any issues arising from their audits together with the follow up actions taken by the Bank to address those issues are examined by the Audit Committee. The Audit Committee reviews the interim and annual financial statements before recommending them to the Board for approval. It also reviews the Bank's statement on internal control systems in the annual report prior to the endorsement by the Board.

(ii) Executive Credit Committee

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

(iii) Remuneration Committee

The Remuneration Committee comprises the Non-Executive Chairman, Non-Executive Vice Chairman and three Independent Non-Executive Directors of the Bank. The Remuneration Committee meets as required to review and make recommendations to the Board in respect of the remuneration policy and practices of the Bank to ensure that these are consistent with legal or regulatory requirements. The committee reviews and approves the remuneration packages for senior management which include the Managing Director, Executive Directors and Executive Vice President. Executive Directors do not take part in decisions on their own remuneration. Additionally, the committee oversees the Bank's remuneration system and its operation which covers all employees, ensures an annual review of the remuneration system is conducted and implemented, and works closely with the Bank's risk management committee in the evaluation of the incentives created by the remuneration system.

(iv) Management Committee

The Management Committee is the key decision making body for the Bank and is responsible mainly for formulation of the Bank's business strategies and bank wide initiatives. The Committee also evaluates and approves new business proposals, coordinates among business and support units during the implementation process, monitors the implementation of the approved business strategies and bank wide initiatives, reviews the achievement of business targets and objectives as well as the financial performance of the Bank through monthly reporting.

(O) 主要專責委員會 (續)

(i) 審核委員會 (續)

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

(ii) 執行信貸委員會

執行信貸委員會由本行的非執行主席、非執行副主席及一名執行董事組成。該委員會以董事會信貸委員會的身份，按董事會授予的權限，審閱及批准信貸建議。

(iii) 薪酬委員會

薪酬委員會由本行的非執行主席、非執行副主席及三名獨立非執行董事組成。該委員會按需要舉行會議，以就本行的薪酬方案進行審閱並向董事會作出建議，確保該等方案符合法律或法規要求。委員會審閱及批核高級行政人員（包括董事總經理、執行董事及執行副總裁）之薪酬方案。執行董事並無參與與其相關之薪酬決策討論。此外，該委員會負責監察覆蓋本行所有員工的薪酬制度，確保該制度每年作出一次檢討，並與風險管理委員會緊密合作以評估薪酬制度中的獎勵方案。

(iv) 管理委員會

管理委員會乃本行重要的決策組織，主要職責是制定本行所有主要部門的業務策略及銀行內措施。同時，委員會在業務策略的推行過程中，亦負責評估及批准新業務建議、協調業務及支持部門的工作、監察已批准業務策略的實施進度及銀行內措施，以及檢討工作是否合乎業務目標與預期表現以及透過月度報告檢討本行財務表現。

(O) KEY SPECIALISED COMMITTEES (continued)**(v) Asset and Liability Committee**

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

(vi) Internal Control Committee

The Internal Control Committee comprises the Bank's Managing Director, Executive Director, Chief Financial Officer and the heads of different risk management and control functions. The Committee is chaired by Mr Thomas Liang, Managing Director. The Committee has the overall responsibilities to oversee the control framework, direct implementation of an effective internal control system, impose suitable measures for the day-to-day monitoring of controls, while enhancing the operational control standards in all divisions.

(vii) Risk Management Committee

The Risk Management Committee is chaired by the Head of Control & Risk Management. The membership comprises the Bank's Chief Executive Officer, Executive Directors, Chief Financial Officer and other senior management personnel as appointed by the Chief Executive Officer. The committee's objectives are to identify and quantify bank-wide risks against risk appetite and to design and oversee the implementation of policies, procedures and systems to effectively address the Bank's risk profile. The committee also monitors and reviews internal and external risks landscape and continuously revisits policies, procedures and systems in place.

