



(Stock Code 股份代號 : 23)

# Annual Report 2016 年報



Welcome to The Bank of East Asia, Limited's website  
歡迎瀏覽東亞銀行有限公司網站

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## CORPORATE PROFILE

### 本行簡介

#### Our Mission 使命宣言

We at BEA strive to provide best in class financial services, always demanding the highest standard of professionalism and integrity of ourselves. With a commitment to quality of service, we focus on satisfying customer needs. We aim to grow, together with our customers, our shareholders and our colleagues.

東亞銀行竭力提供最卓越的金融服務，遵行最高之專業和誠信準則。我們承諾提高服務質素，致力滿足客戶之需要，並以與客戶、股東、員工與時並進為目標。

Incorporated in 1918, The Bank of East Asia, Limited is Hong Kong's largest independent local bank with total consolidated assets of HK\$765.7 billion (US\$98.7 billion) as of 31st December, 2016. Listed on The Stock Exchange of Hong Kong, the Bank is a constituent stock of the Hang Seng Index.

BEA is dedicated to providing comprehensive corporate banking, personal banking, wealth management, and investment services to its customers in Hong Kong, Mainland China, and other major markets around the world.

The Bank maintains one of the largest retail networks of any bank in Hong Kong, with full-service branches, SupremeGold Centres for high net-worth customers, and innovative, extended hour i-Financial Centres conveniently located throughout the city.

In Mainland China, BEA's wholly-owned subsidiary, The Bank of East Asia (China) Limited operates more than 110 outlets in 44 cities – one of the most extensive networks of any foreign bank in China.

Overseas, the Bank maintains an active presence in Southeast Asia, the United Kingdom, and the United States. Worldwide, BEA serves customers through more than 220 outlets and offers rewarding and challenging career opportunities to over 10,000 employees.

The BEA Group's subsidiaries further broaden the Bank's product offering to meet the increasingly diverse and sophisticated needs of a burgeoning customer base. BEA's wholly-owned subsidiaries, BEA Life Limited and Blue Cross (Asia-Pacific) Insurance Limited, serve as the Bank's life insurance and general insurance arms, respectively, and provide a comprehensive range of insurance solutions for individual and corporate customers.

The BEA Group strives to be a positive, enabling force in the communities it serves and is committed to long-term sustainable development. The Group integrates social, environmental, ethical, employee, and customer concerns into its business and operations with the aim of aligning the interests of its stakeholders and the society at large.

For more information on BEA, please visit your nearest BEA branch or visit the Bank's homepage at [www.hkbea.com](http://www.hkbea.com).

東亞銀行有限公司成立於1918年，現為香港最大的獨立本地銀行。於2016年12月31日，本行的綜合資產總額達港幣7,657億元（987億美元）。本行於香港聯合交易所上市，為恒生指數成份股之一。

本行一直致力為香港、中國內地，以及世界其他主要市場的客戶，提供全面的企業銀行、個人銀行、財富管理和投資服務。

本行為香港擁有最龐大零售網絡的銀行之一，分行提供全面的服務，並設有專為高端客戶而設的顯卓理財中心。此外，本行亦於不同地區設立i-理財中心，為客戶提供較傳統分行更長的營業時間及便捷創新的服務。

本行的全資附屬公司 — 東亞銀行（中國）有限公司於內地共44個城市設有逾110個網點，為內地網絡最龐大的外資銀行之一。

本行於世界各地共設有逾220個網點，遍布東南亞、英國和美國。集團現於全球聘用超過10,000名員工。

此外，本行透過集團附屬公司進一步完善業務範圍，提供全面而適切的方案，以配合日益壯大的客戶群之需要。東亞人壽保險有限公司及藍十字（亞太）保險有限公司為集團拓展保險業務，分別承保人壽保險和一般保險產品，讓個人和企業客戶享有周全的保障。

東亞銀行集團一直致力在所服務的社區成為一股正面及積極的動力，以推動長遠的可持續發展，本集團將社會、環境、道德、員工及客戶的考慮融入本集團的業務及營運之中，以符合本集團的其他持份者，乃至廣大社群的利益。

如欲查詢更多有關東亞銀行的資料，請親臨就近的東亞銀行分行或瀏覽本行網頁：[www.hkbea.com](http://www.hkbea.com)。

# FINANCIAL HIGHLIGHTS

## 財務摘要

	2016 HK\$ Million 港幣百萬元	2015 HK\$ Million 港幣百萬元	Change 變動 % 百分率
<b>Profitability 盈利能力</b>			
Total operating income from continuing operations 來自持續經營業務之經營收入總額	14,850	15,867 <sup>1</sup>	- 6.4
Profit attributable to owners of the parent from continuing operations 來自持續經營業務之可歸屬於本集團股東溢利	3,505	5,305 <sup>1</sup>	- 33.9
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	3,723	5,522	- 32.6
<b>Balance Sheet Strength 資產負債狀況</b>			
Total advances to customers and trade bills 客戶墊款及貿易票據總額	466,182	461,039	+ 1.1
Total assets 資產總額	765,706	781,364	- 2.0
Total deposits 存款總額	564,646	578,020	- 2.3
Total equity 股東權益總額	86,636	85,641	+ 1.2
<b>Earnings Per Share and Dividends Per Share 每股盈利及每股股息</b>			
Basic earnings from continuing operations 來自持續經營業務之基本盈利	HK\$1.12	HK\$1.86	- 39.8
Basic earnings 基本盈利	HK\$1.21	HK\$1.95	- 37.9
Dividends 股息	HK\$0.56	HK\$0.88	- 36.4
<b>Key Ratios 主要比率</b>			
Return on average assets 平均資產回報率	0.4%	0.6%	
Return on average equity 平均股東權益回報率	4.1%	6.6%	
Cost-to-income ratio from continuing operations 來自持續經營業務之成本對收入比率	56.2%	56.1%	
Loan to deposit ratio 貸款對存款比率	80.4%	76.4%	
Impaired loan ratio 減值貸款比率	1.5%	1.1%	
Average liquidity coverage ratio 平均流動性覆蓋比率	-first quarter 第一季度 -second quarter 第二季度 -third quarter 第三季度 -fourth quarter 第四季度	151.3% 141.2% 133.5% 137.2%	127.2% 137.5% 132.1% 151.2%
Common Equity Tier 1 capital ratio 普通股權一級資本比率		12.1%	12.2%
Tier 1 capital ratio 一級資本比率		13.5%	13.7%
Total capital ratio 總資本比率		17.4%	17.2%

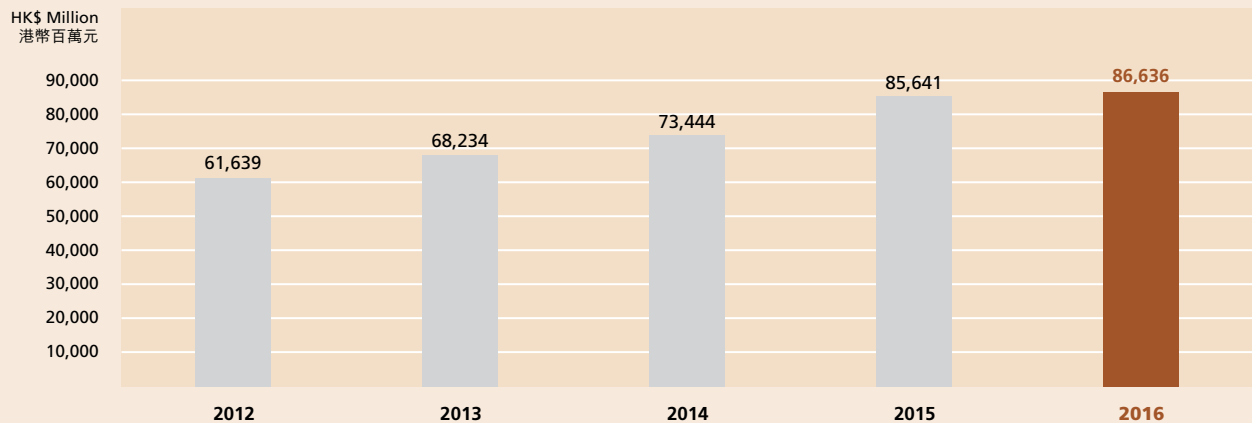
<sup>1</sup> Restated 重報

## FIVE-YEAR FINANCIAL SUMMARY

### 5 年財務概要

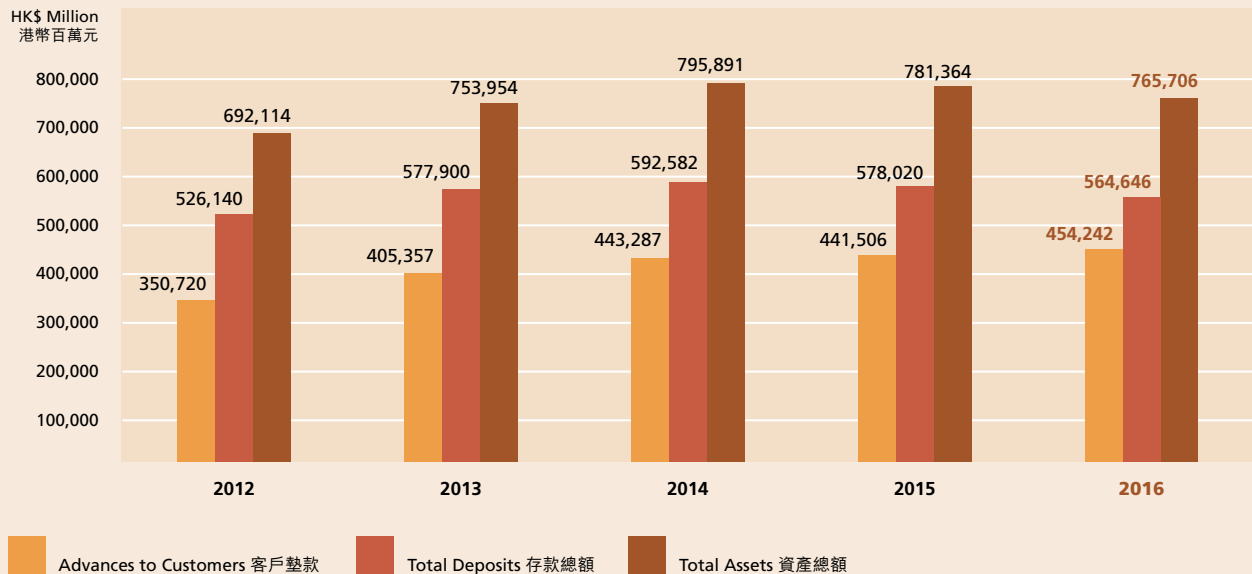
#### TOTAL EQUITY

##### 股東權益總額



#### ADVANCES TO CUSTOMERS / TOTAL DEPOSITS / TOTAL ASSETS

##### 客戶墊款 / 存款總額 / 資產總額

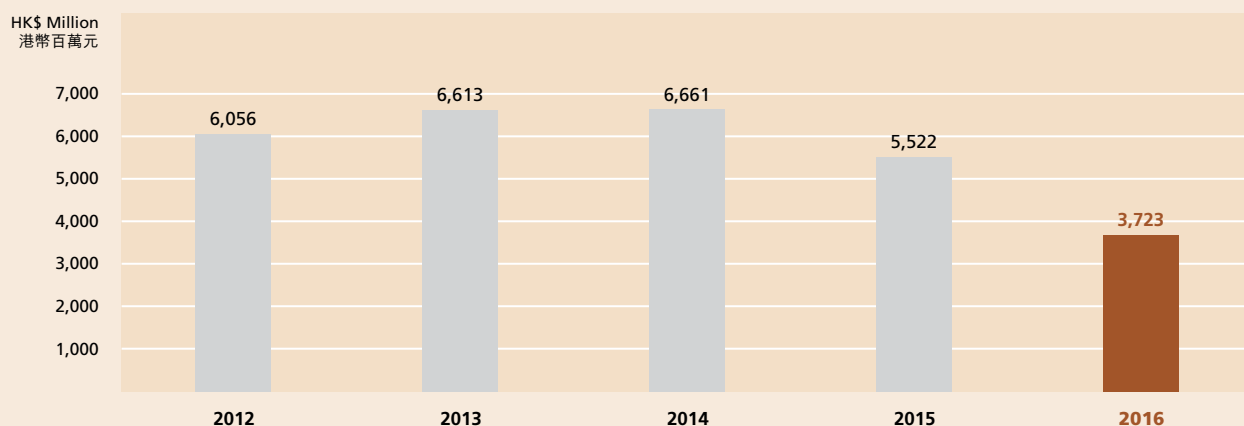


## FIVE-YEAR FINANCIAL SUMMARY (CONTINUED)

### 5年財務概要(續)

#### PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT

#### 可歸屬於本集團股東溢利



#### FIVE-YEAR COMPARISON

#### 5年比較

	2012 HK\$ Million 港幣百萬元	2013 HK\$ Million 港幣百萬元	2014 HK\$ Million 港幣百萬元	2015 HK\$ Million 港幣百萬元	2016 HK\$ Million 港幣百萬元
Total equity 股東權益總額	61,639	68,234	73,444	85,641	<b>86,636</b>
Total deposits 存款總額	526,140	577,900	592,582	578,020	<b>564,646</b>
Advances to customers 客戶墊款	350,720	405,357	443,287	441,506	<b>454,242</b>
Total assets 資產總額	692,114	753,954	795,891	781,364	<b>765,706</b>
Loan to deposit ratio 貸款對存款比率	67%	70%	75%	76%	<b>80%</b>
Profit attributable to owners of the parent 可歸屬於本集團股東溢利	6,056	6,613	6,661	5,522	<b>3,723</b>
Earnings per share 每股盈利	HK\$2.72	HK\$2.78	HK\$2.72	HK\$1.95	<b>HK\$1.21</b>
Dividends per share 每股股息	HK\$1.06	HK\$1.11	HK\$1.11	HK\$0.88	<b>HK\$0.56</b>

## CHAIRMAN'S STATEMENT

Economic growth in Hong Kong and the Mainland slowed further in 2016. Amidst the generally weak market conditions, the short-term performance of The Bank of East Asia has suffered. Nonetheless, our medium and long-term goals – to deliver ever more innovative, efficient and reliable financial services for the Greater China market – are firmly on track.

In 2016, The Bank of East Asia Group earned a Profit Attributable to Owners of the Parent of HK\$3.72 billion, representing a decline of HK\$1.80 billion, or 32.6%, compared to a profit of HK\$5.52 billion in 2015. Basic earnings per share stood at HK\$1.21.

The Board has declared a 2016 second interim dividend of HK\$0.28 per share, bringing the dividend for the year to HK\$0.56 per share. This represents a dividend pay-out ratio of 46.7%, compared to 46.4% in the previous year.

By maintaining the pay-out level, we are demonstrating our commitment to our shareholders, and our confidence in the medium and long-term prospects of this bank.

Notably, across the Group, operating income increased by 8.3% in the second half of 2016 compared to the first half, an encouraging sign as we enter 2017.

### STRATEGY

Meeting the challenging operating environment head on, we set clear priorities at the beginning of 2016. At the top of our agenda, we vowed to strengthen oversight of asset quality and implement strict cost control. At the same time, we announced our vision for the 21st century, committing ourselves to a digital banking future.

We have made significant progress in most areas during the year. However, market conditions prevented us from achieving all of our goals.

Hong Kong asset quality declined, partly due to the fall in the value of the RMB and partly due to other factors. We are working closely with our clients to assist them to adjust to the changing environment.



**Dr. the Hon. Sir David LI Kwok-po**  
*Chairman & Chief Executive*  
主席兼行政總裁  
李國寶爵士



# 主席報告書

2016年，香港及內地的經濟增長進一步放緩，在疲弱的市場環境下，東亞銀行的業務表現短線受到影響。儘管如此，我們仍穩步實現中期及長期目標，為大中華市場提供更多創新、高效以及可靠的金融服務。

2016年度，東亞銀行集團的可歸屬於集團股東溢利為港幣37.2億元，較2015年的溢利港幣55.2億元減少港幣18億元，或32.6%。每股基本盈利為港幣1.21元。

董事會宣布派發2016年度第二次中期股息每股港幣0.28元，全年派發股息合共每股港幣0.56元，派息比率為46.7%，而前一年的派息比率為46.4%。

我們維持派息比率水平，反映我們對股東的承諾，以及對本行中長期前景的信心。

值得一提的是，2016年下半年集團整體的經營收入較上半年上升8.3%，為踏入2017年展現良好的勢頭。

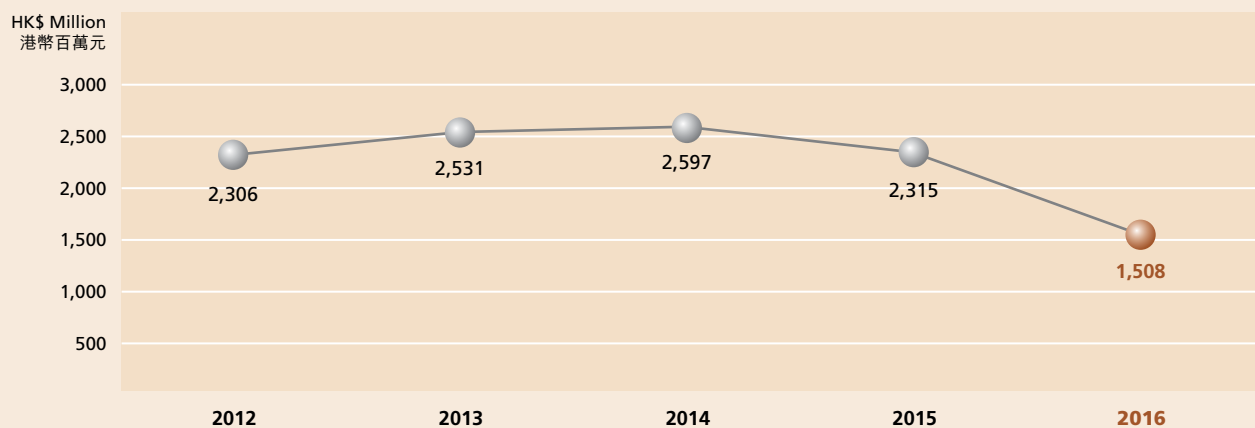
## 策略

面對充滿挑戰的經營環境，我們在2016年初已就工作重點訂立明確的優先次序。我們的首要任務，是要切實加強監控資產質素，並嚴格控制成本。同時，我們亦宣布了21世紀的願景，致力發展數碼化銀行。

年內，我們在多方面均取得重要的進展，惟市場環境令我們未能達致所有目標。

受到人民幣貶值及其他因素影響，香港的資產質素下降。我們與客戶保持緊密連繫，以協助他們適應不斷變化的環境。

**DIVIDENDS FOR THE LAST 5 YEARS 過往5年股息紀錄**



## CHAIRMAN'S STATEMENT (CONTINUED)

While the credit situation on the Mainland remains difficult, we are hopeful that the position has stabilised. The gross impaired loan formation rate at BEA China has declined year on year. As highlighted last year, we have established a special asset management team to manage and recover the BEA China impaired loan portfolio more proactively.

We are reducing our exposure to underperforming sectors of the Mainland economy, including wholesale and retail, hotels and manufacturing. In order to further offset risk, we are developing new business opportunities in priority sectors of the economy that are receiving favourable treatment from the Central Government. We doubled our aggregate loan balance to these priority industries in 2016.

### REDUCING COSTS

At the start of 2016 we announced a three-year cost-reduction campaign. We achieved 40% of our three-year plan during the first year, although the cost savings will only be fully reflected in our results in the coming years.

In Hong Kong, progress has been achieved in three main areas: Business realignment, operations excellence and streamlining the branch network. As part of the business realignment exercise, we closed all East Asia Securities retail outlets and migrated broking clients to our digital, mobile and telephone service channels.

We are actively managing our Hong Kong deposit base in order to reduce the cost of funding. Through targeted marketing, we raised our average current and savings account ratio by some three percentage points during the past year.

We have also made significant strides in reducing costs at BEA China. Largely through managed attrition, our Mainland subsidiary reduced its workforce by about 10% in 2016.

As announced last year, BEA China is merging sub-branches on the Mainland in order to improve branch efficiency. Our Mainland subsidiary achieved its targets for 2016, combining nine sub-branches. The cost savings will start to become more apparent in 2017, as further rationalisation of the Mainland branch network continues.

BEA China has also targeted funding costs, lowering the cost of deposits by adjusting its deposit structure.

Going forward, BEA China will further expand cooperation with internet finance partners in order to reach a larger customer base without the need for substantial fixed investment, and to chart a new growth path for future development in the new economy.

### DIGITAL BANKING

We remain on track to roll out the digital branch model across Hong Kong by the end of 2017. By embracing digital technology in our branches and by expanding our online services, we have been able to reduce floor space and streamline our branch network while improving services to our customers. Moreover, with transactions moved to our digital channels, our staff can spend more time advising clients on financial management, thus increasing product sales and contributing to our goal of earning more fee income.

In the second half of 2017, we will introduce an expanded mobile banking platform in Hong Kong, incorporating stock trading, enhanced credit-card services and personal loan services. We also plan enhancements to our Corporate Cyberbanking platform, providing even tighter integration with our client's needs. In addition, we will debut a new online securities trading service for our Hong Kong Private Banking customers.

縱使內地的信貸環境依然嚴峻，有關情況可望已穩定下來。東亞中國的總減值貸款形成率按年亦錄得下跌。正如去年所述，我們設立了一個特別的資產管理小組，積極處理及追收東亞中國的不良貸款組合。

我們正減少對內地經濟表現欠佳的行業，包括批發及零售、酒店及製造業的借貸。為了進一步抵禦風險，我們與一些受中央政府支持之優勢產業發展新的商機。2016年，我們對這些優勢產業的貸款餘額增加了一倍。

### 減低成本

於2016年初，我們公布了一項為期3年的減省成本計劃。雖然節省成本的效益將於未來幾年的業績中才能反映出來，但我們於首年已達致該3年計劃的4成目標。

在香港，包括業務重整、卓越營運和精簡分行網絡的3個主要範疇已取得進展。作為業務重整的一部分，我們關閉了東亞證券的全部零售網點，並引導證券客戶使用我們的電子、手機及電話服務渠道。

我們積極管理香港的存款基礎，以減低資金成本。透過目標市場營銷，我們在過去一年將平均往來及儲蓄賬戶的比率提高了約3個百分點。

我們在降低東亞中國的成本方面亦取得重大進展。東亞中國2016年的員工人數減少約10%，主要是透過人手自然流失。

正如去年所公布，東亞中國會透過合併內地的支行，以提升分行效率。2016年已合併9間支行，達致其年度的既定目標。隨著進一步將內地分行網絡精簡，成本減省的效益將在2017年進一步顯現。

東亞中國亦針對資金成本，透過調整存款結構以降低存款成本。

展望未來，東亞中國將進一步擴大與互聯網金融夥伴的合作，藉此在不需要大量固定投資的情況下接觸更龐大的客戶群，並為新興經濟的未來發展制定新的路向。

### 數碼銀行

我們如期落實於2017年底前把全港分行數碼化的計劃。透過應用嶄新科技和發展網上服務，我們得以在減少分行的樓面面積和優化分行網絡的同時，進一步提升客戶服務。同時，隨著交易量逐漸轉移至數碼渠道，我們的員工得以利用更多時間為客戶提供理財建議，從而增加產品銷售，以助達致提升費用收入的目標。

在2017年下半年，我們將會進一步擴展本港的流動應用平台，不僅整合股票買賣服務，更會提升信用卡及個人貸款服務。我們亦計劃加強企業電子網絡銀行平台，務求更能迎合客戶所需。同時，我們將會推出為香港私人銀行客戶而設的網上股票買賣服務。

## CHAIRMAN'S STATEMENT (CONTINUED)

### OVERSEAS

In 2016, our overseas offices benefitted from strong interest in investment in Great Britain and the United States by local and Mainland clients. In 2017, our overseas branches will further enhance collaboration with BEA China and the Bank Group's strategic partners. More emphasis will be placed on corporate and syndication loans, while we will be selective in advancing retail customer loans.

### TRICOR HOLDINGS

On 5th October, 2016, the Bank announced the disposal of Tricor Holdings for a cash consideration of HK\$6,470 million. The disposal is expected to be completed in the first quarter of 2017. This will lead to a notable enhancement in the capital strength of the Bank Group.

At the end of December 2016, our Common Equity Tier 1 capital ratio stood at 12.1%.

### OUTLOOK

Looking ahead, we will redouble our efforts to serve the advanced sectors of the economy and will carry forward our medium and long-term goals by pursuing digital transformation, further improving efficiency, and drawing increased value from our unique China franchise.

For 2017, we aim to increase non-interest income, mainly from treasury, insurance and wealth management operations.

By enhancing our online services, we aim to become a partner in the daily activities of our customers. Our smartphone app will become an ever-more handy tool throughout the day.

We are cautiously optimistic that loan demand will improve in most markets in 2017, even as US interest rates rise. Higher interest rates should benefit our business in Hong Kong, where we are a net lender to the Interbank market.

Barring unforeseen events, we expect asset quality to stabilise in the coming year.

Meanwhile, the tightening global regulatory environment will require greater allocation of resources to risk management and compliance, as well as a more conservative attitude to capital planning.

As we navigate this challenging period, we are taking all possible measures to strengthen our franchise. We are investing time and resources, and leveraging our unique China platform, in order to meet the increasingly sophisticated needs of retail and corporate banking clients.

In closing, I take great pleasure in thanking our Bank's Board of Directors and the directors of our subsidiaries and associated companies for their invaluable advice and support during the past year. I also thank the management and staff of BEA for their commitment, and I look forward to further progress in achieving our strategic goals during the coming year.

The support of our overseas banking partners, in particular CaixaBank and Sumitomo Mitsui Banking Corp, provides us with a competitive advantage in the marketplace, and I am very grateful to them for their close cooperation with us. I also extend my grateful thanks to our shareholders and customers for their long-standing loyalty and confidence in this Bank.

**David Li Kwok-po**

*Chairman & Chief Executive*

Hong Kong, 17th February, 2017

## 海外業務

2016年，我們的海外辦事處受惠於當地及中國內地客戶對投資於英國及美國的濃厚興趣。2017年，我們的海外分行將進一步加強與東亞中國和本集團策略夥伴的合作，主力拓展企業及銀團貸款，並會選擇性地為零售客戶提供借貸。

## 卓佳集團

於2016年10月5日，本行宣布以港幣64.70億元的現金作價，出售卓佳集團股權。此項出售交易預計將於2017年第一季完成，屆時本集團的資本基礎將得以進一步增強。

於2016年12月底，我們的普通股權一級資本比率達12.1%。

## 展望

展望未來，我們將加倍支持經濟環節中發展較佳的行業，並推進中長期的數碼化策略，進一步提升效率，令我們獨特的中國業務平台能體現更高的價值。

2017年，我們會致力通過發展財資、保險和財富管理業務，增加非利息收入。

透過提升網上服務，我們旨在成為客戶日常生活中的夥伴。我們的手機應用程式，將成為客戶生活上一個便捷的工具。

即使美國利率上升，我們對2017年大部分市場的貸款需求能復甦感到審慎樂觀。我們是香港銀行同業市場中的淨貸出者，較高的利率對我們本港業務有利。

除非出現不可預料的情況，我們預期資產質素在未來一年將可穩定下來。

然而，全球的監管環境日益嚴格，將導致我們在風險管理和合規方面投入更多資源，以及在資本規劃方面採取更保守的態度。

面對當前的困難時期，我們竭盡所能，進一步強化業務基礎。我們投入大量的時間和資源，利用我們獨特的中國業務平台，致力滿足零售和企業客戶對銀行服務不斷提高的要求。

最後，我對本行、附屬和聯營公司的各董事表達由衷的謝意，感謝他們在過去一年給予的寶貴意見和支持。同時，我亦感謝東亞銀行的管理團隊和各同事所付出的努力，並期望未來一年在實現策略目標方面能取得進一步的成果。

我們的海外業務夥伴，特別是CaixaBank和三井住友銀行的支持，令我們在市場中擁有競爭優勢，我衷心感謝他們的緊密合作。我亦對股東和客戶對本行的長期支持和信心表示謝意。

主席兼行政總裁

**李國寶**

香港，2017年2月17日

# REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT

## FINANCIAL REVIEW

### Financial Performance

For the year 2016, the Group achieved a profit attributable to owners of the parent of HK\$3,723 million, representing a decrease of HK\$1,799 million or 32.6%, compared with the HK\$5,522 million earned in 2015.

On 5th October, 2016, The Bank of East Asia, Limited; NWS Holdings Limited; and East Asia Secretaries (BVI) Limited entered into an agreement to sell all issued shares of Tricor Holdings Limited and its subsidiaries (collectively, the "Tricor Group") to Trivium Investment Limited for a total consideration of HK\$6,470 million. In accordance with Hong Kong Financial Reporting Standard 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group is required to report Tricor Group's operating results for 2016 separately as discontinued operations in the consolidated income statement, with comparative information re-presented. Tricor Group's assets and liabilities as at 31st December, 2016 are presented separately as assets held for sale and liabilities held for sale, respectively, in the consolidated financial statements. Restatement of assets and liabilities as at 31st December, 2015 is not required. The Bank expects completion of the disposal to occur during the first quarter of 2017.

The following are the key figures for continuing and discontinued operations.

Profit attributable to owners of the parent from continuing operations and discontinued operations amounted to HK\$3,505 million and HK\$218 million, respectively, representing a decrease of HK\$1,800 million, or 33.9%, and an increase of HK\$1 million, or 0.1%, as compared to 2015.

Basic earnings per share from continuing operations fell from HK\$1.86 in 2015 to HK\$1.12 in 2016, and basic earnings per share fell from HK\$1.95 in 2015 to HK\$1.21 in 2016.

Return on average assets and return on average equity fell from 0.6% to 0.4%, and from 6.6% to 4.1%, respectively.

During 2016, the Group's net interest income from continuing operations decreased by HK\$831 million, or 7.0%, to HK\$11,098 million. Net interest margin narrowed from 1.66% in 2015 to 1.60% in 2016, largely due to pressure on BEA China's net interest margin, which decreased from 1.82% to 1.65%.

Net fee and commission income from continuing operations decreased by HK\$312 million, or 10.7%, to HK\$2,593 million. Commission income from credit cards and custodian businesses grew, whereas income from securities and brokerage, trade finance, loans and guarantees, and retail banking services declined.

Net trading and hedging results from continuing operations increased by HK\$178 million, or 93.9%, to HK\$366 million. Overall, non-interest income from continuing operations decreased by 4.7% to HK\$3,752 million. Operating income from continuing operations decreased by 6.4% to HK\$14,850 million.

Total operating expenses from continuing operations fell by 6.3% to HK\$8,342 million. The cost-to-income ratio increased from 56.1% in 2015 to 56.2% in 2016 whereas the same ratio fell from 59.4% in the first half to 53.2% in the second half of 2016.

Operating profit before impairment losses from continuing operations was HK\$6,508 million, a decrease of HK\$455 million, or 6.5%, when compared to 2015.

Due to the persistently weak economic environment, impairment losses on loans and receivables from continuing operations grew by 70.4% to HK\$3,462 million. The Group's impaired loan ratio rose from 1.13% at the end of 2015 to 1.49% at the end of 2016. The impaired loan ratios of Hong Kong Operations and China Operations rose from 0.34% to 1.03% and from 2.44% to 2.64%, respectively.

Operating profit after impairment losses from continuing operations was HK\$3,045 million, a decrease of HK\$1,870 million, or 38.0%.

Net profit on the sale of available-for-sale financial assets from continuing operations fell to HK\$92 million. The year-on-year comparison was impacted by a net profit of HK\$146 million on the disposal of the Bank's stake in a property development and management joint venture in Mainland China in 2015.

Net profit on disposal of fixed assets from continuing operations included a net gain of HK\$888 million on certain properties in Mainland China. Associated land value-added tax and corporate income tax on the disposal, which amounted to HK\$427 million, is included in Income Tax.

Valuation gains on investment properties from continuing operations decreased to HK\$62 million.

# 行政總裁及高層管理人員報告書

## 財務回顧

### 財務表現

2016年，本集團錄得可歸屬於集團股東溢利達港幣37.23億元，較2015年的港幣55.22億元減少港幣17.99億元或32.6%。

2016年10月5日，東亞銀行有限公司、新創建集團有限公司及East Asia Secretaries (BVI) Limited簽訂了一份協議，向Trivium Investment Limited出售Tricor Holdings Limited及其附屬公司（統稱為「卓佳集團」）的全部已發行股份，作價為港幣64.70億元。根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團須於綜合收益表中將卓佳集團2016年的經營業績呈列為已終止經營業務，而可比較資料亦相應重新列示。卓佳集團於2016年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。2015年12月31日的資產及負債毋須重列。本行預期有關出售將於2017年首季完成。

以下為來自持續經營業務及已終止經營業務的重要數據。

來自持續經營業務及已終止經營業務的可歸屬於集團股東溢利分別為港幣35.05億元及港幣2.18億元，較2015年分別減少港幣18億元或33.9%，及增加港幣100萬元或0.1%。

來自持續經營業務的每股基本盈利由2015年的港幣1.86元下降至2016年的港幣1.12元，而每股基本盈利則由2015年的港幣1.95元減少至2016年的港幣1.21元。

平均資產回報率及平均股東權益回報率分別由0.6%下降至0.4%及由6.6%下降至4.1%。

於2016年，本集團來自持續經營業務的淨利息收入減少港幣8.31億元或7.0%，至港幣110.98億元。淨息差由2015年的1.66%收窄至2016年的1.60%，主要受到東亞中國的淨息差受壓影響，由1.82%下跌至1.65%。

來自持續經營業務的服務費及佣金收入淨額減少港幣3.12億元或10.7%，至港幣25.93億元。信用卡及託管業務的佣金收入錄得增長，而證券及經紀、貿易融資、貸款及擔保以及零售銀行服務的佣金收入則減少。

來自持續經營業務的交易及對沖的淨額增加港幣1.78億元或93.9%，至港幣3.66億元。整體而言，來自持續經營業務的非利息收入減少4.7%至港幣37.52億元。來自持續經營業務的經營收入則減少6.4%至港幣148.5億元。

來自持續經營業務的總經營支出下降6.3%，至港幣83.42億元。成本對收入比率從2015年的56.1%上升至2016年的56.2%，而同一比率則從2016上半年的59.4%下降至下半年的53.2%。

來自持續經營業務的未扣除減值損失之經營溢利為港幣65.08億元，較2015年減少港幣4.55億元，或6.5%。

由於經濟環境持續疲弱，來自持續經營業務的貸款及應收賬減值損失上升70.4%至港幣34.62億元。本集團的減值貸款比率從2015年底的1.13%上升至2016年底的1.49%。香港及中國業務的減值貸款比率由分別0.34%上升至1.03%，以及2.44%上升至2.64%。

來自持續經營業務的扣除減值損失後之經營溢利為港幣30.45億元，減少港幣18.7億元，或38.0%。

來自持續經營業務的出售可供出售金融資產之淨溢利減至港幣9,200萬元。按年比較數字乃受2015年出售本行於中國內地一間物業發展及管理合營公司股份所得的淨溢利港幣1.46億元所影響。

來自持續經營業務的出售固定資產的淨溢利中，包括出售若干中國內地物業的淨溢利港幣8.88億元。因該項出售而產生的土地增值稅及企業所得稅則包括在所得稅項內，金額為港幣4.27億元。

來自持續經營業務的投資物業估值收益減少至港幣6,200萬元。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

The Group shared after-tax profits from associates of HK\$431 million from continuing operations, a decrease of HK\$125 million, or 22.5% compared to 2015, mainly due to weaker economic performance.

After accounting for income taxes, profit after taxation from continuing operations fell to HK\$3,525 million, a decrease of 33.9% compared to the HK\$5,336 million recorded in 2015.

### Financial Position

Total consolidated assets of the Group stood at HK\$765,706 million at the end of 2016, a decrease of 2.0% over the HK\$781,364 million at the end of 2015.

Gross advances to customers rose by 2.9% to HK\$454,242 million. However, trade bills negotiated fell by 38.9% to HK\$11,939 million, mainly due to a significant contraction in cross-border trade business.

Cash, balances, and placements with banks and other financial institutions decreased by 26.8% to HK\$109,772 million, whereas available for sale financial assets increased by 18.1% to HK\$110,491 million.

Total equity increased to HK\$86,636 million, up 1.2%.

Total deposits from customers fell by 0.9% to HK\$535,789 million. Of the total, demand deposits and current account balances increased by HK\$1,841 million, or 2.5%; savings deposits increased by HK\$13,130 million, or 11.6%; and time deposits decreased by HK\$19,925 million, or 5.6%. Total deposit funds, comprising deposits from customers and all certificates of deposit issued, fell by 2.3% to HK\$564,646 million.

The loan-to-deposit ratio stood at 80.4% at the end of 2016, compared to 76.4% at the end of 2015.

The total capital ratio, tier 1 ratio, and common equity tier 1 ratio were 17.4%, 13.5%, and 12.1%, respectively, as at 31st December, 2016. The average liquidity coverage ratio for the quarter ended 31st December, 2016 was 137.2%, which was well above the statutory limit of 70% for the year 2016.

## RATINGS

### S&P Global Ratings

#### *The Bank of East Asia, Limited*

Long-term Counterparty Credit (local and foreign currency)	A
Short-term Counterparty Credit (local and foreign currency)	A-1
Outlook	Negative

#### *The Bank of East Asia (China) Limited*

Long-term Counterparty Credit (local and foreign currency)	A
Short-term Counterparty Credit (local and foreign currency)	A-1
Outlook	Negative

### Moody's Investor Service

#### *The Bank of East Asia, Limited*

Long-term Bank Deposit (local and foreign currency)	A3
Short-term Bank Deposit (local and foreign currency)	Prime-2
Outlook	Negative

The negative outlook mainly reflects anticipated weaker operating conditions and potentially lower levels of government support, given the likelihood that Hong Kong will adopt a bail-in resolution regime.



## 行政總裁及高層管理人員報告書（續）

來自持續經營業務的集團應佔聯營公司之除稅後溢利為港幣4.31億元，較2015年減少港幣1.25億元，或22.5%，主要由於經濟表現欠佳。

經計及所得稅後，來自持續經營業務的除稅後溢利降至港幣35.25億元，較2015年錄得港幣53.36億元下降33.9%。

### 財務狀況

於2016年底，本集團綜合資產總額較2015年底的港幣7,813.64億元減少2.0%，至港幣7,657.06億元。

客戶墊款總額上升2.9%至港幣4,542.42億元，而貿易票據貼現則減少38.9%至港幣119.39億元，主要由於跨境貿易業務顯著萎縮。

現金、結存及在銀行及其他金融機構的存款下跌26.8%，至港幣1,097.72億元，而可供出售金融資產則上升18.1%至港幣1,104.91億元。

股東權益總額增加1.2%至港幣866.36億元。

客戶存款總額減少0.9%，至港幣5,357.89億元。其中，活期存款和往來存款賬戶結餘增加港幣18.41億元，升幅為2.5%；儲蓄存款增加港幣131.30億元，升幅為11.6%；而定期存款則減少港幣199.25億元，減幅為5.6%。包括客戶存款及所有已發行存款證的存款總額減少2.3%至港幣5,646.46億元。

於2016年底，貸款對存款比率為80.4%，而2015年底則為76.4%。

於2016年12月31日，總資本比率、一級資本比率及普通股權一級資本比率分別為17.4%、13.5%及12.1%。截至2016年12月31日止季度的平均流動性覆蓋比率為137.2%，遠高於2016年70%的法定限額。

### 評級

#### 標普全球評級

##### 東亞銀行有限公司

長期交易對手信貸（港元及外幣）	A
短期交易對手信貸（港元及外幣）	A-1
前景	負面

##### 東亞銀行（中國）有限公司

長期交易對手信貸（港元及外幣）	A
短期交易對手信貸（港元及外幣）	A-1
前景	負面

#### 穆迪投資服務

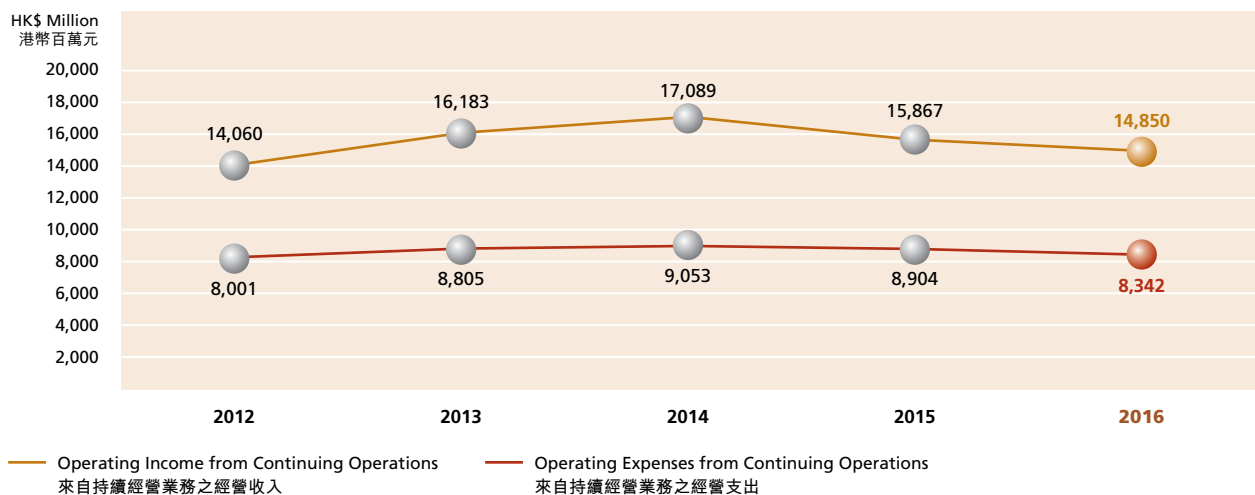
##### 東亞銀行有限公司

長期銀行存款（港元及外幣）	A3
短期銀行存款（港元及外幣）	Prime-2
前景	負面

負面的評級展望主要反映預期較弱的經營情況及可能較低的政府支持水平，鑑於香港可能會採用自救處置機制。

### OPERATING INCOME VS OPERATING EXPENSES (FROM CONTINUING OPERATIONS)

#### 經營收入及經營支出（來自持續經營業務）



## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



## MAJOR RECOGNITION 主要榮譽與獎項

## The Bank of East Asia, Limited 東亞銀行有限公司

1	"Best Managed Bank in Hong Kong 2016" - <i>The Asian Banker</i>	2016年「香港最佳管理銀行」獎 - 《亞洲銀行家》雜誌
2	"Best Bank in Hong Kong 2016" - <i>Global Finance</i>	「2016香港最佳銀行」 - 《全球金融》雜誌
3	"Hong Kong Outstanding Enterprises 2016" - <i>Economic Digest</i>	「香港傑出企業2016」 - 《經濟一週》
4	"HK 50+ Award – Banking" - <i>Christian Family Service Centre</i>	「HK50+ 我最喜愛的銀行品牌」 - 基督教家庭服務中心
5	"Quamnet Outstanding Enterprise Award 2015 – Outstanding SME Service Provider (Bank)" (for the third consecutive year) - <i>Quam (H.K.) Limited</i>	「華富財經傑出企業大獎2015 — 傑出中小企業服務機構(銀行)」(連續第3年獲獎) - 華富財經(香港)有限公司
6	"Outstanding Corporate Banking Services Award 2015" (for the third consecutive year) and "Outstanding Corporate Banking Renminbi Services Award" (for the third consecutive year) - <i>Wen Wei Po</i>	「2015年度傑出企業銀行業務獎」(連續第3年獲獎)及「傑出企業銀行人民幣服務獎」(連續第3年獲獎) - 《文匯報》
7	"Outstanding Import and Export Industry Partner Award" (for the third consecutive year) - <i>The Hong Kong Chinese Importers' &amp; Exporters' Association</i>	「進出口企業合作夥伴大獎」(連續第3年獲獎) - 香港中華出入口商會
8	"2016 Best SME's Partner Award" (for the ninth consecutive year) - <i>The Hong Kong General Chamber of Small and Medium Business</i>	「2016中小企業最佳拍檔獎」(連續第9年獲獎) - 香港中小型企業總商會
9	"The 10th Hong Kong Institute of Bankers Outstanding Financial Management Planner Award – Top Nominations Award" - <i>Hong Kong Institute of Bankers and BENCHMARK Magazine</i>	「第十屆香港銀行學會傑出財富管理師大獎 — 最佳提名機構獎」 - 香港銀行學會及《指標》雜誌
10	"Best Mobile Banking – Hong Kong 2016" - <i>International Finance Magazine</i>	「2016香港最佳流動理財」 - 《國際金融雜誌》
11	"Best FinTech Grand Award", "Best FinTech (Banking and Insurance) Gold Award", and "Best Mobile Apps (Consumer Solutions) Gold Award" - <i>Hong Kong ICT Awards 2016</i>	「最佳金融科技大獎」、「最佳金融科技(銀行與保險)金獎」及「最佳流動應用程式(消費方案)金獎」 - 「2016香港資訊及通訊科技獎」
12	"The Best Digital Branch" in the e-Brand Awards 2016 - <i>Hong Kong Economic Times</i>	「e-世代品牌大獎2016」之「最佳智能數碼分行」 - 《香港經濟日報》
13	"Excellence Award in e-Banking" and "Outstanding Performance in Digital Innovation" in the Financial Institution Awards 2016 - <i>Bloomberg Businessweek Chinese Edition</i>	「金融機構大獎2016」之電子理財「卓越大獎」及數碼創新服務「傑出大獎」 - 《彭博商業周刊/中文版》

行政總裁及高層管理人員報告書 (續)

- |   |  |
|---|--|
| <p><b>14</b> “The Best Travel Card Programme Launched in 2015 in Hong Kong – BEA Flyer World MasterCard”, “The Highest Growth of Open Cards in 2015 in Hong Kong – Winner”, “The Highest Market Share of Contactless Spending in 2015 in Hong Kong” and “The Highest Market Share of Super Premium Card Spending in 2015 in Hong Kong – 2nd Runner Up”<br/>- MasterCard Worldwide</p> | <p>「2015年度香港區最佳旅遊信用卡 — Flyer World萬事達卡」、「2015年度香港區最高增長開卡量 — 金獎」、「2015年度香港區感應式信用卡消費最高市場佔有率」及「2015年度香港區尊貴信用卡消費最高市場佔有率 — 銅獎」<br/>- 萬事達卡國際組織</p> |
| <p><b>15</b> “2015 Exclusive Year-round Promotion Platform”<br/>- UnionPay International</p>  | <p>「2015全年獨家信用卡推廣優惠平台」<br/>- 銀聯國際</p>  |
| <p><b>The Bank of East Asia (China) Limited 東亞銀行(中國)有限公司</b></p>  |  |
| <p><b>16</b> “2015 China Internet Financial Innovation Award” (for BEA China’s Electronic Banking Business)<br/>- Internet Society of China, Internet Finance Working Committee of ISC, China Electronic Finance Industry Alliance</p>  | <p>「2015年度中國互聯網金融創新獎」(電子渠道理財業務)<br/>- 中國互聯網協會、中國互聯網協會互聯網金融工作委員會、中國電子金融產業聯盟</p>   |
| <p><b>17</b> “Best Social Media Project” in The Asian Banker’s China Country Awards for 2016 (for BEA China’s services provided via the WeChat platform)<br/>- The Asian Banker</p>   | <p>2016年亞洲銀行家中國獎項計劃之「最佳社交媒體應用」(透過東亞中國手機銀行應用程式及微信平台提供之服務)<br/>- 《亞洲銀行家》</p>   |
| <p><b>18</b> “Best Brand-building Foreign Bank” in 2016 – Golden-shell Award of China<br/>- 21st Century Business Herald</p>  | <p>「2016中國資產管理金貝獎」之「最佳品牌建設外資銀行」<br/>- 《21世紀經濟報導》</p>   |
| <p><b>19</b> “Best Wealth Management Bank” in the 7th Golden Tripod Award<br/>- National Business Daily</p>   | <p>第七屆「金鼎獎」之「卓越財富管理銀行」<br/>- 《每日經濟新聞》</p>  |
| <p><b>20</b> “2016 Institutional Contribution Award” in the Annual Shanghai Financial Institutions Awards Programme<br/>- Shanghai Banking Association</p>  | <p>上海銀行同業·年度獎項之「2016年度機構貢獻獎」<br/>- 上海市銀行同業公會</p>   |
| <p><b>Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司</b></p>   |  |
| <p><b>21</b> “The Most Favourite Travel Insurance Company Award 2016” (for the twelfth consecutive year)<br/>- Weekend Weekly Magazine</p>  | <p>「2016最受歡迎旅遊保險公司」(連續第12年獲獎)<br/>- 《新假期》雜誌</p>  |
| <p><b>Credit Gain Finance Company Limited 領達財務有限公司</b></p>  |  |
| <p><b>22</b> “Metro Awards for Banking and Finance Corporations 2016 – The Best Brand in Loans” (for the fifth consecutive year)<br/>- Metro PROSPERITY Magazine</p>  | <p>「都市盛世銀行及金融服務企業獎2016 — 最佳信貸財務服務」(連續第5年獲獎)<br/>- 《都市盛世》雜誌</p>   |
| <p><b>23</b> “Capital Weekly Service Awards 2016 – Finance Service” (for the fourth consecutive year)<br/>- Capital Weekly Magazine</p>   | <p>「2016資本壹週服務大獎」之「信貸財務服務大獎」(連續第4年獲獎)<br/>- 《資本壹週》雜誌</p>   |
| <p><b>BEA Union Investment Management Limited 東亞聯豐投資管理有限公司</b></p>  |  |
| <p><b>24</b> “The Asset Benchmark Research 2016 – One of the Top Investment Houses in Asian Local Currency Bonds – Hong Kong”<br/>- The Asset</p>   | <p>「2016年度財資基準研究 — 亞洲本地貨幣債券最佳投資公司之一(香港)」<br/>- 《財資雜誌》</p>  |
| <p><b>25</b> “Best Bond Fund, Asia Pacific, Local Currency” (for the 3-year performance of the BEA Union Investment Asian Bond and Currency Fund)<br/>- Lipper Fund Awards Programme 2016 Hong Kong</p>   | <p>「最佳亞太區債券基金(本地貨幣)」(按東亞聯豐亞洲債券及貨幣基金過往3年業績)<br/>- 「理柏基金香港年獎2016」</p>  |



## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### BUSINESS REVIEW

Global economic growth remained soft during 2016. While the United States economy enjoyed continued strength, economic performance in Europe and China was disappointing.

With weak external demand, Hong Kong's exports fell by 0.5% in 2016. Growth in private consumption moderated as the pace of employment creation slowed. Tourist spending remained weak throughout the year, dragging retail sales down by 8.1% year on year in 2016. Nevertheless, the unemployment rate remained steady at 3.3% to 3.4% throughout the year.

Residential property prices climbed by 7.6% in 2016. In the fourth quarter, the government introduced new cooling measures to dampen demand and contain prices.

Overall, the Hong Kong economy expanded at a lacklustre 1.4% pace in the first three quarters of 2016.

On the Mainland, investment growth moderated as China put the brakes on credit growth in order to address concerns about overleveraging. The export sector continued to face headwinds as demand from European and emerging markets remained subdued. Slowing growth also dragged down consumer spending. Meanwhile, rising property prices offered some respite from the gloom. Rapid development in the internet sector has also provided growth momentum.

Looking ahead to 2017, the US economy is expected to perform well, while Europe and Japan will underperform. Meanwhile, all eyes are on the new Trump administration for any policy changes that may impact global markets.

The Chinese government will remain preoccupied with structural development issues, and will manage the economy with the aim of encouraging sustainable growth. Consumer demand will remain muted. The Chinese economy is likely to grow by 6.7% in 2017, with inflation at around 2%.

In Hong Kong, exports will be adversely affected on two fronts: by the challenges facing China's export industries and by the strong US dollar. Meanwhile, higher US interest rates and a likely correction in the property market will weigh on consumer confidence. Gross domestic product growth is forecast to average 1.4% for 2017, while the inflation rate will average at 2.4%.

### Business – Hong Kong

The aggregate value of all customer loans and trade bills of BEA in Hong Kong was 5.1% higher at the end of December 2016 compared to the end of 2015. Customer loans alone rose by 7.1% year on year. Meanwhile, debt investments increased by 26.6%, while customer deposits rose by 4.1%.

#### Corporate and Commercial Banking

Corporate Banking faced a challenging year in 2016. Both net interest income and net fee and commission income fell, leading to a 17.8% decline in operating income compared to 2015.

Slower Mainland growth, a declining RMB and challenging economic conditions in Hong Kong weighed on the local SME sector. Impaired loans rose, although most of the related lending is backed by assets.

Competition for lending to local blue-chips remains intense, and pricing has continued to tighten as a result. However, the recent pay down in trade bills gave the Bank room to increase lending to quality Mainland corporates, as they sought to expand and invest abroad. Such lending generally offered higher returns. Overall, the Hong Kong corporate loan and trade bills portfolio rose by 3.9% in 2016. Holdings of high-quality corporate notes and bonds also grew, by 25.5%.

In light of the challenging environment, the Bank is focussing on expanding relationships with certain target customers. Improvements are being made to services that support client business growth, including cash management and trade and working capital solutions. Enhancements to the Corporate Cyberbanking platform are also planned in order to encourage customers to migrate their transactions online, saving branch resources and increasing customer satisfaction.

Looking ahead to 2017, there are uncertainties over Sino-US relations, the impact of US rate hikes, and the consequences of Mainland curbs on capital outflows. It is therefore likely that volatility will increase in the months ahead. Despite this instability, BEA remains committed to its proven dual-platform model as a key driver for future growth. The Bank will continue to work closely with BEA China to source new opportunities for cross-border business.

## 行政總裁及高層管理人員報告書（續）

## 業務回顧

2016年，全球經濟增長持續疲軟。縱使美國經濟維持強勢，歐洲及中國的經濟表現卻令人失望。

由於外部需求疲弱，本港的出口於2016年下跌0.5%。受創造就業機會的步伐減慢拖累，私人消費增長放緩。訪港旅客消費全年表現疲弱，2016年，零售銷售按年下跌8.1%，而失業率則全年維持在3.3%至3.4%的穩定水平。

住宅物業價格於2016年上漲7.6%。於第4季度，政府推出新的降溫措施，以抑制需求及控制價格。

整體而言，香港經濟於2016年首3季度小幅增長1.4%。

內地方面，為解決過度槓桿問題，中國放慢信貸增長步伐，導致投資增長放緩。由於來自歐洲及新興市場的需求疲弱不振，內地出口行業仍面臨不利形勢。經濟增長放慢亦拖累消費開支。然而，物業價格上升，成為低迷市況下的一個亮點。互聯網行業的急速發展亦成為增長動力。

展望2017年，美國經濟有望錄得理想表現，但歐洲及日本的經濟表現則不容樂觀。同時，全球目光均聚焦於特朗普新政府，關注其施行的政策對全球市場會否造成影響。

中國政府將繼續專注解決結構性發展問題，並將妥善管理經濟環境，以鼓勵可持續增長。消費者需求將持續低迷。2017年中國經濟有望增長6.7%，而通脹率將回落至2%。

香港方面，出口將面對兩個不利局面：中國出口行業面對的挑戰及美元強勢。與此同時，美國利率上升以及物業市場可能面臨的調整，將會削弱消費者信心。預計2017年本地生產總值平均增長率為1.4%，通脹率平均為2.4%。

## 香港業務

於2016年12月31日，東亞銀行香港的客戶貸款及貿易票據總額較2015年底上升5.1%，而客戶貸款則按年增長7.1%。年內，債券投資增長26.6%，客戶存款亦增加4.1%。

## 企業及商業銀行

企業銀行業務於2016年經歷了極富挑戰性的一年。淨利息收入與服務費及佣金收入淨額均錄得跌幅，以致經營收入較2015年下跌17.8%。

內地增長放緩，人民幣貶值，加上本港經濟形勢嚴峻，令本地中小企業經營困難。雖然大部分相關貸款均有資產作抵押，但減值貸款仍有所增加。

同業間爭相向本地藍籌企業貸款，激烈競爭導致息差持續受壓。然而，近期貿易票據減少讓本行得以增加向優質內地企業提供融資，配合其在海外拓展業務及投資的需要，相關貸款一般回報較高。整體而言，本港企業貸款及貿易票據組合於2016年上升3.9%，優質企業票據及債券持有量亦增長25.5%。

面對艱難的經營環境，本行專注深化與目標客戶的關係，現正在現金管理、貿易及營運資金方案等服務方面作出全面提升，以支持客戶業務的增長。本行同時亦計劃強化企業電子網絡銀行服務平台，希望藉此鼓勵客戶轉用網上渠道進行交易，以節省分行資源及提高顧客滿意度。

展望2017年，中美關係、美國加息及內地控制資本外流等不明朗因素，均可能在未來數月引致市場波動加劇。儘管市況不穩，東亞銀行仍以其中港平台作為未來增長的主要動力，並會繼續與東亞中國緊密合作，開拓跨境業務的新機遇。



In January 2016, more than 650 corporate and personal customers attended BEA's annual Economic and Market Outlook seminar.

2016年1月，逾650位企業和個人客戶出席了東亞銀行的年度「經濟及市場展望研討會」。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### Retail Banking

Personal Banking proved its resiliency in 2016 in the face of challenging market conditions. The division's operating income increased by 5.7%, led by rises in both net interest income and net fee and commission income.

The project to digitalise the Hong Kong branch network remains on track. As of December 2016, 53 branches had been upgraded to the digital model. Take-up of new accounts from target segments has increased at transformed branches. As a whole, the Bank recorded a 15.0% rise in major all-in-one accounts – SupremeGold, Supreme, and CorporatePlus – leading to an 8.7% increase in average daily retail current and savings account balances in Hong Kong compared to the previous year.

Product sales have also benefitted from digitalisation, as branch staff are freed up to focus on sales rather than basic transactions. Commission income from investment and insurance products rose by 12.4% and 30.4% year-on-year, respectively, in 2016.

Meanwhile, the popularity of insurance products bundled with premium financing contributed to a 71.0% increase in consumer loans. The mortgage loan portfolio grew by 4.3%, despite keen market competition and the launch of additional government cooling measures.

The branch digitalisation project will continue into 2017, with the aim of transforming the entire Hong Kong network by the end of the year. In addition, the Bank's digital service infrastructure is undergoing a comprehensive overhaul. Upgrades to the underlying hardware and software will enable the Bank to meet growing demand for mobile and online banking services.



### Wealth Management

After a strong year in 2015, Private Banking maintained a similar performance level in 2016. Results were bolstered by continued demand from Mainland clients for asset diversification.

Net fee and commission income rose by 9.6%, on strong insurance product sales, while net interest income increased by 3.2%. However, overall operating income was flat year-on-year due to lower client investment activity in stock trading, FX derivatives and structured products. Loans and assets under management were lower.

Digital initiatives, including portfolio analysis tools for sales staff and a dedicated Cyberbanking service for Private Banking customers, were successfully launched during the year. The new sales tools have proven popular, and the Bank is exploring the possibility of making the portfolio analysis software available to clients for use on their personal devices. To further enhance the digital platform, an online stock trading service will be launched for Private Banking customers in 2017.

Despite uncertainty over the outlook in the short-term, the size of the Mainland market means that opportunities abound, particularly given the Bank's strong China presence. Collaboration with BEA China has been stepped up to promote Private Banking's holistic wealth management solutions, offering tailored products to encourage more client referrals. The Bank will continue to focus on expanding its Mainland client base in the years ahead.

### Insurance and MPF Services

BEA Life Limited, the Bank's wholly-owned life insurance arm, had another encouraging year in 2016, recording year-on-year growth of 34.5% in new premium income. Short-term products with guaranteed returns were in high demand, as risk-averse investors sought alternative strategies. Long-term products have also sold particularly well, with premium income more than doubling compared to 2015.

BEA launched its iPortfolio Analyzer, which enables the Bank's relationship managers to access the portfolio data of its private banking clients securely from any location to provide timely investment advice.

東亞銀行推出全新的iPortfolio Analyzer，讓客戶經理可隨時隨地以安全模式查看私人銀行客戶的投資組合資訊，從而適時提供投資建議。

## 行政總裁及高層管理人員報告書（續）

The Bank introduced its new campus branch model at The Hong Kong University of Science and Technology in August 2016.

2016年8月，東亞銀行於香港科技大學推出全新的校園分行模式。



### 零售銀行

於2016年，本行的香港個人銀行業務在嚴峻的市場形勢中仍能靈活應變，在淨利息收入與服務費及佣金收入淨額上升的推動下，經營收入錄得5.7%增長。

香港分行網絡數碼化進程按計劃順利推進，截至2016年12月底，53間分行已完成數碼化轉型。已轉型的分行，在吸納目標客戶群所開立的新賬戶數量有所增加。整體而言，本行主要綜合戶口（顯卓理財、至尊理財及企業綜合理財）數目共錄得15.0%升幅，帶動香港零售往來賬戶及儲蓄賬戶平均每日結餘較2015年增長8.7%。

產品銷售亦受惠於分行數碼化，前線職員現可投放更多時間銷售產品，而並非處理一般銀行交易。於2016年，投資及保險產品的佣金收入分別按年上升12.4%及30.4%。

以保費融資方式投保的保險產品廣受客戶歡迎，推動個人貸款增加71.0%。儘管市場競爭激烈及政府推出額外控制樓價措施，按揭貸款組合仍增長4.3%。

分行數碼化計劃將延續至2017年，並將於年底前達至將香港全線分行轉型的目標。此外，本行的數碼服務平台基礎設施現正進行全面更新，軟硬件升級有助本行滿足客戶對流動及網上銀行服務與日俱增的需求。

### 財富管理

繼2015年錄得理想的表現，私人銀行2016年的全年業績，與2015年水平相若，主要受惠於內地客戶對多元化資產配置的殷切需求。

由於保險產品銷售強勁，服務費及佣金收入淨額上升9.6%，淨利息收入則增長3.2%。因受客戶在股票買賣、外匯衍生工具及結構性產品等投資活動減少所影響，私人銀行整體經營收入按年持平，而客戶貸款及管理資產則有所下跌。

年內，私人銀行成功推行兩項數碼方案，包括為銷售人員配置流動投資組合分析工具，以及推出為私人銀行客戶專設的電子網絡銀行服務。新的流動投資組合分析工具備受客戶歡迎，本行現正在研究讓客戶在個人流動裝置上使用此應用程式的可行性。為進一步提升數碼平台，本行將於2017年向私人銀行客戶推出網上股票交易服務。

雖然前景短期內依然不明朗，偌大的中國市場對擁有龐大內地網絡的東亞銀行來說，仍充滿商機。本行已加強與東亞中國的合作，推廣私人銀行的全面財富管理方案，並提供為內地客戶度身訂造的產品，以鼓勵更多客戶轉介。未來數年，本行將繼續專注於擴大內地客戶基礎。

### 保險及強積金服務

本行旗下全資壽險附屬公司—東亞人壽保險有限公司於2016年再創佳績，新造保單保費收入按年增長34.5%。由於投資者紛紛調整其策略以避免風險，市場對提供保證回報的短期產品需求殷切。此外，長期產品的銷售亦非常暢旺，有關保費收入較2015年增長超過一倍。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Conditions for general insurance, on the other hand, remained difficult. Despite tight competition in the market, Blue Cross (Asia-Pacific) Insurance Limited, BEA's wholly-owned general insurance arm, achieved growth of 3.8% in premium income for the year under review. The company's strategy to retain quality group medical insurance customers while maintaining reasonable margins has been successful. In addition, existing group medical insured employees have been offered more coverage options for top-up medical plans, and can apply for the plans via the internet. Domestic helper insurance renewals can also be made online, and this convenience will be extended to all personal general insurance products in 2017.

In anticipation of the introduction of the Hong Kong Government's healthcare reforms, changes have been made to enhance the claim mechanism for existing major individual medical insurance products, effective January 2017. Under the new arrangement, the amount of medical coverage enjoyed by clients will be restored every year, without the limits per disability that previously applied. This change aims to meet the government's objective of ensuring life-long medical insurance coverage.

Total membership in BEA's Mandatory Provident Fund schemes grew to 682,890.

Despite the unfavourable investment environment, AUM increased by 8.2% year-on-year to HK\$20.7 billion. BEA continues to ensure that management fees for its funds are competitive. Half of the constituent funds under the three BEA MPF schemes now have a fund expense ratio of 1.25% or below. The latest overall weighted average fund expense ratio of the three schemes was 1.30%, well below the MPF industry average.

Under the Default Investment Strategy, new standardised, fee-controlled funds will be introduced in each of the three BEA MPF schemes starting 1st April, 2017. The DIS will apply automatically to MPF members who do not specify investment choices.

### Broking Operations

Responding to a shift in stock trading behaviour among customers, East Asia Securities Company Limited undertook a change in its business model during 2016 to dispense with all of its physical outlets. Resources were re-allocated to support other trading channels, particularly the Company's internet and mobile applications. In December 2016, EAS successfully launched Shenzhen-Hong Kong Stock Connect service, enabling investors to buy stocks on Mainland China's most actively traded stock exchange.

Turnover for 2016 declined in line with the drop in average daily turnover of the Stock Exchange of Hong Kong. Pre-tax profit, however, fell by more than 50% due to high fixed costs.

The outlook for 2017 remains challenging. Uncertainties stemming from the impact of the invocation of Article 50 in the United Kingdom on its exit from the European Union, the extent to which the newly elected President Trump follows through on his campaign proposals, and the pace of depreciation of the RMB will dictate investors' sentiment. EAS will continue to improve operational efficiency by enhancing its IT infrastructure and streamlining operations.

## Business – Greater China ex-Hong Kong

### Mainland China Operations

The operating environment in Mainland China remained tough in 2016, amid global market uncertainties and on-going domestic structural adjustments. Mainland policymakers continued their efforts to rebalance the economy through supply-side structural reforms. However, adjustments are proceeding slowly against a backdrop of weak external demand, excess industrial capacity and lacklustre investment sentiment. The RMB fell against the strong US dollar during the year, the first significant annual decline in the value of the RMB in two decades.

The Mainland's GDP growth rate decelerated to 6.7% in 2016, the slowest pace in a quarter of a century. This weakness impacted BEA China's performance. Interest income was battered by the economic slowdown, the low interest rate environment and the reform of the value-added tax regime. In addition, year-on-year declines are amplified when expressed in Hong Kong dollars, due to the fall in the value of the RMB during the past year.

BEA China reported a pre-provision operating profit of HK\$1,607 million for 2016, down 25.3% year-on-year. Advances to customers declined by 7.1%, to HK\$139,389 million as at 31st December, 2016. Net interest income decreased by 14.1% to HK\$3,977 million.

Customer deposits stood at HK\$181,326 million as of 31st December, 2016, a 9.8% decrease from a year earlier. The loan-to-deposit ratio was steady at 75.6%.

To address the difficult operating environment, BEA China focused its efforts on enhancing resilience through capital injection, de-risking and business consolidation.



## 行政總裁及高層管理人員報告書（續）

另一方面，一般保險的市場形勢依然嚴峻。儘管市場競爭激烈，東亞銀行旗下全資一般保險附屬公司——藍十字（亞太）保險有限公司於回顧年內的保費收入仍然錄得3.8%增幅。該公司致力保留優質的團體醫療保險客戶及維持合理邊際利潤的策略卓有成效。此外，現有團體醫療保險受保僱員可獲提供更多附加醫療保險計劃的保障選擇，並可直接透過互聯網遞交申請。而家傭保險續保亦已經可在網上辦理，這項方便快捷的續保服務將於2017年擴展至所有個人一般保險產品。

由於預期政府將推行醫療改革，從2017年1月起，藍十字完善了現有主要個人醫療保險產品的賠償機制。根據新的安排，客戶享有的醫療保障額會在每年重新計算，取替過往以每宗病症作賠償限額的安排。是項修改旨在配合政府確保醫療保險能提供終身保障的目標。

本行旗下強積金計劃的成員總數增至682,890名。

儘管投資環境欠佳，管理資產仍按年增長8.2%至港幣207億元。本行會繼續確保基金管理費的競爭力，目前本行3個強積金計劃內半數之成分基金的基金開支比率為1.25%或以下。該等計劃的最新整體加權平均基金開支比率為1.30%，遠低於強積金業界的平均水平。

本行3個強積金計劃將於2017年4月1日起按預設投資策略的要求，分別推出劃一及設有收費上限的指定成分基金。未作出投資選擇的強積金計劃成員之供款，將會按照預設投資策略進行投資。

### 經紀業務

因應客戶股票買賣模式的轉變，東亞證券有限公司於2016年對其業務模式進行變革，取消所有實體網點，重新分配資源，以發展其他交易渠道，特別是該公司的互聯網及流動應用程式交易平台。2016年12月，東亞證券成功推出深港通服務，讓投資者可參與內地交投最活躍的證券交易所的股票買賣。

2016年香港聯合交易所日均成交量下跌，東亞證券的營業額同樣錄得下降，而稅前利潤亦因固定成本高企而下跌逾50%。

2017年前景依然不容樂觀。英國就退出歐盟行使第50條的影響、新當選總統特朗普貫徹競選政綱的決心，以及人民幣貶值的步伐等種種不明朗因素，將對投資者情緒產生決定性影響。東亞證券將繼續提升其資訊科技基建及精簡業務，藉以提高營運效率。

## 大中華地區（香港除外）

### 中國內地業務

2016年，全球市場不明朗，加上國內持續推行結構調整，內地經營環境依然充滿挑戰。中央政府決策者繼續致力推行供給側結構性改革，以期重新平衡經濟。然而，在外需疲弱、工業產能過剩及投資情緒低迷的情況下，有關調整進展緩慢。年內，人民幣相對強勢美元下跌，這是近20年來人民幣價值首次全年顯著下跌。

2016年，內地國內生產總值增長率放緩至6.7%，為25年來最低增速。疲弱的國內生產總值增幅亦影響了東亞中國的業務表現。利息收入受到經濟放緩、低息環境及增值稅制改革的打擊。此外，由於去年人民幣價值下跌，有關數字以港幣列示後，則同比跌幅會進一步擴大。

東亞中國於2016年錄得撥備前經營溢利港幣16.07億元，按年減少25.3%。於2016年12月31日，客戶墊款下跌7.1%，至港幣1,393.89億元。淨利息收入減少14.1%，至港幣39.77億元。

於2016年12月31日，客戶存款為港幣1,813.26億元，較上年度年減少9.8%。貸款對存款比率維持於75.6%。

為應對艱難的經營環境，東亞中國致力透過注資、降低風險及整合業務，提升抗逆能力。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

In June 2016, the Bank injected additional capital of CNY1 billion into BEA China, in order to further strengthen the bank's capital base and enhance its ability to withstand difficult times. BEA China's registered capital stood at CNY12.16 billion as of the end of 2016.

BEA China management introduced a range of measures in 2015 aimed at improving asset quality, in anticipation of further weakness in the operating environment in 2016. These measures included stricter credit guidelines, centralisation of credit approval and stepped up loan recovery efforts.

The impact of these precautionary measures is evident. BEA China experienced a lower gross impaired loan formation rate in 2016. To further strengthen its financial position, BEA China sold some non-performing loans to third parties in the second half of 2016.

For the year, BEA China recorded a net loss of HK\$461 million. Disposal of the impaired loans caused short-term pain. However, following this exercise BEA China is now better placed for the future.

During the past year, BEA China further reduced its exposure to the manufacturing, hotel, and wholesale and retail sectors, all of which remain under stress in the face of the economic slowdown. The corporate lending team has instead courted stable, large-scale state-owned enterprises and focused on six priority industries including public utilities, health care and pharmaceuticals, logistics, environmental protection and clean energy, food and education. The aggregate loan balance to these priority industries, which are supported by national policies, doubled in 2016.

This realignment, coupled with higher efficiency in the use of funds, helped relieve pressure on BEA China's net interest margin – which improved from 1.61% in the first half of 2016 to 1.70% in the second half of the year.

At the same time, BEA China is cognisant that the economic restructuring process on the Mainland will continue. Government policies will ensure that interest rates remain at a relatively low level. In order to improve profitability going forward, BEA China has successfully implemented an aggressive programme to control costs. In addition, management is actively developing new, fee-based sources of income.

Significant progress has been made in streamlining the branch network during the past year. Four sub-branches were merged with other outlets in the first half of 2016, followed by a further five in the second half. In addition, two sub-branches were relocated. As a result, as of the end of 2016, BEA China's branch network consisted of 30 branches and 89 sub-branches in 44 cities – still one of the most extensive networks of any foreign bank in Mainland China.

In line with the network repositioning programme, BEA China has trimmed its workforce by about 10%. Assisted by this reduction, BEA China's underlying operating expenses for the year fell to HK\$3,178 million, 12.9% lower than in 2015. The business is on track to deliver cost savings of HK\$450 million by 2018. The full benefits of these measures will take time and will continue to flow through in the coming years.

The Mainland economy stabilised in the second half of 2016, with a rebound in fixed asset investment, higher retail sales and an improvement in the Producer Price Index. The property market in Tier-1 cities also remains strong. As we enter 2017, supply-side structural reforms should boost consumption and support emerging industries in the service sector.

There remains strong potential for BEA to grow on the Mainland, as the needs of corporate and retail clients become increasingly more sophisticated. For example, BEA China is serving more demand for cross-border business solutions, treasury and wealth management products, helping to boost BEA China's non-interest income. By streamlining its operations through digitalisation and process enhancement, BEA China is poised to capture more opportunities with roughly the same resource base.

## 行政總裁及高層管理人員報告書（續）

2016年6月，本行向東亞中國額外注入人民幣10億元的資本，藉此進一步加強該行的資本基礎並提升其抵禦風險的能力。於2016年底，東亞中國的註冊資本為人民幣121.6億元。

由於預期2016年經營環境進一步轉差，東亞中國管理層早於2015年推行一系列有助改善資產質素的措施。此等措施包括更嚴格的信貸指引、信貸審批集中制度，以及加大力度追收貸款。

有關預防措施的成效明顯。2016年內，東亞中國的總減值貸款形成比率已有所下降。為進一步強化財務狀況，東亞中國於2016年下半年向第三方出售部分不良貸款。

年內，東亞中國錄得淨虧損港幣4.61億元。處置減值貸款雖帶來短期陣痛，然而，經過此舉之後，東亞中國現已為未來作出更充足的準備。

2016年，東亞中國進一步減少因經濟放緩而持續受壓的製造業、酒店業以及批發及零售業等行業的相關貸款。企業貸款部門轉而以穩定的大型國有企業為目標，並以六大優勢產業為重點，包括公用事業、醫療保健及製藥、倉儲物流、環境保護及清潔能源、食品及教育。於2016年，批核予上述獲國家政策支持的優勢產業的總貸款餘額倍增。

上述調整再配合資金使用效率上升，幫助舒緩東亞中國淨息差的壓力，使其淨息差由2016年上半年的1.61%，改善至下半年的1.70%。

同時，東亞中國相信，內地將會繼續進行經濟結構調整，而政府政策將確保利率維持在相對較低的水平。為提升日後盈利能力，東亞中國已成功實施一項非常進取的成本控制計劃。此外，管理層正積極開拓以收費為基礎的新收入來源。

上年度，分行網絡精簡措施取得重大進展。於2016年上半年，有4間支行與其他網點合併，下半年另有5間支行合併入其他網點。此外，兩間支行已遷移新址。因此，於2016年底，東亞中國的分行網點數目包括30間分行及89間支行，分布於44個城市，仍然是中國內地擁有最龐大網絡的外資銀行之一。

為配合網絡重新部署計劃，東亞中國同時削減了約10%人手。此舉有助東亞中國於年內的相關經營開支減少至港幣31.78億元，較2015年下降12.9%，有望於2018年達到節省成本港幣4.50億元的目標。有關措施尚需時日方能彰顯其全部效益，並會在未來數年持續顯現。

隨著固定資產投資反彈、零售銷售上升及生產者價格指數改善，內地經濟於2016年下半年逐步穩定；一線城市的房地產市場亦維持強勁。踏入2017年，供給側結構性改革應可刺激消費，並為服務業的新興產業提供支持。

隨著企業及零售客戶對服務的要求不斷提高，東亞銀行在內地仍具有強勁的增長潛力。例如，東亞中國因應需求所提供的跨境業務方案、財資及財富管理產品與日俱增，有助提高東亞中國的非利息收入。透過數碼化及流程優化精簡操作程序後，東亞中國已準備就緒，能夠在現有的資源基礎上把握更多商機。

In November 2016, BEA China and CaixaBank shared their expertise in the Mainland and international markets with attendees at a jointly organised seminar in Shanghai.

2016年11月，東亞中國與西班牙商業銀行於上海合辦研討會，與參加者分享其在內地及國際市場的专业經驗。



## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

BEA China is also transforming its growth path by deepening co-operation with strategic partners in areas such as consumer finance and internet finance. Partnerships are an ideal way for BEA China to mitigate risk and leverage its operations expertise as it seeks opportunities in the new economy.

Although risks and uncertainties will persist in 2017, BEA China remains well equipped to pursue further growth opportunities. By becoming nimbler and investing prudently, BEA China will be able to respond flexibly and swiftly to changes in the market environment.

### Macau and Taiwan Operations

The operating environment in Macau remains challenging, with the slowdown in the gaming industry, stagnant economic growth and rising operating costs. However, the asset quality of BEA Macau remains healthy, with prudent risk management in place.

As part of efforts to rationalise the branch network, Macau Areia Preta Sub-branch was closed in June 2016. Currently, the Bank maintains four outlets in Macau.

Looking ahead, in addition to further developing corporate banking services, BEA Macau will allocate more resources to boost retail banking business, with emphasis on investment and insurance products.

In Taiwan, the Bank closed Kaohsiung Branch at the end of September 2016 in order to consolidate resources. BEA maintains a branch in Taipei to serve domestic and offshore banking needs.

BEA Taiwan is also leveraging on the Group's global network to support Taiwan enterprises to go overseas. The Taipei Branch also assists Mainland companies to raise funds for offshore investments. In the coming year, BEA Taiwan will continue to be active in the syndicated loan market as an arranger, particularly in deals involving Mainland customers.

### Business – International

Despite the challenging global economic environment, BEA's international operations achieved satisfactory growth in both loan assets and profitability in 2016.

BEA's Singapore Branch recorded a 10.5% decrease in its loan portfolio in 2016, mainly due to a decline in China cross-border trade loans. Against the backdrop of an economic downturn, Singapore Branch stepped up efforts to improve the credit quality of its loan portfolio by exiting from riskier sectors and industries. To diversify its asset mix and sustain net interest margins, the Branch enlarged its portfolio of Singapore dollar-denominated corporate debt securities investments during the year under review. In 2017, the Branch will continue to focus on expanding its syndicated and bilateral corporate loan portfolio, especially among larger new-to-bank clients, and increase its efforts to generate fee-based income.

Labuan Branch performed well and delivered strong profit growth despite the economic turmoil in Malaysia. In 2017, the Branch will continue providing regional syndicated and bilateral loans to local Malaysian companies while expanding its non-interest income portfolio by extending more bank guarantees and stand-by letters of credit.

The Bank's operations in the UK registered steady growth in loan assets and profitability in 2016, shaking off any adverse impact of the UK vote to leave the European Union. On the back of the post-Brexit depreciation of the pound sterling and the Bank of England's aggressive interest rate cut, overseas investors have remained keen to acquire quality assets in the UK, particularly prime London properties.

## 行政總裁及高層管理人員報告書（續）

東亞中國亦正在轉化其增長模式，不斷深化與戰略夥伴在消費貸款及互聯網金融等領域的合作。透過與夥伴建立合作關係，無疑是東亞中國在新經濟中尋求機遇時減低風險及運用其營運專長的理想途徑。

雖然2017年仍將存在風險和不明朗因素，但東亞中國依然具備把握進一步增長機會的實力。憑藉更靈活的應變能力及審慎的投資，東亞中國將能夠從容而迅速地應對市場環境的變化。

### 澳門及台灣業務

由於博彩業放緩、經濟增長停滯及營運成本上漲，澳門的經營環境依然嚴峻。然而，澳門分行制訂了審慎的風險管理策略，其資產質素仍維持穩健。

為整合分行網絡，澳門黑沙環支行於2016年6月關閉。現時本行於澳門共設有4個網點。

展望未來，除進一步發展企業銀行服務外，澳門分行將分配更多資源促進零售銀行業務，著力推廣投資及保險產品。

台灣方面，本行於2016年9月底關閉高雄分行，藉以整合資源。東亞銀行目前於台北設有1間分行，以滿足台灣當地及離岸銀行業務的需要。

台灣分行亦善用本集團的全球網絡支持台灣企業拓展其海外業務。台北分行亦協助內地公司集資用於境外投資。來年，台灣分行將繼續積極參與銀團貸款市場並擔任安排行，特別是涉及內地客戶的交易。

### 國際業務

儘管全球經濟環境充滿挑戰，本行的國際業務於2016年在貸款資產及盈利方面均錄得令人滿意的增長。

2016年，由於本行新加坡分行的中國跨境貿易貸款數量大幅減少，該分行的貸款業務錄得10.5%跌幅。面對當地經濟下滑，新加坡分行推行相應措施，退出及終止與風險較高行業的客戶關係，以提升貸款組合的信貸質素。同時，為使資產項目多樣化及維持淨息差，該分行於回顧年內增加購買新加坡元企業債券，擴大這類投資組合。2017年，該分行將繼續專注擴展銀團及雙邊企業貸款業務，特別是加強與實力較雄厚的新客戶之關係，並致力推廣其他收費服務，增加收入。

雖然馬來西亞經濟不穩，但納閩分行仍表現出色，溢利增長強勁。2017年，該分行將繼續向馬來西亞當地公司提供地區銀團及雙邊貸款，並加強其銀行擔保及備用信用證簽發服務，藉以增加非利息收入。

2016年，英國脫歐公投後英鎊貶值，該國央行大幅減息，海外投資者依然熱衷於收購英國的優質資產，特別是位處倫敦黃金地段的物業。本行的英國業務因而受惠，貸款資產及盈利錄得穩步增長，擺脫了英國脫歐公投的不利影響。



In October 2016, BEA celebrated the opening of its newly remodelled London Branch.

2016年10月，東亞銀行慶祝其倫敦分行以全新面貌開幕。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Commercial and residential property lending continue to be the primary growth drivers of the Bank's UK operations. In an effort to diversify risk, the Branch will strive to broaden its loan portfolio by seeking opportunities in corporate syndication and non-property lending. With recent strong inward investment from the Mainland, the China Desk of UK Branch has been working closely with Chinese and Asian banks in order to participate in more corporate lending and club financing deals.

BEA's US operations recorded a strong year, with the loan portfolio growing by 34% and net profits by 46%. Asset quality improved with the impaired loan ratio falling to 0.14% as at 31st December, 2016 from 0.58% at the end of 2015. The strong 2016 performance was the result of steady economic growth amid the low interest rate environment, which drove demand for commercial and industrial corporate syndication financing and property investment in prime New York and Los Angeles locations.

The markets rallied in November 2016 following the election of Republican Donald Trump as President, expecting that he will pursue market-friendly policies including corporate and income tax cuts and spending on basic infrastructure. However, the markets have also signalled a pick-up in inflation and higher interest rates.

In view of the uncertainties presented by a new Administration, BEA's New York and Los Angeles branches have adopted prudent loan underwriting standards with a focus on high quality corporate and syndicated loans as well as commercial real estate financing. The US branches will continue to closely monitor market conditions and adjust their business strategies accordingly in the year ahead.

Going forward, the Bank's international branches will leverage on BEA's extensive network in China and strong relationship with its strategic partners in Asia and Europe to step up customer referrals and expand cross-border business collaboration to reach new potential clients.

### Other Subsidiaries

#### Credit Gain Finance Company Limited

Credit Gain faced stringent regulatory risk and compliance demands during the year under review. The imposition of a high degree of regulatory control over credit risk compelled Credit Gain to reduce its risk tolerance in loan underwriting, which led to a decline in loan portfolio growth during the year. To maintain its competitive edge, the Company rationalised its branch network in 2016 while enhancing its online platform.

Credit Gain's two micro-finance companies on the Mainland, Shenzhen Credit Gain Finance Company Limited and Chongqing Liangjiang New Area Credit Gain Finance Company Limited, froze expansion plans and focused on improving loan asset quality amidst the challenging environment on the Mainland.

#### Tricor Holdings Limited

Tricor reported record-high revenue for 2016. In May, Tricor established its first Australian office, in Brisbane. As at the end of the year, Tricor's network covered 37 cities in 20 markets worldwide.

#### BEA Union Investment Management Limited

BEA Union Investment recorded a 15% increase in AUM year on year in 2016. This growth was mainly due to the Company's success in penetrating both the retail and institutional sectors in Asia, particularly in Hong Kong and the Mainland.

In response to the growing demand from retail investors for funds with income features, BEA Union Investment introduced the Global Flexi Allocation Fund and China High Yield Income Fund in 2016. BEA Union Investment also garnered new mandates from institutional clients.

Looking ahead, BEA Union Investment will continue to broaden its product offering, capture opportunities arising from the Hong Kong-China mutual fund recognition programme, and expand its distribution channels and institutional client base in the Greater China region.

## 行政總裁及高層管理人員報告書（續）



Located near London's Chinatown, BEA's flagship branch in the UK features a stylish interior design and a suite of digital banking services.

東亞銀行的英國旗艦分行位於倫敦唐人街附近，室內設計時尚，並且配備完善的數碼化銀行設施。

商業及住宅物業貸款繼續成為本行英國業務增長的主要推動因素。為求分散風險，該分行將努力尋求企業銀團及非物業貸款機遇，藉以擴大其貸款組合。由於近期來自內地的投資需求強勁，英國分行的中國業務部與中國及亞洲銀行展開緊密合作，參與更多企業融資及俱樂部貸款。

東亞銀行在美國的業務於年內表現強勁，貸款組合增長34%，淨溢利增長46%。資產質素有所改善，減值貸款比率從2015年底的0.58%下降至2016年12月31日的0.14%。2016年的強勁表現有賴於低息環境下，美國的經濟穩步增長，推動市場對工商企業銀團融資以及紐約和洛杉磯黃金地段物業投資的需求。

2016年11月，美國共和黨特朗普當選成為總統，投資市場穩步上揚，外界預期他將會推行有利市場運作的政策，包括削減企業利得稅及增加基建項目開支。然而，市場亦顯示這些政策或會加快通脹及利率上升速度。

鑑於美國新政府所帶來的種種不明朗因素，東亞銀行紐約及洛杉磯分行均採取審慎的貸款批核準則，將業務重心放在優質企業及銀團貸款及商業房地產融資，並且繼續密切監察市場狀況，在來年相應調整業務策略。

展望未來，本行各國際分行將充分善用東亞銀行在中國的龐大網絡，及與在亞洲及歐洲戰略夥伴的良好關係，增強客戶轉介及擴展跨境業務合作，以接觸新的潛在客戶。

## 其他附屬公司

### 領達財務有限公司

回顧年內，領達財務面臨嚴格的監管風險及合規要求。鑑於監管機構嚴控信貸風險，領達財務降低其貸款業務的風險承擔，導致年內貸款組合的增長下滑。為保持競爭優勢，該公司於2016年內整合分行網絡，同時加強網上平台。

領達財務在內地的兩家小額貸款公司，深圳市領達小額貸款有限公司及重慶兩江新區領達小額貸款有限公司均暫停擴充計劃，並專注於在內地充滿挑戰的環境中提升貸款資產質素。

### 卓佳集團有限公司

卓佳於2016年刷新收入紀錄。5月，卓佳於布里斯班開設首個澳洲辦事處。截至年底，卓佳的業務網絡已遍布全球20個市場覆蓋37個城市。

### 東亞聯豐投資管理有限公司

2016年，東亞聯豐投資的管理資產錄得逾15%的按年增長。其在亞洲，尤其是香港和內地的零售及機構業務取得成果，成為增長的主要動力。

因應零售投資者對入息基金的需求日益增長，東亞聯豐投資於2016年推出環球靈活配置基金及中國高收益入息基金。東亞聯豐投資亦獲得機構客戶的新投資委託。

展望未來，東亞聯豐投資將繼續擴大產品種類，把握來自內地與香港基金互認計劃的商機，並拓展大中華地區的分銷渠道及機構客戶群。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)



BEA provides leadership training for managers at all levels.

東亞銀行為各級管理人員提供領導技巧訓練。

### Our People

As of 31st December, 2016, the BEA Group's continuing operations employed 10,389 people:

Continuing Operations	As of 31st December, 2016	As of 31st December, 2015 Restated
Hong Kong	4,506	5,183
Greater China ex-Hong Kong	5,496	6,192
Overseas	387	393
<b>Total</b>	<b>10,389</b>	<b>11,768</b>

In an effort to contain costs amid a challenging business environment, BEA conducted a thorough review of its business and operations, which was completed in the second quarter of 2016. Following the review, the Bank streamlined workflows through various means, including process re-engineering and automation. This realignment exercise also resulted in approximately 180 redundancies in Hong Kong. Staff members made redundant were offered severance packages that exceed the requirements set out in the Employment Ordinance (Chapter 57 of the Laws of Hong Kong).

During the year under review, BEA continued to recruit high-calibre talent to fill critical functions. The Bank also maintained its programme of recruiting top recent graduates for its Management Trainee programme.

BEA regularly benchmarks itself against best market practices for remuneration and benefits. In 2016, the Bank enhanced its policies on business trips, overtime, medical benefits for dependent children, and bereavement leave.

BEA encourages staff members to pursue qualifications related to their work, providing them with opportunities for upward mobility within the organisation. During the year under review, the Bank introduced new staff benefits including tuition sponsorship for master degree programmes and examination leave for job-related courses.

The Bank's Human Capital Management System, "myHR", and Learning Management System, "Learning@BEA", were further enhanced in 2016 to facilitate the management of Enhanced Competence Framework for banking staff members in terms of core competence and ongoing professional development.



## 行政總裁及高層管理人員報告書（續）

For the fifth consecutive year, BEA supported the Hong Kong government's "Scheme for Cross-border Study Tour for Post-secondary Financial Talents", which provides students with an opportunity to explore the differences between the financial systems and market operations in Hong Kong and Mainland China.

東亞銀行連續第5年參予「滬港金融專業大學本科生交流及考察計劃」，支持內地學生來港實習，增加他們對香港及內地金融系統及市場營運的認識。



## 人力資源

東亞銀行集團於2016年12月31日來自持續經營業務的僱員人數為10,389人，分布如下：

	於2016年 12月31日	於2015年 12月31日 重報
來自持續經營業務		
香港	4,506	5,183
大中華地區（香港除外）	5,496	6,192
海外	387	393
總計	10,389	11,768

面對充滿挑戰的商業環境，為控制成本，本行就業務及營運進行全面檢討，並於2016年第2季度完成有關工作。檢討過後，本行採取多項措施簡化工作流程，包括重新設計或減省流程及自動化。該項調整工作導致香港方面裁減約180人。裁退僱員所獲發的遣散費均超過香港《僱傭條例》（香港法例第57章）所規定的金額。

回顧年內，本行繼續招聘高質素人才，以填補重要職位空缺。本行亦繼續招募頂尖畢業生參加見習管理人員計劃。

本行定期參照最佳市場慣例釐定薪酬及福利基準。2016年，本行進一步完善有關外地工幹、超時工作、子女醫療福利及喪假的政策。

本行鼓勵員工獲取與工作相關的資格，並為員工提供內部晉升機會。回顧年內，本行推出新的員工福利，包括碩士學位課程的學費資助及工作相關課程的考試假期。

2016年，本行進一步完善人力資本管理系統「myHR」及學習管理系統「Learning@BEA」，從銀行員工的核心能力與持續專業發展兩個方面，提升銀行專業資歷架構的管理。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### RISK MANAGEMENT

#### Risk Management Framework

The Group has established an effective risk governance and management framework in line with the requirements set out by the Hong Kong Monetary Authority and other regulators. This framework is built around a structure that enables the Board and Management to discharge their risk management-related responsibilities with appropriate delegation and checks and balances. These responsibilities include defining risk appetite in accordance with the Group's business strategies and objectives, formulating risk policies that govern the execution of those strategies, and establishing procedures and limits for the approval, control, monitoring, and remedy of risks.

The Risk Committee stands at the highest level of the Group's risk governance structure under the Board. It consists of four Independent Non-executive Directors (one of whom is the Chairman of the Committee) and two Non-executive Directors. The Risk Committee provides direct oversight over the formulation of the Group's institutional risk appetite, and sets the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

The Risk Committee also ensures that the Group's risk appetite is reflected in the policies and procedures that Management adopts to execute its business functions. Through the Group's management committees, including the Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee at the executive level – and under the overall coordination of the Risk Management Division – the Risk Committee regularly reviews the Group's risk management framework and ensures that all important risk-related tasks are performed according to established policies and with appropriate resources.

#### Enterprise Risk Management

The Group has implemented an enterprise risk management framework. The ERM framework is promulgated with the objectives to identify and manage potential risks in a holistic and effective manner, to fulfil the HKMA's higher expectation for risk management of the Group as a Domestic Systemically Important Bank, and to reinforce the "Three Lines of Defence" risk management model.

The Group has adopted a "Three Lines of Defence" risk management structure to ensure that roles and responsibilities in regard to risk management within the Group are clearly defined. The following highlights the "Three Lines of Defence" model:

- The first line of defence comprises the Risk Owners, who are division heads at Head Office and heads of significant subsidiaries, together with staff under their management. They are primarily responsible for the day-to-day risk management of their units, including establishing and executing specific risk control mechanisms and detailed procedures.
- The second line of defence consists of the Risk Controllers, who are designated division / department heads at Head Office. Supported by their respective divisions and departments, the Risk Controllers are responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance on the effectiveness of the Group's risk management framework including risk governance arrangements.

The Group Chief Risk Officer coordinates all risk management-related matters of the Group, works closely with the Risk Controllers on the formulation of risk management policies and exercises risk oversight at the Group level, through a functional working relationship with all Risk Controllers and Risk Owners.

#### Principal Risks

The Group faces a variety of risks that could affect its franchise, operations, and financial conditions. Under the ERM framework, the principal risks include credit risk, interest rate risk, market risk, liquidity risk, operational risk, reputation risk, strategic risk, legal risk, compliance risk, technology risk, business continuity risk, and new product and business risk.

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where necessary, to allocate adequate capital to cover those risks. These policies are reviewed and revised on a regular basis to align with market changes, statutory requirements, and best practices in risk management processes.

Measures have been adopted to manage and mitigate these risks. Moreover, these risk factors are taken into consideration when formulating the Group's risk appetite statement.

## 行政總裁及高層管理人員報告書（續）

### 風險管理

#### 風險管理架構

按照金管局及其他監管者發出的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造令董事會及管理層能夠以適當授權和制衡履行彼等的風險管理相關職責。該等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括四名獨立非執行董事（其中一名為委員會主席）及兩名非執行董事。風險委員會直接監督本集團機構風險偏好的制定，並設定本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過本集團各管理委員會（包括危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會），及在風險管理處的整體協調下，風險委員會定期檢討本集團的風險管理架構，確保根據現有政策及運用適當資源完成所有與風險相關的重要任務。

#### 企業風險管理

本集團已推行企業風險管理架構。此企業風險管理架構旨在全面有效地識別及管理潛在風險、實踐金管局對本集團作為一間具本地系統重要性銀行在風險管理方面的更高期望，以及鞏固「三道防線」風險管理模式。

為確保風險管理角色與責任於本集團內分工明確，本集團已採納「三道防線」風險管理架構。以下為「三道防線」模式之概要：

- 第一道防線為「風險負責人」，由總行各處級主管及各重要附屬公司主管，連同其屬下職員組成，主要負責其單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由總行指定處級/部級主管組成。在其單位的支援下，風險監控人負責制定風險管理管治架構、獨立監督風險及輔助各管理委員會監控風險管理。
- 第三道防線為稽核處。稽核處負責為本集團風險管理架構（包括風險管治安排）的有效性提供保證。

集團風險總監協調本集團所有風險管理相關事務，與各風險監控人就風險管理政策的制定緊密協作，並透過與所有風險監控人及風險負責人的職能工作關係，在集團層面監督風險。

#### 主要風險

本集團面臨可能影響其品牌、營運及財務狀況的各類風險。在企業風險管理架構下，主要風險包括信貸風險、利率風險、市場風險、流動資金風險、營運風險、信譽風險、策略性風險、法律風險、合規風險、科技風險、持續業務運作風險及新產品及業務風險。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配足夠資本以抵禦該等風險。相關政策均定期檢討及改善，以符合市場轉變及法定要求，及達致風險管理程序的最佳做法。

本集團已採取措施，以管理及緩減上述風險。此外，本集團在編纂風險偏好報告書時已考慮該等風險因素。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Risk	Description	Management Measures
Credit	Risk of loss arising from a borrower or counterparty failing to meet its obligations	Establishment of comprehensive policies, guidelines, and manuals to set out credit control limits, delegated lending authorities, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures, and a provisioning policy
Interest rate	Risk resulting from adverse movements in interest rates	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- In determining the level of interest rate risk, assessments are made for the repricing risk, basis risk, options risk, and yield curve risk components.</li> </ul>
Market	Risk arising from adverse movements in other market factors such as foreign exchange, equity prices, and commodities prices, which result in profits or losses for the Group	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits</li> <li>- Measurement and monitoring of potential loss due to adverse price movements and market volatility</li> </ul>
Liquidity	Risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk)	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals to set out control limits and internal liquidity metrics</li> <li>- Conducting cash flow analysis to monitor funding needs</li> <li>- Contingency funding plan to clearly stipulate procedures and mitigating actions required to meet liquidity needs in crisis situations</li> </ul>
Operational	Risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events	Establishment of comprehensive policies, guidelines, and manuals to identify, assess, monitor, and report operational risk of the Bank Group systematically and effectively, such as setting out operational risk incident reporting, risk control self-assessment, key risk indicators, insurance policies, etc.
Reputation	Risk that the Group's reputation is damaged by one or more events, which result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, and / or revenue.	<ul style="list-style-type: none"> <li>- Establishment of various policies, guidelines, manuals, and codes to ensure compliance with applicable laws, rules, and regulations, and to ensure that the Bank Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation</li> <li>- Formulation of, and adherence to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Bank Group</li> <li>- Establishment of the Guidelines for Incident Response and Management for swift response to and management of unexpected incidents</li> <li>- Establishment of the Media Guidelines to ensure effective and consistent delivery of the Group's key messages to the media</li> </ul>
Strategic	Risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technology changes	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals, to set out control limits and measures</li> <li>- Capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process to assess the level and structure of capital resources needed to support the risks that the Group tolerates</li> </ul>

## 行政總裁及高層管理人員報告書（續）

風險	說明	管理措施
信貸	因借款人或交易對手未能履行其責任而導致損失的風險	制定全面的政策、指引及手冊，載列信貸控制限額、信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策
利率	不利的利率變動帶來的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 釐定利率風險水平時，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估。</li> </ul>
市場	由其他市場因素，例如外匯、股票價格及商品價格的不利變動而導致本集團溢利或虧損的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額</li> <li>- 衡量及監控價格不利變動及市場波動可能造成的損失</li> </ul>
流動資金	本集團因未能獲得充足資金投入而可能無法履行到期責任的風險（融資流動風險）；或因市場深度不足或市場失序，本集團在市場價格大幅降低的情況下無法輕易迅速清算資產的風險（市場流動性風險）	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額及內部流動資金標準</li> <li>- 進行現金流量分析以監控資金需求</li> <li>- 應急融資計劃，清晰制定在危機情況下所需的流動資金的程序及紓緩措施</li> </ul>
營運	由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險	制定全面的政策、指引及手冊，目的在於有系統及有效地識別、評估、監控及匯報本集團營運風險，例如載列營運風險事件匯報、風險控制自我評估、主要風險指標及保險政策等
信譽	因對本集團一項或多項有關營商規則、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，可能導致高昂的訴訟費用，或令本集團客戶、業務及/或收入減少。	<ul style="list-style-type: none"> <li>- 制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽</li> <li>- 制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽</li> <li>- 建立事件應對及管理指引，快速應對並管理未能預期的事件</li> <li>- 建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體</li> </ul>
策略	因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊，載列控制限額及措施</li> <li>- 透過預計資本充足比率及內部資本充足評估程序進行資本管理，評估支援本集團在風險可承受水平上所需的資本資源水平及結構</li> </ul>

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

Risk	Description	Management Measures
Legal	Risk of loss arising from unenforceable contracts, lawsuits, or adverse judgments that may disrupt or otherwise negatively affect the operations or financial condition of the Group	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals</li> <li>- Provision of appropriate training courses conducted by qualified internal personnel and / or external lawyers / professionals and the issue of regular reminders to staff members</li> <li>- Engagement of qualified internal personnel and, when necessary and appropriate, external lawyers with appropriate expertise including counsel and senior counsel for advice</li> </ul>
Compliance	Risk of loss arising from legal or regulatory sanctions, fines and penalties, financial losses, or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities	<ul style="list-style-type: none"> <li>- Establishment of various policies, guidelines, and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities, which govern the Group's operations</li> <li>- Formulation of, and adherence to, the Group Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation, and control, thereby enabling the Bank Group to manage its compliance risk effectively</li> <li>- Conduct of independent regulatory compliance reviews on major functions of the Bank using a risk-based approach</li> </ul>
Technology	Risk of loss to the Group due to inadequate or failed technical processes, people, and / or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking	<ul style="list-style-type: none"> <li>- Establishment of a technology risk management framework, supported by comprehensive control policies, standards, guidelines, and procedures</li> <li>- Adoption of control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information</li> </ul>
Business Continuity	Risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc.	<ul style="list-style-type: none"> <li>- Establishment of comprehensive policies, guidelines, and manuals</li> <li>- The conducting of business impact analysis and development of business continuity plans by all individual functional units of the Bank Group</li> <li>- Performing annual drills to test preparedness and effectiveness of business continuity plans</li> </ul>
New Product and Business	Risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group, which arise from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and / or merger & acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk, and Business Continuity Risk.	<ul style="list-style-type: none"> <li>- Establishment of a robust risk governance structure, supported by comprehensive control guidelines and procedures</li> <li>- A structured process, which ensures that before initiating a new product or business, the potential significant risks are duly assessed, documented, and approved. It also facilitates Senior Management's oversight of new products and businesses.</li> </ul>

## 行政總裁及高層管理人員報告書（續）

風險	說明	管理措施
法律	出現合約未能執行、訴訟或不利審判的情形，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 提供由合資格內部人員及/或外聘律師/專業人士講解的適當培訓課程，並定期提醒員工</li> <li>- 諮詢合資格內部人士，並於必要及適當的情況下徵詢具備相應專業知識的外聘律師包括大律師及資深大律師的意見</li> </ul>
合規	因法律及監管制裁、罰金或罰款、財務損失，或因未能遵守適用於本集團銀行業務的法例、規例、規則、相關自律組織標準及行為守則，而導致本集團損失的風險	<ul style="list-style-type: none"> <li>- 制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引</li> <li>- 制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險</li> <li>- 採用風險為本的方式對本行主要職能進行獨立合規監察審查</li> </ul>
科技	因技術程序、人員及/或計算系統不足或出現故障；或因未經授權使用或破壞技術資源（尤其在涉及網絡安全及電子銀行時）導致本集團損失的風險	<ul style="list-style-type: none"> <li>- 建立科技風險管理機制，並以全面的控制政策、標準、指引及程序確保其實施</li> <li>- 採納與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施</li> </ul>
持續業務運作	事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵記錄等相關損失而引致	<ul style="list-style-type: none"> <li>- 制定全面的政策、指引及手冊</li> <li>- 本集團所有個別職能單位進行業務影響分析及制定業務持續規劃</li> <li>- 每年演習測試業務持續規劃是否備妥及有效</li> </ul>
新產品及業務	本集團在新產品推出、現有產品結構性變動及新業務運作（即透過設立新附屬公司及/或合併及收購）時，未充分預先評估其重大潛在風險，而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動資金風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險。	<ul style="list-style-type: none"> <li>- 建立穩健風險管治架構，並以全面的控制指引及程序確保其實施</li> <li>- 透過規範好的程序，確保在推出新產品或業務前對潛在重大風險作出適當評估、記錄及審批。此外，這亦有助高級管理層監督新產品及業務。</li> </ul>

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### Principal Uncertainties

The key uncertainties facing the Group in 2017 and the mitigating measures are set out below:

Uncertainty	Description	Mitigating Measures
Economic conditions in the Group's major markets	<p>The Group's major markets are Hong Kong and Mainland China.</p> <p>Downturn in economic conditions in the major markets can adversely affect:</p> <ul style="list-style-type: none"> <li>- the financial conditions and repayment ability of borrowers;</li> <li>- personal consumption and customer demand for banking products; and</li> <li>- collateral values.</li> </ul> <p>The US Federal Reserve's decision to raise interest rates may impact customers' debt-servicing ability and property prices. In particular, the timing, frequency, and magnitude of US rate hikes may increase uncertainties concerning the pace of global economic recovery, asset prices, and the foreign exchange market.</p>	<ul style="list-style-type: none"> <li>- The business strategies take into consideration changing economic conditions.</li> <li>- Economic trends are closely monitored.</li> <li>- The suitability of risk management policies and controls are reviewed on an ongoing basis.</li> </ul>
Legal and regulatory changes	<p>In view of the increasingly complex operating environment, legal and regulatory requirements are becoming more stringent, which may impact the Group's business strategies, operations, funding, and capital management.</p>	<ul style="list-style-type: none"> <li>- The Group keeps abreast of legal and regulatory developments.</li> <li>- The Group reviews consultation papers on new laws and regulations to assess their impact on the Group. Where appropriate, the Group will provide input to the regulators both directly and through industry groups.</li> </ul>
External fraud	<p>External fraud has become more sophisticated and more difficult to prevent in a digital environment.</p>	<ul style="list-style-type: none"> <li>- Control measures have been formulated to detect and prevent fraud.</li> <li>- The control measures are reviewed and enhanced on an ongoing basis, taking into consideration the causes of external fraud incidents and the changing technological environment.</li> </ul>
Foreign exchange rate movement	<p>A major challenge for the Group in 2017 is the persistently strong US dollar. In particular, the market expectation of more interest rate hikes, the policy positioning of the new US President, and the fear of economic uncertainty following Brexit will increase volatility in foreign currency markets.</p> <p>In addition, slower economic growth in China and the abrupt devaluation of the RMB have unnerved market sentiment, with some expecting the RMB to enter a period of high volatility.</p> <p>Unexpected fluctuations in foreign exchange rates could affect:</p> <ul style="list-style-type: none"> <li>- the value of the Group's foreign currency and capital positions; and</li> <li>- the wealth of the Group's customers and their repayment ability; it will also affect counterparty credit exposure of the derivative transactions.</li> </ul>	<ul style="list-style-type: none"> <li>- The Group closely monitors exchange rate movements and has laid down policies to manage currency risk.</li> <li>- Regular stress tests are conducted to assess the impact of exchange rate movements on profit and loss and capital adequacy.</li> <li>- The Group closely observes market movements. The Group will monitor its businesses in China and regularly review the profile of customers with exposure to China and the RMB.</li> </ul>



## 行政總裁及高層管理人員報告書（續）

## 主要不明朗因素

本集團於2017年將面對的主要不明朗因素及其紓緩措施載列如下：

不明朗因素	說明	紓緩措施
本集團主要業務市場的經濟狀況	<p>本集團的主要業務市場為香港與中國內地。</p> <p>主要業務市場的經濟狀況下滑或會對以下造成負面影響：</p> <ul style="list-style-type: none"> <li>- 借款人的財務狀況及還款能力；</li> <li>- 個人消費及客戶對銀行產品的需求；及</li> <li>- 抵押品的價值。</li> </ul> <p>美國聯邦儲備局上調利率的決定可能對客戶供款能力及物業價格造成衝擊。其中，美國上調息率的時間、頻率及幅度可能會令全球經濟復甦步伐、資產價格及外匯市場更添不明朗因素。</p>	<ul style="list-style-type: none"> <li>- 業務策略中加入經濟狀況考量。</li> <li>- 密切監察經濟趨勢。</li> <li>- 持續檢討風險管理政策及監控的適當性。</li> </ul>
法律和監管上的變動	<p>鑑於營商環境越趨複雜，法律及監管規定變得更嚴格，因而可能對本集團的業務策略、業務經營、資金籌集及資本管理造成影響。</p>	<ul style="list-style-type: none"> <li>- 本集團密切留意有關法律和監管的發展情況。</li> <li>- 本集團檢視新訂法例及規例的諮詢文件以評估該等法例及規例對本集團的影響。在適當的情況下，本集團將直接或透過行業團體向監管機構提供意見。</li> </ul>
外部詐騙	<p>外部詐騙手段變得更加複雜，在數碼化環境下可能更加難以預防。</p>	<ul style="list-style-type: none"> <li>- 制定監控措施以偵察並預防詐騙。</li> <li>- 持續檢討及改善監控措施，並會將外部詐騙事件原委及科技環境的改變納入考慮之內。</li> </ul>
匯率變動	<p>美元持續走強是本集團於2017年面臨的一項主要挑戰。尤其隨著市場預期美國息率上調次數增加、新任美國總統的政策定位，以及英國公投「脫歐」而引發對經濟不明朗的擔憂，外幣市場將更加波動。</p> <p>另外，中國經濟增長放緩，以及人民幣突然大幅貶值，均造成緊張不安的市場情緒，更預期人民幣將步入高波動時代。</p> <p>不能預期的匯率波動或影響：</p> <ul style="list-style-type: none"> <li>- 本集團外幣持倉及資本的價值；及</li> <li>- 本集團客戶的財富狀況及還款能力；匯率變動亦將影響衍生工具交易中的交易對手信貸承擔。</li> </ul>	<ul style="list-style-type: none"> <li>- 本集團密切監察匯率變動，並已制定政策以管理貨幣風險。</li> <li>- 定期進行壓力測試，以評估匯率變動對損益及對資本充裕程度的影響。</li> <li>- 本集團緊貼市場變動。本集團將深入監察其中國業務，定期檢討具中國及人民幣風險承擔的客戶組合。</li> </ul>

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### Certificates of Deposit, Debt Securities Issued, and Loan Capital

In 2016, BEA issued floating rate certificates of deposit and debt securities with a face value of US\$275 million; fixed rate certificates of deposit and debt securities with a face value of HK\$3,990 million, US\$928 million, CNY1,050 million, GBP278 million, and SGD50 million; and zero coupon certificates of deposit and debt securities with a face value of HK\$2,923 million, US\$1,652 million,

CNY3,400 million, GBP36 million, and EUR436 million. The Group redeemed certificates of deposit and debt securities amounting to HK\$56,185 million equivalent upon maturity.