(O) 主要專責委員會 (續)**(v) 資產負債委員會**

資產負債委員會由董事總經理、執行董事、財務總監及行政總裁所委任的高級管理人員組成。委員會最少每兩星期舉行一次會議，並由內部審核部主管及法律及合規部主管列席旁聽，以確保全面符合本行既有的管治政策。委員會的主要職責，包括定期檢討本行涉及利率風險、市場風險及流動資金風險的業務，特別針對本行應付債務的能力及遵守法定流動資金及資本充足要求事宜。委員會定期審閱及批准本行有關資產及負債管理、投資及其他風險管理事宜的政策，以供董事會審批。委員會亦制定資源及資金運用的長遠政策，以及因應情況擬定短期方針應付當時需要，同時檢討該等政策及方針的推行情況。

(vi) 內部監控委員會

內部監控委員會包括本行的董事總經理、執行董事、財務總監，以及各風險管理和監控部門主管。該委員會由梁培華先生牽頭。該委員會整體負責監督監控架構、指導實行有效的內部監控系統、就日常監控實施適當的措施，同時在所有部門提升營運監控標準。

(vii) 風險管理委員會

風險管理委員會由監控及風險管理部主管牽頭，成員包括本行的行政總裁、執行董事、財務總監以及行政總裁所委任的其他高級管理人員組成。該委員會旨在根據風險承受能力識別及量化銀行風險，制定及監管政策、程序及系統的實施，以有效管理本行的風險狀況。該委員會亦監督及監管內部及外部風險環境，並持續修訂既有政策、程序及系統。

(P) MARKET RISK MANAGEMENT

Details of the Group's market risk management policies and measures have been set out in Note 50(b).

The Group calculates VAR with a confidence level of 99%, a holding period of one trading day and using a 1-year historical observation period. The VAR methodology adopted by the Group is historical simulation approach. Historical simulation uses scenarios derived from historical market rates/prices and takes account of the relationships between different markets and rates. The VAR model is helpful in measuring the bank's exposure to day-to-day market fluctuations. It is not intended to measure the bank's exposure to individually significant events such as the bankruptcy of a major financial institution.

The Group has measured VAR for all material trading portfolios. The VAR results as shown in the below table are calculated independently according to the underlying positions, and historical market movements.

VAR by risk type:	按風險種類劃分之風險值：
Foreign exchange risk	外匯風險
Interest rate risk	利率風險
Equities risk	股票風險
Total VAR	總風險值

* Disclosed in the 2009 Annual Report using variance/covariance approach.

The Group adopts a prudent approach to managing its trading portfolios, and reduces any excessive market risk by executing offsetting transactions or hedging contracts with other market counterparties. Market risk ensues once the Group takes positions in markets such as foreign exchange, interest rates, securities and equities. Such positions are driven by execution of customer orders, proprietary trading and hedging.

(P) 市場風險管理

本集團之市場風險管理政策及措施之詳情載於附註50(b)。

本集團對信心水平為99%，持有期為一個交易日及採用一年歷史觀察期的風險值予以計算。本集團所採用的風險值方法為歷史模擬法。歷史模擬法採用過往市場費率/價格，並考慮不同市場及費率之間的關係。風險值模式有助於計量銀行承受日常市場波動的風險，但無意計量銀行承受個別重大事件的風險，例如大型金融機構破產。

本集團已計量所有重大貿易組合的風險值。下表所列示的風險值結果乃按照相關持倉及過往市場變動進行獨立計算。

At 31 December

於十二月三十一日

2010	2009	2009*
二零一零年	二零零九年	二零零九年*
HK\$'000	HK\$'000	HK\$'000
千港元	千港元	千港元

	15	28	22
	422	10	8
	3	6	3
	422	30	25

* 二零零九年年報的披露乃採用方差/協方差法。

本集團採納一套謹慎的方法管理其交易組合，並透過其他市場同業簽訂抵銷交易或對沖合約，以減低任何過度市場風險。若本集團於外匯市場，利率市場或證券及股票市場持倉時便會產生市場風險，而這些皆是因應客戶的交易指示、自營買賣及對沖活動而產生的持倉。