At the end of December 2016, the face value of the outstanding certificates of deposit and debt securities issued was equivalent to HK\$36,067 million, with a carrying amount equivalent to HK\$36,011 million.

### Maturity Profile of Certificates of Deposit and Debt Securities Issued

As at 31st December, 2016

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity		
		2017	2018	2019
<b>Floating Rate</b>				
HKD	300	300		
USD	325	325		
<b>Fixed Rate (Note)</b>				
HKD	5,554	4,571	683	300
USD	1,498	1,463	35	
CNY	450	450		
GBP	128	128		
SGD	100	100		
<b>Zero Coupon</b>				
HKD	1,942	1,942		
USD	1,062	1,062		
CNY	3,255	3,255		
<b>Total Certificates of Deposit and Debt Securities issued in HKD equivalent</b>	<b>36,067</b>	<b>34,812</b>	<b>955</b>	<b>300</b>

Note:

Associated interest rate swaps have been arranged in order to manage interest rate risk from long-term certificates of deposit and debt securities issued, if deemed necessary.

In 2016, BEA issued fixed rate loan capital with a face value of US\$500 million.

At the end of December 2016, the face value of the outstanding loan capital issued was equivalent to HK\$20,568 million, with a carrying amount equivalent to HK\$20,608 million.

## 行政總裁及高層管理人員報告書（續）

**已發行存款證、債務證券及借貸資本**

2016年，本行發行了面值為2.75億美元的浮息存款證及債務證券；面值為港幣39.90億元、9.28億美元、人民幣10.50億元、2.78億英鎊及5,000萬新加坡元的定息存款證及債務證券；以及面值為港幣29.23億元、16.52億美元、人民幣34.00億元、3,600萬英鎊

及4.36億歐元的零息存款證及債務證券。本集團於到期時贖回的各類存款證及債務證券達等值港幣561.85億元。

於2016年12月底，已發行在外的存款證及債務證券面值相等於港幣360.67億元，賬面值則相等於港幣360.11億元。

**已發行存款證及債務證券的年期**

於2016年12月31日

(以百萬元位列示)

	總面值	到期年份		
		2017	2018	2019
<b>浮息</b>				
港元	300	300		
美元	325	325		
<b>定息 (附註)</b>				
港元	5,554	4,571	683	300
美元	1,498	1,463	35	
人民幣	450	450		
英鎊	128	128		
新加坡元	100	100		
<b>零息</b>				
港元	1,942	1,942		
美元	1,062	1,062		
人民幣	3,255	3,255		
<b>所有已發行存款證及債務證券 (港元等值)</b>	<b>36,067</b>	<b>34,812</b>	<b>955</b>	<b>300</b>

附註：

已就管理已發行長期存款證及債務證券附帶的利率風險安排認為必要的相關利率掉期。

2016年，本行發行了面值為5億美元的定息借貸資本。

於2016年12月底，已發行的借貸資本面值相等於港幣205.68億元，賬面值則相等於港幣206.08億元。

## REPORT OF THE CHIEF EXECUTIVE AND SENIOR MANAGEMENT (CONTINUED)

### Maturity Profile of Loan Capital

As at 31st December, 2016

(All expressed in millions of dollars)

	Total Face Value	Year of Maturity			
		2020	2022	2024	2026
USD (Notes 1, 2 & 3)	2,100	600	500	500	500
SGD (Note 4)	800		800		
<b>Total Loan Capital issued in HKD equivalent</b>	<b>20,568</b>	<b>4,653</b>	<b>8,161</b>	<b>3,877</b>	<b>3,877</b>

Notes:

1. The US\$500 million loan capital that matures in 2022 will be callable on 4th May, 2017.
2. The US\$500 million loan capital that matures in 2024 will be callable on 20th November, 2019.
3. The US\$500 million loan capital that matures in 2026 will be callable on 3rd November, 2021.
4. Callable on 13th September, 2017.

## COMPLIANCE

Compliance is an integral part of the Group's corporate governance. BEA is acutely aware of the potential risks of regulatory non-compliance, which could lead to legal or regulatory sanctions, supervisory actions or financial penalties imposed by regulators, financial losses, and / or the loss of reputation to the Group (i.e. compliance risk).

To address the growing compliance requirements, the Compliance Division is discharged with the responsibility of overseeing the regulatory compliance framework and monitoring the compliance risks for the Group; communicating new regulatory requirements to affected units; delivering compliance advice for the implementation of relevant regulations; conducting regulatory compliance reviews on a risk-based approach; and regularly reporting compliance matters to the Group's management committees. Any significant compliance issues, including those related to anti-money laundering and counter-terrorist financing, are also reported to the Risk Committee and the Board of Directors via the Operational Risk Management Committee. Through the support of the Risk and Compliance function established in the Bank's business, functional, and operations units, which act as the first line of defence against regulatory non-compliance, a comprehensive and efficient compliance risk management framework is maintained within the Group.

In view of the increasing demand on banks to comply with new and tighter regulations, including those related to anti-money laundering and counter-terrorist financing; the Foreign Account Tax Compliance Act of the United States of America; new legislation in Hong Kong for implementing the new international standard on the automatic exchange of financial account information in tax matters; as well as requirements for cross-border business, personal data protection, insurance and investment products sales practices, BEA expects compliance requirements to remain unavoidably high in the coming years.

### David LI Kwok-po

Chairman & Chief Executive

Hong Kong, 17th February, 2017

## 行政總裁及高層管理人員報告書（續）

## 借貸資本的年期

於2016年12月31日  
(以百萬元位列示)

	總面值	到期年份			
		2020	2022	2024	2026
美元(附註1,2及3)	2,100	600	500	500	500
新加坡元(附註4)	800		800		
<b>所有已發行借貸資本(港元等值)</b>	<b>20,568</b>	<b>4,653</b>	<b>8,161</b>	<b>3,877</b>	<b>3,877</b>

附註：

1. 將於2022年到期的5億美元借貸資本於2017年5月4日可贖回。
2. 將於2024年到期的5億美元借貸資本於2019年11月20日可贖回。
3. 將於2026年到期的5億美元借貸資本於2021年11月3日可贖回。
4. 於2017年9月13日可贖回。

## 合規

合規乃本集團企業管治的重要組成元素。本行確切理解因違反監管要求而引致的潛在合規風險，其中包括法律及監管制裁、監管機構作出的監管行動或經濟懲罰，財務損失、及/或對本集團之信譽損害（即合規風險）。

為應付不斷發展的合規要求，合規處負責監察合規架構及監察本集團面對的合規風險、傳達新監管規定要求至有關單位、為落實各合規要求提供建議、以風險為本的方針進行合規監察審查，及定期向本集團管理委員會匯報合規事宜。就任何重要合規事宜，包括有關打擊洗錢及反恐怖主義融資之事宜，亦會由營運風險管理委員會向風險委員會及董事會作出匯報。透過本行於各業務，職能及營運單位內設置的風險及合規功能作為確保合規的第一道防線，本集團得以維持一個全面及有效的合規風險管理架構。

鑑於銀行需要遵守的新訂立及加強規管要求日趨增加，其中包括與反洗錢及反恐怖主義融資相關的規定；美國《海外賬戶稅收合規法案》；香港關於實施就稅務事宜自動交換金融賬戶資料的新國際標準的新規定；以及跨境業務、個人資料保護、銷售保險及投資產品之相關規定，本行預期在未來就合規的有關要求將無可避免地維持於高水平。

主席兼行政總裁

**李國寶**

香港，2017年2月17日

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

### 董事及高層管理人員的個人資料

#### DIRECTORS



#### Dr. the Hon. Sir David LI Kwok-po

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*

*Chairman & Chief Executive and Member of the Nomination Committee*

Sir David, aged 78, joined the Bank in 1969. He was appointed a Director in 1977, Chief Executive in 1981, Deputy Chairman in 1995 and Chairman in 1997. Sir David is the Chairman or a Director of various members of the Bank Group, and he is also the Chairman or a Member of various board committees of the Bank and its Group members.

Sir David is an Independent Non-executive Director of Guangdong Investment Limited, The Hong Kong and China Gas Company Limited, The Hongkong and Shanghai Hotels, Limited, PCCW Limited, San Miguel Brewery Hong Kong Limited and Vitasoy International Holdings Limited. He is also a Director of Hong Kong Interbank Clearing Limited. He was a Director of CaixaBank, S.A. (listed in Spain) and an Independent Non-executive Director of SCMP Group Limited (now known as Great Wall Pan Asia Holdings Limited).

Sir David is a Member of the Council of the Treasury Markets Association. He is Founding Chairman of The Friends of Cambridge University in Hong Kong Limited, Chairman of the Advisory Board of The Salvation Army, Hong Kong and Macau Command and Chairman of the Executive Committee of St. James' Settlement. He was a Member of the Legislative Council of Hong Kong from 1985 to 2012.

Sir David is the brother of Professor Arthur LI Kwok-cheung, the cousin of Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the father of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 董事

#### 李國寶爵士

*GBM, GBS, OBE, JP, MA Cantab. (Economics & Law), Hon. LLD (Cantab), Hon. DSc. (Imperial), Hon. LLD (Warwick), Hon. DBA (Edinburgh Napier), Hon. D.Hum.Litt. (Trinity, USA), Hon. LLD (Hong Kong), Hon. DSocSc (Lingnan), Hon. DLitt (Macquarie), Hon. DSocSc (CUHK), FCA, FCPA, FCPA (Aust.), FCIB, FHKIB, FBCS, CITP, FCIArb, Officier de l'Ordre de la Couronne, Grand Officer of the Order of the Star of Italian Solidarity, The Order of the Rising Sun, Gold Rays with Neck Ribbon, Commandeur dans l'Ordre National de la Légion d'Honneur*

*主席兼行政總裁及提名委員會委員*

李爵士，現年78歲，在1969年加入本行，1977年任董事，1981年任行政總裁，1995年任副主席，繼而於1997年獲委任為主席。李爵士亦出任本集團內其他公司的主席或董事，以及本行董事會及多個集團成員董事會轄下委員會之主席或委員。

李爵士是粵海投資有限公司、香港中華煤氣有限公司、香港上海大酒店有限公司、電訊盈科有限公司、香港生力啤酒廠有限公司及維他奶國際集團有限公司之獨立非執行董事。他亦為香港銀行同業結算有限公司之董事。他曾出任CaixaBank, S.A. (在西班牙上市)之董事及南華早報集團有限公司(現稱為長城環亞控股有限公司)之獨立非執行董事。

李爵士是財資市場公會的議會成員。他是劍橋之友香港有限公司之創立主席、救世軍港澳軍區顧問委員會主席及聖雅各福群會執行委員會主席。他在1985年至2012年期間曾出任香港立法會議員。

李爵士是李國章教授之胞兄、李國星先生及李國仕先生之堂兄、李民橋先生及李民斌先生之父親。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Professor Arthur LI Kwok-cheung

*GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP*

*Deputy Chairman, Non-executive Director and Member of the Risk Committee*

Professor Li, aged 71, was a Director of the Bank (1995-2002) and was re-appointed a Director in 2008 and was appointed a Deputy Chairman in 2009.

Professor Li is a Member of the Executive Council of the Hong Kong Special Administrative Region ("HKSAR") (he was also a Member during 2002 to June 2007). He is a Member of the National Committee of the Chinese People's Political Consultative Conference. Professor Li is also the Chairman of the Council for Sustainable Development of the Government of HKSAR and the Chairman of the Council of the University of Hong Kong.

Professor Li is an Independent Non-executive Director of Shangri-La Asia Limited and Nature Home Holding Company Limited, and a Non-executive Director (from May 2010 to December 2014, and was re-appointed on 20th January, 2016) of BioDiem Ltd. (delisted from Australian Securities Exchange in November 2013). He was a Non-Independent Non-executive Director of AFFIN Holdings Berhad (listed in Malaysia) and a Director of CaixaBank, S.A. (listed in Spain).

Professor Li was the Secretary for Education and Manpower of the Government of HKSAR (2002-June 2007). Before these appointments, he was the Vice Chancellor of the Chinese University of Hong Kong (1996-2002) and was the Chairman of Department of Surgery and the Dean of Faculty of Medicine of the Chinese University of Hong Kong.

Professor Li had held many important positions in various social service organisations, medical associations, and educational bodies, including the Education Commission, Committee on Science and Technology, the Hospital Authority, the Hong Kong Medical Council, the University Grants Committee, the College of Surgeons of Hong Kong, and the United Christian Medical Services Board. He was a Member of the Board of Directors of the Hong Kong Science and Technology Parks Corporation and the Hong Kong Applied Science and Technology Research Institute, and Vice President of the Association of University Presidents of China. He was a Hong Kong Affairs Adviser to China.

Professor Li is the brother of Dr. the Hon. Sir David LI Kwok-po, the cousin of Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 李國章教授

*GBS, MA, MD, M.B.B.Chir (Cantab), DSc (Hon), DLitt (Hon), Hon DSc (Med), LLD (Hon), Hon Doc (Soka), FRCS (Eng & Edin), FRACS, Hon FACS, Hon FRCS (Glasg & I), Hon FRSM, Hon FPCS, Hon FCSHK, Hon FRCP (Lond), JP*

副主席，非執行董事及風險委員會委員

李教授，現年71歲，曾任本行董事（1995年至2002年）及在2008年再獲委任為本行董事，並於2009年獲委任為副主席。

李教授是香港特別行政區行政會議成員（他在2002年至2007年6月亦曾出任此職）。他是中國人民政治協商會議全國委員會委員。李教授亦是香港特別行政區可持續發展委員會主席及香港大學校務委員會主席。

李教授現為香格里拉（亞洲）有限公司及大自然家居控股有限公司之獨立非執行董事及BioDiem Ltd.（已於2013年11月在澳洲證券交易所除牌）之非執行董事（2010年5月至2014年12月，並於2016年1月20日再獲委任）。他曾出任AFFIN Holdings Berhad（在馬來西亞上市）之非獨立非執行董事及CaixaBank, S.A.（在西班牙上市）之董事。

李教授曾任香港特別行政區教育及統籌局局長（2002年至2007年6月）。在此之前，他亦曾出任香港中文大學校長（1996年至2002年），以及香港中文大學醫學院外科學系主任和醫學院院長。

李教授曾於多個社會服務機構、醫務及教育組織擔任重要職位，其中包括教育統籌委員會、科技委員會、香港醫院管理局、香港醫務委員會、大學教育資助委員會、香港外科醫學院，以及基督教聯合醫院醫務協會董事會。他亦曾任香港科技園及香港應用科技研究有限公司董事、中國大學校長聯誼會副會長，以及港事顧問。

李教授是李國寶爵士之胞弟、李國星先生及李國仕先生之堂兄、李民橋先生及李民斌先生之叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. Allan WONG Chi-yun

*GBS, MBE, BSc, MSEE, Hon. DTech, JP*  
*Deputy Chairman, Independent Non-executive Director, Chairman of the Nomination Committee and the Risk Committee, Member of the Audit Committee and the Remuneration Committee*

Dr. Wong, aged 66, was appointed a Director in 1995 and a Deputy Chairman in 2009. He is the Chairman and Group Chief Executive Officer of VTech Holdings Limited. Dr. Wong is an Independent Non-executive Director of China-Hongkong Photo Products Holdings Ltd., Li & Fung Ltd and MTR Corporation Limited.

Dr. Wong holds a Bachelor of Science degree in electrical engineering from the University of Hong Kong, a Master of Science degree in electrical and computer engineering from the University of Wisconsin and an honorary degree of Doctor of Technology from the Hong Kong Polytechnic University.

#### 黃子欣博士

*GBS, MBE, BSc, MSEE, Hon. DTech, JP*  
*副主席，獨立非執行董事，提名委員會及風險委員會主席，審核委員會及薪酬委員會委員*

黃博士，現年 66 歲，在 1995 年獲委任為本行董事，並於 2009 年獲委任為副主席。他是偉易達集團主席兼集團行政總裁。黃博士為中港照相器材集團有限公司、利豐有限公司及香港鐵路有限公司之獨立非執行董事。

黃博士持有香港大學電機工程系理學士學位、美國麥迪遜威斯康辛大學電機及電腦工程科學碩士學位及香港理工大學頒授榮譽科技博士學位。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Aubrey LI Kwok-sing

ScB, MBA

*Non-executive Director, Member of the Remuneration Committee and the Risk Committee*

Mr. Li, aged 67, was appointed a Director in 1995. He is Chairman of IAM Holdings (Hong Kong) Limited and Chairman of the Advisory Board of MCL Financial Group Limited, both Hong Kong based investment firms. Mr. Li possesses extensive experience in the fields of investment banking, merchant banking and capital markets. He is also an Independent Non-executive Director of Cafe de Coral Holdings Limited, China Everbright International Limited, Kunlun Energy Company Limited, Kowloon Development Co. Ltd, Pokfulam Development Company Limited and Tai Ping Carpets International Limited.

Mr. Li has an ScB in Civil Engineering from Brown University and a Master of Business Administration from Columbia University.

Mr. Li is the cousin of Dr. the Hon. Sir David LI Kwok-po, Professor Arthur LI Kwok-cheung and Mr. Stephen Charles LI Kwok-sze, and the uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 李國星先生

ScB, MBA

非執行董事，薪酬委員會及風險委員會委員

李先生，現年67歲，在1995年獲委任為本行董事。他是星安控股有限公司主席及偉業金融集團有限公司顧問委員會之主席，兩者都是以香港為基地的投資公司。李先生於投資銀行、商人銀行及資本市場界具廣泛經驗。他又為大家樂集團有限公司、中國光大國際有限公司、昆侖能源有限公司、九龍建業有限公司、博富臨置業有限公司及太平地氈國際有限公司之獨立非執行董事。

李先生持有布朗大學土木工程學士學位，及哥倫比亞大學工商管理碩士學位。

李先生是李國寶爵士及李國章教授之堂弟、李國仕先生之堂兄、李民橋先生及李民斌先生之堂叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高層管理人員的個人資料 (續)



### Mr. Winston LO Yau-lai

*SBS, BSc, MSc*

*Independent Non-executive Director, Chairman of the Audit Committee, Member of the Nomination Committee, the Remuneration Committee and the Risk Committee*

Mr. Lo, aged 75, was appointed a Director in 2000. He is the Executive Chairman of Vitasoy International Holdings Limited.

Mr. Lo graduated from the University of Illinois with a Bachelor of Science degree in Food Science and gained his Master of Science degree in Food Science from Cornell University.

Mr. Lo is a Director of Ping Ping Investment Company Ltd.

Mr. Lo is a Life Member of the Cornell University Council.

### 羅友禮先生

*SBS, BSc, MSc*

*獨立非執行董事，審核委員會主席，提名委員會、薪酬委員會及風險委員會委員*

羅先生，現年 75 歲，在 2000 年獲委任為本行董事。他是維他奶國際集團有限公司執行主席。

羅先生畢業於伊利諾大學，獲食物科學理學學士學位，並獲康乃爾大學頒授食物科學理學碩士學位。

羅先生為平平置業有限公司董事。

羅先生是康乃爾大學校董會終身會員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Richard LI Tzar-kai

*Independent Non-executive Director*

Mr. Li, aged 50, was appointed a Director in 2001. Mr. Li is an Executive Director and the Chairman of PCCW Limited, a global company headquartered in Hong Kong which holds interests in telecommunications, media, IT solutions, property development and investment, and other businesses. He is also the Executive Chairman and an Executive Director of HKT Limited and HKT Management Limited, the trustee-manager of the HKT Trust. He is also the Chairman and Chief Executive of the Pacific Century Group, an Executive Director and the Chairman of Pacific Century Premium Developments Limited, the Chairman and an Executive Director of Singapore-based Pacific Century Regional Developments Limited (listed in Singapore). Mr. Li is a Member of the Center for Strategic and International Studies' International Councillors' Group in Washington, D.C., and a Member of the Global Information Infrastructure Commission. Mr. Li was awarded the Lifetime Achievement Award by the Cable & Satellite Broadcasting Association of Asia in November 2011.

#### 李澤楷先生

*獨立非執行董事*

李先生，現年50歲，在2001年獲委任為本行董事。李先生現為電訊盈科有限公司執行董事兼主席（該公司為一家以香港為總部的環球公司，在電訊、媒體、資訊科技服務方案、物業發展及投資以及其他業務均持有權益）、香港電訊有限公司及香港電訊管理有限公司（作為香港電訊信託的託管人 — 經理）執行主席兼執行董事、盈科拓展集團主席兼行政總裁、盈科大衍地產發展有限公司執行董事兼主席、新加坡上市公司盈科亞洲拓展有限公司主席兼執行董事。李先生也是美國華盛頓策略及國際研究中心國際委員會的成員，以及環球資訊基建委員會的成員。李先生於2011年11月獲亞洲有線與衛星電視廣播協會頒發終身成就獎。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Stephen Charles LI Kwok-sze

*BSc (Hons.), ACA*  
Non-executive Director

Mr. Li, aged 57, was appointed a Director in 2006. He is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Li holds a Bachelor of Science (Hons.) Degree in Mathematics from King's College, University of London, U.K. He is a Director of a hedge fund based in Europe and Affin Hwang Investment Bank Berhad. He has extensive experience in investment banking, having held senior capital markets positions with international investment banks in London and Hong Kong.

Mr. Li is a member of the Executive Committee and the Honorary Treasurer of The Keswick Foundation.

Mr. Li is the cousin of Dr. the Hon. Sir David LI Kwok-po, Professor Arthur LI Kwok-cheung and Mr. Aubrey LI Kwok-sing, and the uncle of Mr. Adrian David LI Man-kiu and Mr. Brian David LI Man-bun.

#### 李國仕先生

*BSc (Hons.), ACA*  
非執行董事

李先生，現年57歲，在2006年獲委任為本行董事。他是英國及威爾斯特許會計師公會會員。李先生持有英國倫敦大學King's College數學(榮譽)理學士學位。他出任一家以歐洲為基地的對沖基金及Affin Hwang Investment Bank Berhad的董事。他在投資銀行方面擁有豐富經驗，並曾出任倫敦及香港國際投資銀行資本市場要職。

李先生現為凱瑟克基金的執行委員會成員及義務司庫。

李先生是李國寶爵士、李國章教授及李國星先生之堂弟、李民橋先生及李民斌先生之堂叔父。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. KUOK Khoon-ean

*Independent Non-executive Director and Member of the Nomination Committee*

Mr. Kuok, aged 61, was appointed a Director in 2008. He is the Chairman of Kuok (Singapore) Limited, a Director of Kerry Group Limited and Kerry Holdings Limited. He is the Chairman and Non-executive Director of PACC Offshore Services Holdings Ltd. and a Non-executive Director of Wilmar International Limited (both companies are listed in Singapore). He is also a Non-executive Director (Independent) of IHH Healthcare Berhad (listed in Malaysia and Singapore).

Mr. Kuok had served as the Chairman of Shangri-La Asia Limited from April 2008 to August 2013 and remained as a Non-executive Director till June 2014. He was a Director of Shangri-La Hotel Public Company Limited from April 2009 to June 2014 (listed in Thailand).

Mr. Kuok is a graduate in Economics from the Nottingham University, U.K.

#### 郭孔演先生

獨立非執行董事及提名委員會委員

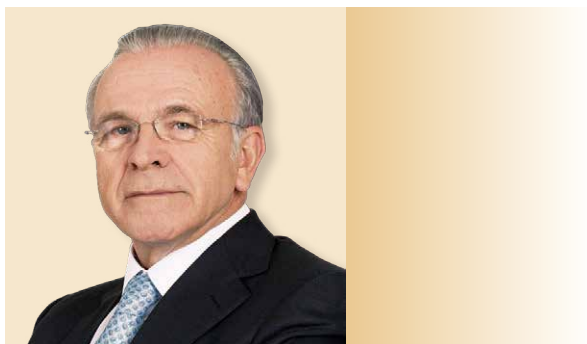
郭先生，現年61歲，在2008年獲委任為本行董事。他現為Kuok (Singapore) Limited的主席、Kerry Group Limited及Kerry Holdings Limited的董事。他亦為PACC Offshore Services Holdings Ltd. (在新加坡上市)的主席兼非執行董事、豐益國際有限公司(Wilmar International Limited, 在新加坡上市)的非執行董事及IHH Healthcare Berhad (在馬來西亞及新加坡上市)的非執行董事(獨立)。

郭先生曾於2008年4月至2013年8月期間出任香格里拉(亞洲)有限公司的主席，期後留任為非執行董事直至2014年6月。他亦曾於2009年4月至2014年6月期間出任Shangri-La Hotel Public Company Limited (在泰國上市)的董事。

郭先生畢業於英國Nottingham University經濟系。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. Isidro FAINÉ CASAS

*Non-executive Director and Member of the Nomination Committee*

Dr. Fainé, aged 74, was appointed a Director in 2009.

Dr. Fainé is the Chairman of the Board of trustees of the Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation <sup>Note 1</sup> (hereinafter "la Caixa" Banking Foundation).

Dr. Fainé is the Chairman of Criteria Caixa, S.A. Sociedad Unipersonal <sup>Note 1</sup> (hereinafter Criteria Caixa). Criteria Caixa is a non-listed holding company fully controlled by the "la Caixa" Banking Foundation, which manages all of the group's shareholdings in strategic sectors, including financial, energy, infrastructure, services, and real estate. Within financial sector, it manages a controlling stake in CaixaBank, S.A., the leading financial group in the Spanish retail banking market.

Dr. Fainé currently holds chairmanships and directorships in other listed companies, where "Criteria Caixa Group" has an interest, as follows:

- (i) Vice Chairman of Telefónica, S.A. (integrated operator in the telecommunication sector, listed in Spain)
- (ii) Board Member of Suez Environnement Company, S.A. (an expert group in water and waste management, listed in France and Brussels)
- (iii) Chairman of Gas Natural SDG, S.A. (a leading group in the energy sector, pioneering in gas and electricity integration, listed in Spain)

Dr. Fainé was Second Vice Chairman of Sociedad General de Aguas de Barcelona, S.A. He also was First Vice Chairman of Repsol, S.A. (listed in Spain) until September 2016, a Director of Grupo Financiero Inbursa, S.A.B. de C.V. (listed in Mexico) until 2011 and a Board Member of Banco BPI, S.A. (listed in Portugal) until October 2016. Dr. Fainé was Chairman of Abertis Infraestructuras, S.A. until 11th May 2009 when he was appointed First Vice Chairman,

#### 范禮賢博士

*非執行董事及提名委員會委員*

范博士，74歲，在2009年獲委任為本行董事。

范博士為 Caixa d'Estalvis i Pensions de Barcelona "la Caixa" Banking Foundation <sup>註1</sup> (以下稱為「la Caixa」Banking Foundation) 的信託委員會之主席。

范博士現時為 Criteria Caixa, S.A. Sociedad Unipersonal <sup>註1</sup> (以下稱為「Criteria Caixa」) 之主席。Criteria Caixa 為一家由 "la Caixa" Banking Foundation 全權控制的非上市控股公司，管理集團內所有策略性業務，包括金融、能源、基建、服務及房地產。在金融業務上，"la Caixa" Banking Foundation 持有 CaixaBank, S.A. 的控股權，CaixaBank, S.A. 為一家在西班牙零售銀行業中具領導地位的金融集團。

范博士目前還在其他上市公司 (Criteria Caixa 集團擁有該等公司的權益) 擔任主席及董事職務，詳情如下：

- (i) Telefónica, S.A. 副主席，該公司在西班牙上市，為電訊業之一家綜合經營公司
- (ii) Suez Environnement Company, S.A. 董事，該公司在法國及布魯塞爾上市，為主要從事水資源及廢物處理之專業集團
- (iii) Gas Natural SDG, S.A. 主席，該公司在西班牙上市，為一家在能源領域，開拓天然氣和電力整合方面具有領導地位的集團

范博士曾是 Sociedad General de Aguas de Barcelona, S.A. 第二副主席。他亦曾擔任 Repsol, S.A. (在西班牙上市) 第一副主席直至 2016 年 9 月；Grupo Financiero Inbursa, S.A.B. de C.V. (在墨西哥上市) 董事直至 2011 年及 Banco BPI, S.A. (在葡萄牙上市) 董事直至 2016 年 10 月。范博士曾是 Abertis Infraestructuras, S.A. 主席，並於 2009 年 5 月

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)

position that he held until 17th February, 2015. Dr. Fainé remained as Director of the company until 15th May, 2015, when he ceased on his position in Abertis Infraestructuras, S.A..

Dr. Fainé is a Member of the Royal Academy of Economics and Finance and of the Royal Academy of Doctorate Holders, Chairman of the Spanish Confederation of Savings Banks (CECA), Chairman of the European Savings Banks Group (ESBG) and Deputy Chairman of the World Savings Banks Institute (WSBI). He is also Chairman of the Spanish Confederation of Directors and Executives (CEDE), the Spanish Chapter of the Club of Rome and the Círculo Financiero.

Dr. Fainé began his professional banking career as Investment Manager for Banco Atlántico in 1964, later becoming General Manager of Banco de Asunción in Paraguay in 1969. On his return to Barcelona, he held various managerial posts in financial entities: Head of Human Resources at Banca Riva y García (1973), CEO of Banca Jover (1974) and CEO of Banco Unión (1978).

Dr. Fainé joined “la Caixa” and was appointed Deputy Executive General Manager in 1982. He was appointed CEO in 1999 and was further appointed Chairman of Caixa d’Estalvis i Pensions de Barcelona “la Caixa” from June 2007 to June 2014. In June 2014, “la Caixa” becomes “la Caixa” Banking Foundation, in compliance with the Savings Banks and Banking Foundations Law of 27th December, 2013. He has been a member of the Board of Directors of CaixaBank, S.A. since 2000 and appointed as Chairman of its Board in 2009 until June 2016.

Among other academic and professional qualifications, Dr. Fainé holds a PhD in Economics, an International Senior Managers Program certificate in Business Administration from Harvard University, and a Diploma in Executive Management from the IESE Business School.

11日獲委任為第一副主席直至2015年2月17日止。范博士留任為該公司的董事直至2015年5月15日為止。

范博士是皇家經濟及金融學院 (Royal Academy of Economics and Finance) 及皇家博士學位持有人學院 (Royal Academy of Doctorate Holders) 的成員、西班牙儲蓄銀行聯盟 (CECA) 主席、歐洲儲蓄銀行集團 (ESBG) 主席、世界儲蓄銀行協會 (WSBI) 副主席。他亦是西班牙董事及行政人員聯合會 (CEDE)、羅馬俱樂部西班牙分會及 Círculo Financiero 的主席。

范博士早於1964年開始其專業銀行事業，在 Banco Atlántico 擔任投資經理，其後於1969年在巴拉圭 Banco de Asunción 擔任總經理。在返回巴塞羅那後，他曾在多家金融機構擔任管理職務：於1973年在 Banca Riva y García 擔任人力資源主管，於1974年在 Banca Jover 擔任行政總裁，以及於1978年在 Banco Unión 擔任行政總裁。

范博士於1982年加入西班牙巴塞羅那儲蓄銀行 (“la Caixa”)，並獲委任為副執行總經理。於1999年，他獲委任為該公司行政總裁，並且於2007年6月至2014年6月出任 Caixa d’Estalvis i Pensions de Barcelona “la Caixa” 主席一職。於2014年6月，為符合2013年12月27日儲蓄銀行和銀行基金會法例，“la Caixa” 成為 “la Caixa” Banking Foundation。范博士於2009年獲委任為 CaixaBank, S.A. 的主席，並由2000年開始出任董事會成員一職至2016年6月。

除其他學術及專業資格外，范博士持有經濟學博士學位、哈佛大學頒發的國際高級經理項目 (工商管理) 文憑資格以及 IESE 商學院頒發的行政管理文憑。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. Peter LEE Ka-kit

*GBS, DBA (Hon), JP*

*Non-executive Director and Member of the Remuneration Committee*

Dr. Lee, aged 53, was appointed a Director in 2013. Dr. Lee is a Member of the Standing Committee of the 12th National Committee of the Chinese People's Political Consultative Conference. He is the Vice Chairman of Henderson Land Development Company Limited and Henderson Investment Limited, both of which are listed public companies, as well as Henderson Development Limited. He is also a Non-executive Director of The Hong Kong and China Gas Company Limited.

Dr. Lee has been appointed as a Justice of the Peace by the Government of the Hong Kong Special Administrative Region and awarded an Honorary University Fellowship by The University of Hong Kong since 2009. He was awarded an Honorary Degree of Doctor of Business Administration by Edinburgh Napier University in July 2014. He was awarded the Gold Bauhinia Star (GBS) in 2015 by the Government of the Hong Kong Special Administrative Region. He has been appointed Council Member of Hong Kong Trade Development Council for two years from 2016. He was educated in the United Kingdom.

#### 李家傑博士

*GBS, DBA (Hon), JP*

*非執行董事及薪酬委員會委員*

李博士，53歲，於2013年獲委任為董事。李博士為中國人民政治協商會議第十二屆全國委員會常務委員。他為恒基兆業地產有限公司及恒基兆業發展有限公司之副主席，而該兩間公司均為上市公司，他亦為恒基兆業有限公司之副主席。他亦是香港中華煤氣有限公司之非執行董事。他曾任銀泰百貨（集團）有限公司（現稱為銀泰商業（集團）有限公司）之非執行董事。

李博士自2009年獲香港特別行政區政府委任為太平紳士及香港大學頒授名譽大學院士銜。他於2014年7月獲愛丁堡龍比亞大學頒授榮譽工商管理博士，及於2015年獲香港特別行政區政府頒授金紫荊星章（GBS）。他自2016年獲委任為香港貿發局理事會成員，而任期為兩年。他曾在英國接受教育。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Adrian David LI Man-kiu

*MA (Cantab), MBA, LPC, JP*  
Executive Director & Deputy Chief Executive

Mr. Li, aged 43, was appointed a Director in 2014. He first joined the Bank in 2000 as General Manager & Head of Corporate Banking Division. In April 2009, he was appointed Deputy Chief Executive for Hong Kong Business, assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

Mr. Li is currently an Independent Non-executive Director of three listed companies under the Sino Group (Sino Land Company Limited, Tsim Sha Tsui Properties Limited, and Sino Hotels (Holdings) Limited), China State Construction International Holdings Limited, and COSCO SHIPPING Ports Limited (formerly known as COSCO Pacific Limited), and is a Non-executive Director of The Berkeley Group Holdings plc (listed in London). He also serves as a Member of the International Advisory Board of Abertis Infraestructuras, S.A. (listed in Spain). He was previously an Alternate Director of AFFIN Holdings Berhad (listed in Malaysia), an Alternate Independent Non-executive Director of San Miguel Brewery Hong Kong Limited and an Independent Non-executive Director of Shanghai Fosun Pharmaceutical (Group) Co., Ltd (which is dual listed in Hong Kong and Shanghai).

Mr. Li is a Member of the Guangdong Provincial Committee of the Chinese People's Political Consultative Conference and a Counsellor of the Hong Kong United Youth Association. He is also a Member of the MPF Industry Schemes Committee of the Mandatory Provident Fund Schemes Authority, a Trustee of The University of Hong Kong's occupational retirement schemes, an Advisory Committee Member of the Hong Kong Baptist University's School of Business and a Vice President of The Hong Kong Institute of Bankers' Council. Furthermore, he serves as a Member of the Election Committees responsible for electing the Chief Executive of the HKSAR and deputies of the HKSAR to the 12th National People's Congress. He also sits on the Judging Panel of the BAI Global Banking Innovation Awards. Mr. Li was previously a Member of the All-China Youth Federation and Deputy Chairman of the Beijing Youth Federation.

#### 李民橋先生

*MA (Cantab), MBA, LPC, JP*  
執行董事兼副行政總裁

李先生，現年43歲，於2014年獲委任為董事。他在2000年加入本行為總經理兼企業銀行主管，其後於2009年4月獲任命為副行政總裁，主要負責本行的香港業務，並協助行政總裁處理本集團之整體運作及管理。他同時亦出任本集團內多間公司的董事，並為本行董事會及多個集團成員董事會轄下委員會的委員。

李先生現任信和集團旗下三間上市公司（信和置業有限公司、尖沙咀置業集團有限公司、信和酒店（集團）有限公司）、中國建築國際集團有限公司及中遠海運港口有限公司（前稱中遠太平洋有限公司）之獨立非執行董事，以及The Berkeley Group Holdings plc（在倫敦上市）之非執行董事。他亦是西班牙上市公司Abertis Infraestructuras, S.A.之國際諮詢委員會成員。他曾出任AFFIN Holdings Berhad（在馬來西亞上市）之替代董事、香港生力啤酒廠有限公司之替代獨立非執行董事及上海復星醫藥（集團）股份有限公司（在香港及上海上市）之獨立非執行董事。

李先生現為中國人民政治協商會議廣東省委員會委員及香港青年聯會參事。他是香港強制性公積金計劃管理局強制性公積金行業計劃委員會委員，亦是香港大學職業退休計劃受託人、香港浸會大學工商管理學院諮詢委員會成員及香港銀行學會會議副會長。此外，他為負責推選香港特別行政區行政長官之選舉委員會委員，及香港特別行政區第十二屆全國人民代表大會代表選舉會議成員。他亦是BAI Global Banking Innovation Awards之評審團成員。李先生曾出任中華全國青年聯合會港區特邀委員及北京市青年聯合會副主席。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED) 董事及高層管理人員的個人資料(續)

Mr. Li holds a Master of Management Degree from Kellogg School of Management, Northwestern University in the US, and a Master of Arts Degree and Bachelor of Arts Degree in Law from the University of Cambridge in Britain. He is a Member of The Law Society of England and Wales, and The Law Society of Hong Kong.

Mr. Li is the son of Dr. the Hon. Sir David LI Kwok-po, the nephew of Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the brother of Mr. Brian David LI Man-bun.

李先生持有美國西北大學凱洛格管理學院工商管理碩士學位、英國劍橋大學法學院碩士及學士學位。他是英國律師會及香港律師會會員。

李先生是李國寶爵士之兒子、李國章教授之姪兒、李國星先生及李國仕先生之堂姪，以及李民斌先生之胞兄。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Brian David LI Man-bun

*MA (Cantab), MBA, FCA, JP*  
Executive Director & Deputy Chief Executive

Mr. Li, aged 42, was appointed a Director in 2014. He joined the Bank Group in 2002. He was General Manager & Head of Wealth Management Division of the Bank from July 2004 to March 2009. In April 2009, he was appointed Deputy Chief Executive, primarily responsible for the Bank's China and international businesses, and assisting the Chief Executive in the overall management and control of the Bank Group. He serves as a Director of several members of the Bank Group, and sits on various board committees of the Bank and its Group members.

Mr. Li is currently an Independent Non-executive Director of Towngas China Company Limited, Hopewell Highway Infrastructure Limited and China Overseas Land & Investment Limited.

Mr. Li currently holds a number of public and honorary positions, including being a Member of the Twelfth National Committee of the Chinese People's Political Consultative Conference, a Member of the Advisory Committee of the Securities and Futures Commission of Hong Kong, Chairman of the Traffic Accident Victims Assistance Advisory Committee of the Government of Hong Kong Special Administrative Region ("HKSARG"), a Member of the HKSARG Aviation Development and Three-runway System Advisory Committee and a Member of Market Development Committee, Financial Services Development Council of the HKSARG.

He is a Member of the Hong Kong-Europe Business Council, a Member of the Hong Kong-Taiwan Business Co-operation Committee, a Member of Asian Financial Forum 2017 Steering Committee, a Committee Member of the Hong Kong Chapter, the Institute of Chartered Accountants in England and Wales (the "ICAEW"), a Member of the Inaugural Financial Consulting Committee for Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen, and a Council Member of The Hong Kong Management Association.

Mr. Li is a Fellow of the Hong Kong Institute of Certified Public Accountants and a Full Member of the Treasury Markets Association. Mr. Li is also a Fellow of the ICAEW. He holds an MBA degree from Stanford University as well as MA and BA degrees from the University of Cambridge.

Mr. Li is the son of Dr. the Hon. Sir David LI Kwok-po, the nephew of Professor Arthur LI Kwok-cheung, Mr. Aubrey LI Kwok-sing and Mr. Stephen Charles LI Kwok-sze, and the brother of Mr. Adrian David LI Man-kiu.

#### 李民斌先生

*MA (Cantab), MBA, FCA, JP*  
執行董事兼副行政總裁

李先生，現年42歲，於2014年獲委任為董事。他在2002年加入本集團，2004年7月至2009年3月期間出任本行總經理兼財富管理處主管，於2009年4月獲任命為副行政總裁，主要負責本行的中國及國際業務，並協助行政總裁處理本集團之整體運作及管理。他亦是本集團內若干公司的董事，並為本行董事會及多個集團成員董事會轄下委員會的委員。

李先生現為港華燃氣有限公司、合和公路基建有限公司及中國海外發展有限公司的獨立非執行董事。

李先生現擔任多項公職及榮譽職務，包括：第十二屆中國人民政治協商會議全國委員會委員、香港證券及期貨事務監察委員會諮詢委員會委員、香港特別行政區政府（「香港特區政府」）交通意外傷亡援助諮詢委員會主席、香港特區政府航空發展與機場三跑道系統諮詢委員會成員，以及香港特區政府金融發展局市場推廣小組成員。

此外，李先生為香港歐洲商務委員會委員、香港—台灣商貿合作委員會委員、亞洲金融論壇2017策劃委員會委員、英格蘭及威爾士特許會計師協會香港分會委員會委員、深圳市前海深港現代服務業合作區管理局第一屆金融專業諮詢委員會委員，以及香港管理專業協會理事會委員。

李先生為香港會計師公會資深會計師和財資市場公會專業會員，以及英格蘭及威爾士特許會計師協會資深會員，並獲美國斯坦福大學工商管理碩士學位，和英國劍橋大學文學碩士及學士學位。

李先生是李國寶爵士之兒子、李國章教授之姪兒、李國星先生及李國仕先生之堂姪，以及李民橋先生之胞弟。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. Daryl NG Win-kong

*BA, MSc, DHL, JP*  
Independent Non-executive Director, Member of the Audit Committee, the Nomination Committee and the Risk Committee

Dr. Ng, aged 38, was appointed a Director in 2015. He is currently an Executive Director of Sino Land Company Limited, Tsim Sha Tsui Properties Limited and Sino Hotels (Holdings) Limited.

Dr. Ng holds a Bachelor of Arts Degree in Economics, a Master Degree of Science in Real Estate Development from Columbia University in New York and an Honorary Doctor of Humane Letters Degree from Savannah College of Art and Design. He was awarded an Honorary University Fellowship by The Open University of Hong Kong in 2016.

Dr. Ng is a General Committee member of The Chamber of Hong Kong Listed Companies, a member of the Global Leadership Council of Columbia University in the City of New York, a member of the 10th Sichuan Committee of the Chinese People's Political Consultative Conference ("CPPCC"), a member of the 12th Beijing Municipal Committee of the CPPCC, a member of the 10th and 11th Committees of the All-China Youth Federation and the Deputy Chairman of the Chongqing Youth Federation. He is a trustee member of World Wide Fund for Nature Hong Kong, the Vice Chairman of Hong Kong United Youth Association, a member of the Social Welfare Advisory Committee, a member of the Executive Committee of Hong Kong Sheng Kung Hui Welfare Council Limited, a member of Friends of Hong Kong Association Limited, a co-opted member of the Community Care Fund Task Force of Commission on Poverty, a member of the Council for Sustainable Development, a member of the Court of the Hong Kong University of Science and Technology, a member of the Steering Committee on the Promotion of Electric Vehicles of the Government of Hong Kong Special Administrative Region ("HKSARG"), a member of the Council of the University of Hong Kong, an Associate Member of the Central Policy Unit of HKSARG, a Council Member of The Hong Kong Management Association, a Council Member of the Hong Kong Committee for UNICEF and a member of NUS Medicine International Council (NIC) at the Yong Loo Lin School of Medicine of National University of Singapore. He is a Director of The Community Chest of Hong Kong and The Real Estate Developers Association of Hong Kong.

#### 黃永光博士

*BA, MSc, DHL, JP*  
獨立非執行董事，審核委員會、提名委員會及風險委員會委員

黃博士，38歲，於2015年獲委任為董事。他現時為信和置業有限公司、尖沙咀置業集團有限公司及信和酒店(集團)有限公司之執行董事。

黃博士持有紐約哥倫比亞大學經濟學文學學士學位、房地產發展理學碩士學位及薩凡納藝術設計學院榮譽人文科學博士學位。他於2016年獲香港公開大學頒授名譽大學生銜。

黃博士是香港上市公司商會之常務委員會委員、紐約哥倫比亞大學Global Leadership Council會員、第十屆中國人民政治協商會議四川省委員會委員、第十二屆中國人民政治協商會議北京市委員會委員、中華全國青年聯合會第十屆及第十一屆委員會委員及重慶市青年聯合會港區特邀副主席。他亦是世界自然(香港)基金會理事、香港青年聯會副主席、社會福利諮詢委員會成員、香港聖公會福利協會有限公司執行委員會委員、香港友好協進會有限公司成員、扶貧委員會關愛基金專責小組增補委員、可持續發展委員會成員、香港科技大學顧問委員會成員、香港特別行政區政府推動使用電動車輛督導委員會成員、香港大學校務委員會成員、香港特別行政區政府中央政策組特邀顧問、香港管理專業協會理事會委員、聯合國兒童基金香港委員會委員，以及新加坡國立大學楊潑齡醫學院NUS醫藥國際委員會成員。他亦出任香港公益金董事以及香港地產建設商會董事。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Masayuki OKU

*LL.B, LL.M, the Order of Industrial Service Merit Silver Tower  
Non-executive Director and Member of the Nomination Committee*

Mr. Oku, aged 72, was appointed a Director in 2015. He is Chairman of the Board of Sumitomo Mitsui Financial Group, Inc. ("SMFG", since June 2005) <sup>Note 2</sup> (listed in Japan and USA). He is an Independent Non-executive Director of Panasonic Corporation, Kao Corporation, Komatsu Ltd. and Chugai Pharmaceutical Co., Ltd., all of which are companies listed in Japan. Mr. Oku is also an Auditor of Nankai Electric Railway Co. Ltd. (listed in Japan).

Mr. Oku began his career in 1968 at The Sumitomo Bank, Limited. After engaging in the bank's key acquisitions and investments in the 1980's, he was transferred to New York and appointed General Manager of Chicago Branch in 1991. He returned to Tokyo in 1992, assumed the position of General Manager of the Corporate Planning Department, and was elected as a member of the Board of Directors of the bank in 1994. In 1999, Mr. Oku was appointed Secretary General of the Integration Strategy Committee of the bank, leading its merger process with The Sakura Bank, Limited, which culminated in the formation of Sumitomo Mitsui Banking Corporation ("SMBC") <sup>Note 2</sup> in 2001. In 2003, he became Deputy President of SMBC, heading Corporate Banking and International Banking Units. In 2005, he was appointed President and CEO of SMBC and Chairman of the Board of SMFG, the holding company of SMBC. During his tenure as President and CEO of SMBC, he also served as Chairman of Japanese Bankers Association in 2007 and 2010. In April 2011, he resigned as President and CEO of SMBC to devote himself to his duties as Chairman of the Board of SMFG. Mr. Oku also served as Vice Chairman of Keidanren (Japan Business Federation) from 2011 to 2015.

Mr. Oku received his Bachelor of Law degree from Kyoto University in 1968 and his Master of Laws (LL.M) degree from Michigan Law School in 1975. He was awarded the Order of Industrial Service Merit Silver Tower by the Government of the Republic of Korea in 2009.

#### 奧正之先生

*LL.B, LL.M, 產業勳章銀塔獎  
非執行董事及提名委員會委員*

奧正之先生，現年72歲，於2015年獲委任為董事。奧正之先生為三井住友金融集團<sup>註2</sup>（在日本及美國上市）的（自2005年6月起）董事長。他是松下電器產業株式會社（Panasonic Corporation）、花王株式會社（Kao Corporation）、小松製作所（Komatsu Ltd.）及中外製藥株式會社（Chugai Pharmaceutical Co., Ltd.）的獨立非執行董事，該等公司均在日本上市。奧正之先生亦為南海鐵道株式會社（Nankai Electric Railway Co. Ltd.）（在日本上市）的核數師。

奧正之先生於1968年加入住友銀行股份有限公司（The Sumitomo Bank, Limited）開展其事業，在1980年代負責該銀行的主要收購和投資，其後他被調任至紐約，並於1991年獲任命為芝加哥分行總經理。他於1992年返回東京擔任企業策劃部總經理，並於1994年獲委任為該銀行董事會成員。於1999年，奧正之先生獲委任為該銀行合併策劃委員會的秘書長，帶領該銀行與日本櫻花銀行（The Sakura Bank, Limited）進行合併，最終達成三井住友銀行<sup>註2</sup>於2001年成立。於2003年，他成為三井住友銀行的副行長，主管企業銀行及國際銀行業務。繼而於2005年，獲委任為三井住友銀行的行長兼最高執行官，以及其母公司——三井住友金融集團的董事長。在出任三井住友銀行行長兼最高執行官期間，他於2007年及2010年出任日本銀行家協會的主席。他於2011年4月辭任三井住友銀行行長兼最高執行官一職，以便全力處理其作為三井住友金融集團董事長的職務。奧正之先生曾於2011年至2015年期間出任日本經濟團體聯合會副會長。

奧正之先生於1968年獲頒發京都大學（Kyoto University）法學學士學位，及於1975年獲頒發密歇根大學法學院（Michigan Law School）法學碩士學位。他亦於2009年獲大韓民國政府頒授產業勳章的銀塔獎（Order of Industrial Service Merit Silver Tower）。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. the Hon. Rita FAN HSU Lai-tai

*GBM, GBS, DSocSc, JP*  
Independent Non-executive Director and Chairman of the Remuneration Committee

Dr. Fan, aged 71, was appointed a Director in February, 2016. She is currently an Independent Non-executive Director of China Overseas Land & Investment Limited, China Shenhua Energy Company Limited, COSCO SHIPPING Ports Limited (formerly known as COSCO Pacific Limited) and China COSCO Holdings Company Limited.

Dr. Fan is one of Hong Kong's best-known public figures and has an outstanding track record of community service. Dr. Fan was appointed to the Legislative Council from 1983 to 1992 and was a Member of the Executive Council from 1989 to 1992. She became the President of the Provisional Legislative Council in 1997, and has since been re-elected as the President of the First, Second and Third Legislative Council until 30th September, 2008. Dr. Fan served as President of the legislature of the Hong Kong Special Administrative Region ("HKSAR") for 11 years.

In the lead-up to Hong Kong's reunification with China, Dr. Fan played a valuable role as a Member of the Preliminary Working Committee for the Preparatory Committee for the HKSAR from 1993 to 1995 and of the Preparatory Committee for the HKSAR from 1995 to 1997. She was elected as a Hong Kong Deputy to both the Ninth and Tenth sessions of the National People's Congress ("NPC") between 1998 and 2008. She was also a Member of the Standing Committee of the Eleventh session of the NPC from 2008 to 2013 and is currently a Member of the Standing Committee of the Twelfth session of the NPC.

Outside the political arena, Dr. Fan is serving as the Chairman of Board of Management of the Endeavour Education Centre, the Honorary President of the Hong Kong Breast Cancer Foundation, and the Honorary Patron of the Hong Kong Transplant Sports Association.

After graduating from St. Stephen's Girls' College, Dr. Fan studied at the University of Hong Kong, and was awarded a Bachelor degree in Science and a Master degree in Social Science. She was awarded Honorary Doctorate degrees in Social Science by the University of Hong Kong, the City University of Hong Kong and the Hong Kong Polytechnic University, and an Honorary Doctorate in Law from the China University of Political Science and Law of the People's Republic of China. Her record of public service was acknowledged by the HKSAR Government through the award of the Gold Bauhinia Star in 1998 and Hong Kong's top award, the Grand Bauhinia Medal, in 2007.

#### 范徐麗泰博士

*GBM, GBS, DSocSc, JP*  
獨立非執行董事及薪酬委員會主席

范博士，現年71歲，於2016年2月獲委任為本行董事。她現時為中國海外發展有限公司、中國神華能源股份有限公司、中遠海運港口有限公司（前稱中遠太平洋有限公司）及中國遠洋控股股份有限公司的獨立非執行董事。

范博士為本港知名人士，致力服務香港社會。1983年至1992年出任立法局議員，並於1989年至1992年兼任行政局成員。范博士於1997年當選臨時立法會主席，其後三度當選為立法會主席，其任期於2008年9月30日屆滿。范博士擔任香港特別行政區的立法機關主席共11年。

在香港回歸祖國的事務上，范博士擔當著重要角色。范博士於1993年至1995年出任香港特別行政區籌備委員會預備工作委員會委員，並於1995年至1997年出任香港特別行政區籌備委員會委員。此外，范博士於1998年至2008年期間當選為中華人民共和國第九屆及第十屆全國人民代表大會香港區代表，其後於2008年至2013年期間出任第十一屆全國人民代表大會常務委員會委員，現為第十二屆全國人民代表大會常務委員會委員。

除政治職務外，范博士是勵進教育中心理事會主席、香港乳癌基金會名譽會長及香港移植運動協會名譽贊助人。

從香港聖士提反女校畢業後，范博士在香港大學攻讀並取得理學士學位，其後取得社會科學碩士學位。范博士亦為香港大學、香港城市大學及香港理工大學的榮譽社會科學博士以及中國政法大學法學名譽博士。香港特別行政區政府更於1998年頒發金紫荊星章及於2007年頒發香港最高榮譽之大紫荊勳章，以表揚范博士對香港社會所作出之重大貢獻。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Mr. Meocre LI Kwok-wing

*BCom, CPA*

*Independent Non-executive Director, Member of the Audit Committee and the Risk Committee*

Mr. Li, aged 61, was appointed a Director in September, 2016. He is the Chief Executive of Alpha Alliance Finance Holdings Limited.

Mr. Li was the Managing Partner of Arthur Andersen, one of the major international accounting firms, taking charge of its Hong Kong and China operations from September 1993 to February 1995. He was the Managing Director and Head of Corporate Finance of NatWest Securities Asia from March 1995 to March 1998. He was the Chief Executive of ICEA Finance Holdings Limited (from March 1998 to March 2002), an investment banking joint venture between The Industrial and Commercial Bank of China and the Bank, prior to the company's becoming a wholly-owned subsidiary of the Bank, which was subsequently renamed as Tung Shing Holdings Company Limited and disposed to SinoPac Securities (Cayman) Holdings Limited on 6th April, 2016.

Mr. Li received a Bachelor of Commerce degree, with distinction, from University of Alberta, Canada. Upon graduation, he was awarded the Financial Executives Institute Silver Medal for "Highest Standing in Finance". He also earned a Postgraduate Management Diploma from the Harvard Business School, and is a member of the Hong Kong Institute of Certified Public Accountants.

Mr. Li is an Independent Non-executive Director of BEA China. He is also the chairman of its audit committee and a member of its connected transactions control committee and risk management committee.

#### 李國榮先生

*BCom, CPA*

*獨立非執行董事，審核委員會及風險委員會委員*

李先生，現年61歲，於2016年9月獲委任為本行董事。現時為冠聯金融控股有限公司的行政總裁。

李先生曾是國際主要會計師行之一，安達信會計事務所，的主管合夥人（1993年9月至1995年2月），主管其香港及中國業務。他曾出任西敏證券亞洲有限公司的董事總經理兼企業融資總裁（1995年3月至1998年3月）。在工商東亞金融控股有限公司（「工商東亞」）成為本行的全資附屬公司之前，他曾經出任該公司的行政總裁（1998年3月至2002年3月）。工商東亞曾是中國工商銀行股份有限公司與本行的聯營公司。本行於2016年4月6日將該公司（現稱東盛控股有限公司）出售予永豐金證券（開曼）控股有限公司。

李先生以優異成績獲加拿大阿爾伯塔大學（University of Alberta）商科學士學位，畢業時獲頒發財務管理高級銀獎。他持有哈佛商學院頒發的深造管理文憑，亦為香港會計師公會會員。

李先生為東亞中國之獨立非執行董事，同時出任其審核委員會主席及關聯交易控制委員會和風險管理委員會委員。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. the Hon. Henry TANG Ying-yen

*GBM, GBS, JP*

*Independent Non-executive Director, Member of the Audit Committee, the Nomination Committee and the Remuneration Committee*

Dr. Tang, aged 64, was appointed a Director on 1st March, 2017. He was the Chief Secretary for Administration of the Hong Kong Special Administrative Region ("HKSAR") Government from 2007 to 2011 and the Financial Secretary of HKSAR Government from 2003 to 2007. He served as a member of the Executive Council of Hong Kong from 1997 to 2011 and was a member of the Legislative Council of Hong Kong from 1991 to 1998.

Dr. Tang is a Standing Committee Member of the Chinese People's Political Consultative Conference.

Dr. Tang received a Bachelor of Arts degree from the University of Michigan. In 1993, Dr. Tang was named Global Leader for Tomorrow by the World Economic Forum. In 1989, he won the Young Industrialist of Hong Kong award.

Dr. Tang is an Independent Non-executive Director of BEA China. He is also chairman of its risk management committee and a member of its audit committee and remuneration & nomination committee.

#### 唐英年博士

*GBM, GBS, JP*

獨立非執行董事，審核委員會、提名委員會及薪酬委員會委員

唐博士，現年64歲，於2017年3月1日獲委任為董事。他曾出任香港特別行政區政府（「香港特區政府」）政務司司長（2007年至2011年）及香港特區政府財政司司長（2003年至2007年）。他曾為香港行政會議成員（1997年至2011年）及香港立法會議員（1991年至1998年）。

唐博士是中國人民政治協商會議全國委員會常務委員。

唐博士獲密西根大學（University of Michigan）文學學士學位。他於1993年獲選為世界經濟論壇之「全球明日領袖」。在1989年，他榮獲「香港青年工業家」獎項。

唐博士為東亞中國之獨立非執行董事。同時出任其風險管理委員會主席及審核委員會和薪酬與提名委員會委員。



## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### The Hon. CHAN Kin-por

*BBS, JP*

*Independent Non-executive Director, Member of the Audit Committee and the Risk Committee*

Mr. Chan, aged 62, was appointed a Director on 15th March, 2017. He is currently a member of the Legislative Council (Insurance Functional Constituency) of Hong Kong Special Administrative Region ("LegCo"). Among other duties, he serves as Chairman of the LegCo Finance Committee.

Mr. Chan has extensive experience in the fields of banking and insurance. He is an Associate of The Chartered Insurance Institute (U.K.). He has become a member of the Munich Re China Advisory Board since 2009 after serving as the Chief Executive of the Munich Reinsurance Company – Hong Kong Branch for 4 years. Prior to these appointments, he had worked in various positions at one of the leading banks in Hong Kong for more than 3 decades and left as the Assistant General Manager and Head of its Insurance Group in 2005. He was also Chairman of the Chinese Insurance Association of Hong Kong from 1998 to 1999 and the Hong Kong Federation of Insurers from 2004 to 2005.

#### 陳健波議員

*BBS, JP*

獨立非執行董事，審核委員會及風險委員會委員

陳先生，現年62歲，於2017年3月15日獲委任為董事。他現為香港特別行政區立法會（保險界）議員，除其他職務外，他亦出任立法會財務委員會主席。

陳先生在銀行及保險界具廣泛經驗。他是英國特許保險學會會士。他曾出任慕尼黑再保險公司（Munich Reinsurance Company）香港分公司的行政總裁達4年，隨後由2009年起擔任慕尼黑再保險公司（Munich Re）中國諮議委員會成員。在擔任該等職務之前，他任職於本港其中一間具領導地位的銀行超過30年，期間出任多個職位，直至2005年離職前出任該行的助理總經理及其保險業務主管。他亦曾擔任香港華商保險公會主席（1998年至1999年）及香港保險業聯會主席（2004年至2005年）。

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)



#### Dr. Delman LEE

*BEng, DPhil*

*Independent Non-executive Director and Member of the Risk Committee*

Dr. Lee, aged 49, was appointed a Director on 21st March, 2017. He is currently the President and Chief Technology Officer of TAL Apparel Limited. He is also a non-executive director of Tradelink Electronic Commerce Limited. He was a non-executive director of Luckytex (Thailand) Public Co. Ltd. (listed in Thailand).

Dr. Lee is a Council Member of The Hong Kong Productivity Council, a Council Member of The Hong Kong Management Association and the Vice Chairman of Sustainable Fashion Business Consortium. Dr. Lee possesses extensive experience in information technology and management in global operations. He also has a strong background in research.

Dr. Lee holds a doctorate from the University of Oxford and a Bachelor's degree in Electrical and Electronic Engineering from the Imperial College, London.

#### 李國本博士

*BEng, DPhil*

*獨立非執行董事及風險委員會委員*

李博士，現年49歲，於2017年3月21日獲委任為董事。他現為聯業製衣有限公司的總裁及科技總監。他亦是貿易通電子貿易有限公司非執行董事。他曾出任 Luckytex (Thailand) Public Co. Ltd. (在泰國上市) 的非執行董事。

李博士為香港生產力促進局理事會成員、香港管理專業協會理事會成員及時裝企業持續發展聯盟副會長。李博士在資訊科技與及環球營運管理方面具廣泛經驗，他亦擁有豐富的研究經驗。

李博士擁有牛津大學博士學位及倫敦帝國學院電機工程學士學位。

<sup>Note 1</sup> *Criteria Caixa, S.A. Sociedad Unipersonal ("Criteria Caixa"), is a wholly-owned subsidiary of "la Caixa" Banking Foundation.*

*Each of "la Caixa" Banking Foundation and Criteria Caixa is a substantial shareholder of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interests of Substantial Shareholders and Other Persons" section of the Report of the Directors. Dr. Isidro FAINÉ CASAS is the Chairman of Criteria Caixa and the Chairman of the Board of trustees of "la Caixa" Banking Foundation.*

<sup>Note 2</sup> *SMFG owns a 100% interest in SMBC. Both SMFG and SMBC are substantial shareholders of the Bank as defined under the Listing Rules and within the meaning of Part XV of the SFO, the details of which are disclosed in the "Interest of Substantial Shareholders and Other Persons" section of the Report of the Directors. Mr. Masayuki Oku is the Chairman of the Board of SMFG.*

<sup>註1</sup> *Criteria Caixa, S.A. Sociedad Unipersonal (["Criteria Caixa"]) 為 "la Caixa" Banking Foundation 的全資附屬公司。*

*根據《上市規則》及《證券及期貨條例》第XV部之定義，"la Caixa" Banking Foundation 及 Criteria Caixa 均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。范禮賢博士是 Criteria Caixa 的主席及 "la Caixa" Banking Foundation 的信託委員會之主席。*

<sup>註2</sup> *三井住友金融集團全資擁有三井住友銀行。根據《上市規則》及《證券及期貨條例》第XV部之定義，三井住友金融集團及三井住友銀行均為本行的主要股東，詳情在董事會報告書內「主要股東及其他人士的權益」項下披露。奧正之先生為三井住友金融集團的董事長。*

## BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

### 董事及高層管理人員的個人資料 (續)

#### SENIOR MANAGEMENT

##### Mr. Adrian David LI Man-kiu

*MA (Cantab), MBA, LPC, JP*  
Executive Director & Deputy Chief Executive  
(Biographical details are set out on pages 55 and 56)

##### Mr. Brian David LI Man-bun

*MA (Cantab), MBA, FCA, JP*  
Executive Director & Deputy Chief Executive  
(Biographical details are set out on page 57)



##### Mr. Samson LI Kai-cheong

*FCCA, CPA, FCIS, FCS, HKSI*  
Deputy Chief Executive & Chief Investment Officer

Mr. Li, aged 56, joined the Bank in 1987 as Chief Internal Auditor. He was promoted to Deputy Chief Executive & Chief Investment Officer in April 2009. Mr. Li is primarily responsible for the Bank's investment activities and treasury & broking operations including treasury markets. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board.

Mr. Li is a Fellow of The Hong Kong Institute of Chartered Secretaries, the Institute of Chartered Secretaries & Administrators, and The Association of Chartered Certified Accountants. In addition, he is an Associate of the Hong Kong Institute of Certified Public Accountants and a Member of the Hong Kong Securities and Investment Institute. Mr. Samson Li received his Professional Diploma in Accountancy from The Hong Kong Polytechnic University.



##### Mr. TONG Hon-shing

*BSc, ACIB, FHKIB, FCIS, FCS*  
Deputy Chief Executive & Chief Operating Officer

Mr. Tong, aged 57, joined the Bank in 1975. He was promoted to Assistant General Manager in 1995 and to General Manager in 2000. He was General Manager & Head of Personal Banking Division from 2001 to March 2009. He was further promoted to Deputy Chief Executive and Chief Operating Officer in April 2009. Mr. Tong is primarily responsible for strategic planning and control, operations support, compliance, human resources, and corporate communications of the Bank. He is also a Director of various members of the Bank Group and a Member of various committees appointed by the Board. Mr. Tong is a Fellow of The Hong Kong Institute of Bankers, The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries & Administrators as well as an Associate of The Chartered Institute of Bankers. He holds a BSc from the University of Manchester.

#### 高層管理人員

##### 李民橋先生

*MA (Cantab), MBA, LPC, JP*  
執行董事及副行政總裁  
(個人資料載列於第55及56頁)

##### 李民斌先生

*MA (Cantab), MBA, FCA, JP*  
執行董事及副行政總裁  
(個人資料載列於第57頁)

##### 李繼昌先生

*FCCA, CPA, FCIS, FCS, HKSI*  
副行政總裁兼投資總監

李先生，現年56歲，在1987年加入本行為總內部稽核，於2009年4月獲擢升為副行政總裁兼投資總監。李先生主要負責本行的投資活動、資金及經紀業務的運作，包括資金市場。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。

李先生為香港特許秘書公會、英國特許秘書及行政人員公會和英國特許公認會計師公會資深會士、香港會計師公會會士和香港證券及投資學會會員，並獲香港理工大學會計學專業文憑。

##### 唐漢城先生

*BSc, ACIB, FHKIB, FCIS, FCS*  
副行政總裁兼營運總監

唐先生，現年57歲，在1975年加入本行。於1995年獲擢升為助理總經理及2000年獲擢升為總經理，2001年至2009年3月期間出任總經理兼個人銀行處主管，並於2009年4月獲擢升為副行政總裁兼營運總監。唐先生主要負責本行的策劃及調控、營運支援、法規監管、人力資源，以及企業傳訊。他亦是本集團系內多間公司的董事及多個由董事會委任之委員會的委員。唐先生為香港銀行學會、香港特許秘書公會和英國特許秘書及行政人員公會資深會士，及英國特許銀行學會會士，並獲英國曼徹斯特大學理學士學位。

# CORPORATE INFORMATION

## 公司資料

### BOARD

#### Executive Directors

Dr. the Hon. Sir David LI Kwok-po (*Chairman & Chief Executive*)  
Mr. Adrian David LI Man-kiu (*Deputy Chief Executive*)  
Mr. Brian David LI Man-bun (*Deputy Chief Executive*)

#### Non-executive Directors

Professor Arthur LI Kwok-cheung (*Deputy Chairman*)  
Mr. Aubrey LI Kwok-sing  
Mr. Stephen Charles LI Kwok-sze  
Dr. Isidro FAINÉ CASAS  
Dr. Peter LEE Ka-kit  
Mr. Masayuki OKU

#### Independent Non-executive Directors

Dr. Allan WONG Chi-yun (*Deputy Chairman*)  
Mr. Winston LO Yau-lai  
Mr. Richard LI Tzar-kai  
Mr. KUOK Khoo-ean  
Dr. Daryl NG Win-kong  
Dr. the Hon. Rita FAN HSU Lai-tai<sup>1</sup>  
Mr. Meocre LI Kwok-wing<sup>2</sup>  
Dr. the Hon. Henry TANG Ying-yen<sup>3</sup>  
The Hon. CHAN Kin-por<sup>4</sup>  
Dr. Delman LEE<sup>5</sup>

### 董事會

#### 執行董事

李國寶爵士 (*主席兼行政總裁*)  
李民橋先生 (*副行政總裁*)  
李民斌先生 (*副行政總裁*)

#### 非執行董事

李國章教授 (*副主席*)  
李國星先生  
李國仕先生  
范禮賢博士  
李家傑博士  
奧正之先生

#### 獨立非執行董事

黃子欣博士 (*副主席*)  
羅友禮先生  
李澤楷先生  
郭孔演先生  
黃永光博士  
范徐麗泰博士<sup>1</sup>  
李國榮先生<sup>2</sup>  
唐英年博士<sup>3</sup>  
陳健波議員<sup>4</sup>  
李國本博士<sup>5</sup>

<sup>1</sup> Appointed as Director on 25th February, 2016

<sup>2</sup> Appointed as Director on 1st September, 2016

<sup>3</sup> Appointed as Director on 1st March, 2017

<sup>4</sup> Appointed as Director on 15th March, 2017

<sup>5</sup> Appointed as Director on 21st March, 2017

<sup>1</sup> 於2016年2月25日獲委任為董事

<sup>2</sup> 於2016年9月1日獲委任為董事

<sup>3</sup> 於2017年3月1日獲委任為董事

<sup>4</sup> 於2017年3月15日獲委任為董事

<sup>5</sup> 於2017年3月21日獲委任為董事

## CORPORATE INFORMATION (CONTINUED)

### 公司資料 (續)

#### BOARD COMMITTEES

##### Audit Committee

Mr. Winston LO Yau-lai\* (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Dr. Daryl NG Win-kong\*<sup>1</sup>  
 Mr. Meocre LI Kwok-wing\*<sup>2</sup>  
 Dr. the Hon. Henry TANG Ying-yen\*<sup>3</sup>  
 The Hon. CHAN Kin-por<sup>4</sup>

##### Nomination Committee

Dr. Allan WONG Chi-yun\*<sup>5</sup> (*Chairman*)  
 Dr. the Hon. Sir David LI Kwok-po<sup>6</sup>  
 Dr. Isidro FAINÉ CASAS  
 Mr. Masayuki OKU<sup>7</sup>  
 Mr. Winston LO Yau-lai\*  
 Mr. KUOK Khoo-ean\*  
 Dr. Daryl NG Win-kong\*<sup>1</sup>  
 Dr. the Hon. Henry TANG Ying-yen\*<sup>3</sup>

##### Remuneration Committee

Dr. the Hon. Rita FAN HSU Lai-tai\*<sup>8</sup> (*Chairman*)  
 Dr. Allan WONG Chi-yun\*  
 Mr. Aubrey LI Kwok-sing  
 Dr. Peter LEE Ka-kit<sup>9</sup>  
 Mr. Winston LO Yau-lai\*  
 Dr. the Hon. Henry TANG Ying-yen\*<sup>3</sup>

##### Risk Committee

Dr. Allan WONG Chi-yun\*<sup>5</sup> (*Chairman*)  
 Professor Arthur LI Kwok-cheung  
 Mr. Aubrey LI Kwok-sing  
 Mr. Winston LO Yau-lai\*  
 Dr. Daryl NG Win-kong\*<sup>1</sup>  
 Mr. Meocre LI Kwok-wing\*<sup>2</sup>  
 The Hon. CHAN Kin-por<sup>4</sup>  
 Dr. Delman LEE<sup>10</sup>

\* Independent Non-executive Director

<sup>1</sup> Appointed as Member of AC and RIC with effect from the conclusion of the 2016 AGM, and appointed as Member of NC with effect from 1st January, 2017

<sup>2</sup> Appointed as Member of AC and RIC on 1st September, 2016

<sup>3</sup> Appointed as Member of AC, NC and RC on 1st March, 2017

<sup>4</sup> Appointed as Member of AC and RIC on 15th March, 2017

<sup>5</sup> Appointed as Chairman of NC and RIC with effect from the conclusion of the 2016 AGM

<sup>6</sup> Stepped down as Chairman and remains as Member of NC with effect from the conclusion of the 2016 AGM

<sup>7</sup> Appointed as Member of NC with effect from the conclusion of the 2016 AGM

<sup>8</sup> Appointed as Chairman of RC with effect from the conclusion of the 2016 AGM

<sup>9</sup> Appointed as Member of RC with effect from the conclusion of the 2016 AGM

<sup>10</sup> Appointed as Member of RIC with effect from 21st March, 2017

#### 董事會轄下委員會

##### 審核委員會

羅友禮先生\* (*主席*)  
 黃子欣博士\*  
 黃永光博士\*<sup>1</sup>  
 李國榮先生\*<sup>2</sup>  
 唐英年博士\*<sup>3</sup>  
 陳健波議員<sup>4</sup>

##### 提名委員會

黃子欣博士\*<sup>5</sup> (*主席*)  
 李國寶爵士<sup>6</sup>  
 范禮賢博士  
 奧正之先生<sup>7</sup>  
 羅友禮先生\*  
 郭孔演先生\*  
 黃永光博士\*<sup>1</sup>  
 唐英年博士\*<sup>3</sup>

##### 薪酬委員會

范徐麗泰博士\*<sup>8</sup> (*主席*)  
 黃子欣博士\*  
 李國星先生  
 李家傑博士<sup>9</sup>  
 羅友禮先生\*  
 唐英年博士\*<sup>3</sup>

##### 風險委員會

黃子欣博士\*<sup>5</sup> (*主席*)  
 李國章教授  
 李國星先生  
 羅友禮先生\*  
 黃永光博士\*<sup>1</sup>  
 李國榮先生\*<sup>2</sup>  
 陳健波議員<sup>4</sup>  
 李國本博士<sup>10</sup>

\* 獨立非執行董事

<sup>1</sup> 於2016股東周年常會結束後獲委任為審核委員會及風險委員會委員，並於2017年1月1日獲委任為提名委員會委員

<sup>2</sup> 於2016年9月1日獲委任為審核委員會及風險委員會委員

<sup>3</sup> 於2017年3月1日獲委任為審核委員會、提名委員會及薪酬委員會委員

<sup>4</sup> 於2017年3月15日獲委任為審核委員會及風險委員會委員

<sup>5</sup> 於2016股東周年常會結束後獲委任為提名委員會及風險委員會主席

<sup>6</sup> 於2016股東周年常會結束後辭任提名委員會主席之職務並保留委員一職

<sup>7</sup> 於2016股東周年常會結束後獲委任為提名委員會委員

<sup>8</sup> 於2016股東周年常會結束後獲委任為薪酬委員會主席

<sup>9</sup> 於2016股東周年常會結束後獲委任為薪酬委員會委員

<sup>10</sup> 於2017年3月21日獲委任為風險委員會委員

## CORPORATE INFORMATION (CONTINUED)

### 公司資料 (續)

#### SENIOR ADVISORS

**Mr. Joseph PANG Yuk-wing**

*BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK),  
ACIB, FHKIB, BBS, JP*

**Mr. CHAN Kay-cheung**

*FHKIB*

**Mr. CHAN Tze-ching**

*BBS, JP*

#### SENIOR MANAGEMENT

**Mr. Adrian David LI Man-kiu**

*MA (Cantab), MBA, LPC, JP  
Executive Director & Deputy Chief Executive*

**Mr. Brian David LI Man-bun**

*MA (Cantab), MBA, FCA, JP  
Executive Director & Deputy Chief Executive*

**Mr. Samson LI Kai-cheong**

*FCCA, CPA, FCIS, FCS, HKSI  
Deputy Chief Executive & Chief Investment Officer*

**Mr. TONG Hon-shing**

*BSc, ACIB, FHKIB, FCIS, FCS  
Deputy Chief Executive & Chief Operating Officer*

#### COMPANY SECRETARY

**Mr. Alson LAW Chun-tak**

*FCCA, FCPA, FCIS, FCS*

#### AUDITORS

**KPMG**

*Certified Public Accountants*

#### 高級顧問

**彭玉榮先生**

*BSSc, MBA, Hon. DSocSc, Hon. Fellow (CUHK),  
ACIB, FHKIB, BBS, JP*

**陳棋昌先生**

*FHKIB*

**陳子政先生**

*BBS, JP*

#### 高層管理人員

**李民橋先生**

*MA (Cantab), MBA, LPC, JP  
執行董事兼副行政總裁*

**李民斌先生**

*MA (Cantab), MBA, FCA, JP  
執行董事兼副行政總裁*

**李繼昌先生**

*FCCA, CPA, FCIS, FCS, HKSI  
副行政總裁兼投資總監*

**唐漢城先生**

*BSc, ACIB, FHKIB, FCIS, FCS  
副行政總裁兼營運總監*

#### 公司秘書

**羅春德先生**

*FCCA, FCPA, FCIS, FCS*

#### 核數師

**畢馬威會計師事務所**

*執業會計師*

CORPORATE INFORMATION (CONTINUED)  
公司資料 (續)



**CHIEF EXECUTIVE AND SENIOR MANAGEMENT**

行政總裁及高層管理人員

Mr. Samson LI  
Kai-cheong  
李繼昌先生

Mr. Adrian David LI  
Man-kiu  
李民橋先生

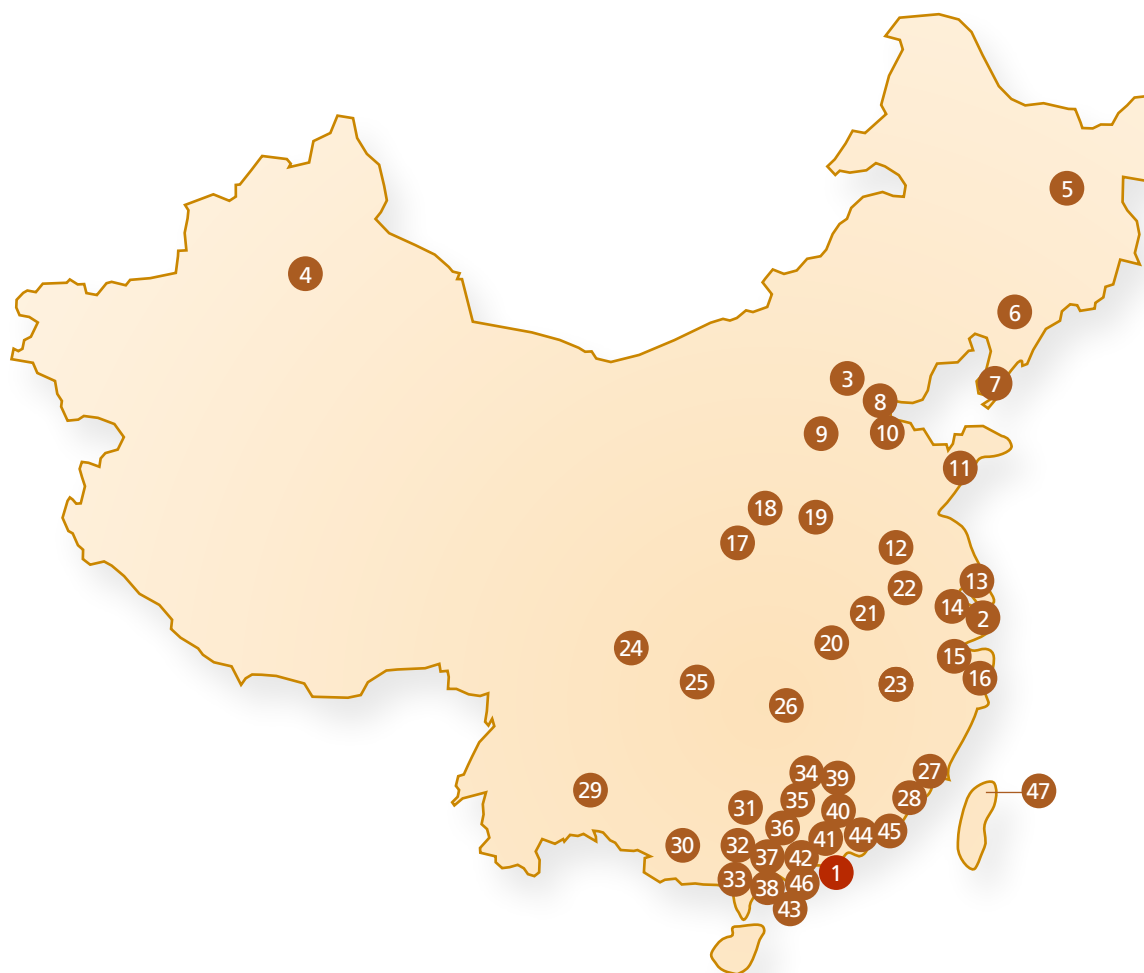
Dr. the Hon. Sir David LI  
Kwok-po  
李國寶爵士

Mr. Brian David LI  
Man-bun  
李民斌先生

Mr. TONG Hon-shing  
唐漢城先生

# LIST OF OUTLETS

## 網絡一覽



### 1 Head Office – Hong Kong 香港 — 總行

#### Greater China (ex-Hong Kong) 大中華地區 (香港除外)

2 Shanghai 上海	18 Fuping County, Weinan 渭南富平縣	34 Qingyuan 清遠
3 Beijing 北京	19 Zhengzhou 鄭州	35 Guangzhou 廣州
4 Urumqi 烏魯木齊	20 Wuhan 武漢	36 Foshan 佛山
5 Harbin 哈爾濱	21 Hefei 合肥	37 Shaoguan 韶關
6 Shenyang 瀋陽	22 Nanjing 南京	38 Zhuhai 珠海
7 Dalian 大連	23 Nanchang 南昌	39 Jieyang 揭陽
8 Tianjin 天津	24 Chengdu 成都	40 Dongguan 東莞
9 Shijiazhuang 石家莊	25 Chongqing 重慶	41 Shenzhen 深圳
10 Jinan 濟南	26 Changsha 長沙	42 Zhongshan 中山
11 Qingdao 青島	27 Fuzhou 福州	43 Zhanjiang 湛江
12 Wuxi 無錫	28 Xiamen 廈門	44 Huizhou 惠州
13 Kunshan 昆山	29 Kunming 昆明	45 Shantou 汕頭
14 Suzhou 蘇州	30 Nanning 南寧	46 Macau 澳門
15 Hangzhou 杭州	31 Zhaoqing 肇慶	47 Taipei 台北
16 Ningbo 寧波	32 Jiangmen 江門	
17 Xi'an 西安	33 Maoming 茂名	

#### Overseas 海外

##### Singapore 新加坡

Singapore 新加坡

##### Malaysia 馬來西亞

Labuan 納閩  
Kuala Lumpur 吉隆坡

##### United Kingdom 英國

London 倫敦  
Birmingham 伯明翰  
Manchester 曼徹斯特

##### United States 美國

New York 紐約  
Los Angeles 洛杉磯



## LIST OF OUTLETS (CONTINUED)

### 網絡一覽 (續)

With more than 220 outlets worldwide, BEA operates an extensive international network covering Hong Kong and the rest of Greater China, Southeast Asia, the United Kingdom, and the United States.

東亞銀行現於全球設有逾220個網點，龐大的國際網絡覆蓋香港、大中華其他地區、東南亞、英國和美國。

### HONG KONG BRANCH NETWORK 香港分行網絡

S Main Branch 總行	Kowloon Branches 九龍分行	New Territories Branches 新界分行
<b>Hong Kong Branches 香港分行</b>		
S Aberdeen 香港仔	S Castle Peak Road 青山道	S East Point City 東港城
S Admiralty 金鐘	S Cheung Sha Wan Plaza 長沙灣廣場	S i Fanling 粉嶺
S BEA Harbour View Centre 東亞銀行港灣中心	Chuk Yuen 竹園	S Ha Kwai Chung 下葵涌
S Bonham Road 般含道	S East Tsim Sha Tsui 尖東	S Lingnan University 嶺南大學
S Caine Road 堅道	i Festival Walk 又一城	S Ma On Shan Plaza 馬鞍山廣場
S Causeway Bay 銅鑼灣	S Hoi Yuen Road 開源道	S Maritime Square 青衣城
S Chai Wan 柴灣	Hong Kong Baptist University 香港浸會大學	S Metro City Plaza 新都城中心
S Happy Valley 跑馬地	S iSQUARE 國際廣場	S Park Central 將軍澳中心
S Hennessy Road 軒尼詩道	Jordan 佐敦	S Shatin Plaza 沙田廣場
S Kennedy Town 堅尼地城	S Kowloon City 九龍城	S Sheung Shui 上水
S King's Road 英皇道	S Kowloon Station Elements 九龍站圓方	S Sun Chui Estate 新翠邨
S North Point 北角	S Kwun Tong 觀塘	S Tai Po Plaza 大埔廣場
S Quarry Bay 鰂魚涌	S Laguna City 麗港城	S Tai Wai 大圍
S Queen's Road East 皇后大道東	S Lok Fu 樂富	S The Chinese University of Hong Kong 香港中文大學
S Shaukiwan 筲箕灣	S i Ma Tau Wei Road 馬頭圍道	Tin Shui Wai 天水圍
S Shek Tong Tsui 石塘咀	S Mei Foo Sun Chuen 美孚新邨	The Education University of Hong Kong 香港教育大學
S Sheung Wan 上環	Millennium City 5 創紀之城五期	The Hong Kong University of Science and Technology 香港科技大學
S Shun Tak Centre 信德中心	S Mongkok 旺角	S i Tsuen Wan Fou Wah Centre 荃灣富華中心
S Taikoo Shing 太古城	S Mongkok North 旺角北	Tsuen Wan Sha Tsui Road 荃灣沙咀道
S The University of Hong Kong 香港大學	S Olympian City 奧海城	Tuen Mun 屯門
S Times Square 時代廣場	S Plaza Hollywood 荷里活廣場	S i Tuen Mun Town Plaza 屯門市廣場
S Wanchai 灣仔	S San Po Kong 新蒲崗	S Yuen Long 元朗
Wanchai Convention Plaza 灣仔會展廣場	S Tai Hang Tung 大坑東	Yuen Long YOHO MALL 元朗形點
	S Telford Plaza 德福廣場	
	The Hong Kong Polytechnic University 香港理工大學	
	S i Tsim Sha Tsui 尖沙咀	
	S Waterloo Road 窩打老道	
	S Whampoa Garden 黃埔花園	
	S Yaumatei 油麻地	
S With SupremeGold Centre 設有顯卓理財中心		
i Branch with i-Financial Centre 分行設有i-理財中心		
		<b>Outlying Islands Branches 離島分行</b>
		Cheung Chau 長洲
		Tung Chung 東涌
		Silvermine Bay 梅窩
		Tai O 大澳

### FINANCIAL CENTRES 理財中心

Hong Kong Region 香港區	Kowloon Region 九龍區
Pacific Place i-Financial Centre 太古廣場i-理財中心	Harbour City SupremeGold Centre 海港城顯卓理財中心
Quarry Bay SupremeGold Centre 鰂魚涌顯卓理財中心	Kai Tak Ching Long i-Financial Centre 啟德晴朗i-理財中心
	Millennium City 5 SupremeGold Centre 創紀之城五期顯卓理財中心
<b>New Territories Region 新界區</b>	Whampoa Garden i-Financial Centre 黃埔花園i-理財中心
Tin Shui Wai i-Financial Centre 天水圍i-理財中心	
Tin Shui Wai One Sky Mall i-Financial Centre 天水圍天一商城i-理財中心	

## CORPORATE GOVERNANCE REPORT

The BEA Group is committed to maintaining high standards of corporate governance and considers such commitment essential in balancing the interests of shareholders, customers and employees; and in upholding accountability and transparency.

The Bank has in place a corporate governance framework which sets out a range of governance principles and practices to direct and guide the business conducts and affairs of the Group.

The Bank also constantly reviews and enhances the effectiveness of our corporate governance practices to ensure that they are in line with the requirements of relevant rules and regulations.

During the financial year ended 31st December, 2016, the Bank has complied with all the Code Provisions set out in the CG Code, except for Code Provision A.2.1 as explained in section A below. The Bank has also followed the modules on CG-1 and CG-5.

### A. BOARD OF DIRECTORS

#### The Board

The Bank is headed by an effective Board which assumes responsibility for leadership and control of the Bank and is collectively responsible for promoting the success of the Bank by directing and supervising the Bank's affairs. The Board takes into account the legitimate interests of shareholders, customers, employees and other relevant stakeholders and ensures that the Bank operates in a reliable, safe manner and meets its obligations on an ongoing basis.

The Board is responsible for providing strategic direction and overseeing effective implementation of pre-determined objectives by the Management. It delegates the day-to-day operation and administration of the Bank's business to the Management.

The Bank has established a *Schedule of Matters Reserved to the Board for Decision* ("Schedule") to formalise the matters reserved for the Board's approval and delegation of power to the Board and Management Committees. The Schedule will be reviewed periodically to ensure that it remains appropriate to the Bank's needs and regulatory requirements.

Specific matters reserved for the Board's consideration and decision include:

- Capital plans and management
- Financial Reports
- Business Plans

- Matters in relation to corporate governance functions
- Risk Management and Internal Controls
- Appointments, Removal and Succession Planning of Directors, Chief Executive, Deputy Chief Executives, Division Heads, Group Chief Compliance Officer, Group Chief Financial Officer, Group Chief Risk Officer and Group Chief Auditor of the Bank
- Substantial investment or disposal of Group's assets according to the disclosure requirements of the Listing Rules
- Public Announcements according to the requirements of the Listing Rules

#### Management functions

While the Board is responsible for formulating overall strategy to guide and monitor the performance of the Group, the management of day-to-day operation of the Group's businesses and implementation of the strategy and direction set by the Board has been delegated to the Management.

#### Board Meetings

Board meetings are held at least 5 times a year. In addition, special Board meetings are held when necessary. Dates of regular Board and Committee meetings are scheduled in the prior year to provide sufficient notice to give all Directors an opportunity to attend. For special Board meetings, reasonable notice is given. Board agenda is approved by the Chairman following consultation with Directors and the Senior Management. All Board meetings involve the active participation, either in person or through other electronic means of communication, of a majority of Directors.

Minutes of the meetings of the Board and Board Committees record in sufficient detail the matters considered by the Board and the Board Committees, the decisions reached, including any concerns raised by Directors or dissenting views expressed. Draft and final versions of minutes of the meetings of the Board, the AC, the RC, the NC and the RIC are sent to all Directors or respective Board Committee members for their comment and record within a reasonable period after the meetings are held.

Minutes of the meetings of the Board, the AC, the RC and the NC are kept by the Company Secretary whereas minutes of the meetings of RIC and other Management Committees (as listed under the subject Management Committees in section B on page 90) are kept by the appointed secretary of each Committee.

## 企業管治報告

本集團致力維持良好的企業管治標準，並認為此承諾對於平衡股東、客戶及員工的利益，以及保持問責及透明度，至為重要。

本行已制定企業管治架構訂明一系列管治原則及實務，為本集團的商業行為及事務提供指引。

本行不時對所採用的企業管治實務進行檢討及改進，以確保符合相關的條例規定。

除以下A項所述偏離守則條文A.2.1的行為外，本行在截至2016年12月31日止的財政年度期間內，已遵守《企業管治守則》的全部守則條文。本行亦已遵循CG-1及CG-5內各項要求。

### A. 董事會

#### 董事會

本行以一個行之有效的董事會為首；董事會負有領導及監控本行的責任，並集體負責統管並監督本行事務以促使本行成功。董事會將顧及股東、客戶、員工及其他相關持份者的合法權益，確保本行以可靠及安全的方式營運，以及持續履行其責任。

董事會負責提供策略性指引，並進行監督以確保管理層有效落實預先訂定的目標。董事會授權管理層負責本行業務的日常營運及管理。

本行已訂立一份保留予董事會決定的事項表（「事項表」），以界定保留予董事會決定及授權董事會和管理層轄下委員會權力的事項，並定期檢討該事項表以確保符合本行的需要及法例要求。

由董事會考慮及決策之特定事項包括：

- 資本計劃及管理
- 財務報告
- 業務計劃

- 有關企業管治功能的事項
- 風險管理及內部監控
- 本行董事、行政總裁、副行政總裁、處級主管、集團合規總監、集團財務總監、集團風險總監及集團總稽核的委任，撤職及繼任安排
- 根據《上市規則》必須公告的重大投資或出售集團資產
- 根據《上市規則》所發出之公告

#### 管理功能

董事會的職責在於制訂整體策略來指導及監察集團的表現，至於集團業務日常營運管理，以及實施董事會制定的策略和方向等職能則授權管理層進行。

#### 董事會會議

董事會會議每年召開最少5次。此外，在有需要時會召開董事會特別會議。董事會及委員會定期會議的日期在前一年已安排，以便所有董事有機會騰空出席。至於召開董事會特別會議，則會發出合理通知。會議議程內容均在事前諮詢董事及高層管理人員意見後，經主席確認而制定。董事會會議均有大部分董事親身出席，或透過其他電子通訊方法積極參與。

董事會及其轄下委員會的會議記錄，對會議上各董事所考慮事項及達致的決定（其中包括董事提出的任何疑慮或表達的反對意見）都作出足夠的記錄。董事會、審核委員會、薪酬委員會、提名委員會及風險委員會的會議記錄的初稿及最終定稿會在會議後的合理期間內發送全體董事或相關董事會轄下委員會成員。初稿供其表達意見，最後定稿則作其記錄之用。

董事會、審核委員會、薪酬委員會及提名委員會的會議記錄由公司秘書備存，而風險委員會及其他管理層轄下委員會（列於第91頁B段管理層轄下委員會項下）的會議記錄則由各個委員會委任的秘書備存。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

## Directors' attendance records

In 2016, 5 Board meetings were held with an average attendance rate of 94%. Attendance records of the Directors at BMs, ACMs, RCM, NCMs, RICMs and AGM held in 2016 are as follows:

	Number of meetings attended/held in 2016					
	BM	ACM	RCM	NCM	RICM	AGM
<i>Executive Directors:</i>						
David LI Kwok-po <sup>2</sup> (Chairman & Chief Executive)	5/5	-	1/1	2/2	2/2	1/1
Adrian David LI Man-kiu (Deputy Chief Executive)	5/5	-	-	-	-	1/1
Brian David LI Man-bun (Deputy Chief Executive)	5/5	-	-	-	-	1/1
<i>Non-executive Directors:</i>						
Arthur LI Kwok-cheung (Deputy Chairman)	4/5	-	-	-	3/4	1/1
Aubrey LI Kwok-sing <sup>2</sup>	5/5	-	1/1	1/1	2/4	1/1
Eric LI Fook-chuen <sup>2</sup>	3/3	-	1/1	1/1	2/2	1/1
Stephen Charles LI Kwok-sze	5/5	-	-	-	-	1/1
Isidro FAINÉ CASAS	5/5	-	-	2/2	-	1/1
Peter LEE Ka-kit <sup>2</sup>	5/5	-	-	-	-	1/1
Masayuki OKU <sup>2</sup>	5/5	-	-	0/1	-	1/1
<i>Independent Non-executive Directors:</i>						
Allan WONG Chi-yun <sup>2</sup> (Deputy Chairman)	5/5	3/3	1/1	2/2	2/2	1/1
WONG Chung-hin <sup>2</sup>	2/3	1/1	-	-	-	0/1
Winston LO Yau-lai	5/5	3/3	1/1	2/2	4/4	1/1
KHOO Kay-peng <sup>2</sup>	2/3	-	1/1	1/1	-	1/1
Richard LI Tzar-kai	4/5	-	-	-	-	0/1
Kenneth LO Chin-ming <sup>2&amp;5</sup>	5/5	3/3	-	2/2	2/2	1/1
William DOO Wai-hoi	4/5	3/3	-	-	-	1/1
KUOK Khoon-ean	4/5	-	-	1/2	-	1/1
Valiant CHEUNG Kin-piu <sup>3</sup>	4/4	2/2	1/1	-	3/3	1/1
Daryl NG Win-kong <sup>2</sup>	5/5	1/2	-	-	1/2	1/1
Rita FAN HSU Lai-tai <sup>1&amp;2</sup>	3/3	-	-	-	-	1/1
Meocre LI Kwok-wing <sup>4</sup>	1/1	1/1	-	-	1/1	-
Average attendance rate	94%	94%	100%	88%	85%	90%

<sup>1</sup> Rita FAN HSU Lai-tai was appointed as Director on 25th February, 2016.

<sup>2</sup> The following changes were effective from the conclusion of 2016 AGM:

- David LI Kwok-po stepped down as Chairman of NC, Chairman of RIC and Member of RC, and remains as Member of NC;
- Allan WONG Chi-yun was appointed as Chairman of NC and RIC; he stepped down as Chairman of RC and remains as Member;
- Rita FAN HSU Lai-tai was appointed as Chairman of RC;
- Peter LEE Ka-kit became Member of RC;
- Kenneth LO Chin-ming became Member of RIC;
- Daryl NG Win-kong became Member of AC and RIC;
- Masayuki OKU became Member of NC;
- Aubrey LI Kwok-sing ceased as Member of NC;
- WONG Chung-hin resigned as Director and ceased as Member of AC;
- Eric LI Fook-chuen resigned as Director and ceased as the Deputy Chairman of NC, Member of RC and RIC; and
- KHOO Kay-peng retired as Director and ceased as Member of NC and RC.

<sup>3</sup> Valiant CHEUNG Kin-piu resigned as Director and ceased as Member of AC, RC and RIC with effect from 1st September, 2016.

<sup>4</sup> Meocre LI Kwok-wing was appointed as Director and Member of AC and RIC on 1st September, 2016.

<sup>5</sup> Kenneth LO Chin-ming resigned as Director and ceased as Member of AC, NC and RIC with effect from 1st January, 2017.

## 企業管治報告 (續)

## 董事會議出席記錄

於2016年舉行的5次董事會會議，董事之平均出席率為94%。各董事於2016年內舉行的董事會會議、審核委員會會議、薪酬委員會會議、提名委員會會議、風險委員會會議及股東周年常會的出席記錄如下：

	於2016年會議出席次數/舉行次數					
	董事會會議	審核委員會會議	薪酬委員會會議	提名委員會會議	風險委員會會議	股東周年常會
<b>執行董事：</b>						
李國寶 <sup>2</sup> (主席兼行政總裁)	5/5	-	1/1	2/2	2/2	1/1
李民橋 (副行政總裁)	5/5	-	-	-	-	1/1
李民斌 (副行政總裁)	5/5	-	-	-	-	1/1
<b>非執行董事：</b>						
李國章 (副主席)	4/5	-	-	-	3/4	1/1
李國星 <sup>2</sup>	5/5	-	1/1	1/1	2/4	1/1
李福全 <sup>2</sup>	3/3	-	1/1	1/1	2/2	1/1
李國仕	5/5	-	-	-	-	1/1
范禮賢	5/5	-	-	2/2	-	1/1
李家傑 <sup>2</sup>	5/5	-	-	-	-	1/1
奧正之 <sup>2</sup>	5/5	-	-	0/1	-	1/1
<b>獨立非執行董事：</b>						
黃子欣 <sup>2</sup> (副主席)	5/5	3/3	1/1	2/2	2/2	1/1
黃頌顯 <sup>2</sup>	2/3	1/1	-	-	-	0/1
羅友禮	5/5	3/3	1/1	2/2	4/4	1/1
邱繼炳 <sup>2</sup>	2/3	-	1/1	1/1	-	1/1
李澤楷	4/5	-	-	-	-	0/1
駱錦明 <sup>2及5</sup>	5/5	3/3	-	2/2	2/2	1/1
杜惠愷	4/5	3/3	-	-	-	1/1
郭孔演	4/5	-	-	1/2	-	1/1
張建標 <sup>3</sup>	4/4	2/2	1/1	-	3/3	1/1
黃永光 <sup>2</sup>	5/5	1/2	-	-	1/2	1/1
范徐麗泰 <sup>1及2</sup>	3/3	-	-	-	-	1/1
李國榮 <sup>4</sup>	1/1	1/1	-	-	1/1	-
平均出席率	94%	94%	100%	88%	85%	90%

<sup>1</sup> 范徐麗泰於2016年2月25日獲委任為董事。

<sup>2</sup> 下列變動於2016股東周年常會結束後生效：

- 李國寶辭任提名委員會主席、風險委員會主席及薪酬委員會委員之職務，並保留提名委員會委員一職；
- 黃子欣擔任提名委員會主席及風險委員會主席，他辭任薪酬委員會主席之職務並保留委員一職；
- 范徐麗泰擔任薪酬委員會主席；
- 李家傑獲委任為薪酬委員會委員；
- 駱錦明獲委任為風險委員會委員；
- 黃永光獲委任為審核委員會委員及風險委員會委員；
- 奧正之獲委任為提名委員會委員；
- 李國星辭任提名委員會委員；
- 黃頌顯辭任董事及審核委員會委員；
- 李福全辭任董事、提名委員會副主席、薪酬委員會委員及風險委員會委員；及
- 邱繼炳退任董事、提名委員會委員及薪酬委員會委員。

<sup>3</sup> 張建標於2016年9月1日辭任董事、審核委員會委員、薪酬委員會委員及風險委員會委員。

<sup>4</sup> 李國榮於2016年9月1日獲委任為董事、審核委員會委員及風險委員會委員。

<sup>5</sup> 駱錦明於2017年1月1日辭任董事、審核委員會委員、提名委員會委員及風險委員會委員。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Chairman and Chief Executive Officer

Code Provision A.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Dr. the Hon. Sir David LI Kwok-po is the Chairman & Chief Executive of the Bank. The Board considers that this structure will not impair the balance of power and authority between the Board and the Management of the Bank. The division of responsibilities between the Chairman and the Chief Executive is clearly established and set out in the job mandate of the Chairman & Chief Executive. The balance of power and authority is ensured by the operations of the Board, which comprises experienced and high calibre individuals and meets regularly to discuss issues affecting operations of the Bank. There is a strong independent element in the composition of the Board. As at 22nd March, 2017, out of the 19 Board members, 10 are INEDs. The Board believes that the current structure is conducive to strong and consistent leadership, enabling the Bank to make and implement decisions promptly and efficiently. The Board believes that Sir David's appointment to the posts of Chairman and Chief Executive is beneficial to the business prospects and management of the Bank.

The Chairman ensures that all Directors are properly briefed on issues arising at Board meetings. He promotes a culture of openness and debate and encourages all Directors to make a full and active contribution to the Board's affairs. He also takes the lead in ensuring that the Board acts in the best interests of the Bank.

The Chairman also ensures that Directors receive, in a timely manner, adequate information, which is accurate, clear, complete and reliable, of the Bank.

During the year, apart from the 5 Board meetings held, the Chairman, who is also an ED of the Bank, held a meeting with the NED (including INEDs) in the absence of the other EDs and the Senior Management.

### Board composition

The Bank announced on 17th February, 2017 that Mr. William DOO Wai-hoi has tendered his resignation as an INED with effect from 18th February, 2017. Furthermore, Mr. Richard LI Tzar-kai and Mr. KUOK Khoo-ean have informed the Board that they would not offer themselves for re-election and accordingly will retire as Directors at the conclusion of the 2017 AGM.

The Bank has appointed Dr. the Hon. Henry TANG Ying-yen, The Hon. CHAN Kin-por and Dr. Delman LEE as INED, with effect from 1st March, 2017, 15th March, 2017 and 21st March, 2017 respectively.

Following the above Board changes, the overall size of the Board will be reduced to 17 Directors, including 3 EDs, 6 NEDs and 8 INEDs after the conclusion of the 2017 AGM. Over one-third of the Directors are INEDs. In this regard, there is sufficient independent element on the Board that

ensures the independence and objectivity of the decisions of the Board, as well as the thoroughness and impartiality of the Board's oversight of the Management. An updated list of Directors, identifying their roles and functions at the Bank, is available on the HKEx's and the Bank's websites.

The compositions of the Board and Board Committees are shown on pages 66 and 67 under the Corporate Information. All Directors of the Bank are expressly identified by categories of EDs, NEDs and INEDs in all corporate communications that disclose the names of the Directors.

The Biographies of Directors, including relationships with members of the Board, Senior Management and substantial shareholders (as defined in the Listing Rules) of the Bank, are shown from pages 44 to 64 under the Biographical Details of Directors and Senior Management.

### Board Effectiveness

The Board has adopted a *Board Succession and Diversity Policy* which defines succession planning and diversity of the Board. Board appointments are based on merit and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The Board has a balance of skills and experience appropriate for the requirements of the Bank's business. Directors, who come from a variety of different backgrounds, have a diverse range of business, banking and professional expertise and bring valuable insight in particular areas that support the development and growth of the Bank. Changes to its composition can be managed without undue disruption.

### Responsibilities of Directors

Directors, both collectively and individually, are required to fulfill fiduciary duties and duties of skill, care and diligence to a standard commensurate with the standard established by the Laws of Hong Kong. Every Director is required to know his/her responsibilities as a Director of the Bank and of the conduct, business activities and development of the Bank. The *Terms of Reference of the Board* mandate the responsibilities of the Directors of the Bank and also include the functions of the NEDs (including INEDs) as specifically required under Code Provision A.6.2 of the CG Code.

INEDs and other NEDs shall make a positive contribution to the development of the Bank's strategy and policies through independent, constructive and informed comments.

The Board regularly reviews the contributions required from a Director to perform his responsibilities to the Bank, and whether he is spending sufficient time performing them. It also considers whether Directors, who have multiple board representations, are able to and have been devoting sufficient time to discharge their responsibilities as Directors of the Bank adequately.

## 主席及行政總裁

《企業管治守則》守則條文A.2.1規定主席與行政總裁的角色應有區分，並不應由一人同時兼任。

李國寶爵士為本行的主席兼行政總裁。董事會認為此架構不會影響董事會與管理層兩者之間的權力和職權的平衡。主席及行政總裁之間的職責已清楚區分並以書面列載。本行董事會由極具經驗和才幹的成員組成並定期開會，以商討影響本行運作的事項。透過董事會的運作，足以確保權力和職權得到平衡。董事會的組合具有強大的獨立元素。於2017年3月22日，在19位董事會成員當中，10位是獨立非執行董事。董事會相信現時的架構有助於建立穩健而一致的領導權，使本行能夠迅速及有效地作出及實施各項決定。董事會相信委任李爵士出任主席兼行政總裁之職，會有利於本行的業務發展及管理。

主席確保董事會會議上所有董事均適當知悉當前的事項。主席提倡公開、積極討論的文化，並鼓勵所有董事全力投入董事會事務。他亦以身作則，確保董事會行事符合本行的最佳利益。

主席亦確保董事適時收到充分的本行資訊，而有關資訊為準確、清晰及完備可靠。

年內，除已舉行的5次董事會會議外，本行主席（亦是本行的執行董事）與非執行董事（包括獨立非執行董事）舉行了一次沒有其他執行董事及高層管理人員出席的會議。

## 董事會組成

本行於2017年2月17日宣布，杜惠愷先生已辭任本行獨立非執行董事職務由2017年2月18日起生效。此外，李澤楷先生及郭孔演先生表示，他們不會在2017股東周年常會上膺選連任，故將於2017股東周年常會結束時卸任。

此外，唐英年博士、陳健波議員及李國本博士已獲委任為獨立非執行董事，分別於2017年3月1日、2017年3月15日及2017年3月21日生效。

經上述董事會之變動，於2017股東周年常會結束後，董事會總人數將縮減至17人，包括3位執行董事、6位非執行董事及8位獨立非執行董事。超過三分之一的董事為獨立非執行董事。因此，董事會有足夠的獨立元素，確保能作出獨立客觀之決策，並能全面及

不偏不倚地監督管理層。本行最新的董事會成員名單（當中訂明其在本行的角色和職能）已載於香港交易所及本行網站。

董事會的成員名單刊載於第66及67頁公司資料內。所有載有董事姓名的公司通訊中，已按董事類別，包括執行董事、非執行董事及獨立非執行董事，明確說明本行各董事身份。

各董事的簡介，包括其與其他董事會成員、高層管理人員和主要股東（根據《上市規則》之定義）的關係，刊載於由44至第64頁董事及高層管理人員的個人資料項下。

## 董事會效能

董事會已採納一套董事會接任及多元化政策，訂定董事會成員接任及多元化計劃。董事會委任成員採取用人唯才為原則，並以董事會組合的多元性為目標，按客觀因素考慮人選，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年資。

董事會具備符合本行業務所需的技巧和經驗。各董事來自不同背景，擁有商業、銀行及專業等各領域之專長，為本行的發展提出精闢見解。董事會組成人員的變動不會帶來不適當的干擾。

## 董事責任

董事須共同及個別地履行誠信責任及應有技能、謹慎和勤勉行事的責任，而履行上述責任時，至少須符合香港法例所確立的標準。每名董事須瞭解其作為本行董事的職責，以及本行的經營方式、業務活動及發展。董事會的職權範圍訂明本行董事的責任，其中包括《企業管治守則》守則條文第A.6.2條所要求的非執行董事（包括獨立非執行董事）的職能。

獨立非執行董事及其他非執行董事透過提供獨立、富建設性及根據全面資訊的意見，對本行制訂策略及政策作出正面貢獻。

董事會定期檢討各董事須就履行本行董事職責所需的貢獻，並檢討其是否付出足夠的時間履行其職務。對於身兼多個董事會職務的董事，董事會亦會考慮其是否能夠並已經付出足夠時間，充分履行身為本行董事的職責。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The Bank has received confirmation from each Director that he/she has spent sufficient time and attention to the affairs of the Bank during the year 2016. Directors have also disclosed to the Bank the number and nature of offices held in Hong Kong or overseas listed public companies or organisations and other significant commitments, with the identity of the public companies or organisations and an indication of the time involved. Directors are reminded to notify the Company Secretary in a timely manner any change of such information.

The Bank has adopted the *Directors' Code of Conduct and Policy on Conflict of Interests* (the "Policy") which provides guidance to Directors to help them recognise and deal with ethical issues including the handling of conflict of interests and fair dealing, and help foster a culture of honesty and accountability in the best interests of the Group as well as the shareholders of the Bank. The Policy also contains a compliance process which requires declaration by a Director in respect of any (existing or proposed) contract, arrangement, transaction or other proposal in which the Director and/or his/her connected entity (as defined in section 486 of the Companies Ordinance), is/are directly/indirectly materially interested. A Director shall not vote on any resolution approving any contract, arrangement or transaction in which he/she and/or his/her connected entity has any material interest.

If a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter shall not be dealt with by way of circulation or by a Committee (except for an appropriate Board Committee set up for that purpose pursuant to a resolution passed in a Board meeting) and a Board meeting shall be held to deal with the specific matter. INEDs who, and whose associates, have no material interest in the transaction shall be present at such Board meeting.

The Bank has established its own code of securities transactions to be observed by Directors and Chief Executive, i.e. *Policy on Insider Dealing – Directors and Chief Executive* ("Bank's Policy") on terms no less exacting than the required standard set out in Appendix 10 – Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") of the Listing Rules. Specific enquiries have been made on all Directors of the Bank. All Directors confirmed that they had complied with the required standard set out in the Model Code and the Bank's Policy at all the applicable times during the year ended 31st December, 2016.

The Bank has also established a *Policy on Insider Dealing – Group Personnel* to be observed by the employees of the Bank or directors or employees of the Bank's subsidiaries, in respect of their dealings in the securities of the Bank.

In order to assist the Directors to discharge their duties to the Group, the Bank's *Policy on Obtaining Independent Professional Advice by Directors* sets out the procedures to enable the Directors, upon reasonable request, to seek independent professional advice in appropriate circumstances, at the Bank's expense.

The Bank has arranged a Directors & Officers Liability and Company Reimbursement Insurance to indemnify the directors and officers of the Group against claims made against them jointly and severally for any wrongful act committed or alleged to have been committed in their capacity as directors or officers of the Group.

### Induction and continuous development

The Bank strives to ensure that the Directors continue to develop and enhance their skills to better serve its stakeholders.

A formal letter of appointment, which includes the Director's scope of duties and obligations, is provided to every new Director of the Bank. The newly appointed Director also receives an Information Package from the Company Secretary on the first occasion of his/her appointment. This Information Package is a comprehensive, formal and tailored induction on the responsibilities and on-going obligations to be observed by a Director. In addition, the Information Package includes materials on the operations and business of the Bank. The EDs, Senior Management and the Company Secretary will subsequently conduct such briefing as is necessary, to ensure that the Directors have a proper understanding of the operations and business of the Bank and that they are aware of their responsibilities under the laws and applicable regulations.

All Directors of the Bank participate in continuous professional development to develop and refresh their knowledge and skills. The Bank will keep Directors updated on areas, including directors' duties and responsibilities, corporate governance and changes in regulatory requirements, to enable them to properly discharge their duties. The Bank is responsible for arranging and funding suitable training for Directors.

During the year, all Directors received updated information in relation to the following topics:

- Implementation of the Basel III capital buffers
- Supervision of regulated activities of SFC-registered authorized institutions
- Credit Risk Transfer Activities
- Regulatory Framework for Supervision of Liquidity Risk
- De-risking and Financial Inclusion
- Sound Systems and Controls for Liquidity Risk Management
- Anti-money Laundering and Counter-Financing of Terrorism Training

Directors also attended other relevant courses, conferences and seminars at the Bank's expense (where appropriate). All current Directors provided to the Bank a record of training they received in 2016.



本行已接獲每名董事確認於2016年內付出足夠的時間及充分關注本行事務的聲明。董事亦已向本行披露他們於香港或海外上市的公眾公司或組織擔任職位的數目和性質，以及其他重大承擔，並提供了公眾公司或組織的名稱和擔任有關職務所涉及的時間。董事會已提醒各董事，如相關資料有任何變動，須及時通知公司秘書。

本行已採納**董事行為守則及利益衝突政策**（「政策」），為董事提供指引，協助他們瞭解及處理有關道德操守等事宜（包括處理利益衝突及公平交易），並協助培養誠信及問責的文化，確保符合本集團及本行股東的最佳利益。該政策包括一套合規程序，訂定董事在獲悉其本人及/或其聯繫人（根據《公司條例》第486條的定義）在本公司訂定或擬定的合約、安排、交易或其他計劃項目中擁有任何直接或間接的重大權益，必須作出申報。董事不能就任何通過其本人及/或其聯繫人擁有重大權益的合約、安排或交易的董事決議案進行投票。

若有董事在董事會將予考慮的事項中存有董事會認為重大的利益衝突，有關事項不會以書面決議方式或交由董事會轄下委員會處理（根據董事會會議上通過的決議而特別就此事項成立的委員會除外），而董事會會就該事項舉行董事會會議。在交易中本身及其聯繫人均沒有重大權益的獨立非執行董事會出席有關的董事會會議。

本行已自行訂立一套與《上市規則》附錄10「上市發行人董事進行證券交易的標準守則」（「標準守則」）所訂標準同樣嚴格的董事及行政總裁證券交易政策，即**內幕交易政策 — 董事及行政總裁**（「本行政策」）。本行已經向所有董事明確查詢，所有董事已確認於截至2016年12月31日止年度內之所有適用期，均已遵守標準守則及本行政策中所要求的標準。

本行亦已訂立一套**內幕交易政策 — 集團人士**以供本行僱員，或本行附屬公司的董事或僱員，遵照規定買賣本行證券。

為協助董事履行其對本集團的責任，本行的董事諮詢獨立專業意見政策設定有關程序，讓董事按合理要求，可在適當的情況下尋求獨立專業意見，費用由本行支付。

本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工，因其以本集團董事或職員身份觸犯或被指控觸犯行為失當，以集體或個別形式被索償。

### 就職培訓及持續發展

本行致力確保董事持續提升其技能俾使其向本行持份者提供更佳服務。

本行所有新委任的董事均獲發一份正式委任函，以訂明其董事的職務及職責範圍。每名新任的董事亦會在首次接受委任時獲得由公司秘書準備的一份資料套件。此資料套件為一份全面、正式兼特別為董事而設的董事責任及持續職責須知。此外，該套件亦包括本行的運作及業務資料。其後，執行董事、高層管理人員及公司秘書會在有需要時向董事作出簡介，以確保各董事對本行的運作及業務均有適當的理解，以及知道本身在法律及適用的規定下的職責。

本行所有董事均參與持續專業發展，發展並更新其知識及技能。本行會向董事提供有關其職責事項（包括董事職責、企業管治及監管規定變動）的最新資訊，使董事能夠適當履行職責。本行負責為董事安排合適的培訓並承擔有關經費。

於本年度內，所有董事已獲得下列議題的資料：

- 有關實施《巴塞爾協定三》緩衝資本
- 獲得證監會註冊的認可機構進行的受規管活動的監管
- 信用風險轉移活動
- 流動性風險監管制度
- 「迴避風險」與普及金融
- 穩健的流動性風險管理制度及管控措施
- 打擊洗錢及恐怖分子資金籌集

董事亦參與其他相關的課程、會議及研討會，相關費用由本行承擔（如適用）。所有現任董事均已向本行提供其於2016年內所接受培訓的記錄。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

The following summarises key areas of trainings<sup>Note</sup> received by current Directors of the Bank during the year 2016:

Directors	Corporate Governance and Risk Management	Regulatory Update	Bank's business and management	Cyber Security	Corporate Social Responsibility
<i>Executive Directors:</i>					
David LI Kwok-po (Chairman & Chief Executive)	✓	✓	✓	✓	✓
Adrian David LI Man-kiu (Deputy Chief Executive)	✓	✓	✓	✓	✓
Brian David LI Man-bun (Deputy Chief Executive)	✓	✓	✓	✓	✓
<i>Non-executive Directors:</i>					
Arthur LI Kwok-cheung (Deputy Chairman)	✓	✓	✓	✓	
Aubrey LI Kwok-sing	✓	✓	✓	✓	✓
Stephen Charles LI Kwok-sze	✓	✓	✓		✓
Isidro FAINÉ CASAS	✓	✓	✓		✓
Peter LEE Ka-kit	✓	✓	✓		✓
Masayuki OKU	✓	✓	✓		✓
<i>Independent Non-executive Directors:</i>					
Allan WONG Chi-yun (Deputy Chairman)	✓	✓	✓	✓	✓
Winston LO Yau-lai	✓	✓	✓	✓	✓
Richard LI Tzar-kai	✓	✓	✓		✓
KUOK Khoon-ean	✓	✓	✓		
Daryl NG Win-kong	✓	✓	✓		✓
Rita FAN HSU Lai-tai	✓	✓	✓		✓
Meocre LI Kwok-wing	✓	✓	✓	✓	✓
Henry TANG Ying-yen <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
CHAN Kin-por <sup>2</sup>	N/A	N/A	N/A	N/A	N/A
Delman LEE <sup>3</sup>	N/A	N/A	N/A	N/A	N/A

Note: Attending seminars/conferences; giving speeches; reading articles; and/or reviewing information are considered as part of the Directors' training.

<sup>1</sup> Henry TANG Ying-yen was appointed as Director on 1st March, 2017.

<sup>2</sup> CHAN Kin-por was appointed as Director on 15th March, 2017.

<sup>3</sup> Delman LEE was appointed as Director on 21st March, 2017.

### Supply of and access to information

Directors are provided in a timely manner with appropriate information that enables them to make an informed decision and to discharge their duties and responsibilities as Directors of the Bank. To ensure that the Board is well supported by accurate, complete and timely information, Directors have unrestricted access to Board papers, minutes and related materials.

Management is aware that it has an obligation to supply the Board and Board Committees with adequate information in a timely manner to enable them to make informed decisions. The information supplied must be complete and reliable. The Board and each Director have separate and independent access to the Senior Management.

In respect of regular BMs and Board Committee meetings, notice of meetings will be given to all Directors at least 14 days before the date of the scheduled meetings; and so far as practicable in all other cases, an agenda and accompanying meeting papers are sent in full to the Directors or respective Committee members in a timely manner.

### Appointments and re-election of Directors

The Bank adopts a nomination procedure in the selection of new Directors and for the succession of appointments to the Board. The proposed appointment will first be reviewed by the NC, taking into account the balance of skills, knowledge, experience and diversity on the Board. Candidates to be selected and recommended shall meet the relevant standards set out in the Listing Rules and CG-1.

## 企業管治報告 (續)

下表概列現任董事於2016年參與持續專業發展<sup>a</sup>的主要範疇的記錄：

董事	企業管治及 風險管理	最新 監管資料	本行業務 及管理	網絡金融 管理技術	企業社會 責任
<b>執行董事：</b>					
李國寶 (主席兼行政總裁)	✓	✓	✓	✓	✓
李民橋 (副行政總裁)	✓	✓	✓	✓	✓
李民斌 (副行政總裁)	✓	✓	✓	✓	✓
<b>非執行董事：</b>					
李國章 (副主席)	✓	✓	✓	✓	✓
李國星	✓	✓	✓	✓	✓
李國仕	✓	✓	✓	✓	✓
范禮賢	✓	✓	✓	✓	✓
李家傑	✓	✓	✓	✓	✓
奧正之	✓	✓	✓	✓	✓
<b>獨立非執行董事：</b>					
黃子欣 (副主席)	✓	✓	✓	✓	✓
羅友禮	✓	✓	✓	✓	✓
李澤楷	✓	✓	✓	✓	✓
郭孔演	✓	✓	✓	✓	✓
黃永光	✓	✓	✓	✓	✓
范徐麗泰	✓	✓	✓	✓	✓
李國榮	✓	✓	✓	✓	✓
唐英年 <sup>1</sup>	不適用	不適用	不適用	不適用	不適用
陳健波 <sup>2</sup>	不適用	不適用	不適用	不適用	不適用
李國本 <sup>3</sup>	不適用	不適用	不適用	不適用	不適用

註：出席研討會/會議、論壇致辭，及/或閱讀文章及刊物亦視為董事培訓。

<sup>1</sup> 唐英年於2017年3月1日獲委任為董事。

<sup>2</sup> 陳健波於2017年3月15日獲委任為董事。

<sup>3</sup> 李國本於2017年3月21日獲委任為董事。

### 資料提供及使用

董事獲提供適時的適當資料，使其能夠在掌握有關資料的情況下作出決定，並能履行其作為本行董事的職務及責任。為確保董事會能夠獲得準確、完整和適時資料，董事可不受限制地查閱董事會的會議文件、會議記錄及相關資料。

管理層知悉其有責任向董事會及董事會轄下委員會適時提供足夠資料，以使董事能夠在掌握有關資料的情況下作出決定。管理層所提供的資料均屬完整可靠。董事會及每名董事有自行接觸高層管理人員的獨立途徑。

董事會及董事會轄下委員會常規會議的通知最少在有關會議日期14天前發送予全體董事，議程及相關會議文件（在切實可行的情況下）會全部適時送交董事或個別委員會成員。

### 委任及重選董事

本行就甄選新董事及董事繼任採納一套提名董事程序。提名委員會在審議有關委任事宜時將先行考慮董事會之技能、知識、經驗和多元化組合。獲甄選及獲推薦的候選人必須符合《上市規則》及CG-1所載相關的標準。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

A candidate who is to be appointed as an INED should also meet the independence criteria set out in Rule 3.13 of the Listing Rules and the requirements of the guidance on Empowerment of INEDs in the Banking Industry in Hong Kong issued by the HKMA. Upon recommendation of the NC, the proposed appointment will be reviewed and, if thought fit, approved by the Board. According to the requirement of the Banking Ordinance, prior approval from the HKMA will also be obtained. Pursuant to the Articles of Association of the Bank, Directors (including NEDs and INEDs) are appointed for a term of not more than approximately three years and on expiration of his term he shall be deemed a retiring Director and eligible for re-election. All new Directors appointed by the Board are subject to re-election by shareholders of the Bank at the first general meeting after their appointments have become effective.

The NC conducts annual review of the independence of INEDs before confirming their independence status to the Board. The relevant INEDs will abstain from participating in the assessments of their own independence. Particular consideration will also be paid in assessing the independence of those INEDs who have been serving on the Board for more than 9 years and seeking re-election in the AGM. Reasons will be given in the AGM Circular to explain why the Board believes those INEDs are still independent and should be re-elected.

### Evaluation of the Board and Directors

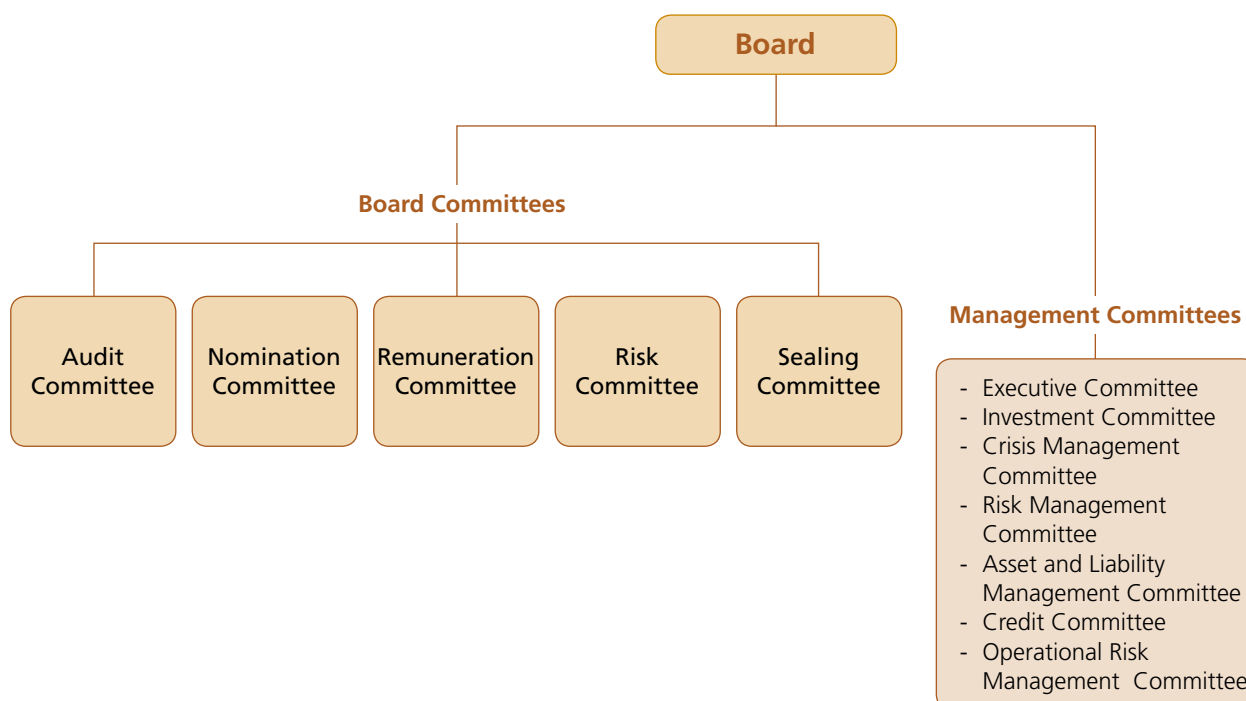
During the year, the Bank had conducted an evaluation of the effectiveness of the Board as a whole and

the contributions made by each Director to the effectiveness of the Board in the form of a questionnaire to all Directors individually. The evaluation covered Board structure and composition; Board process and effectiveness; responsibilities of the Board; and duties and responsibilities of Directors. The evaluation report revealed that Board process is effective during the year 2016. All Directors continue to perform effectively and demonstrate commitment to their roles. The result of the evaluation had been reviewed by the NC and submitted to the Board.

The Bank will continue to undertake an evaluation of the performance of the Board and Directors annually.

## B. BOARD DELEGATION

The Board has delegated authority to various Committees to deal with specific matters under defined terms of reference. The composition and terms of reference of these Committees are reviewed and updated regularly to ensure that they remain appropriate and in line with the regulatory requirements, the Group's business and changes in governance practices. These Committees are categorised as Board Committee or Management Committee. Board Committees include the AC, the NC, the RC, the RIC and the Sealing Committee. Management Committees include the Executive Committee, the Investment Committee, the Crisis Management Committee, the Risk Management Committee, the Asset and Liability Management Committee, the Credit Committee and the Operational Risk Management Committee.



## 企業管治報告 (續)

如候選人會獲委任為獨立非執行董事，亦須符合《上市規則》第3.13條所列的獨立性準則，以及金管局發出之提升香港銀行業獨立非執行董事的專業能力的規定。根據提名委員會之建議，董事會考慮有關委任，如認為合適者，將批准有關委任建議。依據《銀行業條例》規定，委任董事須取得金管局的預先批准。根據本行組織章程細則規定，董事（包括非執行董事及獨立非執行董事）的任期為不超過約3年，在其任期屆滿時，將被視為一位卸任董事而有資格重選。而新任董事須於獲委任後首次股東大會退任，由本行股東重選。

提名委員會就獨立非執行董事的獨立性進行年度檢討，並向董事會確認其獨立性。有關獨立非執行董事不會參與評估本身的獨立性。對於已擔任董事超過9年並將會在股東周年常會上膺選連任的獨立非執行董事，將另作評估。並在股東周年常會通函內載列董事會為何認為該名獨立非執行董事仍屬獨立人士及應獲重選連任的原因。

### 評估董事會及董事

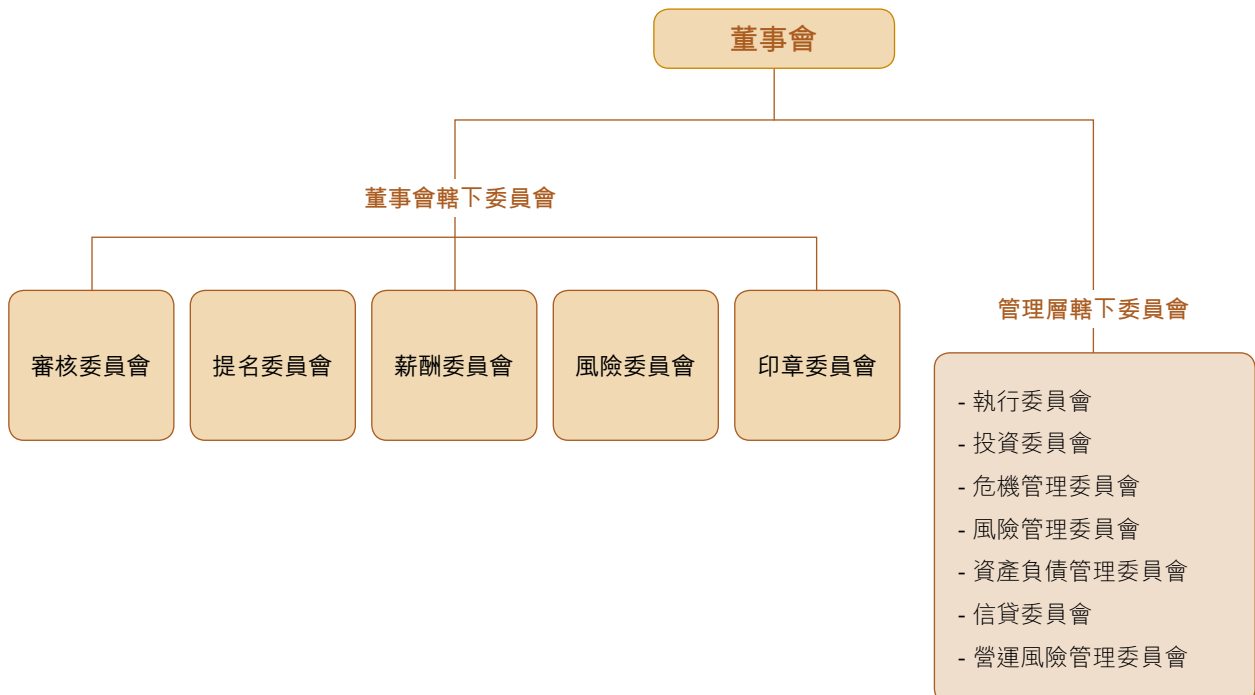
年內，本行向每位董事發出問卷就董事會整體工作成效及每位董事對達致董事會有效運作的貢獻進行評

估。評估範圍涵蓋董事會的架構及組成、董事會程序及成效、董事會的責任，以及董事的職務及責任。評估報告顯示董事會程序於2016年內行之有效。所有董事繼續有效履行責任及對職務的承擔。提名委員會已檢閱該評估報告並已提交董事會參考。

本行將繼續每年就董事會及董事的工作成效進行評估。

### B. 董事會授權

董事會授權多個委員會按照明確的職權範圍處理特定事宜。董事會定期檢討及更新各委員會的組成及職權範圍，確保有關安排仍屬妥善恰當及符合監管規定，以及配合集團業務及管治常規的發展。此等委員會分類為董事會轄下委員會及管理層轄下委員會。董事會轄下委員會包括審核委員會、提名委員會、薪酬委員會、風險委員會及印章委員會。管理層轄下委員會包括執行委員會、投資委員會、危機管理委員會、風險管理委員會、資產負債管理委員會、信貸委員會、營運風險管理委員會。



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Board Committees

#### Audit Committee

It is the responsibility of the Board to establish formal and transparent arrangements for considering how it will apply the financial reporting, risk management and internal control principles and for maintaining an appropriate relationship with the Bank's auditors. The Bank has established an AC with specific written Terms of Reference which deal clearly with its authority and duties included in CG Code.

The Board has delegated its corporate governance functions as set out in Code Provision D.3.1 of the CG Code to the Audit Committee.

As laid down in the Terms of Reference, the AC is responsible for reviewing corporate governance functions, financial controls, risk management and internal control systems, annual report and accounts, and half-year interim report.

The AC comprises 6 members and all the members are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2016 Annual Report. No former partners of the Bank's external auditors is acting as a member of the AC before expiry of a period of one year commencing the later of the date of his ceasing to be a partner of the firm or to have any financial interest in the firm.

AC meetings are held at least 3 times a year. The Chairman & Chief Executive, Deputy Chief Executives, other Senior Executives, and the external auditors are invited to attend these meetings. During the year, the external auditors held meetings with the AC members, without the presence of the Chairman & Chief Executive, Deputy Chief Executives and the other Senior Executives.

The AC is accountable to the Board and the minutes of the ACM are kept by the Company Secretary. Draft and final versions of minutes of the ACM will be sent to all members of the AC for their comment and record respectively, in both cases within a reasonable period after the meetings.

The number of meetings held by the AC and attendance of individual members at ACM in 2016 is recorded on page 74.

The following is a summary of the work performed by the AC during and for the year 2016:

- Reviewed and endorsed the policies and practices under the Bank's CG Framework, including the *Corporate Governance Policy* and made recommendations to the Board, where appropriate;
- Reviewed the training and continuous professional development of Directors and Senior Management;
- Reviewed the policies and practices on compliance with legal and regulatory requirements;
- Reviewed the code of conduct and compliance manual applicable to employees and Directors;
- Reviewed the status of compliance with the CG Code and disclosure in the Corporate Governance Report;
- Met with the external auditors to discuss their audit work;
- Reviewed external auditors' 2016 annual audit plan, management letter and management's response;
- Reviewed and approved the appointment of external auditors for providing non-audit services to the Group;
- Reviewed the Auditors' Independent Assurance Reports in respect of the Bank's financial disclosures under the Banking (Disclosure) Rules for 2015 and six months ended 30th June, 2016;
- Reviewed and recommended to the Board for approval of the audit fee proposal for the Group for 2016;
- Recommended to the Board to re-appoint KPMG as the Group's external auditors for 2016;
- Reviewed the internal audit reports covering the evaluation of risk management and internal control systems of various operations of the Group;
- Reviewed the adequacies of resources, qualifications and experience of the staff of the Bank's accounting, internal audit and financial reporting functions, and their training programmes and budget; effectiveness of the Group's internal audit function;
- Reviewed the Auditor's Report regarding the internal control systems for 2015 prepared under section 63(3A) of the Banking Ordinance;
- Reviewed the on-site examination reports of the HKMA issued in 2016;

## 董事會轄下委員會

### 審核委員會

董事會負責就如何應用財務匯報、風險管理及內部監控原則，及如何維持與本行核數師適當的關係，作出正規及具透明度的安排。本行已設立一個審核委員會，並以書面訂明具體的職權範圍，清楚說明委員會在《企業管治守則》守則條文所載的職權及責任。

審核委員會獲董事會授權執行其企業管治職能，有關職能載於《企業管治守則》守則條文第D.3.1條。

根據其職權範圍，審核委員會負責檢討企業管治職能、財務監控、風險管理及內部監控系統，並負責審閱年度報告、賬目和半年中期報告。

審核委員會由6名委員組成，所有成員均為獨立非執行董事。成員名單及履歷載於《2016年年報》「公司資料」及「董事及高層管理人員的個人資料」內。本行外聘核數師並無前任合夥人在其終止成為該核數師事務所合夥人當日或其享有該核數師事務所財務利益當日起計一年內(以日期較後者為準)的情況下，成為審核委員會成員。

審核委員會會議每年召開最少3次。主席兼行政總裁、副行政總裁、其他高級行政人員及外聘核數師均獲邀出席會議。年內，在主席兼行政總裁、副行政總裁及其他高級行政人員避席的情況下，外聘核數師與審核委員會成員舉行會議。

審核委員會須向董事會負責，而審核委員會的會議記錄由公司秘書保存。審核委員會會議記錄的初稿及最後定稿通常在會議後合理期間內先後發送予委員會全體成員，初稿供成員表達意見，最後定稿作記錄之用。

審核委員會於2016年舉行的會議次數及個別成員的出席記錄載於第75頁。

審核委員會在年內及為2016年度所做的工作，摘要如下：

- 檢討及批准本行企業管治架構下的政策及常規，包括企業管治政策，並於適當情況下向董事會提出建議；
- 檢討董事及高層管理人員的培訓及持續專業發展；
- 檢討在遵守法律及監管規定方面的政策及常規；
- 檢討僱員及董事的操守準則及合規手冊；
- 檢討遵守《企業管治守則》的情況及在企業管治報告內的披露；
- 會見外聘核數師以商討其核數工作；
- 審閱外聘核數師的2016年度稽核計劃，致管理層的審核情況說明函件及管理層的回應；
- 審閱及批准聘用外聘核數師向本集團提供非核數服務；
- 審閱外聘核數師就本行根據《銀行業(披露規則)》作出有關2015年度及2016年6月30日止6個月的財務披露的獨立確認報告；
- 審閱及向董事會推薦批准2016年集團的核數費用建議；
- 向董事會建議續聘畢馬威會計師事務所為本集團2016年度的外聘核數師；
- 審閱涵蓋本集團風險管理和各項運作內部監控評估的內部稽核報告；
- 審閱本行會計、稽核及財務匯報職能員工的資源、資歷和經驗，以及有關的培訓計劃和預算是否充裕；本集團稽核職能是否有效；
- 審閱《銀行業條例》63(3A)條下2015年度內部監控系統核數師報告；
- 審閱金管局2016年內發出的現場審查報告；

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed the Interim Report and the interim results announcement for the six months ended 30th June, 2016;
- Reviewed the audited financial statements and final results announcement for 2016; and
- Reviewed and approved Group internal audit plan for 2017.

All matters raised by the AC have been addressed by the Management. The work and findings of the AC have been reported to the Board. During the year, no issues brought to the attention of the AC and the Board were of sufficient importance to require disclosure in the Annual Report.

The Board agreed with the AC's proposal for the re-appointment of KPMG as the Group's external auditor for 2017. The recommendation will be presented for the approval of shareholders at the 2017 AGM.

The AC has made available its Terms of Reference, on the websites of the HKEx and the Bank, explaining its role and the authorities delegated to it by the Board.

The AC is provided with sufficient resources, including the advice of external auditors and Internal Audit Division, to discharge its duties.

The Bank has established the *Policy on Appointment of External Auditor for Provision of Non-Audit Services*, setting out the principles by which an external auditor may be appointed to provide non-audit services, with a view to ensuring the independence of the external auditor.

### Nomination Committee

The Bank has established an NC with specific written Terms of Reference which deal clearly with its authorities and duties. The Terms of Reference of the NC have included the specific duties set out in Code provision A.5.2 of the CG Code, with appropriate modifications where necessary.

The NC is responsible for recommending to the Board on relevant matters relating to appointments, re-appointment, removal and succession planning of Directors, Chief Executive, Senior Management, Division Heads, Group Chief Compliance Officer, Group Chief Auditor of the Bank, Group Chief Financial Officer and Group Chief Risk Officer; defining succession planning and diversity of the Board and performing evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

The NC comprises 8 members and 5 of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2016 Annual Report.

The number of meetings held by the NC and the attendance of individual members at NCM in 2016 is recorded on page 74.

The following is a summary of the work performed by the NC for the year 2016 and up to 22nd March, 2017:

- Reviewed the size, structure, composition and diversity of the Board;
- Reviewed the *Procedures for Nomination of Directors*;
- Reviewed the *Terms of Reference of the NC*;
- Reviewed the *Management Succession Policy*;
- Reviewed the *Management Succession Plans*;
- Reviewed the appointments of Meocre LI Kwok-wing, Henry TANG Ying-yen, CHAN Kin-por and Delman LEE as INEDs;
- Assessed the independence status of current INEDs, including the INEDs who will seek re-election at the 2017 AGM;
- Considered re-election of Arthur LI Kwok-cheung, Peter LEE Ka-kit, Meocre LI Kwok-wing, Henry TANG Ying-yen, CHAN Kin-por and Delman LEE as Directors of the Bank to be proposed for shareholders' approval at the 2017 AGM;
- Reviewed the appointment of the Executive Director and Chief Executive of BEA China;
- Reviewed the proposed restructuring of China Division and International Division and Appointment of Senior Executives of BEA China;
- Reviewed the *Board Succession and Diversity Policy* (the "Policy") including measurable objectives for implementing the Policy; and
- Reviewed and assessed the evaluation of the Board performance and Directors' contribution to the effectiveness of the Board.

The NC has made available its Terms of Reference, on the websites of HKEx and the Bank, explaining its role and the authorities delegated to it by the Board.

The NC is provided with sufficient resources including the advice of independent professional firms, if necessary, to discharge its duties.



## 企業管治報告 (續)

- 審閱截至2016年6月30日止6個月的中期報告及中期業績公告；
- 審閱2016年度經審核財務報表及全年業績公告；及
- 審閱及批准2017年度集團的內部稽核計劃。

審核委員會所提出的事項已交回管理層處理。審核委員會的工作情況及審閱結果已向董事會報告。年內，已提交審核委員會及董事會所需留意的事項，其重要性不足以需在年報內披露。

董事會同意審核委員會續聘畢馬威會計師事務所為本集團2017年度外聘核數師的建議。推薦建議將在2017股東周年常會上提呈予股東批准。

審核委員會的職權範圍登載於香港交易所及本行的網站上，解釋其角色，以及董事會所授予的權力。

審核委員會獲供給充足的資源，包括外聘核數師及稽核處的意見，以履行其職責。

本行已訂立委任外聘核數師提供非核數服務政策，訂明委任外聘核數師提供非核數服務的原則，以確保外聘核數師的獨立性。

#### 提名委員會

本行已設立一個提名委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。提名委員會的職權範圍已包括載於《企業管治守則》守則條文第A.5.2條所指明的特定責任，惟因應需要而作出適當修改。

提名委員會負責就本行董事、行政總裁、高層管理人員、處級主管、集團合規總監、集團總稽核、集團財務總監及集團風險總監的委任、重選、撤職及繼任安排，向董事會提出建議；訂定董事會成員接任及董事會多元化計劃；評估董事會表現及董事對達致董事會有效運作的貢獻。

提名委員會由8名委員組成，其中5名為獨立非執行董事，成員名單及履歷載於《2016年年報》「公司資料」及「董事及高層管理人員的個人資料」內。

提名委員會於2016年舉行的會議次數及個別成員的出席記錄載於第75頁。

提名委員會在2016年度及截至2017年3月22日止所做的工作，摘要如下：

- 檢討董事會的人數、架構、組合及多元化；
- 檢討提名董事的程序；
- 檢討提名委員會的職權範圍；
- 檢討管理層繼任政策；
- 檢討管理層繼任安排；
- 檢討委任李國榮、唐英年、陳健波及李國本為獨立非執行董事；
- 評核現任獨立非執行董事的獨立性，包括將會在2017股東周年常會膺選連任的獨立非執行董事；
- 考慮在2017股東周年常會上向股東提呈批准重選李國章、李家傑、李國榮、唐英年、陳健波及李國本為本行董事的建議；
- 檢討委任東亞中國執行董事兼行長；
- 檢討建議重組中國業務總部及國際業務處，以及委任東亞中國高級行政人員；
- 檢討董事會繼任及多元化政策包括推行多元化政策的可計量目標；及
- 檢討及評估董事會的表現及董事對達致董事會有效運作的貢獻。

提名委員會的職權範圍登載於香港交易所及本行的網站上，解釋其角色，以及董事會所授予的權力。

提名委員會獲提供充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Remuneration Committee

The Bank has established an RC with specific written Terms of Reference which deal clearly with its authority and duties. The Terms of Reference of the RC have included the specific duties set out in Code Provision B.1.2 of the CG Code, with appropriate modifications where necessary.

The RC is responsible for making recommendations to the Board regarding the Bank's remuneration policy, and for the formulation and review of the remuneration packages of the Directors, Chief Executive, Senior Management and Key Personnel of the Group.

The emoluments payable by the Bank to its Directors and senior executives are determined taking into account their role and responsibilities so as to ensure a fair and competitive remuneration package. The Bank will also ensure that no Director, Chief Executive or any of their associates will be involved in deciding his own remuneration.

The RC comprises 6 members and 4 of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2016 Annual Report.

The number of meetings held by the RC and the attendance of individual members at RCM in 2016 is recorded on page 74.

The following is a summary of work performed by the RC during and for the year 2016:

- Reviewed the Variable Remuneration for the Chief Executive, Senior Management and Key Personnel for 2015;
- Reviewed the vesting of Deferred Variable Remuneration for the Awards of the Year 2012 to 2014;
- Considered Sixth Offer and Grant of share options under the 2011 Scheme to eligible employees including Chief Executive, Senior Management and Division Heads;
- Reviewed the list of Senior Management and other Key Personnel for 2016;
- Reviewed the Remuneration Packages for the Chief Executive, Senior Management and Key Personnel for 2016;
- Reviewed the Remuneration Packages for the newly promoted Executive Director & Chief Executive of BEA China;
- Reviewed Annual Salary Review for 2016;

- Reviewed Annual Salary Review for 2016 for the Local Staff of Overseas Branches and Subsidiaries;
- Reviewed the Usage of Salary Increment Budget for 2015;
- Reviewed the audit on the Bank's Remuneration System;
- Reviewed the *Terms of Reference of the RC*; and
- Reviewed the *Remuneration Policy*.

The RC has made available its Terms of Reference, on the websites of the HKEx and the Bank, explaining its role and the authorities delegated to it by the Board.

The RC is provided with sufficient resources, including the advice of independent professional firms, if necessary, to discharge its duties.

### Risk Committee

The Bank has established an RIC with specific written Terms of Reference which deal clearly with its authorities and duties. The RIC is responsible for dealing with the Bank's risk management-related issues, in particular strategic issues, of the Group.

The RIC is assisted by the Management Committees namely the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee, to deal with daily management of risk-related issues; and by the Crisis Management Committee to deal with crisis management.

The RIC comprises 8 members and 6 of them are INEDs. Their names and biographies are set out in the Corporate Information and Biographical Details of Directors and Senior Management of the 2016 Annual Report.

RICMs are held on a quarterly basis, or as required. During the meetings, RIC reviews the risk management-related issues of the Group including risk appetite, risk management strategies, risk governance, risk management framework, risk management policies and risk profiles. Significant risk management-related issues are reported to the Board via RIC.

The number of meetings held by the RIC and the attendance of individual members at RICM in 2016 is recorded on page 74.

The following is a summary of the work performed by the RIC during and for the year 2016:

- Reviewed the Group's Risk Appetite Statement;
- Reviewed the Group's risk management strategies;

### 薪酬委員會

本行已設立一個薪酬委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權和責任。薪酬委員會的權責範圍已包括《企業管治守則》守則條文第 B.1.2 條所載的特定職責，惟因應需要而作出適當修改。

薪酬委員會負責就本行的薪酬政策，以及就訂立及審議集團董事、行政總裁、高層管理人員及主要管理人員的薪酬組合，向董事會提出建議。

本行於釐定董事及高級行政人員的酬金時，會考慮其職務及職責，以確保能提供既公平又具競爭力的薪酬予有關人士。本行亦確保任何董事、行政總裁或任何彼等聯繫人不能自行釐定薪酬。

薪酬委員會由 6 名委員組成，其中 4 名為獨立非執行董事，成員名單及履歷載於《2016 年年報》「公司資料」及「董事及高層管理人員的個人資料」內。

薪酬委員會於 2016 年舉行的會議次數及個別委員的出席記錄載於第 75 頁。

薪酬委員會在年內及為 2016 年度所做的工作，摘要如下：

- 檢討 2015 年度行政總裁、高層管理人員及主要管理人員的浮動薪酬；
- 檢討 2012 至 2014 年度遞延浮動薪酬獎勵的歸屬；
- 考慮根據 2011 計劃，給予及授出第六批認股權予合資格僱員，包括行政總裁、高層管理人員和處級主管；
- 檢討 2016 年度高層管理人員及主要管理人員名單；
- 檢討 2016 年度行政總裁、高層管理人員及主要管理人員的薪酬組合；
- 檢討新晉升東亞中國執行董事兼行長的薪酬組合；
- 檢討 2016 年度薪酬；

- 檢討 2016 年度海外分行及附屬公司當地員工的薪酬；
- 檢討 2015 年度薪酬加幅預算的使用狀況；
- 檢討本行的薪酬制度審核；
- 檢討薪酬委員會的職權範圍；及
- 檢討薪酬政策。

薪酬委員會職權範圍登載於香港交易所及本行的網站上，當中解釋其角色及董事會所授予的權力。

薪酬委員會獲供給充足資源，包括獨立專業公司的意見(如需要)，以履行其職責。

### 風險委員會

本行已設立一個風險委員會，並以書面訂明具體的職權範圍，清楚說明委員會的職權及責任。風險委員會負責處理本行的風險管理相關事宜，尤其是本集團的策略事宜。

風險委員會由管理層轄下委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責處理風險相關事項的日常管理事宜，並且由危機管理委員會協助，處理危機管理事宜。

風險委員會由 8 名委員組成，其中 6 名為獨立非執行董事，成員名單及履歷載於《2016 年年報》「公司資料」及「董事及高層管理人員的個人資料」內。

風險委員會每季召開一次會議，並於認為必要時召開額外會議。於會議上，風險委員會檢討本集團的風險管理相關事宜，涵蓋風險偏好、風險管理策略、風險管治、風險管理架構、風險管理政策及風險狀況。重大風險管理相關事宜經由風險委員會向董事會匯報。

風險委員會於 2016 年舉行的會議次數及個別成員的出席記錄載於第 75 頁。

風險委員會在年內及為 2016 年度所做的工作，摘要如下：

- 檢討本集團的風險偏好報告書；
- 檢討本集團的風險管理策略；

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- Reviewed and monitored the Group's risk profiles;
- Reviewed the Group's risk governance and management framework;
- Reviewed the Group's enterprise risk management framework and oversaw the status of implementation;
- Reviewed the *Group Risk Management Policy*;
- Reviewed the Internal Capital Adequacy Assessment Process;
- Reviewed the stress-testing results for major risks;
- Reviewed the *Group Recovery Plan*;
- Reviewed regulatory updates on risk management-related issues and considered their probable material implications to the Group;
- Reviewed critical regulatory comments on the Group's risk management-related issues;
- Reviewed the Terms of Reference of the RIC, Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee;
- Reviewed the Risk Committee Report; and
- Oversaw the implementation of risk management policies and compliance with respective statutory rules and regulations.

The Terms of Reference of RIC require it to report back to the Board on its decisions or recommendations.

The RIC has made available its Terms of Reference, on the website of the Bank, explaining its role and the authorities delegated to it by the Board.

The RIC is provided with sufficient resources including the advice of independent professional firms, if necessary, to discharge its duties.

### Sealing Committee

Sealing Committee comprises all Directors of the Bank as appointed from time to time. It is responsible for directing the usage and custody of the Bank's common seal.

### Management Committees

Management Committees are established to deal with matters as sufficiently prescribed in respective terms of reference, each of which has specific roles and responsibilities delegated by the Board or Management:

1. Executive Committee is responsible for reviewing all major functions and critical issues as well as formulating various strategies and policies relating to the businesses and operations of the Group;
2. Risk Management Committee is responsible for assisting the RIC in the daily management of issues related to all major risks (in particular strategic and new product and business risks) faced by the Group including risk appetites, risk profiles, regulatory updates and stress-testing;
3. Credit Committee is responsible for dealing with all credit risk-related issues of the Group;
4. Operational Risk Management Committee is responsible for dealing with issues related to operational, legal, reputation, compliance, technology and business continuity risks of the Group;
5. Asset and Liability Management Committee is responsible for dealing with all issues related to market, interest rate and liquidity risks of the Group;
6. Crisis Management Committee is responsible for dealing with the Group's management of crisis scenarios which jeopardise or have the potential to jeopardise the Group in its reputation, liquidity/ financial position and business continuity; and
7. Investment Committee is responsible for reviewing and formulating investment strategies as well as making investment decisions in respect of fixed income instruments, equity and equity related investments for the Bank, and The Bank of East Asia, Limited Employees' Provident Fund.

Material matters will be reported to the Board/Board Committees by the Management Committees according to their respective Terms of Reference.

- 檢討及監察本集團的風險狀況；
- 檢討本集團的風險管治及管理架構；
- 檢討本集團的企業風險管理架構及監督其執行情況；
- 審閱集團風險管理政策；
- 審閱內部資本充足評估程序；
- 審閱主要風險的壓力測試結果；
- 審閱集團恢復計劃；
- 審閱與風險管理相關的新監管規定，並考慮其可能對本集團造成的重大影響；
- 審閱與本集團風險管理相關的重要監管意見；
- 審閱風險委員會、危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會的職權範圍；
- 審閱風險委員會報告；及
- 監督本集團執行風險管理政策及遵守相關法例及法規。

風險委員會的職權範圍規定該委員會要向董事會匯報其決定或建議。

風險委員會的職權範圍登載於本行的網站上，解釋其角色，以及董事會所授予的權力。

風險委員會獲提供充足資源，包括獨立專業公司的意見（如需要），以履行其職責。

#### 印章委員會

印章委員會由所有本行不時委任的董事組成，負責監督本行之法定印章的使用及保管。

#### 管理層轄下委員會

管理層轄下每個委員會均獲董事會或管理層授予特定的角色及職責，並以書面訂明具體的職權範圍：

1. 執行委員會負責檢討集團各項有關業務及運作的主要功能和重大事宜及制定不同策略及政策；
2. 風險管理委員會負責協助風險委員會處理與本集團所有主要風險（尤其是策略性及新產品及業務風險）相關的日常管理事宜，包括風險偏好、風險狀況、新監管規定及壓力測試；
3. 信貸委員會負責處理集團所有與信貸風險有關的事宜；
4. 營運風險管理委員會負責處理集團與營運、法律、信譽、合規、科技及持續業務運作風險有關的事宜；
5. 資產負債管理委員會負責處理集團所有與市場、利率及流動資金風險有關的事宜；
6. 危機管理委員會在發生或有可能發生危害集團信譽、流動資金/財政狀況及持續業務運作的事務時負責處理集團的危機事故管理事宜；及
7. 投資委員會負責檢討及制訂本行及東亞銀行有限公司僱員公積金就有關定息債券工具、股票及其他股票相關投資工具的投資策略。

管理層轄下委員會根據其職權範圍向董事會/管理層轄下委員會匯報重要事項。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### C. REMUNERATION OF DIRECTORS AND SENIOR EXECUTIVES

The scales of Director's fees, and fees for membership of the AC, NC, RC and RIC are outlined below:

	Amount per annum
	2016
<i>Board of Directors:</i>	
Chairman	HK\$460,000
Deputy Chairman	HK\$330,000
Other Directors	HK\$300,000
<i>Audit Committee:</i>	
Chairman	HK\$210,000
Other members	HK\$120,000
<i>Nomination Committee:</i>	
Chairman	HK\$80,000
Deputy Chairman	HK\$60,000
Other members	HK\$50,000
<i>Remuneration Committee:</i>	
Chairman	HK\$80,000
Other members	HK\$50,000
<i>Risk Committee:</i>	
Chairman	HK\$160,000
Other members	HK\$100,000

Information relating to the remuneration of each Director for 2016 is set out in Note 21 on the accounts on page 200.

#### Disclosure of Remuneration Policy

In accordance with the "Guideline on a Sound Remuneration System" (the "Guideline") issued by the HKMA in March 2010 and its revision effective March 2015, the Bank has reviewed and revised its remuneration policy for employees of the Group, including its overseas branches and subsidiaries. The remuneration policy covers all categories of employees, including the 4 described in paragraph 2.1.1 of the Guideline. The RC, Group Chief Risk Officer and Group Chief Compliance Officer annually reviews the Bank's remuneration policy, including a reassessment of the principles applied in determining remuneration packages, as well as the structure and amount of compensation ultimately awarded.

#### General Principles

The remuneration policy of the Group promotes effective risk management, and is designed to encourage employee behaviour that supports the Group's business objectives, long-term financial soundness, risk tolerance, and risk management framework.

#### Remuneration Structure

Employee remuneration packages may consist of a combination of fixed and variable remuneration. The appropriate proportion of fixed and variable remuneration

shall vary according to an employee's seniority, role, responsibilities, and activities within the Group, among other things.

Fixed remuneration refers to an employee's annual salary (including year-end pay), while variable remuneration – comprising cash bonus payments and/or share options – is awarded based on the employee's performance with a view to better aligning incentives with risk and longer-term value creation. Variable remuneration, which is awarded in the form of cash bonus payments and/or share options, is determined taking into account an employee's seniority, role and responsibilities, and the actual or potential risks that the employee's activities may create for the Group and the extent to which they may affect its overall performance.

Separate bonus schemes apply to risk control personnel, whose awards are not linked to the performances of the business units that they oversee.

#### Employees' Performance Measurements and the Award of Variable Remuneration

The RC determines the measures and the corresponding target levels of the Group's performance with reference to corporate goals and objectives at the beginning of each financial year and when necessary.

## C. 董事及高級行政人員的薪酬

董事袍金，以及審核委員會、提名委員會、薪酬委員會和風險委員會委員的酬金摘錄如下：

	年度金額
	2016年
<b>董事會：</b>	
主席	港幣 46 萬元
副主席	港幣 33 萬元
其他董事	港幣 30 萬元
<b>審核委員會：</b>	
主席	港幣 21 萬元
其他委員	港幣 12 萬元
<b>提名委員會：</b>	
主席	港幣 8 萬元
副主席	港幣 6 萬元
其他委員	港幣 5 萬元
<b>薪酬委員會：</b>	
主席	港幣 8 萬元
其他委員	港幣 5 萬元
<b>風險委員會：</b>	
主席	港幣 16 萬元
其他委員	港幣 10 萬元

有關各董事 2016 年度的薪酬資料載於第 200 頁的賬項附註 21。

### 薪酬政策的披露

按照金管局於 2010 年 3 月發出的《穩健的薪酬制度指引》(「《指引》」) 及其 2015 年 3 月修訂本，本行已檢討並修訂對本集團 (包括其海外分行及附屬公司) 僱員的薪酬政策。薪酬政策適用於所有僱員，並包括依據《指引》第 2.1.1 段所述而劃分的四類員工。薪酬委員會、集團風險總監及集團合規總監於每個年度檢討本行的薪酬政策，當中包括重新評估應用於薪酬組合，以及報酬的架構及最終所發放金額的釐定原則。

#### 一般原則

本集團的薪酬政策以促進有效的風險管理為原則，旨在鼓勵僱員支持本集團達致業務目標，維持長期財政穩健，以及本集團在風險承擔、風險管理架構等方面的工作。

#### 薪酬架構

僱員的薪酬組合包含固定薪酬和浮動薪酬，兩者之間的合適比例因應僱員的職級、職務、職責，以及其在本集團內所進行的業務等而有所不同。

固定薪酬乃指僱員的年薪 (包括雙糧)，而浮動薪酬 (包含現金花紅及/或認股權) 則根據僱員的工作表現而發放，使其所獲得的報酬更能配合風險和較長期的價值創造。浮動薪酬 (發放的形式包括現金花紅及/或認股權) 的釐定準則，主要是考慮到僱員的職級、職務、職責和他們所進行的業務對本集團可能帶來的實質或潛在風險，以及該等風險對本集團整體表現的影響程度。

本集團亦設有獨立賞金計劃予風險控制人員，而發放的獎金並非與其所監管的業務部門表現掛鉤。

#### 僱員表現的衡量和浮動薪酬的發放

薪酬委員會於各個財政年度開始時及必要時，參考公司的目的和目標以釐定本集團表現的有關措施及相應目標水平。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

Score-cards comprised of a set of pre-defined and assessable criteria are used to assess the performance of individual employees. The criteria are determined according to the individual's areas of responsibility, as well as relevant financial and non-financial factors. To help ensure a balanced evaluation, a series of compliance and risk management ratings are also taken into account. The major types of risks covered are market, credit, interest rate, liquidity and operational risks. Other risks including legal, reputation and strategic risks are closely monitored at bank level by various Management Committees and adjustment will be made to an individual's variable remuneration when appropriate. The award of variable remuneration to an employee is based on the overall performance of the Group, as well as the performance of the relevant business unit, and that individual employee. Poor performance (either financial or non-financial) will result in a reduction or elimination of variable remuneration. Moreover, performance in relation to non-financial factors, including risk and compliance, forms a significant part of the employee performance appraisal exercise, given that poor performance in these areas can be indicative of significant risks to the Group. Adverse performance in non-financial factors, where appropriate, should override outstanding financial achievements. The overall quality of an employee's performance – as opposed to solely his/her financial performance – can

therefore be accurately determined as an integral part of the assessment. This ultimately helps mitigate risk to the Group and ensures the deployment of suitable personnel based on competence.

### Senior Executive Compensation

The RC annually reviews the remuneration packages of the Chief Executive, Senior Management, and Key Personnel. The Senior Management consists of the 4 Deputy Chief Executives while Key Personnel includes 15 Division Heads, the Executive Director & Chief Executive of BEA China, and the Head of Capital Markets & Liquidity Management Department. In determining the remuneration packages of the Chief Executive, Senior Management, and Key Personnel, the RC takes into account individual performances, performances of respective divisions and departments, and the Group's overall business goals and objectives. In 2016, the Bank engaged an external consultant, Willis Towers Watson, to review the Senior Executive Bonus Schemes of BEA and BEA China.

The aggregate payouts for these 23 senior executives for 2016 are shown in the table below in accordance with the disclosure requirement 3.3 of the Guideline.

#### Total value of remuneration in 2016

Total value of remuneration awards for the current financial year	Non-deferred (HK\$)	Deferred (HK\$)
<b>(i) Chief Executive</b>		
<i>Fixed remuneration</i>		
• Cash-based	10,712,650	0
<i>Variable remuneration</i>		
• Cash-based	5,501,664	0
• Share Options	0	11,008,889
<b>(ii) Senior Management</b>		
<i>Fixed remuneration</i>		
• Cash-based	15,503,280	0
<i>Variable remuneration</i>		
• Cash-based	4,777,184	0
• Share Options	0	14,312,448
<b>(iii) Key Personnel</b>		
<i>Fixed remuneration</i>		
• Cash-based	45,462,192	0
<i>Variable remuneration</i>		
• Cash-based	11,911,873	4,344,353
• Share Options	0	9,907,716

#### Remarks:

(i) For indicative purpose only, the value of share options is calculated based on the fair value of the Bank's shares on 17th January, 2017.

(ii) No guaranteed bonuses, sign-on, or severance payments were made to the Chief Executive, Senior Management, and Key Personnel of the Group in 2016.



## 企業管治報告(續)

本集團使用計分卡來評核個別僱員的工作表現，當中包含一套預設和可供評核的準則。這些準則乃依照僱員的主要職責範圍、相關財務及非財務因素，以及一系列合規和風險管理評級而釐定，確保僱員的工作表現獲平衡考量。主要風險的種類涵蓋市場、信貸、利率、流動資金及營運風險。而其他風險包括法律、信譽及策略性風險則由不同的管理層轄下委員會在銀行層面上作出緊密監察，並於適當時調整個別僱員的浮動薪酬。浮動薪酬乃根據本集團的整體表現，以及相關業務部門及個別僱員的表現發放。如僱員表現未如理想（根據財務或非財務因素衡量），其浮動薪酬會有所下調甚至撤銷。由於非財務因素（包括風險和合規）相關的表現未如理想時，可能顯示對本集團帶來重大風險，因此該表現將視作為評核僱員表現的重要考量因素。再者，非財務方面表現欠佳（在適當情況下）將凌駕於其財務方面的傑出表現。此舉使僱員的整體表現（而非僅僅考核其財務指標的表現）能準確地反

映於一次完整的考核之中，從而有助減低本集團承受的風險，及確保根據僱員的能力調配人力資源。

## 高級行政人員的薪酬

薪酬委員會於每個年度檢討行政總裁、高層管理人員及主要管理人員的薪酬組合。高層管理人員由4名副行政總裁組成，而主要管理人員則包括15名處級主管、東亞中國執行董事兼行長，以及資本市場及流動資金管理部門主管。薪酬委員會在釐定行政總裁、高層管理人員及主要管理人員的薪酬組合時所考慮的因素，包括個人工作表現、相關分處及部門的業績表現，以及本集團的整體業務目的和目標。本行於2016年委任外部顧問公司——韋萊韜悅——檢討東亞銀行及東亞中國的高級行政人員賞金計劃。

根據《指引》第3.3項的披露規定，此等合共23名高級行政人員於2016年度獲得的薪酬總額載於下表。

## 2016年度薪酬總值

本財政年度發放的薪酬總值	非遞延 (港幣)	遞延 (港幣)
<b>(i) 行政總裁</b>		
<b>固定薪酬</b>		
• 薪金	10,712,650	0
<b>浮動薪酬</b>		
• 現金花紅	5,501,664	0
• 認股權	0	11,008,889
<b>(ii) 高層管理人員</b>		
<b>固定薪酬</b>		
• 薪金	15,503,280	0
<b>浮動薪酬</b>		
• 現金花紅	4,777,184	0
• 認股權	0	14,312,448
<b>(iii) 主要管理人員</b>		
<b>固定薪酬</b>		
• 薪金	45,462,192	0
<b>浮動薪酬</b>		
• 現金花紅	11,911,873	4,344,353
• 認股權	0	9,907,716

註：

(i) 認股權價值乃參照本行股份於2017年1月17日的公平價值計算，僅供參考用途。

(ii) 集團於2016年度並無向行政總裁、高層管理人員及主要管理人員支付保證花紅、簽約受聘酬金或遣散費。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Total outstanding deferred remuneration in 2016

Outstanding deferred remuneration	Vested portion during the year 2016 (HK\$)	Unvested portion as at the end of 2016 (HK\$)	Performance adjustments to Vested portion during the year 2016 (HK\$)	Performance adjustments to Unvested portion as at the end of 2016 (HK\$)
<b>(i) Chief Executive</b>				
• Cash-based	8,372,969	6,966,966	0	0
• Share Options	7,289,067	23,091,457	0	0
<b>(ii) Senior Management</b>				
• Cash-based	3,420,472	2,484,176	0	0
• Share Options	9,472,804	30,043,156	0	0
<b>(iii) Key Personnel</b>				
• Cash-based	7,775,555	11,495,811	340,000	473,334
• Share Options	4,812,015	18,428,220	0	0

**Remarks:**

- (i) The values of share options are calculated based on the fair value on the respective Grant Dates.
- (ii) The vested cash bonuses and share options relate to the 2012 variable remuneration award granted in 2013 and vested in 2016, the 2013 variable remuneration award granted in 2014 and vested in 2016 and the 2014 variable remuneration award granted in 2015 and vested in 2016. The total number of share options granted in 2013, 2014 and 2015 are 5,650,000 shares, 5,987,500 shares and 6,100,000 shares respectively.
- (iii) The unvested cash bonuses and share options relate to the 2013, 2014 and 2015 variable remunerations.
- (iv) The outstanding deferred remuneration of Key Personnel in 2016 includes the vested and unvested cash bonuses and share options of 3 Key Personnel who left the Group on 1st January, 2013 and 1st October, 2013 respectively.

Details of the remuneration payable to members of the Senior Management by band are disclosed in Note 22 on the accounts on page 202.

### Deferral Arrangements

The award of variable remuneration to the Chief Executive, Senior Management, and Key Personnel is subject to deferment in such a manner as determined by the RC. In general, the proportion of variable remuneration which is subject to deferment will increase in line with the seniority, scope of responsibilities, and other relevant factors pertinent to the Chief Executive, Senior Management, and Key Personnel.

The award of deferred remuneration is subject to a minimum vesting period and pre-defined vesting conditions as determined by the RC and communicated to all relevant employees. Deferred remuneration is awarded in such a manner so as to align employees' incentive awards with long-term value creation and the time horizons of risk. The future performance (both financial and non-financial) of the Group, relevant business units, and individual employees, as well as the creation of value for our shareholders, are taken into consideration when determining vesting conditions. Vesting and payment of deferred remuneration will be made gradually over a period of 3 years and no faster than on a pro-rata basis.

In circumstances where it is later established that any performance measurement for a particular year was

based on data that is later proven to have been manifestly misstated, or it is later established that the relevant employee has committed fraud, malfeasance, or a violation of internal control policies, any unvested portions (i.e. both cash bonuses and/or share option tranches that have yet to be vested) of deferred variable remuneration (relating to that particular year in question) should be forgone, either in part or in whole, as determined by the RC. In certain circumstances, claw back of vested portion of the deferred variable remuneration of that particular year may apply.

### Future Review

As a major financial institution in Hong Kong, the Group not only takes extensive measures to ensure that it complies with all the relevant guidelines, rules, and regulations, but also adopts positive steps to ensure that ethical, social, and environmental aspects are taken into account when determining remuneration policies and packages.

The Group will keep abreast of the latest development in the labour market, especially in the financial services sector, and will review and refine its compensation and remuneration policies whenever necessary to enable the provision of competitive remuneration packages to ensure the retention of talent.

## 2016年度未發放的遞延薪酬總額

未發放的遞延薪酬	於2016年度 已歸屬部分 (港幣)	於2016年底 未歸屬部分 (港幣)	於2016年度 因工作表現而取消 的已歸屬部分 (港幣)	於2016年度 因工作表現而取消 的未歸屬部分 (港幣)
<b>(i) 行政總裁</b>				
• 現金花紅	8,372,969	6,966,966	0	0
• 認股權	7,289,067	23,091,457	0	0
<b>(ii) 高層管理人員</b>				
• 現金花紅	3,420,472	2,484,176	0	0
• 認股權	9,472,804	30,043,156	0	0
<b>(iii) 主要管理人員</b>				
• 現金花紅	7,775,555	11,495,811	340,000	473,334
• 認股權	4,812,015	18,428,220	0	0

註：

- (i) 認股權價值乃根據各授予日的公平價值計算。
- (ii) 已歸屬現金花紅及認股權為2013年授予並於2016年歸屬的2012年浮動薪酬、2014年授予並於2016年歸屬的2013年浮動薪酬和2015年授予並於2016年歸屬的2014年浮動薪酬。於2013、2014及2015年授予的認股權總額分別為5,650,000股、5,987,500股及6,100,000股。
- (iii) 未歸屬現金花紅及認股權為2013、2014及2015年浮動薪酬。
- (iv) 2016年度之主要管理人員未發放的遞延薪酬含3名已分別於2013年1月1日及2013年10月1日離職之主要管理人員的已歸屬及未歸屬現金花紅及認股權。

按等級披露的高層管理人員的薪酬詳情載於第202頁的賬項附註22內。

### 遞延安排

行政總裁、高層管理人員及主要管理人員的浮動薪酬依照薪酬委員會所定的遞延安排發放。一般而言，行政總裁、高層管理人員及主要管理人員可予遞延的浮動薪酬比例，會按其本身的職級、職責範圍和其他相關因素而增加。

遞延薪酬的發放受限於薪酬委員會所定並通知各有關僱員的最短歸屬期限和預設的歸屬條件。遞延薪酬的發放應能確保僱員所獲的報酬與長期的價值創造和風險的存在時間相配合。在釐定歸屬條件時，會考慮到集團、相關業務部門和僱員日後在財務及非財務方面的表現，以及為股東所創造的價值。遞延薪酬的歸屬和支付將會在3個年度內分階段及按比例進行。

若日後確定用以衡量某年度工作表現的數據被證實為明顯地錯誤陳述，或有關僱員曾作欺詐、違法或違反內部管控政策等行為，其於該年度內遞延浮動薪酬中的全部或部分未歸屬現金花紅及/或認股權將會按照薪酬委員會的決定予以取消。在若干情況下，該特定年度的已歸屬遞延浮動薪酬可予以收回。

### 未來檢討

本集團作為香港主要的金融機構，在釐定薪酬政策和組合時不但採取廣泛措施確保符合所有相關原則、規則和規例，並採取積極的措施以確保顧及道德、社會和環境各方面。

本集團將會密切留意勞工市場，尤其是金融服務界別的最新發展，並在必要時檢討及改善薪酬及報酬政策，藉此提供具競爭力的薪酬組合以留住人才。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### D. ACCOUNTABILITY AND AUDIT

#### Financial reporting

The Board is responsible for presenting a balanced, clear and comprehensible assessment of the Bank's performance, position and prospects.

Management shall provide sufficient explanation and information to the Board as will enable the Board to make an informed assessment of the financial and other information presented before the Board for approval. It provides the Board with monthly updates giving a balanced and understandable assessment of the Bank's performance, position and prospects to assist the Board as a whole and each Director to discharge their duties.

The Directors are responsible for ensuring maintenance of proper accounting records and preparing accounts of each financial period, which give a true and fair view of the state of affairs of the Group and of the results and cash flow for that period. In preparing the accounts for the year ended 31st December, 2016, the Directors have:

- consistently applied appropriate accounting policies;
- made judgements and estimates that are prudent and reasonable; and
- prepared the accounts on the going concern basis.

The Bank has announced its annual and interim results within 2 months after the end of the relevant periods, which is earlier than the limit of three months (for annual results) and within the limit of two months (for interim results) as required by Rule 13.49(1) and (6) of the Listing Rules respectively.

A statement by the auditors about their reporting responsibilities is included in the Independent Auditor's Report from pages 146 to 154.

The Board will present a balanced, clear and understandable assessment to annual and interim reports, other price-sensitive announcements and other financial disclosures required under the Listing Rules, and reports to regulators as well as to information required to be disclosed pursuant to statutory requirements.

#### Risk Management and Internal Controls

The Directors acknowledged that they are responsible for the Group's risk management and internal control systems and reviewing their effectiveness. The Internal Audit Division and Risk Management Division assume the responsibilities of internal audit and risk management functions of the Bank, respectively. During the financial year ended 31st December, 2016, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems.

The Board is responsible for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Bank's strategic objectives and ensuring that the Bank establishes and maintains appropriate and effective risk management and internal control systems. The Board is also responsible for overseeing Management in the design, implementation and monitoring of the risk management and internal control systems.

The risk management and internal control systems of the Bank are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Such systems comprise comprehensive policies and standards under a well-established organisational structure. Areas of responsibilities of each business and operational unit are clearly defined to ensure effective checks and balances. Please refer to the Sections "Principal Risk Management" from pages 247 to 271 and "Principal Risk Management and Capital Adequacy" from pages 330 to 335 of Annual Report 2016 for further details on the processes that the Group uses to identify, evaluate and manage principal risks.

The key procedures that the Board established to provide effective internal controls are as follows:

- A distinct organisation structure exists with defined lines of authority and control responsibilities.
- A comprehensive management accounting system is in place to provide financial and operational performance indicators to the Management and the relevant financial information for reporting and disclosure purpose.
- Policies and procedures are designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for ensuring the reliability of financial information used within the business or for publication. The procedures provide reasonable but not absolute assurance against material errors, losses or fraud.

## D. 問責及稽核

### 財務匯報

董事會有責任對本行的表現、狀況及前景作出一個平衡、清晰及全面的評核。

管理層須向董事會提供足夠解釋及資料，讓董事會可以就提交予他們批核的財務及其他資料，作出有根據的評審。管理層每月向董事會提供更新資料，就有關本行的表現、財務狀況及前景的公正且易於理解的評估，以協助董事會及各董事履行彼等的職責。

董事負責確保保存適當的會計記錄及編製每個財政期間的賬項，使這些賬項能真實和公平地反映本集團在該段期間的財政狀況、業績及現金流量表現。在編製截至2016年12月31日止年度的賬項時，董事已：

- 貫徹地應用適當的會計政策；
- 作出審慎及合理的判斷及估計；及
- 按持續經營基準編製賬項。

本行一向在有關財政期間結束後2個月內公布年度及中期業績，較《上市規則》第13.49(1)條所規定3個月(年度業績)的期限為早，亦符合《上市規則》第13.49(6)條所規定2個月(中期業績)的期限。

核數師的申報責任聲明載於由第147至155頁的獨立核數師報告內。

董事會在各方面將作出平衡、清晰及可理解的評審，包括：年度報告及中期報告、其他涉及股價敏感資料的公告及根據《上市規則》規定須予披露的其他財務資料，以及向監管者提交的報告書，以至根據法例規定須予披露的資料。

### 風險管理及內部監控

董事會承認其須對集團的風險管理及內部監控系統負責，並有責任檢討其效能。本行的稽核處及風險管理處分別負責內部稽核及風險管理功能。在截至2016年12月31日止的財政年度期間內，董事會檢討風險管理及內部監控系統是否足夠及有效。

董事會負責評估及釐定本行達成策略目標時所願意接納的風險性質及程度，並確保本行設立及維持合適及有效的風險管理及內部監控系統。董事會並負責監督管理層對風險管理及內部監控系統的設計、實施及監察。

本行的風險管理及內部監控系統旨在管理而不是消除未能達成業務目標的風險，並只能對不會有重大的失實陳述或損失作出合理而非絕對的保證。這系統包含一個完善的公司架構，以及全面的政策及標準。各業務及營運單位的職責範圍清晰劃分，以確保有效制衡。關於本集團用於辨認、評估及管理主要風險的程序，詳情請參閱2016年年報的「主要風險管理」由第247至271頁及「主要風險管理及資本充足度」由第330至335頁的部分。

以下為董事會為提供有效的內部監控而建立的主要程序：

- 組織架構權責清晰，監控層次分明。
- 設立一個全面的管理會計系統，為管理層提供財務及營運表現的指標，以及用作匯報和披露的財務資料。
- 政策及程序的設計為保障資產不致被非授權挪用或處置；保存恰當的會計記錄；以及確保用作業務及公告上的財務資料的可靠性。有關程序提供合理(而非絕對)的保證，以防出現嚴重的錯誤、損失或舞弊。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

- An enterprise risk management framework is in place for the Group to identify, evaluate, manage, control and report principal risks including credit, market, operational, liquidity, interest rate, strategic, legal, reputation, compliance, technology, business continuity, and new product and business risks. To identify and manage all potential risks in a more holistic and effective manner, a “Three Lines of Defence” risk management model is adopted, with Risk Owners, Risk Controllers and Internal Audit Division acting as the 1st, 2nd and 3rd lines of defence respectively, along with the overall coordination of the Group Chief Risk Officer. Oversight of risk management is provided by the RIC, which is assisted by the Management Committees including the Risk Management Committee, Credit Committee, Asset and Liability Management Committee and Operational Risk Management Committee. Policies and procedures are in place to ensure compliance with applicable laws, rules and regulations.
- The AC reviews reports (including management letter) submitted by external auditors to the Group’s Management in connection with the annual audit and internal audit reports submitted by the Group Chief Auditor.
- A *Policy on Handling and Dissemination of Inside Information* is in place, setting out the guiding principles, procedures and internal controls for the handling and dissemination of inside information in a timely manner.
- A *Whistle-blowing Policy* is in place, which encourages employees to raise concerns, in confidence, about possible improprieties in any matter related to the Bank. The Bank treats all information received confidentially and protects the identity and the interests of all whistle-blowers.

Pursuant to a risk-based approach, the Group’s Internal Audit Division conducts independent reviews of control mechanisms over various operations and activities to assess the effectiveness of the Group’s risk management and internal control systems which cover all material controls, including financial, operational and compliance controls.

During the year, the Board reviewed the adequacy and effectiveness of the risk management and internal control systems of the Group. As a result, the Board concurred with the Management’s confirmation that the Group’s risk management and internal control systems are considered effective and adequate.

### Auditor’s Remuneration

During 2016, the fees paid or payable to KPMG, the Bank’s external auditor, and its associates for providing non-audit services amounted to approximately HK\$16 million, which included the following items:

- Review and consultancy services: HK\$12 million;
- Services made at the request of regulators: HK\$1 million;
- Taxation services: HK\$2 million; and
- Other services: HK\$1 million.

The fee paid or payable to KPMG for providing audit service of the Group is HK\$20 million.

## E. COMPANY SECRETARY

The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed, and that the Bank’s Articles of Association, relevant rules and regulations including, requirements of the Listing Rules and the HKMA, Companies Ordinance and Disclosures of Interests under the SFO, are complied with. The Company Secretary assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes of the Bank. All Directors have access to the advice and services of the Company Secretary.

The Company Secretary assists the Chairman in ensuring efficient information flow within the Board and Board Committees and between Directors and Senior Management. The Company Secretary is responsible for facilitating induction programme of new Directors and the continuous professional development of existing Directors. The Company Secretary assists the Chairman of the Board and Chairmen of the Board Committees in the development of the agendas for the Board and Board Committee meetings. He also attends and prepares minutes for Board and Board Committee meetings.

The Company Secretary is an employee of the Bank and reports directly to the Chairman & Chief Executive. The Board approves the selection, appointment or dismissal of the Company Secretary. During the year, the Company Secretary undertook over 15 hours of professional training.

- 設有企業風險管理架構以識別、評估、管理、控制及匯報本集團的主要風險，包括信貸、市場、營運、流動資金、利率、策略性、法律、信譽、合規、科技、持續業務運作和新產品及業務風險。為全面有效地識別及管理潛在風險，本集團已採納「三道防線」風險管理模式，以「風險負責人」、「風險監控人」及稽核處分別作為第一、第二及第三道防線，及由集團風險總監作整體協調。風險委員會由各管理層轄下委員會包括風險管理委員會、信貸委員會、資產負債管理委員會和營運風險管理委員會協助，負責監督風險管理。設有政策及程序確保遵守適用法例、規則及規例。
- 審核委員會審閱由外聘核數師提交予本集團管理層涉及年度核數的報告（包括致管理層的審核情況說明函件），及由集團總稽核呈交的內部稽核報告。
- 建立一套處理及發布內幕消息政策，列出指導性原則、程序及內部監控，使內幕消息得以適時處理及發布。
- 建立舉報政策，鼓勵僱員在保密情況下舉報有關本行任何可能發生不當行為的事宜。本行會對接獲的所有資料保密，並保護舉報人的身份及權益。

本集團稽核處採用風險為本的評估方法，針對與各項運作和活動的監控機制進行獨立審閱，以評核本集團風險管理及內部監控系統的效能，該系統涵蓋所有重要監控，包括財務、營運及遵守法規的監控。

在年內，董事會檢討本行內部監控及風險管理是否足夠和有效。董事會同意管理層確認本集團的風險管理及內部監控系統有效運作及足夠。

## 核數師酬金

2016年內支付或需支付予本行的外聘核數師 — 畢馬威會計師事務所 — 及其聯營公司提供非核數服務的費用約為港幣1,600萬元，其中包括以下事項：

- 審查及顧問服務：港幣1,200萬元；
- 按監管機構要求所作的服務：港幣100萬元；
- 稅務服務：港幣200萬元；及
- 其他服務：港幣100萬元。

為集團提供核數服務的已支付或須支付予畢馬威會計師事務所的費用為港幣2,000萬元。

## E. 公司秘書

公司秘書的責任為（其中包括）確保本行遵守董事會程序、本行的組織章程細則及相關規則及規例（包括《上市規則》及金管局的規定、《公司條例》及《證券及期貨條例》下披露權益的規定）。公司秘書須協助主席及董事會執行及加強本行的企業管治實務及程序。所有董事均可取得公司秘書的意見和享用其服務。

公司秘書協助主席確保董事會及董事會轄下委員會之間，以及董事與高層管理人員之間的資訊有效率地交流。公司秘書負責安排新任董事就職培訓及現任董事的持續專業發展。公司秘書協助董事會主席及各董事會轄下委員會主席制訂會議的議程。公司秘書亦出席所有董事會及其轄下委員會會議，並負責編寫會議記錄。

公司秘書為本行僱員，直接向主席兼行政總裁匯報。公司秘書的遴選、委任或解僱由董事會批准。年內，公司秘書已接受超過15個小時的專業培訓。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### F. SHAREHOLDERS' RIGHTS & INVESTOR RELATIONS

#### Communication with Shareholders

The Bank recognises the importance of maintaining continuous communication with shareholders and constantly looks for ways to ensure we maintain an open and ongoing dialogue with the investment community. The Bank has in place a *Shareholders Communication Policy* which sets out the practices in relation to communication with the shareholders and the investment community. Such Policy which is published on the website of the Bank, shall be reviewed by the AC and the Board on a regular basis to ensure its effectiveness.

In order to ensure shareholders and investors have fair, timely and simultaneous access to the Bank's information, the Bank through various channels, including its website ([www.hkbea.com](http://www.hkbea.com)), provide shareholders and investors timely access and continuous disclosure of the Bank's announcements, financial results, and press release. The Bank also holds press and investor conferences to present half-year and full-year financial results to the media and analysts.

The Bank welcomes shareholders' views and concerns relating to the Group's management and governance. Shareholders may at any time send their enquiries to the Board by addressing to the Bank's Company Secretary at the Bank's registered address or email at [info@hkbea.com](mailto:info@hkbea.com).

#### General Meetings

The Board endeavours to maintain an ongoing dialogue with shareholders and, in particular, uses the AGMs or other general meetings as a useful forum for shareholders to exchange views with the Board. The Chairman of each of the AC, NC, RC and RIC, external auditors, Senior Management and legal advisors, are also present to answer shareholders' questions.

Shareholders are informed of details about the AGM through published notices or circulars sent to all shareholders and are requested to participate and openly communicate their views on matters relating to the Bank. Separate resolutions are proposed at general meetings for each substantial issue, including the election and re-election (as the case may be) of individual Directors. An explanation of the detailed procedures of conducting a poll will be provided to shareholders at the AGM, to ensure that shareholders are familiar with such procedures.

The Bank has provided detailed information on the Bank's 2016 AGM in a circular to shareholders which included Notice of the AGM, information on the retiring Directors who were eligible for re-election at the 2016 AGM,

proposal involving adoption of staff share option scheme and explanatory statement on buy-back of shares. All the resolutions were proposed on each substantially separate issue and were voted on by poll and approved by the shareholders of the Bank. The Bank has engaged KPMG to act as the scrutineer for the poll voting. The results of the poll voting were posted on the websites of HKEx and the Bank on the same day of the 2016 AGM.

The Bank's 2017 AGM will be held on Friday, 5th May, 2017 at 11:30 a.m., the notice of which will be sent to shareholders at least 20 clear business days before the meeting. Please refer to the Circular for the 2017 AGM.

#### Convening of general meeting on requisition

Subject to the Companies Ordinance, Directors of the Bank shall on the request of shareholders of the Bank who represent at least 5% of the total voting rights of all the members having a right to vote at general meetings, forthwith proceed to convene a general meeting of the Bank. Each request must state the general nature of the business to be dealt with at the meeting, the name and contact details of the person making the request, must be authenticated by the person making it and may be sent to the Bank in hard copy form or in electronic form. Shareholders may include the text of a resolution that may properly be moved and is intended to be moved at the meeting. The Bank will take appropriate actions and make necessary arrangements in accordance with the requirements of the Companies Ordinance once a valid request is received.

For further details, shareholders may refer to the requirements as set out in the Companies Ordinance.

#### Putting Forward Proposals at General Meeting

Shareholders representing at least 2.5% of the total voting rights of all the members having a right to vote, or, at least 50 shareholders who have a relevant right to vote, may:

- put forward proposal at general meeting; and
- circulate to other shareholders written statement with respect to matter or other business to be dealt with at general meeting.

For further details on the shareholder qualifications, and the procedures and timeline, in connection with the above, shareholders are kindly requested to refer to Sections 580 and 615 of the Companies Ordinance.



## F. 股東權利及投資者關係

### 與股東的溝通

本行深明與股東保持持續溝通的重要性及致力尋求新平台以保持與投資者進行公開和持續的溝通，並已制訂股東通訊政策（登載於本行網站），訂明有關與股東及投資人士溝通的政策，並由審核委員會及董事會定期檢討，以確保其成效。

為確保股東及投資者能夠公平、適時及同步地獲取本行最新資訊，本行利用不同渠道，包括本行網站（www.hkbea.com），適時及持續地向股東及投資者提供本行的公告、財務業績及新聞稿。本行亦舉行新聞發布會及投資者會議，向傳媒及分析員公布半年及全年業績表現。

本行歡迎股東提出有關本集團管理及企業管治的意見及關注事項。股東如有查詢，可隨時郵寄至本行註冊地址，或電郵至本行郵箱 info@hkbea.com，並註明公司秘書收。

### 股東常會

董事會致力與股東保持對話，尤其藉股東周年常會或其他股東大會作為一個有效平台與股東直接溝通。審核委員會、提名委員會、薪酬委員會及風險委員會的主席、外聘核數師、高層管理人員及法律顧問須出席並回答股東提問。

股東可透過寄發予全體股東的通告或通函了解股東周年常會的詳情，並參與股東大會表達其對有關本行事務的意見。每項重要之議題包括選舉及重選（視乎情況而定）個別董事，會以獨立決議案形式提呈股東批准。本行亦會於股東周年常會上，向各股東講解有關按點算股數形式進行投票表決之程序，以確保各股東明白有關安排。

有關本行2016股東周年常會詳情的通函已向股東發出，當中載有股東周年常會通告、於2016股東周年常會退任而有資格重選的董事的資料、採納僱員認股計劃的建議及回購股份授權建議的說明函件。各重要

議題均以獨立決議案提呈各股東及以投票方式表決，並獲本行股東批准通過。本行已聘請畢馬威會計師事務所擔任監票員。投票結果已於2016股東周年常會同日在香港交易所及本行網站刊登。

本行2017股東周年常會將於2017年5月5日（星期五）上午11時30分舉行，其通告將於會議前最少足20個營業日寄出。詳情請參閱2017股東周年常會通函。

### 要求召開股東大會

按《公司條例》的規定，本行董事在接獲本行股東的要求時，須安排召開股東大會，而該等股東須佔全體有權在股東大會上投票表決的股東的總表決權最少5%。每項要求均必須述明將於會上處理事務的一般性質、該股東姓名及聯絡資料，並且必須由該股東認證及可透過印本形式或電子形式送交本行。要求可包含可在該大會上恰當地動議並擬在該大會上動議的決議的文本。一旦接獲有效的請求，本行將根據《公司條例》的規定採取適當措施及作出必要安排。

股東欲了解詳情，可參閱《公司條例》所載的規定。

### 於股東大會提出動議

持有本行總表決權不少於2.5%之股東，或最少50位有表決權利之股東，可：

- 於股東大會上提出動議；及
- 向其他股東傳閱有關於股東大會上動議之陳述書，或其他有待在該股東大會上處理之事務。

有關於股東大會提出動議之股東資格，程序及時限之詳細資料，請各股東參考《公司條例》第580條及第615條之規定。

## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Nomination of Directors by Shareholders

Shareholders are allowed to propose a person other than a retiring Director of the Bank to be elected as a Director at a general meeting. A notice in writing shall be given to the Company Secretary of the Bank by the shareholder (not being the person to be proposed) entitled to attend and vote at the meeting for which such notice is given of his/her intention to propose such person for election and also notice in writing signed by the person to be proposed of his/her willingness to be elected. Such notice must be sent to the Company Secretary of the Bank within 7 days after the day of despatch of the notice of the general meeting (or such other period, being a period of not less than 7 days, commencing no earlier than the day after the despatch of the notice of such meeting and ending no later than 7 days prior to the date appointed for such meeting). The *Procedures for Nomination of Directors by Shareholders* are published on the website of the Bank.

### Handling and Dissemination of Inside Information

The Bank has in place a *Policy on Handling and Dissemination of Inside Information* ("Policy") which sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner in such a way so as not to place any person in a privileged dealing position and to allow time for the market to price the listed securities of the Bank with the latest available information.

This Policy also provides guidelines to staff of the Bank to ensure proper safeguards exist to prevent the Bank from breaching the statutory disclosure requirements. It also includes appropriate internal control and reporting systems to identify and assess potential inside information.

Dissemination of inside information of the Bank shall be conducted by publishing the relevant information on the websites of HKEx and the Bank, according to the requirements of the Listing Rules.

### Investors Relations

In accordance with the *Shareholders Communication Policy*, the Bank maintains an open and regular dialogue with institutional and individual shareholders, fund managers, analysts and the media through an effective corporate communication system which provides transparent, regular and timely public disclosures on the Group's latest developments and strategies through different means. Apart from the AGMs, other communication channels include:

- the Group's website at [www.hkbea.com](http://www.hkbea.com);
- annual and interim reports, and press releases;
- announcements, notices and circulars;

- press conferences after the announcement of interim and final results for media and analysts;
- meetings with analysts; and
- roadshows.

The Chief Executive, Executive Directors and Senior Management conducted briefings with analysts and the press to apprise them of the Bank's annual and interim results, business strategies and outlook.

## G. RELATED PARTY TRANSACTIONS

Details of the significant related party transactions are provided under Note 50 on the accounts. These transactions were entered into by the Bank in the ordinary and usual course of business and on normal commercial terms and, if constituted connected transactions or continuing connected transactions, are exempt from the relevant disclosure requirements under Chapter 14A of the Listing Rules.

## H. CONNECTED TRANSACTION

In December, 2016, the Bank, together with Kerry Holdings Limited ("KHL") and Kerry Properties Limited ("KPL"), its joint bidders, won the land bid of Qianhai Authority to acquire the land use rights of the Land at a total consideration of RMB3,020 million (approximately HK\$3,412.6 million) for the development of the project in connection with the development of a financial and commercial complex on the Land (the "Project"). KHL and KPL were subsidiaries of a Majority Controlled Company (as defined in the Listing Rules) of Mr. Kuok Khoon-ean, an Independent Non-executive Director of the Bank, and his family members. As such, KHL and KPL were Associates (as defined in the Listing Rules) of Mr. Kuok Khoon-ean and Connected Persons (as defined in the Listing Rules) of the Bank. Accordingly, the joint bidding of the Land and the development of the Project constituted connected transactions for the Bank under the Listing Rules.

Details about the connected transactions are set out in the Report of Directors.

## I. RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors of the Bank acknowledged that they are responsible for the preparation of the consolidated financial statements of the Bank. During the year, in strict compliance with relevant provisions, the Bank published the 2015 Annual Report and the 2016 Interim Report as scheduled.

### 股東提名董事

股東可於股東大會上推薦(本行即將退任董事除外)某位人士參選董事。該股東應向本行公司秘書發出一份由該名有權出席並可於會上投票的股東(不得為被推舉者)書面通知書,表明有意推舉某人為董事,並提供該人士簽署同意被推舉的書面通知。該通知書必須於發送股東會議通告後7天內(或其他期限,該期限不少於7天,由發送股東會議通告之後開始計算及不得遲於該股東會議訂定舉行日期之前7天結束)寄發予本行公司秘書。股東提名董事的程序刊載於本行網站。

### 處理及發布內幕消息

本行已訂立處理及發布內幕消息政策(「政策」)列出處理及發布內幕消息的程序及內部監控,使內幕消息得以適時處理及發布,而不會導致任何人士在證券交易上處於佔優的地位,亦讓市場有時間定出能反映現有實況的本行上市證券價格。

該政策亦為本行員工提供指引,確保設有適當的措施,以預防本行違反法定披露規定。該政策亦載有適當的內部監控及匯報制度,識別及評估潛在的內幕消息。

根據《上市規則》規定,本行發布內幕消息,會透過香港交易所及本行網站刊登相關消息。

### 投資者關係

根據股東通訊政策,本行透過一個有效的企業傳訊系統與機構及個人股東、基金經理、分析員及傳媒維持開放及定期對話;利用不同渠道提供透明、定期及適時的本集團最新發展及策略的公開披露。除股東周年常會外,其他傳訊渠道包括:

- 本集團網址 [www.hkbea.com](http://www.hkbea.com) ;
- 年報及中期報告,以及新聞稿;
- 公告、通告及通函;

- 在中期及年度業績公告後舉行傳媒及分析員新聞發布會;
- 與分析員會面;及
- 巡迴推介。

行政總裁、執行董事及高級行政人員定期向傳媒及分析員發布關於本行的中期及年度業績,業務策略及前瞻。

### G. 關聯人士交易

關聯人士的重大交易列於賬項附註50。該等交易為本行於一般及日常業務過程中按正常商業條款訂立,並在如構成關連交易或持續關連交易時,獲豁免《上市規則》第14A章項下的相關披露規定。

### H. 關連交易

於2016年12月,本行以及與其參與聯合競買之嘉里控股有限公司(「嘉里控股」)及嘉里建設有限公司(「嘉里建設」),以總代價人民幣3,020,000,000元(約港幣3,412,600,000元)贏得前海當局的地塊競標並取得項目地塊之土地使用權用於發展於項目地塊上建設金融商業綜合設施之項目(「開發項目」)。嘉里控股及嘉里建設乃本行獨立非執行董事郭孔演先生及其家族成員佔多數控制權的公司(根據《上市規則》之定義)之附屬公司。因此,嘉里控股及嘉里建設乃郭孔演先生之聯繫人(根據《上市規則》之定義)及本行之關連人士(根據《上市規則》之定義)。因此,聯合競買前海項目地塊及開發項目構成本行之關連交易。

有關此關連交易的詳情載於董事報告書內。

### I. 董事就綜合財務報表須承擔的責任

本行董事承認有編製本行的綜合財務報表的責任。本行嚴格遵守有關規定,在年內本行已按時刊發2015年報及2016中期報告。

## CORPORATE SOCIAL RESPONSIBILITY

The Bank of East Asia Group is committed to integrating environmental, social, and governance priorities into its business and operations. Our contributions to the communities we serve extend beyond the provision of banking, financial, and related services. We actively engage with these communities through a wide range of CSR programmes and initiatives organised by Group members, including The Bank of East Asia Charitable Foundation and the Shanghai Soong Ching Ling – BEA Charity Fund.

This section highlights the Group's major CSR achievements in 2016. For a more comprehensive review, BEA will issue an annual standalone CSR report in the first half of 2017. All CSR reports are available via BEA's homepage at [www.hkbea.com](http://www.hkbea.com) (About BEA / Corporate Social Responsibility).

During the year under review, BEA placed a high priority on enhancing transparency through strengthening corporate governance in our supply chain. In December 2016, we launched the Supplier Code of Conduct, which was developed to encourage the adoption of best practice among our suppliers in order to mitigate supply chain risks. The Bank's key suppliers were requested to confirm compliance with the mandatory aspects of the Supplier Code upon its issue. The Bank will extend the Supplier Code to a growing number of suppliers going forward.

BEA also released an important policy document on the prohibition of slavery and human trafficking in our business and supply chain, the Slavery and Human Trafficking Statement. The Statement is fully compliant with the United Kingdom's Modern Slavery Act 2015, and may be viewed at the Bank's homepage.



### THE BANK OF EAST ASIA, LIMITED

#### Employees

In order to serve the needs of our customers and community effectively, all of our employees must have the opportunity to realise their full potential. We therefore place great importance on training and development. At the same time, we believe in providing a positive and inclusive working environment, and we strive to ensure that our staff members can achieve a healthy work-life balance.

In 2016, the Bank sponsored talks on a wide range of health and family-related topics, from spinal health, to parent-child reading skills development, to cultivation of indoor plants. The Bank's Staff Sports and Recreation Club organised regular recreational activities for staff members and their families, and also facilitated their participation in charitable events, including The Community Chest of Hong Kong's "2016 Walk for Millions – Hong Kong and Kowloon Walk" and "Dress Casual Day".

In order to build a productive workforce, it is essential to build a workplace culture that aids communication and rewards innovation. To this end, the Bank is committed to enhancing the efficiency and effectiveness of internal processes, and fostering a mindset of continuous learning.

During the year under review, a wide range of classroom and online courses were conducted on work-related topics. The Bank also launched a new corporate intranet platform in 2016. Staff members have access to a wide range of information on corporate updates, upcoming events, product promotions, compliance, human resources, forms and guidelines, and more through the platform.

#### Recruitment and Outreach Programmes

Recognising that the business environment is experiencing rapid change, the Bank carried out a staff realignment exercise in June. All staff members made redundant were provided compensation that exceeded the mandated requirements. They were also offered post-employment support, including emotional assistance and job-search counselling.

BEA once again hosted a workplace visit and tour of the Bank's Innovation Centre for students in Community Business' ENGAGE programme.

東亞銀行再次安排參與「社商賢匯」舉辦的「ENGAGE」計劃之學員參觀本行的辦公地點及創新中心。

## 企業社會責任

東亞銀行集團致力將環境、社會和管治要素融入業務及營運之中。本集團不但為廣大社群提供銀行、金融及相關服務，還透過東亞銀行慈善基金、上海宋慶齡基金會 — 東亞銀行公益基金及其他集團成員舉辦多元化的企業社會責任計劃及活動，積極參與社會事務。

本部分會概述2016年本集團在企業社會責任方面的主要成果。東亞銀行將於2017年上半年刊發一份獨立的企業社會責任報告，更全面地回顧2016年的企業社會責任表現。本行所有企業社會責任報告可於東亞銀行網頁 [www.hkbea.com](http://www.hkbea.com) (關於東亞銀行/企業社會責任) 下載或瀏覽。

回顧年內，東亞銀行加強對供應鏈的管治，著力增加透明度。2016年12月，本集團推出了供應商行為守則，鼓勵供應商採用最佳做法以減少供應鏈風險，並要求主要供應商確認自該守則公布之日起遵守當中的強制性規定。未來，本行將要求更多供應商遵守供應商行為守則。

此外，東亞銀行亦公布了《奴役和人口販賣聲明》的重要政策文件，嚴禁本行之業務及供應鏈涉及奴役及人口販賣的行為。該項聲明全面遵照英國頒布的《2015現代奴役法案》內容，本行網頁可供下載瀏覽。

### 東亞銀行有限公司

#### 僱員

為有效地服務客戶及社群，我們必須讓每位員工發揮潛能。因此，我們非常重視員工的培訓及發展，並致力為員工提供積極共融的工作環境，確保員工可在工作與生活之間取得平衡。

2016年，本行舉辦了多場與健康及家庭相關的講座，主題涵蓋脊椎健康護理、親子伴讀技巧及室內植物培植等。本行的員工康體會亦為員工及家屬定期舉辦康樂活動，鼓勵他們參加慈善活動，包括由香港公益金舉辦的2016年度「港島•九龍區百萬行」及「便服日」。

要建立具生產力的工作團隊，就必須建立一套可增進溝通及獎勵創新的公司文化。為此，本行致力提高內部工作流程的效率及效益，並鼓勵員工持續進修學習。

回顧年內，本行舉辦了多個在職訓練課堂及網上培訓課程。2016年，本行更推出了全新的內聯網平台，為員工提供多元化的資訊，包括本行的最新消息、活動預告、產品推廣、管治規章、人力資源、各類表格及指引等資訊。

#### 招聘及延伸計劃

鑑於商業環境瞬息萬變，本行於6月重整人手，並向所有被裁減的員工發放優於法定遣散費的補償，以及為員工安排情緒輔導、求職諮詢等再就業支援。

For the third year, BEA awarded scholarships to staff members' children.  
東亞銀行連續3年向員工子女頒發獎學金。



## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

Those staff members re-assigned to new positions were provided with new skills training as part of the Bank's efforts to enhance overall operating efficiency.

The Bank runs a number of community outreach programmes. One theme of these programmes is responsible personal financial management; another is the financial services industry as a career choice for students and recent graduates. In January, the Bank conducted a financial education workshop to improve financial literacy among low-income families in collaboration with the Hong Kong Association of Banks and Baptist Oi Kwan Social Service. For the fifth consecutive year, BEA supported ARCH Community Outreach to bring educational and career development programmes to under-resourced communities by organising a workshop for student members.

Also for the fifth consecutive year, we offered our support to the Cross-border Study Tour for Post-secondary Financial Talents, organised by the Financial Services and the Treasury Bureau of the Hong Kong government, granting 3-week internships to undergraduates in Shanghai and Hong Kong.

### Customers

We are deeply committed to providing an exceptional customer experience and consistent service excellence, where the needs and preferences of customers are always put at the forefront. To this end, the Bank applies innovative financial technology to enhance service delivery, while continuing to maintain one of Hong Kong's most extensive branch networks. Our aim is to ensure that all customers have convenient access to our banking services.

Strong customer relationships are built on trust and reliability. As a signatory of the Treat Customers Fairly Charter endorsed by the Hong Kong Monetary Authority, we pledge to uphold the Charter to ensure consumer protection. In 2016, BEA revised its Code of Conduct to provide staff members with greater guidance in the implementation of the Charter's principles.

### Community Investment

BEA supports a wide range of community initiatives through donations, volunteering, and many other forms of giving.

#### Education

The support of education has been a pillar of the Bank's community investment programme for many years, with a high priority placed on the accessibility of quality education. For the 25th consecutive year, BEA sponsored the Children's Storytelling Competition, organised by the Boys' and Girls' Clubs Association of Hong Kong.

#### Health

In March 2016, Hong Kong's largest blood collection centre, the West Kowloon Blood Donor Centre, was officially opened at the Hong Kong Red Cross' new West Kowloon Headquarters. To celebrate the opening, BEA organised a blood drive at BEA Tower and several HKRC blood donor centres throughout the city.

In April 2016, staff members of BEA's New York Branch together with their families participated in "KIDS WALK", hosted by the Memorial Sloan Kettering Cancer Center, to raise funds for research into more effective and less toxic treatments for children with cancer.

In Los Angeles, BEA volunteers assisted staff at Arcadia Methodist Hospital, supporting a free medical consultation service for low income and elderly residents.



Staff members of BEA's New York Branch visited fifth grade students at Primary School #204 in Brooklyn in the first quarter of 2016, to introduce basic banking services to the students, and to teach them about the value of saving money.

2016年第一季，東亞銀行紐約分行員工探訪位於布魯克林區的204小學五年級學生，為他們解說基本的銀行服務，並教導他們儲蓄的意義。

## 企業社會責任（續）



From 2011 to 2013, BEA donated a total of HK\$5 million to assist HKRC in establishing Hong Kong's largest blood collection centre.

於2011年至2013年期間，東亞銀行合共捐款港幣500萬元，資助香港紅十字會設立全港最大型的捐血中心。

本行亦為獲重新分配職位的員工提供新技能培訓，藉此提高整體營運效益。

本行舉辦了多項社區延伸計劃，主題包括穩健的個人理財，以及向學生及應屆畢業生介紹金融服務行業。在1月，本行與香港銀行公會及浸信會愛群社會服務處合辦金融教育工作坊，為低收入家庭講解基本的金融知識。東亞銀行亦連續第5年支持ARCH Community Outreach舉辦教育及職業發展活動，為來自弱勢社群的學生舉辦工作坊。

此外，本行連續第5年資助由香港政府財經事務及庫務局舉辦的「滬港金融專業大學本科生交流及考察計劃」，為來自上海和香港的大學生提供為期3周的實習。

## 客戶

我們一直致力提供卓越的客戶體驗，以優質服務滿足客戶所需，時刻堅持客戶至上。為此，本行在採用嶄新金融技術提升服務質素的同時，亦繼續營運全港最龐大之一的分行網絡，務求方便客戶使用我們的銀行服務。

良好緊密的客戶關係建基於信任和信賴。本行簽署了由香港金管局認可的《公平待客約章》，承諾遵守約章規定，保障客戶權益。本行於2016年修訂行為守則，為員工實施約章守則提供更詳盡的指引。

## 社區投資

東亞銀行透過捐款、義工活動及其他多種資助方式，支持各種各樣的社區活動。

### 教育事務

多年來，資助教育事務一直是本行社區投資的核心所在，以期讓更多學童獲得優質教育。本行連續第25年贊助香港小童群益會舉辦的全港兒童故事演講比賽。

### 健康

2016年3月，位於香港紅十字會西九龍新總部的西九龍捐血站正式開幕，現為香港最大型的捐血站。為慶祝該捐血站開幕，東亞銀行在東亞銀行中心及多個紅十字會捐血中心舉辦了捐血活動。

2016年4月，東亞銀行紐約分行員工與家屬一起參加由Memorial Sloan Kettering癌症中心主辦的「KIDS WALK」活動，籌款資助研發更有效及較少副作用的兒童癌病治療方法。

在洛杉磯，東亞銀行義工協助亞凱迪亞美以美醫院員工，為低收入及年長的居民免費提供醫療諮詢服務。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)



BEA served as title sponsor of The Community Chest BEA Charity Golf Day 2016 in March 2016.

2016年3月，東亞銀行冠名贊助「公益金東亞慈善高爾夫球賽2016」。

For the second consecutive year, more than 70 staff members joined the Sun Hung Kai Properties Hong Kong Cyclothon.

本行逾70名員工連續第2年參加「新鴻基地產香港單車節」。



### Social Welfare

For many years, BEA has been actively involved in programmes organised by The Community Chest. In March 2016, the Bank helped raise HK\$2.3 million for agencies providing mental health services, as the title sponsor of The Community Chest BEA Charity Golf Day 2016.

As a long-standing supporter of The Salvation Army Hong Kong and Macau Command, BEA acted as principal sponsor of The Salvation Army Orienteering event for the 11th consecutive year, donating HK\$150,000 in support of community services for families in crisis, the disabled, marginalised minorities, and other vulnerable groups.

In November, BEA extended the reach of its community investment programme by joining Operation Santa Claus, one of Hong Kong's largest charitable fundraising events. Over the course of one week, members of the BEA Volunteer Team organised a variety of fundraising activities including games, balloon twisting, caricature drawing, as well as candy and ice-cream sales at both the Bank's Head Office and at BEA Tower. BEA and its staff members raised a total of HK\$150,000 for 23 selected charities.

### Arts & Culture

BEA sponsored a variety of cultural events, including Le French May, organised by the Association Culturelle France – Hong Kong Limited, which the Bank supported for the 13th consecutive year. In the UK, BEA branches in Birmingham and Manchester sponsored the Xiyang Chinese Culture and Art Show and the musical, Flower in the Mirror, respectively, for the enjoyment of the Chinese communities in both cities.

### Staff Volunteering

In 2016, BEA's Volunteer Team, comprising more than 520 staff members, recorded over 9,200 staff volunteering hours. Major activities included:

- a Lunar New Year luncheon for more than 100 elderly residents from less affluent districts;
- the BEA Summer Fun Day, for approximately 120 disadvantaged children and their families;
- lunch with residents at the Hong Kong Chinese Christian Churches Union's Kwun Tong Kwong Yum Home for the Aged, in celebration of Senior Citizen's Day;
- participation in three coastal clean-ups in the World Wide Fund Hong Kong Coastal Watch Programme; and
- the donation of 300 scarves and over 60 pairs of leg warmers, knitted by more than 100 staff volunteers for the elderly, new immigrants and members of ethnic minorities.



## 企業社會責任 (續)



In the fourth quarter of 2016, staff members supported Operation Santa Claus, one of Hong Kong's largest charitable fundraising events.

2016年第4季，本行員工身體力行支持全港最大型慈善籌款活動之一的「愛心聖誕大行動」。



In July and November, members of BEA's Senior Management and staff volunteers entertained elderly residents of the Hong Kong Chinese Christian Churches Union Kwun Tong Kwong Yum Home for the Aged.

於7月和11月，東亞銀行高層管理人員及義工探訪香港華人基督教聯會觀塘廣蔭頤養院，為長者帶來歡樂。

## 社會福利

多年來，東亞銀行一直積極參與公益金所籌辦的多項活動。2016年3月，本行冠名贊助2016年度公益金東亞慈善高爾夫球賽，合共籌得善款港幣230萬元，以為精神健康服務之機構提供協助。

東亞銀行長期支持救世軍港澳軍區，去年已是連續第11年擔任「救世軍定向」活動的首席贊助商，捐款港幣15萬元，以支持該組織為破碎家庭、殘疾人士、邊緣族群及其他弱勢社群提供社區服務。

於11月，東亞銀行擴大社區投資項目範疇，參加本港最大型慈善籌款活動之一的「愛心聖誕大行動」。東亞銀行義工隊在總行及東亞銀行中心舉辦了為期1周的籌款活動，包括攤位遊戲、扭氣球、漫畫人像繪畫以及義賣糖果及雪糕。本行及其員工一共為23間受惠於「愛心聖誕大行動」的慈善機構籌得善款港幣15萬元。



In August 2016, staff members of BEA's Labuan Branch and Kuala Lumpur Representative Office supported the Children's Wish Society of Malaysia by attending the annual JOM DURIAN 8+1 Festival, which was held to raise funds for terminally ill children.

2016年8月，東亞銀行納閩分行和吉隆坡代表處的員工參加了由馬來西亞Children's Wish Society of Malaysia舉辦，一年一度的盛大榴槤節慈善活動，為馬來西亞末期病患兒童籌款。

## 文化藝術

東亞銀行贊助多項文化盛事，其中，本行連續13年贊助由Association Culturelle France – Hong Kong Limited舉辦的「法國五月」活動。在英國，東亞銀行伯明翰及曼徹斯特分行分別贊助「夕陽中國文化及藝術匯演」及「鏡花緣」音樂劇，供兩地華人欣賞。

## 義工活動

於2016年，東亞銀行義工隊共有520多名員工，服務時數逾9,200小時，主要活動包括：

- 為100多名來自基層地區的長者舉辦農曆新年聯歡午宴；
- 為約120名基層兒童及家屬舉辦「與基層家庭歡度暑假」活動；
- 與香港華人基督教聯會觀塘廣蔭頤養院的長者共晉午餐，同賀「長者日」；
- 參與世界自然基金會香港分會「育養海岸」計劃的3場清潔海岸活動；及
- 逾100名義工編織了300條圍巾及60多雙保暖襪套贈予長者、新移民及少數族裔人士。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### Environment

We recognise the importance of environmental protection and are keenly aware of the impacts that result from our Group's decisions and actions. We constantly seek ways to improve our environmental performance, particularly in the areas of energy consumption and waste generation.

In April, BEA signed the Charter on External Lighting, launched by the Hong Kong government's Environment Bureau. As a signatory, BEA pledges to turn off decorative and advertising lighting installations at selected branches and offices at 11:00 p.m. every evening. In addition, for the eighth consecutive year, the Group participated in the World Wide Fund for Nature's Earth Hour, supporting the fight against climate change.

To enhance the transparency of the Bank's environmental performance, BEA disclosed data to the Carbon Footprint Repository for Listed Companies in Hong Kong for the second consecutive year, and to the global disclosure system, CDP, for the first time.

BEA also incorporates environmental concerns into its operations, implementing a variety of energy-saving initiatives, such as the installation of energy-saving equipment throughout its branch network and offices. We promote environmentally responsible behaviour among our stakeholders, encouraging customers to utilise the services provided at our digital branches and to receive e-statements instead of paper statements.