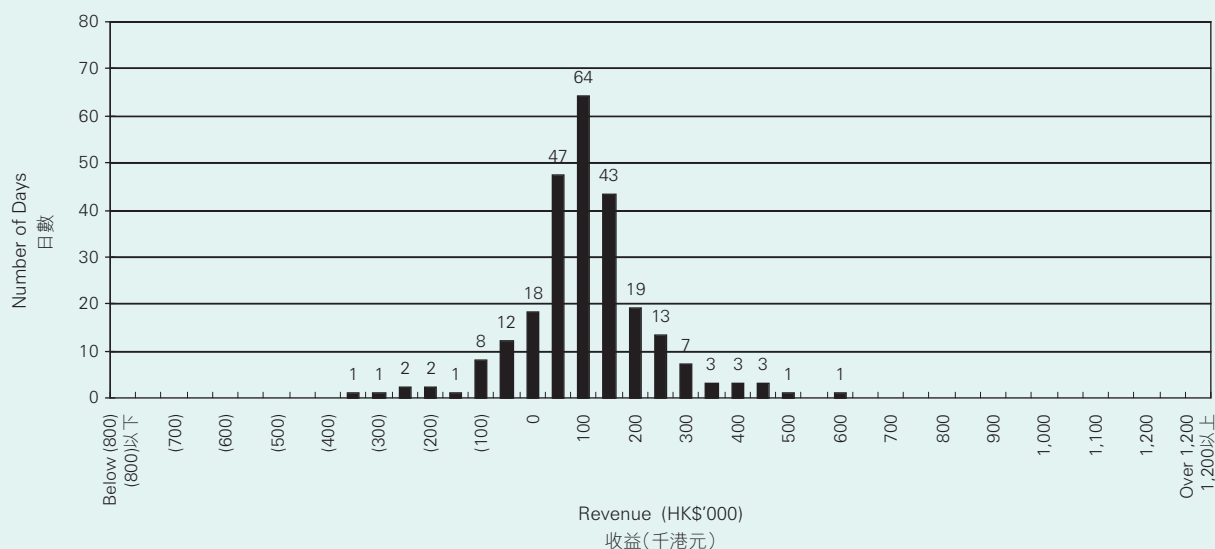
(P) MARKET RISK MANAGEMENT (continued)

The Group's maximum market risk exposures are set by the Assets and Liability Committee. Exposures are monitored and reported to the management regularly. The average daily revenue generated from the treasury's trading activities for the year was HK\$80,447 (2009: HK\$81,951) and the standard deviation was HK\$123,424 (2009: HK\$211,693). An analysis of the Group's trading revenue is shown below:

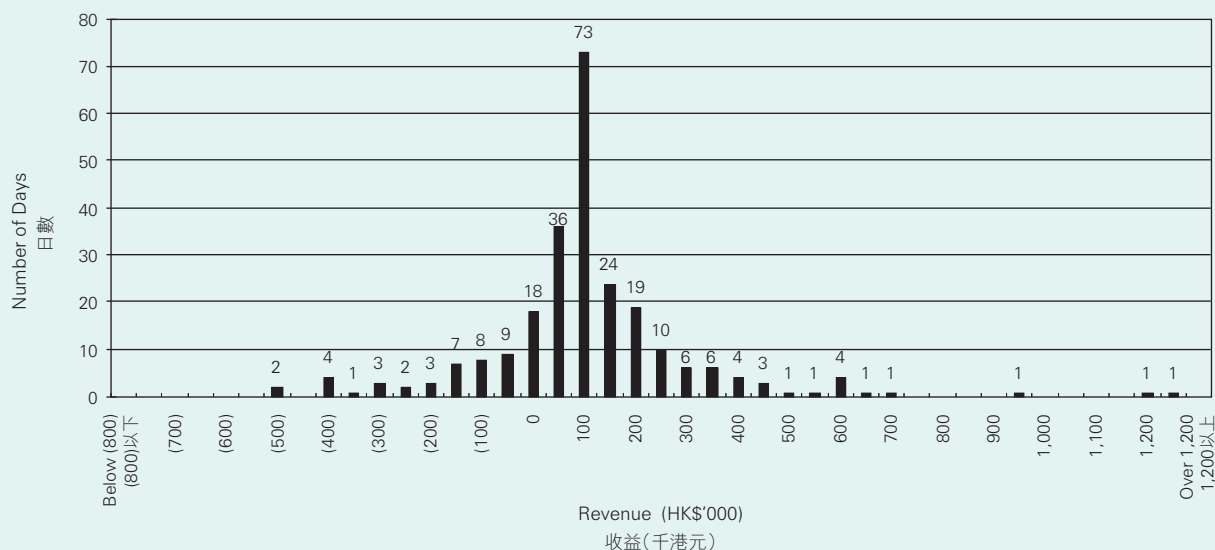
(P) 市場風險管理(續)

本集團之最高市場風險承擔由資產負債委員會訂定，並定期受到監控及須向管理層匯報。年內由財資交易活動獲得的平均每日收益為80,447港元(二零零九年：81,951港元)，標準偏差為123,424港元(二零零九年：211,693港元)。本集團之交易收益分析如下：

**Daily Distribution of Trading Revenue
for the Year Ended 31 December 2010**
截至二零一零年十二月三十一日止年度每日交易收益分佈



**Daily Distribution of Trading Revenue
for the Year Ended 31 December 2009**
截至二零零九年十二月三十一日止年度每日交易收益分佈



This shows a maximum daily loss of HK\$399,537 (2009: HK\$545,412) with 45 days (2009: 57 days) out of 249 days (2009: 249 days) showing losses. The most frequent results were observed in daily revenue falling from HK\$50,000 to HK\$100,000 (2009: HK\$50,000 to HK\$100,000) with 64 occurrences (2009: 73 occurrences in the range). The highest daily revenue was HK\$556,145 (2009: HK\$1,230,667).

以上圖表顯示於249天(二零零九年：249天)交易日中，45天(二零零九年：57天)錄得虧損，最高每日虧損399,537港元(二零零九年：545,412港元)。最常見交易成績為每日收益介乎50,000港元至100,000港元(二零零九年：50,000港元至100,000港元)，並於該組別出現64次(二零零九年：於該組別出現73次)。最高每日收益為556,145港元(二零零九年：1,230,667港元)。

Coordinated and produced by Corporate Communications of Fubon Bank (Hong Kong) Limited
富邦銀行(香港)有限公司企業傳訊部統籌及製作

Design 設計：TdA – Concept and design www.tda.com.hk

Principal photography 主要攝影：Yip Siu Ki 葉紹麒

Production 製作：Equity Financial Press Limited 安業財經印刷有限公司 www.equitygroup.com.hk



CHARTING A STEADY COURSE 穩中求進

2010 was a year of building solid foundations, fine-tuning our strategies, and equipping ourselves with the structure, procedures and mechanisms to manage the business, especially in terms of risk management. By adopting a growth-yet-prudent strategy that builds on the inherent strengths of our parent company, Fubon Financial, we succeeded in charting a steady course through a rapidly evolving business environment. To this end, we will continue to strengthen and integrate our business operations and focus on expanding our local franchise. Combined, they will allow us to emerge stronger and become more resilient, and create an even more stable platform for future growth.

於2010年，我們調整經營策略、厚植成長根基，並在業務管理，特別是風險控管方面，引入先進的管理架構、程序及機制。我們以母公司富邦金控的獨有優勢為後盾，秉持穩中求進的策略，成功地在急劇轉變的經營環境中穩步向前。為此，我們將繼續增強及整合本行的業務營運，專注拓展在地化的業務版圖，鞏固及提升我們的實力，並建立一個更穩固的平台，以期能持續穩健邁進。



Fubon Bank Building, 38 Des Voeux Road Central, Hong Kong
香港中環德輔道中38號富邦銀行大廈
www.fubonbank.com.hk