### The Bank of East Asia Charitable Foundation Limited

#### Palliative Care in Residential Care Homes for the Elderly Programme

In partnership with "la Caixa" Foundation and The Salvation Army, the BEA Foundation continued to support the Palliative Care programme. With the assistance of 13 sub-vented residential care homes for the elderly and seven geriatric teams of the Hospital Authority, the programme's team continued to render palliative care and holistic care to terminally-ill elderly patients and their family members.

During the year under review, approximately 40 volunteers received end-of-life care training to provide psycho-social-spiritual support to patients and families participating in the programme, as well as to members of the community engaged in educational outreach activities. At the policy advocacy level, the programme's team was invited by the Hong Kong Council of Social Services to assist in the establishment of an end-of-life task force to consolidate recommendations on legal, clinical, and administrative issues related to end-of-life policy making within the social welfare sector.

#### BEA Parent-Child Reading Programme

For the fourth consecutive year, the BEA Foundation supported the BEA Parent-Child Reading Programme, which was launched in September 2016 and involves 6,750 students from over 100 schools.

#### BEA "High Five" Club

In September, the BEA Foundation and St. James' Settlement kicked off the 2016 / 2017 BEA "High Five" Club, an after-school care programme for children of under-resourced families. In May, BEA's Training & Development Department organised a workshop at SJS's Kowloon Kindness Centre in Tai Kok Tsui on the purpose and value of money. Mentors from BEA's Volunteer Team provided assistance, helping students to understand the importance of responsible financial management.

Students of the BEA "High Five" Club, received guidance and support from members of the BEA Volunteers' "Big Brothers and Big Sisters" programme.

東亞銀行義工導師計劃的義工為「東亞培賢社」學童提供指導及輔助。

In 2016, the BEA Foundation continued to support the Palliative Care programme for terminally-ill elderly patients in Hong Kong. 2016年，東亞銀行慈善基金繼續資助「安老院舍完善人生關顧計劃」，幫助香港的末期病患長者。



## 環境保護

本行深知保護環境非常重要，亦明白本集團的決策及行動所帶來的影響，因此一直設法提升本行的環保表現，特別是著力於節能及減廢方面。

於4月，東亞銀行簽署由香港政府環保局推出的《戶外燈光約章》，承諾於每晚11點後關掉部分分行及辦事處的裝飾及廣告燈裝置。此外，本集團連續第8年參加世界自然基金會主辦的「地球一小時」，支持對抗氣候變化。

為了增加本行在環保方面表現的透明度，本行已連續第2年向香港上市公司碳足跡資料庫及首度向全球環境資訊披露系統CDP提供有關資料。

此外，東亞銀行亦將多項環保考量因素融入業務營運之中，並推行了多項節能措施，例如在所有分行網絡及辦事處安裝節能設備。本行提倡持份者在行為中注重環保，鼓勵客戶使用我們的智能數碼分行，以及採用電子結單以取代紙張結單。

## 東亞銀行慈善基金有限公司

### 安老院舍完善人生關顧計劃

東亞銀行慈善基金繼續與“la Caixa”基金會及救世軍合作資助「安老院舍完善人生關顧計劃」。在醫院管理局轄下13間受資助安老院舍及7個老人護理小組的輔助下，該計劃的團隊繼續為末期病患長者及其家屬提供直接的全面紓緩護理服務。

回顧年內，約40名義工接受了臨終護理培訓，為參與該計劃的病患者及家屬以至參與教育延伸活動的社區人士提供心理、社會及精神上的支持。在政策倡導方面，該計劃團隊應香港社會服務聯會的邀請，協助籌組一支臨終護理專責小組，就終老政策在社會福利範疇內所涉及的法律、臨床及行政事宜整合各方的建議。

### 東亞銀行親子閱讀證書獎勵計劃

東亞銀行慈善基金連續第4年支持「東亞銀行親子閱讀證書獎勵計劃」。本年度的計劃於2016年9月揭開序幕，吸引了100多間學校合共6,750名學生參加。

### 東亞培賢社

在9月，東亞銀行慈善基金與聖雅各福群會聯合啟動2016/2017年度「東亞培賢社」，為基層家庭兒童提供課後支援服務。在5月，東亞銀行訓練發展部在聖雅各福群會位於大角咀的聖雅各福群會九龍慈惠中心，舉辦了一個以「金錢的目的及價值」為主題的工作坊，由東亞銀行義工隊擔任導師提供協助，幫助學生了解穩健理財的重要性。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### GREATER CHINA EX-HONG KONG

#### The Bank of East Asia (China) Limited

BEA China, the Bank's wholly-owned subsidiary on the Mainland, continued to contribute to a wide range of charitable causes during the year under review.

#### Shanghai Soong Ching Ling Foundation – BEA Charity Fund

Jointly established by BEA China and SSCLF, the Charity Fund is committed to improving educational opportunities for underprivileged children in rural areas on the Mainland, and providing them with access to better educational resources and facilities.

On 8th December, 2016, BEA China and SSCLF jointly held the 8th annual Firefly Charity Night in Shanghai and raised CNY9.10 million for the Charity Fund. As at 31st December, 2016, the Charity Fund had raised CNY61.49 million since its establishment in 2009.

The Charity Fund established 12 new Firefly Centres in 2016, including six with "la Caixa" Foundation as the title sponsor, bringing the total number of Firefly Centres opened nationwide to 63. By the end of 2016, more than 38,000 "Firefly 60" Backpacks containing stationery and books had been distributed to students in rural areas since the programme's launch in 2009.

The Charity Fund also arranged for volunteers to provide training programmes for 25 schoolmasters and more than 170 teachers in 10 cities across China between July and September 2016. Twenty-nine volunteers from BEA China conducted two teaching programmes in May and October 2016, providing 90 hours of teaching for students in rural schools.

In order to bring non-governmental organisations together with commercial enterprises, BEA China and China Business Network jointly organised "The Shanghai Soong Ching Ling Foundation – BEA Charity Fund NGO Show". Ten NGOs were selected from more than 100 applicants to present their charity projects to a panel of judges, who selected the winning projects to receive support from various enterprises and the Charity Fund. Highlights of the show were broadcast on China Business Network TV.

Over the course of three days, BEA China conducted a teaching programme for the students of Jianguo Primary School in Harbin, Heilongjiang Province, where volunteers provided 45 hours of teaching on a wide range of subjects. 東亞中國於黑龍江省哈爾濱市建國小學進行為期3天的義教活動，義工們提供了45小時內容廣泛的課程。

### BEA China's Additional Charitable Activities

#### Education

For the fourth consecutive year, BEA China, the Shanghai Students Moral Education Development Centre, and the Shanghai Educational Press Group jointly organised the "Bank of East Asia Cup Financial Education School Tour" from September to December 2016.

The programme was developed to enhance the financial literacy of middle school students, help teenagers develop a better understanding of wealth management, and promote financial education among the youngsters. Approximately 10,000 students from 129 schools took part in the Financial Knowledge Contest and the Debate Contest on Finance. The programme received praise from the China Banking Regulatory Commission.

#### Social Welfare

In celebration of the Lunar New Year, BEA China organised the "Happy Year of the Monkey" charity campaign across 14 cities nationwide. Nearly 160 volunteers contributed over 780 hours of service, visiting elderly centres, Firefly Centres, social welfare centres, and other locations, as well as distributing food and other daily necessities.

#### Environment

To promote the importance of environmental protection, BEA China organised the "Protect Every Tree and Bush" campaign. Over 680 volunteers, including staff members and customers of BEA China and their family members, took part in various activities. These activities included visits to ecological farms and forest parks, seminars on geponics and potting, and the planting of more than 760 saplings.



## 大中華地區 (香港除外)

### 東亞銀行 (中國) 有限公司

於回顧年內，本行在內地的全資附屬公司東亞中國繼續為各類公益事務作出貢獻。

#### 上海宋慶齡基金會 — 東亞銀行公益基金

東亞中國和上海宋慶齡基金會共同成立的公益基金致力為內地偏遠地區的貧困兒童提供教育機會，讓他們享用更佳的教育資源及設施。

2016年12月8日，東亞中國和上海宋慶齡基金會於上海合辦了第8屆「螢火蟲慈善之夜」，共籌得人民幣910萬元。截至2016年12月31日，公益基金自2009年成立以來已籌得人民幣6,149萬元的善款。

公益基金於2016年共捐建了12所全新的「螢火蟲樂園」，其中6所是由“la Caixa”基金會冠名贊助。「螢火蟲樂園」計劃自2009年起推出至2016年底，公益基金已於全國共捐建了63所樂園，並已捐贈逾38,000個內含書籍和文具的「螢火蟲60背包」予偏遠地區的學童。

2016年7月至9月期間，公益基金亦安排義工為內地10個城市共25位校長和170多位教師提供培訓課程。於2016年5月及10月，東亞中國的29名義工舉辦了兩次義教活動，為鄉村學校的學生提供共90小時的課程。

東亞中國與《第一財經》合辦上海宋慶齡基金會 — 東亞銀行公益基金NGO選秀活動 — 「公益對對碰」，為非政府組織和商業機構建立橋樑。活動中，逾100間非政府組織報名參加，經過遴選後，10家非政府組織通過演講方式介紹其公益項目，由評審團選出優勝項目，贏取各企業及公益基金的資助。活動的精彩花絮於《第一財經》電視頻道亦有播放。

## 東亞中國的其他慈善活動

### 教育事務

2016年9月至12月，東亞中國連續第4年與上海市學生德育發展中心、上海教育報刊總社合辦「東亞銀行杯金融教育校園行」活動。

活動旨在讓中學生增進金融知識，幫助青少年加深對財富管理的認識，並向其推廣金融理財教育。來自129間學校、約10,000名學生參加了該活動的金融知識競賽及金融主題辯論賽。該活動更獲得中國銀行業監督管理委員會的嘉許。

### 社會福利

為慶祝農曆新年，東亞中國在全國14個城市舉辦「猴年猴開心」公益活動，約160名義工探訪了老人院、「螢火蟲樂園」、社會福利院中心等，並派發食品及其他日用品，服務時數逾780小時。

### 環境保護

為宣揚環境保護的重要性，東亞中國舉辦了「一草一木 環保益起來」活動，逾680名東亞中國員工、客戶及其家屬組成義工隊，參加各類活動，包括參觀生態農場及森林公園、農耕灌溉講座，以及種植逾760顆樹苗。



As part of BEA China's "Protect Every Tree and Bush" campaign, volunteers from Nanchang Branch planted saplings at Meilingluoting Scenic Spot.

在東亞中國的「一草一木 環保益起來」活動中，南昌分行的義工在梅嶺羅亭風景區種植樹苗。

## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)

### Charitable Activities in Macau and Taiwan

Macau Branch supported the “Laisee Packets Recycling and Reuse Campaign” jointly organised by the Civic and Municipal Affairs Bureau of Macau and the Macau Free Cycle Association, the Fu Hong Society of Macau’s “Happy Market”, the “Macau Famine” organised by the World Vision of Macau Association, and Orbis Macau’s “Mid-Autumn Charity Sale”.

In addition, Macau Branch set up a dedicated donation account for Caritas Macau to facilitate the collection of donations. Staff members also joined a charity run to raise funds for Caritas Macau’s rehabilitation services and, for the second consecutive year, donated toys and purchased raffle tickets to support the organisation’s charity bazaar.

## OTHER SUBSIDIARIES

### Blue Cross (Asia-Pacific) Insurance Limited

For the fourth year, staff members of Blue Cross participated in the PHAB Walk for Integration, with all proceeds going to the support of rehabilitation, as well as elderly and youth services. In recognition of its efforts, Blue Cross was named “Gold Sponsor”. For the fifth year, Blue Cross sponsored the “Happy Teens, Full of Fun” Programme. Designed for both able-bodied and disabled teenagers, the Programme provides an interactive platform to help equip participants for future challenges in life. In 2016, over 20 activities were arranged for more than 100 participants, who in turn served more than 1,300 needy individuals in Hong Kong.

### Credit Gain Finance Company Limited

In line with the Group’s focus on environmental protection, members of the Credit Gain Volunteer Team, together with members of the Evangelical Lutheran Church Social – Hong Kong and their children, visited ZCB, Hong Kong’s first zero carbon building. Organised for children from low-income families, the visit enabled participants to learn about the low carbon lifestyle, environmentally-friendly practices, and various eco-building designs and technologies, such as energy and water-saving solutions, and solar power.

### BEA Union Investment Management Limited

During the year under review, staff members of BEA Union Investment supported a number of meaningful charitable campaigns including the Hong Kong Cancer Fund’s annual Pink Revolution, which was organised to raise public awareness of breast cancer. For the second consecutive year, staff members took part in Bloomberg’s Square Mile Race, and made a donation to the event’s official beneficiaries, Unleash Foundation and the Agency for Volunteer Service.



Staff members of BEA’s Taipei Branch took part in a blood drive in support of the humanitarian services of the Taipei Blood Centre of Taiwan Blood Services Foundation in August.

於8月，東亞銀行台北分行的員工參加捐血活動，以支持台灣血液基金會台北捐血中心的人道服務。



For the fifth year, Blue Cross supported the “Happy Teens, Full of Fun” Programme for able-bodied and disabled teenagers.

藍十字連續第5年贊助「樂TEEN滿FUN計劃」，同時惠及健全及傷殘的青少年。

### 澳門及台灣的慈善活動

澳門分行以行動支持澳門民政總署與澳門免廢生活協會合辦的「新生利是封大行動」、澳門扶康會轄下社企「喜悅市場」、世界宣明會澳門分會舉辦的「澳門饑饉」活動，以及澳門奧比斯的「中秋慈善義賣」活動。

此外，澳門分行亦為澳門明愛開立慈善捐款賬戶，以便收集捐款。該分行員工更身體力行參加慈善跑，為澳門明愛的復康服務籌款，並且連續第2年捐贈玩具及購買慈善獎券，以支持澳門明愛的義賣活動。

### 其他附屬公司

#### 藍十字(亞太)保險有限公司

藍十字的員工連續第4年參加「傷健共融步行日」，善款全數捐出以支持復康服務，以及長者與青年人服務，而藍十字亦憑著所付出的努力，獲嘉許為「金」級別的贊助機構。此外，藍十字連續第5年贊助「樂TEEN滿FUN計劃」，計劃的目的是同時為健全及傷殘的青少年提供個人發展及裝備的互動平台，讓參加者透過學習為未來生活的種種挑戰作好準備。在2016年，透過此計劃已安排了20多項活動，參加人數逾100人，並為全港1,300多名有需要的人士提供了服務。

### 領達財務有限公司

本集團非常重視環保，領達財務義工隊與基督教香港信義會社會服務部的服務使用者及子女一起參觀了香港首座零碳建築——「零碳天地」。此次參觀是特別為低收入家庭的兒童而設，讓參加者了解低碳的生活方式、環保實踐方法，以及各項環保建築設計與技術，例如節能節水方案及太陽能應用。

### 東亞聯豐投資管理有限公司

回顧年內，東亞聯豐投資的員工積極響應多項極具意義的慈善活動，包括香港癌症基金會一年一度舉辦的「粉紅革命」活動，目的是提高公眾對乳癌的關注。東亞聯豐投資的員工連續第2年參與「彭博一英里接力賽」，並捐款給活動的指定受惠機構——馳志發展基金及義務工作發展局。



In August 2016, Credit Gain volunteers led a group of children and their families to visit ZCB, Hong Kong's first zero carbon building, in Kowloon Bay.

2016年8月，領達財務義工隊帶領一群兒童與家屬前往九龍灣參觀本港首座零碳建築——「零碳天地」。

Representatives of BEA Union Investment took part in Bloomberg's Square Mile Relay 2016, raising funds for charitable projects.

東亞聯豐投資的代表參與「2016彭博一英里接力賽」，為慈善項目籌款。



## CORPORATE SOCIAL RESPONSIBILITY (CONTINUED)



## BEA GROUP'S CSR ACHIEVEMENTS 東亞銀行集團的企業社會責任成果

## BEA 東亞銀行

- |   |   |
|---|---|
| <p>1 “President’s Award” (for the 17th consecutive year), “Diamond Award” in the Corporate &amp; Employee Contribution Programme 2015 / 2016 (for the 22nd consecutive year), “5th Top Fund Raiser Award” in the Dress Casual Day 2015 programme, and “4th Runner-up in the Top Fund-raiser Awards” in the 2015-16 Hong Kong &amp; Kowloon Walk</p> <p>- <i>The Community Chest</i></p> | <p>公益金頒發「公益榮譽獎」(連續第17年)、2015/2016年度商業及僱員募捐計劃「鑽石獎」(連續第22年)、2015公益金便服日「最高籌款機構第5名」, 及2015/2016港島、九龍區百萬行「最高籌款機構第5名」</p> |
| <p>2 Named “Caring Company” (for the 13th consecutive year); Blue Cross and Credit Gain were named “Caring Company” for the eighth and sixth year, respectively</p> <p>- <i>HKCSS</i></p>   | <p>榮獲社聯嘉許為「商界展關懷」機構(連續第13年), 藍十字及領達財務亦分別為第8年和第6年榮獲該項嘉許</p>  |
| <p>3 Named one of the top 20 companies in the Hong Kong Business Sustainability Index (for the second consecutive year)</p> <p>- <i>The Hong Kong Polytechnic University, HKCSS, and Hong Kong Productivity Council</i></p>   | <p>香港理工大學、社聯及香港生產力促進局編制之「香港企業可持續發展指數」中名列首20名(連續第2年)</p>   |
| <p>4 “Community Engagement **2 Stars Award” (for the second consecutive year)</p> <p>- <i>Senior Citizen Home Safety Association</i></p>  | <p>長者安居協會頒發「社區參與二星獎」(連續第2年)</p>   |
| <p>5 “Gold Award for Volunteer Service” in 2015</p> <p>- <i>Social Welfare Department’s Central Office</i></p>  | <p>社會福利署義務工作統籌課頒發2015年度義工服務金嘉許狀</p>   |
| <p>6 Oxfam Rice Event 2016 (Corporate Award – Champion)</p> <p>- <i>Oxfam Hong Kong</i></p>   | <p>香港樂施會頒發樂施米義賣大行動2016「企業米檔最高籌款獎」</p>   |
| <p>7 “Gold Award” (Website Stream and Mobile Application Stream) in the Web Accessibility Recognition Scheme (for the second consecutive year)</p> <p>- <i>The Office of the Government Chief Information Officer and the Equal Opportunities Commission</i></p>  | <p>在政府資訊科技總監辦公室及平等機會委員會合辦的「無障礙網頁嘉許計劃」中榮獲「網站組別」金獎及「流動應用程式組別」金獎(連續第2年)</p>  |
| <p>8 Named “Manpower Developer” (for the fifth consecutive year)</p> <p>- <i>Employees Retraining Board</i></p>   | <p>榮獲僱員再培訓局嘉許為「人才企業」(連續第5年)</p>   |
| <p>9 2015 / 16 Family-Friendly Employers Award Scheme – “Family-Friendly Employers 2015 / 16”, “Special Mention 2015 / 16”, and “Awards for Breastfeeding Support 2015 / 16”</p> <p>- <i>Family Council, an advisory body to the Hong Kong government</i></p>   | <p>在政府諮詢組織家庭議會舉辦的「2015/16年度家庭友善僱主獎勵計劃」中榮獲「2015/16年度家庭友善僱主」、「2015/16年度特別嘉許」獎及「2015/16年度支持母乳餵哺獎」</p>                  |
| <p>10 Indoor Air Quality Certificate (Good Class) (for BEA’s Head Office Building)</p> <p>- <i>Environmental Protection Department</i></p>  | <p>環境保護署頒發室內空氣質素檢定證書(良好級)(東亞銀行總行大廈)</p>   |
| <p>11 “Class of Excellence” EnergyWi\$e Label under Hong Kong Green Organisation Certification (for BEA’s Head Office Building and BEA Tower)</p> <p>- <i>Hong Kong Awards for Environmental Excellence Programme</i></p>   | <p>獲頒發「香港環保卓越計劃」內之「卓越級別」節能標誌(東亞銀行總行大廈及東亞銀行中心)</p>   |
| <p>12 “Class of Excellence” WasteWi\$e label under HKGOC (for BEA’s Head Office Building and BEA Tower)</p> <p>- <i>HKAEE</i></p>   | <p>獲頒發「香港環保卓越計劃」內之「卓越級別」減廢標誌(東亞銀行總行大廈及東亞銀行中心)</p>   |
| <p>13 Quality Water Supply Scheme for Buildings – Fresh Water (Plus) (Basic Plan) (for BEA’s Head Office)</p> <p>- <i>Water Supplies Department</i></p>   | <p>水務署頒發「大廈優質供水認可計劃 — 食水(2.0版)」(基本級別)(東亞銀行總行大廈)</p>   |



企業社會責任 (續)

<p><b>14</b> Merit Award – Corporate Real Estate (for BEA Tower) - <i>The Hong Kong Institute of Facility Management's Excellence in Facility Management Award 2016</i></p>	<p>獲香港設施管理學會頒發「卓越設施管理獎2016」優秀獎 — 企業房地產 (東亞銀行中心)</p>
<p><b>15</b> Wood Recycling &amp; Tree Conservation Scheme Certificate 2016 - <i>Hong Kong Environmental Protection Association</i></p>	<p>香港環境保護協會頒發「木材回收樹木保育計劃2016」證書</p>
<p><b>16</b> "Food Wise Eateries" Award – Gold (for BEA Tower's staff canteen) and Food Wise Message Creativity Award - <i>Environmental Protection Department</i></p>	<p>獲環境保護署頒發「咪嚟嘢食店」獎 — 金級 (東亞銀行中心職員餐廳) 及最佳「咪嚟嘢」宣傳品創意獎</p>
<p><b>17</b> CLP GREEN<sup>PLUS</sup> Award 2016 SME – Office, Store &amp; Manufactory Category Merit Certificate - <i>CLP Holdings Limited</i></p>	<p>中華電力有限公司舉辦的中電「環保節能機構」嘉許計劃2016中榮獲中小企業 — 辦公室、倉庫及製造組別優異證書</p>
<p><b>18</b> National Safety and Security Watch Group Individual Award 2016 - <i>Singapore Police Force and Singapore Civil Defence Force</i></p>	<p>新加坡警察部隊及新加坡民防部隊頒發「2016年度安全與安保觀察組成員獎」</p>
<p><b>BEA China 東亞中國</b></p>	
<p><b>19</b> "Outstanding Corporate Social Responsibility Award" (for the Firefly Project) - <i>SSCLF</i></p>	<p>上海宋慶齡基金會頒發「優秀企業社會責任獎」(「螢火蟲項目」)</p>
<p><b>20</b> "2015 Best Practice of Social Responsibility Award in the China Banking Industry" - <i>China Banking Association</i></p>	<p>中國銀行業協會頒發「2015年度中國銀行業最佳社會責任實踐案例獎」</p>
<p><b>21</b> "Best Practice Award" in the China Business News Corporate Social Responsibility Rankings in China - <i>China Business News</i></p>	<p>《第一財經日報》頒發第一財經•中國企業社會責任榜 — 「優秀實踐獎」</p>
<p><b>Blue Cross 藍十字</b></p>	
<p><b>22</b> "2015 / 16 Good MPF Employer Award" - <i>Mandatory Provident Fund Schemes Authority</i></p>	<p>獲強制性公積金計劃管理局嘉許為「2015 / 16年度積金好僱主」</p>
<p><b>23</b> "The 7th Hong Kong Outstanding Corporate Citizenship Awards" – Corporate Citizenship Logo in the Enterprise and Volunteer Categories - <i>Organised by Hong Kong Productivity Council and Co-organised by the Committee on the Promotion of Civic Education</i></p>	<p>於香港生產力促進局主辦及公民教育委員會合辦的「第7屆香港傑出企業公民獎」中榮獲企業組別和義工隊組別的「企業公民嘉許標誌」</p>
<p><b>Credit Gain 領達財務</b></p>	
<p><b>24</b> "Consumer Caring Scheme 2016 – Consumer Caring Company" (for the fifth consecutive year) - <i>GS1 Hong Kong</i></p>	<p>香港貨品編碼協會頒發「貼心企業嘉許計劃2016 — 貼心企業」(連續第5年)</p>
<p><b>25</b> "Caring Agency Award 2015 – 1-Star Certificate" (for the third consecutive year) - <i>Tsuen Wan and Kwai Tsing District Co-ordinating Committee on Elderly Services of the Social Welfare Department</i></p>	<p>獲社會福利署荃灣及葵青區安老服務協調委員會頒發「關愛長者機構嘉許計劃2015 — 一星級嘉許證書」(連續第3年)</p>
<p><b>26</b> "2015 / 16 Good MPF Employer Award" (for the second consecutive year) - <i>Mandatory Provident Fund Schemes Authority</i></p>	<p>獲強制性公積金計劃管理局嘉許為「2015 / 16年度積金好僱主」(連續第2年)</p>
<p><b>27</b> "Certificate of Appreciation for Contributing to the Partnership Fund for the Disadvantaged" - <i>Social Welfare Department</i></p>	<p>獲社會福利署頒發「攜手扶弱基金嘉許狀」</p>
<p><b>BEA Union Investment 東亞聯豐投資</b></p>	
<p><b>28</b> "2015/16 Good MPF Employer Award" - <i>Mandatory Provident Fund Schemes Authority</i></p>	<p>獲強制性公積金計劃管理局嘉許為「2015 / 16年度積金好僱主」</p>



## REPORT OF THE DIRECTORS

The Directors have pleasure in presenting their Annual Report together with the audited financial statements for the year ended 31st December, 2016 ("Annual Report").

### PRINCIPAL PLACE OF BUSINESS

The Bank of East Asia, Limited is a licensed bank incorporated and domiciled in Hong Kong and has its registered office and principal place of business at 10 Des Voeux Road Central, Hong Kong.

### PRINCIPAL ACTIVITIES

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

### BUSINESS REVIEW

A fair review of the business and a discussion and analysis of the performance for the year ended 31st December, 2016 and an indication of likely future development in the business of the Group are provided in the Chairman's Statement and the Report of the Chief Executive and Senior Management of the Annual Report. Description of the principal risks and uncertainties facing the Group can be found throughout the Annual Report, in particular the Risk Management section. Particulars of important events affecting the Bank that have occurred (if any) can be found in the Annual Report and the Notes to the Financial Statements. An analysis using financial key performance indicators are provided in the Financial Highlights and the Report of the Chief Executive and Senior Management. Compliance with relevant laws and regulations which have significant impact on the Group can be found throughout the Annual Report, in particular, the Corporate Governance Report.

In addition, discussions on the Group's environmental policies and relationships with the key stakeholders that have a significant impact on the Group are discussed in the Corporate Social Responsibility Report of the Annual Report as well as the standalone version of Corporate Social Responsibility Report available on the Bank's website at [www.hkbea.com](http://www.hkbea.com) under "About BEA – Corporate Social Responsibility" section on the home page.

### MAJOR CUSTOMERS

The Directors believe that the five largest customers of the Group accounted for less than 30% of the total of interest income and other operating income of the Group for the year.

### ACCOUNTS

The profit attributable to equity holders of the Group for the year ended 31st December, 2016 and the state of the Bank's and the Group's affairs as at that date are set out in the accounts from pages 156 to 305.

### FIXED ASSETS

Details of the movements in fixed assets are set out in Note 35 on the accounts.

### TRANSFER TO RESERVES

Profit attributable to equity holders of the Group, before dividends, of HK\$3,723 million (2015: HK\$5,522 million) has been transferred to reserves. Other movements in reserves are set out in Note 42 on the accounts.

### DIVIDENDS

An interim dividend of HK\$0.28 per share (2015: HK\$0.38 per share) was paid on 30th September, 2016. The Directors have declared the payment of a second interim dividend of HK\$0.28 per share (2015: a second interim dividend of HK\$0.50 per share) in respect of the financial year ended 31st December, 2016.

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last 5 years is set out in the Annual Report.

### ISSUE OF SHARES

During the year, the Bank issued shares as follows:

- (a) 42,225,317 ordinary shares were issued at HK\$25.118 each and 19,222,696 ordinary shares were issued at HK\$31.331 each to shareholders who had elected to receive new shares in lieu of cash dividend in respect of the 2015 second interim dividend and the 2016 interim dividend respectively.
- (b) 365,000 ordinary shares were issued for cash of HK\$11,461,000.00 on the exercise of options granted under the approved staff share option schemes.

Details about the issue of shares are also set out in Note 40 on the accounts.

# 董事會報告書

董事會全寅現謹向各股東發表截至2016年12月31日止年度的報告書及已審核財務報表（「年報」）。

## 主要營業地點

東亞銀行有限公司乃一間在香港成立及註冊的持牌銀行，其註冊辦事處和主要營業地點為香港德輔道中10號。

## 主要業務

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

## 業務審視

有關對本集團截至2016年12月31日止年度業務的中肯審視及該年度表現的討論及分析，以及業務上相當有可能的未來發展的揭示，載於年報的主席報告書及行政總裁及高層管理人員報告書內。對本集團面對的主要風險及不明朗因素的描述，於本年報各部分（尤其在風險管理項下）已作披露。對本集團有影響的重大事件（如有）的詳情，在本年報各部分及財務報表各附註作出披露。運用財務關鍵表現指標進行的分析，見於本年報的財務摘要及高層管理人員報告書。而本集團遵守對本集團有重大影響的有關法律及規例的情況，則已在本年報各部分（尤其在企業管治報告內）作出披露。

此外，本集團的環境政策及其與對本集團有重大影響的主要持分者的關係的討論，披露於本年報的企業責任報告及登載於本行網站主頁內的「關於東亞銀行——企業社會責任」項下之企業責任報告（獨立版）內。

## 主要客戶

董事會認為，本集團5位最大客戶所佔是年度本集團總利息收入及其他經營收入少於30%。

## 賬項

本集團截至2016年12月31日止年度的股東應佔溢利，以及本行和本集團於當日的財政狀況，載列由第156頁至第305頁的賬項內。

## 固定資產

固定資產的變動詳情載於賬項附註35。

## 撥入儲備

本集團除股息前的股東應佔溢利中的港幣37.23億元（2015年：港幣55.22億元）已予撥入儲備。至於儲備的其他變動，則載於賬項附註42。

## 股息

中期股息每股港幣0.28元（2015年：每股港幣0.38元）已於2016年9月30日派發。董事會現宣布派發截至2016年12月31日止年度第二次中期股息每股港幣0.28元（2015年：第二次中期股息每股港幣0.50元）。

## 5年財務概要

本集團過去5年的業績、資產及負債的摘要載列於本年報。

## 發行股份

年內，本行發行的股份如下：

- (a) 分別以每股港幣25.118元發行42,225,317股普通股及以每股港幣31.331元發行19,222,696股普通股，派發予選擇以新股代替現金收取2015年度第二次中期股息及2016年度中期股息的股東。
- (b) 在行使認可僱員認股計劃所授予的認股權方面，發行365,000股普通股，所得現金為港幣11,461,000.00元。

有關發行股份的詳情，亦載於賬項附註40。

## REPORT OF THE DIRECTORS (CONTINUED)

### PURCHASE, SALE OR REDEMPTION OF THE BANK'S LISTED SECURITIES

On 7th March, 2016, the Bank redeemed a face value of CHF100 million of 0.78% Senior Notes (the "2016 CHF Senior Notes") upon their maturity. The 2016 CHF Senior Notes were issued in 2014 under the Bank's Medium Term Note Programme and listed on the Singapore Exchange.

On 16th March, 2016, the Bank redeemed a face value of US\$15 million 1.20% Senior Notes (the "2016 USD Senior Notes") upon their maturity. The 2016 USD Senior Notes were issued in 2015 under the Bank's Medium Term Note Programme and listed on the Singapore Exchange.

During the year ended 31st December, 2016, the Bank bought back an aggregate principal amount of US\$6,000,000 of the outstanding Hybrid Tier 1 capital instruments (comprising the US\$500,000,000 Step-up Subordinated Notes due 2059 issued by the Bank and the US\$500,000,000 Perpetual Non-cumulative Step-

up Preference Shares of no par value in a liquidation preference of US\$1,000 issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank) ("Hybrid Tier 1 Securities") on the Singapore Exchange. The aggregate price paid by the Bank for such purchases was US\$6,772,500. All the Hybrid Tier 1 Securities purchased by the Bank have been cancelled. Following cancellation of the Hybrid Tier 1 Securities purchased by the Bank, the aggregate principal amount of the Hybrid Tier 1 Securities which remains outstanding is US\$318,345,000. The Hybrid Tier 1 Securities are listed on the Singapore Exchange.

Save for the redemption of the 2016 CHF Senior Notes and 2016 USD Senior Notes, and the cancellation of the Hybrid Tier 1 Securities purchased by the Bank as disclosed herein, there was no purchase, sale or redemption by the Bank or any of its subsidiaries, of listed securities of the Bank during the year ended 31st December, 2016.

### ISSUE OF DEBENTURES

During the year ended 31st December, 2016, the following notes were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme and its Singapore Branch's US\$2,000,000,000 Multicurrency Medium Term Note Programme (together "MTN Programmes") and U.S. Commercial Paper ("CP") Programme to raise funds for general corporate purposes:

Class	Issued under	Amount Issued (HK\$ equivalent)	Consideration received (HK\$ equivalent)
Senior Notes	MTN Programmes	280,262,500.00	280,262,500.00
Subordinated Notes	MTN Programmes	3,877,575,000.00	3,871,293,328.50
CP Notes	CP Programme	389,425,000.00	388,724,035.00
Total		4,547,262,500.00	4,540,279,863.50

## 董事會報告書（續）

## 購入、出售或贖回本行的上市證券

本行於2016年3月7日（票據到期日）贖回面值1億瑞士法郎，孳息率為0.78%的高級票據（「2016瑞士法郎高級票據」）。2016瑞士法郎高級票據在2014年根據本行的中期票據計劃發行並於新加坡交易所上市。

本行於2016年3月16日（票據到期日）贖回面值1,500萬美元，孳息率為1.20%的高級票據（「2016美元高級票據」）。2016美元高級票據在2015年根據本行的中期票據計劃發行並於新加坡交易所上市。

截至2016年12月31日止年度內，本行在新加坡交易所購回本金總額為6,000,000美元的未償還混合一級證券（包括由本行發行於2059年到期的500,000,000美元步升後償票據及由本行的全資附屬公司Innovate

Holdings Limited發行的500,000,000美元無面值享有清算優先權金額1,000美元的永久非累積步升優先股）（「混合一級證券」）。本行購回該等混合一級證券所支付的價格總額為6,772,500美元。本行購回的所有混合一級證券已被註銷。所有獲本行購回的混合一級證券被註銷後，仍未償還的混合一級證券本金總額為318,345,000美元。混合一級證券在新加坡交易所上市。

除上述所披露獲本行贖回2016瑞士法郎高級票據及2016美元高級票據，以及註銷獲本行購回的該等混合一級證券外，截至2016年12月31日止年度內，本行或其任何附屬公司並無購入、出售或贖回本行的上市證券。

## 發行債權證

在截至2016年12月31日止年度內，本行根據其6,000,000,000美元中期票據計劃及其新加坡分行的2,000,000,000美元多種貨幣中期票據計劃（合稱「中期票據計劃」）及美國商業票據計劃發行以下票據，藉以籌集資金用作一般企業用途：

類別	根據以下計劃發行	發行款額（港元等值）	收取的代價（港元等值）
高級票據	中期票據計劃	280,262,500.00	280,262,500.00
後償票據	中期票據計劃	3,877,575,000.00	3,871,293,328.50
商業票據	美國商業票據計劃	389,425,000.00	388,724,035.00
合共		4,547,262,500.00	4,540,279,863.50

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS

The present Directors of the Bank are shown on page 66.

In accordance with the Articles of Association, the terms of office of Professor Arthur LI Kwok-cheung, Mr. Richard LI Tzar-kai, Mr. KUOK Khoon-ean and Dr. Peter LEE Ka-kit, will expire at the 2017 AGM. With the exception of Mr. Richard LI Tzar-kai and Mr. KUOK Khoon-ean who do not seek re-election, all the other retiring Directors, being eligible, offer themselves for re-election at the 2017 AGM.

The following changes in the Board occurred during the year 2016 up to 17th February, 2017 (being the date of this Report):

- Dr. the Hon. Rita FAN HSU Lai-tai (an INED) was appointed a Director of the Bank on 25th February, 2016. She retired at the conclusion of the 2016 AGM in accordance with the Articles of Association and was re-elected as a Director at the 2016 AGM.
- Mr. Meocre LI Kwok-wing (an INED) was appointed a Director of the Bank on 1st September, 2016. He will retire under the provisions of the Articles of Association and, being eligible, offers himself for re-election at the 2017 AGM.
- Mr. WONG Chung-hin resigned as an INED and Mr. Eric LI Fook-chuen resigned as an NED with effect from the conclusion of the 2016 AGM.
- Tan Sri Dr. KHOO Kay-peng did not seek re-election at the 2016 AGM and retired as an INED with effect from the conclusion of the 2016 AGM.
- Mr. Valiant CHEUNG Kin-piu resigned as an INED with effect from 1st September, 2016.
- Mr. Kenneth LO Chin-ming resigned as an INED with effect from 1st January, 2017.

Details of the Directors to be re-elected at the 2017 AGM are set out in the Circular sent to the shareholders.

No Director proposed for re-election at the 2017 AGM has a service contract that is not determinable by the Bank or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

The Bank has received an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the INEDs, namely: Dr. Allan WONG Chi-yun, Mr. WONG Chung-hin<sup>1</sup>, Mr. Winston LO Yau-lai, Tan Sri Dr. KHOO Kay-peng<sup>1</sup>, Mr. Richard LI Tzar-kai, Mr. Kenneth LO Chin-ming, Mr. William DOO Wai-hoi, Mr. KUOK Khoon-ean, Mr. Valiant CHEUNG Kin-piu<sup>2</sup>, Dr. Daryl NG Win-kong, Dr. the Hon. Rita FAN HSU Lai-tai<sup>3</sup> and Mr. Meocre LI Kwok-wing<sup>4</sup> and considers them to be independent at all the applicable time.

### DIRECTORS OF SUBSIDIARIES

The names of all directors who have served on the boards of the subsidiaries of the Bank (included in the annual consolidated financial statements for the year ended 31st December, 2016) during the year up to 17th February, 2017 (being the date of approval of the Bank's 2016 Annual Report) is available on the Bank's website at [www.hkbea.com](http://www.hkbea.com) under "About BEA – Corporate Governance" section on the home page.

### DIRECTORS' EMOLUMENTS

The emoluments of the Directors of the Bank on a named basis are disclosed in Note 21 to the Financial Statements for the year ended 31st December, 2016.

The fees to the Directors who resigned or retired or were appointed during 2016 were paid in accordance with their length of service.

### CONNECTED TRANSACTION

On 2nd December, 2016, the Bank, Kerry Holdings Limited ("KHL") and Kerry Properties Limited ("KPL") (together, the "Parties") entered into a bidding agreement in respect of their joint bidding of the Land<sup>5</sup> ("Land Bid") in Qianhai, Shenzhen, the PRC (the "Bidding Agreement"). On the same day, pursuant to the requirement under the Tender Notice<sup>6</sup> and the Bidding Agreement, the Bank, KHL and KPL jointly paid the deposit of RMB604.0 million (approximately HK\$682.52 million) in cash in the respective proportion of 25%, 50% and 25% (the "Deposit"), of which, the Bank paid RMB151 million (approximately HK\$170.63 million). As the Parties have been awarded the tender (please see below for details), the Deposit will be refunded to each of the Parties subject to payment of the land premium. The land use type of the Land is for commercial use and will be granted for a term of 40 years. The Bank intends to use its respective portion of the Land mainly for self-use purpose.

<sup>1</sup> For the period from 1st January, 2016 up to the conclusion of 2016 AGM.

<sup>2</sup> For the period from 1st January, 2016 to 31st August, 2016.

<sup>3</sup> For the period from 25th February, 2016 to 31st December, 2016.

<sup>4</sup> For the period from 1st September, 2016 to 31st December, 2016.

<sup>5</sup> The land plot located at Land Parcel 02 & 04, Unit 7, Qianwan Area, Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone, Shenzhen, the PRC (中國深圳市前海深港現代服務業合作區前灣片區七單元02·04街坊) (Land Parcel No.: T102-0260), with a site area of approximately 19,262.18 square meters for commercial use and a gross floor area of approximately 111,000 square meters.

<sup>6</sup> A land use right tender notice dated 27th October, 2016 and the supplemental notices dated 2nd November, 2016 and 15th November, 2016 issued by Qianhai Authority and the Land and Real Estate Exchange Center of Shenzhen Municipality in relation to the Land (Shenzhen Land Exchange Notice [2016] No. 22).

## 董事會報告書（續）

## 董事會

本行現任董事的名單載於第66頁。

根據組織章程細則規定，李國章教授、李澤楷先生、郭孔演先生及李家傑博士將於2017股東周年常會上卸任，除李澤楷先生及郭孔演先生表示不會重選連任外，其他行將卸任的董事均願在2017股東周年常會上膺選連任。

於2016年內及直至2017年2月17日（為本報告日期）期間，董事會成員的變動如下：

- 范徐麗泰博士（獨立非執行董事）於2016年2月25日獲委任為本行董事。她在2016股東周年常會結束時卸任，並已在2016股東周年常會上獲重選連任為董事。
- 李國榮先生（獨立非執行董事）於2016年9月1日獲委任為本行董事。根據組織章程細則規定，他將於2017股東周年常會上卸任，並願膺選連任。
- 黃頌顯先生辭任獨立非執行董事及李福全先生辭任非執行董事，在2016股東周年常會結束後生效。
- 丹斯里邱繼炳博士並無在2016股東周年常會上膺選連任，故已於2016股東周年常會結束時卸任獨立非執行董事。
- 張建標先生辭任獨立非執行董事，由2016年9月1日起生效。
- 駱錦明先生辭任獨立非執行董事，由2017年1月1日起生效。

所有在2017股東周年常會重選的董事的資料，載於寄發予股東的通函內。

所有擬在2017股東周年常會上膺選連任的董事，並沒有本行或其附屬公司在1年內不可在不予賠償（法定賠償除外）的情況下終止的服務合約。

本行已收到每位獨立非執行董事：黃子欣博士、黃頌顯先生<sup>1</sup>、羅友禮先生、丹斯里邱繼炳博士<sup>1</sup>、李澤楷先生、駱錦明先生、杜惠愷先生、郭孔演先生、張建標先生<sup>2</sup>、黃永光博士、范徐麗泰博士<sup>3</sup>及李國榮先生<sup>4</sup>，根據《上市規則》第3.13條而作出的年度獨立性確認函。本行對他們（在所有適用期間）的獨立性表示認同。

## 附屬公司董事

於年度內及直至2016年2月17日（為通過本行2016年報當天）止之期間，出任本行（包括在截至2016年12月31日止年度的綜合財務報表內）附屬公司董事會的董事姓名名單，已登載於本行網站www.hkbea.com主頁內的「關於東亞銀行—企業管治」項下以供閱覽。

## 董事薪酬

具名列載董事薪酬在截至2016年12月31日止年度的財務報表附註21披露。

在年內辭任或退任或獲委任的董事酬金按其服務期支付。

## 關連交易

於2016年12月2日，本行、嘉里控股有限公司（「嘉里控股」）及嘉里建設有限公司（「嘉里建設」）（合稱「合資各方」）就彼此聯合競買中國深圳前海項目地塊<sup>5</sup>（「地塊競買」）訂立聯合競買協議（「聯合競買協議」）。同日，根據招標公告<sup>6</sup>及聯合競買協議之規定，本行、嘉里控股及嘉里建設分別按25%、50%及25%之比例以現金共同支付按金人民幣604,000,000元（約港幣682,520,000元）（「按金」），其中已由本行支付之部分為人民幣151,000,000元（約港幣170,630,000元）。由於合資各方已中標（詳情請見下文），在支付土地出讓金之前提下，按金將退還合資各方。項目地塊的土地用途類別為商業用地，出讓期為40年。本行於項目地塊所佔之部分擬主要作本行自用。

<sup>1</sup> 由2016年1月1日至2016股東周年常會結束期內。

<sup>2</sup> 由2016年1月1日至2016年8月31日期內。

<sup>3</sup> 由2016年2月25日至2016年12月31日期內。

<sup>4</sup> 由2016年9月1日至2016年12月31日期內。

<sup>5</sup> 位於中國深圳市前海深港現代服務業合作區前灣片區七單元02、04街坊之地塊（地塊編號：T102-0260），為佔地約19,262.18平方米之商業用地，可建總樓面面積約111,000平方米。

<sup>6</sup> 前海當局和深圳市土地房產交易中心就項目地塊於2016年10月27日發出之土地使用權出讓公告以及於2016年11月2日及2016年11月15日分別發出之補充公告（深圳市土地交易公告[2016]22號）。

## REPORT OF THE DIRECTORS (CONTINUED)

On 7th December, 2016, the Bank, together with KHL and KPL, its joint bidders, won the land bid of Qianhai Authority to acquire the land use rights of the Land at a total consideration of RMB3,020 million (approximately HK\$3,412.6 million) for the development of the project in connection with the development of a financial and commercial complex on the Land (the "Project").

Following the successful bidding of the Land, the Bank, KHL and KPL entered into the master agreement relating to the development of the Project on 7th December, 2016 (the "Agreement"). Pursuant to the Agreement, the Bank, KHL and KPL will establish the PRC JV<sup>7</sup> in Qianhai with a total investment of RMB5,220 million (approximately HK\$5,898.6 million) to hold the land use rights of the Land and develop the Project, and will hold 25%, 50% and 25% of the equity interest in the PRC JV, respectively. The Bank's maximum total financial commitment in the PRC JV is estimated at approximately RMB1,305 million (equivalent to approximately HK\$1,474.65 million), which may be further adjusted under certain circumstances as agreed among all Parties such as the adjustment of the gross floor area to be used by the Bank.

The Bank believes that the participation in the Land Bid jointly with KHL and KPL to acquire and develop the Land and the formation of the PRC JV with KHL and KPL for the purpose of investment in and development of the Project is in alignment with the Bank's overall strategy and would benefit its long-term business development.

As at the date of the payment of the Deposit and the date of entering into the Agreement, KHL and KPL were subsidiaries of a Majority Controlled Company (as defined in the Listing Rules) of Mr. Kuok Khoon-ean, an INED, and his family members. As such, KHL and KPL were Associates (as defined in the Listing Rules) of Mr. Kuok Khoon-ean and Connected Persons (as defined in the Listing Rules) of the Bank. Accordingly, (i) the joint bidding for the Land as contemplated under the Bidding Agreement and the payment of the Bank's pro-rata amount of the Deposit; and (ii) the entering into of the Agreement and the formation of the PRC JV to develop the Project thereunder (collectively the "Transactions") constituted connected transactions for the Bank under the Listing Rules, and are required under the Listing Rules to be reported in its Annual Report. For details of the Transactions, please refer to the announcements dated 2nd December, 2016 and 7th December, 2016, respectively, issued by the Bank.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Details of the connected transactions between the Bank, KHL and KPL which are subsidiaries of a Majority Controlled Company of Mr. KUOK Khoon-ean, an INED, and his family members during the year are set out in the section under "Connected Transaction" of this Report.

Save as disclosed above, there was no transaction, arrangement or contracts of significance in relation to the Group's business to which the Bank or any of its subsidiaries was a party and in which a Director of the Bank and/or any of his connected entities (as defined under section 486 of the Ordinance) had, directly or indirectly, a material interest subsisted at the end of the year or at any time during the year.

### DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors of the Bank is interested in any business apart from the Bank's business that competes or is likely to compete, either directly or indirectly, with the Bank's business.

### MANAGEMENT CONTRACTS

Save for employment contracts, no other contracts, relating to the management and/or administration of the whole or any substantial part of the business of the Bank were entered into or subsisted during the year.

Dr. the Hon. Sir David LI Kwok-po is employed as the Chief Executive of the Bank. His existing three-year term service contract commenced in April 2015 and will expire in March 2018.

### PERMITTED INDEMNITY

Pursuant to the Articles of Association, every Director, Secretary and officer of the Bank shall be indemnified out of the funds of the Bank against all liabilities (to the extent permitted by the Ordinance) incurred by such Director, Secretary or officer in the execution of his duties or otherwise in relation thereto. Directors & Officers Liability and Company Reimbursement Insurance has been arranged to indemnify the Directors and officers of the Group.

<sup>7</sup> A joint venture company to be established in the PRC with limited liability and, upon its establishment, will be owned as to 25%, 50% and 25% by the Bank, KHL and KPL respectively through their respective special purpose vehicle.



## 董事會報告書（續）

於2016年12月7日，本行以及與其參與聯合競買之嘉里控股及嘉里建設，以總代價人民幣3,020,000,000元（約港幣3,412,600,000元）贏得前海當局的地塊競標並取得項目地塊之土地使用權用於發展於項目地塊上建設金融商業綜合設施之項目（「開發項目」）。

在贏得競標後，本行、嘉里控股及嘉里建設於2016年12月7日簽訂關於發展開發項目之總協定（「協議」）。根據協議，本行、嘉里控股及嘉里建設將於前海成立總投資為人民幣5,220,000,000元（約港幣5,898,600,000元）之中國合營公司<sup>7</sup>，以持有項目地塊之土地使用權及發展開發項目，而本行、嘉里控股及嘉里建設將分別持有中國合營公司之25%、50%及25%股權。其中本行佔中國合營公司的總財務承擔最大額估計約為人民幣1,305,000,000元（相當於約港幣1,474,650,000元），此金額可根據合資各方商定的若干情況（例如在調整本行所佔用的總樓面面積後）另作調整。

本行相信，與嘉里控股及嘉里建設共同參與地塊競買及發展項目地塊，以及成立中國合營公司投資及發展開發項目，乃與本行整體策略一致，亦可惠及本行長遠之業務發展。

於按金支付日和協議簽訂日，嘉里控股及嘉里建設乃獨立非執行董事郭孔演先生及其家族成員佔多數控制權的公司（根據《上市規則》之定義）之附屬公司，因此，嘉里控股及嘉里建設乃郭孔演先生之聯繫人（根據《上市規則》之定義）及本行之關連人士（根據《上市規則》之定義），亦因如此，(i)本行按比例支付按金以及聯合競買協議項下擬對項目地塊進行之聯合競買；及(ii)訂立協議及成立中國合營公司發展其項下開發項目（合稱「該等交易」）根據《上市規則》第14A章構成本行之關連交易，並須根據《上市規則》在本行年報作出披露。有關該等交易的詳情，請參閱本行分別於2016年12月2日及2016年12月7日所刊發的公告。

### 董事在交易、安排或合約中之權益

有關本行與嘉里控股及嘉里建設（該等公司乃獨立非執行董事郭孔演先生及其家族成員佔多數控制權的公司之附屬公司）之關連交易的詳情載於本報告「關連交易」項下。

除上述所披露外，於年度結束時或年內任何時間，凡與本集團業務有關而本行或其任何附屬公司有份參與之重要交易、安排或合約，本行各董事及/或與其有關連的實體（根據《條例》第486條之定義）均無直接或間接擁有重大權益。

### 董事在競爭業務之權益

除本行業務外，本行各董事並無在其他直接或間接與本行的業務構成競爭或可能構成競爭的業務中佔有權益。

### 管理合約

年內，除僱傭合約外，並無訂立或存在與本行業務全部或任何重大部分有關的管理及/或行政合約。

李國寶爵士受聘為本行的行政總裁。他現行為期3年的僱傭合約已於2015年4月起生效，並將於2018年3月屆滿。

### 獲准許的彌償條文

根據章程細則，每名董事、秘書或職員在其執行職責或其他方面與此有關之情況下所蒙受或產生之所有債務（受限於《條例》的規定），有權獲得從本行基金中撥付彌償。此外，本行已購買董事和職員責任及公司償還保險，以保障本集團的董事及員工。

<sup>7</sup> 擬於中國成立之有限責任合營公司，在其成立後由本行、嘉里控股及嘉里建設透過各自之特別目的實體分別擁有25%、50%及25%股權。

## REPORT OF THE DIRECTORS (CONTINUED)

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS

As at 31st December, 2016, the interests and short positions of the Directors and Chief Executive of the Bank in the shares, underlying shares and debentures of the Bank and its associated corporations as recorded in the register required to be kept under section 352 of the SFO (the "Register") were as follows:

#### I. Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	Total	% of issued voting Shares
David LI Kwok-po	Beneficial owner	75,087,945	87,491,883 <sup>1</sup>	3.24
	Interest of spouse	2,007,227		
	Interest of corporation	233,211		
	Executor of estate	10,163,500		
Arthur LI Kwok-cheung	Beneficial owner	23,279,233	49,760,203 <sup>2</sup>	1.84
	Interest of corporation	16,317,470		
	Executor of estate	10,163,500		
Allan WONG Chi-yun	Beneficial owner	420,690	16,197,066 <sup>3</sup>	0.60
	Interest of spouse	136		
	Founder and beneficiary of discretionary trust	15,776,240		
Aubrey LI Kwok-sing	Beneficial owner	1,142,381	17,534,019 <sup>4</sup>	0.65
	Interest of spouse	22,143		
	Interest of corporation	16,369,495		
Winston LO Yau-lai	-	-	Nil	Nil
Richard LI Tzar-kai	-	-	Nil	Nil
Kenneth LO Chin-ming	-	-	Nil	Nil
Stephen Charles LI Kwok-sze	Beneficial owner	10,234,312	14,726,679 <sup>5</sup>	0.54
	Interest of children	618,899		
	Beneficiary of discretionary trusts	2,656,085		
	Administrator of estate	1,217,383		
William DOO Wai-hoi	-	-	Nil	Nil
KUOK Khoon-ean	-	-	Nil	Nil
Isidro FAINÉ CASAS	-	-	Nil	Nil
Peter LEE Ka-kit	Interest of corporation	679,000	1,779,000 <sup>6</sup>	0.07
	Beneficiary of discretionary trust	1,100,000		
Adrian David LI Man-kiu	Beneficial owner	814,418	2,796,631 <sup>7</sup>	0.10
	Interest of child	7,031		
	Settlor/Founder of discretionary trust	1,975,182		
Brian David LI Man-bun	Beneficial owner	2,121,518	2,894,053 <sup>8</sup>	0.11
	Interest of corporation	772,535		
Daryl NG Win-kong	-	-	Nil	Nil
Masayuki OKU	-	-	Nil	Nil
Rita FAN HSU Lai-tai	-	-	Nil	Nil
Meocre LI Kwok-wing	-	-	Nil	Nil

## 董事會報告書（續）

## 董事及行政總裁權益

於2016年12月31日，根據《證券及期貨條例》第352條須予備存的登記冊（「該登記冊」）所記錄，本行各董事及行政總裁於本行及其相聯法團的股份、相關股份及債權證中擁有的權益及淡倉如下：

## I. 本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	總數	佔已發行 有投票權股份 的百分率
李國寶	實益擁有人	75,087,945	87,491,883 <sup>1</sup>	3.24
	配偶的權益	2,007,227		
	法團的權益	233,211		
	遺產執行人	10,163,500		
李國章	實益擁有人	23,279,233	49,760,203 <sup>2</sup>	1.84
	法團的權益	16,317,470		
	遺產執行人	10,163,500		
黃子欣	實益擁有人	420,690	16,197,066 <sup>3</sup>	0.60
	配偶的權益	136		
	酌情信託的成立人及受益人	15,776,240		
李國星	實益擁有人	1,142,381	17,534,019 <sup>4</sup>	0.65
	配偶的權益	22,143		
	法團的權益	16,369,495		
羅友禮	-	-	無	無
李澤楷	-	-	無	無
駱錦明	-	-	無	無
李國仕	實益擁有人	10,234,312	14,726,679 <sup>5</sup>	0.54
	子女的權益	618,899		
	酌情信託的受益人	2,656,085		
	遺產管理人	1,217,383		
杜惠愷	-	-	無	無
郭孔演	-	-	無	無
范禮賢	-	-	無	無
李家傑	法團的權益	679,000	1,779,000 <sup>6</sup>	0.07
	酌情信託的受益人	1,100,000		
李民橋	實益擁有人	814,418	2,796,631 <sup>7</sup>	0.10
	子女的權益	7,031		
	酌情信託的財產授予人/成立人	1,975,182		
李民斌	實益擁有人	2,121,518	2,894,053 <sup>8</sup>	0.11
	法團的權益	772,535		
黃永光	-	-	無	無
奧正之	-	-	無	無
范徐麗泰	-	-	無	無
李國榮	-	-	無	無

## REPORT OF THE DIRECTORS (CONTINUED)

### Notes:

- 1 David LI Kwok-po was the beneficial owner of 75,087,945 shares and he was deemed to be interested in 2,007,227 shares through the interests of his spouse, Penny POON Kam-chui. He was also deemed to be interested in 233,211 shares held by David LI Kwok-po Charitable Foundation Limited, a charitable institution of which David LI Kwok-po is a director and the sole member. He was also deemed to be interested in 10,163,500 shares held by an estate of which he is one of the executors. Arthur LI Kwok-cheung was also deemed to be interested in the same block of 10,163,500 shares as one of the executors of the estate (please refer to Note 2 below).
- 2 Arthur LI Kwok-cheung was the beneficial owner of 23,279,233 shares and he was deemed to be interested in 16,317,470 shares held by Dapa Company Limited, which is wholly-owned by him. He was also deemed to be interested in 10,163,500 shares held by an estate of which he is one of the executors. David LI Kwok-po was also deemed to be interested in the same block of 10,163,500 shares as one of the executors of the estate (please refer to Note 1 above).
- 3 Allan WONG Chi-yun was the beneficial owner of 420,690 shares and he was deemed to be interested in 136 shares through the interests of his spouse, Margaret KWOK Chi-wai (deceased). He was also deemed to be interested in 15,776,240 shares held by a discretionary trust, Allan Wong 2011 Trust, of which Allan WONG Chi-yun is a founder and an eligible beneficiary.
- 4 Aubrey LI Kwok-sing was the beneficial owner of 1,142,381 shares and he was deemed to be interested in 22,143 shares through the interests of his spouse, Elizabeth WOO. He was also deemed to be interested in 16,369,495 shares held by Hope Lake Ltd., which is wholly-owned by him.
- 5 Stephen Charles LI Kwok-sze was the beneficial owner of 10,234,312 shares, and he was deemed to be interested in 618,899 shares through the interests of his children. He was also deemed to be interested in 1,217,383 shares held by an estate of which he is one of the Administrators. Of the remaining 2,656,085 shares, (i) 2,431,400 shares were held by a discretionary trust, Settlement of Dr. Simon F. S. Li, of which Stephen Charles LI Kwok-sze, his spouse and his children were beneficiaries and (ii) 224,685 shares were held by a discretionary trust, Longevity Trust, of which his children were beneficiaries.
- 6 Of these 1,779,000 shares, 679,000 shares were owned by Golf Limited which in turn is wholly-owned by Peter LEE Ka-kit. He was also deemed to be interested in 1,100,000 shares ("Deemed Shares"). The Deemed Shares were beneficially owned by a subsidiary of The Hong Kong and China Gas Company Limited ("HKCG") and Peter LEE Ka-kit is a discretionary beneficiary of the discretionary trusts which indirectly control more than one third of the voting power at the general meeting of HKCG.
- 7 Adrian David LI Man-kiu was the beneficial owner of 814,418 shares, and he was deemed to be interested in 7,031 shares through the interests of his child under the age of 18. Adrian David LI Man-kiu has made a voluntary disclosure of 1,975,182 shares indirectly held by a discretionary trust of which he was the settlor/founder but has no influence on how the trustee exercises its discretion.
- 8 Brian David LI Man-bun was the beneficial owner of 2,121,518 shares. He was also deemed to be interested in 772,535 shares held by Triple Kingdom Limited, which is wholly-owned by him.

## II. Long positions (in respect of equity derivatives) in underlying shares of the Bank:

Shares options, being unlisted physically settled equity derivatives, to subscribe for the ordinary shares of the Bank were granted to David LI Kwok-po, Adrian David LI Man-kiu and Brian David LI Man-bun pursuant to the approved Staff Share Option Schemes. Information in relation to these share options during the year ended 31st December, 2016 was shown in the section under "Information on Share Options" of this Report.

## III. Interests in Hybrid Tier I Capital Instruments:

Allan WONG Chi-yun was the beneficial owner of the following capital instruments<sup>Note</sup>:

Issuer	Type/Class of Securities	Amount of Debentures	No. of shares
The Bank of East Asia, Limited	Subordinated Notes	US\$7,000,000	-
Innovate Holdings Limited	Preference Shares	-	7,000
The Bank of East Asia, Limited	Substitute Preference Shares (unissued)	-	7,000

Note: In November 2009, the Bank issued capital instruments qualifying as hybrid tier 1 capital with a face value of US\$500 million. The capital instruments comprise 8.5% step-up subordinated notes due 2059 issued by the Bank (the "2059 Notes") stapled with perpetual non-cumulative step-up preference shares issued by Innovate Holdings Limited, a wholly-owned subsidiary of the Bank (the "Innovate Preference Shares"). The 2059 Notes and the Innovate Preference Shares are listed as stapled units on Singapore Exchange. The Substitute Preference Shares (being perpetual non-cumulative step-up preference shares) are created, and to be issued by the Bank upon the occurrence of a Substitution Event (as defined in the circular to shareholders of the Bank dated 11th November, 2009) as one of the terms of the issue of the 2059 Notes and the Innovate Preference Shares.

## 董事會報告書 (續)

附註：

- 1 李國寶為75,087,945股的實益擁有人。由於其配偶潘金翠擁有2,007,227股之權益，他亦被視為擁有該等股份。他亦被視為擁有由李國寶慈善基金有限公司持有的233,211股，李國寶為該慈善機構的董事兼唯一成員。李國寶作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的10,163,500股。李國章作為該遺產的其中一位執行人，亦被視為擁有同一批10,163,500股（請參閱下列附註2）。
- 2 李國章為23,279,233股的實益擁有人。他亦被視為擁有由Dapa Company Limited持有的16,317,470股，該公司為李國章全資擁有。李國章作為一個遺產的其中一位執行人，因而被視為擁有該遺產所持有的10,163,500股。李國寶作為該遺產的其中一位執行人，亦被視為擁有同一批10,163,500股（請參閱上列附註1）。
- 3 黃子欣為420,690股的實益擁有人。由於其配偶郭志蕙（已歿）擁有136股之權益，黃子欣被視為擁有該等股份。而由於黃子欣為一個酌情信託Allan Wong 2011 Trust的成立人及一位合資格受益人，他亦被視為擁有該酌情信託所持有的15,776,240股。
- 4 李國星為1,142,381股的實益擁有人。由於其配偶吳伊莉擁有22,143股之權益，他亦被視為擁有該等股份。李國星因全資擁有Hope Lake Ltd. 而被視為擁有該公司所持有的16,369,495股。
- 5 李國仕為10,234,312股的實益擁有人。他亦被視為擁有由其子女持有的618,899股。李國仕作為一個遺產的其中一位管理人，因而被視為擁有該遺產持有的1,217,383股。餘下的2,656,085股當中：(i) 2,431,400股由一個酌情信託 — Settlement of Dr. Simon F. S. Li 持有，李國仕、其配偶及其子女皆為該酌情信託的受益人；及(ii) 224,685股由一個酌情信託 — Longevity Trust 持有，而其子女為該酌情信託的受益人。
- 6 該1,779,000股中，679,000股由李家傑全資擁有的公司Golf Limited持有。他亦被視為擁有1,100,000股（「該等被視為擁有之股份」）。該等被視為擁有之股份乃由香港中華煤氣有限公司（「中華煤氣」）之一間附屬公司實益擁有，而李家傑為全權信託之可能受益人，而該等信託間接控制中華煤氣股東大會超過三份之一投票權。
- 7 李民橋為814,418股的實益擁有人。他亦被視為擁有由其18歲以下子女持有的7,031股。李民橋自願披露其作為財產授予人/成立人的一個酌情信託所持有的1,975,182股，由於他不可以影響受託人如何行使其酌情權，有關披露純屬自願性質。
- 8 李民斌為2,121,518股的實益擁有人。他亦被視為擁有由Triple Kingdom Limited持有的772,535股，該公司為李民斌全資擁有。

## II. 本行相關股份（就股本衍生工具而言）的好倉：

根據本行的認可僱員認股計劃，李國寶、李民橋及李民斌獲授予認股權，以認購本行普通股股份。該等認股權屬於非上市以實物交收的期權。有關此等認股權在截至2016年12月31日止年度內的資料，見於本報告「認股權資料」項下。

## III. 混合一級資本工具的權益：

黃子欣為下列資本工具的實益擁有人<sup>附註：</sup>

發行人	證券種類/類別	債權證數額	股份數目
東亞銀行有限公司	後償票據	7,000,000 美元	-
Innovate Holdings Limited	優先股	-	7,000
東亞銀行有限公司	替代優先股（尚未發行）	-	7,000

附註：本行於2009年11月發行面值為5億美元的混合一級資本工具。該資本工具包括由本行發行並於2059年到期的步陞後償票據（票據息率為年利率8.5%）（「2059票據」），以及由本行全資附屬公司Innovate Holdings Limited發行之無面值永久非累積步陞優先股（「Innovate 優先股」）。2059票據連同Innovate 優先股以不可分拆單位形式於新加坡交易所上市。替代優先股（永久非累積步陞優先股）由本行設立及將於發生替代事件（定義見日期為2009年11月11日本行發出之股東通函）時發行以作為發行2059票據及Innovate 優先股的條款之一。

## REPORT OF THE DIRECTORS (CONTINUED)

### IV. Interests in Debt Securities of the Bank:

David LI Kwok-po was deemed to be interested in the following debt securities issued by the Bank through the interests of his spouse, Penny POON Kam-chui:

Type/Class of Debt Securities	Amount of Debentures
New Capital Securities <sup>Note 1</sup>	US\$500,000
Subordinated Notes <sup>Note 2</sup>	US\$3,000,000

*Note 1: The 5.5% US-dollar denominated fixed rate Undated Non-cumulative Subordinated Additional Tier I Capital Securities ("New Capital Securities"), with a principal amount of US\$650,000,000, were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme in 2015 and are listed on the Stock Exchange.*

*Note 2: The 4.0% Tier 2 Capital Dated Subordinated Notes due 2026, with a principal amount of US\$500,000,000, were issued by the Bank under its US\$6,000,000,000 Medium Term Note Programme in 2016 and are listed on the Stock Exchange.*

Save as disclosed above, no other interest or short position in the shares, underlying shares or debentures of the Bank or any of its associated corporations were recorded in the Register.

At no time during the year was the Bank or any of its subsidiaries a party to any arrangement to enable the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age to acquire benefits by means of the acquisition of shares in or debentures of the Bank or any other body corporate with the exception of the Staff Share Option Schemes, details of which are set out in the following section under "Information on Share Options", and Notes 2(q)(iv) and 39 on the accounts.

### INFORMATION ON SHARE OPTIONS

Information in relation to share options disclosed in accordance with the Listing Rules was as follows:

(1) Movement of share options during the year ended 31st December, 2016:

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2016
		Outstanding at 1/1/2016	Granted	Exercised	Lapsed	
David LI Kwok-po	05/5/2011 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	03/5/2013 <sup>a</sup>	666,000 <sup>T2</sup>	-	365,000 <sup>c</sup>	-	301,000
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	668,000

## 董事會報告書(續)

## IV. 本行債務證券的權益:

由於其配偶潘金翠擁有下述由本行發行的債務證券的權益，李國寶因而被視為擁有該等權益：

債務證券種類/類別	債權證數額
新資本證券 <sup>附註1</sup>	500,000 美元
後償票據 <sup>附註2</sup>	3,000,000 美元

附註1：本行根據其6,000,000,000美元中期票據計劃發行以美元計值本金額為650,000,000美元的固定利率（息率為年利率5.5%）無日期非累積後償債額外一級資本證券（「新資本證券」）。新資本證券於2015年發行並在聯交所上市。

附註2：本行根據其6,000,000,000美元中期票據計劃發行本金額為500,000,000美元於2026年到期的二級資本後償票據（息率為年利率4.0%），該後償票據於2016年發行並在聯交所上市。

除上述披露外，概無其他本行或其任何相聯法團的股份、相關股份或債權證的權益或淡倉載於該登記冊內。

除於下列「認股權資料」項下及賬項附註2(q)(iv)及39所詳載的僱員認股計劃外，本年內本行或其任何附屬公司並無作任何安排，以致本行各董事或行政總裁或他們的配偶或18歲以下子女從中取得本行或其他法人團體的股份或債券而獲益。

## 認股權資料

根據《上市規則》所披露有關認股權的資料如下：

(1) 截至2016年12月31日止年度內認股權的變動：

姓名	授予日期	認股權數目				
		於 1/1/2016 尚未行使	授出	行使	失效	於 31/12/2016 尚未行使
李國寶	05/5/2011 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	05/5/2011 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	03/5/2013 <sup>a</sup>	666,000 <sup>T2</sup>	-	365,000 <sup>c</sup>	-	301,000
	03/5/2013 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	02/5/2014 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T1</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	666,000 <sup>T2</sup>	-	-	-	666,000
	04/5/2015 <sup>a</sup>	668,000 <sup>T3</sup>	-	-	-	668,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T1</sup>	-	-	666,000
	08/4/2016 <sup>b</sup>	-	666,000 <sup>T2</sup>	-	-	666,000
08/4/2016 <sup>b</sup>	-	668,000 <sup>T3</sup>	-	-	668,000	

## REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2016
		Outstanding at 1/1/2016	Granted	Exercised	Lapsed	
Adrian David LI Man-kiu	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	
Brian David LI Man-bun	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000	
08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000	



## 董事會報告書 (續)

姓名	授予日期	認股權數目				
		於 1/1/2016 尚未行使	授出	行使	失效	於 31/12/2016 尚未行使
李民橋	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000
李民斌	05/5/2011 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	05/5/2011 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	10/5/2012 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	03/5/2013 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	02/5/2014 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T1</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	216,000 <sup>T2</sup>	-	-	-	216,000
	04/5/2015 <sup>a</sup>	218,000 <sup>T3</sup>	-	-	-	218,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T1</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	216,000 <sup>T2</sup>	-	-	216,000
	08/4/2016 <sup>b</sup>	-	218,000 <sup>T3</sup>	-	-	218,000

## REPORT OF THE DIRECTORS (CONTINUED)

Name	Date of Grant	Number of Share Options				Outstanding at 31/12/2016
		Outstanding at 1/1/2016	Granted	Exercised	Lapsed	
Aggregate of other Employees*	05/5/2011 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T2</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	-	-	-	636,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	-	-	-	844,000
	02/5/2014 <sup>a</sup>	894,000 <sup>T2</sup>	-	-	-	894,000
	02/5/2014 <sup>a</sup>	899,500 <sup>T3</sup>	-	-	-	899,500
	04/5/2015 <sup>a</sup>	932,000 <sup>T1</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	932,000 <sup>T2</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	936,000 <sup>T3</sup>	-	-	-	936,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T1</sup>	-	-	985,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T2</sup>	-	-	985,000
	08/4/2016 <sup>b</sup>	-	992,500 <sup>T3</sup>	-	-	992,500
Other Participants**	05/5/2011 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T1</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000

\* Employees working under employment contracts that were regarded as "Continuous Contracts" for the purpose of the Hong Kong Employment Ordinance.

\*\* Other Participants refer to two former employees who ceased to be employees of the Bank in 2013. The share options were granted to them prior to their cessation as employees of the Bank.

## Notes:

a Particulars of share options granted in years 2011 to 2015:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15

## 董事會報告書(續)

姓名	授予日期	認股權數目				
		於 1/1/2016 尚未行使	授出	行使	失效	於 31/12/2016 尚未行使
其他僱員的總數*	05/5/2011 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	05/5/2011 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T1</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	632,000 <sup>T2</sup>	-	-	-	632,000
	10/5/2012 <sup>a</sup>	636,000 <sup>T3</sup>	-	-	-	636,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T1</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	732,000 <sup>T2</sup>	-	-	-	732,000
	03/5/2013 <sup>a</sup>	736,000 <sup>T3</sup>	-	-	-	736,000
	02/5/2014 <sup>a</sup>	844,000 <sup>T1</sup>	-	-	-	844,000
	02/5/2014 <sup>a</sup>	894,000 <sup>T2</sup>	-	-	-	894,000
	02/5/2014 <sup>a</sup>	899,500 <sup>T3</sup>	-	-	-	899,500
	04/5/2015 <sup>a</sup>	932,000 <sup>T1</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	932,000 <sup>T2</sup>	-	-	-	932,000
	04/5/2015 <sup>a</sup>	936,000 <sup>T3</sup>	-	-	-	936,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T1</sup>	-	-	985,000
	08/4/2016 <sup>b</sup>	-	985,000 <sup>T2</sup>	-	-	985,000
	08/4/2016 <sup>b</sup>	-	992,500 <sup>T3</sup>	-	-	992,500
其他參與人**	05/5/2011 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	05/5/2011 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T1</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T2</sup>	-	-	-	100,000
	10/5/2012 <sup>a</sup>	100,000 <sup>T3</sup>	-	-	-	100,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T1</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T2</sup>	-	-	-	50,000
	03/5/2013 <sup>a</sup>	50,000 <sup>T3</sup>	-	-	-	50,000

\* 按香港《僱傭條例》所指的「連續合約」工作的僱員。

\*\* 其他參與人指本行兩位於2013年終止為本行僱員的前僱員。在其終止為本行僱員前已獲授予該等認股權。

附註：

a 於2011年至2015年授予的認股權詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
05/5/2011	T1	05/5/2011 – 04/5/2012	05/5/2012 – 05/5/2017	32.00
05/5/2011	T2	05/5/2011 – 04/5/2013	05/5/2013 – 05/5/2018	32.00
05/5/2011	T3	05/5/2011 – 04/5/2014	05/5/2014 – 05/5/2019	32.00
10/5/2012	T1	10/5/2012 – 09/5/2013	10/5/2013 – 10/5/2018	28.99
10/5/2012	T2	10/5/2012 – 09/5/2014	10/5/2014 – 10/5/2019	28.99
10/5/2012	T3	10/5/2012 – 09/5/2015	10/5/2015 – 10/5/2020	28.99
03/5/2013	T1	03/5/2013 – 02/5/2014	03/5/2014 – 03/5/2019	31.40
03/5/2013	T2	03/5/2013 – 02/5/2015	03/5/2015 – 03/5/2020	31.40
03/5/2013	T3	03/5/2013 – 02/5/2016	03/5/2016 – 03/5/2021	31.40
02/5/2014	T1	02/5/2014 – 01/5/2015	02/5/2015 – 02/5/2020	32.50
02/5/2014	T2	02/5/2014 – 01/5/2016	02/5/2016 – 02/5/2021	32.50
02/5/2014	T3	02/5/2014 – 01/5/2017	02/5/2017 – 02/5/2022	32.50
04/5/2015	T1	04/5/2015 – 03/5/2016	04/5/2016 – 04/5/2021	34.15
04/5/2015	T2	04/5/2015 – 03/5/2017	04/5/2017 – 04/5/2022	34.15
04/5/2015	T3	04/5/2015 – 03/5/2018	04/5/2018 – 04/5/2023	34.15

## REPORT OF THE DIRECTORS (CONTINUED)

### b Share options granted in year 2016:

#### (i) Particulars:

Date of Grant	Tranche	Vesting Period	Exercise Period	Exercise Price Per Share HK\$
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45

(ii) The closing price of the shares of the Bank on 7th April, 2016 (being the business day immediately preceding 8th April, 2016 on which the options were granted) was HK\$28.05.

(iii) Fair value of share options granted during the year ended 31st December, 2016 and the assumptions are set out in Note 39 on the accounts.

### c The annual weighted average (“AWA”) closing price of the shares of the Bank immediately before the date on which the Options were exercised during the year ended 31st December, 2016:

Date of Grant	Tranche	No. of Options Exercised	Exercise Price Per Share HK\$	AWA Closing Price HK\$
03/5/2013	T2	365,000	31.40	31.60

(2) No share options were cancelled during the year ended 31st December, 2016.

(3) The accounting policy adopted for share options is set out in Note 2(q)(iv) on the accounts.

Save as disclosed above, as at 31st December, 2016, none of the Directors or Chief Executive of the Bank or their spouses or children under 18 years of age were granted or exercised any right to subscribe for any equity or debt securities of the Bank or any of its associated corporations.

## INFORMATION ON SHARE OPTION SCHEME

The following is a summary of the 2016 Scheme disclosed in accordance with the Listing Rules:

### 1. Purpose of the 2016 Scheme:

- The 2016 Scheme is a share incentive scheme and is established to recognise and acknowledge the contributions that eligible persons had made or may make to the Group.
- The 2016 Scheme will provide the eligible persons with an opportunity to have a personal stake in the Bank with the view to motivating the eligible persons to optimise their performance and efficiency for the benefit of the Group.

### 2. Participants of the 2016 Scheme:

The Board may at its discretion grant options to any employees including Executive Directors and Chief Executive of the Group.

### 3. Total number of shares available for issue under the 2016 Scheme and % of issued shares at 31st December, 2016:

During the year ended 31st December, 2016, no options had been granted under the 2016 Scheme since its Adoption Date (i.e. 19th April, 2016). Therefore, no shares were available for issue under the 2016 Scheme as at 31st December, 2016.

## 董事會報告書 (續)

## b 於2016年授予的認股權：

## (i) 詳情：

授予日期	部分	有效期	行使期	每股行使價 港幣(元)
08/4/2016	T1	08/4/2016 – 07/4/2017	08/4/2017 – 08/4/2022	28.45
08/4/2016	T2	08/4/2016 – 07/4/2018	08/4/2018 – 08/4/2023	28.45
08/4/2016	T3	08/4/2016 – 07/4/2019	08/4/2019 – 08/4/2024	28.45

(ii) 本行股份在2016年4月7日(即2016年4月8日授出認股權當日之前一個營業日)的收市價為港幣28.05元。

(iii) 在截至2016年12月31日止年度內授出認股權的公平價值及假設載於賬項附註39。

## c 在截至2016年12月31日止年度內本行股份在緊接有關認股權行使日期之前的全年加權平均收市價：

授予日期	部分	行使認股權數目	每股行使價 港幣(元)	全年加權平均收市價 港幣(元)
03/5/2013	T2	365,000	31.40	31.60

(2) 截至2016年12月31日止年度內並無認股權被註銷。

(3) 有關認股權的會計政策載於賬項附註2(q)(iv)。

除上述所披露外，於2016年12月31日，本行的董事或行政總裁或他們的配偶或18歲以下子女概無獲授或行使任何權利以認購本行或其任何相聯法團的股本或債務證券。

## 認股權計劃資料

根據《上市規則》披露的有關2016計劃的摘要如下：

## 1. 2016計劃的目的：

- (a) 2016計劃屬於一項股份獎勵計劃，設立的目的是在於肯定合資格人士對本集團作出或可能作出的貢獻。
- (b) 2016計劃為合資格人士提供機會持有本行的股權，藉此鼓勵僱員努力工作，提高效率，為本集團賺取更多利益。

## 2. 2016計劃的參與人：

董事會可按其酌情權，向本集團任何僱員，包括執行董事和行政總裁，授予認股權。

## 3. 2016計劃中可予發行的股份數目及其於2016年12月31日佔已發行股份的百分率：

在截至2016年12月31日止的年度內，由採納日(即2016年4月19日)開始，並無根據2016計劃授出認股權。因此，於2016年12月31日，2016計劃中並未有可予發行的股份。

## REPORT OF THE DIRECTORS (CONTINUED)

### 4. Maximum entitlement of each participant under the 2016 Scheme:

No options may be granted to any eligible persons, which if exercised in full would result in the total number of shares issued and to be issued upon exercise of the share options already granted or to be granted to such eligible person under the 2016 Scheme or any other schemes (which are subject to regulation under Chapter 17 of the Listing Rules) of the Bank (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such new grant exceeding 1% of the issued share capital as at the date of such new grant. Any grant of further options above this limit shall be subject to certain requirements as stipulated in the rules of the 2016 Scheme.

### 5. The period within which the shares must be taken up under an option:

Beginning on the vesting date of such options, the date on which such option is vested and becomes exercisable, and ending on the fifth anniversary of the vesting date thereof, except as provided otherwise in the rules of the 2016 Scheme.

### 6. The minimum period for which an option must be held before it can be exercised:

From the Date of Grant of such options up to the day immediately before the vesting date thereof.

### 7. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be paid:

N/A

### 8. The basis of determining the exercise price:

The exercise price is determined by the Directors and being not less than the highest of:

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

### 9. Vesting of Options:

Save as provided otherwise in the rules of the 2016 Scheme, an option granted under the 2016 Scheme shall be vested and become exercisable as follows:

- (a) not more than one third of the option shall be vested and become exercisable on the first anniversary of the Date of Grant;
- (b) not more than one third of the option shall be vested and become exercisable on the second anniversary of the Date of Grant; and
- (c) the remaining balance of the option shall be vested and become exercisable on the third anniversary of the Date of Grant.

### 10. The remaining life of the 2016 Scheme:

The Scheme Period will end on 18th April, 2021.

**4. 2016計劃中每名參與人可獲授權益上限：**

凡合資格人士在行使全部認股權後，會導致該位合資格人士在截至獲授新認股權之日（包括當日）止十二個月內，因行使已經根據或將會根據2016計劃及本行任何其他計劃（該計劃受《上市規則》第17章的規定所規限）獲授的認股權（包括已行使、已註銷及尚未行使的認股權）時，所獲發行及將予發行的股份總數超出新認股權授出當日的已發行股份的1%，則不得向該位合資格人士再授出新認股權。再度授出超出該上限的認股權，須受載於2016計劃的規則內的若干規定所約束。

**5. 可根據認股權認購股份的期限：**

除2016計劃的規則另有規定外，由該認股權歸屬日（該認股權被歸屬並變為可行使之日期）開始截至歸屬日的第5周年止。

**6. 認股權行使之前必須持有的最短期限：**

由認股權授出之日起直至歸屬日之前一日。

**7. 申請或接受認股權須付金額以及付款或通知付款的期限或償還申請期權貸款的期限：**

不適用

**8. 行使價的釐定基準：**

行使價由董事會釐定，但不少於下列的較高價：

- (a) 於授出有關認股權當日，本行普通股股份於聯交所日報表的收市價；及
- (b) 相等於緊接授出有關認股權當日之前5個營業日，本行普通股股份於聯交所日報表的平均收市價。

**9. 認股權的歸屬：**

除2016計劃的規則另有規定外，按2016計劃授出的認股權將被歸屬及成為可行使如下：

- (a) 不多於三分之一的認股權將於授予日的第1周年被歸屬及成為可行使；
- (b) 不多於三分之一的認股權將於授予日的第2周年被歸屬及成為可行使；及
- (c) 餘下的認股權將於授予日的第3周年被歸屬及成為可行使。

**10. 2016計劃尚餘的有效期：**

計劃期間於2021年4月18日終止。

## REPORT OF THE DIRECTORS (CONTINUED)

### INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS

As at 31st December, 2016, the interests or short positions of substantial shareholders and other persons in the shares and underlying shares of the Bank as recorded in the register required to be kept under section 336 of the SFO (the "Register") as a result of disclosures to the Bank pursuant to Divisions 2 and 3 of Part XV of the SFO were as follows:

Long positions in ordinary shares of the Bank:

Name	Capacity and nature	No. of shares	% of issued voting Shares
Sumitomo Mitsui Banking Corporation	Beneficial owner	510,003,673 <sup>1</sup>	19.01
Sumitomo Mitsui Financial Group, Inc.	Interest of corporation	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	Beneficial owner	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	Interest of corporation	464,287,319 <sup>2</sup>	17.30
Guoco Management Company Limited	Beneficial owner	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
Guoco Group Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	Interest of corporation	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	Interest of corporation	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	Interest of corporation	369,755,978 <sup>3</sup>	14.15
QUEK Leng Chan	Interest of corporation	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	Interest of corporation	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	Interest of corporation	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	Interest of corporation	184,876,693 <sup>6</sup>	7.00

#### Notes:

- 1 Sumitomo Mitsui Financial Group, Inc. owned a 100% interest in Sumitomo Mitsui Banking Corporation. Sumitomo Mitsui Financial Group, Inc. was deemed to be interested in the 510,003,673 shares of the Bank held by Sumitomo Mitsui Banking Corporation.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2016, they stood at 528,860,086 shares (equivalent to approximately 19.57% of the issued shares of the Bank as at 31st December, 2016). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 2 As at 31st December, 2016, Fundació Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa" ("la Caixa") owned a 100% interest in Criteria Caixa, S.A., Sociedad Unipersonal ("Criteria Caixa"). la Caixa was deemed to be interested in the 464,287,319 shares of the Bank held by Criteria Caixa.

The Bank had been notified that the shareholdings of the above 2 corporations had been increased such that, as at 31st December, 2016, they stood at 468,436,578 shares (equivalent to approximately 17.33% of the issued shares of the Bank as at 31st December, 2016). Such increases in shareholdings were not required to be disclosed under Part XV of the SFO.

- 3 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Guoco Management Company Limited was the beneficial owner of 369,755,978 shares (equivalent to approximately 13.68% of the issued shares of the Bank as at 31st December, 2016). Hong Leong Company (Malaysia) Berhad was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of its 100% interest in GuoLine Capital Assets Limited which owned a 100% interest in GuoLine Overseas Limited. GuoLine Overseas Limited held a 71.88% interest in Guoco Group Limited which in turn owned a 100% interest in Guoco Management Company Limited. GuoLine Capital Assets Limited, GuoLine Overseas Limited and Guoco Group Limited were all deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited.

Quek Leng Chan was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 100% interest in HL Holdings Sdn Bhd ("HLH"). Hong Leong Company (Malaysia) Berhad was 49.27% owned by Quek Leng Chan as to 2.424% under his personal name, 46.534% via HLH which was wholly-owned by him and 0.311% via Newton (L) Limited.

- 4 The references to 369,755,978 shares of the Bank in Notes 3 and 4 relate to the same block of shares. Hong Leong Company (Malaysia) Berhad was 34.69% held by Hong Leong Investment Holdings Pte. Ltd. which was in turn 33.59% held by Davos Investment Holdings Private Limited. Hong Leong Investment Holdings Pte. Ltd. and Davos Investment Holdings Private Limited were deemed to be interested in the 369,755,978 shares (equivalent to approximately 13.68% of the issued shares of the Bank as at 31st December, 2016) held by Guoco Management Company Limited by virtue of their interests in Hong Leong Company (Malaysia) Berhad.

KWEK Leng Kee was deemed to be interested in the 369,755,978 shares held by Guoco Management Company Limited by virtue of his 41.92% interest in Davos Investment Holdings Private Limited.



### 主要股東及其他人士的權益

於2016年12月31日，按《證券及期貨條例》第XV部第二及第三分部向本行作出披露而記錄於根據《證券及期貨條例》第336條須予備存的登記冊（「該登記冊」）的主要股東及其他人士擁有本行的股份及相關股份的權益如下：

本行普通股股份權益的好倉：

姓名	身分及性質	股份數目	佔已發行有投票權股份的百分率
三井住友銀行	實益擁有人	510,003,673 <sup>1</sup>	19.01
三井住友金融集團	法團的權益	510,003,673 <sup>1</sup>	19.01
Criteria Caixa, S.A., Sociedad Unipersonal	實益擁有人	464,287,319 <sup>2</sup>	17.30
Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"	法團的權益	464,287,319 <sup>2</sup>	17.30
國浩管理有限公司	實益擁有人	369,755,978 <sup>3,4</sup>	14.15 <sup>5</sup>
國浩集團有限公司	法團的權益	369,755,978 <sup>3</sup>	14.15
GuoLine Overseas Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
GuoLine Capital Assets Limited	法團的權益	369,755,978 <sup>3</sup>	14.15 <sup>5</sup>
Hong Leong Company (Malaysia) Berhad	法團的權益	369,755,978 <sup>3,4</sup>	14.15
HL Holdings Sdn Bhd	法團的權益	369,755,978 <sup>3</sup>	14.15
郭令燦	法團的權益	369,755,978 <sup>3</sup>	14.15
Hong Leong Investment Holdings Pte. Ltd.	法團的權益	369,755,978 <sup>4</sup>	14.15
Davos Investment Holdings Private Limited	法團的權益	369,755,978 <sup>4</sup>	14.15
KWEK Leng Kee	法團的權益	369,755,978 <sup>4</sup>	14.15
Elliott Capital Advisors, L.P.	法團的權益	184,876,693 <sup>6</sup>	7.00

附註：

- 三井住友金融集團全資擁有三井住友銀行。三井住友金融集團因此而被視為擁有三井住友銀行所持有的510,003,673股的權益。  
本行已收到通知上述兩個法團於2016年12月31日的持股量已增加至528,860,086股（相等於本行於2016年12月31日已發行股份約19.57%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。
- 於2016年12月31日，Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona, "la Caixa"（「la Caixa」）全資擁有Criteria Caixa, S.A., Sociedad Unipersonal（「Criteria Caixa」）。la Caixa因此而被視為擁有Criteria Caixa所持有的464,287,319股的權益。  
本行已收到通知上述兩個法團於2016年12月31日的持股量已增加至468,436,578股（相等於本行於2016年12月31日已發行股份約17.33%）。彼等增持有關股份無須根據《證券及期貨條例》第XV部作出披露。
- 附註2及3所指之369,755,978股本行股份為同一批股份。國浩管理有限公司為369,755,978股（相等於本行於2016年12月31日已發行股份約13.68%）之實益擁有人。由於Hong Leong Company (Malaysia) Berhad全資擁有GuoLine Capital Assets Limited、GuoLine Capital Assets Limited全資擁有GuoLine Overseas Limited、GuoLine Overseas Limited持有國浩集團有限公司的71.88%權益及國浩集團有限公司全資擁有國浩管理有限公司、Hong Leong Company (Malaysia) Berhad因此而被視為擁有國浩管理有限公司所持有的369,755,978股的權益。GuoLine Capital Assets Limited、GuoLine Overseas Limited和國浩集團有限公司均被視為擁有國浩管理有限公司所持有的369,755,978股的權益。  
郭令燦擁有HL Holdings Sdn Bhd（「HLH」）的全部權益，而郭令燦分別以其個人名義及透過其全資擁有的HLH持有Hong Leong Company (Malaysia) Berhad的2.424%及46.534%權益，以及透過Newton (L) Limited持有0.311%（合共49.27%權益），因此郭令燦被視為擁有國浩管理有限公司持有的369,755,978股股份的權益。
- 附註2及3所指之369,755,978股本行股份為同一批股份。Davos Investment Holdings Private Limited持有Hong Leong Investment Holdings Pte. Ltd.的33.59%權益，Hong Leong Investment Holdings Pte. Ltd.則持有Hong Leong Company (Malaysia) Berhad的34.69%權益。Davos Investment Holdings Private Limited和Hong Leong Investment Holdings Pte. Ltd.因持有Hong Leong Company (Malaysia) Berhad的權益而被視為擁有國浩管理有限公司所持有的369,755,978股（相等於本行於2016年12月31日已發行股份約13.68%）的權益。  
KWEK Leng Kee因持有Davos Investment Holdings Private Limited的41.92%權益而被視為擁有國浩管理有限公司所持有之369,755,978股的權益。

## REPORT OF THE DIRECTORS (CONTINUED)

- 5 *GuoLine Overseas Limited and GuoLine Capital Assets Limited are wholly-owned subsidiaries of Hong Leong Company (Malaysia) Berhad and Guoco Management Company Limited is a wholly-owned subsidiary of Guoco Group Limited. With the filing of the substantial shareholder notices by Hong Leong Company (Malaysia) Berhad and Guoco Group Limited, GuoLine Overseas Limited, GuoLine Capital Assets Limited and Guoco Management Company Limited do not need to file their respective substantial shareholder notices under the "wholly-owned group exemption" as provided in the SFO.*
- 6 *Elliott Capital Advisors, L.P. ("ECALP") was deemed to be interested in these shares comprising 122,018,020 shares held by Elliott International L.P. ("EILP"), 62,857,673 shares held by The Liverpool Limited Partnership ("Liverpool LP"), 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.*

*Liverpool LP was 100% controlled by Liverpool Associates, Ltd. Liverpool Associates, Ltd, Artan Investments Ltd and Frasco Investments Ltd were 100% controlled by Elliott Associates, L.P. Milton Investments Ltd, Parlan Investments Ltd and Trevet Investments Ltd. were 100% controlled by EILP which in turn was 100% controlled by Hambledon, Inc..*

*Both Elliott Associates, L.P. and Hambledon, Inc. were 100% controlled by ECALP which is accustomed to act in accordance with the instructions of Paul Singer.*

*The Bank had been notified pursuant to Division 5 of Part XV of the SFO that the shareholding of the above shareholders had been increased to 190,224,807 shares (equivalent to approximately 7.04% of the issued shares of the Bank as at 31st December, 2016) comprising 170,188,207 shares held by EILP, 20,035,600 shares held by The Liverpool LP, 200 shares held by Artan Investments Ltd, 200 shares held by Frasco Investments Ltd, 200 shares held by Milton Investments Ltd, 200 shares held by Parlan Investments Ltd and 200 shares held by Trevet Investments Ltd.*

Save as disclosed above, no other interest or short position in the shares or underlying shares of the Bank were recorded in the Register.

### EQUITY-LINKED AGREEMENTS

During the year, other than the Staff Share Option Schemes as set out in the above section under "Information on Share Options" and Notes 2(q)(iv) and 39 on the accounts, the Bank has not entered into any equity-linked agreement.

### PUBLIC FLOAT

As at the date of this Report, the Bank has maintained the prescribed public float under the Listing Rules, based on the information that is publicly available to the Bank and within the knowledge of the Directors.

### DONATIONS

Donations made by the Group during the year for charitable and community purposes amounted to approximately HK\$5 million (2015: HK\$5 million).

### CORPORATE GOVERNANCE

The Bank is committed to maintaining high standards of corporate governance. Information on the corporate governance practices adopted by the Bank is set out in the Corporate Governance Report of the Annual Report.

### COMPLIANCE WITH THE BANKING (DISCLOSURE) RULES

The Annual Report for the financial year ended 31st December, 2016 complies with the applicable disclosure requirements of the Banking (Disclosure) Rules.

### AUDITORS

A resolution for the re-appointment of KPMG as auditors of the Bank is to be proposed at the forthcoming Annual General Meeting.

On behalf of the Board  
**David Li Kwok-po**  
 Chairman & Chief Executive

Hong Kong, 17th February, 2017

## 董事會報告書（續）

- 5 GuoLine Overseas Limited 及 GuoLine Capital Assets Limited 為 Hong Leong Company (Malaysia) Berhad 的全資附屬公司；而國浩管理有限公司則為國浩集團有限公司的全資附屬公司。由於 Hong Leong Company (Malaysia) Berhad 及國浩集團有限公司已將大股東權益的通知存檔，GuoLine Overseas Limited、GuoLine Capital Assets Limited 及國浩管理有限公司根據《證券及期貨條例》中「全資集團豁免條文」毋須將其大股東權益通知存檔。
- 6 Elliott Capital Advisors, L.P. (「ECALP」) 被視為擁有該批股份，其中包括 Elliott International L.P. (「EILP」) 持有的 122,018,020 股、The Liverpool Limited Partnership (「Liverpool LP」) 持有的 62,857,673 股、Artan Investments Ltd 持有的 200 股、Frasco Investments Ltd 持有的 200 股、Milton Investments Ltd 持有的 200 股、Parlan Investments Ltd 持有的 200 股及 Trevet Investments Ltd 持有的 200 股。

Liverpool Associates, Ltd 全資擁有 Liverpool LP；Elliott Associates, L.P. 全資擁有 Liverpool Associates, Ltd、Artan Investments Ltd 及 Frasco Investments Ltd；而 EILP 則全資擁有 Milton Investments Ltd、Parlan Investments Ltd 及 Trevet Investments Ltd。Hambledon, Inc. 則全資擁有 EILP。

ECALP 全資擁有 Elliott Associates, L.P. 及 Hambledon, Inc.。而 ECALP 則慣於按照 Paul Singer 的指令行事。

本行已收到按《證券及期貨條例》第 XV 部第五分部發出的通知，上述股東的持股量已增加至 190,224,807 股（相等於本行於 2016 年 12 月 31 日已發行股份約 7.04%）。其中包括 EILP 持有的 170,188,207 股、Liverpool LP 持有的 20,035,600 股、Artan Investments Ltd 持有的 200 股、Frasco Investments Ltd 持有的 200 股、Milton Investments Ltd 持有的 200 股、Parlan Investments Ltd 持有的 200 股及 Trevet Investments Ltd 持有的 200 股。

除上述所披露外，概無其他本行股份或相關股份的權益或淡倉載於該登記冊內。

### 股票掛鈎協議

於年內，除於上列「認股權資料」項下及賬項附註 2(q)(iv) 及 39 所載的僱員認股計劃外，本行並無訂立任何股票掛鈎協議。

### 公眾持股量

基於公開予本行查閱之資料及據董事所知悉，截至本報告日期為止，本行一直維持《上市規則》所訂明之公眾持股量。

### 捐款

本集團本年內所作出的慈善及公益捐款約為港幣 500 萬元（2015：港幣 500 萬元）。

### 企業管治

作為本港最大的獨立本地銀行，本行致力維持良好的企業管治標準。有關本行所採納的企業管治常規的資料，載列於本年報的企業管治報告內。

### 符合指引

截至 2016 年 12 月 31 日止年度賬項已完全符合《銀行業（披露）規則》中所適用的披露規定。

### 核數師

在即將召開的股東周年常會中，將提請通過續聘畢馬威會計師事務所為本行核數師的議案。

承董事會命  
主席兼行政總裁  
**李國寶**

香港，2017年2月17日

# INDEPENDENT AUDITOR'S REPORT



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

(incorporated in Hong Kong with limited liability)

### OPINION

We have audited the consolidated financial statements of The Bank of East Asia, Limited ("the Bank") and its subsidiaries (together "the Group") set out on pages 156 to 305, which comprise the consolidated statement of financial position as at 31 December 2016, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of advances to customers	
<i>Refer to notes 2(k)(i), 29(b), 44(a) to the consolidated financial statements</i>	
Key audit matters	How the matter was addressed in our audit
<p>The Group's advances to customers amounted as at 31 December 2016 to HK\$454,242 million, 45% of which related to exposures in People's Republic of China, excluding Hong Kong.</p> <p>The current economic environment in Hong Kong and Mainland China has contributed to an overall increase in impairment of advances to customers across the banking industry, as counterparties have struggled with lower commodity prices and over-capacity.</p> <p>The amount of impaired loans of the Group increased from HK\$4,973 million as at 31 December 2015 to HK\$6,767 million as at 31 December 2016, with total impairment allowances amounting to HK\$3,797 million as at 31 December 2016.</p> <p>Impairment of advances to customers is a subjective area due to the level of judgement exercised by management in determining allowances.</p>	<p>Our audit procedures to assess the impairment of advances to customers included the following:</p> <ul style="list-style-type: none"> <li>assessing the design, implementation and operating effectiveness of key internal controls over the approval, recording, monitoring and restructuring of advances to customers, the credit grading process and the measurement of impairment allowances for individually assessed advances to customers, which included using our information technology specialists to assess the information systems controls critical to the credit grading process, such as the compilation of the overdue reports for advances to customers. We also assessed the design, implementation and operating effectiveness of a selection of relevant automated application controls within these systems, as well as the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;</li> </ul>

# 獨立核數師報告



## 致東亞銀行有限公司成員

(於香港註冊成立的有限公司)

### 意見

本核數師(以下簡稱「我們」)已審計列載於第156至305頁的東亞銀行有限公司(以下簡稱「貴銀行」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一六年十二月三十一日的綜合財務狀況及截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》妥為擬備。

### 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

#### 客戶墊款的減值額

請參閱綜合財務報表附註2(k)(i)、29(b)和44(a)

#### 關鍵審計事項

於二零一六年十二月三十一日，貴集團的客戶墊款達到港幣4,542.42億元，當中45%與中華人民共和國除香港以外地區的信貸風險相關。

在香港和中國內地的現行經濟環境下，部分企業因商品價格偏低、產能過剩等種種原因導致銀行界的客戶墊款減值額出現整體上升。

貴集團的減值貸款金額由二零一五年十二月三十一日的港幣49.73億元增至二零一六年十二月三十一日的港幣67.67億元。截至二零一六年十二月三十一日，減值準備總額達到港幣37.97億元。

由於在估算客戶墊款減值準備中需要運用到較多的管理層判斷，因此，這是一個相對主觀的領域。

#### 審計對策

與評估客戶墊款減值準備相關的審計程序包括以下各項：

- 評估 貴集團對客戶墊款的審批、記錄、監管和重組的關鍵內部控制的設計、實施和操作成效，當中包括信貸評級流程和客戶墊款減值準備單項評估的計量，亦包括通過我們的信息技術專家來評估對信貸評級流程有重要影響的信息系統的控制，例如客戶墊款逾繳報告的自動編製。我們還評估在這些系統內，部分自動化的應用程式控制，以及對這些相關系統的主要內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Impairment of advances to customers

Refer to notes 2(k)(i), 29(b), 44(a) to the consolidated financial statements

#### Key audit matters

From the Group's perspective, the impairment allowances of certain portfolios are relatively more sensitive to management judgement. These include advances to customers where impairment allowances were derived from collective assessment models, where the advances are unsecured or where the advances are subject to potential collateral shortfalls.

The determination of the collective impairment allowance is heavily dependent on the external macro environment and the Group's internal credit risk management. The Group's collective impairment allowance is derived from estimates including the Group's historical losses for loans, the loss emergence period (i.e., the time lapse between the occurrence of the event causing eventual default to the actual charge-off) and other adjustment factors.

Individual impairment allowances are estimated by management once objective evidence of impairment becomes apparent. Management exercises judgement in determining the quantum of loss based on a range of factors. These include available remedies for recovery, the financial situation of the borrower, collateral valuation, the seniority of claim and the existence and cooperativeness of other creditors. Whilst the Group appoints external valuers for the valuation of certain property and other illiquid collateral, enforceability, timing and means of realisation also affect the ultimate collectability and thereby the amount of impairment allowance as at the reporting date.

We identified impairment of advances to customers as a key audit matter because of the inherent uncertainty and management judgement involved and because of its significance to the financial results and capital of the Group.

#### How the matter was addressed in our audit

- evaluating the validity of the models used and assumptions adopted in the Group's calculation of the collective impairment allowance by critically assessing input parameters involving subjective judgement, seeking collaborative evidence from external sources and assessing the accuracy of the historical losses input to the models. As part of these procedures, we challenged the Group's revisions to estimates and input parameters, the consistency of judgement applied in the use of economic factors, the loss emergence period and the observation period for historical losses. We compared the economic factors used in the model to market information to assess whether they were aligned with relevant market and economic data. We also assessed the emergence period by comparing the lifecycle of overdue accounts from the specific credit event with the downgrading of the account to a non-performing loan. Having considered the above, we assessed the quantitative accuracy of the amount of collective impairment allowance;
- assessing the impairment allowances for individually impaired loans and advances by selecting a risk-based sample for credit review. We analysed the loan portfolio by industry sector to select samples for credit review in industries more vulnerable to the current economic environment, such as those suffering from lower commodity prices and over-capacity. We also selected samples based on other risk criteria and from the Group's watch list and overdue report as well as stress-testing results. We selected further samples for credit review from loans classified as "Special Mention" or "Non-performing" in accordance with the Guideline on Loan Classification System as set by the Hong Kong Monetary Authority;
- assessing the forecast cash flows for impaired loans, challenging the viability of the Group's recovery plans, evaluating the timing and means of realisation of collateral and considering other sources of repayment asserted by management. We also evaluated the consistency of management's application of key assumptions, assessed any change in basis and compared the data to our own data sources; and
- evaluating the competence and integrity of the external valuers engaged by the Group to value certain collateral.

**客戶墊款的減值額**

請參閱綜合財務報表附註2(k)(i)、29(b)和44(a)

**關鍵審計事項**

循 貴集團的角度來看，某些貸款組合的減值準備較易受到管理層的判斷所影響。這包括運用組合減值損失模型來計算減值損失的客戶墊款，或無抵押墊款，或面臨抵押品價值不足的墊款。

組合減值損失的計算很大程度上取決於外在宏觀經濟環境及 貴集團內部的信用風險管理。 貴集團的組合減值損失乃建基於 貴集團的歷史貸款損失、歷史衍化期(即出現最終導致違約的事件和記錄實際損失的時間區間)及其他調整因素。

當有客觀證據表明墊款發生減值時，管理層採用單項評估的方式評估其減值準備。管理層會根據多項因素去判斷損失金額。這些因素包括就收回墊款的方式、借款人的財務狀況、抵押品的估值、索賠受償順序及其他債權人是否存在和其合作意向等。雖然 貴集團委聘外部評估師以評估物業及其他流動性低的抵押品的價值，但抵押品的法律效力、變現時間和方法都會影響最終可以收回的金額，以至於報告日的減值準備。

由於客戶墊款的減值準備內含不確定性和涉及管理層判斷以及其對 貴集團財務業績和資本的重大影響，我們將其認定為一項關鍵審計事項。

**審計對策**

- 通過對需要主觀判斷的輸入參數進行審慎評估、從外部渠道獲得相應證明和與 貴集團其他內部及我們的歷史資料所記載的減值損失進行對比，評價 貴集團用於計算組合客戶墊款損失的模型及假設的恰當性。在這一過程中，我們對 貴集團所使用的假設及輸入參數的修訂、運用經濟因素時發揮判斷的貫徹性、歷史衍化期及歷史損失追溯期的長短作出質詢。我們也將模型中所運用的經濟因素與市場信息進行對比，以評價這些數據是否與市場及經濟的發展相符。我們還通過追蹤逾期賬戶從發生影響信貸事件到將該賬戶降級至不良貸款的周期來評價歷史衍化期的適用性。在對以上因素進行綜合考慮以後，我們對組合減值損失進行了重新計算以確定該項目的金額。
- 運用以風險為基礎的方法選擇樣本進行信貸審閱以評價個別減值準備是否恰當。我們按照行業別分析貸款組合，抽選較易受目前經濟放緩影響的行業來進行信貸審核，例如受商品價格下降及產能過剩所影響的行業。我們還根據其他風險因素及 貴集團的監察清單，逾期款項報告和壓力測試結果，抽樣進行信貸審核。我們亦進一步抽查根據香港金融管理局頒布的貸款分類系統準則撥歸為「關注類」或「不良類」的貸款；
- 我們對減值貸款的現金流預測進行了審慎評估，對 貴集團回收方案的可行性提出了質詢，對抵押品變現的時間及方式進行了評價，並考慮了管理層主張的其他還款來源。我們還評估了管理層在運用關鍵性假設時的貫徹性、基本原則改變的合理性以及將從 貴集團獲取的數據與我們的獨立來源的數據進行了對比；及
- 我們評估了 貴集團在對特定抵押物進行估值時所聘用外部評估師的勝任能力和專業素質。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### Assessment of the fair value of financial instruments

Refer to notes 1(f)(iii), 27, 28, 30, 45, 46(b) to the consolidated financial statements

#### Key audit matters

Financial instruments carried at fair value account for a significant portion of the Group's assets. As at 31 December 2016 the fair value of these financial instruments was HK\$127,387 million of which HK\$77,230 million, HK\$49,664 million and HK\$493 million were classified as level 1, 2 and 3 financial instruments respectively.

The valuation of the Group's financial instruments, which are stated at their fair values, is based on a combination of market data and valuation models which often require a considerable number of inputs. Many of these inputs are obtained from readily available data for liquid markets. Where such observable data is not readily available, as in the case of level 3 financial instruments, estimates need to be developed which can involve significant management judgement.

In addition, the Group has developed its own models to value certain level 2 and 3 financial instruments, which involve significant management judgement.

We identified the assessment of the fair value of financial instruments as a key audit matter because of the complexity and significant management judgement required in the valuation of some financial instruments and because of the lower transparency of inputs used in the valuation techniques for certain financial instruments which increases the risk of potential error.

#### How the matter was addressed in our audit

Our audit procedures to assess the fair value of financial instruments included the following:

- assessing the design, implementation and operating effectiveness of key internal controls over the valuation, independent price verification and model validation for financial instruments. For the key underlying systems used for the processing of transactions in relation to financial instruments we utilised our information technology specialists to assess the design, implementation and operating effectiveness of a selection of relevant automated controls within these systems. We also assessed the design, implementation and operating effectiveness of the key internal controls over these underlying systems, including controls over access to these systems and controls over data and change management;
- evaluating the fair values of level 1 financial instruments by comparing the fair values applied by the Group with publicly available market data, on a sample basis;
- engaging our internal valuation specialists to perform, on a sample basis, independent valuations of level 2 and level 3 financial instruments and compare these valuations with the Group's valuations. Our independent valuations included developing models, obtaining inputs independently and verifying the inputs, evaluating the methodology adopted by management for the valuation of these financial instruments and assessing the inputs and assumptions used in the valuations;
- assessing the appropriate application of Credit Value and Debit Value Adjustments ("CVA/DVA") that form an integral part of fair values; inquiring of management about any changes in the CVA/DVA methodology and assessing the inputs applied; and
- assessing whether the disclosures in the consolidated financial statements appropriately reflected the Group's exposure to financial instrument valuation risk with reference to the requirements of the prevailing accounting standards.



**評估金融工具的公平價值**

請參閱綜合財務報表附註1(f)(iii)、27、28、30、45和46(b)

**關鍵審計事項**

以公平價值列賬的金融工具是 貴集團持有的重要資產之一。 貴集團於二零一六年十二月三十一日持有此類金融工具的公平價值金額為港幣1,273.87億元，其中在公平價值分級內第一級、第二級和第三級的金融工具公平價值分別為港幣772.3億元、港幣496.64億元及港幣4.93億元。

貴集團以公平價值列賬的金融工具的估值以市場數據和估值模型為基礎，其中估值模型通常需要大量的參數輸入。大部分參數源自於高流動性市場中可獲取的數據。當可觀察的數據無法從高流動性市場獲取時，即公平價值屬於第三級的情形下，管理層便需提供估算，這當中會涉及管理層的重大判斷。

此外， 貴集團已對特定的第二級及第三級金融工具開發了自有估值模型，這也會涉及管理層的重大判斷。

由於金融工具公平價值的評估涉及一定複雜性，而部分金融工具亦涉及管理層的重大判斷，以及部分金融工具使用的參數的透明度較低而增加潛在錯誤風險，我們因此對金融工具公平價值的評估識別為關鍵審計事項。

**審計對策**

與評估金融工具公平價值相關的審計程序包括以下各項：

- 評估 貴集團對金融工具估值、獨立價格驗證及估值模型審批相關的內部控制的設計、實施和操作上的成效；利用本所內部信息技術專家，評估處理金融工具相關交易的主要系統內部分自動化控制於設計、實施和操作上的成效。我們還評估了這些相關系統的關鍵內部控制(包括對系統登入的控制以及對數據和變更管理的控制)在設計、實施和操作上的成效；
- 採用抽樣的方式，通過比較 貴集團採用的公平價值與公開可獲取的市場數據，評估公平價值屬於第一級的金融工具的估值。
- 採用抽樣的方式，由本所內部估值專家對公平價值屬於第二級和第三級的金融工具進行獨立估值，並將我們的估值結果與 貴集團的估值結果進行比較。我們的程序包括制定估值模型、獨立獲取及驗證參數、評估管理層所採用的金融工具估值法，以及評估估值時所使用的參數和假設；
- 在評估對構成公平價值組成部分的信用估值調整和債務價值調整的運用是否適當時，詢查管理層計算信用估值調整和債務價值調整的方法曾否發生變化，並評估參數運用的恰當性。
- 評估綜合財務報表中與金融工具相關的披露是否符合有關會計準則的要求，恰當反映了 貴集團的金融工具估值風險。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The directors are responsible for the other information. The other information comprises all the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with section 405 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.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

### 綜合財務報表及其核數師報告以外的信息

董事需對其他信息負責。其他信息包括刊載於年報內的全部信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會協助董事履行監督 貴集團的財務報告過程的責任。

### 核數師就審計綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們是按照香港《公司條例》第405條的規定，僅向整體成員報告。除此以外，我們的報告不可用作其他用途。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。

合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對 貴集團內部控制的有效性發表意見。

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Donowho, Simon Christopher.

### **KPMG**

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

17 February 2017

## 獨立核數師報告(續)

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對 貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致 貴集團不能持續經營。
- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。
- 就 貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責 貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審計委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是鄧諾豪(Donowho, Simon Christopher)。

**畢馬威會計師事務所**

執業會計師

香港中環

遮打道十號

太子大廈八樓

二零一七年二月十七日

# CONSOLIDATED INCOME STATEMENT

## 綜合收益表

For the year ended 31st December, 2016 截至2016年12月31日止年度

			2016	2015
		Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務			
Interest income	利息收入	5	20,363	23,581
Interest expense	利息支出	6	(9,265)	(11,652)
Net interest income	淨利息收入		11,098	11,929
Fee and commission income	服務費及佣金收入	7	3,485	3,822
Fee and commission expense	服務費及佣金支出		(892)	(917)
Net fee and commission income	服務費及佣金收入淨額		2,593	2,905
Net trading profits	交易溢利淨額	8	480	233
Net result from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具的淨表現	9	(92)	(35)
Net hedging loss	對沖虧損淨額	10	(22)	(10)
Net insurance revenue	保險業務淨收入	11	415	372
Other operating income	其他經營收入	12	378	473
Non-interest income	非利息收入		3,752	3,938
Operating income	經營收入		14,850	15,867
Operating expenses	經營支出	13	(8,342)	(8,904)
Operating profit before impairment losses	未扣除減值損失之經營溢利		6,508	6,963
Impairment losses on loans and receivables	貸款及應收賬項減值損失	14	(3,462)	(2,031)
Impairment losses on available-for-sale financial assets	可供出售金融資產減值損失		(1)	(17)
Impairment losses	減值損失		(3,463)	(2,048)
Operating profit after impairment losses	已扣除減值損失後之經營溢利		3,045	4,915
Net profit on sale of held-to-maturity investments	出售持至到期投資之淨溢利		10	3
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	15	92	257
Net loss on repurchase of debt issued	回購已發行債券淨虧損		(6)	-
Net loss on sale of loans and receivables	出售貸款及應收賬項之淨虧損		-	(2)
Net profit on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之淨溢利		99	-
Net gain on disposal of fixed assets	出售固定資產之淨盈利	16	859	110
Valuation gains on investment properties	重估投資物業盈利		62	546
Share of profits less losses of associates	應佔聯營公司溢利減虧損	33	431	556
Profit for the year before taxation	年度內除稅前溢利		4,592	6,385
Income tax	所得稅	17	(1,067)	(1,049)
Profit for the year from continuing operations	年度內持續經營業務溢利		3,525	5,336
DISCONTINUED OPERATIONS	已終止經營業務			
Profit from discontinued operations	已終止經營業務溢利	56	304	302
Profit for the year	年度內溢利		3,829	5,638

## CONSOLIDATED INCOME STATEMENT (CONTINUED)

### 綜合收益表(續)

For the year ended 31st December, 2016 截至2016年12月31日止年度

		2016		2015	
		Notes 附註		Restated 重報	
		HK\$ Mn 港幣百萬元		HK\$ Mn 港幣百萬元	
Attributable to:	可歸屬於：				
Owners of the parent	本集團股東				
– from continuing operations	– 來自持續經營業務		3,505		5,305
– from discontinued operations	– 來自已終止經營業務		218		217
		42(i)	3,723		5,522
Non-controlling interests	非控股權益	43	106		116
Profit for the year	年度內溢利		3,829		5,638
Earnings per share	每股盈利		HK\$ 港幣元		HK\$ 港幣元
Basic	基本	20			
– profit for the year	– 年度內溢利		1.21		1.95
– profit from continuing operations	– 來自持續經營業務溢利		1.12		1.86
Diluted	攤薄	20			
– profit for the year	– 年度內溢利		1.21		1.95
– profit from continuing operations	– 來自持續經營業務溢利		1.12		1.86

The notes on pages 164 to 305 form part of these financial statements. Details of dividends payable to equity shareholders of the Bank attributable to the profit for the year are set out in Note 19.

第164至305頁之附註屬本財務報表之一部分。有關屬年度內溢利並應付予本行股東之股息詳情已詳載於附註19。

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

For the year ended 31st December, 2016 截至2016年12月31日止年度

		2016		2015		
		Notes 附註	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元		
Net profit	淨溢利		<b>3,829</b>		5,638	
Other comprehensive income for the year:	年度內其他全面收益：					
Items that will not be reclassified to income statement:	不可轉回收益表的項目：					
Premises:	行址：					
– unrealised surplus on revaluation of premises	– 重估行址所產生的未實現盈餘	42(b)	<b>141</b>		14	
Items that may be reclassified subsequently to income statement:	以後可能轉回收益表的項目：					
Premises:	行址：					
– deferred taxes	– 遞延稅項	42(b)	<b>10</b>		(17)	
Available-for-sale investment revaluation reserve:	可供出售投資的重估儲備：					
– fair value changes recognised to/(from) equity	– 計入／(轉自)股東權益的公平價值變動	42(g)	<b>12</b>		(17)	
– fair value changes reclassified (to)/from income statement:	– (轉入)／轉自收益表的公平價值變動：					
– on impairment and amortisation	– 減值及攤銷	42(g)	<b>27</b>		61	
– on disposal	– 出售	42(g)	<b>(136)</b>		(327)	
– deferred taxes	– 遞延稅項	42(g)	<b>73</b>		6	
Share of changes in equity of associates	應佔聯營公司權益的變動	42(h)	<b>147</b>		(59)	
Exchange differences on translation of:	因折算產生的匯兌差額：					
– accounts of overseas branches, subsidiaries and associates	– 海外分行、附屬公司及聯營公司的賬項		<b>(2,144)</b>		(2,157)	
Other comprehensive income	其他全面收益		<b>(1,870)</b>		(2,496)	
Total comprehensive income	全面收益總額		<b>1,959</b>		3,142	
Total comprehensive income attributable to:	全面收益總額可歸屬於：					
Owners of the parent	本集團股東		<b>1,884</b>		3,051	
Non-controlling interests	非控股權益		<b>75</b>		91	
			<b>1,959</b>		3,142	

The notes on pages 164 to 305 form part of these financial statements.

第164至305頁之附註屬本財務報表之一部分。



# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31st December, 2016 2016年12月31日

		Notes 附註	2016 HK\$ Mn 港幣百萬元	2015 HK\$ Mn 港幣百萬元
ASSETS	資產			
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	24	65,720	69,122
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	25	44,052	80,828
Trade bills	貿易票據	26	11,939	19,532
Trading assets	交易用途資產	27	4,404	5,335
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	28	3,554	4,336
Positive fair value of derivatives	衍生工具的正公平價值	46(b)(ii)	8,938	6,205
Advances to customers and other accounts	客戶墊款及其他賬項	29	489,520	473,088
Available-for-sale financial assets	可供出售金融資產	30	110,491	93,595
Held-to-maturity investments	持至到期投資	31	5,663	6,199
Investments in associates	聯營公司投資	33	6,011	5,763
Fixed assets	固定資產	35	11,990	13,297
– Investment properties	– 投資物業		4,467	4,891
– Other properties and equipment	– 其他物業及設備		7,523	8,406
Goodwill and intangible assets	商譽及無形資產	34	2,639	3,883
Deferred tax assets	遞延稅項資產	36(b)	785	181
<b>Total Assets</b>	<b>資產總額</b>		<b>765,706</b>	<b>781,364</b>
EQUITY AND LIABILITIES	股東權益及負債			
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘		26,475	32,126
Deposits from customers	客戶存款		535,789	540,743
Trading liabilities	交易用途負債	37(a)	50	889
Negative fair value of derivatives	衍生工具的負公平價值	46(b)(ii)	7,982	6,909
Certificates of deposit issued	已發行存款證		28,857	37,277
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		18,106	16,457
– At amortised cost	– 攤銷成本		10,751	20,820
Current taxation	本期稅項	36(a)	1,605	1,325
Debt securities issued	已發行債務證券		7,154	13,597
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值		418	2,539
– At amortised cost	– 攤銷成本		6,736	11,058
Deferred tax liabilities	遞延稅項負債	36(b)	462	534
Other accounts and provisions	其他賬項及準備	37(b)	50,088	45,327
Loan capital – at amortised cost	借貸資本 – 攤銷成本	38	20,608	16,996
<b>Total Liabilities</b>	<b>負債總額</b>		<b>679,070</b>	<b>695,723</b>
Share capital	股本	40	35,490	33,815
Reserves	儲備	42	42,941	43,598
<b>Total equity attributable to owners of the parent</b>	<b>歸屬於本集團股東權益總額</b>		<b>78,431</b>	<b>77,413</b>
Additional equity instruments	額外股本工具	41	5,016	5,016
Non-controlling interests	非控股權益	43	3,189	3,212
<b>Total Equity</b>	<b>股東權益總額</b>		<b>86,636</b>	<b>85,641</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>		<b>765,706</b>	<b>781,364</b>

Approved and authorised for issue by the Board on 17th February, 2017.

Chairman and Chief Executive  
DirectorDavid LI Kwok-po  
Winston LO Yau-lai

董事會於2017年2月17日核准及授權發布。

主席兼行政總裁  
董事李國寶  
羅友禮

The notes on pages 164 to 305 form part of these financial statements.

第164至305頁之附註屬本財務報表之一部分。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31st December, 2016 截至2016年12月31日止年度

		Capital reserve –		Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves <sup>2</sup>	Retained profits	Additional equity		Non-controlling interests	Total equity
		Share capital	staff share options issued								Total	instruments		
		資本儲備 – 已發行僱員認股權	匯兌重估儲備	投資重估儲備	行址重估儲備	資本儲備	一般儲備	其他儲備 <sup>2</sup>	留存溢利	總額	股本工具	非控股權益	權益總額	
		HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn	HKS Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2016	於2016年1月1日	33,815	90	(162)	1,383	1,639	230	13,953	4,666	21,799	77,413	5,016	3,212	85,641
Changes in equity	權益變動													
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	3,723	3,723	-	106	3,829
Other comprehensive income	其他全面收益	-	-	(2,113)	(24)	151	-	-	147	-	(1,839)	-	(31)	(1,870)
Total comprehensive income	全面收益總額	-	-	(2,113)	(24)	151	-	-	147	3,723	1,884	-	75	1,959
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份(附註40)	1,663	-	-	-	-	-	-	-	-	1,663	-	-	1,663
Shares issued under Staff Share Option Schemes (Note 40)	根據僱員認股計劃發行的股份(附註40)	11	-	-	-	-	-	-	-	-	11	-	-	11
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易(附註42(f))	-	35	-	-	-	-	-	-	-	35	-	-	35
Transfer	轉賬	1	(1)	-	-	(62)	-	82	489	(509)	-	-	-	-
Dividends declared or approved during the year	年度內已宣布或核准派發股息	-	-	-	-	-	-	-	-	(2,560)	(2,560)	-	(60)	(2,620)
Purchase of interests in businesses from non-controlling interests investors	向非控股權益投資者購入商業權益	-	-	-	-	-	-	-	(9)	-	(9)	-	7	(2)
Buy back of Hybrid Tier 1 capital instruments <sup>1</sup>	回購混合一級資本工具 <sup>1</sup>	-	-	-	-	-	-	-	-	(6)	(6)	-	(45)	(51)
At 31st December, 2016	於2016年12月31日	35,490	124	(2,275)	1,359	1,728	230	14,035	5,293	22,447	78,431	5,016	3,189	86,636

1. During the year, the Bank bought back HK\$45 million Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements. The purchase premium of HK\$6 million paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.

2. Other reserves include statutory reserve and other reserves.

The notes on pages 164 to 305 form part of these financial statements.

1. 年度內，本行回購港幣4,500萬元於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣600萬元經已於留存溢利中支銷。

2. 其他儲備包括法定儲備及其他儲備。

第164至305頁之附註屬本財務報表之一部分。

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

### 綜合權益變動表(續)

For the year ended 31st December, 2015 截至2015年12月31日止年度

		Share capital	Capital reserve – staff share options issued	Exchange revaluation reserve	Investment revaluation reserve	Revaluation reserve of bank premises	Capital reserve	General reserve	Other reserves <sup>3</sup>	Retained profits	Total	Additional equity instruments	Non-controlling interests	Total equity
		股本	資本儲備—已發行權證	匯兌重估儲備	投資重估儲備	行址重估儲備	資本儲備	一般儲備	其他儲備 <sup>3</sup>	留存溢利	總額	股本工具	非控股權益	權益總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2015	於2015年1月1日	25,217	84	1,970	1,660	1,642	228	13,930	4,300	19,849	68,880	-	4,564	73,444
Changes in equity	權益變動													
Profit for the year	年度內溢利	-	-	-	-	-	-	-	-	5,522	5,522	-	116	5,638
Other comprehensive income	其他全面收益	-	-	(2,132)	(277)	(3)	-	-	(59)	-	(2,471)	-	(25)	(2,496)
Total comprehensive income	全面收益總額	-	-	(2,132)	(277)	(3)	-	-	(59)	5,522	3,051	-	91	3,142
Issue of additional equity instruments <sup>1</sup>	發行額外股本工具 <sup>1</sup>	-	-	-	-	-	-	-	-	-	-	5,016	-	5,016
Shares issued in lieu of dividend (Note 40)	以股代息發行的股份(附註40)	1,856	-	-	-	-	-	-	-	-	1,856	-	-	1,856
Subscription of new shares (Note 40)	發行新股(附註40)	6,576	-	-	-	-	-	-	-	-	6,576	-	-	6,576
Shares issued under Staff Share Option Schemes (Note 40)	根據權證認股計劃發行的股份(附註40)	150	-	-	-	-	-	-	-	-	150	-	-	150
Equity settled share-based transaction (Note 42(f))	以股份為基礎作支付之交易(附註42(f))	-	22	-	-	-	-	-	-	-	22	-	-	22
Transfer	轉賬	16	(16)	-	-	-	2	23	425	(450)	-	-	-	-
Dividends declared or approved during the year	年度內已宣布或核准派發股息	-	-	-	-	-	-	-	-	(2,911)	(2,911)	-	(82)	(2,993)
Buy back of Hybrid Tier 1 capital instruments <sup>2</sup>	回購混合一級資本工具 <sup>2</sup>	-	-	-	-	-	-	-	-	(211)	(211)	-	(1,361)	(1,572)
At 31st December, 2015	於2015年12月31日	33,815	90	(162)	1,383	1,639	230	13,953	4,666	21,799	77,413	5,016	3,212	85,641

- In 2015, the Bank issued HK\$5,038 million (USD650 million) undated non-cumulative subordinated Additional Tier 1 capital securities ("AT1"). Direct issuance costs of HK\$22 million are accounted for as a deduction from the equity instruments.
- In 2015, the Bank bought back HK\$1,361 million Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements, through exchange offer with AT1 (HK\$672 million) and tender offer (HK\$900 million). The purchase premium of HK\$211 million paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.
- Other reserves include statutory reserve and other reserves.

The notes on pages 164 to 305 form part of these financial statements.

- 在2015年，本行發行港幣50.38億元(美元6.50億)無到期日非累積後償額外股本工具(「額外股本工具」)。直接發行成本港幣2,200萬元經已入賬，並從股本工具中扣除。
- 在2015年，本行以交換要約(港幣6.72億元)和收購要約(港幣9億元)方式回購港幣13.61億元於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣2.11億元經已於留存溢利中支銷。
- 其他儲備包括法定儲備及其他儲備。

第164至305頁之附註屬本財務報表之一部分。

# CONSOLIDATED CASH FLOW STATEMENT

## 綜合現金流量表

For the year ended 31st December, 2016 截至2016年12月31日止年度

		2016	2015
	Notes 附註	HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
<b>OPERATING ACTIVITIES</b>	<b>經營業務活動</b>		
Profit for the year before taxation	年度內除稅前溢利	4,957	6,749
Adjustments for:	調整：		
Charge for impairment losses on loans and receivables	貸款及應收賬項減值損失支銷	3,465	2,042
Charge for impairment losses on available-for-sale financial assets	可供出售金融資產之減值損失支銷	1	17
Share of profits less losses of associates	應佔聯營公司溢利減虧損	(431)	(558)
Net profit on sale of held-to-maturity investments	出售持至到期投資之淨溢利	(10)	(3)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	(96)	(257)
Net profit on disposal of subsidiaries and associates	出售附屬公司及聯營公司之淨溢利	-	(2)
Net profit on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之淨溢利	(99)	-
Net gain on disposal of fixed assets	出售固定資產之淨溢利	(859)	(109)
Interest expense on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本利息支出	1,582	1,843
Depreciation on fixed assets	固定資產折舊	35	523
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入	(36)	(40)
Amortisation of intangible assets	無形資產攤銷	13	32
Amortisation of premium/discount on certificates of deposit, debt securities and loan capital issued	已發行存款證、債務證券及借貸資本的溢價/折扣攤銷	170	236
Revaluation gains on certificates of deposit, debt securities and loan capital issued	重估已發行存款證、債務證券及借貸資本溢利	(152)	(45)
Valuation gains on investment properties	重估投資物業盈利	35	(549)
Equity settled share-based payment expenses	以股份為基礎作支付費用	13, 42(f)	22
<b>OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL</b>	<b>營運資金變動前的經營溢利</b>	<b>8,996</b>	<b>9,901</b>
(Increase)/decrease in operating assets:	經營資產(增)/減額：		
Cash and balances with banks with original maturity beyond three months	原本期限為3個月以上的現金及其他銀行存款的結存	(1,207)	7,644
Placements with banks and other financial institutions with original maturity beyond three months	原本期限為3個月以上的銀行及其他金融機構存款	9,585	5,407
Trade bills	貿易票據	7,593	41,143
Trading assets	交易用途資產	491	(906)
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	782	4,377
Positive fair value of derivatives	衍生工具的正公平價值	(2,733)	(2,668)
Advances to customers	客戶墊款	(14,460)	881
Advances to banks and other financial institutions	銀行及其他金融機構墊款	31	24
Held-to-maturity debt securities	持至到期債務證券	469	(208)
Available-for-sale financial assets	可供出售金融資產	(19,600)	(10,436)
Other accounts and accrued interest	其他賬項及應計利息	(4,275)	6,397
Increase/(decrease) in operating liabilities:	經營負債增/(減)額：		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	(5,651)	(1,197)
Deposits from customers	客戶存款	(4,954)	(7,441)
Trading liabilities	交易用途負債	(839)	868
Negative fair value of derivatives	衍生工具的負公平價值	1,073	2,086
Other accounts and provisions	其他賬項及準備	4,897	(4,564)
Exchange adjustments	匯兌調整	2,456	1,226
<b>NET CASH (OUTFLOW)/INFLOW FROM OPERATIONS</b>	<b>經營活動現金(流出)/流入淨額</b>	<b>(17,346)</b>	<b>52,534</b>
Income tax paid	已付所得稅		
Hong Kong profits tax paid	已付香港利得稅	(565)	(794)
Outside Hong Kong profits tax paid	已付海外利得稅	(832)	(383)
<b>NET CASH (USED IN)/GENERATED FROM OPERATING ACTIVITIES</b>	<b>(用於)/源自經營活動之現金淨額</b>	<b>(18,743)</b>	<b>51,357</b>

The notes on pages 164 to 305 form part of these financial statements.

第164至305頁之附註屬本財務報表之一部分。

## CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

### 綜合現金流量表(續)

For the year ended 31st December, 2016 截至2016年12月31日止年度

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Notes 附註			
<b>INVESTING ACTIVITIES</b>	<b>投資活動</b>		
Dividends received from associates	收取聯營公司股息	76	35
Dividends received from available-for-sale equity securities	收取可供出售股份證券股息	36	40
Purchase of equity securities	購入股份證券	(3,984)	(2,174)
Proceeds from sale of equity securities	出售股份證券所得款項	3,608	1,931
Purchase of fixed assets	購入固定資產	(448)	(446)
Purchase of investment properties	購入投資物業	-	(20)
Proceeds from disposal of other properties and equipment	出售其他物業及設備所得款項	1,142	158
Proceeds from disposal of investment properties	出售投資物業所得款項	624	-
Proceeds from sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產所得款項	746	-
Purchase of shareholding in associates	購入聯營公司權益	-	(61)
Proceeds from disposal of an associate	出售一間聯營公司所得款項	-	1
Purchase of subsidiaries	購入附屬公司	-	(1)
Purchase of interests in businesses from non-controlling interests investors	向非控股權益投資者購入商業權益	7	-
<b>NET CASH GENERATED FROM/(USED IN) INVESTING ACTIVITIES</b>	<b>源自/(用於)投資活動之現金淨額</b>	<b>1,807</b>	<b>(537)</b>
<b>FINANCING ACTIVITIES</b>	<b>融資活動</b>		
Ordinary dividends paid	支付普通股股息	(468)	(817)
Distribution to Hybrid/Additional Tier 1 issue holders	派發予混合/額外一級資本工具持有人	(489)	(320)
Subscription of new shares	認購新股	40	6,576
Issue of ordinary share capital	發行普通股股本	40	150
Issue of additional equity instruments	發行額外股本工具	-	4,344
Issue of certificates of deposit	發行存款證	40,284	61,503
Issue of debt securities	發行債務證券	695	11,150
Issue of loan capital	發行借貸資本	3,871	-
Redemption of Hybrid Tier 1 issued	回購已發行混合一級資本工具	(51)	(900)
Redemption of certificates of deposit issued	贖回已發行存款證	(48,325)	(68,298)
Redemption of debt securities issued	贖回已發行債務證券	(7,119)	(19,462)
Interest paid on loan capital	支付借貸資本利息	(921)	(901)
Interest paid on certificates of deposit issued	支付已發行存款證利息	(499)	(731)
Interest paid on debt securities issued	支付已發行債務證券利息	(205)	(402)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<b>用於融資活動之現金淨額</b>	<b>(13,216)</b>	<b>(8,108)</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>現金及等同現金項目淨(減)/增額</b>	<b>(30,152)</b>	<b>42,712</b>
<b>CASH AND CASH EQUIVALENTS AT 1ST JANUARY</b>	<b>於1月1日之現金及等同現金項目</b>	<b>110,966</b>	<b>71,986</b>
Effect of foreign exchange rate changes	匯率變動的影響	(4,973)	(3,732)
<b>CASH AND CASH EQUIVALENTS AT 31ST DECEMBER</b>	<b>於12月31日之現金及等同現金項目</b>	<b>75,841</b>	<b>110,966</b>
Cash flows from operating activities included:	源自經營業務活動的現金流量包括:		
Interest received	利息收入	20,756	23,857
Interest paid	利息支出	9,725	12,238
Dividend received	股息收入	75	80

The notes on pages 164 to 305 form part of these financial statements.

第164至305頁之附註屬本財務報表之一部分。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

### 1. PRINCIPAL ACTIVITIES 主要業務

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

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

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

#### (a) Statement of Compliance

These financial statements have been prepared in accordance with all applicable HKFRS, which collective term includes all applicable individual HKFRS, HKAS and Interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the requirements of Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Listing Rules. A summary of the significant accounting policies adopted by the Group is set out below.

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

#### (b) Basis of Preparation of the Financial Statements

The financial statements for the year ended 31st December, 2016 comprise the Group and the Group’s interest in associates.

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

- financial instruments classified as trading, designated at fair value through profit or loss and available-for-sale (Note 2(f)(ii));
- derivative financial instruments (Notes 2(f)(ii), (vi) and 2(g)); and
- investment properties (Note 2(h)(ii)).

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

#### (a) 符合指引聲明

本財務報表乃按照香港會計師公會頒布所有適用的《香港財務報告準則》，其整體已包括個別適用的《香港財務報告準則》、《香港會計準則》及詮釋，以及香港一般採用的會計原則及《公司條例》的要求。本財務報表亦符合聯交所《上市規則》有關的披露規定。本集團採納的主要會計政策簡列如下。

香港會計師公會已頒布數項新增及經修訂的《香港財務報告準則》，並於本年度本集團的會計期首次生效或可被提早採納。附註3提供因首次應用該等準則而引致會計政策變動的資料，而該等資料只包括與本集團有關而須反映在本期及去年會計期的財務報表。

#### (b) 財務報表編製基準

截至2016年12月31日止年度的財務報表包括本集團及其應佔聯營公司之權益。

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

Details of judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in Note 53.

#### (c) Basis of Consolidation

These consolidated financial statements cover the consolidated position of the Bank and all subsidiaries unless otherwise stated 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 the Note 1 in the Unaudited Supplementary Financial Information.

##### (i) Subsidiaries and Non-controlling interests

The consolidated financial statements include the financial statements of the Bank and all its subsidiaries made up to 31st December each year. Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows 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 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. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to equity shareholders of the Bank. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the net profit and total comprehensive income for the year between non-controlling interests and equity shareholders of the Bank.

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

在附註53內，管理層已解釋實施對財務報表有重大影響的《香港財務報告準則》所作的詳細判斷及不明朗估計的主要來源。

#### (c) 綜合基準

除另外陳述外，本綜合財務報表包括本行及其所有附屬公司及本集團所佔聯營公司之權益的綜合狀況。根據《銀行業(披露)規則》所要求匯報的資料，所採納的綜合基準已在未經審核補充財務資料附註1列載。

##### (i) 附屬公司及非控股權益

本綜合財務報表包括本行及其所有附屬公司截至各相關年度之12月31日止的財務報表。附屬公司為本集團所控制之實體。本集團基於對有關實體之權利、參與度及權力並可運用此等條件以影響其所得回報，則視為本集團對該實體擁有控制權。在評估是否有控制權時，本集團只考慮實質的權力(由本集團及其他人士所擁有)。

附屬公司之投資由控制權生效日起至控制權失效日止在綜合財務報表內計算。在編製綜合財務報表時，集團之間的結餘，交易及現金流及任何因集團之間交易所產生的未實現溢利均被抵銷。跟未實現盈利相同，因集團之間交易所產生的未實現虧損亦同樣被抵銷，但只局限於未有減值證據。

非控股權益指無論是直接或間接並不歸屬於本行之附屬公司的權益部分，及本集團並未與該等權益持有者達成附加協議，致令本集團整體上對該等權益產生符合金融負債定義的法定義務。就每一業務合併而言，本集團可選擇按公平價值或非控股權益按比例應佔該附屬公司的可辨識淨資產以計量非控股權益。

非控股權益在綜合財務狀況表內的股東權益中列示，但與可歸屬於本集團股東權益分開。非控股權益佔本集團之業績，在綜合收益表內以分配年度溢利之形式列示，而在綜合全面收益表則以分配年度全面收益總額予非控股權益與及可歸屬於本集團股東權益之形式列示。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

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.

When 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 (Note 2(f)) or, when appropriate, the cost on initial recognition of an investment in an associate (Note 2(c)(ii)).

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

### (ii) Associates

The consolidated financial statements include the attributable share of the results and reserves of associates based on financial statements prepared at dates not earlier than three months prior to 31st December, 2016. An associate is a company in which the Group or the Bank has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

An investment in an associate is accounted for in the consolidated financial statements under the equity method unless it is classified as held-for-sale. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the associate's identifiable net 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 (Note 2(j) and 2(k)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the associates and any impairment losses for the year are recognised in the consolidated income statement, whereas the Group's share of the post-acquisition post-tax items of the associate's other comprehensive income is recognised in the consolidated statement of comprehensive income.

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

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

本集團將不導致喪失控股權之附屬公司權益的變動按權益交易方式入賬，即只調整在綜合權益內之控股及非控股權益的金額以反映其相關權益的變動，但不調整商譽及確認盈虧。

當本集團喪失對一附屬公司之控股權，將按出售該附屬公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度附屬公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(f))的公平價值，或(如適用)按成本初始確認一聯營公司投資(附註2(c)(ii))。

在本行的財務狀況表中，附屬公司投資是以成本減除任何減值損失(附註2(k))列賬。

### (ii) 聯營公司

本綜合財務報表包括根據截至2016年12月31日止之前不超過三個月的財務報表所編製應佔聯營公司的業績及儲備。聯營公司是指本集團或本行可對其管理發揮重大影響力，包括參予其財務及經營政策的決策，但並不控制或共同控制其管理層。

除非分類為持有作出售用途，聯營公司投資是以權益會計法在綜合財務報表內入賬。根據權益會計法，投資的入賬方法是先以成本另調整本集團於購入後應佔該聯營公司的可辨識淨資產所超出成本之任何金額。往後，需調整在收購後本集團應佔聯營公司淨資產之變動及在(附註2(j)和2(k))所載有關投資的減值損失。任何超出於收購日之成本、本集團應佔聯營公司收購後和已除稅的業績及年度內的任何減值損失均在綜合收益表內確認，而本集團應佔聯營公司收購後和已除稅之其他全面收益項目則在綜合全面收益表內確認。

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

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

When the Group ceases to have significant influence over an associate, it is accounted for as a disposal of the entire interest in that associate, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former associate 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 (Note 2(f)).

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

An associate is considered material if it is material to either income statement or statement of financial position of the Group in two consecutive years.

當本集團喪失對一聯營公司之重大影響力，將按出售該聯營公司之所有權益入賬，而所產生的盈虧確認為損益。任何在喪失控股權日仍保留該前度聯營公司之權益按公平價值確認，而此金額被視為初始確認一金融資產(附註2(f))的公平價值。

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

若連續兩年對於本集團的收益表或財務狀況表有重大影響，該聯營公司會被視為重大。

#### (d) Translation of Foreign Currencies

Foreign currencies transactions during the year are translated into Hong Kong dollars at the rates of exchange ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the rates of exchange ruling at the end of the reporting period. Exchange gains and losses are recognised in the income statement.

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

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

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

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to the income statement when the profit or loss on disposal is recognised.

#### (d) 外幣換算

年度內的外幣交易按交易日的匯率折算為港幣。以外幣為單位的貨幣性資產及負債按報告期結束日的匯率折算為港幣。匯兌盈虧則計入收益表內。

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

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

海外業務之業績按交易日相約的匯率折算為港幣。資產負債表項目，財務狀況表的項目中，包括於2005年1月1日或以後因收購海外業務而在綜合時所產生的商譽，按報告期結束日的匯率折算為港幣。產生的匯兌差額直接在其他全面收益內確認，並在股東權益之匯兌儲備內分開累計。因於2005年1月1日以前收購海外業務而在綜合時所產生的商譽按收購海外業務日的匯率折算。

當確認出售海外業務的損益時，因該海外業務產生的累計匯兌差額由股東權益計入收益表。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

## (e) Revenue Recognition

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

## (i) Interest income

Interest income for all interest-bearing financial instruments is recognised in the income statement on an accruals basis using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Group estimates cash flows considering all contractual terms of the financial instrument but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

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

## (ii) Net income from financial instruments designated at fair value through profit or loss and net trading income

Net income from financial instruments designated at fair value through profit or loss and net trading income comprises all gains and losses from changes in fair value (net of accrued coupon) of such financial assets and financial liabilities, together with foreign exchange differences and dividend income attributable to those financial instruments.

## (iii) Fee and commission income

Fee and commission income is recognised in the income statement when the corresponding service is provided, except where the fee is charged to cover the costs of a continuing service to, or risk borne for, the customer, or is interest in nature. In these cases, the fee is recognised as income in the accounting period in which the costs or risk is incurred and is accounted for as interest income.

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

## (e) 收入確認

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

## (i) 利息收入

所有帶息金融工具的利息收入按有效利率方法於收益表內以應計基準列作利息收入。

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

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

## (ii) 指定通過損益以反映公平價值金融工具的淨收入及淨交易收入

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

## (iii) 服務費及佣金收入

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(iv) Finance income from finance leases

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

(v) Rental income from operating leases

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

(vi) Dividend income

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established unconditionally. Dividend income from listed investments is recognised when the share price of the investment is quoted ex-dividend.

#### (f) Financial Instruments

(i) Initial recognition

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

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

The Group recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument. A regular way purchase or sale of financial assets at fair value through profit or loss, available for sales or held to maturity and financial liabilities at fair value through profit or loss or debts issued are 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 measured at fair value are recorded.

(iv) 融資租賃收入

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

(v) 經營租賃租金收入

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

(vi) 股息收入

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

#### (f) 金融工具

(i) 初始確認

本集團根據於初始期購入資產或產生負債時之原定用途，以分類其金融工具。種類包括通過損益以反映公平價值、貸款和應收賬款、持至到期投資、可供出售金融資產及其他金融負債。

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

當本集團成為金融工具合約其中一方時確認金融資產和金融負債。以有規律方式購買或出售通過損益以反映公平價值、可供出售或持至到期金融資產及通過損益以反映公平價值的金融負債俱按交易日會計法計算。其他金融資產和金融負債則按結算日會計法計算。該等金融資產及金融負債因公平價值變動而產生的盈利及虧損由該日起計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

## (ii) Categorisation

*Fair value through profit or loss*

This category comprises financial assets and financial liabilities held for trading, and those designated at fair value through profit or loss upon initial recognition, but excludes those investments in equity instruments that do not have a quoted market price and whose fair value cannot be reliably measured.

Trading financial instruments are financial assets or financial liabilities which are acquired or incurred principally for the purpose of trading, or are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Derivatives are recognised initially, and are subsequently remeasured, at fair value, and classified as assets when their fair value is positive, or as liabilities when their fair value is negative. Derivatives that do not qualify for hedge accounting (Note 2(g)) 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; or
- the asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract and the separation of the embedded derivatives from the financial instrument is not prohibited.

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

*Loans and receivables*

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

## (ii) 分類

*通過損益以反映公平價值*

此類別包括持有作交易用途和初始被指定為通過損益以反映公平價值的金融資產及金融負債，但不包括沒有市場報價的股份證券投資，及其公平價值是不能夠可靠計量的。

作交易用途的金融工具包括購入金融資產或產生金融負債，主要是作短期出售或屬可辨識金融工具組合的一部分，該組合是整體管理的，及有證據顯示近期有短期出售以賺取利潤的模式。衍生工具於初始確認，及後按公平價值重新計量，以及當公平價值為正值時分類為資產，或當公平價值為負值時分類為負債。不符合會計對沖法(附註2(g))的衍生工具列作交易工具。

在以下情況於初始確認為指定為通過損益以反映公平價值的金融工具：

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

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

*貸款和應收賬款*

貸款和應收賬款為固定或可確定付款金額及沒有活躍市場報價的非衍生金融資產，但不包括(a)本集團有計劃於短期內出售而被區分為持有作交易用途；(b)本集團於初始期已指定為通過損益以反映公平價值或可供出售；或(c)本集團可能不能收回大部分初始投資(但不包括因信貸轉壞的原因)，則須分類為可供出售。貸款和應收賬款主要包括在銀行及其他金融機構的存款、貿易票據及客戶貸款及墊款。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Securities classified as loans and receivables typically comprise securities issued by the same customers with whom the Group has a lending relationship that are not quoted in an active market. Investment decisions for credit substitute securities are subject to the same credit approval processes as loans, and the Group bears the same customer risk as it does for loans extended to those customers. Additionally the yield and maturity terms are generally directly negotiated by the Group with the issuer. These securities include commercial paper, short term debentures and preference shares issued by the borrower.

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

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

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

#### *Held-to-maturity investments*

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

#### *持至到期投資*

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

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

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

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 shall be reclassified as available-for-sale and remeasured at fair value.

若因意向或能力改變而引致不再適合分類為持至到期投資，則將重新分類為可供出售並按公平價值計量。

#### *Available-for-sale financial assets*

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

#### *可供出售金融資產*

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

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

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

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

*Other financial liabilities*

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

## (iii) Fair value measurement principles

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

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

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

## (iv) Derecognition

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

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

The Group uses the weighted average or first-in first-out method, where appropriate, to determine realised gains and losses to be recognised in the income statement on derecognition.

## (v) Offsetting

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

## (vi) Embedded derivatives

An embedded derivative is a component of a hybrid (combined) instrument that includes both the derivative and a host contract with the effect that some of the cash flows of the combined instrument vary in a way similar to a stand-alone derivative. The embedded derivatives are separated from the host contract and accounted for as a derivative when (a) the economic characteristics and risks of the embedded derivative are not closely related to the host contract; and (b) the hybrid (combined) instrument is not measured at fair value with changes in fair value recognised in the income statement.

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

*其他金融負債*

除作交易用途及通過損益以反映公平價值的金融負債外，金融負債按有效利率方法計算攤銷成本入賬。

## (iii) 計量公平價值之原則

金融工具的公平價值是於報告期結束日根據其市場報價但未減除將來的估計出售成本。

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

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

## (iv) 終止確認

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

當合約的義務已被履行、取消或期滿，本集團終止確認金融負債。

本集團採用加權平均法或先進先出法(如適用)以釐定在終止確認時須在收益表確認的已實現盈利和虧損。

## (v) 抵銷

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

## (vi) 嵌入衍生工具

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

當嵌入衍生工具被分開處理，主合約根據上述附註(ii)入賬。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (g) Hedging

Hedge accounting recognises the offsetting effects on income statement of changes in the fair values of the hedging instrument and the hedged item. The Group assesses and documents whether the financial instruments that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items attributable to the hedged risks both at hedge inception and on an ongoing basis. 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) Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, or the foreign currency risk of a committed future transaction, the effective part of any gain or loss on remeasurement of the derivative financial instrument to fair value is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in the income statement.

If the hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability. If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the asset acquired or liability assumed affects the income statement (such as when interest income or expense is recognised).

For cash flow hedges, other than those covered by the preceding two policy statements, the associated gain or loss is reclassified from equity to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. When a hedging instrument expires or is sold, terminated or exercised, or the Group revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity until the transaction occurs and is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss is reclassified from equity to the income statement immediately.

#### (g) 對沖

對沖會計法是確認因用作對沖工具與被對沖項目因公平價值變動而在收益表內產生之相互抵銷損益的影響。於衍生工具開始列作對沖工具及在對沖期間，本集團會評估及記錄用作對沖交易的金融工具是否有效地對沖相關項目的公平價值變動或現金流之風險。當(a)該用作對沖工具到期或已出售、終止或行使；(b)該對沖交易不再符合對沖會計法的要求；或(c)本集團取消對沖指定，本集團會停止繼續採用對沖會計法。

##### (i) 現金流量對沖

當衍生金融工具被指定對沖已確認資產或負債的不既定現金流量，或是甚有可能發生的預計交易，或已承諾未來交易之外匯風險，其有效對沖部分的盈利或虧損或重新計量衍生金融工具至公平價值會在其他全面收益內確認，並在股東權益中的對沖儲備內分開累計。而無效對沖部份的盈利或虧損則立即在收益表內確認。

如因對沖預計交易而後須確認為非金融資產或非金融負債，其相關之盈虧由股東權益重新分類並包括在該非金融資產或負債的初始成本或其他賬面值內。如因對沖一項預計交易而後須確認為金融資產或金融負債，其相關之盈虧由股東權益重新分類並計入相同期間或當購入資產或引起負債而影響該期間之收益表(如當確認為利息收入或支出)。

就現金流量對沖而言，除以上兩段政策已涵蓋外，其相關之盈虧由股東權益重新分類並包括在相同期間或受對沖預計交易所影響期間的收益表。當用作對沖工具已到期或出售，終止或行使，或當本集團取消指定對沖關係但對沖預計交易預期仍會發生，截至此期間所累計的盈利或虧損仍保留在股東權益內，直至交易發生時按以上的政策確認。如預計對沖交易不會發生，在股東權益內的累計盈利或虧損會立即由股東權益轉入收益表。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

## (ii) Fair value hedges

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

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

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 method is used, is amortised to the income statement as part of the recalculated effective interest rate of the item over its remaining life.

## (iii) Hedge effectiveness testing

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

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

For fair value hedge relationships, the Group utilises the cumulative dollar offset method or regressive analysis as effectiveness testing methodologies. For cash flow hedge relationship, the Group utilises the change in variable cash flow method or the cumulative dollar offset method using the hypothetical derivative approach.

For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the range of 80 per cent to 125 per cent for the hedge to be deemed effective.

## (ii) 公平價值對沖

公平價值對沖用作抵銷已確認資產或負債因公平價值變動產生須在收益表內入賬的盈利和虧損的風險。

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

當用作對沖工具到期或已出售，終止或行使，或當對沖不再符合對沖會計法的要求，或本集團取消對沖指定關係，所有截至此期間內按有效利率方式調整的被對沖項目，會按該項目餘下年期當作重新計算有效利率在收益表內攤銷。

## (iii) 對沖效用測試

為符合對沖會計法，本集團必須進行兩種測試：在開始對沖時進行「預計效用」測試，顯示預期成效極高；在對沖期內持續進行「追溯效用」測試，證明實際有效。

有關各對沖關係之文件載有如何評估對沖效用。本集團採納之對沖效用評估方法，是按照既定風險管理策略而實施。

對於公平價值對沖關係，本集團採用累計價值抵銷法作為效用測試之方法。對於現金流量對沖關係，本集團會測試現金流量的變動或對沖組合的規模是否充足，或以模擬衍生工具方式，運用累計價值抵銷法測試。

就預計效用而言，對沖工具必須被預期為在劃定對沖期間內，能高度有效地抵銷對沖風險之公平價值或現金流量之變動。就實際效用而言，公平價值或現金流量之變動抵銷額在80%至125%範圍才被視為有效。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (h) Properties

- (i) Bank premises are stated in the statement of financial position at cost or at Directors' valuation as of 1989, by reference to an independent professional valuation, less accumulated depreciation and accumulated impairment loss (Note 2(k)).

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

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80AA of HKAS 16 "Property, Plant and Equipment" issued by the HKICPA, with the effect that bank premises have not been revalued to fair value at the end of the reporting period.

- (ii) Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are stated at fair value. Investment properties are valued semi-annually by external independent valuation companies, having an appropriate recognised professional qualification and recent experience in the location and category of property being valued. No allowance has been made in the valuations for any charges, mortgages or amounts owing on the properties nor any expenses or taxation which may be incurred in effecting a sale.

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

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

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

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

#### (h) 物業

- (i) 行址是按成本或於1989年董事參照獨立專業評估作出的估值，減除累計折舊及減值損失(附註2(k))後於財務狀況表中列賬。

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

在編製此等財務報表時，由於可採用香港會計師公會頒布的《香港會計準則》第16號「物業、廠房及設備」第80AA段所載的過渡條款，故行址並未在報告期結束日重估至公平價值。

- (ii) 投資物業是持有用作賺取租金收益或資本增值或二者皆是的物業。投資物業按公平價值列賬。投資物業由外來獨立估價公司每半年作估值，該公司擁有適當認可專業資格及對估物業的所在地和類別有近期經驗。估值並未計算任何抵押、按揭、欠款、及在出售時可能產生的任何費用或稅項。

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

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

**(i) Amortisation and Depreciation****(i) Bank premises**

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

Investment properties are not depreciated.

**(ii) Other fixed assets**

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

**(j) Goodwill**

Goodwill represents the excess of

(i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over

(ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (Note 2(k)).

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

Expenditure on internally generated goodwill and brands is recognised as an expense in the period in which it is incurred.

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

**(i) 攤銷及折舊****(i) 行址**

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

投資物業是不予折舊。

**(ii) 其他固定資產**

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

**(j) 商譽**

商譽指

(i) 對價轉讓的公平價值、任何被購入者的非控股權益金額及以往本集團曾經持有該被購入者的股東權益公平價值的總和；超出

(ii) 本集團在收購日計量應佔該被購入者之可辨識資產及負債的公平價值淨額。

當(ii)是大於(i)時，此超出金額立即在損益賬確認為一項議價收購的盈利。

商譽按成本減除累計減值損失列賬。因商業合併而產生的商譽被分配予每一現金生產單位，或一組合之現金生產單位，而預計該現金生產單位是可從商業合併中獲得協同效應，以及須每年接受減值測試(附註2(k))。

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

由內部產生之商譽及品牌的開支按在發生期間內確認為支出。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (k) Impairment of Assets

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

##### (i) Loans and receivables

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

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

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

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

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

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

#### (k) 資產減值損失

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

##### (i) 貸款和應收賬款

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

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

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

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. The original loan that is renegotiated is derecognised and a new financial asset is recognised at fair value if the existing agreement is cancelled and a new agreement made on substantially different terms.

## (ii) Held-to-maturity investments

Impairment on held-to-maturity investments is considered at both an individual and collective level. The individual impairment allowance is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at asset's original effective interest rate, where the effect of discounting is material.

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

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through the income statement. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

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

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that had been recognised in the fair value reserve is reclassified to the income statement. The amount of the cumulative loss that is recognised in the income statement is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in the income statement.

For unquoted available-for-sale equity securities that are carried at cost, the impairment loss is measured as the difference between the carrying amount of the equity securities and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset, where the effect of discounting is material.

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

倘再無合理預期可收回時，則貸款及相關的應收利息會被撇銷。

經重訂條款的貸款和應收賬款是因借款人的財政狀況惡化而須重組的貸款，而本集團已顧及借款人的財政狀況而有所讓步，否則會不作此考慮。經重訂的貸款和應收賬款須持續受監控以判斷它們是否仍然已減值或逾期。如現有協議取消並同時訂立重大不同條款的新協議，經重訂條款的原有貸款會被撇銷確認並按公平價值確認為一新的金融資產。

## (ii) 持至到期投資

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

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

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

## (iii) 可供出售金融資產

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

Impairment losses in respect of available-for-sale debt securities are reversed if the subsequent increase in fair value can be objectively related to an event occurring after the impairment loss was recognised. Reversals of impairment losses in such circumstances are recognised in the income statement.

#### (iv) Other assets

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

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

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

#### *Calculation of recoverable amount*

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

#### *Recognition of impairment losses*

An impairment loss is recognised in the income statement whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, if measurable, or value in use, if determinable.

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

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

#### (iv) 其他資產

在報告期結束日，須檢討對內及對外資料來源以辨識以下資產是否有減值徵兆或，除商譽外，以往已確認之減值損失是否仍然存在或可能已經減少：

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

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

#### *可收回金額之計算*

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

#### *減值損失之確認*

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

#### *Reversals of impairment losses*

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years.

Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.

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

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unquoted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not the income statement.

### (l) Leased Assets

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

#### (i) Assets held under finance leases

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

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

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

#### *減值損失之轉回*

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

減值損失轉回只局限至該資產的賬面值，猶如該等減值損失從未在往年被確認。

減值損失轉回在該被確認的年度計入收益表內。

#### (v) 中期財務報告及減值

根據聯交所《上市規則》，本集團須按《香港會計準則》第34號「中期財務報告」編製有關年度首6個月的中期財務報告。於中期期末，本集團採用等同年末的減值測試、確認、及轉回標準(附註2(k)(i)至(iv))。

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

### (l) 租賃資產

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

#### (i) 以融資租賃購入的資產

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

#### (ii) 用作經營租賃的資產

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (iii) Operating lease charges

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

#### (m) Repossession of Assets

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

Repossessed assets are recorded at the lower of the amount of the related loans and advances and fair value less costs to sell at the date of exchange. They are not depreciated or amortised.

Impairment losses on initial classification and on subsequent remeasurement are recognised in the income statement.

#### (n) Income Tax

(i) Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in the income statement except to the extent that they relate to items 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.

(ii) Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

(iii) Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

#### (iii) 經營租賃費用

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

#### (m) 收回資產

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

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

在初始期分類及後期再計量所引致的減值損失於收益表確認。

#### (n) 所得稅

(i) 本年度所得稅包括本期及遞延稅項資產和負債的變動。除該稅款與其他全面收益或股東權益有關而須在其他全面收益或股東權益確認的金額外，本期稅項及遞延稅項資產和負債的變動計入收益表內。

(ii) 本期稅項為年度應課稅收入按報告期結束日已生效或基本上已生效的稅率計算的預計應付稅項，並已包括以往年度的應付稅項的任何調整。

(iii) 遞延稅項資產及負債是因納稅基礎計算的資產及負債與其賬面值之間的差異而分別產生的可扣稅及應課稅的暫時性差異。遞延稅項資產也包括未使用的稅項及稅項抵免。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing deductible temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

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.

Where investment properties are carried at their fair value in accordance with the accounting policy set out in Note 2(h)(ii), the amount of deferred tax recognised is measured using the tax rates that would apply on sale of those assets at their carrying value at the reporting date unless the property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the property over time, rather than through sale. In all other cases, 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 reporting date. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at each end of the reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

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

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

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

當投資物業根據附註2(h)(ii)所載按公平價值列賬，除該物業是需折舊的及以一商業模式持有，而其目的是要透過時間使用而並非出售該物業以獲取隱含於該物業之重大經濟利益，確認遞延稅項的金額按該物業於結算日假設以賬面值出售的稅率計算。在其他情況下，確認遞延稅項的金額是根據預期變現或償還該資產及負債的賬面值的方式，按在報告日已生效或基本上已生效的稅率計算。遞延稅項資產及負債不作折讓。

於報告期結束日，本行須重新檢視有關的遞延稅項資產的賬面金額，對預期不再有足夠的應課稅溢利以實現相關稅務利益予以扣減。可轉回之金額不可超過預期將來出現足夠可供扣減的應課稅溢利。

由派發股息引起的額外所得稅在有關股息的支付責任獲確立時確認。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(iv) Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if the Bank or the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Bank or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
  - the same taxable entity; or
  - different taxable entities, which in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

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

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

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

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

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

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

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

#### (o) 保險基金及未付索償準備

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

長期業務的保險基金是按精算估值。

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

此等基金及準備分類為其他賬項及準備。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

### (p) Provisions and Contingent Liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Bank has a legal or constructive obligation arising as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

### (q) Employee Benefits

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

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

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

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

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

#### (iii) Retirement benefits

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

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

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

### (p) 準備及或然負債

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

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

### (q) 僱員福利

#### (i) 薪酬、花紅及假期福利

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

僱員應享有的病假及分娩假於發生時確認。

#### (ii) 表現獎勵花紅計劃

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

#### (iii) 退休福利

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (iv) Share based payments

The option exercise price is equal to the higher of:

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

When the options are exercised, equity is increased by the amount of the proceeds received. The fair value of share options granted to employees is recognised as an expense in the income statement with a corresponding increase in a capital reserve within equity. The fair value is measured at the grant date using the trinomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to those share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged or credited to the income statement for the year of the review unless the original expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of share options that vest (with a corresponding adjustment to capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Bank's shares.

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

#### (r) Related Parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (a) A person, or a close member of that person's family, is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or the Group's parent.

#### (iv) 以股份為基礎作支付

認股權的行使價為以下之最高者：

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

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

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

屬股東權益金額確認為資本儲備內，直至當認股權被行使及分配新股時(轉入股本)，或當認股權之有效期屆滿時(轉入留存溢利)。

#### (r) 關聯人士

在編製本財務報表時，與本集團關聯人士是指：

- (a) 個人或該個人之近親家庭成員，如該個人在以下情況下視為與本集團有關聯：
  - (i) 可控制或共同控制本集團；
  - (ii) 對本集團有重大影響力；或
  - (iii) 是本集團或本集團之母公司的主要管理人員之成員。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

- |  |   |
|--|---|
| <p>(b) An entity is related to the Group if any of the following conditions applies:</p> <p>(i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).</p> <p>(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).</p> <p>(iii) Both entities are joint venture of the same third party.</p> <p>(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.</p> <p>(v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.</p> <p>(vi) The entity is controlled or jointly controlled by a person identified in (a).</p> <p>(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).</p> <p>(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.</p> | <p>(b) 在以下任何情況下，一實體會視為與本集團有關聯：</p> <p>(i) 該實體及本集團皆是同一集團成員（即每一間母公司、附屬公司及同系附屬公司與其他有關聯）。</p> <p>(ii) 一實體是另一實體的聯營公司或合營公司（或該聯營公司或合營公司與該另一實體均屬同一集團）。</p> <p>(iii) 兩個實體是同一第三者的合營公司。</p> <p>(iv) 一實體是一第三者的合營公司而另一實體則是該第三者的聯營公司。</p> <p>(v) 該實體是提供福利予本集團或與本集團有關聯之實體的僱員離職後之福利計劃。</p> <p>(vi) 該實體受在(a)項中所辨識的個人所控制或共同控制。</p> <p>(vii) 在(a)(i)項中所辨識的個人而該個人對該實體有重大影響力，或該個人是該實體（或是該實體的母公司）的主要管理人員之成員。</p> <p>(viii) 該實體或是其集團中一部分之任何成員，而提供主要管理人員服務予本集團或本集團之母公司。</p> |
|--|---|

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

個人的近親家庭成員指可影響，或受該個人影響，他們與該實體交易的家庭成員。

**(s) 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.

**(s) 分部報告**

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (t) Cash and Cash Equivalents

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

#### (u) Deposits, Debt Securities Issued and Subordinated Liabilities

Deposits, debt securities issued and subordinated liabilities are the Group's sources of debt funding.

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments.

Subsequent to initial recognition deposits, debt securities issued and subordinated liabilities are measured at their amortised cost using the effective interest method, except where the Group designates liabilities at fair value through profit or loss.

#### (v) Assets Held for Sale

Non-current assets and disposal groups (including both the assets and liabilities of the disposal groups) are classified as held for sale and measured at the lower of their carrying amount and fair value less cost to sell when: (i) their carrying amounts will be recovered principally through sale; (ii) they are available for sale in their present condition; and (iii) their sale is highly probable.

Immediately before the initial classification as held for sale, the carrying amounts of the asset (or assets and liabilities in the disposal group) are measured in accordance with applicable HKFRSs. On subsequent remeasurement of a disposal group, the carrying amounts of the assets and liabilities that are not within the scope of the measurement requirements of HKFRS 5 "Non-current Assets Held for Sale and Discontinued Operations" are measured in accordance with applicable HKFRSs before the fair value less costs to sell of the disposal group is determined.

Income earned and expenses incurred on assets and liabilities of disposal groups held for sale continue to be recognised in the appropriate line items in the income statement until the transaction is complete.

#### (t) 現金及等同現金項目

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

#### (u) 存款、已發行債務證券及後償負債

存款、已發行債務證券及後償負債是本集團籌募資金的來源。

本集團按該工具合約條款的實質分類資本工具為金融負債或股本工具。

在初始確認後，除本集團指定為通過損益的負債外，存款、已發行債務證券及後償負債按有效利率方式計算攤銷成本。

#### (v) 持有作出售資產

當(i)其賬面值將主要需通過出售才可收回；(ii)它們可以在現況下可供出售；(iii)出售之機會率是非常高的，非流動資產及出售組別(包括出售組別的資產和負債)按其賬面值及公平價值減出售成本，兩者之較低者，分類為持有作出售資產。

在被初始分類為持有作出售之前，資產的賬面值(或出售組別的資產和負債)按適用的《香港財務報告準則》計算。而往後在重新計算出售組別時，在未決定出售組別的公平價值減成本前，非在《香港財務報告準則》第五號「持有作出售資產的非流動資產及結束營運」所覆蓋的計算要求的資產和負債之賬面值，按適用的《香港財務報告準則》計算。

出售組別的資產和負債之已賺取收入和已發生支出仍繼續在收益表內之有關項目中確認，直至交易完成。

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

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group. None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

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

香港會計師公會已頒布數項對本集團本期會計期可首次生效之經修訂《香港財務報告準則》。以上修訂對已編製或已呈報本集團本年度或往期之業績及財務狀況並無重大影響。

本集團並未採納任何於本會計期尚未生效的新準則或詮釋。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 4. BANK-LEVEL STATEMENT OF FINANCIAL POSITION 銀行層面之財務狀況表

		2016 HK\$ Mn 港幣百萬元	2015 HK\$ Mn 港幣百萬元
ASSETS	資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	29,940	34,538
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	10,663	37,021
Trade bills	貿易票據	8,186	12,054
Trading assets	交易用途資產	1,566	2,316
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	3,330	3,886
Positive fair value of derivatives	衍生工具的正公平價值	3,473	3,106
Advances to customers and other accounts	客戶墊款及其他賬項	319,566	298,396
Amounts due from subsidiaries	附屬公司欠款	10,072	16,093
Available-for-sale financial assets	可供出售金融資產	84,874	67,284
Held-to-maturity investments	持至到期投資	4,499	4,198
Investments in subsidiaries	附屬公司投資	19,084	18,018
Investments in associates	聯營公司投資	3,265	3,265
Fixed assets	固定資產	8,289	8,041
– Investment properties	– 投資物業	4,388	4,251
– Other properties and equipment	– 其他物業及設備	3,901	3,790
Goodwill and intangible assets	商譽及無形資產	1,460	1,460
Deferred tax assets	遞延稅項資產	86	85
<b>Total Assets</b>	<b>資產總額</b>	<b>508,353</b>	<b>509,761</b>
EQUITY AND LIABILITIES	股東權益及負債		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	17,174	19,989
Deposits from customers	客戶存款	354,463	339,441
Trading liabilities	交易用途負債	50	889
Negative fair value of derivatives	衍生工具的負公平價值	2,927	4,091
Certificates of deposit issued	已發行存款證	25,754	39,477
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	18,106	16,457
– At amortised cost	– 攤銷成本	7,648	23,020
Amounts due to subsidiaries	欠附屬公司款項	2,031	1,874
Current taxation	本期稅項	1,200	977
Debt securities issued	已發行債務證券	7,154	13,597
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	418	2,539
– At amortised cost	– 攤銷成本	6,736	11,058
Deferred tax liabilities	遞延稅項負債	310	399
Other accounts and provisions	其他賬項及準備	6,036	5,919
Loan capital	借貸資本	23,407	19,894
– Designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	2,799	2,898
– At amortised cost	– 攤銷成本	20,608	16,996
<b>Total Liabilities</b>	<b>負債總額</b>	<b>440,506</b>	<b>446,547</b>
Share capital	股本	35,490	33,815
Reserves	儲備	27,341	24,383
Total equity attributable to owners of the Bank	歸屬於本行股東權益總額	62,831	58,198
Additional equity instruments	額外股本工具	5,016	5,016
		<b>67,847</b>	<b>63,214</b>
<b>Total Equity and Liabilities</b>	<b>股東權益及負債總額</b>	<b>508,353</b>	<b>509,761</b>

Approved and authorised for issue by the Board on 17th February, 2017.

董事會於2017年2月17日核准及授權發布。

Chairman and Chief Executive  
DirectorDavid LI Kwok-po  
Winston LO Yau-lai主席兼行政總裁  
董事李國寶  
羅友禮

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 5. INTEREST INCOME 利息收入

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Securities classified as held-to-maturity or available-for-sale	分類為持至到期或可供出售的證券	2,603	2,458
Trading assets	交易用途資產	134	159
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值金融資產	129	141
Loans, deposits with banks and financial institutions, and trade bills	貸款、在銀行和其他金融機構的存款、及貿易票據	17,497	20,823
		<b>20,363</b>	<b>23,581</b>

Included above is interest income accrued on impaired financial assets of HK\$404 million (2015: HK\$339 million) which includes interest income on unwinding of discount on loan impairment losses of HK\$144 million (2015: HK\$110 million) (Note 29(b)) for the year ended 31st December, 2016.

Included within interest income is HK\$20,396 million (2015 restated: HK\$23,506 million), before hedging effect, for financial assets that are not recognised at fair value through profit or loss.

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial assets are first netted together and then combined with the interest income from the corresponding financial assets.

以上包括截至2016年12月31日止年度減值金融資產的應計利息港幣4.04億元(2015年：港幣3.39億元)，其中包括釋放貸款減值損失之折扣的利息收入港幣1.44億元(2015年：港幣1.10億元)(附註29(b))。

在不包括對沖影響前，來自非按公平價值確認損益的金融資產之利息收入為港幣203.96億元(2015年重報：港幣235.06億元)。

就已對沖利率風險的交易而言，作為帶息金融資產的合格對沖工具或可個別地與帶息金融資產共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融資產產生的利息收入合併。

#### 6. INTEREST EXPENSE 利息支出

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Customer deposits, deposits of banks and other financial institutions	客戶存款、銀行及其他金融機構的存款	7,887	10,085
Certificates of deposit and debt securities issued	已發行存款證及債務證券		
– at amortised cost	– 攤銷成本	364	637
– designated at fair value through profit or loss	– 指定為通過損益以反映公平價值	236	263
Subordinated notes carried at amortised cost	按攤銷成本列賬的後償票據	776	650
Other borrowings	其他借款	2	17
		<b>9,265</b>	<b>11,652</b>

Included within interest expense is HK\$9,205 million (2015 restated: HK\$11,641 million), before hedging effect, for financial liabilities that are not recognised at fair value through profit or loss.

For the transactions where interest rate risk is hedged, the periodic payments and receipts arising from interest rate contracts which are qualifying hedging instruments for or individually managed in conjunction with interest bearing financial liabilities are first netted together and then combined with the interest expense from the corresponding financial liabilities.

在不包括對沖影響前，來自非按公平價值確認損益的金融負債之利息支出為港幣92.05億元(2015年重報：港幣116.41億元)。

就已對沖利率風險的交易而言，作為帶息金融負債的合格對沖工具或可個別地與帶息金融負債共同管理的利率合約所產生的定期支出及收入首先抵銷，淨額與其相關金融負債產生的利息支出合併。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

Fee and commission income arises from the following services:

源自下列服務的服務費及佣金收入：

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Credit cards	信用卡	1,003	947
Loans, overdrafts and guarantees	貸款、透支及擔保	733	861
Trade finance	貿易融資	338	481
Other retail banking services	其他零售銀行服務	324	353
Trust and other fiduciary activities	信託及其他代理業務	241	187
Securities and brokerage	證券及經紀	215	449
Others	其他	631	544
Total fee and commission income	服務費及佣金收入總額	3,485	3,822
of which:	其中：		
Net fee income, other than amounts included in determining the effective interest rate, arising from financial assets or financial liabilities that are not held for trading nor designated at fair value through profit or loss	由非持作交易用途或指定為通過損益以反映公平價值列賬之金融資產或負債所產生之淨服務費收入 (不包括用作計算有效利率之金額)	2,612	2,931
Fee income	服務費收入	3,485	3,822
Fee expenses	服務費支出	(873)	(891)

## 8. NET TRADING PROFITS 交易溢利淨額

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Loss on dealing in foreign currencies and funding swaps	外幣買賣及外匯掉期虧損	(230)	(436)
(Loss)/Profit on trading securities	交易用途證券(虧損)/溢利	(135)	63
Net gain on derivatives	衍生工具淨盈利	806	566
Dividend income from listed trading securities	交易用途上市證券的股息收入	39	40
		480	233



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Revaluation (loss)/gain on debts issued	重估已發行債務(虧損)/盈利	(11)	13
Profit on repurchase of debts issued	回購已發行債務溢利	-	3
Revaluation loss on financial assets	重估金融資產虧損	(84)	(49)
Profit/(Loss) on sale of financial assets	出售金融資產溢利/(虧損)	3	(2)
		<b>(92)</b>	<b>(35)</b>

#### 10. NET HEDGING LOSS 對沖虧損淨額

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Fair value hedges	公平價值對沖		
- Net (loss)/gain on hedged items attributable to the hedged risk	- 可歸屬於被對沖項目之對沖風險產生的淨(虧損)/盈利	(435)	71
- Net gain/(loss) on hedging instruments	- 用作對沖工具的淨盈利/(虧損)	413	(81)
		<b>(22)</b>	<b>(10)</b>

There was insignificant ineffectiveness recognised in the Group's income statement arising from cash flow hedge for the years 2016 and 2015.

於2016年及2015年，因現金流對沖所產生並已在本集團收益表內確認之無效部分是不重大的。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 11. NET INSURANCE REVENUE 保險業務淨收入

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
(a) Net insurance revenue	(a) 保險業務淨收入		
Net interest income	淨利息收入	397	354
Net trading loss	交易虧損淨額	(14)	(12)
Net loss from financial instruments designated at fair value through profit or loss	指定為通過損益以反映公平價值金融工具的淨虧損	(4)	(5)
Net hedging loss	對沖虧損淨額	(3)	(3)
Net insurance premium and other income (b)	淨保費及其他收入 (b)	3,347	2,758
Other operating income	其他經營收入	1	3
		3,724	3,095
Net insurance claims and expenses (c)	保險索償及支出淨額 (c)	(3,441)	(2,833)
		283	262
Operating expenses	經營支出	(3)	(3)
Impairment loss on available-for-sale financial assets	可供出售金融資產減值損失	(30)	(60)
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產淨溢利	165	173
		415	372
(b) Net insurance premium and other income	(b) 淨保費及其他收入		
Gross insurance premium income	保費收入總額	3,417	2,958
Reinsurers' share of gross insurance premium income	保費收入總額之分保份額	(70)	(200)
		3,347	2,758
(c) Net insurance claims and expenses	(c) 保險索償及支出淨額		
Claims, benefits and surrenders paid	已付索償、利益及退保	2,840	1,906
Movement in provisions	準備金變動	466	848
		3,306	2,754
Reinsurers' share of claim, benefits and surrenders paid	已付索償、利益及退保之分保份額	(751)	(50)
Reinsurers' share of movement in provisions	準備金變動之分保份額	735	(5)
		(16)	(55)
		3,290	2,699
Net insurance commission expenses	保險佣金支出淨額	151	134
		3,441	2,833

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 12. OTHER OPERATING INCOME 其他經營收入

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Dividend income from available-for-sale financial assets	可供出售金融資產股息收入		
– listed	– 上市	18	16
– unlisted	– 非上市	18	22
Rental from safe deposit boxes	保險箱租金收入	86	86
Rental income on properties	物業租金收入	205	221
Others	其他	51	128
		<b>378</b>	473

#### 13. OPERATING EXPENSES 經營支出

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Contributions to defined contribution plan*	定額供款公積金供款*		
– Hong Kong	– 香港	150	150
– Outside Hong Kong	– 香港以外	336	335
Equity settled share-based payment expenses (Note 42(f))	以股份為基礎作支付的費用 (附註42(f))	35	22
Salaries and other staff costs	薪金及其他員工成本	4,193	4,211
Total staff costs	員工成本總額	4,714	4,718
Premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出		
– Rental of premises	– 物業租金	619	613
– Maintenance, repairs and others	– 保養、維修及其他	558	552
Total premises and equipment expenses excluding depreciation	不包括折舊的物業及設備支出總額	1,177	1,165
Depreciation on fixed assets	固定資產折舊	468	495
Amortisation of intangible assets (Note 34(b))	無形資產攤銷(附註34(b))	32	32

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 13. OPERATING EXPENSES (CONTINUED) 經營支出(續)

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Other operating expenses	其他經營支出		
– Legal and professional fees	– 法律及專業服務費	460	451
– Communications, stationery and printing	– 通訊、文具及印刷	285	331
– Stamp duty, overseas and PRC business taxes, and value added taxes	– 印花稅、海外及中華人民共和國營業稅、及增值稅	268	642
– Advertising expenses	– 廣告費	250	334
– Card related expenses	– 有關信用卡支出	171	150
– Business promotions and business travel	– 業務推廣及商務旅遊	142	185
– Insurance expenses	– 保險費	64	55
– Membership fees	– 會員費	18	16
– Audit fee**	– 核數師酬金**	16	15
– Bank charges	– 銀行收費	8	9
– Bank licence	– 銀行牌照費	4	4
– Donations	– 捐款	4	4
– Others	– 其他	261	298
Total other operating expenses	其他經營支出總額	1,951	2,494
Total operating expenses***	經營支出總額***	8,342	8,904

\* Forfeited contributions totalling HK\$14 million (2015: HK\$15 million) were utilised to reduce the Group's contribution during the year. There were no forfeited contributions available for reducing future contributions at the year end (2015: Nil).

\*\* If the audit fee on discontinued operations are included, the audit fee will be HK\$20 million (2015: HK\$17 million).

\*\*\* Included in operating expenses are direct operating expenses of HK\$10 million (2015: HK\$23 million) in respect of investment properties which generated rental income during the year.

\* 年度內沒收之供款共港幣1,400萬元(2015年：港幣1,500萬元)已被用作減少本集團的供款。於年末並無任何被沒收而可用作減低將來之供款(2015年：無)。

\*\* 如包括已終止經營業務的核數師酬金，核數師酬金將會是港幣2,000萬元(2015年：港幣1,700萬元)。

\*\*\* 年度內經營支出中包括由有租金收益的投資物業產生的直接經營支出，金額為港幣1,000萬元(2015年：港幣2,300萬元)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 14. IMPAIRMENT LOSSES ON LOANS AND RECEIVABLES 貸款及應收賬項減值損失

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Advances to customers	客戶墊款		
Individual impairment loss	個別減值損失		
– new provisions	– 新撥備	2,834	1,548
– releases	– 回撥	(409)	(99)
– recoveries	– 收回	(66)	(120)
		2,359	1,329
Collective impairment loss	整體減值損失		
– new provisions	– 新撥備	1,026	692
Net charge of loans impairment loss	貸款減值損失支銷淨額	3,385	2,021
Receivables	應收賬項		
Individual impairment loss	個別減值損失		
– new provisions	– 新撥備	83	13
– releases	– 回撥	(5)	(3)
– recoveries	– 收回	(1)	–
Net charge of receivables impairment loss	應收賬項減值損失支銷淨額	77	10
Net charge to income statement	於收益表支銷淨額	3,462	2,031

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

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Net revaluation gain transferred from reserves (Note 42(g))	由儲備轉撥的重估盈利淨額 (附註42(g))	136	327
Loss arising in current year	年度內產生的虧損	(44)	(70)
		92	257

#### 16. NET GAIN ON DISPOSAL OF FIXED ASSETS 出售固定資產之淨溢利

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Net gain on disposal of investment properties	出售投資物業之淨溢利	144	–
Net gain on disposal of bank premises, furniture, fixtures and equipment	出售行址、傢俬、裝修及設備之 淨溢利	715	110
		859	110

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 17. INCOME TAX 所得稅

## (a) Taxation in the consolidated income statement represents:

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務		
Current tax – Hong Kong	本期稅項 – 香港		
Tax for the year	本年度稅項	687	740
Under-provision in respect of prior years	往年度撥備不足	36	32
		723	772
Current tax – outside Hong Kong	本期稅項 – 香港以外		
Tax for the year*	本年度稅項*	1,026	583
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(58)	(65)
		968	518
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時性差異的產生及轉回	(624)	(241)
		1,067	1,049

\* During the year, certain properties in Mainland China were disposed of, which resulted in an impact of land value added tax and corporate income tax totalling HK\$427 million.

The provision for Hong Kong profits tax is calculated at 16.5% (2015: 16.5%) of the estimated assessable profits for the year.

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

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

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Profit before tax	除稅前溢利	4,592	6,385
Notional tax on profit before tax, calculated at the rates applicable to profits in the tax jurisdictions concerned	根據相關國家適用之利得稅稅率按除稅前溢利計算的名義稅款	969	1,030
Tax effect of non-deductible expenses	不可扣減支出的稅項影響	449	349
Tax effect of non-taxable revenue	毋須課稅收入的稅項影響	(308)	(293)
Tax effect of tax losses not recognised	未確認的稅損的稅項影響	1	8
Recognition of deferred tax assets on prior year tax losses	往年度稅損確認為遞延稅項資產	(16)	(14)
Write back of over-provision in respect of prior years	往年度撥備過剩的回撥	(22)	(33)
Others	其他	(6)	2
Actual tax expense	實際稅項支出	1,067	1,049

## (a) 綜合收益表內的稅項指：

\* 年度內，出售若干中國內地物業而產生的土地增值稅及企業所得稅之總額為港幣4.27億元。

香港利得稅稅款是以年度預計應課稅溢利按稅率16.5%(2015年：16.5%)計算。

海外分行及附屬公司的稅款亦按其經營所在國家現行稅率計算。

## (b) 稅項支出與會計溢利按適用稅率計算稅項的對賬：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 18. PROFIT ATTRIBUTABLE TO OWNERS OF THE PARENT 可歸屬於本集團股東溢利

The consolidated profit attributable to owners of the parent includes a profit of HK\$3,920 million (2015: HK\$3,795 million) which has been dealt with in the financial statements of the Bank.

可歸屬於本集團股東綜合溢利包括已計入本行財務報表內的溢利港幣39.20億元(2015年：港幣37.95億元)。

Reconciliation of the above amount to the Bank's profit for the year

本行年度內溢利與上述金額之對賬

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Amount of consolidated profit attributable to equity holders dealt with in the Bank's financial statements	已計入本行財務報表之可歸屬於本集團股東綜合溢利	3,920	3,795
Final dividends from subsidiaries and associates attributable to the profits of the previous financial year and general reserves, approved and paid during the year	來自往年度附屬公司及聯營公司溢利及一般儲備之末期股息，並在年度內核准及派發	933	176
Bank's profit for the year	本行年度內溢利	4,853	3,971

#### 19. DIVIDENDS 股息

##### (a) Dividends attributable to the year

##### (a) 應屬本年度股息

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interim dividend declared and paid of HK\$0.28 per share on 2,684 million shares (2015: HK\$0.38 per share on 2,617 million shares) (Note 42(ii))	已宣布派發及支付中期股息予26.84億股每股港幣0.28元(2015年：26.17億股每股港幣0.38元)(附註42(ii))	751	994
Second interim dividend paid in respect of the previous financial year on shares issued under the share option schemes subsequent to the end of the reporting period and before the close of the Register of Members of the Bank, of HK\$0.50 per share (2015: HK\$0.68 per share)	已支付在報告期結束後及本行股票過戶登記截止日前根據認股計劃發行股份屬上年度每股港幣0.50元的第二次中期股息(2015年：每股港幣0.68元)	-	1
Second interim dividend of HK\$0.28 per share on 2,703 million shares (2015: HK\$0.50 per share on 2,641 million shares)	第二次中期股息予27.03億股每股港幣0.28元(2015年：26.41億股每股港幣0.50元)	757	1,320
		<b>1,508</b>	<b>2,315</b>

The total dividends attributable to the year is HK\$0.56 per share (2015: HK\$0.88 per share). The second interim dividend has not been recognised as a liability at the end of the reporting period.

應屬本年度股息為每股港幣0.56元(2015年：每股港幣0.88元)。於報告期結束日該第二次中期股息並未確認為負債。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 19. DIVIDENDS (CONTINUED) 股息(續)

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

(b) 於年度核准及支付屬上年度股息

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Second interim dividend in respect of the previous financial year, approved and paid during the year, of HK\$0.50 per share on 2,641 million shares (2015: HK\$0.68 per share on 2,347 million shares) (Note 42(ii))	年度內核准及支付予26.41億股每股港幣0.50元(2015年: 23.47億股每股港幣0.68元)的上年度第二次中期股息(附註42(ii))	1,320	1,597

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

(c) 派發予混合／額外一級資本工具持有人

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest paid or payable on the Hybrid Tier 1 capital instruments (Note 42(ii))	已付或應付予混合一級資本工具持有人的利息(附註42(ii))	211	320
Amount paid on the Additional Tier 1 capital instruments (Note 42(ii))	已付予額外一級資本工具的款項(附註42(ii))	278	–
		489	320

## 20. EARNINGS PER SHARE 每股盈利

(a) Basic earnings per share

The calculation of basic earnings per share is based on the consolidated profit for the year and profit from continuing operations attributable to owners of the parent of HK\$3,228 million and HK\$3,010 million (2015: HK\$4,991 million and HK\$4,774 million) respectively after the distribution of HK\$489 million (2015: HK\$320 million) to Hybrid/Additional Tier 1 issue holders and deduction of HK\$6 million (2015: HK\$211 million) premium paid to partial bought back/redemption of Hybrid Tier 1 capital instruments, and on the weighted average of 2,678 million (2015: 2,561 million) ordinary shares outstanding during the year, calculated as follows:

Weighted average number of ordinary shares

(a) 每股基本盈利

每股基本盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣4.89億元(2015年: 港幣3.20億元)及已扣除所支付用作回購／贖回部份混合一級資本工具的溢價港幣600萬元(2015年: 港幣2.11億元)後之年度內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利, 分別為港幣32.28億元及港幣30.10億元(2015年: 港幣49.91億元及港幣47.74億元)及年度內已發行普通股份的加權平均數26.78億股(2015年: 25.61億股)計算。

普通股份的加權平均數

		2016	2015
		Number of shares 股份數目 Mn 百萬	Number of shares 股份數目 Mn 百萬
Issued ordinary shares at 1st January	於1月1日的已發行普通股	2,641	2,347
Effect of subscription of new shares	認購新股的影響	–	171
Effect of share options exercised and shares issued in lieu of dividends	已行使認股權及以股代息發行新股的影響	37	43
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,678	2,561



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (b) Diluted earnings per share

The calculation of diluted earnings per share is based on the consolidated profit for the year and profit from continuing operations attributable to owners of the parent of HK\$3,228 million and HK\$3,010 million (2015: HK\$4,991 million and HK\$4,774 million) respectively after the distribution of HK\$489 million (2015: HK\$320 million) to Hybrid/Additional Tier 1 issue holders and deduction of HK\$6 million (2015: HK\$211 million) premium paid to partial bought back/redemption of Hybrid Tier 1 capital instruments, and on 2,678 million (2015: 2,561 million) ordinary shares, being the weighted average number of ordinary shares outstanding during the year, adjusted for the effects of all dilutive potential shares.

Weighted average number of ordinary shares (diluted)

#### (b) 每股攤薄盈利

每股攤薄盈利乃按照已扣減派發予混合／額外一級資本工具持有人港幣4.89億元(2015年：港幣3.20億元)及已扣除所支付用作回購／贖回部份混合一級資本工具的溢價港幣600萬元(2015年：港幣2.11億元)後之年度內綜合溢利及來自持續經營業務之可歸屬於本集團股東溢利，分別為港幣32.28億元及港幣30.10億元(2015年：港幣49.91億元及港幣47.74億元)及就年度內所有具備潛在攤薄影響的普通股作出調整得出的普通股份的加權平均數26.78億股(2015年：25.61億股)計算。

普通股份的加權平均數(攤薄)

		2016	2015
		Number of shares	Number of shares
		股份數目	股份數目
		Mn 百萬	Mn 百萬
Weighted average number of ordinary shares at 31st December	於12月31日普通股份的加權平均數	2,678	2,561
Effect of deemed issue of ordinary shares under the Bank's share option schemes for nil consideration	假設按認股權計劃發行但不計價款的普通股份之影響	-	-
Weighted average number of ordinary shares (diluted) at 31st December	於12月31日普通股份的加權平均數(攤薄)	2,678	2,561

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 21. DIRECTORS' REMUNERATION 董事酬金

Directors' remuneration disclosed pursuant to section 383(1) of the Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation is as follows:

根據《公司條例》第383(1)條及《公司(披露董事利益資料)規則》第2部之規定披露董事酬金如下：

	Directors' fees	Salaries, allowances and benefits in kind 薪金、津貼及實物收益	Discretionary bonuses 酌情花紅	Share options 認股權	Retirement scheme contributions 退休計劃供款	2016 Total 總額
	袍金 HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
<b>Chairman and Chief Executive</b> 主席兼行政總裁						
Dr. the Hon. Sir David LI Kwok-po 李國寶爵士	0.6	10.7	5.5	11.3	1.0	29.1
<b>Executive Directors and Deputy Chief Executives</b> 執行董事兼副行政總裁						
Mr. Adrian David LI Man-kiu 李民橋先生	0.3	3.9	1.2	3.7	0.3	9.4
Mr. Brian David LI Man-bun 李民斌先生	0.3	3.9	1.2	3.7	0.3	9.4
<b>Non-executive Directors</b> 非執行董事						
Prof. Arthur LI Kwok-cheung 李國章教授	0.4	-	-	-	-	0.4
Mr. Aubrey LI Kwok-sing 李國星先生	0.5	-	-	-	-	0.5
Mr. Eric LI Fook-chuen 李福全先生	0.1	-	-	-	-	0.1
Mr. Stephen Charles LI Kwok-sze 李國仕先生	0.3	-	-	-	-	0.3
Dr. Isidro FAINÉ CASAS 范禮賢博士	0.4	-	-	-	-	0.4
Dr. Peter LEE Ka-kit 李家傑博士	0.3	-	-	-	-	0.3
Mr. Masayuki OKU 奧正之先生	0.3	-	-	-	-	0.3
<b>Independent Non-executive Directors</b> 獨立非執行董事						
Dr. Allan WONG Chi-yun 黃子欣博士	0.7	-	-	-	-	0.7
Mr. WONG Chung-hin 黃頌顯先生	0.1	-	-	-	-	0.1
Mr. Winston LO Yau-lai 羅友禮先生	0.7	-	-	-	-	0.7
Tan Sri Dr. KHOO Kay-peng 丹斯里邱繼炳博士	0.1	-	-	-	-	0.1
Mr. Richard LI Tzar-kai 李澤楷先生	0.3	-	-	-	-	0.3
Mr. Kenneth LO Chin-ming 駱錦明先生	0.5	-	-	-	-	0.5
Mr. William DOO Wai-hoi 杜惠愷先生	0.4	-	-	-	-	0.4
Mr. KUOK Khoon-ean 郭孔演先生	0.4	-	-	-	-	0.4
Mr. Valiant CHEUNG Kin-piu 張建標先生	0.6	-	-	-	-	0.6
Dr. Daryl NG Win-kong 黃永光博士	0.5	-	-	-	-	0.5
Dr. the Hon. Rita FAN HSU Lai-tai 范徐麗泰博士	0.3	-	-	-	-	0.3
Mr. Meocre LI Kwok-wing 李國榮先生	0.2	-	-	-	-	0.2
	<b>8.3</b>	<b>18.5</b>	<b>7.9</b>	<b>18.7</b>	<b>1.6</b>	<b>55.0</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Share options	Retirement scheme contributions	2015 Total
		袍金	薪金、津貼及實物收益	酌情花紅	認股權	退休計劃供款	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Chairman and Chief Executive</b>		<b>主席兼行政總裁</b>					
Dr. the Hon. Sir David Li Kwok-po	李國寶爵士	0.8	10.6	8.1	7.5	1.0	28.0
<b>Executive Directors and Deputy Chief Executives</b>		<b>執行董事兼副行政總裁</b>					
Mr. Adrian David Li Man-kiu	李民橋先生	0.3	3.8	1.8	2.4	0.4	8.7
Mr. Brian David Li Man-bun	李民斌先生	0.3	3.8	1.8	2.4	0.4	8.7
<b>Non-executive Directors</b>		<b>非執行董事</b>					
Prof. Arthur Li Kwok-cheung	李國章教授	0.4	–	–	–	–	0.4
Mr. Aubrey Li Kwok-sing	李國星先生	0.5	–	–	–	–	0.5
Mr. Eric Li Fook-chuen	李福全先生	0.5	–	–	–	–	0.5
Mr. Stephen Charles Li Kwok-sze	李國仕先生	0.3	–	–	–	–	0.3
Dr. Isidro FAINÉ CASAS	范禮賢博士	0.4	–	–	–	–	0.4
Dr. Peter LEE Ka-kit	李家傑博士	0.3	–	–	–	–	0.3
Mr. Masayuki OKU	奧正之先生	0.1	–	–	–	–	0.1
<b>Independent Non-executive Directors</b>		<b>獨立非執行董事</b>					
Dr. Allan WONG Chi-yun	黃子欣博士	0.6	–	–	–	–	0.6
Mr. WONG Chung-hin	黃頌顯先生	0.4	–	–	–	–	0.4
Mr. Winston LO Yau-lai	羅友禮先生	0.7	–	–	–	–	0.7
Tan Sri Dr. KHOO Kay-peng	丹斯里邱繼炳博士	0.4	–	–	–	–	0.4
Mr. Richard Li Tzar-kai	李澤楷先生	0.3	–	–	–	–	0.3
Mr. Kenneth LO Chin-ming	駱錦明先生	0.5	–	–	–	–	0.5
Mr. William DOO Wai-hoi	杜惠愷先生	0.4	–	–	–	–	0.4
Mr. KUOK Khooon-ean	郭孔演先生	0.4	–	–	–	–	0.4
Mr. Valiant CHEUNG Kin-piu	張建標先生	0.8	–	–	–	–	0.8
Dr. Daryl NG Win-kong	黃永光博士	0.2	–	–	–	–	0.2
		8.6	18.2	11.7	12.3	1.8	52.6

Included in the above remuneration were share options granted to Executive Director under the Bank's Staff Share Option Schemes. The details of these benefits in kind are disclosed under the paragraph "Information on Share Options" in the Report of the Directors and Note 39.

上述酬金包括執行董事根據本行的僱員認股計劃獲授予認股權。有關此等實物收益的詳情載於董事會報告書的「認股權資料」及賬項附註39內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 22. FIVE TOP-PAID EMPLOYEES 5名薪酬最高的僱員

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Salaries and other emoluments	薪金及其他酬金	28	29
Performance-related bonuses	表現獎勵花紅	10	15
Share options	認股權	26	17
Pension contributions	退休金供款	3	2
		67	63

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

5名薪酬最高的僱員的金額範圍如下：

	2016	2015
	Number of Employees 僱員人數	Number of Employees 僱員人數
HK\$ 港幣元		
8,500,001 – 9,000,000	–	3
9,000,001 – 9,500,000	4	1
28,000,001 – 28,500,000	–	1
29,000,001 – 29,500,000	1	–

Included in the emoluments of the five top-paid employees were the emoluments of 3 (2015: 3) Directors and 2 (2015: 2) senior management members. Their director's emoluments have been included in Note 21 above.

5名薪酬最高的僱員中包括3位(2015年：3位)董事及2位(2015年：2位)高層管理人員。他們的董事酬金已包括於上述附註21內。

#### 23. SEGMENT REPORTING 分部報告

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

本集團按分處管理其業務，而分處則由業務及地區混合組成。分部資料的列報與內部匯報予本集團的高層管理人員作為資源分配及表現評核的方式是一致的。本集團列報以下九個可匯報分部。營運分部並未包括在以下的可匯報分部內。

##### (a) Business segments

The Group has identified the following nine reportable segments.

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

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

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

##### (a) 營業分部

本集團已辨識以下九個可匯報分部。

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

企業銀行包括在香港之企業借貸及銀團貸款、資產融資、商業貸款及證券業務貸款。

財資市場包括在香港之財資運作及證券買賣。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

財富管理包括提供予在香港之私人銀行業務及相關資產。

Financial institutions, which includes trade financing activities with correspondent banks in Hong Kong.

金融機構包括在香港之全球同業間的銀行代理行及金融貿易業務。

Other Hong Kong banking operations, which mainly include insurance business, trust business, securities & futures broking, money lender activities and corporate financial advisory in Hong Kong.

其他香港銀行業務主要包括在香港之保險業務、信託業務、證券及期貨經紀、放債人業務及企業財務諮詢。

China operations mainly include the back office unit for China operations in Hong Kong, all branches, subsidiaries and associates operated in China, except those subsidiaries carrying out corporate services, data processing and other back office operations in China.

中國業務主要包括在香港支援中國業務的後勤單位、所有在中國經營的分行、附屬公司及聯營公司，但不包括在中國經營企業服務和資料處理及其他後勤支援之附屬公司。

Overseas operations include the back office unit for overseas banking operations in Hong Kong, all branches, subsidiaries and associates operated in overseas, except those subsidiaries carrying out corporate services in overseas.

國際業務包括在香港支援國際銀行業務的後勤單位、所有在海外經營的分行、附屬公司及聯營公司，但不包括在海外經營企業服務之附屬公司。

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

企業服務包括公司秘書服務、股票登記及商業服務、以及離岸企業及信託服務。

Other businesses include property-related business, supporting units of Hong Kong operations, investment properties, bank premises, the net results of other subsidiaries in Hong Kong except for those subsidiaries which are included in other Hong Kong banking operations.

其他業務包括與地產有關的業務、香港業務之後勤單位、投資物業、行址及在香港之其他附屬公司的業績(除已包括在其他香港銀行業務內的附屬公司)。

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

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

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

分部資產包括所有有形資產、無形資產及金融資產(聯營公司之權益除外)、遞延稅項資產及其他企業資產。分部負債包括存款、金融負債及可歸屬於個別分部的其他負債。

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

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

In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment lending), interest expense, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

## (a) Business segments (continued)

## (a) 營業分部(續)

		2016													
		Hong Kong banking operations 香港銀行業務						China operations		Overseas operations	Corporate services (Note) 企業服務 (附註)	Total reportable segments 可匯報 分部總額	Inter- segment elimination 分部間之 交易抵銷		Total
		Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations	Corporate services (Note) 企業服務 (附註)	Total reportable segments 可匯報 分部總額	Others	Inter- segment elimination 分部間之 交易抵銷	Total	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	
CONTINUING OPERATIONS	持續經營業務														
Net interest income/(expense)	淨利息收入/(支出)	2,864	2,120	(229)	348	19	268	4,109	1,292	-	10,791	308	(1)	11,098	
Non-interest income	非利息收入	849	328	76	443	15	625	830	159	-	3,325	781	(354)	3,752	
Operating income	經營收入	3,713	2,448	(153)	791	34	893	4,939	1,451	-	14,116	1,089	(355)	14,850	
Operating expenses	經營支出	(1,873)	(197)	(134)	(196)	(12)	(521)	(3,402)	(469)	-	(6,804)	(1,893)	355	(8,342)	
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,840	2,251	(287)	595	22	372	1,537	982	-	7,312	(804)	-	6,508	
(Charge for)/Write back of impairment losses on loans and receivables	貸款及應收賬項的減值損失(支銷)/回撥	(230)	(306)	1	(2)	-	(27)	(2,815)	(83)	-	(3,462)	-	-	(3,462)	
Impairment losses on available-for-sale financial assets	可供出售金融資產之減值損失	-	-	-	-	-	(1)	-	-	-	(1)	-	-	(1)	
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,610	1,945	(286)	593	22	344	(1,278)	899	-	3,849	(804)	-	3,045	
Profit/(Loss) on sale of fixed assets, held-to-maturity investments, available-for-sale financial assets and repurchase of debt issued	出售固定資產、持至到期投資、可供出售金融資產及回購已發行債券之溢利/(虧損)	(13)	16	68	-	-	1	889	(6)	-	955	-	-	955	
Profit/(Loss) on sale of disposal groups and assets held for sale	出售出售組別及持有作出售資產之溢利/(虧損)	-	-	-	-	-	-	(7)	-	-	(7)	106	-	99	
Valuation gains on investment properties	重估投資物業溢利	-	-	-	-	-	-	-	1	-	1	61	-	62	
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	(1)	141	291	-	431	-	-	431	
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,597	1,961	(218)	593	22	344	(255)	1,185	-	5,229	(637)	-	4,592	
Depreciation for the year	年度內折舊	(59)	(1)	(6)	(2)	-	(17)	(213)	(20)	-	(318)	(150)	-	(468)	
Segment assets	分部資產	73,887	150,132	149,947	23,627	8,207	18,523	298,864	89,389	-	812,576	17,255	(72,642)	757,189	
Investments in associates	聯營公司投資	-	-	-	-	-	49	1,166	4,796	-	6,011	-	-	6,011	
Other assets	其他資產	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Assets held for sale	- 持有作出售資產	-	-	-	-	-	-	251	39	2,205	2,495	11	-	2,506	
Total assets	資產總額	73,887	150,132	149,947	23,627	8,207	18,572	300,281	94,224	2,205	821,082	17,266	(72,642)	765,706	
Segment liabilities	分部負債	291,835	922	62,725	21,308	6	14,756	252,746	78,074	-	722,372	2,066	(45,794)	678,644	
Other liabilities	其他負債	-	-	-	-	-	-	-	-	-	-	-	-	-	
- Liabilities held for sale	- 持有作出售負債	-	-	-	-	-	-	41	-	385	426	-	-	426	
Total liabilities	負債總額	291,835	922	62,725	21,308	6	14,756	252,787	78,074	385	722,798	2,066	(45,794)	679,070	
Capital expenditure incurred during the year	年度內資本開支	100	1	30	4	-	22	77	43	30	307	141	-	448	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2015 Restated 重報												
		Hong Kong banking operations 香港銀行業務												
		Personal banking	Corporate banking	Treasury markets	Wealth management	Financial institutions	Others	China operations	Overseas operations	Corporate Services (Note) 企業服務 (附註)	Total reportable segments 可匯報 分部總額	Others 其他	Inter- segment elimination 分部間之 交易抵銷	Total
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
CONTINUING OPERATIONS	持續經營業務													
Net interest income/(expense)	淨利息收入/(支出)	2,694	2,451	(22)	337	52	312	4,775	1,172	-	11,771	158	-	11,929
Non-interest income/(expense)	非利息收入/(支出)	819	526	(413)	457	17	737	1,254	160	-	3,557	743	(362)	3,938
Operating income	經營收入	3,513	2,977	(435)	794	69	1,049	6,029	1,332	-	15,328	901	(362)	15,867
Operating expenses	經營支出	(1,823)	(216)	(140)	(197)	(13)	(636)	(3,924)	(465)	-	(7,414)	(1,850)	360	(8,904)
Operating profit/(loss) before impairment losses	未扣除減值損失之經營溢利/(虧損)	1,690	2,761	(575)	597	56	413	2,105	867	-	7,914	(949)	(2)	6,963
(Charge for)/Write back of impairment losses on loans and receivables	貸款及應收賬項的減值損失(支銷)/回撥	(128)	(110)	-	(9)	-	(56)	(1,704)	(29)	-	(2,036)	5	-	(2,031)
Impairment losses on available-for-sale financial assets	可供出售金融資產之減值損失	-	-	(15)	-	-	(2)	-	-	-	(17)	-	-	(17)
Operating profit/(loss) after impairment losses	已扣除減值損失後之經營溢利/(虧損)	1,562	2,651	(590)	588	56	355	401	838	-	5,861	(944)	(2)	4,915
Profit/(Loss) on sale of fixed assets, loans and receivable, held-to-maturity investments and available-for-sale financial assets	出售固定資產、貸款及應收賬項、持至到期投資及可供出售金融資產之溢利/(虧損)	(2)	1	93	-	-	9	151	-	-	252	116	-	368
Valuation gains on investment properties	重估投資物業溢利	-	-	-	-	-	-	-	49	-	49	497	-	546
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	-	-	-	-	(3)	182	377	-	556	-	-	556
Profit/(Loss) before taxation	除稅前溢利/(虧損)	1,560	2,652	(497)	588	56	361	734	1,264	-	6,718	(331)	(2)	6,385
Depreciation for the year	年度內折舊	(61)	(1)	(2)	(3)	-	(25)	(232)	(18)	-	(342)	(153)	-	(495)
Segment assets	分部資產	68,719	142,731	165,533	25,627	7,022	17,585	320,993	88,061	2,269	838,540	17,912	(81,806)	774,646
Investments in associates	聯營公司投資	-	-	-	-	-	50	1,102	4,591	20	5,763	-	-	5,763
Other assets – Assets held for sale	其他資產 – 持有作出售資產	-	-	-	-	-	646	287	22	-	955	-	-	955
Total assets	資產總額	68,719	142,731	165,533	25,627	7,022	18,281	322,382	92,674	2,289	845,258	17,912	(81,806)	781,364
Segment liabilities	分部負債	279,214	1,124	80,117	21,436	6	13,827	275,702	77,011	405	748,842	2,148	(55,492)	695,498
Other liabilities – Liabilities held for sale	其他負債 – 持有作出售負債	-	-	-	-	-	131	94	-	-	225	-	-	225
Total liabilities	負債總額	279,214	1,124	80,117	21,436	6	13,958	275,796	77,011	405	749,067	2,148	(55,492)	695,723
Capital expenditure incurred during the year	年度內資本開支	48	-	2	-	-	16	154	14	131	365	104	-	469

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

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

## (a) Business segments (continued)

Note: On 5th October, 2016, the Bank, NWS Holdings Limited and East Asia Secretaries (BVI) Limited ("East Asia Secretaries") entered into a share purchase agreement with Trivium Investment Limited ("Trivium"), a company which is wholly owned and controlled by Permira funds, for the sale of all the issued shares of Tricor Holdings Limited ("Tricor") held by East Asia Secretaries to Trivium (the "Disposal"). The Bank expects the completion of the Disposal to occur during the first quarter of 2017. In accordance with HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group is required to report Tricor Group's operating results for the year of 2016 separately as discontinued operations in the consolidated income statement with comparative information re-presented. Tricor Group's assets and liabilities as at 31st December, 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements. Restatement of assets and liabilities as at 31st December, 2015 is not required.

## (b) Geographical segments

The information concerning geographical analysis has been classified by the location of the principal operations of the entities and branches of the Bank responsible for reporting the results or booking the assets, or by the location where the subsidiaries or business units with special risks associated with operations.

## (a) 營業分部(續)

附註：2016年10月5日，東亞銀行有限公司、新創建集團有限公司及East Asia Secretaries (BVI) Limited(「East Asia Secretaries」)與Trivium Investment Limited(「Trivium」)簽訂了一份購買股份協議，Trivium是由Permira funds全資擁有及控制之公司，出售由East Asia Secretaries持有的Tricor Holdings Limited(「卓佳」)的全部已發行股份(「出售交易」)。本行預計該出售交易將會於2017年首季完成。根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團須於綜合收益表中將卓佳集團2016年的經營業績呈列為已終止經營業務，而可比較資料亦相應重新列示。卓佳集團於2016年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。2015年12月31日的資產及負債毋須重列。

## (b) 地區分部

按地區分部之資料是根據負責報告業績或將資產入賬之實體或本行之分行的主要業務所在地點，或按與附屬公司或業務單位之營運有特殊風險關連的所在地點予以劃分。

		2016					
		Hong Kong	People's Republic of China	Other Asian Countries	Others	Inter-segment elimination	Total
		香港	中華人民共和國	亞洲國家	其他	分部間之交易抵銷	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Operating income	經營收入						
(from continuing operations)	(來自持續經營業務)	8,542	5,163	482	1,018	(355)	14,850
Profit/(loss) before taxation	除稅前溢利/(虧損)						
(from continuing operations)	(來自持續經營業務)	3,438	(95)	501	748	-	4,592
Total assets	資產總額	462,398	285,512	35,992	55,357	(73,553)	765,706
Total liabilities	負債總額	393,799	252,806	29,377	49,117	(46,029)	679,070
Contingent liabilities and commitments	或然負債及承擔	82,323	123,166	3,718	9,046	-	218,253
Capital expenditure during the year	年度內資本開支	300	93	13	42	-	448



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2015 Restated 重報					
		Hong Kong	People's Republic of China 中華 人民共和國	Other Asian Countries 其他 亞洲國家	Others 其他	Inter- segment elimination 分部間之 交易抵銷	Total 總額
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Operating income (from continuing operations)	經營收入 (來自持續經營業務)	8,562	6,288	548	831	(362)	15,867
Profit before taxation (from continuing operations)	除稅前溢利 (來自持續經營業務)	4,305	754	628	700	(2)	6,385
Total assets	資產總額	465,519	308,726	40,885	48,776	(82,542)	781,364
Total liabilities	負債總額	398,241	275,804	34,678	42,820	(55,820)	695,723
Contingent liabilities and commitments	或然負債及承擔	70,449	159,151	4,450	8,430	-	242,480
Capital expenditure during the year	年度內資本開支	182	164	117	6	-	469

#### 24. CASH AND BALANCES WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 47(b)) 現金及在銀行和其他金融機構的結存(附註47(b))

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Cash in hand	現金	<b>1,306</b>	1,379
Balances with central banks	在中央銀行的結存	<b>56,543</b>	60,265
Balances with banks and other financial institutions	在銀行和其他金融機構的 結存	<b>7,871</b>	7,478
		<b>65,720</b>	69,122

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 25. PLACEMENTS WITH BANKS AND OTHER FINANCIAL INSTITUTIONS (Note 47(b))

## 在銀行及其他金融機構的存款(附註47(b))

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Placements with banks and authorised institutions	在銀行及認可金融機構的存款	44,052	80,828
Placements with central banks	在中央銀行的存款	-	-
		44,052	80,828
Maturing	到期期限		
- within one month	- 1個月內	36,511	62,384
- between one month and one year	- 1個月至1年內	7,541	18,444
		44,052	80,828

## 26. TRADE BILLS 貿易票據

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross trade bills	貿易票據總額	11,940	19,533
Less: Individual impairment allowance	減：個別減值準備	(1)	(1)
		11,939	19,532

Movement of individual impairment allowance

個別減值準備的變動

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	1	4
Amounts written off	撇銷額	-	(3)
At 31st December	於12月31日	1	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
財務報表附註(續)

## 27. TRADING ASSETS 交易用途資產

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(b))	國庫債券(包括外匯基金票據) (附註47(b))	1,034	1,178
Certificates of deposits held (Note 47(b))	持有的存款證(附註47(b))	431	1,192
Debt securities (Note 47(b))	債務證券(附註47(b))	1,663	1,620
Equity securities	股份證券	1,276	1,345
		<b>4,404</b>	5,335
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	1,046	1,189
Public sector entities	公營機構	6	8
Banks and other financial institutions	銀行及其他金融機構	1,320	2,768
Corporate entities	企業實體	2,003	1,370
Other entities	其他實體	29	-
		<b>4,404</b>	5,335
Analysed by place of listing:	按上市地區分析:		
Debt securities	債務證券		
Listed in Hong Kong	在香港上市	12	11
Listed outside Hong Kong	在香港以外地區上市	756	25
		<b>768</b>	36
Unlisted	非上市	2,360	3,954
		<b>3,128</b>	3,990
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	1,100	1,124
Listed outside Hong Kong	在香港以外地區上市	176	221
		<b>1,276</b>	1,345
		<b>4,404</b>	5,335

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 28. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

指定為通過損益以反映公平價值的金融資產

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Certificates of deposit held (Note 47(b))	持有的存款證(附註47(b))	–	476
Debt securities (Note 47(b))	債務證券(附註47(b))	3,330	3,410
Equity securities	股份證券	155	326
Investment funds	投資基金	69	124
		<b>3,554</b>	4,336
Issued by:	發行機構：		
Central governments and central banks	中央政府和中央銀行	169	90
Banks and other financial institutions	銀行及其他金融機構	1,260	2,012
Corporate entities	企業實體	2,056	2,110
Other entities	其他實體	69	124
		<b>3,554</b>	4,336
Analysed by place of listing:	按上市地區分析：		
Debt securities	債務證券		
Listed in Hong Kong	在香港上市	898	797
Listed outside Hong Kong	在香港以外地區上市	1,036	1,589
		<b>1,934</b>	2,386
Unlisted	非上市	1,396	1,500
		<b>3,330</b>	3,886
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	48	116
Listed outside Hong Kong	在香港以外地區上市	107	210
		<b>155</b>	326
Investment funds	投資基金		
Listed in Hong Kong	在香港上市	2	20
Listed outside Hong Kong	在香港以外地區上市	7	15
		<b>9</b>	35
Unlisted	非上市	60	89
		<b>69</b>	124
		<b>3,554</b>	4,336

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 29. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS 客戶墊款及其他賬項

##### (a) Advances to customers and other accounts

##### (a) 客戶墊款及其他賬項

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i) Advances to customers	(i) 客戶墊款	<b>454,242</b>	441,506
Less: Impairment allowances	減：減值準備		
– Individual	– 個別	<b>(1,715)</b>	(1,021)
– Collective	– 整體	<b>(2,082)</b>	(1,360)
		<b>450,445</b>	439,125
(ii) Other accounts	(ii) 其他賬項		
Advances to banks and other financial institutions	銀行及其他金融機構墊款	–	31
Less: Impairment allowances	減：減值準備		
– Individual	– 個別	–	(1)
		–	30
Notes and bonds (Note 47(b))	債券(附註47(b))	–	1
Accrued interest	應計利息	<b>2,247</b>	2,635
Customer liabilities under acceptances	承兌客戶負債	<b>25,084</b>	20,602
Other accounts	其他賬項	<b>9,324</b>	9,778
		<b>36,655</b>	33,016
Less: Impairment allowances	減：減值準備		
– Individual	– 個別	<b>(85)</b>	(19)
– Collective	– 整體	<b>(1)</b>	(19)
		<b>36,569</b>	32,978
(iii) Assets held for sale (Note 56)	(iii) 持有作出售資產(附註56)	<b>2,506</b>	955
		<b>489,520</b>	473,088

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

## (b) Impairment allowances against advances and other accounts

## (b) 墊款及其他賬項之減值準備

		2016							
		Advances to customers		Advances to banks		Other accounts		Total	
		客戶墊款		銀行墊款		其他賬項		總額	
		Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective
		個別	整體	個別	整體	個別	整體	個別	整體
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January	於1月1日	1,021	1,360	1	-	19	19	1,041	1,379
New provisions charged to income statement	收益表內支銷的新準備	2,834	1,026	-	-	103	-	2,937	1,026
Net provisions released back to income statement	撥回收益表的準備淨額	(331)	-	(1)	-	(9)	(13)	(341)	(13)
Amounts written off	撇銷額	(1,588)	(202)	-	-	(3)	-	(1,591)	(202)
Recoveries	收回額	66	-	-	-	1	-	67	-
Effect of discounting (Note 5)	計算折扣的影響(附註5)	(144)	-	-	-	-	-	(144)	-
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	(1)	-	-	(25)	(6)	(25)	(7)
Exchange adjustments	匯兌調整	(143)	(101)	-	-	(1)	1	(144)	(100)
At 31st December	於12月31日	1,715	2,082	-	-	85	1	1,800	2,083

		2015							
		Advances to customers		Advances to banks		Other accounts		Total	
		客戶墊款		銀行墊款		其他賬項		總額	
		Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective
		個別	整體	個別	整體	個別	整體	個別	整體
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January	於1月1日	419	935	1	-	13	18	433	953
New provisions charged to income statement	收益表內支銷的新準備	1,548	692	-	-	23	2	1,571	694
Net provisions released back to income statement	撥回收益表的準備淨額	(109)	-	-	-	(4)	-	(113)	-
Amounts written off	撇銷額	(801)	(219)	-	-	(6)	-	(807)	(219)
Recoveries	收回額	120	-	-	-	-	-	120	-
Effect of discounting (Note 5)	計算折扣的影響(附註5)	(110)	-	-	-	-	-	(110)	-
Transfer	轉賬	7	-	-	-	(7)	-	-	-
Exchange adjustments	匯兌調整	(53)	(48)	-	-	-	(1)	(53)	(49)
At 31st December	於12月31日	1,021	1,360	1	-	19	19	1,041	1,379

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

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

#### (c) 客戶墊款 – 按行業分類

按行業分類的客戶墊款總額及有抵押墊款的百分比是按照金管局所採用的類別和定義。

		2016		2015	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
Loans for use in Hong Kong	在香港使用的貸款				
Industrial, commercial and financial	工商金融				
– Property development	– 物業發展	21,934	78.46	13,009	67.44
– Property investment	– 物業投資	38,224	92.41	41,890	87.44
– Financial concerns	– 金融企業	10,296	64.91	10,011	70.44
– Stockbrokers	– 股票經紀	2,988	93.10	2,894	85.34
– Wholesale and retail trade	– 批發與零售業	14,821	72.21	18,250	67.56
– Manufacturing	– 製造業	2,925	58.21	4,494	55.72
– Transport and transport equipment	– 運輸與運輸設備	5,633	69.60	5,758	80.15
– Recreational activities	– 娛樂活動	171	73.50	155	56.66
– Information technology	– 資訊科技	2,596	0.51	1,251	27.87
– Others	– 其他	18,720	79.83	21,370	76.27
– Sub-total	– 小計	118,308	78.95	119,082	76.51
Individuals	個人				
– Loans for the purchase of flats in the Home Ownership Scheme, Private Sector Participation Scheme and Tenants Purchase Scheme	– 購買「居者有其屋計劃」、「私人參建居屋計劃」及「租者置其屋計劃」樓宇的貸款	988	100.00	1,050	100.00
– Loans for the purchase of other residential properties	– 購買其他住宅物業的貸款	40,750	100.00	40,805	100.00
– Credit card advances	– 信用卡墊款	4,540	0.00	4,552	0.00
– Others	– 其他	27,301	86.84	21,191	83.99
– Sub-total	– 小計	73,579	88.95	67,598	88.25
Total loans for use in Hong Kong	在香港使用的貸款總額	191,887	82.78	186,680	80.76
Trade finance	貿易融資	5,390	74.86	5,998	66.66
Loans for use outside Hong Kong*	在香港以外使用的貸款*	256,965	59.76	248,828	66.25
Total advances to customers	客戶墊款總額	454,242	69.67	441,506	72.39

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

\* 在香港以外使用的貸款包括以下在中國內地使用的貸款。

		2016		2015	
		Gross advances	% of secured advances	Gross advances	% of secured advances
		墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率	墊款總額 HK\$ Mn 港幣百萬元	有抵押墊款 的百分比 % 百分率
Property development	物業發展	42,140	54.91	42,468	60.86
Property investment	物業投資	28,940	94.63	33,439	95.63
Wholesale and retail trade	批發與零售業	14,639	67.90	22,931	75.90
Manufacturing	製造業	7,504	44.43	8,687	46.67
Loans for the purchase of other residential properties	購買其他住宅物業的貸款	15,982	99.98	18,393	99.99
Others	其他	63,222	29.69	58,854	39.44
		172,427	57.15	184,772	65.42

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

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

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

## (c) 客戶墊款 – 按行業分類(續)

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

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(i) Property development	(i) 物業發展		
a. Individually impaired loans	a. 已個別減值的貸款	67	39
b. Individual impairment allowance	b. 個別減值準備	8	5
c. Collective impairment allowance	c. 整體減值準備	382	222
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	49	174
– collective impairment loss	– 整體減值損失	249	136
e. Written off	e. 撇銷	8	–
(ii) Property investment	(ii) 物業投資		
a. Individually impaired loans	a. 已個別減值的貸款	932	598
b. Individual impairment allowance	b. 個別減值準備	77	24
c. Collective impairment allowance	c. 整體減值準備	401	269
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	214	63
– collective impairment loss	– 整體減值損失	213	130
e. Written off	e. 撇銷	146	33
(iii) Loans for purchase of residential properties	(iii) 購買其他住宅物業的貸款		
a. Individually impaired loans	a. 已個別減值的貸款	355	356
b. Individual impairment allowance	b. 個別減值準備	6	23
c. Collective impairment allowance	c. 整體減值準備	209	141
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	111	80
– collective impairment loss	– 整體減值損失	91	57
e. Written off	e. 撇銷	44	50
(iv) Wholesale and retail trade	(iv) 批發與零售業		
a. Individually impaired loans	a. 已個別減值的貸款	2,317	1,455
b. Individual impairment allowance	b. 個別減值準備	808	502
c. Collective impairment allowance	c. 整體減值準備	184	146
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	1,680	727
– collective impairment loss	– 整體減值損失	108	74
e. Written off	e. 撇銷	928	189
(v) Hotels	(v) 酒店		
a. Individually impaired loans	a. 已個別減值的貸款	981	912
b. Individual impairment allowance	b. 個別減值準備	330	56
c. Collective impairment allowance	c. 整體減值準備	72	63
d. Provision charged to income statement	d. 於收益表支銷的準備		
– individual impairment loss	– 個別減值損失	433	62
– collective impairment loss	– 整體減值損失	40	29
e. Written off	e. 撇銷	379	62



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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

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

#### (d) 客戶墊款 – 按區域分類

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

		2016				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶墊款總額	逾期3個月以上的客戶墊款	減值客戶墊款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	194,181	721	2,164	260	416
People's Republic of China	中華人民共和國	202,984	3,389	4,312	1,428	1,495
Other Asian Countries	其他亞洲國家	19,712	76	238	26	59
Others	其他	37,365	3	53	1	112
<b>Total</b>	<b>總額</b>	<b>454,242</b>	<b>4,189</b>	<b>6,767</b>	<b>1,715</b>	<b>2,082</b>
% of total advances to customers	佔客戶墊款總額的百分比			<b>1.49%</b>		
Market value of security held against impaired advances to customers	減值客戶墊款抵押品市值			<b>9,830</b>		

		2015				
		Total advances to customers	Advances overdue for over three months	Impaired advances to customers	Individual impairment allowance	Collective impairment allowance
		客戶墊款總額	逾期3個月以上的客戶墊款	減值客戶墊款	個別減值準備	整體減值準備
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Hong Kong	香港	181,968	243	643	152	263
People's Republic of China	中華人民共和國	212,621	3,809	4,037	818	978
Other Asian Countries	其他亞洲國家	19,376	22	155	35	51
Others	其他	27,541	5	138	16	68
<b>Total</b>	<b>總額</b>	<b>441,506</b>	<b>4,079</b>	<b>4,973</b>	<b>1,021</b>	<b>1,360</b>
% of total advances to customers	佔客戶墊款總額的百分比			<b>1.13%</b>		
Market value of security held against impaired advances to customers	減值客戶墊款抵押品市值			<b>8,239</b>		

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 29. ADVANCES TO CUSTOMERS AND OTHER ACCOUNTS (CONTINUED) 客戶墊款及其他賬項(續)

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

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

## (e) Advances to customers – net investment in finance leases

Advances to customers include net investment in equipment leased under finance leases. The total minimum lease payments receivable under finance leases and their present values at the year end are as follows:

## (d) 客戶墊款 – 按區域分類(續)

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

## (e) 客戶墊款 – 融資租賃的淨投資額

客戶墊款包括以融資租賃形式租出的設備。根據融資租賃應收的最低租賃付款總額，及其現值如下：

		2016			2015		
		Present value of the minimum lease payments	Interest relating to future periods	Total minimum lease payments	Present value of the minimum lease payments	Interest relating to future periods	Total minimum lease payments
		最低租賃付款現值	相關未來利息收入	最低租賃付款總額	最低租賃付款現值	相關未來利息收入	最低租賃付款總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Amounts receivable:	應收賬款：						
Within one year	1年以內	666	100	766	1,172	161	1,333
After one year but within five years	1年以後至5年內	1,080	255	1,335	1,660	320	1,980
After five years	5年以後	2,460	420	2,880	2,921	499	3,420
		4,206	775	4,981	5,753	980	6,733
Less: Individual impairment allowance	減：個別減值準備	(17)			(30)		
Net investment in finance leases	融資租賃的淨投資額	4,189			5,723		

The net investment in finance leases is carried on the statement of financial position as advances to customers and other accounts. No accrual is made for the interest income relating to future periods.

融資租賃的淨投資額被視作客戶墊款及其他賬項在財務狀況表中列賬，未來期間的利息收入並無計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 30. AVAILABLE-FOR-SALE FINANCIAL ASSETS 可供出售金融資產

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills) (Note 47(b))	國庫債券(包括外匯基金票據) (附註47(b))	18,795	17,920
Certificates of deposit held (Note 47(b))	持有的存款證(附註47(b))	1,205	2,228
Debt securities (Note 47(b))	債務證券(附註47(b))	86,964	70,136
Equity securities	股份證券	3,064	2,832
Investment funds	投資基金	463	479
		<b>110,491</b>	93,595
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	21,443	19,013
Public sector entities	公營機構	499	553
Banks and other financial institutions	銀行及其他金融機構	34,534	32,582
Corporate entities	企業實體	53,518	40,927
Other entities	其他實體	497	520
		<b>110,491</b>	93,595
Analysed by place of listing:	按上市地區分析:		
Debt securities	債務證券		
Listed in Hong Kong	在香港上市	19,786	18,236
Listed outside Hong Kong	在香港以外地區上市	37,569	21,344
		<b>57,355</b>	39,580
Unlisted	非上市	49,609	50,704
		<b>106,964</b>	90,284
Equity securities	股份證券		
Listed in Hong Kong	在香港上市	831	800
Listed outside Hong Kong	在香港以外地區上市	1,782	1,501
		<b>2,613</b>	2,301
Unlisted	非上市	451	531
		<b>3,064</b>	2,832
Investment funds	投資基金		
Listed in Hong Kong	在香港上市	94	92
Listed outside Hong Kong	在香港以外地區上市	73	63
		<b>167</b>	155
Unlisted	非上市	296	324
		<b>463</b>	479
		<b>110,491</b>	93,595

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 31. HELD-TO-MATURITY INVESTMENTS (Note 47(b)) 持至到期投資(附註47(b))

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Treasury bills (including Exchange Fund Bills)	國庫債券(包括外匯基金票據)	2,252	1,143
Certificates of deposit held	持有的存款證	818	1,478
Debt securities	債務證券	2,593	3,578
		5,663	6,199
Issued by:	發行機構:		
Central governments and central banks	中央政府和中央銀行	2,993	1,850
Public sector entities	公營機構	9	22
Banks and other financial institutions	銀行及其他金融機構	172	1,156
Corporate entities	企業實體	2,489	3,171
		5,663	6,199
Analysed by place of listing:	按上市地區分析:		
Debt securities	債務證券		
Listed in Hong Kong	在香港上市	2,047	2,673
Listed outside Hong Kong	在香港以外地區上市	1,861	1,588
		3,908	4,261
Unlisted	非上市	1,755	1,938
		5,663	6,199
Fair value:	公平價值:		
Listed securities	上市證券	3,967	4,309
Unlisted securities	非上市證券	1,757	1,940
		5,724	6,249

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

### 32. INVESTMENTS IN SUBSIDIARIES 附屬公司投資

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary.

以下摘要只包括對本集團的業績、資產或負債有重大影響的附屬公司。此等股份屬普通股股份。

Details of these companies are as follows:

此等公司的詳情如下：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Ample Delight Limited 承悅有限公司	Hong Kong 香港	HK\$港幣450,000,000元		100%	Investment holding 投資控股
Bank of East Asia (Trustees) Limited 東亞銀行(信託)有限公司	Hong Kong 香港	HK\$港幣150,000,000元	100%		Trustee 信託服務
* BEA Blue Sky Real Estate Fund L.P.	Cayman Islands 開曼群島	NIL		50.5%	Acting as a limited partner to BEA/AGRE China Real Estate Fund, L.P. 出任BEA/AGRE China Real Estate Fund, L.P.有限責任合夥人
BEA Consortium GS Investors L.P.	BVI 英屬處女群島	NIL		100%	Acting as a limited partner of a limited partnership 有限責任合夥人
BEA Life Limited 東亞人壽保險有限公司	Hong Kong 香港	HK\$港幣500,000,000元	100%		Life insurance 人壽保險
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Hong Kong 香港	HK\$港幣374,580,000元	51%		Asset management 資產管理
Blue Care JV (BVI) Holdings Limited	BVI 英屬處女群島	HK\$港幣20,000,000元		80%	Investment holding 投資控股
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Hong Kong 香港	HK\$港幣625,000,000元	100%		Insurance 保險
Caribbean Corporate Services Ltd.	Barbados 巴巴多斯	BDS\$2,000巴巴多斯元		60.49%	Corporate secretarial and accounting services 法人團體秘書及會計服務
Central Town Limited 滙中興業有限公司	Hong Kong 香港	HK\$港幣2元	100%		Property investment 物業投資

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 32. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Century Able Limited 階潤有限公司	Hong Kong 香港	HK\$港幣929,752,849元		100%	Investment holding 投資控股
Chongqing Dongrong Business Consultancy Company Limited 重慶市東榮商務諮詢有限公司	PRC 中華人民共和國	HK\$港幣6,300,000元		100%	Business consultancy services 商業諮詢服務
Chongqing Liangjiang New Area Credit Gain Finance Company Limited 重慶兩江新區領達小額貸款 有限公司	PRC 中華人民共和國	US\$50,000,000美元	100%		Micro-finance loan 小額貸款
Citiview Capital Limited	BVI 英屬處女群島	US\$1美元	100%		Acting as the general partner and limited partner of a limited partnership 普通合夥人及有限 責任合夥人
Corona Light Limited	BVI 英屬處女群島	HK\$港幣929,752,849元		100%	Investment holding 投資控股
Credit Gain Finance Company Limited 領達財務有限公司	Hong Kong 香港	HK\$港幣390,000,000元	100%		Money lenders 放債人
Crystal Gleaming Limited	BVI 英屬處女群島	HK\$港幣929,752,849元	100%		Investment holding 投資控股
East Asia Electronic Data Processing (Guangzhou) Limited (Note 1) 東亞電子資料處理(廣州) 有限公司(附註1)	PRC 中華人民共和國	US\$3,000,000美元		100%	Servicing 服務
East Asia Facility Management Limited 東亞設施管理有限公司	Hong Kong 香港	HK\$港幣10,000元		100%	Facility management 設施管理
* East Asia Holding Company, Inc.	U.S.A. 美國	US\$5美元	100%		Bank holding company 銀行控股公司
East Asia Indonesian Holdings Limited	Seychelles 塞舌爾	US\$100,000美元		100%	Investment holding 投資控股

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
East Asia International Trustees Limited	BVI 英屬處女群島	US\$1,301,000美元		100%	Trustee services 信託服務
East Asia Property Agency Company Limited 東亞物業代理有限公司	Hong Kong 香港	HK\$港幣1,000,000元	100%		Property agency 物業代理
East Asia Property Holdings (Jersey) Limited	BVI 英屬處女群島	GBP 9英鎊	100%		Property holding 物業持有
East Asia Secretaries (BVI) Limited	BVI 英屬處女群島	HK\$港幣300,000,000元		75.61%	Investment holding 投資控股
East Asia Securities Company Limited 東亞證券有限公司	Hong Kong 香港	HK\$港幣25,000,000元	100%		Securities broking 證券買賣
East Asia Strategic Holdings Limited	BVI 英屬處女群島	US\$50,000,000美元	100%		Investment holding 投資控股
Innovate Holdings Limited	BVI 英屬處女群島	US\$1美元 (Ordinary 普通股) US\$318,345,000美元 (with a liquidation preference of US\$1,000 per share 附有每股1,000美元之清盤優先權)	100%		Special purpose vehicle company specially set up for BEA's Hybrid Tier 1 issue 為東亞銀行混合一級資本而成立之特定目的投資工具公司
Powerhouse Worldwide Limited	BVI 英屬處女群島	US\$29,490,000美元		100%	Investment holding 投資控股
Shaanxi Fuping BEA Rural Bank Corporation (Note 1) 陝西富平東亞村鎮銀行 有限責任公司(附註1)	PRC 中華人民共和國	CNY人民幣20,000,000元	100%		Banking and other financial businesses 銀行及有關的金融服務
Shenzhen Credit Gain Finance Company Limited (Note 1) 深圳市領達小額貸款有限公司 (附註1)	PRC 中華人民共和國	CNY人民幣300,000,000元	100%		Micro-finance loan 小額貸款
Skyray Holdings Limited	BVI 英屬處女群島	HK\$港幣450,000,000元	100%		Investment holding 投資控股

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 32. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Speedfull Limited	BVI 英屬處女群島	HK\$港幣450,000,000元		100%	Investment holding 投資控股
The Bank of East Asia (China) Limited (Note 1) 東亞銀行(中國)有限公司 (附註1)	PRC 中華人民共和國	CNY人民幣12,160,000,000元	100%		Banking and related financial services 銀行及有關的 金融服務
Tricor (B) Sdn Bhd	Brunei Darussalam 汶萊	BND汶萊幣2元		75.61%	Corporate business and investor services 商務企業及 投資者服務
Tricor Consultancy (Beijing) Limited (Note 1) 東亞卓佳諮詢(北京)有限公司 (附註1)	PRC 中華人民共和國	US\$1,850,000美元		75.61%	Business consultancy in China 國內商業諮詢
Tricor Europe (Holdings) Limited	Hong Kong 香港	HK\$港幣1元		75.61%	Investment holding 投資控股
Tricor Executive Resources Limited	Hong Kong 香港	HK\$港幣100元		75.61%	Executive search and human resource solutions 徵聘行政人員及 人事資源解決方案
Tricor Greater China Limited	Hong Kong 香港	HK\$港幣1元		75.61%	Investment holding and provision of administrative and marketing support services to fellow subsidiaries 投資控股及提供行政 及推廣支援予 同系附屬公司
Tricor Holdings Limited	BVI 英屬處女群島	US\$7,001美元		75.61%	Investment holding 投資控股
Tricor Holdings Pte. Ltd.	Singapore 新加坡	S\$新加坡幣5,000,002元		75.61%	Investment holding 投資控股
Tricor Investor Services Limited 卓佳證券登記有限公司	Hong Kong 香港	HK\$港幣10,000,000元		75.61%	Investor services 投資者服務



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	Issued and paid-up capital 已發行及繳足股本	% Held by		Nature of business 業務性質
			The Bank 銀行 所佔權益	The Group 集團 所佔權益	
Tricor Japan Holdings GK	Japan 日本	JPY1,000,000日圓		66.88%	Nominee company 受託代管公司
Tricor Outsourcing (Thailand) Ltd.	Thailand 泰國	THB泰銖10,000,000元		57.46%	Business outsourcing 業務外包
Tricor Services (BVI) Limited	BVI 英屬處女群島	US\$250,000美元		75.61%	Registered agent and trustee services 註冊代理及信託服務
Tricor Services (Macau) Limited 卓佳專業商務(澳門)有限公司	Macau 澳門	MOP25,000澳門元		75.61%	Business services 商業服務
Tricor Services (Malaysia) Sdn. Bhd.	Malaysia 馬來西亞	RM馬幣5,672,484元		71.83%	Investment holding 投資控股
Tricor Services Limited 卓佳專業商務有限公司	Hong Kong 香港	HK\$港幣10,000,000元		75.61%	Business, corporate and investor services 商業、企業及投資者服務
Tricor Tengis Limited	Hong Kong 香港	HK\$港幣20元		75.61%	Business, corporate and investor services 商業、企業及投資者服務

\* Companies audited by auditors other than KPMG are with net assets and total income constituting approximately 0.9% and 0.0% respectively of the related consolidated totals.

\* 非由畢馬威會計師事務所審核的已審核附屬公司財務報表之資產淨額及收入總額分別佔相關綜合總額的0.9%及0.0%。

**Notes:**

1. Represents a wholly foreign owned enterprise registered under the PRC laws.
2. The above subsidiaries have no non-controlling interests material to the Group except for Innovate Holdings Limited.

**附註：**

1. 指一根據中華人民共和國法例註冊之全資擁有外資企業。
2. 除Innovate Holdings Limited外，以上附屬公司之非控制性權益對本集團並不重大。

The following table lists out the information relating to Innovate Holdings Limited, the only subsidiary of the group which has a material non-controlling interest ("NCI"). The summarised financial information presented below represents the amounts before any inter-company elimination.

下表列載本集團內唯一有重大非控制性權益之附屬公司，Innovate Holdings Limited。以下之財務摘要是指並未沖銷任何集團之間交易的金額。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 32. INVESTMENTS IN SUBSIDIARIES (CONTINUED) 附屬公司投資(續)

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Non-current assets	非流動資產	2,469	2,514
Net assets	淨資產	2,469	2,514
Carrying amount of NCI	非控制性權益之賬面值	2,469	2,514
Revenue	收入	-	-
Profit for the year	年度溢利	-	-
Total comprehensive income	全面收益總額	-	-
Profit allocated to NCI	分配予非控制性權益之溢利	-	-
Dividend paid or payable to NCI	已付或應付予非控制性權益之股息	211	320

Details on the accounting treatment of the above NCI are set out in Notes 19(c) and 43.

以上非控制性權益的會計處理方法之詳情已在附註19(c)及43內列載。

## 33. INVESTMENTS IN ASSOCIATES 聯營公司投資

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Share of net assets	應佔淨資產	5,636	5,391
Goodwill	商譽	375	372
		6,011	5,763
Less: Impairment allowances	減：減值準備	-	-
		6,011	5,763

Loans to associates amounting to HK\$233 million (2015: HK\$233 million) are included under placements with banks and other financial institutions.

聯營公司貸款共港幣2.33億元(2015年：港幣2.33億元)已包括在在銀行及其他金融機構的存款。

The following list contains only the particulars of principal associates. None are considered individually material to the Group:

以下列載只包括對本集團個別地沒有重大影響的主要聯營公司：

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
<b>Listed 上市</b>				
AFFIN Holdings Berhad	Malaysia 馬來西亞	23.52%		Investment holding 投資控股
<b>Unlisted 非上市</b>				
Brilliance – BEA Auto Finance Co., Ltd.	PRC 中華人民共和國		22.5%	Auto finance and other related financial businesses 汽車貸款及其他有關金融業務
Dolford Property Holdings Limited	BVI 英屬處女群島		30%	Investment holding 投資控股

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Name of company 公司名稱	Place of incorporation and operation 註冊及營業地點	% of ordinary shares 普通股 held by		Nature of business 業務性質
		The Bank 銀行所佔權益	The Group 集團所佔權益	
Founder BEA Trust Company Limited 方正東亞信託有限公司	PRC 中華人民共和國	19.99%		Trust and other financial businesses 信託及其他金融資產
Industrial and Commercial Bank of China (Canada) 中國工商銀行(加拿大)有限公司	Canada 加拿大	20%		Banking services 銀行服務
Industrial and Commercial Bank of China (USA) N.A. 中國工商銀行(美國)	U.S.A. 美國		20%	Banking services 銀行服務
Platinum Holdings Company Limited 開曼群島	Cayman Islands 開曼群島	29.99%		Investment holding 投資控股
PT. Bank Resona Perdania	Indonesia 印尼		30%	Banking and related financial services 銀行及有關金融服務

		2016	2015
		HK\$ Mn 港幣百萬元	Restated重報 HK\$ Mn 港幣百萬元
Aggregate information of associates that are not individually material	個別不重大聯營公司之總和資料		
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	個別不重大聯營公司在綜合財務報表 之總和賬面值	6,011	5,763
Aggregate amounts of the Group's share of those associates'	本集團佔該等聯營公司之總和金額		
Profit from continuing operations	源自持續營運溢利	431	556
Post-tax profit or loss from discontinued operations	源自已停止營運之除稅後溢利或虧損	-	-
Other comprehensive income	其他全面收益	(79)	(902)
Total comprehensive income	全面收益總額	352	(346)
Reconciliation of carrying amounts to the Group's total interest in the associates	賬面值與本集團於聯營公司的 權益對賬		
Carrying amount of material associates	重大聯營公司之賬面值	-	-
Carrying amount of individually immaterial associates	個別不重大聯營公司之賬面值	6,011	5,763
Interest in associates in the consolidated financial statements	在綜合財務報表中聯營公司權益	6,011	5,763

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 34. GOODWILL AND INTANGIBLE ASSETS 商譽及無形資產

Goodwill and intangible assets include goodwill arising on business combinations and acquired intangible assets. Acquired intangible assets are amortised over their estimated economic useful life.

商譽及無形資產包括因業務合併產生的商譽及購入無形資產。購入無形資產按其估計經濟使用期攤銷。

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Goodwill	商譽	1,474	2,685
Acquired intangible assets	購入無形資產	1,165	1,198
		<b>2,639</b>	<b>3,883</b>

## (a) Goodwill

## (a) 商譽

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	2,685	2,722
Additions through acquisition of subsidiaries	經收購附屬公司的增置	-	1
Audit adjustment	審計調整	(6)	-
Exercise option	行使期權	(7)	-
Reversal due to disposal	因出售轉回	(33)	-
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產 (附註56)	(1,149)	-
Exchange adjustments	匯兌調整	(16)	(38)
At 31st December	於12月31日	<b>1,474</b>	<b>2,685</b>

Note: HK\$1,149 million (2015: Nil) was transferred to assets held for sale (see Note 56).

附註：轉至持有作出售資產的金額為港幣11.49億元(2015年：無)(見附註56)。

Impairment tests for cash-generating units containing goodwill

包含商譽的現金生產單位之減值測試

Goodwill is allocated to the Group's cash-generating units (CGU) identified according to business segments as follows:

本集團按業務分部分配商譽予可辨識的現金生產單位如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Personal banking	個人銀行	849	849
Corporate banking	企業銀行	453	453
Treasury markets	財資市場	158	158
Corporate services	企業服務	-	1,177
Others	其他	14	48
		<b>1,474</b>	<b>2,685</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The recoverable amount of the CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated rates stated below. The growth rate does not exceed the long-term average growth rate for the business in which the CGU operates.

The pre-tax discount rate used for value-in-use calculations is 7.6% (2015 restated: 6.7% – 11.50%) and the long-term growth rate is 1.9% – 5.8% (2015: 2.2% – 6%).

Management determined the budgeted net profit based on past performance and its expectation for market development. The weighted average growth rates used are consistent with the internal forecasts.

#### (b) Intangible assets (other than goodwill)

Intangible assets consist of building naming rights only. Intangible assets are stated at cost less accumulated amortisation and impairment loss (Note 2(k)(iv)).

Amortisation of intangible assets with finite useful lives is charged to the income statement over the assets' estimated useful lives. The following intangible assets with finite useful lives are amortised from the date they are available to use and their estimated useful lives are as follows:

Naming rights: Over the shorter of the lease period of building or land

Both the period and method of amortisation are reviewed annually.

現金生產單位的可收回金額則根據使用價值計算。計算方法按照管理層已核准的5年財務預算的現金流作估計。超過5年期間的現金流按下述的估計利率作推斷。增長率不可超過該現金生產單位所經營業務的長期平均增長率。

用於計算使用價值的除稅前折扣率為7.6% (2015年重報：6.7%–11.50%)及長期增長率為1.9%–5.8%(2015年：2.2%–6%)。

管理層根據過往表現及預計市場發展以釐定預算淨溢利。所採用的加權平均增長率與內部預測是一致的。

#### (b) 無形資產(商譽除外)

無形資產只包括建築物命名權。無形資產按成本減除累計攤銷及減值損失列賬(附註2(k)(iv))。

有限定可用期的無形資產按其估計可用期於收益表內攤銷。以下有限定可用期的無形資產由可供使用日起按以下的估計可用期攤銷：

命名權按建築物或土地兩者較短的租賃期

每年須檢討其期限及攤銷方法。

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cost	成本		
At 1st January	於1月1日	1,403	1,419
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	(14)
Exchange adjustments	匯兌調整	(1)	(2)
At 31st December	於12月31日	1,402	1,403
Accumulated amortisation	累計攤銷		
At 1st January	於1月1日	(205)	(186)
Amortisation charge for the year (Note 13)	年度內攤銷(附註13)	(32)	(32)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	12
Exchange adjustments	匯兌調整	-	1
At 31st December	於12月31日	(237)	(205)
Carrying amount at 31st December	於12月31日賬面值	1,165	1,198

Note: There was no transfer to assets held for sale in 2016 (2015: HK\$2 million) (see Note 56).

附註：在2016年並無轉至持有作出售資產(2015年：港幣200萬元)(見附註56)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 35. FIXED ASSETS 固定資產

		Investment properties	Bank premises	2016 Furniture, fixtures and equipment	Sub-total	Total
		投資物業	行址	傢俬、裝修及設備	小計	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2016	於2016年1月1日	4,891	8,703	5,093	13,796	18,687
Additions	增置	-	7	441	448	448
Revaluation surplus	重估盈餘	63	-	-	-	63
Transfer from investment properties to bank premises	由投資物業轉入行址	(148)	148	-	148	-
Transfer from bank premises to investment properties	由行址轉入投資物業	210	(210)	-	(210)	-
Revaluation surplus on bank premises transferred to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	141	-	141	141
Less: Elimination of accumulated depreciation on revalued bank premises	減: 抵銷行址重估的累計折舊	-	(14)	-	(14)	(14)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	(22)	(77)	(278)	(355)	(377)
Reclassification	重新分類	-	17	(17)	-	-
Disposals	出售	(480)	(440)	(236)	(676)	(1,156)
Exchange adjustments	匯兌調整	(47)	(314)	(132)	(446)	(493)
At 31st December, 2016	於2016年12月31日	4,467	7,961	4,871	12,832	17,299
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2016	於2016年1月1日	-	1,613	3,777	5,390	5,390
Charge for the year	年度內支銷	-	164	336	500	500
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(14)	-	(14)	(14)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(7)	(151)	(158)	(158)
Reclassification	重新分類	-	15	(15)	-	-
Written off on disposal	出售時撇銷	-	(48)	(201)	(249)	(249)
Exchange adjustments	匯兌調整	-	(63)	(97)	(160)	(160)
At 31st December, 2016	於2016年12月31日	-	1,660	3,649	5,309	5,309
Net book value at 31st December, 2016	賬面淨值於2016年12月31日	4,467	6,301	1,222	7,523	11,990
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	7,182	4,871	12,053	12,053
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	779	-	779	779
At professional valuation	按專業估值					
- 2016	- 2016年	4,467	-	-	-	4,467
		4,467	7,961	4,871	12,832	17,299

Note: HK\$219 million was transferred to assets held for sale (see Note 56).

附註: 轉至持有作出售資產的金額為港幣2.19億元(見附註56)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		Investment properties	Bank premises	2015 Furniture, fixtures and equipment	Sub-total	Total
		投資物業 HK\$ Mn 港幣百萬元	行址 HK\$ Mn 港幣百萬元	傢俬、裝修及設備 HK\$ Mn 港幣百萬元	小計 HK\$ Mn 港幣百萬元	總額 HK\$ Mn 港幣百萬元
Cost or valuation	成本或估值					
At 1st January, 2015	於2015年1月1日	4,544	8,729	5,003	13,732	18,276
Additions	增置	22	67	379	446	468
Additions through acquisition	經收購的增置	-	-	1	1	1
Revaluation surplus	重估盈餘	549	-	-	-	549
Transfer from bank premises to investment properties	由行址轉入投資物業	24	(24)	-	(24)	-
Revaluation surplus on bank premises transferred to investment properties (Note 42(b))	行址重估盈餘轉入投資物業(附註42(b))	-	14	-	14	14
Less: Elimination of accumulated depreciation on revalued bank premises	減: 抵銷行址重估的累計折舊	-	(2)	-	(2)	(2)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	(70)	(70)	(70)
Transfer from investment properties to bank premises	由投資物業轉入行址	(222)	222	-	222	-
Redevelopment cost	重建成本	(2)	-	-	-	(2)
Disposals	出售	-	(43)	(118)	(161)	(161)
Exchange adjustments	匯兌調整	(24)	(260)	(102)	(362)	(386)
At 31st December, 2015	於2015年12月31日	4,891	8,703	5,093	13,796	18,687
Accumulated depreciation and amortisation	累計折舊及攤銷					
At 1st January, 2015	於2015年1月1日	-	1,491	3,668	5,159	5,159
Charge for the year	年度內支銷	-	175	348	523	523
Elimination of accumulated depreciation on revalued bank premises	抵銷行址重估的累計折舊	-	(2)	-	(2)	(2)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	(62)	(62)	(62)
Written off on disposal	出售時撇銷	-	(8)	(104)	(112)	(112)
Exchange adjustments	匯兌調整	-	(43)	(73)	(116)	(116)
At 31st December, 2015	於2015年12月31日	-	1,613	3,777	5,390	5,390
Net book value at 31st December, 2015	賬面淨值於2015年12月31日	4,891	7,090	1,316	8,406	13,297
The gross amounts of the above assets are stated:	上述資產的總額列示如下:					
At cost	按成本	-	7,891	5,093	12,984	12,984
At Directors' valuation	按董事估值					
- 1989	- 1989年	-	812	-	812	812
At professional valuation	按專業估值					
- 2015	- 2015年	4,891	-	-	-	4,891
		4,891	8,703	5,093	13,796	18,687

Note: HK\$8 million was transferred to assets held for sale (see Note 56).

附註: 轉至持有作出售資產的金額為港幣800萬元(見附註56)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 35. FIXED ASSETS (CONTINUED) 固定資產(續)

## Fair value measurement of properties

## (i) Fair value hierarchy

The following table presents the fair value of the Group's properties measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

**Level 1 valuations:** Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

**Level 2 valuations:** Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.

**Level 3 valuations:** Fair value measured using significant unobservable inputs.

## 物業公平價值之釐定

## (i) 公平價值分級

根據《香港財務報告準則》第十三號「釐定公平價值」三級公平價值分級之分類定義，下表列示本集團於報告期末按重覆發生基準以釐定物業之公平價值。分類予每一分級之公平價值釐定取決於以下所採用的估值模式的參數之可觀察性及重要性：

**第一級估值：**釐定公平價值只採用第一級參數，即於釐定日在活躍市場相同資產或負債的未經調整報價。

**第二級估值：**釐定公平價值採用第二級參數，即不符合第一級的可觀察參數，及未採用重要的非可觀察參數。非可觀察參數是指沒有市場資料之參數。

**第三級估值：**釐定公平價值採用重要的非可觀察參數。

		Fair value measurements as at 31st December, 2016 categorised into			
		於2016年12月31日釐定公平價值之分類			
Fair value at 31st December, 2016		Level 1	Level 2	Level 3	
於2016年12月31日之公平價值		第一級	第二級	第三級	
HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>				
Investment properties	投資物業				
Commercial – Hong Kong	商業 – 香港	4,454	–	–	4,454
Commercial – People's Republic of China	商業 – 中華人民共和國	–	–	–	–
Commercial – Others	商業 – 其他	13	–	–	13
		<b>4,467</b>	<b>–</b>	<b>–</b>	<b>4,467</b>

		Fair value measurements as at 31st December, 2015 categorised into			
		於2015年12月31日釐定公平價值之分類			
Fair value at 31st December, 2015		Level 1	Level 2	Level 3	
於2015年12月31日之公平價值		第一級	第二級	第三級	
HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>				
Investment properties	投資物業				
Commercial – Hong Kong	商業 – 香港	4,330	–	–	4,330
Commercial – People's Republic of China	商業 – 中華人民共和國	428	–	–	428
Commercial – Others	商業 – 其他	133	–	–	133
		<b>4,891</b>	<b>–</b>	<b>–</b>	<b>4,891</b>



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

During the year ended 31st December, 2016 and 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

All of the Group's investment properties were revalued by independent valuers as at 31st December, 2016 and 2015.

Investment properties in Hong Kong were valued at HK\$4,454 million (2015: HK\$4,330 million) as at 31st December, 2016 by an independent valuer, Savills Valuation and Professional Services Limited, Chartered Surveyors, who has among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued. The valuation has been incorporated in the financial statements as at 31st December, 2016 and it was performed on an open market value basis. Details of valuation techniques are described below:

(ii) Information about Level 3 fair value measurements

截至2016年及2015年12月31日止年度，沒有第一級和第二級兩者之間的轉移，亦未有第三級的轉入或轉出。本集團的政策是只確認於匯報期期末公平價值分級之間發生的轉移。

於2016年及2015年12月31日，所有本集團的投資物業均由獨立估值師估價。

於2016年12月31日，香港投資物業的估值為港幣44.54億元(2015年：港幣43.30億元)。該等物業由獨立估值師—特許測量師第一太平戴維斯，其僱員具香港測量師學會士資歷並對估值物業的所在地及類別有近期經驗。估值是以公開市場價值為基礎，並已計入2016年12月31日之賬項內。估值模式詳述如下：

(ii) 有關第三級釐定公平價值資料

	Valuation techniques 估值模式	Unobservable input 非可觀察輸入參數
Investment properties 投資物業	Income capitalisation approach 收入還原法	Market rental 市場租金
		Capitalisation rate 還原率
	Direct comparison approach 直接比較法	Premium (discount) on quality of the buildings 樓宇質素溢價(折扣)

#### *Investment properties not under construction*

The fair value of investment properties is determined by adoption of the Income Capitalisation Approach whereby the existing rental income of all lettable units of the property are capitalised for their respective unexpired terms of contractual tenancies whilst vacant units are assumed to be let at their respective market rents as at the valuation date. Upon expiry of the existing tenancies, each unit is assumed to be let at its market rent as at the valuation date, which in turn capitalised at the market yield as expected by investors for each type of property. Due consideration has been given to expectations of the renewals of Government lease upon its expiry. The summation of the capitalised value of the term income for the leased portion, the capitalised value of the reversion income as appropriately deferred for the leased portion and the capitalised value for the vacant portion provides the market value of the property.

The market rentals of all lettable units are made (a) by reference to the rentals fetched in the property and/or (b) by reference to the lettings of similar properties in the neighbourhood. The capitalisation rate adopted is made by reference to the yields achieved in analysed market sales transactions and the market expectation from property investors. This expected return reflects implicitly the quality of the investment, the expectation of the potential for future rental growth and capital appreciation, operating costs, risk factor and the like.

#### *非正在建築中的投資物業*

投資物業的公平價值是按採納收入還原法計算，其方法是將現時物業已出租單位之租金收入按其分別未到期租約條款還原，而空置單位則假設於估價日每一單位可按市值租金租出，再根據投資者預期每一類別物業之市場回報來還原。其中已顧及並預期政府之租約於期限屆滿後可續約。出租部分期間收入之還原值、已適當遞延出租部分之歸還收入的還原值及空置部分之還原值之總和計算出物業的市場價值。

所有已租出單位市場租金之計算是(a)參考由物業賺取的租金及/或(b)參考鄰近所租出之類同物業。採納之還原率是參考分析市場出售交易得出之回報及物業投資者對市場的預期。此預期回報已潛在地反映投資的質素、預期未來租金增長和資本增值的潛力、營運成本、風險因素及其他。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 35. FIXED ASSETS (CONTINUED) 固定資產(續)

## Fair value measurement of properties (continued)

As a supporting approach to the Income Capitalisation Approach, the Direct Comparison Approach is also adopted as a check for the valuation. Comparable sales transactions of similar properties in the locality are collected and analysed each in terms of a price per square footage. The collected comparables are then adjusted to take account of the discrepancies between the property and comparables in terms of time, location, age, building quality and the like.

The fair value measurement is positively correlated to the market rental and negatively correlated to the capitalisation rate.

The movements during the period in the balance of these Level 3 fair value measurements are as follows:

## 物業公平價值之釐定(續)

除收入還原法外，亦採納直接比較法以核實估值。在鄰近可比較類同物業之出售交易會被收集及分析，以計算每一平方呎的價值。已收集之比較資料根據物業及可比較資料的差異，並按時間、位置、樓齡、樓宇質素及其他作調整。

釐定公平價值與市場租金有正面相互關聯及與還原率有負面相互關聯。

期間該等第三級公平價值釐定之餘額變動如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Investment properties – Commercial – Hong Kong 投資物業 – 商業 – 香港			
At 1st January 於1月1日		4,330	4,033
Transfer from bank premises to investment properties 由行址轉入投資物業		210	24
Transfer from investment properties to bank premises 由投資物業轉入行址		(148)	(222)
Revaluation surplus 重估盈餘		62	497
Redevelopment cost 重建成本		–	(2)
At 31st December 於12月31日		4,454	4,330
Investment properties – Commercial – People's Republic of China 投資物業 – 商業 – 中華人民共和國			
At 1st January 於1月1日		428	448
Disposal 出售		(400)	–
Exchange adjustments 匯兌調整		(28)	(20)
At 31st December 於12月31日		–	428
Investment properties – Commercial – Others 投資物業 – 商業 – 其他			
At 1st January 於1月1日		133	63
Additions 增置		–	22
Revaluation surplus 重估盈餘		1	52
Transfer to asset classified as assets held for sale (Note 56) 轉至分類為持有作出售資產 (附註56)		(22)	–
Disposal 出售		(80)	–
Exchange adjustments 匯兌調整		(19)	(4)
At 31st December 於12月31日		13	133

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Fair value adjustment of investment properties is recognised in the line item “valuation gains on investment properties” on the face of the consolidated income statement.

投資物業的公平價值調整在綜合收益表上之「重估投資物業盈利」項下確認。

All the gains recognised in the income statement for the year arise from the properties held at the end of the reporting period.

所有確認於年度收益表之盈利均源自於報告期結束日持有之物業。

The net book value of bank premises and investment properties comprises:

行址及投資物業的賬面淨值包括：

	2016				2015			
	Investment properties		Bank premises		Investment properties		Bank premises	
	投資物業	行址	投資物業	行址	投資物業	行址	投資物業	行址
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Freeholds	永久業權							
Held outside Hong Kong	在香港以外地區		13	593	111	614		
Leaseholds	租借地							
Held in Hong Kong	在香港							
On long lease (over 50 years)	長期租約(50年以上)		4,020	1,372	3,958	1,381		
On medium-term lease (10–50 years)	中期租約(10至50年)		434	1,315	372	1,286		
Held outside Hong Kong	在香港以外地區							
On long lease (over 50 years)	長期租約(50年以上)		-	14	22	94		
On medium-term lease (10–50 years)	中期租約(10至50年)		-	2,964	428	3,660		
On short-term lease (below 10 years)	短期租約(10年以下)		-	43	-	55		
			<b>4,467</b>	<b>6,301</b>	4,891	7,090		

The Group leases out investment properties under operating leases. The leases typically run for an initial period from 1 to 10 years, with an option to renew the leases after that date at which time all terms are renegotiated. None of the leases includes contingent rentals.

集團以經營租賃形式租出投資物業。租賃年期通常由1年至10年，到期日後可再續約但其他條款須另議。所有租約並不包括或有租金。

Rental income receivable from investment properties held for use under operating leases amounted to HK\$205 million in 2016 (2015: HK\$221 million). There was no contingent rental recognised during the year 2016 (2015: Nil).

於年內，以經營租賃形式租出的投資物業之應收租金為港幣2.05億元(2015年：港幣2.21億元)。2016年年度內未有確認或有租金(2015年：無)。

The total future minimum lease payments of bank premises and investment properties held for use under non-cancellable operating leases are receivable as follows:

以不可撤銷經營租賃作出租的行址及投資物業的未來最低應收租賃付款總額如下：

	2016		2015	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Within one year	1年以內		128	224
After one year but within five years	1年以後至5年內		118	211
After five years	5年以後		-	1
			<b>246</b>	436

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 36. INCOME TAX IN THE STATEMENT OF FINANCIAL POSITION 財務狀況表內的所得稅

(a) Current taxation in the statement of financial position represents:

(a) 資產負債表內的本期稅項為：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Provision for Hong Kong profits tax for the year	本年度香港利得稅準備	720	772
Provisional profits tax paid	已付暫繳利得稅	(550)	(704)
		170	68
Balance of profits tax provision relating to prior years	以往年度利得稅準備餘額	751	662
Taxation outside Hong Kong	在香港以外稅項	684	595
		1,605	1,325

(b) Deferred tax assets and liabilities recognised

(b) 遞延稅項資產及負債確認

The components of deferred tax (assets)/liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

確認於綜合財務狀況表中遞延稅項(資產)/負債的組成部分及年內之變動如下：

		2016						
Deferred tax arising from:		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
遞延稅項源自：		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2016	於2016年1月1日	285	193	(270)	149	(18)	14	353
(Credited)/charged to income statement	收益表內(存入)/支銷	(64)	(80)	(549)	-	8	61	(624)
Credited to reserves (Notes 42(b) and (g))	存入儲備內(附註42(b)及(g))	-	(10)	-	(73)	-	-	(83)
Additions through acquisition	收購的增置	-	-	-	-	(6)	-	(6)
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	(3)	-	1	-	(1)	10	7
Exchange and other adjustments	匯兌及其他調整	-	(2)	34	(4)	1	1	30
At 31st December, 2016	於2016年12月31日	218	101	(784)	72	(16)	86	(323)

Note: HK\$10 million deferred tax assets and HK\$3 million deferred tax liabilities were transferred to assets held for sale and liabilities held for sale respectively (see Note 56).

附註：轉至持有作出售資產及持有作出售負債的遞延稅項資產及遞延稅項負債分別為港幣1,000萬元及港幣300萬元(見附註56)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

		2015						
		Depreciation allowances in excess of related depreciation	Revaluation of properties	Impairment losses on financial assets	Revaluation of available-for-sale securities	Tax losses	Others	Total
Deferred tax arising from:		超過有關折舊的折舊免稅額	物業重估	金融資產的減值損失	可供出售證券重估	稅損	其他	總額
遞延稅項源自:		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
At 1st January, 2015	於2015年1月1日	325	197	10	157	(9)	(90)	590
(Credited)/charged to income statement	收益表內(存入)/支銷	(40)	(18)	(284)	-	(2)	100	(244)
Charged/(credited) to reserves (Notes 42(b) and (g))	儲備內支銷/(存入)(附註42(b)及(g))	-	17	-	(6)	-	-	11
Transfer to asset classified as assets held for sale (Note 56)	轉至分類為持有作出售資產(附註56)	-	-	-	-	5	-	5
Transfer	轉賬	-	-	(1)	-	(11)	12	-
Exchange and other adjustments	匯兌及其他調整	-	(3)	5	(2)	(1)	(8)	(9)
At 31st December, 2015	於2015年12月31日	285	193	(270)	149	(18)	14	353

Note: HK\$5 million deferred tax assets was transferred to assets held for sale (see Note 56).

附註：轉至持有作出售資產的遞延稅項資產金額為港幣500萬元(見附註56)。

		2016	2015
		HK\$ Mn	港幣百萬元
Net deferred tax assets recognised on the statement of financial position	確認於財務狀況表的遞延稅項資產淨額	<b>(785)</b>	(181)
Net deferred tax liabilities recognised on the statement of financial position	確認於財務狀況表的遞延稅項負債淨額	<b>462</b>	534
		<b>(323)</b>	353

#### (c) Deferred tax assets not recognised

The Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$691 million (2015: HK\$974 million) as it is not probable that future taxable profits against which the losses can be utilized will be available in the relevant tax jurisdiction and entity. Under the current tax legislation, the expiry dates of the tax losses were as follows:

#### (c) 未確認遞延稅項資產

由於可能未來沒有適用於有關稅務機關及實體的應課稅溢利以彌補有關虧損，本集團並未確認累計稅損港幣6.91億元(2015年：港幣9.74億元)為遞延稅項資產。根據現時稅務條例，該等稅損的到期日如下：

		2016	2015
		HK\$ Mn	港幣百萬元
Expiring within 5 years	於五年內到期	<b>4</b>	72
Expiring more than 5 years	五年後到期	-	92
No expiry date	無到期日	<b>687</b>	810
		<b>691</b>	974

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 37. OTHER LIABILITIES 其他負債

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
(a)	Trading liabilities	(a)	交易用途負債		
	Exchange fund bills sold		外匯基金票據空倉	50	888
	Shares sold		股份空倉	-	1
				50	889
(b)	Other accounts and provisions	(b)	其他賬項及準備		
	Accrued interest payable		應計應付利息	3,812	4,269
	Acceptance draft payable		應付承兌票據	25,084	20,602
	Liabilities held for sale (Note 56)		持有作出售負債(附註56)	426	225
	Other accounts		其他賬項	20,766	20,231
				50,088	45,327

## 38. LOAN CAPITAL 借貸資本

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Subordinated notes, at amortised cost with fair value hedge adjustments		按攤銷成本及經公平價值對沖調整後列賬的後償票據			
USD600 million fixed rate subordinated notes due 16th July, 2020	(1)	在2020年7月16日到期的定息6億美元後償票據 (1)		4,820	4,887
USD500 million fixed rate subordinated notes due 4th May, 2022	(2)	在2022年5月4日到期的定息5億美元後償票據 (2)		3,881	3,895
SGD800 million fixed rate subordinated notes due 13th September, 2022	(3)	在2022年9月13日到期的定息8億新加坡元後償票據 (3)		4,284	4,330
USD500 million fixed rate subordinated notes due 20th November, 2024	(4)	在2024年11月20日到期的定息5億美元後償票據 (4)		3,874	3,884
USD500 million fixed rate subordinated notes due 3rd November, 2026	(5)	在2026年11月3日到期的定息5億美元後償票據 (5)		3,749	-
				20,608	16,996

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group has not had any defaults of principal, interest or other breaches with respect to its debt securities during the years ended 31st December, 2016 and 2015.

截至2016及2015年12月31日止年度內本集團對其所發行之債務證券的本金和利息並無違約或不履行。

- (1) Two tranches of loan capital of face value totalling HK\$4,653 million (USD600 million) and carrying amount totalling HK\$4,820 million (2015: HK\$4,887 million) were issued on 16th July, 2010 (USD450 million) and on 23rd July, 2010 (USD150 million) by the Bank. These subordinated notes carrying a coupon rate of 6.125% qualifying as Tier 2 capital are listed on the Singapore Stock Exchange and will mature on 16th July, 2020. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$5 million loss was recorded in 2016 (2015: HK\$5 million loss).
- (1) 兩宗票面值總額港幣46.53億元(6億美元)及賬面值總額港幣48.20億元(2015年:港幣48.87億元)的借貸資本,是指由本行於2010年7月16日(4.5億美元)及於2010年7月23日(1.5億美元)發行年息6.125%,並評定為二級資本的後償票據。該票據於新加坡交易所上市,並將於2020年7月16日到期。在2016年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣500萬元(2015年:港幣500萬元虧損)。
- (2) Loan capital of face value of HK\$3,877 million (USD500 million) and carrying amount of HK\$3,881 million (2015: HK\$3,895 million) represents 6.375% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 4th November, 2011 by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 4th May, 2022. USD400 million of the notes are under fair value hedge accounting and hedge ineffectiveness of HK\$2 million loss was recorded in 2016 (2015: HK\$0.1 million loss). The fair value as of 31st December, 2016 for the USD100 million subordinated notes at amortised cost was HK\$786 million (USD101.4 million) (2015: HK\$808 million (USD104.3 million)).
- (2) 票面值港幣38.77億元(5億美元),即賬面值港幣38.81億元(2015年:港幣38.95億元)的借貸資本,是指由本行於2011年11月4日發行年息6.375%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市,並將於2022年5月4日到期。就其中4億美元後償票據而言,在2016年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損為港幣200萬元(2015年:港幣10萬元虧損)。於2016年12月31日,其中按攤銷成本列賬之1億美元後償票據的公平價值為港幣7.86億元(1.014億美元)(2015年:港幣8.08億元(1.043億美元))。
- (3) Loan capital of face value of HK\$4,283 million (SGD800 million) and carrying amount of HK\$4,284 million (2015: HK\$4,330 million) represents two tranches of 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 13th March, 2012 (SGD600 million) and on 27th April, 2012 (SGD200 million) by the Bank. The notes are listed on the Singapore Stock Exchange and will mature on 13th September, 2022. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$4 million profit was recorded in 2016 (2015: HK\$0.9 million profit).
- (3) 票面值港幣42.83億元(8億新加坡元)及賬面值港幣42.84億元(2015年:港幣43.30億元)的借貸資本,是指由本行於2012年3月13日(6億新加坡元)及於2012年4月27日(2億新加坡元)發行兩宗年息4.25%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於新加坡交易所上市,並將於2022年9月13日到期。在2015年,因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣400萬元(2015年:港幣90萬元溢利)。
- (4) Loan capital of face value of HK\$3,877 million (USD500 million) and carrying amount of HK\$3,874 million (2015: HK\$3,884 million) represents 4.25% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 20th November, 2014 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 20th November, 2024. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$4 million loss was recorded in 2016 (2015: HK\$1 million profit).
- (4) 票面值港幣38.77億元(5億美元)及賬面值港幣38.74億元(2015年:港幣38.84億元)的借貸資本,是指由本行於2014年11月20日發行年息4.25%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於香港交易所上市,並將於2024年11月20日到期。在2016年,因採用公平價值對沖會計法而錄得的無效對沖部分虧損港幣400萬元(2015年:港幣100萬元溢利)。
- (5) Loan capital of face value of HK\$3,877 million (USD500 million) and carrying amount of HK\$3,749 million represents 4% subordinated notes (under the Euro Medium Term Note Programme) qualifying as Tier 2 capital issued on 3rd November, 2016 by the Bank. The notes are listed on the Hong Kong Stock Exchange and will mature on 3rd November, 2026. The notes are under fair value hedge accounting and hedge ineffectiveness of HK\$1 million profit was recorded in 2016.
- (5) 票面值港幣38.77億元(5億美元)及賬面值港幣37.49億元的借貸資本,是指由本行於2016年11月3日發行年息4%,並評定為二級資本的後償票據(按歐洲形式中期票據計劃發行)。該等票據於香港交易所上市,並將於2026年11月3日到期。在2016年,因採用公平價值對沖會計法而錄得的無效對沖部分溢利港幣100萬元。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 39. EQUITY SETTLED SHARE-BASED TRANSACTIONS 以股份為基礎作支付的交易

The Bank has adopted Staff Share Option Schemes whereby the Board may at its discretion grant to any employees, including ED and Chief Executive, of the Group options to subscribe for ordinary shares of the Bank. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under the 2011 Scheme may be exercised beginning on the Vesting Date and ending on the fifth anniversary of the Vesting Date. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行普通股股份。除有關計劃的規則另有規定外，根據2011年僱員認股計劃所授予的認股權的行使期限為歸屬日開始至歸屬日的第5周年止。所有認股權均以不計價款形式發出。

## (a) Particulars of share options:

(i) Share options granted under 2011 Scheme in years 2011 to 2015:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
05/5/2011	T1	05/5/2011–04/5/2012	05/5/2012–05/5/2017	32.00
05/5/2011	T2	05/5/2011–04/5/2013	05/5/2013–05/5/2018	32.00
05/5/2011	T3	05/5/2011–04/5/2014	05/5/2014–05/5/2019	32.00
10/5/2012	T1	10/5/2012–09/5/2013	10/5/2013–10/5/2018	28.99
10/5/2012	T2	10/5/2012–09/5/2014	10/5/2014–10/5/2019	28.99
10/5/2012	T3	10/5/2012–09/5/2015	10/5/2015–10/5/2020	28.99
03/5/2013	T1	03/5/2013–02/5/2014	03/5/2014–03/5/2019	31.40
03/5/2013	T2	03/5/2013–02/5/2015	03/5/2015–03/5/2020	31.40
03/5/2013	T3	03/5/2013–02/5/2016	03/5/2016–03/5/2021	31.40
02/5/2014	T1	02/5/2014–01/5/2015	02/5/2015–02/5/2020	32.50
02/5/2014	T2	02/5/2014–01/5/2016	02/5/2016–02/5/2021	32.50
02/5/2014	T3	02/5/2014–01/5/2017	02/5/2017–02/5/2022	32.50
04/5/2015	T1	04/5/2015–03/5/2016	04/5/2016–04/5/2021	34.15
04/5/2015	T2	04/5/2015–03/5/2017	04/5/2017–04/5/2022	34.15
04/5/2015	T3	04/5/2015–03/5/2018	04/5/2018–04/5/2023	34.15

(ii) Share options granted under 2011 Scheme in year 2016:

Date of grant 授予日期	Tranche 部分	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
08/4/2016	T1	08/4/2016–07/4/2017	08/4/2017–08/4/2022	28.45
08/4/2016	T2	08/4/2016–07/4/2018	08/4/2018–08/4/2023	28.45
08/4/2016	T3	08/4/2016–07/4/2019	08/4/2019–08/4/2024	28.45

## (a) 認股權詳情：

(i) 在2011年至2015年根據2011計劃所授予的認股權：

(ii) 在2016年根據2011計劃所授予的認股權：



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(b) The number and weighted average exercise prices of share options are as follows: (b) 已行使認股權的數目及加權平均行使價如下：

		2016		2015	
		Weighted average exercise price	Number of options	Weighted average exercise price	Number of options
		加權平均行使價	認股權數目	加權平均行使價	認股權數目
		HK\$ 港幣元	Mn 百萬	HK\$ 港幣元	Mn 百萬
Outstanding at the beginning of the year	年初結餘	32.10	26	30.98	25
Exercised during the year	年度內行使	31.40	–	29.03	(5)
Granted during the year	年度內授予	28.45	6	34.15	6
Lapsed during the year	年度內失效	–	–	–	–
Outstanding at the end of the year	年末結餘	31.40	32	32.10	26
Exercisable at the end of the year	年末可供行使	31.65	20	31.20	14

The weighted average share price at the date of exercise for share options exercised during the year was HK\$32.90 (2015: HK\$32.38).

年度內於行使認股權當日的加權平均股價為港幣32.90元(2015年：港幣32.38元)。

The options outstanding at 31st December, 2016 had an exercise price from HK\$28.45 to HK\$34.15 (2015: from HK\$28.99 to HK\$34.15) and a weighted average remaining contractual life of 4.03 years (2015: 4.49 years).

於2016年12月31日，尚未行使認股權的行使價由港幣28.45元至港幣34.15元(2015年：由港幣28.99元至港幣34.15元)，及剩餘合約年期之加權平均數為4.03年(2015年：4.49年)。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 39. EQUITY SETTLED SHARE-BASED TRANSACTIONS (CONTINUED)

## 以股份為基礎作支付的交易(續)

## (c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on a trinomial lattice model. The contractual life of the option is used as an input into this model.

		2016	2015
Fair value at measurement date	於計量日的公平價值		
– Tranche 1	– 部分1	HK\$港幣7.74元	HK\$港幣2.80元
– Tranche 2	– 部分2	HK\$港幣8.04元	HK\$港幣2.80元
– Tranche 3	– 部分3	HK\$港幣8.23元	HK\$港幣2.73元
Share price	股價	HK\$港幣28.00元	HK\$港幣34.15元
Exercise price	行使價	HK\$港幣28.45元	HK\$港幣34.15元
Expected volatility (expressed as weighted average volatility used in the modelling under trinomial lattice model)	預計波幅(以三項式期權定價模式內採用的加權平均波幅)	38.48%	14.25%
Option life	認股權年期		
– Tranche 1	– 部分1	6 years年	6 years年
– Tranche 2	– 部分2	7 years年	7 years年
– Tranche 3	– 部分3	8 years年	8 years年
Expected dividends	預計股息	4.54%-4.80%	5.06%-5.40%
Risk-free interest rate (based on Exchange Fund Notes)	無風險利率(根據外匯基金票據)	0.85%	1.14%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

## (c) 認股權的公平價值及假設

獲得服務以換取認股權的公平價值按授予認股權的公平價值計量。授予認股權之估計公平價值按三項式期權定價模式。認股權的合約年期為該定價模式的參數。

預計波幅是根據過往之波幅(以認股權的加權剩餘年期計算)，再調整因公眾知悉的資訊影響未來波幅的預計變動。預計股息按過往的股息。主觀輸入假設的變動可能重大影響公平價值的估計。

認股權的授予須符合服務條件。該服務條件並未納入計算於授予日獲得服務的公平價值。授予認股權與市場情況並無關係。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 40. SHARE CAPITAL 股本

		2016		2015	
		No. of shares		No. of shares	
		股份數目	股份數目	Mn 百萬	HK\$ Mn 港幣百萬元
Ordinary shares, issued and fully paid:	已發行及繳足普通股：				
At 1st January	於1月1日	2,641	33,815	2,347	25,217
Subscription of new shares	發行新股	-	-	223	6,576
Shares issued under Staff Share Option Schemes	根據僱員認股計劃發行的股份	-	11	5	150
Transfer of the fair value of options from capital reserve – share options issued (Note 42(f))	認股權的公平價值轉自資本儲備 – 已發行認股權 (附註42(f))	-	1	-	16
Shares issued in lieu of dividend	以股代息發行的股份	62	1,663	66	1,856
At 31st December	於12月31日	2,703	35,490	2,641	33,815

Pursuant to the approved Staff Share Option Schemes (the “Schemes”), options to purchase ordinary shares in the Bank were granted to eligible employees. Except as provided otherwise in the rules of the relevant Scheme(s), share options granted under 2011 Scheme will be exercisable on the Vesting Date and ending on the fifth anniversary of the Vesting Date.

#### Shares issued under Staff Share Option Schemes

During the year, options were exercised to subscribe for 0.4 million ordinary shares in the Bank at a consideration of HK\$11 million which was credited to share capital account. HK\$1 million has been transferred from the capital reserve to the share capital account in accordance with policy set out in Note 2(q)(iv).

根據已核准的僱員認股權計劃(「計劃」)，認股權授予合格僱員以認購本行的普通股股份。除在有關計劃的規則另有規定外，根據2011僱員認股計劃所授予的認股權的行使期限則由歸屬日開始至歸屬日的第5周年止。

#### 根據僱員認股權計劃發行的股份

年度內，已行使認股權以認購本行普通股40萬股之代價為港幣1,100萬元，並已存入股本。根據會計政策附註2(q)(iv)所載，已由資本儲備轉撥港幣100萬元往股本內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 41. ADDITIONAL EQUITY INSTRUMENTS 額外股本工具

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
USD650 million undated non-cumulative subordinated capital securities	6.50億美元無到期日非累積後償資本證券		5,016		5,016

On 2nd December, 2015, the Bank issued undated non-cumulative subordinated capital securities ("Additional Tier 1 Capital Securities") with a face value of US\$650 million (equivalent to HK\$5,016 million net of related issuance costs). The Additional Tier 1 Capital Securities are undated and bear a 5.50% coupon until the first call date on 2nd December 2020. The coupon will be reset every five years if the Additional Tier 1 Capital Securities are not redeemed to a fixed rate equivalent to the then-prevailing five-year US Treasury rate plus 3.834% per annum.

The first scheduled coupon payment date was 2nd June 2016 and the coupon shall be payable semi-annually. The Bank has the right to cancel coupon payment (subject to the requirement as set out in the terms and conditions of the Additional Tier 1 Capital Securities) and the coupon cancelled shall not be cumulative. However, the Bank is stopped from declaring dividend to its ordinary shareholders unless the next scheduled coupon payment is paid.

The principal of the Additional Tier 1 Capital Securities will be written off up to the amount as directed or agreed with the HKMA if the HKMA notifies the Bank that in the opinion of the HKMA, the Bank would become non-viable if there is no written off of the principal.

The Bank has a call option to redeem all the outstanding capital securities from 2nd December, 2020 or any subsequent coupon payment date, but subject to restriction as set out in the terms and conditions.

於2015年12月2日，本行發行面值6.50億美元(扣除有關發行成本後等值港幣50.16億元)無到期日非累積後償資本工具「額外一級資本工具」。該額外一級資本工具是無到期日及附帶5.50%息率，直至2020年12月2日的第一次收回日。如該額外一級資本工具並未按相等於當時五年期美國庫券息率加年息3.834%之固定利率贖回，息率將會按每五年重新釐定。

第一次預定利息支付日為2016年6月2日，而利息將按每半年支付。本行有權取消支付利息(但須受該額外一級資本工具已列載之條款及細則所規限)及已取消之利息是不可累積的。除非下次預定利息經已支付，本行是禁止宣布派發股息予普通股股東。

如金管局通知本行並認為本行如不撇銷本金將無法繼續經營，該額外一級資本工具之本金將會按與經金管局協商後或接受其指令下撇銷。

由2020年12月2日起或以後任何利息支付日，本行可行使購入權以贖回所有現存的資本工具，但須受已列載之條款及細則所規限。

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
財務報表附註(續)

## 42. RESERVES 儲備

		The Group 集團		The Bank 銀行	
		2016	2015	2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(a)	General reserve (a) 一般儲備				
	At 1st January 於1月1日	13,953	13,930	13,441	13,441
	Transferred from property revaluation reserve on disposals 出售後轉自物業重估儲備	62	-	3	-
	Transfer from retained profits 撥自留存溢利	20	23	-	-
	At 31st December 於12月31日	14,035	13,953	13,444	13,441
(b)	Revaluation reserve on bank premises (b) 行址重估儲備				
	At 1st January 於1月1日	1,639	1,642	1,591	1,581
	Recognition of deferred tax liabilities (Note 36(b)) 確認遞延稅項負債 (附註36(b))	10	(17)	10	(4)
	Transferred to general reserve on disposals 出售後轉入一般儲備	(62)	-	(3)	-
	Revaluation surplus on bank premises transferred to investment properties 行址重估盈餘轉入投資物業	141	14	141	14
	At 31st December 於12月31日	1,728	1,639	1,739	1,591
(c)	Statutory reserves (c) 法定儲備				
	At 1st January 於1月1日	4,710	4,285	-	-
	Transfer from retained profits 撥自留存溢利	489	425	-	-
	At 31st December 於12月31日	5,199	4,710	-	-
(d)	Capital reserve (d) 資本儲備				
	At 1st January 於1月1日	230	228	-	-
	Transfer from retained profits 撥自留存溢利	-	2	-	-
	At 31st December 於12月31日	230	230	-	-
(e)	Exchange revaluation reserve (e) 匯兌重估儲備				
	At 1st January 於1月1日	(162)	1,970	6	64
	Exchange adjustments 匯兌調整	(2,113)	(2,132)	(70)	(58)
	At 31st December 於12月31日	(2,275)	(162)	(64)	6
(f)	Capital reserve – staff share options issued (f) 資本儲備—已發行僱員認股權				
	At 1st January 於1月1日	90	84	90	84
	Transfer of the fair value of options to share capital (Note 40) 認股權公平價值撥入股本 (附註40)	(1)	(16)	(1)	(16)
	Additions 增加	35	22	35	22
	At 31st December 於12月31日	124	90	124	90

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 42. RESERVES (CONTINUED) 儲備(續)

		The Group 集團		The Bank 銀行	
		2016	2015	2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
(g)	Investment revaluation reserve	(g)	投資重估儲備		
	At 1st January	1,383	1,660	921	1,161
	Changes in fair value of securities	12	(17)	370	(68)
	Reversal upon disposal (Note 15)	(136)	(327)	(28)	(185)
	Recognition of deferred tax liabilities (Note 36(b))	73	6	1	27
	Impairment loss and amortisation	27	61	(4)	(1)
	Other movement	-	-	-	(13)
	At 31st December	1,359	1,383	1,260	921
(h)	Other reserves	(h)	其他儲備		
	At 1st January	(44)	15	-	-
	Purchase of interests in businesses from non-controlling interests investors	(9)	-	-	-
	Share of changes in equity of associates	147	(59)	-	-
	At 31st December	94	(44)	-	-
(i)	Retained profits	(i)	留存溢利		
	At 1st January	21,799	19,849	8,334	6,814
	Net profit for the year	3,723	5,522	4,853	3,971
	Transfer to general reserve	(20)	(23)	-	-
	Transfer to statutory reserve	(489)	(425)	-	-
	Transfer to capital reserve	-	(2)	-	-
	Premium paid for partial bought back/redemption of Hybrid Tier 1 capital instruments	(6)	(211)	-	-
	Other movement	-	-	-	140
	Dividends (Note 19)				
	- Interim dividend	(751)	(994)	(751)	(994)
	- Second interim dividend in respect of prior year	(1,320)	(1,597)	(1,320)	(1,597)
	- Hybrid Tier 1 capital instruments	(211)	(320)	-	-
	- Additional Tier 1 capital instruments	(278)	-	(278)	-
	At 31st December	22,447	21,799	10,838	8,334
(j)	Total reserves	(j)	儲備總額	27,341	24,383

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

General reserve was set up from the transfer of retained earnings and the realised revaluation surplus on disposal of properties.

一般儲備的建立，包括來自留存溢利及出售物業時的已實現重估盈餘。

Revaluation reserve on bank premises and exchange revaluation reserve have been set up and are dealt with in accordance with the accounting policies adopted for the revaluation of bank premises and foreign currency translation.

行址及匯兌重估儲備的建立及處理是根據重估行址和外幣折算所採用的會計政策。

Statutory reserves are set up to satisfy the statutory requirements of certain overseas subsidiaries and associates mainly for the purpose of covering unidentified potential losses on risk assets in addition to those recognised under the prevailing accounting requirements in their jurisdictions.

法定儲備是用作滿足若干海外附屬公司及聯營公司之法定要求，主要用途為除按當地現行會計要求下已確認而需額外涵蓋風險資產的不可辨別之可能損失。

Capital reserve represents the capitalisation of subsidiaries' and associates' reserves.

資本儲備指附屬公司及聯營公司儲備的資本化發行。

Capital reserve – staff share options issued comprises the fair value of the actual or estimated number of unexercised share options granted to employees of the Bank recognised in accordance with the accounting policy adopted for share based payment in Note 2(q)(iv).

資本儲備(已發行僱員認股權)包括根據已採納有關附註2(q)(iv)所載以股份為基礎作支付的會計政策確認授予本行僱員之實際或估計未行使認股權數目的公平價值。

Investment revaluation reserve comprises the cumulative net change in the fair value of available-for-sale securities held until the securities are derecognised and is dealt with in accordance with the accounting policies in Notes 2(f) and (k).

投資重估儲備包括持有可供出售證券直至證券被終止確認的累計公平價值變動淨額，有關處理的會計政策已詳載於附註2(f)和(k)。

Other reserves represent share of changes in equity of associates in respect of investment revaluation reserve and revaluation reserve of bank premises.

其他儲備包括應佔聯營公司權益之投資重估儲備及重估行址儲備的變動。

A regulatory reserve is maintained to satisfy the provisions of the Banking Ordinance for prudential supervision purposes by earmarking amounts in respect of losses which the Bank will or may incur on loans and advances and investments in addition to impairment losses recognised. Movements in the reserve are earmarked directly through retained earnings and in consultation with the HKMA. As at 31st December, 2016, HK\$4,372 million (2015: HK\$5,269 million) was included in the retained profits in this respect which was distributable to equity holders of the Group subject to consultation with the HKMA.

為符合《銀行業條例》有關審慎監管的規定，本行需在規管儲備中維持超過已確認減值損失的可能貸款減值損失金額。經諮詢金管局後，儲備的變動已直接在留存溢利內劃定。於2016年12月31日，留存溢利中包括與此有關屬可派發予本集團股東港幣43.72億元(2015年：港幣52.69億元)，但派發前須諮詢金管局。

At 31st December, 2016 the aggregate amount of reserves available for distribution to equity holders of the Bank was HK\$18,608 million (2015 restated: HK\$14,958 million). After the end of the reporting period the directors declared a second interim dividend of HK\$0.28 per ordinary share (2015: HK\$0.50 per share), amounting to HK\$757 million (2015: HK\$1,320 million). The dividend has not been recognised as a liability at the end of the reporting period.

於2016年12月31日，可派發予本行股東的儲備總額為港幣186.08億元(2015年重報：港幣149.58億元)。在報告期結束後董事宣布派發第二次中期股息每股普通股港幣0.28元(2015年：每股港幣0.50元)，總額達港幣7.57億元(2015年：港幣13.20億元)。於報告期結束日並未確認該股息為負債。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 43. NON-CONTROLLING INTERESTS 非控股權益

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
At 1st January	於1月1日	3,212	4,564
– final dividend in respect of previous year	– 上年度末期股息	(60)	(82)
– partial redemption of Hybrid Tier 1 capital instruments	– 贖回部分混合一級資本工具	(45)	(1,361)
Purchase of interests in businesses from non-controlling interests investors	向非控股權益投資者購入商業權益	7	–
Other comprehensive income	其他全面收益	(31)	(25)
Profit for the year	年度內溢利	106	116
At 31st December	於12月31日	3,189	3,212

The non-controlling interests include HK\$2,469 million (2015: HK\$2,514 million) of Hybrid Tier 1 capital instruments.

The Hybrid Tier 1 capital instruments comprising step-up subordinated notes (“Notes”) of face value HK\$2,469 million (USD318 million) and carrying amount of HK\$2,799 million at bank level (2015: face value HK\$2,514 million (USD324 million)) and carrying amount of HK\$2,898 million at bank level) and non-cumulative preference shares (“Innovate Preference Shares”) of HK\$2,469 million (USD318 million) (2015: HK\$2,514 million (USD324 million)) were issued respectively by the Bank and by Innovate Holdings Limited, a wholly owned subsidiary of the Bank, on 5th November, 2009. The Notes bear a fixed interest rate of 8.5% per annum and will mature on 5th November, 2059. The Innovate Preference Shares are perpetual securities on which no dividend is payable. The Notes and the Innovate Preference Shares are listed, and traded together as units, on the Singapore Stock Exchange. The Hybrid Tier 1 capital instruments are qualified as Additional Tier 1 capital of the Bank and the Group. In the consolidated financial statements, the Notes are eliminated and the Innovate Preference Shares are classified as non-controlling interests.

During the year, the Bank bought back HK\$45 million (2015: HK\$1,361 million) Hybrid Tier 1 capital instruments which are classified as non-controlling interests in the consolidated financial statements, (2015: through exchange offer with Additional Tier 1 capital securities (HK\$672 million) and tender offer (HK\$900 million)). The purchase premium of HK\$6 million (2015: HK\$211 million) paid in excess of the carrying amount of the non-controlling interests acquired was charged to retained profits.

非控股權益包括港幣24.69億元(2015年：港幣25.14億元)的混合一級資本工具。

混合一級資本工具包括分別由本行發行面值港幣24.69億元(3.18億美元)及在銀行層面之賬面值港幣27.99億元(2015年：面值港幣25.14億元(3.24億美元))及銀行層面之賬面值港幣28.98億元)步陸後償票據(「票據」)及由本行一全資附屬公司Innovate Holdings Limited所發行賬面值港幣24.69億元(3.18億美元)(2015年：賬值港幣25.14億元(3.24億美元))非累積優先股份(「Innovate」優先股)，發行日期為2009年11月5日。該票據之固定利率為年息8.5%，並將於2059年11月5日到期。Innovate優先股份是毋須支付股息的無到期日證券。該票據及Innovate優先股份是於新加坡交易所上市及以單位組合形式交易。混合一級資本工具已被評定為本行及本集團的額外一級資本。在綜合財務報表中，票據已被抵銷及Innovate優先股份則被分類為非控股權益。

年度內，本行回購港幣4,500萬元(2015年：以額外一級資本工具交換要約港幣6.72億元和收購要約港幣9億元方式贖回港幣13.61億元)於綜合財務報表中分類為非控股權益之混合一級資本工具。支付超過購入非控股權益賬面值之溢價港幣600萬元(2015年：港幣2.11億元)經已於留存溢利中支銷。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. PRINCIPAL RISK MANAGEMENT 主要風險管理

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

The Group has established an effective risk governance and management framework in line with the requirements set out by the HKMA and other regulators. This framework is built around a structure that enables the Board and Management to discharge their risk management-related responsibilities with appropriate delegation and checks and balances. These responsibilities include defining risk appetite in accordance with the Group's business strategies and objectives, formulating risk policies that govern the execution of those strategies, and establishing procedures and limits for the approval, control, monitoring, and remedy of risks.

The RIC stands at the highest level of the Group's risk governance structure under the Board. It consists of four INEDs (one of whom is the Chairman of the Committee) and two NEDs. The RIC provides direct oversight over the formulation of the Group's institutional risk appetite, and sets the levels of risk that the Group is willing to undertake with reference to its financial capacity, strategic direction, prevailing market conditions, and regulatory requirements.

The RIC also ensures that the Group's risk appetite is reflected in the policies and procedures that Management adopts to execute its business functions. Through the Group's management committees, including the Crisis Management Committee, Risk Management Committee, Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee at the executive level – and under the overall coordination of the Risk Management Division – the RIC regularly reviews the Group's risk management framework and ensures that all important risk-related tasks are performed according to established policies and with appropriate resources.

The Crisis Management Committee and Risk Management Committee comprise the Group's Chairman & Chief Executive, Senior Management and the Group Chief Risk Officer.

The Credit Committee, Asset and Liability Management Committee, and Operational Risk Management Committee comprise the Group's Senior Management, the Group Chief Risk Officer and where appropriate senior executives from the relevant areas.

本部分載述有關本集團主要風險管理的資料。

按照金管局及其他監管者發出的規定，本集團已建立一個有效的風險管治及管理架構。該架構的構造令董事會及管理層能夠以適當授權和制衡履行彼等的風險管理相關職責。該等職責包括根據本集團的業務策略及目標設定風險偏好、制定風險政策以管理上述策略的執行，並設立風險審批、控制、監控及補救的程序及限制。

風險委員會為本集團僅次於董事會的最高風險管治機構，成員包括四名獨立非執行董事（其中一名為委員會主席）及兩名非執行董事。風險委員會直接監督本集團機構風險偏好的制定，並設定本集團就其財務能力、策略性指引、目前市況及監管要求而言可承擔的風險水平。

風險委員會亦確保本集團的風險偏好反映於政策及程序上，讓管理層行使其業務職能時採納。透過本集團各管理委員會（包括危機管理委員會、風險管理委員會、信貸委員會、資產負債管理委員會及營運風險管理委員會），及在風險管理處的整體協調下，風險委員會定期檢討本集團的風險管理架構，確保根據現有政策及運用適當資源完成所有與風險相關的重要任務。

危機管理委員會及風險管理委員會由本集團主席兼行政總裁、高層管理人員及集團風險總監組成。

信貸委員會、資產負債管理委員會及營運風險管理委員會由本集團高層管理人員、集團風險總監及（在適當情況下）其他有關方面的高級行政人員組成。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

The Group has implemented an ERM framework. The ERM framework is promulgated with the objectives to identify and manage potential risks in a holistic and effective manner, to fulfil the HKMA's higher expectation for risk management of the Group as a Domestic Systemically Important Bank, and to reinforce the "Three Lines of Defence" risk management model.

The Group has adopted a "Three Lines of Defence" risk management structure to ensure that roles and responsibilities in regard to risk management within the Group are clearly defined. The following highlights the "Three Lines of Defence" model:

- The first line of defence comprises the Risk Owners, who are division heads at Head Office and heads of significant subsidiaries, together with staff under their management. They are primarily responsible for the day-to-day risk management of their units, including establishing and executing specific risk control mechanisms and detailed procedures.
- The second line of defence consists of the Risk Controllers, who are designated division/department heads at Head Office. Supported by their respective divisions and departments, the Risk Controllers are responsible for setting out a risk management governance framework, monitoring risks independently and supporting the management committees in their oversight of risk management.
- The third line of defence is the Internal Audit Division, which is responsible for providing assurance on the effectiveness of the Group's risk management framework including risk governance arrangements.

The Group Chief Risk Officer coordinates all risk management-related matters of the Group, works closely with the Risk Controllers on the formulation of risk management policies and exercises risk oversight at the Group level, through a functional working relationship with all Risk Controllers and Risk Owners.

The Group has formulated policies to identify, measure, monitor, control, and report on the various types of risk and, where appropriate, to allocate adequate capital to cover those risks. The Group's major risk management policies and control limits are approved by the Board and are monitored and regularly reviewed to align with market changes, statutory requirements, and best practices in risk management processes. The Board has delegated the responsibility for on-going risk management to the RIC and the management committees. Significant risk management-related issues must be reported to the Board, which oversees risk management. Moreover, on a daily basis, the Group Chief Risk Officer is responsible for overseeing the Bank Group's risk management issues which include, but are not limited to, the risk management infrastructure, strategies, appetites, culture, and resources.

本集團已推行企業風險管理架構。此企業風險管理架構旨在全面有效地識別及管理潛在風險、實踐金管局對本集團作為一間具本地系統重要性銀行在風險管理方面的更高期望，以及鞏固「三道防線」風險管理模式。

為確保風險管理角色與責任於本集團內分工明確，本集團已採納「三道防線」風險管理架構。以下為「三道防線」模式之概要：

- 第一道防線為「風險負責人」，由總行各處級主管及各重要附屬公司主管，連同其屬下職員組成，主要負責其單位的日常風險管理，包括特定風險管理機制及具體程序的設立及執行。
- 第二道防線為「風險監控人」，由總行指定處級／部級主管組成。在其單位的支援下，風險監控人負責制定風險管理管治架構、獨立監督風險及輔助各管理委員會監控風險管理。
- 第三道防線為稽核處。稽核處負責為本集團風險管理架構(包括風險管治安排)的有效性提供保證。

集團風險總監協調本集團所有風險管理相關事務，與各風險監控人就風險管理政策的制定緊密協作，並透過與所有風險監控人及風險負責人的職能工作關係，在集團層面監督風險。

本集團已制定政策，以識別、衡量、監察、控制及匯報各類風險，並於適當的情況下調配資本以抵禦該等風險。本集團的主要風險管理政策及控制限額由董事會批准，並且受到監控及定期檢討，以符合市場轉變及法定要求，及達致風險管理程序的最佳做法。董事會已將持續管理風險的責任授予風險委員會及管理委員會。與重要風險管理相關的事項須上報至監督風險管理的董事會。此外，集團風險總監的日常職責為監督集團風險管理相關事項，包括但不限於風險管理基礎架構及策略、風險偏好、風險管治文化及有關資源。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Stress testing is an integral part of the Group's risk management. The Group regularly performs stress-tests on the principal risks, where appropriate, to assess the potential impact of stressed business conditions (including hypothetical situations such as a significant economic downturn in Mainland China and Hong Kong) on the Group's financial positions, in particular, capital adequacy, profitability, and liquidity. Whenever necessary, a prompt management response will be developed and executed to mitigate potential impacts.

#### (a) Credit risk management

Credit risk is the risk of loss arising from a borrower or counterparty failing to meet its obligations.

The Credit Committee is responsible for managing all credit risk-related issues of the Group, while the Credit Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to credit risk. The Group identifies and manages credit risk by defining the target market segment, formulating appropriate credit policies, and carrying out credit assessment and monitoring of asset quality. Credit risk control limits are set for different levels. Risk, return, and market situation are considered when setting all limits. Active limit monitoring is undertaken.

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

The Group has established policies, procedures, and rating systems to identify, measure, monitor, control, and report on credit risk. In this connection, guidelines for management of credit risk have been laid down in the Group's Credit Risk Management Manual. These guidelines stipulate delegated lending authorities, credit underwriting criteria, a credit monitoring process, an internal rating structure, credit recovery procedures and a provisioning policy. They are reviewed and enhanced on an ongoing basis to cater for market changes, statutory requirements, and best practices in risk management processes.

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

##### (i) Corporate and bank credit risk

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

壓力測試為本集團風險管理的重要部分。本集團定期對相關的主要風險進行壓力測試，評估受壓營商環境(包括中國內地及香港出現嚴重經濟下滑等假設情景)對本集團的財務狀況，尤其是資本充足、盈利能力及流動資金，可能產生的影響。有需要時，管理層亦會果斷制定並執行應對措施以減低潛在影響。

#### (a) 信貸風險管理

信貸風險是指因借款人或交易對手未能履行其責任而導致損失的風險。

信貸委員會負責管理所有與本集團信貸風險有關的事項，而本集團風險管理處轄下的信貸風險管理部則負責監察與信貸風險有關的活動。本集團透過設定目標市場、制定適當的信貸政策、進行信貸評核，以及監控資產素質，來識別和管理信貸風險。信貸風險控制限額設有不同層次。釐定所有限額時會考慮風險、回報及市場情況，並且採用積極限額監控程序。

在評估與個別客戶或交易對手相關的信貸風險時，其財政實力以及還款能力乃是主要的考慮因素。此外，客戶或交易對手所提供的抵押品亦有助減低信貸風險。

本集團已制定多項政策、程序及評級系統，以識別、衡量、監察、控制及匯報本集團所承受的信貸風險。在此方面，本集團已將信貸風險管理指引詳列於信貸風險管理手冊內，對信貸權限授權、授信標準、信貸監控程序、內部評級架構、信貸追收程序及撥備政策訂下規定。本集團持續檢討和改善該等指引，以配合市場轉變及有關法定要求，及達致風險管理程序的最佳做法。

本集團就下列各類主要信貸風險實行信貸風險管理：

##### (i) 企業及銀行信貸風險

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (a) Credit risk management (continued)

###### (i) Corporate and bank credit risk (continued)

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

###### (ii) Retail credit risk

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

###### (iii) Credit for treasury transactions

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

###### (iv) Credit-related commitment

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

###### (v) Master netting arrangements

To mitigate credit risks, the Group enters into master netting arrangements with same counterparties. Netting agreements provide that, if an event of default occurs, all outstanding transactions with the counterparty will be terminated and all amounts outstanding will be settled on a net basis. Except for the event of default, all outstanding transactions with the counterparty are settled on a gross basis and generally do not result in offsetting the assets and liabilities in the statement of financial position.

##### (a) 信貸風險管理(續)

###### (i) 企業及銀行信貸風險(續)

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

###### (ii) 零售信貸風險

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

###### (iii) 財資交易的信貸風險

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

###### (iv) 與信貸有關的承諾

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

###### (v) 淨額結算總安排

本集團與其相同對手簽訂淨額結算總安排以減低信貸風險。若發生違約事件，根據淨額結算協議，所有與該對手之交易會終止及所有結餘金額以淨額結算。除發生違約事件外，所有與對手之交易會以總額結算及在財務狀況表中的資產和負債通常不會互相抵銷。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following tables present details of financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements.

下表列示受抵銷、具法律效力之淨額結算總安排及相近協議約束的金融工具詳情。

		2016				
		Gross amounts of recognised financial assets	Gross amounts of recognised financial liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認 金融資產 總額 HK\$ Mn 港幣百萬元	於財務狀況表 中抵銷之 已確認金融 負債總額 HK\$ Mn 港幣百萬元	於財務狀況表 中列示的 金融資產淨額 HK\$ Mn 港幣百萬元	未有於 財務狀況表 中抵銷之 相關金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
Assets	資產					
Positive fair value of derivatives	衍生工具的正公平價值	44	-	44	(21)	23
Other accounts	其他賬項	431	(369)	62	-	62
Total	總額	475	(369)	106	(21)	85

		2016				
		Gross amounts of recognised financial liabilities	Gross amounts of recognised financial assets set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認 金融負債 總額 HK\$ Mn 港幣百萬元	於財務狀況表 中抵銷之 已確認金融 資產總額 HK\$ Mn 港幣百萬元	於財務狀況表 中列示的 金融負債淨額 HK\$ Mn 港幣百萬元	未有於 財務狀況表 中抵銷之 相關金額 HK\$ Mn 港幣百萬元	淨額 HK\$ Mn 港幣百萬元
Liabilities	負債					
Negative fair value of derivatives	衍生工具的負公平價值	130	-	130	(21)	109
Other accounts	其他賬項	369	(369)	-	-	-
Total	總額	499	(369)	130	(21)	109

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (a) Credit risk management (continued)

## (v) Master netting arrangements (continued)

		2015				
		Gross amounts of recognised financial assets	Gross liabilities set off in the statement of financial position	Net amounts of financial assets presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認金融資產總額	中抵銷之已確認金融負債總額	於財務狀況表中列示的金融資產淨額	財務狀況表中抵銷之相關金額	淨額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Assets	資產					
Positive fair value of derivatives	衍生工具的正公平價值	28	–	28	(28)	–
Other accounts	其他賬項	403	(387)	16	–	16
Total	總額	431	(387)	44	(28)	16

## (a) 信貸風險管理(續)

## (v) 淨額結算總安排(續)

		2015				
		Gross amounts of recognised financial assets	Gross liabilities set off in the statement of financial position	Net amounts of financial liabilities presented in the statement of financial position	Related financial instruments that are not set off	Net amount
		已確認金融負債總額	中抵銷之已確認金融資產總額	於財務狀況表中列示的金融負債淨額	財務狀況表中抵銷之相關金額	淨額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Liabilities	負債					
Negative fair value of derivatives	衍生工具的負公平價值	140	–	140	(28)	112
Other accounts	其他賬項	519	(387)	132	–	132
Total	總額	659	(387)	272	(28)	244

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (vi) 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 credit portfolio is diversified along geographic, industry and product sectors.

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

## (vii) Maximum exposure

The maximum exposure to credit risk at the end of the reporting period without taking into consideration of any collateral held or other credit enhancements is represented by the carrying amount of each financial asset in the statement of financial position after deducting any impairment allowance. A summary of the maximum exposure is as follows:

## (vi) 信貸集中的風險

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

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

## (vii) 最高風險

於報告期結束日並未計算任何抵押品或其他信貸提升的最高信貸風險，即指每一項已減除任何減值準備的金融資產在財務狀況表的賬面值。最高風險摘要如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks, central banks and other financial institutions	現金及在銀行、中央銀行和其他金融機構的結存	<b>64,414</b>	67,743
Placements with banks, central banks and other financial institutions	在銀行、中央銀行和其他金融機構的存款	<b>44,052</b>	80,828
Trade bills	貿易票據	<b>11,939</b>	19,532
Trading assets	交易用途資產	<b>3,128</b>	3,990
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	<b>3,330</b>	3,886
Positive fair value of derivatives	衍生工具的正公平價值	<b>8,938</b>	6,205
Loans and advances to customers	客戶貸款及墊款	<b>450,445</b>	439,125
Available-for-sale financial assets	可供出售金融資產	<b>106,964</b>	90,284
Held-to-maturity investments	持至到期投資	<b>5,663</b>	6,199
Other assets	其他資產	<b>38,830</b>	33,635
Financial guarantees and other credit related contingent liabilities	財務擔保及其他與信貸有關的或然負債	<b>19,464</b>	34,465
Loan commitments and other credit related commitments	貸款承擔及其他與信貸有關的承擔	<b>198,789</b>	208,015
		<b>955,956</b>	993,907

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (a) Credit risk management (continued)

###### (viii) Credit quality of loans and advances

Loans and advances to banks are only made to banks with good credit standing. The credit quality of loans and advances to customers can be analysed as follows:

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers	客戶貸款及墊款總額				
– neither past due nor impaired	– 無逾期及減值		446,965		435,669
– past due but not impaired	– 有逾期但未有減值		510		864
– impaired	– 已減值		6,767		4,973
			454,242		441,506

Of which:

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers that are neither past due nor impaired	無逾期及減值的客戶貸款及墊款總額				
– pass	– 合格		438,607		422,886
– special mention	– 需要關注		8,358		12,783
			446,965		435,669

The Group classifies the loans and advances in accordance with the loan classification system required to be adopted for reporting to the HKMA.

The ageing analysis of loans and advances to customers that are past due but not impaired is as follows:

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross loans and advances to customers that are past due but not impaired	有逾期但未有減值的客戶貸款及墊款總額				
– overdue 3 months or less	– 逾期3個月或以下		510		864

Loans and advances that would be past due or impaired had the terms not been renegotiated amounted to HK\$108 million as at 31st December, 2016 (2015: HK\$77 million).

##### (a) 信貸風險管理(續)

###### (viii) 貸款及墊款的信貸質素

銀行貸款及墊款只提供予信貸信譽優良之銀行。客戶貸款及墊款的信貸質素分析如下：

其中：

本集團根據用作匯報予金管局的貸款分類系統以分類貸款。

已逾期但未有減值之客戶貸款及墊款的年期分析如下：

於2016年12月31日，假如並未重訂條款而可能變作逾期或減值貸款及墊款的金額為港幣1.08億元(2015年：港幣7,700萬元)。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ix) Credit quality of financial assets other than loans and advances  
Credit risk of treasury transactions is managed in the same way as the Group manages its corporate and bank lending risk and risk gradings are applied to the counterparties with individual counterparty limits set.

At the end of the reporting period, the credit quality of investment in debt securities analysed by designation of external credit assessment institution, Moody's Investor Services, or equivalent, is as follows:

(ix) 非貸款及墊款金融資產的信貸質素  
資金交易的信貸風險管理方法，與本集團管理其企業及銀行借貸的方法一致及風險級別是適用於設有個別對手限額的對手。

於報告期結束日，按照外部信貸評級機構，穆迪投資服務，或相同等級的評級機構，所指定之債務證券投資的信貸質素分析如下：

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Aaa	Aaa	6,613	8,005
Aa1 to Aa3	Aa1至Aa3	20,760	20,021
A1 to A3	A1至A3	39,405	33,274
Baa1 to Baa3	Baa1至Baa3	29,951	23,200
Below Baa3	Baa3以下	2,489	3,404
Sub-total for Rated	有評級小計	99,218	87,904
Unrated	無評級	19,867	16,456
Total	總額	119,085	104,360

At the end of the reporting period, the credit quality of the counterparties to which there were exposures arising from positive fair value of derivatives is as follows:

於報告期結束日，以下由衍生工具的正公平價值所產生之風險的對手信貸質素分析如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Aa1 to Aa3	Aa1 to Aa3	1,314	497
A1 to A3	A1 to A3	3,527	1,979
Baa1 to Baa3	Baa1 to Baa3	1,572	917
Below Baa3	Below Baa3	533	218
Unrated	無評級	1,992	2,594
Total	總額	8,938	6,205

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (a) Credit risk management (continued)

###### (x) Collateral and other credit enhancements

The Group has established guidelines on the acceptability of various classes of collateral and determined the corresponding valuation parameters. The guidelines and collateral valuation parameters are subject to regular reviews to ensure their effectiveness over credit risk management.

The extent of collateral coverage over the Group's loans and advances to customer depends on the type of customers and the product offered. Types of collateral include residential properties (in the form of mortgages over property), other properties, other registered securities over assets, cash deposits, standby letters of credit and guarantees. Collateral generally is not held over balances and placements with banks and other financial institutions, and loans and advances to banks, except when securities are held as part of reverse repurchase and securities borrowing activity. The Group takes possession of collateral through court proceedings or voluntary delivery of possession by the borrowers during the course of the recovery of impaired loans and advances. These repossessed assets are reported in the statement of financial position within "other assets" (Note 2(m)). If the recovery from the repossessed assets exceeds the corresponding exposure, the surplus fund is made available either to repay the borrower's other secured loans with lower priority or is returned to the borrower.

Collateral held as security for financial assets other than loans and advances is determined by the nature of the instrument. Debt securities, treasury and other eligible bills are generally unsecured with the exception of asset-based securities and similar instruments, which are secured by pools of financial assets. However the credit risk may be implicit in the terms or reflected in the fair value of the corresponding instruments.

The Group's preferred agreement for documenting derivatives activity is the ISDA Master Agreement which covers the contractual framework within which dealing activity across a full range of over-the-counter products is conducted and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement, if either party defaults or following other pre-agreed termination events. It is also common for the Group to execute a Credit Support Annex in conjunction with the ISDA Master Agreement with the counterparty under which collateral is passed between the parties to mitigate the market contingent counterparty risk inherent in the outstanding position.

For contingent liabilities and commitments that are unconditionally cancellable (Note 46), the Group will assess the necessity to withdraw the credit line when there is a concern over the credit quality of the customers. Accordingly, the exposure to significant credit risk is considered as minimal. For commitments that are not unconditionally cancellable, the Group assesses the necessity of collateral depending on the type of customer and the product offered.

##### (a) 信貸風險管理(續)

###### (x) 抵押品及其他信用提升

本集團已制訂可接受不同類別抵押品的指引，並釐定相關估值參數。本集團會定期檢討指引及抵押品估值參數，以確保信貸風險管理的成效。

本集團客戶貸款及墊款的抵押品範圍乃視乎客戶類別及所提供產品而定。抵押品類別包括住宅物業(以物業按揭形式)、其他物業、其他登記抵押資產、現金存款、備用信用證及擔保。除持有用作反向回購及證券借貸活動的抵押品外，在銀行及其他金融機構的結存及存款，以及銀行貸款及墊款一般不需要抵押品。在收回減值貸款及墊款時，本集團會通過法庭程序或借款人自願交出擁有權收回抵押品。該等收回資產於財務狀況表中以「其他資產」列賬(附註2(m))。倘從收回資產所得之追收額超出相關風險承擔時，則會使用盈餘資金償還借款人優先次序較低的已抵押貸款或退回予借款人。

持有用作非貸款及墊款金融資產的抵押品，是按照工具之性質決定。除以一籃子金融資產作抵押的資產融資證券及相同工具外，債務證券、庫券及其他認可票據一般俱屬無抵押的。然而，信貸風險可能隱含於相關工具的條款內或於相關工具的公平價值中反映。

ISDA的主合約為本集團處理衍生交易文件的優先合約，當中涵蓋合約框架，而在合約框架之下，本集團可進行一系列的場外產品交易活動，如其中一方違約或發生其他預先協定的終止事件，則按合約約束參與者以淨額結算合約涵蓋的所有未履行交易。本集團亦會在簽訂ISDA的主合約的同時，與交易對手簽訂信貸附約，據此，抵押品可於訂約方之間轉交，以降低出現在未履約情況下的內在市場或然交易對手風險。

對於或然負債及可無條件取消的承擔(附註46)，如本集團對客戶的信貸質素有疑慮，則會評估是否需要撤回信貸額。因此，本集團面臨重大信貸風險機會視為微乎其微。對於不可無條件取消的承擔，本集團會視乎客戶類別及所提供產品評估是否需要進行抵押。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The lower of gross loan amount and the estimate of the fair value of collateral and other credit enhancements held against financial assets is as follows:

貸款總額及持有作抵押金融資產之抵押品及其他信用提升的估計公平價值兩者之較低者如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Fair value of collateral and other credit enhancements held against financial assets that are:	持有作抵押金融資產之抵押品及其他信用提升的公平價值如下：		
– neither past due nor impaired	– 無逾期及減值	310,498	314,160
– past due but not impaired	– 有逾期但未有減值	466	809
		<b>310,964</b>	<b>314,969</b>

#### (b) Market risk management

Market risk is the risk arising from adverse movements in market factors such as interest rates, foreign exchange, equity prices, and commodities prices, which result in profits or losses for the Group. The aim in managing market risk is to reduce the Group's exposure to the volatility inherent in financial instruments.

The Asset and Liability Management Committee deals with all market risk-related issues of the Group. It is also responsible for conducting a regular review of interest rate trends and deciding the corresponding future business strategy. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to market risk.

The use of derivatives for proprietary trading and the sale of derivatives to customers as risk management products are integral parts of the Group's business activities. These instruments are also used to manage the Group's own exposures to market risk, as part of its asset and liability management process. The principal derivatives instruments used by the Group are interest rate, foreign exchange, and equity-related contracts, in the form of both over-the-counter derivatives and exchange traded derivatives. Most of the Group's derivatives positions have been entered into to meet customer demand and to manage the risk of these and other trading positions.

In this connection, the key types of market risk that must be managed are:

##### (i) Currency risk

The Group's foreign currency positions arise from foreign exchange dealing (including derivatives), commercial banking operations, and structural foreign currency exposures. The Group's non-structural foreign currency exposures are mainly denominated in USD, RMB and SGD. All foreign currency positions are managed within limits approved by the Board or the Asset and Liability Management Committee.

#### (b) 市場風險管理

市場風險是指由市場因素，例如利率、外匯、股票價格及商品價格的不利變動而導致本集團溢利或虧損的風險。

資產負債管理委員會負責處理所有與本集團市場風險有關的事項，亦負責定期檢討利率走勢及釐定相應的未來業務策略。本集團風險管理處轄下的資產負債管理部，負責監察與市場風險有關的活動。

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

在此方面，本集團主要管理的市場風險包括：

##### (i) 貨幣風險

本集團的外幣持倉源自外匯買賣(包括衍生工具)、商業銀行業務和結構性外匯風險。本集團的非結構性外幣風險主要以美元、人民幣及新加坡元為單位。所有外幣持倉均維持在董事會或資產負債管理委員會所訂定的限額內。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (b) Market risk management (continued)

## (i) Currency risk (continued)

Structural foreign currency positions, which arise mainly from foreign currency investments in the Group's branches, subsidiaries, and associated companies, are excluded from value-at-risk measurements, as related gains or losses are taken to reserves. Such foreign currency positions are managed with the principal objective of ensuring that the Group's reserves are protected from exchange rate fluctuations. The Group seeks to match its foreign currency denominated assets closely with corresponding liabilities in the same currencies.

The Group had the following net structural positions which were not less than 10% of the total net structural foreign currency position at the end of the reporting period:

		2016			2015		
		USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元	MYR馬幣 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元	MYR馬幣 HK\$ Mn 港幣百萬元
Net structural position	結構性持倉淨額	2,173	12,834	2,033	2,168	12,287	2,123

## (ii) Interest rate risk

The Group's interest rate positions arise from treasury and commercial banking activities in trading portfolios. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The instruments used to manage interest rate risk include interest rate swaps and other derivatives.

## (iii) Equity risk

The Group's equity positions arise from equity investment and dynamic hedging of customer-driven business. Equity risk is managed daily by the Investment Department within the limits approved by the Board, Investment Committee, or the Asset and Liability Management Committee.

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

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

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

## (b) 市場風險管理(續)

## (i) 貨幣風險(續)

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

於報告期結束日，本集團的以下結構性持倉淨額不低於結構性外幣淨持倉總額10%：

## (ii) 利率風險

本集團的利率持倉來自自交易組合中的財資及商業銀行業務。利率風險由本集團資金市場處按董事會或資產負債管理委員會批准的限額範圍進行日常管理。管理利率風險的工具包括利率掉期和其他衍生工具。

## (iii) 股份風險

本集團的股份持倉來自自股份投資及客戶業務的動態對沖。股份風險由投資部按董事會、投資委員會或資產負債管理委員會批准的限額範圍進行日常管理。

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

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

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group estimates VaR for the Group's trading portfolio by the parametric approach, where the VaR is derived from the underlying variances and co-variances of the constituents of a portfolio. This methodology uses historical movements in market rates and prices, a 99% confidence level, a one-day holding period, and a one-year historical observation period. An equal or higher weighting scheme is applied to more recent observations under which higher VaR should be used.

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

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

本集團通過參數法評估本集團交易組合的風險值，其中，風險值乃透過組合成份的有關方差及協方差計算得出。該方法是依據過往市場息率與價格的波動、99%置信水平、1日持倉期以及1年過往觀察期來推算。其中對較近期觀察給予相等或較高的權重，並且據此採用較高的風險值。

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

除上市股份外，私人股份基金及非上市股份（統稱「非上市證券」）的賬面值均由本集團管理層按限額控制。非上市證券及非交易上市股份是根據特定限額管理及並不包括在交易股份持倉的風險值計算內。資產負債管理委員會須定期檢討該限額。

#### Value-at-risk statistics

#### 風險值統計

		At 31st December 於12月31日 HK\$ Mn 港幣百萬元	2016 Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	29	45	27	34
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	11	14	8	11
VaR for interest rate trading positions	利率交易持倉的風險值	2	7	1	3
VaR for equity trading positions	股份交易持倉的風險值	19	34	17	24

		At 31st December 於12月31日 HK\$ Mn 港幣百萬元	2015 Maximum 最高 HK\$ Mn 港幣百萬元	Minimum 最低 HK\$ Mn 港幣百萬元	Mean 平均 HK\$ Mn 港幣百萬元
VaR for total trading activities	交易活動的風險值總額	32	60	22	36
VaR for foreign exchange trading positions*	外匯交易持倉的風險值*	8	22	6	10
VaR for interest rate trading positions	利率交易持倉的風險值	3	8	2	4
VaR for equity trading positions	股份交易持倉的風險值	24	51	14	26

\* Including all foreign exchange positions but excluding structural foreign exchange positions.

\* 包括所有外匯持倉但不包括結構性外匯持倉。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (b) Market risk management (continued)

		2016			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	65	80	61	70

		2015			
		At 31st December	Maximum	Minimum	Mean
		於12月31日	最高	最低	平均
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Stressed VaR for total trading activities	交易活動的受壓風險值總額	66	90	60	73

A stressed VaR measure is intended to replicate a VaR calculation that would be generated on current trading portfolio if the relevant market factors were experiencing a period of stress.

受壓風險值是假設相關市場因素在受壓期間下，模擬計算由現行交易組合產生的風險值。

## (c) Operational risk management

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events.

The objectives of operational risk management are to identify, assess, monitor, and report operational risk systematically and effectively; to minimise the operational loss and other impact on the Group; and to comply with the relevant regulatory requirements.

The Operational Risk Management Committee is responsible for overseeing operational risk management of the Group while the Operational Risk Management Department under the Risk Management Division of the Group is responsible for monitoring activities relating to operational risk.

The operational risk management tools adopted include operational risk incident reporting, risk control self-assessment, key risk indicators, operation manuals, insurance policies, etc.

## (c) 營運風險管理

營運風險是指由於內部流程、人員和系統不足或缺陷，或因外部事件而導致損失的風險。

營運風險管理的目的在於有系統及有效地識別、評估、監控及匯報營運風險；減少營運虧損及對本集團的其他影響；以及遵守相關監管規定的要求。

營運風險管理委員會負責監督本集團的營運風險管理，而本集團風險管理處轄下的營運風險管理部則負責監察與營運風險有關的活動。

本集團所採用的營運風險管理工具包括營運風險事件匯報、風險控制自我評估、主要風險指標、營運手冊、保險政策等。

## (d) Liquidity risk management

Liquidity risk is the risk that the Group may not be able to meet its obligations as they come due because of an inability to obtain adequate funding (funding liquidity risk); or that the Group cannot easily liquidate assets quickly without significantly lowering market prices because of inadequate market depth or market disruptions (market liquidity risk).

The purpose of liquidity risk management is to ensure sufficient cash flows to meet all financial commitments and to capitalise on opportunities for business expansion. This includes the Group's ability to meet deposit withdrawals either on demand or at contractual maturity, to repay borrowings as they mature, to comply with the statutory Liquidity Coverage Ratio ("LCR"), and to make new loans and investments as opportunities arise.

## (d) 流動資金風險管理

流動資金風險是指本集團因未能獲得充足資金投入而可能無法履行到期責任的風險(融資流動風險)；或因市場深度不足或市場失序，本集團在市場價格大幅降低的情況下無法輕易迅速清算資產的風險(市場流動性風險)。

流動資金風險管理是為了確保本集團維持充足的現金流量以履行所有財務承擔，並掌握業務擴展的機會。當中包括確保本集團能夠在即時或合約期滿時滿足提款要求，在借款期滿時能夠還款，符合法定的流動性覆蓋比率，以及掌握貸款和投資的機會。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Asset and Liability Management Committee is delegated by the Board to oversee the Group's liquidity risk management. The Asset and Liability Management Committee sets the strategy, policy, and limits for managing liquidity risk and the means for ensuring that such strategy and policy are implemented. Regular meetings are held to review the compliance status of the monitoring matrix established and the need for any change in strategy and policy. Liquidity is managed daily by the Capital Markets & Liquidity Management Department under the Treasury Markets Division of the Group within the set limits. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to liquidity risk. The Internal Audit Division performs periodic reviews to ensure that the liquidity risk management functions are carried out effectively.

The LCR, which came into effect on 1st January, 2015, imposes a more stringent regulatory regime for liquidity risk management on the Group. Banking (Liquidity) Rules require the Group to meet the minimum LCR by 2019. During the transitional period, the percentage will increase from 60% in 2015 to 100% in 2019, with 10% added to the regulatory requirement each year from 2016. To ensure compliance with the enhanced regulatory requirement, material changes in the LCR will be reviewed regularly by the Asset and Liability Management Committee together with proposed mitigation actions to cope with adverse changes arising from, but not limited to, composition of the deposit base and remaining tenor to maturity, short-term lending activities, and the Group's asset and liability mix strategy. An internal LCR target has been established to maintain the ratio within a suitable range. In planning the asset and liability mix strategy, the Group assesses the impact of asset growth and funding structure on the LCR with support from relevant business units for the Asset and Liability Management Committee's review and decision.

As part of Group efforts to manage the LCR effectively, emphasis is placed on strengthening the deposit base by retaining loyal customers and maintaining customer relationships. The Group balances funding among retail, small business, and wholesale funding to avoid concentration in any one source. Professional markets are accessed through the issuance of certificates of deposit, medium-term notes, subordinated debt, money market placement, and borrowing for the purposes of providing additional funding, maintaining a presence in local money markets, and optimising asset and liability maturities.

Internally, intra-group funding transactions are carried out at arm's length and treated in a manner in line with other third party transactions, with regular monitoring and appropriate control.

資產負債管理委員會獲董事會授權，負責監察本集團的流動資金風險管理。資產負債管理委員會制訂管理流動資金風險的策略、政策及限額，以及確保執行有關策略與政策的措施。委員會定期舉行會議，檢討各既有監控架構的合規情況，以及是否需要改變策略及政策。流動資金狀況由本集團資金市場處轄下的資本市場及流動資金管理部每日按所訂限額範圍進行管理。本集團風險管理處轄下的資產負債管理部負責監察與流動資金風險相關的活動。稽核處會定期作出檢討，確保流動資金風險管理功能得以有效執行。

流動性覆蓋比率於2015年1月1日起生效，對本集團的流動資金風險管理施加更嚴格的監管制度。《銀行業(流動性)規則》要求本集團必須於2019年達致最低流動性覆蓋比率。過渡期間，有關百分比將由2015年的60%升至2019年的100%，自2016年起監管要求每年增加10%。為確保遵守不斷提升的監管要求，資產負債管理委員會會定期檢閱有關流動性覆蓋比重大變動的報告和其建議補救措施以應對來自但不限於存款基礎成分及其餘下期限、短期貸款活動以及本集團資產及負債組合策略的不利變動。為將流動性覆蓋比率維持在合適範圍內，已訂立內部流動性覆蓋比率目標。在規劃資產及負債組合策略時，相關業務單位協助本集團評估資產增長及融資架構對流動性覆蓋比率的影響，以供資產負債管理委員會檢討和決策。

為有效地管理流動性覆蓋比率，本集團著力留住忠實客戶及維持客戶關係，藉以增強存款基礎。本集團在零售、小企業和大額融資之間保持資金平衡，避免資金集中於任何一種資源。本集團透過發行存款證、中期票據、後償債項、貨幣市場拆借及借貸進入專業市場，獲取額外資金，並維持於當地金融市場的地位，以及優化資產及負債的期限。

至於內部，集團內公司間的融資交易乃按一般正常交易原則進行，處理方式與其他第三方交易一致，並接受定期監察及適當控制。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

In addition to observing the statutory LCR, the Group has established different liquidity metrics – including but not limited to the loan-to-deposit ratio, cumulative maturity mismatch ratio, funding concentration ratio, intra-group exposure threshold, and cross currency funding ratio – to measure and analyse the Group's liquidity risks. As a majority of the Group's liquidity risk arises from the maturity mismatch gap between the Group's asset and liability portfolios, the Group manages liquidity risk by conducting cash flow analysis and projections through the regular use of the Bank's management information system. These are carried out on a regular basis to identify funding needs arising from on and off-balance sheet items in a specific time frame over a set of time horizons. The Group maintains sufficient high quality liquid assets ("HQLAs") as a liquidity cushion that can be accessed in times of stress. The HQLAs for fulfilling the LCR consist of cash, exchange fund bills and notes, high quality government debt securities and other equivalent liquid marketable assets. The majority of HQLAs are denominated in Hong Kong dollars. Contingent funding sources are maintained to provide strategic liquidity to meet unexpected and material cash outflows.

The Group also conducts stress testing regularly to analyse liquidity risk. Both on and off-balance sheet items and their impact on cash flow are considered, together with applicable hypothetical and historical assumptions. The assessment and review of market liquidity risk are included in the various control processes, including investment/trading strategy, market risk monitoring, valuation, and portfolio review. Three stress scenarios – namely an institution-specific crisis, a general market crisis, and a crisis involving a combination of the two – are adopted with minimum survival period defined according to HKMA's Supervisory Policy Manual LM-2, "Sound Systems and Controls for Liquidity Risk Management".

With reference to the stress-testing results, the Group identifies potential vulnerabilities within the Group and formulates a Contingency Funding Policy and a Contingency Funding Plan that set out the Group's strategy for dealing with any liquidity problem and the procedures for making up cash flow deficits in emergency situations.

The Contingency Funding Policy and Contingency Funding Plan are designed to be pro-active and pre-emptive, and stipulate the following three stages:

1. The Group utilises early warning indicators, which cover both qualitative and quantitative measures, and monitors both internal and external factors. Should there be any early signs of significant impact on the Group's liquidity position, the Asset and Liability Management Committee is informed. The Asset and Liability Management Committee will consider appropriate remedial actions and will consider employing crisis management if the situation warrants.
2. A Crisis Management Committee, which is chaired by the Chairman & Chief Executive, is formed to handle the crisis. Strategy and procedures for obtaining contingency funding, as well as roles and responsibilities of the parties concerned, are clearly stated.
3. In the final stage, a post-crisis review is carried out to recommend necessary improvements to avoid incidents of a similar nature in the future.

An annual drill test is conducted and the Contingency Funding Policy and Contingency Funding Plan are subject to regular review in order to accommodate any changes in the business environment. Any significant changes to the Contingency Funding Policy and Contingency Funding Plan are approved by the Board and the Asset and Liability Management Committee, respectively.

## (d) 流動資金風險管理(續)

除緊守法定的流動性覆蓋比率外，本集團已設立不同的流動性指標，以衡量及分析流動資金風險，包括(但不限於)貸存比率、累積到期錯配比例、資金集中比率、集團內公司間風險限額及跨貨幣資金比率。由於本集團大部分流動資金風險來自資產與負債組合之間的期限錯配差距，本集團會透過使用本行的管理資訊系統定期對一系列時間內的資產負債表內外項目進行現金流量分析及預測，確定特定時間組別的資金需要，從而管理流動資金風險。本集團維持充足的流動資產，作為能夠在資金受壓時取用的流動資金緩衝。滿足流動性覆蓋比率所需的優質流動資產包括現金、外匯基金票據和債券、優質的政府債務票據及其他同等的流動資產。其中大部分優質流動資產以港幣計值。本集團維持應急融資來源，能提供策略性的流動資金，以應付未能預計的大量資金需求。

本集團亦會定期進行壓力測試，以分析流動資金風險。透過運用適當的虛擬及歷史假設，本集團的壓力測試均已考慮資產負債表內外項目及其對現金流量造成的影響。市場流動資金風險的評估及檢討納入各個控制環節，包括投資／交易策略、市場風險監控、估值及組合檢討。三個壓力情景(即個別銀行危機、整體市場危機，以及結合上述兩種情況的綜合危機)均採用金管局監管政策手冊LM-2「穩健的流動資金風險管理系統及管控措施」界定的最短存活期。

本集團會參照壓力測試結果，確認集團內的潛在弱點，並制訂應急融資政策及計劃，當中載列了本集團處理流動資金問題的策略及於緊急情況下彌補現金流不足的程序。

應急融資政策及計劃旨在提供防患未然的積極措施，並訂明以下三個階段：

1. 本集團運用預早警報指標，當中包括質量性及數量性的措施，及監察內部及外在因素。假如有任何早期跡象顯示本集團流動資金狀況將受重大影響，應通知資產負債管理委員會。資產負債管理委員會將考慮適當的補救措施，並在合適情況下考慮採用危機管理措施。
2. 本集團已設立危機管理委員會，並由主席兼行政總裁擔任該委員會的主席，專責處理危機，並明確規定取得應急資金的策略及程序，以及有關各方的職務及職責。
3. 於最後階段，本集團會在危機結束後對問題進行檢討，並作出必要改進，避免日後出現同類事件。

為應付商業環境中的任何轉變，本集團每年進行演習測試，並定期檢討應急融資政策及計劃。應急融資政策及計劃如有任何重大變動，均須分別取得董事會及資產負債管理委員會的批准。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Analysis of assets and liabilities by remaining maturity:

資產及負債的剩餘期限分析：

		2016						Undated or overdue	Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years		
		即時還款	1個月內	至3個月	至1年	至5年	5年以上	無註明日期 或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	34,554	2,334	1,297	1,717	-	-	25,818	65,720
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	36,511	5,550	1,991	-	-	-	44,052
Trade bills	貿易票據	25	1,053	4,739	6,122	-	-	-	11,939
Trading assets	交易用途資產	-	1,015	462	1,040	611	-	1,276	4,404
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	74	-	118	2,655	483	224	3,554
Positive fair value of derivatives	衍生工具的公平價值	-	-	-	-	-	-	8,938	8,938
Advances to customers and other accounts	客戶墊款及其他賬項	5,276	55,302	32,384	110,676	178,680	95,465	11,737	489,520
Available-for-sale financial assets	可供出售金融資產	-	4,860	12,123	18,159	50,299	21,523	3,527	110,491
Held-to-maturity investments	持至到期投資	-	355	1,840	1,220	1,665	583	-	5,663
Undated assets	無註明日期資產	-	-	-	-	-	-	21,425	21,425
<b>Total assets</b>	<b>資產總額</b>	<b>39,855</b>	<b>101,504</b>	<b>58,395</b>	<b>141,043</b>	<b>233,910</b>	<b>118,054</b>	<b>72,945</b>	<b>765,706</b>
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	5,874	11,867	3,097	5,395	242	-	-	26,475
Deposits from customers	客戶存款	202,900	90,949	122,576	96,981	22,383	-	-	535,789
- Demand deposits and current accounts	- 活期存款及往來賬戶	75,312	-	-	-	-	-	-	75,312
- Savings deposits	- 儲蓄存款	126,462	-	-	-	-	-	-	126,462
- Time, call and notice deposits	- 定期及通知存款	1,126	90,949	122,576	96,981	22,383	-	-	334,015
Trading liabilities	交易用途負債	-	-	50	-	-	-	-	50
Negative fair value of derivatives	衍生工具的負公平價值	-	-	-	-	-	-	7,982	7,982
Certificates of deposit issued	已發行存款證	-	4,501	7,124	16,389	843	-	-	28,857
Current taxation	本期稅項	-	-	-	1,605	-	-	-	1,605
Debt securities issued	已發行債務證券	-	1	1	5,423	1,729	-	-	7,154
Loan capital	借貸資本	-	-	-	8,165	12,443	-	-	20,608
Other liabilities	其他負債	1,064	5,295	7,504	19,915	7,523	2,878	6,371	50,550
<b>Total liabilities</b>	<b>負債總額</b>	<b>209,838</b>	<b>112,613</b>	<b>140,352</b>	<b>153,873</b>	<b>45,163</b>	<b>2,878</b>	<b>14,353</b>	<b>679,070</b>
<b>Net gap</b>	<b>淨差距</b>	<b>(169,983)</b>	<b>(11,109)</b>	<b>(81,957)</b>	<b>(12,830)</b>	<b>188,747</b>	<b>115,176</b>		

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

## (d) 流動資金風險管理(續)

		2015							Total
		Repayable on demand	Within 1 month	3 months or less but over 1 month	1 year or less but over 3 months	5 years or less but over 1 year	Over 5 years	Undated or overdue	
		即時還款	1個月內	1個月以上至3個月	3個月以上至1年	1年以上至5年	5年以上	無註明日期或逾期	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>								
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	41,490	826	-	71	-	-	26,735	69,122
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	-	62,384	15,985	2,459	-	-	-	80,828
Trade bills	貿易票據	73	3,602	7,955	7,901	-	-	1	19,532
Trading assets	交易用途資產	-	1,197	1,121	456	1,166	50	1,345	5,335
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	-	116	430	1,148	2,192	-	450	4,336
Positive fair value of derivatives	衍生工具的正公平價值	-	-	-	-	-	-	6,205	6,205
Advances to customers and other accounts	客戶墊款及其他賬項	5,273	49,881	43,983	98,596	170,843	95,511	9,001	473,088
Available-for-sale financial assets	可供出售金融資產	-	5,338	11,072	11,647	47,846	14,381	3,311	93,595
Held-to-maturity investments	持至到期投資	94	1,081	831	1,289	2,330	574	-	6,199
Undated assets	無註明日期資產	-	-	-	-	-	-	23,124	23,124
Total assets	資產總額	46,930	124,425	81,377	123,567	224,377	110,516	70,172	781,364
<b>Liabilities</b>	<b>負債</b>								
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	8,175	15,635	4,889	1,960	1,408	59	-	32,126
Deposits from customers	客戶存款	188,745	118,877	114,813	93,761	24,547	-	-	540,743
- Demand deposits and current accounts	- 活期存款及往來賬戶	73,471	-	-	-	-	-	-	73,471
- Savings deposits	- 儲蓄存款	113,332	-	-	-	-	-	-	113,332
- Time, call and notice deposits	- 定期及通知存款	1,942	118,877	114,813	93,761	24,547	-	-	353,940
Trading liabilities	交易用途負債	-	831	7	50	-	-	1	889
Negative fair value of derivatives	衍生工具的負公平價值	-	-	-	-	-	-	6,909	6,909
Certificates of deposit issued	已發行存款證	-	9,168	8,457	16,172	3,480	-	-	37,277
Current taxation	本期稅項	-	-	-	1,325	-	-	-	1,325
Debt securities issued	已發行債務證券	-	841	2,852	2,066	7,838	-	-	13,597
Loan capital	借貸資本	-	-	-	-	16,996	-	-	16,996
Other liabilities	其他負債	850	5,206	7,302	14,338	7,533	2,713	7,919	45,861
Total liabilities	負債總額	197,770	150,558	138,320	129,672	61,802	2,772	14,829	695,723
Net gap	淨差距	(150,840)	(26,133)	(56,943)	(6,105)	162,575	107,744		

As the trading and available-for-sale portfolios may be sold before maturity or deposits from customers may mature without being withdrawn, the contractual maturity dates do not represent expected dates of future cash flows.

由於作交易及可供出售用途的組合可能於到期前出售或客戶存款可能在到期前被提取，合約到期日並非代表未來現金流的預計日期。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The following tables provide an analysis of the undiscounted cashflow projection of the financial liabilities of the Group at the end of the reporting period based on the dates of their contractual payment obligations:

下表展示於報告期結束日集團的未經折扣之金融負債的預計現金流按其合約支付債務之日期分析：

		2016							Undated
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	26,475	26,605	5,874	15,008	5,479	244	-	-
Deposits from customers	客戶存款	535,789	542,739	203,021	215,280	99,162	25,275	1	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	75,312	75,393	75,383	10	-	-	-	-
- Savings deposits	- 儲蓄存款	126,462	126,487	126,462	12	13	-	-	-
- Time, call and notice deposits	- 定期及通知存款	334,015	340,859	1,176	215,258	99,149	25,275	1	-
Trading liabilities	交易用途負債	50	50	-	-	50	-	-	-
Negative fair value of derivatives	衍生工具的負公平價值	7,982	7,982	-	-	-	-	-	7,982
Certificates of deposit issued	已發行存款證	28,857	29,194	-	11,772	16,567	855	-	-
Current taxation	本期稅項	1,605	1,605	-	-	1,605	-	-	-
Debt securities issued	已發行債務證券	7,154	7,267	-	7	5,510	1,750	-	-
Loan capital	借貸資本	20,608	23,265	-	204	8,813	14,248	-	-
Interest rate swaps	利率掉期合約	6,890	6,890	-	767	1,673	4,129	321	-
Other liabilities	其他負債	50,550	46,738	1,005	11,205	18,640	6,650	2,878	6,360
<b>Total</b>	<b>總額</b>	<b>685,960</b>	<b>692,335</b>	<b>209,900</b>	<b>254,243</b>	<b>157,499</b>	<b>53,151</b>	<b>3,200</b>	<b>14,342</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

## (d) Liquidity risk management (continued)

		2015 Restated 重報							
		Carrying amount	Gross cash outflow	Repayable on demand	Less than three months	Between three months and one year	Between one and five years	More than five years	Undated
		賬面值	現金流出	即時還款	3個月或以下	3個月以上至1年	1年以上至5年	5年以上	無註明日期
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	32,126	32,298	8,175	20,639	2,006	1,419	59	-
Deposits from customers	客戶存款	540,743	548,134	188,818	235,644	95,969	27,703	-	-
- Demand deposits and current accounts	- 活期存款及往來賬戶	73,471	73,522	73,518	4	-	-	-	-
- Savings deposits	- 儲蓄存款	113,332	113,332	113,332	-	-	-	-	-
- Time, call and notice deposits	- 定期及通知存款	353,940	361,280	1,968	235,640	95,969	27,703	-	-
Trading liabilities	交易用途負債	889	889	-	838	50	-	-	1
Negative fair value of derivatives	衍生工具的負公平價值	6,909	6,909	-	-	-	-	-	6,909
Certificates of deposit issued	已發行存款證	37,277	37,622	-	17,730	16,342	3,550	-	-
Current taxation	本期稅項	1,325	1,325	-	-	1,325	-	-	-
Debt securities issued	已發行債務證券	13,597	13,929	-	3,715	2,101	8,113	-	-
Loan capital	借貸資本	16,996	19,821	-	235	647	18,939	-	-
Interest rate swaps	利率掉期合約	5,873	5,873	5	574	1,447	3,562	285	-
Other liabilities	其他負債	45,861	41,592	822	11,129	13,349	6,493	2,713	7,086
Total	總額	701,596	708,392	197,820	290,504	133,236	69,779	3,057	13,996

## (d) 流動資金風險管理(續)

## (e) Interest rate risk management

Interest rate risk is the risk resulting from adverse movement in interest rates. The Asset and Liability Management Committee is delegated by the Board to oversee the Group's interest rate risk management, establish the strategy and policy for managing interest rate risk, and determine the means for ensuring that such strategies and policies are implemented. Interest rate risk is managed daily by the Treasury Markets Division of the Group within the limits approved by the Board or the Asset and Liability Management Committee. The Asset & Liability Management Department under the Risk Management Division of the Group is responsible for monitoring the activities relating to interest rate risk. The Internal Audit Division performs periodic reviews to ensure that the interest rate risk management functions are implemented effectively.

Interest rate risk primarily results from the timing differences in the re-pricing of interest-bearing assets, liabilities, and off-balance sheet items in the banking book. In determining the level of interest rate risk, assessments are made for the repricing risk, basis risk, options risk, and yield curve risk. The Group manages the interest rate risk on the banking book primarily by focusing on re-pricing mismatches. Gap analysis provides a static view of the maturity and re-pricing characteristics of the Group's assets, liabilities, and off-balance sheet positions. Re-pricing gap limits are set to control the Group's interest rate risk.

## (e) 利率風險管理

利率風險是指不利的利率變動帶來的風險。資產負債管理委員會獲董事會授權，負責監察本集團的利率風險管理，訂立管理利率風險的策略與政策，並制定相應措施，以確保執行有關策略與政策。利率風險由本集團資金市場處按董事會或資產負債管理委員會批核的限額範圍進行日常管理。本集團風險管理處轄下的資產負債管理部，負責監察利率風險相關的活動。稽核處會定期作出檢討，確保利率風險管理功能得以有效執行。

利率風險主要是由銀行賬冊內帶息資產、負債及資產負債表外項目在再定息時的時差所致。釐定利率風險水平時，對重訂息率風險、息率基準風險、期權風險及收益率曲線風險進行評估。本集團管理銀行賬冊利率風險的主要集中於重訂息率的錯配。差距分析可讓本集團從靜態角度瞭解資產、負債和資產負債表外持倉的到期情況及重訂息率特點。本行設有重訂息率差距限額以控制本集團的利率風險。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

Sensitivity analysis in relation to the impact of changes in interest rates on earnings and economic value is assessed through a hypothetical interest rate shock of 200 basis points across the yield curve on the Group's assets, liabilities, and off-balance sheet positions and is performed on a monthly basis. Sensitivity limits are set to control the Group's interest rate risk exposure under both earnings and economic value perspectives. The results are reported to the Asset and Liability Management Committee on a regular basis.

#### Sensitivity analysis on interest rate risk

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

本集團每月進行敏感度分析，以估算利率變動對盈利和經濟價值的影響，當中假設本集團資產、負債和資產負債表外持倉的收益率曲線出現200個基點的利率衝擊。本集團設有敏感度限額，以控制本集團的盈利及經濟價值兩方面的利率風險承擔。有關結果定期向資產負債管理委員會匯報。

#### 利率風險敏感度分析

本集團採用敏感度分析來度量利率變動對淨利息收入及經濟價值變動可能產生的影響。

		2016			2015		
		HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元	HKD港元 HK\$ Mn 港幣百萬元	USD美元 HK\$ Mn 港幣百萬元	RMB人民幣 HK\$ Mn 港幣百萬元
Impact on earnings over the next 12 months if interest rates rise by 200 basis points	倘利率上調200個基點對未來12個月的盈利影響	946	50	691	945	64	258
Impact on economic value if interest rates rise by 200 basis points	倘利率上調200個基點對經濟價值的影響	(206)	96	501	(132)	89	201

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

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

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

敏感度分析乃依據資產及負債的靜態利率風險狀況作出，僅作風險管理用途。有關分析乃根據以下假設進行：

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****財務報表附註(續)****44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)****(f) Strategic risk management**

Strategic risk is the risk of current or potential impact on the Group's earnings, capital, reputation, or standing arising from changes in the environment the Group operates in, adverse strategic decisions, improper implementation of decisions, or lack of responsiveness to industry, economic, or technology changes.

The Risk Management Division of the Group monitors the activities under the Group's prevailing interest earning asset mix and funding strategies and regularly reports the status to the Asset and Liability Management Committee, Risk Management Committee, RIC and the Board, where appropriate.

Capital management through projection of the Capital Adequacy Ratio and Internal Capital Adequacy Assessment Process is conducted to assess the level and structure of capital resources needed to support the risks that the Group tolerates.

**(g) Legal risk management**

Legal risk is the risk of loss arising from unenforceable contracts, lawsuits, or adverse judgments that may disrupt or otherwise negatively affect the operations or financial condition of the Group.

The objective of managing legal risk is to identify, assess, monitor and report on legal risk, and to comply with the relevant legal and regulatory requirements.

The Group provides appropriate training courses conducted by qualified internal personnel and/or external lawyers/professionals, and issues regular reminders to staff members. When dealing with legal matters, the Group engages qualified internal personnel and, when necessary and appropriate, external lawyers with appropriate expertise including counsel and senior counsel for advice.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's legal risk.

**(h) Reputation risk management**

Reputation risk is the risk that the Group's reputation is damaged by one or more events, which result in negative publicity about the business practices, conduct, or financial condition of the Group. Such negative publicity, whether true or not, may impair public confidence in the Group, result in costly litigation, or lead to a decline in its customer base, business, and/or revenue.

The objective of managing reputation risk is to identify, assess, monitor, report, and mitigate reputation risk, and to ensure compliance with the relevant regulatory requirements.

**(f) 策略性風險管理**

策略性風險是指因本集團營運環境變動、不良策略決策、決策實施不當或對工業、經濟或技術變動反應遲緩而對本集團盈利、資本、信譽或地位造成當前或潛在影響的風險。

本集團轄下的風險管理處監控本集團現行生息資產組合及融資策略下的活動，並於適當情況下定期向資產負債管理委員會、風險管理委員會、風險委員會及董事會匯報有關情況。

本集團透過資本充足比率預計及內部資本充足評估程序進行資本管理，以評估支援本集團在風險可承受水平上所需的資本資源水平及結構。

**(g) 法律風險管理**

法律風險是指出現合約未能執行、訴訟或不利審判的情況，可能對本集團的日常運作或財務狀況造成擾亂或負面影響而導致損失的風險。

法律風險管理的目的，在於識別、評估、監控及匯報法律風險，以及遵守相關法律及監管規定的要求。

本集團提供由合資格內部人員及／或外聘律師／專業人士講解的適當培訓課程，並向員工發出定期提示。當處理法律事宜，本集團諮詢合資格內部人士，並於必要及適當的情況下徵詢具備相應專業知識的外聘律師(包括大律師及資深大律師)的意見。

營運風險管理委員會負責監督本集團的法律風險管理。

**(h) 信譽風險管理**

信譽風險是指因對本集團一項或多項有關營商規則、行為或財務狀況事件的負面報導而損及本集團信譽的風險。此等負面報導，不管真確與否，有可能影響公眾對本集團的信心，可能導致高昂的訴訟費用，或令本集團客戶、業務及／或收入減少。

信譽風險管理的目的在於識別、評估、監控、匯報及降低信譽風險，以及確保符合相關監管規定的要求。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The Group establishes various policies, guidelines, manuals, and codes to ensure compliance with applicable laws, rules, and regulations, and to ensure that the Bank Group maintains a high standard of corporate governance, which in turn helps to safeguard and enhance the Group's reputation.

The Group formulates, and adheres to, the Reputation Risk Management Manual, which outlines a systematic approach to the management of reputation risk, including a framework for reputation risk identification, assessment, monitoring, mitigation, and control, thereby protecting and enhancing the reputation of the Bank Group. The Guidelines for Incident Response and Management are established for swift response to and management of unexpected incidents. The Media Guidelines are established to ensure effective and consistent delivery of the Group's key messages to the media.

The Operational Risk Management Committee is responsible for overseeing the management of the Group's reputation risk.

#### (i) Compliance risk management

Compliance risk is the risk of loss arising from legal or regulatory sanctions, fines and penalties, financial losses, or damage to reputation that the Group may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to its banking activities.

The Group establishes various policies, guidelines, and manuals to ensure compliance with all applicable legislation, rules, codes of conduct, industry standards, and guidelines issued by the relevant regulatory authorities, which govern the Group's operations. The Group formulates, and adheres to, the Group Compliance Risk Management Manual, which outlines a systematic approach to the management of compliance risk, including a framework for compliance risk identification, assessment, monitoring, mitigation, and control, thereby enabling the Bank Group to manage its compliance risk effectively. Independent regulatory compliance reviews are conducted on major functions of the Bank using a risk-based approach.

#### (j) Technology risk management

Technology risk is the risk of loss to the Group due to inadequate or failed technical processes, people, and/or computing systems, or unauthorised access or disruption to technology resources, in particular relating to cyber security and e-banking.

The Group has established a technology risk management framework, supported by comprehensive control policies, standards, guidelines, and procedures.

Control measures relating to the security of internet systems and applications, customer authentication, risk assessment for new products and services, and confidentiality and integrity of information are adopted.

The Operational Risk Management Committee is responsible for overseeing the technology risk-related issues of the Group.

本集團制定各項政策、指引、手冊及守則，確保遵守適用法例、規則及規例，同時確保本集團維持高水準的企業管治，藉此保障及提升本集團的信譽。

本集團制定並遵從信譽風險管理手冊，該手冊載錄對信譽風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制信譽風險的機制，藉此保護及提升本集團的信譽。本集團已建立事件應對及管理指引，以快速應對並管理未能預期的事件。並已建立媒體指引，以確保有效及一致地將本集團的關鍵信息傳達予媒體。

營運風險管理委員會負責監督本集團的信譽風險管理。

#### (i) 合規風險管理

合規風險是指因法律及監管制裁、罰金或罰款、財務損失，或因未能遵守適用於本集團銀行業務的法例、規例、規則、相關自律組織標準及行為守則，而導致本集團損失的風險。

本集團已制定各項政策、指引及手冊，確保遵守所有適用法例、規則、行為守則、行業標準及有關監管機構發出的規管本集團營運的指引。本集團已制定並遵從集團合規風險管理手冊，該手冊載錄對合規風險實施系統化管理的方法，包括識別、評估、監控、緩減及控制合規風險的機制，藉此令本集團有效地管理合規風險。並採用風險為本的方式對本行主要職能進行獨立合規監察審查。

#### (j) 科技風險管理

科技風險是指因技術程序、人員及／或計算系統不足或出現故障；或因未經授權使用或破壞技術資源(尤其在涉及網絡安全及電子銀行時)導致本集團損失的風險。

本集團已建立科技風險管理機制，並以全面的控制政策、標準、指引及程序確保其實施。

與網絡系統及應用程式安全、客戶身份驗證、新產品及服務風險評估、以及資料保密及完整性相關的控制措施已被採納。

營運風險管理委員會負責監督本集團的科技風險相關事項。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 44. PRINCIPAL RISK MANAGEMENT (CONTINUED) 主要風險管理(續)

##### (k) New product and business risk management

New product and business risk is the risk of loss due to insufficient pre-assessment of significant potential risks introduced to the Group, which arise from the launch of new products, the structural change of existing products, and the establishment of new business operations (i.e. through the establishment of a new subsidiary and/or merger & acquisition). The significant potential risks include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Interest Rate Risk, Legal Risk, Technology Risk, Compliance Risk, Strategic Risk, Reputation Risk and Business Continuity Risk.

The Group establishes a robust risk governance structure, supported by comprehensive control guidelines and procedures. A structured process, which ensures that when initiating a new product or business, the potential significant risks are duly assessed, documented, and approved. It also facilitates Senior Management's oversight of new products and businesses.

Each new product launch must go through an approval process, which includes business and financial analysis and risk assessment. New products are reviewed and assessed by the New Products Evaluation Working Group (comprising the department heads of supporting units), endorsed by the Steering Group (chaired by the Bank's Group Chief Risk Officer and comprising the division heads of supporting units), and approved by the Risk Management Committee.

##### (l) Business continuity risk management

Business continuity risk is the risk of loss arising from business disruptions in the event of an incident or crisis. Business disruption could be caused by the loss of staff members, information technology and telecommunication systems, premises, key service providers, vital records, etc..

To manage business continuity risk, the Group establishes comprehensive policies, guidelines, and manuals. Business impact analysis is conducted and business continuity plans are developed by all individual functional units of the Group. Annual drills are performed to test preparedness and effectiveness of the business continuity plans.

##### (m) Capital management

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

##### (k) 新產品及業務風險管理

新產品及業務風險是指本集團在新產品推出、現有產品結構性變動及新業務運作(即透過設立新附屬公司及/或合併及收購)時,未充分預先評估其重大潛在風險,而導致本集團損失的風險。此等重大潛在風險包括信貸風險、市場風險、營運風險、流動資金風險、利率風險、法律風險、科技風險、合規風險、策略性風險、信譽風險及持續業務運作風險。

本集團已建立穩健風險管治架構,並以全面的控制指引及程序確保其實施。透過框架內的程序,本集團確保在推出新產品或業務時對潛在重大風險作出適當評估、記錄及審批;其亦有助高級管理層監督新產品及業務。

每一個新產品的推出,須通過審批過程,包括業務和財務分析和風險評估。這些新產品首先由新產品評審工作組審核及評估,並由督導組認可及由風險管理委員會批准。新產品評審工作組由支援職能的部門主管組成;而督導組的主席為集團風險總監,並由支援職能的處級主管組成。

##### (l) 持續業務運作風險管理

持續業務運作風險是指事件或危機發生時業務中斷導致損失的風險。業務中斷可能由員工、資訊科技及電訊系統、行址、主要服務提供者、關鍵記錄等相關損失而引致。

為管理持續業務運作風險,本集團已制定全面的政策、指引及手冊。本集團所有個別職能單位均進行業務影響分析及制定業務持續規劃。並每年進行演習以測試業務持續規劃是否備妥及有效。

##### (m) 資本管理

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



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

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.

Capital managed by the Group to achieve these objectives includes ordinary share capital, retained profits, other reserves, and non-controlling interests after deductions for goodwill and intangible assets. It also includes subordinated liabilities and collectively assessed impairment allowances.

The HKMA supervises the Group on both a consolidated basis and a solo-consolidated basis, which sets capital requirements and receives information of capital adequacy on a regular basis for the Group as a whole. Individual overseas branches and banking subsidiaries are directly regulated by respective domestic banking supervisors, who set and monitor their capital adequacy requirements. In certain jurisdictions, non-banking financial subsidiaries are also subject to the supervision and capital requirements of domestic regulatory authorities.

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

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

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

The capital adequacy ratios as at 31st December, 2016 and 31st December, 2015 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 Capital Rules of the Banking Ordinance.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2016 and 31st December, 2015 and the Group's capital ratios are well above the minimum required by the HKMA.

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

以求達至該目的，本集團管理資本包括股本、留存溢利、其他儲備，及非控股權益及經已扣除商譽和無形資產。

金管局按綜合基準及單獨綜合基準以監管本集團，並制訂資本要求及定期收集本集團整體性的資本充足資料。個別海外分行及銀行附屬公司分別由當地的銀行監管機關直接監管，並制訂及監控其資本充足要求。在某些地區，非銀行財務附屬公司是受當地監管機關規管及資本要求。

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

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

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

2016年12月31日及2015年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合《銀行業條例》的《資本規則》。

截至2016年12月31日及2015年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 45. FAIR VALUES OF FINANCIAL INSTRUMENTS 金融工具的公平價值

##### (a) Financial instruments carried at fair value

Fair value estimates are generally subjective in nature, and are made as of a specific point in time based on the characteristics of the financial instruments and relevant market information. The Group measures fair values using the following hierarchy of methods:

Level 1 – Quoted market price in an active market for an identical instrument.

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3 – Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or counterparty quotations. For all other financial instruments the Group determines fair values using valuation techniques. Valuation techniques include net present value and discounted cash flow models and various market widely recognised option pricing models. Assumptions and inputs used in valuation techniques include risk-free and benchmark interest rates, equity prices, foreign currency exchange rates, index prices, historical or implied volatilities and correlations. The objective of valuation techniques is to arrive at a fair value measurement that reflects the price of the financial instrument that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the reporting date.

The Group uses widely recognised valuation models for determining the fair value of common and simpler financial instruments, like interest rate and currency swaps that use only observable market data and require little management judgement and estimation. Observable prices and model inputs are usually available in the market for listed debt and equity securities, exchange traded derivatives and simple over-the-counter derivatives like interest rate swaps. Availability of observable market prices and model inputs reduces the need for management judgement and estimation and also reduces the uncertainty associated with determination of fair values. Availability of observable market prices and inputs varies depending on the products and markets and is prone to changes based on specific events and general conditions in the financial markets.

##### (a) 以公平價值列賬的金融工具

公平價值估計是根據金融工具的特性和相關市場資料於某一特定時間作出，因此一般是主觀的。本集團以下列的分級方法計算公平價值：

第一級－參考同一工具在活躍市場取得的市場報價。

第二級－根據可觀察的參數之估值模式。為此級別估值的工具，包括以下方式：就相若工具在活躍市場取得的市場報價；就相若工具在非活躍市場取得的市場報價；或其他估值模式，而該等估值模式所用的參數，是直接或間接可從市場觀察所得的數據。

第三級－根據重要但非可觀察得到的參數之估值模式。為此級別估值的工具，其估值模式所輸入之參數為非可觀察的數據，惟該等非可觀察的數據可以對估值產生重大影響。為此級別估值的工具，也包括在活躍市場取得相若金融工具的市場報價，惟當中需要作出非可觀察之調整或假設，以反映不同金融工具之間的差別。

於活躍市場買賣的金融資產及金融負債，是根據市場報價或交易對手報價以釐定其公平價值。而對於所有其他金融工具，本集團則利用估值模式以釐定公平價值。估值模式包括淨現值及現金流量折現模式、以及其他市場廣泛應用的期權估值模式。用於估值模式之假設及參數包括無風險利率、基準利率、股票價格、外幣兌換率、指數價格、過往或預期波幅及相聯關係。採用估值模式的目的是計量公平價值，藉以在申報日能反映金融工具的價格，而該價格可被視為在正常交易下市場人士當賣出資產時可收取或當轉移負債時須支付之款項。

本集團會使用廣泛應用的估值模式，以釐定一般性及較簡單金融工具的公平價值，例如僅使用可觀察市場價格、及毋須管理層耗時判斷及估計之利率及貨幣掉期。可觀察價格及模式的參數，通常可從市場上的上市債務及股份證券、在交易所買賣的衍生工具和簡單的場外交易衍生工具如利率掉期獲取。獲取可觀察市場價格及模式的參數，可以減省管理層需時判斷及估計，也可減少有關釐定公平價值的不穩定因素。是否取得可觀察市場價格及參數，視乎產品及市場性質，並會因金融市場的個別事件和一般情況而有不同變化。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

For more complex instruments, the Group uses valuation models, which usually are developed from recognised valuation methodologies. Some or all of the significant inputs into these models may not be observable in the market, and are derived from market prices or rates or are estimated based on assumptions. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determination of fair value. Management judgement and estimation are usually required for selection of the appropriate valuation model to be used, determination of expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and prepayments and selection of appropriate discount rates.

The Group has an established control framework with respect to the measurement of fair values. This framework includes a valuation control function, namely Financial Instruments Valuation Group (“FIVG”) which comprises control units independent of front office management. Procedures for price verification have been established. Any pricing models to be used would be subject to a rigorous validation and approval process.

The table below analyses financial instruments, 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:

至於較複雜的金融工具，本集團會使用通常由已有認受性的估值模式改動而來。部分甚或所有須予輸入模式的重要參數或未能從市場中觀察得出，而必須從市場價格或利率計算、或基於假設而估計而得出。該等須利用重要而非可觀察之參數的估值模式，需要管理層投入較多時間於判斷及估計，始能釐定金融工具的公平價值；而揀選適當的估值模式、為估值之金融工具決定其預期的未來現金流、決定交易對手方違約和提早還款的或然率，以及挑選適用的貼現率等，一般皆需要管理層的判斷和估計。

本集團已就計算公平價值設立了監控機制。此機制包括擁有產品監控功能並獨立於前線管理人員，稱為金融工具估值群組（「群組」）。價格核實的程序已經確立。任何將被採用的價格模式必須經過嚴格的檢測及審批程序。

下表是分析於報告期期末，在公平價值分級內金融工具之公平價值的處理方式：

		2016				2015			
		Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元	Level One 第一級 HK\$ Mn 港幣百萬元	Level Two 第二級 HK\$ Mn 港幣百萬元	Level Three 第三級 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Recurring fair value measurement</b>	<b>重覆發生的公平價值釐定</b>								
<b>Assets</b>	<b>資產</b>								
Trading assets	交易用途資產	1,566	2,838	-	4,404	2,276	3,059	-	5,335
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	2,097	1,457	-	3,554	2,877	1,459	-	4,336
Positive fair value of derivatives	衍生工具的正公平價值	-	8,938	-	8,938	-	3,064	3,141	6,205
Available-for-sale financial assets	可供出售金融資產	73,567	36,431	493	110,491	51,672	41,173	750	93,595
		77,230	49,664	493	127,387	56,825	48,755	3,891	109,471
<b>Liabilities</b>	<b>負債</b>								
Trading liabilities	交易用途負債	50	-	-	50	889	-	-	889
Negative fair value of derivatives	衍生工具的負公平價值	-	7,982	-	7,982	-	3,892	3,017	6,909
Financial liabilities designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融負債	-	18,524	-	18,524	-	18,996	-	18,996
		50	26,506	-	26,556	889	22,888	3,017	26,794

During the years ended 31st December 2016 and 2015, there were no significant transfers of financial instruments between Level 1 and Level 2 of the fair value hierarchy. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至2016年及2015年12月31日止之年內，根據第一級及第二級分級方法釐定公平價值之金融工具，兩者之間並無重大的轉移。本集團的政策是只確認於報告期期末公平價值分級之間發生的轉移。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (a) Financial instruments carried at fair value (continued)

Information about significant unobservable inputs in Level 3 valuations

	Valuation technique 估值模式	Significant unobservable input(s) 重要非可觀察參數
Unlisted available-for-sale equity instruments 非上市可供出售股份工具	Discounted cash flow model 現金流折扣模式	Forecasted cash flows and terminal growth rate 預計現金流及終端增長率
Structured derivatives 結構性衍生工具	Option model 期權模式	Expected volatility 預計波幅

The fair value of unlisted available-for-sale equity instruments is determined using the discounted cash flow model and the significant unobservable inputs used in the fair value measurement are forecasted cash flows and terminal growth rate. The fair value measurement is positively correlated to the net cash inflows and terminal growth rate.

The fair value of embedded options in structured derivatives is determined using option valuation model and the significant unobservable input used in the fair value measurement is the expected volatility. The fair value of the instrument is positively correlated to the expected volatility.

Valuation of financial instruments in Level 3 is subject to the same valuation control framework as described above and reviewed regularly by FIVG.

## (a) 以公平價值列賬的金融工具(續)

有關第三級估值的重要非可觀察參數資料

非上市可供出售股份工具的公平價值是根據現金流折扣模式，而用以計量公平價值之重要但非可觀察參數是預計現金流及終端增長率。計量公平價值與淨現金流及終端增長率是有正面的相互關聯。

在結構性衍生工具內之嵌入期權的公平價值是根據期權估值模式，而用以計量公平價值之重要但非可觀察參數是預計波幅。工具的公平價值與預計波幅是有正面的相互關聯。

在第三級之金融工具估值是受以上所述之相同估值監控機制及金融工具估值群組的定期檢視。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (1) Valuation of financial instruments with significant unobservable inputs

Movements in the recognised fair values of instruments with significant unobservable inputs were as follows:

During the year 2016, the Group had developed an internal valuation model based on observable market inputs for pricing various foreign exchange, equity and interest rate structured derivatives contracts. As a result, these financial instruments were transferred from Level 3 to Level 2 of the fair value hierarchy at the reporting date (2015: Nil).

#### (1) 使用重要而非可觀察之參數的金融工具估值

已列賬並含有重要而非可觀察參數的工具，其公平價值之變動如下：

在2016年，本集團按市場可觀察參數制定了一套內部估價模式為各種外匯、股份及利率結構衍生合約作定價。因此，於報告期結束日(2015年：無)，該等金融工具的公平價值分級由第三級轉入第二級內。

		2016		
		Positive fair value of derivatives	Available-for-sale financial assets	Total
		衍生工具的 正公平價值	可供出售 金融資產	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元
<b>Assets</b>	<b>資產</b>			
At 1st January, 2016	於2016年1月1日	3,141	750	3,891
Purchases	購入	-	11	11
Settlements	結算	(1,140)	(52)	(1,192)
Changes in fair value recognised in the income statement	公平價值變動確認於 收益表	(1,503)	-	(1,503)
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於 其他全面收益	-	(15)	(15)
Exchange adjustments	匯兌調整	-	1	1
Transfer to level 2	轉入第二級	(498)	(173)	(671)
Transfer to asset classified as assets held for sale	轉至分類為持有作出售資產	-	(29)	(29)
At 31st December, 2016	於2016年12月31日	-	493	493
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產而已 計入年度內其他全面收益之 可供出售公平價值儲備之收益 或虧損總額	-	(15)	(15)
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產而已 計入年度內收益表之交易收入 淨額	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (a) Financial instruments carried at fair value (continued)

(1) Valuation of financial instruments with significant unobservable inputs (continued)

## (a) 以公平價值列賬的金融工具(續)

(1) 使用重要而非可觀察之參數的金融工具估值(續)

		2015		
		Positive fair value of derivatives 衍生工具的正公平價值 HK\$ Mn 港幣百萬元	Available-for-sale financial assets 可供出售金融資產 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
<b>Assets</b>	<b>資產</b>			
At 1st January, 2015	於2015年1月1日	1,554	993	2,547
Purchases	購入	–	60	60
Settlements	結算	(333)	(322)	(655)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	1,920	(15)	1,905
Changes in fair value recognised in the other comprehensive income	公平價值變動確認於其他全面收益	–	75	75
Exchange adjustments	匯兌調整	–	(41)	(41)
At 31st December, 2015	於2015年12月31日	3,141	750	3,891
Total gains or losses for the year included in available-for-sale fair value reserve of the other comprehensive income for assets held at the end of the reporting period	於報告期結束日持有之資產而已計入年度內其他全面收益之可供出售公平價值儲備之收益或虧損總額	–	75	75
Total gains or losses for the year included in the income statement for assets held at the end of the reporting period recorded in net trading income	於報告期結束日持有之資產而已計入年度內收益表之交易收入淨額	1,920	–	1,920

		2016 Negative fair value of derivatives 衍生工具的負公平價值 HK\$ Mn 港幣百萬元	2015 Negative fair value of derivatives 衍生工具的負公平價值 HK\$ Mn 港幣百萬元
<b>Liabilities</b>	<b>負債</b>		
At 1st January	於1月1日	3,017	1,571
Settlements	結算	(1,139)	(336)
Changes in fair value recognised in the income statement	公平價值變動確認於收益表	(1,417)	1,782
Transfer from level 2	由第二級轉入	–	–
Transfer to level 2	轉入第二級	(461)	–
At 31st December	於12月31日	–	3,017
Total gains or losses for the year included in the income statement for liabilities held at the end of the reporting period recorded in net trading income	於報告期結束日持有之負債而已計入年度內收益表之交易收入淨額	–	1,782

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(2) Effects of changes in significant unobservable assumptions to reasonably possible alternative assumptions

(2) 因重要而非可觀察之假設變動至合理可行之另類假設所產生的影響

		2016							
		Effect recorded in profit or loss 直接記錄於損益上之影響				Effect recorded directly in equity 直接記錄於股東權益上之影響			
		Favourable 有利		(Unfavourable) (不利)		Favourable 有利		(Unfavourable) (不利)	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Positive fair value of derivatives	衍生工具的正公平價值	-		-		-		-	
Available-for-sale financial assets	可供出售金融資產	-		-		41		(41)	
		-		-		41		(41)	
Negative fair value of derivatives	衍生工具的負公平價值	-		-		-		-	

		2015							
		Effect recorded in profit or loss 直接記錄於損益上之影響				Effect recorded directly in equity 直接記錄於股東權益上之影響			
		Favourable 有利		(Unfavourable) (不利)		Favourable 有利		(Unfavourable) (不利)	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Positive fair value of derivatives	衍生工具的正公平價值	262		(262)		-		-	
Available-for-sale financial assets	可供出售金融資產	-		-		63		(63)	
		262		(262)		63		(63)	
Negative fair value of derivatives	衍生工具的負公平價值	252		(252)		-		-	

The fair values of financial instruments are in certain circumstances, measured using valuation models that incorporate assumptions that are not supported by prices from observable current market transactions in the same instrument and are not based on observable market data. The table above shows the sensitivity of fair values due to parallel movement of plus or minus 10 per cent in reasonably possible alternative assumptions.

在若干情況下，計算金融工具的公平價值所使用的估值模式，其含有的假設並非依據在相同工具的當前可觀察市場交易價格，亦非依賴其他可觀察的市場數據。上表顯示公平價值之敏感度，即因轉用至合理可行之另類假定所產生的正、負10%的價值的並行變動。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 45. FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED) 金融工具的公平價值(續)

## (b) Fair values of financial instruments carried at other than fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments presented below:

- (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 end of the reporting period.
- (ii) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans and unquoted debt securities, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognised separately by deducting the amount of the impairment allowances from both the carrying amount and fair value.
- (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.
- (iv) The fair value of unquoted equity investments is estimated, if possible, using the applicable dividend discount model, or share of net asset value in the investment, or applying a discount to the market value of investments with a lock-up period.
- (v) The fair value of unlisted open-ended investment funds is estimated using the net asset value per share as reported by the managers of such funds.
- (vi) The fair value of financial guarantees issued is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or is otherwise estimated by reference to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made.

## (b) 以公平價值以外列賬的金融工具公平價值

本集團採用下列方法和重要假定，以釐定如下的金融工具的公平價值：

- (i) 不設指定期限的活期存款和儲蓄賬戶的公平價值，乃假定為於報告期結束日可按要求而支付的金額。
- (ii) 浮息金融工具的公平價值，乃假定為與其賬面值相若。如此等工具為貸款和非上市債務證券，由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，因此其公平價值不能反映其信貸素質的改變。
- (iii) 以攤銷成本入賬的定息貸款和按揭貸款的公平價值，乃在此等貸款按相若貸款所獲提供的目前市場利率批出時，以市場利率比較的方式估計。由於相關的信貸風險影響是在賬面值和公平價值中將減值準備金額減除後才分別予以確認，在決定公平價值總額時，貸款組合內各項貸款的信貸素質的改變均不會予以考慮。
- (iv) 非上市股票投資的公平價值是在可能情況下採用適用的股息折扣模式，或應佔投資的淨資產，或為設有禁售期之投資按其市值以折扣計算。
- (v) 非上市開放式投資基金的公平價值估計，是基於投資經理所匯報的每股資產淨值作出。
- (vi) 已發出的融資擔保之公平價值，是以參考在相若服務的公平交易中所徵收費用之可取得相關資料而釐定；有關的資料也可參考利率差價而估計，亦可以就貸款機構對發出擔保所實際徵收的息率，與在沒有取得擔保之情況下而貸款機構將可能徵收的估計息率作出比較，並在當中取用較可靠的相關資料以釐定公平價值。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31st December, 2016 and 2015 except as follows:

除下列者外，本集團以成本或攤銷成本入賬的金融工具賬面值，與其於2016年12月31日及2015年同日之公平價值相若。

		2016				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Held-to-maturity investments	持至到期投資	5,663	5,724	3,967	1,757	-
Financial liabilities	金融負債					
Certificates of deposit issued	已發行存款證	10,751	10,737	-	10,737	-
Debt securities issued	已發行債務證券	6,736	6,776	-	6,776	-
Subordinated liabilities	後償負債	20,608	21,122	-	21,122	-

		2015				
		Carrying amount	Fair value	Level 1	Level 2	Level 3
		賬面值	公平價值	第一級	第二級	第三級
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Financial assets	金融資產					
Held-to-maturity investments	持至到期投資	6,199	6,249	4,309	1,940	-
Financial liabilities	金融負債					
Certificates of deposit issued	已發行存款證	20,820	20,831	-	20,831	-
Debt securities issued	已發行債務證券	11,058	11,118	-	11,118	-
Subordinated liabilities	後償負債	16,996	17,367	-	17,367	-

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 level 2 fair values using the following method and there is no change to the valuation technique:

Level 2 – Valuation techniques based on observable input. This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

釐定公平價值通常是較具主觀性的，及根據在其一特定時間點按金融工具之特性及相關市場資料而作出。本集團釐定第二級公平價值是採納以下方法及估值模式並無改變：

第二級 – 估值模式是以可觀察參數為基準。此類別工具估值包括採用：在活躍市場內相近工具有報價的市場價格；在較不活躍之市場內相近工具有報價的價格；或其他估值模式而所有重要參數是直接或間接地由市場資料可觀察到。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 46. OFF-BALANCE SHEET EXPOSURES 資產負債表以外的風險

##### (a) Contingent liabilities and commitments

The following is a summary of the contractual amounts of each significant class of contingent liabilities and commitments:

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Direct credit substitutes	直接信貸代替品	17,568		32,679	
Transaction-related contingencies	與交易有關的或然項目	763		1,039	
Trade-related contingencies	與貿易有關的或然項目	1,133		747	
Commitments that are unconditionally cancellable without prior notice	可無條件取消而毋須事先通知的承擔	160,737		168,798	
Other commitments with an original maturity	其他承擔的原到期日				
– up to 1 year	– 1年或以下	10,419		15,796	
– over 1 year	– 1年以上	27,633		23,421	
		218,253		242,480	
Credit risk weighted amounts	信貸風險加權金額	34,130		30,430	

Contingent liabilities and commitments are credit-related instruments which include acceptances, letters of credit, guarantees and commitments to extend credit. The contractual amounts represent the amounts at risk should the contract be fully drawn upon and the client default. Since a significant portion of guarantees and commitments is expected to expire without being drawn upon, the total of the contract amounts does not represent expected future cash flows.

##### (a) 或然負債及承擔

每項或然負債及承擔主要類別的合約金額摘要如下：

或然負債及承擔是與信貸有關的工具，包括用以提供信貸的承兌票據、信用證、擔保書和承付款項。合約金額是指當合約被完全提取及客戶違約時所承擔風險的金額。由於預期擔保書及承付款項的大部分金額會在未經提取前逾期，合約金額並不代表預計未來現金流量。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

**(b) Derivatives**

## (i) Notional amount of derivatives

Derivatives refer to financial contracts whose value depends on the value of one or more underlying assets or indices.

The following is a summary of the notional amounts of each significant type of derivative for the Group:

**(b) 衍生工具**

## (i) 衍生工具的名義金額

衍生工具是指由一項或多項潛在資產或指數價值釐定價值的財務合約。

集團的每項衍生工具主要類別的名義金額摘要如下：

		2016					
		Managed in conjunction with financial instruments designated at fair value through profit or loss 按透過損益 以反映公平價值 金融工具模式管理		Others, including held for trading 其他，包括持有 作交易用途		Total 總額	
		Qualifying for hedge accounting 符合對沖會計法		Others, including held for trading 其他，包括持有 作交易用途		Total 總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	2,013		-		132,039	134,052
Swaps	掉期交易	-		10,305		351,136	361,441
Options purchased	購入期權	-		-		16,895	16,895
Options written	沽出期權	-		-		17,529	17,529
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	-		-		469	469
Swaps	掉期交易	69,855		24,399		291,968	386,222
Equity contracts	股份合約						
Swaps	掉期交易	-		-		5,534	5,534
Options purchased	購入期權	-		-		2,389	2,389
Options written	沽出期權	-		-		2,988	2,988
Others	其他	-		-		1,297	1,297
		71,868		34,704		822,244	928,816

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

(i) Notional amount of derivatives (continued)

## (b) 衍生工具(續)

(i) 衍生工具的名義金額(續)

		2015 Restated 重報				
		Managed in conjunction with financial instruments designated at fair value through profit or loss 按通過損益以反映公平價值 符合對沖會計法 HK\$ Mn 港幣百萬元		Others, including held for trading 其他，包括持有作交易用途 HK\$ Mn 港幣百萬元		Total 總額 HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約					
Forwards and futures	遠期交易及期貨	1,597	–	105,988		107,585
Swaps	掉期交易	–	8,727	256,904		265,631
Options purchased	購入期權	–	–	43,050		43,050
Options written	沽出期權	–	–	42,379		42,379
Interest rate contracts	利率合約					
Forwards and futures	遠期交易及期貨	–	–	981		981
Swaps	掉期交易	54,087	19,683	549,357		623,127
Equity contracts	股份合約					
Swaps	掉期交易	–	–	4,017		4,017
Options purchased	購入期權	–	–	2,901		2,901
Options written	沽出期權	–	–	3,010		3,010
Others	其他	–	–	9,329		9,329
		55,684	28,410	1,017,916		1,102,010

Derivatives arise from futures, forward, swap and option transactions undertaken by the Group and the Bank in the foreign exchange, interest rate and equity markets. The notional amounts of these instruments indicate the volume of transactions outstanding at the end of the reporting period; they do not represent amounts at risk.

The fair value and credit risk weighted amounts of the aforesaid off-balance sheet exposures are as follows. These amounts do not take into account the effects of bilateral netting arrangements.

衍生工具是由本集團及本行在外匯、利率及股票市場進行期貨、遠期、掉期及期權交易而產生。這些工具的名義金額指在報告期結束日仍未完成的交易量，但並不代表所承受風險的金額。

前述資產負債表以外風險的公平價值及信貸風險加權金額如下。這些金額並未計入雙邊淨額安排的影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Fair value and credit risk weighted amounts of derivatives

(ii) 衍生工具之公平價值及信貸風險加權金額

		2016			2015		
		Fair value 公平價值		Credit risk weighted amounts* 信貸風險 加權金額*	Fair value 公平價值		Credit risk weighted amounts* 信貸風險 加權金額*
		Assets 資產	Liabilities 負債		Assets 資產	Liabilities 負債	
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Exchange rate contracts	匯率合約						
Forwards and futures	遠期交易及期貨	1,591	942	1,522	859	1,696	378
Swaps	掉期交易	3,913	3,945	2,971	1,574	1,590	3,351
Options purchased	購入期權	633	392	610	1,403	1,449	2,202
Options written	沽出期權	11	430	28	–	19	762
Interest rate contracts	利率合約						
Forwards and futures	遠期交易及期貨	–	–	–	2	–	–
Swaps	掉期交易	2,582	2,019	775	2,119	1,932	1,090
Equity contracts	股份合約						
Swaps	掉期交易	139	134	–	75	86	69
Options purchased	購入期權	63	31	41	163	112	371
Options written	沽出期權	–	69	–	1	23	86
Others	其他	6	20	286	9	2	760
		<b>8,938</b>	<b>7,982</b>	<b>6,233</b>	6,205	6,909	9,069

\* The Bank adopted the Foundation Internal Ratings Based ("IRB") approach according to Capital Rules for calculating the credit risk weighted amount as at 31st December, 2016 and 31st December, 2015.

\* 根據《資本規則》，本行採納「基礎內部評級基準計算法」計算於2016年12月31日及2015年12月31日之信貸風險之風險加權金額。

The tables above give the contractual or notional amounts, fair value and credit risk weighted amounts of off-balance sheet transactions. The fair value is calculated for the purposes of deriving the credit risk weighted amounts. These are assessed in accordance with the Capital Rules. Fair value represents the cost of replacing all contracts which have a positive value when marked to market.

上表列出資產負債表以外交易的合約或名義金額、公平價值及信貸風險加權金額。公平價值是用來計算信貸風險加權金額。該等金額是按照《資本規則》作評估。公平價值是指重置所有按市場價值計算差額時附有正值的合約成本。

Fair value is a close approximation of the credit risk for these contracts as at the end of the reporting period. The credit risk weighted amount refers to the amount as computed in accordance with the Capital Rules.

公平價值是在報告期結束日該等合約的略計信貸風險。信貸風險加權金額是指按照《資本規則》計算。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (b) Derivatives (continued)

(iii) Fair values of derivatives designated as hedging instruments

The following is a summary of the fair values of derivatives held for hedging purposes by product type:

		2016		2015 Restated 重報	
		Assets	Liabilities	Assets	Liabilities
		資產	負債	資產	負債
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Cash flow hedged derivatives	現金流對沖衍生				
Exchange rate contracts	工具匯率合約	-	30	4	11
Fair value hedged derivatives	公平價值對沖衍生				
Interest rate contracts	工具利率合約	908	338	428	253

## (a) Cash flow hedges

The Group's cash flow hedge principally consists of foreign exchange contracts that are used to hedge against the variability in cash flows of certain debt securities subject to foreign exchange rate movement.

The time periods in which the hedged cash flows are expected to occur and affect the consolidated statement of comprehensive income are as follows:

		Within one year	Over one year but within five year	Over five years
		1年以內	1年以上至5年	5年以上
		HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元
At 31st December, 2016	於2016年12月31日			
Cash inflows from assets	來自資產的現金流入	12	1,655	346
Cash outflows from liabilities	來自負債的現金流出	-	-	-
Net cash inflows	淨現金流入	12	1,655	346
At 31st December, 2015	於2015年12月31日			
Cash inflows from assets	來自資產的現金流入	-	894	194
Cash outflows from liabilities	來自負債的現金流出	-	-	-
Net cash inflows	淨現金流入	-	894	194

## (b) 衍生工具(續)

(iii) 指定為對沖工具之衍生工具的公平價值  
用作對沖用途之衍生工具的公平價值按  
產品種類摘要如下：

## (a) 現金流對沖

本集團之現金流對沖主要包括外滙合約，其作用是對沖若干受外幣滙率波動影響現金流改變的債務證券。

影響綜合全面收益表及所對沖之現金流預期會發生的期間如下：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

**(b) Fair value hedges**

The Group's fair value hedge principally consists of interest rate swaps that are used to protect against changes in the fair value of fixed rate long-term financial instruments due to movements in market interest rates.

**(b) 公平價值對沖**

本集團的公平價值對沖主要包括利率掉期，其作用是保障受市場利率波動而影響長期定息金融工具的公平價值變動。

**(iv) Remaining life of derivatives**

The following table provides an analysis of the notional amounts of derivatives of the Group by relevant maturity grouping based on the remaining periods to settlement at the end of the reporting period.

**(iv) 衍生工具之剩餘期限**

下表分析在報告期結束日本集團根據到期期限歸類之剩餘結算期限有關衍生工具的名義金額。

		Notional amounts with remaining life of 剩餘期限的名義金額							
		2016				2015			
		1 year or less	Over 1 year to 5 years	Over 5 years	Total	1 year or less	Over 1 year to 5 years	Over 5 years	Total
		1年或以下	1年以上至5年	5年以上	總額	1年或以下	1年以上至5年	5年以上	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest rate derivatives	利率衍生工具	203,731	171,314	11,646	386,691	464,365	152,323	7,420	624,108
Currency derivatives	貨幣衍生工具	521,645	7,772	500	529,917	398,757	68,046	994	467,797
Other derivatives	其他衍生工具	7,320	4,888	-	12,208	8,983	1,122	-	10,105
		<b>732,696</b>	<b>183,974</b>	<b>12,146</b>	<b>928,816</b>	<b>872,105</b>	<b>221,491</b>	<b>8,414</b>	<b>1,102,010</b>

**(c) Capital commitments**

Capital commitments outstanding at 31st December and not provided for in the financial statements were as follows:

**(c) 資本承擔**

於12月31日未償付但並未在財務報表中提撥準備的資本承擔如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Expenditure authorised and contracted for	已核准支出並已簽約	212	228
Expenditure authorised but not contracted for	已核准支出但未簽約	107	153
		<b>319</b>	<b>381</b>

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 46. OFF-BALANCE SHEET EXPOSURES (CONTINUED) 資產負債表以外的風險(續)

## (d) Operating lease commitments

At 31st December, 2016, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Properties	物業				
Within one year	1年以內		532		573
After one year but within five years	1年至5年內		738		863
After five years	5年以後		248		129
			1,518		1,565

## (d) 經營租賃承擔

於2016年12月31日，在不可撤銷的經營租賃內，未來最低應付租賃款項總額如下：

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Equipment	設備				
Within one year	1年以內		8		8
After one year but within five years	1年至5年內		16		16
			24		24

The Group lease certain properties and equipment under operating leases. The leases run for an initial period of one to twenty five years, with an option to renew the lease when all terms are renegotiated. Lease payments are usually adjusted annually to reflect market rentals. None of the leases includes contingent rentals.

本集團以經營租賃形式租入若干物業和設備。租賃年期由1年至25年，到期日後可再續約但其他條款須另議。租賃付款金額通常每年調整以反映市值租金。所有租約並不包括或有租金。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 47. NOTES ON CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表附註

##### (a) Purchase of subsidiaries

##### (a) 收購附屬公司

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Net assets acquired	已購入淨資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	-	-
Advances and other accounts less provisions	已扣除準備之墊款及其他賬項	-	-
Fixed assets	固定資產	-	-
Current taxation	本期稅項	-	-
Other accounts and provisions	其他賬項及準備	-	-
		-	-
Goodwill arising on consolidation	賬項綜合時產生的商譽	-	1
Total purchase price	以現金支付的購入價	-	1
Less: Cash and cash equivalents acquired	減：購入的現金及等同現金項目	-	-
Cash flow on acquisition net of cash acquired	已扣除所購入現金的現金流	-	1

##### (b) Cash and cash equivalents

##### (b) 現金及等同現金項目

(i) Components of cash and cash equivalents in the consolidated cash flow statement

(i) 在綜合現金流量表內現金及等同現金項目的組成部分

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash and balances with banks and other financial institutions with original maturity within three months	原本期限為3個月以內之現金及在銀行和其他金融機構的結存	38,374	42,983
Placements with banks and other financial institutions with original maturity within three months	原本期限為3個月以內 在銀行及其他金融機構的存款	34,632	61,823
Treasury bills with original maturity within three months	原本期限為3個月以內的 國庫債券	996	4,862
Certificates of deposit held with original maturity within three months	原本期限為3個月以內之持有的 存款證	741	1,125
Debt securities with original maturity within three months	原本期限為3個月以內的 債務證券	658	-
Add: Cash and balances with banks and other financial institutions included in "Assets held for sale" (Note 56)	加：包括在「持有作出售資產」 的現金及在銀行和其他 金融機構的結存(附註56)	426	173
Placements with banks and other financial institutions with original maturity within three months included in "Assets held for sale"	「持有作出售資產」中包括原本 期限為3個月以內在銀行及 其他金融機構的存款	14	-
		75,841	110,966

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 47. NOTES ON CONSOLIDATED CASH FLOW STATEMENT (CONTINUED) 綜合現金流量表附註(續)

## (b) Cash and cash equivalents (continued)

(ii) Reconciliation with the consolidated statement of financial position

## (b) 現金及等同現金項目(續)

(ii) 與綜合財務狀況表的對賬

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cash and balances with banks and other financial institutions (Note 24)	現金及在銀行及其他金融機構的結存(附註24)	65,720		69,122	
Placements with banks and other financial institutions (Note 25)	在銀行及其他金融機構的存款(附註25)	44,052		80,828	
Treasury bills, certificates of deposit held and debt securities	國庫債券、持有存款證及債務證券				
– trading assets (Note 27)	– 交易用途資產(附註27)	3,128		3,990	
– designated at fair value through profit or loss (Note 28)	– 指定為通過損益以反映公平價值(附註28)	3,330		3,886	
– advances and other accounts (Note 29(a))	– 墊款及其他賬項(附註29(a))	–		1	
– available-for-sale (Note 30)	– 可供出售(附註30)	106,964		90,284	
– held-to-maturity (Note 31)	– 持至到期(附註31)	5,663		6,199	
		119,085		104,360	
Add: Cash and balances with banks and other financial institutions included in “Assets held for sale” (Note 56)	加：包括在「持有作出售資產」的現金及在銀行和其他金融機構的結存(附註56)	426		173	
Placements with banks and other financial institutions included in “Assets held for sale” (Note 56)	「持有作出售資產」中包括在銀行及其他金融機構的存款(附註56)	66		–	
Amounts shown in the consolidated statement of financial position	在綜合財務狀況表出現的金額	229,349		254,483	
Less: Amounts with an original maturity of beyond three months	減：原本期限為3個月以上的金額	(126,162)		(117,378)	
Cash balance with central bank subject to regulatory restriction	受規管限制的在中央銀行的現金結存	(27,346)		(26,139)	
Cash and cash equivalents in the consolidated cash flow statement	在綜合現金流量表內的現金及等同現金項目	75,841		110,966	

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 48. ASSETS PLEDGED AS SECURITY 用作抵押品的資產

The following assets have been pledged as collateral for own liabilities at the end of the reporting period.

於報告期結束日，以下資產經已用作本身負債之抵押品。

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Secured liabilities	有抵押負債	6,284	6,577
Assets pledged:	抵押資產：		
Advances to customers and other accounts	客戶墊款及其他賬項	890	687
Financial assets designated at fair value through profit or loss	指定為通過損益以反映公平價值的金融資產	249	-
Available-for-sale financial assets	可供出售金融資產	5,125	5,919
Held-to-maturity investments	持至到期投資	194	155
		<b>6,458</b>	<b>6,761</b>

The following balances with banks have been pledged as collateral for securities borrowings and margin deposits of derivatives.

以下的銀行結餘已用作證券借貸及衍生工具孖展按金之抵押品。

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cash collateral for borrowed securities	用作證券借貸的現金抵押品	-	-
Margin accounts for open futures and forward contracts	用作開立期貨及遠期合約的孖展賬戶	1,521	2,262
		<b>1,521</b>	<b>2,262</b>

These transactions are conducted under terms that are usual and customary to standard lending and securities borrowing and lending activities.

此等交易之條款是按一般及慣常標準借款及證券借貸交易進行。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 49. LOANS TO DIRECTORS AND ENTITIES CONNECTED WITH DIRECTORS

## 董事及與董事有關連實體的貸款

The aggregate of loans to directors of the Bank and entities connected with directors disclosed pursuant to Section 383(1)(d) of the Companies Ordinance and Part 3 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

根據《公司條例》第383(1)(d)條及《公司(披露董事利益資料)規則》第3部規定，本行董事及與董事有關連實體之貸款總額披露如下：

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Aggregate amount of relevant loans outstanding at 31st December	相關貸款於12月31日的結欠總額				
By the Bank	由銀行借出		2,316		1,834
By subsidiaries	由附屬公司借出		101		123
			2,417		1,957
The maximum aggregate amount of relevant loans outstanding during the year	年度內相關貸款之最高結欠總額				
By the Bank	由銀行借出		3,046		2,621
By subsidiaries	由附屬公司借出		172		137
			3,218		2,758

There was no interest due but unpaid nor any impairment allowance made against these loans at 31st December, 2016 and 2015.

於2016年12月31日及2015年12月31日，沒有逾期未償付利息，亦未有對該等貸款作減值準備。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 50. MATERIAL RELATED PARTY TRANSACTIONS 關聯人士的重大交易

##### (a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Bank's directors as disclosed in Note 21 and certain of the highest paid employees as disclosed in Note 22, is as follows:

		2016	2015
		HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元
Short-term employee benefits	短期僱員福利	105	110
Post-employment benefits	僱員退休福利	7	6
Equity compensation benefits	股份補償福利	35	22
		<b>147</b>	<b>138</b>

(b) The Group maintains certain retirement benefit schemes for its staff as per Note 2(q)(iii). In 2016, the total amount of contributions the Group made to the schemes was HK\$165 million (2015: HK\$169 million).

The Group enters into a number of transactions with the Group's related parties, including its associates, and key management personnel and their close family members and companies controlled or significantly influenced by them. The transactions include accepting deposits from and extending credit facilities to them. All interest rates in connection with the deposits taken and credit facilities extended are under terms and conditions normally applicable to customers of comparable standing.

The interest received from and interest paid to the Group's related parties for the year, outstanding balances of amounts due from and due to at the year end, and maximum outstanding balance of amounts due from and due to them during the year are aggregated as follows:

		Key management personnel		Associates	
		主要管理人員		聯營公司	
		2016	2015	2016	2015
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Interest income	利息收入	131	104	19	17
Interest expense	利息支出	22	37	-	-
Amounts due from	關聯人士的欠款	7,229	5,836	648	743
Amounts due to	欠關聯人士的款項	3,471	3,741	87	95
Maximum amounts due from	關聯人士的最高欠款	9,052	8,323	718	853
Maximum amounts due to	欠關聯人士的最高款項	7,779	9,419	491	904
Committed facilities to	給予信貸承諾	2,710	3,400	311	290

##### (a) 主要管理人員薪酬

本集團之主要管理人員薪酬，已包括在附註21中所披露支付予本行董事及在附註22中所披露支付予本行若干最高薪酬僱員的金額如下：

(b) 本集團為其職員提供若干退休保障計劃，並已於附註2(q)(iii)披露。於2016年內，本集團對該等計劃的供款總數為港幣1.65億元(2015年：港幣1.69億元)。

本集團與其關聯人士進行多項交易，該等人士包括聯營公司、及主要行政人員與其直系親屬、及受該等人士所控制或具有重大影響力的公司。該等交易包括接受該等人士存款及為他們提供信貸。所有存款及信貸的利率，均按照給予一般相若水平客戶的條款。

於2016年，本集團從關聯人士所收取與支付予他們的利息，及在2016年12月31日，關聯人士的欠款及欠關聯人士的款項，及在年度內關聯人士最高欠款及欠關聯人士的最高款項現總結如下：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 51. EQUITY COMPENSATION PLANS 股份補償計劃

The Bank has adopted Staff Share Option Schemes whereby the Board may at its discretion grant to any employees of the Group, including Executive Director and Chief Executive, options to subscribe for ordinary shares of the Bank. All options were granted for nil consideration.

本行所採納的僱員認股計劃是董事會可酌情發出認股權予本集團之任何僱員，包括執行董事及行政總裁，以認購本行普通股股份。所有認股權均以無計價款形式發出。

## (a) Particulars of share options

## (a) 認股權詳情

Date of grant 授予日期	Vesting period 有效期	Exercise period 行使期	Exercise price per share 每股行使價 HK\$ 港幣元
05/5/2011(T1)	05/5/2011–04/5/2012	05/5/2012–05/5/2017	32.00
05/5/2011(T2)	05/5/2011–04/5/2013	05/5/2013–05/5/2018	32.00
05/5/2011(T3)	05/5/2011–04/5/2014	05/5/2014–05/5/2019	32.00
10/5/2012(T1)	10/5/2012–09/5/2013	10/5/2013–10/5/2018	28.99
10/5/2012(T2)	10/5/2012–09/5/2014	10/5/2014–10/5/2019	28.99
10/5/2012(T3)	10/5/2012–09/5/2015	10/5/2015–10/5/2020	28.99
03/5/2013(T1)	03/5/2013–02/5/2014	03/5/2014–03/5/2019	31.40
03/5/2013(T2)	03/5/2013–02/5/2015	03/5/2015–03/5/2020	31.40
03/5/2013(T3)	03/5/2013–02/5/2016	03/5/2016–03/5/2021	31.40
02/5/2014(T1)	02/5/2014–01/5/2015	02/5/2015–02/5/2020	32.50
02/5/2014(T2)	02/5/2014–01/5/2016	02/5/2016–02/5/2021	32.50
02/5/2014(T3)	02/5/2014–01/5/2017	02/5/2017–02/5/2022	32.50
04/5/2015(T1)	04/5/2015–03/5/2016	04/5/2016–04/5/2021	34.15
04/5/2015(T2)	04/5/2015–03/5/2017	04/5/2017–04/5/2022	34.15
04/5/2015(T3)	04/5/2015–03/5/2018	04/5/2018–04/5/2023	34.15
08/4/2016(T1)	08/4/2016–07/4/2017	08/4/2017–08/4/2022	28.45
08/4/2016(T2)	08/4/2016–07/4/2018	08/4/2018–08/4/2023	28.45
08/4/2016(T3)	08/4/2016–07/4/2019	08/4/2019–08/4/2024	28.45

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

## (b) Movement of share options during the period

## (b) 期內認股權之變動

2016			Number of share options 認股權數目				
Date of grant	Tranche	Exercise price per share	Outstanding at 1/1/2016	Granted	Exercised	Lapsed	Outstanding at 31/12/2016
授予日期	部分	每股行使價 HK\$ 港幣元	於2016年1月1日 尚未行使	已授予	已行使	已失效	於2016年12月31日 尚未行使
05/5/2011	T1	32.00	1,880,000	-	-	-	1,880,000
05/5/2011	T2	32.00	1,930,000	-	-	-	1,930,000
05/5/2011	T3	32.00	1,940,000	-	-	-	1,940,000
10/5/2012	T1	28.99	1,164,000	-	-	-	1,164,000
10/5/2012	T2	28.99	1,164,000	-	-	-	1,164,000
10/5/2012	T3	28.99	1,172,000	-	-	-	1,172,000
03/5/2013	T1	31.40	1,214,000	-	-	-	1,214,000
03/5/2013	T2	31.40	1,880,000	-	365,000	-	1,515,000
03/5/2013	T3	31.40	1,890,000	-	-	-	1,890,000
02/5/2014	T1	32.50	1,942,000	-	-	-	1,942,000
02/5/2014	T2	32.50	1,992,000	-	-	-	1,992,000
02/5/2014	T3	32.50	2,003,500	-	-	-	2,003,500
04/5/2015	T1	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T2	34.15	2,030,000	-	-	-	2,030,000
04/5/2015	T3	34.15	2,040,000	-	-	-	2,040,000
08/4/2016	T1	28.45	-	2,083,000	-	-	2,083,000
08/4/2016	T2	28.45	-	2,083,000	-	-	2,083,000
08/4/2016	T3	28.45	-	2,096,500	-	-	2,096,500
Total 總額			26,271,500	6,262,500	365,000	-	32,169,000

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 51. EQUITY COMPENSATION PLANS (CONTINUED) 股份補償計劃(續)

## (b) Movement of share options during the period (continued)

## (b) 期內認股權之變動(續)

2015		Exercise price per share 每股行使價 HK\$ 港幣元	Outstanding at 1/1/2015 於2015年1月1日 尚未行使	Number of share options 認股權數目			Outstanding at 31/12/2015 於2015年12月31日 尚未行使
Date of grant 授予日期	Tranche 部分			Granted 已授予	Exercised 已行使	Lapsed 已失效	
06/7/2010		28.49	3,440,000	-	3,440,000	-	-
05/5/2011	T1	32.00	1,930,000	-	50,000	-	1,880,000
05/5/2011	T2	32.00	1,930,000	-	-	-	1,930,000
05/5/2011	T3	32.00	1,940,000	-	-	-	1,940,000
10/5/2012	T1	28.99	1,264,000	-	100,000	-	1,164,000
10/5/2012	T2	28.99	1,264,000	-	100,000	-	1,164,000
10/5/2012	T3	28.99	1,940,000	-	768,000	-	1,172,000
03/5/2013	T1	31.40	1,880,000	-	666,000	-	1,214,000
03/5/2013	T2	31.40	1,880,000	-	-	-	1,880,000
03/5/2013	T3	31.40	1,890,000	-	-	-	1,890,000
02/5/2014	T1	32.50	1,992,000	-	50,000	-	1,942,000
02/5/2014	T2	32.50	1,992,000	-	-	-	1,992,000
02/5/2014	T3	32.50	2,003,500	-	-	-	2,003,500
04/5/2015	T1	34.15	-	2,030,000	-	-	2,030,000
04/5/2015	T2	34.15	-	2,030,000	-	-	2,030,000
04/5/2015	T3	34.15	-	2,040,000	-	-	2,040,000
Total 總額			25,345,500	6,100,000	5,174,000	-	26,271,500



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(c) No share options were cancelled during the years ended 31st December, 2016 and 2015.

(c) 截至2016年12月31日及2015年12月31日年度內並未有認股權被註銷。

(d) Details of share options exercised

(d) 已行使認股權詳情

Exercise period 行使期間	Date of grant 授予日期	Number of share options 認股權數目	
		2016	2015
March 3月	06/7/2010	-	1,040,000
	03/5/2013 (T1)	-	666,000
April 4月	06/7/2010	-	450,000
May 5月	06/7/2010	-	1,450,000
	10/5/2012 (T1)	-	50,000
June 6月	06/7/2010	-	500,000
	05/5/2011 (T1)	-	50,000
	10/5/2012 (T1)	-	50,000
	10/5/2012 (T2)	-	100,000
	10/5/2012 (T3)	-	100,000
	02/5/2014 (T1)	-	50,000
August 8月	10/5/2012 (T3)	-	668,000
September 9月	03/5/2013 (T2)	<b>365,000</b>	-
		<b>365,000</b>	5,174,000

## 52. NON-ADJUSTING EVENTS AFTER THE REPORTING PERIOD 毋須調整的報告期結束日後的事件

After the end of the reporting period the directors declared a second interim dividend. Further details are disclosed in Note 19(a).

董事於報告期結束後擬派發第二次中期股息。詳情已在附註19(a)作披露。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 53. ACCOUNTING ESTIMATES AND JUDGEMENTS 會計估計及判斷

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Changes in assumptions may have a significant impact on the financial statements in the periods where the assumptions are changed. The application of assumptions and estimates means that any selection of different assumptions would cause the Group's reporting to differ. The Group believes that the assumptions that have been made are appropriate and that the financial statements therefore present the financial position and results fairly, in all material respects.

Management discussed with the AC the development, selection and disclosure of the Group's significant accounting policies and estimates and the application of these policies and estimates.

##### (a) Key sources of estimation uncertainty

Notes 34, 39 and 45 contain information about the assumptions and their risk factors relating to goodwill impairment, fair value of share options granted and fair values of financial instruments. Other key sources of estimation uncertainty are as follows:

###### (i) Impairment losses

###### *Loans and advances*

Loan portfolios are reviewed periodically to assess whether impairment losses exist. The Group makes judgement as to whether there is any objective evidence that a loan portfolio is impaired, i.e. whether there is a decrease in estimated future cash flows. Objective evidence for impairment includes observable data that the payment status of borrowers in a group has adversely changed. It may also include observable data that correlate with defaults on the assets in the Group. If management has determined, based on their judgement, that objective evidence for impairment exists, expected future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. Historical loss experience is adjusted on the basis of the current observable data. Management reviews the methodology and assumptions used in estimating future cash flows regularly to reduce any difference between loss estimates and actual loss experience.

###### *Available-for-sale financial assets and held-to-maturity investments*

The Group determines that available-for-sale financial assets and held-to-maturity investments are impaired when there has been a significant or prolonged decline in the fair value below its cost. The determination of when a decline in fair value below its cost is not recoverable within a reasonable time period is judgmental by nature, so profit and loss could be affected by differences in this judgement.

在編製本集團的財務報表時，管理層必須作出若干於該等財務報表的日期，對所匯報資產及負債之金額和或然資產及負債披露有影響的估計和假定，同時亦須作出若干對報告年度內收入及支出之金額有影響的估計和假定。如本集團更改該等假定，便可能對作出有關改變期間的財務報表產生重大影響。採用此等不同的假定和估計意味本集團之報告會有所不同。在各個重要環節方面，本集團認為已作出適當之假定，而本集團的財務報表均能公平地反映其財政狀況和業績。

管理層已與審核委員會商討關於本集團重要會計政策及估計的制定、選擇和披露，以及該等政策和估計的應用。

##### (a) 估計不穩定因素的主要來源

附註34、39和45載述有關商譽減值、已授予股權的公平價值和金融工具的公平價值的假定及其風險因素。估計不穩定因素的其他主要來源如下：

###### (i) 減值損失

###### *貸款*

本集團會定期檢討貸款組合，以評估減值損失是否存在。本集團需要判斷是否有任何客觀證據可以證明貸款組合已經減值，即估計將來現金流有所減少。減值客觀證據包括與借入人有關的可觀察資料整體上的付款狀況已出現逆轉，而該等資料與本集團的不履行資產是互相關連的。當管理層根據其判斷決定減值的客觀證據存在，便會依據若干與該等資產的信貸風險特性相若之資產的以往損失經驗，以估計預期將來現金流。以往損失經驗是以目前的可觀察資料為基礎作出調整。管理層亦會定期檢討用以估計將來現金流的方法和假定，從而減少估計損失與實際損失的差異。

###### *可供出售金融資產及持至到期投資*

若可供出售金融資產及持至到期投資的公平價值明顯或持續地低於其成本，本集團即判斷該等資產及投資已減值。本集團判斷公平價值低於成本的金額會在一段合理時間內不可收回純屬假設性質，因此判斷之差異會對損益有所影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

(ii) Valuation of financial instruments

The Group's accounting policy for valuation of financial instruments is included in Note 2. The fair value of the financial instruments is mainly based on the quoted market price on a recognised stock exchange or a price quoted from a broker/dealer for non-exchanged traded financial instruments. The fair value of collateralised debt obligations is based on bid prices quoted by reputable brokers and has been carefully assessed for reasonableness by management. The fair value of a Special Investment Vehicle ("SIV") is based on its net asset values as provided by the SIV's manager.

**(b) Critical accounting judgements in applying the Group's accounting policies**

Certain critical accounting judgements in applying the Group's accounting policies are described below:

(i) Held-to-maturity investments

The Group classifies non-derivative financial assets with fixed or determinable payments and fixed maturity and where the Group has a positive intention and ability to hold to maturity as held-to-maturity investments. In making this judgement, the Group evaluates its intention and ability to hold such investments till maturity.

If the Group fails to hold these investments to maturity other than for certain specific circumstances, the Group will have to reclassify the entire portfolio of held-to-maturity investments as available-for-sale, as such class is deemed to have been tainted.

This would result in held-to-maturity investments being measured at fair value instead of at amortised cost.

(ii) Recognition of deferred tax assets

The Group recognises deferred tax assets only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Estimates and judgements are applied in determining the amount of future taxable profits and the probability that such future taxable profits are available in the foreseeable future to support recognition of the deferred tax assets. The Group uses all readily available information, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs, in determining future taxable profits. Changes in these estimates could significantly affect the timing of deferred tax asset recognition and the amount of asset recognised.

(ii) 金融工具的估值

本集團對金融工具估值的會計政策列載於附註2。金融工具的公平價值主要根據認可之交易所的市場報價，或就非在交易所作交易的金融工具而言，則根據經紀／交易員的報價。債務抵押債券的公平價值由聲譽良好的經紀按買入價提供報價，及經已被管理層小心評估其適當性。特別投資工具的公平價值是根據特別投資工具之管理人所提供該工具的資產淨值。

**(b) 本集團應用會計政策的重要會計判斷**

本集團應用會計政策的若干重要會計判斷如下：

(i) 持至到期投資

本集團將設有固定或可確定付款金額和固定到期日，以及本集團有確信的意向及能力持有至到期日的非衍生金融資產，分類為持至到期投資。在作出有關判斷時，本集團會評估本身是否有意向及能力持有該等投資至到期日。

除若干特殊情況外，若本集團未能持有該等投資至到期日，本集團會將整個可持至到期日的投資組合，重新分類為可供出售。這是由於此類投資已被蒙污。

以上之情況會導致原以攤銷成本計量的可持至到期投資改以公平價值計量。

(ii) 遞延稅項資產之確認

須在未來可能有應課稅溢利予以抵銷遞延稅項資產的情況下，本集團才確認遞延稅項資產。在釐定未來應課稅溢利的金額及其可能性時，須估計及判斷在可見之將來該未來應課稅溢利可否支持確認該遞延稅項資產。本集團使用所有已有的資料，包括根據合理及可支持之假設和對收入及支出成本的估計，以釐定未來應課稅溢利。此等估計的變動可能對遞延稅項資產確認的時間及資產確認的金額有重大影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 54. COMPARATIVE FIGURES 比較數字

Certain 2015 comparative figures have been restated to conform to current year's presentation. Please refer to Consolidated Income Statement, Consolidated Cash Flow Statement, Notes 5, 6, 7, 8, 12, 13, 14, 16, 17, 23, 24, 33, 44(a), 44(d), 46(b)(i), 46(b)(iii) and 56 for the effect of restatement.

若干2015年的比較數字經已重報以符合本年度的呈報方式。請參閱綜合收益表、附註5、6、7、8、12、13、14、16、17、23、24、33、44(a)、44(d)、46(b)(i)、46(b)(iii)及56中所述的重報影響。

## 55. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2016

## 在截至2016年12月31日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響

Up to the date of issue of these financial statements, the HKICPA has issued a few amendments and new standards which are not yet effective for the year ended 31st December, 2016 and which have not been adopted in these financial statements. These include the following which may be relevant to the Group.

直至此等財務報表之發布日期，香港會計師公會已頒布了多項修訂及新準則；但該等修訂和新準則於截至2016年12月31日止會計年度尚未生效，因此尚未應用於此等財務報表。可能與本集團有關之修訂和新準則如下。

	Effective for accounting periods beginning on or after 由會計期開始或以後起生效
Amendments to HKAS 7, <i>Statement of cash flows: Disclosure initiative</i>	1st January, 2017
經修訂《香港會計準則》第7號「現金流報表：披露計劃」	2017年1月1日
Amendments to HKAS 12, <i>Income taxes, Recognition of deferred tax assets for unrealised losses</i>	1st January, 2017
經修訂《香港會計準則》第12號「所得稅：確認未實現虧損的遞延稅項資產」	2017年1月1日
HKFRS 9, <i>Financial instruments</i>	1st January, 2018
《香港財務報告準則》第9號「金融工具」	2018年1月1日
HKFRS 15, <i>Revenue from contracts with customers</i>	1st January, 2018
《香港財務報告準則》第15號「與客戶之間合同產生的收入」	2018年1月1日
Amendments to HKFRS 2, <i>Share-based payment: Classification and measurement of share-based payment transactions</i>	1st January, 2018
經修訂《香港財務報告準則》第2號「以股份為基礎作支付：以股份為基礎作支付交易的分類及計量」	2018年1月1日
HKFRS 16, <i>Leases</i>	1st January, 2019
《香港財務報告準則》第16號「租賃」	2019年1月1日

The Group is in the process of making an assessment of what the impact of these amendments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements except for the following:

本集團正在評估該等修訂對首個應用期可能產生的影響。除以下所述外，至今所得結論是若採納該等修訂對本集團的綜合財務報表不可能構成重大影響：

**HKFRS 9, Financial Instruments**

HKFRS 9 will replace the current standard on accounting for financial instruments, HKAS 39, Financial instruments: Recognition and measurement. HKFRS 9 introduces new requirements for classification and measurement of financial assets, calculation of impairment of financial assets and hedge accounting. On the other hand, HKFRS 9 incorporates without substantive changes the requirements of HKAS 39 for recognition and derecognition of financial instruments and the classification of financial liabilities. Expected impacts of the new requirements on the Group's financial statements are as follows:

《香港財務報告準則》第9號「金融工具」  
《香港財務報告準則》第9號將取代現時金融工具的會計準則《香港會計準則》第39號「金融工具：確認與計量」。《香港財務報告準則》第9號於金融資產的分類和計量、金融資產的減值計算及對沖會計法引進新的要求。另一方面，《香港財務報告準則》第9號納入了《香港會計準則》第39號裏金融工具的確認和終止及金融負債的分類的相關要求並沒有重大改變。新要求對本集團的財務報表的預計影響簡述如下：

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### (a) Classification and measurement

HKFRS 9 contains three principal classification categories for financial assets: measured at (1) amortised cost, (2) fair value through profit or loss (“FVTPL”) and (3) fair value through other comprehensive income (“FVTOCI”) as follows:

- The classification for debt instruments is determined based on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the asset. If a debt instrument is classified as FVTOCI then effective interest, impairments and gains/losses on disposal will be recognised in profit or loss.
- For equity securities, the classification is FVTPL regardless of the entity’s business model. The only exception is if the equity security is not held for trading and the entity irrevocably elects to designate that security as FVTOCI. If an equity security is designated as FVTOCI then only dividend income on that security will be recognised in profit or loss. Gains, losses and impairments on that security will be recognised in other comprehensive income without recycling.

The Group has conducted assessment on its financial assets and expects that a majority of its financial assets currently measured at amortised cost and FVTPL will continue with their corresponding classifications and measurements upon adoption of HKFRS 9.

With respect to the Group’s financial assets currently classified as “available-for-sale” (“AFS”), these are investments in equity and debt securities. The Group expects that certain equities held for strategic investment purpose will be irrevocably designated as FVTOCI while the remaining equity investments will be classified as FVTPL. For the AFS debt security investments, a majority of them will be classified as FVTOCI on transition to HKFRS 9 while certain debt securities with contractual cash flow characteristics which cannot meet the criteria of solely payments of principal and interest (“SPPI”) will be classified as FVTPL and a small portfolio of debt securities under held-to-collect business model will be classified as amortised cost. Apart from the impact arising from the reclassification from AFS to amortised cost, the adoption of HKFRS 9 will have no impact on the Group’s net assets and total comprehensive income but will impact on reported performance amounts such as profit and earnings per share.

#### (a) 分類及計量

《香港財務報告準則》第9號規定金融資產有三大分類，計量類別分類為：(1)攤銷成本、(2)通過損益以反映公平價值及(3)通過其他全面收益以反映公平價值，簡述如下：

- 債務工具之分類取決於實體管理金融資產的商業模式及該資產的合約現金流特徵。若以通過其他全面收益以反映公平價值作分類，其有效利息、減值準備及終止確認時之損益將於收益表內確認。
- 股份證券應按通過損益以反映公平價值作分類而無需考慮實體的商業模式。唯一的例外是對於持有作非交易用途之股份工具，實體可於初始確認時作出不可撤回的選擇，將該等股份工具指定分類為通過其他全面收益以反映公平價值。通過其他全面收益以反映公平價值的股份工具之股息將於收益表內確認，而其收益或虧損及減值將確認於其他全面收益。而日後即使出售相關工具，記於其他全面收益的收益或虧損亦不可轉回收益表內。

本集團對金融資產作出評估並預計於實施《香港財務報告準則》第9號時，現時大部份以攤銷成本及通過損益以反映公平價值作計量之金融資產將維持相應的分類及計量。

現時本集團可供出售金融資產分為股份及債務證券。本集團預計部份持有作策略性投資用途的股份投資將作出不可撤回的選擇並指定分類為通過其他全面收益以反映公平價值。而其他股份投資將按通過損益以反映公平價值作分類。大部份可供出售債務證券於過渡至《香港財務報告準則》第9號時將以通過其他全面收益以反映公平價值作分類，惟部份債務證券的合約現金流特徵因未能符合「只有本金及利息支付」的條件而需以通過損益以反映公平價值作分類。另一小部份的債務證券因其商業模型是「持有以收取合約現金流為目的」故以攤銷成本作分類。除可供出售金融資產重分類至攤銷成本的影響外，實施《香港財務報告準則》第9號對本集團的淨資產及全面收益總額並無影響，但會影響報告的表現數字，如溢利及每股盈利。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

55. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31ST DECEMBER, 2016 (CONTINUED)  
在截至2016年12月31日止年度前已公布但尚未生效的修訂、新標準和詮釋所產生的可能影響(續)

## (a) Classification and measurement (continued)

The classification and measurement requirements for financial liabilities under HKFRS 9 are largely unchanged from HKAS 39, except that HKFRS 9 requires the fair value change of a financial liability designated at FVTPL that is attributable to changes of that financial liability's own credit risk to be recognised in other comprehensive income (without reclassification to profit or loss). This new requirement will have no impact on the Group's net assets and total comprehensive income but will reduce the fluctuation in the income statement due to the change in own credit risk for the debt issued designated at FVTPL. The Group expects that the impact on Income Statement will be insignificant.

The Group is reviewing the implication of the assessment results on classification and measurement to the relevant business portfolio management and system change and is in the process of formulating the revised accounting policies and process.

## (b) Impairment

The new impairment methodology in HKFRS 9 replaces the "incurred loss" model in HKAS 39 with an "expected credit loss" model. Under HKFRS 9 it is not necessary for a credit event to have occurred before credit losses are recognised. Instead, the Group is required to recognise and measure expected credit losses as either 12 month expected credit losses or contract lifetime expected credit losses, depending on the asset and the facts and circumstances.

For such, the Group is developing a model which considers various quantitative and qualitative factors including, but not limited to, customers' financial and demographic information, default statistics of different customer types, recovery rate of different collaterals, external credit rating, geographical region, economic trend and forecast, etc. so as to measure the expected credit loss for the assets in a centralized system.

When assessing the existence of significant increase in credit risk ("SIC") for different customers, the criteria used by the Group include both internal and external factors such as the change of customers' internal or external rating, account performance, existence of adverse credit events, etc..

The Group has entered into the stage of developing the model and system for measuring the expected credit loss, with relevant policies being revised to adopt the new accounting standards.

## (c) Hedge accounting

HKFRS 9 does not fundamentally change the requirements relating to measuring and recognising ineffectiveness under HKAS 39. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting. The Group expects to adopt the transitional arrangement as provided in HKFRS 9 to continue to apply the hedge accounting requirements of HKAS 39 before the IASB completes its separate project on macro hedge accounting.

## (a) 分類及計量(續)

《香港財務報告準則》第9號下，對金融負債的分類及計量的要求與《香港會計準則》第39號大致維持不變，惟指定為通過損益以反映公平價值的金融負債的本身信貸風險之公平價值變動，將於其他全面收益確認（並不會重新分類至收益表內）。這新要求對本集團的淨資產及全面收益總額並無影響，但會減低收益表因指定為通過損益以反映公平價值的金融負債之本身信貸風險的改變而導致的溢利或虧損波動。本集團預期此要求對收益表之影響並不重大。

本集團正檢視分類及計量的評估結果對商業組合管理及系統轉變之影響，並正修訂集團的相關會計政策及流程。

## (b) 減值

在《香港財務報告準則》第9號中，新的減值計量方法使用「預期信用損失」模型來替代《香港會計準則》第39號中的「已發生損失」模型。在《香港財務報告準則》第9號下，不必在信用事件發生後才確認信用損失。相反，根據資產狀況、事實情況和所屬環境，本集團需要確認和計量12個月內之預期信用損失或合約期內之預期信用損失。

為此，本集團正在開發一個可考慮不同定量和定性因素的模型並以此於一個中央系統內計算資產的預期信用損失。模型考慮因素包括但不限於客戶的財務和個人信息，不同類型客戶的違約數據，不同抵押品的回收率，外部信用評級，地理區域，經濟發展趨勢和預測等。

在評估不同客戶存在信用風險顯著增長（「SIC」）時，本集團使用的標準包括了內部和外部因素，如客戶內部或外部評級的變化，帳戶表現，發生信用狀況惡化的事件等。

本集團已進入開發預期信用損失計量模型和系統的階段，並採用新的會計準則修訂相關政策。

## (c) 對沖會計

《香港財務報告準則》第9號並無根本性改變《香港會計準則》第39號下對沖會計的非有效性對沖的計量及確認，但對適用於對沖會計的交易種類提供了更大的彈性。本集團預計將採用《香港財務報告準則》第9號提供的會計政策選擇，於國際會計準則委員會完成宏觀對沖會計項目前繼續採用《香港會計準則》第39號對沖會計法。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### HKFRS 16, Leases

As disclosed in Note 2(l), currently the Group classifies leases into finance leases and operating leases and accounts for the lease arrangements differently, depending on the classification of the lease. The Group enters into some leases as the lessor and others as the lessee.

HKFRS 16 is not expected to impact significantly on the way that lessors account for their rights and obligations under a lease. However, once HKFRS 16 is adopted, lessees will no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees will account for all leases in similar way to current finance lease accounting, i.e. at the commencement date of the lease the lessee will recognise and measure a lease liability at the present value of the minimum future lease payments and will recognise a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee will recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the current policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses would continue to be recognised on a systematic basis over the lease term.

HKFRS 16 will primarily affect the Group's accounting as a lessee of leases for properties, plant and equipment which are currently classified as operating leases. The application of the new accounting model is expected to lead to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the income statement over the period of the lease. As disclosed in Note 46(d), at 31st December, 2016 the Group's future minimum lease payments under non-cancellable operating leases amount to HK\$1,518 million and HK\$24 million for properties and equipments respectively, the majority of which is payable either between 1 and 5 years after the reporting date or in more than 5 years. Some of these amounts may therefore need to be recognised as lease liabilities, with corresponding right-of-use assets, once HKFRS 16 is adopted. The Group will need to perform a more detailed analysis to determine the amounts of new assets and liabilities arising from operating lease commitments on adoption of HKFRS 16, after taking into account the applicability of the practical expedient and adjusting for any leases entered into or terminated between now and the adoption of HKFRS 16 and the effects of discounting.

#### 《香港財務報告準則》第16號「租賃」

如在附註2(l)中所披露，本集團現分類租賃為融資租賃和經營租賃，本集團會按租賃的分類而採納不同的會計方法來處理租賃安排。本集團會以出租人及受租人身份簽訂租賃合約。

預計《香港財務報告準則》第16號對出租人根據他們在租賃的權利和義務的會計處理方法未有重大影響。但是，當採納《香港財務報告準則》第16號，受租人將毋須分辨融資租賃及經營租賃。另外，視乎實際情況，受租人將以現行相同的融資租賃會計法處理所有租賃，即在租賃之生效日受租人將按未來最低租賃付款之現值確認及計算租賃負債，亦會同時確認另一「可使用權利」資產。在初始確認該資產及負債後，受租人將按租賃負債的結餘確認應計利息支出，以及可使用權利資產的折舊，而並不是現行會計政策按租賃期限分期確認為經營租賃的租金支出。視乎實際情況，受租人可選擇不採納此會計模式計算短期租賃(即租賃期是12個月或以下)以及低價值資產之租賃，即仍繼續按租賃期限分期確認為經營租賃的租金支出。

《香港財務報告準則》第16號將主要影響現行本集團對物業、廠房及設備的租賃作為受租人(分類為經營租賃)的會計處理方法。預計採納新會計模式會令資產及負債增加，以及影響按租賃期限在收益表中確認費用支出的時間。如在附註46(d)中所披露，在2016年12月31日，本集團不可撤銷經營租賃的物業及設備之未來最低租賃付款分別為港幣15.18億元及港幣2,400萬元，而大部份是在報告日後1至5年及超過5年後支付。因此，當採納《香港財務報告準則》第16號，部份上述金額可能需要確認為租賃負債和相同金額的可使用權利資產。本集團須進行深入分析以計算當採納《香港財務報告準則》第16號由經營租賃承擔所產生的新資產和負債之金額，但會考慮實際情況及經調整由現在至採納《香港財務報告準則》第16號期間任何新承諾或已被終止之租賃及折現的影響。

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### 56. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE

##### 已終止經營業務及持有作出售資產

On 5th October, 2016, the Bank, NWS Holdings Limited (“NWS Holdings”) and East Asia Secretaries (BVI) Limited (“East Asia Secretaries”) entered into a share purchase agreement with Trivium Investment Limited (“Trivium”), a company which is wholly owned and controlled by Permira funds, for the sale of all the issued shares of Tricor Holdings Limited (“Tricor”) held by East Asia Secretaries to Trivium for a total consideration of HK\$6,470 million (the “Disposal”). Tricor is 75.61% owned by the Bank and 24.39% owned by NWS Holdings, in each case through East Asia Secretaries. The Bank expects completion of the Disposal to occur during the first quarter of 2017. Following completion of the Disposal, the Bank will cease to hold any equity interest in Tricor and Tricor will cease to be a subsidiary of the Bank. The Bank is expected to book a profit in the amount of approximately HK\$3,050 million once completion of the Disposal takes place.

In accordance with HKFRS 5 – Non-current Assets Held for Sale and Discontinued Operations, the Group is required to report Tricor Group’s operating results for the year of 2016 separately as discontinued operations in the consolidated income statement with comparative information in notes 5, 6, 7, 8, 12, 13, 14, 16, 17, 23 and 33 re-presented. Tricor Group’s assets and liabilities as at 31st December, 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements. Restatement of assets and liabilities as at 31st December, 2015 is not required. The consolidated statement of changes in equity and the consolidated cash flow statement are prepared on the same basis as 2015.

On 6th December, 2016, the Bank entered into an agreement to sell its wholly-owned subsidiary, Shaanxi Fuping BEA Rural Bank Corporation (“BEA Rural Bank”) to Shaanxi Dingbian Rural Commercial Bank Corporation for a total consideration of RMB24 million. The completion of the sale transaction (“Completion”) is conditional upon obtaining the regulatory approval and the satisfaction of the conditions precedent set out in the Equity Transfer Agreement. The Bank expects Completion to occur during the first half of 2017. BEA Rural Bank’s assets and liabilities as at 31st December 2016 are presented separately as assets held for sale and liabilities held for sale respectively in the consolidated financial statements.

2016年10月5日，東亞銀行有限公司、新創建集團有限公司(「新創建集團」)及East Asia Secretaries (BVI) Limited(「East Asia Secretaries」)與Trivium Investment Limited(「Trivium」)簽訂了一份購買股份協議，Trivium是由Permira funds全資擁有及控制之公司，出售由East Asia Secretaries持有的Tricor Holdings Limited及其附屬公司(統稱為「卓佳集團」)的全部已發行股份，作價為港幣64.70億元(「出售交易」)。卓佳集團均是通過East Asia Secretaries由本行及新創建集團分別持有75.61%及24.39%之權益。本行預計該出售交易將會於2017年首季完成。隨着出售交易完成，本行將終止持有卓佳集團任何股份權益，而卓佳集團亦並非是本行之附屬公司。當出售交易完成後，本行預期將會錄得溢利約港幣30.50億元。

根據《香港財務報告準則》第5號「持作出售非流動資產及已終止經營業務」，本集團須於綜合收益表中將卓佳集團2016年的經營業績呈列為已終止經營業務，而在附註5、6、7、8、12、13、14、16、17、23及33的可比較資料亦相應重新列示。卓佳集團於2016年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。2015年12月31日的資產及負債毋須重列。而編製綜合權益變動表及綜合現金流量表的方法與2015年是相同的。

2016年12月6日，本行簽訂了一份協議，向陝西定邊農村商業銀行股份有限公司出售其全資擁有的附屬公司，陝西富平東亞村鎮銀行有限責任公司(「東亞村鎮銀行」)，作價為人民幣2,400萬元。完成此出售交易之前提是須獲得監管當局之批准以及滿足股權轉讓協內所載的前提條件。本行預計交易將會在2017年上半年完成。東亞村鎮銀行於2016年12月31日的資產及負債在綜合財務報表中分別以持有作出售資產及持有作出售負債列示。



## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

The results of discontinued operations for the periods are as follows:

期內已終止經營業務的業績如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Interest income	利息收入	6	7
Interest expense	利息支出	(3)	(2)
Net interest income	淨利息收入	3	5
Fee and commission income	服務費及佣金收入	1,258	1,194
Fee and commission expense	服務費及佣金支出	-	-
Net fee and commission income	服務費及佣金收入淨額	1,258	1,194
Net trading losses	交易虧損淨額	(8)	(4)
Other operating income	其他經營收入	2	2
Non-interest income	非利息收入	1,252	1,192
Operating income	經營收入	1,255	1,197
Operating expenses	經營支出	(892)	(828)
Operating profit before impairment losses	未扣除減值損失之經營溢利	363	369
Impairment losses on loans and receivables	貸款及應收賬項減值損失	(3)	(11)
Operating profit after impairment losses	已扣除減值損失後之經營溢利	360	358
Net profit on sale of available-for-sale financial assets	出售可供出售金融資產之淨溢利	4	-
Net profit on disposal of subsidiaries/associates	出售附屬公司/聯營公司之淨溢利	-	2
Net loss on disposal of fixed assets	出售固定資產之淨虧損	-	(1)
Valuation gains on investment properties	重估投資物業盈利	1	3
Share of profits less losses of associates	應佔聯營公司溢利減虧損	-	2
Profit for the year before taxation	年度內除稅前溢利	365	364
Income tax	所得稅		
Current tax	本期稅項		
– Hong Kong	– 香港	(33)	(32)
– Outside Hong Kong	– 香港以外	(28)	(33)
Deferred tax	遞延稅項	-	3
Profit for the year from discontinued operations	年度內已終止經營業務溢利	304	302

		2016	2015
		HK\$ 港幣元	HK\$ 港幣元
Earnings per share for profit attributable to the equity holders of the Bank	歸屬於本行股東權益的每股盈利		
Basic and diluted	基本及攤薄		
– profit from discontinued operations	– 來自已終止經營業務溢利	0.09	0.09

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

## 財務報表附註(續)

## 56. DISCONTINUED OPERATIONS AND ASSETS HELD FOR SALE (CONTINUED)

## 已終止經營業務及持有作出售資產(續)

The assets and liabilities of the disposal groups held for sale are summarized below:

持有作出售之出售組別的資產和負債摘要如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
ASSETS	資產		
Cash and balances with banks and other financial institutions	現金及在銀行和其他金融機構的結存	426	173
Placements with banks and other financial institutions	在銀行及其他金融機構的存款	66	35
Advances to customers and other accounts	客戶墊款及其他賬項	410	598
– Advances to customers	– 客戶墊款	96	–
– Less: Collective impairment allowance	– 減：整體減值準備	(1)	–
– Other accounts	– 其他賬項	346	598
– Less: Individual impairment allowance	– 減：個別減值準備	(25)	–
Collective impairment allowance	整體減值準備	(6)	–
Available-for-sale financial assets	可供出售金融資產	27	–
Investments in associates	聯營公司投資	21	–
Fixed assets	固定資產	205	8
– Investment properties	– 投資物業	22	–
– Other properties and equipment	– 其他物業及設備	183	8
Goodwill and intangible assets (Note 34)	商譽及無形資產(附註34)	1,149	2
Deferred tax assets (Note 36(b))	遞延稅項資產(附註36(b))	10	5
Assets held for sale	持有作出售資產	2,314	821
LIABILITIES	負債		
Deposits and balances of banks and other financial institutions	銀行及其他金融機構的存款及結餘	66	40
Deposits from customers	客戶存款	40	–
Current taxation	本期稅項	18	1
Deferred tax liabilities (Note 36(b))	遞延稅項負債(附註36(b))	3	–
Other accounts and provisions	其他賬項及準備	299	184
Liabilities held for sale (Note 37(b))	持有作出售負債(附註37(b))	426	225

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### 財務報表附註(續)

#### Disposal groups held for sale as at 31st December 2015

On 23rd October, 2015 the Bank entered into an agreement to sell its wholly-owned subsidiary, Tung Shing Holdings Company Limited to SinoPac Securities (Cayman) Holdings Limited ("SPSC"). In addition, the Bank has entered into an agreement with SinoPac Securities Corporation ("SinoPac Securities") for the disposal of all the issued shares in BEA Wealth Management Services (Taiwan) Limited ("BEAWMS") through the merger of BEAWMS with SinoPac Securities. Both SinoPac Securities and SPSC are wholly-owned subsidiaries of SinoPac Financial Holdings Company Limited ("SinoPac"), which is listed on the Taiwan Stock Exchange (2890.TT). The sales were completed during the year 2016.

於2015年12月31日之持有作出售組別於2015年10月23日，本行與永豐金證券(開曼)控股有限公司(「永豐金證券(開曼)」)達成協議，向其出售旗下全資附屬公司—東盛控股有限公司(「東盛」)。此外，本行亦與永豐金證券股份有限公司(「永豐金證券」)簽訂了一項協議，透過出售位於台灣的東亞證券股份有限公司(「東亞證券(台灣)」)之全部已發行股份，將東亞證券(台灣)併入永豐金證券。永豐金證券和永豐金證券(開曼)乃台灣證券交易所上市的永豐金融控股股份有限公司(「永豐金控」)(2890.TT)的全資附屬公司。該等出售交易經已在截至2016年12月31日止之年內完成。

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Assets held for sale (Note 29(a))	持有作出售資產(附註29(a))		
Disposal groups held for sale	持有作出售的組別	2,314	821
Other properties and loans	其他物業及貸款	192	134
		<b>2,506</b>	955
Liabilities held for sale (Note 37(b))	持有作出售負債(附註37(b))		
Disposal groups held for sale	持有作出售的組別	426	225

The cumulative income recognised in other comprehensive income relating to disposal groups held for sale is as follows:

有關持有作出售的組別在其他全面收益內確認之累計收入如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Cumulative income recognised in other comprehensive income	確認在其他全面收益內之累計收入	(61)	(10)

The net cash flows incurred by discontinued operations and included in the consolidated cash flow statement are as follows:

已包括在綜合現金流量表而由已終止經營業務產生的淨現金流如下：

		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Operating activities	經營活動	278	346
Investing activities	投資活動	(19)	(130)
Financing activities	融資活動	(91)	(200)
Net cash inflow	淨現金流入	168	16

# UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION

## 未經審核補充財務資料

The following information is disclosed as part of the accompanying information to the financial statements and does not form part of the audited financial statements.

The preparation of supplementary financial information is in accordance with the Banking (Disclosure) Rules and consolidated supervision arrangement approved by HKMA.

以下所披露的資料只屬於財務報表的附帶資料而並不構成已審核財務報表之一部分。

編製補充財務資料是根據《銀行業(披露)規則》及金管局核准的綜合監管要求。

### (1) CAPITAL ADEQUACY 資本充足

		2016	2015
		HK\$ Mn 港幣百萬元	Restated 重報 HK\$ Mn 港幣百萬元
Capital base	股本基礎		
– Common Equity Tier 1 capital	– 普通股權一級資本	62,780	61,571
– Additional Tier 1 capital	– 額外一級資本	7,142	7,210
– Total Tier 1 capital	– 一級資本總額	69,922	68,781
– Tier 2 capital	– 二級資本	20,360	17,703
– Total capital	– 資本總額	90,282	86,484
Risk weighted assets by risk type	風險加權資產類別		
– Credit risk	– 信貸風險	477,065	458,920
– Market risk	– 市場風險	14,981	17,231
– Operational risk	– 營運風險	29,267	30,507
		521,313	506,658
Less: Deductions	減：扣除	(3,014)	(3,018)
		518,299	503,640

		2016	2015
		% 百分率	% 百分率
Common Equity Tier 1 capital ratio	普通股權一級資本比率	12.1	12.2
Tier 1 capital ratio	一級資本比率	13.5	13.7
Total capital ratio	總資本比率	17.4	17.2

Capital adequacy ratios were compiled in accordance with the Capital Rules issued by the HKMA. In accordance with the Capital Rules, the Bank has adopted the foundation internal ratings-based approach for the calculation of the risk-weighted assets for credit risk and the internal models approach for the calculation of market risk and standardised approach for operational risk.

資本充足比率乃根據金管局所頒布的《資本規則》計算。根據《資本規則》，本行選擇採納「基礎內部評級基準計算法」計算信貸風險之風險加權資產、「內部模式計算法」計算市場風險及「標準計算法」計算營運風險。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

The basis of consolidation for regulatory purposes is different from the basis of consolidation for accounting purposes. Subsidiaries included in consolidation for regulatory purposes are specified in a notice from the HKMA in accordance with Section 3C of the Capital Rules. Subsidiaries not included in consolidation for regulatory purposes are non-financial companies and the securities and insurance companies that are authorised and supervised by a regulator and are subject to supervisory arrangements regarding the maintenance of adequate capital to support business activities comparable to those prescribed for authorised institutions under the Capital Rules and the Banking Ordinance. The Bank's shareholdings in these subsidiaries are deducted from its Tier 1 capital and Tier 2 capital subject to the thresholds and transitional arrangements as determined in accordance with Part 3 and Schedule 4H of the Capital Rules respectively.

The list of subsidiaries that are not included in consolidation for regulatory purposes are:

用作監管用途之綜合基礎與作會計用途之綜合基礎是不相同的。包括在用作監管用途之附屬公司乃根據金管局按《資本規則》第3C條所頒布的通知內列載。不包括在綜合基礎用作監管用途之附屬公司為非金融類公司以及已核准和受一監管機構規管的證券及保險公司，對該等公司有關係持足夠資本以支持商業活動的監管安排，與按照適用於《資本規則》及《銀行業條例》的金融機構之標準相符。本行於該等公司的權益已按《資本規則》第3部分所述之門檻規定以及附表4H所述之過渡性安排經計算後從一級及二級資本中扣除。

以下附屬公司並未包括在用作監管用途之綜合計算內：

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Abacus (Nominees) Limited	Nominee company 受託代管公司	-	-	-	-
Abacus Business Consultants Sdn. Bhd.	Dormant 不活動	-	-	-	-
Abacus Company Administration Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	-	-	-	-
Abacus Share Registrars Ltd 雅柏勤證券登記有限公司	Name reservation 預留公司名稱	-	-	-	-
Acheson Limited	Trustee and shareholder services 信託及股東服務	-	-	-	-
Agensi Pekerjaan Tricor Sdn Bhd	Employment agency 職業介紹機構	1	1	1	1
Albridge Corporate Advisory Services Ltd	Corporate services 企業服務	-	-	-	-
Albridge Services London Ltd	Dormant 不活動	-	-	-	-
Alhart Limited	Nominee company 受託代管公司	-	-	-	-
Ample Delight Limited 承悅有限公司	Investment holding 投資控股	373	373	373	373
Asia Management Services Sdn Berhad 亞洲管理服務有限公司	Lounge, café and food & beverage business 酒吧、咖啡館及餐飲業務	1	1	2	2
Asia Securities Sdn Berhad	Provision of scrutineers and courier services 提供監票人及速遞服務	-	-	-	-

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Atsumi & Sakai UK Limited	Dormant (use as name protection vehicle) 不活動(用作名稱保護工具)	–	–	–	–
Barbinder & Co. Pte. Ltd.	Share registration 證券登記	6	6	2	2
Barbinder & Co., Sdn. Bhd.	Dormant 不活動	–	–	–	–
BC (BVI) Holdings Limited	Investment holding 投資控股	16	16	16	16
BEA Blue Sky Company Limited	Acting as the sole general partner to BEA Blue Sky Real Estate Fund L.P. 出任 BEA Blue Sky Real Estate Fund L.P. 單一普通合夥人	1	1	–	–
BEA Blue Sky Real Estate Fund L.P.	Acting as a limited partner to BEA/AGRE China Real Estate Fund L.P. 出任 BEA/AGRE China Real Estate Fund L.P.有限責任合夥人	47	47	44	44
BEA Blue Sky SLP Limited	Acting as a special limited partner to BEA/ AGRE China Real Estate Fund L.P. 出任 BEA/AGRE China Real Estate Fund L.P.特殊有限責任合夥人	–	–	–	–
BEA Consortium GS Investors L.P.	Acting as a limited partner of a limited partnership 有限責任合夥人	105	105	105	105
BEA Insurance Agency Limited 東亞保險代理有限公司	Insurance 保險	–	–	–	–
BEA Life Limited 東亞人壽保險有限公司	Life insurance 人壽保險	12,707	12,707	913	913
BEA Pacific Asia Limited	Dormant 不活動	–	–	–	–
BEA Union Investment Management Limited 東亞聯豐投資管理有限公司	Asset management 資產管理	513	513	480	480
Becmac Limited	Nominee shareholder 股東代名人	–	–	–	–
Beecroft Limited	Nominee company 受託代管公司	–	–	–	–
Bentley Services Limited	Nominee director 董事代名人	–	–	–	–
Blue Care (BVI) Holdings Limited	Investment holding 投資控股	16	16	16	16

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Blue Care JV (BVI) Holdings Limited	Investment holding 投資控股	18		18	
Blue Care Medical Services Limited 寶康醫療服務有限公司	Medical services 醫療服務	45		33	
Blue Cross (Asia-Pacific) Insurance Limited 藍十字(亞太)保險有限公司	Insurance 保險	3,300		784	
Camceb Limited	Nominee shareholder 股東代名人	–		–	
Cane Garden Bay Limited	Nominee director/shareholder 董事/股東代名人	–		–	
Capico Asset Management Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	–		–	
Caribbean Corporate Services Ltd.	Corporate secretarial and accounting services 法人團體秘書及會計服務	13		10	
CCSL St. Lucia Ltd.	Holding company 控股公司	1		–	
Central Town Limited 匯中興業有限公司	Property investment 物業投資	664		459	
Century Able Limited 階潤有限公司	Investment holding 投資控股	777		777	
Cheam Holdings Limited	Nominee director 董事代名人	–		–	
Cheam Nominees Limited	Nominee director 董事代名人	–		–	
China Healthwise Holdings Limited 中國智能健康控股有限公司	Name reservation service 預留公司名稱服務	–		–	
Chongqing Dongrong Business Consultancy Company Limited 重慶市東榮商務諮詢有限公司	Business consultancy services 商業諮詢服務	4		(1)	
Chua, Woo & Company Sdn. Bhd.	Dormant 不活動	–		–	
Citiview Capital Limited	Acting as the general partner and limited partner of a limited partnership 普通合夥人及有限責任合夥人	8		1	
Clacton Company Limited	Nominee company 受託代管公司	–		–	

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Cloud Paging Nominees Limited	Dormant 不活動	–	–	–	–
Corona Light Limited	Investment holding 投資控股	930	930	930	930
Crystal Gleaming Limited	Investment holding 投資控股	930	930	930	930
Dean Street Property Limited	Property development 物業發展	28	28	26	26
Delanez Limited	Nominee director/shareholder 董事/股東代名人	–	–	–	–
Denroy Nominees Limited	Nominee director 董事代名人	–	–	–	–
Dersale Limited	Nominee director/shareholder 董事/股東代名人	–	–	–	–
Directra Overseas Services Inc.	Nominee company 受託代管公司	–	–	–	–
Directra Services Limited	Nominee company 受託代管公司	–	–	–	–
EA Securities Limited	Investment holding 投資控股	–	–	(63)	(63)
East Asia Corporate Services (BVI) Limited	Registered agent and trustee services 註冊代理及信託服務	32	32	31	31
East Asia Corporate Services (Nominees) Ltd.	Nominee director/shareholder 董事/股東代名人	–	–	–	–
East Asia Financial Services (BVI) Ltd.	Investment holding 投資控股	1	1	1	1
East Asia Futures Limited 東亞期貨有限公司	Futures and options trading 期貨及期權交易	59	59	59	59
East Asia Indonesian Holdings Limited	Investment holding 投資控股	130	130	130	130
East Asia International Trustees Holdings (BVI) Limited	Investment holding 投資控股	10	10	10	10
East Asia International Trustees Limited	Trustee services 信託服務	32	32	30	30
East Asia Properties Holding Company Limited 東亞物業控股有限公司	Investment holding 投資控股	6	6	(62)	(62)



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
East Asia Property Agency Company Limited 東亞物業代理有限公司	Property agency 物業代理	12	12
East Asia Property Holdings (Jersey) Limited	Property holding 物業持有	27	26
East Asia Property Management (China) Limited 東亞物業管理(中國)有限公司	Property management 物業管理	–	–
East Asia Secretaries (BVI) Limited	Investment holding 投資控股	594	594
East Asia Secretaries Limited 東亞秘書有限公司	Secretarial services 秘書服務	–	–
East Asia Securities Company Limited 東亞證券有限公司	Securities broking 證券買賣	1,020	828
East Asia Strategic Holdings Limited	Investment holding 投資控股	418	418
Elemen Limited	Nominee shareholder 股東代名人	–	–
Epsilon Registration Services Sdn. Bhd.	Dormant 不活動	–	–
Equity Trustee Limited	Trustee 信託服務	3	1
Essex Nominees Limited	Nominee director/shareholder 董事/股東代名人	–	–
Evatthouse Corporate Services Pte. Ltd.	Corporate secretarial and advisory services 法人團體秘書及諮詢服務	99	4
Fitz Services Pte. Ltd.	Business and management consultancy services 商業及管理諮詢服務	–	–
Fortra Services Limited	Nominee company 受託代管公司	–	–
Gainsville Limited	Nominee shareholder and director 股東及董事代名人	–	–
Gil Services Pte. Ltd.	Business and management consultancy services 商業及管理諮詢服務	–	–
Gladwood Limited	Nominee director/shareholder 董事/股東代名人	–	–
Gold Sweep Sdn Bhd	Investment holding 投資控股	79	13

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Golden Empire International Inc.	Property investment 物業投資	–	–	–	–
Golden Properties Finance Ltd.	Mortgage financing 按揭財務	–	–	–	–
Golden Queen International Ltd.	Property investment 物業投資	–	–	–	–
Great Wall Pan Asia Holdings Limited 長城環亞控股有限公司	Provision of name reservation service 預留公司名稱服務	–	–	–	–
Grimma Company Limited	Nominee company 受託代管公司	–	–	–	–
High Town Limited	Investment holding 投資控股	4	4	4	4
ICIS China (HK) Co Limited	Name reservation service 預留公司名稱服務	–	–	–	–
International Holdings Corporation	Trust related services 信託相關服務	–	–	–	–
Jiande International Holdings Limited 建德國際控股有限公司	Name reservation service 預留公司名稱服務	–	–	–	–
Kaliwood Corporation	Nominee director/shareholder 董事/股東代名人	–	–	–	–
Keen Sight Development Limited	Investment holding 投資控股	–	–	–	–
Leader One Limited	Investment holding 投資控股	1	1	1	1
Linkwall Investments Limited 領皇投資有限公司	Trustee 信託服務	–	–	–	–
Maccabee (Nominees) Limited	Nominee director 董事代名人	–	–	–	–
Mache Holdings Limited	Nominee shareholder 股東代名人	–	–	–	–
Mache Nominees Limited	Nominee shareholder 股東代名人	–	–	–	–
Mactors Limited	Nominee director 董事代名人	–	–	–	–
Maintex Limited	Nominee director 董事代名人	–	–	–	–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
Malplaquet Limited	Nominee director, shareholder and secretary 董事、股東及秘書代名人	–	–
Manchester Property Holdings Ltd.	Property holding 物業控股	29	12
Menroy Registrars Limited	Nominee director 董事代名人	–	–
Norpac Holdings Limited	Custodian services 保管服務	–	–
Outsource Centre Pte. Ltd.	Accounting and payroll services 會計及支薪服務	4	1
Overseas Nominees Limited	Nominee services 受託代管服務	–	–
Pen Ling Limited	Nominee company 受託代管公司	–	–
PFA Corporate Consultants Sdn Bhd	Consultancy, advisory and nominees services 諮詢、顧問及受託代管服務	–	–
PFA Registration Services Sdn. Bhd.	Dormant 不活動	1	1
Powerhouse Worldwide Limited	Investment holding 投資控股	–	–
Quantum Hong Kong Holdings Company Limited 君騰香港控股有限公司	Investment holding 投資控股	–	–
Ramillies Limited	Nominee director, shareholder and secretary 董事、股東及秘書代名人	–	–
Red Phoenix Limited	Leasing of motor vehicles 汽車租賃	1	1
Roebuck Limited	Directorship services 董事職務服務	–	–
Rontors Limited	Nominee director 董事代名人	–	–
Rosland Corporate Management Limited	Nominee shareholder 股東代名人	–	–
Secretaries Limited 秘書商業服務有限公司	Name reservation service 預留公司名稱服務	–	–
Secretarius Services Sdn. Bhd.	Corporate director and secretarial services 法人團體董事及秘書服務	–	–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Shaftesbury Property Holdings Limited	Investment holding 投資控股		95		95
Shaftesbury Property Investments Limited	Investment holding 投資控股		61		61
Shareg Nominees Limited	Nominee services 受託代管服務		–		–
Silver River International Limited	Acting as the general partner and limited partner of a limited partnership 普通合夥人及有限責任合夥人		136		–
Silver Sunlight Limited	Acting as the general partner of a limited partnership 普通合夥人		–		–
Skyray Holdings Limited	Investment holding 投資控股		450		450
Songket Bakery Sdn. Bhd.	Development and trading of computer software and provision of computer software related maintenance services (in striking off) 電腦軟件開發及買賣以及提供相關之軟件保養服務(除名中)		–		–
Speedfull Limited	Investment holding 投資控股		450		450
Standard Registrars Limited 標準證券登記有限公司	Name reservation service 預留公司名稱服務		–		–
Strath Corporate Services Limited	Business and corporate services 商業及企業服務		–		–
Swan Nominees Limited	Nominee shareholder 股東代名人		–		–
Tabernacle Assets Limited 德續有限公司	Protector of trust 信託保障人		–		–
Teeroy Limited	Trustee 信託服務		–		–
Tengis International Limited	Authorised signatories services 授權簽署服務		–		–
Tengis Limited 登捷時有限公司	Name reservation service 預留公司名稱服務		–		–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
Tengis Services Limited	Act as account holder for clients' funds for payroll and Mandatory Provident Fund 出任客戶支薪及強積金帳戶持有人	–	–
The Bank of East Asia (Nominees) Limited 東亞銀行受託代管有限公司	Nominee services 受託代管服務	–	–
The Bank of East Asia (Nominees) Private Limited	Nominee services 受託代管服務	–	–
The Bank of East Asia Charitable Foundation Limited 東亞銀行慈善基金有限公司	Charitable institution 慈善機構	–	–
The Bank of East Asia Nominees (UK) Limited	Dormant 不活動	–	–
Travelsafe Limited	Dormant 不活動	–	–
Tricor (B) Sdn. Bhd.	Corporate business and investor services 企業、商業及投資者服務	6	4
Tricor A&S Corporate Services KK	Corporate secretarial, tax and accounting, payroll, banking and cash management services 公司秘書、稅務及會計、支薪、銀行及現金管理服務	1	1
Tricor Abacus Limited 卓佳雅柏勤有限公司	Investor services 投資者服務	2	1
Tricor Asia Limited	Act as account holder for clients' funds for payroll and payment processing 出任客戶支薪及付款處理帳戶持有人	–	–
Tricor Authorised Representative Limited	Authorised representative services 授權代表服務	–	–
Tricor Board Dynamics Sdn Bhd	Temporarily ceased business operations 暫時停止業務運作	–	(1)
Tricor Business Services Sdn. Bhd.	Accounting, payroll and administration services 會計、支薪及行政服務	83	12
Tricor Caribbean Limited	Inactive 不活躍	–	–
Tricor CNP Corporate Services Pte. Ltd.	Corporate services 企業服務	4	2

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor Consultancy (Beijing) Limited 東亞卓佳諮詢(北京)有限公司	Business consultancy in China 國內商業諮詢		170		165
Tricor Consulting Limited	Consultancy services 諮詢服務		6		–
Tricor Corporate Secretaries Limited	Dormant 不活動		–		–
Tricor Corporate Secretary Limited	Corporate services 企業服務		–		–
Tricor Corporate Services Sdn. Bhd.	Provision of corporate secretarial services 提供公司秘書服務		19		8
Tricor Custodian Limited 忠港投資有限公司	Process agent and escrow services 法律程序文件代理人及委託交易服務		–		–
Tricor Europe (Holdings) Limited	Investment holding 投資控股		36		–
Tricor Executive Recruitment Ltd.	Executive recruitment 高級管理人才招聘		4		(9)
Tricor Executive Resources Limited 卓佳行政資源顧問有限公司	Executive search and human resource solutions 搜羅高級管理人才及提供人力資源方案		2		(6)
Tricor Fiduciaries Limited	Trust services 信託服務		–		–
Tricor Firmley Limited	Nominee company and corporate services 受託代管公司及企業服務		–		–
Tricor Friendly Limited 卓佳準誠有限公司	Investor services 投資者服務		1		1
Tricor Global Limited	Investment holding 投資控股		10		10
Tricor Greater China Limited 卓佳大中華有限公司	Investment holding and provision of administrative and marketing support services to fellow subsidiaries 投資控股及提供行政及推廣支援予同系附屬公司		27		21
Tricor Hive Sdn Bhd	Business of incubation and business centres 創業服務中心及商務中心		28		6
Tricor Holdings Limited	Investment holding 投資控股		1,080		1,076

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額 HK\$ Mn 港幣百萬元	Total equity 股東權益總額 HK\$ Mn 港幣百萬元
Tricor Holdings Pte. Ltd.	Investment holding 投資控股	434	353
Tricor HSP Japan JV K.K.	Consultancy services 諮詢服務	2	1
Tricor HSP Singapore Pte. Ltd.	Secretarial and accounting services 秘書及會計服務	2	1
Tricor Humatrix Asia Pte. Ltd	Payroll and accounting services 支薪及會計服務	15	10
Tricor Humatrix (M) Sdn. Bhd.	To carry on and transact in providing software (not yet commenced business) 從事軟件提供	2	-
Tricor Human Capital Limited	Consultancy services (human capital, human resources), dormant status 諮詢服務(人力資本、人力資源)、 不活動公司	-	-
Tricor IAG Fund Administration (Hong Kong) Limited	Fund administration services 基金管理	-	(7)
Tricor IAG Fund Administration (Singapore) Pte. Limited	Activities auxiliary to fund management activities 基金管理附屬服務	1	-
Tricor International Trustee Limited	Trustee 信託服務	2	2
Tricor Investor & Issuing House Services Sdn. Bhd.	Shares registration service 證券登記服務	13	16
Tricor Investor Services Limited 卓佳證券登記有限公司	Investor services 投資者服務	73	62
Tricor Investor Services Sdn. Bhd.	Provision of shares registration service 提供證券登記服務	3	14
Tricor Japan Holdings GK	Nominee company 受託代管公司	-	-
Tricor Japan Limited 卓佳日本有限公司	Consulting, accounting, human resources & office administrative service 諮詢、會計、人力資源及辦公室行政服務	20	17
Tricor Japan Shared Services Sdn. Bhd.	Business services and business consulting 商業服務及商業諮詢	2	2
Tricor K.K.	Business process outsourcing 業務流程外包	90	39

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor Knowledge House Sdn Bhd	Organizing training courses and workshops 籌劃培訓課程及工作坊	–	–	–	–
Tricor Labour and Social Security Corporation	Labour and social security service 勞工及社會保障服務	–	–	–	–
Tricor Nominees Limited	Founder member of Tricor's HK shelf companies 為卓佳香港空殼公司之創辦成員	–	–	–	–
Tricor Nominees (Overseas) Limited	Nominee company (acting as first director & shareholder of Tricor's BVI shelf companies which remain unsold for 6 months) 受託代管公司(擔任6個月仍未售出的卓佳英屬處女群島空殼公司的首任董事及股東)	–	–	–	–
Tricor Outsourcing (Thailand) Ltd.	Business outsourcing 業務外包	38	38	8	8
Tricor Praesidium Limited	Compliance & corporate services 合規及企業服務	1	1	(3)	(3)
Tricor PrimePartners Corporate Services Pte. Ltd. (In members' voluntary liquidation)	Providing secretarial, accounting and share registration services, employment agencies (Excluding maid agencies) 提供秘書、會計、股票登記服務及僱傭公司(不包女傭中介)	1	1	1	1
Tricor Progressive Limited 卓佳廣進有限公司	Investor services 投資者服務	1	1	1	1
Tricor Representatives Limited	Process agent or escrow services 法律程序文件代理人及委託交易服務	–	–	–	–
Tricor Roots Business Intelligence Sdn Bhd.	Development and trading of computer software and provision of software related maintenance services 電腦軟件開發及買賣以及提供相關之軟件維修服務	16	16	17	17
Tricor Roots Consulting Sdn Bhd.	Engaged in the business of installation of computer software and provision of related consulting services, conducting and organising seminar and conference 從事電腦軟件裝置及提供相關之諮詢服務以及開展及組織研討會及會議	7	7	(4)	(4)
Tricor Roots Governance Sdn. Bhd.	Internal audit service 內部審計服務	–	–	(1)	(1)



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor SaaS Sdn Bhd	Software development and other related information technology support 軟件開發以及其他相關資訊科技支援	1		(1)	
Tricor Secretaries (Labuan) Limited	Secretarial services 秘書服務	1		1	
Tricor Secretaries Limited 卓佳秘書商務有限公司	Business, corporate and investor services 商業、企業及投資者服務	18		17	
Tricor Secretaries Limited	Corporate secretarial services plus registrar and Enterprise Investment Scheme administration services 法人團體秘書服務、過戶登記處及企業投資計劃行政服務	1		1	
Tricor Securities Limited	Nominee and custodian services 受託代管服務	–		–	
Tricor Senedi Sdn Bhd	Information technology support 資訊科技支援	1		(3)	
Tricor Services (Brunei) Ltd	Registered agent 註冊代理	–		–	
Tricor Services (BVI) Limited	Registered agent and trustee services 註冊代理及信託服務	18		18	
Tricor Services (London) Limited	Dormant 不活動	–		–	
Tricor Services (Macau) Limited 卓佳專業商務(澳門)有限公司	Business services 商業服務	5		5	
Tricor Services (Malaysia) Sdn. Bhd.	Investment holding 投資控股	118		93	
Tricor Services Europe LLP	Limited liability partnership 有限責任合夥	23		–	
Tricor Services Europe No. 1 Limited	Dormant 不活動	–		–	
Tricor Services Limited 卓佳專業商務有限公司	Business, corporate and investor services 商業、企業及投資者服務	474		328	
Tricor Signatory Limited	Bank signatory 銀行戶口簽署人	–		–	
Tricor Singapore Pte. Ltd.	Business management and consultancy services, and employment agency 商業管理及諮詢服務、兼職業介紹機構	201		63	
Tricor Standard Limited 卓佳標準有限公司	Investor services 投資者服務	4		2	

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (1) CAPITAL ADEQUACY (CONTINUED) 資本充足(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Tricor Strath Group Limited	Holding company 控股公司	–	–	–	–
Tricor Strath Limited	Business and corporate services 商業及企業服務	–	–	–	–
Tricor Tax Corporation	Tax services 稅務服務	4	–	1	–
Tricor Tax Services Sdn. Bhd.	Tax advisory and consulting services 稅務顧問及諮詢服務	1	–	4	–
Tricor Tengis Limited 卓佳登捷時有限公司	Business, corporate and investor services 商業、企業及投資者服務	10	–	10	–
Tricor Trident Nominees Limited	Trustee company 信託人公司	–	–	–	–
Tricor Trustco (Labuan) Limited	Corporate, secretarial & accounting services 企業、秘書及會計服務	16	–	17	–
Tricor Vietnam Company Limited	Management consulting services 管理諮詢服務	2	–	–	–
Tricor WP Corporate Services Pte. Ltd	Business and management consultancy services 商業及管理諮詢服務	16	–	9	–
Trident Corporate Management Limited	Nominee shareholder 股東代名人	–	–	–	–
Tristan Company Limited	Nominee director/shareholder 董事／股東代名人	–	–	–	–
TSV Services (Singapore) Pte. Ltd.	Holding company 控股公司	–	–	–	–
Tudor Nominees Limited	Nominee shareholder 股東代名人	–	–	–	–
Tung Shing Holdings (BVI) Limited	Investment holding 投資控股	–	–	–	–
Turquandia Limited	Nominee shareholder 股東代名人	–	–	–	–
U Care Hong Kong Medical Limited 明康醫療香港有限公司	Medical services 醫療服務	16	–	(14)	–
United Chinese (Nominee) Limited	Dormant 不活動	–	–	–	–
Vanceburg Limited	Nominee shareholder, director, secretary and appointor 股東、董事代名人、秘書及提名人	–	–	–	–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Name of company 公司名稱	Nature of business 業務性質	Total assets 資產總額		Total equity 股東權益總額	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
W.T. (Secretaries) Limited	Secretaries services 秘書服務		-		-
Wai Chiu Company Limited 偉超有限公司	Nominee director/shareholder 董事/股東代名人		-		-
Wai Hop Company Limited 偉合有限公司	Nominee director/shareholder 董事/股東代名人		-		-
WCS Nominees Limited	Nominee services 受託代管服務		-		-
Witcombe Corporation	Nominee director/shareholder 董事/股東代名人		-		-
Woodside Corporate Services Limited	Receiving agent, fund administration, custodial, security trustee and registrar services 收款代理人、基金管理、保管、 信託保安及登記服務		10		9
WT Management (PTC) Inc	Trustee 信託服務		-		-

There are no subsidiaries which are included within both the accounting scope of consolidation and the regulatory scope of consolidation but where the method of consolidation differs at 31st December, 2016.

There are no subsidiaries which are included within the regulatory scope of consolidation but not included within the accounting scope of consolidation at 31st December, 2016.

There are no relevant capital shortfalls in any of the Group's subsidiaries as at 31st December, 2016 (31st December, 2015: Nil) which are not included in the Group's consolidation for regulatory purposes.

The Group operates subsidiaries in a number of countries and territories where capital is governed by local rules and there may be restrictions on the transfer of regulatory capital and funds between members of the banking group.

For the purpose of compliance with the Banking (Disclosure) Rules, the Group has established a section on the Bank's website. Additional information relating to the Group's regulatory capital and other disclosures can be found in this section of the Bank's website, accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

並未有已包括在用作會計範疇及監管範疇之綜合賬的附屬公司，而於2016年12月31日其綜合計算方法是不相同的。

於2016年12月31日，並未有附屬公司已包括在用作監管範疇之綜合賬但並未包括在用作會計範疇之綜合賬內。

於2016年12月31日(2015年12月31日：無)，本集團之附屬公司並無有關資本不足而未有包括在本集團用作監管用途之綜合賬內。

本集團之附屬公司在多個國家及地區營運而其資本乃受當地法則約束，可能在轉移受規管資本及在銀行集團成員間的資金調配方面存在某些限制。

為符合《銀行業(披露)規則》，本集團已在本行網站內增設一節。有關本集團的監管資本工具及其他披露資料，可於本行網站該節內找到，只要瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (2) LIQUIDITY POSITION 流動資金狀況

		2016	2015
		% 百分率	% 百分率
Average liquidity coverage ratio	平均流動性覆蓋比率		
- First quarter	- 第一季	151.3	127.2
- Second quarter	- 第二季	141.2	137.5
- Third quarter	- 第三季	133.5	132.1
- Fourth quarter	- 第四季	137.2	151.2

The LCR is calculated in accordance with the Banking (Liquidity) Rules effective from 1st January, 2015. The information for the regulatory disclosure can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

The Bank held an amount of HKD-denominated level 1 assets that was not less than 20% of its HKD-denominated total net cash outflows. There is no significant currency mismatch in the Bank's LCR at respective levels of consolidation.

流動性覆蓋比率是根據由2015年1月1日起生效的《銀行業(流動性)規則》計算。相關的監管披露資料可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

本銀行持有以港幣計價的一級優質流動資產不少於以港幣計價的淨現金流出總額的20%。按各綜合層級的流動性覆蓋比率並沒有重大的貨幣錯配。

## (3) INTERNATIONAL CLAIMS 國際債權

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

國際債權資料披露對海外交易對手風險額最終風險的所在地，並已顧及認可風險轉移因素。一般而言，有關貸款的債權獲得並非交易對手所在地的國家的一方擔保，或該債權的履行對象是某銀行的海外分行，而該銀行的總辦事處並非設於交易對手的所在地，風險便確認為由一個國家轉移到另一個國家。當某一國家的風險額佔已計算認可風險轉移的風險總額的百分之十或以上，該國家的國際債權便須予以披露。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

		2016					
		Non-bank private sector					
		非銀行私營機構					
		Non-bank					
		Official	financial	Non-financial			
		sector	institutions	private sector	Others	Total claims	
		Banks	非銀行	非金融			
		銀行	官方部門	金融機構	私營機構	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Counterparty country/ jurisdiction	交易對手的國家/ 司法管轄區						
Developed countries	發達國家	18,381	4,476	6,906	10,251	-	40,014
Offshore centres	離岸中心	6,921	544	3,737	76,943	-	88,145
- of which: Hong Kong	- 其中: 香港	4,260	540	3,606	65,877	-	74,283
Developing Asia and Pacific	發展中的亞洲和 太平洋地區	23,712	3,706	8,978	96,198	-	132,594
- of which: China	- 其中: 中華 人民共和國	10,494	3,517	8,831	89,147	-	111,989

		2015 Restated 重報					
		Non-bank private sector					
		非銀行私營機構					
		Non-bank					
		Official	financial	Non-financial			
		sector	institutions	private sector	Others	Total claims	
		Banks	非銀行	非金融			
		銀行	官方部門	金融機構	私營機構	其他	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Counterparty country/ jurisdiction	交易對手的國家/ 司法管轄區						
Developed countries	發達國家	28,216	473	4,416	5,531	-	38,636
Offshore centres	離岸中心	7,439	113	13,665	53,696	-	74,913
- of which: Hong Kong	- 其中: 香港	4,203	110	13,051	44,350	-	61,714
Developing Asia and Pacific	發展中的亞洲和 太平洋地區	36,366	1,040	21,226	88,588	-	147,220
- of which: China	- 其中: 中華 人民共和國	24,418	994	19,322	81,204	-	125,938

The above figures are computed in accordance with the HKMA's guidelines on the return of international banking statistics and the Banking (Disclosure) Rules in respect of the reporting period on the consolidated basis.

以上分析是按照金管局國際銀行業務統計資料申報表的指引及按照《銀行業(披露)規則》於報告期按綜合基準計算。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (4) MAINLAND ACTIVITIES 內地活動

The table below summaries the non-bank Mainland China exposure of the Bank's Hong Kong Office and the Bank's Mainland subsidiary banks categorised by types of counterparties:

下表概述本行香港辦事處及國內附屬銀行之非銀行的中國內地風險承擔，按交易對手類型進行分類：

		On-balance sheet exposure 資產負債表 以內的風險 HK\$ Mn 港幣百萬元	2016 Off-balance sheet exposure 資產負債表 以外的風險 HK\$ Mn 港幣百萬元	Total 總額 HK\$ Mn 港幣百萬元
Type of counterparties	交易對手的類別			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	33,143	5,955	39,098
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	20,992	642	21,634
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	161,687	33,901	195,588
4. Other entities of central government not reported in item 1 above	4. 並無於上述(1)項內報告的中央政府之其他機構	5,349	831	6,180
5. Other entities of local governments not reported in item 2 above	5. 並無於上述(2)項內報告的地方政府之其他機構	3,881	8	3,889
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	4,500	763	5,263
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7. 其他被視作為內地非銀行客戶之風險	36,871	2,187	39,058
<b>Total</b>	<b>總額</b>	<b>266,423</b>	<b>44,287</b>	<b>310,710</b>
Total assets after provision	扣除撥備後總資產	710,187		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔總資產的比例	37.5%		

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

		2015		Total
		On-balance sheet exposure 資產負債表 以內的風險 HK\$ Mn 港幣百萬元	Off-balance sheet exposure 資產負債表 以外的風險 HK\$ Mn 港幣百萬元	
Type of counterparties	交易對手的類別			
1. Central government, central government-owned entities and their subsidiaries and joint ventures	1. 中央政府、屬中央政府擁有之機構與其附屬公司及合營企業	26,087	3,934	30,021
2. Local governments, local government-owned entities and their subsidiaries and joint ventures	2. 地方政府、屬地方政府擁有之機構與其附屬公司及合營企業	16,568	1,762	18,330
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and joint ventures	3. 居住中國內地的中國公民或其他於境內註冊成立之其他機構與其附屬公司及合營企業	155,502	34,997	190,499
4. Other entities of central government not reported in item 1 above	4. 並無於上述(1)項內報告的中央政府之其他機構	3,746	1,570	5,316
5. Other entities of local governments not reported in item 2 above	5. 並無於上述(2)項內報告的地方政府之其他機構	3,948	98	4,046
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	6. 居住中國境外的中國公民或於境外註冊之其他機構，其於中國內地使用之信貸	8,507	304	8,811
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	7. 其他被視作為內地非銀行客戶之風險	39,950	1,616	41,566
<b>Total</b>	<b>總額</b>	<b>254,308</b>	<b>44,281</b>	<b>298,589</b>
Total assets after provision	扣除撥備後總資產	737,558		
On-balance sheet exposures as percentage of total assets	資產負債表內之風險承擔佔總資產的比例	34.5%		

The above figures are disclosed in accordance with the return relating to Mainland activities the Bank submitted to the HKMA pursuant to section 63 of the Banking Ordinance in respect of the reporting period, which are computed on the consolidated basis as required by the HKMA for its regulatory purposes.

以上數字乃根據《銀行業條例》第63條，就報告期向金管局呈交的關乎內地活動的申報表之基準，其計算是根據金管局訂定用作規管用途的綜合基準所編製。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (5) LEVERAGE RATIO 槓桿比率

		2016	2015
		% 百分率	% 百分率
Leverage ratio	槓桿比率	8.8	8.3

The disclosure on leverage ratio is effective since 31st March, 2015 and is computed on the same consolidated basis as specified in a notice from the HKMA in accordance with section 3C of the Capital Rules. The relevant disclosures pursuant to section 45A of the Banking (Disclosure) Rules can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

槓桿比率之披露是由2015年3月31日起生效，其計算乃按金管局根據《資本規則》第3C條頒布的通知內所指定的綜合基準。根據《銀行業(披露)規則》第45A條的有關披露資料，可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

## (6) COUNTERCYCLICAL CAPITAL BUFFER RATIO 逆周期緩衝資本比率

		2016	2015
		% 百分率	% 百分率
Countercyclical capital buffer ratio	逆周期緩衝資本比率	0.243	-

The relevant disclosures pursuant to section 45B of the Banking (Disclosure) Rules for 2016 can be found on the Bank's website accessible through the "Regulatory Disclosure" link on the home page of the Bank's website at [www.hkbea.com](http://www.hkbea.com) or at the following direct link: [www.hkbea.com/regulatory\\_disclosures](http://www.hkbea.com/regulatory_disclosures).

根據《銀行業(披露)規則》第45B條的有關披露2016年的資料，可瀏覽本行網站[www.hkbea.com](http://www.hkbea.com)主頁內「監管披露」的連繫或按[www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html](http://www.hkbea.com/html/tc/bea-about-bea-regulatory-disclosures.html)的直接連繫。

There was no information disclosed relating to the countercyclical capital buffer ratio pursuant to section 45B of the Banking (Disclosure) Rules for 2015 because the applicable JCCyB ratios for Hong Kong and for jurisdiction outside Hong Kong are at 0% before 1st January, 2016 according to section 3P and section 3Q of the Capital Rules.

根據《資本規則》第3P及3Q條，由於在2016年1月1日之前，香港及非香港司法管轄區的適用JCCyB比率均是0%，故2015年未有資料就《銀行業(披露)規則》第45B條作出有關披露。

## (7) CAPITAL CONSERVATION BUFFER RATIO 防護緩衝資本比率

Under section 3M of the Capital Rules, the capital conservation buffer ratio for calculating the Bank's buffer level is 0.625% for 2016 and 0% for 2015.

根據《資本規則》第3M條，用以計算2016年及2015年之緩衝水平的防護緩衝資本比率分別是0.625%及0%。

## (8) HIGHER LOSS ABSORBENCY RATIO 較高吸收虧損能力比率

The HKMA has designated the Bank as a domestic systematically important authorised institution ("D-SIB"). Under section 3V of the Capital Rules, the higher loss absorbency ratio applicable to the Bank is 0.25% for 2016 and 0% for 2015.

金管局已將本行指定為具本地系統重要性認可機構。根據《資本規則》第3V條，適用於本行之2016年及2015年的較高吸收虧損能力比率分別是0.25%及0%。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

##### (a) Overdue and rescheduled advances

##### (a) 逾期及經重組墊款

		2016		2015	
		HK\$ Mn	% of total advances to customers	HK\$ Mn	% of total advances to customers
		港幣百萬元	佔客戶墊款總額的百分比	港幣百萬元	佔客戶墊款總額的百分比
Advances to customers overdue for	逾期客戶墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月	455	0.1	610	0.1
– 1 year or less but over 6 months	– 6個月以上至1年	1,009	0.2	1,535	0.4
– Over 1 year	– 1年以上	2,725	0.6	1,934	0.4
		4,189	0.9	4,079	0.9
Rescheduled advances to customers	經重組客戶墊款	107	0.0	78	0.0
Total overdue and rescheduled advances	逾期及經重組墊款總額	4,296	0.9	4,157	0.9
Secured overdue advances	有抵押逾期墊款	2,907	0.6	3,597	0.8
Unsecured overdue advances	無抵押逾期墊款	1,282	0.3	482	0.1
Market value of security held against secured overdue advances	有抵押逾期墊款抵押品市值	5,678		6,804	
Individual impairment allowance made on loans overdue for more than 3 months	逾期3個月以上貸款的個別減值準備	1,510		799	

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.

有明確到期日之貸款，若其本金或利息已逾期，並於年結日仍未償還，則列作逾期處理。定期分期償還之貸款，若其中一次還款逾期，而於年結日仍未償還，則列作逾期處理。即時到期之貸款，若已向借款人送達還款通知，但借款人未按指示還款，或貸款已超出借款人獲通知的批准限額，而此情況持續超過有關逾期期限，亦列作逾期處理。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (9) OVERDUE, RESCHEDULED AND REPOSSESSED ASSETS (CONTINUED)

## 逾期、經重組及收回資產(續)

## (a) Overdue and rescheduled advances (continued)

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

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

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

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

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

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

## (b) Advances to banks

## (a) 逾期及經重組墊款(續)

可視作合格抵押品的資產須符合下列條件：

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

合格抵押品主要分為下列兩種：

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

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

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

## (b) 銀行墊款

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Advances to banks overdue for	逾期銀行墊款				
– 6 months or less but over 3 months	– 3個月以上至6個月		–		–
– 1 year or less but over 6 months	– 6個月以上至1年		–		–
– Over 1 year	– 1年以上		–		–
			–		–
Rescheduled advances to banks	經重組銀行墊款		–		–
Total overdue and rescheduled advances	逾期及經重組銀行墊款總額		–		–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

		2016		
		Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Debt securities 債務證券 HK\$ Mn 港幣百萬元	Other assets* 其他資產* HK\$ Mn 港幣百萬元
Other assets overdue for	其他逾期資產			
– 6 months or less but over 3 months	– 3個月以上至6個月	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–
– Over 1 year	– 1年以上	–	–	1
		–	–	1
Rescheduled assets	經重組資產	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	–	–	1

		2015		
		Accrued interest 應計利息 HK\$ Mn 港幣百萬元	Debt securities 債務證券 HK\$ Mn 港幣百萬元	Other assets* 其他資產* HK\$ Mn 港幣百萬元
Other assets overdue for	其他逾期資產			
– 6 months or less but over 3 months	– 3個月以上至6個月	–	–	–
– 1 year or less but over 6 months	– 6個月以上至1年	–	–	–
– Over 1 year	– 1年以上	–	–	1
		–	–	1
Rescheduled assets	經重組資產	–	–	–
Total other overdue and rescheduled assets	其他逾期及經重組資產總額	–	–	1

\* Other assets refer to trade bills and receivables.

\* 其他資產是指貿易票據及應收款項。

**(d) Repossessed assets****(d) 收回資產**

		2016 HK\$ Mn 港幣百萬元	2015 HK\$ Mn 港幣百萬元
Reposessed land and buildings*	收回土地及建築物*	333	317
Reposessed vehicles and equipment	收回汽車及設備	–	–
Reposessed machines	收回機器	–	–
Total reposessed assets	收回資產總額	333	317

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

此等金額指於12月31日收回資產的估計市值。

\* The balance included HK\$19 million (2015: HK\$7 million) relating to properties that were contracted for sale but not yet completed.

\* 結餘中並包括港幣1,900萬元已簽約出售但仍未成交的物業(2015年: 700萬元)。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (10) PRINCIPAL RISK MANAGEMENT AND CAPITAL ADEQUACY 主要風險管理及資本充足度

This section presents supplementary information on the Group's capital adequacy and management of principal risks. For details of principal risks, please refer to section 44 "Principal Risk Management" of the Notes to Account.

本部分載述本集團有關資本充足度及主要風險管理的補充資料。有關主要風險，詳情請參閱財務報表附註第44部分「主要風險管理」。

## (a) Assessment of capital charge

The Group adopts different approaches for assessing capital adequacy. The main approach for calculating capital charge for Pillar I risks is as follows:

## (a) 評估資本要求

本集團採納不同方法評估資本充足度。以下為計算第一支柱風險資本要求的主要方法：

Risk type 風險種類	Main approach for calculating capital charge 計算資本要求的主要方法
Credit Risk 信貸風險	Foundation Internal Ratings-Based ("IRB") Approach 基礎內部評級基準計算法
Market Risk 市場風險	Internal Models Approach 內部模式計算法
Operational Risk 營運風險	Standardised Approach 標準計算法

Capital charge for credit risk

The following table indicates the capital charge for credit risk on each exposure class as at 31st December, 2016 and 31st December, 2015:

信貸風險資本要求

下表顯示於2016年12月31日及2015年12月31日每種風險承擔類別的信貸風險資本要求：

Exposure class	風險承擔類別	Capital charge 資本要求	
		As at 31st December, 2016 於2016年12月31日 HK\$ Mn 港幣百萬元	As at 31st December, 2015 於2015年12月31日 HK\$ Mn 港幣百萬元
Exposures under IRB Approach	內部評級基準計算法下的風險承擔		
Bank	銀行	4,699	7,116
Corporate	企業	24,822	20,643
Residential mortgage	住宅按揭	1,301	1,434
Qualifying revolving retail	合資格循環零售	691	639
Other retail	其他零售	506	616
Equity booked on banking book subject to Simple Risk-weight Method under Market-based Approach	銀行賬下的股權 —以市場基準計算法下的簡單風險權重方法計算	965	1,045
Equity booked on banking book subject to Internal Models Method under Market-based Approach	銀行賬下的股權 —以市場基準計算法下的內部模式方法計算	240	244
Equity booked on banking book subject to PD/LGD Approach	銀行賬下的股權 —以PD/LGD計算法計算	—	—
Other equity booked on banking book	其他銀行賬下的股權	968	995
Securitisation	證券化類別	3	1
Other exposures under IRB Approach (Including cash and other items, and credit valuation adjustment risk)	內部評級基準計算法下的其他風險承擔(包括現金及其他項目，及信用估值調整風險)	1,453	1,947

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

Exposure class	風險承擔類別	Capital charge 資本要求	
		As at	As at
		31st December, 2016 於2016年12月31日 HK\$ Mn 港幣百萬元	31st December, 2015 於2015年12月31日 HK\$ Mn 港幣百萬元
Exposures under Standardised Approach	標準計算法下的風險承擔		
Sovereign	主權	55	–
Public sector entities	公營單位	1	1
Multilateral development bank	多邊發展銀行	–	–
Bank	銀行	20	41
Securities firms	證券商號	–	2
Corporate	企業	890	573
Regulatory retail	監管零售	276	220
Residential mortgage	住宅按揭	389	430
Other exposures that are not past due	未逾期的其他風險承擔	732	560
Past due	逾期	35	22
Off balance sheet exposure	資產負債表外的風險承擔	76	113
Counterparty exposure	交易對手風險承擔	25	60
Exposures to Central Counterparty	對中央交易對手方的風險承擔	19	9

#### Capital charge for market risk

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

#### 市場風險資本要求

本集團採用先進方法計算所得的市場風險資本要求總額分為兩個部分：一般市場風險的市場風險資本要求及特定風險的市場風險資本要求。本集團採用內部模式計算法，利用完整的10天價格變動取得風險值，以計算一般市場風險的市場風險資本要求。本集團採用標準(市場風險)計算法計算特定風險的市場風險資本要求。

The following table indicates the capital charge for market risk as at 31st December, 2016 and 31st December, 2015:

下表顯示於2016年12月31日及2015年12月31日的市場風險資本要求：

		Market risk capital charge 市場風險資本要求	
		As at	As at
		31st December, 2016 於2016年12月31日 HK\$ Mn 港幣百萬元	31st December, 2015 於2015年12月31日 HK\$ Mn 港幣百萬元
Internal Models Approach	內部模式計算法		
– General Market Risk	– 一般市場風險	885	1,002
– VaR	– 風險	287	383
– Stressed VaR	– 受壓風險	598	619
Standardised Approach	標準計算法		
– Specific Risk Debt Charge	– 特定風險債務要求	166	221
– Specific Risk Equity Charge	– 特定風險股份要求	147	155
Total	總額	1,198	1,378

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (10) PRINCIPAL RISK MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)

##### 主要風險管理及資本充足度(續)

##### (a) Assessment of capital charge (continued)

###### Capital charge for market risk (continued)

According to the Capital Rules, the Group adopts back testing to assess the predictive power of the VaR estimation. Back testing consists of a periodic comparison of the daily VaR measures with the subsequent daily actual and hypothetical trading outcomes. Back testing is a statistical technique developed to gauge the quality and accuracy of risk measurement model. 0 exception was found during 2016 (1 exception was found during 2015), under a 99% confidence level and a 250-day observation period.

The Bank uses internal models approach for Vega risk capital charge calculation.

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

###### Capital charge for operational risk

As at 31st December 2016, the capital charge for operational risk amounted to HK\$2,341 million (as at 31st December, 2015: HK\$2,444 million).

##### (b) Net non-structural positions and net structural positions in foreign currencies

Currency risk is one of the key types of market risk that must be managed.

The net non-structural position or net structural position in a particular foreign currency is disclosed when the position in that currency constitutes 10% or more of the total net position or total net structural position in all foreign currencies respectively. The net option position is calculated in the basis of the delta-weighted position of all foreign currency option contracts.

##### (a) 評估資本要求(續)

###### 市場風險資本要求(續)

根據《資本規則》，本集團採用回溯測試評估風險值估計數字的預測準確度。回溯測試包括定期將每日風險值與其後的每日實際及模擬交易結果進行對比。回溯測試是一種用以衡量風險管理模式的質素與準確度的統計技術。在99%的置信水平及250日觀察期的情況下，2016年發現0次例外情況(2015年發現1次例外情況)。

本行已採用內部模式計算法計算維加風險資本要求。

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

###### 營運風險資本要求

於2016年12月31日，營運風險資本要求為港幣23.41億元(於2015年12月31日：港幣24.44億元)。

##### (b) 外幣非結構性持倉淨額和結構性持倉淨額

貨幣風險為其中一種需要管理的市場風險。

如個別外幣的非結構性持倉淨額或結構性持倉淨額佔所持有外幣淨非結構性持倉總額或結構性淨持倉總額的10%或以上，便須予以披露。期權倉淨額乃根據所有外匯期權合約之得爾塔加權持倉為基礎計算。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

		2016				
		USD	RMB	SGD	Other foreign	Total
		美元	人民幣	新加坡元	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Spot assets	現貨資產	186,600	273,715	20,885	58,258	539,458
Spot liabilities	現貨負債	(172,440)	(253,575)	(24,727)	(48,147)	(498,889)
Forward purchases	遠期買入	184,475	130,912	4,880	9,091	329,358
Forward sales	遠期賣出	(191,621)	(161,274)	(1,628)	(19,070)	(373,593)
Net options position	期權倉淨額	(9,366)	9,233	-	(24)	(157)
Net long/(short) non-structural position	非結構性長/(短)盤淨額	(2,352)	(989)	(590)	108	(3,823)

		2015 Restated 重報				
		USD	RMB	SGD	Other foreign	Total
		美元	人民幣	新加坡元	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Spot assets	現貨資產	167,551	301,093	22,505	55,742	546,891
Spot liabilities	現貨負債	(162,388)	(291,341)	(25,293)	(50,728)	(529,750)
Forward purchases	遠期買入	149,048	117,610	4,429	12,809	283,896
Forward sales	遠期賣出	(157,288)	(128,386)	(2,221)	(17,344)	(305,239)
Net options position	期權倉淨額	92	(70)	-	(13)	9
Net long/(short) non-structural position	非結構性長/(短)盤淨額	(2,985)	(1,094)	(580)	466	(4,193)

		2016				
		USD	RMB	MYR	Other foreign	Total
		美元	人民幣	馬幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Net structural position	結構性持倉淨額	2,173	12,834	2,033	903	17,943

		2015				
		USD	RMB	MYR	Other foreign	Total
		美元	人民幣	馬幣	其他外幣	總額
		HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn	HK\$ Mn
		港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元	港幣百萬元
Net structural position	結構性持倉淨額	2,168	12,287	2,123	925	17,503

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (10) PRINCIPAL RISK MANAGEMENT AND CAPITAL ADEQUACY (CONTINUED)

## 主要風險管理及資本充足度(續)

## (b) Net non-structural positions and net structural positions in foreign currencies (continued)

The current year's figures are prepared after elimination of inter-branch foreign exchange transactions within a subsidiary, BEA China, for the purpose of conforming to the prevailing reporting requirements.

The above figures are disclosed in accordance with the return relating to foreign currency positions the Bank submitted to the HKMA pursuant to section 63 of the Banking Ordinance in respect of the annual reporting period, which are computed on consolidated basis as required by the HKMA for its regulatory purposes.

## (c) Daily profit/loss for all trading activities

The average daily profit for all trading activities (including foreign exchange, interest rate and equity trading activities) in 2016 was HK\$1.16 million (average daily profit of HK\$1.89 million in 2015). The standard deviation of the daily profit/loss for the period was HK\$7.29 million (standard deviation of HK\$10.43 million for 2015). The frequency distribution of daily profit/loss is shown below:

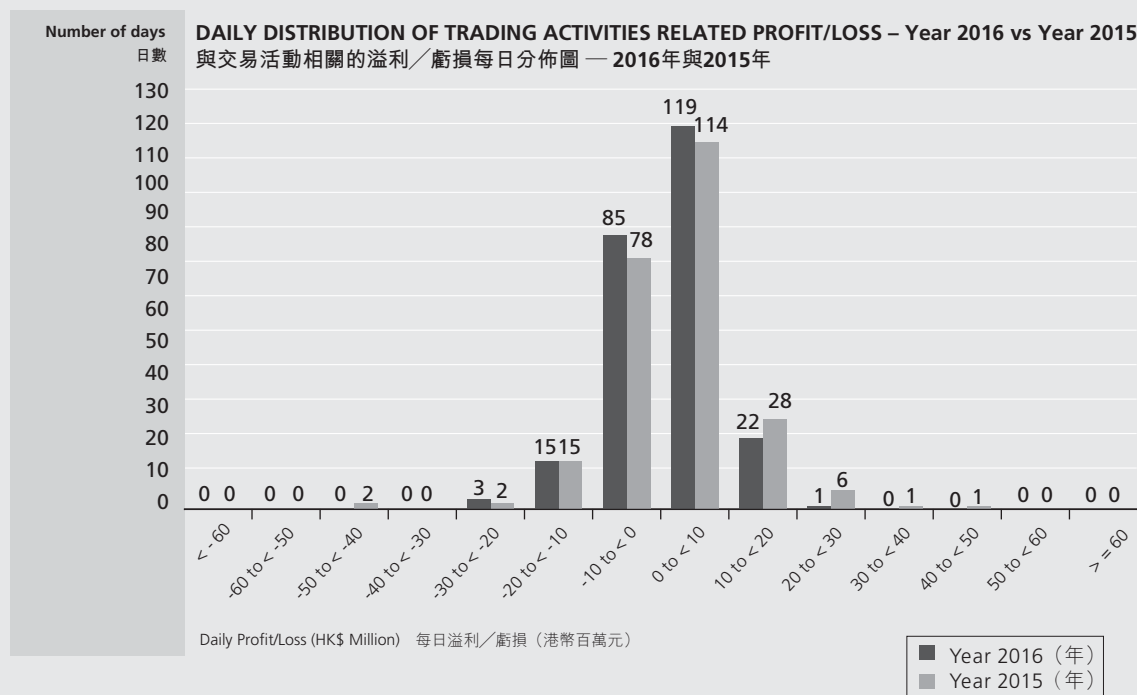
## (b) 外幣非結構性持倉淨額和結構性持倉淨額(續)

本年度的數字於編製時已將子公司東亞中國各分行之間的外匯交易會互相抵銷，以符合現行的報告要求。

以上數字乃根據《銀行業條例》第63條，就年度報告期向金管局呈交有關持有外匯情況的申報表之基準作披露，其計算是根據金管局為用作規管用途而訂定的綜合基礎所編製。

## (c) 所有交易活動的每日溢利/虧損

於2016年，所有交易活動(包括貨幣、利率及股份交易活動)的每日平均溢利為港幣116萬元(2015年的每日平均溢利為港幣189萬元)。每日溢利/虧損的標準差為港幣729萬元(2015年為港幣1,043萬元)。以下為每日溢利/虧損的頻率分佈情況：





## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (d) Capital management

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

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

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

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

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

The capital adequacy ratios as at 31st December, 2016 and 31st December, 2015 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 Capital Rules of the Banking Ordinance which became effective on 1st January, 2007.

The Group and its individually regulated operations have complied with all externally imposed capital requirements throughout the year ended 31st December, 2016 and 31st December, 2015 and the Group is well above the minimum required ratio set by the HKMA.

#### (d) 資本管理

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

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

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

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

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

2016年12月31日及2015年12月31日的資本充足比率是依據金管局為監管目的而制定的，本行及若干附屬公司已按綜合基準計算，並符合2007年1月1日生效的《銀行條例》的《資本規則》。

截至2016年12月31日及2015年12月31日止年度內，本集團及其個別受監管業務已符合所有外間訂立的資本規定，以及本集團俱遠高於金管局所定的最低規定比率。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

##### 內部評級基準計算法計算的信貸風險

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

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

##### (a) Structure of internal ratings systems

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

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

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

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

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

##### (b) Use of internal ratings

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

本節呈列本集團對內部評級基準計算法計算的信貸風險承擔進行的風險管理資料。

本集團採納基礎內部評級基準計算法以計算信貸風險的資本要求，並於風險管理程序中將內部評級系統應用於不同類型的交易對手。

##### (a) 內部評級系統的架構

內部評級系統為本行風險管理及資本充足評估的基礎。整體而言，該評級系統採納一套20等級的評級架構。

就企業、銀行及零售的風險承擔而言，信貸風險的內部量度方法以評估每項風險承擔的借款人及交易特性為基礎。因此，本行的評級架構是一套二維的評級架構，其中一維是借款人等級，另一維是融通等級。

借款人等級反映借款人違責的風險。借款人一年內的違責或然率與20等級的借款人評級架構相關，最低的3個等級為違責等級。融通等級包含特定交易因素，如抵押品、擔保等。該等因素與交易的預期損失直接相關，而交易的預期損失再轉換成20等級的融通評級架構。

另一方面，本行為專門性信貸風險承擔評級時，會使用監管分類準則計算法。根據此計算法，信貸風險承擔會獲賦予一個已經兼顧借款人及交易特性的單維評級。此評級同樣是具有20等級的評級架構。

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

##### (b) 內部評級的應用

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (c) Control mechanisms for rating systems

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

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

#### (d) Internal rating process

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

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

#### (e) Types of exposures

- Corporate exposure includes exposures to corporate SMEs, other corporate and specialised lending.
- Bank exposure includes exposures to banks, securities firms and public sector entities.
- Retail exposure includes residential mortgages, qualifying revolving retail exposures and other retail exposures.

#### (c) 評級系統的監控機制

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

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

#### (d) 內部評級程序

本行的內部評級程序由業務單位開始。該等部門對不同類別的信貸風險承擔評級時，均會採用不同的模型。在評級程序中，倘若重要資料未能於模型計算中考慮，模型計算出的評級可能會遭調整，但評級調整的理據應妥為存檔。

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

#### (e) 風險承擔類別

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

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

## Probability of Default (PD)

For corporate exposures, PD is estimated based on both financial and business factors of each borrower. Financial factors are financial ratios related to the profitability, liquidity and capital structure of the borrower, whereas business factors include management quality, industry risk, company standing, etc. The two assessments are combined based on a scorecard methodology to produce the PD which is estimated through the Bank’s internal data.

For retail exposures, borrowers are segmented into pools. In each pool, borrowers are with homogenous nature and transaction characteristics and are assigned the same estimated PD.

For bank exposures, the estimation of PD takes into account the financial and qualitative factors of each borrower. Financial factors are financial information related to the profitability, liquidity, asset quality and capital structure of the borrower, whereas qualitative factors include operating environment and other internal factors such as funding source and historical performance.

## Loss-Given-Default (LGD)

For corporate and bank exposures, the Bank applies the supervisory LGD estimate provided by the HKMA.

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

## Exposure-at-Default (EAD)

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

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

## (f) 估計及核實內部評級的因素、方法及數據

## 違責或然率

就企業風險承擔而言，違責或然率乃以借款人的財務及業務因素估計。財務因素為與借款人的盈利能力、資金流動性及資本架構有關的財務比率。而業務因素包括管理質素、行業風險及公司於行內地位等。兩項評估根據評分卡法結合及利用本行的內部數據而得出所估計的違責或然率。

就零售風險承擔而言，借款人會被分成多個組別。每個組別中，借款人皆有相近性質及交易特性，並會被賦予相同的估計違責或然率。

就銀行風險承擔而言，估計違責或然率時會考慮借款人財務及質量因素。財務因素為借款人的盈利能力、資金流動性、資產質素及資本架構有關的財務資料。而質量因素包括經營環境及其他內部因素如資金來源及以往業績。

## 違責損失率

就企業及銀行風險承擔而言，本行採用金管局提供的監管性違責損失率估計。

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

## 違責風險承擔

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

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### Assumptions Employed in Estimation of Internal Ratings

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

For retail exposures, the assumptions behind the estimation of LGD are: (1) the loss and recovery pattern of the credit portfolio from year to year does not exhibit significant fluctuations so that historical realised LGD could be applied as LGD estimate; (2) realised LGD differs significantly across the credit portfolios.

For certain revolving retail exposures, the assumption behind the estimation of EAD is that the historical further drawdown rate from year to year does not differ significantly so that historical data could be applied as the basis of EAD estimation for the revolving retail exposures.

#### Methods of Validation

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

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

The review of rating systems is carried out through a series of statistical tests. The purpose of the review is to assess the predictive power and robustness of model and identify the presence of risk underestimation.

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

#### (g) Policies for establishing provisions

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

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

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

估計內部評級時採用的假設

估計違責或然率時所作的假設是：(1)估計所選用的風險因素乃有效及重要。(2)各風險因素獲賦予的權重乃合理及適用於本行的信貸組合。(3)估計模型／方法乃有效及適用於本行的信貸組合及風險狀況。(4)就零售風險承擔而言，年來的違責率並無顯示重大波動，故過往違責率可應用作違責或然率估計的基礎。

就零售風險承擔而言，估計違責損失率時所作的假設是：(1)信貸組合年來的損失及收回模式並無顯示重大波動，故過往實際違責損失率可應用作違責損失率估計的基礎。(2)不同信貸組合的實際違責損失率有顯著的不同。

就若干循環零售風險承擔而言，估計違責風險承擔時的假設是：年來過往進一步提取貸款比率並無顯著不同，故過往數據可應用作循環零售的違責風險承擔估計的基礎。

#### 核實方法

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

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

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

審查評級應用乃以評級、審查及審批程序為重點。

#### (g) 設立準備金的政策

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

減值損失準備總額包括兩部分：個別減值準備，及整體減值準備。

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

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

##### 內部評級基準計算法計算的信貸風險(續)

##### (g) Policies for establishing provisions (continued)

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

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

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

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

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

The Bank takes into consideration the provision made in its capital maintenance decisions as in accordance with Section 220 of the Capital Rules. The Bank compares the total expected loss (“EL”) amount and the total eligible provisions, and if total EL amount exceeds total eligible provisions, the Bank deducts the difference from the Common Equity Tier 1 capital. On the other hand, if total EL amount is less than the eligible provisions, the Bank includes the difference in its Tier 2 capital up to a maximum of 0.6% of the Bank’s risk weighted amount for credit risk calculated using IRB Approach.

##### (g) 設立準備金的政策(續)

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

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

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

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

倘再無實際機會收回時，則貸款及相關的應收利息會被撇銷。

根據《資本規則》第220條，本行在作出有關維持資本的決定時，會考慮所作出的準備金。本行比較預期損失總額及合資格準備金總額，倘預期損失總額超過合資格準備金總額，本行會自普通股權一級資本減去超出數額。相反，倘預期損失總額較合資格準備金總額低，本行則把差額計入本行二級資本內，上限為以內部評級基準計算法計算所得本行信貸風險的風險加權數額的0.6%。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (h) Exposures subject to supervisory estimates

The following table indicates the exposure classes and the respective exposure amounts that are subject to supervisory estimates as at 31st December, 2016 and 31st December, 2015:

Exposure class	風險承擔類別	Exposure amount 風險承擔數額	
		2016	2015
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Bank	銀行	103,316	148,082
Corporate	企業	433,781	414,199
Equity booked on banking book subject to Simple Risk-weight Method under Market-based Approach	銀行賬下的股權 —以市場基準計算法下的 簡單風險權重方法計算	2,844	3,080

#### (h) 受限於監管性估計的風險承擔

下表顯示於2016年12月31日及2015年12月31日受限於監管性估計的風險承擔類別及相應的風險承擔數額：

#### (i) Non-securitisation exposure amount by IRB calculation approach

The following tables indicate the non-securitisation exposure amount under each IRB calculation approach as at 31st December, 2016 and 31st December, 2015:

##### 2016

Exposure class	風險承擔類別	Exposure amount 風險承擔數額					
		Supervisory Foundation IRB approach 基礎內部 評級基準 計算法 HK\$ Mn 港幣百萬元	Supervisory slotting criteria approach 監管分類準則 計算法 HK\$ Mn 港幣百萬元	Retail IRB approach 零售內部 評級基準 計算法 HK\$ Mn 港幣百萬元	Market- based approach 市場基準 計算法 HK\$ Mn 港幣百萬元	Specific risk-weight approach 特定風險權重 計算法 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元
Bank	銀行	103,316	-	-	-	-	-
Corporate	企業	415,392	18,389	-	-	-	-
Residential mortgage	住宅按揭	-	-	77,535	-	-	-
Qualifying revolving retail	合資格循環零售	-	-	33,779	-	-	-
Other retail	其他零售	-	-	10,053	-	-	-
Equity	股權	-	-	-	3,628	-	4,567
Other	其他	-	-	-	-	22,075	-
Total	總額	518,708	18,389	121,367	3,628	22,075	4,567

#### (i) 內部評級基準計算法的非證券化類別風險承擔數額

下表顯示於2016年12月31日及2015年12月31日各內部評級基準計算法下的非證券化類別風險承擔數額：

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

- (i) Non-securitisation exposure amount by IRB calculation approach (continued) 2015
- (i) 內部評級基準計算法的非證券化類別風險承擔數額(續)

Exposure class	風險承擔類別	Exposure amount 風險承擔數額					
		Foundation IRB approach 基礎內部評級基準計算法 HK\$ Mn 港幣百萬元	Supervisory slotting criteria approach 監管分類準則計算法 HK\$ Mn 港幣百萬元	Retail IRB approach 零售內部評級基準計算法 HK\$ Mn 港幣百萬元	Market-based approach 市場基準計算法 HK\$ Mn 港幣百萬元	Specific risk-weight approach 特定風險權重計算法 HK\$ Mn 港幣百萬元	Others 其他 HK\$ Mn 港幣百萬元
Bank	銀行	148,082	–	–	–	–	–
Corporate	企業	392,796	21,403	–	–	–	–
Residential mortgage	住宅按揭	–	–	77,743	–	–	–
Qualifying revolving retail	合資格循環零售	–	–	28,236	–	–	–
Other retail	其他零售	–	–	11,770	–	–	–
Equity	股權	–	–	–	3,878	–	4,696
Other	其他	–	–	–	–	24,770	–
<b>Total</b>	<b>總額</b>	<b>540,878</b>	<b>21,403</b>	<b>117,749</b>	<b>3,878</b>	<b>24,770</b>	<b>4,696</b>



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (j) Risk assessment for IRB exposure classes

The following tables indicate the exposure amount, exposure weighted average risk weight and exposure weighted average PD under bank exposure and corporate exposure across borrower grade, the exposure amount and exposure weighted average risk weight under specialised lending across supervisory rating grade and the exposure amount under retail exposures across facility grade as at 31st December, 2016 and 31st December, 2015:

For bank exposure

**2016**

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	-	-	-
2	348	18.44%	0.04%
3	24,556	31.82%	0.07%
4	16,395	37.35%	0.11%
5	10,116	58.53%	0.16%
6	8,101	49.44%	0.21%
7	13,827	68.40%	0.24%
8	21,641	79.97%	0.34%
9	3,913	82.01%	0.50%
10	2,677	100.49%	0.80%
11	1,221	111.18%	1.43%
12	125	116.30%	2.29%
13	396	162.80%	2.74%
14	-	-	-
15	-	-	-
16	-	-	-
17	-	-	-
18	-	-	-
19	-	-	-
20	-	-	-

#### (j) 內部評級基準風險承擔類別的風險評估

下表顯示於2016年12月31日及2015年12月31日各級借款人在銀行風險承擔及企業風險承擔下的風險承擔數額、風險承擔加權平均風險權重及風險承擔加權平均違責或然率、各監管評級等級在專門性借貸下的風險承擔數額及風險承擔加權平均風險權重，以及各級融通在零售風險承擔下的風險承擔數額：

就銀行風險承擔而言

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

## (j) Risk assessment for IRB exposure classes (continued)

## (j) 內部評級基準風險承擔類別的風險評估(續)

For bank exposure

就銀行風險承擔而言

2015

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	-	-	-
2	76	18.28%	0.04%
3	15,508	34.43%	0.07%
4	32,853	42.65%	0.11%
5	22,378	53.51%	0.16%
6	22,090	63.62%	0.21%
7	13,253	65.19%	0.25%
8	30,359	78.63%	0.35%
9	6,844	83.27%	0.53%
10	3,303	101.45%	0.84%
11	1,006	129.07%	1.45%
12	140	122.92%	2.06%
13	1	133.09%	2.76%
14	194	180.13%	4.11%
15	-	-	-
16	77	225.42%	8.39%
17	-	-	-
18	-	-	-
19	-	-	-
20	-	-	-

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

For corporate exposure

就企業風險承擔而言

2016

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	-	-	-
2	14,945	21.20%	0.05%
3	417	33.44%	0.07%
4	5,000	32.77%	0.10%
5	27,872	36.58%	0.14%
6	27,489	41.68%	0.20%
7	16,813	53.91%	0.25%
8	38,753	46.02%	0.31%
9	46,012	67.59%	0.50%
10	78,371	73.64%	0.80%
11	59,034	79.34%	1.32%
12	29,752	85.36%	2.05%
13	11,365	108.81%	2.64%
14	18,164	91.82%	3.84%
15	12,698	82.41%	6.12%
16	8,828	84.56%	9.31%
17	14,166	141.24%	36.72%
18	1,244	232.20%	100.00%
19	3,866	304.54%	100.00%
20	603	12.98%	100.00%

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

## (j) Risk assessment for IRB exposure classes (continued)

## (j) 內部評級基準風險承擔類別的風險評估(續)

For corporate exposure

就企業風險承擔而言

2015

Borrower grade 借款人等級	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權平均風險權重	Exposure weighted average PD 風險承擔加權平均違責或然率
1	232	21.13%	0.03%
2	11,103	17.91%	0.04%
3	17,034	19.41%	0.08%
4	28,900	32.73%	0.12%
5	12,806	39.78%	0.16%
6	31,371	43.70%	0.20%
7	33,101	38.56%	0.24%
8	64,691	49.43%	0.35%
9	48,797	63.29%	0.53%
10	34,348	64.52%	0.86%
11	34,363	73.69%	1.34%
12	15,941	77.10%	1.78%
13	16,083	70.03%	2.54%
14	12,116	98.73%	4.10%
15	7,360	84.50%	6.02%
16	8,230	130.88%	9.38%
17	12,631	166.04%	43.19%
18	944	317.73%	100.00%
19	2,146	286.04%	100.00%
20	599	379.24%	100.00%

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

For specialised lending

就專門性借貸而言

Supervisory rating grade	監管評級等級	2016		2015	
		Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權 平均風險權重	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure weighted average risk weight 風險承擔加權 平均風險權重
Strong	優	17,064	74.20%	19,901	74.20%
Good	良	1,149	95.40%	1,287	95.40%
Satisfactory	尚可	18	121.90%	-	-
Weak	欠佳	86	265.00%	167	265.00%
Default	違責	72	-	48	-

For residential mortgages

就住宅按揭而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2016 HK\$ Mn 港幣百萬元	2015 HK\$ Mn 港幣百萬元
1	2,122	1,303
2	648	781
3	11,386	10,922
4	49,582	49,710
5	7,919	6,268
6	2,014	3,335
7	797	716
8	179	145
9	36	23
10	1,181	1,446
11	744	683
12	211	255
13	86	145
14	12	73
15	581	1,609
16	-	12
17	33	234
18	4	80
19	-	3
20	-	-

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

## (j) Risk assessment for IRB exposure classes (continued)

For qualifying revolving retail exposures

## (j) 內部評級基準風險承擔類別的風險評估(續)

就合資格循環零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額	
	2016	
	2015	2015
	HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
1	-	-
2	-	-
3	-	-
4	-	-
5	8,207	6,045
6	215	225
7	18,686	15,589
8	1,561	1,587
9	1,547	1,285
10	1,005	561
11	382	507
12	1,357	1,545
13	26	28
14	467	482
15	309	362
16	7	8
17	-	-
18	10	12
19	-	-
20	-	-

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

For other retail exposures

就其他零售風險承擔而言

Facility grade 融通等級	Exposure amount 風險承擔數額			
	2016		2015	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
1		39		272
2		65		55
3		144		940
4		442		500
5		16		7
6		123		396
7		4,110		3,413
8		162		74
9		3,189		4,028
10		676		489
11		335		339
12		268		570
13		328		333
14		33		31
15		55		220
16		-		-
17		23		52
18		30		33
19		10		11
20		5		7

**(k) Comparison of rating estimates against actual outcome**

Comparison is made on the 1-year rating estimates for the Group's performing credit portfolios at 31st December, 2015 against the actual outcome for the same portfolios during the financial period ended 31st December, 2016.

**Comparison of actual loss and estimated loss**

The following tables indicate the actual loss during the financial year ended 31st December, 2016 and 31st December, 2015 which are compared against the estimated loss at 31st December, 2015 and 31st December, 2014 of the respective portfolio. Actual loss refers to impairment loss allowance and charge-off charged to the Group's income statement during the financial year ended 31st December, 2016 and 31st December, 2015. The difference between the actual loss for the financial year ended 31st December, 2016 and 31st December, 2015 is immaterial when compared with the Group's loan portfolio in the respective period.

**(k) 評級估計與實際結果比較**

以於2015年12月31日本集團履行中信貸組合的一年評級估計與截至2016年12月31日止財政期間內相同組合的實際結果作比較。

**實際損失與估計損失比較**

下表顯示截至2016年12月31日及2015年12月31日止之財政年度的實際損失，並與相應的組合在截至2015年12月31日及2014年12月31日的估計損失比較。實際損失指截至2016年12月31日及2015年12月31日止之財政年度的減值損失準備及計入本集團損益表的撇賬。截至2016年12月31日及2015年12月31日止之財政年度的實際損失，相對於本集團的貸款組合在相關期間的總額，並沒有重大的分別。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

## 內部評級基準計算法計算的信貸風險(續)

(k) Comparison of rating estimates against actual outcome (continued) (k) 評級估計與實際結果比較(續)  
2016

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2016	Estimated 1-year loss at 31st December, 2015
		截至2016年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	於2015年12月31日內 估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	161
Corporate	企業	1,156	2,957
Residential mortgage	住宅按揭	53	227
Qualifying revolving retail	合資格循環零售	65	215
Other retail	其他零售	69	127
Total	總額	1,343	3,687

2015

Exposure class	風險承擔類別	Actual loss for the year ended 31st December, 2015	Estimated 1-year loss at 31st December, 2014
		截至2015年12月31日止 之財政年度的實際損失 HK\$ Mn 港幣百萬元	於2014年12月31日內 估計的一年損失 HK\$ Mn 港幣百萬元
Bank	銀行	–	253
Corporate	企業	911	1,392
Residential mortgage	住宅按揭	45	103
Qualifying revolving retail	合資格循環零售	33	263
Other retail	其他零售	50	106
Total	總額	1,039	2,117

For specialised lending which is not included in the above tables, the actual loss during the financial year ended 31st December, 2016 was HK\$0 million (2015: HK\$0 million) while the estimated loss at 31st December, 2015 was HK\$103 million (2014: HK\$142 million).

就上表沒有包括在內的專門性借貸而言，截至2016年12月31日止之財政年度的實際損失為港幣0億元(2015年：港幣0億元)，而在截至2015年12月31日的估計損失為港幣1.03億元(2014年：港幣1.42億元)。



## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### Comparison of actual default rate against estimated probability of default

The following tables indicate the actual percentage of default during the financial year ended 31st December, 2016 and 31st December, 2015, which is compared against the estimated 1-year probability of default (PD) at 31st December, 2015 and 31st December, 2014 of the respective portfolio.

#### 實際違責率與估計違責或然率比較

下表顯示截至2016年12月31日及2015年12月31日止之財政年度的實際違責率，並與相應的組合分別於2015年12月31日及2014年12月31日的估計一年違責或然率比較。

#### 2016

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2016 截至2016年12月31日止之財政年度的實際違責率	Estimated 1-year probability of default at 31st December, 2015 於2015年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.29%
Corporate	企業	2.62%	3.56%
Residential mortgage	住宅按揭	0.26%	1.47%
Qualifying revolving retail	合資格循環零售	0.41%	0.58%
Other retail	其他零售	2.00%	4.10%

#### 2015

Exposure class	風險承擔類別	Actual percentage of default for the year ended 31st December, 2015 截至2015年12月31日止之財政年度的實際違責率	Estimated 1-year probability of default at 31st December, 2014 於2014年12月31日內估計的一年違責或然率
Bank	銀行	0.00%	0.70%
Corporate	企業	2.40%	1.37%
Residential mortgage	住宅按揭	0.30%	0.71%
Qualifying revolving retail	合資格循環零售	0.30%	0.71%
Other retail	其他零售	2.29%	2.93%

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

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

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

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

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

##### (a) 外部信貸評估機構的評級

穆迪投資者服務及標準普爾評級服務的信用評級用於標準計算法下的各類信貸風險承擔。本行根據《資本規則》第4部規定的程序，把評級對應本行銀行賬載列的風險承擔。

##### (b) Risk assessment for exposure classes under Standardised Approach

The following tables indicate the exposure amount and risk weighted amount for each class of exposure with and without ECAI ratings as at 31st December, 2016 and 31st December, 2015:

##### (b) 標準計算法下風險承擔類別的風險評估

下表顯示於2016年12月31日及2015年12月31日獲得及無外部信貸評估機構評級的每種風險承擔類別下的風險承擔數額及風險加權數額：

#### 2016

Exposure type	風險承擔類別	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure amount after credit risk mitigation 使用減低信貸風險措施後的 風險承擔數額		Risk-weighted amount after credit risk mitigation 使用減低信貸風險措施後的 風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	81,520	81,545	-	691	-
Public sector entities	公營機構	616	669	-	11	-
Multilateral development bank	多邊發展銀行	233	233	-	-	-
Bank	銀行	914	151	763	30	217
Securities firm	證券公司	-	-	-	-	-
Corporate	企業	15,366	6,216	6,688	4,440	6,688
Regulatory retail	監管零售	4,598	-	4,596	-	3,447
Residential mortgage	住宅按揭	10,418	-	10,181	-	4,865
Other exposures that are not past due	未逾期的其他風險承擔	17,726	-	9,156	-	9,156
Past due	逾期	410	-	410	-	433
Off balance sheet exposure	資產負債表外的風險承擔	2,109	75	1,003	15	930
Counterparty exposure	交易對手風險承擔	2,269	74	394	36	274
<b>Total</b>	<b>總額</b>	<b>136,179</b>	<b>88,963</b>	<b>33,191</b>	<b>5,223</b>	<b>26,010</b>

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

2015

Exposure type	風險承擔類別	Exposure amount 風險承擔數額 HK\$ Mn 港幣百萬元	Exposure amount after credit risk mitigation 使用減低信貸風險措施後的 風險承擔數額		Risk-weighted amount after credit risk mitigation 使用減低信貸風險措施後的 風險加權數額	
			Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元	Rated 獲評級 HK\$ Mn 港幣百萬元	Unrated 無評級 HK\$ Mn 港幣百萬元
Sovereign	主權	81,832	81,832	–	–	–
Public sector entities	公營機構	454	490	–	7	–
Multilateral development bank	多邊發展銀行	–	–	–	–	–
Bank	銀行	1,471	793	678	250	264
Securities firm	證券公司	164	148	2	30	1
Corporate	企業	10,971	1,086	6,440	722	6,440
Regulatory retail	監管零售	3,671	–	3,671	–	2,753
Residential mortgage	住宅按揭	11,897	–	11,638	–	5,373
Other exposures that are not past due	未逾期的其他風險承擔	14,313	–	6,998	–	6,998
Past due	逾期	238	–	238	–	281
Off balance sheet exposure	資產負債表外的風險承擔	1,820	202	1,492	13	1,401
Counterparty exposure	交易對手風險承擔	1,782	286	610	142	609
<b>Total</b>	<b>總額</b>	<b>128,613</b>	<b>84,837</b>	<b>31,767</b>	<b>1,164</b>	<b>24,120</b>

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (13) CREDIT RISK MITIGATION 減低信貸風險措施

##### (a) Process of managing and recognising credit risk mitigation

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

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

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

Recognised guarantees are guarantees that are provided by sovereigns, public sector entities, multilateral development banks, banks, securities firms or corporates that have ECAI issuer ratings or to which the Bank has an exposure that is assessed under the Bank's rating system and assigned to a borrower grade with an estimate of PD, and have been allocated a lower risk weight than that allocated to the exposures in respect of which the guarantees have been given.

On-balance and off-balance sheet recognised netting is not adopted by the Bank. As for recognised guarantees and recognised credit derivative contracts, only recognised guarantees provided by banks, recognised guarantees provided by corporates or sovereigns in respect of exposures that are debt securities and those provided by the Hong Kong Mortgage Corporation Limited in respect of reverse mortgage exposures are applied as credit risk mitigation for capital adequacy calculation at the end of the reporting period.

##### (a) 管理及認定減低信貸風險措施的程序

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

就計算監管資本而言，只有《資本規則》訂下的認可抵押品、擔保及信貸衍生工具合約方可視為認可的減低信貸風險措施，本行在評估減低信貸風險措施是否合資格時，會遵守《資本規則》規定的準則。

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

認可擔保乃任何主權實體、公營單位、多邊發展銀行、銀行、證券商號或獲得外部信用評估機構發行人評級或本行對其有風險承擔（而該承擔已根據本行的評級系統獲得評估，並獲編配借款人等級和給予違責或然率估計）的企業所提供的擔保，而該等擔保必須取得比受擔保風險承擔較低的風險權重。

本行並無採納資產負債表內及資產負債表外認可淨額結算方法。至於認可擔保及認可信貸衍生工具合約，本行於計算日只採納由銀行所提供、由企業或主權實體就債務證券風險承擔所提供或由香港按揭證券有限公司就安老按揭貸款所提供的認可擔保作為減低信貸風險措施，以計算資本充足度。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

(b) Non-counterparty credit risk-related exposures covered by recognised collaterals or recognised guarantees under IRB Approach

(b) 內部評級基準計算法下以認可抵押品或認可擔保涵蓋的非交易對手風險相關的風險承擔數額

Exposure class	風險承擔類別	Exposure amount covered net of specific provisions 扣除特定準備金下計算的已涵蓋的風險承擔數額			
		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Bank	銀行	3,110			2,735
Corporate	企業	221,177			192,623
Retail	零售	82,307			82,401
Total	總額	306,594			277,759

(c) Total exposures covered by recognised collaterals or recognised guarantees under Standardised Approach

(c) 標準計算法下以認可抵押品或認可擔保涵蓋的風險承擔數額

Exposure class	風險承擔類別	Exposure amount covered 已涵蓋的風險承擔數額			
		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Securities firm	證券公司	-			14
Corporate	企業	2,462			3,445
Regulatory retail	監管零售	2			-
Residential mortgage	住宅按揭	237			259
Other exposures which are not past due	未逾期的其他風險承擔	8,570			7,315
Past due	逾期	361			151
Counterparty	交易對手	1,801			886
Off balance sheet	資產負債表外項目	1,106			190
Total	總額	14,539			12,260

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

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

The Bank has adopted the Current Exposure Method for regulatory capital calculation of its counterparty credit risk arising from securities financing transactions and derivative contracts booked in the banking book and trading book. Internally, the Bank has in place a set of policies and a comprehensive framework to effectively manage such counterparty credit risk. Under this management framework, distinct credit limits for counterparty credit exposure for individual counterparties are determined based on the credit standing of the counterparties, collateral value, contract nature, etc.

The Bank has set out in its internal policies a process for identification of wrong-way risk for individual counterparties. Regular stress-testing is conducted to assess the potential impact of wrong-way risk on the Bank's capital adequacy and profitability.

According to the Credit Support Annexes of the International Swaps and Derivatives Association Master Agreements between the Bank and its major counterparties, and the Bank's credit rating position and outstanding liabilities arising from counterparty credit risk-related transactions as at 31st December, 2016, the Bank would not have to provide any additional collateral if there were a downgrade in the Bank's credit ratings from Moody's Investors Service or Standard & Poor's Ratings Services by one notch.

At 31st December, 2016, no recognised credit derivative contract is applied as credit risk mitigation and no valid bilateral netting agreement as defined in HKMA Guideline No. 4.4 is taken into account in the calculation of regulatory capital.

本行採取現行風險承擔方法計算所有由銀行賬及交易賬中的證券融資交易及衍生工具合約所引致的交易對手信貸風險的監管資本。本行已制訂一系列內部政策及完善的管理架構，以有效地管理此等交易對手信貸風險。在這管理架構下，不同交易對手的交易對手風險信貸限額會根據個別交易對手的信用狀況、抵押品價值、合約性質等因素釐定。

本行已在內部政策制定識別個別交易對手錯向風險的程序。本行定期進行壓力測試，以評估錯向風險對本行的資金充足度及盈利能力的潛在影響。

根據本行與其主要交易對手所簽訂的國際掉期交易協會主協議之信用附約條款，及本行於2016年12月31日的信用評級狀況及由交易對手信貸風險相關交易所引致的未結清負債，本行將不需要在假設其穆迪投資者服務或標準普爾評級服務的信貸評級遭降一級的情況下向交易對手提供額外的抵押品。

於2016年12月31日，就計算監管資本而言，本行並無以任何認可信貸衍生工具合約作為減低信貸風險措施，亦沒有採納按金管局指引第4.4號之有效雙邊淨額結算協議。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

The following tables indicate the information of counterparty credit risk-related exposures as at 31st December, 2016 and 31st December, 2015:

下表顯示於2016年12月31日及2015年12月31日與交易對手信貸風險相關的風險承擔的資料：

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

#### (a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔

2016

		Derivative contracts	Securities financing
		衍生工具合同	證券融資交易
		HK\$ Mn 港幣百萬元	HK\$ Mn 港幣百萬元
Gross total positive fair value	總公平價值正數	4,488	–
Default risk exposures amount	違責風險承擔數額		
– Bank	– 銀行	7,232	4,074
– Corporate	– 企業	1,224	–
		8,456	4,074
Recognised collateral held	認可抵押品		
– Cash	– 現金	855	1,593
– Others	– 其他	1	1,575
		856	3,168
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額		
– Bank	– 銀行	7,037	906
– Corporate	– 企業	563	–
		7,600	906
Risk-weighted amount	風險加權數額		
– Bank	– 銀行	4,294	177
– Corporate	– 企業	755	–
		5,049	177

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

## 與交易對手信貸風險相關的風險承擔(續)

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

2015

## (a) 內部評級基準計算法下與交易對手信貸風險相關的風險承擔(續)

		Derivative contracts 衍生工具合同 HK\$ Mn 港幣百萬元	Securities financing transactions 證券融資交易 HK\$ Mn 港幣百萬元
Gross total positive fair value	總公平價值正數	3,564	–
Default risk exposures amount	違責風險承擔數額		
– Bank	– 銀行	5,448	2,156
– Corporate	– 企業	2,539	–
		7,987	2,156
Recognised collateral held	認可抵押品		
– Cash	– 現金	308	–
– Others	– 其他	5	832
		313	832
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額		
– Bank	– 銀行	5,448	1,324
– Corporate	– 企業	2,226	–
		7,674	1,324
Risk-weighted amount	風險加權數額		
– Bank	– 銀行	3,531	414
– Corporate	– 企業	2,311	–
		5,842	414



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

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

(b) 標準計算法下與交易對手信貸風險相關的風險承擔

2016

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數	464		-	
Default risk exposures amount	違責風險承擔數額				
– Bank	– 銀行	223		893	
– Corporate	– 企業	428		-	
– Retail	– 零售	725		-	
		1,376		893	
Recognised collateral held	認可抵押品				
– Cash	– 現金	841		-	
– Others	– 其他	161		799	
		1,002		799	
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額				
– Bank	– 銀行	162		94	
– Corporate	– 企業	80		-	
– Retail	– 零售	132		-	
		374		94	
Risk-weighted amount	風險加權數額				
– Bank	– 銀行	79		19	
– Corporate	– 企業	80		-	
– Retail	– 零售	132		-	
		291		19	

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

## 與交易對手信貸風險相關的風險承擔(續)

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

2015

## (b) 標準計算法下與交易對手信貸風險相關的風險承擔(續)

		Derivative contracts 衍生工具合同 HK\$ Mn 港幣百萬元	Securities financing transactions 證券融資交易 HK\$ Mn 港幣百萬元
Gross total positive fair value	總公平價值正數	681	–
Default risk exposures amount	違責風險承擔數額		
– Bank	– 銀行	289	–
– Corporate	– 企業	566	–
– Retail	– 零售	927	–
		1,782	–
Recognised collateral held	認可抵押品		
– Cash	– 現金	737	–
– Others	– 其他	149	–
		886	–
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責 風險承擔數額		
– Bank	– 銀行	289	–
– Corporate	– 企業	180	–
– Retail	– 零售	427	–
		896	–
Risk-weighted amount	風險加權數額		
– Bank	– 銀行	144	–
– Corporate	– 企業	180	–
– Retail	– 零售	427	–
		751	–

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

(c) Counterparty credit risk-related exposures to Central Counterparties (c) 對中央交易對手方的與交易對手信貸  
風險相關風險承擔

2016

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數		3,986		–
Default risk exposures amount	違責風險承擔數額		6,557		–
Recognised collateral held	認可抵押品				
– Cash	– 現金		–		–
– Others	– 其他		–		–
			–		–
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額		6,557		–
Risk-weighted amount	風險加權數額		131		–

2015

		Derivative contracts		Securities financing transactions	
		衍生工具合同	證券融資交易	衍生工具合同	證券融資交易
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
Gross total positive fair value	總公平價值正數		1,857		–
Default risk exposures amount	違責風險承擔數額		3,464		–
Recognised collateral held	認可抵押品				
– Cash	– 現金		–		–
– Others	– 其他		–		–
			–		–
Default risk exposure amount net of recognised collateral	扣除認可抵押品後的淨違責風險承擔數額		3,464		–
Risk-weighted amount	風險加權數額		69		–

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

## (14) COUNTERPARTY CREDIT RISK-RELATED EXPOSURE (CONTINUED)

## 與交易對手信貸風險相關的風險承擔(續)

## (d) Credit derivative contracts which create exposures to counterparty credit risk

The following table indicates the notional amount of credit derivative contracts which create exposures to counterparty credit risk as at 31st December, 2016 and 31st December, 2015:

## (d) 會引致交易對手信貸風險的信貸衍生工具合約

下表顯示於2016年12月31日及2015年12月31日，按不同合同類別劃分的會引致交易對手信貸風險的信貸衍生工具合約的名義數額：

		2016		2015	
		HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
For credit portfolio	用作信貸組合				
Credit default swap	信用違責掉期				
Protection bought	購入保障	-		-	
Protection sold	售出保障	-		39	
Total return swap	總回報掉期				
Protection bought	購入保障	-		-	
Protection sold	售出保障	-		-	
For intermediation activities	用作中介活動				
Credit default swap	信用違責掉期				
Protection bought	購入保障	-		-	
Protection sold	售出保障	-		-	
Total return swap	總回報掉期				
Protection bought	購入保障	-		-	
Protection sold	售出保障	-		-	

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

### 未經審核補充財務資料(續)

#### (15) ASSET SECURITISATION 資產證券化

At the end of the reporting period, the Bank only acted as an investor in all securitisation exposures. Ratings from Moody's Investors Service and Standard & Poor's are adopted in assessing securitisation exposures. Since the securitisation exposures held by the Bank are all rated by recognised ECAI designated by the Capital Rules, the Ratings-based Method under the Internal Ratings-Based (Securitisation) Approach is used to calculate the risk-weighted amount for the exposures. The Bank closely monitors the risk arising from these exposures.

All securitisation exposures held by the Bank are rated with investment grades and backed by non-granular pools. The following table indicates the total principal amount and the respective capital requirement of all securitisation exposure as at 31st December 2016 and 31st December 2015:

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

本行所投資的證券化類別風險承擔均獲得投資評級及被歸類為以非多元化組合支持的持倉。下表顯示於2016年12月31日及2015年12月31日所有證券化類別風險承擔的本金總額及相應的資本要求：

Risk Weight 風險權重	Principal amount 本金總額				Capital requirement 資本要求			
	2016		2015		2016		2015	
	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元	HK\$ Mn	港幣百萬元
25%	50		52		1		1	
35%	63		-		2		-	
Total 總額	113		52		3		1	

There was no securitisation exposure subject to deduction from Common Equity Tier 1 capital base as at 31st December 2016 and 31st December 2015.

於2016年12月31日及2015年12月31日，本行並沒有持有須從普通股權一級資本扣減的證券化類別風險承擔。

## UNAUDITED SUPPLEMENTARY FINANCIAL INFORMATION (CONTINUED)

## 未經審核補充財務資料(續)

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

Before 1st January, 2013, the Bank deducted those equity holdings taken for relationship and strategic reasons from the core & supplementary capital and included those equity holdings taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

Starting from 1st January, 2013, under the Basel III requirements, the Bank regards those equity holdings taken for relationship and strategic reasons as deductible items from the Tier 1 & Tier 2 capital subject to the applicable thresholds and includes those equity holdings not deducted from the capital base and those taken for other reasons in the risk-weighted assets for capital adequacy ratio purpose.

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

於2013年1月1日以前，本行將因關係及策略性理由而持有的股權從核心及附加資本內扣減，及將因其他理由而持有的股權包括在風險加權資產內，以用作計算資本充足比率。

於2013年1月1日或以後，因應巴塞爾資本協定III之規定，本行將因關係及策略性理由而持有的股權視為可扣減項目並按適用的門檻規定從一級及二級資本內扣減，並將未於資本基礎扣減的股權及將因其他理由而持有的股權包括在風險加權資產內，以用作計算資本充足比率。

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

		For the year ended 31st December, 2016 截至2016年 12月31日止年度 HK\$ Mn 港幣百萬元
Cumulative realised gains arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的 累積實現收益	63
Total unrealised losses deducted from the Bank's reserves but not through the income statement	在儲備內確認而未有經收益表入賬的 未實現虧損的總計	(24)

		For the year ended 31st December, 2015 截至2015年 12月31日止年度 HK\$ Mn 港幣百萬元
Cumulative realised gains arising from sales and liquidations of equity exposure	來自出售和兌現持有股權的 累積實現收益	219
Total unrealised losses deducted from the Bank's reserves but not through the income statement	在儲備內確認而未有經收益表入賬的 未實現虧損的總計	(277)

# GLOSSARY

## 詞彙

2011 Scheme 「2011計劃」	Staff Share Option Scheme approved and adopted by the shareholders of the Bank on 19th April, 2011 於2011年4月19日經股東批准及採納的僱員認股計劃
2016 Scheme 「2016計劃」	Staff Share Option Scheme approved by the shareholders of the Bank on 8th April, 2016 and adopted on 19th April, 2016 於2016年4月8日經股東批准及於2016年4月19日採納的僱員認股計劃
2016 AGM 「2016股東周年常會」	an AGM of the Bank was held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 8th April, 2016 at 11:30 a.m. 本行於2016年4月8日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會
2017 AGM 「2017股東周年常會」	an AGM of the Bank to be held in the Grand Ballroom, Four Seasons Hotel, 8 Finance Street, Hong Kong on Friday, 5th May, 2017 at 11:30 a.m. or any adjournment thereof 本行將於2017年5月5日星期五上午11時30分在香港中環金融街8號四季酒店大禮堂舉行的股東周年常會，或其任何續會
AC 「審核委員會」	the Audit Committee of the Bank 本行的審核委員會
ACM 「審核委員會會議」	Audit Committee Meeting 審核委員會會議
AGM 「股東周年常會」	an Annual General Meeting of the Bank 本行的股東周年常會
Article of Association 「組織章程細則」	the articles of association of the Bank (as amended, modified or otherwise supplemented from time to time) 本行的組織章程細則，經不時修訂、修改或以其他方式補充
AUM 「管理資產」	Assets under management 管理資產
Bank Group or BEA Group or Group 「集團」或「本集團」	The Bank and its subsidiaries 東亞銀行及其附屬公司
Bank or BEA 「本行」或「東亞銀行」	The Bank of East Asia, Limited, a limited liability company incorporated in Hong Kong 東亞銀行有限公司，於香港註冊成立的有限公司
Banking Ordinance 《銀行業條例》	the Banking Ordinance (Chapter 155 of the Laws of Hong Kong) 《銀行業條例》(香港法例第155章)
BEA China 「東亞中國」	The Bank of East Asia (China) Limited, a wholly-owned subsidiary of the Bank 東亞銀行(中國)有限公司，本行的全資附屬公司
BEA Foundation 「東亞銀行慈善基金」	The Bank of East Asia Charitable Foundation Limited, a wholly-owned subsidiary of the Bank 東亞銀行慈善基金有限公司，本行的全資附屬公司
BEA Hong Kong 「東亞香港」	The Bank's operations in Hong Kong 本行的香港業務
BEA Macau or Macau Branch 「澳門分行」	the Bank's branch operations in Macau 本行的澳門分行
BEA Taiwan or Taiwan Branch 「台灣分行」	the Bank's branch operations in Taiwan 本行的台灣分行
BEA Union Investment 「東亞聯豐投資」	BEA Union Investment Management Limited, a non-wholly-owned subsidiary of the Bank 東亞聯豐投資管理有限公司，本行的非全資附屬公司
Blue Cross 「藍十字」	Blue Cross (Asia-Pacific) Insurance Limited, a wholly-owned subsidiary of the Bank 藍十字(亞太)保險有限公司，本行的全資附屬公司
BM 「董事會會議」	Board Meeting 董事會會議
Board 「董事會」	Board of Directors of the Bank 本行的董事會

## GLOSSARY (CONTINUED)

## 詞彙 (續)

BVI 「英屬處女群島」	British Virgin Islands 英屬處女群島
Capital Rules 「《資本規則》」	Banking (Capital) Rules issued by the HKMA 金管局頒布的《銀行業 (資本規則)》
CDP 「CDP」	Carbon Disclosure Project Carbon Disclosure Project
CG Code 「《企業管治守則》」	Corporate Governance Code and Corporate Governance Report, Appendix 14 of the Listing Rules 《上市規則》附錄 14 內所載的《企業管治守則》及《企業管治報告》
CG-1 「CG-1」	Supervisory Policy Manual CG-1 on Corporate Governance of Locally Incorporated Authorized Institutions, issued by the HKMA 金管局頒布之監管政策手冊 CG-1 內有關《本地註冊認可機構的企業管治》
CG-5 「CG-5」	Supervisory Policy Manual CG-5 on Guideline on a Sound Remuneration System, issued by the HKMA 金管局頒布之監管政策手冊 CG-5 內有關《穩健的薪酬制度指引》
Charity Fund 「公益基金」	Shanghai Soong Ching Ling Foundation – BEA Charity Fund 上海宋慶齡基金會 — 東亞銀行公益基金
CHF 「瑞士法郎」	Swiss franc 瑞士法定貨幣
China, Mainland, Mainland China, or PRC 「中國」或「內地」	People's Republic of China 中華人民共和國
Circular 「通函」	the circular to the Shareholders dated 29th March, 2017 日期為 2017 年 3 月 29 日的致股東通函
CNY or RMB 「人民幣」	Chinese yuan or Renminbi, the lawful currency of the PRC 中國法定貨幣
The Community Chest 「公益金」	The Community Chest of Hong Kong 香港公益金
Companies Ordinance 「《公司條例》」	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) 《公司條例》(香港法例第 622 章)
Credit Gain 「領達財務」	Credit Gain Finance Company Limited, a wholly-owned subsidiary of the Bank 領達財務有限公司，本行的全資附屬公司
CSR 「企業社會責任」	Corporate social responsibility 企業社會責任
Director(s) 「董事」	includes any person who occupies the position of a director, by whatever name called, of the Bank or otherwise as the context may require 包括任何任職本行董事職位的人士 (不論其職銜如何)，或文義另有所指的人士
DIS 「預設投資策略」	Default Investment Strategy 預設投資策略
EAS 「東亞證券」	East Asia Securities Company Limited 東亞證券有限公司
ED 「執行董事」	Executive Director of the Bank 本行的執行董事
ERM 「企業風險管理」	Enterprise risk management 企業風險管理
EUR 「歐羅」	Euro 歐羅區法定貨幣
FX 「外匯」	Foreign Exchange 外匯



## GLOSSARY (CONTINUED)

### 詞彙 (續)

GBP 「英鎊」	Pound sterling, the lawful currency of the UK 英國法定貨幣
GDP 「本地生產總值」	Gross domestic product 本地生產總值
HK\$ or HKD 「港幣」	Hong Kong dollar, the lawful currency of Hong Kong 香港法定貨幣
HKAEE 「香港環保卓越計劃」	Hong Kong Awards for Environmental Excellence 香港環保卓越計劃
HKAS 「香港會計準則」	Hong Kong Accounting Standards 香港會計準則
HKCSS 「社聯」	Hong Kong Council of Social Service 香港社會服務聯會
HKEx 「香港交易所」	Hong Kong Exchanges and Clearing Limited 香港交易及結算所有限公司
HKFRS 「香港財務報告準則」	Hong Kong Financial Reporting Standards 香港財務報告準則
HKGOC 「香港綠色機構認證」	Hong Kong Green Organisation Certification 香港綠色機構認證
HKICPA 「香港會計師公會」	Hong Kong Institute of Certified Public Accountants 香港會計師公會
HKMA 「金管局」	Hong Kong Monetary Authority 香港金融管理局
HKRC 「香港紅十字會」	Hong Kong Red Cross 香港紅十字會
Hong Kong or HK 「香港」	Hong Kong Special Administrative Region of PRC 中華人民共和國香港特別行政區
INED(s) 「獨立非執行董事」	Independent Non-executive Director(s) of the Bank 本行的獨立非執行董事
ISC 「中國互聯網協會」	Internet Society of China 中國互聯網協會
JPY 「日圓」	Japanese yen, the lawful currency of Japan 日本法定貨幣
Listing Rules 「《上市規則》」	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, modified or otherwise supplemented from time to time) 聯交所《證券上市規則》，經不時修訂、修改或以其他方式補充
Management 「管理層」	the Chief Executive, Deputy Chief Executives and Division Heads of the Bank 本行的行政總裁、副行政總裁及處級主管
MPF 「強積金」	Mandatory Provident Fund 強制性公積金
MYR 「馬幣」	Malaysian Ringgit, the lawful currency of Malaysia 馬來西亞法定貨幣
NC 「提名委員會」	the Nomination Committee of the Bank 本行的提名委員會
NCM 「提名委員會會議」	Nomination Committee Meetings 提名委員會會議

## GLOSSARY (CONTINUED)

## 詞彙 (續)

NED 「非執行董事」	Non-executive Director of the Bank 本行的非執行董事
NGO(s) 「非政府機構」	Non-governmental organisation(s) 非政府機構
PHAB 「傷健」	Physically handicapped and able-bodied 傷殘與健全人士
RC 「薪酬委員會」	the Remuneration Committee of the Bank 本行的薪酬委員會
RCM 「薪酬委員會會議」	Remuneration Committee Meetings 薪酬委員會會議
RIC 「風險委員會」	the Risk Committee of the Bank 本行的風險委員會
RICM 「風險委員會會議」	Risk Committee Meeting 風險委員會會議
The Salvation Army 「救世軍」	The Salvation Army Hong Kong and Macau Command 救世軍港澳軍區
Senior Management 「高層管理人員」	the Deputy Chief Executives of the Bank 本行的副行政總裁
SFO 「《證券及期貨條例》」	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) 《證券及期貨條例》(香港法例第571章)
SGD 「新加坡元」	Singapore dollar, the lawful currency of Singapore 新加坡法定貨幣
SinoPac Securities 「永豐金證券」	SinoPac Securities Corporation 永豐金證券股份有限公司
SJS 「聖雅各福群會」	St. James' Settlement 聖雅各福群會
SMBC 「三井住友銀行」	Sumitomo Mitsui Banking Corporation 三井住友銀行
SMEs 「中小企」	Small and medium-sized enterprises 中小型企業
SSCLF 「上海宋慶齡基金會」	Shanghai Soong Ching Ling Foundation 上海宋慶齡基金會
Stock Exchange 「聯交所」	The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司
Supplier Code 「供應商行為守則」	the Bank's Supplier Code of Conduct 本行的供應商行為守則
Tricor or Tricor Holdings 「卓佳」或「卓佳集團」	Tricor Holdings Limited, a non-wholly-owned subsidiary of the Bank 卓佳集團有限公司，本行的非全資附屬公司
TWD 「新台幣」	Taiwan dollar, the lawful currency of Taiwan 台灣法定貨幣
UK 「英國」	United Kingdom 英國
US 「美國」	United States of America 美利堅合眾國
US\$ or USD 「美元」	United States dollar, the lawful currency of the US 美國法定貨幣

## SHAREHOLDER INFORMATION

### FINANCIAL CALENDAR

2016 full year results announced	17th February, 2017
2016 Second Interim Dividend declared	17th February, 2017
Ex-all date for 2016 Second Interim Dividend	2nd March, 2017
Closure of register of members - 2016 Second Interim Dividend	6th March, 2017 and 7th March, 2017
Record date for 2016 Second Interim Dividend	7th March, 2017
Despatch of Scrip Dividend Scheme Listing Document and Form of Election	7th March, 2017
Despatch of dividend warrants and share certificates for 2016 Second Interim Dividend	(on or about) 30th March, 2017
Closure of register of members - 2017 AGM	From 27th April, 2017 to 5th May, 2017 (Both days inclusive)
2017 AGM	5th May, 2017
2017 interim results to be announced	August, 2017*

\* Subject to change

## SHARE LISTING

The Stock Exchange of Hong Kong Limited

## SHARE REGISTRAR

Tricor Standard Limited

Telephone: (852) 2980 1768

Facsimile: (852) 2861 1465

## ADR DEPOSITARY BANK

BNY Mellon

Telephone: 1-888-BNY-ADRS

E-mail: shrrelations@cpushareownerservices.com

## REGISTERED OFFICE

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Website: www.hkbea.com

E-mail: info@hkbea.com

## 股東資料

### 財務日誌

公布2016年度全年業績	2017年2月17日
宣布派發2016年度第二次中期股息	2017年2月17日
2016年度第二次中期股息除淨日期	2017年3月2日
暫停辦理過戶登記手續 - 2016年度第二次中期股息	2017年3月6日及2017年3月7日
2016年度第二次中期股息記錄日期	2017年3月7日
寄發以股代息計劃上市文件及選擇表格	2017年3月7日
寄發2016年度第二次中期股息單及股票	(約於) 2017年3月30日
暫停辦理過戶登記手續 - 2017股東周年常會	由2017年4月27日至2017年5月5日(包括首尾兩天)
2017股東周年常會	2017年5月5日
公布2017年度中期業績	2017年8月*

\* 可予更改

## 股份上市

香港聯合交易所有限公司

## 股份登記處

卓佳標準有限公司

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This Annual Report (both English and Chinese versions) is now available in printed form and on the website of the Bank at [www.hkbea.com](http://www.hkbea.com) and HKEx's website at [www.hkexnews.hk](http://www.hkexnews.hk).

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